

# KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

## FIFTY THIRD EDITION



DECEMBER  
2022

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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

*Click on individual images for detailed coverage*



**HAPPY  
NEW YEAR**

Take a leap of faith and begin this wondrous new year by believing. Believe in yourself and believe that there is a loving Source - the Power of Dreams and the Zeal to achieve it.

## GLOBAL MARKETS

01

The global economy eyes China warily, as COVID's spread poses potent threat



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02

Charting the Global Economy: Fed, ECB and BOE slow rate hikes



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03

Global recession risks rise as Central Banks raise rates



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04

U.S. trade deficit jumps 5% to four-month high as global economy weakens



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05

Global trade set to hit record \$32 trillion in 2022, but outlook increasingly gloomy for 2023



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06

UK economy contracts for 5th month in December 2022: S&P Global



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## BROAD ECONOMIC NEWS

01

India to become \$10-trillion economy by 2035, forecasts CEBR



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02

India's GDP to grow at 6.9% in FY23 & will remain one of the fastest-growing major economies, says World Bank



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03

India Inc high on acquisitions in 2022; spotlight on cement, retail, pharma sectors



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04

Dark clouds of global economic uncertainties may cast shadow on India's exports in 2023



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05

Housing demand in October-December 2022 rose 19% over last year: PropTiger report



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06

Indian Economy in 2022: How India Stood Strong Despite Global Slowdown



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## CAPITAL MARKETS



01

Indian market not overpriced; Asia remains most attractive among emerging economies, says Deutsche Bank



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02

Mamaearth's parent files IPO papers, to raise Rs 400 crore via sale of new shares



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03

Year End 2022: IPOs of Small and Medium Enterprises steal the show on BSE



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04

Bharat Highways InvIT files draft papers with SEBI to raise 2,000 crore via IPO



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05

Indegene files papers with Sebi; eyes ₹3,200 crore via IPO



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06

IDFC Mutual Fund to be renamed Bandhan Mutual Fund



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## SEBI



भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

01

Sebi issues Rs 6.42-crore demand notice to Sahara group firm, Subrata Roy, others in OFCD issuance case



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- SEBI Chairperson Madhabi Puri Buch said that the regulator has chosen the tender offer route for share buyback as the present mode is vulnerable to favoritism.
- It means the buyback from the open market buyback will be phased out gradually until there is a separate window created for share repurchases.
- In an official statement, SEBI also increased the minimum utilization amount for buybacks through stock exchanges to 75% from 50%.

02

SEBI to gradually phase out share buyback through stock exchange



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- The Securities and Exchange Board of India (Sebi) is working on guidelines for financial influencers — popularly known as 'finfluencers' — who give advice to stock investors on various social media platforms like Twitter, Youtube, Instagram and Facebook.
- The Sebi move follows a sharp rise in the number of various 'unregistered' investment advisors giving unsolicited social media 'stock' tips on various social media platforms. There were also reports that certain companies used social media platforms to boost their share prices through such finfluencers. Finfluencers are people with public social media platforms offering advice and sharing personal experiences about money and investment in stocks.

## SEBI



भारतीय प्रतिशुति और विनियम बोर्ड  
Securities and Exchange Board of India

03

SEBI initiates study on fees and expenses charged by mutual fund



- Markets regulator Securities and Exchange Board of India has initiated a detailed study of fees and expenses charged by mutual funds. The regulator said the study will seek to provide data as input for policy formulations.
- This study is part of ongoing reviews that SEBI conducts to see whether existing regulations reflect the market conditions and their impact on investor interest. The reviews are in consultation with the stakeholders.
- The mutual fund industry has recently crossed the milestone of AUM at Rs 40 lakh crore.

04

SEBI planning 'micro' REITs to boost nascent market:  
Source



- Indian market regulator is planning to allow micro Real Estate Investment Trust according to a senior official to bring wider set of property companies to nascent market as India emerges from the pandemic-induced lull.
- REITs in India must not have a minimum asset value of 5 Billion rupees. The possibility that SEBI may lower the minimum has not been reported previously.
- SEBI first allowed REITs in 2004 to fund a capital-starved real estate sector and help developers reduce their debt. But the demand was struck by high taxes and cumbersome regulations.

