

AU COURANT

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RGNUL FINANCIAL AND MERCANTILE LAW REVIEW

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Recent on the Blog

We are delighted to share with our readers the February Edition of *Au Courant*.

Au Courant is the flagship monthly newsletter of the RGNUL Financial and Mercantile Law Review (RFMLR). A comprehensive collection of contemporary news updates and analytical pieces, it seeks to keep its readers up to date with various happenings and changing legal trends in the financial and corporate sectors.

The ‘Highlights’ Section in this edition provides an informative overview of the 2021 Budget presented to the Parliament on February 1, 2021, by the Finance Minister of the country. Through this section, we aspire to both inform our readers and pique their interest in highly relevant provisions of this year’s budget, which was unlike any other budget and focused mainly on economic recovery and growth. This section looks at the various changes brought in by the 2021 Budget in Taxation, Dispute Resolution, Banking, and other aspects of the Indian Economy.

The ‘Editorial Column’ discusses the decriminalisation of corporate offences in India, specifically focusing on the proposed decriminalisation under the Limited Liability Partnership (LLP) Act, 2008. The column lists out briefly the steps taken by the government in the past few years with respect to the Companies Act, 2013, with the larger purpose of promoting greater ease of doing business in India. It then explores various aspects of the proposed changes in the LLP Act.

The ‘News Updates’ section explores the fields of Insolvency, Arbitration, Competition, Intellectual Property Rights, Aviation, and other related laws. The ‘Call for Comments’ Section in this issue focuses on and encourages readers to express their views on “*Encouraging R&D in Telecom and Broadcasting Sectors*”, upon which an online brainstorming session was also conducted by the Telecom Regulatory Authority of India (‘TRAI’), and also on the *Draft Reserve Bank of India (Credit Derivatives) Directions, 2021* released by the Reserve Bank of India.

We hope that this Edition of the *Au Courant* is once again an enjoyable and illuminating read for our readers!

HIGHLIGHT: BUDGET 2021



The Union Budget ('Budget') or the Annual Financial Statement ('AFS') for the Financial Year ('FY') 2021-2022 was presented by the Hon'ble Finance Minister Nirmala Sitharaman ('FM') on 1st February, 2021 in the Parliament. The Budget is presented following the provisions under Article 112 of the Constitution of India. As per this Article, the AFS refers to the statement of anticipated revenues and expenditures of the government for the upcoming year. The Budget this year emphasizes on seven pillars for boosting the economy. These are – Health and Wellbeing, Physical and Financial Capital and Infrastructure, Inclusive Development for Aspirational India, Reinvigorating Human Capital, Innovation and R&D, and Minimum Government Maximum Governance. Apart from these, several amendments were also proposed in the spheres of securities markets, and direct and indirect taxation.

The 2021 Budget was unlike any other budget and focused majorly on reviving the growth of the economy following its contraction due to the COVID-19 Pandemic. With no major loopholes' prima facie, the challenge remains to implement the intended proposals and changes. Some important highlights concerning the corporate world are mentioned below and are categorized under four subheadings:

1. TAXATION LAW

The unprecedented times of COVID-19 adversely affected all the three main stakeholders of the economy – namely the state, the community, and the business enterprises. What followed were expectations like COVID Cess, an increment in the income tax, and other similar measures. However, the government maintained the status quo and did not propose any new tax or an increase in the prevailing tax rates, which was a welcome move. Although the government did introduce various measures for ensuring tax relief to small and medium taxpayers. Additionally, senior citizens aged 75 years and above were exempted from filing tax returns. Section 149P is a newly introduced legal provision that instructs banks to deduct tax on senior citizens (75 years and above) if pension income and interest income are their only annual income source.

Taxpayers will now be provided with pre-filled tax returns which will also reflect their capital gains. The tax holiday for start-ups has been extended by one more year that is up to 31 March, 2022. The government has also proposed to reduce the time needed for reopening the assessment from 6 years to 3 years. This move is also a welcome one. It is facilitated by the technological advancement and consequent efficiency in storing large reservoirs of information, collected from both the taxpayers and the third parties. As far as corporate tax is concerned, the amendments introduced have resolved a longstanding tax issue. The government clarified that tax exemption on depreciation shall not be allowed. However, the government has also hit hard on the existing loopholes and various tax evasion methods that were being used. The tax exemption provided for income earned in the form of interest on an employee's contribution to various provident funds is now restricted to INR 2.50 Lakhs only.

