



COVID – 19: DAILY UPDATE



MONDAY, 30th MARCH, 2020



AHMEDABAD | BENGALURU | KOLKATA | NEW DELHI | MUMBAI





MINISTRY OF COMMERCE AND INDUSTRY

The Ministry of Commerce and Industry via its Press Release ID: 1609247, dated 30.03.2020 has provided certain relaxations in different compliances to be made by the SEZ units/developers/co-developers.

Following are the relaxations as provided under the aforesaid Press Release:

- i. The requirement of filing Quarterly Progress Report attested by Independent Chartered Engineers by the Developers/Co-developers.
- ii. SOFTEXX form to be filed by IT/ITES units.
- iii. The requirement of filing of Annual Performance Reports by SEZ units.
- iv. Extension of Letter of Approvals which might expire in following cases:
 - Developers/Co-developers who are in process of developing and operationalizing SEZ;
 - Units which are about to complete 5 years block for NFE assessment;
 - And units which are yet to commence their operations.
- v. Ad-hoc interim extension of expiry date may be granted till 30.06.2020.

“Development Commissioners of SEZs have been directed to ensure that no hardship is caused to Developers /Co-Developer / Units and no punitive action is taken in cases where any compliance is not met during this period impacted by the above disruption.”

The aforesaid measures taken by the Ministry of Commerce and Industry have come as a major relief to the SEZ units/developers/Co-developers. The said Press Release has taken into consideration the genuine difficulty and hardship that might be faced during the pandemic COVID-19 by the SEZ units/developers/Co-developers.



MINISTRY OF AGRICULTURE AND FARMERS WELFARE

The Ministry of Agriculture & Farmers Welfare via Press Release ID: 1609282, dated 30.03.2020 has granted various reliefs to the farmers on the crop loan due for repayment.

Following are the benefits being made available to the farmers via this Press Release:

- i. Benefit of 2% Interest Subvention to Banks.
- ii. Benefit of 3% Prompt Repayment Incentive to all farmers up to 31.05.2020 for loans up to Rs. 3 lakhs due for repayment during 01.03.2020-31.05.2020.
- iii. The above benefits shall help farmers to repay such loans up to extended period at 4% p.a. interest without any penalty.

“Government is providing concessional crop loans to farmers through banks with 2% p.a. interest subvention to banks and 3% additional benefit on timely repayment to farmers thus providing loans up to Rs.3 lakh at 4% p.a. interest on timely repayment.”

The said press release by Ministry is an initiative to provide relief to farmers during the pandemic COVID-19 after taking into consideration the situation of complete lockdown and restriction of movement by people and thereby relieving the farmers from unnecessary travelling and violating the lockdown in order to make repayment of Crop loan by allowing the repayment afterwards without attracting penalty.



MINISTRY OF COMMUNICATIONS

The Ministry of Communications via Press Release ID: 1609288, dated 30.03.2020 has extended the period of payment of premium due in March 2020 up to 30.04.2020 without attracting any penalty.

“In view of the threat posed by the outbreak of Corona Virus (COVID-19), and the complete lockdown across India, Directorate of Postal Life Insurance(PLI), Department of Posts, Ministry of Communications has given an extension of period for payment of their due premium of March 2020 upto 30th April 2020 without charging any penalty/default fee.”

The said press release has come into force as a relief to policy holders who have not been able to pay the premium due to complete lockdown in the Country and this being the genuine hardship of customers the Ministry has waived off the penalty along with the extension of due date.

SECURITY BOARD EXCHANGE OF INDIA

The Security Board Exchange of India (SEBI) *vide* Notification No SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/ 53 dated 30.03.2020 has issued relaxation norms for all credit rating agencies.

Relaxation has to the default of payment of interest/principle, provided such default is occurred due to the lockout creating temporary operational challenges in servicing debt.

The clause elucidates that:



“Accordingly, based on its assessment, if the CRA is of the view that the delay in payment of interest/principle has arisen solely due to the lockdown conditions creating temporary operational challenges in servicing debt, including due to procedural delays in approval of moratorium on loans by the lending institutions, CRAs may not consider the same as a default event and/or recognize default. Appropriate disclosures in this regard shall be made in the Press Release”

The notification would also be applicable to the issuer on his rescheduling in payment of debt obligation prior to the due date, with the approval of the investors/lenders.

The Notification might result into the breath of relief to the all credit rating agencies I view of default is concern but subject to the proof as to the default was result of lockdown and no actual default was committed.

*The content is purely an academic analysis under “**Pandemic Legal intelligence Series**”.*

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ABOUT US

AMLEGALS is a multi-specialised law firm. We would love to hear your views, queries, feedback and comments on covid19@amlegals.com | rohit.lalwani@amlegals.com.





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