



RNM ALERT
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EDITORIAL

Dear Readers

During the month of September 2022 our CEO, Mr. Raghu Marwah attended the 12th AGM of Service Export Promotion Council (SEPC) where ways to strengthen India's service exports was discussed. With the Indian Rupee now hovering at the 81-82 range against the US\$, exports have become more competitive. The Indian economy continues to remain a relative star performer amongst the global peers hit by recession, consumer price inflation and geo-political instability.

On the Direct Tax front, although a last minute extension of 7 days has been allowed by the CBDT I hope that all of you have filed your Tax Audit Reports (TAR) within the 30 September earlier deadline. In the landmark judgement pronounced by the Hon'ble Supreme Court in the case of Khyati Realtors Pvt Ltd. the concept of allowability of bad debts has been completely turned 360 degrees, where now the Assessee is obliged to establish and satisfy the Assessing Officer that the debt has become bad.

On the Corporate law side, the Ministry of Corporate Affairs (MCA) has revised the definition of 'Small Company' increasing the threshold limit of paid up capital from Rs. 20M to Rs. 40M and limit of turnover from Rs. 200M to Rs. 400M thereby increasing the ease of doing business.

We would like to take this opportunity of wishing our esteemed readers a very Happy Deepawali on 24 October 2022 and on this occasion would like to pray that the festival of lights brings happiness and joy in your life.

CA U N Marwah
Chairman- RNM India

Internal Audit





Auditing Emerging Technologies (Facing New-Age Challenges)

Audit professionals must prepare for the difficulty of auditing emerging technologies in light of the remarkable advancements in information technology. Predictive analytics, robotic process automation (RPA), blockchain, machine learning, and artificial intelligence are new skills and information that auditors need to learn (AI). Businesses want auditors to be forward-thinking technology consultants who can bring value to the organisation during IT projects since emerging technologies are adopted by businesses at a quick rate to foster synergy and harness the most recent innovations.

If the auditors are qualified and capable, boards and C-level management use the audit as their main instrument to evaluate strategic risk. As a result, audit chiefs are constantly working to upgrade the technological skills of their audit team.

According to Committee of Sponsoring Organizations of the Treadway Commission (COSO) guidance, internal control principles like segregation of duties (SoD), record-keeping, independent reviews, etc., are still appropriate and relevant even though the use of contemporary technologies has led to the automated processing of large amounts of information.

Evaluation of Emerging Technology Risk

Management anticipates independent audit reports from auditors to be provided throughout the technology selection process, during project deployment and pilot testing, and following implementation. The risk profiles of different entities have been impacted by the paradigm shift from conventional procurement and governance practises, so auditors must modify their auditing lenses and reconsider their assessments of third-party risk, outsourcing, application controls, data privacy, and cybersecurity.

Organizations are racing to adopt breakthrough technology for their businesses in order to surpass rivals. This frequently leads to the risk that is present in the evaluation, choice, implementation, and operation of business activities being overlooked. Such actions may have negative effects on market growth, reputation, and regulatory compliance.

Cloud Computing:

Cloud computing opens up organizations to new risk as cloud computing often involves a third party providing the cloud services. Risk factors such as service level agreements/contracts, information privacy and protection, and compliance with legal and regulatory requirements are a few, along with cloud security controls, access management, information communication and retention, and change management. While assessing the risk associated with cloud computing, auditors need to be aware of cloud service models (i.e., software as a service, platform as a service or infrastructure as a service) being provided to the organization. Additionally, auditors must consider the deployment model (i.e., public, private, hybrid). There is less physical control over assets and greater reliance on external audits for assurance of information protection.

Artificial Intelligence:

Given the invisible nature of algorithms, audits must focus on the logical flow of processes. A review of AI should ascertain whether unintended bias has been added to the algorithms. Auditors should assess the effectiveness of algorithms and whether their output is appropriately reviewed and approved. Because AI is built on software modules, auditors must also consider cybersecurity and search for possible bugs and vulnerabilities that can be exploited to impact AI functionality. Internal auditors can use the Institute of Internal Auditors (IIA) AI Auditing Framework. This framework is composed of two parts and has three components—AI strategy, governance and human factor—and provides guidance on how to audit AI during different stages of its development and deployment.

