

Newsletter

August 2017

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Welcome to the August Edition of the Clasis Law Newsletter.

This edition brings to our readers a featured article titled “Foreign Investment in the Food Sector – the Present and the Road Ahead”.

The government’s steady approach towards opening up of the Foreign Direct Investment policy to attract foreign investments in food processing and food product retail trading is spearheading the transformation of the Indian food sector. India is becoming a favorable destination for foreign food retailers and to keep this ongoing momentum additional reforms are in the pipeline to attract further investments and reap benefits for employment generation and manufacturing.

We continue to highlight certain key judgements passed by the Hon’ble Court as well as changes in Corporate and Commercial laws and updates on Projects, Intellectual Property and Banking.

Your inputs and feedback are always welcome and we look forward to our interactions with you.



Foreign Investment in the Food Sector – the Present and the Road Ahead

India is at the cusp of establishing a robust and organized food sector. Many global players such as Amazon (USA), Nestle (Switzerland), Unilever (United Kingdom) and Yakult (Japan) are playing a key role in the food retail and processing sector. Foreign food retailers are eyeing the Indian market on account of investment opportunities and the huge consumer potential. Among the many demographic and economic reasons, the prominent factors luring foreign investors are the liberalization of the Foreign Direct Investment (“FDI”) policy pertaining to food processing and food product retail trading, rapid rise in urbanization, steady growth in income levels, change in food habits demanding premium and packaged foods, and the transformation towards a fast paced digital economy.

It is projected, not only the big retail giants but also the mid-level foreign retailers are rolling out vigorous plans to enter the Indian market, estimating a third of the investments in the food and beverage segment. The center of attraction for the new entrants is not only limited to the big metros, but also towards the tier I and tier II cities and the immense demand that they hold.

The government in its thrust for attracting foreign investment relaxed the FDI policy pertaining to food product retail trading, in June last year. The present FDI Policy allows:

- subject to the conditions stipulated in the FDI policy, 100% FDI under the automatic route for food processing industries; and
- notwithstanding the FDI policy provisions on the trading sector, 100% FDI under government approval route for trading, including through e-commerce in respect of food products manufactured or produced in India.

As per the data provided by the Department of Industrial Policy and Promotion (“DIPP”) FDI equity inflows received in food processing industries sector for the year 2016-17 was US\$ Million 727.22. Further, the cumulative statement on sector-wise FDI equity inflows issued by DIPP, for the period from April 2000 to March 2017, indicated food processing industries aggregating 2.27% of the collective FDI inflow.

As food product retail trading is under government approval route, three retail giants namely M/s Amazon Corporate Holdings Private Limited (“Amazon”), M/s Grofers India Private Limited (“Grofers”) and M/s Super Market Groceries

Supplies Private Limited (“Big Basket”) became one of the first companies allowed to sell food products online. Pursuant to receiving approvals for opening online stores, Grofers, Amazon, and Big Basket further submitted investment proposals to the erstwhile Foreign Investment Promotion Board (“FIPB”), for expanding their operations in retail trading of locally produced food products and for making investments worth USD 695 million over a period of time. The approval process for these investment proposals experienced a bottleneck with the recent abolition of FIPB; however, in the interim absence of FIPB, the approval process was taken forward by DIPP under the Ministry of Commerce and Industry.

In a recent development, Amazon, Grofers and Big Basket are reported to have received the FDI approval regarding their FDI proposals in food retail from DIPP. The approval is indicated to allow the three retail food giants to open food only retail stores, in order to sell their own brand of food products and procure food items from third parties (provided the local manufacturing norms are complied with).

Policy Initiatives Undertaken by the Ministry of Food Processing Industries (“MoFPI”)

MoFPI through policy initiatives is working towards spearheading reforms in the food sector. Some of the prominent reforms undertaken by MoFPI towards attracting foreign investments are:

- i. Investor’s Portal Set Up – information on potential investment opportunities in the food processing sector along with the incentives provided by the State and Central governments are made available to prospective investors in a single window.
- ii. Uploading Food Map of India – the feature of a food map is introduced on MoFPI’s website, to assist investors to deliberate on the viable location of their projects. The food map highlights mapping the potential of food processing in surplus production areas.
- iii. Help Desk for the Industry - setting up of an investment tracking and facilitation desk for foreign investors. The help desk identifies potential investors and provides hand holding services and has also been involved with organizing events and investment meets in India and abroad.



