



# ALLIANCE UNIVERSITY

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Alliance School of Law



# ALLIANCE CENTRE FOR CORPORATE AND COMMERCIAL LAW



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Dr. Kiran Dennis Gardner  
Professor & Dean  
Alliance School of Law

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# MESSAGE FROM THE DEAN



**Dr. Kiran Dennis Gardner**

Professor & Dean,  
Alliance School of Law

Alliance School of Law takes pride in introducing Alliance Centre for Corporate and Commercial Laws (ACCL) Newsletter of Vol-2, Issue-1 on “Corporate and Commercial Law Updates”, compiled and edited by Alliance Centre for Corporate and Commercial Laws-ACCL. Alliance School of Law has been proactively involved in knowledge creation and dissemination. The present newsletter is our effort to keep society informed about the developments in the relevant spheres of Corporate and Commercial laws. The aim of the Newsletter is to provide an environment for high quality information in all aspects of national, international, transnational, and comparative law, securities markets, banking sector and every Corporate and Commercial law domain. The Alliance Centre for Corporate and Commercial Laws- ACCL supports interdisciplinary research in these fields and seeks to provide an opportunity for interaction between academics, practitioners, and policy makers from around the nation. The Centre aims to nurture and encourage the researchers of the future in this important area of legal scholarship. I firmly believe that these efforts will benefit the readers and aid further research in corporate and commercial laws. The need to keep pace with such laws, therefore, is eminent and indispensable.

This newsletter, I believe, will help in filling the information gap in this dynamic area of law.

# MESSAGE FROM THE EXPERT



**SIDDARTHA BHATT**

Program Manager, Global Trade Compliance

Europe, Middle East, Africa, and India at Western Digital® India

Today, International Trade has become so dynamic that the MNCs are on a constant lookout regarding their Trade Compliance needs and levels. Every company has built its own accounting, HR, facilities, and IT verticals to facilitate smooth international operations. Nevertheless, compliance with various regulatory frameworks governing international trade is still in its nascent stage, especially in India. Regulatory environment of international trade encompasses dozens of laws, viz., Customs Valuation, Customs Tariff Determination, Country of Origin, Free Trade Agreements, HS Classification, Anti-Dumping and Countervailing Duties, Forced Labour, Product Regulatory Laws to name a few at international level. In addition, every country has its own set of regulations which govern import and export of goods. Interestingly, most of these laws and regulations are harmonized across the globe, thanks to the efforts of World Trade Organization. Negligent violation of any of these laws in any jurisdiction can result in hefty fines, penalties, bad publicity, and international trade sanctions. There is a dire need of experts, especially lawyers who expertise in these less explored areas of laws, governing international trade. I have learnt all these regulations as on the job requirement, after completion of my studies. I hope all of you can really focus your interests on these kinds of less explored laws which can offer you high profile jobs anywhere in the world. All the very best!!

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# **ECONOMIC CRIME AND TRANSPARENCY BILL: CORPORATE IMPLICATIONS IN 2023**

**Dr. Maruthi T R**  
**Professor- Department Of Law**  
**Mysore University**

Following its introduction to Parliament in September 2022, the Economic Crime and Corporate Transparency Bill continues to make its way through the Parliamentary process. Predicted to receive Royal Assent in the Spring of 2023, the Bill sets out wide-ranging reforms to tackle economic crime and improve transparency over corporate entities. The Bill builds on the Economic Crime (Transparency and Enforcement) Act 2022, which received Royal Assent in March 2022. Here we consider some of the Bill's key proposals relating to improving the transparency of companies and their directors and shareholders (Part One of the Bill) and the proposed reforms in relation to limited liability partnerships (Part Two).

The proposals relating to the Register of Overseas Entities (Part Three) are not covered. One of the Bill's most significant reforms relates to the introduction of compulsory identity verification procedures for all new and existing company directors, persons with significant control (PSCs) and agents who file information at Companies House.

There will be a transition period for existing companies to comply with the new verification requirements and failure to comply by the end of that period may result in criminal sanctions and civil penalties. For directors of a new company, identity verification must be completed before applying to the Registrar to form the company. post-incorporation, a new director must verify their identity before their appointment is notified to the Registrar. Companies must also ensure that an individual does not act as a director unless their identity has been verified. PSCs will be required to verify their identity and maintain that verified status if they are registered at Companies House.

