



LEGAL UPDATE

AUGUST 2020 - PART -I

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I. MINISTRY OF CORPORATE AFFAIRS (MCA)

1. Clarification on dispatch of notice under section 62(2) Companies Act, 2013 by listed companies for rights issues opening upto December 31, 2020

MCA vide [Circular dated August 03, 2020](#) has issued clarification under Section 62(2) which provides that the notice for rights issue 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 existing shareholders at least three days before the opening of the issue. Through the Circular, MCA has clarified that the extension of the relaxation of the applicability of Section 62(2), vis-à-vis listed companies for their rights issue opening upto December 31, 2020, shall be in accordance with the [SEBI Circular dated July 24, 2020](#). MCA has clarified that the same will not be seen as violation of Section 62(2).

2. Report of the Committee on Business Responsibility Reporting

MCA vide [News and Important Update dated August 12, 2020](#) published the report of the committee on Business Responsibility Reporting. The key highlights of the recommendation provided by the committee are as follows:

1. A new reporting framework called as the ‘Business Responsibility and Sustainability Report (BRSR)’ to reflect better the intent and scope of reporting on non-financial parameters.
2. Two formats for disclosures: one ‘comprehensive format’ and the second a ‘Lite version’
3. With regard to listed entities, reporting may be done by top 1000 listed companies (by market capitalisation) as applicable presently, or as prescribed by SEBI. The reporting requirement may be extended by MCA to unlisted companies above specified thresholds of turnover and/or paid-up capital. Further, the Committee recommends that smaller unlisted companies below this threshold may, to begin with, adopt a lite version of the format, on a voluntary basis
4. Implementation of the reporting requirements should be done in a gradual and phased manner
5. As a long-term measure, the Committee envisions that the information captured through BRSR filings be used to develop a Business Responsibility-Sustainability Index for companies.

II. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

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

SEBI vide [Notification dated August 05, 2020](#) has amended Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations). Post the amendment, listed entities are required to make intimation of the record date not only to the stock exchange where it is listed but also 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. Further, listed entities are also required to intimate the record date for the purpose of corporate actions like mergers, de-mergers, splits, etc.

2. Use of digital signature certifications for authentication / certification of filings / submissions made to Stock Exchanges

SEBI vide [Circular dated July 31, 2020](#) has extended the timeline of permission for use of digital signature granted vide its earlier [Circular dated April 17, 2020](#). As per the Circular, authentication/certification of any filing/submission made to stock exchanges under the LODR Regulations may be done using digital signature certifications till December 31, 2020.

3. Clarification on applicability of regulation 40(1) of LODR Regulations to open offers, buybacks and delisting of securities of listed entities

SEBI vide [Circular dated July 31, 2020](#) has clarified on proviso to regulation 40(1) of the LODR Regulations that shareholders holding securities in physical form are allowed to tender shares in open offers, buy-backs through tender offer route and exit offers in case of voluntary or compulsory delisting. However, such tendering shall be as per the provisions of respective regulations.

4. Securities Contracts (Regulation)(Second Amendment) Rules, 2020

SEBI vide [Notification dated July 31, 2020](#) has amended the Rule 19A of Securities Contracts (Regulation) Rules, 1957. As per the notification, every listed company which has public shareholding below 25% on the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a

period of 3 years from the date of such commencement, in the manner specified by the Board.

5. Grievance Resolution between listed entities and proxy advisers

SEBI vide [Circular dated August 04, 2020](#) has directed that in case of any grievances of listed entities against SEBI registered proxy advisers, the listed entities may approach SEBI. SEBI will examine the matter for non-compliance by proxy advisers with the provisions of the Code of Conduct under regulation 24(2) read with regulation 23(1) of the SEBI (Research Analyst) Regulations, 2014 and the procedural guidelines for proxy advisers issued vide SEBI [Circular dated August 03, 2020](#)

III. LABOUR

1. Amendment to Comprehensive Inspection Policy-2017 in West Bengal

The Labour Department, Government of West Bengal vide [Notification dated July 31, 2020](#) has inserted a new clause under the Comprehensive Inspection Policy-2017 which states that the owners of the establishments would be intimated about the dates of routine compliance inspections atleast 15 days in advance. The channel of communication of prior inspection notices would be all or any of the following:

