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**MARCH
2020**

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Editorial Team: Knowledge Management @ Acquisory



PREFACE

The world is facing an unprecedented crisis due to the outbreak of COVID – 19. In India, the lock – down has been imposed w.e.f. 25th March 2020. The sudden halt in the activities had left the corporates in dire strait and it was important for the government to acknowledge the hardships and come out with a relief plan.

In their efforts to provide the public with much awaited reliefs, the Indian regulators have been announcing several measures for all sectors of the economy. Regulators such as RBI, SEBI, MCA and many other have announced measures to facilitate ease of doing business and make it easier for the corporates to comply with regulatory requirements.

FM Address

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24.03.2020

- Extension of deadlines under Income Tax and GST from 31.03.2020 to 30.06.2020
- Number of relaxations granted under Companies Act w.r.t. conducting board meetings and other regulations
- Revision of threshold for consideration of default under IBC from ₹1 lakh to ₹1 crore to prevent triggering of insolvency proceedings against SMEs
- No additional charges on withdrawal of cash from ATMs of any other bank

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26.03.2020

- Medical Insurance cover of ₹50 lakhs/ person in front line defense against COVID -19 including doctors, nurses, sanitization workers, etc.
- GOI to pay provident fund contribution for employees working in establishments having up to 100 employees and where 90% of employees draw salaries up to ₹15000/ month
- Free gas cylinders to around 8 crores BPL families for next 3 months and farmers to get 1st installment of ₹2000 out of ₹6000 per annum in the first week of April 2020

RBI Address

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27.03.2020

- Repo rate reduced by 75 basis points to 4.4% and Reverse repo rate reduced by 90 basis points to 4%
- CRR reduced by 100 basis points to 3%
- Three-month moratorium on payment of term loan outstanding

The other announcements made by the regulators and other industrial updates have been compiled in the subsequent sections of this newsletter.



RBI UPDATES

■ **Categorization of Bank Loans to registered NBFCs (other than MFIs) for On – lending as Priority Sector**

The RBI has extended the eligibility of classification of bank loans to registered NBFCs (other than MFIs) for on – lending as priority sector lending for FY 2020 – 21. The existing loans disbursed under the on – lending model will continue to be classified under Priority sector till the date of repayment/maturity. An individual bank is allowed an overall limit of 5% of its total priority sector lending as bank credit to registered NBFCs (other than MFIs).

■ **Further Measures announced by RBI for dealing with COVID – 19 (announced on 01.04.2020)**

✓ **Extension of realization period of export proceeds**

- Relaxation in realization and repatriation of time period for export proceeds from 9 months to 15 months, for exports made up to or on 31st July 2020
- This move will enable exporters to-
 - Realize their receipts, specially from COVID – 19 hit nations and
 - Negotiating future export contracts with buyers abroad accordingly

✓ **Review of Limits of Ways and Means Advances of States/UTs**

- Decision to increase the WMA limits by 30% for States & UTs
- Expected to facilitated effective dealing with the present situation by States and UTs
- Revised limits to remain effective from 1st April 2020 to 30th September 2020

✓ **Implementation of Countercyclical Capital Buffer (CCyB)**

The RBI has decided to defer the activation of CCyB for a period of one year, or as may be necessary. The CCyB is based on credit-to-GDP as one of its major indicators, which is used in conjunction with many other supplementary fiscal indicators.

NCLAT UPDATES

■ **Limitation period extended for filing appeals**

The period of limitation for filing appeal with NCLAT has been extended w.e.f. 15th March 2020 till further orders.

■ **Urgent matters listed with NCLAT withdrawn on 25th March and 1st April 2020**

In view of the complete lock – down in the country, the NCLAT has withdrawn its roster for hearings of urgent matters on 25th March 2020 and 1st April 2020.

IBC UPDATES

■ **Amendment to CIRP Regulations**

To facilitate the on – going insolvency proceedings, the IBBI has amended the CIRP regulations where they have asserted that the 21 – day period of lock down will not be counted for the purpose of time – lines for any activity under IBC which could not be completed due to lock down.

