

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

NEWSLETTER – TWENTY-THIRD EDITION, 2020



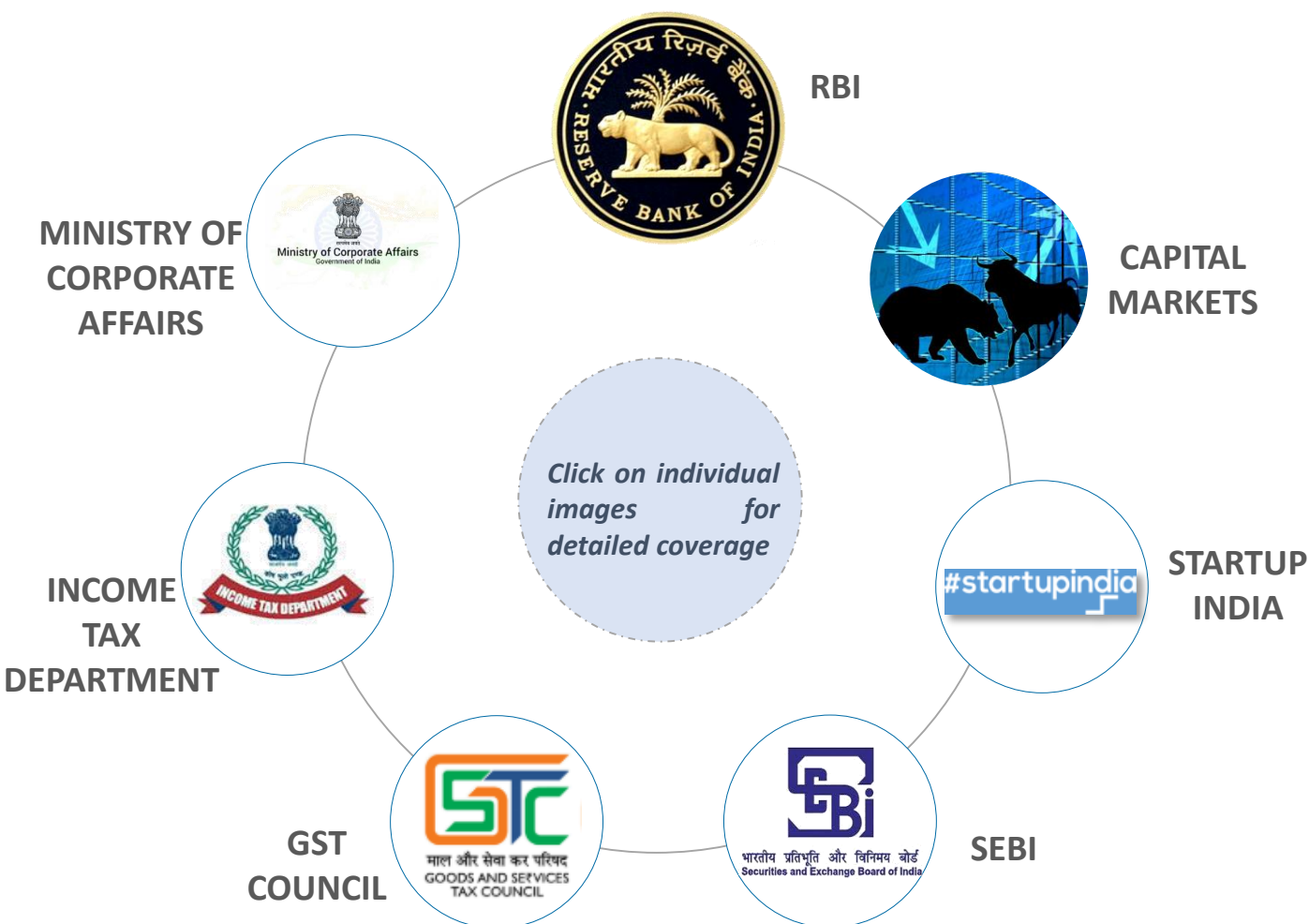
Monday, 6th July , 2020

“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.



