

Timeline For Issue of Shares Through Right Issue (Section 62)

Send or Dispatch letter of offer to all existing SHs.

At least 3 Days before opening of Issue

Opening of Issue

offer shall be open for a Min Period of 7 days & Max 30 days

Receive Application Money

Within 60 Days from the date of receipt of Application Money

Securities Allotted

Securities Not Allotted

Repay the App Money

Within 15 Days

Refund Application Money

Refund Initiated

Refund Not Initiate

(The Company is liable to repay the application money along with Intt @ 12% p.A from the expiry of 60th day)

Make Entries in the Register of Members

(Within 7 Days from the Date of Allotment)

File Return of Allotment With ROC in e-Form PAS-3 along with Complete list of all Allotees

(Within 30 Days from the Date of Allotment)

Received Form BEN-1 from Every Individual who acquires Significant Beneficial Ownership Shares

(Within 30 Days of acquiring)

File Form BEN-2 with ROC after receiving Form BEN-1 from every Individual

(Within 30 days from the date of receipt of declaration in Form BEN-1)

Right Issue

- Existing Shareholders
- The offer is open for minimum period of 7 (seven) days from the offer and maximum 30 (thirty) days and offer would be deemed as denied, if not accepted within a specified time.
- The period of offer may be less than 7 days, in case of private company and specified IFSC public company, subject to consent, in writing or through electronic mode, of 90 per cent or more members of the company.
- The authorised share capital is sufficient for issue of shares through right issue.
- The articles of association authorise for issue of shares through right issue.
- That in case of private company, if shares are allotted to the renounce who is not an existing shareholder, the number of members after this allotment, shall not exceed to 200 as the maximum number of members in a private company may be 200 as per definition of private company.
- Private companies are exempted to file board resolution (Form MGT-14) in respect of issue of shares through right issue subject to condition that the said private limited company has not committed a default in filing its financial statement and annual return with the jurisdictional Registrar of Companies.
- Send or dispatch letter of offer to all existing shareholders through registered post or speed post or electronic mode or courier or any other mode having proof of delivery at least 3 (three) days before opening of issue.
- The letter of offer shall specify the number of shares offered and offer shall be open for a minimum period of 7 (seven) days from the date of offer to maximum period of 30 days. (The period of 3 days and 15 to 30 days may be shorter if 90 % shareholders have given their consent for shorter notice period in case of private limited company).
- Ensure that securities are to be allotted within 60 days from the date of receipt of the application money and if the company fails to allot securities, has to repay the application money to the subscribers within 15 days from the date of completion of 60 days and in case the company fails to repay the application money within the aforesaid period, the company is liable to repay application money along with interest at the rate of 12% p.a. from the expiry of the 60th day.
- Convene board meeting within 60 (sixty) days of receipt of application money to pass the following resolutions:
 - Considering the list of shareholders who have not subscribed or denied the offer of right issue.
 - Considering the list of shareholders who have subscribed shares.
 - Considering the list of shareholders who have renounced their shares.
 - Allotment of shares to the persons who subscribed for shares on right issue basis.
 - Authorise to directros to issue share certificates or to complete the formalities to update demat account of the allottees.
 - Authorisation for making entries in Register of Members.

- File return of allotment pursuant to section 39(4) of the Act with the Registrar of Companies in e-Form PAS-3 along with board resolution passed for allotment of shares together with a complete list of all the allottees within a period of 30 days of allotment.
- Make necessary entries in the Register of Members within seven days from the date of allotment.
- That every individual who acquires significant beneficial ownership shares after this allotment, has submitted a declaration in Form BEN-1 to the company, within 30 days of acquiring such significant beneficial ownership shares or any changes in such ownership.
- That if Form BEN-1 is received by the company, Form BEN-2 is filed with the Registrar of Companies within 30 days from the date of receipt of such declaration.