

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I – MERCHANT BANKER

TWENTY-NINTH EDITION



DECEMBER
2020



Happy New Year

“Sometimes a year is full of challenges and tough phases, just to make us realise that entering a new year would automatically mean entering a wonderful year. Wishing a Safe and Healthy New Year-2021.”

Wednesday, 6th January , 2021

“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

BROAD ECONOMIC NEWS

01

FPIs invest over Rs 60,000 Crore in December so far



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02

SBI Research raises FY21 GDP estimate to -7.4% from -10.9% earlier



News Link

03

India and UK to finalise early harvest trade deals by 2021, ahead of comprehensive FTA



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04

AMP Capital, Sterlite join hands to launch India transmission platform



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05

Government implementing Rs 320-crore project for 5 ports to enable digital ecosystem



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06

Union Budget 2021:DEA secy: Budget for FY22 to be reform-oriented



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CAPITAL MARKETS



01

SEBI likely to relax norms for investing in insolvent firms



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02

Redwood Investments sells AU Small Finance Bank shares worth over Rs 1,247 Crore



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03

Suryoday Small Finance Bank gets Sebi's go ahead to launch IPO



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04

Anupam Rasayan files Rs 760 Cr IPO Papers with SEBI



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05

In a first, IRFC IPO to have an anchor book



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06

Embassy REIT raises \$501 m via QIP route



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SEBI



01

Relaxation in timelines for compliance with regulatory requirements

- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories/ Depository Participants.
- Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



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02

Operational guidelines for Transfer and Dematerialization of re-lodged physical shares

- Subsequent to processing of the re-lodged transfer request, the RTA shall retain the physical shares and intimate the investor (transferee) about the execution of transfer through Letter of Confirmation.
- The investor shall submit the demat request, within 90 days of issue of Letter of Confirmation, to Depository participant (DP) along with the Letter of Confirmation.
- RTA shall also issue a reminder at the end of 60 days of issue of Letter of Confirmation informing the investor to submit the demat request as above.



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SEBI



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

03

ASBA for payment of Balance Money in Calls

- It has been decided to introduce additional payment mechanism (i.e. ASBA, etc) for making subscription and/or payment of calls in respect of partly paid specified securities through SCSBs and intermediaries such as Trading Members/ Brokers having three in one type account and Registrar and Transfer agents (RTA).
- The payment period for payment of balance money in Calls shall be kept open for fifteen days.
- This circular shall be applicable for all Call Money Notice wherein the payment period opens on or after January 01, 2021.



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04

SEBI gives certain relaxations to NRIs on holding depository receipts

- NRIs can now hold DRs issued by the company under the employee stock option schemes, bonus issue and rights issue, the regulator said.
- It further said the onus of identification of NRI holders, who are issued DRs in terms employee benefit scheme, would lie with the listed company.
- Considering that many shareholders of these companies remain resident Indians or NRIs, this clarification gives them access to the DR route for being compensated as an employee or early investor with the company



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Securities and Exchange Board of India

05

OTHER SEBI CIRCULARS

e-Voting Facility Provided by Listed Entities



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Historical scenarios in standardized stress Testing in commodity derivatives segment



News Link

Core settlement Guarantee Fund, Default Waterfall and stress test for LPCC



News Link

Creation of security in issuance of listed debt securities & due diligence by debenture trustees



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Relaxation in timelines for compliance with regulatory requirements



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Circular on Mutual Funds



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Procedural Guidelines for Proxy Advisors



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RBI



01

24x7 Availability of Real Time Gross Settlement (RTGS) System



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- Reserve Bank of India (RBI) had announced making available the Real Time Gross Settlement (RTGS) system round the clock on all days, with effect from 00:30 hours on December 14, 2020.
- RTGS shall be available for customer and inter-bank transactions round the clock, except for the interval between 'end-of-day' and 'start-of-day' processes, whose timings would be duly broadcasted through the RTGS system
- The Intra-Day Liquidity (IDL) availed, if any, shall be reversed before the 'end-of-day' process begins.

02

Declaration of dividends by banks



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- In view of the ongoing stress and heightened uncertainty on account of COVID-19, it is imperative that banks continue to conserve capital to support the economy and absorb losses.
- In order to further strengthen the banks' balance sheets, while at the same time support lending to the real economy, it has been decided that banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020.

RBI



03

Amendment to Master Direction (MD) on KYC

- It has been decided to extend the CKYCR to Legal Entities (LEs). Accordingly, REs shall upload the KYC data pertaining to accounts of LEs opened on or after April 1, 2021, on to CKYCR in terms of Rule 9 (1A) of the PML Rules.
- The LE Template would be released by CERSAI well in advance so that REs start using it from the notified date. REs shall also ensure that in case of accounts of LEs opened prior to April 1, 2021
- The REs shall ensure that the same is communicated to the individual/legal entity as the case may be.



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04

Card transactions in Contactless mode – Relaxation in requirement of Additional Factor of Authentication

- The present COVID-19 pandemic has underlined the benefits of contactless transactions.
- Keeping this in view and based on stakeholder feedback, it was announced in the Statement on Developmental and Regulatory Policies dated December 4, 2020 that per transaction limit for AFA relaxation for contactless card transactions will be increased.
- Accordingly, given the sufficient protection available to users, it has been decided to increase the per transaction limit to ₹ 5,000/-.