Internet of Things: -

Due to a heavy reliance on the Internet, auditors must focus on risk related to data privacy, hacking, interruption of services and cybersecurity. Auditors can use NISTIR 8228 (Considerations for Managing Internet of Things [IoT] Cybersecurity and Privacy Risks) for security and privacy of IoT.⁹ These guidelines short-list three high-level goals: protect device security, protect data security and protect individual privacy. The guidelines outline relevant risk that needs to be mitigated to meet these three goals.

Blockchain: -

Although blockchain's core security premise rests on cryptography, there are risk factors associated with it. As blockchain interacts with legacy systems and business partners, concerns related to insecure application programming interfaces (APIs), data confidentiality and privacy cannot be ignored. Weak blockchain application development protocols are something auditors cannot overlook. Similarly, data privacy laws and regulations may be problematic as data are communicated across geographic boundaries. Auditors must be able to determine whether the data put on blockchain will expose the enterprise to liability for noncompliance with applicable laws and regulations.



Robotic Process Automation: -

In a few years, it will be the norm for auditors to add RPA to their scope of work. Although RPA offers consistency, it is prone to elicit a knee-jerk reaction when the dependent processes or systems are exposed to a cyberattack. It is, therefore, of utmost importance for auditors to understand RPA processes, which include data extraction, aggregation, sanitization and cleansing. Unless auditors understand these processes, they will not be in a position to initiate an audit. Similarly, a comprehensive assurance process might demand review of the source code. To perform substantive testing, auditors must have an understanding of the tools used to develop and maintain RPA. This will be helpful when auditors review logs, configuration controls, privileged access controls and the like.

General IT controls are applicable as always.

Conclusion: -

Emerging technologies bring opportunities to organizations, but they also expose the enterprise to new risk. Auditors are expected to identify the right balance between cost and benefit of internal controls for mitigating these risk factors. This includes understanding how technology integrates with business, how it is governed, which activities are automated and how they are controlled, what the business impacts are as a result of this automation, and how negative impacts are controlled and monitored. Though auditors are not expected to be experts in every technology, they should be able to identify the risk inherent with these technologies. This includes understanding the technology architecture, the internal control framework embedded in the technology and its integration with business.



Direct Tax



1. CIRCULAR NO. 18/2022 [F.NO. 370142/27/2022-TPL], DATED 13-9-2022

Vide this circular the Central Board of Direct Taxes (CBDT) has issued additional guidelines for removal of difficulties under sub-section (2) of section 194R of the Income-Tax Act, 1961. Earlier, the CBDT had issued guidelines vide Circular no. 12 of 2022, dated 16th June, 2022.

2. LETTER F.NO. 285/08/2014-IT(Inv.V)/196, DATED 16-9-2022

Vide this letter dated 16.09.2022 the Central Board of Direct Taxes (CBDT) has issued Guidelines on Compounding of Offences under the Income-tax Act, 1961 have been reviewed by the Board with a view to simplify and facilitate compounding of offences.

3. NOTIFICATION G.S.R 709(E) [NO. 110/2022/F.NO. 370142/41/2022-TPL], DATED 19-9-2022

Vide this notification the CBDT makes amendment in form ITR-6; insertion of rule 12AD and form ITR-A. These rules may be called the Income-tax (31st Amendment) Rules, 2022. They shall come into force from the 1st day of November, 2022. Form ITR-A inserted for successor entities to furnish return of income under section 170A consequent to business reorganisation.

Important Judicial Precedents

1. AO should follow HC decision in assessee's favour in assessee's own case , even if Department has filed SLP against the decision to SC

Judicial discipline demands AO and CIT(A) should follow HC decision in assessee's favour in assessee's own case even if Department has filed SLP in SC and SLP is pending.

[2022] 142 taxmann.com 520 (Delhi - Trib.) IN THE ITAT DELHI BENCH 'D' Sheraton International, LLC vs. JCIT, Circle 3(1)(2), International Taxation

2. Six months' limitation for deciding refund claims is to be followed strictly: HC

The assessee-company claimed that due to the inaction of the Revenue, the assessee was deprived of substantial amount of refund along with interest u/s 244A of the Act and that demand had incorrectly been raised.

In writ, the High Court observes that this Court finds that CBDT instruction No. 2/2013 [F. No. 225/76/2013/ITA.II] dated 05th July, 2013 and Letter [F. No. 225/148/2015- ITA-II], dated 05th July, 2015 stipulates that the Assessing Officers must strictly follow the time limit of six months provided under Section 154(8) of the Act in disposing of the rectification applications. Hence the Court directs that the AO consider and dispose off the assessee's applications within 6 months' time.

