

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I – MERCHANT BANKER

THIRTY-FIFTH 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



SEBI



MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

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BROAD ECONOMIC NEWS

01

India set to report strong growth this fiscal, to cross 7% GDP by FY24



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02

“Taj” brand has been rated as the strongest hotel brand in the world



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03

KKR's Independence, Contango to merger in \$5.7 billion oil and gas deal



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04

World Bank approves \$500 mn program to help boost India's MSME sector



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Britain approves eBay merger with Adevinta



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Moody's: Economic impact of second wave softer, may be limited to June quarter



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CAPITAL MARKETS



01

Baba Ramdev's Ruchi Soya files FPO document to raise up to Rs 4,300 cr



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02

Ami Organics files IPO papers with SEBI



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Vijaya Diagnostic files papers to raise funds via IPO



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PharmEasy to acquire 66% stake in Thyrocare for over Rs 4,500 crore



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Paytm aims to raise \$1.6 billion through fresh issue in IPO



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Reliance to finalise deal with Aramco



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SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India**01**

SEBI approves major changes to tighten independent director norms from January 1

- Appointment, re-appointment or removal of independent directors will now require a special resolution—at least 75% of those voting must favour it.
- Shareholder approval for appointment of all directors, including independent directors, will need to be taken at the next general meeting, or within three months of the appointment on the board, whichever is earlier.
- The NRC will now be composed of two-thirds of independent directors instead of the existing requirement of a plain majority.

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SEBI moots new framework for delisting companies post open offer by acquirers

- SEBI proposed a new framework for delisting of equity shares of a company following an open offer as part of efforts to make merger and acquisition transactions for listed companies more rational.
- Upfront disclosure of the intention to delist the target company at the time of making an open offer by the acquirer concerned is among the key proposals, which are also aimed at balancing the interests of all investors in the process.
- Sebi said the proposed framework should be made available for an incoming acquirer that is seeking to acquire sole or joint control of the target company.

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SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India**03**

Sebi makes reward for whistleblowers on insider trading more attractive

- The SEBI has increased the reward payable to whistleblowers under its prohibition of insider trading regulations to Rs 10 crore from Rs 1 crore to further encourage whistleblowers to come forward to the regulator.
- The move is expected to further bolster Sebi's arsenal in fighting insider trading cases. While the regulator has brought several cases of insider trading forward in the past few years, it has struggled to make a strong case due to lack of information.



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04

Sebi relaxes minimum vesting period for ESOPs

- The Sebi has relaxed the minimum vesting period requirement for employee stock option plan (ESOP) in the event of death of an employee.
- This relaxation would be available to all such employees who have deceased on or after April 01, 2020.
- The provisions under the SBEB (Share Based Employee Benefit) Regulations relating to minimum vesting period of one year shall not apply in case of death (for any reason) of an employee.
- All the options, SAR (stock appreciation rights) or any other benefit granted to such employee(s) shall vest with his/her legal heir.



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SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

05

OTHER SEBI CIRCULARS

Relaxation in timelines for compliance with regulatory requirements



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Circular on Amendment to SEBI (AIF) Regulations, 2012



Link

Automation of Continual Disclosures under Regulation 7(2) of SEBI (PIT) Regulations, 2015



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Norms for investment and disclosure by Mutual Funds in Derivatives



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Off-Market transfer of securities by FPI



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Streamlining the process of IPOs with UPI in ASBA and redressal of investors grievances



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Cross Margin in Commodity Index Futures and its underlying constituent futures or its variants



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RBI**01**

Liberalised Remittance Scheme for Resident Individuals – Reporting

- AD Category – I banks were required to upload the data in respect of number of applications received and the total amount remitted under the Liberalised Remittance Scheme (the Scheme) on Online Return Filing System (ORFS).
- It has now been decided to collect this information through XBRL system instead of the ORFS.
- Accordingly, AD Category – I banks shall upload the requisite information on XBRL system on or before the fifth of the succeeding month from July 01, 2021 onwards.



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02

Centrum to takeover PMC Bank, partner Bharat Pe to launch SFB

- The RBI in a statement said an in-principle approval was given after Centrum Financial Services submitted an expression of interest for PMC Bank.
- The RBI would consider granting a license for commencement of banking business under Section 22 (1) of the Banking Regulation Act, 1949, on being satisfied that the applicant has complied with the requisite conditions laid down by RBI as part of in-principle approval



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RBI**03**

Corporate Governance in Banks – Appointment of Directors and Constitution of Committees of the Board

- RBI has issued certain guidelines on the corporate governance for all private sector banks including Small Finance Banks (SFBs) and wholly owned subsidiary of foreign banks but excludes foreign banks operating as branches in India.
- It notifies that the post of Managing Director (MD) and Chief Executive Officer (CEO) or Whole Time Director (WTD) cannot be held by the same incumbent for more than 15 years
- RBI has also issued guidelines regarding the age, tenure and remuneration of NEDs along with details of Committees of the Board



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04

Declaration of dividends by banks

- In the view of the severity of the second wave of the pandemic, RBI has reviewed the dividend declaration norms for the banks for the year ended 31st March, 2021
- Commercial banks may pay dividend on equity shares from the profits for the financial year 2020-21 subject to the quantum of dividend being not more than fifty percent of the amount as per dividend payout ratio prescribed.
- While the Cooperative banks shall be permitted to pay dividend on equity shares from the profits of the financial year ended March 31, 2021



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RBI

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OTHER RBI CIRCULARS

New Definition of Micro, Small and Medium Enterprises

[Link](#)

Appointment of Chief Risk Officer in Primary (Urban) Co-operative Banks

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Submission of returns under Section 31 of the Banking Regulation Act, 1949 – Extension of time

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Payment of margins for transactions in Government Securities by Foreign Portfolio Investors

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Resolution Framework - 2.0: Resolution of Covid-19 related stress of MSMEs

[Link](#)

Declaration of dividends by NBFCs

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MCA

01 MCA removes restrictions on board meetings via video conferencing

- The MCA has issued a notification to allow board meetings through video conferencing for activities that were earlier restricted for the digital medium, in a move that will ease the burden on companies to hold physical meetings even beyond the pandemic.
- In light of the pandemic, in March last year the government had allowed video conferencing even for restricted business but for a limited time. With the latest notification, the provision restricting video conferencing or other audio visual means has been removed permanently.



