

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

NEWSLETTER – TWENTY-FOURTH EDITION,
2020



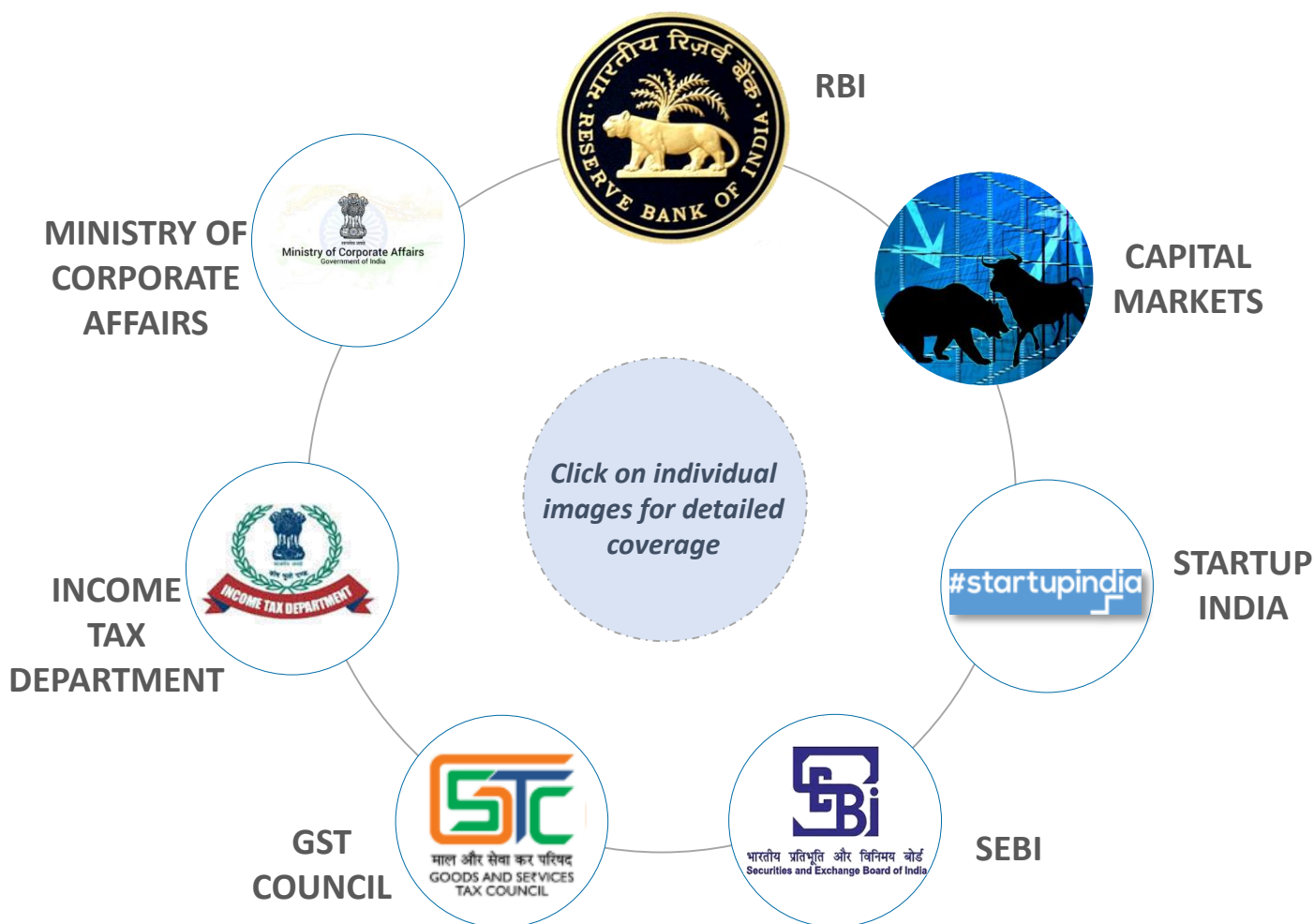
Thursday, 6th August , 2020

“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.



