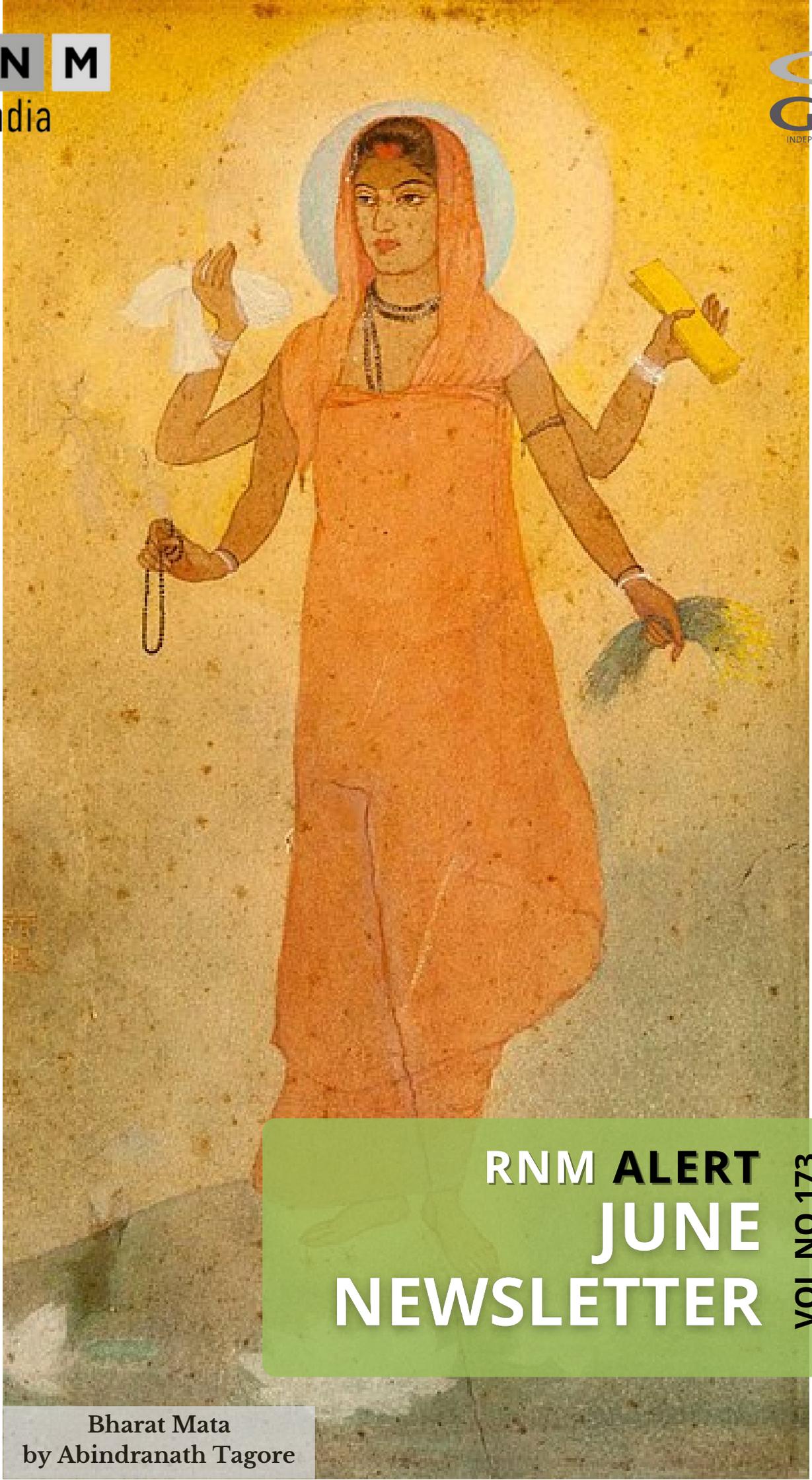


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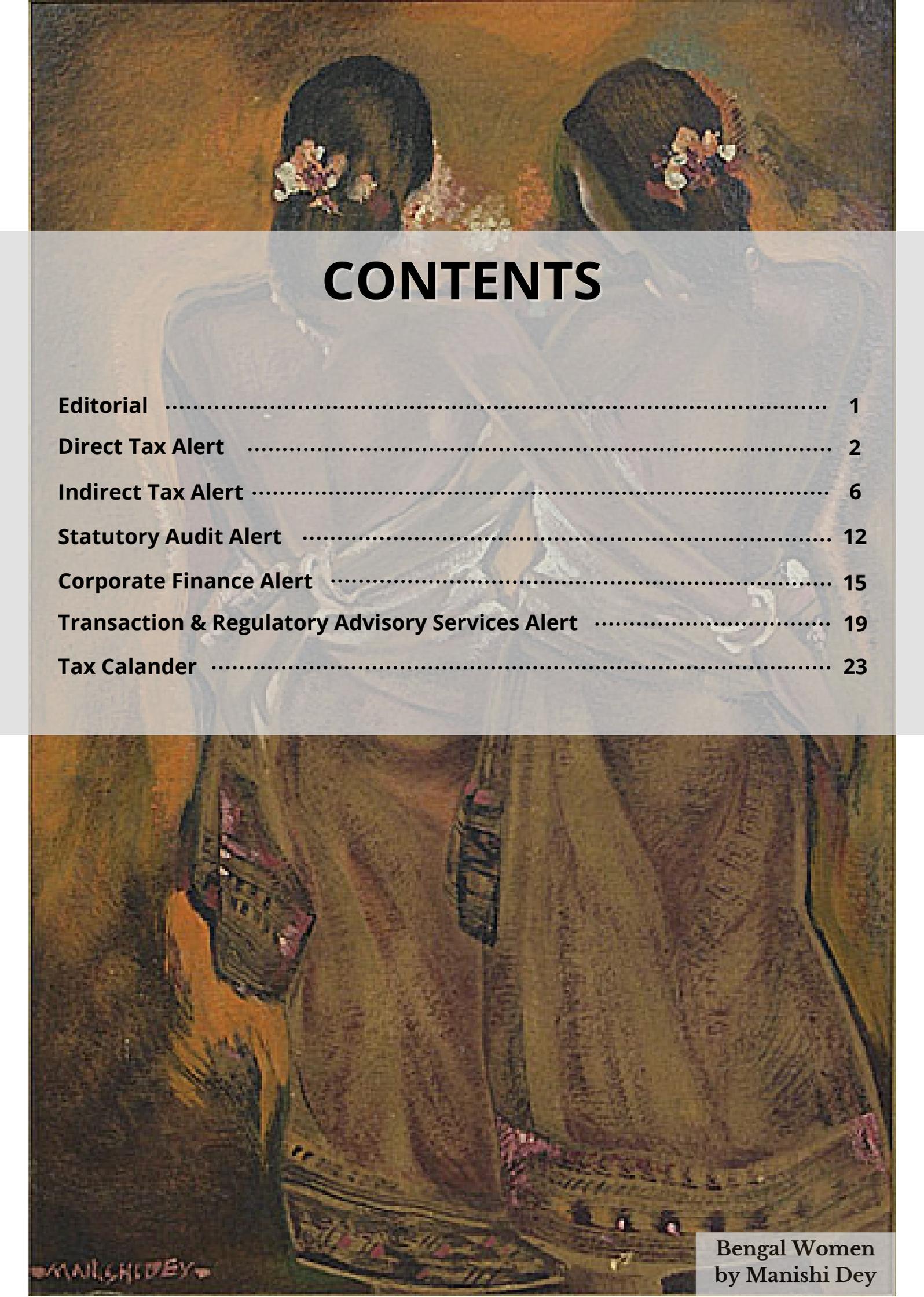
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INDEPENDENT MEMBER



RNM ALERT
JUNE
NEWSLETTER

VOL NO 173

Bharat Mata
by Abindranath Tagore



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EDITORIAL

Dear Readers

During the month of June 2023, Team RNM celebrated the 105th Birth centenary of our Founder Late Shri R.N. Marwah by offering prayers and distributing food at the Sai Baba Mandir on Khel Gaon Marg, New Delhi.

