

The background is a composite image. On the left, a hand is shown tearing a piece of white paper. Through the hole, a black and white photograph of a city skyline is visible. The right side of the image is dominated by large, overlapping geometric shapes in shades of teal and dark blue, creating a modern, abstract design.

ASC TIMES NEWSLETTER

Volume 3, December 2021



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MESSAGE FROM DIRECTOR

Dear Readers,

We are delighted to release our Monthly newsletter 'ASC TIMES' - December Edition considering the rigorous demand from our eminent readers. I would like to take this opportunity to present the December 2021 edition 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 also releases a monthly Newsletter named 'GST TIMES' and 'INSOLVENCY TIMES' which provides a rewarding experience to the reader.

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



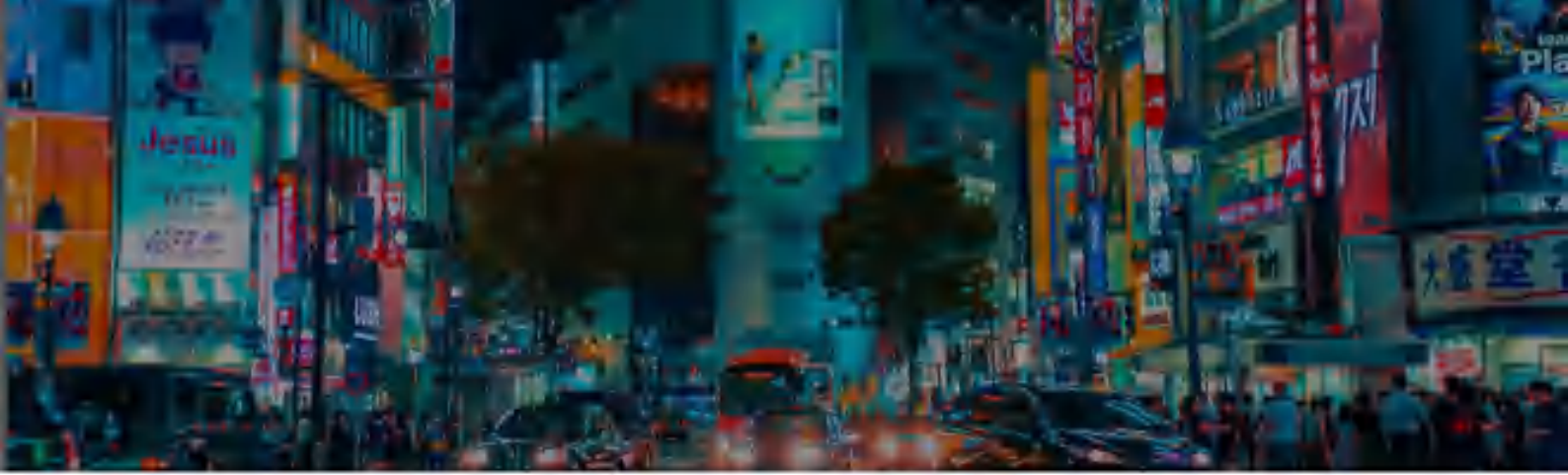
COMPLIANCE CALENDAR

S.No.	Description	Period	Due Date
1	Due date for deposit of TDS/TCS	November 2021	7 th December 2021
2	Payment of Equalisation Levy- online advertisement and other specified services	November 2021	7 th December 2021
3	Due date for third instalment of advance tax	AY 2022-23	15 th December 2021
4	Depositing contribution towards EPF	November 2021	15 th December 2021
5	Depositing contribution towards ESI	November 2021	15 th December 2021
6	Date of issue of TDS Certificate under section 194-IA/IB/M	October 2021	15 th December 2021
7	Furnishing of the report in Form No. 3CEAD for reporting accounting year by a constituent entity, resident in India, in respect of the international group.	AY 2021-22	30 th December 2021
8	Return of income for all assessees except corporate assessees and assessees liable to tax audit or transfer pricing compliances.	AY 2021-22	31 st December 2021
9	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC	Quarter ending September 2021	31 st December 2021



