



*Lex Favios*  
*Advocates & Solicitors*

30<sup>th</sup> May 2020 – Issue 282

***The Reserve Bank of India vide circular no. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 has provided Regulatory Package***

- RBI vide circular no. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 has provided Regulatory Package.
- Circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 and Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 announcing certain regulatory measures in the wake of the disruptions on account of COVID-19 pandemic and the consequent asset classification and provisioning norms. As announced in the Governor's Statement of May 22, 2020, the intensification of COVID-19 disruptions has imparted priority to relaxing repayment pressures and improving access to working capital by mitigating the burden of debt servicing, prevent the transmission of financial stress to the real economy, and ensure the continuity of viable businesses and households.

[Click Here](#)

***The Reserve Bank of India vide circular no. RBI/2019-20/239 A.P.(DIR Series) Circular No.32 dated May 22, 2020 has provided relaxations in Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt***

- RBI vide circular no. vide circular no. RBI/2019-20/239 A.P.(DIR Series) Circular No.32 dated May 22, 2020 has provided relaxations in Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt.
- Foreign Portfolio Investors (FPIs) shall invest at least 75% of their 'Committed Portfolio Size' (CPS) within three months from the date of allotment. In view of



*Lex Favios*  
*Advocates & Solicitors*

- the disruptions caused by COVID-19, it has been decided to allow FPIs that have been allotted investment limits, between January 24, 2020 (the date of reopening of allotment of investment limits) and April 30, 2020, an additional time of three months to invest 75% of their CPS. For FPIs availing the additional time, the retention period for the investments (committed by them at the time of allotment of investment limit) would be reset to commence from the date that the FPI invests 75% of CPS. While such a lockdown and disruption is unforeseen and beyond the control of the entities, such events can lead to distortions in the market due to the gaps in information available about the operations of a listed entity. Hence, it is important for a listed entity to ensure that all available information about the impact of these events on the company and its operations is communicated in.
- These directions are issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

[Click Here](#)

***The Reserve Bank of India vide circular no. RBI/2019-20/245 DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 has provided extension of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets***

- RBI vide circular no. RBI/2019-20/245 DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 has provided extension of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets.
- In respect of accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all



*Lex Favios*  
*Advocates & Solicitors*

such accounts, the residual Review Period shall resume from September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution.

- In respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

[Click Here](#)

\*\*\*\*

In case you have suggestions or do not wish to receive our newsletter,  
please email us at [info@lexfavios.com](mailto:info@lexfavios.com)

#### **Contact details**

**Sumes Dewan**

*Managing Partner*

*Lex Favios*

Email: [sumes.dewan@lexfavios.com](mailto:sumes.dewan@lexfavios.com)

Tel: 91-11-32084941 (D) 91-11-41435188/45264524