2. DISPUTE RESOLUTION

Another focus area that was well emphasized in the 2021 Budget was that of dispute resolution. The government announced a significant step in this direction by proposing the establishment of a Dispute Resolution Committee ('DRC') for small and medium taxpayers with an income of maximum INR 50 Lakhs and a tax adjustment of INR 10 Lakhs. Such a move will help in settling the tax disputes at their initial stage itself. After experimenting and observing the viability of this step, the government in near future may also expand the committee. For large corporate houses and companies, the government proposes to do away with the Authority for Advance Rulings (AAR) and to replace it with the Board for Advance Rulings as an alternative to the method used for

settling the cases involved and providing rulings to taxpayers promptly. The Board proposed will be headed by Revenue officials, and therefore in the future, this path may prove to be more appropriate for the taxpayers than to approach the High Courts.

3. BANKING

The Banking Sector has seen many ups and downs in the Fiscal Year 2020-21 due to the risks and uncertainties that it was exposed to due to the global pandemic. To fuel the growth of the economy, this sector needs to function more efficiently and better than the other sectors. In the words of our FM, public sector banks will have to be "*functionally strong and professionally managed to meet the needs of a growing India.*" In this direction, the government has announced the recapitalization of INR 20000 crore for state-run banks. Deposit insurance cover has seen a substantial increase from INR 1 Lakh to INR 5 Lakhs. However, the only impediment this provision faces is that it will come into play only when the concerned bank is liquidated and not before that. The government has also put forward the proposal for an Asset Recovery Company (ARC) and an Asset Management Company (AMC) that will play a key role in the recovery of bad loans and Non-Performing Assets (NPAs) of public sector banks. The government also proposes to sell its stake in at least two public sector banks as part of its privatization plan. Besides this, the government will also conclude the privatization of LIC, in pursuance of its INR 1.75 lakh crore disinvestment plan, in the FY 2021-2022.

4. MISCELLANEOUS

Apart from the above-mentioned key propositions made in the 2021 Budget, another important provision is the proposal concerning the Securities Market. The FM proposed to consolidate the provisions of the Depositories Act, 1996, the SEBI Act, 1992, the Government Securities Act, 2006, and the Securities Contracts (Regulation) Act, 1956 under the umbrella of one single code for the Securities Market. The minister also proposed to introduce an investor charter to ensure investors' protection in the market. The government has also reduced the duties imposed on gold, silver, and steel products, and the establishment of seven textile parks over three years is proposed. The incorporation of sole proprietorship firms will be encouraged by easing the regulatory and legislative provisions, and Non-resident Indians (NRIs) will also be allowed to establish companies in India.

DECRIMINALIZATION OF CORPORATE OFFENCES - THE RIGHT WAY FORWARD?

*~ Written by Poojan Bulani, Digital Editor at RFMLR & Aryan Gupta, Copy
Editor at RFMLR*

INTRODUCTION

In the past few years, the Indian Government has increasingly focused on the decriminalization of corporate offences, with the larger purpose of promoting greater ease of doing business in India. A series of steps have been taken in this regard in the form of establishment of committees, release of consultation papers, and promulgation of various ordinances and amendments. While the overall impact of such measures is envisaged to be positive, the challenges and limitations associated with it cannot be overlooked. Through this article, the authors aim at documenting and analyzing the proposed changes in the Limited Liability Partnership Act, 2008 (“LLP Act”), as well as the changes that have already been done in other legislations.

PAST AMENDMENTS

In July 2018, the Ministry of Corporate Affairs (“MCA”) constituted a 10 member high-level committee, headed by Mr. Injeti Srinivas, to review offences under the Companies Act, 2013 (“the Act”). The committee, among other suggestions, recommended that 16 offences out of the 81 compoundable offences present in the act be decriminalized and be resolved through an in-house adjudication mechanism (“IAM”). The IAM will consist of an Adjudicating Officer (AO), appointed by the Central Government, who will be a person not below the rank of a Registrar and will be the authority for adjudicating penalties. The government accepted this recommendation and promulgated two ordinances to this effect, which were followed by the enactment of the Companies (Amendment) Act, 2019 in July 2019. The 2019 Amendment re-categorized 16 offences into civil violations subject to levy of a penalty in case of default, using the IAM which was incorporated under Section 454 of the Act.