Our Exec. Director-Indirect Tax, Mr. Nitish Sharma visited Bangalore RNM office to continue our focus on the South India market and meet various clients and others. Our Bangalore presence continues to expand slowly but surely. We are also pleased to share that RNM Capital Advisors, our investment banking arm has successfully been converted into a Limited Liability Partnership (LLP).

In the Union Budget this year, certain changes were announced to the system of Tax Collection at Source (TCS) on payments under the Liberalised Remittance Scheme (LRS) and on overseas tour packages which were to take effect from July 1, 2023. Credit card payments were also brought within the ambit of TCS. Since various representations were received, the Government has decided to extend the date for increase of TCS rates to 1 October 2023.

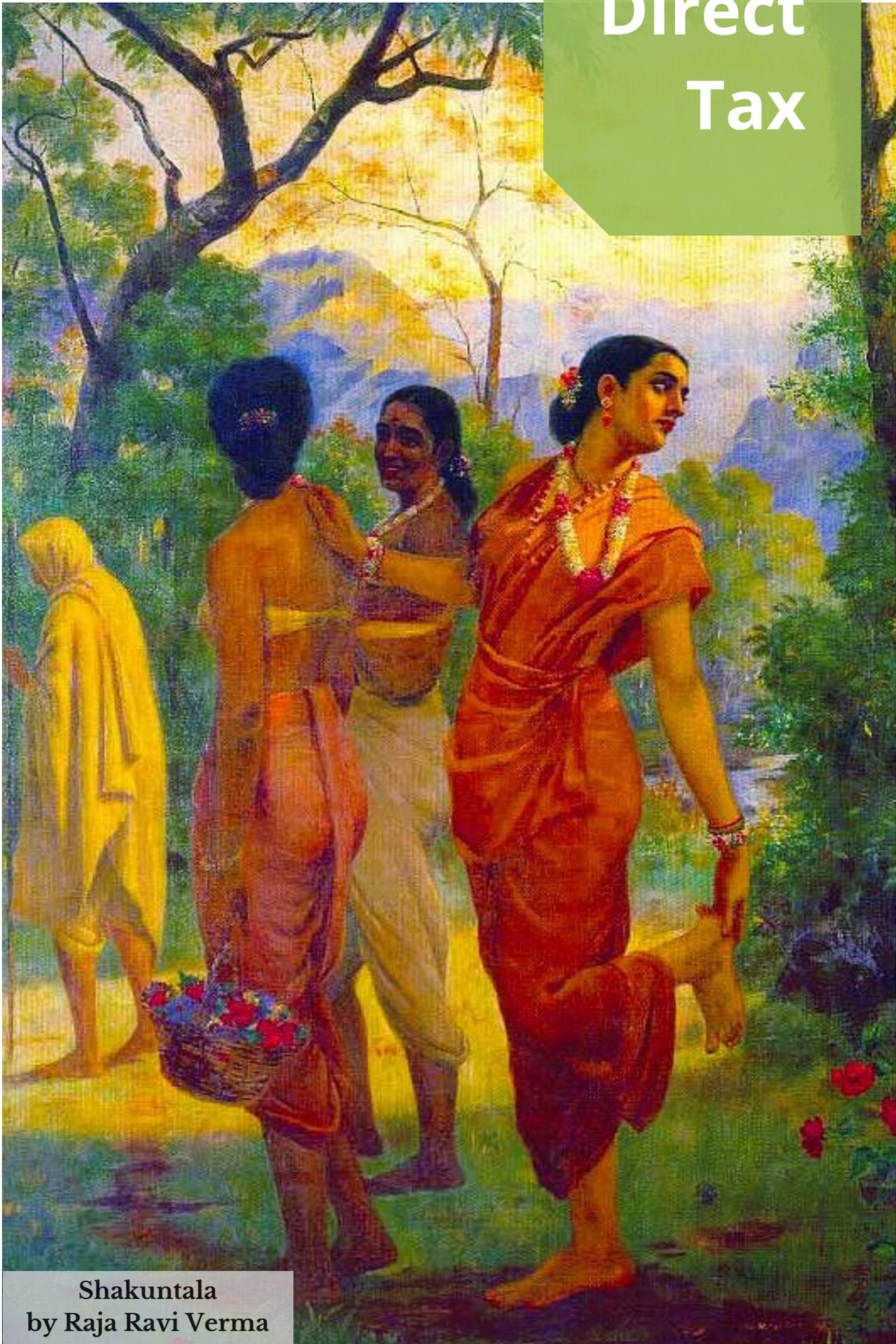
The Benchmark Index Nifty hit its all time high of 19000 during the month of June representing the optimism amongst investors on the India story, especially after a successful visit by Prime Minister Modi to USA where number of positive steps were taken.

We would like to take this opportunity of wishing all our readers a Eid Mubarak on the festival of Eid-ul-Adha.

CA U N Marwah
Chairman- RNM India



Direct Tax



Shakuntala
by Raja Ravi Verma

1. CBDT NEW DELHI CIRCULAR NO 10/2023, Dated: June 30, 2023

The CBDT issued circular dated 30.06.2023; to remove difficulty in implementation of changes relating to Tax Collection at Source (TCS) on Liberalised Remittance Scheme (LRS) and on purchase of overseas tour program package – reg.

2. CBDT NEW DELHI CIRCULAR NO 09/2023, Dated: June 28, 2023

Vide this circular the CBDT extended the time limit of filing of Statement of deduction of tax or collection of tax:-

(i) The statement of deduction of tax for the first quarter of the FY 2023-24, required to be furnished in Form No. 26Q or Form No. 27Q, on or before 31st July, 2023, may be furnished on or before 30 September, 2023.

(ii) The statement of collection of tax for the first quarter of the FY 2023-24, required to be furnished in Form No. 27EQ, on or before 15th July, 2023, may be furnished on or before 30th September, 2023.

3. Revision of exceptions to monetary limits for filing appeals deferred under provisions of Section 158AB - Circular No. 08/2023, dated 31-05-2023

Vide this Circular, CBDT has clarified that references to collegiums constituted u/s 158AB for deciding on the deferral of appeal(s)/grounds of appeal(s) would be made having regard to the extant monetary limits read along with the exceptions to the same, as specified in this Circular. Scenarios on the applicability of monetary limits has also been specified. If the judicial outcome in the 'other case' is not in favour of Revenue and is not accepted by the Department, appeal against the same may be contested on merits in the 'other case' irrespective of the extant monetary limits, to arrive at judicial finality.

