



RNM ALERT
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EDITORIAL

Dear Readers

During the month of March 2023, our CEO, Mr. Raghu Marwah visited Dubai, UAE where he interacted with the Mr. Paul Roy, CEO Galaxy Racer Esports a rapidly growing startup in the Middle East in which RNM Capital Advisors is an Angel Investor.

The Lok Sabha passed the Finance Bill 2023 during the month of March with certain amendments, the most unexpected of which was the tax on debt mutual funds as short term capital gains. This has virtually marked the death knell of Debt Mutual Funds in the country wef April 1, 2023.

The new financial year 2023-24 brings with it change, and maintaining books of accounts using software which has an audit trail (edit log) facility is now mandatory in India wef 1 April 2023. I hope that necessary provisions or updates have been installed by all Companies to remain compliant.

The collapse of Silicon Valley Bank (SVB) and Signature Bank in USA within days of Credit Suisse Bank in Switzerland during the month, had brought the health of banks again into focus. Consumer protection is on the minds of most, with many Indian startups as well as HNWI's being hit. Inevitably, the bogey of audit responsibility has been raised considering

that a Big4 Audit firm gave SVB a clean bill of health for the year ended 2022 within a fortnight of its collapse. A very interesting Webinar is being planned on this topic during April 2023 for which a separate invitation would be sent shortly, with an excellent panel of Guest Experts.

We would like to take this opportunity to wish all our Readers the very best of wishes for Ram Navmi, the festival that celebrates the birth of Lord Ram. On this pious occasion, let us remind you all that good will always win over evil.

CA U N Marwah
Chairman- RNM India

Internal Audit



Robotic Process Automation (RPA)

Introduction:

In today's world increase in population has caused an increase in demand for almost everything. To keep up with the increase in demand industries and organisations push their employees to do more and more work. Due to the increase in competitors in every field, organisations are trying to find ways to increase their rate of work along with efficiency and quality. This has caused various organisations to turn toward automation. Automation can do the daily repetitive task without getting tired with almost a hundred per cent efficiency every single time and faster than the human workforce can. While looking towards automation one of the biggest players in the field of business process automation is RPA.

Robotic process automation (RPA) is the use of software with artificial intelligence (AI) and machine learning and the capability to handle high-volume, repeatable tasks that previously required humans to perform. These tasks can include queries, calculations and maintenance of records and transactions. RPA technology sometimes called a software robot or bot, mimics a human worker, logging into applications, entering data, calculating, and completing tasks and logging out. RPA software is not a part of an organisation's IT infrastructure. Instead, it is site on top of it, enabling a company to implement the technology quickly and efficiently all without changing the existing infrastructure and systems.

Benefits of RPA:

- **No need of a Software Developer:** RPA does not necessarily require a developer to configure; drag-and-drop features in user interfaces make it easier to onboard non-technical staff.
- **Increased productivity:** Since RPA reduces the workload of teams, staff can be reallocated towards other priority work that does require human input, leading to increases in productivity and ROI.
- **Higher customer satisfaction:** Since bots and chatbots can work 'Round the Clock', they can reduce wait times for customers, leading to higher rates of customer satisfaction.
- **Gives time to employees to focus more on Strategic and Decision Making activities:** By lifting repetitive, high-volume workload off your team, RPA allows people to focus on more thoughtful and strategic decision-making. This shift in work has a positive effect on employee happiness.
- **Increases Accuracy:** Since you can program RPA robots to follow specific workflows and rules, you can reduce human error, particularly around work which requires accuracy and compliance, like regulatory standards. RPA can also provide an audit trail, making it easy to monitor progress and resolve issues more quickly.
- **No need to replace the Existing systems:** Robotic process automation software does not cause any disruption to underlying systems because bots work on the presentation layer of existing applications. So, you can implement bots in situations where you don't have an application programming interface (API) or the resources to develop deep integrations.

Business Benefits of RPA:

Robotic process automation streamlines workflows, which makes organizations more profitable, flexible, and responsive. It also increases employee satisfaction, engagement, and productivity by removing mundane tasks from their workdays. RPA is non-invasive and can be rapidly implemented to accelerate digital transformation. And it is ideal for automating workflows that involve legacy systems that lack APIs, virtual desktop infrastructures (VDIs), or database access.

Where RPA can be used:

Industries ranging from financial services to healthcare to manufacturing to the public sector to retail and far beyond have implemented RPA in areas as diverse as finance, compliance, legal, customer service, operations, and IT. And that is just for starters.

RPA has become so widespread because it is broadly applicable. Virtually any high-volume, business-rules-driven, repeatable process is a great candidate for automation—and increasingly so are cognitive processes that require higher-order AI skills.

Use of RPA in Audit:

By deploying RPA, businesses can automate time-consuming, manual tasks of copying and pasting data between applications, cross-referencing data, and reconciling. With an automation implementation, auditors would have more time to prioritize value-added efforts and high-priority audits, and the organization will have increased compliance and reduced risk across the board. The impact of RPA for audit and control boosts productivity, saving an outstanding amount of time by streamlining report corrections and improving data accuracy.

Conclusion:

If an organisation wants to be successful now and in future it should definitely consider RPA as an option. If we look RPA from a different point of view, RPA has the ability to imitate and do lots of work that humans can do. By using RPA, companies can minimize errors and save time on mundane and repetitive tasks, allowing them to focus their energy on more strategic activities. RPA frees your day from monotony by automating repetitive processes. The documentation needed to automate the process is very specific. Most automated processes are manual, repetitive and monotonous, such as removing data from reports and entering it into electronic tables. RPA can automate all these types of tasks and free you from tedious activities from your working day.



Direct Tax



1. Amendments to Finance Bill, 2023

- Finance Bill, 2023 inserted a new provision- Section 50AA for calculation of capital gains resulting from the transfer, redemption, or maturity of Market Linked Debentures (MLDs). Section 50AA also provided the capital gains from MLDs shall be deemed to be short-term capital gain.

Under the amendment to Finance Bill, the scope of this section has been expanded to cover specified mutual funds.

“specified mutual fund”: means a mutual fund where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.

