

# KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

FIFTY EIGHTH EDITION



MAY  
2023

Thursday, 8<sup>th</sup> June, 2023

“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 IMF now expects the UK to avoid a recession



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02

Bill passed in the US to suspend the debt ceiling to avoid the debt default



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03

Asia Poised to Drive Global Economic Growth, Boosted by China's Reopening



News Link

04

China recovery slows, companies reduce reliance on single factory or country



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05

Charting the global economy: Fed, ECB policies may diverge



News Link

06

There is a small chance of a US debt default — even that poses a global risk: Kenneth Rogoff



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## *BROAD ECONOMIC NEWS*

01

The decoupling propensity of India amid global uncertainty



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02

Global economy going through a reset, essential for emerging economies to be engines of growth: Sitharaman



News Link

03

FDI equity inflows dip 22 pc to USD 46 bn in 2022-23



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04

Reserve Bank of India to transfer Rs 87,416 crore as dividend to Centre for FY23



News Link

05

India expects \$50 billion exports to UAE by FY27



News Link

06

Indian IT firms target overcapacity to reduce expenses



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## CAPITAL MARKETS

**01**

Record-bound Indian stocks reclaim spot in world's top 5 markets

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

Why FIIs are bullish on Indian Stock Market? Experts list out these top five reasons

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

FPIs invest over ₹21,000 crore in the Indian financial market in May so far; can the momentum sustain?

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

AI is becoming the stock market's answer to everything

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

Ola Electric aims for IPO by 2023-end, hires Goldman, Kotak: Report

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

Mega IPO, mega loss! LIC investors suffer Rs 2.5 lakh crore shock in 1 year

[News Link](#)

**SEBI**भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

01

## SEBI proposes to cut down IPO listing timeline to 3 days from 6 days

- Capital markets regulator Sebi on Tuesday proposed to reduce the time taken for the listing of shares on stock exchanges after the closure of initial public offerings (IPOs) to three days from six days at present. The proposed reduction in timelines for listing and trading of shares will benefit both issuers as well as investors.
- Over the last few years, Sebi has ensured that a series of systemic enhancements have been undertaken across all the key stakeholders of the IPO ecosystem to streamline the activities involved in the processing of public issues which will pave the way to reduce the listing timelines from T+6 to T+3.

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02

## SEBI to issue mutual fund light regulations for passive funds; seeks to ease compliance burden

- SEBI to come out with mutual fund light regulations for passive funds as a part of efforts to reduce the compliance burden, foster growth as well as lower cost to investors.
- Passive funds is an investment vehicle that tracks a market index or specific market segment. These funds basically include exchange traded fund (ETF) and Fund of Fund investing in ETFs.
- The SEBI is looking to reduce compliance requirements for passive funds that are tied to exchanges in the underlying index and operate on a non-discretionary basis in the market.

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SEBI


 भारतीय प्रतिभूति और विनियम बोर्ड  
 Securities and Exchange Board of India

03

## SEBI cancels Certificate of Registration of Karvy Stock Broking

- The Securities and Exchange Board of India (SEBI) has cancelled the Certificate of Registration of Karvy Stock Broking, a month after it banned the brokerage from the securities market for misappropriating clients' funds.
- A stock broker plays a critical role in the securities market as it acts as an interface for retail investors and is, therefore, required to maintain high standards of integrity and fairness in the conduct of its business dealings and uphold the trust of investors. Karvy Broking was declared a defaulter and expelled by the stock exchanges in November.



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04

## SEBI proposes overhaul of expenses charged to mutual fund investors

- SEBI in a 40-page consultation paper has proposed a slew of changes to the total expense ratio (TER) that is charged to mutual fund investors. The paper is currently at the consultation stage, awaiting feedback from industry participants. The paper in all put forth 15 topics of consultation.
- The market regulator has proposed that TER should be calculated at the AMC (asset management company) level, instead of the scheme level. According to the regulator, this would encourage more competition and help smaller AMCs, as well as help to pass on the benefit of the economies of scale to the investors.



