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Ministry of Corporate Affairs

Clarification on Extension of Annual General Meeting (AGM) for the financial year ended as at March 31, 2020

The Ministry of Corporate Affairs through *Notification dated August 17, 2020* has notified that companies that have not been able to conduct their Annual General Meeting ("**AGM**") for FY ending March 31, 2020 can now voluntarily seek for extension of the time period to hold AGM by filing Form No. GNL-1 with the concerned registrar of the companies on/before September 29, 2020.

1. Several representations have been received in the Ministry for providing relaxations in the provisions of Companies Act, 2013 ("**the Act**") or rules made thereunder to allow companies to hold their AGM for the financial year ended on March 31, 2020 beyond the statutory period provided in section 96 of the Act.
2. The matter has been examined in this Ministry and it is stated that this Ministry had inter-alia, clarified vide General Circular dated May 05, 2020 regarding holding of AGM through video conferencing (VC) or other audio visual means (OAVM) for the calendar year 2020. In addition, the companies which are unable to hold their AGMs were advised to prefer applications for extension of AGM at a suitable point of time before the Concerned Registrar of Companies under section 96 of the Act.

3. In view of the above, it is once again reiterated that the companies which are unable to hold their AGM for the financial year ended on March 31, 2020, despite availing the relaxations provided in the General Circular dated May 05, 2020 ought to file their applications in form No. GNL-1 for seeking extension of time in holding of AGM for the financial year ended on March 31, 2020 with the concerned Registrar of Companies on or before September 29, 2020.

4. The Registrar of Companies are hereby advised to consider all such applications (filed in Form No. GNL-1) liberally in view of the hardships faced by the stakeholders and to grant extension for the period as applied for (up to three months) in such applications.

COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

The Central Government in exercise of the powers conferred by section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013, vide its *Notification dated August 24, 2020* has notified the following rules to amend the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**CSR Policy Rules, 2014")** as follows:

1. These rules shall be referred to as the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020.
2. In the Companies, CSR Policy Rules, 2014 in rule 2, in sub-rule (1), in clause (e), the following proviso shall be inserted:-

   "Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23 subject to the conditions that -

   (i) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act.

   (ii) details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board's Report".

3. Further, in rule 4, in sub-rule 1, the words "excluding activities undertaken in pursuance of its normal course of business" shall be omitted.

4. In rule 6, in sub-rule (1), —

   (i) first proviso shall be omitted;

   (ii) In the second proviso, the word "further" shall be omitted.

MINISTRY OF CORPORATE AFFAIRS

The Central Government, in exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 ("**Companies Act**") amended Schedule VII to the Companies Act Act and published it *vide Notification dated August 24, 2020,* and shall come into force on the date of its publication in the Official Gazette.

In the Schedule VII, for item (ix) and the entries thereto, the following item and entries shall be substituted:-

> *"(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and*
>
> *(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)".*

COMPANIES (MANAGEMENT AND ADMINISTRATION) AMENDMENT RULES, 2020

In exercise of the powers conferred under sub-section (3) of section 92, read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government has made the following rules to amend the Companies (Management and Administration) Rules, 2014 vide its *Notification dated August 28, 2020* as follows:

(1) These rules may be called the Companies (Management and Administration) Amendment Rules, 2020.

(2) They shall come into force on the date of their publication in the Official Gazette.

(3) In the Companies (Management and Administration) Rules, 2014, in rule 12, in sub-rule (1), the following proviso shall be inserted, namely:-

"Provided that a company shall not be required to attach the extract of the annual return with the Board's report in Form No. MGT.9, in case the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of section 92 of the Companies Act, 2013."

SEBI

SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2020

The Securities Exchange Board of India **("SEBI")**, in exercise of the powers conferred by section 11, sub-section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992, read with section 31 of the Securities Contracts (Regulation) Act, 1956, made the following regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, vide its *Notification dated August 05, 2020* and shall come into force on the date of their publication in the Official Gazette.

1. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,-

I) In regulation 42 -

a. in sub-regulation (1), the words and symbols "to all the stock exchange(s) where it is listed for the following purposes:", shall be substituted with the words and symbols "for the following events to all the stock exchange(s) where it is listed or where stock derivatives are available on the stock of the listed entity or where listed entity's stock form part of an index on which derivatives are available:"

b. in sub-regulation (1), the existing clause (e), shall be substituted with the following, namely -

"(e) corporate actions like mergers, de-mergers, splits, etc;"

ADMINISTRATION AND SUPERVISION OF INVESTMENT ADVISORS

1. The Securities Exchange Board of India ("**SEBI**") in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with regulation (14)(2) of SEBI (Investment Advisers) Regulations, 2013 ("**SEBI IA Regulations, 2013**"), to protect the interests of investors as well the development of securities market vide a *Circular dated August 06, 2020* provided rules to administer and supervise Investment Advisors ("**IAs**").

2. SEBI, vide its Circular dated October 19, 2016, allowed registered IAs to use infrastructure of the stock exchanges to purchase and redeem Mutual Funds units directly from Asset Management Companies ("**ASM**") on behalf of their clients.

3. As per Regulation 14 of the SEBI IA Regulations, 2014, SEBI can recognize any body/body corporate for the purpose of regulating IAs. It further provides that SEBI may, at the time of recognition of such body or body corporate, delegate administration and supervision of IAs to such body or body corporate on such terms and conditions as may be specified.

4. Further, the second proviso to Regulation 38 (2) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("**Securities Contracts Regulations, 2018**") states, *inter alia*, that a recognized stock exchange may engage in activities, whether involving deployment of funds or otherwise that are unrelated or not incidental to its activity as a stock exchange, through a separate legal entity and subject to approval of the Board.

A. Criteria for grant of recognition- The recognition of stock exchange subsidiary, in terms of the aforesaid Regulation 14 of SEBI IA Regulations, 2013 shall be based on the eligibility of the parent entity, i.e. the stock exchange, for which the following eligibility criteria is laid down as follows:

(i) Number of years of existence: Minimum fifteen (15) years;

(ii) Stock exchanges having a minimum net worth of INR 200 crores;

(iii) Stock exchanges having nation-wide terminals;

(iv) Investor grievance redressal mechanism including Arbitration;

(v) Capacity for investor service management gauged through reach of Investor Service Centers ("**ISCs**")- stock exchanges having ISCs in at least twenty (20) cities.

B. Setting up of requisite systems by stock exchanges for the purpose-

(i) The stock exchange shall either form a subsidiary or designate an existing subsidiary for the purpose of regulating IAs;

(ii) The subsidiary shall include in its Memorandum of Association, Articles of Association and bye-laws, requisite provisions to fulfil the below mentioned responsibilities;

(iii) The subsidiary shall put in place systems/process for grievance redressal, administrative action against IAs, governing IAs, maintaining data, sharing of information with SEBI etc;

(iv) The subsidiary shall have the necessary infrastructure like adequate office space, equipment and manpower to effectively discharge the below mentioned activities. Infrastructure may be shared with other group entities where required;

C. Responsibilities of subsidiary of a stock exchange- The subsidiary of a stock exchange shall have following responsibilities:

(i) Supervision of IAs including both on-site and offsite;

(ii) Grievance redressal of clients and IAs;

(iii) Administrative action including issuing warning and referring to SEBI for enforcement action;

(iv) Monitoring activities of IAs by obtaining periodical reports;

(v) Submission of periodical reports to SEBI;

(vi) Maintenance of database of IAs.

5. The stock exchanges, fulfilling the criteria stated at para 4 (A) above, may submit the detailed proposal incorporating requisite systems at para 4 (B) and mechanism to discharge responsibilities, to SEBI within 30 days from the date of this circular.