Since further reforms were required in this regard, the MCA then constituted the Company Law Committee (“CLC”) in September 2019, again headed by Mr. Injeti Srinivas, to suggest steps that

can be taken to 'promote greater ease of doing business for law-abiding corporates'. The CLC submitted its report in September that year, and concerning decriminalization, recommended that 46 more compoundable offences be rationalized in different manners. On this basis, the government then brought in the Companies (Amendment) Act, 2020 in September 2020 which re-categorized 23 offences under the Act to the IAM, completely omitted 7 offences, removed the provision for imprisonment under 11 offences, and provided an alternate framework for 5 offences.

Apart from the reports on and amendments to the Companies Act, the government is also in the process of decriminalizing minor offences under other legislations as well. In June 2020, a plan proposing decriminalization under 19 legislations such as the Reserve Bank of India Act, 1934 and the Negotiable Instruments Act, 1881 was put up for public comments. It is important to note here that all of the offences that have already been and are in the process of being decriminalized are minor offences, i.e., they are procedural or technical in nature, devoid of any mala fide intentions, and do not involve any public interest.

DECRIMINALIZING THE LLP ACT

The latest step in the series of amendments is the proposed decriminalization of compoundable offences under the LLP Act. In January 2021, an expert panel of the MCA proposed decriminalization of twelve offences and removal of one penal provision under the LLP Act. In furtherance of this, a test was conducted to identify the criminal violations of the LLP Act that did not meet the *mens rea* principle or did not injure/taint public interest. The proposed changes also seek to promote ease of doing business in India by providing an improved corporate structure to emerging businesses. The main suggestion of the expert committee is to impose fines on violations through the civil framework and amend the provisions that lay down criminal penalties, but also include the introduction of provisions for the classification of "Small LLP" for standard regulation.

Decriminalization of such minor offences is especially important as in the case of Director of Enforcement v. MCTM Corporation, the Hon'ble Supreme Court held stated that the standard of preponderance of liability is lower in instances of corporate malfeasance than those of criminal liability, thereby implying that imposing fines in place of penalizing the wrongdoers is more plausible. Consequently, the monetary compensation collected could both serve as a deterrent against violations as well as be utilized towards developing a robust corporate structure.

Furthermore, although the objective of the proposed changes is to protect the existing entities from redundant litigation and to redirect the resources and time towards other underdeveloped corporate nooks, in doing so, it also raises certain red flags. For instance, the quasi-judicial nature of the IAM can be contended on the grounds of accountability owing to its constitution as an independent body. Therefore, the proper implementation of these changes will be key to prospective reforms.

CONCLUSION

The proposed amendments are meant to declutter the dispute resolution system, remove unnecessary deterrents to ease of doing business, and serve as a catalyst to foster economic growth and restore corporate governance. At this juncture, it is significant to note that reforming the corporate structure via decriminalizing certain offences in no way takes away the criminal sanctions placed on offences like fraud, deceit and such acts would still be punishable under the Act. It is incumbent upon the regulators to penalize certain defaulters and therefore, the CLC has made recommendations to carry on with the status quo for offences that violate norms of corporate discipline.

It remains to be seen as to when the recommendations regarding the LLP Act will be implemented by the government. However, their intent is clear as in the Budget 2021 Speech itself, the Finance Minister of the country told the Parliament that the decriminalization of the Companies Act, 2013 is now complete, and the next step is the decriminalization of the LLP Act.

It is to be understood that the new changes are proposed to be added in alignment with the structural modifications that carried the effect of decriminalization. While the Companies Amendment Act 2020 dealt with modifications that impacted the governance framework of corporate law, the aforementioned amendment proposes to obliterate the notion of criminality from actions that do not carry any malicious spirit.

