

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



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Securities and Exchange Board of India

SEBI



MCA



INCOME TAX



INDIRECT TAX



STARTUP INDIA

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GLOBAL MARKETS

01

Inflation hits 9.1% in countries using euro currency as fuel prices soar



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02

Gulf states to gain \$1.3 trillion in additional oil revenue by 2026: IMF



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03

Bank of Korea warns of more market volatility ahead as Fed signals more rate hikes



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04

'Inflation fever' finally breaking but central banks won't stop rate hikes



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05

China holdings of U.S. debt fall below \$1 trillion for the first time since 2010



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Fed's Mester sees benchmark rate above 4% and no cuts at least through 2023



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BROAD ECONOMIC NEWS

01

India, UK eye interim pact to help clinch major trade deal



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02

Tata Cleantech secures up to 10 billion yen loan from JICA



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India exploring to utilise Arab World's FTAs with US & EU for exports



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India should gradually withdraw fiscal, monetary stimulus, says IMF



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05

Bharti Airtel set to raise Rs 3,000 crore via CPs



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06

Economy faces resilience test as policymakers prioritise prices over growth



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CAPITAL MARKETS



01

HDFC Bank plans Rs 2,500-crore tier-1 bond sale amid firm credit offtake



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02

Bharti Telecom acquires 3.33% Airtel stake from Singtel in \$1.61 billion deal



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03

NTPC to raise Rs 2,000 crore through non-convertible debentures



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Reliance signs pact to invest in Abu Dhabi petrochemical hub



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Adani to launch open offer for NDTV



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AU Small Finance Bank raises Rs 2,000 cr via QIP issue



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SEBI



भारतीय प्रतिशत और विनियम बोर्ड
Securities and Exchange Board of India

01 SEBI enhances disclosure norms for rating companies



- SEBI enhanced disclosure rules for credit rating agencies (CRAs) and put in place a framework for rating withdrawal of perpetual debt securities. The move is aimed at allowing investors and other stakeholders to properly use such disclosures in a fair assessment of CRA's the SEBI said in a Circular. The new framework will be applicable to credit ratings of securities that are already listed or proposed to be listed on a stock exchange.
- In order to standardize the methodology pertaining to disclosure of a 'sharp rating action', SEBI said CRAs will have to compare two consecutive rating actions.

02

SEBI amends rules for portfolio managers' investments in 'associates'



- SEBI said portfolio managers can invest a maximum of 30% of clients' assets in the securities of their 'associates'/ related parties.
- This came after SEBI amended portfolio managers' rules on Monday that mandated prudential limits on investments in associates and related parties of portfolio managers, the requirement of taking prior consent of clients for such investments and restrictions based on the credit rating of securities. SEBI defined "associate" as a body corporate in which a director or partner of the portfolio manager holds, either individually or collectively, more than 20% of its paid-up equity share capital or partnership interest.

SEBI



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03

SEBI comes out with guidelines for overseas investment by AIFs, VCF's



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- SEBI came out with new guidelines for Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) for making investment abroad, under which overseas investee firms won't need to have an Indian connection. Under the rules, AIFs can invest in securities of companies incorporated outside India. Besides, VCFs are allowed to make investments in off-shore venture capital undertaking, subject to certain conditions.
- One of the conditions was that such overseas investments were allowed only in those companies which had an Indian connection.

04

SEBI overhauls preferential allotment rules for REITs, InvITs



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- SEBI overhauled the pricing norms for preferential allotment of units by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). Under the new framework, the pricing formula for allotment of units under preferential issue would be the Volume-Weighted Average Price (VWAP) of weekly highs and lows for 90 trading days or 10 trading days, whichever is higher.
- At present, the pricing formula in a preferential allotment is the VWAP of the last two weeks or the last 26 weeks, whichever is higher.

05

OTHER SEBI CIRCULARS

Disclosure requirement for Asset Management Companies



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Enhanced Disclosures by CRAs and Norms on Rating Withdrawal



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Circular for Portfolio Managers



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Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT



Link

Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT



Link

Participation as Financial Information Providers in Account Aggregator framework



Link

Block Mechanism in demat account of clients undertaking sale transactions



Link

RBI



01

Repo hikes boost demand for NBFC, housing finance companies' FDs



- Two consecutive repo rate hikes by the RBI has turned out to be a bonanza for housing finance companies (HFCs) and non-banking finance companies (NBFCs) with a spike in the volume of fixed deposits (FDs). Several HFCs and NBFCs increased their interest rates on FDs following the repo rate revisions by the central bank in May and June by 40 basis points and 50bps, respectively (100bps = 1percentage)
- With the RBI effecting another round of repo rate rise of 50bps last Friday, which is the third revision in four months, some banks and NBFCs have already revised their rates on FDs.

02

Rate hikes could leave consumers with little surplus to splurge on discretionary items



- Leisure travel, homes, cars and gadgets bought on mortgages will now pinch the average Indian borrower as a steep pace of policy rate increases over the past three months leaves consumers with little surplus to splurge on discretionary items.
- The central bank has raised the repo rate by 140 basis points since May this year. One basis point is 0.01%.

RBI



03

RBI launches key household surveys to get inputs for monetary policy

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- Reserve Bank of India on Tuesday launched the next round of household surveys to capture inflation expectations and consumer confidence. The results of the survey provide useful inputs for monetary policy, the central bank said.
- The September 2022 round of Inflation Expectations Survey of Households (IESH) aims at capturing subjective assessments on price movements and inflation, based on their individual consumption baskets, across 19 cities.

