



LEGAL UPDATE

March 2021 - PART I

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I. MINISTRY OF CORPORATE AFFAIRS (MCA)

1. Companies (Management and Administration) Amendment Rules, 2021

Ministry of Corporate Affairs (MCA) [vide notification F.No. 01/34/2013 CL-V \(Pt-II\) dated March 05, 2021](#) has issued Companies (Management and Administration) Amendment Rules, 2021 to amend Companies (Management and Administration) Rules, 2014. Key provisions of amendments are:

- (a) Substituted Rule 11 (1) to prescribe new e- form MGT-7A (Abridged Annual Return) for One Person Company (OPC) and Small Companies from financial year 2020-21 onwards (e- form MGT-7 except OPC and small companies).
- (b) Substituted Rule 12 to prescribe filing of annual return with Registrar with such fees as may be specified and done away with annexing extract of Annual Report in the Board's Report.
- (c) For the purpose of Rule 20 of the Companies (Management and Administration) Rules, 2014 (Voting Through Electronic Means) provided explanations for 'agency', 'cut-off date', 'cyber security', 'electronic voting system', 'remote e-voting system,' 'secure system', 'voting by electronic means'.

2. Companies (Incorporation) Third Amendment Rules, 2021

Ministry of Corporate Affairs (MCA) [vide notification dated March 05, 2021 has issued Companies \(Incorporation\) Third Amendment Rules, 2021](#) to amend Companies (Incorporation) Rules, 2014, prescribing amendment to Form INC -35 AGILE-PRO enabling Aadhaar authentication for GSTIN registration.

3. Revision of notes part in form 10 by NSDL

National Securities Depository Limited (NSDL) [vide circular no. NSDL/CIR/II/4/2021 dated March 03,2021](#) has revised the notes part in Form 10 for Nomination/ Cancellation of Nomination, of Business Rules.

II. SECURITY AND EXCHANGE BOARD OF INDIA (SEBI)

1. SEBI has issued the Master Circular on Surveillance of Securities Market

SEBI [vide Master Circular dated March 01, 2021](#) has integrated at one place various circulars which are operational as on date of issue of the circular. The circular complies some of the vital notifications related to trading rules and shareholding in dematerialized mode.

2. SEBI has issued additional Guidelines for votes cast by Mutual Funds

SEBI [vide circular SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05,2021](#) has made vital additions in guidelines for vote cast by Mutual Funds which are effective from April 01, 2021. Following additions have been prescribed in the said guidelines:

A. Mutual Funds including their passive investment schemes like Index Funds, Exchange Traded Funds etc. shall be required to cast votes compulsorily in respect of the following resolutions:

1) Matters mentioned at Para no.4(iii) of SEBI Circular SEBI/IMD/CIR No 18/198647 /2010 dated March 15, 2010 i.e

- i. Corporate governance matters, including changes in the state of incorporation merger and other corporate restructuring, and anti-takeover provisions.
- ii. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
- iii. Stock option plans and other management compensation issues.
- iv. Social and corporate responsibility issues.
- v. Appointment and Removal of Directors.
- vi. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.

2) Related party transaction of the investee companies (excluding own group companies)

B. SEBI has mandated Mutual funds to vote on resolution not mentioned above with effect from April 01,2022.

3. Rollout of Legal Entity Template by SEBI

SEBI [vide circular SEBI/HO/MIRSD/DOP/CIR/P/2021/31 dated March 10,2021](#) has rollout KYC template of Legal Entity (LE). The KYC record of LE accounts has to be uploaded to Central KYC Record Registry(CKYCR) by Registered Intermediaries (RI). The provision of this circular is not applicable to Foreign Portfolio Investors (FPIs).

III. INSURANCE

1. IRDAI issued consolidated link of various regulations

Insurance Regulatory and Development Authority of India (IRDAI) [on March 08, 2021](#) has issued at one place various link of all the regulations related to subjects (e.g. Health, TPA, Advt etc.) for the benefit of regulated entities.

