

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

SEVENTY NINTH EDITION



March 2025

Thursday, 3rd April 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



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 MARKETS**01**

Trump introduces new Reciprocal Tariffs with direct global trade implications



News Link

02

The Bank of Japan (BoJ) kept its key short-term interest rate at around 0.5% during its March meeting



News Link

03

Euro zone inflation dips to 2.2% in March as U.S. tariffs loom



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04

Federal Reserve holds interest rates steady at its current range of 4.25% to 4.5%, but trims economic growth outlook.



News Link

05

The US Core PCE Price index in February hits 2.8%, higher than expected; spending increases 0.4%



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06

The U.S Manufacturing PMI fell to 49% in March, down 1.3 points from February's 50.3%, signaling a return to contraction after two months of expansion.



News Link

BROAD ECONOMIC NEWS

01

Forex Reserves Strong At \$658.8 Billion, Adequate For 11 Months Of Imports: Nirmala Sitharaman



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02

Cabinet approves electronic component manufacturing PLI scheme at outlay of Rs 22,919 crore



News Link

03

Trump hits auto imports with 25% tariff, starting April 2nd



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04

Private capex share in economy dipped to decadal low of 33% in FY24: Icra



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05

India Manufacturing PMI accelerated to 57.6 in March 2025 from 56.3 in the previous month



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06

7th Pay Commission : India approves 2% DA hike from 53% to 55% for central government employees



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CAPITAL MARKETS

01

Companies raise record Rs 1.33 trillion through QIPs (Qualified Institutional Placements) in FY25 amid market boom



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02

NSE revises market lot sizes for Nifty Bank, Nifty Midcap Select F&O contracts



News Link

03

Nifty 50 Rejig: Zomato, Jio Financial Services to replace BPCL, Britannia Industries in frontline index



News Link

04

India 10-year bond yield sees biggest drop in half a decade, slid 15 basis points to 6.5823% in March



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05

Coinbase registers with India's FIU, plans crypto trading launch this year



News Link

06

FII net buys shares worth Rs 2,786 crore, DIIs net buyers of Rs 37,073 crore



News Link

STARTUP INDIA

01

Indian govt announces Rs 1,000 crore funding scheme to support startups in the space sector



News Link

02

VC funding in Q1 2025 remains flat ; Bengaluru startups get over \$1B.



News Link

03

India ranks 3rd globally in startup funding, securing \$2.5 billion



News Link

04

Indian startups raise over \$1.156 Billion in March



News Link

05

India's tech startups raise \$2.5 billion in Q1 2025, up 8.7% from 2024



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06

New Rs 10,000-crore fund to boost startup ecosystem



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SEBI


 भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

01 SEBI board clears increase in disclosure threshold for FPIs

- SEBI has doubled the threshold for FPIs requiring granular disclosures from ₹25,000 crore to ₹50,000 crore in equity Assets Under Management (AUM).
- The revised limit ensures that only large FPIs with significant holdings are subject to enhanced disclosure requirements, reducing compliance burdens for smaller investors.
- FPIs with over 50% of their equity AUM in a single corporate group will still be required to provide detailed disclosures, regardless of the increased threshold.
- The move reflects the rise in trading volumes in the Indian stock market and aims to align disclosure norms with current market conditions.


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02 SEBI extends suspension of trading in seven commodity derivatives until March 2026

- SEBI has extended the trading ban on seven agricultural commodity derivatives for another two years, until March 2026.
- The suspension applies to key agricultural commodities, including wheat, chana (chickpeas), mustard seeds, paddy (non-basmati), moong (green gram), crude palm oil, and tur (pigeon pea).
- SEBI aims to curb speculative trading in these commodities to control price volatility and inflationary pressures in essential food items.
- The decision aligns with government policies to ensure stable food prices and protect consumers from excessive price fluctuations.


