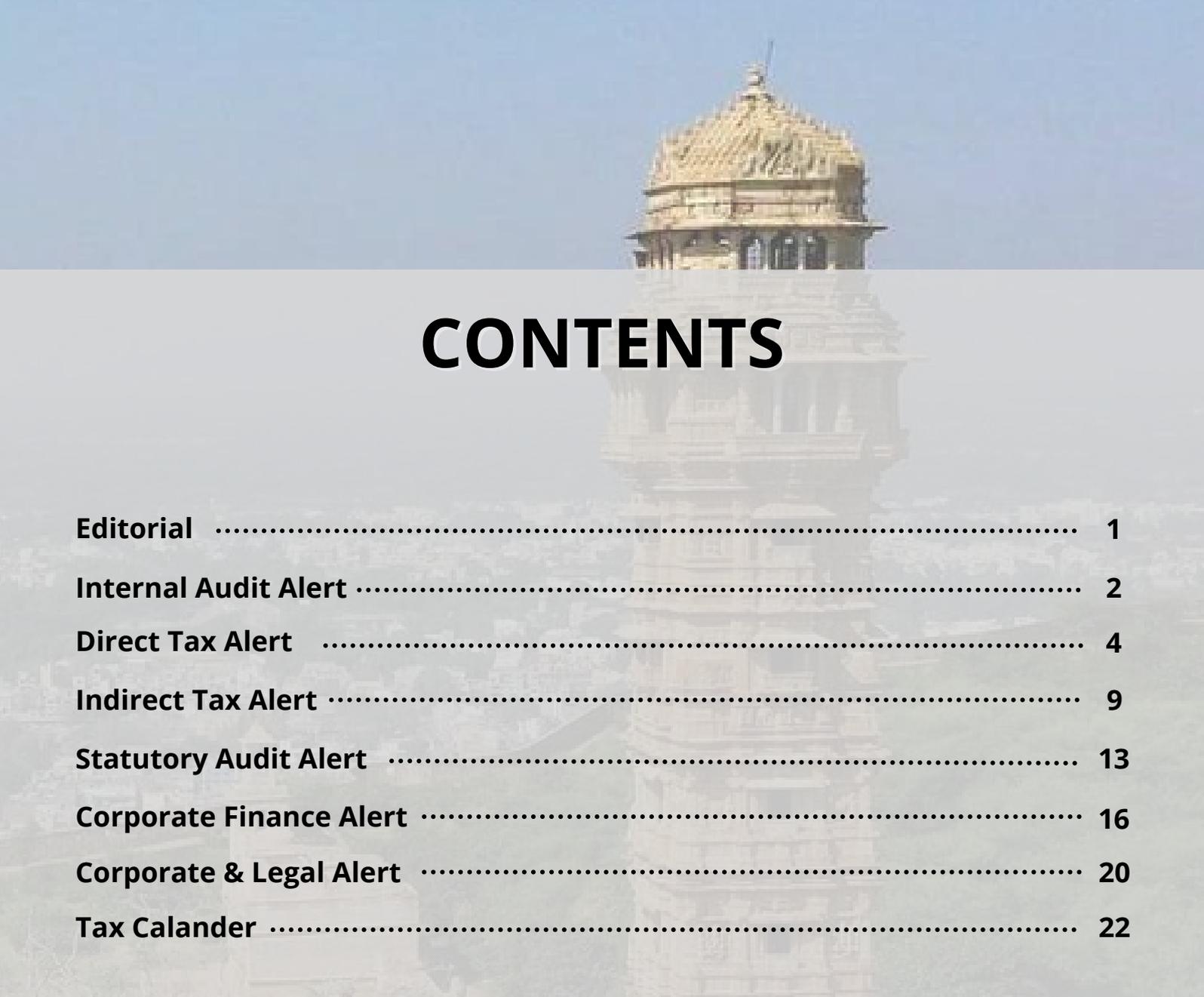




RNM ALERT
JANUARY
NEWSLETTER VOL NO 168



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EDITORIAL

Dear Readers

During the month of January 2023, our CEO, Mr. Raghu Marwah moderated a virtual Masterclass on “Commercial & Industrial Building Solutions” with leaders from the Construction and finance industry such as Mr. Anubah Jain, Director Silverglades Group, Mr. Gaurav Bhatia, Partner Empty TC India JV and Mr. Aryaman Vir, CEO MYRE Capital. The discussion provided learnings into the real estate trends in India and USA, as well as the increased use of technology and innovative means of finance. For those who missed it, please visit the YouTube channel of RNM India for the full webinar.

Team RNM was back on the road with various client interactions in Bangalore market this month. Our team strength in Bangalore continues to increase in line with new on-boardings of clients.

On the Direct Tax front, in a leading judgment of the Hon’ble Supreme Court in the matter of GIA Laboratory P. Ltd. it was held that even though the Department may be in appeal against an order of the ITAT but since there was no stay awarded against the said order of the ITAT, the Revenue Department had no option but to follow the said order for succeeding years. Team RNM is of the view that this judgement should clarify the matter on demands raised pending appeal and reduce litigations going forward.

