

# CORPORATE NEWSLETTER

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Co-Authored by:



Ms. Payal Dayal  
Partner



Ms. Shivani Wadhwa  
Senior Associate



Ms. Ritika Gupta  
Associate

# THE DIGITAL RUPEE: A PARADIGM SHIFT FOR INDIAN FINANCIAL LANDSCAPE

## Introduction:

Humanity's history is intricately woven with the evolution of money. From the cumbersome bartering of goods like livestock and grain to the seamless tap of a smartphone, our methods of exchange have undergone a remarkable transformation. Each innovation, from the standardized value of minted coins to the portable convenience of paper notes, has not only streamlined transactions but also unlocked new possibilities for economic growth and societal development. Today, on the cusp of another potential revolution, Central Bank Digital Currencies ("CBDCs") stand poised to redefine the financial landscape. These digital alternatives of currency promise to usher in an era of enhanced efficiency, security, and accessibility, further shaping the way we interact with and utilize money in the 21<sup>st</sup> century.

India's journey towards a digital-first financial landscape has been nothing short of phenomenal. The initial steps involved laying a secure foundation with electronic fund transfer systems like NEFT and RTGS, enabling high-value interbank transfers. This shift away from physical cash was then significantly amplified by the arrival of Unified Payments Interface ("UPI"). UPI's user-friendly mobile platform transcended social barriers by making instant and effortless digital transactions accessible for everyone, regardless of the amount. Now, India is taking another pioneering leap forward by exploring the uncharted territory of CBDCs.

On December 01, 2022, the Reserve Bank of India ("RBI") marked a watershed moment in the nation's financial history with the launch of digital rupee ("e₹"). This ground-breaking initiative signifies the official entry of India into the realm of CBDCs.

The digital rupee holds immense potential to revolutionize the Indian financial ecosystem even further. By offering a secure, universally accessible and potentially offline-enabled digital alternative, the e₹ has the power to not only empower the unbanked

population but also propel India to the forefront of the global digital payments revolution. This ongoing digital transformation promises to streamline transactions beyond current limitations, fostering greater financial inclusion and propelling India towards a more efficient and robust financial future.

## Understanding the Digital Rupee: How does it work?

*"Reserve Bank defines CBDC as the legal tender issued by a central bank in a digital form. It is the same as a sovereign currency and is exchangeable one-to-one at par (1:1) with the fiat currency."*<sup>1</sup>

India's CBDC is a legal tender issued by RBI in a digital form. It is akin to sovereign paper currency but takes a different form, is exchangeable at par with the existing currency and shall be an accepted medium of payment and a safe store of value.

The e₹ represents a digital embodiment of the traditional Indian Rupee, offering a secure and convenient alternative to physical cash. Unlike private cryptocurrencies, the e₹ remains firmly under the control of the RBI. This ensures stability and mitigates the risks associated with volatile, decentralized digital assets.

Unlike decentralized cryptocurrencies, the e₹ shall be operated within a regulated framework. With the recent amendments in the RBI Act, it appears that the RBI shall retain complete authority over its issuance and regulation. Functionally similar to online banking or mobile wallets, this digital token will facilitate seamless digital transactions.

The RBI creates tokens and issues them to the banks selected for the Digital Rupee Pilot Program called Token Service Providers (TSPs). The TSPs then distribute the tokens to interested parties/ customers. The digital Rupee tokens will work in the same way as bank notes/ coins, and you can use them in lieu of cash.

<sup>1</sup>Central Bank Digital Currency – Is This the Future of Money  
[https://www.rbi.org.in/Scripts/BS\\_SpeechesView.aspx?Id=1111](https://www.rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=1111)

# THE DIGITAL RUPEE: A PARADIGM SHIFT FOR INDIAN FINANCIAL LANDSCAPE

## CBDCs vs Digital Deposits in India

India's digital financial system relies on commercial bank deposits, essentially IOUs from the bank. A CBDC, like the e₹, is fundamentally different. It's a direct liability of the RBI, offering potentially greater security and even offline functionality. This distinction gives the RBI more control over money supply and monetary policy. The e₹ pilot program is testing these advantages to potentially reshape the future of digital money in India.

