

# KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

## FORTY-FOURTH EDITION



MARCH  
2022

# FORTY-FOURTH EDITION

Monday, 4<sup>th</sup> April, 2022

“An investment in knowledge yields the best return.”

In the ever changing and dynamic Capital Market Environment, staying updated with the latest happenings is the need of the hour.

Keeping up to date with laws & notifications is time consuming and legislation itself is complex. However, it is of vital importance that businesses stay up to date on regulations in their sector to keep pace with best practices.

This is our series of knowledge sharing initiative towards sharing regulations and updates on corporate laws.



CAPITAL  
MARKETS



RBI



भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

SEBI



MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

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## BROAD ECONOMIC NEWS

01

Cabinet approves ₹6,062.45 crore for MSME scheme



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02

Government to sell up to 1.5% stake in ONGC to raise Rs 3,000 cr



News Link

03

ICRA lowers India's FY23 GDP growth forecast to 7.2% from 8%



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04

FDI inflow to India declines to \$74.01 billion in 2021



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05

Russia offers oil to India at steep discount of \$35 a barrel to pre-war price



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06

India's current account deficit widens to 2.7% of GDP in Q3



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## CAPITAL MARKETS



**01**

Reliance Retail acquires 89% stake in online lingerie retailer Clovia



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**02**

Axis Bank to acquire Citi India's retail assets for \$2 billion



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**03**

Gold Jeweler Joyalukkas files DRHP for Rs 2,300 crore IPO with SEBI



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**04**

PVR Limited and INOX Leisure announces Merger



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**05**

PhonePe acquires GiglIndia, to strengthen enterprise offerings.



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**06**

GAIL announces Rs 1,083 crore buyback plan, price set at Rs 190



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## SEBI



भारतीय प्रतिशत और विनियम बोर्ड  
Securities and Exchange Board of India

01

### SEBI board overhauls rules for collective investment schemes



- The board of Securities and Exchange Board of India (SEBI) on Tuesday approved the proposal to tighten rules on collective investment schemes(CIS). The capital markets regulator also approved changes to the listing and disclosure norms and allowed custodians to provide custodial services in respect of silver-related instruments held by silver exchange traded funds (ETFs) of mutual funds.
- SEBI has increased the networth criteria and enhanced the track record requirement of promoters for running collective investment management company (CIMC).

02

### New SEBI rules set the stage for formal adoption of ESG from April 1



- New rules on good governance will kick in from April 1 as Sebi regulations require the top 1,000 companies ranked by market cap to mandatorily include Business Responsibility and Sustainability Report or BRSR in their annual reports disclosed to stock exchanges
- This sets the stage for the formal adoption of Environmental, Social and Governance (ESG) as a metric for measuring corporate performance (or the lack of it).

## SEBI



भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

03

### AIFs: SEBI streamlines approval process for sponsor changes requiring NCLT nod



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- SEBI clarified on the new norms governing related party transactions that will come into effect from April 1.
- The regulator said listed companies need not seek fresh approval from the shareholders for a related party transaction (RPT) that has been approved by the audit committee and shareholders till March 31.
- “Based on the representations received from listed entities and industry bodies, it has been decided to provide clarifications and guidance for smooth implementation of the amended Regulation.”.

04

### SEBI clarifies on new norms for related party transactions



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- SEBI can now use special powers to relax compliance requirements for foreign funds. The capital markets regulator's board has been empowered to give overseas investors leeway in the event of inadvertent lapses while investing in the country.
- Currently, there are no provisions in the law to provide exemptions to foreign portfolio investors (FPIs). The regulator, however, has powers to provide special exemptions to listed companies, fund houses and other market entities.

