



RNM ALERT
JULY
NEWSLETTER VOL NO 162



RNM ALERT VOL NO 162
JULY
NEWSLETTER

CONTENT

- Editorial 1
- Internal Audit Alert 2
- Accounting Standards Alert 3
- Direct Tax Alert 4
- Indirect Tax Alert 5
- Corporate Finance Alert 6
- Corporate & Legal Alert 7
- Tax Calander 8



EDITORIAL

Dear Readers

During the month of July 2022, the Rupee breached a psychological marker and all time low of Rs. 80 to the US\$. Although, this is good news for exporters making our exports more competitive globally but the related inflationary pressures associated with higher import bills especially fuel has a domino impact in the economy.

On the Direct Tax front, the Kolkata Tax Tribunal has announced that conversion of Compulsory Convertible Debentures (CCDs) to Equity shares by closely held company would need to be at Fair Market Value (FMV) and the provisions of Section 56 (2) (viib) of the Income Tax Act, 1961 applies thereto. Hitherto, it was believed in many quarters that since in the year of conversion no monies were received the said Section would not apply, however, the Hon'ble Tribunal has clarified that the ambit of the words "receives any consideration" is not limited only to receipt of money. Team RNM is of the view that this would impact various M&A transactions, where the Target Company is not a 'Venture Capital Undertaking', leading to greater litigation.

On the Indirect tax front, the GST Council notified changes of rates on various daily essential items, applied GST on hospital rooms above a threshold and applied GST on residential lettings to registered dealers on Reverse Charge Mechanism.

Corporate India is in result season with most unlisted companies closing their audits and listed companies planning their Annual General Meetings (AGMs) shortly. The continued efforts of the Regulators to enhanced transparency and good governance has led to more pressure on the accounting profession to enhance training and greater adoption of technology tools. This trend is leading to an enhancement of assurance costs in the hands of Corporate India.

We would like to take this opportunity of wishing our esteemed readers a very Happy 76th Independence Day on 15 August 2022 and on this occasion would like to not only offer remembrance to our brave martyrs but also the covid warriors.

CA U N Marwah
Chairman- RNM India

Internal Audit



“New Labour Codes for New India”

India is in the process to implement new labour law reforms by:

- Consolidating 29 existing legislations into 4 new Codes
- Standardising, rationalising & updating the existing labour laws with contemporary relevance;
- Covering employees from both organised and un-organised sectors;
- Emphasising transparency, accountability and tech-based operations ensuring ease of operations and enforcement.

Biggest impacts of the New Labour Codes:

Payroll:

- Uniformity in definitions including that of ‘Wages’ across labour law;
- Requires ‘Wages’ to be 50 Percent of CTC[1];
- Gratuity Eligibility may be reduced to less than 5 years in some cases;
- May result in a reduction of take-home salary of the employees due to change in salary structure;
- Increased statutory deductions which will now be based on an increased salary base;
- F&F payment to be made within 2 working days from LWD.

HR Admin:

- May require CTC restructuring at the organization level;
- Single Registration; Single License; Single Statement; Minimum Forms;
- Fixed-term employees after 1 year of service will be treated at par with the permanent workforce.



Working Time & Attendance:

- 48 Hours Set Work Time for One Week;
 - Overtime hours are capped at 40 hours per month and 200 hours per year, subject to exception;
 - 15 minutes or more overtime will be attracting overtime payment;
 - Leave eligibility time reduced from a minimum of 240 workdays to 180 days;
 - Gradually increase in the retirement ages from 60 to 62 years of age for men by 2028, and from 55 to 60 years of age for women by 2035.
-

[1] "Wages" has specifically been defined under section 2(y) of The Code of Wages, 2019 which contemplates certain specific inclusions and exclusions. The said "Wages" are to be used as base for statutory deductions such as PF, ESI, and Gratuity etc. Please contact your Law Consultants for more details.



New Codes and corresponding subsumed legislation:

New Codes	Subsumed Legislation
(1) The Code on Wages, 2019	<ul style="list-style-type: none"> a) The Minimum Wages Act, 1948 b) The Payment of Wages Act, 1936 c) The Payment of Bonus Act, 1965 d) The Equal Remuneration Act, 1976
The Code on Social Security, 2020	<ul style="list-style-type: none"> a) The Employee's Compensation Act, 1923 b) The Employees' Provident Funds and Misc. Provisions Act, 1952 ("existingPF Act") c) The Employees' State Insurance Act, 1948 ("existing ESI Act") d) The Payment of Gratuity Act, 1972 ("existing Gratuity Act") e) The Maternity Benefit Act, 1961 f) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 g) The Cine-Workers Welfare Fund Act, 1981 h) The Building and other Construction Worker's Welfare Cess Act, 1996 i) The Unorganised Worker's Social Security Act, 2008
The Industrial Relations Code, 2020	<ul style="list-style-type: none"> a) The Industrial Disputes Act, 1947 b) The Industrial Employment (Standing Orders) Act, 1946 The Trade Unions Act, 1926
The Occupational Safety, Health and Working Condition Code, 2020	<ul style="list-style-type: none"> a) The Factories Act, 1948 b) The Mines Act, 1952 c) The Plantations Labour Act, 1951 d) The Contract Labour (Regulations and Abolition) Act, 1970 e) The Dock Workers (Safety, Health and Welfare) Act, 1986 f) The Building and Other Construction Workers (Regulations of Reemployment and Condition of service Act, 1996, g) The Inter-state migrant workmen (Regulation of Employment and Condition of Service) Act, 1979 h) The Working Journalist and other News Paper Employees (Conditions of Service and Misc. Provision) Act, 1955 i) The Working Journalist (Fixation of rates of Wages) Act, 1958 j) The Motor Transport Workers Act, 1961 k) Sales Promotion Employees (Condition of Service) Act, 1976 l) The Cine Workers and Cinema Theatre Workers Act, 1981 j) The Beedi and Cigar Workers (Condition of Employment) Act, 1966

Implementation Status:

The aforesaid all 4 new Labour Codes, being Central Laws, have already been notified in Official Gazette, however implementation thereof has so far been deferred multiple times due to some unresolved disagreements with some states.

