



LEGAL UPDATE

JULY 2020 - PART II

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I. MINISTRY OF CORPORATE AFFAIRS (MCA)

1. Deployment of Form PAS-6

MCA vide [News and Important Updates](#) has announced that the Form PAS-6 (Half-yearly Reconciliation of Share Capital Audit Report) has been deployed on its website and shall be available for filing w.e.f. July 15, 2020. Previously MCA vide [Circular dated November 11, 2019](#) had provided the due date for filing the form will be 60 days from the date of deployment of the form. Hence, the due date for the half-year ended on September 30, 2019 and March 31, 2020 will be September 13, 2020.

2. Companies (Indian Accounting Standards) Amendment Rules, 2020

MCA vide [Notification dated July 24, 2020](#) has amended the Companies (Indian Accounting Standards)(Ind AS) Rules, 2015 in Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 116, Ind AS 1, Ind AS 8, Ind AS 10 and Ind AS 37.

II. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

1. Extension of time for submission of financial results for the quarter/half year/ financial year ended June 30, 2020

SEBI vide [Circular dated July 29, 2020](#) has extended the timeline for submission of financial results under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarter/half year/financial year ended June 30, 2020 to September 15, 2020.

2. Extension of relaxations relating to procedural matters –Issues and Listing

SEBI vide [Circular dated July 24, 2020](#) has extended the one-time relaxations granted in its previous [Circular dated May 6, 2020](#) from strict enforcement of certain regulations of SEBI (Issue of Capital and Disclosure Requirements) (ICDR) Regulations, 2018. The extension shall be applicable for Rights Issues opening upto December 31, 2020.

3. Relaxation from compliance with provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008

National Stock Exchange (NSE) vide [Circular dated July 14, 2020](#) clarified that as per SEBI (Issue and Listing of Debt Securities) (ILDS) Regulations, 2008,

the disclosure of Audited Financials or Unaudited Financials with Limited Review, in the disclosure document for private placement of non-convertible debentures/bonds, as applicable, including for stub period, should not be older than 6 months from the date of the Private Placement Disclosure Document.

However, SEBI vide [Circular dated July 15, 2020](#) has provided relaxation under SEBI (ILDS) Regulations, 2008, SEBI (Non- Convertible Redeemable Preference Shares) (NCPRS) Regulations, 2013, and Circulars related to Listing of Commercial Papers (CPs) requiring Issuer to submit its latest audited financials not being older than six months. Compliant listed entities were permitted to use unaudited financials with limited review in lieu of the audited financials for the stub period, subject to these unaudited financials not being older than six months

On account of COVID19 pandemic, the Board has decided to permit listed Issuers who have issued Non-Convertible Debentures (NCDs)/ NCRPS/CPs on or after July 01, 2020 and intend/propose to list such issued NCDs/NCRPS/CPs, on or before July 31, 2020, to use available financials as on December 31, 2019.

4. Allowing Offer for Sale (OFS) and Rights Entitlements (RE) transactions during trading window closure period

SEBI vide [Circular dated July 23, 2020](#) has decided that in addition to the transactions mentioned in Clause 4 (3) (b) of Schedule B read with Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, trading window restrictions shall not apply in respect of OFS and RE transactions carried out in accordance with the framework specified by the Board from time to time.

5. Amendment to Prohibition of Insider Trading Regulations and revised format for reporting violations to Code of Conduct

SEBI vide [Notification dated July 17, 2020](#) has amended the SEBI (Prohibition of Insider Trading) (PIT) Regulations, 2015. Some of the key changes are listed as below:

1) Under Regulation 3(5):

- The requirement to maintain the structured digital database (SDD) is extended to head(s) of the organisation of every person like the Intermediaries or Fiduciaries with whom unpublished price sensitive information (UPSI) is shared.

- The SDD is also to include the following additional information i.e. the nature of unpublished price sensitive information and the names of such persons who have shared the information.
 - Further, the SDD shall not be outsourced and shall be maintained internally with adequate internal controls and checks
- 2) Regulation 3(6) has been inserted which states that the SDD is required to be maintained for a period of 8years after completion of the relevant transactions. In case there is any investigation/enforcement proceedings by SEBI, then the relevant information is required to be maintained till completion of such proceedings.
 - 3) Regulation 7(2)(c) has been inserted to provide enabling power to SEBI for the issue of format and manner of submitting Continual Disclosures as per the Regulation.
 - 4) Under Schedule B and C,
 - any amount collected for violation of Code of Conduct shall be remitted to SEBI for credit to the Investor Protection and Education Fund.
 - the violations will be required to be reported to the stock exchanges in the form and manner as may be prescribed by SEBI

Further SEBI vide [Circular dated July 23, 2020](#) has issued the modified and revised format to report violations related to Code of Conduct by the listed companies, intermediaries and fiduciaries as per Schedule B and C of SEBI (PIT) Regulations, 2015

III. RESERVE BANK OF INDIA (RBI)

1. Implementation of Indian Accounting Standards for NBFCs

RBI vide [Notification dated July 24, 2020](#) has decided that for all Non-Banking Financial Companies (NBFCs) and Asset Reconstruction Companies implementing Indian Accounting Standards, the unrealised gain/loss on a derivative transaction undertaken for hedging may be offset against the unrealised loss/gain recognized in the capital (either through Profit or Loss or through Other Comprehensive Income) on the corresponding underlying hedged instrument. If after such offset and netting with unrealised gains/losses on other financial instruments, there are still net unrealised gains, the same should be excluded from regulatory capital as required by paragraph 3 of the previous [Circular dated March 13, 2020](#).

