

Deputy General Manager
Investment Management Department
Division of Funds - I
Email: maninderc@sebi.gov.in

SEBI/IMD/BOND/Cir-2/2009

June 23, 2009

To All Registered Merchant Bankers / Stock Exchanges

Dear Sirs,

Sub: Clarification on applicability of SEBI Regulations/ Circulars on Initial and Continuous Disclosures for Convertible and Non-Convertible Debt

I. SEBI introduced the simplified listing agreement vide Circular No. SEBI/IMD/ BOND/1/2009/11/05 dated May 11, 2009 which inter alia, superceded SEBI Circulars No. No. SEBI/MRD/SE/AT/36/2003/30/09 dated September 30, 2003 and SEBI/MRD/SE/AT/46/2003 dated December 22, 2003 that prescribed norms for issue of privately placed debt securities and listing of such securities on the exchange. SEBI has subsequently been receiving queries on applicability of disclosure norms for issue and listing of convertible debt securities.

II. It is hence clarified that, issue and listing of non-convertible debt securities, whether issued to the public or privately placed, is to be done in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. Issue of debt securities that are convertible, either partially or fully or optionally into listed or unlisted equity shall be guided by the disclosure norms applicable to equity or other instruments offered on conversion in terms of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

III. The clarifications issued vide this circular shall be applicable to all information memoranda/ offer documents for issue of privately placed convertible or nonconvertible debt securities that are intended to be listed on recognized stock exchanges, prepared on or after the date of issue of the instant circular.

IV. All registered merchant bankers are directed to ensure compliance with the applicable amendments made vide this circular.

V. All stock exchanges are advised to bring to the notice of all the listed companies and issuers seeking listing of their convertible debt securities.

VI. This circular is issued in exercise of powers conferred by sub-section (1) of section 11 and section 11A of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

Lunawat & Co.

Chartered Accountants

E-mail: ca@lunawat.com, lunawat@vsnl.com.

Website: www.lunawat.com.

VII. This circular is available on SEBI website at www.sebi.gov.in under the category “Legal Framework”.

Yours faithfully,
Maninder Cheema

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

Lunawat & Co.

Chartered Accountants

E-mail: ca@lunawat.com, lunawat@vsnl.com.

Website: www.lunawat.com.