

Newsletter
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5

ARBITRATION AND CONCILIATION ACT, 1996

1. Madras High Court expounds: Legislative intent of inserting Sec. 29-A, Arbitration Act is only for expeditious disposal of arbitration and not to confer a new defence upon unsuccessful party
2. Delhi High Court clarifies Arbitration Jurisdiction, states: Exclusive jurisdiction clause cannot override seat of arbitration
3. Calcutta High Court: An arbitration clause contained in an independent but related document can be imported into a contract with no arbitration clause
4. Delhi High Court: When seat of arbitration is at three places, the parties are at liberty to approach any one of the said three places

3. NCLAT, New Delhi expounds: Moratorium under Sec 96 IBC is a separate moratorium
4. Himachal Pradesh High Court rejects plea that tax dues claimed will have priority as a “Crown Debt”
5. NCLT, Kolkata Bench: Tribunal cannot conduct a roving and fishing enquiry to cull out the sanctity of transactions in a summary proceeding under IBC
6. NCLAT, New Delhi expounds that any claim, which arises subsequent to liquidation commencement date, cannot be considered.

7

INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

1. NCLAT, New Delhi opines that during Liquidation period, an application under Section 12A is not permissible
2. NCLAT, New Delhi rules: Suspended Directors are Directors whose power to act as Directors are suspended by virtue of initiation of CIRP

9

MINISTRY OF CORPORATE AFFAIRS

1. Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024
2. Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024
3. Companies (Indian Accounting Standards) Second Amendment Rules, 2024

INDEX

12

MINISTRY OF FINANCE

1. Foreign Exchange (Compounding Proceedings) Rules, 2024

13

REAL ESTATE REGULATORY AUTHORITY (RERA)

1. Kerala High Court opines normally promoter used in RERA would not include landowner

14

SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

1. Consultation paper on “Provisions pertaining to appointment of Public Interest Directors”
2. Parameters for Performance Evaluation of Market Infrastructure Institutions
3. Usage of Unified Payments Interface (“UPI”) by individual investors for making an application in public issue of securities through intermediaries

4. Flexibility in participation of Mutual Funds in Credit Default Swaps(CDS)
5. Review of eligibility criteria for entry/exit of stocks in derivatives segment
6. Reporting by Foreign Venture Capital Investors
7. Modification in the timeline for submission of status regarding payment obligations to the stock exchanges by entities that have listed commercial paper
8. Optional mechanism for fee collection by SEBI registered Investment Advisers(IAs) and Research Analysts (RAs)
9. Enabling T+2 trading of Bonus shares where T is the record date
10. Operational Guidelines for Foreign Venture Capital Investors (“FVCIs”) and Designated Depository Participants (“DDPs”)
11. Consultation paper on the proposal to exempt certain transactions from trading window restrictions

19

CHALLENGES AND CONSEQUENCES: INDIA'S STRUGGLE WITH E-CIGARETTE REGULATION



Editor's note

Dear Readers,

I am pleased to share with you our newsletter for the month of September, 2024, which covers significant legal and regulatory developments.

Arbitration is an area which keeps on evolving with each passing day. The recent High Court rulings will have a significant impact on future arbitration cases in India, setting crucial precedents for how arbitration clauses and jurisdictional issues are interpreted. The Madras High Court's decision for an expedited arbitration process reinforces the importance of adhering to timelines under Section 29-A of the Arbitration and Conciliation Act. The Calcutta High Court's ruling in relation to incorporation of arbitration clauses from related documents allows greater flexibility and future contracts will need careful drafting, with parties ensuring clear references to related documents if they intend to include or exclude arbitration as mode of dispute resolution.

Coming to recent regulatory and legislative changes, the recent amendment introduced by the Ministry of Corporate Affairs (MCA) will have several significant impacts on companies. The changes in the Companies (Compromises, Arrangements, and Amalgamations) Amendment Rules, 2024 introduce stricter regulatory oversight for cross-border mergers involving foreign holding companies and their wholly-owned Indian subsidiaries. This will help streamline the merger process but also require careful planning and adherence to regulatory timelines. Further, the new requirements introduced under Ind AS 116 for accounting lease liabilities in sale and leaseback transactions, will require companies to adopt more accurate and detailed accounting practices, ensuring that gains or losses are correctly reflected in financial statements.