### 05

### OTHER SEBI CIRCULARS

**Foreign investment in Alternative Investment Funds (AIFs)**



Link

**Performance Benchmarking and Reporting of Performance by Portfolio Managers**



Link

**Extension of timeline for implementation of Standardized Industry Classification by CRAs**



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**Clarification to SEBI circular dated August 04, 2022 on enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence**



Link

## RBI



01

### RBI imposes Rs 2.66 crore penalty on Bank of Bahrain & Kuwait BSC



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- The Reserve Bank on Monday said it has imposed a penalty of Rs 2.66 crore on Bank of Bahrain & Kuwait BSC, India operations for non-compliance with directions on cyber security framework. In a statement, the Reserve Bank of India (RBI) said the bank failed to implement systems to detect unusual and unauthorised, internal or external activities in its database.
- It also failed to implement security operations centre for obtaining real-time/ near-real time information and insight into the security posture of the bank, and enable audit logs for database and operating system of servers, among others, as per the statement.

02

### RBI hikes repo rate by 35 bps to 6.25%; stance remains unchanged



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- The Reserve Bank of India on Wednesday raised the repo rate by 35 basis points to 6.25%, maintaining its stance of focusing on the "withdrawal of accommodation". The MPC felt that a further calibrated approach to monetary policy action is essential in order to keep inflation expectations anchored, break the core inflation persistence, and contain second round effects.
- In October, India's headline inflation based on the consumer price index eased to a 3-month low of 6.77% from 7.41% in September. However, for 10 consecutive months, inflation has remained well above RBI's medium-target range of 2-6%.

**RBI**



**03**

## RBI Could Hike Repo Rate To 6.75% In 2023: Report

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- The Reserve Bank of India could take the key policy rate to 6.75% next year, as core inflation stays elevated and the U.S. Federal Reserve continues to hike rates, treasury head of IDBI Bank said.
- The RBI has raised repo rate by 225 basis points since May to 6.25% as it continues its fight against inflation. In contrast, the U.S. Federal Reserve raised interest rates by 425 bps to 4.25%-4.50%.
- The Fed is set to raise rates to above 5% in 2023, which may force India's central bank to also follow suit, the treasury official said.

**04**

## RBI buys estimated \$8 billion from market in a week

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- The Reserve Bank of India (RBI) is estimated to have bought about \$8 billion equivalent of foreign currency for the week ending December 2, in one of the biggest such weekly additions to its stockpile.
- The central bank strengthened the reserves buffer amid evident signs of global monetary tightening while simultaneously releasing nearly ₹67,000 crore in local money to prevent short-term domestic market rates from hardening.

**RBI**



**05**

## OTHER RBI CIRCULARS

**Review of SLR holdings in HTM category**



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**Central Payments Fraud Information Registry –  
Migration of Reporting to DAKSH**



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**Individual Housing loans – Revised limits under  
four-tiered regulatory framework**



Link

**Master Direction – Foreign Exchange Management  
(Hedging of Commodity Price Risk and Freight Risk  
in Overseas Markets) Directions, 2022**



Link

**Sovereign Gold Bond (SGB) Scheme 2022-23**



Link

## MCA



### 01 MCA plans staggered deadlines for submission of compliance documents

- The Ministry of Corporate Affairs (MCA) is planning to introduce staggered deadlines for the submission of compliance documents, said a senior government official.
- The move is aimed at addressing overburdening of the MCA portal servers during the peak filing season, which often leads to glitches or slows down the portal. Currently, companies and limited liability partnerships (LLPs) have the same filing deadline, due to which the servers receive huge traffic in the last one-two weeks before the filing deadline.



### 02 Multiple objections filed on SCI demerger scheme ahead of crucial MCA hearing to clear the plan

- A dozen of objections have been filed till Monday before the ministry of Corporate Affairs by vendors and stakeholders, including former employees of Shipping Corporation of India Limited (SCI, to the proposed demerger of core and non-core assets of the national carrier ahead of privatization.
- The Shipping Corporation of India Officer's Association and Shipping Corporation of India Staff Union have sought protection of employees interest during privatization in a submission to the Ministry of Corporate Affairs.



