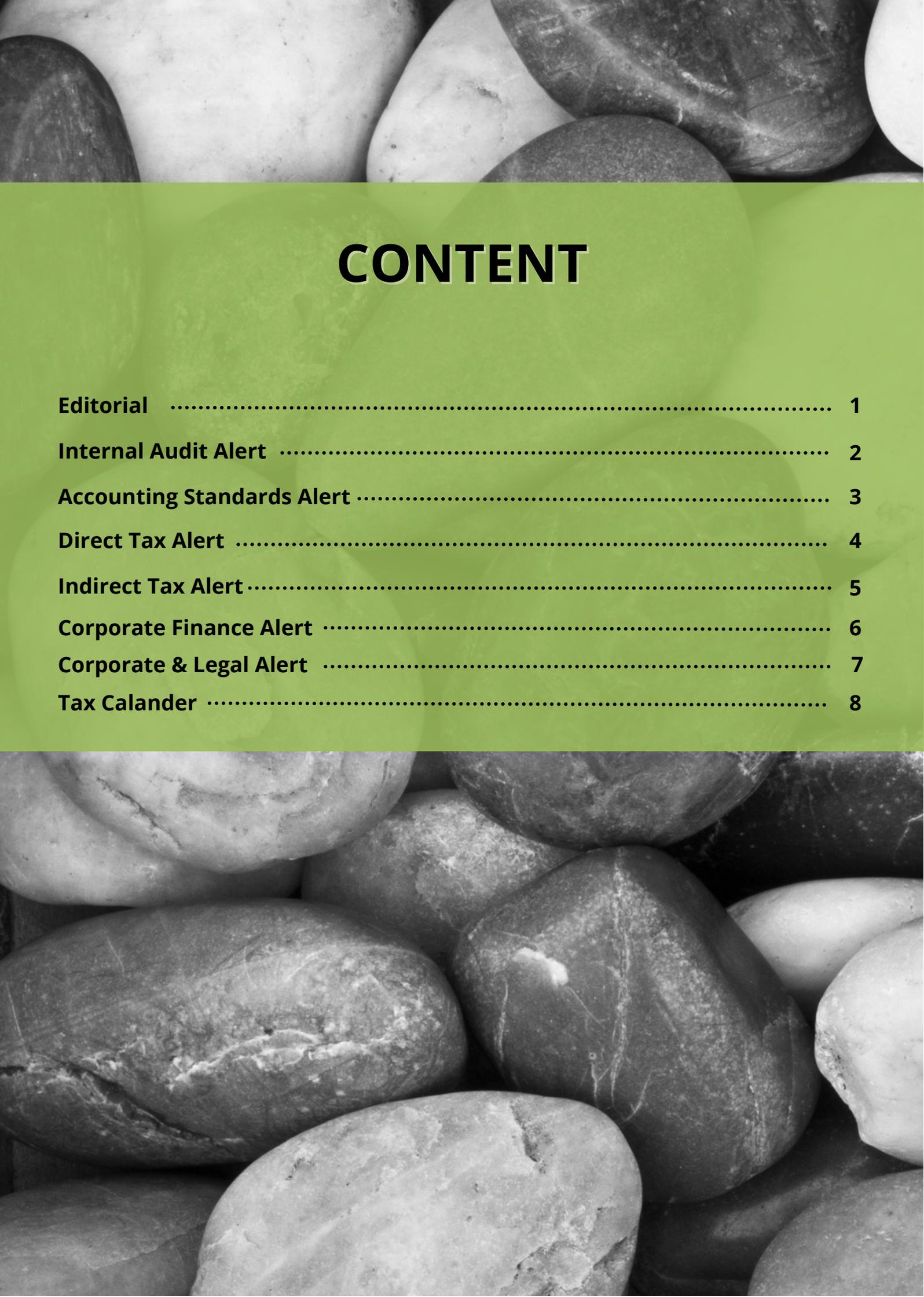




**RNM ALERT**  
**JUNE**  
**NEWSLETTER**

**VOL NO 161**



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# EDITORIAL

## Dear Readers

During the month of June 2022, the RBI raised the repo rate (rate at which RBI lends to bank) by 50 bps to 4.90% to control rising inflation expectations. There is an increasing expectation of continued interest rate increase in the quarters going forward. Team RNM is of the view that all businesses must align their Cash Flow projections for higher cost structures.

The new TDS on benefits and perquisites u/s 194R of the Income Tax Act, 1961 has become effective from July 1, 2022 and CBDT guidelines have been issued related thereto on which Team RNM has issued a separate analysis.

We are pleased to share that Team RNM has celebrated the 1st year anniversary of its office at London thru RNM UK and during this time there has been significant growth in client base as well as team size. We continue to strive to serve the larger Indian diaspora thru RNM UK with continued focus on Client value and quality. Team RNM participated in the Accountex Conference in May 2022 and the XeroCon in July 2022 in UK.

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



# Internal Audit

# Scope of Audit Assurance

Assurance is the process used in the assessment of accounting entries and financial records. Assurance is a process of verifying the records available in the company as per accounting standard and principle, and it also verifies that the accounting records are accurate or not.

Assurance specializes in assessing and improving the quality of information in a company. It helps in decision making in an organization.

The use of Assurance is to check the accuracy of financial reports. It also assures all the stakeholders that there is no misrepresentation done in financial records, no misuse of funds, no fraud, and no fraudulent activities done in a company or done by the company.

## Types of Audits

- **FINANCIAL AUDITS** address questions of accounting and reporting of financial transactions, including commitments, authorizations, and receipt and disbursement of funds. The purpose is to verify that there are sufficient controls over cash and cash-like assets and that there are adequate process controls over the acquisition and use of resources.
- **COMPLIANCE AUDITS** determines the degree of a unit's adherence to laws, regulations, policies, and procedures. Examples of external requirements include Income Tax laws, GST Laws and the Companies Act and regulations. Recommendations often call for improvements in processes and controls intended to ensure compliance with the laws and regulations.



- **INFORMATION SYSTEM (IS) AUDITS** addresses the internal control environment of automated information processing systems and how people use those systems. IS audits typically evaluate system input, output, processing controls, backup and recovery plans, system security, and computer facility reviews. IS auditing projects can focus on existing systems as well as systems in the development stage.
- **OPERATIONAL AUDITS**, sometimes called program or performance audits, examine the use of unit resources to evaluate whether those resources are being used in the most efficient and effective ways to fulfil the unit's mission and objectives. An operational audit includes elements of a compliance audit, a financial audit, and an IS audit.
- **ADMINISTRATIVE INTERNAL CONTROL REVIEWS** focuses on the departmental level activities that are components of the major business activities. Areas such as Hire to Retire, Cash Management, Fixed Assets and Inventory Management and their physical security and financial reporting are usually subject to review.
- **INVESTIGATIVE AUDITS** are performed when appropriate. These audits focus on alleged civil or criminal violations of State or Federal laws or violations of university policies and procedures that may result in prosecution or disciplinary action. Internal theft, white-collar crime, misuse of university assets, and conflicts of interest are examples of reasons for investigative audits.



- **FOLLOW-UP AUDITS** These are audits conducted after an internal or external audit report has been issued. They are designed to evaluate corrective action that has been taken on the audit issues reported in the original report. The purpose of a follow-up audit is to revisit a past audit's recommendations and management's action plan to determine if corrective actions were taken and are working, or if situations have changed to warrant different actions.
- **INTERNAL FINANCIAL CONTROL** means the policies and procedures adopted by the company for ensuring:
  1. orderly and efficient conduct of business, including adherence to company's policies,
  2. safeguarding of its assets, prevention and detection of frauds and errors,
  3. accuracy and completeness of the accounting records, and
  4. timely preparation of reliable financial information.

### Aspects to be covered in Audit

- **Examination of Accounting System & Internal Control**

To ascertain whether it is appropriate for the business and helps in proper recording of all the transactions.

To determine the Nature, Timing and Extent (NTE) of Audit Procedures to be performed.

- **Reviewing the system & procedures**

To find out whether they are adequate and comprehensive.

- **Vouching of the transactions**

To ensure authenticity and validity of transactions.

To check the arithmetical accuracy of the books of account

To ascertain proper distinction into capital and revenue items.

- **Verification of Assets & Liabilities**

To ensure existence and valuation of the assets and liabilities appearing in the balance sheet.

Statutory Compliances

In case of entities governed by some law, rules or regulations, for example in case of audit of a company incorporated under Companies Act, 2013.