IV. LABOUR

1. Draft Social Security (Bihar) Rules, 2021

The Bihar Government [vide Notification No. S.O. 82 dated March 1, 2021](#) issued the draft rules of The Social Security (Bihar) Rules, 2021 under the Code on Social Security, 2020. This draft rule will supersede the following:

- i. Bihar Maternity Benefit Rules, 1964
- ii. Bihar Payment of Gratuity Rules, 1972.
- iii. Bihar Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2005, and
- iv. Bihar Unorganized Workers Social Security Rules, 2015

2. Self-Certification Scheme for factories in Rajasthan

The Rajasthan Government [vide Notification dated February 24, 2021](#) issued the self-certification scheme for factories under ease of doing business.

3. Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Odisha Amendment Rules, 2020

The Odisha Government [vide Notification dated January 29, 2021](#) issued the Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Odisha Amendment Rules, 2020 to amend the Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Odisha Rules, 1980. As per the amendment, Rule 15(2) has been substituted where the application shall be made in Form IX electronically not less than thirty days before the date on which the license expires, and if the application is so made, the license shall be deemed to have been renewed.

4. Draft Code on Wages Karnataka Rules, 2021

The Karnataka Government [vide Notification No. No: E- LD 157 LET 2020 \(P-1\) dated March 2, 2021](#) issued the draft rules of Code on Wages Karnataka Rules, 2021 under the Code on Wages, 2019. The said rules will repeal the following:

- The Minimum Wages (Karnataka) Rules, 1958
- Payment of Wages (Karnataka) Rules, 1963
- Equal Remuneration (Karnataka) Rules, 1976
- Payment of Bonus (Karnataka) Rules, 1965

Objections and suggestions, if any, may be addressed to the Additional Chief Secretary to Government, Department of Labour, Room No 414, Fourth Floor, Vikasa Soudha, Bengaluru-1.

5. Transgender Persons (Protection of Rights) Act, 2019 adopted in Goa

The Government of Goa [vide Notification dated March 4, 2021](#) has published the Transgender Persons (Protection of Rights) Act, 2019 (Central Act No. 40 of 2019), which has been passed by Parliament and circulated for general information of the public.

6. Third Party Certification under various labour laws in Rajasthan

The Rajasthan Government [vide Notification dated March 4, 2021](#) issued the third party certification scheme under various labour laws in Rajasthan to promote ease of doing business.

7. Draft Madhya Pradesh Social Security Code Rules, 2020

The Madhya Pradesh Government [vide Notification No. S.No.330/1856/2020/A-16 dated March 1, 2021](#) issued the draft rules of Madhya Pradesh Social Security Code Rules, 2020 under the Code on Social Security, 2020. This draft rule will supersede the following:

- i. Madhya Pradesh Workmen's Compensation Rule, 1962
- ii. Madhya Pradesh Maternity Benefit Rules, 1965
- iii. Payment of Gratuity (Madhya Pradesh) Rules, 1973
- iv. Madhya Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rule, 2002

8. Puducherry Factories (Amendment) Rules, 2020

The Puducherry Government [vide Notification dated February 26, 2021](#) issued the Puducherry Factories (Amendment) Rules, 2020 to amend Puducherry Factories Rules, 1964.

9. Haryana State Employment of Local Candidates Act, 2020

The Haryana Government [vide Notification dated March 2, 2021](#) issued the Haryana State Employment of Local Candidates Act, 2020. Key features of the Act are as follows:

- This Act applies to all the Companies, Societies, Trusts, Limited Liability Partnership firms, Partnership Firm and any person employing ten or more persons and an entity, as may be notified by the Government, from time to time.
- Every employer shall, register such employees receiving gross monthly salary or wages not more than fifty thousand rupees or as notified by the Government, from time to time, on the designated portal, within three months of coming into force of this Act.
- Every employer shall employ seventy-five percent of the local candidates with respect to such posts where the gross monthly salary or wages are not more than fifty thousand rupees or as notified by the Government.
- The employer may claim exemption from the requirement of employing seventy-five percent of the local candidates, where adequate number of local candidates of the desired skill, qualification or proficiency are not available.
- Every employer shall furnish a quarterly report of the local candidates employed and appointed during that quarter on the designated.

