

UPDATE MARCH 2023

Bizsolindia Monthly Update | Issue VII | Volume XVIII | March 2023

Bizsol
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Spotlight Article

THE ADANI SAGA

In This Update

What's New

Breaking News

Beyond The Obvious

Bizsol Corner

#DigitalUpdates





We Believe In

“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.”

Mahatma Gandhi

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This Month For You

Sl. No.	Law	Particular	Due Dates
1	Income Tax	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB and 194 M in the month of January, 2023	02/03/23
2	Excise	Excise E-Payment	06/03/23
3	Income Tax	Due Date for payment of TDS/TCS other than 194-IA, 194-IB and 194 M	07/03/23
4	Wages Act	Payment of salary /wages if employees < 1000	07/03/23
5	Income Tax	Securities Transaction Tax - Due date for deposit of tax collected for the month of February, 2023	07/03/23
6	Income Tax	Commodities Transaction Tax - Due date for deposit of tax collected for the month of February, 2023	07/03/23
7	Income Tax	Declaration under sub-section (1A) of section 206C of the Income-tax Act, 1961 to be made by a buyer for obtaining goods without collection of tax for declarations received in the month of February, 2023	07/03/23
8	Income Tax	Collection and recovery of equalisation levy on specified services in the month of February, 2023	07/03/23
9	Income Tax	Due date for deposit of Tax deducted/collected for the month of February, 2023	07/03/23
10	Wages Act	Payment of salary /wages if employees > 1000, under Payment Of Wages Ac	10/03/23
11	GST	GSTR -8 for E-Commerce Operator For The Month of Feb 2023	10/03/23
12	GST	GSTR-7 Registered persons who deducted TDS for the month of Feb 2023	10/03/23
13	Excise	ER-1 and ER-2 returns	10/03/23
14	GST	Filing of GSTR-1 for the month of Feb 2023	11/03/23
15	GST	Filing of IFF for the month of Feb 2023 for the taxpayers filing GSTR-1 on quarterly basis	13/03/23
16	GST	GSTR-5 return form that has to be filed by a non-resident foreign taxpayer	13/03/23
17	GST	GSTR-6-ISD Return for the month of feb 2023	13/03/23
18	Income Tax	Due date for furnishing of Form 24G for the month of Feb, 2023 where TDS/TCS has been paid without the production of a challan.	15/03/23

Sl. No.	Law	Particular	Due Dates
19	Provident Fund	Due date to pay of the Feb 2023's provident fund contribution of both employee and employer to be paid by the employer under ECRCum-Return	15/03/23
20	ESIC	Due date to pay ESIC Payments for Feb 2023	15/03/23
21	Income Tax	Fourth instalment of advance tax for the assessment year 2023	15/03/23
22	Income Tax	Instalment of Advance Tax for assessee covered under presumptive income scheme of Section 44AD/44ADA	15/03/23
23	GST	Declaration by Goods Transport Agency in Annexure V	15/03/23
24	Income Tax	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-Ib and 194M in the month of January, 2023	17/03/23
25	GST	Filing of GSTR-3B for the month of Feb 2023	20/03/23
26	GST	Due date for filing GSTR-5/ 5A for the month of Feb 2023	20/03/23
27	GST	GST Payments for taxpayers under QRMP scheme	25/03/23
28	Income Tax	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB and 194M in the month of February, 2023	30/03/23
29	Profession Tax	Due date to pay the Professional Tax for the month of January 2023 whose yearly payment exceeds Rs.50,000/-	31/03/23
30	Income Tax	Due date for linking of Aadhaar number with PAN with fine of INR 1,000	31/03/23
31	GST	Form CMP 02	31/03/23
32	Income Tax	Updated Return for FY 2019-2020, ie AY 2020-21	31/03/23
33	Income Tax	Collection and recovery of equalisation levy on e-commerce supply or services for the quarter ending March 31, 2023	31/03/23
34	Income Tax	Country By Country Report in Form No. 3CEAD for a reporting accounting year	31/03/23

From The Desk Of Chairman



CS Venkat R Venkitachalam

Chairman, Bizsolindia

"Balasaheb, with his carefully crafted image of being a fearless street fighter fitted the bill perfectly as the chieftain of a large army of dedicated followers. Eknath Shinde, the current Chief Minister is a dyed-in-the wool Sainik who hails from the Thane region, a Sena bastion."

Late Balasaheb Thackeray and his extended family have always considered Maharashtra as the family's acquired inheritance (legitimate or otherwise) and have ruled it with or without monarchical salutations. Even when Shiv Sena won the elections for the Legislative Assembly, Balasaheb considered it below his dignity to become the state's Chief Minister. He did not want to be a King. He wanted to be King maker. As he himself had claimed once, he was the real power exercising control from behind the throne. Such was his sway over the state's affairs. With that kind of absolute control over the state, he was not accountable to anyone, nor any agency dared to touch him. After his passing, the state appears to have now slipped out of the hands of the family. There was a time, not too long back, it was inconceivable to imagine the Sana without the Thackeray family at the helm. The recent coup staged by Eknath Shinde, and a large number of his supporters would have been considered a sacrilege by Balasaheb. Sena could have expected opposition from outside; but definitely not from inside. Those assumptions have all now changed and how. When Uddhav Thackeray took over from Balasaheb, it was evident to all that the former would be a poor substitute to the fiery and fearless Balasaheb. The son is more moderate and did not have the natural aggressiveness associated with his father and his brand of politics. The Sainiks as the name itself suggests are street fighters and its leader is expected to be ready for battle all the time – arising out of petty quarrels between the foot soldiers or serious border disputes between Maharashtra and other states. As a Party not entirely built on foundations of great ideologies, the only discerning trait of the partymen was to be ardent foot soldiers of the leadership championing the cause of Marathi mannos. Balasaheb, with his carefully crafted image of being a fearless street fighter fitted the bill perfectly as the chieftain of a large army of dedicated followers. Eknath

Shinde, the current Chief Minister is a dyed-in-the wool Sainik who hails from the Thane region, a Sena bastion. He is a local hero who has risen up the ranks. But he is yet to prove his ability as a great rabble rouser at Party rallies and a shrewd tactician of the Sena. The rebellion staged by him with a sizeable number of fellow MLAs in tow, and the way he staged the coup speaks volumes of Uddhav's naivete as a politician. Uddhav perhaps still not used to walk out of the formidable shadow of his father who was a consummate leader of people who could get the Party's base all fired up before assigning a reason for doing so. Uddhav is moderate by disposition and appears modest in ambitions. Moreover, he has also been plagued by health issues that has hindered his being able to play more important but active role in the Party. After all, running a political Party is a twenty-four job, far more difficult than even a corporate assignment. BJP, Shiv Sena's partner in crime played its cards carefully and cannily. Maharashtra being the richest state in the country with a sizeable 48 MPs to boot, is as critical, if not more, to the BJP in the run up to the all important 2024 general elections. The state also boasts of the richest Municipal Corporation in the country with a Budget size upwards of Rs.52,000/- crores per annum. Elections to the Brihanmumbai Municipal Corporation is also around the corner. Be that as it may, the battle lines are now clearly drawn between the two factions on the issue of recognition of which faction is the true Sena. The matter is doing the rounds between the Election Commission and the Supreme Court. As of now, Shiv Sena, the Party now belongs to Eknath Shinde and his associates. What is at stake is much more than a mere name or symbol. For a political party that has an ambition of ruling even a Panchayat in a remote corner of the country, the all-important asset is the treasury that the party controls. Today, one can imagine the mental state of Uddhav Thackeray who has lost everything – the name, the flag, and above all the party. All that he had considered as his personal inheritance, no less. He has now two choices before him. Either he can give up and look for a job or invoke his father's legacy who had braced worse situations before and come out of them with all guns blazing, in true Sena style. The alliance between the BJP and the Sena has also a historical twist in their working relationships since the days of creation of states way back on linguistic basis. The Gujaratis and Maharashtrians settled in Bombay (now Mumbai) share a mutual yet contemptuous admiration for each other. That now plays out in full view with a Gujarati being the Prime Minister and the Chief Minister being a Maharashtrian and both in the belonging to the same alliance!

