

RELAXATION ISSUED BY SEBI

DUE TO COVID 19

BMP
&Co.



Compliance relaxations

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SEBI ICDR REGULATIONS, 2018

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SEBI BUY BACK REGULATIONS, 2018

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SEBI LODR REGULATIONS, 2015

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NCD, NRCPS , CP RELAXATIONS

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SEBI SAST REGULATIONS, 2011

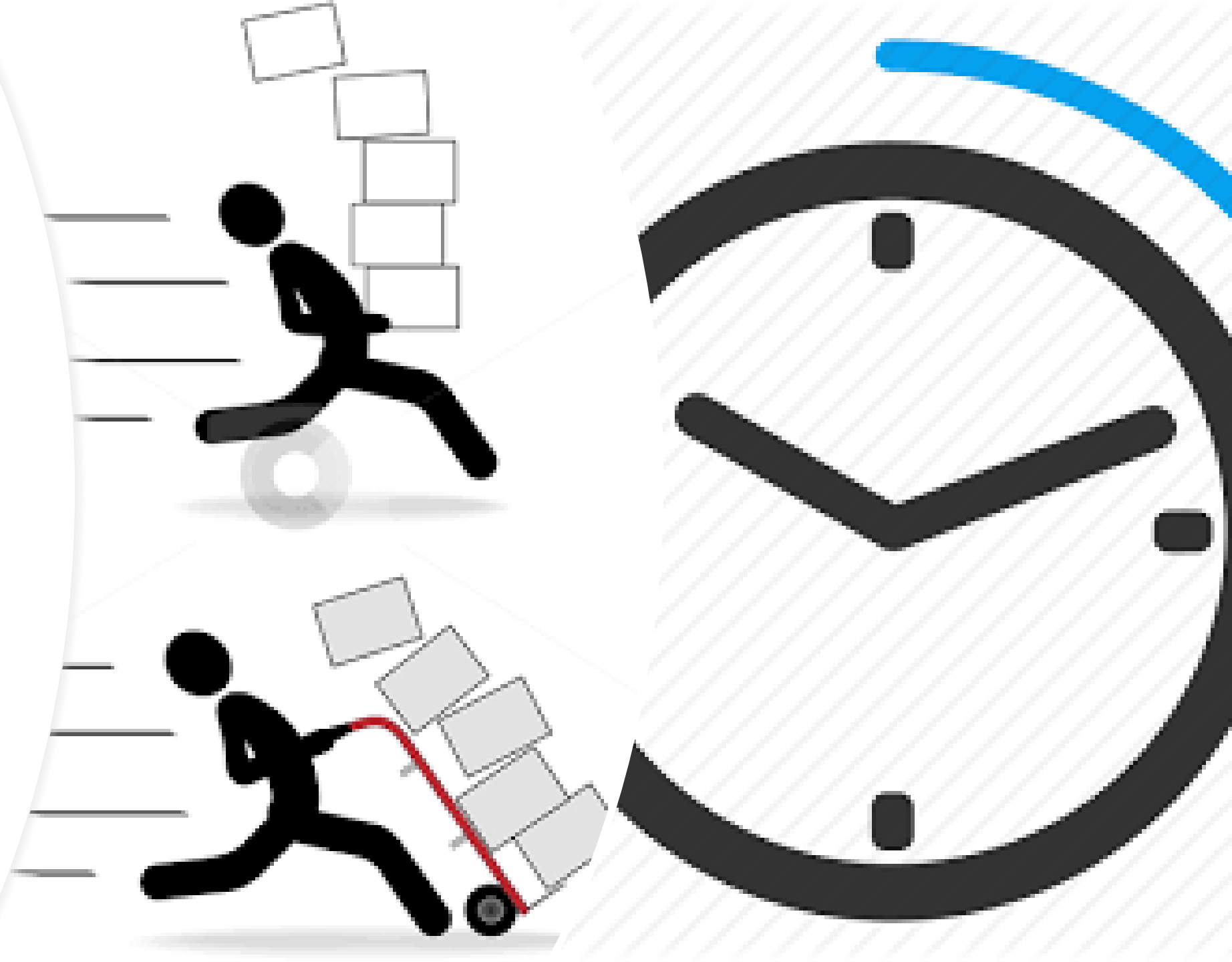
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RELAXATION TO INTERMEDIARIES / MARKET PARTICIPANTS

SEBI ICDR REGULATIONS, 2018



**FAST TRACK
RIGHTS ISSUE
RELAXATIONS**





The eligibility requirement of average market capitalisation of public shareholding has been reduced from INR 250 Crores to INR 100 crores



The requirement related to period of listing of equity shares of the issuer for at least three years has been reduced to listing for eighteen months only



The condition related to no audit qualifications on issuer's audited accounts has been replaced with the requirement to disclose the impact of audit qualifications on issuer's financials and providing restated financial statements adjusting for the impact of the audit qualifications.