COMPLIANCE CALENDAR

10	Furnishing of Equalisation Levy statement	AY 2021-22	31 st December 2021
11	Upload declarations received from recipients in Form No. 15G/15H	Quarter ending September 2021	31 st December 2021
12	Master File (Form 3CEAA)	AY 2021-22	31 December 2021
13	Intimation by a constituent entity, resident in India, of an international group, the parent entity of which is not resident in India in Form 3CEAC/ Form 3CEAD/ Form 3CEAE	AY 2021-22	31 st December 2021
14	Filing of Annual Accounts -Form AOC-4 and Form AOC-4, CFS (in case of Consolidated financial statements)	30 days from the conclusion of the AGM (In case of OPC within 180 days from the close of the financial year)	31 st December 2021
15	Filing of annual return – MGT 7	60 days from the conclusion of AGM (In case of OPC within 180 days from the close of the financial year)	31 st December 2021
16	Filing of Annual Accounts in XBRL mode - Form AOC-4 (XBRL)	30 days from the conclusion of the AGM	31 st December 2021
17	Filing of Annual Accounts - Form AOC-4	30 days from the conclusion of the AGM	31 st December 2021



Indo- Japan News

Japan to host Quad group meet next year

The second in-person summit of the Quadrilateral Security Dialogue, or Quad, could be hosted by Japan as early as January 2022 against the backdrop of pledges by the leadership of India, Australia, Japan and the US to forge ahead with efforts to ensure a free and open Indo-Pacific.

The upcoming Quad Summit is set to have a packed agenda, with the key deliverable being the donation of more than 1.2 billion doses of Covid-19 vaccines across the Indo-Pacific by the end of 2022. These doses will be US-developed vaccines manufactured at India's Biological E with financial support from the US and Japan, while Australia will back last-mile vaccine rollouts and lead in coordinating last-mile delivery efforts.

At the same time, American participation in the Quad indicates "that the US is here to stay in the Indo-Pacific and going to defend and support the operating system that has been so good for many years". <https://bit.ly/3oHSxbH>

Asia's three largest economies and polluters face tough road toward ditching coal

Japan, China and India signed the 2015 Paris Agreement, which committed nations to cap global warming at 2 degrees, and ideally under 1.5 degrees, above pre-industrial levels. To reach that goal, the world needs to achieve carbon neutrality by mid-century and roughly halve emissions by 2030. Many countries have agreed to phase out coal, which the United Nations has called for, in order to reach that goal. <https://bit.ly/3EARYWx>

U.S. requests Japan, China and others to consider tapping oil reserves

The administration of U.S. President Joe Biden has asked some of the world's largest oil consuming nations including China, India and Japan to consider releasing crude stockpiles in a coordinated effort to lower global energy prices.

Biden and top aides have discussed the possibility of a coordinated release of stockpiled oil with close allies including Japan, South Korea and India, as well as with China, over the past several weeks. But the current proposal represents an unprecedented challenge to OPEC, the cartel that has influenced oil prices for more than five decades, because it involves China, the world's biggest importer of crude.

<https://bit.ly/3y6cn35>

SoftBank can invest \$5 billion to \$10 billion in Indian startups in 2022

SoftBank Group Corp. can invest \$5 billion to \$10 billion in India next year if it finds valuations attractive, said Rajeev Misra, chief executive officer of SoftBank Investment Advisers.

Investments in India haven't disappointed the Japanese giant with its portfolio of startups in the country sitting atop sizable gains in valuations. SoftBank is planning to raise the stakes in India having invested \$3 billion in 2021.

India has been a bright spot for SoftBank, whose Vision Fund reported a record loss of ¥825.1 billion (\$7.2 billion) for the quarter ended in September, on the decline in value of public holdings such as the Korean e-commerce giant Coupang Inc. and the Chinese ride-hailing giant Didi Global Inc.