- The Finance Bill 2023 proposed to amend Section 206C(1G) with effect from 01-07-2023. The proposed amendments include:
 - 5% TCS rate for remittances made under LRS and a 20% TCS rate for sale of Overseas Tour Program Packages (TPP)
 - TCS is only required when the aggregate of remittance exceeds Rs. 7 lakhs and is for educational or medical purposes.

The Finance Bill (Lok Sabha) has amended Section 206C(1G)(a) to eliminate the phrase “out of India,” expanding the provision’s scope to cover remittances made under LRS, even within India. As a result, if a remittance is made under LRS to the GIFT city, the new TCS rates will apply.

- The Finance Bill 2023 inserted a proviso to Section 87A to allow a higher rebate if the total income of a resident individual is up to Rs. 7,00,000, the tax payable will be zero if the taxpayer opts for new tax regime.

The Finance Bill was amended the said proviso to Section 87A to allow marginal relief if the total income marginally exceeds Rs. 7,00,000

2. NOTIFICATION G.S.R. 227(E) [NO. 15/2023/F.NO. 370142/14/2022-TPL], DATED 28-3-2023

Vide this notification the Central Board of Direct Taxes (CBDT) notifies list of consequences that will apply to a person if his PAN becomes inoperative.

3. Sunny Rashikbhai Laheri V. ITO [Gujarat HC - 148 Taxmann.com 438]

Reassessment notices issued under section 148 of old regime between 1-4-2021 and 30-6-2021 would stand beyond prescribed timeline of six years from end of assessment years 2013-14 and 2014-15, thus would be time barred under old regime and could not be issued as per amended provisions



4. Rajeev Bansal V. UOI [Allahabad HC – 2023-TIOL-308-ALL-IT]

Whether reassessment proceedings initiated with notice u/s 148 (deemed to be notice u/s 148-A), issued between Apr 01, 2021 and June 30, 2021, can be conducted by giving benefit of relaxation/extension under the Taxation and Other Laws (Relaxation & Amendment of Certain Provisions) Act' (TOLA)' 2020 upto Mar 30, 2021, and then the time limit prescribed in Section 149(1)(b) is to be counted by giving such relaxation, benefit of TOLA from Mar 30, 2020 onwards to the revenue - NO: HC

Whether in respect of the proceedings where the first proviso to Section 149(1)(b) is attracted, benefit of TOLA' 2020 will be available to the revenue - NO: HC

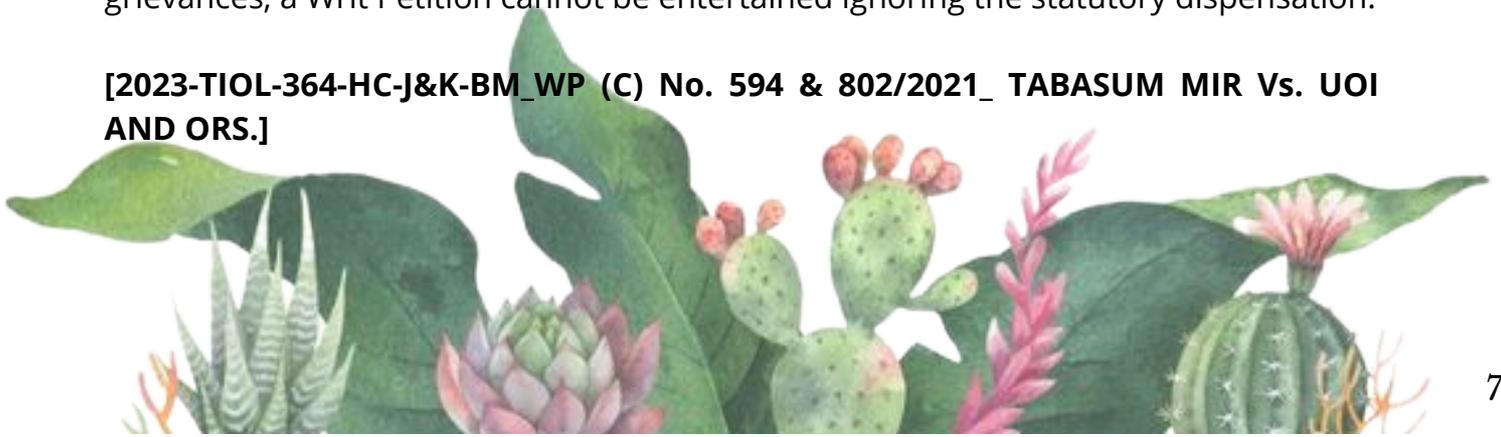
Whether the relaxation law under TOLA' 2020 would govern the time frame prescribed under the first proviso to Section 149 as inserted by the Finance Act' 2021, in such cases - NO: HC

5. Whether writ against black money act proceedings and penalty notices consequent thereto, cannot be entertained, if statutory appellate remedy was not exhausted - YES: HC

That considering the preliminary issue raised by the Revenue that the present writ petitions are not maintainable since the Assessee has the option of statutory remedy of appeal, it is observed that the assessment orders which have been challenged in these writ petitions or any other proceedings, including the show cause notices, penalty notices and demand notices are assailable in appeal before the authority prescribed u/s 15 and 17 of the Black Money Act. The assessee's contention is that since the foreign asset was acquired out of income not taxable in India, the Black Money Act is not applicable thereto, thus, the Revenue had no jurisdiction to initiate proceedings against the Assessee under Black Money Act. Analysing Section 15(1)(b) and 15(1)(c) of the Black Money Act, it is observed that any person denying his liability to be assessed under Black Money Act or objecting to any penalty imposed by the Revenue, may appeal to the Commissioner of Appeals. Further, Section 17(1) envisages that CIT(A) has the power in an appeal against an order of assessment to confirm, reduce, enhance or annul the assessment, and also to consider and decide any matter which was not considered by the Revenue;

Thus, the assessee's writ petition is not maintainable since the efficacious and statutory remedy of appeal before CIT(A) is available with the Assessee u/s 15 and 17 of the Black Money Act. When a statutory forum is created by law for redressal of grievances, a Writ Petition cannot be entertained ignoring the statutory dispensation.