## India's Motivations for the Digital Rupee

This initiative by the Indian Government extends beyond simply introducing a digital form of currency; it seeks to address critical challenges and unlock new economic opportunities through a multi-pronged approach.

**Optimizing Resource Allocation:** Managing physical cash involves significant logistical and financial burdens for the government, financial institutions and businesses alike. Security, printing, transportation, and replacement of worn-out notes all contribute to these costs. The e₹, being entirely digital, eliminates these expenses, enabling a reallocation of resources towards more productive endeavors within the financial sector.

**Accelerating Digitization for a Less-Cash Economy:** India has witnessed a rapid rise in digital payments in recent years, but a significant portion of the population still relies heavily on cash. The e₹ serves as a catalyst to further accelerate the transition towards a less-cash economy. By offering a secure and convenient digital alternative, the e₹ can incentivize broader adoption of digital payments, fostering greater financial transparency and efficiency across the nation.

**Promoting Inclusive Growth Through Financial Inclusion:** Financial inclusion remains a critical challenge in India. The e₹, with its potential for wider accessibility through mobile wallets or potential offline functionality, has the power to empower

unbanked individuals. Streamlined account opening processes and the elimination of geographical barriers can pave the way for greater financial participation, particularly in rural regions.

**Enhancing Transactional Efficiency:** Cash-based transactions are often time-consuming, error-prone, and require laborious reconciliation. Additionally, managing large amounts of physical cash poses security risks. The e₹ offers a faster, more convenient, and secure alternative. Instant digital payments facilitated by the e₹ can significantly reduce processing times and transaction costs associated with handling cash. This translates into increased efficiency for businesses and quicker access to funds for individuals, ultimately contributing to overall economic growth.

**Strengthening Security and Transparency:** Cash transactions lack transparency, making them vulnerable to counterfeiting and illegal activities. The RBI's oversight of e₹ transactions allows for enhanced monitoring and real-time tracking. This can significantly reduce counterfeiting, facilitate easier identification of illicit financial activities, and strengthen the overall security and integrity of the financial system.

**Fostering Innovation for a Dynamic Financial Ecosystem:** The e₹ is not just a substitute for cash; it's a foundation for financial innovation. Its introduction can stimulate the development of novel financial products and services, such as new digital lending platforms or more efficient investment products tailored to individual risk profiles. A more dynamic and competitive financial ecosystem fueled by the e₹ can benefit businesses and individuals alike by offering a wider range of financial tools.

**Safeguarding Financial Stability with a Stable Digital Currency:** The growing popularity of cryptocurrencies has raised concerns about their volatility and potential risks to financial stability. The e₹, being a central bank-backed digital currency, offers a secure and stable alternative to these volatile

# RECENT CASE HIGHLIGHT

assets. This can help safeguard public trust in the national currency and ensure continued confidence in the Indian financial system.

## Key Objectives of the Pilot Program

The e₹ pilot program serves as a critical testing ground for the digital rupee. Here are some key objectives the RBI seeks to achieve:

**Technical Evaluation:** Assessing the underlying technology infrastructure of the e₹, its transaction processing efficiency, and scalability to handle a larger user base.

**User Adoption and Behavior:** Understanding user preferences, behavior patterns, and identifying potential barriers to adoption. This includes gauging user comfort with digital currency and potential concerns regarding security and privacy.

**Integration with Existing Systems:** Evaluating the e₹'s seamless integration with existing digital payment platforms and banking infrastructure. Ensuring a smooth transition and minimizing disruption within the financial ecosystem is paramount.

**Impact on Financial Inclusion:** Gauging the e₹'s potential to expand financial inclusion, particularly for unbanked or underbanked populations. The pilot program can provide valuable insights into how the e₹ can bridge the gap and empower those outside the formal financial system.

**Regulatory Framework Development:** Informing the development of a robust regulatory framework for governing the e₹ and mitigating potential risks. This includes establishing clear guidelines for issuance, redemption, and transaction oversight to ensure the safe and secure operation of the digital rupee.