2022-TIOL-1248-HC-DEL-IT _Delhi HC; NORTEL NETWORKS INDIA PVT LTD Vs. DCIT, CIRCLE 16(1), NEW DELHI

3. AO can initiate reassessment without passing assessment order in commenced scrutiny assessment proceedings

AO is not statutorily barred from initiating reassessment u/s 147 without passing assessment order under scrutiny assessment commenced. Section 144C(4) nowhere states that where AO has commenced scrutiny assessment proceedings u/s 143(2), he can issue reassessment notice under section 148 only after passing an order u/s 143(3) r.w.s. 144C(4). AO can initiate reassessment without completing commenced scrutiny assessment proceedings provided he does so within the limitation period provided for issue of reassessment notice.

[2022] 142 taxmann.com 491 (Madras) MADRAS HC; Kone Elevator India (P.) Ltd. Vs. ACIT, Corporate Circle 4(2)

4. Criteria for determining whether the profit on sale of shares is business income or capital gains?

The issue regarding the profit on sale of shares being business income or capital gains is an issue which has never been settled. The fight continues depending upon whichever way is beneficial for the assessee or department. In one such case, the petitioner in this case challenged the ITAT order where the gain was held to be business income solely on the basis of period of holding of shares. The assessee's counsel argued on various grounds including the facts that the Government itself encouraged investment in shares by reducing the period of holding in shares to be eligible for long term to 1 year and also relied on CBDT Circular No 4 of 2007 dated 15.06.2007. The department on other hand argued that most of shares were purchased and sold during the year and were acquired from secondary market.

The Division bench while appreciating that an assessee can have both investment and business portfolio, observed that period of holding cannot be sole determinative criteria which can be as little as one day. It was noted that no single formula can be laid down and facts of each case have to be seen while holding one way or other. On the basis of the facts including that the assessee had separately maintained business and investment portfolio, made investment out of own funds held that the tribunal feel in error while holding the capital gains to be business income.

[ITA/48/2009 Gyan Traders Limited Vs CIT, Kolkata-II, CALCUTTA HC dated 30.09.2022]

5. Foreign tax credit cannot be disallowed where assessee has filed Form No. 67 before completion of the assessment

Assessee is eligible for foreign tax credit where assessee has filed Form No. 67 before completion of the assessment, though not in accordance with (pre-amended) rule 128 (9) of the Income Tax Rules which required the same to be filed on or before the due date for filing ITR u/s 139(1).

6. ITA No.338/2016 PCIT Vs. Linde India Limited; Calcutta High Court 05th Sept 2022

High Court upheld that no addition made under Section 40(a)(i) was rightly deleted by ITAT noting that amount paid by the Assessee to its German counterpart was neither debited in the P&L Account nor was it claimed as deduction in computing business; Revenue had made a disallowance of Rs.72.89 Crore and further enhanced the long term capital gain on sale of land in Chennai by invoking the provisions of Section 50C; ITAT had noted that assessee had paid amount to its counterpart as a capital work in progress, which was not charged to P&L account; Regarding addition u/s 50C, ITAT had directed the Revenue to rework the capital gains by adopting valuation as per DVO.



Indirect Tax



GST CALENDAR

Compliances for the month of October 2022

Nature of Compliances	Due Date
GSTR-7 (Tax Deducted at Source 'TDS')	October 10,2022
GSTR-8 (Tax Collected at Source 'TCS')	October 10,2022
GSTR-1	October 11,2022
IFF- Invoice furnishing facility (Availing QRMP)	October 13,2022
GSTR-6 Input Service Distributor	October 13,2022
GSTR-2B (Auto Generated Statement)	October 14,2022
GSTR-3B	October 20,2022
GSTR-5 (Non-Resident Taxable Person)	October 20,2022
GSTR-5A (OIDAR Service Provider)	October 20,2022
PMT-06 (who have opted for QRMP scheme)	October 25,2022

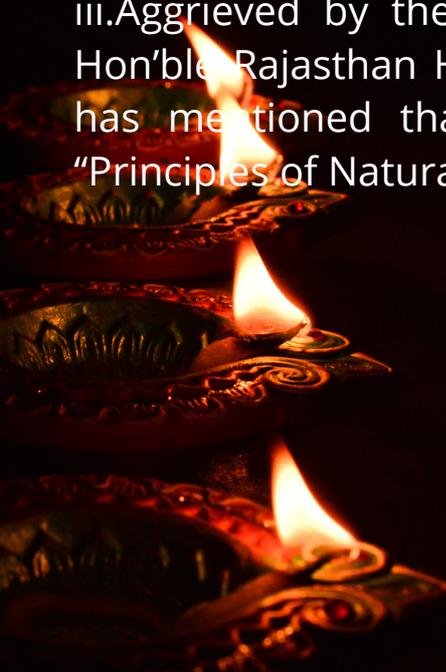
A.Vide Notification No. 18/2022-Central Tax dated 28 September 2022, CBIC has appointed 01 October, 2022 as the date on which the provision of Section 110 and section 111 of Finance Act, 2022 shall come into force.