- **Expression of Opinion**

On true and fair view of state of Affairs as reflected by Balance Sheet.

On true and fair view of Financial Results as reflected by Statement of Profit and Loss.

On true and fair view of Cash Flows as reflected by Cash Flow Statement.

- **Reporting on Other Matters**

As required by the law governing the entity.

**Conclusion:** - Assurance checks are done on sample basis to give a fair view that there is no gross misrepresentation done in financial records, no apparent misuse of funds, systems and controls are working in a decent manner and proper information is flowing to the management.

# Direct Tax



## Recent Updates

### **Section 194R: TDS @ 10% on Benefits or Perquisites arising out of Business or Profession**

Finance Act, 2022 inserted section 194R, providing for withholding tax on the provision of any benefit perquisite provided by any person to any resident, in the exercise of the business or profession by such resident. Applicable in case the value of such benefit or perquisite provided in the aggregate exceeds Rs. 20,000/- during the F.Y. This section is applicable from 01.07.2022.

### **Section 194S: TDS @ 1% on consideration for transfer of a Virtual Digital Asset (VDA)**

Finance Act, 2022 inserted a new section 194S in the Act w.e.f. 1st July 2022. The new section mandates a person, who is responsible for paying to any resident any sum by way of consideration for the transfer of a virtual digital asset (VDA), to deduct an amount equal to 1% of such sum as income tax thereon. The tax deduction is required to be made at the time of credit of such sum to the account of the resident or at the time of payment, whichever is earlier.

E-filing of **Updated ITR u/s 139(8A)** has been enabled for AY 2020-21 and AY 2021-22 using Excel utility for ITR 1 and ITR 4.

## Important Judicial Precedents

### **Remuneration received from firm can't be construed as gross receipt for purpose of tax audit u/s 44AB.**

Where assessee was merely a partner in a partnership firm and was not carrying on any business independently, remuneration received by assessee from said partnership firm could not be treated as gross receipts of assessee and, accordingly, assessee was justified in not getting her accounts audited under section 44AB with respect to such remuneration [Perizad Zorabian Irani v. Principal Commissioner of Income-tax 139 taxmann.com 164]

### **Revenue's appeal is to be rejected in limine if Revenue did not appeal against an identical CIT(A) order in past in a non-low-effect case**

Revenue can't appeal against CIT(A) order without good reasons if it accepted an identical CIT(A) order in a non-low-tax-effect case.

When it is not possible for the revenue to challenge an order of the appellate authority in one case and when it has accepted identical order of the appellate authority in another case, it cannot at all be open to the Assessing Officer to challenge the order of CIT(A) on an issue on which relief has been given by CIT(A), in an earlier year, which has been not been challenged in appeal by the Assessing Officer.

It is not the case of the Assessing Officer that the earlier year's CIT(A)'s order was not challenged on account of low tax effect or any other technical reason. Once the stand of the CIT(A), on an issue, is accepted in one year, unless there are good and sufficient reason to take a different stand later, similar findings for a subsequent year cannot be challenged in further appeal either. For this reason alone, the grievance raised by the revenue is not maintainable in law and deserves to be rejected in limine. [ITO V. Niche Health Options Pvt. Ltd. Mumbai Tribunal 140 Taxmann.com 40]

**Sec. 9(1)(i) : Income deemed to accrue or arise in India -PE - Interest will not be taxed at a higher rate- DTAA- India- Japan. [Art. 7, 11(2), 11(6), 14]**

Where the assessee is a company incorporated in, and fiscally domiciled in, the Republic of Japan. The assessee, inter alia, earned income from interest on suppliers' credit. It was held that mere existence of a permanent establishment of the assessee company in India does not attract higher rate of tax. The beneficial rate of tax as per Article 11(2) cannot be denied. [DCIT vs. Marubeni Corporation, Japan (Mum.)(Trib.)ITA No.: 10/Mum/2022 dated June 17, 2022 \_Bench 'I' \_AY. 2016 -17]

**Whether assessee can claim extension of last date to seek payment of tax with late fee under Direct tax VsV Scheme, in absence of any such vested right - NO: HC**

When the matter was pending before the High Court, the assessee opted to apply under the Direct tax Vivad se Vishwas (VsV) scheme and submitted his application under statutory Form-1 and Form-2. The offer of assessee was accepted and a certificate u/s 5(1) of the Act was issued in statutory Form-3, whereby the amounts payable by the assessee towards full and final settlement of the tax arrears were determined.

Later, the last date for payment of the amount u/s 3 of the Act was notified. After the assessee missed the deadlines, he received an e-mail whereby he was asked to contact his AO having failed to furnish Form-4. On the very next day, assessee sought for permission to pay the amount due under the Act alongwith additional fee and interest as owing to illness of his mother. The fate of the same however remains undecided and hence, present petition dismissed. [Amit Gupta VS. UOI, HC of Punjab and Haryana at Chandigarh, CW P No. 9469 of 2022]

**If there is no FTS article in DTAA, receipts from engineering services is business income & not taxable in India if foreign Co. has no PE in India**

As there is no article on FTS (Fees for Technical Services) in India-Thailand DTAA, consideration for services such as business planning and co-ordination, engineering services, product R&D etc provided by Thai holding company to Indian subsidiary would be treated as business income under Article 7 and would not be taxed in India where Thai holding company does not have a PE in India.

As the income from these services is business income under Article 7, these would not qualify to be taxed in India as other income under Article 22. [DCIT V. Michelin ROH Co. Ltd. Delhi-Trib. 138 taxmann.com 497]

## Recent Reforms in United Arab Emirate (UAE) tax laws:

On January 31, 2022 the Ministry of Finance of the United Arab Emirates (UAE) announced the introduction of a federal Corporate Tax ("CT") on business profits, effective from the financial year beginning June 1, 2023.

### Taxable Persons

Subject to certain exemptions discussed below, CT will be levied on UAE-incorporated companies such as LLCs, PSCs, PJSCs, and any other legal entities with a distinct legal personality, including, for example, LLPs and partnerships limited by shares.

In line with tax measures in other jurisdictions, CT will be levied on foreign legal entities: (1) with a permanent establishment ("PE") in the UAE, and that earn UAE sourced income, or (2) that are tax resident by way of management and control in the UAE.

### Applicable Tax Rates

CT will be charged on the annual taxable income of a business as follows:

- 0%, for taxable income not exceeding AED 375,000;
- 9%, for taxable income exceeding AED 375,000; and
- a different tax rate (not yet specified) for large multinationals that meet specific criteria set with reference to Pillar II of the OECD BEPS. In light of the Consultation Document's emphasis on the UAE's commitment to implementing the BEPS 2.0 measures, we expect that the rate will be fixed with reference to the rate finally determined by the OECD.

