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INFORM: Infrastructure Projects & Finance

AUGUST 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.

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>>> CASE LAWS



Supreme Court Upholds Sanctity of Public Tenders: A Landmark Judgment on Arbitrary Cancellations

In a significant ruling, the Supreme Court of India has reinforced the principle of upholding the sanctity of contracts in public tenders. The case of Subodh Kumar Singh Rathour v. The Chief Executive Officer & Ors., (2024 SCC OnLine SC 1682), dated July 9, 2024, highlights the judicial stance against arbitrary cancellation of public tenders and emphasizes the importance of maintaining fairness and transparency in state contracts.

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Due Process Termination by Awardee Blocks Subsequent Novation

The Hon'ble High Court of Rajasthan, in the case of PMP Infratech Private Limited & Ors. v. Rajasthan State Mines and Minerals Limited (RSMML) (2024 SCC OnLine Raj 2071) dated July 19, 2024, ruled that a contract once terminated by an awardee following due process, cannot be subsequently revived by the awardee itself.

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Developer to Refund and Pay Agreed Interest for Delayed Possession

In Vidya and others v. M/S Parsvnath Developers Ltd. (2024 SCC OnLine SC 1823), dated July 29, 2024, the Hon'ble Supreme Court of India ruled in favor of homebuyers, addressing the issue of interest rates on refunds in cases of delayed possession. The court found that the NCDRC erred in awarding an interest rate lower than what was stipulated in the original Agreement between the parties.

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>>> NOTIFICATIONS/CIRCULARS



RBI Lifts Remittance Limits on Online Form A2 Submissions

The RBI has issued a circular dated July 03, 2024, for the removal of limits on remittances made through the online submission of Form A2. This form is used by individuals and entities to declare the purpose and amount of foreign exchange they wish to remit. The policy change aims to streamline international transactions for individuals and businesses, marking a progressive development in India's financial sector.

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Draft Guidelines Issued on Enhancements to Basel III Liquidity Standards

The RBI had proposed amendments to the Basel III Liquidity Coverage Ratio (LCR) framework, aiming to bolster the short-term liquidity resilience of banks in India. These changes, detailed in a draft circular released on July 25, 2024, come in response to recent developments and the increasing risks posed by digital banking channels.

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Lending Guidelines for Urban Co-operative Banks Against Shares and Debentures Revised

The RBI has revised regulation governing Primary UCBs concerning their financing against shares and debentures. Under the existing guidelines, UCBs are required to ensure that the total value of all loans granted against the security of shares and debentures did not exceed 20 percent of their owned funds. However, following a comprehensive review, the RBI has decided to modify this overall ceiling.

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RBI Introduces Prompt Corrective Action Framework for Urban Co-operative Banks

The RBI has announced a new Prompt Corrective Action (PCA) framework for primary (urban) co-operative banks, aiming to concentrate on larger UCBs that require intensive monitoring and optimal supervisory resource allocation. This PCA framework will replace the Supervisory Action Framework (SAF), which was previously used as an early intervention tool for improving weaker UCBs.

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Guidelines Issued on Treatment of Dividend Equalisation Fund for UCBs

The RBI has issued new guidelines regarding the treatment of the Dividend Equalisation Fund (DEF) for Primary (Urban) Co-operative Banks (UCBs). These guidelines aim to clarify the handling of DEF balances in light of existing regulations and enhance regulatory capital treatment.

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Brickwork's Ratings Allowed Under Certain Conditions

The RBI has issued revised guidelines regarding the use of domestic credit rating agencies for determining capital adequacy under the Basel III Capital Regulations after comprehensive review of the current regulatory framework, addressing previous advisories and setting new conditions for the use of specific credit rating agencies.

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RBI Issues New Guidelines for Handling Wilful and Large Defaulters

RBI has released comprehensive guidelines to address the identification and treatment of wilful and large defaulters. The primary aim of these directives is to establish a transparent and non-discriminatory process, adhering to principles of natural justice, for classifying borrowers as wilful defaulters by lenders.

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Union Budget 2024: Emphasis on Growth, Infrastructure, and Inclusive Development

The Union Budget 2024 underscores India's growth narrative with lower, stable inflation rates and a strong focus on employment, skilling, MSMEs, and the middle class. The budget outlines nine priorities, including employment, manufacturing, urban development, energy, and infrastructure, to achieve a "Viksit Bharat" or developed India.

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