



LEGAL UPDATE

JULY 2020 - PART I

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## **I. MINISTRY OF CORPORATE AFFAIRS (MCA)**

### **1. Companies (Removal of Names of Companies from Register of Companies) Amendment Rules, 2020**

MCA vide [Notification dated June 29, 2020](#) has amended the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 which notifies that for removal of the name of Government Company from the Registrar of Companies (RoC), Indemnity Bond to be given under Form No. STK-3A. An application for removal of name of the company under section 248(2) shall be made in Form STK-2 along with indemnity bond duly notarized by every director in Form STK 3. The amendment has provided the Form STK-3A in which indemnity bond shall be provided by authorized representative of the Government for a company wholly owned by the Government or Government Company

### **2. Extension of the last date for filing Form NFRA-2**

MCA vide [Circular dated July 06, 2020](#) has extended the time limit for filing of form NFRA-2 which is required to be filed under rule 5 of the National Financial Reporting Authority(NFRA) Rules, 2018. The extended time limit for filing form NFRA 2 for the FY 2018-19 is now 270 days starting from the date of deployment of this form on the website of NFRA.

## **II. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)**

### **1. SEBI (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2020**

SEBI vide [Notification dated July 1, 2020](#) has amended the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Key highlights of amendments are as follows:

- a. The amendment is brought under regulation 17 which deals with provision to escrow under which, in sub regulation 1, new proviso shall be inserted which provides that, in case of indirect acquisitions where public announcement has been made, an amount equivalent to hundred per cent of the consideration payable in the open offer shall be deposited in the escrow account.
- b. The deposit of securities shall not be permitted in respect of indirect acquisitions where public announcement has been made in terms of clause (e) of sub-regulation (2) of regulation 13 of these regulations.

- c. Under regulation 18(11) in case, the acquirer is unable to make payment to the shareholders who have accepted the open offer within such period, the acquirer shall pay interest for the period of delay to all such shareholders whose shares have been accepted in the open offer, at the rate of 10% per annum.
- d. In case the delay was not attributable to any act of omission or commission of the acquirer, or due to the reasons or circumstances beyond the control of the acquirer, the Board may grant a waiver from the payment of interest.
- e. The payment of interest would be without prejudice to the Board taking any action under regulation 32 of these regulations or under the Act.

## **2. Amendment in SEBI (Investment Advisers) Regulation, 2013**

SEBI vide [Notification dated July 03, 2020](#) has amended the SEBI (Investment Advisers) Regulations, 2013. The amendments will come into force from October 01, 2020. The key highlights of amendments are as follows:

- a. Eligibility criteria for registration as an Investment Adviser including net worth of Rs. 50 lakhs for non-individuals and Rs. 5 lakhs for individuals
- b. Segregation of Advisory & Distribution Activities at client level to avoid conflict of interest.
- c. For individual investment advisor there is an option to register as an Investment adviser or provide distribution services as a distributor.
- d. If a non-individual investment adviser has a clear mechanism and also he maintains an arm's length relationship between advisory and distribution services, he can continue with both.
- e. Investment Advisers are allowed to provide implementation services (Execution) through direct schemes/ products in the securities market. However, no consideration can be received directly or indirectly, at investment adviser's group or family level for these services.
- f. Mandatory Client agreement between the Advisor and client
- g. Annual Compliance Audit to be mandatorily submitted to SEBI
- h. Fee charge by investor advisor shall be as per the manner prescribed by SEBI
- i. If an individual registered as an individual investment advisor has more than 150 client then he will have to opt for Non- individual investment advisor registration

Individual investment adviser or a principal officer of a non-individual investment adviser to have enhanced professional or post-graduate qualification in relevant subjects and relevant experience of five years while grandfathering

existing Individual Investment Advisers from complying with the enhanced qualification and experience as specified by SEBI

### **3. Norms for optional pricing in preferential issue**

SEBI vide [Notification dated July 01, 2020](#) has amended the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Through this amendment, SEBI has provided an additional option for pricing methodology with respect to preferential issues. The price of the equity shares to be allotted pursuant to the preferential issue shall not be less than the higher of the following:

- a. The average of the weekly high and low of the Volume Weighted Average Price (VWAP) of the related shares during the 12 weeks preceding the relevant date
- b. or such average of the weekly high and low of VWAP of shares during the two weeks preceding the relevant date.

Specified securities allotted on a preferential basis using the pricing method determined above shall be locked-in for a period of three years and the option in pricing would be available for the preferential issues made between July 01, 2020 and December 31, 2020.

### **4. SEBI signs MoU with CBDT for data exchange**

SEBI vide [Press Release dated July 08, 2020](#) informed the signing of a Memorandum of Understanding (MoU) with the Central Board of Direct Taxes (CBDT) to exchange data. The MoU will facilitate the sharing of data and information between SEBI and CBDT on an automatic and regular basis. In addition to regular exchange of data, SEBI and CBDT will also exchange with each other, on request and on suo moto basis, any information available in their respective databases, for the purpose of carrying out their functions under various laws. The MoU comes into force immediately and it is an ongoing initiative of CBDT and SEBI, who are already collaborating through various existing mechanisms. A Data Exchange Steering Group has also been constituted for the initiative, which will meet periodically to review the data exchange status and take steps to further improve the effectiveness of the data-sharing mechanism.