- 1) System generated real-time Electronic Alerts via SMS and / or via email(s) to the registered mobile number(s) and / or email address(es) of the respective owner(s).
- 2) The system generated inspection schedule(s) would be published atleast 15 days in advance, on the respective portals of the Directorates and/ or the portal of the Labour Department [wblabour.gov.in]

2. Bihar Industrial Employment (Standing Orders) (Amendment) Rules, 2020

Government of Bihar vide [Notification dated July 27, 2020](#) has amended the Bihar Industrial Employment (Standing Orders) Rules, 1947. Following are the amendments:

- 1) A rule 3A has been inserted which states that no employer of an industrial establishment can convert the posts of the permanent workmen existing in his industrial establishment as fixed term employment.
- 2) Under Appendix A, paragraph 2(g) has been inserted which defines the term fixed term employment workman
- 3) Paragraph 13 (1) and (2) has been substituted stating that:

- i. no notice of termination of employment shall be necessary in the case of temporary workman whether monthly rated, weekly rated or piece rated and probationers or badli workmen; and
- ii. no workman employed on fixed term employment basis as a result of non-renewal of contract or employment or on the expiry of such contract period without it being renewed, shall be entitled to any notice or pay in lieu thereof, if his services are terminated

3. Withdrawal of curfew in Shimla, Himachal Pradesh

The Government of Shimla [vide notification dated July 31, 2020](#) withdraws the curfew imposed in the district of Shimla with effect from August 1, 2020.

4. Online Payment of Fees through GRAS (Government Receipt Accounting Software) for Inspection of Boilers at Puducherry /Karaikal

The [Directorate of Accounts and Treasuries, Government of Puducherry](#) has initiated the Online Payment of Fees through GRAS (Government Receipt Accounting Software) for Inspection of Boilers at Puducherry /Karaikal. For more details please refer the notification.

5. Additional restrictions in cities of Jalandhar, Ludhiana and Patiala during Unlock 3

The Government of Punjab vide [Notification no. No.SS/SCSH/2020/579](#) on August 08, 2020 has notified restrictions on timings for the below

- i. Restaurants, Hotels, and other Hospitality Units: till 9 pm
- ii. Shops and shopping Malls: till 8 pm
- iii. Restaurants/ hotels situated within shopping malls: till 3 pm
- iv. Liquor vends till 9 pm

6. Guidelines for Phased Reopening (Unlock 3) to be implemented in Punjab

Government of Punjab vide [Notification No.SS/ACSH/2020/560](#) on July 31, 2020 has issued new guidelines for Unlock-3 to be implemented from 01.06.2020 to 31.08.2020. As per the guidelines, Restaurants are allowed to open till 10pm with 50% occupancy or fifty (50) guests, whichever is less. Liquor can be served provided the restaurant has a valid permission from the Excise Department. However, bars shall remain closed. The management will comply with the SoP attached herewith. For further details please refer the notification.

7. Government of Tamil Nadu extends the state wide lockdown till August 31, 2020

The State Government of Tamil Nadu vide [Order no G.O \(Ms\) no 396](#) on July 31, 2020 has decided to extend the lockdown within the state due to the spread of Covid-19 till August 31, 2020.

Following important points must be ensured:

- The use of arogya setu is mandatory in all state offices.
- Activities in containment areas should be closely monitored by the district authorities, and guidelines for security measures in such areas should be strictly enforced.
- The full lockdown is enforced without relaxation every Sunday in August.
- Social distancing should be ensured, and homework encouraged where possible.
- The national guidelines for Covid-19 must be followed.
- E-pass will continue to be in force.

8. The Industrial Disputes and Certain Other Laws (Karnataka Amendment) Ordinance, 2020

The Governor of Karnataka, vide [Ordinance No. 15 of 2020](#) of July 31, 2020, has enacted the Labor Law Ordinance 2020 and certain other laws (Karnataka Amendment) amending the Labor Law Act, 1947, Factories Act, 1948, Employment Contracts (Regulation and Abolition) Act, 1970

The following is a brief description of the changes introduced by the regulation

- i. The provisions on layoffs, layoffs and the closure of certain plants under Section 25K of the Industrial Disputes Act of 1947 will also apply in future to industrial plants in which the number of employees is not less than three hundred workers instead of the existing supply of one hundred workers
- ii. The threshold of applicability for the Factories Act of 1948 has now been increased from ten or more workers to twenty or more workers for factories using power, and from twenty or more workers to forty or more workers for factories. Running without aid of Power.

