

# SEBI & MCA

1st - 31st MAY, 2020

## NEWSLETTER



**AMRC**  
& ASSOCIATES  
CHARTERED ACCOUNTANTS

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## PROLOGUE

To maintain transparency in the field of Company Law & SEBI and to provide clarity in the provisions of Companies Act, 2013, Government issues updates in the form of Circular /Notifications/Press Release from time to time. With the help of these updates the assessee gets to know about various aspects which they need to consider before applying the provisions of the Companies Act, 2013 and other Corporate Laws.

AMRG understands the importance of these updates and tries to provide a summary of the updates in the form of Monthly Corporate Laws Newsletter. In this document, we have highlighted key impact areas that must be considered while interpreting the provisions of the Companies Act. This will assist you in building a resilient business enterprise.

The newsletters are a summary of recent judicial and legislative developments in the field of Corporate Laws in the month of May highlighting key notifications, circulars and press releases.

## GLOSSARY

Abbreviation	Term
SEBI	Securities and Exchange Board of India
CSR	Corporate Social Responsibility
NCDs	Non-Convertible Debentures
FAQs	Frequently Asked Questions

## CHRONOLOGICAL ORDER OF THE UPDATES

S.No.	Date	Type	Particular
1.	03-05-2020	Circular	Functions of Board - Notified capital and Debt market service providers exempted from closure owing to COVID-19
2.	06-05-2020	Circular	Relaxations for listed companies relating to procedural matters of issues and listing of right shares
3.	08-05-2020	Circular	Amendment by SEBI for payment of fees by stock brokers& other amendments
4.	12-05-2020	Circular	Relaxation on dispatch of notice by listed companies for rights issue opening up to 31-07-2020
5.	12-05-2020	Circular	Entities are permitted to undertake E-KYC Aadhaar authentication service of UIDAI in securities market
6.	14-05-2020	Circular	Additional relaxation to listed companies in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
7.	14-05-2020	Circular	Relaxation for non-compliance with Minimum Public Shareholding(MPS) requirements
8.	14-05-2020	Circular	Relaxations given to listed entities relating to procedural matters relating to takeovers and buy-back of shares
9.	15-05-2020	Circular	Relaxation in timelines for compliance with regulatory requirements by Trading Members and Clearing Members

S.No.	Date	Type	Particular
10.	20-05-2020	Circular	Advisory on disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
11.	21-05-2020	Circular	Listing of Mutual Fund schemes that are in the process of winding up
12.	21-05-2020	Circular	Review of Post-Default Curing Period for Credit Rating Agencies (CRAs)
13.	25-05-2020	Circular	Extension on implementation of Circular on 'Margin obligations to be given by way of Pledge / Re pledge in the Depository System'
14.	26-05-2020	Notification	"PM CARES Funds" to be eligible as Corporate Social Responsibility activity from 28-03-2020
15.	26-05-2020	Circular	Guidelines for identification and selection of location as a delivery centre(s) for commodity derivatives contract
16.	21-05-2020	Circular	FAQs on Companies Fresh Start Scheme (CFSS), 2020 and LLP modified Settlement Scheme, 2020

## 1. Functions of Board - Notified capital and Debt market service providers exempted from closure owing to COVID-19

### **CIRCULAR NO. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/77, DATED 3-5-2020**

The Securities and Exchange Board of India had issued a notification dated 24-03-2020 notifying various entities to provide capital and debt market services for a period of 21 days with effect from 25-03-2020. The said direction was extended upto 03-05-2020.

MHA vide an Order dated 01-05-2020 has issued revised guidelines on the measures to be taken for containment of COVID-19 in the country and directed that these measures will continue to remain in force for two weeks with effect from 04-05-2020.

Accordingly, in terms of Clause 10 of the said guidelines, the Notification dated 15-04-2020 issued by SEBI will continue to remain in force for two weeks with effect from 04-05-2020.

