



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

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# Covid 19 - Regulatory Updates

Vol. 3



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***Initiatives  
by  
Ministry of Corporate Affairs***

## 1. Further Extension of Period/Days for Names Reserved and Resubmission of Forms

In view of the situation arising due to COVID-19 pandemic, the Ministry of Corporate Affairs has further extended the period/days for Names Reserved and Resubmission of Forms beyond **31<sup>st</sup> July, 2020**.

S. No.	Issue description	Period/Days of Extension
1.	Names reserved for 20 days for new company incorporation. SPICe+ Part B needs to be filed within 20 days of name reservation.	Names expiring any day between <b>15<sup>th</sup> March 2020 to 31<sup>st</sup> July</b> would be extended by 20 days beyond <b>31<sup>st</sup> July 2020</b> .
2.	Names reserved for 60 days for change of name of company. INC-24 needs to be filed within 60 days of name reservation.	Names expiring any day between <b>15<sup>th</sup> March 2020 to 31<sup>st</sup> July</b> would be extended by 60 days beyond <b>31<sup>st</sup> July 2020</b> .
3.	Extension of RSUB validity for companies.	SRNs where last date of Resubmission (RSUB) falls between <b>15<sup>th</sup> March 2020 to 31<sup>st</sup> July 2020</b> , additional 15 days beyond <b>31<sup>st</sup> July 2020</b> would be allowed. However, for SRNs already marked under NTBR, extension would be provided on case to case basis.  <i>Note : Forms will not get marked to (Not to be taken on Record) 'NTBR' due to non-resubmission during this extended period as detailed above.</i> <i>It also includes IEPF Non-STP eForms (IEPF-3, IEPF-5 and IEPF-7)</i>
4.	Names reserved for 90 days for new LLP incorporation/change of name. FiLLiP/Form 5 needs to be filed within 90 days of name reservation.	Names expiring any day between <b>15<sup>th</sup> March 2020 to 31<sup>st</sup> July</b> would be extended by 20 days beyond <b>31<sup>st</sup> July 2020</b> .
5.	RSUB validity extension for LLPs.	SRNs where last date of resubmission (RSUB) falls between <b>15<sup>th</sup> March 2020 to 31<sup>st</sup> July 2020</b> , additional 15 days would be allowed from <b>31<sup>st</sup> July 2020</b> for resubmission. However, for SRNs already marked under NTBR,

		extension would be provided on case to case basis. <i>Note : Forms will not get marked to (Not to be taken on Record)'NTBR' due to non-resubmission during this extended period as detailed above.</i>
6.	Extension for marking IEPF-5 SRNs to 'Pending for Rejection u/r 7(3)' and 'Pending for Rejection u/r 7(7)'	SRNs where last date of filing e-Verification Report (for both Normal as well as Resubmission filing) falls between <b>15<sup>th</sup> March 2020</b> to <b>31<sup>st</sup> July 2020</b> , would be allowed to file the form till <b>30<sup>th</sup> Sep 2020</b> . However, for SRNs already marked under 'Pending for Rejection u/r 7(3)' and 'Pending for Rejection u/r 7(7)', extension would be provided on case to case basis. <i>Note: Status of IEPF-5 SRN will not change to 'Pending for Rejection u/r 7(3)' and 'Pending for rejection u/r 7(7)' till 30<sup>th</sup> Sep'20.</i>

*(For more details, please click on [http://www.mca.gov.in/Ministry/pdf/Extension\\_22042020.pdf](http://www.mca.gov.in/Ministry/pdf/Extension_22042020.pdf))*

## **2. The Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2020, dated 29<sup>th</sup> June, 2020**

MCA vide Notification dated 29<sup>th</sup> June, 2020, in exercise of the powers conferred by sub-sections (1), (2) and Sub-section (4) of section 248 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government makes the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2020 to further amend the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016.

In rule 4, in sub-rule (3), in clause (i) of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016

*the following proviso shall be inserted, namely:-*

- a) "Provided that in case of a –
  - (a) Government company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments; or

(b) subsidiary of a Government company, referred to in clause (a), in which the entire paid up share capital is held by that Government company, a duly notarised indemnity bond in Form STK-3A shall be given by an authorised representative, not below the rank of Under Secretary or its equivalent, in the administrative Ministry or Department of the Government of India or the State Government, as the case may be, on behalf of the company;"

b) In the said rules, in Form STK 2, in the list of attachments, in serial number 4, at the end, the words "or by an authorised representative of administrative Ministry/Department in Form No. STK - 3A" shall be inserted.

c) In the said rules, after Form STK-3, the Form STK-3A shall be inserted  
*MCA has provided that the duly notarised indemnity bond in Form STK-3A shall be given by an authorized representative of the government, not below the rank of Under Secretary or its equivalent, in the administrative Ministry or Department of the Government of India or the State Government, as the case may be, on behalf of the Company while filing Form STK-2 for a company wholly owned by the government or government company.*

*(For more details, please click on  
[http://www.mca.gov.in/Ministry/pdf/Rule3\\_30062020.pdf](http://www.mca.gov.in/Ministry/pdf/Rule3_30062020.pdf))*

### **3. The Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2020, dated 23<sup>rd</sup> June, 2020**

MCA vide Notification No: G.S.R. 396(E), dated 23<sup>rd</sup> June, 2020, in exercise of the powers conferred by section 149 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government makes the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2020 to further amend the Companies (Appointment and Qualification of Directors) Rules, 2014.

**In sub-rule (1), in clause (a) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 for the words**

**"seven months"**

*The following shall be substituted*

**"ten months"**

*With this amendment, MCA has further extended the time limit from seven to ten months from the commencement of the Companies (Appointment and Qualification of Directors) fifth Amendment Rules, 2019 for applying online to the Indian Institute of Corporate Affairs for inclusion of name in the data bank by every individual who has been appointed as an*

*independent director in a company on the date of commencement of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.*

*(For more details, please click on*

*[http://www.mca.gov.in/Ministry/pdf/Rule2\\_25062020.pdf](http://www.mca.gov.in/Ministry/pdf/Rule2_25062020.pdf))*

**4. The Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020, dated 23<sup>rd</sup> June, 2020**

MCA vide Notification No: G.S.R.395(E), dated 23<sup>rd</sup> June, 2020, in exercise of the powers conferred by sections 173, 177, 178 and section 186 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government makes the **Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020** to further amend the Companies (Meetings of Board and its Powers) Rules, 2014.

In sub-rule (2) of Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014, for the figures, letters and word “30<sup>th</sup> June, 2020”, the figures, letters and word “**30<sup>th</sup> September, 2020**” shall be substituted.

*MCA has further relaxed the requirement of holding Board meetings with physical presence of directors under section 173 (2) read with rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 for approval of the annual financial statements, Board’s report, etc. Such meetings may till 30<sup>th</sup> September, 2020 be held through video conferencing or other audio visual means by duly ensuring compliance of rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.*

*(For more details, please click on*

*[http://www.mca.gov.in/Ministry/pdf/Rule1\\_25062020.pdf](http://www.mca.gov.in/Ministry/pdf/Rule1_25062020.pdf))*

**5. MCA Clarification with regard to creation of deposit repayment reserve of 20% under section 73(2)(C) of the Companies Act 2013 and to invest or deposit 15% of amount of debentures under rule 18 of Companies (Share Capital and Debentures) Rules 2014 - COVID-19 -Extension of time vide General Circular No. 24/2020 dated 19/06/2020**

In continuation to General Circular No. 11/2020 dated 24th March 2020 and keeping in view the requests received from various stakeholders seeking extension of time for compliance of the subject requirements on account of covid-19, it has been decided to further extend the time in respect of matters referred to in paras V, VI of the aforesaid circular, from 30th June 2020 to 30th September 2020. All other requirements shall remain unchanged.

*The Companies which has taken deposit under Section 73 of the Companies Act, 2013 are required depositing, on or before the thirtieth day of April each year, such sum which shall not be less than twenty per cent. of the amount of its deposits maturing during the following financial year and kept in a scheduled bank in a separate bank account to be called deposit repayment reserve account. Earlier MCA has extended the time for creation of Deposit*

*repayment reserve from 30th April, 2020 to 30th June, 2020, which is further extended to 30th September, 2020.*

*In respect of debentures issued by the specific class of Companies are required to, invest or deposit as the case may be, on or before the 30th day of April in each year, a sum which shall not be less than fifteen percent., of the amount of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposits which was earlier extended from 30th April,2020 to 30th June, 2020 is further extended to 30th September, 2020.*

[http://www.mca.gov.in/Ministry/pdf/Circular24\\_20062020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular24_20062020.pdf)

**6. General Circular No. 23/2020, Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013, dated 17<sup>th</sup> June, 2020**

The companies are required to file forms related to creation or modification of charges within the timelines provided in section 77 of the Companies Act, 2013 (Act), i.e. a total of 120 days of the creation or modification of charge. In case, the company fails to register the charge within the period of thirty days referred to in sub-section (1) of section 77, the charge holder may file the form related to creation or modification of charges under section 78 of the Companies Act, 2013 within the overall timelines for filing of such form under section 77.

On account of the pandemic caused by the COVID-19, representations have been received in this Ministry, requesting that the timelines related to filing of certain charge related forms may be suitably relaxed so as to provide a window of compliance for the registration of charges. Under the Companies Fresh Start Scheme, 2020 as laid out in the General Circular No. 12/2020, dated 30.03.2020, the benefit of waiver of additional fees was not extended to the charge related documents. Therefore, it has been suggested that some dispensation may be provided for filing of charge related documents as well.

In view of the above, the Central Government in exercise of its powers under section 460 read with section 403 of the Companies Act, 2013 and the Companies (Registration Offices and Fees) Rules, 2014 (Fees Rules) has decided to introduce a Scheme, namely "**Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013**" for the purpose of condoning the delay in filing certain forms related to creation/ modification of charges.

**The details of the Scheme are as under:**

- i) The scheme shall come into effect from the date of issue of this Circular i.e. 17<sup>th</sup> June, 2020**
- ii) Applicability:**

The scheme shall be applicable in respect of filing of Form No. CHG-1 and Form No. CHG-9 (both referred as 'form' or 'forms') by a company or a charge holder, where the date of creation / modification of charge:

- (a) is before 01.03.2020, but the timeline for filing such form had not expired under section 77 of the Companies Act, 2013 as on 01.03.2020, or
- (b) falls on any date between 01.03.2020 to 30.09.2020 (both dates inclusive).

**iii) Relaxation of time:**

- (a) In case a form is filed in respect of a situation covered under sub-para (ii) (a) above i.e. filing of Form CHG-1 and Form CHG-9 by a company or a charge holder, where the date of creation / modification of charge is before 01.03.2020, but the timeline for filing such form had not expired under section 77 of the Companies Act, 2013 as on 01.03.2020
  - The period beginning from 01.03.2020 and ending on 30.09.2020 shall not be reckoned for the purpose of counting the number of days under section 77 or section 78 of the Companies Act, 2013. In case, the form is not filed within such period, the first day after 29.02.2020 shall be reckoned as 01.10.2020 for the purpose of counting the number of days within which the form is required to be filed under section 77 or section 78 of the Companies Act, 2013
- (b) In case a form is filed in respect of a situation covered under sub-para (ii)(b) above i.e. filing of Form CHG-1 and Form CHG-9 by a company or a charge holder, where the date of creation / modification of charge falls on any date between 01.03.2020 to 30.09.2020 (both dates inclusive),
  - The period beginning from the date of creation/ modification of charge to 30.09.2020 shall not be reckoned for the purpose of counting of days under section 77 or section 78 of the Companies Act, 2013. In case, the form is not filed within such period, the first day after the date of creation / modification of charge shall be reckoned as 01.10.2020 for the purpose of counting the number of days within which the form is required to be filed under section 77 or section 78 of the Companies Act, 2013.

**iv) Applicable Fees :**

- a) In regard to sub-para (iii) (a) above, if the form is filed on or before 30.09.2020, the fees payable as on 29.02.2020 under the Fees Rules for the said form shall be charged. If the form is filed thereafter, the applicable fees shall be charged under the Fees Rules after adding the number of days beginning from 01.10.2020 and ending on the date of filing plus the time period lapsed from the date of the creation of charge till 29.02.2020.
- b) In regard to sub-para (iii) (b) above, if the form is filed before 30.09.2020, normal fees shall be payable under the Fees Rules. If the form is filed thereafter, the first day after the date of creation/modification of charge shall be reckoned as 01.10.2020



and the number of days till the date of filing of the form shall be counted accordingly for the purposes of payment of fees under the Fees Rules.

