

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

SEVENTY FOURTH EDITION



Indeed, in the past, Taliban gunmen have killed or threatened tribal leaders who defied them, and the American military and the Afghan government have largely been unable to protect them.

NEWS

The pact appears to be the first in which an entire Pashtun province has declared war on Taliban insurgents.

The agreement, though promising to fight at least one level, are historically fluid, and in the past the region has been unable to govern. Taliban is a great force & especially local drug and weapons trade the Taliban.

The fighters to play a politically class.

The Koral government international conference on plan and agree to finance

in meetings but having done with the

October 2024

Wednesday, 30th October 2024

“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



Ministry of Corporate Affairs
Government of India

MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

Click on individual images for detailed coverage

GLOBAL MARKETS

01

Pound falls as UK inflation declines more than expected to 1.7%



News Link

02

Bank of Canada reduces policy rate by 50 basis points to 3.75%



News Link

03

France credit rating outlook cut to negative by Moody's on deficit woes



News Link

04

The European Central Bank cut its key interest rate to 3.25%, Lagarde flags downside risk to Inflation outlook



News Link

05

China gives \$28 billion to local governments as it vows to meet economic targets



News Link

06

Yen dips as Japan's election outcome casts doubt on BOJ's rate hike plans



News Link

BROAD ECONOMIC NEWS



01

India's CPI inflation hits nine-month high in September as food prices rise



News Link

02

India's goods trade deficit narrows to a five-month low in September



News Link

03

India's business activity rises 58.6 in October



News Link

04

Minimum wage rates increased from October 1



News Link

05

India's Forex Reserves Fall To \$688 Billion In Third Consecutive Drop



News Link

06

NPCI curbs unauthorised use of UPI IDs by fintech companies



News Link

CAPITAL MARKETS

01

Mutual fund units to fall under PIT (Prohibition of Insider Trading) Regulations from November 1



News Link

02

Monthly outflow of FIIs cross Rs 1 lakh crore for the first time, DII inflows touch Rs 97,000 crore



News Link

03

Silver outshines gold with 46% YTD gains



News Link

04

NSE, BSE to hold annual Diwali Muhurat trading session on Nov 1, 2024 from 6pm to 7pm



News Link

05

Gold ETFs get Rs 7,367 crore inflow in 2024 with no new gold bond issue in last 9 months



News Link

06

India's sovereign bonds to enter Emerging Market Index of FTSE Russell by 2025



News Link

STARTUP INDIA



01

India approves \$119 million fund for space startups



News Link

02

Peak XV Launches Early-Stage Startups' under Seed-Stage Platform Surge 10



News Link

03

STPI to Provide Funding for 25 Startups in Tier 2 and 3 Towns Through LEAP Ahead 2.0 Initiative



News Link

04

India's Deep Tech Sector Grows With 3,600 Startups Tackling Global Challenges



News Link

05

DPIIT partners with HCL software to boost India's startup manufacturing ecosystem



News Link

06

Indian startups raised over \$863 million till Oct end, 2024



News Link

SEBIभारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

01

Market regulator SEBI rolls out 6 measures to rein in F&O speculation

- SEBI raised the minimum contract size for derivatives to Rs 15 lakh, increased margin requirements, and required upfront option premium collection to limit speculative trading.
- Weekly expiries will be restricted to one benchmark per exchange to reduce hyperactive trading.
- SEBI introduced a 2% Extreme Loss Margin (ELM) on short options on expiry days.
- Position limits for equity index derivatives will be monitored intraday starting April 2025.
- These measures follow reports showing significant retail losses in F&O, with SEBI considering further action if needed.

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02

Research report of analysts not an ad unless related to promotion-SEBI

- SEBI clarified that research reports by analysts are not classified as advertisements unless they promote specific products or services.
- The regulator issued this clarification in response to queries about the advertisement code's applicability to research reports.
- The advertisement code applies to various forms of communication, including brochures, notices, and electronic media.
- A research report can be deemed an advertisement if it promotes an analyst's products or services, regardless of how it's shared with investors.

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SEBI


 भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

03

SEBI proposes allowing shared contact details for non-individual clients

- SEBI proposed allowing non-individual clients (HUFs, partnerships, trusts, corporates) to share the same mobile number or email under exceptional circumstances.
- Currently, this exception applies only to individual clients within a family.
- Stock brokers must upload distinct contact details for each client, but may make exceptions for family members.
- The proposed changes aim to ease compliance for non-individual clients, following requests from the Brokers' Industry Standards Forum, with public comments invited until November 18.


