

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC
Week 32– August 2nd 2021 to August 08th 2021

1

Companies Act 2013 during the week

Rules -0; Circulars - 0; Notifications-3; Orders-0; Important Notices -0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	05.08.2021	Notification	Companies (Registration of Foreign Companies) Amendment Rules, 2021. https://mca.gov.in/bin/dms/getdocument?mds=OhiAmBDG37Yyf743tXeFeA%253D%253D&type=open	Vide this notification, the Central Government has exempted foreign companies, and companies incorporated or to be incorporated outside India, from the provisions of Sections 387 to 392 (both inclusive) (relating to prospectus and IDR) of the Companies Act 2013, as long as they relate to the offering for subscription in the securities, requirements related to the prospectus, and all matters incidental thereto in the International Financial Services Centres set up under section 18 of the Special Economic Zones Act, 2005.
2	05.08.2021	Notification	Companies (Specification of definitions details) Third Amendment Rules, 2021. https://mca.gov.in/bin/dms/getdocument?mds=tNqRdFZSB569p6ed%252Bx7BZw%253D%253D&type=open	Vide this notification, the Central Government has exempted foreign companies, and companies incorporated or to be incorporated outside India, from the provisions of Sections 387 to 392 (both inclusive) (relating to prospectus and IDR) of the Companies Act 2013, as long as they relate to the offering for subscription in the securities, requirements related to the prospectus, and all matters incidental thereto in the International Financial Services Centres set up under section 18 of the Special Economic Zones Act, 2005.
3	05.08.2021	Notification	Notification 393A https://mca.gov.in/bin/dms/getdocument?mds=Is22cx67XZW0vh1aS%252Fy72A%253D%253D&type=open	To enable the above, MCA added explanation to the definition of 'Foreign Company' and 'Electronic Mode' that electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres set up under section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall not be construed as 'electronic mode'

S. No	NEWS ON MCA
	NIL

2

SEBI during the week

Act -0; Rules -0; Regulations-3; General Orders – 0; Guidelines- 0

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

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1	03.04.2021	Regulations	Securities And Exchange Board Of India (Alternative Investment Funds)(Third Amendment) Regulations, 2021 https://www.sebi.gov.in/legal/regulations/aug-2021/securities-and-exchange-board-of-india-alternative-investment-funds-third-amendment-regulations-2021_51670.html	Vide this amendment, SEBI introduced framework for, “accredited investor”. Major changes are given below a) Individuals, Hindu Undivided Family (HUFs), family trusts, sole proprietorships, partnership firms, trusts and body corporates can get accreditation based on financial parameters specified b) Accredited investors will have the flexibility to participate in investment products with an investment amount lesser than the minimum amount mandated in the Alternative Investment Fund (AIF) norms. c) Large value funds (AIF in which each investor is an accredited investor) of Category I and II may invest up to 50%(20% for other AIFs) / Category III may invest up to 20%(10% for others)of the investable funds in an investee company directly or through investment in the units of other Alternative Investment Funds. d) The minimum level of investment value i.e., Rs. 1 crore is not applicable to accredited investors.
2	03.04.2021	Regulations	Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Third Amendment) Regulations, 2021	Major changes introduced vide this amendment is given below a) Appointment / Re-appointment and Removal of Independent Directors (IDs) shall be through a special

			https://egazette.nic.in/WriteReadData/2021/228705.pdf	<p>resolution of shareholders for all listed entities.</p> <p>b) Shareholder approval for appointment of a person on the Board of Directors shall be taken at the next general meeting, or within three months of the appointment on the Board, whichever is earlier.</p> <p>c) The composition of the Nomination and remuneration committee has been modified to include 2/3rd IDs instead of the existing requirement of majority of IDs.</p> <p>d) All related party transactions shall be approved by only independent directors on the Audit Committee.</p> <p>e) The requirement of undertaking Directors and Officers insurance has been extended to the top 1000 companies (by market capitalization) with effect from January 01, 2022.</p>
3	05.08.2021	Regulation	<p>Securities And Exchange Board Of India (Prohibition Of Insider Trading) (Second Amendment) Regulations, 2021</p> <p>https://egazette.nic.in/WriteReadData/2021/228769.pdf</p>	<p>Gist of the amendment is given below</p> <ul style="list-style-type: none"> • The maximum limit of award increased to 10 Crore. • In case the reward size is less than 1 crore, the same be paid on issuance of order (Without waiting for collection or recovery as earlier) • In case the reward size is more than 1 crore, SEBI may grant an interim reward not exceed Rs. 1 Cr and pay the remaining on collection or recovery of the monetary sanctions.

