



CIRCULAR

CIR/ IMD/ DF/02/2013

February 06, 2013

**All Mutual Funds/Asset Management Companies (AMCs)/
Trustee Companies/Boards of Trustees of Mutual Funds**

Sir/ Madam,

Subject: Time Period for initial offering and allotment of units of Mutual Fund Scheme eligible under Rajiv Gandhi Equity Savings Scheme, 2012 (RGESS)

1. As per Regulation 34 of SEBI (Mutual Funds) Regulations, 1996, initial offering period of any Mutual Fund scheme (other than ELSS scheme) shall not be more than fifteen days. Further, as per Regulations 35 and 36 of SEBI (Mutual Funds) Regulations, 1996, the Mutual Fund / AMC shall allocate the units, pay the refundable amount, if any, to the concerned applicants and also issue statement of accounts to the applicants whose applications has been accepted, within a period of five working days from the date of closure of initial subscription.
2. With respect to Mutual Fund scheme eligible under RGESS, which is a tax-saving scheme notified by the Government of India on November 23, 2012, it has been decided that –
 - a. The maximum period for which initial offering of Mutual Fund scheme eligible under RGESS shall be open for subscription, is extended from the existing stipulation of fifteen days to thirty days.
 - b. Further, for Mutual Fund scheme eligible under RGESS, the period within which Mutual Fund/ AMC should allocate the units, refund money and issue statements of accounts, is extended from the existing requirement of five working days from the closure of the initial subscription to fifteen days from the closure of the initial subscription.
3. This circular shall come into force with immediate effect.



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Securities and Exchange Board of India

4. The provisions of SEBI (Mutual Fund) Regulations, 1996 regarding maximum initial offer period, allotment of units, refunds of money and issuance of statement of accounts for Mutual Fund scheme eligible under RGESS would be suitably amended in due course.
5. This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with the provision of Regulation 77 of SEBI (Mutual Funds) Regulation, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

PARAG BASU

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