## 2. Relaxations for listed companies relating to procedural matters of issues and listing of right shares

### **CIRCULAR NO. SEBI/HO/CFD/DIL2/CIR/P/2020/78, DATED 06-05-2020**

SEBI has decided to grant the following one time relaxations from strict enforcement of certain regulations of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, pertaining to Rights Issue opening up to 31-07-2020:

- Service of the abridged letter of offer, application form and other issue material to shareholders may be undertaken by electronic transmission as already provided under Regulation 77(2) of the ICDR Regulation.
- The issuer may have the flexibility to publish the dispatch advertisement in additional newspapers, over and above those required under Regulation 84. The advertisement should also be made available on the website of the Issuer, Registrar, Lead Managers and Stock Exchanges. The Issuer shall make use of advertisements in television channels, radio, internet etc. to disseminate information relating to the application process. Such advertisements can be in the form of crawlers/ tickers as well.

- SEBI introduced dematerialized rights entitlements(REs). Further, physical shareholders are required to provide their demat account details to Issuer/ Registrar to the Issue for credit of REs.
- In order to ensure that all eligible shareholders are able to apply to rights issue during such times, the issuer shall along with lead manager(s) to the issue, the registrar, and other recognized intermediaries institute an optional mechanism (non- cash mode only) to accept the applications of the shareholders subject to ensuring that no third party payments shall be allowed in respect of any application.
- In respect of mechanisms at point (iii) and (iv) above, the issuer along with Lead Manager(s) shall ensure the following:
  - o The mechanism(s) shall only be an additional option and not a replacement of the existing process. As far as possible, attempts will be made to adhere to the existing prescribed framework.
  - o It should aim at facilitating subscription in an efficient manner without imposing any additional costs on investors.
  - o An FAQ, online dedicated investor helpdesk, and helpline shall be created by the issuer company along with lead manager(s) to guide investors in gaining familiarity with the application process and resolve difficulties faced by investors on priority basis.
  - o The issuer along with lead manager(s), registrar, and other recognized intermediaries (as incorporated in the mechanism) shall be responsible for all investor complaints.
- In respect of all offer documents filed until 31-07-2020, it has been decided to grant the following relaxations:

Authentication/ certification/ Undertaking(s) in respect of offer documents, may be done using digital signature certifications. The issuer along with lead manager(s) shall provide procedure for inspection of material documents electronically.

For more detailed information refer link:

[https://www.sebi.gov.in/legal/circulars/may-2020/relaxations-relating-to-procedural-matters-issues-and-listing\\_46652.html](https://www.sebi.gov.in/legal/circulars/may-2020/relaxations-relating-to-procedural-matters-issues-and-listing_46652.html)



### 3. Amendment by SEBI for payment of fees by stock brokers & other amendments

#### NOTIFICATION NO. SEBI/LAD-NRO/GN/2020/011, DATED 8-5-2020

**“ Amendments to Securities and Exchange Board of India (Stock Brokers) Regulations, 1992.**

Every stock broker in cash segment, equity derivatives segment, currency derivatives segment, interest rate derivatives segment and commodity derivatives segment (other than agri commodity derivative) liable to pay fees as a percentage of their turnover as specified at sub-clause 1 shall, for the period 01-06-2020 to 31-03-2021, pay only 50% (fifty percent) of fees as calculated therein, including for off-market transactions undertaken by them.

**“ Amendments to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**

The following table shall be inserted for the period from 01-06-2020 to 31-12-2020, namely,

Size of the issue, including intended retention of over subscription	Amount /Rate of fees	Amount /Rate of fees for filing within one year after expiry of SEBI Observation letter
Less than or equal to ten crore rupees.	A flat charge of fifty thousand rupees (50,000/-)	A flat charge of twenty five thousand rupees (25,000/-).
More than ten crore rupees, but less than or equal to five thousand crore rupees	0.05 per cent. of the issue size	0.025 per cent of the issue size
More than five thousand crore rupees	Two crore fifty lakh rupees (2,50,00,000/-) plus 0.0125 per cent. of the portion of the issue size in excess of five thousand crore rupees (5000,00,00,000/-).	One crore twenty five lakh rupees (1,25,00,000/-) plus 0.00625 per cent. of the portion of the issue size in excess of five thousand crore rupees (5000,00,00,000/-)

For more detailed information please refer link:

<http://egazette.nic.in/WriteReadData/2020/219314.pdf>

#### **4. Relaxation on dispatch of notice by listed companies for rights issue opening up to 31-07-2020**

##### **GENERAL CIRCULAR NO. 21/2020 [F.NO. 2/4/2020-CL-V], DATED 11-5-2020**

In view of the difficulties faced by companies in sending notices through postal or courier services on account of the threat posed by Covid-19.