## Current Stage and Future Outlook: A Cautious Yet Optimistic Approach

The ongoing pilot program is expected to be followed by a period of analysis by the RBI, where the gathered data and user feedback will be meticulously evaluated. Based on these insights, the e₹'s features might be refined, identified challenges addressed, and the pilot potentially expanded to include more users and locations. Additionally, a robust regulatory framework needs to be established for the e₹'s safe and secure operation within the Indian financial system.

India's current approach to CBDC development signifies a cautious yet optimistic outlook. The pilot program represents a crucial step towards potentially revolutionizing the way Indians interact with their finances. While a specific timeline for a full-scale rollout remains undisclosed, the ongoing initiative paves the way for a future where the e₹ could play a significant role in fostering financial inclusion, enhancing efficiency, and boosting innovation within the Indian economy.

## RECENT CASE HIGHLIGHT

### Hon'ble Supreme Court ("Hon'ble Court") Declines Special Investigation Team ("SIT")/ Central Bureau of Investigation ("CBI") Probe into Adani Group Stock Price Manipulation Allegation<sup>2</sup>:

The Hon'ble Court, in the matter of Vishal Tiwari v. Union of India and Others dated January 03, 2024, declined to order an investigation by either a SIT or the CBI into allegations of stock price manipulations by the Adani group as outlined in the Hindenburg Research report, as sought by the petitioners.

This judgement came after the series of events triggered by the Hindenburg Research report's publication in January 2023, which alleged malpractices by the Adani Group. Following this, Public Interest Litigations (PILs) were filed in the Court,

<sup>2</sup>(2024) 242 Comp Cas 464: 2024 SCC OnLine SC 15



seeking a court-monitored investigation into the matter. On March 02, 2023, the Court constituted a committee to investigate and examine any potential regulatory failure in the matter and also directed the Securities and Exchange Board of India (“SEBI”) to probe into the allegations against the Adani group. SEBI investigated the issue but came under fire for taking so long to come to a decision. The petitioner requested that the inquiry be moved to the CBI or SIT, citing worries about SEBI's protracted investigative process.

However, the three-judge bench affirmed that there were no grounds to doubt the ongoing investigation by the SEBI. The Hon’ble Court while rejecting transferring investigations from SEBI, stated that it can only involve in regulatory proceedings when there has been a clear infringement of someone's rights or when there is obvious arbitrariness. The Court stressed that any request for intervention or a transfer of inquiry must be backed by substantial evidence. The Court also upheld SEBI's amendments to the SEBI (Foreign Portfolio Investments) Regulations, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that these regulations had been appropriately tightened. Moreover, the SEBI was instructed by the Court to expedite ongoing investigations and take appropriate measures in the event that any legal violations are found. It rejected reliance on newspaper reports and the report of the Organized Crime and Corruption Reporting Project (OCCRP) to question SEBI's probe, emphasizing that such reports couldn't be relied upon as conclusive proof. While dismissing arguments about conflict of interest regarding the Expert Committee, the Court urged the Government of India and SEBI to consider the committee's recommendations for strengthening the regulatory framework. Furthermore, the Court cautioned against filing PILs without sufficient research and relying on unverified reports.

## REGULATORY UPDATES

### Ministry of Education’s Department of Higher Education introduces Guidelines for Registration and Regulation of Coaching Centre, 2024 (“Guidelines”)

On January 18, 2024, the Ministry of Education’s Department of Higher Education has introduced Guidelines<sup>3</sup> which are aimed at overseeing and curbing the uncontrolled expansion of private coaching centres. The rising incidence of student suicides, resulting in the tragic loss of lives and placing undue stress on students, coupled with various malpractices, prompted the government to intervene and regulate this sector. The New Education Policy (NEP) also acknowledged and deliberated upon the detrimental effects of the prevailing coaching culture.

The primary objective behind these Guidelines is to protect the interests of students enrolled in coaching centres. The Guidelines address a myriad of aspects, including the registration process for coaching centres, its conditions involved, documentation required for verification of registrations, infrastructure prerequisites, curriculum, class schedules, and more.

