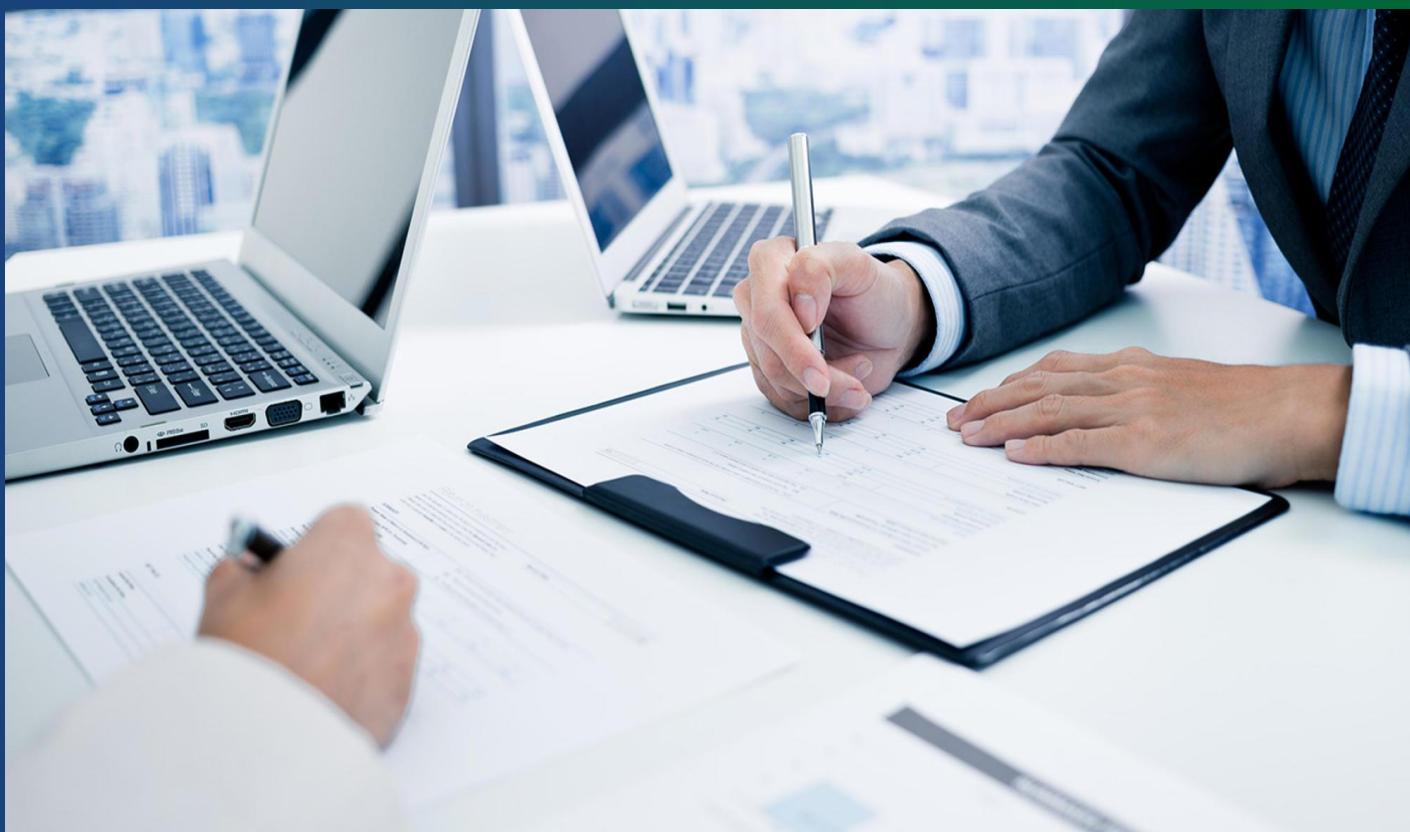


KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

NEWSLETTER –EIGHTEENTH EDITION, 2020



Thursday, 13th February 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.



