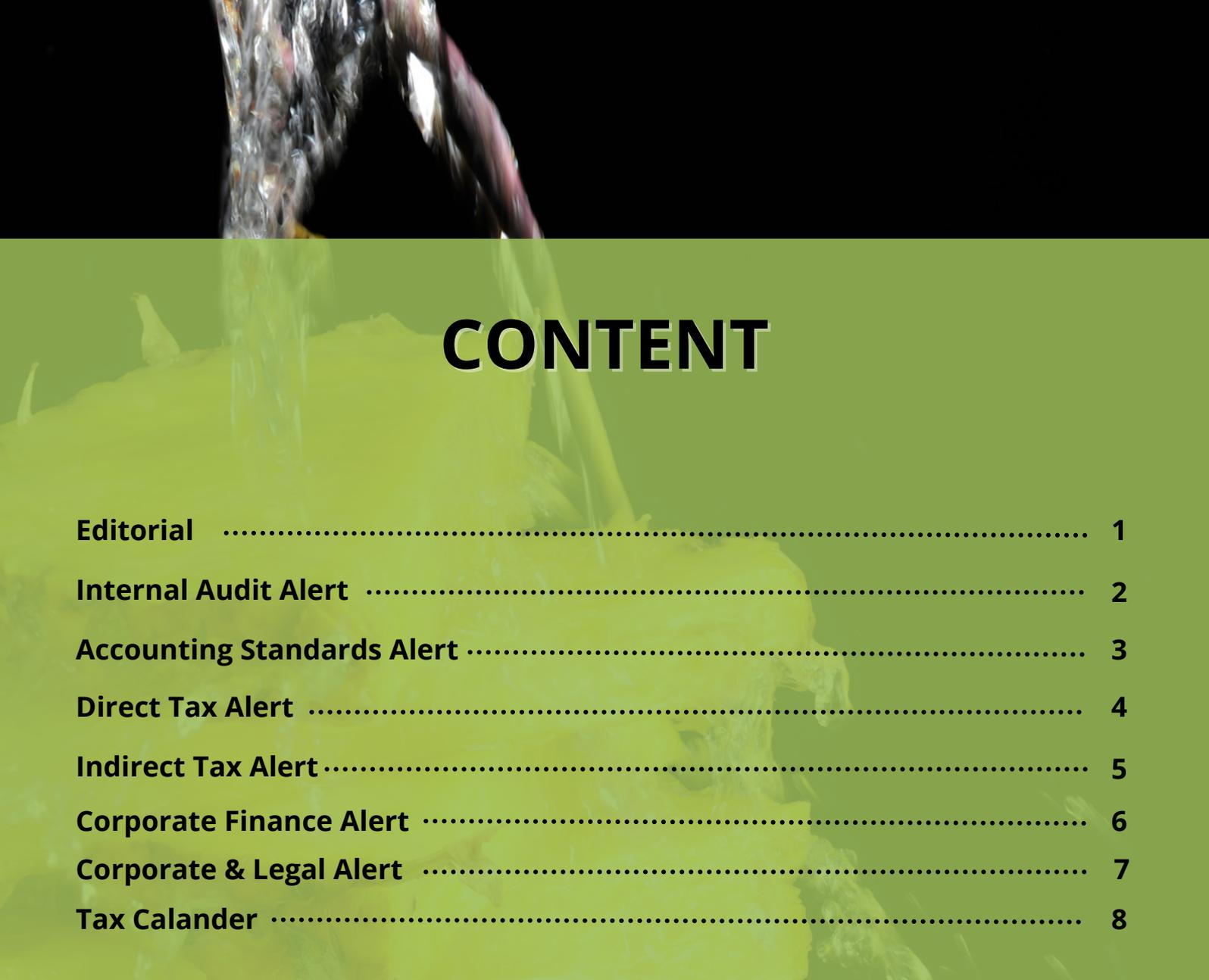


RNM ALERT
AUGUST
NEWSLETTER

VOL NO 163



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EDITORIAL

Dear Readers

During the month of August 2022, the National Statistical Office (NSO) declared that Indian economy grew at 13.5% during the April to June 2022 quarter. The growth is not as good as same period last year, however, considering the international headwinds it continues to inspire confidence in the Indian economy. Combined with the exciting win against Pakistan in T20 cricket in the ongoing Asia Cup, sentiments are high.

We are pleased to welcome Mr. Ashu Malhotra as Chief Human Resource Officer (CHRO) at Team RNM. With 30 years of rich experience in the HR field in large corporates and startups, we are confident that Mr. Malhotra would prove invaluable in the ongoing journey.

The Hon'ble High Court of Delhi has in a recent judgement on Sec 50 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 ('BMA') in the case of Bhavya Bhisnoi Vs Income-Tax Officer granted stay on prosecution to the assessee on the ground that petitioner was a minor at the time of alleged investment overseas and that Tax authorities had yet to quantify the assets and/ or income therefrom received from such assets overseas.

