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JULY LAW UPDATES



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MINISTRY OF CORPORATE AFFAIRS (MCA)

New Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024

The Ministry of Corporate Affairs (MCA) in India has introduced the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2024 through Notification No. G.S.R. 414(E). These amendments aim to streamline processes related to accounting, auditing, fund transfers, and refunds under the IEPF Authority. Some key changes include: Companies are now required to transfer funds to the IEPF Authority online within 30 days of the due date, replacing the previous method of depositing into a designated bank account, Forms IEPF-1, IEPF-2, and IEPF-1A have been replaced with updated versions, simplifying procedures for companies, Replaced certain form numbers, such as "IEPF-3" with "IEPF-4" and "IEPF-7" with "IEPF-1," for better organization and clarity, and various others. [Read More](#)

MCA seeks easing of CSR rules, funds for MCA21, NCLT

The Ministry of Corporate Affairs (MCA) has proposed key changes to corporate social responsibility (CSR) rules, including raising the cap on administrative expenses from 5% to 10% and extending the allowed timeline for CSR projects beyond the current three-year limit. These recommendations were made to the Finance Ministry ahead of the 2024-25 Budget, to facilitate larger, more impactful CSR projects. The industry has expressed that the current timeframe often proves insufficient for such initiatives. [Read More](#)



RESERVE BANK OF INDIA (RBI)

2 Factor Authentication Proposed By RBI for digital payments

The Reserve Bank of India (RBI) has proposed a new framework for two-factor authentication (2FA) for digital payments. The new rules will require users to provide a dynamically generated authentication factor in addition to something they know (like a PIN) or have (like an ATM card). This is to improve security in digital transactions. The new rule applies to most digital transactions, but there are some exceptions. The RBI is asking for public comment on the new guidelines. [Read More](#)

RBI To Maintain Interest Rates In August due to high inflation

The Reserve Bank of India (RBI) will maintain interest rates at 6.50% in August, marking the ninth consecutive meeting without a change, due to high inflation driven by a spike in food prices. Economists predict the first rate cut will occur in the fourth quarter. Inflation hit 5.08% in June, above the RBI's 4% target. The RBI aims to control inflation without harming economic growth, which has been robust at around 8%. [Read More](#)

ABOUT US

MAHESHWARI AND CO. is a full service Law Firm that represents its clients in a number of complex and high value transactions. The Firm has an expertise and vast experience across various areas of practise including Corporate & Commercial Law, mergers & acquisitions, intellectual property rights, taxation, Litigation and Arbitration, Insolvency & Bankruptcy and Immigration.

Maheshwari & Co. is a key player in India's **Green Hydrogen Mission**, and has been collaborating with various national and international groups, associations, organizations, forums, and chambers to provide our expert opinion on the existing and upcoming regulatory framework.

MERGERS AND ACQUISITIONS

ONGC Videsh to Acquire Stake in Azeri Chirag Gunashli (ACG) Oil Field, Azerbaijan

ONGC Videsh Limited (OVL), India's largest international oil and gas company, is acquiring a 0.615% stake in the Azeri Chirag Gunashli (ACG) oil field and a 0.737% stake in the Baku Tbilisi Ceyhan (BTC) pipeline from Equinor for USD 60 million. The ACG oil field is a super-giant offshore field operated by BP in the Caspian Sea, while the BTC pipeline transports oil from ACG and condensate from Shah Deniz across Azerbaijan, Georgia, and Turkey. [Read More](#)

Competition Commission of India Approves 56% Acquisition of Ismartu India by Dixon Technologies

Dixon Technologies has secured approval from the Competition Commission of India (CCI) to acquire a 56% stake in Ismartu India Pvt Ltd. This strategic acquisition allows Dixon, a prominent electronics manufacturing services (EMS) provider, to expand its capabilities in the mobile phone sector, leveraging Ismartu's established brands like Itel, Infinix, and Tecno. This move is anticipated to enhance Dixon's market position, technological capabilities, and revenue streams. The acquisition aligns with Dixon's growth strategy, focusing on broadening its product offerings and market presence in the rapidly growing mobile phone market. [Read More](#)



Corporate tax for foreign companies reduced to 35% and modified taxation rules for charities and cruise operations (Union Budget 2024)

Corporate tax for foreign companies was reduced to 35%, aiming to attract more foreign investment and stimulate economic growth. Additionally, the taxation rules for charities and cruise operations were revised. Charitable institutions will now be required to register under the new income tax regime to avail tax benefits, ensuring greater transparency and accountability. The revised taxation for cruise operations aims to boost the cruise tourism industry in India. These measures are expected to impact various sectors and contribute to the overall economic development of the country. [Read More](#)

