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**» Amendments to the SEBI (Disclosure and Investor Protection) Guidelines**

The Securities and Exchange Board of India (SEBI) has through its Circular No. SEBI/CFD/DIL/DIP/15/2005/29/3 dated March 29, 2005 issued various amendments to the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (DIP Guidelines). These amendments shall be applicable to public issues whose draft offer documents are to be filed with SEBI on or after April 4, 2005. Other than certain additional disclosures that are now required to be made, some of the amendments brought about by the abovementioned Circular are as follows:

- Retail Individual Investors (RIIs) has been re-defined to allow applications or bids for securities by investors of upto a maximum amount of Rs. 100,000/- to now fall within its purview, from the previous Rs. 50,000/-;
- Listed companies have now been given an option to follow the current practice of disclosing the floor price / price band in the Red Herring Prospectus (RHP) or disclose the same at least one day before the opening of the bid in the manner provided;
- The bidding period has been reduced from the current 5 - 10 days (including holidays) to 3 - 7 working days. This period may be now extended to a maximum of 10 working days;
- Data pertaining to book built issues has to now be displayed by the stock exchanges in a uniform format and continue to be displayed for at least 3 days post closure of bids (to be operational within 90 days from the date of the Circular);

- In case of under subscription in any category of investors, the under subscribed portion may be allotted to bidders in other categories, as provided and as per the disclosures to be now made by the issuer company; and
- Finally, in case an issuer company makes an issue through 100% book building process then the allocation to RIIs, Non-Institutional Investors (□NIIs□) and Qualified Institutional Buyers (□QIBs□) has to now be 35%, 15% and 50% respectively. And in case the book built issue is made pursuant to Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 (i.e. 60% mandatory allocation to QIBs), then 30% is to be allocated to RIIs and 10% to NIIs.

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### » **Deadline for compliance with Clause 49 of the Listing Agreement now December 31, 2005**

It may be recalled that the Securities and Exchange Board of India (□SEBI□) had on October 29, 2004 amended the provisions of Clause 49 of the Listing Agreement and had set a deadline of April 1, 2005 for compliance therewith by all listed entities and entities desirous of getting listed. For further details kindly refer to our Capital Markets Newsflash dated November 1, 2004.

Stating that many companies are still unable to fully meet with the compliance requirements provided therein, SEBI has now vide its Circular No. SEBI/CFD/DIL/CG/1/2005/29/3 dated March 29, 2005 extended the aforementioned deadline to December 31, 2005.

For further details please contact the Capital Market Team

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