

# KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

SEVENTY SIXTH EDITION



December 2024

Thursday, 16<sup>th</sup> January 2025

**“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**



**SEBI**



**MCA**



**INCOME TAX**



**INDIRECT TAX**



**STARTUP INDIA**

*Click on individual images for detailed coverage*

*GLOBAL MARKETS*

01

US Federal Reserve cuts key interest rates by 0.25%



News Link

02

Bank of Japan holds rates at 0.25%, yen weakens to over four-month low



News Link

03

Eurozone inflation stays sticky, rising to 2.4%



News Link

04

China's imports post surprise growth in December; exports beat expectations as higher tariffs loom



News Link

05

U.S. payrolls grew by 256,000 in December, much more than expected; unemployment rate falls to 4.1%



News Link

06

UAE signs trade deals with Malaysia, Kenya, New Zealand



News Link

## BROAD ECONOMIC NEWS



01

Manufacturing PMI slips to 56.4 in December; job creation surges



News Link

02

India's forex reserves fall to \$640.27 bn, down by \$4.1 bn as of Dec 27



News Link

03

India's industrial production growth quickens to a 6-month high of 5.2% in November



News Link

04

IEX achieves record monthly electricity trade volume of 11,132 MU in Dec 2024



News Link

05

Wholesale price inflation rises to 2.37% in December



News Link

06

India's renewable energy capacity rises 16% to nearly 210 GW by December



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*CAPITAL MARKETS***01**

FPI turn net buyers of \$1.83 Billion in Indian equities in Dec-24

[News Link](#)**02**

Mutual fund SIP inflows surpass Rs 26,000 crore for the first time

[News Link](#)**03**

India's 10-year bond yield falls most in four years in 2024 on demand boost

[News Link](#)**04**

BTC Reaches \$108k and Crypto Market Cap Hits \$3.91T in December

[News Link](#)**05**

FII Selling Eases In December: Rs 656 Crore Offloaded, Primary Market Sees Fresh Buying

[News Link](#)**06**

India's financial system remains stable bolstered by healthy balance sheets of banks, NBFCs: RBI's FSR

[News Link](#)

## STARTUP INDIA



01

Indian startups raised over \$1165 million till Dec 27, 2024



News Link

02

2024 a record-breaking year for Indian startups with 12 IPOs and billions raised



News Link

03

DPIIT signs MoU with HDFC Bank, Tally Solutions to assist startups



News Link

04

Zomato Becomes the First Indian Startup to be Inducted into Sensex 30



News Link

05

Seed-stage startup funding surged 31% year-on-year to \$893 million in 2024



News Link

06

M&As In Indian Startup Ecosystem Nosedive To All-Time Low



News Link



 भारतीय प्रतिभूति और विनिमय बोर्ड  
 Securities and Exchange Board of India

01

## SEBI issues clarification on cybersecurity norms, offers compliance extensions

- SEBI has extended compliance deadlines for its Cybersecurity and Cyber Resilience Framework (CSCRF) to March 31, 2025, with leniency on penalties for non-compliance during this period.
- Deadlines for KYC Registration Agencies (KRAs) and depository participants have been extended to April 1, 2025.
- Data localisation guidelines under the CSCRF are temporarily on hold for further consultation.
- The framework aims to strengthen the cybersecurity posture of regulated entities to handle evolving cyber risks.
- SEBI stresses that the CSCRF ensures resilience and minimises disruptions in the securities market.


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02

## SEBI introduces Mutual Funds Lite framework to boost passive fund schemes

- SEBI launched the Mutual Funds Lite (MF Lite) framework to ease compliance for passive investment schemes like ETFs and index funds.
- The framework, effective from March 16, 2025, promotes innovation and market entry.
- It requires sponsors to have 20 years of experience and allows private equity funds to sponsor.
- Compliance requirements are simplified, and hybrid ETFs combining equity and debt are allowed.
- The framework emphasizes transparency with monthly and quarterly portfolio disclosures.


