



LEGAL UPDATE

JUNE 2020 - PART I

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I. MINISTRY OF CORPORATE AFFAIRS (MCA)

1. Companies (Share Capital and Debentures) Amendment Rules, 2020

MCA vide [Notification dated June 05, 2020](#) has published the Companies (Share Capital and Debentures) Amendment Rules, 2020. The Amendment is brought under rule 8 which deals with the issue of sweat equity shares. The amendment allows a start-up company to issue sweat equity shares not exceeding 50% of its paid-up capital up to 10 years from the date of its incorporation or registration. Previously it was allowed only for 5 years.

Further, Rule 18(7) (b)(v) is substituted to read that a company shall on or before the 30th day of April in each year, in respect of debentures issued by such a company, invest or deposit, as the case may be, a sum which shall not be less than 15% of the number of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposits as provided in sub-clause (vi). Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below 15% of the amount of the debentures maturing during the year ending on 31st day of March of that year.

II. RESERVE BANK OF INDIA

1. Extended timeline for compliance with various payment system requirements

RBI vide [Notification dated June 04, 2020](#), has extended timeline for compliance with various payment system requirements keeping in view the present pandemic situation. The following are the extensions:

| SN | Instruction / Circular | Present Timeline | Revised Timeline |
|----|---|--|---|
| 1. | PPI-MD dated October 11, 2017 (as updated from time to time): | | |
| | (i) All existing non-bank PPI issuers (at the time of issuance of PPI-MD) to comply with the minimum positive net-worth requirement of Rs. 15 crore for the financial position as on March 31, 2020 (audited balance sheet). | Financial position as on June 30, 2020 | Financial position as on September 30, 2020 |
| | (ii) Authorised non-bank entities shall submit the System Audit Report, including cyber security audit conducted by CERT-IN empanelled auditors, within two months of the close of their financial year to the respective Regional Office of DPSS, RBI. | By August 31, 2020 | By October 31, 2020 |

| | | | |
|----|---|-----------------------|-------------------------|
| 2. | Implementing provisions of circular on “Enhancing Security of Card Transactions”. | w.e.f. June 16, 2020 | By September 30, 2020 |
| 3. | “Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems”, “calendar days” to be read as “working days”. | w.e.f. March 24, 2020 | Until December 31, 2020 |
| 4. | “Guidelines on Regulation of Payment Aggregators and Payment Gateways”, the activities for which specific timelines are not mentioned and were supposed to come into effect from April 1, 2020. | w.e.f. June 01, 2020 | By September 30, 2020 |

2. Draft Frameworks for Sale of Loan Exposures and Securitisation of Standard Assets

RBI vide [Press Release dated June 08, 2020](#), has issued Draft Frameworks for Sale of Loan Exposures and Securitisation of Standard Assets. The salient features of the draft securitisation guidelines as compared to the existing guidelines are as follows:

- 1) Only transactions that result in multiple tranches of securities being issued reflecting different credit risks will be treated as securitisation transactions
- 2) In line with the Basel III guidelines, two capital measurement approaches have been proposed: Securitisation External Ratings Based Approach (SEC-ERBA) and Securitisation Standardised Approach (SEC-SA).
- 3) A special case of securitisation, called Simple, Transparent and Comparable (STC) securitization has been prescribed with clearly defined criteria and preferential capital treatment.
- 4) The definition of securitisation has been modified to allow single asset securitisations. Securitisation of exposures purchased from other lenders has been allowed.
- 5) Carve outs have been provided for Residential Mortgage Backed Securities (RMBS) in prescriptions regarding MHP, MRR and reset of credit enhancements.
- 6) A quantitative test for significant transfer of credit risk has been prescribed for derecognition for the purpose of capital requirements, independent of the accounting derecognition

The salient features of the draft framework for sale of loans as compared to the existing guidelines are as follows:

- 1) Sale of standard assets may be by assignment, novation or a loan participation contract (either funded participation or risk participation) whereas the sale of stressed assets may be by assignment or novation.
- 2) Direct assignment transactions shall be subsumed as a special case of these guidelines.
- 3) Requirement of MRR for sale of loans has been done away with.
- 4) The price discovery process has been deregulated to be as per the lenders’ policy.
- 5) Stressed assets may be sold to any entity that is permitted to take on loan exposures by its statutory or regulatory framework.

- 6) Some of the existing conditions for sale of NPAs have been rationalized.
The comments on the draft frameworks are to be submitted latest by June 30, 2020.

III. PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (PFRDA)

1. Extension of timelines for activities under National Pension System (NPS) and NPS Lite-Swavalamban Scheme

PFRDA vide [Circular dated May 22, 2020](#) has extended the timeline for waiver of the compensation to be paid to subscribers by PoPs under NPS and NPS Lite guidelines on account of non-adherence to TATs from April 20, 2020 to June 30, 2020

IV. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

1. Framework for the Regulatory Sandbox

SEBI vide [Circular dated June 05, 2020](#) has introduced a framework for a regulatory sandbox, in which entities regulated by SEBI shall be granted certain facilities and flexibilities to experiment with FinTech solutions in a live environment and on a limited set of real customers for a limited time frame. The eligibility criteria for participants eligible for live testing includes the genuineness of innovation and testing.

