

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER



June 2025

Wednesday, 9th July 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 extends reciprocal tariff suspension period from July 9 to August 1



News Link

02

Eurozone inflation edges higher, hitting ECB's 2% target in June



News Link

03

Core inflation in Japan slows to 3.1% but stays above BOJ target



News Link

04

Fed holds key rate steady, targeted in a range between 4.25%-4.5%, still sees two more cuts this year



News Link

05

The US Core inflation rate rose to 2.7% in May, more than expected



News Link

06

US, China formalize deal on rare earth shipments in trade breakthrough



News Link

BROAD ECONOMIC NEWS

**01**

India's retail inflation eases to a 75-month low of 2.82% in May

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

India's Forex Reserves Cross \$700 Billion Again, Near All-Time High

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

June Service PMI touches 10-month high at 60.4 on sharp upturn in new biz

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

June Manufacturing PMI at 14-month high of 58.4 driven by export orders

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

India's April-May fiscal deficit at Rs 13,163 crore, narrows on-year to 0.8% of FY26 aim

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

India's external debt rises to \$736 billion, 19.1% of GDP for FY 25

[News Link](#)

CAPITAL MARKETS



01

DII inflows near ₹70,000 crore in June, second-highest this year



News Link

02

FDI inflows jump 47.8% to \$16.17 bn in Apr-Jun on healthy services inflow



News Link

03

FPI's pump ₹14,590 crores into equities in June



News Link

04

F&O contracts expiry: NSE gets tuesday, BSE gets thursday



News Link

05

SIP contributions touch all-time high of ₹26,688 crore in May



News Link

06

Retail credit grows at slower pace in Q4 of FY25



News Link

STARTUP NEWS



01

Indian startups raise over \$1,120 million in June



News Link

02

India hits 1.80 lakhs startups; historic milestone in global innovation race



News Link

03

India ranks 3rd globally in tech startup funding in the first half of 2025



News Link

04

PE-VC deals slump 43% in Q2 of 2025 to \$5.3 billion



News Link

05

India commits second tranche of Rs 10,000 crore to support deep tech: Piyush Goyal



News Link

06

Piyush Goyal unveils ₹3 lakh crore boost for research, jobs, and startups



News Link

SEBI

 भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

01

SEBI extends cybersecurity framework compliance deadline by 2 months

- SEBI extended the cybersecurity compliance deadline by 2 months to August 31, 2025.
- Extension applies to all regulated entities except MIs, KRAs, and QRTAs.
- This is the second deadline extension due to implementation challenges.
- The cybersecurity framework was introduced in August 2024, with updates in December.
- Exchanges and depositories must notify members and publish the circular.



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02

Relief for merchant bankers as SEBI allows non-regulated activities under same firm

- SEBI has allowed merchant bankers to conduct non-SEBI regulated activities (like advisory or consulting) within the same legal entity, offering operational relief.
- This reverses the December 2024 directive that mandated a complete separation of such activities into distinct companies.
- The decision came after industry feedback highlighting increased compliance costs, duplication of resources, and business inefficiencies.
- SEBI may still require proper disclosures, functional ring-fencing, or use of SPVs to manage risks and maintain transparency.
- This reform is part of SEBI's June 2025 regulatory overhaul aimed at reducing burdens and enhancing market ease and flexibility.



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03

India's NSE to open electricity futures trading from July 14

- NSE will launch monthly electricity futures contracts on July 14, 2025, following SEBI's approval, marking a key development in India's power market.
- It becomes the second exchange after MCX to offer electricity futures, enhancing competition and trading options.
- These contracts will allow distribution companies (discoms) and bulk power buyers to hedge against price volatility, improving cost predictability.
- They serve as a hedging tool between long-term power purchase agreements (PPAs) and short-term spot market purchases.
- The move aligns with India's broader strategy to modernize energy markets and deepen financial instruments in the power sector.