The key provisions for the Guidelines are as follows:

- i. Coaching Centres must register and periodically renew their registration certificates in accordance with the Guidelines.
- ii. Coaching Centres are prohibited from enrolling students below the age of 16 or those who have not completed their secondary school exams.
- iii. Misleading advertisements regarding coaching quality, resources or outcomes is strictly prohibited.
- iv. Coaching Centres must offer counselling programs, simple exit and money refund procedures and educational requirements for tutors.

<sup>3</sup>[https://www.education.gov.in/sites/upload\\_files/mhrd/files/Guideliens\\_Coaching\\_Centres\\_en.pdf](https://www.education.gov.in/sites/upload_files/mhrd/files/Guideliens_Coaching_Centres_en.pdf)

- v. Tutors must be qualified to teach at the graduate level or above and not have a record of morally repugnant crimes.
- vi. Coaching Centres must release prospectuses outlining course offerings and the fees must be reasonable and supported by receipts.
- vii. Guidelines put obligations on Coaching Centres to return tuition fees pro rata within ten days if a student withdraws from a course in the middle of the semester.
- viii. Coaching Centres, inter alia, must provide a minimum of one square meter for each student, adhere to fire safety regulations and offer first aid and medical support. It is necessary that the facilities must be fully electrified, well-ventilated spaces with CCTV installed.
- ix. Guidelines also provides that the curriculum must be completed within the allotted time, classes should not overlap with school hours and failing students must receive remedial support.
- x. Guidelines also provides that Coaching Centres should promote the participation of counsellors and experienced psychologists in the student's learning journey. Additionally, Career counsellors should also be engaged to assist coaching students in selecting career paths and aiding in college applications.
- xi. Penalties for violating Guidelines may include fines up to one lakh rupees and revocation of registration for subsequent offences.

## [SEBI issued circular regarding changes in reporting mechanism for investor protection and market regulation:](#)

On January 12, 2024, SEBI issued a circular bearing no SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/03<sup>4</sup> regarding "Ease of doing business - Change in reporting" ("**Circular**"), under the powers vested in SEBI under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 30 of SEBI (Stock Brokers) Regulations, 1992, and Regulation 51 of Securities Contracts

(Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, to safeguard investor interests and regulate securities markets.

SEBI has implemented various measures to ensure the protection of investors' collateral held by stockbrokers, including provisions in the SEBI master circular on Stock Brokers ("**Master Circular**") dated May 17, 2023. The Circular states that SEBI received feedback from stakeholders highlighting inefficiencies due to redundant monitoring mechanisms and challenges in uploading data to exchanges. To address this, SEBI advised industry associations to collaborate with Market Infrastructure Institutions (MIIs) through the Broker's Industry Standards Forum (ISF) to submit proposals for improvement. After considering their recommendations, SEBI decided to discontinue certain reports to streamline reporting processes and facilitate ease of doing business while ensuring continued supervision over client collateral by stock exchanges and clearing corporations.

Consequently, modifications have been made to the SEBI master circular, including the deletion of Clause 15.5.2 regarding the weekly data uploading by stockbrokers to the Stock Exchanges, removal of Table 5, Table 6 and Table 7 related to fund reconciliation and modification of Clause 15.5.3 to reiterate the "G Principle" for monitoring client's finances. The Circular will come into effect immediately and also directs the stock exchanges to notify brokers, release operational guidelines, make regulatory amendments and update SEBI on implementation progress.

## [Ministry of Corporate Affairs \("MCA"\) notifies the Companies \(Listing of Equity Shares in Permissible Jurisdictions\) Rules, 2024 \("LEAP Rules"\)](#)

MCA vide circular dated January 24, 2024<sup>5</sup>, has introduced the LEAP Rules which apply to both unlisted public companies and listed public companies adhering to regulations set by the Securities and Exchange Board or the International,

<sup>4</sup>[https://www.sebi.gov.in/legal/circulars/jan-2024/guidelines-for-aifs-with-respect-to-holding-their-investments-in-dematerialised-form-and-appointment-of-custodian\\_80614.html](https://www.sebi.gov.in/legal/circulars/jan-2024/guidelines-for-aifs-with-respect-to-holding-their-investments-in-dematerialised-form-and-appointment-of-custodian_80614.html)

