

# DEVMANTRA TIMES

## JULY EDITION

ISSUE NO : 29, DATE : 1<sup>ST</sup> July 2023

### Dear Readers,

We welcome you to the Twenty Ninth edition of DevMantra Times for the month of July 2023. The much awaited NSE Social Stock Exchange Segment has been approved by Securities and exchange Board of India (SEBI) This would be a new avenue for social enterprises to finance social initiatives, provide them visibility and shall act as a catalyst for their growth.

### Economic Updates

#### **INDIA'S ECONOMIC PROSPECTS BRIGHTEN; CORE INFLATION, GLOBAL VOLATILITY MAY POSE RISKS: RBI FINANCIAL STABILITY REPORT**

"The Indian economy presents a picture of resilience, supported by strong macroeconomic fundamentals. Sustained growth momentum, moderating inflation and anchoring of inflation expectations, a narrowing current account deficit and rising foreign exchange reserves, ongoing fiscal consolidation and a robust financial system are setting the economy on a path of sustained growth," RBI said.

#### **INDIA'S AVERAGE GROWTH RATE LIKELY TO BE 6.7% TILL FY27, CONSUMER ACTIVITY TO BE LEAD DRIVER: S&P**

The factors that are driving the slowdown from 7.2 per cent growth last fiscal are weaker external environment, moderation in pent-up demand, and softening private consumption activity, Rana said, adding, with tighter monetary policy there is expected to be some impact on consumer demand.

#### **THINK TANK RECOMMENDATIONS ON CORPORATE GOVERNANCE FOR INDIAN START-UPS**

Globally, startups have evolved into the catalyst for economic recovery, reorientation, and growth driven by innovation. As India Inc. is pushing the needle towards achieving the trillion-dollar digital economy goal and has evolved as a hotspot for varied startups, it is imperative for companies to understand the importance of corporate governance. To deep-dive into this, on 29 April,



Nishith Desai Associates and TiE Mumbai under the Indian presidency of the G-20 2023 organised an exclusive think tank conference at the research campus in Imaginarium AliGunjan, Alibaug. The exclusive think tank conference, supported by Startup20 Engagement Group was conducted under the guidance of Amitabh Kant, G-20 Sherpa, Government of India.

Key representatives from 30+ unicorns and top venture capital funds including UpGrad, MakeMyTrip, PayTm, Mobikwik, Purpille, Blume Ventures, and Aventus Capital among others along with officials from NITI Aayog and Atal Innovation Mission gathered for the conference. The conference, aimed at sensitising start-ups on corporate governance in a bid to create India's image as a land of well-governed companies.



# DEVMANTRA TIMES

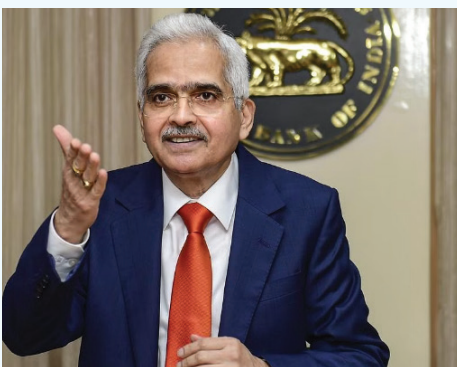
## JULY EDITION

ISSUE NO : 29, DATE : 1<sup>ST</sup> July 2023

On the sidelines of the conference, Amitabh Kant reiterated the importance of developing the corporate governance standards for India Inc. to go global and establish norms for other G-20 countries. He said "Indian start-ups must give priority to good governance and financial management since inception and not consider these as an afterthought"

### INDIAN ECONOMY MAKES SOLID RECOVERY DESPITE GLOBAL HEADWIND: RBI GOVERNOR SHAKTIKANTA DAS

In this fragile global milieu, Das said, balancing the policy trade-offs, preserving macroeconomic and financial stability, shoring up confidence and supporting sustainable growth are top priorities for policymakers the world over.



