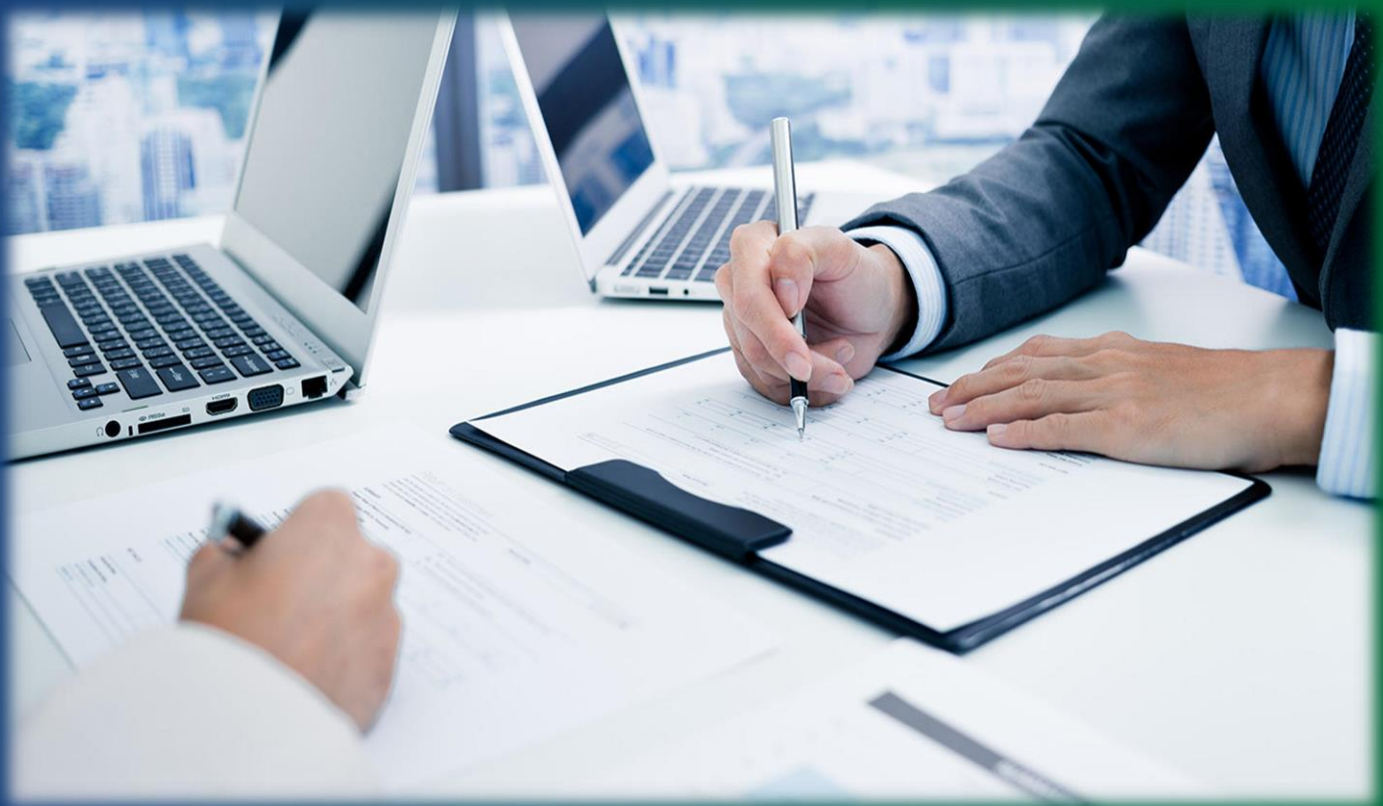


KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

NEWSLETTER – FOURTEENTH EDITION,
2019





***MAY THE FESTIVAL OF LIGHTS SHOWER
YOU WITH PROSPERITY AND WEALTH!***



***WISH YOU AND
YOUR FAMILY***

A VERY HAPPY DIWALI!!