### 05

### OTHER SEBI CIRCULARS

**Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology**



Link

**Calculation of investment concentration norm for Category III AIFS**



Link

**Product Specifications pertaining to EGR Segment in India**



Link

**Introduction of Options on Commodity Indices - Product Design and Risk Management Framework**



Link

**Revision in Orders Per Second limit for algorithmic trading in Commodity Derivatives Segment**



Link

**Discontinuation of usage of pool accounts for transactions in the units of Mutual Funds**



Link

**Circular on Investor Charter and disclosure of Investor Complaints by Mutual funds.**



Link

**RBI**



## 01 Bank of Russia, RBI to ready framework for trade, banking



- Russian central bank officials are expected to meet their counterparts from the Reserve Bank of India (RBI) to create a regulatory framework that will help sustain bilateral trade and banking operations despite the global sanctions against Moscow
- Since the creation of a rupee-rouble exchange channel is likely to feature in the talks, the team of officials from Moscow may also include representatives from Russia's financial sector.

## 02 RBI releases framework for geo-tagging of payment system touch points



- Released the framework for geo-tagging of payment system touch points to ensure proper monitoring of the availability of payment acceptance infrastructure. Geo-tagging refers to capturing the geographical coordinates (latitude and longitude) of payment touch points deployed by merchants to receive payments from their customers.
- The payment acceptance infrastructure includes Point of Sale (PoS) terminals, and quick response (QR) codes.

## RBI



03

### RBI's new directions to MFIs

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- The Reserve Bank of India's decision to do away with limits on the pricing of small loans disbursed by the non-banking finance companies and microfinance institutions poses a risk of over-leveraging, rating agency ICRA said..
- The RBI's master directions on the regulatory framework for microfinance are aimed at providing a level playing field to all entities involved in microfinance businesses and build upon a consultation paper issued in June 2021

04

### RBI plans \$5-billion sell/buy swap auction in April

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- The Reserve Bank of India (RBI) will conduct a sell/buy swap auction for \$5 billion in the last week of April to achieve three simultaneous goals - arresting a rout of the local unit, draining rupee liquidity, and rationalising the cost of covering currency risks.
- “With a view to elongating the maturity profile of forward book and smoothen the receivables relating to forward assets, it has been decided to undertake a sell/buy swap auction of \$5 billion on April 26, 2022.”

**RBI**



**05**

## OTHER RBI CIRCULARS

**Special Clearing operations on March 31, 2022**



[Link](#)

**Transactions of Central / State Governments –  
Special Measures**



[Link](#)

**Classification, Valuation and Operation of Investment  
Portfolio of Commercial Banks**



[Link](#)

**Master Direction – Reserve Bank of India  
(Regulatory Framework for Microfinance Loans)**



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**Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List**



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**Exim Bank's Government of India supported Line of Credit (LoC) of USD 500 million to Sri Lanka**



[Link](#)

**Interest Equalization Scheme on Pre and Post  
Shipment Rupee Export Credit - Extension**



[Link](#)

## MCA



01

Artificial Intelligence could be used for early resolution of matters, says NCLT President



- New-age technologies such as Artificial Intelligence (AI) could be used for early resolution of matters, including insolvency cases, National Company Law Tribunal President Justice Ramalingam Sudhakar said. While addressing a national-level colloquium of NCLT, Justice Sudhakar suggested that AI can be used in case of resolution, especially in the admission of cases, a statement issued by NCLT said.
- This will help in reducing delays. We are also focused on evolving a code of best practices so that there is certainty in decision making.

02

Reliance & ACRE bid for Sintex filed before NCLT for approval



- The joint bid of Reliance Industries and Assets Care & Reconstruction Enterprise (ACRE) for debt-ridden Sintex Industries has been moved before the NCLT for its approval after getting unanimously selected by the lenders of the textiles maker. The resolution professional of Sintex Industries has filed the resolution plan by RIL and ACRE, as approved by the Committee of Creditors (CoC) before the Ahmedabad Bench of the (NCLT)
- As per the IBC procedures, RP has to submit the resolution plan as approved by the CoC to NCLT under Section 30(6) of IBC, which gives its final approval

03

### Bankers decide to refer Future Retail to NCLT

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- Led by the Bank of India, bankers have initiated the process of taking FRL to NCLT, starting with inviting bids from insolvency professionals.
- The bankers will also try to recover dues under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Sarfaesi) Act, which pertains to the recovery of debt by auctioning mortgaged properties.

