

R N M
India

RNM ALERT

MONTHLY NEWSLETTER



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GGi
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CA U N MARWAH

Senior Managing Partner

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Dear Readers

During the month of February 2022, Team RNM organized a Masterclass Webinar on “How the Union Budget 2022 is going to impact you” with Mr Nishant Arya, Vice Chairman JBM Group a leading manufacturer of auto systems, electric vehicles and buses, Mr Nitin Shakhder, Founder Green Capital, a Single Family Office as Guest Speakers other than Mr Prakash Kumar Jain, Partner-Direct Tax RNM India, Mr Nitish Sharma, ED- Indirect Tax RNM India which was moderated by Mr Raghu Marwah, CEO, RNM India. The Speakers shared their views on how the Budget is going to impact electric vehicles adoption, sustainability and wider capital markets. For those who missed out, you would find the full webinar on RNM India’s YouTube channel and snippets on social media.

The recent war in Ukraine is likely to have a global economic impact, with higher crude prices and supply chain disruptions anticipated. As per the RBI Bulletin, in India, the recovery in economic activity is gaining strength and traction as it emerges from the third wave.

We wish all our readers a very Happy Holi on 18th March and hope the festival of colours brings good energies to triumph good over evil in each of your lives.

CLOUD GOVERNANCE & SECURITY

“Data is the new oil.” Being such a huge resource, it is important to protect it and also to keep it accessible, confidential and well-maintained. One such method of ensuring this is to maintain the data on the cloud. So, this shall be an appropriate time to ask ourselves how much are we aware of this new and emerging technique of maintaining data.

The ‘cloud’ refers to servers that can be accessed through the internet and includes vast databases and software. This means that companies and users are not required to maintain applications on their own devices to store the data. Instead, they are located at data centres spread across the world. This also implies that the data stored on the cloud can be accessed anywhere, anytime as its location is virtual. This brings us to the indispensable requirement of good cloud governance and security.

There have been set vast rules and policies by companies providing such services. The main objective is data security, risk management, and smooth cloud system operations. There are five major disciplines of cloud Governance:

Cost Management- It is a primary concern for cloud users. Development of policies for cost control for all cloud platforms.

- **Security Baseline-** Once security requirements are established, cloud governance policies and enforcement apply those requirements across network, data and asset configurations.
- **Identity Baseline-** Improper application of identity requirements increases the risk of breach. The Identity Baseline discipline ensures that the identity is consistently applied across cloud adoption efforts.
- **Resource Consistency-** Cloud operations depend on consistent resource configuration. Through governance tooling, the resource can be configured consistently to manage risk related to onboarding, drift, discoverability and recovery.
- **Deployment Acceleration-** Centralisation, standardisation and consistency in approaches to deployment and configuration improve governance practices. When provided through cloud-based governance tooling, they create a cloud factor that can accelerate deployment activities.

Creation of Rules of Cloud Governance

The best way of creating rules for cloud governance is by knowing the assets already deployed and the security threats already existing. The company should begin by optimizing its assets for cost and performance followed by future capacity planning and budgeting. This involves exchanging one’s service providers for taking the advantage of discounted pricing structures or more suitable services but is something you should be able to manage easily with a suitable service, but easily manageable cloud management solution.

Once the assets are optimised, the company is armed with reports evaluating costs and performance by department, allowing collaboration with different departments to create the rules of governance. Along with putting place rules of cloud governance, accommodation of flexibility & revisions and policies to govern the security of their network.

Cloud Governance Automation Software

Cloud governance automation software is a useful element of some third-party cloud management solutions that executes predetermined actions when a governance rule is violated.

Cloud governance solutions sure help audit and optimise assets, and monitor compliance with the applied governance rules, CGAS can be configured to notify the authorities of a violation request approval for an event beyond the parameters of your governance rules, or automatically terminate an asset.

Effectively, cloud governance automation software:

- Removes much of the work involved in cloud governance
- Helps create a more cost-effective and efficient environment
- Alerts to potential security issues before they develop into serious concerns.