4. Rule 11UAC prescribing class of persons to whom provisions of section 56(2)(x) not applicable amended w.e.f. AY 2023-24 vide the Income-tax (Eighth Amendment) Rules, 2023 - Notification No. 35/2023, dated 31-05-2023

Rule 11UAC(4) now provides that the provisions of section 56(2)(x) shall not apply to any movable property, being equity shares, of a public sector company or a company, received by a person from a public sector company or the Central Government or any State Government under strategic disinvestment. The Finance Act, 2023 has amended the meaning of 'strategic disinvestment' as assigned in clause (iii) of Explanation to section 72A(1) (d)

5. Rule 11AA amended to clarify that the provisional approval shall be effective from the AY relevant to the PY in which such application is made u/s 80G(5) - Notification No. 34/2023, dated 30-05-2023

The first proviso to section 80G(5) provides that application for provisional approval by a fund or institution is required to be made at least one month prior to the commencement of the PY relevant to the AY from which approval is sought. However, the fourth proviso to section 80G(5), inter-alia, provides that the provisional approval granted under the second proviso shall be applicable from the AY immediately following the FY in which the application for such registration is made. With a view to bring consistency, rule 11AA is being amended vide this notification.

Important Judicial Precedents

1. Anant Singhania HUF v. Income Tax Officer, 17(1)(1) _ [2023] 151 taxmann.com 389 (Mumbai - Trib.)[07-06-2023]

Where sale of property belonging to HUF was shown in books of HUF and capital gains on said sale was offered to tax in hands of assessee HUF but TDS deduction was reflected in 26AS of individual Anand as buyer deducted tax in his name for reason that he was registered owner of properties and an affidavit of Anand along with PAN number was filed to substantiate that TDS was not claimed in Anand's return of income, A.O. cannot deny credit of TDS in assessee's name when corresponding capital gain on said transaction was taxed in assessee HUF's name

2. Whether income tax recovery against director of company u/s 179 merits to be quashed, if director proves lack of control on financial affairs - YES: HC

[2023-TIOL-712-HC-MUM-IT PRAKASH B KAMAT Vs. PCIT -10 Mum.]

The department proceeded mainly on the basis that the Assessee was Director during the assessment years; however, it failed to consider whether there was any gross neglect or misfeasance for breach of duty on his part in relation to the affairs of the company "in the context of non-recovery of tax dues". The Director has brought on record material to show a lack of financial control, a lack of decision-making power, and a very limited role in the assessee company even as a director. Thus, the income tax recovery against the Director of a company on the grounds that the Director has sufficiently discharged the burden cast upon him in terms of Section 179(1) of the Income Tax Act, stands quashed.

3. Whether when assessee had made specific request to afford opportunity of personal hearing through video conference, then Revenue is required to grant same to assessee - YES: HC

[2023-TIOL-708-HC-AHM-IT _MAHESHKUMAR BHAGVANDAS PATEL Vs. ITO]

It emerges that by way of the show-cause notice, the assessee was asked to show-cause, as to why, the proposed variations should not be made, as mentioned in the said notice. Further, in the said notice, itself, it is stated that, if required, after filing the reply, the assessee may make a request for personal hearing, so as to make oral submissions or to present his case. It is also clearly stated in the said notice that such a request can only be made by clicking the Seek Video Conferencing button available against the SCN in the view notices of this proceeding in the e-proceedings tab on e-filing portal. It, further, transpires from the record that the assessee submitted his reply and specifically made a request for an opportunity of personal hearing through video conferencing. Similar request was also made on web port of the Revenue also, as mentioned in the show-cause notice. From a bare perusal of the provisions of the Act, it is clear that when the assessee had made a specific request to afford an opportunity of personal hearing through video conference, the Revenue is required to grant the same to the assessee. However, in the case on hand, admittedly, no such opportunity was granted to the assessee and thereby, the Revenue has committed the breach of the principles of natural justice.

4. Whether where there has been violation of principles of natural justice, then such matter has to be remanded back to AO for fresh decision - YES: HC

[2023-TIOL-683-HC-KOL-IT _RAJESH KUMAR AGARWAL Vs. Union of India and ORS]

It is admitted that no opportunity of personal hearing was granted to the assessee. In the order passed u/s 148A(d) there is a reference to certain transactions done by two companies, namely, M/s. Devyansh Dealcom Private Limited and M/s. Eastern Sales India. Admittedly, in the show cause notice there was no such allegation concerning these two companies qua the assessee. Furthermore, the hearing was not fixed by the AO. But the show cause notice states that the e-response should be filed by the assessee not later than Mar 29, 2022. Therefore, this is also an error committed by the AO, who states that the assessee did not submit documents in support of their claim. This finding also appears to be incorrect since there are enclosures along with the response submitted by the assessee. Thus, there has been violation of principles of natural justice and the matter has to be remanded back to the Assessing Officer for a fresh decision.

5. Whether CIT(A) erred in not giving credit to the assessee when he indeed did declare the cash under the head of "sundry miscellaneous income" - YES: ITAT

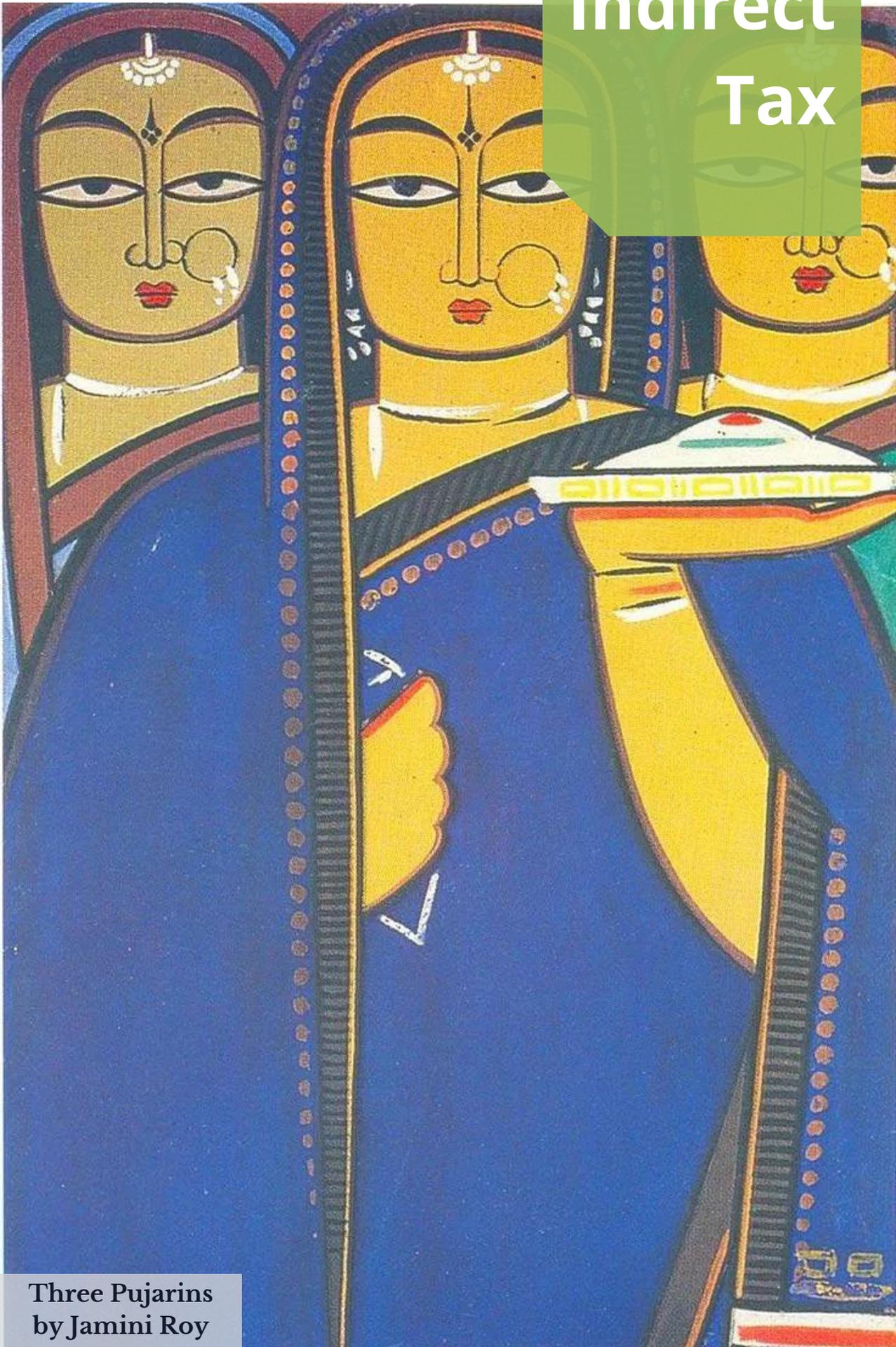
[2023-TIOL-773-ITAT-PUNE _ SHRI PRABHATCHANDRA SAWAILAL JAIN VATSALYA Vs. DEPUTY COMMISSIONER OF INCOME TAX]

