



*Lex Favios*  
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***Securities Exchange Board of India vide circular dated May 19, 2022, has issued guidelines for Streamlining the Process of Rights Issue***

- SEBI vide circular dated May 19, 2022, has issued guidelines for Streamlining the Process of Rights Issue
- 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'). The requirement of sending proxy forms under Regulation 44 (4) of the LODR Regulations is dispensed with upto December 31, 2022, in case of general meetings held through electronic mode only.
- 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.
- 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*'.
- This circular shall be applicable for all rights issues and fast track rights issue with immediate effect.

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***Securities Exchange Board of India vide circular dated May 19, 2022, has issued Revised format of security cover certificate, monitoring and revision in timelines***

- SEBI vide circular dated May 19, 2022, has issued Revised format of security cover certificate, monitoring and revision in timelines.
- SEBI vide circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated November 12, 2020, and circular no. SEBI /HO/ MIRSD/ CRADT/ CIR/P/ 2020/



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207 dated October 22, 2020 specified format of security cover certificate, periodical monitoring and disclosures by Debenture Trustee(s) and the requirement of creation of "Recovery Expense Fund" (REF).

- The provisions in the above mentioned circulars have been revised and the amendments are herewith attached.

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