### STARTUP UPDATES ETTECH DEALS DIGEST: STARTUPS RAISE \$5.5 BILLION IN FIRST SIX MONTHS OF 2023, DOWN 72% YOY

The funding landscape for startups witnessed a 72% drop compared to the previous year. In H1 2022, \$19.5 billion was raised across 1,576 funding rounds. And in comparison to the second half of 2022, when the funding winter took hold, investments have further declined by 23%.

### GOOD CAPITAL LAUNCHES \$50 MILLION FUND TO BACK STARTUPS LEVERAGING AI

Seed-stage, India-focused VC firm Good Capital on Friday announced a new \$50 million fund to back founders who are leveraging AI for distribution, personalisation or business operations.

### AI STARTUP INFLECTION RAISES \$1.3 BILLION FROM MICROSOFT, OTHERS

Inflection's funding comes less than two months after the company, founded by LinkedIn co-founder Reid Hoffman

and Google DeepMind co-founder Mustafa Suleyman, released its chatbot, Pi.

### OMNIVORE RAISES \$150 MILLION FOR THIRD FUND; WILL INVEST IN 30 STARTUPS

With this, Bengaluru-based Omnivore Agritech & Climate Sustainability Fund expects to make 25-30 new investments in seed and series A rounds of agritech startups and micro, small and medium enterprises, with initial cheque sizes ranging between \$1 million and \$5 million.



### Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax and Companies Act,

# DEVMANTRA TIMES

## JULY EDITION

ISSUE NO : 29, DATE : 1<sup>ST</sup> July 2023



Start-up Update, notification, circulars and case laws which may directly or indirectly impact our readers.

At DevMantra, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance. DevMantra was founded based on the unalterable premise of excellence, acuity, integrity and an unwavering commitment to delivery.

These principles continue to form the edifice of our approach as an organization, to our clients, our professionals and our community, and this has served us well in our journey so far. This approach has allowed DevMantra to work with and advise the very best clients, both in India and internationally.

We encourage our people to strive for excellence and innovation within a meritocratic working environment and support their entrepreneurial spirit. It is our consistent endeavour with our people, to ensure that they imbibe the culture of the firm and form part of the weft and weave of the fabric of DevMantra.

Our core values remain the guiding principles for everything we do, and we would like to emphasize “Knowledge” as one of the fundamental beliefs which drive the success of our operations. As we keep on reiterating, Knowledge is our number one priority. We don’t count time when it comes to gain any new knowledge or to reinstate the earlier one. Our clients trust our expertise and putting countless hours in keeping ourselves up to date on the subject we are advising on, deserve their trust.

Regards & Best Wishes,  
Editorial Team



**Regards & Best Wishes,  
Editorial Team REGULATORY  
UPDATES E-way is required to  
be generated even for  
movement of demo vehicle; writ  
petition to be dismissed: HC**

**Editorial Note:** Where a demo vehicle was being transported in state without e-way bill and it was submitted that no e-way bill is required to generated as transaction is not a supply as per section 7, since as per section 129 read with rule 138 of GST Rules assessee was required to generate e-way bill even if transportation is for reasons other than supply, writ petition was dismissed ITC is not to be reversed on post supply discount if outward liability was not reduced by supplier: AAR

**Editorial Note :** Unless there is a prior agreement or correlation between post supply discount and relevant invoices, assessee is not required to reverse input tax credit provided that assessee pays value of supply as reduced



# DEVMANTRA TIMES

## JULY EDITION

ISSUE NO : 29, DATE : 1<sup>ST</sup> July 2023

after adjustment of post-sale discount plus original tax charged by supplier.

For applicability of provisions of section 15(3)(b) there should be prior agreement and a link is to be established with relevant invoices and discount given



### No GST exemption available on treatment services provided for Substance Use Disorders: AAR

**Editorial Note :** Refund application for IGST paid on exported goods could not be kept pending indefinitely on ground of pendency of certain proceedings against assessee and was required to be decided in accordance with law keeping in view mandate of Section 54 of CGST Act and provisions in Rule 96 of CGST Rules.