- Section 62(2) requires that notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the exiting shareholders at least three days before the opening of the issue.
- It is hereby clarified that for rights issues opening upto 31-07-2020, in case of listed companies, which comply with the SEBI Circular dated 06-05-2020(for issuing and listing of Right equity shares) 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 Companies Act,2013.

#### **5. Entities are permitted to undertake E-KYC Aadhaar authentication service of UIDAI in securities market**

##### **CIRCULAR NO. SEBI/HO/MIRSD/DOP/CIR/P/2020/80, DATED 12-5-2020**

Government of India, has notified nine reporting entities as per the recommendation by UIDAI and SEBI to undertake Aadhaar authentication service of the UIDAI under section 11A of the Prevention of Money-laundering Act, 2002. In view of the same, the following entities shall undertake Aadhaar Authentication service of UIDAI subject to compliance of the conditions as laid down in this regard:

- Bombay Stock Exchange Limited
- National Securities Depository Limited
- Central Depository Services (India) Limited
- CDSL Ventures Limited
- NSDL Database Management Limited
- NSE Data and Analytics Limited
- CAMS Investor Services Private Limited
- Computer Age Management Services Private Limited

The above listed entities shall get registered with UIDAI as KYC user agency ("KUA") and shall allow SEBI registered intermediaries / mutual fund distributors to undertake Aadhaar Authentication in respect of their clients for the purpose of KYC. The SEBI registered intermediaries / mutual fund distributors, who want to undertake Aadhaar authentication services through KUAs, shall enter into an agreement with KUA and get themselves registered with UIDAI as sub-KUAs. The agreement in this regard shall be as prescribed by UIDAI. Further, the KUAs and their Sub-KUAs shall follow the process as detailed in SEBI circular dated 05-11-2019 and as may be prescribed by UIDAI from time to time.

For more detailed information refer link:

[https://www.sebi.gov.in/legal/circulars/may-2020/entities-permitted-to-undertake-e-kyc-aadhaar-authentication-service-of-uidai-in-securities-market\\_46665.html](https://www.sebi.gov.in/legal/circulars/may-2020/entities-permitted-to-undertake-e-kyc-aadhaar-authentication-service-of-uidai-in-securities-market_46665.html)

## **6. Additional relaxation to listed companies in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79, DATED 12-5-2020**

“ SEBI had provided relaxations to listed entities, from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 :

“ **Requirement of sending physical copies of annual report to shareholders:**

Regulation 36(1)(b) and (c) of the LODR prescribes that a listed entity shall send a hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively. Regulation 58 (1)(b) & (c) of the LODR extend similar requirements to entities which have listed their NCDs and NCRPS. The requirements of Regulations are dispensed with for listed entities who conduct their AGMs during the calendar year 2020 (i.e. till 31-12-2020).

## “ Requirement of proxy for general meetings:

Regulation 44(4) of the LODR specifies that the listed entity shall send proxy forms to holders of securities in all cases mentioning that a holder may vote either for or against a resolution.

The requirement under regulation 44 (4) of the LODR is dispensed with temporarily, in case of meetings held through electronic mode only. This relaxation is available for listed entities who conduct their AGMs through electronic mode during the calendar year 2020 (i.e. till 31-12-2020).