India's tech ecosystem is taking off and SoftBank's patience will be "rewarded," Misra said. "It is India's time." <https://bit.ly/3EDjsuv>



KEY INDIAN NEWS HIGHLIGHTS

1. Foreign Portfolio Investors (FPIs) were net sellers in the Indian markets to the tune of Rs 949 crore in the first half of November. In October, FPIs remained net sellers at Rs 12,437 crore. <https://bit.ly/3rKbllW>



2. Two-wheeler production may significantly come down in November, as manufacturers and dealers sit on a huge inventory amid weak demand and a festive period turned out to be a complete washout for the industry. <https://bit.ly/3lKkc9T>

3. Moody's Investors Service in its latest report stated that steady progress in Covid vaccination will support a sustained recovery in India's economic activity. It has pegged India's GDP growth at 9.3% for FY22 and at 7.9% for FY23. <https://bit.ly/3oz1ynf>



4. RBI to focus on Chinese Yuan more than US Dollar to boost export competitiveness <https://bit.ly/3luiC5G>

5. The Group of Ministers (GoM) looking into GST rate rationalisation to finalise the report on rate changes. The panel, comprising state finance ministers, will review the current rate structure of various items. <https://bit.ly/334ZjzD>



6. The Govt is considering a proposal to release its strategic oil reserve in coordination with other countries in a show of resentment against high oil prices, backing the US plan for collective buyers action to send a strong signal to producers that have artificially curbed supplies <https://bit.ly/3DBqfnp>



7. Govt to exceed FY22 tax collection target, direct tax mop-up at Rs 6 lakh cr till Oct and average monthly GST mop-up likely around Rs 1.15 lakh crore <https://bit.ly/31Bd2xP>



8. EPFO added around 1.54 million net subscribers in September 2021 compared to 1.49 million subscribers added in September 2020, a growth of over 3%. <https://bit.ly/3dtKjgG>



9. Finance Minister Nirmala Sitharaman during her visit to Gujarat's GIFT City on 20.11.2021 cleared three key proposals of the International Financial Services Centre Authority (IFSCA) <https://bit.ly/3dxHBqE>



10. Prices of apparel, textiles, footwear to increase from Jan 1 as govt raises GST from 5% to 12% <https://bit.ly/3dvSadS>



11. The provisional Wholesale Price Index (WPI) based inflation accelerated to a five-month high of 12.54% in October as compared to 10.66% recorded in September due to an increase in fuel and manufacturing prices <https://bit.ly/32YOWNJ>



12. A bilateral agreement between India and the US will allow New Delhi to continue to levy the 2% equalisation levy on digital services offered in India by US-based MNEs without residence here for an interim period beyond this financial year. The period will be co-terminus with when the OECD tax deal takes effect or the end of 2023-24 fiscal, whichever is earlier. <https://bit.ly/3rIxR5b>





FEMA

Withdrawal of Obsolete Regulatory Circulars / Instructions - Interim Recommendation of the Regulations Review Authority 2.0

The RBI on 16th November 2021, with immediate effect has withdrawn the comprehensive review of the circulars issued by the Department of Payment and Settlement Systems (DPSS) which were undertaken as part of the rationalisation exercise under Regulations Review Authority (RRA) 2.0 and as per recommendations of the RRA. Click here to view the master circulars that have been withdrawn: <https://bit.ly/3rSONb3>

Master Circular - Guarantees and Co-acceptances <https://bit.ly/3pJvnRw>

The RBI on 9th November 2021 issued a master circular in reference to its earlier master circular **DBR. No. Dir.BC.11/13.03.00/2015-16 dated July 1, 2015**. The circular dated 9th November 2021 contains the instructions / guidelines issued to banks till June 30, 2015, relating to the conduct of guarantee business by banks consolidated up till 8th November 2021.

This Master Circular consolidates the instructions issued by the Reserve Bank of India relating to the conduct of guarantee business by banks. It also sets an important criterion for judging the soundness of a banking institution is the size and character, not only of its assets portfolio but also of its contingent liability commitments.

Further, the guarantees executed by banks comprise both performance guarantees and financial guarantees. The guarantees are structured according to the terms of agreement, that includes, security, maturity and purpose. With the introduction of risk weights for both on-Balance Sheet and off-Balance Sheet exposures, banks have become more risk sensitive, resulting in structuring of their business exposures in a more prudent manner. The master circular also provides certain guidelines which the banks should comply with, in the conduct of their guarantee business.