The unprecedented pandemic that all countries faced, had its sway in India too. In order to meet the crisis India had announced a slew of measures to mitigate the suffering of vulnerable sections of the society even by doling out free food and affordable shelters. With the economy stagnating on the one hand this had the

inevitable consequences. There was too much money and too little productive capacity being created thereby bringing along higher rates of inflation. The government's earlier calibrated efforts to contain the inflation to reasonable levels took a beating as priority shifted to subsistence of the population regardless of inflationary pressures that such measures would bring. With the inflation easing consequent to the ebbing of the pandemic the focus has now shifted to a tight monetary policy. Like many countries India in fact copied the US in this respect. With the pandemic raging in the US the authorities were more than willing to be liberal in its monetary policies unmindful of what consequences such policies would usher in. This in the end led to unprecedented inflation across the globe not only in the US, particularly after the Ukraine war also causing shortages of food, fertilisers and fuel. Though the war is still raging, there is a discernable easing on the inflation front. But it still is yet to revert to pre pandemic levels. In the US the Fed had taken upon itself the task of taming the rate of inflation to an ambitious 2%. This has necessitated successive increases in interest rates when. As of writing this, the rates of inflation are, no doubt, petering out though less than what the Central Banks across the world would like to have. As always, the economists are divided in their opinions on what really causes entrenched inflation impulses. One gets the feeling that dogmatic adherence to interest rate hikes to control inflation needs a relook. Disruptions to the trade routes, Russia and Ukraine, along with the subsequent sanctions on Russia by different countries had a major impact on global supply chains. Oil prices surged consequently stoking inflation. In the previous issue in these columns, we saw how the human spirit successfully conquered the manmade adversities. Back home in India the inflation rates are hovering around 7%. With that, the work has been cut out both for the Finance ministry and the RBI. India faces challenges from external factors and geo-political developments. This has to be seen in the ever-tightening monetary policy cycles, slowing growth and elevated commodity prices leading to lower growth of our economy. With China slowing down, Pakistan in economic turmoil and Sri Lanka in crisis, our neighborhood is flashing red signs all around.

I am happy that the movie Pathan starring Shah Rukh Khan has set the screens across the country blazing as never before and, in the process, the movie has become the biggest grosser ever. I was happy not because I have seen the movie and found it to be good or great. I have not seen the movie. Yet I wanted it to succeed. The Boycott Brigade was at its best trying to stop the film from being screened. They objected to the heroine wearing saffron clothes in one song sequence. I had trouble looking for the heroine's clothes in the trailer. The objectionable piece of cloth was so skimpy that one would be forgiven for not noticing them in the first place. The Boycott Brigade had other reasons too for objecting to the screening of the film.

Khan in his previous life had condemned the lynching that had taken place in the country once. I would say that it would be a crime on the part of the society's influencers to stay silent seeing such incidents. The unstated reason the Boycott Brigade wanted the film to be banned was the hero in the movie is a Muslim. India is a secular country with an inclusive society. Prime Minister Narendra Modi recently told Bharatiya Janata Party workers and leaders to refrain from making unnecessary remarks on irrelevant issues like movies, a message that comes amid controversies around films like Pathan. There was one mistake in the statement made by the PM—that movies are irrelevant subjects. This movie amply demonstrates just that. The overwhelming reaction to the movie is a statement in itself rejecting the Boycott Brigade's stand that such movies deserve to be banned. The unstated agenda of the Brigade to object to Bollywood becoming an inclusive society stands discredited by the mere success of the film and the Brigade's hate against names alluding to Muslim origins stand rejected. Most importantly what the film has succeeded in conveying is that you can be a Muslim and also be patriotic at the same time. While complimenting the real value of a film like Pathan someone has gone to the extent of saying that the success of the movie should be celebrated. I second it. Now let me go and watch the movie in peace.

The Supreme Court of India, the country's apex court besides hearing and pronouncing judgements on important matters, also acts as the final arbiter of justice in the country. It is, therefore, important when it takes steps that facilitates openness of the entire system. Just the other day the Chief Justice of India, Justice Chandrachud announced that the Court is experimenting with automatic transcription of the hearings in the court in order to create a permanent record of its proceedings starting with the proceedings of the Constitution Bench. Transcription is another step by the Supreme Court in making the institution more open to the public. It is in line with a series of steps undertaken in the last few years, such as live streaming of hearings, to ensure more openness and better coverage of the courtroom. The Court is deploying a computer software to get the transcriptions done which in turn is validated by the lawyers of both sides before uploading. Such process of transcription of proceedings are an international practice. This also improves record keeping of Court proceedings. This step will help all stakeholders like lawyers, researchers and students. And above all, the litigants themselves. Lawyers will have to make informed decisions before getting ready for arguments. The litigants staying at Jalpaiguri, Nagapattinam or Jamnagar will be able to see how their lawyers are arguing their cases for which he or she has paid him. As some lawyer puts it succinctly, the society of lawyers would now stop conceding cases especially those on behalf of the government. Even the Government is thus stood to benefit because of this proposal!

Let me conclude this month's Editorial with a piece of good news. The Geological Survey of India (GSI) made an announcement that it has found Lithium deposits in India. The deposits were found in Jammu and Kashmir. Lithium is a key ingredient in rechargeable batteries. India is heavily dependent on imports for minerals like Lithium, Nickel and Cobalt. No wonder this metal is known as "white gold". Lithium is a key ingredient in rechargeable batteries. According to GSI it is still early days to predict how the mining of Lithium will pan out especially in a sensitive and mountainous region like Jammu and Kashmir. According to Jefferies, the financial investment group "Assuming global average reserve-resource ratio, the deposit could be more than sufficient to electrify the entire passenger vehicle and two-wheeler installed base in India. Developing and ramping up a lithium mine can take multiple years, and mining operations could also have adverse impact on the environment due to high water intensity and potential effect on local biodiversity". The GSI has estimated that the reserves available for exploitation is as much as 5.9 million tons. This is as much as 6% of the world's total reserves. Currently, the total identified lithium resources in the world stand at 98 mt, as per the US Geological Survey. About half of these resources are in the "Lithium triangle" of South America, which runs through Bolivia, Argentina and Chile. The US, Australia and China each hold 6-12% of global resources. "Further exploration and feasibility studies are required to improve the degree of geological assurance and assess proven or probable mineral reserves, which would provide the commercially viable quantity that can be mined," Jefferies said. Come to think of it, India is about to mine political lithium in Jammu and Kashmir.

Thank you.

Venkat R Venkitachalam



THE ADANI SAGA

THE TUMULTUOUS JOURNEY OF A CHEQUERED INDIAN ENTREPRENEUR IN THE DAYS OF NEOLIBERALISM

CS Venkat R Venkitachalam | Chairman, Bizsolindia

The Beginning: When a child was born to Shantaben Adani and Shantilal Adani on 24th June 1962, they named the boy Gautam. Presumably the naming was a clear recognition of a venerated godly figure born in India and went on to become famous around the world as Gautam Buddha. The child, thus named Gautam Adani also became famous around the globe albeit for entirely different reasons, some honorable and some not so much so. In the process, somewhere down the line, he also became the third richest person in the world. His rise to the pinnacle of fame is nothing short of the stuff fairy tales are made of particularly over the last three years. Though there were murmurs of his being close to the powers that be, such unfounded rumours got promptly dismissed. The reasons were obvious. Behind every successful man, there are envious people spreading unfounded rumours that deserve to be dismissed. That are both self-serving and convenient arguments based on envy. So, the Adanis thought, and so the general public believed till the 24th of January 2023. On that fateful day, Adani's nemesis struck when a small-time and little-known investment research firm based in New York with a focus on short selling of stocks blew the lid off Adani's fairy tale. Hindenburg Research LLC based in New York is an investment research firm with a focus on short selling of stocks of vulnerable companies. Before we go further, it is necessary to understand the concept behind short selling in order to comprehend the nuances associated with short selling of stocks.