INSOLVENCY LAW

NO TDS ON BUYING PROPERTY UNDER LIQUIDATION: NCLAT

In the case between S Kumar Nationwide and Chief Commissioner of Income Tax, the NCLAT ruled the liquidator is not required to prepare a balance sheet and profit & loss account and get it audited during the liquidation process. The order stated that any buyer of property from a liquidator under Insolvency and Bankruptcy Code, 2016 shall not be required to deduct and pay 1% TDS from the sale consideration under Section 194-IA of the Income-tax Act, 1961. [Read more](#)

NCLT ADMITS INSOLVENCY PROCEEDINGS AGAINST TOPS SECURITY

The Mumbai Bench of NCLT has admitted insolvency proceedings against security services provider, Tops Security. The Bench also appointed chartered accountant Rajendra Karanmal Bhuta as interim resolution professional (IRP) to oversee the company's day-to-day affairs and revival plans. [Read More](#)

DEFENCE & AVIATION LAWS

HIGHLIGHTS OF THE AERO INDIA 2021

The 13th edition of Aero India took place in Bengaluru at Yelahanka Air Force Station from 3rd-5th February 2021. It was held as a hybrid version with focus on the virtual platform, defence, and research. Amid the COVID-19 pandemic with buzz around "Aatmanirbhar Bharat Abhiyaan" and "Make in India" push, as many as 601 exhibitors - 523 Indian and 78 foreign - and 14 countries participated. [Read More](#).

BUDGET 2021: DEFENCE SECTOR GETS 19% CAPITAL OUTLAY

According to the Union Budget 2021-22, presented by Nirmala Sitharaman, the defence sector was allotted ₹4.78 lakh crore, indicating a nearly 19% rise in capital outlay. It included an allocation of ₹1.15 lakh crore for payment of pensions. According to the documents, a total of ₹1,35,060 crore has been set aside for capital expenditure that includes purchasing new weapons, aircraft, warships and other military hardware. [Read More](#)

TAXATION LAW

RISE IN INFLATION DUE TO FUEL TAXES AND EXCISE DUTIES

Minutes of the Member of Monetary policies Committee (MPC), RBI raises concerns over

inflation due to rise in crude oil prices and increasing excise rates and suggests the need for constant monitoring. With inflation touching an upper limit of 6%, economists have suggested modest cut in excise rates and regulation of petrol prices. Nirmala Sitharaman also took note of the issue and asked state and centre to reduce taxes. [Read More](#)

10 INCOME TAX CHANGES ANNOUNCED IN THE UNION BUDGET 2021-22

The Finance Minister add some changes in the rules for income tax in her budget to help ease the compliance for taxpayers. The focus was on unit-linked insurance policies (ULIP), pre-filled income tax returns (ITR) forms, higher tax deduction at source (TDS) for non-filers of income tax returns and exemption of dividend payment to REIT/ InvIT from TDS among others. Important highlights like no income tax filing required for senior citizens above 75 and etc. [Read More](#)

MCA NOTIFIES THE COMPANIES AMENDMENT RULES 2021

The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, was by notified by the Ministry of Corporate Affairs (MCA). The amendment discusses provisions related to CSR

expenditure, CSR reporting, transfer of unspent amount. It also included entities' need to file e-form CSR-1 for undertaking CSR activities w.e.f. April 1, 2020. [Read More](#)

COMPETITION LAW

CCI DISMISSES COMPLAINT AGAINST ICICI BANK

The Competition Commission of India (CCI) has dismissed a complaint of abuse of dominant position made against ICICI Bank with respect to the home loan segment. To assess the complaint, the regulator considered the 'market for provision of home loans in India' as the relevant one. The CCI noted the existence of a large number of players in the home loan market shows that ICICI Bank cannot operate independently in the market and, hence, cannot be considered to be in a position of dominance in the relevant market. [Read More](#)

CCI APPROVES INDO GULF FERTILIZERS-INDORAMA DEAL

Competition Commission of India (CCI) has cleared the proposed acquisition of Indo Gulf Fertilizers by Indorama India Private Ltd. Indorama will acquire the business as a going concern on a slump sale basis, as per a notice filed with the watchdog. [Read More](#)

CCI IMPOSES RS 4 LAKH PENALTY ON INDIAN PUBLISHERS AND BOOKSELLERS ASSOCIATION

The Competition Commission of India (CCI) imposed a penalty of Rs 4 lakh on the Federation of Publishers and Booksellers Association in India (FPBAI) and its present and past presidents for anti-competitive practices. The CCI also directed the FPBAI, SC Sethi and Sunil Sachdev to cease and desist from indulging in activities found to be in contraventions of section 3 of the Competition Act, relating to anti-competitive agreements. [Read More](#)