Supreme Court to decide on retroactive effect of mineral tax

The Supreme Court has reserved its judgment on whether a landmark ruling granting state governments the right to tax mines and minerals should be applied retroactively. The central government argued for a prospective application, while some experts believe a retrospective approach could impose severe financial burdens on mining industries. This decision will significantly impact the industry and potentially lead to further litigation. [Read More](#)



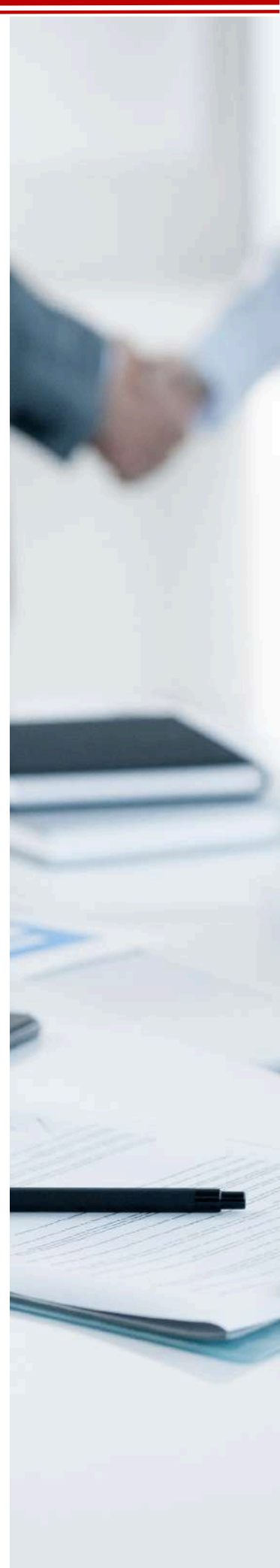
ARBITRATION

Kerala High Court Rules Limitation Act Not Applicable to Arbitration under National Highways Act

The Kerala High Court held that the Limitation Act does not apply unless the National Highways Act itself incorporates it. The Court reasoned that Section 43 of the Arbitration and Conciliation Act makes the Limitation Act applicable to arbitration proceedings, but Section 2(4) exempts the application of Section 43 to arbitration proceedings under other enactments. Because the National Highways Act does not have a limitation period, the Limitation Act does not apply. [Read More](#)

Madras High Court: No Formal Contract Signature Needed to Enforce the Arbitration Clause If Parties Are in an Agreement

The Madras High Court has ruled that a formal contract signature is not required to enforce an arbitration clause if the parties involved have reached a consensus on the terms (ad idem). The court emphasized that the primary focus should be on the intent of the parties to resolve disputes through arbitration, rather than just the formal execution of a contract. [Read More](#)



SECURITIES EXCHANGE BOARD OF INDIA (SEBI)

SEBI proposes to redefine "connected person" under insider trading regulations

SEBI plans to broaden the definition of "connected person" under insider trading regulations. This aims to enhance market transparency and tighten insider trading controls by including a wider range of relationships and connections. The new definition will cover individuals with significant financial ties, relatives up to the third degree, and those sharing a household. These changes align with existing definitions in the Companies Act and Income Tax Act, though they may pose challenges for compliance monitoring. [Read More](#)

SEBI proposes new regulations on finfluencers to reduce misinformation

SEBI is set to introduce regulations on "finfluencers," social media influencers who provide financial advice. This move aims to protect investors from misleading information and ensure that financial advice disseminated online is accurate and responsible. The new guidelines will require finfluencers to disclose their affiliations and avoid conflicts of interest. This initiative is part of SEBI's broader efforts to enhance transparency and integrity in the financial markets. [Read More](#)

CORPORATE SOCIAL RESPONSIBI LITY

As a part of its Corporate Social Responsibility initiatives, Maheshwari & Co. also created Maheshwari Foundation, a non-profit organisation formed by Mr. Vipul Maheshwari, the firm's Managing Partner.

Recently, the foundation organized a free cancer and health checkup camp in Bijnor, Uttar Pradesh. The camp was not just about medical checkups; it was about offering empathy and support to those in need. Our aim was also to raise awareness and ensure early detection, potentially saving lives.