The Hindenburg Report Card: Hindenburg Research LLP released the fateful report on Adani group of companies on 24th January 23 consequent to which all hell broke loose resulting in massive selloff of all publicly traded Adani group shares consisting of Adani Enterprises Ltd., Adani Power Ltd., Adani Ports & Special Economic Zone Ltd., Adani Green Energy Ltd., Adani Transmission Ltd., Adani Wilmar Ltd., Adani Total Gas Ltd., Adani Enterprises Ltd., ACC Ltd., and Ambuja

Cement Ltd. The research report was as damning as it was damaging. Hindenburg had listed a number of corporate governance lapses on the part of Adanis. Some of the observations made by the Hindenburg report which covers more than 90 pages were as follows:

- a. First and foremost are the constitution of the group companies. Many of them are offshore and shell companies. By themselves they may not be shady entities; but somehow it conceals the real purpose of setting up such entities.
- b. The listing norms of SEBI clearly specifies that the companies traded in the stock exchanges should have a minimum of 25% of free float for trading. The Adani group had clearly breached this threshold.
- c. Five investment fund companies with over 360 billion Rupees holding in Adani companies have the same incorporator, viz., Monterosa Holdings with same addresses coupled with multiple overlapping nominee directors.
- d. The above Adani companies are also used for 'stock parking' where someone else holds the shares on your behalf.
- e. As per Hindenburg these companies have as directors, people like the infamous stock manipulator Ketan Parekh who has already earned strictures from the regulators.
- f. There are a large number of shell companies (30% to 50%) that receive money from Adani group companies that in turn are used to buy Adani group company shares. No more telling examples of round tripping is required.
- g. These shell companies lend money to Adani group companies facilitating conversion of black money into white.
- h. In order to show clean balance sheets of listed entities, assets required to be written off are transferred to shell companies conveniently and then written off.
- i. A junior auditing firm for doing such a large number of transactions (in terms of value) and a revolving door for CFOs supervising them all, complete the picture, more or less for you.

The above gist of accusations has been taken out of the observations available in the public domain. They are serious and they are criminal in nature, if proved. Hindenburg had also asked no less than 88 questions to the Adani group. The replies to these questions are inadequate and unsatisfactory according to Hindenburg.

The 'Short' Story: Short selling or 'shorting' for short, is a kind of a derivative product in the share market whereby the operators try to make some quick bucks. In the market if the 'prey' is correctly chosen based on reliable information and research, as in the case of Adanis, the operator stands to gain substantially. For those who know all about short selling can skip this portion and for those who are

uninitiated in this, it is important to understand about short selling in order to know what hit the Adani stocks, the way it did. In the market you buy and sell shares. The fundamental assumption here is that there are shares to buy and shares to sell. In the case of short selling the seller makes a commitment to sell shares that he does not have. The seller of the shares, as in this case, has reasons to believe that a particular company's shares are overvalued often times many folds, through fiddling with the figures or deliberately making misstatements. In such a case, the trader promises to sell a certain number of shares that he does not own, through the stock exchange. He does this based on information obtained from his own research that the figures projected by his target company are not correct and that they are padded up. He then releases his report and expects the shares to fall. Fall it will, if his assumptions are proven right. He can then buy these shares cheaply on the open market and sell them at prices at which he had made the original contract. In the process he makes a neat pile. On the other hand, if his research is found wanting crucial information, the share prices can rise necessitating those like Hindenburg to buy the shares whose prices do not fall and fulfil his contract by delivering those shares. When Hindenburg released its report, it openly disclosed the fact that it was indulging in short selling. In its Report, the firm, among other things had levelled accusations against the Adani firms for brazen stock manipulation and accounting fraud schemes.” In short, the short seller accused the Adanis of violating the principles of corporate governance. To say that the Report was damaging to the Adanis would be a masterpiece of understatement. Adanis have been running for cover with their share prices falling precipitously ever since. Even as of writing this, the bloodbath continues unabated. The reactions from the pundits and the pedants alike to the story of Adani were on expected lines. First the supporters criticised Hindenburg for being unethical and also for selectively targeting the Adanis. It is true that short selling of shares is not allowed in India, and it is generally believed here that it is nothing short of gambling. That is not the case in developed markets. In fact, this kind of derivative product (if one can call it that) helps the market to determine the true value of the stocks shorted. Then came a concerted effort from Adanis to see the ever present yet ever invisible foreign hand to destabilise the nation. When that also did not work to stabilise the share prices, the group itself came out with a tried and tested patriotism card that can never fail to enthuse the population. That tactic also failed to prop up the Adani shares. One paramount principle in the stock market is that the markets believe in the doctrine of monotheism, and they believe only in one God and that God is money and money alone.

The Spiritless Defense: The Adanis countered the damning allegations made by Hindenburg, albeit with lack of conviction. Or so it looked. An ambitious

Rs.20,000 Crore FPO was all set to open on the 27th of January 2023 when the nemesis in the form of Hindenburg struck just two days before the opening of the FPO. Adanis blamed the Hindenburg Report as one motivated to sabotage the company's ambitious plans. The Chief Financial Officer of Adani Enterprises went on record to say that the short seller's Report was motivated to scuttle Adani's plans. He went on to add that the release of the Report smacked of a 'malicious step to derail the Adani FPO'. Hindenburg challenged in turn challenged Adanis to do sue them with supreme confidence. In order to probably show off its own confidence and also to win back the market's backing, Adanis went ahead with the FPO. In the first two days the FPO was largely ignored by potential investors. But Adani took a rabbit out of the hat on the final day to get the issue fully subscribed and promptly announced that they would rescind the FPO and return the proceedings to those who subscribed to it. It was obvious that the Adanis persuaded friendly business houses to put forward the application money in order to save the group's image and prestige. The issue price band of the shares in the FPO was Rs.3112 to Rs. 3276 per share. As of writing this piece the share price of Adani Enterprises Ltd. is Rs.1381! Adanis do understand the dynamics of the share market and value of public sentiments. They rescinded the FPO as they knew that the investing public would have considered it a sacrilege on the part of Adanis to allot such devalued shares. For once, Adanis decided not to touch sin money. The troubles brewing for Adani are just beginning. Now with a hostile investor community, reluctant lending organisations, and increased political opposition, Adani now has to steady his ship first, before deciding to sail again. The old mojo is missing when it was required the most.

