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CLASIS LAW

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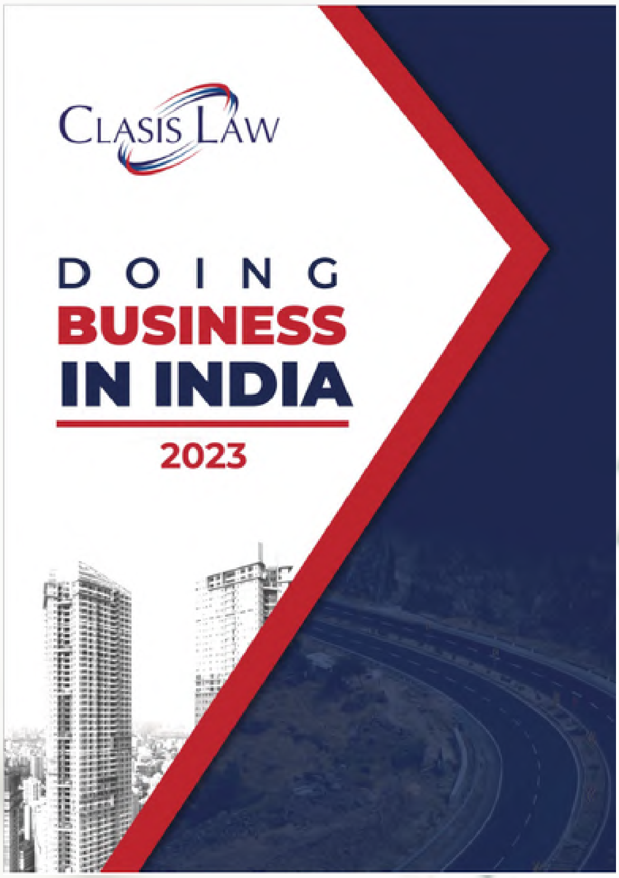
DOING BUSINESS IN INDIA

We are pleased to share the **Fifth Edition** of our e-book titled ***"Doing Business in India"***.

The book intends to give the reader an overview of the various aspects of doing business in India including but not limited to the applicable legislations, compliances and processes.



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GUEST ARTICLE

Environmental, Social and Governance Investing – An Indian Perspective

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What is ESG Investing?

With a global focus on sustainability, and moves by the international community to pass environment and society-friendly legislations, and set goals to combat environmental issues such as climate change, loss of ecosystems and social issues such as discrimination, there has been a recent trend on the investment front as well, to pitch in. Investors and asset owners are doing their part to ensure sustainability and bring about social change by engaging in socially responsible investing or ESG (environmental, social and governance) investing.

ESG investing generally happens on an exclusion model i.e., certain companies or funds exclude certain areas or businesses or practices from their portfolio. Institutional investors with a sustainability focus then invest in such funds or companies after analyzing the company's/fund's environment, social and governance impact based on several criteria. Alternatively, certain institutional investors with more specific ESG goals may shortlist companies specifically engaging in activities that further such goals – for example, an institutional investor who is interested in the climate change movement may invest in a company that is actively engaged in climate change research and analysis.

India's stance on ESG investment and analysis of the guidelines

While ESG investing has been practised in other countries for the last few decades, it is only now gaining traction in India. One of the first legislative measures to incorporate sustainability into India's legal landscape was through the Ministry of Corporate Affairs **(MCA)** *Companies (Corporate and Social Responsibility Policy) Rules, 2014*. These rules read along with Section 135 (5) of the Companies Act, 2013 mandated that at least 2% of its average net profits made over the preceding three financial years in pursuance of its corporate social responsibility policy. This was followed and preceded by several guidelines on the subject issued by various authorities such as the MCA, the Securities and Exchange Board of India **(SEBI)** and the Department of Public Enterprises **(DPE)**, among others. The most recent development regarding ESG investments in India came when SEBI, as per Regulation 34 (2) (f) of the SEBI *(Listing Obligations and Disclosure Requirements) Regulations, 2015*, mandated that the top 1000 listed companies of the country (classified by market capitalization), comply with its Business Responsibility and Sustainability Report **(BRSR)** framework, issued in 2021.

