

INDEX

RBI & FEMA	... 2
Foreign Trade	... 2
Corporate Laws	... 3
Securities Laws and Capital Markets	... 4
Competition Laws	... 5
Indirect Taxes and Customs	... 5
Intellectual Property Rights	... 6
Environment Laws	... 7

RBI & FEMA



(1) RBI DIRECTS CATEGORY-1 AUTHORISED DEALER BANKS TO FACILITATE THE EXPORT OF GOODS AND SERVICES

The Reserve Bank of India ["RBI"], *vide* circular has directed Category-1 AD Banks to facilitate exports in the following areas:

- Banks are to regularise the direct dispatch of shipping documents. Furthermore, the limit of 1 million USD per export shipment has also been done away with.
- Changes have been made to the provisions relating to writing-off unrealised export shipments.
- Power has been delegated to AD banks to allow set-off of outstanding export receivables against outstanding import payables subject to certain conditions.

(Source: RBI Circular No. RBI / 2020-21 / 77 dated 04.12.2020)

(2) RBI PLANS TO INCREASE "TAP AND PAY" CONTACTLESS CARD PAYMENT LIMIT UP TO ₹5000

Given the prevailing COVID-19 situation and the benefits of contactless payment systems, RBI has stated its intention to increase the limit on tap-and-pay contactless card payment at Point of Sale (PoS) systems to ₹5000, up from the current limit of ₹2000, provided sufficient protection is available to users.

(Source: RBI Circular No. RBI / 2020-21 / 71 dated 04.12.2020)

(3) 24x7 AVAILABILITY OF RTGS SYSTEM

The RBI, *vide* notification, has decided to make the Real Time Gross Settlement (RTGS) system to be available 24x7 *m.e.f.* 14.12.2020 at 0030 hours.

(Source: RBI Notification No. RBI / 2020-21 / 70 dated 04.12.2020)

(4) FOREIGN EXCHANGE MANAGEMENT (EXPORT AND IMPORT OF CURRENCY) (SECOND AMENDMENT) REGULATIONS, 2020

Amendment adds Regulation 10 of the Principal Regulations which provides power to the RBI to restrict export and import of any currency.

(Source: RBI Notification No. FEMA 6 (R)/ (3) / 2020-RB dated 03.12.2020)

FOREIGN TRADE

(1) AMENDMENT IN EXPORT POLICY OF ONIONS

Export of all varieties of onions, including Bangalore Rose Onions and Krishnapuram Onions have been amended from 'Prohibited' to 'Free'.

(Source: DGFT Notification no. 50 / 2015-20 dated 28.12.2020)

(2) AMENDMENT IN EXPORT POLICY OF MEDICAL GOGGLES AND NITRILE GLOVES



Export of medical goggles and nitrile / NBR gloves have been amended from 'Restricted' to 'Free'.

(Source: DGFT Notification No. 47 / 2015-20 dated 22.12.2020)

(3) AMENDMENT TO IMPORT POLICY OF COAL

Import of Anthracite Coal, Bituminous Coal, Coking Coal, Steam Coal and other types of Coals under CTH 2701 have been amended from 'Free' to 'Free, subject to compulsory registration under Coal Import Monitoring System'.

(Source: DGFT Notification no. 49 / 2015-20 dated 22.12.2020)

CORPORATE LAWS

(1) UPDATION OF E-FORM MGT-7

The Ministry of Corporate Affairs ["MCA"] has stated that the Field 'SRN of the application filed for extension' (GNL-1) in e-form MGT-7 is made optional for FY 2019-20 *m.e.f.* 01 January 2021 due to blanket extension provided for all companies to conduct AGM. Consequently, e-Form MGT-7 has been revised on MCA21 Company Forms Download page *m.e.f.* 1st January, 2021. The Companies are advised to check the latest version before filing.

(Source: MCA Notification dated 31.12.2020)

(2) DUE DATE OF ANNUAL FILING

MCA has stated that there is no change in the additional fee of e-form MGT-7 and AOC-4/AOC-4 XBRL/AOC-4 CFS for the FY 2019-20 *m.e.f.* 1st January 2021 since extension was provided to all the companies for conducting AGM and not for filing the form. Hence, the due date of form filing shall be computed based on the actual date of AGM or due date / extended due date of AGM as the case may be. Post 31st December 2020, additional fee shall be applicable from the actual date of AGM or due date / extended due date of AGM + 30 / 60 days as the case may be and ₹100 per day shall be charged starting from such day even if such date falls prior to 31st December 2020.