### OBJECTION ON NON-ISSUE OF DRC-01A WAS HYPERTECHNICAL WHEN ENTIRE TAX AMOUNT WAS DISPUTED BY PETITIONER: HC

**Editorial Note :** Issuing show cause notice in Form DRC-01 without intimation of liability in Form DRC-01A was sustainable when entire tax demand was disputed by taxpayer; High Court directs authorities to upload documents and grants time to file reply to SCN.

### INCOME TAX REGULATORY UPDATES CBDT RELEASES GUIDELINES TO REMOVE DIFFICULTY IN IMPLEMENTATION OF TCS ON LRS & OVERSEAS TOUR PACKAGE



**Editorial Note :** The CBDT has released guidelines to remove difficulty in implementing

changes relating to Tax Collection at Source (TCS) on Liberalised Remittance Scheme (LRS) and on purchasing overseas tour program packages.

### CBDT EXTENDS DUE DATES FOR FURNISHING OF TDS/TCS STATEMENTS FOR 1ST QUARTER OF FY 2023-24

**Editorial Note :** The Central Board of Direct Taxes (CBDT), exercising its powers under section 119, has extended the due dates for furnishing TDS and TCS statements. The due date for furnishing the TDS statement for the first quarter (quarter ending June 30) of the Financial Year 2023-24 has been extended from July 31, 2023 to September 30, 2023. It is to be noted that the date is extended only for the statements furnished in Form 26Q and Form 27Q. The benefit of the extended due date is not available



# DEVMANTRA TIMES

## JULY EDITION

ISSUE NO : 29, DATE : 1<sup>ST</sup> July 2023

for TDS Statement furnished in Form 24Q. Further, the due date for furnishing the TCS statement in Form 27EQ for the first quarter (quarter ending June 30) of the Financial Year 2023-24 is extended from July 15, 2023, to September 30, 2023.

### SEC. 12A REGISTRATION COULDN'T BE GRANTED TO TRUST ESTABLISHED FOR PURPOSE OF PARTICULAR SUB-CASTE : ITAT

**Editorial Note :** Section 12AA of the Income-tax Act, 1961 - Charitable or religious trust - Registration procedure (Scope of provision) - Assessee-trust filed an application for grant of registration under section 12AA - Whether since assessee-trust was established for purpose of particular sub-caste and it was only for benefit of that sub-caste, it was a private religious trust - Held, yes - Whether no registration under section 12AA could be granted to assessee being a private religious trust.

### NO SUBSTANTIAL QUESTION OF LAW ARISES IF LOWER AUTHORITIES DELETED SEC. 68 ADDITIONS RELYING UPON FACTS: HC



**Editorial Note :** Where Assessing Officer treated investment into share capital by assessee-company as unaccounted money and made additions under section 68 and Tribunal held that transactions of share transfer were off market and shares were purchased at a higher rate and sold to Director at a throwaway price and assessee failed to prove genuineness of sale of shares, entire findings of Assessing Officer as well as Tribunal being based on facts, did not appear to give rise to any substantial question of law, hence, appeal under section 260A could not be entertained

### NO SEC. 54B BENEFIT IF AGRICULTURAL LAND IS PURCHASED IN NAME OF ANY THIRD PERSON, INCLUDING SPOUSE: ITAT

**Editorial Note :** Section 54B does not permit assessee to take benefit of exemption when agricultural land is purchased in name of any third person, including his wife. Section 54B of the Income-tax Act, 1961 - Capital gains - Transfer of land used for agricultural purpose (Purchase in name of third person) - Assessment year 2012-13 - Assessee had sold his urban agricultural land and invested long-term capital gain under section 54B in name of his wife - Whether section 54B does not permit assessee to take benefit of exemption when agricultural land is purchased in name of any third person, including his wife



# DEVMANTRA TIMES

## JULY EDITION

ISSUE NO : 29, DATE : 1<sup>ST</sup> July 2023

### **CORPORATE LAW UPDATES INTEREST RATES OF SMALL SAVING SCHEMES FOR 2ND QUARTER OF FY 2023-24 NOTIFIED; RATES INCREASED ON VARIOUS DEPOSITS:**

**Editorial Note** : The Ministry of Finance has notified revised interest rates on various Small Saving Schemes for the second quarter (from 1st July, 2023 to 30th September, 2023) of the Financial Year 2023-24. The Govt. has increased interest rates for various schemes, i.e., 1 & 2 Year time deposits and 5 Year Recurring Deposits.

