

ACUITY **LAW**

## AL INSIGHTS

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## ABOUT ACUITY LAW

Acuity Law was founded in November 2011. Acuity Law comprises of a team of young and energetic professionals led by Souvik Ganguly, with deep and diverse experience in their chosen areas of practice. We advise Indian and multinational companies, funds, banks and financial institutions, founders of companies, management teams, international law firms, domestic and international investment banks, financial advisors, and government agencies in various transactions in and outside India.

Acuity Law takes pride in rendering incisive legal advice taking into consideration commercial realities. Our areas of practice are divided into three departments: the Corporate practice; the Global Trade, Indirect Tax and Direct Tax practice; and the Disputes practice.

As part of the corporate practice, Acuity Law advises on:

- Mergers and acquisitions;
- Distressed mergers and acquisitions;
- Insolvency law;
- Private Equity and Venture Funding;
- Employment and labour laws;
- Commercial and trading arrangements; and
- Corporate Advisory.

As part of the Global Trade and Tax practice, Acuity Law advises on:

- Cross-border tax planning and jurisdiction analysis;
- Strategies for acquisitions, mergers, divestitures, diversification, or consolidation of businesses;
- Inbound and outbound investment structuring;
- Endowment planning/wealth management strategies;
- Global Trade & Customs laws, including foreign trade policy;
- International supply chain optimization;
- Goods & Services Tax and other Direct and Indirect taxes.

As part of the Disputes practice, Acuity Law advises and represents clients on domestic and cross - border:

- Civil disputes;
- Criminal law matters; and
- Arbitration matters.

Acuity Law actively follows legislative and policy developments in its chosen areas of practice and shares such developments with clients and friends on a regular basis.

If you want to know more about Acuity Law, please visit our website [acuitylaw.co.in](http://acuitylaw.co.in) or write to us at [al@acuitylaw.co.in](mailto:al@acuitylaw.co.in).

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This monthly legal roundup is a compilation of our thought leadership articles published in the month of September 2024 on key legal and regulatory topics. Please click on the access links to read more.

## A. CORPORATE

### 1. Overview of the New Merger Control Regime

Recently, on 9 September 2024, the Ministry of Corporate Affairs has notified several provisions of the Competition (Amendment) Act, 2023 along with the related rules and regulations including introduction of the 'deal value threshold'. In this update, we have summarized some of the key changes brought about in the merger control regime.

[Read more](#)

### 2. Regulatory Update: New Compounding Rules under FEMA

Recently, on 12 September 2024, the Department of Economic Affairs, Ministry of Finance has notified the Foreign Exchange (Compounding Proceeding) Rules, 2024 with a view to streamline and simplify the processing of compounding applications. In this update, we have provided a brief summary of the changes introduced by the new Rules.

[Read more](#)

### 3. Supreme Court outlines the procedure of impounding of unstamped documents under the Karnataka Stamp Act

Recently, in the case of Seetharama Shetty v. Monappa Shetty, the Supreme Court of India has provided clarity on the procedure of impounding an unstamped / insufficiently stamped instrument under the Karnataka Stamp Act. In this update, we discuss the ruling of the Supreme Court.

[Read more](#)

### 4. Regulatory Update: SEBI Guidelines on borrowings by AIFs and extension of tenure by LVFs

Recently, the Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (AIF Regulations) were amended with respect to: (a) borrowing norms for Category I and Category II Alternative Investment Funds (AIFs); and (b) maximum permissible limit for extension of tenure by Large Value Funds. In this update, we have outlined the guidelines brought into effect by the amendment.

[Read more](#)

### 5. Regulatory Update: Securities Contracts (Regulation) Amendment Rules, 2024

Recently, the Ministry of Finance has amended the Securities Contracts (Regulation) Rules, 1957 *vide* a notification dated 28 August 2024. The amendments aim to simplify listing requirements for Indian public companies on international exchanges within the International Financial Services Centres and to facilitate easier access to global capital for Indian companies. In this update, we have summarised the amendments.

