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Introduction:

Mergers and acquisitions are often complex and time-consuming processes that can involve extensive negotiations, thorough due diligence, regulatory approvals and most importantly, require the intervention of court i.e., specifically the approval of the National Company Law Tribunal ("**NCLT**"). These traditional methods can be particularly burdensome for smaller companies and start-ups, which may have limited resources and time constraints. To address these challenges, the Companies Act, 2013, as amended from time to time (the "**Act**"), has introduced a streamlined process for mergers and amalgamations under Section 233 of the Act read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Merger Rules**"), known as the fast-track mergers ("**Fast-Track Mergers**"). These provisions allow companies such as small companies, holding companies and their wholly owned subsidiary companies and other prescribed companies as provided under the Merger Rules, to merge and amalgamate swiftly, bypassing the more-time consuming process as outlined in Section 230-232 of the Act. By facilitating quicker and easier mergers and amalgamations, Fast-Track Mergers promote growth, enhance market flexibility, improve market access etc., within the corporate sector, ultimately contributing to a more competitive and dynamic business environment. Recently, Fast-Track Merger process has witnessed significant amendments centered around the legal framework of Fast-Track Mergers governing its application.

Accordingly, let's delve into the following significant amendments in detail that have occurred in the realm of Fast-Track Mergers:

Inclusion of Cross Border Merger Under Section 233 of the Act:

The legal framework for cross border merger is established under Section 234 of the Act read with Rule 25A of the Merger Rules. This framework permits the merger of a foreign company with an Indian company and vice versa, as long as the requirements outlined in sections 230-232 of the Act and the Merger Rules are satisfied. Additionally, to address and manage any foreign exchange control, the Reserve Bank of India ("**RBI**") has issued the Foreign Exchange Management (Cross Border Merger) Regulations, 2018 ("**Cross Border Merger Regulations**") in exercise of its powers conferred under Section 6(3) read with Section 47 of the Foreign Exchange Management Act, 1999, to ensure smooth execution of such cross-border merger.

In accordance with Regulation 2(iii) of the Cross Border Merger Regulations, a cross-border merger refers to any merger, amalgamation or arrangement between an Indian company and a foreign company in accordance with the Merger Rules. Further, a foreign company, as defined by the Act and Cross Border Merger Regulations, shall mean any company or body corporate incorporated outside India which maintains a place of business in India either directly or through an agent, physically or through electronic mode and conducts any business activity in India in any other manner.

On September 09, 2024 (which became effective from September 17, 2024), the Ministry of Corporate Affairs ("**MCA**") introduced a pivotal amendment in the Merger Rules. This amendment has introduced Rule 25A(5) in the Merger Rules which permits inbound cross-border mergers to be executed through the Fast-Track Mergers process. This amendment aims to facilitate seamless execution of mergers and amalgamations between a foreign (transferor) company, being a holding company and the Indian (transferee) company being a wholly owned subsidiary of the said foreign (transferor) company. These transactions, commonly referred to as inbound cross border mergers or reverse mergers, were traditionally governed by Sections 230 to 232 and Section 234 of the Act read with the Merger Rules.

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However, following this amendment, such mergers can now proceed as Fast-Track Mergers, further streamlining the process and offering a quicker, more efficient path for inbound cross-border mergers.

The key changes brought about by this amendment are as follows:

a) **Approval from the RBI:** Prior to the amendment, Rule 25A(1) of the Merger Rules stipulated that only the transferor company, whether in an inbound cross border merger or outbound cross border merger, was required to secure prior approval from the RBI. However, the amendment has now expanded this requirement, making it mandatory for both entities involved in the inbound cross border merger i.e., the foreign holding (transferor) company and its wholly owned Indian subsidiary (transferee) to obtain prior approval from the RBI.

b) **Compliance with Section 233 of the Act:** Before the amendment, companies involved in cross border mergers were obligated to follow the procedures specified in Section 230-232 and Section 234 of the Act. However, the amended provisions mandate the transferee company to comply to the provisions provided under Section 233 of the Act. Further, the transferee company is required to submit the necessary application to the Central Government under Section 233 of the Act and consequently, the provisions of Rule 25 of the Merger Rules shall also apply to such applications.

c) **Declaration Requirement for Indian Companies Merging with Neighbours:** In addition to the approval required under the Press Note 3 (2020 Series), the amendment further stipulates that a declaration regrading a compromise or an arrangement or merger or demerger involving an Indian company as transferee company, and a foreign company or body corporate incorporated in a country sharing a land border with India as transferor company must be submitted in Form No. CAA-16 at the time of submitting the application to the Central Government under Section 233 of the Act.