## **III. RESERVE BANK OF INDIA (RBI)**

### **1. Extension of timeline for the finalization of audited accounts by NBFC**

RBI vide [Notification dated July 06, 2020](#) has extended timeline for finalization of audited accounts. As per Para 18(2) of the Master Direction on Systemically

Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, all Non-Banking Financial Companies (NBFC) shall finalize its balance sheet within a period of 3 months from the date to which it pertains. Therefore, every NBFC should finalize its balance sheet within a period of 3 months from the date to which it pertains or any date as notified by SEBI for submission of financial results by listed entities.

## **2. Exemption of venture capital fund companies from section 45-IA and 45-IC of the RBI Act, 1934**

RBI vide [Notification dated July 10, 2020](#) has exempted Venture capital fund companies holding a certificate of registration obtained under section 12 of the SEBI Act, 1992 and not holding or accepting public deposit from the provisions of section 45-IA which deals with Requirement of registration and net owned fund and 45-IC which specifies Reserve fund of the RBI Act, 1934. Further, RBI also exempts those venture capital fund companies from the applicability of guidelines issued by the Bank for NBFCs.

## **3. Extension of Due Date for filing FLA Return**

RBI vide details as appearing on [web based portal](#) (as on July 07, 2020) under the name Foreign Liabilities and Assets Information Reporting System (FLAIR) for online filing of Annual Foreign Liabilities and Assets (FLA) Return announced the extension of FLA return for the financial year 2019-20 from July 15, 2020 to July 31, 2020 for convenience of reporting this year.

## **4. Extension of timelines for submission of various supervisory returns to department of supervision (DoS)**

RBI vide [Circular dated July 08, 2020](#) has further extended the timelines for submission of various supervisory returns received by DoS in view of pandemic outbreak. The timelines for submission of the returns to DoS has been previously extended vide letter dated March 31, 2020. The timeline for returns to be filed by NBFCs monthly was extended for 10 days from due date and quarterly returns due date by 30 days. The extension in submission of returns will now be effective for the submissions which will become due from July 01, 2020 to July 31, 2020.

## **5. Special liquidity scheme for NBFCs/HFCs**

RBI vide [Circular dated July 02, 2020](#) has introduced a new scheme called 'Special liquidity scheme for NBFCs/HFCs'. The Scheme is launched through a Special Purpose Vehicle in the form of SLS Trust set up by SBI Capital Markets Limited (SBICAP). Following are the details of the Scheme:

- a. Any NBFC including Microfinance Institutions registered with RBI under the RBI Act, 1934 (excluding those registered as Core Investment Companies) and any HFC registered with the National Housing Bank (NHB) under the National Housing Bank Act, 1987 which is complying with the following broad conditions will be eligible to raise funding from the said facility:
  - i. Compliance with RBI regulations on Capital adequacy
  - ii. Net NPA is less than 6% as on 31.03.2019
  - iii. Net profit in at least one of the two preceding financial years
  - iv. Rated as investment grade by a rating agency
  - v. Is not reported under SMA-1 or SMA-2 category by any bank for their borrowing during the period one year prior to 01.08.2018
- b. The SPV will purchase the short-term papers from eligible NBFCs/HFCs, who shall utilise the proceeds under this scheme solely for the purpose of extinguishing existing liabilities.
- c. The instruments will be CPs and NCDs with a residual maturity of not more than three months and rated as investment grade
- d. The facility will not be available for any paper issued after September 30, 2020 and the SPV would cease to make fresh purchases after September 30, 2020 and would recover all dues by December 31, 2020; or as may be modified subsequently under the scheme.

#### **IV. LABOUR**

##### **1. Minimum wages in West Bengal**

Government of West Bengal, vide [Notifications dated June 26, 2020](#) has announced the rate of wages in various scheduled employment for the period July 01, 2020 to December 31, 2020. Below are the minimum wages under few key scheduled employments:

- a. [Clinical Establishment](#)
- b. [Establishment as defined under The shops establishment Act, 1963](#)
- c. [Hotels and Restaurants](#)
- d. [Non-Banking Financial Institutions](#)
- e. [Any Establishment in which Manufacturing activity as defined under Section 2K of Factories Act is carried out and is not covered under any other scheduled employment.](#)

## **2. Industrial Disputes (Bihar Amendment) Ordinance, 2020**

Government of Bihar vide [Notification dated July 02, 2020](#) has issued the Industrial Disputes (Bihar Amendment) Ordinance, 2020 to further amend the Industrial Disputes Act, 1947, which will come into force immediately. In section 25K(1) which specifies the applicability of provisions of Chapter VB- of Industrial Disputes Act, 1947 (Special Provision relating to Lay-Off, Retrenchment and Closure in certain establishment) has been amended:

The provisions of Chapter VB- of Industrial Disputes Act, 1947 shall apply to an industrial establishment not being an establishment of a seasonal character or in which work is performed only intermittently in which not less than three hundred workmen were employed on an average per working day for the preceding twelve months.

## **3. Exclusion of small establishments from scope of Contract Labour (Regulation and Abolition) Act, 1970 in Tripura**

Governments of Tripura, Labour Department vide [Notification No.F. 16\(8\)-LAB/ENF/CL/2008/3854-61 dated July 03, 2020](#) has directed that the, the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 of the Rules made thereunder shall not apply to any establishment or class of establishment or class of contractors, where less than 50 (fifty) workmen are employed or were employed.

This Notification is issued in suppression of previous Notification No.F. 16(8)-LAB/ENF/CL/2008/2976-92 dated May 27, 2020 and will remain in force for a period of 1000 (One thousand) days or till further order whichever is earlier.