Deactivation of Importer-Exporter Codes (IECs) not updated at Directorate General of Foreign Trade (DGFT) <https://bit.ly/3lzDhFI>

The Commerce Ministry's foreign trade arm DGFT will be deactivating all importer-exporter codes (IECs) that have not been updated after January 1, 2014, with effect from December 6, 2021, a move which would help in knowing the actual number of real traders in the country.

The IEC holders who have not yet updated the relevant information are eligible to update the information till 5th December 2021. IEC that are deactivated will still have the opportunity for automatic reactivation after December 6. For that, a trader would have to navigate to the DGFT website and update their relevant information. "Upon successful update, the given IEC shall be activated again and transmitted accordingly to the Customs system with the updated status," the notice said.



Guidelines for deducting TDS under section 194-O(4), section 194Q(3) and subsection (1-l) of section 206C under Income Tax Act, 1961

To remove difficulties associated with deducting TDS, the Central Board of Direct Taxes (CBDT) has issued further Guidelines for Section 194-O, Section 194Q, and Section 206C (1-l) of Income Tax Act, 1961 vide a Circular No. 20/2021 dated 25th November 2021.

The Finance Act, 2020 and the Finance Act, 2021 had inserted sections 194-O, 194Q, and 206C(1H) in the Income Tax Act for mandating deduction and collection of tax at source on certain transactions.

Section 194-O was introduced for deducting TDS at the rate of 1% of the gross amount of sale of goods or provision of services facilitated through electronic platforms by e-commerce operators. With this circular, it has now been clarified that 194-O shall not apply to e-auction activities carried out by e-auctioneers if the prescribed conditions have been satisfied. [click here](#) for the prescribed conditions.

Section 194Q was introduced under the Income Tax Act, where TDS is required to be deducted at 0.1% by any buyer of any goods or services who is responsible for paying any resident seller an amount of Rs.50 Lakhs in any previous year with respect to such purposes. Clarification has been received on the following:

- If the components of VAT, sales tax, excise duty, CST, etc., have been indicated separately in the invoice, then TDS under section 194Q is to be deducted without including such amounts.
- The Central Government or State Government shall not be considered as a 'seller'. No tax is to be deducted under section 194Q if the seller of goods is Central Government or State Government.
- The CBDT has also clarified that any other person, such as a Public Sector Undertaking or corporation established under Central or State Act or any other such body, authority, or entity, shall be required to comply with the provisions of section 194Q and tax shall be deducted accordingly.

Section 206 (1H) was introduced which mandates that a seller receiving an amount as consideration for the sale of any goods of the value or aggregate of such value exceeding Rs.50 lakh rupees in any previous year is required to collect tax from the buyer at the rate of 0.1 percent of the sale consideration exceeding 50 lakh rupees as income tax. Confusion relating to the overlapping of Section 206(1H) and 194Q has been clarified by the CBDT. It has clarified that the provisions of section 194Q

<https://www.incometaxindia.gov.in/communications/circular/circular-20-2021.pdf>



has been clarified by the CBDT. It has clarified that the provisions of section 194Q will apply where no TCS is required to be collected in case of goods covered under 206C(1) and the buyer shall be liable to deduct tax in such cases.

Income Tax: Roll out of the new Annual Information Statement (AIS)


The newly launched Annual Information Statement (AIS) is a tool that tells taxpayers what the tax department knows about them. The AIS is a comprehensive statement containing details of all the financial transactions undertaken by you in a financial year (FY), i.e., it contains the information that is specified under the Income-tax Act, 1961.

The AIS contains information related to income earned from various sources such as salary, dividend, interest from savings account, recurring deposits, sale and purchase of equity shares, bonds, mutual funds etc. The statement also contains information related to TDS, TCS and any tax demand or refund.

Steps to download AIS from new income tax portal

- **Step 1:** Login into your account on the government's e-filing portal at www.incometax.gov.in.
- **Step 2:** Under the 'Services' tab, select 'Annual Information Statement (AIS)'. A pop-up will appear on your screen. Click on 'Proceed'. You will be redirected to another website.
- **Step 3:** On the web page tab that opens, select 'AIS'.
- **Step 4:** You will have to select either of the two options: Taxpayer Information Summary (TIS) or Annual Information Statement (AIS). It will also show the financial year for which AIS is being downloaded, your PAN and name.
- **Step 5:** Select the download Arrow on the AIS box. A pop-up will appear asking you to select the format for downloading AIS. The statement can be downloaded in PDF format and JSON utility.

