



**CIRCULAR**

**SEBI/HO/CFD/DIL1/CIR/P/2020/66**

**April 21, 2020**

**To**

**All Registered Merchant Bankers**

**All Recognized Stock Exchanges**

**All entities who propose to list specified securities**

Dear Sir/Madam,

**Sub: One-time relaxation with respect to validity of SEBI Observations.**

1. In view of the impact of the COVID-19 pandemic, based on representations from various industry bodies, SEBI has decided to grant the following one time relaxations:

- (i) In terms of Regulation 44(1), 85 and 140 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations), a public issue/rights issue may be opened within twelve months from the date of issuance of observations by SEBI.

The validity of the SEBI Observations where the same have expired/ will expire between March 1, 2020 and September 30, 2020 has been extended by 6 months, from the date of expiry of such observation, subject to an undertaking from lead manager of the issue confirming compliance with Schedule XVI of the ICDR Regulations while submitting the updated offer document to the Board.

- (ii) In terms of Schedule XVI (1) (f)(i) of the ICDR Regulations, 2018 any increase or decrease in estimated fresh issue size by more than twenty percent of the estimated fresh issue size shall require fresh filing of the draft offer document along with fees.

An issuer shall be permitted to increase or decrease the fresh issue size by up to 50% of the estimated issue size without requiring to file fresh draft offer document with the Board subject to following conditions:

- (a) there has been no change in the objects of the issue
- (b) the lead manager undertakes that the draft offer document is in compliance with provisions of Regulation 7(1)(e)
- (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.

The above relaxation on change in fresh issue size shall be applicable for issues (IPO/ Rights Issues/ FPO) opening before December 31, 2020.

2. This circular shall come into force with immediate effect.
3. This circular is issued in exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992.
4. A copy of this circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework/Circulars".

Yours faithfully,

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