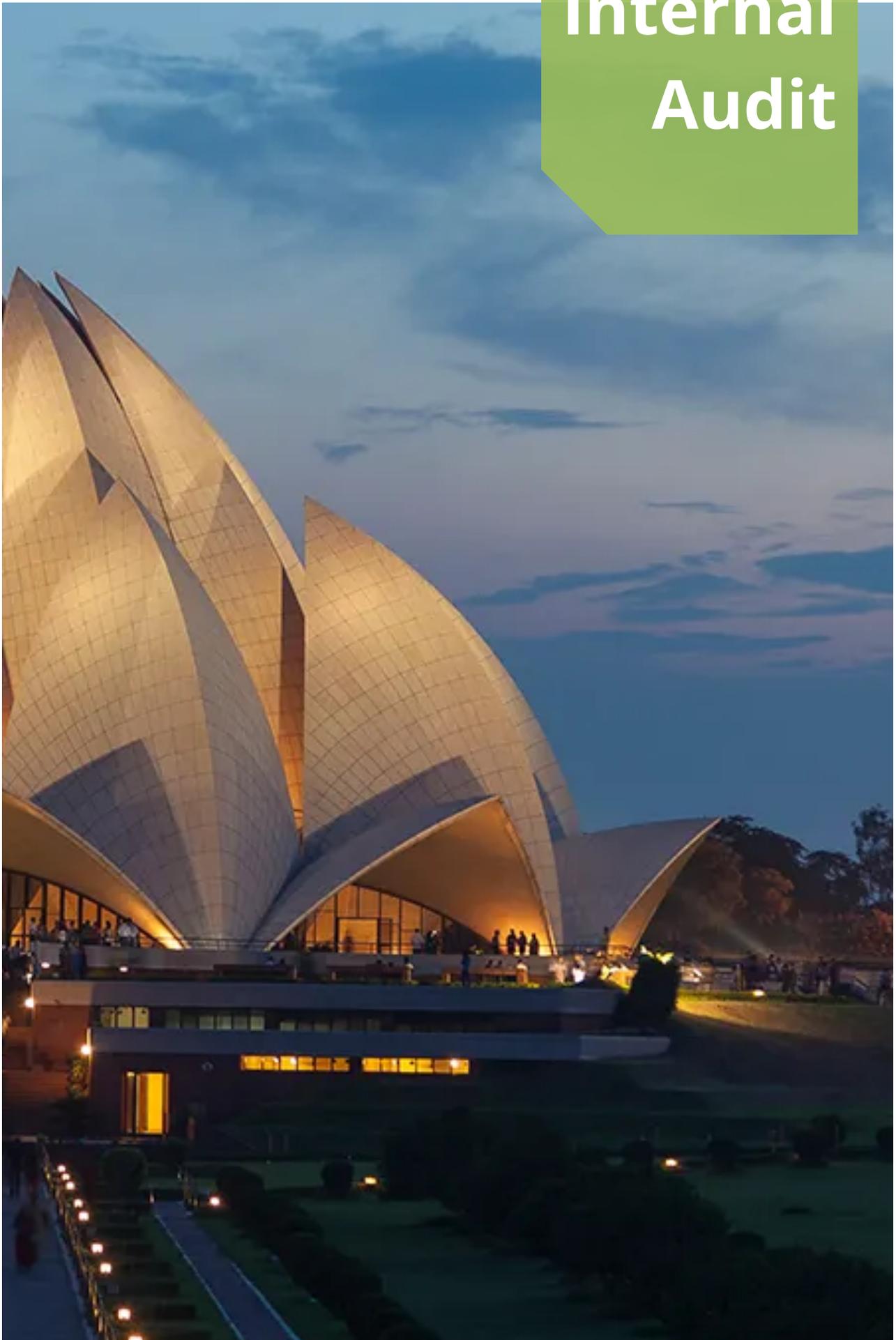
On the Indirect Tax front, the Hon’ble Supreme Court of India has held in the matter of Wave Industries Pvt Ltd. that in the event of a Slump Sale the purchaser would not be liable for any tax obligations arising prior to the date of execution of the Agreement since at the time Buyer was neither dealer nor manufacturer. The seller would continue to be responsible for deposit of dues in government treasury. Team RNM feels that the said judgement would necessitate an alteration in the standard Slump Sale Agreement language as well as commercial consideration thereof.

Hope that you enjoyed the Special Edition of RNM Alert on breaking down the Budget. Stay tuned for Webinar on Union Budget.

We would like to take this opportunity to wish all our Readers the very best of wishes for India’s 74th Republic Day recently. Understanding our constitutional rights and obligations as citizens will go a long way in transforming Indian society into a first world nation.

CA U N Marwah
Chairman- RNM India

Internal Audit



ROLE OF INTERNAL AUDIT IN STRENGTHENING CORPORATE GOVERNANCE

Internal Audit

Internal Audit involves critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system.

Corporate Governance

Governance is a key concept in Internal Audit and SIA 140 issued by ICAI, seeks to clarify both, the concept and the responsibility of the Internal Auditor, Management, Board of Directors, Audit Committee and other Stakeholders, with respect to governance, keeping in mind their legal, regulatory and professional obligations.

Corporate governance, in the simplest terms, refers to the system by which companies are directed and controlled. Further, Corporate governance has also emerged a strong tool in the hands of the regulators for protecting the interests of the investors. Thus, over a period of time, the Governments and regulators, both at home and abroad, have issued comprehensive laws and regulations in respect of model corporate governance practices to be adopted by the companies.

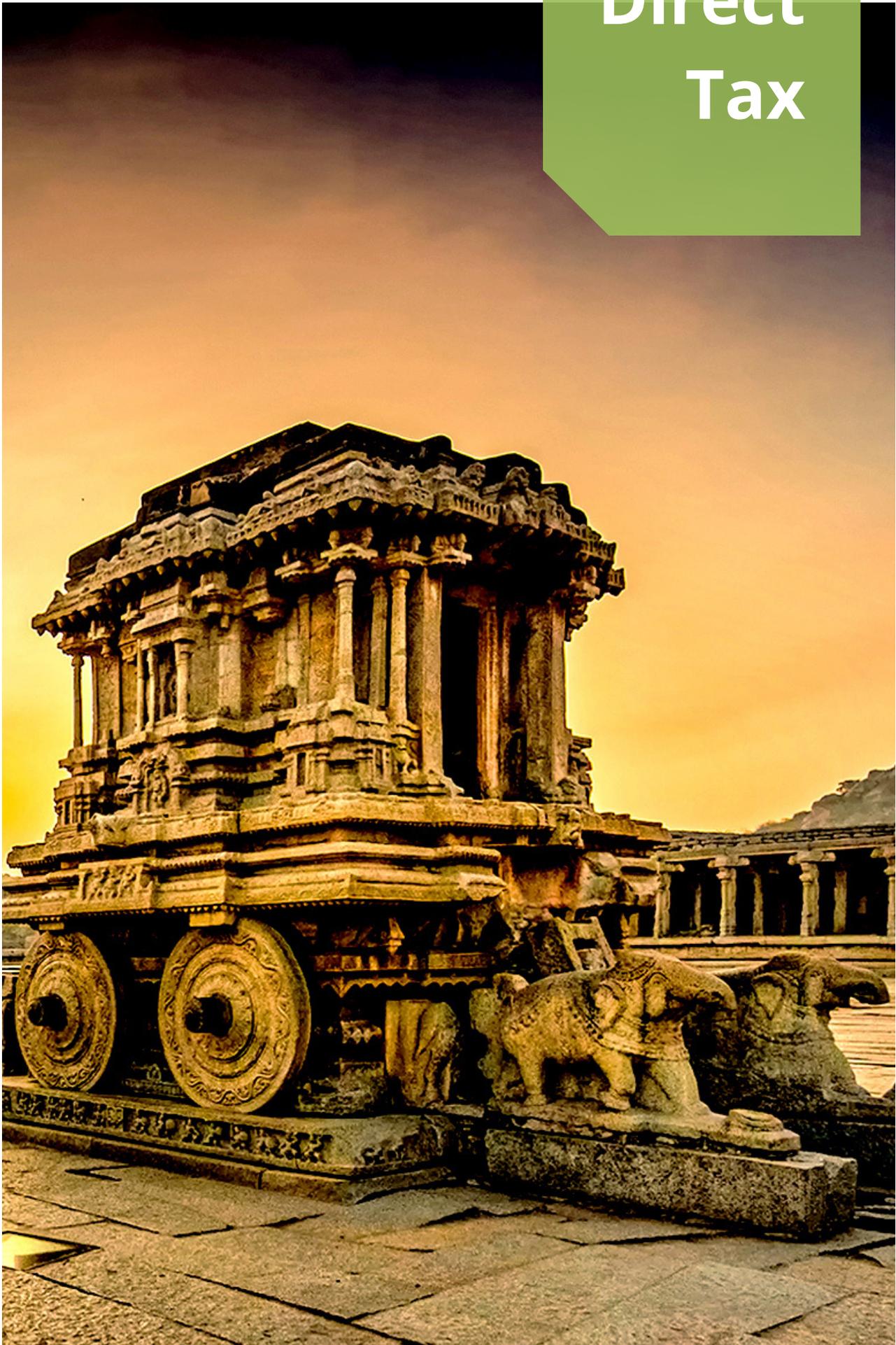
Implementation of corporate governance practices involves certain costs to be incurred by the company. The company needs to justify the cost of implementing good corporate governance principles viz. a viz. benefits derived therefrom.

