



Vision

"To be a global leader in promoting good corporate governance"

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। तृप्तये शोभते। by the law

Mission

"To develop high calibre professionals facilitating good corporate governance"

Wednesday, February 07, 2024

Info Capsule

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ **Capital Market and Securities Laws**

Guidelines for returning of draft offer document and its resubmission (February 06, 2024)

In order to ensure completeness of the offer document for investors and provide greater clarity & consistency in the disclosures and for timely processing, SEBI has issued 'Guidelines for returning of draft offer document and its resubmission'. It was observed by the SEBI that at times, draft offer documents / draft letter of offer filed with the Board for public issue / rights issue of securities (hereinafter "draft offer document") are found lacking in compliance with respect to instructions provided under Schedule VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Such documents require revisions/changes and thus lead to a longer processing time. Accordingly, the draft offer document shall be scrutinized based on the broad guidelines and such documents which are not compliant with the instructions provided under Schedule VI of ICDR Regulations and guidelines provided hereunder, shall be returned to the issuer.

For details:

https://www.sebi.gov.in/legal/circulars/f eb-2024/guidelines-for-returning-of-draft-offer-document-and-its-resubmission_81146.html

❖ **Ministry of Personnel, Public Grievances & Pensions**

Lok Sabha passes 'The Public Examinations (Prevention of Unfair Means) Bill, 2024' to curb paper leaks, malpractices as well as organised malpractices in recruitment examinations like UPSC, SSC etc and entrance tests such as NEET, JEE and CUET (February 06, 2024)

The Lok Sabha on February 06, 2024 passed 'The Public Examinations (Prevention of Unfair Means) Bill, 2024' aimed at curbing leaks, malpractices as well as organised malpractices in recruitment examinations like UPSC, SSC etc and entrance tests such as NEET, JEE, and CUET.

Replying to an extensive debate on the Bill in which MPs from different political parties spoke, Union Minister Dr Jitendra Singh said, the legislation aims at safeguarding merit of our youth and well-being of our children.

"Prevention of Unfair Means Bill, 2024" will also cover entrance examinations held by the Union Public Service Commission, the Staff Selection Commission, the Railways, banking recruitment examinations and all computer-based examinations conducted by the National Testing Agency.

Earlier, initiating discussion in the house on the Bill, the Union Minister of State (Independent Charge) Science & Technology; MoS PMO, Personnel, Public Grievances, Pensions, Atomic Energy and Space, Dr Jitendra Singh said, one after another we have witnessed incidents of malpractices, paper leak, impersonation etc from various parts of the country. In Rajasthan, there have been 12 incidents of malpractices since 2018 while the Sub-Inspector Recruitment scam surfaced in Jammu & Kashmir in March, 2022 and SSC Combined Graduate Exam in 2017, he said.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2003211>

❖ **Competition Commission of India**

• **CCI approves acquisition of certain shareholding of Shadowfax Technologies Private Limited by NewQuest Asia Fund IV (Singapore) Pte. Ltd. (February 06, 2024)**

The Competition Commission of India (CCI) has approved the acquisition of certain shareholding of Shadowfax Technologies Private Limited by NewQuest Asia Fund IV (Singapore) Pte. Ltd.

The proposed combination relates to the acquisition of certain shareholding in Shadowfax Technologies Private Limited (SFX/ Target) by NewQuest Asia Fund IV (Singapore) Pte. Ltd (TPG NQ/ Acquirer) from Eight Roads Investments Mauritius II Limited (Eight Roads) and certain other shareholders of SFX.

TPG NQ is part of a closed private equity fund, managed by TPG NewQuest (formerly known as NewQuest Capital Partners). TPG NQ is a part of the TPG group. TPG, Inc. (TPG), is the ultimate holding company of the TPG group. TPG NewQuest manages a diversified portfolio of private equity investments across the Asia-Pacific Region.

The Target is a crowdsourced, tech-enabled logistics platform providing hyperlocal delivery services and third-party logistics services, specifically to e-commerce platforms in India.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2003316>

• **CCI approves acquisition of 70% stake by Zurich Insurance Company Ltd. in Kotak Mahindra General Insurance Company Limited (February 06, 2024)**

The Competition Commission of India (CCI) has approved acquisition of 70% stake by Zurich Insurance Company Ltd. (Acquirer) in Kotak Mahindra General Insurance Company Limited (Target).

