



Independence Day Edition:  
Celebrating India's Scientists

**RNM ALERT**  
**JULY**  
**NEWSLETTER**

**VOL NO 174**



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# EDITORIAL

## Dear Readers

During the month of July 2023, Team RNM celebrated Chartered Accountants Day with fervour. Our CEO, Raghu Marwah also visited various GGI member firms across USA on the east coast to cement relationships and explore professional opportunities. Cross border trade between India and USA has increased and our talent base is making India an increasingly attractive destination to do business.

RNM India has also executed an MOU of cooperation with CW CPA, Hong Kong. Hong Kong is not only a gateway to China, offering various advantages for arbitration and contract enforcements, but also an important trading partner with India. For the countries of the BRICS to further integrate, international financial centres like Hong Kong will play a major role.

The 50th meeting of the GST Council held in the month of July had amongst other changes proposed a 28% tax on Online gaming , however given the huge pushback from the gaming companies it was hoped that this move would be re-considered. However, the 51st meeting retained the tax of 28% for Online gaming on the full face value or entry fee.

On the Direct Tax front, I hope all individuals who were liable for filing their taxes by the Due Date of July 31 would have complied. A new record has been achieved by filing over 67.7 million income tax returns by July 31 as per the official Press Release marking an over 16% increase from the previous year. For those who have not yet complied or have realized an error or omission, option for filing belated return and updated return also exists in law.

We would like to take this opportunity of wishing all our readers a 76th Happy Independence Day on August 15! We commemorate our freedom fighters and look forward to singing the National Anthem alongwith our countrymen on this special day.

***U N Marwah***  
***Chairman - RNM India***

# Direct Tax



**CV Raman (1888-1970) - Physicist**  
Nobel Prize in Physics, Bharat Ratna, Matteucci  
Medal, Franklin Medal, Hughes Medal  
Invented the "**Raman Effect**" of Light Scattering

### **1. CBDT NEW DELHI NOTIFICATION NO 52/2023, Dated: July 20, 2023**

No deduction of tax u/s 194 of the IT Act 1961 from any income in the nature of dividend paid by any unit of an International Financial Services Centre [engaged in the business of leasing of an aircraft]

### **2. CBDT NEW DELHI NOTIFICATION NO 54/2023, Dated: August 1, 2023**

The CBDT vide Notification No. 54/2023 inserted rule 6ABBB; Form of statement (Form No. 3AF) to be furnished regarding preliminary expenses incurred under section 35D, applicable w.e.f. 01.04.2024.

### **3. CBDT NEW DELHI NOTIFICATION NO 56/2023, Dated: August 1, 2023**

The CBDT notifies 10 year Zero Coupon Bond of REC Ltd. to be issued on or before the 31st day of March of bond 2025; notified u/s 2(48) of the Income-tax Act, 1961.

### **4. CBDT NOTIFICATION NO. 225/66/2023; Dated: August 3, 2023**

The CBDT issued Guidelines for compulsory selection of returns for complete scrutiny during FY 2023-24 vide F. No. 225/66/2023 dated, 24-5-23. It should be noted that during search, information related to other persons may be found. Such persons may not be connected to assessee's business or don't belong to same business group. Thus, the CBDT has clarified that all such non-search cases selected are not required to be transferred to Central Charges unless covered by Guidelines.

## **Important Judicial Precedents**

### **1. Mukesh J. Ruparel Vs. Income Tax Officer, Ward 27(2)(1); [2023] 153 taxmann.com 70 (Bombay HC)**

Where a reopening notice under section 148A(b) was issued upon assessee on ground that an information was received which suggested that assessee had purchased an immovable property, however, it had not filed its return during year and assessee was directed to provide details of purchase of immovable property supported with copy of registered agreement, details of payment made and source of acquisition of said immovable property, since mandatory requirement of giving minimum seven days of time to assessee to reply to such notice under section 148A(b) was not fulfilled, impugned notice and further order passed under section 148A(d) along with notice issued under section 148 were to be quashed and set aside.

### **2. Shrikant Ghanshyam Shah Vs. Int. Tax., Ward-4(2)(1), Mumbai [2023] 152 taxmann.com 547 (Mumbai - Trib.)**

Where assessee sold two immovable properties but offered capital gain tax on one transaction and capital gain on second property was mistakenly declared in his wife's return, with taxes duly paid, Assessing Officer of assessee was to be directed to inform Assessing Officer of assessee's wife to revise her assessment and refund any excess taxes paid along with interest till this date and as soon as refund is initiated, present Assessing Officer may initiate recovery of demand against assessee.

**3. Apex Remedies (P.) Ltd. Vs. Income Tax Officer, Ward-1(1)(1) [2023] 152 taxmann.com 170 (Gujarat -HC)**

Section 69A, read with section 148 of the Income-tax Act, 1961 - Unexplained moneys - (Reassessment) - Assessment year 2014-15 - Assessee sold immovable property comprising of industrial plot of land along with industrial shed (building) constructed thereon - Assessee filed return disclosing LTCG on sale of non-depreciable land and STCG on building - Assessing Officer after receiving information from Investigation Wing with respect to purchase of land by one from assessee observed that assessee had not shown capital gains from sale of land in return of income - He, thus, issued reopening notice on ground that income had escaped assessment - Whether since assessee had already disclosed sale consideration from transaction and had bifurcated said amount under head building and under head land, furthermore assessee had also paid STCG and LTCG, it could not be said that taxable income had escaped assessment and impugned reopening notice was to be quashed - Held, yes [Paras 25 and 26][In favour of assessee]

**4. G.D. Foods and Manufacturing (India) (P.) Ltd. Vs. Assistant Director of Income-tax, Central Circle-26, New Delhi [2023] 152 taxmann.com 323 (Delhi - Trib.)**

Section 36(1)(va) of the Income-tax Act, 1961 read with clause 10 of the General clauses Act, 1897 - Employee's contributions - Assessment year 2019-20 - Assessee made payment towards employee's contribution towards EPF and ESI - Assessing Officer disallowed same on ground that deposit of contribution towards EPF & ESIC was made beyond stipulated period prescribed in respective Acts - It was noted that due date for depositing contribution of ESIC & EPF fell on Sunday and gazetted holiday and assessee had made payment on very next day - Assessee had no intention not to deposit contribution of ESI & EPF well within time and depositing contribution very next day of holiday proved bona fide off assessee - Whether contributions of ESIC and EPF made by assessee with one day delay was allowable when due date for payment of ESIC and EPF contributions prescribed in respective acts of ESI & PF fell on Sunday or gazetted holiday - Held, yes [Para 11] [In favour of assessee]

**5. Principal Commissioner of Income-tax, 1 Vs. Axis bank Ltd. [2023] 152 taxmann.com 606 (Gujarat-HC)**

Where Commissioner(Appeals) imposed penalty under section 271(1)(c) on assessee for suo motu disclosure of excess depreciation on land claimed in year under consideration, however, Tribunal deleted penalty by observing that addition on account of excess depreciation claimed was surrendered by assessee to align its books with MCA notification and revenue having failed to establish that assessee had furnished inaccurate particulars of its income, no substantial question of law arose for consideration.

