JETIR.ORG ISSN: 2349-5162 | ESTD Year : 2014 | Monthly Issue
JOURNAL OF EMERGING TECHNOLOGIES AND INNOVATIVE RESEARCH (JETIR)
An International Scholarly Open Access, Peer-reviewed, Refereed Journal

SPAC TRANSACTION : AS AN ALTERNATIVE TO TRADTIONAL IPO

Pulkit Nandan
BBA.LLB , 7th Semester
KIIT School of Law, (Kalinga Institute of Industrial Technology), Bhubaneswar

Abstract

SPAC (Special Purpose acquisition company) transactions have quickly risen in popularity around the globe in the recent decades. In this article, SPAC as a concept is discussed, analysed and studied. For starters, SPAC is a kind of company that is incorporated without any commercial operation in mind and does not have a lot going on, in terms of business activity rather, it aims to get listed on a stock exchange and raise capital through IPO (initial public offering). Once the funds have been collected through the IPO, the SPAC company, acquires or merges with an existing private company known as the target company. This leads to the target company, being absorbed into the SPAC and it becomes a public company, without having to go through the process of IPO. Investors or sponsors of a SPAC company range from private equity firms and high net worth individuals to retail investors. It would not be wrong to state that, SPACs are like dormant or shell companies, which are only there to acquire the target. Targets are generally, identified after a SPAC company has been incorporated. In addition to this, a SPAC company (depending on the Articles of Association) may also have to return the investment it has raised through the IPO, to its investors if in case, it fails to acquire the target company within a few years of getting listed. This article starts with discussion about the history and reasons of emergence of SPAC companies' and then it analyses the viability of SPAC transactions as a way of getting listed for a private company. Then it goes over the differences and advantages of SPAC transactions over traditional IPOs. In addition to that, it also looks into working of a SPAC company and its **structure**. **SPAC transactions** also involves many stakeholders like **sponsors**, **target company** and the investors. This article also explains about the roles of all the stakeholders in a SPAC transaction. Towards the end of the article, SPAC transactions' rise in India and the kind of **legal framework**, that is present for these SPAC transactions is brought to light. It is no doubt that, SPAC companies are on the rise and SPAC transactions have been taking off in popularity in the last few years across the globe, as a viable alternative to the traditional IPO. It would be really interesting to find out, about the long term impact on the financial market from SPAC transactions and how this concept is slowly, taking over in emereging markets like India. Like every business restructuring, there are also risks and challenges that are involved in SPAC

transactions. The article analyses how these risks matter in a SPAC transaction. Last but not the least, it goes over some popular examples and cases of SPAC transactions both in India and abroad.

Key words: **SPAC (Special purpose acquisition company**), **process** & **structure, SPAC transactions, sponsors, target company, legal framework**

Introduction

SPAC is a term that is given to companies that have formed with the objective to raise funding through an initial public offering(IPO) and use the proceeds to acquire one or more target companies that are not listed. The company that is acquired by the SPAC is called the "target company". The funds and proceeds of a SPAC company are held in a trust account.

Another important aspect of SPCAs is that they generally, involve a combination of sponsors and investors that are high net worth individuals and retail investors. The power and reputation of these sponsors matter a lot from the standpoint of attracting more investment in the SPAC company. According to some data, from the beginning of 2014 and through the year 2017, almost 80 SPAC IPOs have closed in US alone. They have collectively raised around $19 billion dollars. There popularity in the recent time, shows no sign of slowing down.

SPACs have actually been around in the US for quite some time. SPAC as a concept was first developed by David Nussbaum in 1993. New York Stock Exchange started allowing SPACs in 2017. SEC (Securities and Exchange Commissions) has also stepped up its framework around SPACs over the years, as they have got more popular. All this has happened with the aim to increase and improve the quantity and quality of SPACs being launched each year.