- iii. The number of hours allowed for overtime has been reduced from seventy-five hours to one hundred and twenty-five hours per quarter
- iv. The applicability of The Contract Labour (Regulation and Abolition) Act, 1970 for establishments has been increased from twenty or more workmen to fifty or more workmen. Please refer notification for more details.

9. Government of Karnataka issues guidelines for Unlock 3

The State Government of Karnataka vide [Order no RD 158 TNR 2020](#) on July 30, 2020 issued guidelines for Unlock 3 in order to reopen further activities in areas outside the security zones and to block security zones until August 31, 2020

The main points of the guidelines are as follows:

- i. In areas outside the security zones, all activities except schools, colleges, educational institutions and trainers are closed until August 31, 2020.
- ii. Cinemas, swimming pools, amusement parks, etc. can be operated from August 5, 2020.
- iii. Lockdown will be limited to containment zone only
- iv. Activities in containment areas should be closely monitored by the district authorities, and guidelines for security measures in such areas should be strictly enforced.
- v. Anyone who violates these measures will be prosecuted under the provisions of Articles 51 through 60 of the Disaster Management Act 2005 in addition to prosecution under Article 188 of the IPC and other legal requirements applicable.
- vi. Social distancing should be ensured and homework should be encouraged where possible.
- vii. There will be no restriction on the movement of people or goods, provided the standard operating procedures are followed.

IV. HEALTH AND SAFETY

1. Manipur Epidemic Diseases (Enforcement of Covid-19 Guidelines) Regulation, 2020

Government of Manipur, Home Department vide [Notification dated July 25, 2020](#) has issued the Manipur Epidemic Diseases (Enforcement of Covid-19 Guidelines) Regulation, 2020 which provides the penalty to be imposed on any person who violates the guidelines and restrictions issued by the Manipur State

Disaster Management Authority or State government in connection with Covid-19 pandemic.

2. Extension of lockdown till August 31, 2020 in West Bengal

Government of West Bengal vide [Order dated July 30, 2020](#) has extended the lockdown in containment zones upto August 31, 2020. Certain activities like Social, political functions, Schools, cinema halls, etc., shall remain closed throughout the state up to August 31, 2020. Further, statewide complete lockdown shall be observed on 5th August, 8th August, 16th August, 17th August, 23rd August, 29th August and 31st August. During the complete lockdown on aforesaid days all government and private offices, commercial establishments, public and private transport including train and flight movements will be closed completely.

3. Extension of Lockdown till August 31, 2020 in Odisha

Office of Special Relief Commissioner, Government of Odisha vide [Order dated July 31, 2020](#) has extended the lockdown in containment zones of Odisha till August 31, 2020. Further, the Government has issued the guidelines which has to be followed with effect from August 01, 2020. Some of the key highlights of the guidelines are as follows:

- 1) Lockdown to be limited to Containment zones
- 2) Few establishment/activities shall remain closed throughout the state like religious place, cinema halls, schools, etc.,
- 3) All shops, commercial establishment, offices, institutions and movement of individuals shall remain closed/prohibited between 9 AM to 5 PM throughout the State, except for essential activities.
- 4) Private offices shall operate with reduced manpower and as far as feasible, adopt work from home practice.
- 5) The general directives for Covid-19 Management shall be strictly followed throughout the state
- 6) Any person violating the measures directed in the order will be liable to be proceeded against in accordance with the provisions of section 51 to 60 of the disaster Management Act, 2005, besides legal action under Section 188 of IPC and other legal provisions as applicable.

V. ENVIRONMENT**1. HSPCB issues guidelines for disposal/handling of biomedical waste generated by COVID-19 patients**

The Haryana State Pollution Control Board (HSPCB) vide [Circular No. HSPCB/HQ/SWM/2020](#) has issued guidelines for the handling, collection, transport, and disposal of biomedical waste generated by individuals affected by COVID-19.

The guidelines are as follows:

- i. Separate color-coded bins, bags and bins should be in the premises and proper waste separation should be in accordance with CPCB guidelines
- ii. As a precaution, double-layer bags should be used to collect waste from COVID19 isolation rooms to ensure adequate strength and no leakage.
- iii. Bags or bins in which biomedical waste from COVID-19 neighborhoods is collected must be marked as "COVID-19 waste".
- iv. Collection trolleys and containers with the label "COVID-19 Waste" must be used in COVID-19 isolation rooms.
- v. The surface of bins / bins / carts used to store COVID-19 waste should be sanitized daily with a 1% sodium hypochlorite solution.
- vi. Plumbing workers should work separately for biomedical waste and solid waste in general.
- vii. If necessary, biomedical waste generated in quarantine centers or camps should be collected separately in yellow bags.
- viii. Covid-19 waste should not be mixed with other types of waste and should not be stored for longer than 24 hours.