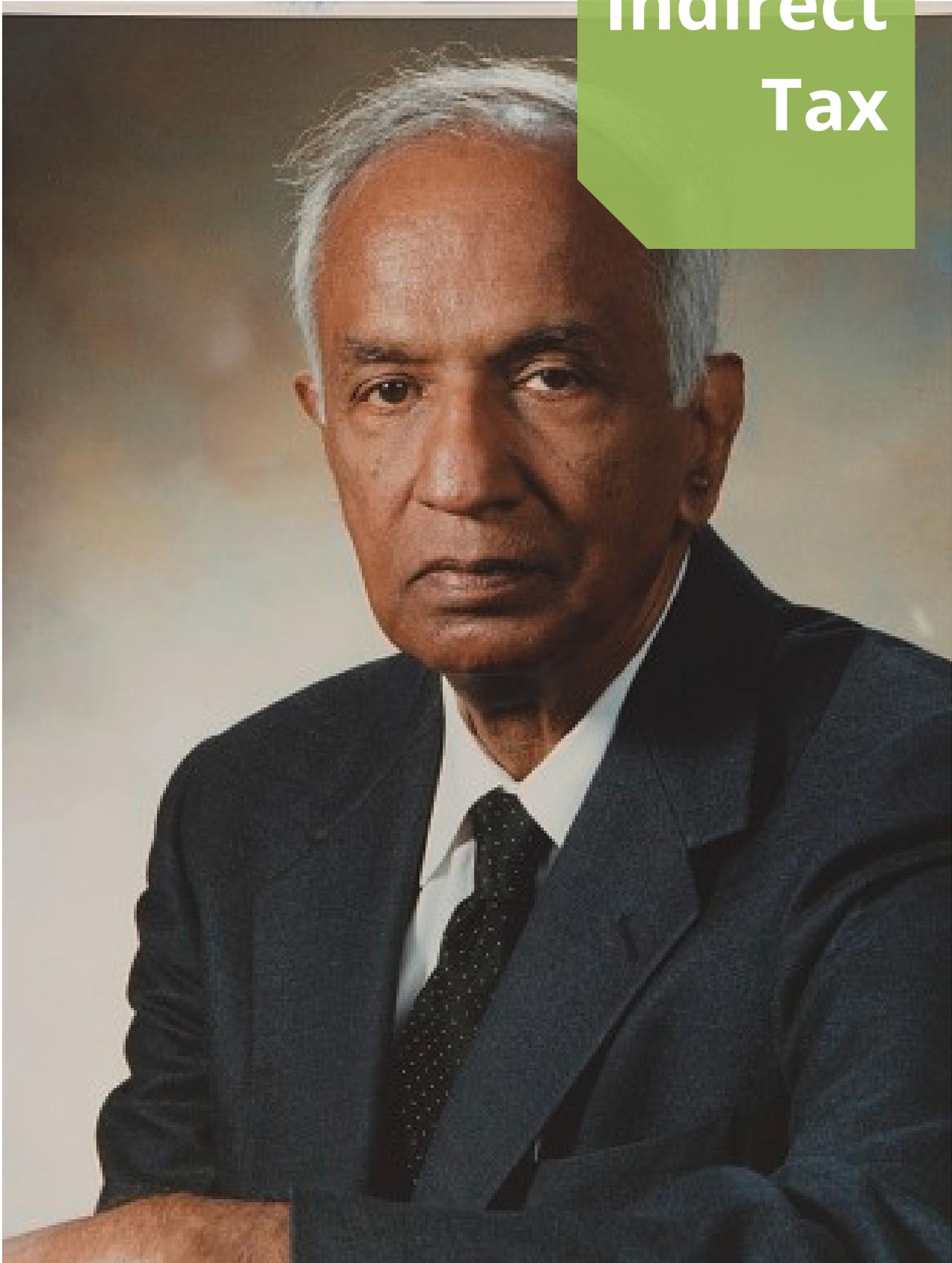
**6. Relx Inc. Vs. Income Tax Officer, Ward, (IT)-3(1)(2) [2023] 152 taxmann.com 555 (Delhi - Trib.)**

Where assessee, a tax resident of USA, received subscription fee for providing access to data base pertaining to legal and law related information, in absence of any material available on record to prove that assessee was providing full fledged service and solutions for legal professions, payment received by assessee was in nature of 'business profits' which could not be brought to tax in India in absence of PE.

### **7. Mrs. Usha Eswar Vs. Rajeshwari Menon [2023] 152 taxmann.com 454 (Bombay -HC)**

Where AAR in case of assessee, a UAE resident, ruled that he was eligible for DTAA benefits but AO reopened assessment of assessee, on ground that subsequent ruling in another case held that benefits of DTAA would not be available as applicant therein was not chargeable to tax in UAE, since subsequent ruling cannot as a matter of plain intendment and meaning of section 245-S displace binding character of ruling rendered between applicant-assessee and revenue, AO had exceeded his jurisdiction to reopen said assessment.

# Indirect Tax



**Subrahmanyan Chandrasekhar (1910-1995) - Astrophysicist**  
Nobel Prize in Physics, Padma Vibhushan, Copley Medal, Bruce  
Medal, Adams Prize, Henry Draper Medal  
Gave the concept of "**Chandrasekhar Limit**"



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

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



## **1. Service Tax Refund Granted for Cancelled Contract: Legal Interpretation**

- An Appellant, the developer of a residential complex, received part payments from two customers along with service tax as per the contractual terms. The Appellant duly remitted the collected service tax to the exchequer. Subsequently, both customers cancelled their bookings, and the Appellant proceeded to refund the consideration. Seeking a refund of the service tax deposited, the Appellant approached the authorities, contending that the collected service tax ought to be reimbursed due to the cancellation of the bookings. However, the authorities issued two show cause notices rejecting the refund claims on the grounds of being time-barred under Section 11B of the Central Excise Act.
- Aggrieved by the Commissioner (Appeals)'s decision upholding the rejection order, the Appellant filed an appeal before the Customs, Excise, and Service Tax Appellate Tribunal (CESTAT).
- In its ruling, CESTAT analyzed the provisions of the Service Tax Law, emphasizing that service tax liability only arises, when taxable services are provided with a discernible service element. Absent the provision of any taxable service, the assessee cannot be held liable for service tax. In such circumstances, any amount deposited by the assessee with the exchequer is to be deemed a "deposit," exempt from the application of Section 11B of the Central Excise Act. Refraining from refunding such an amount would be in violation of Article 265 of the Constitution of India, which necessitates that taxes should be levied only by authority of law.
- Based on this interpretation, CESTAT concluded that the cancellation of bookings led to the termination of the service contract, resulting in the absence of any service being provided by the Appellant. Consequently, the service tax amount deposited by the Appellant was deemed eligible for refund.

## **2. Calcutta High Court denies interim relief to assessee in ongoing cartel case.**

### Summary:

The Calcutta High Court dismissed the assessee and its officers' application seeking a stay on the summons issued by the Director General for recording their statements, as part of an ongoing investigation, in an interim application filed by the Petitioners, who challenged the summons through a writ petition.

### Background:

In March 2021, the Coimbatore Corporation Contractors Welfare Association filed a complaint with the Central Bureau of Investigation (CBI) alleging price manipulation and supply restrictions by steel companies for illegal profits. After receiving no response from the CBI, the complainant approached the Madras High Court seeking directions for the investigation. The CBI informed the Madras HC that it had shared the complaint with the Director General (DG). Subsequently, in compliance with the Madras HC's order, the DG initiated an investigation even without a prima facie order from the Competition Commission of India (CCI). During the investigation, the DG issued summons to the assessee and its officers' for recording their statements. The assessee challenged the summons before the Calcutta HC, arguing that the DG could not investigate the matter without a prima facie order from the CCI and that assessee name was not mentioned in the Madras HC's order.

### Calcutta HC Order:

The Calcutta High Court dismissed the Interim Application and stated that the Madras High Court, in its extraordinary jurisdiction, had the authority to bypass the requirement of a Prima Facie Order. Consequently, the Director General (DG) was obligated to act on the direction of the Madras HC. Section 26(1) of the Competition Act allows for investigations into a broader 'matter' related to anti-competitive activities, not necessarily limited to a specific company or group of companies. Therefore, the DG was justified in including the assessee in the investigation.

### **3. The Andhra Pradesh High Court has affirmed the legality of the time limit set for claiming ITC under GST regime.**

#### Summary:

- The assessee started its business in March' 2020 and filed GSTR-3B for that month on November 27, 2020, albeit with late filing fees. The revenue authority disallowed the ITC claimed in the return, since it was filed beyond the statutory time limit specified under Section 16(4) for claiming ITC.
- The aggrieved assessee then filed a writ petition before the HC, challenging the constitutional validity of the aforementioned provision (Section 16(4)) and also contending that the non-obstante clause in Section 16(2) should take precedence over Section 16(4).

