

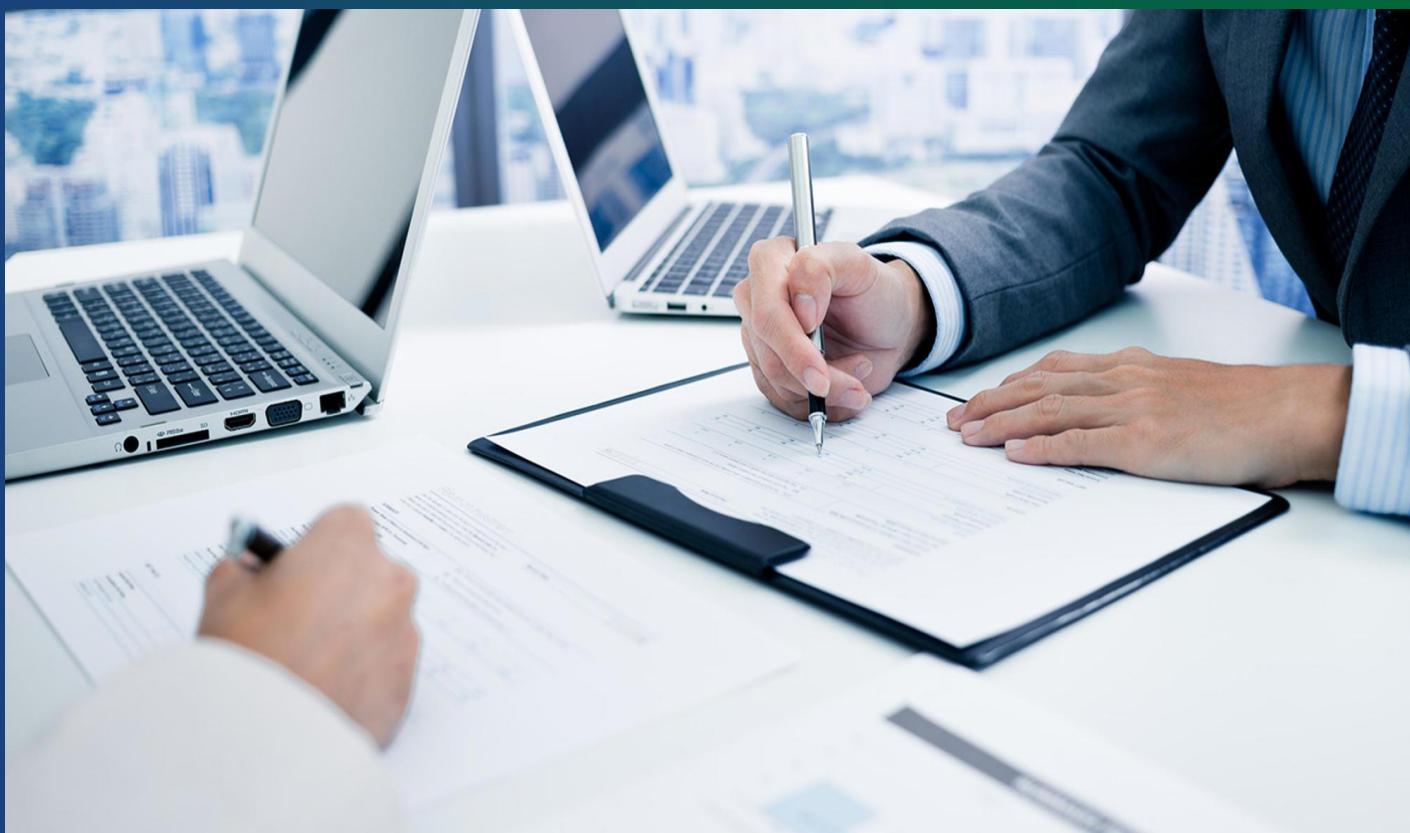
# KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED – CATEGORY I - MERCHANT BANKER

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NEWSLETTER – SIXTEENTH EDITION, 2019

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**Tuesday, December 03, 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.