[2023-TIOL-364-HC-J&K-BM_WP (C) No. 594 & 802/2021_ TABASUM MIR Vs. UOI AND ORS.]



6. Whether where any investment made in financial year immediately preceding assessment year, for which, assessment is being made, if remains unexplained, then AO can add that amount as unexplained investment - YES: ITAT

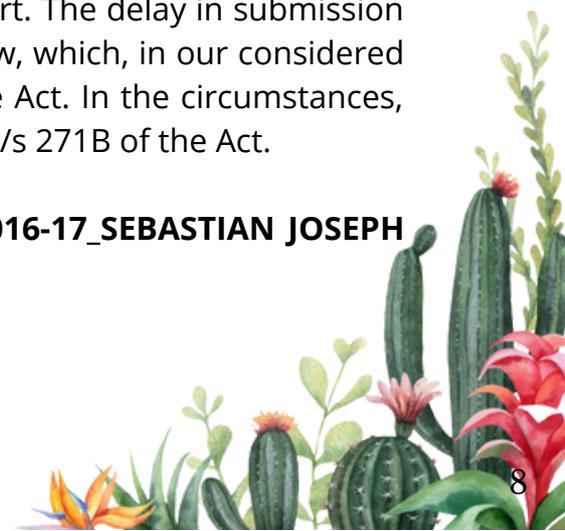
As rightly observed by Commissioner (Appeals), u/s 69, any investment made in the financial year immediately preceding the assessment year, for which, the assessment is being made, if remains unexplained, the Assessing Officer can add the amount as unexplained investment. As per the admitted factual position, the amount added under section 69 by the Assessing Officer represents the opening balance of investment as on 01.04.2008, i.e., the first day of the financial year preceding the assessment year under dispute. Thus, it is patent and obvious, the investments were not made in the financial year relevant to the assessment year under dispute. That being the case, addition u/s 69 could not have been made. Therefore, there is no infirmity in the decision of Commissioner (Appeals).

[2023-TIOL-341-ITAT-DEL _ITA No. 954/Delhi/2018_ ACIT, CC-1, Delhi Vs. SHRI KAMLESH GUPTA]

7. Whether delay in submission of the tax audit report is mere only technical breach of law, which does not warrant levy of penalty u/s 271B of the Act - YES: ITAT

The issue in the present appeal relates to the eligibility of penalty u/s 271B for failure of the assessee to get accounts audited in respect of the previous year relevant to the assessment year under consideration as required u/s 44AB and furnished to AO before specified due date i.e. due date for filing the return of income. It is pertinent to note that it obligatory on behalf of the assessee that tax audit report has to be got completed by specified date, as specified in clause (ii) of section 139(1) and tax audit report has to be furnished by such specified date. However, admittedly, in the present case, it is the case of the appellant that the tax audit report as required to be filed along with return of income though the tax audit report was obtained before the specified date. The submission of the assessee that the audit report was obtained before the specified date remains uncontroverted. The very object behind enactment of the provisions of section 44AB is only to enable AO to determine the correct taxable income in accordance with the provisions of the Act. The fact that the returned income was accepted by the AO goes to show that no prejudice was caused to AO on account of delay in submission of tax audit report. The delay in submission of the tax audit report is mere only technical breach of law, which, in our considered opinion, does not warrant levy of penalty u/s 271B of the Act. In the circumstances, we direct AO to delete the penalty of Rs.1,50,000/- levied u/s 271B of the Act.

[2023-TIOL-308-ITAT-PUNEITA No. 610/Pun/2022_AY: 2016-17_SEBASTIAN JOSEPH Vs. ACIT]



8. Whether requirement of furnishing the return electronically and sending it to the CPC as an acknowledgement of having furnished the return electronically is a mandatory requirement - NO: ITAT

Whether a defect in procedural requirement invalidate the valid return filed u/s 139(1)- NO: ITAT

In the instant case, the assessee furnished her original return electronically before the prescribed due date. The only reason assigned for declaring the original return as invalid is her non sending of acknowledgement of such return to the Central Processing unit of the Department. At the material time, requirement of furnishing the return electronically had another procedural requirement of taking a print out of such electronically filed return and sending it to the CPC as an acknowledgement of having furnished the return electronically. A cursory look of these two requirement transpires that whereas the first one of furnishing the return electronically is a mandatory one, the second one of sending acknowledgement of such filed return to the CPC is only directory. Non-compliance or late compliance of the second procedural requirement cannot invalidate the compliance of the first mandatory requirement, so as to make an otherwise valid return a non est. Since the procedural requirement of furnishing the acknowledgement of the electronically filed return is only a directory requirement, one cannot equate the non-submission of such acknowledgement on one hand with not filing of the return at all, so as to make both the cases as those of non-filing of return. In our considered opinion, this, being a procedural requirement, cannot invalidate the otherwise valid return filed u/s.139(1) of the Act. We order accordingly and hold that the assessee furnished original return within the time allowed u/s 139(1) of the Act.

[2023-TIOL-297-ITAT-PUNE_ITA No. 35/Pun/2022_AY: 2015-16_ANAGHA VIJAY DESHMUKH Vs. DCIT]

9. Owens-Corning INC Vs. DCIT [Mumbai ITAT - 2023-TII-50-ITAT-MUM-INTL]

Whether amount of lease rental on alloy which are used to refurbish the bushing cannot be again treated and taxed as royalty in the hands of the assessee by invoking the India-US DTAA and provisions of section 9(1)(vii) r/w Explanation 5 of the I-T Act - YES: ITAT

10. Bilcare Ltd. Vs. DCIT [Pune ITAT - 2023-TII-80-ITAT-Pune-TP]

Whether there can be no comparison between the price charged or profit realized by the assessee in domestic market from non-AEs and in the international markets from its AEs & in which case, internal TNMM is inapplicable - YES: ITAT

11. ACIT Vs. Gauri Tandon [Mumabi Trib. - 2023-TIOL-339-ITAT-MUM]

Whether where assessee has claimed losses by booking cost of purchase of original shares and retain cost of additional shares due to split and bonus shares at NIL, there is no loss to Revenue - YES: ITAT

Indirect Tax



GST Calendar –Compliances for the month of March 2023.