SEBI's consultation paper on involving shareholders in the appointment of Public Interest Directors (PIDs) suggests a shift towards greater transparency and inclusivity in governance structures. If shareholders are granted direct involvement, this could strengthen governance at Market Infrastructure Institutions (MIs), ensuring that PIDs act in the broader public interest. The introduction of a rating system for MIs will further lead to more structured performance evaluations.

The mandatory use of UPI for applications in public issues of debt and other securities will streamline the payment process for individual investors, making fund blocking faster and more efficient.

The revision of entry/exit norms for stocks in the derivatives segment, including stricter criteria based on market depth and performance, will ensure that only stocks with sufficient liquidity and trading activity remain in the segment.

In this edition, we have also included an article on the impact and challenges of India's e-cigarette ban, which was enforced under The Prohibition of Electronic Cigarettes Act, 2019 in September 2019. The article, authored by our Principal Associate, Aniket Rajpurohit, and Associate, Arnab Das, highlights the ineffectiveness of the ban, which was aimed at protecting youth from vaping-related health risks. It suggests stricter penalties, the inclusion of consumers in the penalty framework, and a greater emphasis on public awareness programs to address this growing public health challenge.

I hope you will find this edition useful.

Best wishes,

Rajesh Narain Gupta

Founder & Chairman,
SNG & Partners

A. ARBITRATION AND CONCILIATION ACT, 1996

1. Madras High Court expounds: Legislative intent of inserting Sec. 29-A, Arbitration Act is only for expeditious disposal of arbitration and not to confer a new defence upon unsuccessful party

Recently, the Madras High Court held that if a party does not raise an objection within 12 months regarding the delay in issuing an arbitral award, it is deemed to have agreed to extend the tribunal's authority. Section 29-A of the Act is only construed to be a procedural one and a party by not raising any objection before passing of the award, have not only given their implied consent but also waived their rights, in view of Section 4 of the Act, to raise any objection with regard to the non-passing of the award within a period of 12 months.

High Court highlighted that the purpose of Section 29A(3) of the Arbitration and Conciliation Act is to ensure the timely resolution of disputes, not to enable a dissatisfied party to dispute the award.

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2. Delhi High Court clarifies Arbitration Jurisdiction, states: Exclusive jurisdiction clause cannot override seat of arbitration

The Delhi High Court recently examined a petition filed under Section 34 of the Arbitration and Conciliation Act, 1996, challenging an arbitral award dated 31 December 2022, stemming from a Dealership Agreement. The agreement mandates arbitration for unresolved disputes, specifying that the seat of arbitration is in Delhi while granting exclusive jurisdiction to the courts of Indore.

The court observed, "The fixation of the seat of arbitration at Delhi necessarily clothes curial and supervisory jurisdiction over the arbitration only on courts at Delhi. The exclusive jurisdiction clause, which generally applies, cannot override or supersede the clause fixing the seat of arbitration".

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3. Calcutta High Court: An arbitration clause contained in an independent but related document can be imported into a contract with no arbitration clause

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The High Court of Calcutta, while allowing a petition filed under section 11 of the Arbitration and Conciliation Act, 1996, held that even if a contract between parties does not have a specific provision for arbitration, an arbitration clause contained in an independent but related document could be imported and incorporated in the contract between the parties by reference to such document in the contract, by virtue of Section 7(5) of the Act, if the reference is such as to make all clauses of such document including the arbitration clause in such document part of the contract. An arbitration clause in another document is deemed incorporated into a contract by reference if the following conditions are fulfilled: (a) the contract should contain a clear reference to the documents containing the arbitration clause; (b) this reference should clearly indicate an intention to incorporate the arbitration clause into the contract; and (c) the arbitration clause should be appropriate, in that it is capable of application in respect of disputes under the contract and should not be repugnant to any term of the contract.

