



# COMPLIANCE UPDATE

January, 2021 – February, 2021

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## Companies Act, 2013

The Ministry of Corporate Affairs (MCA) has announced several relaxations for various regulatory and statutory compliances. The key notification and circulars are as follows:

- **Amendment to Companies (Corporate Social Responsibility Policy) Rules, 2014**

***Section 135 of the Companies Act, 2013***

**Notification:** MCA vide notification dated January 22, 2021, has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014. The amendment aims to bring transparency and accountability in the undertaking of the CSR activities by the companies.

(To view the Notification, please [click here](#))

- **Relaxation of Additional Fee for the Filing of Accounts of the Companies**

The Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 mandates annual filings of the financial statements in e-Forms AOC-4, AOC-4 (CFS), AOC-4 XBRL and AOC-4 Non-XBRL.

**Notification:** On January 28, 2021, MCA has provided relaxation on the levy of additional fees on the annual filings of the financial statements for the FY 2019-20.

(To view the Notification, please [click here](#))

## Securities and Exchange Board of India (SEBI)

- **Insertion of new disclosure requirements**

*Section 11, Section 11A (3) and Section 30 of the Securities and Exchange Board of India Act, 1992*

**Notification:** SEBI vide notification dated January 08, 2021, has further amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requiring the listed entities to disclose any resolution plan as approved by Adjudicating Authority under Insolvency Code.

(To view the Notification, please [click here](#))

- **Relaxation under the SEBI (LODR) Regulations, 2015**

*Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 11 of the SEBI (LODR) Regulations, 2015*

**Circular:** SEBI has extended the timeline of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode till December 31, 2021.

(To view the Circular, please [click here](#))

## Reserve Bank of India (RBI)

- **Exemptions to the Aviation Sector under the FEM (Export of Goods & Services) Regulations, 2015**

*Regulation 4 of the FEM (Export of Goods & Services) Regulations, 2015*

**Notification:** The Foreign Exchange Department on January 08, 2021, has amended the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 substituting Regulation 4(ea). This amendment exempts the exporters from furnishing the export declaration in case of re-export of leased aircraft/helicopter and/or engines/auxiliary power units (APUs), either completely or in partially knocked down condition subject to the approval of DGCA or Ministry of Civil Aviation.

This is a positive step towards facilitating foreign trade and reducing the procedural delays in exports.

(To view the Notification, please [click here](#))

## Taxation laws

- **Restriction on Filing GSTR-1**

*Section 164 of the Central Goods and Services Tax Act, 2017*

**Notification:** The Central Board of Indirect Taxes and Customs vide notification dated January 01, 2021, has further amended Central Goods and Services Tax Rules, 2017 disallowing registered persons to file the return of outward supplies in Form GSTR-1 in case of failure to furnish self-declaration under GSTR-3B.

(To view the Notification, please [click here](#))

- **Introduction of Faceless Penalty Scheme, 2021**

*Section 274 (2A) of Income Tax Act, 1961.*

**Notification:** The Central Government vide notification has introduced the Faceless Penalty Scheme, 2021 with effect from January 12, 2021. The Scheme deals with matters such as scope, penalty centres, penalty procedures, rectification proceedings.

(To view the Notification, please [click here](#))

# Industry-wise Updates

## Insurance

- **Guidelines on cross border reinsurers**

*Section 34 (1) of the Insurance Act, 1938 read with Regulation 4(3) of IRDAI (Re-insurance) Regulations, 2018*

**Guideline:** The Insurance Regulatory and Development Authority of India on January 01, 2020, has issued guidelines to streamline regulatory process concerning cross border reinsurers. The guidelines have enforced allotment of filing reference numbers to cross border reinsurers along with other guidelines.

(To view the Guidelines, please [click here](#))

## Commerce & Retail

- **Insertion of Import Policy**

*Section 3 of The Foreign Trade (Development and Regulation) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020*

**Notification:** Ministry of Commerce and Industry, vide notification dated January 01, 2021, has inserted a Policy Condition that renders import of odoriferous preparations such as room fresheners or car fresheners that do not operate by burning free of any charge/duty.