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



ANALYSIS OF 8 GST NOTIFICATIONS ISSUED ON 31ST MARCH, 2023

Pursuant to 49th GST Council Meeting held on 18th Feb 2023, CBIC has released Eight Central Tax Notifications unveiling various taxpayer friendly schemes and decisions. Below is the tabular presentation of 8 central tax notifications with their detailing:-

S.No	Notification	Description	RNM Analysis
1	No.02/2023– CENTRAL TAX dated 31st March 2023 (Making Amendment to Not. No.73/2017– Central Tax, 29th December, 2017)	In the said notification, after the sixth proviso, the following proviso shall be inserted, namely: — Provided also that the amount of late fee payable under section 47 of the said Act shall stand waived which is in excess of two hundred and fifty rupees and shall stand fully waived where the total amount of central tax payable in the said return is nil, for the registered persons who fail to furnish the return in FORM GSTR-4 for the quarters from July, 2017 to March 2019 or for the Financial years from 2019-20 to 2021-22 by the due date but furnish the said return between the period from the 1st day of April, 2023 to the 30th day of June, 2023.	Through this, a waiver of late fee is provided to composition suppliers for late filing of GSTR-4: • For the quarters from July, 2017 to March 2019 or • For the FYs from 2019-20 to 2021-22 The late fee u/s 47 shall be five hundred rupees (250 CGST + 250 SGST) and no late fee is in cases where tax payable is nil. Pending GSTR-4 to be furnished between 1st April 23 to 30th June23.



S.No	Notification	Description	RNM Analysis
2	No. 03/2023 – CENTRAL TAX dated 31st March 2023	<p>Hereby notifies that the registered person, whose registration has been cancelled under clause (b) or clause (c) of sub-section (2) of section 29 of the said Act on or before the 31st day of December, 2022, and who has failed to apply for revocation of cancellation of such registration within the time period specified in section 30 of the said Act as the class of registered persons who shall follow the following special procedure in respect of revocation of cancellation of such registration, namely:– (a) the registered person may apply for revocation of cancellation of such registration upto the 30th day of June, 2023; (b) the application for revocation shall be filed only after furnishing the returns due upto the effective date of cancellation of registration and after payment of any amount due as tax, in terms of such returns, along with any amount payable towards interest, penalty and late fee in respect of the such returns; (c) no further extension of time period for filing application for revocation of cancellation of registration shall be available in such cases. Explanation: For the purposes of this notification, the person who has failed to apply for revocation of cancellation of registration within the time period specified in section 30 of the said Act includes a person whose appeal against the order of cancellation of registration or the order rejecting application for revocation of cancellation of registration under section 107 of the said Act has been rejected on the ground of failure to adhere to the time limit specified under sub section (1) of section 30 of the said Act.</p>	<p>1. Sec 29(2)(b) and Sec 29(2)(c) of the Act lists following two scenarios where registration has been cancelled by the proper officer for the non-compliance. Extract of Section 29(2): The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where, — (a).....; or (b) a person paying tax under section 10 (composition supplier) has not furnished the return for a financial year beyond three months from the due date of furnishing the said return; or (c) any registered person (regular supplier), other than a person specified in clause (b), has not furnished returns for such continuous tax period as may be prescribed; If your registration is cancelled under any of the above clauses then this is for you. 2. Your registration is cancelled before 31st Dec. 2022. 3. You have failed to file revocation of cancellation within time allotted u/s 30 of the Act. 4. Follow the following procedure:- a) File your all pending returns upto the effective date of cancellation of registration along with due tax, interest, penalty and late fees. b) Then file revocation of cancellation of registration up to 30th June 2023. c) Mind it-No further extension for filing this revocation shall be given whatsoever. Special Note- This amnesty scheme shall apply to person whose appeal against the order of revocation of cancellation or order rejecting application for revocation of cancellation of registration u/s 107 has been rejected on account of failure to adhere the time limit.</p>

S.No	Notification	Description	RNM Analysis
3	<p>No. 04/2023 – Central Tax dated 31st March 2023 It is valid from 26th December 2022.</p>	<p>1. Short title and commencement.— (1) These rules may be called the Central Goods and Services Tax (Amendment) Rules, 2023. (2) They shall be deemed to have come into force from the 26th day of December, 2022. In the Central Goods and Services Tax Rules, 2017 in rule 8,- (i) for sub-rule (4A), the following sub-rule shall be substituted, namely:- —(4A) Where an applicant, other than a person notified under sub section (6D) of section 25, opts for authentication of Aadhaar number, he shall, while submitting the application under sub-rule (4), undergo authentication of Aadhaar number and the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or fifteen days from the submission of the application in Part B of FORM GST REG-01 under sub-rule (4), whichever is earlier. Provided that every application made under sub-rule (4) by a person, other than a person notified under sub-section (6D) of section 25, who has opted for authentication of Aadhaar number and is identified on the common portal, based on data analysis and risk parameters, shall be followed by biometric-based Aadhaar authentication and taking photograph of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified under sub section (6C) of section 25 where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in FORM GST REG-01 at one of the Facilitation Centres notified by the Commissioner for the purpose of this sub-rule and the application shall be deemed to be complete only after completion of the process laid down under this proviso. (ii) in sub-rule (4B), for and words, —provisions of, the words —proviso to, shall be substituted.</p>	<p>Rule 8 pertains to Application for Registration. Sub rule 4A has been substituted from back date. Another amendment is made in Sub rule 4B. This is a correction by way of amendment. Earlier entire provisions of Sub rule 4A was implicated in Sub-rule 4B. After this amendment, only proviso to sub rule 4A is relevant for sub rule 4B.</p>