#### Background

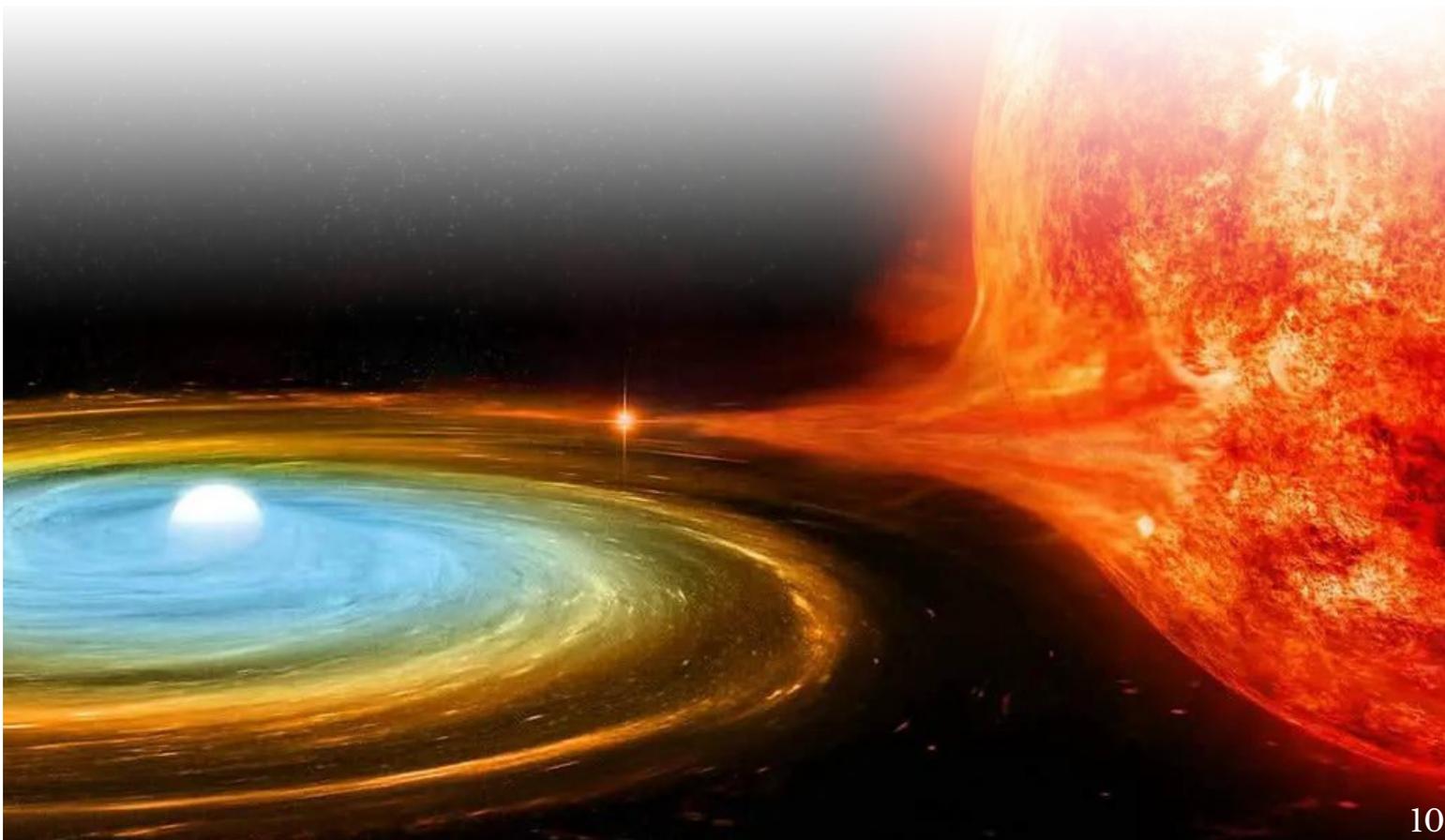
- The business, which was established during the COVID-19 pandemic, filed the return for March 2020 on 27 November 2020, accompanied by a late fee of INR 10,000.
- The assessee argues that the acceptance of the return with the late fee implies that the Revenue has condoned the delay in claiming ITC beyond the statutory time limit prescribed under Section 16(4).
- The assessee believes that ITC is a statutory right and imposing a time limit for claiming this right violates Article 14, 19(1)(g), and 300A of the Constitution of India and also assert that Section 16(2) takes precedence over Section 16(4) due to its non-obstante clause. This means that if the conditions mentioned in Section 16(2) are met by the assessee, they should be entitled to claim ITC without being bound by the time limit prescribed under Section 16(4).
- The revenue contention that the collection of late fees pertains solely to the issue of belated filing of returns and does not exempt other aspects, such as payment of output tax or the demand for interest on belated payments, or claiming ITC beyond the stipulated time period.
- ITC is merely a statutory rebate or concession provided to taxpayers, as confirmed in various court judgments. The legislature, exercising its judgment, has imposed conditions, including the prescription of a time limit under Section 16(4) of the CGST Act.
- Even if ITC is considered a legal right, the legislature still retains the authority to set a time limit for claiming it, just as the Indian Limitation Act, 1863 prescribes time limits against statutory rights, like filing appeals. Without a time limitation, taxpayers could endlessly claim ITC, which would be impractical.
- The scope of Article 14 and 19(1)(g) of the Constitution is different from that of Section 16(4), and thus, one cannot assert that the latter has infringed upon the former, even in the most imaginative scenario.

## Ruling

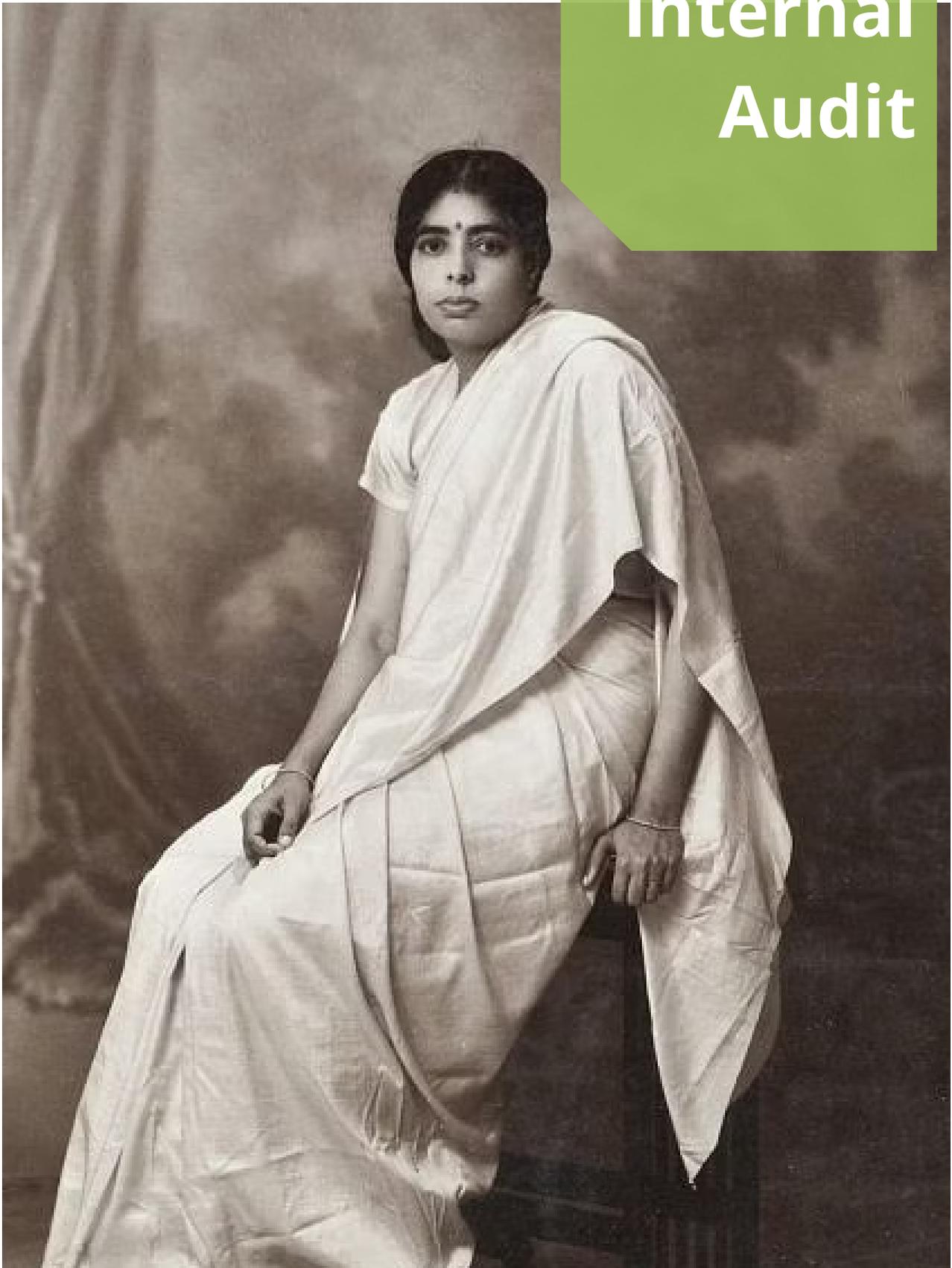
- Section 16 of the CGST Act outlines the eligibility conditions for claiming Input Tax Credit (ITC). While Section 16(2) establishes the essential eligibility criteria for claiming ITC, sub-sections (3) and (4) impose specific conditions and limitations for claiming the credit.
- In simpler terms, even if an assessee fulfills the basic eligibility criteria mentioned in Section 16(2), they may still not be entitled to claim ITC if their case falls within the limitations prescribed under sub-sections (3) and (4).
- The purpose of a non-obstante clause has been extensively explained in various legal decisions, which states that it is a legislative mechanism used in a statute to give overriding effect to certain provisions.
- Section 16(2) solely overrides the ITC enabling provision, which is Section 16(1). This is evident from the wording and structure of the said provision. The principle of overriding effect cannot be applied unless there is a clear inconsistency between two provisions. In this case, both Section 16(2) and Section 16(4) are separate provisions with distinct restrictions, and there is no inconsistency between them. The mere filing of a return with a delay fee does not automatically allow the claiming of Input Tax Credit (ITC). Late fees are collected to facilitate the verification process of returns. The argument made by the assessee that Section 16(4) violates Articles 14, 19(1)(g), and 300-A of the Constitution is not valid. ITC is not a statutory or constitutional right but a concession or rebate, and thus, imposing a time limit for claiming it does not violate any constitutional or statutory provision.