10. Draft Uttar Pradesh Code on Social Security Rules, 2021

The Uttar Pradesh Government [vide Notification No. 1560/XXXVI-3-2020-104\(Sa\)/2020 dated March 3, 2021](#) issued the draft rules of the Uttar Pradesh Code on Social Security Rules, 2021 under the Code on Social Security, 2020. This draft rule will supersede the following:

- The Uttar Pradesh Workmen’s Compensation Rules, 1975
- The Uttar Pradesh Workmen’s Compensation (Occupational Diseases) Rules, 1964
- The Uttar Pradesh Maternity Benefit Rules, 1983
- The Uttar Pradesh Payment of Gratuity Rules, 1975
- The Uttar Pradesh Building and Other Construction (Regulation of Employment and Conditions of Service) Rules, 2009; and
- The Uttar Pradesh Unorganized Workers Social Security Rules, 2016

11. Draft Uttar Pradesh Code on Wages Rules, 2021

The Uttar Pradesh Government [vide Notification No. 1505/XXXVI-3-2020-103\(Sa\)/2020 dated February 25, 2021](#) issued the draft rules of the Uttar Pradesh Code on Wages Rules, 2021 under the Code on Wages, 2019.

12. Draft Uttar Pradesh Industrial Relation Rules, 2021

The Uttar Pradesh Government [vide Notification No. 205/36-2-2021-14\(G\)/2020 dated February 18, 2021](#) issued the draft rules of the Uttar Pradesh Industrial Relation Rules, 2021 under the Industrial Relations Code, 2020. This draft rule will supersede the following:

- Uttar Pradesh Industrial Employment (Standing Orders) Rules, 1946
- Uttar Pradesh Trade Union Regulation, 1927
- The Industrial Disputes (Uttar Pradesh) Rules, 1976

V. HEALTH & SAFETY

1. Guidelines for prevention of spread of COVID-19

The Chhattisgarh Government [vide Notification dated February 25, 2021](#) issued the guidelines to be followed to prevent the spread of COVID-19. The government has also specified the fine to be charged for violating social distancing norms and for not wearing mask/face cover in public places.

2. Mandatory RT-PCR test for people travelling from certain states to Rajasthan

The Rajasthan Government [vide Notification dated march 6, 2021](#) mandates RT-PCR test for people travelling from Maharashtra, Kerala, Gujarat, Punjab, Haryana and Madhya Pradesh to Rajasthan.

VI. FOOD & SAFETY

1. Food Safety and Standards (Food Products Standards and Food Additives) First Amendment Regulations, 2021

FSSAI [vide Notification No. F. No. 1-116/Scientific Committee/Notif.27/2010-FSSAI\(E\) dated March 4, 2021](#) issued the Food Safety and Standards (Food Products Standards and Food Additives) First Amendment Regulations, 2021 to amend the Food

Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011.

VII. ENVIRONMENT

1. **Revised Consent Fee for Establishment and Consent Fee for Operation under Water (Prevention and Control of Pollution) Act, 1974 and The Air (Prevention and Control of Pollution) Act, 1981**

The Andhra Pradesh Pollution Control Board (APPCB) [vide Notification dated February 26, 2021](#), has revised the Consent Fee for Establishment and Consent Fee for Operation -Fresh/Renewal of Consent for Industries/other projects, activities, facilities etc., (other than Oil & Gas Sector and Mining Projects) under Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981.

2. **Guidelines for Design and location of Sewage Treatment plants (STPs)**

The Karnataka State Pollution Control Board (KSPCB) [vide Office Memorandum dated March 01, 2021](#), has framed Guidelines for Design and location of Sewage Treatment plants (STP) that are mandatorily to be followed by:

1. Apartments with 20 Units and above or having a total built up area of 2,000 square meter including basement,
2. Commercial constructions Projects (Commercials Complexes, office, IT related activities etc.) with total built up area of 2000 Square meter and above,
3. Educational Institutions with or without Hostel facility having total built up area of 5.000 square meter and above and
4. Townships and Area Development Projects with an area of 10 acres and above shall install STP.

The Guidelines mainly cover the following points:

1. Sewage Treatment Plant Technologies
2. Unit operation details for the above Technologies
3. Mechanical Equipment Specifications Guidelines
4. Location of STP
5. Treated Sewage Standards
6. Installation of Sensors
7. Usage of Treated Sewage
8. Caution Board at STPs
9. Adoption of Modular Based approach
10. Plan Sanctions.

