

ACUITY LAW

## AI INSIGHTS

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## ABOUT ACUITY LAW

Acuity Law was founded in November 2011. 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 - Corporate practice; the Direct Tax practice; the Disputes practice; and the Global Trade and Indirect Tax practice.

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

- Mergers and acquisitions;
- Distressed mergers and acquisitions;
- Insolvency law;
- Private Equity;
- Venture Capital including venture debt 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 December 2024 on key legal and regulatory topics. Please click on the access links to read more.

## A. CORPORATE

### 1. Reporting Requirements: Inclusion of Mutual Fund Units under the SEBI (Prohibition of Insider Trading) Regulations, 2015

On 22 October 2024, the Securities and Exchange Board of India (SEBI) issued a circular to streamline the implementation of the amendment to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) that includes mutual fund units under its scope. This update outlines the key provisions introduced by the circular alongside amendments to the Master Circular for mutual funds.

[Read more](#)

### 2. SHe-Box Portal: A step towards better implementation of POSH redressal

The Ministry of Women and Child Development (MCD) has launched the 'SHe-Box' portal, designed to serve as a central repository for complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (POSH Act). The portal aims to streamline monitoring and disposal of complaints by enabling real-time tracking across both government and private sector workplaces. This update highlights the portal's purpose, working mechanism, and its features for maintaining confidentiality and ensuring effective reporting.

[Read more](#)

### 3. e-Shram Portal: enhancing safety net of unorganized sector

Over the past decade, gig-workers have become central to the growth of online platform aggregators in sectors like food delivery, transportation, and e-commerce. However, due to their temporary employment status, gig-workers remain outside the traditional labour law framework. This update discusses the rise of gig-work, legislative efforts to recognize and protect these workers, and the launch of the e-Shram Portal to facilitate the registration and access to social security schemes for unorganized workers, including gig-workers.

[Read more](#)

### 4. Mere conviction by an internal committee is not enough to withhold gratuity

The Delhi High Court in *Punjab National Bank v. Shri Niraj Gupta and Anr* has ruled that the findings of an Internal Committee (IC) under the POSH Act, which addresses workplace sexual harassment, are insufficient to withhold gratuity unless accompanied by a criminal conviction. In this article, we have analysed the decision and given our views on it.

[Read more](#)

### 5. TReDS Registration: New Turnover Criteria for MSMEs

On 7 November 2024, the Ministry of Micro, Small and Medium Enterprises issued a notification lowering the threshold for mandatory onboarding onto Trade Receivables Discounting System (TReDS) platforms. Companies with a turnover exceeding ₹250 crores (previously ₹500 crores) and all Central Public Sector Enterprises must now onboard by 31 March 2025. This update outlines the TReDS Mechanism for MSME invoice settlement and key changes introduced by the notification.

[Read more](#)

### 6. Supreme Court rules that for listings, approval from the company's shareholders is mandatory

The Supreme Court of India ruled in *Jyoti Limited v. BSE Limited & Anr.*, affirming that shareholder approval is required under Section 62(1)(c) of the Companies Act for debt-to-equity conversions. The judgment emphasized

that asset reconstruction companies, despite their powers under the SARFAESI Act, must comply with corporate governance norms. In this article, we have analysed the decision alongside its implications for debt restructuring.

[Read more](#)

7. **Ambiguities in SEBI's Insider Trading Amendment: A Closer Look at 'Sharing Household or Residence'**

On 4 December 2024, SEBI issued the third amendment to the PIT Regulations, expanding the definition of 'connected person' to include individuals sharing a household or residence with a connected person. This update analyses SEBI's approach to address the gap highlighted in 2022 in the case of *Balram Garg & Ors. v. Securities and Exchange Board of India* and its consequences.

[Read more](#)

8. **SEBI introduces 'Summary Proceedings': Key Changes to the SEBI (Intermediaries) Regulations, 2008**

On 4 December 2024, SEBI introduced the Securities and Exchange Board of India (Intermediaries) (Second Amendment) Regulations, 2024, which introduced a new Regulation 30A providing for summary proceedings for certain violations by intermediaries. This update outlines key provisions, including grounds for summary proceedings, response timeframes, post-order compliance, etc.

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B. **TAX**

**Reverse Flipping – An Overview of the Legal, Tax and Regulatory Regime in India**

The phenomenon of 'reverse flipping' is gaining momentum among Indian-origin start-ups, where companies integrate foreign parent entities into their Indian subsidiaries. This strategic move is fuelled by India's growing consumer base and favourable regulatory conditions. This update examines the two main structures for achieving reverse flipping — Inbound Mergers and Share Swap Transactions, along with the associated legal, regulatory, and tax implications.

[Read more](#)

C. **INSOLVENCY**

**Supreme Court clarifies the withdrawal process in BYJU's insolvency**

In *GLAS Trust Company LLC v. BYJU Raveendran & Ors.*, the Supreme Court of India ruled that a Corporate Insolvency Resolution Process (CIRP) cannot be withdrawn via private settlement without following the procedural safeguards outlined in the Insolvency and Bankruptcy Code, 2016. In this article, we have analysed the decision and given our views on it.

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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)