FoxMandal
Solicitors & Advocates

INFORM: Infrastructure Projects & Finance

JULY 2024

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.

>>> HIGHLIGHTS

CASE LAWS:

1. Provision of Clear and Justified Reason for Rejection of Bid Fundamental to Transparency in Tender Process
2. Invalid Cheques do not Attract Liability Under Section 138 Of NI Act
3. Developmental Projects Cannot Be Stopped on the Basis of Unverified Claims
4. Final Approval of Resolution Plan Extinguishes All Prior Claims

QUICK READS:

1. SEBI Relaxes Timelines for Foreign Portfolio Investors' Disclosures
2. IBBI Issues New Guidelines for Appointing Insolvency Professionals
3. HTL and Affiliates Penalised for Delisting and Disclosure Violations
4. RBI Cancels License of Purvanchal Co-operative Bank, Initiates Liquidation Process
5. IRB Infra Sees ₹2,656 Crore Block Deals as Cintra Offloads 6.8% Stake

NOTIFICATIONS/CIRCULARS:

1. RBI Revises Definition of Bulk Deposits
2. RBI Amends Master Directions on Priority Sector Lending
3. RBI Expands Facility for International Trade Settlement in Indian Rupees
4. RBI Updates Foreign Exchange Management Guidelines for Overseas Investments
5. New Guidelines for Shoulder Widths on National Highways Announced

>>> CASE LAWS



Clear Reason for Rejection of Bid Fundamental to Transparency in Tender Process

In a decision delivered by the Delhi High Court on June 1, 2024, in the case of JBMD Enterprises v. Sr. Dy. CGDA AN and Others [W.P.(C) 8410/2024 and CM APPL. 34686/2024] it was held that providing a clear and justified reason to a tenderer for the disqualification of its bid is fundamental to the transparency in the tendering process.

Read More

Invalid Cheques do not Attract Liability under Section 138 of NI Act

In a decision delivered by the Allahabad High Court on June 5, 2024 in the case of Archana Singh Gautam vs. State of U.P. and Another [2024: AHC:102434] it was held that cheques that are invalid due to institutional changes such as mergers do not attract liability under Section 138 of the Negotiable Instruments Act, 1881.

Read More





Developmental Projects Cannot Be Stopped on the Basis of Unverified Claims

In the case of People United for Better Living in Calcutta v. State of West Bengal and Others [WPA (P)/569/2023] the court dismissed the PIL, citing that the claims of the petitioner were largely derived from unverified newspaper reports and there was no merit in the allegations made to establish a case for interfering with the metro project.

Read More



Final Approval of Resolution Plan Extinguishes all Prior Claims

In a decision delivered by Delhi High Court on June 24, 2024 in the case of The National Sewing Thread Company Limited v. Deputy Commissioner of Income Tax (2024 DHC 4771-DB) it was held that once a resolution plan is approved by the adjudicating authority, the claims not included in the resolution plan stand extinguished and the same is binding on all stakeholders including the Central and State governments.

Read More

>>> QUICK READS



SEBI Relaxes Timelines for Foreign Portfolio Investors' Disclosures

The Securities and Exchange Board of India (SEBI) has recently amended the SEBI (Foreign Portfolio Investors) Regulations, 2019, through the SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2024. This update was accompanied by a new Master Circular for Foreign Portfolio Investors (FPIs), Designated Depository Participants (DDPs), and Eligible Foreign Investors (EFIs) issued on May 30, 2024.

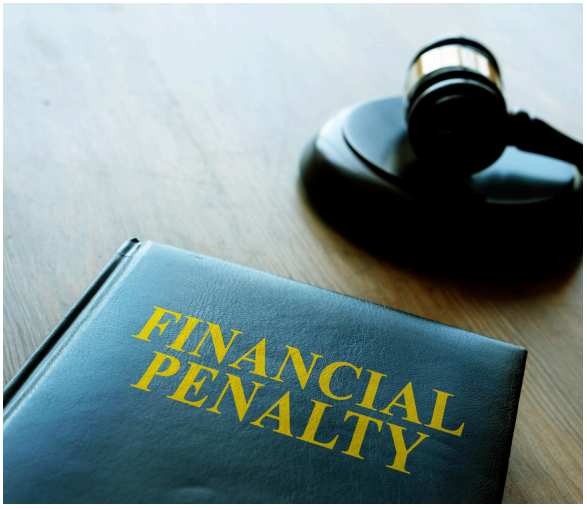
Read More

IBBI Issues New Guidelines for Appointing Insolvency Professionals

The Insolvency and Bankruptcy Board of India (IBBI) has introduced a new set of guidelines aimed at streamlining the appointment process for insolvency professionals (IPs) as interim resolution professionals, liquidators, and bankruptcy trustees. Issued on June 5, these guidelines will take effect from July 1, 2024, and remain in place until December 31, 2024.

