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**Companies Act 2013 during the week**

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

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof

S. No	NEWS ON MCA
1	Please note that the last date for filing DIR-3 KYC for Financial year 2021-22 has expired on 15th October 2022. The process of deactivating the non-compliant DINs shall be initiated and will be completed in some time. Stakeholders should note that web service DIR-3 KYC shall not be available for filing during the pendency of this activity. Filing of DIR-3 KYC can be made after completion of the scheduled activity, as above, when the service is made available on the portal after payment of applicable fees. Stakeholders may kindly note and plan accordingly.

<b>2.</b>	<p>Delay in Transferring CSR Fund to PM Fund: MCA imposes Penalty on Comviva Technologies Ltd</p> <p>The Adjudicating Officer, Pranay Chaturvedi, Registrar of Companies, NCT of Delhi &amp; Haryana appointed by the Ministry of Corporate Affairs (MCA) recently imposed a penalty in a total of Rs.15,40,341.6/- on Comviva Technologies Ltd. and its directors for the delay in transferring Corporate Social Responsibility (CSR) fund.</p>
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## SEBI during the week

Act -0; Report -0; Circulars-3; Press Release-1; Notification -0; Regulation- 0

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	13/10/2022	Circular	<p><b>Governing Council for Social Stock Exchange ("SSE")</b></p> <p><a href="https://www.sebi.gov.in/legal/circulars/oct-2022/governing-council-for-social-stock-exchange-sse-64000.html">https://www.sebi.gov.in/legal/circulars/oct-2022/governing-council-for-social-stock-exchange-sse-64000.html</a></p>	<p>As per the ICDR Regulations, every Social Stock Exchange shall constitute a Social Stock Exchange Governing Council (SCG).</p> <p>Composition:</p> <ul style="list-style-type: none"> <li>(i) Philanthropic and social sectors including public / private sector donors</li> <li>(ii) Non-profit organizations</li> <li>(iii) Information Repositories</li> <li>(iv) Social Impact Investors</li> <li>(v) Social Audit Profession / self-regulatory organization for social auditors</li> <li>(vi) Capacity Building Fund</li> </ul>

				<p>(vii) Stock Exchange</p> <p>SGC will have a minimum of 7 members having representation from each of the said categories. SGC shall meet as frequently as required with minimum of four meetings in a financial year.</p> <p>The SGC is expected to provide oversight and guidance to facilitate the smooth functioning of the operations of the Social Stock Exchange, with regard to registration, fund raising and disclosures by Social Enterprises. A</p>
2	13/10/2022	Circular	<p><b>Suspension, Cancellation or Surrender of Certificate of Registration of a Credit Rating Agency</b></p> <p><a href="https://www.sebi.gov.in/legal/circulars/oct-2022/suspension-cancellation-or-surrender-of-certificate-of-registration-of-a-credit-rating-agency_63998.html">https://www.sebi.gov.in/legal/circulars/oct-2022/suspension-cancellation-or-surrender-of-certificate-of-registration-of-a-credit-rating-agency_63998.html</a></p>	<ul style="list-style-type: none"> <li>• If any listed entity/issuer had obtained credit rating from a CRA whose registration is cancelled or suspended or surrendered then that entity will have to obtain credit rating from another registered CRA holding a valid registration certificate.</li> <li>• After submitting a request for surrender of registration certificate to SEBI, the concerned CRA will have to disclose prominently on its website about such a request and communicate the same to its clients within 15 days.</li> <li>• In case of surrender of certificate, the credit ratings assigned by the CRA will be valid till such time the client withdraws the assignment or migrates to another CRA.</li> </ul>

