

# NEWSLETTER

TUESDAY 1/08/2023

<https://marcksnetwork.com/>

## TOP NEWS

- GST OFFENCES ARE NOT MONEY LAUNDERING OFFENCES BY VIRTUE OF NOTIFICATION DATED 7-JULY,2023 ISSUED UNDER SECTION 66 OF "THE PMLA ACT,2002"
- GSTN INCLUDED IN PMLA FOR SHARING OF MUTUAL INFORMATION BETWEEN ED AND GSTN, WILL HELP TO ED TO INVESTIGATE CASSES MORE EFFECTIVELY

## WELCOME TO OUR NETWORK

- OUR VISION IS TO BE THE MOST HIGHLY RESPECTED AND TRUSTED PROFESSIONAL ACCOUNTING AND AUDIT FIRM IN INDIA, WHERE EACH CLIENT COMES WITH A FIRM BELIEF THAT THEIR INTERESTS WILL BE TAKEN CARE OF BY A TEAM WHO TREATS HIS PROBLEMS AS THEIR OWN AND FIND SOLUTIONS WHICH BEST SUITS THEIR INTEREST.



## OUR MISSION

OUR MISSION IS OF PARTNERING WITH OUR CLIENTS AND NOT BEING A DISTANT SERVICE PROVIDER. SINCE BUSINESSES ARE INHERENTLY DIFFERENT, WE TAILOR OUR SERVICES TO MEET CLIENT'S SPECIFIC NEEDS AND BANISH THE 'ONE-SIZE-FITS-ALL' STANDARDIZATION IN ORDER TO FOSTER GROWTH AND BUILD NEXT-GENERATION PROFESSIONAL ORGANISATION.



## CHAIRMAN SPEAK'S



*Dear Valued Readers,*

*I hope this message finds you well. I wanted to take a moment to update you on the latest happenings in the Professional Domain as well as our Network expansion plans. We are starting this Newsletter to keep our community apprised of The latest professional updates and knowledge sharing.*

*As part of our growth strategy, we are actively exploring opportunities to expand our Network into new Geographical markets through tie-ups with CA's and other professionals. We believe that this will open up new avenues for growth and enable us to serve a wider client base.*

*Thank you for your continued support and patronage, We remain committed for providing you with top-notch professional services, and experience as we look to embark on the journey to be the foremost Professional Network Firm recently started in India to render services of global standards.*

*Sincerely,*

*CA Motilal Jain*

*CHAIRMAN- MARCKS Network*

# ***IMPORTANT DECISIONS TAKEN:- 50th GST COUNCIL MEETING***

1. Transporters will not be required to file a declaration for paying GST under forward charge every year
2. No RCM on services supplied by a director of a company to the company in his private or personal capacity such as supplying services by way of renting immovable property to the company
3. Relief for the taxpayer, Govt extended the special procedure regarding mismatch in ITC availed in GSTR-3B and 2A for two more years i.e 2019-20 and 2020-21
4. Amnesty schemes notified vide notifications dated 31.03.2023 regarding non-filers of FORM GSTR-4, FORM GSTR-9 & FORM GSTR-10 returns, revocation of cancellation of registration extended till 31.08.2023
5. To do away with the requirement that the physical verification of business premises is to be conducted in the presence of the applicant
6. To provide for physical verification in HIGH-RISK cases even where Aadhaar has been authenticated.
7. System-based intimation to the taxpayers in respect of the excess availment of ITC in FORM GSTR-3B vis a vis that made available in FORM GSTR-2B
8. Supply of food and beverages in cinema halls is taxable at 5%
9. If the sale of cinema TICKETS and supply of food and beverages ARE clubbed together then THE gst rate of cinema TICKETS will apply
10. 28% GST on the value of the chips purchased in casinos
11. 28% GST on the full value of the bets placed in Online Gaming
12. Relaxations provided in FY 2021-22 in respect of various tables of FORM GSTR-9 and FORM GSTR-9C be continued for FY 2022-23
13. No GSTR-9 for turnover upto 2 crores
14. Input Services Distributor (ISD) mechanism is not mandatory for distribution of input tax credit of common input services procured from third parties to the distinct persons as per the present provisions of GST law. Amendment may be made in GST law to make ISD mechanism mandatory prospectively
15. Detailed Circular to be issued to provide clarity on liability to reverse input tax credit in cases involving warranty replacement of parts and repair services during warranty period
16. Refund of accumulated input tax credit (ITC) to be restricted to ITC appearing in FORM GSTR-2B

# MERGER'S & ACQUISITIONS

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## **MERGER:-**

When two companies combine with each other into one big company, it is called a merger. So, a merger occurs when both companies are involved in a transfer of ownership, either through a cash payment or through a stock swap between the two companies

## **ACQUISITIONS:**

A corporate transaction wherein one company buys a portion or all of the shares or assets of another company is called an acquisition. The acquiring company gains full control of the target company by purchasing 50% or more of the target firm's stock and other assets.

