



**K S L E G A L**  
Corporate. Litigation. Advisory.

*August, 2020*

# **THE BULLETIN: REGULATORY ANNOUNCEMENTS**

*A ready reckoner guide to India's recent  
important developments across various  
industries*



## SEBI ANNOUNCEMENTS

1. Relaxation from default recognition due to restructuring of debt extended until 31 Dec, 2020 given to All Credit Rating Agencies registered with SEBI.
2. SEBI granted temporary relaxation in processing of documents pertaining to FPIs due to COVID-19 pandemic.
3. 'Grievance Resolution between listed entities and proxy advisers' - Extension of timeline for implementation.
4. Procedural Guidelines for Proxy Advisors' - timeline for compliance requirements of SEBI Circular dated August 03, 2020, extended by 4 months.
5. Master Circular for Mutual Funds is a compilation of all the circulars issued by SEBI prepared to enable the industry to have an access to all the applicable circulars at one place.
6. Securities and Exchange Board of India (IFSC) Guidelines, 2015 amended to further streamline the operations at IFSC, by incorporating new Clause 8 (3).
7. Investor grievances redressal mechanism laid out by SEBI for handling SCORES complaints by stock exchanges and Standard Operating Procedure for non-redressal of grievances by listed companies.
8. Procedural Guidelines for SEBI registered Proxy Advisors mandating proxy advisors to abide by Code of Conduct specified in SEBI (Research Analyst) Regulations, 2014.



## OVERALL IMPLICATION



*The resurgence in the number of cases and the staggered operations in the market in the unlock phase coupled with the second phase of the lockdown enforcement in multiple states have left the market players in a jeopardised position unable to meet extended compliance timelines either. The anticipation of the situation normalising by the end of July has been futile and in light of the persistent adversities, a further extension of the timeline is conspicuous.*



## RBI ANNOUNCEMENTS

1. RBI notifies the extension of time for Submission of returns under Section 31 of the Banking Regulation Act, 1949 to Reserve Bank on or before September 30, 2020.
2. RBI directs Banks to make detailed Board approved policy on methodology and periodicity for review/renewal of Credit facilities.
3. RBI allows pilot scheme for use of offline retail payments using cards, mobile devices until March 31, 2021.
4. RBI announces Online Dispute Resolution (ODR) System for Digital Payments
5. 'Need for discipline': RBI asks banks not to open current accounts for customers having cash credit.
6. To mitigate COVID-19 impact on households, entrepreneurs and small businesses RBI increased the permissible loan to value ratio (LTV) for loans against pledge of gold ornaments and jewellery for non-agricultural purposes from 75% to 90%.
7. New RBI risk capital charges for banks' investment in debt instruments. As per Basel III Capital Regulations, if a bank holds a debt instrument directly, it would have to allocate lower capital as compared to holding the same debt instrument through MF or ETFs.



### OVERALL IMPLICATION

*The impact of the COVID-19 pandemic is likely to push up the gross non-performing assets in the Indian banking system to at least 12.5 percent by March 2021, from 8.5 percent in March, 2020. It may escalate to 14.7% under a very severely stressed scenario. The challenges that lie ahead have to be addressed with the overarching objective of preserving long-term stability of the financial system, which is critical for nurturing the recovery.*



## PHARMACEUTICAL

1. FDC launches two variants of COVID-19 drug Favipiravir in India at ₹55 per tablet under the brand names PiFLU and Favenza. The cheapest version from Sun Pharmaceuticals' stable, which charges ₹35 per tablet.
2. Urgent need to notify draft rules E-pharmacies in India given the sudden surge in demand for home delivery during the pandemic.
3. Amazon and Reliance Industries' e-pharma plans alarm chemists across the country.
4. Centre looking to hike import duty on bulk drugs, in bid to boost local manufacturing. The department of pharmaceuticals (DoP) is mulling the proposal as it pushes to make India self-reliant on APIs. A committee of experts formed by the DoP has suggested increasing the customs duty on APIs by 10 percent.



### OVERALL IMPLICATION

*India is playing the role as the "pharmacy of the world" during the Covid-19 pandemic with its vast experience and deep knowledge in medicine, setting the tone for many regional and global initiatives. India has so far supplied medicines to 133 countries in the fight against Covid-19, which shows India's generosity, despite the fact that the country's government has taken urgent measures to prevent and treat the disease on a national scale*



## REAL ESTATE

1. Maharashtra Government Reduces Stamp Duty To Boost Ailing Real Estate Sector from 5% to 2% until March, 2021. As a result, ready apartments likely to see more traction in Maharashtra post stamp duty cut.
2. Mumbai: Soon, if builder fails to complete redevelopment in three years, NOC to be cancelled.
3. Timeline extension of real estate projects under RERA to provide relief against any penalties by granting an extension to the validity of projects to account for the force majeure period of 6 months.
4. New 'local-only' rule has been implemented to facilitate ease of coordination and communication between the authorised representative and the creditors in the class the representative represents but challenges for insolvency professionals of real estate projects persist.