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05

## OTHER SEBI CIRCULARS

Comprehensive guidelines for Investor Protection Fund and Investor Services Fund at Stock Exchanges and Depositories



Link

Model Tripartite Agreement between the Issuer Company, Existing Share Transfer Agent and New Share Transfer Agent as per Regulation 7(4) of SEBI (LODR) Regulation, 2015



Link

Introduction of Legal Entity Identifier (LEI) for issuers who have listed and/ or propose to list non-convertible securities, securitised debt instruments and security receipts



Link

Investment in units of Mutual Funds in the name of minor through guardian



Link

Dematerialization of securities of Hold Cos and SPVs held by Real Estate Investment Trusts (REITs)



Link

Dematerialization of securities of Hold Cos and SPVs held by Infrastructure Investment Trusts (InvITs)



Link



**RBI****01****RBI to pull out ₹2,000 notes from active circulation**

- The Reserve Bank of India (RBI) on May 19 decided to withdraw ₹2,000 denomination banknotes from circulation in pursuance of its “Clean Note Policy”. However the ₹2,000 notes will continue to be legal tender. A similar withdrawal of notes from circulation was undertaken in 2013-2014.
- In a reminder of the demonetisation days when the banking channel was overwhelmed by the massive crowd thronging into the branches to exchange banknotes, the decision to withdraw ₹2,000 notes is also likely to strain the system besides creating anxiety and inconvenience to the public.

*Click to know more***02****RBI to hold rates through year-end, cut in early 2024, Reuters poll shows**

- The Reserve Bank of India (RBI) will leave its key interest rate unchanged at 6.50% on June 8 and for the rest of 2023 as it waits to see the economic impact of a series of hikes over the past year, a Reuters poll of economists found.
- Despite hitting an 18-month low of 4.70% in April, inflation was not expected to fall to the RBI's 4% medium-term target for at least another two years, suggesting rate cuts are unlikely in the immediate future.
- All 64 economists in the Reuters poll taken between May 16 and 29 expected no change to the 6.50% repo rate.

*Click to know more*

**RBI****03**

### India's GDP for financial year 2022-23 could breach estimated growth of 7%: RBI Governer

- India's gross domestic product in the financial year 2022-23 could be more than the estimated 7 per cent, said Reserve Bank of India governor Shaktikanta Das.
- In the Economic Survey document for 2022-23 released earlier this year, the forecast was that India may grow at 7 per cent. The Economic Survey has projected a baseline GDP growth of 6.5 per cent in real terms for the next financial year 2023-24. Speaking about India's monetary policy and what could be its future move, he said it was not in his hands but depended on various factors on the ground.



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**04**

### Framework for fintech, big tech firms soon, CBDC pilots to be expanded: RBI Annual Report

- Reserve Bank of India (RBI) is looking to expand the ongoing pilots in CBDC (central bank digital currency), retail and wholesale segments by incorporating various use cases and features in the current fiscal year. The pilot in CBDC-Retail is proposed to be expanded to more locations and will include more participating banks.
- The first pilot of the digital rupee in the wholesale segment commenced on November 1 last year. The use case for this pilot is the settlement of secondary market transactions in government securities. This is expected to make the interbank market more efficient.



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RBI



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## OTHER RBI CIRCULARS

Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters - UCBs



Link

Levy of charges on forex prepaid cards/store value cards/travel cards, etc.



Link

Risk Management and Inter-Bank Dealings - Non-deliverable derivative contracts (NDDCs)



Link

Master Circular - Basel III Capital Regulations



Link

Formalisation of Informal Micro Enterprises on Udyam Assist Platform



Link



## 01 Stricter rules for removal of companies' names from RoC

- Companies wishing to get their names struck off from the Register of Companies (RoC) will now have to file overdue financial statements and annual returns first, as the MCA has tightened the rules. Experts said the new rules, on top of other provisions issued recently for this purpose, would discourage fly-by-night operators.
- According to a notification by the MCA, a company won't file an application for the removal of its name unless it has filed overdue financial statements under section 137 of the Companies Act and overdue annual returns under section 92 up to the end of the financial year in which it stopped carrying out its operations.