SECURITIES AND EXCHANGE BOARD OF INDIA

In exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 77 of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the Securities and Exchange Board of India ("**SEBI**") in order to protect the interests of investors in securities and to promote the development of and to regulate the securities market has vide *Circular dated August 10, 2020* ("**Circular**") laid down certain duties with respect to the Trustees of the SEBI (Mutual Funds) Regulations, 1996). The Circular shall come into effect from October 01, 2020. The duties are as follows:

1. Trustees shall appoint a dedicated officer having professional qualification and minimum five (5) years of experience in finance and financial services related field.
2. The officer so appointed, shall be employee of the Trustees and directly report to the Trustees.
3. The scope of work for the said officer shall be specified by Trustees from time to time to support the role and responsibilities of the Trustees. The officer shall accordingly assist the Trustees and discharge the activities assigned to him.
4. The said officer shall be treated as access person in terms of SEBI Circular No. dated May 08, 2001.
5. Trustees shall have standing arrangements with independent firms for special purpose audit and/or to seek legal advice in case of any requirement.

The Circular clarifies that the expenditure incurred for the above shall be charged under Clause 52(b)(iv) "fees and expense of trustees" of SEBI (Mutual Funds) Regulations, 1996.

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

Order dated August 25, 2020 passed by the Hon'ble Maharashtra Electricity Regulatory Commission **("Commission") in Case No. 70 of 2020** - ***Ghatge Patil Industries Limited Versus Maharashtra State Electricity Distribution Company Limited.***

FACTS OF THE CASE:

1. Ghatge Patil Industries Limited **("GPIL"/ "Petitioner**") has filed the case dated March 05, 2020 case against Maharashtra State Electricity Distribution Company Limited. ("**MSEDCL"/** "**Respondent"**) for non-compliance of Orders of the Hon'ble Commission including Orders dated April 09, 2019 in Case No. 22 of 2019 to be read with the Order dated November 07, 2017 in Case No. 77 of 2017.

2. The Petitioner had entered into four (4) Energy Purchase Agreements ("**EPAs**") with MSEDCL for the sale of wind power of total capacity of 15MW. Thereafter, due to continuous failure on the part of MSEDCL to make payment in a timely manner for the invoices raised by the Petitioner including the late payment i.e. delayed payment charges ("**DPC**"), the Petitioner approached the Hon'ble Commission for seeking directions against MSEDCL for making payment of its outstanding amount vide Case Nos. 68 of 2016, 77 of 2017, 83 of 2018 and 22 of 2019.

3. However, even after receiving favourable Orders in the above-mentioned cases, MSEDCL time and again neglected to make payments for the outstanding amounts due to the Petitioner including the payments for the energy injected into the grid between July 03, 2018 to July 31, 2018 to which the Hon'ble Commission directed the matter be solved amicably within 2 months. The Hon'ble Commission had directed that the EPA between the Petitioner and MSEDCL with immediate effect from the date of the Order i.e. July 02, 2018.

4. In the present case, the Petitioner therefore again approached the Hon'ble Commission for non-compliance of its Order dated April 09, 2019 in Case No. 22 of 2019 by MSEDCL. The time period of energy injected into the grid after termination of EPA was from July 03, 2018 to July 31, 2018.

WHAT WAS HELD:

1. On the issue of non-payment of outstanding dues during the period of energy injected into grid after lapse of EPA, the Hon'ble Commission ruled that Order dated April 09, 2019 in Case No. 22 of 2019 has been already rejected without valid EPA and therefore the prayer seeking the claim for payment towards energy injected for July 03, 2018 to July 31, 2018 is not granted by the Hon'ble Commission. The Hon'ble Commission observes that since EPA was not binding and was terminated, energy injected into the grid pursuant to that would not be cause for penalization for MSEDCL and that the Petitioner cannot claim so. Since this issue was considered in Case No. 22 of 2019 and a reasoned order was passed and since the Petitioner has challenged the Order passed in Case No. 22 of 2019, the Hon'ble Commission finds its inappropriate to consider this issue afresh.