Anomalies created by amendment in Inbound Cross Border Merger:

It is pertinent to mention here that recent amendment has introduced significant anomalies pertaining to inbound cross border mergers which are as follows:

a) **Deemed Approval of RBI:** Under Regulation 9 of the Cross Border Merger Regulations, it is stated that any cross-border mergers transaction undertaken in accordance with Cross Border Merger Regulations shall be deemed to have prior approval of the RBI as required under Rule 25 of the Merger Rules. Hence, this provision allows companies involved in such mergers to proceed without submitting separate applications for RBI approval for such mergers. In practice also, NCLT has sanctioned scheme of cross border mergers without needing a separate approval from the RBI. Therefore, this deemed approval raises a question that will it also apply to inbound cross border mergers that will be proceeded under the Fast-Track Mergers process. The Cross Border Merger Regulations primarily pertain to mergers that are sanctioned by the NCLT, not those executed through the Fast-Track Mergers process under Section 233 of the Act. This distinction creates uncertainty as to whether companies utilizing the fast-track route for inbound cross-border mergers can also benefit from such deemed RBI approval.

b) **Conflicting provisions of the Act and Merger Rules:** Another anomaly arises from Rule 25A(5)(iii) of the Merger Rules which mandates that transferee companies in the case of inbound cross border merger shall make an application to the Central Government under section 233 of the Act. The use of the word ‘shall’ in Rule 25A(5)(iii) makes it mandatory for the companies pursuing

inbound cross border mergers to adopt the Fast-Track Mergers process under Section 233 of the Act, closing off the avenue for the companies involved in such merger to approach the NCLT for sanctioning their mergers or amalgamations. This requirement conflicts with the Section 233(14) of the Act which allows companies covered under Section 233 of the Act to still use the provisions of Section 232 of the Act for approval of such mergers or amalgamations. Whereas the principle of interpretation clearly dictates that rules made under an act must match the provisions of the act under which such rules are made, they cannot contradict or be violative of such act, as the rules are created to add detail and help explain how the said act should be applied in real-world situations. Therefore, it is a settled principle that when a rule conflicts with the statutory provisions of the governing act, the statutory provisions of the said governing act will take precedence over the rules made thereunder.

Conclusion:

The amendments introduced to facilitate inbound cross-border mergers through Fast-Track Mergers process offer several substantial benefits. By eliminating the requirement to seek an approval from the NCLT and streamlining procedural requirements, Fast-Track Mergers process significantly reduces the time and costs associated with traditional cross-border mergers. This is particularly advantageous for companies seeking to expedite their restructuring plans for better growth opportunities.

However, the above-mentioned anomalies created by the said amendments regarding deemed RBI approval and conflicting provisions in the Act and Merger Rules need to be addressed to ensure consistency and clarity within the regulatory framework.

Hence, to resolve these anomalies, further corresponding amendments to the Cross Merger might need to be introduced to ensure deemed approval provision remains applicable to both transferee and transferor companies in inbound cross border merger under the Fast-Track Mergers process in order to achieve the overall objective of these amendments. Furthermore, judicial interpretation may be necessary to reconcile the conflicting provisions and provide a clear pathway for companies involved in inbound cross border merger.

RECENT CASE HIGHLIGHT:

Hon'ble High Court of Allahabad ("Hon'ble Court") enforces mandatory timeline for Real Estate Project Registrations under RERA Act:

In the matter of Larsen & Toubro Limited v. State of U.P. and others[1], the Hon'ble Court passed an order on October 01, 2024, affirming that the 30-day period prescribed under Section 5(2) of the Real Estate (Regulation and Development) Act, 2016 ("**RERA Act**") for deciding applications for registration of real estate projects is mandatory. The Hon'ble Court held that if the application is not accepted or rejected within this timeframe, the project is deemed to be registered by default.

Factual Background:

The factual background of the matter is that Larsen and Toubro Limited ("**Petitioner**") entered into an agreement with Jaiprakash Associates Limited ("**JAL**") for the development of 4 (four) towers in 'Jaypee Greens Wish Town', with JAL also executing an irrevocable power of attorney in favour of the Petitioner. Petitioner submitted an application for the registration of the first 2 (two) towers on June 02, 2023 with Uttar Pradesh Real Estate Registration Authority ("**UPRERA**"). However, UPRERA requested the Petitioner to seek clarification from the Suraksha Consortium to confirm that the project land was not part of the resolution plan of Suraksha Realtors Pvt.

[1] 2009 SCC Online All 921

Limited and Lakshdeep Investments and Finance Private Limited.

The Petitioners argued it had legal, valid and marketable rights over the project through registered agreements. Further, it stated that JAL did not need to be listed as a 'Promoter'. UPRERA, however, rejected the application and instructed the Petitioner to reapply. Subsequently, JAL's Implementation and Monitoring Committee issued a letter to UPRERA, confirming the Petitioner's status as the promoter/ developer with full rights over the land. The Petitioner reapplied on July 31, 2023, but UPRERA raised objections again. Meanwhile, the Petitioner also applied for the registration of 2 (two) additional towers on August 23, 2023.