We have given our thoughtful consideration to the foregoing vehement rival stands qua the issue of the alleged double addition of the assessee's unexplained income of Rs. 50 lakhs. We find prima facie merit in the assessee's arguments as it has come on record that he had indeed declared Rs. 50 lakhs under the head "sundry miscellaneous income" which is nowhere given credit or telescoping benefit in any assessment year. Faced with the situation, we deem it appropriate in larger interest of justice that the CIT(A) requires to adjudicate the instant issue afresh as per law preferably within three effective opportunities of hearing after getting necessary facts verified at the assessing authority's end to this effect.

6. N.M. Rothchild & Sons Ltd. Vs. Deputy Commissioner of Income-tax, (IT) Circle-2(2)(2)_ [2023] 152 taxmann.com 18 (Delhi - Trib.)

Where assessee, a UK based company, provided services to its Indian AE pertaining to human resources, finance, legal and compliance and conducting of internal audit assurance work and received certain sum with respect to said services, since services provided by assessee were merely for enabling and assisting Indian AE in making correct decisions on certain aspects and did not result in transfer of technical knowledge, know-how, skill etc., 'make available' condition provided under Article 13(4)(c) remained non-compliant and receipts would not fall within definition of FTS as provided under article 13(4) of India – UK DTAA

Indirect Tax



Three Pujarins
by Jamini Roy

**GST Calendar –Compliances for the month of
May 2023.**

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

1 - CBIC has issues SOP for scrutiny of GST returns for FY 2019-20 onwards to ensure a systematic and efficient process.

• Background

- The Central Board of Indirect Taxes and Customs (CBIC) has issued a revised Standard Operating Procedure (SOP) for the scrutiny of returns under the Central Goods and Services Tax Act.
- An interim measure was introduced through an SOP for the financial years 2017-18 and 2018-19. However, the CBIC has now developed an online workflow called "Scrutiny of Returns" within the CBIC ACES-GST application, accompanied by an advisory and user manual.
- Consequently, the revised SOP replaces the interim measure and provides updated guidelines for conducting the scrutiny process from the financial year 2019-20 onwards

• Standard Operating Procedure

- The Directorate General of Analytics and Risk Management (DGARM) is responsible for selecting Goods and Services Tax Identification Numbers (GSTINs) for scrutiny based on identified risk parameters. Once selected, the relevant details of these GSTINs, including the risk parameters and the amount of tax or discrepancy involved, will be provided to the proper officer of Central Tax on the ACES-GST application. It is important for the officer to consider the latest available data during the scrutiny process, as the information may have changed due to subsequent compliances carried out by the taxpayer or their suppliers.

• Scrutiny schedule

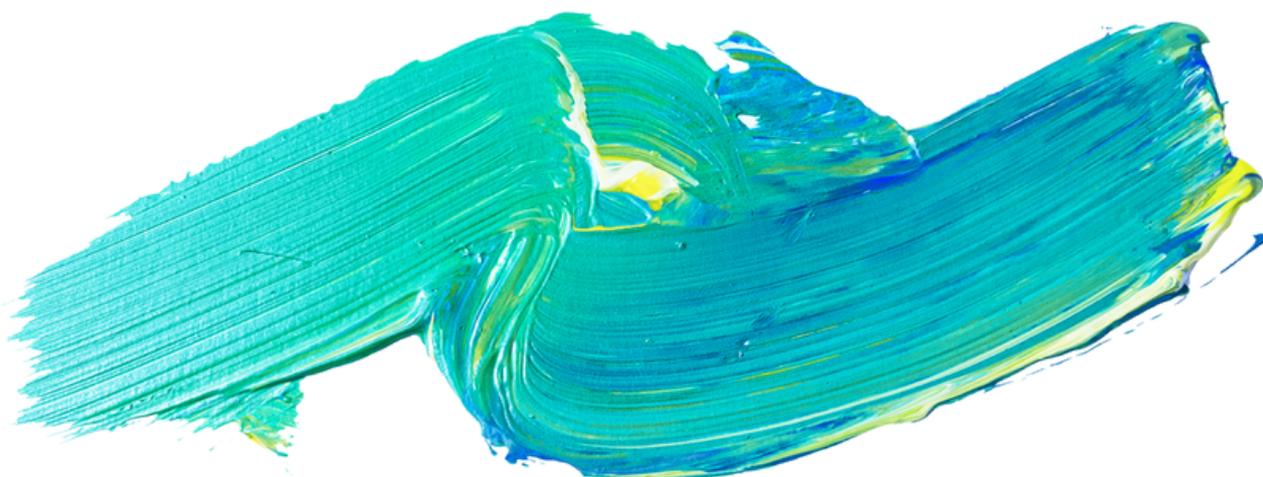
- The selection of GSTINs for scrutiny is based on risk parameters determined by the Directorate General of Analytics and Risk Management (DGARM). Once selected, a scrutiny schedule is prepared by the proper officer in consultation with the divisional Assistant/Deputy Commissioner, giving priority to GSTINs with higher revenue implications.
- During the scrutiny process, the officer verifies the accuracy of returns and related details provided by the taxpayer. They rely on system data, returns, statements, and information from various sources. The officer considers risk parameters, including quantified tax discrepancies, and may request additional parameters for scrutiny.
- The officer initiates the scrutiny by issuing a notice in GST ASMT-10, notifying the taxpayer of identified discrepancies and the amount of tax, interest, or other payable amounts involved. The discrepancies mentioned in the notice are specific and not vague. If the taxpayer accepts the discrepancies and pays the required amounts or provides an acceptable explanation in GST ASMT-11, the proceedings are concluded.
- However, if the taxpayer does not provide a satisfactory explanation or fails to pay the amounts, the officer may take appropriate action under Section 73 or 74 of the CGST Act, adhering to the monetary limits specified in Circular No. 31/05/2018-GST. In cases where further audit or investigation is necessary, the officer can seek approval from the jurisdictional Principal Commissioner/Commissioner to refer the matter to the Audit Commissionerate or anti-evasion wing.