The Present Environment and the New Reforms

Though the demand and market are ripe for tapping into the food retail segment; however, limiting foreign investments to only food based products has raised concerns for many foreign retailers, questioning the viability and profitability of the economic model. Many retailers are of the view that limiting the sale of products to only food items is not a feasible opportunity, as it limits the choices for attracting consumers on account of fewer selections. Many foreign retailers such as Walmart, Tesco, Metro Cash and Carry, Auchan Group have shown interest in potential investment opportunities in food retail, provided consideration is given to further relaxing the FDI policy to include non-food items (such as household, personal care items and other FMCG products).

Based on the interest shown by foreign retailers in bringing in further investments, provided non-food items are also allowed to be traded, MoFPI has placed a proposal before the central government to allow foreign food retailers to sell locally produced non-food items worth 25% of their investments at farm gate level, along with edible products ("Proposed Reform"). The Proposed Reform according to MoFPI will boost the investment climate in the sector. The proposal made by MoFPI is yet to be accepted, subject to comprehensive deliberations among the Ministry of Commerce and Industry, MoFPI, and the Ministry of Finance.

Viability of Further Reforms

The Proposed Reform is based on a fixed formula requiring certain percentage of foreign investments being used for non-food items manufactured in India. The leap provided by the Proposed Reform is said to deliver the much awaited push to local manufacturing, infusing it with new technologies and processes and enhancing back end infrastructure (such as warehousing facilities, services, quality control and logistics). The retail sector is considered to be among the top employment generators in India. It is projected that further liberalization of the food retail sector will be driven by generation of mass employment opportunities at different levels of the economic strata. Additionally, apart from having an impact on manufacturing and employment, relaxing the FDI policy in food retail has also become the need of the hour on the alarming situation of the agrarian economy being marred by drought and the lack of adequate infrastructure for sustainability.

The Proposed Reform is expected to propel healthy competition encouraging the sale of quality products at competitive prices, being beneficial for the consumers; however, its impact on crippling the Indian companies is also argued by some. Niti Aayog has put forth the proposal for incentivizing domestic investments based on generation of employment opportunities. On the other hand, the ease of doing business program initiated by the government along with enforcing amendments in various legislations has provided foreign entrants with a comprehensive platform for doing business in India with ease. The right balance would be in providing an economic environment conducive for foreign investments, along with focusing on providing incentives and addressing the concerns of the domestic companies leading to accelerated local investments and growth opportunities.

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Legal Alerts

Supreme Court of India: New Guidelines for Preventing Misuse of Section 498A of Code of Criminal Procedure. 1898

The question before the Hon'ble Supreme Court of India ("Apex Court") in Criminal Appeal No. 1265/2017 (Rajesh Sharma & Ors. vs State of UP) was whether any directions are called for to prevent the misuse of Section 498A of the Code of Criminal Procedure, 1898 ("Cr.P.C.").

Brief facts of the case are that a complaint was filed by the wife of the Appellant (Rajesh Sharma) against the Appellant and his parents and siblings (Appellants) alleging dowry demands, abuse and harassment. The Appellant was summoned by the Trial Court under Section 498 A and 323 of the Indian Penal Code ("IPC"). The family members of the Appellant were not summoned. Against the said order, the Complainant filed a Revision Petition, praying that the family of the Appellant be also summoned. The Revision Petition was accepted by the Additional Session Judge, Jaunpur and the Trial Court was directed to take a fresh decision in the matter. Accordingly, the Trial Court issued summons to the family members of the Appellant. The Appellants approached the High Court seeking quashing of the Trial Court's order under Section 482 of Cr. P. C. The High Court found no ground to interfere with the order of summoning and dismissed the petition. Hence, the present appeal before the Apex Court.

