

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

NEWSLETTER – ELEVENTH EDITION, 2019



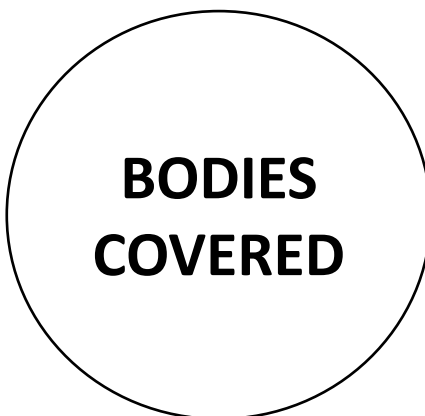
Wednesday, July 03, 2019

“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.



IPO MARKET TO GAIN MOMENTUM IN H2 2019

AROUND 70 COMPANIES HAVE ALREADY RECEIVED CLEARANCES FROM THE MARKETS REGULATOR SEBI.



- The primary market in India is likely to gain momentum in the second half of 2019, considering the favourable outcome of general elections.
- Around 70 companies have already received clearances from the market regulator SEBI and 19 companies are awaiting clearance.
- The country recorded 16 IPOs during April-June with stock exchanges (BSE & NSE, including SMEs) ranking sixth globally in terms of number of IPOs.
- On the mainboards, including BSE and NSE, there were four IPOs in Q2 versus seven and five IPOs in Q2 2018 and Q1 2019, respectively, representing a significant drop of 43 per cent compared with Q2 2018 and a decrease of 20 per cent compared with Q1 2019.
- Similar trends were seen in the SME market. There were 12 IPOs in Q2 2019 versus 39 IPOs and 13 IPOs in Q2 2018 and Q1 2019, respectively, representing a significant fall of 69 per cent against Q2 2018 and a decrease of 8 per cent compared with Q1 2019.
- The Budget 2019 will play a crucial role in spelling out the strategic agenda and the key initiatives of the new government and some of that will also be key in the revival of the economy and the IPO market.

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/ipos/fpos/ipo-market-to-gain-momentum-in-h2-2019-ey/articleshow/70025848.cms>

BROAD ECONOMIC NEWS

FOREX RESERVE HITS RECORD HIGH OF \$426.42 BILLION

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/forex/forex-reserve-hits-record-high-of-usd-426-42-bn/articleshow/69992537.cms>

TRAVELLERS MAY SOON BUY FOREX ONLINE AT LOWER RATE

For more details, please refer link :

<https://timesofindia.indiatimes.com/business/india-business/travellers-may-soon-buy-forex-online-at-lower-rate/articleshow/69682872.cms>

INDIA BECOMES INVESTMENT DARLING FOR SOVEREIGN WEALTH AND PENSION FUNDS

For more details, please refer link :

<https://www.livemint.com/news/india/india-becomes-investment-darling-for-sovereign-wealth-and-pension-funds-1561097975025.html>

NO CAPITAL GAINS TAX LIABILITY ON CREATION OF SIDE-POCKET IN A MUTUAL FUND

FOR more details, please refer link :

<https://www.livemint.com/opinion/columns/opinion-no-capital-gains-tax-liability-on-creation-of-side-pocket-in-a-mf-1559456766809.html>

WHY THERE IS LITTLE MERIT IN REVIVING ANY WEALTH-BASED TAXATION IN INDIA?

