

# KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

## FIFTY SECOND EDITION



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“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



MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

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## GLOBAL MARKETS

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South Africa's economy at a pivotal point as outlook improves but political, energy risks remain



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02

Singapore's inflation may have eased slightly, but central bank warns pain likely to linger



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Global economic growth to be as weak next year as 2009, forecasts IIF



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Sri Lanka inflation dips marginally to 61% in November from 66% in Oct



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US Federal Reserve official suggests substantial rate hikes may be needed



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China's economic activity falls as Covid-19 cases surge to record



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## BROAD ECONOMIC NEWS

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EV registrations cross 1-lakh mark again in November; up 177% y-o-y



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S&P cuts India's FY23 GDP growth forecast by 30 bps to 7%



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India-Australia free trade agreement to be effective Dec 29



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Centre's fiscal deficit touches 45.6% of Budget target till October



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Tata Consumer Products to acquire packaged water giant Bisleri for about ₹7,000 crore



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Budget 2023: No big bang announcements likely, but focus on getting the numbers right



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## CAPITAL MARKETS



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India 10-year bond yield posts steepest drop in 32 months as inflation eases



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Over Rs 5,000-cr IPOs may hit mkts in Dec as investor sentiment perks up



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Realty firm Signature Global gets Sebi nod for its Rs 1,000-cr IPO



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Alibaba Group sells 3% stake in Zomato for INR 1,631 Crore.



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BSE SME platform witnesses strong momentum; more SMEs line up for listing



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Adani Group To Launch Open Offer For NDTV On 22 November



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## SEBI



भारतीय प्रतिशुद्धि और विनियम बोर्ड  
Securities and Exchange Board of India

01

### SEBI bans five brokerages for 6 months



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- Market regulator SEBI on Tuesday imposed a six-month ban on five brokerages from obtaining fresh registrations as commodity brokers for their involvement in the National Spot Exchange (NSEL) scam.
- The brokerages include Anand Rathi Commodities, Motilal Oswal Commodity Broker, Phillip Commodities India, India Infoline Commodities and Geofin Comtrade. The brokers had appealed to the Securities Appellate Tribunal (SAT) against a previous order by Sebi issued in 2019.

02

### SEBI plans regulations for 'finfluencers'



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- The Securities and Exchange Board of India (Sebi) is working on guidelines for financial influencers — popularly known as 'finfluencers' — who give advice to stock investors on various social media platforms like Twitter, Youtube, Instagram and Facebook.
- The Sebi move follows a sharp rise in the number of various 'unregistered' investment advisors giving unsolicited social media 'stock' tips on various social media platforms. There were also reports that certain companies used social media platforms to boost their share prices through such finfluencers. Finfluencers are people with public social media platforms offering advice and sharing personal experiences about money and investment in stocks.

## SEBI



भारतीय प्रतिशुति और विनियम बोर्ड  
Securities and Exchange Board of India

03

### SEBI reduces timeline for listing of debt securities issued on private placement basis



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- Markets regulator Sebi on Wednesday reduced the timeline for listing of debt securities issued on a private placement basis to three days. Currently, the timeline is four days and the latest move would also expedite the availability of securities for trading by the investors.
- The new guidelines would come into effect from January 1, 2023, the SEBI said in a circular. The time taken for listing of such securities after the closure of the issue has been reduced to three working days (T+3) as against the present requirement of (T+4) days.

04

### SEBI bars fresh fundraise for AIFs with priority distribution



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- The Securities and Exchange Board of India (Sebi) has asked alternative investment funds (AIFs) that have adopted a priority distribution model in their schemes to not accept fresh commitments or make investments in new investee companies until the regulator takes a stand on the subject.
- At present, rules with respect to investment by the sponsor in the AIF say the sharing of loss by the sponsor should not be less than pro rata to their holding in the AIF vis-a-vis other unit holders.