Additional section on Covid - 19

BROAD ECONOMIC HIGHLIGHTS

India's Forex Reserves cross half trillion dollars for the first time

India among Switzerland's top-3 partners for info exchange on tax matters: Global Forum

India-China standoff: Govt likely to regulate Chinese investment via FPI route as well

AIIB approves additional \$750 million loan to strengthen India's Covid response

India 9th largest recipient of FDI in 2019, will continue to attract investments: UN

America's DFC to invest \$350 million in India

India is mulling a new way to bring its bad loan burden under control

India's GDP to contract 3.1% in 2020: Moody's

CAPITAL MARKETS

CVC Capital to buy cancer chain HCG for Rs 1,049 crore

Reliance Jio's total investments to INR 1,04,326.95 crore since April 22, 2020

Dr Reddy's completes the acquisition of Wockhardt's select generics, plant

UTI AMC gets Sebi's go ahead to launch IPO

Happiest Minds files IPO papers with Sebi; JP Morgan fund to sell stake

Facebook's investment in Jio Platforms gets CCI nod

Bharti Infratel extends deadline for merger with Indus Towers till Aug 31

Max completes healthcare merger with Radiant Life

SEBI



RELAXATION OF TIME GAP BETWEEN TWO BOARD MEETING OF LISTED ENTITIES

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 under Regulation 33 and 52 of the LODR Regulations, to July 31, 2020. SEBI is in receipt of requests from listed entities to extend the relaxation mentioned at para 1 above, till July 31, 2020.
- After consideration, the relaxation of maximum time gap between two board/Audit Committee meetings as provided by circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 is further extended till July 31, 2020.
- However, the board of directors and audit Committees of listed entities shall ensure that they meet atleast four times a year, as stipulated under Regulations 17(2) and 18(2)(a) of the LODR Regulations..

(Click here for more details)

EXTENSION FOR SUBMISSION OF ANNUAL SECRETARIAL COMPLIANCE REPORT

Key Highlights

- SEBI, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020, had extended by one month (from May 31, 2020 to June 30, 2020), the timeline for submission of the Annual Secretarial Compliance (ASC) Report for the year 2019-2020, for listed entities.
- SEBI has received representations from the Institute of Company Secretaries of India (ICSI), industry bodies and listed entities requesting extension of time for submission of the ASC Report
- in view of the difficulties and challenges faced by listed entities and Practicing Company Secretaries due to the continuing impact of the CoVID- 19 pandemic.
- After consideration, it has been decided to further extend the timeline for submission of the ASC Report by one more month to July 31, 2020

(Click here for more details)

SEBI



SEBI TWEAKS IN TAKEOVER NORMS TO HELP PROMOTERS RAISE HOLDING

Key Highlights

- Sebi has allowed promoters to acquire 10 per cent instead of the currently permissible 5 per cent through creeping acquisitions without triggering an open offer, giving a one-time relaxation to help locally listed companies access funds in a difficult environment.
- The capital markets regulator has given this exemption under the takeover code to promoters for this financial year to enable fund infusion into companies that require liquidity.
- Sebi has also reduced the gap between two qualified institutional placements (QIPs) to two weeks instead of the existing minimum gap of six months

(Click here for more details)

EXTENSION FOR SUBMISSION OF FINANCIAL RESULTS FOR THE YEAR ENDING 31ST MARCH 2020

Key Highlights

- SEBI has been decided to further extend the timeline for submission of financial results under Regulation 33 of the LODR Regulations, by a month, to July 31, 2020, for the quarter and the year ending 31st March 2020. Similarly, the timeline under Regulation 52 of the LODR for submission of half yearly and/or annual financial results for the period ending March 31, 2020 for entities that have listed NCDs, NCRPS', CPs, MDS' is also extended to July 31, 2020.
- SEBI, vide circular No. EBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 had extended the timeline for submission of financial results under regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') to June 30, 2020 (extension of one month) due to the impact of the COVID- 19 pandemic.