- v) The Scheme shall not apply, in case:
- (a) The forms i.e. CHG-1 and CHG-9 had already been filed before the date of issue of this Circular i.e. (17<sup>th</sup> June, 2020)
  - (b) The timeline for filing the form has already expired under section 77 or section 78 of the Companies Act, 2013 prior to 01.03.2020.
  - (c) The timeline for filing the form expires at a future date, despite exclusion of the time provided in sub-para (iii) above.
  - (d) Filing of Form CHG-4 for satisfaction of charges.

With this circular MCA has provide relaxation in Filing of eForm CHG- 1 and CHG-9, which are due for filing between 01.03.2020 and 30.09.2020 registrar. The period between 01.03.2020 to 30.09.2020. will not be counted for the purpose of filling of form with the registrar. No relaxation has been provided in filing of Form CHG-4.

*(For more details, please click on  
[http://www.mca.gov.in/Ministry/pdf/Circular23\\_17062020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular23_17062020.pdf))*

**7. General Circular No. 22/2020 Clarification on passing of ordinary and special resolutions by Companies under the Companies Act, 2013 read with rules made thereunder on account of Covid-19 - Extension of time - reg., dated 15<sup>th</sup> June, 2020**

The Ministry has issued General Circular No. 14/2020 on 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 on 13<sup>th</sup> April, 2020 for providing clarifications on passing of ordinary and special resolutions by companies by holding extra-ordinary general meetings (EGMs) through video conferencing (VC) or other audio visual means (OAVM) or passing of certain items only through postal ballot without convening general meeting. The framework provided in the said Circulars allows companies to hold relevant EGMs or transact relevant business through postal ballots, as per procedure specified therein, upto 30<sup>th</sup> June, 2020 or till further orders, whichever is earlier. Requests have been received from the stakeholders for extending the period upto which the framework provided in the aforesaid circulars may be utilized by the companies.

The matter has been examined and it has been decided to allow companies to conduct their EGMs through VC or OAVM or transact items through postal ballot in accordance with the framework provided in the aforesaid Circulars upto 30<sup>th</sup> September, 2020. All other requirements provided in the said Circulars remain unchanged.

With this circular MCA has allowed companies to hold relevant EGMs or transact relevant business through postal ballots, as per procedure specified in General Circular No. 14/2020 on 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 on 13<sup>th</sup> April, 2020 upto 30<sup>th</sup> September, 2020.

*(For more details, please click on  
[http://www.mca.gov.in/Ministry/pdf/Circular22\\_15062020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular22_15062020.pdf))*

**8. Notification No: G.S.R. 313(E), Amendment of item no (viii) in the Schedule VII of the Companies Act, 2013, dated 26<sup>th</sup> May, 2020**

In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following further amendment to Schedule VII of the Companies Act, 2013 namely:—

In Schedule VII, item (viii), after the words “Prime Minister’s National Relief Fund”, the words “or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)” shall be inserted.

This notification shall be deemed to have come into force on 28<sup>th</sup> March, 2020.

*The PM-CARES Fund has been set up to provide relief to those affected by any kind of emergency or distress situation. Accordingly, With this amendment any contribution made to the PM CARES Fund shall qualify as CSR expenditure under the Companies Act 2013 w.e.f. 28.03.2020.*

*(For more details, please click on [http://www.mca.gov.in/Ministry/pdf/Notice\\_27052020.pdf](http://www.mca.gov.in/Ministry/pdf/Notice_27052020.pdf))*

**9. General Circular No: 21/2020 Clarification on dispatch of notice under section 62(2) of the Companies Act, 2013 by listed companies for rights issue opening upto 31<sup>st</sup> July, 2020, dated 11<sup>th</sup> May, 2020**

The MCA vide circular no. 21/2020 dated 11<sup>th</sup> May, 2020 has clarified that for rights issues opening upto 31<sup>st</sup> July, 2020, in case of listed companies, which comply with the SEBI Circular dated 6<sup>th</sup> May, 2020, inability to dispatch the notice to their shareholders through registered post or speed post or courier would not be viewed as violation of section 62(2) of the Act.

*(For more details, please click on [http://www.mca.gov.in/Ministry/pdf/Circular21\\_11052020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular21_11052020.pdf))*

**10. General Circular No. 20/2020 Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), dated 05<sup>th</sup> May, 2020**

1. MCA vide General circular dated 05.05.2020 clarified the relaxations in the provisions of the Companies Act, 2013 (the Act) or rules made there under to allow companies to hold annual general meeting (AGM) in a manner similar to the one provided in General Circular No. 14/2020, dated 08.04.2020 (EGM Circular - I) and General Circular No. 17/2020 dated 13.04.2020 (EGM Circular - II), which deal with conduct of extraordinary general meeting (EGM).
2. In the meanwhile, by virtue of the General Circular No. 18/2020, dated 21.04.2020, and the companies whose financial year ended on 31<sup>st</sup> December, 2019, have been allowed to hold their AGM by 30<sup>th</sup> September, 2020.
3. The matter has been further examined and it is stated that in view of the continuing restrictions on the movement of persons at several places in the country, it has been decided

that the companies be allowed to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM), during the calendar year 2020, subject to the fulfillment of the following requirements:

- A. For companies which are required to provide the facility of e-voting under the Act, or any other company which has opted for such facility -
  - I. The framework provided in para 3 -A of EGM circular - I and the manner and mode of issuing notices provided in sub-para (i)-A of EGM Circular – II shall be applicable mutatis mutandis for conducting the AGM.
  - II. In such meetings, other than ordinary business, only those items of special business, which are considered to be unavoidable by the Board, may be transacted.
  - III. In view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall be sent only by email to the members, trustees for the debenture-holder of any debentures issued by the company, and to all other persons so entitled.
  - IV. Before sending the notices and copies of the financial statements, etc., a public notice by way of advertisement be published at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, preferably both newspapers having electronic editions, and specifying in the advertisement the following information.-
    - a. statement that the AGM will be convened through VC or OAVM in compliance with applicable provisions of the Act read with this Circular;
    - b. the date and time of the AGM through VC or OAVM;
    - c. availability of notice of the meeting on the website of the company and the stock exchange, in case of a listed company;
    - d. the manner in which the members who are holding shares in physical form or who have not registered their email addresses with the company can cast their vote through remote e-voting or through the e-voting system during the meeting;
    - e. the manner in which the persons who have not registered their email addresses with the company can get the same registered with the company;

- f. the manner in which the members can give their mandate for receiving dividends directly in their bank accounts through Electronic Clearing Service (ECS) or any other means;
    - g. any other detail considered necessary by the company.
  - V. In case, the company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the company shall upon normalization of the postal services, dispatch the dividend warrant/cheque to such shareholder by post.
  - VI. In case, the company has received the permission from the relevant authorities to conduct its AGM at its registered office, or at any other place as provided under section 96 of the Act, after following any advisories issued from such authorities, the company may in addition to holding such meeting with physical presence of some members, also provide the facility of VC or OAVM, so as to allow other members of the company to participate in such meeting. All members who are physically present in the meeting as well as the members who attend the meeting through the facility of VC or OAVM shall be reckoned for the purpose of quorum under section 103 of the Act. All resolutions shall continue to be passed through the facility of e-voting system.
- B. For companies which are not required to provide the facility of e-voting under the Act-
  - I. AGM may be conducted through the facility of VC or OAVM only by a company which has in its records, the email addresses of at least half of its total number of members, who -
    - a. in case of a Nidhi, hold shares of more than one thousand rupees in face value or more than one per cent. of the total paid-up share capital, whichever is less;
    - b. in case of other companies having share capital, who represent not less than seventy-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting;
    - c. in case of companies not having share capital, who have the right to exercise not less than seventy-five per cent. of the total voting power exercisable at the meeting.
  - II. The company shall take all necessary steps to register the email addresses of all persons who have not registered their email addresses with the company.
  - III. The framework provided in para 3-B of EGM Circular - I and the manner and mode of issuing notices provided in sub-para (i)-B of EGM Circular -II shall be applicable mutatis mutandis for conducting the AGM.

- IV. In such meetings, other than ordinary business, only those items of special business, which are considered to be unavoidable by the Board, may be transacted.
  - V. Owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall be sent only by email to the members, trustees for the debenture-holder of any debentures issued by the company, and to all other persons so entitled.
  - VI. The companies shall make adequate provisions for allowing the members to give their mandate for receiving dividends directly in their bank accounts through the Electronic Clearing Service (ECS) or any other means. For shareholders, whose bank accounts are not available, company shall upon normalization of the postal services, dispatch the dividend warrant/ cheque to such shareholder by post.
4. The companies referred to in paragraphs 3 (A) and (B) above, shall ensure that all other compliances associated with the provisions relating to general meetings viz- making of disclosures, inspection of related documents/registers by members, or authorizations for voting by bodies corporate, etc as provided in the Act and the articles of association of the company are made through electronic mode.
5. The companies which are not covered by the General Circular No. 18/2020, dated 21.04.2020 and are unable to conduct their AGM in accordance with the framework provided in this Circular are advised to prefer applications for extension of AGM at suitable point of time before the concerned Registrar of Companies under section 96 the Act.

*(For more details, please click on*

*[http://www.mca.gov.in/Ministry/pdf/Circular20\\_05052020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf))*

***Initiatives  
by  
Reserve Bank of India***

**1. Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit-Extension (Notification No. RBI/2019-20/231DOR.Dir.BC.No.69/04.02.001/2019-20 dated May 13, 2020)**

The Government of India has announced the Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit to eligible exporters which came into effect from 1<sup>st</sup> April, 2015. Under this scheme the scheduled commercial banks were advised to adhere the specified operational procedure for claiming reimbursement. Later in January 2019, it has been decided by the Government of India to include merchant exporters also, w.e.f. January 2, 2019, under the ongoing Interest Equalisation Scheme for Pre and Post Shipment Rupee Export Credit and allow them interest equalisation at the rate of 3% on credit for export of products covered under 416 tariff lines identified under the Scheme.

The Reserve Bank of India has issued a notification on May 13, 2020, and the Government of India has approved the extension of Interest Equalization Scheme for pre and post shipment Rupee export credit, with same scope and coverage, for one more year i.e. upto March 31, 2021. The extension shall take effect from April 01, 2020 and end on March 31, 2021 covering a period of one year. Consequently, the extant operational instructions issued by the RBI under the captioned Scheme shall continue to remain in force upto March 31, 2021.

*For more details, please click on the link:*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11887&Mode=0>

**2. Pre-shipment and Post-shipment Export Credit – Extension of the Period of Advance (Notification no. RBI/2019-20/246 DOR.DIR.BC.No.73/04.02.002/2019-20, dated : May 23, 2020)**

In view of the outbreak of Covid-19 pandemic, the Indian exporters have been facing genuine difficulties such as delay/postponement of orders, delay in realisation of bills, etc. In this regard, The Reserve bank of India has decided to allow period of realisation and repatriation of the export proceeds to India to be increased from nine months to 15 months from the date of export in respect of exports made upto July 31, 2020. In line with this relaxation, it has been decided to increase the maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks from one year to 15 months, for disbursements made upto July 31, 2020.

*For more details, please click on the link*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11904&Mode=0>

**3. Risk Management and Inter-bank Dealings – Hedging of Foreign Exchange Risk-Date of Implementation (Notification No. RBI / 2019-20/232A.P. (DIR Series) Circular No. 31 dated May 18, 2020)**

The Reserve Bank of India has issued Master Direction - Risk Management and Inter-Bank Dealings in July, 2016 to exercise of the powers conferred by clause (h) of sub-section (2)

of section 47 of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999), the Reserve Bank has framed regulations to promote orderly development and maintenance of foreign exchange market in India through Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 and amended them as and when required. In April, 2020 Master direction has been further amended which proposed to come into effect from June 01, 2020.

Based on the requests received from market participants and in the context of the difficulties arising from the outbreak of novel coronavirus disease (COVID-19), it has been decided by the competent authority that the Directions will now come into effect from September 1, 2020.

*For more details, please click on the link*

*<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11843&Mode=0>*

#### **4. COVID-19 – Regulatory Package (Notification No. RBI/2019-20/244 DOR.No.BP.BC.71 /21.04.048/ 2019-20 dated May 23, 2020)**

The Reserve Bank of India announced certain regulatory measures in the wake of the disruptions on account of COVID-19 pandemic and the consequent asset classification and provisioning norms in March and April 2020. Due to intensification of COVID-19 disruptions has imparted priority to relaxing repayment pressures and improving access to working capital by mitigating the burden of debt servicing, prevent the transmission of financial stress to the real economy, and ensure the continuity of viable businesses and households. Consequently, the detailed instructions in this regard are as follows:

- (i) *Rescheduling of Payments* – Term Loans and Working Capital Facilities: In view of the extension of lockdown and continuing disruption on account of COVID-19, all commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, All-India Financial Institutions, and Non-banking Financial Companies (including housing finance companies) (“lending institutions”) are permitted to extend the moratorium by another three months i.e. from June 1, 2020 to August 31, 2020 on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans).

