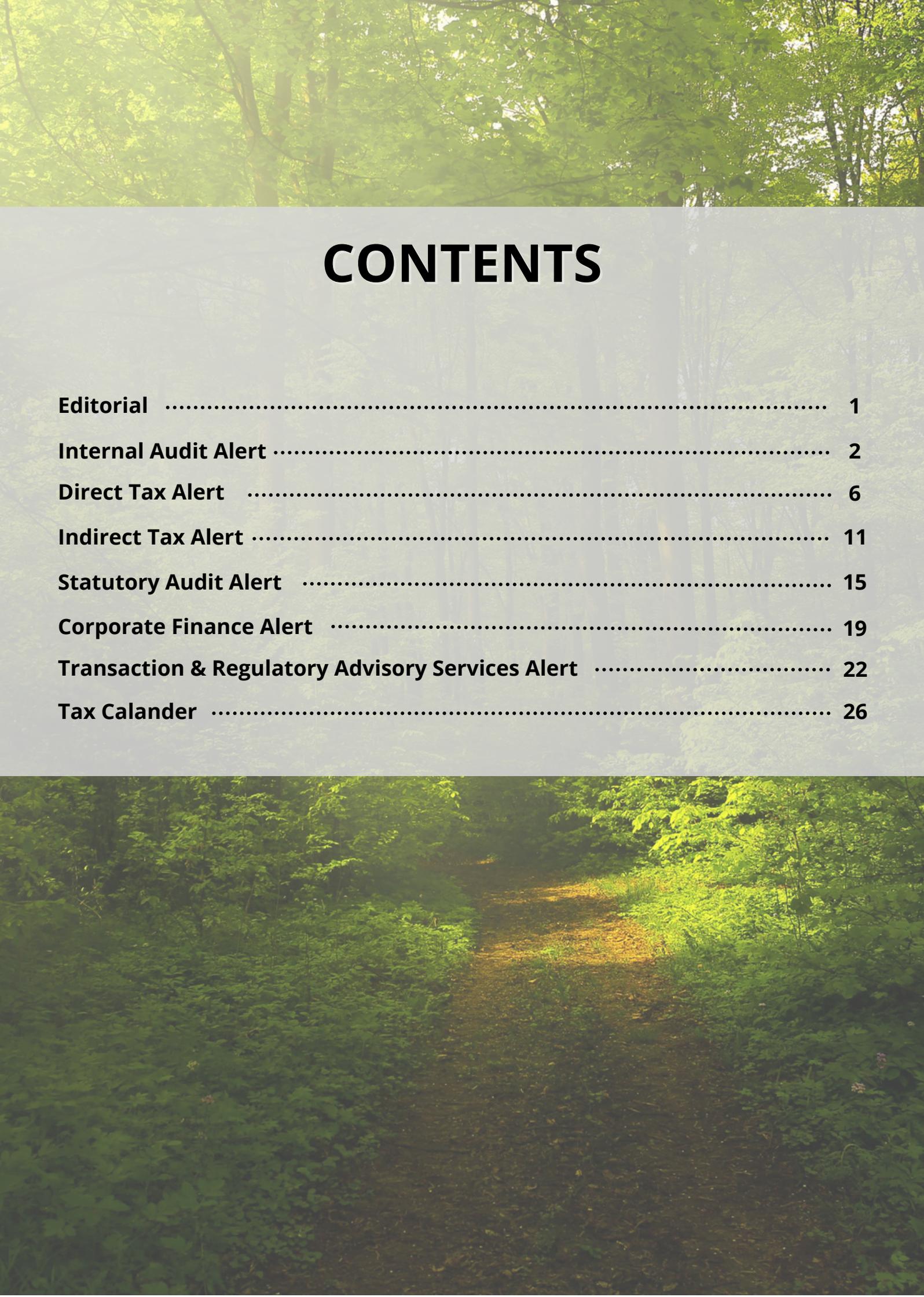


RNM ALERT
MAY
NEWSLETTER

VOL NO 172



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EDITORIAL

Dear Readers

During the month of May 2023, RNM UK participated with a Stall at Europe's largest Exhibition at the Accountex 2023, ExCel London led by our CEO, Raghu Marwah along with Mr. Jai Haran, Director and Ms. Mukta Jain, Director. It was a great opportunity for RNM UK and RNM India to showcase our combined strength and capabilities to the UK market, especially focusing on our Accounts Outsourcing capabilities. Accountex 2023 gave us an opportunity to make some great connects and imbibe the learnings from the various talks being conducted at the event.

Our CEO, Mr. Raghu Marwah was awarded the Bharat Gaurav Samman by Confluence Make In India NGO at a glittering event held at the House of Lords, London for his contributions in the field of Consulting, Advisory, M&A and International Tax. The distinguished Lord Raj Loomba presented the award to him.

The Reserve Bank of India, in a surprise move has withdrawn from circulation all Rs. 2000 notes even though they remain legal tender. The said instruction remains valid till 30 September 2023 by when exchange of the said note is to be expected to be completed. Although, this move is done under the 'Clean Note Policy' of the RBI, it is widely believed to have stemmed from the continued focus of the Government to control black money and fake notes in the economy. RNM India supports this initiative and is of the view that #Demonetisation2.0 will not lead to panic and disruption in the economy.