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4. Delhi High Court: When seat of arbitration is at three places, the parties are at liberty to approach any one of the said three places

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The Delhi High Court expounded that at the stage of Section 11 petition under the Arbitration and Conciliation Act, 1996, this Court is only required to see the prima facie existence of an arbitration agreement and is not to adjudicate upon the merits of the case. It was also held that in case the seat of arbitration is at three places, the parties are at liberty to approach any one of the said three places.

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B. INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

1. NCLAT, New Delhi opines that during Liquidation period, an application under Section 12A is not permissible

The NCLAT, Principal Bench New Delhi opined that during Liquidation period, an application under Section 12A is not permissible. In the Liquidation Process, Compromise or Arrangement is contemplated as per Regulation 2B of the IBBI (Liquidation Process) Regulations, 2016, which clearly negates the submission of the Appellant that withdrawal is permissible only under Section 12A. It was also ruled that Regulation 31A of the IBBI (Liquidation Process) Regulations, 2016, inserted on 25.07.2019, did not require constitution of SCC with regard to the Liquidation which has commenced prior to this provision for constitution of SCC came into the Regulation.

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2. NCLAT, New Delhi rules: Suspended Directors are Directors whose power to act as Directors are suspended by virtue of initiation of CIRP

The NCLAT, Principal Bench New Delhi ruled that Suspended Directors are Directors whose power to act as Directors are suspended by virtue of initiation of CIRP. Suspended Directors may include those Directors of the Corporate Debtor who were working in such capacity on the date of initiation of the CIRP but will not include the directors who have resigned much prior thereto.

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3. NCLAT, New Delhi expounds: Moratorium under Sec 96 IBC is a separate moratorium

The NCLAT, Principal Bench New Delhi opined that once the interim moratorium has come into play on account of the insolvency proceedings against the petitioner under the IBC, 2016, the respondent-bank cannot proceed any further in the proceedings under the SARFAESI Act with respect to the property mortgaged by the petitioner with the bank, in his capacity as a personal guarantor.

Further, moratorium under Section 96 IBC, 2016, under Part III of the said Act, is a separate moratorium, applicable separately in the case of personal guarantors against whom insolvency resolution processes may be initiated under Part III and the protection of the moratorium under section 96 is far greater than that of Section 14 of the Code.

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4. Himachal Pradesh High Court rejects plea that tax dues claimed will have priority as a “Crown Debt”

The Hon’ble Himachal Pradesh High Court opined that since the provisions of the IBC had overriding effect on all laws in view of Section 238 of the IBC, it was not permissible for the Respondents/Income Tax authorities to create a charge on the property of the Petitioner- Company during the currency of the moratorium.

It was ruled that the plea of the respondents that the tax dues claimed by them will have priority as a “Crown Debt”, cannot be accepted, and once a company is ordered to be liquidated, their action in continuing the said red entry/ charge on account of dues recoverable from erstwhile management of the 1st petitioner- Company under the H.P. Vat Act, 2005, HPGST Act, 2017 and the CST Act, 1956, would be clearly illegal & arbitrary.

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5. NCLT, Kolkata Bench: Tribunal cannot conduct a roving and fishing enquiry to cull out the sanctity of transactions in a summary proceeding under IBC

The NCLT, Kolkata Bench ruled that when the Sale (Supply) of goods is itself in dispute, and there is a finding by a Government Authority (Income Tax Department) that such sales are bogus, the Tribunal cannot shut our eyes to the facts recorded in the Assessment order. Neither can the Tribunal conduct a roving and fishing enquiry to cull out the sanctity of transactions in a summary proceeding under IBC. As such, there was no reason to treat the disputed debt as an operational debt to initiate a CIR Process.

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6. NCLAT, New Delhi expounds that any claim, which arises subsequent to liquidation commencement date, cannot be considered.

The NCLAT, Principal Bench New Delhi opined that the statutory scheme makes it clear that the claims are to be filed by the claimants as on the liquidation commencement date. The Liquidation Regulations, does not contemplate consideration of any claim, which arises subsequent to liquidation commencement date.