[Read more](#)

### 6. Explosion in Derivatives Trading: Regulatory Measures to Shield Retail Investors

The Securities and Exchange Board of India (SEBI) on 30 July 2024 has proposed measures to restrict the participation of retail investors in trading of Futures and Options Derivatives. We have analysed the feasibility of SEBI's proposed regulatory measures, including increased contract sizes, stricter margin requirements, and limitations on weekly options expiries.

[Read more](#)

## 7. EPFO: Revision to rate of damages payable by employers

On 14 June 2024, the Employees' Provident Fund Organization, Ministry of Labour and Employment introduced certain amendments to the Employees' Provident Funds Scheme, 1952, Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976. In this update, we have summarised the revision in rate of damages applicable pursuant to the amendments.

[Read more](#)

## B. TAX

### 1. GST Update: Circulars issued post the 54th GST Council Recommendations

Pursuant to recommendations of the 54<sup>th</sup> GST Council meeting held on 9 September 2024, the Central Board of Indirect Taxes and Customs has issued various clarificatory circulars. We have summarized the circulars below and explained the clarifications which should put to rest certain ambiguities faced by the industry.

[Read more](#)

### 2. GST Update – 54th GST Council Meeting Recommendations

The 54<sup>th</sup> Goods and Services Tax (GST) Council meeting was held on 09 September 2024. The Council has made several recommendations, primarily relating to changes in GST rates, relief to be provided to individuals, measures for facilitation of trade and measures for streamlining compliances in GST. to tax as "perquisite" under the head of "salary", given the wide ambit of clause (vi) of section 17(2) of the IT Act. In this update, we have captured the key recommendations.

[Read more](#)

### 3. "Royalty" paid on mines and mineral lands is not a "Tax" affirms Supreme Court

On 25 July 2024, the Supreme Court of India through an 8:1 majority, upheld the right of State Governments to impose taxes on mines and mineral-bearing lands. The Supreme Court also ruled that royalties payable on extracted minerals do not constitute a tax. In this article, we discuss the ruling of the Supreme Court.

[Read more](#)

## C. DISPUTES

### 1. Pre-institution Mediation Mandatory for Counterclaim under the Commercial Courts Act

In this update, we discuss the mandate of pre-institution mediation provided under Section 12A of the Commercial Courts Act, 2015 in the light of the recent Delhi High Court judgment of *Aditya Birla Fashion v. Mrs. Saroj Tandon*. The said judgment has laid emphasis on following the mediation process before filing of a counterclaim in a commercial suit.

[Read more](#)

### 2. Time limit prescribed under 29A applicable to arbitrations invoked post-2015 Amendment

Recently, the Delhi High Court in *M/S Chinar Steel Industries v. Ircon International Limited* had the opportunity to consider if the time limit prescribed under Section 29A of the Act applies to arbitrations that commenced even before the 2015 Amendment. The Court investigated the issue that whether the same is applicable when the arbitral tribunal "entered reference" only after the 2015 Amendment. In this update, we discuss the ruling of the Delhi High Court.

[Read more](#)

### 3. Navigating Blacklisting: Key Takeaways from Supreme Court Ruling

On 7 August 2024, the Supreme Court of India in *The Blue Dreamz Advertising Pvt Ltd. & Ors. vs. Kolkata Municipal Corporation & Ors.* delivered a significant judgment deciding upon the validity of a blacklisting order issued by the Kolkata Municipal Corporation. The Supreme Court ruled that blacklisting is akin to “civil death” and should not be resorted to in case of a genuine dispute between the parties. In this update, we discuss the ruling of the Supreme Court.

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#### Our co-ordinates:

##### Mumbai

B2-201, Marathon Nextgen Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra 400013

Email: [al@acuitylaw.co.in](mailto:al@acuitylaw.co.in)