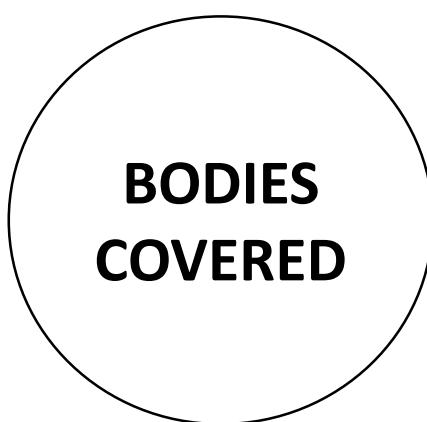
Ministry of Corporate Affairs  
Government of India



भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India



INCOME TAX DEPARTMENT



## BROAD ECONOMIC NEWS

### **GOVERNMENT MOPS UP RS 4,973 CRORE REVENUE FROM AUCTIONED COAL MINES**

For more details, please refer link :

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/government-mops-up-rs-4973-crore-revenue-from-auctioned-coal-mines/articleshow/72223686.cms?from=mdr>

### **FINANCE MINISTER NIRMALA SITHARAMAN INTRODUCES BILL IN LOK SABHA TO CUT CORPORATE TAX**

For more details, please refer link:

<https://economictimes.indiatimes.com/news/economy/policy/finance-minister-nirmala-sitharaman-introduces-bill-in-loksabha-to-cut-corporate-tax/articleshow/72224814.cms>

### **SAUDI ARAMCO IPO RETAIL SUBSCRIPTION AT \$5.8 BILLION, SAYS LEAD MANAGER**

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/ipo/fpos/saudi-aramco-ipo-retail-subscription-at-5-8-billion-says-leadmanager/articleshow/72228628.cms>

### **INDIA TO BE 'GUEST OF HONOUR' COUNTRY AT CHINA'S IMPORT EXPO**

For more details, please refer link:

<https://www.thehindu.com/news/national/india-to-be-guest-of-honour-country-at-chinas-import-expo/article29871062.ece>

### **TAX OFFICIALS FACE THE HEAT AS GOVERNMENT FIXES HIGHER COLLECTION TARGETS**

For more details, please refer link :

<https://www.thehindu.com/business/Economy/tax-officials-face-the-heat-as-government-fixes-higher-collection-targets/article29994379.ece>

### **INDIA GDP GROWTH IN Q2 AT 4.7 PER CENT; FY20 FORECAST AT 5.6 PER CENT: IND-RA**

For more details, please refer link:

<https://economictimes.indiatimes.com/news/economy/indicators/india-gdp-growth-in-q2-at-4-7-per-cent-fy20-forecast-at-5-6-per-cent-ind-ra/articleshow/72240298.cms>

### **THE INDIAN RUPEE IS GETTING CRUSHED BY ITS OWN CENTRAL BANK**

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/forex/the-indian-rupee-is-getting-crushed-by-its-own-central-bank/articleshow/72271740.cms>

### **US THIRD-QUARTER GDP GROWTH REVISED UP TO 2.1%**

For more details, please refer link:

<https://www.moneycontrol.com/news/business/economy/us-third-quarter-gdp-growth-revised-up-to-2-1-4680431.html>

# CAPITAL MARKETS



## COAL INDIA TO INFUSE RS 56,000 CRORE INTO 66 PROJECTS

For more details, please refer link :

[https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/coal-india-to-infuse-rs-56000-crore-into-66-projects/articleshow/72272081.cms?utm\\_source=ETMyNews&utm\\_medium=HPMN&utm\\_campaign=AL1&utm\\_content=20](https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/coal-india-to-infuse-rs-56000-crore-into-66-projects/articleshow/72272081.cms?utm_source=ETMyNews&utm_medium=HPMN&utm_campaign=AL1&utm_content=20)