Lately, the new codes were to be implemented from 1st July, 2022, however has now again been deferred.

Our Opinion:

The new labour codes come with lots of new welcoming changes and opportunities to streamline the current HR & Payroll Practices.

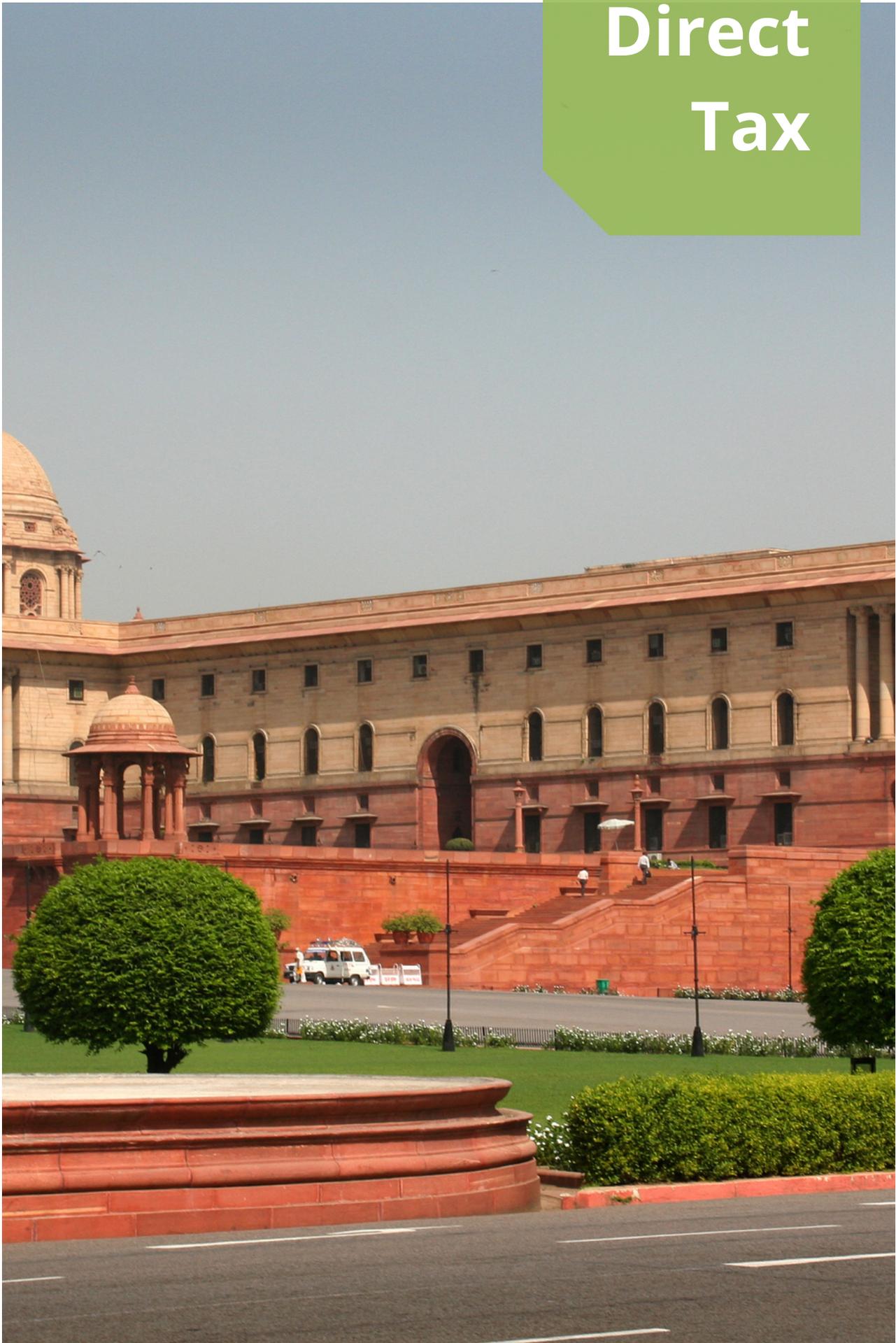
Though the implementation of new Codes are so far been deferred, they are expected to be reality soon, may be with some minor changes. We recommend organizations to be pro-actively ready for their implementation for smooth transitioning.

Disclaimer:

The above information is just meant for knowledge sharing and not for any promotion or advertising. The author disclaims any implication due to any inadvertent error or interpretation in same. Readers' discretion advised.



Direct Tax



1. CBDT reduces the time limit to verify ITR from 120 days to 30 days for returns filed on or after 01-08-2022

The Central Board of Direct Taxes (CBDT) has reduced the time limit for e-verification or submission of ITR-V from 120 days to 30 days for the Income-tax returns filed on or after 01-08-2022. This notification will come into effect from 01.08.2022.

It is further, clarified that the date of dispatch of Speed Post of duly verified ITR-V shall be considered for the purpose of determination of the 30 days period, from the date of transmitting the data of Income-tax return electronically.

2. NOTIFICATION NO. 4/2022 [F.NO. DGIT(S)/ADG(S)-1/FiLLiP FORM FOR LLP/2022-23/], DATED 26-7-2022

The CBDT has issued the procedure of PAN application & allotment through simplified proforma for incorporating limited liability partnerships (LLPs) electronically (form: FiLLiP) of the ministry of corporate affairs.

