

- SEBI

SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI")

A. Amendments to the Equity Listing Agreement

SEBI, vide its circular dated April 24, 2009¹, has amended certain clauses in the Equity Listing Agreement. The brief of the amendments are as under:

- Uniform procedure for dealing with unclaimed shares;
- The notice period for all corporate actions like dividend, bonus, etc. relating to record date has been reduced to 7 working days and for a board meeting reduced to 2 working days;
- Listed companies are required to declare their dividend on per share basis only; and

- The circular clarifies that clause 35 of the listing agreement which gives a format for disclosures of shareholding pattern, is required to be given for each class of security separately. Further, clause 35 has been amended to provide an additional format for disclosures of voting rights pattern in the company.

All Stock Exchanges have been directed to appropriately amend the relevant Clauses of the Equity Listing Agreement in line with the text of the amendments specified in the said circular. All the amendments came into force with immediate effect.

The full text of amendments has been set forth in the said circular as Annex A. For more information, please refer to

<http://www.sebi.gov.in/circulars/2009/circfd04.pdf>

¹ SEBI/CFD/DIL/LA/1/2009/24/04

B. Simplified Listing Agreement for Debt Securities

SEBI, on June 6, 2008², notified the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (“Regulations”). The Regulations provide for a simplified regulatory framework for issuance and listing of non-convertible debt securities by any issuer company, public sector undertaking or statutory corporation. Continuing with rationalization of disclosure norms for listing of debt issuances, SEBI, vide its circular dated May 11, 2009³ (the “SEBI May Circular on Listing of Non-convertible Debt Securities”) has put in place a simplified Listing Agreement for debt securities.

The Listing Agreement for debt securities per the SEBI May Circular on Listing of Non-convertible Debt Securities consists of two parts:

- (i) Part A: prescribes only incremental disclosures which are relevant for debt securities of such issuers whose equity shares are listed on the Stock Exchange.

- (ii) Part B: applicable to issuers whose equity shares are not listed on the Stock Exchange, prescribes detailed disclosures.

During the currency of listing of equity shares, the issuer is required to comply with provisions in Part A. In all other cases, the Issuer is required to comply with provisions in Part B.

The SEBI May Circular on Listing of Non-convertible Debt Securities has come into force with immediate effect for all ‘debt securities’ (as defined under regulation 2(1)(e) of the Regulations) seeking listing on the Stock Exchange.

Certain SEBI circulars, as listed in the SEBI May Circular on Listing of Non-convertible Debt Securities, have been superseded with immediate effect. However, notwithstanding such supersession, any action taken or purported to have been taken, any enquiry or investigation commenced or show cause notice issued in respect of the Regulations shall be deemed to have been taken under the corresponding provisions of the circulars in force.

² LAD-NRO/GN/2008/13/127878

³ SEBI/IMD/BOND/1/2009/11/05

All Stock Exchanges are required to give effect to the abovementioned policies and put in place the listing agreement for debt securities as set out in the Annex.

For more information please refer to

<http://www.sebi.gov.in/circulars/2009/debtcir.pdf>

C. Allocation methodology of debt investment limits to Foreign Institutional Investors (“FIIs”)

SEBI, vide its circular dated May 12, 2009⁴ (“Amending Circular”), has amended the circular dated February 06, 2009⁵ providing the modalities for the allocation methodology for the debt investment limits to FIIs (“Allocation Methodology Circular”).

The Amending Circular stipulates the following:

- the unutilised investment limits for government debt shall also be allocated in similar manner as specified in the Allocation Methodology Circular; and

- In partial amendment to clause 3 (h) of the Allocation Methodology Circular, no single entity shall be allocated more than Rs.1,000 cr. of the government debt investment limit.

For more information please refer to:

<http://www.sebi.gov.in/circulars/2009/fiic372009.pdf> (Allocation Methodology Circular)

<http://www.sebi.gov.in/circulars/2009/fiicir.pdf> (Amending Circular)

⁴ Cir No. IMD/FII & C/ /2009

⁵ IMD/FII & C/ 37/2009

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