

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

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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 ECONOMY

01

Bankrupt Sri Lanka opens oil market to foreign firms



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02

Fed hikes its benchmark interest rate by 0.75 percentage point



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China provides \$2.5-bn loan to Pakistan to boost its forex reserves



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The Fire Burning Beneath Crypto's Meltdown



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Stagflation Danger Sees World Bank Cut Global Growth Outlook



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US economy will narrowly avoid recession in 2022 and 2023, says IMF



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BROAD ECONOMIC NEWS

01

US state governors and LGs vouch for strong ties with India; pitch for FDI from India



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02

Food export bans, from India to Argentina, risk fueling inflation



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WTO nears food pledges; India, Egypt, Sri Lanka hold out



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CBI books DHFL in 'biggest' banking fraud of Rs 34,615 crore; 17 banks hit



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Recessions in advanced economies may help cool inflation in India



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The corrected IMF-WEO data bears good tidings for India's \$5 trillion economy dream



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CAPITAL MARKETS



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FPIs pull out Rs 14,000-cr from Indian equities in June on global, domestic concerns



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02

Mukesh Ambani-owned Reliance closes in on Boots acquisition, makes binding offer



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CCI clears Air India's acquisition of AirAsia India stake, helping merger



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Adani, Total Energies join hands to invest \$50 billion in green hydrogen



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Foxconn's Bharat FIH gets SEBI nod to float Rs 5,000 cr IPO



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06

ADIA to buy 20% in IIFL Home Finance, largest such investment in the space



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SEBI



भारतीय प्रतिशत और विनियम बोर्ड
Securities and Exchange Board of India

01 SEBI strengthen investor grievance redressal mechanism



- Capital markets regulator SEBI came out with a new framework for investor grievance redressal mechanism as part of its effort to strengthen the process. The new mechanism will come into effect from July 1.
- For any dispute between the member and client relating to the transactions in a stock exchange, which is of civil nature, the complainant or member is required to first refer the complaint to the investor grievance redressal mechanism and/or to the arbitration mechanism provided by the bourse before resorting to other remedies available under any other law.

02 SEBI tweaks cyber security, cyber resilience framework for AMCs



- SEBI tweaked the cyber security and cyber resilience framework for asset management companies (AMCs) and mandated them to conduct a comprehensive cyber audit at least twice in a financial year. Along with the cyber audit reports, AMCs have been asked to submit to stock exchanges and depositories a declaration from the MD and CEO, certifying compliance by them with all SEBI guidelines and advisories related to cyber security issued from time to time.
- Under the modified framework, the asset management firms need to identify and classify critical assets based on their sensitivity and criticality for business operations, services and data management.

SEBI



भारतीय प्रतिशत और विनियम बोर्ड
Securities and Exchange Board of India

03

All demat accounts need to be tagged by June-end



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- The Securities and Exchange Board of India(SEBI) has asked stock brokers to name and tag bank and demat accounts of clients to reflect the purpose for which those are being maintained by June 30. Brokers will also have to report such accounts to stock exchanges and depositories.
- At present, stock brokers are required to maintain demat accounts under five categories including proprietary account, pool account, client unpaid securities account, client securities margin pledge account and client securities under margin funding account.

04

SEBI comes out with guidelines for 'Large Value Fund' for accredited investors



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- SEBI came out with new guidelines for "Large Value Fund" for accredited investors, pertaining to filing of such schemes and extension of their tenures beyond two years. "Large Value Fund (LVF)" for accredited investors means an AIF or scheme of an AIF in which each investor (other than the manager, sponsor, employees or directors of the AIF or employees or directors of the manager) is an accredited investor and invests at least Rs 70 crore.
- While filing the placement memorandum for LVF schemes, a duly signed and stamped undertaking by CEO of the manager to the AIF and compliance officer of manager to the AIF need to be submitted.