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## 02 Zee-Sony merger: Relief for Zee, NCLAT sets aside NCLT order directing NSE, BSE to reconsider approval

- The National Company Law Appellate Tribunal (NCLAT) on Friday set aside an NCLT order that directed the BSE and NSE to review their earlier approval for the merger between Zee Entertainment and Culver Max Entertainment and provide their fresh no-objection certificates (NOCs) for the same before the next hearing date.
- The division bench of Justice Rakesh Kumar and a technical member Alok Srivastava in its oral order has set aside the May 11 order of the Mumbai bench of the National Company Law Tribunal (NCLT). Zee's merger with Culver Max (earlier known as Sony Pictures Networks India) is likely to create a \$10 billion media giant.



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## MCA

**03**

### CCI now wants global M&A deals to come into its ambit

- Companies will now have to notify any merger and acquisition (M&A) to the fair trade regulator if the deal value exceeds ₹2,000 crore and if the target firm has "substantial business operations in India".
- The government has notified provisions of the newly-amended Competition Act -including the introduction of a deal value threshold- which will come into effect from May 18.



↑  
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**04**

### Ministry for Corporate Affairs Introduces C-PACE

- The Ministry of Corporate Affairs (MCA) has established the Centre for Processing Accelerated Corporate Exit (C-PACE) to streamline the process of removing companies from the MCA Register. The purpose of C-PACE is to reduce the burden on the registry and provide a convenient process for stakeholders to remove their company's name from the register.
- This initiative is part of MCA's effort to make doing business and exiting easier for companies. C-PACE will operate under the Registrar of Companies (RoC) and will handle applications for processing and disposal.



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## INCOME TAX



01

### Taxation of India's Outbound Remittances: LRS Scheme and Increased Tax Rate from July 1

- According to the latest notification, any individual making payments using their international Debit or Credit cards up to INR 700,000 per financial year will be exempt from the LRS limits. As a result, these transactions will not be subject to any Tax Collected at Source (TCS).
- From July 1, 2023, the Indian government has increased the tax on outbound remittances from 5% to 20%, as per the amended Income-tax Act, 1961. While exceptions apply to educational and medical expenses, the new tax rate will be applicable to funds sent overseas for vacations, investments, and gifts, if the amount exceeds INR 700,000 per financial year.



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02

### Income Tax department to conduct scrutiny where assessee failed to respond to taxmen's notices

- The Income Tax department has come out with guidelines for selection of cases for scrutiny, under which cases wherein assessee have not responded to I-T notices will be picked up for compulsory examination. The department will also undertake cases for scrutiny where specific information regarding tax evasion has been provided by any law enforcement agencies or regulatory authorities.
- As per the guidelines, tax officers will have to send a notice under section 143(2) of the I-T Act by June 30 to the assessee regarding discrepancies in income.



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## INDIRECT TAXATION



01

### Hunt for fake GST registration may turn heat on minnows of e-commerce

- Small businesses that sell goods through e-commerce platforms fear a recently launched drive against fake Goods and Services Tax (GST) registrations could hit them hard because many of them run operations through co-working spaces or shared warehouses—practices that may pose a hurdle during verification.
- Central and state indirect tax authorities launched a two-month drive on 16 May to weed out entities that secure GST registrations wrongfully, generate fake invoices and pass on bogus tax credits to other entities without any actual sales



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02

### GST collections rise 11.5% to cross ₹1.57 lakh crore in May

- India's gross Goods & Services Tax (GST) collections grew 11.5% in May — the slowest uptick in six months — to cross ₹1.57 lakh crore, with revenues from domestic transactions rising 11% and imports yielding 12% more taxes than a year ago.
- Sequentially, May's revenues, for transactions undertaken in April, the first month of the new financial year, were the lowest in three months, and 16% below the record ₹1.87 lakh crore collected in April. This was the 14th successive month that GST revenues were over ₹1.4 lakh crore and the fifth occasion that they surpassed the ₹1.5 lakh crore mark.



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## STARTUP INDIA



01

Startup Funds Worth \$3 Bn+ Announced For Startups In 2023; Here's The Full List



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02

73% job seekers prefer large corporates over startups: Report



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03

SoftBank likely to invest about \$100 million each in about 5 Indian startups: Report



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04

With number of startups crossing 1 lakh, Union minister proposes new mechanism to sustain



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05

CBDT notifies 21 nations from where investment in startups will be exempt from Angel tax



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06

Startup jobs lose shine amid funding winter



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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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