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INFORM: Infrastructure Projects & Finance

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We bring you the latest updates on the dynamic intersection of infrastructure projects with banking and finance. Join us to navigate the evolving landscape of infrastructure curated to empower you with strategic intelligence.

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>>> NOTIFICATIONS/CIRCULARS



Directions Issued on Release of Property Documents on Repayment of Personal Loans

The directions mandate release of original movable/immovable property documents and removal of charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account. Borrowers shall also be given the option of collecting the documents as per their preference.

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Discontinuance of Incremental Cash Reserve Ratio (I-CRR)

Based on an evaluation of the liquidity conditions in July and August, the RBI had issued a circular, instructing Banks to maintain an additional average daily balance over and above the average daily balance required to be maintained under sub-section (1) of Section 42.

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Draft Master Direction on Treatment of Wilful Defaulters and Large Defaulters Released

The draft direction aims to enhance the scope of Regulated Entities to categorize borrowers as wilful defaulters, broaden the definition of wilful default, improve the process of identifying such defaulters, and require a review and finalization of wilful default aspects within six months of an account being classified as a non-performing asset.

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Display of Information of Secured Assets Possessed Under SARFAESI Act

The RBI has, vide circular number - RBI/2023-24/63DoR.FIN.REC.41/20.16.003/2023-24 issued directions to its Regulated Entities (REs) who are recognised as secured creditors under the SARFAESI Act, 2002, to publicly disclose information regarding borrowers whose secured assets have been taken into possession by the REs.

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Withdrawal of ₹2000 Denomination Banknotes from Circulation

The printing of ₹2000 banknotes was discontinued in the fiscal year 2018-19, as the objective of introducing the ₹2000 denomination had been achieved and there was sufficient availability of banknotes in other denominations. Starting from 8 October, 2023, banks will no longer accept ₹2000 banknotes for depositing into accounts or exchanging them for banknotes of other denominations.

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Usage of Fly ash in National Highway Construction

The Ministry of Environment, Forest and Climate Change (MOEF&CC) has mandated the usage of fly ash/pond ash since 1999. The NHAI has yet again issued an order on the use of fly ash in the construction of National Highways vide circular dated September 26, 2023 highlighting the relevant provisions published by the MOEF&CC from time to time.

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>>> CASE LAWS



Liquidator Cannot Cancel a Valid Auction in Anticipation of Higher Bid

In the case of Eva Agro Feeds Private Limited v. Punjab National Bank and Another [2023 SCC OnLine 1138], decided on September 6, 2023, the Supreme Court ruled that a liquidator does not have absolute discretion to cancel a valid auction on the sole expectation of higher bids. The Court clarified that inclusion of para 1(11A) in Schedule I to the IBBI regulations established the necessity of providing reasons for rejecting the highest bid in accordance with the Regulations.

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Criminal Liability Cannot be Fastened on Transferee Bank in Non-Voluntary Amalgamation by RBI

The Supreme Court in Religare Finvest Ltd. v. State (NCT of Delhi), has held that in cases where there is a non-voluntary amalgamation by the RBI under the provisions of the Banking Regulation Act, 1949, the rescuer bank cannot be fastened with the corporate criminal liability attributed to the erstwhile sick bank.

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Borrower's Right of Redemption Extinguishes on Publication of Auction Notice

The Supreme Court, in Celir LLP v. Bafna Motors Mumbai Pvt Ltd and Ors., has held that a borrower's right to redeem the secured asset stands extinguished on the date of publication of the notice for public auction.

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Reasonable Liquidated Damages Allowed in Case of Delayed Supply

In the case of Jupiter Rubber Pvt. Ltd. V. Union of India, the High Court of Delhi upheld the imposition of penalty for delayed supplies to the extent of 3% of the contract value and refused to award interest on untimely payments.

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>>> QUICK READS



RBI Imposes Penalties on Four Co-operative Banks for Regulatory Compliance Breaches

The Reserve Bank of India (RBI) has imposed monetary penalties on four co-operative banks due to their failure to comply with regulatory requirements. These co-operative banks are Becharaji Nagarik Sahakari Bank, Waghodia Urban Co-operative Bank Viramgam Mercantile Co-operative Bank and Baramati Sahakari Bank.

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RBI Unveils List of 15 NBFCs in 'Upper Layer' Category

On September 14, 2023, the Reserve Bank of India (RBI) published a list containing the names of 15 Non-Banking Financial Companies (NBFCs) that fall under the upper layer of scale-based regulation (SBR) for NBFCs in the year 2023.

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