

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

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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



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

US surpasses China as India's biggest trading partner in FY22 at \$119.42 bn



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02

World Bank to disburse \$700 mn to Lanka, re-purpose existing loans



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03

Share of gold in the forex reserves rises to 7%



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04

India, fastest-growing major economy, projected to grow 6.4% in 2022: UN report



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05

Economy faces headwinds from global spillovers: RBI



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Govt approves sale of entire remaining stake in Hindustan Zinc



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CAPITAL MARKETS



01

LIC makes muted debut, lists at 9% discount on stock exchanges



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02

PayMate files DRHP to launch Rs 1,500 crore IPO with SEBI



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03

Gautam Adani Acquires Ambuja Cement, ACC from Holcim for \$10.5 bn



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04

Primary market action to continue as IPOs worth Rs 1,220 crore close next week



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05

Emirates Telecommunications acquires 9.8% stake in Vodafone



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06

FPI sell-off continues; pull out ₹39,000 crore from equities in May so far



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SEBI



भारतीय प्रतिशुति और विनियम बोर्ड
Securities and Exchange Board of India

01

SEBI simplifies requirements for issuance of duplicate securities certificates

- SEBI simplified the procedure and documentation requirements for issuance of duplicate securities certificates in order to make the process more efficient and investor friendly. Operational guidelines for processing investors' service requests for the purpose of issuance of duplicate securities certificates have been put in place.
- With regard to documents required to be submitted by a security holder while requesting for issuance of duplicate securities certificates, SEBI said a copy of the FIR, including e-FIR, necessarily having details of the securities, folio number, distinctive number range and certificate number will be required.



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02

SEBI nudges MCA for exemption to nominees of debenture trustees

- The Securities and Exchange Board of India has written to the ministry of corporate affairs (MCA) seeking a special exemption for nominee directors appointed by debenture trustees on the board of companies, said people with direct knowledge of the matter. The proposal is aimed at shielding these directors from disqualification in the event of the company defaulting on its debenture obligations.
- Currently, under the Companies Act, if a company fails to file its annual reports or other statutory documents for three years, the directors of the company stand disqualified.



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SEBI



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Securities and Exchange Board of India

03

SEBI 's new rules to streamline rights issue process

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- Markets regulator Securities and Exchange Board of India (SEBI) has streamlined the rights issue process
- The regulator said trading in right entitlements on the secondary market platform of stock exchanges will commence along with the opening of the right issue and will be closed at least three working days prior to the closure of the rights issue. At present, it takes four working days.

04

SEBI wants to promote more debt ETFs

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- The Securities Exchange Board of India is looking at implementing a framework to encourage more exchange-traded funds in debt securities to increase retail investors' interest in the market, said its wholetime member Ananta Barua at the fifth National Summit and Awards industry body Assocham
- The capital regulator wants to replicate the story as seen in the equity segment, where the ETFs and index funds have deepened retail investors participation in market.

05

OTHER SEBI CIRCULARS

Processing of ASBA applications in Public Issue of Equity Shares and Convertibles



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Modification in Cyber Security and Cyber resilience framework of KYC Registration Agencies



Link

Modification in Cyber Security framework of Qualified Registrars



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Modification to Standard Operating Procedure in the cases of Trading Member



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Circular on Development of Passive Funds



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System and Network Audit of Market Infrastructure Institutions (MIIs)



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Relaxation from compliance with certain provisions of the SEBI (LODR) Regulations, 2015



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RBI



01 RBI to review medium term debt strategy for Government



- The Reserve Bank of India is set to review the Medium Term Debt Strategy for the government with an aim to make government borrowings efficient at low over medium to long term with the right risk balance.
- The central bank will review Medium-Term Debt Management Strategy (MTDS) for management of public debt of the government with an objective "to mobilise market borrowings at low cost over medium to long-term, with prudent levels of risk and a stable debt structure, while also developing a liquid and well-functioning domestic debt market."

02 RBI board approves Rs 30,307 crore as surplus to the Centre for 2021-22



- The Central Board of Directors of the RBI has approved a transfer of Rs 30,307 crore as surplus to the Centre for the accounting year 2021-2022. The contingency risk buffer has been kept at 5.5%.
- The Board in its meeting reviewed the current economic situation, global and domestic challenges and the impact of recent geopolitical developments.

RBI



03

RBI may aim for forex reserves above \$600 billion



- India's central bank would seek to keep its stash of foreign exchange in excess of \$600 billion to provide adequate cushion through the current commodities super-cycle, record inflation in the West and the Ukraine war, potentially halting sell-buy currency swap deals hitherto used to suck out excess rupee liquidity. The central bank does not want forex reserves to fall below \$600 billion.
- Robust foreign exchange reserves are expected to burnish India's relative appeal as an investment destination amid the ongoing global liquidity tightening..

04

RBI warns of high wholesale prices feeding into retail inflation



- The Reserve Bank warned on Friday that there is a risk of high wholesale price inflation exerting pressure on retail inflation. The Reserve Bank of India said in its annual report that cost-push pressures from high industrial raw material prices, transportation costs and global logistics, and supply chain bottlenecks continue to have an impact on core inflation.
- "The substantial wedge between wholesale and retail price inflation amidst a sharp rise in manufactured products' inflation poses the risk of a possible pass through of input cost pressures to retail inflation with a lag " the central bank stated.