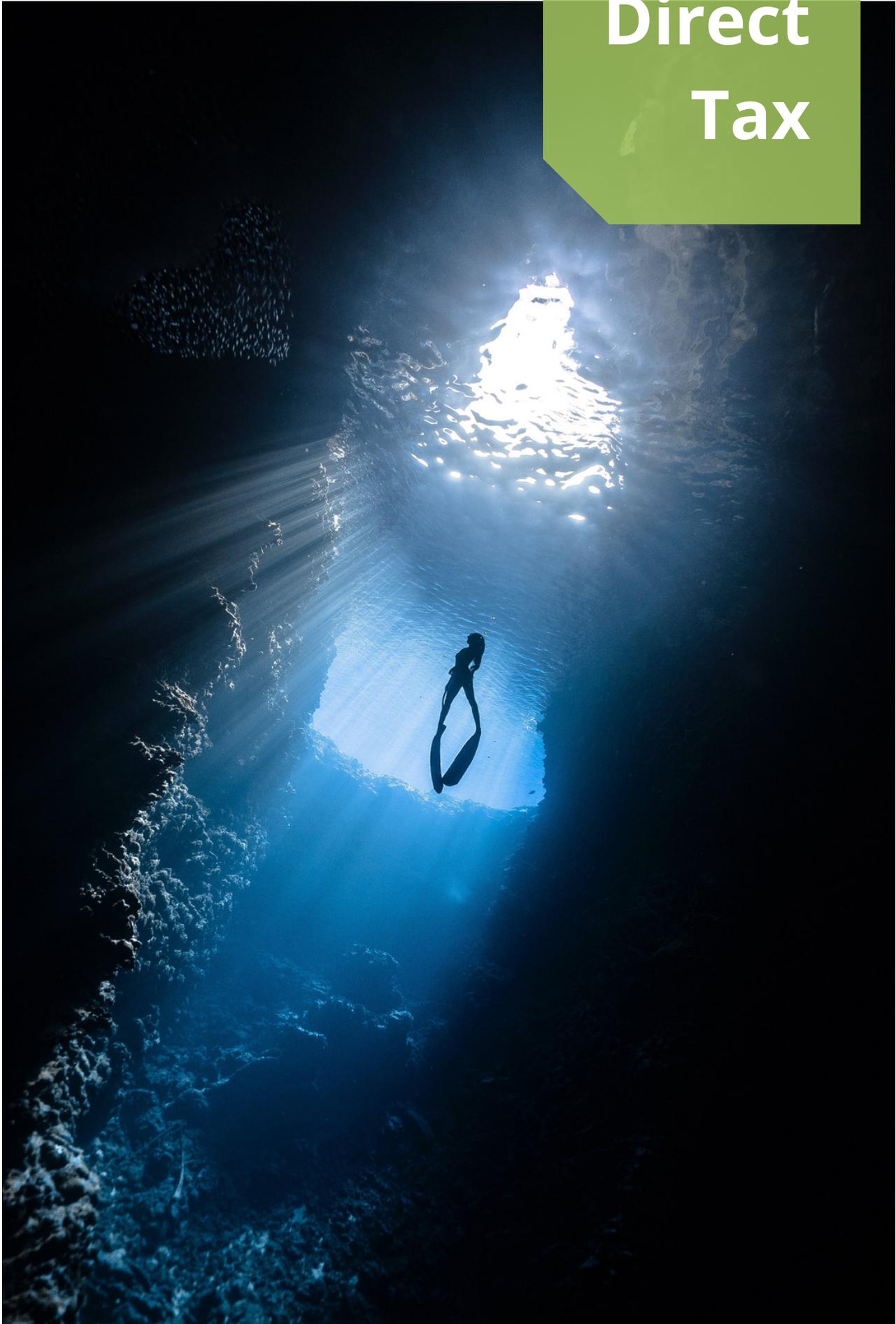
Team RNM feels that this is a very balanced judgement since the Tax Authorities have as a matter of routine been over-reaching to prosecution even before assessments orders are passed. Although, BMA was introduced as a deterrent against Black Money held abroad by Indians, its retrospective applicability w.r.t. prosecution for actions done prior to the law coming into force and many times by earlier generations has been a bone of contention for long.

On the Regulatory front, the new Overseas Direct Investment (ODI) regime has improved ease of doing business and a separate Note thereon has been shared by Team RNM considering the significance of the changes introduced. We hope the new regime encourages growth and global expansion of India Inc.

We on September 5, celebrate Teachers Day and would like to commemorate on this occasion the patience, hard work and love of all the teachers around the world in nurturing the talent and values of students whether in a classroom environment or at the workplace or at sports. Teachers are an essential part of our success and journey.

CA U N Marwah
Chairman- RNM India

Direct Tax



Recent Updates

- CBDT notifies books & other documents to be maintained u/s 10(23C)/12A. Notification No. 94/2022 dated 10-08-2022.
- CBDT amends Rule 17CB to replace 'trust or institution' with 'specified person' in relation to Method of valuation for the purposes of sub-section (2) of section 115TD.
- CBDT extends time-limit for furnishing of Form-67. Foreign Tax Credit (FTC) can be claimed at time of filing belated and updated ITR. Amendment in Rule 128. Notification G.S.R. 636(E) [NO. 100/2022/F.NO. 370142/35/2022-TPL], DATED 18-08-2022.
- CBDT notifies Form 29D to get refund of tax deducted u/s 195 of the Income Tax Act, 1961.
- CBDT Notifies list of documents to be submitted by employee to claim exemption on sum received for COVID-19 treatment. Notification S.O. 3703(E) [NO. 90/2022/F.NO. 370142/31/2022-TPL (PART-2)], DATED 5-8-2022

Important Judicial Precedents

1.No confiscation or prosecution in respect of Benami property transactions entered into prior to 25-10-2016.

The 2016 Amendments to Benami Act can't be applied retroactively to property transactions entered into prior to 25-10-2016

The 2016 Amendments to Benami Act including in rem forfeiture u/s. 5, can't be applied retroactively to property transactions prior to 25-10-2016.

