

# KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I – MERCHANT BANKER

THIRTY-EIGHTH EDITION



SEPTEMBER  
2021

Monday, 4<sup>th</sup> October, 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**



भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

**SEBI**



**MCA**



**INCOME TAX**



**INDIRECT TAX**



**STARTUP INDIA**

*Click on individual images for detailed coverage*

## *BROAD ECONOMIC NEWS*

01

India emerges as Dubai's second biggest trade partner



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02

India Australia agree to sign a Comprehensive Economic Cooperation Agreement by 2022 end



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03

Cabinet approves listing of ECGC, capital infusion of Rs 4,400 Crore



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04

Indian bonds better placed than others to weather rising US yields



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05

Walmart, Flipkart sign MoU with Tamil Nadu govt, to support MSMEs



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06

Australia's Zip enters Indian buy-now-pay-later space with ZestMoney deal



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## CAPITAL MARKETS



01

IPO frenzy to continue in Oct-Nov, 30 firms look to mop-up INR 45,000 Cr.



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02

Market Movers: Zee Entertainment tumbles as risk to Sony merger rise



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03

Piramal completes acquisition of DHFL for Rs 34,250cr, biggest resolution in value terms



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04

IIFL Finance to raise ₹ 1,000 Crore through Secured Bonds



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05

India likely to block Chinese investment in LIC's mega IPO



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06

Paras defence shares nearly triple on bumper debut against issue price



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*SEBI*भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

01

## SEBI proposes to revise settlement rules

- The regulator has proposed to revise the timelines and rationalize the fee structure for settlements, an application involving an out-of-court resolution of securities law violations. It is negotiated between the regulator and the entity concerned, without admission of guilt and without denial of liabilities, involves payment of a fee.
- The time period for filing settlement applications is proposed to be shortened from 180 days to 60 days.
- At present, entities are provided a window of 180 days in total to apply for settlement after receipt of the notice to show cause.



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02

## SEBI in talks to redefine promoter norms

- SEBI is in talks with other regulators on the transition from the traditional concept of 'promoters' to that of 'controlling shareholders' so that corporate control is accurately reflected.
- As a part of this process, the regulator is reaching out to the regulators in an attempt to bring a uniform framework.
- The marketplace regulator is of the presumption that the existent conception of promoter and promoter radical has go irrelevant for the new-age companies, particularly start-ups since these are not family-owned businesses but backed by organization investors.



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

### SEBI allows open offer and delisting together at differential pricing to make M&As easier

- The Securities & Exchange Board of India (SEBI), has eased the framework for delisting companies following an open offer from the acquirer.
- The key change in the new rule gives acquirers the ability to announce an open offer and a delisting together at a differential pricing.
- New rules give the benefit of dual pricing for shareholders.

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more***04**

### SEBI introduces swing pricing in debt funds

- To protect the interests of debt fund investors from large redemptions by other investors, Securities Exchange Board of India (SEBI) has introduced swing pricing in bond funds.
- The regulator has announced the swing pricing framework for bond funds units except overnight funds, gilt funds and gilt funds with 10 year maturity schemes.
- The swing pricing rules will ensure that long term investor in debt scheme will not be affected by some large investors redeeming their investments

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*SEBI*भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

05

## OTHER SEBI CIRCULARS

Risk management framework for mutual funds



Link

Alignment of interest of key employees of AMC with unit holders of mutual funds Schemes



Link

Introduction of T+1 rolling settlement on an optional basis



Link

Position limits for currency derivative contracts



Link

Amendment pursuant to comprehensive review of Investor Grievance Redressal Mechanism



Link

Alignment of interest of AMC with unit holders of mutual funds Schemes



Link

*RBI*

01

## RBI revamps loan transfer and securitization rules

- The Reserve Bank of India (RBI) has revamped loan transfer and securitization rules that are expected to boost liquidity in the system further and improve transparency and corporate governance.
- Reserve Bank of India (RBI) has issued separate master directions on transfer of loan exposures and securitization of standard assets.
- This master direction will apply to all scheduled commercial banks, excluding regional rural banks, all-India term financial institutions, small finance banks, and NBFCs.



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02

## Banks get RBI nod to use any other ARR in place of LIBOR

- RBI has permitted banks, which are authorized to deal in foreign exchange, to use any other widely accepted/alternative reference rate (ARR) in place of the London interbank offered rate (LIBOR) for interest payable in respect of export/import transactions.
- The central bank has issued a circular in this regard to authorized dealer banks in view of the impending cessation of LIBOR as a benchmark rate.



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**RBI****03**

### RBI announces Open Market Purchase of Government of India Securities under G-sec Acquisition Programme

- The RBI said in an official statement that it will purchase three government securities of different maturity dates amounting to ₹15,000 crore. The central bank added that it will also sell three government securities of the same amount .
- This is the first time that the RBI will be conducting simultaneous purchase and sale of G-Secs, in view of the current liquidity conditions in the banking system.