RBI



05

OTHER RBI CIRCULARS

Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List:



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Guidelines on import of gold by Qualified Jewellers as notified by – (IFSCA)



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Interoperable Card-less Cash Withdrawal (ICCW) at ATMs



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New Definition of Micro, Small and Medium Enterprises – Clarification)



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Kisan Credit Card Scheme – Eligibility criteria for farmers engaged in fisheries/ aquaculture



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MCA



01

Relaxation in paying additional fees in case of delay in filing Form 11 (Annual Return) by LLP

- The Ministry had received representation seeking extinction of timelines for filing the Annual Return (Form 11) by LLP's without paying additional fees.
- In view of transition from version 2 of MCA-21 to version-3 and to promote compliance on the part of LLP's, it has been decided to allow LLP's to file e-Form 11 for the Financial Year 2021-2022 without paying additional fees upto 30th June, 2022.

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02

Non-payment of TDS not a ground for initiation of insolvency process: NCLAT

- The National Company Law Appellate Tribunal (NCLAT) has held that dues on account of non-payment of TDS cannot be a ground to initiate insolvency proceedings against any company.
- Setting aside an order of the Kolkata bench of NCLT, the appellate tribunal said "the process of Insolvency & Bankruptcy Code (IBC) cannot be utilised" for recovery of TDS dues by an operational creditor of the company.
- The consequences of non-payment of TDS are provided under Income Tax Act, 1961, and income tax authorities have ample powers to take appropriate action,"

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MCA



03

Clarification of holding Annual General Meeting through Video Conference or other Audio Visual Means



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- Holding an Annual General Meeting is a yearly procedure to be followed by every company. The Ministry of Corporate Affairs (MCA) has allowed companies to hold their Annual General Meetings (AGMs) through video conferencing mode for six more months.
- As against the set outer limit of the end of June 2022, MCA has now clarified that it has been decided to allow companies whose AGMs are due in the year 2022 to organize the AGMs on/ before 31.12.2022 through Video Conference or Other Audio-Visual Means.

04

Rs two lakh crore 'avoidance transaction' claims pending with NCLAT's



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- Claims of over ₹2 lakh crore filed as 'avoidance transactions' under the Insolvency & Bankruptcy Code are pending with various company law tribunals across the country.
- Under the code, resolution professionals have powers to reverse any transaction entered by the debtor company before the IBC is invoked if he feels that the transaction was intended to divert funds or alienate assets. However, such claims need approval of National Company Law Tribunal (NCLT).

INCOME TAX



01

PAN, Aadhaar a must for cash transactions above Rs 20 lakh a year



- Soon, you will have to furnish your PAN or Aadhaar if you wish to make cash withdrawals or deposits of over Rs 20 lakh in a financial year.
- This would be applicable to cash transactions beyond this limit at banks, including co-operative banks, as also post offices, the Central Board of Direct taxes (CBDT) said in a notification on May 10.
- Will become mandatorily to quote either PAN or Aadhar even to open a current account or cash credit account with a bank or post office.

02

CBDT notified amendment in Faceless penalty scheme, allowing mandatory personal hearing



- The Central Board of Direct Taxes (CBDT) has notified the amendment in the faceless penalty scheme, allowing mandatory personal hearing through electronic mode to any taxpayer who has sought a hearing.
- The Faceless Penalty (Amendment) Scheme, 2022, notified on says that such hearing will be held exclusively through video conferencing or video telephony, including use of any telecommunication application software which supports video conferencing or video telephony.

INDIRECT TAXATION



01

GST officials can't force recovery during searches



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- Tax authorities will now face action if a taxpayer makes voluntary payment of tax during a search. In a move aimed at curbing instances of use of force or coercion, the Central Board of Indirect Taxes and Customs (CBIC) has directed its field formations that recovery of tax dues should be made following the due legal process after issuance of adjudication order and not during searches.
- The move comes in the backdrop of complaints of use of force and coercion by tax authorities for making 'recovery' during the course of search or inspection.

02

Extension of Due Date for Form GSTR-3B & FORM GST PMT-06 for April 2022



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- In a relief for tax professionals and taxpayers who were facing technical glitches in filing GSTR-3B return for April 2022, the Central Board of Indirect Taxes and Customs (CBIC) announced the extension of the Due Date for filing Form GSTR-3B & FORM GST PMT-06 for the tax periods of April 2022.
- The deadline has now been extended from 20th May 2022 to different dates as per the category of assesee.

STARTUP INDIA



01

Indian startups continue to create value, wealth despite pandemic: PM Modi



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02

Over 55 Spacetech Startups Registered With ISRO In 2 Years: Govt



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03

Upstox reaches a user base of 10 million, surpasses Zerodha



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Google backs India's ShareChat in \$300 mln funding round at \$5 bln valuation



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Oppo joins Microsoft to empower Indian startups via 'Elevate' programme



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06

D2C Personal Care Brand SUGAR Cosmetics Bags \$50 Mn To Deepen Market Penetration



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CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

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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.

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