

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

THIRTY-THIRD EDITION



APRIL
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

SEBI



MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

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BROAD ECONOMIC NEWS

01

India's economy holding up well against COVID-19 surge, says RBI



News Link

02

Microsoft Joins with World Council to Fast-track Innovation in Financial Services



News Link

03

Several Nations Come to India's Aid Amid COVID Crisis



News Link

04

Mukesh Ambani's RIL Gained Another British Iconic Organization, 'Stock Park,' For \$79 Billion



News Link

05

SBI research dept cuts FY22 real GDP forecast to 10.4% from 11%



News Link

06

Facebook hit with \$5-billion federal fine for privacy violations



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CAPITAL MARKETS



01

Zomato files for Rs 8,200 crore IPO



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02

Acre ARC set to purchase Indiabulls assets



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03

Aditya Birla Sun Life AMC files draft papers with SEBI for IPO



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04

SoftBank looking to bet on Swiggy, to invest \$450 million



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05

Clean Science and Technology files DRHP to raise 1400 crore via IPO



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06

NHAI files papers with SEBI for InvIT, plans to raise INR 5100 crore



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SEBI



भारतीय प्रतिशुति और विनियम बोर्ड
Securities and Exchange Board of India

01 SEBI extends financial results filing deadline to June 30, 2021

- The regulator has extended the deadline by 45 days for companies to file their fourth quarter and annual audited financial results. They can now file by June 30.
- At present, companies are required to file their quarterly results within 45 days from end of the quarter and in case of annual financial results within 60 days from end of the financial year
- As per that time frame, companies would have had to file their quarterly and annual results by May 15 and May 30 respectively.



02 SEBI's new compensation rule to create arbitrage in favour of index funds

- The new rule will create regulatory arbitrage in favour of index funds and exchange-traded funds (ETFs) and will result in potential death of active fund management
- SEBI asked asset management companies (AMCs) to pay at least 20 per cent of gross salary of key employees in the form of the units of the scheme managed by them
- The rule, aimed at aligning the interest of the key employees of AMCs with the unitholders of the mutual fund schemes, will come into effect from June 1



SEBI



भारतीय प्रतिशुति और विनियम बोर्ड
Securities and Exchange Board of India

03

SEBI slaps fine of Rs 25 cr on RIL promoters for violation of takeover norm

- The SEBI imposed a Rs 25-crore penalty on the promoters of Reliance Industries, including Mukesh Ambani, for failure to comply with the share takeover disclosures of the regulator.
- Allegations were raised that RIL's promoters acquired 6.83 per cent stake in the company between March 1999 to March 2000 through conversion of 3 crore warrants issued to them back in 1994.
- It is alleged that they have violated the provisions of regulation 11(1) of Takeover Regulations.



04

Relaxation relating to procedural matters – issues and listing

- To ease and facilitate investors, the relaxation mentioned in point (iv) of the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, is further extended and shall be applicable for Rights Issues opening up to September 30, 2021.
- Refund for un-allotted / partial allotted application shall be completed on or before T+1 day. Registrar to the issue, shall ensure that all data with respect to refund instructions is error free to avoid any technical rejections



05

OTHER SEBI CIRCULARS

Circular on Regulatory Reporting by AIFs



Link

Alignment of interest of Key Employees of AMCs with the Unitholders of the Mutual Fund Schemes



Link

Standardizing and Strengthening Policies on Provisional Rating by Credit Rating Agencies



Link

Relaxation from compliance with certain provisions of SEBI LODR Regulations, 2015



Link

Relaxation in timelines for compliance with regulatory requirements



Link

Timelines for updation of Scheme Information Document and Key Information Memorandum



Link

Circular on Reporting Formats for Mutual Funds



Link

RBI



01 RBI announces massive ₹ 1 trillion G-sec purchase programme

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- RBI had been announcing standalone and special Open Market Operations to bring down yields.
- RBI had announced a secondary market government security acquisition program (GSAP 1.0) in which the RBI will purchase government bonds worth ₹ 1 trillion from the secondary market in the first quarter of this fiscal year.
- The first purchase of ₹ 25,000 Crore has taken place on 15th April, 2021

02 RBI launches latest round of surveys to get inputs for monetary policy

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- The RBI said that it aims to capture subjective assessments on price movements and inflation of approximately 6000 households based on their consumption baskets across 18 cities while announcing the launch of May 2021 round of Inflation Expectations Survey of Households
- This survey will seek qualitative responses from various households on general price changes as well as change in prices of specific product groups in the three months ahead as well as the one year ahead period

RBI



03

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

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- 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

04

Declaration of dividends by banks

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- 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

RBI



05

OTHER RBI CIRCULARS

Exim Bank's Government of India supported Line of Control to Government of Republic of Mozambique