IV. INSURANCE

1. Transfer of Shares of the Insurance Companies

The Insurance Regulatory Authority of India (IRDAI) vide [Circular dated July 23, 2020](#) has issued clarification on certain issues relating to transfer of shares of insurance companies by promoters/shareholders as follows:

- 1) For acquisition of more than 1% and up to 5% of the paid up share capital, fit and proper declaration as specified in the IRDAI (Listed Indian Insurance Companies) Guidelines, 2016 shall be provided to the insurance company and the transferor shall inform the Insurer immediately on execution of the transaction
- 2) For transfer of shares by transferor will/is likely to exceed 5% of the paid up share capital, such transferor shall seek the prior approval of the IRDAI as per section 6A(4)(b)(iii) of the Insurance Act, 1938 read with provisions of IRDAI (Listed Indian Insurance Companies) Guidelines, 2016. The application for this purpose shall be filed through the concerned insurance company and whereby the transferee's holding is likely to exceed 5% of the paid up share capital of the insurance company, has to be submitted for prior approval to the IRDAI through the concerned insurance company
- 3) It has been clarified that the provisions related to transfer of shares "shall apply mutatis-mutandis to the creation of pledge or any other kind of encumbrance over shares of an insurance company, by its promoters.
- 4) In case of any non-compliance and where transactions are executed beyond the stipulated threshold limits by the shareholders, without the prior approval of the Authority the transferee shall not have any voting rights in any of the meetings of the insurance company and the transferee shall promptly dispose of the excess shares acquired, beyond the specified threshold limits and shall attract appropriate regulatory action.

V. PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (PFRDA)

1. Choice for POPs to integrate with CRAs for NPS

PFRDA vide [Circular dated July 16, 2020](#) has provided the clarification as below:

- 1) Point of Presence (POPs) will have the option to integrate with one or more Central Record Keeping Agencies (CRAs) for the purpose of onboarding and servicing of National Pension Scheme (NPS) subscribers.
- 2) NPS subscribers can voluntary open their NPS account through a POP which is integrated with a desired CRA of whose services they want.

- 3) Similarly, organization/corporates offering NPS to their employees, can open their NPS account through a POP which is integrated with a desired CRA of whose services they want. In case they register themselves as POPs, they can integrate with the CRA(s) of their choice.
- 4) POPs are required to display charges of both the CRAs on their website to enable subscribers to take well informed decision.
- 5) The Circular is applicable only to the categories of POPs performing any one or more of the following activities:
 - a) NPS – Distribution and servicing for public at large through physical as well as online platforms
 - b) NPS – Distribution and servicing for citizens at large through online platforms only
 - c) NPS – Distribution and servicing only for own employees and other personnel either through physical or online platforms.

VI. TAX

1. Income-tax (18th Amendment) Rules, 2020

CBDT vide [Notification No. 55/2020 dated July 28, 2020](#) has issued Income-tax (18th Amendment) Rules, 2020 prescribing statement of income paid or credited by an investment fund to its unit holder, be furnished by the person responsible for crediting or making payment of the income on behalf of an investment fund and the investment fund to the unit holder by 30th day of June of the financial year following the previous year during which the income is paid or credited in Form No. 64C.

2. Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020

CBDT vide [Notification No. 56/2020 dated July 29, 2020](#) has extended the due date for furnishing of return under section 139 of Income-tax Act, 1961, for the assessment year commencing on April 01, 2019 from July 31, 2020 to September 30, 2020.

3. CBDT amends Rule 31AA and TCS statement to incorporate Finance Act, 2020 ('FA 2020') amendments

Central Board of Direct Taxes ('CBDT') vide [Notification No. 54/2020 dated July 24, 2020](#) has amended section 206C of the Income Tax Act, 1961 ('Act') to widen the scope of tax collected at source (TCS). Two new sub-sections were inserted to provide for the collection of TCS from the following:

- Remittance out of India under Liberalized remittance scheme (exceeding the threshold limit) [Section 206C(1G)]
- Sale of overseas tour package [Section 206C(1G)]
- Sale of goods (exceeding the threshold limit) in any other case [Section 206C(1H)]

To incorporate the effect of such amendments, the CBDT has amended Rule 31AA, Rule 37-I of the Income Tax Rules, 1962 ('Rules') and annexure to Form 27EQ.