- **Process of scrutiny**

- During the scrutiny process, the officer meticulously reviews the returns and related details provided by the taxpayer to ensure their accuracy. They rely on system data, various returns and statements, and information from different sources. The officer receives risk parameters and quantified tax discrepancies to facilitate the scrutiny, and they may consider additional parameters as well.
- To minimize direct interaction, the officer aims to avoid requesting documents or records from the taxpayer before issuing a notice in GST ASMT-10. The notice is communicated through the common portal and specifies the identified discrepancies, along with quantified tax, interest, or other payable amounts. It provides specific details of the discrepancies, avoiding vagueness.
- If the taxpayer has already made additional payments of tax, cess, interest, etc., after filing returns through DRC-03, those payments are taken into account when communicating the discrepancies to the taxpayer.
- The notice, along with parameter-wise discrepancy details, is communicated through the common portal, eliminating the need for manual communication. Supporting documents and worksheets may be uploaded if necessary. A consolidated notice in GST ASMT-10 may be issued for all returns of the financial year.
- If the taxpayer accepts the discrepancies and pays the required amounts, including tax, interest, and other charges, the proceedings are concluded. However, if a satisfactory explanation is not provided or the taxpayer fails to pay the required amounts, the officer may initiate appropriate action under Section 73 or 74 of the CGST Act. It is crucial to ensure that the necessary notices and orders are issued within the prescribed time limits specified in the respective sections for the identified returns under scrutiny.

- **Reporting and Monitoring**

- The officer assigned GSTINs for scrutiny will have access to two MIS reports on the ACES-GST application. The "Monthly Scrutiny Progress Report" provides a summary of the scrutiny status for the selected month and formation. The "Scrutiny Register" offers GSTIN-wise details of the actions taken in the scrutiny of allocated GSTINs.
- Starting from the financial year 2019-20, there is no longer a requirement for CGST zones to compile and send the "Monthly Scrutiny Progress Report" to the Directorate General of Goods and Services Tax (DGGST) as per the previous instruction.
- The Principal Commissioner/Commissioner will monitor the progress of the scrutiny exercise on a monthly basis.
- However, it's important to note that the earlier Instruction No. 02/2022 - GST still applies to the scrutiny of returns for the financial years 2017-18 and 2018-19.



2 - CBIC has issued guidelines pertaining to the processing of applications for registration under GST.

CBIC had issued guidelines in the form of Instruction No. 01/2023–GST to conduct field verifications of the place of business as a part of a Special All-India Drive aimed at tackling fake registrations obtained with the intention of defrauding the Government exchequer.

Taking into consideration the aforementioned concerns, CBIC has recently released guidelines to enhance the scrutiny and verification process of registration applications. The procedure encompasses the following, among other aspects:

- In order to ensure the thoroughness and accuracy of address information, CBIC has implemented a close scrutiny of the details of places of business and the accompanying documents uploaded, with the aim of verifying their completeness and correctness.
- Special emphasis will be placed on cases where an application has been assigned a "High" risk rating by the Directorate General of Analytics and Risk Management, utilizing data analytics and risk parameters.
- If the applicant has either not undergone Aadhaar number authentication or chosen not to do so, the designated officer will initiate the procedure for physical verification of the place of business.
- The designated officer is responsible for ensuring that the entire registration process is completed within the specified timeline. No application should be approved on a deemed basis due to delays on the part of tax officers.
- In instances where registration is granted without the physical verification of the place of business, the jurisdictional Commissionerate will conduct the necessary verification within 15 days of registration.

RNM Comments

CBIC has established a well-defined and inclusive framework for the verification process of applications for GST registration. Individuals, who are applying for new registration under GST should ensure compliance with all parameters specified by CBIC, particularly regarding proper documentation and fulfilling requirements related to the place of business. This would streamline the registration process and ensure adherence to the guidelines provided by CBIC.

3 - The Bombay High Court has recently issued its final order, affirming the constitutional validity of the Place of Supply (PoS) provisions for intermediary services under the Goods and Services Tax (GST) framework.

- In the final judgment, the Division Bench of the Bombay High Court has upheld the constitutional validity of Section 13(8)(b) and Section 8(2) of the Integrated Goods and Services Tax Act, 2017 (IGST Act). These provisions relate to the place of supply of intermediary services provided to overseas recipients, where the location of the supplier is considered as the place of supply. As a result, export benefits were previously denied to such suppliers.
- Initially, the writ petitions challenging these provisions were heard by the Division Bench, where the first judge deemed Section 13(8)(b) as ultra vires the IGST Act and the Constitution. However, the second judge held a dissenting view and upheld the validity of the provision. Consequently, the matter was referred to a third judge.
- The third judge determined that Section 13(8)(b) and Section 8(2) of the IGST Act are constitutionally valid but emphasized that their operation should be limited to the IGST Act. Subsequently, the matter was once again presented before the Division Bench for the final judgment.
- In its final ruling, the Division Bench considered the opinions of the second and third judges and affirmed that Section 13(8)(b) and Section 8(2) of the IGST Act are legal, valid, and constitutional. Consequently, the writ petitions filed by the assesseees were dismissed without any costs.

RNM Comments

- The recent judgment by the Bombay High Court is consistent with the previous ruling of the Gujarat High Court, which also upheld the constitutional validity of Section 13(8)(b) and treated intermediary services provided to overseas customers as taxable in India.
- It is important to note that there is no explicit mention in the final judgment of the Bombay High Court regarding the confinement of the provisions only to the IGST Act, as stated by the third judge while upholding their constitutional validity. This lack of mention is likely to remove the ambiguity surrounding the treatment of intermediary services as either inter-state or intra-state transactions and their taxability.

Statutory Audit



The Victory of Buddha
by Abindranath Tagore

Charges: Registration, Satisfaction & Modification

A CHARGE is stated in Section 2(16) of the Companies Act, 2013 which expresses that charge could be

- An interest or lien;
- Created on the property or assets of a corporation; and
- Any of its undertakings or both as security

and includes a mortgage

In other words a charge, in the context of the Companies Act, refers to a legal claim or interest created by a company over its assets or properties to secure a debt or an obligation. It serves as a safeguard for lenders and investors who provide financing to the company.

Charges can be classified into two broad categories:-

1. Fixed Charges:- A fixed charge is a charge created on specific identifiable assets of the company, such as land, buildings, or machinery. The charge creates a proprietary interest for the lender, and the company cannot dispose of or deal with the charged assets without the lender's consent.
2. Floating Charges:- A floating charge is a charge that covers a class of assets, which are subject to change or fluctuation during the normal course of business. These assets may include stock-in-trade, raw materials, or work in progress. Unlike a fixed charge, a floating charge does not attach to specific assets immediately, but it crystallizes into a fixed charge upon the occurrence of certain events mentioned in the Companies Act.