Accordingly, the repayment schedule for such loans as also the residual tenor, should be shifted across the board. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.

In respect of working capital facilities sanctioned in the form of Cash Credit/Overdraft (“CC/OD”), Lending Institutions are permitted to allow a deferment of another three months, from June 1, 2020 to August 31, 2020, on recovery of interest applied in respect of all such facilities. Lending Institutions are



permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded Interest Term Loan (FITL) which shall be repayable not later than March 31, 2021.

- (ii) *Easing of Working Capital Financing* : The 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, as a one-time measure.
  - (a) Recalculate the 'Drawing Power' by reducing the margins till August 31, 2020. However, in all such cases where such a temporary enhancement in drawing power is considered, the margins shall be restored to the original levels by March 31, 2021; and/or,
  - (b) Review the working capital sanctioned limits upto March 31, 2021, based on a reassessment of the working capital cycle.
- (iii) *Asset Classification* : The conversion of accumulated interest into Funded Interest Term Loan (FITL), due to deferment of interest as permitted in terms of paragraph (i) above, and the changes in the credit terms permitted to the borrowers to specifically tide over economic fallout from COVID-19, will not be treated as concessions granted due to financial difficulty of the borrower, under Paragraph 2 of the Annex to the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 ('Prudential Framework'), and consequently, will not result in asset classification downgrade.

*For more details, please click on the link*

*<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11902&Mode=0>*

## **5. COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets (Notification No. RBI/2019-20/245 DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020)**

In continuation of RBI Circular DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 relating to extension of resolution timelines under the Prudential Framework on Resolution of Stressed Assets dated June 7, 2019 ('Prudential Framework'), The RBI Governor has announced in his Statement on May 22, 2020, that the timelines are being extended further.

In respect of accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period shall resume from September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution.

In respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

*For more details, please click on the link*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11903&Mode=0>

**6. Interest Subvention (IS) and Prompt Repayment Incentive (PRI) for Short Term Loans for Agriculture including Animal Husbandry, Dairy and Fisheries for extended period on account of Covid-19 (Notification no. RBI/2019-20/250 FIDD.CO. FSD.BC. No.25/ 05.02.001/2019-20 dated June 4, 2020)**

In view of the extension of lockdown and continuing disruption on account of COVID-19, the RBI vide circular dated May 23, 2020 has permitted all lending institutions to extend moratorium by another three months, i.e., upto August 31, 2020. In order to ensure that farmers do not pay higher interest during the extended moratorium period, the Government has decided to continue the availability of 2% IS and 3% PRI to farmers for the extended period of repayment upto August 31, 2020 or date of repayment, whichever is earlier. This benefit will be applicable to all short term loans for Agriculture and Animal Husbandry, Dairy and Fisheries (AHDF) upto ₹3 lakh per farmer (upto ₹2 lakh for AHDF farmers).

*For more details, please click on the link*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11909&Mode=0>

**7. Assignment of Risk Weights on Credit Facilities (Guaranteed Emergency Credit Line) under the Emergency Credit Line Guarantee Scheme (Notification no. RBI/2019-20/255 DoR.BP.BC.No.76/21.06.201/2019-20 dated June 21, 2020)**

The Finance Minister Nirmala Sitharaman on May 13, 2020 announced collateral-free loans up to Rs 3 lakh crore under the scheme name “Emergency Credit Line Guarantee Scheme (ECLGS)”, backed by government guarantee. This facility is provided by the National Credit Guarantee Trustee Company (NCGTC) to banks, NBFCs and Financial Institutions (FIs). Further, it has been decided that Member Lending Institutions shall assign zero percent risk weight on the credit facilities extended under this scheme to the extent of guarantee coverage

*For more details, please click on the link*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11916&Mode=0>

**8. Extension of timeline for finalization of audited accounts of NBFCs**

*(Notification no. RBI/2020-21/11DoR (NBFC) (PD) CC. No. 114/03.10.001/2020-21 dated July 06, 2020)*

Due to COVID-19 pandemic, it has been decided that every applicable NBFCs which are required to finalise their Balance Sheet within 3 months from the date to which it pertain, shall finalise its Balance sheet within the stipulated time period or any date as notified by SEBI for submission of financial results by listed entities.

*For more details, please click on the link*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11935&Mode=0>

***Initiatives  
by  
Securities and Exchange Board  
of India***

**I. Implementation of Circular on 'Margin obligations to be given by way of Pledge / Re-pledge in the Depository System' – Extension**

*(Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020)*

1. SEBI, vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, specified guidelines with regard to Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. The provisions of this circular were to come into effect from June 01, 2020. In view of the situation arising due to Covid-19 pandemic, lockdown imposed by the Government, it has been decided to extend the implementation date of the aforesaid circular to August 01, 2020.

*The relevant extract of the above mentioned circular dated February 25, 2020 is given hereunder;-*

***With effect from June 01, 2020, TM / CM shall, inter alia, accept collateral from clients in the form of securities, only by way of 'margin pledge', created in the Depository system in accordance with Section 12 of the Depositories Act, 1996 read with Regulation 79 of the SEBI (Depositories and Participants) Regulations, 2018 and the relevant Bye Laws of the Depositories.***

2. However, the provision as specified in paragraph 4 of the aforesaid circular regarding holding of Power of Attorney by TM / CM not to be considered as equivalent to the collection of margin by TM / CM in respect of securities held in the demat account of the client, shall be applicable from June 01, 2020.

*The relevant extract of the provision as specified in paragraph 4 of the above mentioned circular*

*Transfer of securities to the demat account of the TM / CM for margin purposes (i.e. title transfer collateral arrangements) shall be prohibited. In case, a client has given a power of attorney in favour of a TM / CM, such holding of power of attorney shall not be considered as equivalent to the collection of margin by the TM / CM in respect of securities held in the demat account of the client.*

3. Accordingly, in terms of paragraph 12 of the circular, the trading member (TM) / clearing member (CM) shall be required to close all existing demat accounts tagged as 'Client Margin/ Collateral' by August 31, 2020.

*The relevant extract of the provision as specified in paragraph 12 of the above mentioned circular dated February 25, 2020 is given hereunder;-*

*The TM / CM shall be required to close all existing demat accounts tagged as 'Client Margin/ Collateral' by June 30, 2020. The TM / CM shall be required to transfer all client's securities lying in such accounts to the respective clients' demat accounts. Thereafter, TM / CM are*

*prohibited from holding any client securities in any beneficial owner accounts of TM/CM, other than specifically tagged accounts as indicated above, and in pool account(s), unpaid securities account as provided.*

4. Further, with regard to paragraph 4 of annexure A regarding confirmation from the client / pledgor through OTP on mobile number / registered e-mail id or other verifiable mechanism, it is clarified that such confirmation shall be required only once from the client/pledgor at the time of initial creation of pledge in favour of TM / CM and subsequent repledging by TM / CM shall not require any further confirmation from the client / pledgor. Paragraph 4 of Annexure A of the aforesaid SEBI circular stands modified accordingly.

*The relevant extract of the provision as specified in paragraph 4 of Annexure A of the above mentioned circular dated February 25, 2020 is given hereunder;-*

*On receipt of the margin pledge instruction either from the client or by TM / CM as per the POA, DP of a client shall initiate a margin pledge in the client's account and the status of instruction will remain pending till confirmation is received from client / pledgor. The client will submit acceptance by way of One Time Password (the "OTP") confirmation on mobile number / registered e-mail id of the client or other verifiable mechanism. Such OTP confirmation from client shall also be required, if securities of such client are being re-pledged. The Depositories shall develop a verifiable mechanism for confirmation of the pledge by the client.*

*(For more details, please click on [https://www.sebi.gov.in/legal/circulars/may-2020/implementation-of-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system-extension\\_46705.html](https://www.sebi.gov.in/legal/circulars/may-2020/implementation-of-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system-extension_46705.html))*

## **II. Implementation of provision regarding Power of Attorney in circular dated February 25, 2020 – Extension**

*(Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/90 dated May 29, 2020)*

1. SEBI, vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, specified guidelines with regard to Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. The provisions of this circular were to come into effect from June 01, 2020.
2. Vide SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020, it was reiterated that the provision as specified in paragraph 4 of the SEBI circular dated February 25, 2020 regarding holding of Power of Attorney by TM / CM not to be considered as equivalent to the collection of margin by TM / CM in respect of securities held in the demat account of the client, shall be applicable from June 01, 2020.
3. However, in view of the situation arising due to Covid-19 pandemic, lockdown imposed by the Government, it has been decided to extend the implementation date of the aforesaid

provision to August 01, 2020 and align it with the implementation of mechanism of pledge re-pledge through the Depository system.

4. Stock Exchanges, Clearing Corporations and Depositories are directed to bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites.

*(For more details, please click on : [https://www.sebi.gov.in/legal/circulars/may-2020/implementation-of-provision-regarding-power-of-attorney-in-circular-dated-february-25-2020-extension\\_46739.html](https://www.sebi.gov.in/legal/circulars/may-2020/implementation-of-provision-regarding-power-of-attorney-in-circular-dated-february-25-2020-extension_46739.html))*

### **III. Relaxation in compliance with requirements pertaining to AIFs and VCFs**

*(Circular No. SEBI/HO/IMD/DF6/CIR/P/2020/92 dated June 4, 2020)*

In light of market events due to CoVID-19 pandemic, SEBI, vide Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/58, dated March 30, 2020, extended the due date for regulatory filings for AIFs and VCFs for the periods ending March 31, 2020 and April 30, 2020. A need has been felt to further extend the timelines for regulatory filings for AIFs and VCFs.

Accordingly, AIFs and VCFs may submit the regulatory filings for the months ending March, April, May and June 2020, as applicable, on or before August 07, 2020.

*(For more details, please click on : [https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-in-compliance-with-requirements-pertaining-to-aifs-and-vcfs\\_46771.html](https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-in-compliance-with-requirements-pertaining-to-aifs-and-vcfs_46771.html))*

### **IV. Relaxation from compliance with certain provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 and other SEBI Circulars due to the COVID -19 virus pandemic**

*(Circular No. SEBI/HO/DDHS/CIR/P/2020/098 dated June 8, 2020)*

1. SEBI vide circular no. SEBI/HO/DDHS/ON/P/2020/41 dated March 23, 2020 specified guidelines for relaxation from compliance with certain provisions of the SEBI LODR Regulations and other SEBI Circulars due to the COVID -19 virus pandemic.
2. In partial amendment to the aforesaid circular, it has been decided to extend the relaxation provided in the circular for issuers who intend/propose to list their Non-Convertible Debentures (NCDs) /Non-Convertible Redeemable Preference Share(NCRPS)/Commercial Papers (CPs) for disclosure of financial results for another one month.

3. Accordingly, Clause 5 of the circular stands modified as under:

“In order to enable listed issuers who intend/propose to list their NCD/NCRPS/CPs, it has been decided to grant the following relaxations in timelines:

<i>Particulars</i>	<i>Available Financials</i>	<i>Date for issuance</i>	<i>Extended date for issuance</i>	<i>Period of relaxation</i>
Cut-off date for issuance of NCDs/NCRPS/CPs	As on September 30, 2019	On or before March 31, 2020	On or before June 30, 2020	91 days

*(For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-and-sebi-non-convertible-redeemable-preference-shares-regulations-2013-and-ce\\_46788.html](https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-and-sebi-non-convertible-redeemable-preference-shares-regulations-2013-and-ce_46788.html))*

**V. Relaxations from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Further Public Offer**

*(Circular No. SEBI/HO/CFD/CIR/CFD/DIL/85/2020 dated June 9, 2020)*

1. In the wake of developments relating to the Covid-19 pandemic, SEBI vide Circular no. SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 introduced temporary relaxation in eligibility conditions related to Fast Track Rights Issue.
2. In continuation, it has been decided to provide similar relaxations in the eligibility conditions related to Fast Track Further Public Offer (FPO) as contained in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) as follows:

Sub-regulations (1), (2), (3), (4) and (5) and (9) of regulation 123 shall not apply if the issuer satisfies the conditions mentioned under Regulation 155 of ICDR Regulations for making a further public offer through the fast track route:

Certain temporary relaxations with respect to Regulation 155 of ICDR Regulations are extended as follows:

- (i) In regulation 155(c) the words ‘one thousand crore’ shall be read as ‘five hundred crore’
- (ii) Regulation 155 (h) shall be read as under:  
 “no show-cause notices, excluding under adjudication proceedings, have been issued by the Board and pending against the issuer or its promoters or whole-time directors as on the reference date;

In cases where against the issuer or its promoters/ directors/ group companies,

- i) a show cause notice(s) has been issued by the Board in an adjudication proceeding or
- ii) prosecution proceedings have been initiated by the Board; necessary disclosures in respect of such action (s) along- with its potential adverse impact on the issuer shall be made in the offer documents.”
- iii) Regulation 155 (i) shall be read as “ the issuer or promoter or promoter group or director of the issuer has fulfilled the settlement terms or adhered to directions of the settlement order(s) in cases where it has settled any alleged violation of securities laws through the consent or settlement mechanism with the Board”.
- iv) Regulation 155(l) shall be read as “impact of audit qualifications, if any and where quantifiable, on the audited accounts of the issuer in respect of those financial years for which such accounts are disclosed, shall be appropriately disclosed and accounts accordingly restated, in the offer documents.