### 05

### OTHER SEBI CIRCULARS

**Inclusion of Equity Exchange Traded Funds as list of eligible securities under Margin Trading Facility**



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**Introduction of credit risk based single issuer limit for investment by mutual fund schemes in debt and money market instruments**



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**Framework to address the 'technical glitches' in Stock Brokers' Electronic Trading Systems**



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**Timelines for transfer of dividend and redemption proceeds to unitholders**



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**Guidelines for AIFs for declaration of first close, calculation of tenure and change of or change in control of sponsor/manager**



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**Registration and regulatory framework for Online Bond Platform Providers**



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## RBI



01

### RBI launches pilot to implement retail digital rupee

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- India's central bank on Tuesday announced the launch of the retail version of the Central Bank Digital Currency (CBDC) called e₹-R. The pilot for the retail digital rupee commenced in a closed user group comprising select customers and merchants. The execution of the e₹-R will happen in two phases.
- While it has identified eight banks for gradual participation in the pilot, the first phase will begin with four: State Bank of India, ICICI Bank, Yes Bank and IDFC First Bank. The remaining four—Bank of Baroda, Union Bank of India, HDFC Bank and Kotak Mahindra Bank—will subsequently join the trial, it said.

02

### Indian economy to grow up to 6.3% in Q2 of FY 23: RBI

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- The Reserve Bank of India (RBI) expects India's economy to record growth between 6.1% and 6.3% for the second quarter of the financial year FY23. In its latest monthly bulletin, RBI stated that if these growth rates are realised then the country is on course for a growth rate of about 7% in 2022-23.
- Highlighting Q3 performances, RBI's bulletin added that "supply responses in the economy are gaining strength. Although wheat procurement has declined quite sharply, the good news is that rabi sowing is up year-on-year backed up by good northeast monsoon rainfall and reservoir water storage levels."

**RBI**



**03**

## Inflation Declines But RBI Will Still Go For Another Repo Rate Hike By Up To 35 bps

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- The use case for this pilot is settlement of secondary market transactions in government securities which is expected to make the inter-bank market more efficient. Settlement in central bank money would reduce transaction costs by pre-empting the need for settlement guarantee infrastructure or for collateral to mitigate settlement risk.
- Future pilots will focus on wholesale transaction and cross-border payments.
- State Bank of India, HDFC Bank, Bank of Baroda, etc. have been chosen to take part in the pilot

**04**

## NPCI in talks with RBI on volume cap deadline to 30%

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- The National Payments Corporation of India (NPCI) is holding talks with the Reserve Bank of India on the implementation of its proposed 31 December deadline for limiting the volume cap of players. The deadline is to limit the cap of players to 30 per cent. NPCI runs the UPI digital pipeline.
- Currently, there's no cap on volume and Google Pay and PhonePe hold the market share of about 80 per cent. In all, the central bank has raised the key policy rate by 190 basis points in the four back-to-back rate hikes since May to control inflation.

*RBI*



05

## OTHER RBI CIRCULARS

**Eligibility Criteria for offering Internet Banking Facility by Regional Rural Banks, 2022**



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**Inclusion of Goods and Service Tax Network (GSTN) as a Financial Information Provider under Account Aggregator Framework**



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**Basel III Framework on Liquidity Standards – Standing Deposit Facility**



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**Modified Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC) during the financial years 2022-23 and 2023-24**



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**How two RBI circulars could impact fundraising in fintech space going ahead**



Link

## MCA



01

### MCA showcase notice to three liquor firms for surrogate advertising



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- Ministry of Consumer Affairs (MCA) has issued show cause notices to three major liquor companies - United Breweries (UB), Radico Khaitan, and Allied Blenders & Distillers (ABD) - for purported violation of rules that ban surrogate advertising, promoting a 'forbidden' item under the guise of advancing some other product.
- The notices have been issued, following the ministry's public warning on August 31 wherein it had said "many alcoholic spirits and beverages are being advertised under the garb of music CDs, club soda, and packaged drinking water".

02

### LTI Mindtree merger gets approval; set to be the fifth largest IT services firm



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- L&T Infotech and Mindtree have received approval for the merger from NCLT and will start operating as a merged entity from November 14, 2022.
- The two companies had announced their merger in May 2022. L&T Group Chairman AM Naik said the merger has been approved by both the Mumbai and Bengaluru benches of the National Company Law Tribunal in two separate orders.
- The parent company, L&T, will hold 68.73% of the merged entity. The record date to determine the eligible shareholders of Mindtree for issue of equity shares of LTI is fixed as November 24, 2022..