Relevant Legal Entities (RLEs) will also need to appoint an individual as their “registered” officer and arrange for their identity to be verified. As for the method of verification, this can be carried out directly with Companies House or through an Authorized Corporate Service Provider. Verifying directly with Companies House will mainly be via a digital service that links a person with their primary identity document (such as a passport or driving license). Further details relating to the procedure for identity verification will be set out in the regulations.

*(Quick Note: Proposal relating to improving the transparency of companies and their directors and shareholders and relation to limited liability partnerships)*

# **THE PARADIGM SHIFT FROM NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA) TO UNITED STATES-MEXICO-CANADA AGREEMENT (USMCA)**

**Dr. Shreya Sarkar**  
**Assistant Professor**  
**Parul University, Gujarat**

In the view of trade agreement process and enormous potential benefits of a regional trading bloc Canada, Mexico and US negotiated the free trade agreement i.e., North American Free Trade Agreement (NAFTA). These three nations agreed to give “Most Favoured Nation” status to each other. They developed an agenda of specific trade policies on which they agreed along with addressing the future trading policy issues and concerns which each nation may have. The objective of NAFTA was to enhance prosperity for all the nations by providing them access to larger markets and a wider choice of goods and services. The rationale behind NAFTA was to promote free movement of goods, services, and capital across the boundaries of these nations. It eradicated most of the tariffs between nations.

Working groups were also created to negotiate the issues like Market access, Tariffs and nontariff barriers, Rules of origin, Government procurement, Trade rules, Safeguards, Subsidies, countervailing and antidumping duties, Health and safety standards, Services Investment, Intellectual property, Dispute settlement, Negotiation etc. It was world’s largest trading bloc. The agreement among these nations were expected to benefit all, though at different levels and sooner or later permitted every trading partner nearly equal access to each other’s markets. But as it was presumed NAFTA has not benefited every country. It produced winners and losers both amongst the industries and occupations. NAFTA required several major structural adjustments other than mere tariff reductions such as trade flows, wages, employment, productivity, investment, and income which were affecting these three nations at least. It must have also dealt with issues such as worker displacement and rules of origin along with the impact of free trade on the environment.

United States-Mexico-Canada Agreement (USMCA) is a 21<sup>st</sup> century high standard free trade trilateral agreement between these 3 states which is composed of 2082 pages divided into 34 chapters and 12 side letters, but it has more bilateral elements. Recently, the USMCA replaced

NAFTA on July 1, 2020, under the leadership of US President Donald J. Trump. He observed *“USMCA is a great deal for all three countries, solves the many deficiencies and mistakes in NAFTA, greatly opens markets to our farmers and manufacturers, reduces trade barriers to the U.S. and will bring all three Great Nations together in competition with the rest of the world.”*

Although, majority of the NAFTA’s chapters are retained by it, but new chapters are also added covering Digital Trade, Anticorruption, currency misalignment state-owned enterprises and Good Regulatory Practices, as well as an entire chapter for ensuring that Small and Medium Sized Enterprises benefit from the Agreement. It also includes new criminal penalties for theft of trade secrets, including cyber-theft. In short, it is an updated version of NAFTA. For instance, there were no commitments available in NAFTA for Digital Trade, but USMCA includes Cross-border data flows, restricts data localization etc. Similarly, as far as Dispute settlement is concerned USMCA maintains NAFTA state to state mechanism for most disputes arising under the agreement. This agreement created more balanced and reciprocal trade.

*(Quick Note: USMCA is a great deal for all three countries solves the many deficiencies and mistakes in NAFTA.)*



# **CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE REQUIREMENTS FOR COMPANIES**

**Dr. Vijay Kumar**

**Assistant Professor**

**Dr. Ambedkar Law College, Chennai**

Corporate law regulates how corporations, investors, shareholders, directors, employees, creditors, and other stakeholders such as consumers, the community, and the environment interact with one another. Amendments show the effectiveness of rules and compliances. On February 11, 2022, MCA amended the Companies (Accounts) Amendment Rules, 2022 (Amendment), effective immediately. As per the Amendment, every company covered under Section 135 of the Companies Act, 2013 shall furnish a report on Corporate Social Responsibility (CSR) with MCA in Form CSR-2 to the Registrar for the preceding financial year (2020-2021) and onwards.