3	12/10/2022	Press Release	<p><b>Standard Operating Procedure for Inter-operable Regulatory Sandbox (IoRS)</b></p> <p><a href="https://www.sebi.gov.in/media/press-releases/oct-2022/standard-operating-procedure-for-inter-operable-regulatory-sandbox-iors-63948.html">https://www.sebi.gov.in/media/press-releases/oct-2022/standard-operating-procedure-for-inter-operable-regulatory-sandbox-iors-63948.html</a></p>	<ul style="list-style-type: none"> <li>• An Inter-Regulatory Technical Group on FinTech (IRTG on FinTech) had been constituted under the aegis of the Financial Stability and Development Council-Sub Committee (FSDC-SC)</li> <li>• Financial products or service-providers whose business models fall within the remit of more than one financial sector regulator such as RBI, SEBI, IRDAI (Insurance Regulatory and Development Authority of India), PFRDA (Pension Fund Regulatory &amp; Development Authority) and IFSCA (International Financial Services Centres Authority) will be considered for the testing under inter-operable regulatory sandbox (IoRS)</li> </ul>
4	12/10/2022	Circular	<p><b>Review of provisions pertaining to Electronic Book Provider platform – Replacement of Chapter VI to Operational Circular dated August 10, 2021</b></p> <p><a href="https://www.sebi.gov.in/legal/circulars/">https://www.sebi.gov.in/legal/circulars/</a></p>	<p>Chapter VI of the Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, issued by SEBI, prescribes provisions pertaining to Electronic Book Provider (EBP) platform. SEBI has received representations from various market participants, requesting for review of the provisions pertaining to EBP platform, to address the issues of ‘fastest fingerfirst’ (viz. allotment based on time priority in bidding for issuances with fixed</p>

		<p><a href="#">oct-2022/review-of-provisions-pertaining-to-electronic-book-provider-platform-replacement-of-chapter-vi-to-operational-circular-dated-august-10-2021_63807.html</a></p>	<p>parameters), certain bidders not getting allocations despite having worked on the issuance pre-listing, high ratio of green shoe to base issue size, limits on arrangers placing bids on behalf of clients, etc.</p> <p>The other stipulations of the existing EBP framework like threshold limits for applicability, Bidding limits for arrangers, Penalty in case of default etc. have also been modified after consultation.</p> <p>Accordingly, the extant Chapter VI(Electronic Book Provider platform) of the aforementioned Operational Circular with a revised Chapter, as enclosed herewith, Annex –A forming part of this circular.</p>
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S.No	NEWS ON SEBI
1	<p><b>SEBI’s new rule on settling unused funds reveals funds mismatch</b></p> <p>A new rule in India’s stock markets, where brokers are supposed to transfer unused funds back to the client accounts at least once each quarter, has revealed a big mismatch of funds. The accounts settlement process as mandated by market regulator SEBI kicked in on October 7, the first Friday of the current quarter. During the exercise, it was revealed that while brokers withdrew anywhere between Rs 16,500 crores and Rs 20,000 crore from the clearing corporation (CCs) of stock exchanges, the actual amount they returned to the clients stood somewhere around Rs 25,000-30,000 crore, sources close to the regulator’s office told business line.</p>

**2**

**Increased number of Sebi orders face legal scrutiny**

MUMBAI: The Securities and Exchange Board of India (Sebi) has witnessed a significant increase in the number of cases filed with the Securities Appellate Tribunal (SAT) and the Supreme Court in FY22 compared to the previous fiscal year, according to its annual report published on Monday. However, Sebi also said that the number of cases disposed of by SAT and the apex court was also higher than in the previous financial year. According to Sebi, while the number of cases filed with the tribunal stood at 780 in FY22, in FY21 545 cases were filed. While 715 cases were disposed of by SAT in FY22, 392 cases were settled the year-ago. Around 697 cases are still pending with SAT, the report showed.