The Apex Court, after taking into account various judgments wherein the Courts had judicially acknowledged the misuse of the provisions of Section 498A of Cr. P. C. and reports, issued, inter- alia, the following directions;

- a. In every district one or more Family Welfare Committees be constituted by the District Legal Services Authorities (DLSA) preferably comprising of 3 members. The constitution and working of such committees may be reviewed from time to time and at least once in a year by the District and Sessions Judge of the district who is also the Chairman of the DLSA.
- b. The Committees may be constituted out of para legal volunteers/social workers/retired persons/wives of working officers/other citizens who may be found suitable and willing.
- c. The Committee members will not be called as witnesses.
- d. Every complaint under S. 498A received by the police or the Magistrate be referred to and looked into by such committee. Such committee may have interaction with the parties personally or by means of telephone or any other mode of communication including electronic communication.
- e. Report of such committee be given to the Authority by whom the complaint is referred to it latest within 1 month from the date of receipt of complaint.
- f. The committee may give its brief report about the factual aspects and its opinion in the matter.
- g. Till report of the committee is received, no arrest should normally be effected.
- h. The report may be then considered by the Investigating Officer (I.O.) or the Magistrate on its own merit.
- i. Complaints under S. 498A and other connected offences may be investigated only by a designated I.O. of the area. Such designated officer may be required to undergo training for such duration as may be considered appropriate;
- j. In cases where a settlement is reached, it will be open to the District and Sessions Judge or any other senior Judicial Officer nominated by him in the district to dispose of the proceedings including closing of the criminal case if dispute primarily relates to matrimonial discord;
- k. If a bail application is filed with at least 1 clear day's notice to the Public Prosecutor/complainant, the same may be decided on the same day. Recovery of disputed dowry items may not by itself be a ground for denial of bail if maintenance or other rights of wife/minor children can otherwise be protected. Needless to say that in dealing with bail matters, individual roles, prima facie truth of the allegations, requirement of further arrest/ custody and interest of justice must be carefully weighed;
- l. In respect of persons ordinarily residing out of India impounding of passports or issuance of Red Corner Notice should not be a routine;
- m. It will be open to the District Judge or a designated senior judicial officer nominated by the District Judge to club all connected cases between the parties arising out of matrimonial disputes;
- n. Personal appearance of all family members and particularly outstation members may not be required and the trial court ought to grant exemption from personal appearance or permit appearance by video conferencing without adversely affecting progress of the trial.
- o. These directions will not apply to the offences involving tangible physical injuries or death.



Supreme Court Allowed Parties to File Consent Terms After the Admission of Company Petition by National Company Law Tribunal

In a recent judgment of the Hon'ble Supreme Court dated 24th July, 2017, consent terms between a corporate debtor and a financial creditor have been taken on record subsequent to the admission of the Company Petition by the National Company Law Tribunal ("NCLT"). In the present case, Nisus Finance & Investment Managers LLP ("**Financial Creditor**"), in the capacity of a facility agent under a Debenture Trust Deed, filed an Application under Section 7 of the Insolvency & Bankruptcy Code, 2016 ("**Code**") against Lokhandwala Kataria Constructions Private Limited ("**Corporate Debtor**"). One Vista Homes Private Limited, a group company of the Corporate Debtor, had issued certain redeemable debentures. Accordingly, the said Debenture Trust Deed was executed wherein the Corporate Debtor was one of the guarantors with respect to redemption of said debentures and the Financial Creditor was the facility agent to ensure returns to the debenture holders. Vista Homes Private Limited failed to repay and therefore the Financial Creditor filed the Company Petition before NCLT, Mumbai Bench, against the Corporate Debtor. Vide an order dated 15th June, 2017, NCLT admitted the Company Petition and appointed an Interim Resolution Professional. Thereafter, the Corporate Debtor approached the National Company Law Appellate Tribunal ("**NCLAT**") against the order of admission of the Company Petition. Before the NCLAT both the parties submitted that since a settlement had been arrived at between them, the Financial Creditor may be allowed to withdraw the Company Petition. By an order dated 13th July, 2017, the NCLAT considered the provisions of the Code and held that Rule 8 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 allows an Application filed under Section 7 of the Code to be withdrawn, but only before admission of the Application. NCLAT further held that the inherent power under Rule 11 of the National Company Law Appellate Tribunal Rules, 2016, cannot be exercised by it since Rule 11 has not been adopted for the purpose of the Code. The parties then approached the Hon'ble Supreme Court challenging the order of NCLAT. The Hon'ble Supreme Court exercised its inherent powers under Article 142 of the Constitution and allowed the Consent Terms between the Corporate Debtor and the Financial Creditor. It is pertinent to note that in its order, the Hon'ble Supreme Court has also confirmed that NCLAT could not exercise the inherent powers under Rule 11 of the National Company Law Appellate Tribunal Rules, 2016.