Since the 1990s, over 500 SPCAs have been listed in the US and have raised billions of dollars in funding, but there is also a new and more robust surge in popularity of SPACS in the recent years. The format and whole process of SPAC has been the same over the years and involves the same basic stakeholders. They are, as discussed before, Sponsors or (the investors), Target company (the private company aimed to be acquired) and the SPAC company itself. The target company plays a big role in determining the success of a SPAC company. In the sense that, if the target company is successful, it would mean more investors would be ready to invest in the SPAC.

The SPAC companies may also be referred to as shell companies or "blank check companies" which are similar to a dormant company in India under Section 455 of Company's Act, 2013. These companies are called by such names as they have no substantial or real business operation. Their main aim is to acquire a target company, so they use the funding they have raised, solely for this single purpose. A more detailed explanation of SPAC transactions and its procedures and rules is available the later part of this article.

One of the primary reasons behind SPAC companies and transactions booming in popularity is that, it has clear advantages over traditional IPO. Traditional IPOs are very lengthy, paperwork heavy and time consuming, on the other hand, SPAC transactions are easier plus the target company benefits from the experienced sponsors of the

SPAC. It is also great backdoor to being listed for a target company. More on the aspect of advantages and disadvantages, has been discussed later in the article.

The growth of SPACs, in the recent years, has expanded beyond US and has turned into a global phenomenon. It becomes evident when one observes, how it has taken off in various nations. For example, in UK, regulators attempted to include regulations regarding SPAC transactions at end of 2021 in a bid to attract more SPAC listings to London Stock Exchange and in another development, Stock Exchange of Hong Kong also developed its very own SPAC framework in 2021 in order to recognize SPACs.

However, when it comes to India, there is not much in terms of regulations and that is why SPAC companies are not allowed to be incorporated in India. Officially as well, India stock exchanges or SEBI (Securities and Exchange board exchange of India), do not recognize SPACs but word on the street is that, SEBI is in the process of developing a framework for listing of SPACs on Indian stock exchanges. In the meantime, however, some Indian companies have already taken the route to get listed as SPACs in US stock exchanges.

Advantages of SPAC transactions over traditional IPOs

Before diving into the working and advantages of SPAC transactions, it would be great to understand a little bit about a traditional IPO and amount of formalities involved in it. First and foremost, when a company is going for an IPO and wishes to get listed then it has to follow all the rules and regulation framed by the capital market regulator (that is for example SEBI in India) and all the bylaws prescribed by the stock exchange in which the company is planning to get listed.

For any company, going public and issuing IPO is a big deal, it affects everything from its working to its ownership and the level of scrutiny a company is subjected to. In addition to that, it can take anywhere from 6 months to a year for the whole IPO process to go through. In India, SEBI has made several qualifications that a company must meet in order to go for an IPO. Some of these qualifications are – 1. The company should have a net worth of at least one crore rupees in each of the previous three years. 2. The company should have at least Rs 3 crore in net tangible assets in each of the previous three years. 3. The company should have an average operating profit of at least fifteen crore rupees (pre-tax) in each of any three years among the previous 5 years. And if the company has acquired a new name, then 50% of the total revenue earned in the previous one year should have come from the activity performed by the company after assuming the new name. 4. The total value of the issue size of the IPO by the company should not be more than five times the net worth of the company before the issue of the IPO.

In addition to the above regulations, Stock exchanges like National Stock exchange or Bombay Stock Exchange prescribe many additional by laws that have to be followed, like restrictions imposed on companies which have defaulted on loans and liabilities or companies that are under investigation, then there are also various qualifications and disclosures that a company has to make about the directors and percentage of promoter holding that a company will keep, after getting listed.

So all these regulations at the end, add up and result is that the traditional IPO route becomes really time consuming and riddled with paperwork. A traditional IPO can also be very expensive, requiring a company to hire many middlemen and agents like brokers, merchant bankers and undertakers.

