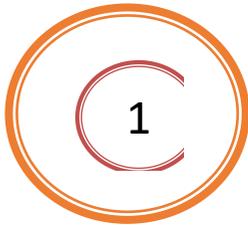


WEEKLY UPDATES ON COMPANY LAW, SEBI, RBI AND IBC

Week 38 – September 16 to September 22, 2019



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
NIL				

S. No	NEWS ON MINISTRY OF CORPORATE AFFAIRS
1.	FAQs related to DIR-3 KYC have been updated. To refer the revised FAQs on the MCA website.



SEBI during the week

**Act -0; Rules -0; Regulations-0; General Orders – 0; Guidelines- 0;
Master Circulars-0; Circulars – 1; Press Release –1; Others -0;**

S. No	Date of Issue	Act/rules/circulars....	Subject & Link	Gist thereof
1	19.09.2019	Press Release	SEBI constitutes working group on 'Social Stock Exchanges' (SSE)	The working group shall examine and make recommendations with respect to possible structures and mechanisms, within the securities market domain, to facilitate raising of funds by social enterprises and voluntary organizations.
2	20.09.2019	Circular	Risk management framework for liquid and overnight funds and norms governing investment in short term deposits	In order to augment the risk management framework for liquid and overnight funds, SEBI has made a few decisions.

S. No	NEWS ON SECURITIES EXCHANGE BOARD OF INDIA
1.	<p>SEBI mulls new whistle-blower mechanism for auditors, other 'gate-keepers'</p> <p>With an aim to unearth financial irregularities and other fraudulent transactions at listed companies, capital market regulator SEBI is planning to set up a new whistle-blower mechanism for auditors and other 'gate-keepers' to report such cases. The proposed move assumes significance in the wake of several auditors in the recent past decided to exit from their audit mandate after certain listed companies failed to take remedial actions despite financial wrongdoings having been flagged in their auditors' observations.</p>

3

RBI during the week

Notifications - 3; Master Directions – 0; Master Circulars – 0; Circular - 0;

Press Release – 0;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1	19.09.2019	Notification	Concurrent audit	<p>The existing guidelines on the subject have been reviewed and the revised guidelines under the following heads are given as under:</p> <ul style="list-style-type: none"> a. Coverage b. Appointment of auditors c. Accountability d. Tenure e. Remuneration f. Review of effectiveness of concurrent audit g. Reporting system
2	20.09.2019	Notification	Priority Sector Lending (PSL) – Classification of Exports under priority Sector	<p>In order to boost credit to export sector, it has been decided to effect following changes in para 8 of the “Master Direction on Priority Sector Lending-targets and Classification” dated July 7, 2016:</p>

				<p>A. Enhance the sanctioned limit, for classification of export credit under PSL, from ₹ 250 million per borrower to ₹ 400 million per borrower.</p> <p>B. Remove the existing criteria of 'units having turnover of up to ₹ 1 billion'</p>
3.	20.09.2019	Notification	Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems	<p>1. The framework for TAT for failed transactions and compensation has been finalised to result in customer confidence and bring in uniformity in processing of the failed transactions. The same is enclosed as Annex to the circular.</p> <p>2. It may be noted that:</p> <ol style="list-style-type: none"> the prescribed TAT is the outer limit for resolution of failed transactions; and the banks and other operators / system participants shall endeavour towards quicker resolution of such failed transactions. <p>3. Wherever financial compensation is involved, the same shall be effected to the customer's account suo moto, without waiting for a complaint or claim from the customer.</p> <p>4. Customers who do not get the benefit of redress of the failure as defined in the TAT, can register a complaint to the Banking Ombudsman of Reserve Bank of India.</p>

S. No	NEWS ON RESERVE BANK OF INDIA
1	<p>PWC fined Rs 230 crore for Foreign Exchange Management Act violation</p> <p>The adjudicating authority under Foreign Exchange Management Act (FEMA) has imposed Rs 230.40-crore fine on audit firm PricewaterhouseCoopers (PwC) for alleged violations of various provisions of FEMA, the Enforcement Directorate (ED) said.</p> <p>According to the agency, an investigation against PwC and its functionaries commenced on the basis of specific input stating that the company had allegedly received huge foreign investments from abroad in the guise of 'grants'.</p>

4

IBC during the week

Notifications - 0; Master Directions – 0; Master Circulars – 0; Circular – 1;

Press Release – 0;

S. No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof
1.	16.09.2019	Circular	Valuation required under the provisions of the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016	A list of the provisions of the Act and the Code under which valuations are required to be conducted by a registered valuer are at Annexures I and II respectively of the circular for ready reference of the stakeholders. The stakeholders are, however, advised to refer to the relevant provisions in the Act, the Code and the Rules and Regulations made there under, for the purpose of compliance.