<https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1001/PressRelease-Roll-out-of-the-new-Annual-Information-Statement-AIS-1-11-21.pdf>



Information Technology

FAQs: The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021

In order to ensure an Open, Safe & Trusted Internet and accountability of intermediaries including the social media intermediaries to users, Ministry of State for Electronics and Information Technology ("MeitY") had notified the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (hereinafter referred to as "IT Rules, 2021") on 25th February, 2021.

These Rules prescribe the due diligence to be followed by all intermediaries as well as the additional due diligence to be followed by significant social media intermediaries. The Rules also provide guidelines to be followed by publishers of news & current affairs and also online curated content providers. These Rules supersede the earlier notified Information Technology (Intermediaries Guidelines) Rules, 2011.

- Basic information including changes in the Rules over the erstwhile Information Technology (Intermediaries Guidelines) Rules, 2011.
- Terminology and scope of the rules.
- Due diligence by an intermediary.
- Additional due diligence by SSMI (Significant Social Media Intermediaries).
- Non-compliance to intermediary rules.

https://www.meity.gov.in/writereaddata/files/FAQ_Intermediary_Rules_2021.pdf



PUBLICATIONS

INTERNAL PUBLICATIONS- DEC 2021

Requirement of Valuation under Regulatory Compliance: A Complete Guide

Various regulations mandate valuation to bring out a clear picture of a particular event or a transaction undertaken or to be undertaken. Here's a complete guide of various laws that require valuation compliance catering Companies Act, 2013, FEMA, Income Tax Act, 1961, Insolvency and Bankruptcy Code, 2016.

<https://bit.ly/3dwkjkT>

SBO (Significant Beneficial Ownership) Compliance under Companies Act 2013

In order to widen the scope and increase clarity and transparency, certain amendments were made to the Companies (Significant Beneficial Ownership) Rules, 2018 vide Companies Amendment Rules, 2019 dated 08-02-2019. Following are the SBO Compliance under the Companies Act, 2013. <https://bit.ly/3GoXw6T>

Condonation of Delay under Companies Act 2013 and FEMA 1999

Condonation of delay is governed by Section 460 of the Companies Act, 2013. Here is a guide for condonation of delay under the Companies Act, 2013 and Foreign Exchange Management Act, 1999 (herein referred to as FEMA). <https://bit.ly/3EE03tz>

Guide on Due Diligence- Types and Need of Due Diligence for Business

Due Diligence can be described as an act of investigation, audit, inquiry, or review that is performed to confirm such facts, reality, or details of a matter that is under consideration for the conformity and accuracy of the potential seller and buyer <https://bit.ly/3EHHjck>

Procedure of obtaining AEO Certification - Guide to Authorized Economic Operator

AEO Certification ensures enhancement and streamlining in cargo security through close cooperation with the persons involved in international trade including importers, exporters, logistics providers, custodians, customs brokers or warehouse operators.

<https://bit.ly/3rPluEc>

Private Placement- Section 42 of the Companies Act, 2013: Complete guide

Private Placement is an effective way to issue securities for raising capital by a company not intending to go public. The whole mechanism of the private placement is governed by Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies.

<https://bit.ly/33f1Nvu>

Indian Export Benefit Schemes - A Complete Guide to Export Incentives

Exports are instrumental in creating employment, increasing foreign exchange reserves, and reducing the current account deficit. These become the foremost reasons for the Indian Government to launch export incentive schemes. <https://bit.ly/3Dxeqhs>

A Complete Guide to Secretarial Compliance and Secretarial Audit

Various provisions have been incorporated under the Companies Act, 2013 and various SEBI regulations to ensure compliance with various governmental and regulatory requirements. <https://bit.ly/3GqgSIS>

QUOTE OF THE MONTH

" Challenges are what makes life interesting and overcoming them is what makes life meaningful "

-Joshua J. Marine

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