BROAD ECONOMIC HIGHLIGHTS

India's GDP may contract by 6.4% in FY21: Care Ratings

India's forex reserves reach a new peak at \$518 billion

Vocal for Local: Modi govt restricts 'Colour TV' imports

FM Sitharaman reviews Atma Nirbhar Bharat progress: Rs 60,000 cr disbursed to MSMEs under collateral-free loan scheme

Capital infusion of Rs 9,950 crore into 3 insurers in FY21; Rs 1-lakh-crore agri infra fund gets nod

Pharma companies interested in manufacturing APIs with support from government

India ranks 3rd in global manufacturing locations among 48 countries, shows report

Mukesh Ambani's RIL closing in on deal to buy Future Group's retail business

CAPITAL MARKETS & IPO

Qualcomm Ventures to invest Rs 730 crore in Jio Platforms for a 0.15% stake

Reliance Industries market valuation crosses Rs 14 lakh crore mark

Mindspace Business Parks REIT INR 4500 Cr IPO subscribed 13 times

Central Bank of India to raise up to Rs 5,000 crore equity capital

India Inc. raises 1.04 trillion from capital markets in first six months

Nearly dozen brokerages, FIs in race to be LIC IPO advisor

Banks to raise nearly Rs 80,000 crore in equity capital

Mahindra Finance opens rights issue worth INR 3,088 Crores

SEBI**Allowing Offer for Sale (OFS) and Rights Entitlements (RE) transactions during trading window closure period.****Key Highlights**

- Vide Gazette Notification No. SEBI/LAD-NRO/GN/2020/23 dated July 17, 2020, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) have been further amended.
- Clause 4 (3) (b) of Schedule B read with Regulation 9 of PIT Regulations, inter-alia, states that trading window restrictions shall not apply in respect of transactions mentioned therein or transactions undertaken through such other mechanism as may be specified by the Board from time to time.
- It has been decided that in addition to the transactions mentioned in Clause 4 (3) (b) of Schedule B read with Regulation 9 of PIT Regulations, trading window restrictions shall not apply in respect of OFS and RE transactions carried out in accordance with the framework specified by the Board from time to time.

(Click here for more details)

Relaxations relating to procedural matters – Takeovers and Buyback**Key Highlights**

- SEBI vide Circular no. SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 granted one time relaxations from strict enforcement of certain regulations of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Buy-back of securities) Regulations, 2018 pertaining to open offers and buy-back through tender offers opening upto July 31, 2020.
- Based on the representations received from the market participants, the validity of relaxations, as provided by Circular No. SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 is further extended and shall be applicable for open offers and buy-back through tender offers opening upto December 31, 2020.
- This Circular is issued in exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992

(Click here for more details)

SEBI**Transaction in Corporate Bonds / Commercial Papers through RFQ platform and enhancing transparency pertaining to debt schemes****Key Highlights**

- This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 77 of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
- In order to enhance the transparency and disclosure pertaining to debt schemes and investments by mutual funds in Corporate Bonds/Commercial Papers.

(Click here for more details)

Extension of time for submission of financial results for the quarter/half year/ financial year ended 30th June 2020**Key Highlights**

- SEBI, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020, had extended the timeline for submission of financial results by listed entities for the quarter/half-year/financial year ended 31st March 2020 to July 31, 2020 due to the impact of the CoVID-19 pandemic.
- SEBI has received representations requesting extension of time for submission of financial results for the quarter/half year ended June 30, 2020.
- After consideration, it has been decided to extend the timeline for submission of financial results under Regulation 33 of the LODR Regulations, for the quarter/half year/financial year ended 30th June 2020, to September 15, 2020.

(Click here for more details)

STARTUP INDIA

The logo for Startup India, featuring the text "#startupindia" in white on a blue rectangular background.

Flipkart buys Walmart India's wholesale biz

IIT startup to launch wrist band for Covid detection, gets 22 crore funding

Key Highlights

- Flipkart has acquired the Indian operations of Walmart Inc. as its US parent consolidates its operations in this fast-growing retail market to compete with Reliance Industries Ltd and Amazon, among others.
- Flipkart will take over Walmart India Pvt. Ltd, which operates the Best Price cash-and-carry wholesale stores. It is expected to launch a digital marketplace, Flipkart Wholesale, which is in pilot mode, in August, to grow its business-to-business (B2B) vertical.
- The acquisition brings Walmart's entire portfolio in India under the Flipkart group, two years after it bought a majority stake in the homegrown e-tailer for \$16 billion. The 28 Best Price stores will remain operational.