The BRSR was preceded by a similar reporting requirement set out by the MCA in 2009 – the Business Responsibility Report (BRR). The BSRS set out three categories of disclosures, namely – general disclosures (which constitute the general details of the entity making the disclosures such as name, details of business carried out, employee information etc.), management and process disclosures (which constitute disclosures to evidence the fact that the relevant entity has in place processes and procedures to ensure that the principles of the National Guidelines for Responsible Business Conduct are being adhered to) and principle-wise disclosures. The principle-wise disclosures are based on the following nine principles initially set out in the National Guidelines for Responsible Business Conduct issued by the MCA in 2011 and now embodied in the BSRS:

(i) Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.
(ii) Businesses should provide goods and services in a manner that is sustainable and safe.
(iii) Businesses should respect and promote the well-being of all employees, including those in their value chains.
(iv) Businesses should respect the interests of and be responsive to all its stakeholders.
(v) Businesses should respect and promote human rights.
(vi) Businesses should respect and make efforts to protect and restore the environment.
(vii) Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
(viii) Businesses should promote inclusive growth and equitable development.
(ix) Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosures under the BRSRs are to be filed annually and integrated with filings made on the MCA21 portal.

In addition to the BRSRs, SEBI in July 2023, came out with BRSR Core Framework including certain key performance indicators (KPIs)/metrics under the ESG attributes. This BRSR Core Framework is intended to be a sub-set of the BRSRs and is proposed to be implemented in a phased manner, with the top 150 listed entities mandatorily undertaking assurances of the BRSR Core in FY 2023-24, the top 205 listed entities undertaking assurances in FY 2024-25, the top 500 listed entities undertaking assurances in FY 2025-26 and the top 1000 listed entities undertaking assurances in FY 2026-27. The BRSR Core disclosures are to be undertaken by the top 250 listed entities from FY 2024-25 for their value chain as well, where the value chain encompasses the top upstream and downstream partners of a listed entity cumulatively comprising 75% of its purchases/sales (by value).

Apart from reporting requirements, SEBI has also attempted to standardize ESG ratings by issuing a Master Circular for ESG Rating Provider, which, among other things, mandates that ESG rating providers offer certain basic rating products, and also sets out clear payment models that the ESG Rating Provider must adhere to.

Persisting Challenges and Conclusion

The BRSR and BRSR Core frameworks, and guidelines for ESG rating providers are all extremely important developments in the ESG, since many criticisms around ESG investing stemmed from the lack of standardized reporting and rating criteria.

In spite of the gaining popularity of ESG investments, certain challenges in this sector persist such as a lack of data regarding ESG investors and track records of ESG funds, lack of awareness of stakeholders of this emerging avenue of investment, and a reluctance to shift from investment in more traditional securities and businesses.

However, it is clear from the strides made in this sector so far by India, that it is intent on joining the global community and focused on meeting its sustainability and social responsibility goals by encouraging and regulating ESG investment and ESG investors.

List of References:

- *https://www.fisdom.com/esg-investing/*
- *https://www.iiprd.com/evolution-of-esg-regime-in-india-challenges-and-way-forward/*
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Disclaimer

This article is not intended to be a comprehensive review of all developments in the law and practice, or to cover all aspects of those referred to herein. This publication has been prepared for information purposes only and should not be construed as a legal advice. The views expressed in the article is of the author alone and does not represent any organization.

Payment to Operational Creditor by the Insurance Company cannot be a ground for absolving Corporate Debtor from its liability to discharge its Operational Debt and for rejecting the Application under Section 9 of IBC

Introduction

In a recent landmark decision[1], the National Company Law Appellate Tribunal, rendered a significant verdict emphasizing the stringent obligations of a Corporate Debtor under the Insolvency and Bankruptcy Code, 2016.

Brief Facts

Prayag Polytech Private Limited **("Corporate Debtor")** had entered into a Sales Agreement with Saudi Basic Industries Corporation **("Operational Creditor/ Respondent No.1")** for purchase of certain goods. In accordance with the terms of the Sales Agreement, the goods were delivered and an invoice was raised by the Operational Creditor to the Corporate Debtor. Thereafter, the Corporate Debtor made part payment, leaving a part of the balance as unpaid.

Subsequently, several correspondences were exchanged between the parties wherein the Corporate Debtor acknowledged its debt and gave assurances to repay the entire debt amount to the Operational Creditor. After no amount was received by the Operational Creditor, a Demand Notice under Section 8*(2)* of Insolvency and Bankruptcy Code ("IBC"), was issued to the Corporate Debtor. In response to the said Notice, the Corporate Debtor, issued its reply denying its liability to pay the outstanding amount.