<sup>5</sup><https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NDE1NzI3NjYy&docCategory=Notifications&type=open>

Financial Services Centres Authority established under Section 4 of the International Financial Services Centres Authority Act, 2019, which issue securities for listing on approved stock exchanges within permissible jurisdictions. The LEAP Rules states that unlisted public companies which are eligible for issuing its equity shares for listing in accordance with the LEAP Rules and which has no partly paid-up shares, may issue equity shares for listing on stock exchanges within these jurisdictions, including through offer for sale by existing shareholders, with strict compliance required as per the Direct Listing of Equity Shares of Companies Incorporated in India on International Exchanges Scheme made by the Central Government in the Ministry of Finance. Additionally, it further states that companies seeking listing on recognized stock exchanges in India must adhere to conditions as may be specified by the Securities and Exchange Board of India. The unlisted public company are also required to submit the prospectus in e-Form LEAP-1, as outlined in the Second Schedule, along with the requisite fees within seven days of finalization and submission on the permitted exchange. Following the listing of the company's equity shares on any of the stock exchanges within a permissible jurisdiction, compliance with Indian Accounting Standards specified in the Annexure to the Companies (Indian Accounting Standards) Rules, 2015 is mandatory for preparing financial statements. This requirement applies in addition to any other accounting standards necessary for financial statements submitted to the relevant securities regulator or stock exchange.

However, certain companies are ineligible for issuing their equity shares for listing in accordance with the LEAP Rules if they fall under the following criteria:

- i. they are registered under section 8 or declared as Nidhi under section 406 of the Act;
- ii. they are companies limited by guarantee and also have share capital;
- iii. they have outstanding deposits accepted from the public as per Chapter V of the Act and rules made thereunder;
- iv. they have a negative net worth, where "net worth" has the same meaning as assigned to it under clause (57) of section 2 of the Act;
- v. they have defaulted in payment of dues to any bank, public financial institution, non-convertible debenture holder, or any other secured creditor, except if the default has been rectified and two years have passed since then;
- vi. they have made an application for winding-up under the Act or for resolution or winding-up under the Insolvency and Bankruptcy Code, 2016 and if any such proceedings are pending against the company;
- vii. they have defaulted in filing an annual return under section 92 or financial statement under section 137 of the Act within the specified period.

## [Central Consumer Protection Authority \(“CCPA”\) releases the Draft of the Guidelines for the Prevention and Regulation of Greenwashing, 2024 \(“Guidelines for Greenwashing”\)](#)

On February 16, 2024<sup>6</sup>, the CCPA in exercise of the powers conferred by Section 18 of the Consumer Protection Act, 2019, has released the Guidelines for Misleading Advertisement for public comments till March 16, 2024. These Guidelines for Misleading Advertisement aim to combat deceptive practices in advertising in Coaching. The Guidelines for Misleading Advertisement defines “Misleading Advertisement” as same defined under Consumer Protection Act, 2019. The Guidelines for Misleading Advertisement are applicable to all advertisements, across various forms, formats and mediums. According to the Guidelines for Misleading Advertisement, a person is said to be engaged in Misleading advertisement if he employs practices such as concealing important course information, making false success claims without evidence, falsely attributing student success solely to coaching, creating false urgency any other deceptive practices undermining consumer choice.

<sup>6</sup><https://consumeraffairs.nic.in/sites/default/files/file-uploads/latestnews/Draft%20Guideline%20with%20approval.pdf>



The Guidelines for Misleading Advertisement also stipulates certain obligations of a person engaged in coaching which are as follows:

- i. Information regarding the successful candidate's rank, the name and duration of the course opted for and whether the course is paid or free should be displayed alongside his/her photo.
- ii. Disclaimers/ Disclosures or Important information should be at a prominent and visible in advertisements, using the same font as the main content.
- iii. Accurately depict the facilities, resources, and infrastructure available to students in advertisements.
- iv. Facilities, Resources and Infrastructure available to the students should be accurately depicted in the advertisement.
- v. Cherry-picking exceptional cases to create a biased perception of success should be avoided.
- vi. Transparency and truthful representation should be maintained in their advertisement.
- vii. Precise, verifiable details about the services offered should be provided in the advertisement.