S. No	NEWS ON SEBI
	NIL

3

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
1	<p><u>RBI extends deadline on current account guidelines</u></p> <p>The Reserve Bank of India (RBI) has allowed banks time till October 31, 2021 to implement its guidelines on opening and operating of current accounts. In a letter to banks, the RBI said its restriction on current accounts applies to borrowers in case they avail of CC/OD [cash credit/overdraft] facility, since all operations that can be carried out from a current account can also be carried out from a CC/OD account, as banks in a CBS environment follow a one-bank-one- customer model as against a one-branch-one-customer model.</p> <p>It said this extended time line should be utilised by banks to engage with their borrowers to arrive at mutually satisfactory resolutions within the ambit of the circular. Such issues which banks are unable to resolve themselves shall be escalated to Indian Banks’ Association (IBA) for appropriate guidance. Residual issues, if any, requiring regulatory consideration shall be flagged by IBA to the Reserve Bank for examination by September 30, 2021,” it said. Banks shall put in place a monitoring mechanism, both at head office and regional/zonal office levels to monitor non-disruptive implementation of the circular and to ensure that customers are not put to undue inconvenience during the implementation process.</p>

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IBC during the week

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

Press Release –0; Others – 0

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

S. No	NEWS ON IBC
1	<u>Rajya Sabha Passes IBC (Amendment) Bill, 2021</u> which provides for quick and cost- effective insolvency resolution process for MSMEs which provides a quicker and cost-effective insolvency and resolution process for micro, small and medium enterprises (MSMEs)
2	<u>Parliamentary committee calls for overhaul of bankruptcy code</u> : The parliamentary standing committee appointed to examine the workings of the Insolvency and Bankruptcy Code (IBC) has recommended an overhaul of the present system including a threshold rate of haircut for creditors below. It has also recommended a new supervisory body to oversee resolution professionals and suggested that only high court judges be appointed to the National Company Law Tribunal (NCLT) to ensure quicker disposal of cases.

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Others during the week

NSE-0; BSE-0; DIPP-0; Finance Ministry-1; Others -0;

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof																				
1	03.08.2021	Circular	<p>Extension of timelines for electronic filing of various Forms under Income-tax Act, 1061</p> <p>https://www.incometaxindia.gov.in/communications/circular/circular_no_15_2021.pdf</p>	<p>Vide this Circular, the Central Board of Direct Taxes has extended the timelines for electronic filing of the following forms:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Details</th> <th>Form</th> <th>Extended Due Date</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Quarterly Remittances Statement (Quarter ending June 30, 2021)</td> <td>Form 15CC</td> <td>August 31, 2021</td> </tr> <tr> <td>2.</td> <td>Annual Equalization Levy Statement FY 2020-21</td> <td>Form 1</td> <td>August 31, 2021</td> </tr> <tr> <td>3.</td> <td>Statement of Income Paid to Unitholders by Investment Fund PY 2020-21</td> <td>Form 64D</td> <td>September 15, 2021</td> </tr> <tr> <td>4.</td> <td>Statement of Income Paid to Unitholders by Investment Fund PY</td> <td>Form 64C</td> <td>September 30, 2021</td> </tr> </tbody> </table>	Sr. No.	Details	Form	Extended Due Date	1.	Quarterly Remittances Statement (Quarter ending June 30, 2021)	Form 15CC	August 31, 2021	2.	Annual Equalization Levy Statement FY 2020-21	Form 1	August 31, 2021	3.	Statement of Income Paid to Unitholders by Investment Fund PY 2020-21	Form 64D	September 15, 2021	4.	Statement of Income Paid to Unitholders by Investment Fund PY	Form 64C	September 30, 2021
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				5.	Quarterly Intimation of Investments made in India by a Pension Fund (Quarter ending June 30, 2021)	Form 10BBB	September 30, 2021
				6.	Quarterly Intimation of Investments made in India by a Sovereign Wealth Fund (Quarter ending June 30, 2021)	Form II SWF	September 30, 2021

S. No	General News
1	<u>Rajya Sabha passed the Limited Liability Partnership (Amendment) Bill, 2021</u> which seeks to encourage the start-up ecosystem and further boost ease of doing business by amending certain provisions of the Limited Liability Partnership Act, 2008
2	<u>Lok Sabha passes Bill, retrospective tax law on its way out</u> The Lok Sabha passed 'The Taxation Laws (Amendment) Bill, 2021' that seeks to amend the Income Tax Act to effectively withdraw tax demands made by India on 17 firms including Vodafone and Cairn Energy, on the capital gains from deals prior to May 28, 2012. These demands were made on the premise that the deal values were impacted by substantial underlying Indian assets. Finance Minister described the 2012 legislation, which is virtually being invalidated with the clarificatory amendment, as both 'bad in law' and 'bad for the investors' sentiments. She said the government's move was towards fulfilment of the promise made by the ruling BJP, prime minister Narendra Modi and former finance minister Arun Jaitley as early as in 2014, that the controversial piece of legislation introduced by the UPA-II government in 2012 would be reviewed, as "we don't believe in retrospective taxes."



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