Further, that for the qualifications wherein impact on the financials cannot be ascertained the same shall be disclosed appropriately in the offer documents.”

3. These temporary relaxations are applicable for FPOs that open on or before March 31, 2021.
4. The relaxations mentioned in this circular are not applicable for issuance of warrants.
5. This circular shall come into force with immediate effect. The Stock Exchanges are advised to bring the provisions of this circular to the notice of all entities who have listed their equity and convertible securities.

*(For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/relaxations-from-certain-provisions-of-the-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-in-respect-of-further-public-offer\\_46791.html](https://www.sebi.gov.in/legal/circulars/jun-2020/relaxations-from-certain-provisions-of-the-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-in-respect-of-further-public-offer_46791.html))*

## **VI. Clarifications with respect to Circular dated February 05, 2020 on 'Disclosure Standards for Alternative Investment Funds (AIFs)**

*(Circular No. SEBI/HO/IMD/DF6//CIR/P/2020/99 dated June 12, 2020)*

1. SEBI has issued a Circular No. SEBI/HO/IMD/DF6/CIR/P/2020/24 (“Circular”) dated February 05, 2020 on 'Disclosure Standards for Alternative Investment Funds (AIFs)'.

*The relevant extract of the above mentioned circular dated February 5, 2020 is given hereunder;-*



*As a part of SEBI's initiatives to streamline disclosure standards in the growing AIF space, SEBI has been decided to introduce template(s) for Private Placement Memorandum (PPM), subject to certain exemptions, and mandatory performance benchmarking for AIFs with provisions for additional customized performance reporting.*

*PPM is a primary document in which all the necessary information about the AIF is disclosed to prospective investors. To ensure that a minimum standard of disclosure is made available in the PPM, it has been decided to mandate a template for the PPM providing certain minimum level of information in a simple and comparable format. AIFs are also permitted to provide additional information in their PPM.*

2. In this regard, it is clarified as under:

(i) Audit of compliance with terms of PPM as provided in Paragraph 5 of the Circular, shall be conducted at the end of each Financial Year and the findings of audit along with corrective steps, if any, shall be communicated to the Trustee or Board or Designated Partners of the

AIF, Board of the Manager and SEBI, within 6 months from the end of the Financial Year.

(ii) The requirement of audit of compliance with terms of PPM shall not apply to AIFs which have not raised any funds from their investors.

However, such AIFs shall submit a Certificate from a Chartered Accountant to the effect that no funds have been raised, within 6 months from the end of the Financial Year.

(iii) For the Financial Year 2019-20, the above requirements shall be fulfilled on or before December 31, 2020.

*The relevant extract of the provision as specified in Paragraph 5 of the above mentioned circular dated February 5, 2020 is given hereunder;-*

*Further, in order to ensure compliance with the terms of PPM, it will be mandatory for AIFs to carry out an annual audit of such compliance. The audit shall be carried out by either internal or external auditor/legal professional. However, audit of sections of PPM relating to 'Risk Factors', Legal, Regulatory and Tax Considerations' and 'Track Record of First Time Managers' shall be optional.*

3. Paragraph 12 (i) of the Circular is amended as under:

"Any association of AIFs ("Association"), which in terms of membership, represents at least 33% of the number of AIFs, may notify one or more Benchmarking Agencies, with whom each AIF shall enter into an agreement for carrying out the benchmarking process."

*The relevant extract of the provision as specified in Paragraph 12(i) of the above mentioned circular dated February 5, 2020 is given hereunder;-*

*Any association of AIFs ("Association"), which in terms of membership, represent at least 51% of the number of AIFs, may notify one or more Benchmarking Agencies, with whom each AIF shall enter into an agreement for carrying out the benchmarking process.*

4. In light of market events due to the COVID-19 pandemic, the timeline for making available the first industry benchmark and AIF level performance versus Benchmark Reports, is extended till October 01, 2020.

*(For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/clarifications-with-respect-to-circular-dated-february-05-2020-on-disclosure-standards-for-alternative-investment-funds-aifs-\\_46847.html](https://www.sebi.gov.in/legal/circulars/jun-2020/clarifications-with-respect-to-circular-dated-february-05-2020-on-disclosure-standards-for-alternative-investment-funds-aifs-_46847.html))*

## **VII. Relaxation in timeline for compliance with regulatory requirements**

*(Circular No. SEBI/HO/MIRSD/DOP//CIR/P/2020/101 dated June 19, 2020)*

In view of the situation arising due to COVID-19 pandemic, lockdown imposed by the Government and SEBI had earlier provided relaxations in timelines for compliance with various regulatory requirements by the trading members / clearing members/ depository participants, vide circular nos.

SEBI/HO/MIRSD/DOP/CIR/P/2020/61 dated April 16, 2020,

SEBI/HO/MIRSD/DOP/CIR/P/2020/62 dated April 16, 2020, and

SEBI/HO/MIRSD/DOP/CIR/P/2020/68 dated April 21, 2020.

Later, vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/82 dated May 15, 2020, timelines / period of exclusion was further extended for certain compliance requirements.

In view of the prevailing situation due to Covid-19 pandemic, SEBI has decided to further extend the timelines for compliance with the regulatory requirements by the Trading Members / Clearing Members/ Depository Participants, mentioned in the SEBI circulars, as under:

<i>Compliance requirements for which timelines were extended vide SEBI circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/61 dated April 16, 2020.</i>	<i>S. No. in circular for which timeline is extended further</i>	<i>Extended timeline/ Period of exclusion</i>
Client Funding Reporting	I	Till July 31, 2020 for the months of April, May and June 2020.

Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications	II	Till July 31, 2020 for the quarter ended on March 31, 2020.
Compliance certificate for Margin Trading for CM Segment.	III	Till July 31, 2020.
Risk based supervision.	IV	
Internal Audit Report for half year ending (HYE) March 31, 2020.	V	Till July 31, 2020 for the half year ended on March 31, 2020.
Net worth certificate in Margin Trading for CM Segment for HYE March 31, 2020.	VIII	
Net worth certificate for all members for HYE March 2020.	IX	
Penalty for non-collection / short collection of upfront margins in cash segment.	X	Till July 31, 2020.
Maintaining call recordings of orders/instructions received from clients.	XI	
<i>Compliance requirements for which timelines were extended vide SEBI circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/62 dated April 16, 2020.</i>	<i>S. No. in circular for which timeline is extended further</i>	<i>Extended timeline / Period of exclusion</i>
KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days.	III	Period of exclusion shall be from March 23, 2020 till July 31, 2020.

<i>Compliance requirements for which timelines were extended vide SEBI circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/68 dated April 21, 2020.</i>	<i>S. No. in circular for which timeline is extended further</i>	<i>Extended timeline / Period of exclusion</i>
Submission towards weekly monitoring of client funds under the provisions of Enhanced Supervision.	I	Till July 31, 2020.
Submission of data on monthly basis towards clients' and fund balance under the provisions of Enhanced Supervision.	II	
Daily margin trading reporting.	III	
Update in Income Tax Permanent Account Number of Key Management Personnel / Directors.	IV	Three months from the due date.
Issue of Annual Global Statement to clients.	V	

- All other conditions specified in the aforementioned circulars shall continue to remain applicable.

*(For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements\\_46899.html](https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_46899.html))*

#### **VIII. SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2020 (June 22, 2020)**

Due to serious challenges faced by the corporate sector in the wake of developments related to COVID-19, SEBI has decided to provide an additional option to the existing pricing methodology for preferential issuance. In this regards SEBI has notified the Issue of Capital and Disclosure Requirements (Second Amendment) Regulations, 2020, whereby new regulation 164A to the SEBI (Issue of Capital and Disclosure Requirements), 2018 has been inserted which states pricing norms in the preferential issue of shares of companies having stressed assets.

“Pricing in preferential issue of shares of companies having stressed assets

1. As per Regulation 164A(1) in case of frequently traded shares, the price of the equity shares to be allotted pursuant to the preferential issue shall not be less than the average of the weekly high and low of the volume-weighted average price of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.
2. As per Regulation 164A(2) no allotment of equity shares shall be made unless the issuer company meets any two of the following criteria:
  - a) the issuer has disclosed all the defaults relating to the payment of interest/ repayment of principal amount on loans from banks / financial institutions/ Systemically Important Non-Deposit taking Non-banking financial companies/ Deposit taking Non-banking financial companies and /or listed or unlisted debt securities in terms of SEBI Circular dated November 21, 2019, and such payment default is continuing for a period of at least 90 calendar days after the occurrence of such default.
  - b) there is an Inter-creditor agreement in terms of Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 dated June 07, 2019.
  - c) the credit rating of the financial instruments (listed or unlisted), credit instruments/borrowings (listed or unlisted) of the listed company has been downgraded to "D".
3. The issuer company making the preferential issue shall ensure that the preference issue shall be made to a person not part of the promoter or promoter group as on the date of the board meeting to consider the preferential issue.
4. The resolution for the preferential issue an exemption from the open offer shall provide for the following:
  - a) The votes cast by the shareholders in the 'public' category in favor of the proposal shall be more than the number of votes cast against it. The proposed allottee(s) in the preferential issue that already holds specified securities shall not be included in the category of 'public' for this purpose.  
  
Provided that where the company does not have an identifiable promoter; the resolution shall be deemed to have been passed if the votes cast in favor are not less than three times the number of the votes, if any, cast against it.
5. The proceeds of such preferential issues shall not be used for any repayment of loans taken from promoters/ promoter group/ group companies. The proposed use of proceeds shall be disclosed in the explanatory statement sent for the purpose of the shareholder resolution.
6. The allotment made shall be locked-in for a period of three years from the last date of trading approval.

*For more details, please click on [https://www.sebi.gov.in/legal/regulations/jan-2020/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-regulations-2018-last-amended-on-june-22-2020\\_41542.html](https://www.sebi.gov.in/legal/regulations/jan-2020/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-regulations-2018-last-amended-on-june-22-2020_41542.html)*

**IX. SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2020 (June 22, 2020)**

Listed Companies coming up with preferential issues under Regulations 164(A) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 will not trigger mandatory open offers to be made by such investors, under Regulations 3 & 4 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

SEBI notified the Substantial Acquisition of Shares and Takeovers (Second Amendment) Regulations, 2020 wherein regulation 10 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 a new sub-regulation (2B) inserted as:-

“any acquisition of shares or voting rights or control of the target company by way of the preferential issue in compliance with regulation 164A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 shall be exempt from the obligation to make an open offer under sub-regulation (1) of regulation 3 and regulation 4.

The exemption from the open offer shall also apply to the target company with infrequently traded shares which is compliant with the provisions of sub-regulations (2), (3), (4), (5),(6), (7) and (8) of regulation 164A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The pricing of such infrequently traded shares shall be in terms of regulation 165 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.”

*For more details, please click on [https://www.sebi.gov.in/legal/regulations/jun-2020/securities-and-exchange-board-of-india-substantial-acquisition-of-shares-and-takeovers-second-amendment-regulations-2020\\_46908.html](https://www.sebi.gov.in/legal/regulations/jun-2020/securities-and-exchange-board-of-india-substantial-acquisition-of-shares-and-takeovers-second-amendment-regulations-2020_46908.html)*

**X. Temporary relaxations in processing of documents pertaining to FPIs due to COVID-19**

*(Circular No. SEBI/HO/FPI&C/CIR/P/2020/104 dated June 23, 2020)*

SEBI vide Circular No. SEBI/HO/FPI&C/CIR/P/2020/056 dated March 30, 2020 had prescribed temporary relaxation in processing of documents pertaining to Foreign Portfolio Investors (“FPIs”) due to COVID-19.

In view of the prevailing situation due to COVID-19 pandemic SEBI has decided that the temporary relaxations shall be extended to August 31, 2020. All other terms and conditions specified in the aforesaid circular dated March 30, 2020 shall remain unchanged.

