

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

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MARCH
2023

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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

01

The final estimate for GDP shows the US economy grew at 2.6% last quarter



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02

Renewed expansion in US business activity in March 2023: S&P Global



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03

Global Economy's "Speed Limit" Set to Fall to Three-Decade Low



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04

US consumer confidence ticks up in March



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05

Global economic growth will continue to slow in 2023: Moody's



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06

UBS rehires Ermotti as CEO to steer Credit Suisse takeover



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BROAD ECONOMIC NEWS

01

Consumer sentiments jump by record 6.7% in March: CMIE



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02

India's New Foreign Trade Policy 2023: All you need to know



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03

No charge for customers for normal UPI payments: NPCI clarifies



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04

India's merchandise imports to cross \$700 billion in FY23 on higher crude, coal shipments: GTRI



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05

S&P keeps India's economic growth forecast unchanged at 6% for FY24



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06

Strong domestic flows help India outperform most EMs in FY23



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CAPITAL MARKETS



01

Could 2023 be a comeback year for Indian debt markets?



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02

FPIs invests Rs 11,500 cr in Indian equities in Mar



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03

Finance bill amendments cast a burden on investors and the capital market



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04

Money raised by SMEs via IPO route jumped 130% to Rs 2,229 crore in FY23



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05

MobiKwik eyes fresh IPO in 12-18 months



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06

India's IPO fundraising halves in FY23; two debutants deliver multibagger returns



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SEBI


 भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

01

Sebi takes stricter approach in IPO clearance; returns draft paper of 6 cos

- After the Paytm's IPO fiasco, Sebi has turned cautious while giving clearance to the initial share sales as it has returned the preliminary papers of half a dozen companies, including Oravel Stays, which operates hospitality chain OYO, in over two months.
- Apart from OYO, the firms whose draft papers have been returned by the regulator are -- Go Digit General Insurance Ltd, a firm backed by Canada-based Fairfax Group; home-grown mobile maker Lava International; B2B payments and services provider Paymate India; Fincare Small Finance Bank India and integrated services company BVG India, according to an analysis of data with Sebi .


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02

Sebi approves key reforms giving more say to investors

SEBI said in a press statement that the current practice of having permanent board members for publicly listed companies will be stopped. It said that board seats would come up for voting every 5 years, making shareholder approval mandatory for any director, starting April 2024

SEBI also decided to allow private equity firms to back Asset Management Companies. The PE firm or its manager should have atleast 5 years of experience managing funds and investing in the financial sector and should have managed committed and drawn-down capital of not less than 50 billion rupees as on date of application.


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SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

03

SEBI allows mutual funds to launch multiple ESG-based schemes

- Market regulator SEBI has announced a slew of measures to boost ESG-based investing in India through mutual funds. The fund houses have been given the freedom to launch more than one ESG scheme now.
- With a total of 10 ESG funds in the market, the Indian mutual fund industry is still in the early stages of ESG investing vis-à-vis its global peers. The 10 funds currently operational in India manage total assets under management (AUM) of Rs 10,243 crore as on March 29, 2023.

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04

SEBI extends nomination deadline to Sep 30

- The market regulator had earlier asked all eligible account holders to provide a beneficiary for their accounts by 31 March 2023, or their accounts would be frozen for debits. Apparently, more than 50% of the retail investors are yet to follow this norm.
- SEBI has also asked the stockbrokers and depository participants to encourage clients to update 'choice of nomination' by communicating through SMS and email every fortnight.
- Earlier, the date to comply with this rule was March 31 last year. Post which, SEBI had given a year's extension till March 31, 2023. Now, the deadline stands extended yet again by six more months.