The High Court dismissed the writ petition and concluded:

The time limit prescribed under Section 16(4) for claiming ITC is not in violation of Articles 14, 19(1)(g), and 300-A of the Constitution of India. Section 16(2) of the CGST Act does not override Section 16(4) as both provisions are not contradictory and operate independently. Mere acceptance of the GSTR-3B return with late fees does not excuse the delay in claiming ITC beyond the period specified under Section 16(4).



# Internal Audit



**E.K. Janaki Ammal (1897-1984) - Botanist**

Padma Shree

Worked on plant breeding, Cytogenetics & Phytogeography.  
Important contributions: Studies on Sugarcane & Eggplant



## Issues faced by start-ups in getting Registration

Registering a start-up is a crucial step in establishing a Legal entity that can operate in the business world. However, start-ups often encounter several challenges during the registration process, hindering their progress and growth.

Some of the common issues faced by start-ups in getting registration are-

### **a) Lack of knowledge & guidance:**

Many start-up founders are often inexperienced in the legal aspects of business registration, leading to confusion & uncertainty.

### **b) Name and Trademark Issues:**

Choosing a unique name for a business and securing trademarks can be a challenge due to existing registrations or trademarks, i.e., similar to trademarks of other companies.

### **c) Lengthy Processing Time:**

The Registration process may involve a waiting period for approvals and document processing. Such delays can hamper startup's ability to conduct business and generate revenue effectively and efficiently.

### **d) Lack of funding**

Some start-ups often struggle to secure sufficient funding to cover registration fees, initial cost of operations and other essential expenses. Without adequate resources (i.e., money or funds), the registration process may be delayed.

Possible solutions in respect of the above-stated problems can be:

### **a) Taking professional Advice and Assistance:**

A person while registering a start-up must seek consultation from professional business advisors or specialized consultants who can provide necessary guidance and ensure compliance with all mandatory regulations.

### **b) Early submission of Application:**

To avoid delays, start-ups should submit their registration applications as early as possible and ensure that all required documentation is complete.

### **c) Thorough Name Search:**

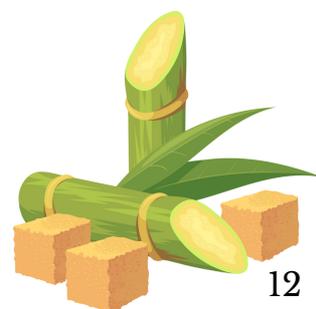
Conduct a comprehensive search to check for existing trademarks and business names before finalizing a name.

### **d) Attract investors or Government programs:**

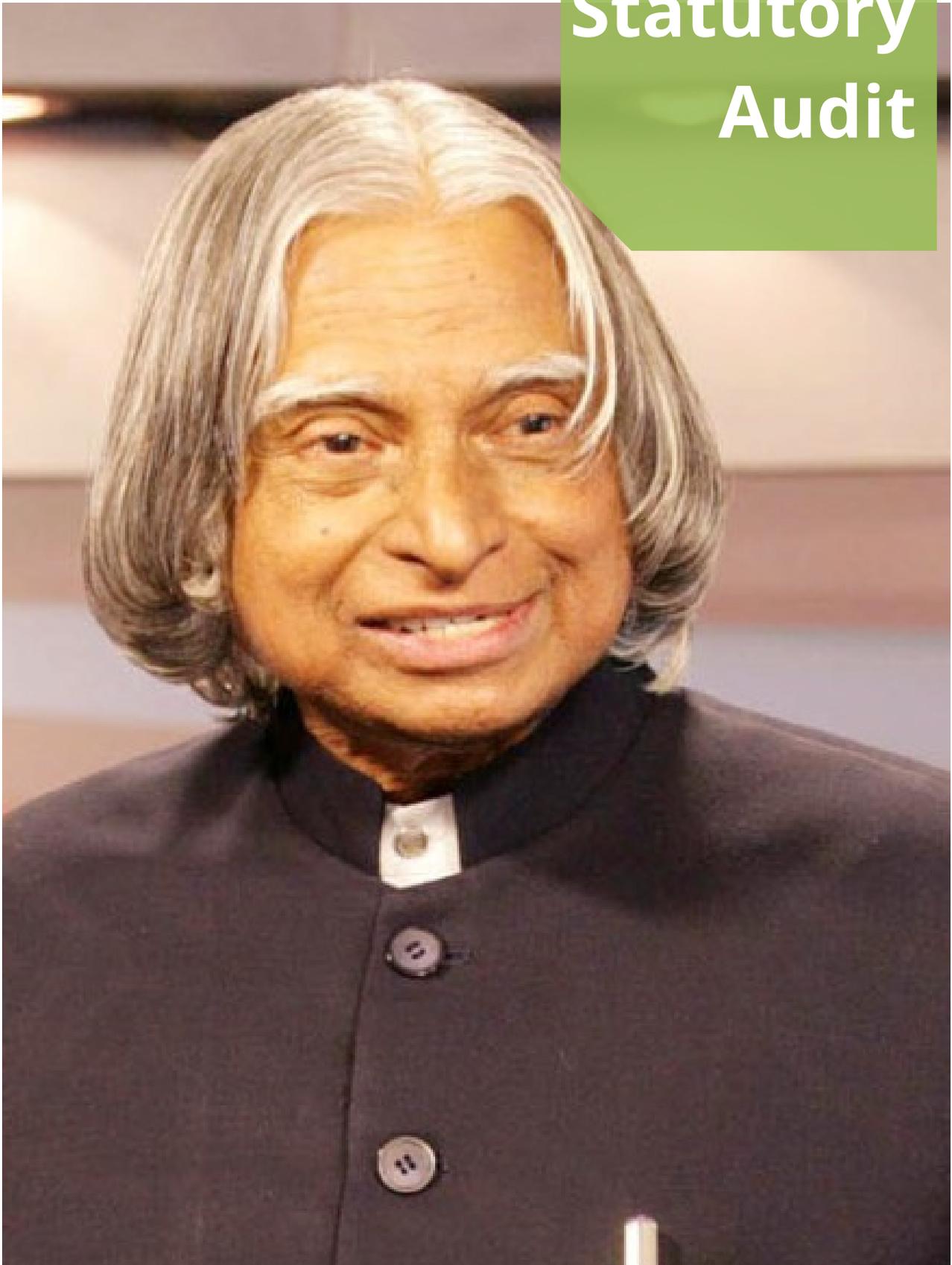
Start-ups should actively seek funding from investors, angel investors etc. who are willing to invest in their innovative ideas. In addition to that, they should also check for the grants provided by the government in relation to the business they are starting.

### **Conclusion:**

It is always advisable to consult a professional consultant who can assist in setting up a Start-up considering the critical issues involved in the registration process and also giving breathing space to entrepreneur, so that he/she can focus more on the core concept of the Start-up without worrying about the registration process.