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Securities and Exchange Board of India



**BODIES
COVERED**



BROAD ECONOMIC NEWS

CBDT SAYS INCOME TAX SHORTFALL 'NON-NEGOGTIABLE', INSTRUCTS TOP BRASS TO PULL UP THEIR SOCKS TO MEET FY20 TARGET

For more details, please refer link:

<https://www.moneycontrol.com/news/business/cbdt-instructs-top-brass-to-pull-up-their-socks-to-meet-fy20-income-tax-collection-target-4840971.html>

GOVT ALLOCATES RS 232 CRORE FOR INFRA DEVELOPMENT OF CAPFs

For more details, please refer link:

<https://www.moneycontrol.com/news/business/economy/govt-allocates-rs-232-crore-for-infra-development-of-capfs-4844431.html>

GOVT MAY IMPOSE ANTI-DUMPING DUTY ON YARN FROM CHINA, INDONESIA, VIETNAM

For more details, please refer link:

<https://www.moneycontrol.com/news/business/economy/govt-may-impose-anti-dumping-duty-on-yarn-from-china-indonesia-vietnam-4824981.html>

GOVERNMENT ALLOWS 100% FDI IN BHARTI AIRTEL

For more details, please refer link :

<https://www.moneycontrol.com/news/business/companies/government-allows-100-fdi-in-bharti-airtel-4841301.html>

INDIAN FIRMS TAKE PART IN FRENCH INVESTMENT SUMMIT

For more details, please refer link:

<https://economictimes.indiatimes.com/news/company/corporate-trends/indian-firms-take-part-in-french-investment-summit/articleshow/73482142.cms>

FOREX RESERVES RISE BY \$58 MN TO RECORD HIGH OF \$461.21 BN

For more details, please refer link :

<https://www.moneycontrol.com/news/business/economy/forex-reserves-rise-by-58-mn-to-record-high-of-461-21-bn-4828871.html>

BUDGET 2020: HIGHWAYS SECTOR ALLOCATION MAY INCREASE BY RS 10,000CR

For more details, please refer link:

<https://www.moneycontrol.com/news/business/economy/budget-2020-highways-sector-allocation-may-increase-by-rs-10000cr-4822401.html>

INDIA, BRAZIL SET TARGET OF USD 15 BILLION IN BILATERAL TRADE BY 2022

For more details, please refer link:

<https://www.moneycontrol.com/news/business/economy/india-brazil-set-target-of-usd-15-billion-in-bilateral-trade-by-2022-4858711.html>



SHRIRAM TRANSPORT RAISES \$500 MILLION VIA OFFSHORE BONDS

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/bonds/shriram-transport-raises-500-million-via-offshore-bonds/articleshow/73178295.cms>

ESAF SMALL FINANCE BANK FILES PAPERS FOR RS 976 CRORE IPO

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/ipo/fpos/esa-small-finance-bank-files-papers-for-rs-976-crore-ipo/articleshow/73125679.cms>

SHRI BAJRANG POWER GETS SEBI NOD FOR RS 500 CRORE IPO

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/ipo/fpos/shri-bajrang-power-gets-sebi-nod-for-rs-500-crore-ipo/articleshow/73443917.cms>

IRFC FILES IPO DRAFT PAPERS WITH SEBI

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/ipo/fpos/irfc-files-ipo-draft-papers-with-sebi/articleshow/73425153.cms>

NSE, WARBURG PINCUS BACKED CAMS FILES DRAFT PAPERS FOR RS 1,600 CRORE IPO

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/ipo/fpos/nse-warburg-pincus-backed-cams-files-draft-papers-for-rs-1600-crore-ipo/articleshow/73183870.cms>

ITI TO RAISE UP TO RS 1,400 CRORE VIA FPO

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/ipo/fpos/iti-to-raise-up-to-rs-1400-crore-via-fpo-price-band-set-at-rs-72-77/articleshow/73525206.cms>

ZOMATO ACQUIRES UBER EATS IN AN ALL-STOCK TRANSACTION

For more details, please refer link :

<https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/zomato-acquires-uber-eats-in-an-all-stock-transaction/articleshow/73465982.cms>

ROUTE MOBILE GETS SEBI NOD FOR IPO

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/ipo/fpos/route-mobile-gets-sebi-nod-for-ipo/articleshow/73058874.cms>



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SEBI COMES OUT NEW FRAMEWORK TO CHECK NON-COMPLIANCE OF LISTING RULES

Key Highlights

- SEBI on January 22 put in place a stricter mechanism to deal with non-compliance of listing conditions under which stock exchanges will have powers to slap penalties up to Rs 50,000 for certain violations. At present, a stock exchange is allowed to charge a maximum amount of Rs 10,000 for each violation of listing norms that need to be complied with by companies.
- According to a Sebi circular, exchanges can impose a fine of Rs 50,000 per instance for non-compliance with respect to obtaining in-principle approval of bourses before issuance of securities.
- The new framework would come into force with effect from compliance periods ending on or after March 31, 2020.