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SEBI

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05

OTHER SEBI CIRCULARS

Norms for Scheme of Arrangement by unlisted Stock Exchanges, Clearing Corporations and Depositories



Link

Review of time limit for disclosure of NAV of Mutual fund schemes investing overseas



Link

Framework for Adoption of Cloud Services by SEBI Regulated Entities (REs)



Link

Extension of compliance period – Fund raising by large corporates through issuance of debt securities to the extent of 25% of their incremental borrowings in a financial year



Link

Operational Guidance - Amendment to SEBI (Buy-back of Securities) Regulations, 2018



Link

Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination



Link

RBI**01**

RBI set to hike repo rate to 7-yr high of 6.75% in April

- The RBI is set to hit a seven-year high next week from an all-time low in May 2022 as the central bank battles to control the core inflation. Most economists forecast a 25bps increase in the key repo rate to 6.75 %. If the RBI does increase rates, it will be its sixth successive hike and a total of 275 basis points since May 2022.
- A rate hike will result in all loans becoming costlier and will extend the tenure by over a year if borrowers do not increase their EMIs. For account holder fixed deposits would be more rewarding



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02

As liquidity tightens, RBI infuses Rs 7.89 lakh cr between March 15 and 23

- The tightness in liquidity condition was mainly due to the outflows related to payment of advance tax, the last date for which was March 15. The payment of goods and services tax (GST) before March 20 also weighed on the liquidity situation of banks.
- According to the RBI data, liquidity infusion by the central bank between March 15 and March 23 stood at Rs 7.89 lakh crore. On March 15, the central bank infused Rs 49,796 crore of liquidity into the banking system – the first such injection since February 27, 2023, when it had infused Rs 27,668.47 crore.



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RBI**03**

RBI allows India and Tanzania to use national currencies for trading

- India and Tanzania have received approval from the Reserve Bank of India (RBI) to utilize their respective national currencies in bilateral trade settlements. This move is anticipated to decrease transaction costs and improve the effectiveness of cross-border trade, resulting in higher trade volumes and increased economic collaboration between the two nations.
- This initiative aligns with the RBI's goal of promoting the use of domestic currencies in cross-border transactions to decrease reliance on foreign currencies, particularly the US dollar.



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04

RBI allows banks from UK, 17 other countries to open Vostro accounts for rupee trade

- The Reserve Bank of India (RBI) has granted approvals to foreign banks in 18 countries to open Vostro accounts to settle international trade in rupees. In July last year, the Centre had said that it will be setting up of a mechanism to settle international trade in rupees.
- The RBI has allowed Botswana, Fiji, Germany, Guyana, Israel, Kenya, Malaysia, Mauritius, Myanmar, New Zealand, Oman, Russia, Seychelles, Singapore, Sri Lanka, Tanzania, Uganda, and the United Kingdom to open Vostro accounts as of now.



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RBI



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OTHER RBI CIRCULARS

Exclusion of “Abu Dhabi Commercial Bank PJSC” from the Second Schedule to the Reserve Bank of India Act, 1934



Link

Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy



Link

Special Clearing Operations on March 31, 2023



Link



01 Crowdfunding for startups gets caught in regulatory glare

- India's teeming crowdfunding world has come under a new shadow at a time when many startups are dealing with waning investor interest and the backlash from the recent collapse of the boutique American lender Silicon Valley Bank.
- A ruling by the ministry of corporate affairs (MCA) has struck at the core of the modus operandi of several small companies to raise money using fintech platforms that connect businesses with investors.



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02 Version 3 portal for corporate filings faces technical glitches

- Companies continue to face technical challenges in using the ministry of corporate affairs' (MCA) upgraded Version 3 portal for corporate filings, despite the government's efforts to address such problems.
- According to sources, industry associations may seek physical filings of more forms until the portal is fully functional. As of now, such a special dispensation for filing in physical mode has been given for eight forms.
- The sources said that the improvement on the portal has been very slow and most issues remain unresolved, even though a high-level panel is understood to be reviewing the issue.



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03

IBC provisions cannot be turned into debt recovery proceeding: NCLAT

- NCLAT said the provisions of the Insolvency & Bankruptcy Code cannot be turned into a debt recovery proceeding as the idea of this special code is to bring a debtor company back on its feet
- When an operational creditor seeks to initiate an insolvency process against a Corporate Debtor, it can only be done in clear cases where no real dispute exists between the two, said the National Company Law Appellate Tribunal (NCLAT) bench, comprising Chairperson Justice Ashok Bhushan and Member Barun Mitra.