4. Exemption notifications issued u/s 194N of the Act prior to its amendment by FA 2020 are valid

CBDT has vide [Circular No.14/2020 dated July 20, 2020](#) clarified that three notifications issued under clause (v) of the proviso to section 194N shall be to be issued under fourth proviso to section 194N as amended by the FA 2020. It is to note that the clause (v) of the proviso to section 194N prior to its amendment by the FA 2020 has now become fourth proviso to the said section.

5. Procedures specified for notification of SWF for the purpose of exemption u/s 10(23FE) of the Act

CBDT has vide [Circular No.15/2020 dated July 22, 2020](#) has specified procedures for notification of Sovereign Wealth Fund ('SWF') for the purpose of exemption u/s 10(23FE) of the Act.

The Finance Act, 2020, has inserted a new section 10(23FE) to Act, to provide for exemption to the income of a specified person in the nature of dividend, interest or long-term capital gains from an investment made by it in India. The exemption is available if investment is made in specified infrastructure business during the period from April 1, 2020 to March 31, 2024 and such investment is held for at least 3 years.

The specified person for the purpose of section 10(23FE) has been defined as wholly-owned subsidiaries of Abu Dhabi Investment Authority (ADIA), notified Sovereign Wealth Fund (SWF) and notified Pension Funds (PF) subject to fulfilment of various conditions.

To notify SWF, CBDT has specified the procedure and forms for the same.

6. CBDT starts 11 days e-campaign to promote voluntary compliance of ITR filing for AY 2019-20

CBDT has vide [Press Release dated July 18, 2020](#) intimated that it has started 11 days e-campaign on voluntary compliance of income tax for the convenience of taxpayers from July 20, 2020. A SMS or an e-mail will be sent to taxpayer to verify their financial transaction related information received by IT department. The Objective of e-campaign to promote voluntary compliance of filing of belated/ revised ITR so that taxpayers don't get into notice and scrutiny process.

7. New Form 26AS is faceless handholding of taxpayer to e-file ITR correctly

CBDT has vide [Press Release dated July 18, 2020](#) provided that the new Form 26AS is the faceless hand-holding of the taxpayers to e-file their income tax returns quickly and correctly. Information received by the IT department from specified financial statements (SFTs) will be shown under Part E of Form 26AS. It will facilitate voluntary compliance, tax accountability and ease of e-filing of ITR. This would also bring in further transparency and accountability in the tax administration

This new Form 26AS has been notified for reporting of information related to TDS, TCS, specified financial statements (SFTs), payment of taxes, demand and refund, pending and completed proceedings & any information in relation to sub-rule(2) of 114-I which includes information received under agreement referred to in section 90 or 90A.

8. CBDT and CBIC have signed a new MoU for data exchange

CBDT has vide [Press Release dated July 21, 2020](#) informed that the CBDT and CBIC have signed an MoU for data exchange. This MoU supersedes the MoU signed between CBDT and CBEC in year 2015. In addition to regular exchange of data, both wings of Ministry of Finance would exchange with each other, on request and spontaneous basis, any information available in their respective databases which may have utility for the other.

9. CBDT signs MoU for sharing ITR related information to Ministry of MSME

CBDT has vide [Press Release dated July 20, 2020](#) has provided that a formal MoU was signed between CBDT and the Ministry of Micro, Small and Medium Enterprises, Government of India (MoMSME) for sharing of data. The MoU will facilitate seamless sharing of certain Income-tax Return (ITR) related information to MoMSME

VII. LABOUR

1. Minimum Wages in Odisha

Office of the Labour Commissioner, Odisha, vide [Notification dated July 22, 2020](#) has notified the minimum rate of wages for un-skilled, semi skilled, skilled and highly skilled categories of employees detailed in the 89 scheduled employments for the period effective from April 01, 2020.

2. The Meghalaya Industrial Employment (standing Orders) Draft Amendment Rules, 2020

Labour Department, Government of Meghalaya vide [Notification dated June 29, 2020](#) has issued draft amendment to Meghalaya Industrial Employment (Standing Order) Rules. The key highlight of the amended rules are as follows:

- 1) The applicability under Rule 1 has been amended - It shall apply to all the industrial establishment in respect of which the Government of Meghalaya is the appropriate Government.
- 2) A new Rule 3A has been inserted which states that no employer shall covert the posts of permanent workmen as fixed term employment from the date of commencement of the draft rules
- 3) Rule 5 which specifies the statements to be submitted with regards to the workforce, the sub-rule (iii) has been substituted, stating to submit separate statements of the prescribed particulars of the workmen including the name of the trade union, if any, in respect of each establishment
- 4) The memorandum of Appeal under Rule 9 has been wholly substituted as per the draft rules

Interested person(s) can send their objection or suggestion on the draft rules to the office of Labour Commissioner, Meghalaya within 30 days from date of publication of the draft rules in the official gazette of Meghalaya.