Cloud Security

Cloud security refers to technologies, policies, controls and services that protect cloud data, applications and infrastructure from threats.

Cloud security is a shared responsibility between the cloud service provider and the customer. This shared responsibility model includes three categories of responsibilities:

- Responsibilities of the service provider
- Responsibilities of customer
- Responsibilities vary depending on the service model.

The service provider's responsibilities are related to the safeguarding of the infrastructure as well as access to patching and configuration of the physical hosts and network on which the 'Compute Instances' run and the storage and other resources reside.

The customers' responsibilities include managing users and their access privileges, safeguarding cloud accounts from unauthorised access, encrypting and protecting cloud-based data assets and managing its security posture.

Hence, whether an individual user, SMB user or even enterprise-level cloud user, it is important to make sure that their network and devices are as secure as possible. This starts with good cyber security understanding on the individual user level, as well as ensuring that your network and all devices are protected using a robust security solution that is built for the cloud.

Conclusion

It is certainly worth investigating regardless of what size of operation you run in the cloud now, you should know what cloud governance is.

Latest amendment in the month of February 2022 was issued by MCA, RBI, SEBI, DIPP and others.

AMENDMENTS ISSUED BY MCA

LLP (Amendment) Rules 2022:

MCA has notified the Limited Liability Partnership (Amendment) Rules, 2022 which shall come into force with effect from April 01, 2022. The amendment is brought under Rule 19(1) which states that a limited liability partnership or a company or a proprietor of a registered trademark under the Trade Marks Act, 1999 already has a name or trademark which is similar to or which too nearly resembles the name or new name of a limited liability partnership incorporated subsequently, may apply to the Regional Director in Form 23 to give a direction to that limited liability partnership incorporated subsequently to change its name or new name, as the case may be. An application of the proprietor of the registered trademark shall be maintainable within a period of three years from the date of incorporation or registration or change of name of limited liability partnership under the Act. Further, a new Rule 19A which deals with the allotment of the new name to an existing LLP has been notified.

To read more: <https://www.mca.gov.in/bin/dms/getdocument?mds=8JwzH7TbzRV%252FecDCxJUOyQ%253D%253D&type=open>

Companies (Accounts) Amendment Rules, 2022:

MCA has notified the Companies (Accounts) Amendment Rules, 2022 which shall come into force on the date of MCA publication in their Official Gazette i.e 11-02-2022. A new e-Form CSR-2 has been introduced. Every company with CSR responsibility shall furnish a report on Corporate Social Responsibility in Form CSR-2 to the Registrar for the preceding financial year (2020-2021) and onwards as an addendum to Form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS), as the case may be. For the financial year (2020-2021), Form CSR-2 shall be filed separately on or before March 31, 2022.

To read more: <https://www.mca.gov.in/bin/dms/getdocument?mds=adQPpN3U8Y7LlcmY0C8FvA%253D%253D&type=open>

FAQ's on V3 (New Application) for e-filing by the Limited Liability Partnerships (LLPs):

All the LLP e-filing services are being upgraded and migrated to the MCA V3 portal. However, all the other services will continue to exist at the MCA V2 portal. MCA is launching this new application (v3) for e-filing by LLPs on the MCA21 portal to improve the delivery of LLP services. All LLP filings shall be web-based from 06/03/2022 and onwards. MCA21 V3.0 will reduce the requirements of attachments, make the forms web-based and strengthen the pre-fill mechanism.

To read more: https://www.mca.gov.in/content/dam/mca/pdf/v3FAQs_20022022.pdf

Notification under section 67 of LLP Act 2008:

MCA has notified that the provisions of Sections 90 (Register of significant beneficial owners in a Company), Section 164 (Disqualifications for Appointment of Director), Section 165 (Number of Directorships), Section 167 (Vacation of Office of Director), Section 206(5)-(Power to Call for Information, Inspect Books and Conduct Inquiries), Section 207(3)-(Conduct of Inspection and Inquiry), Section 252 (Appeal to Tribunal for the Revival of Companies) and Section 439 (Offences to be Non-cognizable) of the Companies Act, 2013 shall also apply to Limited Liability Partnership from the date of publication of this notification. Any person holding office as a designated partner in limited liability partnerships more than the limits as specified in the Act, immediately before this notification shall, within a period of one year from such notification, choose not more than the specified limit of those limited liability partnerships, as limited liability partnerships in which he wishes to continue to hold the office of designated partner.