3. New Guidelines for issuance of notice u/s 148 of the Income Tax Act, 1961 ("the Act)

The CBDT has issued new guidelines for the issuance of notice under section 148 of the Income Tax Act, 1961 with the required proforma of ITNS forms issued during the course of reassessment proceedings. [F.No.299/10/2022-Dir (Inv.III)/611 Dated: 01/08/2022]

4. E-filing of Updated Income Tax Return Form under section 139(8A) for ITR 5 & ITR 6 is now available on the e-filing portal.

E-filing of Updated ITR u/s 139(8A) has also been enabled for ITR 5 & ITR 6 for AY 2020-21 and AY 2021-22 using Excel utility. After preparation of the Updated Income Tax Return, you can upload the XML/JSON by logging into the Income-tax website.



Important Judicial Precedents

1.AO is bound to intimate about rejection/acceptance of assessee's request seeking more time to submit response: HC

Section 144B of the Income-tax Act, 1961 - Faceless Assessment (Principles of natural justice) - Assessment year 2018-19 - Assessing Officer served on assessee a notice dated 16-4-2021 as per section 144B(xvi) seeking objections as to why assessment should not be completed as per draft assessment order and granted seven days' time to respond, i.e., by 23-4-2021 - Assessee sought for a further four days' time to respond - Assessing Officer did not give response to assessee's request and issued an order of assessment on 24-4-2021 observing that assessee had not responded to show cause notice - It was noted that when assessee sought for a further four days' time to respond, Assessing Officer was bound to give a response intimating either rejection or acceptance of request for time and such a response was part of basic requirements of principles of natural justice - Whether there was a clear violation of principles of natural justice - Held, yes - Whether Assessing Officer was to be directed to consider objections if any filed by assessee and pass appropriate orders - Held, yes [Paras 8 and 9] [In favour of assessee]

2.Only land is eligible for sec. 54 benefit if house constructed was sold within same year of construction: ITAT

Sec 54 of the Act - Capital gains - Profit on sale of property used for residence (Short-term capital gains) - Assessment year 2014-15 - Whether benefit under section 54 can only be allowed on long-term capital gains arising from sale of residential property and said deduction can by no stretch of imagination be allowed on short-term capital gains - Held, yes - Assessee bought a land in financial year 2006-07 - constructed FY 2013-14 and sold said land along with one part of a house constructed upon land in same FY for a consideration of certain amount - She further made investment in new residential house property and, accordingly, claimed exemption under section 54 - Whether building/house constructed was sold within 36 months of construction and, hence, capital gains arose on it being a STCG was not eligible for exemption under section 54 - Held, yes - Whether, however, since assessee had held land for more than 36 months before its sale, exemption under section 54 was to be allowed on LTCG realised on sale of land - Held, yes [Para 7] [Partly in favour of revenue]

Section 48 of the Act - CG - Computation of (Deductions) - AY 2014-15 - Assessee bought a land - She claimed to have spent certain amount for constructing boundary wall and filling of soil on said land and claimed same as deduction while computing LTCG on sale of said land - Same was denied by AO - Whether since no evidence on record or any other detail was filed by assessee to substantiate her claim that she had actually spent an amount towards such cost construction of boundary wall and filling of soil, same could not be allowed as deduction while computing LTCG on sale of land - Held, yes [Para 7] [In favour of revenue]

3. ITAT vacates conditions imposed by CIT for registration as they were w.r.t. conduct of the trust & circumstances in which registration can be cancelled.

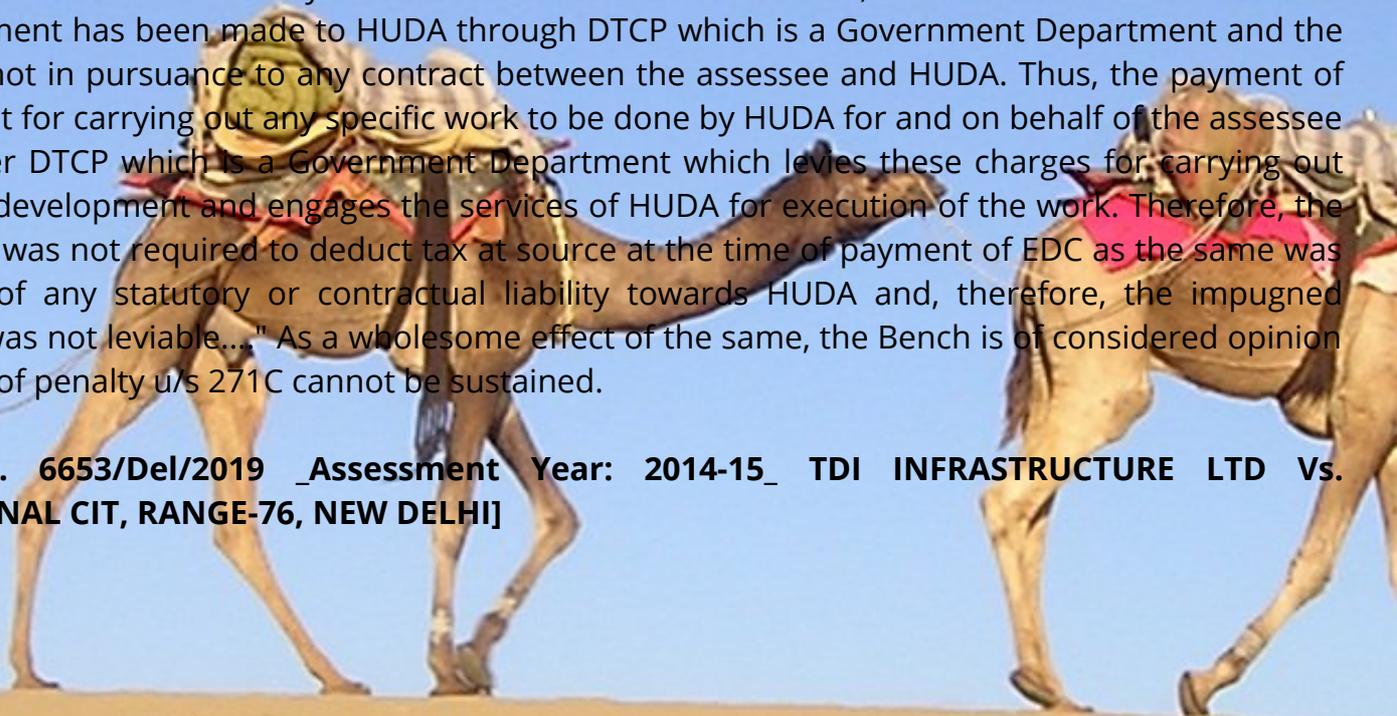
While granting registration u/s 12AB, CIT/Pr. CIT cannot impose conditions wrt conduct of the trust & circumstances in which registration can be cancelled.