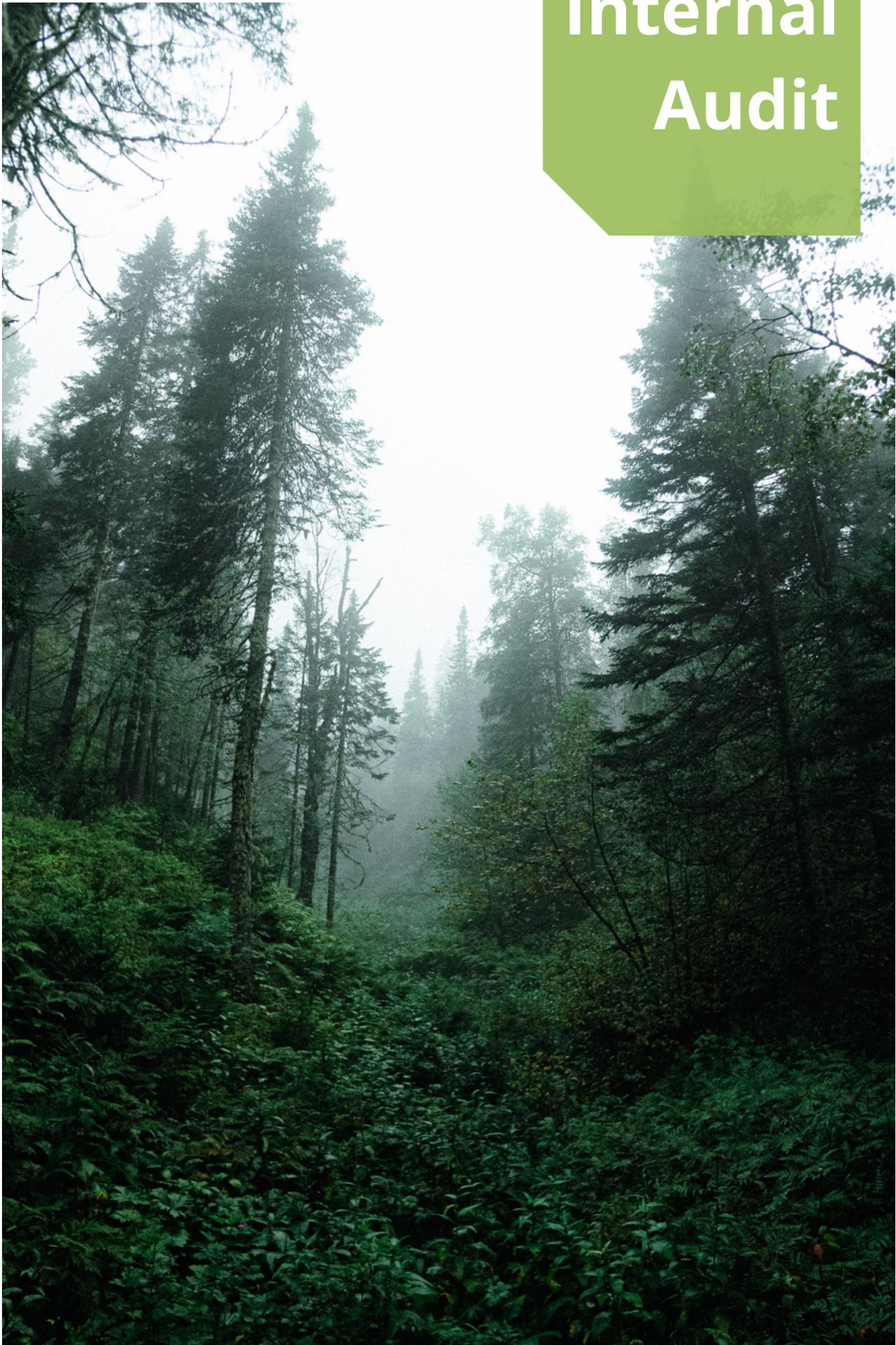
On the Corporate side, the MCA has introduced streamlined Rules for corporate Mergers and Amalgamations which introduces a deemed approval concept after 60 days under the Fast Track Merger framework. RNM India feels that this is a welcome step which would achieve the stated goal of the Fast Track Merger framework.

We would like to take this opportunity to inform our esteemed Readers that RNM Charitable Foundation has obtained an Order for provisional approval under Section 80G of the Income Tax Act, 1961. You may now avail tax deduction for contributing generously to your favorite charitable cause.

To mark the 105th Birth Anniversary of our Founder, Late Shri R. N. Marwah on 25th June we would be hosting various charity events, including at Sai Baba Mandir at Khel Gaon Marg, New Delhi and would invite all of you to give your blessings through your active participation.

CA U N Marwah
Chairman- RNM India

Internal Audit



GENERAL DATA PROTECTION REGULATION (GDPR)

Applicability:

General Data Protection Regulations are applicable to European Union countries like, Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

Introduction:

1. This Regulation lays down rules relating to the protection of natural persons with regard to the processing of personal data and rules relating to the free movement of personal data.
2. This Regulation protects fundamental rights and freedoms of natural persons and in particular their right to the protection of personal data.
3. The free movement of personal data within the Union shall be neither restricted nor prohibited for reasons connected with the protection of natural persons with regard to the processing of personal data.

Principles relating to processing of personal data:

1. Lawfulness, fairness, and transparency: Personal data must be processed lawfully, fairly, and in a transparent manner. Organizations must have a valid legal basis for processing personal data, and individuals must be informed about how their data will be used.
2. Purpose limitation: Personal data should be collected for specified, explicit, and legitimate purposes. Organizations must clearly state the purposes for which data is collected and ensure that data is not processed in a manner incompatible with those purposes.
3. Data minimization: Only the necessary personal data should be collected for the intended purpose. Organizations should minimize the amount of data collected and ensure that it is relevant and limited to what is needed.
4. Accuracy: Personal data must be accurate and kept up to date. Organizations should take reasonable steps to ensure that inaccurate or incomplete data is rectified or erased.
5. Storage limitation: Personal data should be kept in a form that allows identification of individuals for no longer than is necessary for the intended purpose. Organizations must establish appropriate retention periods and delete or anonymize data when it is no longer needed.
6. Integrity and confidentiality: Personal data must be processed in a manner that ensures appropriate security, including protection against unauthorized or unlawful processing, loss, or damage. Organizations must implement technical and organizational measures to safeguard personal data.
7. Accountability: Organizations are responsible for complying with the GDPR and must be able to demonstrate their compliance. This includes implementing appropriate policies, procedures, and measures to protect personal data and ensuring that individuals' rights are respected.

Rights of Users:

1. Right to be informed: Users have the right to be informed about the collection, use, and processing of their personal data. Organizations must provide clear and transparent information about how they handle personal data, including the purposes of processing, the legal basis for processing, and the retention periods.
2. Right of access: Users have the right to obtain confirmation from organizations as to whether their personal data is being processed and to access that data. They can request a copy of their personal data and any additional information about its processing.
3. Right to rectification: Users have the right to request the correction or rectification of inaccurate or incomplete personal data. If the data held by an organization is incorrect, they must make the necessary changes and notify any third parties with whom the data has been shared.
4. Right to erasure (right to be forgotten): Users have the right to request the erasure of their personal data when certain conditions are met. This includes situations where the data is no longer necessary for the purpose it was collected, the individual withdraws consent, or the processing is unlawful.
5. Right to restrict processing: Users have the right to request the restriction of processing of their personal data under specific circumstances. This means that the data can be stored but not further processed.
6. Right to data portability: Users have the right to receive a copy of their personal data in a structured, commonly used, and machine-readable format. They can also request that the data be transmitted directly to another controller where technically feasible.
7. Right to object: Users have the right to object to the processing of their personal data based on legitimate interests or for direct marketing purposes. The organization must stop processing the data unless there are compelling legitimate grounds that override the individual's interests, rights, and freedoms.
8. Right not to be subject to automated decision-making: Users have the right not to be subject to a decision based solely on automated processing, including profiling, if it produces legal or similarly significant effects. Individuals have the right to obtain human intervention, express their views, and contest the decision.

It's important to note that these rights are not absolute and may be subject to certain limitations and conditions depending on the specific circumstances and applicable national laws within the European Union.

Several Authorities you can approach depending on the circumstances:

1. Data Protection Authority (DPA): Each European Union (EU) member state has its own DPA, which is responsible for enforcing the GDPR within its jurisdiction. You can contact the DPA of the country where the data controller or data processor is located or where the alleged violation took place. The DPA's role is to investigate complaints, mediate disputes, and enforce data protection laws.
2. Lead Supervisory Authority: If the processing of your personal data involves multiple EU member states or if the data controller or processor operates in multiple member states, you can contact the lead supervisory authority. The lead supervisory authority is determined based on the location of the organization's main establishment within the EU.
3. Other Regulatory Authorities: In addition to DPAs, there may be other regulatory authorities that oversee specific sectors or industries. For example, in the financial sector, there may be financial regulators or authorities with jurisdiction over data protection in that specific domain. You can approach these authorities if the misuse or mishandling of your data is related to their regulatory area.
4. Judicial Remedies: If you believe your rights under the GDPR have been violated, you may also have the right to seek a judicial remedy through the courts. This can involve filing a lawsuit or legal action against the organization that has misused your data.

