

Info Capsule

Monday
October 19, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ MCA Initiative

The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2020 (October 16, 2020)

The MCA vide its notification dated October 16, 2020 has published the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2020 to further amend the Companies (Prospectus and Allotment of Securities) Rules, 2014. This amendment eased the Private Placement norms for Qualified Institutional Buyers.

With this Amendment in the Companies (Prospectus and Allotment of Securities) Rules, 2014, in rule 14(1), after the third proviso, the following proviso has been inserted namely : **“Provided also that in case of offer or invitation of any securities to qualified institutional buyers, it shall be sufficient if the company passes a previous special resolution only once in a year for all the allotments to such buyers during the year.”**

For details:

<http://egazette.nic.in/WriteReadData/2020/222511.pdf>



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Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

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(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Securities Law

ADJUDICATING ORDERS (October 16, 2020)

SEBI, in the matter of Hasti Finance Ltd., imposed a penalty of Rs. 5 lakh each on Parag Ramesh Kalwankar and Amit Chouhan for deliberately manipulating the price of the scrip and creating a misleading appearance of trading in the scrip to induce innocent investors in the securities market thereby contravening the provisions of Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), and 4 (2) (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-parag-ramesh-kalwankar-in-the-matter-of-hasti-finance-ltd-_47885.html

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-amit-chouhan-in-the-matter-of-hasti-finance-ltd-_47886.html

ORDER IN THE MATTER OF PROPOSED ACQUISITION OF SHARES AND VOTING RIGHTS IN –

| | |
|----------------|--|
| TARGET COMPANY | MINDA INDUSTRIES LIMITED |
| ACQUIRERS | 1. NK MINDA FAMILY INVESTMENT TRUST |
| | 2. SUMAN MINDA FAMILY INVESTMENT TRUST |

SEBI granted the exemption to the Proposed Acquirers, viz. NK Minda Family Investment Trust and Suman Minda Family Investment Trust, from complying with the requirements of Regulations 3(2), 4 and 5 of the Takeover Regulations 2011 with respect to the proposed direct and indirect acquisitions in the Target Company, viz. Minda Industries Limited, by way of proposed transactions as mentioned in the application and subject to the conditions as prescribed under the order. **(October 16, 2020)**

For details: https://www.sebi.gov.in/enforcement/orders/oct-2020/order-in-the-matter-of-minda-industries-limited_47888.html

SEBI IN NEWS

- **Cut-off time for equity mutual funds restored to 3pm (October 16, 2020)**

SEBI has decided to restore the cut-off timing for buying and selling of mutual fund units to 3 pm, effective from Monday, October 19. Earlier in April, SEBI had temporarily changed the cut-off timings for buying and redeeming of mutual fund units in view of the disruptions caused by the pandemic.

For details:

<https://economictimes.indiatimes.com/mf/mf-news/cut-off-time-for-equity-mutual-funds-restored-to-3pm/articleshow/78698916.cms>

- **Religare Finvest settles case with SEBI (October 16, 2020)**

Religare Finvest has settled with SEBI a case of alleged violation of takeover as well as prohibition of insider trading norms in the matter of Deccan Chronicle Holdings back in 2012. The company has paid Rs 13.80 lakh as settlement charges. The case relates to alleged violation of SAST (Substantial Acquisition of Shares and Takeovers) or takeover norms and SEBI (Prohibition of Insider Trading) Regulations.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/religare-fininvest-settles-case-with-sebi/articleshow/78706089.cms>

❖ **Ministry of Finance**

- **FinMin green signal for Aircraft Lease Financing activities in GIFT City (October 18, 2020)**

Regulatory decks have now largely been cleared for making India a hub for financing aircraft purchases and leasing activities with the Finance Ministry notifying “aircraft lease” as a financial product that could be transacted in Gujarat’s GIFT City, which is the country’s sole International Financial Services Centre (IFSC).

For details :

<https://www.thehindubusinessline.com/economy/logistics/finmin-green-signal-for-aircraft-lease-financing-activities-in-gift-city/article32886522.ece>

❖ **Indirect Tax**

Goods and Services Tax

- **CBIC has extended the Due Date of Form GSTR – 1, GSTR 3B for registered persons having aggregate turnover of up to 1.5 crore rupees and above 1.5 crore rupees - Notification No. 74, 75 & 76/2020– Central Tax (October 15, 2020)**

For details : <https://www.cbic.gov.in/htdocs-cbec/gst/central-tax-notfns-2017>

- **Filing of Annual Return - Notification No. 77/2020– Central Tax (October 15, 2020)**

This notification seeks to make filing of annual return under section 44 (1) of CGST Act for Financial Year 2019-20 optional for small taxpayers whose aggregate turnover is less than Rs. 2 crores and who have not filed the said return before the due date.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-77-central-tax-english-2020.pdf>

- **12th Amendment (2020) to CGST Rules, 2017 - Notification No. 79/2020– Central Tax (October 15, 2020)**

These rules may be called the Central Goods and Services Tax (Twelfth Amendment) Rules, 2020. A registered person who is required to furnish a Nil return under section 39 in FORM GSTR-3B or a Nil details of outward supplies under section 37 in FORM GSTR-1 or a Nil statement in FORM GST CMP-08 for a tax period, any reference to electronic furnishing shall include furnishing of the said return or the details of outward supplies or statement through a short messaging service using the registered mobile number and the said return or the details of outward supplies or statement shall be verified by a registered mobile number based One Time Password facility.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-79-central-tax-english-2020.pdf>

Customs

- **On Horizon: Sunset date for increases in Import Tariffs (October 19, 2020)**

India Is likely to introduce a sunset date for higher import tariffs imposed on goods such as mobile phones and televisions to boost local manufacturing. Policymakers are of the view that an end date to tariff measures announced to give a boost to make in India programme is necessary.

For details: https://economictimes.indiatimes.com/news/economy/policy/on-horizon-sunset-date-for-increases-in-import-tariffs/articleshow/78739833.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

❖ **Market Watch**

| Capital Market | |
|------------------|--------------------|
| S & P BSE Sensex | 40431.60 (+448.62) |
| Nifty 50 | 11873.05 (+110.60) |

| Reference Rate | | | |
|-------------------|-------------------|-------------------|------------------|
| INR / 1 USD | INR / 1 EUR | INR / 1 GBP | INR / 1 JPY |
| 73.26 (+0.08%) | 85.85 (-0.16%) | 94.87 (-0.10%) | 0.70 (+0.05%) |

❖ **Business and Economic News**

- **Single-window clearance expected to start in April with 20 states on board (October 19, 2020)**

The Government's proposal to launch a single-window clearance is seeing traction among foreign investors even before the scheme's launch. At least half a dozen foreign investors are said to be in talks with the government for this mechanism. These investors will get to identify lands or sites for setting up manufacturing units across 20 states.

For details: https://www.business-standard.com/article/economy-policy/single-window-clearance-to-start-in-april-govt-expects-20-states-on-board-120101900023_1.html

- **Digital Media, News Agencies given a year to comply with 26% FDI cap (October 19, 2020)**

26% FDI in digital media: The Company would also have to adhere to certain conditions such as the majority directors on the board of the firm shall be Indian citizens; the Chief Executive Officer shall be an Indian.

For details: <https://www.businesstoday.in/current/economy-politics/digital-media-news-agencies-given-a-year-to-comply-with-26-percent-fdi-cap/story/419257.html>

Prepared by Directorate of Academics

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