Internal audit can help maximizing the benefits from the corporate governance policies. Following are some of the measures by which internal audit contributes to sound corporate governance:

- **Risk Assessment:** Understanding and assessing the risks and evaluate the adequacies of the prevalent internal controls.
- **System Improvement:** Identifying areas for systems improvement and strengthening controls.
- **Optimum Utilization of Resources:** Ensuring optimum utilisation of the resources of the entity, for example, human resources, physical resources, etc.
- **Timely identification of liabilities:** Ensuring proper and timely identification of liabilities, including contingent liabilities of the entity.
- **Ensuring Compliances:** Ensuring compliance with internal and external guidelines and policies of the entity as well as the applicable statutory and regulatory requirements.
- **Safeguarding of Assets:** Safeguarding the assets of the entity.
- **Information Systems:** Reviewing and ensuring adequacy of information systems security and control.
- **Management Information Systems:** Reviewing and ensuring adequacy, relevance, reliability and timeliness of management information system.



Direct Tax



1. CIRCULAR NO. 1 OF 2023 [F. NO. 225/49/2021-ITA-II] [06-01-2023]

Vide this circular the Central Board of Direct Taxes (CBDT) has further extended the time limit to 31st March, 2023 for compliance to be made for claiming any exemption under section 54 to 54GB of the Income Tax Act, 1961 ("the Act") in view of the Covid-19 Pandemic. The period of investment for capital gain exemption which was earlier extended to 30th September 2021 by Circular No.12/2021.

2. NOTIFICATION NO. 1 OF 2023 [DGIT(S)/ADG(S)-2/REPORTING PORTAL/2021/180], DATED 05-01-2023.

Addendum to Notification No. 2 of 2021: format, procedure and guidelines for submission of statement of financial transactions (SFT) for interest income (abolishing of limit of Rs. 5000). Now the information in SFT is required to even include details of account holders earning interest income upto Rs. 5000/- except for 'Jan Dhan Account' holders.

3. NOTIFICATION S.O. 400(E) [NO. 2/2023/F. NO. 500/PF5/S10(23FE)/FT&TR-II-PART(1)] [25-01-2023]

The Central Government hereby specifies the pension fund, namely, the California Public Employees Retirement System (PAN: AAATC6038J), as the specified person for the purposes of the clause (23FE) of section 10 of the Act in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 subject to the fulfillment of the conditions mentioned therein.



Important Judicial Precedents

1. Gujarat HC quashes reassessment notice as the same was based on mere change of opinion

Where the impugned order disposing off assessee's objections to reassessment did not contain even a whisper that assessee had not fully and truly disclosed material facts during scrutiny assessment concluded u/s 143(3) and it was not possible for the Court to infer any such failure by assessee in reasons recorded by AO for reopening the assessment and it was clear from record that petitioner assessee had made adequate disclosures during scrutiny assessment proceedings and AO had considered the matter in detail during scrutiny assessment, it had to be held that reopening was based on mere change of opinion and the impugned reassessment notice and impugned order disposing off objections were to be quashed.

[2023] 146 taxmann.com 154 (Gujarat HC) Nila Infrastructures Ltd. vs. ACIT, Circle (3)(1)

2. Whether where taxes are shown to have been paid by the payee, disallowance u/s 40(a)(ia) of the Act called for in the hands of the payer for default in taxes deduction at source is payable- NO: ITAT

That the CIT(A) has noted that though the assessee had failed to deduct TDS on the impugned amount of Rs.1,97,194/-, the payee on other hand had paid taxes on the same and the assessee had filed the stipulated certificate as per Rule 31ACB of the Income Tax Rules certifying the fact of taxes have been paid by the payee on the impugned payment. In the case of CIT vs Ansal Landmark Township Ltd., it was held that in such circumstances, where taxes are shown to have been paid by the payee, no disallowance under section 40(a)(ia) of the Act was called for in the hands of the payer for default in taxes deduction at source, and the same position has been followed by CIT (A). In view of the above, we see no reason to interfere in the order of the .CIT(A) deleting disallowance of Rs.1,97,194/- by invoking provisions of section 40(a)(ia) of the Act. The ground raised by the Revenue is dismissed.

[2023-TIOL-117-ITAT-AHM_ ITA No. 1416/Ahd/2019 _ITO Vs. M/s Eminent Infracon Pvt Ltd]

3. No TDS on salary/commission paid to partners. No disallowance u/s 40(b) if 'remuneration' paid to working partners is within the limit u/s 40(b)(v)

Since salary, bonus, remuneration or commission are collectively termed by section 40(b)(i) as "remuneration" for section 40(b)(v) purposes, no disallowance is to be made by AO where the 'remuneration'(aggregate of salary, bonus, commission and remuneration) paid to working partners during the year is within the permissible limit provided u/s.40(b)(v) of the Act. As such, no TDS is deductible u/s 194H from commission payable to partners. The contention of the AO that the provisions of section 194H of the Act, which is otherwise applicable in case any commission or brokerage (not being insurance commission referred to in section 194D of the Act) is paid, is also applicable in cases, where commission is paid by a partnership firm to its partners, authorized by the partnership deed, is incorrect.

[2023] 146 taxmann.com 81 (Gauhati - Trib.), ACIT, Cir. - Shillong Vs. Dhar Construction Company.

4. Overseas Consultancy Income of Foreign co from metro rail projects in India was rightly offered to tax u/s 115A as FTS and can't be taxed u/s 44DA

Services rendered by the overseas employees of home office of the assessee from Hong Kong for the activities performed for the project Chennai Metro Rail Ltd/Kolkata East West Rail Ltd are not effectively connected to Project Office (PO)/Permanent Establishment (PE) in India and, therefore, the amount received for such services (Overseas Consultancy Income) were rightly offered to tax as FTS by assessee under concessional rate of tax u/s 115A. Thus, addition made under section 44DA of the Act is liable to be deleted. In the result; appeal filed by the Revenue is dismissed.

