

A black and white photograph of a hand tearing a piece of white paper, revealing a cityscape with buildings and a street. The image is partially obscured by large, overlapping geometric shapes in shades of teal and dark blue.

ASC TIMES NEWSLETTER

Volume 7, April 2022

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MESSAGE FROM DIRECTOR

Dear Readers,

We are delighted to release our Monthly newsletter 'ASC TIMES' - April Edition considering the rigorous demand from our eminent readers. I would like to take this opportunity to present the Volume-7 of our monthly newsletter. ASC Times summarizes all the business-related news & government updates like imparting relevant information, press releases, notifications, periodic updates, etc. to keep you updated with things affecting the business as a whole.

This newsletter is designed as a comprehensive knowledge-sharing initiative focused on updating you with all the monthly updates covering Income Tax Act 1961, Company's Act 2013, Foreign Exchange Management Act (FEMA), Customs, etc.

ASC Group, continues to be the leader for financial, secretarial, legal & management advisory for more than 25 years of industry experience operating out of 9 offices globally. Our team of 300+ professionals consists of experienced Chartered Accountants, Company Secretaries, Lawyers, Investment Advisors, and Management Consultants who continuously contribute towards the ease of doing business across the world.

We as ASC always believe in strengthening the relationship between us and share timely and insightful editions.

ASC releases a monthly Newsletter named '[GST TIMES](#)' and '[INSOLVENCY TIMES](#)' which provides a rewarding experience to the reader.

Best regards
Shailendra Kumar Mishra
Director
ASC Group





COMPLIANCE CALENDAR

Sr. No.	Date	Compliance	Period
1	7 th April 2022	Deposit of Tax deducted by an office of the government*	March 2022
2	14 th April 2022	Issue of TDS Certificate for tax deducted under sections 194-IA, 194-IB and 194M.	February 2022
3	15 th April 2022	Quarterly statement in respect of foreign remittances in Form No. 15CC (to be furnished by authorized dealers).	Quarter ending March 2022
4		Furnishing statement by stock exchanges in Form No. 3BB in respect of transactions in which client codes have been modified after registering in the system.	March 2022
5		E-payment of Provident Fund	March 2022
6		ESI Payment	March 2022
7	30 th April 2022	Furnishing of Form 24G by an office of the Government where TDS/TCS has been paid without the production of a challan.	March 2022
8		Furnishing of challan-cum-statement in respect of tax deducted under sections 194-IA, 194-IB and 194M in March 2022.	March 2022



COMPLIANCE CALENDAR

9	Deposit of Tax deducted by an assessee other than an office of the Government.	March 2022
10	E-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period from 1 st October 2021 to 31 st March 2022.	For the period from 1 st October 2021 to 31 st March 2022
11	Uploading declarations received from recipients in Form. 15G/15H.	Quarter ending March 2022
12	Due date for deposit of TDS when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H.	For the period January 2022 to March 2022

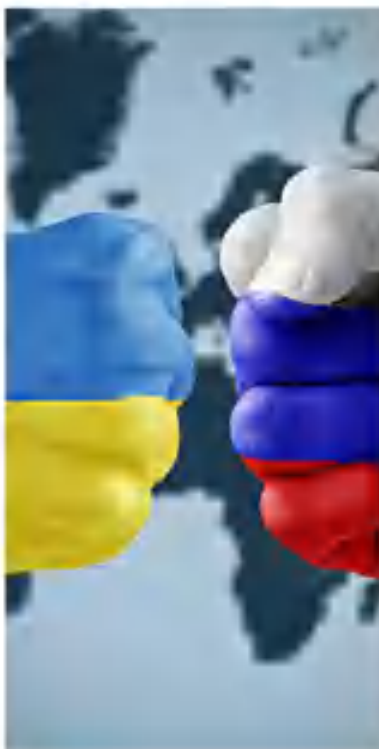


NEWS HIGHLIGHTS

1) Why cement prices may rise in the near future?

The cement prices will certainly remain high and the companies are most likely to pass on the high costs and raise the prices. As per the reports by Anand Rathi Shares and Stock Brokers Limited, the prices of cement rose by Rs. 15 to Rs. 20 per bag. A further price rise may be anticipated in the early half of this April.