(Source: MCA Notification dated 31.12.2020)

(3) COMPANIES (MEETINGS OF BOARD AND ITS POWERS) FOURTH AMENDMENT RULES, 2020

MCA has extended the dates for conducting Board meetings through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) for approving financial statements and other restricted agenda items under Rule 4 of Companies (Meetings of Board and its Powers) Rules, 2014 from 31st December, 2020 to 30th June, 2021.

(Source: MCA Notification dated 30.12.2020)

(4) COMPANIES (SHARE CAPITAL AND DEBENTURES) SECOND AMENDMENT RULES, 2020



MCA has notified the Companies (Share Capital and Debentures) Second Amendment Rules, 2020 to further amend the Companies (Share Capital and Debentures) Rules, 2014. Through the said amendment rules, Form SH-7 has been

substituted which is used for filing of notice to Registrar of any changes in Share Capital pursuant to section 64(1) of the Companies Act, 2013 and pursuant to rule 15 of the Companies (Share Capital and Debentures) Rules, 2014.

(Source: MCA Notification No. G.S.R. 794(E) dated 24.12.2020)

(5) COMPANIES (AMENDMENT) ACT, 2020

The Companies (Amendment) Act, 2020 was introduced with several measures to improve the ease of doing business and decriminalize certain offences under the Companies Act, 2013. MCA has now notified that 45 sections of the Companies (Amendment) Act, 2020, which majorly relate to re-categorization of criminal offences into civil wrongs to decriminalise non-compliances, will be effective from December 21, 2020.

(Source: Notification No. S.O. 4646(E) dated 21.12.2020)

(6) COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) FIFTH AMENDMENT RULES, 2020

MCA has passed the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2020. The amendment provides that the time limit for passing the online proficiency self-assessment test has been increased from one year to two years from the date of inclusion of his name in the data bank.

(Source: MCA Notification dated 18.12.2020)

(7) COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) SECOND AMENDMENT RULES, 2020

MCA has published the Companies (Compromises, Arrangements and Amalgamations) Second Amendment Rules, 2020 to further amend the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Through this amendment a new definition for the term 'corporate action' has been inserted under Rule 2(1) which means any action taken by the company relating to transfer of shares and all the benefits accruing on such shares namely, bonus

shares, split, consolidation, fraction shares and right issue to the acquirer. Further a new rule 26A has been inserted which deals with Purchase of minority shareholding held in demat form in which the company shall within 2 weeks from the date of receipt of the amount equal to the price of shares to be acquired by the acquirer, verify the details of the minority shareholders holding shares in dematerialised form.

(Source: MCA Notification dated 17.12.2020)

(8) EXTENSION OF THE DUE DATE FOR FILING FORM CRA – 4

MCA has in continuation of circular dated 10.09.2020 has further extended the due date for filing Cost Audit Report in Form CRA – 4 till 31 December 2020.

(Source: General Circular 38/2020 dated 01.12.2020)

SECURITIES LAWS AND CAPITAL MARKETS



(1) MASTER CIRCULAR ON (I) SCHEME OF ARRANGEMENT BY LISTED ENTITIES AND (II) RELAXATION UNDER SUB-RULE (7) OF RULE 19 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

Securities and Exchange Board of India [“SEBI”] has issued a Master Circular which is a compilation of various SEBI circular issued in the past on Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation)

Rules, 1957 as mentioned in Schedule I of the circular. The Master Circular also provides for an annexure illustrating the computation of fair share exchange ratio.

(Source: SEBI Circular dated 22.12.2020)

(2) FRAMEWORK FOR THE ISSUE OF DEPOSITORY RECEIPTS – CLARIFICATION

SEBI has provided that "Person Resident in India" and "NRIs" cannot be beneficial owners of Depository Receipts. However, SEBI has issued a clarification stating that restriction under this Clause shall not apply in case of issue of DRs to NRIs, pursuant to Right issue, Bonus issues, and share-based employee benefit schemes.

