

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

FORTY-FIRST EDITION



DECEMBER
2021



HAPPY NEW YEAR

Every moment of life can be a fresh beginning.
May this year begin with new rays of happiness &
prosperity. Happy New Year!

Thursday, 6th January, 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

FPIs' net investments cross Rs 51,000 cr in 2021



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02

HSBC to acquire L&T Mutual Fund for \$425 million



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03

RBI sell Rs 8,710 cr worth of government securities from secondary market



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04

Consumer sentiment likely to witness fall in December: CMIE



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05

CCI suspends Amazon's 2019 deal with Future; Rs 200 cr penalty imposed on Amazon



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06

PM Modi launches Rs 11,000 cr hydropower projects in Himachal Pradesh



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CAPITAL MARKETS



01

Snapdeal files IPO papers to raise Rs 1,250 crore



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02

ZEE and Sony sign agreement to create India's second largest entertainment network



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03

Rainbow Children's Medicare files DRHP for Rs 2,000 crore IPO



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04

Vedanta Ltd acquires nickel and cobalt maker Nicomet



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05

Reliance retail to invest Rs 300 Cr in robotics company Addverb Technologies



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06

Ixigo parent gets Sebi approval for Rs 1,600-crore IPO



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SEBI



भारतीय प्रतिशुल्ति और विनियम बोर्ड
Securities and Exchange Board of India

01

SEBI observation letter validity period for NFOs back at 6 months



- SEBI the validity period of "observation letter" issued by the markets regulator for launching new fund offerings (NFOs) by mutual funds to six months. This will come into force with immediate effect, the Securities and Exchange Board of India said in a circular.
- The Board has approved the proposals with respect to framework of Innovators Growth platform (IGP) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, with an objective to make the platform more accessible to companies in view of the evolving start-up ecosystem.

02

SEBI extends Anchor Investors' lock-in period in IPO from 1 month to 90 days applicable for all issues



- In case of book-built issues, a minimum price band of at least 105% of the floor price shall be applicable for all issues opening on or after notification in the official gazette.
- The existing lock in of 30 days shall continue for 50% of the portion allocated to anchor investor and for the remaining portion, lock in of 90 days from the date of allotment shall be applicable for all issues opening on or after April 01, 2022," the SEBI notified

03

SEBI amends delisting rules to make M&A more convenient

- SEBI has amended rules pertaining to delisting of equity shares of a company following an open offer as part of efforts to make merger and acquisition transactions for listed companies more convenient.
- Under the new framework, promoters or acquirers need to disclose their intention to delist the firm through an initial public announcement, according to a notification. If the acquirer is desirous of delisting the target company, the acquirer must propose a higher price for delisting with suitable premium over open offer price.


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04

SEBI extends deadline for applicability of modified reporting requirements for AIF'S

- SEBI extended the deadline till September 30 next year for the applicability of the tweaked reporting requirements for alternative investment funds (AIFs). Earlier, the deadline was December 31, 2021.
- This comes after the regulator received requests from the AIF industry to extend the timeline for modified reporting
- After consideration, it has been decided that reporting requirements will be applicable for quarter ending September 30, 2022 onwards, it added.


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05

OTHER SEBI CIRCULARS

Restoration of relaxed timelines w.r.t. validity of observation letter pertaining to Mutual funds



Link

Investment Advisory services for Accredited Investors



Link

Portfolio Management services for Accredited Investors



Link

Issue of listing of Non-convertible Securities, Securitised Debt Instruments



Link

Publishing of Investor Charter and Disclosure of Complaints by Custodians



Link

Publishing of Investor Charter and Disclosure of Investor Complaints by Merchant Bankers



Link

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



Link

RBI



01

RBI extends deadline for periodic KYC update to March 31, 2022

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- The Reserve Bank of India extended the last date for KYC updation for bank accounts by three months to March 31 next year.
- In a notification on its website, the central bank said it was extending the deadline in view of the "prevalent uncertainty due to new variant of Covid-19."
- The central bank had relaxed the rules first in May last year due to the pandemic and had said banking services should not be restricted just because the KYC documents have not been updated by the customer.

02

RBI proposes new norms for capital requirement for banks

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- The Reserve Bank of India proposed to replace existing approaches for measuring minimum operational risk capital requirements of banks with a new Basel-III standardized approach. 'Operational risk' refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events
- The central bank has sought comments on the draft by January 31, 2022.

RBI



03

RBI extends card tokenisation deadline by 6 months

- The Reserve Bank of India extended the card-on-file (CoF) tokenisation deadline by 6 months to June 30, 2022. The earlier deadline was 31.12.2021.
- The move comes after digital payment firms, like Merchant Payments Alliance of India (MPAI) and the Alliance of Digital India Foundation (ADIF), voiced their concerns over industry readiness

A circular icon with a white arrow pointing upwards and to the right, set against a dark grey background. To the right of the icon, the text "Click to know more" is written in a small, white, sans-serif font.

04

RBI's insolvency move against Reliance Capital

- The RBI filed an application for initiation of Corporate Insolvency Resolution Process (CIRP) against debt-ridden Reliance Capital at the Mumbai bench of the National Company Law Tribunal.
- The central bank had also appointed Y Nageswar Rao, a former executive director of the Bank of Maharashtra, as the administrator of the company.
- In a statement, the central bank said that it has filed the application for initiating CIRP proceedings against Reliance Capital under various sections of the Insolvency and Bankruptcy Code (IBC).