### Exempt Entities

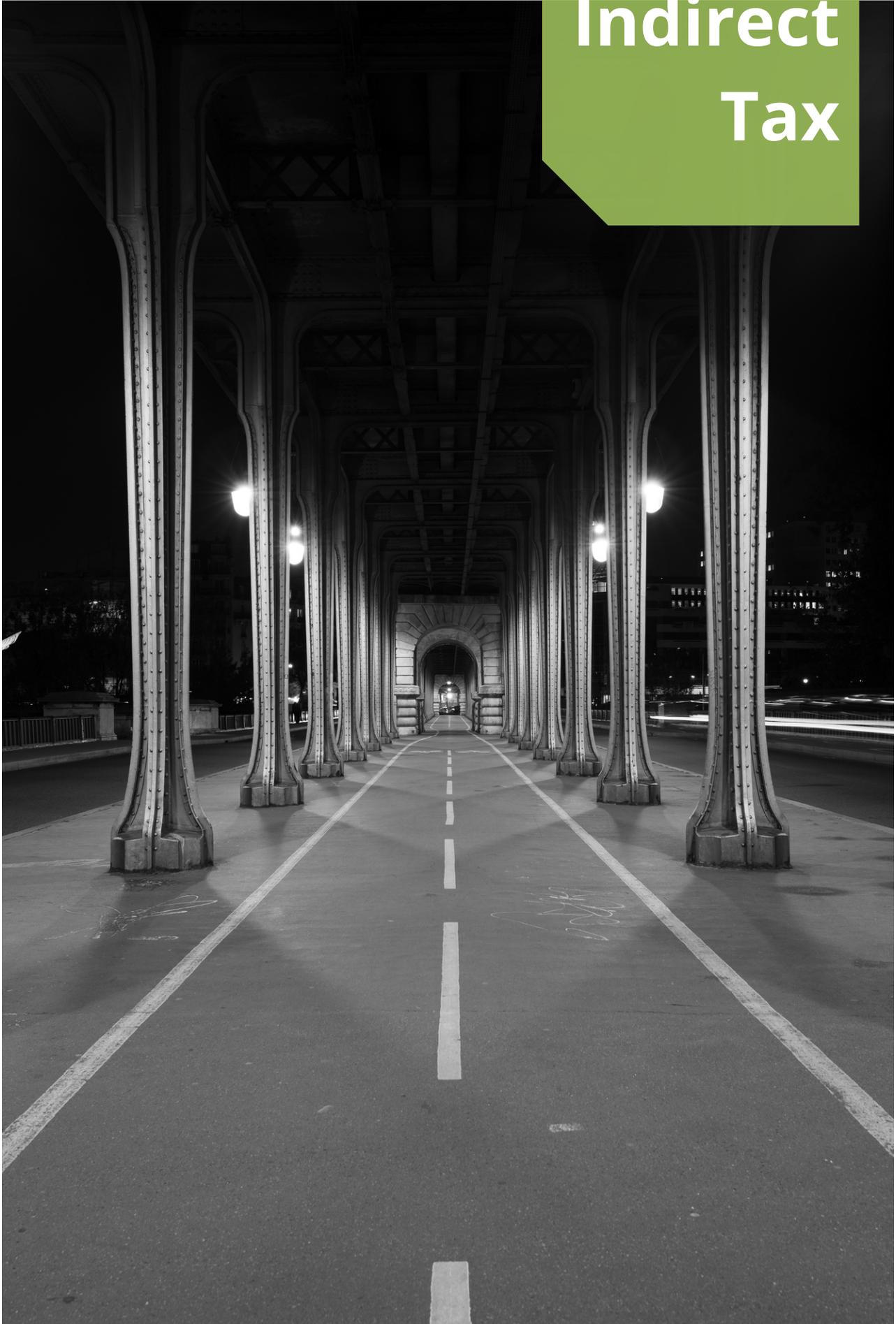
The following list of entities will be exempt from CT, either automatically or by way of application (the method is still undetermined):

- The federal UAE Government and Emirate Governments and their departments, authorities and other public institutions;
- Wholly Government-owned UAE companies that carry out a sovereign or mandated activity and that are listed in a cabinet decision;
- Businesses engaged in the extraction and exploitation of UAE natural resources that are subject to Emirate-level taxation (e.g. upstream oil and gas companies)

- Charities and other public benefit organizations that are listed in a Cabinet Decision issued at the request of the Ministry of Finance, upon application of the relevant entity;
- Public and regulated private social security and retirement pension funds; and
- Investment funds, as they are typically organized as ‘flow-through’ limited partnerships. Furthermore, regulated investment funds and Real Estate Investment Trusts can apply to the FTA to be exempt from CT subject to meeting certain requirements.



# Indirect Tax



# **GST CALENDAR**

## **Compliances for the month of July 2022**

<b>Nature of Compliances</b>	<b>Due Date</b>
<b>GSTR-7 (Tax Deducted at Source 'TDS')</b>	<b>July 10,2022</b>
<b>GSTR-8 (Tax Collected at Source 'TCS')</b>	<b>July 10,2022</b>
<b>GSTR-1</b>	<b>July 11,2022</b>
<b>IFF- Invoice furnishing facility (Availing QRMP)</b>	<b>July 13,2022</b>
<b>GSTR-6 Input Service Distributor</b>	<b>July 13,2022</b>
<b>GSTR-2B (Auto Generated Statement)</b>	<b>July 14,2022</b>
<b>GSTR-3B</b>	<b>July 20,2022</b>
<b>GSTR-5 (Non-Resident Taxable Person)</b>	<b>July 20,2022</b>
<b>GSTR-5A (OIDAR Service Provider)</b>	<b>July 20,2022</b>
<b>PMT-06 (who have opted for QRMP scheme)</b>	<b>July 25,2022</b>

## 47th GST Council Meet Recommendations

Goods -Clarification on GST rate w.e.f. July 18,

- **Electric Vehicles:** EVs whether or not fitted with a battery pack, are eligible for the concessional GST rate of 5%.
- **Fly Ash Bricks:** All fly ash bricks attract the same concessional rate irrespective of fly ash content. Further, the condition of 90% fly ash content with respect to fly ash bricks applies only to fly ash aggregate, and not fly ash bricks. As a simplification measure, the condition of 90% content is omitted.
- **Stones covered in S. No.123 of Schedule-I (such as Napa stones):** Such stones even if they are ready to use and polished in minor ways [not mirror polished], attract a concessional GST rate of 5%.
- **Mango:** The GST rate on all forms of mango under CTH 0804, including mango pulp (other than mangoes sliced, and dried) attracts GST at 12%. Entry is also being amended to make this amply clear. Raw or fresh mangoes continue to be exempt.
- **Sewage treated water:** It is exempted from GST and is not the same as purified water provided in S. No. 99 of notification 2/2017-CT (Rate). The word 'purified' is being omitted to make this amply clear.
- **Nicotine PolarilexGum:** It shall attract a GST rate of 18%.

## Services -Clarification on GST rate w.e.f. July 18, 2022

- **Preferential Location Charges for a long-term lease of plot:** It has been clarified that allowing the choice of location of a plot is part of the supply of long-term lease of a plot of land. Therefore, location charges or preferential location charges (PLC) are part of the consideration charged for a long-term lease of land and shall get the same treatment under GST. It may be said that in terms of the said clarification, preferential location charges shall form as part of composite supply with a long-term lease of land.
- **Developed Plots:** It has been clarified that the sale of land after levelling, laying down of drainage lines etc. is the sale of land and does not attract GST.
- **Supply of ice cream by ice-cream parlours:** GST shall be charged @ 5% without ITC has been regularized in terms of industry practice.
- **Application fee for entrance/issuance of eligibility certificate for admission/issuance of migration certificate by universities:** Such fee shall be exempt from GST.
- **GST on casinos, race courses and online gaming:** The Council has directed the Group of Ministers to re-examine Casino, Race Course and Online Gaming issues in terms of inputs from States and submit its report within a short duration.
- **Ginned or baled fibre:** It is covered in entry 24B of notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 in the category of raw vegetable fibres. The exemption under this entry is being rationalized.
- **Additional fee collected in the form of higher toll charges from vehicles not having Fastag:** It has been clarified that such payments are essentially payment of toll for allowing access to roads or bridges to such vehicles and shall be given the same tax treatment as given to toll charges.

- **Services associated with transit cargo both to and from Nepal and Bhutan:** It shall be exempted and is covered under Entry 9B of Notification No. 12/2017-CT(R) dated 28.06.2017.
- **Activity of selling of space for advertisement in souvenirs:** Activity of selling of space for advertisement in souvenirs published in the form of books is eligible for concessional GST at 5%.
- **Renting of a vehicle with an operator for transportation of goods on a time basis:** Such activity shall be classifiable under Heading 9966 (rental services of transport vehicles with operators) and attracts GST at 18%. Further, GST on such renting where the cost of fuel is included in the consideration charged is being prescribed at 12%.
- **Services provided by the guest anchors to TV channels:** Such services in lieu of honorarium to attract GST.
- **Renting motor vehicles for the transport of passengers to a body corporate for a period (time):** It shall be taxable in the hands of the body corporate under RCM.
- **Services inform of Assisted Reproductive Technology (ART)/Invitro fertilization (IVF):** These are covered under the definition of health care services for the purpose of exemption under GST.
- **Goods transport agency (GTA)** is being given the option to pay GST at 5% or 12% under forwarding charge; the option is to be exercised at the beginning of the Financial Year. RCM option to continue.
- **Service provided by an Indian Tour operator to a foreign resident for a tour partially in India and partially outside India:** Taxable in proportion to the tour conducted in India for such foreign tourist subject to conditions that this concession does not exceed half of the tour duration.