One of the significant factors in the price rise is the rising tensions between Russia and Ukraine. The international petcoke and coal prices rose sharply in the last one month. Coal shortages have been experienced by the manufacturers along with the rise in diesel and steel prices that led to an increase in construction costs. To know other major reasons contributing to increase in the cement prices, [click here](#)



2) RBI Governor assures that the Ukraine war will have minimal impact on India

The world felt the tremors as the Ukraine Russia war began. While the stock markets took a dip, inflation was on the rise in many parts of the world. This primarily comes as Russia witnesses severe economic sanctions by the west.

However, the RBI Governor Shaktikanta Das said that the prices are set to fall apart in India as the ongoing war with Ukraine will have minimal impact on India. The Governor asserted that the prospects of stagflation do not arise for us. The statement assumes importance as our country battles with soaring fuel and other commodity prices.

Das laid emphasis on the fact that while other countries put fix inflation targets like 2% etc., India puts a flexible inflation target at 4% plus/minus 2%. Therefore, up to 6%, we are still within the range. As per his statement, Das anticipates that inflation will not go beyond 6%. RBI-MPC will spell out the inflation roadmap, what is the expectation, and what will be our estimate in the next monetary policy. [click here](#) to know the full statements by RBI Governor.

3) BJP takes over 4 states while AAP takes over Punjab: Know everything about Assembly Polls

The Bhartiya Janta Party got a significant victory in 4 states viz. Uttar Pradesh, Manipur, Goa and Uttarakhand. History was created in Uttar Pradesh where Yogi Adityanath became the first Chief Minister to return to power after he served a full term. Since 1985, it was the first time that a ruling party in Uttar Pradesh returned to power. Prime Minister Narendra Modi emphasized that after BJP's return to power in Uttar Pradesh, it can be anticipated that BJP will win the 2024 Lok Sabha elections.

Further, AAP managed to gain victory in Punjab with Bhagwant Mann taking over the seat of Chief Minister. This was AAP's first big win outside the National Capital Delhi. Congress saw poor performance in most of the states in this assembly polls. [click here](#) to know the exact assembly poll results.



4) Quad accepted India's position on the Ukraine crisis

Geopolitics is all about maintaining bilateral relations with promoting the common objective of peace and prosperity. The Quad nations, consisting of the United States, Japan and Australia apart from India, were deeply concerned with the Ukraine crisis. While the other three nations were severely critical of Russia over the Ukraine war, India maintained a neutral stance. When questioned about the increasing disquiet over India's stance on the Ukraine crisis and India's purchase of crude oil at a discounted price from Russia, the Australian envoy conveyed that the Quad countries have accepted India's position.

Each country has bilateral relations and the comments from the Ministry of External Affairs and Prime Minister Narendra Modi made it clear that India used all of its contacts to end the conflict. Since the conflict, Modi held conversations thrice with Russian President Vladimir Putin and twice with Ukraine's President Volodymyr Zelenskyy. [click here](#) to know the complete story.

Circulars & Notifications:

Income Tax

1) Major Amendments in Finance Bill 2022

After the Finance Bill 2022 was presented on 1st February 2022, 39 amendments were proposed before passing the bill. Here are some of the major amendments proposed in the Finance Bill 2022:

- **Omission of word 'other' from Section 115BBH(2)(b):** After this omission, the loss arising from the transfer of one Virtual Digital Assets cannot be set off against income from the transfer of another VDA as well.
- **Definition of 'transfer' shall apply to VDA:** After this amendment, the definition of 'transfer' as defined under section 2(47) shall apply even if the VDA is not held as a capital asset. Thus, income from the transfer of VDA shall be taxable under section 115BBH whether the income gets covered under the capital gains, business gains or income from other sources.
- **VDA transactions will attract TDS in other sections as well:** The transactions associated with VDAs can attract TDS under other provisions as well apart from TDS under section 194S. Therefore, in case the professional fees are paid through VDA, then TDS shall be deducted under section 194J as well as 194S. However, if TDS is deducted under section 194S, then no TDS shall be deducted under section 194-O.
- In the case where a search or survey is conducted, the taxpayer was barred from filing an updated return for 2 years preceding it. However, after the amendment, now such taxpayers cannot file the updated return for any period preceding the year of conduct of search or survey.
- If the updated return has been furnished due to which the following is reduced in subsequent assessment years, then the updated return shall be furnished for each such subsequent assessment year:
 - o loss carried forward under Chapter VI; or
 - o unabsorbed depreciation u/s 32(2); or
 - o tax credit carried forward u/s 115JAA; or
 - o tax credit carried forward u/s 115JD