Thereafter, the Operational Creditor, filed an Application under Section 9*(3)* **("Application")** of IBC before the National Company Law Tribunal, Jaipur Bench **("Adjudicating Authority")** for initiating Corporate Insolvency Resolution Process **("CIRP")**. The Corporate Debtor objected to the said Application primarily on the ground that the Operational Creditor has received the claim amount from the Insurance Company and thus there was no debt due and pending towards the Operational Creditor. The Adjudicating Authority admitted the Application and observed that the insurance policy does not absolve the Corporate Debtor from its liability and the Operational Creditor was obliged to initiate legal proceeding against the Corporate Debtor for dues which were liable to be paid to the insurer. Aggrieved by the order of Adjudicating Authority, the Corporate Debtor filed the Appeal before National Company Law Appellant Tribunal **("NCLAT")**.

Contention raised by the Appellant

Before the NCLAT, the learned counsel for the Appellant submitted that the provisions envisaged under IBC cannot be used for recovery of dues. It was further submitted that the Application is not maintainable as it is a proxy litigation filed by the Operational Creditor on behalf of the Insurer. It was further argued that the Application filed by Operational Creditor ought not to have been entertained by the Adjudicating Authority and same deserved to be rejected under Section 65 of the Code. It was further submitted that there was a pre-existing dispute between the parties.

Contentions raised by the Respondent No. 1

In response to the contentions raised by the Appellant, the learned counsel on behalf of Operational Creditor (i.e. Respondent No. 1 before the NCLAT) submitted that there is an admitted operational debt due from the Corporate Debtor as the same has been time and again acknowledged by the Corporate Debtor in various correspondences/ documents. It was further argued that the Insurance Agreement entered between the Operational Creditor and the Insurance Company was a separate agreement and therefore, the Corporate Debtor cannot take shelter or disown its liability that is due from it. It was further submitted that the payment made by the Insurance Company towards the claim of Operational Creditor does not absolve the Corporate Debtor from its liability to pay its dues. It was further submitted that under the terms of the Insurance agreement, the Operational Creditor has an obligation to recover the amount from the Corporate Debtor and repay the same to the Insurance Company. Thus, the Corporate Debtor is liable to pay the outstanding amount due under invoice.

Observation by NCLAT

The NCLAT while dismissing the appeal held that, the payment made by the insurance company to the Operational Creditor for its claim does not absolve the corporate debtor from its liability to discharge its operational debt.

The NCLAT also relied on certain judgments while dismissing the Appeal including, the judgment passed by the Supreme Court of India in ***Economic Transport Organisation v. Oriental Insurance Company Limited(4)***, wherein it was held that the doctrine of subrogation enables the insurer to step into the shoes of the assured, and enforce the rights and remedies available to the assured. Thereby enabling the insurer to receive back the amount paid to the assured.

The NCLAT further relied on the judgment passed by the Bombay High Court in ***Rojee-tasha Stampings Pvt. Ltd. v. POSCO-India Pune Processing Centre Pvt. Ltd. and Anr(5)***, wherein it was held that third party cannot take shelter and disown its liability of a debt payable to the Company on the basis that insurance transaction has taken place between Respondent and its Insurer.

Thus, NCLAT observed that Operational Creditor is under obligation to take proceeding to recover its dues and handover the amount to the Insurance Company and it is not open for the Corporate Debtor to submit that Application deserves to be rejected, since the amount has been received by the Operational Creditor from the Insurance Company.

Footnotes

1. Milan Aggarwal VS Saudi Basic Industries Corporation (SABIC), Company Appeal (AT)(Ins) - 231/ND/2023
2. Insolvency resolution by operational creditor
3. Application for initiation of corporate insolvency resolution process by operational creditor
4. (2010) 4 SCC 114
5. (2019) (1) Maharashtra Law Journal Page 857

Delhi High Court calls upon E-commerce websites to take initiative in Protecting Intellectual Property Rights

Introduction

The plaintiff, i.e., PUMA, alleged that the defendant, IndiaMART InterMESH Ltd ("IIL"), an e-commerce platform is facilitating the sale of counterfeit goods bearing the plaintiff's trademarks PUMA and on its platform, www.indiamart.com. The plaintiff instituted a suit***(1)*** in the Hon'ble High Court of Delhi **("Court")** to restrain IIL to disallow facilitation of the counterfeit marks and for damages.