(Click here for more details)

Key Highlights

- A wearable wrist tracker to detect COVID-19 symptoms at an early stage will be available in the market next month with its developer, a IIT Madras incubated start up, raising a funding of 22 cr or the purpose.
- The wrist-based tracker has sensors for skin temperature, heart rate and SpO2 (blood oxygen saturation) which can continuously track these body vitals remotely to help in early diagnosis of COVID-19 symptoms.
- The tracker will be Bluetooth-enabled and can be connected to the mobile phone via an app called the Muse Health App.

(Click here for more details)

STARTUP INDIA

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Startup funding down 29% in first half of 2020 amid Covid-19 crisis: Tracxn

Oil marketing companies invite startups to deliver diesel at doorstep

Key Highlights

- Startup funding activity decreased by 29 per cent in the first six month of this year to \$4.2 billion compared to \$5.9 billion in the same period last year, due to the impact created by the coronavirus pandemic, according to data analytics firm Tracxn. Only 443 companies were funded in the January-June period this year against 725 in H1, 2019, according to '**India Tech Semi-Annual Factsheet**', compiled by Tracxn.
- Tracxn report said alternative lending and test preparation tech were the most popular business models (BMs) of H1 2020. These generated the most interest, as indicated by the funding that went into them, accompanied by the percentage change in funding when compared to H1 2019.

(Click here for more details)

Key Highlights

- Oil marketing companies (OMCs) have invited startups for holding bid to start doorstep delivery of diesel with the help of mobile petrol pumps. This is expected to be a big change awaiting the fuel retail segment in India.
- Indian Oil Corporation (IOC), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) have asked for the startups to express their interest regarding their willingness to deliver high-speed diesel (HSD) to the doorsteps of people.
- OMCs will give the opportunity of doorstep delivery of high-speed diesel (HSD) will be given only to startups which are referred to as FuelEnts (fuel entrepreneurs) and have registered themselves with the Department of Promotion of Industry and Internal Trade (DPIIT).

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STARTUP INDIA

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UPI crosses 1.34 Bn transactions in July; to break all previous records

Toppr picks up Rs 350 crore in funding led by Foundation Holdings

Key Highlights

- According to the report, UPI hits an all-time high of 1.34 billion in terms of volume with the transaction worth more than 2.61 lakh crore, as per NPCI (National Payments Corporation of India) data.
- Due to the **COVID-19 lockdown** and the rise in the usage of online payments in India, UPI is getting way much popular and becoming the most preferred payment option in online or offline mediums.
- To make this growth continue to increase the adoption of digital payments and bring more merchants into the digital payments ecosystem, RBI has set up a committee to study interoperability, scalability, innovation, awareness, privacy, and security of QR Code payments system.

(Click here for more details)

Key Highlights

- Education technology startup Toppr has raised Rs 350 crore in a fresh round of financing led by Gulf-based investment firm Foundation Holdings.
- The latest round of funding has also seen participation from education-focused Kaizen Private Equity, an existing investor in Toppr, along with other "long-time partners", the company said in the statement.
- Toppr, which claims to have about 13 million learners on its platform, also counts the likes of stage and sector-agnostic investment firm SAIF Partners, Helion Ventures and Eight Roads Ventures among its list of institutional backers.

(Click here for more details)

RBI**Performance of Non-Government Non-Banking Financial and Investment Companies, 2018-19: Data Release****RBI releases the Financial Stability Report, July 2020****Key Highlights**

- Financial income recorded a robust growth of 21.9 per cent (Y-o-Y) in 2018-19
- Combined balance sheet of the NGNBF&I companies expanded by 17.6 per cent during 2018-19 over and above 24.5 per cent increase in the previous year: asset finance companies had the largest share (45.5 per cent).
- Nearly 57 per cent of total expenditure during 2018-19 was account of interest payments: share capital and borrowings had around 20 per cent and 60 per cent shares, respectively, in total liabilities of the NGNBF&I companies in March 2019.
- Net profit growth (Y-o-Y) moderated to 2.6 per cent in 2018-19 (5.3 per cent in the previous year) and profitability ratio (net profits to total net asset) also declined

