

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

FORTY-SEVENTH EDITION



JUNE
2022

Saturday, 2nd July, 2022

“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



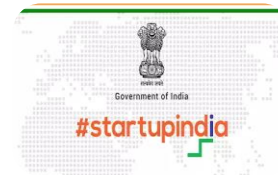
MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

Click on individual images for detailed coverage

GLOBAL ECONOMY

01

Bankrupt Sri Lanka opens oil market to foreign firms



News Link

02

Fed hikes its benchmark interest rate by 0.75 percentage point



News Link

03

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



News Link

04

The Fire Burning Beneath Crypto's Meltdown



News Link

05

Stagflation Danger Sees World Bank Cut Global Growth Outlook



News Link

06

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



News Link

BROAD ECONOMIC NEWS

01

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



News Link

02

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



News Link

03

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



News Link

04

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



News Link

05

Recessions in advanced economies may help cool inflation in India



News Link

06

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



News Link

CAPITAL MARKETS

01

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



News Link

02

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



News Link

03

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



News Link

04

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



News Link

05

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



News Link

06

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



News Link

SEBI

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.



↑
*Click
to
know
more*

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.



↑
*Click
to
know
more*

SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India**03****All demat accounts need to be tagged by June-end**

- 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.

*Click
to
know
more***04****SEBI comes out with guidelines for 'Large Value Fund' for accredited investors**

- 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.

*Click
to
know
more*

SEBIभारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

05

OTHER SEBI CIRCULARS

Adjustment in derivative contracts for dividend assessment

[Link](#)

Guidelines for Large Value Fund for Accredited Investors under SEBI

[Link](#)

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

[Link](#)

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

[Link](#)

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

[Link](#)

Nomination for Mutual Fund Unit Holders

[Link](#)

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

[Link](#)

RBI



01

RBI extends deadline to comply with new card rules

- The Reserve Bank of India has 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 seeing 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.



↑
Click
to
know
more

02

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

- 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.



↑
Click
to
know
more

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.



↑
*Click
to
know
more*

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.



↑
*Click
to
know
more*

RBI

05

OTHER RBI CIRCULARS

Provisioning Requirement for Investment in Security Receipts (SRs)



Link

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



Link

Extension of timeline for implementation of certain provisions of Master Direction



Link

Processing of e-mandates for recurring transactions



Link

Sovereign Gold Bond (SGB) Scheme 2022-23



Link

Bank finance to Government owned entities



Link

Punjab and Maharashtra Co-operative Bank Limited Scheme, 2022



Link

MCA**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.

*Click
to
know
more***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.

*Click
to
know
more*

MCA**03****SC to examine NCLT bar association's locus to challenge Centre's notification**

- 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.



↑
*Click
to
know
more*

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

- 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 Coupons, 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.



↑
*Click
to
know
more*

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.



↑
Click
to
know
more

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.



↑
Click
to
know
more

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.



↑
*Click
to
know
more*

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.



↑
*Click
to
know
more*

STARTUP INDIA

01

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



News Link

02

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



News Link

03

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



News Link

04

SaaS platform LeadSquared becomes unicorn with \$153 mn fundraise



News Link

05

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



News Link

06

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



News Link

KREO CAPITAL PRIVATE LIMITED

CAPITAL MARKETS | INVESTMENT BANKING | WEALTH MANAGEMENT | LENDING SOLUTIONS

CA Varun Parakh
Managing Director
M: +91-9890920892
E: varun@kreocapital.com

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.

HEAD OFFICE:
6th floor, B-Wing,
Shriram Towers,
Civil Lines,
Nagpur – 440001.
T: +91-712-6652070

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.

MUMBAI OFFICE:
Unit 202, Tower-A,
Peninsula Business
Park, Senapati Bapat
Marg, Lower Parel,
Mumbai – 400013
T: +91-22-41731000

W: www.kreocapital.com
E: info@kreocapital.com

SEBI REGISTRATION
NO: INM000012689

Disclaimer : All data and information is provided for informational purposes only and is not intended for any factual use. It should not be considered as binding / statutory provisions. Neither Kreo Capital, nor any of its group company, directors, or employees shall be liable for any of the data or content provided for any actions taken in reliance.