2. Extension of Validity Period of Consent, Authorization for Operation in Jharkhand

Jharkhand Pollution Control Board vide [Notification No.B-1000](#) dated July 28, 2020 has extended the period of validity of consent / authorization which earlier was July 31, 2020 till August 31, 2020. The notification will take effect from the date of issue. For more information, see the notification.

3. CPCB Guidelines for Individual establishments and the area/ cluster of Restaurants/Hotel/ Motels and Banquets etc

The Central Pollution Control Board (CPCB) on [August 04, 2020](#) has issued guidelines for controlling pollution and enforcing environmental standards in individual facilities and in the region, in groups of restaurants, hotels, motels, banquets, etc.

Below mentioned are the CPCB's guidelines:

- i. Water pollution:
 - Eateries and restaurants alongside the road must have a minimum capacity of 36 people.
 - All devices must install water meters and record daily water usage and wastewater log.
 - The necessary permissions to be obtained from the authorities for groundwater extraction.
 - A water treatment system must be installed
 - Rainwater collection systems must be installed.
 - Quarterly reports are to be submitted to the SPCB detailing water consumption according to the installed water meters.
- ii. Air pollution:
 - Appliances must properly channel fugitive emissions, including emissions from cooking and boiling, by ensuring proper duct / hood placement and appropriate flue gas and emissions systems.
 - Approved generators must be installed.
 - The use of solar energy should be encouraged.
 - LED lamps and the use of inverters instead of diesel generators should be installed
 - Consent to Establish and Consent to Operate Licenses shall be mandatorily obtained from SPCB.
- iii. Solid Waste management:
 - The units shall properly handle, manage, and dispose of the solid waste generated and comply with the regulations.
 - Horticultural and garden waste must be stored separately in the premises.
 - Waste generators shall not throw, burn or bury any solid waste he has generated on streets, in public places outside his premises, in sewers or in water bodies.
 - The units shall minimize the disposal of plastic and similar materials that cannot be used for compost.
- iv. Noise pollution:
 - DJ sets and speakers must be used in the premises not later than 10 p.m.

- DG sets must be licensed and comply with the regulations.
- The use of green crackers is only permitted until 10 pm.
- v. Infrastructure issues and other requirements:
 - Sufficient parking spaces must be available for grouped parking spaces
 - If public parking is not available, banquets must have valet parking.
 - Fire protection must be checked, and a fire protection certificate obtained.

Bigger units / star hotels shall develop the green belt on their premises and shall furnish the green belt development plan when applying for an operating permit

VI. PROPERTY

1. Anomalies in Submission of Application for Registration of Projects in Kerala Real Estate Regulation Authority(K-RERA)

K-RERA vide [Public Notice dated August 03, 2020](#) has taken steps to develop its web based online system for submitting application for registration of projects as per RERA provisions. The authority observed that even after issuing many public notices orders from time to time, most of the applications submitted for project registration were found not in order or containing anomalies. Hence this authority is compelled to send communication repeatedly for rectification, which causes delays in giving projects registrations.

The promoters are bound to ensure that they received all required approvals and permits and all information furnished are true and accurate as declared by them during the registration process, If details or documents furnished are incorrect or deficient, it will lead to litigations and may attract action against promoter under section 60 of RERA Act 2016.

VII. TAX

1. Mutual Agreement Procedure (MAP) Guidance

Central Board of Direct Taxes (CBDT) vide [F.No. 500/09/2016-APA-I dated August 07, 2020](#) has issued Mutual Agreement Procedure (MAP) Guidance. MAP guidance for the benefit of taxpayers, tax practitioners, tax authorities, and CAs of India and of treaty partners. The MAP guidance is presented in the following four parts:

- a. Part A: Introduction and Basic Information
- b. Part B: Access and Denial of Access to MAP
- c. Part C: Technical Issues; and
- d. Part D: Implementation of MAP outcomes.