## **4. Contract Labour (Regulation and Abolition) (Bihar Amendment) Ordinance, 2020**

Government of Bihar vide [Notification dated July 02, 2020](#) has issued The Contract Labour (Regulation And Abolition) (Bihar Amendment) Ordinance, 2020 to amend the existing provision relating to applicability of the Contract Labour (Regulation and Abolition) Act, 1970 to the establishments and contractor

Contract Labour (Regulation and Abolition) Act, 1970 shall apply to-

- a. to every establishment in which fifty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour;
- b. to every contractor who employs or who employed on any day of the preceding twelve months fifty or more workmen:

## **5. Extension of period of Lockdown in the State of Maharashtra**

Government of Maharashtra vide [Order No. DMU/2020/CR.92/DisM-1 dated June 29, 2020](#) has issued directions for easing of restrictions and phase wise opening of Lockdown (MISSION BEGIN AGAIN).

- It is directed that the National Directives for Covid-19 management as specified in Annexure I shall be followed throughout the state.
- The activities already allowed and permitted from time to time as mentioned in Annexure II shall be continued and all earlier orders shall be aligned with this order and shall remain in force up to and inclusive of July 31, 2020. Further easing under MISSION BEGIN AGAIN will be notified in the due course.
- Any person violating these measures will be liable to be proceeded against as per the provisions of Section 51 to 60 of the Disaster Management Act, 2005 besides legal action under Sec, 188 of the IPC, and other legal provisions as applicable.
- Anyone who violates the above standards will be penalized in addition to other statutory provisions in accordance with Section 51-60 of the Disaster Management Act besides other legal provisions.

## **6. Industrial Disputes (Goa Amendment) Ordinance, 2020**

The Government of Goa vide [Notification No. 8/3/2020-LA dated June 26, 2020](#) has issued the Industrial Disputes (Goa Amendment) Ordinance, 2020 to amend the Industrial Disputes Act, 1947. Key provisions of amendment are.

In section 2A of the Industrial Disputes Act, 1947

1. The application referred to in sub-section (2) shall be made to the Labour Court or Tribunal before the expiry of one year from the date of discharge, dismissal, retrenchment or otherwise termination of service
2. After sub-section (3) sub-section (4) is inserted, prescribing, in case of any dispute or a difference between that of workman and his employer connected with, or arising out of, discharge, dismissal, retrenchment or termination shall not be deemed to be an industrial dispute if such dispute is not raised before conciliation officer within a period of one year from the date of such discharge, dismissal, retrenchment or termination.

## **7. Contract Labour (Regulation and Abolition) (Goa Amendment) Ordinance, 2020**

Government of Goa vide [Notification No. 8/1/2020-LA dated June 26, 2020](#) has issued the Contract Labour (Regulation and Abolition) (Goa Amendment)



Ordinance, 2020 to amend Contract Labour (Regulation and Abolition) Act, 1970. Key provisions are

1. Amendment to the existing provision relating to applicability of the Contract Labour (Regulation and Abolition) Act, 1970 to the establishments and contractor- Contract Labour (Regulation and Abolition) Act, 1970 shall apply
  - a. to every establishment in which fifty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour.
  - b. to every contractor who employees or who employed on any day of the preceding twelve months fifty or more workmen:
2. Insertion of new section 25A, which provides for Compounding of offences. punishable under sub-sections (1) and (2) of section 22 and section 24 the Act

#### **8. Kerala Epidemic Disease Corona Virus Disease (COVID-19) Additional Regulations, 2020**

Government of Kerala vide [Notification No. S. R. O. No. 453/2020 dated July 02, 2020](#) has issued the Kerala Epidemic Disease Corona Virus Disease (COVID-19) Additional Regulations, 2020, which shall come into force at once and shall have effect for a period of one year unless otherwise notified. Key provisions are

- a. Wearing of Mask/Face Cover- All persons shall cover their mouth and nose with the mask/face cover in all public places, workplaces, any place where public have access, all kinds of vehicles and during transport
- b. Shops and commercial establishments- In shops and all other commercial establishments the maximum number of persons/customers permitted at a time shall not exceed twenty depending on the size of the room to keep social distancing of six feet between persons.
- c. Registration in 'COVID-19 Jagratha e-platform- All persons intend to visit Kerala from other States/Union Territories and from any other country shall furnish the details as prescribed in the web enabled 'COVID-19 Jagratha e-platform' established by the Government.

#### **9. Minimum wages and VDA payable under various schedule employments in the State of Telangana**

Government of Telangana, Department of Labour as per details appearing on the [official website](#) (as on July 16, 2020) has issued rate of Minimum wages and VDA payable under various schedule employments with effect from April 01, 2020 to September 30, 2020.

### **10. Extension of time limit for filing Return of Contribution for the period ending March 2020**

Employees State Insurance Corporation (ESIC) [vide circular No.P-11/12/Misc/1/2019\(M\)-Rev. II dated July 1, 2020](#) has extended time limit for filing return of contribution for the period October 2019 to March 2020 under Employees State Insurance (General) Regulations, 1950 to July 15, 2020.

### **11. Minimum Wages of Private Hospitals and Research Centers in the State of West Bengal**

Government of West Bengal [vide Notification No. 65/719/Stat/2RW/45/2016/LCS/JLC dated June 25, 2020](#) has fixed minimum rates of wages in the employment of Private Hospitals and Research Centers not carried on by Government or local authorities for the period July 1, 2020 to December 31, 2020.

