



Corporate Capital Ventures

CCV - Update Letter March 2020

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MINISTRY OF CORPORATE AFFAIRS

EXEMPTION TO GOVERNMENT COMPANIES

(MCA notification dated March 02, 2020)

The Ministry of Corporate Affairs vide aforesaid notification has made further amendments in the notification of the Government of India, number G.S.R. 463(E), dated the 5th June, 2015.

Key amendments are as follows:

- i. Insertion of explanation to the definition of "Government Company" as defined under section 2(45) of the Companies Act, 2013.

The text added is as following:

Explanation- For the purposes of this clause, the "paid-up share capital" shall be construed as "total voting power", where shares with differential voting rights have been issued.

- ii. The provisions in the Chapter XII, first and second proviso to subsection (1) of section 188 shall not apply to
 - a. a Government company in respect of contracts or arrangements entered into by it with any other Government company, or with Central Government or

any State Government or any combination thereof;

- b. a Government company, other than a listed company, in respect of contracts or arrangements other than those referred to in clause (a), in case such company obtains approval of the Ministry or Department of the Central Government which is administratively in charge of the company, or, as the case may be, the State Government before entering into such contract or arrangement.

Source: http://www.mca.gov.in/Ministry/pdf/Notification_02032020.pdf

THE COMPANIES (INCORPORATION) Second AMENDMENT RULES, 2020

(MCA notification dated March 12, 2020)

The Ministry of Corporate Affairs (MCA) has notified the Companies (Incorporation) Second Amendment Rules, 2020 through Official Gazette dated March 12, 2020.

The provisions of said rule shall be effective from March 12, 2020.

The MCA has modified the e-form INC-28.

Modification : Insertion of the point "(iii) Section of Insolvency and Bankruptcy Code, 2016 under which order passed".

Before the said amendment the e-form INC-28 had to be filed only for the orders passed under the Companies Act, but now it will also be filed for any order passed under the Insolvency and Bankruptcy code, 2016 also.

Source : http://www.mca.gov.in/Ministry/pdf/rule_13032020.pdf

THE COMPANIES (REGISTRATION OFFICES AND FEES) SECOND AMENDMENT RULES, 2020

(MCA notification dated March 12, 2020)

The Ministry of Corporate Affairs (MCA) has notified amendments to the Companies (Registration Offices and Fees) Rules, 2014 through Companies (Registration Offices and Fees) Second Amendment Rules, 2020.

It shall come into effect on the date of its publication in the Official Gazette.

The MCA has modified the e-form GNL-2 in the manner provided below:

- i. addition of the item namely *"Filing under Insolvency and Bankruptcy Code, 2016"* in serial number 3, after item number "Form 159 of the Companies (Court) Rules, 1959"
- ii. addition of *"Particulars of the person signing and submitting the form"* (i.e. his name and capacity), after the first verification column.

Source: http://www.mca.gov.in/Ministry/pdf/rule1_13032020.pdf

THE COMPANIES (MEETING OF BOARD AND ITS POWER) AMENDMENT RULES, 2020

(MCA notification dated March 19, 2020)

The Ministry of Corporate Affairs (MCA) has notified the Companies (Meeting of Board and its power) Amendment Rules, 2020 through Official Gazette dated March 19, 2020.

Effective Date : March 19, 2020

This rule gives a *relaxation to the companies for holding a board meeting through a video conferencing or any other audio-visual means* for a quarter starting from April 01, 2020 till June 30, 2020 to pass any agenda which includes the following:

1. Approval of the annual financial statements.
2. Approval of the Board's report.
3. Approval of the prospectus.
4. Audit Committee Meetings for consideration of financial statement including consolidated financial statement if any, to be approved by the board.
5. Approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

Note : As per Rule 4 (1) of Companies (Meeting of Board and its power) Amendment rules, 2020, these matters shall be dealt with in physical meeting only but exemption for the aforesaid time period is provided pursuant to promotion of social distancing necessary to fight with pandemic COVID-19.

Source : http://www.mca.gov.in/Ministry/pdf/Rules_19032020.pdf

SPENDING OF CORPORATE SOCIAL RESPONSIBILITY FUNDS FOR COVID-19 RELIEF IS ELIGIBLE FOR CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(MCA circular dated March 23, 2020)

The Ministry of Corporate Affairs (MCA) vide its circular dated March 23, 2020 has taken series of steps in the wake of the rapidly spreading COVID-19 and issued clarification on spending of Corporate Social Responsibility (CSR) funds for COVID-19. As per the said circular, *the Companies*



spending CSR funds for COVID-19 are considered eligible for CSR activity.

As per said clarification the funds may be spent for various activities to COVID-19 mentioned under item nos. (i) and (xii) of Schedule VII of Companies Act, 2013, which are as follows:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Disaster management, including relief, rehabilitation and reconstruction activities.

