

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

FORTY-SECOND EDITION



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2022

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“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



SEBI



MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

Click on individual images for detailed coverage

BROAD ECONOMIC NEWS

01

Economic Survey 2022 Highlights: GDP is 1.3% above pre-pandemic levels



News Link

02

Government moving to allow common citizens to invest in infra projects: Nitin Gadkari



News Link

03

Government approves Rs 12,000-cr Green Energy Corridor



News Link

04

TCS overtakes Accenture to become world's largest IT firm by market cap



News Link

05

Government to become largest shareholder in Vodafone Idea, will hold 35.8% stake



News Link

06

Jio inks partnership with Finnish university to accelerate 6G research, standardization



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CAPITAL MARKETS



01

Google to invest upto \$1 billion in Bharti Airtel



News Link

02

India seeks regulatory fast track for LIC as it gears up for country's biggest IPO



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03

GAIL completes acquisition of bankrupt IL&FS' 26% stake in OTPC



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04

Tech Mahindra acquires European tech firm for EUR 310 million



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05

Tata officially completes takeover of Air India



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06

Boat parent files draft papers for Rs 2,000-crore IPO



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SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India**01**

SEBI notifies stricter norms for appointment of MD at listed Companies

- Putting in place stringent norms, SEBI has said that a person rejected by shareholders at a general meeting can be appointed or re-appointed as a managing director or whole time director or manager, only after providing detailed justifications and ensuring compliance with various conditions.
- The appointment or a re-appointment of a person, including as a Managing Director (MD) or a Whole Time Director (WTD) or a Manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders



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02

SEBI nod means distressed asset funds can buy bad loans directly from banks

- India has recognized special situation funds that invest in distressed assets under the alternative investment fund (AIF) category, potentially drawing billions of dollars from both home and overseas to these high yielding opportunities.
- Approval from the Securities and Exchange Board of India means that such funds can now directly bid to buy stressed assets from banks, potentially increasing demand and value for these assets.



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SEBI**03**

SEBI grants recognition to CDSL Ventures as accreditation agency

- SEBI has granted recognition to CDSL Ventures as an accreditation agency. With the recognition, CDSL Ventures will be able to issue accreditation certificates to "accredited investors".
- CDSL Ventures is a wholly-owned subsidiary of depository CDSL. The recognition to CDSL Ventures has been granted for a period of three years with effect from February 1, 2022.



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04

SEBI gives itself powers to grant exemptions to FPIs

- 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.



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SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

05

OTHER SEBI CIRCULARS

Introduction of Special Situation Funds as a sub-category under Category I AIFs



Link

Issuance of Securities in dematerialized form in case of Investor Service Requests



Link

Framework for operationalizing the Gold Exchange in India



Link

Disclosure obligations of high value debt listed entities in relation to Related Party Transactions



Link

Increasing Awareness regarding Online Mechanisms for Investor Grievance Redressal



Link

Schemes of Arrangement by Listed Entities



Link

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



Link

RBI

01

RBI proposes new category for bank investments

- The Reserve Bank of India has proposed a new investment category called Fair Value through Profit and Loss Account (FVTPL) for banks as part of a overhaul of classification, valuation and operations of banks' investment portfolios. In a discussion paper RBI said banks' held for trading (HFT) portfolio will be housed within the new FVTPL category
- Debt instruments with fixed or determinable payments and fixed maturity with the intent of holding till maturity shall be classified under held to maturity (HTM).



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02

Government approves PMC Bank merger with Unity Small Finance Bank

- Notifying the scheme for amalgamation, the Centre today announced that the branches of Punjab and Maharashtra Co-operative Bank will operate as Unity Small Finance Bank branches from, 25/01/22.
- "The amalgamation will come into force with effect from the date of the notification of the scheme i.e. January 25, 2022. All the branches of the PMC Bank will function as branches of Unity Small Finance Bank Ltd. with effect from this date," read the circular in the official site of the RBI



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RBI**03**

Lenders to be reimbursed ₹974 cr for Pandemic loan moratorium

- The Union cabinet approved sanction of ₹973.74 crore for lenders as reimbursement related to loan moratorium that was implemented in 2020 amid Covid 19 pandemic.
- The Reserve Bank of India (RBI) had announced a loan moratorium on payment of instalments of term loans falling due between March 1 and May 31, 2020, due to the pandemic, which was extended to August 31.



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04

RBI to set up new fintech department to push innovation

- In an internal circular, the central bank said it decided to set up the department to further focus and facilitate innovation in the Indian fintech sector.
- "Accordingly, a new department has been created with effect from January 4, 2022, by subsuming the fintech division of DPSS, CO. The department will not only promote innovation in the sector, but also identify the challenges and opportunities associated with it and address them in a timely manner," RBI said in the circular.