For more details, please refer link :

<https://www.livemint.com/budget/opinion/why-there-s-little-merit-in-reviving-any-wealth-based-taxation-in-india-1561976332125.html>

GOVERNMENT TO COME OUT WITH NATIONAL E-COMMERCE POLICY WITHIN 12 MONTHS

For more details, please refer link :

<https://www.livemint.com/news/india/govt-to-come-out-with-national-e-commerce-policy-within-12-months-1561468426495.html>

GOVERNMENT APPROVES SEZ AMENDMENT BILL TO REPLACE ORDINANCE FOR PERMITTING TRUSTS TO SET UP UNITS

For more details, please refer link :

https://economictimes.indiatimes.com/articleshow/69761707.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

SEBI MCA SIGN PACT FOR MORE DATA SCRUTINY

For more details, please refer link :

<https://www.thehindu.com/business/Industry/sebi-mca-sign-pact-for-more-data-scrutiny/article27690027.ece>



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

SEBI TIGHTENS RULES FOR USAGE OF CLIENT FUNDS BY BROKERAGES

Key Highlights

- As per the new rules, brokers have been asked to transfer the securities to their client accounts within one day of receiving payment.
- In case if the client defaults on the payment, brokers have been asked to hold the securities up to five days post which they can liquidate the securities in the market and recover dues.
- Under no circumstances, shall the securities of the client received in pay-out be retained by the trading member (Brokers) beyond five trading days and be used for any other purpose.
- Brokerages have also been asked to wind-up any client accounts that don't fall under category of pool account, client margin trading securities account and client collateral account by August 2019.

For more details, please refer link:
<https://m.economictimes.com/markets/stocks/news/sebi-tightens-rules-for-usage-of-client-funds-by-brokerages/articleshow/69883812.cms>



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

AMENDMENTS TO SEBI (PIT) REGULATIONS PERTAINING TO APPLICABILITY OF TRADING WINDOW CLOSURE

Key Highlights

- Upon consideration, the Board approved amendments clarifying that trading window closure for listed companies shall be applicable from end of every quarter till 48 hours after declaration of financial results.
- The amendments clarify that such closure shall not be applicable in respect of transactions such as off-market inter-se transfer between insiders, transaction through block deal window mechanism between insiders, pledging of shares for bona fide transaction such as raising of funds and transactions for acquiring shares under further public issue, right issue and preferential issue, exercising conversion of warrants / debentures, tendering shares under buy-back, open offer and delisting etc. subject to conditions specified.

For more details, please refer link:
https://www.sebi.gov.in/media/press-releases/jun-2019/sebi-board-meeting_43417.html



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

SEBI WANTS 10% MANDATORY DEPOSIT BEFORE APPEALS AT SAT AGAINST ITS ORDERS

Key Highlights

- Capital market regulator SEBI is seeking a mandatory deposit of 10% of the penalty amounts before filing of any appeal before the appellate tribunal.
- The SEBI has sought an amendment to the SEBI Act to provide for a "pre-deposit" by any entity seeking to challenge its order relating to a monetary penalty or orders relating to refund, recovery, disgorgement and compounding, officials said.
- SEBI feels that such measures would help avoid frivolous appeals and expedite disposal of the statutory appeals, the official said.

For more details, please refer link:
[//economictimes.indiatimes.com/articleshow/69620585.cms?utm_source=content_ofinterest&utm_medium=text&utm_campaign=cppst](https://economictimes.indiatimes.com/articleshow/69620585.cms?utm_source=content_ofinterest&utm_medium=text&utm_campaign=cppst)



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

SEBI DISCUSSION PAPER PROPOSES UP TO RS 1 CRORE REWARD FOR TIP ON INSIDER TRADE

Key Highlights

- The regulator said the proposed amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015 to provide for an informant mechanism will include a voluntary information disclosure form, wherein the informant would submit details of complete information relating to an act of insider trading.
- It would be compulsory for the informant to disclose the source of original information, and an independent office separate from the investigation and inspection wings or any of the dealing departments may be established by SEBI.
- In case the independent office determines that the information submitted is frivolous or vexatious, SEBI may initiate appropriate action against the informant

For more details, please refer link:
[//economictimes.indiatimes.com/articleshow/69725562.cms?utm_source=content_ofinterest&utm_medium=text&utm_campaign=cppst](https://economictimes.indiatimes.com/articleshow/69725562.cms?utm_source=content_ofinterest&utm_medium=text&utm_campaign=cppst)



भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

SEBI TELLS RATING AGENCIES TO DISCLOSE PROBABILITY OF DEFAULT FOR ISSUERS THEY RATE

Key Highlights

- The markets regulator directed credit rating companies to start disclosing the probability of default for the issuers they rate, troubled by the raters' track record of detecting defaults or near-defaults.
- Rating agencies also have to disclose factors that could potentially impact the rating of the instruments, which include an assessment of financials.
- Minimum promoter's contribution should be 20% of the total capital.
- The credibility of rating agencies has been eroding since the global financial crisis in 2008 because of the conflict of interest arising from the fact that they are paid by the issuers to rate their securities and for their failure to downgrade troubled firms until they are on the verge of bankruptcy.

For more details, please refer link:
<https://www.livemint.com/market/stock-market-news/sebi-tells-rating-firms-to-disclose-probability-of-default-for-issuers-they-rate-1560428491075.html>



भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

SEBI NUDGES AIFS TO MAKE MORE DISCLOSURES FOR BETTER TRANSPARENCY

Key Highlights

- Opaque India-focused funds, often preferred by wealthy investors, will soon have to disclose their performance numbers and other information to the capital market regulator.
- SEBI is pushing alternative investment funds (AIFs) a regulatory parlance for privately pooled vehicles such as venture capital (VC), private equity (PE), and real estate funds — to share data to improve transparency and help investors compare returns.
- The net cumulative fund raised by alternate investment funds in the past six years till March 2019 is Rs 1.3 lakh crore while total commitments from local and global investors is over Rs 2.8 lakh crore. There are foreign portfolio managers who have preferred to take the AIF route to invest in India.

For more details, please refer link:
https://economictimes.indiatimes.com/articleshow/69884129.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

CAN PHYSICAL SHARES BE ACCEPTED IN BUYBACKS, COMPANIES ASK SEBI

Key Highlights

- Various listed companies have sought clarity from the SEBI on whether shares held in physical form could be accepted for buybacks, said two people privy to the development.
- The development comes after the National Stock Exchange (NSE) in a circular last month asked companies to accept only dematerialised shares for buybacks .
- SEBI had banned investors from transferring any shares in physical form with effect from April 1, 2019.
- Lawyers said this constraint should not apply to buybacks as they do not qualify as transfer of securities since ownership of the shares doesn't change.

For more details, please refer link:
[//economictimes.indiatimes.com/articleshow/69659265.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst](http://economictimes.indiatimes.com/articleshow/69659265.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

SEBI TIGHTENS DISCLOSURE NORMS ON PLEDGED SHARES, APPROVES DVR FRAMEWORK FOR TECH STARTUPS

Key Highlights

- SEBI tightened disclosure norms for promoter share pledges, imposed royalty payment rules on companies and lowered sectoral cap on liquid mutual funds.
- SEBI also approved a framework for issuance of shares with differential voting rights (DVRs) for tech startups keen on listing on Indian bourses.
- Promoters would now have to disclose separate reasons for encumbrance, whenever combined encumbrance along with persons acting in concert crosses 20 per cent of the company's share capital.
- The regular widened the definition of encumbrance, and said it would include any restrictions on free and marketable title to shares, pledge, lien, negative lien, non-disposable undertaking, and covenant. It also increased disclosure requirements on such shares by promoters.

For more details, please refer link:
[//economictimes.indiatimes.com/articleshow/69974927.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst](http://economictimes.indiatimes.com/articleshow/69974927.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



STARTUP FUNDING WITNESSES A LATE-STAGE BOOM IN 2019

For more details, please refer link :
<https://www.livemint.com/companies/start-ups/startup-funding-witnesses-a-late-stage-boom-in-2019-1559495813486.html>

A DIRECT GROWTH DRIVER: THE BENEFITS OF LISTING ON SME EXCHANGE

For more details, please refer link :
http://economictimes.indiatimes.com/articleshow/65539722.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