(Click here for more details)

Key Highlights

- The capital to risk-weighted assets ratio (CRAR) of Scheduled Commercial Banks (SCBs) edged down to 14.8 per cent in March 2020 from 15.0 per cent in September 2019 while their gross non-performing asset (GNPA) ratio declined to 8.5 per cent from 9.3 per cent and the provision coverage ratio (PCR) improved to 65.4 per cent from 61.6 per cent over this period.
- Macro stress tests for credit risk indicate that the GNPA ratio of all SCBs may increase from 8.5 per cent in March 2020 to 12.5 per cent by March 2021 under the baseline scenario; the ratio may escalate to 14.7 per cent under a very severely stressed scenario.

(Click here for more details)

RBI



About 84,545 bank fraud cases reported during 2019-20: RBI in RTI reply

Key Highlights

- Around 84,545 fraud cases - involving about Rs.1.85 lakh crore - were reported by scheduled commercial banks and select FIs during 2019-20, an RTI activist said, citing information received from the Reserve Bank of India.
- RTI (Right to Information) activist Abhay Kolarkar said that he had sought various banking related queries under the jurisdiction of the RBI in June 2020, and the replies to the same he received a few days back.
- The RTI also sought to know how many consumer complaints received by the RBI's 15 ombudsmen offices during April 1, 2019 to March 31, 2020.
- During July 1, 2019 to March 2020, about 2,14,480 complaints were received.

(Click here for more details)

At 6.09% in June, inflation breaches RBI threshold, MPC may yet stay put on rate cut path

Key Highlights

- Retail inflation hit higher-than-expected 6.09% in June, marking a rise from the pre-lockdown level of 5.91% in March. While the headline data for April and May, released only on Monday, suggested even higher inflation rates of 7.22% and 6.27%, respectively, the price pressure was mostly aided by dearer food articles.
- However, at 6.09%, retail inflation remains above the Monetary Policy Committee's tolerance band of 4 (+/-2)%. Nevertheless, given the expected GDP contraction, the MPC may still opt for another round of repo rate cut soon, as early as in July, some analysts said.

(Click here for more details)

MINISTRY OF CORPORATE AFFAIRS**Extension of the last date of filing of Form NFRA-2****Key Highlights**

- The last date for submission of suggestions/comments with respect to Notice dated 19.06.2020, inviting comments / suggestion on Decriminalization of Compoundable offences under Limited Liability Partnership (LLP) Act, 2008 has been extended up to 19 July, 2020.
- Stakeholders are advised to submit their Suggestions/comments by 19 July, 2020."

[\(Click here for more details\)](#)

Availability of PAS-6 on MCA from 15th July, 2020**Key Highlights**

- Ministry of Corporate Affairs (MCA) has introduced a new form i.e. Form PAS-6 [Reconciliation of Share Capital Audit Report (half-yearly)] which is basically used for the reconciliation of the share capital audit report on the half-year basis. Form PAS-6 is introduced w.e.f 30.09.2019 in pursuance to the sub-rule (8) of rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- In view of the above, PAS-6 has to be filed *within sixty days* from the conclusion of each half year (i.e. on 30th September and 31st March). All information shall be furnished for the half year ended 30th September and 31st March in every financial year for each ISIN separately.

[\(Click here for more details\)](#)

MINISTRY OF CORPORATE AFFAIRS**Govt amends Indian Accounting Standards, including those relating to leases amid pandemic****Pre-pack plan for insolvency to be tested with MSMEs*****Key Highlights***

- The government has amended certain Indian Accounting Standards (Ind-AS), including the standard relating to leases amid the coronavirus pandemic.
- Ind-AS 103, 116 and some other standards have been amended by the Corporate Affairs Ministry. Ind-AS 103, 116 and some other standards have been amended by the Corporate Affairs Ministry.
- While Ind-AS 103 pertains to business combinations, Ind-AS 116 relates to principles for recognition, presentation and disclosure of leases.