Property Not Owned by the Corporate Debtor Does Not Fall Under the Ambit of Moratorium Under the Insolvency and Bankruptcy Code, 2016.

National Company Law Tribunal, Mumbai vide its order dated 3rd July, 2017, clarified that the application of moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 ("**Code**") does not extend to the properties which are beyond the ownership of the corporate debtor. In the present case, Schweitzer Systemtek India Private Limited ("**Corporate Debtor**") filed an application before the Hon'ble Tribunal at Mumbai bench under section 10 of the Code for initiating Corporate Insolvency Resolution Process ("**CIRP**") against itself so that under the provisions of section 14 of the Code, the process of "Moratorium" may commence. The Corporate Debtor took a loan of an amount of Rs. 4.5 crore approximately from Dhanlaxmi Bank. Dhanlaxmi Bank later on assigned and transferred the outstanding debt to M/s Phoenix ARC Limited ("**Creditor**") by way of an assignment agreement executed between Dhanlaxmi Bank and the Creditor. The personal properties of the promoter of the Corporate Debtor (i.e. 3 residential flats) were mortgaged in the name of Dhanlaxmi Bank as a security for the aforesaid debt and pursuant to the aforesaid assignment, on modification of the charges, the said properties stood mortgaged with the Creditor. The said application was contested and opposed by the Creditor. The Hon'ble Tribunal upon hearing both the sides, allowed the admission of the application on various reasons and thus commencing the provisions of moratorium. However, while allowing the application, the Hon'ble Tribunal held that the personal properties not owned by the Corporate Debtor which are mortgaged as security will not fall under the ambit of moratorium as section 14 of the Code states that, on the insolvency commencement date, moratorium shall be declared for prohibiting any action to recover or enforce any security interest created by the Corporate Debtor in respect of **its** property. The Hon'ble Tribunal further went to explain that the word "**its**" in the section 14 of the Code means the property owned by a corporate debtor and does not extend to the properties beyond the ownership of a corporate debtor.



Corporate and Commercial

Inclusion of Private Establishments Under the Right of Persons with Disabilities Act, 2016

The Right of Persons with Disabilities Act, 2016 ('Act') have come into force on April 19, 2017 vide notification issued by the Ministry of Social Justice and Empowerment. This Act repeals the erstwhile Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995. The Right of Persons with Disabilities Rules, 2017 was also notified on June 15, 2017 to give full effect to the Act. The Act has been made applicable for all establishments including the private establishments.

The private employers in order to comply with the provisions of the Act have to formulate an equal opportunity policy which sets out the amenities provided to persons with disabilities. Moreover, private establishments employing more than twenty persons are required to appoint a liaison officer to supervise the recruitment of persons with disabilities and maintain records containing details of persons with disabilities such as number of persons employed, their date of joining, name, gender etc.

The Act does not impose any obligation on private establishments to recruit persons with disabilities. However with a view to recruit more persons with disabilities, the appropriate government and the local authority shall provide incentives to private employers who ensure that at least five percent of their workforce is composed of persons with disabilities. The purpose of this Act is to encourage recruitment of persons with disabilities and require employers to provide a disabled friendly workplace.