To know about more changes proposed in the Finance Bill, 2022, [click here](#)

2) Circular No. 05/2022: Relaxation from the requirement of electronic filing of the application in Form No.3CF for seeking approval under section 35(1)(ii)/(ia)/(iii)

Due to the difficulties faced by the taxpayers in filing electronic Form No. 3CF, CBDT provided the relaxation by allowing the applicants seeking approval under section 35(1)(ii)/(ia)/(iii) to file Form No. 3CF physically from the date of issue of this circular (16th March 2022) till the earlier of-

- 30th September 2022 or
- The date of availability of Form No. 3CF on the e-filing website for electronic filing.

3) Circular No. 06/2022: Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in the filing of Form 10-IC for Assessment Year 2020-21

Section 115BAA provides an option for domestic companies to be taxed at a concessional rate of 22% beginning from AY 2020-21. The assessee company shall furnish Form 10-IC electronically before the due date of filing the return of income under section 139(1) to exercise this option. However, due to representations received from various taxpayers regarding difficulties in filing Form 10-IC for AY 2020-21, the CBDT condoned the delay in filing of Form 10-IC for AY 2020-21 subject to the following conditions:

- The return of income has been filed on or before the due date under section 139(1) for AY 2020-21.
- The assessee company has opted for taxation under section 115BAA in (e) of 'Filing Status' in 'Part A-Gen' of the ITR Form-6.
- Form 10-IC for AY 2020-21 shall be filed on or before 30-6-2022 or 3 months from the end of the month in which this circular is issued (Issue Date of Circular: 17th March 2022), whichever is later.

Ministry Of Corporate Affairs

1) Key Amendments in Limited Liability Partnership Rules

- The requirement of the applicant, who seeks change of name of subsequently incorporated LLP as it resembles too nearly to the LLP in existence, to furnish the authority under which he is making the application has been removed.
- The statement of accounts and solvency could be signed only by the designated partners. However, the rules have been amended to cover the situation whereby in case the Corporate Insolvency Resolution Process gets initiated against the LLP under the Insolvency and Bankruptcy Code, 2016, or the LLP Act 2008, then on behalf of the designated partner, the said statement can be signed by the interim resolution professional, resolution professional, LLP administrator or the liquidator as well.
- Where the corporate insolvency resolution process has been initiated for an LLP with turnover up to Rs. 5 crores during the corresponding financial year or contribution up to Rs. 50 lakhs, then the annual return may be signed by the interim resolution professional, resolution professional, LLP administrator or the liquidator on behalf of the LLP and no certification shall be required by the designated partner.
- After the amendment, any alteration in case of foreign LLP in the certificate of incorporation, name or address of persons authorized to accept service on behalf of foreign LLP or the principal place of business of LLP, Form 28 shall be used instead of erstwhile Form 29 for communication to the registrar.
- In case the foreign LLP ceases to have a place of business in India, then also Form 28 shall be used instead of Form 29 for communication to the registrar.

[click here](#) to know the detailed amendments.

2) Deferment of audit trail feature and extension for CSR-2

MCA vide Notification dated 31st March 2022 issued Companies (Accounts) Second Amendment Rules, 2022 to make the following changes in the Companies (Accounts) Rules 2014,

The requirement of accounting software which has a feature of recording an audit trail for every transaction, edit log creation for each change that is made in the books of accounts, and ensuring that the audit trail can't be disabled has been deferred from 1st April 2022 till 1st April 2023.

For the financial year 2020-21, the due date for filing Form CSR-2 has been deferred from 31st March 2022 till 31st May 2022.