Source : http://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf

EXTENSION OF APPLICABILITY OF CARO 2020

(MCA circular dated March 26, 2020)

Ministry of Corporate Affairs has substituted “1st April, 2019” with “1st April, 2020” by issuing update to its previously issued circular dated February 25, 2020.

Pursuant to said circular Companies Auditor's Report Order 2020 will be made applicable from FY 2020-2021 instead of 2019-2020.

SPECIAL MEASURES UNDER COMPANIES ACT, 2013 (CA-2013) AND LIMITED LIABILITY PARTNERSHIP ACT, 2008 IN VIEW OF COVID-19 OUTBREAK

(MCA general circular dated March 23, 2020)

The Ministry of Corporate Affairs (MCA) vide its circular dated March 23, 2020 has taken series of steps in the wake of the rapidly spreading COVID-19. Following are the list of exemptions provided by MCA:

1. *No additional fees shall be charged for late filing on MCA portal during a moratorium period from 01st April to 30th September 2020, in respect of any document, return, statement etc.*
2. The mandatory requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 *i.e. 120 days stands extended by a period of 60 days till next two quarters i.e. till September 30, 2020.*
3. Independent Directors are required to hold at least one meeting without the attendance of Non-independent directors and members of management as per Schedule IV of Companies Act, 2013. For the financial year 2019-20, if the Independent Directors have not been able to hold such a meeting, *the same shall not be viewed as a violation.*
4. Requirement under section 73(2)(c) of Companies Act, 2013, *to create the deposit repayment reserve of 20%* of deposits maturing during the financial year 2020-21 before April 30, 2020 shall be allowed to be complied with till *June 30, 2020.*
5. Requirement under rule 18 of the Companies (Share Capital & Debentures) Rules, 2014 to *invest or deposit at least 15%* of the amount of debentures maturing in specified methods of

investments or deposits before April 30, 2020, may be complied with *till June 30, 2020*.

6. Newly incorporated companies are required to file a declaration for Commencement of Business within 180 days of incorporation under section 10A of the Companies Act, 2013. *Now an additional period of 180 more days is allowed for this compliance.*
7. Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, under Section 149 of Companies Act, 2013, shall not be treated as a non-compliance for the financial year 2019-20.

Source : http://www.mca.gov.in/Ministry/pdf/Circular_25032020.pdf

THE COMPANIES FRESH START SCHEME, 2020 (MCA circular dated March 30, 2020)

The Ministry of Corporate Affairs (MCA) vide its circular no. 12/2020 dated March 30, 2020 has notified the Companies Fresh Start Scheme, 2020 for condonation of delay in filing or relaxations in additional fee of filings of Companies. The scheme shall be *effective from April 01, 2020 and shall remain in force up to September 30, 2020*. The scheme offers one-time opportunity to inactive Companies to get themselves declared as a “dormant company” under section 455 of the Companies Act, 2013 by filing a simple application at a normal fee enabling inactive companies to remain in the register of companies with the Registrar with minimal compliance requirements.

The key highlights of the said scheme are as follows:

1. The scheme is applicable on filing of every statement, documents, returns including annual returns and financial statements etc. which were due for filing till March 31, 2020.
2. The scheme has also given opportunity to DIN holders whose status of DIN has been marked as ‘Deactivated’ due to non-filing of e-form DIR-3KYC/DIR-3 KYC-Web and Companies whose compliance status has been marked as “ACTIVE non-compliant” due to non-filing of Active Company Tagging Identities and Verification (e-form ACTIVE) to file the respective forms without additional filing fees and penalties.
3. The defaulting Companies may file the statement, documents, returns which were not filed on time on payment of normal fee, which is applicable for filing of such statement, documents, returns, etc. The immunity with respect to prosecution or proceedings for imposing penalty shall be provided to the extent of such delay in filings of belated statement, documents, returns, etc. and not for any proceedings which includes the interest of any shareholder or any other person related to the Company.
4. If any defaulting company has already filed any appeal against any notice issued or complaint filed or an order passed by a court or by any adjudicating authority in respect of statutory filings, then the defaulting Company is first required to withdraw that appeal and furnish the proof of such withdrawal before filing an application under this scheme for granting immunity.