2. Relaxations from certain provisions of the SEBI (ICDR) Regulations, 2018 in respect of Further Public Offer

SEBI vide [Circular dated June 09, 2020](#) has eased norms related to fast track further public offers, including reducing the minimum average market capitalization of public shareholding requirement. Certain temporary relaxations with respect to Regulation 155 of SEBI (Issue of Capital and Disclosure Requirements) (ICDR) Regulations, 2018 are extended as follows:

- 1) The required average market capitalization of public shareholding of the company concerned has been reduced to Rs 500 crore from Rs 1,000 crore.
- 2) Eligibility conditions for fast track FPO pertaining to period of compliance with the provisions of the listing regulations, ongoing action initiated by SEBI against the issuer/promoters/ directors and settlement of violation of securities laws have been relaxed.
- 3) The impact of audit qualifications, if any and where quantifiable, on the audited accounts of the issuer in respect of those financial years for which such accounts are disclosed, shall be appropriately disclosed and accounts accordingly restated, in the offer documents.
- 4) Further, for the qualifications wherein impact on the financials cannot be ascertained the same shall be disclosed appropriately in the offer documents.

These temporary relaxations are applicable for FPOs that open on or before March 31, 2021.

3. Extension of the time limit for submission of compliance certificate for the quarter ended March 2020

National Stock Exchange (NSE) vide [Circular dated June 01, 2020](#) has further extended the due date for submission of Quarterly Compliance Certificate for the quarter ended March 2020, till June 30, 2020. NSE in its earlier circular dated April 30, 2020 has requested the members to submit the compliance certificate for the quarter ended March 2020 confirming the status of compliance with requirements relating to “Limit setting at the time of order placement” on or before May 30, 2020. However, due to the situation arising out of the COVID-19 pandemic and extended lockdown period, the due date to submit the Quarterly Compliance Certificate for the quarter ended March 2020, has been further extended till June 30, 2020.

4. Relaxation in timeline for NCD/NCRPS/CPs

SEBI vide [Circular dated June 08, 2020](#) decided to extend the relaxation provided in the earlier [Circular dated March 23, 2020](#) for issuers who intend/propose to list their Non-Convertible Debentures (NCDs)/Non-Convertible Redeemable Preference Share (NCRPS) /Commercial Papers (CPs) for disclosure of financial results for another one month due to coronavirus pandemic.

V. INSURANCE

1. Extension of time limit applicable to Public Disclosures on websites

Insurance Regulatory and Development Authority of India (IRDAI) vide [Circular dated June 04, 2020](#) has extended the timeline for ensuring compliance with the directions regarding Public Disclosures on websites by insurers for the period ending March 31, 2020 for 30 days.

2. Requirement to obtain a Legal Entity Identifier (LEI)

IRDAI vide [Circular dated June 05, 2020](#) has mandated the insurers to obtain LEI on or before July 31, 2020. The insurers shall advise their existing corporate borrowers having total exposures of Rs. 50 crore and above, and have not obtained LEI till now, to obtain LEI and to provide the LEI information on or before June 30, 2020.

Further, the borrowers who do not obtain LEI, shall not be granted renewal/enhancement of credit facilities by the insurers and no new loan proposals shall be sanctioned by the insurers without LEI information. The insurers shall capture the LEI code of corporate borrowers in their records and specify the same while reporting the transactions executed with such corporate borrowers.

3. Modification of Guidelines on Product filing in Health Insurance Business

IRDAI vide [Circular dated June 11, 2020](#) has modified guidelines on health insurance product filing norms on proportionate deductions. The provisions of these guidelines shall be applicable to the health Insurance products filed as per Guidelines on Product Filing in Health Insurance Business on or after October 01, 2020. All policy contracts of the existing health insurance products that are not in compliance with these guidelines shall be modified as and when they are due for renewal from April 01, 2021 onwards.

As per the modified guidelines, cost associated with pharmacy & consumables, implants & medical devices, as well as diagnostics, shall no longer be a part of associate medical expenses. Insurers shall not recover any expenses towards proportionate deductions other than the defined 'associate medical expenses' while processing claims. Further insurers are not permitted to apply proportionate deduction for 'ICU charges' as different categories of ICU are not there. Insurers shall ensure that proportionate deductions are not applied in respect of the hospitals which do not follow differential billing or for those expenses in respect of which differential billing is not adopted based on the room category. This shall be clearly specified in the policy terms and conditions.

4. Guidelines on standardization of general clauses in Health Insurance Policy contracts

IRDAI vide [Circular dated June 11, 2020](#) has issued guidelines on standardization of general clauses in health insurance policy contracts under the IRDAI (Health Insurance) Regulations, 2016. These Guidelines are applicable to all General and Health Insurers offering indemnity-based Health Insurance (excluding PA and Domestic / Overseas Travel) products (both Individual and Group). The objective of these guidelines is to standardize the general terms and clauses incorporated in indemnity based Health Insurance [excluding Personal Accident and Domestic / Overseas Travel] products by simplifying the wordings of general terms and clauses of the policy contracts and ensure uniformity across the industry.

5. Health Insurance Policy to cover Telemedicine

IRDAI vide [Guidelines dated June 11, 2020](#) has advised insurers to allow telemedicine wherever consultation with a medical practitioner is allowed in the terms and conditions of policy contract. According to IRDAI, all general and health insurers, telemedicine offered should be in compliance with the telemedicine practice guidelines issued by Medical Council of India dated March 25, 2020. Further, IRDAI clarified that all policies shall cover telemedicine consultation service as part of the claim settlement of their policies.