The Bench expounded that when a claim has not arisen on the liquidation commencement date, the Regulation do not contemplate admission of such claim.

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C. MINISTRY OF CORPORATE AFFAIRS (MCA)

1. Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024

The rules shall come into force from the 17th day of September, 2024.

In rule 25A, after sub-rule (4), the following sub-rule shall be inserted, namely: -

“(5) Where the transferor foreign company incorporated outside India being a holding company and the transferee Indian company being a wholly owned subsidiary company incorporated in India, enter into merger or amalgamation, –

- (i) both the companies shall obtain the prior approval of the Reserve Bank of India;
- (ii) the transferee Indian company shall comply with the provisions of section 233;
- (iii) the application shall be made by the transferee Indian company to the Central Government under section 233 of the Act and provisions of rule 25 shall apply to such application; and
- (iv) the declaration referred to in sub-rule (4) shall be made at the stage of making application under section 233 of the Act.”

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2. Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2024

Following are some of the key amendments introduced:

In Schedule II, In Part A,–

- (i) in item 2,–
in sub-item 2.2, in clause (a), after the word “Tribunal”, the words “or legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction” shall be inserted;

in the “Explanation”, for clause (2), the following clauses shall be substituted, namely:–

- “(2) In cases where a copy of Will is submitted as may be applicable in terms of the Indian Succession Act, 1925 (39 of 1925), the same shall be accompanied with a notarised indemnity bond from the claimant to whom the securities are transmitted.
- (3) In cases where a copy of legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction is submitted, the same shall be accompanied with–

- (a) a notarised indemnity bond from the legal heir or claimant to whom the securities are transmitted; and
 - (b) a no objection certificate from all legal heirs other than claimants, stating that they have relinquished their rights to the claim for transmission of securities, duly attested by a notary public or by a gazetted officer.
- (4) The value of the securities as on the date of application shall be quantified by the applicant on the basis of the closing price of such securities at any one of the recognised stock exchange a day prior to the date of such submission in the application, for listed securities and for unlisted securities, the value shall be quantified basis on the face value or the maturity value of the security, whichever is more.”;

In Part B,–

- (i) for the letters, figures, brackets and words, “Rs.5,00,000 (rupees five lakhs only),” wherever they occur, the letters, figures, brackets and words, “Rs.15,00,000 (rupees fifteen lakhs only), shall be substituted;

in item 4,–

- (a) in sub-item 4.2, in clause (a), after the word “Tribunal”, the words “or legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction” shall be inserted;

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3. Companies (Indian Accounting Standards) Second Amendment Rules, 2024

Following are some of the key amendments:

- a. In the ‘Annexure’, under heading “B. Indian Accounting Standards (Ind AS)”, in “Indian Accounting Standard (Ind AS) 116”, -
 - (i) after paragraph 102, the following paragraph shall be inserted, namely: -

“102A After the commencement date, the seller-lessee shall apply paragraphs 29–35 to the right-of-use asset arising from the leaseback and paragraphs 36–46 to the lease liability arising from

the leaseback. In applying paragraphs 36–46, the seller-lessee shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying the requirements in this paragraph does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease as required by paragraph 46(a).”;

- b. in Appendix C,
 - (a) after paragraph C1C, the following paragraph shall be inserted, namely:-

“C1D Lease Liability in a Sale and Leaseback, amended paragraph C2 and added paragraphs 102A and C20E. A seller-lessee shall apply these amendments for annual reporting periods beginning on or after 1 April 2024.”
 - (b) for paragraph C2, the following paragraph shall be substituted, namely:-

“C2 For the purposes of the requirements in paragraphs C1– C20E, the date of initial application is the beginning of the annual reporting period in which an entity first applies this Standard.”
 - (c) after paragraph C20D, the following paragraph shall be inserted, namely:-

“Lease liability in a sale and leaseback C20E A seller-lessee shall apply Lease Liability in a Sale and Leaseback (see paragraph C1D) retrospectively in accordance with Ind AS 8 to sale and leaseback transactions entered into after the date of initial application.”

