

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

NEWSLETTER –SEVENTEENTH EDITION,
2020





2020

***With New Year comes New Hopes, New Experiences,
New Opportunities and New Dreams***

***KREO CAPITAL WISHES YOU AND YOUR FAMILY A
VERY HAPPY AND PROSPEROUS NEW YEAR***

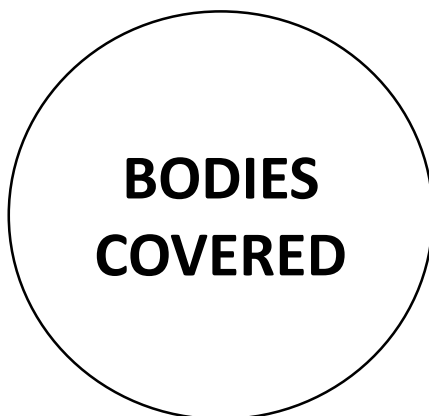
Thursday, 02 January 2020

“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 NEWS

FINANCE MINISTRY DECLINES TO SHARE SWISS BANK ACCOUNTS DETAILS OF INDIANS CITING CONFIDENTIALITY

For more details, please refer link:

<https://economictimes.indiatimes.com/news/economy/policy/finance-ministry-declines-to-share-swiss-bank-accounts-details-of-indians-citing-confidentiality/articleshow/72936720.cms>

VAKRANGEE PARTNERS WITH UBI TO MAKE BANKING SERVICES ACCESSIBLE TO RURAL INDIA

For more details, please refer link:

<https://economictimes.indiatimes.com/magazines/panache/vakrangee-partners-with-ubi-to-make-banking-services-accessible-to-rural-india/articleshow/72933457.cms>

11.40 LAKH TRANSACTIONS SETTLED IN 8 HOURS AFTER RBI OPERATIONALISES NEFT 24X7

For more details, please refer link:

<https://economictimes.indiatimes.com/news/economy/finance/11-40-lakh-transactions-settled-in-8-hours-after-rbi-operationalises-neft-24x7/articleshow/72768988.cms>

WORLD BANK REPORT PROJECTS STRONG LONG-TERM POTENTIAL FOR NORTHEAST

For more details, please refer link:

<https://economictimes.indiatimes.com/news/economy/finance/world-bank-report-projects-strong-long-term-potential-for-northeast/articleshow/72531074.cms>

RUSSIA AND INDIA WILL FURTHER DEVELOP MILITARY DIALOGUE AND COUNTER TERROR COOPERATION IN 2020

For more details, please refer link :

<https://economictimes.indiatimes.com/news/defence/russia-and-india-will-further-develop-military-dialogue-and-counter-terror-cooperation-in-2020/articleshow/72940127.cms>

INDIA, AUSTRALIA 'NATURAL PARTNERSHIP' REGISTERS STEADY GROWTH IN 2019

For more details, please refer link :

<https://economictimes.indiatimes.com/news/defence/india-australia-natural-partnership-registers-steady-growth-in-2019/articleshow/72935475.cms>

BANKS GET \$7.6 BILLION BOOST FROM INDIA BANKRUPTCY RECOVERY

For more details, please refer link:

<https://economictimes.indiatimes.com/news/economy/finance/banks-get-7-6-billion-boost-from-india-bankruptcy-recovery/articleshow/72817816.cms>

CHINA TO LOWER IMPORT TARIFFS FROM JANUARY

For more details, please refer link:

<https://economictimes.indiatimes.com/news/international/business/china-to-lower-import-tariffs-from-january/articleshow/72933109.cms>

**PARK HOTELS PLANS PUBLIC ISSUE TO RAISE RS 1,000 CRORE**

For more details, please refer link :
<https://economictimes.indiatimes.com/markets/stocks/news/park-hotels-plans-public-issue-to-raise-rs-1000-crore/articleshow/72449699.cms>

THE GOVT ASKED A COURT TO RESTRAIN \$15 BN SAUDI ARAMCO-RIL DEAL

For more details, please refer link :
<https://economictimes.indiatimes.com/industry/energy/oil-gas/why-the-govt-asked-a-court-to-restrain-15-bn-saudi-aramco-ril-deal/articleshow/72947427.cms>

SME IPO VALENCIA NUTRITION KICKS OFF; ISSUE RECEIVES BIDS FOR 84,000 SHARES

For more details, please refer link :
<https://economictimes.indiatimes.com/markets/ipos/fpos/sme-ipo-valencia-nutrition-kicks-off-issue-receives-bids-for-84000-shares/articleshow/72936378.cms>

GREY MARKET HINTS AT BELOW-PRICE LISTING FOR PRINCE PIPES

For more details, please refer link :
<https://economictimes.indiatimes.com/markets/stocks/news/pipedream-grey-market-signalling-below-price-listing-for-prince-pipes/articleshow/72936146.cms>