3. Clarification for Restaurants and other Hospitality Services in Kamrup District of Guwahati

Office of the Deputy Commissioner, Kamrup Metropolitan District, Guwahati vide [Order dated July 21, 2020](#) has clarified that restaurants and other hospitality services are allowed to function from Monday to Friday on both sides of any street during non-curfew hours in the Kamrup District on take away basis including online home delivery of cooked business.

4. Lockdown in certain jurisdiction of Odisha till July 31, 2020

Office of Special Relief Commissioner, Government of Odisha vide [Order dated July 16, 2020](#) has imposed lockdown in the entire jurisdictions of Khurda, Ganjam, Cuttack & Jaipur districts and Rourkela Municipal Corporation (Sundergarh district) w.e.f. 9 pm of July 17, 2020 until midnight of July 31, 2020. During the lockdown, all shops & commercial establishments, offices and institutions shall remain closed and mobility of people restricted, with certain exemptions mentioned in the Order

5. Information related to Payment of wages in Meghalaya

The Labour Commissioner, Government of Meghalaya vide [Public Notice dated July 09, 2020](#) has issued the below information in the matter of payment of wages to workers during the national lockdown period amid Covid-19 pandemic by all private establishment, industries, factories, etc., :

a) Private establishments, industries and employers can enter into negotiations and settlement with employees organization for payments of wages for period of 50 days or more during which their industrial establishment was closed due to the lockdown, or if they are unable to reach a settlement, they may submit a request to the concerned labor authorities to conciliate the disputes between the parties. They may call the concerned employees trade union/workers association/workers to appear for negotiation, conciliation or settlement.

b) The above steps can also be taken by Private establishments, industries and factories, which were working during the lockdown period.

c) The employers' establishments, industries, factories should communicate and publicize about the steps mentioned above to the workers/employees for their response or participation.

6. The Factories (Assam Amendment) Ordinance, 2020

Government of Assam, vide [Ordinance dated June 30, 2020](#) has amended the applicability of Factories Act, 1948 in the state of Assam. As per the amendment under Section 2(m) and 85 which specifies the applicability of the Factories Act, 1948 to an establishment with specific number of the workers has been amended as below:

- In case manufacturing process is being carried on with the aid of power, 10 or more workers has been increased to 20 or more workers, and
- In case manufacturing process is being carried on without the aid of power, 20 or more workers has been increased to 40 or more workers

7. The Industrial Disputes (Himachal Pradesh Amendment) Ordinance, 2020

The Himachal Pradesh Government [vide Notification dated July 9, 2020](#) has issued Industrial Disputes (Himachal Pradesh Amendment) Ordinance, 2020 to amend the Industrial Disputes Act, 1947. Following are the amendments brought in by the Ordinance:

- In Section 22(1) and 22(2), the words “and non-public utility service” shall be inserted after the words “public utility service”.
- In Section 25F (b) [Conditions precedent to retrenchment of workmen], no workmen employed who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until the workmen has been paid compensation which shall be equivalent to **sixty days**’ average pay for every completed year of continuous service or any part thereof in excess of six months.
- In Section 25K(1), the provisions of Chapter VB 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 **two hundred** workmen were employed on an average per working day for the preceding twelve months.

8. The Factories (Himachal Pradesh Amendment) Ordinance, 2020

The Himachal Pradesh Government [vide Notification dated July 9, 2020](#) has issued the Factories (Himachal Pradesh Amendment) Ordinance, 2020 to amend the Factories Act, 1948 in its application to the State of Himachal Pradesh. Following are the amendments brought in by the Ordinance:

- Increase in the worker limit for applicability to the Factories Act, 1948 from ten or more workers to twenty or more workers for factories operating with the aid of power and from twenty or more workers to forty or more workers for factories operating without the aid of power.
- In Section 65(3)(iv), the total number of workers for overtime shall not exceed one hundred and fifteen hours instead of seventy-five hours subject to the condition that overtime shall have to be paid twice the rate of ordinary wages.
- In Section 85(1)(i), the word “ten” and “twenty” shall be substituted with words “twenty” and “forty” respectively.

- A new Section 106B has been inserted for Compounding of Offences which states that any offence punishable under this Act with fine only and committed for the first time, may subject to any general or special order of the State Government, be compounded by the Chief Inspector, either before or after the institution of the prosecution, on realization of such amount of composition fee as he thinks fit, but not exceeding the maximum amount of fine fixed for the offence and where the offence is compounded.

9. The Contract Labour (Regulation and Abolition) Himachal Pradesh Amendment Ordinance, 2020

The Himachal Pradesh Government [vide Notification dated July 9, 2020](#) has issued the Contract Labour (Regulation and Abolition) Himachal Pradesh Amendment Ordinance, 2020 to amend the Contract Labour (Regulation and Abolition) Act, 1970 in its application to the State of Himachal Pradesh. As per the amendment the Act will now be applicable to the establishments employing thirty or more workmen.