The period of suspension of trading as disciplinary measure of equity shares of the issuer has been reduced from 3 years to 18 months



Show cause notices under adjudication proceedings have been excluded by the Board



Compliance period with the equity listing agreement or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been reduced from 3 years to 18 months



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.

MINIMUM SUBSCRIPTION RELAXATION

To provide greater flexibility in fund raising, the threshold for minimum subscription requirements for a rights issue has been reduced from existing 90% to 75% of the offer size, subject to certain conditions.

If the issue is subscribed between 75% to 90%, issue will be considered successful subject to the condition that out of the funds raised at least 75% of the issue size shall be utilized for the objects of the issue other than general corporate purpose



OFFER DOCUMENT

Listed entities raising funds upto INR 25 crores in a rights issue will not be required to file draft offer document. The existing threshold in this regard is INR 10 crores.



The relaxations are not applicable for issuance of warrants.

Link to SEBI Circular:

https://www.sebi.gov.in/legal/circulars/apr-2020/relaxations-from-certain-provisions-of-the-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018-in-respect-of-rights-issue_46537.html

These temporary relaxations are applicable for Right Issues that open on or before March 31, 2021.

The eligibility and general conditions as specified in Regulation 61 (Entities not eligible to make a rights issue) & 62 (General Conditions for rights issue) respectively shall continue to apply

POINTS TO BE CONSIDERED FOR THE RELAXATION



FLEXIBILITY ON ISSUE SIZE AND VALIDITY OF SEBI OBSERVATIONS –ONE TIME RELAXATION

An issuer, whose offer document is pending receipt of SEBI observation, shall be permitted to increase or decrease the fresh issue size by up to 50% of the estimated issue size (instead of the present limit of 20%) without requiring to file fresh draft offer document with the Board. The relaxation shall be applicable for all offer documents pending receipt of SEBI observations upto December 31, 2020.

Considering the current economic scenario SEBI has extended the validity of observations on all public issues/ rights issues by six months from the date of expiry for issuers whose observation has expired/ shall expire between March 01, 2020 and September 30, 2020



The validity of the SEBI Observations where the same have expired/ will expire between March 1, 2020 and September 30, 2020 has been extended by 6 months, from the date of expiry of such observation, subject to an undertaking from lead manager of the issue confirming compliance with Schedule XVI of the ICDR Regulations while submitting the updated offer document to the Board

Link to SEBI Circular:

https://www.sebi.gov.in/legal/circulars/apr-2020/one-time-relaxation-with-respect-to-validity-of-sebi-observations_46536.html



INCREASE OR DECREASE IN ESTIMATED FRESH ISSUE SIZE –CONDITIONS

An issuer shall be permitted to increase or decrease the fresh issue size by up to 50% of the estimated issue size without requiring to file fresh draft offer document with the Board subject to following conditions:

- ✓ there has been no change in the objects of the issue
- ✓ the lead manager undertakes that the draft offer document is in compliance with provisions of Regulation 7(1)(e)
- ✓ the lead manager shall ensure that all appropriate changes are made to the relevant section of DRHP and an addendum, in this regard, shall be made public.

The above relaxation on change in fresh issue size shall be applicable for issues (IPO/ Rights Issues/ FPO) opening before December 31, 2020

SEBI BUY BACK REGULATIONS, 2018

Regulation 24(i)(f) of the SEBI (Buy Back of Securities) Regulations, 2018

Currently, regulation 24(i)(f) of SEBI (Buy-back of Securities) Regulations, 2018 (“Buy-back Regulations”) provides a restriction that the companies shall not raise further capital for a period of one year from the expiry of buyback period, except in discharge of their subsisting obligations. The said period of one year may be reduced to six months, which would be in line with section 68(8) of the Companies Act, 2013.

