

WEEKLY CORPORATE UPDATES

Saturday 30th July, 2022

(Curated & compiled by)

Team Indiacorp Law

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MCA UPDATES

Clarification on spending of CSR funds for "Har Ghar Tiranga" campaign- reg

General circular No.08/2022

Dated: 26th July, 2022

'Har Ghar Tiranga', a campaign under the aegis of Azadi Ka Amrit Mahotsav, is aimed to invoke the feeling of patriotism in the hearts of the people and to promote awareness about the Indian National Flag. In this regard, it is clarified that spending of CSR funds for the activities related to this campaign, such as mass scale production and supply of the National Flag, outreach and amplification efforts and other related activities, are eligible CSR activities under item no. (ii) of Schedule VII of the Companies Act, 2013 pertaining to promotion of education relating to culture. The companies may undertake the aforesaid activities, subject to fulfillment of the Companies (CSR Policy) Rules, 2014 and related circulars/ clarifications issued by the Ministry thereof, from time to time.

RelatedLink:<https://www.mca.gov.in/bin/dms/getdocument?mcs=dXH1ziMu%252FmN%252BBSRLHN9evw%253D%253D&type=open>

CBDT notification for PAN integration with LLP incorporation form FiLLip

Dated: 26th July, 2022

Notification No. 04/2022

The Central Board of Direct Taxes vide its notification dated July 26, 2022 has notified the procedure of PAN application and allotment through Simplified Proforma for incorporating Limited Liability Partnerships (LLPs) electronically (Form: FiLLIP) of the Ministry of Corporate Affairs.

In exercise of the powers delegated by the Central Board of Direct Taxes vide notification G.S.R dated 09.02.2017, the Director General of Income-tax (Systems) laid down applicable form, format and procedure for Permanent Account Number (PAN) application filing by LLPs.

RelatedLink:<https://www.mca.gov.in/bin/dms/getdocument?mcs=kvBTyn49INIMUOv%252B38VTDg%253D%253D&type=open>

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IBC UPDATES

NCLT Disallows JSW to Withdraw from Status of Successful Resolution Applicant of Ind-Barath Energy

Dated: 26th July, 2022

While adjudicating an application filed in the matter Bank of Baroda vs. Ind-Barath Energy (Utkal) Ltd., the Hon'ble NCLT Hyderabad Bench had rejected JSW Energy's plea to withdraw its resolution plan for the takeover of debt-laden Ind-Barath Energy (Utkal) on account of deterioration of assets, on the ground that under Section 31(1) of the Insolvency and Bankruptcy Code, 2016, the Adjudicating Authority does not have the power to terminate or remand back a resolution plan to the Committee of Creditors for re-consideration.

The NCLT Hyderabad bench had on August 29, 2018, admitted Bank of Baroda's plea to initiate insolvency proceedings against Ind-Barath Energy wherein, JSW Energy had emerged as the successful Resolution Applicant with 82.7% votes by the COC.

Related Link: <https://www.livelaw.in/news-updates/national-company-law-tribunal-insolvency-and-bankruptcy-code-successful-resolution-applicant-committee-of-creditors-jsw-energy-ltd-204861>

<https://ibbi.gov.in/uploads/order/596534a14eaa800f8426c9a65408cb4c.pdf>

NCLAT Delhi sets aside the CIRP of LA Residentia Developers, as Parties enter Settlement

Dated: 27th July, 2022

The Hon'ble National Company Law Appellate Tribunal (NCLAT), Principal Bench while adjudicating an appeal filed by an Association namely 'Amrapali LA-Residentia Flat Buyers Welfare Association (ALRFBWA)' has set aside the Corporate Insolvency Resolution Process (CIRP) of LA Residentia Developers Pvt. Ltd. as the parties have entered settlement. It was further observed by the Hon'ble Appellate Tribunal that the continuing business relation between the Parties shows that the Corporate Debtor is not insolvent.