5. In case an adjudicating authority has passed an order against a defaulting Company with respect to delay in filing of any statement, documents, returns etc. and no appeal has been filed by the company and its officer, in that case, if the last date of filing the appeal against the order of adjudicating authority falls between March 01, 2020 to May 31, 2020 (both days included), then an additional period of 120 days with effect from such last date shall be allowed to the Company and its officers for filing an appeal.
6. The defaulting companies which opt for the benefit of the scheme and file the belated documents to take an immunity under the scheme, may make an application in Form CFSS-2020 electronically after the closure of the scheme but not later than 6 months from the said closure. The immunity shall not be applicable in case of any appeal or management disputes pending before court of law or tribunal. There is no fee applicable on the filing of Form CFSS-2020.
7. The designated authority shall issue immunity certificates to the companies on the basis of declarations received in the Form CFSS-2020.
8. In case the defaulting inactive company is opting the immunity under the scheme, then the Company is required to do the following:
 - Apply to get themselves as a dormant company by filing the e-form MSC-1 at a normal fee; or
 - Apply for striking of the name of the company from the register of registrar by filing the e-form STK-2 at a normal fee.
9. This Scheme shall not apply to the following:
 - Companies which have made an application for striking off its name from the register of registrar.
 - Companies against which process of striking off under section 248 of the Act has already been initiated by the designated authority.
 - Companies which have amalgamated under the scheme of compromise and arrangement.
 - Companies which have made application for obtaining "Dormant status" under section 455 of the Act before the scheme.
 - Vanishing Companies.
 - In cases of increase in authorized share capital (Form SH-7) and charge related documents (CHG-1, CHG-4, CHG-8 and CHG-9)

Source : http://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf

THE LLP SETTLEMENT SCHEME, 2020.

(MCA circular dated March 30, 2020)

The Ministry of Corporate Affairs (MCA) vide its circular no. 13/2020 dated March 30, 2020 has modified the last date of the LLP Settlement Scheme, 2020 from June 13, 2020 to September 30, 2020.

Source : http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf

RESERVE BANK OF INDIA

RESCHEDULING OF PAYMENTS OF TERM LOANS AND WORKING CAPITAL FACILITIES

(RBI notification dated March 27, 2020)

The Reserve Bank of India (RBI) vide its notification dated March 27, 2020 has announced to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses.

As per the said notification RBI has rescheduled payments of term loans, working capital facilities and given ease in working capital financing as mentioned below:

1. In respect of all term loans (including agricultural term loans, retail and crop loans), all commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs (including housing finance companies) ("lending institutions") are permitted to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020.
2. In respect of working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), lending institutions are permitted to defer the recovery of interest applied in respect of all such facilities during the period from March 1, 2020 upto May 31, 2020

("deferment").The accumulated accrued interest shall be recovered immediately after the completion of this period.

3. In respect of working capital facilities sanctioned in the form of CC/OD to borrowers facing stress on account of the economic fallout of the pandemic, lending institutions may recalculate the 'drawing power' by reducing the margins and/or by reassessing the working capital cycle. This relief shall be available in respect of all such changes effected up to May 31, 2020 and shall be contingent on the lending institutions satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19.

Source : <https://www.rbi.org.in/Scripts/NotificationUser.aspx>

EXTENSION OF DEADLINE OF LEGAL ENTITY IDENTIFIER

(RBI notification dated March 27, 2020)

The Reserve Bank of India (RBI) vide its notification dated March 27, 2020 has extended the timeline for implementation (Phase III) on those entities having net worth is INR 200 crore by from March 31, 2020 to September 30, 2020.

Source : <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11834&Mode=0>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

DEFAULT LIMIT FOR APPLICABILITY OF INSOLVENCY RESOLUTION AND LIQUIDATION FOR CORPORATE PERSONS

(Notification No. S.O. 1205 (E))

Ministry of Corporate Affairs vide notification dated March 24, 2020, has specified one crore rupees as the minimum amount of default by a Corporate Person for the applicability of Insolvency Resolution and Liquidation for Corporate Persons.

Source :
<https://ibbi.gov.in/uploads/legalframwork/48bf32150f5d6b30477b74f652964edc.pdf>

CLASSIFICATION OF DEBT RAISED FROM THE SPECIAL WINDOW FOR AFFORDABLE AND MIDDLE-INCOME HOUSING INVESTMENT FUND I CLASSIFIED AS INTERIM FINANCE

(Notification No. S.O. 1145 (E))

The Ministry of Corporate Affairs vide its notification dated March 18, 2020, has classified a debt raised from Special Window for Affordable and Middle-Income Housing Investment Fund I as an Interim Finance for the purposes of the Act. Interim Finance has been defined as any financial debt raised by the resolution professional during the insolvency resolution process period or any other debt as may be notified.

Source :
<https://ibbi.gov.in/uploads/legalframwork/0186fe5ab891e0dc62071c239b4479fc.pdf>

APPLICABILITY OF INSOLVENCY AND BANKRUPTCY CODE, 2016 TO JAMMU AND KASHMIR

(Order No. S.O. 1123(E))

The Ministry of Home Affairs vide its order dated March 18, 2020, extended the applicability of the Insolvency and Bankruptcy Code, 2016 to Union Territory of Jammu and Kashmir. Earlier, Part- III of the Code relating to Insolvency Resolution and Bankruptcy for Individuals and Partnership Firms did not extend to the state of Jammu and Kashmir.