The Ministry of Information & Broadcasting Issues Advisory for TV Channels Against the Misleading Advertisements of AYUSH Products/Drugs

In order to protect the citizens from misleading advertisements and health risks, the Ministry of Information & Broadcasting, Government of India issued an advisory dated 12th July, 2017, to all the television channels for ensuring strict compliance of the provisions of the Drug and Magic Remedies (Objectionable Advertisements) Act, 1954, and the Drugs & Cosmetic Act, 1940. The advisory states that the aforesaid Acts and the rules thereunder should be adhered by the television channels while telecasting advertisements. As

per the advisory, in relation to the Ayurvedic, Siddha, Unani and Homeopathic (AYUSH) products/drugs, the television channels are advised to advertise only AYUSH products/drugs that have valid license issued by the Ministry of AYUSH or the State Drug Licensing Authorities. The Ministry of AYUSH is of the view that some channels carry advertisements with exaggerated or improper claims of AYUSH products/drugs which mislead consumers and pose potential health risks with self-medication.

The Companies (Meetings of Board and its Powers) Second Amendment Rules, 2017

The Ministry of Corporate Affairs ("MCA") on July 13, 2017 has notified the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2017. The Ministry has prescribed that any director who intends to participate in the meeting through electronic mode may have to intimate about such participation at the beginning of the calendar year and such declaration shall be valid for one year. Provided that such declaration shall not debar him from participation in the meeting in person in which case he shall intimate the company sufficiently in advance of his intention to participate in person.

The Companies (Incorporation) Second Amendment Rules, 2017

The MCA vide a notification dated July 27, 2017 has notified Companies (Incorporation) Second Amendment Rules, 2017 to further amend the Companies (Incorporation) Rules, 2014. The amendments relate to provisions regarding change of registered office within the same State, or change of registered office from one State or Union Territory to another State or Union Territory.

Online Filing System for Alternative Investment Funds

The Securities and Exchange Board of India ("SEBI") has issued a circular dated July 31, 2017 introducing an online filing system for Alternative Investment Funds ("AIF"). The online system can be used for application for registration, reporting and filing in terms of the provisions of AIF Regulations and circulars issued thereunder. All applicants desirous of seeking registration as an AIF are now required to submit their applications online only, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.



Projects, Energy and Natural Resources

Railway Along with NBCC Plans to Develop 10 Railway Stations

Rail Land Development Authority (RLDA) has signed a MoU with National Building Construction Corporation for redevelopment of 10 railway stations across the country at par with international standards. The Railways has embarked on this ambitious project to redevelop 403 stations on PPP mode with the participation of private players, public sector and with the assistance of foreign funding.

The identified stations to be taken up initially by NBCC for redevelopment are Tirupati, Sarai Rohilla (Delhi), Nellore, Puducherry, Madgao, Lucknow, Gomtinagar, Kota, Thane (New) and Ernakulam. NBCC has been given 10 stations in first phase for redevelopment and more stations would be given to them in subsequent phases.

RLDA and NBCC shall form a Special Purpose Vehicle in the form of a joint venture company to execute the station redevelopment project. The JV shall redevelop the stations on a self-financing model. These stations would be developed as smart railway stations.

Union Govt. and ADB Sign a USD 220 Million Deal to Augment Road Network in Rajasthan

The Asian Development Bank (ADB) and the Government of India on Monday signed a USD 220 million loan agreement for augmenting connectivity, achieving transport efficiency and safety on the state highways in Rajasthan.

The loan is the first tranche of the USD 500 million, Rajasthan State Highways Investment Program, approved by the ADB Board in May this year. The proceeds of the loan would be utilized towards upgrading about 2,000 kilometers of state highways and major district roads to two-lane or intermediate-lane standards to meet road safety requirements.

According to ADB, the objective of the program is to attract private sector financing through government capacity building on public private partnership (PPP) development. The ADB will finance part of the construction costs for the

annuity-based PPP concessions and engineering procurement construction (EPC) contracts, enhance the stability of contract regime, and ensure good governance during project implementation.

International Finance Corporation Invest \$ 103 million in L&T Infrastructure Finance Through Green Bonds

IFC has invested Rs 667 crore (\$103 million) in L&T Infrastructure Finance Company Ltd by subscribing to India's first issue of green bonds.

According to IFC, this is in line with IFC's strategy to support renewable energy infrastructure in the country and also develop the capital markets.