## “ Relaxation from publishing quarterly consolidated financial results under regulation 33(3)(b) of the LODR for certain categories of listed entities:

- As per regulation 33(3)(b) of the LODR, in case a listed entity has subsidiaries, the listed entity shall submit quarterly/year-to-date consolidated financial results.
- listed entities that are banks or insurance companies as well as those that have banks and / or insurance companies as subsidiaries, highlighting the challenges in preparing consolidated financial results under regulation 33(3)(b) in view of different accounting standards being followed by companies belonging to same group and the difficulties in restating those financials as per IND-AS due to the prevailing circumstances in view of COVID- 19 pandemic, the following relaxation have been decided:
- Listed entities which are banking and / or insurance companies or having subsidiaries which are banking and / or insurance companies may submit consolidated financial results under regulation 33(3)(b) for the quarter ending 30-06-2020 on a voluntary basis. However, they shall continue to submit the standalone financial results as required under regulation 33(3)(a) of the LODR.
- If such listed entities choose to publish only standalone financial results and not consolidated financial results, they shall give reasons for the same

For more detailed information refer link:

[https://www.sebi.gov.in/legal/circulars/may-2020/additional-relaxation-in-relation-to-compliance-with-certain-provisions-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-covid-19-pandemic\\_46661.html](https://www.sebi.gov.in/legal/circulars/may-2020/additional-relaxation-in-relation-to-compliance-with-certain-provisions-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-covid-19-pandemic_46661.html)

## **7. Relaxation for non-compliance with Minimum Public Shareholding (MPS) requirements**

### **CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/81, DATED 14-5-2020**

In view of the prevailing conditions, SEBI has provided relaxation to the listed entities for whom the deadline to comply with MPS requirements falls between the period from 01-03-2020 to 31-08-2020. Recognized Stock Exchanges have been advised not to take any penal action against such entities in case of non-compliance during the said period. Penal actions, if any, initiated by Stock Exchanges from 01-03-2020 till date for non-compliance of MPS requirements by such listed entities may be withdrawn.

## **8. Relaxations given to listed entities relating to procedural matters relating to takeovers and buy-back of shares**

### **CIRCULAR SEBI/CIR/CFD/DCR1/CIR/P/2020/83, DATED 14-05-2020**

In view of the impact of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, the following one time relaxations have been granted from strict enforcement of certain regulations of SEBI pertaining to open offers and buy-back tender offers opening up to 31-07-2020.

- “ Service of the letter of offer and/or tender form and other offer related material to shareholders may be undertaken by electronic transmission as already provided under Regulation 18(2) of the Takeover Regulation, 2011 and Regulation 9(ii) of Buyback Regulations, 2018 subject to the following:-
  - The acquirer / company shall publish the letter of offer and tender form on the websites of the company, registrar, stock exchanges and the manager(s) to offer.
  - The acquirer / company along with lead manager(s) shall undertake all adequate steps to reach out to the/its shareholders through other means such as ordinary post or SMS or audio-visual advertisement on television or digital advertisement, etc.

- Further, the Acquirer/ Company shall make an advertisement containing details regarding the dispatch of the letter of offer electronically and availability of such letter of offer along with the tender form on the website of the company, registrar and manager to the offer in the same newspapers in which detailed public statement was published as per regulation 14(3) of Takeover Regulation or public announcements was published as per regulation 7(i) of Buy-back Regulation.
  - Further, the acquirer/ company may have the flexibility to publish the dispatch advertisement in additional newspapers, over and above those required under the respective regulations.
  - The acquirer/ company shall make use of advertisements in television channels, radio, internet etc. to disseminate information relating to the tendering process. Such advertisements can be in the form of crawlers/ tickers as well.
  - All the advertisement issued should also be made available on the website of the company, Registrar, Managers to the offer, and Stock Exchanges.
- “ The acquirer/ company and the manager to offer shall provide procedure for inspection of material documents electronically.

## **9. Relaxation in timelines for compliance with regulatory requirements by Trading Members and Clearing Members**

### **CIRCULAR NO. SEBI/HO/MIRSD/DOP/CIR/P/2020/82, DATED 15-5-2020**

SEBI had earlier provided relaxations in timelines for compliance with various regulatory requirements by the trading members / clearing members. In view of the prevailing situation and representations received from the Stock Exchanges, SEBI has decided to further extend the timelines till 30-06-2020 for compliance with the regulatory requirements, by the trading members / clearing members / depository participants.

## 10. Advisory on disclosure of material impact of CoVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/84,DATED 20-05-2020

Various provisions under the LODR Regulations require listed entities to disclose material events which have a bearing on its performance / operations.