(Click here for more details)

Key Highlights

- As the government readies to roll out pre-packaged insolvency solutions for micro, small and medium enterprises (MSMEs), it has suddenly discovered that the plan could be held up in procedural issues.
- The ministry of corporate affairs (MCA) - which has already held detailed consultations with stakeholders, including the Insolvency & Bankruptcy Board of India (IBBI) - is looking at ways to implement the decision to have a special window for MSMEs, given that the law requires the government to first place the notification in Parliament for 30 days.

(Click here for more details)

INCOME TAX DEPARTMENT



Deadline for furnishing TDS/TCS statements extended till July 31

Self assessment tax liability for FY19-20 over Rs 1 lakh? Pay by July 31 to avoid penal interest

Key Highlights

- The Income Tax department has extended the deadline for furnishing of TDS/TCS statements for FY 19-20, the department has also extended the issuance deadline of TDS/TCS certificates for FY19-20 till August 15.
- Issuance of TDS/TCS certificates for FY 19-20 extended to August 15, 2020.

Key Highlights

- Many tax compliance deadlines were further extended by the government last week including those for making tax-saving investments for FY 2019-20 and filing of income tax returns (ITR) for FY2018-19. However, there is one tax-related deadline that has not been extended - the payment of self-assessment tax for FY2019-20 if the amount due is above Rs 1 lakh.
- According to a press release issued by the Central Board of Direct Taxes (CBDT) on June 24, 2020, individuals with self-assessment tax liability up to Rs 1 lakh can pay it till November 30, 2020. However, no extension has been granted to those having liability of over Rs 1 lakh, and delayed payment would attract the applicable rate of penal interest under section 234A.

(Click here for more details)

(Click here for more details)

INCOME TAX DEPARTMENT



I-T department refunds Rs 62,361 crore during lockdown: CBDT

Date to file revised, belated income tax returns for FY 2018-19 extended to September 30

Key Highlights

Key Highlights

- "In order to help taxpayers in a Covid-19 pandemic situations, the department has issued tax refunds at a speed of 76 cases per minute during this period which had 56 weekdays," the Board said.
- Income tax refunds amounting to Rs 23,453.57 crore have been issued in 19,07,853 cases to taxpayers and corporate tax refunds amounting to Rs 38,908.37 crore have been issued in 1,36,744 cases to taxpayers during this period.
- Refunds of this magnitude and numbers have been issued completely electronically and have been directly deposited into the bank accounts of the taxpayer.

- The government has formally extended the date to file revised, belated income tax returns for the financial year 2018-19, to September 30, 2020 from the earlier date of July 31, 2020. It has also provided relaxations for senior citizens on interest payments on self-assessment tax.
- The Central Board of Direct Taxes issued a notification to the effect dated July 29. The finance ministry had announced the relaxation among several others on June 24.
- The extension will reduce hardship of taxpayers, said experts, amid challenges faced by taxpayers in meeting the statutory and regulatory compliance requirements across sectors due to the outbreak of Covid-19.

(Click here for more details)

(Click here for more details)

GST COUNCIL



Seeks to extend the due date for filing FORM GSTR-4 for financial year 2019-2020

Big relief to GST taxpayers: Late fee on GST returns capped till July to Rs 500

Key Highlights

- In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Government, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 21/2019- Central Tax, dated the 23rd April, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 322(E), dated the 23rd April, 2019.
- In the said notification, in the third paragraph, in the first proviso, for the figures, letters and words "15th day of July, 2020", the figures, letters and words "31st day of August, 2020" shall be substituted.

Key Highlights

- Major relief to the GST taxpayers the government has decided to cap the maximum late fee for form GSTR-3B at Rs 500 per return for the tax period July 2017 to July 2020.
- The reduced fee will be levied only if returns are filed before September 30, 2020, the Central Board of Indirect taxes and Customs (CBIC).
- There is also no late fees will be levied tax periods between May 20 to July 20.

(Click here for more details)

(Click here for more details)

KREO CAPITAL PRIVATE LIMITED

MERCHANT BANKING | CORPORATE ADVISORY | WEALTH MANAGEMENT | LENDING SOLUTIONS

ABOUT OUR CORPORATE ADVISORY SERVICES

Our corporate advisory 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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