UTI AMC FILES PAPERS FOR IPO WITH SEBI

For more details, please refer link :
<https://economictimes.indiatimes.com/markets/ipos/fpos/uti-amc-files-papers-for-ipo-with-sebi/articleshow/72889018.cms>

NSE SUSPENDS KARVY STOCK BROKING'S LICENCE DUE TO NON-COMPLIANCE OF REGULATORY PROVISIONS

For more details, please refer link :
<https://economictimes.indiatimes.com/markets/stocks/news/nse-suspends-karvy-stock-broking-licence-due-to-non-compliance-of-regulatory-provisions/articleshow/72325935.cms>

FPIS OPEN FUND FLOODGATES; NET INFLOW CROSSES RS 1 TRILLION IN 2019

For more details, please refer link :
<https://economictimes.indiatimes.com/markets/stocks/news/fpis-open-fund-floodgates-for-markets-net-inflow-crosses-rs-1-trillion-in-2019/articleshow/72922965.cms>
<https://economictimes.indiatimes.com/markets/stocks/news/fpis-open-fund-floodgates-for-markets-net-inflow-crosses-rs-1-trillion-in-2019/articleshow/72129934.cms>

IRCTC SHARE PRICE GAINS 2% AFTER TARIFF REVISION OF STANDARD MEALS

For more details, please refer link :
<https://www.moneycontrol.com/news/business/irctc-share-price-gains-2-after-tariff-revision-of-standard-meals-4757831.html>



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

SEBI TIGHTENS DISCLOSURE NORMS ON LOAN DEFAULTS

Key Highlights

- Markets regulator Sebi on Wednesday approved stricter disclosure norms for listed companies on loan defaults and revised its regulations for portfolio managers as well as for rights issue of shares.
- Sebi also extended the Business Responsibility Report (BRR) requirement to top 1,000 companies, from 500 currently.
- In case of default in repayment of principle or interest on loans beyond 30 days, listed companies will have to disclose "fact of such a default" within 24 hours, the regulator said after its board meeting .

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-tightens-disclosure-norms-on-loan-defaults/articleshow/72144017.cms>



भारतीय प्रतिभूति और विनियम बोर्ड
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SEBI REJIGS COMMITTEE ON INVESTOR EDUCATION AND PROTECTION

Key Highlights

- Market regulator Sebi has revamped its advisory committee that provides suggestions on issues related to investor education and protection activities. The eight-member committee on Investor Protection and Education Fund (IPEF) is headed by Abraham Koshy, former professor of IIM-Ahmedabad, according to information available with the Securities and Exchange Board of India (Sebi).
- The panel is mandated to recommend investor education and protection activities that may be undertaken directly by the market regulator or any other agency for utilisation of IPEF.

For more details, please refer link:

<https://www.moneycontrol.com/news/business/markets/sebi-rejigs-committee-on-investor-education-and-protection-4741991.html>



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

FILING OF OFFER DOCUMENTS UNDER SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018

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.
- Estimated issue of size greater than 750 Crores shall be filed with all the regions with all the jurisdiction.

For more details, please refer link:

<https://www.sebi.gov.in/legal/circulars/dec-2019/filing-of-offer-documents-under-securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-regulations-2018-45272.html>



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

MANAGEMENT AND ADVISORY SERVICES BY AMCS TO FOREIGN PORTFOLIO INVESTORS

Key Highlights

- Consequent to the notification of SEBI (Foreign Portfolio Investors) Regulations, 2019 (hereinafter referred as "FPI Regulations") Regulation 24 (b) of SEBI (Mutual Funds) Regulations, 1996 (hereinafter referred as "MF Regulations") pertaining to "Restrictions on business activities of the asset management company" was amended and notified in the Gazette having no. SEBI/LAD-NRO/GN/2019/37 dated September 23, 2019.
- AMCs may provide management and advisory services in terms of Regulation 24(b) of MF Regulations to FPIs falling under the following categories of FPIs as specified in FPI Regulations.

For more details, please refer link :

<https://www.sebi.gov.in/legal/circulars/dec-2019/management-and-advisory-services-by-amcs-to-foreign-portfolio-investors-45333.html>



RELIANCE INFRASTRUCTURE WINS RS 1,250CR ARBITRATION AWARD AGAINST DVC

Key Highlights

- Reliance Infrastructure on Monday said it has won an arbitration award of Rs 1,250 crore against Damodar Valley Corporation (DVC). The proceeds will be used to pay lenders and reduce the debt of the company, the infrastructure firm said in a filing to BSE.
- The arbitration tribunal awarded the case in favour of Reliance Infrastructure and directed DVC to pay Rs 896 crore and return the bank guarantees of Rs 354 crore within four weeks or pay additional interest, at the rate of 15 percent per annum, for any delay in payment beyond four weeks.