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 भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

03

SEBI eases rules on intraday position limit breach for index derivatives

- From April 2025, SEBI mandates mutual funds to deploy NFO proceeds within 30 days, down from 90 days earlier.
- This ensures quicker capital deployment, reducing idle funds and improving efficiency in fund management.
- Mutual funds must provide clear disclosures on how they allocate and invest NFO funds.
- The rule aims to safeguard investors by ensuring timely deployment of their money in the markets.
- The changes affect both equity and debt mutual funds, streamlining fund utilization.


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04

SEBI tightens norms for SME IPOs

- Instead of immediate penalties, brokers and traders will now have a more flexible compliance mechanism to rectify unintentional breaches.
- The changes aim to enhance market efficiency, reduce unnecessary disruptions, and provide better risk management for traders
- Market participants will now have more flexibility to adjust their intraday positions without facing stringent penalties.
- The relaxation applies specifically to index derivatives, indicating SEBI's intent to promote liquidity and active trading in these instruments.
- This improves participation in derivatives trading by reducing concerns about accidental breaches and associated penalties.


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SEBI

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SEBI CIRCULARS

Relaxation in timeline for reporting of differential rights issued by AIFs



Link

Disclosure of holding of specified securities in dematerialized form



Link

Faster Rights Issue with a flexibility of allotment to specific investors



Link

Framework on Social Stock Exchange (SSE)



Link

Online Filing System for reports filed under Regulation 10(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011



Link

Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)



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RBI



01

RBI allows banks to raise ATM charges from Rs 21 to Rs 23 per withdrawal from May 1

- The increased charge will be applicable only after customers exceed their free monthly withdrawal limit.
- Most banks allow 5 free ATM transactions per month at their own ATMs and 3-5 at other banks' ATMs.
- The increase is likely due to rising ATM operational costs, including cash management, maintenance, and security expenses for banks.
- Users who withdraw cash frequently after exceeding their free limit will have to pay higher fees, making digital transactions more attractive.
- The hike may encourage more digital payments like UPI, net banking, and wallets, reducing cash reliance.



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02

RBI raises liquidity facility limit for standalone primary dealers to ₹15,000 crore

- Standalone Primary Dealers are financial institutions that trade in government securities and play a crucial role in maintaining market liquidity.
- The move is expected to enhance liquidity in the bond market, improve trading efficiency, and stabilize interest rates.
- RBI likely raised the limit to support market participants amid evolving financial conditions and ensure efficient monetary transmission
- This facility will help SPDs to manage short-term liquidity needs and ensures smoother functioning in government securities (G-Sec) and money markets



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RBI



03

RBI revises norms for govt-guaranteed security receipts issued by ARCs

- SRs are instruments issued by ARCs to banks and financial institutions in exchange for bad loans, helping in the recovery process
- The new norms likely aim to enhance transparency, risk management, and accountability in handling stressed assets
- ARCs will need to adhere to stricter guidelines, ensuring better valuation and resolution of bad loans.
- The move may improve investor confidence in the distressed asset market and strengthen the financial system.
- RBI is tightening rules to make the bad loan resolution process more efficient and prevent misuse of government guarantees.



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04

RBI appoints Indranil Bhattacharyya as executive director, effective Mar 19

- He will oversee key functions, likely including monetary policy, banking regulations, and financial stability
- Bhattacharyya has extensive experience in RBI, having contributed to various departments, including research, banking regulation, and monetary policy.
- His appointment aligns with RBI's efforts to strengthen leadership in critical policy areas.
- His expertise is expected to help RBI navigate economic challenges, financial stability, and policy decisions effectively.
- Given his background, Bhattacharyya is expected to play a crucial role in shaping policy research, economic analysis, and regulatory strategies within the RBI.