Source :
<https://ibbi.gov.in/uploads/legalframwork/a6a99b56c0e71108ceabff90aef5af8e.pdf>

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) (THIRD AMENDMENT) REGULATIONS, 2020

(Notification No. IBBI/2019-20/GN/REG059)

IBBI vide its notification has amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation, 2016 in view of the COVID-19. The amendment provides for the inclusion of Regulation 40 C which provides that the period of lockdown imposed by the Central Government in the wake of COVID-19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to such lockdown, in relation to a corporate insolvency resolution process.

Source :

<https://www.ibbi.gov.in/uploads/whatsnew/be2e7697e91a349bc55033b58d249cef.pdf>

FILING OF FORMS IN THE REGISTRY (MCA-21) BY THE INSOLVENCY PROFESSIONAL (INTERIM RESOLUTION PROFESSIONAL (IRP) OR RESOLUTION PROFESSIONAL (RP) OR LIQUIDATOR) APPOINTED UNDER INSOLVENCY AND BANKRUPTCY CODE

(General Circular No.- 08/2020)

The Ministry of Corporate affairs has issued a new circular with regard to filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency and Bankruptcy Code On March 06, 2020. This circular has superseded the Circular dated February 17, 2020. The Circular prescribes the below mentioned procedure:

- i. Filing of order of appointment of IRP/RP/Liquidator- IRP/RP/Liquidator would need to file the NCLT order of their appointment in Form INC-28. After filing in the said form, the IRP/RP/Liquidator while affixing his DSC shall choose “CEO” as his designation in the declaration box for the purpose of filing only and choose “Others” from the Drop down Menu.
- ii. Change of status of company in MCA Master data- Formal Change Request Form would need to be submitted by IBBI to e-governance Cell, MCA (HQ) for change in the status of the company from “Active”/ “Inactive” to CIRP/Liquidation or CIRP/ Liquidation to “Active”.

- iii. Filing of forms by IRP/RP/Liquidator- IRP/RP/Liquidator shall sign in the forms in the capacity of CEO. However, the same would have no effect on the legal status of the IRP/RP/Liquidator. All filings of e-forms including MGT-7 and AOC-4 shall be filed through GNL-2 by way of attachments till date the company is under CIRP. Companies currently under CIRP shall also be required to do such filing under Form INC-28 and GNL-2.

Source:

<https://ibbi.gov.in/uploads/legalframwork/f7b9978aaeaf73bbed9ccc982d9269a8.pdf>

INSOLVENCY AND BANKRUPTCY CODE (AMENDMENT) ACT, 2020

The Ministry of Law of Justice notified the Insolvency and Bankruptcy Code (Amendment) Act, 2020 (“Amendment Act”) on March 13, 2020. The Act shall be deemed to come into force on December 28, 2019. The following amendments have been made in the Act:

- i. Amendment in definition of Insolvency Commencement Date: the Amendment Act has provided that the insolvency resolution process commences from the date of admission of an application for initiating corporate insolvency resolution process (CIRP), and not when the Interim Resolution Professional (IRP) is appointed by the adjudicating authority. Corresponding amendment has been made in Section 16(1) of the Code mandates the Adjudicating Authority to appoint the IRP on the insolvency commencement date, thereby withdrawing the leeway of 14 days from the insolvency

commencement date for the appointment of IRP.

- ii. Amendment in definition of Interim Finance: the Code allows an IRP/RP to raise interim finance in order to protect and preserve the value of the property of a corporate debtor ("CD") and to manage its operations as a going concern. The Amendment has widened the definition of Interim Finance to include any other debt as may be notified.
- iii. Minimum threshold for initiation of CIRP for certain classes of financial creditors: the amendment states that for initiating CIRP, an application should be filed jointly by at least 100 such creditors or 10% of their total number, whichever is less in case of real estate allottees and security or deposit holders represented by a trustee/agent. It has been further, prescribed that any such application which is pending before the Adjudicating Authority for admission should be modified to comply with this amendment.
- iv. Initiation of CIRP by CD against other Corporate Debtors: a corporate debtor undergoing CIRP, or having completed CIRP 12 months preceding the date of making of the application or in respect of whom a liquidation order has been made, etc. shall be entitled to make an application to initiate CIRP against other corporate debtors.
- v. Extension of moratorium to safeguard license, permit, registration, quota, concessions etc.: the amendment prescribes that any license, permit, registration, quota, concessions etc.

shall not be terminated or suspended in view of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right.