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04

SEBI scrutinises brokers linked to algo trading with guaranteed returns

- SEBI is investigating brokers tied to platforms promising guaranteed returns, which is prohibited.
- Brokers use APIs for trading, but SEBI is checking for improper ties to algorithmic providers.
- A 2022 circular banned brokers from associating with platforms offering assured returns.
- Over 100 brokers received warnings for using APIs from TradeTron, which allegedly guarantees returns.
- Some brokers deny receiving notices and claim SEBI targets unauthorized trading products rather than their practices.


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SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

05

SEBI CIRCULARS

Specific due diligence of investors and investments of AIFs



Link

Inclusion of Mutual Fund units in the SEBI (Prohibition of Insider Trading) Regulations, 2015



Link

Measures to Strengthen Equity Index Derivatives Framework for Increased Investor Protection and Market Stability



Link

Introduction of Liquidity Window facility for investors in debt securities through Stock Exchange mechanism



Link

Monitoring Shareholding of Market Infrastructure Institutions (MIIs)



Link

Association of persons regulated by the Board and their agents with certain persons



Link


RBI


01

Repo Rate Unchanged at 6.5%, Stance Changed to 'Neutral', FY25 Inflation Kept Same at 4.5%

- The repo rate remains at 6.5%, with a shift in stance from "withdrawal of accommodation" to "neutral," hinting at possible rate adjustments ahead.
- GDP growth and inflation forecasts for FY25 are unchanged at 7.2% and 4.5%, respectively.
- UPI transaction and wallet limits were increased to boost digital payment inclusivity.
- RBI introduced draft rules to eliminate pre-payment charges for MSE loans and a climate risk data repository initiative (RB-CRIS).
- Plans to enable name verification for RTGS/NEFT transactions aim to reduce transfer errors and fraud.



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02

RBI Bans Loan Sanction and Disbursal from Four NBFCs

- The RBI directed four NBFCs to stop new loan disbursals due to high interest rates and regulatory issues.
- Issues included unfair pricing policies and improper income assessments of borrowers.
- Non-compliance was also found in loan classification, required disclosures, and outsourcing practices.
- Existing customers can still make repayments; restrictions only halt new loans.
- The companies must meet RBI standards on pricing, risk, and customer service for restrictions to be lifted.



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RBI



03

250-bp rate hike lowered demand, inflation by 160 bps: RBI Bulletin

- RBI's 250 bps rate hike since May 2022 reduced demand and inflation by 160 bps by Q2FY25.
- Inflation decline has been gradual due to supply shocks but is nearing target.
- Short-term rates respond closely to policy changes, while long-term rates react to surprises.
- Lending and deposit rates increased notably, especially for new loans.
- Rate hikes helped stabilize inflation expectations and moderated demand.



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04

RBI adds 13 more entities in 'alert list' of unauthorized forex trading

- The RBI updated its Alert List of unauthorized forex trading platforms, adding 13 more entities, bringing the total to 88.
- These entities are not authorized under the Foreign Exchange Management Act or to operate electronic trading platforms.
- The list also includes those promoting unauthorized platforms or offering related training/advisory services.
- The RBI notes that the list is not exhaustive; entities not listed may still be unauthorized.
- Verification of authorized platforms can be done through RBI's official listings.



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RBI

05

RBI CIRCULARS

Implementation of Credit Information Reporting Mechanism subsequent to cancellation of licence or Certificate of Registration



Link

Submission of information to Credit Information Companies (CICs) by ARCs



Link

Facilitating to digital payment systems for Persons with Disabilities - Guidelines



Link

Due diligence in relation to non-resident guarantees availed by persons resident in India



Link

Designation of one organisation under Section 35(1) (a) and 2(1) (m) of the Unlawful Activities (Prevention) Act, 1967 and its listing in the First Schedule of the Act- Reg.



Link

Directions - Compounding of Contraventions under FEMA, 1999



Link

MCA



01

Working with MCA on Prime Minister's Internship Scheme portal - CII

- The Confederation of Indian Industry (CII) is collaborating with the Ministry of Corporate Affairs (MCA) to develop a portal for the Prime Minister's Internship Scheme, aiming to offer internships to 10 million youth in CSR-focused companies over five years.
- The portal will serve as a centralized application hub for individuals and companies.
- CII is working with companies to create action plans for participation and has held industry interactions nationwide.
- The scheme aims to enhance employability, particularly for marginalized youth, by providing practical experience aligned with industry needs.