Read More





HTL and Affiliates Penalised for Delisting and Disclosure Violations

In a significant regulatory move, the SEBI has imposed penalties totaling Rs 35 lakh on OP Jindal Group's Hexa Tradex Ltd (HTL) and its affiliates for multiple breaches of delisting norms and other disclosure obligations. SEBI imposed fines ranging from Rs 2 lakh to Rs 5 lakh on HTL, its chairperson Raj Kamal Aggarwal, and directors Ravinder Nath Leekha, Vinita Jha, Girish Sharma, and Pravesh Srivastava.

Read More



RBI Cancels License of Purvanchal Co-operative Bank

The RBI has revoked the license of Purvanchal Co-operative Bank, located in Ghazipur, Uttar Pradesh, due to inadequate capital and poor earning prospects. The Commissioner for Cooperation and Registrar of Cooperative Societies in Uttar Pradesh has been instructed to issue an order for the bank's winding up and to appoint a liquidator.

Read More

IRB Infra Block Deal: Cintra Offloads 6.8% Stake

·IRB Infrastructure Developers witnessed a significant block deal on June 11, resulting in a considerable dip in its stock price. Around 41.20 crore shares, representing 6.8% of the company, were traded in two block deals, marking a total transaction value of Rs 2,656 crore. The shares were sold at an average price of Rs 64.40 each.

Read More



>>> NOTIFICATIONS/CIRCULARS



RBI Revises Definition of Bulk Deposits

In a notification dated June 7, 2024, titled 'Amendment to Master Direction – Reserve Bank of India (Interest Rate on Deposits) Directions, 2016' [RBI/2024-25/40 DoR.SPE.REC. No. 24/13.03.00/2024-2025], the Reserve Bank of India (RBI) announced changes to the definition of 'bulk deposits' for all Scheduled Commercial Banks, excluding Regional Rural Banks (RRBs), Small Finance Banks, and Local Area Banks.

Read More

RBI Amends Master Directions on Priority Sector Lending

The Reserve Bank of India (RBI) has implemented substantial changes to its Master Directions on Priority Sector Lending (PSL), impacting all Commercial Banks, including Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Local Area Banks, and Primary (Urban) Cooperative Banks (UCBs).

Read More





RBI Expands Facility for International Trade Settlement in Indian Rupees

The Reserve Bank of India (RBI) has announced an expansion of the facilities for international trade settlements in Indian Rupees (INR). As per the updated guidelines, Authorised Dealer Category – I (AD Category – I) banks are now allowed to open an additional special current account specifically for the settlement of both export and import transactions.

Read More



RBI Updates Foreign Exchange Management Guidelines for Overseas Investments

The RBI has revised the Foreign Exchange Management (Overseas Investment) Directions, 2022, with a notification dated June 7, 2024. This amendment provides enhanced clarity on Overseas Portfolio Investments (OPIs) in foreign funds, allowing Indian investors and companies to invest in overseas funds, including those established in the United States and Singapore, without restrictions.

Read More

New Guidelines for Shoulder Widths on National Highways Announced

The Ministry of Road Transport and Highways (MoRTH) has issued new guidelines regarding the width of shoulders—both paved and earthen—for National Highways. This directive, detailed in a recent circular, updates previous specifications to enhance safety and functionality on these roads.

Read More



Key Contact:



Chandrasekaran R., Partner
M: +91 94443 98172
E: r.chandrasekaran@foxmandal.in
To see the complete profile, Click Here.

The information provided herein is for general informational purposes only, and is not intended to constitute legal advice.

© 2024 Fox Mandal & Associates LLP | www.foxmandal.in