To read more: <https://www.mca.gov.in/bin/dms/getdocument?mids=s3NAd1DMJP%252Bb4D3KxSkX1Q%253D%253D&type=open>

Relaxation on levy of additional fees in the filing of e-forms AOC-4, AOC-4 (CFS), AOC-4, AOC-4 XBRL AOC-4 Non-XBRL and MGT-7/MGT-7A for the financial year ended on 31.03.2021 under the Companies Act, 2013:

In continuation to Ministry's General Circular No. 22/2021 dated 29.12.2021, keeping in view various requests received from stakeholders regarding relaxation of levy of additional fees for annual filings to be done, it has further decided that no additional fees shall be levied up to 15.03.2022 for filing e-form AOC-4/AOC-4(CFS)/AOC-4 XBRL and up to 31.03.2022 for filing e-form MGT-7/7A in respect of financial year 31.03.2021.

To read more: <https://www.mca.gov.in/bin/dms/getdocument?mids=djwPZuhvXhaSatUCw9YnZA%253D%253D&type=open>

Amendments issued by SEBI

Disclosures in the abridged prospectus and front cover page of the offer document:

SEBI has notified a new format for disclosures in the abridged prospectus, whereby critical information will be provided on the front page of the offer document. Under the rules, every application form for the purchase of any securities of a company needs to be accompanied by an abridged prospectus. A company will have to disclose the name of the promoter, details of the offer to the public, types of issue, fresh issue and offer for sale (OFS) component, total issue size and share reservations details on the front page of the abridged prospectus (DRHP or RHP). Further, they will have to insert a Quick Response (QR) code on the front page of the documents such as front outside cover page, abridged prospectus, price band advertisement, etc as deemed fit by them. The scan of the QR code will lead to downloading of prospectus, abridged prospectus and price band advertisement as applicable.

To read more: https://www.sebi.gov.in/legal/circulars/feb-2022/disclosures-in-the-abridged-prospectus-and-front-cover-page-of-the-offer-document_55920.html

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Accounts and Audit

Auditor's Responsibility to Evaluate the Risk of Material Misstatement (ROMM)

SA 315, Identifying and Assessing the Risks of Material Misstatement through understanding the entity and its environment deals with the auditor's responsibility to identify and assess the risk of material misstatement in the financial statements, through understanding the entity and its environment.

A risk assessment procedure is performed for the identification and assessment of risks of material misstatement at the financial statement and assertion levels. SA 315 requires that:

- The auditor shall document the discussions among the engagement team and significant decisions reached.
- The engagement partner and other key engagement team members shall discuss the susceptibility of the entity's financial statements to material misstatement, and the application of the applicable financial reporting framework to the entity's facts and circumstances. The identified and assessed risks of material misstatement due to fraud at the financial statement level and at the assertion level.

Obtaining an understanding of the entity and its environment, including the entity's internal control (referred to hereafter as an "understanding of the entity"), is a continuous, dynamic process of gathering, updating, and analyzing information throughout the audit. The understanding establishes a frame of reference within which the auditor plans the audit and exercises professional judgment throughout the audit, like, when:

- Assessing risks of material misstatement of the financial statements
- Determining materiality in accordance with SA 320
- Considering the appropriateness of the selection and application of accounting policies, and the adequacy of financial statement disclosures
 - Identifying areas where special audit consideration may be necessary, for example, related party transactions, the appropriateness of management's use of the going concern assumption, or considering the business purpose of transactions
 - Developing expectations for use when performing analytical procedures
 - Responding to the assessed risks of material misstatement, including designing and performing further audit procedures to obtain sufficient appropriate audit evidence.