For more details, please refer link:

<https://www.moneycontrol.com/news/business/sebi-comes-out-new-framework-to-check-non-compliance-of-listing-rules-4845961.html>

SEBI TO TAP ARTIFICIAL INTELLIGENCE, BIG DATA ANALYTICS TO CURB MARKET MANIPULATIONS

Key Highlights

- Sebi is acquiring capabilities to monitor and analyse social media posts to keep a tab on possible market manipulations, its Chairman Ajay Tyagi said.
- He said the capabilities will involve use of artificial intelligence, machine learning, big data analytics and natural language processing tools to spot market manipulation.
- In efforts to curb possible manipulations in the securities market, Sebi has been keeping a watch on social media and there have been cases where social media posts have helped in acting against manipulative activities.

For more details, please refer link:
<https://www.thehindu.com/business/sebi-to-tap-artificial-intelligence-big-data-analytics-to-curb-market-manipulations/article30633040.ece>



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Securities and Exchange Board of India

SEBI STREAMLINES RIGHTS ISSUE PROCESS

Key Highlights

- In partial modification of the above referred circular, it has been decided that the draft offer documents in respect of issues of size upto 750 crores shall be filed with the concerned regional office of the Board under the jurisdiction of which the registered office of the issuer company falls. Merchant Bankers are accordingly advised to file the draft offer documents / offer documents with the concerned office of the Board.
- Under the new framework, the period for advance notice to stock exchange has been reduced from at least seven working days to at least three working days (excluding the date of intimation and the record date), for the purpose of rights issue.

For more details, please refer link:

<https://www.tribuneindia.com/news/sebi-streamlines-process-for-rights-issue-by-companies-30144>

SEBI PUTS IN PLACE OPERATING GUIDELINES FOR INVESTMENT ADVISERS IN IFSC

Key Highlights

- Markets regulator Sebi came out with guidelines for entities for operating as investment advisers in International Financial Services Centre (IFSC), under which such advisers need to have a net worth of at least USD 1.5 million.
- The decision has been taken following the representations received from various stakeholders, the Securities and Exchange Board of India (Sebi) said in a circular.
- Under the framework, any recognised entity or entities desirous of operating in IFSC as an investment adviser (IA), may form a company or LLP to provide investment advisory services.

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-puts-in-place-operating-guidelines-for-investment-advisers-in-ifsc/articleshow/73177047.cms>



BSE INKS LICENSING AGREEMENT WITH ICE TO USE BRENT INDEX

Key Highlights

- BSE on Monday said it has signed a licensing agreement with Intercontinental Exchange (ICE) to use its Brent index as the settlement benchmark for the Indian bourse's rupee-denominated brent futures contracts.
- India is one of the largest consumers and importers of crude oil in the world and Brent crude is highly correlated with the Indian crude oil basket.
- "Oil producers, refiners, users and investors in India can benefit from access to Brent crude prices. This agreement with ICE marks a new milestone and will go a long way in serving the needs and interests of the Indian energy commodities space," it added.

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/stocks/news/bse-inks-licensing-agreement-with-ice-to-use-brent-index/articleshow/73658812.cms>

7 FIRMS TO LIST COMMERCIAL PAPERS WORTH RS 876 CRORE ON BSE

Key Highlights

- Leading stock exchange on Tuesday said seven companies, including Birla Group Holdings Pvt Ltd, ICICI Securities Ltd, Standard Chartered Investments and Loans(India) Ltd, have filed applications to list their commercial papers (CPs) with the bourse for a total issue size of over Rs 876 crore.
- Birla Group Holdings Private Ltd, ICICI Securities Ltd, Tata Steel Downstream Products Ltd and Standard Chartered Investments and Loans (India) Ltd made applications to list their CPs with the exchange for issue size of Rs 300 crore, Rs 300 crore, Rs 100 crore and Rs 80 crore, respectively.

