

Highlights

- RBI clarifies on payment of taxes on acquisition or transfer of Immovable Property
- MCA clarifies on Foreign Currency Bonds Issuance
- MCA extends due date for filing Form CRA-2
- SEBI propose to allow FVCI to invest in Core Investment Companies
- SEBI enables dispatch of Consolidated Account Statement for all securities assets
- RBI to reduce period realization and repatriation of Export Proceeds
- MCA clarifies on matters related to consolidated Financial Statement
- MCA extends Company Law Settlement Scheme
- CCI invites public comments on proposed merger of Holcim and Lafarge
- GOI proposed to bring various pharma related departments under a single authority

Corporate Brief

➤ RBI clarifies on Payment of Taxes on Acquisition or Transfer of Immovable Property

RBI has clarified that any transaction involving transfer or acquisition of Immovable Property by Non-resident Indian, Person of Indian Origin resident outside India or any other person resident outside India as permitted under the Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations shall be subject to applicable tax laws in India. [See *RBI A.P. (DIR Series) Circular No. 38 dated November 20, 2014*]

➤ MCA clarifies on Foreign Currency Bonds Issuance

MCA clarifies on applicability of provisions of Chapter-III of the Companies Act, 2013 (The Act) to the issue of Foreign Currency Convertible Bonds (FCCBs) and Foreign Currency Bonds (FCBs) by Indian companies exclusively to persons resident outside India. The issue of FCCBs and FCBs is regulated by the Ministry of Finance's Regulations contained in "Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993" and Reserve Bank of India through various directions/regulations. MCA clarified that unless otherwise provided in the said scheme or the directions/regulations issued by the RBI, provisions of Chapter III of the Act shall not apply to an issue of FCCB/FCB made to persons resident outside India. Chapter III of the Act provides provisions with regard to 'Prospectus and Allotment of Securities'. [See *MCA General Circular No. 43/2014 dated November 13, 2014*]

➤ MCA extends due date for filing Form CRA-2

MCA has extended due date for filing E-Form CRA-2 without any payment of penalty/fee up to January 31st, 2014, due to delay in availability of the Form on MCA

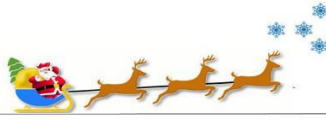
website. Form CAR-2 is to be filed by specified companies for appointment of Cost Auditor under Companies (Cost Records and Audit) Rules, 2014. Further, MCA has clarified that companies which has filed Form-23C for appointment of Cost-Auditor for the financial year 2014-15 are not required to file Form CRA-2 afresh for the financial year 2014-15. [See *MCA General Circular No. 42/2014, dated November 12, 2014*]

➤ SEBI proposed to allow FVCI to invest in Core Investment Companies

SEBI has proposed to allow investment by Foreign Venture Capital Investors (FVCI) in Core Investment Companies (CICs) investing exclusively in infrastructure companies. The proposal is expected to infuse much needed funds into the infrastructure sector which is crucial for the development of the country. The proposal is based on the fact that the CICs are essentially holding companies and do not engage in financing activities similar to other NBFCs and therefore do not go against the intent of FVCI Regulations. SEBI also sought public comments by November 15th, 2014 by issuing Consultative Paper on Amendments to FVCI Regulations. [See *SEBI Press Release P.R. No. 125/2014 dated November 05th, 2014*]

➤ SEBI enables dispatch of Consolidated Account Statement for all securities assets

SEBI has decided to enable a single consolidated view of all the investments of an investor in Mutual Funds (MF) and securities held in dematerialization form with the Depositories. To initiate the process Depositories and Asset Management Companies (AMCs)/MF-RTAs are required to put in place systems to facilitate generation and dispatch of single Consolidated Account Statement (CAS) for investors having MF investments and holding demat accounts. CAS will be generated on monthly basis and consolidation will be done on the basis of PAN. If an investor does not wish to receive CAS, an option shall be given to the investor to indicate negative consent. [See *SEBI Circular No. CIR/MRD/DP/31/2014 dated November 12, 2014*]



➤ *RBI reduce period of realization and repatriation of Export Proceeds*

RBI has notified that the period of realization and repatriation of export proceeds for all exporters including units in SEZs, Status Holder Exporters, EOUs, Units in EHTPs, STPs and BTPs shall be 9 months from the date of exports. Earlier, these entities had 12 months from the date of exports to realize and repatriate the export proceeds. [See *RBI A.P. (DIR Series) Circular No. 37 dated November 20th, 2014*]

➤ *MCA clarifies on matters related to consolidated Financial Statement*

MCA has amended the Company Law Board (Fees on Applications and Petitions) Rules, 1991 to insert the following points in the Schedule of Fees: (a) to allow any period other than April to March as financial year on a fee of Rs. 5000.00; (b) to rectify register of members on a fee of Rs. 500.00; (c) to direct the company to pay the sum due for any loss or damage incurred as a result of such non-payment on a fee of Rs. 100.00; (d) to allow further time as considered reasonable to the company to repay the deposit on a fee of Rs. 5000.00 [See *MCA Notification F.No. 1/19/2014-CL-V dated November 03rd, 2014*]

➤ *MCA extends Company Law Settlement Scheme*

MCA has extended the Company Law Settlement Scheme (CLSS) up to December 31st, 2014. CLSS was introduced by MCA vide General Circular No. 34/2014 dated 12/08/2014 to grant immunity for prosecution and to charge reduced additional fee for filing of belated documents (financial statements and annual return) under the Companies Act 2013 with the Registrar. The scheme was initially offered for a period of 2 months from 15th August 2014 to 15th October, 2014 and was lately extended by MCA vide General Circular No. 40/2014 up to November 15th, 2014. [See *MCA General Circular No. 44/2014 dated November 14th, 2014*]

➤ *CCI invites public comments on proposed merger of Holcim and Lafarge*

CCI has formed a prima facie opinion that the proposed merger of Holcim Limited (Holcim) and Lafarge S.A. (Lafarge) is likely to have an adverse effect on competition in India. For bringing the combination to the knowledge or information of the public, CCI has directed Holcim and

Lafarge to publish the details of the combination in all India editions of four leading daily newspaper, including at least two business newspapers and to host the same on their respective websites. CCI has also invited public comments from any person(s) adversely affected or likely to be

affected by the combination within 15 working days from the date of publication of details of the combination. [See *Press Information Bureau, Government of India, Ministry of Finance, Print Release dated November 22nd, 2014*]

➤ *GOI proposes to bring various pharma related departments under a single authority*

GOI has proposed to bring various departments and agencies dealing with pharma sector under a single authority for better co-ordination and effectiveness. At present research, licensing, patent and pricing of drugs and medicines are covered under different departments. Government is also working on a comprehensive pharma policy to address issues related to bulk drugs, medical implants and devices to drive growth in the sector.



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