### **12. Precautionary measures for Faculty members/Teachers/Researchers/Non-teaching staff issued by Ministry of Human Resource Development**

Ministry of Human Resource Development (MoHRD) [vide Letter No. 16-6/2020-U1A dated June 30, 2020](#) has issued precautionary measure to be taken to ensure the safety of Faculty members/Teachers/Researchers/Non-teaching staff:

- Faculty members/Teachers/Researchers/Non-teaching staff should be permitted and advised to work from home till July 31, 2020
- It should be ensured that AarogyaSetu app is installed by all the students, faculty, and employees.
- All Faculty members/Teachers/Researchers/Non-teaching staff should provide their contact details to their institutions.

### **13. Draft Notification of Code on Wages (Central) Rules, 2020**

Ministry of Labour and Employment (MoLE) [vide Notification No. G.S.R. 432\(E\) dated July 7, 2020](#) has published the draft rules of Code on Wages (Central) Rules, 2020 inviting objections and suggestions.

As per the draft rules a central advisory board would fix the floor level minimum wages taking in to account the minimum living standards taking into account food, clothing, and housing, for a family of three consumption units. The floor wage will be revised every five years and periodic adjustments may be made to accommodate variations in cost of living. The Code when made effective would repeal the below laws:

- i. Payment of Wages (Procedure) Rules, 1937
- ii. Payment of Wages (Nomination) Rules, 2009

- iii. Minimum Wages (Central) Rules, 1950
- iv. Minimum Wages (Central Advisory Board) Rules, 2011
- v. Ease of Compliance to Maintain Register under various Labour Laws Rules, 2017 to the extent these rules are made in exercise of the powers conferred by section 13 of the Equal Remuneration Act, 1976 (25 of 1976), section 29 and section 30 of the Minimum Wages Act, 1948 (11 of 1948) and section 26 of the Payment of Wages Act, 1936 (4 of 1936) and applicable accordingly.
- vi. Payment of Bonus Rules, 1975
- vii. Equal Remuneration Rules, 1976; and
- viii. Central Advisory Committee on Equal Remuneration Rules, 1991;

The draft rules on the code would be open for public feedback for 45 days from July 7<sup>th</sup>,2020. Any objections and suggestions, may be addressed to Shri M. A. Khan, Deputy Director([ma.khan15@nic.in](mailto:ma.khan15@nic.in)), and Smt. Rachana Bolimera, Assistant Director ([r.bolimera@nic.in](mailto:r.bolimera@nic.in)), Government of India, Ministry of Labour and Employment, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001

#### **14. Extension of EPF Contributions by Government from June to August 2020**

MoLE [vide Press Release dated July 8, 2020 has](#) stated that the Union cabinet has given its approval for the proposal to extend the EPF contribution of 24% for another 3 months from July, 2020 to August 2020. For the salary months of June, July and August, the scheme will cover all the establishments having up to 100 employees, with 90 percent of such employees earning a monthly wage of less than Rs 15,000.

#### **15. Revised Containment Zone Order for Gurugram, Haryana**

District Administration, Gurugram [vide Order dated July 10, 2020](#) has issued revised containment Zone Order.

#### **16. Amendment of quarantine norms in Karnataka**

Government of Karnataka (GoK) vide [Order No. RD 158 TNR 2020 dated June 26, 2020](#) has amended the quarantine norms as below

- a. Persons coming from Maharashtra shall be placed in 7-days institutional quarantine followed by 7-days home quarantine
- b. Persons coming from State other than Maharashtra shall be placed in 14-days home quarantine

GoK [vide Order No. RD 158 TNR 2020 dated July 6, 2020](#) modified the earlier issued quarantine norms. As per the revised norms, persons coming from other States to Karnataka, including Maharashtra, shall be placed in 14-days Home Quarantine

### **17. Lockdown measure in the State of Tamil Nadu**

Government of Tamil Nadu vide [Order No. GO.Ms.No.324 dated June 30, 2020](#) has extended restrictions in the territorial jurisdictions in the State of Tamil Nadu till 24:00 hrs of July 31, 2020, including extending complete lockdown in jurisdiction of Greater Chennai Police Limit and some areas in Kancheepuram, Chengalpattu and Tiruvallur District, Madurai Corporation limits and some areas in Madurai District till 24:00 hrs of July 05, 2020 with guidelines and relaxations.

Government of Tamil Nadu vide [Letter No.15665/D.M.II/2020-1 date July 04, 2020](#) has notified

1. Activities permitted in Thiruvallur, Kancheepuram and Chengalpet (Except containment zones) from 00hrs of July 06, 2020.
2. Activities permitted in Greater Chennai Police Limits (Except containment zones) from 00hrs of July 06, 2020.
  - a. IT/ITEs are permitted to operate with company provided transport at 50% strength subject to a maximum of 80 persons.
  - b. All Private offices, industrial establishments and Export oriented units are allowed to function at 50% strength. However, work from home shall be encouraged to the extent possible.
  - c. Take away (Parcel food) alone' will be permitted in the Hotels/Restaurants from 6.00 AM to 9.00 PM. Food delivery will be permitted for the food ordered through phones from Hotels/Restaurants. The workers involved in food delivery should obtain identity cards from the respective organisation.
3. Activities that will continue to remain prohibited until further orders, during the lockdown period throughout the State till 24:00 hrs of July 31, 2020

District Collector and Chairperson, District Disaster Management Authority, Thiruvananthapuram vide [order DDMAIOI/2020/COVID/CZ-14 dated July 05, 2020](#) has declared entire Thiruvananthapuram Corporation to be under complete and strict lockdown with effect from July 06, 2020, 06.00 am onwards. The existing lockdown relaxations shall not be applied and strict lock down measures shall be in force for a period of 7days, with certain exceptions.