The Appeal was filed challenging the order dated 25.05.2022 passed by the Hon'ble NCLT New Delhi Bench-II, wherein the application filed under section 9 of the Insolvency and Bankruptcy Code, 2016 against LA Residentia Developers Pvt. Ltd. had been admitted.

Related Link: <https://www.livelaw.in/news-updates/nclat-delhi-amrapali-la-residentia-flat-buyers-welfare-association-corporate-insolvency-resolution-process-insolvency-and-bankruptcy-code-204873>

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Amazon moves Supreme Court against NCLAT uploading CCI order in Future group investment case

Dated: 29th July, 2022

E-commerce major Amazon has moved before the Hon'ble Supreme Court against an order dated 13.06.2022 passed by the Hon'ble NCLAT, which had upheld fair trade regulator Competition Commission of India's decision to suspend its approval for investment in a Future Group company.

The Appellate Tribunal had rejected Amazon's plea challenging the decision of the Competition Commission of India (CCI) to suspend the approval for the e-commerce major's deal with Future Coupons and had directed the Company to pay over INR 200 crore penalty imposed on it, within next 45 days.

Earlier in December 2021, the Competition Commission of India (CCI) had suspended the approval given by it in the year 2019 for Amazon's deal to acquire a 49% stake in Future Coupons Pvt. Ltd (FCPL) on the ground that Amazon had suppressed information while seeking clearance for the transaction back then.

Related Link: <https://economictimes.indiatimes.com/industry/services/retail/amazon-moves-sc-against-nclat-upholding-cci-order-in-future-group-investment-case/articleshow/93216888.cms>

NCLT allows plea to halt insolvency proceedings against Sahara hospitality

Dated: 29th July, 2022

The Hon'ble NCLT Mumbai Bench has allowed a petition to withdraw the insolvency resolution process initiated against Sahara Hospitality, after the Company and its operational creditor agreed to settle their dispute.

The Hon'ble bench presided by Justice PN Deshmukh was of the considered view that since parties have settled the matter as full-and-final ... nothing survives in the present company petition, hence, the company petition is out of the rigour of the CIRP,"

The Mumbai based Sahara Hospitality was admitted under the corporate insolvency resolution process (CIRP) after the Operational Creditor Delta Electro Mechanical had filed a petition claiming default of over INR 50 crore by the Company.

Related Link: <https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/nclt-allows-plea-to-halt-insolvency-proceedings-against-sahara-hospitality/articleshow/93196047.cms>

<https://ibbi.gov.in/uploads/order/f02feb95e72162fcbcc547111e381146.pdf>

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M&A UPDATES

Cabinet clears BSNL-BBNL merger, approves revival package worth Rs 1.64 lakh crore

Dated: 28th July, 2022

The Union Cabinet has given a heads up to the merger of Bharat Broadband Network Limited (BBNL) into the state-owned telecom operator Bharat Sanchar Nigam Limited (BSNL).

In addition to the said approval, a revival package of INR 1,64,156 crore was also announced for BSNL in the cabinet meeting.

Related Link: <https://economictimes.indiatimes.com/industry/telecom/telecom-news/cabinet-clears-bsnl-bbnl-merger-approves-revival-package-worth-rs-164156-cr/articleshow/93162008.cms>

Zee Entertainment's merger with Sony Pictures Networks gets NSE & BSE approval

Dated: 29th July, 2022

Zee Entertainment Enterprises Ltd. (ZEEL) has received approval from the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) for its proposed merger with Culver Max Entertainment Private Limited (formerly Sony Pictures Networks India) and the approvals further permit ZEEL to proceed with the next steps in the overall merger process.

The approval from the stock exchanges marks a firm and positive step in the overall merger approval process.