- Thereby increasing the time limit of the following upto 30 November, 2022-
 - i.Avaling Input Tax Credit for the FY 21-22
 - ii.Issuing credit notes in relation to a supply of goods or services or both shall be declared in the return for the month during which such credit note has been issued but not later than 30 November, 2022
 - iii.Rectification of GSTR-1 & GSTR 3B
- This amendment brings advantage to the taxpayers for FY 21-22. Basis this, taxpayers can avail ITC, issue/report CN and rectify returns for FY 21-22 till November 30, 2022.
- The taxpayers can effectively avail ITC till last date of filing GSTR-3B for the month of October, i.e., November 20.

A.Tax professional needs to be extra cautious while filing any documents online- Rajasthan High Court in the matter of Shyam Sunder Girdhar Gopal vs The State of Rajasthan.

·Background

- i.The petitioner while submitting the FORM GST DRC-06 had selected “No” at the time of selection of Personal Hearing option. Moreover, it was noticed that the petitioner had suppressed some material facts before approaching the Hon’ble High Court.
- ii.Post submitting the FORM, an adverse assessment order was passed by the proper officer against the petitioner.
- iii.Aggrieved by the order, the petitioner filed a writ petition before the Hon’ble Rajasthan High Court and along with other grounds, the petitioner has mentioned that the assessment order was passed in violation of “Principles of Natural Justice”.



·Held

i. Pursuant to the notice(s) issued to the petitioner under Section 74 of the RGST Act, reply was filed on its behalf and Form GST DRC-06 was submitted wherein, for the option of personal hearing, a conscious selection was made by the petitioner in the negative. Apparently thus, it was the explicit desire of the petitioner not to opt for personal hearing. Hence, the impugned orders cannot be branded as having been passed in breach of principles of nature justice. Having held so, apparently these writ petitions are liable to be rejected as being not maintainable.

ii. In view of the above conclusion, the Hon'ble Rajasthan High Court has proposed not to delve into the issue of concealment of material facts and has assigned the petitioner to approach the appellate authority by filing appeals against the impugned orders by taking recourse of the procedure provided under Section 107 of the CGST Act.

iii. The writ petitions was thus dismissed.

· The Taxpayers / Tax professionals should be extremely vigilant while filing/ uploading any documents on the online portal, any negligence or clerical ignorance may hamper their case.

A.No ITC on vouchers and subscription packages procured from third-party vendor- Authority of Advance Rulings, Karnataka in the matter of M/s Myntra Designs Pvt. Ltd

·Background

i. Applicant is a major Indian e-commerce company and owns an e-commerce portal; engaged in the business of selling of fashion and lifestyle products through the portal.

ii. The loyalty program is sought to be introduced with an object of increasing customer base of the applicant's platform which will lead to increased footfall and sales through the said platform and thus the said loyalty program will directly impact and enhance the amount of commission earned by the Applicant in the course of their business.

iii. In view of the above, the applicant has sought advance ruling in respect of the following question-

"Whether the applicant would be eligible to avail the input tax credit, in terms of Section 16 of the CGST Act 2017, on the vouchers and subscription packages procured by the applicant from third party vendors that are made available to the eligible customers participating in the loyalty program against the loyalty points earned / accumulated by the said customers."

·Held

i.Hon'ble Authority of Advance Rulings, Karnataka has observed that input tax credit is an entitlement to a registered person which can be taken subject to such conditions and restrictions as may be prescribed. In this regard it is seen that clause (h) of Section 17(5) prescribes that input tax credit shall not be available in respect of "goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples".

ii.Further, the loyalty program that the applicant, on the basis of a particular transaction / purchase by the customer through their e-commerce platform and subject to acceptance of the terms and conditions of the applicant by the customer, allows the customer to earn loyalty points. The applicant in the said transaction recovers the full amount from the customer and gives the loyalty points free of cost. Further the said loyalty points, in the applicants own admission, do not have any monetary value, are non-transferable and cannot be converted to cash.

iii.The redemption of loyalty points, admittedly involves no flow of consideration from the customer. Thus redemption of loyalty points by the customer for receiving vouchers from the applicant implies that the vouchers are issued free of cost to the customer and amounts to disposal of vouchers(goods) by way of gift and squarely covered under clause (h) of Section 17(5) of the Act.