Furthermore, every person engaged in coaching is prohibiting from:

- i. Using names, photos, testimonials, or videos of successful candidates in advertisements without obtaining express consent of such candidate;
- ii. Making false claims, such as guaranteeing 100% selection, job guarantees, guaranteed preliminary/mains, or guaranteed admissions, and refrain from using fake testimonials or reviews;
- iii. Suggesting or implying that enrolment in coaching guarantees specific outcomes like ranks, high marks, jobs, admissions, promotions, or salary increases unless substantiated;

- iv. Falsely representing the standard or quality of services;
- v. Misleading or exaggerating faculty credentials; and
- vi. Falsely claiming recognition or approval of courses or certificates by competent authorities.

These Guidelines for Misleading Advertisement outlined herein shall not supersede or override any existing laws, regulations, or rules governing advertisements under other applicable laws. In cases where an advertisement is subject to regulation under any other prevailing law or its corresponding rules and regulations, these Guidelines for Misleading Advertisements shall be supplementary to and not in conflict with, such existing regulations. Furthermore, in instances of ambiguity or disagreement concerning the interpretation of these Guidelines for Misleading Advertisements, the final decision shall rest with the CCPA. Any contravention of these Guidelines for Misleading Advertisement will be subject to the provisions of the Consumer Protection Act, 2019.

## [Competition Commission of India \(“CCI”\) issued notification for three distinct regulations along with penalty guidelines](#)

CCI announced the notification of three regulations along with a penalty guideline, on March 06, 2024 which were formulated in accordance with the Competition (Amendment) Act, 2023 (“**Amendment Act**”), following the subsequent notification of sections 20, 35, and 40 of the Amendment Act, with effect from March 06, 2024.

- i. The CCI (Settlement) Regulations, 2024 (“**Settlement Regulations**”);
- ii. The CCI (Commitment) Regulations, 2024 (“**Commitment Regulations**”);
- iii. The CCI (Determination of Turnover or Income) Regulations, 2024 (“**Turnover or Income Regulations**”); and

<sup>7</sup> <https://www.cci.gov.in/images/whatsnew/en/gazette-notification-published-on-06-march-2024-regarding-the-competition-commission-of-india-se1709738701.pdf>

<sup>8</sup> <https://www.cci.gov.in/images/whatsnew/en/gazette-notification-published-on-06-march-2024-regarding-the-competition-commission-of-india-co1709739461.pdf>

<sup>9</sup> <https://www.cci.gov.in/images/whatsnew/en/the-competition-commission-of-india-determination-of-turnover-or-income-regulations-20241709737056.pdf>

- iv. The CCI (Determination of Monetary Penalty) Guidelines, 2024 (“**Monetary Penalty Guidelines**”)<sup>10</sup>.

The objective of the Settlement Regulations and Commitment Regulations is to assist enterprises under investigation pursuant to section 26(1) of the Competition Act, 2002 (“**Act**”) for purported breaches of section 3(4) or section 4 of the Act, granting them the opportunity to pursue settlement or commitment before the CCI. The implementation of procedures for settlement and commitment is driven by the aim of minimizing litigation and hastening market adjustments. However, these mechanisms vary depending on the stage of the inquiry process when applications for Settlement or Commitment are filed.

The Turnover or Income Regulations detail the process for determining turnover or income for enterprises as stipulated in section 27 of the Act, as well as income determination for individuals under sections 27 and 48 of the Act. Furthermore, the CCI has introduced Monetary Penalty Guidelines for determining penalties applicable to enterprises and/or individuals found in violation of the Act. These long-anticipated penalty guidelines conform to industry best practices and ensure that penalties levied align with the degree of anti-competitive harm caused to the market by the offending entities or individuals.