Contentions of the Parties

Plaintiff's Contention

- The plaintiff contended that IIL is aiding infringement and passing off by providing a platform for sellers to offer counterfeit goods.
- IIL's registration process lacks due diligence, enabling sellers to falsely represent themselves as dealers of genuine brand products.
- IIL's involvement in collecting payments for merchandise implicates it in the infringing activities.
- Safe harbor provisions under Section 79***(2)*** of the Information Technology Act do not apply.

Defendant's Contention

- IIL argues that it is not responsible for counterfeiting activities as it merely provides a platform for sellers to offer goods.
- The plaintiff is attempting to monopolize trade channels, and IIL is willing to remove infringing listings upon notification.
- The suit should be dismissed for non-impleadment of necessary parties, i.e., the actual sellers of the counterfeit goods.
- IIL claims entitlement to safe harbor under Section 79 of the IT Act, and the plaintiff's claims are outside the scope of Section 29 of the Trade Marks Act, which states that a registered trademark is infringed when someone who is not a registered proprietor uses a mark that is identical or similar to the trademark.

Analysis and Finding of the Court

The court identified two key issues, and set out to deal with the same:

1. Whether IIL is infringing the plaintiff's trademarks or passing off goods as those of the plaintiff.
2. If infringement is established, whether IIL is entitled to safe harbor under Section 79 of the IT Act.

On both the issues, the Court found that the controversy was covered by the judgment of the Division Bench of the Court in *Google LLC v. DRS Logistics (P) Ltd.****(3)***. Applying the principles in *Google LLC (supra)*, it was found that a prima facie case of infringement of the plaintiff's registered trade mark, by the act of IIL providing the plaintiff's "Puma" trade mark as one of the drop-down option to prospective sellers, did exist. It was found that the consequence of providing the plaintiff's registered "Puma" trade mark as one of the drop-down options was far more serious as it enabled counterfeiters to peddle their products as genuine "Puma" products. As a result, it was found that a prima facie case of infringement within the meaning of Section 29(1), (2) and (4) of the Trade Marks Act, existed.

With respect to the Doctrine of Exhaustion raised by the Defendant, the Court observed that the said doctrine found no place in the Trade Marks Act, and the applicability of the doctrine in trade mark law in India was itself questionable insofar as infringement was concerned. Further, as the act of IIL was aiding counterfeiters, the doctrine of exhaustion, predicated on honest exploitation of the mark, was *ipso facto* inapplicable. It was further held that IIL's function was not limited to providing access to the communication system over which the information was made available to the consumers. The sellers actually effected sale of their products across the platform of IIL, and IIL pocketed a part of the proceeds of such sales. The function of IIL, therefore, transcended mere "providing" of "access", and thus, Clause (a) of Section 79(2) was not applicable.

Clause (b) also did not apply, as by providing select trademarks of reputed brand owners as options in its drop-down menu, to prospective sellers, IIL effectively initiated and selected the receiver of the transmission. Clause (c) of Section 79(2) was also not applicable as IIL failed to observe due diligence while discharging its duties under the IT Act. Lastly but importantly, the Court held that although E-commerce websites are commercial ventures, and are inherently profit oriented, such websites have also to protect intellectual property rights of others. They cannot, to further financial gains, put in place a protocol by which infringers and counterfeiters are provided an avenue to infringe and counterfeit. Any such protocol has to be met with firm judicial disapproval. Thus, the Court granted injunction relief restraining IIL from providing the plaintiff's registered trademarks as search options and requiring the removal of infringing listings on the Indiamart platform.

Footnotes

(1) Puma Se v. Indiamart Intermesh Ltd., I.A. 15564/2021 in CS(COMM) 607/2021 in the Hon'ble High Court of Delhi, decided on January 3, 2024.

(2) **[79. Exemption from liability of intermediary in certain cases.**--(1) Notwithstanding anything contained in any law for the time being in force but subject to the provisions of sub-sections (2) and (3), an intermediary shall not be liable for any third party information, data, or communication link made available or hosted by him.