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RBI



05

OTHER RBI CIRCULARS

Amendment to General Notification for sale Treasury Bills/Cash Management Bills by Auction



[Link](#)

Restriction on storage of actual card data i.e. Card-on-File



[Link](#)

Government Agency Business Agreement- Appointment of Scheduled Private Sector Banks



[Link](#)

Prompt Corrective Action Framework for Non-Banking Financial Companies (NBFCs)



[Link](#)

Introduction of legal Entity Identified for Cross - border transactions



[Link](#)

ECB and Trade credit policy - Changes due to LIBOR transition



[Link](#)

Maintenance of Statutory Liquidity Ratio (SLR) - Marginal Standing Facility (MSF)



[Link](#)

MCA



01

MCA department has issued regarding due date extension for the filing of e-forms

- MCA issued circular no. 22/2021 regarding due date extension for the filing of e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL AOC-4 Non-XBRL till 15th February 2022 and MGT-7, and MGT-7A till 28th February 2022.
- It has been further decided that no additional fees shall be levied upto 15.02.2022 for the filing of e-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL, AOC-4 Non-XBRL and upto 28.02.2022 for filing of e-forms MGT-7 / MGT-7 A in respect of the financial year ended on 31.03.2021 respectively.



02

NCLAT stays CCI order imposing Rs 873 crore penalty on UBL, other beer makers

- The Competition Commission of India (CCI) on September 24, 2021, imposed penalties totalling over Rs 873 crore on UBL, Carlsberg India, All India Brewers' Association (AIBA) and 11 individuals for cartelisation in the sale and supply of beer.
- The said order was challenged before the NCLAT, which is an appellate authority over the CCI. It hears appeals against any direction issued or decision made or order passed by the CCI



03

Holding of Annual General Meeting (AGM) through Video Conference (VC) or Other Audio Visual Means

- With reference to ministry's General Circular No. 20/ 2020 dated 05.05.2020 and General Circular No. 02/ 2021 dated 13.01.2021, it has been decided to allow the companies whose AGMs are due in the Year 2021, to conduct their AGMs on or before 30th June, 2022



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04

GMR Infrastructure gets NCLT nod for demerger of non-airport business

- GMR Infrastructure had unveiled the rejig plan on August 27 last year, to simplify the corporate holding structure and to attract sector-specific global investors.
- National Company Law Tribunal, Mumbai Bench, has sanctioned the composite scheme of arrangement amongst GMR Power Infra Limited (GPIL), GMR Infrastructure Limited (GIL) and GMR Power and Urban Infra Limited (GPUIL) and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013
- The sanction was pronounced by the tribunal on December 22, 2021.



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INCOME TAX



01

I-T department relaxes time till February 22 for taxpayers to complete verification of FY'20 ITRs



- Taxpayers who have not e-verified their ITRs for 2019-20 fiscal can complete the verification process by February 28, 2022, as the Income Tax department has given a one-time relaxation to assesses.
- As per law, an income tax return (ITR), filed electronically without a digital signature, has to be verified electronically through Aadhaar OTP, or net-banking, or code sent through demat account, pre-validated bank account and ATM within 120 days of filing the return.

02

Last date for filing the tax audit report for the 2020-21 fiscal is January 15, 2022



- The income tax Department has enabled the tax audit utility form on its portal for financial year 2019-20 and 2020-21. Under the I-T Act, taxpayers are required to get their accounts audited if the sales, turnover or gross receipts of business exceed ₹10 crore, while in case of professionals, the limit was over ₹50 lakh in 2020-21 (AY 2021-22).
- For fiscal 2019-20 i.e. AY 2020-21, limit was ₹5 crore for businesses and ₹50 lakh for professionals and due date for original tax audit report was January 15, 2021.

INDIRECT TAXATION



01 Government extends FY'21 GST annual return filing deadline

- The government extended till February 28 the deadline for businesses to file GST annual returns for 2020-21 fiscal ended March 2021.
- The due date for furnishing annual return in FORM GSTR-9 & self-certified reconciliation statement in FORM GSTR-9C for the financial year 2020-21 has been extended from 31.12.2021 to 28.02.2022



02 A host of changes in GST law will take effect from January 1

- The GST regime will see a host of tax rate and procedural changes coming into effect from January 1, including liability on e-commerce operators to pay tax on services provided through them by way of passenger transport or restaurant services.
- While the passenger transport services provided by auto rickshaw drivers through offline/ manual mode would continue to be exempt, such services when provided through any e-commerce platform would become taxable effective January 1, 2022, at 5 per cent rate



STARTUP INDIA



01

Indian Startups bag record \$36 billion funds in 2021



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02

GlobalBees enters unicorn club with \$110 million funding led by Premji Invest



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03

Ola Electric in talks with partners to set up public chargers



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04

Swiggy in talks to invest in Rapido as part of a larger financing round for the bike-taxi startup



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05

Indian neobank Jupiter raises \$86 million to launch lending and wealth management



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06

Purplle acquires cosmetics brand Faces Canada



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KREO CAPITAL PRIVATE LIMITED

CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

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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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