

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

EIGHTY FIRST EDITION



May 2025

Friday, 6th June 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

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GLOBAL MARKETS



01

Moody's downgraded the US credit rating from Aaa to Aa1, citing rising debt and deficits



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02

Japan's bond market ignites fears of outflows from U.S., carry trade unwind and market turmoil



[News Link](#)

03

The Federal Reserve holds rates steady (4.25%-4.5%) as it notes rising uncertainty and stagflation risk



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04

Core inflation in Japan capital hits 2-year high to 3.6% , keeps rate hike chance alive



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05

Eurozone inflation falls below ECB 2% target to 1.9% in May: Rate cut in sight



[News Link](#)

06

US and China pause tariff war for 90 days, to slash reciprocal duties by 115%



[News Link](#)

BROAD ECONOMIC NEWS

01

India surpasses Japan to become 4th largest economy at \$4 trillion, to overtake Germany soon: NITI Aayog CEO

[News Link](#)

02

India's forex reserves drop \$4.9 billion to \$685.7 billion as of mid-May: RBI data shows

[News Link](#)

03

India's business activity rises to 13-month high of 61.2 in May, shows HSBC Composite PMI

[News Link](#)

04

April 2025 IIP dips to 8-month low at 2.7%, manufacturing grows 3.4%

[News Link](#)

05

India's GDP grows at 7.4% in Q4 FY25; full-year growth estimated at 6.5%

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06

India's FY25 fiscal deficit meets target at 4.8% of GDP

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CAPITAL MARKETS



01

Sensex Rejig: Trent, Bharat Electronics to replace IndusInd Bank, Nestle India



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02

FIIIs remain net buyers in May, infuse Rs 18,082 crore into Indian equities



News Link

03

Stability over hype: Large-cap funds lead investor flow with 647% annual surge



News Link

04

India to Release Crypto Regulation Paper in June 2025



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05

Mutual fund assets surge 23% to hit record Rs 65.74 trillion in FY25



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06

BSE, NSE lock horns in high-stakes derivatives market showdown



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STARTUP NEWS



01

Indian startups raise over \$1,353 million in May



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02

India VC deals rise 19%, funding up 20% in early 2025: GlobalData



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03

IVCA urges VC Funds to act on SEBI's migration framework before July 19, 2025



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04

Govt approves 187 startups for income tax exemption benefits



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05

360 ONE Asset launches Rs 500 crore early-stage VC fund to invest in Indian startups



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06

Bengaluru-based Minus Zero unveils India's first AI-driven autopilot system for cars



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SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

01 Equity derivative expiries only on Tuesdays, Thursdays: SEBI

- SEBI has restricted all equity derivative expiries (stock and index, futures and options) to only Tuesdays or Thursdays.
- Each exchange must choose one fixed expiry day per product — no alternating between days is allowed.
- Weekly benchmark index options (like Nifty, Bank Nifty) are limited to one expiry per week.
- Non-benchmark contracts must have a minimum one-month duration and expire in the last week of the contract month.
- The move aims to reduce concentration and volatility caused by clustered expiries across exchanges.
- Implementation deadline is June 15, 2025.

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02 SEBI's New NAV Cut-Off Rules for Overnight Funds Take Effect from June 1

- For offline transactions, applications submitted by 3:00 PM will get the NAV of the previous business day.
- For online transactions, the cut-off is extended to 7:00 PM, offering more flexibility to investors.
- Applications received after the cut-off time (3 PM offline, 7 PM online) will be processed using the next business day's NAV.
- The changes aim to improve fund flow management, especially for stockbrokers using these schemes to pledge units.
- These rules apply only to overnight schemes, which are low-risk and widely used for short-term parking of funds.
- SEBI's move ensures uniformity, transparency, and better investor protection across AMCs.

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SEBI


 भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

03

SEBI automates process of invocation, sale of pledged securities


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- Invoked securities will be transferred to the broker's demat account in case of client default or account freeze.
- Brokers must sell the securities on the same day of transfer to avoid misuse or accumulation.
- The move ensures faster execution, better transparency, and operational efficiency.
- It aims to safeguard investor interests and maintain market discipline.
- The new rules will come into effect from September 5, 2025.
- Depositories like NSDL and CDSL must issue detailed guidelines by July 1, 2025.