04

RBI to set up fraud registry to check banking frauds: Executive Director

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- The RBI considering setting up a fraud registry to create a database of fraudulent websites and phone numbers with locations as part of its efforts to strengthen customer protection and check digital frauds. Speaking with reporters, RBI Executive Director said such a database shall help prevent fraudsters from repeating the fraud because such websites or phone numbers will be blacklisted.
- "There is no definite timeline for setting up of the fraud registry. At present, we are talking to different stakeholders including different departments like payments and settlement and supervision of the RBI.

RBI



05

OTHER RBI CIRCULARS

Gold Monetization Scheme (GMS), 2015



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**Section 23 of the Banking Regulation Act, 1949 –
Branch Authorisation Policy**



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**Outsourcing of Financial Services - Responsibilities
of regulated entities employing Recovery Agents**



[Link](#)

Change in Bank Rate



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**Opening of new place of business by District
Central Co-operative Banks (DCCBs)**



[Link](#)

Liquidity Adjustment Facility- Change in rates



[Link](#)

**Master Circular on Credit Facilities to Minority
Communities**



[Link](#)

MCA



01 In case of conflict, IBC prevails over Customs Act: Supreme Court

- The Supreme Court on Friday held that Insolvency and Bankruptcy Code (IBC) will prevail over the Customs Act, to the extent that once moratorium proceedings begin under the Code, the customs authority does not have the power to initiate any recovery actions for dues from the corporate debtor.
- The top court also held that the customs authority cannot claim title over the goods and issue notice to sell the goods in terms of the Customs Act when the liquidation process has been initiated against the corporate debtor.



02 Competition Amendment Bill - Revising a relatively 'modern' law to meet the challenges of modern markets

- The Competition (Amendment) Bill, 2022 updates the existing framework for addressing anti-competitive agreements, abuse of dominance and mergers and amalgamations (M&A).
- The Bill aggressively advances review timelines for approval of M&A transactions. Arguably a welcome step, this may however increase the burden on parties to undertake a detailed engagement with the CCI before the formal filing to avoid invalidations, as the CCI has limited flexibility to extend timelines.



03

CCI keeping tabs on PEs taking up board seats in rival companies

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- The competition watchdog is keeping watch on private equity funds taking up board seats in rival companies in the same sector, saying such arrangements could adversely impact the competition landscape
- While the Competition Commission of India (CCI) has no issues with PEs owning minority stakes in rival companies, in terms of board representation it wants these funds to choose one company and give up directorship in the rival companies, they said

04

NCLT approves demerger of pharma business from Piramal Enterprises

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- NCLT approved the demerger of Piramal Enterprises' (PEL) pharma business and the simplification of the company's corporate structure. Ajay Piramal, chairperson of PEL said the company is on track to achieve the completion of demerger and separate listing of PPL by the third quarter of the current financial year. PEL's board had approved the demerger of the pharma business in October 2021.
- The demerger will create one of India's largest listed diversified NBFCs, with a loan book of nearly \$9 billion. The pharma company will be a large listed entity in the pharmaceutical sector with revenues of nearly \$1 billion.

INCOME TAX



01

I-T department collects Rs 28-cr in taxes from new ITR-U filing

- The Income-tax department has collected around Rs 28 crore in taxes after about 1 lakh returns were filed by taxpayers under the newly introduced return filing form called ITR-U, that was notified this year as part of the Budget 2022-23. CBDT Chairman Nitin Gupta said the scheme was brought by the Union government for the benefit of taxpayers so that they can comply with their tax responsibilities without getting into hassles of the law.
- The abbreviation ITR-U stands for 'income tax return-updated' and is available to taxpayers for filing updated returns for 2019-20 and 2020-21 financial years or assessment years 2020-21 and 2021-22.



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02

CBDT issues SOP for faceless assessment to cut tax litigation, clear doubts

- Income-tax The Central Board of Direct Taxes has issued a detailed standard operating procedure (SOP) for officials for dealing with the faceless scheme, in a move aimed at reducing litigation and confusion about the scheme. The board has mandated the officials to grant personal hearing to the assessees within 2-3 days of receiving such a request.
- The SOP was issued following a spike in litigation and adverse comments by various courts against the department over its handling of the scheme



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INDIRECT TAXATION



01

Customs to start uniform risk-based scrutiny of imported goods in phases from Sep 5



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- The Customs department will begin a standardised risk-based faceless assessment system across the country for clearance of imported consignments in phases starting with metal from September 5. This would promote ease of doing business as it would bring uniformity in Customs examination, and reduce the time taken for clearing consignments.
- CBIC in a circular to field offices said the National Customs Targeting Centre (NCTC) has developed system generated centralized examination orders for Bills of Entry (BoE), based on various parameters, and this will be rolled out in phases.

02

FTA provisions to prevail in rules of origin disputes



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- India will follow provisions of free trade agreements (FTAs) over the wider and more stringent domestic framework in case of any dispute over value addition or rules of origin related to imports under FTAs.
- The decision comes as the country eyes trade deals with large trading partners such as the European Union. The Central Board of Indirect Taxes (CBIC) has instructed its officials to follow provisions in FTAs and the associate rules of origin in case of conflict with Customs (Administration of Rules of Origin under Trade Agreements) Rules 2020.

STARTUP INDIA



01

India has over 3,000 deep-tech startups:
NASSCOM report



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02

Infibeam Avenues Acquires 50% Stake In
Vishko22



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03

HealthAssure raises Rs 50 cr in pre-series B
funding led by Dadlani Group



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04

Accenture invests in Bengaluru-based satellite
firm Pixxel



News Link

05

Longevity science startup Human Edge raises
over \$1.5M led by Bharat Innovation Fund



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06

Unicorn India Ventures to exit from six
startups by selling its stakes



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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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