## INDUSTRY INSIGHT

### BIO SEQUESTRATION: TIME TO INVEST IN NATURE

Aavishkar Capital (“Aavishkar”) is making big waves in the world of carbon sequestration (process of capturing and storing atmospheric carbon dioxide), aiming to be a major player in capturing and storing atmospheric carbon through large-scale tree planting initiatives in India. Aavishkar, an impact investor, intends to establish a long-term capital vehicle to finance the planting of trees on Indian farms in order to encourage carbon sequestration and profit from it via the carbon trading market. Growing trees on Indian

farmlands and working with farmers to incorporate tree planting into their current agricultural practices is Aavishkar's main tactic. This encourages a sustainable and financially feasible strategy by capturing carbon and giving farmers additional revenue. Aavishkar's tree-growing projects provide carbon credits, which show how much carbon dioxide is taken out of the

atmosphere. Then, businesses wishing to offset their own carbon emissions can purchase these credits on the carbon trading market. As a result, Aavishkar and the farmers have financial motivation to plant and care for trees, which helps to provide a long-term solution for sequestering carbon. As per the news reports, global businesses, including internet giants and oil industries, have made soft commitments of \$150 million to the company, hoping to purchase the carbon credits that come from carbon sequestration in order to offset their carbon emissions.

Aavishkar Capital recognizes the worsening consequences of climate change on communities as part of its purpose to use finance as a vehicle for positive societal impact, with a focus on tackling issues faced by low-income groups. Acknowledging the necessity of funding environmentally-friendly measures to lessen the effects of climate change, Aavishkar intends to fund initiatives including mangrove restoration, sustainable agriculture, afforestation, and replanting. These investments are intended to restore ecosystems, sequester carbon dioxide, and sustain livelihoods, especially those of smallholder communities.

## CORPORATE BUZZ

1. Terraform Labs Pte., the crypto firm behind the TerraUSD and Luna, filed for bankruptcy under chapter 11 in Delaware, United States. According to court filings filed in Delaware on January 21, 2024, the company's estimated assets and liabilities are between \$100 million and \$500 million and its estimated number of creditors is between 100 and 199.

<sup>10</sup> <https://www.cci.gov.in/images/whatsnew/en/the-competition-commission-of-india-determination-of-turnover-or-income-regulations-20241709737056.pdf>

- Terraform Labs said it would meet all financial obligations to employees and vendors during the Chapter 11 case without requiring additional financing. It also plans to continue Web3 offerings expansion.
2. Sony Pictures Networks India, which is now known as Culver Max Entertainment Pvt. Ltd. (“**Sony**”) has officially pulled the plug on their merger plans with Zee Entertainment Enterprises Ltd. (“**Zee**”). The termination stems from Zee's failure to meet the closing conditions within the specified deadline, as outlined in the Merger Co-operation agreement entered into by both parties on December 22, 2021. However, recent news reports indicate that Zee is actively engaging with Sony in a "last-ditch effort" to save the merger. If successful, the revival of the deal would entail the withdrawal of legal proceedings initiated by both companies. These legal proceedings have been pursued through various channels, including the Singapore International Arbitration Centre (SAIC) and the National Company Law Tribunal (NCLT).
  3. On January 31st, 2024, the RBI imposed restrictions on Paytm Payments Bank Limited (hereinafter referred to as “**PPBL**”) operated by One97 Communications, in exercise of its powers under section 35A of the Banking Regulation Act, 1949, due to non-compliance issues and supervisory concerns. These restrictions include halting new customer onboarding and stopping deposits and credit transactions after March 15, 2024. PPBL is working with the RBI to address the concerns.
  4. CCI has granted approval for the proposed acquisition of 100% shareholding of GVK Power (Goindwal Sahib) Limited by Punjab State Power Corporation Ltd (“**PSPCL**”). PSPCL is a government-owned entity, formed from the unbundling of the erstwhile Punjab State Electricity Board in 2010. GVK Power (Goindwal Sahib) Limited, established in 1997, is a wholly owned subsidiary of GVK Energy Limited, engaged in power generation through a 540 MW coal-based thermal power plant.
  5. CCI approves acquisition of Coastal Energen Private Limited (“**CEPL**”) by Dickey Alternative Investment Trust (“**DAIT**”) and Adani Power Limited (“**APL**”). APL is a leading private sector thermal power producer in India with operations across multiple states. DAIT is a SEBI-registered Category II Alternate Investments Funds with investments in various sectors. CEPL is engaged in coal-based power generation and is undergoing Corporate Insolvency Resolution Process. The proposed combination involves the acquisition of 100% equity share capital of CEPL by DAIT and APL.
  6. The JSW Group (“**Company**”) has inked a Rs 40,000 crore deal with the Odisha government to establish an electric vehicle (“**EV**”) and EV battery manufacturing project in Cuttack and Paradip. The memorandum of understanding was signed on February 10, 2024. Under the agreement, the Company intends to invest Rs 25,000 crore in Cuttack for the electric vehicle and battery manufacturing complex, with the remaining Rs 15,000 crore earmarked for the EV components manufacturing facility in Paradip.
  7. The e-commerce giant Flipkart introduced its Unified Payments Service (“**UPI**”) services, Flipkart UPI, in collaboration with Axis Bank. Initially accessible for Android users, Flipkart UPI aims to compete with leading payment platforms like Amazon Pay, Paytm, and other UPI-based apps in India. This service enables users to conduct online transactions on the e-commerce platform and make payments to local vendors, friends, and family through UPI ID, phone number, and QR code. Moreover, Flipkart UPI facilitates bill payments for added convenience.