However, UPRERA again insisted that JAL be added as a promoter, but the Petitioner maintained that it was unnecessary since it had all rights to the property through various deeds. UPRERA, dissatisfied with this explanation, did not grant registration for any of the towers.

As both applications remained pending for over 30 days, the Petitioner claimed that under Sections 5(1) and 5(2) of the RERA Act, the projects were deemed approved and thus should be granted registration.

Subsequently, UPRERA issued a notice citing a violation of Section 3 of the RERA Act due to an advertisement by a third party, arguing that the project could not be advertised without registration. The Petitioner was asked to provide an explanation or face further action, prompting it to challenge this notice in the Hon'ble Court under Article 226 of the Constitution of India.

While the writ petition was under consideration, UPRERA formally rejected the Petitioner's application, which led the Petitioner to file an amendment application challenging the rejection order.

Observations and Verdict:

The Hon'ble Court dismissed the objection regarding the maintainability of the writ petition and proceeded to adjudicate the case on its merits. It emphasized that the Real Estate Regulatory Authority ("**Authority**") established under the RERA Act, is tasked with ensuring that the land for development projects has a clear title, is free of encumbrances, and that all activities by the promoter are transparently displayed on the Authority's website. The Authority must also ensure timely development of the project and has the power to penalize promoters for delays.

The Hon'ble Court referred to Section 2(zk)(i) of the RERA Act, which defines a 'promoter' as anyone who constructs or causes the construction of a building or apartments for sale, including builders or developers acting under a power of attorney for the land. The Court clarified that the word 'or' was intentionally used instead of 'and' to broaden the definition of a promoter beyond just the landowner to include anyone developing land based on a power of attorney. It concluded that the landowner does not need to be the promoter, and thus, the Petitioner, having a power of attorney, was the promoter of the land in question. Accordingly, the Hon'ble Court concluded that JAL was not required to be listed as a promoter for the project and hence the UPRERA's demand for JAL's inclusion as a promoter was unnecessary.

The Hon'ble Court also found out that the Petitioner's application was compliant with Section 4(2) of the RERA Act, and therefore, UPRERA could not request documents not stipulated by the RERA Act. Further, the Hon'ble Court cited Bhavnagar University v. Palitana Sugar Mill (P) Ltd. and others[2] and Sharif-Ud-Din vs. Abdul Gani Lone[3], where the Hon'ble Supreme Court noted that while timeframes prescribed for public authorities are generally directory, they become mandatory if the consequences of inaction are specified.

[2]2003 (2) SCC 111
[3](1980) 1 SCC 403

Therefore, the Hon'ble Court ruled that under Section 5(2) of the RERA Act, UPRERA had two options within 30 (thirty) days: either to grant registration or reject the application. Therefore, UPRERA was required to make a decision within the prescribed timeframe.

The Hon'ble Court further held that UPRERA had no authority to keep the application pending for being defective after the 30-day period had elapsed. It ruled that UPRERA should have provided the Petitioner with a registration number, login ID, and password once the 30-day deadline had passed. The application could have been rejected based on the non-inclusion of JAL as a promoter, but it could not be left pending beyond the statutory period.

Emphasizing the legislative intent behind the deeming provision, the Hon'ble Court stated that it was meant to address delays caused by pending applications. Consequently, since the Petitioner's application remained pending beyond the stipulated 30 (thirty) days, the Hon'ble Court ruled that the Petitioner's project was deemed registered under Section 5(2) of the RERA Act, and UPRERA was obligated to provide the necessary registration details to the Petitioner.

In conclusion, the Court allowed the writ petition, declaring that the Petitioner's project was deemed approved, and ruled that UPRERA no longer had jurisdiction to reject Petitioner's application.

REGULATORY UPDATES

IFSCA issued directions to IBUs for operations of the Foreign Currency Accounts of Indian resident individuals opened under the Liberalised Remittance Scheme:

On October 10, 2024, International Financial Services Centres Authority ("**IFSCA**") issued a circular bearing no. F. No. IFSCA-FMPP0BR/1/2021-Banking-Part (1)/2[4], applicable to all International Financial Services Centres ("**IFSC**") banking Units ("**IBUs**") that establish Foreign Currency Accounts ("**FCAs**") for Resident Individuals ("**RIs**") as permitted in the RBI circular on 'Remittances to IFSCs under the Liberalised Remittance Scheme ("**LRS**")', dated July 10, 2024. This circular sets forth the directions for IBUs regarding the operations of the FCAs of RIs, opened under LRS.