For more details, please refer link:

<https://www.moneycontrol.com/news/business/reliance-infrastructure-wins-rs-1250cr-arbitration-award-against-dvc-4754741.html>

PNB UNDER-REPORTED BAD LOANS BY RS 2,617 CRORE IN FY19

Key Highlights

- Public sector lender Punjab National Bank (PNB) under-reported its non-performing assets by Rs 2,617 crore for the fiscal year 2018-19, as per RBI's risk-assessment report
- In a regulatory filing, PNB said the divergence in gross non-performing assets (NPAs) assessed by the central bank stood at Rs 2,617 crore in FY19.
- The divergence assessed by the RBI in net NPAs was also Rs 2,617 crore for the fiscal.
- Consequently, based on the divergence assessed by RBI in provisioning for bad loans, PNB said it would have reported a net loss of Rs 11,335.90 cr for FY19 as opposed to a net loss of Rs 9,975.49 cr.

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/stocks/news/pnb-under-reported-bad-loans-by-rs-2617-crore-in-fy19/articleshow/72663676.cms>



RBI CAPS LENDING ON P2P PLATFORMS AT RS 50 LAKH

Key Highlights

- To protect consumers interest, the Reserve Bank on December 23 said that on a peer-to-peer lending (P2P) platform the permissible exposure of a lender to all borrowers should not exceed Rs 50 lakh at any given point of time. "On a review, it has been decided that the aggregate exposure of a lender to all borrowers at any point of time, across all P2P platforms, shall be subject to a cap of Rs 50,00,000 provided that such investments of the lenders on P2P platforms are consistent with their net-worth,"
- The lender investing more than Rs 10 lakh across P2P platforms will produce a certificate to P2P platforms from a practising Chartered Accountant certifying minimum net-worth of Rs 50 lakh.

For more details, please refer link:

<https://www.moneycontrol.com/news/business/economy/rbi-caps-lending-on-p2p-platforms-at-rs-50-lakh-4757491.html>



RBI PURCHASES RS 10,000-CRORE G-SECS, SELLS RS 6,825 CRORE SECURITIES VIA OMOs

Key Highlights

- The Reserve Bank on Monday purchased Rs 10,000 crore worth of long-term government securities and sold Rs 6,825 crore of four short-term securities through the special open market operations (OMOs). Last week, the RBI had announced simultaneous purchase and sale of government securities under OMOs for Rs 10,000 crore each.
- In the OMO purchase of 6.45 per cent GS 2029, which is a benchmark security, the RBI received Rs 20,826 crore worth of bids from the participants but accepted Rs 10,000 crore of bids.

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/bonds/rbi-purchases-rs-10000-crore-g-secs-sells-rs-6825-crore-securities-via-omos/articleshow/72943825.cms>



KEY HIGHLIGHTS OF RBI'S MONETARY POLICY OUTCOME

Key Highlights

- The Reserve Bank of India on Thursday kept the key policy rate unchanged at 5.15 per cent and decided to continue with its accommodative stance to support the economy, PTI reported.
- The central bank also revised GDP growth downwards to 5 per cent for 2019-20 from 6.1 per cent projected in its October policy.
- "The Monetary Policy Committee recognises that there is monetary policy space for future action. However, given the evolving growth-inflation dynamics, the MPC felt it appropriate to take a pause at this juncture," the RBI said in its fifth bi-monthly monetary policy for this fiscal.

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/stocks/news/key-highlights-of-rbis-monetary-policy-outcome/articleshow/72379681.cms>



NCLAT STAYS NCLT DIRECTIVE TO MAKE MCA PARTY TO ALL INSOLVENCY CASES

Key Highlights

- The National Company Law Appellate Tribunal (NCLAT) on Tuesday stayed an order passed by NCLT to make the Ministry of Corporate Affairs a party to all applications filed under the Insolvency and Bankruptcy Code as well as the Companies Act. An NCLAT bench headed by Chairperson Justice S J Mukhopadhaya stayed the order passed by the Principal bench of the National Company Law Tribunal (NCLT) and fixed January 2, 2020, as the next date of hearing.
- The appellate tribunal's direction came over a petition filed by the government through the Ministry of Corporate Affairs (MCA) challenging the NCLT order.

For more details, please refer link :

<https://economictimes.indiatimes.com/news/economy/policy/nclat-stays-nclt-directive-to-make-mca-party-to-all-insolvency-cases/articleshow/72462299.cms>



MCA EXTENDS IL&FS DMD BIJAY KUMAR'S TENURE BY ONE YEAR

KEY Highlights

- Cash-strapped Infrastructure Leasing and Financial Service (IL&FS) on Tuesday said the government has extended the tenure of its deputy managing director (DMD) Bijay Kumar for one year, effective December 21, 2019. Kumar, an Indian Administrative Officer (IAS) of 1986 batch, was appointed director to the board of IL&FS by the Ministry of Corporate Affairs from December 21, 2018, and then took over as DMD of the group from December 24, 2018, for a period of one year.
- He had retired as additional chief secretary (agriculture, ADF and marketing), Maharashtra government in 2018.