The newly introduced Form CSR-2 is required to be filed by the following companies falling under the purview of Section 135, Companies Act, 2013:

- Companies have a net worth of INR 500 crore.
- Companies with turnover of INR 1000 crore or more Companies with net profit of INR 5 crore or more in the immediately preceding financial year.
- Companies that have constituted a CSR Committee as per the provisions of the section.
- Under the new 11-page form, as part of the Amendment, companies will have to provide the following information: Details of the CSR amount spent in three preceding financial years and details of all ongoing projects.
- Details of CSR Committee
- Details of CSR disclosed on the website of the company in pursuance of Rule 9 of Companies (CSR Policy) Rules, 2014
- Net profit and other details of the company for the preceding financial years
- If any capital assets have been created or acquired through CSR spending, companies will have to provide relevant details, including the address, location, pin code of the property, along with amount spent and its registered owner.

- As per the Amendment, Form CSR-2 for the preceding financial year shall be filed by March 31, 2022. Prior to the release of this Amendment, there was no prescribed form to furnish a report on CSR. The only mandate was to annex details of CSR in the board Report and disclose on the company's website as per Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

*(Quick Note: These changes were expected to bring clarity on funding on CSR, as well as clear recognition of activities of companies relating to protect the interest of the society.)*

## **PUNE- BASED MODULEX CONSTRUCTION LIMITED- A BSE LISTED COMPANY, RECEIVES A RESIGNATION LETTER FROM AN INDEPENDENT DIRECTOR NAMED SANDEEP KHURANA**

**Ms. Samanwita Mishra**

**Assistant Professor**

**ISBR Law College, Bengaluru**

Independent Director, Sandeep Khurana has Resigned From Pune- Based Modulex Construction Limited- A BSE (Bombay Stock Exchange) Listed Company The resignation letter is 65 pages long and was made public by the Stock Exchange filing. Resignations from independent directors are not new, although they are not made public usually, and the companies tend to sort the issues internally.

The Independent Director is essentially a non-executive director who has no material relationship with the company and is thus responsible for monitoring the company, improving corporate credibility and governance standards. The role of Independent Directors in a company is of utmost importance for smooth and fair governance of the company. The Independent Directors maintain the balance between the management and ownership of the company. It is a statutory obligation for every public listed company, and some unlisted companies if they fall within a certain ambit to appoint Independent Directors as per Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Out of the eleven allegations made against the company by the Independent Director in the letter, the issue that highlighted here is about his remuneration. There have been several complaints about the remuneration of Independent Directors in India. Among certain other challenges which they face, the most important one that is constantly in the limelight is lower remuneration. There are two different views on this aspect, firstly, the remuneration given to Independent Directors is very little, and this in turn demotivates them to do their job effectively. The lower incentive for the Independent Directors is ultimately negating the goals of corporate governance. The very objective of appointing Independent Directors fails as they also have the option of 'voting by their feet', that is, they choose to resign over taking any action against the

wrong doings of the management or the owners. They lack the incentive to take any action or responsibility on them due to such less remuneration.

The other view regarding the remuneration is that the larger companies pay huge remuneration as commission. The salary is less, however; the commission is more, which in turn has resulted in giving rise to pecuniary relations with the company and the owners. The problem is real because there is no limit for commission provided neither under the Companies Act, 2013, nor by the SEBI regulations.

The challenge related to the remuneration of Independent Directors must be resolved by the SEBI. The remuneration should be increased reasonably, and a balance must be drawn between the remuneration and the commission. Also, specific provisions regarding salary and commission can be made, which in turn will certainly ensure good corporate governance.

*(Quick Note: The lower incentive for the Independent Directors should not negate the goals of corporate governance.)*

## MINISTRY OF CORPORATE AFFAIRS SHIFTS TO NEW STATUTORY FILING SYSTEM WITH ADVANCED REGULATIONS

**Mr. Gaurav Jonnagadla**  
**B.B.A. LL.B (Hons.)**  
**Batch: 2020-2025**  
**Alliance School Of Law**

It was earlier announced that the Ministry of Corporate Affairs will roll out its new and advanced statutory filing system for corporations and limited liability partnerships (LLP's) which will come into effect by January.