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RBI

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OTHER RBI CIRCULARS

Registration of Assignment of Receivables
(Reserve Bank) Regulations, 2022



Link

Registration of Factors (Reserve Bank)
Regulations, 2022



Link

Master Circular - Bank Finance to Non-Banking
Financial Companies (NBFCs)



Link

Retail Direct Scheme – Market Making



Link

Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-
Qaida Sanctions List: Deletion of 1 entry



Link

Framework for Facilitating Small Value Digital
Payments in Offline Mode



Link

Inclusion of "Airtel Payments Bank Limited" in the
Second Schedule of the Reserve Bank of India Act.



Link

MCA



01

NCLAT sets aside NCLT order approving SREI's resolution plan for Deccan Chronicle Holdings

- The National Company Law Appellate Tribunal (NCLAT) has set aside the approval of the resolution plan of Vision India Fund-SREI Multiple Asset Investment Trust, for debt-ridden media house Deccan Chronicle Holdings Ltd observing "discrimination" in the allocation of funds.
- The appellate tribunal has directed "to distribute the resolution amount in conformity" with the provisions of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations.



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02

CAIT files petition before CCI to block Amazon's deal to acquire 100% shareholding in Cloudfail

- Domestic traders' body the Confederation of Indian Traders' Association (CITA) has filed a fresh petition before the Competition Commission of India (CCI) to block the acquisition of Cloudfail India by Amazon Asia Pacific.
- Last month ecommerce giant announced its plans to take full control of Cloudfail - the largest seller on its platform. It had approached the CCI for approval to acquire Narayana Murthy-led Catamaran Ventures stake in Prione, which operates Cloudfail.



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MCA**03****Companies (Registration Offices and Fees) Amendment Rules, 2022 : MCA Notification Dated 11th January, 2022**

- Additional fee and higher additional fee (in certain cases) shall be applicable for delay in filing of forms other than for increase in Nominal share capital or forms under section 92/137 of the Act or forms for filing charges.
- They shall come into force with effect from 1st July, 2022.
- Higher additional fees shall be payable, if there is a delay in filling E-form -INC22 or E-form PAS 3 within a period of 365 days from the date of filling of such belated E-form



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04**IBC brings about behavioral changes among corporate debtors**

- IBC has brought about behavioral changes among corporate debtors with thousands of them opting to resolve the distress at early stages wherever default is imminent, the Economic Survey 2021-22 said. The main objective of the Code is resolving Corporate Debtors (CDs) in distress.
- Distressed assets life cycle and their value gradually declines with time. The fact that a CD may change hands has changed the behavior of debtors, the survey, tabled in Parliament by Finance Minister Nirmala Sitharaman, said.



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INCOME TAX



01

ITR filing, tax audit report deadlines for FY 2020-21 extended by CBDT

- The Central Board of Direct Taxes (CBDT) has extended the due dates for filing tax audit reports and income tax return for certain category of taxpayers for FY 2020-21. This was announced by the Income tax department on January 11, 2022
- The ITR deadline extension has come after various taxpayers asked the tax department and finance ministry to extend the ITR filing dates due to the rising coronavirus cases and issues with the new income tax portal.



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02

Tax cloud over cryptocurrency exchanges as income tax department eyes probe

- Fresh trouble could be brewing for the cryptocurrency exchanges as the income tax department is now contemplating investigating them over the tax applicable to their total income.
- This comes after the Goods and Services Tax (GST) department conducted searches in the past week on the crypto exchanges. The direct tax department could look into the quantum of corporate tax payable for the cryptocurrency exchanges.



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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



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02 No tax claims after winding up order of company passed

- Tax officers cannot make any tax claim after the winding up order of a company is passed, the Central Board of Indirect Customs has said. The apex indirect taxes body issued detailed guidelines for recovery of arrears and write-offs to prevent multiple tax authorities initiating the recovery process to minimize the scope for harassment for taxpayers or delay on the part of officials.
- In case of a bankrupt defaulter, tax officers cannot make any claims after the date of winding up order of a company, and request for claim should be done within 30 days of commencement of liquidation.



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STARTUP INDIA

01

Hero MotoCorp invests Rs 420 crore in Ather Energy



News Link

02

Flipkart acquires electronics recommerce platform Yaantra



News Link

03

Indiamart acquires accounting platform Busy Infotech for Rs 500 crore



News Link

04

Reliance Retail buys 54% stake in robotics startup Addverb for \$132 mn



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05

Health startup Stanplus raises \$20 million



News Link

06

Agritech startup Agrowave nets \$2 million funding from Oyo founder



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KREO CAPITAL PRIVATE LIMITED

CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

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.

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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CA Varun Parakh
Managing Director
M: +91-9890920892
E: varun@kreocapital.com

HEAD OFFICE:
6th floor, B-Wing,
Shriram Towers,
Civil Lines,
Nagpur – 440001.
T: +91-0712-6652070

MUMBAI OFFICE:
Unit 202, Tower-A,
Peninsula Business
Park, Senapati Bapat
Marg, Lower Parel,
Mumbai – 400013
T: +91-22-41731000

W: www.kreocapital.com
E: info@kreocapital.com

SEBI REGISTRATION
NO: INM000012689