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Companies Act 2013 during the week

Rules -0; Circulars -0; Notifications-3; Orders-0; Important Notices -0

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
1	29/08/2022	Notification	<p>The Companies (Acceptance of Deposits) Amendment Rules, 2022</p> <p>https://www.mca.gov.in/bin/dms/getdocument?mds</p>	<p>The Ministry of Corporate Affairs (MCA) vide its notification dated August 29, 2022 has notified “The Companies (Acceptance of Deposits) Amendment Rules, 2022” which shall come into force on the date of its publication in the Official Gazette.</p> <p>Vide such notification,</p> <ol style="list-style-type: none"> 1) The Forms DPT 3 and DPT 4 have been substituted with E-Form DPT 3 and E-Form DPT 4 which are now available for filing in the MCA V3 Portal. 2) Rule 16 of the Deposit rules now requires the particulars

				<p>entered in the E-Form DPT 3 to be duly audited by a Company's Auditor and the E-Form DPT 3 must be accompanied by a declaration to that effect from the Company's Auditor.</p>
2	29/08/2022	Notification	<p>The Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2022</p> <p>https://www.mca.gov.in/bin/dms/getdocument?mds=s</p>	<p>The Ministry of Corporate Affairs (MCA) vide its notification dated August 29, 2022 has notified "The Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2022" which shall come into force on the date of its publication in the Official Gazette.</p> <p>Vide this notification, the Form DIR 3 KYC and Web form DIR 3 KYC have now been substituted with E-Form DIR 3 KYC and E-Form DIR 3 KYC Web which are now available for filing in the MCA V3 Portal.</p>
3	29/08/2022	Notification	<p>The Companies (Registration of Charges) Second Amendment Rules, 2022</p> <p>https://www.mca.gov.in/bin/dms/getdocument?mds=4o6aHVQPvNWMaUqWvIFEow%2</p>	<p>The Ministry of Corporate Affairs (MCA) vide its notification dated August 29, 2022 has notified "The Companies (Registration of Charges) Second Amendment Rules, 2022" which shall come into force on the date of its publication in the Official Gazette.</p> <p>Vide this notification,</p> <p>1) Rule 13 has been inserted which provides for signing and filing of forms CHG 1, CHG 4, CHG 8 and CHG 9 on behalf of a</p>

				<p>Company under resolution or liquidation.</p> <p>2) Forms CHG 1, CHG 4, CHG 6, CHG 8 and CHG 9 have now been substituted with E-Forms CHG 1, CHG 4, CHG 6, CHG 8 and CHG 9 respectively which are now available for filing in the MCA V3 Portal.</p>
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S. No	NEWS ON MCA
	NIL

2

SEBI during the week

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

S. No	Date of Issue	Rules/Circular/ Notification/ Order	Contents thereof	Gist thereof
1	02/09/2022	Circular	<p>Performance/return claimed by unregulated platforms offering algorithmic strategies for trading</p> <p>https://www.sebi.gov.in/legal/circulars/sep-2022/performance-return-claimed-by-unregulated-platforms-offering-algorithmic-strategies-for-trading_62628.html</p>	<p>SEBI vide their Press Release No. 20/2022 dated June 10, 2022 had cautioned investors against dealing with such unregulated platforms offering algorithmic trading services/strategies.</p> <p>Accordingly, vide this circular, SEBI has decided the following:</p> <ol style="list-style-type: none"> 1) Stock-brokers who provide services relating to algorithmic trading cannot <ol style="list-style-type: none"> a) Make any reference to the past or future return algorithm b) Associate with any platform doing so. 2) In case, the brokers who are making such reference will have to remove it from their website and disassociate themselves from the platforms providing such reference by 09-09-2022.

				<p>c) Stock-brokers are required to monitor the compliance of this circular and submit a compliance report to SEBI before 01-11-2022.</p> <p>Vide this Circular it is to be noted that SEBI does not put a ban on algorithmic trading. It only bans publishing claims of profits in the past or expected returns in future, based on algorithms and that are offered by entities not regulated by SEBI.</p>
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S.No	NEWS ON SEBI
1	<p>Portfolio managers can invest up to 30% of clients' assets in securities of 'associates': SEBI</p> <p>Markets regulator SEBI said portfolio managers can invest a maximum of 30 per cent of clients' assets in the securities of their "associates" or related parties. This came after SEBI amended portfolio managers' rules that mandated prudential limits on investments in associates and related parties of portfolio managers, the requirement of taking prior consent of clients for such investments and restrictions based on the credit rating of securities. The regulator has fixed a limit of 15 per cent each for investment in a single associate or related party, while the same has been set at 25 per cent for investment across multiple associates or related parties.</p>
2	<p>SEBI enhances disclosure norms for rating companies</p> <p>Capital markets regulator SEBI enhanced disclosure rules for credit rating agencies (CRAs) and put in place a framework for rating withdrawal of perpetual debt securities. The move is aimed at allowing investors and other stakeholders to properly use such disclosures in a fair assessment of CRAs. The new framework will be applicable to credit ratings of securities that are already listed or proposed to be listed on a stock exchange. In order to standardize the methodology pertaining to disclosure of a 'sharp rating action', SEBI said CRAs will have to compare two consecutive rating actions. A CRA will have to</p>

