



Chief General Manager  
Investment Management Department  
Division of Funds-1

भारतीय प्रतिभूति  
और विनिमय बोर्ड  
**Securities and Exchange  
Board of India**

IMD/DOF-1/OW/25491/2015  
September 07, 2015

Vijay Suraksha Realty LLP  
9<sup>th</sup> Floor, Vijay Suraksha  
Coral Square  
Ghodbunder Road  
Thane (W) - 400607

Sir/ Madam,

**Sub: Request for interpretive letter under the SEBI (Informal Guidance) Scheme, 2003.**

1. This has reference to your letter dated Nil, seeking an interpretive letter under the SEBI (Informal Guidance) Scheme, 2003 in relation to issuance of Non Convertible Debenture (NCD) by Limited Liability Partnership (LLP) under SEBI (Issue and Listing of Debt Securities) Regulations, 2008. (ILDS Regulations).
2. In your letter under reference you have *inter alia* represented as follows:-
  - a) Vijay Suraksha Realty LLP proposes to raise fund via issuance of NCD and list the same on wholesale debt market.
  - b) As per the definition of "debt securities" given in Regulation 2(e) of ILDS Regulations - "*debt securities*" means a non-convertible debt securities which create or acknowledge indebtedness, and include debenture, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the body corporate or not, but excludes bonds issued by Government or such other bodies as may be specified by the Board, security receipts and securitized debt instruments.
  - c) As per the definition of "issuer" given in Regulation 2(g) of ILDS Regulations - "*issuer*" means any company, public sector undertaking or statutory corporation which makes or proposes to make an issue of debt securities in accordance with these regulations or which has its securities listed on a recognized stock exchange or which seeks to list its debt securities on a recognized stock exchange.
  - d) Section 2(d) of the Limited Liability Partnership Act, 2008 defines "*body corporate*" means a company as defined in the section 3 of the Companies Act, 1956 and includes a limited liability partnership registered under this Act, 2008.
  - e) The definition of "debt securities" covers such securities issued by a LLP being a body corporate but definition of "issuer" talks specifically about company, public sector undertaking or statutory corporation

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अनुवर्ती :  
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3. In view of the above submissions, you have sought interpretive letter under SEBI (Informal Guidance) Scheme, 2003 from SEBI on the following:
- b) In view of the definition of “issuer” which is conflicting with the definition of “debt securities”, can the applicant raise fund via NCD and list the same on wholesale debt market?
4. **Our Comments**
- a) As per Section 2(20) of the Companies Act, 2013 - “Company” means a company incorporated under this Act or under any previous company law.
- b) According to Section 2(d) of Limited Liability Partnership Act, 2008 [“LLP Act, 2008”], “body corporate” means a company under Section 3 of the Companies Act, 1956 and includes a limited liability partnership registered under this Act, 2008.
- c) By virtue of Section 3 an LLP is a body corporate. Further, as stated above, a body corporate means a company and includes an LLP.
- d) However, the same may not imply that an LLP falls within the definition of “company” under Companies Act, 2013.
- e) In view of the above, it may be interpreted that currently, the definition of issuer, as given under ILDS Regulations, does not include an LLP.
5. This position is based on the representation made to the Division in your letters under reference. Different facts or conditions might require a different result. This letter does not express decision of the Board on the questions referred.
6. You may note that the above views are expressed only with respect to the clarification sought on SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and do not affect the applicability of any law and other SEBI Regulations, guidelines and circulars administered by SEBI or any other authority.

Yours faithfully,

  
(Barnali Mukherjee)