*(For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/temporary-relaxation-in-processing-of-documents-pertaining-to-fpis-due-to-covid-19\\_46915.html](https://www.sebi.gov.in/legal/circulars/jun-2020/temporary-relaxation-in-processing-of-documents-pertaining-to-fpis-due-to-covid-19_46915.html))*

**XI. Further extension of time for submission of financial results for the quarter /half year/financial year ending 31<sup>st</sup> March 2020 due to the continuing impact of the CoVID-19 pandemic**

*(Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020)*

SEBI, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 and circular No. SEBI/HO/DDHS/ON/P/2020/41 dated March 23, 2020, had extended the timeline for submission of financial results under regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') to June 30, 2020 (extension of one month) due to the impact of the CoVID-19 pandemic.

Due to many reasons like the continuing lockdown, subsidiaries and associates situated in containment zones making the audit process challenging and other operational challenges due to the CoVID-19 pandemic. SEBI has received representations from listed entities, Chartered Accountant firms, and industry bodies/associations seeking further extension of time for preparation, finalization and submission of financial results for listed entities for the quarter/half year/financial year ending 31<sup>st</sup> March 2020.

After taking into consideration the aforementioned issues, SEBI has decided to further extend the timeline for submission of financial results under Regulation 33 of the LODR Regulations, by a month, to July 31, 2020, for the quarter and the year ending 31<sup>st</sup> March 2020. Similarly, the timeline under Regulation 52 of the LODR for submission of half yearly and/or annual financial results for the period ending March 31, 2020 for entities that have listed NCDs, NCRPS', CPs, MDS' is also extended to July 31, 2020. This Circular shall come into force with immediate effect.

*(For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/further-extension-of-time-for-submission-of-financial-results-for-the-quarter-half-year-financial-year-ending-31st-march-2020-due-to-the-continuing-impact-of-the-covid-19-pandemic\\_46924.html](https://www.sebi.gov.in/legal/circulars/jun-2020/further-extension-of-time-for-submission-of-financial-results-for-the-quarter-half-year-financial-year-ending-31st-march-2020-due-to-the-continuing-impact-of-the-covid-19-pandemic_46924.html))*

**XII. Further extension of time for submission of Annual Secretarial Compliance Report by listed entities due to the continuing impact of the CoVID-19 pandemic**

*(Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/109 dated June 25, 2020)*

SEBI, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020, had extended by one month (from May 31, 2020 to June 30, 2020), the timeline for submission of the Annual Secretarial Compliance (ASC) Report for the year 2019-2020, for listed entities.

SEBI has received representations from the Institute of Company Secretaries of India (ICSI), industry bodies and listed entities requesting extension of time for submission of the ASC Report in view of the difficulties and challenges faced by listed entities and Practicing Company Secretaries due to the continuing impact of the CoVID-19 pandemic.

After consideration, SEBI has decided to further extend the timeline for submission of the ASC Report by one more month, to July 31, 2020. This Circular shall come into force with immediate effect.

*(For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/further-extension-of-time-for-submission-of-annual-secretarial-compliance-report-by-listed-entities-due-to-the-continuing-impact-of-the-covid-19-pandemic\\_46933.html](https://www.sebi.gov.in/legal/circulars/jun-2020/further-extension-of-time-for-submission-of-annual-secretarial-compliance-report-by-listed-entities-due-to-the-continuing-impact-of-the-covid-19-pandemic_46933.html))*

### **XIII. Relaxation of time gap between two board / Audit Committee meetings of listed entities owing to the CoVID-19 pandemic**

*(Ref: Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020)*

SEBI has relaxed the requirements of the maximum stipulated time gap of 120 days between two meetings of the board and Audit Committees of listed entities, as required under Regulation 17(2) and 18(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

This relaxation was provided for the meetings held/proposed to be held between the period December 1, 2019, and June 30, 2020 vide SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020.

It is further extended till July 31, 2020. However, the board of directors and audit committees of listed entities shall ensure that they meet at least four times a year, as stipulated under Regulation 17(2) and 18(2)(a) of the LODR Regulations.

*For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-of-time-gap-between-two-board-audit-committee-meetings-of-listed-entities-owing-to-the-covid-19-pandemic\\_46945.html](https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-of-time-gap-between-two-board-audit-committee-meetings-of-listed-entities-owing-to-the-covid-19-pandemic_46945.html)*

### **XIV. 'Guidelines for Portfolio Managers'- Extension of implementation timeline**

*(Ref: Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/111 dated June 29, 2020)*

In the light of market events due to CoVID-19 pandemic and the prevailing business and market conditions SEBI has decided to extend the timeline for compliance with the requirements of SEBI circular No. SEBI/HO/IMD/DF1/CIR/P/2020/26 dated February 13, 2020 on 'Guidelines for Portfolio Managers' by further three months.

Accordingly, the provisions shall be applicable with effect from October 01, 2020.

*For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/guidelines-for-portfolio-managers-extension-of-implementation-timeline\\_46959.html](https://www.sebi.gov.in/legal/circulars/jun-2020/guidelines-for-portfolio-managers-extension-of-implementation-timeline_46959.html)*



## XV. Relaxation in timelines for compliance with regulatory requirements

*(Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/112 dated June 30, 2020)*

SEBI had earlier provided relaxations in timelines for compliance with various regulatory requirements by the depository participants(DPs) / Registrars to an Issue & Share Transfer Agents (RTAs) vide its circulars dated April 16, 2020 and April 24, 2020.

In view of the prevailing situation due to COVID-19 pandemic SEBI has decided to further extend the timelines for compliance with the regulatory requirements by DPs / RTAs as under:

<i>Compliance requirements for which timelines were extended vide SEBI circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/62 dated April 16, 2020.</i>	<i>S. No. in circular for which timeline is extended further</i>	<i>Extended timeline / Period of exclusion</i>
Processing of the demat request form by Issuer/RTA.	I	Period of exclusion shall be from March 23, 2020 till July 31, 2020. A15-day time period after July 31, 2020 is allowed to Depository / DPs, to clear the back log.
Processing of the demat request form by the Participants.	II	

<i>Compliance requirements for which timelines were extended vide SEBI circular No. SEBI/HO/MIRSD/DOP/ CIR/P/2020/72 dated April 24, 2020.</i>	<i>S. No. in circular for which timeline is extended further</i>	<i>Extended timeline / Period of exclusion</i>
Submission of half yearly Internal Audit Report (IAR) by DPs for half year ended on 31st March 2020.	II	July 31, 2020, for half year ended on March 31, 2020.
Redressal of investor grievances.	III	Period of exclusion shall be from March 23, 2020 till July 31, 2020. A15-day time period after July 31, 2020 is allowed to Depository / DPs, to clear the back log.
Transmission of securities.	IV	
Closure of demat account.	V	

Vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/101 dated June 19, 2020, SEBI, inter-alia, extended the timeline for Reporting of Artificial Intelligence and Machine Learning by Trading Members (TM) / Clearing Members (CM) till July 31, 2020 for the quarter ended on March 31, 2020. In view of the representation received from the Stock Exchanges, the timeline for Reporting of Artificial Intelligence and Machine Learning by Trading Members (TM) / Clearing Members (CM) is extended till July 31, 2020 for the quarter ending on June 30, 2020.

All other conditions specified in the aforementioned circulars shall continue to remain applicable.

*For more details, please click on [https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements\\_46967.html](https://www.sebi.gov.in/legal/circulars/jun-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_46967.html)*

#### **XVI. Relaxation from compliance to REITs and InvITs due to the CoVID-19 virus pandemic-Amendment**

*(Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2020/114 dated July 1, 2020)*

SEBI vide its circular dated March 23, 2020, had granted temporary relaxations in compliance requirements for REITs and InvITs. In the said circular, the due date for regulatory filings and compliances for REIT and InvIT for the period ending March 31, 2020, was extended by one month over and above the timelines, prescribed under SEBI (Infrastructure Investment Trusts) Regulations, 2014 (InvIT Regulations) and SEBI (Real estate Investment Trusts) Regulations, 2014 (REIT Regulations) and circulars issued there under.

Due to the impact of the CoVID-19 pandemic, SEBI has decided to further extend the due date for regulatory filings and compliances for REITs and InvITs for the period ending March 31, 2020 by a month over and above the extended timelines specified vide the aforementioned circular dated March 23, 2020.

*For more details, please click on [https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-from-compliance-to-reits-and-invits-due-to-the-covid-19-virus-pandemic-amendment\\_46985.html](https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-from-compliance-to-reits-and-invits-due-to-the-covid-19-virus-pandemic-amendment_46985.html)*

***Initiatives  
by  
Central Board of Direct Taxes***

## 1. **Facility of Instant PAN through Aadhaar based e-KYC (Press Release Dated 28<sup>th</sup> May, 2020)**

In line with the announcement made in the Union Budget, the Hon'ble Union Finance Minister Smt. Nirmala Sitharaman formally launched the facility for instant allotment of PAN (on near to real time basis) on 28th May, 2020. This facility is now available for those PAN applicants who possess a valid Aadhaar number and have a mobile number registered with Aadhaar. The allotment process is paperless and an electronic PAN (e-PAN) is issued to the applicants free of cost.

The instant PAN applicant is required to access the e-filing website of the Income Tax Department to provide her/his valid Aadhaar number and then submit the OTP received on her/his Aadhaar registered mobile number. On successful completion of this process, a 15-digit acknowledgment number is generated. If required, the applicant can check the status of the request anytime by providing her/his valid Aadhaar number and on successful allotment, can download the e-PAN. The e-PAN is also sent to the applicant on her/his email id, if it is registered with Aadhaar.

The launch of the Instant PAN facility is yet another step by the Income Tax Department towards Digital India, thereby creating further ease of compliance to the taxpayers.

*For Details:*

[https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/836/PressRelease\\_FM\\_launches\\_PAN\\_through\\_Aadhaar\\_based\\_e-KYC\\_28\\_5\\_20.pdf](https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/836/PressRelease_FM_launches_PAN_through_Aadhaar_based_e-KYC_28_5_20.pdf)

## 2. **Extension of various time limits under Direct Tax & Benami laws [Notification Dated 24<sup>th</sup> June 2020]**

In order to provide further relief to the taxpayers for making various compliances due to the outbreak of Novel Corona Virus (COVID-19), the Government has issued a Notification on 24th June, 2020, the salient features of which are as under:

- Original as well as revised Income-tax returns for FY 2018-19 (AY 2019-20) extended to 31st July, 2020.
- Income tax return for FY 2019-20 (AY 2020-21) extended to 30th November, 2020.
- Payment of self-assessment tax [taxpayer whose self-assessment tax liability is upto Rs. 1 lakh] extended to 30th November, 2020
- The date for making various investment/ payment for claiming deduction under Chapter-VIA-B of the IT Act further extended to 31st July, 2020.
- The date for making investment/ construction/ purchase for claiming roll over benefit/ deduction in respect of capital gains further extended to 30th September, 2020.

- The date for commencement of operation for SEZ units for claiming deduction under section 10AA of the IT Act further extended to 30th September, 2020.
- The date for furnishing of TDS/ TCS statements and certificates for FY 2019-20 extended to 31st July, 2020 and 15th August, 2020 respectively.
- The date for passing of order or issuance of notice which are required to be passed/ issued by 31st December, 2020 extended to 31st March, 2021.
- Linking of Aadhaar with PAN extended to 31st March, 2021.

*<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1634070>*

***Initiatives  
by  
Central Board of Indirect Taxes  
and Customs***

## Part A - Goods and Services Tax

### 1. Circular clarifying issues in respect of challenges faced by registered persons in implementation of provisions of GST issued - Reg

[Circular No. 137/07/2020 - GST, dated 13<sup>th</sup> April, 2020]

Circular No.136/06/2020-GST, dated 03.04.2020 had been issued to clarify doubts regarding relief measures taken by the Government for facilitating taxpayers in meeting the compliance requirements under various provisions of the Central Goods and Services Tax Act, 2017 on account of the measures taken to prevent the spread of Novel Corona Virus (COVID-19).