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/stocks/news/7-firms-to-list-commercial-papers-worth-rs-876-crore-on-bse/articleshow/73254939.cms>



GIFT CITY TO BEGIN TRADING IN RUPEE-DOLLAR IN FUTURES MARKET

Key Highlights

- Gift City, a financial hub designed to overcome restrictions on trading in Indian currency, is set to begin trading in the INR-USD pair through exchange traded futures market. This will probably reduce the quantum of trading in the overseas market that makes monitoring of it difficult for the regulator.
- “Contracts in the Rupee shall be settled in a currency other than the Indian Rupee. Any person resident outside India may undertake these derivative contracts,” RBI said in a statement. “It has now been decided to allow Rupee derivatives (with settlement in foreign currency) to be traded in International Financial Services Centres (IFSCs), starting with Exchange Traded Currency Derivatives(ETCD).
- For more details, please refer link:

<https://economictimes.indiatimes.com/markets/forex/gift-city-to-begin-trading-in-rupee-dollar-in-futures-market/articleshow/73444484.cms>

INTRODUCTION OF RUPEE DERIVATIVES AT INTERNATIONAL FINANCIAL SERVICES CENTRES (IFSC)

Key Highlights

- As announced in the statement on Developmental and Regulatory Policies dated October 4, 2019, it has now been decided to allow Rupee derivatives (with settlement in foreign currency) to be traded in International Financial Services Centres (IFSCs), starting with Exchange Traded Currency Derivatives.
- Currency futures contracts may be listed on recognised stock exchanges at IFSCs subject to the Currency Futures in International Financial Services Centre (Reserve Bank) Directions, 2020 (Notification No.FMRD.FMD.01/ED(TRS)-2020 dated January 20, 2020), issued by the Reserve Bank of India.
- For more details, please refer link:

<https://www.rbi.org.in/Scripts/NotificationU ser.aspx?Id=11791&Mode=0>



COMPANIES (APPOINTMENT AND MANAGERIAL PERSONNEL) AMENDMENT RULES 2020

Key Highlights

- In exercise of the powers conferred by sub-section (1) of section 203 of the Companies Act, the Central Government hereby makes the following rules further to amend the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, namely :
- Every private company which has a paid up share capital of ten crore rupees or more shall have a whole-time company secretary.
- They shall be applicable in respect of financial years commencing on or after 1st April, 2020.

For more details, please refer link :

http://www.mca.gov.in/Ministry/pdf/AmendmentRules_06012020.pdf

EXTENSION FOR FILING BEN-2 WITH REGISTRAR OF COMPANIES

Key Highlights

- In continuation this Ministry's General Circular no. 10/2019 dated 24.09.2019, the Ministry of Corporate Affairs has received further representations regarding extension of the last date for filing of e-form BEN-2 without additional fees, which are being examined.
- Considering such representations and examination, it is hereby informed that the time limit for filing e-form No. BEN-2 is extended upto 31.03.2020 without payment of additional fee and thereafter fee and additional fee shall be payable. Consequent to such extension of the date of filing e-form No.BEN-2, the date of filing of Form No. BEN-1 may be construed accordingly.

For more details, please refer link :

http://www.mca.gov.in/Ministry/pdf/Circular_01012020.pdf



GOVERNMENT NOTIFIES RULES FOR WINDING UP OF COMPANIES UNDER COMPANIES ACT

KEY Highlights

- The rules shall come into force on the 1st day of April, 2020, these rules shall apply to winding up under Companies Act 2013.
- The rules have provided summary procedures for liquidation of companies with asset size of Rs 1 crore and which have not accepted deposits exceeding Rs 25 lakh and turnover less than Rs 50 crore and total loan under Rs 25 lakh.
- The Central government will provide required approvals to such companies for winding up instead of the tribunal.
- The rules said, "...wherever the word Tribunal is mentioned, it shall be read as Central Government and with further directions issued by the Central Government as may be necessary, from time to time."

For more details, please refer link :
http://www.mca.gov.in/Ministry/pdf/Rule_s_28012020.pdf

INVITATION OF NOMINATIONS FOR NATIONAL CORPORATE SOCIAL RESPONSIBILITY (CSR) AWARDS 2020

Key Highlights

- The Ministry of Corporate Affairs has instituted National CSR Award (NCSRA) to recognize CSR for inclusive growth and sustainable development. This Award seeks to recognize the companies that have made a transformative impact on society. The NCSRA seeks to recognize outstanding projects in following three categories:
- Four awards for excellence in CSR, based on CSR spend, Five awards for CSR projects in Aspirational Districts / difficult terrains, Eleven awards for CSR projects in National Priority Areas.
- Three awards, one each in above three categories are reserved for Micro, Small and Medium Enterprises (MSMEs)
- Last date for filing nominations is 15 February 2020.