## Other Measure's & Clarifications

**E-Commerce Operators (ECOs):** Mandatory requirement of registration under section 24 (ix) of CGST Act for a person supplying goods through ECOs has been done away with, subject to the below conditions:

- The aggregate turnover on an India basis does not exceed the turnover specified under sub-section (1) of section 22 of the CGST Act and notifications issued there under;
- The person is not making any inter-State taxable supply.
- **Composition taxpayers to be allowed to make intra-State supply through e-commerce operators subject to certain conditions:** GST Council has recommended allowing intra-state supplies by Composite suppliers selling through ECO. The details of the scheme will be worked out by the Law Committee of the Council. The scheme would be tentatively implemented with effect from 01.01.2023, subject to preparedness on the portal as well as by ECOs.

- **Specified officer' under Rule89 (1):** GST Council has recommended insertion of an explanation to Rule89(1) Rules to clarify that "specified officer" under the said sub-rule shall mean the 'specified officer' or 'authorized officer' ,as defined under SEZ Rules, 2006 which provides that 'Specified officer' shall mean an Inspector or Preventive officer, or Appraiser or Superintendent of Customs posted in the Special Economic Zone and authorized by the Specified Officer to discharge any of his functions under SEZ Rules,2006.
- **Inverted Duty Structure:** GST Council has recommended for amendment in formula prescribed in sub-rule (5) of rule 89 of CGST Rules, 2017 for calculation of refund of unutilized Input Tax Credit on account of inverted rated structure. The said change in the formula for calculation of refund under rule89 (5) to take into account utilization of ITC on account of inputs and input services for payment of output tax on inverted rated supplies in the same ratio in which ITC has been availed on inputs and input services during the said tax period. This would help those taxpayers who are availing of ITC on input services also.
- **Risky Exporters:** Amendment in CGST Rules for the handling of pending IGST refund claims. In some cases where the exporter is identified as a risky exporter requiring verification by GST officers, or where there is a violation of provisions of the Customs Act, their fund claims in respect of export of goods are suspended/withheld. Amendment in rule 96 of the CGST Rules has been recommended to provide for transmission of such IGST refund claims on the portal in a system-generated FORM GSTR FD-01 to the jurisdictional GST authorities for processing. This would result in expeditious disposal of such IGST refund claims, after due verification by GST officers, thus benefitting such exporters.
- **Re-credit of the amount in Electronic Credit Ledger:** Where refund amount has been sanctioned erroneous to a taxpayer on account of accumulated ITC or on account of IGST paid on zero-rated supply of goods or services, in contravention of rule96 (10) of the CGST Rules, is deposited by him along with interest and penalty, wherever applicable. A new FORM GST PMT-03 A is introduced for the same. This will enable the taxpayers to get a re-credit of the amount of erroneous refund, paid back by them, in their electronic credit ledger.

**GST council has recommended the same to be notified by the Central Government at the earliest:**

i. **Calculation of interest on ITC availed and utilized:** An amendment was made to Section 50 (3) of the CGST Act, 2017 to provide for levy of interest on 'ineligible ITC availed and utilized' retrospectively i.e., from July 1, 2017;

ii. **Facility to transfer balance in Electronic Cash Ledgers of distinct persons:** Section 49 (10) provides the facility to transfer balance in electronic cash ledger of registered person to electronic cash ledger of CGST and IGST of a distinct person.

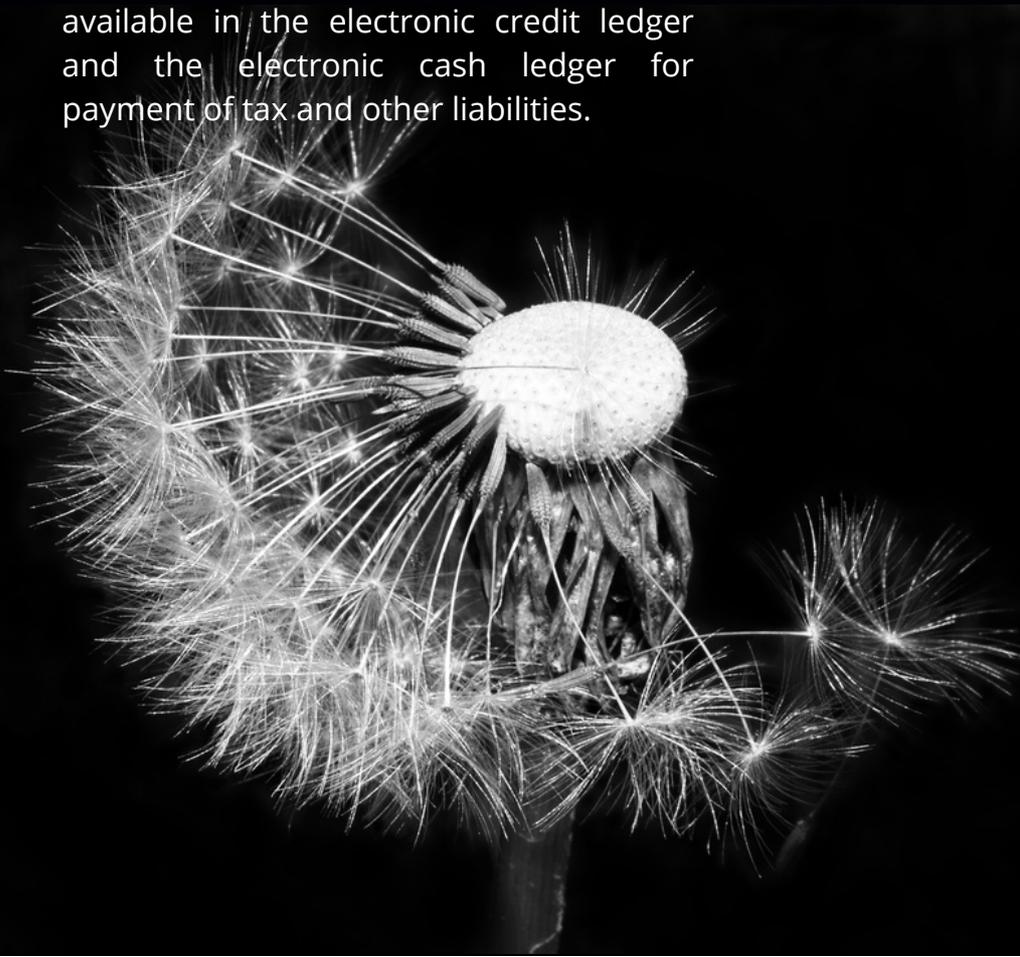
- **Present exemption of IGST on import of good sunder AA / EPCG / EOU scheme:** It has been proposed that the present exemption of IGST on import of good sunder AA / EPCG / EOU scheme to be continued and the proposed E-wallet scheme not to be pursued further.
- **GSTR-9/GSTR-9C:** Exemption from filing annual return in FORM GSTR- 9/ 9A for FY 2021-22 to be provided to tax payer shaving AATO up to Rs.2crores.
- **ITC Reversal in case of sale of Duty Credit Scrips by Exporters:** Explanation 1 after rule 43 of CGST Rules to be amended to provide that there is no requirement of reversal of input tax credit for exempted supply of Duty Credit Scrips by the exporters.
- **Mode of GST payment:** UPI & IMPS to be provided as an additional mode for payment of GST for tax payers.
- **Export of Electricity:** Amendment in CGST Rules to provide for refund of unutilized Input Tax Credit on account of Export of Electricity. This would facilitate the exporters of electricity in claiming a refund of utilized ITC on zero-rated supplies.

- **Supplies from Duty Free Shops (DFS) at international terminal to outgoing international passengers:** Such supply to be treated as exports by DFS and consequential refund benefit to be available to them on such supplies. Rule 95 A of the CGST Rules, Circular No. 106 / 25 / 2019 – GST dated 29.06.2019 and related notifications to be rescinded accordingly.
- **Automatic Revocation of suspension of Registration:** Where GST registration has been suspended by the system under Rule 21 A (2A) of CGST Rules, for continuous non-filing of specified number of returns, the systems shall file automatic revocation application once all the pending returns are filed on the portal by the tax payer.
- **Changes in GSTR-3B:** Proposal for comprehensive changes in FORM GSTR-3B to be placed in public domain for seeking inputs/suggestions of the stake holders.
- **Clarification for limitation period for refund claims:** Time period from March 1, 2020 to February 28, 2022 to be excluded from calculation of the limitation period for filing refund claim by an applicant under section 54 and 55 of CGST Act, as well as for issuance of demand / order (by proper officer) in respect of erroneous refunds under section 73 of CGST Act. Further, limitation under section 73 for FY 2017-18 for issuance of order in respect of other demands linked with due date of annual return, to be extended till 30th September, 2023.