L&T Infrastructure, a wholly owned unit of L&T Finance Holdings Ltd, would utilize this money to lend to solar power projects. The company has been increasing its focus on renewable energy, which comprises one-third of its total portfolio of Rs 22,774 crore.

Proceeds from the Green Bonds are used for projects or assets of renewable energy, clean transport, sustainable water or land management, climate change adaptation and energy efficiency.

India's renewable energy sector has been buzzing with activity over the past few years after the government unveiled ambitious capacity addition targets. The government aims to achieve 175 GW of renewable power generation capacity by 2022. This includes 100 GW of solar and 60 GW of wind power capacity. India's renewable energy capacity is currently around 44 GW.

IFC had launched a green bond programme in 2010 to help push investments in private sector projects that support renewable energy and energy efficiency.



IP update

Januki Kumari J.B. Rana & Ors v. Ashok Kumar & Ors, CS(COMM)77/2017

Plaintiffs, engaged in manufacture and sale of sports shoes and footwear under the trademark GOLDSTAR initiated infringement proceedings claimed ex-parte injunction against the defendants. Plaintiff is a partnership firm based in Nepal and has various distributors in India as well as a liaising office in New Delhi, whereas the defendant No. 1 is unknown person (John Doe) and defendant No. 2, an entity known only by a name, allegedly carries on business in Meerut, i.e. outside the territorial jurisdiction of this court.

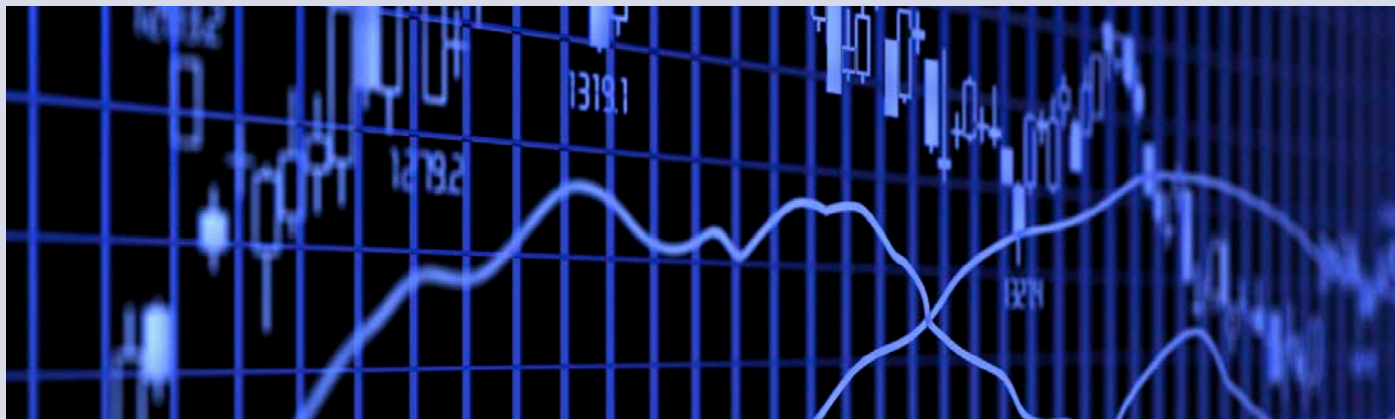
Given that neither the plaintiffs are carrying on their business in India (rather are exporters) nor the defendants are allegedly infringing the trademark within the territorial jurisdiction of the Hon'ble Delhi High Court, the court rightly identified the issue of territorial jurisdiction involved in the instant case. Furthermore, the Hon'ble Court, after discussing the genesis of John Doe orders rightly pointed out that the exercise of court's discretionary powers in granting such John Doe orders depends on the facts and circumstances of each case. Considering that both the defendants in the present case were unidentified, the Hon'ble Court observed that issuing a John Doe order would be like issuing a blank civil search warrant against unknown/unnamed infringers and thereby allowing the plaintiffs to enter any premises, any shop in search of the counterfeit articles, either personally or through court commissioners. Accordingly, denying the grant of ex-parte injunction against unknown defendants, the Hon'ble court opined that, in such instances of wide scale infringement, the Plaintiffs are not rendered remediless but always have the option of availing remedy by way of criminal complaints against unknown infringers, an offence made cognizable under Section 115 of the Trade Marks Act, 1999.