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02 Relaxation on levy of additional fees in filing certain forms under the Companies Act, 2013 and LLP Act, 2008

- MCA has decided to grant additional time up to 31st August, 2021 for filling of forms of Companies & LLPs due for filling during 1st April, 2021 to 31st July, 2021 other than charge forms without any additional fees.
- Accordingly, the due dates of DPT-3 & Form CFSS is extended to 31st August, 2021.
- This is in continuation to this Ministry's General Circular No.06/2021 dated 03.05.2021, it has been decided to grant additional time upto 31st August, 2021 to companies/UPs to file forms under the Companies Act, 2013/LLP Act, 2008



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03

Wadhawan moves SC against NCLAT stay against his offer for DHFL

- Kapil Wadhawan, the erstwhile promoter of Dewan Housing Finance Ltd, has filed a plea in the Supreme Court challenging the stay on the NCLT Mumbai bench's order, directing lenders of the firm to consider his settlement offer.
- Late last month, NCLAT stayed the NCLT Mumbai bench's order which had asked DHFL's lenders consider Wadhawan's settlement offer.
- On 19 May, the NCLT had directed lenders to consider the offer to fully settle the mortgage lender's ₹91,000 crore dues, including ₹43,000 crore in the initial few years, for its "consideration, decision, voting".



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04

NCLT raises doubt over confidentiality of liquidation valuation of Videocon

- Bankruptcy tribunal NCLT has raised doubts over "confidentiality" of the liquidation valuation of the assets of Videocon Industries and its 12 group companies during the insolvency process. The tribunal has asked the Insolvency and Bankruptcy Board of India (IBBI) "to examine this issue in depth" to ensure that the confidentiality clause is followed without any compromise.
- The liquidation value of Videocon Industries and its 12 group companies was Rs 2,568.13 crore and fair value of the assets was Rs 4,069.95 crore. While the bid amount submitted by Twin Star Technologies in the resolution plan was Rs 2,962.02 crore.



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INCOME TAX



01

Extension of time limits of certain compliances to provide relief to taxpayers in view of pandemic

- The Central Board of Direct Taxes (CBDT) has provided certain relaxations to the tax payers due to the severe pandemic. The time lines for filing the following has been extended till 31st July, 2021:
 - Objection to DRP and Assessing officer & application under section 10(23C), 12AB, 35(1)(ii)!(ia)!(iii) and 80G, Form No. 10Af Form No.10AB & uploading the declaration (15G/15H) may be duly furnished till 31st August, 2021
 - Statement of deduction of tax & Income paid or credited (64D) may be furnished on or before 15th July, 2021



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02

Income Tax Deadlines Extended: These Taxpayers Still Must Pay Double TDS if Not Filed by June

- Now taxpayers will have time till July 15 to file the TDS for the last quarter of financial year 2020-21. However, there has been no changes in certain deadlines. Some taxpayers need to pay Tax Deducted at Source (TDS) at higher rates, starting from the next month.
- A new Section 206AB in the Budget 2021 to deduct TDS at higher rates for certain non-filers, the rule will be applicable from July 1.
- If a taxpayer has not filed TDS in the last two years and aggregate of TDS exceeds Rs 50,000 in each year, the IT will charge more while filing the income tax returns (ITR) from July 1



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INDIRECT TAXATION



01

GST: Centre to share 70% of vaccine revenue with states, says FM Sitharaman

- Union Finance Minister announced series of GST relief measures for Covid-19 relief essentials, including black fungus medicine. However, the Council agreed to stick to 5% GST on vaccines.
- GST on ambulances has been reduced to 12% from current 28%. GST Council slashed tax rate from 12% to 5% on medical grade oxygen, BiPaP machines, oxygen concentrators, ventilators, hand sanitisers, temperature check equipment, high flow nasal cannula, pulse oximeter.



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02

GST reduced tax rate, increased compliance; more than 66 crore returns filed in 4 years: Finance Ministry

- With Goods and Services Tax regime completing four years, the Finance Ministry on Wednesday said more than 66 crore GST returns have been filed so far and lower tax rates have helped increased compliance.
- A nationwide GST, which subsumed 17 local levies like excise duty, service tax and VAT and 13 cesses, was rolled out on July 1, 2017.
- In a series of tweets, the ministry said GST has simplified compliance for all taxpayers and the GST Council also recommended several trade beneficial clarifications in light of the COVID-19 pandemic.



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STARTUP INDIA



01

Byju's becomes India's most valued startup after \$340 million funding



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02

FM announces Rs. 19000 Cr additional outlay for BharatNet project



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Egreens sets up Rs 15 crore fund for agritech startups



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BharatPe in talks to raise \$250M led by Tiger Capital



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Urban company is India's latest Unicorn startup after \$188 million Series F



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Tesla's rival Triton Electric Vehicle to invest INR 2,100 Cr in Telangana



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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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