On a perusal of conditions subject to which the registration is granted, we find these conditions are with respect to the conduct of the trust and the circumstances in which the registration granted to the appellant can be cancelled. These are the matters which are regulated by the specific provisions of law, and the observations of the learned Commissioner, no matter how well intended, cannot have the independent force of law. If the conditions set out in the registration order have the sanction of the law, irrespective of these conditions being attached to the registration of the trust or not, the law has to take its course, but when the scheme of the law does not visualize these conditions being part of the scheme of the registration being granted to the applicant trust, learned Commissioner cannot supplement the law by laying down these conditions either.

4. No TDS liability is warranted on payments of External Development Charges made to HUDA, as same is not out of any contractual liability: ITAT

The Co-ordinate Benches in M/s. Perfect Constech P. Ltd. case have held that assessee was not required to deduct tax at source at the time of payment of EDC, by observing that: "...Undisputedly, the payment of EDC was issued in the name of Chief Administrator, HUDA. It is also not in dispute that HUDA has shown EDC as current liability in the balance sheet, but in the 'Notes' to the Accounts Forming part of the Balance Sheet, it has been shown that EDC has been received for execution of various external development works and as and when the development works are carried out, the EDC's liabilities are reduced accordingly. It is also not in dispute that HUDA is engaged in acquiring land, developing it and finally handing it over for a price. It is also not in dispute that EDC is fixed by HUDA from time to time. However, the fact of the matter remains that payment has been made to HUDA through DTCP which is a Government Department and the same is not in pursuance to any contract between the assessee and HUDA. Thus, the payment of EDC is not for carrying out any specific work to be done by HUDA for and on behalf of the assessee but rather DTCP which is a Government Department which levies these charges for carrying out external development and engages the services of HUDA for execution of the work. Therefore, the assessee was not required to deduct tax at source at the time of payment of EDC as the same was not out of any statutory or contractual liability towards HUDA and, therefore, the impugned penalty was not leviable..." As a wholesome effect of the same, the Bench is of considered opinion that levy of penalty u/s 271C cannot be sustained.

[ITA No. 6653/Del/2019 _Assessment Year: 2014-15_ TDI INFRASTRUCTURE LTD Vs. ADDITIONAL CIT, RANGE-76, NEW DELHI]



5. Set-off of brought forward business losses not allowed when sole idea behind scheme of amalgamation is only to avail set-off of brought forward business losses: ITAT

In the present case, admittedly, after the scheme of demerger, the appellant had not carried on any business of demerged undertaking and the fact that the assets transferred to the demerged unit were held for sale goes to demonstrate the intention of the appellant that they had no intention of carrying on business of demerged undertaking. The scheme of demerger was carried out only with sole object to avail the benefit of set-off of brought forward business losses and unabsorbed depreciation losses of demerged undertaking. Therefore, for this very reason, the Assessing Officer had denied the benefit of set-off of brought forward business losses. CIT(A) had granted the benefit of set-off of brought forward business losses in a perfunctory manner without looking into the objects behind the enactment of provisions of section 72A, and appears to have been carried out by the submissions of the assessee that once the scheme of demerger is approved by the Hon'ble High Court, the assessing authority cannot go behind the scheme of demerger ignoring the provisions of section 72A, which governed the set-off of brought forward business losses in the case of amalgamation/demerger etc, which prescribes the conditions to avail the benefit of the scheme. In the circumstances, we find that the order of Id. CIT(A) is illegal and unreasonable. Therefore, the order of the Id. CIT (A) is reversed and the ground of appeal no. 2 and 3 filed by the Revenue stands allowed.

[ITA No. 2121/Pun/2017_Assessment Year: 2006-07_ DCIT Vs. M/s CUMMINS SALES AND SERVICES (I) LTD]



Indirect Tax



GST CALENDAR

Compliances for the month of July 2022

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

A.Summary of GST Notifications dated 5 July 2022, issued pursuant to 47th GST Council meeting

1.Vide Notification No. 09/2022-Central Tax dated 5 July 2022, CBIC has appointed 5 July, 2022 as the date on which the provisions of clause (c) of Section 110 and section 111 of Finance Act, 2022 shall come into force.

a. Clause (c) of Section 110 of the Finance Act 2022 is in relation to Section 49(10) of the CGST Act, 2017. It has been provided that any amount of tax, interest, penalty, fee or any other amount in Electronic Cash Ledger can be transferred to Distinct Person i.e. GST registered entities with same PAN as transferor, subject to the condition that there is no unpaid liability in Electronic Liability Ledger.

b. Section 111 of the Finance Act 2022 is in relation to Section 50 (3) of the CGST Act, 2017. It has been provided that interest is payable only when "ITC is wrongly availed and utilized". Thus, no interest is payable where even though ITC is wrongly availed but not utilised and ITC is reversed before utilization.