- Section 3(2) of the unamended 1988 Act is declared as unconstitutional for being manifestly arbitrary. Accordingly, Section 3(2) of the 2016 Act is also unconstitutional as it is violative of Article 20(1) of the Constitution.
- In rem forfeiture provision under Section 5 of the unamended Act of 1988, prior to the 2016 Amendment Act, was unconstitutional for being manifestly arbitrary.
- The 2016 Amendment Act was not merely procedural, rather, prescribed substantive provisions. In rem forfeiture provision under Section 5 of the Benami Act, as amended in 2016, being punitive in nature, can only be applied prospectively and not retroactively. Concerned authorities cannot initiate or continue criminal prosecution or confiscation proceedings for transactions entered into prior to the coming into force of the 2016 Act, viz., 25-10-2016. As a consequence of the above declaration, all such prosecutions or confiscation proceedings shall stand quashed.

[Union of India Vs. Ganpati Dealcom (P.) Ltd. [2022] (Supreme Court) 141 taxmann.com 389].

1. Revised return filed by assessee under section 139(5) can only substitute its original return filed under section 139(1) and cannot transform it into a return under section 139(3), in order to avail benefit of carrying forward or set-off of any loss under Section 80. [PCIT V. Wipro Ltd. – Supreme Court 140 Taxmann.com 223].

2. Where detailed reasons were recorded by revenue in satisfaction note with respect to investment which were made by assessee for brief period and were repaid in same year and that investment was alleged to be an accommodation entry, it could not be said that reasons recorded by revenue did not satisfy prerequisite conditions of section 132(1). [PDIT V. Laljibhai Kanjibhai Mandalia 140 Taxmann.com 282]

3. Whether bonafide mistake committed by assessee inadvertently in not adding back loss on sale of fixed assets in computation of income, does not amount to furnishing of inaccurate particulars - YES: ITAT Ahmedabad

The details furnished by the assessee-company along with its return clearly show that the relevant particulars were duly and fully furnished by the assessee showing the details of loss as well as its nature and it was not a case of furnishing of inaccurate particulars of income by the assessee-company. Moreover, in the written submission filed during the course of assessment proceedings, a request was made on behalf of the assessee-company to add the amount in question on account of loss on sale of fixed assets. Keeping in view the submission made by the assessee in writing during the course of assessment proceedings itself as well as the further details already furnished by the assessee along with its return of income giving full and true details of the loss as well as its capital nature, there is merit in the contention of AR that the mistake in not adding back the loss on sale of fixed assets in computation of income was a bona fide mistake inadvertently committed by assessee. Thus, the penalty imposed by AO u/s 271(1)(c) and confirmed by CIT(A) stands deleted [M/s Deco Mica Ltd. Vs. JCIT (ITA No. 1243/Ahd/2019) ITAT Ahmedabad].

4. Whether valuation of preference shares under discounted free cash flow method is one of recognized methods - YES : ITAT

Whether assessee has discharged initial onus placed upon it u/s 68 and AO has failed to disprove onus discharged by assessee -YES : ITAT



The AO has made detailed enquiries with MFPL, being the subscriber of the preference shares and it has duly replied to all the queries posed by the AO. Further, it has also furnished various evidences available with it. It was noticed that the AO did not disprove the submissions and evidences so furnished by MFPL. It is well established proposition of law that the initial onus to prove the cash credit is placed upon the assessee the assessee has to prove three main ingredients, the identity of the creditor, credit worthiness of the creditor and the genuineness of the creditor. CIT(A) has given a specific finding that the assessee has discharged the initial onus placed upon the assessee u/s 68 of the Act. AO has failed to disprove the onus discharged by the assessee, in which case, the AO could not have made the addition u/s 68 of the Act. Accordingly, CIT(A) was justified in deleting the addition made u/s 68 of the Act. The provisions of Rule 11UA(1) (c) do not prescribe any specific method for valuing preference shares. The valuation of preference shares under Discounted Free cash flow method is one of the recognized methods and there is nothing in the provisions that the method should not be used. Hence CIT(A) was justified in deleting the addition made u/s 56(2)(viib) of the Act. Accordingly, confirm the order passed by CIT(A). In the result, the appeal filed by the revenue is dismissed.



Indirect Tax



GST CALENDAR

Compliances for the month of July 2022

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

A. Clarification regarding applicability of GST rates and exemptions on certain services.

1. With effect from October 06, 2021 ice-cream parlors are required to pay GST @18% with ITC on supply of ice-cream. Further, it has been clarified that past cases of GST on supply of ice-cream by ice-cream parlors @ 5% without ITC shall be treated as fully paid to avoid litigation and no GST refund shall be admissible.
2. GST on application fee charged for entrance or the fee charged for issuance of eligibility certificate for admission or for issuance of migration certificate by educational institutions is exempted from GST.
3. Storage or warehousing of cotton in baled or ginned form is exempted from GST.
4. GST on transportation of empty containers returning from Nepal and Bhutan after delivery of transit cargo, to India is exempted. It is also clarified that movement of empty containers from Nepal and Bhutan, after delivery of goods there, is a service associated with the transit cargo to Nepal and Bhutan and is therefore covered by the exemption.
5. It is clarified that if sanitation and conservancy services supplied to Army and other Central and State Government departments is procured by Army or any other Government Ministry/Department which does not perform any functions listed in the 11th and 12th Schedule to the Constitution, in the manner as a local authority does for the general public, the same are not eligible for exemption.
6. It is clarified sale of space for advertisement in souvenir book is covered under serial number (i) of entry 21 of the Notification and shall attract GST @ 5% as 'book' has been defined in the Press and Registration of Books Act, 1867 in an inclusive manner with a wide ambit which would also cover souvenir book.
7. Transport of minerals from mining pit head to railway siding, beneficiation plant etc., by vehicles deployed with driver for a specific duration of time are nothing but "rental services of transport vehicles with operator" which fall under heading 9966 and attract GST @ 18%. It is clarified that such renting of trucks and other freight vehicles with driver for a period of time is a service of renting of transport vehicles with operator falling under Heading 9966 and not service of transportation of goods by road. This being so, it is not eligible for exemption as per the Notification on such rental services of goods carriages where the cost of fuel is included in the consideration charged from the recipient of service, GST rate has been reduced from 18% to 12% with effect from 18 July, 2022.

