

KREO CAPITAL PRIVATE LIMITED

SEBI REGISTERED CATEGORY I - MERCHANT BANKER

SIXTY EIGHTH EDITION



April 2024

Monday, 6th May 2024

“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

US manufacturing output increases in March; February data revised higher



News Link

02

Oil Slides as Technical Support Vies With Limited War Risks



News Link

03

China's factory, services activity growth slows in April



News Link

04

US private payrolls beat expectations in April



News Link

05

US Fed holds rates steady, flags 'lack of further progress' on inflation



News Link

06

Deflation Reaches UK Stores as Non-Food Prices Fall 0.6%, Inflation at 3.2%



News Link

BROAD ECONOMIC NEWS

01

Health insurers leave general insurance industry far behind in growth in FY24

[News Link](#)

02

More than 43.3 crore digital transactions in India every month", says FM Nirmala Sitaraman

[News Link](#)

03

India's crude oil import bill dip 16 per cent but import dependency rises

[News Link](#)

04

India's forex reserves decline by \$2.41 bn to \$637.92 bn as of April

[News Link](#)

05

India's business activity surges to 14-year high in April: PMI data

[News Link](#)

06

RBI conducts two-day VRRR as liquidity surplus nears Rs 1 trillion

[News Link](#)

CAPITAL MARKETS**01**

Oil PSUs Surge Exceed Capex Target with ₹1.28 Lakh Cr Investments



News Link

02

Blackstone to invest \$2 bn every year in India; wants quicker M&A clearances



News Link

03

Finance ministry notifies FDI in space sector; gives better access to capital, say startups



News Link

04

Outward foreign direct investment by Indian companies stabilizes in FY24



News Link

05

FIs have sold Rs 35,692.19 crore, DIs bought Rs 44,186.28 crore in April.



News Link

06

NSE introduces 4 new indices in capital market and F&O segment from April 8



News Link

STARTUP INDIA



01

Indians founded highest unicorns outside country: report



News Link

02

Diversified capital pool is changing dealmaking for Indian startups



News Link

03

Consumer lending apps on track on profitability front



News Link

04

In last decade, only 22% of unicorns were started by solopreneurs: report



News Link

05

Soonicorns (Soon to be Unicorns) That Incurred Maximum Losses In FY23



News Link

06

Zerodha's Nikhil Kamath launches WTFund for young entrepreneurs



News Link

SEBI


 भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

01

SEBI doubles investment limit for NRIs in IFSC-based FPIs.

- The relaxed FPI participation includes 100% contribution limits to those FPIs submitting PAN card details of all their NRI/OCI/RIs constituents, along with their economic interest in the FPI, SEBI said.
- The capital markets watchdog SEBI on Tuesday allowed up to 100% higher participation by non-resident Indians (NRIs), overseas citizens of India (OCIs) and resident Indians (RIs) to the corpus of those foreign portfolio investors (FPIs) based in the International Financial Services Centre and regulated by the International Financial Services Centre Authority (IFSCA)


 ↑
 Click
 to
 know
 more

02

SEBI to tighten norms to deter front running at AMCs.

- This will be through an institutional mechanism that will consist of enhanced surveillance systems, internal control procedures, and escalation processes to identify, monitor, and address specific types of misconduct, including front-running, insider trading, and misuse of sensitive information.
- SEBI has also allowed for increased contributions by non-resident Indians, overseas citizens of India, and resident Indian individuals in the corpus of certain FPIs based out of GIFT IFSC, subject to conditions.
- At present, NRIs and OCIs can contribute a maximum of 49 per cent in an FPI.


 ↑
 Click
 to
 know
 more


SEBI

 भारतीय प्रतिभूति और विनियम बोर्ड
 Securities and Exchange Board of India

03

SEBI proposes special call auction for price discovery of holding companies

- The proposal requires stock exchanges to implement a special call auction mechanism for certain companies, providing a seven-day notice prior to the auction. The auction is considered successful if at least 5 unique buyers and sellers participate.
- Out of 70 listed investment companies and investment holding companies (IHCs) in India, 28 have 25% or more of their assets invested in shares of other listed companies. Among these 28 companies, 16 have a six-month average volume weighted average price (VWAP) below their book value.



Click
to
know
more

04

Stock exchange to administer and supervise research analysts: SEBI

- The Securities and Exchange Board of India (SEBI) will delegate administrative and supervisory responsibilities of research analysts (RAs) and investment advisors (IAs) to a stock exchange along with many other non-core functions like approval of advertisements and scrutiny of applications.
- Once the new norm kicks in, fresh applications for a research analyst will be routed through the stock exchange, and enlistment with the exchange may be a prerequisite for obtaining Sebi registration, according to draft documents seen by Business Standard.