05

OTHER SEBI CIRCULARS

Adjustment in derivative contracts for dividend assessment



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Guidelines for Large Value Fund for Accredited Investors under SEBI



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Implementation of Circular on 'Guidelines in pursuance of amendment to SEBI KYC



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Reduction of timelines for listing of units of privately placed Infrastructure Investment Trust



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Introduction of Unified Payments Interface (UPI) mechanism for Infrastructure Investment Trusts



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Nomination for Mutual Fund Unit Holders



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Procedure for seeking prior approval for change in control of Portfolio Managers



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RBI



01

RBI extends deadline to comply with new card rules

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- The Reserve Bank of India granted a three-month extension for the implementation of certain provisions entailed as part of the credit and debit card issuance and conduct guidelines.
- Card issuing entities now have time till October 1 to implement requirements regarding seeking a one-time password from customers for activation of a credit card. If no consent is received for activating the card, card issuers will have to close the credit card account without any cost to the customer within seven working days from the date of seeking confirmation from the customer.

02

RBI hikes repo rate by 50 bps to 4.90%; focused on withdrawing accommodation

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- The Monetary Policy Committee has raised the repo rate by 50 basis points to 4.90 per cent in order to tackle elevated inflation, Reserve Bank of India Governor Shaktikanta Das said.
- Reacting to the announcement, BSE Sensex tumbled over 400 points and NSE Nifty slipped below 16,350. However, markets soon pared the sudden losses with the benchmarks trading 0.4 per cent lower.
- Yield on the 10-year benchmark government bond was flat at 7.52 percent. The Standing Deposit Facility, which represents the lower band of the interest rate corridor has been raised to 4.65 per cent from 4.15 per cent earlier.

RBI



03

RBI proposes norms for outsourcing of IT services by banks, NBFCs



- RBI norms for the outsourcing of IT services to ring-fence banks and other regulated entities from financial, operational and reputational risks.
- Regulated entities will not require prior approval from the central bank for the outsourcing of IT and IT-enabled services, according to RBI's draft Master Direction on Outsourcing of (IT) Services. "The underlying principle of these Directions is that the RE should ensure that outsourcing arrangements neither diminish its ability to fulfil its obligations to customers nor impede effective supervision by the supervising authority," said the draft.

04

RBI doubles limit on home loans issued by urban cooperative banks



- RBI doubled the limit on home loans issued by urban cooperative banks (UCB). With this, tier-I UCBs can issue individual housing loans of up to Rs 60 lakh while tier-II UCBs are allowed to offer loans of up to Rs 1.4 crore, the central bank said in a master circular. The RBI had made the announcement in its June monetary policy. The revision in lending limits for UCBs was last done in 2011.
- "Taking into account the increase in housing prices since the limits were last revised and considering the customer needs, it has been decided to increase the existing limits on individual housing loans by cooperative banks," the RBI had said on June 8.

RBI



05

OTHER RBI CIRCULARS

Provisioning Requirement for Investment in Security Receipts (SRs)



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Restriction on Storage of Actual Card Data [i.e. Card-on-File (CoF)]



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Extension of timeline for implementation of certain provisions of Master Direction



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Processing of e-mandates for recurring transactions



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Sovereign Gold Bond (SGB) Scheme 2022-23



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Bank finance to Government owned entities



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Punjab and Maharashtra Co-operative Bank Limited Scheme, 2022



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01 Relaxation in paying additional fees in case of delay in filing Form 11 (Annual Return) by LLP

- The Ministry had received representation seeking extinction of timelines for filing the Annual Return (Form 11) by LLP's without paying additional fees.
- In view of transition from version 2 of MCA-21 to version-3 and to promote compliance on the part of LLP's, it has been decided to allow LLP's to file e-Form 11 for the Financial Year 2021-2022 without paying additional fees upto 15th July, 2022.

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02 Govt preparing Cabinet note on cross-border insolvency

- The Ministry of Corporate Affairs is reportedly preparing a Cabinet note on cross-border insolvency, which will be discussed soon by the Union Cabinet
- As the inter-ministerial consultations are now over, a bill on cross-border insolvency is expected to be introduced in the Monsoon session of the Parliament which will attempt to harmonise insolvency proceedings across jurisdictions; and hence expected to speed up the resolution cases. The framework will however broaden the scope of debt recovery, give foreign investors more confidence, and make doing business in the country easier.