- vi. Supply of goods and/or services during moratorium: the amendment prescribes that if an IRP/RP considers supply of goods and/or services critical to protect and preserve the value of the corporate debtor and manage the operations of such corporate debtor as a going concern, then the supply of such goods and/or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such corporate debtor has not paid dues arising from such supply during the moratorium period.
- vii. Clarification regarding continual management of CD by RP: the amendment has clarified that the RP shall continue to manage the operations of CD after expiry of CIRP till an order approving the resolution plan or an order for appointment of Liquidator is not passed by the Adjudicating Authority.
- viii. Liability of CD after approval of resolution plan for offences committed before initiation of CIRP proceedings: the amendment has clarified that from the date of approval of resolution plan, if there is a change in the management of the CD or control of CD is not taken over by a person who was an erstwhile promoter or a related party, then the CD shall not be prosecuted for an offence committed by CD before commencement of CIRP. However,

every “person in default”, “designated partner”, “director” or any other person who was in charge of conducting of business for the CD whilst such commission of offences shall continue to be liable for all such offences.

Further, any action including attachment, seizure, retention or confiscation of property of the CD in relation to an offence committed prior to the commencement of CIRP, in case such property is covered by the resolution plan approved by the AA. The immunity from such action is also conditioned on the requirements of change in control or management of the CD. However, it is to be noted that action against the properties of any person other than the CD or the person who acquired such properties through CIRP or liquidation process, is not barred, and action may be taken under the relevant law.

Source :

<https://ibbi.gov.in/uploads/legalframework/d36301a7973451881e00492419012542.pdf>

SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

SEBI vide its Notification date March 02, 2020 has amended, SEBI (Real Estate Investment Trusts) Regulations, 2014 by issuing SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2020.

Insertion of Proviso to Regulation 14 (11)

“Provided further that the REIT shall not be required to file draft offer document with the Board in case of a fast track rights issue, subject to the fulfillment of the conditions as specified by the Board from time to time.”

SEBI vide its Notification date March 02, 2020 has amended, SEBI (Infrastructure Investment Trusts) Regulations, 2014 by issuing SEBI (Infrastructure Investment Trusts) (Amendment) Regulations, 2020.

Substitution of Regulation (2)(e)(ii)

“(ii) the investment manager has not less than five years of experience in fund management or advisory services or development in the infrastructure sector or the combined experience of the directors/partners/employees of the investment

manager in fund management or advisory services or development in the infrastructure sector is not less than 30 years:

Provided that for computing the combined experience, only the experience of the directors/partners/employees with more than 5 years of experience in fund management or advisory services or development in the infrastructure sector shall be considered."

Insertion of Second Proviso to Regulation 14(4)(1)

"Provided further that the InvIT shall not be required to file draft offer document with the Board in case of a fast track rights issue, subject to the fulfillment of the conditions as specified by the Board from time to time."

SEBI vide its Notification date March 06, 2020 has amended, SEBI (Mutual Funds) Regulations, 1996 by issuing SEBI (Mutual Funds) (Amendment) Regulations, 2020.

Substitution of First Proviso of Regulation 26(1)

"Provided that in case of a gold exchange traded fund scheme, the assets of the scheme being gold or gold related instruments may be kept in the custody of a custodian registered with the Board".

Substitution of Regulation 25(4)

"28(4). The sponsor or asset management company shall invest not less than one percent of the amount which would be raised in the new fund offer or fifty lakh rupees, whichever is less, and such

investment shall not be redeemed unless the scheme is wound up:

Provided that the investment by the sponsor or asset management company shall be made in such option of the scheme, as may be specified by the Board."

SEBI vide its Notification date March 13, 2020 has amended, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 by issuing SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) (Amendment) Regulations, 2020.

Substitution in Regulation 2(1)(d)

the words "officer of the Board not below the rank of Division Chief," shall be substituted by the word "person".

Substitution in Regulation 5

the words "officer not below the rank of Division Chief" shall be substituted by the word "person".

SEBI Vide its Notifications dated March 19/23/26, 2020 has provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and the SEBI circular dated January 22, 2020 relating to Standard Operating Procedure due to the CoVID -19 virus pandemic

- a) Relaxations from compliance with following certain provisions of Regulations of SEBI (LODR) are as under:



- Compliance Certificate under Reg. 40(9) from Practicing Company Secretary on timely issue of share certificates – extended till May 31st, 2020 (period of relaxation – 1 month).

Regulation 40 (9) states that

The listed entity shall ensure that the share transfer agent and/or the in-house share transfer facility, as the case may be, produces a certificate from a practicing company secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within thirty days of the date of lodgment for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies.

b) Relaxation of holding AGM and meeting of Board/Committee(s)

- As per Reg. 17(2) and 18(2)(a) the board of directors and the audit committee shall meet at least four times a year with a maximum time gap of one hundred and twenty days between any two meetings.
- The board of directors and Audit Committee of the listed entity are exempted from observing the maximum stipulated time gap between two meetings for the meetings held or proposed to be held between the period December 1, 2019 and June 30, 2020.
- However, the board of directors / Audit Committee shall ensure that they meet at least four times a year, as stipulated under regulations 17(2) and 18(2)(a) of the

LODR.