Penalties & Fines: -

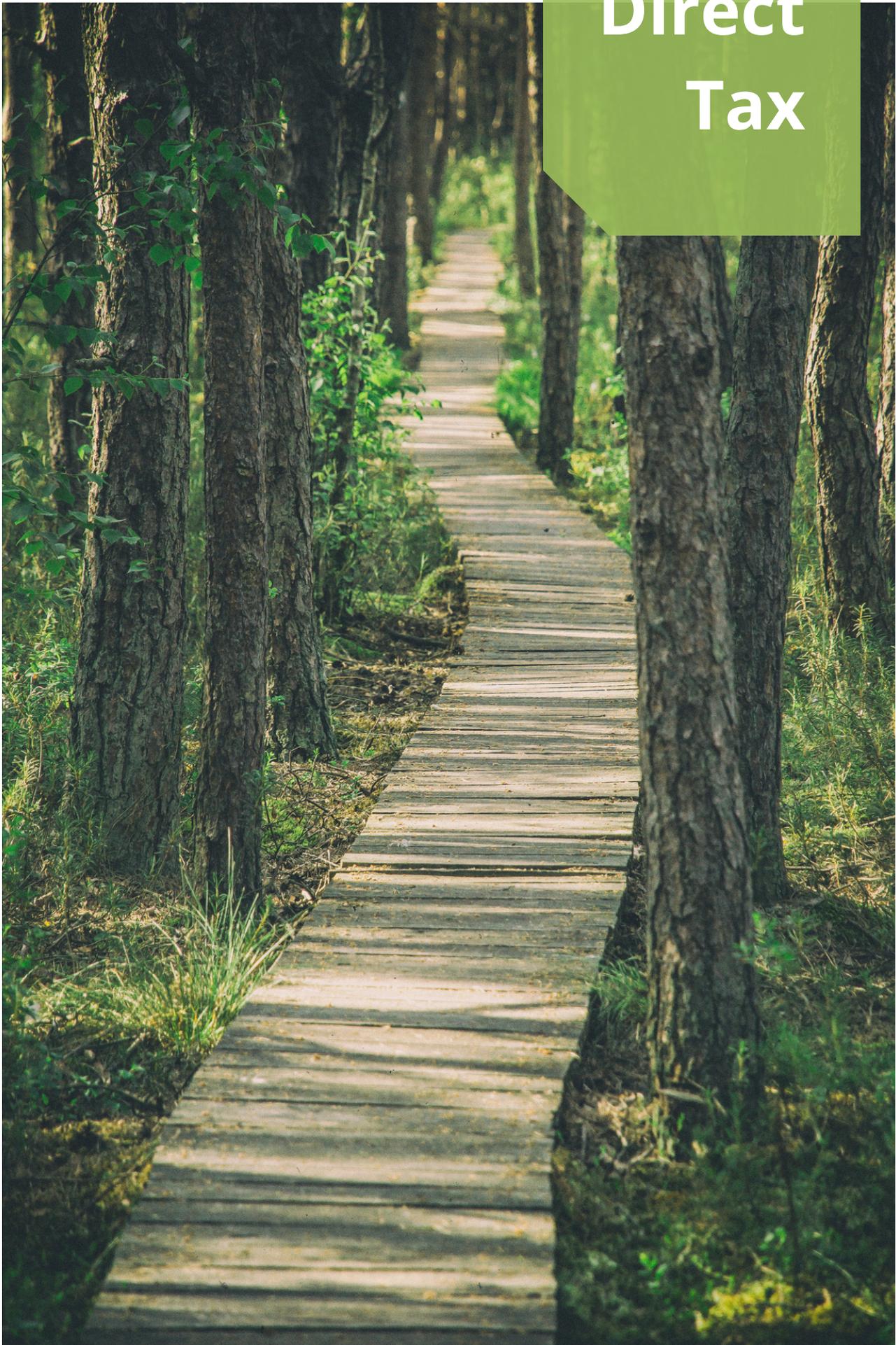
The GDPR provides for two tiers of administrative fines based on the severity of the violation:

1. Lower-level fines: Organizations can be fined up to €10 million or 2% of their global annual turnover of the preceding financial year, whichever is higher, for certain less severe infringements. These may include failing to maintain records, not notifying a personal data breach to the supervisory authority, or not conducting a Data Protection Impact Assessment (DPIA) when required.
2. Higher level fines: Organizations can be fined up to €20 million or 4% of their global annual turnover of the preceding financial year, whichever is higher, for more serious infringements. These include violations such as not obtaining proper consent for data processing, not respecting individuals' rights, transferring personal data to third countries without adequate safeguards, or failing to implement appropriate security measures.

Conclusion:

The General Data Protection Regulation (GDPR) is a legal framework that sets guidelines for the collection and processing of personal information from individuals who live and outside of the European Union (EU). Its aim is to give consumers control over their own personal data by holding companies responsible for the way they handle and treat this information. The regulation applies regardless of where websites are based, which means it must be heeded by all sites that attract European visitors, even if they don't specifically market goods or services to EU residents.

Direct Tax



1. CBDT notifies enhanced exemption limit of Rs. 25 Lakh for leave encashment u/s 10(10AA) :

NOTIFICATION S.O. 2276(E) [NO. 31/2023/F. NO. 200/3/2023-ITA-I], DATED 24-5-2023

In exercise of the powers conferred by sub-clause (ii) of clause (10AA) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government, having regard to the maximum amount receivable by its employees as cash equivalent of leave salary in respect of the period of earned leave at their credit at the time of their retirement, whether superannuation or otherwise, hereby specifies the amount of Rs. 25,00,000 (twenty-five lakhs rupees only) as the limit in relation to employees mentioned in that sub-clause who retire, whether on superannuation or otherwise.

Leave encashment exemption claimed in prior years to be reduced from threshold limit of Rs. 25 lakh.

2. CBDT issues guidelines on taxability of winnings from online games

Guidelines For Removal Of Difficulties Under Sub-Section (3) Of Section 194BA Of The Income-Tax Act, 1961 - CIRCULAR NO. 5 OF 2023 [F. NO. 370142/12/2023-TPL], DATED 22-5-2023

The new section mandates a person responsible for paying any person any income by way of winnings from any online game during the financial year to deduct income tax on the net winnings in the person's user account. Tax is required to be deducted at the time of withdrawal as well as at the end of the financial year. Net winning is required to be computed in the manner as may be prescribed. The manner of computation of net winning has now been prescribed in Rule 133 of the Income-tax Rules, 1962, vide notification no. 28/2023, dated 22nd May 2023.

3. CBDT issues clarifications on various provisions relating to charitable and religious trusts – Circular No. 6 of 2023 [F. NO.370133/06/2023-TPL], DATED 24-5-2023

- *Clarification regarding the application of section 115TD for failure to apply to registration/approval*

Finance Act, 2023 has, inter-alia, amended section 115TD of the Act, so as to provide that the accreted income of the trusts not applying for registration/approval, within the specified time, shall be made liable to tax in accordance with the provisions of section 115TD of the Act. This amendment has come into effect from 1-4-2023 and therefore applies to the assessment year 2023-24 and subsequent assessment years.