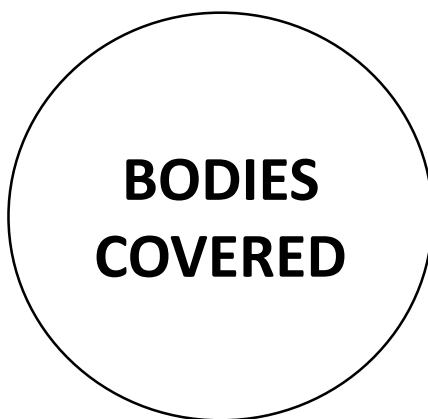
Tuesday, 29th October, 2019

“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

INDIA'S RANK JUMPS 14 PLACES IN WORLD BANK'S EASE OF DOING BUSINESS RANKING

For more details, please refer link :

<https://www.livemint.com/news/india/india-jumps-14-notches-in-world-bank-s-ease-of-doing-business-rankings-11571882591868.html>

IMF SAYS CORPORATE INCOME TAX CUT WILL HELP REVIVE INVESTMENT IN INDIA

For more details, please refer link :

<https://www.livemint.com/news/india/imf-says-corporate-income-tax-cut-will-help-revive-investment-in-india-11571454074701.html>

FITCH CUTS INDIA'S FY20 GDP GROWTH FORECAST TO 5.5%

For more details, please refer link

<https://economictimes.indiatimes.com/news/economy/indicators/fitch-cuts-indias-fy20-gdp-growth-forecast-to-5-5/articleshow/71737537.cms>

OPINION | TRIED-AND-TESTED MUTUAL FUNDS SCORE OVER ALTERNATE FUNDS

For more details, please refer link:

<https://www.livemint.com/mutual-fund/mf-news/tried-and-tested-mutual-funds-score-over-alternate-funds-11571744948346.html>

FPIS POUR IN ₹5,072 CRORE INTO INDIAN CAPITAL MARKETS IN OCTOBER SO FAR

For more details, please refer link :

<https://www.livemint.com/market/stock-market-news/fpis-pour-in-rs-5-072-crore-into-indian-capital-markets-in-october-so-far-11571548251940.html>

TWENTY COUNTRIES, INCLUDING INDIA, TO DOMINATE GLOBAL GROWTH IN 2024

For more details, please refer link :

<https://www.livemint.com/news/india/twenty-countries-including-india-to-dominate-global-growth-in-2024-11571499619066.html>

IMF SEES INDIA FY21 GDP GROWTH REBOUNDED TO 7%

For more details, please refer link

<https://www.moneycontrol.com/news/business/economy/imf-sees-india-fy21-gdp-growth-rebounding-to-7-4563231.html>

PRIVATE EQUITY INVESTMENTS IN JULY-SEPTEMBER QUARTER RISE DESPITE SLUGGISH DEAL SENTIMENTS: REPORT

For more details, please refer link:

<https://www.moneycontrol.com/news/business/economy/private-equity-investments-in-july-september-quarter-rise-despite-sluggish-deal-sentiments-report-4572671.html>



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

SEBI CHAIRMAN MEETS INVESTORS AND OTHER STAKEHOLDERS IN USA

Key Highlights

- Shri Ajay Tyagi, Chairman, SEBI led a delegation of SEBI Officials to USA and met with various stakeholders in the Indian securities markets including industry and investor associations. The interactions were held in New York, Boston and Washington DC during the week from September 30 to October 4, 2019.
- SiChairman, SEBI during the meetings briefed the participants on the key aspects, trends and recent developments in the India economy from a broader perspective and on Indian capital markets, in particular.
- The increasing number of registrations of FPIs every year signify the sustained interest of the foreign investors in the Indian capital markets

For more details, please refer link:
https://www.sebi.gov.in/media/press-releases/oct-2019/sebi-chairman-meets-investors-and-other-stakeholders-in-usa_44585.html



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

FRAMEWORK FOR LISTING OF COMMERCIAL PAPER

Key Highlights

- The issuers of Commercial Papers (CPs) have shown interest to list CPs for trading on Stock Exchange(s) with a view to broadening investor participation in CPs. Accordingly, to enable listing of CPs and to ensure investor protection, it is important that issuers make appropriate disclosures at the time of listing and on a continuous basis.
- In view of the above, a disclosure framework applicable for listing of CPs was discussed in the meeting of Corporate Bonds & Securitization Advisory Committee (CoBoSAC), chaired by Shri H.R.Khan

For more details, please refer link:
https://www.sebi.gov.in/legal/circulars/oct-2019/framework-for-listing-of-commercial-paper_44715.html



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

FRAMEWORK FOR ISSUE OF DEPOSITORY RECEIPTS

Key Highlights

- The Market Regulator, SEBI has issued a circular providing framework for issue of Depository Receipts (DRs) applicable to DRs issued by a Listed Company post October 10, 2019.
- The framework provides detailed procedure that needs to be followed for issuance of DRs, besides eligibility criteria for listed companies and obligations of Indian as well as foreign depositories and domestic custodians.