(To view the Notification, please [click here](#))

- **Amendment to Import Policy**

*Section 3 of The Foreign Trade (Development and Regulation) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020*

**Notification:** The Ministry of Commerce and Industry vide notification dated January 7, 2021, has amended import policy and condition of items under Chapter 41 & 43 of ITC (HS), 2017 Schedule I (**Import Policy**) like import of reptiles, fox, other fur skins, etc. from 'prohibited' to 'free'.

(To view the Notification, please [click here](#))

- **New standard for Centrifugally Cast (Spun) Iron Pipes**

*Section 16 read with Section 17 read with Section 25 of the Bureau of Indian Standards Act, 2016*

**Order:** Ministry of Commerce and Industry vide notification dated January 12, 2021, has introduced an order to be called Centrifugally Cast (Spun) Iron Pipes (Quality Control) Order, 2021 to come into effect from August 01, 2021, specifying the conformation standards for centrifugally cast (spun) iron pipes in accordance with Schedule II of the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018.

(To view the Order, please [click here](#))

## Environment, Forest and Climate Change

- **Extension of validity of the prior environmental clearance**

*Section 3(2) (1) (v) of the Environment Protection Act, 1986*

**Notification:** Ministry of Environment, Forest and Climate Change vide notification dated January 18, 2021, has exempted the period from April 01, 2020 to March 31, 2021 for calculating the period of validity of environmental clearance.

(To view the Notification, please [click here](#))

## Pharmaceuticals

- **Fixation of the retail price of drugs**

*Drugs (Prices Control) Order, 2013*

**Notification:** The National Pharmaceutical Pricing Authority, on January 08, 2021, has issued a notification fixing the retail price of drugs concerning the formulation specified in the notification, exclusive of Goods and Services Tax, thereby directing the manufacturers to submit an updated Price List to State Drug Controller and Dealers.

(To view the Notification, please [click here](#))

## New and Renewable Energy

- **Extension of time limit for self-certification**

*Solar Photovoltaics, Systems, Devices and Components Goods (Requirements for Compulsory Registration) Order, 2017 mandates self-certification of solar products by the manufacturers*

**Notification:** The Ministry of New and Renewable Energy, vide notification dated January 25, 2021, extended the due date for self-certification of SPV inverters from December 31, 2020, to June 30, 2021 subject to the condition that such manufacturers have valid IEC certificates.

(To view the Notification, please [click here](#))

## Ministry of Labour and Employment

- **Appointment of ETFs for Investment in Bonds of Central Public Sector Enterprises**

*Section 17 (3) (a) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952*

**Notification:** The Central Government vide notification dated January 4, 2021 has further amended Employees' provident fund scheme, 1952 to insert a sub-point concerning units of debt exchange-traded funds to the subcategory of debt instruments and related investments that has a percentage investment range of 35%-45%.

(To view the Notification, please [click here](#))

## Ministry of Commerce and Industry

- **Amendment to the Import Policy of Coal**

**Notification:** The Directorate General of Foreign Trade vide notification dated January 28, 2021 has notified the filing of Bill of Entry post-April 01, 2021 will be governed by Coal Import Monitoring System (CIMS). The online registration for the same will be available from February 15, 2021 and the CIMS will be effective from April 01, 2021.

(To view the Notification, please [click here](#))

# State-wise updates

## ANDAMAN AND NICOBAR ISLANDS

- **Revised minimum wage rates**

*Section 5 of the Minimum Wages Act, 1948.*

**Notification:** The Lieutenant Governor (Administrator) of Government of India, Ministry of Labour of Andaman & Nicobar Islands on January 07, 2021, has revised the rate of minimum wages for the Union Territory. The revised rates will be effective from January 1, 2021.

(To view the Notification, please [click here](#))

## ASSAM

- **Auto-renewal of registration and license**

**Notification:** The Labour Department of Assam for enabling 'ease of doing business' has introduced an auto-renewal of registration and license scheme under various labour laws like The Contract Labour (Regulation and Abolition) Act, 1970, The Assam Shops And Establishments Act 1971, The Factories Act, 1948 and The Inter-state Migrant Workmen (RE&CS) Act 1979 via a notification dated January 12, 2021.

(To view the Notification, please [click here](#))

## HARYANA

- **Introduction of a single form for trade license and registration for shops and commercial establishments**

**Order:** The Government of Haryana has introduced a scheme by an order dated January 05, 2021, for receiving the online applications for registration of Shop and Commercial Establishments under Punjab Shops and Commercial Establishments Act, 1958 and Trade License under the local municipal laws through the online portal of HEPC (Haryana Enterprises Promotion Centre) in a single form.