With a view to guide entities to evaluate the impact of COVID-19 pandemic, an illustrative disclosure list has been notified by SEBI which listed entities may consider for disclosure subject to Materiality:

- Impact of the CoVID-19 pandemic on the business;
- Ability to maintain operations including the factories/units/office spaces functioning and closed down;
- Schedule, if any, for restarting the operations;
- Steps taken to ensure smooth functioning of operations;
- Estimation of the future impact of CoVID-19 on its operations;
  - Details of impact of CoVID-19 on listed entity's –
  - Capital and financial resources;
  - Profitability;
  - Liquidity position;
  - Ability to service debt and other financing arrangements;
  - Assets;
  - Internal financial reporting and control;
  - Supply chain;
  - Demand for its products/services
- Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business;
- Other relevant material updates about the listed entity's business.

For more detailed information refer link:

[https://www.sebi.gov.in/legal/circulars/may-2020/advisory-on-disclosure-of-material-impact-of-covid-19-pandemic-on-listed-entities-under-sebi-listing-obligations-and-disclosure-requirements-regulations-2015\\_46688.html](https://www.sebi.gov.in/legal/circulars/may-2020/advisory-on-disclosure-of-material-impact-of-covid-19-pandemic-on-listed-entities-under-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_46688.html)

## 11. Listing of Mutual Fund schemes that are in the process of winding up

### **CIRCULAR NO. SEBI/HO/IMD/DF3/CIR/P/2020/086,DATED 20-05-2020**

As per MF Regulations, there are several steps envisaged with respect to winding up of Mutual Fund schemes before the scheme ceases to exist. During this process, such units can be listed and traded on a recognized stock exchange, which may provide an exit to investors.

- In terms of Regulation 31B(1) of the MF Regulations, the units of Mutual Fund schemes can be listed in the recognized stock exchange. Accordingly, the units of Mutual Fund schemes which are in the process of winding-up in terms of Regulation 39(2)(a) of MF Regulations, shall be listed on recognized stock exchange, subject to compliance with listing formalities as stipulated by the stock exchange.
- However, pursuant to listing, trading on stock exchange mechanism will not be mandatory for investors, rather, if they so desire, may avail an optional channel to exit provided to them.
- Initially, trading in units of such a listed scheme that is under the process of winding up, shall be in dematerialised form.
- AMCs shall enable transfer of such units which are held in form of Statement of Account (SoA) / unit certificates.

For further details follow link:

[https://www.sebi.gov.in/legal/circulars/may-2020/circular-on-listing-of-mutual-fund-schemes-that-are-in-the-process-of-winding-up\\_46689.html](https://www.sebi.gov.in/legal/circulars/may-2020/circular-on-listing-of-mutual-fund-schemes-that-are-in-the-process-of-winding-up_46689.html)



## 12. Review of Post-Default Curing Period for Credit Rating Agencies (CRAs)

### **CIRCULAR NO. SEBI/HO/MIRSD/CRADT/CIR/P/2020/87,DATED 21-05-2020**

It has been noted in a few recent cases of defaults that even though the rated entity was able to correct the default within a relatively shorter span of time, the rating could not be upgraded. There is a possibility that such cases may increase in the wake of COVID19 pandemic. A need has been felt to review the existing policy on post-default curing period with a view to providing some flexibility to CRAs in taking appropriate view in such cases.

The revised policy in this regard is as under:

- After a default is cured and the payments regularized, a CRA shall generally upgrade the rating from default to non-investment grade after a period of 90 days based on the satisfactory performance by the company during this period. CRAs may deviate from the said period of 90 days on a case to case basis, subject to the CRAs framing a detailed policy in this regard. The said policy shall also be placed on CRA's website. Cases of deviations from stipulated 90 days, if any, shall be placed before the Ratings Sub-Committee of the board of the CRA, on a half yearly basis, along with the rationale for such deviation.
- The CRA shall frame a policy in respect of upgrade of default rating to investment grade rating and place it on its website.
- The policies framed as above may include scenarios like technical defaults, change in management, acquisition by another firm, sizeable inflow of long-term funds or benefits arising out of a regulatory action, etc. which fundamentally alter the credit risk profile of the defaulting firm.