The Political Dimension: For doing business in India and that too on a large scale, one needs political patronage. While covering the events surrounding Adani, even BBC drew the attention of the viewers that Narendra Modi landed at Delhi after the elections to take the office as the Prime Minister in a plane owned by Gautam Adani. For the media, both Modi and Adani, fellow Gujaratis, have similar trajectories to fame. Cozying up to the political establishments of the day for big businesses is not one of convenience but a necessity. If this was a necessity during the License Raj, it is essential now if you are an entrepreneur. That is why Delhi is such a fertile ground for crony capitalism. The Opposition parties have lapped up the opportunity to slam the government, accusing it of cronyism. They demand a Joint Parliamentary Committee to go into the allegations. In Parliament the Prime Minister was in an unenviable situation when faced with the Opposition onslaught accusing him of favouritism done to Adani. The usually felicitous Prime Minister, faced with strident criticisms found himself between a rock and a hard place in the case of Adani and his business models. The Prime Minister, while facing criticisms

in Parliament about showing undue favours to a friend, was eloquent in his silence. So, unlike him. India is a capital starved nation and in order to meet the ambitions of the Government, it has to go out of the way to patronise entrepreneurs in the infrastructure space, as the group runs such critical infrastructure projects like ports, airports, energy, etc. Some more are on the anvil. Today with so much invested in the infrastructural space and considering its importance to a growing economy, India needs Adani more than Adani needs India. That is not to say that an entrepreneur can be allowed to run amok unmindful of consequences. That is also not to say that Adani is India and India is Adani as some of the Adani camp followers have us believe.

The Premonition That Was: Gautam Adani has always been seen as a reluctant spokesman for his group. He rarely comes on TV to answer questions put to him nor does he dominate the press talking about his achievements. Yet, after celebrating his 60th Birthday Adani was seen and heard a tad more often in the media. How long can the richest man of the nation be holed up somewhere unseen and unheard? When 'India Today' magazine came out with a cover story on him just two months back, it was quite a revelation about the reclusive tycoon. When a question was put to him about his being the world's third richest person this is what he said: "I am a first-generation entrepreneur who had to build everything from scratch. I get my thrills from handling challenges and the bigger they are, the happier I am. For me, the opportunity and the ability to make a difference in the lives of people, contribute to the growth and building the nation is far more satisfying and important than being on some wealth ranking or any other valuation lists." The God surely heard his prayers. He now has got the toughest of challenges that too of an existential nature, on his hands.



The Gains and Losses: Finally, when the dust settles on this issue there are going to be only losers and more losers with perhaps one winner. Hindenburg Research LLP would be the lone winner. When Hindenburg leaves the arena, it

will do so with lots of money, perhaps an obscene lot. As of writing this, the Adani group has already lost in market value of his group companies upwards of Rs.11 lac crores. That is an awful lot for any group. Investors in the group companies have their hard-earned savings wiped out as never before. Capital investments in infrastructural projects in India would take a big hit. The bankers and regulators have already started running for cover. For the regulators, a Report like the one produced by Hindenburg would have been so easy to prepare. They have the wherewithal to do a thorough job. But they chose not to use the resources they had to prevent a scam of this magnitude. The politicians may yet need time to assess how much they would lose with the elections around corner. For the Prime Minister personally, this must be akin to a slap by a sledgehammer. The government would lose revenues that it has not even seen before. The country and its stock markets would lose both money and a mechanism to make more money. Above all, the Stock and Bond markets in India would lose both money and their reputations. A citizen of this country can contribute a lot to the nation, but a man with unbridled ambitions can cause a lot more lasting damages than can be anticipated. If you doubt this statement, ask Gautam Adani.

The Future Scenario: What happened to the Adanis are both unexpected and unprecedented. Experts are not certain about how the situation would be dealt with by the group. The debt burden of the Adanis are in the range of a staggering two lakh crores which is as much as 4% of the country's budget. Hindenburg report says the value of shares of the company would come down by 85% whereas Ashwath Damodaran, the financial expert feels that the shares of group companies are overvalued by as much as 40%. The companies on their part have started seriously in their efforts in derisking the businesses by repaying or prepaying the debts in order to shore up the confidence of the shareholders. In the process they have also tried to take the moral high ground. The group also seem to have found out the benefits of deleveraging their businesses. To the group's credit, they have been reducing their debts steadily over the last few years. Ashwath Damodaran further says that "Nobody wants to talk fundamentals; nobody wants to be bearish about a company and say that stock looks overpriced. It's not healthy for a market. That's why I said Adani is not about the company ... this is about the weakest links in the India story. And from my perspective, this is not a con game. This is just a company that's played those weaknesses." According to Damodaran over leveraging of businesses are bad business practice and not a con job. The question now is whether the Regulators will do their job for which they are getting paid. Or would they be still beholden to 'his masters voice'. Be that as it may, there are some arms of the financial infrastructure in the country that seem to have got the Adani issue dead right. When people, including ordinary shareholders were competing fiercely

with each other to buy the Adani shares, there was one group of institutional investors that resisted such temptations – the Mutual Funds. They stayed away from the Adani mania and played safe. They thought that Adani shares were overpriced. If someone in India who came out of the Adani episode smelling of roses, it is them. Here is a contrarian view from the irrepressible Swaminathan Anklesaria Aiyar on Adani. “I think the Hindenburg report may be the best thing that ever happened to Adani. It will slow his speed of expansion and diversification and force his financiers to be diligent and cautious in future. This could impose highly desirable financial discipline on Adani, to his own benefit. Hindenburg may have been a blessing in disguise - or, in Winston Churchill’s words in response to his wife trying to cheer him up after his post-war electoral defeat, a blessing ‘quite effectively disguised’.

Before We Leave: Lord Gautama Buddha had once presciently prophesied thus: “The fool is his own enemy. Seeking wealth, *he destroys himself*. Seek rather the other shore”. If this statement resonates with you when you are on the subject of Gautam Adani, it is purely a coincidence, albeit a profound one.

Thank you!

Venkat R Venkitachalam
Practicing Company Secretary

WHAT'S NEW?



WHATS NEW? GST

- Annexure V has been made available on the portal for GTA's to exercise their option for the Financial Year 2023-24, which would be available till 15th March, 2023. [Advisory issued on 25th February 2023]
- GSTN Portal has enabled filing of Form RFD-11 ,ie, Filing of LUT for Exports and SEZ supplies for FY 2023-24 [Advisory issued on 25th February 2023]
- Four new IRPs (Invoice Reporting Portals) for reporting e-invoices will be launched soon.

URL	URL Activation Status
<invoice1.gst.gov.in>	Active
<invoice3.gst.gov.in>	Shall be available soon
<invoice4.gst.gov.in>	
<invoice6.gst.gov.in>	

[Advisory issued on 25th February 2023]

- Functionality for geocoding the principal place of business address (i.e. the process of converting an address or description of a location into geographic coordinates) is now available on the GST Portal. [Advisory issued on 24th February 2023]

WHATS NEW?

Customs

- CBIC has amended notification No. 50/2017-Customs, dated the 30th June, 2017 and inserted below mentioned entry after S. No. 555 in First Schedule of Customs Tariff Act.

Sr. No.	Chapter or heading or sub-heading or tariff item	Description of goods	Standard rate	Integrated Goods and Services Tax	Condition No.
555A	8908 00 00	All Goods: Provided that nothing contained in this S. No. shall have effect after 31st March, 2025	Nil	-	-".