For the purpose of this circular, FCA refers to 'FCAs of RIs with IBUs opened under LRS'. This circular provides general directions for the IBUs, wherein, the IBUs shall:

a) allow RIs to open FCAs to receive remittances under LRS, from both onshore India and other locations (subject to specific conditions);
b) ensure that any remittances into the FCA from onshore India are processed through an authorized person;
c) obtain a copy of the return submitted by the RI to authorized person before opening the FCA, as well as, at the time of any inward remittance to the FCA from onshore India;
d) ensure the use of funds in the FCA are for purposes declared in the return collected;
e) obtain a declaration from the RIs confirming that remittances from locations outside onshore India, represent funds previously remitted under the LRS or income earned from investments made using such remitted funds;
f) ensure that received, realized, unspent or unused foreign exchange from onshore India or other locations in FCA is repatriated through an authorized person to the account of the RI with the designated authorized dealer bank, unless reinvested within a period of 180 days of receipt, realization, purchase or date of return to India;
g) obtain a declaration from the RI stating that they will not engage in any domestic transactions with other RIs through the FCA;
h) ensure compliance with IFSCA (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022, including the circulars issued thereunder.

[4]https://ifsca.gov.in/Viewer?Path=Document%2FLegal%2Ffinal-circular-on-lrs-for-ibus-october-10-20241010202406452 3.pdf&Title

The circular also directs IBUs to allow the use of funds remitted to FCAs for accessing financial products or services within IFSCs.

Further, in lieu of availing services in any location other than the IFSC, the IBUs must permit remittance of funds received in the FCA for undertaking all permitted current or capital account transactions, outside the IFSCs. Additionally, the IBUs must ensure that the remittances from funds obtained through the FCA are not made to countries deemed to be non-co-operative by the RBI or Financial Action Task force (FATF), nor to individuals/ entities who may be considered as a significant risk of committing acts of terrorism, as per RBI.

In terms of reporting, IBUs that open FCAs under the RBI circular dated July 10, 2024, are required to notify IFSCA via a letter. This letter must include the description of measures implemented to ensure compliance with the circular's conditions and such letter shall be signed by the branch-head, and addressed to IFSCA's Department of Banking. Additionally, It shall be the duty of the IBUs to furnish data about operations in the FCAs in the form and manner prescribed by IFSCA.

Submission of Information to Credit Information Companies by Asset Reconstruction Companies:

On October 10, 2024, the Reserve Bank of India ("**RBI**") issued a circular bearing no. DoR.FIN.REC.No.46/26.03.001/2024-25[5], in exercise of the powers conferred by Section 12 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, revising its guidelines on how the Asset Reconstruction Companies ("**ARCs**") shall submit information to Credit Information Companies ("**CICs**"). Previously, as per the RBI circular dated November 25, 2010, the ARCs were advised to become members of at least one CIC. The guidelines are being revised in this circular to maintain a track of borrowers' credit history after transfer of loans by banks and Non-Banking Financial Companies and ARCs.

In order to obtain membership of CICs, ARCs shall become members of all CICs by submitting the requisite data to CICs, as per the uniform credit reporting format provided in the RBI circular bearing no. DBOD.No.CID.BC.127/20.16.056/2013-14, dated June 27, 2014, and as amended from time to time.

In terms of data submission, ARCs are required to provide updated information to CICs on a fortnightly basis or at shorter intervals, as agreed between the ARC and the CIC, and in accordance with the Credit Information Companies Regulations, 2006. Furthermore, ARCs are required to rectify any data that is rejected by the CICs and re-upload the corrected information, within seven days.

ARCs are also instructed to adopt best practices by having a Standard Operating Procedure (SOP) for CIC related matters. This includes the provision of providing the required customer information, including identifier information to CICs or ensuring that the records submitted are updated regularly and all instances of repayment are reported. The ARCs must follow all best practices as mentioned in this circular.

The guidelines provided under this circular shall be applicable to all ARCs and compliance with the same must be done latest by January 1, 2025.

Implementation of Credit Information Reporting Mechanism subsequent to cancellation of licence or Certificate of Registration:

On October 10, 2024, RBI issued a circular bearing no. RBI/2024-25/81 DoR.FIN.REC.47/20.16.042/2024-25[6], introducing a credit information reporting mechanism subsequent to cancellation of license or Certificate of Registration ("**CoR**"). It was stipulated by the Credit

[5]https://website.rbi.org.in/web/rbi/-/notifications/submission-of-information-to-credit-information-companies-cics-by-arcs
[6]https://website.rbi.org.in/web/rbi/-/notifications/implementation-of-credit-information-reporting-mechanism-subsequent-to-cancellation-of-licence-or-certificate-of-registration-1

Information Companies (Regulation) Act, 2005 ("**CICRA**") that only the Credit Institutions ("**CIs**") or members of CICs can submit credit information to CICs.