This relaxation will be applicable till December 31, 2020

Link to SEBI Circular:

https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-regulation-24-i-f-of-the-sebi-buy-back-of-securities-regulations-2018-due-to-the-covid-19-pandemic_46547.html





RELAXATION WITH
RESPECT TO SEBI
LODR
REGULATIONS, 2015

Sl.no	Regulation and associated filing	Filing		Relaxation by SEBI		
		Frequency	Due within	Due Date	Extended Due Date	Period of Relaxation
1	Regulation 7(3) relating to compliance certificate on share transfer facility	Half yearly each	One month of the end of each half of the financial year	April 30,2020	May 31,2020	1 month
2	Regulation 13(3) relating to Statement of Investor complaints	Quarterly	21 days from the end of each quarter	April 21, 2020	May 15, 2020	3 weeks (appx)
3	Regulation 24A Secretarial Compliance Report	Yearly	60 days from the end of the financial year	May 30, 2020	June 30, 2020	1 month
4	Regulation 27(2) relating to Corporate Governance report	Quarterly	15 days from the end of the quarter	April 15, 2020	May 15, 2020	1 month
5	Regulation 31 relating to Shareholding Pattern	Quarterly	21 days from the end of quarter	April 21, 2020	May 15, 2020	3 weeks (appx.)

Sl.no	Regulation and associated filing	Filing		Relaxation by SEBI		
		Frequency	Due within	Due Date	Extended Due Date	Period of Relaxation
6.	Regulation 33 relating to Financial Results	Quarterly/Annual	45 days from the end of the quarter for quarterly results	May 15, 2020	June 30, 2020	45 days
			60 days from the end of Financial Year for Annual Financial Results	May 30, 2020	June 30, 2020	1 month

Sl.no	Regulation and associated filing	Filing		Relaxation by SEBI		
		Frequency	Due within	Due Date	Extended Due Date	Period of Relaxation
7	Regulation 29- Prior Intimation to the Stock Exchanges about the meetings of the Board	Event Based	at least 5 days before the meeting if financial results are to be considered	2 days	3 days	For board meetings held till July 31, 2020.
			2 working days in other cases	2 days	2 days	
8	Regulation 39(3) submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange	Event Based	Within 2 days of its getting information	Any delay beyond the stipulated time will not attract penal provisions		For intimations to be made between March 1, 2020 to May 31, 2020.

Sl.no	Regulation and associated filing	Filing		Relaxation by SEBI		
		Frequency	Due within	Due Date	Extended Due Date	Period of Relaxation
NON-CONVERTIBLE DEBENTURES (NCDs)/ NON-CONVERTIBLE PREFERENCE SHARES (NCRPS)						
9	Regulation 52 (1) and (2) relating to Financial Results	Yearly	Initial Disclosure – within 30 days from the beginning of Financial Year	April 30 ,2020	June 30, 2020	60 days
			Annual Disclosures – within 45 days from the end of Financial Year	May 15, 2020	June 30, 2020	45 days

Sl.no	Regulation and associated filing	Filing		Relaxation by SEBI		
		Frequency	Due within	Due Date	Extended Due Date	Period of Relaxation
COMMERCIAL PAPERS (CPs)						
10	Financial Results	Half Yearly/ Yearly	45 days from the end of the Half Year	May 15, 2020	June 30, 2020	45 days
			60 days from the end of Financial Year for Annual Financial Results	May 30, 2020	June 30, 2020	30 days

Sl.no	Regulation and associated filing	Filing		Relaxation by SEBI		
		Frequency	Due within	Due Date	Extended Due Date	Period of Relaxation
11	Regulation 40(9) relating to Certificate from Practicing Company Secretary on timely issue of share certificates	Half Yearly	1 month of the end of each half of the financial year	April 30, 2020	May 31, 2020	1 month
12	Regulation 44(5) relating to holding of AGM by top 100 listed entities by market capitalization for FY 19-20 (Financial Year ends on 31st March, 2019)	Annual	Within a period of 5 months from the date of closing of the financial year	August 31, 2020	September 30, 2020	1 month
13	Regulation 44 (5) relating to holding of AGM by top 100 listed entities by market capitalization for FY 19-20 (Whose Financial Year ends on December, 31, 2019)	Annual	Within a period of 5 months from the date of closing of the financial year	May 31, 2020	September 30, 2020	4 months

Sl.no	Regulation and associated filing	Filing		Relaxation by SEBI for FY March 2020		
		Frequency	Due within	Due Date	Extended Due Date	Period of Relaxation
14	Large Corporate Initial Disclosure and Annual Disclosure	Yearly	Initial –within 30 days from the beginning of FY	April, 30, 2020	June 30, 2020	60 days
			Annual- within 45 days from the end of the FY	May, 15, 2020	June 30, 2020	45 days