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D. MINISTRY OF FINANCE

1. Foreign Exchange (Compounding Proceedings) Rules, 2024

In supersession of the Foreign Exchange (Compounding Proceedings) Rules, 2000, except as respects things done or omitted to be done before such supersession, the Central Government has introduced Foreign Exchange (Compounding Proceedings) Rules, 2024.

Key changes are:

- a. For contravention of clause (a) of section 3 of FEMA specified officers of Enforcement Directorate have been designated as compounding authority depending upon the quantum of violation. Similarly for contravention of any provision, other than clause (a) of section 3 of FEMA then the compounding authority would be specified officers of RBI, again depending upon quantum of violation.
- b. The new rule expands the payment options still more while keeping the same fifteen days payment period intact. The new rule also permits payment to be made not only by demand draft but through National Electronic Fund Transfer (NEFT), Real Time Gross Transfer (RTGS) and any other electronic or on-line mode of payment as per the approved methods by Bank.

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E. REAL ESTATE REGULATORY AUTHORITY (RERA)

1. Kerala High Court opines normally promoter used in RERA would not include landowner

The Hon'ble Kerala High Court opined that the term promoter used in RERA would not include landowner in normal cases, unless there is an indication that it includes landowner.

Further, it was ruled that there is no requirement for the landowner to give any kind of declaration. The promoter mentioned in Sections 3 and 4 and the landowner are separate and distinct persons, and the term promoter used in Sections 3 and 4 does not include the landowner.

From Form B, it is clear that even if the landowner is a person different from the Promoter, he need not join with the Promoter to submit the Application for registration. All the details are to be submitted by the Promoter himself along with his Application after obtaining the same from the land owner. It affirms that the landowner and the promoter are different persons, and the term promoter does not include landowner for the purpose of registration of the real estate project.

The Court held that the Application for registration of the Real Estate Project under Sections 3 and 4 of the RERA is to be submitted by the Promoter/s alone who do not include the land owner. However, there are provisions in the RERA providing duties and obligations on the landowners. In case the landowners fail to discharge their functions and obligations under RERA, the aggrieved person can very well file a complaint under S.31 against the landowner. The term 'promoter' in Section 31 includes landowner.

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F. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

1. Consultation paper on “Provisions pertaining to appointment of Public Interest Directors”

SEBI has issued the consultation paper to gauge if the shareholders should be more directly involved in the process of appointing Public Interest Directors (PIDs), or would the enablement of Non-Independent Directors (NIDs) in NRC be adequate for the purpose.

The following 2 options are suggested for the appointment and reappointment of PIDs:

a. The existing process of appointment and reappointment of PIDs shall continue.

Or

b. On receipt of names from Market Infrastructure Institutions (MIIs), SEBI examines the application in terms of SECC Regulations, 2018 or D&P Regulations, 2018 and gives NOC to MIIs to take it to their shareholders for approval.

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2. Parameters for Performance Evaluation of Market Infrastructure Institutions

A rating system has been introduced to ensure consistency across every recognised stock exchange, recognised clearing corporation and depository, (collectively referred as Market Infrastructure Institutions (MIIs)) in evaluating and comparing performance. This system will evaluate MIIs based on their achievements and outcomes. The ratings will reflect the independent agency’s assessment of how well the MII is performing in relation to its goals. The rating framework has been attached as Annexure B to the circular.

MIIs are required to appoint an external agency having requisite domain knowledge, experience and expertise on matters concerning security market and functioning of MIIs, with SEBI’s no objection certificate, ensuring no conflict of interest.

The circular will come into effect 30 days from issuance i.e. October 25, 2024. SEBI has directed MIIs to take necessary steps for compliance of this circular.

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3. Usage of Unified Payments Interface (“UPI”) by individual investors for making an application in public issue of securities through intermediaries

SEBI has issued this circular for streamlining the application process in public issue of debt securities, non-convertible redeemable preference shares, municipal debt securities and securitised debt instruments, with that of public issue of equity shares and convertibles.