(2) The provisions of sub-section (1) shall apply if--

(a) the function of the intermediary is limited to providing access to a communication system over which information made available by third parties is transmitted or temporarily stored or hosted; or

(b) the intermediary does not--

(i) initiate the transmission,

(ii) select the receiver of the transmission, and

(iii) select or modify the information contained in the transmission;

(c) the intermediary observes due diligence while discharging his duties under this Act and also observes such other guidelines as the Central Government may prescribe in this behalf.

(3) The provisions of sub-section (1) shall not apply if--

(a) the intermediary has conspired or abetted or aided or induced, whether by threats or promise or otherwise in the commission of the unlawful act;

(b) upon receiving actual knowledge, or on being notified by the appropriate Government or its agency that any information, data or communication link residing in or connected to a computer resource controlled by the intermediary is being used to commit the unlawful act, the intermediary fails to expeditiously remove or disable access to that material on that resource without vitiating the evidence in any manner.

Explanation. -- For the purposes of this section, the expression "third party information" means any information dealt with by an intermediary in his capacity as an intermediary.]

(3) 2023 SCC OnLine Del 4809.

In the matter of Waters (India) Private Limited ("Company") for violation of section 123 of the Companies Act, 2013 ("Act")

A suo-moto application was filed by the Company before the Registrar of Companies, Karnataka ("ROC") to adjudicate the non-compliance made under section 123 of the Act. The Company had declared final dividend in its annual general meeting held on September 6, 2021. As per the provisions of the Act, the dividend amount was required to be deposited by the Company in a scheduled bank in a separate bank account within 5 days from the date of declaration of the dividend, however, the Company deposited the amount with a delay of 9 days i.e., on September 20, 2021. The ROC sent a notice of hearing to the Company and its directors. In response, the authorised representative of the Company attended the hearing and made submissions with respect to the details of declaration and payment of dividend. After considering the facts and submissions, ROC imposed a penalty of INR 18,000/- each on the Company and its managing director.

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In the matter of Samsung R&D Institute India-Bangalore Private Limited ("Company") for violation of section 405 of the Companies Act, 2013 ("Act")

The Company suo-moto filed an application to adjudicate the violation made under Section 405 of the Act. The Company had not provided complete disclosure of specific transactions in MSME form I for the period April 2022-September 2022 and October 2022-March 2023 within the prescribed time limit. Such default was unintentional and an oversight resulting from an internal clerical error. The Company later rectified this error by filing belated MSME form I thereby disclosing the complete details for both the above-mentioned durations.

Pursuant to the adjudication application filed by the Company, the Registrar of Companies, Karnataka **("ROC")** sent a notice of hearing to the Company. The authorised representative appeared on behalf of the Company and its directors, made submissions as stated in the adjudication application and submitted additional documents related to MSME dues and their repayments. After considering the facts and submissions, ROC took into its records the belated filing as an MSME filing. Accordingly, ROC imposed a penalty for the delay in filing Form MSME I on the Company and its directors of INR 2,85,000/- each for the period of April to September (delay of 266 days) and INR 1,04,000/- each for the period October 2022 to March 2023 (delay of 85 days).

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In the matter of Navcom Industries Limited ("Company") for violation of section 88 of the Companies Act, 2013 ("Act")

During the course of an inquiry conducted against the Company under Section 206 of the Act, it was observed that the Company has not maintained the register of members under Section 88 of the Act. The matter was taken up with the Company, however no reply was received despite sending a proper order on on October 6, 2022, followed by a reminder letter on December 5, 2022. Thereafter, an adjudication notice was issued by the Registrar of Companies, Pune **("ROC")** to the Company and its directors. However, no reply was received on behalf of the Company or its director. Consequently, a hearing notice was sent to the Company and its officers, but the notice was returned undelivered with the remark "Left in address." Later, ROC received a reply to the adjudication notice from one of the directors of the Company. As stated in the reply, the Company has suffered losses due to the change in the edible oil industry. It was further mentioned that earlier the Company was a listed company, and it was maintaining its entire share data on the computerized system as a mandatory compliance requirement of the Securities and Exchange Board of India. Though the Company is not listed now, the entire share data is being maintained under the computerized share accounting system.

After considering the submission, ROC concluded that the Company and its directors are liable for not maintaining the register of members at its registered office in accordance with the provisions of Section 88 of the Act. The ROC imposed a penalty of INR 3,00,000/- on the Company and INR 50,000/- each on its directors.