S.No	Notification	Description	RNM Analysis
4	<p>No. 05/2023-Central Tax dated 31st March 2023 It is valid from 26th December 2022.</p>	<p>hereby makes the following amendment in the notification of the Government of India, the Ministry of Finance (Department of Revenue) No. 27/2022-Central Tax, dated the 26th December, 2022 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 903(E), dated the 26th December, 2022, namely:- In the said notification, for the words, —provisions of, the words —proviso to shall be substituted. They shall be deemed to have come into force from the 26th day of December, 2022.</p>	<p>Amendment in Sub-Rule 4B.</p>
5	<p>No. 06/2023 – CENTRAL TAX dated 31st March 2023</p>	<p>hereby notifies that the registered persons who failed to furnish a valid return within a period of thirty days from the service of the assessment order issued on or before the 28th day of February, 2023 under sub-section (1) of section 62 of the said Act, as the classes of registered persons, in respect of whom said assessment order shall be deemed to have been withdrawn, if such registered persons follow the special procedures as specified below, namely,- (i) the registered persons shall furnish the said return on or before the 30th day of June 2023; (ii) the return shall be accompanied by payment of interest due under sub-section (1) of section 50 of the said Act and the late fee payable under section 47 of the said Act, irrespective of whether or not an appeal had been filed against such assessment order under section 107 of the said Act or whether or not the appeal, if any, filed against the said assessment order has been decided.</p>	<p>Section 62 pertains to Assessment of non-filers of returns. This notification brings an amnesty scheme for those taxpayers • Who has not furnished valid returns within 30 days • From the date of service of the best judgement assessment order issued u/s 62(1) • For whom notice was issued u/s 46 • For non-filers of returns u/s 39 {GSTR-1} and 45 {Final return} • If such order was passed before 28th Feb. 2023. This notification entails the procedure to be followed. 1. If RP files such return(s) with due interest and late fees. 2. It should be filed on or before 30th June 2023. 3. If followed this special procedure then assessment order shall be deemed to have been withdrawn. 4. It is immaterial whether or not appeal has been preferred or decided u/s 107 against the said order.</p>

S.No	Notification	Description	RNM Analysis
6	No. 07/2023 – CENTRAL TAX dated 31st March 2023	<p>hereby waives the amount of late fee referred to in section 47 of the said Act in respect of the return to be furnished under section 44 of the said Act for the financial year 2022-23 onwards, which is in excess of amount as specified in Column (3) of the Table below, for the classes of registered persons mentioned in the corresponding entry in Column (2) of the Table below, who fails to furnish the return by the due date, namely: – S. No. Class of registered persons Amount (1) (2) (3) 1. Registered persons having an aggregate turnover of up to five crore rupees in the relevant financial year. Twenty-five rupees per day, subject to a maximum of an amount calculated at 0.02 per cent. of turnover in the State or Union territory. 2. Registered persons having an aggregate turnover of more than five crores rupees and up to twenty crore rupees in the relevant financial year. Fifty rupees per day, subject to a maximum of an amount calculated at 0.02 per cent. of turnover in the State or Union territory. Provided that for the registered persons who fail to furnish the return under section 44 of the said Act by the due date for any of the financial years 2017-18, 2018-19, 2019-20, 2020-21 or 2021-22, but furnish the said return between the period from the 1st day of April, 2023 to the 30th day of June, 2023, the total amount of late fee under section 47 of the said Act payable in respect of the said return, shall stand waived which is in excess of ten thousand rupees.</p>	<p>This amnesty scheme is relating to filing of old pending Annual Returns (Form GSTR-9 & GSTR-9C), which was waited for long. However, this notification not only gives relief to old filings but also rationalize for FY 22-23 onwards. This waiver of late fee u/s 47 shall be for non-compliance of Sec. 44. And Sec. 44 directs to file annual return in Form GSTR-9 along with reconciliation statement in Form GSTR-9C (wherever required). Therefore, late fee as decided in this notification shall be for Form GSTR-9 and Form GSTR-9C both (wherever GSTR-9C is required to be filed). It is clarified that for Registered persons having an aggregate turnover of up to five crore rupees in the relevant FY, fee shall be fifty rupees (25 CGST + 25 SGST) per day up to a maximum of 0.04% of turnover in the state/UT (0.02 CGST + 0.02 SGST/UTGST) and Registered persons having an aggregate turnover of more than five crores rupees and up to twenty crore rupees in the relevant financial year, it would be 100 rupees (50 CGST + 50 SGST) per day, upto a maximum of 0.04% of turnover in the state/UT (0.02 CGST + 0.02 SGST/UTGST). Also, it may be noted that this waiver from FY 22-23 is only for Taxpayers having aggregate turnover upto a maximum of 20 Crores in the relevant FY. Taxpayers having ATO above 20 Crores shall not have any waiver of late fees whatsoever. For the earlier Financial years (2017-18, 2018-19, 2019-20, 2020-21, 2021-22), they gave one-time relief if Form GSTR-9/ GSTR-9C is filed within 1st April to 30th June 2023, then maximum late fees shall be 20000/- rupees (10000 CGST + 10000 SGST/UTGST). Here, no mention of limit of turnover is made, therefore, safely can conclude that this late fee applies to all taxpayers in the economy irrespective of the turnover.</p>