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/stocks/news/mca-extends-ilfs-dmd-bijay-kumars-tenure-by-one-year/articleshow/72953352.cms>



MCA MOVES NCLAT TO SEEK REVIEW OF TATA SONS VS MISTRY ORDER

Key Highlights

- The Ministry of Corporate Affairs (MCA) moved the National Company Law Appellate Tribunal (NCLAT) today, seeking an amendment to the part of the tribunal's decision in it which struck down the Registrar of Companies' order to convert Tata Sons from a public company to private.
- On December 18, while adjudging the Cyrus Mistry vs Tata Sons case, announced a series of decisions in favour of Mistry, including reinstating him as Chairman of the Tata Sons. It also declared the ROC's decision to convert Tata Sons from a public company to a private company as "illegal" and suggested the decision may have been taken in a "hurried manner" to help Tata Sons.

For more details, please refer link :

<https://www.moneycontrol.com/news/business/companies/mca-moves-nclat-to-seek-review-of-tata-sons-vs-mistry-order-4755151.html>



ORDER UNDER SECTION 119(2) OF THE INCOME-TAX ACT, 1961- EXTENSION OF THE DUE DATE OF PAVMENT OF TAX DEDUCTED AT SOURCE UNDER 194M OF THE ACT

Key Highlights

- Considering the fact that the utility for payment of tax deducted at source under section 194M of the Income-tax Act, 1961(the Act) was deployed on 17.12.2019, the Central Board of Direct Taxes, hereby extends the due date for payment of tax deducted at source under during the month of September, 2019 and October, 2019 and the due date for furnishing the challan-cum-statement in Form 26QD for the same, from 31.10.2019 and 30.11.2019 respectively to 31.12.2019.
- Consequently, the due date of furnishing of the certificate of deduction of tax in Form 16D has also been extended for the tax deducted during the month of September, 2019 and October, 2019 to 15.01.2020.

For more details, please refer link:

https://www.incometaxindia.gov.in/communications/circular/circular_31_2019.pdf

NOTIFICATION NO. 103/2019/F. NO. 370149/159/2019-TPL OF INCOME TAX DEPARTMENT, GOVERNMENT OF INDIA

Key Highlights

- The Central Government hereby specifies that the persons who have made a declaration under sub-section (1) of section 183, but have not made payment of the tax and surcharge payable under section 184 and penalty payable under section 185 of the said Act,
- In respect of the undisclosed income, on or before the due date notified by the Central Government may make the payment of such amount on or before the 31st day of January, 2020, along with interest on such amount, at the rate of one per cent. for every month or part of a month comprised in the period commencing on the date immediately following the said due date as so notified and ending on the date of such payment.

For more details, please refer link:

https://www.incometaxindia.gov.in/communications/notification/notification_103_2019.pdf



CENTRAL GST FALLS SHORT OF BUDGET ESTIMATE BY 40% IN APRIL-NOVEMBER

Key Highlights

- The Central GST collection fell short of the budgeted estimate by nearly 40 per cent during the April-November period of 2019-20, according to the data presented in Parliament on December 9.
- The actual CGST collection during April-November stood at Rs 3,28,365 crore while the budgeted estimate is of Rs 5,26,000 crore for these months.
- "In this connection, the Directorate General of Analytics and Risk Management (DGARM) has been set up by the CBIC. Further, E- way bill squads have been activated for the purposes of random verification of the goods in transit," he said.

For more details, please refer link

<https://economictimes.indiatimes.com/news/economy/indicators/central-gst-falls-short-of-budget-estimate-by-40pc-in-april-november/articleshow/72444128.cms?from=mdr>



CENTRE RELEASES OVER RS 35,000 CRORE AS PENDING GST COMPENSATION TO STATES

Key Highlights

- Ahead of the GST Council meeting on Wednesday, the Centre on Monday sought to soothe the frayed nerves of states by releasing over Rs 35,000 crore as pending compensation. "The central government has released GST compensation of Rs 35,298 crore to states and union territories today (Monday)," the Central Board of Indirect Taxes and Customs (CBIC) said in a tweet.
- This is likely to give a positive signal to states for the upcoming meeting, which may take up various options to raise funds to compensate states. Earlier in the day, Union Finance Minister Nirmala Sitharaman assured states that the Centre would not "renege" on the promise of GST compensation.

For more details, please refer link:

https://www.business-standard.com/article/economy-policy/centre-releases-over-rs-35-000-cr-as-pending-gst-compensation-to-states-119121700029_1.html

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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