[To Read More](#)



Corporate Finance



Edtech firm Lido Learning files for insolvency:

Ronnie Screwvala's Unilazer Ventures-backed Quality Tutorials Pvt. Ltd, which runs edtech platform Lido Learning, has filed for insolvency, according to the company's latest filings with the corporate affairs ministry. In a meeting early this week, Lido's board passed a special resolution to file for the corporate insolvency resolution process under section 10 of the Insolvency and Bankruptcy (IBC) code, 2016. Lido Learning had asked more than 1,200 employees to resign in February 2022. The startup had told employees that they may get their salaries in the next three months. However, most employees are yet to receive the dues. Founded in 2019 by Sahil Sheth. Lido Learning was an online learning platform that provided live online classes online. Ronnie Screwvala, Anupam Mittal, and Vijay Shekhar Sharma are among the backers of the startup. In September last year, the company had received USD 10 million from Screwvala's Unilazer Ventures. In total, it has raised nearly USD 20 million in funding.

Here is some latest financial news on private equity, venture capital, and mergers & acquisitions:

Private Equity

Varde Partners to pick 15% stake with Rs 933 cr investment in Rel Power:

US investment firm Värde Partners will pick up around 15% equity stake with an investment of Rs 933 crore (around USD 117 million) in debt-laden Reliance Power Ltd (RPL). RPL, was formed in 1995 and got listed in February 2008 after one of the biggest India initial public offerings (IPOs) that helped the firm raise INR 11,560 crore. Founded in 1993, Värde Partners is among India's active distressed asset investors. It manages a total portfolio of around USD 13 billion globally with offices in India, Singapore, Minneapolis, New York, London and few cities in Europe and Asia.

(Source: VC Circle, 8 September 2022)

Nobel Hygiene snags USD 17 mn in Series C round:

Mumbai-based diaper maker Nobel Hygiene Pvt. Ltd on has secured INR 132 crore (around USD 17 million) in a Series C funding round from existing investor Sixth Sense Ventures. Founded in 2000, Nobel Hygiene makes adult diapers, maternity pads, adult pull-ups, under pads, nappy pads and baby diapers. It markets its baby diapers under the Teddyy and Snuggly brands while adult incontinence products are sold under the Friends brand.

(Source: VC Circle, 14 September 2022)

Everstone Capital acquires controlling stake in Softgel Healthcare:

Everstone Capital, the private equity arm of the Everstone Group, has acquired a controlling stake in Softgel Healthcare (SHPL) for an undisclosed sum. Puncham Mukim and Dr Arjun Oberoi, managing directors, Everstone Capital will join the board of SHPL post this deal. Chennai-headquartered SHPL is part of the pharmaceutical contract manufacturing company, Madras Pharma Group and deals in pharma, nutraceuticals and over-the-counter (OTC) products. It has 8 manufacturing facilities covering all dosage forms. SHPL specializes in the research, development and manufacturing of soft gelatine capsules and probiotics.

(Source: VC Circle, 14 September 2022)

KKR leads \$450 mn investment in Hero Group's renewable energy arm:

Global private equity major KKR will invest USD 450 million (around INR 3,585 crore) in Hero Future Energies (HFE), the renewable energy arm of the Hero Group. The majority investment comes from KKR along with co-investment from the parent conglomerate Hero Group, details of which along with the valuation remain undisclosed. Founded in 2012, Hero Future Energies is a leading independent power producer in India with a portfolio of 1.6 GW of operating assets across utility and commercial and industrial sector.

(Source: VC Circle, 14 September 2022)

Math-learning platform Bhanzu bags \$15 mn in Series A:

Hyderabad-based Math-learning platform Bhanzu has raised USD 15 million (INR 119.76 crore) in Series A round, led by venture capital firm Eight Roads Ventures. B Capital and existing investor Lightspeed also participated in the round. The company did not disclose its valuation after the fundraise. In the current round, Eight Roads Ventures invested INR 87.82 crore, while B Capital and Lightspeed invested INR 15.97 crore each.