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**SEBI**भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

03

## SEBI rolls out optional T+0 settlement for top 500 stocks; permits brokers to charge different rates

- SEBI has introduced an optional T+0 settlement cycle for the top 500 stocks, beginning on January 31, 2025.
- The first phase will include the bottom 100 stocks eligible for T+0 settlement.
- Brokers can charge different brokerage rates for T+0 and T+1 settlement cycles.
- A Block Deal window will be implemented for T+0 transactions starting in May 2025.
- This move aims to enhance liquidity and market efficiency.

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04

## SEBI tightens SME listing regulations

- SEBI has implemented stricter SME listing regulations, including higher eligibility criteria for companies.
- Enhanced corporate governance and transparency requirements are now mandatory for listing.
- Companies must adhere to more detailed disclosures to increase investor confidence.
- The rules aim to prevent risky or underprepared companies from entering the public market.
- These measures are designed to improve the overall quality of SMEs listed on exchanges.

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SEBI


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 Securities and Exchange Board of India

05

## SEBI CIRCULARS

Prior approval for change in control: Transfer of shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control



Link

Pro-rata and pari-passu rights of investors of AIFs



Link

Circular for implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities



Link

SMS and E-mail alerts to investors by stock exchanges



Link

Allowing subscription to the issue of Non- Convertible Securities during trading window closure period



Link

Repository of documents relied upon by Merchant Bankers during due diligence process in Public issues



Link

Allowing subscription to the issue of Non Convertible Securities During trading window closure period



Link

Industry Standards on Reporting of BRSR Core



Link

Measures to address regulatory arbitrage with respect to Offshore Derivative Instruments (ODIs) and FPIs with segregated portfolios vis-à-vis FPIs



Link

RBI



01

## Banks lobby RBI to approve new benchmark for overnight indexed swaps

- Indian banks are advocating for the Reserve Bank of India (RBI) to adopt the Secured Overnight Rupee Rate (SORR) as the new benchmark for overnight indexed swaps.
- SORR is based on repo transactions and is seen as more reliable than the declining MIBOR.
- Higher and more varied repo market volumes support SORR's credibility.
- The RBI has approved SORR's development due to concerns over MIBOR's declining usage.
- Transitioning fully to SORR will require addressing legal and operational challenges.



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02

## RBI MPC Meeting: RBI Keeps Repo Rate Steady At 6.5%

- The RBI's MPC kept the repo rate at 6.5% for the 5th consecutive time, ensuring lending stability.
- CRR will reduce by 50 basis points in two steps, settling at 4%, to improve banking liquidity.
- GDP growth for FY24-25 is estimated at 6.6%, with quarterly projections up to 7.3%.
- CPI inflation is revised upward to 4.8%, reflecting October's spike to 6.2%, but expected to stabilize in FY25.
- The monetary policy stance remains neutral, balancing inflation management with growth support.



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03

### RBI directs banks to let remitters verify account name before RTGS, NEFT transfers

- The RBI has directed banks to implement a facility allowing remitters to verify the beneficiary's account name for RTGS and NEFT transfers.
- Banks must enable this feature by April 1, 2025, on internet, mobile banking, and branch services.
- This aims to boost customer confidence, reducing errors and fraud.
- The system mimics features already present in UPI and IMPS payments.
- The National Payments Corporation of India (NPCI) is tasked with developing and onboarding banks for this facility.



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04

### RBI introduces new regulations for UPI apps starting January 1

- RBI raises UPI123Pay transaction limit to ₹10,000 for feature phone users starting January 1, 2025.
- Google Pay, PhonePe retain a ₹1 lakh daily limit, with emergencies raised to ₹5 lakh.
- UPI Circle expands beyond BHIM, allowing family members/friends to make payments with approvals.
- These changes aim to improve digital payment convenience.
- UPI transactions reached ₹223 lakh crore in value from January to November 2024.



