

INDUSTRY VIEWPOINT: SEBI RELAXATIONS TO RAISE CAPITAL



SHARE BUYBACK: 6 MONTHS BREATHER

On April 23, 2020, SEBI issued another relaxation to tide over the COVID-19 aberrant path.

With a view to providing companies with relatively quicker access to capital, SEBI allows companies to raise further capital within 6 months from expiry of buyback period, instead of the existing period of 1 year.

Taking into account that for some companies the 1 year period may fall within the first 6 months of 2020, when the effect of the pandemic has (and will) ravaged the economy, SEBI has been considerate to relax the restriction of 1 year to 6 months. Companies, which have bought back their securities and wish to raise further capital, may do so on expiry of 6 months from expiry of the buyback.

In this fragile market, SEBI's vigilance to lessen the burden and soften the blow of the pandemic is certainly commendable and much appreciated.

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