However, no information shall be accepted by the CICs, from the entities whose license or CoR has been cancelled by the RBI, as they are not deemed as CIs. As a result, the repayment records of borrowers from these entities remain not updated, even if those borrowers continue to fulfil their repayment obligations. To address this issue, this circular introduces a new mechanism, to be implemented within six months of issuance of this circular. Key provisions are as follows:

a) CIs, whose licenses have been cancelled by the RBI will be classified as CIs under Section 2(f)(vii) of CICRA.
b) Such CIs shall continue to report credit information of borrowers who were onboarded and reported to CICs prior to the cancellation of their licenses or CoR. This reporting shall continue to all four CICs till the loan lifecycle is completed or the CI is wound up, whichever occurs first.
c) The CIs will have access only to the Credit information Reports ("**CIR**") of such borrowers who were on boarded and reported to CICs.
d) No annual and membership fees shall be charged from these CIs and the CIC shall tag these CIs as 'License Cancelled Entities' in the CIR, using the information available on the RBI's website or based on the license cancellation order received from RBI.
e) It is to be noted that the provisions under this circular shall also be applicable to those entities whose licence/ CoR has been cancelled by RBI prior to issuance of this circular.
f) All other information pertaining to credit information reporting by CIs to CICs shall remain unchanged.

Guidelines for Utilisation of Office Space or Manpower in IFSC for Ship Leasing Activities:

On October 04, 2024, IFSCA issued a circular bearing no. F.No.496/IFSCA/FC/SLF/2024-25/003[7] to all Finance Companies/ Units undertaking ship leasing activities in IFSC. In reference to a notification issued by the Department of Commerce under the Ministry of Commerce and Industry, dated March 14, 2024, Rule 21B of the Special Economic Zones Rules, 2006 ("**SEZ Rules**") was modified, wherein, the words "aircraft leasing" were replaced with "aircraft or ship leasing", wherever applicable.

Rule 21B of the SEZ Rules now permits the units in the IFSC that are authorized to undertake aircraft or ship leasing activities, to share office space or manpower with other aircraft or ship leasing units, subject to approval from the IFSCA.

In accordance with this, the IFSCA provides these guidelines for ship lessors seeking approval to share office space or manpower with another entity intending to register for ship leasing activities ("**Proposed Entity**"). The applicant entity must meet the following criteria:

a) The Proposed Entity must qualify as a 'group entity' of either the applicant entity or its parent entity. The applicant must submit an application (as provided in Annex A of this circular) along with a one-time fee of USD 2,500.
b) The application must be submitted before the incorporation of the Proposed Entity in the IFSC, which must then be incorporated. The application for registration as a ship lessor must be submitted within six months of approval. The approval will remain valid for this period.

[7]https://ifsca.gov.in/Viewer?Path=Document%2FLegal%2Ffinal_october_04_2024_ship_leasing_utilisation_of_space__revised_post_legal_team_comments__fc_vers04102024081144.pdf&Title=Guidelines%20for%20utilisation%20of%20office%20space%20or%20manpower%20or%20both%20by%20Finance%20Company%28ies%29%2F%20Unit%28s%29%20undertaking%20ship%20leasing%20activity%20in%20the%20International%20Financial%20Services%20Centre%20%28%E2%80%9CIFSC%E2%80%9D%29&Date=04%2F10%2F2024

SEBI introduces amendments to Infrastructure Investment Trusts Regulations to enhance operational framework:

On September 26, 2024, SEBI vide notification bearing no. SEBI/LAD-NRO/GN/2024/207[8] introduced SEBI (Infrastructure Investment Trusts) (Third Amendment) Regulations, 2024 ("**Regulations 2024**") to amend the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("**Regulations 2014**"). These amendments aim to enhance the operational framework for Infrastructure Investment Trusts ("**InvITs**"). The Regulations 2024 came into effect on September 27, 2024, except for Regulation 3(2) of these Regulations 2024, which will be effective from November 25, 2024. Key changes introduced by the Regulations 2024 include adjustments to trading lots, distribution declaration timelines, and voting processes.

Firstly, the minimum trading lot for trading units on designated stock exchanges has been revised from INR 1,00,00,000/- (Indian Rupees One Crore Only) to INR 25,00,000/- (Indian Rupees Twenty-Five Lakhs Only). Several changes have also been made to the distribution policies of InvITs. Publicly offered InvITs must now declare distributions at least once every six months, while privately placed InvITs are required to declare distributions at least once per financial year. Furthermore, distributions must be made by the InvIT and the Special Purpose Vehicle (SPV) within five working days from the record date, which is defined as two working days after the declaration date (excluding both declaration date as well as record date).

Additionally, a new clause has been added to Regulation 22 specifying that the voting thresholds must be calculated based on the unitholders present and voting. An explanation to this clause states that, to determine the unit holders present and voting, the unit holders voting through electronic voting facility and postal ballot should also be counted. A new proviso in sub-regulation (c) of Regulation 22 allows for shorter notice periods for unitholder meetings, provided written or electronic consent is obtained. For annual meetings, at least 95% consent from unit holders is required, while for other meetings, a majority consent is necessary.

A new clause (f) has also been introduced in Regulation 22, requiring the manager to provide unit holders with the option to attend meetings via video conferencing or other audio-visual means, as well as the option for remote electronic voting.