[2023] 146 taxmann.com 152 (Delhi - ITAT.) BENCH 'D' _DCIT vs. Aecom Asia Company Ltd.

5. Whether employees' contribution deposited after respective due date cannot be allowed as deduction applicable in the case of an assessment framed u/s 143(3), is equally applicable for the intimation framed u/s 143(1) of the Act - YES: ITAT

The Supreme Court has categorically held that the employees' contribution deposited after respective due date cannot be allowed as deduction, and, therefore, it would be incorrect to say that the decision of the Supreme Court is applicable only in the case of an assessment framed u/s 143(3) of the Act. In our considered view, the ratio decidendi is equally applicable for the intimation framed u/s 143(1) of the Act.

ITA No. 2249/Del/2022 AY: 2018-19; Delhi ITAT_ SAVLEEN KAUR Vs. ITO.

6. Whether order u/s 142 was required to be communicated to assessee, so as to know reasons, and, if required, assessee could choose to exercise option to challenge order - YES: SC

The Revenue accepted that order u/s 142(2A) was never communicated or even uploaded on portal. Therefore, present appeal is to be disposed of with a direction that purported order directing special audit under section 142(2A) will not be given effect to and will be treated as not passed, as it was never communicated to assessee. The Appeal is allowed in favour of Assessee.

SC; Civil Appeal No. Of 2023; RAJIV GANDHI PROUDYOGIKI VISHWAVIDYALAYA Vs. UOI AND OTHERS

7. Whether when recipient is eligible for benefit of DTAA then there is no scope for deduction of tax at rate of 20% u/s 206AA, and rate of taxation would be as dictated by provisions of treaty - YES: HC

It is not in dispute that the assessee has made payment towards technical services to various recipients in different countries as per DTAA with different countries. In the case of Danisco, the Delhi High Court has held that Section 206AA cannot be understood to override the charging Sections 4 and 5 of the Act. It has further held that the provision in Section 206AA has to be read down to mean that where the deductee, i.e., the overseas resident business concern conducts its operation from a territory, whose Government has entered into a DTAA with India, the rate of taxation would be as dictated by the provisions of the treaty. Thus, in respectful agreement with the view taken by the Delhi high Court, as per the DTAA, the maximum deduction shall not exceed 10% which the assessee has deducted. Any other interpretation to permit the taxing authority to raise a demand beyond 10% would be incongruous.

[2023-TIOL-92-HC-KAR-IT _ THE CIT (INTERNATIONAL TAXATION) Vs. M/s WIPRO LTD.]

8. Whether when issue is 'considered and decided' by appellate authority, then same cannot be revised u/s 263 - YES: ITAT

According to the provisions of Section 115BBC, on anonymous donation tax is required to be charged at the rate of 30% subject to certain deductions. The CIT did not invoke the provisions of Section 263 for this reason. The only reason stated by the PCIT is that the assessing officer has granted set off deficit of the assessee trust against the anonymous donation. Both these things are different. One is the manner of computation of total income and 2nd is manner of chargeability of tax on the total income. The 2nd aspect is not at all a reason stated by the CIT for upsetting the order of the AO. In view of this, there is no reason to uphold the order of the PCIT passed u/s 263 as there is no error which is prejudicial to the interest of the revenue. Hence same cannot be sustained and therefore, quashed.

[2023-TIOL-66-ITAT-MUM _ITA No. 1284/Mum/2021_VIGHNAHARATA TRUST Vs. CIT (EXEMPTION)]



Indirect Tax



GST Calendar –Compliances for the month of December '2022.

Nature of Compliances	Due Date
GSTR-7 (Tax Deducted at Source 'TDS')	February 10, 2023
GSTR-8 (Tax Collected at Source 'TCS')	February 10, 2023
GSTR-1	February 11, 2023
IFF- Invoice furnishing facility (Availing QRMP)	February 13, 2023
GSTR-6 Input Service Distributor	February 13, 2023
GSTR-2B (Auto Generated Statement)	February 14, 2023
GSTR-3B	February 20, 2023
GSTR-5 (Non-Resident Taxable Person)	February 20, 2023
GSTR-5A (OIDAR Service Provider)	February 20, 2023
PMT-06 (who have opted for QRMP scheme)	February 25, 2023



A. Rectification of GSTR-1 for the period July'17-Mar'18

Background

- i. The petitioner has wrongfully exhibited transaction under B2C instead of B2B while filing return in FORM GSTR-1 due to which the recipient was unable to avail Input Tax Credit ("ITC").
- ii. The Petitioner has sought permission from the Revenue Department to rectify the GST Return filed for the period Sep'17 and Mar'18 so that the recipient can avail ITC benefit.
- iii. The Respondent rejected the request of the Petitioner on the grounds that the last date of filing of return was March 31'2019.

Issue

Whether the Petitioner can be allowed to make rectifications of errors in its FORM GSTR-1 after the due date.

Held

- i. The Hon'ble Odisha High Court has held that by permitting the Petitioner to rectify the error in return, there will be no loss whatsoever caused to the Parties. It is not as if there would be any escapement from the tax. The issue is primarily about availing the ITC benefit which in any event has to be provided. On the contrary, if it is permitted, then the Petitioner would unnecessarily be prejudiced.
- ii. The Hon'ble High Court has permitted the Petitioner to rectify and resubmit the corrected FORM GSTR-1 for the aforementioned period Sep'2017 and March'2018 and submit manually to the authorities.

B. If notice in Part A of FORM GST DRC-01A is not issued, Order not valid

Background

- i. The Writ Petition is filed by the petitioner challenging an impugned order. The said impugned order was passed by the Respondent under Section 74(9) of the Central Goods and Service Tax Act, 2017 (CGST Act).
- ii. The Petitioner has contended that in terms of the provision of Rule 142(1A) of the Central Goods and Service Tax Rules (CGST Rules), before passing any order under Section 74 of the CGST Act, a Show Cause Notice (SCN) in Part A of FORM DRC-01A is required to be issued. Whereas, in the present matter, the Respondent has not issued the notice in the stipulated manner, therefore, fair opportunity to respond was not granted to the Petitioner.

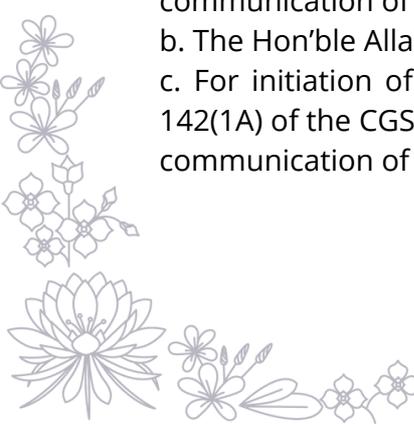
Issue

Whether the non-issuance of SCN to the Petitioner violates the fair opportunity to the respond.