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In the matter of Hemco Engineering Private Limited ("Company") for violation of section 173 of the Companies Act, 2013 ("Act")

In the present case, two directors of the Company filed a complaint dated August 2, 2023 before the Registrar of Companies, Madhya Pradesh **("ROC")**, stating that a meeting of the Board of directors was convened on July 8, 2023, for allotment of shares and increasing paid-up share capital of the Company. In the said meeting, a shareholder of the Company named Krishna Kant Jha and another person named Himanshu Jha, appeared in the Board and claimed that they had been appointed as directors in shareholders' meeting dated June 26, 2023. Further, their names are reflected as directors on the portal of the Ministry of Corporate Affairs. The directors of the Company claimed that both persons had been appointed without any proper compliance with Secretarial Standards 1 and 2, as the existing directors did not receive any notice of the board meeting and extraordinary general meeting **("EGM")** held on June 26, 2023. Another complaint was received by the ROC from Mukesh Jha, Krishna Kant Jha and Himanshu Jha that the directors of the Company (who filed the aforesaid complaint) have not complied with section 173 of the Act as they did not send the notice of the board meetings held on August 11, 2023 and August 18, 2023, deliberately abstaining the presence of Himanshu Jha and Krishna Kant Jha from such board meetings.

ROC issued a show cause notice to the Company and the officers in default. In response, the Company replied vide letter that the EGM dated June 26, 2023, was called by the requisitionists by serving notice on June 2, 2023, to appoint Krishna Kant Jha and Himanshu Jha as directors. The said notice was sent to all the members of the Company via speed post and was duly delivered. Therefore, neither any provisions of the Companies Act nor any secretarial standards have been violated in the appointment of directors. After further proceedings, the ROC disposed of the adjudication proceedings against the directors, keeping in view the factual positions and reporting facts that the Company has complied with the provisions of the Act.

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In the matter of Krishikan Krishikan Private Limited ("Company") for violation of section 62(1)(a) of the Companies Act, 2013 ("Act")

An appeal was filed by the Company before the Regional Director, South East Region **("RD")**, against the adjudication order passed by the Registrar of Companies, Karnataka **("ROC")**, for default in compliance with the requirement of Section 62(1)(a) of the Act. According to the facts, the Company had suo-moto filed an application before ROC disclosing that the Company had issued optionally convertible debentures **("OCD")** three times under section 71 of the Act and later allotted the same. These OCD were issued under the right issue by complying with the provisions of Section 62(1)(a) of the Act. However, the Company was required to comply with Section 62(1)(c) of the Act, i.e., preferential allotment read with section 42 and other applicable provisions of the Act. The Company further submitted that it had repaid all the subscription amount along with the 12% interest, and proof of the same has been attached to the application.

The ROC, in its adjudication order, had imposed a penalty under section 62(1)(c) on the Company and its two directors of INR 15,000/- each (INR 5,000/- per default), and a penalty under Section 42 of the Act for the Company: INR 600,000/- (INR 2,00,000/- per default) and for the two promoters-cum-directors: INR 300,000/- each (INR 1,00,000/- per default), aggregating penalty INR 12.45 lakhs.

RD admitted the appeal of the Company, in which the Company reiterated the submissions made in the appeal. The authorized representative further submitted that due to the COVID pandemic in the year 2020, the directors could not obtain professional guidance on the true meaning of OCD and the lack of procedural significance of sections 62, 42, and other applicable provisions of the Act. Further, the Company pleaded that the penalty levied by the ROC is high since the Company is a small company engaged in agriculture business.

In light of the above facts, the RD upheld the order of ROC for violation of section 62(1)(c) and directed the Company and its directors to pay the penalty of INR 15,000/- each (INR 5000/- per default). Whereas, for the violation of Section 42 of the Act, the RD reduced the penalty and directed the Company to pay INR 150,000/- (INR 50,000 per default) and the two directors to pay INR 75,000/- each (INR 25,000 per default), i.e. aggregating penalty INR 3,00,000/- on the Company and its directors.

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Master Direction - Liberalised Remittance Scheme (LRS)

On 22 December 2023, the Reserve Bank of India **("RBI")** issued the consolidated Master Direction on LRS. The captioned Scheme was introduced on 4 February 2004, as a liberalization measure to facilitate resident individuals to remit funds abroad for permitted current or capital account transactions or combination of both. These Regulations are amended from time to time to incorporate the changes in the regulatory framework and published through amendment notifications.