In order to ensure uniformity in the implementation of the provisions of the law clarifications had been issued:

<i>S. No.</i>	<i>Issue</i>	<i>Clarification</i>
1.	<p>An advance is received by a supplier for a Service contract which subsequently got cancelled.</p> <p>The supplier has issued the invoice before supply of service and paid the GST thereon.</p> <p>Whether he can claim refund of tax paid or is he required to adjust his tax liability in his returns?</p>	<p>In case GST is paid by the supplier on advances received for a future event which got cancelled subsequently and for which invoice is issued before supply of service, the supplier is required to issue a "Credit Note" in terms of section 34 of the CGST Act, 2017. He shall declare the details of such Credit Notes in the return for the month during which such credit note has been issued.</p> <p>The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act, 2017. There is no need to file a separate refund claim.</p> <p>However, in cases where there is no output liability against which a Credit Note can be adjusted, registered persons may proceed to file a claim under "Excess Payment of Tax, if any" through FORM GST RFD-01.</p>
2.	<p>An advance is received by a supplier for a Service contract which got cancelled subsequently. The supplier has issued receipt voucher</p>	<p>In case GST is paid by the supplier on advances received for an event which got cancelled subsequently and for which no invoice has been issued in terms of section 31 (2) of the CGST Act, 2017, he is required to</p>

	<p>and paid the GST on such advance received.</p> <p>Whether he can claim refund of tax paid on advance or he is required to adjust his tax liability in his returns?</p>	<p>issue a “refund voucher” in terms of section 31 (3) (e) of the CGST Act, 2017 read with rule 51 of the CGST Rules, 2017.</p> <p>The taxpayer can apply for refund of GST paid on such advances by filing FORM GST RFD-01 under the category “Refund of Excess Payment of Tax”.</p>
3.	<p>Goods supplied by a supplier under cover of a tax invoice are returned by the recipient.</p> <p>Whether he can claim refund of tax paid or is he required to adjust his tax liability in his returns?</p>	<p>In such a case where the goods supplied by a supplier are returned by the recipient and where tax invoice had been issued, the supplier is required to issue a “Credit Note” in terms of section 34 of the CGST Act, 2017.</p> <p>He shall declare the details of such Credit Notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act, 2017. There is no need to file a separate refund claim in such a case.</p> <p>However, in cases where there is no output liability against which a Credit Note can be adjusted, registered persons may proceed to file a claim under “Excess payment of tax, if any” through FORM GST RFD-01.</p>

For further details please visit : [https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_137\\_7\\_2020.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_137_7_2020.pdf)

## 2. Circular to clarify 'issues in respect of challenges faced by the registered persons in implementation of provisions of GST Laws'

[Circular No. 138/08/2020 - GST, dated 6<sup>th</sup> May, 2020]

Circular No.136/06/2020-GST, dated 03.04.2020 and Circular No.137/07/2020-GST, dated 13.04.2020 had been issued to clarify doubts regarding relief measures taken by the Government for facilitating taxpayers in meeting the compliance requirements under various provisions of the Central Goods and Services Tax Act, 2017 on account of the measures taken to prevent the spread of Novel Corona Virus (COVID-19). Post the issuance of the said clarifications, certain challenges were being faced by taxpayers in adhering to the compliance requirements under various other provisions of the CGST Act, 2017. Hence, More clarification was issued :



S. No.	Issue	Clarification
<b>Issues related to Insolvency and Bankruptcy Code, 2016</b>		
1.	<p>Notification No. 11/2020 – Central Tax dated 21.03.2020, issued under section 148 of the CGST Act, 2017 provided that an IRP /CIRP is required to take a separate registration within 30 days of the issuance of the notification.</p> <p>It has been represented that the Interim Resolution Professional (IRP)/ Resolution Professional (RP) are facing difficulty in obtaining registrations during the period of the lockdown and have requested to increase the time for obtaining registration from the present 30 days limit.</p>	<p>Vide notification No. 39/2020-Central Tax, dated 05.05.2020, the time limit required for obtaining registration by the IRP/RP in terms of special procedure prescribed vide notification No. 11/2020 – Central Tax dated 21.03.2020 has been extended.</p> <p>Accordingly, IRP/RP shall now be required to obtain registration within thirty days of the appointment of the IRP/RP or by 30th June, 2020, whichever is later.</p>
2.	<p>The notification No. 11/2020– Central Tax dated 21.03.2020 specifies that the IRP/RP, in respect of a corporate debtor, has to take a new registration with effect from the date of appointment.</p> <p>Clarification has been sought whether IRP would be required to take a fresh registration even when they are complying with all the provisions of the GST Law under the registration of Corporate Debtor (earlier GSTIN) i.e. all the GSTR-3Bs have been filed by the Corporate debtor / IRP prior to the period of appointment of IRPs and they have not been defaulted in return filing.</p>	<p>i. The notification No. 11/2020– Central Tax dated 21.03.2020 was issued to devise a special procedure to overcome the requirement of sequential filing of FORM GSTR-3B under GST and to align it with the provisions of the IBC Act, 2016. The said notification has been amended vide notification No. 39/2020 - Central Tax, dated 05.05.2020 so as to specifically provide that corporate debtors who have not defaulted in furnishing the return under GST would not be required to obtain a separate registration with effect from the date of appointment of IRP/RP.</p> <p>ii. Accordingly, it is clarified that IRP/RP would not be required to take a fresh registration in those cases where statements in FORM GSTR-1 under section 37 and returns in FORM GSTR-3B under section 39 of</p>

		<p>the CGST Act, 2017 for all the tax periods prior to the appointment of IRP/RP, have been furnished under the registration of Corporate Debtor (earlier GSTIN).</p>
<p>3.</p>	<p>Another doubt has been raised that the present notification has used the terms IRP and RP interchangeably, and in cases where an appointed IRP is not ratified and a separate RP is appointed, whether the same new GSTIN shall be transferred from the IRP to RP, or both will need to take fresh registration.</p>	<p>i. In cases where the RP is not the same as IRP, or in cases where a different IRP/RP is appointed midway during the insolvency process, the change in the GST system may be carried out by an amendment in the registration form.</p> <p>Changing the authorized signatory is a non-core amendment and does not require approval of tax officer. However, if the previous authorized signatory does not share the credentials with his successor, then the newly appointed person can get his details added through the Jurisdictional authority as Primary Authorized Signatory.</p> <p>ii. The new registration by IRP/RP shall be required only once, and in case of any change in IRP/RP after initial appointment under IBC, it would be deemed to be change of authorized signatory and it would not be considered as a distinct person on every such change after initial appointment.</p> <p>Accordingly, it is clarified that such a change would need only change of authorized signatory which can be done by the authorized signatory of the Company who can add IRP /RP as new authorized signatory or failing that it can be added by the concerned</p>

		jurisdictional officer on request by IRP/RP.
<b><i>Other COVID-19 related representations</i></b>		
4.	<p>As per notification no. 40/2017- Central Tax (Rate) dated 23.10.2017, a registered supplier is allowed to supply the goods to a registered recipient (merchant exporter) at 0.1% provided, inter-alia, that the merchant exporter exports the goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier.</p> <p>Request has been made to clarify the provision vis-à-vis the exemption provided vide notification no. 35/2020-Central Tax dated 03.04.2020.</p>	<p>i. Vide notification No. 35/2020-Central Tax dated 03.04.2020, time limit for compliance of any action by any person which falls during the period from 20.03.2020 to 29.06.2020 has been extended up to 30.06.2020, where completion or compliance of such action has not been made within such time.</p> <p>ii. Notification no. 40/2017-Central Tax (Rate) dated 23.10.2017 was issued under powers conferred by section 11 of the CGST Act, 2017. The exemption provided in notification No. 35/2020-Central Tax dated 03.04.2020 is applicable for section 11 as well.</p> <p>iii. Accordingly, it is clarified that the said requirement of exporting the goods by the merchant exporter within 90 days from the date of issue of tax invoice by the registered supplier gets extended to 30<sup>th</sup> June, 2020, provided the completion of such 90 days period falls within 20.03.2020 to 29.06.2020.</p>
5.	<p>Sub-rule (3) of that rule 45 of CGST Rules, 2017 requires furnishing of FORM GST ITC-04 in respect of goods dispatched to a job worker or received from a job worker during a quarter on or before the 25<sup>th</sup> day of the month succeeding that quarter. Accordingly, the due date of filing of FORM GST ITC-04 for the quarter ending March, 2020</p>	<p>Time limit for compliance of any action by any person which falls during the period from 20.03.2020 to 29.06.2020 has been extended up to 30.06.2020 where completion or compliance of such action has not been made within such time. Accordingly, it is clarified that the due date of furnishing of FORM GST</p>

	falls on 25.04.2020. Clarification has been sought as to whether the extension of time limit as provided in terms of notification No. 35/2020-Central Tax dated 03.04.2020 also covers furnishing of FORM GST ITC-04 for quarter ending March, 2020.	ITC-04 for the quarter ending March, 2020 stands extended up to 30.06.2020.
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For further details please visit : [https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_138\\_8\\_2020.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_138_8_2020.pdf)

### 3. Notification to extend period to pass order under Section 54(7) of CGST Act

[Notification No. 46/2020 - Central Tax, dated 9<sup>th</sup> June, 2020]

In view of the spread of pandemic COVID-19 across many countries of the world including India, the Government, on the recommendations of the Council, has notified that in cases where a notice has been issued for rejection of refund claim, in full or in part and where the time limit for issuance of order in terms of the provisions of sub-section (5), read with sub-section (7) of section 54 of the said Act falls during the period from the 20<sup>th</sup> day of March, 2020 to the 29<sup>th</sup> day of June, 2020, in such cases the time limit for issuance of the said order shall be extended to fifteen days after the receipt of reply to the notice from the registered person or the 30<sup>th</sup> day of June, 2020, whichever is later.

This notification came into force with effect from the 20<sup>th</sup> day of March, 2020.

For further details please visit : <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-46-central-tax-english-2020-updated.pdf>

### 4. 40<sup>th</sup> GST Council Decisions – the first meeting post COVID-19 lockdown via video conferencing

**The 40<sup>th</sup> GST Council meeting was held on 12<sup>th</sup> June, 2020** under the Chairmanship of Union Finance Minister **Smt. Nirmala Sitharaman** through video conferencing to phase out all the pending issues of before and after corona lock down and to discuss certain industry aspects that have come to a heating point due to the pandemic calamities across the country. The meeting was attended by the Minister of State Finance Anurag Thakur and Finance Ministers of States and UTs and senior officers of Finance Ministry of State and UTs.

In the 40<sup>th</sup> GST Council meeting FM Nirmala Sitharaman announced some major decisions, including the reduction in late fee for past returns, easing compliance burden for small taxpayers and deciding on the issue of raising funds to meet the liability towards states on account of compensation.

The Key Decisions taken by the Council are mentioned below:

**1. Waiver and Reduction in Late Fees**

Late fee for non-furnishing FORM GSTR-3B for the tax period from July, 2017 to January, 2020 has been reduced or waived as under: –

- a. 'NIL' late fee if there is no tax liability;
- b. Maximum late fee capped at Rs. 500/- per return if there is any tax liability

*Note: The reduced rate of late fee would apply for all the Form GSTR-3B returns furnished between 1<sup>st</sup> July, 2020 to 30<sup>th</sup> September, 2020.*

**2. Reduction in Interest rate for MSMEs (the small taxpayers)**

For MSMEs, the small taxpayers whose aggregate turnover is up to Rs. 5 crore, for the supplies/services effected in the month of February, March and April, 2020, the rate of interest for late furnishing of return for the said months beyond specified dates (staggered up to 6<sup>th</sup> July 2020) is reduced from 18% per annum to 9% per annum till 30<sup>th</sup> September, 2020.

For these months, small taxpayers whose aggregate turnover is less than 1.5 crore will not be charged any interest till the notified dates for relief (staggered up to 6<sup>th</sup> July 2020) and thereafter 9% interest will be charged till 30.09.2020.

**3. Relief for MSMEs , the small taxpayers for subsequent tax periods**

Further relief provided to MSME, the small taxpayers having aggregate turnover up to Rs. 5 crore, by waiver of late fees and interest if the returns in FORM GSTR-3B for the supplies/services effected in the months of May, June and July, 2020 are furnished by September, 2020 (staggered dates yet to be notified).

**4. One time extension in period for seeking revocation of cancellation of registration**

The GST Council has announced onetime only extension in the period for seeking revocation of cancellation of GST registration. As such, taxpayers who could not restore or revoke their GST registration cancellation due to the lockdown or any other reasons can file the application for revocation of cancellation of GST registration by 30<sup>th</sup> September, 2020. This extension, however, is only applicable to registrations that have been cancelled till 12<sup>th</sup> June, 2020.

**5. Discussion on GST Compensation to States and UTs**

The GST Council is looking at a borrowing option for funding the compensation to States and UTs. The Government had already cleared the pending compensations of Rs. 15,340 crore to the states for the month of December, 2019 to February, 2020. The GST collections have been 45% of the usual levels in the past two months. The council

has also decided to take up this matter in a special one-agenda council meeting, which is going to be scheduled in July 2020.

#### 6. Rate Rationalisation of some goods Postponed

The Union Finance minister alongside the council members discussed the decrease in the GST rate of specific things such as panmasala and brick kilns. Rationalization of GST rates for fertilizers, footwear and textiles has been postponed.