10. Enactment of Factories (Haryana Amendment) Act, 2018

The Haryana Government [vide Notification dated July 20, 2020](#) has enacted the Factories (Haryana Amendment) Act, 2018 to further amend the Factories Act, 1948 in its application to the State of Haryana. Following are the amendments brought in:

- Amendment of Section 2(m): "Factory" means any premises -
 - (i) whereon **twenty** or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or
 - (ii) whereon **forty** or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power, or is ordinarily so carried on
- In Section 65(3)(iv), the total number of workers for overtime shall not exceed one hundred and fifteen hours instead of seventy-five hours.
- In Section 66(1)(b), the proviso is substituted by the following –

“Provided that the State Government may, by notification in the Official Gazette, in respect of any factory which provides such adequate safety and security measures or safeguards, as may be prescribed apply for such exemption, allow the women to work in factory between the hours of 7:00 PM to 6:00 AM.”

- In Section 85(1)(i), the word “ten” and “twenty” shall be substituted with words “twenty” and “forty” respectively.
- A new Section 106B has been inserted for Compounding of Offences which states:
 - 1) The offences specified in the Fourth Schedule, if committed for the first time, may be compounded by such officer and for such amount, as may be notified by the State Government in the Official Gazette. The amount of fine shall not exceed the fine prescribed under Section 92.
 - 2) Where an offence has been compounded under sub-section (1), no further proceedings shall be taken against the occupier in respect of such offence.A new Schedule “The Fourth Schedule” has been added for List of compoundable offences.

11. Draft Employees’ State Insurance (Central) Amendment Rules, 2020.

The Ministry of Labour of Employment [has vide Notification No. G.S.R.466\(E\) dated July 27, 2020](#) published the draft rules of Employees’ State Insurance (Central) Amendment Rules, 2020. According to the new rules, Confinement expenses to an insured woman and an insured person in respect of his wife shall be paid with a sum of rupees seven thousand five hundred.

12. Additional SOPs for Inter-state movement of labour from other states to Himachal Pradesh

The Himachal Pradesh State Disaster Management Authority [vide Notification No. No. Rev \(DMC\) \(C\) 20-2/2020-COVID-19 dated July 14, 2020](#) states that the labour brought from outside the State of Himachal Pradesh by the industrialists or their contractors to the industrial areas for work in industrial units will be brought with due approval of the District Administration and quarantined as per the guidelines of Department of Health & Family Welfare, Government of Himachal Pradesh. The industrialists/contractors will arrange for suitable accommodation for quarantine for the labour so brought to the State.

13. Revision of minimum wages of the workers with effect from April 1, 2020

The Labour and Employment Department, Himachal Pradesh [vide notification dated July 21, 2020](#) revises the minimum wages of the workers working in the scheduled employment as mentioned in the notification with effect from **April 1, 2020**.

14. Amendment to Puducherry Building and other construction workers (Regulations of Employment and Conditions of Service) Amendment Rules, 2020

The Puducherry Labour Department vide [Order No. G.O. Ms. No. 04/AIL/Lab/G/2020](#) dated 01st July 2020 has amended the Puducherry Building and Other Construction Workers (regulation of employment and conditions of service) Rules, 2001.

Below mentioned are the amendments made in Puducherry Building and Other Construction Workers (regulation of employment and conditions of service) Rules, 2001:

- Rule 23 (1), which specifies the application to be submitted under this Act, has been substituted by “the application referred to in Section 7 (1) of this Act must be submitted through the online portal in the FORM I to the Labour Department”.
- Rule 23 (2), which specifies the fees for submitting the application, has been replaced by the statement that " the fees shall be paid by online payment through the online portal of the Government of Puducherry under the relevant head of Account viz, 00-0230-00-800-01-00-01 Labour and Employment, Other receipts, collection of registration fees building construction workers, for the registration of the establishment”
- A new provision has been added to Rule 25A, which specifies the submission of Form II, namely: “Provided that the registering officer shall not carry out any amendment in the register in Form-II through online portal launched by the Puducherry Labour Department”
- Rule 27, which specifies the payment of fees, has been replaced and requires fees to be deposited through the online portal launched by the Puducherry Government.

15. Notification for single joint online inspection without duplication and Risk Assessment as issued by the Telangana Government

The Telangana Labour, Employment, Training and Factories Department on July 14, 2020 vide [Order No.G.O.Ms.No.13](#) issued a notice for revised comprehensive inspection contracts based on a computerized risk assessment with random assignment of inspection officers to facilitate management. The units are classified into low risk, medium risk and high-risk categories based on the number of employees.

The risk assessment criterion for establishments and inspector staff is given in Annex I attached with the order copy.

The inspection frequency for low-risk facilities is every 5 years, for medium-risk facilities every 3 years and for high-risk facilities every 2 years.

Low risk establishments have been exempted from compliance testing.