Further amendments clarify that for resolutions to pass, more than 50% of total votes cast must be in favor unless otherwise stated. Additionally, the investment manager and trustee are now required to maintain adequate backup systems, secure data storage and transfer capabilities, alternative communication methods for internet outages, and a business continuity plan with a disaster recovery site to safeguard electronically stored data and transactions.

These amendments aim to improve transparency, accessibility, and efficiency within the InvITs framework, aligning with SEBI's objectives of protecting investor interests and fostering a robust investment environment.

SEBI revises listing timelines for public issue of Debt Securities and Non-Convertible Redeemable Preference Shares:

On September 26, 2024, SEBI issued a circular bearing no. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/129[9], announcing a significant change in the timeline for listing debt securities and Non-Convertible Redeemable Preference Shares ("**NCRPS**") issued through public offerings ("**Listing Timelines Circular**").

SEBI, through its Master Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, currently mandates that debt securities and NCRPS issued via public offerings must be listed within T+6 working days from the date of closure of the

[8]https://egazette.gov.in/(S(3avyab11mwsomqg0kks2tkfj))/ViewPDF.aspx
[9]https://www.sebi.gov.in/legal/circulars/sep-2024/reduction-in-the-timeline-for-listing-of-debt-securities-and-non-convertible-redeemable-preference-shares-to-t-3-working-days-from-existing-t-6-working-days-as-an-option-to-issuers-for-a-period-of-_87014.html

of the issue. This timeline is reinforced by Regulation 37(2) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("NCS Regulations"), which requires issuers to refund or unblock application money, if listing does not occur within the prescribed period. If a delay occurs beyond this period, issuers shall be liable to pay interest at 15% per annum to the investors from the scheduled listing date till the actual date of payment.

To enhance the efficiency of funds access for issuers and provide investors with quicker credit and liquidity, SEBI vide this Listing Timelines Circular has decided to shorten the listing timeline for public issue of debt securities and NCRPS from the current T+6 working days to T+3 working days. This change aligns the listing timeline for these securities with that of non-convertible securities issued through private placements and specified securities.

Further, to provide ease of compliance for issuers, a T+3 working day listing timeline has been introduced as an optional timeframe for a period of one year. Following this period, it will become the standard for all listings. During this voluntary phase of the T+3 timeline, the provisions of Regulation 37(2) of the NCS Regulations will only be enforced after the T+6 working day. This applies even if an issuer opts for the T+3 timeline but fails to meet the same. Additionally, the T+3 listing timeline must be clearly disclosed in the offer documents for public issues.

The provisions of this circular will be applicable on a voluntary basis for public issues of debt securities and NCRPS beginning on or after November 1, 2024, and will become mandatory for such issues starting on or after November 1, 2025.

UPI Usage for Individual Investors for making an application in public issue of securities through Intermediaries:

On September 24, 2024, SEBI issued a circular bearing no. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/128[10], requiring individual investors to use the Unified Payments Interface ("**UPI**") when applying for public issue of debt securities, non-convertible redeemable preference shares, municipal debt securities and securitized debt instruments (**"SEBI Circular**"). This SEBI Circular is issued under the powers granted by Section 11(1) of the Securities and Exchange Board of India Act, 1992, in conjunction with Regulation 55(1) of the NCS Regulations, Regulation 29 of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, and Regulation 48 of the SEBI (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008, to protect investor interests and promote the development and regulation of the securities market.

This SEBI Circular applies to applications submitted through intermediaries such as syndicate members, registered stockbrokers, registrar to an issue, and transfer agents and depository participants, where the amount is INR 5 Lakhs, shall only use UPI for the purpose of blocking funds. Investors are required to provide a UPI ID linked to their bank accounts in the bid-cum-application form. This initiative aims to streamline the application process for these securities, making it consistent with the process for public issue of equity shares and convertible securities.

Furthermore, individual investors will continue to have the option of using other modes (such as through Self Certified Syndicate Banks (SCSBs) and the Stock Exchange Platform when applying for public issues. The provisions of this SEBI Circular will apply to public issues of debt securities, non-convertible redeemable preference shares, municipal debt securities, and securitized debt instruments opening on or after November 01, 2024.

Competition Commission of India notifies Competition Commission of India (General) Regulations, 2024:

[10]https://www.sebi.gov.in/legal/circulars/sep-2024/usage-of-upi-by-individual-investors-for-making-an-application-in-public-issue-of-securities-through-intermediaries_86972.html

In June, the Competition Commission of India ("**CCI**") published a draft of the proposed amendments to the Competition Commission of India (General) Regulations, 2009 ("**General Regulations of 2009**"), inviting feedback from stakeholders. After considering the suggestions received, the final version of the Competition Commission of India (General) Regulations, 2024 ("**General Regulations, 2024**") was notified by the CCI on September 17, 2024[11], which repealed the General Regulations of 2009.