Certain clauses of the Finance Act, 2020 amending CGST Act, 2017 and IGST Act, 2017, to be brought in to force from 30<sup>th</sup> June, 2020.

#### 5. Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of COVID-19

*[Circular No. 141/11/2020 - File No. CBEC-20/06/04-2020-GST, Central Tax, dated 24<sup>th</sup> June, 2020]*

Circular No. 136/06/2020-GST, dated 03.04.2020 was issued by the Board on the subject issue clarifying various issues relating to the measures announced by the Government providing relief to the taxpayers. The GST Council, in its 40<sup>th</sup> meeting held on 12.06.2020, recommended further relief to the taxpayers and accordingly, following notifications have been issued:

S. No.	Notification	Remarks
1.	Notification No. 51/2020 - Central Tax, dated 24.06.2020	Seeks to provide relief to taxpayers by reducing the rate of interest from 18% per annum to 9% per annum for specified period.
2.	Notification No. 52/2020- Central Tax, dated 24.06.2020	Seeks to provide relief to taxpayers by conditional waiver of late fee for delay in furnishing FORM GSTR-3B for specified period.
3.	Notification No. 53/2020- Central Tax, dated 24.06.2020	Seeks to provide relief to taxpayers by conditional waiver of late fee for delay in furnishing FORM GSTR-1 for specified period.

For further details please visit : [https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_141\\_11\\_2020.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_141_11_2020.pdf)

### Part B - Customs

6. Notification to amend notification No. 56/2000-Customs dated 05.05.2000, No. 57/2000-Customs dated 08.05.2000 and No. 40/2015-Customs dated 21.07.2015 providing for extension of last date of export by six months, for those cases where the

**last date of export falls between 01.2.2020 and 31.7.2020 due to the outbreak of COVID-19 pandemic.**

*[Notification No. 24/2020 - Customs, dated 9<sup>th</sup> June, 2020]*

The Central Government being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in each of the notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table below, which shall be amended or further amended, as the case may be, in the manner specified in the corresponding entry in column (3) of the said Table, namely:-

**Table**

<i>S. No.</i>	<i>Notification number and date</i>	<i>Amendments</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
1.	40/2015-Customs, dated the 21 <sup>st</sup> July, 2015 [G.S.R. 568(E), dated the 21 <sup>st</sup> July, 2015]	In the said notification, - (a) in the Table, after serial number 4 and the entries relating thereto, the following serial number and entries shall be inserted, namely:- “5. International Gemological Institute (India) Pvt. Ltd, Bandra Kurla Complex, Mumbai”; (b) in condition (x), the following proviso shall be inserted, namely:- “Provided that for the cases where the last date of re-export falls between the 1 <sup>st</sup> February, 2020 and the 31 <sup>st</sup> July, 2020, the last date stands extended by six months.”
2.	56/2000-Customs dated the 5 <sup>th</sup> May, 2000 [G.S.R 399(E), dated the 5 <sup>th</sup> May, 2000]	In the said notification, after the second proviso, the following proviso shall be inserted, namely:-  “Provided also that for the cases where the last date of exports falls between the 1 <sup>st</sup> February, 2020 and the 31 <sup>st</sup> July, 2020, the last date of exports stands extended by six months.”

3.	57/2000-Customs dated the 8th May, 2000 [G.S.R. 413(E), dated the 8th May, 2000]	In the said notification, after the second proviso the following proviso shall be inserted, namely:-  “Provided also that for the cases where the last date of exports falls between the 1 <sup>st</sup> February, 2020 and the 31 <sup>st</sup> July, 2020, the last date of exports stands extended by six months.”
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*For further details please visit : <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs24-2020-rev.pdf>*



***Initiatives  
related to Labour Laws***

**1. Lower rate of EPF subscription 10% with EPFO notified placing higher liquidity in the hands of employees and employers during COVID -19 pandemic (May 19, 2020)**

*Government Sector, their PSEs and establishment whose subscription is being borne by Union Government under PMGKY continue to have subscription at old rates of 12% Lower rates to be applicable for salary months of May, June and July 2020*

Various measures have been announced from time to time to provide relief to the employers and employees of the establishments covered under the EPF & MP Act, 1952 distressed by Lockdown to prevent spread of COVID-19 and other disruptions due to Pandemic.

The reduction in statutory rate of contributions from 12% to 10% for wage months May, 2020, June, 2020 and July, 2020 for all class of establishments covered under the EPF & MP Act, 1952 announced by the Central Govt. as part of Atma-Nirbhar Bharat package has been notified vide SO 1513 (E) dated 18.05.2020 published in the Gazette of India. The notification is available under the TAB- COVID-19 on the home page of EPFO website

The above reduction of rate of contribution is not applicable to establishments like Central and State Public Sector enterprises or any other establishment owned or controlled by or under control of the Central Govt. or State Govt. These establishments shall continue to contribute 12% of basic wages and dearness allowances.

The reduced rate is also not applicable for PMGKY beneficiaries, since the entire employees EPF contributions (12% of wages) and employers' EPF & EPS contribution (12% of wages), totaling 24% of the monthly wages is being contributed by the Central Govt.

Reduction in rate of EPF contributions from 12% to 10% of basic wages and Dearness allowances is intended to benefit both 4.3 Crore employees/members and employers of 6.5 lakhs establishments to tide over the immediate liquidity crisis to some extent.

As a result of reduction in statutory rate of contributions from 12% to 10%, the employee shall have a higher take home pay due to reduction in deduction from his pay on account of EPF contributions and employer shall also have his liability reduced by 2% of wages of his employees. If Rs.10000/- is monthly EPF wages, only Rs.1000/- instead of Rs.1200/- is deducted from employee's wages and employer pays Rs.1000/- instead of Rs.1200/- towards EPF contributions.

In Cost to Company (CTC) model, if Rs.10000/- is monthly EPF wages, in CTC Model the employee gets Rs. 200/- more directly from employer as employer's EPF/EPS contribution is reduced and Rs. 200/- less is deducted from his/her wages.

Under the EPF Scheme, 1952 any member has the option to contribute at a rate higher than statutory rate (10%) and employer can restrict his contributions 10% (statutory rate) in respect of such employee.

*(For more details please visit at <https://pib.gov.in/PressReleasePage.aspx?PRID=1625152>)*

**2. EPFO introduces email mechanism to obtain e-Sign for easing the Process of EPF Compliance by Employers during Lockdown Period as employers were finding difficult to use digital or Aadhaar based e-Sign (May 06, 2020)**

In the current scenario of lockdown announced by the Government to control the spread of COVID-19 pandemic and other disruptions, the employers are not able to function normally and are facing problems in using their digital signatures or Aadhaar based e-sign on EPFO portal.

Many important tasks like KYC attestation, transfer claim attestation etc are being done online by the authorized persons of employers using their Digital Signatures (DSC) or Aadhaar based e-Signs on EPFO portal. For using DSC/e-Sign, one time approval from Regional Offices is required. Due to lockdown, many employers are facing difficulties to send the one time registration requests to the Regional Offices.

Keeping in view the above situation and to further ease the compliance procedure, EPFO has decided to accept such requests through email also. Employer can send the scanned copy of duly signed request letter to the concerned Regional Office through mail. Official email addresses of the Regional Offices are available at [www.epfindia.gov.in](http://www.epfindia.gov.in).

Further, such establishments, whose authorized officers have approved digital signatures but are not able to locate the dongle, can login to the employer portal and register their e-sign through the link for registration of already registered authorized signatories. If their name against the approved digital signature is same as that in their Aadhaar, the registration of e-sign will not require any further approval. Other authorized signatories can register their e-signs and send the request letters approved by the employers and seek approval of the concerned EPFO Offices.

This facility provides further relief to the employers and EPF members adversely impacted by the Pandemic.

*For more details please visit at <https://pib.gov.in/PressReleasePage.aspx?PRID=1621380>*

**3. Relief to establishments covered under EPF and MP Act, 1952 from levy of penalty for delayed deposit of dues during lockdown (May 15, 2020)**

Due to prolonged lockdown announced by the Govt. to control the spread of COVID-19 and other disruptions due to pandemic, establishments covered under EPF & MP Act, 1952 are distressed and unable to function normally and pay the statutory contributions in time.

Considering the difficulty faced by the establishments in timely deposit of contributions or administrative charges due for any period during lockdown, the EPFO has decided that such delays due to operational or economic reasons shall not be treated as default and penal damages should not be levied for such delay.

Circular dated 15.05.2020 has been issued to Field Offices of EPFO containing instructions to the effect that no proceeding shall be initiated for levy of penal damages in such cases which is available under TAB “COVID-19” on home page of EPFO website.

The aforesaid step shall ease the compliance norms for 6.5 lakhs EPF covered establishments and save them from liability on account of penal damages.

*(For more details please visit at <https://pib.gov.in/PressReleasePage.aspx?PRID=1624093>)*

**4. Employees Provident Fund Organisation (EPFO), a Department under Union Ministry of Labour & Employment, launches multi location claim settlement to expedite member claims (15 June, 2020)**

Taking a big leap towards ensuring uniform standards of service delivery across the country and optimum utilisation of its workforce during COVID-19 Pandemic, EPFO has recently launched a multi-location claim settlement facility. This facility will bring a paradigm shift by allowing EPFO offices to settle online claims from any of its regional offices, across the country. All types of online claims i.e. provident fund, pension, partial withdrawal and claims and transfer claims can be processed under this novel initiative.

COVID-19 crisis has affected 135 regional offices of EPFO with different levels of severity depending on their location. It was observed that though many offices in Mumbai, Thane, Haryana and Chennai zones operate with even less than skeletal staff on account of COVID-19 Pandemic, but there has been a disproportionate increase in claim receipt due to recently introduced COVID-19 advance. Consequently, claim pendency in these offices rose to higher levels leading to delay in claim settlement cycle while other offices, working with 50% workforce and with the help of recently introduced auto settlement mode could bring the claim settlement period down to 3 days for COVID-19 advances.

To reduce the delays by uniformly distributing the claim settlement related workload nationwide, EPFO has moved away from the existing system of geographical jurisdiction for claim processing by rolling out multi-location claim settlement facility. This will allow offices with lesser workload to share the burden of offices that have accumulated a higher level of pendency, due to COVID-19 restrictions. It enables fast-tracking of settlement process through most appropriate engagement of EPFO’s workforce in all its regional offices across the country.

The initiative aimed at enhancing ease of living experience for its members, has been achieved in record time. The first batch of multi-location claims under this path-breaking project was settled for Gurugram Region on 10th June 2020. The claims of employees pertaining to the regional office of Gurugram Region were settled by EPFO staff deployed in Chandigarh, Ludhiana and Jalandhar offices. After settlement the payment was made from the Gurugram office to the bank account of the individual member.

Since its launch, claims pertaining to offices that fall in containment zones are being distributed to offices in other locations for expeditious processing.

Further, the launch of multi-location claim settlement facility is a momentous step towards the larger objectives of ushering faceless claims processing thereby bringing greater levels of transparency, efficiency, reduction of member grievances and expeditious settlement of online claims in line with Prime Minister's vision of Digital India.

Despite its functioning being adversely impacted due to COVID-19 restrictions, EPFO's officers and staff through their dedication and constant innovations have been settling more than 80,000 claims amounting to Rs 270 crore per working day since 1st April 2020. With multi-location claim facility EPFO is set to achieve higher benchmarks in service delivery ensuring social security for its more than 6 crore subscribers during the time of crisis.

*For details, please visit at <https://pib.gov.in/PressReleasePage.aspx?PRID=1631691>*

***Initiatives  
related to Economic and  
Commercial Laws***

**1. Cabinet approves 'AtmaNirbhar Bharat Package for allocation of food grains to the migrants / stranded migrants (May 20, 2020)**

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, has given its ex-post facto approval for allocation of food grains from Central Pool to approximately 8 crore migrants / stranded migrants @ 5 kg per person per month (May and June, 2020) for two months free of cost.

It would entail an estimated food subsidy of about Rs. 2,982.27 crore. Further the expenditure towards intra-state transportation and handling charges and dealer's margin / additional dealer margin will account for about 127.25 crore which will be borne fully by Central Government. Accordingly, the total subsidy from the Government of India is estimated at about of Rs. 3,109.52 crore.

The allocation will ease the hardships faced by migrant / stranded migrants due to economic disruption caused by COVID-19.