Shree Nath Heritage Liquor Pvt Ltd. & Ors. v Octaga Green Power & Sugar Co. Ltd. & Ors., CS(COMM) 681/2016

In a recent case, the Hon'ble Delhi High Court returned the plaint to the Plaintiffs seeking quia timet action for lack of territorial jurisdiction.

Plaintiffs, a British West Indies company and its licensee, a company with its registered office in Rajasthan, engaged in manufacturing and selling alcoholic beverages in the state of Rajasthan, had initiated the instant suit seeking permanent injunction restraining the defendants from infringement of their trademark and passing off their goods as that of the Plaintiffs'. While the Plaintiffs sought to invoke jurisdiction of Hon'ble Delhi High Court, based on the defendants' website wherein the defendants had announced their plans to launch their product under the allegedly infringing mark throughout India, as well as similar publication in a newspaper quoting the defendants' spokesperson, the defendants, having their registered offices in Mumbai and carrying on their business only in the states of Maharashtra and Goa, objected to this court's jurisdiction.

Considering that neither the plaintiffs nor the defendants have their registered office in Delhi, none of their products are sold within Delhi, and that neither of them had applied for license under the Excise Act to sell alcoholic beverage within the jurisdiction of this court, the Hon'ble Court observed that the plaintiffs had failed to prima facie show its presence/goodwill in Delhi or a strong possibility that the defendants are likely to infringe or pass off their trademark in Delhi. Accordingly, ruling that no part of cause of action has arising within the territorial jurisdiction of this court, the Hon'ble Court returned the plaint for filing in the court of appropriate jurisdiction.



Banking and Project Finance

Government Banking - Issue of Letters of Credit and Bank Guarantee

The Reserve Bank of India (“RBI”), has issued notification dated August 03, 2017, pursuant to which it has decided that it will continue not to issue letter of credits (“LC”) on behalf of government and will not act as an issuing or advising bank for government as far as transactions related to bank guarantees (“BG”) are concerned. The role of RBI shall be strictly limited to reimbursement of payments made by the banks for such LCs/BGs on behalf of the government, after satisfying itself with the debit mandate given by the government.

Change in Bank Rate and Marginal Standing Facility Rate

The Bank Rate has been adjusted by 25 basis points from 6.50 per cent to 6.25 per cent with effect from August 02, 2017. All penal interest rates on shortfall in reserve requirements, which are specifically linked to the Bank Rate, also stand revised as follow:

Item	Revised Rate (Effective from August 02, 2017)
Penal interest rates on shortfalls in reserve requirements (depending on duration of shortfalls)	Bank Rate plus 3.0 percentage points (9.25 per cent) or Bank Rate plus 5.0 percentage points (11.25 per cent).

Further, the Marginal Standing Facility (MSF) rate has been adjusted at 6.25 per cent with effect from August 02, 2017.

Liquidity Adjustment Facility (“LAF”) – Repo and Reverse Repo Rates

The Repo rate under the LAF has been revised by 25 basis points from 6.25 per cent to 6.00 per cent. Further, the Reverse Repo rate under the LAF now stands adjusted at 5.75 per cent.

Master Circular – Detection and Impounding of Counterfeit Notes

The RBI has issued notification dated July 20, 2017, pursuant to which it has issued new Master Circular on Detection and Impounding of Counterfeit Notes.



Recent events

CIFTI-FICCI & FIA Seminar on Creating Awareness among FBO's & SME's on GDA Labelling (Guideline Daily Amount) 3rd August 2017, Mumbai

Barasha Baruah Pathak, Associate Partner, attended a seminar titled “Creating awareness among FBO & SMEs on GDA labelling (Guideline Daily Amount) and emerging trends in Food Safety ecosystem” organised by CIFTI-FICCI in association with Food Industry Asia at Mayfair Banquet, Mumbai on 3rd August, 2017. The objective of this seminar was to make the Indian food companies and related stakeholders aware of front of pack labelling which is part of labelling regulations that FSSAI will be notifying soon. The seminar focussed on various topics, such as, how to implement GDA labelling in Indian food businesses, current Indian scenario and latest developments in the field of front of pack labelling etc. The conference was attended by various food and beverage companies, SMEs etc. The highly informative speeches threw light on the relevant aspects relating to the regulatory labelling requirements.