2.Vide Notification No. 10/2022-Central Tax dated 5 July 2022, an amendment to Section 44 of CGST Act, 2017 has been made. It is provided that filing of annual return (GSTR-9) is not mandatory for registered person whose aggregate turnover is upto INR 2 Crore for the financial year 2021-22.

3.Extension of timeline for Composite Tax Payer-

a.Vide Notification No. 11/2022 – Central Tax dated 05 July 2022, the due date for submitting FORM GST CMP-08 containing the details of self-assessed tax for quarter ended 30 June 2022 has been extended till 31 July 2022.

b.Vide Notification No. 12/2022- Central Tax dated 5 July 2022, delay in furnishing returns in FORM GSTR-4 (return in relation to composition scheme), late fee for such delay has been waived off for the period from 1 May, 2022 till 28 July, 2022.

1. Extension of timeline vide Notification No. 13/2022-Central Tax dated 5 July 2022

- a. The proper officer gets extended time for issuing any demand orders for non-fraud cases for the Financial Year 2017-18 upto 30 September 2023.
- b. Time period between 1 March 2020 to 28 February 2022 has been excluded for computation of period of limitation u/s 73(9), for recovery of erroneous refunds.
- c. For computing limitation period for filing of refund application u/s 54 and 55 of the CGST Act time period from 1 March 2020 to 28 February 2022 has been excluded

2. Amendments in several CGST Rules Vide Notification 14/2022- Central Tax dated 5 July 2022

a. **Automatic Cancellation of Suspension-** Suspension of registration under Rule 21A (2A) of CGST Rules in respect of non-filing of returns shall be deemed to be revoked upon furnishing of all pending returns by the tax payer in the portal.

b. **Duty Credit Scrip:** The value of duty credit scrips shall be not included in the aggregate value of exempt supplies for the reversal of common credits in respect of inputs or inputs services or capital goods and reversal thereof.

c. **Declaration on the invoice:** The taxpayers having aggregate turnover exceeding ₹20 crores in any of the Financial Year from 2017-18 and onwards, but not mandated to generate e-invoice shall be required to provide a declaration to that effect in the invoices issued by them.

d. **Erroneous refund:** If the registered person deposited the erroneous refund amount along with interest & penalty through cash ledger, then an amount equivalent to the deposit by taxpayers through FORM GST DRC-03, shall be re-credited to electronic credit ledger by proper officer by an order made in FORM GST PMT-03A.

e. **Refund of accumulated ITC on the export of electricity:** The documentary evidence for claiming a refund on accumulated credits on the export of electricity has been notified to ease the process of claiming refunds.

f. **UPI and IMPS** shall be allowed as modes of payment towards tax, interest, penalty, fees, or any other amount.

g. **FORM GST PMT-09** shall be used for the transfer of any amount of tax, interest, penalty, fee or any other amount available in the Electronic Cash ledger of CGST or IGST to the Electronic Cash ledger for CGST or IGST of distinct person.

h. **Refund of accumulated credits due to inverted duty structure:** The formula has been amended to consider utilization of ITC on account of inputs and input services in the pro-rata ratio in which ITC had been availed during the said tax period.

i. Levy of interest on Net Cash liability and Input Tax Credit wrongly utilised: Changes has been incorporated in Rule 88B regarding-

- interest calculation only on the Net liability after utilising the input for the period of delay in filing of GST return, and
- In case of ITC wrongly availed, interest shall be calculated on the amount of ITC availed & utilised.

j. Value of exports for claiming refund of accumulated Input Tax Credit: For claiming refund of accumulated ITC on the export of goods, the value of goods shall be taken as lesser of the following-

- declared FOB value in the Shipping bill or Bill of Export or
- value declared in the tax invoice/bill of supply

[To read more:](#)





Corporate Finance

Jai Kisan snags \$50 mn in first close of Series B at \$200-240 mn valn:

Jai Kisan, a rural fintech start-up, has raised capital to the amount of USD 50 million (c. 398.5 cr) in a mix of equity and debt in the first close of its ongoing Series B round. The investors invested funds at a pre-money valuation of USD 200 – 240 million. The fintech startup is expected to raise another USD 30 – 50 million in its ongoing Series B round which could be a mix of equity and debt. The Mumbai-based start-up raised funds from new investors, GMO Venture Partners, Yara Growth Ventures and DG Daiwa Ventures. Existing investors including Blume Ventures, Arkam Ventures, Mirae Asset and Snow Leopard Ventures also participated in the round. The debt component was contributed by Northern Arc, Alteria and publicly-listed MAS Financial. Jai Kisan, operated by Greenizon Agritech Consultancy, will use the fresh capital to expand its product suite and strengthen its data science and engineering capabilities. A part of the capital will also be used to hire personnel.

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

Private Equity

Jungle Ventures, Dream Capital lead Series A round in MarketWolf:

MarketWolf, a fintech stock trading platform, has announced a fundraise of USD 10 million as part of its Series A funding round led by venture capital firm Jungle Ventures and Dream Capital, the corporate venture capital and acquisitions arm of Dream Sports. Other investors who participated in this round include 9Unicorns, iSeed, Crescent and Riverwalk. Fresh proceeds will be used to strengthen product and hire across product, marketing and engineering teams.

(Source: VC Circle, 06 July 2022)

Accel-backed Onsitego invests in re-commerce startup Digi2L:

Onsitego, an after-sales service provider, has bought a 26% stake in electronics exchange platform Digi2L. Digi2L's peers, which it competes against, include Cashify & Yaantra and is planning to use the proceeds for expanding operations and scaling tech platform across the country. The financial details were not disclosed.