04

### Suspended Board can't appoint Resolution Professional : NCLAT

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- A suspended board of directors has no power under the Insolvency and Bankruptcy Code to appoint a resolution professional or to replace an existing resolution professional, the National Company Law Appellate Tribunal (NCLAT) has held.
- In a case involving SLO Industrial Ltd, the Chennai bench of the NCLAT consisting of M Venugopal and Kanthi Narahari said the power to do so has only been vested in the committee of creditors (CoC) and then the adjudicating authority.

## INCOME TAX



### 01 PAN-Aadhaar linking 'deadline extended' to this date but fees imposed from April 1, 2022



- Even if you do not link your PAN with your Aadhaar number by end of the day today, your PAN will remain operative till March 31, 2023 and will not become inoperative as was earlier notified/indicated by the government
- Essentially, the deadline to keep your PAN operative without linking it to your Aadhaar has been extended to March 31, 2023 from the earlier deadline of March 31, 2022. However, linking of PAN-Aadhaar from April 1, 2022, will cost you money. This was announced by the Central Board of Direct Taxes (CBDT) via a notification dated March 29, 2022, and press release dated March 30, 2022.

### 02 Income-tax (35th Amendment) Rules, 2021



- In the Income-tax Rules, 1962 (hereinafter referred to as principal rules), after rule 16D, the following rule shall be inserted, namely:- 16DD.
- Form of particulars to be furnished along with return of income for claiming deduction under clause (b) of sub-section (1B) of section 10A.—The particulars, which are required to be furnished by the assessee along with the return of income under clause (b) of sub-section (1B) of section 10A shall be in Form No. 56FF.||

## INDIRECT TAXATION



01

CBIC issues guidelines for scrutiny of GST returns for FY 2017-18, FY 2018-19

- CBIC has issued standard operating procedures for the scrutiny of GST returns for financial years 2017-18 and 2018-19.
- "Till the time a module for online scrutiny of returns is made available on the CBIC-GST application, as an interim measure, the following Standard Operating Procedure (SOP) is being issued by the board in order to ensure uniformity in selection/ identification of returns for scrutiny, methodology of scrutiny of such returns and other related procedures," the CBIC said in a detailed note

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02

GST rules changing from April 1, to impact lakhs of companies in India

- Central Board of Indirect Taxes and Customs has said that businesses with turnover of over Rs 20 crore will have to generate electronic invoice for B2B transactions from April 1, 2022.
- Companies with turnover of more than Rs 20 crore will have to generate B2B e-invoices.
- Under GST law, e-invoicing for business-to-business (B2B) transactions was made mandatory for companies with turnover of over Rs 500 crore from October 1, 2020, which was then extended to those with turnover of over Rs 100 crore from January 1, 2021.

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## STARTUP INDIA



01

Razorpay acquires payments tech startup IZealiant Technologies



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02

A dotcom era pioneer in India readies second startup Netcore Cloud for an IPO



News Link

03

Cloud kitchen unicorn Rebel Foods announces \$10 million Esop liquidation



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04

SparkCognition acquires Bangalore-based AI startup Integration Wizards



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05

SaaS startup Postman invests Rs 2 crore for API lab at Bits Pilani



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06

Chalo Acquires Shared Mobility Start-Up Vogo To Strengthen First And Last Mile Connectivity



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CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

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## ABOUT OUR INVESTMENT BANKING SERVICES

Our Investment Banking division works with a wide range of clients including young, cutting-edge start-ups and established market leaders. We advise our clients on mergers and acquisitions, private equity funding, divestments, corporate restructuring, valuation of shares as per SEBI guidelines, company law and secretarial advisory.

Our advice is built from a rigorous and up-to-date understanding of the market, coupled with clients financial vision. This means we only offer solutions that work best for our clients.

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## ABOUT KREO CAPITAL

Kreo Capital is a boutique financial service company with Mid Market focus, offering integrated financial advice and services. Promoted by professionals with rich experience in financial and capital markets, Kreo Capital is a financial expert for all growth oriented companies.

Team Kreo is committed to long term relationships and has a proficient and skilled work force invested in its clients and their business. Our services enable our clients to access Capital Markets, Corporate Finance Advisory, Wealth Management Advisory, Mergers and Acquisition Advisory, ESOP & Valuation Advisory, Equity/Debt Placements and Restructuring.

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