# PROUD MOMENT FOR INDIA

8. Reliance Industries Limited (“**RIL**”), Viacom 18 Media Private Limited (“**Viacom18**”) and The Walt Disney Company (“**Disney**”) have officially announced the signing of definitive agreements to create a joint venture (“**JV**”) by merging the operations of Viacom18 and Star India. This merger will be facilitated through the integration of Viacom18's media assets into Star India Private Limited (“**SIPL**”), following a court-approved scheme of arrangement. In addition, RIL has pledged to invest ₹11,500 crore into the JV upon completion, as part of its growth strategy. After the specified procedures are finalized, RIL will retain control over the JV, holding 16.34%, while Viacom18 will own 46.82%, and Disney will possess 36.84%. Disney may also contribute further media assets to the JV, pending regulatory and third-party approvals. This joint venture is positioned to become a prominent TV and digital streaming platform in India, uniting esteemed media assets in both entertainment (like Colors, StarPlus, StarGOLD) and sports (including Star Sports and Sports18). Moreover, it will provide access to highly anticipated events across television and digital platforms through JioCinema and Hotstar.

stock market continues to be the largest in the world. It is followed by mainland China and Japan, with market capitalizations of \$8.44 trillion and \$6.36 trillion, respectively.

On December 5, 2023, India's stock market accomplished a significant milestone by surpassing the \$4 trillion mark in market value. This was fuelled by a strong rally that was bolstered by positive macroeconomic indications, strong corporate results and good global cues. The difference between the markets of India and Hong Kong, according to some market experts, can be attributed to a number of variables, such as India's economic recovery, which puts it in a favourable position on the global growth trajectory, while China and Hong Kong are facing slowing momentum.

## PROUD MOMENT FOR INDIA

### *India sets a milestone, emerging as the fourth largest equity market in the world*

Indian Stock Market has been rising steadily over the past several months and as a result, on January 23, 2024, it has surpassed Hong Kong to become the fourth-largest equity market in the world by market size. According to the news reports, the total market value of shares listed on Indian exchanges was \$4.33 trillion, higher than Hong Kong's \$4.29 trillion. Notably, with a market capitalization of \$50.86 trillion, the US



# AWARDS AND RECOGNITION



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**OFFICE:**

Building No. G-16, 3rd Floor, Saket,  
New Delhi-110017, India  
T: +91-11-40522433 | 40536792  
F: +91-11-41764559

Chamber No. 499, New Chamber Block,  
High Court Building, Sher Shah Suri Marg,  
New Delhi

Chamber No. 272, Western Wing,  
Tees Hazari Court, New Delhi

**WEBSITE:**

[www.akspartners.in](http://www.akspartners.in)

**EMAIL:**

[delhi@akspartners.in](mailto:delhi@akspartners.in) | [info@akspartners.in](mailto:info@akspartners.in)