

Due to the impact of COVID-19 pandemic, temporary relaxation has been granted by SEBI w.r.t. public issue/ rights issue under SEBI ICDR Regulations 2018. SEBI has issued two Circulars vide dated 21<sup>st</sup> April, 2020 in this regard, following are the summary of the same:

**Extension in time period for opening of public issue/rights issue:**

Reg. No.	Existing Provision	Amendment
44(1), 85 and 14	Public Issue and Rights Issue should be opened with 12 months from the date of observation letter issued to the Issuer Company.	For the validity of observation letter expiring between March1, 2020 and September 30, 2020, time period <b>extended by 6 months.</b>
Schedule XVI (1) (f)(i)	Any increase or decrease in fresh issue size by 20% are required to issue Fresh Draft offer documents.	Any increase or decrease in issue size is permitted upto <b>50%</b> of original issue size, subject to the following <b>conditions</b> :  <i>(a) There has been no change in the objects of the issue;</i>  <i>(b) The lead manager undertakes that the draft offer document is in compliance with provisions of Regulation 7(1)(e);</i>  <i>(c) The lead manager shall ensure that all appropriate changes are made to the relevant section of DRHP and an addendum, in this regard, shall be made public.</i>

**Above relaxation is applicable only for IPO/Rights Issue/ FPO intended to open before December 31, 2020.**

**Read full notification at:**

[https://www.sebi.gov.in/legal/circulars/apr-2020/one-time-relaxation-with-respect-to-validity-of-sebi-observations\\_46536.html](https://www.sebi.gov.in/legal/circulars/apr-2020/one-time-relaxation-with-respect-to-validity-of-sebi-observations_46536.html)

**Relaxation with regards to eligibility conditions for Fast Track Rights Issue under SEBI ICDR Regulations, 2018:**

Reg. No.	Existing Provision	Amendment
99(a) - Equity shares should atleast be listed on stock exchanges	3 years immediately preceding record date.	<b>18 months</b> immediately preceding record date.
99(c) - The average market capitalisation of public shareholding of the issuer	At least Rs. 250 Cr	At least <b>Rs. 100 Cr.</b>
99(f) - Issuer Company is in compliance with regards to listing agreement under SEBI LODR Regulations	At least 3 years	At least <b>18 months</b>
99(h)	<p><i>“that no show-cause notices have been issued or prosecution proceedings have been initiated by the Board and pending against the issuer or its promoters or whole-time directors as on the reference date;”</i></p>	<p><i>“no show-cause notices, excluding under adjudication proceedings, have been issued by the Board and pending against the issuer or its promoters or whole-time directors as on the reference date;</i></p> <p><i>In cases where against the issuer or its promoters/ directors/ group companies,</i></p> <p><i>i) a show cause notice(s) has been issued by the Board in an adjudication proceeding or ii) prosecution proceedings have been initiated by the Board; necessary disclosures in respect of such action (s) along-with its potential adverse impact on the issuer shall be made in the letter of offer.”</i></p>
99(i)	<p><i>The issuer or promoter or promoter group or director of the issuer has not settled any</i></p>	<p><i>“the issuer or promoter or promoter group or director of the issuer has fulfilled the settlement terms or adhered to directions</i></p>

	<i>alleged violation of securities laws through the consent or settlement mechanism with the Board during three years immediately preceding the reference date;</i>	<i>of the settlement order(s) in cases where it has settled any alleged violation of securities laws through the consent or settlement mechanism with the Board”</i>
99(j) - Issuer Company is not suspended from trading as a disciplinary measure	For at least 3 years	At least <b>18 months</b>
99(m)	<i>“there are no audit qualifications on the audited accounts of the issuer in respect of those financial years for which such accounts are disclosed in the letter of offer.”</i>	<i>“For audit qualifications, if any, in respect of any of the financial years for which accounts are disclosed in the letter of offer, the issuer shall provide the restated financial statements adjusting for the impact of the audit qualifications. Further, that for the qualifications wherein impact on the financials cannot be ascertained the same shall be disclosed appropriately in the letter of offer.”</i>
86(1) - Minimum Subscription	90%	<b>75%.</b>  <b><i>*If issue is subscribed between 75% to 90%, it will be considered as full subscription, subject to 75% of issue size shall be utilised for object of the issue</i></b>
3 and 60 – Relaxation from filing of Offer documents under rights issue	<i>“an issuer offering specified securities of aggregate value of ten crore rupees.”</i>	<i>“an issuer offering specified securities of aggregate value of twenty-five crore rupees.”</i>

**Above amendment is applicable for all Rights Issue that are intended to open on or before March 21, 2021.**

**Read full notification at:** [https://www.sebi.gov.in/legal/circulars/apr-2020/relaxations-from-certain-provisions-of-the-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-in-respect-of-rights-issue\\_46537.html](https://www.sebi.gov.in/legal/circulars/apr-2020/relaxations-from-certain-provisions-of-the-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-in-respect-of-rights-issue_46537.html)