

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

SIXTIETH EDITION



July
2023

Monday, 7th August, 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

Fed lifts rates, Powell leaves door open to another hike in September



News Link

02

Saudis Make First Big Global Mining Bet With Vale Metals Stake



News Link

03

Commercial real estate prices are still expected to crater, Morgan Stanley warns



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04

SWIFT tests instant payments across currency zones



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05

Oil markets will face 'serious problems' as demand from China and India ramps up, IEF secretary general says



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06

BlackRock (World's largest asset manager) names Saudi Aramco (World's 3rd largest company) CEO Amin Nasser to board.



News Link

BROAD ECONOMIC NEWS**01**

India, UAE sign agreements to settle trade in rupees

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

How 'satchetisation', digital are fuelling unsecured credit in India

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

EPFO declares 8.15% as EPF interest rate for FY 2022-23

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

Digital payments rise 13% YoY at March-end 2023: RBI data

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

India, Indonesia sign pact for cross-border payment system, more deals in pipeline

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

Services PMI at over 13-year high in July, helped by strong demand

[News Link](#)

CAPITAL MARKETS

**01**

HDFC Bank breaks into \$100 billion market-cap club as world's 7th largest lender

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

BlackRock to enter India's asset management sector with Jio Financial JV

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

ITC board gives in-principle nod for demerger of hotels business

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

Jio Financial Services demerger to unlock value for investors and attract institutional investors

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

Bain frontrunner to buy Adani Capital for Rs 1500 crore

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

Indian firms will soon be allowed to directly list securities overseas: Sitharaman

[News Link](#)

STARTUP INDIA

01

SoftBank sells another 2% stake in Paytm for \$250-\$300 million; holding slips below 10%



News Link

02

Walmart Buys Out Tiger Global's Flipkart Stake, Valuing Startup at \$35B



News Link

03

Startups funding drop by 70%, nearly half of unicorns to become profitable by FY27



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04

India Startup Festival 2023 in Bengaluru to host 10,000+ global startups and 500+ investors



News Link

05

Funds Worth \$3.6 Bn+ Announced For Startups In 2023; Here's The Full List



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06

CoinSwitch in talks with RBI, SEBI to launch financial products, exploring NBFC licence: CEO Ashish Singhal



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SEBI


 भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

01

Sebi, exchanges ease trading rule for stocks under enhanced surveillance (ESM) framework

- Under the existing ESM framework rule, stocks were allowed to trade only once a week. However, trading in them will now be allowed on all days, the exchanges said in a circular. In trade-for-trade settlement with a price band of 2%, trading in stocks will be allowed on all days. However, the rule of 100% margin remains unchanged, the exchanges said.
- All other regulations under the ESM framework remain unchanged. In order to enhance market integrity and safeguard the interest of investors. Sebi and exchanges have taken several enhanced pre-emptive surveillance measures such as reduction in price band, periodic call auction and transfer of securities to trade-for-trade segment.



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02

Sebi working on instant settlement of stock market transactions: Chairperson Buch

- The regulator has been working on upping the pace of new equity issuances, debt issuances, approvals for mutual fund schemes using technology and other interventions with the aim of helping capital formation in the economy, Such interventions have accrued in monetary benefits of Rs 3,500 crore for the investor community on an annual basis.
- The market regulator will also consider permitting the delisting of companies via fixed price instead of the reverse book-building procedure, Buch said.



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SEBI

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Securities and Exchange Board of India

03

SEBI Introduces Alternate Dispute Resolution Amendment Regulations 2023

- These regulations may be called the Securities and Exchange Board of India (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023.
- The Securities and Exchange Board of India (SEBI) issued a notification on July 3, 2023, introducing 17 amendments to the Alternative Dispute Resolution.



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04

SEBI seeks curbs to limit retail investors' derivatives risk: Report

- With Indian share prices near record highs, drawing increased retail investor interest, the regulator is concerned smaller players could suffer losses on derivatives if markets turn volatile.
- Retail investor participation in the equity derivatives market jumped 500% in the three years through March, according to data from the Securities and Exchange Board of India (SEBI). Nine in 10 individual traders, dominated by people in their 30s, lost money in the previous fiscal year, with average losses averaging 110,000 Indian rupees (\$1,300), a SEBI study found in January.



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Securities and Exchange Board of India

05

OTHER SEBI CIRCULARS

Mandating Legal Entity Identifier (LEI) for all non - individual Foreign Portfolio Investors (FPIs)



Link

Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015



Link

BRSR Core - Framework for assurance and ESG disclosures for value chain



Link

Roles and responsibilities of Trustees and board of directors of Asset Management Companies (AMCs) of Mutual Funds



Link

Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund



Link

New category of Mutual Fund schemes for Environmental, Social and Governance ("ESG") Investing and related disclosures by Mutual Funds



Link

RBI**01****RBI likely to keep repo rate unchanged during the next MPC in August: Experts**

- The RBI Governor Shaktikanata Das-led monetary policy committee (MPC) will meet on 8-10 August and the decision will be announced on 10 August by the Governor. The central bank has kept the repo rate unchanged at 6.5% since February
- United States Federal Reserve announced increase in the benchmark rates to a 22-year-high ranging from 5.25% to 5.50% and has hinted at more rate hikes to bring down inflation. The decision is going to impact the moves of India's central bank with experts opining that the Reserve Bank of India (RBI) may keep the benchmark repo rate unchanged for the third time in a row in its upcoming bi-monthly policy review.