## INDIAN STOCK GAINS TO BE LIMITED IN 2020 AS ECONOMY SLOWS: POLL

For more details, please refer link :

<https://www.moneycontrol.com/news/business/economy/indian-stock-gains-to-be-limited-in-2020-as-economy-slowspoll-4677071.html>

## CSB BANK RS 410-CR IPO OVERSUBSCRIBED BY 87 TIMES

For more details, please refer link :

<https://www.moneycontrol.com/news/markets/csb-bank-rs-410-cr-ipo-oversubscribed-by-7-16-times-retail-sees-massive-28x-subscription-4674361.html>

## INDIAN BENCHMARKS AMONG MOST EXPENSIVE IN EMERGING MARKET BASKET

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/stocks/news/indian-benchmarks-among-most-expensive-in-emerging-market-basket/articleshow/72250705.cms>

## YES BANK BOARD APPROVES \$2 BILLION FUND RAISE VIA PREFERENTIAL ALLOTMENT OF EQUITY SHARES

For more details, please refer link :

<https://www.bloombergquint.com/business/yes-bank-board-approves-preferential-allotment-of-2-billion-equity-shares>

## NTPC TO LIST COMMERCIAL PAPERS WORTH RS 1,500 CRORE ON BSE

For more details, please refer link :

<https://www.bloombergquint.com/markets/ntpc-to-list-commercial-papers-worth-rs-1500-crore-on-bse>

## SBI CARDS FILES IPO PAPERS WITH SEBI

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/ipsos/fpos/sbi-cards-files-ipo-papers-with-sebi/articleshow/72262022.cms>

## GHMC TO RAISE RS 2,500 CRORE VIA RUPEE TERM LOAN

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/bonds/ghmc-to-raise-rs-2500-crore-via-ruppee-term-loan/articleshow/72129934.cms>



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## SEBI PLANS TO INVITE APPLICATIONS TO PROCESS INVESTOR COMPLAINTS

### ***Key Highlights***

- The Securities and Exchange Board of India (SEBI) is planning to rope in an agency to process and maintain records of investor complaints received by the regulator.
- The mandate for the agency is to receive grievances from investors through physical or electronic mode and categorise them.
- Also, the agency will be responsible for tracking complaints' status online and conduct follow-ups, besides preparing action taken reports (ATRs) and updating the status of grievances on Sebi's online platform for complaints, SCORES.

For more details, please refer link:

[https://www.business-standard.com/article/pti-stories/sebi-invites-applications-from-agencies-to-process-maintain-investor-complaints-119112200585\\_1.html](https://www.business-standard.com/article/pti-stories/sebi-invites-applications-from-agencies-to-process-maintain-investor-complaints-119112200585_1.html)

## SEBI HIKES PMS INVESTMENT SIZE TO RS 50 LAKH, TIGHTENS DEFAULT DISCLOSURE NORMS

### ***Key Highlights***

- Markets regulator the Securities and Exchange Board of India (Sebi) on Wednesday increased minimum investment limit by clients in a portfolio management service (PMS) to Rs 50 lakh from Rs 25 lakh earlier. The regulator also tightened disclosure norms on loan defaults.
- Base net worth requirement of portfolio managers has also been raised to Rs 5 crore from Rs 2 crore.
- The regulator said the portfolio managers now cannot invest more than 25 per cent of their assets under management under unlisted companies.

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-raises-minimum-pms-investment-limit-to-rs-50-lakh-from-25-lakh/articleshow/72143380.cms>



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## SEBI BANS KARVY STOCK BROKING FOR RS 2,000 CRORE CLIENT DEFAULTS

### Key Highlights

- After a major scandal hit the stock markets with the brazen modus operandi of misusing clients' funds, the Securities and Exchange Board of India (SEBI) has banned Karvy Stock Broking (KSBL) from taking new clients and executing trades.
- This is one of the biggest cases of broker defaults in the equity segment and despite numerous regulations, the fact remains that clients' money and securities were brazenly misused for its own purposes by Karvy Stock Broking.
- The defaults are to the tune of Rs 2,000 crore and in an ex-parte order, SEBI has directed that pending forensic audit, KSBL is prohibited from taking new clients with respect to its stock broking activities.