(Source: VC Circle, 10 July 2022)

Tata Capital Healthcare Fund II strikes second diagnostics bet:

PE firm Tata Capital's second healthcare fund has invested in Chennai-based Anderson Diagnostic Services Pvt Ltd. The healthcare focused fund typically bets USD 5 – 15 million in a company and with this investment, it marks second diagnostics bet from its new fund.

(Source: VC Circle, 10 July 2022)

ASG Hospital raises \$188 mn led by General Atlantic, Kedaara Capital:

ASG Hospitals Pvt Ltd, an eye care chain, has raised INR 1,500 crore (USD 188 million) in a round led by new investors General Atlantic and Kedaara Capital. Existing investor Investcorp will take an exit and other investor Foundation Holdings will stay put as a part of this round. This transaction has written history by making it the largest PE funding in India's eye care industry.

(Source: VC Circle, 27 July 2022)

Venture Capital

Fireside Ventures backs bakery brand, The Baker's Dozen:

Direct-to-consumer bakery brand, The Baker's Dozen, has announced raising USD 5 million (around Rs 39 crore) in its pre-Series A round in a mix of debt and equity. The fundraising round was led by Fireside Ventures. The capital will be utilized for product innovation, team building, brand marketing, distribution expansion and in ramping up tech play.

(Source: VC Circle, 9 July, 2022)

Pidilite arm, others invest in tech-backed home builder BuildNext:

BuildNext, a Kochi-based home building solutions provider, has secured pre-Series A funding of USD 3.5 million (c. INR 27.3 cr). The round was led by Madhumala Ventures, a wholly owned subsidiary of Pidilite Industries. BuildNext plans to use the fresh funds to strengthen virtual reality technology experience centres and expand its footprint into Bengaluru, Chennai and Coimbatore.

(Source: VC Circle, 9 July, 2022)

Cred's Kunal Shah, others bet on realty firm PropReturns:

Real estate investment start-up, PropReturns, has raised capital from a host of angel investors including Cred founder, Kunal Shah. Founded by Kenish Shah, Jayant Panwar and Somil Mathur in 2021, PropReturns uses artificial intelligence (AI)-backed database to simplify investment in commercial real estate.

(Source: VC Circle, 12 July 2022)

Supply chain startup Wheelocity raises \$12 mn in Series A:

Fresh produce supply chain start-up, Wheelocity Fresh Pvt Ltd., has secured USD 12 million (c. 93.4 cr) in a mix of debt and equity. The Series A round was led by Lightspeed Ventures with participation from Anicut Capital. The fresh funds will be used to build new product offerings and scale current ones.

(Source: VC Circle, 12 July, 2022)

Delhi-based housing financier Sitara pockets \$20 mn:

Sitara, an affordable house lender, has raised USD 20 million in a mix of primary and secondary investment led by Europe-based NMI and WWB Asset Management. The round also saw participation from existing investors including HDFC Holdings, Oikocredit and Omidyar Network Fund. The fresh proceeds to grow the loan book and expand its operations into newer pockets.

(Source: VC Circle, 13 July, 2022)

B2B artisan firm Lal10 raises funds from Yuj Ventures, others:

Lal10, business-to-business (B2B) artisan platform, run by Bhagwandas Retail Pvt. Ltd has raised pre-Series A funding of USD 5.5 million co-led by Yuj Ventures (Xander Group) and early-stage venture firm Beyond Capital Ventures. Founded in 2017 by Maneet Gohil, Sanchit Govil and Albin Jose, LAI10 is a Noida-based online marketplace that connects Indian artisans with bulk buyers across the globe. It aims to reach USD 100 million run rate in the next one year, with a focus on the home textile category.

(Source: VC Circle, 19 July 2022)



Mergers & Acquisition

Oterra acquires Kerala-based Akay Group for undisclosed sum:

Natural colours supplier, Oterra, has acquired natural ingredients manufacturer Akay Group. With Akay Group's acquisition - Oterra's 4th acquisition in 14 months; the company will look to strengthen its access to the natural colours market but also get a product pipeline that will be backed by manufacturing plants and strong R&D (research and development) capabilities.

(Source: VC Circle, 05 July 2022)

Clear buys compliance management software CimplifyFive:

Clear, formerly known as ClearTax, an online taxation software provider has acquired CimplifyFive in an all-cash deal for an undisclosed amount. The acquisition aims to provide Clear's customers access to CimplifyFive's compliance risk management software. The software eliminates many procedural non-compliances under the Companies Act, 2013.

(Source: VC Circle, 06 July 2022)

JM Financial PE-backed logistics firm Emiza acquires Shippigo:

Emiza Supply Chain Services Pvt. Ltd, a warehousing and fulfilment services provider has announced its acquisition of Gurugram-based technology platform for shipping solutions Shippigo for an undisclosed amount. The acquisition will support Emiza in strengthening its tech and shipping capabilities and also provide its customers with a single-window shipping solution.

(Source: VC Circle, 07 July 2022)

Mfine merges with diagnostics biz of LifeCell, snags \$80 mn from OrbiMed:

Mfine, a digital healthcare platform, has announced its plan to merge with the diagnostics business of LifeCell International Pvt Ltd. The merged entity - LifeWell - has secured USD 80 million from healthcare-focused global investment firm OrbiMed. OrbiMed had joined in as a new investor in LifeCell International last year with investment of around \$30.5 million to help boost the company's growth plans and enter adjacent categories like fertility health and cell-based therapeutics.

(Source: VC Circle, 11 July 2022)

MediBuddy acquires company co-founded by its former employee:

MediBuddy has announced that it has acquired online doctor consultation startup Clinix. This acquisition marks the first acquisition by the healthcare platform after its USD 125 million fundraise early this year. The financial details were not disclosed.