8 . It is clarified that location charges or preferential location charges (PLC) paid upfront in addition to the lease premium for long term lease of land constitute part of upfront amount charged for long term lease of land and are eligible for the same tax treatment, and thus eligible for exemption.

9. It is clarified that supply of all goods & services are taxable unless exempt or declared as 'neither a supply of goods nor a supply of service'. Services provided by the guest anchors in lieu of honorarium attract GST liability subject to registration requirement as per the provisions of the law. However, guest anchors whose aggregate turnover in a financial year does not exceed Rs 20 lakhs (Rs 10 lakhs in case of special category states) shall not be liable to take registration and pay GST.

10. Additional toll fees collected in the form of higher toll charges from vehicles not having fastag is exempt from GST. Further, service by way of access to a road or a bridge on payment of toll charges is exempted vide a notification. Further, vide a circular it is clarified that additional fee collected in the form of higher toll charges from vehicles not having fastag is essentially payment of toll for allowing access to roads or bridges to such vehicles and may be given the same treatment as given to toll charges.

11. GST on services in form of Assisted Reproductive Technology (ART)/ In vitro fertilization (IVF) is covered under notification wherein under health care services provided by a clinical establishment, an authorized medical practitioner or para-medics are exempt.

12. Sale of land after levelling, laying down of drainage lines etc., is taxable under GST. It is to be noted that land may be sold either as it is or after some development such as levelling, laying down of drainage lines, water lines, electricity lines, etc. It is clarified that sale of such developed land is also sale of land and is covered by Sr. No. 5 of Schedule III of the Central Goods and Services Tax Act, 2017 and accordingly does not attract GST. However, it may be noted that any service provided for development of land, like levelling, laying of drainage lines (as may be received by developers) shall attract GST at applicable rate for such services.

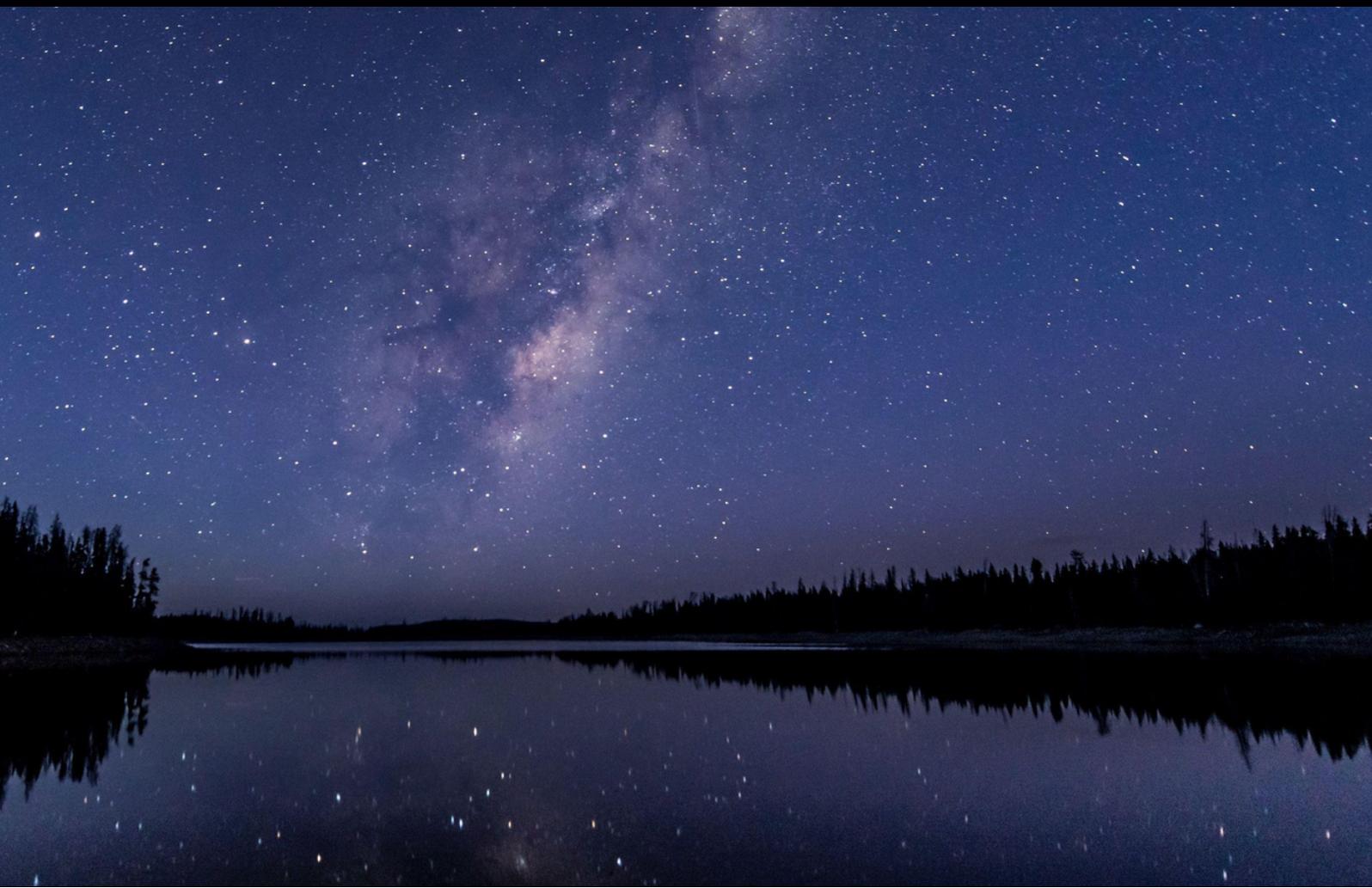
13. It has been clarified that where the body corporate hires the motor vehicle (for transport of employees etc.) for a period of time, during which the motor vehicle shall be at the disposal of the body corporate, the service would fall under Heading 9966, and the body corporate shall be liable to pay GST on the same under RCM. However, where the body corporate avails the passenger transport service for specific journeys or voyages and does not take vehicle on rent for any particular period of time, the service would fall under Heading 9964 and the body corporate shall not be liable to pay GST on the same under RCM.