Within the contours of the Regulations, Reserve Bank of India also issues directions to Authorised Persons under Section 11 of the Foreign Exchange Management Act (FEMA), 1999. These directions lay down the modalities as to how the foreign exchange business has to be conducted by the Authorised Persons with their customers/constituents with a view to implementing the regulations framed.

Amongst the amendments introduced, resident individuals are also allowed to make remittances under LRS to International Financial Services Centres (IFSCs) in India, subject to the following conditions:

(a) The remittance shall be made only for making investments in IFSCs in securities, other than those issued by entities/companies resident (outside IFSC) in India and for the purpose of 'studies abroad'12 for payment of fees to foreign universities or foreign institutions in IFSCs for pursuing courses mentioned in the gazette notification no. SO 2374 (E) dated 23 May 2022.

(b) Resident Individuals may also open a Foreign Currency Account (FCA) in IFSCs, for making the above permissible investments under LRS.

(c) Resident Individuals shall not settle any domestic transactions with other residents through the FCAs held in IFSC.

Extension of date for mandatory electronic filing of non-preferential certificate of origin (CoO) through the common digital platform to 31st December 2024

On 26 December 2023, the Directorate General of Foreign Trade (DGFT) issued a trade notice stating that in continuation of the earlier trade notice dated 28 March 2023, it is informed that the transition period for mandatory filing of applications for Non-Preferential Certificate of Origin through the e-CoO platform has been further extended till 31 December 2024.

Accordingly, the exporters and Non-Preferential Certificate of Origin issuing agencies as notified under Appendix – 2E of the FTP would have the option to use the online system, the online application process shall not be mandatory till 31 December 2024. In this interim period, the existing systems of processing non-preferential CoO applications in manual/paper mode is permitted.

Domestic Systemically Important Bank (D-SIB) Framework - Review of the Assessment Methodology

On 28 December 2023, the RBI issued the review of the assessment methodology of the Domestic Systemically Important Bank (D-SIB) Framework. RBI issued the framework for dealing with Domestic Systemically Important Banks (D-SIBs) on 22 July 2014. In terms of this framework, the RBI is required to identify and disclose the names of banks designated as D-SIBs annually. Further, in terms of the framework, the assessment methodology, for assessing the systemic importance of banks and identification of the D-SIBs, is required to be reviewed on a periodic basis. Accordingly, a review of the assessment methodology has been carried out, taking into consideration the functioning of the framework since its introduction, international developments in the field of systemic risk measurement, and the experience of other countries in implementing the D-SIB framework. Based on the review, while there is no change in the selected indicators or their respective weights, the Bank has decided to effect the following revisions to the methodology:

(a) 'Payments' sub-indicator under 'Substitutability' indicator: The data requirement under this sub-indicator stands revised from "Payments made in INR using RTGS and NEFT systems" to:

- Total value of Digital Payments made in INR (75 per cent weightage)
- Total volume of Digital Payments made in INR (25 per cent weightage)

Explanation: Digital Payments include all Payments other than Paper-based Instruments.

(b) Timeline for annual assessment and disclosures: The computation of systemic importance scores, based on the end-March data of all the banks in the sample, will be performed annually in the months of August-October, and names of the banks classified as D-SIBs will be disclosed in the month of November every year. Accordingly, banks will be required to be in readiness to submit the required data to RBI by 15 August of each year.

(c) Other modifications in the data requirements - The major revisions in this regard include:

(i) For 'Total Marketable Securities issued by the bank' under Interconnectedness indicator - The value of securities reported under this head shall be based on their market value.

(ii) For 'Securities in Held for Trading (HFT) and Available for Sale (AFS) categories1' under Complexity indicator - The subset of securities held in these categories that meet the definition of Level 1 and Level 2 assets (with applicable haircuts), as defined in the Basel III liquidity coverage ratio (LCR) guidelines2, shall be deducted.

(iii) For Securities Financing Transactions (SFTs) and Over-the-counter (OTC) derivatives reported within Intra-Financial Assets and Intra-Financial Liabilities under Interconnectedness indicator - Where effective bilateral netting contracts as specified in the Basel III Capital Adequacy guidelines3 are in place, banks may report such transactions on a net basis.

Detailed guidelines as per the revised methodology will be shared in the Guidance Note and Excel Sheet provided to banks included in the annual assessment each year. The revised methodology is applicable starting from the assessment exercise for 2024.

