



SEBI/HO/IMD/DF2/CIR/P/2020/75.

April 28, 2020

All Mutual Funds (MFs)/

Asset Management Companies (AMCs)/

Trustee Companies/ Board of Trustees of Mutual Funds/

Sir / Madam,

Subject: Existing grandfathered unlisted NCDs

1. SEBI vide Circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019 has allowed the existing unlisted NCDs to be grandfathered till maturity, such NCDs are herein referred to as “identified NCDs”.
2. It is hereby clarified that the grandfathering of the identified NCDs is applicable across the mutual fund industry. Accordingly, mutual funds can transact in such identified NCDs and the criteria as specified in para B (1) of SEBI Circular dated October 1, 2019 is not applicable.
3. However, investments in such identified NCDs shall continue to be subject to compliance with investment due diligence and all other applicable investment restrictions.
4. Based on the request received, the timeline for compliance with the maximum limits for investment in unlisted NCDs (as issued vide SEBI Circulars dated October 01, 2019 and March 23, 2020) as 15% and 10% of the debt portfolio of the scheme is extended to September 30, 2020 and December 31, 2020 respectively.



5. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of regulations 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Hruda Ranjan Sahoo

Deputy General Manager

Tel no.: 022-26449586

Email: hhsahoo@sebi.gov.in