04

SEBI Tightens Risk Measures, Enhances Limits In Equity Derivatives Segment


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- SEBI has introduced new position limits on index and stock derivatives to reduce excessive speculation in the market.
- The gross options position limit is set at ₹100 billion, and the net options limit is capped at ₹15 billion to control exposure.
- Open interest calculations will now be delta-adjusted to better capture the true risk of options positions.
- Position limits will be linked to the liquidity of the underlying cash markets for more accurate and realistic risk management.
- These measures will be phased in from July 1 to December 6, 2025, allowing smooth transition for market participants.

SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

05

SEBI CIRCULARS

Extension of timeline for implementation of provisions of SEBI circular dated December 17, 2024 on Measures to address regulatory arbitrage with respect to Offshore Derivative Instruments (ODIs) and FPIs with segregated portfolios vis-à-vis FPIs



Link

Extension of timeline for complying with the certification requirement for the key investment team of the Manager of AIF



Link

Rating of Municipal Bonds on the Expected Loss (EL) based Rating



Link

Composition of the Internal Audit team for CRAs



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Review of provisions pertaining to Electronic Book Provider (EBP) platform to increase its efficacy and utility



Link

RBI



01

RBI MPC opts for a 'jumbo' rate cut to bring repo rate down to 5.5%, switches to neutral gear

- **Shift to Neutral Stance:** The MPC changed its policy stance from 'accommodative' to 'neutral', indicating a balanced approach to future monetary policy decisions .
- **CRR Reduction:** The Cash Reserve Ratio (CRR) was slashed by 100 basis points to enhance liquidity in the banking system .
- Despite the rate cut, the RBI retained its GDP growth forecast at 6.5%, showing confidence in the country's economic resilience. The inflation forecast was revised downward, reflecting easing price pressures .
- The stock market responded positively, with the Sensex surging over 800 points and the Nifty Bank hitting a record high of 56,644, driven by gains in rate-sensitive sectors like banking, automobiles, and real estate.



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02

97.7% bank accounts fully insured, but only 46.3% of deposits covered, shows RBI data

- About 98.1% of bank accounts were fully insured under the DICGC scheme as of March 2023.
- However, only 46.3% of the total deposit value was covered by the Rs 5 lakh insurance limit per depositor.
- The Deposit Insurance Fund stood at Rs 1.69 lakh crore, with a reserve ratio of 2.02%.
- The Rs 5 lakh insurance limit was last revised in 2020 and may not be sufficient given inflation and growing deposits.
- Experts suggest regularly increasing the insurance limit and adopting risk-based premiums to better protect depositors.
- RBI is considering raising the insurance coverage to balance depositor safety and financial system stability.



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RBI



03

RBI sells \$34.5 bn in FY25, highest since global financial crisis

- This heavy intervention was aimed at protecting the rupee from sharp depreciation due to global tightening and strong US dollar pressure.
- The rupee hit an all-time low of ₹87.95 per dollar in February 2025, prompting RBI to step in aggressively.
- Following the intervention, the rupee recovered to ₹83.75 by May, showing some signs of stability.
- The forex reserves dipped from a peak of \$705 billion in Sept 2024 to under \$625 billion by Jan 2025 due to the dollar sales.
- These interventions have likely resulted in massive trading gains for RBI, with an expected surplus transfer of ₹2.5–3 trillion to the government.



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RBI's gold loan draft rules: Finance Ministry recommends relief for borrowers under ₹2 lakh, Jan 2026 rollout

- The Department of Financial Services (DFS) recommends exempting gold loans under ₹2 lakh from RBI's new rules to ease pressure on lenders and protect small borrowers.
- Implementation of the new regulations is suggested to be delayed until January 1, 2026, for better preparedness.
- This exemption would cover about 80% of gold loan customers, helping faster loan disbursements and business growth.
- Political leaders, including Tamil Nadu CM M.K. Stalin, support protecting small borrowers like farmers and daily wage earners.
- RBI's draft guidelines aim to standardize gold loan practices such as gold valuation, interest rates, and borrower treatment.