Therefore, in order to go round all these regulations and scrutiny but still get the benefits of being publicly traded, companies have only one other option, that is, SPAC transaction. However, the process of SPAC transaction is actually controlled by the SPAC company and is not generally in the hands of target company, as SPAC has the power to decide the target company depending on the decision of sponsors and kind of funds the SPAC company has been able raise through its IPO.

In a way, it's a win win situation for both the companies, as the target company enjoys the benefits of a listed company and the SPAC company gets indirect gain from being the owner of the target company. Below are some of the benefits of a SPAC transaction in bullet point format:

❖ SPACs allow privately held companies to go public in a faster manner than through traditional IPO process and this is part of the reason, why SPACs are getting more popular in the recent time.
❖ SPAC transactions have emerged as a robust alternative to IPOs. They are as effective as IPOs and yet a more time saving and efficient way of raising funds. Additionally, SPACs also offer the opportunity to raise funds through common/equity shares rather than preferred shares.
❖ SPAC investors are high net worth sponsors and (depending on the articles of association), do have the option to get redemption if the SPAC company is unable to acquire a target, due to either disagreement between the SPAC investors or failure of the SPAC transaction itself.
❖ SPAC companies' promoters, sponsors and directors are highly experienced individuals and can greatly benefit the target company after the merger/acquisition as the case maybe is completed. Other retail investors may also feel more confident that their money is in safe hands and they have the option of redemption.

So as it can be clearly seen that SPAC transactions are greatly beneficial for all the stakeholders that are involved, for instance, the target company gets to skip the traditional and lengthy IPO. Sponsors feel confident as they have the option of redemption, and finally if the deal goes through, they will have a stake in a profitable target company. Finally, the SPAC company itself also benefits as it becomes the owner of the target company after the acquisition.

A SPAC company goes through three broad phases in its lifetime, the first is the IPO phase, in which a SPAC is incorporated and raises money through an IPO. The next phase is the search and negotiation phase, in which a SPAC company looks for a potential target company which shows good prospects and enters into negotiation with the selected target company and the last phase is the closing phase in which the acquisition or merger (as the case maybe) is executed and the private target company becomes public.

SPAC Transaction and Its Structure

In most instances, a SPAC company is established by an experienced management team and high net worth sponsor. Sponsor could be anyone, like celebrities or famous business personalities etc. Sponsors' investment in the SPAC company is generally restricted to around 20% stake or shareholding in a SPAC company. The rest, 80% shareholding is held by public shareholders (retail investors) through an IPO. The proceeds of the IPO are then utilized to acquire the target company but some SPACs would also invest some of the proceeds collected through IPO in other areas like short term government securities or bonds so the reserves are not sitting idle.

A standard set of agreements and documents are followed and entered into during the incorporation of a SPAC. Over the years, these agreements have slowly become ubiquitous when talking about any SPAC company. Some of these agreements are –

- ❖ The Constitutional documents – The building blocks of a SPAC company like memorandum of association (MOA) and articles of association (AOA) are not too different from constitutional documents of other companies, but that being said, they include various clauses that make them a little bit unique.
  For example, they provide for establishment of two sets of shares in a SPAC, i.e., public shares and sponsors shares. They will also include the details about the ratio of shares between the sponsors and public retail shareholders, which is typically kept at around 20: 80 but can be altered later as per requirement. They also provide the details regarding the trust agreement between the SPAC and the shareholders. AOA contains the details regarding how and when the proceeds of the IPO maybe used.
- ❖ Securities purchase agreement – This is an agreement that is signed between the sponsors and SPAC company. The document includes details regarding rights and privileges the enjoyed by the sponsors. It also contains a clause regarding the maximum holding of sponsors' allowed in the SPAC. The option to have or not have flexible shareholding pattern (that can be changed) in the future is also discussed in this agreement.
- ❖ Promissory note – A promissory note between the sponsors and the SPAC company is also often observed in SPACs. This loan agreement typically happens before the IPO. During this time (before the IPO) a SPAC company needs a lot of funds and investment to start the IPO process and to pay all the intermediaries required in an IPO. Therefore, the sponsors would often provide the SPAC company with some funding in order to meet the expenses of the IPO and once the SPAC has closed the IPO and has collected the proceeds, these loans are paid back plus proceeds may be used for any other expenses.