*Click to know more***02****RBI floating rate bonds interest rate hiked to 8.05% from July 1, 2023.**

- The Reserve Bank of India (RBI) hiked the interest rate on its floating rate savings bonds (2020) in its July review. The interest rate on RBI savings bonds has been hiked to 8.05% from 7.35% till June 30, 2023.
- The hike of 0.70% has come because the government hiked the interest rate on the National Savings Certificate (NSC) for the April-June 2023 quarter by 0.60% to 7.7%. The interest rate for NSC for July to September quarter 2023 has been kept unchanged by the government. The interest rate on RBI savings bonds is linked to the NSC. Till March 31, 2023, the NSC interest rate was 7.1%.

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RBI**03****RBI clarifies: Star series bank notes are legal**

- The Reserve Bank of India (RBI) on July 27 clarified that a banknote with a star (*) symbol is the same as other legal banknotes except that in the number panel, a star symbol is added between the prefix and the serial number.
- The star symbol is an identifier that it is a replaced or reprinted banknote, the RBI said in a press release. The clarification came in the backdrop of discussions on social media on the validity of banknotes with a star symbol.



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04**RBI permits banks to open vostro accounts from 22 countries for trade in rupee**

- The Reserve Bank has permitted 20 banks operating in the country to open 92 Special Rupee Vostro Accounts (SRVAs) of partner banks from 22 countries as part of efforts to promote bilateral trade in local currencies, the government said.
- This would enable exporters and importers to invoice and pay in their respective domestic currencies enabling the development of a bilateral foreign exchange market.



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 RBI

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OTHER RBI CIRCULARS

Master Circular - Management of Advances - UCBs



Implementation of Section 51A of UAPA,1967:
 Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-
 Qaida Sanctions List: Amendments in 02 Entries



Inclusion of "NongHyup Bank" in the Second
 Schedule of the Reserve Bank of India Act, 1934



Implementation of Section 12A of the Weapons of
 Mass Destruction and their Delivery Systems
 (Prohibition of Unlawful Activities) Act, 2005:
 Designated List (Amendments)



MCA**01** MCA allows merger of multiple user IDs for professionals

- Many professionals are not able to create new user IDs in the revamped version of the portal due to an existing ID about which either they do not have any knowledge or do not remember that such an ID was created, the ministry said.
- The corporate affairs ministry has allowed professionals like chartered accountants, company secretaries and cost accountants to merge multiple user IDs that they may have created inadvertently to use the revamped version of the corporate reporting platform MCA21 without any hassle.



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02 Unleashing the Potential of CSR Funds: Ministry of Corporate Affairs Calls for Enhanced Impact and Sustainability

- The Corporate Social Responsibility (CSR) has become an integral part of the business landscape in India, with companies mandated to allocate a certain percentage of their profits towards social and environmental initiatives. However, despite a significant increase in CSR spending in recent years, the Ministry of Corporate Affairs (MCA) has raised concerns about the limited impact of these initiatives.



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MCA



03

Amid Go First crisis, MCA says monitoring civil aviation sector, looking into lessors' concerns

- The ministry is of the view that it should be easier for lessors to take their aircraft back once the airline goes into insolvency. The lessors' have raised concerns that the planes are not being used and the payments are not made. This causes inconvenience
- MCA sources said lessors may want to price the inconvenience in future leasing to airlines, which can cause issues for Indian airlines. The ministry will take a view on the issue soon, they said, adding that it is closely monitoring the aviation sector.



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MCA Approves Withdrawal Of 7,338 Prosecutions Pending In Courts Under Companies Act

- MCA has approved withdrawal of another 7,338 prosecutions pending before courts under Special Arrears Clearance Drive-II, in order to promote Ease of Doing Business and decriminalize compoundable offences under Companies Act, 2013.
- Withdrawal will lead to 21.86% reduction in pending prosecutions being pursued by Central Government. However, prosecutions related to serious non-compoundable offences such as cheating, fraud, acceptance of deposits, pending charges, etc. are not considered for withdrawal.



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INCOME TAX



01

Tax filing: I-T dept's July 21 clarification on inoperative PAN offers little relief to NRIs

- The income tax department's efforts to ease the tax travails of non-resident Indians (NRIs) whose PANs turned inoperative due to a failure to link them to their Aadhaar, seem to have come up short.
- Income tax returns: Inoperative PANs have been giving a headache to non-resident Indians. Unresponsive jurisdictional assessment officers, lack of online facility to contact them to update residential status and non-receipt of e-verification codes continue to impede smooth filing of NRI tax returns.



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6.77 crore ITRs filed for AY 2023-24: How to check your income tax return status online

- Up until July 31, 2023, the Department also received 53.67 lakh ITRs from first-time filers, a reasonable indication of the expansion of the tax base.
- As per a press release issued by the Press Information Bureau, ITRs filed for AY 2023-24 totaled more than 6.77 crore as of July 31, 2023, which is 16.1% more than ITRs for AY 2022-23 (5.83 crore) as of the same date.



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INDIRECT TAXATION



01

How 28% GST on gaming companies may hit FinTech and RegTech ecosystem

- Now Experts reckon about 5% of volumes in the RegTech and FinTech industry come from gaming applications that collaborate with FinTechs for processing payouts to gamers and RegTech companies for undertaking user KYC (know your customer) procedures.
- The Industry insiders anticipate a potential impact of around 25% on their revenue lines from the gaming sector due to the higher GST rate.



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02

India's GST collections for July up 11% to Rs 1.65 lakh crore

- India's Goods and Services Tax revenue rose 11% on year to Rs 1.65 lakh crore and was also higher than June's Rs 1.61 lakh crore. Of the total collections, Central GST is Rs 29,773 crore, State GST is Rs 37,623 crore, and Integrated GST is Rs 85,930 crore including Rs 41,239 crore collected on import of goods.
- "The continuous increase in GST collections is a sign for the board to now consider the proposal of rate rationalisation for various goods and services for the benefit of the consumers," said Parag Mehta, Partner, Indirect Tax, N.A. Shah Associates.



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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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