

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I – MERCHANT BANKER

THIRTY-SEVENTH EDITION



AUGUST
2021

Wednesday, 2nd September, 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

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BROAD ECONOMIC NEWS

01

Forbes to go public via \$630 Mn SPAC merger to expand consumer business



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02

Apollo Funds to Acquire U.S.-Based Telecom Platform from Lumen Technologies



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03

Need to further fuel drivers of household consumption, private investments: PHDCCI



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04

Economy to return growth by March 2022, banks NPAs to regain normalcy late: Moody's



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05

India, US renew global development partnership deal for 5 years



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06

China plans to ban US IPOs for data-heavy tech firms



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CAPITAL MARKETS



01

Ola IPO: Cab aggregator plans to raise over Rs 7,300 crore via public offer



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02

PharmEasy plans to file IPO papers by October



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03

Go First (GoAir) IPO gets SEBI nod



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04

PhonePe gets \$50 million from Tencent but won't use it in India



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05

Saudi Aramco in talks to acquire 20% stake in Reliance Industries, deal valuing \$20-25Bn



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06

Ruchi Soya gets Sebi's approval for Rs 4,300 crore FPO, say reports



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SEBIभारतीय प्रतिष्ठति और विनिमय बोर्ड
Securities and Exchange Board of India

01

SEBI drops certain disclosure requirements for promoters upon share acquisition

- SEBI has removed certain disclosure requirements for acquirers and promoters of companies and has amended the takeover regulations.
- Under the new rule, certain disclosure obligations for the acquirers/promoters on acquisition or disposal of shares aggregating to 5 per cent and any change of 2 per cent thereafter, annual shareholding disclosures and creation or invocation or release of encumbrance registered in depository systems under takeover regulations would not be applicable.
- The amendment will be effective from April 1, 2022.

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02

SEBI amends rules to empower independent directors

- SEBI has overhauled the rules pertaining to the appointment, removal and remuneration of independent directors to ensure their independence and effectiveness.
- Under the new rules, appointment, re-appointment and removal of independent directors in a listed company will be done through a special resolution of shareholders.
- This will ensure that independent directors are not removed or appointed at the whims and fancies of the promoters. The new rules will be applicable from January 1, 2022

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SEBIभारतीय प्रतिष्ठति और विनियम बोर्ड
Securities and Exchange Board of India

03

SEBI board gives in-principle nod for shifting to concept of “controlling shareholders”

- SEBI gave an in-principle nod to the proposal for shifting away from the concept of promoter in a listed entity to the concept of ‘person in control’ or ‘controlling shareholders’ in a smooth, progressive and holistic manner.
- The Board noted that investor landscape is now changing, with private equity and institutional investors holding significant shareholding in listed companies.



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04

SEBI okays blockchain technology for NCDs

- To make the record-keeping process related to securities traded in the market more secure, SEBI asked depositories to use distributed ledger technology — popularly called blockchain technology- to record and monitor credit ratings of non-convertible debentures (NCDs) and creation of charges on these securities like pledges, among others.
- SEBI said that a platform for security and covenant monitoring systems, hosted by depositories, is being developed. Usage of blockchains for these purposes on the new platform will be effective from April 01, 2022.



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05

OTHER SEBI CIRCULARS

Permitting non-scheduled payment banks to register as Bankers to an Issue



Link

Disclosure of shareholding pattern of promoter(s) and promoter group entities



Link

Automation of continual disclosures under Regulation 7(2) of SEBI (PIT) Regulations, 2015



Link

Requirement of minimum number and holding of unit holders fro unlisted InvITs



Link

Tendering of shares in open offers, buybacks and delisting offer by making lien in demat account



Link

Calender spread margin benefit in commodity futures contracts



Link

Circular on modalities for implementation of the framework for Accredited Investors



Link

RBI

01

RBI extremely careful about CBDC

- RBI might initiate CBDC pilots in December this year
- The central bank has a choice between digital distributed ledger technology (DLT) or centralised ledger technology to run CBDC
- CBDC is a virtual digital currency and is the same as the currency issued by the central bank. Das said that the bank is being extremely careful as it is a new product not only for RBI but for the world.



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02

RBI retains GDP growth forecast for FY22 at 9.5%; raises retail inflation estimate for FY22 to 5.7%

- The Reserve Bank of India (RBI) on Friday (August 6) kept its estimate unchanged for economic growth at 9.5% for the current fiscal (FY2021-22).
- The central bank has observed that economic activity has started normalising, private consumption is improving while investment and external demand as indicated by high-frequency data are on the path of regaining traction.
- The RBI has raised the retail inflation projection for the ongoing financial year to 5.7 per cent from the previous estimate of 5.1 per cent..



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RBI

03

IBA moves RBI seeking licence to set up Rs 6,000-crore NARCL

- The Indian Banks' Association (IBA) has moved an application to the Reserve Bank of India (RBI) seeking licence to set up a Rs 6,000-crore National Asset Reconstruction Company Ltd (NARCL) or bad bank.
- The company after mobilizing an initial capital of Rs 100 Crore and fulfilling other legal formalities has approached the RBI seeking license to undertake asset reconstruction business.
- RBI in 2017, raised the capital requirement to Rs 100 Crore from the earlier level of Rs 2 Crore, keeping in mind the higher amount of cash required to buy bad loans.