Link to SEBI Circular:

<https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-and-certain-sebi-circulars-due-to-the-covid-19-virus-pandemic-cont-46395.html>

Link to SEBI Circular:

<https://www.sebi.gov.in/legal/circulars/mar-2020/further-relaxations-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-and-the-sebi-circular-dated-january-22-2020-relating-46436.html>

Link to SEBI Circular: <https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-due-to-the-covid-19-virus-pandemic-46360.html>

BOARD AND COMMITTEE
MEETING RELAXATIONS



Sl.no	Regulations	Requirement	Frequency	Due Date	Extended Date	Period of Relaxation
1	Regulation 19(3A)	The nomination and remuneration committee shall meet at least once in a year	Yearly	March 31, 2020	June 30, 2020	3 Months
2	Regulation 20(3A)	The Stakeholders Relationship committee shall meet at least once in a year.				
3	Regulation 21(3A)	The Risk Management Committee shall meet at least once in a year.				

Regulation Provision	Relaxation
<p>Regulation 17(2): The board of directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings</p>	<p>The board of directors and Audit Committee of the listed entity are exempted from observing the maximum stipulated time gap between two meetings for the meetings held or proposed to be held between the period December 1, 2019 and June 30, 2020.</p>
<p>Regulation 18(2)(a): The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings</p>	<p>However the board of directors / Audit Committee shall ensure that they meet At least four times a year, as stipulated under regulations 17(2) and 18(2)(a) of the LODR</p>

OTHER RELAXATIONS

The new SOP circular dated January,22, 2020 shall come into effect from compliance period ending on or after June 30, 2020. SOP circular dated May 03, 2018 would be applicable till such date.

Authentication / certification of any filing / submission made to stock exchanges under LODR may be done using digital signature certifications until June 30, 2020.

It has been decided to exempt publication of advertisements in newspapers as required under regulation 47 for all events scheduled till May 15, 2020.

Extension of timeline for issuance and filings for issuers who have listed /propose to list their Non-Convertible Debentures (NCDs) / Non-Convertible Redeemable Preference Shares (NCRPS)/ Commercial Paper(s)

SEBI has decided to grant the following relaxations in timelines for companies proposing to make public issue or who intend list their CP's. The relaxation is with respect to submission of Financial Statements

Particulars	Available audited financials	Date for issuance	Extended due date for issuance	Period of relaxation
Cut-off date for issuance of CPs	As on September 30, 2019	On or before March 31, 2020	On or before May 31, 2020	60 days