# Statutory Audit



**APJ Abdul Kalam (1931-2015) - Aerospace Scientist**  
Padma Bhushan, Padma Vibhushan, Bharat Ratna  
"Missile Man of India" Developed the Agni & Prithvi  
Missiles and the Satellite Launch Vehicle (SLV-III)

## Form DPT- 3 (MCA)(Return Of Deposit)

DPT 3 is a return of deposits that companies must file to furnish information about deposits and/or outstanding receipt of loan or money other than deposits.

### Background

In order to safeguard the interest of creditors or depositors, the Central Government in consultation with the Reserve Bank of India notified the amendment in the Companies (Acceptance of Deposits) Rules 2014 through Companies (Acceptance of Deposits) Amendment Rules 2019.

### Due Date of filing

Companies need to file Form DPT-3 annually. The form should be filed within 90 days from the end of each financial year. For example, if the financial year ends on March 31st, the deadline for filing Form DPT-3 would be June 30th.

Note: The date has been extended till 31st July for the financial year 2022-23

### Who is exempted from filing the return?

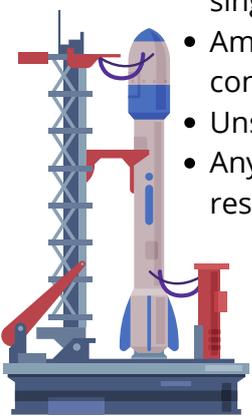
Every company except a government company must file this return. Additionally, as per Rule 1(3) of the Companies (Acceptance of Deposits) Rules 2014, the following companies are also exempt:

- Banking company
- Non-Banking Financial Company
- A housing finance company registered with National Housing Bank
- Any other company as notified under proviso to subsection (1) to section 73 of the Act

### Transactions not considered as deposits

Any amount received from the government or guaranteed by the government, foreign government/foreign bank.

- Any amount received as a loan or facility from any Public Financial Institutions, Insurance Companies or Banks.
- Any amount received from a company by a company.
- Subscription to securities and call in advance.
- Any amount received from the director of the company or a relative of the director of the Private company, who held the positions at the time of lending.
- Any amount received by the company from an employee, not exceeding his annual salary under the employee contract such as non-interest bearing security deposit.
- Any amount received in the course of, or for the purposes of, the business of the company as an advance for the supply of goods or provision of services or as a security deposit for the performance of the contract for the supply of goods or provision of services.
- Receipt of Rs 25 lakh or more by a startup company in the form of a convertible note, in a single tranche.
- Amount raised by the issuing secured bonds or debentures with first charge, non-convertible debentures not having a charge on the assets of the company.
- Unsecured loans from promoters.
- Any amount received by the company from Nidhi Company or by way of subscription in respect of chit under the Chit Funds Act, 1982.



- Any amount received by the company from a collective investment scheme, alternate investment funds or mutual funds registered with SEBI.
- Any other amount which is not considered as a deposit under Rule 2(1)(c).
- Hence any amount whether secured or unsecured and which is outstanding money or loan not considered as deposits must be reported.

#### Information Required in Form DPT-3:

Form DPT-3 collects various details about the outstanding amounts, including:

- Details of the Company: Name, Corporate Identification Number (CIN), registered office address, etc.
- Details of Outstanding Deposits: Information about deposits accepted, whether secured or unsecured, along with details of depositors.
- Details of Outstanding Loans: Information about loans given by the company, including details of the borrower.
- Details of Other Outstanding Amounts: Information about other outstanding amounts and advances received.
- Attachments: Companies may need to attach necessary documents, such as board resolutions, relevant agreements, etc.

#### Documents to be submitted

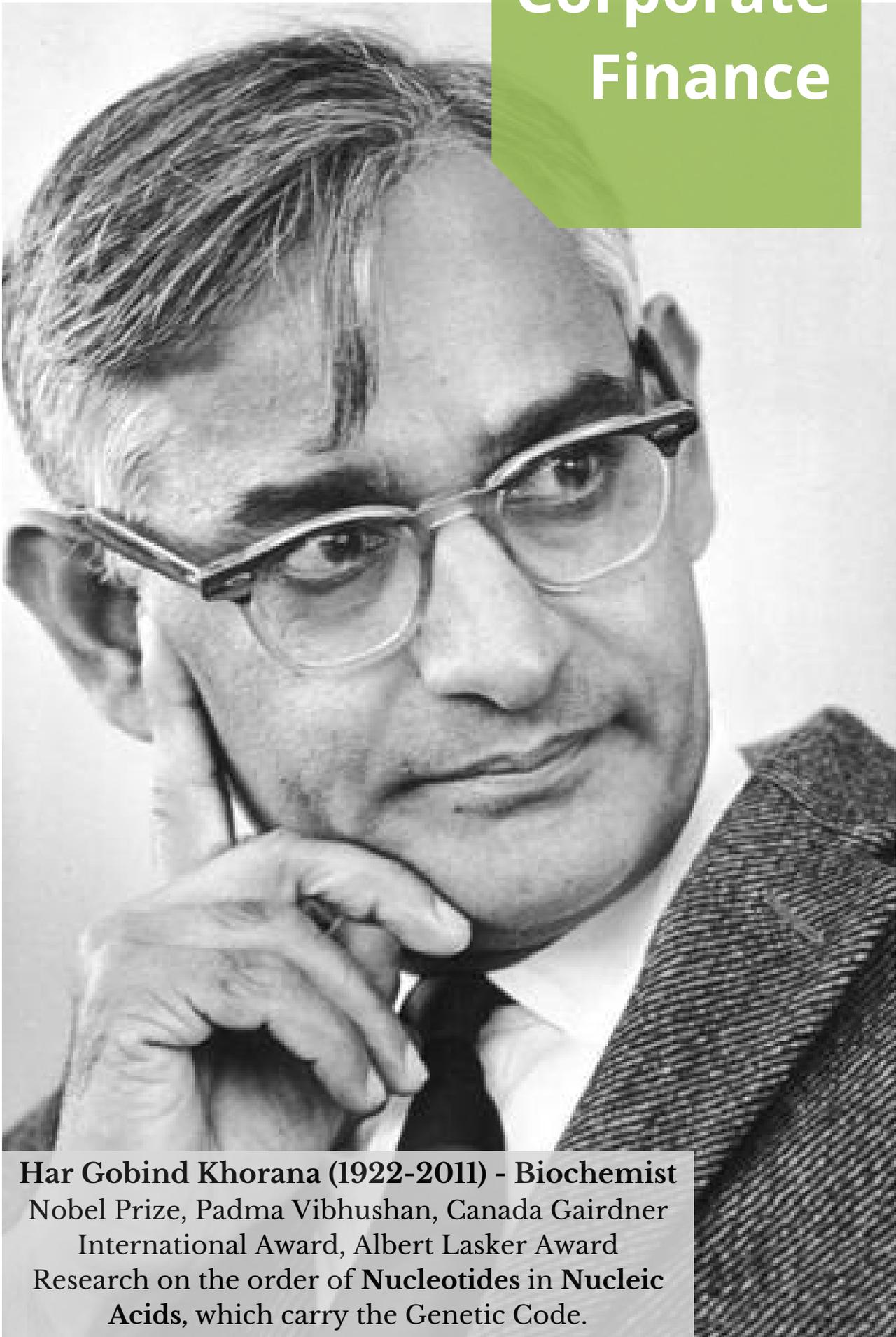
- Auditors certificate
- Copy of Trust deed
- Deposit Insurance contract, wherever applicable and mentioned in the form
- Copy of instrument creating the charge
- List of depositors – List of deposits matured and cheque issued but not yet cleared to be shown separately
- Details of liquid assets
- Optional attachment
- Filing fees
- Fees shall be payable as per the Companies (Registration Offices and Fees) Rules

#### Consequences of non-filing

- If the company does not adhere to the requirements of DPT-3 and keeps accepting deposits, then it will face the following consequences:
- Under Section 73 ,a penalty of minimum 1 crore or twice the amount of deposits whichever is lower, which may extend to Rs. 10 crore
- For every officer, who is in default imprisonment up to 7 years and with a fine not less than Rs. 25 lakhs which may extend to Rs. 2 crores.
- Under Rule 21, on the company and every officer in default a fine which may extend up to Rs. 5,000, and where the contravention is a continuing one, a fine of Rs. 500 for every day since the default.