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**04**

### Recurring card payments to be affected as new credit, debit card rules kick in from October 1

- Effective October 1, automated subscriptions for newspapers and magazines, or even utility bill payments, will change.
- To strengthen the safety of card transactions, the RBI has announced new guidelines on e-mandates or recurring payments via cards.
- Monthly subscription amount for any service exceeds Rs 5,000, then an additional factor of authentication (AFA) will become mandatory.
- For automated debits, card issuer or bank would now need to send a notification at least 24 hours in advance.



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*RBI*

05

## OTHER RBI CIRCULARS

Master Circular on Investment by Primary (urban) Co-operative Banks



Link

Master –Direction Reserve Bank of India (Market Makers in OTC Derivatives)



Link

Implementation of Section 51 A of UAPA 1967: deletion of one entry



Link

CRM for offsetting-non-centrally cleared derivative transactions of foreign bank branches in India



Link

Application for Aadhar e-KYC Authentication License



Link

Master –Direction Reserve Bank of India (Transfer of Loan Exposures)



Link

Master–Direction Reserve Bank of India (Securitization of Standard Assets)



Link

**MCA****01****Extension of time for holding of AGM for FY ended on March 31, 2021**

- The MCA issued Office Memorandum vide CL-II-03/252/2021-O/o DGC&A-MCA dated September 23, 2021 regarding extension of time for holding of Annual General Meeting (AGM) for the Financial year ended on March 31, 2021.
- Accordingly, it has been decided to advise the Registrar of Companies (RoCs) to accord approval for extension of time for a period of two months beyond the due date by which companies are required to conduct their AGMs for the financial year 2020-21 ended on March 31, 2021.



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**02****MCA relaxes the last date of filing of cost audit report to the board of directors**

- The Ministry of Corporate Affairs has extended the last date of filing of the Cost Audit Report to the Board of Directors under Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014 on September 27, 2021.
- The circular states that if a cost-audit report for the financial year 2020-21 by the cost auditor to the Board of Directors of the companies is submitted by October 31, 2021 then the same would not be viewed as a violation of rule 6(5) of Companies (cost records and audit) Rules, 2014.



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**03**

### NCLT approves amalgamation of Lincoln Parenteral & Lincoln Pharmaceuticals

- Drug firm Lincoln Pharmaceuticals said the National Company Law Tribunal, Ahmedabad Bench, has approved the scheme of amalgamation of Lincoln Parenteral Ltd and the company.
- Amalgamation of Lincoln Parenteral Ltd and Lincoln Pharmaceuticals Ltd is expected to bring lots of synergies in terms of operations efficiency, enhance competitive strength, cost-effectiveness and productivity for the combined entity, Lincoln Pharma



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**04**

### New NCLT ruling gives leeway to companies that want to restructure, give exit to some shareholder

- NCLT has ruled that companies can reclassify their equity shares as preference shares, paving the way for more flexible capital reorganisation for private companies.
- This means companies can do this to give a structured exit to some of their shareholders going ahead, say industry trackers.



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## INCOME TAX



01

### Income tax return filing deadline for FY 2020-21 extended to December 31, 2021

- The government has once again extended the deadline to file income tax return (ITR) for FY 2020-21 by three months to December 31, 2021 from September 30, 2021.
- The deadline has been extended due to glitches on the new income tax portal which had made it difficult for scores of taxpayers to complete their ITR filing process.



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02

### PAN-Aadhaar linkage deadline extended till March 2022

- Aadhaar linking with PAN can now be done till March 31, 2022, after the government extended the deadline from September 30, 2021.
- The Central Government, in continuation of its commitment to address the hardship being faced by various stakeholders on account of the Covid-19 pandemic, has, on consideration of representations received from various stakeholders, decided to extend timelines for compliances under the Income-tax Act.



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## INDIRECT TAXATION



01

### India exempts Covid 19 Vaccine from import duty

- CBIC has fully exempted imports of Covid 19 vaccines from basic customs duty, from October 1 till December 31.
- The government had also decided to exempt the import of medical oxygen and connected equipment from import duty and health cess.
- While Covid vaccines continue to attract a 5% goods and services tax, the government had exempted some Covid treatment drugs from the tax and lowered the tax on other materials. The relief has been extended till the year end.



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02

### GST panel to consider giving waiver on 1 day interest, latefee

- As some taxpayers faced difficulties in filing GST return the tax department said the IT grievance redressal committee would consider giving interest and late fee waiver.
- The Central Board of Indirect Taxes and Customs (CBIC) in a tweet said a few taxpayers have reportedly faced difficulty in updation of Electronic Cash Ledger on September 20.



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## STARTUP INDIA



01

Indian online learning platform Vedantu becomes Unicorn with \$100 Million funding.



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02

Uber partners with Startup India & Icreate to scout for clean mobility solutions.



News Link

03

Meesho raises \$570 million, valuation doubles to \$4.9 billion.



News Link

04

Agritech Start up Superzoop raises \$4 Mn from European fund incofin



News Link

05

Jubilant FoodWorks Acquires 25% Stake In Nutrition Company Wellversed Health



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06

Lynk demos global satellite for ordinary phones & prepares for commercial launch



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CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

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## 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.

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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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