INDIABULLS REAL ESTATE, EMBASSY GROUP AIM TO COMPLETE MERGER BY DECEMBER END

Property developers Indiabulls Real Estate and Embassy Group are looking to complete their proposed merger, which marks the former's complete exit from real estate business. Competition Commission of India has given nod to the merger that will create one of India's largest listed property development platforms. [Read More](#)

CCI REJECTS COMPLAINT AGAINST GENERAL INSURANCE CORPORATION OF INDIA

Competition Commission of India (CCI) has rejected multiple allegations of unfair business practices made against General Insurance Corporation of India. One of the primary grievance in the complaint filed by the Automotive Tyres Manufacturers Association was about alleged increase in reinsurance premium charged to general insurance companies. The regulator said the informant has merely alleged increase in premium rates by GIC Re as "excessive pricing" without providing any basis. [Read More](#)

INTERNATIONAL TRADE LAW

INDIA, MAURITIUS INK FREE TRADE AGREEMENT

As per a Ministry of Commerce and Industry statement, India and Mauritius have signed a Comprehensive Economic Cooperation and Partnership Agreement. The new trade pact provides for an institutional mechanism to encourage and improve trade between the two countries, and covers 310 export items for India including goods from agriculture, and electronics. Mauritius will benefit from preferential market access into India for its 615 products. [Read More](#)

ONLINE SYSTEM FOR IMPORTERS TO SEEK TARIFF RATE QUOTA

The Directorate General of Foreign Trade (DGFT) has introduced an online e-Tariff Rate Quota (TRQ) system for imports. As per the trade notice, now all applicants seeking TRQ for imports are required to submit their application online. Licenses for all TRQs would be issued electronically and TRQ License data would be transmitted electronically to the Customs Authorities. No paper copies of the TRQ Import license will be issued anymore. [Read More](#)

ONLINE E-CERTIFICATE MANAGEMENT SYSTEM FOR IMPORTS

DGFT has introduced an online e-Certificate Management System for processing of certain applications as a part of its IT Revamp. Now, applications for I Card, Free Sale and Commerce Certificate, End User Certificate, and Status Holder Certificate have to be submitted online. All such certificates would be issued electronically with QR code and a Unique Document Identification Number for electronic verification. [Read More](#)

ANTI-DUMPING DUTY ON CHINESE CHEMICAL

The Directorate General of Trade Remedies (DGTR) has recommended the imposition of anti-dumping duty for a period of five years on the imports of “1-Phenyl-3-Methyl-5-Pyrazolone” originating in or exported from

China PR. DGTR concluded in its investigation that the chemical from China has been exported to India from China below the normal value, and that these dumped imports have caused material injury to the domestic industry. [Read More](#)

SECURITIES LAW

REVISED FRAMEWORK FOR INNOVATION SANDBOX

The Securities and Exchange Board of India (SEBI) has revised the objective and eligibility criteria of the innovation sandbox with graded entry norms to encourage innovation in the securities market and to make it even more convenient for participation. A steering committee comprising representatives from the enabling organizations and tasked with supervising the operations of the innovation sandbox has also been formed. [Read More](#)

REVISED DISCLOSURE FORMATS UNDER INSIDER TRADING RULES

The SEBI has rolled out revised disclosure formats under 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015. Now, details of securities held at the time of appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons need to be disclosed. Details of

change in shareholding also need to be disclosed. [Read More](#)

SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) (AMENDMENT) REGULATIONS, 2021

SEBI has released new norms under which an easier profitability rule for becoming a mutual fund sponsor has been notified. Now, sponsors that do not fulfil the profitability requirements at the time of making an application would also be considered eligible to sponsor a mutual fund, provided that the asset management company has a net worth of not less than rupees one hundred crore. [Read More](#)

PRE-EXPIRY MARGIN ON COMMODITIES UNDER ALTERNATIVE RISK MANAGEMENT FRAMEWORK

SEBI has said that stock exchanges will have to impose pre-expiry margins on cash-settled contracts wherein the underlying commodity is deemed susceptible to the possibility of near-zero and/or negative prices. In the case of these contracts, pre-expiry margins shall be levied during the last five trading days prior to the expiry date, wherein they shall increase by 5% every day. [Read More](#).