S.No	Notification	Description	RNM Analysis
7	No. 08/2023 - CENTRAL TAX dated 31st March 2023	hereby waives the amount of late fee referred to in section 47 of the Act, which is in excess of five hundred rupees for the registered persons who fail to furnish the final return in FORM GSTR-10 by the due date but furnish the said return between the period from the 1st day of April, 2023 to the 30th day of June, 2023	This amnesty scheme provides waiver of late fee u/s 47 for filing final return in Form GSTR-10 between 1st April, 2023 to 30th June, 2023. The applicable late fee shall be 2000/- rupees (1000 CGST + 1000 SGST).
8	No. 09/2023 - CENTRAL TAX dated 31st March 2023	in partial modification of the notifications of the Government of India, Ministry of Finance (Department of Revenue), No. 35/2020-Central Tax, dated the 3rd April, 2020 and No. 14/2021 Central Tax, dated the 1st May, 2021 and No. 13/2022 Central Tax, dated the 5th July, 2022, the Government, on the recommendations of the Council, hereby, extends the time limit specified under subsection (10) of section 73 for issuance of order under sub-section (9) of section 73 of the said Act, for recovery of tax not paid or short paid or of input tax credit wrongly availed or utilised, relating to the period as specified below, namely:- (i) for the financial year 2017-18, up to the 31st day of December, 2023; (ii) for the financial year 2018-19, up to the 31st day of March, 2024; (iii) for the financial year 2019-20, up to the 30th day of June, 2024.	Section 73 pertains to Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized for any reason other than fraud or any willful misstatement or suppression of facts. Section 73 shall be applicable in non-fraud cases. Notification No. 35/2020-Central Tax, dated the 3rd April, 2020 {1st Covid Wave, i.e., 20th March, 2020 to 30th August, 2020 – 31st August, 2020} Notification No. 14/2021-Central Tax, dated the 1st May, 2021 {2nd Covid Wave, i.e., 15th April, 2021 to 29th June, 2021 – 30th June, 2021} Notification No. 13/2022-Central Tax, dated the 5th July, 2022, {Time limit specified u/s 73(10) for FY 2017-18 was extended to 30th Sep, 2023} This amendment makes partial modification in above 3 notifications and extends the time limit specified u/s 73(10) for issuance of order u/s 73(9), for recovery of tax not paid or short paid or of input tax credit wrongly availed or utilised, relating to: · FY 2017-18 – up to 31st Dec, 2023 · FY 2018-19 – up to 31st Mar, 2024 · FY 2019-20 – up to 30th Jun, 2024 The date of issuance of notice shall be at least three months prior to the time limit specified u/s 73(10) for issuance of order. Note: The above amendment is not applicable in case of erroneous refund. In such a case, the period from the 1st March, 2020 to 28th February, 2022 shall stand excluded for computation of period of limitation u/s 73(10) for issuance of order u/s 73(9) for recovery of erroneous refund (Notification No. 13/2022-Central Tax, dated the 5th July, 2022).

Statutory Audit



Implementation & Guidance on Audit Trail

A. Management's Responsibility

Proviso to Rule 3(1) of the Companies (Accounts) Rules, 20141 (hereinafter referred to as "the Account Rules") states that for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

Every company which uses an accounting software for maintaining its books of account should use only such accounting software which has the following features:

- Records an audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made;
- Ensuring that the audit trail is not disabled. Thus, it is the management, who is primarily responsible for ensuring selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations (including those related to retention of audit logs).



B. Auditor's Responsibility

The auditor is expected to verify the following aspects:

- Whether the audit trail feature is configurable (i.e., if it can be disabled or tampered with)?
- Whether the audit trail feature was enabled/operated throughout the year? whether all transactions² recorded in the software are covered in the audit trail feature?
- Whether the audit trail has been preserved as per statutory requirements for record retention?

It may be noted that any software used to maintain books of account will be covered within the ambit of this Rule.

For e.g., if sales are recorded in a standalone software and only consolidated entries are recorded monthly into the software used to maintain the general ledger, the sales software should also have the audit trail feature since sales invoices would be covered under Books of Account as defined under section 2(13) of the Act. Auditors would need to evaluate whether management has also considered such software in their compliance to the Account Rules. Accordingly, any software that maintains records or transactions that fall under the definition of Books of Account as per the section 2(13) of the Act will be considered as accounting software for this purpose.

For example, creation of a user in the accounting software may be construed as a transaction in the software. However, creating a user account in the accounting software would not change the records of books of account as defined in Section 2(13) of the Act whereas adding a new journal entry or changing an existing journal entry will be construed as a change made in books of account.

Giving due cognizance to the definition of "books of account" as envisaged under Section 2(13) of the Act and Rule 3 of the Account Rules which provides for the management responsibilities for maintenance of books of account and other relevant books and papers maintained in electronic mode, the auditor would be expected to check whether the audit trail is enabled for such transactions which result in a change to the books of account



Corporate Finance



Jindal Stainless Buys \$157-Mn Stake in Indonesian Firm to Secure Nickel Supply

In order to guarantee a supply of nickel, a crucial component in the creation of stainless steel, India's Jindal Stainless Ltd paid \$157 million for a 49% share in New Yaking Pte. Ltd, a company with headquarters in Indonesia. In accordance with the agreement, a nickel pig iron facility will be built and run in Indonesia's Halmahera Islands. Within two years, the factory will be put into operation, and its production capacity will be up to 200,000 metric tonnes per year. The entire amount of nickel required by the company for its 2.9 million tonnes per year of stainless steel production is 125,000 tonnes, of which 15%–16% is derived from nickel pig iron. Nickel prices had slumped 28% over about seven weeks, weighed down by concern about weak demand and rising output in major nickel ore producer Indonesia, before rebounding.

(Source: VC Circle, 28th March 2023)

Private Equity

Jupiter India-Backed Himatsingka Seide Ltd. Snags Cheque from Offshore Investor

Himatsingka Seide Ltd., a publicly traded home textile manufacturer that creates, develops, produces, and distributes a variety of textile items, is about to get a check from worldwide investors. The manufacturer supported by the Jupiter India Fund has obtained up to \$69 million (about Rs 568 crore) from the International Finance Corporation, the World Bank's private sector investment arm. The \$51.6 million in current long-term debt held by Himatsingka will be refinanced using the planned investment. The company would also invest about \$5.2 million in capital expenditures to debottleneck its capacity for terry towels and \$12.2 million in corporate decarbonization initiatives.

(Source: VC Circle, 29th March 2023)

TPG Strikes over \$200 Mn Exit With Multi-Bagger from India

With a cumulative 5.6x return on its four and a half-year-old investment, the mid-market growth equity division of global asset manager TPG Capital has marked a complete exit from listed athleisure shoe maker Campus Activewear Ltd. TPG Growth likely earned Rs 805 crore from the sale of its 7.6% remaining stake in the business. Through primary and secondary transactions, TPG Growth invested Rs 293 crore for a 17.2% ownership in the company in September 2017. The family office of the Havells Group promoters, QRG Enterprises Ltd, also took part in that round. The PE fund probably made a total withdrawal of Rs 1,655 crore (almost \$210 million), which equates to an internal rate of return (IRR) of 45–48%.