# Corporate Finance



**Har Gobind Khorana (1922-2011) - Biochemist**  
Nobel Prize, Padma Vibhushan, Canada Gairdner  
International Award, Albert Lasker Award  
Research on the order of **Nucleotides in Nucleic  
Acids**, which carry the Genetic Code.

## Reliance To Invest \$122 Mn In Brookfield JV For Data Centre Projects

India's Reliance Industries will invest up to INR 10 billion (\$122.24 million) in building data centres in the country along with Canada-based Brookfield Infrastructure. The announcement comes at a time when data centre capacity in India is expected to rise exponentially as more people go online. Reliance will initially invest about INR 3.78 billion in units of Mercury Holdings SG Pte, which is a joint venture (JV) between Brookfield Infrastructure and U.S.-based real estate investment trust Digital Realty. The Mukesh Ambani-owned company has committed to invest the remaining INR 6.22 billion in equity and debt securities of the JV's units, when needed. Reliance will hold a 33.33% stake in each of the Indian units of the JV and become an equal partner.

(Source: VC Circle, 25th July 2023)

## Private Equity

### Arohan Financial Snags \$24 Mn From Another DFI

Microfinance institution Arohan Financial Services, a part of the Aavishkaar-Intellectap Group, has raised nearly INR 200 crore (\$24 million) from Investment Fund for Developing Countries (IFU), a development finance institution backed by the Denmark government. Arohan will use the capital to grow its business as well as for greening its services, IFU said in a release. It will also use the funds to expand the footprint and increase the impact by reaching out to poor and vulnerable clients with no previous access to credit.

(Source: VC Circle, 3rd July 2023)

### Auxilo Finserve Snags \$57 Mn From Tata PE Fund, Xponentia, Others

Education-focussed non-banking finance company Auxilo Finserve Pvt. Ltd has raised INR 470 crore (around \$57.4 million) as a primary equity capital in its recent funding round. The round was led by Tata Capital Growth Fund II, Trifecta Leaders Fund - I and Xponentia Opportunities Fund - II. Xponentia has committed to invest INR 110 crore in the company. Existing investor ICICI Bank Limited also participated in the funding mop-up.

(Source: VC Circle, 10th June 2023)

### Quadria Capital To Sign Large Cheque For Eyecare Chain Maxivision

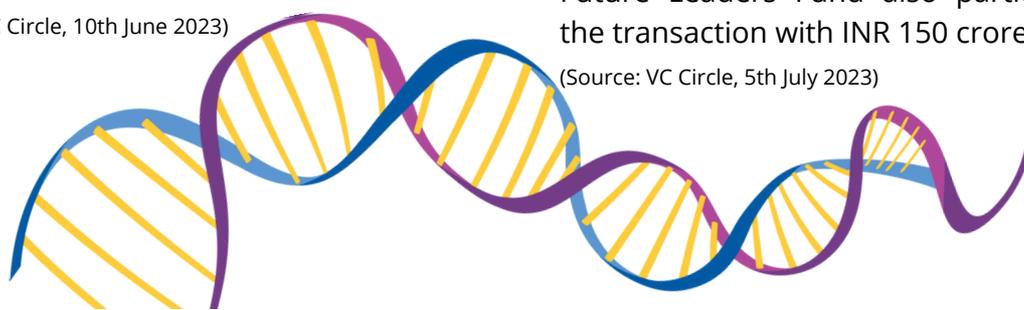
Healthcare-focused private equity investor Quadria Capital will invest up to INR 1,300 crore (around \$158 million) in GSK Velu-led eyecare chain Maxivision Eye Hospital in two tranches. The PE fund will make an initial investment of about INR 600 crore (\$73 million) for a minority stake followed by an additional stake worth INR 700 crore (\$85 million) in the second tranche.

(Source: VC Circle, 25th July 2023)

### Multiples PE Leads \$145 Mn Round In Veritas; Two Investors Exit

Renuka Ramnath-led Multiples Private Equity and its co-investors including International Finance Corporation (IFC) have struck a deal to invest INR 1,200 crore (around \$145 million) in Veritas Finance Pvt. Ltd in a round that involves both primary capital infusion and a secondary sale. The deal comprises a primary issuance of INR 400 crore and provides a partial exit to early investors British International Investment (BII) and Lok Capital, Veritas and Multiples PE said in a statement. Multiples PE, along with co-investor IFC and others, will be infusing INR 1,050 crore. Avendus Future Leaders Fund also participated in the transaction with INR 150 crore.

(Source: VC Circle, 5th July 2023)





## Venture Capital

### A91 Partners Strikes Maiden IT Services Investment

Growth-stage investor A91 Partners, floated by former Sequoia Capital executives VT Bharadwaj, Gautam Mago and Abhay Pandey, has struck its maiden deal in IT services with an investment in Chennai-based KaarTech. A backer of companies like Healthkart, Blue Tokai, Sugar Cosmetics, Ninety One, Giva, Paper Boat, Inshorts and Atomberg, A91 has invested \$30 million (around INR 240 crore) in the digital transformation consulting firm. The latest fundraising has increased KaarTech's valuation to INR 550 crore (around \$69 million).

(Source: VC Circle, 3rd July 2023)

### LetsTransport Gets \$25 Mn Cheque From Existing Investor, Others

Logistics marketplace LetsTransport has raised \$25 million (around INR 205 crore) led by its existing investor Bertelsmann India Investments in a Series D funding exercise. In the round, Bertelsmann India Investments invested \$20 million in the Bengaluru-based company. LetsTransport will deploy the fresh proceeds in expanding its market presence, accelerating the company's journey to profitability and enhancing its already robust suite of logistics services.

(Source: VC Circle, 14th July 2023)

### PremjiInvest Leads \$33 Mn Round In Jewellery Brand Giva

Indiejewel Fashions Pvt. Ltd, which operates silver jewellery-focused brand Giva, has raised INR 200 crore in its Series B funding round led by PremjiInvest, the family office investment arm of Wipro Ltd founder-chairman Azim Premji. The round also comprised a secondary swap of shares worth INR 70 crore, which means the total investment brought in by investors in this round stood at INR 270 crore (around \$33 million). The funding round also saw participation from existing investors Aditya Birla Ventures, Alteria Capital and A91 Partners.

(Source: VC Circle, 5th July 2023)

### Battery Smart Snags \$33 Mn As EIF, BII Join Cap Table

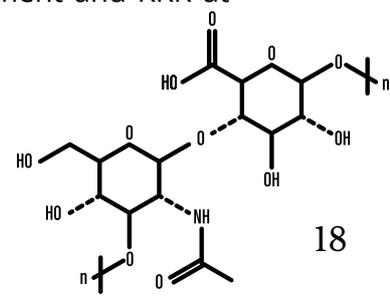
Battery swapping network platform for electric two and three-wheelers Battery Smart has raised pre-Series B funding of \$33 million (around INR 272 crore) from a host of existing and new investors. Existing investors Tiger Global and Blume Ventures also invested in the round, while The Ecosystem Integrity Fund (EIF) and British International Investment (BII) joined as new backers. Battery Smart plans to use the fresh capital to onboard one lakh customers to its network as it expands its geographic footprint.

(Source: VC Circle, 6th July 2023)

### Enterprise AI Unicorn O9 Solutions Amasses \$116 Mn As Valuation Climbs

Dallas and Bengaluru based o9 Solutions Inc, an enterprise artificial intelligence software firm, has raised \$116 million from existing investors led by private equity firm General Atlantic's climate-focused growth equity venture BeyondNetZero. Existing investors KKR and Generation Investment Management also participated in the round. The latest round values the company at \$3.7 billion. This is up from \$2.7 billion in January 2022, when the company raised \$295 million from General Atlantic, Generation Investment Management and KKR at the height of the funding boom.

(Source: VC Circle, 19th July 2023)



## Mergers & Acquisitions

### **Poonawalla-Backed JetSynthesys Acquires Kids-Focused News Platform**

Digital entertainment and gaming company JetSynthesys acquired a majority stake in KidzByte MediaTech Pvt. Ltd, a Mumbai-based news aggregator for children. JetSynthesys, part of the diversified JetLine Group of Companies, counts the family offices of Poonawalla and Infosys co-founder Kris Gopalakrishnan, promoters of entities such as engineering company Thermax, diversified manufacturer Triveni Group, and the DSP Group as its investors. It has offices in Europe, the UK, and the US.