The MCA has announced that it will waive late fees for 15 days as it migrates to a new statutory filing system. This move is aimed at providing relief to companies and LLP's that may face difficulties in meeting the deadlines for filing various forms and returns due to the transition to the new system.

The new system, known as the MCA21 v3, is a major upgrade to the existing system and is expected to bring significant improvements in terms of ease of use, speed, and accuracy, helping the businesses. It will also provide various new features such as e-forms with inbuilt validations, e-payment gateway, and e-filing of forms and returns. Additionally, the new system will also provide a dashboard for monitoring the status of filings and compliance. The updated forms have tighter security and validation features.

These additional features will enable the companies to adapt to the regulations much effectively and easier. The MCA has stated that the new system will be rolled out in a phased manner, starting with the filing of forms and returns related to the Registrar of Companies (RoC). The RoC forms and returns will be available for filing on the new system from 1st February. During the transition period, companies and LLPs are advised to file the forms and returns on the existing system and not to wait for the new system to be fully operational. They are also advised to check the MCA website regularly for updates on the availability of forms and returns on the new system. The MCA has also assured that it will provide adequate training and support to help users navigate the new system.

*(Quick Note – The Version 3 or V3 portal of the MCA21 portal is an enhanced version aimed at improving service facilities and utilising data analytics)*

## GOVERNING COUNCIL FOR SOCIAL STOCK EXCHANGE

**Mr. Dipendra Singh Tomar**  
**B.A. LL.B (Hons.)**  
**Batch: 2020-2025**  
**Alliance School Of Law**

The Securities and Exchange Board of India (SEBI) on October 13, 2022, issued a circular in the exercise of wide power conferred under Section 11(1) of the SEBI Act, 1992, reading with Regulation 292-D of SEBI (ICDR) Regulations, for the establishment of the Governing Council to oversight and monitor the framework of Social Stock Exchange. All Social Stock Exchanges shall establish the Governing Council for Social Stock Exchanges in accordance with the new circular.

The proposed Governing Council will be responsible for monitoring the functioning of the SSE and ensuring that the SSEs adhere to its goals and objectives. It will also be responsible for setting the policies and regulations governing the SSE, including the listing requirements for social enterprises and non-profit organizations.

The Council will include representatives from different stakeholders including social enterprises, non-profit organizations, social impact investors, stock exchanges, etc., and will be presided over by a person with expertise in the field of social enterprise or impact investing. The Council will also have sub-committees to address specific issues faced by SSEs like listing criteria and disclosure requirements.

The establishment of a Governing Council for the SSE is a constructive and positive step towards creating a vibrant and thriving ecosystem for social enterprises in India. It will attract investors who are interested in supporting social causes and will give much-needed visibility and credibility to social enterprises and non-profit organizations.

However, the success of the SSE will depend on the implementation of applicable laws, regulations, and policies that balance between the need for investor protection with the need to encourage investment in social enterprises and non-profit organizations. To maintain the confidence of the investors, the SSEs must also ensure that social enterprises and non-profit organizations adhere to strict standards of transparency and accountability.

All-inclusive, we can say that the establishment of a Governing Council for the SSE is a constructive step that has the potential to create a more inclusive and sustainable Indian economy.

*(Quick Note: The importance of establishment of Governing Council for Social Stock Exchange.)*

## CONDITIONS FOR THE PARTICIPATION OF ALTERNATIVE INVESTMENT FUNDS IN CREDIT DEFAULT SWAPS

**Ms. Manne Vaishnavi Rao**  
**B.A. LL.B (Hons.)**  
**Batch 2019-2024**  
**Alliance School Of Law**

The Securities Exchange Board of India (SEBI) on 9<sup>th</sup> January 2023, in a vide notification had notified Securities Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2023. This is only one of SEBI's many initiatives to expand the listed corporate bond market. This announcement enables Alternative Investment Funds to participate in Credit Default Swaps as protection buyers and protection sellers. Such participation adds value through the benefits derived from Alternative Investment Funds hedging the credit risk. The terms of the conditions for such participation had been published by SEBI in a vide circular to permit Alternative Investment Funds to take part in Credit Default Swaps. In order to give access to Alternative Investment Funds to the benefits of credit risk management, SEBI has granted Alternative Investment Funds the authority to enter the Credit Default Swaps market. Alternative Investment Funds who have already made substantial investments in debt securities are given access to Credit Default Swaps, and this provides them with a crucial method of managing risk and a layer of security amid undesirable credit occurrences. The requirements provide that Category I and II Alternative Investment Funds may only purchase Credit Default Swaps on investments for hedging purposes, within the allowed leverage limits outlined in the SEBI Circular. However, the conditions are not clear about the after modalities, and there is no clarity regarding such protection selling.