2. Further, the Hon'ble Commission directed MSEDCL to forthwith clear or include the outstanding amount as per reconciliation statement in the proposal to Financial institutions for directly making payment to the Petitioner and the Petitioner's claim for payment for energy injected for the period of July 03, 2018 to July 31, 2018 was rejected.

3. In view thereof, Case No. 70 of 2020 was partly allowed.

The Petitioner i.e. Ghatge Patil Industries Limited in this case is represented by **Eternity Legal**.

Order dated August 28, 2020 passed by the Hon'ble Maharashtra Electricity Regulatory Commission **("Hon'ble Commission")** in Case No. 71 of 2020 - ***Ghatge Patil Industries Limited Versus Maharashtra State Electricity Distribution Company Limited.***

FACTS OF THE CASE:

1. Ghatge Patil Industries Limited **("GPIL"/ "Petitioner")** had filed a Case on March 05, 2020, against Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**"**/ "Respondent"**) under Section 142, 146 and 149 of the Electricity Act, 2003 **("EA Act, 2003")** and Maharashtra Electricity Regulatory Commission (Distribution Open Access) Regulations, 2016 **("MERC DOA Regulations, 2016")** for non-compliance of the Hon'ble Commission's Order dated September 09, 2019 in Case No. 132 of 2019.

2. GPIL has Wind Generating Plant of 15 MW capacity at Dhule District. After commissioning of the Wind Generating Plant, the power generated from was sold to MSEDCL under the Wind Energy Purchase Agreements ("**WEPAs**") which ended in FY 2018. Pursuant to the termination of WEPA, GPIL started consuming power under Short Term Open Access ("**STOA**") for self-use.

3. A circular was issued by MSEDCL on November 28, 2018 making the installation of Special Energy Meters ("**SEM**") mandatory for all Solar and Wind generators so as to facilitate proper billing for Open Access ("**OA**") consumers. Post this circular, GPIL took all necessary steps for SEM installation. However, same was delayed on the part of MSEDCL and thereby rejecting STOA application of GPIL for the month of May 2019. Pursuant to the Hon'ble Commission's Order dated April 05, 2019 in Case No. 34 of 2019 ("**Order dated April 05, 2019**") MSEDCL was directed to grant OA in the intervening period for six (6) months once the process for installation of SEM started. Pursuant to the Order dated April 05, 2019, GPIL requested MSEDCL to grant OA for the month of May 2019 and June2019, however the same was denied by MSEDCL on the grounds of non-installation of SEM meter.

4. Vide Order dated September 09, 2019 in Case No. 132 of 2019 ("**Order dated September 09, 2019**"), the Hon'ble Commission clearly directed MSEDCL to issue OA permissions, Generation Credit Notes ("**GCN**") and provide credit adjustment of the banked units generated from the wind plant during the months of May and June, 2019 in the ensuing bills. However, MSEDCL failed to comply with the Order dated September 09, 2019.

WHAT WAS HELD:

1. The Hon'ble Commission observed that the provision relating to banking of energy in the MERC Principal DOA Regulations, 2016 are applicable to existing OA Agreements or contracts as on date of notification of the first amendment of MERC Principal DOA Regulations, 2016 i.e. June 07, 2019, till the expiry of the approved period for such OA transactions. The OA Agreements with GPIL for the months of May 2019 and June 2019 came into existence only on July 08, 2019, which was much later than June 07, 2019. Further the Hon'ble Commission observed that, as the banking year is financial year from April to March, the applicable financial year for the months of May 2019 and June 2019 is FY 2019-20 which has already expired. However, this should not be a barrier for the adjustment of the banked units for the months of May 2019 and June, 2019 considering the time lost in litigations and hence, the Hon'ble Commission directed MSEDCL to allow the treatment of banked units for the months of May 2019 and June 2019 in accordance with the MERC Principle DOA Regulations, 2016.