14. Hiring of vehicles by firms for transportation of their employees to and from work is exempt wherein transport of passengers by non-air conditioned contract carriage. However, the exemption shall not be applicable where contract carriage is hired for a period of time, during which the contract carriage is at the disposal of the service recipient and the recipient is thus free to decide the manner of usage (route and schedule) subject to conditions of agreement entered into with the service provider.

15. Supply of service of construction, supply, installation and commissioning of dairy plant on turn-key basis constitutes a composite supply of works contract service. W.e.f 18 June, 2022, such works contract services would attract GST at the rate of 18% in view of amendment carried out in notification No. 11/2017- Central Tax (Rate) vide Notification No. 03/2022- Central Tax (Rate).

15. "Transportation of passengers by public transport, other than predominantly for tourism purpose, in a vessel between places located in India" is exempted. It is further clarified that, the expression 'public transport' used in the exemption notification only means that the transport should be open to public. It can be privately or publicly owned. Only exclusion is on transportation which is predominantly for tourism, such as services which may combine with transportation, sightseeing, food and beverages, music, accommodation such as in shikara, cruise etc.

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Corporate Finance



Sequoia Capital pares stake in Zomato:

Sequoia Capital India has pared its stake in Zomato Ltd by selling shares in the open market, joining Tiger Global, Uber and Moore Strategic Ventures among investors who have either fully or partially sold their holdings in the online food delivery aggregator in recent weeks. Sequoia, which first invested in Zomato in 2013, sold 171 million shares, or 2.01% stake, in the startup between September 2021 and this August. Sequoia offloaded 66 million shares in Zomato between 6 September and 14 October, adding that the remaining 105 million shares were sold between 27 July and 25 August. Consequently, Sequoia's stake in Zomato has fallen to 4.4% from 6.41%. Sequoia received 45 million incremental equity shares of Zomato on 10 August following the latter's acquisition of quick commerce firm Blinkit (formerly Grofers). Sequoia was also an investor in Blinkit.

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

Private Equity

Kotak's alternative asset arm floats Rs 1,500 cr fund to invest in other PEs, VCs:

Kotak Investment Advisors Limited (KIAL), announced the launch of its "Fund of Funds (FoF)" to invest in other private equity, venture capital funds. The Kotak India Alternate Allocation Fund targets to raise a corpus of INR 1,500 crore, including a greenshoe option of INR 750 crore. With a minimum investment ranging between USD 5-15 million, the fund's objective is to diversify across PE/VC funds in multiple sectors, including consumer, technology, healthcare, financials, etc., as well as across multiple stages – including early, growth and late-stage investments.

(Source: VC Circle, 2 August 2022)

ADIA to invest Rs 655 cr in Aditya Birla Health Insurance for 10% stake:

The boards of directors of Aditya Birla Capital Ltd and Aditya Birla Health Insurance Co. Ltd (ABHI) approved a proposal for a primary capital infusion of approximately INR 665 crore in ABHI, from a wholly owned subsidiary of the Abu Dhabi Investment Authority (ADIA). Aditya Birla Health Insurance is a 51:49 joint venture between Aditya Birla Capital and Momentum Metropolitan Strategic Investments (Pty) Ltd, wholly-owned subsidiary of South Africa based Momentum Metropolitan Holdings Ltd. The transaction values ABHI at approximately INR 6,650 crore.

(Source: VC Circle, 12 August 2022)

KKR divests entire stake in Max Health marking its biggest Indian exit so far:

US-based private equity giant KKR & Co. Inc made its largest exit from an Indian firm so far by selling its entire promoter stake in Max Healthcare Institute Ltd. in the open market for around INR 9,400 crore. KKR and Abhay Soi have been holding 27.54% and 23.09% stake in Max Healthcare as the latter's two co-promoters. Post the KKR deal, Soi will remain as the sole promoter of Max Healthcare.

(Source: VC Circle, 17 August 2022)

Byju's to settle Blackstone dues for Akash deal in Sept:

Byju's had agreed to acquire Aakash Educational Services in April 2021 in a USD 950-million cash and stock deal, and made partial payments to its shareholders. In all, Blackstone was to receive USD 400 million, around USD 220 million has been paid to Blackstone, with USD 180 million pending. Edtech unicorn Byju's is likely to settle dues of USD 180 million to Aakash Educational Services shareholder Blackstone Inc. by September-end.

(Source: VC Circle, 23 August 2022)

Kedaara Capital invests \$50 mn in IVF chain Oasis:

South India-based in-vitro fertilization (IVF) chain Oasis Centre for Reproductive Medicine has raised USD 50 million (nearly Rs 400 crore) in an equity round of funding from home-grown private equity fund Kedaara Capital. The transaction has resulted in a complete exit to Invascent, who had invested in Oasis Centre since 2016 and had a 29% stake in the company. Oasis, which was founded in 2009 by Durga G. Rao and Kiran Gadela, had five centres in Andhra Pradesh and Telangana at the time of InvAscent's investment in 2016.