The given order is applicable to the Payment of Wages Act, 1936, the Factories Act, 1948, the Minimum Wages Act, 1948, the Maternity Benefit Act, 1961, the Motor Transport Workers Act, 1961, the Payment of Bonus Act, 1966, the Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Gratuity Act, 1972, the Equal Remuneration Act, 1976, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Telangana Labour Welfare Fund Act, 1987, the Telangana Shops & Establishment Act, 1988 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

The guidelines are as mentioned below-

Start-ups:

- **Companies that are start-ups** within the meaning of the Department for the Promotion of Industry and Internal Trade (DPIIT) are **exempt from inspection in the first year** of their installation upon submission of an online Self-declaration and if they are continuously submitting their integrated returns / returns, under different Acts by default they will be exempted from compliance inspections for the next four years starting from the second year onwards, unless any specific complaint is received against such establishment.
- **Central inspection agency:** The entire online system will be operated under the supervision of the Central Inspection Agency, which will comprise Labour, Factories Boilers and Telangana State Pollution Control Board Departments compliance inspection system

The inspection officer will upload the inspection report within 48 hours of the completion of the inspection. The employer will receive an alert so that he can view / download the inspection report. In the event of defects, the employer must take corrective action and upload the compliance report within 15 days. The compliance report is scrutinized and non-correction in the same shall entail actions that comply with the law.

16. The Contract Labour (Regulation and Abolition) (Gujarat Amendment) Ordinance, 2020

The Government Gujarat vide [Regulation No. 07 on 20th July, 2020](#) has issued the Contract Labour (Regulation and Abolition) (Gujarat Amendment)

Ordinance, 2020. The Government through this Regulation has amended the threshold/applicability of the law for establishments employing twenty or more workers to fifty or more workers. Please refer the notification for further information.

17. Government of Karnataka extends the due date for payment of VDA

The Government of Karnataka, vide [notification No. KaE 72 LWA 2020](#) on 20th July, 2020 has postpone the VDA to be paid from April 1, 2020 to March 31, 2021 to alleviate the difficulties for employers who were required by the Central Government to pay wages, including the VDA to their employees for the vesting period. Employers who have already started paying VAD can continue to do so with all statutory contributions and payments. Employers who have not yet paid the minimum wage by April 2020 can avail the benefit of the notification. As this is only a postponement, the government may revoke this notice in the future and advise employers to pay the minimum wage in arrears from April 1, 2020, in accordance with the current VDA. Please refer the notification for further information

18. The Industrial Disputes (Gujarat Amendment) Ordinance, 2020

The Gujarat Labour and Employment Department vide [Ordinance No. 5 of 2020](#) on July 03, 2020 issues the Industrial Disputes (Gujarat Amendment) Ordinance, 2020

Below mentioned are the amendments made through the ordinance:

- Article 25K is amended to provide for the application of special provisions regarding lay-off, retrenchment and closure in certain establishments, to increase the number of workmen from one hundred to three hundred.
- Article 25N is amended to include conditions that precede the retrenchment of workers, to ensure that the employer does give these workers three months' notice, provisions to give wages for notice period in lieu of notice is proposed to be deleted. In order to provide additional financial security to the worker affected by such retrenchment, it is also considered necessary to amend subsection (9) so that, in addition to this compensation, as prescribed in this subsection, the worker receives an amount equal to his average salary for the last three months.
- Section 25-O (8) is inserted and specifies the procedure for closing a company. It provides that the worker is paid an amount equal to his average salary for the

past three months and compensation for prescribed rates must also be paid to workers affected by the closure of the company.

19. Gujarat Labour Department exempts all factories from working hours

The Gujarat Labour and Employment Department vide [Notification No: GHR/2020/92/FAC/142020/346/M3](#) on July 20, 2020. The Govt. has issued a notice exempting all factories registered under the Factories Act of 1948 from the regulations on weekly working hours, daily working hours, at intervals, at rest, etc. for adult workers under Sections 51, 54, 55 and 56 under certain conditions from 20 July 2020 to 19 October 2020.

Below mentioned conditions apply:

- The total working time of the employees is 12 hours a day and 72 hours a week.
- No worker should work longer than 6 hours if there is no half-hour interval between the two.
- Female workers are not allowed to work in a factory from 7pm to 6pm.
- Wages should be proportional to existing wages. For example, if the wages are 100 rupees for eight hours, the wages should be 150 rupees for 12 hours.

20. The District Women and Child Development office of Mumbai mandates submission of Annual Report

The District Women and Child Development office of Mumbai vide [Order no DWCDOMC/POSH Act 2013/2020-2021/](#) on July 10, 2020 mandates submission of Annual report by every establishments internal Committee to the district officer complying provisions of Section 12 and Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All establishments should submit internal Committee's Annual report for 2019 to the district officer at dwedmumbai@gmail.com latest by August 14, 2020.