In order to mitigate genuine hardship, the Board, in the exercise of the power under section 119 of the Act, extends the due date of making an application in Form-10A and Form 10AB till 30.09.2023.

The provisions of clause (iii) of sub-section (3) of section 115TD of the Act shall not apply on account of delay in making application in accordance with the provisions of clause (i) or (iii) of the first proviso to clause (23C) of section 10 or sub-clause (i) or (iii) of clause (ac) of sub-section (1) of section 12A of the Act.

- *Extension of due date for furnishing of Form No. 10BD*

In view of extension provided to funds or institutions seeking approval under sub-section (5) of section 80G of the Act, in the exercise of the power under section 119 of the Act, the Board also extends the due date for furnishing of statement of donation in Form No. 10BD and the certificate of donation in Form No. 10BE in respect of the donations received during the financial year 2022-23 to 30.06.2023.

4. CBDT releases draft Rule 11UA incorporating 5 new valuation methods – invites public comments

The Finance Act 2023 enhanced the scope of section 56(2)(viib) to make it applicable to share application money/premium received from any person, regardless of residential status. Rule 11UA provides the method for computation of the FMV of unquoted equity shares for said section. To implement the FA 2023 amendment, the CBDT released draft notification with proposed amendment to Rule 11UA incorporating 5 new valuation methods

5. Amended provisions of 'Angel Tax' not applicable to start-ups recognized by DPIIT: CBDT.

[NOTIFICATION S.O. 2275(E) [NO. 30/2023/F.NO. 370142/9/2023-TPL (PART-I)], DATED 24-5-2023]

The Central Government, hereby notifies that the provisions of clause (viib) of sub-section (2) of section 56 of the said Act shall not apply to consideration received by a company for issue of shares that exceeds the face value of such shares, if the said consideration has been received from any person, by a company which fulfills the conditions specified in para 4 of the notification number G.S.R. 127(E), dated the 19th February, 2019 issued by the Ministry of Commerce and Industry in the Department for Promotion of Industry and Internal Trade and published in the Gazette of India.



Important Judicial Precedents

1. Roshan Lal Sanchiti Vs. PCIT – SC [452 ITR 229]

SLP dismissed against order of High Court that retraction of statement recorded under section 132(4) has to be made within reasonable time or immediately after statement of assessee is recorded and, hence, where retraction of statement recorded under section 132(4) and later confirmed in statement recorded under section 131 had been made by assessee after almost eight months, same was to be discarded.

2. CIT Vs. Siemens Nixdorf Information System GmbH –SC [2023-TII-03-SC-INTL]

Right of a non-resident holding company to recover the money advanced by it to its Indian subsidiary, is a capital asset u/s 2(14) and that the transfer of right to recover such amount, to another non-resident entity qualifies as transfer of capital asset.

3. D. N. Singh Vs. CIT – SC [150 taxmann.com 301]

Transporter misappropriating bitumen entrusted for delivery is thief & can't be treated as 'owner' u/s 69A; Bitumen is not 'Valuable article' u/s 69A

Whether in case of an entrustment to carrier otherwise than under a contract of sale of goods, possession of carrier would not convert it into owner of goods - YES: SC

Whether an ordinary 'article' cannot be bracketed in same category as other high-priced articles like bullion, gold, jewellery mentioned u/s 69A by attributing high value to the run-of-the-mill article, only on the strength of its bulk quantity - YES: SC

Whether it is not ownership of huge volume of some low cost ordinary article but the precious gold and the like, that would attract the implication of deemed income u/s 69A - YES: SC

4. PCIT Vs. S S Con. Build Pvt. Ltd. [223-TIOL-65- SC-IT]

Foundation for making search assessments u/s 153A/153C can be said to be existence of incriminating material showing undisclosed income detected as a result of search.

The issue involved in the present petitions is squarely covered against the Revenue in view of the decision of this Court in the case of Principal Commissioner of Income Tax, Central -3 Vs. Abhisar Buildwell P. Ltd - [2023-TIOL-41-SC-IT](#). Hence, the present Special Leave Petitions stand dismissed.

5. DIT Vs. Travelport Inc. – SC [149 taxmann.com 470]

The Supreme Court upheld the approach of the Tribunal and the High Court, stating that the question as to what proportion of profits arose or accrued in India is essentially one of facts.

6. Krishna Kumar Chaudhary Vs. DCIT – Kol. Trib. [113/Kol/2023]

Filing of Form-67 is procedural in nature and the assessee should not be denied the benefit of foreign tax credit for such delay.

We find that it has consistently held that filing of Form 67 is procedural in nature and the assessee should not be denied the benefit of foreign tax credit for such delay. We find support from the decision of this Tribunal in the case of Satreena Consultants Pvt. Limited wherein similar issue was decided in favour of the assessee, wherein also Form 67 was filed after the due date of filing of the return of income but the claim of the assessee was allowed by this Tribunal.

7. CIT Vs. Prakash Chand Lunia (D) [SC – 149 taxmann.com 416]

Term "any expenditure" in Section 37 includes losses incurred in the course of business and incidental to it. Any loss incurred by an assessee for an unlawful purpose or prohibited by law cannot be deducted as an expenditure under Explanation 1 to Section 37. If an expenditure/loss is incurred for an illegal purpose, it is not deemed to have been incurred for the purpose of business/profession, and no deduction can be made. Losses resulting from penalties or confiscation cannot be claimed as a deduction as they are not incidental to any business.

A penalty or a confiscation is a proceeding in rem, and therefore, a loss in pursuance to the same is not available for deduction regardless of the nature of business, as a penalty or confiscation cannot be said to be incidental to any business.

8. US Technologies International (P.) Ltd. Vs. CIT [SC – 149 taxmann.com 144]

Where assessee-company, engaged in software development, had remitted tax deducted at source in respect of salaries, contract payments etc. belatedly, it was not a case of non-deduction of TDS at all and thus assessee was not liable to pay penalty under section 271C.



Indirect Tax



GST Calendar –Compliances for the month of May 2023.

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

Case Law 1- Hon'ble Madras High Court: Deeming one-third of the amount claimed towards the sale of land would be applicable where the seller is unable to bifurcate the value as relatable to construction services and the sale of land.