(Source: VC Circle, 26 August 2022)

Hero Electric hires banker to raise \$250 mn:

To expand its capacity to build electric bikes amid fierce competition, Hero Electric Vehicles Pvt. Ltd is in talks with investors, including sovereign funds, to fundraise around USD 250 million. The company has hired Jefferies Group to manage the fundraising. India's electric two-wheeler market has become crowded, with Hero Electric, one of the country's oldest such companies, competing with Ola Electric, Ather Energy (backed by Hero MotoCorp), Ampere, TVS Motor, Okinawa Autotech, Euler Motors, Simple Energy and Bajaj Auto, among others.

(Source: VC Circle, 26 August 2022)

Venture Capital

Dry fruit brand Farmley raises Series A funding from DSG, Alkemi, others:

New Delhi-based startup, Farmley founded by IIT graduates Akash Sharma and Abhishek Agarwal in 2017, which operates nuts and dry fruit has secured USD 6 million (around INR 45 crore) as a part of its Series A funding round co-led by Singapore-based venture capital firm DSG Consumer Partners and Alkemi Ventures, with existing investors Omnivore, Insitor Partners and other angel investors. The raised capital will be used for channel expansion as well as for building its team and brand.

(Source: VC Circle, 05 August 2022)

UpGrad pockets \$210 mn in fresh funding:

Unicorn ed-tech startup upGrad has secured USD 210 million (around INR 1,638 crore) in a fresh round of funding from a clutch of investors including ETS Global, Bodhi Tree (a JV of James Murdoch and Uday Shankar) and Singapore's Kaizen Management Advisors Pvt. Ltd. The funding round was participated by Bharti Airtel's family office, Narotam Sekhsaria Family Office (Ambuja Cements and ACC), and Artian Investments (Family Office of Lakshmi Mittal - ArcelorMittal), with existing investors Temasek, IFC and IIFL.

(Source: VC Circle, 08 August 2022)

RPSG Capital Ventures marks first exit with 7x returns:

An early-stage consumer focused venture capital (VC) firm, RPSG Capital Ventures, has made its first exit from its debut fund by selling its entire stake in True Elements to consumer goods major Marico. It invested in True Elements four years ago, made about 7x returns on its investment from the exit.

(Source: VC Circle, 08 August 2022)

Tiger Global leads Series A round in fintech startup Jodo:

Bharosepe Technology Services Pvt. Ltd, which operates educational payments startup Jodo, raised USD 15 million (around INR 118.5 crore) led by Tiger Global. The funding round was also participated from existing investors, Elevation Capital and Matrix Partners India, from whom Jodo has previously raised USD 4 million. The raised capital will be used to accelerate product innovation and sales, and further grow the Jodo team. Currently, the company has over 150 employees.

(Source: VC Circle, 09 August 2022)

CleverTap to raise \$105 mn in Series D:

A business-to-business (B2B) software-as-a-service (SaaS) platform for customer engagement and retention, CleverTap run by WizRocket Technologies Pvt. Ltd, has signed a definitive pact to raise USD 105 million (INR 832 crore) in its Series D funding round led by Canadian pension fund Caisse de dépôt et placement du Québec (CDPQ). CDPQ has committed to invest USD 75 million. IIFL AMC's Tech Fund and existing investors Tiger Global and Sequoia India also participated. The raised capital will be used to strengthen its presence in key markets and also expand its team.

(Source: VC Circle, 10 August 2022)

Razorpay to pick up controlling stake in Ezetap:

Digital payments solutions unicorn, Razorpay will pick up controlling stake in Bengaluru-based payment solutions provider, Ezetap Mobile Solutions for USD 126 million (INR 1,000 crore) in a cash-and-stock deal. Out of the amount mentioned above, USD 100 million will be a cash transaction, while the remaining would be in equity. Initially started in the fintech space by processing card payments on mobile phones. However, the company pivoted to a bank partnership model and this turned around the fortunes of the company.

(Source: VC Circle, 16 August 2022)

Coffeee.io, Finverv, The Health Factory raise early-stage funding:

Gurugram-based Gong Labs Pvt. Ltd, which operates tech recruitment platform Coffeee.io, has secured pre-seed funding of Rs 4.7 crore (around USD 590,000) from a clutch of angel investors and networks. The funding round was participated by Supermorpheus, Lets Venture, Kunal Shah (founder at Cred), Prabhu R (founder at M2P), Amit Lakhotia (founder at Park+), Vikas Garg (CFO at Paytm), Pratekk Agarwal (ex-Bharatpe, serial entrepreneur), Chinmaya Sharma (partner at Info Edge) and Rameez Menon (MD at Oxbridge Capital). The raised capital will be used scale its operations.

(Source: VC Circle, 18 August 2022)

Mergers & Acquisition

William Penn Acquires Premium Fountain Pen Maker Sheaffer:

William Penn has acquired Sheaffer, a 110-year-old iconic American brand, particularly famous for its premium fountain pens. The multi-brand retailer and distributor of writing instruments and accessories acquired the brand from A.T. Cross Company inclusive of complete product portfolio and licenses, including premium pens, journals, and gift sets.

(Source: VC Circle, 09 August 2022)

JSW Energy Arm Acquires Mytrah Energy For EV Of Rs 10,530 Cr:

JSW Energy Ltd's subsidiary, JSW Neo Energy, has acquired a portfolio of 1,753 megawatts (MW) of renewable energy generation capacity from Mytrah Energy (India) Pvt. Ltd, for an enterprise valuation of approximately INR 10,530 crore. The transaction is yet to receive a nod from CCI.

(Source: VC Circle, 10 August 2022)

Accel-Backed Orange Health Acquires Gurugram-Based Diagnostic Lab Rapidx:

Gurugram-based diagnostic lab Rapidx has been acquired by Healthtech startup Orange Health. Orange Health aims to widen its presence in the NCR region along with its flagship service - 60-minutes collection and 6 hour reporting in the northern region.