The risks to be assessed include both those due to error and those due to fraud, and both are covered by this SA 315.

Para A127of SA 315 prescribes examples of conditions and events that may indicate the existence of risks of material misstatement:

- Going concern and liquidity issues including loss of significant customers.
- Constraints on the availability of capital and credit.
- Changes in the entity such as large acquisitions or reorganisations or other unusual events.
- Entities or business segments likely to be sold.

- The existence of complex alliances and joint ventures.
 - Use of off-balance-sheet finance, special-purpose entities, and other complex financing arrangements.
 - Significant transactions with related parties.
 - Transactions that are recorded based on management's intent, for example, debt refinancing, assets to be sold, and classification of marketable securities.
 - Accounting measurements that involve complex processes.
 - Events or transactions that involve significant measurement uncertainty, including accounting estimates.
 - Pending litigation and contingent liabilities, for example, sales warranties, financial guarantees, and environmental remediation

When identifying and assessing the risks of material misstatement due to fraud, the auditor shall based on a presumption that there are risks of fraud in revenue recognition, evaluate the types of revenue, revenue transactions, or assertions that give rise to such risks.

The management has the ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. The auditor is required to treat those assessed risks of material misstatement due to fraud as significant risks and accordingly, to the extent not already done so, the auditor shall obtain an understanding of the entity's related controls, including control activities, relevant to such risks.

Also, the Audit Firm shall:

- discuss the components of the entity's financial statement and arrive at significant decisions regarding the susceptibility of the financial statements to material misstatement due to fraud.
- perform risk assessment procedures to identify and assess fraud risks, significant risks, and other risks at financial statement level and assertion level.
- obtain an understanding of the entity and its environment, including the entity's internal control, through which it establishes a frame of reference within which it plans the audit and exercises professional judgment throughout the audit.
- identify fraud risk based on a presumption that there are risks of fraud in revenue recognition and evaluate the types of revenue, revenue transactions, or assertions giving rise to such risks.
- obtain an understanding of the entity's related controls, including control activities, relevant to such risks.

Para A30 of SA 240, The auditor's responsibility related to fraud in an audit of financial statements, deals with risks of fraud in Revenue Recognition. It states that the presumption that there are risks of fraud in revenue recognition may be rebutted.

Para 47 of SA 240 also states that where the auditor concludes that the presumption that there is a risk of material misstatement due to fraud related to revenue recognition is not applicable in the circumstances of the engagement, the auditor shall document the reasons for that conclusion.

The auditor's documentation of the responses to the assessed risks of material misstatement shall include:

- The overall responses to the assessed risks of material misstatement due to fraud at the financial statement level and the nature, timing, and extent of audit procedures, and the linkage of those procedures with the assessed risks of material misstatement due to fraud at the assertion level.

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Indirect Tax Alert

GST Calendar –Compliances for the month of February '2022

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

A. E-invoice is now mandatory for taxpayers with a turnover of Rs. 20 crores: CBIC vide Notification No. 01/2022 – (Rate) dated February 26, 2022, has amended Notification No. 13/2020, thereby reducing the turnover limit from Rs. 50 crores to Rs. 20 crores, where turnover exceeds Rs. 20 crores in any preceding financial year from 2017-18 onwards w.e.f. April 1, 2022. Now, e-invoicing is mandatory for the taxpayers having a turnover of more than INR 20 crore from April 1, 2022.

It may be noted that e-invoicing replaces the physical invoice and shall soon replace the existing e-way bill system.

B. LUT for FY 2022-23: GSTN enables facility for filing Letter of Understanding 'LUT' for FY 2022-23 on GST Portal for taxpayers. Application for exporting goods/services under LUT needs to be completed by March 31, 2022, or before supply for Exports and SEZ.

It may be noted that the previous LUT is valid only up to the period March 31, 2022.