There are various other possible agreements and contracts that may be entered into, during the initial phase of a SPAC company but it highly depends on the objectives, nature and sponsors of that SPAC. Some of these more exclusive agreements include Private placement agreement, Registration rights agreement and so on.

Since the SPAC company itself has no traditional business activity, the registration process in most cases is fairly straightforward. A SPAC is always incorporated as a bank check or shell company. Moreover, SPACs also have a trust agreement and a trustee that is appointed to take care of the proceeds raised in the IPO. The proceeds are managed by the trustee until sponsors and shareholders decide the right target company. It is important to note that if the SPAC fails to identify a suitable target company within two years of its incorporation, then the investors can pull out and get their investment redeemed.

On the other hand, if the fundraising is successful and a good target company has been identified, the SPAC company will go ahead with the acquisition or merger (as the case maybe) with the target company. The target company is always a private company looking get listed without an IPO. It is imperative to note, that shareholders and sponsors have the full say in the choice of the target company. Shareholders have the power to vote against or for any potential merger or acquisition. They may also redeem their shares if they are not satisfied or happy with the selected target company. So it goes without saying, that consensus is a very important element in a SPAC company.

Below are the basic criteria that a SPAC company normally looks into before deciding to acquire or merger with a target company:

❖ Deal size: In most cases, SPACs look for companies that are successful and boast a profitable and healthy business model in the foreseeable future. A target company that has no problems in financial statement, good prospects and a bigger size than the SPAC company itself is preferred.
❖ Industry: A lot also depends on the industry or sector, the sponsors and shareholders wish to invest in. It can be anything from Industrial Technology to media industry or fintech. Once a suitable industry is identified then the search for a target company begins.
❖ Public company reediness: After being acquired, the target company will also be deemed to be a public company, so SPACs always look for target companies that are ready to face the regulations and challenges of becoming a public company. It involves having good financial prospect, ability to meet all the debts and demand and ability of the target company to fulfil parodic reporting requirements.
❖ SPACs financial conditions: A target company choice will also be determined by how much money the SPAC has been able to raise through IPOs and how much support it has received from the investors. For example, a target company may simply be out of financial reach of the SPAC company.
❖ Due Diligence: Last but not the least the SPAC will always go for extensive due diligence of the target company. It will involve everything from documents to history to future business plans and so on.

So above were some key aspects, that a SPAC company has to go through before going ahead with any SPAC transaction. Another area which requires a discussion about SPAC transaction, is negotiation. Basically, the main issues that are involved between a SPAC company and target company.

It will not be wrong to say, that most of the negotiations relating to a SPAC transaction is not very different from negotiation in a normal acquisition or merger, nonetheless there are some special aspects related to SPAC transactions, like:

❖ Negotiation on valuation – Valuation of the deal between the SPAC and the target company is a key point of negotiation. On one hand the target companies' shareholder's negotiation upon the valuation and on the other hand shareholders of the SPAC company and sponsors negotiation the valuation of the target company. The importance of approval of all the shareholders in the SPAC company in relation to the deciding the valuation of the target company cannot be understated. If shareholders feel that the valuation is not fair or appropriate, then they have the option to pull out and redeem their investment in the SPAC.

- ❖ Negotiation on Equity holding – As previously stated, sponsors normally hold 20% of the shareholding in a SPAC company but this ratio is also negotiable and depends on the Articles of association. Sponsors may also change their shareholding pattern later on, depending on the need, like need to raise additional capital or to further attract retail shareholders.
- ❖ Deal certainty – Deal certainty involves sorting out any issues related to share purchase agreement, level of independence or changes in the target company after the SPAC transaction has taken place. Companies would also include a clause related to liability in case of any disputes or breach.
- ❖ Shareholders' agreement and rights – Involves deciding about the target company shareholders' consideration for selling their shares to the SPAC. Negotiations regarding consideration in both the cases, (where the shareholders receive cash or where they receive the shares of the SPAC company) are carried out and form the part of the agreement. Clauses in relation to the rights and liabilities of the shareholders of the both the companies are also instated.