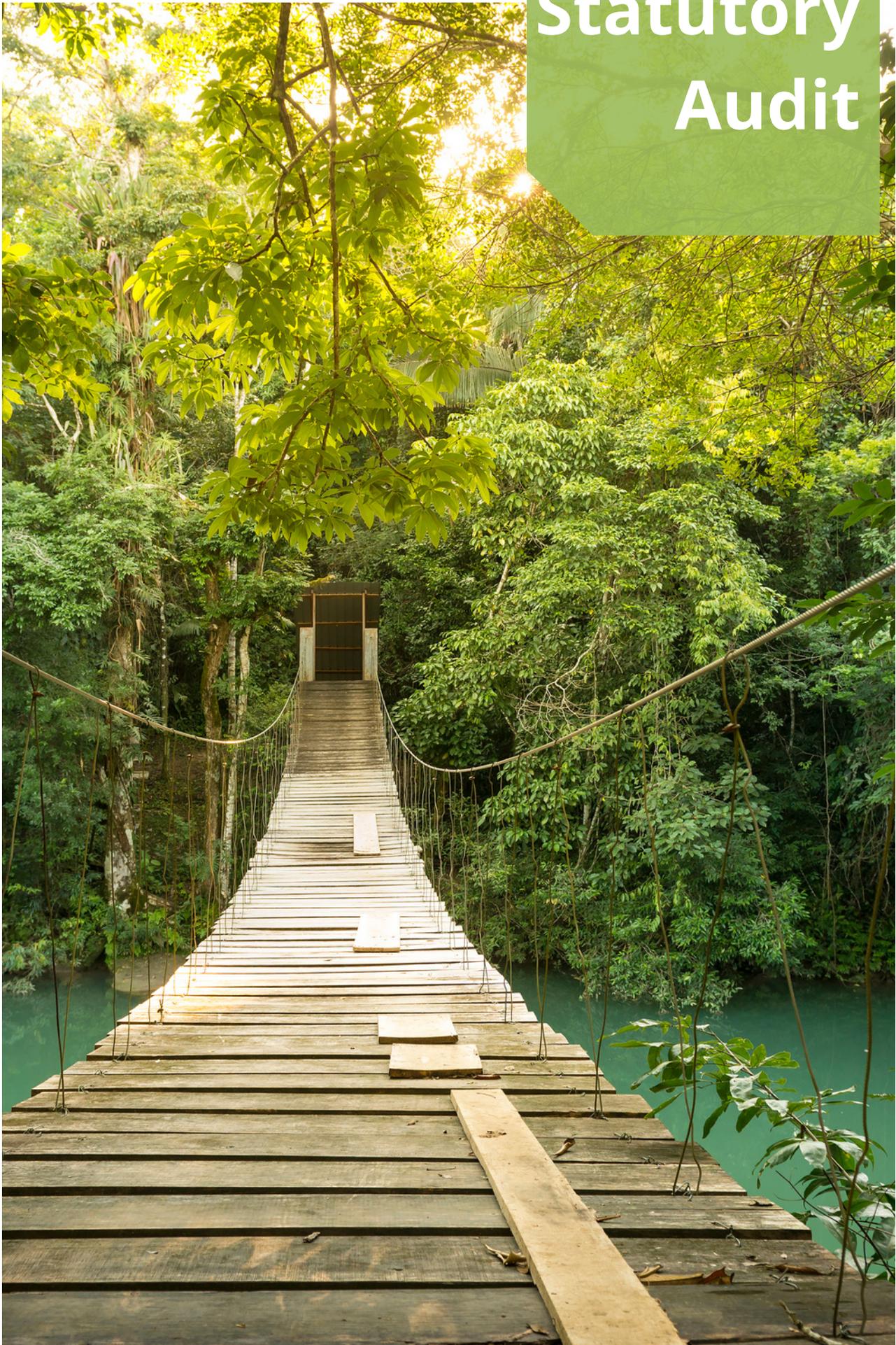
- Background
 - The applicant was issued a Show Cause Notice based on Notification No.11/2017-CT(Rate) dated 28 June 2017 on the supply of construction services, providing for one-third of the amount collected as consideration towards the sale of land or an undivided portion of land, claiming short payment of tax along with interest and penalty.
 - The applicant was issued a demand order inferring that in the case of composite construction, deemed formula is liable to be recognized.
 - The notification makes available the manner in relation to construction services, where in the turnover of the taxable person shall be calculated as two-thirds of the total amount charged, which at times may be less and sometimes more than the cost of supply of construction service. However, it does not provide for any margin in such determination and advocates a fixed proportion of the total amount charged for the purpose of tax evaluation.
 - Applicant contention that Stamp duty has been paid on the actual sale consideration of land. Thus, the valuation deemed by the Revenue as one-third will lead to a double levy, i.e. stamp duty and GST on the same value.
- Issue
 - Whether the Transaction of sale of land and supply of construction services are independent of each other and should be construed as a single transaction of supply of residential housing units.
- HELD:
 - The approach under the notification by way of a deeming fiction is for bifurcation of the total consideration to deduce the deemed amount attributable to land costs and towards construction services.
 - The actual land value can be reduced from the total amount received for the composite supply to attain the taxable value for construction services.
 - The Revenue may have ascertained the details and evidence for corroborating the fact that the attribution is accurately calculated in a proper manner and matches with industrial practices and costs in the specific area by the assessee.
 - Deeming fiction shall not be applicable in cases where the assessee is in a position to provide the actual amount of the consideration received towards land cost construction services.
- RNM Impression
 - The impression of the decision on ongoing and new business projects may be examined to conclude on the suitable approach and option for determining the probability of refund and applicability of Goods and Services Tax.

Case Law-2 Recipient of goods/services is also entitled to seek advance ruling under GST

- Background
 - M/s Anmol Industries Ltd. (‘the Petitioner’) entered into an agreement with the Shyama Prasad Mookerjee Port, Kolkata (‘Lessor), to lease an industrial plot of land for a period of thirty years (30 years) for the purposes of setting up a commercial office complex.
 - The Petitioner was expected to pay advance payment to the lessor, along with GST at 18%, according to the allotment/agreement letter.
 - However, the Petitioner was of the view that as per entry No. 41 of Notification No. 12/2017 Central Tax (Rate) dated June 28, 2017, as amended from time 1 TS-153-HCCAL-2023-GST to time, the above upfront lease premium is exempt from GST.
- Issue
 - Whether the Petitioner, being a recipient of services can seek an advance ruling or ruling can be sought only by the supplier.
- Order:
 - The Hon'ble Calcutta High Court observed that the term "applicant" has been defined in Section 95(c) of the Central Goods and Services Tax Act, 2017 (CGST Act) to indicate any person registered or desirous of obtaining registration under the Act.
 - The Hon'ble High Court the subject is covered under Section 97(2) of the CGST Act, which deals with questions on which advance rulings can also be obtained by the receiver.



Statutory Audit



ACCEPTANCE OF DEPOSITS

Deposits

As per the Companies Act, 2013, a deposit is any money received, either by a deposit or a loan or any other form as may be prescribed, but does not include certain classes of transactions. The provisions concerning deposits are covered under Sections 73 to 76 of the Companies Act, 2013, which are generally read with the prescribed Rules.

Exclusions: Any amount

1. Received from the Central Government or a State Government, or any such source where the repayment will be guaranteed by the State or the Centre.
2. Received from foreign banks or international banks, foreign governments, multilateral financial institutions subject to the provisions of FEMA, 1999.
3. Received by way of financial assistance or loan from Public Financial Institutions notified by the Central Government or Scheduled Banks or Insurance Companies.
4. Received as a loan or facility from any banking company or the State Bank of India or any of its subsidiaries.
5. Received by a company from any other company.
6. Received against the issue of commercial paper or any other instruments issued in accordance with the RBI guidelines.
7. Received against an offer made towards the subscription of securities, by way of share application money or advance towards allotment. The money shall be considered as a deposit provided:- a) The company fails to allot such securities within 60 days. b) And after the expiry of the aforesaid 60 days, the money that is received has still not been refunded in the next 15 days.
8. Received from an employee of the company not exceeding his annual salary in the nature of a non-interest-bearing security deposit.
9. Received amount that is non-interest bearing in nature or held in trust.
10. Received from a director who provides a declaration stating that the amount is not given out of borrowings or a loan from any person.
11. Raised by way of issue of debentures or bonds secured by a first charge or any other way referred to in Schedule III of the Act excluding intangible assets of the company or bonds/debentures compulsorily convertible into shares of the company within five years. If such bonds or debentures are secured by the charge of any assets referred to in Schedule III of the Act excluding intangible assets, the amount of such bonds or debentures shall not exceed the market value of such assets as assessed by a registered valuer;
12. Brought in by the promoters as a loan, unsecured in nature, in pursuance with the stipulation of bank or lending financial institution.
13. Accepted by Nidhi Company as per the provisions of Sec 406 of the Act.