WITH 60% STAKE, L&T COMPLETES ITS HOSTILE TAKEOVER OF MINDTREE

For more details, please refer link :
<https://www.livemint.com/companies/news/with-60-stake-l-t-completes-its-hostile-takeover-of-mindtree-1561536743325.html>

BITES ANNOUNCES 1:4 BONUS SHARE ISSUE

For more details, please refer link :
http://economictimes.indiatimes.com/articleshow/69930636.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

GOLDMAN-BACKED RENEW POWER PLANS ASSET SALE AS IPO SHELVED

For more details, please refer link :
<https://www.livemint.com/market/ipo/goldman-backed-renew-power-plans-asset-sale-as-ipo-shelved-1559308092961.html>

IPO LONG-TERM STRATEGY, CURRENTLY FOCUSED ON DRIVING E-COMMERCE GROWTH

For more details, please refer link :
<https://www.livemint.com/companies/news/ipo-long-term-strategy-currently-focused-on-driving-e-commerce-growth-flipkart-1561385185537.html>

DOZENS OF PRIVATE EQUITY FUNDS EYE REVIVAL OF INDIAN IPO MARKET

For more details, please refer link :
<https://www.livemint.com/market/ipo/dozens-of-private-equity-funds-eye-revival-of-indian-ipo-market-1560098051507.html>

NIPPON LIFE MAKES OPEN OFFER FOR 22.49 PER CENT IN RNAM FOR ₹3,179 CRORE

For more details, please refer link :
<https://www.thehindubusinessline.com/money-and-banking/nippon-life-makes-open-offer-for-2249-per-cent-in-rnam-for-3179-crore/article27689814.ece>



HYDERABAD-BASED PENNA CEMENT GETS SEBI NOD FOR RS 1,550 CRORE IPO

For more details, please refer link : https://www.business-standard.com/article/companies/hyderabad-based-penna-cement-gets-sebi-nod-for-rs-1-550-crore-ipo-119060401056_1.html

HDFC BANK PLANS TO LIST NBFC ARM, RAISE \$1 BN

For more details, please refer link : <https://www.livemint.com/market/ipo/hdfc-bank-eyes-over-1-billion-ipo-of-nbfc-arm-hdb-financial-services-1561549582105.html>

AIRTEL AFRICA RAISES \$750 MN FROM IPO, STOCK DROPS ON DEBUT

For more details, please refer link : <https://www.livemint.com/companies/news/airtel-africa-raises-750-mn-from-ipo-stock-drops-on-debut-1561708434885.html>

FUTURE ENTERPRISES PLANS TO RAISE UP TO RS 900 CRORE VIA NCDS

For more details, please refer link : [//economictimes.indiatimes.com/articleshow/69925603.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst](http://economictimes.indiatimes.com/articleshow/69925603.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

SHYAM STEEL INDUSTRIES FILES IPO PAPERS, EYES TO RAISE RS 500 CRORE

For more details, please refer link : https://www.business-standard.com/article/pti-stories/shyam-steel-industries-files-ipo-papers-with-sebi-119060400414_1.html

KPR AGROCHEM TO RAISE RS 283 CR THROUGH IPO

For more details, please refer link : <https://www.moneycontrol.com/news/business/ipo/kpr-agrochem-to-raise-rs-283-cr-through-ipo-4132371.html>



EXAMS FOR COMPANY DIRECTORS: MODI GOVERNMENT FINDS A WAY TO STOP CORPORATE FRAUDS

Key Highlights

- Narendra Modi, who recently won a second term as India's prime minister, is looking to overhaul the nation's corporate governance system that allowed a string of frauds to mar his first stint in office
- Independent directors on company boards will soon have to clear an exam before they can be appointed, said Injeti Srinivas, the top bureaucrat in charge of corporate affairs.
- We want to demolish the myth that independent directors don't have any fiduciary duty, Srinivas said in an interview in New Delhi on June 6. We want to propagate corporate literacy to make them aware of their duties, roles and responsibilities