When it comes to introducing new institutional players to the market, SEBI has made it easier for Alternative Investment Funds to manage and transfer their credit risks. These changes also permit such funds to guarantee the credit worthiness of debt instruments. However, SEBI had allowed even mutual funds to participate in Credit Default Swaps, but there was no boom in relation to the CDS. So, it is to be seen whether such participation of Alternative Investment Funds in Credit Default Swaps is sustainable in the long run, unlike mutual funds.

*(Quick Note: Now that the SEBI has issued these conditions, it enables the Alternative Investment Funds to participate in Credit Default Swaps as protection buyers and protection sellers).*



# AN ANALYSIS OF THE EXEMPTION OF TAX ON DAIRY PRODUCTS

**Ms. Anusha Nanaware**  
**B.B.A. LL.B (Hons.)**  
**Batch: 2019- 2024**  
**Alliance School Of Law**

Chapter 4 of the GST Act, 2017 governs the GST on dairy goods, including the GST on milk and milk-related items like curd, buttermilk, etc. as well as the GST on eggs, honey, and other edibles made from animals. The GST Council had taken a call to put a 5% tax on various milk products such as lassi, curd and butter milk, which has dampened the growth of the dairy industry at a time when the cost of dairying are rising.

Farmers' organizations and milk cooperatives have criticized the GST Council's decision to increase the GST on dairy equipment and milking machines from 12% to 18%, and to impose a 5% GST on dairy products which took place on the 47th Meeting, which was held in Chandigarh.

The decision to implement the new GST tariff severely stressed the industry, which is already under stress because of an increase in production costs, having a great impact on both producers and consumers. The cost of feed for calf has jumped 30% additionally from before, significantly increasing the cost of milk production in Kerala. Also, the cooperative major, which sells dairy goods under the brand name "Nandini", has increased the pricing by Rs. 2/- to 3/-, and it has reduced process by 50 paise to Re. 1/- on several products.

On July 25, 2022, the Finance Minister, Nirmala Sitharaman, provided clarification regarding the specific State-by-State GST rates which was imposed on domestic milk and milk products, as well as whether the Government intended to reduce or eliminate GST on milk and milk products considering their significance for ensuring nutritional security. She addressed the issue and resolved it by saying that "both fresh milk and pasteurized milk are totally exempt from GST". Moreover, milk products including paneer, buttermilk, lassi and curd which are sold pre-packaged and branded are exempted from GST. Curd, lassi, buttermilk, paneer, and ultra-high temperature goods (UHT) are all subject to a minimal 5% GST when sold in as mentioned above and in labelled form. In addition, a 12% GST is applied to cheese, butter, ghee, and condensed milk. GST rates and exemptions across all the States are identical. After

looking at the GST rates, one can confidently say that milk is exempted from GST in India and does not carry a tax of 18% or 28%.

Most people in India, including farmers and children, rely on milk products daily for their basic nutritional needs, and therefore, raising the GST rates for milk products will be a burden for them. The government implemented the GST with the goal of lowering the overall tax burden on food products, particularly on those that are basic or essential to the common people. As a result, the rate changes in the food business have not had the same significant impact as they have in other sectors or industries.

Together with lassi, curd is a key product for most dairy enterprises. The dairy companies will be able to obtain input credit (packing materials, some raw materials, advertising expenditures, transportation, and freight costs, etc.), thus there may not be a significant impact on any dairy company.