### 13. Extension on implementation of Circular on 'Margin obligations to be given by way of Pledge / Re pledge in the Depository System'

#### **CIRCULAR NO. SEBI/HO/MIRSD/DOP/CIR/P/2020/88,DATED 25-05-2020**

- SEBI, vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated 25-02-2020, specified guidelines with regard to Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. With effect from 01-06-2020, TM / CM shall, inter alia, accept collateral from clients in the form of securities, only by way of 'margin pledge'. The relevant Bye Laws of the Depositories clearly enumerate the manner of creating pledge of the dematerialised securities.
- Any procedure followed other than as specified under the aforesaid provisions of law for creating pledge of the dematerialised securities is prohibited. It is clarified that an off-market transfer of securities leads to change in ownership and shall not be treated as pledge.
- It has been decided to extend the implementation date of the aforesaid circular to 01-08-2020. Accordingly, the trading member (TM) / clearing member (CM) shall be required to close all existing demat accounts tagged as 'Client Margin / Collateral' by 31-08-2020.
- However, 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 01-06-2020.
- Further, 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.

The provisions of this circular were to come into effect from 01-06-2020.

For detailed information refer link:

[https://www.sebi.gov.in/legal/circulars/feb-2020/margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system\\_46082.html](https://www.sebi.gov.in/legal/circulars/feb-2020/margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_46082.html)

#### 14. "PM CARES Funds" to be eligible as Corporate Social Responsibility activity from 28-03-2020

**NOTIFICATION NO. [F. No. 13/18/2019-CSR], DATED 26-05-2020**

"Contribution to the Prime Minister's National Relief Fund or **Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)** or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women; under Schedule VII, item (viii) of the Companies Act, 2013, shall be eligible for Corporate Social Responsibility Policies Activities.

The notification shall be effective from 28-03-2020.

#### 15. Guidelines for identification and selection of location as a delivery centre(s) for commodity derivatives contract

**SEBI/HO/CDMRD/DNPMP/CIR/P/2020/89, DATED 26-05-2020**

SEBI has specified the guidelines that are to be followed by the stock exchanges while identifying and selecting a location as a delivery centre as follows:

- “ **Demand/supply dynamics:**
  - There should be adequate consumption demand throughout the year and/or adequate supply at least during the expiry month(s) in and around the location;
  - The location should have a sizeable production catchment area and arrivals;
  - The location should be an active consumption centre/trading centre attracting adequate supplies from other production centres to fulfill demand for processing, consumption, trade, etc.
- “ **Liquidity of the contract:** The location should have high potential to attract trading and delivery participation in the derivatives contract.

For detailed information refer link:

[https://www.sebi.gov.in/legal/circulars/may-2020/guidelines-for-identification-and-selection-of-location-as-a-delivery-centre-s-for-commodity-derivatives-contract\\_46709.html](https://www.sebi.gov.in/legal/circulars/may-2020/guidelines-for-identification-and-selection-of-location-as-a-delivery-centre-s-for-commodity-derivatives-contract_46709.html)

## 16. FAQs on Companies Fresh Start Scheme (CFSS), 2020 and LLP modified Settlement Scheme, 2020

### PRESS RELEASE, DATED 21-5-2020

- The CFSS 2020 applicable on foreign company and the forms FC-1, FC-2 and FC-3 will be covered under the scheme.
- Only Refund form, GNL-2 (149, 152, 153, 154, 156, 157, 158, 159 and others), INC-28 (Amalgamation/Merger/Demerger/445, 466, 481, Others), MGT-14 (Others) and GNL-4 are allowed to be filed if the company status is under liquidation.
- A deactivated Director can get activated by filing DIR-3 KYC eform/Web form and INC-22A (Active) as applicable without any payment of fee provided such director is not disqualified under section 164 of the Companies Act 2013.

For detailed information refer link:

[http://www.mca.gov.in/Ministry/pdf/FAQCFSS\\_15042020.pdf](http://www.mca.gov.in/Ministry/pdf/FAQCFSS_15042020.pdf)

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