For more details, please refer link:
https://www.business-standard.com/article/companies/exams-for-company-directors-modi-govt-finds-a-way-to-stop-corporate-frauds-119061200292_1.html



GOVERNMENT STARTS IDENTIFYING COMPANIES THAT HAVE NOT FILED PHOTOS OF OFFICE PREMISES, DIRECTOR

Key Highlights

- The government has begun the process of identifying companies and directors that have not filed a form requiring photographs of both the registered office and one company director by June 15 according to a release by the MCA.
- Expert The "Active Company Tagging Identities and Verification (ACTIVE)" form requires companies to upload a photograph of the external facade of their registered office with a board displaying the company name, corporate identity number, address of the entity, email and phone number.
- Companies that have missed the revised deadline may have to pay a fine of Rs 10,000 for late filing and will not be allowed to amend its capital structure or take part in any merger or amalgamation.

For more details, please refer link :
[//economictimes.indiatimes.com/articleshow/69843913.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst](https://economictimes.indiatimes.com/articleshow/69843913.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



GOVT MAY TIGHTEN DISCLOSURE NORMS FOR CSR SPENDING

Key Highlights

- India Inc may soon have to make higher disclosures on their corporate social responsibility (CSR) spending.
- A high-level panel on CSR is likely to propose increased disclosures to bring transparency in spending on these activities.
- At present, companies are required to disclose only their CSR policy and the composition of the CSR committee. The report will also make recommendations to deal with implementation issues related to CSR expenditure.
- The committee is expected to moot creation of an online exchange portal from where companies can pick projects pitched by district-level government officers and connect with implementation agencies that have been registered with the government.

For more details, please refer link:

https://economictimes.indiatimes.com/news/company/corporate-trends/govt-may-tighten-disclosure-norms-for-csr-spending/articleshow/69980256.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst



NEW ACCOUNTING RULES MAY HURT COS WITH LONG-TERM LEASES: CLSA

Key Highlights

- The new accounting standard AS-116, which came into effect from April, is expected to significantly impact financial reporting for companies with long leases such as retail firms, multiplexes and hotels.
- The brokerage said retailers and multiplexes typically sign rental deals for nine or 15 years with 15% cost escalation every three years, leading to long-term commitments on these leases.
- Hotels operate third-party assets on long operating leases known as 'business conducting arrangements' and these arrangements are for an initial period of 3-25 years with a minimum lock-in period of 3-13 years with escalation clauses.

For more details, please refer link: <https://economictimes.indiatimes.com/markets/stocks/news/new-accounting-rules-may-hurt-cos-with-long-term-leases-clsa/articleshow/69818872.cms?from=mdr>



FILING DIR-3 KYC UNDER THE COMPANIES ACT, 2013 (CIRCULAR DATED: 27.06.2019)

Key Highlights

- It is being proposed that every person who has already filed DIR-3 KYC will only be required to complete his/her KYC through a simple web-based verification service, with pre-filled data based on the records in the registry, for ease of verification by the person concerned.
- In case a person wishes to update his mobile no. or e-mail address, he would be required to file e-form DIR-3 KYC.
- In case of updation in any other personal detail, e-form DIR-6 may be filed for updation of the same before completion of KYC through the web-based service.
- The amendment in the relevant rules including the amendment related to extension of time for completion of KYC through e-form DIR-3 KYC or the web based service, as the case may be, will be notified shortly.