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RBI

05

RBI CIRCULARS

Investments by Foreign Portfolio Investors in Corporate Debt Securities through the General Route – Relaxations



Link

Reporting on FIRMS portal – Issuance of Partly Paid Units by Investment Vehicles



Link

Exim Bank's GOI-supported Line of Credit (LOC) for USD 700 million to the Govt. of Mongolia (GO-MNG), for financing construction of Crude Oil Refinery Plant in Mongolia



Link

Reserve Bank of India (Digital Lending) Directions, 2025



Link

Withdrawal of Master Circular on Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM) and related circulars



Link

MCA**01**

MCA shifts e-filing forms totally to new portal



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- MCA is shifting all e-filing forms from the old V2 portal to the new MCA21 Version 3 (V3) portal, discontinuing V2 filings after June 18, 2025.
- Offline “Pay Later” payments on the V2 portal will end from June 8, 2025; only online payments will be accepted.
- The V3 portal offers a better user experience, faster processing, and integrated compliance features.
- Scheduled downtime for V3 upgrades will occur from July 9 to 13, 2025, with no filings possible during this time.
- All new company forms will be available only on the V3 portal from July 14, 2025, requiring users to migrate their accounts and link DSCs.

02

India's Competition Authority Rolls Out 2025 Cost Regulations Norms



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- India's Competition Commission (CCI) rolled out new 2025 Cost Regulations to curb predatory pricing, especially in e-commerce.
- The rules, effective May 6, 2025, use a flexible, case-by-case cost assessment instead of fixed sector benchmarks.
- The framework is sector-neutral and applies to various industries, including digital markets.
- Companies can request independent expert reviews of cost assessments but must cover the costs.
- These norms strengthen oversight against unfair dominance and deep discounting under the Competition Act.

INCOME TAX



01

ITR-1 and ITR-4 forms enabled for online filing through income tax e-filing portal for AY 2025-26, know who all can file online income tax returns

- The Income Tax Department has enabled online filing of ITR-1 and ITR-4 forms for AY 2025-26 on its e-filing portal.
- ITR-1 is meant for salaried individuals with income up to ₹50 lakh from salary, one house property, and other sources.
- ITR-4 applies to individuals, HUFs, and firms (except LLPs) with presumptive business or professional income up to ₹50 lakh.
- Taxpayers with long-term capital gains (LTCG) up to ₹1.25 lakh from listed equity or mutual funds (without carry-forward losses) are now allowed to use these forms.
- The filing deadline has been extended to September 15, 2025, giving taxpayers more time to comply.



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02

The CBDT has extended the ITR filing deadline from 31st July 2025 to 15th September 2025

- CBDT extended the ITR filing deadline for FY 2024-25 from July 31 to September 15, 2025, for non-audit taxpayers like salaried individuals and small businesses.
- The move addresses delays in TDS data reflection and accommodates new ITR form changes.
- New ITR forms require detailed disclosures on deductions, insurance premiums, rent, and home loan details.
- The extension aims to give taxpayers more time for accurate filing and system readiness.
- Audit cases are not covered under this extension and must follow existing timelines.
- Government may bear higher refund interest costs due to the extended filing period.



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INDIRECT TAXATION



01

GST collections jump 16.4% yoy to Rs 2.01 lk cr in May, fall from record high in April

- GST collections reached ₹2.01 lakh crore, marking a 16.4% year-on-year increase from ₹1.72 lakh crore in May 2024
- Despite the year-on-year growth, this figure is lower than the record high achieved in April 2025
- The surge was driven by a 25.2% increase in GST from imports, the highest monthly contribution in nearly three years
- Domestic transactions contributed a 13.7% increase, reflecting strong internal economic activity.
- Net GST revenue, after refunds, stood at ₹1,73,841 crore for May 2025
- The strong collections suggest a positive start to FY26, with potential implications for fiscal policy and rate rationalization



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02

GST Refund Rules Receive Facelift: New CBIC Amendments to take effect from May 2025

- Digital appeal filing is now mandatory through Form APL-01 within 3 months of the order, with a 1-month extension option; appeals must be submitted via the GST portal only.
- Certified copy of the order must be uploaded within 7 days to retain the original appeal date, else the upload date will be treated as the filing date.
- Refund re-application is allowed using the same Application Reference Number (ARN) if a deficiency memo is issued, simplifying the process.
- Refund claims can be withdrawn anytime before being sanctioned or rejected using the newly introduced Form RFD-01W.
- No refunds will be granted under the amended rules for any payments (tax, interest, penalty) made before May 2025.



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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.

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