



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/CFD/SSEP/CIR/P/2022/66

May 19, 2022

To

All Recognized Stock Exchanges (except Commodity Exchanges)

All Recognized Depositories

Issuer Companies

Registered Stock Brokers

Registered Merchant Bankers

Registered Registrars to an Issue and Share Transfer Agents

Registered Depository Participants

Registered Bankers to an Issue

Dear Sir / Madam,

Sub: Streamlining the Process of Rights Issue

1. SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, had stipulated procedures streamlining the Rights Issue process ('the circular').
2. In respect of the aforesaid circular, para 1.4.1 and at Annexure I para C (e) of the Circular, deal with the requirement regarding minimum time period between closure of trading in Right Entitlements on stock exchange platform and closure of the rights issue, which requires trading in REs on the secondary market platform of stock exchanges commence along with the opening of the rights issue and has to be closed at least four days prior to the closure of the rights issue.
3. SEBI received market representation that in case there are trading holidays between last date of REs trading date and issue closure, provision of minimum gap of four days may not always ensure that there are adequate days for settlement, as minimum 2 working days are required for settlement of REs traded on last day of REs trading window (REs traded on exchange platform have T+2 rolling settlement). It was further represented that there should be a minimum gap of three working days considering two days for settlement and one additional day for investor to make application in Rights Issue.



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4. Therefore, in view of above it has been decided that para 1.4.1 and at Annexure I para C (e) of the Circular paragraphs are amended as under:

The words '*at least four days*' are replaced with '*at least three working days*'.

5. Applicability of this Circular: This circular shall be applicable for all rights issues and fast track rights issue with immediate effect.
6. All entities involved in the Rights Issue process are advised to take necessary steps to ensure compliance with this circular.
7. The recognized stock exchanges are directed to bring the provisions of this circular to the notice of the listed companies and also to disseminate the same on their website
8. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.
9. A copy of this circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework/Circulars".

Yours faithfully,

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