## MCA



03

### Jio to acquire debt-laden Reliance Infratel after NCLT's approval

- Mukesh Ambani-owned telecom operator Jio has said that the National Company Law Tribunal (NCLT) has approved its acquisition proposal to take over Anil Ambani-owned Reliance Infratel (RITL). The order was passed in response to Jio's October 20 application.
- In November 2019, Ambani placed a bid of Rs 3,720 crore to acquire tower and fibre assets of the debt-ridden subsidiary of his younger brother Anil Ambani-managed firm Reliance Communications. On November 6, Jio proposed to deposit Rs 3,720 crore in an escrow account to complete the acquisition process.



04

### Partnership Firm/Companies shall be ineligible to be a registered valuer if it is not a member of RVO; MCA

- The Ministry of Corporate Affairs has notified the Companies (Registered Valuers and Valuation) Amendment Rules, 2022. As per the amended norms, the partnership entity or company shall be ineligible to be a registered valuer if it is not a member of Registered Valuers Organisation (RVO). Also, it shall not be a member of more than one such registered valuers organisation at a given point of time.
- The partnership entity or company, already registered as valuers as on the date of the commencement of these rules shall comply with these rules within 6 months from the date of commencement.



## INCOME TAX



### 01 Tax collections to cross budget estimates in current fiscal, says government



- Domestic tax collections will exceed the budget estimate by nearly Rs 4 lakh crore in the current fiscal owing to higher income tax, customs duty, and GST collections, the government said on Wednesday.
- Revenue Secretary Tarun Bajaj was quoted as saying that the growth in tax revenues will continue to be higher than the GDP growth, owing to better compliance. Tax collection target for the current fiscal is pegged at Rs 27.50 lakh crore.
- Bajaj also said that the direct tax collections consisting of personal and corporate taxes would be close to Rs 17.50 lakh crore in the current fiscal.

### 02 New roadmap likely for capital gains taxation in Budget 2023-24



- The tax authorities are undertaking a comparative analysis of India's capital gains taxation regime with that of other countries with an eye on possible modifications in the upcoming general Budget 2023-24.
- Last week, news reports quoted Central Board of Direct Taxes (CBDT) Chairman Nitin Gupta saying that Budget 2023-24 was expected to announce changes in capital gains tax. However, he did not give details regarding the changes in capital gains tax structure that the finance ministry may decide on.

## INDIRECT TAXATION



01

### CBIC Amended GSTR-9 to Allow FY 2021-22 ITC Claims till 30th November 2022



- CBIC issued a notification on 15th November 2022 stating the below in the Central GST Rules, 2017, in form GSTR-9, in the instructions, under paragraph 7, replaced the words “between April 2022 to September 2022” with “of April 2022 to October 2022 filed up to 30th November 2022.”
- Hence, the businesses can amend the sales invoices issued to the registered person (B2B invoices) that were already reported in tables 4A, 4B, 6B, and 6C of GSTR-1. You need to provide the invoice number and financial year and click on ‘Amend Record’ to find the invoice.

02

### Centre releases ₹17,000 crore GST compensation to States; total ₹1.15 lakh crore released this fiscal



- The Central government has released ₹17,000 crore to States towards balance GST compensation, taking the total amount released so far this fiscal to over ₹1.15 lakh crore, the Finance Ministry said on Friday.
- Goods and Services Tax (GST) was introduced in the country with effect from July 1, 2017, and States were assured of compensation for the loss of any revenue arising on account of the implementation of GST for a period of five years.
- This decision was taken to assist the States in managing their resources and ensuring that their programs, especially the capital expenditure are carried out successfully during the financial year

## STARTUP INDIA



01

Indian Spacetech Startups Shoot for the Skies



News Link

02

Investors favour upskilling platforms as other edtechs struggle with funding winter



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03

B2B e-commerce startup Udaan raises additional venture debt



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04

Flipkart readies \$700M Esop buyback; Noise eyes overseas markets



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05

Indian fintech Lentra raises \$60M to expand loans-as-a-service for banks



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06

D2C skincare startup BrownSkin Beauty raises Rs 3.5 crore from Sequoia Capital India



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CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

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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.

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## 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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