IFCCI HR Committee Meeting 14th July 2017, Mumbai

Clasis Law's Associate Partner, Ms. Priyanka Anand attended Indo-French Chamber of Commerce's HR Committee Meeting held on 14th July 2017 in Mumbai. Amongst other things the committee's discussions centered around the impact of GST on the HR function.



Happy 70th Independence Day!!

India celebrates its 70th Independence Day this 15th August. The country has seen momentous highs as well as devastating lows in these last 70 odd years. This month we take a walk down the memory lane and bring to you some of the significant events that defined the course of India's history and which would forever remain etched in the collective conscience of all Indians.

- India commenced its journey towards being the largest democracy in the world in the year 1951 - 52, when it held its first general election, thereby, setting an example of peaceful and bloodless transition of power.
- India declared itself a nuclear power on May 11, 1998, after conducting the second round of nuclear tests, the first one being in 1974. This time, however, India didn't restrict itself to testing just one weapon, but five.
- India became self-sufficient in food grains in 1965. This was achieved through the introduction of high-yielding varieties of seeds after 1965 and the increased use of fertilizers and irrigation collectively known as 'Green Revolution' which provided the increase in production needed to make India self-sufficient in food grains, thus substantially cutting down the food grain import bill.
- White Revolution followed the Green Revolution and both these revolutions contributed to a large extent to alleviate poverty from India. White Revolution or Operation Flood was started by National Dairy Development Board (NDDB) in 1970s. The objective of this programme was to create a nationwide milk grid. The result was that India became the largest producer of Milk and Milk Products and still is.
- India launched its first satellite known as Aryabhata in the year 1975. Aryabhata was built by the Indian Space Research Organization (ISRO) to conduct experiments in X-ray astronomy, aeronomics, and solar physics.
- India lifted the 1975 hockey World Cup by defeating Pakistan in a closely fought match.
- Recognising her self-less service and tireless humanitarian work for the poorest of poor, Mother Teresa was awarded the Nobel Prize for Peace in the year 1979. Further, Mother Teresa was conferred Sainthood by the Pope Francis at the Vatican in the year 2006.
- India erupted in euphoria when the Indian cricket team lifted the World Cup for the very first time in the year 1983 and stamped its arrival on the world cricket. The cricket team repeated this marvellous feat by winning the coveted world cup trophy twice more in 2007 (T 20 format) and 2011.
- India built a world-class metro rail with the incorporation of Delhi Metro Rail Corporation (DMRC) in May 1995. Delhi Metro is the world's 12th longest metro system in length and 16th largest in ridership. The Delhi Metro Rail Corporation was certified by the United Nations in 2011 as the first metro rail and rail-based system in the world to get "carbon credits for reducing greenhouse gas emissions" and helping in reducing pollution levels in the city by 630,000 tonnes every year



Offbeat

- In the year 1984, Indian Air Force pilot Rakesh Sharma became the first Indian astronaut to enter space when he blasted off in Soviet Union's Soyuz T-11, opening the door for bigger outer space programmes by ISRO.
- In the year 2005, the Indian Parliament passed the Right To Information Act that gave people the power to seek information on the functioning of the govt and its various departments thereby ushering in the era of transparency.
- 2012-Western Ghats Designated as World Heritage Site by UNESCO
- In the year 2014, India became the first nation in the world to have entered the Mars' orbit in its maiden attempt. ISRO's Mangalyan is also the cheapest of such missions with its budget being reportedly being less than that of a Hollywood movie. European, US and Russian probes have managed to orbit or land on the planet, but after several attempts.
- Agni-V-On 26 December 2016, India launched its first Inter-Continental Ballistic Missile (ICBM) which has a range over 5000 km. This colossal success of Defence Research and Development Organisation (DRDO) made this possible after years of hard work.



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