## **GST Council has recommended for issuance of clarifications in relation to :**

- Clarification on the issue of claiming refund under an inverted duty structure where the supplier supplies goods under some concessional notification.
- Clarification on various issues relating to applicability of demand and penalty provisions under the CGST Act in respect of transactions involving fake invoices.
- Clarifying mandatory furnishing of correct and proper information of inter-State supplies and amount of ineligible / blocked Input Tax Credit and reversal thereof in return in FOR MGSTR-3B.
- Clarification in respect of certain GST-related issues:
  1. Clarification on the issues pertaining to refund claimed by the recipients of supplies regarded as deemed export;
  2. Clarification on various issues relating to the interpretation of section 17 (5) of the CGST Act;
  3. Clarification on the issue of perquisites provided by the employer to the employees as per contractual agreement
  4. Clarification on utilization of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities.

- GST Council has decided to constitute a Group of Ministers (GoM) to address various concerns raised by the States in relation to constitution of GST Appellate Tribunal and make recommendations for appropriate amendments in CGST Act. Further, the Go Mon ITR eforms, inter alia, recommended that the GSTN should put in place the AI/ML based mechanism to verify the antecedents of the registration applicants and an improved risk-based monitoring of their behavior post registration so that non-compliant tax payers could be identified in their infancy and appropriate action be taken so as to minimize risk to exchequer.



**Goods: Rationalization of GST Rates (for removal of Inverted Duty Structure) w.e.f. July 18, 2022**

<b>S.No</b>	<b>Description of goods</b>	<b>From</b>	<b>To</b>
1	Printing, writing or drawing ink	12%	18%
2	Knives with cutting blades, Paper knives, Pencil sharpeners and blades therefor, Spoons, forks, ladles, skimmers, cake-servers etc	12%	18%
3	Power driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps; Bicycle pumps	12%	18%
4	Machines for cleaning, sorting or grading, seed, grain pulses; Machinery used in milling industry or for the working of cereals etc; PawanChakkithat is Air Based Atta Chakki; Wet grinder;	5%	18%
5	Machines for cleaning, sorting or grading eggs, fruit or other agricultural produce and its parts, Milking machines and dairy machinery	12%	18%
6	LED Lamps, lights and fixture, their metal printed circuits board;	12%	18%
7	Power driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps; Bicycle pumps	12%	18%

8	Machines for cleaning, sorting or grading, seed, grain pulses; Machinery used in milling industry or for the working of cereals etc; Pawan Chakki that is Air Based Atta Chakki; Wet grinder;	5%	18%
9	Machines for cleaning, sorting or grading eggs, fruit or other agricultural produce and its parts, Milking machines and dairy machinery	12%	18%
10	LED Lamps, lights and fixture, their metal printed circuits board;	12%	18%

## Goods: Rationalization of GST Rates –(Others) w.e.f. July 18, 2022

S.No	Description of goods	From	To
1	Ostomy Appliances	12%	5%
2	Orthopedic appliance-Splints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; intraocular lens	12%	5%
3	Tetra Pak (Asepti Packaging Paper)	12%	18%
4	Tar (whether from coal, coal gasification plants, producer Gas plants and Coke Oven Plants.	5% / 18%	18%
5	IGST on import of Diethylcarbamazine(DEC) tablets supplied free of cost for National Filariasis Elimination Programme	5%	NIL
6	Cut and Polished diamonds	0.25%	1.5%
7	IGST on specified defence items imported by private entities/vendors, when end-user is the Defence forces	Applicable Rate	NIL

## Goods Rationalization of GST Rates–(Exemptions) w.e.f. July 18, 2022

S.No	Description of goods	From	To
1	Cheques, lose or in book form	NIL	18%
2	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	NIL	12%
3	Parts of goods of heading 8801	NIL	18%
4	Petroleum/ Coal bed methane	5%	12%
5	Scientific and technical instruments supplied to public funded research institutes	5%	Applicable Rate
6	E-waste	5%	18%

## Services -Rationalization of GST Rates (for removal of Inverted Duty Structure) w.e.f. July 18, 2022

S.No	Description of Services	From	To
1	Services supplied by foreman to chit fund	12%	18%
2	Job work in relation to processing of hides, skins and leather	5%	12%
3	Job work in relation to manufacture of leather goods and footwear	5%	12%
4	Job work in relation to manufacture of clay bricks	5%	12%
5	Works contract for roads, bridges, railways, metro, effluent treatment plant, crematorium etc	12%	18%

6	Works contract supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals etc. & sub-contractor thereof	12%	18%
7	Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof	5%	12%

### Services -Rationalization of GST Rates (Others) w.e.f. July 18, 2022

S.No	Description	From	To
1	Transport of goods and passengers by ropeways.	18%	5% (with ITC of Service)
2	Renting of truck/goods carriage where cost of fuel is included	18%	12%

## Services -Rationalization of GST (Exemptions) w.e.f. July 18, 2022

S.No	Description of Services
1	Exemption on transport of passengers by air to and from NE states & Bagdograis
2	Exemption on following services is being withdrawn. (a)Transportation by rail or a vessel of railway equipment and material. (b) storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.) (c)Fumigation in a warehouse of agricultural produce. (d)Services by RBI,IRDA,SEBI,FSSAI, (e)GSTN. (f)Renting of residential dwelling to business entities (registered persons). (g)Services provided by the cord blood banks by way of preservation of stem cells
3	Like CETPs, common bio-medical waste treatment facilities for treatment or disposal of biomedical waste shall be taxed at 12% so as to allow them ITC
4	Hotel accommodation priced uptoRs. 1000/day shall be taxed at 12%
5	Room rent (excluding ICU) exceeding Rs5000 per day per patient charged by a hospital shall be taxed to the extent of amount charged for the room at 5% without ITC.
6	Tax exemption on training or coaching in recreational activities relating to arts or culture, or sports is being restricted to such services when supplied by an individual.

# Corporate Finance



## PhysicsWallah joins unicorn club with \$100 mn maiden fundraise:

Edtech startup PhysicsWallah (PW) has raised USD 100 million (around INR 777 crore) in Series A funding from Westbridge and GSV Ventures at hitting a unicorn valuation in its maiden fundraise. With this PW has become India's 101th unicorn. The latest capital raised will be used for business expansion, branding, and opening more PW learning centres. In 2016, PW, initially, started as a YouTube channel by Alakh Pandey. During the pandemic of 2020, Alakh joined hands with Prateek Maheshwari to work on a technology solution for students by launching the PW app. It focuses on interactive learning experience with live scientific experiments, which are also very popular on Youtube. It recently opened its teaching center in education capital for JEE and NEET preparation Kota, Rajasthan. The fund raise comes at a time when Indian ed-tech space is facing cash crunch leading to massive layoffs.

Here is some latest financial news on private equity, venture capital, and mergers & acquisitions:

### Private Equity

#### **Nippon to raise up to INR 3,000 cr in multiple alternative investment funds:**

Nippon India Alternative Investments (formerly Reliance Alternative Investments), a subsidiary of Nippon Life India Asset Management (NIAM), has raised around INR 2,000 crore to INR 3,000 crore (USD 257 million – USD 386 million) across multiple funds including credit, technology space, and real estate. Till now, NIAM has received commitments of INR 4,500 crore across funds from global institutional investors, primarily from Japan.

(Source: VC Circle, 06 June 2022)

#### **Actis buys Welspun's six road projects for USD 775 mn:**

Global sustainable investor Actis has acquired a portfolio of six operating highway toll road projects which has a stable mix of annuity and toll cash flows, with the projects located strategically across India including in the most prominent North-South highway corridor from Welspun Enterprises Limited (WEL), part of the Welspun Group, for a total value of USD 775 million (INR 6,000 crore).

(Source: VC Circle, 10 June 2022)

#### **LeadSquared turns unicorn with USD 153 mn fundraise from WestBridge Capital:**

LeadSquared, the decade-old Bengaluru-based company helps improve efficiency and sales performance to over 2,000 companies by helping them improve marketing, call centre, inside sales, field sales, including verifications, collections, vendor onboarding, etc. has become India's 103rd unicorn after raising USD 153 million (around INR 1,195 crore) in a Series C funding round from new investor WestBridge Capital and other existing investor. The raised capital will be used for expansion and to double its headcount in the next 18 months.