(Source: VC Circle, 21 September 2022)

Byju's misses payment deadline to clear dues in Aakash deal:

Edtech startup Byju's has yet again missed the deadline to clear the dues of over ₹1,500 crores, as part of the USD 950 million Aakash Educational Services deal, to private equity firm Blackstone Inc. Byju's had announced the acquisition of test preparation startup Aakash in April 2021 in a cash and stock deal, and had made partial payments to its shareholders. Blackstone was paid a part of the USD 400 million as part of the interim arrangement, and Byju's promised to settle the dues of ₹1,500-1,620 crore in June.

(Source: VC Circle, 24 September 2022)

Venture Capital

Fintech Firm Ayekart Snags Fresh Funding from Caspian, Siply:

Mumbai-based integrated supply chain and finance platform Ayekart Fintech secured USD 5 million (around INR 37 crore) from Caspian Debt and Siply in a mix of debt and equity funding round. The startup plans to deploy the fresh proceeds to serve the needs of traditional businesses across food and agri sector. Founded in December 2020, Ayekart has created an integrated supply chain and finance platform. It aims to address the challenges of MSME and retail business that have struggled and which are further aggravated by the spread of the pandemic.

(Source: VC Circle, 07 September 2022)

Magna Leads Series B Round in Yulu:

Electric mobility startup Yulu Bikes Pvt. Ltd, has raised INR 653 crore (close to USD 82 million) in its Series B funding round, led by US-based mobility technology company Magna International Inc. Existing investors including Bajaj Auto also participated in the round. Yulu plans to use the funds to strengthen its leadership through product and technology innovation. The startup is also planning to increase its electric vehicle fleet to more than 1 lakh, along with more than 500 battery charging and swapping stations in the next 12 months.

(Source: VC Circle, 12 September 2022)

91Squarefeet Bags \$10 Mn In Series A Round:

Construction tech startup 91Squarefeet, has raised USD 10 million in a Series A round led by Stellaris Venture Partners. Existing investors Y Combinator, Betatron Venture Group and some angel investors also participated in the round. 91Squarefeet plans to use the funds to strengthen its on-ground service and product development teams along with deepening engagement with its supplier network. Founded in 2019 by Amit Bansal, Amit Mishra and Puneet Bansal, 91Squarefeet enables brands to set up new physical stores. The company has a network of more than 600 contractors and factories.

(Source: VC Circle, 13 September 2022)

Google-Backed DotPe Raises \$58 Million In Series B:

E-commerce enabler DotPe has raised USD 58 million in its series B funding round led by Temasek. The round saw participation from existing investors PayU, the payments and fintech business of Prosus, and InfoEdge Ventures. Mitsubishi & Naya Capital joined as new investors. The startup plans to foray into financial services and further empower merchants with business loans and credit lines for its merchant partners. DotPe was founded in 2020 by PayU co-founder Shailaz Nag along with Gyanesh Sharma and Anurag Gupta. It enables online business solutions for retailers. The company also provides ordering, online payments, and delivery facilities to its customers.

(Source: VC Circle, 19 September 2022)

IGP, Interflora Parent Raises \$23.5 Mn In Series B Round:

Join Ventures Private Limited, the company behind gifting platform IGP.com, Interflora India, and a to-be-launched food company Masqa, has raised USD 23.5 million (INR 187 crore) in a Series B round, led by MO Alternate Investment Advisors Private Limited (Mo Alts). The round also saw participation by Convivialité Ventures, Pernod Ricard's VC arm and existing investors DSG Consumer Partners, Venture Catalysts, ZNL Growth and HNI investors. The company has raised its second round of funding this year after its USD 10 million Series A round.

(Source: VC Circle, 22 September 2022)

B2B platform Saveo raises funds at \$50 mn valn:

Bengaluru-based Saveo Healthtech Pvt Ltd, which operates a business-to-business e-commerce platform focused on pharmacies, has secured USD 4.5 million (around INR 35 crore) in a fresh funding round co-led by Matrix Partners, Gunosy Capital and 4point0 Health Ventures. The latest round valued the pharmacy-focused B2B startup at USD 50 million. Existing investors LC Nueva, Jetty Ventures, Ocgrow Ventures, Capier Investments, RTP Global, India Quotient and Incubate Fund also participated in the funding. Founded by Amit Kumar, Anurag Savarnya, Shivansh Shrivastava and Vivek Jaiswal in 2019, Saveo is a platform that helps pharmacies by addressing issues relating to procurement and supply chain.