Held

The Hon'ble Allahabad High Court has held as under-

- a. For initiation of proceedings against the Petitioner a notice as provided for under Rule 142(1A) of the CGST Rules in Part A of FORM GST DRC-01A was not issued, which provides for communication of details of any tax, interest and penalties as ascertained by the officer.
- b. The Hon'ble Allahabad High Court has held as under-
- c. For initiation of proceedings against the Petitioner a notice as provided for under Rule 142(1A) of the CGST Rules in Part A of FORM GST DRC-01A was not issued, which provides for communication of details of any tax, interest and penalties as ascertained by the officer.



C. Proceeding under section 101 of CGST Act, 2017 and Maharashtra GST Act, 2017 by M/s Portescap India Private Limited.

Background

- i. The Appellant is engaged in the activity of manufacturing of customized motors in India (Mumbai).
- ii. The Appellant is an SEZ unit and engaged in exports of the manufactured goods outside India.
- iii. The appellant procures rental services from the entity engaged in the Special economic zone (SEZ) authority, situated at service.

Issue

Whether Appellant is required to pay tax under reverse charge mechanism on procurement of renting of immovable property service from the special economic developer or unit.

Order

- i. The Hon'ble MAAAR has set aside the ruling passed by the MAAR, wherein, the Hon'ble MAAR has held that the application filed by the Appellant for obtaining Advance ruling in respect of the aforementioned issue is not maintainable in terms of Section 95(a) of the CGST Act, 2017.
- ii. Further, the Hon'ble MAAAR has held that the Maharashtra AAR should consider the subject matters on merit.
- iii. Accordingly the matter is remanded back to the Maharashtra AAR.



Statutory Audit



RoDTEP Scheme

RoDTEP stands for Remission of Duties and Taxes on Export Products. It is a new scheme that is applicable with effect from January 1st, 2021, formed to replace the existing MEIS (Merchandise Exports from India Scheme). The scheme will ensure that the exporters receive the refunds on the embedded taxes and duties previously non-recoverable. The scheme was brought about with the intention to boost exports which were relatively poor in volume previously.

The following were some of the export subsidy programmes recommended to be withdrawn:-

- Merchandise Exports from India Scheme
- Export Oriented Units Scheme
- Electronics Hardware Technology Parks Scheme
- Bio-Technology Parks Scheme
- Export Promotion Capital Goods Scheme
- Special Economic Zones (SEZ) Scheme
- Duty-Free Imports for Exporters Scheme

Features of the RoDTEP Scheme

1. Refund of the previously non-refundable duties and taxes

Mandi tax, VAT, Coal cess, Central Excise duty on fuel etc. will now be refunded under this particular scheme. All the items under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme.

2. Automated system of credit

The refund will be issued in the form of transferable electronic scrips. These duty credits will be maintained and tracked through an electronic ledger.

3. Quick verification through digitisation

Through the introduction of the digital platform, the clearance happens at a much faster rate. Verification of the records of the exporters will be done with the help of an IT-based risk management system to ensure speed and accuracy of transaction processing.

4. Multi-sector scheme

Under RoDTEP, all sectors, including the textiles sector, are covered, so as to ensure uniformity across all areas. Additionally, a dedicated committee will be set up to decide regarding the sequence of introduction of the scheme across the various sectors, what degree of benefit is to be extended to each sector, and such related matters.

Eligibility to obtain benefits of the RoDTEP Scheme

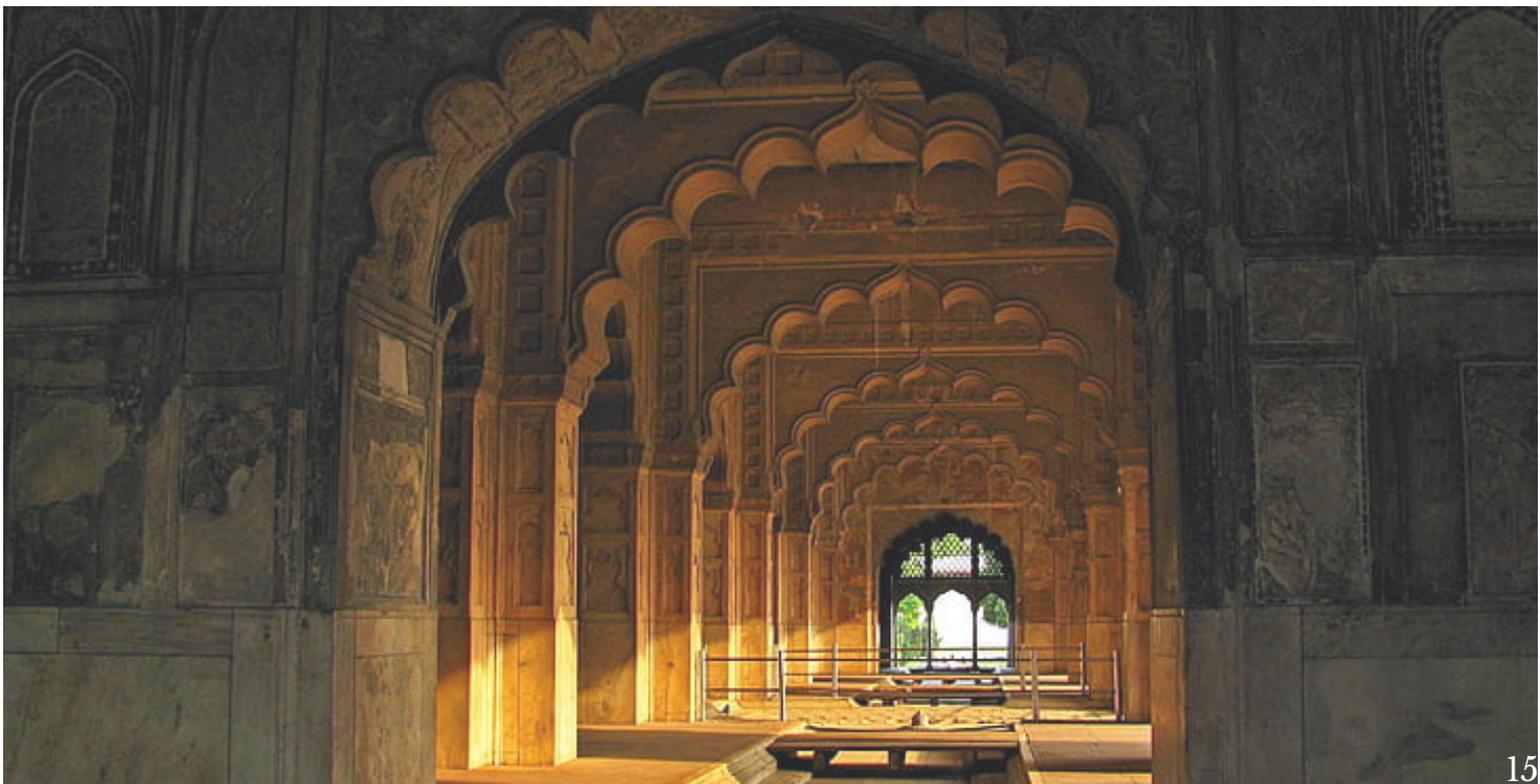
- All sectors, including the textiles sector, may enjoy the benefits of the RoDTEP Scheme. Labor-intensive sectors that enjoy benefits under the MEIS Scheme will be given a priority.
- Manufacturer exporters and merchant exporters (traders) are both eligible for the benefits of this scheme.
- There is no particular turnover threshold to claim the RoDTEP.
- Re-exported products are not eligible under this scheme.
- To be eligible to avail the benefits of this scheme, the exported products need to have the country of origin as India.
- Special Economic Zone Units and Export Oriented Units are also eligible to claim the benefits under this scheme.
- Where goods have been exported via courier through e-commerce platforms, RoDTEP scheme applies to them as well.