2. The Hon'ble Commission observed that it is not inclined to pass any direction against MSEDCL under Section 142 and 146 of EA Act, 2003 for non- compliance of Order dated September 09, 2019 because there has been a substantial compliance of the directions by MSEDCL as they had already given credit adjustment in the consumer's bills, and hence no order shall lie under Section 142 and 146 of the EA Act, 2003.

3. In view of the above, Case No. 71 of 2020 has been allowed.

The Petitioner i.e. Ghatge Patil Industries Limited in this case is represented by **Eternity Legal**.

INDUSTRIES, ENERGY AND LABOUR DEPARTMENT

The Government of Maharashtra vide its *Notification dated August 14, 2020* has amended the rates of the Electricity Duty in column (3) of the Table A with effect from the billing month of August, 2020 to its earlier Notification dated October 21, 2016, for Industries, Energy and Labour Department ("**Notification dated October 21, 2016**"). The amendment is issued in exercise of the powers conferred by sub-section (1) of section 3 and Schedule A, B, and C of the Maharashtra Electricity Duty Act, 2016 ("**Duty Act, 2016**").

Considering such reduction in rate of electricity duty to be necessary in public interest the notification specifies the rate of Electricity Duty in column (3) of the Table "A" shall be levied and paid in respect of the consumption of energy on the Tariff Category mentioned in column (2).

The Government of Maharashtra hereby, for the aforesaid purpose, amends Table 'A' appended to the notification dated October 21, 2016, with effect from the billing month of August, 2020 as follows namely:-

In Table 'A' appended to the said notification, for entry at Sr. No. 6, the following entry shall be substituted and is reflected in the table mentioned below for ready reference:

Tariff Category of Electricity	Rate of Electricity
Part F: Industrial	7.50 percent of the consumption charges

MINISTRY OF COMMERCE AND INDUSTRY

The Ministry of Commerce and Industry in exercise of powers conferred under Section 87 of the Geographical Indications of Goods (Registration and Protection) Act, 1999 (48 of 1999), has amended the following rules to Geographical Indications of Goods (Registration and Protection) Rules, 2002 ("**GI Rules, 2002**") vide its *Notification dated August 26, 2020*.

These rules shall be called the Geographical Indications of Goods (Registration and Protection), (Amendment) Rules, 2020 **("Amendment Rules, 2020")** and shall come into effect from the date of their publication in the Official Gazette and few of them are reproduced below for ready reference:

The amended rules of GI Rules, 2002 are as follows:

1. For Rule 56 following rule shall be substituted, namely:-

"**56. Authorised User-** (1) An application for registration of authorized user under section 17 may be made to the Registrar in Form GI-3 accompanied by a statement of case as to how the applicant claims to be the producer of the registered geographical indication.

(2) A copy of application made under sub-rule (1) shall be forwarded to the registered proprietor of geographical indication and intimate the same to the Registrar."

2. In GI Rules, 2002 in rule 59 for sub-rule (1), the following sub-rule shall be substituted, namely:-

(2) "Where no notice of opposition is filed to an application advertised or re-advertised in the Journal within the period specified under sub-clause (e) of sub-section (3) of section 17 or where an opposition is filed and it is dismissed, the Registrar shall enter the authorized user in Part B of the register and shall issue a registration certificate with the seal of Geographical Indication Registry".

3. In the GI rules, 2002 in rule 59 for sub-rule (1), the following sub-rule shall be substituted, namely:-

(2) "Where no notice of opposition is filed to an application advertised or re-advertised in the Journal within the period specified under sub-clause (e)

of sub-section (3) of Section 17 or where an opposition is filed and it is dismissed, the Registrar shall enter the authorised user in Part B of the register and shall issue a registration certificate with the seal of Geographical Indication Registry".

4. In rule 59, in sub-rule (2), clauses (f) and (g) shall be omitted.

5. In rule 59, in sub-rule (3), the words-:
"An unmounted representation of the geographical indication exactly as shown in the form of application for registration thereof at the time of registration shall accompany such request." shall be omitted.

