

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED - CATEGORY I - MERCHANT BANKER

THIRTY-SIXTH 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



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India



MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

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BROAD ECONOMIC NEWS

01

BYJU's acquires Singapore edtech Great Learning, Toppr for \$750 mn



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02

Microsoft to buy stake in Oyo at valuation of \$9 billion



News Link

03

Govt issues press note allowing 100% FDI in oil PSUs



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04

India, UK to gain a lot from each other by exploring possibility of signing FTA'



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05

IMF cuts India's growth forecast for FY22 to 9.5% from its previous projection of 12.5%



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06

India shifts international tax deal stand with an eye on revenue



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CAPITAL MARKETS



01

ESAF Small Finance Bank files Rs 998-cr IPO papers with SEBI



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02

Paytm files for biggest India IPO in atleast a decade of INR 16,600 Cr



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03

5 pharma/healthcare IPOs to raise over INR 8,000 Cr this month



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04

Magma Fincorp renamed Poonawalla Fincorp after takeover by Adar Poonawalla



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05

Zomato IPO subscribed 38 times, generates demand worth over INR 2 trillion



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Car Trade Tech gets SEBI nod for INR 2000 Crore



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SEBI



भारतीय प्रतिशुति और विनियम बोर्ड
Securities and Exchange Board of India

01 SEBI defines “same line of business” under delisting rules



- Defining the 'same line of business', SEBI said at least 50% of revenue from the operations of the listed holding and listed subsidiary company must come from the same line of business
- SEBI put in place a standard operating procedure for subsidiary companies planning to get delisted through a 'Scheme of Arrangement' wherein the listed holding companies and the listed subsidiaries are in the same line of business.

02 SEBI gives more time to top 100 listed companies to hold AGM



- Easing compliance norms for firms amid ongoing coronavirus pandemic, market regulator SEBI on Friday said the top 100 companies by market capitalisation can delay their annual general meetings (AGM) by a month. Such listed entities will hold their AGM within six months from the date of closing of the financial year for 2020-21, the Securities and Exchange Board of India (SEBI) said in a circular.
- Under the rules, the top 100 listed entities by market capitalisation are required to hold their AGM within five months from the date of closing of the financial year.

SEBI



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

03

SEBI allows instant access facility in overnight schemes of mutual funds



- The Securities and Exchange Board of India (SEBI) announced on July 30 that instant access facility would now be permitted in overnight schemes along with liquid schemes of mutual funds.
- The change has been brought into effect by the market regulator by partially modifying its circular related to instant access facility issued in May, 2017.
- SEBI also announced that, from December 1, 2021, unclaimed redemption and dividend amounts would be permitted for investment in a separate plan of only overnight scheme.

04

SEBI reduces time for filing application to obtain NOC for release of 1% of issue amount



- SEBI has reduced the time period to two months, from four months at present, for companies to submit an application with the markets regulator for obtaining a 'No Objection Certificate' for release of 1 per cent of issue amount.
- Under rules, the issuer company deposits 1 per cent of the issue amount of the securities offered to the public and/or to the holders of the existing securities of the company, as the case may be, with the designated stock exchange.
- This amount is released to issuer companies after obtaining a No Objection Certificate (NOC) from SEBI.

05

OTHER SEBI CIRCULARS

SEBI introduces expected loss-based rating scale for rating agencies



Link

SEBI introduces new framework on processing of scheme related applications by AMCs



Link

Relaxation in timelines for compliance with regulatory requirements by Debenture Trustees



Link

RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions



Link

Intra-day NAV to be applicable for ETF transactions by large investors directly with AMCs



Link

SEBI puts in place guidelines on valuation of securities with multiple put options



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SEBI comes out with framework on segregation, monitoring of collateral at client level



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RBI



01

RBI increases loan limit of bank directors to Rs 5 cr from Rs 25 lakh

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- The Reserve Bank of India on Friday increased the limit of personal loans given to any director of a bank to Rs 5 crore, from Rs 25 lakh earlier.
- The central bank amended the master circular for this, and said unless sanctioned by the board of directors or the management committee, banks should not grant loans and advances aggregating Rs 5 crore and above to any relative other than spouse and dependent children of their own Chairmen/Managing Directors or other Directors.

02

Access for Non-banks to Centralized Payment Systems

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- As per RBI's notification on "access for Non-banks to Centralised Payment Systems" to authorised non-bank payment system providers (PSPs), non-banks include entities like PSPs and NBFCs.
- A non-bank getting direct access to CPS will be allotted a separate Indian Financial System Code (IFSC), can open a Current Account with the Reserve Bank in its core banking system (e-Kuber), maintain a settlement account with RBI, and get membership of Indian Financial Network (INFINET) and use of Structured Financial Messaging System (SFMS) to communicate with CPS.

RBI



03

Govt announces inclusion of retail and wholesale trades under MSMEs

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- Now under the revised guidelines, retail and wholesale trade will also benefit from priority sector lending under RBI guidelines.
- The revised guidelines will benefit 2.5 crore retail and wholesale traders. The move would also allow them to register on Udyam portal.
- Commenting on the development, Confederation of All India Traders (CAIT) said, with this decision, traders will be able to avail requisite finances from banks and financial institutions under priority sector lending. Besides, now the traders can avail the benefits of several other government schemes for MSMEs

04

Salary, pension and EMI payment rules changed from August 1

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- RBI has changed the rules of the National Automated Clearing House (NACH). These changes have come into effect from August 1, 2021.
- RBI said that NACH has emerged as a popular and prominent digital mode of Direct Benefit Transfer (DBT) for beneficiaries, which helps in timely and transparent transfer of government subsidies during the prevailing COVID-19 pandemic.
- Currently, NACH services are available only on days when banks are working, but from August 1, this facility will be available on all 7 days.



