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SEBI/CFD/DIL/DIP/33/2008/08/12

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**To All Registered Merchant Bankers / Stock Exchanges**

Dear Sirs,

**Sub.: Amendments to SEBI (Disclosure and Investor Protection) Guidelines, 2000**

1. In exercise of the powers conferred under sub-section (1) of Section 11 of the Securities and Exchange Board of India Act, 1992, it has been decided to amend Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (hereinafter referred to as the "SEBI (DIP) Guidelines"). The full text of amendments is given in **Annexure I** and the amendments are explained in brief as under:

**Issuance of "Non-convertible Debentures with Warrants" (i.e., NCDs with warrants) under Chapter XIII-A**

The amendments made in Chapter XIII-A of the SEBI (DIP) Guidelines on "Guidelines for Qualified Institutions Placement (QIP)" enable a listed company to make a combined offering of Non-Convertible Debentures (NCDs) with warrants. Qualified Institutional Buyers (QIBs) can subscribe to the combined offering of NCDs with warrants or to the individual instruments, i.e., either NCDs or warrants, where separate books are run for NCDs/ warrants.

The company is however required to obtain relaxation from the applicability of the provisions of Rule 19(2)(b), read with Rule 19(4) of the Securities Contracts (Regulation) Rules, 1957 for listing/ trading of the warrants.

2. The amendments made vide this circular shall come into force with immediate effect.

3. This circular and the entire text of the SEBI (DIP) Guidelines, including the amendments issued vide this circular, are available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories “Legal Framework” and “Issues and Listing”.
4. All registered merchant bankers are directed to ensure compliance with the applicable amendments made vide this circular.

Yours faithfully,

**Neelam Bhardwaj**

**Encl.:** As above.

## **ANNEXURE I**

### **CHAPTER XIII-A GUIDELINES FOR QUALIFIED INSTITUTIONS PLACEMENT**

1. In clause 13A.1.1, in the opening para, for the words “or any securities other than warrants”, the following shall be substituted, namely:

*“/ non-convertible debentures (NCDs) with warrants or any securities (other than warrants)”*

2. After clause 13A.2.4 and its proviso, the following clause shall be inserted, namely:-

*“13A.2.4A Where the specified security is NCD with warrant, an investor can subscribe to the combined offering of NCDs with warrants or to the individual instruments, i.e., either NCDs or warrants.”*