Click
to
know
more

SEBI

भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

05

SEBI CIRCULARS

Standardization of the Private Placement Memorandum (PPM) Audit Report



Link

Framework for Category I & II Alternative Investment Funds (AIFs) to create encumbrance on their holding of equity of investee companies



Link

Flexibility to Alternative Investment Funds (AIFs) and their investors to deal with unliquidated investments of their schemes



Link

Relaxation in requirement of intimation of changes in terms of Private Placement Memorandum of Alternative Investment Funds through Merchant Banker



Link

Facilitating collective oversight of distributors for Portfolio Management Services (PMS) through APMI



Link

Portfolio Managers - Facilitating ease in digital on-boarding process for clients and enhancing transparency through disclosures



Link

RBI**01****RBI cracked whip on Kotak Mahindra Bank: Serious Deficiencies**

- The Reserve Bank of India (RBI) has imposed restrictions on Kotak Mahindra Bank, directing it to halt the onboarding of new customers via online and mobile banking channels.
- The RBI's decision is based on the discovery of serious deficiencies and non-compliances in various IT-related areas within the bank.
- Issues were identified in IT inventory management, patch and change management, user access management, vendor risk management, and data security.
- RBI highlighted significant concerns found during the bank's IT system scrutiny for the years 2022 and 2023.



↑
Click to know more

02**RBI: Resident entities can now hedge gold price risk using OTC derivatives in IFSC**

- Resident entities in India can now hedge their gold price risk using over-the-counter (OTC) derivatives in the International Financial Services Centre (IFSCs).
- RBI has allowed this move to enable better risk management of gold price fluctuations.
- Facility is available to all resident entities with exposure to gold price risk, excluding individuals.
- The IFSC Authority regulates over-the-counter derivatives involving gold, such as forwards, swaps, and options, ensuring compliance with regulatory and risk management standards.



↑
Click to know more

RBI**03**

Co-lending AUM nearing Rs 1 lakh cr, RBI curbs to slow down growth in personal loans

- The co-lending model's Assets Under Management (AUM) is close to Rs 1 lakh crore.
- Personal loans make up a third of the AUM, but growth is expected to moderate due to RBI's revised risk weight.
- Regulatory curbs on unsecured lending may shift focus to MSME and home loans.
- Co-lending model is projected to grow 35-40% medium-term.
- Asset quality and regulatory evolution will be key for long-term success.



↑
Click to know more

04

RBI MPC 2024: RBI Keeps Repo Rate Unchanged At 6.5%; Says GDP Growth Is Buoyant

- The RBI has maintained the repo rate at 6.5% for the last six consecutive MPC meetings.
- Economy is expected to grow by 7% in FY25, with strong contributions from rural demand, employment conditions, and manufacturing.
- While headline inflation remains above the RBI's target, core inflation has fallen below 4%, suggesting potential for future policy easing.
- The current stance is 'withdrawal of accommodation', indicating a likelihood of continued tight monetary policy.



↑
Click to know more

RBI

05

RBI CIRCULARS

Voluntary transition of Small Finance Banks to Universal Banks



Link

Prudential Norms on Capital Adequacy - Primary (Urban) Co-operative Banks (UCBs)



Link

Unauthorised foreign exchange transactions - Authorised dealer banks Category I



Link

Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)



Link

Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - All Commercial Banks (excluding RRBs)



Link

Basel III Capital Regulations



Link

MCA



01

M&As: MCA plans to issue rules on 'deal value threshold' next month.

- The MCA plans to issue rules next month requiring offshore digital transactions over ₹2,000 crores to seek prior approval from the CCI.
- Once MCA issues the rules, the CCI can introduce regulations detailing the 'deal value threshold' provision implementation.
- The 'deal value threshold' provision, part of the Competition (amendment) Act 2023, will significantly impact digital industry transactions.
- Transactions will require CCI notification if they have substantial business operations (SBO) in India, determined by user numbers, gross merchandise value, or turnover exceeding 10% of global figures.



↑
Click
to
know
more

02

MCA seeks inputs from shareholders to revamp IBC rules.

