

# SEBI Circulars – April Practice Quiz

## 1. IPO Observation Letter Validity Extension

SEBI issued a one-time relaxation extending the validity of IPO observation letters that were originally set to expire between **1 April 2026 and 3 September 2026**.

**What is the new extended validity deadline?**

- 31 December 2026
- 31 March 2027
- 30 September 2026
- 30 June 2026

## 2. Conditions for Using IPO Extension

Under SEBI's relaxation for IPO observation letters, which of the following is a **mandatory condition** if the extension is used?

- The company must withdraw its existing DRHP and file a fresh one
- Lead Managers must confirm compliance with SEBI capital issue regulations and submit updated documents
- The company must obtain a fresh credit rating before re-filing
- At least 50% subscription must be secured before availing the extension

## 3. Reason for IPO Relaxation

What was the primary reason for SEBI granting a one-time relaxation in IPO observation letter validity?

- Adverse economic conditions and weak market sentiment affecting IPO subscriptions
- Regulatory over-compliance by merchant bankers
- Delay in NCLT approvals for corporate restructuring
- Revision in SEBI fee structure for listed companies

## 4. Minimum Subscription Concern

Under SEBI's IPO relaxation framework, failure to achieve minimum subscription directly results in:

- Mandatory green shoe option exercise
- Compulsory QIB allocation increase
- Conversion of IPO into FPO
- Refund to investors

## **5. Minimum Public Shareholding (MPS)**

As per SEBI's revised framework, what is the minimum public shareholding required for listed companies?

- 10%
- 15%
- 20%
- 25%

## **6. Trigger for MPS Revision**

Which organisation raised concerns about sudden dilution affecting market price, leading to revision in the MPS framework?

- NSE
- LIC
- IRDAI
- RBI

## **7. Basis of Company Classification under MPS**

Companies under SEBI's revised MPS framework are classified into six categories based on:

- Annual turnover
- Number of shareholders
- Post-issue market capitalisation
- Pre-IPO promoter holding percentage

## **8. Time Given for MPS Compliance**

Under the revised MPS framework, companies are given how many years to achieve compliance (based on market capitalisation category)?

- 3 to 10 years
- 1 to 5 years
- 2 to 7 years
- 5 to 15 years

## **9. Definition of Public Shareholding**

Which of the following is NOT considered part of 'public' shareholding?

- Retail investors

- Qualified Institutional Buyers (QIBs)
- Foreign Portfolio Investors (FPIs)
- Promoters of the company

#### **10. Extended Compliance Window (MPS)**

SEBI extended the general compliance window from **1 April 2026 – 30 September 2026** to:

- 31 December 2026
- 30 September 2026
- 31 March 2027
- 30 June 2027

#### **11. Minimum Market Capitalisation Threshold**

What is the minimum post-issue market capitalisation for the lowest category under SEBI's MPS framework?

- ₹1600 crore
- ₹500 crore
- ₹800 crore
- ₹1000 crore

#### **12. Compliance Timeline for ₹1600 Cr Category**

For companies in the ₹1600 crore market capitalisation category, approximately how long is given to achieve compliance?

- 1 year
- 7 years
- 3 years
- 10 years

#### **13. Depository Lock-in Rules**

If a lock-in cannot be created on specified securities, what action must the depository take?

- Cancel the securities and issue fresh ones
- Mark the securities as 'Non-transferable'
- Transfer securities to the IEPF account
- Suspend trading on all exchanges

#### **14. Purpose of 'Non-transferable' Marking**

The main purpose of marking securities as 'Non-transferable' is to:

- Enable faster pledge creation for margin purposes
- Allow promoters to sell in the secondary market
- Facilitate overseas listing of dematerialised securities
- Ensure compliance without using the lock-in mechanism

#### **15. Applicability of Lock-in Rules**

SEBI's circular on lock-in securities applies specifically to:

- Pre-IPO shares held by promoters for more than 1 year
- ESOP shares not yet vested
- Anchor investor shares
- No specific securities are defined in the circular

#### **16. Responsibility for 'Non-transferable' Marking**

Who is primarily responsible for implementing the 'Non-transferable' marking?

- Listed company compliance officer
- Lead manager of the IPO
- Depository
- Stock exchange surveillance department

#### **17. Social Impact Assessment Scope**

Under SEBI's Social Stock Exchange (SSE) framework, Social Impact Assessors evaluate:

- Listed equity companies and mutual funds
- NGOs and not-for-profit organisations listed on SSE
- Investment advisers and research analysts
- Commodity market participants and warehouse receipt holders

#### **18. Eligibility of Social Impact Assessors**

Who can act as a Social Impact Assessor under SEBI's SSE framework?

- Individuals, partnership firms, or companies registered with SEBI-recognised SRO
- SEBI-registered brokers only
- CFA qualification holders only

- Government-owned rating agencies

### **19. Mandatory Qualification for Assessors**

A mandatory requirement for Social Impact Assessors is:

- FRM certification
- CFA Level III certification
- NISM certification
- ICAI membership

### **20. Minimum Application Size (SSE)**

What is the revised minimum application size under SEBI's Social Stock Exchange framework?

- ₹2 lakh
- ₹10,000
- ₹1,000
- ₹500