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EMBRACING ESG

The upcoming Life Insurance Corporation of India (LIC) IPO – expected to raise up to \$203 billion sometime this year – has provided yet more evidence that environmental, social and governance (ESG) issues are becoming increasingly critical in India: Reports say that the Indian finance ministry is working to complete an ESG rating for the IPO. This is not the only significant development of late. Bloomberg reported in late January that the Securities and Exchange Board of India (SEBI) had released a consultation paper stating that it planned to regulate ESG impact ratings, potentially making India a pioneer in the field.

As the world ramps up its focus on ESG, with such assets expected to be valued at some \$53 trillion by 2025 – according to data from Bloomberg Intelligence – India

is stepping up its game as well, and is home to at least nine ESG-focused funds now, as per a report from the *Economic Times*. All this means that there are a great deal of opportunities both now, and on the horizon for ESG professionals, including lawyers. Legal practitioners can advise clients on ESG risks and compliance measures, helping businesses manage their risks more effectively. By using their knowledge of sustainable performance-related laws and regulations, standards and initiatives, lawyers can help clients fulfil their corporate ESG commitments. As a publication covering the legal market, we too plan to do our part by increasing our ESG focus in the near future; keep an eye out for upcoming features, listings and other initiatives. — **RANAJIT DAM**

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INFRASTRUCTURE, INSOLVENCY IN FOCUS

Lawyers say that the recent Union Budget provides many positives for Indian industry, including streamlining of the insolvency process, and an increased outlay on infrastructure. **BY APARNA SAI**

WHAT WERE THE MOST IMPORTANT ASPECTS OF THE BUDGET FROM THE POINT OF VIEW OF INDIA INC?



Bhavin Gada, partner, Stratage Law Partners

Besides significant proposals for incentivising IFSCs as a global financial hub, the

following are the important aspects of the Budget 2022 proposals for India Inc.: (i) Excluding Category I and Category II AIFs regulated under IFSA Act from angel tax provisions; (ii) Providing a mechanism for extending assessments and other proceedings under taxation law made on predecessor entities to successor entities in case of business reorganisations; (iii) Withdrawing lower tax rate of 15 percent applicable to foreign inter-company dividends, making the same taxable at normal corporate tax rates; and (iv) Extension for concessional tax rates for manufacturing companies and the incorporation period for eligible start-ups by a year.

Apart from the abovementioned proposals, another welcome proposal is enabling provisions for the tax authority to reduce demand as per the NCLT's order in IBC proceedings. ^{ALB}



Charandeep Kaur, partner, Trilegal

From the perspective of ease of doing business for India Inc., the government's continued focus

on further streamlining the voluntary liquidation process and timelines is a welcome development. The IBBI was also quick in releasing a discussion paper on proposed amendments to the Voluntary Liquidation Regulations on the budget day itself, which solidifies the government's intention of

prompt actions for ensuring ease of doing business.

The proposal in the budget for amendments to the insolvency code for facilitating cross-border insolvency is also a greatly anticipated development and an important focus area. While the fine print and operational details are awaited, we certainly hope that the new framework would greatly facilitate cross-border insolvency resolution. ^{ALB}



Siddharth Srivastava, partner, Khaitan & Co

The Union Government through the budget has reinforced its focus on the infrastructure sector to multiply sustained economic growth. Artificial intelligence, geospatial systems and drones, semiconductor and its ecosystem, space economy, genomics and pharmaceuticals, green energy and clean mobility systems were identified as sunrise opportunities.

There was a focus on green bonds as the budget clarified that as part of the government's overall market borrowings in 2022-23, sovereign green bonds will be issued for mobilising resources for green infrastructure. In terms of investments, roads and railways saw a significant increase, with 100 PM Gati Shakti Cargo terminals proposed to be developed over the next three years.

The budget saw highlights on PPPs, asset monetisation, commencement of activities of the National Bank for Financing Infrastructure and Development (NaBFID) and National Asset Reconstruction Company, and tax concessions for foreign pension. ^{ALB}

\$8 BLN

Life Insurance Corporation's IPO

Deal Type: IPO

Firms: Cyril Amarchand Mangaldas; Duane Morris & Selvam; Linklaters; Saraf and Partners; Shardul Amarchand Mangaldas & Co.

Jurisdiction: India

\$2.4 BLN

Government's sale of Air India to Tata Sons

Deal Type: M&A

Firms: AZB & Partners; Cyril Amarchand Mangaldas; Link Legal

Jurisdiction: India

\$1 BLN

Google's acquisition of stake in Bharti Airtel

Deal Type: M&A

Firms: AZB & Partners; J Sagar Associates

Jurisdictions: India, U.S.

\$700 MLN

Swiggy's fundraising

Deal Type: PE/VC

Firms: AZB & Partners; Khaitan & Co

Jurisdictions: India, U.S.

\$425 MLN

HSBC's acquisition of L&T Finance

Deal Type: M&A

Firms: Cyril Amarchand Mangaldas; Talwar Thakore & Associates

Jurisdictions: India, UK

\$200 MLN

Jio's investment in Glance

Deal Type: M&A

Firms: Khaitan & Co; K Law; White & Case

Jurisdiction: India