In US, SEC (Securities and Exchange Commission) also has to gives its clearance, for any SPAC transaction to go through. SEC requires both the SPAC company and the target company shareholders to approve the acquisition /merger and once the proposed transaction is approved by the companies' respective shareholders, then the it may get the approval by the SEC for implementation. After the acquisition is over, the the SPAC company acquires the name of the target company (acquired company).

As it can be very clearly seen that US has extensive regulations that have been put in place for SPAC transactions like various securities laws, approvals and other things that are required to be followed through, in order to go for a SPAC transaction. But when it comes to India as discussed before, there is no recognition of SPAC companies or transactions so far. Therefore, the discussion on the structure and procedure of a SPAC transactions can only be based on the laws enacted in the US.

Risks Related to SPAC Transactions

Like every business transaction or restructuring, SPAC transactions also comes with risks. One of the major challenges that arises is that, SPAC mergers or acquisitions being still at nascent stage in many developing economies, that leads to always having a possibility of things going wrong or of incurring losses. Therefore, in addition to managing conventional risks like investors related risk, sponsors related risk or financial risk, a SPAC company must also carry out an extensive due diligence before acquiring or merging with any target company.

Risks related to a SPAC company for retail investors are generally, higher than typical IPO based companies. That is because, the target company, being acquired or merged by the SPAC does not have to go through any extensive disclosures or checks or scrutiny by the regulators like in normal IPOs. Investors have significant risk of frauds, bankruptcy and volatile returns when it comes to SPAC transactions.

Another risk associated with SPACs, particularly in India, is that it still does not have any official recognition by SEBI or the stock exchanges. There is a very real possibility that the regulators of capital market in India (SEBI) may never make these transactions legal. It could happen that the SPAC companies are never recognized. This risk is further increases, as SEBI has not set any fixed timeline for coming out with SPACs framework and It could be years before SEBI officially comes out with the framework for SPACs in India.

Other than the above mentioned general risks, there are also more specific and business oriented risks that may be associated with SPACs. These risks are discussed below –

- SPACs face the risk of being unsuccessful in finding a suitable target company within the set period of time (normally 2 years) after being listed. If this happens, SPAC will have to return all the investment and wind up and even when the investors have the right to pull out in case of failure the SPAC, there can be many regulatory and legal hurdles in the process of full redemption of investors investment.
- SPAC's sponsors, normally being celebrates or high net worth individuals may act carelessly or overplay the target company being acquired. This could ultimately lead to higher risk for investors or the SPAC deal may end up being unprofitable. That is why investors should avoid getting lured by famous celebrates without their own study when it comes to investing in SPACs
- A more general and obvious risk is the performance of the Target company. A lot depends on it. Target company being new to the public market after a SPAC transaction, may run into problems with the regulators. Another kind of risk that may be associated is that, the business model of the target company may not work out at the end. In any case if the target company fails, so will the SPAC.
- Litigation risk from retail investors is always high in SPAC companies. Sometimes, it is not easy for majority of the investors to come to a consensus about a single target company which could lead to more investors pulling out their money or litigating against the SPAC company for redemption.
- Last but not the least risk associated with SPACs, is the popularity of SPAC itself. As the time has passed, SPACs have gained massive popularity in many economies including the USA. This has led to tightening of regulations surrounding the SPACs. If this continues, it could ultimately defeat the whole purpose of SPACs itself. It should not be forgotten that SPACs became popular at the first place for being a faster and more efficient alternative to IPO

Regulations regarding SPACs in India

According to some data analysis, in the recent past (since 2015), there have been almost over 700 SPAC IPOs, and that number was around 250 SPAC IPOs in 2020 alone. After being so successful in USA, there is an increase in popularity of SPACs in other market (apart from USA) like in India. While SPAC transactions are not recognized in India yet and are still at a nascent stage, it has not stopped companies in India to get into a SPAC deal abroad.

