



## MCA notifies expedited timelines for completion of rights issue and chapter on producer companies | SEBI notifies revised disclosure formats under PIT Regulations

INSIGHTS

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To enable companies to close the rights offer in a shorter period and to expedite this process, Section 62(1)(a) of the Companies Act, 2013, was amended vide the Companies (Amendment) Act, 2020, to provide for a shorter timeline for the rights offer. In furtherance of the same, shorter period of 7 days has been notified as compared to earlier 15 days.

Now, the time period within which the offer shall be made for acceptance shall be not less than 7 days (*as compared to earlier 15 days*) and not exceeding 30 days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined. Afore-mentioned is notified vide the Companies (Share Capital and Debentures) Amendment Rules, 2021 dated February 11, 2021 ([available here](#)), set to come into effect from April 1, 2021.

Further, the Companies (Amendment) Act, 2020, had introduced revised chapter for producer companies. These provisions have been enforced with effect from February 11, 2021. With this, applicability of provisions of the Companies Act, 1956 to such companies have been omitted, vide notification dated February 11, 2021 ([available here](#)). Further, Producer Companies Rules, 2021 ([available here](#)) have been notified in furtherance of the same to provide for matters such as investments by producer companies from and out of its general reserves.

### Revised formats under Insider Trading Regulations

SEBI has issued revised format for disclosing details of securities held by promoter or promoter group or by designated persons under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015. The revised formats are in relation to the following disclosures:

In light of amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**PIT Regulations**) effecting the inclusion of member of the promoter group, and designated person in place of employee, in Regulation 7 of PIT Regulations; and on the basis of feedback received from market participants and stock exchanges, following disclosure formats have been revised by SEBI:

- Regulation 7(1)(b) read with Regulation 6(2): Disclosure on becoming a key managerial personnel/ director/ promoter/ member of the promoter group.
- Regulation 7(2) read with Regulation 6(2): Continual disclosure by promoter/ member of the promoter group/ designated persons/ director.
- Regulation 7(3): Transactions by other connected persons as identified by the company.

The revised formats are provided in SEBI Circular dated February 9, 2021 ([available here](#)).

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at [insights@elp-in.com](mailto:insights@elp-in.com)

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