6. Guidelines on Public Disclosures by Health Insurers

IRDAI vide [Guidelines dated June 10, 2020](#) has directed the general and health insurance providers registered with IRDAI rendering health services to disclose the

qualitative and quantitative parameters of the health service rendered to their policyholders.

As per the guideline, the insurers transacting health insurance business should disclose the turnaround time (TAT) for cashless claims for individual/group policies and number of policies and lives serviced along with the geographical area in which services are rendered by the company or its third-party administrators and settlement or repudiation of claims for individual/group/government policies. The insurers will also have to make public the data about the grievances received against TPAs.

The information shall be published within a period of 90 days from the close of every financial year. The third-party administrators shall provide the link of every insurance company where the said information is available. The Circular shall come into effect from March 31, 2020 and data for the FY 2019-20 shall be published by September 30, 2020 in the provided format.

VI. OTHERS

1. Further Revision in the criteria for classification of Micro, Small, and Medium enterprises

The Ministry of Micro, Small and Medium Enterprises vide [Notification dated June 01, 2020](#) has modified criteria for classification of micro, small and medium enterprises. As per the revised criteria, where the investment in Plant and Machinery or Equipment does not exceed Rs. 1 crore and turnover does not exceed Rs. 5 crores shall be classified as “Micro” and a company with an investment in Plant and Machinery or Equipment does not exceed Rs.10 crore and turnover does not exceed Rs. 50 crores shall be classified as “small”. A firm with investment up to Rs. 50 crore and turnover under Rs. 250 crores shall be classified as “medium”. This notification shall come into effect from July 01, 2020.

VII. LABOUR

1. Revision of Variable Dearness Allowances for Shops and Establishments in Tripura

The Tripura Labour Department vide [Notification dated March 21, 2020](#) has revised the Variable Dearness Allowance (VDA) for different categories of workers engaged in the employment of shops and establishments in Tripura which shall be payable with effect from April 01, 2019. The total minimum wages payable for skilled employees shall be Rs. 7,263 per month, for unskilled it shall be Rs 5,919 per month and for semi-skilled Rs. 6,495 per month.

2. Odisha Government orders weekend shutdown in 11 districts

The State Government of Odisha vide [Order dated June 02, 2020](#) has imposed Weekend Shutdown' on all Saturdays and Sundays for the month of June in 11 districts with relaxation only for emergency and public services. The government has decided to restrict the movement of people on weekends to tackle and contain the spread of infections at the community level. Offices, commercial establishments, bus service, local transport, and non-essential services will remain shut in the 11 districts on Saturdays and Sundays till June 30.

3. Revision of Minimum Wages for different categories of workers in Meghalaya

The Meghalaya Labour Department vide [Notification dated June 01, 2020](#) has revised the minimum wages payable to the employees under 29 schedule of employments from April 01, 2020. The revised wages shall be for Unskilled- Rs 338, Semi-skilled- Rs 383, Skilled- Rs 428 and Highly skilled- Rs 473

4. Guidelines on lockdown measures in Karnataka

Government of Karnataka vide [Order No. RD 158 TNR 2020 dated May 30, 2020](#) has issued guidelines on lockdown measures effective immediately and will be in force up to June 30, 2020.

5. Phased re-opening of all activities outside Containment Zones in Karnataka

Government of Karnataka vide [press release](#) has issued details pertaining to phased re-opening of all activities outside Containment Zones.

6. Extension of restriction in the territorial jurisdiction of the State of Tamil Nadu

Government of Tamil Nadu, Revenue and Disaster Management (DM-II) Department vide [Order No GO.Ms.No.262 dated May 31, 2020](#) has extended restriction in the territorial jurisdiction of the State of Tamil Nadu up to June 30, 2020.

7. Order for Movement of persons from other states to Karnataka

Government of Karnataka vide [order No. RD 158 TNR 2020 \(P1\) dated June 03, 2020](#) has issued order for regulating the movement of persons from other states to Karnataka.

8. Prohibition of Movement of Individuals in Puducherry

Government of Puducherry, District Magistrate vide [order dated May 31, 2020](#) has in exercise of powers vested under section 144 of Cr.PC has ordered prohibition of movement of individuals for non-essential activities between 9.00 P.M and 5.00 A.M. Any breach of this order shall invite action under section 188 of Indian Penal Code.

9. Protocol for Inter-State traveller to Karnataka during Phased Reopening (Unlock 01)

Government of Karnataka vide [Order No.158 TNR 2020 \(P1\) dated June 03, 2020](#) has issued protocol for Inter-State traveller to Karnataka during Phased Reopening (Unlock

01) which shall be followed by all incoming persons, establishments, transport agencies and government departments.

All shops, commercial establishments, offices, factories, malls, religious places, hotels, etc. are required to check for quarantine stamp on all their customers or visitors (at the back of their hand) before they enter the premises. They should not allow those with quarantine stamp to enter before the end of their quarantine period or till they get current Covid negative test report.

