



January Roundup

Week ending – 01.02.2021
(GOVERNMENT NOTIFICATIONS,
CIRCULARS & ANNOUNCEMENTS)



1. MCA Notifies the Companies (Incorporation) Amendment Rules, 2021

25.01.2021

On 25.01.2021, the Ministry of Corporate Affairs (MCA) notified the Companies (Incorporation) Amendment Rules, 2021. The amendment brings with it a substitution in Rule 41(7). Rule 41 lays down the provisions for conversion of a public company into a private company. The amendment now stipulates that the Regional Director, upon examination of application, shall specify his objections, if any, in writing and hold a hearing within 30 days. The company shall also be directed to file an affidavit to record the consensus reached in the hearing.

In case where no consensus is received the Regional Director may approve the conversion, if he is satisfied having regard to all the circumstances of the case, that the conversion would not be against the interests of the company or is not being made with a view to contravene or to avoid complying with the provisions of the Act, with reasons to be recorded in writing.

However, the conversion shall not be allowed if any inquiry, inspection or investigation has been initiated against the company or any prosecution is pending against the company under the Act.

Please find link to Notification [here](#)

2. Ministry of Commerce and Industry notifies the Designs (Amendment) Rules, 2021

25.01.2021

On 25.01.2021, the Ministry of Commerce and Industry notified the Designs (Amendment) Rules, 2021 amending the Designs (Amendment) Rules, 2021. In the Rules, definition of 'startup' has been inserted to mean 'an entity in India recognised as a startup by the competent authority under the Startup India initiative; in case of a foreign entity, an entity fulfilling the criteria for turnover and period of incorporation or registration as per Startup India Initiative and submitting a declaration to that effect'. While calculating turnover, the reference rates of foreign current of Reserve Bank of India (RBI) shall prevail.

Further, the following amendments have been made:

- Rule 5 (e), which specifies the payment of fees in case of transfer of application, has been substituted, namely: *"In case an application processed by a natural person and/ or start-up and/ or small entity is fully or partly transferred to a person other than a natural person, start-up or small entity, the difference, if any, in the scale of fees between the fees charged from the natural person, start-up or small entity and the fees chargeable from the person other than a natural person, start-up or small entity in the same matter, shall be paid by the new applicant with the request for transfer."*
- Rule 10 (1), which specifies the registration of designs, has been substituted, namely: *"For the purposes of the registration of designs and of these rules, articles shall be classified as per current edition of "International Classification for Industrial Designs (Locarno Classification)" published by World Intellectual Property Organization (WIPO)."*
- Also, Schedule I, which specifies the fees, has been substituted.

For access to notification, find link [here](#)

3. RBI Enhances Framework to Strengthen Grievance Redressal Systems

27.01.2021

On 27.01.2021, the Reserve Bank of India (RBI) issued a letter to all scheduled commercial banks, excluding regional rural banks, discussing the need to strengthen the grievance redressal mechanism in Banks. The RBI has put in place a comprehensive framework comprising of, inter-alia, enhanced disclosures by banks on customer complaints, recovery of cost of redress from banks for the maintainable complaints received against them in Offices of Banking Ombudsman's (OBO) in excess of the peer group average, and undertaking intensive review of the grievance redress mechanism and supervisory action against banks that fail to improve their redress mechanism in a time bound manner.

Please find link to letter [here](#)

4. MCA Notifies the (Corporate Social Responsibility Policy) Amendment Rules, 2021

22.01.2021

The Ministry of Corporate Affairs (MCA) notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The amendment now specifies that any entity that intends to undertake any CSR activity shall register itself with the Central Government. Form CSR-1 shall be filed electronically with the Registrar for registration. CSR programmes prior to 01.04.2021 shall not be affected by this particular amendment though.

As per the amendment, the CSR Committee shall formulate an action plan annually which must be presented to the board. This action plan should include a list of CSR projects and programmes that have been previously approved, and added in the Schedule, of the Rules. The Board shall also ensure that the administrative overhead shall not exceed 5% of the total CSR expenditure of the company for the financial year.

Please find link to Rules [here](#)

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