For more details, please refer link:
https://www.sebi.gov.in/legal/circulars/oct-2019/framework-for-issue-of-depository-receipts_44609.html



AMENDMENT IN THE CRITERIA FOR MIGRATION FROM SME TO MAIN BOARD OF THE EXCHANGE

Key Highlights

Market Participants are hereby informed that any company desiring to migrate to the Main board of the Exchange from the SME Board is required to comply with following criteria:

- Post Issue capital is more than Rs. 10 Crores
- Market Capitalisation should be minimum Rs. 25 Crores (The Market Capitalization on Weighted Average Price (WAP) of preceding 20 traded days from the date of submission of application to the Exchange for migration from SME platform to the Main board should be equal to or in excess of Rs. 25 crores).
- The company/its directors/promoters have not been debarred by SEBI

For more details, please refer link:
<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20191014-25>



RBI BANS USE OF AGENTS TO CHASE LOANS

Key Highlights

- The Reserve Bank of India has banned the use of direct selling agents (DSAs) to source retail loans and carry out physical verification of documents of borrowers.
- Agents hired by banks and business correspondent (or facilitators) may carry out eKYC of borrowers or physically carry a biometric reader to a customer's residence for identity verification.
- Earlier, a person with no officially valid address (OVD) was allowed to submit the OVD of a relative. Banks have suggested that keeping in mind customers like migrant workers, this provision should be reinstated. However, this is disallowed by the new prevention of money laundering rules which, as part of relaxation, allows 'deemed OVDs' as address proof.
- For more details, please refer link: <https://economictimes.indiatimes.com/markets/stocks/news/rbi-banks-use-of-agents-to-chase-loans/articleshow/71699214.cms>

RBI HINTS MORE RATE CUTS LIKELY TO GET ECONOMY ON TRACK

Key Highlights

- Sluggish economic activity and slowdown in consumption may create space for more repo rate cuts by Reserve Bank of India (BI) going forward
- All six MPC members voted to retain the accommodative stance at the October meeting with Ravindra Dholakia categorically stating in favour of further rate cuts until the economic activity rebounds to be firmly on path of higher growth. Dholakia had voted for 40 bps repo rate cut in last policy while others were in favour of 25 bps.
- The consumer price index (CPI), which RBI tracks for inflation targeting, rose to a 14-month high of 3.99% in September from 3.28% in August. RBI has set medium-term target for CPI of 4% within a band of 2% on either side.
- For more details, please refer link: <https://economictimes.indiatimes.com/markets/stocks/news/rbi-hints-more-rate-cuts-likely-to-get-economy-on-track/articleshow/71654179.cms>



RBI ALLOWS BANKS TO LEND TO INVITS

Key Highlights

- Banks will now be allowed to lend to InvITs or Infrastructure Investment Funds, however, the sanctioning of these loans would be subject to tighter parameters of scrutiny such as having board-approved policies on exposures, compliance with prescribed leverage ratios and tighter underwriting norms for SPV linked funds.
- The central bank in the notification has told banks to lend to these funds 'without prejudice to generality', and have tighter credit policies and monitoring mechanisms, especially to those which have exposures to Special Purpose Vehicles or SPVs.
- For more details, please refer link: <https://economictimes.indiatimes.com/markets/stocks/news/rbi-allows-banks-to-lend-to-invits/articleshow/71585237.cms>



INDIA MULLS PERSONAL INCOME TAX RELIEF WHILE SCRAPPING SOME EXEMPTIONS

Key Highlights

- Prime Minister Narendra Modi's government is mulling a proposal to hike the taxable income limits, especially the Rs 10 lakh slab, which attracts a 30% rate at present, the people said, asking not to be identified as the discussions are private.
- The move will be accompanied by scrapping some tax breaks, including the one offered on house rent payments and interest earned on some bank deposits.
- A steep reduction in corporate tax rate to 22% meant companies pay taxes at a lower rate than many individuals who are in the top 30% rate bracket. That's raised the clamor for a relief in personal income tax rates.
- For more details, please refer link: <https://economictimes.indiatimes.com/news/economy/policy/india-mulls-personal-income-tax-relief-while-scrapping-some-exemptions/articleshow/71739792.cms>