10. SOP on preventive measures to contain spread of COVID-19 in Andhra Pradesh

Government of Andhra Pradesh vide [G.O.RT No. 288 dated June 05, 2020](#) has issued SOP on preventive measures to contain spread of COVID-19 in

- a. Offices- Specific preventive measures for offices are
 - i. Entrance to have mandatory hand hygiene (sanitizer dispenser) and thermal screening provisions
 - ii. Only asymptomatic staff/visitors shall be allowed
 - iii. Routine issue of visitors/temporary passes should be suspended and visitors with proper permission of the officer who they want to meet, should be allowed after being properly screened
 - iv. Proper cleaning and frequent sanitization of the workplace, particularly of the frequently touched surfaces must be ensured
 - v. Number of people in the elevators shall be restricted, duly maintaining social distancing norms
 - vi. For air-conditioning/ventilation, the guidelines of CPWD shall be followed which inter alia emphasises that the temperature setting of all air conditioning devices should be in the range of 24-30oC, relative humidity should be in the range of 40-70%, intake of fresh air should be as much as possible and cross ventilation should be adequate.
 - vii. Detailed guidelines on the disinfection as already issued by Ministry of Health & Family Welfare as available on their website shall be followed
- b. Hotels and Other Hospitality Units- Specific preventive measures for Hotels and Other Hospitality Units are
 - i. Entrance to have mandatory hand hygiene (sanitizer dispenser) and thermal screening provisions
 - ii. Only asymptomatic staff and guests shall be allowed
 - iii. Staff should additionally wear gloves and take other required precautionary measures
 - iv. Hotels must adopt contactless processes like QR code, online forms, digital payments like e-wallet etc. for both check-in and check-out.
 - v. For air-conditioning/ventilation, the guidelines of CPWD shall be followed which inter alia emphasizes that the temperature setting of all air conditioning devices should be in the range of 24-30oC, relative humidity should be in the range of 40-

70%, intake of fresh air should be as much as possible and cross ventilation should be adequate.

- vi. In the kitchen, the staff should follow social distancing norms at workplace. Kitchens area must be sanitized at regular intervals.
- c. Restaurants- Specific preventive measures for Restaurants
 - i. Entrance to have mandatory hand hygiene (sanitizer dispenser) and thermal screening provisions
 - ii. Only asymptomatic staff and patrons shall be allowed
 - iii. All staff and patrons to be allowed entry only if using face cover/masks. The face cover/masks have to be worn at all times inside the restaurant.
 - iv. Staggering of patrons to be done, if possible
 - v. Disposable menus are advised to be used
 - vi. Instead of cloth napkins, use of good quality disposable paper napkins to be encouraged
 - vii. For air-conditioning/ventilation, the guidelines of CPWD shall be followed which inter alia emphasizes that the temperature setting of all air conditioning devices should be in the range of 24-30oC, relative humidity should be in the range of 40-70%, intake of fresh air should be as much as possible and cross ventilation should be adequate.
 - viii. Staff / waiters should wear mask and hand gloves and take other required precautionary measures
 - ix. Gaming Arcades/Children play areas (wherever applicable) shall remain closed.

11. SOP on preventive measures to contain spread of COVID-19 in Puducherry

Government of Puducherry vide [Order No. DCK/A1/COVID19/2020-21 dated June 06, 2020](#) has issued SOP on preventive measures to contain spread of COVID-19 in Hotels and Other Hospitality Units- Specific preventive measures for Hotels and Other Hospitality Units are

- i. Entrance to have mandatory hand hygiene (sanitizer dispenser) and thermal screening provisions
- ii. Only asymptomatic staff and guests shall be allowed
- iii. Staff should additionally wear gloves and take other required precautionary measures
- iv. Hotels must adopt contactless processes like QR code, online forms, digital payments like e-wallet etc. for both check-in and check-out.
- v. For air-conditioning/ventilation, the guidelines of CPWD shall be followed which inter alia emphasizes that the temperature setting of all air conditioning devices should be in the range of 24-30oC, relative humidity should be in the range of 40- 70%, intake of fresh air should be as much as possible and cross ventilation should be adequate.
- vi. In the kitchen, the staff should follow social distancing norms at workplace. Kitchens area must be sanitized at regular intervals.

12. Standard Operating Procedures (SOP's) in the State of Telangana

Government of Telangana vide [Order G.O.Ms.No.76 dated June 07, 2020](#) has issued Standard Operating Procedures (SOP's) for

- a. Restaurants- SOP shall be observed by managements of restaurants
 - i. Not more than 50% seating capacity shall be permitted for adequate social distancing.
 - ii. Disposable menus are advised
 - iii. Disposable paper napkins should be used instead of cloth napkins
 - iv. Waiters and other staff to wear mask/gloves
 - v. Furniture to be sanitized each time customer leaves
 - vi. Kitchen staff to follow social distancing; kitchens to be sanitized frequently

- b. Hotels- SOP shall be observed by managements of hotels
 - i. Details of guests (travel history, medical condition, etc.) along with ID and self-declaration form to be collected at reception
 - ii. Hand sanitizer must be available at reception
 - iii. Luggage to be disinfected before sending to room
 - iv. Rooms and other service areas to be sanitized each time a guest leaves

- c. In the event of a suspected or confirmed COVID 19 positive case occurring in any of the abovementioned premises, the following SOP shall be followed
 - i. Place the ill person in a room /area where they are isolated from others
 - ii. Provide a mask/face cover till he/she is examined by a doctor
 - iii. Immediately inform nearest medical facility or call state/district helpline
 - iv. Risk assessment by designated public health authority and further action initiated regarding management of case, contacts and disinfection.
 - v. Disinfection of the premises to be done if person is found positive

13. Extension of last date for deposition of Labour Welfare Fund (contribution only)

The Haryana Labour Welfare Board vide [Notification dated June 2, 2020](#) extends the last date for deposition of Labour Welfare Fund (contribution only) for the year 2019 up to June 30, 2020.