- As per Reg. 19(3A) the Nomination and Remuneration Committee shall meet at least once in a year - extended till June 30th, 2020 (period of relaxation – 3 month).
- As per Reg. 20(3A) the Stakeholder Relationship Committee shall meet at least once in a year - extended till June 30th, 2020 (period of relaxation – 3 month).
- As per Reg. 21(3A) the Risk Management Committee shall meet at least once in a year - extended till June 30th, 2020 (period of relaxation – 3 month).
- Holding of AGM under Reg. 44(5) by top 100 listed entities by market capitalisation for FY 19-20 - extended to September 30th, 2020 (period of relaxation – 1 month).

c) Extension of timeline for filings

- Regulation 7(3) relating to compliance certificate on share transfer facility to be filed within one month of the end of each half of the financial year – extended till 31st May, 2020 (Period of relaxation – 1 month)
- Regulation 13(3) relating to Statement of Investor complaints to be filed within 21 days from end of the each quarter – extended till 15th May, 2020 (Period of relaxation – 3 weeks approx.)
- Regulation 24A read with circular No CIR/CFD/CMD1/27/2019 dated February 8, 2019 relating to Secretarial Compliance



report to be filed within 60 days from the end of the financial year – extended till 30th June, 2020 (Period of relaxation 1 month)

- Regulation 27(2) relating to Corporate Governance report to be filed within 15 days from end of the quarter – extended till 15th May, 2020 (Period of relaxation 1 month)
- Regulation 31 relating to Shareholding Pattern to be filed within 21 days from end of the quarter – extended till 15th May, 2020 (Period of relaxation – 3 weeks approx.)
- Regulation 33 relating to Quarterly Financial Results to be filed within 45 days from end of the quarter – extended till 30th June, 2020 (Period of relaxation – 45 days) **[Same in case of Commercial Papers/ Non-Convertible Debentures (NCDs) / Non-Convertible Redeemable Preference Shares (NCRPS)]**
- Regulation 33 relating to Annual Financial Results to be filed within 60 days from end of the financial year – extended till 30th June, 2020 (Period of relaxation – 1 month) **(Same in case of Commercial Papers/ Non-Convertible Debentures (NCDs) / Non-Convertible Redeemable Preference Shares (NCRPS))**

- d) Relaxation of the operation of the SEBI circular on Standard Operating Procedure dated January 22, 2020 on imposition of fines and

other enforcement actions for non-compliances with provisions of the LODR.

- The effective date of operation of which is for compliance periods ending on and after March 31, 2020 shall now come into force with effect from compliance period ending on and after June 30, 2020.

- e) Relaxation of publication of advertisements in the newspapers.

- Regulation 47 of the LODR requires publishing, in the newspapers, information such as notice of the board meeting, financial results etc. are exempted for all events scheduled till May 15, 2020.

SEBI vide its Notification dated March 23, 2020 has allowed relaxation from compliance to Real Estate Investment Trust (REITs) and Infrastructure Investment Trusts (InvITs) due to the CoVID -19 virus pandemic

*Due date for regulatory filings and compliances for REIT and InvIT for the period ending March 31, 2020 by **one month over and above the timelines as prescribed** under SEBI (Infrastructure Investment Trusts) Regulations, 2014 (InvIT Regulations) and SEBI (Real estate Investment Trusts) Regulations, 2014 (REIT Regulations) and circulars issued thereunder.*

SEBI vide its Notification dated March 23, 2020 has allowed relaxation in compliance with requirements pertaining to Mutual Funds

- a) Relaxations from compliance with following regulations of SEBI (Mutual Funds) Regulations,



1996 and circulars issued thereunder:

- All schemes (New Fund Offer) where observation letter was issued by SEBI and yet to be launched shall have a validity period of one year from the date of SEBI letter.
 - All new schemes (New Fund Offer) where final observation letter will be issued shall have validity period of one year from the date of SEBI letter.
- b) The timelines for certain disclosures are extended, as follows:
- Half yearly disclosures of unaudited financial results under Reg. 59 to be filed within one month from the close of half year – extended till 31st May, 2020.
 - Disclosure of commission paid to distributors under point 2(a) of SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016 which is to be filed within 10 days from the half year end - extended till 10th May, 2020.
 - Yearly disclosure of investor complaints under point 4(b) of SEBI circular no. Cir/IMD/DF/2/2010 dated May 13, 2020 which is to be filed within 2 months from the close of financial year – extended till 30th June, 2020.
- c) The effective date of implementation of certain policy initiatives have been extended as under:
- Liquid funds shall hold at least 20% of its net assets in liquid assets as per circular dated 20th September, 2019 (due date 1st April, 2020) – extended till 1st May, 2020.
 - Existing open-ended mutual fund schemes shall comply with the revised limits for

sector exposure as per circular dated 1st October, 2019 (due date 1st April, 2020) – extended till 1st May, 2020.