MEIS vs RoDTEP

MEIS	RoDTEP
Incentives available on the export of goods	Refund of duties and taxes that are currently not being reimbursed by any other schemes.
Not compliant with the WTO norms.	Compliant with the WTO norms.
2%-5% of the FOB (Free On Board) value of exports.	Product based % is yet to be notified
Issued in the form of physical transferable scrips.	Issued in the form of transferable duty credit or electronic scrips which will be maintained via an electronic ledger.

Treatment in Financials

It will be fully digitalized and it will be in the form of transferable Duty Credit/Electronic E-Scripts which will be maintained in an Electronic Ledger by the CBIC. The Company should make its accounting policy as per AS -13 /AS-9 or Ind AS 20/Ind AS 115 and keep record reconciliation of scrips received or to be received.



Corporate Finance



GEF Capital Invests Rs. 500 Cr In E-Mobility Firms

The e-mobility businesses Electra EV and Hero Motors Ltd. have received investments from the private equity fund GEF Capital Partners totaling more than 500 crore rupees.

This is a component of the investor's plan to increase their stake in India's climate and sustainability potential. With this, GEF has invested eight times over the previous four years. Independent EV powertrain solutions provider Electra EV is supported by businessman Ratan Tata. Its products include integrated electronics, battery packs, e-traction systems, and end-to-end powertrain solutions. For two- and three-wheelers, four-wheelers, as well as EV applications for farm and off-highway use, it offers solutions. Tata Motors' Xpres-T and Ace EV cars utilize Electra's powertrain technologies.

The HMC (Hero Motors Company) Group's flagship EV-focused car parts business is called Hero Motors. Hero Motors' goal to invest 1,500 crore over the next three years in order to expand its selection of EV components includes the fundraising. It is India's top manufacturer of e-bike parts. Both purchases were finished using GEF's South Asia Growth Fund II, which has a corpus of almost \$200 million (SAGF II).

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

Private Equity

Bain Capital Affiliate Sells J M Baxi Stake To Hapag-Lloyd

The German-based shipping giant Hapag-Lloyd has purchased the affiliate's investment in logistics provider J M Baxi Ports & Logistics Ltd from global private equity firm Bain Capital for an unknown sum. J M Baxi has increased its port capacity and logistics units after a two-year investment by Bain Capital PE, boosting its financial position despite macroeconomic and supply chain challenges, the company stated in a statement.

(Source: VC Circle, 26 January 2023)

Avanse Financial Raises Rs 800 Cr From Kedaara

The non-banking lender Avanse Financial Services Ltd, which specialises in student loans, announced that it has raised primary capital from domestic private equity firm Kedaara Capital in the amount of Rs 800 crore (about \$98.5 million) to support its expansion goals.

(Source: VC Circle, 19 January 2023)

TA Associates Looks To Acquire Stake In Synokem Pharma

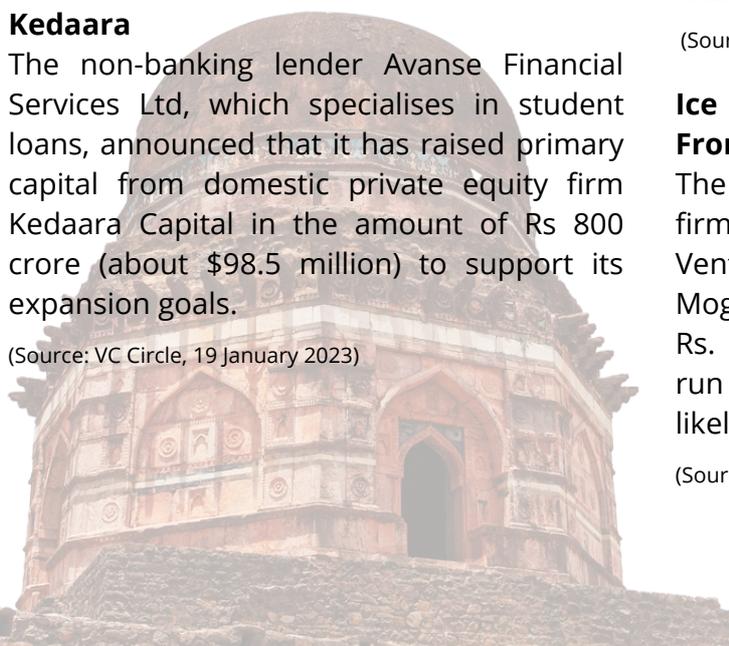
The private equity company TA Associates has emerged as the favourite to buy a majority stake in the pharmaceutical company Synokem Pharmaceuticals. In Delhi-based Synokem, a contract manufacturer of pharmaceutical formulations such tablets, capsules, liquid orals, and ointments, the US private equity fund is set to spend roughly \$100 million. Since its establishment in 1983, the company has been supplying medicines to pharmaceutical clients in 30 different countries from its two manufacturing facilities in Guwahati and Uttarakhand.

(Source: VC Circle, 18 January 2023)

Ice Cream Brand NIC To Raise Funding From Jungle Ventures

The main investor for Pune-based ice cream firm NIC has surfaced as Singapore's Jungle Ventures, which has funded unicorns like Moglix and Livspace. A \$40 million (about Rs. 325 crore) investment in NIC, which is run by Walko Food Co. Pvt. Ltd., is most likely to come from the venture capital firm.