Who shall register for Charges (Section 77)

It shall be the duty of every company creating a charge

- Within or outside India,
- On its property or assets or any of its undertakings,
- Whether tangible or otherwise, and
- situated in or outside India,

To register the particulars of the charge-

- within 30 days of its creation
- Together with the instruments
- Signed by the company and the charge-holder
- in e-Form CHG-1 (for other than Debentures) or e-Form CHG-9 (for debentures including rectification)

Registration of charge by chargeholder (Section 78)

Failure of company to file for registration of Charge within 30 days as referred to in section 77, the person in whose favor the charge is created ('charge-holder') may apply to the Registrar for registration of the charge along with the instrument created for the charge, within such time and in such form and manner as may be prescribed, the Registrar may, on such application, within a period of 14 days after giving notice to the company allow such registration on payment of such fees, as may be prescribed

In such a case, the Charge-holder has the right of recovering, from the company, the amount of any fees or additional fees paid by him to the Registrar for the purpose of registration of such charge.

Effect of Registration

The Registrar shall register the charge and issue a certificate of registration in FORM CHG-2; or modification of charge in FORM CHG-3, to the person in whose favor the charge is created

Register of Charges

- The company need to maintain necessary enteries in the Register of Charges in Form CHG-7 at its registered office, which shall be authenticated by a director or secretary or any other authorised person and the said register shall be open for inspection during business hours by any members or creditors.
- The Registrar maintains the particulars of charges on the MCA (Ministry of Corporate Affairs) portal, which is deemed as the Register of Charges. It shall be open to inspection by any person on payment of fee.

Satisfaction of Charges

- A company shall, within a period of 30 days from the date of such payment or satisfaction, give intimation to the Registrar in e-Form CHG-4, of the payment or satisfaction in full of any charge already registered.
- The registrar may on receipt of application by company allow such satisfaction to be made within a period of 300 days of such payment or satisfaction on payment of such additional fees as may be prescribed.

Punishment for Contravention

- The company shall be liable to to a penalty of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.
- If any person wilfully furnishes any false or incorrect information or knowingly suppresses any material information, required to be registered in accordance with the provisions of section 77, he shall be liable for action under section 447.



Corporate Finance



Departure of Prince Siddhartha
by Abindranath Tagore

BPEA EQT, ChrysCapital Strike \$1.3 Bn Deal For HDFC Credila

Buyout group BPEA EQT and Indian private equity firm ChrysCapital have agreed to acquire a stake of around 90% in education finance company HDFC Credila Financial Services Ltd in a deal worth a total of about INR 11,063 crore (\$1.3 billion). The two PE firms will buy the stake in HDFC Credila from Housing Development Finance Corporation (HDFC) for about Rs 9,060.5 crore (\$1.1 billion). They will also infuse INR 2,003 crore as fresh capital into Credila. The latest transaction will require approvals from the Reserve Bank of India, which regulates HDFC as well as HDFC Credila, and antitrust watchdog Competition Commission of India. The long stop date is March 31, 2024. As per the proposed transaction, HDFC Credila will cease to be a subsidiary of HDFC and the mortgage lender's stake in the education loan financier will be 9.99%. Currently, HDFC owns 100% of HDFC Credila.

(Source: VC Circle, 19th June 2023)

Private Equity

Brookfield Renewable Invests \$360 Mn In CleanMax, Acquires Majority Control

Mumbai-based renewable energy firm CleanMax Enviro Energy Solutions has struck a deal with Canadian alternate asset manager Brookfield Asset Management Inc to acquire a majority stake. Brookfield is making an investment of INR 2970 crore (\$360mn) through a secondary share purchase from existing investors and a primary infusion capital. These funds will allow CleanMax to pursue its growth target of 5 GW over 3-4 years.

(Source: VC Circle, 1st June 2023)

CVC Capital Bumps Up Bet On India Portfolio Company To \$150 Mn

European private equity firm CVC Capital Partner has increased its stake in a portfolio company Healthcare Global Enterprise Ltd. CVC Capital bought another 2.5% stake for INR 114 crore in the Bengaluru based oncology chain. With the latest investment via the secondary market, it has shelled out over INR 1,200 crore or around \$150 million, taking its stake to 60.5% in the oncology chain.

(Source: VC Circle, 2nd June 2023)

Bain Capital Acquires South India-Based Specialty Chemicals Maker

Private equity firm Bain Capital has acquired Hyderabad-based Porus Labs, a specialty chemicals company, for an estimated deal value was between INR 2,500-3,000 crore (\$302-363 million). Bain Capital intends to establish a platform in the specialty chemicals contract development and manufacturing sector, leveraging Porus Labs' position.

(Source: VC Circle, 8th June 2023)

PremjiInvest Picks Up Minority Stake In TVS Credit For \$90 Mn

Family office investment arm of Wipro Ltd founder-chairman Azim Premji, PremjiInvest struck a deal to acquire a 9.7% stake in TVS Credit Services Ltd for INR 737 crore (\$90 mn). Transaction involves a primary infusion into TVS Capital of INR 480 crore and a secondary share purchase in TVS Motor Ltd of INR 257 crore. TVS will use the fresh capital to expand its customer base in new markets, increase the channel partner network, and advance its digitalization journey.

(Source: VC Circle, 10th June 2023)

ChrysCapital To Invest \$100 Mn In Lenskart

Indian private equity firm ChrysCapital is investing \$100 mn in Lenskart in a deal that includes both primary capital infusion into the Omni-channel eyewear retailer and secondary share purchases from some of its shareholders. With the transaction, Lenskart has raised nearly \$850 million within the past year as it continues to widen its reach within India and expands internationally across Asia and the Middle East.

(Source: VC Circle, 15th June 2023)

Venture Capital

Capillary Technologies Pockets \$45 Mn In Series D Funding

Software as a service startup Capillary Technologies secured INR 370 crore (\$45 mn) in Series D funding round from a host of investors including Avataar Venture Partners along with its limited partners Pantheon, 57Stars, and Unigestion. Filter Capital and venture debt platform Innoven Capital also joined the round. The startup plans to deploy the fresh capital to expand its presence across geographies along with supporting its mergers and acquisitions plans.

(Source: VC Circle, 1st June 2023)

Course5 Gets \$250 Mn Tag In New Round, Eyes Two Acquisitions

Data analytics startup Course5 Intelligence closed its first external funding round at INR 437 crore (\$53 mn). In the first tranche, Course5 had raised \$28 million from 360 One Asset Management Ltd (formerly IIFL Asset Management Limited) Tech Fund, in the second tranche it secured \$25 million led by Nuvama Crossover Series of funds, with participation from Carnelian Asset Advisors Pvt Ltd. The company raised the capital at a pre-money valuation of \$250 million.

(Source: VC Circle, 6th June 2023)

Dubai's Al Futtaim Group Makes Debut India Bet With EV Maker River

Homegrown electric vehicle manufacturer River on Wednesday said it has raised \$15 million (Rs 123 crore) in a funding round led by Dubai-based multinational powerhouse Al Futtaim Group, Existing investors Lowercarbon Capital, Toyota Ventures, Maniv Mobility, and Trucks VC also participated in the round. The company has cumulatively raised \$28 million to date.