(Source: VC Circle, 3th July 2023)

### **Bikaji Foods Picks Up 49% Stake In Bhujialalji**

Ethnic snacks maker Bikaji Foods International Ltd has bought a 49% stake in Bhujialalji Pvt. Ltd, a growing ethnic snacks company. The deal comprised of 9,608 equity shares and 396 compulsorily convertible debentures (CCDs) at INR 5100 value per security aggregating to INR 5.1 crore. Bhujialalji Pvt. Ltd. is a Bikaner-based FMCG brand that makes ethnic snacks. Its product portfolio comprises of bhujia and namkeen variants.

(Source: VC Circle, 19th July 2023)

### **Walmart Buys Tiger Global's Stake In Flipkart At \$35-Bn Valuation**

Walmart has paid \$1.4 billion to buy out hedge fund Tiger Global's investment in e-commerce firm Flipkart. The transaction will value the e-commerce firm at \$35 billion. Tiger Global held about 4% of the company. Earlier this year, private equity firms Accel and Tiger Global, two early backers of Flipkart, were in talks to sell their remaining stake in the company to Walmart. Walmart acquired a majority stake of 77% in Flipkart for about \$16 billion in 2018, and later that year said it could take the company public in four years.

(Source: VC Circle, 31st July 2023)

### **GIC-Backed Syngene Inks \$88-Mn Deal To Buy Stelis Biopharma's Unit**

Syngene International Ltd, a drug research company backed by Singapore sovereign wealth fund GIC, is set to acquire Stelis Biopharma's manufacturing unit in Bengaluru for INR 702 crore (around \$88 million) in cash. Syngene has signed a pact with the biopharmaceutical company to snap up its Unit 3, a biologics manufacturing unit. The transaction comes about five months after GIC invested INR 1,075.2 crore (around \$131 million) in Syngene via a block deal.

(Source: VC Circle, 5th July 2023)

### **HCL Tech To Buy German Automotive Services Firm ASAP For \$280 Mn**

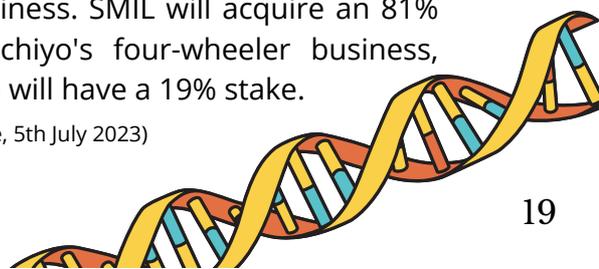
Indian IT services major HCLTech will buy German automotive engineering services firm ASAP Group for an enterprise value of about 251 million euros (\$279.83 million) as it looks to grow in the automotive space. HCLTech would leverage the acquisition for further expansion into automotive markets in Europe, the Americas and Japan, the company said in a stock exchange filing.

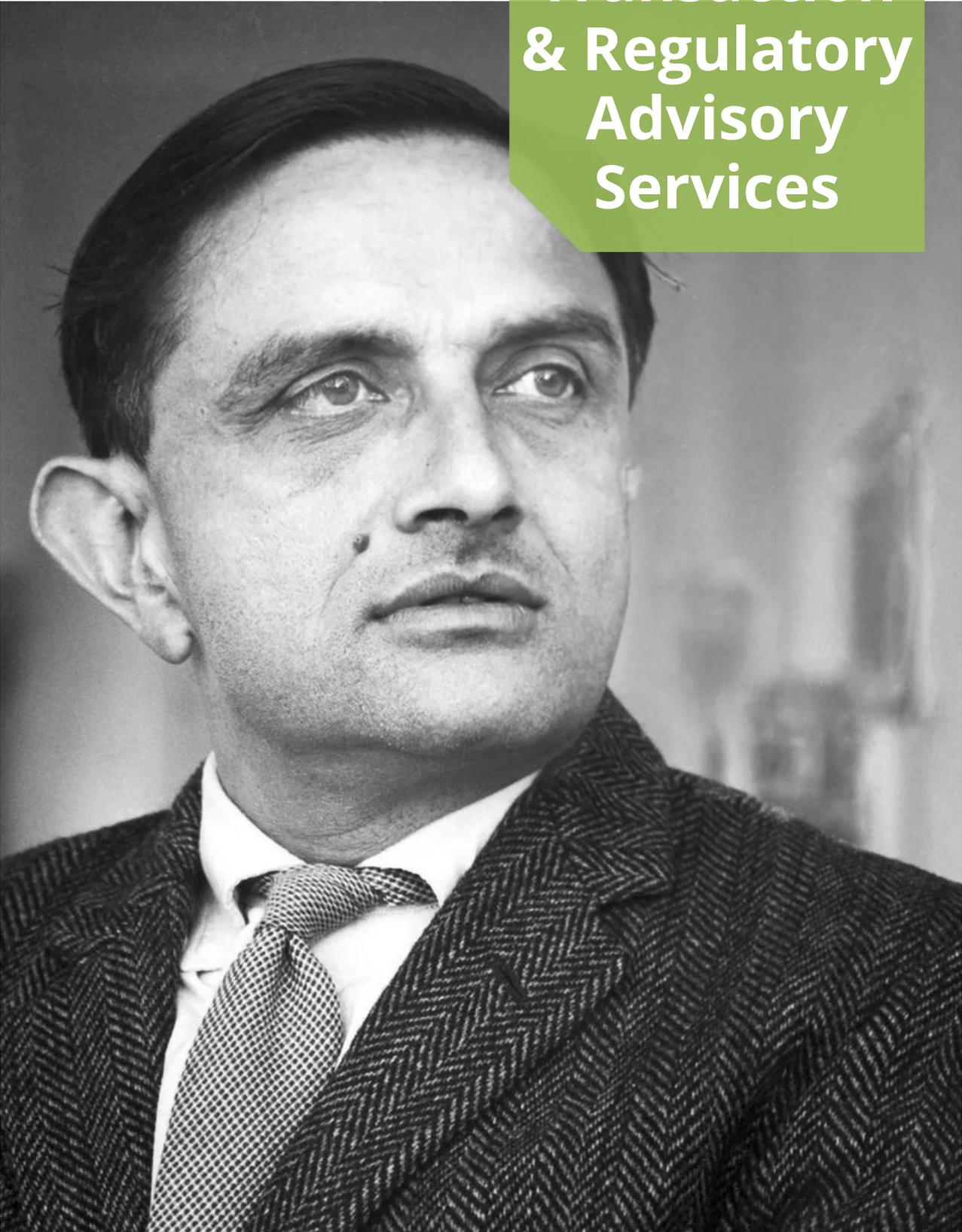
(Source: VC Circle, 13th July 2023)

### **Samvardhana Motherson To Buy Majority Stake In Honda Motor Unit**

Indian auto parts maker Samvardhana Motherson International (SMIL) will buy a majority stake in Japan-based auto-part maker Yachiyo Industry's four-wheeler business from Honda Motor Co to expand its product range. The transaction is valued at 22.9 billion Japanese yen (\$158.54 million) for a 100% stake in Yachiyo. Honda currently owns a 50.4% stake in Yachiyo. As part of the transaction, Honda will first buy out the entire public stake in Yachiyo via a tender offer and retain Yachiyo's two-wheeler business. SMIL will acquire an 81% stake in Yachiyo's four-wheeler business, while Honda will have a 19% stake.

(Source: VC Circle, 5th July 2023)



A black and white portrait of Vikram Sarabhai, a man with dark hair, wearing a dark herringbone suit jacket, a white shirt, and a patterned tie. He is looking slightly upwards and to the right. The background is a blurred indoor setting.

## Transaction & Regulatory Advisory Services

**Vikram Sarabhai (1919-1971) - Physicist**

Padma Bhushan, Padma Vibhushan

**"Father of Indian Space Program"**

**Founder of Indian Space Research Organisation.**

Initiated the fabrication and launch of an Indian Satellite



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

## SEBI LAWS

### SEBI amends guidelines for institutional placement of units by InvITs, REITs (July 05, 2023)

SEBI amended the guidelines for preferential issue and institutional placement of units by Infrastructure Investment Trusts and Real Estate Investment Trusts. The changes have been made after receiving feedback from stakeholders.