14. Received by way of subscription in respect of a chit under the Chit Fund Act, 1982.

15. Received in the course of, or for the purposes of, the business of the company–

(a) as an advance for the supply of goods or provision of services accounted for in any manner whatsoever provided that such advance is appropriated against the supply of goods or provision of services within a period of three hundred and sixty-five days from the date of acceptance of such advance: However, in case of any advance which is the subject matter of any legal proceedings before any court of law, the said time limit of three hundred and sixty-five days shall not apply.

(b) as advance, accounted for in any manner whatsoever, received in connection with consideration for an immovable property under an agreement or arrangement, provided that such advance is adjusted against such property in accordance with the terms of agreement or arrangement;

(c) as a security deposit for the performance of the contract for the supply of goods or provision of services;

(d) as advance received under long-term projects for the supply of capital goods except those covered under item (b) above;

(e) as an advance towards consideration for providing future services in the form of a warranty or maintenance contract as per written agreement or arrangement, if the period for providing such services does not exceed the period prevalent as per common business practice or five years, from the date of acceptance of such service whichever is less;

(f) as an advance received and as allowed by any sectoral regulator or in accordance with directions of Central or State Government;

(g) as an advance for subscription towards publication, whether in print or in electronic to be adjusted against receipt of such publications;

16. Received by the company under any collective investment scheme in compliance with regulations framed by the Securities and Exchange Board of India;

17. an amount of twenty-five lakh rupees or more received by a start-up company, by way of a convertible note (convertible into equity shares or repayable within a period not exceeding ten years from the date of issue) in a single tranche, from a person.

18. Received by a company from Alternate Investment Funds, Domestic Venture Capital Funds, Infrastructure Investment Trusts, Real Estate Investment Trusts 2 and Mutual Funds registered with the Securities and Exchange Board of India in accordance with regulations made by it.



Applicability:

Provisions regarding the acceptance of deposits that apply to all companies barring a few:-

- Any banking company.
- Non-Banking Financial Companies as per the RBI Act 1934.
- Any other company notified by the Central Government in consultation with the RBI

Penalties:

Where the company fails to repay the deposit money within the stipulated time or such extended period granted by the Tribunal, the company will be punishable with a fine in addition to the repayment of the deposits as specified below –

PARTICULARS	FINE
The company	Rs. 1 crore – Rs. 10 crores
Every officer found in default	a) Imprisonment that may extend to 7 year b) Or Rs. 25 lakh – Rs. 2 crore c) Or both

Where the company fails to repay the deposit money within the stipulated time or such extended period granted by the Tribunal, and it is proved that the deposits were obtained for fraudulent purposes, every officer found guilty will be held personally responsible and be punishable under Section 447 of the Companies Act, 2013. Any suits or proceedings shall be filed by anyone who has suffered damage due to the failure of the company to repay the deposits.



Corporate Finance



GIC Teams Up With Brookfield REIT for \$1.4-Bn Deal To Buy Office Assets

Together with Canadian alternative investor Brookfield Asset Management Inc., Singapore sovereign wealth fund GIC and Brookfield India Real Estate Investment Trust (REIT) have agreed to pay roughly Rs 11,225 crore (almost \$1.4 billion) for two commercial properties. For around Rs 150 crore (about \$18 million), Brookfield India REIT will also purchase a 100% stake in Mountainstar India Office Parks Pvt. Ltd., the company in charge of managing Candour TechSpace (G1) properties. GIC has committed Rs 3,300 crore (about \$400 million) to Brookfield REIT for the 50% acquisition of the commercial properties, as well as for part-repayment of debt.

The transaction, according to a statement, will increase Brookfield India REIT's operational area by over 40% and its gross asset value by 73%. The listed REIT's total operating area, as of March 2023 was about 20.6 million square feet, including 6.3 million square feet of total target assets.

(Source: VC Circle, 19th May 2023)

Private Equity

Temasek, Steadview Co-Lead \$86 Mn Round in Atomberg

An energy-saving fan manufacturer, Atomberg Technologies Pvt Ltd, has raised \$86 million (about Rs 710 crore) as part of its Series C fundraising round, which was co-led by Singapore's state investor Temasek and a major international venture capital firm, Steadview Capital.

(Source: VC Circle, 29th May 2023)

Warburg Acquires Controlling Stake in MSME Lender Vistaar Finance

A controlling share in Vistaar Finance, an NBFC that provides loans to micro, small, and medium-sized businesses in India, has been bought by the private equity firm Warburg Pincus. For \$250 million, Warburg Pincus purchased a roughly 90% equity holding using a combination of primary and secondary shares. Avijit Saha, a former executive of ICICI Bank, has been named CEO and will co-invest with Warburg Pincus.

(Source: VC Circle, 29th May 2023)

Blackstone Buys International Gemological Institute For \$530 Mn

International Gemological Institute (IGI), a corporation that certifies jewellery, has been fully acquired by private equity behemoth Blackstone Inc. from China's Fosun and the company's founding family. IGI, whose primary source of income and profit is India, was purchased by Blackstone for roughly \$530 million.

(Source: VC Circle, 21st May 2023)

Fairfax Investing \$250 Mn To Lift Stake In India Portfolio Firm

To increase its stake in an Indian company that is already its biggest local bet, Fairfax India Holdings Corp., the Toronto-listed investment company founded by Indian-born Canadian billionaire Prem Watsa's Fairfax Financial Holdings Ltd. to make investments in the South Asian country, is investing up to \$250 million (roughly Rs 2,055 crore). Siemens Project Ventures GmbH, a division of Siemens Financial Services, sold Fairfax India an additional 3% share in Bangalore International Airport Ltd (BIAL) for \$75 million.

(Source: VC Circle, 16th May 2023)

Venture Capital

Himadri Speciality Chemical Picks Up Stake In Australian Battery-Tech Startup

Himadri Speciality Chemical Ltd. of Kolkata has paid A\$10.32 million (about \$6.70 million or Rs 55.3 crore) for a 12.79% share in Australian startup Sicona Battery Technologies Pty Ltd. The engineering of Sicona's first commercial-scale production facility in the US as well as the commercialization of its technology will be accelerated by this investment, which will also hasten product and technology development for the company.

(Source: VC Circle, 31st May 2023)

Aeravti Ventures Hits First Close For Maiden Early-Stage VC Fund

Aeravti Ventures, an early-stage venture capital firm, has reached the first closure on its inaugural fund, which hopes to raise up to Rs 100 crore (about \$12 million). The fund will support new businesses in a variety of fields, including deep technology, deep sciences, biosciences, agritech, climate, and enterprise technology.