(Source: VC Circle, 21 June 2022)

**Apollo Global partner Australia's Hostplus for USD 1.25 bn APAC fund:**

US private equity major Apollo Global Management in partnership with Australian fund Hostplus has formed a USD 1.25 billion (INR 9,790 crore) Asia Pacific (APAC) credit fund, to focus on Australia, India, Singapore, South Korea, and Hong Kong with select deployment across other parts of the region. Apollo Global has more than USD 10 billion of assets under management (AUM) invested in the region and has a team of nearly 60 investment professionals.

(Source: VC Circle, 24 June 2022)

**Google joins Progcap as new investor in its USD 40 mn round:**

Fintech startup Progcap has raised USD 40 mn Google in its Series C funding round led by existing investor Creation Investments and Tiger Global Management. The latest funding round valued the New Delhi-based startup at USD 600 million, a three-fold jump from its previous valuation of USD 200 million. Founded in 2017, by Pallavi Shrivastava, Progcap aims to be a full-stack retailer-focused digital bank which enables capital flow across the supply chain to underserved retailer.

(Source: VC Circle, 28 June 2022)

**PE-backed TTK Prestige to acquire 51% stake in modular kitchen solutions firm:**

Private equity player Nalanda Capital-backed TTK Prestige is set to acquire 51% equity stake in Ultrafresh, an end-to-end modular kitchen solutions provider. As part of the business collaboration, Ultrafresh Modular Solutions has opened their first experience centre in Koramangala, Bengaluru with a 2,700 sq feet store.

(Source: VC Circle, 27 June 2022)

## Venture Capital

**Cred raising Series F capital at USD 6.4 billion:**

Unicorn fintech startup Cred led by Kunal Shah has raised USD 140 million in a Series F round led by GIC and existing investor. The latest funding valued Cred's parent entity Dreamplug Technologies Pvt Ltd at around USD 6.4 billion. GIC also owns a stake in other Indian fintech businesses, including Razorpay and Paytm. The round was also participated by its existing investor like Sofina, Tiger Global, FalconEdge, and Dragoneer.

(Source: VC Circle, 9 June, 2022)

**Web3 firm DAOLens snags USD 5 mn in pre-seed round:**

Bengaluru-based Web3 startup, DAOLens established by Vikram Aditya and Apoorv Nandan in January 2022 has secured pre-seed funding of USD 5 million (around INR 38.5 crore) co-led by Nexus Venture Partner, Better Ventures and iSeed II. The funding round was participated by Gokul Rajaram of Coinbase, Sandeep Nailwal of Polygon, Raj Gokal of Solana, and Softbank's Vishal Gupta and Narendra Rathi, among other. The raised capital will be used to develop product, onboard more talent and to facilitate its stack of tools roll out.

(Source: VC Circle, 15 June 2022)

**Shiprocket to acquire Pickrr for around USD 200 mn:**

Founded in 2015 by Mangla, Rhitiman Majumder and Ankit Kaushik, "Pickrr" is set to be acquired by Shiprocket for around USD 200 million in a mix of cash and stock deal. Shiprocket, the third-party logistics or 3PL player earlier acquired Glaucus, Rocketbox and Wigzo. It had also made its entry to international market last year starting with Saudi Arabia.

(Source: VC Circle, 15 June 2022)

**Neobanking startup StashFin raises USD 270 mn; valuation tops USD 700 mn:**

Founded in 2016 Neobanking startup StashFin founded by Tushar Aggarwal has raised USD 270 million (around INR 2,079 crore) in a mixture of debt and equity in a round led by Uncorrelated Ventures, Fasanara Capital and Abstract Ventures. This funding round values the fintech platform between USD 700-800 million. StashFin helps customer by improving their financial health, offering flexibility and affordable interest rates.

(Source: VC Circle, 21 June, 2022)

**Tiger Global leads round in EV battery solutions company Battery Smart:**

Battery-swapping network for electric vehicles, Battery Smart founded by Pulkit Khurana and Siddharth Sikka in 2019, has raised USD 25 million (around ₹192.5 crore) in its Series A funding round led by Tiger Global. The raised capital will be used for geographical expansion, strengthening battery assignment technology and building a team to continue scaling operations.

(Source: VC Circle, 27 June, 2022)

**Nithin Kamath-owned Rainmatter, other back fintech startup Castler:**

New Delhi-based fintech platform Castler which provides global escrow platform for enterprises offering domestic and cross-border escrow solutions has secured seed funding round of USD 1 million (around INR 7.7 crore) led by Zerodha's venture capital arm Rainmatter, with participation from Venture Catalysts, 9Unicorns, Faad Network and LetsVenture. Castler claims to provide escrow solution to over 150 enterprises and manages over INR 1,000 crore in transactions every month.

(Source: VC Circle, 22 June 2022)



# Mergers & Acquisition

## **Pristyn Care buys doctor consultation platform Lybrate:**

A chain of multi-specialty clinics for planned surgeries, Pristyn Care has acquired Lybrate, a doctor consultation platform. Lybrate, founded by Saurabh Arora and Rahul Narang in 2013. Pristyn Care is a Gurgaon based health-tech company that deals into minimal invasive medical and surgical interventions. Organization has a network of more than 700 partnered hospitals and 100 clinics.

(Source: VC Circle, 07 June 2022)

## **BetterPlace makes 2nd acquisition in 2 weeks:**

Founded in 2015, BetterPlace Safety Solutions Pvt. Ltd, a software-as-a-service (SaaS) platform which helps companies to manage the entire lifecycle of their blue-collar workforce by providing them with services such as hiring, background verification, and digital onboarding of the worker has acquired the no-code workflow builder platform, ezeDox.

(Source: VC Circle, 8 June 2022)

## **IndInfravit to acquire 5 India assets of Brookfield in USD 1.2 bn deal:**

India's IndInfravit Trust is set to acquire five operational road projects from companies owned by Brookfield Asset Management's funds in a deal valued at about USD 1.2 billion, including debt, as it seeks to expand its road portfolio. It currently has a portfolio of 13 operational road assets with about 5,000 lane km spread across five states.

(Source: VC Circle, 10 June 2022)

## **Mensa Brands acquires smart wearables brand Pebble:**

Mensa Brands, D2C unicorn has acquired Noida-based consumer electronics brand Pebble, marking its debut deal in smart wearable segment. Pebble was founded in 2013 by the father and daughter duo, Ajay and Komal Agarwal. It primarily sells headphones, wireless speaker, smart wearables, chargeINR and tablets besides power banks. The deal amount was not disclosed.

(Source: VC Circle, 14 June 2022)

## **Zomato to acquire Blinkit for USD 569 mn:**

Online delivery platform Zomato has acquired quick commerce startup, Blinkit for INR 4,447 crore (for USD 569 million) in an all-stock deal. Zomato will issue up to 62.9 crore shares to Blinkit investor, which would amount to equity dilution of 6.88% stake, on a fully diluted basis at the prescribed preferential allotment price of INR 70.76 per share. Albinder Dhindsa, founder of Blinkit, will continue to lead the quick commerce business.

Source: VC Circle, 24 June 2022)

## **Zetwerk strengthens industrials portfolio with three acquisitions:**

Zetwerk, a business-to-business (B2B) manufacturing services marketplace has acquired three companies for INR 100 crore (around USD 13 million) in a bid to strengthen its industrial verticals in the oil and gas, aerospace, defence and infrastructure component segments. It has acquired bought a majority stake in Sharp Tanks, Pinaka Aerospace Solutions, and a 100% stake in the Wardha fabrication unit of listed company Wheels India.

Source: VC Circle, 30 June 2022)

# Corporate & Legal



**In this edition, we have tried to bring to your notice the latest amendment that followed in the month of June 2022 issued by MCA, RBI, SEBI, DIPP and others.**

## **AMENDMENTS ISSUED BY MCA**

Through this amendment, MCA has added a new sub-rule 4 in Rule 25A of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to provide that in case of a compromise or an arrangement or merger or demerger between an Indian company and a company or body corporate which has been incorporated in a country which shares a land border with India, a declaration in Form No. CAA-16 shall be required at the stage of submission of an application under Section 230 of the Act.