Related Link: <https://economictimes.indiatimes.com/markets/stocks/news/zee-entertainments-merger-with-sony-pictures-networks-gets-nse-bse-approval/articleshow/93218516.cms>

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SEBI UPDATES

SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022

REGD. No. D. L.-33004/99

Dated: 25th July, 2022

SEBI has notified the SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022, which shall come into force on the date of their publication in the Official Gazette. Vide this notification SEBI has prescribed the framework for Social Stock Exchange and inserted a separate Chapter X-A under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Social Stock Exchange means a separate segment of a recognized stock exchange having nationwide trading terminals permitted to register Not for Profit Organizations and / or list the securities issued by Not for Profit Organizations in accordance with provisions of these regulations. The provisions of the above mentioned Chapter shall apply to-

- a Not for Profit Organization seeking to only get registered with a Social Stock Exchange;*
- a Not for Profit Organization seeking to get registered and raise funds through a Social Stock Exchange; and*
- a For Profit Social Enterprise seeking to be identified as a Social Enterprise under the provisions of this Chapter.*

Related Link: <https://egazette.nic.in/WriteReadData/2022/237561.pdf>

SEBI warns public against dealing in properties of PACL Group, subsidiaries

Dated: 25th July, 2022

A SEBI-panel on Monday (July 25, 2022) cautioned the public against dealing in the properties of PACL Group and its subsidiaries, saying no one has been authorised to sell the properties. PACL, also known as Pearl Group, had raised money from the public in the name of agriculture and real estate businesses. According to the SEBI, PACL collected more than Rs 60,000 crore through illegal collective investment schemes (CIS) over a period of 18 years. A committee, headed by former Chief Justice of India R M Lodha, is overseeing the process of disposing of properties to refund investors after verifying their genuineness. It has already initiated the process of refund in phases. The panel was set up by SEBI in 2016 following a Supreme Court order.

Related Link: https://www.business-standard.com/article/markets/sebi-warns-public-against-dealing-in-properties-of-pacl-group-subsidiaries-122072500677_1.html

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Varun Beverages: Two entities settle insider trading case with SEBI

Dated: 26th July, 2022

Spank Management Services and Patanjali Govind Keswani have settled with markets regulator SEBI a case pertaining to alleged insider trading in the shares of Varun Beverages after paying Rs 73 lakh. The order came after the two applicants proposed to settle the alleged violations of insider trading rules, "without admitting or denying the findings" through a settlement order. The regulator had conducted an investigation in the matter to ascertain whether certain entities have traded in the scrip of Varun Beverages Ltd (VBL) during the period of December 21, 2017 to January 4, 2018 on the basis of Unpublished Price Sensitive Information (UPSI) pertaining to VBL entering into strategic partnership with PepsiCo India for sale and distribution of the larger Tropicana portfolio.

Related Link: https://www.business-standard.com/article/companies/varun-beverages-two-entities-settleinsider-trading-case-with-sebi-122072601094_1.html

SEBI again extends deadline for commencing KYC record validation by KRAs

Circular No.: SEBI/HO/MIRSD/SEC-5/P/CIR/2022/100

Dated: 27th July, 2022

Capital markets regulator SEBI extended the deadline by three months to November 1, 2022, for commencing the validation of all KYC records by KYC Registration Agencies (KRAs). This is the second time, when the Securities and Exchange Board of India (SEBI) has extended the deadline. Initially, such agencies were required to independently validate the Know your Client or KYC records of all clients by July 1, 2022, which was extended till August 1, 2022. Now once again the regulator has received requests from the KRAs to extend the timelines.

Related Link: <https://www.moneycontrol.com/news/india/sebi-againextends-deadline-for-commencing-kyc-record-validationby-kras-8900251.html>

SEBI revises settlement rules for running accounts

Circular No.: SEBI/HO/MIRSD/DoP/P/CIR/2022/101

Dated: 28th July, 2022

SEBI has revised rules on the settlement of running accounts of clients' funds lying with stockbrokers. The regulator said brokers should settle running accounts of clients' funds after considering the end-of-the-day obligation of funds as on the date of settlement across all the exchanges on the first Friday of the quarter. For clients, who have opted for monthly settlement, running accounts should be settled on the first Friday of every month. If the first Friday is a trading holiday, then such settlement should happen on the previous trading day. As per rules, brokers are required to carry out the settlement of funds and securities depending

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on the mandate of the client. They must maintain a gap of a maximum of 90 or 30 days, as per the choice of the client between two settlements of running account.