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### RBI during the week

**Notifications - 6; Master Directions –0; Master Circulars –0; Press Release -0;**

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	10/10/2022	Notification	<b>Review of Prudential Norms – Risk Weights for Exposures to Corporates and NBFCs</b> <a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12396&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12396&amp;Mode=0</a>	Reserve Bank had advised the External Credit Assessment Institutions (ECAI) to disclose the name of the banks and the corresponding credit facilities rated by them in the PRs issued on rating actions by August 31, 2021, after obtaining requisite consent from the borrowers. A bank loan rating without the above disclosure by the ECAI shall not be eligible for being reckoned for capital computation by banks
2	11/10/2022	Notification	<b>Review of Regulatory Framework for Asset Reconstruction Companies (ARCs)</b> <a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12399&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12399&amp;Mode=0</a>	Based on the Committee’s recommendations and feedback from the stakeholders, the extant regulatory framework for ARCs has been amended which inter-alia includes the following <ul style="list-style-type: none"> <li>• Chair of the Board shall be an independent director.</li> </ul>



				<ul style="list-style-type: none"><li>• Tenure of MD/ CEO or WTD shall not be for a period of more than five years at a time and the individual shall be eligible for re-appointment.</li><li>• The post of the MD/ CEO or WTD shall not be held by the same incumbent for more than fifteen years continuously.</li><li>• The performance of MD/ CEO and WTD shall be reviewed by the Board annually.</li><li>• ARCs that currently do not comply with the guidelines prescribed, are required to comply with these guidelines within six months from the date of this circular.</li><li>• The minimum NOF (as required under para 4 of the circular DNBR. PD (ARC) CC. No. 03/26.03.001/2016-17 dated April 28, 2017 on Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002- Section 3(1)(b) - Requirement of NOF for ARCs) is hereby increased to ₹300 crore on an ongoing basis from the existing requirement of ₹100 crore.</li></ul>
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3	11/10/2022	Notification	<p><b>Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of Divergence in Asset Classification and Provisioning</b></p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12401&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12401&amp;Mode=0</a></p>	<p>Commercial banks (excluding Regional Rural Banks (RRBs)) are required to disclose details of divergence in asset classification and provisioning where such divergence assessed by the Reserve Bank of India (RBI) exceeds certain specified thresholds.</p> <p>It has now been decided to introduce similar disclosure requirements for Primary (Urban) Co-operative Banks (UCBs) and revise the specified thresholds for commercial banks.</p>
4	11/10/2022	Notification	<p><b>Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022</b></p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx#:~:text=Reserve%20Bank%20of%20India%20(Unhedged%20Foreign%20Currency%20Exposure)%20Directions%2C%202022">https://www.rbi.org.in/Scripts/NotificationUser.aspx#:~:text=Reserve%20Bank%20of%20India%20(Unhedged%20Foreign%20Currency%20Exposure)%20Directions%2C%202022</a></p>	<p>The Reserve Bank modified and consolidated guidelines for banks on unhedged foreign currency exposures of any entity to prevent losses due to heightened volatility in the forex market.</p> <p>RBI said a comprehensive review of the extant guidelines has been undertaken and all the existing instructions on the subject have been consolidated.</p> <p>These instructions shall come into force from January 1, 2023</p>
5	11/10/2022	Notification	<p><b>Multiple NBFCs in a Group: Classification in Middle Layer</b></p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12400&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12400&amp;Mode=0</a></p>	<ul style="list-style-type: none"> <li>• The total assets of all the NBFCs in a Group shall be consolidated to determine the threshold for their classification in the Middle Layer.</li> <li>• If the consolidated asset (consolidation as per para 2 above) size of the Group is ₹1000 crore and above, then each Investment and Credit Company (NBFC-ICC), Micro Finance Institution (NBFC-MFI), NBFC-Factor and Mortgage Guarantee Company (NBFC-MGC) lying in the</li> </ul>