RESERVE BANK OF INDIA

1) Microfinance Loans

The Reserve Bank of India issued the Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 effective from 1st April 2022. It shall be applicable to the following:

- i. All Commercial Banks (including Small Finance Banks, Local Area Banks, and Regional Rural Banks) excluding Payments Banks;
- ii. All Primary (Urban) Co-operative Banks/ State Co-operative Banks/ District Central Co-operative Banks; and
- iii. All Non-Banking Financial Companies (including Microfinance Institutions and Housing Finance Companies).

Herein, microfinance loans have been defined as collateral-free loans given to households with annual household income up to Rs. 3,00,000. The household means individual family unit consisting of husband, wife and their unmarried children. The directions include detailed instructions on microfinance loans and address the following issues:

- Assessment of Household Income
- Limit on Loan Repayment Obligations of a Household
- Pricing of Loans
- Guidelines on Conduct towards Microfinance Borrowers
- Qualifying Assets Criteria
- Exemption for 'Not for Profit' Companies engaged in Microfinance Activities

The Annex-I of these directions covers the Indicative Methodology for Household Income Assessment. To read the detailed Directions, [click here](#)

2) Statutory Bank Audit 2022

As the financial year 2021-22 closes, statutory bank audits will begin. Again, it's upon the auditor's shoulders to give an opinion that the books of accounts and financial statements presented by the banking institutions to the regulators are true and fair. RBI issues various Master Circulars and Directions to provide a framework of the rules / regulations and instructions to the banking institutions. These circulars and directions play an important role in the audit of these institutions. Following are the Master Circulars and Master Directions that are going to be relevant for Statutory Bank Audits 2022:

- List of Master Circulars
- List of Master Directions



Indo Japan News

Japan to invest 5 trillion Yen or ₹3.2 lakh crores in 5 years in India

Productive talks held between Prime Minister Narendra Modi and Japanese Counterpart Fumio Kishida in the India-Japan Summit highlighted the deepened ties between the two nations. The economic partnership is getting stronger as Japan remains one of the largest investors in India and working together on the Mumbai-Ahmedabad high-speed rail corridor.

Japan is all set to invest Rs. 3.2 lakh crores or 5 trillion Yen in India over the next 5 years. Both sides signed 6 agreements that provide for bilateral cooperation in varied areas. This is apart from the clean energy partnership between the two nations.

[click here](#) to know the full story.

Progress in Indo-Japan ties limitless

Apart from the \$42 billion investment in India, Japanese Prime Minister Fumio Kishida is expected to agree on a 300 billion Yen loan and sign an energy cooperation document targeting carbon reduction as well. Apart from this, the Japanese Prime Minister is also expected to pledge growth in direct investments. Also, the number of Japanese companies expanding to India may increase in the future. [click here](#) to know the full story.

India-Japan agrees to four-point plan on Ukraine crisis; exchange notes on China

The 14th Annual Summit of India and Japan, held after a period of 3.5 years, saw major discussions on the Ukraine crisis whereby Japanese Prime Minister Fumio Kishida slammed Russia for its actions. Both Japan and India have agreed on a four-point plan while putting greater emphasis on Ukraine. According to the plan:

- Both Japan and India agreed that they will not tolerate any forceful and unilateral change in the status quo of Ukraine or any country in the world;
- They will continue pushing for a peace settlement of this conflict;
- India and Japan will jointly address the situation whenever the need arises;
- India and Japan will work together in providing humanitarian assistance and aid to Ukraine.

Further, India raises the China LAC standoffs with issues with Japan. This comes as Beijing is increasing its assertiveness in the Indo-Pacific region. India conveyed that usual business with China cannot resume unless there is peace and tranquility in the border areas. The Japanese counterpart too raised the matter of China's growing belligerence with respect to the East China Sea and the South China Sea. [click here](#) to know the full story.





Indo Japan News

Japan still hopes that India will join RCEP – This could eliminate higher tariffs

Regional Comprehensive Economic Partnership is the world's largest trade deal. Among the 15 nations RCEP are China, South Korea, Japan, New Zealand, Australia, and 10 members of the Association of South East Asian Nations (ASEAN). It represents 30% of the Global GDP and population. India quit RCEP in 2019 following unresolved issues relating to the dumping from China and allowing Indian services free access in the region. India-Japan collaborations may suffer higher tariffs in Asia in case India stays out of RCEP.