C. Proposed improvements & enhancements in GSTR-1/IFF on GST Portal:

GSTR-1/IFF can be viewed as usual by navigating from:

Returns Dashboard > Selection of Period > Details of outward supplies of goods or services GSTR-1 > Prepare Online.

Highlights of the proposed improvements:

1. GSTR-1/IFF has been grouped in two sections namely ADD RECORD DETAILS and AMEND RECORD DETAILS:

- a. All the tables/tiles for new details addition shall be available under ADD RECORD DETAILS section while all the tables/tiles for amending previously filed details shall be available under AMEND RECORD DETAILS section. Re-arrangement of tables/tiles shall ensure that taxpayers can navigate easily to add or amend record details in the GSTR 1/IFF.
- b. By default, ADD RECORD DETAILS section shall be in expanded form (visible) and AMEND RECORD DETAILS section shall be in the collapsed form (hidden). Taxpayers can expand or collapse these sections as per the requirement. As it has been observed that only around 1% of details added are amended by taxpayers, that is why it will be in collapsed mode.
- c. E-invoice advisory and help buttons have been moved to the top of the dashboard page for ease of access. It also is notable that e-invoice provisions apply only to selected taxpayers, having aggregate turnover above a particular threshold.

2. Table/Tile Document Counts: The document count for each tile (table) has been made more informative with colour-coding. The status of uploaded (Saved, Pending, Errored) documents with their count will also be made available. Taxpayers can now ascertain if there are any pending or errored records in any of the tables of GSTR-1/IFF from the dashboard itself. The system shall update the count of records in the tiles on a real-time basis which will help in easy reconciliation. In case any record added by the taxpayer is errored out, then the tile will be highlighted in red colour. A sample image of the same is mentioned below for information.

3. Enhancement in B2B and CDNR table/tile: Taxpayers will now be able to view a new record details table with the details of the recipient-wise count of records. Record details table will have the following columns:

- a. Taxpayer type – Type of recipient taxpayer (Regular, SEZ, and Composition) shall be displayed in this column.
- b. Processed invoice – The number of processed invoices will be available in this column with a hyperlink. On clicking it, the taxpayer will navigate to the document details page to view all the records added for the respective recipient(s).
- c. Pending/errored invoice – The number of pending invoices will be available in this column with a hyperlink. On click of it, a taxpayer can navigate to the pending/errored records details page to view all the records which are in pending or errored status for the respective recipient(s).
- d. Add Invoice – The taxpayer can add new records for the selected recipient. On click of +symbol, add page shall open with pre-filled recipient GSTIN. On click of save, add page will reopen so that taxpayers can continue to add multiple records.
- e. Search – A general search functionality has been added to the Document details page. Using this, taxpayers can now search specific records about a specific GSTIN. This will help taxpayers to search added records seamlessly.

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Direct Tax Alert

Union Budget 2022-23 Highlights

1. Updated Income Tax Return: Sub-section (8A) has proposed to be inserted into section 139 to provide an additional 2 years to a taxpayer to update his return. Updated returns can be filed irrespective of the fact whether the taxpayer has earlier filed the original, revised or belated return in respect of the relevant assessment year.

However, an updated return cannot be filed if it is a return of a loss or has the effect of decreasing the tax liability or increasing the refund. Further, an updated return cannot be filed in search and seizure cases and other specified circumstances.

Provision intended to cover situation where income has not been disclosed earlier and can now be disclosed through updated return. Whether income disclosed in updated return shall be treated as concealed income or in that case assessee may be required to substantiate the inadvertent non-reporting of income in earlier return. Hence it would be imperative to clarify whether, penalty will be invoked in case of updated return.

Further in case 'return of loss' whether it covers the current year loss or it can include brought forward losses as well.

2. Tax on Virtual Digital Assets: A new scheme has been proposed for taxation of virtual digital assets with effect from Assessment Year 2023-24. All gains arising from the transfer of digital assets on or after 01-04-22 shall be governed by this scheme. Virtual Digital Assets cover crypto-currencies, NFTs, and any other digital asset notified by the Central Govt. The Govt. has the power to exclude any digital asset from the definition of a virtual digital asset.