To read more:

[https://www.sebi.gov.in/legal/circulars/jul-2023/amendments-to-guidelines-for-preferential-issue-and-institutional-placement-of-units-by-a-listed-reit\\_73494.html](https://www.sebi.gov.in/legal/circulars/jul-2023/amendments-to-guidelines-for-preferential-issue-and-institutional-placement-of-units-by-a-listed-reit_73494.html)

### SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023.

The 'Dispute Resolution Mechanism' has been inserted in SEBI various Regulations viz. Merchant Bankers; Registrars to an Issue and Share Transfer Agents; Debenture Trustees; Mutual Funds; Custodian; Credit Rating Agencies; Collective Investment Schemes; KYC (Know Your Client) Registration Agency; Alternative Investment Funds; Investment Advisers; Research Analysts; Infrastructure Investment Trusts; Real Estate Investment Trusts; Listing Obligations and Disclosure Requirements; Foreign Portfolio Investors; Portfolio Managers; and Vault Managers.

To Read More:

[https://www.sebi.gov.in/legal/regulations/jul-2023/securities-and-exchange-board-of-india-alternative-dispute-resolution-mechanism-amendment-regulations-2023\\_73454.html](https://www.sebi.gov.in/legal/regulations/jul-2023/securities-and-exchange-board-of-india-alternative-dispute-resolution-mechanism-amendment-regulations-2023_73454.html)

### Appointment of Director nominated by the Debenture Trustee on boards of issuers

Regulation 23(6) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2023 ensure that its Articles of Association requires its Board of Directors to appoint as director, the person nominated by the debenture trustee

To Read More:

[https://www.sebi.gov.in/legal/circulars/jul-2023/appointment-of-director-nominated-by-the-debenture-trustee-on-boards-of-issuers\\_73439.html](https://www.sebi.gov.in/legal/circulars/jul-2023/appointment-of-director-nominated-by-the-debenture-trustee-on-boards-of-issuers_73439.html)

### SEBI (Ombudsman) (Repeal) Regulations, 2023

On and from the publication of the notification in Official Gazette the Securities and Exchange Board of India (Ombudsman) Regulations, 2003 shall stand repealed.

To Read More:

[sebi.gov.in/legal/regulations/jul-2023/securities-and-exchange-board-of-india-ombudsman-repeal-regulations-2023\\_73427.html](https://www.sebi.gov.in/legal/regulations/jul-2023/securities-and-exchange-board-of-india-ombudsman-repeal-regulations-2023_73427.html)

## MCA

### Merger of Multiple User IDs in v-2 Portal with new User ID in V-3 and deactivation of old user ID in V-2 Portal

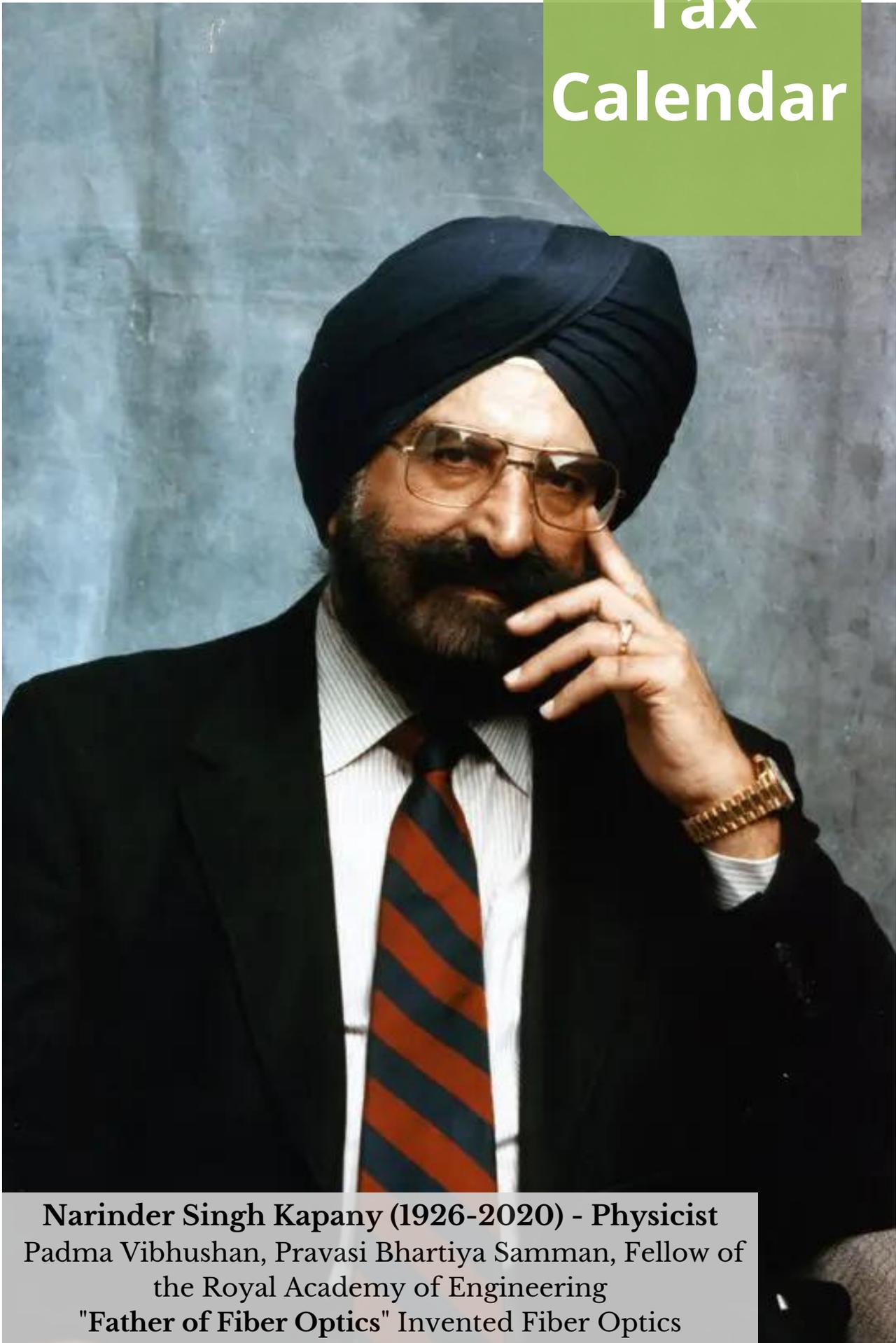
The Ministry of Corporate Affairs has directed to merge multiple existing user IDs and deactivation of old user IDs in V2 portal, to enable desirous members to create a ID in V3 portal.

To Read More:

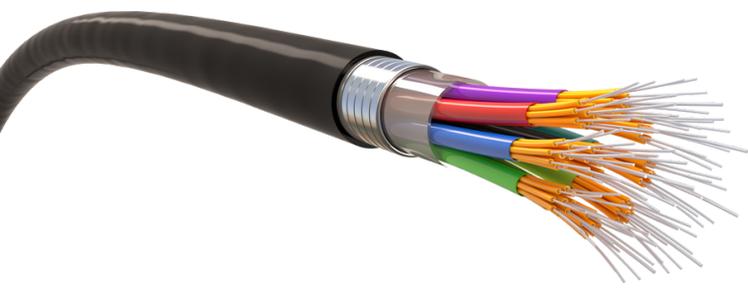
<https://www.mca.gov.in/bin/dms/getdocument?mds=IPgXWqVdrvG%252FOTWP8QcM%252Bw%253D%253D&type=open>



# Tax Calendar



**Narinder Singh Kapany (1926-2020) - Physicist**  
Padma Vibhushan, Pravasi Bhartiya Samman, Fellow of  
the Royal Academy of Engineering  
"Father of Fiber Optics" Invented Fiber Optics



# August 2023 - Tax Calendar

<b>7TH AUGUST</b>	Due date for deposit of Tax deducted/collected for the month of July, 2023
<b>14TH AUGUST</b>	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
<b>15TH AUGUST</b>	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of July, 2023 has been paid without the production of a challan
<b>15TH AUGUST</b>	Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2023
<b>30TH AUGUST</b>	Due date for furnishing of challan-cum-statement in respect of tax deducted under <u>section 194-IA</u> , 194-IB, 194M, 194S for the month of July, 2023
<b>31ST AUGUST</b>	Application in Form 9A for exercising the option available under Explanation to <u>section 11(1)</u> to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on October 31, 202
<b>31ST AUGUST</b>	Statement in Form no. 10 to be furnished to accumulate income for future application under <u>section 10(21)</u> or <u>section 11(1)</u> (if the assessee is required to submit return of income on October 31, 2023).





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