Japan and India have signed multiple economic agreements during the Annual Summit. The RCEP includes a "Rule of Origin" certification requirement that allows free trade access only to the goods made in RCEP countries. With RCEP, tariffs can be eliminated on 91% of the goods. As India is not part of RCEP, the Indian-made components can attract higher tariffs and barriers.[click here](#) to know the full story.

India-Japan Collaboration on EVs, hydrogen and battery storage

India and Japan are set to collaborate for clean energy that will cover electric vehicles, battery storage and green hydrogen. This comes as the two Asian economic powerhouses are heading towards net zero carbon emissions. Both the countries are tapping into the low carbon sunrise sectors and are exploiting new business models and technologies in a bid to reduce carbon emissions. The collaboration also includes other energy sources like green hydrogen and ammonia, strategic oil reserves, LNG and biofuels. This collaboration will be crucial not only for the manufacturing sector but also the Research and Development, transfer of technology, training and low-cost financing. [click here](#) to know the full story.





PUBLICATIONS

INTERNAL PUBLICATIONS

Social Security Compliances and Labour Laws in India - Complete Guide

India has definite laws to regulate the workforce in the industries. With various benefits put in place like gratuity, pension, insurance, etc., organizations are mandated to ensure multiple [labour law compliances](#) and procedural requirements to ensure social security of the workforce. Currently, there are various laws addressing the labour and employment scenario. [Click here to read the complete article.](#)

72 more Traders Booked for Hoarding Edible Oil | LM & FSSAI Dept. Participated

In continuation to the raids conducted around 1,890 locations from March 6 to 19 in Andhra Pradesh, the Vigilance and Enforcement (V&E) department inspected 271 establishments to prevent hoarding of edible oil and other essential commodities. Among the inspected establishment, 72 cases were booked under the Essential Commodities Act on Wednesday. <https://bit.ly/3LQI130>

Implementation of Legal Metrology Packaged Commodities Amendment Rules 2021 has been Extended

As per the new notification, the department has put an extension on the implementation of Legal Metrology Packaged Commodity Amendment Rules 2021 or new amended rules till October 1st, 2022. Vide GSR No. 226(E). These rules may be called the Legal Metrology (Packaged Commodities) Amendment Rules, 2022 and shall come into force on the 1st day of October 2022. <https://bit.ly/3v290t4>

Best Ways to Minimize Your Tax Liability for FY 2021-22

If you have received income from the sale of residential house property, then you can reinvest the sale consideration to purchase or construct a new residential house

property. This will exempt your income through the sale of your residential house. <https://bit.ly/3NWr6W0>

38 cases were filed for selling Cooking oil at a higher price Legal Metrology

The Additional Director General informed; out of inspections conducted in 1890 inspections, 889 cases fall under the provision of the [Legal Metrology Act 2009](#). 59 cases were filed under section 6A of the Essential Commodities Act on excess stock limits, and 38 cases were filed for selling cooking oil at a higher price under Legal Metrology packaged commodities rules 2011. <https://bit.ly/3LLCJ04>

Litigations due to Reassessment under Section 147/148-A Practical Analysis

There were significant amendments in income escaping assessment provisions vide Finance Bill 2021. The aim was to reduce the litigations and promote ease of doing business for the taxpayers. Here are the amended provisions for income escaping assessment and some of the major reasons that give rise to litigations. <https://bit.ly/3ulhVGV>

How New Labour Codes will Change the Labour Laws in India - Purpose and Key Highlights

A labour-intensive country like India requires proper regulations in place to safeguard and regulate labour and employment aspects. India is all set to introduce four new labour law codes that will merge existing 29 laws governing employment and labour issues. <https://bit.ly/3ulEdZ9>

Virtual Digital Assets: Meaning, Taxation and Legal Analysis

The Finance Bill, 2022 created a buzz among the public by introducing various provisions addressing virtual digital assets. However, before jumping to the provisions, let's understand what are virtual digital assets and their inclusions into the same. <https://bit.ly/3Ksy8j5>

QUOTE OF THE MONTH

**"For last year's words belong to
last year's language. And next
year's words await another voice.
And to make an end is to make a
beginning."**

- T.S. Eliot

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