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SEBI Mandates Common contract Note with Single Volume Weighted Average Price

- From June 27, 2025, SEBI mandates a Common Contract Note (CCN) with a single Volume Weighted Average Price (VWAP) for all equity trades across exchanges.
- Investors will receive one consolidated contract note instead of separate ones from different exchanges.
- This move aims to simplify post-trade processing and reduce reconciliation efforts for market participants.
- The CCN will include standardized details such as security name, quantity, price, time, charges, taxes, and a unified VWAP.
- It is part of SEBI's broader efforts to enhance transparency, reduce compliance burden, and improve ease of doing business in capital markets.

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SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India**05****SEBI CIRCULARS**

Timelines for rebalancing of portfolios of mutual fund schemes in cases of all passive breaches

[Link](#)

Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”

[Link](#)

Adoption of Standardised, Validated and Exclusive UPI IDs for Payment Collection by SEBI Registered Intermediaries from Investors

[Link](#)

Extension of timeline of additional liquidation period for VCFs migrating to SEBI (Alternative Investment Funds) Regulations, 2012

[Link](#)

Margin obligations to be given by way of Pledge/Re-pledge in the Depository System

[Link](#)

Framework for Environment, Social and Governance (ESG) Debt Securities (other than green debt securities)

[Link](#)

Limited relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

[Link](#)

RBI

01

RBI removes Rs 1,00,010 crore liquidity from banking system via 7-day VRRR auction

- RBI withdrew ₹1,00,010 crore through a 7-day Variable Rate Reverse Repo (VRRR) auction held on July 4, accepting ₹1.70 lakh crore in bids at a cut-off rate of 5.47%.
- This was the first VRRR auction since November 2024, aimed at temporarily absorbing surplus liquidity until July 11.
- Despite the withdrawal, the banking system still had a liquidity surplus of ₹4.04 lakh crore as of July 3.
- The surplus is largely due to month-end government spending, bond redemptions, and interest (coupon) payouts.
- RBI's goal is to tighten overnight money market rates and bring surplus liquidity closer to its ideal level—around 1% of net demand and time liabilities (NDTL).



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02

No prepayment penalty on business loans: RBI's big relief for individuals and small enterprises

- No prepayment penalty will be allowed on floating-rate business loans to individuals and micro/small enterprises sanctioned or renewed from January 1, 2026.
- The rule applies to banks, NBFCs, Tier-4 urban co-op banks, and financial institutions, and also covers loans up to ₹50 lakh from smaller lenders.
- It includes cash credit and overdraft facilities, as long as they are closed timely after borrower's intimation.
- RBI introduced this after observing inconsistent prepayment charges that led to borrower grievances.
- The move aims to enhance fairness, reduce costs, and promote credit access for small borrowers and businesses.



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RBI**03**

Reserve Bank of India eases provisioning rules for infrastructure loans

- RBI reduced provisioning requirement to 1% for under-construction infrastructure loans and 1.25% for commercial real estate, easing from earlier draft norms.
- New rules apply from October 1, 2025, and only to fresh loans sanctioned after this date.
- Completed (operational) projects will continue with the existing 0.4% provisioning requirement.
- Extra time allowed without NPA tag: Infrastructure projects get up to 3 years, others up to 2 years, for delayed completion without reclassification.
- The move is expected to boost infrastructure lending, improve credit flow, and reduce lender uncertainty.



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04

RBI brings back 100.32 metric tonnes gold to India from overseas vaults in FY25

- RBI repatriated 100.32 metric tonnes of gold to India from overseas vaults in FY25.
- India's total gold reserves rose to 879.58 tonnes as of March 31, 2025, up from 822.10 tonnes the previous year.
- Domestic gold holdings increased to 200.06 tonnes, with a corresponding decline in overseas storage.
- Gold now constitutes around 12% of RBI's net foreign assets, reflecting a strategic asset shift.
- The move enhances sovereign control, security, and liquidity, in line with global central bank trends.