For more details, please refer link:
http://www.mca.gov.in/Ministry/pdf/GeneralCircular_27062019.pdf

भारतीय दिवाला और शोधन अधिनियम कोड
 Insolvency and Bankruptcy Board of India

CHANGES TO BANKRUPTCY CODE READY, TO BE SENT TO CABINET

Key Highlights

- India has finalised changes to the Insolvency and Bankruptcy Code including the addition of a cross-border insolvency framework and an insolvency process for an individual guarantor to insolvent companies.
- The changes to the IBC, based on the report of the expert group on insolvency law, will include harsher penalties and punishments for promoters and directors involved in cases of large-scale financial irregularities.
- Currently, the National Company Law Tribunal (NCLT) only takes up cases of corporate insolvency. The proposed changes will provide a process akin to the existing corporate insolvency resolution process

For more details, please refer link:
https://economictimes.indiatimes.com/news/economy/policy/changes-to-bankruptcy-code-ready-to-be-sent-to-cabinet/articleshow/69998047.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst



RBI PANEL ON MSMES SUGGESTS RS 20 LAKH COLLATERAL-FREE LOAN UNDER MUDRA

Key Highlights

- A Reserve Bank of India (RBI) expert committee on micro, small and medium enterprises (MSMEs) has recommended doubling the cap on collateral-free loans to Rs 20 lakh from the current Rs 10 lakh.
- If the central bank approves the recommendation, the banking regulator will have to amend its July 1, 2010 circular that prescribes a maximum Rs 10 lakh for collateral-free loans.
- The committee is learnt to have suggested various long-term solutions for the economic and financial sustainability of MSMEs.
- The panel's recommendations have come at a time when the government is contemplating changing the definition of MSMEs.

For more details, please refer link: https://www.business-standard.com/article/economy-policy/rbi-panel-on-msmes-suggests-rs-20-lakh-collateral-free-loan-under-mudra-119061900054_1.html



EXTERNAL COMMERCIAL BORROWINGS (ECB) AND TRADE CREDITS

Key Highlights

- As per the revised framework introduced in December 2018, any entity eligible to receive Foreign Direct Investment (FDI) was made eligible to raise ECBs.
- RBI has now clarified its intention regarding the above and updated FAQs for ECB and Trade Credits, clarifying, inter alia, that LLP's are not eligible to raise ECBs.
- Borrowings from overseas have to be in compliance with the applicable ECB guidelines / provisions contained in the Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2018 issued vide Notification No. FEMA 3 (R)/2018-RB, as amended from time to time.

For more details, please refer link: <https://rbi.org.in/Scripts/FAQView.aspx?Id=120>



ISSUE OF PREFERENCE SHARES AT A PREMIUM ATTRACTS PROVISIONS OF SECTION 56(2)(VIIB) OF THE ITA

Key Highlights

- Jaipur Income-tax Appellate Tribunal, in the case of Ginni Global Pvt Ltd¹, has held that section 56(2)(viib) of the ITA does not distinguish between equity and preference shares.
- Issue of preference shares at a premium will be covered under the provisions of section 56(2)(viib) and the valuation should be determined under Rule 11UA(1)(c) (which provides that the fair market value shall be the estimated price such shares would fetch if the same were sold in the open market) and not Rule 11UA(2) (which only refers to "equity shares").
- The ITAT also observed that for the purposes of determining the valuation, the valuation date should be the date of issuance of preference shares and not the last balance sheet date,

For more details, please refer link: <https://www.itat.gov.in/files/uploads/categoryImage/1557823955-ITA%20No.%201009-JP-2018%20%20Ms%20Ginni%20Global%20Pvt.%20Ltd.pdf>

CBDT WANTS AO's TO VERIFY PARTNERSHIP DEEDS & SALARY/INCOME OF PARTNERS

Key Highlights

- Tax authorities will take a closer look at the income and remuneration of partners of partnership firms with the partnership deed being the key document to ensure that there is no under-reporting of tax liability.
- The Central Board of Direct Taxes recently issued a circular highlighting important issues that should be considered by the Assessing Officer while assessing such firms.
- The CBDT further pointed out there have been instances where some firms have tried to increase the profits eligible for deduction under section 80IA of the Act by not claiming expenditure towards remuneration, salary, interest that are payable to the partners.