21. Amendment in the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975

The Maharashtra Finance Department, on [July 22, 2020](#), has released Maharashtra State Tax on Professions, Trades, Callings and Employments (Amendment) Ordinance, 2020 to further amend the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

Below are the key changes:

- In Section 5, a new subsection 3A has been added, which defines the guidelines for obtaining the registration certificate according to this law, namely:

" Notwithstanding anything contained in this section, a company, which has been incorporated under the provisions of the Companies Act, 2013, after the date of commencement of the Maharashtra State Tax on Professions, Trades, Callings and Employments (Amendment) Ordinance, 2020, shall at the time of its incorporation, obtain the certificate of enrolment and certificate of registration under this Act. "

- A new provision has been added to Section 6 (1), which specifies the details regarding the showcase of filing of tax returns stating that the employer registered under Section 5(3A), after the commencement of his liability to pay tax, furnish to the prescribed authority, a return in such form, for such period and by such dates as may be prescribed.

22. Opening of Commercial Establishments in Bengaluru

The Commissioner of BBMP vide [order no. COMM/PSR/145/20-21](#) has given the below norms for opening a commercial establishment in Bengaluru

- In a street, shops will be open on the alternate sides of the road every day
- Only 50% of the staff in every shop will work
- Shops in SRK Market and Kalasipalyam Market will remain closed

23. Easing of restrictions and phase wise opening of Lockdown in Maharashtra

The Government of Maharashtra vide [Order No. DMU/2020/CR.92/DisM-1](#) on 29th July 2020 has given the directives for workplaces, private offices, malls non-essential shops. Please refer the notification for more details.

24. Revision in VDA rates for employees employed in hotels and restaurants in Puducherry

The Puducherry Labour Department vide [Order No.851/LAB/AIL/G/2014/705](#) on 23rd July, 2020 has revised the rates of Variable Dearness Allowance (VDA) for the employees employed in hotels and restaurants with effect from January 01, 2020. The revised rate of Variable Dearness Allowance for the employees of hotels and restaurants would be Rs. 436/- per month (cumulative).

25. VDA rates for employment of Sweeping and Cleaning have been revised by the Puducherry Labour Department

The Puducherry Labour Department vide https://www.dropbox.com/s/607jf8x6brmdcia/22072020_LEI_09.pdf?dl=0 on 17th July, 2020 has revised the rates of Variable Dearness Allowance (VDA) in

the employment of Sweeping and Cleaning. These rates are effective from January 01, 2020.

The revised rate of Variable Dearness Allowance for the employees employed in Sweeping and Cleaning would be Rs 124/-per day (cumulative). The one-day wage from January 01, 2020 would be Rs 290 /-per day (Basic pay Rs 166/- + VDA Rs 124 (cumulative).

VIII. HEALTHCARE

1. Admission of COVID suspect cases in hospitals

Government of Karnataka [vide Notification No. COM/HFW/PS/20-21 dated July 13, 2020](#) states that hospitals have to admit COVID suspect cases and treat them in isolation wards of the COVID part of the hospital. Hospitals shall not insist on any letter from BBMP or lab reports or any BU number. Any violation of this admission protocol shall attract serious action under the provisions of Karnataka Private Medical Establishment Act and Disaster Management Act.

2. Protocol to be followed in case of deaths of COVID-19 positive/suspected cases in hospitals

Bruhat Bangalore Mahanagara Palike [vide Notification dated July 7, 2020](#) states the protocol to be followed in case of deaths of COVID-19 positive/suspected cases in hospitals. Following are the key points to be followed:

- Cause of Death certificate (Form 4) should be issued by the treating hospital mentioning COVID-19 positive status and other existing comorbidities.
- Aadhar Card copy or any proof of identity, COVID positive report copy or any other documentary proof of the deceased should be collected by the hospital authorities.
- Details of the deceased should be updated in the online patient management portal.
- Provisional cause of Death certificate (Form 4) should be issued by the treating hospital immediately.
- All hospitals should maintain register for all COVID related deaths with the details of name, age, SRF No./ICMR No./BU No./telephone number and Aadhar Card/any ID proof and date and time of death. All documents pertaining to death and treatment should be maintained for death audits to be provided to the BBMP when required.

Please refer to the link provided for further details.

3. Admission of COVID Positive Patients by the hospitals through online bed management portal CHBMS

The Bruhat Bengaluru Mahanagara Palike [vide Notification dated July 20, 2020](#) states that it is mandatory that all admissions and discharges of COVID patients are to be done through the Covid Hospital Bed Management System (CHBMS) portal for both the COVID patients referred under government quota of beds and for the private beds administered by the Private Medical Establishments.

4. Data to be updated in Covid Patient Management System

The Government of West Bengal [vide Notification No. HFW-40099/34/2020-HA/65 dated July 22, 2020](#) states that 100% data pertaining to admission, IPD Early warning score, laboratory investigation. Discharge/death of every COVID positive patient is to be captured in Covid Patient Management System Portal.