TMT LAW

RBI RELEASES DIRECTIONS FOR SECURE DIGITAL PAYMENTS

The Reserve Bank of India has recently released directions for regulated entities (includes commercial banks, small finance banks, payment banks and credit card issuing non-banking financial companies) to ensure secure digital payments. The guidelines have issued specifications on various crucial areas including cyber security, guidelines for safety against fraud, secure card payments, and internet banking security protocols. [Read More](#).

DRAFT IT (INTERMEDIARY GUIDELINES AND DIGITAL MEDIA ETHICS CODE) RULES, 2021

The government recently notified the Information Technology (Intermediary Guidelines and Digital media Ethics Code) Rules 2021. The new sets of rules aim to regulate over-the-top (OTT) streaming platforms and social media websites as intermediaries. The draft requires social media platforms to inform their users of the rules and regulations and privacy policies annually, or when a change is made in the policies. [Read More](#)

CYBER-CRIME VOLUNTEERS TO MONITOR ONLINE CONTENT

A new program that allows citizens to register themselves as "unlawful content flaggers" has been launched by the Indian Cyber Crime Coordination Centre under the Ministry of Home Affairs. The volunteers can report unlawful online content for removal. The volunteers are advised to report posts that might be against the sovereignty and integrity of India and are aimed at disturbing public order. [Read More](#)

CLARIFICATION ON PRIVACY VIOLATION UNDER THE NATIONAL DIGITAL HEALTH MISSION

The Indian Minister of State for Health has clarified that there is no privacy violation under the National Digital Health Mission (NDHM) as the health data collected is stored in a federated architecture as laid down in the National Digital Health Blueprint. It was stated that the NDHM permits the reasonable use of health data only with the consent of individuals and complies with all applicable legislation and judgments of the Supreme Court. [Read More](#)

INTELLECTUAL PROPERTY RIGHTS

USITC STEPS INTO THE ERICSSON VERSUS SAMSUNG DISPUTE

The US International Trade Commission (USITC) has launched an investigation into the suit involving Ericsson and Samsung Electronics. Ericsson has filed a complaint with the USITC alleging that Samsung Electronics has been illegally using its wireless communication patents for its mobile phones and other devices. The complaint filed with the USITC demands a cease-and-desist order against Samsung. [Read More](#)

JAPAN TO REVIEW THE COPYRIGHT RULES FOR COSPLAY CULTURE

The Japanese government is considering developing rules to prevent copyright issues arising out of cosplay. Cosplay is the art of dressing up as a character from a film, book, or video game. The rationale behind is to protect the rights of original creators and publishers who don't earn any revenue out of cosplaying. [Read More](#)

DRAFT PATENT AMENDMENT RULES, 2021 NOTIFIED

The Ministry of Commerce and Industry has notified the draft Patent (Amendment) Rules, 2021. The draft Rules propose formal changes in the current format of Form 18A which is associated with expedited examination. The rules also seek to amend Form 28 related to claiming Small Entity and Start-up status. [Read More](#)

ARBITRATION LAW

THE ARBITRATION AND CONCILIATION (AMENDMENT) BILL, 2021 PASSED BY LOK SABHA

The Lok Sabha on Friday passed the Arbitration and Conciliation (Amendment) Bill 2021 to replace an ordinance that enabled certain arbitral awards to be “unconditionally stayed”. It seeks to amend the Arbitration and Conciliation Act, 1996 so as to (i) enable automatic stay on awards in certain cases and (ii) specify by regulations the qualifications, experience and norms for accreditation of arbitrators. [Read More.](#)

VODAFONE TAX CASE: INDIA FILES APPLICATION IN SINGAPORE HIGH COURT AGAINST ARBITRATION PANEL VERDICT

India has challenged in the Singapore High Court an international arbitration tribunal's verdict that overturned its demand for Rs 22,100 crore in back taxes from Vodafone Group Plc, and the order passed in Cairn Group's case is under consideration of the government. An international arbitration court had in September last year rejected tax authorities' demand for Rs 22,100 crore in back taxes and penalties relating to British telecom giant Vodafone's 2007 acquisition of an Indian operator. [Read More.](#)

ENCOURAGING R&D IN TELECOM AND BROADCASTING SECTORS

The Telecom Regulatory Authority of India (‘TRAI’), on February 24, 2021, conducted an online brainstorming session on “Encouraging Research and Development (‘R&D’) in Telecom and Broadcasting Sectors” with the academia, industry, and R&D institutions, chaired by the Chairman of TRAI.

