

TBA BULLETIN

April 6 to April 12

The TBA Bulletin is a weekly summary of the most important legal news from India and around the world.

www.tagbenchassociates.com

COMPANY LAW

- Larsen & Toubro summoned by MCA on allegations of fraud
- Singapore HC launches investigation against Gurugram based Educomp

CORPORATE GOVERNANCE

- TCS collaborates with NUS CGS to automate corporate governance evaluation

CRYPTO REGULATION

- Dogecoin jumps 8% after Elon Musk's drone display

DATA PRIVACY

- The Criminal Procedure (Identification) Bill approved by Lok Sabha for data collection of prisoners
- Data governance for government institutes to be regulated by a new policy

FINTECH

- Launch of Coinbase India brings into question the use of UPI for crypto

TAXATION

- Government to prepare a clarificatory FAQ on taxation of cryptocurrency and other digital assets
- The Centre to increase income tax scrutiny on wealthy farmers

COMPANY LAW

NATIONAL

Larsen & Toubro summoned by the Ministry of Corporate Affairs (MCA) on allegations of fraud

- A complaint was filed by a former employee of the L&T over suspected corporate governance concerns.

- The MCA sent the company a notice under Section 206 of the Companies Act and performed an inspection at its registered office.
- According to the allegation, between November 2003 and March 2008, the corporation diverted salary from about 30,000 employees with the

promise of providing them L&T shares.

- The company defrauded them by issuing redeemable preference shares instead of equity shares.
- The notice was issued following the discovery of corporate governance concerns during the preliminary investigation.

Source: [Link](#)

INTERNATIONAL

Singapore HC launches investigation against Gurugram based Educomp Professional Education Ltd.

- Singapore's Raffles Education Investment (India) Pte Ltd and Raffles Design International India Pvt Ltd are petitioning creditors of Educomp Asia Pacific, which are tied to the Indian firm through common directors.
- Both of these businesses are part of a Singapore education conglomerate whose Indian have collapsed due to the borrowers' inability to repay loans totalling a few million Singapore dollars.
- In relation with an alleged bank loan fraud case, the Enforcement Directorate (ED) attached assets worth INR 90.31 crore of Educomp Professional Education Ltd. under the anti-money laundering statute.
- Under the Prevention of Money Laundering Act (PMLA), a provisional order for attachment

of the properties was issued against Educomp Professional Education Ltd

Source: [Link](#)

CORPORATE GOVERNANCE NATIONAL

TCS collaborates with NUS CGS to automate corporate governance evaluation

- TCS and the National University of Singapore (NUS) Business School's Centre for Governance and Sustainability (CGS) have launched a cooperation to make corporate governance assessments speedier.
- TCS's technological knowledge and CGS's corporate governance insights are being combined to create a new platform driven by artificial intelligence and machine learning that can gather and analyse corporate governance data from diverse sources.

Source: [Link](#)

CRYPTO REGULATION INTERNATIONAL

Dogecoin jumps 8% after Elon Musk's drone display

- Musk deployed drones to display Doge while holding 'The Cyber Rodeo' party in Texas.

- The values of crypto tokens increased by more than 8% after Elon Musk's presentation of Dogecoin
- Musk developed a massive 'Doge' out of drones, and the currency has been surging high since then.

Source: [Link](#)

DATA PRIVACY **NATIONAL**

The Criminal Procedure (Identification) Act approved by the Lok Sabha for data collection of prisoners

- Concerns about privacy and data protection have been raised by this new law that expands the extent and scope of identification information that may be acquired from people to assist in resolving criminal cases.
- The purpose of this Act is to obtain measurements of prisoners and other people for the sake of identification and investigation in criminal cases.
- The Identification of Prisoners Act of 1920 is repealed by this Act.
- The new law empowers police and investigative agencies to acquire and keep personally identifying information on individuals, such as biometrics and biological samples.

- Data acquired digitally or electronically can be kept for up to 75 years.
- The law was called "draconian" by opposition MPs and is requested that it be submitted to a Parliamentary standing committee to provide better protections against its misuse.

Source: [Link](#)

Data governance for government institutes to be governed by a new policy

- The draft National Data Governance Framework and policy will establish procedures and standards for how government entities process, retain, and distribute data within the greater government system.
- The Centre plans to release new data governance mechanisms to lay the foundation for the exchange of massive amounts of data among government agencies, which would promote efficiency, openness, and responsibility in governance.
- The policy shall be circulated to the public for feedback before finalization.

Source: [Link](#)

FINTECH **NATIONAL**

Launch of Coinbase India brings into question the use of UPI for crypto

- Coinbase's decision to let clients to utilize UPI to make rupee deposits for purchasing cryptocurrency in India, is under regulators scan.
- Coinbase, which just launched its trading services in India, proposes to use UPI, which is governed by the National Payments Corporation of India (NPCI), to facilitate rupee deposits on its platform.
- NPCI, denied any knowledge of any cryptocurrency exchange utilizing UPI.

Source: [Link](#)

TAXATION **NATIONAL**

Government to prepare a clarificatory FAQ on taxation of cryptocurrency and other digital assets

- The government will provide more specific guidance on the application of income tax and GST to virtual digital assets.
- The collection of Frequently Asked Questions (FAQ) being produced by the Department of Economic Affairs (DEA), the Reserve Bank of India (RBI), and the Revenue Department will

also be reviewed by the law ministry.

- The DEA, Revenue Department, and RBI are working together to guarantee that the taxation component is apparent for both field tax offices and people who deal with cryptocurrency and other virtual digital assets.
- The FAQ is intended to clarify doubts regarding the nature of cryptocurrency- whether they are goods or services, as GST law lacks a clarification with respect to classification.

Source: [Link](#)

The Centre to increase income tax scrutiny on wealthy farmers

- Due to several lapses in granting blanket exemptions, the government has planned to put the income of rich farmers through tougher scrutiny.
- Section 10(1) of the Income Tax Act exempts agricultural income in regions where farm income surpasses a threshold of INR 10 L per year.
- This was based on the panel's 49th report, "Assessment related to Agricultural Income", which relied on the report by the CAG.

Source: [Link](#)

This is only for informational purposes. Nothing contained herein is, purports to be, or is intended as legal advice and you should seek legal advice before you act on any information or view expressed herein. Endeavoured to accurately reflect the subject matter of this alert, without any representation or warranty, express or implied, in any manner whatsoever in connection with the contents of this. This isn't an attempt to solicit business in any manner.

Sources: *Economic Times, IIFL Securities, Moneycontrol, Hindustan Times, Financial Express and Business Standard*