*(Quick Note: Fresh milk and pasteurized milk are fully exempted from Goods and Service Tax.)*

## SEBI EXPANDS THE DEFINITION OF EMPLOYEES

**Mr. Timur A.  
B.B.A. LL.B (Hons.)  
Batch: 2018-2023  
Alliance School Of Law**

The Securities and Exchange Board of India (SEBI) has recently expanded the definition of employees to include a wider range of individuals who can participate in employee stock option plans (ESOPs). This move has been widely welcomed by the corporate sector and is expected to enhance the attractiveness of ESOPs as a tool for employee retention and motivation. Prior to this expansion, SEBI's regulations on ESOPs defined employees as those who have been employed for at least one year by the company issuing the ESOPs, and who hold a minimum of 2% of the equity shares of the company. However, this definition excluded several categories of employees who are not on the company's payroll, such as those who work on a contract basis, part-time employees, and even some senior executives who do not meet the equity shareholding requirement. Under the new regulations, SEBI has expanded the definition of employees to include not just those who are on the payroll, but also those who work on a contractual basis, part-time employees, and even directors who are not employees of the company but are on its board. This means that more individuals will be eligible to participate in ESOPs, which is expected to boost employee morale and motivation. The legal provisions underlying this expansion were introduced through SEBI's amendment to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, which came into effect on 1 January 2020. The amendment was based on recommendations made by a committee appointed by SEBI to review the regulations on ESOPs.

The committee's report highlighted the need for SEBI to expand the definition of employees to make ESOPs more inclusive and to align them with global best practices. The report also noted that the current definition of employees was a significant impediment to the growth of ESOPs in India, which have been relatively underutilised compared to other countries. In conclusion, SEBI's expansion of the definition of employees is a positive step towards promoting employee participation in ESOPs and enhancing the overall competitiveness of India's corporate sector.

It is expected to benefit a wider range of employees, including those who are not on the company's payroll, and to provide a boost to employee retention and motivation. The move also underscores the need for SEBI to continue to review and update its regulations to ensure that they remain relevant and effective in today's rapidly changing business environment.

*(Quick Note: SEBI clarifies its position on the definition of employee to increase the scope of the employee benefits)*

## RESERVE BANK OF INDIA ISSUES DIGITAL LENDING GUIDELINES TO GOVERN LOANS ON DEBIT CARDS

**Ms. Muskaan Jain A**  
**B.B.A. LL.B (Hons.)**  
**Batch 2019-2024**  
**Alliance School Of Law**

The Reserve Bank of India has issued digital lending guidelines that apply to loans issued on debit cards, including Equivalent Monthly Installment (EMI) programs. Loans other than EMI plans given on credit cards, which are not covered by the master directive on the issuing of credit and debit cards, will need to abide by the RBI's guidelines for digital lending.

These guidelines require regulated entities to provide a Key Fact Statement (KFS) with information on the Annual Percentage Rate (APR), the recovery mechanism, the identity of the grievance redressal officer assigned specifically to handle matters relating to digital lending, and the cooling-off, or look-up period. All loan disbursements, servicing, repayment, etc., must be made directly by the borrower into the bank account of the regulated entity, without using a pass-through account or pool account of any kind, except for co-lending transactions between regulated entities. Payment aggregators that simultaneously serve as lending service providers must adhere to these guidelines, while firms providing only payment aggregators services will not be subject to the digital lending guidelines. The borrower must be given the names of appointed agents who are permitted to contact them in the event of a loan default after the loan is approved. If the loan becomes late, and the borrower has been assigned a recovery agent, the borrower must be informed of the agent's details through email or SMS before the recovery agent contacts the borrower for recovery. The exemption from these guidelines may be extended to co-lending agreements between regulated entities for non-priority sector loans, subject to the condition that no third party other than the regulated entities in a co-lending transaction should have control over the flow of funds at any point in time.

*(Quick Note: Digital lending guidelines issued by the Reserve Bank of India to govern loans on debit cards)*

## AN ANALYSIS OF THE ADANI – HINDENBURG CASE

**Mr. Pranav Deepankar Kethineni**  
**B.B.A. LL.B (Hons.)**  
**Batch: 2019- 2024**  
**Alliance School Of Law**

The shares of Adani group of companies have taken a big dip in the stock market over the past few days that is around the date of 20<sup>th</sup> of January 2023, and stock prices are still going down.

Mumbai-listed shares of Adani Enterprises fell more than 9% in India's trading session by the following week. Adani Transmission fell 19.47%, Adani Green Energy shed 19.89% and Adani Power lost 5%. Adani Port's share price also dropped 13.8% and they have continued to drop more.