(Source: VC Circle, 24th March 2023)



Tano, TR Capital-Backed Microlender Mops Up \$11 Mn in New Funding

Around Rs. 91 crore (\$11 million) has been raised from an additional offshore backer by a microfinance company located in Kolkata that counts private equity firm Tano Capital and secondary's specialist TR Capital among its investors. The Aavishkaar Group Business, Arohan Financial Service Ltd. raised funds roughly a year after postponing its plan to launch an IPO because of challenging macroeconomic circumstances. Arohan obtained the additional funding from FMO, a Dutch development bank. The business will use the additional funds to accelerate its expansion and expand its technology stack.

(Source: VC Circle, 13th March 2023)

Abu Dhabi's ADQ, IHC Tie Up With General Atlantic on Asset Management

A multi-asset class investment manager will be established by the Abu Dhabi sovereign wealth fund ADQ and the local conglomerate IHC with General Atlantic as a strategic partner and investor. The portfolio of assets will be managed by the investment manager and will include assets from the Abu Dhabi Growth Fund (ADG) and IHC of ADQ, as well as new cash from founding shareholders and potential investors. With the objective of opening other foreign offices in North America, Europe, and Asia, it will establish Abu Dhabi as its main base.

(Source: VC Circle, 6th March 2023)

CPPIB Takes Control of Indian Energy Firm with \$268-Mn Deal

The largest pension fund in North America, the Canada Pension Fund Investment Board (CPPIB), has wagered an additional \$268 million, in which it'll acquire a majority interest. CPPIB, which over the past few years has been one of the largest foreign investors in the Indian infrastructure industry and closed deals totaling about \$3 billion in 2022 alone, has raised its investment in ReNew Energy, which is listed on the Nasdaq. Back-of-the-envelope calculations reveal that the fund acquired additional shares of the renewable major from Goldman Sachs in a secondary deal, increasing its effective ownership position in the business from 31.6% to roughly 51.5%. The Indian company won't profit from the deal, but Goldman Sachs will walk away with the money.

(Source: VC Circle, 6th March 2023)

Venture Capital

Aavishkaar Capital Taps Another LP For \$200-Mn Fund

A limited partner is about to give Aavishkaar Capital, the impact investing division of the Aavishkaar Group, another check for its sixth India-focused fund, which hopes to raise up to \$200 million. The International Finance Corporation is poised to give \$20 million to Aavishkaar, which counts sovereign wealth funds, development financial institutions, business houses, and family offices from Asia and Europe among its limited partners for its prior funds IFC, the private sector investment arm of the World Bank Group, also intends to spend an additional co-investment envelope of up to \$15 million in the fund's portfolio companies.

(Source: VC Circle, 23th March 2023)

Warbug Pincus-Backed Good Glamm Raising Fresh Capital For Overseas Expansion

The direct-to-consumer company Good Glamm Group is soliciting additional capital to expand its foreign business segment. The unicorn content-to-commerce company, valued at \$1.2 billion when it raised \$150 million (Rs 1,110 crore) in a Series D round in November 2021, is currently seeking to raise about Rs 400 crore (\$48 million) from current investors. On its cap table, the new capital would be a combination of debt and equity from certain significant asset managers.

(Source: VC Circle, 23th March 2023)

Bira Raises Fresh Funding From Japan's Largest Bank

After receiving \$70 million in a Series-D fundraising round, led by the Japanese brewer Kirin Holdings Co., B9 Beverages, owner of the Indian craft beer brand Bira 91, has now raised \$10 million from Japan's largest bank, MUFG Bank. The money will be used by the business to expand its supply chain, scale up manufacturing, and strengthen its capacity for innovation.

(Source: VC Circle, 9th March 2023)

InCred Group's Arm Picks Up 20% Stake in Mumbai HR Tech Firm

The InCred Group's wealth and asset management division, which has lately entered the retail wealth-tech area, has acquired a 20% share in an HR SaaS platform based in Mumbai. The investment made by InCred Capital as part of TeamNest's Series A funding round will give the platform the means to compete in the HR IT market. By this investment, InCred will be able to broaden their reach, hire-to-retire partners for their clients, and accelerate outreach across the nation.

(Source: VC Circle, 9th March 2023)

Biocon Spinout Bicara Therapeutics Snags \$108 Mn in Series B Round

Claire Mazumdar, the niece of Kiran Mazumdar, launched the biotech company Bicara Therapeutics, which has raised \$108 million in a Series B fundraising round. Red Tree Venture Capital and RA Capital Management jointly led the new round. The round also included participation from current investors Eight Roads Ventures, F-Prime Capital, Invus, Piper Heartland Healthcare Capital, and PremjilInvest. Omega Funds, Bioqube Ventures, Acorn Bioventures, and Janus Henderson Investors were among the additional new investors.

(Source: VC Circle, 7th March 2023)



Mergers & Acquisition

VC-Backed Edtech iNurture Education Buys Skilling Platform

Bengaluru-based iNurture Education Solutions Pvt. Ltd., which provides higher education programmes, is in acquisition mode to bolster its digital capabilities. The company, which counts Dubai-based family office Kimera Ltd. and venture capital firms Bertelsmann India Investments, ADM Capital, Ascent Capital, and GVFL Ltd. among its investors, has acquired the talent finding and skilling platform Youth4Work. A new business, Y4W Learning Pvt Ltd, was established as part of the transaction, with iNurture Education owning an 82.5% share.

(Source: VC Circle, 30th March 2023)

VC-Backed Pet-Care Brand Wiggles Acquires Peer To Boost Offerings

A pet grooming brand was purchased by Wiggles.in, a direct-to-consumer pet care brand, in an effort to strengthen its position in the burgeoning market. EM & EM Personal Care Pvt. Ltd, which owns the pet grooming brand Captain Zack, has been acquired by the company, which was launched in 2018 and secured \$5.5 million in a pre-Series A investment headed by Anthill Ventures in October 2021, in a cash and stock agreement.