As SPACs cannot be listed in India, the most common way, for Indian companies, to get into a SPAC transaction is through being acquired by SPACs in other nations where SPACs are recognized. That said, Indian residents are allowed to invest in SPACs, however such investments are guided by the prescribed annual limits set by SEBI and RBI. Currently this annual limit stands at $250 dollars per resident.

Word on the street is that the Indian regulators is in the process of developing a regulatory framework for SPACs. If successful, this would allow SPAC companies to get listed on Indian Stock Exchanges for the first time. According to some reports, the Company Law Committee, which was set up in 2019 to make recommendations on boosting ease of doing business in India, has also made certain suggestions regarding SPACs to the government.

A great example of a SPAC transaction in India would be of renewable energy producer ReNew Power, the company successfully made a deal to merge with another blank cheque company RMG Acquisition Corp. Another good example would be the StoneBridge Acquisition Corp which is a SPAC company incorporated in USA and listed in New York Stock Exchange. It aims to acquire many new age and growing start-ups in India. It has already raised close to $200 million.

In India however, blank cheque companies cannot be established under Indian laws. Company's Act 2013, clearly mentions that the registrar or (ROC) is allowed to strike off a commonly if it does not commence operations within a year of incorporation. As SPAC companies do not have any business activity therefore they cannot be a reality in India. On the other hand, SEBI also has no provision that allows for listing of SPACs.

A possible solution could be tweaking the law related to dormant companies, that is already present in Company's law, 2013. However, one can only speculate at this moment what steps the SEBI or the government might take in this regard. Despite SEBI not recognizing SPACs, there is one entity in India, that has come forward and recognized SPACs in India.

This happened thanks to the initiative taken in the Indian state of Gujarat by the state government, whereby the government is planning to set up, what it is calling the (GIFT City) or Gujarat International Finance tec-city. It is basically a business district being developed near the city of Ahmedabad. This district aims to incentivize and invite manufacturing companies to set up their base in the district. The district also boasts a large special economic zone which helps in bringing more business and companies to the district.

The regulatory and management body of this district is the (IFSCA) or International Financial Services Centres Authority. This body, recently released a consultation paper in which SPACs have been mentioned. In a nutshell, it is very close to allowing SPACs to get listed in the GIFT city. The proposed scheme defines some key aspects related to offer size, sponsors, minimum subscription and so on for SPACs. Let's go over some of the regulations IFSCA has developed related to SPACS –

1. A major risk that investors face which has also been discussed before, is the over excitement and carelessness of sponsors in a SPAC as they are most of the time celebrities of high net worth individuals. To mitigate this risk, IFSCA requires the sponsors to have a good track record in business restructuring activities.
2. The minimum issue size has been set to USD 50 Million and the minimum number of shareholders is kept at 50. Minimum subscription received according to the rules, must be at least 75% of the issue size.

3. Various regulations regarding lock in requirements of sponsors have been incorporated in the scheme, with provisions mandating holding of a sponsors to stay below 20% but not less than 15%.
4. The regulations also require that SPAC issuer should complete the business transaction/acquisition/merger within a 36 months period after the date of listing.
5. Various other regulations relating to disclosure norms related to IPO, prospectus and have been incorporated in the scheme.

Prominent Examples of SPACs in India:

In India as previously discussed there is no way a SPAC can get listed. This means, the only way SPACs transactions can work in India is when a SPAC listed in some other nation acquire or merger with a target company in India. This is how an Indian company can avail the advantage of a SPAC transaction. The evidence and the data shows that most of the SPACs listed abroad go for acquiring Indian tech companies and unicorns. When observed, there is a clear trend of increase in opportunities and examples of SPAC transactions in India.