(Source: VC Circle, 24 January 2023)



Acko To Close Up To \$150 Mn Funding From CPP Investments, General Atlantic, Others

Acko General Insurance, a digital insurance provider, is on the verge of obtaining \$100 to \$150 million (about Rs. 820-1,200 crore) from new and existing investors. After extensive valuation negotiations, current investors General Atlantic (GA), Canada Pension Plan Investment Board (CPP Investments), and Multiples Private Equity decided to raise more funds in what is likely to be a Series E round.

(Source: VC Circle, 25 January 2023)

Mergers & Acquisitions

Happiest Minds Acquires Madurai-Based SMI For Rs.111 Crore

Bengaluru-based midcap IT services provider Happiest Minds announced the purchase of Madurai-based IT services provider Sri Mookambika Infosolutions (SMI). The total upfront and deferred equity consideration for the transaction was Rs. 111 crore.

Over 400 SMI workers who work remotely will also be accommodated by Happiest Minds as part of the agreement. The former had 4,611 total employees as of the December quarter, according to its quarterly financial report.

(Source: VC Circle, 25 January 2023)

Easy Trip Acquires 55% Stake In CheQin Through Primary Route

Easy Trip Planners Ltd, which runs EaseMyTrip.com, has purchased a 55% share in hotel booking platform cheQin through the primary channel for an unknown sum.

"CheQin maintains a method that enables travellers to stay at affordable hotels and encourages them to pay directly at the establishment. On the other hand, according to a filing with the stock exchange by Easy Trip, the company employs the cheQin application to give hoteliers access to real-time booking requests and the capacity to manage their own bookings.

(Source: VC Circle, 24 January 2023)

Fintech Unicorn Pine Labs Acquires Saluto Wellness

Fintech unicorn headed for an IPO Enterprise platform Saluto Wellness Pvt. Ltd has been purchased by Pine Labs for an unknown sum. Sequoia-backed Pine Labs provides solutions to businesses in a variety of industries, including electronics, food and beverage, apparel, fashion, pharmacies, communications, and airlines.

(Source: VC Circle, 23 January 2023)

ITC To Buy Yoga Bar Maker

ITC Ltd. announced on Tuesday that it plans to purchase a 100% stake in Sprout-life Foods Private Limited, which sells health bars and cereals under the Yoga Bar brand, over a three- to four-year period. This investment fits with the "ITC Next" strategy put forth by Chairman Sanjiv Puri, which emphasizes creating a product portfolio that is prepared for the future. ITC is making yet another effort with this move to capitalize on recent consumer trends. In addition to Mother Sparsh, it has invested in the direct-to-consumer infant care brand Mylo.

(Source: VC Circle, 17 January 2023)

NCLT Approves PVR-Inox Merger

The merger of the top two multiplex chains in the nation, PVR Limited and INOX Leisure, was allowed on Thursday by the Bombay Bench of the National Company Law Tribunal (NCLT). According to an earlier merger announcement, the combined firm, to be known as PVR-INOX, will operate 1,546 screens across 341 facilities in 109 cities, making it the largest cinema exhibition company in India.

(Source: VC Circle, 12 January 2023)

Venture Capital

SoftBank Deals Hit Record Low, Sapping Funding For Startups

As values continued to decline, SoftBank Group Corp.'s new startup bets hit a record low, further chilling an already chilly startup winter. The largest tech investor in the world, who once invested \$30 billion in more than 90 businesses in a single quarter, took part in just eight investment rounds totaling \$2.1 billion in the three months that ended in December.

(Source: VC Circle, 27 January 2023)

EaseMyTrip Keen To Take More Inorganic Bets

EaseMyTrip, an online travel agency, will add more travel-related businesses to its portfolio in order to increase its footprint. "We are talking to players in the travel industry. We know that the engagements we work on will revolve on travel, whether they are on the technology, supply, or fulfilment side. Our emphasis will be on the travel ecology. Easy Trip Planners Ltd, which runs EaseMyTrip.com, claimed to have bought a 55% share in cheQin via the primary channel for an unknown fee. Travelers and hoteliers can haggle in real time on cheQin.

(Source: VC Circle, 26 January 2023)

Velocity Invests In D2C Fashion Brand D'chica

Direct-to-consumer (D2C) apparel business D'chica said on Wednesday that revenue-based financier Velocity had contributed Rs 1.62 crore to its funding. The business, which is based in Delhi-NCR, will use the new funds for marketing and hiring. In 2019, Vani Chugh Kabra and Richa Kapila created D'chica, a brand that specialises in innerwear as well as sportswear, loungewear, and footwear.

(Source: VC Circle, 25 January 2023)



Corporate & Legal



In this edition, we have tried to bring your notice the latest amendment that followed in the month of January, 2023 issued by MCA, RBI and SEBI others.

RBI Update

Changes in Bank KYC Norms

In the latest guideline, the RBI said that Bank account holders who have already submitted valid documents and haven't changed their addresses are no longer obliged to visit their bank locations to update their "know your customer" (KYC) information, according to the RBI. They can instead submit a self-declaration through an email address, a registered mobile number, ATMs, or any other digital channel if there hasn't been a change in their KYC information.

Read more at: <https://www.dnaindia.com/personal-finance/report-rbi-new-rules-bank-account-holders-not-required-to-visit-bank-branch-to-update-kyc-know-new-rbi-guidelines-3015428>

SEBI Update

Amendment in Alternative Investment Funds Norms

Under the new rules, the SEBI said Category 1 AIFS may engage in hedging, including credit default swaps. Further, Category II and Category III AIFS may buy or sell credit default instruments. The sponsor or manager of the Category I and Category I AIF transacting in credit default swaps will have to appoint a custodian registered with the SEBI, according to a notification.

Read more at: <https://m.economictimes.com/markets/stocks/news/sebi-amends-rules-for-alternative-investment-funds/articleshow/96888868.cms>

Information database on municipal bonds

Markets regulator SEBI has launched an information database on municipal bonds to develop the bond markets, an outreach programme on municipal bonds and municipal finance.