In this session, the role of the Telecom and Broadcasting Industry was highlighted by the Chairman, along with an emphasis on indigenous R&D in this sector and the part of TRAI as a facilitator. It was attended by representatives from various departments & institutions, and a number of meaningful suggestions were received, as listed out in the Press Release issued by TRAI.

A decision regarding the constitution of a high-level committee comprising of senior officials from academia, industry, research institutions, and a few focus groups, was also taken. The committee will be formed under the aegis of TRAI and will work towards the task of promoting R&D in the telecom sector.

Suggestions on the same from various stakeholders such as the Telecom & Broadcasting Industry, Research Organizations, Students, and the General Public can be sent till **March 15, 2021**.

[Read More.](#)

DRAFT RESERVE BANK OF INDIA (CREDIT DERIVATIVES) DIRECTIONS, 2021

The Reserve Bank of India (‘RBI’) released the Draft Reserve Bank of India (Credit Derivatives) Directions, 2021 (‘Draft Directions’) on February 16, 2021. The same were released in pursuance of the announcement made in the *Statement on Developmental and Regulatory Policies* dated December 04, 2020, regarding the review of Credit Default Swaps (‘CDS’) Guidelines.

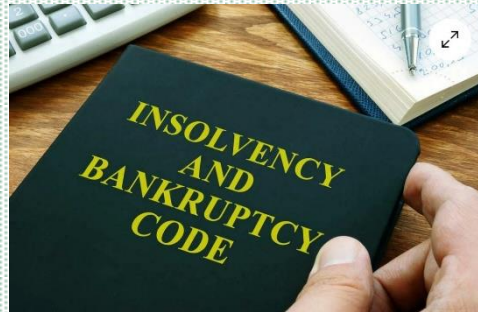
The Statement released in December set out various developmental and regulatory policy measures for the purposes of enhancing liquidity support to targeted sectors of the economy, deepening the financial markets, and conserving capital among banks and NBFCs through regulatory initiatives, among others. A review of CDS guidelines, which were last issued in January 2013, was also stated.

These new Draft Directions allow for derivatives trading in the CDS in over-the-counter (OTC) markets and on recognised stock exchanges in the country. Various debt instruments as listed out in the Draft Directions will be eligible to be a reference or deliverable obligation in a CDS contract, and at least one of the parties to a CDS transaction will be a market-maker or a central counterparty authorised by the RBI.

Comments on the Draft Directions were invited by the RBI from banks, market participants and other interested parties, to be sent latest by **March 15, 2021**, in the prescribed format.

[Read More.](#)

ELUCIDATING THE FATE OF AVOIDANCE APPLICATION FILED POST THE APPROVAL OF RESOLUTION PLAN



The Delhi High Court's judgement in *Venus Recruiters Pvt. Ltd. v. UOI* deals with the role of the Resolution Professional in dealing with avoidance applications post the submission of the resolution plan. It also settles the debate on NCLT's jurisdiction post the approval of the plan. Read in our latest blog by Sanskar Modi and Vijpreet Pal, students at National Law Institute University, Bhopal, a critical analysis of the judgment and the authors' suggestion on the way forward.

[Read more here.](#)

ANALYSING THE IMPLICATIONS OF ALGORITHMIC COLLUSION: THE WAY FORWARD FOR THE CCI?



Enterprises rely heavily on algorithms to reduce manpower, and deliver efficient and targeted services. However, such practices may attract antitrust scrutiny. Read in our latest blog post by Kunal Singh, student at VIPS, GGSIPU, a critical analysis of the antitrust implications arising out of

AI, along with a comparison of the CCI's stance with that of the Court of Justice of the European Union in the Eturas case.

[Read more here.](#)

AFTERMARKET MONOPOLISATION: AN ANALYSIS OF THE CHICAGO AND POST CHICAGO SCHOOLS OF THOUGHT



In the article, the authors analyse the jurisprudence of aftermarket in the European Union and the United States. Read our latest blog where Ayushi Dubey and Yash Jain, 4th-year students of B.A.LL.B. (Hons.) at the Institute of Law, Nirma University, discuss the position of the Indian competition regime in cases of aftermarket monopolization. Lastly, the authors suggest a viable approach to handle the complexities of aftermarket monopolization.

[Read more here.](#)

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