To Read More :

<https://egazette.nic.in/WriteReadData/2022/236112.pdf>

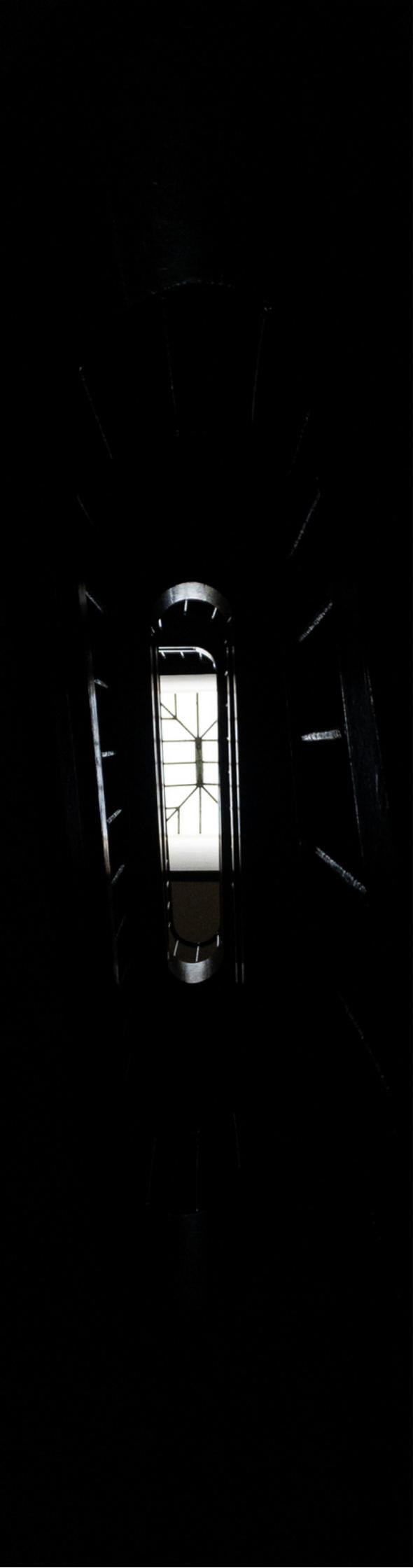
MCA has been observed that various Section 8 companies are altering their object clause for carrying out micro-finance activities by way of passing Special Resolution, changing Activity code and subsequently filing of e-form MGT-14 with the concerned ROCs, even though at initial incorporation, the ROC (CRC) is not allowing Section 8 companies to get incorporated with the objects of microfinance activities in view of Ministry's direction letter no. No. 05/33/2017-CL.V dated 10.02.2020 and letter dated 31.8.2020.

To Read More:

<https://www.mca.gov.in/bin/dms/getdocument?>

[mids=pjROvSy%252FgkUSNcnWQyTUxQ%253D%253D&type=open](https://www.mca.gov.in/bin/dms/getdocument?mids=pjROvSy%252FgkUSNcnWQyTUxQ%253D%253D&type=open)





MCA has tightened the norms for the appointment of any person, as director in an Indian Company, who is a national of a country that shares a land border with India.

Accordingly, in case the person seeking appointment is a national of a country that shares a land border with India, necessary security clearance from the Ministry of Home Affairs, the Government of India shall also be attached along with the consent.

To Read More:

<https://www.mca.gov.in/bin/dms/getdocument?mds=wYSGjqnF6yGnx2KJbnw8aA%253D%253D&type=open>

The amendment is brought under Rule 6 which deals with compliances required by a person eligible and willing to restore his name in the independent director databank.

To Read More:

<https://www.mca.gov.in/bin/dms/getdocument?mds=U4PI6Cz4I3T9YHrD1ZOq2g%253D%253D&type=open>

The amendment brought revisions to the procedure for striking off a company. Accordingly, where the Registrar, on examining the application made in Form STK-2, finds that it is necessary to call for further information or finds such application or any document annexed therewith is defective or incomplete in any respect, he shall inform the applicant to remove the defects and re-submit the complete Form within fifteen days from the date of such information, failing which the Registrar shall treat the Form as invalid in the electronic record, and shall inform the applicant.

To Read More:

<https://www.mca.gov.in/bin/dms/getdocument?mds=TffuoSoybbV3DKUqzsmMaQ%253D%253D&type=open>

According to the National Financial Reporting Authority (NFRA) amendment rules 2022, Rule 13 is amended to provide the revised penalty provision for non-compliance or contravention with any of the provisions.

To Read More

<https://www.mca.gov.in/bin/dms/getdocument?mds=ALYJ%252BRnuB%252BCYMY4Llv02JA%253D%253D&type=open>

## AMENDMENTS ISSUED BY SEBI

All Demat accounts maintained by stock brokers should be appropriately tagged. All Demat accounts of stock brokers which are untagged need to be appropriately tagged by June 30, 2022, under the categories which include Proprietary Account to Hold Own Securities; Pool account for Settlement Purposes; Client Unpaid Securities Account to Hold Unpaid Securities of Clients; Client Securities Margin Pledge Account for Margin obligations to be given by way of Pledge/ Re-pledge, and Client Securities under Margin Funding Account to Hold funded securities in respect of margin funding.

[To Read More](#)

[https://www.sebi.gov.in/legal/circulars/jun-2022/naming-tagging-of-demat-accounts-maintained-by-stock-brokers\\_59830.html](https://www.sebi.gov.in/legal/circulars/jun-2022/naming-tagging-of-demat-accounts-maintained-by-stock-brokers_59830.html)

The Board has approved an amendment to simplify the process for transmission of securities to ensure that uniform processes are followed by the Registrars to an Issue and Share Transfer Agents (RTAs) / listed companies which would further ease the transmission process for investors. The threshold limit for simplified documentation for transmission of securities has been revised from Rs. 2 lakhs to Rs. 5 lakhs for securities held in physical mode per listed issuer and from Rs. 5 lakhs to Rs. 15 lakhs for securities held in the dematerialized mode for the beneficiary account.

[To Read More](#)

<https://mail.google.com/mail/u/0/?pli=1#inbox/FMfcgzGpGnLZzQTSPSTHmDnZrhjtNNfk>

As per Clause 9 of SEBI KYC (Know Your Client) Registration Agency (KRA) Regulations, 2011. The KYC records of all existing clients (who have used Aadhaar as an officially valid document (OVD)) shall be validated within a period of 180 days from August 01, 2022. and for those clients who have completed KYC using non-Aadhaar OVD, their records will be validated only after they have given their Aadhaar number.

[To Read More](#)

<https://egazette.nic.in/WriteReadData/2022/236790.pdf>





The new framework will come into force with effect from 1st June 2022. The Arbitration Mechanism shall be initiated post exhausting all actions for resolution of complaints including those received through the SCORES Portal. The Arbitration reference shall be filed with the Stock Exchange where the initial complaint has been addressed. In case of arbitration matters involving a claim of up to Rs. 25 lakhs, a sole arbitrator shall be appointed and, if the value of the claim is more than Rs. 25 lakhs, a panel of three arbitrators shall be appointed. The arbitration and appellate arbitration shall be conducted at the regional centre of the stock exchange nearest to the shareholder(s) /investor(s).

[To Read More](#)

[https://www.sebi.gov.in/legal/circulars/may-2022/standard-operating-procedures-sop-for-dispute-resolution-under-the-stock-exchange-arbitration-mechanism-for-disputes-between-a-listed-company-and-or-registrars-to-an-issue-and-share-transfer-agents-\\_59345.html](https://www.sebi.gov.in/legal/circulars/may-2022/standard-operating-procedures-sop-for-dispute-resolution-under-the-stock-exchange-arbitration-mechanism-for-disputes-between-a-listed-company-and-or-registrars-to-an-issue-and-share-transfer-agents-_59345.html)

Based on the representations received from REITs/InvITs, SEBI has decided to extend the facility further to conduct annual meetings through VC/OAVM. Besides, the Ministry of Corporate Affairs (MCA), last month, opened the facility of holding AGMs and EGMs through VC/OAVM till December 31, 2022.

[To Read More](#)

[https://www.sebi.gov.in/legal/circulars/jun-2022/extension-of-facility-for-conducting-annual-meeting-and-other-meetings-of-unitholders-of-reits-and-invits-through-video-conferencing-vc-or-through-other-audio-visual-means-oavm-\\_59534.html](https://www.sebi.gov.in/legal/circulars/jun-2022/extension-of-facility-for-conducting-annual-meeting-and-other-meetings-of-unitholders-of-reits-and-invits-through-video-conferencing-vc-or-through-other-audio-visual-means-oavm-_59534.html)

For any dispute between the member and the client relating to or arising out of the transactions in the Stock Exchange, which is of civil nature, the complainant/ member shall first refer the complaint to the IGRC and/ or to Arbitration Mechanism provided by the Stock Exchange before resorting to other remedies available under any other law. A complainant/member, who is not satisfied with the recommendation of the IGRC shall avail the arbitration mechanism of the Stock Exchange for settlement of complaints within three months from the date of IGRC recommendation.