(Source: VC Circle, 30th May 2023)

ZainTech Buys Cloud Firm Adfolks; Baytonia, Lifemost, Clara Get Funding

Dealmaking in the Middle East: ZainTech, the digital services division of Kuwaiti telecom giant Zain Group, has acquired the UAE-based cloud engineering services company Adfolks.

(Source: VC Circle, 26th May 2023)

Square Peg, Moore Strategic, Others Write \$10 Mn Cheque To XFlow

Pre-Series A fundraising round headed by Square Peg netted \$10.2 million (Rs 84.3 crore) for fintech firm XFlow. Moore Strategic Ventures, as well as current investors Lightspeed and General Catalyst, took part in the round.

The Bengaluru-based start-up plans to use the funding for Indian market expansion and product development.

(Source: VC Circle, 25th May 2023)

Jungle Ventures Leads \$11 Mn Round In Ice Cream Brand NIC

Singapore's Jungle Ventures, which has backed unicorns like Moglix and Livspace, has led a \$11 million (Rs 91 crore) round of funding in Pune-based ice cream brand NIC. NIC, operated by Walko Food Co. Pvt. Ltd, will use the new funds to boost production, enhance product offerings, and broaden distribution reach, with an aim to capture a larger share of the ice cream market's rapidly expanding market.

(Source: VC Circle, 24th May 2023)



Mergers & Acquisition

Sequoia-Backed Scaler Takes Over Pepcoding In Fourth Acquisition

Scaler, an upskilling platform with Sequoia Capital, Tiger Global, and Lightrock India among its backers, has made its fourth acquisition, the Delhi-based edtech company Pepcoding. A number of business areas, including strategy, product design, B2B enterprise, operations, and instructor org, will benefit from the purchase and help Scaler develop.

(Source: VC Circle, 31st May 2023)

Capri Global Acquires Majority Stake In Car Selling Platform

In order to grow its lending business, Capri Global Holdings Pvt Ltd (CGHL), the parent company for Capri Global Capital Ltd, has purchased a 51% investment in the new-car selling platform CarLelo. For the deal, Capri Global is investing Rs 150 crore. Capri Global Capital, a non-banking financial organisation that conducts business as Capri Loans, will use the acquisition to increase its market share in the auto loan industry. In order to attract clients, it will also strive to improve its services and technologies.

(Source: VC Circle, 25th May 2023)

Deloitte Buys Two Assets From Websym Solutions

Deloitte India, a consulting and accounting firm, has purchased two assets from Websym Solutions Pvt Ltd, a technology startup based in Pune. The co-founders of Websym Solutions, Ashish Nene, Subramhanya Hathwar, and Shripad Shingne, would join Deloitte India following the acquisition of assets from Tezeva and FaktoryWize.

(Source: VC Circle, 15th May 2023)

Sequoia-Backed Yubi Buys Credit Analytics Firm

Fintech unicorn Yubi has acquired a 100% share in FinFort Infotech LLP, a provider of digital credit analytics, marking its third acquisition in more than a year. Following the purchase of majority holdings in Corpository for Rs 100 crore and Spocto Solutions for Rs 400 crore, Yubi made its most recent wager.

(Source: VC Circle, 25th May 2023)

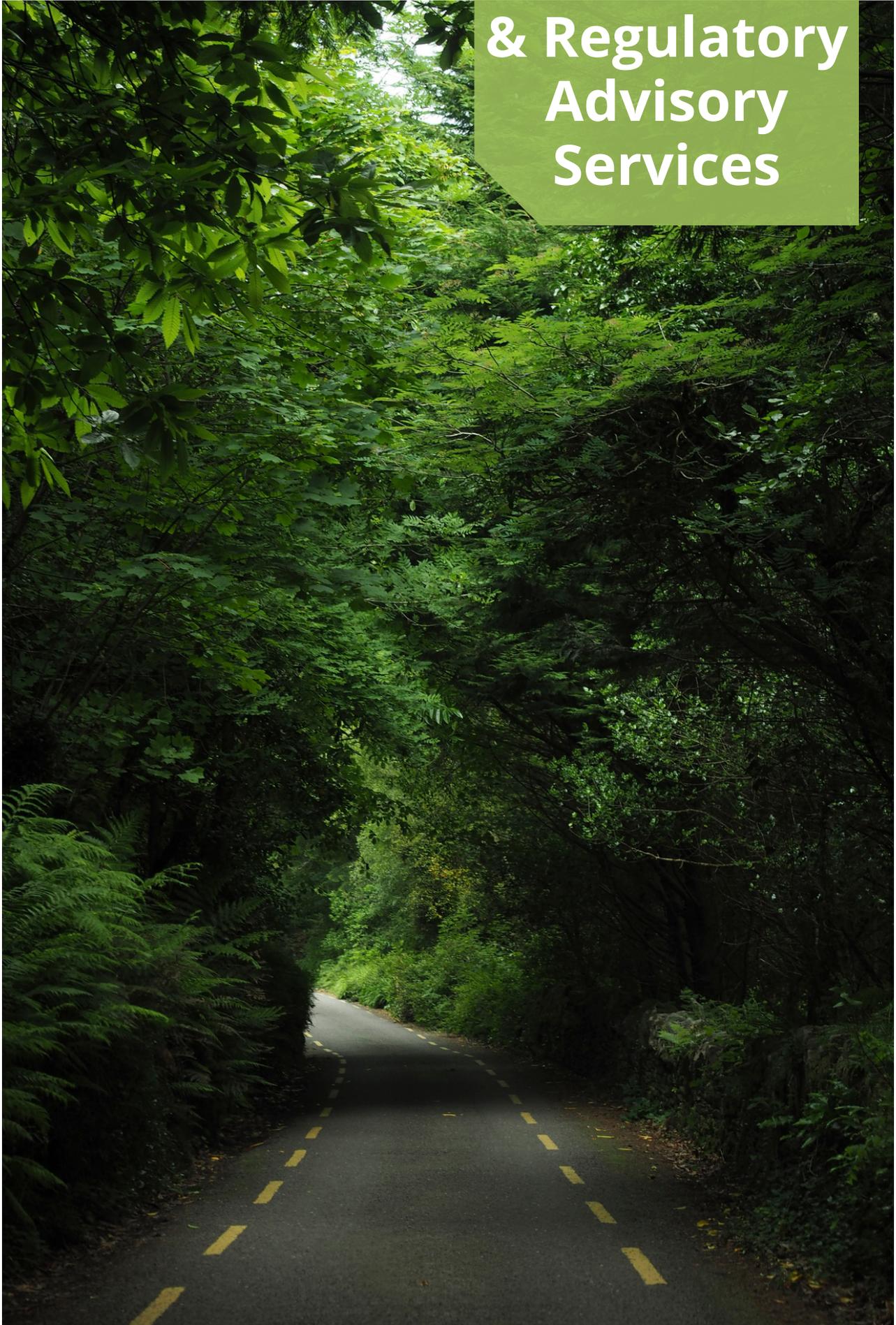
Delhivery Acquires Stake In Software Firm Vinculum

Software-as-a-service (SaaS) provider Vinculum has received financing from logistics operator Delhivery. Vinculum specialises in direct-to-consumer marketing. The investment is the first of what might be a two-stage transaction that would give Delhivery the opportunity to raise its stake in the company after a period of six months.