Related Link: <https://economictimes.indiatimes.com/markets/stocks/news/sebi-revises-settlement-rules-for-runningaccounts/articleshow/93173763.cms>

SEBI penalises eight individuals for violation of insider trading norms

Dated: 28th July, 2022

Capital markets regulator SEBI imposed fines totalling Rs 8 lakh on eight individuals for violation of insider trading norms in the shares of Titan Company Ltd. The transactions were carried out between April 2018 and March 2019 when they were designated employees of Titan Company. The order came after SEBI received a letter from Titan Company Ltd (TCL), wherein the company intimated the regulator about alleged violations of Prohibition of Insider Trading (PIT) and company's code of conduct by some of its designated persons/employees.

Related Link: https://www.business-standard.com/article/pti-stories/sebi-penalises-8-individuals-forbreach-of-insider-trading-norm-in-titan-share-trades-122072701206_1.html

Religare Finvest fund diversion case: SEBI imposes Rs 60 cr fine on Singh brothers, 8 others

Dated: 28th July, 2022

Capital markets regulator SEBI imposed a penalty totalling Rs 60 crore on 10 entities, including Malvinder Mohan Singh and Shivinder Mohan Singh, in a case involving the diversion of funds of Religare Finvest. In addition, the Singh brothers have been barred from the securities market for three years, or till the recovery of the diverted money along with interest, while other entities have been prohibited for two years. The case relates to the diversion of funds to the tune of Rs 2,473.66 crore of Religare Finvest Ltd (RFL), a subsidiary of Religare Enterprises Ltd (REL), during FY 2014-15 till FY 2017-18, in the garb of loans through layers of entities for the ultimate benefits of entities controlled by the erstwhile promoters -- Singh brothers.

Related Link: <https://www.moneycontrol.com/news/business/religare-finvest-fund-diversion-case-sebi-imposes-rs-60-cr-fineon-singh-brothers-8-others-8908771.html>

PVR matter: Individual pays Rs 31 lakh for settlement with SEBI

Dated: 28th July, 2022

An individual has settled with markets regulator SEBI a case related to alleged violations of insider trading rules in the shares of PVR Ltd, by paying nearly Rs 31 lakh. The move came after the person -- Kamal Gianchandani -- approached SEBI to settle the adjudication proceedings initiated against him through a

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settlement order. Gianchandani was heading the PVR Pictures Ltd during the investigation period from April 2014 to March 2017 and was also a designated person of PVR Ltd, the order noted.

Related Link: <https://www.moneycontrol.com/news/business/pvrmatter-individual-pays-rs-31-lakh-for-settlement-withsebi-8908711.html>

Circular regarding Addendum to SEBI on Development of Passive Funds

Circular No.: SEBI/HO/IMD/DF2/CIR/P/2022/102

Dated: 28th July, 2022

This has reference to SEBI circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022 on "Development of passive funds". The provisions of the said circular are applicable with effect from July 01, 2022.

Clause 2(IV) (A) of the aforesaid circular prescribed that in respect of units of ETFs, direct transaction with AMCs shall be facilitated for investors only for transactions above a specified threshold of INR 25 Cr.

Subsequently, feedback was received from stakeholders expressing certain challenges with respect to implementation of the above clause. Considering the same, it has been decided that the applicability of clause 2(IV)(A) of the circular shall be November 01, 2022, refer attachment for further details.

Related Link: https://www.sebi.gov.in/legal/circulars/jul-2022/addendum-to-sebi-circular-on-development-of-passive-funds_61320.html

LODR - Single Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/ or Commercial Paper

Circular No.: SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103

Dated: 29th July, 2022

The Securities and Exchange Board of India (SEBI) on July 29, 2022 has issued a circular regarding the Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/ or Commercial Paper, the objective of the guidelines is effective regulation of the corporate bond market and to enable the issuers and other market stakeholders to get access to all the applicable circulars at one place.