5. Exemption of hand sanitizer from the requirement of sale license for its stocking or sale

The Ministry of Health and Family Welfare [vide Notification No. S.O.2451 \(E\) dated July 27, 2020](#) states that hand sanitizer shall be exempted from the requirement of sale licence for its stocking or sale under the provisions of Chapter IV of the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945, subject to the condition that provisions of condition (17) of rule 65 of the said Rules are complied with by the person stocking or selling hand sanitizers.

6. Compulsory updating of bed availability data in Centralized Hospital Bed Management System (CHBMS) portal

The Karnataka Government [vide Order dated July 28, 2020](#) orders that COVID inpatient and bed availability data must be updated every 6 hours in the available CHBMS of BBMP and SAST Portals.

IX. ENVIRONMENT

1. Extension in timeline by the CPCB with respect to filing of the Annual Returns of Annual Reports by the stakeholder

The Central Pollution Control Office (CPCB), vide [Notification no- F. NO 23/24/2020-HSM](#) on July 14, 2020 has extended the timeline for filing the

annual returns and annual reports by the manufacturers, renovators, bulk consumers, dismantlers and recyclers in accordance with the E-waste (Management) Rules, 2016 for the financial year 2019-2020.

The submission of annual reports in Form 3 by all stakeholder has been extended from June 30, 2020 to August 31, 2020.

2. CPCB revises guidelines for the handling, processing and disposal of waste generated during the treatment of COVID-19 patients in temporary health facilities

The Central Pollution Control Board (CPCB) on [July 21, 2020](#), has revised the guidelines for the handling, treatment and disposal of waste that arise in the treatment of COVID-19 patients. These guidelines have repealed all previously published guidelines. The objective for these revised guidelines is to ensure that there is proper separation of general solid waste and biomedical waste from quarantine centers, home care and healthcare facilities that treat patients with COVID-19 and to recommend the disposal of PPE. These revised guidelines have additional information for temporary healthcare facilities.

Please refer to the notification for steps to be taken by the rail coaches, COVID health centers, etc. according to the latest information

X. EDUCATION

1. Work from home facility to all teaching and non-teaching staffs in schools

The Government of Karnataka vide Circular dated [16th July 2020](#) has ordered all schools to allow work from home facility both teaching non-teaching staff as a precautionary measure to prevent the further spread of Covid-19.

XI. FOOD SAFETY

1. Surveillance and enforcement to prohibit sell of Health Supplement and nutraceutical products contains PABA (Para Amino Benzoic Acid) banned ingredient-regd.

Food Safety and Standards Authority of India (FSSAI) Vide [File No 4\(12\)2017/Gujarat/RCD/FSSAI dated July 16 2020](#), has banned the use of PABA (Para Amino Benzoic Acid) in the products covered under Nutraceutical Regulations due to safety concerns with immediate effect and the said order also directs the FBOs that no further manufacturing of products using this ingredient is allowed. Any product containing such ingredient which is already manufactured / imported shall be withdrawn from the market immediately.

2. Directions regarding display of “Date of Manufacturing” and “Best before Date” in case of sweets – reg

Food Safety and Standards Authority of India (FSSAI) Vide [File No.13\(29\)2019/Milk /RCD/FSSAI dated July 24 2020](#), has further decided to give a final extension to the date of enforcement for display of “Date of Manufacturing” and “Best before Date” of non-packaged/loose sweets on their container/tray at the outlet for sale from 1st August, 2020 to 1st October, 2020.

XII. OTHERS

1. Consumer Protection Act, 2019

Ministry of Consumer Affairs, Food and Public Distribution, Department of Consumer Affairs, vide [Notification dated July 23, 2020](#) has appointed July 24, 2020 as the date from which certain provisions of the Consumer Protection Act, 2019 shall come into force.

Further, Ministry of Consumer Affairs, Food and Public Distribution, Department of Consumer Affairs, vide [Notification dated July 23, 2020](#) has issued Consumer Protection (E-Commerce) Rules, 2020, effective from date of publication in the Official Gazette. These rules apply to:

- a. all goods and services bought or sold over digital or electronic network including digital products.
- b. all models of e-commerce, including marketplace and inventory models of e-commerce.
- c. all e-commerce retail, including multi-channel single brand retailers and single brand retailers in single or multiple formats; and
- d. all forms of unfair trade practices across all models of e-commerce:

These rules shall not apply to any activity of a natural person carried out in a personal capacity not being part of any professional or commercial activity undertaken on a regular or systematic basis.

National Consumer Disputes Redressal Commission, vide [Notification dated July 24, 2020](#) has issued Consumer Protection (Mediation) Regulations, 2020

National Consumer Disputes Redressal Commission, vide [Notification dated July 24, 2020](#) has issued Consumer Protection (Consumer Commission Procedure) Regulations, 2020

National Consumer Disputes Redressal Commission, vide [Notification dated July 24, 2020](#) has issued Consumer Protection (Administrative Control over the State Commission and the District Commission) Regulations, 2020



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