### **MANDATORY LISTING FOR FURTHER BOND ISSUES**

**Editorial Note** : SEBI approved the proposal for mandatory listing of debentures/ NCDs, in its Board meeting held on June 28, 2023, for all listed entities having outstanding listed NCDs as on December 31, 2023.

Effective Jan. 1, 2024, such listed entities will have to now mandatorily list each of its subsequent issuance of NCDs on the stock exchanges.

### **ABOUT SOCIAL STOCK EXCHANGE SEGMENT ON NSE**

The Social Stock Exchange segment (SSE) on NSE provides Social Enterprises (Non-profit organizations (NPOs) and For-profit enterprises (FPEs)) engaged in eligible activities a unique opportunity to register itself and raise funds on a recognized exchange platform.

### **Key benefits of Social Stock Exchange Market access**

- SSE will facilitate a common and a structured meeting ground between Social Enterprises and investors/donors with inbuilt regulation for providing sanctity and accountability of finances.

### **Synergy between investors and investee in social aims**

In view of flexibility of investments and capital that would be available on SSE, the canvas of choice would be much wider allowing investors and investees with similar missions and visions to connect seamlessly.

### **Performance based philanthropy**

- Performance of the enterprises listed on SSE would be monitored thus



it will instill a culture of performance (Social return) driven philanthropy.

**Minimal Registration Cost** - SSE saves cost for both issuer and investor/donor by charging minimal fees for registration and listing.

**Additional avenue for Social Enterprises** - Central and State governments till date have the biggest onus of achieving sustainable development goals. SSE will provide an alternate avenue for raising funds thereby encouraging new and existing social enterprises.

### **ZERO COUPON ZERO PRINCIPAL INSTRUMENT (ZCZP) - SALIENT FEATURES**

Issuance in dematerialized form only  
Issuance mode - Public Issue or private placement

Minimum issue size: Rs 1 Crores

Minimum application size: Rs 2 Lakhs

# DEVMANTRA TIMES

## JULY EDITION

ISSUE NO : 29, DATE : 1<sup>ST</sup> July 2023

### Tax Compliance Calendar for July 2023

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7th July	June 2023	TDS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
31st July	June 2023	AY 2023-24	Return of income for all assesse other than (a) corporate- assesse or (b) noncorporate assesse (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 assesse who is required to furnish a report under section 92E.
11th July		GSTR-1 (Outward supply return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2022-23 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13th July		GSTR-6 [Return by input service distributor (ISD)] a)GSTR-5 (Return by Non-resident). b)GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	Person registered as ISD a) Non-resident taxable person (NRTP) b)OIDAR services provider
15th July	June 2023	Deposit of PF & ESI contribution	All Deductors

# DEVMANTRA TIMES

## JULY EDITION

ISSUE NO : 29, DATE : 1<sup>ST</sup> July 2023

20th July	June 2023	GSTR-3B (Summary return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2022-23 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2022-23 and not opted for QRMP scheme
31st July	2022-23	DPT -3 **Date extended by MCA Circular No. 06/2023 dated 21st June, 2023	All Companies
22nd/24th July	June 2023	PMT 06 Payment of tax liability	Tax payers (Quarterly Filers under QRMP)
10th July	June 2023	GSTR - 8	Return to be filed by the E-commerce operators who are required to collect TCS

**@2023 Dev Mantra, Published in India  
All Rights Reserved**

This Publication contains information in summary form and is therefore intended for a general guidance only. It is not intended to be a substitute for the detailed research or the exercise of professional judgement. Neither Dev Mantra nor any member of N Tatia & Associates cannot accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.