For more details, please refer link:

[https://www.business-standard.com/article/markets/sebi-bans-karvy-stock-broking-for-rs-2-000-crore-client-defaults-119112300172\\_1.html](https://www.business-standard.com/article/markets/sebi-bans-karvy-stock-broking-for-rs-2-000-crore-client-defaults-119112300172_1.html)

## OPERATIONAL GUIDELINES FOR FPIs & DDPs UNDER SEBI (FOREIGN PORTFOLIO INVESTORS), REGULATIONS 2019 AND FOR ELIGIBLE FOREIGN INVESTORS

### Key Highlights

- SEBI has issued Operational Guidelines for FPIs & DDPs under SEBI (Foreign Portfolio Investors), Regulations 2019 and for Eligible Foreign Investors on November 05, 2019 and a copy of this circular is available at the web page "Circulars" on the website [www.sebi.gov.in](http://www.sebi.gov.in).

For more details, please refer link :

[https://www.sebi.gov.in/legal/circulars/nov-2019/operational-guidelines-for-fpis-and-ddps-under-sebi-foreign-portfolio-investors-regulations-2019-and-for-eligible-foreign-investors\\_44870.html](https://www.sebi.gov.in/legal/circulars/nov-2019/operational-guidelines-for-fpis-and-ddps-under-sebi-foreign-portfolio-investors-regulations-2019-and-for-eligible-foreign-investors_44870.html)



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## ENHANCED DUE DILIGENCE FOR DEMATERIALIZATION OF PHYSICAL SECURITIES

## BSE TO OFFER NON-COMPETITIVE BIDDING FACILITY IN STATE DEVELOPMENT LOANS TO RETAIL INVESTORS

### *Key Highlights*

- In terms of Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (IV Amendment) Regulations, 2018 (LODR), transfer of securities held in physical mode is not permitted w.e.f. April 01, 2019. Standardised norms with respect to documentation / procedure for transfer of physical securities were issued vide SEBI circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 06, 2018.
- The Depositories and the listed companies / RTAs are directed to implement the due diligence process stated in aforementioned circular.

For more details, please refer link :

[https://www.sebi.gov.in/legal/circulars/nov-2019/enhanced-due-diligence-for-dematerialization-of-physical-securities\\_44863.html](https://www.sebi.gov.in/legal/circulars/nov-2019/enhanced-due-diligence-for-dematerialization-of-physical-securities_44863.html)

### *Key Highlights*

- Leading bourse BSE has said it will start non-competitive bidding facility in state development loans (SDLs) which will enable the retail investors to participate in these auctions through an online registration process.
- SDLs are dated securities issued by state governments through normal bidding process similar to the auctions conducted for such securities issued by the central government, where interest is received semi-annually, and principal is repaid at maturity.
- In a statement, BSE has announced the "introduction of non-competitive bidding facility in state development loans. Retail investors can now participate in these auctions through an easy online registration process".

For more details, please refer link :

<https://economictimes.indiatimes.com/markets/stocks/news/bse-to-offer-non-competitive-bidding-facility-in-state-development-loans-to-retail-investors/articleshow/72222334.cms>



## GROWTH CONCERN TO DOMINATE DECISION MAKING, EXPECT 25BPS REPO RATE CUT

### *Key Highlights*

- The recently released Q2FY20 GDP at 4.5 percent further highlights the deepening concerns on growth. This is in contrast to RBI's estimates of 5.3 percent.
- The recent October consumer price index (CPI) print breached the RBI Monetary Policy Committee's (MPC) medium-term inflation target of 4 percent and their estimate, as set in the previous policy by over 60bps.
- To evaluate the MPC's decision in the backdrop of an uptrend in headline CPI it may be important to look at the internals of the inflation prints and their sustainability.