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RBI CIRCULARS

Gold Monetization Scheme (GMS), 2015 - Amendment



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Amortization of additional pension liability - Implementation of Pension Scheme in Regional Rural Banks with effect from November 1, 1993 - Prudential Regulatory Treatment



Link

Treatment of Right-of-Use (ROU) Asset for Regulatory Capital Purposes



Link

Review of Priority Sector Lending (PSL) Target - Urban Co-operative Banks (UCBs)



Link

Asian Clearing Union (ACU) Mechanism - Indo-Maldives trade



Link

General Notification for Sale and Issue of Government of India Securities (including Treasury Bills and Cash Management Bills)



Link

Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021: Clarifications



Link

MCA



01

Govt notifies MSME Payment Delay Reporting Rule for Companies

- This rule aims to protect MSMEs from late payments and improve cash flow by ensuring they get paid on time.
- All companies buying goods or services from MSMEs must report outstanding dues beyond 45 days as per the MSME Act.
- Companies failing to report delays may face penalties under the Companies Act, impacting their financials and creditworthiness.
- This move is expected to improve liquidity for MSMEs, reduce working capital stress, and ensure financial discipline among large corporations.
- This step enforces accountability and prevents larger firms from exploiting smaller businesses through delayed payments.



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02

CoC gets more power, IBBI makes formation of monitoring panel mandatory

- These will now be required for all insolvency resolution cases to ensure proper execution of the approved plans.
- The MC will include the resolution professional, CoC nominees, and representatives of the successful resolution applicant.
- MCs must submit progress reports to the National Company Law Tribunal (NCLT) and IBBI to ensure transparency.
- CoC now has more decision-making authority over the monitoring process, improving creditor oversight.
- This move is aimed at strengthening India's insolvency resolution process by ensuring better implementation and reducing delays.



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INCOME TAX



01

Direct IT collection surges 16.2% YoY to Rs 25.9 lakh crore

- Revenue from corporate taxes rose to ₹12.40 lakh crore, up from ₹10.1 lakh crore in the prior year, indicating improved corporate profitability and compliance.
- There was a slight decline in wealth tax collections, decreasing from ₹3,656 crore to ₹3,399 crore, indicating marginal changes in wealth accumulation or valuation.
- Revenue from personal income tax increased to ₹12.9 lakh crore from ₹10.91 lakh crore, indicating rising individual incomes and improved tax compliance.
- Securities Transaction Tax (STT) surged 55.6% YoY to ₹53,095 crore, reflecting heightened stock market activity and investor participation.



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02

India Revises Tax Audit Reporting with Form 3CD Changes Effective April 1, 2025

- The changes mandate detailed disclosures on financial transactions, deductions, and compliance measures, ensuring more transparency.
- Companies will need to provide comprehensive disclosures on international transactions, aligning with India's anti-tax evasion efforts.
- The revision aims to streamline tax compliance, minimize discrepancies, and help tax authorities detect potential tax avoidance.
- Businesses will need to update their tax reporting systems and work closely with auditors to ensure smooth compliance with the new norms.



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INDIRECT TAXATION



01

GST collections for March rise to an 11-month high of Rs 1.96 lakh crore from ₹1.84 lakh crore in February

- The collections saw a ₹12,000 crore jump from February 2024, where GST revenue stood at ₹1.84 lakh crore.
- The revenue consists of CGST (Central GST), SGST (State GST), IGST (Integrated GST), and cess.
- Increased manufacturing output, improved consumption, and a rise in service sector activity contributed to higher GST collections.
- Higher GST revenue strengthens government finances, providing funds for infrastructure projects, welfare schemes, and fiscal stability
- A steady rise in GST revenue reflects economic resilience and business confidence



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02

Input Tax Credits may only be claimed via ISD (Input Service Distributor)

- ISD is a system under GST that allows companies to distribute ITC from common services (e.g., legal, advertising, IT services) to their branches.
- Companies with multiple branches cannot claim ITC directly; they must use ISD to allocate tax credits properly.
- Businesses need to register as an ISD entity and maintain detailed records for ITC distribution.
- Large corporations, banks, IT firms, retail chains, and consulting firms operating in multiple states will be impacted the most.
- The government aims to reduce fraudulent ITC claims, improve tax transparency, and streamline GST compliance.



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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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