(To view the Order, please [click here](#))

- **Introduction of a single portal for registration of all enterprises in Haryana**

**Notification:** The Government of Haryana vide notification dated January 25, 2021, has notified the creation of a single portal, 'Haryana Udhyaam Memorandum (HUM)' for registration of all types of enterprises and businesses operating in the State of Haryana along with the process of registration. The portal aims to create and maintain a centralized consolidated repository of all enterprises and businesses operating in the state.

(To view the Notification, please [click here](#))

## KARNATAKA

- **Revised working hours of shops and establishments**

**Section 11(1) read with 12(2) of Karnataka Shops and Commercial Establishment Act, 1961**

**Notification:** Government of Karnataka on January 02, 2021, has permitted all shops and commercial establishments in the state employing ten or more persons to be open on 24x7 basis on all days of the year for three years January 02, 2021.

The said guideline mentions procedural aspects of appointment of additional staff, details of the exhibition of leave of employees, overtime wages, etc.

(To view the Notification, please [click here](#))

- **Extension of time limit for depositing Labour Welfare Fund contribution**

**Section 7A (3) of the Karnataka Labour Welfare Fund Act, 1965**

It was mandated on the part of every employer employing more than 50 workers in an establishment, charitable trust, societies registered under Karnataka Societies Registration Act, 1960 to contribute by January 15 every year at the ratio of 20:40 (Employees INR 20/Employers INR 40) to the Karnataka Labour Welfare Board at [www.klwb.karnataka.gov.in](http://www.klwb.karnataka.gov.in).

**Notification:** The Karnataka Labour Welfare Board, on January 15, 2021, has extended the time limit for online submission of Labour Welfare Fund till January 31, 2021.

(To view the Notification, please [click here](#))

- **Paid leave during Covid-19 quarantine period**

**Notification:** The Government of Karnataka, on January 18, 2021, has issued a notification with retrospective effect from the day the state went under lockdown, entitling the workers of all sectors (irrespective of organized or unorganized) to paid leave for the entire duration of quarantine on being infected with Covid-19, along with the worker's primary contacts.

(To view the notification, please [click here](#))

## KERALA

- **Revised minimum wage rates**

**Minimum Wages Act, 1948**

**Order:** The Government of Kerala, Labour, and Skills Department on January 16, 2021, has revised the variable dearness allowance for employees in employment under the Minimum Wages Act, 1948 which will be effective from November 1, 2020.

(To view the Order, please [click here](#))

## LAKSHADWEEP

- **List of public holidays for 2021**

*Section 25 of the Negotiable Instruments Act, 1881*

**Notification:** The Administrator of Union Territory of Lakshadweep has notified the list of public holidays for 2021 on January 15, 2021.

(To view the Notification, please [click here](#))

## RAJASTHAN

- **Revised Variable Dearness Allowance**

**Notification:** The Rajasthan Labour Department has revised Variable Dearness Allowance (VDA) vide notification dated January 06, 2021, for different categories of workers with effect from September 2020.

(To view the Notification, [click here](#))

## WEST BENGAL

- **Discontinuation of physical obtainment of NOC/Clearance on Urban Land Ceiling**

*Rule 4(4) of Kolkata Municipal Corporation Building Rules, 2009*

**Notification:** Department of Urban Development and Municipal Affairs, Government of West Bengal, on January 5, 2021, has issued a notification introducing an online portal (<https://ulcudma.gov.in>) for application and grant of clearance and NOC on the urban land ceiling for erection of any building with effect from January 11, 2021 while discontinuing physical mode.

(To view the Notification, please [click here](#))

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## ABOUT US

UnComplycate is an end-to-end compliance and contract management solutions provider that integrates domain experience with IT-enabled implementation, monitoring and management protocols.

With more than thirty years' experience in helping clients discharge their compliance obligations, we have developed a repository of significant knowledge and practical experience in advising and assisting businesses on their regulatory compliance, litigation management, notice and contract management and other attendant requirements. We create bespoke products for clients that include, among other things, an audit of the functions of the company, offering technology-enabled platforms that provide solutions for effective control over the compliance and contract management functions. These services are not limited by geography and can be seamlessly extended to all operating sites of the client.

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