While this trend might seem exciting but there are still many blockades and issues that India companies face when they go for a SPAC transaction. As SPAC transaction in India is between an Indian company and a foreign company, this transaction is technically a cross boarder merger or acquisition (as the case maybe). This fact alone complicate things, as not just NCLT (National company law tribunal) but also RBI (Reserve bank of India) has to be involved for all the approvals.

Another workaround many Indian companies go for, is going for a share swap agreement between the Indian company and the foreign SPAC company. Although this kind of an agreement run the risk of operating in a grey area and still requires a lot of RBI approvals. Despite all the challenges and problems with SPACs in India as explained in the above paragraphs, SPACs pack a huge potential in India, if and when they are recognized.

Conclusion

The world is definitely going through an unprecedented rise in SPAC transactions. There are different sets of challenges that SPACs are facing in different parts of the world. In developed markets like USA, SPACs face the risk of being overregulated and a slowdown in success rate. On the other hand, in India, these transactions are still at a nascent stage and not recognized by SEBI.

However, the SPAC route is no doubt still an excellent way for private companies that wish to go public without a cumbersome IPO. SPAC transaction is way quicker and efficient than IPOs. Success rate of SPACs depend upon regulators and how well companies evaluate the benefits and risks related to SPAC transaction. A private target company must be prepared to face the winds of the regulator before it goes for a SPAC transaction so it does not have to face nay challenges once its listed.

References

1.Sen, A. (2021) *SPAC and its growing relevance in India*, *EY US - Home*. EY India. Available at: https://www.ey.com/en_in/tax/spac-and-its-growing-relevance-in-india (Accessed: December 13, 2022).

2.Sharma, V. (2021) *Spacs in India – are we there yet? - shareholders - India*, *SPACs In India – Are We There Yet? - Shareholders - India*. Luthra and Luthra Law Offices India. Available at: https://www.mondaq.com/india/shareholders/1116764/spacs-in-india-are-we-there-yet (Accessed: December 13, 2022).

3.Mukul, P. (2022) *Explained: What are spacs for which a regulatory framework may be in the works?*, *The Indian Express*. TheIndianExpress . Available at: https://indianexpress.com/article/explained/everyday-explainers/what-are-spacs-regulatory-framework-may-be-in-the-works-7880394/ (Accessed: December 13, 2022).

4.*The basics of spacs* (2021) *SPAC Guide by ClearThink Capital*. Clear Think Capital. Available at: https://spac.guide/spacbasics/#:~:text=SPAC%20Trading-,What%20is%20a%20SPAC%3F,a%20%E2%80%9CBusiness%20Combination%E2%80%9D (Accessed: December 13, 2022).

5.Shah, P. (2022) *SEBI readies framework for SPAC listing in India*, *SEBI readies framework for SPAC listing in India - The Hindu BusinessLine*. The Hindu BusinessLine. Available at: https://www.thehindubusinessline.com/markets/sebi-readies-framework-for-spac-listing-in-india/article65430748.ece (Accessed: December 13, 2022).

6.Yadav, V. (2021) *The rise of special purpose acquisition companies (spacs)*, *Forbes India*. ForbesIndia. Available at: https://www.forbesindia.com/article/essec-business-school/the-rise-of-special-purpose-acquisition-companies-(spacs)/72229/1 (Accessed: December 13, 2022).

7.Young, J. (2022) *Special purpose acquisition company (SPAC) explained: Examples and risks*, *Investopedia*. Investopedia. Available at: https://www.investopedia.com/terms/s/spac.asp (Accessed: December 13, 2022).

8.Lenahan, B. *et al.* (2018) *Special purpose acquisition companies: An introduction*, *The Harvard Law School Forum on Corporate Governance*. Harvard Law School . Available at: https://corpgov.law.harvard.edu/2018/07/06/special-purpose-acquisition-companies-an-introduction/ (Accessed: December 13, 2022).