(Click here for more details)

STARTUP INDIA

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

NEW ROUND VALUES BYJU'S AT \$10.5 BN

ULA RAISES \$10.5 MILLION FROM SEQUOIA, LIGHTSPEED INDIA

Key Highlights

- Byju's raised about \$100 million from US technology investor Bond, propelling the education start up to a \$10.5 billion valuation.
- The latest fundraise has made Byju's the second-most valued start up in India, overtaking hospitality unicorn Oyo, which was last valued at \$10 billion. Paytm was valued at \$16 billion late last year when it raised \$1 billion in a round led by T Rowe Price and existing investors Ant Financial and SoftBank Vision Fund.
- Byju's is set to hire around 4,000 employees in the next six months to meet a surge in demand for its online courses. "This crisis has brought online learning to the forefront and has helped parents, teachers and students alike to experience and understand the value of it

(Click here for more details)

Key Highlights

- The startup will invest the funds in its technology platform and for building out a talent team in India.
- Indonesia-based venture capital fund, SMDV, growth-stage fund Quona Capital, early stage investor Saison Capital and Silicon Valley-based Alter Global also participated in the round along with prominent angels including the founders of Indian B2B unicorn, Udaan as well as Rahul Mehta Managing Partner at DST Global.
- Launched in January 2020, Ula is an Indonesia-based multi-category wholesale e-commerce marketplace, which provides goods and working capital to small store owners, to increase their overall income.

(Click here for more details)

RBI



RBI EXTENDS ENHANCED BORROWING LIMIT UNDER MSF TILL SEPTEMBER 30

Key Highlights

- The RBI, as a temporary measure, had increased the borrowing limit of scheduled banks under the marginal standing facility (MSF) scheme from 2 per cent to 3 per cent of their Net Demand and Time Liabilities (NDTL) with effect from March 27, 2020.
- Amid the ongoing economic woes created by the coronavirus pandemic, the Reserve Bank has decided to extend the enhanced borrowing facility provided to the banks to meet their liquidity shortages till September 30.
- Under the MSF, banks can borrow overnight funds at their discretion by dipping into the Statutory Liquidity Ratio. This relaxation, which was granted till June 30, 2020, has now been extended till September 30.

(Click here for more details)

RBI CAN RESTRUCTURE STRESSED BANKS WITHOUT IMPOSING DEPOSIT WITHDRAWAL LIMITS

Key Highlights

- The Reserve Bank of India (RBI) will now be able to take up restructuring or amalgamation of struggling banks without putting them under a moratorium, that involves imposing deposit withdrawal limits for customers.
- The RBI had sought a change to the law that currently permits it to prepare a restructuring or amalgamation scheme for a bank only when it is under a moratorium.
- The amendment would let the RBI help a bank that is under financial pressure without limiting withdrawals by customers.
- The central bank wanted the amendment because they felt the existing law was disruptive, hurt depositor confidence and could even impact a lender's financial stability.

(Click here for more details)

MINISTRY OF CORPORATE AFFAIRS



CLARIFICATION ON PASSING OF ORDINARY AND SPECIAL RESOLUTIONS BY COMPANIES

Key Highlights

- This Ministry has issued General circular No. 14/2020 on 8th April' 2020 and General circular No. 17/2020 on 13th April, 2020 for providing clarifications on passing of ordinary and special resolutions by companies by holding extraordinary general meetings through video conferencing or other audio visual means or passing of certain items only through postal ballot without convening general meeting.
- The matter has been examined and it has been decided to allow companies to conduct their EGMs through VC or OAVM or transact Items through postal ballot in accordance with the framework provided in the aforesaid Circulars upto 30th Sept.,2020.

(Click here for more details)

COMPANIES (SHARE CAPITAL AND DEBENTURES) AMENDMENT RULES, 2020.