VIII. TAX

1. Direct Tax Vivad se Vishwas Act

Central Board of Direct Taxes ('CBDT') vide [Notification No. 09/2021 dated February 26, 2021](#) has extended the due dates for declaration and making payments under the Direct Tax Vivad se Vishwas Act.

2. Extension of due date for assessment or reassessment under the Income-tax Act

CBDT vide [Notification No. 10/2021 dated February 27, 2021](#) has extended the due date for assessment or reassessment under the Income-tax Act, as under
Date for passing of assessment or reassessment orders under the Income Tax Act 1961, that are getting time barred on March 31, 2021 due to extension of limitation date by the [notification dated December 31, 2020](#) has been extended to April 30, 2021.
Date for passing assessment or reassessment orders, that are getting time barred on March 31, 2021 and are not covered in i. above, as per time limit specified in section 153 / 153B of the Income-tax Act, has been extended to September 30, 2021.

3. Income-tax (1st Amendment) Rules, 2021

CBDT vide [Notification No. 11 /2021 dated March 05, 2021](#) has issued Income-tax (1st Amendment) Rules, 2021 to prescribe rules for determination of Annual accretion referred to in sub-clause (vii) of clause (2) of section 17 of the Income-tax Act, 1961

4. Income-tax (2 nd Amendment) Rules, 2021

CBDT vide [Notification No. 13/2021 dated March 09, 2021](#) has issued Income-tax (2nd Amendment) Rules, 2021 to amend rule 10V of the Income-tax Rules, 1962 (Guidelines for application of section 9A of the Income-tax Act, 1961).

5. Extension in time limit for filing annual return under CGST Act, 2017 for the financial year 2019-20

Central Board of Indirect Taxes and Customs ('CBIC') vide [Notification No. 04/2021 – Central Tax dated February 28, 2021](#) has extended the time limit for furnishing of the annual return specified under section 44 of the Central Goods and Services Tax Act, 2017 read with rule 80 of Central Goods and Services Tax Rules, 2017, electronically through the common portal, for the financial year 2019-20 till March 31, 2021.

6. GST e-Invoicing

CBIC vide [Notification No. 05/2021 – Central Tax dated March 08, 2021](#) has implemented e-invoicing for the taxpayers having aggregate turnover exceeding Rs. 50 Cr or more effective from April 01, 2021.

7. Module wise new functionalities deployed on the GST Portal

CBIC vide [new and updates dated March 09, 2021](#) has provide information pertaining to new functionalities are implemented on the GST Portal

8. Kerala Financial Code

Government of Kerala vide [Government Order G.O. \(P\) No. 46/2021/Fin. Dated March 02, 2021](#) has amended to Kerala Financial Code, Volume I, to insert Article 209A pertaining to Surprise Inspections, authorizing Finance Inspection (Non Technical) Wing to be a competent authority to conduct inspections in Local Self Government Institutions, all types of statutory Boards, Universities, Autonomous Institutions, PSUs, Co-operative Institutions, Grant-in-aid Institutions, any Authority or Firm financed by grants, loans or advances of any kind from the Consolidated Fund of the State or in any other institutions in receipt of any Central Government assistance/the State Government hold equities or Self-Financing Institutions established by the State Government. The amendments shall be deemed to have come into force on May 14, 2020

IX. OTHERS

1. Amendment to notification issued by, Ministry of Micro, Small and Medium Enterprises

Ministry of Micro, Small and Medium Enterprises vide [Notification dated March 05, 2021](#) has made following amendments in the [notification number S.O. 2119 \(E\), dated the June 26, 2020](#) to prescribe

For Calculation of turnover- Exemption from the requirement of having GSTIN as per the provisions of the Central Goods and Services Tax Act, 2017

Registration process- In case of any proprietorship enterprise not registered under any Act or rules of the Central Government or the State Government, the proprietor may use his or her PAN for registration of the enterprise in the Udyam Registration portal and for all other types of enterprises PAN shall be mandatory.

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