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RBI



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OTHER RBI CIRCULARS

Perpetual Validity for Certificate of Authorisation Issued to Payment System Operators



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Opening of Current Accounts by Banks



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Regional Rural Banks - Access to Call/Notice/Term Money Market



News Link

External Trade – Facilitation – Export of Goods and Services



News Link

Introduction of Liquidity Adjustment Facility and Marginal Standing Facility for RRB'S



News Link

Processing of e-mandates for recurring transactions



News Link

Authorisation of entities for operating a Payment System (Cooling period)



News Link

01 Companies (Incorporation) Third Amendment Rules, 2020

- Extension of reservation of name in certain cases: Upon payment of fees through the web service, the Registrar shall extend the period of a name reserved under Rule 9 by using web service Spice+ upto:
 - a. 40 days from the date of approval on payment of fees of INR 1000/- made before the expiry of twenty days from the date of approval.
 - b. 60 days from the date of approval on payment of fees of INR 2000/- made before the expiry of forty days referred above.
 - c. 60 days from the approval on payment of fees of INR 3000/- made before the expiry of twenty days from the date of approval.



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02 Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2020

- In rule 6(4)(a) of Companies (Appointment and Qualification of Directors) Rules 2014, An individual shall not be required to pass the online proficiency self-assessment test when he has served for a period of not < 3 years as on the date of name inclusion in data bank -
 - a. As a director or KMP as on the date of inclusion of his name in the databank in one or more of the following:
 - Listed public company
 - Unlisted public company with paid-up capital of INR 10 Cr or more
 - Body corporate listed on any recognised stock exchange
 - Body corporate incorporated outside India



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MCA



03

Companies (Compromise, Arrangement and Amalgamations) Second Amendment Rules, 2020

- Purchase of minority shareholding held in demat form: The Company shall within two weeks from the date of receipt of the amount equal to the price of shares to be acquired by the acquirer, under Section 236 of the Act.
- After verification, Company shall send notice to such minority shareholders.
- The Company shall inform the depository immediately after publication of notice.



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04

Amendment Companies (Meetings of Board and its Power) Rules, 2014

- MCA has further extended the dates for conducting Board Meetings through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), for approving financial statements and other restricted agenda items, from 31st December 2020 to 30th June 2021.
- The rules may be called the Companies (Meetings of Board and its Power) Rules, 2014
- They shall come into force on the date of their publication in the Official Gazette



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INCOME TAX



01

Extension of time limits

- Due date for furnishing of Income Tax Returns for Assessment Year 2020-21 for taxpayer who are required to get their accounts audited and companies has been further extended to 15th February, 2021.
- Due date for furnishing of Income Tax Returns for Assessment Year 2020-21 for other taxpayer has been extended to 10th January, 2021
- Last date for making a declaration under Vivad Se Vishwas Scheme has been extended to 31st January, 2021 from 31st December, 2020.
- Date of furnishing various audit reports further extended to 15th January, 2021.



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02

One-time Condonation Scheme to regularize UDINs

- As a One-time condonation scheme, to regularize the non-generation of UDIN, it has been decided that Members will be allowed to generate the earlier missed UDINs for the documents signed between 1st February 2019 to 31st December, 2020. The scheme will be made available from 1st January, 2021 till 31st January, 2021.
- With this announcement, all delays in generation of UDINs by the members of ICAI for UDINs generated during 1st February 2019 till 31st December 2020 as a one-time measure stand condoned



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INDIRECT TAXATION



01

Waiver from recording of UIN on the invoices for the months April 2020 to March 2021

- Vide Circular No.63/37/2018-GST dated 14th September, 2018 & corrigendum to the said circular dated 6th September 2019, waiver from recording of UIN on the invoices issued by retailers/other suppliers were given to UIN entities till March,2020.
- It has been brought to the notice of the Board that the issue of non-recording of UINs has continued even after 31st March,2020.
- Therefore, it has been decided to give waiver from recording of UIN on the invoices issued by the retailers/suppliers, pertaining to the refund claims from April 2020 to March 2021.



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02

MSMEs, Small Dealers not to be affected by mandatory 1% Cash GST Payment

- Small businesses and dealers will not be impacted by the new government rule of paying at least 1% of goods and services tax liability in cash as only entities with annual turnover of Rs 6 crore and above are required to follow the new rule.
- The Central Board of Indirect Taxes and Customs had last week amended rules to make it mandatory for businesses with monthly turnover of over Rs 50 lakh to pay at least 1% of their GST liability in cash.
- The new rule restricts the use of input tax credit for discharging GST liability to 99%, effective Jan. 1, 2021.



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STARTUP INDIA



01

FDI equity inflow up 21% to \$35.3 bn in April-Oct: DPIIT



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02

IPO norms for startups may prompt more exits



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03

Indian edtech startups received over \$2.22 billion funding in 2020



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04

Zomato raises \$660 mn at a valuation of \$3.9 bn



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05

Domino's India Parent Jubilant to invest Rs 92 Crore in Barbeque Nation



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06

Skyroot successfully test fires India's first privately- made solid rocket stage



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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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