2. Faceless Assessment Scheme

CBDT vide [Notification No. 60/2020 dated August 13, 2020](#) has amended [Notification No. 61/2019 dated September 12, 2019](#), to prescribe Faceless Assessment Scheme. This notification shall come into force with effect from the date of its publication in the Official Gazette.

CBDT vide [Notification No. 61/2020 dated August 13, 2020](#) has amended [Notification No. 62/2019 dated September 12, 2019](#) published in the Gazette of India, Extraordinary, vide number S.O 3265 (E) dated the 12th September, 2019. This notification shall come into force with effect from the date of its publication in the Official Gazette.

3. Central Goods and Services Tax (Ninth Amendment) Rules, 2020

Central Board of Indirect Tax and Customs (CBIC) vide [Notification No. 60/2020 – Central Tax dated July 30, 2020](#) has issued Central Goods and Services Tax (Ninth Amendment) Rules, 2020 to substitute FORM GST INV – 1 (Format/Schema for e-Invoice) in place of FORM GST INV-01.

4. Class of registered persons for the purpose of e-invoice

CBIC vide [Notification No. 61/2020 – Central Tax](#) dated July 30, 2020 has amended the class of registered persons for the purpose of e-invoice.

VIII. FOOD SAFETY

1. Orders issued by FSSAI giving relaxations to the FBOs during the period of lockdown due to CoVID-19 – reg

Food Safety and Standards Authority of India (FSSAI) vide Order [No.15\(6\)2020/FLRS/RCD/FSSAI dated July 31 2020](#), has extended the date of submission of Annual returns (Form D1) for FY 2019-20 and Half-yearly returns (Form D2) for period October 2019 to March 2020 and April 2020 to September 2020 to 31 December 2020.

2. Extension of Grace period till 31st December 2020 for applying for renewal of Licenses or registrations – reg

FSSAI Vide Order [No. 15\(6\)2020/FLRS/RCD/FSSAI dated July 31 2020](#), has extended the grace period till 31st Dec 2020 for applying for renewal of Licenses/registrations to those FBOs which are covered in the above said orders and also to those FBOs whose Licenses and Registrations are expiring in the period of 1st August 2020 to 31st December 2020. All such FBOs are allowed

to apply for renewal of their Licenses/Registrations till 31st December 2020 without any late fee as per clause 2.1.7(4) of FSS (Licensing and Registration of Food Businesses) Regulations, 2011. The said order comes into effect from the date of issuance, hence apply prospectively. No claim of refund of late fee paid of already applied renewal applications shall be admissible. In the interim period, FSSAI Licenses/Registration shall be deemed to be valid.

3. Compliance with labelling requirements on products covered under FSS (Food or Health Supplements, Nutraceuticals, Foods for Dietary Use, Foods for Special Medical Purpose, Functional Foods and Novel Foods) Regulations, 2016

FSSAI [vide notification dated August 11, 2020](#) directs to ensure strict compliance of the labelling provisions specified in FSS (Food or Health Supplements, Nutraceuticals, Foods for Dietary Use, Foods for Special Medical Purpose, Functional Foods and Novel Foods) Regulations, 2016. The articles covered under these regulations are required to comply with the general labelling requirements under the FSS (Packaging and Labelling) Regulations, 2011.

IX. HEALTHCARE

1. Directions for COVID dedicated hospitals in Karnataka

The Health and Family Welfare Department, Karnataka [vide Notification No. HFW 276\(A\)ACS 2020 dated July 30, 2020](#) issues following directions for COVID dedicated hospitals:

- Footage from CCTV cameras shall be made available by the hospitals to the inspecting/supervising expert team.
- All COVID dedicated hospitals shall permit one willing attendant of the patient in the hospital premises.
- All COVID dedicated hospitals shall create a helpdesk accessible physically as well as by telephone from where wellbeing of the patients admitted in the hospitals can be enquired.

2. Fixation of rates of testing and treatment of COVID-19 patients in Karnataka

The Karnataka Government [vide press note dated July 31, 2020](#) fixes the following rates for test and treatment of COVID patients in hospitals:

- I. COVID-19 testing can be done in BBMP hospital for free but in private hospital the charges is fixed at Rs. 3,000/-.

