



## MCA re-aligns with SEBI's relaxation on Rights Issue opening upto December 31, 2020 | Digital Service of Offer Document

August 04, 2020

As you are aware, SEBI recently extended the relaxations of certain norms for rights issues for listed companies. One of the relaxations was digital service of offer documents. SEBI also provided that failure to adhere to modes of dispatch through registered post or speed post or courier services due to prevailing Covid-19 related conditions will not be treated as non-compliance.

In continuation of the aforementioned, MCA has also extended the relaxation of the applicability of Section 62(2) of the Companies Act, 2013, vis-à-vis listed companies for their rights issue opening upto December 31, 2020, in accordance with the said SEBI Circular dated July 24, 2020 ([available here](#)). MCA has clarified that the same will not be seen as violation of Section 62(2).

Section 62(2) provides that the notice for rights issue shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.

Aforementioned relaxation has been provided vide MCA General Circular No. 27/2020 dated August 3, 2020 ([available here](#)).

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at [insights@elp-in.com](mailto:insights@elp-in.com)

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