



NEWSLETTER ^{Weekly}

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SECURITIES AND EXCHANGE BOARD OF INDIA

1. Clarification with respect to advertisement code for Research Analysts (RAs)

On October 24, 2024, the Securities and Exchange Board of India (SEBI) issued a circular addressing the advertisement code for Research Analysts (RAs). This clarification follows inquiries regarding whether research reports and recommendations issued by RAs are subject to advertisement regulations. SEBI clarified that such reports are not classified as advertisements unless they promote the RA's products or services. The circular specifies that communications falling under the advertisement code include various forms of media, such as pamphlets, brochures, and digital communications. However, a research report will be deemed an advertisement if it promotes the RA's offerings, whether explicitly or implicitly. This clarification aims to protect investors' interests and regulate the securities market more effectively.

For more information, you can access the SEBI circular here: <https://www.sebi.gov.in/legal/circulars/oct-2024/clarification-with-respect-to-advertisement-code-for-research-analysts-ras-87945.html>

2. Modification in Annexure to Common Application Form (CAF)

Securities and Exchange Board of India (SEBI) issued a circular on October 22, 2024, introducing modifications to the Common Application Form (CAF) for Foreign Portfolio Investors (FPIs) based in International Financial Services Centres (IFSCs). This update follows SEBI's previous circular from June 27, 2024, which allowed flexibility for up to 100% aggregate contribution by Non-Resident Indians (NRIs), Overseas Citizens of India (OCIs), and Resident Indians (RIs) in FPIs regulated by the International Financial Services Centres Authority (IFSCA). The circular inserts a new option under Section B-II, applicable to applicants based in IFSCs, confirming that NRI/OCI/RI contributions can exceed 50% of the FPI's corpus, provided single NRI/OCI/RI contributions remain below 25%. The circular also outlines the necessary documents and declarations for such participation, effective immediately. Depositories are required to update their CAF modules accordingly.

For more information, you can access the SEBI circular here: <https://www.sebi.gov.in/legal/circulars/oct-2024/modification-in-annexure-to-common-application-form-caf-87849.html>

3. Association of persons regulated by the Board and their agents with certain persons

Securities and Exchange Board of India (SEBI) released a circular on October 22, 2024, detailing new regulations concerning associations among persons regulated by the Board, including stock exchanges, clearing corporations, and depositories. As per the amended regulations, these entities and their agents are prohibited from associating with individuals who provide investment advice or make performance claims related to securities unless they are registered with SEBI. The restrictions do not apply to associations through specified digital platforms that meet SEBI's criteria for preventive and curative measures. Additionally, entities are required to terminate contracts with individuals engaged in unauthorized advisory roles within three months of the circular's issuance. The circular aims to safeguard investor interests and ensure compliance within the securities market. It operates under the authority granted by the SEBI Act, 1992, and related regulations, and the guidelines for digital platforms will be specified separately.

For more information, you can access the SEBI circular here: <https://www.sebi.gov.in/legal/circulars/oct-2024/association-of-persons-regulated-by-the-board-and-their-agents-with-certain-persons-87837.html>

4. Inclusion of Mutual Fund units in the SEBI (Prohibition of Insider Trading) Regulations, 2015

On October 22, 2024, the Securities and Exchange Board of India (SEBI) issued a circular to enhance the regulatory framework regarding insider trading in mutual fund units. Following an amendment notified on November 24, 2022, mutual fund units will be included under the SEBI (Prohibition of Insider Trading) Regulations, 2015, with implementation starting on November 1, 2024. To facilitate this, a working group provided recommendations that led to several decisions, including mandatory quarterly disclosures by Asset Management Companies (AMCs) of holdings by designated persons and trustees, starting with data as of October 31, 2024. Additionally, transactions involving mutual fund units exceeding INR 15 lakhs must be reported to the AMC's Compliance Officer within two business days. The circular also modifies existing guidelines to ensure that the insider trading regulations take precedence over previous investment restrictions for AMCs and their employees.