[To Read More](#)

[https://www.sebi.gov.in/legal/circulars/jun-2022/investor-redressal-grievance-mechanism\\_59521.html](https://www.sebi.gov.in/legal/circulars/jun-2022/investor-redressal-grievance-mechanism_59521.html)

## AMENDMENTS ISSUED BY RBI

The directions shall apply to the Non-centrally cleared foreign exchange derivative contracts undertaken in terms of the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 and non-centrally cleared interest rate derivative contracts undertaken in terms of the Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019 and any other non-centrally cleared derivative (NCCD) contract as may be specified by the Reserve Bank.

To Read More

[https://www.rbi.org.in/Scripts/NotificationUser.aspx?](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12328&Mode=0)

[Id=12328&Mode=0](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12328&Mode=0)

IBBI has notified which shall come into force on the date of their publication in the Official Gazette i.e 14-06-2022. The Amendment has provided the revised mechanism for carrying out inspections and investigations on insolvency professional agencies, insolvency professionals, and information utilities and passing orders by Disciplinary Committee. The mechanism of complaint/ grievance redressal and subsequent enforcement action has been amended to have expeditious redressal and also to avoid placing an undue burden on the service providers.

To Read More

<https://ibbi.gov.in/uploads/legalframework/c317bc75a22562eb4a439072ecda405f.pdf>

The amendment provides the operational creditors to furnish extracts of Form GSTR-1, Form GSTR-3B and e-way bills, wherever applicable along with the application filed under Section 9 of the Insolvency and Bankruptcy Code, 2016. These additional sets of documents can be used as evidence of transactions with the corporate debtor, debt, and default easing the process of admission. These documents will also be submitted as part of the claims submitted to the resolution professional to help collation of claims.

To Read More

<https://ibbi.gov.in/uploads/legalframework/c317bc75a22562eb4a439072ecda405f.pdf>



## **AMENDMENTS ISSUED BY CBIC**

CBIC has requested the Insolvency and Bankruptcy Board of India establish the role of the GST and Customs authorities in certain crucial matters under the Insolvency and Bankruptcy Code, 2016. The GST and Customs Authorities have been classed as operational creditors. The authorities must file claims against corporate debtors when the corporate bankruptcy and resolution process are commenced and a public statement inviting claims is published by the insolvency professional.

**To Read More**

<https://ibbi.gov.in/uploads/whatsnew/d43197e20e9644e00e26c5e036e0a269.pdf>

The Goods and Services Tax (Compensation to States) Act, 2017 provides for compensation to states for any loss in revenue due to the implementation of GST. The Act allows the central government to levy a GST Compensation Cess on the supply of certain goods and services. The receipts from the cess are deposited to a GST Compensation Fund. The amount deposited in the Fund is used to compensate states for any loss in revenue following the implementation of GST. Earlier the government fixed the last date for levy of GST compensation cess till July 01, 2022, however, it has now been extended till March 31, 2026.

**To Read More**

<https://egazette.nic.in/WriteReadData/2022/236790.pdf>

The GST on the supply of printing, writing or drawing ink, knives, power-driven pumps, LED Lamps, lights and fixtures are recommended to be increased from 12% to 18%. The GST rate on the solar water heaters and finished leather is recommended to be increased from 5% to 12%.

**To Read More**

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1838020>

## AMENDMENTS ISSUED BY FSSAI

Submission of returns physically or through email will not be considered. As per regulation 2.1.13 of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011, every licensee shall on or before 31st May of each year, submit a return, in 'Form D-1' to the Licensing Authority in respect of each class of food products handled by him during the previous financial year.

To Read More

[https://fssai.gov.in/upload/advisories/2022/06/629cbbf413763Order\\_Extension\\_Annual\\_Return\\_05\\_06\\_2022-compressed.pdf](https://fssai.gov.in/upload/advisories/2022/06/629cbbf413763Order_Extension_Annual_Return_05_06_2022-compressed.pdf)

As per sub-regulation 9 of FSS (labeling and display) regulations 2020, the food service establishments having central license or outlets at 10 or more locations shall mention the calorific value against the food items displayed on the menu cards or boards or booklets and shall also provide information such as nutritional information, allergen information, ingredient information, etc.

To Read More

[https://www.fssai.gov.in/upload/advisories/2022/06/62a86bfa4849eOrder\\_FBO\\_ECommerce\\_14\\_06\\_2022.pdf](https://www.fssai.gov.in/upload/advisories/2022/06/62a86bfa4849eOrder_FBO_ECommerce_14_06_2022.pdf)

## AMENDMENTS ISSUED BY CBDT

The Budget brought in a new section, 194R in the I-T Act which requires deduction of tax at source at the rate of 10%, by any person, providing any benefit or perquisite, exceeding Rs 20,000 in a year to a resident, arising from the business or profession of such resident. In line with CBDT's commitment to reduce taxpayer grievances, revised Instruction for the constitution & functioning of Local Committees to deal with taxpayer grievances arising out of high-pitched assessments was issued.

To Read More

[https://www.fssai.gov.in/upload/advisories/2022/06/62a86bfa4849eOrder\\_FBO\\_ECommerce\\_14\\_06\\_2022.pdf](https://www.fssai.gov.in/upload/advisories/2022/06/62a86bfa4849eOrder_FBO_ECommerce_14_06_2022.pdf)

## MISCELLANEOUS

Through this amendment, Rule 6 deals with an intimation of receiving foreign funds from relatives, which is amended to provide that the time period to notify the government regarding the overseas transaction has been extended from 30 days to three months. Accordingly, any person receiving a foreign contribution in excess of 10 lakhs or equivalent thereto in a financial year from any of his relatives shall inform the Central government (details of funds) within three months from the receipt of such contribution.

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<https://egazette.nic.in/WriteReadData/2022/236981.pdf>

Angel Funds bridge the gap between start-ups and angel investors, who are instrumental in providing mentoring, and resources to the start-ups. In recognition of the same, IFSCA has now issued a framework for Angel funds under the IFSCA (Fund Management) Regulations, 2022. The salient features of the said framework include a Fund Management Entity (FME) in IFSC will be able to launch Angel Fund by filing a placement memorandum with the Authority under a Green Channel, i.e. the schemes can open for subscription by investors immediately upon filing the placement memorandum with the Authority. Angel Funds shall accept investments from accredited investors or investors who are willing to commit at least USD 40,000 over 5 years.

[To Read More](#)

<https://ifsca.gov.in/Viewer/Index/318>

# Tax calendar



# July 2022- Tax Calendar

<b>7 JULY</b>	Due date for deposit of Tax deducted/collected for the month of June, 2022. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
<b>7 JULY</b>	Due date for deposit of TDS for the period April 2022 to June 2022 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H
<b>15 JULY</b>	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of May, 2022
<b>15 JULY</b>	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of May, 2022
<b>15 JULY</b>	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of May, 2022
<b>15 JULY</b>	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending June, 2022
<b>15 JULY</b>	Quarterly statement of TCS deposited for the quarter ending 30 June, 2022
<b>15 JULY</b>	Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2022
<b>15 JULY</b>	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of June, 2022
<b>30 JULY</b>	Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2022

# July 2022- Tax Calendar

<b>30 JULY</b>	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA for the month of June, 2022
<b>30 JULY</b>	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB for the month of June, 2022
<b>30 JULY</b>	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M for the month of June, 2022
<b>31 JULY</b>	Quarterly statement of TDS deposited for the quarter ending June 30, 2022
<b>31 JULY</b>	Return of income for the assessment year 2022-23 for all assessee other than (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A applies or (d) an assessee who is required to furnish a report under section 92E.
<b>31 JULY</b>	Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2022.
<b>31 JULY</b>	Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is July 31, 2022)
<b>31 JULY</b>	Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on or before July 31, 2022)
<b>31 JULY</b>	Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) (if the assessee is required to submit return of income on or before July 31, 2022)
<b>31 JULY</b>	Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2021-22 and of foreign tax deducted or paid on such income in Form no. 67. (If the assessee is required to submit return of income on or before July 31, 2022.)



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