### **18. Extension of Lock Down in in the State of Telangana**

Government of Telangana vide [Order No. G.O.Ms.No.93 dated June 30, 2020](#) has decided that orders issued vide G.O.Ms.No.75, General Administration Department dated June 04, 2020 shall stand extended till 31st July 2020 in the State of Telangana with the following modification

- a. Movement of persons (other than for accessing emergency medical care) shall remain strictly prohibited from 10 PM to 5 AM.  
However, movement of persons for operation of industrial units in multiple shifts, movement of persons on National and State Highways, loading and unloading of cargo and travel of persons to their destinations after disembarking from buses, trains and airplanes shall be permitted during this period.
- b. No shops/establishments, except hospitals and pharmacies, will remain open after 9.30 PM.

### **19. Lockdown measure in the State of Karnataka**

GoK vide [Order No. RD 158 TNR 2020 dated June 30,2020](#) & [Prohibitory Order dated July 01, 2020](#) has implemented

- a. Night Curfew- Movement of individuals shall remain strictly prohibited between 08.00 pm to 5.00 am throughout the State, except for essential activities, including operation of industrial units in multiple shifts, movement of persons and goods on National and State Highway/Major District Roads, loading and unloading of cargo and travel of persons to their destinations after disembarking from buses, trains and airplanes.
- b. Sunday Lockdown- There shall be complete lockdown on Sundays with effect from 5th July 2020 and followed by next 4 Sundays till 2nd August 2020. However, the essential activities as above permitted during night curfew shall be permitted during the Sunday lockdown also.

### **20. Karnataka Industries (Facilitation) (Amendment) Ordinance, 2020**

GoK vide [Notification No.: DPAL 40 SHASANA 2020 dated July 02, 2020](#) has issued Karnataka Industries (Facilitation) (Amendment) Ordinance, 2020 to amend provisions of Karnataka Industries (Facilitation) Act, 2002. Key provisions are

1. Addition critical Acts in the list of “Applicable Acts” Section 2 (ia)- “the Legal Metrology Act, 2009 (Central Act 1 of 2010), the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), Karnataka State Small scale Industries Development Corporation, Karnataka State Small scale Industries Development Corporation
2. Inserted new definition for
  - a. Manufacturing Enterprise- means the enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951 or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use

- b. Manufacturing industry-means the industry which involves in the manufacturing and processing of items and indulges in either creation of new commodities or in value addition
3. Amendment to Section 15 to insert sub section (3)- The self-certification to be provided by the manufacturing industries or manufacturing enterprises shall be in form of an Affidavit which shall be the mandatory document for submission of the Combined Application Form (as specified in section 14). The manufacturing industry or manufacturing enterprise shall furnish an undertaking that on clearance they shall be abide by all the applicable Acts, rules etc. any deviation found at a later stage shall be liable for penal action under this Act or any applicable Acts.
4. Amendment to Section 19 to insert sub section (3)- Any manufacturing industry or enterprise which fails to comply with the conditions specified in the undertaking or the self-certification given to the nodal agency while applying for acknowledgement certificate or for violating any clause in the applicable Act or rule, while implementing the industrial projects, shall on conviction be punishable with fine which may extend to one lakh rupees for the first offence and for the second and subsequent offence, with fine which may extend to two lakh rupees. In addition, the departments concerned shall initiate penal action under respective Acts.

## **21. Extension of validity of e-Pass/Duty passes in Puducherry**

Government of Puducherry vide [Order No. DCK/A1/COVID-19/2020-21/ dated July 01, 2020](#) has extended the validity of e-Pass/Duty passes issued by the district administration until July 31, 2020.

## **22. Karnataka Industrial Employment (Standing Orders) (Amendment) Rules, 2019**

GoK vide [Notification No. LD 382 LET 2018 dated June 30, 2020](#) has issued Karnataka Industrial Employment (Standing Orders) (Amendment) Rules, 2019 to amend Karnataka Industrial Employment (Standing Orders) Rules, 1961. The amendment rules shall come into force from the date of their final publication in the Official Gazette. Key provisions of amendment are

- a. Inclusion of “fixed term workmen” under schedule I of the Karnataka Industrial Employment (Standing Orders) Rules, 1961, under the heading "A-For : workmen excluding clerks and other ministerial staff.
- b. ‘Fixed term workman’ is a workman who has been engaged on the basis of written contract of employment for a fixed period
- c. Hours of work, wages, allowances and other benefits of such “Fixed term workman” shall not be less than that of a permanent workman.

Fixed term workman shall be eligible for all statutory benefits available to a permanent workman proportionately according to the period of service rendered by him even if his period of employment does not extent to qualifying period of employment required in the Act.

- d. No workman employed on fixed term employment basis as a result of non-renewal of contract or employment or on the expiry of such contract period without it being renewed, shall be entitled to any notice or pay in lieu thereof, if his services are terminated:

Provided that the services of a fixed term workmen shall not be terminated as a punishment unless he has been given an opportunity of explaining the charges of misconduct alleged against him in the matter.