(Source: VC Circle, 28 September 2022)

Mergers & Acquisition

Reliance Retail Arm Acquires Control of Insight Cosmetics:

Reliance Retail Ventures Ltd (RRVL) has bought a controlling stake in makeup and personal care brand Insight Cosmetics marking the entry of the billionaire Mukesh Ambani-owned company into the cosmetic business. The deal was valued at USD 10-15 million, one of the people said, requesting anonymity. The person declined to elaborate on the transaction. Insight Cosmetics was launched by Mumbai-based entrepreneur Dinesh Jain in 2001. The brand claims to have a distribution presence across 20 states and its products are sold at more than 12,000 retail and novelty stores across the country.

(Source: VC Circle, 05 September 2022)

UpGrad in Acquisition Spree Buys Centum Learning:

Upskilling unicorn upGrad Education Pvt. Ltd has bought New Delhi-based learning solutions platform Centum Learning in a share-swap deal, in its sixth acquisition this calendar year and the 11th so far. Financial details of the deal were not disclosed. Two people close to the development pegged the deal size at ₹120 crores (around USD 15 million). Centum Learning is a wholly owned unit of Bharti Enterprises Ltd, which is also the parent of telecom operator Bharti Airtel. Post the transaction, Bharti Enterprises and its affiliates will join upGrad's cap table.

(Source: VC Circle, 15 September 2022)

Mensa Brands Acquires Peanut Butter Brand MyFitness:

D2C (direct-to-consumer) unicorn Mensa Brands has acquired peanut butter brand MyFitness for an undisclosed sum. The company has now entered the health food category with this deal. This is Mensa's 22nd reported transaction. The deal aims to strengthen the brand's footprint, enabling it to launch new categories, scale D2C, invest in brand-building and expand to global markets. MyFitness' product line-up comprises flavoured peanut butter, crispy peanut butter, and high-protein bars. Founded in 2019 by Mohammad Patel and Rahil Virani, MyFitness raised USD 1 million in a seed round led by accelerator fund 9Unicorns.

(Source: VC Circle, 12 September 2022)



Corporate & Legal



In this edition we have tried to bring you notice the latest amendment that followed in the month of September, 2022 issued by MCA, RBI, SEBI, DIPP and others.

AMENDMENTS ISSUED BY MCA

Amendment to Schedule III to the Companies Act, 2013 vide Notification GSR. 207(E) The notification mandates companies to round off the figures appearing in the Financial Statements depending upon their total income. However, if the companies provide absolute figures in e-forms ie. AOC-4, the same shall not be treated as incorrect certification by the Professionals.

To read more- <https://www.mca.gov.in/content/mca/global/en/home.html>

MCA extends due date for DIR3 KYC AND KYC WEB

Representations has been received in the ministry and matter vhas been examined and it is decided to allow filing of DIR3 KYC AND KYC WEB upto 15th October without payment of Additional Fees.

To read more - <https://www.mca.gov.in/bin/dms/getdocument?mds=7QUIB%252FsKoFbd2uXZjD3YXg%253D%253D&type=open>

MCA amends Companies (Corporate Social Responsibility Policy) Rules, 2014

Mca amends rule 3,4,8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 providing for the words "five percent", the words "two per cent." shall be substituted; (ii) for the words "whichever is less", the words "whichever is higher" shall be substituted and and rule 4(1) has been substituted.

To read more- <https://www.mca.gov.in/bin/dms/getdocument?mds=mjSgtVf5sUlxl4nsS4QvyQ%253D%253D&type=open>



AMENDMENTS ISSUED BY SEBI

SEBI Notification under Securities Contract Regulation Act 1956

“Electronic Gold Receipt” means an electronic receipt issued on the basis of deposit of underlying physical gold in accordance with the regulations made by the Securities and Exchange Board of India under section 31 of the said Act.

To read more- https://www.sebi.gov.in/legal/gazette-notification/dec-2021/notification-under-the-securities-contracts-regulation-act-1956_55157.html

SEBI issued Notification under Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007

SEBI has now strengthened the Guidelines for Debenture Trustees (DTs) with respect to listed securities. In furtherance of the decision to strengthen the role of DTs taken by SEBI at its meeting held on September 29, 2020, SEBI has enacted the (i) Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2020; (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2020; and (iii) Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2020.