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*RBI*

05

## RBI CIRCULARS

Inoperative Accounts / Unclaimed Deposits in banks



Link

Implementation of Section 51A of UAPA,1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Amendments in 03 Entries



Link

Amendment to Framework for Facilitating Small Value Digital Payments in Offline Mode



Link

Interest Rates on Foreign Currency (Non-resident) Accounts (Banks) [FCNR(B)] Deposits



Link

Credit Flow to Agriculture – Collateral free agricultural loans



Link

Government Debt Relief Schemes (DRS)



Link

Unified Payments Interface (UPI) access for Prepaid Payment Instruments (PPIs) through third-party applications



Link

Reporting Platform for transactions undertaken to hedge price risk of gold



Link

MCA



## 01 Corporate affairs ministry introduces e-adjudication to boost stakeholder confidence: Official

- The MCA launched e-adjudication and e-consultation platforms to simplify legal processes and enhance stakeholder experiences.
- Various offenses under the Companies Act, 2013 have been decriminalized to support entrepreneurship.
- Amendments to the Competition Act aim to deter anti-competitive practices.
- The new platforms aim to improve legal processes and boost India's ease of doing business ranking.
- The government is focusing on supporting Micro, Small, and Medium Enterprises (MSMEs) to create a business-friendly environment.



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## 02 11.6 lakh women hold director positions in public & private companies, says govt

- By November 2024, 11.6 lakh women were directors in Indian companies, including listed, unlisted public, and private companies.
- The Ministry of Corporate Affairs promotes female participation in corporate leadership through provisions in the Companies Act, 2013.
- Companies with a turnover of ₹300 crore or more or paid-up capital of ₹100 crore must appoint at least one woman director.
- Non-compliance with this provision results in penalties under the Companies Act.
- These initiatives aim to enhance women's involvement in decision-making roles across sectors.



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## INCOME TAX



01

Net direct tax collections slow down marginally to touch 15.88%

- Net direct tax collections grew 15.88% by January 12, 2025, down from 16.5% in December 2024, with gross receipts at 19.94%.
- Gross tax receipts were ₹20.64 lakh crore, with corporate taxes at 47.07% and non-corporate taxes at 50.6%.
- After ₹3.74 lakh crore in refunds, net collections were nearly ₹16.9 lakh crore, with corporate taxes at 45.45% and non-corporate taxes at 51.7%.
- Corporate tax collections rose 8.12%, while non-corporate taxes grew 21.6%.
- Securities Transaction Tax (STT) receipts grew 75.24%, slowing from 85.5% in December, totalling ₹44,538 crore.



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02

Income tax dept to correct ITR forms to allow eligible taxpayers to claim section 87A tax rebate for FY 2023-24

- The Income Tax Department will correct ITR-2 and ITR-3 forms to allow eligible taxpayers to claim the Section 87A tax rebate for FY 2023-24.
- Taxpayers can file revised or belated ITRs through updated utilities or the e-filing portal.
- Section 87A offers a tax rebate of up to ₹12,500 under the old tax regime and ₹25,000 under the new regime.
- Changes address issues where the e-filing portal disallowed 87A claims for special rate incomes like STCG.
- Filing deadlines for revised/belated ITRs have been extended as per Circular No. 21/2024.



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## INDIRECT TAXATION



01

### Net GST collections in December grow by 3.3%, reaching Rs 1.54 trillion

- Net GST collections in December 2024 grew 3.3% YoY to ₹1.54 trillion, while gross collections rose 7.3% to ₹1.76 trillion.
- Refunds, including exports and imports, increased significantly, with total refunds up by 45.3% YoY to ₹0.22 trillion.
- Year-to-date GST collection growth from April to December 2024 slowed to 9.1% YoY.
- Domestic sales grew over 10% YTD, while import growth lagged at 2%, aligning with reduced import dependency.
- States like Punjab and Haryana saw double-digit GST growth, while others, like Chandigarh, recorded contractions.



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02

### 55th GST Council Meeting: Key Changes to Tax Rates on Popcorn, Fortified Rice, and used vehicles

- The GST Council set the popcorn tax at 5%, ensuring uniform rates across packaged and non-packaged products.
- GST on used EVs and cars for business transactions increased to 18%.
- Gene therapy treatments and fortified rice under welfare schemes will remain exempt from GST or receive reduced rates.
- Banks' penal charges and small payments via aggregators will not attract GST.
- Reforms include simplified GST registration for small businesses to ease compliance.



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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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