Source: VC Circle, 13 July 2022)

Venture Catalysts-backed startup Hesa acquires Flinkhub:

Hesa, an unified commerce platform has acquired sales intelligence start-up Flinkhub. The financial terms were not disclosed and the acquisition will enhance Hesa's app and aims to drive product-led growth. Flinkhub has 2 products - Flinkhub relationship intelligence, a tool that maps a user's network and Papertown, a social networking app for learning. Hesa will use these technologies for product-led acquisition and training of their network of village-level entrepreneurs (VLEs). Hesa claims to have 40,000 VLEs who use the Hesa super app to fulfil the needs of users in their village network.

Source: VC Circle, 22 July 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

MCA notification for V3 portal w e f 31st August 2022

Following forms will be rolled out in this phase: DIR3-KYC Web, DIR3-KYC E-form, DPT-3, DPT-4, CHG-1, CHG-4, CHG-6, CHG-8 & CHG-9.

To read more - <https://www.mca.gov.in/content/mca/global/en/home.html>

MCA CLARIFICATION FOR “HAR GHAR TIRANGA” (CSR FUNDS SPENDING)

It is clarified that spending of CSR funds for the activities related to this campaign, such as mass scale production and supply of the National Flag, outreach and amplification efforts and other related activities, are eligible CSR activities.

To read more - <https://www.mca.gov.in/bin/dms/getdocument?mids=dXH1ziMu%252FmN%252BB SRLHN9evw%253D%253D&type=open>

CBDT NOTIFICATION FOR PAN APPLICATION & ALLOTMENT (FILLIP-MCA)

An applicant may apply for allotment of a pan through a common application form (CAF), CAF in the form of (Form) FiLLiP has been notified by MCA.

To read more - <https://www.mca.gov.in/bin/dms/getdocument?mids=kvBTyn49INIMUOv%252B38VTDg%253D%253D&type=open>



AMENDMENTS ISSUED BY SEBI

SEBI-NEW GUIDELINES-SETTLEMENT OF RUNNING ACCOUNTS

Under the new guidelines, SEBI decided that the settlement of running account of funds of the client shall be done by the TM after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the Exchanges on the first Friday of the Quarter (i.e., Apr-Jun, Jul-Sep, Oct-Dec, Jan-Mar) for all the clients..

To read more- <https://www.mca.gov.in/bin/dms/getdocument?mds=kvBTyn49INIMUOv%252B38VTDg%253D%253D&type=open>

SEBI HAS PROPOSED A FRAMEWORK FOR THE ONLINE BOND PLATFORMS

Under the proposal, bond platforms should register as stock brokers (debt segment) with the SEBI or be run by SEBI-registered brokers, according to a consultation paper. .

To read more- https://www.sebi.gov.in/reports-and-statistics/reports/jul-2022/consultation-paper-on-online-bond-trading-platforms-proposed-regulatory-framework_61087.html



AMENDMENTS ISSUED BY NSE/BSE

STOCK EXCHANGES HAVE ISSUED A CIRCULAR W.R.T MAINTENANCE OF A FUNCTIONAL WEBSITE REGULATION 46 & 62 OF SEBI (LODR).

All the listed entities are requested to disseminate certain requirements mentioned in sub-regulation 2(46) and 62(1) of Listing Regulation for equity and debt listed entities, respectively, under a separate section on its website.

To read more- https://static.nseindia.com//s3fs-public/inlinefiles/NSE_CIRCULAR_04072022.pdf

NSE HAS NOTIFIED A NEW MODULE FOR FILING OF INFORMATION REQUIRED UNDER REGULATION 46 AND 62 OF SEBI (LODR) REGULATIONS, 2015 ON NEAPS.

NSE has directed the listed to furnish information required under Reg 46 & 62 of LODR . As per Reg 46 and Regulation 62 of SEBI LODR, 2015, the listed entities are required to maintain a functional website containing basic information about the Company.

To read more- https://static.nseindia.com//s3fs-public/inline-files/NSE_Circular_11072022.pdf





AMENDMENTS ISSUED BY RBI

RBI HAS ISSUED A NOTIFICATION TO RELAX PROVISIONS FOR OVERSEAS INVESTMENTS IN THE DEBT MARKET AND FOREIGN CURRENCY LENDING BY BANKS,

Accordingly, Banks can utilise the funds raised from overseas foreign currency borrowing between July 8 and October 31, 2022 for lending in foreign currency to constituents in India.

To read more- <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12355&Mode=0>

RBI RELEASE-MASTER DIRECTION ON NBFCs

The master direction is revised for the purpose of enabling the Bank to regulate the financial system to the advantage of the country and to prevent the affairs of any NBFC-ND-SI and NBFC-D from being conducted in a manner detrimental to the interest of investors and depositors or in any manner prejudicial to the interest of such NBFCs.

To read more- https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10585

AMENDMENTS ISSUED BY IBBI

IBBI (IPA)(AMENDMENT) REGULATIONS, 2022 TO FURTHER AMEND THE IBBI (IPA) REGULATIONS, 2016

Through the amendment, Regulation 8 which deals with “Disciplinary proceedings “has been substituted to provide that the Disciplinary Proceedings shall be conducted as per code read with rules and regulations.

To read more- <https://ibbi.gov.in/uploads/legalframework/7ed6c5fe677e5114ec5d1e0ccf5d2704.pdf>

IBBI HAS PUBLISHED IBBI (IP) (AMENDMENT) REGULATIONS, 2022

Through the amendment, An IP is now duty-bound to disclose his relationship with the Corporate Debtor (CD), other professionals engaged by him, financial creditors, interim finance providers, and prospective resolution applicants to the insolvency professional agency of which he is a member, within three days of the relationship being established as detailed in the regulation.