(Source: VC Circle, 7th June 2023)

Basic Home Loan Snags \$4.7 Mn In Pre-Series B Round

Fintech startup Basic Home Loan has raised INR 38.5 crore (\$4.7 mn) in a pre-Series B funding round led by stock market investor Ashish Kacholia. Existing investors Gruhas Proptech and Venture Catalysts along with new investors Dexter Angels, IIM Indore Alumni Angel Fund, and CommsCredible Venture Fund also participated in the round. The Gurugram-based company will use the fresh funds for expanding to new geographies and to develop its lending vertical.

(Source: VC Circle, 14th June 2023)



Avatar Life Raise Early-Stage Funding

Metaverse-based gaming company Avatar Life has secured INR 12.3 crore (\$1.5 mn) in a seed funding round from Info Edge Ventures. The startup, operated by Gamingverse Pvt Ltd, will use the funding for product development, community building and hiring talent. Founded in 2022 by Sushant Chandrasekar and Gaurav Gupta, Avatar Life is a metaverse-first gaming platform. It offers single-player, multiplayer and play-to-earn skill-based games in its virtual world

(Source: VC Circle, 26th June 2023)

Mergers & Acquisitions

Aurum PropTech Takes Over Home Rental Startup NestAway

Aurum PropTech Ltd (erstwhile Majesco Ltd) has completed acquisition of Bengaluru-based online home rental startup NestAway Technologies Pvt Ltd for INR 90 crore (\$11 mn). Aurum bought HelloWorld, the co-living unit of NestAway, for around \$6.8 million in May last year, will infuse another INR 30 crore (\$3.6 mn) to stabilise NetsAway's operations.

(Source: VC Circle, 2nd June 2023)

WestBridge-Backed Physics Wallah Buys Into Xylem To Boost South India Presence

Edtech unicorn Physics Wallah has acquired a 50% stake in Kerala-based Xylem Learning for an undisclosed sum, in a bid to expand its presence in the southern parts of the country. The unicorn will also invest Rs 500 crore over three years to scale Xylem's business in south India

(Source: VC Circle, 19th June 2023)

Zendesk Snaps Up Workforce Management Platform Tymeshift

Bengaluru and California-based software-as-a-service (SaaS) company Zendesk has acquired Connecticut-based modern workforce management solution Tymeshift for an undisclosed amount. The acquisition furthers Zendesk's commitment to offer innovative omnichannel and AI capabilities powering exceptional customer experiences.

(Source: VC Circle, 22nd June 2023)

UBS Completes Credit Suisse Takeover To Become Wealth Management Behemoth

UBS completed its emergency takeover of embattled local rival Credit Suisse, creating a giant Swiss bank with a balance sheet of \$1.6 trillion and greater muscle in wealth management. The group will oversee \$5 trillion of assets giving UBS a leading position in key markets it would otherwise have needed years to grow in size and reach. UBS struck an agreement with the Swiss government on the conditions of a 9 billion Swiss franc (\$10 billion) public backstop for losses from winding down parts of Credit Suisse's business.

(Source: VC Circle, 2nd June 2023)

Indian-Origin Founders' Analytics Firm ThoughtSpot Inks \$200-Mn Takeover Deal

ThoughtSpot Inc, a US-based data analytics startup started by Indian-origin entrepreneurs, is set to acquire business intelligence platform Mode Analytics for about INR 1,600 crore (\$200 mn) in a cash and equity deal. ThoughtSpot has signed a definitive pact to snap up Mode. ThoughtSpot, which counts Lightspeed Ventures, Future Fund, Khosla Ventures, General Catalyst and Sapphire Ventures as among its investors.

(Source: VC Circle, 27th June 2023)



Transaction & Regulatory Advisory Services

Days of Glory
by Satish Gujral

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

SEBI LAWS

Master circular on scheme of arrangement by listed entities and relaxation under sub rule (7) of rule 19 of the securities contracts (regulation) rules,1957

SEBI has notified the said master circular to enable the users to have access to the applicable circulars at one place.

To read more:

https://www.sebi.gov.in/legal/master-circulars/jun-2023/master-circular-on-scheme-of-arrangement_72839.html

SEBI Board Meeting dated 28/06/2023 decisions:

- Reduction of timeline for listing of shares in Public Issue from existing T+6 days to T+3 days
- Introduction of provisions in respect of (a) listing of non-convertible debt securities and (b) voluntary delisting of non-convertible debt securities

To read more: https://www.sebi.gov.in/media/press-releases/jun-2023/sebi-board-meeting_73278.html

Introduction of ASBA (Application Supported by Blocked Amount) - like facility for secondary market trading

With an aim to safeguard investors' money from misuse and default by stock brokers, SEBI introduced a supplementary process for trading in the secondary market based on blocked funds in an investor's bank account, instead of transferring them upfront to the trading member.

To read more:

https://www.sebi.gov.in/legal/circulars/jun-2023/trading-supported-by-blocked-amount-in-secondary-market_73071.html

SEBI Releases Compliance Rules for REITs, INVITs

SEBI came out with disclosure formats for compliance reports on governance and annual secretarial for emerging investment vehicles – REITs and InvITs.

To read more:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-releases-compliance-rules-for-reits-invits/articleshow/101291668.cms>

SEBI to digitize processing of investor service requests, complaints by RTAs

SEBI decided to provide a mechanism for processing of investors' service requests and complaints through online mode by RTAs and thereafter track the status as well as obtain periodical updates.

To read more:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-to-digitise-processing-of-investor-service-requests-complaints-by-rtas/articleshow/100854732.cms>

Finmin notifies Delhi court to speed up trial in SEBI, DEPOSITORIES ACT offences

The finance ministry has notified a special court for speedy trial for those who have committed offences under the SEBI Act, 1992 and Depositories Act, 1996.

To read more:

<https://www.moneycontrol.com/news/trends/legal/finmin-asks-delhi-court-to-speed-up-trial-in-sebi-depositories-act-offences-10748481.html>

MCA MASTER CIRCULARS

Relaxation in paying additional fees in case of delay in filing DPT3 for Financial Year ended on 31st March 2023 to 31st July 2023-reg.

The Due date for filing Form DPT-3 (Return of deposits) is 30th of June 2023 for the Financial Year ended on 31st March 2023.

To read more:

<https://www.mca.gov.in/bin/dms/getdocument?mds=GZbzY8G5s24kITjoGKWLQQ%253D%253D&type=open>

INSOLVENCY LAWS

The Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2023 issued on June 12, 2023.

These guidelines provide the procedure for preparing panel of Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees.

To read More:

<https://ibbi.gov.in/uploads/whatsnew/687c952472c361766b7d99aeea97215c.pdf>

Non-applicability of Section 14 (1) of the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

The Central Government hereby notifies that the provisions of sub-section (1) of section 14 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), shall not apply where the corporate debtor has entered into certain transactions.

To read more:

<https://www.mca.gov.in/bin/dms/getdocument?mds=igjGkv5zktdufUjKZkigA%253D%253D&type=open>

CORPORATE LAWS

Relaxation in paying additional fees in case of delay in filing DPT3 for Financial Year ended on 31st March 2023 to 31st July 2023-reg.