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02

MCA rolls back Ind AS117 implementation for insurance sector

- The Ministry of Corporate Affairs (MCA) has postponed the implementation of the Ind AS 117 accounting standard for insurance companies, allowing them to use Ind AS 104 for consolidated financial statements until further notice.
- Ind AS 117 was intended to align Indian accounting practices with global standards, particularly IFRS 17, which is adopted in over 140 countries.
- Experts view this delay as a setback for the Indian insurance sector, as it will now remain non-converged with international standards.
- The Institute of Chartered Accountants of India highlights the need for the insurance regulator (IRDAI) to provide a clear timeline for implementing Ind AS 117.



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MCA**03**

Corporate Affairs Ministry Appoints Samir Ashwin Vakil as Director of the Serious Fraud Investigation Office (SFIO)

- The Ministry of Corporate Affairs has appointed Shri Samir Ashwin Vakil as Director of the Serious Fraud Investigation Office (SFIO), effective August 22, 2024, for five years.
- Vakil is a 1998-batch Indian Revenue Service officer with expertise in financial oversight and regulatory compliance.
- The SFIO was established on July 2, 2003, to investigate corporate fraud.
- The office operates with a team of specialists, including forensic analysts and legal advisors.
- Its headquarters is in New Delhi, with regional offices in major cities.



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04

ICAI's Audit Standards Lack Authority as MCA Can Override SQMs if Not Issued as Prescribed

- Rangachari Sridharan, former chief of the NFRA, commented on the ICAI's authority over audit standards.
- He stated that the Ministry of Corporate Affairs (MCA) can nullify Standards on Quality Management (SQMs) if not issued as per legal requirements.
- Sridharan emphasized the importance of proper governance and adherence to regulations in setting audit standards.
- His remarks highlight concerns about accountability in the auditing profession.
- The discussion reflects ongoing debates regarding the regulatory framework surrounding auditing in India.



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INCOME TAX



01 Direct taxes bring 57% to total revenue, highest in 14 years

- Direct taxes in FY24 contributed 56.72% of total tax revenue, a 14-year peak.
- The direct tax-to-GDP ratio reached 6.64%, the highest in over 20 years.
- Personal income tax surpassed corporate tax collections for the second year in a row.
- Tax buoyancy grew to 2.12, with the cost of collection at a historic low since 2000-01.
- Maharashtra contributed 39% of the total direct tax revenue, followed by Karnataka (12%) and Delhi (10.4%).



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02 CBDT extends corporate income tax filing deadline to November 15 for AY 2024-25

- The Central Board of Direct Taxes (CBDT) has extended the corporate income tax filing deadline for assessment year 2024-25 to November 15, 2024.
- This extension offers companies more time to prepare and submit their tax returns.
- The decision is aimed at facilitating compliance for businesses.
- It reflects the government's efforts to ease the filing process for companies.
- The extension applies to all corporate taxpayers required to file income tax returns for the specified assessment year.



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INDIRECT TAXATION



01

India imposes anti-dumping duty on 5 Chinese products for 5 years

- India has imposed anti-dumping duties on five Chinese products to protect local manufacturers from unfair pricing.
- The duties will last for five years, allowing domestic industries to adapt.
- The targeted products are chemicals and materials sold below fair market value, harming local competition.
- The decision follows an investigation confirming that dumping has injured the domestic industry.
- The measure aims to stabilize the market, protect jobs, and encourage investment in local production.



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02

New GST amnesty scheme notified: Waiver of interest and penalty on GST tax demand for eligible taxpayers to be effective from November 1, 2024

- The waiver of interest and penalty on GST tax demands starts from November 1, 2024.
- Only eligible taxpayers will benefit from this initiative.
- The aim is to promote voluntary compliance and reduce financial burdens.
- This reflects the government's efforts to support taxpayers and improve the GST framework.
- The government will communicate details of the waiver to ensure eligible taxpayers are informed.



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KREO CAPITAL PRIVATE LIMITED

CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

ABOUT OUR INVESTMENT BANKING SERVICES

Our Investment Banking 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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