INFORMATION TECHNOLOGY (IT)

SCI warns of ramifications of removing court judgments from the public domain under the 'right to be forgotten'

The Supreme Court of India has expressed concerns about the potential "serious ramifications" of removing court judgments from the public domain under the "right to be forgotten." The court's remarks were made after a Bengaluru-based legal website highlighted a Madras High Court order to remove a judgment revealing the identity of an acquitted person in a rape and cheating case. The Supreme Court bench, led by Chief Justice DY Chandrachud, questioned the validity of such an order, stating that judgments are public documents and removing them could have significant consequences. [Read More](#)

Karnataka High Court Withdraws Previous Ruling Stating Viewing Child Pornography is not an Offense Under IT Act

The Karnataka High Court has withdrawn its previous ruling that stated merely watching child pornography was not an offense under the IT Act. The court acknowledged that the earlier judgment had misread Section 67B (b) of the IT Act and corrected its stance. The revised decision emphasizes that watching child pornography is indeed a crime under the IT Act, aligning with the law's intent to protect children from exploitation and abuse. [Read More](#)



HEALTHCARE & PHARMACEUTICALS

SCI clarifies the "distributor" and "dealer" not mutually exclusive under the Drugs (Price Control) Order, 1995

The Supreme Court of India, in the case of M/S Sun Pharmaceutical Industries Ltd v Union of India, clarified that the terms "distributor" and "dealer" under the Drugs (Price Control) Order, 1995 are not mutually exclusive. The court held that a distributor can also be a dealer, rejecting Sun Pharma's argument that it was not a "distributor" of the Roscilox drug. The court emphasized the intent of the DPCO to control medicine prices for consumers and stated that its provisions cannot be interpreted narrowly. [Read More](#)

CDSCO considering pre-approval of drugs for oncology and diabetes treatment to reduce misleading claims

The Indian drug regulator, Central Drugs Standard Control Organisation (CDSCO), is considering mandatory pre-approval of advertisements for drugs used in treating diabetes and oncology to curb misleading claims. The CDSCO is also seeking to establish a central committee to review advertisements for all drug categories, strengthening oversight and ensuring ethical practices in pharmaceutical marketing. [Read More](#)

The government is initiating a crackdown on drug brands that resemble each other for illiterate and visually impaired

The Indian government is planning a crackdown on lookalike drug brands that can cause confusion and medication errors. The health ministry has directed drug regulators to identify such brands based on criteria like similar names, packaging, or logos. The move aims to protect consumers, especially those who are illiterate or have visual impairments, from accidentally purchasing the wrong medicine. [Read More](#)

RECENT BLOGS

[Mistakes to Avoid in Commercial Arbitration Agreements in India](#)

[Essential Licences and Permits for E-commerce Business in India](#)

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[Data Protection and Intellectual Property in India:](#)

[The Legal Complexities Of Deceptive Advertising Practices](#)

[Key Differences Between Domestic and International Arbitration in India](#)

[Online Gaming Companies Continue to Await GST Relief](#)

[Enforcement of Arbitration Awards in India](#)

[Builder Not Delivering. Possession of Apartment? Registration of Complaint Under HRERA](#)

GAMING

India proposed allowing up to 100% Foreign Direct Investment in online gaming

The Indian government is contemplating allowing 100% foreign direct investment (FDI) in online gaming. This move aims to attract more investments and promote the growth of the burgeoning online gaming industry in India. However, this proposal is met with concerns about potential risks such as addiction, financial fraud, and the impact on youth. The government is currently evaluating the pros and cons before making a final decision. [Read More](#)

SC adjourns hearing related to GST on online gaming

The Supreme Court of India has adjourned the hearing on a series of petitions challenging the imposition of a 28% Goods and Services Tax (GST) on real-money gaming companies. The petitions, filed by various real-money gaming companies, contest the retrospective application of the tax and the calculation method based on the full face value of bets. [Read More](#)



INTELLECTUAL PROPERTY

Comparing competing trademarks by breaking them down into individual components is not permissible and must be viewed in its entirety

The Delhi High Court recently ruled that competing trademarks must be compared as a whole, not dissected into individual parts. This decision was made in an appeal by L'Oreal India Pvt Ltd against Rajesh Kumar Taneja Trading, where the court found no similarity between the trademarks in question. The court emphasized that the trademarks must be viewed in their entirety to avoid confusion between similar marks. [Read More](#)

Draft of Trade Marks (Holding Inquiry and Appeal) Rules, 2024 released by The Indian Ministry of Commerce and Industry to streamline hearing and appeals

The Indian Ministry of Commerce and Industry has released draft Trade Marks (Holding Inquiry and Appeal) Rules, 2024 on 1st of July aiming to streamline trademark hearings and appeals. These rules allow for virtual hearings and electronic communication, making the process more efficient and accessible. Additionally, the draft rules specify that any person aggrieved by an order of the adjudicating officer can file an appeal within three months, either electronically or through registered post. [Read More](#)



Government Revises Onshore Wind Power Project Guidelines for Optimized Turbine Placement

The Indian Ministry of New & Renewable Energy has amended its 2016 guidelines for onshore wind power projects. The key change is in the 'Micrositing' guidelines, which now prioritize the use of wind flow modeling and optimization tools for optimal turbine placement within a wind farm. The revised guidelines offer more flexibility compared to the previous strict minimum distance requirements between turbines. However, specific minimum distances for transmission lines, roads/highways, and inhabited buildings are outlined, with the possibility of state-specific norms overriding these. [Read More](#)