Link

Guidelines for Appointment of Statutory Central Auditors of Commercial Banks, UCBs & NBFCs



Link

Formation of new district in the State of Tamil Nadu - Assignment of Lead Bank Responsibility



Link

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



Link

Enhancement of limit of maximum balance per customer at the end of the day - Payment Banks



Link

Implementation of Section 51A of UAPA, 1967 & Security Council Resolution



Link

MCA



01

Clarification on spending of CSR funds for setting up makeshift hospitals and temporary COVID Care facilities

- 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 setting up makeshift hospitals and temporary COVID Care facilities is an eligible CSR activity under item (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care, and disaster management respectively.
- The companies may undertake the aforesaid activities in consultation with State Governments subject to fulfillment of CSR Rules 2014.



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02

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

- Due to resurgence of Covid-19 related restrictions and disruptions, it has been decided by MCA to grant additional time upto 31st July, 2021 for companies/ LLPs to file such forms (other than CHG-1, CHG-4 and CHG-9 forms) without any additional fees.
- Accordingly, no additional fees would be levied upto 31st July, 2021 for the delayed filing of forms which were/ would be due for filing during 1st April, 2021 to 31st May, 2021. For such delayed filings upto 31st July, 2021 only



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MCA



03

Government introduces a pre-packaged Insolvency Resolution Process for corporate persons classified as MSME



- The Government has taken several measures to mitigate the distress caused by the pandemic, including increasing the minimum amount of default for initiation of corporate insolvency resolution process.
- It is considered expedient to provide an efficient alternative insolvency resolution process for corporate persons classified as micro, small and medium enterprises under the IBC Code, 2016, ensuring quicker, cost-effective and value maximizing outcomes for all the stakeholders, in a manner which is least disruptive to the continuity of their businesses and which preserves job

04

Relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013



- On account of resurgence of Covid-19 pandemic, MCA has relaxed timelines relating to filing of certain charge related forms.
- This is applicable in respect of filing of forms CHG-1 and CHG-9 by a charge holder, where the date of creation/ modification of charge:
 - Is before 01.04.2021, but the timeline for filing such form had not expired under Sec 77 of the Act as on 01.04.2021 or
 - Falls on any date between 01.04.2021 to 31.05.2021(both inclusive).

INCOME TAX



01

Extension of time lines related to certain compliances by the Taxpayers under the Income Tax Act 1961



- 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 May, 2021:
 - Appeal to Commissioner (Appeal) under Chapter XX of the Income Tax Act, 1961 and Objections to Dispute Resolution Panel (DRP) under Section 144C of the Income Tax Act, 1961
 - Income Tax return in response to notice under Section 148 of the Income Tax Act, 1961 and belated Return as per Section 136(4) and revised return as per Section 139(5) of the Income Tax Act, 1961

02

CBDT has discontinued Excel / Java and have introduced JSON utility for AY 2021-22 ITRs



- The Central Board of Direct Taxes (CBDT) has discontinued the use of Excel/Java versions for filing Income Tax returns from AY 2021-21. It has introduced JavaScript Object Notation (JSON) utility for the same and also released a step by step guide for using the new utility.
- The JSON utility is enabled only for ITR 1 and ITR 4 while for the other ITRs it will be enabled with time. Import of the prefill file is mandatory under the new utility, JSON utility has been built to simplify the procedures.

INDIRECT TAXATION



01

Government allows business to verify monthly GST returns through EVC till 31st May ,2021



- The Central Board of Indirect Taxes and Customs (CBIC) has given the first COVID relief during the second wave by extending the date of filing monthly returns and allowing filing through EVC instead of digital signature certificate
- The board has notified that any registered person will be allowed to furnish the returns in Form GSTR 3B and details of outward supplies in Form GSTR 1 verified through EVC during April 21, 2021 to May 31, 2021

02

GST exemption sought on Covid drugs and equipment



- NGO Public Policy Advocates have filed a plea before the Supreme Court seeking an exemption for life-saving COVID-19 drugs like remdesivir, tocilizumab, favipiravir, etc along with related medical equipment from Goods and Services Tax (GST)
- NGO has sought exemption of 12% GST imposed on such drugs in order to make it more affordable to the public during such crucial times

STARTUP INDIA



01

IIT Madras Startup builds 'India's First' 3D Printed House



02

Amazon announces \$250 million venture fund for Indian start-ups



03

BYJU's to become India's most- valuable startup after \$150 million UBS funding



04

Piyush Goyal launches Startup India Seed Fund scheme, asks startups not to get 'sold cheap'



05

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



06

Renewable energy startup is helping India breathe easy with oxygen concentrators



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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.

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