SEBI directs all the Exchanges and issuers and other stockholders to comply with the conditions laid down in this circular:

- bring the provisions of this circular to the notice of listed entities/ issuers of listed Non-Convertible Securities, Securitised debt instruments, and/ or Commercial Paper;

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- disseminate the provisions of the circular on their website;
- put in place necessary systems and infrastructure for implementation of this circular;
- make consequential changes, if any, to their respective bye-laws; and
- communicate and create awareness amongst the stakeholders.

Related Link: <https://www.sebi.gov.in/legal/circulars/jul-2022/lodr-single-operational-circular-for-listing-obligations-and-disclosure-requirements-for-non-convertible-securities-securitized-debt-instruments-and-or-commercial-paper-61345.html>

Nomination for Mutual Fund Unit Holders – Extension of timelines

Circular No.: SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/105

Dated: 29th July, 2022

SEBI vide Circular No SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/82 dated June 15, 2022 (Circular) mandated submission of nomination details/declaration for opting out of nomination for investors subscribing to mutual fund units on or after August 1, 2022

In this regard, based on the representation received from AMFI, it has been decided that:

- Para 1 of the Circular will be read as “Investors subscribing to mutual fund units on or after October 1, 2022, shall have the choice of:”
- Para 2 of the Circular will be read as “AMC shall provide an option to the unit holder(s) to submit either the nomination form or the declaration form for opting out of nomination in physical or online as per the choice of the unit holder(s). In case of physical option, the forms shall carry the wet signature of all the unit holder(s). In case of online option, instead of wet signature(s) of all the unit holder(s), AMCs shall validate the forms:
 - using e-Sign facility recognized under Information Technology Act, 2000; or
 - through two factor authentication (2FA) in which one of the factor shall be a One-Time Password sent to the unit holder at his/her email/ phone number registered with the AMC”.

Related Link: <https://www.sebi.gov.in/legal/circulars/jul-2022/nomination-for-mutual-fund-unit-holders-extension-of-timelines-61395.html>

Framework for automated deactivation of trading and demat accounts in cases of inadequate KYCs

Circular No.: SEBI/HO/EFD1/EFD1_DRA4/P/CIR/2022/104

Dated: 29th July, 2022

Securities and Exchange Board of India (SEBI) has released a framework for automated deactivation of trading and demat accounts in cases of inadequate know-your-customer (KYC) norms.

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In a circular issued on 29 July 2022, SEBI says, "...all market infrastructure institutions (MIIs) shall deactivate all trading and demat accounts, i.e. implement a restraint or freeze on debit and credit (except for corporate actions) of all trading and demat accounts of the entity based on the entity's permanent account number (PAN), within five working days from the last unsuccessful delivery report."

"MIIs shall send an email and SMS to the entity before deactivation. It is clarified that if one of the MIIs is able to deliver the SCN or order, as the case may be, to the entity and obtain signed acknowledgement, then none of the accounts of the entity shall be deactivated. However, the MIIs, through their registered intermediaries, shall ensure that the KYC records linked to all accounts held by the entity are updated, and accurate and confirm the new KYC details to the concerned KYC registration agency (KRA)," it added.

However, while enforcing the deactivation of trading or demat accounts of such entities, pending pay-in and pay-out obligations and open positions may be permitted to be settled, squared off or closed out, as the case may be, the market regulator clarified.

Further, MIIs are required to ensure that they communicate the details of the deactivation along with the reasons thereof to the respective registered intermediary. SEBI says, "They (MIIs) shall also ensure that the reasons for the deactivation are displayed in a clear and unambiguous manner when the entity attempts to transact using his trading and demat account."

The framework would also apply to joint accounts. However, SEBI says, before deactivating the joint accounts, MIIs should endeavour to contact the entity through the co-holders for delivery of show-cause notice (SCN) or order simultaneously by following the same process.