For more information, you can access the SEBI circular here: https://www.sebi.gov.in/legal/circulars/oct-2024/inclusion-of-mutual-fund-units-in-the-sebi-prohibition-of-insider-trading-regulations-2015_87833.html

MERGER AND ACQUISITIONS

1. Adani's Ambuja Cements acquires Orient Cement for Rs. 8,100 crore from CK Birla group.

Consolidating its position in the cement sector, Adani group's Ambuja Cements on Tuesday announced the signing of a binding agreement for the acquisition of Orient Cement Ltd (OCL) at an equity value of Rs 8,100 crore from the CK Birla group. The latest Adani move is set to intensify the competition between the Adani's and the Aditya Birla group for supremacy in the cement sector. UltraTech Cement of Aditya Birla group recently acquired 32.72 per cent stake in India Cement for Rs 3,945 crore from N Srinivasan and family. Both the groups were on an acquisition spree in the cement sector in the last three years. Ambuja will acquire 46.8 per cent shares of OCL from its current promoters and certain public shareholders. The acquisition will be fully funded through internal accruals. While UltraTech was also in talks to buy OCL, the Adani's finally managed to clinch the deal

COMPETITION COMMISSION OF INDIA

1. CCI approves the proposed acquisition of Aavas Financiers Limited by Aquilo House Pvt. Ltd.

Aavas Financiers Limited (Acquirer) is a newly incorporated entity, wholly and indirectly held by the Relevant CVC Funds which are certain investment funds or vehicles managed and/or advised by members of the CVC Network. The "CVC Network" or "CVC Group" is a global alternative investment manager focused on private equity, credit, secondaries and infrastructure, consisting of CVC Capital Partners plc. (CVC PLC) and each of its subsidiaries from time to time. CVC PLC is a public limited company whose shares are listed and admitted to trading on the Euronext Amsterdam Stock Exchange. Aavas Financiers Limited (Target) is registered with the National Housing Bank as a non-deposit taking housing finance company. In India, the Target's business activities include: (A) provision of (a) Home loans; (b) MSME business loans; (c) Loan against property; and (B) Distribution of life, health, and general insurance products to Target's customers only.

For more information, you can access the press release here: <https://www.cci.gov.in/media-gallery/press-release/details/445/0>

2. CCI approves an increase in the percentage shareholding of Bharti Airtel in Indus Towers pursuant to buy back of shares by Indus Towers.

The Commission approves an increase in the percentage shareholding of Bharti Airtel Limited (Bharti Airtel) in Indus Towers Limited (Indus Towers) to 50.005% pursuant to buy back of shares by Indus Towers. Bharti Airtel is a communications solutions provider, operating under the brand name "Airtel". Indus Towers is a passive telecom infrastructure provider. It deploys, owns, and manages passive telecom infrastructure for various mobile operators.

For more information, you can access the press release here:
<https://www.cci.gov.in/media-gallery/press-release/details/444/0>

RESERVE BANK OF INDIA

1. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption due on October 23, 2024 (Series IV of SGB 2017-18 and Series II of SGB 2018-19)

In terms of GOI Notifications F. No. 4(25) – W&M/2017 dated October 06, 2017 (SGB 2017-18 Series IV - Issue date October 23, 2017) and F. No. 4(22) – B(W&M)/2018 dated October 08, 2018 (SGB 2018-19 Series II-Issue date October 23, 2018) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the next due date of premature redemption of the above tranches shall be October 23, 2024. Further, the redemption price of SGB shall be based on the simple average of closing gold price of 999 purity of previous three business days from the date of redemption, as published by the India Bullion and Jewellers Association Ltd (IBJA). Accordingly, the redemption price for premature redemption due on October 23, 2024, shall be ₹7,796/- (Rupees Seven Thousand Seven Hundred and Ninety-Six only) per unit of SGB based on the simple average of closing gold price for the three business days i.e., October 18, 21 and 22, 2024.

For more information, you can access the press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58953

2. Minutes of the Monetary Policy Committee Meeting, October 7 to 9, 2024

The 51st meeting of the Monetary Policy Committee (MPC) of the Reserve Bank of India was held from October 7 to 9, 2024, where all members attended, including Governor Shaktikanta Das. The MPC decided to maintain the policy repo rate at 6.50%, unchanged for the tenth consecutive meeting, while shifting its stance to 'neutral' to support growth amidst evolving macroeconomic conditions. The committee projected a real GDP growth of 7.2% for 2024-25 and CPI inflation at 4.5%. The MPC emphasized the importance of aligning inflation with targets while remaining vigilant to risks from global geopolitical tensions and commodity price fluctuations. The minutes of this meeting will be published on October 23, 2024, with the next meeting scheduled for December 4 to 6, 2024

For more information, you can access the press release here:
https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58958

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