[NOTIFICATION No. 13/2023-Customs, Dated 23rd February, 2023]

- CBIC notifies Rate of exchange of Foreign currency-

SCHEDULE-I

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(3)	
		(a)	(b)
(1)	(2)	(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	59.75	57.35
2.	Bahraini Dinar	224.10	210.70
3.	Canadian Dollar	62.70	60.65
4.	Chinese Yuan	12.40	12.00
5.	Danish Kroner	12.35	11.90
6.	EURO	91.80	88.65
7.	Hong Kong Dollar	10.65	10.25
8.	Kuwaiti Dinar	277.25	260.65
9.	New Zealand Dollar	54.90	52.45
10.	Norwegian Kroner	8.40	8.15
11.	Pound Sterling	103.20	99.75

12.	Qatari Riyal	23.15	21.80
13.	Saudi Arabian Riyal	22.50	21.15
14.	Singapore Dollar	63.85	61.75
15.	South African Rand	4.95	4.65
16.	Swedish Kroner	8.05	7.80
17.	Swiss Franc	92.00	88.55
18.	Turkish Lira	4.50	4.20
19.	UAE Dirham	23.00	21.65
20.	US Dollar	82.75	81.05

SCHEDULE-II

Sl. No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	64.80	62.65
2.	Korean Won	6.95	6.50

[Notification No. 08/2023 - Customs (N.T.) dtd 2nd February 2023]

- Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver

TABLE-1

Sl. No.	Chapter/ heading/sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	980
2	1511 90 10	RBD Palm Oil	998
3	1511 90 90	Others – Palm Oil	989
4	1511 10 00	Crude Palmolein	1003
5	1511 90 20	RBD Palmolein	1006
6	1511 90 90	Others – Palmolein	1005
7	1507 10 00	Crude Soya bean Oil	1219

8	7404 00 22	Brass Scrap (all grades)	5339
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TABLE 2

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	600 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	706 per kilogram
3.	71	<p>(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92;</p> <p>(ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage.</p> <p>Explanation. - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.</p>	706 per kilogram

4.	71	<p>(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units;</p> <p>(ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage.</p> <p>Explanation. - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.</p>	600 per 10 grams
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TABLE-3

Sl. No.	Chapter/ heading/sub-heading/tariffitem	Description of goods	Tariff value (US \$ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	14026"

[Notification No. 09/2023-CUSTOMS (N.T.) dtd 15th Feb 2023]

- CBIC notifies Rate of exchange of Foreign currency-

SCHEDULE-I

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	58.50	56.05
2.	Bahraini Dinar	226.50	213.00
3.	Canadian Dollar	62.90	60.85
4.	Chinese Yuan	12.25	11.90
5.	Danish Kroner	12.10	11.70
6.	EURO	90.25	87.10
7.	Hong Kong Dollar	10.75	10.35
8.	Kuwaiti Dinar	278.75	262.10
9.	New Zealand Dollar	53.50	51.10
10.	Norwegian Kroner	8.25	8.00

11.	Pound Sterling	101.45	98.10
12.	Qatari Riyal	23.45	21.95
13.	Saudi Arabian Riyal	22.75	21.40
14.	Singapore Dollar	63.05	61.05
15.	South African Rand	4.75	4.45
16.	Swedish Kroner	8.10	7.85
17.	Swiss Franc	91.50	88.05
18.	Turkish Lira	4.50	4.25
19.	UAE Dirham	23.25	21.85
20.	US Dollar	83.65	81.90

SCHEDULE-II

Sl. No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	62.95	60.90
2.	Korean Won	6.65	6.25

[Notification No. 10/2023 - Customs (N.T.) dtd 16th February 2023]

- Transshipment of goods by road from LCS Petrapole to Air Cargo Complex, Delhi is also allowed with effect from 15.02.2023 following the procedure prescribed. [Circular No. 03/2023-Customs dtd 7th Feb 2023]
- New column 25A for details of Ex Bond Bill of Entry Number, Ex Bond Bill of Entry Date, Shipping Bill Number and Shipping Bill date are inserted in the format of “Form A” (i.e., Form to be maintained by the warehouse licensee of the receipt, handling, storing and removal of the warehoused goods) [Circular-No-04-2023, Dated 21st February, 2023]
- CBIC has amended Circular No. 26/ 2016 of Customs and inserted the period of completion of antecedent verification of the applicant in 45 Days from receipt of application. [Circular-No-05-2023, Dated 21st February, 2023]
- Import of High risk Products such as
 - Milk and Milk Products,
 - Egg Powder

- Meat and Meat Products including Poultry, Fish and their Products
- Food for Infant nutrition/infant foods
- Nutraceuticals, Health supplements, Food for dietary uses, Probiotic and Prebiotic foods, foods for special medical purpose. shall be allowed only from designated 79 ports from 1st March 2023. [Instruction no 05/2023 – Customs dtd 8th February 2023]
- Compliance of Bureau of Indian Standards (BIS) standards for toys or parts of toys during import have been prescribed. [Instruction No. 06/2023 dtd 13th February 2023]

WHATS NEW?

Central Excise

- Special Additional Excise Duty on –

Chapter or heading or sub-heading or tariff item	Description of goods	Earlier Rate	Rate as on 3 rd February 2023	Revised Rate as on 15 th February 2023
2709	Petroleum crude	Rs. 17,000 per tonne	Rs. 5,050 per tonne	Rs. 4,350 per tonne
2710	Aviation Turbine Fuel	Rs. 4 per litre	Rs. 6 per litre	Rs. 1.5 per litre

[Notification No. 06/2023-Central Excise dated 3rd February 2023] [Notification No. 08/2023-Central Excise dated 15th February 2023]

- Special Additional Excise Duty on High Speed Diesel Oil is revised from Rs. 12 per litre to Rs. 6 per litre to further Re. 1 per litre [Notification No. 07/2023-Central Excise dtd 3rd February 2023] [Notification No. 09/2023-Central Excise dtd 15th February 2023]

WHATS NEW?

Income Tax

- Updated return facility will not be available for the year of search or survey is conducted or requisition is made and as well as for any assessment year preceding such assessment year. [Circular No. 02./2023 dtd 6th Feb 2023]
- Centralised Processing of Equalisation Levy Statement Scheme, 2023 has been brought into force from 7th February 2023 [Notification No. 03/2023/F.No.370142/1/2023-TPL dtd 7th February 2023]
- CBDT has notified Formats & Particulars of Income Tax Return Forms –

ITR Type	Applicability
ITR -1 Sahaj	For individuals being a resident (other than not ordinarily resident) having total income up to Rs.50 lakh, having Income from Salaries, one house property, other sources (Interest etc.), and agricultural income up to Rs.5 thousand
ITR - 2	For Individuals and HUFs not having income from profits and gains of business or profession
ITR - 3	For individuals and HUFs having income from profits and gains of business or profession
ITR – 4 SUGAM	For Individuals, HUFs and Firms (other than LLP) being a resident having total income upto Rs.50 lakh and having income from business and profession which is computed under sections 44AD, 44ADA or 44AE
ITR – 5	For persons other than- (i) individual, (ii) HUF, (iii) company and (iv) person filing Form ITR-7
ITR – 6	For Companies other than companies claiming exemption under section 11
ITR - 7	For persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) only
ITR - V	Where the data of the Return of Income in Forms SAHAJ (ITR-1), ITR-2, ITR-3, SUGAM (ITR-4), ITR-5, ITR-7 filed but NOT verified electronically

[Notification No. 04/2023/F.No. 370142/51/2022-TPL dtd 10th February 2023] [Notification No. 05/2023/F.No. 370142/2/2023-TPL dtd 14th February 2023]

- ‘Secretary (Information Technology & Digital Service Department), Directorate of e-Governance, Government of Tamil Nadu’ has been specified for the purpose

of the section 138(1)(a)(ii) (Disclosure of information respecting assesses) in connection with sharing of information regarding income-tax assesseees for identifying genuine beneficiaries and proper implementation of all the Centrally sponsored schemes and welfare schemes of the state of Tamil Nadu. [Notification No. 06/2023/F. No. 225/169/2022 -ITA.II dtd 16th February 2023]

- CBDT has amended Income tax Rule 16CC/17B and Forms 10B/10BB which is effective from 1st April, 2023.

Rule 16CC is relating to Form of report of audit prescribed under tenth proviso to section 10(23C) (report of audit of the accounts of a fund or institution or trust or any university or other educational institution or any hospital or other medical institution).