- II. BBMP has allowed private Health Centers to be opened for covid-19 patients and private hospital care center information is available in <http://apps.bbmpgov.in/covidbedstatus/>.
- III. Any patient can be treated at a private hospital and private hospital should not impose more than below government fixed charges -
- i. General ward - Rs. 10,000/- per day
 - ii. Isolation with ICU Ventilator - Rs. 15,000/- per day
 - iii. In H.D.U Rs. 12,000/- per day
 - iv. Isolation with ICU Ventilator Rs. 25,000/- per day

3. The Epidemic Diseases (Amendment) Ordinance, 2020 promulgated to punish those attacking healthcare workers

The Central government has promulgated an Ordinance [vide order dated April 22, 2020](#) for prohibition of violence against health care service personnel and damage to property. Following are the key points of the new ordinance:

- Acts of violence includes loss or damage to any property or documents in the custody of, or in relation to, healthcare service personnel.
- Healthcare personnel includes clinical healthcare providers such as doctors, nurses, paramedical workers and community health workers.
- Property includes a clinical establishment as defined in the Clinical Establishments (Registration and Regulation) Act, 2020
- In case of damage to any property or loss caused, the compensation payable shall be twice the amount of fair market value of the damaged property or the loss caused, as may be determined by Court.

4. Creation of Citizen Service Desk for COVID-19 Patients admissions at hospitals

Bruhat Bangalore Mahanagara Palike [vide Notification dated August 5, 2020](#) directs setting up “Citizen Service Desk” (CSD) for COVID-19 patients in all hospitals where 100 or more beds are reserved for government allocation for COVID patients. Standing Operating Procedures for Citizen Service Desk is as follows:

- To be maintained 24/7 in shifts.
- The CSD may be Kiosk/Cubicle with glass/fiber glass cover and shall adhere to all protocols of National Directives issued by Health and Family Welfare.
- The personnel manning shall display ID Cards prominently issued by BBMP.
- The CSD shall have display board which shall display real time bed availability.

5. Advisory for nursing homes/hospitals in West Bengal

The Government of West Bengal vide [Notification dated August 6, 2020](#) directs that all nursing homes/hospitals should not discharge COVID positive patients requiring medical attention without assured admission in any COVID hospital either government or private hospital.

X. FINANCE

1. Tamil Nadu MSME department issues guidelines for Tamil Nadu Startup Seed Grant Fund

The Department of Micro, Small and Medium Enterprises (MSME), Tamil Nadu vide [Order no G.O.\(Ms\) No.49](#) has issued guidelines for Tamil Nadu Startup Seed Grant Fund (TNSSGF). The policy aims to make Tamil Nadu a global innovation hub for startups by supporting the funding needs of startups and incubators, accelerators, in the form of grants to fill the gap in funding needed for research and innovation.

The startups would mainly be supported by the following-

- i. Acquisition of inputs to develop a prototype or a working model to demonstrate the proposed technological solution and equipment rental.
- ii. Hiring technical mentors to assist and assist with prototyping.
- iii. Work for product development (no more than 30% of the grant).
- iv. Test Marketing
- v. Testing, Certification and Testing.

The start-up must register with the Tamil Nadu Start-up and Innovation Policy 2018-2023 (TANSIM) in Tamil Nadu. The policy also aims to work with educational institutions to foster entrepreneurship, reduce the existing regulatory and tax burden on startups in the area of labor, pollution and construction standards, and to build partnerships. with well-known investors around the world to invest startups in Tamil Nadu.

2. Emergency Credit Line Guarantee Scheme (ECLGS)-Modification in Operational Guideline

The Department of Micro, Small and Medium Enterprises (MSME) vide [Circular No. 2718 / NCGTC / ECLGS](#) on August 04, 2020 has expanded the scope of Emergency Credit Line Guarantee Scheme (ECLGS) and has been include the following-

- (i) Individual loans given for business purposes, subject to the condition that such loans should fulfil the eligibility criteria prescribed under the Scheme.
- (ii) increase being in the upper ceiling of loans outstanding as on 29.02.2020 for being eligible under the Scheme from Rs. 25 crores to 50 crore and a corresponding increase in the maximum amount of GECL funding under the Scheme from Rs.5 crore (i.e.20%of Rs 25 crore) to Rs 10 crore (i.e.20%of Rs 50 crore)
- (iii) (iii) increase in the annual turnover ceiling from being eligible under the Scheme from Rs. 100 crores to Rs. 250 crore in line with the increased ceiling of the loans outstanding, and the revised definition of MSMEs issued by the M/o MSME

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