The draft amendments introduced a definition and fee for filing a 'Miscellaneous Application', stating that any application other than an Interlocutory Application would fall under this category. However, stakeholders sought clarification on the distinction between Interlocutory and Miscellaneous Applications. In response, the definitions for both types have been revised in the General Regulations 2024 to provide a clear differentiation. The amended definitions now state that applications filed during the pendency of a case under Section 19 of the Competition Act, 2002 ("**Competition Act**") or proceedings initiated based on a Miscellaneous Application are classified as 'Interlocutory Applications,' while those filed after a final order in a case under Section 19 of the Competition Act are categorized as 'Miscellaneous Applications'.

Additionally, the draft amendments required the concerned party to sign all submissions, including subsequent ones, and to file an affidavit in support of them. Stakeholders suggested that the CCI should limit the requirement of a supporting affidavit and the signature of a company representative to only substantive submissions. CCI accepted this suggestion, adding a proviso to Regulation 14 of the General Regulations, 2024, exempting applications for time extensions and adjournments from the requirements of being signed by the party and accompanied by an affidavit.

The General Regulations, 2024, also authorize the CCI to appoint external agencies, such as accounting firms, management consultancies, or professional organizations, including chartered accountants, company secretaries, or cost accountants, to oversee the implementation of CCI's orders, particularly in matters related to settlements, mergers, and acquisitions under Sections 48A, 48B, and 31 of the Competition Act. By delegating monitoring responsibilities to external agencies, CCI aims to enhance its oversight of company activities, ensuring adherence to its orders.

Stakeholders also raised concerns about the proposed amendment that allowed only one authorization letter or vakalatnama to be valid for a party at any given time. The primary concern expressed was that a party should be allowed to engage multiple law firms or lawyers for representation. In response to these concerns, it has now been clarified that a party can engage more than one legal counsel or law firm. However, at any given time, only one authorization letter or vakalatnama in respect of all such counsel(s) shall be considered valid, as per Regulation 46 of General Regulations, 2024.

While these updates introduce significant procedural improvements, many of the core elements from the General Regulations, 2009, have been retained, as the CCI determined that no further changes were necessary in those areas.

SEBI announced an operational mechanism for Investment Advisors and Research Analysts:

On September 13, 2024, SEBI issued a circular bearing no. SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2024/120[12], for all registered Investment Advisors ("**IAs**"), registered Research Analysts ("**RAs**") and their respective supervisory bodies, addressing the need for a mechanism to help investors ensure that the fees are paid only to registered IAs and RAs. In order to do so, SEBI introduced the Centralized Fee Collection Mechanism ("**CeFCoM**") for IAs and RAs. CeFCoM is an operational system designed to

[11]https://www.cci.gov.in/legal-framwork/regulations/68/0
[12]https://www.sebi.gov.in/legal/circulars/sep-2024/optional-mechanism-for-fee-collection-by-sebi-registered-investment-advisers-ias-and-research-analysts-ras-_86668.html

facilitate the collection of fees from clients through a designated platform/ portal administered by the recognized Administration and Supervisory Body ("**ASB**"), ensuring payments are made to registered IAs and RAs.

This CeFCoM has been developed in collaboration with BSE Limited and various stakeholders. CeFCoM became operational from October 1, 2024, and although it is optional, ASB, in the interest of investors, is advised to take measures to encourage clients, as well as IAs and RAs, to utilize the services of the CeFCoM.

This circular is issued under the authority granted by Section 11(1) of the Securities and Exchange Board of India (SEBI) Act, 1992, in conjunction with Regulation 14 and Regulation 15A of the SEBI (Investment Advisers) Regulations, 2013, and the SEBI (Research Analysts) Regulations, 2014. The objective is to safeguard the interests of investors in the securities market, promote market development, and regulate the securities sector.

INDUSTRY INSIGHT

DPIIT Unveils Bharat Startup Knowledge Access Registry ("BHASKAR"): Transforming India's Startup Landscape:

The Department for Promotion of Industry and Internal Trade ("**DPIIT**"), under the Ministry of Commerce and Industry, has launched BHASKAR—a revolutionary digital platform as part of the Startup India program. This platform is designed to streamline and strengthen collaboration among key stakeholders in India's entrepreneurial ecosystem, including startups, investors, mentors, service providers, and government bodies, thereby driving innovation and entrepreneurship.

India, with over 1,46,000 DPIIT-recognized startups, stands as one of the most dynamic startup ecosystems globally. BHASKAR seeks to harness this potential by creating a unified digital platform that addresses challenges faced by entrepreneurs, investors, and other stakeholders. By functioning as a centralized registry, BHASKAR will provide seamless access to an extensive range of resources, tools, and information to guide entrepreneurs from ideation to execution.