Rule 17B is relating to Audit report in the case of charitable or religious trusts, etc. [Notification no. notification-7-2023, dated 21st February, 2023]

WHAT'S NEW? DGFT

- Fertilizer Marketing Entities (FMEs), authorized by the Department of Fertilizers, have been allowed to file Bill of Entries at Indian Ports for Import of Urea (for agriculture purpose) on Government account. [Notification no 54/2015-2020 dtd 24th January 2023]
- Export items falling under chapter 28,29, 30 and 73 which have been included under RODTEP w.e.f vide DGFT Not. 47 dated 7.12.2022, have now been aligned with First schedule of Customs Tariff Act, 1975 for implementation w.e.f. 15.2.2023. [Notification no 55/2015-2020 dtd 7th February 2023]
- Gemological Science International (GSI) Pvt Ltd, Mumbai, is added as an agency permitted to import for diamonds for certification/grading and re-export. [Notification no 56/2015-2020 dtd 7th February 2023]
- The Minimum Import Price (MIP) imposed on tariff lines under 080280 is revised from Rs. 251/- per Kilogram to Rs. 351/- per Kilogram. The Import Policy of Supari under ITC(HS) 21069030 is revised from 'Free' to 'Prohibited' and Import shall be Free if CIF value is Rs. 351/- or above per Kilogram. The given conditions shall not be applicable for imports by 100% Export Oriented Units

(EOUS) and units in the SEZS subject to the condition that no DTA sale is allowed. [Notification no 57/2015-2020 dtd 14th February 2023]

- The export of Agri Residue Based Biomass and Briquettes/Pellets under ITC-HS Heading 1213 is placed under 'Free' Category with immediate effect. [Notification no 58/2015-2020 dtd 14th February 2023]
- DGFT has amended the import policy of Cashew Kernels:

ITC (HS) Code	Description	Import Policy	Existing Import Policy	Revised Import Policy
08013210	Cashew Kernel, Broken	Prohibited	However, import is free if CIF value is above Rs. 680/- per KG	1. However import is free if CIF value is above Rs. 680/- per KG. 2. MIP conditions, however, shall not be applicable for imports by 100% EOU and units in the SEZ. 3. SEZs and EOUs units shall not be allowed to sell the imported Cashew Kernels into DTA.
08013220	Cashew Kernel, Whole	Prohibited	However, import is free if CIF value is above Rs. 720/- per KG	1. However import is free if CIF value is above Rs. 720/- per KG. 2. MIP conditions, however, shall not be applicable for imports by 100% EOU and units in the SEZ. 3. SEZs and EOUs units shall not be allowed to sell the imported Cashew Kernels into DTA.

[Notification no 59/2015-2020, Dated 21st February, 2023]

- Nutraceutical products have been included in the jurisdiction of the Shellac & Forest Products Export Promotion Council in Appendix 2T of FTP 2015-2020. [Public Notice no 55/2015-2020 dtd 2nd February 2023]
- 03 Agencies are notified as PSIA, additional areas of operation for 04 existing PSIAs and additional instruments in respect of 07 existing PSIAs have also been notified. [Public Notice No. 56/2015-2020 dtd 14th February 2023]
- The procedure for allocation of quota for import of (i) Calcined Pet Coke for use

in Aluminium industry and (ii) Raw Pet Coke for CPC manufacturing industry for the year 2023-24 is notified. [Public notice no 57/2015-2020 dtd 14th February 2023]

- One time relaxation is granted in submission of additional fee to cover excess duty utilized in EPCG authorizations issued under Foreign Trade Policy (2009-2014) (extended upto 31/03/2015) [Public notice no 58/2015-2020 dtd 24th February 2023]
- MEIS/SEIS applications which have been kept pending and are deficient at the RAs under provisions of Para 3.06 of the HBP 2015-20 may be re-opened by the RAs and examined again on merits/ additional documents submitted by the firm as per extant policy and procedural conditions. RAs are advised to provide an opportunity of personal hearing to the applicants, before rejecting a case. [Policy Circular No. 46/2015-20 dtd 20th February 2023]
- Members of trade can seek assistance in filing of the applications for fixation of Standard Input Output Norms (SION) [Trade Notice no 26/2022-23 dtd 8th Feb 2023]

WHAT'S NEW? SEZ

- The need for additional BLUT would arise only in cases where the scale of operations have increased from initial levels for which the BLUT was submitted and additional BLUT should not be sought in a routine manner as long as the unit/developer operates the same scale of activities as initially envisaged. [Clarification no K. 43013(18)/2/2022-SEZ dtd 15th February 2023]

WHAT'S NEW? MCA

- Extension of Time line for filing of 45 company e-Forms and PAS-03 whose due dates are falling between 20/01/2023 and 28/02/2023 in MCA 21 Version 3.0 without additional fee for a period upto 31st March 2023.

Reservation period for the names which are reserved under sub-section (5) of section 4 of the CA 2013 is extended by a further period of 20 days. The resubmission period under rule 9 of Companies (Incorporation) Rules, 2014

falling between 23.01.2023 and 28.02.2023, is also extended by 15 days. [General Circular No. 03/2023 dtd 7th February 2023] [General Circular No. 04/2023 dtd 21st February 2023]

- The companies intending to file
 - Form GNL-2 (filing of prospectus related documents and private placement),
 - MGT-14 (filing of Resolutions relating to prospectus related documents, private placement),
 - PAS-3 (Allotment of Shares),
 - SH-8 (letter of offer for buyback of own shares or other securities),
 - SH-9 (Declaration of Solvency) and
 - SH-11 (Letter of offer in respect of buy-back of securities)
- from 22.02.2023 to 31.03.2023 on the MCA-21 Portal may file such Form in physical mode duly signed by the persons concerned as per requirements of the relevant forms, along with a copy thereof in electronic media, with the concerned Registrar without payment of fee and take acknowledgement thereof. Such filing will be accompanied by an undertaking from the company that, the company shall also file the relevant Form in electronic form on MCA-21 Portal along with fee payable as per Companies (Registration Offices and Fees) Rules, 2014. No additional Fee will be leviable [General Circular No. 05/2023 dtd 22nd February 2023]

WHAT'S NEW? SEBI

- Alternative Investment Funds shall undertake at least 10% of their total secondary market trades in Corporate Bonds by value in a month by placing/seeking quotes on the RFQ (Request for Quote) platform. [Circular Ref no: SEBI/HO/AFD/PoD/P/CIR/2023/017 dated 1st February 2023]
- Margin parameters have been changed w.r.t Upfront Collection of Margins from Clients in Cash and Derivatives segments [Circular No.: SEBI/HO/MRD/MRD-PoD-2/P/CIR/2023/016 dtd 1st February 2023]
- SEBI has issued Dos and don'ts relating to green debt securities to avoid occurrences of greenwashing. [SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/020 dtd 3rd Feb 2023]
- Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT)/Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules there under

have been framed. [[SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022](#) dtd 3rd February 2023]

- Issuance and listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments under Chapter V of the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021 have been clarified by the board. [[SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/027](#) dtd 8th Feb 2023]
- Clarification in respect of the compliance by the first-time issuers of debt securities under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with Regulation 23(6) [[SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/028](#) dtd 9th Feb 2023]
- SEBI has issued a circular to the Stock brokers and Depository participants to maintain a designated website. [[CIRCULAR No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/30](#), Dated 15th February, 2023]
- SEBI has designed an Issue Summary Document (ISD) in order to enable quick access to the data by stakeholder and market participants. It has issued steps and guidelines for implementation of the same. It will be effective in phase as mentioned in the circular. [[Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2023/29](#), Dated 15th February, 2023]
- SEBI Regulated Entities (REs) has to comply with the advisory issued by SEBI to avoid or control the cyber risk. [[Circular no SEBI/HO/ITD/ITD_VAPT/P/CIR/2023/032](#), dated 22nd February, 2023]
- Master Circular for Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”) have been amended. [[Master Circular no SEBI/HO/CFD/PoD-1/P/CIR/2023/31](#) dtd 16th February 2023]

WHAT'S NEW?