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03

SC to examine NCLT bar association's locus to challenge Centre's notification

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- The Supreme Court said that it would examine the locus standi of the National Company Law Tribunal Association in challenging the Centre's notification fixing the tenure of 23 tribunal members appointed in 2019 as 3 three years.
- It said that none of the members, who accepted the appointments in the tribunal based on the 3-years-term have come forward to challenge the notification.
- The bench said that whether the members can continue beyond the term of three years will be decided if the issue of locus of petitioner association is decided in its favour.

04

Amazon-Future Coupons case: NCLAT upholds CCI order, directs e-commerce giant to pay Rs 200 crore

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- In a blow to Amazon, the NCLAT has upheld the Competition Commission of India's (CCI) order suspending the deal between the global e-commerce giant and Future Cupons, two-member bench comprising Justice M Venugopal and Ashok Kumar Mishra ordered Amazon to pay the penalty of Rs 200 crore within 45 days.
- The appellate tribunal backed the CCI findings that Amazon didn't make full disclosures. The fair trade regulator CCI had suspended the over two-year-old approval for its deal with Future Coupons Pvt Ltd.

INCOME TAX



01

CBDT notifies TDS disclosure requirements for cryptos, virtual digital assets.



- The income tax department has come out with detailed disclosure requirements for TDS deductions for virtual digital assets, under which date of transfer and mode of payment will have to be specified. From July 1, tax deducted at source (TDS) of 1 per cent will be levied on payments towards virtual digital assets or crypto currencies beyond Rs 10,000 in a year, as the Finance Act 2022 has introduced Section 194S in the I-T Act
- The Central Board of Direct Taxes (CBDT) on June 21 notified certain amendments in I-T Rules with respect to furnishing TDS returns in Form 26E and Form 16E.

02

Income Tax website rectifies error, Government sticks to 1% TDS on virtual assets



- The website earlier mentioned that the TDS rate for virtual digital assets has been dropped to 0.1% from 1% as announced earlier in the budget, according to the website Income Tax Department.
- Relief was shortlived for Indian crypto exchanges as the Income Tax portal has updated its document on Tax Deduction as Source (TDS), restoring the TDS on Virtual Digital Assets (VDAs) at 1 percent. The website earlier mentioned that the TDS rate for virtual digital assets has been dropped to 0.1% from 1% as announced earlier in the budget. However, after the change was noticed by many the website updated the document rectifying the error.

INDIRECT TAXATION



01 India cuts base import prices of crude palm oil, gold



- India has reduced the base import prices of crude palm oil, soyoil, gold and silver, the government said
- The government revises base import prices of edible oils, gold and silver every fortnight, and the prices are used to calculate the amount of tax importer needs to pay.
- India, the world's biggest edible oils importer, last month allowed duty-free imports of 2 million tonnes of soyoil.

02 Small steelmakers cheer input cost cut as big rivals fret over export duty



- It's a tale of contrasting fortunes in the Indian steel industry since last month's revision of import and export duties on key raw materials and finished goods.
- Smaller steelmakers benefited from the duty changes as their costs went down and they had little adverse impact on their business, while large steelmakers' export business nosedived as duty revisions made Indian steel uncompetitive on the global stage.

STARTUP INDIA



01

Beauty Ever 10 days, a unicorn startup emerges in India: PM Modi in Germany



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02

Beauty start-up Purplle raises \$33 mn in funding, gets unicorn status



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03

Sequoia India's Surge programme extends seed fund range up to \$3 million



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04

SaaS platform LeadSquared becomes unicorn with \$153 mn fundraise



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05

Tea chain startup Chaayos raises \$53 mn led by Alpha Wave Ventures



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06

Pine Labs acquires fintech startup Setu for over \$70 million



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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 clients financial vision. This means we only offer solutions that work best for our clients.

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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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