A new Section 115BBH has been proposed to be inserted. It provides that the income from the transfer of any virtual digital asset shall be taxed at the rate of 30%. However, no deduction in respect of any expenditure (other than cost of acquisition) or allowance or set-off of any loss shall be allowed to the assessee.

Further no set-off of any loss arising from the transfer of virtual digital asset shall be allowed against any income computed under any other provision of the Act and such loss shall not be allowed to be carried forward to subsequent assessment years.

A new Section 194S has been proposed to be inserted. It provides for deduction of tax at the rate of 1% from payment to a resident person on transfer of virtual digital asset.

The meaning of 'property' for Section 56(2)(x) shall now include virtual digital asset. Thus, where such assets are received without consideration or inadequate consideration, it shall be taxable in the hands of the recipient if it exceeds Rs. 50,000.

Whether the loss from the transfer virtual digital asset can be set off from the income earned from the transfer from virtual digital asset ? Pertinent to note that, there is no corresponding amendment in the provision relating to set off and carry forward of the losses.

3. Unexplained or Undisclosed Income:

I. Person giving loan or borrowing is required to explain the source of income

The nature and source of any sum, whether in the form of a loan, borrowing or any other liability, shall be treated as explained only if the source of funds is explained in the hands of the creditor. However, this onus would not apply if the creditor is a well-regulated entity, i.e., it is a Venture Capital Fund, Venture Capital Company registered with SEBI.

This amendment might be bit harsh, where funding is obtained from private corporate finance and where ECB obtained by subsidiary from any overseas group entity.

II. No set-off of loss against undisclosed income discovered during search

No set-off of any loss or unabsorbed depreciation shall be allowed against undisclosed income discovered consequent to a search initiated under section 132, a requisition made under section 132A, or a survey conducted under section 133A.

This amendment put a rest on the open litigation on the issue.

4. Section 14A disallowance: Section 14A is proposed to be amended to clarify that disallowance shall be made for any expenditure incurred in relation to an exempt income even if no exempt income has accrued or arisen or has been received during the said previous year.

Though made applicable from 1.04.2022, however as per explanation, seems to have a retrospective effect.

Important Judicial Precedents

1. The Bangalore ITAT allows Assessee's appeal, holds rural agricultural land conditionally converted for non-agricultural use to be outside the ambit of Section 2(14) where the land continued to be an agricultural land in the revenue record, thus, holds capital gain on sale of such land to be not taxable. **[TS-136-ITAT-2022(Bang)]**

2. Bombay HC allows writ petition challenging reassessment notice and order rejecting objections, holds that reasons framed on basis of ongoing assessment proceedings for another A.Y collapse when proceedings attained finality with ITAT ruling in Assessee's favour. **TS-92-HC-2022(BOM)**

3. Bombay HC sets aside reassessment notice and order rejecting objections, where reassessment notice was issued beyond a period of six years found to be based on change of opinion; **TS-94-HC-2022(BOM)**

4. Mumbai ITAT dismisses Assessee's appeal, upholds addition to book profits of the amount offered under normal tax provisions and reflected in Form 26AS; ITAT Opines that "once the error was committed by the assessee in preparation of Profit and loss statement by not adding the entire amount shown in 26AS as income of the assessee either on account of omission, inadvertent error or by way of fraud which was otherwise required to be included in the statement of the profit and loss account, then it cannot be said that the said amount which was wrongly or deliberately or otherwise left to be included in the book of accounts, cannot be added to the book profit for the purpose of section 115JB"; **[TS-135-ITAT-2022(Mum)]**

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Financial News Alert

Bharti Airtel to buy Vodafone's equity stake in Indus Tower:

Telecom operator Bharti Airtel Ltd has agreed to buy Vodafone Group's 4.7% stake in India's largest cell tower firm Indus Towers Ltd. Vodafone Group is looking to sell its entire stake in Indus Towers Ltd. Currently, Vodafone holds about 28% in Indus Towers while that of Bharti Airtel is close to 42%. Vodafone has said that the cash it raises via these stake sales would be infused in loss-making Vodafone Idea. The development comes after a challenging period for Vodafone in India, where its local arm, Vodafone Idea has faced intense competition and lost millions of wireless subscribers to Reliance's Jio & Bharti Airtel.