The Directorate General of Civil Aviation (DGCA) issued the revised Section 2 Series E CAR M *(Continuing Airworthiness Requirements)*

On 1 January 2024, the DGCA issued the aforementioned Section 2 Series E CAR M *(Continuing Airworthiness Requirements)*.

Rule 50A of the Aircraft Rules 1937 stipulates the conditions necessary for a Certificate of Airworthiness to remaining in force i.e. to keep the aircraft in a state of continued airworthiness. This is ensured by issuing certificates of Airworthiness to an aircraft and subjecting the aircraft to annual airworthiness review certificates (ARC). CAR-M specifies certain technical requirements to be complied by organisations and personnel involved in the maintenance of aircraft and aeronautical products, parts and appliances in order to demonstrate the capability and means of discharging the obligations and associated privileges thereof. The CAR-M also specifies conditions of issuing, maintaining, amending, suspending or revoking certificates attesting such compliance. It is imperative that owners/operators and lessors/lessees are aware of their responsibility and accountability of keeping the aircraft in a continuing state of airworthiness. This CAR lays down the requirements of continuing airworthiness and which are harmonized with EASA Part M regulation. The CAR M is applicable to all operators of Indian registered aircraft irrespective of whether such aircraft are maintained by their own organization or by other approved maintenance organization. For organization operating aircraft, compliance with this CAR is mandatory. The compliance will also depend upon the size of the organization. The applicability will include private operators (General Aviation), flying training institutes state governments etc. CAR-M Revision 0 dated 2 March 2010 was made effective from 31 July 2010. The CAR M Revision 0 was released after careful consideration of the comments received on the draft and meetings and workshops held with the aeronautical industry on the subject. Regular revisions to CAR M have taken place since it was first issued in 2010. The latest revision issued on 1 January 2024 includes provisions for Electronic Log Book.

Standard Operating Procedure (SOP) for amendments in Part – B, Cancellation of IEM of duplicate IEM – reg.

On 2 January 2023, the Department for Promotion of Industry and Internal Trade (IEM section) issued an office memorandum on the subject mentioned matter.

The DPIIT received several applications from corporates requesting for amendments in Part-B, cancellation of Industrial Entrepreneur Memorandum (IEM) and issuance of duplicate IEM. In this regard, the requests have been considered and it has been decided that the following SOP will be adopted for the indicated purposes:

- Purpose & Mandatory documents
    - Amendments in Part B IEM acknowledgements - Request letter from applicant on company's letterhead signed by authorized officer giving specific reasons for changes to be incorporated. Amendments will be done after getting approval of concerned AS/JS.
    - Cancellation of IEM acknowledgements - Request letter from applicant on company's letterhead signed by authorized officer giving specific reasons for cancellation, along with a copy of original IEM. Cancellation letter will be issued after approval of concerned AS/JS.
    - Issuance of duplicate copy of IEM Part A and Part B - Request letter from applicant on company's letterhead signed by authorized officer along with an undertaking that if original document is found in future, duplicate copy will be surrendered back to the DPIIT. Duplicate copy will be issued after approval of concerned AS/JS.

Celebrating the Spirit of 75th Republic Day of India

India celebrates Republic Day with great pomp and enthusiasm every year. This day serves as a reminder of India's hard-fought journey to freedom and the collective efforts of its people in shaping the nation's destiny. It's a day to celebrate India's democratic values, inclusivity, and vibrant unity in diversity. The Republic Day parade of India is a dazzling spectacle showcasing the nation's military might, cultural diversity, and technological advancements. Here are some key attractions that have captivated audiences in recent years.

Daredevil Motorcycle Stunts: The Indian Army's motorcycle display teams, like the Corps of Signals' "***Dare Devils***," perform gravity-defying stunts on modified motorcycles, leaving the crowd gasping in awe.

Weapons Display: Tanks, armored vehicles, and cutting-edge military equipment rumble down the parade route, demonstrating India's growing defense capabilities.

Folk Dance Performances: Traditional folk dance troupes from different regions of India enthrall the audience with their vibrant costumes, energetic choreography, and pulsating rhythms.

Inclusion: The parade has become increasingly inclusive, featuring contingents from paramilitary forces, police forces, and even children from various schools. The parade features all-women contingents from the defence forces.

Source - https://en.wikipedia.org/wiki/Republic_Day_(India)

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