According to SEBI, every address recorded to comply with KYC procedure has to be accurate and an intermediary has to update the address from time to time. However, it says that, in some cases, accurate or updated addresses of clients are not maintained. "This is borne out of the fact that when SEBI issues any notices during any enforcement proceedings on such addresses, the same remain unserved."

Related Link: https://www.sebi.gov.in/legal/circulars/jul-2022/framework-for-automated-deactivation-of-trading-and-demat-accounts-in-cases-of-inadequate-kycs_61407.html

RBI UPDATES

Zero tolerance for volatility

Dated: 22nd July, 2022

The Reserve Bank of India has "zero tolerance for volatility" of the rupee and will continue to engage in the foreign exchange market without having a particular level in mind, Governor Shaktikanta Das said on July 22, 2022.

Concerns:

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Credit card on UPI: NPCI in talks with banks for pilot

Dated: 22nd July, 2022

The National Payments Corporation of India (NPCI), the umbrella organisation for retail payments in the country, will commence a pilot project of enabling credit cards on Unified Payments Interface (UPI) over the next two months.

Related Link: <https://indianexpress.com/article/business/banking-and-finance/credit-card-on-upinpci-in-talks-with-banks-for-pilot-8046563>

Auction for Sale (re-issue) of (i) '7.38 GS 2027', (ii) 'GoI Floating Rate Bond 2028', (iii) '7.54% GS 2036' (iv) '6.99% GS 2051'

Press Release: 2022-2023/590

Dated: 25th July, 2022

The Government of India (GoI) has announced the Sale (reissue) of (i) "7.38% Government Security, 2027" for a notified amount of Rs 9,000 crore (nominal) through price based auction using uniform price method; (ii) "GoI Floating Rate Bonds, 2028" for a notified amount of Rs 4,000 crore (nominal) through price based auction using uniform price method; (iii) "7.54% Government Security 2036" for a notified amount of Rs 11,000 crore (nominal) through price based auction using uniform price method and (iv) "6.99% Government Security 2051" for a notified amount of Rs 8,000 crore (nominal) through price based auction using multiple price method. GoI will have the option to retain additional subscription up to Rs 2,000 crore against each security mentioned above. The auctions will be conducted by the Reserve Bank of India, Mumbai Office, Fort, Mumbai on July 29, 2022 (Friday).

Related Link: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1844782>

Government monitoring price rise situation of major essential commodities on regular basis

Dated: 26th July, 2022

The price situation of major essential commodities is monitored by the Government on a regular basis and corrective action is taken from time to time. Several suppyside measures have been taken by the Government to address inflation. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply in Rajya Sabha.

Related Link: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1845056>

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Board approved Loan Policy – Management of Advances – UCBs

DOR.CRE.REC.56/13.05.000/2022-23

Dated: 26th July, 2022

Primary (Urban) Cooperative Banks (UCBs) are required to lay down, with the approval of their boards, transparent policies and guidelines for credit dispensation, in respect of each broad category of economic activity, keeping in view the credit exposure norms and various other guidelines issued by Reserve Bank from time to time. It has been observed in several UCBs that these policies not only lack comprehensive coverage, but also do not require a periodic review. In order to ensure that the loan policy reflects approved internal risk appetite and remains in alignment with the extant regulations, it is advised that the loan policy of the bank shall be reviewed by the Board at least once in a financial year.

Related Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12361&Mode=0>

Discussion Paper and results of Survey on Climate Risk and Sustainable Finance

Press Release No.: 2022-2023/599

Dated: 27th July, 2022

The Reserve Bank of India (RBI) has released on July 27, 2022 a Discussion Paper on Climate Risk and Sustainable Finance. Comments on the Discussion Paper are invited from regulated entities and other stakeholders by September 30, 2022. The comments may be forwarded by email (sfgdor@rbi.org.in) with the subject line "Comments on the Discussion Paper on Climate Risk and Sustainable Finance".