The Proposed Combination involves an acquisition of a majority stake in Target by the Acquirer from Kotak Mahindra Bank Limited. Pursuant to the Proposed Combination, the Acquirer will acquire a 51% stake in Target (through a combination of fresh growth capital and share purchase). In addition to the above, the Acquirer will also acquire an additional stake of up to 19% in the Target, over a period of time.

The Acquirer is a wholly owned subsidiary of Zurich Insurance Group Ltd. (Zurich Insurance Group) The Acquirer is a leading multi-line insurer serving people and businesses in more than 200 countries and territories. The Acquirer as part of the Zurich group has about 60,000 employees and is headquartered in Zurich, Switzerland.

The Acquirer is the principal operating insurance company of the Zurich Insurance Group. Besides being an insurance company, the Acquirer also acts as the holding company of many subsidiaries and other affiliates of the Zurich Insurance Group except for the Zurich Insurance Group's property loans and banking activities.

The Target is engaged in the business of providing a wide range of general insurance policies such as motor vehicle insurance, home and property insurance, commercial and health insurance. It offers a range of products such as liability insurance, extended warranty insurance, health insurance plans such as hospital cash, health indemnity policy, benefit policy and group insurance plans.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2003315>

❖ **Banking**

- **UPI suffers outage as several banks' servers down, transactions hit (February 07, 2024)**

UPI users February 06, 2024 evening faced a harrowing time as the banking sector along with the Unified Payments Interface (UPI) suffered an outage across the country. Taking to X, netizens narrated their ordeal and said that they are facing challenges while making payments via UPI-enabled apps like Google Pay, PhonePe, BHIM, etc. Regretting the inconvenience caused due to some internal technical issues with some banks, the National Payments Corporation of India (NPCI) said the systems are working fine and it is working with these banks to ensure a quick resolution.

For details:

<https://www.livemint.com/industry/banking/upi-suffers-outage-as-several-banks-servers-down-transactions-hit-11707236468120.html>

- **FDI use in Paytm under Enforcement Directorate lens (February 07, 2024)**

The Enforcement Directorate (ED) is gathering information about the “end uses” of foreign direct investment (FDI) in One97 Communications, which owns Paytm Payments Bank (PPB), a source privy to the matter told FE. The exercise is to ascertain if the foreign funds were used for investments other than those stated to the Reserve Bank of India (RBI). Currently, FDI is not subject to rigorous end-use norms, but foreign capital raised by Indian companies through the ADR-GDR route aren't allowed to be invested in real estate or stock markets. The regulations are principally governed by the Foreign Exchange Management Act (FEMA).

For details:

<https://www.financialexpress.com/business/banking-finance-fdi-use-in-paytm-under-enforcement-directorate-lens-3386712/>

- **High costs, weak tech infra makes KYC a challenge: Fintechs (February 07, 2024)**

Fintechs have expressed concern that higher costs and a weak technology infrastructure have made the Know-Your-Customer (KYC) process challenging, especially in tier-3 cities and below. Recent amendments to Reserve Bank of India's (RBI) KYC norms in 2023 have left lenders with no choice but to conduct a Video Customer Identification Process (V-CIP) or an offline process, which has led to a rise in costs.

For details:

<https://www.financialexpress.com/business/banking-finance-high-costs-weak-tech-infra-makes-kyc-a-challenge-fintechs-3386319/>

❖ *International Financial Services Centres Authority (IFSCA)*

Format and manner of seeking authorisation as Payment Service Provider (PSP) (February 06, 2024)

IFSCA vide circular dated February 06, 2024 specified the format and manner for applying to the Authority for authorisation as a Payment Service Provider.

An applicant shall submit the application form and additional information/submissions as per Schedule I and II respectively as prescribed in this circular to the Authority in physical form.

For details:

<https://ifsc.gov.in/Viewer?Path=Document%2FLegal%2Fformat106022024025516.pdf&Title=Format%20and%20manner%20of%20seeking%20authorisation%20as%20Payment%20Service%20Provider&Date=06%2F02%2F2024>

❖ *Market Watch*

Stock Market Indices as on 07.02.2024	
S & P BSE Sensex	72,152.00 (-34.09)
Nifty 50	21,930.50 (+1.10)

Foreign Exchange Rates as on 07.02.2024 <i>(https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
82.97	89.29	104.57	0.56

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu.

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