**2. Three more States included in One Nation One Card scheme (June 01, 2020)**

- *Food & PDS Minister asks all 20 States under ONOC to commence national/ inter-State portability transactions to benefit migrants*
- *Migrants can draw ration anywhere in these 20 States and UTs*

The Union Minister of Consumer Affairs, Food & Public Distribution Shri Ram Vilas Paswan announced the inclusion of three more states namely - Odisha, Sikkim and Mizoram in the scheme on 'Integrated Management of Public Distribution System' (IM-PDS). Under this system nation-wide portability of the benefits under NFSA through "One Nation One Ration Card" plan is implemented to enable the NFSA ration card holders to lift their entitled quota of subsidised foodgrains from any ePoS enabled FPS of their choice anywhere in the country, by using the existing/same ration card after Aadhaar authentication on ePoS device.

The facility so far is enabled in 17 States/UTs, namely - Andhra Pradesh, Bihar, Dadra & Nagar Haveli and Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Kerala, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Punjab, Telangana, Tripura and Uttar Pradesh. Further, constant efforts are being made by this Department of Food & Public Distribution to expand the reach of national portability to the beneficiaries of other States/UTs also in association with respective State/UT Governments. In this endeavour, necessary preparatory activities to integrate these three new States with the national cluster viz. upgradation of ePoS software, integration with central IM-PDS and Annavitran portals, availability of ration cards/beneficiaries data in Central Repository, requisite testing of national portability transactions has also been completed with the support of central NIC team. After completing all these arrangements, the national/ inter-State portability transactions under 'One Nation One Ration Card' plan has been enabled in these States w.e.f distribution month of June 2020. By August 2020 three more States namely - Uttarakhand, Nagaland and Manipur will also be added to the national cluster. Department is doing all necessary arrangements to include remaining all 13 States namely - West Bengal, Arunachal

Pradesh, Assam, Meghalaya, Delhi, J&K, Ladakh, Chandigarh, Puducherry, Tamil Nadu, Chhattisgarh, Andaman & Nicobar and Lakshadweep island to the national cluster. It is confirmed that by 31st March 2021 all States will be added to One Nation One Ration Card scheme and the scheme will be operational all over India.

Shri Paswan highlighted that central technical team has imparted the requisite orientation trainings to the technical team and concerned officers of these States/UTs through Video Conferencing and necessary guidelines/ instructions for the implementation of national/inter-State portability were also provided to them. It is reiterated that those NFSA ration cards which have recorded atleast one Aadhaar authenticated transaction during the last 6-months shall be eligible for the national portability transactions under this plan. This feature has been enabled through the central repository of ration cards/beneficiaries maintained by NIC. Further, it is mentioned that requisite web-services for reporting of portability transaction details to central dashboard are also enabled for these States with immediate effect and the central NIC team shall be continuously assisting the State Governments in seamless rollout of 'One Nation One Ration Card' plan.

Shri Paswan requested all these States to commence the national/ inter-State portability transactions in June 2020. This would also enable the beneficiaries of these States anywhere in the national cluster of States/UTs to access their quota of foodgrains through national portability with immediate effect. In this regard, efforts/activities to generate necessary awareness among the NFSA beneficiaries and FPS dealers may also be undertaken on priority.

### **3. Government approves setting up of an “Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs)” in Ministries/Departments for attracting investments in India (June 03, 2020)**

- *Proposal for Enhancing Investments in India*
- *This will make India a more investor-friendly destination and to handhold and further smoothen investment inflows into the country. It will give a fillip to our domestic industries*
- *EGoS and PDC is an important step in realising Prime Minister Narendra Modi's vision of a \$5 trillion economy*
- *Will bring about synergies between Ministries/Departments and among the Central and State Governments in investment and related incentive policies*
- *To give a boost to the economy and open up immense direct and indirect employment potential in various sectors*

The Union Cabinet under the leadership of Hon'ble Prime Minister Shri Narendra Modi has given its approval for setting up of an “Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs) in Ministries/Departments of Government of India for attracting investments in India”. This new mechanism will reinforce India's vision of becoming a US\$ 5 trillion economy by 2024-25.



Government is determined to put in place an investment friendly ecosystem that strongly supports the domestic investor as well as FDI and will boost the economy manifold. DPIIT proposes strategic implementation of an integrated approach that will eventually bring about synergies between Ministries/Departments and among the Central and State Governments in our investment and related incentive policies.

In the midst of current ongoing COVID-19 pandemic, India is presented with an opportunity to attract FDI inflows into the country especially from large companies which seek to diversify their investments into new geographies and mitigate risks. Also, ramping up production across product lines will help to serve big markets in the US, EU, China and elsewhere. The proposal aims to take advantage of these opportunities from the global economic situation to make India among the largest players in the global value chain.

In order to provide support and facilitation to investors for investing in India and to boost growth in key sectors of the economy, an Empowered Group of Secretaries (EGoS) is approved with the following composition and objectives:

- Cabinet Secretary (Chairperson)
- CEO, Niti Aayog (Member)
- Secretary, Department for Promotion of Industry and Internal Trade (Member Convenor)
- Secretary, Department of Commerce (Member)
- Secretary, Department of Revenue (Member)
- Secretary, Department of Economic Affairs (Member)
- Secretary of Department concerned (to be co-opted).

**Objectives of EGoS:**

- To bring synergies and ensure timely clearances from different departments and Ministries.
- To attract increased investments into India and provide investment support and facilitation to global investors.
- To facilitate investments of top investors in a targeted manner and to usher policy stability & consistency in the overall investment environment.
- To evaluate investments put forward by the departments on the basis of their (i) project creation (ii) actual investments that come. Further, these departments would be given targets for completion of various stages by the Empowered Group.

A '**Project Development Cell' (PDC)** is also approved for the development of investible projects in coordination between the Central Government and State Governments and thereby grow the pipeline of investible projects in India and in turn increase FDI inflows. Under the guidance of the Secretary, an officer not below the rank of Joint Secretary of each relevant central line Ministry, who will be in-charge of the PDC will be tasked to conceptualize, strategize, implement, and disseminate details with respect to investable projects.

PDC will have the following objectives:

- To create projects with all approvals, land available for allocation and with the complete Detailed Project Reports for adoption/investment by investors.
- To identify issues that need to be resolved in order to attract and finalise the investments and put forth these before the Empowered Group.
- The Decision will make India a more investor-friendly destination and give a fillip to the mission of Aatmanirbhar Bharat envisioned by Hon'ble Prime Minister by handholding and further smoothening investment inflows into the country. This will give a boost to the economy and open up immense direct and indirect employment potential in various sectors.

#### **4. Information about Country of Origin by the sellers made mandatory on GeM to promote Make in India and Aatmanirbhar Bharat (23 June, 2020)**

Government e-Marketplace (GeM), a Special Purpose Vehicle under the Ministry of Commerce and Industry, has made it mandatory for sellers to enter the Country of Origin while registering all new products on GeM. Further, sellers, who had already uploaded their products before the introduction of this new feature on GeM, are being reminded regularly to update the Country of Origin, with a warning that their products shall be removed from GeM if they fail to update the same. GeM has taken this significant step to promote 'Make in India' and 'Aatmanirbhar Bharat'.

GeM has also enabled a provision for indication of the percentage of local content in products. With this new feature, now, the Country of Origin as well as the local content percentage are visible in the marketplace for all items. More importantly, the 'Make in India' filter has now been enabled on the portal. Buyers can choose to buy only those products that meet the minimum 50% local content criteria. In case of Bids, Buyers can now reserve any bid for Class I Local suppliers (Local Content > 50%). For those Bids below INR 200 crore, only Class I and Class II Local Suppliers (Local content > 50% and > 20% respectively) are eligible to bid, with Class I supplier getting purchase preference. Some Snapshots of the Local Content Features on the GeM Portal are shown in *Annexure*.

Since its inception, GeM is continuously working towards promotion of 'Make in India' initiative. The Marketplace has facilitated entry of small local sellers in Public Procurement, while implementing 'Make in India' and MSE Purchase Preference Policies of the Government in the true sense. GeM is enabling quick, efficient, transparent and cost-effective procurement, especially in this hour of need when government organizations require products and services urgently to fight against the Covid-19 pandemic. The purchases through GeM by Government users have been authorised and made mandatory by Ministry of Finance by adding a new Rule No. 149 in the General Financial Rules, 2017.

*For detailed information, please visit at*

*<https://pib.gov.in/PressReleasePage.aspx?PRID=1633511>*

**5. India's AI enabled MyGov Corona Helpdesk bagged two awards at Global Leadership Summit and Festival of AI & Emerging Technology, CogX 2020 (30 June 2020)**

AI enabled MyGov Corona Helpdesk bagged two awards under categories (1) "Best Innovation for Covid-19 – Society" and (2) "People's Choice Covid-19 Overall Winner", at the recently held CogX 2020, which is a prestigious Global Leadership Summit and Festival of AI & Emerging Technology held annually in London. The awards were won by Technical Partner of Mygov, JioHaptik Technologies Limited.

MyGov is the world's largest citizen engagement platform, which facilitates two-ways communication between the Government and Citizen and facilitates participatory governance in India, the world's largest democracy. In the fight against Covid-19, MyGov, JioHaptik Technologies Limited and WhatsApp team collaborated to develop AI enabled MyGov Corona Helpdesk in the record time of 5 days including weekend.

MyGov Corona Helpdesk demonstrated the true Public, Private and Public Partnership (PPPP), wherein, Citizen centric services were provided by MyGov, the state-of-the-art technological solution including infrastructure were designed, developed, and deployed by JioHaptik Technologies Limited, and ideas given by public were factored-in on daily basis to improve the services and solution.

*For details please visit at <https://pib.gov.in/PressReleasePage.aspx?PRID=1635403>*

**6. India joins Global Partnership on Artificial Intelligence (GPAI) as a founding member to support the responsible and human-centric development and use of AI (June 15, 2020)**

India joined the league of leading economies including USA, UK, EU, Australia, Canada, France, Germany, Italy, Japan, Mexico, New Zealand, Republic of Korea, Singapore to launch the Global Partnership on Artificial Intelligence (GPAI or Gee-Pay). GPAI is an international and multi-stakeholder initiative to guide the responsible development and use of AI, grounded in human rights, inclusion, diversity, innovation, and economic growth. This is also a first initiative of its type for evolving better understanding of the challenges and opportunities around AI using the experience and diversity of participating countries. In order to achieve this goal, the initiative will look to bridge the gap between theory and practice on AI by supporting cutting-edge research and applied activities on AI-related priorities.

In collaboration with partners and international organizations, GPAI will bring together leading experts from industry, civil society, governments, and academia to collaborate to promote responsible evolution of AI and will also evolve methodologies to show how AI can be leveraged to better respond to the present global crisis around COVID-19.

It is pertinent to note that India has recently launched National AI Strategy and National AI Portal and have also started leveraging AI across various sectors such as education,

agriculture, healthcare, e-commerce, finance, telecommunications, etc. with inclusion and empowerment of human being approach by supplementing growth and development. By joining GPAI as a founding member, India will actively participate in the global development of Artificial Intelligence, leveraging upon its experience around use of digital technologies for inclusive growth.

GPAI will be supported by a Secretariat, to be hosted by Organization for Economic Cooperation and Development (OECD) in Paris, as well as by two Centers of Expertise- one each in Montreal and Paris.

For details please visit at <https://pib.gov.in/PressReleasePage.aspx?PRID=1631676>

***Initiatives  
related to Environmental Law***

**1. Notice period for draft Environment Impact Assessment Notification (EIA), 2020 extended till 30th June (May 07, 2020)**

The Central Government, in exercise of the powers conferred under Environment (Protection) Act, 1986 published the draft notification namely, Environment Impact Assessment Notification, 2020 vide S.O. 1199(E) dated the 23rd March, 2020 in the official gazette on 11th April, 2020, for the information of the public likely to be affected thereby and for making any objections or suggestions on the proposal contained in the draft notification within sixty days from the date on which copies of the Gazette containing said draft notification were made available to the Public;

The Ministry is in receipt of several representations for extending the notice period expressing concern that the draft EIA Notification 2020 was published during the lockdown imposed due to the Corona Virus (COVID-19) pandemic. Therefore, the Ministry after due consideration, deems it fit to extend the notice period up to 30<sup>th</sup> June, 2020.

Any person interested in making any objections or suggestions on the proposals contained in the draft notification may forward the same in writing for consideration of the Central Government before 30th June 2020 to the Secretary, Ministry of Environment, Forest and Climate Change, Indira Paryavaran Bhawan, Jor Bagh Road, Aliganj, New Delhi-110003, or send the same on the e-mail address: eia2020-moefcc@gov.in.

*For detailed Draft Notification, please visit at  
[http://164.100.117.97/WriteReadData/userfiles/Draft\\_EIA\\_2020.pdf](http://164.100.117.97/WriteReadData/userfiles/Draft_EIA_2020.pdf)*

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