05

OTHER RBI CIRCULARS

Review of Instructions on Interest on overdue domestic deposits



Link

RBI aligns deposit-taking norms for HFCs with NBFCs



Link

Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension



Link

RBI advises banks to prepare for transition from LIBOR



Link

RBI extends the timeline for implementing the cassettes swap system for ATMs.



Link

Deposit Insurance Credit Guarantee Corporation Bill 2021 to be introduced



Link

Inclusion of "Shivalik Small Finance Bank Limited" in the Second Schedule of the RBI Act



Link

MCA



01

Clarification on spending of CSR Funds for Covid-19 vaccination - reg



- It is clarified that spending on CSR funds for COVID-19 is eligible CSR activity, it is further clarified that spending of CSR funds for COVID-19 vaccination for persons other than the employees and their families, is an eligible CSR activity under item no.(i) of Schedule VII of the Companies Act,2013 relating to promotion of health care including preventive health care and item no.(xii) relating to disaster management.
- The aforesaid activity subject to fulfillment of Companies (CSR Policy) Rules, 2014 .

02

NCLAT stays Vedanta's Videocon resolution plan



- The National Company Law Appellate Tribunal (NCLAT) has stayed the sale of the Videocon group of companies to Vedanta's Twin Star Technologies. Bank of Maharashtra (BoM), which has a small portion of the loan amount, had appealed against the order under which creditors were to get around 4% of the admitted claims of Rs 64,838 crore.
- BoM had raised two main objections — the sale price was close to the liquidation price, and even the 4% that was being paid was largely in the form of debentures with very little cash coming in.

MCA



03

Lok Sabha passes IBC amendment bill



- The Lok Sabha has passed the Insolvency and Bankruptcy (amendment) bill, which paves the way for a pre-packaged resolution process for the Micro, Medium and Small Enterprises sector.
- Minister of State for Corporate Affairs moved the bill for consideration and passage amid din in the lower house of Parliament
- Insolvency and Bankruptcy Code (Amendment) Bill, 2021, will replace the ordinance that was promulgated on April 4 as part of efforts to provide relief to MSMEs adversely impacted by the pandemic.

04

Syngenta India challenges NCLAT's valuation order in SC



- The Supreme Court has stayed an order by the National Company Law Appellate Tribunal (NCLAT) that directed the parent of Syngenta India to pay a 'fair price' to some minority shareholders in the process of reducing the equity capital.
- Syngenta AG was founded in 2000 by the merger of the agrichemical businesses of Novartis and AstraZeneca. Shares of Syngenta India were delisted from the Indian bourses in 2007. However, some shareholders did not participate in the delisting offer.

INCOME TAX



01 The Income tax Amendment (19th Amendment), Rules, 2021.



- The Central Board of Direct Taxes (CBDT) hereby makes the following rules further to amend the Income-tax Rules, 1962:
 - It states that for the purposes of proviso to section 50, the WDV of the block of the asset and short term capital gains, if any, for the previous year shall be determined in accordance with this rule.
 - The capital gains or loss on transfer of goodwill, during the previous years relevant to the assessment year 2021-22 or subsequent assessment years, shall be determined in accordance with the provisions of section 48, section 49 and clause (a) of sub-section (2) of section 55

02 Attribution of income taxable under sub-section (4) of section 45 to the capital assets



- CBDT vide Notification No. 76/2021-Income Tax Dated 2nd July, 2021 amends rule 8AA which relates to Method of determination of period of holding of capital assets in certain cases and added rules related to amount which is chargeable to income-tax as income of specified entity under subsection (4) of section 45 under the head Capital gains.
- Notification further inserted new Income Tax Rule 8AB related to Attribution of income taxable under sub-section (4) of section 45 to the capital assets remaining with the specified entity, under section 48 along with form namely 'Details of amount attributed to capital asset remaining with the specified entity'

INDIRECT TAXATION

01

GSTR-9 filing exempted if turnover is upto Rs. 2 crs for FY 20-21



- CBIC exempts the registered person whose aggregate turnover in the financial year 2020-21 is upto two crore rupees, from filing annual GST return for the said financial year.
- This would ease compliance requirement of furnishing reconciliation statement in FORM GSTR-9C, as taxpayers would now be able to self-certify reconciliation statement, instead of getting it certified by a chartered accountants.
- This change will apply for Annual Return for FY 2020-21.

02

No GST Audit from August 1st: CBIC



- The Central Board of Indirect Taxes and Customs (CBIC) notified no GST Audit will be required from August 1, 2021.
- Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt any class of registered persons from filing annual return under this section.
- Provided further that nothing contained in this section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the CAG of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.

STARTUP INDIA



01

Ola expands ESOP pool to Rs 3,000 crore ahead of IPO



02

OneCode raises \$5million led by Sequoia's Surge and Nexus Venture Partners



03

Lifestyle Ecommerce Startup Nykaa Eyes \$4 Bn Valuation In IPO



04

Indian Government Turns To Blockchain To Ease Startup Compliance Hurdles



05

BharatPe in talks to raise \$350 million



06

Public procurement norms applicable to PPP projects: DPIIT



KREO CAPITAL PRIVATE LIMITED

CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

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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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