RBI

- RBI monetary Policy Committee increases policy rates by 25 basis points. [[RBI/2022-23/175](#), [RBI/2022-23/174](#), [RBI/2022-23/173](#) dtd 8th February 2023]
- RBI extends Market Trading Hours from 13th Feb 2023. [[Press Release on 8th Feb 2023](#)]

- RBI has introduced transaction codes of FCRA in the NEFT and RTGS System of SBI. [Notification No RBI/2022-23/178 CO.DPSS.RPPD.No.S1931/04-03-001/2022-23, Dated 16th February, 2023]
- EXIM Bank has extended a line of credit of \$100 million to Government of Republic of Maldives for financing developmental projects. [Notification no RBI/2022-2023/179, Dated 16th February, 2023]
- RBI has issued guidelines for governing, measuring and managing the Interest Rate Risk in Banking Book. [Notification no RBI/2022-23/180 DOR.MRG.REC.102/00-00-009/2022-23, Dated 17th February, 2023]
- RBI has issued guidelines for calculation of Capital Adequacy Ratio and the amount available for payment of dividend by Asset Reconstruction Companies (ARCs) who are preparing their financial statements as per Ind AS. [Notification no RBI/2022-23/182 DOR.ACC.REC.No.104/21.07.001/2022-23, Dated 20th February, 2023]
- RBI has issued notification that all Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 shall be applicable to State Cooperative Banks and Central Cooperative Banks. [Notification no RBI/2022-23/181 DOR.ACC.REC.No.103/21.04.018/2022-23, Dated 20th February, 2023]

BREAKING NEWS



- Retail inflation for January 2023 stands at 6.52%
- Ex-commerce secretary BVR Subrahmanyam appointed as NITI Aayog CEO
- Australia Women's cricket team lifts ICC Womens T20 World Cup 2023 for 6th time
- Joblessness in urban India dips to 7.2 in Q4 of 2022
- Centre okays renaming of Aurangabad as Chhatrapati Sambhajnagar
- Biden nominates former Mastercard head Ajaypal Singh Banga to head World Bank
- IOC to set up green hydrogen plants at all refineries
- Economic Survey pegs 6.8 per cent growth in 2024
- Total receipts estimated to be Rs 27 lakh Crore; Fiscal deficit to be 5.9% for FY 2023-24
- Bank of England hikes interest rate to 4%.
- Bill moved in US against sugar subsidy by many countries including India
- Kerala imposes Social Security tax on liquor, petrol and diesel
- MoS says 50 govt portals were hacked in 2022
- Maharashtra Govt Economic Advisory Panel to be headed by N Chandrasekharan; to include Anant Ambani & Karan Adani
- India received highest ever foreign inward remittances of USD 89,127 mn in 2022
- US trade deficit ascends to new high of USD 948 bn
- Air India going for 250 planes from Airbus
- President appoints Governors for many States - CP Radhakrishnan to Jharkhand + Shiv Pratap Shukla to HP + Justice S Abdul Nazeer to AP and Gulab Chand Kataria to Assam
- India claims lithium reserves found in J&K.
- Direct tax gross collections peak to Rs 15.7 lakh crore till Feb 10, 2023 + Refunds of Rs 2.69 lakh crore sanctioned
- RBI allows G-20 nations' travellers to use UPI
- 73 airports operationalized under UDAN scheme till Jan 2023

- Retail inflation upticks to 6.52% in Jan month
- India consumes more Scotch whiskey than France
- Adani Group hires Grant Thornton for independent audits
- Air India purchases 470 planes from Boeing & Airbus in record deal
- Elon Musk donates Tesla shares worth USD 2 billion to charity
- Indian-American Neal Mohan to be YouTube new boss
- EPFO adds 14.93 lakh net members in Dec month
- RBI says Indians spend close to USD 1 billion on foreign travel per month
- Tata Group bags Title rights of Women's Premier League

BEYOND THE OBVIOUS



GST

- Relevant date for computation of limitation period for refund has to be determined first and only thereafter, it can be examined as to whether limitation period for refund in a particular case stand protected by Supreme Court decision [2021 (54) G.S.T.L. 3 (S.C.)] excluding period from 15-3-2020 to 2-10-2021 for computing limitation period (PRICELINE.COM TECHNOLOGY INDIA LLP. Versus UNION OF INDIA]
- Chairman and Managing Director being aware of facts and circumstances as he had signed and verified petition on oath, he could not be exempted from appearance before GST authority when summons was issued. [SUUMAYA INDUSTRIES LTD. Versus UNION OF INDIA]
- Power on provisional attachment under Section 83 of CGST Act is serious and harsh in nature, it should not be used as a tool to harass assessee; High Court orders lifting of provisional attachment of bank account subject to conditions. [SMITA AND SONS COAL PVT. LTD. Versus STATE OF GUJARAT]
- SCN issued without striking out irrelevant particulars was vague in nature; Summary of order passed within 5 days of issuing summary of SCN without granting any opportunity of hearing was not sustainable. [CHITRA AUTOMOBILE Versus STATE OF JHARKHAND]
- Minor discrepancy in description of vehicle in e-way bill could not attract proceedings for detention of goods and penalty as there was no intention on part of dealer to evade tax, therefore, orders for detention and penalty were to be set aside. [VARUN BEVERAGES LTD. Versus STATE OF U.P.]
- Appellate authority does not have jurisdiction to frame and take up issues which do not emanate from order passed by adjudicating authority [RADIANT ENTERPRISES PVT. LTD. Versus JOINT COMMISSIONER, CGST AND CX (APPEAL-I)]
- Order passed by Commissioner (Appeals)/Joint Commissioner (Appeals) denying ITC on a

ground other than that raised in show cause notice and considered by Adjudicating Authority was to be termed as a non-speaking order and same was not sustainable even though such order was a detailed order recording entire facts. [SHRADDHA OVERSEAS PVT. LTD. Versus ASSISTANT COMMISSIONER OF STATE TAX]

- Order cancelling the petitioner's registration is unsustainable as it does not consider his response to the SCN. [M/s RAKESH ENTERPRISES Vs THE PRINCIPAL COMMISSIONER CENTRAL GOODS AND SERVICES TAX & ORS]
- SCN and Order for cancellation of GST registration issues without giving the opportunity of personal hearing is not sustainable. GST registration must be restored. – [Mahendra Junabhai Zala v/s Office of Deputy Commissioner, State Tax]
- SCN issued without justification for reason for cancellation of registration is against principle of natural justice [Dee Cubes Diamonds Pvt. Ltd. v/s State of Gujarat]
- The Department cannot retain any amount paid as tax because of inadvertent error committed by the taxpayer. Further, since the error is accidental in nature, the taxpayer should have the opportunity to rectify the same – [M/s. Varshan Enterprises v/s Office of the GST Council]
- Taxpayer is allowed to rectify its GSTR-1 for September 2017 and March 2018 for claiming of ITC by the recipient because the taxpayer had erroneously mentioned B2B supplies as B2C in the return. The taxpayer will be prejudiced if it is not allowed to avail the benefits of ITC – [M/s. Shiva Jyoti Construction v/s The Chairperson, Central Board of Excise & Customs and others]
- SCN not clearly spelling out the contraventions against taxpayer is considered vague in nature and liable to be quashed [Chitra Automobile Vs State Of Jharkhand (High Court - Jharkhand)]
- SCN must clearly state the specific reasons for the action being taken against the assessee [Santosh Kumar Roy Vs State of Jharkhand]
- Opportunity of personal hearing must be granted prior to cancellation of GST registration for non-filing of GST returns [DYM Auto World Vs Assistant Commissioner, Central Tax]
- Adjudicating Authority should exercise its discretion to extend the period of E-Way Bill up to 8 hours from the time of its expiry [Karan Singh Vs State of West Bengal]
- Cancellation of registration - Right to carry on trade or profession cannot be curtailed contrary to the constitutional guarantee - State would suffer loss of revenue and the ultimate

goal under GST regime will stand defeated: HC [ROHIT ENTERPRISES Vs. THE COMMISSIONER & others]

