

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC
Week 30 – July 19 2021 to July 25 2021

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Companies Act 2013 during the week

Rules -0; Circulars - 0; Notifications-1; Orders-0; Important Notices -0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
01	22 nd July 2021	Notification	Commencement Notification	Vide this notification, MCA notified 1st September, 2021 as commencement date for section 4 of Companies (Amendment) Act 2020 relating to Authority of the Central Government to allot a new name. Pursuant to this notification the rules mentioned next were introduced by MCA.
02	22 nd July 2021	Notification	Companies (Incorporation) Fifth Amendment Rules, 2021	In case a Company fails to change its name within 3 months from a Direction of the Regional Director (RD), the Letters “ORDNC” “abbreviation of Order of Regional Director not complied”, Year of passing of the direction, the serial number and the Existing Corporate Identity Number (CIN) of the company shall become the new name of the company. A fresh certificate will be issued by Registrar.

S. No	NEWS ON MCA
	NIL

2

SEBI during the week

Act -0; Rules -0; Regulations-0; General Orders – 0; Guidelines- 0

Master Circulars-0; Circulars – 2; Press Release –0 Others -0;

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
01	23 rd July 2021	Circular	Extension of time for holding the Annual General Meeting (AGM) by top 100 listed entities by market capitalization	SEBI vide this circular extended the timeline for conducting AGM by top-100 listed entities by market capitalization and allowed such entities to hold their AGM within a period of six months (At present, 5 months) from the date of closing of the financial year for 2020-21

S. No	NEWS ON SEBI
1	Investors to get the option to block securities in demat accounts for sale transactions: SEBI Investors will soon have the option to block securities on their respective demat accounts for sale transactions apart from the existing early pay-in mechanism. SEBI vide a circular said the "block mechanism" in the demat accounts of clients undertaking sale transactions would be available from August 1.
2	Markets regulator Securities and Exchange Board of India (SEBI) came out with a framework to promote ease of doing business and bring uniformity in the timelines for processing scheme related applications filed by asset management companies (AMCs).
3	The Securities and Exchange Board of India (Sebi) proposed a swing pricing mechanism for mutual funds to prevent the collapse in a scheme's net asset value (NAV) at times of investor exodus. The mechanism allows fund houses to adjust a scheme's NAV in response to inflows and outflows, protecting long-term unitholders from value erosion during heavy redemptions. While swing pricing will be optional during normal market time, Sebi has proposed to mandate the mechanism for high-risk open-ended debt schemes during market dislocation (panic situations when liquidity in the market dries up and yields spike) as these schemes carry high-risk securities compared to others that possibly have higher costs of liquidation. Swing pricing is already practised in the US, Luxembourg, Hong Kong, France and the UK.

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RBI during the week

Notifications -0; Master Directions –0; Master Circulars –0; Circular -0;

Press Release – 0

S. No	Date of Issue	Notifications/Master Directions/Master Circulars	Subject & Link	Gist thereof
NIL				

S. No	NEWS ON RBI
01	IBA to soon move the application to RBI for setting up Rs 6,000 crore bad bank Having secured license from the Registrar of Companies, the Indian Banks' Association (IBA) will soon move an application to the Reserve Bank of India (RBI) to set up a Rs 6,000-crore National Asset Reconstruction Company Ltd (NARCL) or bad bank, according to sources.
02	The Reserve Bank of India (RBI) has raised the limit of personal loan amount that can be granted by lenders to directors of other banks and their families at not more than ₹5 crore from ₹25 lakh. This will apply to all scheduled commercial banks, except regional rural banks (RRBs), small finance banks and all local area banks, according to the RBI circular. RBI also said that banks should not grant loans and advances aggregating ₹5 crore and above unless sanctioned by the board of directors or management committee if the loan is being sanctioned to any relative other than spouse and minor or dependent children of their own chairpersons, managing director or other directors. It will also apply to relatives other than spouse and minor or dependent children of chairpersons, managing directors or other directors of other banks, including relatives who are directors of scheduled co-operative banks, directors of subsidiaries or trustees of mutual funds and venture capital funds.

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IBC during the week

Notifications -2 ; Master Directions –0; Master Circulars –0; Circular –0;

Press Release –1; Others – 0

S. No	Date of Issue	Notifications/ Master Directors/ Master Circulars	Subject & Link	Gist thereof
1	22 nd July 2021	Notification	IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Third Amendment) Regulations, 2021	Vide this circular, Insolvency and Bankruptcy Board has imposed the duty over the Insolvency Professional Agency to realise the monetary penalty imposed by the Disciplinary Committee and to credit the same to the <i>Fund of the Insolvency and Bankruptcy Board</i> .
02	22 nd July 2021	Notification	Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2021	<p>Summary of the major amendments is given below</p> <p>1. <i>Change in experience criteria required for registration an Insolvency Professional</i></p> <p>Following is new experience criteria as:</p> <ul style="list-style-type: none"> • ten years in the field of law, after receiving a Bachelor’s degree in law • ten years in management, after receiving a Master’s degree in Management or two year full time Post Graduate Diploma in Management • fifteen years in management, after receiving

				<p>a Bachelor's degree</p> <p>from a university established or recognised by law or an Institute approved by All India Council of Technical Education.</p> <p>2. Number of assignments</p> <p>A clarification has been added that an insolvency professional may, at any point of time, not have more than ten assignments as resolution professional in corporate insolvency resolution process, of which not more than three shall have admitted claims exceeding one thousand crore rupees each.</p>
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S. No	NEWS ON IBC
	NIL

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Others during the week
NSE-0; BSE-0; DIPP-0; Finance Ministry-0; Others -0;

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
NIL				

S. No	General News
NIL	



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