(Source: SEBI Circular dated 18.12.2020)

(3) E-VOTING FACILITY PROVIDED BY LISTED ENTITIES

SEBI has decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants.

(Source: SEBI Circular No.: SEBI / HO / CFD / CMD / CIR / P / 2020 / 242 dated 09.12.2020)

(4) ADDITIONAL PAYMENT MECHANISM (I.E. ASBA, ETC.) FOR PAYMENT OF BALANCE MONEY IN CALLS FOR PARTLY PAID SPECIFIED SECURITIES ISSUED BY THE LISTED ENTITY

SEBI has decided to introduce additional payment mechanism (*i.e.* ASBA, etc) for making subscription and / or payment of calls in respect of partly paid specified securities through Self Certified Syndicate Banks ["SCSBs"] and intermediaries such as Trading Members / Brokers – having three in one type account and Registrar and Transfer agents (RTA).

(Source: Circular No.: SEBI / HO / CFD / DIL1 / CIR / 238 / 2020 dated 08.12.2020)

(5) OPERATIONAL GUIDELINES FOR TRANSFER AND DEMATERIALIZATION OF RE-LODGED PHYSICAL SHARES

SEBI has issued operational guidelines for crediting the transferred shares into the respective demat account of the investor. Earlier, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer requests and has stipulated that such transferred shares shall be issued only in demat mode.

(Source: SEBI Circular No.: SEBI / HO / MIRSD / RTAMB / CIR / P / 2020 / 236 dated 02.12.2020)

COMPETITION LAWS



(1) CASE LAW: SUPREME COURT UPHOLDS CCI ORDER DISMISSING COMPLAINTS ALLEGING ANTI-COMPETITIVE PRACTICES BY UBER, OLA

A three judge bench of the Hon'ble Supreme Court of India has upheld a CCI order which dismissed allegations of cartelisation by cab aggregators.

(Source: Civil Appeal no. 3100/2020 dated 15.12.2020)

(2) CASE LAW: SUPREME COURT STAYS NCLAT DIRECTION FOR PROBE AGAINST FLIPKART UNDER COMPETITION ACT

The Supreme Court on December 2, 2020 stayed the order of National Company Law Appellate Tribunal (NCLAT) dated March 4, 2020 directing

a probe by CCI against e-commerce major Flipkart for an alleged use of its dominant position. The bench initially expressed a view to send the matter back to NCLAT after setting aside the March 4 order. However, after the caveator objected and continued to make submissions, the bench proceeded to stay the order and issued notice to the respondents - All India Online Vendors Association (sellers association) and Competition Commission of India (CCI).

(Source: Flipkart India Pvt. Ltd. v. AIOVA & Anr., SC dated 02.12.2020)

INDIRECT TAXES AND CUSTOMS

I. GST



(1) EXTENSION OF TIME LIMIT FOR FURNISHING ANNUAL RETURNS

Notification seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2019-20 till 28.02.2021.

Source: CBIC Notification No. 95 / 2020 – Central Tax dated 30.12.2020)

(2) THE CENTRAL GOODS AND SERVICES TAX (FOURTEENTH AMENDMENT) RULES, 2020

The CBIC has issued the Central Goods and Services Tax (Fourteenth Amendment) Rules, 2020. Where, a comparison of the returns furnished by a registered person under section 39 with the details of outward supplies furnished in FORM GSTR-1 or the details of inward supplies derived based on

the details of outward supplies furnished by his suppliers in their FORM GSTR-1, or such other analysis, as may be carried out on the recommendations of the Council, show that there are significant differences or anomalies indicating contravention of the provisions of the Act or the rules made thereunder, leading to cancellation of registration of the said person, his registration shall be suspended and the said person shall be intimated in FORM GST REG-31, electronically, on the common portal.

(Source: CBIC Gazette Notification No. 94 / 2020 – Central Tax dated 22.12.2020)

(3) SECTIONS OF FINANCE ACT, 2020 BROUGHT INTO FORCE

Notification seeks to bring into force Sections 119, 120, 121, 122, 123, 124, 126, 127 and 131 of Finance Act, 2020. Now, the registered persons can claim ITC of the debit notes relating to the previous year issued in current year even after the due date of GSTR 3B or Annual return which-ever is earlier.