S. No	NEWS ON INSOLVENCY AND BANKRUPTCY CODE
1	Default authentication to get traction as IBBI allows `information utility' to access MCA-21, CERSAI data Insolvency regulator IBBI has now taken a crucial step to hasten the process of authentication and verification of information of default by borrowers for bankruptcy cases.

	<p>It has now strengthened the role of an information utility (IU) by allowing it to access the data of MCA-21 database and CERSAI portals to speed up the process of debtor default authentication.</p> <p>With data such as contact number, e-mail ID and address of a debtor, an IU can without any wastage of time intimate the debtor that default has been filed against it and that the borrower should perform the authentication process required under the law.</p>
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S. No	GENERAL NEWS
1	<p>Building with 22 flats, nine shops granted exemption from RERA</p> <p>Setting a precedent, a building with 22 flats and nine shops was allowed not to register with Real Estate (Regulation and Development) Act (RERA). The reason being the plot area on which the building is being constructed is less than 500 sq. mts. As per RERA all projects where the developer is selling flats needs to be registered, however; recently the appellate tribunal allowed a developer to not register because the project is on less than 500 sq. metres.</p> <p>The case in concern is that of a developer Geetanjali Aman Construction who had appealed to the Maharashtra Real Estate Appellate Tribunal against an order passed by MahaRERA. The controversy was in context of section 3(2) of the Real Estate Regulations and Development Act, 2016. The section reads, "Where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases."</p>
2	<p>Lenders of micro loans to follow a responsibility code</p> <p>Lenders engaged in micro lending including large banks such as IndusInd and Kotak Mahindra have come together to safeguard their loan asset by preventing over-leveraging of micro borrowers.</p> <p>A common 'Code for Responsible Lending' has been unveiled to bar more than three lenders offering loans to a single borrower and cap the size of total lending to Rs 1 lakh per borrower.</p>
3	<p>Small builders threaten protest over govt plans to bring them under RERA</p> <p>The decision to bring small real estate developers under the ambit of the Rajasthan Real Estate (Regulation and Development) 2016 has evoked sharp reaction.</p> <p>To create a healthy competition in the market, the RERA has proposed to lower the threshold limit for registration of projects from 500 square metres to 250 square metres and from eight units (flats) to four units. Opposing the decision and demanding other relaxations in the building bylaws, the small developers association has decided to stage a massive protest against the government at Civil Lines.</p>
4	<p>Exemption from share buyback tax major relief to IT bigwigs</p> <p>The government's decision to not levy 20 per cent tax on buyback programmes of companies that had announced the move before July 5 will spell a major relief for IT giants Infosys and Wipro, and other companies.</p> <p>In July, the government, as part of the Budget, had announced a 20 per cent tax on share buyback by listed companies - a move that would have hurt IT services firms that often opt for the route to return surplus cash to shareholders.</p>

5	<p>To refund home buyers, RERA to auction unsold flats of defaulting builders</p> <p>In a major relief to lakhs of aggrieved buyers who are forced to wait for possession of their homes for years, the Uttar Pradesh Real Estate Regulatory Authority (UP-RERA) has decided to auction unsold flats of defaulting builders to pay back investors seeking refund in delayed housing projects.</p> <p>While RERA benches have taken several steps against defaulting builders across the country, this is perhaps the first time that such a move has been announced in India under the new real estate law.</p>
6	<p>In-principle decision to link Aadhaar with GST registration</p> <p>The GST Council took an in principle decision to link Aadhaar with registration of taxpayers under GST and also examine the possibility of making the 12-digit unique identification number mandatory for claiming refunds.</p> <p>The council also decided to a withdraw a circular issued in June which prescribed that the additional discount given by a company to a dealer in certain cases will be liable for Goods and Services Tax (GST).</p>



Flat No.7, Door No.10 Madhans,
South Canal Bank Road,
Mandavelipakkam, Chennai 600028.

mail@akshayamcorporate.com

www.akshayamcorporate.com; Land Line: 044-43533080

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