SEBI UPDATES

SEBI has announced relaxations in compliance requirements pertaining to its various regulations:

▪ **SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011**

- ✓ The requirement for shareholders to compile, collate and disseminate information of their consolidated shareholding as on 31.03.2020 to the company and stock exchanges within 7 days of the close of financial year has been relaxed to be filed by 15th April 2020
- ✓ Due date for filing disclosures in terms of Regulations 30 (1), 30 (2) and 31(4) of the SAST Regulations for the financial year ending 31st March 2020 has been extended to 1st June 2020

▪ **Extension of Timelines**

ASSOCIATED FILING	DUE DATE	EXTENDED DATE
FOR MUTUAL FUNDS		
Half Yearly Disclosure of unaudited financial results	30.04.2020	31.05.2020
Disclosure of commission paid to distributors	10.04.2020	10.05.2020
Yearly disclosure of Investor Complaints	30.05.2020	30.06.2020
FOR OTHER REGULATIONS		
Regulatory Filings for ReIT and InvIT for period ending 31 st March 2020 (Half Yearly report for period ended 31.03.2020)	15.05.2020	15.06.2020
Monthly reporting by Portfolio Managers for period ending 31 st March 2020 and 30 th April 2020	7 th of following month	2 months extension
Regulatory Filings for AIFs and VCFs for period ending 31 st March 2020 and 30 th April 2020	--	2 months extension

■ **Aavas Financiers raise ₹444 crore in debt from ADB**

Aavas Financiers Ltd., an HFC, has raised ₹444 crore through debt instruments from Asian Development Bank, and the fund will be utilized for on – lending to women. This deal is aimed at improving access of housing finance to lower income groups in the country, specifically women borrowers. Through this deal, Aavas Financiers hope to deepen its presence in low – access regions to provide affordable housing loans to the people in those states/ regions.

■ **IndiGrid completes acquisition of ENICL from Sterlite Power**

India Grid Trust (IndiGrid) has completed acquisition of East North Interconnection Company Limited (ENICL) from Sterlite Power for \$134 million. After this acquisition, IndiGrid's AUM will increase by 10% to \$1.6 billion (₹12,000 crore) as disclosed by the company in one of its regulatory filings.

The acquisition will also help IndiGrid to expand its portfolio to nine power transmission projects with a total network of 20 power transmission lines spanning across 5,800 circuit km across 13 states. The acquisition was undertaken by the management to re-enforce its focus on stable distribution to unit holders by owning long – term contract assets. For the purpose of refinancing the existing debt in ENICL, IndiGrid availed a funding of ₹900 crore from Axis Bank.

■ **Greenko Mauritius acquires stake in Teesta Urja**

CCI has approved acquisition of 35% equity stake in Teesta Urja by Greenko Mauritius. Teesta Urja is an SPV which was incorporated for implementation of a 1200MV hydro power project in North Sikkim. The Sikkim government hold more than 60% stake in Teesta Urja while the rest was owned by private sector companies.

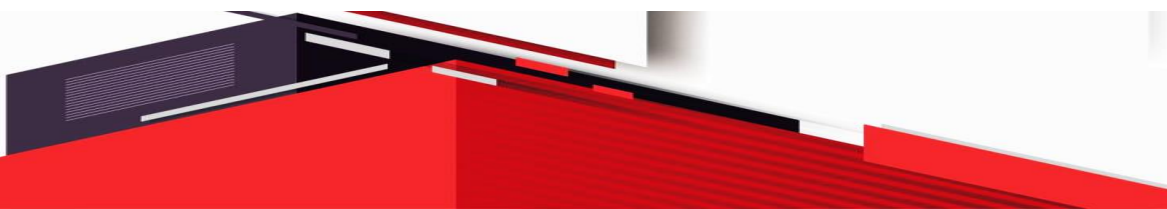
RERA UPDATES

■ **Karnataka and Maharashtra RERA extends deadlines by three months**

In view of the nation – wide lock down, Karnataka and Maharashtra RERA have extended the deadline of 15th March 2020 for completion of residential buildings across the cities by three months. After the lock down was announced, many migrant workers moved back to their hometowns, causing a halt to the construction plans in the states. Also, the supply chains have been adversely affected causing delay in delivery construction material for the contractors.

The due dates for statutory compliance in accordance with RERA 2016 and rules made thereunder which were due in March, April and May have also been extended till 30th June 2020.

This move also comes after the announcement of 3 – month moratorium on EMI by the RBI recently.



■ Companies Fresh Start Scheme and Revised LLP Settlement Scheme

The MCA has announced a Companies Fresh Start Scheme 2020 (CFSS 2020) and revised its earlier LLP Settlement scheme in wake of COVID – 19 outbreak. The main feature of both the schemes is one – time waiver of additional fee for filing delayed documents with the ROC during the tenure of the scheme from 1st April 2020 to 30th September 2020. The schemes have been set – out to facilitate completion of pending compliance requirements by Companies/ LLPs.