				<p>Group shall be classified as an NBFC in the Middle Layer and consequently, regulations as applicable to the Middle Layer shall be applicable to them.</p> <ul style="list-style-type: none"> <li>• Statutory Auditors are required to certify the asset size (as on March 31) of all the NBFCs in the Group every year. The certificate shall be furnished to the Department of Supervision of the Reserve Bank under whose jurisdiction the NBFCs are registered.</li> <li>• These guidelines shall be effective from October 01, 2022</li> </ul>
6	11/10/2022	Notification	<p><b>Diversification of activities by SPDs – Review of permissible non-core activities</b></p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12397&amp;Mode=0">https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12397&amp;Mode=0</a></p> <p><a href="https://www.rbi.org.in/Scripts/NotificationUser.aspx#:~:text=405%20kb-,Diversification%20of%20activities%20by%20SPDs%20%E2%80%93%20Review%20of%20permissible%20non%20core%20activities,-357%20kb">https://www.rbi.org.in/Scripts/NotificationUser.aspx#:~:text=405%20kb-,Diversification%20of%20activities%20by%20SPDs%20%E2%80%93%20Review%20of%20permissible%20non%20core%20activities,-357%20kb</a></p>	<p>The Standalone Primary Dealers (SPD) are the entities registered with the RBI and entrusted with the responsibility of purchasing and selling government securities.</p> <p>It has been decided to allow SPDs to offer all foreign exchange market-making facilities to users, as currently permitted to Category-I Authorized Dealers, subject to adherence to the prudential regulations and other guidelines to be issued separately in this regard.</p> <p>With effect from January 01, 2023 all financial transactions involving the Rupee undertaken globally by related entities of the SPD shall be reported to CCIL’s Trade Repository before 12:00 noon of the business day following the date of transaction.</p>

S. No	NEWS ON RBI
	NIL

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**IBC during the week**

**Notifications -0; Master Directions –0; Master Circulars –0; Press Release –0;**

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

S. No	NEWS ON IBC
1.	<p><b><u>Clouds of resolution period delay, NCLT manpower crunch over IBC ‘sheen’</u></b></p> <p>The insolvency law might have helped resolve more than 500 cases in six years but manpower shortage at the NCLT and the average resolution period being much higher than the stipulated 330 days pose challenges in tackling stressed companies in a time-bound manner. While the Insolvency and Bankruptcy Code (IBC) timeframe for resolution is 330 days, inclusive of time taken for litigation, the 517 cases that yielded resolution plans took an average of 460 days for conclusion till the end of June. And the recovery rate for creditors against the claims made was around 31 percent.</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	

GENERAL NEWS	
1	<p><b>Cabinet approves Multi-State Cooperative Societies (Amendment) Bill 2022, to bring transparency in doing business</b></p> <p>The union cabinet approves the multi-state cooperative societies (amendment) act on October 12, 2022. The decision was made to improve the ease of doing business, increase financial discipline, and practice raising funds in multi-state cooperative societies. The amendment bill movement was taken to make the governance of multi-State Cooperative societies more transparent, accountable, and democratic</p>

# 6

## Update on Regulated Sector

S.No	Sector	Update
1.	RBI	<p><b>A year after launch, RBI's Retail Direct platform remains a slow starter</b></p> <ul style="list-style-type: none"> <li>• The Reserve Bank of India's Retail Direct scheme, launched a year ago to facilitate retail investment in government securities, is yet to strike a significant chord with individuals.</li> <li>• The RBI Retail Direct scheme was meant to be a one-stop solution to facilitate investment in government securities by individual investors. Retail investors can open and maintain a Retail Direct Gilt Account (RDG Account) with RBI and trade in these securities.</li> <li>• To invest in Treasury bills, coupon-bearing government bonds and State Development Loans through primary and secondary market transactions besides buying sovereign gold bonds. The online registration process was user-friendly with a video KYC (know your customer) facility.</li> <li>• Although the scheme has been completed almost one year since its launch, the number of registrations on the platform are less compared to some private bond trading platforms, dealers said.</li> <li>• Market experts attribute it to a lack of awareness and understanding of the fixed-income market and the portal among retail investors. Additionally, the central bank had not promoted the portal sufficiently.</li> </ul>



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