



Consultation Paper

Relaxation with respect to Qualified Institution Placement (QIP) issues

1. Objective

1.1. The objective of this discussion paper is to seek comments / views from the public and market intermediaries on relaxation with respect to requirement of 6 month gap between two successive QIP issues.

2. Background

2.1. As per SEBI (ICDR) Regulations, 2018, one of the condition for making a QIP is that :

'The issuer shall not make any subsequent qualified institutions placement until the expiry of six months from the date of the prior qualified institutions placement made pursuant to one or more special resolutions' - (Reg. 172(3) of ICDR,2018).

2.2. With respect to aforesaid stipulation of cooling off period between two QIP issues, SEBI has been receiving requests from issuer companies seeking exemption / waiving off this requirement of 6 months cooling off period between two successive QIP issues.

2.3. The reasons for such exemption, as informed by the issuer companies, is urgent needs of funds and the fact that other fund raising mechanisms such as public issue or rights issue are time taking in comparison to a QIP issue.

3. Proposal

3.1. PMAC suggested SEBI to seek public comments in the matter.

3.2. To address concerns of the issuer companies and to support the raising of capital, following option is put forward for consultation :

3.2.1. Relaxation may be provided for successive QIPs within 6 months of previous QIP issue, in cases where terms of placement for the subsequent tranches/issue are disclosed upfront in the special resolution.

4. Public comments

4.1. Considering the implications of the said matter on the market participants including issuer companies and investors, public comments are invited on the proposed option at Para 3 above. Comments may be sent by email or through post, in the following format :



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Name of entity / person :			
Contact Number & Email Address :			
Sr. No.	Reference Para of the consultation paper	Suggestion/ Comments	Rationale

While sending email, kindly mention the subject as "**Comments on consultation paper for Relaxation w.r.t. QIP issues**".

The comments may be sent by email to ankurb@sebi.gov.in or sent by post at the following address latest by April 15, 2020:

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