Under this CFSS 2020:

- ✓ The companies will also be granted immunity from prosecution proceedings, which will be limited to the extent of delayed filings only and not w.r.t. violation of any other regulation. For e.g. immunity will be granted for delayed filing of return of allotment with the ROC but shall not be extended if the funds raised through private placement have been utilized before filing of such return of allotment
- ✓ The company will have to withdraw its appeal against any previously served prosecution notice before filing an application for issue of “Certificate of Immunity”. A proof of such withdrawal will also be required to be furnished

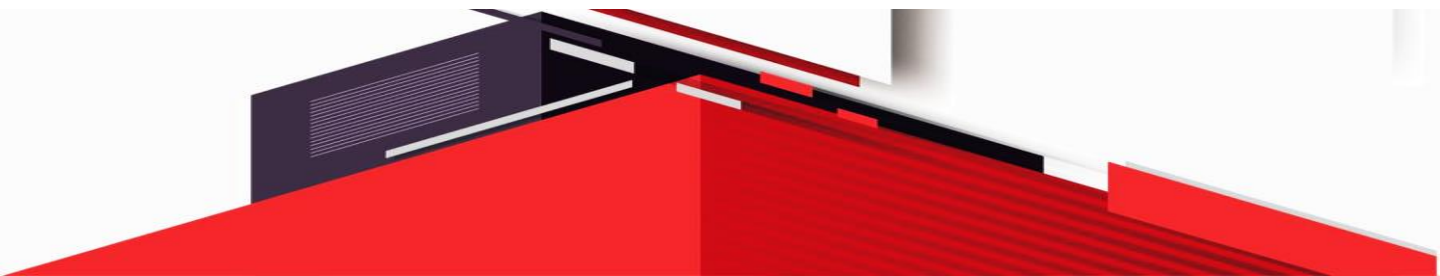
Exceptions to the Scheme:

- ✓ Companies against which final notice for striking off the name has already been initiated u/s 248 or the company which has already filed an application for striking off its name
- ✓ Amalgamated companies under scheme of compromise or arrangement
- ✓ Application for dormant status has already been applied for by the company
- ✓ Where an increase in authorized capital is involved

■ Filing of Form DIR – 3 KYC/ DIR – 3 KYC WEB/ACTIVE without filing fee

- ✓ DIN holders which have been marked as “deactivated” due to non filing of KYC form with the ROC and
- ✓ Companies which have been marked as “ACTIVE – non-compliant” due to non – filing of form ACTIVE with the ROC

Have been encouraged once again to file their respective forms between 1st April 2020 to 30th September 2020 without the additional fee of ₹5,000/ ₹10,000 respectively.



ADB	Asian Development Bank	IBC	Insolvency & Bankruptcy Code
AIF	Alternative Investment Fund	IndiGrid	India Grid Trust
ATM	Automated Teller Machine	InvIT	Infrastructure Investment Trust
AUM	Assets Under Management	LLP	Limited Liability Partnership
BPL	Below Poverty Line	MCA	Ministry of Corporate Affairs
CCI	Competition Commission of India	MFI	Micro Finance Institution
CCyB	Countercyclical Capital Buffer	MSME	Ministry of Small and Medium Enterprises
CFSS	Companies Fresh Start Scheme	NBFC	Non-Banking Financial Company
CIRP	Corporate Insolvency Resolution Process	NCLAT	National Company Law Appellate Tribunal
CRR	Cash Reserve Ratio	RBI	Reserve Bank of India
DIN	Director Identification Number	ReIT	Real Estate Investment Trust
EMI	Equated Monthly Instalment	REPO	Re-Purchase Option
FM	Finance Minister	ROC	Registrar of Companies
GDP	Gross Domestic Product	SAST	Substantial Acquisition of Shares and Takeovers
GOI	Government of India	SEBI	Securities and Exchange Board of India
GST	Goods & Services Tax	UT	Union Territory
HFC	Housing Finance Company	VCF	Venture Capital Funds
IBBI	Insolvency and Bankruptcy Board of India	WMA	Ways and Means Advances

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- Secretarial

IT Risk, Forensics

- Information Security Management Services
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- Technology Risk Solution
- Security Risk Management
- Creative Training Solution

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