14. Restriction on opening of Eateries and Restaurants in Haryana

Haryana Government vide [notification June 2, 2020](#) states that all eateries and restaurants will not be allowed to provide dine-in services to general Public. They are allowed only for home deliveries and take away purposes from 9:00 A.M. to 7:00 P.M.

15. Directions for operators having bar license in Hotels, Clubs and restaurants

Office of the Commissioner Excise, Entertainment & Luxury Tax, Delhi vide [Order dated June 8, 2020](#) issues following directions prohibiting certain activities as follows:

- All bar licenses in Hotels, Clubs and Restaurants granted in the form of L-15/L-15F, L-16/L-16F, L-17/L-167F, L-18/L-18F, L-19/L-19F, L-20/L-20F, L-28/L-28F, L-29/L-29F licenses shall remain non-operational till further orders.
- All L-10 vends (located in shopping malls) are not allowed to open their shops without conducting MSR activity. After completion of MSR activity, the licensees shall submit a compliance report to AC (L-10), Excise Department along with the undertaking that the shop does not fall under the containment zone.
- All L-10 vends may open on a daily basis (except dry days) from 9:00 am to 8:00 pm.

16. Effective date of the Punjab Clinical Establishments (Registration & Regulation) Ordinance 2020

Department of Health and Family Welfare, Punjab [vide Notification dated May 20, 2020](#) appoints July 1, 2020 as the date on which the Punjab Clinical Establishments (Registration & Regulation) Ordinance 2020 shall come into force and the provisions of the said Ordinance shall be applicable on the clinical establishments having capacity of more than fifty beds.

17. List of facilities notified as Self paid or Government paid and rates fixed for the same

Government of Gurugram has [vide order dated May 28, 2020](#) notified the facilities which will be self-paid or government paid and has fixed the rates to be paid for the same.

18. Industrial Employment (Standing Orders) Punjab (Amendment) Rules, 2020

Labour Department, Chandigarh [vide draft notification dated June 3, 2020](#) publishes the Industrial Employment (Standing Orders) Punjab (Amendment) Rules, 2020

19. Additional restrictions/guidelines to be applicable Jalandhar (Punjab)

State Government, Jalandhar (Punjab) [vide notification dated June 6, 2020](#) states additional restrictions/guidelines to be followed in addition to Central guidelines issued by Ministry of Health & Family Welfare [vide notification dated June 4, 2020](#). Following are the key points:

- Every person entering a mall should have COVA app installed on their phone.
- Restaurants/ food courts shall not operate in any of the malls except for takeaway/home-delivery.
- Timing for shopping malls shall be 7am to 7pm.
- Hotels restaurants shall remain closed and food shall be served only in rooms for hotel guests.

20. Goa Labour Department issues Self Certification Scheme for Factories

The [Goa Labour Department on May 21, 2020](#), issues Self Certification Scheme for the Factories covered under the Factories Act, 1948 and the Rules made there under, which shall come into force immediately.

- The objective of this scheme is to:
 - i. Reduce visits of the Inspectors for inspection of factories without compromising on safety, health, and welfare of workers.
 - ii. Remove the requirement of maintaining various registers and submission of returns in hard format on periodical basis; and
 - iii. Achieve the objective of simplifying business regulations and to bring in transparency and accountability in inspections.
 - iv. Provide an integrated platform for online submission of returns by an Occupier and Manager through a web-based portal.
 - v. Applicability: All the factories registered under either section 2(m) (i) or section 2(m) (ii) of the Factories Act, 1948, which defines factories or covered under section 85 which specifies the power of the State Government to apply the Act to certain premises, except for the factories categorized as “major accident hazards (MAH) installations” as defined under the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
- The scheme is voluntary in nature and therefore the factory may exercise the option of joining the scheme.
- The Scheme shall be valid for five calendar years including the calendar year in which the scheme has been opted for. It can be renewed for further five calendar years.
- The occupier/manager of the factory shall file the Returns in online mode through Goa Online e-District portal. Further, the registered factories under the scheme will maintain certain registers in soft format like Record of lime washing, painting; Humidity Register; Register of Compensatory Holidays; Overtime muster roll for exempted workers; Register of adult workers; Register of child workers; Register of leave with Wages; Leave Book; Nomination for Payment of Wages due for period of leave with wages in the event of death of worker; Muster Roll; Register of accidents and dangerous occurrences; Inspection Book.

21. Maharashtra Municipal Corporation ease the restrictions and Phase-wise opening of Lockdown

The [Maharashtra Revenue Department and Forest, Disaster Management on May 31, 2020](#), extends the lockdown in the entire State of Maharashtra further till midnight of June 30, 2020.

- Maharashtra issues directions to extend the lockdown, with amendments to operationalize MISSION BEGIN AGAIN for easing of restrictions and phase-wise opening, till June 30, 2020 for containment of COVID-19 epidemic in the State
 - a. Night Curfew: The movement of individuals will remain strictly prohibited between 9pm to 5am except for essential activities.

