

## ERGO

*Analysing developments impacting business*

### ONCE LISTED, ALWAYS LISTED – SEBI AMENDS LAWS FOR LISTING OF DEBT SECURITIES FOR ALL EQUITY LISTED ENTITIES

13 October 2023

The Securities and Exchange Board of India (SEBI) *vide* its notification dated 19 September 2023 has inserted regulation 62A to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), hereinafter referred to as the “Amendment”.

By way of the Amendment, the SEBI has mandated that a listed entity, whose non-convertible debt securities (NCS) are listed on the stock exchange(s), shall list **all** its NCS, proposed to be issued on or after 1 January 2024 (Cut-off Date). Additionally, a listed entity, which has made an issue of unlisted NCS on or before 31 December 2023, which are outstanding on the Cut-off Date, **may** list such securities, on the relevant stock exchange(s).

However, a listed entity that proposes to list the NCS on the stock exchange(s) on or after the Cut-off Date, shall list all its outstanding unlisted NCS previously issued on or after the Cut-off date, on the stock exchange(s), within 3 (three) months from the date of listing of the NCS proposed to be listed.

**The following is a snapshot of the requirements under the Amendment vis-à-vis listing of NCS:**

Entity	Proposing to issue NCS post 1 January 2024*	Listing of unlisted NCS issued on or before 31 December 2023*	Listing of unlisted NCS issued post 1 January 2024 where the entity is proposing to issue listed NCS post 1 January 2024*
<b>Equity Listed Entity</b>	Mandatory to list all NCS, if the entity has previously listed NCS	May list such securities – optional listing	Mandatory to list unlisted issues of NCS which are issued post 1 January 2024, within 3 months from the date of listing of the proposed NCS

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<b>Debt Listed Entity</b>	Mandatory to list all NCS	May list such securities – optional listing	Mandatory to list unlisted issues of NCS which are issued post 1 January 2024, within 3 months from the date of listing of the proposed NCS
<b>Unlisted Entity</b>	Not applicable to unlisted entities. The issue will remain unlisted.		

\*NCS issued, *inter alia*, pursuant to an agreement entered into between the listed entity of NCS and multilateral institutions are outside the purview of this Amendment, subject to the following conditions:

- i. Such NCS issued by the listed entity shall be locked in and held till maturity by the investors, and shall be unencumbered; and
- ii. the listed entity proposing to issue the above unlisted NCS shall disclose to the stock exchanges on which its existing NCS are listed, all the key terms of such unlisted NCS, including embedded options, security offered, interest rates, charges, commissions, premium (by any name called), period of maturity and such other details as may be required to be disclosed by SEBI, from time to time.

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