The Due date for filing Form DPT-3 (Return of deposits) has been extended to July 31, 2023.

To read more:

<https://www.mca.gov.in/bin/dms/getdocument?mds=GZbzY8G5s24kITjoGKWLQQ%253D%253D&type=open>

Companies (Accounts) Second Amendment Rules, 2023.

Form CSR-2 shall be filed separately on or before 31st March, 2024 after filing Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS), as specified in these rules or Form No. AOC-4 XBRL as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 as the case may be.

To read more:

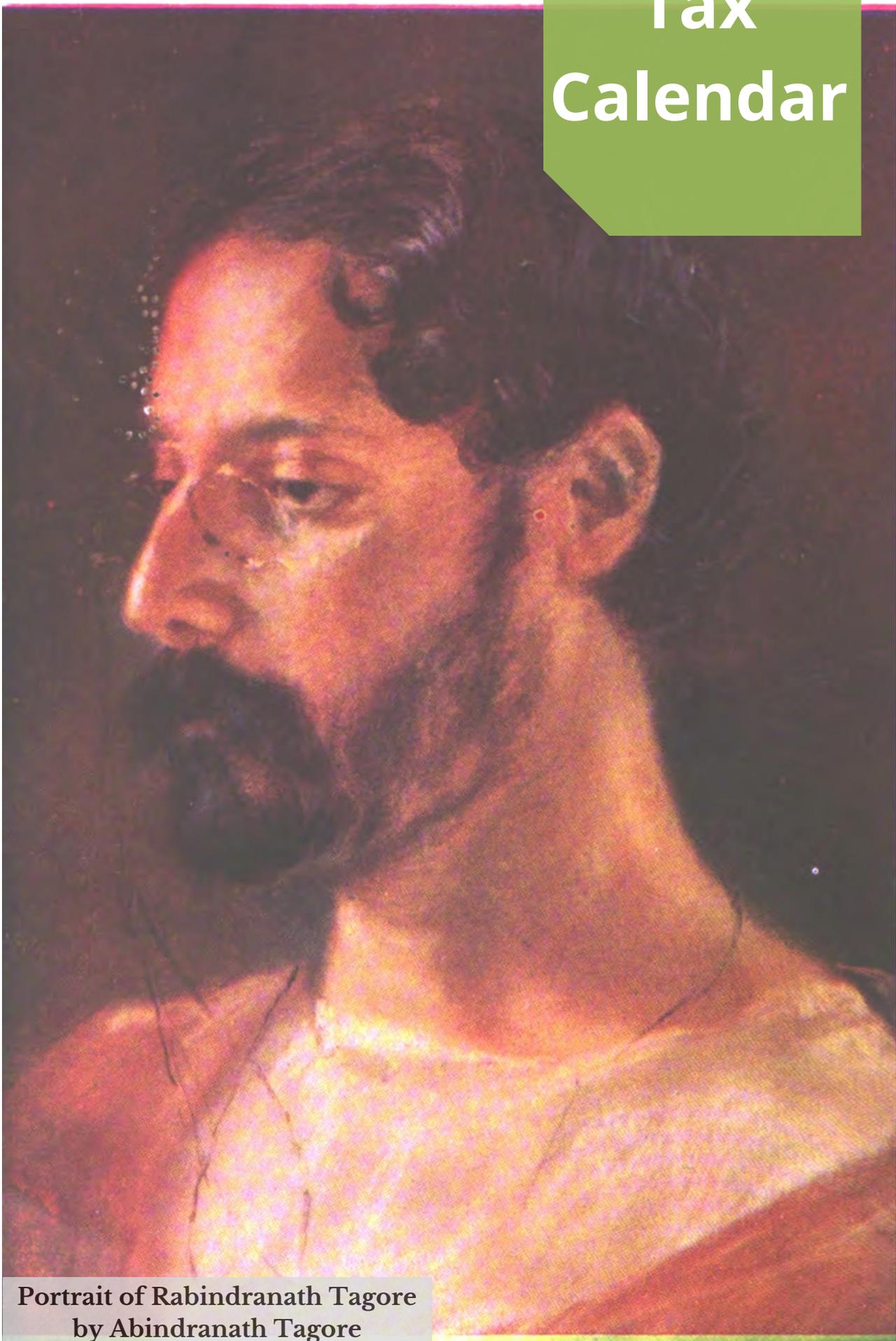
<https://www.mca.gov.in/bin/dms/getdocument?mds=hkjC9jSSH4nRkzYxvO2a5w%253D%253D&type=open>

Regulatory Order(s)

- MCA imposes penalty of Rs. 20 lakhs on company and its directors for non-appointment of whole-time company secretary
 - To Read More: <https://www.taxscan.in/mca-imposes-penalty-of-%e2%82%b920-lakhs-on-company-and-its-directors-for-non-appointment-of-whole-time-company-secretary/293966/>
- Penalty of Rs. 350000 levied on company for doing business of objects not mentioned in MOA
 - To Read more: <https://studycake.in/penalty-of-rs-350000-levied-on-company-for-doing-business-of-objects-not-mentioned-in-moa-233781.html>
- Penalty imposed for non-compliance of regulation 19 – nomination and remuneration committee under SEBI LODR, 2015 on company
 - To Read More: <https://taxguru.in/company-law/nomination-remuneration-committee-not-constituted-mca-imposes-penalty.html>
- Delay in filing declaration form-INC 20A: MCA imposes penalty orders “no penalty” as company files suo-moto strike off application
 - To Read More: <https://www.taxscan.in/delay-in-filing-declaration-form-inc-20a-mca-orders-no-penalty-as-company-files-suo-moto-strike-off-application/293976/>
- MCA imposes penalty of Rs. 4 lacs for non-filing of form MGT-14 on startup company U/S 446B of companies act
 - To Read More: <https://www.taxscan.in/mca-imposes-penalty-of-rs-4-lacs-for-non-filing-of-form-mgt-14-on-startup-company-u-s-446b-of-companies-act-read-order/292696/>
- ROC imposes penalty for violation of the companies act on PTC India and its managing directors
 - To read more: <https://www.moneycontrol.com/news/business/roc-finds-pfs-md-pawan-singh-in-violation-of-companies-act-penalises-in-three-matters-10867431.html>



Tax Calendar



Portrait of Rabindranath Tagore
by Abindranath Tagore

June 2023 - Tax Calendar

7TH JULY	Due date for deposit of Tax deducted by an office of the government for the month of June, 2023
7TH JULY	Due date for deposit of TDS for the period April 2023 to June 2023 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H
15TH JULY	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
15TH JULY	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending June, 2023
15TH JULY	*Quarterly statement of TCS deposited for the quarter ending June 30, 2023
15TH JULY	Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2023
30TH JULY	Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2023
30TH JULY	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194-M, 194S in the month of June, 2023
31ST JULY	*Quarterly statement of TDS deposited for the quarter ending June 30, 2023
31ST JULY	Return of income for the AY 2023-24 for all assessee other than (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A applies or (d) an assessee who is required to furnish a report under section 92E (TP certificate).

*Note: The due date of furnishing TDS statement has been extended from June 30, 2023 to September 30, 2023 vide Circular no. 9/2023, dated 28-06-2023



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