

WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 07- February 08, 2021 to February 14, 2021

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Companies Act 2013 during the week

Rules -2; Circulars -0; Notifications-1; Orders-0; Important Notices -0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1.	11-02-2021	Rules	<u>Companies (Share Capital and Debentures) Amendment Rules, 2021</u>	<p>The MCA had vide this notification inserted rule 12A (Period for notice under sub-clause (i) of clause (a) of sub-section (1) of section 62) [Rights issue offer period] to the Companies (Share Capital and Debentures) Rules, 2014.</p> <p>As per the new rule, the minimum period for rights offer is 7 days (earlier 15 days) from the date of offer.</p> <p>The above notification shall come into force from 1st April, 2021.</p>

2.	11-02-2021	Notification	<u>Companies (Amendment) Act, 2020</u>	The Central Government vide this notification has notified the provisions relating to Producer Companies with effect from 11 th February 2021.
3.	11-02-2021	Rules	<u>Producer Companies Rules, 2021</u>	The Central Government has notified Producer Companies Rules, 2021 with effect from 11 th February 2021.

S. No	NEWS ON MCA
1.	<p>If there is no field in MCA portal for lawyers as professionals to Register Companies/LLPs It would be Discriminatory</p> <p>Delhi High Court has directed Central Government to file an affidavit in the plea filed challenging the non-providing of a field for Advocates to register companies and LLPs on behalf of their clients in the current Ministry of Corporate Affairs portal. The Delhi High Court issued the notice to the Central Government on a plea challenging non-providing of the field in MCA Portal for Advocates to register companies/ LLPs on behalf of clients.</p>

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SEBI during the week

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

Master Circulars-0; Circulars –1; Press Release –0 Others -0;

S. No	Date of Issue	Act/rules/circulars	Subject & Link	Gist thereof
1.	09-02-2021	Circular	Revised disclosure formats under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015	SEBI vide this circular revised the disclosure formats under Insider Trading Regulations. The following categories were included as part of the disclosure format <ol style="list-style-type: none"> 1. Member of the promoter group, and 2. Designated person (in place of employee)

S. No	NEWS ON SEBI
1.	<p data-bbox="286 403 1787 435">Informal Guidance dated 08-02-2021 to KCP Limited under SEBI (Prohibition of Insider Trading) Regulations, 2015</p> <p data-bbox="286 496 394 528">Queries</p> <ol data-bbox="331 539 2051 842" style="list-style-type: none"> 1. Can the Promoter and Chief Managing Director [CMD] of the company acquire the Company's shares from the Liquidator of a related party company during the closure of trading window as off-market sale? The related party company is a promoter group company and both are considered as insiders and both have confirmed that there is no material information about the company, and they are making a conscious and informed trade decision. 2. Can the Compliance Officer give clearance for sale of shares during the closing period of trading window? 3. Any other declarations/confirmations required to be obtained from the Liquidator of Related party company and the Promoter & CMD for the sale. <p data-bbox="286 903 427 935">Response:</p> <ol data-bbox="331 946 2051 1382" style="list-style-type: none"> 1. Since the Promoter and the related party company are insiders, the transaction would amount to inter-se transaction between insiders, who were in possession of the same information, if it is not a breach of regulation 3 of the Insider Trading Regulations. Further, this transaction would be exempted from the trading window restrictions as per clause 4(3) of Schedule B and regulation 3 of the Insider Trading Regulations 2. The proposed transaction would be exempted from trading window restrictions subject to the pre-clearance by the compliance officer. The Compliance officer shall provide the Pre-clearance after considering the facts of the case. 3. The Compliance Officer of the Company may seek necessary Declarations/Conformations from the parties including a confirmation that the proposed transactions is in compliance with the provisions of the Insolvency and the Bankruptcy code. The Compliance officer shall further ensure compliance with the applicable reporting requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015

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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
1.	<p>Govt to work with RBI for execution of bank privatisation plan.</p> <p>Finance Minister Nirmala Sitharaman said the government will work with the Reserve Bank for execution of the bank privatisation plan announced in the budget. Speaking to reporters in the financial capital, Sitharaman also said that the government has no plan to form any bank investment company to house the government stakes in banks. In the union budget, Sitharaman had announced the privatisation of two banks as part of its disinvestment plan.</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.	<p>Bar Under Section 10A IBC Against Initiation of CIRP Retrospective; Applies To Applications Filed From 25 March 2020</p> <p>The Supreme Court has held that Section 10A of the Insolvency and Bankruptcy Code barred filing of applications for the commencement of the CIRP in respect of a corporate debtor for a default occurring on or after 25 March 2020, even if such application was filed before 5 June 2020 (the date on which the amendment came into force).</p>

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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
1	<p>The RERA rule that gives hope to homebuyers stuck with real estate projects.</p> <p>"This model of completing such real estate projects can work and will certainly be tested post - COVID-19 because we will have many more developers falling by the wayside. It is then that the authorities would have to empower homebuyers to come forward and take on the task of completing the stalled projects with the help of RERA Authority</p>
2	<p>DGFT notifies amendments to IEC-related provisions of FTP: Directorate General of Foreign Trade (DGFT) recently notified amendments to provisions related to the Importer-Exporter Code (IEC) under Chapter 1 and Chapter 2 of the Foreign Trade Policy, 2015-2020. The notification said an IEC holder has to ensure details in its IEC is updated electronically every year during the April-June period. The amendment allows applying for issuance of an e-IEC, the electronic version of an IEC, and updating it on the DGFT portal. In cases where there are no changes in IEC details, that also needs to be confirmed online. An IEC shall be deactivated, if it is not updated within the prescribed time. An IEC may also be flagged for scrutiny. IEC holder(s) are required to ensure that any risks flagged by the system are timely addressed, failing which the IEC shall be deactivated.</p>



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