(Source: VC Circle, 22nd May 2023)



Transaction & Regulatory Advisory Services



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

Central Government

- **Individuals acting as formation agents for companies, LLPs to be covered under Anti Money Laundering Law**

The notification, however, exempts from its purview advocates, chartered accountants, cost accountants and company secretaries, who are engaged in the formation of a company to the extent of only filing a declaration from.

To read more:-

https://economictimes.indiatimes.com/news/economy/policy/individuals-acting-as-formation-agents-for-cos-llps-to-be-covered-under-anti-money-launderinglaw/articleshow/100109557.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Ministry of Corporate Affairs (MCA)

- **The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023**

With said amendment, approval process on Merger Matter has been formalized and Order has linked with prescribed timelines.

To read more:-

<https://mca.gov.in>

- **Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2023**

Post this amendment, it is now mandatory file overdue financial statements and overdue annual returns, up to the end of the financial year in which the company ceased to carry its business operations before filing Strike Off Application.

To read more:-

<https://mca.gov.in>

Securities and Exchange Board of India (SEBI)

SEBI revises requirements for issuance, listing of transition bonds

To facilitate transparency and informed decision-making among the investors, markets regulator SEBI mandated additional requirements for the issuance and listing of transition bonds.

To read more:-

https://www.business-standard.com/markets/news/sebi-revises-requirements-for-issuance-listing-of-transition-bonds-123050500767_1.html

Reserve Bank of India (RBI)

Credit card spend in forex to come under RBI's remittance scheme

Spending in foreign exchange through international credit cards will be covered under the RBI's Liberalized Remittance Scheme (LRS), under which a resident can remit money abroad up to a maximum of USD 2.50 lakh per annum without the authorization of the Reserve Bank, as per a Finance Ministry notification dated May 16, 2023.

To read more:-

<https://www.financialexpress.com/industry/banking-finance/credit-card-spend-in-forex-to-come-under-rbis-remittance-scheme/3091643/>

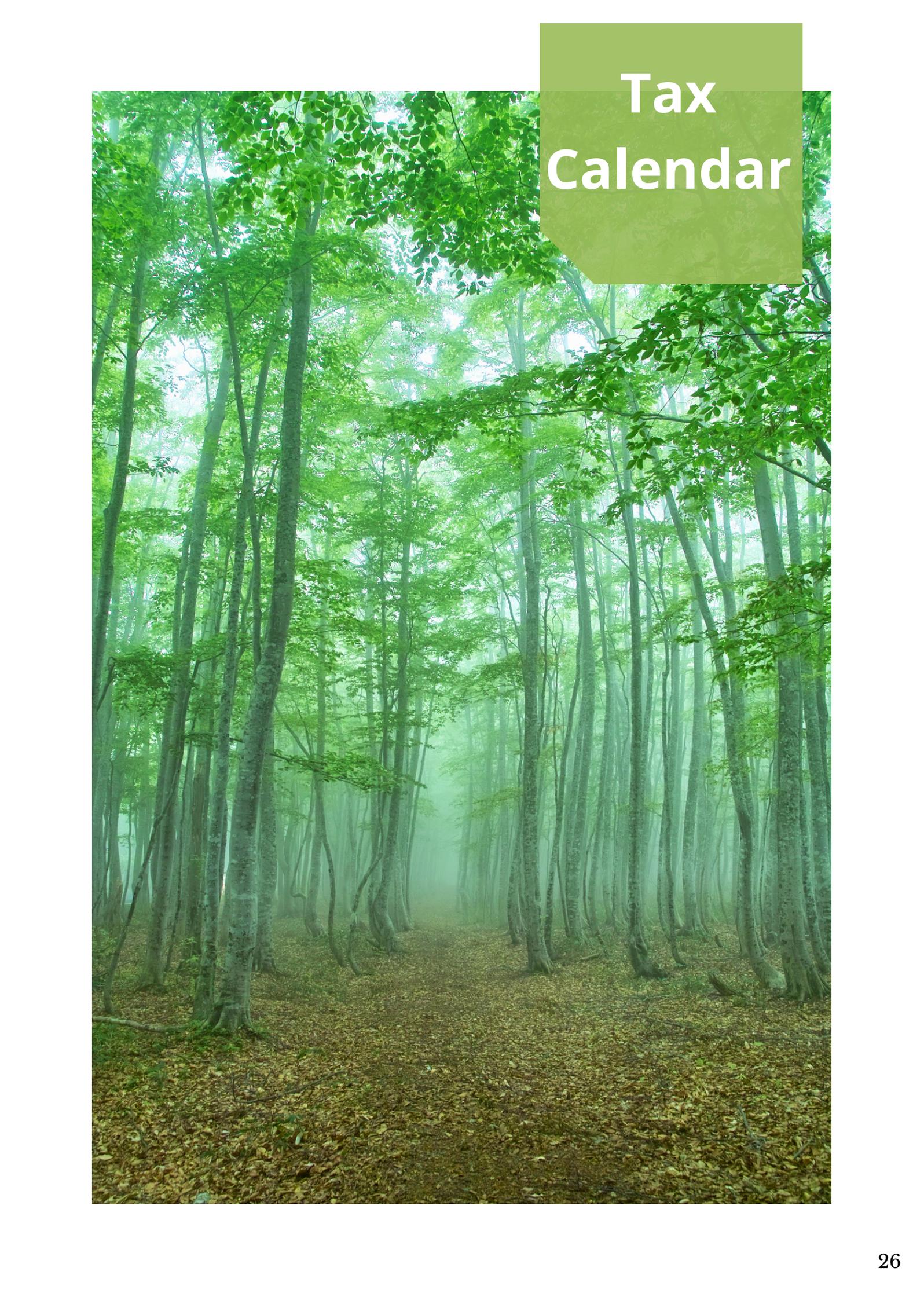
Reserve Bank launches '100 Days 100 Pays' Campaign for Return of Unclaimed Deposits

RBI has announced the setting up of a Centralised Web portal for public to search unclaimed deposits across multiple banks under '100 Days 100 Pays' campaign.

To read more

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55675





Tax Calendar

June 2023 - Tax Calendar

7TH JUNE	Due date for deposit of Tax deducted by an office of the government for the month of May, 2023
14TH JUNE	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194-M, 194S in the month of April, 2023
15TH JUNE	Due date for issue of TDS Quarterly Certificate for tax deducted on Salary and other than salary in the Quarter ending March, 2023
15TH JUNE	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of May, 2023 has been paid without the production of a challan
15TH JUNE	Due date for First instalment of advance tax for the assessment year 2024-25
30TH JUNE	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194-M, 194S in the month of May, 2023
30TH JUNE	Due date for furnishing Form No. 64C by Alternative Investment Fund (AIF) to units holders in respect of income distributed during the previous year 2022
30TH JUNE	Due date for furnishing of statement of income distributed by business trust to its unit holders during the Financial Year 2022 in Form 64B
30TH JUNE	Due date for Statement of Specified Services or E-Commerce Supply or Services in Form 1 Equalization Levy



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