



MCA eases fund raise through QIBs - allows one time special resolution in a year as good compliance

INSIGHTS

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To ease out the compliance burden and ease fund raise, MCA has provided that in case of offer or invitation of any securities to qualified institutional buyers (**QIBs**), it shall be sufficient if the company passes a previous special resolution only once in a year for all the allotments to such QIBs during the year.

Aforementioned facility has been extended on the same lines as subscription to non-convertible debentures (**NCDs**), where the proposed amount to be raised through offer or invitation for NCDs, exceeds the limit as specified in section 180(1)(c), it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such debentures during the year.

Aforementioned change has been introduced vide the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2020, dated October 16, 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

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[Email: Insights@elp-in.com](mailto:Insights@elp-in.com)

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