BHASKAR's primary objective is to create the world's largest digital registry for the startup ecosystem. To achieve this, the platform offers several key features:

a) BHASKAR connects startups, investors, mentors, and other stakeholders, enabling smooth interactions across various sectors and industries.
b) The platform brings together essential tools, knowledge, and information, allowing startups to access them efficiently and accelerate decision-making and scaling.
c) Stakeholders receive unique BHASKAR IDs, allowing the access for personalized interactions and tailored experiences, making it easier to connect with relevant collaborators and opportunities.
d) The platform's advanced search features allow users to locate resources, partners, and opportunities efficiently, fostering quicker actions and decision-making.
e) BHASKAR not only supports local entrepreneurs but also aims to position India as a global innovation hub, encouraging international collaborations and attracting foreign investments.

BHASKAR's launch signifies a major milestone in the government's continued efforts to promote innovation, entrepreneurship, and job creation. It is designed to be the central hub for startups, investors, service providers, and government bodies to collaborate, share knowledge, and accelerate growth. By offering streamlined access to essential resources, BHASKAR will unlock India's entrepreneurial potential and help transform the nation into a global leader in innovation. The platform is poised to drive the development of a

more resilient and inclusive startup ecosystem, contributing to an innovation-driven economy that fosters prosperity for all.

BHASKAR is not just a platform; it is a transformative initiative that promises to redefine India's startup landscape. As the startup ecosystem evolves, BHASKAR will be instrumental in enhancing India's global standing in entrepreneurship by fostering collaboration and innovation. With the launch of BHASKAR, the Government of India reinforces its vision of making the country a leader in global innovation and economic growth, shaping a more connected and efficient environment for the entrepreneurs of tomorrow.

CORPORATE BUZZ

1) The Central Consumer Protection Authority ("**CCPA**") has issued a show-cause notice to Ola Electric Mobility Ltd. for allegedly violating consumer rights, disseminating misleading advertisements, and engaging in unfair trade practices. The CCPA has given the company a 15-day period to respond to the notice. Ola Electric plans to submit its response within the specified timeframe, accompanied by supporting documentation.

2) SeQuent Scientific, a global animal health company, and Viyash Lifesciences, an integrated pharmaceutical firm, have announced a strategic merger to establish a leading entity in the animal healthcare sector. This merger will leverage their combined expertise in research, development, and manufacturing, creating a distinctive platform with a presence in over 150 countries. The newly formed company will benefit from an improved financial position, strengthened R&D capabilities and an optimized supply chain, enabling it to serve its global pharmaceutical clients more efficiently.

3) Nazara Technologies announced a substantial investment of ₹982 crore in Moonshine Technology, the parent company of the online poker platform PokerBaazi. This marks the largest investment by the diversified gaming and sports media firm to date. The deal is anticipated to significantly enhance Nazara's position in the online skill-gaming sector.

4) CCI approves the acquisition of 100% shareholding of Bharat Serums and Vaccines Limited ("**BSV**") by Mankind Pharma Limited ("**Mankind**"). Mankind is a public listed company engaged in developing, manufacturing, and marketing pharmaceutical finished dosage formulations and consumer healthcare products, while BSV specializes in biological, biotech, and pharmaceutical products in areas like women's health, critical care, and emergency medicine. BSV also focuses on research, manufacturing, and distribution of biotech formulations, active pharmaceutical ingredients, and health supplements. The acquisition aims to strengthen Mankind's presence in these therapeutic areas and expand its healthcare portfolio.

5) CCI approves the proposed acquisition of the Home and Personal Care ("**HPC**") division of Patanjali Ayurved Ltd ("**PAL**") by Patanjali Foods Ltd ("**PFL**") in a deal valued at INR 1,100 crores. The HPC division, which includes products in haircare, skincare, dental care, and home care, is a non-food segment of PAL. PFL, primarily focuses on oilseeds processing, oil refining, and production of food and nutraceutical products, whereas PAL is engaged in manufacturing ayurvedic medicines and HPC items. The acquisition of PAL's HPC division aligns with PFL's strategy to strengthen its position as a Fast-Moving Consumer Goods (FMCG) company.

6) Oravel Stays, the parent company of OYO announces the acquisition of G6 Hospitality, an American budget hotel chain, from Blackstone Real Estate in an all-cash deal valued at $525 million, as per the news reports. G6 Hospitality is the owner of the well-known Motel 6 and Studio 6

brands. This is viewed as a strategic move as it comes ahead of OYO's forthcoming IPO plans and its efforts to strengthen its international presence.

7) As per the news reports, Reliance Industries Limited ("**RIL**") has shown interest and is negotiating to buy a stake in Dharma Productions, a company owned 90.7% by Karan Johar and 9.24% by his mother, Hiroo Johar. The deal, if successful, is expected to bolster RIL's portfolio in the entertainment sector, which already includes Jio Studios, Viacom Studios, Colosseum Media, and a minority stake in Balaji Telefilms. This strategic move is anticipated to benefit both parties, as the Hindi film industry faces ongoing financial pressures and a decline in box office successes, due to the growing popularity of OTT platforms.

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