### **23. Tamil Nadu Rationalisation of Forms and Reports under Certain Labour Laws Rules, 2020**

Government of Tamil Nadu vide [Notification dated May 06, 2020](#) has issued Tamil Nadu Rationalisation of Forms and Reports under Certain Labour Laws Rules, 2020 with an intention to provide for combined and simplified forms and reports, electronically or otherwise, for the below specified labour related laws and the rules made thereunder

- a. The Contract Labour (Regulation and Abolition) Act, 1970 (central Act 37 of 1970)
- b. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (central Act 30 of 1979); and
- c. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (central Act 27 of 1996)

### **24. Guidelines for Phased Reopening (Unlock 2) to be implemented from July 1, 2020 to July 31, 2020 in the State of Punjab**

Government of Punjab [vide notification dated June 30, 2020](#) has issued guidelines for Phased Reopening (Unlock 2) to be followed in the State of Punjab for the period July 1, 2020 to July 31, 2020. Key provisions are

- Movement of individuals for all non-essential activities shall remain prohibited between 10:00pm to 5:00 am.
- Restaurants are allowed to open till 9pm with 50% occupancy or 50 guests, whichever is less.
- Restaurants in hotels are allowed to serve food including buffet meals upto 50% occupancy or 50 guests, whichever is less.

## **V. ENVIRONMENT**

### **1. Further Extension of Validity Period of Consent for Operation/ Authorization in Tamil Nadu**



Tamil Nadu Pollution Control Board vide [Notification No.TNPCB/P&D/2020](#) dated July 01, 2020 has extended the validity of Consent to Operate for all the units, that have valid consent to operate upto March 31, 2020 till September 30, 2020.

Units/facilities, which are authorized by the Board under:

- Hazardous and other waste (Management & Transboundary Movement)Rules, 2016.
  - Bio Medical Waste Management Rules, 2016
  - Solid Waste Management Rules, 2016
- and where the authorization is valid upto March 31, 2020, the authorizations granted under the above Rules are also extended upto September 30, 2020

## **2. Extension of Validity Period of Consent, Authorization for Operation in Assam**

Assam Pollution Control Board vide [Notification No.WB/G-1530/18-19/95](#) dated June 29, 2020 has extended the validity period of consent/authorization set to be expired on March 31, 2020 to July 31, 2020.

## **3. Further Extension of Validity Period of Consent to Operate in Jharkhand**

Jharkhand Pollution Control Board vide [Notification No. B-49](#) dated June 29, 2020 has extended the validity of Consent to Operate to July 31, 2020, which were previously set to expire on March 31, 2020, April 30, 2020, May 31, 2020, and June 30, 2020.

## **4. Implementation of the new Compliance management Module for Complying with the conditions imposed in CTE, CTO and Env. Clearance in Jharkhand**

Jharkhand State Pollution Control Board vide notice [PR No. 230515 Jharkhand State Pollution Control Board\(20-21\) dated July 10, 2020](#) has implemented the compliance management module for complying the conditions imposed on the CTE, CTO and Environmental Clearance. Effective October 01, 2020, it will be mandatory to submit the compliance through the online compliance module which has already been hosted on the Board's web portal "jkhocmms.nic.in".

The units to whom the consents were granted before November 2019, the grid system will become applicable to them during their next renewal and then they will be able to put compliance through the online compliance, module system.



## VI. HEALTHCARE

### 1. National guidance to blood transfusion services in light of COVID-19 pandemic

National Blood Transfusion Council (NBTC) [vide Letter No. O.M. S-12016/99/2019-NACO\(NBTC\) dated June 25, 2020](#) has issued the Second Interim National Guidance to Blood Transfusion Services in light of COVID-19 Pandemic which is in supersession of first guidance issued by NBTC dated March 25, 2020. Key points are as follows:

- Travel History of the blood donor is to be checked
- Management of blood collection maintaining social distancing
- Blood Donor education and communication
- Post donation care to be taken
- Maintenance of blood stock and management of supply chain of communities

### 2. Punishment for refusal of treatment of COVID-19 patients

Government of Karnataka [vide Notification No. HFW 233 ACS 2020 dated June 27, 2020](#) ordered that Private Medical Establishments in the State of Karnataka shall not deny/refuse/avoid treatment of COVID-19 patients and shall strictly adhere to the provisions under Sections 11 and 11A of the Karnataka Private Medical Establishments Act 2017.

Non-compliance of this Order will attract punishment under relevant sections of Disaster Management Act 2005, Karnataka Private Medical Establishments Act 2017, and the Indian Penal Code.

### 3. Handing over of dead bodies of suspected COVID-19 cases to relatives

Ministry of Health & Family Welfare (MoHFW) [vide Letter dated July 1, 2020](#) has clarified that dead bodies of suspected COVID-19 cases should be handed over to the relatives immediately without waiting for laboratory confirmation.

### 4. COVID-19 Biomedical Waste Tracking App

The Central Pollution Control Board [vide notification dated June 17, 2020](#) has introduced COVID-19 Biomedical Waste Tracking App 'COVID19BWM' which is being implemented for Mobile and Web Portal which will be used for tracking of COVID related biomedical waste. Key points are as follows:

1. All the following waste generators must register in the COVID19BWM App:
  - a. Hospitals and Health Care Facilities (HCF)
  - b. Quarantine Centers
  - c. Isolation Wards
  - d. Captive Treatment Facilities

- e. Urban Local Bodies (ULB)
  - f. Sample Testing Centers
  - g. Laboratories
2. While registering it should be ensured that the correct state and district is selected.

**5. Approval of True Nat/CBNAAT for COVID-19 testing in private labs/hospitals**

Indian Council of Medical Research [vide Letter No. D.O.No. ECD/COVID19/Misc.2020 dated July 3, 2020](#) has stated, that all private laboratories who intend to initiate TrueNat/CBNAAT based testing for COVID-19 should immediately apply for NABL Accreditation. All the laboratories who have applied can reach out to ICMR (at [Aggarwal.n@icmr.gov.in](mailto:Aggarwal.n@icmr.gov.in)) with a copy of the NABL application.