- Maximum investment in unlisted NCDs as % of the debt portfolio of the scheme (due date 31st March, 2020) – extended till 15th April, 2020.
 - Amortization based valuation shall be dispensed with and irrespective of residual maturity, all money market and debt securities shall be valued in terms of paragraph 1.1.2.2 of the Circular dated 24th September, 2020 (due date 1st April, 2020) – extended till 1st May, 2020.
- d) The access control presently exercised in the AMC's dealing room including call recording of deals is temporarily relaxed subject to checks and balances including electronic confirmation by way of email or other system having audit trail are in place.

SEBI vide its Notification dated March 27, 2020 has allowed relaxation from compliances with certain provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 due to the COVID – 19 pandemic

- The disclosure filings under Regulations 30(1), 30(2) and 31(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST Regulations), require the shareholders to compile, collate, and disseminate information of their consolidated shareholding as on March 31, 2020, to the company and the stock exchanges within seven working days from the end of the financial year. These reports as per the 2020

calendar are required to be filed by April 15, 2020.

- Extension of the due date of filing disclosures, in terms of Regulations 30(1), 30(2) and 31(4) of the SAST Regulations for the financial year ending March 31, 2020 has been made to June 01, 2020.

SEBI vide its Notification dated March 30, 2020 has allowed relaxation from compliance with certain provisions of the circulars issued under SEBI (Credit Rating Agencies) Regulations, 1999 due to the COVID-19 pandemic and moratorium permitted by RBI

Due to COVID-19 pandemic and in light of moratorium permitted by Reserve Bank of India (RBI) vide notification no. RBI/2019-20/186 dated 27th March, 2020 on loan servicing, working capital facilities etc. for three months, temporary relaxations in compliance by CRAs have been made as under:

Recognition of Default

- Currently, CRAs recognize default based on the guidance issued vide SEBI circular dated May 3, 2010 and November 1, 2016.
- In view of the nationwide lockdown and the three month moratorium/ deferment on payment permitted by RBI, a differentiation in treatment of default, on a case to case basis, needs to be made as to whether such default occurred solely due to the lockdown or loan moratorium.
- Accordingly, based on its assessment, if the

CRA is of the view that the delay in payment of interest/principle has arisen solely due to the lockdown conditions creating temporary operational challenges in servicing debt, including due to procedural delays in approval of moratorium on loans by the lending institutions, CRAs may not consider the same as a default event and/or recognize default. Appropriate disclosures in this regard shall be made in the Press Release.

- The above shall also be applicable on any rescheduling in payment of debt obligation done by the issuer, prior to the due date, with the approval of the investors/lenders.
- The above relaxation is extended till the period of moratorium by the RBI *Extension in timelines for press release and disclosures on website*
- Considering that the CRAs are dependent on the issuers and third parties for information collection which is impaired due to current lockdown, relaxation from timelines for rating action/ issue of press release by CRAs stipulated vide SEBI circular dated June 30, 2017 is being granted. However, CRAs should endeavour to finish the exercise on a best effort basis. Such cases shall be put up for ratification by the Rating Sub-Committee of the Board of CRA.
- Further, an extension of 30 days is being granted for making annual and semi-annual disclosures by CRAs on its website for the period ended March 2020.

SEBI vide its Notification dated March 30, 2020 has allowed extension of deadline for implementation



of the circular on Stewardship Code for all Mutual Funds and all categories of AIFs due to the CoVID-19 pandemic

- SEBI, vide circular no. CIR/CFD/CMD1/168/2019 dated December 24, 2019 introduced a Stewardship Code for all Mutual Funds and all categories of AIFs, in relation to their investment in listed equities. The Code was to come into effect from April 1, 2020.
- An extension of the deadline for implementation of the Stewardship Code has been made to July 1, 2020, as the prevailing situation resulting from the CoVID-19 pandemic makes it challenging, inter-alia, to
 - effectively monitor and intervene at appropriate situations with the management of the investee companies;
 - engage with the boards of the investee companies.

SEBI vide its Notification dated March 30, 2020 has announced continuation of Phase II of Unified Payments Interface with Application Supported by Block Amount due to Covid-19 virus pandemic

- SEBI vide circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 has extended the timeline for implementation of Phase II of Unified Payments Interface with Application Supported by Blocked Amount till March 31, 2020.
- The prevailing uncertainty due to the Covid-

19 pandemic, the timelines of Phase II of Unified Payments Interface with Application Supported by Blocked Amount may be continued at present.