For more details, please refer link

<https://www.moneycontrol.com/news/business/markets/growth-concerns-to-dominate-decision-making-expect-25bps-repo-rate-cut-4687461.html>

## RBI TO CUT RATES AGAIN, BUT STILL NO RESPITE FOR ECONOMY: POLL

### *Key Highlights*

- Currently the most aggressive major central bank in the world, the RBI has cut rates by 135 basis points this year to 5.15 per cent, but inflation has remained low by historical standards and policymakers have barely moved the needle on growth.
- The Reserve Bank of India will cut interest rates in December for a sixth time this year, and again before July, according to economists in a Reuters poll who forecast those reductions would either marginally boost the economy or have no impact.
- Still, a significant majority of respondents to the poll, 35 of 56, said the ongoing economic slowdown would last for at least another six months.

For more details, please refer link:

<https://economictimes.indiatimes.com/markets/stocks/news/rbi-to-cut-rates-again-but-still-no-respite-for-economy-poll/articleshow/72238462.cms>



## QUALIFY WITH 60% MARKS FOR BECOMING INDEPENDENT

### *Key Highlights*

- The Indian Institute of Corporate Affairs (IICA) under the MCA will hold the exam in December and to make the process stringent, a score of 60 per cent marks will be mandatory criteria for qualification.
- This will be the first year when such practice will start. It is not just domain knowledge that will be put to test, the institute will conduct an online proficiency self-assessment test covering companies law, securities law, basic accountancy and such other areas relevant to the functioning of an individual acting as an independent director.

For more details, please refer link

<https://economictimes.indiatimes.com/news/economy/policy/qualify-with-60-marks-for-becoming-independent-director/articleshow/71939587.cms>

## INITIATIVES TAKEN BY THE MINISTRY FOR EASE OF DOING BUSINESS

### *Key Highlights*

- While filing forms Spice e-MOA & e-AOA, only declaration by first subscriber(s) and director(s) in INC-9 is mandatory and affidavit is not required to be filed. Stakeholders are requested not to file affidavit as a simple declaration is adequate.

For more details, please refer link

<http://www.mca.gov.in/Ministry/pdf/InititativesOfEODB.pdf>

## CORPORATE AFFAIRS MINISTRY MOVES NCLT TO REOPEN CG POWER BOOKS FOR FY15-19

### *Key Highlights*

- The government moved the NCLT to reopen and recast accounts of CG Power for the past five years to ascertain the actual position of its accounts including receivables from the companies linked to erstwhile promoter Gautam Thapar.

For more details, please refer link :

<https://economictimes.indiatimes.com/industry/energy/power/corporate-affairs-ministry-moves-nclt-to-reopen-cg-power-books-for-fy15-19/articleshow/72226592.cms?from=mdr>



## EDUCATION RECEIVED MAJOR CHUNK OF CSR SPEND BY CORPORATES: GOVERNMENT

### *Key Highlights*

- Education sector got the maximum funds of Rs 15,742 crore from the CSR expenditure made by corporates since 2014-15, while such contribution towards armed forces and war widows was just above Rs 81 crore, Parliament was informed on Monday.
- Of the total of over Rs 52,533 crores, companies incurred a CSR expenditure of over Rs 15,742 crore on education sector, followed by healthcare (over Rs 9,093 crore) and rural development projects (over Rs 5,467 crore).

For more details, please refer link :

<https://economictimes.indiatimes.com/news/company/corporate-trends/education-received-major-chunk-of-csr-spend-by-corporates-government/articleshow/72227385.cms>

## CBDT NOTIFIES TDS CERTIFICATE TO BE ISSUED BY INDIVIDUALS DEDUCTING TAX ON PAYMENTS TO CONTRACTORS

### *Key Highlights*

- If you have made a payment to a contractor or professional then you will have to deduct tax at source at the rate of 5 per cent if the aggregate payment exceeds Rs 50 lakh in a financial year, as per current income tax rules. The Central Board of Direct Taxes (CBDT) has now notified rules regarding the time limit to deposit TDS with the central government and the time limit for issuing the TDS certificate to contractors or professionals.
- According to the notification issued by the CBDT on November 18, 2019, an individual is required to deposit the tax deducted within 30 days from the end of the month in which the deduction was made. The tax must be deposited along with a challan-cum-statement in Form 26QD