- b. Containment Zones will be demarcated by Municipal / District Authorities. In containment zones, only essential activities will be allowed
- c. Easing of restrictions and phase wise opening:
 - i. Phase I – With effect from June 03, 2020:
 - A. Individuals physical exercises will be permitted on public open spaces between 5am to 7pm by following social distancing.
 - B. Activities related to self-employed people with social distancing norms and usage of masks and sanitization. Garages to mend vehicles and workshops with prior appointments.
 - C. All Government offices will function at 15% strength or minimum 15 employees whichever is more.
 - ii. Phase II - With effect from June 05, 2020:
 - A. All markets, market areas and shops, except malls and market complexes, are allowed to function on P1-P2 basis from 9am to 5om with certain conditions like trial rooms will not be permitted, ensures social distancing, people are advised to use nearby markets. If there is any failure of social distancing, then authorities will immediately close such shops / markets.
 - B. Movement of people is allowed through Taxi/Cab/aggregator; Rickshaw; Four-Wheeler; Two-wheeler.
 - iii. Phase III – With effect from June 08, 2020:
 - A. All private offices can operate with up to 10% strength as per requirement, with remaining persons working from home.
- The following activities will remain prohibited across the state:
Schools, colleges, educational, training, coaching institutions; International air travel; Metro rail; Passenger movement by trains and domestic air travel; Cinema halls, gymnasiums, swimming pools, parks, bars and similar places; large congregations; Barber shops, Spas, Saloons; Shopping malls, Hotels, Restaurants and other Hospitality services.
- a. Easing of restrictions and opening of these activities will be done in phased manner along with Standard Operating Procedures / Guidelines.
- b. Aarogya Setu App should be installed by every individual with a view to ensure safety.
- Any person violating these measures will be liable to be proceeded against as per the provisions of Disaster Management Act, 2005 besides legal action under Indian Penal Code, and other legal provisions as applicable.

VIII. TAX

1. **Validity of E-way bill generated on or before March 24, 2020 and expiring on or after March 20, 2020 extended till June 30, 2020**

Central Board of Indirect Taxes and Customs (CBIC) vide [Notification No. 47/2020 dated June 09, 2020](#) has notified that the validity of an e-way bill generated on or before

March 24, 2020 and whose validity has expired on or after March 20, 2020 shall be deemed to have been extended till June 30, 2020.

2. Extension in time limit for issuance of refund order

CBIC has vide [Notification No. 46/2020 dated June 09, 2020](#) has notified that cases where notice for rejection of refund claim has been issued, in full or in part, and time limit to issue order falls during the period from March 20, 2020 to June 29, 2020, then the time limit to issue the refund order shall be extended to 15 days after the receipt of reply to the notice from the registered person or June 30, 2020, whichever is later.

3. Transition date in GST due to merger of erstwhile UTs of Daman & Diu and Dadra & Nagar Haveli extended till 31-7-2020

CBIC has vide [Notification No. 45/2020 dated June 09, 2020](#) has provided that the transition procedure prescribed by to ascertain tax period, to transfer ITC and taxes for persons whose place of business was in the erstwhile Union territory of Daman and Diu or in the Union territory of Dadra and Nagar Haveli till January 26, 2020 and is in the merged Union territory of Daman and Diu and Dadra and Nagar Haveli from February 27, 2020 onwards, has now been extended to July 31, 2020.

4. Furnishing of Return by Short Messaging Service Facility

CBIC vide [Notification No. 44/2020 – Central Tax dated June 08, 2020](#) has appointed June 08, 2020 as the date from which the provisions of rule 3 (relating to Manner of furnishing of return by short messaging service facility) of the Central Goods and Services Tax (Fifth Amendment) Rules, 2020, made vide [notification No. 38/2020 – Central Tax, dated May 05,2020](#) shall come into force.

5. Income-tax (12th Amendment) Rules, 2020

Central Board of Direct Taxes (CBDT) vide [Notification no. 31/2020 dated May 29, 2020](#) has issued Income-tax (12th Amendment) Rules, 2020. CBDT vide this notification has notified Form-Sahaj (ITR-1), Form ITR-2, Form ITR-3, Form Sugam (ITR-4), Form ITR-5, Form ITR-6, Form ITR-7 and Form ITR-V.

6. Direct tax reforms

CBDT vide [Press Release date June 07, 2020](#) has issued details pertaining to recent direct tax reforms.

7. Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws

CBIC vide [Circular No. 138/08/2020-GST dated June 06, 2020](#) has issued clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws, including clarification that the due date of furnishing of

FORM GST ITC-04 for the quarter ending March, 2020 stands extended up to June 30, 2020.

8. Clarification in respect of levy of GST on Director's remuneration

CBIC vide [Circular No: 140/10/2020 – GST](#) dated June 10, 2020 has clarified in respect of levy of GST on Director's remuneration.

The issue of remuneration to directors has been examined under following two different categories:

- i. Leviability of GST on remuneration paid by companies to the independent directors defined in terms of section 149(6) of the Companies Act, 2013 or those directors who are not the employees of the said company- It is clarified that the remuneration paid to such independent directors, or those directors, by whatever name called, who are not employees of the company, is taxable in hands of the company, on reverse charge basis
- ii. Leviability of GST on remuneration paid by companies to the whole-time directors including managing director who are employees of the said company- It is clarified that
 - a. The part of Director's remuneration which are declared as "Salaries" in the books of a company and subjected to TDS under Section 192 of the IT Act, are not taxable being consideration for services by an employee to the employer in the course of or in relation to his employment in terms of Schedule III of the CGST Act, 2017, and
 - b. The part of employee Director's remuneration which is declared separately other than "salaries" in the Company's accounts and subjected to TDS under Section 194J of the IT Act as Fees for professional or Technical Services shall be treated as consideration for providing services which are outside the scope of Schedule III of the CGST Act, and is therefore, taxable. Further, in terms of notification No. 13/2017 – Central Tax (Rate) dated 28.06.2017, the recipient of the said services i.e. the Company, is liable to discharge the applicable GST on it on reverse charge basis.

