NEWSLETTER

February 18th, 2021

"Make each day your master piece."

Legal updates

Ministry of Corporate Affairs

- **The Ministry of Corporate Affairs has published the Companies (Share Capital and Debentures) Amendment Rules, 2021** to further amend the Companies (Share Capital and Debentures) Rules, 2014, which shall come into force with effect from the 1st April, 2021. The amendment brings in a new rule 12A which notifies the period for notice of the issue of share capital under Section 62. A company having a share capital proposes to increase its subscribed capital by the issue of further shares, the offer shall be made by notice specifying the number of shares offered and the time period within which the offer shall be made for acceptance shall be not less than seven days from the date of the offer.

- **The Ministry of Corporate Affairs has published the Producer Companies Rules, 2021, which shall come into force on the date of their publication in the Official Gazette i.e 11-02-2021.** These Rules shall be applicable to all producer company as referred in clause (l) of Section 378A. A Producer Company shall make investments from and out of its general reserves in approved securities, fixed deposits, units, and bonds issued by the Central Government or State Governments or co-operative societies or scheduled bank; or in a co-operative bank, State co-operative bank, co-operative land development bank or Central co-operative bank; or with any other scheduled bank; or in any of the securities specified in section 20 of the Indian Trusts Act, 1882. Further rules 27, 30, and 31 of the Companies (Incorporation) Rules, 2014, including the forms stated therein, shall be applied for the purpose of change of place of the registered office of a Producer Company from one State to another.

Insurance Regulatory and Development Authority of India (IRDAI)

- **The Insurance Regulatory and Development Authority of India (IRDAI) has issued a circular for the issuance of digital insurance policies by insurance companies via Digilocker.** In order to promote the adoption of Digilocker in the insurance sector, the Authority advises all insurers to enable their IT systems to interact with Digilocker facility to enable policyholders to use Digilocker for preserving all their policy documents. In the insurance sector, Digilocker will drive a reduction in costs, elimination of customer complaints relating to non-delivery of policy copy, the improved turnaround time of insurance services, faster claims processing, and settlement, reduction in disputes, reduction in fraud, and improvement in customer contact ability by the Insurers. On the whole, it is expected that it will lead to a better customer experience. The insurers should inform their retail policyholders about Digilocker and how to use it. Insurers are also advised to enable the process by which the policyholders can place their policies in the Digilocker.

Security Exchange Board of India (SEBI)

SEBI slaps Rs.80 lakh fine on four entities for diverting IPO funds SEBI has slapped fines totalling Rs. 80 lakh on four entities for diverting proceeds from the initial public offer of Birla Pacific Medspa Ltd. A fine of Rs. 20 lakh each has been imposed on Ketan Vora, Proprietor of New Fashion, KV Impex, Jigar Vora, Proprietor of JC Enterprise and Dinesh Vora, HUF Proprietor of Vora Associates (noticees). An investigation was conducted by Securities and Exchange Board of India (SEBI) into the Initial Public Offer (IPO) of BPML for the period from June 7-15, 2011. The scrip of BPML was listed on BSE on July 7, 2011, after the IPO was open for subscription from June 20-23, 2011. The price of the scrip had been sharp volatility on the listing day, closing at Rs. 25.35 apiece, 154 percent more than the issue price of Rs. 10 per share, as per SEBI.

Source: ***https://www.financialexpress.com/market/sebi-slaps-rs-80-lakh-fine-on-four-entities-for-diverting-ipo-funds/2192804/***

For any queries or clarifications you may reach out to us at below mentioned details.

Thanks & Regards

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