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04

RBI Policy: Stressed firms get longer access to dedicated liquidity window

- India's central bank extended the on-tap Targeted Long Term Repo Operation (TLTRO), a dedicated liquidity window, by another three months. Companies from stressed sectors can now avail the facility until December 31 this year.
- The plan was introduced in December last year for companies facing a cash crunch.
- Given the nascent and fragile economic recovery, it has now been decided to extend the on-tap TLTRO scheme further by a period of three months, i.e., until December 31, 2021.



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RBI

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OTHER RBI CIRCULARS

Master Directions on Prepaid Payment Instruments (PPIs)

[Link](#)

Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers

[Link](#)

Framework for Outsourcing of Payment and Settlement-related Activities by Payment Operators

[Link](#)

Master Directions on Prepaid Payment Instruments (PPIs)

[Link](#)

Enhancements to Indo-Nepal Remittance Facility Scheme.

[Link](#)

Notification as 'Financial Institution' under (SARFAESI Act), 2002

[Link](#)

Tokenisation – Card Transactions : Extending the Scope of Permitted Devices

[Link](#)

MCA**01****Amendment to Companies (Appointment and Qualification of Directors) Rules, 2014**

- After the second proviso of said rule, the following proviso shall be inserted, namely:— “Provided also that the following individuals, who are or have been, for at least ten years :—
 - (A) an advocate of a court; or
 - (B) in practice as a chartered accountant; or
 - (C) in practice as a cost accountant; or
 - (D) in practice as a company secretary,shall not be required to pass the online proficiency self-assessment test.”



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02**IBC: Corporate affairs ministry working with finance ministry, RBI on issue of committee of creditors' conduct**

- The corporate affairs ministry is working with the finance ministry, Reserve Bank of India and the Indian Banks' Association (IBA) on the issue of the conduct of the committee of creditors under the insolvency resolution process
- The discussions on the issue of the conduct of CoC in the context of the insolvency resolution process assumes significance amid recent instances of creditors taking steep haircuts on their exposure under resolution plans.



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03

Indiabulls Real Estate, Embassy Group merger in final lap, co seeks NCLT nod

- 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.



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04

Tata Motors gets NCLT nod for hiving off passenger vehicles biz into separate entity

- Tata Motors had said that its passenger vehicles business unit has been valued at Rs 9,417 crore.
- India's third largest carmaker, Tata Motors said on August 27 that the Mumbai bench of National Company Law Tribunal (NCLT) has given them the approval to hive off its passenger vehicle (PV) business into a subsidiary.
- The PV division is being hived off into a separate entity for allowing the company to sell its stake in it to a strategic partner. The PV division also controls the electric vehicle business unit.



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INCOME TAX



01

Big relief for taxpayers! Several form filing deadlines for Income Tax Return extended till September 30th, 2021

- The Income Tax department has extended the last date for filing of several forms required for the filing of Income Tax Returns to September 30, 2021, from the previous deadline of August 31, 2021.
- Considering the difficulties being faced in issuing and amending Form no 3, which is a prerequisite for making payment by the declarant under Vivad se Vishwas Act, it has been decided to extend the last date of payment of the amount (without any additional amount) to 30th September 2021."



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02

Income Tax Return filing deadline under section 3 of The Direct Tax Vivad se Vishwas Act extended

- Considering the difficulties being faced in issuing and amending Form no 3, which is a prerequisite for making payment by the declarant under Vivad se Vishwas Act, it has been decided to extend the last date of payment of the amount (without any additional amount) to 30th September, 2021
- Earlier, the last date of payment of the amount was notified as August 2021, as per the June 25 June notification.



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INDIRECT TAXATION



01

CBIC notifies provision for self-certification from August 1

- The Central Board of Indirect Taxes and Customs (CBIC) has notified provision for self-certification instead of audit report from August 1.
- According to notifications issued by the Board on Saturday, every registered person having aggregate turnover under Rs 5 Crore, will have to furnish a self-certified reconciliation statement along with the annual return. The government has exempted filing of annual returns for registered person whose aggregate turnover in the FY 2020-21 is upto Rs 2 Crore.



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02

India removes anti-dumping duty on viscose staple fibres

- Department of Revenue has issued a notification revoking the anti-dumping duty on VSF with effect from August 12.
- Consequent to the meeting of the industry delegation with the Prime Minister during December 2019 and subsequent representations, the NDA Government has removed the anti-dumping duty on PTA, rejected the proposed anti-dumping duties on PSF, MEG, etc., that has made the polyester staple fibre and yarn available at international price.



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STARTUP INDIA



01

Asia Healthcare to raise up to \$350 million



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02

Delhivery plans \$1 billion IPO filing in October



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03

Postman raises \$225mn, turns most valuable SaaS unicorn



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04

Govt to increase support to startups; scale up incubators



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05

Electric vehicle company Rivian has confidentially filed for an IPO



News Link

06

PhonePe Receives Direct Insurance Broking Licence From IRDAI



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KREO CAPITAL PRIVATE LIMITED

CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

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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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