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04

Centre onboards news publishers, startups in Digital Panel

- Ahead of its crucial meeting, the Corporate Affairs Ministry (MCA) appointed Panel on Digital Competition Law has acceded to the demands of News Publishers and Startups, roping them as 'special invitees' to the deliberations of this committee. The said meeting was headed by the MCA secretary Manoj Govil, who will also be nominating new members to the panel.
- The development comes a few weeks after various domestic startups and news publishers expressed concern about non-inclusion in the digital competition law. They also stated that the MCA-led panel is dominated by corporate lawyers, which are mostly representing tech colossal.



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INCOME TAX



01

New Income Tax Rules, Change from 1st April, 2023

- As per this Finance Bill, proceeds from the income tax policies over the annual premium of ₹5 lakh will now become taxable from 1st April 2023 i.e. from tomorrow. So, it's not that all life insurance policy proceeds will be taxable. Only those life insurance proceeds that have an annual premium of over ₹5 lakh will be taxable from next financial year.
- New income tax slab will become by-default tax regime for earning individuals. Now, if an earning individual wish to go with the old tax regime, needs to opt for the old tax regime. Standard deduction of ₹50,000 has been passed on to both old and new income tax regime.



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02

PAN-Aadhaar linking deadline extended till June 30, 2023: CBDT

- In a press release released on March 28, 2023, CBDT said, "In order to provide some more time to the taxpayers, the date for linking PAN and Aadhaar has been extended to 30th June 2023, whereby persons can intimate their Aadhaar to the prescribed authority for Aadhaar-PAN linking without facing repercussions."
- "From 1st July 2023, the PAN of taxpayers who have failed to intimate their Aadhaar, shall become inoperative," CBDT said. If PAN becomes inoperative, individuals need to pay a nominal penalty of Rs 1,000 to link it with Aadhaar. "The PAN can be made operative again in 30 days, upon intimation of Aadhaar to the prescribed authority after payment of fee of Rs 1,000," said CBDT.



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INDIRECT TAXATION



01

GST on transportation services - navigating through turbulent waters

- GST on services by way of transportation of goods by aircraft / vessel is certainly on a roller-coaster ride these days. The story began in September 2022, when the GST exemption pertaining to goods transportation services witnessed a sunset from 1 October 2022 onwards.
- This resulted in taxing the transportation of export cargo by the Indian transporters / freight forwarders, liable to Integrated GST (IGST). This created a lot of buzz amongst the exporters as well as the Indian transporters /freight forwarders.



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02

March Sees Second Highest GST Collection Of ₹ 1.60 Lakh Crore

- GST collections in March grew 13 per cent to the second highest ever at ₹ 1.60 lakh crore, taking the growth rate of revenue mop-up for full 2022-23 fiscal to 22 per cent.
- Gross GST revenue collected in March 2023 is ₹ 1,60,122 crore, of which Central GST is ₹ 29,546 crore, State GST is ₹ 37,314 crore, Integrated GST is ₹ 82,907 crore (including ₹ 42,503 crore collected on import of goods) and cess is ₹ 10,355 crore, the finance ministry said in a statement.
- March also saw over 91 per cent of the GST registered businesses filing returns and paying taxes – reflecting greater compliance and improving economic activity.



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STARTUP INDIA



01

Startup India: DPIIT Launches First Edition Of 'National Incubator Capacity Building Program'



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02

Why India's start-up sector is likely to face a funding crunch in 2023



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03

Google and MeitY Startup Hub announce 2023 cohort of 100 Indian startups



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04

Indian startups raised \$3.4 Bn in March quarter: Entrackr Report



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05

SVB meltdown: These Indian startups to bear brunt: Reports



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06

D2C startup Gynoveda raises \$10 million in Series A round led by India Alternatives Fund



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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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