CENTRAL EXCISE

- Rule 7 of CCR 2004 allowed distribution of credit even prior to 01.04.2016. [M/s SHAHI FOOD PRODUCT vs COMMISSIONER OF CGST AND CENTRAL EXCISE]
- Interest on refund of pre-deposit @6% duly entitled from date of deposit till the date of refund when demand is set aside. [Hasmukh Tobacco Products Vs Commissioner of Central Excise & ST]
- Hon'ble Tribunal Delhi held that CENVAT credit cannot be denied if the credit on such services is already settled to be an eligible input service. [Indo Alusys Industries Ltd. Vs Commissioner of Central Goods and Service Tax]

SERVICE TAX

- No Service Tax can be levied on take-away/parcel food from restaurants [Haldiram Marketing Pvt. Ltd. Vs Commissioner, Central Goods and Service Tax]

CUSTOMS

- Request seeking refund of balance amount was not an application u/s 27 but merely a request to act in accordance with law and give effect to appellate order - Bar of limitation does not arise: HC [SENTEC INDIA COMPANY PVT LTD Vs ASSISTANT COMMISSIONER OF CUSTOMS & ANR]

IBC

- Application filed u/s 9 of IBC can be admitted as Operational Creditor has successfully demonstrated and proved debt and default: NCLT [CONNECT RESIDUARY PVT LTD Vs. MT EDUCARE LTD]
- As complaints are 10 to 11 months old, IBBI would take decision on same and communicate to Petitioner within one month: HC [DHANKALASH DISTRIBUTORS PVT LTD Vs UoI]
- NCLT is wrong in rejecting application filed u/s 7 of IBC without adverting to relevant

material: NCLT [ADVENTZ FINANCE PVT LTD Vs JAI ANNANYA INVESTMENTS PVT LTD]

- Application u/s 7 can't be mechanically admitted and AA has to decide on basis of evidence before it that it is a fit case which requires admission: NCLAT [SYMBOL VINIMAY PVT LTD Vs CHAMPA IMPEX PVT LTD]
- Delay in filing a claim cannot be the sole ground for rejecting claim: NCLAT [COMMISSIONER OF STATE TAXES AND EXCISE Vs NARESH KUMAR SOOD]
- Mere payment of TDS towards interest payable does not amount to acknowledgement of debt: NCLT [PADMAVATI AGRICO INDIA PVT LTD Vs GREEN TEAK INDIA PVT LTD]

SEBI

- In absence of any finding of any fraudulent activities or misappropriation of funds direction of debarment and penalty is harsh and excessive: SAT [VENMAX DRUGS AND PHARMACEUTICALS LTD Vs SEBI]
- LODR - Partial waiver of penalty can be granted to appellant from penalty levied by NSE on line of same granted by BSE: SAT [GM BREWERIES LTD Vs NSE LTD]

ARBITRATION ACT

- Person cannot be allowed to re-agitate same grounds which has already been refuted and rejected by two forums below: HC [MUNICIPAL CORPORATION OF DELHI Vs NARINDER KUMAR]

IPR- TRADEMARK ACT

- Plaintiff having not used mark cannot claim an ad-interim order of injunction based only on registration. [SUN PHARMA LABORATORIES LTD Vs INTAS PHARMACEUTICALS LTD]

LIMITATION ACT

- Due to technical software error, delay of one day in re-filing of petition can be condoned. [AIRPORTS AUTHORITY OF INDIA Vs TDI INTERNATIONAL INDIA PVT LTD]

BIZSOL CORNER



Training session on “Belbin Team Role” is conducted by our Chairman Mr. R. Venkitachalam.



Training conducted by CA Saurabh Dugad, on “GST- Basic Concepts.”



Ms. Yashashree Jakhadi, Associate Audit, selected as Bizsolite of the month for January 2023.



Ms. Siddhi Baheti, Trainee Article, selected as Article of the month for January 2023



Detailed Analysis of Union Budget 2023 by CMA Ashok Nawal at Karad on 7th February 2023 organised by BJP, Satara District



CMA Ashok Nawal addressing CMA Practitioners on "Avenues for CMAs in the Era of Changing Business Landscape" organised by Chapter of ICAI Vishakhapatnam



TDS/TCS Mismatch & Follow Up

Handling TDS / TCS Mismatches & Follow-Up With Suppliers & Customers

Identifying TDS/TCS deducted by Suppliers/Vendor's

- Obtain the list of TDS/TCS deducted by your suppliers/vendors, TDS/TCS receivable GL listing
- Download the Form 2645 from TRACS website
- Reconciliation of TDS reflected in Form 2645 and TDS receivable GL
- Prepare summary report of Matched, Mismatch transactions

Suppliers Follow-ups

- Interaction with suppliers for the identified mismatches
- Follow up for correction of mismatches with the supplier within the agreed timeline
- Guiding the suppliers w.r.t. methodologies for updation of TDS/TCS details
- Any other field work required in relation to above scope
- Providing MIS from time to time for these activities

Identifying TDS deducted by Customer's

- Obtain the list of TDS deducted by customer's via T94Q, TDS receivable GL listing
- Download the Form 2645 from TRACS website
- Reconciliation of TDS reflected in Form 2645 and TDS receivable GL
- Prepare summary report of Matched, Mismatch transactions

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Maximize The Entitlement Of GST

Finance Bill have received the ascent and therefore, all the provisions made in the Finance Bill and amendment in Finance Bill has been made effective. Considering the provisions introduced w.r.t. GST and newly introduced TCS w.e.f. 1st October 2020, we have started providing our following services :

GSTR-2A Reconciliation and Follow up with the Suppliers and guidance to them to ensure your maximum entitlement of GST.

Identifying Mismatches

- Review of purchase register of the company for all the location.
- Identifying the incorrect data in purchase register and reviewing the same with the invoice basis which the credit is availed.
- Reconciliation of the credit availed by the company with the invoice reported by the supplier.
- Preparing supplier wise summary report of mismatches.

Suppliers Follow-ups

- Interaction with suppliers and customers for the identified mismatches
- Follow up for correction of mismatches with the supplier within the agreed timeline.
- Guiding the suppliers w.r.t. methodologies for correction of the invoices.
- Working out strategies for agreed mismatches
- Any other field work required in relation to above scope
- Providing MIS from time to time for these activities.

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Asset verification

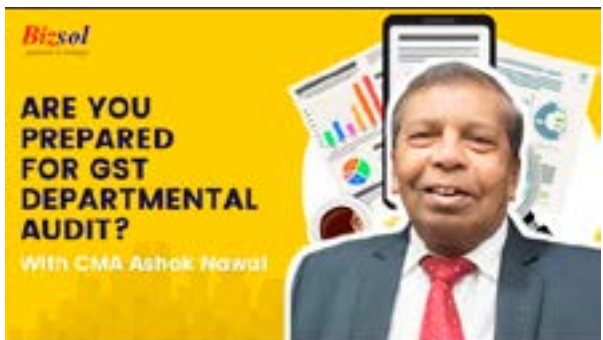
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