**6. The Bihar Epidemic Diseases, COVID-19 (Amendment) Regulation, 2020**

Government of Bihar [vide Notification dated July 3, 2020](#) has issued the Bihar Epidemic Diseases, COVID-19 (Amendment) Regulation, 2020, to authorize all District Magistrates and also such Officers duly authorized by the District Magistrates within their respective jurisdiction to compound the offences relating to person(s) not wearing face mask or face cover (nose and mouth covered properly) in public or work place by payment of Rs 50/-.

**7. Entering of result tests by the COVID-19 testing laboratories in ICMR Portal**

GoK, Health & Family Welfare Services [vide Circular No. SSU/Covid-19/06/2020-21 dated July 06, 2020](#) has instructed all the COVID-19 testing laboratories, that the practice of uploading all the samples received as negative on the ICMR Portal needs to be discontinued and all labs are here by instructed to mark the samples as 'Under Process' till the final report is uploaded.

**8. Advisory on case management for COVID-19 patients in West Bengal**

Health and Family Welfare Department, West Bengal [vide Memo No: HPH/10P-03/2018/549 dated July 13, 2020](#) has issued advisory to hospitals on case management for COVID-19 patients below are the important recommendations:

- Top Sheet provided by the Government of West Bengal should be maintained with daily updating.
- Proper oxygen prescription should be made.
- Injudicious use of antibiotics should be stopped.

**VII. MUNICIPAL****1. Rebate and extension in due date for payment of property Tax in Andhra Pradesh**

Government of Andhra Pradesh [vide order No.G.O.Rt.No.298 dated July 03, 2020](#) has-

- a. Extended 5% rebate on property tax for the Financial Year 2020-21, upto July 31, 2020 in respect of assessments where property tax for the entire current Financial Year 2020-21 is paid on or before July 31, 2020 in respect of all ULBs in the State.
- b. Extended the time limit upto the end of July, 2020 i.e. July 31, 2020 for levy of simple interest at the rate of two (2) percent per mensem in case of failure to pay the property tax for the first half, instead of June 30, 2020.

**VIII. PROPERTY****1. Procedure to be adopted for processing and incorporating the modified Plan Sanctions and Layout Plans in the registered project under Real Estate (Regulations and Development) Act, 2016 in Karnataka**

Karnataka Real Estate Regulatory Authority (K-RERA) vide [Circular No.K-RERA/Engg.Sec/Modified Plans/2019 dated June 24, 2020](#) has issued the Procedure to be adopted for processing and incorporating the modified Plan Sanctions and Layout Plans in the registered project under Section 14 of the Real Estate (Regulations and Development) Act, 2016. Key provisions are

- Processing of the application for modified sanction plans and layouts plans will be considered if a registration has already been granted to the real estate project under section 5 of The Real estate (Regulation and Development Act 2016).
- The promoter shall apply to K-RERA through web portal for processing the application for modified plan in respect of registered project.
- The modified sanctioned plans and layout plans as approved by the jurisdictional planning Authorities are to be uploaded along with supporting and connected documents in the web portal.
- Consent of Landowner in case land belongs to other (e.g, joint Development Agreement).
- Submit consent of the 2/3rd allottees in the existing project as per Section 14 of Real estate (Regulation and Development) Act 2016, as per the prescribed format of the Authority.
- Affidavit and declaration from the promoter in the prescribed format.
- Status of completion of the development of works, pending works in the real estate project.

- Details of any changes in common amenities, facilities or building layout area.
- Changes in the project end date of the registered project due to modification in the sanctioned Plan.
- Promoter shall have filed post registration and all Quarterly updates of the projects.
- Certificates from the projects engineer and Architect as per the prescribed format.
- Submit Structural stability certificates.
- Application shall be submitted online.

## **IX. FOOD SAFETY**

### **a. Standard Operating Procedures (SoP) for reactivation of rejected applications and Change in User Profile**

Food Safety and Standards Authority of India (FSSAI) Vide [F. No. 11\(9\)2020/Msc./Representation/RCD/FSSAI dated July 7 2020](#), has issued

- a. SoP for reactivation of rejected applications, and
- b. SoP for change in user profile including new login credentials, email ID and Mobile No etc.

## **X. FINANCE**

### **1. Guidelines on New Classification and Procedure for registration of Micro, Small & Medium Enterprises.**

Ministry of Micro Small and Medium Enterprises (MSME) vide document dated [July 01, 2020](#), has issued Guidelines on New Classification and Procedure for registration of Micro, Small & Medium Enterprises. Key provisions are

- a. Classification of micro, small or medium-sized enterprises
  - a micro enterprise, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees
  - a small enterprise, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees, and
  - a medium enterprise, where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

Composite criterion of investment and turnover

- A composite investment and turnover criterion apply to the classification of an organization as a micro, small or medium-sized organization.
  - If a company exceeds the limits set for its present category in one or the other of the two investment or sales criteria, it no longer exists in this category and is classified in the next higher category. However, no company is classified in the lower category unless it exceeds the upper limits set in the investment and sales criteria for its present category.
  - All units with a GSTIN (Goods and Services Tax Identification Number) listed under the same Permanent Account Number (PAN) must be treated together as a single company, as well as sales and investment. All these units must be considered together and when deciding only the aggregated values are considered for the category of micro, small or medium-sized organization.
- b. Process for registration:
- The Udyam registration Portal entails the registration of the Organization
  - There are no applicable charges/fees for the registration at this Portal
  - It is mandatory to register with Aadhaar number as a proof of identity
  - The said Aadhar Number must be that of the proprietor in the case where the firm is based on proprietorship. Similarly, the Managing Partner should provide the Aadhar Number in case of the partnership firm and the Karta of the Hindu Undivided Family (HUF) should do the same.
  - In case an enterprise is duly registered as an Udyam with PAN, any deficiency of information for previous years when it did not have PAN shall be filled up on self-declaration basis.
  - If the organization is already a registered member, in that case any deficiency of the information for previous years stating no details of PAN then the same shall be filled up on self -declaration basis.
  - The portal allows only one-time registration.
  - Any registration under the EM- Part-II or UAM, then the existing organization would be entitled to register again at the portal on or after the July 1, 2020.
  - The present notification stands classified for any organization registered till June 30,2020
  - The present organizations who were registered before June 30, 2020 shall stand binding only for a duration up to March 31, 2021.