(Source: VC Circle, 10 August 2022)

Upskilling Platform BrightChamps Marks First Overseas Acquisition:

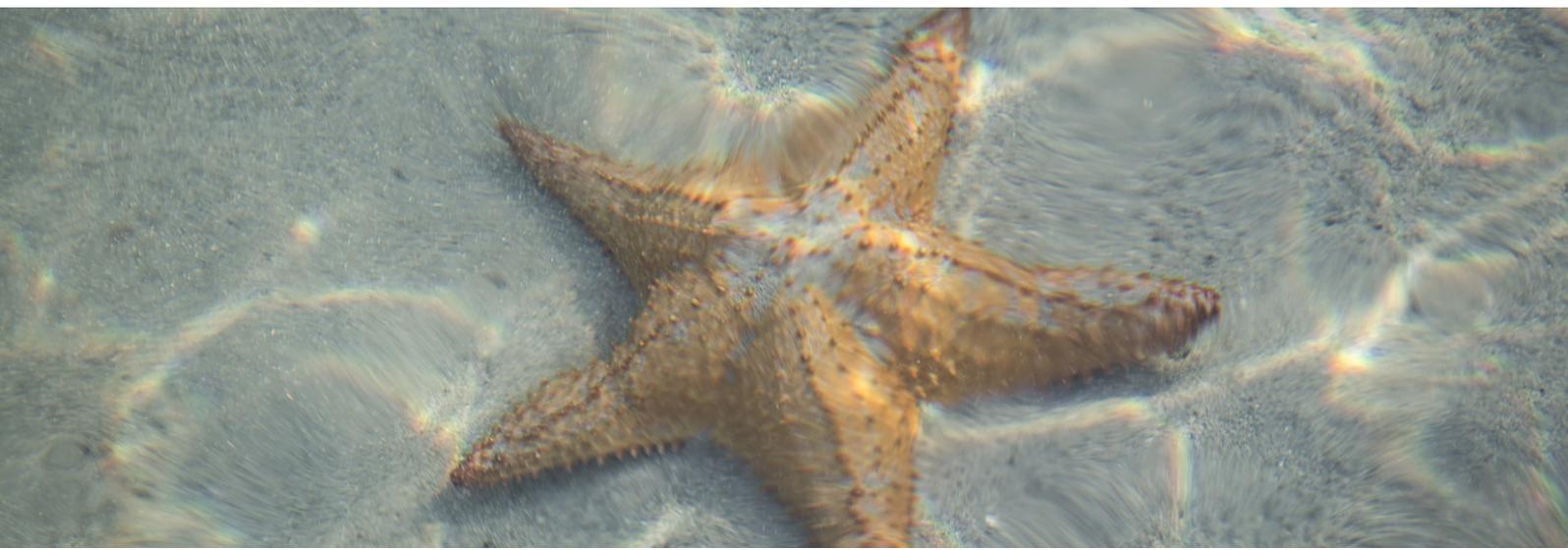
BrightChamps Tech Pvt. Ltd, which offers new-age online courses such as programming, artificial intelligence, design thinking, and financial literacy, has bought Singapore-based live-learning platform Schola for USD 15 million in a cash-and-stock deal, marking the company's first overseas acquisition since its inception.

(Source: VC Circle, 24 August 2022)

Hudson RPO Acquires HR Platform Hunt & Badge To Expand India Footprint:

Hudson RPO, the global total talent solutions platform operated by Hudson Global Inc., acquired Hunt&Badge Consulting Pvt Ltd in a cash deal. This acquisition will be instrumental in expanding the footprint in Indian market.

Source: VC Circle, 30 August 2022)



Corporate & Legal



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

AMENDMENTS ISSUED BY MCA

MCA has published the Companies (Registration of Charges) Second Amendment Rules, 2022.

New Rule 13 has been notified providing that Form No. CHG-1, Form No. CHG-4, Form No. CHG-8 and Form No. CHG-9 shall be signed by an Insolvency resolution professional or resolution professional or liquidator for companies under resolution or liquidation as the case may be and filed with the registrar.

To read more- <https://www.mca.gov.in/bin/dms/getdocument?mids=4o6aHVQPvNWMaUqWvIFEow%253D%253D&type=open>

MCA has published the Companies (Acceptance of Deposits) Amendment Rules, 2022

Businesses will now be required to file by 30 June every year a return of deposits as per audited figures. Businesses will also have to report loans or advances received by the company from directors, shareholders, promoters or banks and financial institutions, which are referred to as exempted deposits. Further, Statutory Auditors will be required to submit a declaration with respect to the exempted deposits and liquid assets. This move will help in ensuring greater transparency in reporting obligations.

To read more- <https://www.mca.gov.in/bin/dms/getdocument?mids=99KwRbjSkMXjVLv09KTgJg%253D%253D&type=open>

MCA has notified the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2022

Keeping in mind the launch of MCA V3 for Companies Act Forms, MCA has released the amended version of the eForms DIR-3-KYC and web-form DIR-3-KYC-WEB. It is clarified that in the case of Indian nationals, Income-tax PAN is mandatory in all cases even if there is no change in Income-tax PAN. In case the details as per Income-tax PAN are incorrect, the director/designated partner is advised to first correct the details in Income-tax PAN.

To read more - <https://www.mca.gov.in/bin/dms/getdocument?mids=slrNNMj6rSE43YrWxXorGw%253D%253D&type=open>

MCA has issued the Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2022

Through this amendment, MCA has revised Form No. STK-1, Form No. STK-5 and Form No. STK-5A to capture the declaration that the company is not carrying on any business or operations, as revealed after the physical verification, as carried out by the Registrar of companies under the provisions of Section 12(9) of the Companies Act, 2013.

