

**SEBI MUTUAL FUNDS (AMENDMENT) REGULATIONS, 2013 - AMENDMENT  
IN REGULATIONS 2, 49L, 49-O, 49P & SECOND SCHEDULE AND  
INSERTION OF REGULATIONS 49NA & 49-OA**

**NOTIFICATION NO. LAD-NRO/GN/2013-14/03/5652, DATED 16-4-2013**

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, namely:-

1. These Regulations may be called the Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2013.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, -
  - (i) in regulation 2, -
    - (A) in sub-regulation (q), -
      - (I) for the symbol ";" the symbol ":" shall be substituted;
      - (II) the following new proviso shall be inserted, namely,-

**"Provided** that infrastructure debt fund schemes may raise monies through private placement of units, subject to the conditions specified in these regulations;"
    - (B) sub-regulation (sa) shall be numbered as sub-regulation (sb) and any reference thereto in any regulation framed or any circular or guideline issued by the Board, shall be read accordingly;
    - (C) after sub-regulation (s), the following new sub-regulation shall be inserted, namely-

"(sa) "private placement" means any offer of units of a mutual fund scheme or invitation to subscribe such units to a select group of persons, by a mutual fund (other than by way of public offer) through issue of a placement memorandum and which is not being calculated to result, directly or indirectly in the units becoming available for subscription or purchase by persons other than those receiving the offer or invitation;"
  - (ii) in regulation 49L, in clause (3), after sub clause (iii), the following new sub-clauses shall be inserted, namely,-
    - (iv) Systemically Important Non Banking Financial Companies registered with Reserve Bank of India;

(v) Foreign Institutional Investors registered with the Board, subject to their applicable investment limits, which are long term investors in terms of the norms specified by SEBI."

(iii) after regulation 49N, the following new regulation shall be inserted, namely-

**"Offering period.**

**49NA.** No scheme of an infrastructure debt fund, in the case of a public offer, shall be open for subscription for more than forty five days."

(iv) in regulation 49-O, in sub-regulation (1), -

(A) the words "interval period not longer than one month" shall be substituted with the words "specified transaction period of not more than forty five days";

(B) the full stop shall be substituted with the symbol ":" ;

(C) the following proviso shall be inserted, namely-

**"Provided** that the tenure of the scheme may be extended to two years subject to approval of two-thirds of the unitholders by value of their investment in the scheme."

(v) after regulation 49-O, a new sub-regulation shall be inserted, namely"

**Private Placement.**

**49-OA.** (1) The units of an infrastructure debt fund scheme may be offered through private placement to less than fifty persons , subject to approval by the trustees and the board of the asset management company.

(2) The offer made under sub-regulation (1), shall be subject to the following:

(a) A placement memorandum, in the manner as specified by the Board, shall be filed by the mutual fund with the Board at least seven days prior to the launch of the scheme; and

(b) the mutual fund shall pay to the Board, filing fee as specified in the Second Schedule."

(vi) in regulation 49P, -

(A) in sub- regulation (1) -

(I) for the full stop, the symbol ":" shall be substituted;

(II) the following new provisos shall be inserted, namely-

**"Provided** that the funds received on account of re-payment of principal, whether by way of pre-payment or otherwise, with respect to the underlying assets of the scheme, shall be invested

as specified in this sub-regulation:

**Provided further** that if the investments specified in this sub-regulation are not available, such funds may be invested in bonds of Public Financial Institutions and Infrastructure Finance Companies."

(B) in sub-regulation (5), -

(I) after the words "or project or special purpose vehicle", a full stop shall be inserted;

(II) the symbols and words," which are rated below investment grade or unrated:" shall be omitted;

(III) the proviso shall be omitted;

(C) after sub-regulation (5), the following new sub-regulation and proviso shall be inserted, namely, -

"(5A) The overall investments by an infrastructure debt fund scheme in debt instruments or assets of infrastructure companies or projects or special purpose vehicles, which are created for the purpose of facilitating or promoting investment in infrastructure or bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles, which are rated below investment grade or are unrated, shall not exceed 30% of the net assets of the scheme:

**Provided** that the overall investment limit may increase upto 50% of the net assets of the scheme with the prior approval of the trustees and the board of the asset management company."

(D) in sub-regulation (6), for clause (iv), the following shall be substituted, namely, -

"(iv) any asset or securities owned by the sponsor or asset management company or their associates in excess of 30% of the net assets of the scheme, provided that-

(a) such investment is in assets or securities not below investment grade;

(b) the sponsor or its associates retains atleast 30% of the assets or securities, in which investment is made by the scheme, till the assets or securities are held in the scheme portfolio; and

(c) approval for such investment is granted by the trustees and full disclosures are made to the investors regarding such investment."

(vii) in Second Schedule, in paragraph I, in item D, -

(A) after the words "Filing fees for offer documents" the words "and

placement memoranda" shall be inserted;

- (B) after the words "amount raised in the new fund offer" and before the symbol and words," subject to a minimum of", the words and symbol "or by way of private placement, as the case may be" shall be inserted.