- The Ministry of Corporate Affairs (MCA) is soliciting comments to overhaul rules under the Insolvency and Bankruptcy Code (IBC), focusing on personal guarantors, financial services providers, and the pre-packaged scheme. Proposed changes include applications to the adjudicating authority, annual statements of accounts, and annual report rules as per the Insolvency and Bankruptcy Board of India (IBBI).
- The pre-pack scheme, initially for MSMEs, may be expanded to larger companies to streamline resolution processes, while the framework's impact on financial service providers and small depositors/investors is under evaluation.



↑
Click
to
know
more

MCA



03

MCA Extends Last Date For Submission Of Comments On Draft Digital Competition Bill

- The MCA on Tuesday, April 9 extended the deadline for stakeholder comments on the draft Digital Competition Bill, as well as the report submitted by the Committee on Digital Competition Law (CDCL). In a notice, the ministry stated that in consideration of requests received from various stakeholders, “the last date of submitting the comments/suggestions is extended till 15th May, 2024 from April 15.
- As part of the draft bill, the committee introduced a staggered approach towards designating the various players, such as defining Systemically Significant Digital Enterprise (SSDEs), based on the service they provided (Core Digital Services), laying down their obligations, as well as powers that can be exercised by the competition regulator, Competition Commission of India (CCI), in case of non-compliance.



Click
to
know
more

04

Companies Act tweak, IBC among MCA's 100-day plan.

- MCA's 100-Day Plan: The Ministry of Corporate Affairs (MCA) has outlined a plan for the new government's first 100 days, focusing on amendments to the Insolvency and Bankruptcy Code (IBC) and the Companies Act, 2013.
- NCLT and NCLAT Strengthening: Proposals include increasing the number of members in the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT) to handle the growing number of cases.
- Governance Framework for Unlisted Firms: The plan also aims to introduce a stricter governance framework for large unlisted companies, including the formation of a Risk Management Committee (RMC).



Click
to
know
more

INCOME TAX



01

No change in income tax slabs from April 1, 2024: Finance Ministry

- Taxpayers can choose between the old and new tax regimes based on their financial situation, with the option to opt out of the new regime until the return filing for AY 2024-25.
- The Finance Ministry clarified that there are no changes to the tax regime from April 1, 2024, confirming that the new regime introduced in the Finance Act 2023 under section 115BAC (1A) is for individuals and has been the default since FY 2023-24.
- The new tax regime provides lower rates with fewer exemptions and deductions, allowing a standard deduction of Rs 50,000 for salaries and Rs 15,000 for family pensions, and permits taxpayers without business income to switch between old and new regimes annually.



↑
Click
to
know
more

02

Net direct tax collection surpasses RE in FY24; corporate tax receipts miss target

- Net Direct Tax Collection: Surpassed the revised estimate (RE) for FY24 at Rs 19.58 trillion, exceeding by Rs 13,000 crore.
- Personal Income Tax: Exceeded RE by 2.1% with actual collection at Rs 10.44 trillion.
- Corporation Tax: Fell short of RE by Rs 12,000 crore, with a collection of Rs 9.11 trillion.
- Personal income tax grew by 25.3%, while corporation tax grew by 10.3% in FY24.



↑
Click
to
know
more

INDIRECT TAXATION



01

GST revenue collection hits record high of Rs 2.10 lakh cr in April

- India's gross GST collections reached a record high of Rs 2.10 lakh crore in April 2024, marking a 12.4% year-on-year growth.
- Domestic & Import Growth: The increase was driven by a 13.4% rise in domestic transactions and an 8.3% uptick in imports.
- Net GST Revenue: After refunds, the net GST revenue stood at Rs 1.92 lakh crore, reflecting a 17.1% growth compared to the previous year.
- GST Breakdown: The collection included Central GST at Rs 43,846 crore, State GST at Rs 53,538 crore, Integrated GST at Rs 99,623 crore (including Rs 37,826 crore on imports), and cess at Rs 13,260 crore (including Rs 1,008 crore on imports).



Click
to
know
more

02

Indirect tax collection for FY24 exceeds RE by significant margin: CBIC

- Indirect tax collection for FY24 surpassed the revised estimates of Rs 14.84 trillion.
- A milestone GST collection of Rs 20.18 trillion was achieved, marking an 11.7% increase over the previous year.
- Reflecting robust economic activity, India's growth rate is projected at 7.6% for 2023-24.
- Various agencies, including SBI Research and Moody's, anticipate a GDP growth of 8% for FY24



Click
to
know
more

KREO CAPITAL PRIVATE LIMITED

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.

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.

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

HEAD OFFICE:

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

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