Key Highlights

- In case a company is covered in item (A) of sub-clause (iii) of clause (b) or item (B) of sub-clause (iv) of clause (b), it shall on or before the 30th day of April in each year, in respect of debentures issued by such a company, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent., of the amount of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposits as provided in sub-clause (vi):"Internal Trade" shall be substituted
- Provided that the amount remaining invested or deposited, as the case may be, shall not any time fall below fifteen percent. of the amount of the debentures maturing during the year ending on 31st day of March of that year.

(Click here for more details)

MINISTRY OF CORPORATE AFFAIRS**LIQUIDATOR HAS OVERRIDING RIGHT ON COMPANY'S ASSETS OVER TAX DEPARTMENT: NCLT*****Key Highlights***

- The revenue department cannot attach the assets of a company in liquidation if the liquidator has already taken in account its tax dues, the bankruptcy court has said.
- The principal bench of the National Company Law Tribunal (NCLT) in New Delhi ruled that the liquidator has overriding powers under the Insolvency and Bankruptcy Code to take over both movable and immovable assets of a corporate debtor.
- The June 15 ruling came in a case between the liquidator of S Kumars Nationwide Ltd (SKNL) and the revenue department. It is likely to set a precedent while deciding on other similar matters as well where the revenue department has attached the bank accounts of the corporate debtors.

(Click here for more details)

MCA NOTIFIES SEVEN MONTH RELAXATION FOR FILINGS RELATING TO CREATION OR MODIFICATION OF CHARGES***Key Highlights***

- For regulatory filings of charges on property or assets or any undertakings, created on March 1, 2020, the MCA introduced the 'Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013', to condone delays in such filings, applicable till September 30.
- The ministry's decision was based on representations it received to relax the timeline to provide a window for compliance with the filing of charges on account of the pandemic and as the benefit of waiver of the additional fees was not extended to charge related filings under the Companies Fresh Start Scheme.

(Click here for more details)

INCOME TAX DEPARTMENT



CBDT HAS EXTENDED THE DEADLINE FOR TAX SAVING INVESTMENTS CHAPTER –VIA FY 2019-20 TILL JULY 31,2020

GOVT HAS EXTENDED THE DEADLINE FOR FILING I-T RETURNS FOR FY2018-19 BY A MONTH TILL JULY 31, 2020

Key Highlights

Key Highlights

- The date for making various investment/ payment for claiming deduction under Chapter-VIA-B of the IT Act which includes section 80C (LIC, PPF, NSC etc.), 80D (Mediclaime), 80G (Donations) etc. has also been further extended to 31st July, 2020. Hence the investment/ payment can be made upto 31st July, 2020 for claiming the deduction under these sections for FY 2019-20
- The deadline was earlier extended from March 31, 2020 to June 30, 2020 as the FY 2019-20 ended in the midst of the nationwide lockdown, making it difficult for many taxpayers to complete investments before the end of the Financial Year.

- The government has also extended the date for making various investment/ payment for claiming deduction under Chapter-VIA-B of the IT Act which includes section 80C (LIC, PPF, NSC etc.), 80D (Mediclaime), 80G (Donations) to 31st July, 2020. Now the investment/ payment can be made upto 31st July, 2020 for claiming the deduction under these sections for FY 2019-20.
- The government has also extended the date for payment of self-assessment tax in the case of a taxpayer whose self-assessment tax liability is upto Rs 1 lakh to 30th November, 2020. The move was taken to provide relief to small and middle class taxpayers.

(Click here for more details)

(Click here for more details)

GST COUNCIL



CBIC WAIVES OFF LATE FEE ON LATE GST RETURN FILING

Key Highlights

- The Central Board of Indirect Taxes and Customs (CBIC) has notified waiver of late fee, capping of late fee at Rs 500 in some cases, interest payable on late payments and extension of due dates for businesses to file goods and service tax (GST) returns for the Covid-19 impacted period, till October.
- The decisions were taken by the GST Council on June 12. Taxpayers who do not have any tax liability but were yet to file returns for the period from July 2017 to January 2020 - prior to the Covid period – no late fee will be charged.
- During Covid period of February, March and April 2020, interest rate on late return filings by small taxpayers with turnover up to Rs 5 crore, will be reduced to 9% from 18%, if returns of inward supplies are filed till September 30.