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RBI**05**

RBI CIRCULARS

Maintenance of Cash Reserve Ratio (CRR)



Link

Basel III Capital Regulations - External Credit Assessment Institution (ECAI)



Link

Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025



Link

Stripping/Reconstitution in State Government Securities



Link

Review of instructions issued vide Master Circular on Conduct of Government Business by Agency Banks - Payment of Agency Commission



Link

Penal Interest on shortfall in CRR and SLR requirements - Change in Bank Rate



Link

Large Exposures Framework - Amendment in the list of exempted exposures



Link

Aadhaar Enabled Payment System - Due Diligence of AePS Touchpoint Operators



Link

01

MCA Amendments 2025: Advancing Transparency and Digital Compliance



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- From July 14, 2025, director reports must include disclosures on sexual harassment cases and Maternity Benefit Act compliance.
- Financial forms like AOC-1, AOC-2, AOC-4, ADT-1 to 4, CRA-2, and CRA-4 must be filed as structured e-forms on the MCA21 V3 portal.
- Form GNL-1 filings (e.g., for compounding, AGM extension) now require detailed digital disclosures and certification.
- Annual return forms (MGT-7, MGT-7A, MGT-15) now ask for office photos, geo-coordinates, gender-wise shareholding, and Excel-based disclosures.
- The reforms aim to boost digital compliance, governance, and corporate transparency under the upgraded V3 system.

02

India's Insolvency Regulator Introduces Amendment to Corporate Bankruptcy Regulations



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- IBBI implemented key amendments to the Corporate Insolvency Resolution Process effective May 26, 2025.
- Interim finance providers can now participate as non-voting observers in CoC meetings.
- Resolution plans can target specific assets or divisions, not just entire companies.
- Dissenting financial creditors must be paid before consenting creditors.
- A new panel-based system governs insolvency professional appointments with stricter eligibility and penalties.

INCOME TAX

**01**

Net direct tax collection drops by 1.39% to Rs 4.58 trillion, despite 5% rise in gross mop-up; refunds surge 58%

- Net direct tax collections fell 1.39% to ₹4.59 lakh crore as of June 19, FY26, compared to ₹4.65 lakh crore last year.
- Gross tax collections rose 4.86% to ₹5.45 lakh crore, indicating strong underlying revenue performance.
- The drop in net collections was due to a 58% surge in tax refunds, totaling ₹86,385 crore.
- Advance tax collections grew only 3.9%, a sharp slowdown from last year's 27% rise.
- Corporate tax fell ~5%, while personal income tax rose 0.7% and securities transaction tax increased 12%.



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02

New Income Tax Rules 2025

- Income Tax Returns showing incorrect TDS claims, large transactions, or a history of raids will be flagged for mandatory scrutiny in FY 2024–25.
- The tax department will use AI-driven data matching across bank records, property purchases, investments, and spending patterns to detect mismatches with declared income.
- Individuals with lavish lifestyles—foreign travel, luxury purchases, high-end real estate—disproportionate to their declared income may face deeper investigation.
- Excessively high refund claims, especially those deviating from past trends, can trigger automatic audits.
- These rules aim to tighten compliance, reduce evasion, and ensure data consistency across financial disclosures and lifestyle indicators.



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INDIRECT TAXATION

**01**

India's GST collection rises 6.2% YoY to Rs 1.85 lakh cr in June



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- India's GST collection in June 2025 was ₹1.85 lakh crore, registering a 6.2% year-on-year increase, driven partly by import activity.
- Despite the yearly growth, collections fell month-on-month, down from ₹2.37 lakh crore in April and ₹2.01 lakh crore in May.
- Domestic GST collections rose 4.6%, while GST on imports grew 11.4%, suggesting a moderation in domestic consumption.
- Net collections increased by only 3.3%, as the government issued higher tax refunds during the month.
- Cumulatively, FY25 GST collections have touched ₹22.08 lakh crore, reflecting sustained revenue growth and nearly doubling over the past five years.

02

India imposes anti-dumping duties on plastic processing machines imported from China, Taiwan



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- India imposes anti-dumping duties on plastic processing and injection-moulding machines imported from China and Taiwan, effective for five years.
- Duty rates vary between 27% and 63% based on the exporter or manufacturing company.
- Measures target specific tariff categories (codes 8477 10 00 and 8477 90 00) covering machinery used in plastic goods production.
- The Directorate General of Trade Remedies (DGTR) found these imports were sold below fair value, causing material injury to domestic machine manufacturers.
- The duties aim to level the playing field, protect Indian manufacturers from unfair competition, and promote local industry growth.

KREO CAPITAL PRIVATE LIMITED

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 client's 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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