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Second Amendment) Regulations, 2020

The Insolvency and Bankruptcy Board of India **("IBBI")** in exercise of the powers conferred by section 196(1)(t) read with section 240 of the Insolvency and Bankruptcy Code, 2016, vide its *Notification dated August 05, 2020* notified the amendment of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 to the following effect:

1. These Regulations may be called the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Second Amendment) Regulations, 2020 and shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, for regulation 5, the following regulation shall be substituted:

"5. Appointment of liquidator

(1) Subject to regulation 6, the corporate person shall appoint an insolvency professional as liquidator, and, wherever required, may replace him by appointing another insolvency professional as liquidator, by a resolution passed under clause (c) of sub-section (3) of section 59 or clause (c) of sub-regulation (1) of regulation 3, as the case may be:

Provided that such resolution shall contain the terms and conditions of appointment of the liquidator, including the remuneration payable to him

(2) The insolvency professional shall, within three days of his appointment as liquidator, intimate the Board about such appointment."

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) (FOURTH AMENDMENT) REGULATIONS, 2020.

The Insolvency and Bankruptcy Board of India **("IBBI")** in exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016) vide its *Notification dated August 07, 2020* notified the amendment of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("**Principal Regulations"**) as follows:

1. They shall come into force on the date of their publication in the Official Gazette and shall be called as the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2020.

2. In the Principal Regulations in regulation 4A, in sub-regulation (2), after clause (a), the following clause shall be inserted, namely: -

"(aa) having their addresses, as registered with the Board, in the State or Union Territory, as the case may be, which has the highest number of creditors in the class as per their addresses in the records of the corporate debtor:

Provided that where such State or Union Territory does not have adequate number of insolvency professionals, the insolvency professionals having addresses in a nearby State or Union Territory, as the case may be, shall be considered;"

3. In the Principal Regulations, in regulation 16A, for sub-regulation (9), the following sub-regulation shall be substituted, namely: -

"(9) The authorised representative shall circulate the agenda to creditors in a class, and may seek their preliminary views on any item in the agenda to enable him to effectively participate in the meeting of the committee:

Provided that creditors shall have a time window of at least twelve (12) hours to submit their preliminary views, and the said window opens at least twenty-four (24) hours after the authorised representative seeks preliminary views: Provided further that such preliminary views shall not be considered as voting instructions by the creditors."

4. In the Principal Regulations, in regulation 39, for sub-regulation (3), the following sub-regulations shall be substituted, namely: -

"(3) The committee shall-

(a) evaluate the resolution plans received under sub-regulation (2) as per evaluation matrix;

(b) record its deliberations on the feasibility and viability of each resolution plan; and

(c) vote on all such resolution plans simultaneously.

(3A) Where only one resolution plan is put to vote, it shall be considered approved if it receives requisite votes.

(3B) Where two or more resolution plans are put to vote simultaneously, the resolution plan, which receives the highest votes, but not less than requisite votes, shall be considered as approved:

Provided that where two or more resolution plans receive equal votes, but not less than requisite votes, the committee shall approve any one of them, as per the tie-breaker formula announced before voting:

Provided further that where none of the resolution plans receives requisite votes, the committee shall again vote on the resolution plan that received the highest votes, subject to the timelines under the Code.

Illustration: The committee is voting on two resolution plans, namely, A and B, simultaneously. The voting outcome is an under:

Voting Outcome	**% of votes in favour of**		**Status of approval**
	Plan A	**Plan B**	
1	55	60	No plan is approved, as neither of the Plans received requisite votes. The committee shall vote again on Plan B, which received the higher votes, subject to the timelines under the Code.
2	70	75	Plan B is approved, as it received higher votes, which is not less than requisite votes.
3	75	75	The committee shall approve either plan A or Plan B, as per the tie-breaker formula announced before voting.

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Warm Regards,

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