### OVERALL IMPLICATION

*The Indian land industry has been zooming through different changes in the course of recent years however none of those have undermined the wellbeing of the division as intensely as the current emergency is anticipated to have. The lockdown and the resulting apprehension of occupation misfortune has additionally marked the interest side and with development work at a halt, the graceful side has likewise been upset.*



## INSURANCE

1. IRDAI on August 26, 2020 issued a Press Release, saying, "It is hereby clarified that not holding a valid PUC certificate is not a valid reason for denying any claim under a motor insurance policy.
2. IRDAI grants relaxation for submission of hard copy of regulatory returns. However, the physical copies may be kept ready for filing by a later date to be indicated by Authority.
3. IRDA seeks to make assessors, surveyors more vibrant, responsible and professional in line with the objectives for which it was incorporated, to develop consumer confidence in the insurance market.
4. All insurers mandated to offer standard individual health insurance product, "Arogya Sanjeevani Policy".
5. Timeline to comply with Guidelines on Standardization in Health Insurance extended for one year.



### OVERALL IMPLICATION

*In order to provide need based health insurance coverage, insurers are introducing products for various specific diseases including vector borne diseases. For the purpose of meeting health insurance requirements of various sections, insurers are advised to design products covering the costs of treatment for Corona Virus. In order to provide need based health insurance coverage, insurers are introducing products for various specific diseases including vector borne diseases. For the purpose of meeting health insurance requirements of various sections, insurers are advised to design products covering the costs of treatment for Corona Virus in that regard.*





## CCI ANNOUNCEMENTS

1. CCI approves proposed acquisition of compulsorily convertible preference shares and equity shares of Nextra Data Limited by Comfort Investments II.
2. CCI approves the proposal of Tau Investment to acquire shares in J B Chemicals
3. CCI approves acquisition by Lightstone Fund S.A., for and on behalf of Lightstone Global Fund (LGT) of certain equity stakes in 91Streets Media Technologies Pvt. Ltd. (91Streets), Ascent Health and Wellness Solutions Pvt. Ltd. (Ascent), API Holdings Pvt. Ltd. (API), Aahaan Commercials Pvt. Ltd. (Aahaan) and Lokprakash Vidhya Pvt. Ltd. (Lokprakash) under Section 31(1) of the Competition Act, 2002
4. CCI approves proposed acquisition of C&S Electric Limited by Siemens Limited
5. CCI approves proposed combination filed jointly by Keihin Corporation, Nissin Kogyo Co., Ltd., Showa Corporation and Hitachi Automotive Systems, Ltd.



### OVERALL IMPLICATION

*The display of search-ranking criteria makes it less likely that marketplaces tilt competitive landscapes in their favour, and doesn't stilt competition from competing vendors. This is also expected to shed light on the internal workings of the algorithms deployed by the ecommerce entities. Transparency in contractual terms, may reduce risk of such antitrust violation.*



## CORPORATE ANNOUNCEMENTS

1. Centre extends bid submission deadline for Bharat Petroleum to September 30
2. Flipkart To Acquire Walmart India's Wholesale Business.
3. The National Financial Regulatory Authority (NFRA) imposed a seven-year audit ban on a former partner of Deloitte's India unit for lapses in the audit of II&FS
4. Supreme Court Asks Centre To Respond To Plea For Action Against Public Sector Banks
5. Centre to encourage government-to-government deals to meet \$5 billion military export target.
6. ESOPs trust of several companies have capitalised on stock market corrections to reward talents.
7. MSMEs Udyam Registration Portal Operational from July 1.
8. EPFO to settle of death claims on priority basis in events of industrial accidents
9. 5 year post qualification experience must for registration as RV says IBBI.
10. Government establishes Central Consumer Protection Authority as body corporate.



### OVERALL IMPLICATION

*Today's CEOs are faced with overwhelming, competing challenges and uncharted waters as they continue to navigate the impacts of the COVID-19 pandemic. Many organizations are already taking "no regret" actions to emerge from the pandemic stronger. These leaders are facing the crisis with a spirit of reinvention—accelerating digital transformation, establishing variable cost structures, and implementing agile operations.*





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With cumulative partner's experience of over 20 years, the firm has represented 100+ clients from banks and financial institutions, large corporates and high impact startups.

The firm has an enviable corporate advisory and litigation practice which continues to be a powerhouse of high value, complex corporate and M&A matters. the firm offers comprehensive service portfolio to lenders, borrowers and other intermediaries on issues such as debt recovery, financing and leasing of assets, debt restructuring, insolvency and bankruptcy matters, amongst others.

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