Accordingly, SEBI has decided that individual investors applying through intermediaries (such as stock brokers, registrars, and depository participants) for amounts up to 5 lakh must use UPI for fund blocking.

The provisions of this circular will be applicable to public issues of the mentioned securities starting from November 1, 2024.

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4. Flexibility in participation of Mutual Funds in Credit Default Swaps(CDS)

SEBI has introduced greater flexibility for Mutual Funds in CDS transactions. Previously, Mutual Funds were only permitted to buy CDS to hedge credit risk on corporate bonds in Fixed Maturity Plans (“FMPs”) with a tenure of more than one year. Under the

new framework, Mutual Funds can now participate in CDS transactions as both buyers and sellers, broadening their investment opportunities while contributing to increased liquidity in the corporate bond market.

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5. Review of eligibility criteria for entry/exit of stocks in derivatives segment

Given the need to ensure that only high quality stocks with sufficient market depth are allowed to trade in derivatives segment and considering the growth witnessed in market parameters since the last review conducted in 2018, the eligibility criteria for

entry/exit of stocks in derivatives segment has been revised.

The following norms are revised:

Revised Entry Norms:

- a. Stocks must meet specific criteria over six months, such as being among the top 500 in market capitalization and

having a minimum median quarter sigma order size of INR 75 lakhs.

- b. Other criteria include a market-wide position limit of INR 1,500 crores and an average daily delivery value of INR 35 crores in the cash market.

Exit base on introduction of a Product Success Framework (“PSF”) for stock derivatives:

- a. Additional criteria for stock derivatives, such as trading activity and average daily turnover, will be reviewed. Stocks failing to meet these will also exit the derivatives segment.
- b. Stocks must meet specific criteria to remain in the derivatives segment. Failure to meet these criteria for three consecutive months, based on the previous six months’ data, can lead to removal from the segment. Stocks must also meet the PSF criteria to remain in derivative segment. Once removed, reinstatement is not allowed for one year.

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6. Reporting by Foreign Venture Capital Investors

SEBI through this circular has revised the format (attached as Annexure-I in the circular) for quarterly report submitted by the FCVIs on their venture capital activity as required by the Regulation 13(1) of SEBI(FCVI) Regulation, 2000.

Reports for the quarters ending on September 30, 2024, and December 31, 2024, must be submitted by November 15, 2024, and January 15, 2025, respectively, through email. From quarter ending March 31, 2025 onward, the reports must be submitted on the SEBI Intermediary Portal (SI Portal) within 15 calendar days after the end of each quarter.

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7. Modification in the timeline for submission of status regarding payment obligations to the stock exchanges by entities that have listed commercial paper

In order to align the timeline of intimating Stock Exchanges regarding status of payment obligations for listed non-convertible securities and listed Commercial Paper, paragraph 8.4 of Chapter XVII of the NCS Master Circular has been amended by SEBI.

The amendment is as follows:

“8.4 A certificate confirming fulfilment of its payment obligations, within one workingday of payment becoming due”.

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8. Optional mechanism for fee collection by SEBI registered Investment Advisers(IAs) and Research Analysts (RAs)

ISEBI has introduced an optional Centralized Fee Collection Mechanism (“CeFCoM”) for

SEBI-registered Investment Advisers (“IAs”) and Research Analysts (“RAs”).

The mechanism was co-created with stakeholders and facilitated by BSE Limited. It allows clients to pay fees to IAs and RAs through a designated platform managed by a recognized Administration and Supervisory Body (“ASB”).

The CeFCoM is designed to ensure transparency and security in fee payments within the securities market. Although, CeFCoM is optional, SEBI has advised ASBs and registered entities to promote its use. The mechanism will become operational from October 1, 2024.

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9. Enabling T+2 trading of Bonus shares where T is the record date

The circular aims to streamline the bonus share issuance process and shorten the time taken for the credit and trading of bonus shares from the record date.

This circular will be applicable to all bonus issues announced on or after October 1, 2024.