(Click here for more details)

REAL ESTATE PLAYERS TO SHIFT TO 5 % GST RATE FOR RESIDENTIAL UNITS AND 1 % FOR AFFORDABLE HOUSING

Key Highlights

- The GST Council had allowed real estate players to shift to 5 per cent GST rate for residential units and 1 per cent for affordable housing without the benefit of input tax credit (ITC) from April 1, 2019.
- However, they were mandated to procure at least 80 per cent of the inputs from registered dealers.
- Any shortfall in the procurement would be subject to goods and services tax (GST) to be paid by real estate developers at the rate of 18 per cent on supplies used as inputs or input services and 28 per cent for cement.

(Click here for more details)

COVID – 19 SECTION



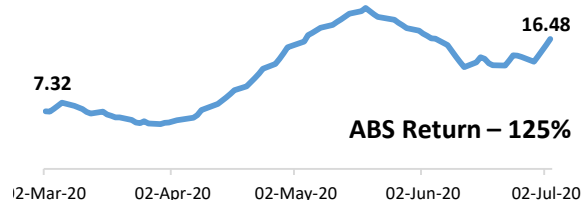
The running 2020 witnessed so many significant events right from the wildfire spreading of Covid – 19, Mammoth fund raising Reliance Jio, the demise of celebrities etc. Needlessly the most dominated event was none other than the **COVID – 19**.

Looking at the threat, the most of the pharma companies started burning mid night oil to prepare a drug for this slayer. Presently in India, around 7 companies are working to prepare the Covid – 19 drug out of which 3 companies are in listed space: -

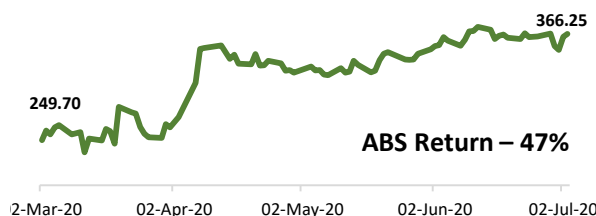
1. **Zydus Cadila**
2. Serum Institute of India
3. **Bharat Biotech International Limited**
4. **Glennmark Pharmaceuticals**
5. Indian immunological Limited
6. Mynvax
7. Auro Vaccine and Gennova Bio pharmaceuticals

Apart from Indian companies, pharma companies around the globe too are working towards Covid – 19 drug. One of the prominent companies is US based **Gilead Sciences** which has manufactured the drug named **Remdesivir**

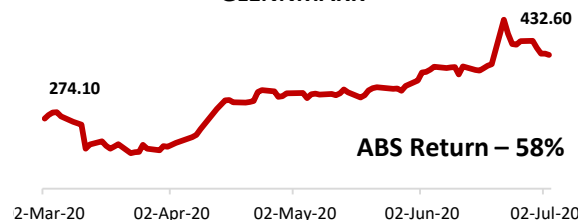
BHARAT BIOTECH



CADILA HEALTHCARE



GLENNMARK



COVID – 19 UPDATES – INDIAN & GLOBAL

Covid-19 impact: India's economy to shrink by 3.2% in FY21, says World Bank

The Global Economic Outlook During the COVID-19 Pandemic: A Changed World

Economic impact of Covid-19 pandemic to vary in sectors

Asia and the Global Economy's COVID-19 Plunge

First COVID-19 vaccine COVAXIN from India, gets DCGI approval for human trials

COVID-19's far reaching impact on global drug abuse

Glenmark's Covid-19 drug to nod to Hetero and Cipla for remdesivir

EMA recommends remdesivir to treat COVID-19, authorization expected next week

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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