For more details, please refer link :

http://www.mca.gov.in/Ministry/pdf/InviNo_mNCSRA_24122019.pdf



RELAXATION OF TIME-COMPOUNDING OF OFFENCES UNDER DIRECT TAX LAWS-ONE-TIME MEASURE-EXTENSION OF TIMELINE

Key Highlights

- The CBDT has received references from the field formation, including requests made by the ICAI chapters, wherein, it has been brought to the notice of CBDT that the taxpayers could not avail the benefit of the one-time relaxation window due to genuine hardships.
- With a view to give a final opportunity to such taxpayers, and to reduce the pendency of existing prosecution cases before the courts, the CBDT in exercise of powers u/s 119 of the Act, read with explanation below sub-section (3) of section 279 of the Act, issues this Circular, whereby para 4. 1 i) of the Circular No. 25/2019 F. No. 285/08/20 14-IT(Inv. V)/350 dated 09.09.2019 stands modified

For more details, please refer link:

https://www.incometaxindia.gov.in/communications/circular/circular_1_2020.pdf

INCOME-TAX DEDUCTION FROM SALARIES DURING THE FINANCIAL YEAR 2019-20 UNDER SECTION 192 OF THE INCOME-TAX ACT, 1961.

Key Highlights

- Reference is invited to Circular No. 1/2019 dated 01.01.2019 whereby the rates of deduction of income-tax from the payment of income under the head "Salaries" under Section 192 of the Income-tax Act, 1961 (hereinafter "the Act"), during the financial year 2018-19, were intimated. The present Circular contains the rates of deduction of income-tax from the payment of income chargeable under the head "Salaries" during the financial year 2019-20 and explains certain related provisions of the Act and Income-tax Rules, 1962 (hereinafter the Rules).
- The relevant Acts, Rules, Forms and Notifications are available at the website of the Income Tax Department- www.incometaxindia.gov.in.

For more details, please refer link:

https://www.incometaxindia.gov.in/communications/circular/circular_no_4_2020.pdf



GST RETURNS CAN NOW BE FILED IN A STAGGERED MANNER

Key Highlights

- In a move aimed at de-stressing the GST system, the finance ministry on Wednesday staggered last dates of filling GSTR-3B, a monthly return form, and has provided three dates for different categories of taxpayers.
- Currently, the last date for filing GSTR-3B is 20th of every month. With the changes, there will be three dates i.e 20th, 22nd and 24th of every month for different categories of tax payers.
- In the past, glitches in the return filing system of GST Network were reported on the last day of filing of returns and trade and industry had to face problems.

For more details, please refer link:

<https://economictimes.indiatimes.com/news/economy/policy/finance-ministry-allows-3-last-dates-for-filing-gstr-3b-for-different-categories-of-taxpayers/articleshow/73525516.cms>

TAX DEPARTMENT RAISES GST REVENUE TARGET TO RS 1.15 LAKH CR FOR JANUARY-FEBRUARY

Key Highlights

- The tax department on January 17 raised GST collection target to Rs 1.15 lakh crore over the next two months and Rs 1.25 lakh crore for March month by checking fraudulent input tax credit claims. The decision in this regard was taken in a high-level meeting chaired by Revenue Secretary Ajay Bhushan Pandey held on January 17
- Last month, the department had raised its GST tax collection target to Rs 1.1 lakh crore per month with Rs 1.25 lakh crore for a single month for the remaining period of this financial year while the direct tax target was to remain at Rs 13.35 lakh crore sans the corporate tax relief of Rs 1.45 lakh crore.

For more details, please refer link:

<https://www.moneycontrol.com/news/business/economy/tax-department-raises-gst-revenue-target-to-rs-1-15-lakh-cr-for-january-february-4829701.html>

KREO CAPITAL PRIVATE LIMITED

MERCHANT BANKING | CORPORATE ADVISORY | WEALTH MANAGEMENT | LENDING SOLUTIONS

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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.

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