## **XI. TAX**

### **1. Investment fund set up by a Category-I foreign portfolio investor**

Central Board of Direct taxes (CBDT) vide [Notification No. 41/2020 dated June 30, 2020](#) has notified that the conditions specified in clauses (e), (f) and (g) of sub-section (3) of section 9A of the Income-tax Act, 1961, shall not apply in case of an investment fund set up by a Category-I foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992).

## **2. Income-tax (15th Amendment) Rules, 2020**

CBDT vide [Notification No.42 /2020 dated June 30, 2020](#) has issued Income-tax (15th Amendment) Rules, 2020, to prescribe that the provisions of section 50CA of the Act shall not apply to transfer of any movable property, being unquoted shares, of a company and its subsidiary and the subsidiary of such subsidiary by an assessee, where,

- i. the Tribunal, on an application moved by the Central Government under section 241 of the Companies Act, 2013, has suspended the Board of Directors of such company and has appointed new directors nominated by the Central Government under section 242 of the said Act; and
- ii. share of such company and its subsidiary and the subsidiary of such subsidiary has been transferred pursuant to a resolution plan approved by the Tribunal under section 242 of the Companies Act, 2013 after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner.

### **Explanation. -**

- a. a company shall be a subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of the company.
- b. "Tribunal" shall have the same meaning assigned to it in clause (90) of section 2 of the Companies Act, 2013

## **3. Income-tax (16th Amendment) Rules, 2020.**

CBDT vide [Notification No. 43/2020 dated July 03, 2020](#) has issued Income-tax (16th Amendment) Rules, 2020, to

1. Amend Rule 31A sub-rule (4) of Income-tax Rules, 1962 prescribing deductor at the time of preparing statements of tax deducted to
  - a. furnish particulars of amount paid or credited on which tax was not deducted or deducted at lower rate in view of the notification issued under second proviso to section 194N or in view of the exemption provided in third proviso to section 194N or in view of the notification issued under fourth proviso to section 194N
  - b. furnish particulars of amount paid or credited on which tax was not deducted or deducted at lower rate in view of the notification issued under sub-section (5) of section 194A
  - c. furnish particulars of amount paid or credited on which tax was not deducted under sub-section (2A) of section 194LBA

- d. furnish particulars of amount paid or credited on which tax was not deducted in view of clause (a) or clause (b) of sub-section (1D) of section 197A.
  - e. furnish particulars of amount paid or credited on which tax was not deducted in view of the exemption provided to persons referred to in Board Circular No. 3 of 2002 dated 28th June 2002 or Board Circular No. 11 of 2002 dated 22nd November 2002 or Board Circular No. 18 of 2017 dated 29th May 2017.
2. Amend Form 26Q and Form 27Q

**4. Utility to ascertain TDS applicability rates on cash withdrawals**

CBDT vide [Press Release dated July 12, 2020](#) has informed that the Income Tax Department has facilitated a new functionality for Banks and Post offices through which they can ascertain the TDS applicability rates on cash withdrawal of above Rs.20 lakh in case of a non-filer of Income Tax Return(ITR) and that of above Rs. 1 crore in case of a filer of the ITR. So far, more than 53,000 verification requests have been executed successfully on this facility.

This functionality has been available as “Verification of applicability u/s 194N” on [www.incometaxindiaefiling.gov.in](http://www.incometaxindiaefiling.gov.in) since July 01, 2020 and has also been made available to the Banks through web-services, so that the entire process can be automated and be linked to the Bank’s internal core banking solution.

**5. Central Goods and Services Tax (Eighth Amendment) Rules, 2020**

Central Board of Indirect Taxes and Customs (CBIC) vide [Notification No 58/2020 – Central Tax dated July 01, 2020](#) has issued Central Goods and Services Tax (Eighth Amendment) Rules, 2020, effective July 01, 2020 to substitute Rule 67A of Central Goods and Services Tax Rules, 2017, prescribing, that 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 for a tax period, any reference to electronic furnishing shall include furnishing of the said return or the details of outward supplies through a short messaging service using the registered mobile number and the said return or the details of outward supplies shall be verified by a registered mobile number based One Time Password facility.

Explanation. - A Nil return or Nil details of outward supplies shall mean a return under section 39 or details of outward supplies under section 37, for a tax period that has nil or no entry in all the Tables in FORM GSTR-3B or FORM GSTR-1, as the case may be.”.

**6. Clarification in respect of various measures announced by the Government**

CBIC vide [Circular No.141/11/2020-GST dated June 24, 2020](#) has issued clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19)

**7. Conditional waiver of late fees**

CBIC vide [Notification No. 57/2020 – Central Tax dated June 30, 2020](#) has amended [Notification no. 52/2020-Central Tax](#) in order to provide conditional waiver of late fees for the period from July, 2017 to July, 2020.

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