For more details, please refer link :

<https://economictimes.indiatimes.com/wealth/tax/cbdt-notifies-tds-certificate-to-be-issued-by-individuals-deducting-tax-on-payments-to-contractors/articleshow/72179013.cms>



## INCOME TAX DEPARTMENT TO REFUND LATE FEE IF WRONGLY CHARGED

### *Key Highlights*

- The income tax department has admitted that there has been an inadvertent error while processing income tax returns (ITR) of partners of firms whose accounts are liable to be audited. The taxman has assured that it will rectify the error on its own and remove the late fee charge.
- In a few cases, fee under section 234F has been charged inadvertently in ITRs of Partners due to linkage of filing of Partner's ITR with the filing of ITR of Firm. The same is being rectified suo moto to remove the late fee charged u/s 234F.

For more details, please refer link :

<https://www.livemint.com/money/personal-finance/income-tax-department-admits-error-in-charging-late-itr-filing-fee-11573616961372.html>

## REVENUE CONCERNS FOR THE GOVERNMENT MAKE IMMEDIATE TAX CUTS TOUGH

### *Key Highlights*

- Abolishing dividend distribution tax, securities transaction tax and long-term capital gains tax on shares could burn a Rs 80,000 crore hole in tax revenue, making it difficult for the government to offer any immediate concessions.
- The government has already slashed corporate tax rates, foregoing Rs 1.45 lakh crore, and more tax concessions will have to be made up for by increasing income tax on the super-rich or cutting welfare spending, both of which are not feasible, a government official aware of the matter told ET.

For more details, please refer link:

<https://economictimes.indiatimes.com/news/economy/policy/revenue-concerns-for-the-government-make-immediate-tax-cuts-tough/articleshow/71829093.cms>



## GST E-INVOCING MUST FOR BUSINESSES WITH RS 100-CR TURNOVER FROM APRIL 1

### *Key Highlights*

- From April 1 next year, electronic invoicing (e-invoicing) will be mandatory for businesses with a turnover of Rs 100 crore, the government said on Thursday.
- This will help curb goods and services tax (GST) evasion and make compliance easier.
- The e-invoicing system will be rolled out in a phased manner from January 1 on a voluntary and trial basis, beginning with firms with a turnover of Rs 500 crore, while businesses with a turnover of Rs 100 crore or more will be required to do it from February 1.

For more details, please refer link:

[https://www.business-standard.com/article/economy-policy/gst-e-invoicing-must-for-businesses-with-rs-100-cr-turnover-from-april-1-119112801443\\_1.html](https://www.business-standard.com/article/economy-policy/gst-e-invoicing-must-for-businesses-with-rs-100-cr-turnover-from-april-1-119112801443_1.html)

## CENTRE PLANNING TO COME UP WITH LOTTERY SCHEME FOR GST PAYING CUSTOMERS

### *Key Highlights*

- The Ministry of Finance is planning to come up with a lottery scheme to lure customers to pay Goods and Services Tax (GST). This will be a step to improve compliance and check on tax leakage, a senior Finance Ministry official told ANI.
- The bill will have to be uploaded on a dedicated portal or app which will be made later. The app of the portal will auto-capture phone number, bill number and GST number of the trader through which names of winners will be selected, the official added.
- Monthly reward through lotteries will be 'high' to lure customers in paying GST. It will also help to mop up GST collections.

For more details, please refer link:

[https://www.business-standard.com/article/news-ani/centre-planning-to-come-up-with-lottery-scheme-for-gst-paying-customers-119112601213\\_1.html](https://www.business-standard.com/article/news-ani/centre-planning-to-come-up-with-lottery-scheme-for-gst-paying-customers-119112601213_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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