To read more - <https://www.mca.gov.in/bin/dms/getdocument?mids=z76om3NiBGiHmWy4e0HtcA%253D%253D&type=open>

AMENDMENTS ISSUED BY SEBI

SEBI has come out with a circular amending its Guidelines for the preferential issue and institutional placement of units by listed REITs and InvITS.

Under the new guidelines, the REIT/InvITS shall make an application for listing of the units to the stock exchange(s) and the units shall be listed within two working days from the date of allotment. Provided that where the REIT/InvIT fails to list the units within the specified time, the monies received shall be refunded through verifiable means within four working days from the date of the allotment, and if any such money is not repaid within such time after the issuer becomes liable to repay it, the REIT.

To read more- https://www.sebi.gov.in/legal/circulars/aug-2022/enhanced-disclosures-by-cras-and-norms-on-rating-withdrawal_62361.html

SEBI has notified the Securities and Exchange Board of India (Portfolio Managers) (Amendment) Regulations, 2022

The definition for the term “related party” under section 2(1)(PA) has been notified which means a director, partner, or his relative; key managerial personnel or his relative; a firm, in which a director, partner, manager or his relative is a partner; a private company in which a director, partner or manager or his relative is a member or director; a public company in which a director, partner or manager is a director or holds along with his relatives, more than two percent. of its paid-up share capital; anybody corporate whose board of directors, managing director or manager is accustomed to acting in accordance with the advice, directions or instructions of a director, partner or manager; a related party as defined under the applicable accounting standards; such other person as may be specified by the Board.

To read more - https://www.sebi.gov.in/legal/regulations/aug-2022/securities-and-exchange-board-of-india-portfolio-managers-amendment-regulations-2022_62248.html

SEBI has enhanced the disclosure norms for CRA in order to allow investors and other stakeholders to properly use disclosures in a fair assessment of CRAs.

The enhanced norms shall be applicable to credit ratings of securities that are listed, or proposed to be listed, on a recognized stock exchange, and other credit ratings that are required under various SEBI Regulations or circulars thereunder. In order to standardize the methodology of computation and disclosure of a ‘sharp rating action’, it is clarified that CRAs shall compare two consecutive rating actions.

To read more- https://www.sebi.gov.in/legal/circulars/aug-2022/enhanced-disclosures-by-cras-and-norms-on-rating-withdrawal_62361.html

SEBI has issued a circular to notify a Framework for restricting insider trading by Designated Persons (“DPs”) by freezing PAN at the security level.

In order to rationalize the compliance requirement under Clause 4 of Schedule B read with Regulation 9 of PIT Regulations, improve ease of doing business and prevent inadvertent non-compliance of provisions of PIT Regulations by DP, SEBI has now mandated that Stock Exchanges and Depositories shall develop a system to restrict trading by DPs of the listed company during trading window closure period.

To read more - https://www.sebi.gov.in/legal/circulars/aug-2022/trading-window-closure-period-under-clause-4-of-schedule-b-read-with-regulation-9-of-sebi-prohibition-of-insider-trading-regulations-2015-framework-for-restricting-trading-by-designated-persons-b_61781.html



AMENDMENTS ISSUED BY RBI

RBI has published the Foreign Exchange Management (Overseas Investment) Rules, 2022 in supersession to the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015.

The Rules shall apply to any investment made outside India by a financial institution in an IFSC or acquisition or transfer of any investment outside India made out of Resident Foreign Currency Account; or out of foreign currency resources held outside India by a person who is employed in India for a specific duration irrespective of length thereof or for a specific job or assignment, duration of which does not exceed three years; or in accordance with sub-section (4) of section 6 of the Act.

To read more-

<https://rbidocs.rbi.org.in/rdocs/content/pdfs/GazetteRules23082022.pdf>

RBI has published the Foreign Exchange Management (Overseas Investment) Regulations, 2022 which shall come into force on the date of their publication in the Official Gazette i.e. 22-08-2022.

As per the amended Regulation, the Indian entity may lend or invest in any debt instrument issued by a foreign entity or extend the non-fund-based commitment to or on behalf of a foreign entity including overseas step-down subsidiaries of such Indian entity subject to the following conditions within the financial commitment limit as prescribed in the Foreign Exchange Management (Overseas Investment) Rules, 2022.

To read more - <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12380&Mode=0>

AMENDMENTS ISSUED BY NSE/BSE

AMENDMENTS ISSUED BY NSE

NSE has notified the steps taken by SEBI for the usage of Digital Signature Certification for authentication/certification of filings/submissions made to Stock Exchanges.

In accordance with Regulation 10 of SEBI (LODR), all listed companies are required to file the reports, statements, documents, filings and any other information with the recognized Stock Exchange(s) on the electronic platform as specified by the Board or the recognized Stock Exchange(s). Accordingly, NSE has provided an electronic platform viz. National Stock Exchange Electronic Application Processing System (NEAPS) and the Digital Portal for listed companies to file the above documents. Rating, etc...

To read more - <https://static.nseindia.com//s3fs-public/inline-files/Circular%20on%20use%20of%20digital%20signature%20certificate.pdf>

Tax calendar



September 2022- Tax Calendar

7 SEPTEMBER	Due date for deposit of Tax deducted/collected for the month of August, 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 September	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of July, 2022
14 September	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of July, 2022
14 September	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of July, 2022
15 September	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of August, 2022 has been paid without the production of a challan
15 September	Second instalment of advance tax for the assessment year 2023-24
15 September	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 August, 2022
30 September	Due date for filing of audit report under section 44AB for the assessment year 2022-23 in the case of a corporate-assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2022)
30 September	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of August, 2022
30 September	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of August, 2022



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