



## SEBI Board Meeting

### (I) Issuance of partly paid shares and warrants by Indian companies

In order to harmonize the norms on receipt of upfront payment and tenure of partly paid shares / warrants between the SEBI (ICDR) Regulations, 2009 and Foreign Exchange Management Act, the Board approved the following proposal:

1. In case of partly paid shares issued through Public / Rights Issue, a minimum 25% of the issue price shall necessarily be received upfront. The balance consideration shall continue to be received within 12 months if the issue size is less than Rs. 500 crore. Where the issue size exceeds Rs. 500 crore and the issuer has appointed a monitoring agency, the period can be decided by the issuer as per the existing regulatory framework.
2. In respect of warrants issued along with public or rights issue of specified securities, 25% of the consideration shall be received upfront by the issuer and tenure of such warrants shall be 18 months as against 12 months presently.

### (II) Amendments in Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

The Board approved amendments to Issue and Listing of Debt Securities (ILDS) Regulations to incorporate express provisions for enabling "Consolidation and Re-issuance of Debt Securities" and "Call and Put options".

By enabling consolidation and re-issuance of debt-securities, the illiquid and infrequently traded corporate bonds can be re-issued thereby leading to creation of a larger floating stock that can increase liquidity in the market. By enabling Call and Put options, the issuer and investors would have flexibility in redemption of debt securities.

### (III) Amendments in Securities and Exchange Board of India (Public offer and Listing of Securitised Debt Instruments) Regulations, 2008

**The Securitised Debt Instruments (SDI) Regulations prescribe for registration of trustees with certain exemptions, roles and responsibilities of trustees and their code of conduct.**

In order to further develop the securitisation market, the Board approved amendments in SDI regulations to rationalize and clarify the role and responsibilities of trustee, allowing banks and public financial institutions to act as trustee without obtaining registration, terms of appointment and capital requirement for trustee, and providing for a summary term sheet. The term sheet inter-alia includes disclosures on originators, Issuer, trustee, transaction structure, etc., key pool features, credit enhancement, etc. to enhance disclosure requirements for SDI. The above measures are expected to enhance the confidence of investors in securitisation transactions.

#### **(IV) Companies exclusively listed on exiting stock exchanges to get time for listing on nation wide stock exchanges**

In light of stock exchanges exiting in terms of SEBI circular dated May 30, 2012, many of their exclusively listed companies have expressed concern that they are unable to get listed on nation wide stock exchanges due to shortage of time in complying with the listing norms of nation wide stock exchanges. Keeping in view their concerns and interest of shareholders of such companies, the Board decided to give time of eighteen months, within which such companies may obtain listing subject to compliance with the listing requirements of the nation wide stock exchanges and till such listing the shares of exclusively listed companies will remain on the dissemination board of nation wide stock exchanges.

#### **(V) Amendments to SEBI (Delisting of Equity Shares) Regulations, 2009**

While discussing the minutes of the 157th Meeting of the Board held on November 19, 2014, it was decided to add a provision that if the acquirer and the Merchant Banker are able to demonstrate that they have contacted all the public shareholders, about the offer in the manner prescribed, then the condition of mandatory participation of 25% of the public shareholders holding shares in demat mode would not be applicable.

Mumbai

January 22, 2015

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