9. Clarification on refund related issues

CBIC vide [Circular No. 139/09/2020-GST dated June 10, 2020](#) has clarified that the treatment of refund of ITC relating to imports, ISD invoices and the inward supplies liable to Reverse Charge (RCM supplies) will continue to be same as it was before the issuance of [Circular No. 135/05/2020-GST dated March 31, 2020](#).

IX. HEALTHCARE

1. SOP on preventive measures to contain spread of COVID-19 in offices

Ministry of Health & Family Welfare (MoHFW) [vide notification dated June 4, 2020](#) provides few preventive measures as follows to contain spread of COVID-19 in offices in addition to the previous preventive measures published vide [notification dated May 18, 2020](#):

- Offices in containment zones shall remain closed except for medical & essential services. Only those outside containment zones will be allowed to open.
- Any officer and staff residing in the containment zone should inform the supervisory officer and not attend the office till the containment zone is denotified. Such staff should be permitted to work from home and it will not be counted as leave period.
- Routine issue of visitors/temporary passes should be suspended and visitors with proper permission of the officer who they want to meet, should be allowed after being properly screened.
- For air-conditioning/ventilation, the guidelines of CPWD shall be followed which inter alia emphasises that the temperature setting of all air conditioning devices should be in the range of 24-30oC, relative humidity should be in the range of 40- 70%, intake of fresh air should be as much as possible and cross ventilation should be adequate.

2. SOP on preventive measures in Hotels and Other Hospitality Units to contain spread of COVID-19

MoHFW [vide notification dated June 4, 2020](#) provides preventive measures to contain spread of COVID-19 in Hotels and Other Hospitality Units. Following are the key measures:

- Only asymptomatic staff and guests shall be allowed.
- Number of people in the elevators shall be restricted, duly maintaining social distancing norms. Use of escalators with one person on alternate steps may be encouraged.
- Details of the guest (travel history, medical condition etc.) along with ID and selfdeclaration form must be provided by the guest at the reception.
- Hotels must adopt contactless processes like QR code, online forms, digital payments like e-wallet etc. for both check-in and check-out.
- Luggage should be disinfected before sending the luggage to rooms.
- Guests should be advised not to visit areas falling within containment zone
- Room service or takeaways to be encouraged, instead of dine-in. Food delivery personnel should leave the packet at guest or customer's door and not handed directly to the receiver. The staff for home deliveries shall be screened thermally by the hotel authorities prior to allowing home deliveries.
- For room service, communication between guests and in-house staff should be through intercom/ mobile phone and room service (if any) should be provided while maintaining adequate social distance

3. Safety and Hygiene guidelines for tourism sector (hotels, resorts, restaurants, and other hospitality establishments in Andhra Pradesh

Andhra Pradesh Tourism Department [vide notification dated June 8, 2020](#) issues COVID-19 Safety and Hygiene Guidelines for Tourism Sector in addition to Central guidelines issued by Ministry of Health & Family Welfare [vide notification dated June](#)

[4, 2020](#) to provide preventive measures to contain spread of COVID-19 in Hotels and Other Hospitality Units. Following are the key points:

- Staffs are requested to remain at home under medical supervision, in case they are sick and have any symptoms of flu
- Alternate methods to be devised for staff to mark attendance at the hotel / restaurant; could use QR code method.
- Uniform exchange daily should be the norm. Uniforms will need to be sanitized properly; steam press or heat iron can be used
- Employees must be well-informed about all COVID related operating SOPs
- Visitors to the hotels should not be allowed.
- CCTV cameras must be fully function.
- Hotels must adopt contactless processes like QR code, online forms, digital payments like e-wallet etc. for both check-in and check-out. Interaction at reception with guests should be avoided as much as possible.
- ArogyaSetu app survey will be recommended to all guests.

X. MUNICIPAL

1. Extension in due date for payment of Property tax and Trade licenses till June 30, 2020

Government of Tamil Nadu vide [Notification No.G.O \(D\) No.141, dated April 23, 2020](#) has extended the last date for payment of property tax and renewal of trade license to June 30, 2020 without attracting any late payment charges or fines, in the view of spread of Novel CoronaVirus.

2. Extension in due date for payment of Property Tax, Entertainment tax, renewal of various licenses till June 30, 2020

The Government of Kerala vide [Notification No.1062/2020, dated June 05, 2020](#) has extended the last date for payment of property tax renewal of various licenses including trade license and payment of entertainment tax to June 30, 2020 without any fine, in the view of spread of Novel CoronaVirus.

