

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

FORTIETH EDITION



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2021

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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



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Securities and Exchange Board of India

SEBI



MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

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BROAD ECONOMIC NEWS

01

India's Forex reserves rise by \$2.04 billion to \$639.51 billion



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02

COP26: India PM Narendra Modi pledges net zero by 2070



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03

Govt lists bill in winter session to ban all private cryptocurrency



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04

PM Modi launches RBI's retail direct gilt investment scheme



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05

Govt approves continuation of Scheme for Investment Promotion for 5 years



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06

SC allows Government to sell residual stake in Hindustan Zinc Limited.



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CAPITAL MARKETS



01

Sterlite Power, ESDS Software get Sebi's go-ahead to float IPOs



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02

CCI Approves HDFC Life Insurance's Acquisition Of Exide Life Insurance.



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03

IL&FS aims to resolve 62% of total Rs 1 lakh crore debt



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04

Government puts on sale MTNL, BSNL assets worth about Rs 1,100 crore.



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05

LIC IPO to transform Indian capital market



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06

FPIs pump in Rs 19,712 cr in Indian markets in November so far



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SEBI



भारतीय प्रतिशुति और विनियम बोर्ड
Securities and Exchange Board of India

01

SEBI moots big changes to preferential allotment norms on pricing, lock-in



- Regulator says any preferential issue causing change in control or allotment of more than 5% stake will require a valuation report from a registered valuer.
- SEBI proposed large-scale changes to the framework governing preferential allotments—issue of shares, warrants or convertibles to promoters or large investors on a privately-placed basis.
- The new formula proposed by SEBI is the higher amount between VWAP of 60 trading days and VWAP of 10 trading days.

02

Dealing in unregulated products by SEBI registered Debenture Trustees



- Undertaking activities related to unregulated products such as digital gold is not in accordance with the provisions of Section 12(1) of the SEBI Act, 1992 read with the SEBI (Debenture Trustees) Regulations,1993.
- Debenture Trustees are, hereby, advised to disassociate themselves from undertaking activities related to unregulated products such as digital gold.

SEBI



भारतीय प्रतिशुति और विनियम बोर्ड
Securities and Exchange Board of India

03

SEBI proposes limit on IPO proceeds startups can use for M&As

- SEBI has proposed a limit on the money raised from IPOs that startups can use for mergers and acquisitions, unless takeover targets are explicitly identified beforehand.
- It proposed to limit a maximum 35% of proceeds for acquisitions and unspecified strategic investments. "Raising funds for unidentified acquisitions leads to some amount of ambiguity in the IPO objects

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04

Grant of recognition to BASL as an Accreditation Agency

- BSE Administration and Supervision Limited (BASL), a wholly owned subsidiary of BSE Limited (BSE) has been granted recognition as an Accreditation Agency under Regulation 2(1) (aa) of SEBI (Alternative Investments Funds) Regulations, 2012 read with SEBI circular dated August 26, 2021, for a period of three years with effect from December 01, 2021.
- The renewal of the recognition would be subject to satisfactory performance by BASL.

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05

OTHER SEBI CIRCULARS

Scheme of Arrangement by Listed Entities



Segregation and Monitoring of Collateral at Client Level – Extension of timeline



Write-off of debt securities held by FPIs who intend to surrender their registration



Publishing Investor Charter and Disclosure of Complaints by RTAs on their Websites.



Publishing Investor Charter and Disclosure of Complaints by Merchant Bankers



Norms for Silver Exchange Traded Funds (Silver ETFs) and Gold Exchange Traded Funds (Gold ETFs)



Disclosure of Complaints against the Stock Exchanges



RBI



01

RBI raises Promoter Stake's Cap To 26% from 15% in Private Banks.

- The Reserve Bank of India (RBI) today raised the cap on promoter's stake in private banks, to 26 per cent - in the long run, from the current 15 per cent limit, of the paid-up voting equity share capital of the bank.
- The RBI has accepted 21 out of the 33 recommendations made by the internal working group - which was set up to review the guidelines on ownership and corporate structure for private sector banks.

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02

RBI launches its First Global Hackathon - HARBINGER 2021

- Reserve Bank is organising its first global hackathon - "HARBINGER 2021 - Innovation for Transformation" with the theme 'Smarter Digital Payments'.
- The Hackathon invites participants to identify and develop solutions that have the potential to make digital payments accessible to the under-served, enhance the ease of payments and user experience, while strengthening the security of digital payments and promoting customer protection.

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RBI



03

Exim Bank's Government of India supported Line of Credit of USD 10.40 million to Government of Kingdom of Eswatini



- The Agreement under the LoC is effective from September 27, 2021. Under the LoC, the terminal utilization period is 60 months after the scheduled completion date of the Project.
- No agency commission is payable for export under the above LoC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange.