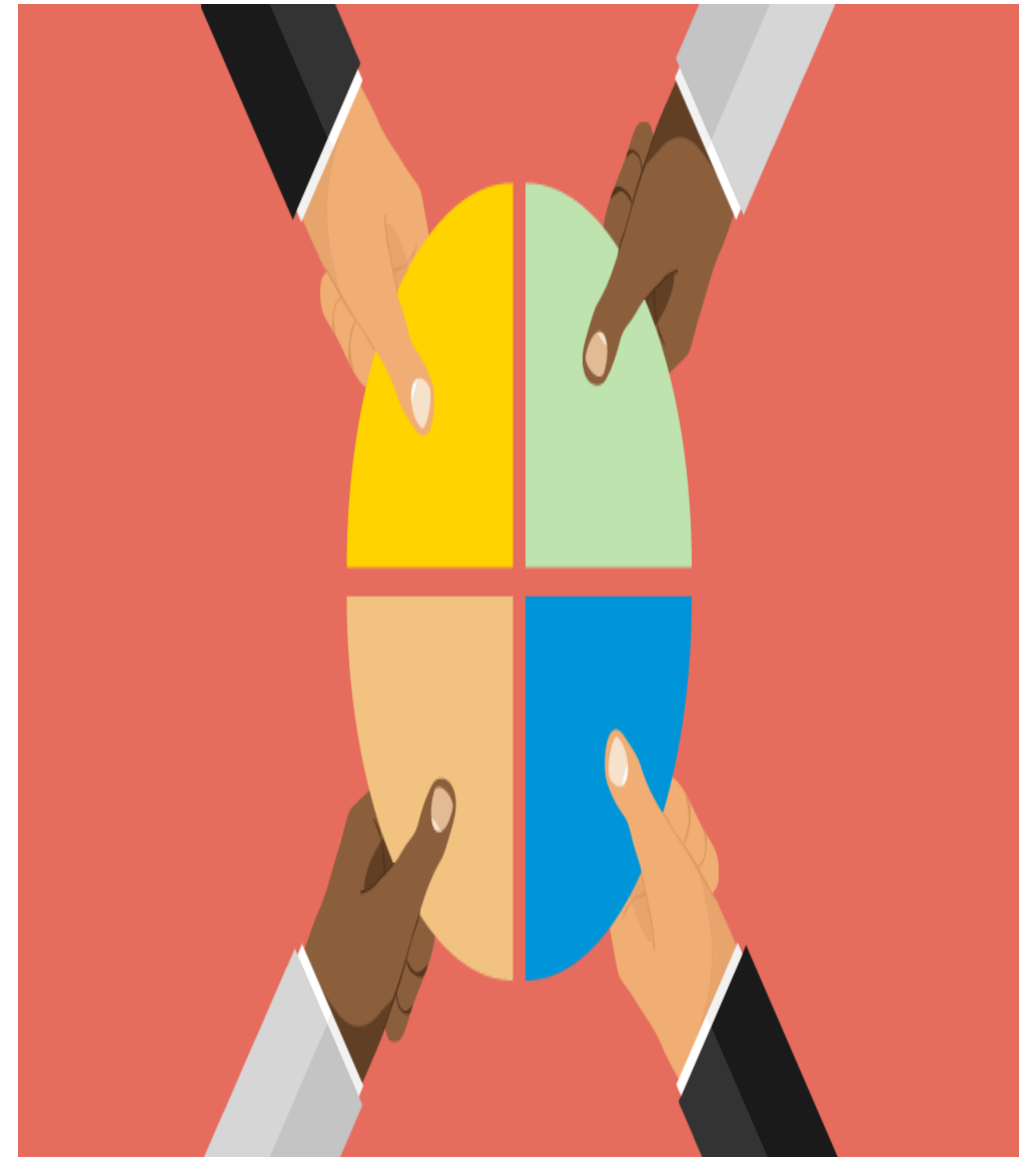
SEBI SAST REGULATIONS, 2011

Regulations 30(1), 30(2) and 31(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

SEBI has extended the due date for the shareholders to compile, collate, and disseminate information of their consolidated shareholding as on March 31, 2020, to the company and the stock exchanges upto June 01, 2020.

Link to SEBI Circular:

https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sast-regulations-2011-due-to-the-covid-19-pandemic_46442.html



INTERMEDIARY RELAXATIONS

In view of the nationwide lockdown and marginal / skeleton staff strength of RTAs / Issuer companies, regulator Securities Exchange and Board of India (SEBI) on 13th April, 2020 extended the deadline for compliance and disclosures under markets norms and for processing investor requests pertaining to physical securities

Additional relaxation in prescribed timelines for equal number of extended days in lock down will also be given to intermediaries / market participants.

The relaxation is given to intermediaries / market participants for equivalent period of lock down declared by Government of India i.e. 21 days, over and above the prescribed time limits, respectively, for activities / investor requests

Link to SEBI Circular:

https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-adherence-to-prescribed-timelines-issued-by-sebi-due-to-covid-19_46511.html

RELAXATIONS

- ✓ Processing of remat, transmission, request for issue of duplicate share certificates
- ✓ Processing of Requests for Name Deletion/ Name Change/ Transposition/ Pending Share Transfers (Re-lodgement cases in the case of share transfers)
- ✓ Processing of Requests for Consolidation / Split / Replacement of Share Certificates / Amalgamation of Folios
- ✓ Handling Investor Correspondence / Grievances / SCORES complaint
- ✓ Submission of half yearly report to SEBI
- ✓ Compulsory internal audit of the RTAs
- ✓ Submission of Audit Report by CISA / CISM qualified or equivalent auditor by QRTAs to SEBI along with comments of the Board
- ✓ Submission of Compliance Report by QRTAs duly reviewed by the Board of Directors of the QRTA to SEBI on Enhanced monitoring of QRTAs
- ✓ Regulation 74(5) of the SEBI (D & P) Regulations, 2018
- ✓ Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

Surbhi Sharma

Audit Division

Surbhi@bmpandco.com



BMP & Co. LLP

#4272, 2nd Floor, Saptagiri, Vivekananda park Road., Near Seetha circle, Girinagar, Bangalore-
560085

LLP IN: AAI-4194 ☎ - 08026714061 ✉ - biswajit@bmpandco.com

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