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

- **Private Equity:**

Trifecta Capital raises Rs 1,500 cr for maiden equity fund; to raise another Rs 375 cr:

Venture debt pioneer Trifecta Capital has raised Rs 1,500 crore for its maiden equity fund called - Trifecta Leaders Fund - I and is looking to raise another Rs 375 crore. Till now, the fund has invested in eight start-ups such as Dailyhunt, Livspace, Cars24, Pristyn Care, ixigo, Good Glamm Group, API Holdings (Pharmeasy) and Meesho.

(Source: [VC Circle 07 February 2022](#))

MSME-focused U GRO Capital raises \$18.5 mn from Swiss impact investor:

Fintech platform U GRO Capital Ltd has raised Rs 138 crore (around \$18.5 million) as its first impact-focused debt capital from Swiss firm 'responsibility'. The company plans to use the fresh funds to back MSME-focused companies in India.

(Source: [VC Circle 07 February 2022](#))

Apollo leads \$267 mn in non-bank lender Hero FinCorp:

Hero FinCorp, the non-banking financial company (NBFC) has raised Rs 2,000 crore (\$267 million) in capital from US-based private equity firm Apollo Management, its parent Hero MotoCorp and other investors. This is likely to be Apollo's third investment in India after its breakup with ICICI Venture.

(Source: [VC Circle 07 February 2022](#))

Polygon Technology raises \$450 mn from Sequoia, Tiger Global, SoftBank, others:

Polygon, which offers an Ethereum infrastructure platform, has raised \$450 million in a funding round led by Sequoia Capital India, Tiger Global Management and SoftBank with participation from more than 40 major venture capital firms including Galaxy Digital, Galaxy Interactive and Republic Capital.

(Source: [VC Circle 07 February 2022](#))

PE-backed CredAvenue buys majority stake in 6-year old Fintech firm:

Chennai-based CredAvenue, a debt marketplace for financial services firms and enterprises, has acquired around 75% stake in Mumbai-based Spocto Solutions Pvt Ltd, a collections solution provider in the debt management space. The deal is likely to have sealed anywhere between ₹300 to ₹400 crore.

(Source: [VC Circle 14 February 2022](#))

Chargebee acquires PE-backed collection management platform numbers:

Chargebee, a software-as-a-service (SaaS) based subscription management platform, has announced the acquisition of private equity-backed collections management platform numbers. The company has not disclosed the financial details of the transaction.

(Source: [VC Circle 20 February 2022](#))

• Venture Capital:

Bombay Shaving Company raises \$6.6 million in Series C round:

Male grooming brand Bombay Shaving Company has raised Rs 50 crore (\$6.6 million) in funding from Gulf Islamic Investments as part of its extended Series C financing round. The company has announced to have secured Rs 160 crore led by Malabar Investments, a hedge fund in the first leg of its Series C round in January 2022. Capital infused will be used for expanding its portfolio of products.

(Source: [VC Circle 04 February 2022](#))

Jio Platforms invests \$15 million in Pranav Mistry's AI firm Two Platform Inc:

Jio Platforms Ltd has invested \$15 million in Two Platforms Inc., a Silicon Valley-based deep-tech start-up founded by Pranav Mistry, for a 25% equity stake on a fully diluted basis. Two Platforms Inc is an artificial intelligence (AI) company with a focus on building interactive and immersive AI experiences.