For more details, please refer link: <https://www.thehindubusinessline.com/money-and-banking/assessment-of-firms-cbd-t-wants-aos-to-verify-partnership-deeds-salary-income-of-partners/article28138372.ece>



GOVERNMENT UNLIKELY TO LOWER CORPORATE TAX FOR LARGE COMPANIES, COULD RAISE LTCG TAX

Key Highlights

- The newly-elected government is unlikely to cut the tax rate for large companies and might raise the long-term capital gains (LTCGs) tax.
- In his FY17 budget, former Finance Minister Mr. Arun Jaitley cut the rate to 29% for small companies with sales up to Rs 5 crore and to 25% for new manufacturing companies.
- RBI's directive comes at a time when India's shadow banks are facing a funding crisis as some of the firms are burdened with over-leveraging and mismatch between assets and liabilities.
- LTCG tax on gains exceeding Rs 1 lakh from stocks held for over one year is currently at 10%. Jaitley had in 2018 re-introduced LTCG tax while presenting the Budget for FY19.

For more details, please refer link :<https://www.moneycontrol.com/news/business/economy/govt-unlikely-to-lower-corporate-tax-for-large-companies-could-raise-ltcg-tax-report-4079911.html>



GOVERNMENT MAY CAP GIFTS RECEIVED BY INDIVIDUALS TO PREVENT MISUSE OF CUSTOMS NORMS

Key Highlights

- The government is reviewing customs norms regarding gifts and will likely announce a change during the Budget to be presented on July 5.
- The government might set an upper limit on overseas gifts an individual can receive during a year. Norms are being reviewed. There is a growing view that a tighter framework is needed.
- The move is being considered due to fears that foreign online marketplaces, especially Chinese companies, are misusing India's no-cap rule on duty free gifts.
- The number of overseas gifts received can be tracked using an individual's Aadhaar or passport number

For more details, please refer link: <https://www.moneycontrol.com/news/business/economy/govt-may-cap-gifts-received-by-individuals-to-prevent-misuse-of-customs-norms-4087661.html>



GST COUNCIL MEETING: FIRST MEET UNDER NEW FM APPROVES ANNUAL RETURN DATE EXTENSION

Key Highlights

- The GST Council on June 21 extended the deadline to file annual returns by a month to August 30.
- Revenue Secretary Ajay Bhushan Pandey said the one-form new GST return filing system will be applicable from January 1, 2020.
- Soon after GST was rolled out from July 1, 2017, the government had approved setting up the NAA for two years to deal with complaints by consumers against companies for not passing on GST rate cut benefits.
- The Council also approved penalty for not paying profiteering charges. There will be penalty of 10 percent if one does not pay the profiteered sum till 30 days of the order.

For more details, please refer link :<https://www.moneycontrol.com/news/economy/policy/gst-council-meeting-first-meet-under-new-fm-approves-annual-return-date-extension-4124211.html>



ACTION(S) TO BE INITIATED AGAINST LISTED COMPANIES FOR NON-PAYMENT OF OUTSTANDING ANNUAL LISTING FEES ("ALF")

Key Highlights

- The name of the defaulting Companies shall be displayed on the BSE website on a separate page to highlight their failure to pay w.e.f. September 01, 2019.
- On the Company's individual Stock Reach page on the Exchange website, a message shall be displayed saying, "Company has not paid Annual Listing Fees and is in violation of SEBI Regulations & Exchange Requirements.
- On Listing center whenever Company logs in for submitting disclosures, the similar message would be displayed as a running ticker.
- The equity shares of the Company shall be moved from Normal Trading to Trade to Trade segment (i.e. gross settlement).

For more details, please refer link: <https://www.bseindia.com/corporates/Displaydata.aspx?Id=07582702-55d8-4799-9d92-33cd0fc0e6f3&Page=cir>

KREO CAPITAL PRIVATE LIMITED

MERCHANT BANKING | CORPORATE ADVISORY | WEALTH MANAGEMENT | LENDING SOLUTIONS

ABOUT OUR CORPORATE ADVISORY SERVICES

Our corporate advisory 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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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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