	disclose a sharp rating action if the rating change between two consecutive rating actions is more than or equal to three notches downward.
3	SEBI overhauls preferential allotment rules for REITs, InvITs SEBI overhauled the pricing norms for preferential allotment of units by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). Under the new framework, the pricing formula for allotment of units under preferential issue would be the Volume-Weighted Average Price (VWAP) of weekly highs and lows for 90 trading days or 10 trading days, whichever is higher. At present, the pricing formula in a preferential allotment is the VWAP of the last two weeks or the last 26 weeks, whichever is higher. The preferential issue of units to "institutional investors" not exceeding five will have to be made at a price not less than the 10 trading days' VWAP of the related units quoted on a stock exchange preceding the relevant date, according to two separate circulars.

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RBI during the week

Notifications - 1; Master Directions –0; Master Circulars –0; Press Release -0;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1.	02/09/2022	Notification	Guidelines on Digital Lending https://rbidocs.rbi.org.in/rdocs/notification/pdfs/GUIDELINESDIGITALENDINGD5C35A71D8124A0E92AEB940A7D25BB3.PDF	<p>RBI vide this notification has released “Guidelines on Digital Lending” by Commercial Banks, NBFCs, Primary (Urban) Co-operative Banks, State Co-operative Banks and District Central Co-operative Banks.</p> <p>Such guidelines will be applicable to ‘Existing customers availing fresh loans’ and to ‘New customers getting onboarded’ from September 02, 2022.</p> <p>However, the above-mentioned entities – Regulated Entities, are given time till November 30, 2022 to put in place adequate systems and processes to ensure that</p>

				<p>'existing digital loans' (Sanctioned as on the date of the circular) are also in compliance with these guidelines.</p> <p>RBI has reiterated that Outsourcing arrangements between Regulated Entities (RE(s)), Lending Service Providers (LSPs) or Digital Lending App (DLAs) will not diminish the RE(s)' obligation. RE(s)' must ensure that such LSPs and DLAs comply with these guidelines.</p>
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S. No	NEWS ON RBI
1)	<p>RBI unlikely to accept NBFCs' requests for bad-loan exemptions</p> <p>RBI had released a clarification on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances on November 21, 2021 vide such norms, NBFCs will be required to recognize bad loans on a daily basis and NBFCs will only be able to upgrade non-Performing loans as Performing Loans only after the borrowers have paid all arrears. NBFCs have requested RBI for exemptions from such stricter bad-loan rules as it would end the advantage the non-bank financial firms have had over standard banks. RBI is yet to respond to the requests and it is considered unlikely for RBI to accept such requests.</p>

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IBC during the week

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

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

S. No	NEWS ON IBC
1	<p>Revision of fees applicable for Limited Insolvency Examination and Valuation Examinations</p> <p>The Insolvency and Bankruptcy Board of India (IBBI), as the designated Authority, conducts the Limited Insolvency Examination (LIE) and the Valuation Examinations in three assets classes, in pursuance to regulation 3 of the IBBI (Insolvency Professionals) Regulations, 2016 and Rule 5 of the Companies (Registered Valuers and Valuation) Rules, 2017 respectively.</p> <p>Vide the power of the said rule, It has been decided that the current examination fee of Rs. 1,500+ applicable GST, i.e. Rs.1,770 per enrolment for each of these exams will be increased to Rs. 5,000+ applicable GST, i.e. Rs. 5,900 for each enrolment in the LIE or Valuation Examinations on or after October 01, 2022.</p>

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Others during the week

NSE-0; BSE-0; DIPP-0; Finance Ministry-1; Others -0;

S. No	Date of Issue	Rules/Circular/ Notification/Order	Contents thereof	Gist thereof
01	01/09/2022	Notification	<p>Guidelines for launching of prosecution under the Central Goods & Services Tax Act, 2017 (Instruction No. 04/2022-23 GST Investigation dated September 01, 2022)</p> <p>https://taxinformation.cbic.gov.in/view-pdf/1000439/ENG/Instructions</p>	<p>Prosecution should normally be launched where amount of tax evasion, or misuse of ITC, or fraudulently obtained refund in relation to offences specified under sub-section (1) of section 132 of the CGST Act, 2017 is more than Five Hundred Lakh rupees.</p> <p>The said monetary limit shall not be applicable:</p> <ul style="list-style-type: none"> (i) Habitual evaders, and (ii) Arrest Cases

S. No	GENERAL NEWS
	NIL

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Update on Regulated Sector

S.No	Sector	Update



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