Indian Railways Improves Train Operations with New Power Car Maintenance Policy

The Indian Railways has issued a new policy to improve train operations by focusing on the reliability and availability of power cars. These cars supply electricity to trains for air conditioning, lighting, and fans. The new policy includes signing maintenance contracts with original equipment manufacturers (OEMs) and using kits for repairs. This will reduce lead time for procuring parts and improve the overall efficiency of power car maintenance. The goal is to provide uninterrupted electricity to trains, improving passenger comfort and safety. [Read More](#)

FROM LAST EDITION

The MCA introduced 9 new company forms on the V3 MCA21 portal, effective from July 15, 2024.

The RBI, in collaboration with the Government of India, has unveiled a revised currency swap arrangement framework for SAARC nations, valid from 2024 to 2027.

Arbitration clauses in government contracts are recommended to be restricted to disputes involving less than ₹10 crore to mitigate costs and time.

The Drug Controller of India is finalising guidelines for the safe disposal of expired and unused medications, addressing environmental and health hazards.

STARTUPS & E-COMMERCE

India Halves TCS Rate for E-commerce Operators to 0.5 % to Boost Interstate Trade

The Indian Central Board of Indirect Taxes and Customs (CBIC) has reduced the Tax Collected at Source (TCS) rate for e-commerce operators from 1% to 0.5% on the net value of interstate taxable supplies. This change, effective from July 10, 2024, is in line with the recommendations of the 53rd GST Council meeting. Previously, the TCS rate was divided equally between CGST and SGST/UTGST (0.5% each) or 1% IGST. The new rate halves this, with 0.25% for CGST and SGST/UTGST each or 0.5% for IGST. [Read More](#)

Angel Tax abolished in the Budget 2024 to boost early-stage funding

Union Budget 2024's decision to abolish the angel tax aims to strengthen the ecosystem, boost early-stage funding, increase domestic capital formation, and enhance the ease of doing business. Removing this tax barrier is expected to revitalize the startup scene after a recent funding dip and position India as a global innovation hub. [Read More](#)



Supreme Court Affirms Slum Rehabilitation Projects as Public Initiatives, Not Just Real Estate Developments

The Supreme Court of India has upheld the termination of Yash Developers' agreement by the AGRC due to the developer's failure to complete a slum rehabilitation project within the stipulated time. The court emphasized that such projects serve a public purpose and are not mere real estate ventures. It highlighted the statutory duty of the Slum Rehabilitation Authority (SRA) to ensure the timely completion of these projects to protect the interests of slum dwellers. [Read More](#)

Supreme Court calls for standardized Builder-Buyer Agreements to protect home buyers from fraud

The Supreme Court of India has highlighted the need for uniform builder-buyer agreements across the country to protect home buyers from fraud. The court emphasized that the lack of uniformity allows builders to exploit buyers through arbitrary clauses, leading to widespread fraud. The court has scheduled the matter for further hearing to address this issue. [Read More](#)

The I-T department provides clarification on the acquisition cost of real estate bought before 2001 for LTCG tax

The Indian Income Tax (I-T) Department has clarified how to calculate the acquisition cost of real estate properties purchased before 2001 for long-term capital gains (LTCG) tax purposes. The cost of acquisition will be the fair market value (FMV) as of April 1, 2001, or the actual cost of the land or building, whichever is lower, but not exceeding the stamp duty value. This clarification comes after the FY25 budget reduced LTCG tax on real estate to 12.5% from 20% but removed indexation benefits for properties bought after April 2001. [Read More](#)



India's Digital Personal Data Protection Rules Set for Public Review in August

The Indian government has finalized the draft of rules for the Digital Personal Data Protection (DPDP) Act 2023 and plans to release them for public consultation in the second or third week of August. The rules aim to be simple and non-disruptive, and will be notified after the current session of Parliament concludes. The IT ministry is also considering various options to ensure age-gating and verification for children under 18 using social media and other internet services, as required by the DPDP Act. [Read More](#)

Government Clears Path for Free Internet Bill for free access to the general public, aimed at Bridging Digital Divide

The Indian government has cleared the consideration of a private member's bill seeking to provide free internet access to all citizens, particularly those from economically weaker sections (EWS). This move follows recent price hikes by telecom companies, increasing the cost burden on consumers. The proposed legislation aims to bridge the digital divide and ensure equitable access to information and services for all, regardless of socioeconomic background. The bill has been referred to the Standing Committee on Information Technology for further examination. If enacted, it could have significant implications for internet accessibility and affordability in India.

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 B-7/1, Safdarjung Enclave Extn.
New Delhi - 110029
INDIA

 +911126101906,
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