## MCA



03

### MCA allows Conduct of Annual General Meeting through Video Conference or Other Audio Visual Means for 2023



- The Ministry of Corporate Affairs ( MCA ) has released a circular (General Circular No. 10/2022, dated 28.12.2022) with clarification of holding of Annual General Meeting (AGM) through Video Conference (VC) or Other Audio Visual Means (OAVM).
- In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020 and General Circular No. 02/2022 dated 05.05.2022 and after due examination, it has been decided to allow the companies whose AGMs are due in the Year 2023, to conduct their AGMs on or before 30th September, 2023 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020, the circular stated.

04

### Centre says 3,560 companies in India have Chinese directors



- The government informed that there were 3,560 companies in India that had Chinese directors on their boards. In a written reply, Minister of State for Corporate Affairs Rao Inderjit Singh said there are 174 Chinese companies that are registered in the country as foreign companies with India as the place of business.
- In recent times, the central government has modified certain rules pertaining to the incorporation of companies under the Companies Act, 2013 in a bid to regulate the the appointment of directors, issuance and transfer of securities and undertaking compromise, arrangements and amalgamation in cases where Land Border Countries Entities (LBCEs) are involved.

## INCOME TAX



01

**Big news for economy, India's direct tax collections grow 26% to over 1,363 Crore for FY23**



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- Gross direct tax collections before adjusting for refunds, for the financial year 2022-23 have registered a growth of 25.90% and the net direct tax collections for the same period have grown at over 19.81%. Similarly, advance tax collections for the same period stands at Rs. 5,21,302 crore as on 17.12.2022 shows a growth of 12.83%. These figures are encouraging for the Indian economy, which like other parts of the world, suffered seriously during Covid 19 pandemic.
- There has been a remarkable increase in the speed of processing of income tax returns filed during the current fiscal, with almost 96.5% of the duly verified ITRs having been processed till 17.12.2022.

02

**Union Budget 2023: Govt likely to raise income tax exemption limit from Rs 2.5 lakh to 5 lakh**



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- In the upcoming budget for 2023-24, the Union government is allegedly expected to increase the income tax exemption limit from the current Rs 2.5 lakh to Rs 5 lakh. If this comes into being, the consumers will have more disposable income in their hands.
- Additionally, it would also enhance consumption, which could help the economy to recover, sources privy to developments said. They further claimed that the move would also promote investments.
- The budget 2023-24 will be presented in the backdrop of many institutions, including the Reserve Bank, slashing India's growth forecast to 6.8 per cent or so for the current fiscal.

## INDIRECT TAXATION



01

### December GST revenue collections up 15% YoY to Rs 1,49,507 Crore



- Government has collected gross Goods and Services Tax (GST) of Rs 1,49,507 crore during December 2022, a government release said. Out of this, CGST stood at Rs 26,711 crore, SGST at Rs 33,357 crore while IGST at Rs 78,434 crore (including Rs 40,263 crore collected on import of goods).
- The revenues for Dec-2022 are 15% higher than the GST revenues in the same month last year. During the month, revenues from import of goods was 8% higher and the revenues from domestic transaction (including import of services) are 18% higher than the revenues from these sources during the same month last year.

02

### No full GST recovery from firms under insolvency: CBIC



- The Central Board of Indirect Taxes and Customs has clarified that once a firm reaches the insolvency arena, it can't be forced to cough up dues to the government like GST, in excess of the "reduced amount" determined. The move will bring more certainty for investors and banks.
- The CBIC said that if any government dues including Central GST demand has been reduced following IBC proceedings, then the Commissioner concerned will issue an intimation to the taxpayer and also the authority with whom the recovery is pending, intimating the reduction in demand.

## STARTUP INDIA



01

\$25 Bn Funding, 21 Unicorns: Decoding Indian Startup Funding Landscape



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02

Indian startups laid off close to 20,000 employees in 2022 as ecosystem faces prolonged funding winter



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03

Indian startups witness 38% decline in total funding in 2022: Reports



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04

Chennai startups brave funding winter, raise \$1 bn in a year for the first time



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05

WeWork India raises Rs 550 crore from BPEA Credit-managed fund



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06

Money View hits \$900M valuation; how 2022 killed the startup IPO party



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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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