To read more- https://www.sebi.gov.in/legal/gazette-notification/sep-2021/notification-under-securities-and-exchange-board-of-india-certification-of-associated-persons-in-the-securities-markets-regulations-2007-nism-series-xxi-a-portfolio-management-services-pms-dist-_52516.html





AMENDMENTS ISSUED BY RBI

New Overseas Direct Investment Rules, Regulation and Master Direction

The OI Rules, the OI Regulations and the OI Directions (hereinafter collectively referred to as New OI Norms) have been issued, keeping in the spirit of liberalization and to promote ease of doing business. These new OI Norms have been notified in supersession of the Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015 (Old OI Norms).

To read more-

<https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12380&Mode=0>

Reserve Bank of India Guidelines on Digital Lending

Guidelines has been issued by Reserve Bank for Digital Lending by Commercial Banks, Primary (Urban) Co-operative Banks, State Co-operative Banks, District Central Co-operative Banks and NBFC(including Housing Finance Companies). As per the guidelines, the Regulated Entities (RE) shall ensure that all loan servicing, repayment, etc., shall be executed by the borrower directly in the RE's bank account without any pass-through account/ pool account of any third party.

To read more-

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/GUIDELINESDIGITALENDINGD5C35A71D8124A0E92AEB940A7D25BB3.PDF>



AMENDMENTS ISSUED BY NSE/BSE

AMENDMENTS ISSUED BY NSE

NSE has notified the steps taken by SEBI for the usage of Digital Signature Certification for authentication/certification of filings/submissions made to Stock Exchanges.

In accordance with Regulation 10 of SEBI (LODR), all listed companies are required to file the reports, statements, documents, filings and any other information with the recognized Stock Exchange(s) on the electronic platform as specified by the Board or the recognized Stock Exchange(s). Accordingly, NSE has provided an electronic platform viz. National Stock Exchange Electronic Application Processing System (NEAPS) and the Digital Portal for listed companies to file the above documents. Rating, etc...

To read more - <https://static.nseindia.com//s3fs-public/inline-files/Circular%20on%20use%20of%20digital%20signature%20certificate.pdf>

Tax calendar



September 2022- Tax Calendar

7 OCTOBER	Due date for deposit of tax deducted/collected for the month of September, 2022. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
7 OCTOBER	Due date for deposit of TDS for the period July 2022 to September 2022 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H
15 OCTOBER	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of September, 2022 has been paid without the production of a challan
15 OCTOBER	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of August, 2022
15 OCTOBER	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of August, 2022
15 OCTOBER	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of August, 2022
15 OCTOBER	Quarterly statement of TCS deposited for the quarter ending September 30, 2022
15 OCTOBER	Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2022
15 OCTOBER	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of September, 2022
30 OCTOBER	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of September, 2022

September 2022- Tax Calendar

31 OCTOBER

Intimation by a designated constituent entity, resident in India, of an international group in Form no. 3CEAB for the accounting year 2021-22

31 OCTOBER

Quarterly statement of TDS deposited for the quarter ending September, 2022

31 OCTOBER

Due date for furnishing of Annual audited accounts for each approved programmes under section 35(2AA)

31 OCTOBER

Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending September, 2022

31 OCTOBER

Copies of declaration received in Form No. 60 during April 1, 2022 to September 30, 2022 to the concerned Director/Joint Director

31 OCTOBER

Due date for filing of return of income for the assessment year 2022-23 if the assessee (not having any international or specified domestic transaction) is (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A applies

31 OCTOBER

Audit report under section 44AB for the assessment year 2022-23 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E

31 OCTOBER

Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction.

31 OCTOBER

Due date for e-filing of report (in Form No. 3CEJ) by an eligible investment fund in respect of arm's length price of the remuneration paid to the fund manager (if the assessee is required to submit return of income on October 31, 2022).

31 OCTOBER

Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is October 31, 2021).

September 2022- Tax Calendar

31 OCTOBER	Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on October 31, 2022).
31 OCTOBER	Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) (if the assessee is required to submit return of income on October 31, 2022).
31 OCTOBER	Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2021-22 and of foreign tax deducted or paid on such income in Form no. 67. (if due date of submission of return of income is October 31, 2022).
31 OCTOBER	Submit copy of audit of accounts to the Secretary, Department of Scientific and Industrial Research in case company is eligible for weighted deduction under section 35(2AB) [if company does not have any international/specified domestic transaction]
31 OCTOBER	Intimation in Form 10BBB by a pension fund in respect of each investment made in India for quarter ending September, 2022





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