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10. Operational Guidelines for Foreign Venture Capital Investors (“FVCIs”) and Designated Depository Participants (“DDPs”)

The provisions of this circular shall come into force with effect from January 01, 2025.

These operational guidelines (“guidelines”) for Foreign Venture Capital Investors (“FVCIs”) and Designated Depository Participants (“DDPs”) are issued to facilitate smooth transition to the amended FVCI regime and operationalisation of the amended provisions of SEBI (Foreign Venture Capital Investors) Regulations, 2024 (FVCI Regulations”).

Chapters include Registration of FVCIs, KYC requirements.

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11. Consultation paper on the proposal to exempt certain transactions from trading window restrictions

SEBI has issued consultation paper inviting comments from public on a proposal to exempt specific transactions, such as subscribing to non-convertible securities, from the trading window restrictions.

Objective of this proposal is to streamline business operations and make it easier to conduct transactions. The consultation paper is open for comments till October 17, 2024 on the website of SEBI.

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G. CHALLENGES AND CONSEQUENCES: INDIA'S STRUGGLE WITH E-CIGARETTE REGULATION

On 19th September, 2019, the Union Finance Minister of India, Nirmala Sitharaman, announced a ban on e-cigarettes, citing their adoption as a “style statement” amongst youth and we witnessed the enactment of The Prohibition of Electronic Cigarettes (Production, Manufacture, Import, Export, Transport, Sale, Distribution, Storage and Advertisement) Act, 2019 (“Act”). The ban aimed to protect the young generation from associated risks, yet it appears that young educated individuals are the predominant users of e-cigarettes. The ban encompassed the production, manufacture, import, export, transport, sale, distribution, and advertising of e-cigarettes and their components. Interestingly, the ban applied to sellers, distributors, manufacturers, and advertisers but not to consumers. Despite this regulation, e-cigarettes have remained readily accessible in India even five years after its implementation.

The Act originated largely due to health concerns, particularly regarding lung injuries and the rising use of e-cigarettes among youth. The Indian Council of Medical Research, in its white paper on “Electronic Nicotine Delivery System,” recommended a total ban on e-cigarettes, citing their adverse effects on various human body systems throughout life, from prenatal stages to old age. Despite differing opinions within the medical and scientific community and dissent from some experts and advocates who argued that the research failed to provide a balanced assessment of e-cigarettes compared to other carcinogenic tobacco products, the Indian Government proceeded to enforce a comprehensive prohibition on e-cigarettes through the Act.

As of 2024, the Act's effectiveness in achieving its intended goals has been notably inadequate. The Indian e-cigarette market was valued at \$7.8 million in 2018 and as of date, there is no adequate data available considering the fact that e-cigarette usage has increased subsequently due to various factors. Despite government bans aimed at safeguarding youth from vaping-related risks, e-cigarettes continue to pose significant public health challenges in India, as highlighted by a recent study. The global e-cigarette market was valued at USD 18 billion in 2023 and grew at a CAGR of 15% from 2024 to 2033. The market is expected to reach USD 72.82 billion by 2033.

Despite its good intentions, the Act falls short of effectively addressing the issue. Furthermore, the e-cigarette market continues to thrive, with manufacturers actively promoting increased sales despite facing significant penalties. The e-cigarettes remain readily available in the market even after the ban, contributing to addiction among the nation's youth, who represent the future. Children as young as 12 can easily access e-cigarettes, which come in a wide variety of flavors and often feature appealing designs and characters that attract younger users, increasing their addiction risk.

Under the current Act, penalties for violations apply primarily to manufacturers and sellers rather than consumers, and these penalties are often minimal, allowing manufacturers and sellers to evade consequences easily. A strategic and practical approach could involve significantly increasing the fines on manufacturers, sellers, and ecosystem enablers. Further, introducing provisions that penalize consumers may also lead to discipline in society, aligning with the goal of protecting public health

and safeguarding young people. Additionally, the government should prioritize raising awareness among adolescents about the dangers of e-cigarettes through comprehensive tobacco prevention programs.

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