04

The Punjab and Maharashtra Co-operative bank Ltd.: RBI announces Draft Scheme of Amalgamation



- The Reserve Bank of India has placed in public domain a draft scheme of amalgamation of The Punjab and Maharashtra Cooperative (PMC) Bank with Unity Small Finance Bank Ltd. (USFB), a banking company incorporated in India under Companies Act, 2013, and having its Registered Office in New Delhi.
- USFB has commenced operations with effect from November 1, 2021.

RBI



05

OTHER RBI CIRCULARS

Implementation of Section 51A of UAPA, 1967



Link

Inclusion in/exclusion from the Second Schedule to the Reserve Bank of India Act, 1934



Link

Regulations Review Authority (RRA 2.0) - Interim Recommendations



Link

Foreign Currency (Non-resident) Accounts (Banks) Scheme [FCNR(B)]



Link

Auction of Government Securities: Non-Competitive Bidding Facility to retail investors



Link

Auction of Government Securities: Non-Competitive Bidding Facility to retail investors



Link

Appointment of Internal Ombudsman by Non-Banking Financial Companies



Link

01 IEPF Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2021



- These rules may be called the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2021. These rules shall come into force on the date of their publication in Official Gazette.
- The ministry of corporate affairs has made it easier for investors to claim refunds of their unclaimed dividends, deposits and application money that companies have transferred to the Investor Education and Protection Fund

02 NCLAT stays Competition Comm's Rs 200 cr penalty on Marutis



- Appellate Tribunal NCLAT stayed Rs. 200 Crore penalty imposed by the Competition Commission of India on Maruti Suzuki but they directed the car maker to deposit 10% of the total amount within 3 weeks.
- A three member NCLAT bench stayed the demand notice on the car maker, subject to the condition of depositing 10% of penalty amount.
- The amount has to be deposited with the Registrar of the National Company Law Appellate Tribunal.

03

Report on the rules and regulations for cross-border insolvency resolution

- The CBIRC has adopted a holistic methodology including internal meetings, engagement with stakeholders, examining past reports, global literature and best practices followed by other countries.
- The Committee while making its recommendations has attempted to provide a comprehensive rules and regulatory framework to enable implementation of the recommendations of the Insolvency Law Committee contained in its Report dated 16th October, 2018 based on the UNCITRAL Model Law on Cross-Border Insolvency.



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04

NOC from the Income Tax Department during Voluntary Liquidation Process

- 'Cross-border insolvency' denotes circumstances in which an insolvent debtor has assets and/or creditors in more than one country. With the rapid increase in globalisation, cross-border trade and investment has increased the dependence of national economies on each other.
- The impact of business failure in such a globalised market economy often spans beyond national boundaries. Consequently, insolvency laws need to account for domestic as well as cross-border scenarios.



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INCOME TAX



01

CBDT extends the last date for updating UDINs for all the IT forms at the e-filing portal to 31st January, 2022

- CBDT has further extended the last date/ timeline for allowing validations of UDINs upto 31/01/2022, in respect of past IT Forms uploaded on the e-filing Portal, as per ICAI Announcement date 30/11/2021.
- The CBDT has extended the last date for updating UDINs for all the IT forms at the e-filing portal to 31/01/2022.



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02

Income Tax Department launched annual information statement (ASI).

- The AIS is a comprehensive statement containing details of financial transactions done by you and reported by various entities to the tax department during the financial year.
- AIS is divided into two parts: Part A and Part B. Part A contains general information such as PAN, masked Aadhaar number, name of taxpayer, date of birth etc. Part B contains comprehensive information of TDS, TCS, Specified financial transactions, payment of taxes, tax demand and refund and other information.



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INDIRECT TAXATION

01

Maharashtra government cuts excise duty on imported scotch by 50%.



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- The Maharashtra government has slashed excise duty on imported scotch whiskey by 50% to bring its price on par with that in other states.
- The excise duty on imported scotch whiskey has been brought down 300% to 150 % of the manufacturing cost.
- The Maharashtra government earns revenue of about Rs 100 crore from the sale of imported scotch annually. The revenue is expected to increase to Rs 250 crore as the sale is expected to go up from one lakh bottles to 2.5 lakh bottles .

02

Prices of apparel, textiles, footwear to increase from Jan 1 as govt raises GST from 5% to 12%.



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- GST on apparel, textiles and footwear to be increased from 5% to 12% effective January 1.
- However, GST rates on certain synthetic fibres and yarn have been lowered to 12% from 18% to correct inverted duty structure.
- Clothing industry decried GST hike which they say will cause prices to increase significantly given manufacturers are already facing heavy inflationary pressure.

STARTUP INDIA



01

Coinbase acquires Agara to further India push



News Link

02

Delhivery files draft papers with Sebi for Rs 7,460 crore IPO



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03

Zoomcar gets \$92 million in SternAegis-led round



News Link

04

Amazon-backed EV maker Rivian raises \$11.9 bn in year's biggest IPO



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05

Slice has become India's latest unicorn after the fintech startup raised \$220 million



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06

Goldman, Morgan Stanley bid to buy into mapmaker MapmyIndia's IPO



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KREO CAPITAL PRIVATE LIMITED

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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