(Source: CBIC Notification No. 92 / 2020 – Central Tax dated 22.12.2020)

(4) EXTENSION OF COMPLIANCE DUE DATES WITH RESPECT TO ANTI-PROFITEERING MEASURES

Notification seeks to extend the due dates for compliances and actions in respect of anti-profiteering measures under GST till 31.03.2021.

(Source: CBIC Notification No. 91 / 2020 – Central Tax dated 14.12.2020)

II. CUSTOMS

(1) TWELFTH TRANCHE OF INDIA – ASEAN TRADE IN GOODS AGREEMENT

Notification seeks to give effect to the 12th tranche of Tariff Concessions under the trade in Goods Agreement between India and ASEAN.

(Source: CBIC Notification No. 45 / 2020 – Customs dated 30.12.2020)

(2) COURIER IMPORTS AND EXPORTS (ELECTRONIC DECLARATION AND PROCESSING) AMENDMENT REGULATIONS, 2020.

Notification seeks to amend the regulations governing courier imports and exports, in light of the commencement of the COVID-19 vaccination drive.

(Source: CBIC Notification No. 115 / 2020 – Customs (N.T.))

INTELLECTUAL PROPERTY RIGHTS



(1) CASE LAW: INTERDIGITAL TECHNOLOGY CORPORATION & ORS. V. XIAOMI CORPORATION & ORS.

The patent infringement suit was initiated by Interdigital Technology against Xiaomi. Pursuant to hearing both sides of the suit, the Delhi High Court constituted a single tier confidentiality club comprising of advocates, representatives of the companies and experts, who will be privy of confidential information between the two parties, to adjudicate the matter further. The court clarified that the constitution of the confidentiality club was solely for the purpose of disposing of the matter at the earliest and would not tantamount to an opinion of the court or as a precedence.

(Source: I.A. 6441/2020 in CS(COMM) 295/2020 dated 16.12.2020)

(2) CASE LAW: SASSOON FAB INTERNATIONAL PVT. LTD. V. SANJAY GARG & REGISTRAR OF TRADE MARKS

The IPAB stayed the registration of a trademark by the appellant on the word 'N95' in Class 10. he IPAB *prima facie* held that 'N95' is a generic word and could not have been registered under section 9 of the Trade Marks Act.

(Source: IPAB order ORA / 171 / 2020 / TM / DEL dated 04.12.2020)

ENVIRONMENT LAWS

(1) DRAFT DELHI CANTONMENT BOARD SOLID WASTE MANAGEMENT BYE-LAWS, 2020

The Delhi Cantonment Board on 21st December, 2020 has issued the Delhi Cantonment Board Solid Waste Management Bye-laws, 2020. The Bye-laws provides regulations for collection, segregation, transport, storage, recycling, processing and disposal of Bye-laws. It lays down obligations for waste generators and also provides for spot penalty.

(Source: Ministry of Defence Public Notice dated 21.12.2020)

(2) AIR QUALITY COMMISSION DIRECTS STRICT ENFORCEMENT OF DUST CONTROL MEASURES TO CURB AIR POLLUTION IN DELHI-NCR

Ministry of Environment, Forest and Climate Change (MoEF&CC) has notified the direction of the Air Quality Commission for strict enforcement of dust control measures to curb Air Pollution in Delhi-NCR. In order to ensure strict compliance of Construction and Demolition Waste Management Rules notified by the Ministry of Environment, Forest and Climate Change and guidelines on dust mitigation measures for handling Construction and Demolition Wastes, the Commission has directed the Central Pollution Control Board (CPCB), State Pollution Control Boards (SPCBs) of Haryana, Rajasthan, UP and Delhi Pollution Control Committee (DPCC) to constitute surprise inspection teams and to furnish fortnightly

inspection reports to the Commission regarding compliance of rules with respect to construction and demolition activities in the National Capital Region.

(Source: PIB Delhi Notification dated 23.12.2020)

[End of Newsletter]