## **ADVANTAGES OF MERGERS AND ACQUISITIONS:**

- **GLOBAL MARKET ENTRY** -Mergers really help in entering new territories across the globe in different markets all over. The global market is basically a high world-level market wherein any company can sell their products and services without any restrictions or stoppages for entrances
- **ECONOMIES OF SCALE**- When larger companies with higher output merge together with a smaller company, average costs can be reduced due to which lower prices can be offered to the customers. Hence, it results in a bigger size and gain for the companies involved.
- **GAIN MARKET SHARE**-When a merged company provides an adequate and continuous supply of goods and services according to the needs of the clients, it helps the market share to increase concurrently. Also, entering into an agreement with clients with a fixed supply of products and services can lead to long-term secured market share
- **INCREASE IN GROWTH AND REVENUE**- The main aim of any business is to maximize profits and that is why, when a merger occurs, both companies would want the revenues to grow and subsequent profits to increase. The merged companies grow faster because of the capital investment for research and development, marketing, and merged talents. Thus, there is higher revenue because of the positive cash flow in the company.
- **GOOD REPUTATION**- In successful mergers, the goodwill of the merged company is boosted and it enjoys a nice and well-built reputation in the global markets. The confidence of the shareholders is increased in the merged company and they have faith in investing more in the business. This creates a good image for the merged company among the consumers. The stock prices of the products and services rise due to good image-building.
- **HELPS FACE COMPETITION**- When two competitive companies merge together, they form one big company that might enjoy a monopoly status in the market. Thus, other small companies do not stand a chance in front of the merged company. Also, it can provide goods and services to the customers at competitive prices. Mergers also help the merged company to deal with the threats of the multinationals and can successfully compete on an international scale in markets worldwide. This is very crucial to sustain in this era of global markets.

• **TAX BENEFITS**- The merged company enjoys tax benefits abundantly as it receives a subsidized rate of taxation. Likewise, when a successfully profit-making company takes over a sinking loss-making company, the merged company receives higher tax benefits. Due to long-term capital gains on sale of equity shared, the merged company could receive exemption from taxes depending upon the laws of the country the company operates in.

• **MARKET POWER**- When an acquisition takes place, the market share of the company is increased and this, in turn, reduces the competition's stronghold. The rival companies might be strong and challenging but the acquired company can reduce the capacity of the competitors by growing itself and making things even. Market synergies are achieved through this process.

• **REDUCTION IN ENTRY BARRIERS**- When an acquisition takes place, the market share of the company is increased and this, in turn, reduces the competition's stronghold. The rival companies might be strong and challenging but the acquired company can reduce the capacity of the competitors by growing itself and making things even. Market synergies are achieved through this process.

### **DISADVANTAGES OF MERGERS AND ACQUISITIONS**

• **CONFLICTING OBJECTIVES**-The objectives of both companies in an M&A must be the same so that the activities can move forward smoothly. The aims and visions of both companies should be identical and both must be on the same page so that decisions can be taken efficiently and effortlessly

• **BRAND DAMAGE**- Prior to when the M&A deals are made, the decision must be made so as both brands will be combined or kept separate. This might also hurt the brand image of the existing company. Consumer perceptions might also change as they might not view both companies in a compatible way and hence, they may not accept this change. When the M&A is not done correctly with enough thought, irreparable damage can be done to the brand and the entire reputation of companies can be ruined.

• **CULTURE CLASHES**-Each company has its own working style and the corporate culture differs from company to company. That is why, when the corporate cultures of two firms do not match, conflicts are about to arise post-merger. Since its inception, THE company follows its own distinct culture which is very difficult to change. If it does not match with other target companies, the acquiring can create many problems

• **DISECONOMIES OF SCALE**-The main purpose of most M&As is primarily to enter economies of SCALE for their businesses. But, on the contrary, sometimes dis-economies of scale take place when the per unit of production cost becomes higher due to a rise in coordination costs. This might lead to lower efficiency of operations within the company. Diseconomies of scale can also take place when there is a failure in communication among the employees and managers and differences in opinions

• **HIGHER PRICES OF CONSUMERS**- When an M&A occurs, both the companies combine to become a one fat big company. This helps the acquired company to beat its competitors easily and move ahead in the growth direction. Conversely, the bigger company can increase the prices of its goods and services due to the monopoly status it has achieved which does not prove to be advantageous for the consumers.

# COMPLIANCE CALENDAR

## AUGUST, 2023

07/08/2023	TDS Payment for July 2023
10/08/2023	Professional Tax (PT) on Salaries for July 2023 Professional Tax Due Date Varies from State to State. Kindly Contact eztax.in for Expert help. ^
11/08/2023	GSTR 1 (Monthly) for July 2023
13/08/2023	GSTR 1 IFF (Optional) (Jul 2023) for QRMP
15/08/2023	Provident Fund (PF) & ESI Returns and Payment for July 2023
20/08/2023	GSTR 3B for July 2023(Monthly)
25/08/2023	GST Challan Payment if no sufficient ITC for Jul 2023 (for all Quarterly Filers)
30/08/2023	TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments) for July 2023