To read more -

<https://ibbi.gov.in/uploads/legalframework/11dcaa983423cb22743089cf13aec4d6.pdf>

Miscellaneous

RULE 43A NOTIFIED UNDER SEZ

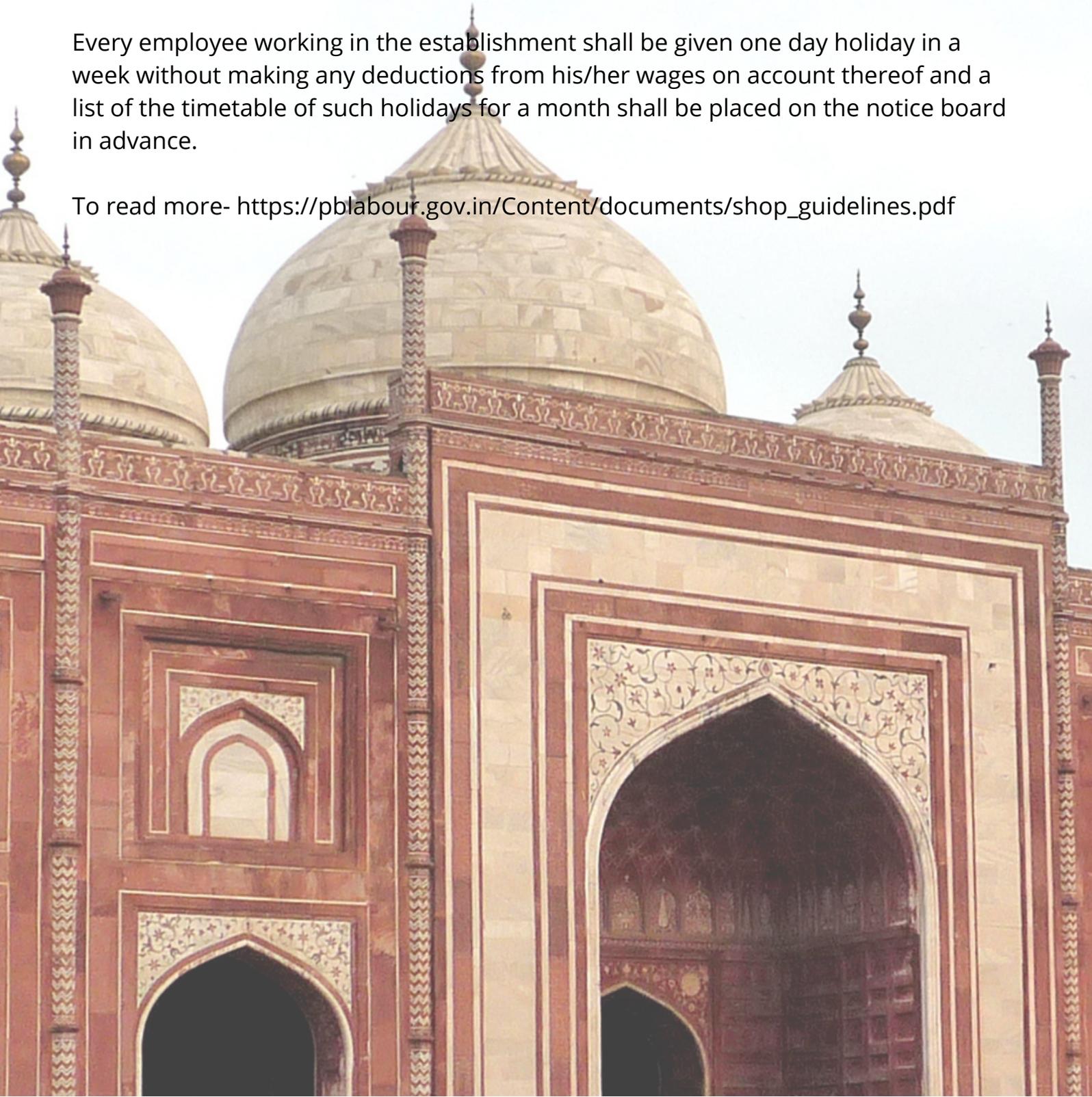
New Rule 43A which deals with work from home has been notified to provide that a Unit may permit its employees, including contractual employees, to work from home or from any place outside the Special Economic Zone in accordance with this rule.

To read more- <https://egazette.nic.in/WriteReadData/2022/237284.pdf>

PUNJAB GOVT AMENDED WORKING HOURS

Every employee working in the establishment shall be given one day holiday in a week without making any deductions from his/her wages on account thereof and a list of the timetable of such holidays for a month shall be placed on the notice board in advance.

To read more- https://pblabour.gov.in/Content/documents/shop_guidelines.pdf



Tax calendar



AUGUST 2022- Tax Calendar

7 AUGUST	Due date for deposit of Tax deducted/collected for the month of July, 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
14 AUGUST	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of June, 2022
14 AUGUST	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of June, 2022
14 AUGUST	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of June, 2022
15 AUGUST	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of July, 2022 has been paid without the production of a challan
15 AUGUST	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 July, 2022
15 AUGUST	Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2022
30 AUGUST	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA for the month of July, 2022
30 AUGUST	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M in the month of July, 2022
30 AUGUST	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of July, 2022



R N M
United Kingdom

R N M
capital advisors

R N M
consulting

New Delhi

4/80, Janpath, New Delhi
-110001
+91-11-43192000
rnm@rnm.in

Bangalore

813 Oxford Towers, 139
Airport Road, Bangalore -
560008
+91-80-43004522
bangalore@rnm.in

London

39 Roxborough Road,
Harrow, HA1 1NS
info@ukrnm.in

Gurgaon

613, Suncity Business
Tower, Golf Course Road,
Gurgaon - 122002
+91-124-4372956
gurgaon@rnm.in

Raipur

D-362, Near MLA Rest
House, Tagore Nagar,
Raipur,
Chhattisgarh - 492001
rnm@rnm.in

Follow us :     