Related Link: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54097

Digital payments record 29% annual growth at March-end 2022: RBI data

Dated: 28th July, 2022

The Reserve Bank of India's (RBI) Digital Payments Index (DPI) rose to 349.30 as of March 2022, as against 304.06 in September 2021, thus reflecting the rapid adoption of digital payments in the country. Launched in January 2021, the DPI index indicates the extent of digitisation of payments across the country.

Related Link: https://www.business-standard.com/article/finance/digital-payments-record-29-annual-growth-at-march-end-2022-rbi-data-122072701588_1.html

Concerns:

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GST UPDATES

Advisory on Upcoming Changes in GSTR-3B

Dated: 22nd July, 2022

The Government vide Notification No. 14/2022 –Central Tax dated July 05, 2022 has notified few changes in Table 4 of Form GSTR-3B requiring taxpayers to report information on ITC correctly availed, reversal thereof and declaring ineligible ITC in Table 4 of GSTR3B.

Related Link: <https://www.gst.gov.in/newsandupdates/read/550>

SC allows taxpayers to claim pre-GST accumulated ITC in a 60-day window

Dated: 22nd July, 2022

In a landmark decision that could free up hundreds of crores of rupees in Input Tax Credit (ITC), the Supreme Court on July 22, 2022 allowed all affected taxpayers to claim accumulated ITC accrued in the pre-GST indirect tax regime in 60 days ending October 30. GST Network portal to provide facility for all assesses to claim transitional credit from September 1 till October 30, the SC said disposes off batch of 400 appeals. All such assesses, which analysts said may be in thousands, can claim the benefit whether they have filed Writ petition or not.

Related Link: <https://www.financialexpress.com/economy/sc-allowstaxpayers-to-claim-pre-gst-accumulated-itc-in-a-60-daywindow/2602630/>

OTHER UPDATES

Labour Laws: New Wage Code

Dated: 25th July, 2022

The Code on Wages, 2019, has been notified on 08 August 2019, and the provisions of the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976, have been rationalised and subsumed therein. The Code provides for universal minimum wage across employments in organized and unorganized sector. The Code mandates the Central Government to fix floor wage and that the minimum rates of wages fixed by the appropriate Governments shall not be less than the floor wage. The Code prohibits gender discrimination in matters related to wages and recruitment of employees for the same work or work of similar nature done by an employee. Every employee, drawing wages not exceeding a monthly amount as notified by the Central or State Government,

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and having put in at least 30 days of work in an accounting year, will be entitled to an annual bonus at the rate of 8.33% of wages earned or Rs. 100, whichever is higher.

“Labour” as a subject is in the Concurrent List of the Constitution of India and under the Codes, the power to make rules is vested with the Central Government as well as the State Governments as appropriate Government. As a step towards implementation of the four Labour Codes, the Central Government has pre-published the draft Rules, inviting comments of all stakeholders. As per available information, 31, 26, 25 and 25 States/Union Territories have pre-published the draft Rules under the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety Health and working Conditions Code, 2020 respectively.

The Labour Codes were drafted after wide consultations including nine tripartite meetings involving employers’ and workers’ representatives, regional Labour Conferences, interMinisterial consultations and based on reports of the Parliamentary Standing Committee on Labour. The endeavor has been to align the Labour Codes with the present economic scenario and technological advancements along with reduction in multiplicity of definitions & authorities. The Codes tend to ease compliance mechanism aiming to promote ease of doing business/setting up of enterprises, attract investment and catalyze creation of employment opportunities while ensuring safety, health and social security of every worker. Use of technology has been introduced in order to ensure transparency & accountability in enforcement. Decriminalization of minor offences has also been provided in the Labour Codes.

This information was given by the Minister of State for Labour & Employment, Shri Rameswar Teli in a written reply in Lok Sabha.

Related Link: <https://pib.gov.in/PressReleseDetailm.aspx?PRID=1844649>

Thanking You,

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