- It has been stated that the systems and processes for achieving Phase III timelines of T+3 need to be further deliberated and finalized in light of the experience gained during one of the major IPOs that opened and closed in the first week of March 2020.
- In view of the aforesaid representations and also taking into account that introducing any new changes under the prevailing circumstances where staff at the stakeholders are sparsely populated may not be workable, it has been decided to continue with the current Phase II of the UPI ASBA till further notice.
- The modalities for the implementation of the Phase III of the UPI ASBA shall be notified later after deliberations with stakeholders.

SEBI vide its Notification has announced extension of timeline for filings prescribed for Issuers of Municipal Debt Securities

- Investor Grievance Report as per Municipal Bond to be filed within 30 working days from end of Half Year – extended date 30th June, 2020 (period of relaxation 45 days)
- Annual Financial Results to be filed 60 days from the end of Financial Year – extended date 30th June, 2020 (period of relaxation 30 days)



- Accounts maintained by Issuers under Issue and Listing of Debt Securities by Municipalities (ILD) Regulations to be filed 45 days from end of quarter – extended date 30th June, 2020 (period of relaxation 45 days)

SEBI vide its Notification dated March 30, 2020 has announced temporary relaxation in processing of documents pertaining to FPIs due to COVID-19

- In terms of Operational guidelines for Foreign Portfolio Investors (FPIs) & Designated Depository Participants (DDPs) issued under Securities and Exchange Board of India (FPI) Regulations, 2019, FPI applicant shall submit duly signed application form (including KYC details) and supporting documents and applicable fees.
- Further, copies of all the KYC documents submitted by the applicant should be accompanied by originals for verification. In case the original of any KYC document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents.
- SEBI has also decided to grant the following relaxations in a situation where FPIs are not in a position to send original and/or certified documents as specified in Operational guidelines for Foreign Portfolio Investors (FPIs) & Designated Depository Participants (DDPs) issued under Securities and Exchange Board of India (FPI) Regulations, 2019:

- (a) DDPs & Custodians may consider and process the request(s) for registration/ continuance/ KYC / KYC review & any other material change on the basis of

scanned version of signed documents (instead of originals) and copies of documents which are not certified, received from

- i. e-mail IDs of their Global Custodians/existing clients where these details are already captured in records or
 - ii. e-mail IDs of new clients received from domains which are duly encrypted with Transport –layer security (TLS) or similar encryption or the documents are password protected.
- (b) These documents may be uploaded on KRAs. The other intermediaries may rely on said documents.
- The above temporary relaxations shall be applicable till June 30, 2020.
 - DDPs & Custodians shall ensure to obtain the original and/or certified documents (as applicable normally) within 30 days from the aforesaid deadline. In case required documents for registration/ KYC are not received by said deadline, the accounts of such FPIs shall be blocked for any fresh purchase. In case documents are still not received within 3 months of said deadline, DDPs & Custodians shall report these cases to SEBI for appropriate action.
 - Intermediaries should undertake necessary due diligence including

that required for regulatory and risk based approach towards compliance with AML requirements while processing these documents based on scan copy.

SEBI vide its Notification dated March 30, 2020 has announced relaxation in compliance with requirements pertaining to Portfolio Managers

SEBI has relaxed the timeline for compliance with certain requirements for Portfolio Managers by extending the timelines for the following, by two months:

- a. Monthly reporting to SEBI by Portfolio Managers for the periods ending March 31, 2020 and April 30, 2020.
- b. Applicability of SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 on 'Guidelines for Portfolio Managers'.

SEBI vide its Notification dated March 30, 2020 has announced relaxation in compliance with requirements pertaining to AIFs and VCFs

SEBI has extended the due date for regulatory filings for AIFs and VCFs for the periods ending March 31, 2020 and April 30, 2020 by two months, over and above the timelines prescribed under SEBI (Alternative Investment Funds) Regulations, 2012 and circulars issued thereunder.

SEBI vide its Notification dated March 30, 2020 has announced relaxation from compliances with

deadline prescribed for processing of demat request, in SEBI (Depositories & Participants) Regulations, 2018, due to COVID-19 pandemic.

- SEBI has provided relaxation in compliance with deadlines prescribed for processing of the demat request form by Issuer/RTA under reg. 74(5) of SEBI (Depositories and Participants) Regulations, 2018.
- The existing timeline is 15 days.
- Relaxation has been provided that, the period beginning from March 23, 2020 till April 30, 2020 will be excluded for computing the existing timelines as specified SEBI DP Regulations.
- In addition, 15 days time period is allowed to clear the back-log after April 30,2020





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