(Source: VC Circle, 30th March 2023)

Jio-Owned Radisys Acquires WiFi Tech Player

Mimosa Networks will be acquired by Radisys Corp, a division of Jio Platforms, which is controlled by Reliance Industries Ltd (RIL), for \$60 million in a debt-free, cash-free transaction. The sale of Mimosa Networks, Inc. (Mimosa) to Radisys for \$60 million on a debt-free, cash-free basis has been announced by Airspan Networks Holdings (Airspan) and Radisys Corporation (Radisys), a fully owned subsidiary of Jio Platforms Limited (Jio).

(Source: VC Circle, 9th March 2023)

VC-Backed Redcliffe Buys Diagnostic Lab Chain In First Acquisition

Redcliffe Lifetech Pvt Ltd, which counts venture capital firm Chiratae Ventures and impact investor LeapFrog Investments among its backers, has acquired the diagnostic lab chain Medicentre Sonography & Clinical Lab of Udaipur for an undisclosed sum. Redcliffe, which runs diagnostic labs in numerous Indian towns, places its first inorganic expansion wager with the agreement.

(Source: VC Circle, 24th March 2023)

General Atlantic-Backed Digital Insurer Acko Acquires Parentlane

Bengaluru-based Parentlane is a technological platform created in 2015 by Anand and Neeraj Kumar Gupta that provides healthcare solutions to new parents beginning with preconception and continuing through the most crucial early childhood development stage. In addition to providing motor and embedded insurance, Acko, which is in discussions to raise up to \$150 million, entered the retail health insurance market, which is dominated by offline competitors. The most recent acquisition will complement its current services and support its objective of developing a healthcare solution.

(Source: VC Circle, 16th March 2023)

Corporate & Legal



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

Ministry of Corporate Affairs (MCA)

- **MCA notifies the Companies (Indian Accounting Standards) Amendment Rules, 2023**

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023. As per the amended rules, a new para 39AG has been inserted in Ind AS 101, which states that 'deferred tax related to assets and liabilities arising from a single transaction' shall apply for annual reporting periods beginning on or after 01.04.2023.

To read more-
getdocument (mca.gov.in)

- **MCA notifies the Amendment in the Companies (Accounts) Rules, 2014,**

MCA notification has being made mandatory from 1st April, 2023 for every company to add on the feature of audit trail in their accounting software in which it maintains its books of account. The feature of Audit trail should have an edit log which shall record each and every transaction along with modifications made at any point of time.

Read more at:

<https://taxguru.in/company-law/audit-trail-feature-accounting-software-1st-april-2023>.

- **MCA establishes a Centre for Processing Accelerated Corporate Exit (C-PACE)**

In reference with the Notification No. SO-1269(E) dated 17.03.2023 that Ministry of Corporate Affairs establishes a Centre for Processing Accelerated Corporate Exit (C-PACE) in exercise of the powers conferred by sub-section (1) of section 396 of the Companies Act, 2013. This notification shall come into force with effect from the 01st day of April, 2023.

Read more at:

<https://ibclaw.in/mca-establishes-a-centre-for-processing-accelerated-corporate-exit-c-pace-notification-no-so-1269e-dated-17-03-2023/>



Securities and Exchange Board of India (SEBI)

- **Major amendments approved by the SEBI ON 29.03.2023 are given below:**

- Balanced framework for ESG disclosures, ratings and investing.
- SEBI to amend SEBI LODR Regulations to introduce a quantitative threshold for determining 'materiality' of events/information.
- Top 100 listed companies are required to verify and confirm the market rumors, deny or clarify rumors in the market.
- Periodic approval from the shareholders will be required for (i) special rights granted to a shareholder; and (ii) continuation of directors' tenure to do away with the practice of permanent board seats.
- The timelines for submission of first financial results by a company which recently got listed, to overcome the challenges faced in immediate submission of financial results
- The vacancy of Directors, Compliance Officer, CEO and CFO are required to be fulfilled within three months.
- Bonus issue shall be made only in dematerialized form

National Stock Exchange

- **NSE- Introduction of Issue Summary Document (ISD) – Further Issues:**

NSE issued a circular on dated March 31, 2023 in reference with SEBI circular SEBI/HO/CFD/PoD-1/P/CIR/2023/29 dated February 15, 2023 in relation to Introduction of Issue Summary Document (ISD) and dissemination of issue advertisements. The said circular has introduced ISD for the following Further Issues, in XBRL (Extensible Business Reporting Language) format, effective from April 03, 2023: Preferential issue, qualified institutions placement (QIP), Rights issue, Issue of American Depository Receipts (ADR), Issue of Global Depository Receipts (GDR) and Issue of Foreign Currency Convertible Bonds (FCCBs)

To read more:

[NSE_Circular_31032023.pdf \(nseindia.com\)](#)



Tax Calendar



April 2023 - Tax Calendar

7TH APRIL	Due date for deposit of Tax deducted by an office of the government for the month of March, 2023
14TH APRIL	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194-M, 194S in the month of February, 2023
15TH APRIL	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2023
15TH APRIL	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 March, 2023
30TH APRIL	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2023 has been paid without the production of a challan
30TH APRIL	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194-M, 194S in the month of March, 2023
30TH APRIL	Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2023
30TH APRIL	Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2022 to March 31, 2023
30TH APRIL	Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2023
30TH APRIL	Due date for deposit of TDS for the period January 2023 to March 2023 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H



India



United Kingdom



capital advisors



consulting

New Delhi (Head Office)

4/80, Janpath,
New Delhi -110001
+91-11-43192000
rnm@rnm.in

Bangalore

813 Oxford Towers, 139
Airport Road, Bangalore -
560008
+91-80-43004522
bangalore@rnm.in

Raipur

D-362, Near MLA Rest
House, Tagore Nagar,
Raipur,
Chhattisgarh – 492001
rnm@rnm.in

Mumbai

Awfis, 5th Floor, Raheja
Titanium, Western Express
Highway, Geetanjali
Railway Colony, Ram
Nagar,
Goregaon, Mumbai,
Maharashtra 400063

Gurugram

613, Suncity Business
Tower, Golf Course Road,
Gurugram,
Hariyana – 122002
+91-124-4372956
gurgaon@rnm.in

London

213 Kingsbury Road
Sri Abji Bapashree house
Suite 15, 1 Floor
NW9 8AQ
info@ukrnm.in

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