This has happened after the allegations that have been made by the Hindenburg report on the conglomerate's companies, saying the group has "engaged in a brazen stock manipulation and accounting fraud scheme over the course of decades."

Though the claims have been denied, the stocks that were listed had taken a direct hit by the company.

The Hindenburg report had stated the companies had gained such an excessive amount of wealth as the company was engaged in various schemes such as stock manipulation and accounting fraud schemes over the past decades. Adani from being the 4<sup>th</sup> richest person had dropped down ever since the release of the report and has dropped down a net worth of over \$7 billion. The allegations have hit the company very strongly and the company is yet to give a proper answer to the allegations.

Various investors around the world such as Bill Ackman also feel that the report that has been released by Hindenburg is also highly credible.

On another note, it can also be seen that various institutional investors in the country of India still believe in the company as the company had released a FPO (Follow up on Public Offer) and as of on Tuesday which is 31<sup>st</sup> of January 2023, it had been fully subscribed.

After the call for FPO, the company had called off the Rs 20, 000 crore FPO of its flagship firm, just a day after it was fully subscribed. It came as a surprise to the stock market and the investor community as such moves are rarely seen.

The Supreme Court had taken the issue and asked the capital market regulator SEBI – already probing allegations against Adani Group companies to specifically investigate: i) if there has been a violation of the minimum public shareholding norms in public limited companies, ii) if there has been a failure to disclose transactions with related parties, and iii) if there was any manipulation of stock prices.

As per the given circumstances it can be observed the Supreme Court has taken a proper decision in ordering SEBI to make a proper investigation. Adani, being one of the top companies in the country, have lots of investors and this kind of scenario has put a lot of money at stake. Share prices, also taking a hit, have caused a lot of losses to the shareholders. So, submitting an apt investigation report would help the company as well as the money of the investors.

The Supreme Court verdict on six-month extension request by the Securities and Exchange Board of India (SEBI) has come out. As per updates, the Apex Court has granted SEBI time till August 14, 2023, to complete its probe of the Adani-Hindenburg issue and submit its report. On May 15, 2023, the Supreme Court adjourned the hearing on SEBI's plea asking for a six-month extension. It was later reported that the Apex Court may consider a three-month extension for SEBI to complete its Adani vs Hindenburg case probe.

*(Quick Note: Issues faced by Adani enterprises after the release of the Hindenburg report)*

## **SBI INTRODUCES NEW ESG FRAMEWORK, OFFERING SPECIAL GREEN BONDS FOR SELECTED GREEN PROJECTS**

**Ms. Aayushi Bhatti**  
**B.A. LL.B (Hons.)**  
**Batch:2020-2025**  
**Alliance School Of Law**

Environmental, Social and Governance (ESG) is a framework that puts social and environmental sustainability at the Centre of all corporate operations. Additionally, some “Green Projects” provide particularly significant contributions to the 15 Sustainable Development Goals of 2015 established by the United Nations, and are therefore qualified for funding through green bonds, which come with generous tax benefits. According to SBI’s new ESG framework, the project can qualify for green finance if it fits within one of the following criteria.

The new ESG framework by SBI includes projects to reduce air pollution that have been approved by India’s Commission for Air Quality Management (CAQM), as well as waste management initiatives to promote recycling and waste collection. Biodiversity preservation programmes are included to protect natural habitats on land and at sea. Infrastructure and technology for clean water, rainwater harvesting, wastewater treatment, irrigation for horticulture, and solar photovoltaic pump sets are being developed or manufactured through sustainable water and wastewater management initiatives.

There are also projects that support a circular economy by creating finished goods from waste or recycled materials or even the manufacture of low-carbon products made from biomaterials. Under SBI’s new ESG framework, initiatives aimed at promoting cleaner modes of transport through the development and uptake of electric or hydrogen-powered public and private vehicles, as well as projects related to the production and recycling of fuel cells and rechargeable batteries, will be eligible for funding.

Climate risk assessment and reduction initiatives are also eligible. The framework also includes sustainable aquaculture and fisheries efforts that are centered on natural resource management.

*(Quick Note: ESG Framework offers special Green Bonds for selected Green Projects)*