



CIRCULAR

CIR/CFD/CMD1/162/2019

December 24, 2019

To

**All entities whose specified securities are listed
All the Recognized Stock Exchanges**

Madam / Sir,

Sub: Format on Statement of Deviation or Variation for proceeds of public issue, rights issue, preferential issue, Qualified Institutions Placement (QIP) etc.

1. As per Regulations 32(1), 32(2) and 32(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI LODR Regulations'**), a listed entity is, *inter alia*, required to submit to the stock exchange, a statement of deviation or variation, pursuant to review by the audit committee, on a quarterly basis for public issue, rights issue, preferential issue etc. indicating,
 - deviations, if any, in the use of proceeds of public issue, rights issue, preferential issue etc. and
 - the category wise variation between projected utilisation of funds and the actual utilisation of funds.

Such statement of deviation or variation is to be submitted till the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

2. Stock Exchanges, during the course of interactions with SEBI have submitted that while listed entities submit the statement of deviation or variation, there is no uniformity in the formats so submitted. Hence there is a need to introduce a common format for such reporting.
3. Further, such a common format will also aid monitoring by Stock Exchanges, of the end use of issue proceeds raised by listed entities through public issue, rights issue, preferential issue, QIP etc. Hence, for the purpose of compliance with 32(1), 32(2) and 32(3) of the SEBI LODR Regulations, listed entities shall follow the format placed at **Annex A** to this Circular.
4. The salient features of the format are as under:
 - a. Applicability: The format shall be applicable for funds raised by listed entities through public issue, rights issue, preferential issue, QIPs etc.



- b. Frequency of Disclosure: The disclosure to the Stock Exchange(s) shall be made by listed entities on quarterly basis along with the declaration of financial results (within 45 days of end of each quarter / 60 days from the end of the last quarter of the financial year) until such funds are fully utilised or the purpose for which these proceeds were raised has been achieved.
- c. Role of the Audit Committee: The statement of deviation report shall be placed before audit committee of the listed entity for review on quarterly basis and after such review, the comments of audit committee along with the report shall be disclosed/submitted to the stock exchange, as part of the format.

In cases where the listed entity is not required to have an audit committee under the provisions of SEBI LODR Regulations or Companies Act, 2013, the word '*Audit Committee*' shall be replaced with '*Board of Directors*'.

5. The first such submission shall be made by the listed entities for the quarter ending December 31, 2019; subsequent submissions shall be quarterly as explained above.
6. The Stock Exchanges are advised to bring the provisions of this circular to the notice of all the listed entities and to disseminate the same on their websites.
7. The circular is issued in exercise of the powers conferred under sections 11 and 11A of the Securities and Exchange Board of India Act, 1992 read with Regulations 32 and 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
8. The circular is available on SEBI website at www.sebi.gov.in under the category '*Legal→Circulars*'.

Pradeep Ramakrishnan
General Manager
Compliance and Monitoring Division-1
Corporation Finance Department
+91-22-26449246
pradeepr@sebi.gov.in



Statement of Deviation / Variation in utilisation of funds raised						
Name of listed entity						
Mode of Fund Raising	Public Issues / Rights Issues / Preferential Issues / QIP / Others					
Date of Raising Funds						
Amount Raised						
Report filed for Quarter ended						
Monitoring Agency	applicable / not applicable					
Monitoring Agency Name, if applicable						
Is there a Deviation / Variation in use of funds raised	Yes / No					
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders						
If Yes, Date of shareholder Approval						
Explanation for the Deviation / Variation						
Comments of the Audit Committee after review						
Comments of the auditors, if any						
Objects for which funds have been raised and where there has been a deviation, in the following table						
Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
Deviation or variation could mean:						
<i>(a) Deviation in the objects or purposes for which the funds have been raised or</i>						
<i>(b) Deviation in the amount of funds actually utilized as against what was originally disclosed or</i>						
<i>(c) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc</i>						
Name of Signatory						
Designation						