(Source: [VC Circle 4 February 2022](#))

Softbank, Prosus, and others help ElasticRun join unicorn club with \$300 mn funding:

Pune-based logistics startup ElasticRun, founded in March 2016 by Sandeep Deshmukh, Saurabh Nigam and Shitiz Bansal joined the Unicorn club. ElasticRun raised \$302.94 million from Japan's SoftBank Group, Prosus Ventures and Goldman Sachs.

(Source: [VC Circle 8 February, 2022](#))

Razorpay buys majority stake in Malaysia-based fintech Curlec:

Digital payments and financial services unicorn, Razorpay Software Pvt Ltd, has acquired a majority stake in Malaysia-based fintech firm Curlec, marking its first international acquisition. Chief Executive Officer of Razorpay told the media that the acquisition values Curlec at \$19-20 million. Razorpay will be buying a 100% stake in Curlec in the next 12-18 months.

(Source: [VC Circle 8 February, 2022](#))

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Tax Calendar

2 March 2022

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of January 2022
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of January 2022
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M in the month of January 2022

7 March 2022

- Due date for deposit of Tax deducted/collected for the month of February, 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

15 March 2022

The fourth instalment of advance tax for the assessment year 2022-23

- Due date for payment of the whole amount of advance tax in respect of the assessment year 2022-23 for assessee covered under presumptive scheme of section 44AD / 44ADA
- Due date for filing of return of income for the assessment year 2021-22 if the assessee (not having any international or specified domestic transaction) is (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 apply
- The due date for furnishing of return of income for Assessment Year 2021-22 has been extended to February 28, 2022, vide Circular no. 17/2021, dated 09-09-2021
- The due date for filing of return of income has been further extended to March 15, 2022, vide Circular No. 01/2022, dated 11-01-2022
- Return of income for the assessment year 2021-22 in the case of an assessee if he/it is required to submit a report under section 92E pertaining to the international or specified domestic transaction(s)
- The due date for furnishing of return of income for Assessment Year 2021-22 has been extended to February 28, 2022, vide Circular no. 17/2021, dated 09-09-2021
- The due date for filing of return of income has been further extended to March 15, 2022 vide Circular No. 01/2022, dated 11-01-2022

17 March 2022

- Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of January, 2022
- Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of January, 2022

- Due date for issue of TDS Certificate for tax deducted under section 194M in the month of January, 2022

30 March 2022

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of February, 2022
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of February, 2022
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M in the month of February, 2022
- Due date for linking of Aadhaar number with PAN
- The due date for linking of Aadhaar number with PAN has been extended to March 31, 2022 vide Notification S.O. 3814(E), dated 17-9-2021

31 March 2022

- Country-By-Country Report in Form No. 3CEAD for the previous year 2020-21 by a parent entity or the alternate reporting entity, resident in India, in respect of the international group of which it is a constituent of such group
- Country-By-Country Report in Form No. 3CEAD for a reporting accounting year (assuming reporting accounting year is April 1, 2020 to March 31, 2021) by a constituent entity, resident in India, in respect of the international group of which it is a constituent if the parent entity is not obliged to file report under section 286(2) or the parent entity is resident of a country with which India does not have an agreement for exchange of the report etc.
- Filing of belated/revised return of income for the assessment year 2021-22 for all assessee (provided assessment has not been completed before March 31, 2021)
- The due date for filing of belated/revised return of income for the assessment year 2021-22 has been extended to March 31, 2022 vide Circular no. 17/2021, dated 09-09-2021
- Filing of application in Form 10A for registration/provisional registration/intimation/approval/provisional approval of Trust, institutions or Research Associations, etc. (which was required to be filed on or before 30-06-2021)
- The due date for filing of application in Form 10A has been extended to March 31, 2022 vide Circular no. 16/2021, dated 29-08-2021
- Filing of application in Form 10AB for conversion of provisional registration into regular registration or renewal of registration/approval after five year of registration/approval of Trust, institution, etc. (which was required to be filed on or before 28-02-2022)
- The due date for filing of application in Form 10AB has been extended to March 31, 2022 vide Circular no. 16/2021, dated 29-08-2021



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