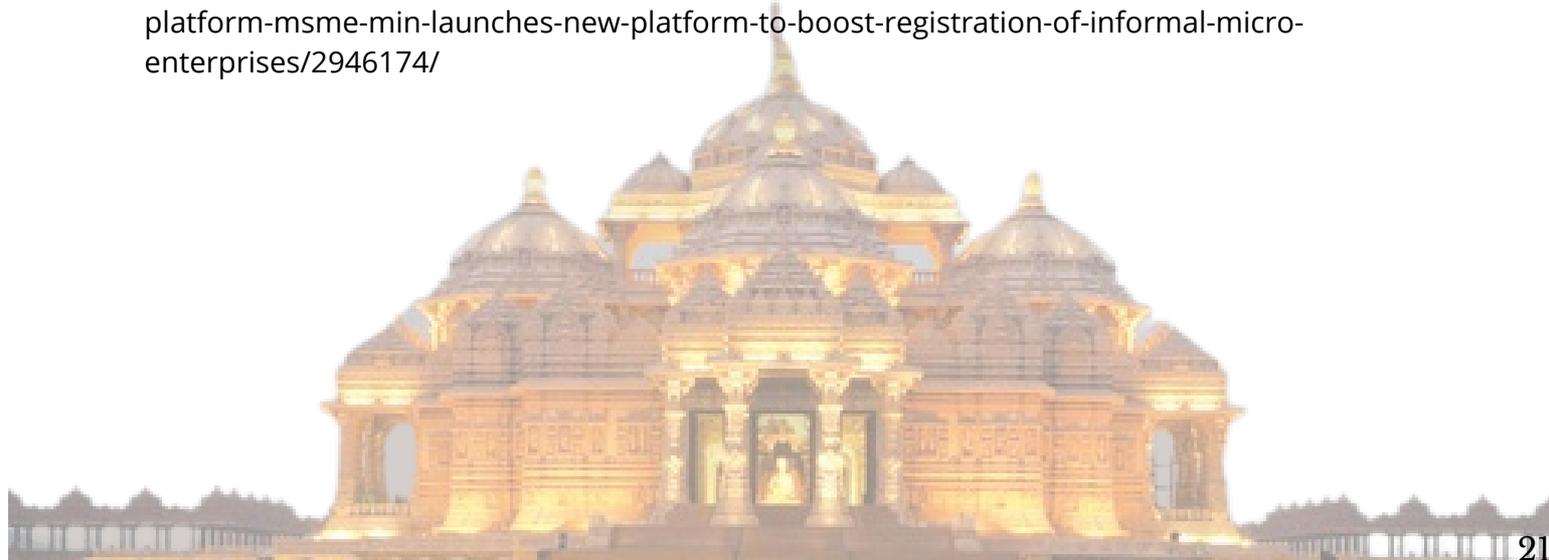
Read more at: <https://economictimes.indiatimes.com/markets/bonds/sebi-launches-information-database-on-municipal-bonds/articleshow/97225388.cms?from=mdr>

MSME Update

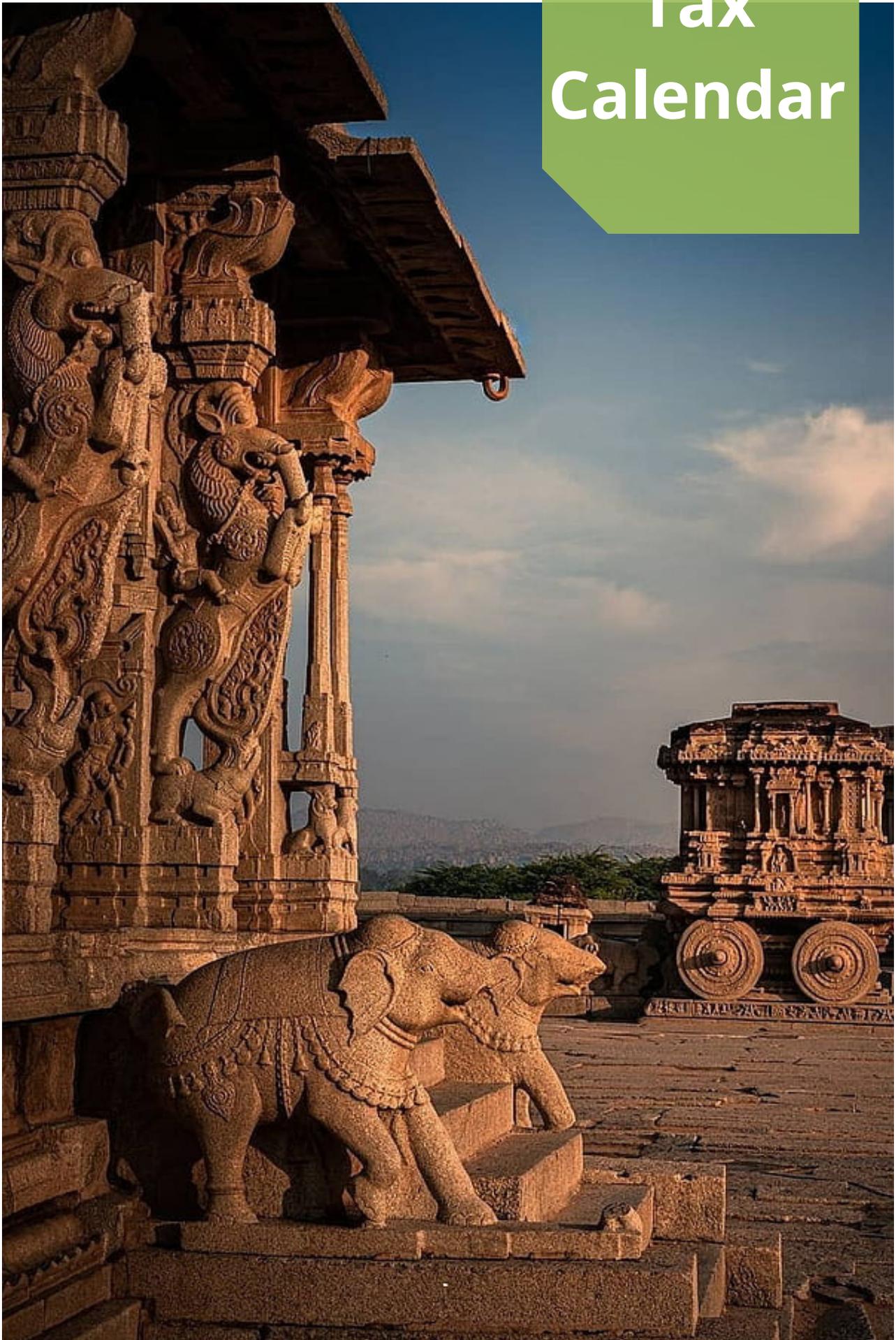
Udyam Assist Platform

A new platform has been launch to boost registration of informal micro units in the country into the formal fold and enable them for priority sector lending.

Read more at: <https://www.financialexpress.com/industry/sme/msme-eodb-udyam-assist-platform-msme-min-launches-new-platform-to-boost-registration-of-informal-micro-enterprises/2946174/>



Tax Calendar



February 2023 - Tax Calendar

7TH FEBRUARY

Due date for deposit of Tax deducted/ collected for the month of January 2023.

14TH FEBRUARY

Due date for issue of TDS certificate for Tax deducted under section 194-IA, 194-IB, 194M in the month of December, 2022.

15TH FEBRUARY

Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of January, 2023 has been paid without the production of a challan.

15TH FEBRUARY

Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending December 31, 2022





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