NEEDED: LOWERING OF PERSONAL INCOME TAX AS PROPOSED IN THE DTC

Key Highlights

- The government recently announced across a broad tax rate cut for corporates. The measure appears to be in line with the recommendations of the much-awaited Direct Tax Code (DTC) report that was submitted to the Finance Ministry on August 19, 2019.
- The DTC has suggested the rationalisation of slabs with a rate of 5 per cent for incomes of Rs 2.5 lakh to Rs 5 lakh, 10 per cent for those earning Rs 5 lakh to Rs 10 lakh, 20 per cent for Rs 10 lakh to Rs 20 lakh, 30 per cent from Rs 20 lakh to Rs 2 crore and 35 per cent for those with incomes above Rs 2 crore.
- For more details, please refer link: <https://www.moneycontrol.com/news/business/personal-finance/needed-lowering-of-personal-income-tax-as-proposed-in-the-dtc-4497181.html>



RETURNING TO SETTLE IN INDIA? BE AWARE OF THE TAX ANGLE

Key Highlights

- The most sought-after employees are the ones that are globally mobile. Till a few years ago, 'brain-drain' was one of India's greatest losses in terms of collective manpower strength.
- The tide is thankfully turning and nowadays it is common to see many Indians who had been working outside India for several years returning home.
- There are many aspects to be taken care of while relocating to India, such as housing, children's schooling and bank accounts. While being globally mobile gets you the right career opportunities, there are some important tax considerations to be cognisant of when you return to India

For more details, please refer link:

<https://www.moneycontrol.com/news/business/personal-finance/returning-to-settle-in-india-be-aware-of-the-tax-angle-4509721.html>



SAMVAT 2076: STELLAR SHOW BY D-ST DEBUTANTS MAY LIVE UP IPOs MART

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/ipos/fpos/samvat-2076-stellar-show-by-d-st-debutants-may-live-up-ipos-mart/articleshow/71783549.cms>

SAUDI ARAMCO DELAYS PLANNED IPO UNTIL AFTER EARNINGS UPDATE: SOURCES

For more details, please refer link

<https://economictimes.indiatimes.com/markets/ipos/fpos/saudi-arabia-plans-bumper-aramco-ipo-relying-on-easy-loans-and-rich-locals/articleshow/71636093.cms>

UJJIVAN SMALL FINANCE BANK GETS SEBI NOD FOR RS1,200 CRORE IPO

For more details, please refer link :

<https://www.livemint.com/market/stock-market-news/ujjivan-small-finance-bank-gets-sebi-nod-for-rs1-200-crore-ipo-11571747251157.html>

CORPORATE TAX CUT A CONSOLATION FOR BENCHMARKS IN VOLATILE YEAR

For more details, please refer link :

https://www.business-standard.com/article/markets/corporate-tax-cut-a-consolation-for-benchmarks-in-volatile-year-119102600836_1.html

MARKETS START SAMVAT 2076 ON A POSITIVE NOTE; SENSEX GAINS 192 POINTS

For more details, please refer link :

https://www.business-standard.com/article/markets/markets-start-samvat-2076-on-a-positive-note-sensex-gains-192-points-119102800002_1.html

OVERSEAS FIRMS LOOKING TO INVEST IN UJJIVAN SMALL FINANCE BANK VIA IPO

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/ipos/fpos/overseas-firms-looking-to-invest-in-ujjivan-small-finance-bank-via-ipo/articleshow/71692154.cms>



MCA AMENDS RULES TO ALLOW COMPANIES TO COMPLY WITH KYC NORMS

Key Highlights

- In a relief to companies that had been rendered inactive after they failed to comply with the know-your-customer rules, the government has given them an option to change their status and become active.
- The MCA has amended what is called the Rule 25A related to the Active Company Tagging Identities and Verification (ACTIVE). A non-compliant company can now file Form DIR-12 to update details on its directors.
- The change will allow a non-compliant company to file a form in case of appointment of new directors, or disqualification or deactivation of the director identification number of directors.

For more details, please refer link:

<https://economictimes.indiatimes.com/news/company/mca-amends-rules-to-allow-companies-to-comply-with-kyc-norms/articleshow/71699129.cms>



MINISTRY OF CORPORATE AFFAIRS SENDS NOTICES TO 4,000 FIRMS OVER UNCLAIMED SHARES

Key Highlights

- The Ministry of Corporate Affairs (MCA) has sent close to 4,000 notices to the listed companies which have not transferred investors' unclaimed shares, unpaid dividend or matured deposits of investors to Investor Education & Protection Fund (IEPF), sources said.
- As per the IEPF Rules 2017, the shares in respect of which dividend has not been paid or claimed for seven or more consecutive years or more have to be transferred by the company to the IEPF Authority.

For more details, please refer link :

<https://www.dnaindia.com/business/report-ministry-of-corporate-affairs-sends-notices-to-4000-firms-over-unclaimed-shares-2702338>

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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