

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 50 – December 06 2021 to December 12 2021

1

Companies Act 2013 during the week

Rules -0; Circulars - 2; Notifications-; Orders-0; Important Notices -0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	08/12/2021	Circular	<p>Clarification of holding of Annual general meeting (AGM) through Video conference (VC) or Other audio visual means (OAVM) https://www.mca.gov.in/content/mca/global/en/home.html</p> <p>Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 https://www.mca.gov.in/content/mca/global/en/home.html</p>	<p>Earlier MCA allowed companies to conduct their EGMs through VC or OAVM or transact items through postal ballot up to 31st December, 2021. Vide this circular MCA has extended the timeline till June 30, 2022.</p> <p>Further MCA has clarified this shall not be construed as conferring any extension of time for holding of AGMs</p>

S. No	NEWS ON MCA
	NIL

2

SEBI during the week

Act -0; Rules -0; Circulars–1; Press Release-0; Regulation – 1; Guidelines- 0

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1	06/12/2021	Regulations	<p>Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2021</p> <p>https://www.sebi.gov.in/legal/regulations/dec-2021/securities-and-exchange-board-of-india-substantial-acquisition-of-shares-and-takeovers-third-amendment-regulations-2021_54464.html</p>	<p>SEBI vide its amendment, amended regulations pertaining to delisting of equity shares of a company following an open offer. Under the new framework, Acquirer can seek for delisting while making open offer and such delisting shall be governed by SAST regulations (Earlier Delisting regulations). Acquirer shall not be promoter / related to promoter / hold 25% during preceding 2 years. The acquirer shall not acquire joint control along with an existing promoter / person in control of the company. Acquirer must propose a higher price for delisting with suitable premium over open offer price. The indicative price shall include a suitable premium reflecting the price that the acquirer is willing to pay for the delisting</p>

				offer with full disclosures of the rationale and justification for the indicative price so determined that can also be revised upwards by the acquirer before the start of the tendering period.
2	10/12/2021	Circular	<p>Publishing Investor Charter and Disclosure of complaints by AIFs</p> <p>https://www.sebi.gov.in/legal/circulars/dec-2021/publishing-investor-charter-and-disclosure-of-complaints-by-aifs_54544.html</p>	<p>SEBI vide this circular has specified that all AIFs to bring the Investor Charter to the notice of their investors in the following manner:</p> <ul style="list-style-type: none"> • In case of new schemes, disclose Investor Charter in the Private Placement Memorandum(PPM); • In case of existing schemes, as a onetime measure, disclose Investor Charter to the investors on their registered e-mail. <p>Investor charter shall comprise of Vision and Mission statement, Details of business transacted by the organization with respect to the investors, Details of services provided to investors, Timelines of the activity/services provided to investors, Details of grievance redressal mechanism and how to access it, Responsibilities of investors</p>

				<p>The provisions of this circular shall come into effect from January 01, 2022.</p> <p>The data on investor complaints received against AIFs and each of their schemes and redressal status thereof shall be disclosed by all AIFs.</p>
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S. No	NEWS ON SEBI
	<p>SEBI mulls regulatory framework for algo trading by retail investors</p> <p>Capital markets regulator Securities and Exchange Board of India (Sebi) floated a consultation paper on regulatory framework for algorithmic trading (algo trading) by retail investors to make such trading safe and prevent market manipulations. The objective of this paper is to seek comments from various stakeholders including market intermediaries and the public on algorithmic trading being done by retail investors including use of API access and automation of trades using the same.</p>

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RBI during the week

Notifications -1; Master Directions –0; Master Circulars –0; Circular -0;

S. No	Date of Issue	Notifications/Master Directions/Master Circulars	Subject & Link	Gist thereof
1	08/12/21	Notification	<p>External Commercial Borrowings (ECB) and Trade Credits (TC) Policy – Changes due to LIBOR transition</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12204&Mode=0</p>	<p>Benchmark rate in case of FCY ECB/TC shall refer to any widely accepted interbank rate or alternative reference rate (ARR) of 6-month tenor, applicable to the currency of borrowing</p> <p>All-in-cost ceiling for new FCY ECBs and TCs has been increased by 50 bps to 500 bps and 300 bps, respectively, over the benchmark rates.</p> <p>To enable smooth transition of existing ECBs/ TCs linked to LIBOR whose benchmarks are changed to ARR, the all-in cost ceiling for such ECBs/ TCs has been revised upwards by 100 basis points to 550 bps and 350 bps, respectively, over the ARR.</p>

2	10/12/21	Notification	<p>Introduction of Legal Entity Identifier for Cross-border Transactions</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12206&Mode=0</p>	<p>With effect from October 1, 2022 LEI number is mandatory for resident entities (non-individuals) undertaking capital or current account transactions of ₹50 crore and above (per transaction) under FEMA, 1999.</p>
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S. No	NEWS ON RBI
	NIL

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IBC during the week
Notifications -0; Master Directions –0; Master Circulars –1; Circular –0;

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

S. No	NEWS ON IBC
1	

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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				



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