XI. PROPERTY

1. Relaxation Maharashtra Real Estate Regulatory Authority (Maha-RERA)

Maha-RERA vide [Order No.14/2020 date May 18, 2020](#) has extended the due date period of 6 months from March 14, 2020 to September 14, 2020 due to Lockdown. To safeguard the interest of all stakeholders including home buyers, CAC after detailed deliberations made unanimous recommendation to invoke the 'force majeure' clause by Real Estate Regulatory Authorities to extend the registration of projects registered

under RERA. Accordingly, Ministry of Housing and Urban Affairs (MoHUA) has advised all state RERAs on the following points:

- Extend the registration automatically by 6 months due to outbreak of covid-19 (Corona Virus), which is a calamity caused by nature and is adversely affecting regular development of real estate projects by invoking force majeure.
- Regulatory Authorities may, on their own discretion, consider to further extend the date of completion as per registration for another period up to 3 months, depending on the situation in their respective State or any part thereof.
- Regulatory Authorities may extend concurrently the timelines of all statutory compliances.

Accordingly, in keeping with the advisory of Government of India and in exercise of the powers under section 37 read with Section 34(a), 34(f) and 34(g), a force majeure period of six months is being invoked and the following directions are issued with immediate effect:

- 1) For further extension beyond the aforesaid 6 months, for adversely affected projects, concerned promoters will have to apply in accordance with provisions of Section 6. MahaRERA may at its discretion waive the fee for such extension due to force majeure in accordance with rule 7 of Maharashtra Real Estate Registration Rules, 2017.
- 2) The time limits for compliances under Section 11, which become due anytime during force majeure period, stand automatically extended for a period till the expiry of force majeure period.
- 3) The Force Majeure period will be treated as a “moratorium period” for the purpose of calculating interest under section 12, 18 19(4) and 19(7) of the Act.
- 4) The work of registration of sale documents has been adversely affected due to non-functioning of the offices of the Sub-Registrar. Therefore, any registration of agreement for sale, which becomes due during the force majeure period under Section 13 of the Act, can be registered in a period extending till the expiry of force majeure period.
- 5) The dates of possession mentioned in already registered agreements for sale, shall be deemed to be extended by the Force Majeure period.
- 6) Due to non-functioning of the concerned offices, the work of transfer of title and conveyance has been adversely affected. Therefore, any compliance under Section 17 that becomes due during the Force Majeure period is allowed to be completed in a period extending till the expiry of the force majeure period.

2. Revised due date extension of Project and Complaints Hearing, in K-RERA

K-RERA vide [Circular No. K-RERA/Secy/04/2019-20 dated May 19, 2020](#) has decided to further extend the project completion date and project registration date from March 15, 2020 to September 15, 2020. Ministry of Housing and Urban Affairs (MoHUA) has advised all state RERAs on the following points.

- 1) For all K-RERA registered projects where completion date, revised completion dates are extended or expires on March 15, 2020 there period of validity of registration of

such projects is hereby extended by six months by invoking “Force Majeure clause .KRERA shall accordingly issued project registration certificates, with revised timelines or such projects, at the earliest. Project promoters are not required to submit extension applications in respect of such projects.

- 2) The time limits of all statutory compliances in accordance with the real Estate (Regulation and Development) Act 2016 and the rules and regulations made thereunder, which were due by March 15, 2020 to September 15, 2020.
- 3) All complaint cases listed for hearing up to April 14, 2020 before the KRERA, have been adjourned and the next dates of hearing in each case will be posted on the websites of the authority shortly. However, cases of urgent in nature shall be considered for having, either in person and through “Skype” to avoid gathering of litigants/ lawyers/ visitors.

XII. FOOD SAFETY

1. Launch of Food Safety and Compliance System (FoSCoS) and Modification of License by existing FSSAI licensed manufacturers upon launch of FoSCoS-reg

Food Safety and Standards Authority of India (FSSAI) [vide Notification No. 15 \(31\)2020/FoSCoS/RCD/FSSAI dated May 28, 2020](#) launches Food Safety and Compliance System (FoSCoS) to replace the existing Food Licensing and Registration System (FLRS). Key features of FoSCoS are as follows:

- To provide one point stop for all engagement of a Food Business Operator with the department for any regulatory compliance transaction.
- For start, FoSCoS will be offering licensing, registration, inspection and annual return modules.
- Licensing of manufacturers will be based on standardized product lists.
- For the initial launch of FoSCoS on June 1, 2020, States of Tamil Nadu, Gujarat, Goa, Delhi, Odisha, Manipur, Chandigarh, Puducherry and Ladakh have been selected.
- Users can login into FoSCoS with the same user-IDs and passwords as in FLRS. Further, FSSAI [vide Notification No. 15 \(31\)2020/FoSCoS/RCD/FSSAI dated May 28, 2020](#) states the key features of the selection based approach for Standardised Products while applying for FSSAI License (only for Manufacturers/Processors) which are as below:
 - Manufacturers (including re-packer, re-labeller) of food products will have to select a standardized product only out of a list provided on the licensing platform. In case of any category not falling under standardized product, FBO will have to apply under Proprietary Food, Non-specified food or Supplements/Nutraceuticals.
 - Licensing for all kinds of business other than manufacturer, such as catering (food services), transporter, wholesaler, storage, e-Commerce etc. will continue to be on the basis of broad food product categories.



- Category 99 is a residual category for licensing purposes for products such as additives/processing aids/enzymes etc.
- A new category 100 is being created only for the purpose of licensing, wherein standardized products do not have a food category system mapped.
- A manufacturer of Ready to eat Savouries and Prepared Food needs to take central license under Proprietary Food Category

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