

ASC TIMES NEWSLETTER

Volume 34, July 2024

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MESSAGE FROM CEO

Dear Readers,

We are delighted to release our Monthly newsletter '**ASC TIMES - JULY**' Edition considering the rigorous demand from our eminent readers. I would like to take this opportunity to present the Volume - **34** 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 12 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
Alok Kumar Agarwal
Founder & CEO
ASC Group



COMPLIANCE CALENDAR

Sr. No.	Date	Compliance	Period
1	7th July 2024	Due date for deposit of Tax deducted/collected for the month of June, 2024.	June 2024
2		The due date for deposit of TDS for the period April 2024 to June 2024 when the Assessing Officer has permitted quarterly deposit of TDS under sections 192, 194A, 194D or 194H	April 2024 to June 2024
3	15th July 2024	The due date for issue of TDS Certificate for tax deducted under sections 194-IA, 194-IB and 194M in the month of May, 2024	May 2024
4		The due date for issue of TDS Certificate for tax deducted under section 194S (by a specified person) in the month of May, 2024	May 2024
5		Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for the quarter ending June, 2024	April 2024 to June 2024
6		Quarterly statement of TCS deposited for the quarter ending June 30, 2024	April 2024 to June 2024
7		Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2024	April 2024 to June 2024
8		ESIC payment for the month of April 2024	July 2024
9		PF payment for the month of April 2024	July 2024
10		Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2024	April 2024 to June 2024
11	30th July 2024	The due date for furnishing of challan-cum-statement in respect of tax deducted under sections 194-IA, 194-IB and 194M for the month of June, 2024	June 2024
12		The due date for furnishing of challan-cum-statement in respect of tax deducted under section 194S (by specified person) in the month of June, 2024	June 2024
13	31st July 2024	Quarterly statement of TDS deposited for the quarter ending June 30, 2024	April 2024 to June 2024
14		Return of income for the assessment year 2024-25 for all assessee other than (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 applies or (d) an assessee who is required to furnish a report under section 92E.	AY 2024-25
15		Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2024	April 2024 to June 2024
16		Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if the due date of submission of return of income is July 31, 2024)	-
17		Intimation in Form 10BBB by a pension fund in respect of each investment made in India for the quarter ending June, 2024	April 2024 to June 2024
18		Intimation in Form II by Sovereign Wealth Fund in respect of investment made in India for the quarter ending June, 2024	April 2024 to June 2024



Indo Japan News

Bullet train progress takes centre stage in Modi-Kishida bilateral talks

In the bilateral meeting with the Japanese Prime Minister Fumio Kishida, Indian Prime Minister Narendra Modi emphasized that strengthening ties with Japan is their top priority. India and Japan have collaborated on multiple projects and sectors. The Mumbai-Ahmedabad high-speed rail project is one of the significant steps for India's mobility infrastructure. Further, both leaders have also discussed the Yen 5 trillion investment in India by Japan over the period of 2022-2027. They also reviewed the India-Japan Industrial Competitiveness Partnership that will help enhance the manufacturing cooperation between both these nations. [Read more](#)

Modi, Japanese PM Kishida agree to advance infrastructure, cultural ties at G7 Summit

Prime Minister Narendra Modi said that strong ties between India and Japan are important for a secure, peaceful and prosperous Indo-Pacific region. During the meeting between the Indian and Japanese Prime Ministers in Italy, both leaders expressed their desire to advance their bilateral ties across different sectors. Both the leaders discussed the topics regarding energy, artificial intelligence, Mediterranean and Africa. [Read more](#)

Indian Navy's Indigenous stealth frigate INS Shivalik arrives in Japan to take part in 'JIMEX 24'

Indian Navy's indigenous stealth frigate INS Shivalik reached Yokosuka to participate in the 8th edition of the bilateral Japan-India maritime exercise. 'JIMEX 24' provides an opportunity for the nations to learn from each other's best practices. It also facilitates the operational interactions between the Indian Navy and Japan Maritime Self Defence Force. This will promote mutual cooperation between the two nations and the shared commitment towards maritime security. INS Shivalik received a warm welcome from the Commander JMSDF Yokosuka District Vice Adm Ito Hiroshi and Ambassador of India to Japan Sibi George.

[Read more](#)

Singapore-based Sembcorp to supply green ammonia to Japan from its India plant

Singapore-based Sembcorp Green Hydrogen Pte Ltd. and two Japanese firms have signed an agreement to supply green ammonia from its 2,00,000 metric tonnes capacity plant in India. The Heads of Terms (Hot) agreement was signed between a wholly owned subsidiary of Sembcorp Industries i.e., Sembcorp Green Hydrogen Pte Ltd. and Japanese buyers Kyushu Electric Power Co. Inc. and Sojitz Corporation.

[Read more](#)





NEWS HIGHLIGHTS

SC declines urgent hearing on plea seeking CBI, ED probe into alleged NEET-UG paper leak

The Supreme Court refused to direct an urgent listing of the plea that sought an investigation by the Enforcement Directorate (ED) and Central Bureau of Investigation (CBI) into the entire NEET-UG paper leak. SC bench headed by Justice Abhay S. Oka has refused to issue the notice to the central investigative agencies stating that the batch of petitions, including seeking cancellation of the exam, is already being held for hearing on July 8. The application filed in the pending petition states that the offence shall not fall under the IPC alone but should also be covered under the Prevention of Money Laundering Act, 2002. Further, the apex court has also turned down the request to delay the commencement of the admission counselling process. [Read more](#)

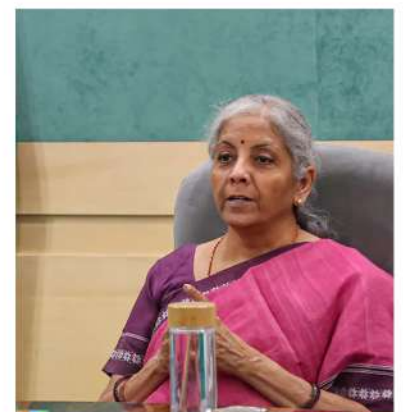


People want responsible Opposition, I will strive to take everyone along: PM Modi ahead of the new Lok Sabha's first session

During the first day of the 18th Lok Sabha session, Prime Minister Narendra Modi stated that the government would strive to have a better consensus both inside and outside the house. He also said that Indian citizens need a good and responsible opposition that works on the basis of substance and not slogans. He stated his remarks before the start of the Parliamentary session. He also mentioned that the country would be entering the 50th anniversary of the year of the imposition of Emergency by then Prime Minister Indira Gandhi. He said that his government will endeavor to never see such days again. [Read more](#)

In the pre-budget meeting with FM, trade unions suggest income tax relief, restoration of OPS

The key trade union members have placed several recommendations in the pre-budget meeting with Finance Minister Nirmala Sitharaman held on 24th June. This included relief for the salaried class to scrapping the New Pension Scheme. The meeting was organised by the Ministry of Finance and the Ministry of Corporate Affairs. Some of the key suggestions included raising the tax rebate limit for the salaried class, scrapping the new pension scheme and restoring the benefits under the old pension scheme, stopping the privatization of LIC and GIC through different ways like IPO, stopping the privatization of PSUs, constitution of the 8th Pay Commission etc. [Read more](#)



Smaller companies to be biggest beneficiaries of GST penalty, interest waiver

The GST Council has decided to waive off the penalty and interest under Section 73. This will bring much-needed relief to the small taxpayers who are facing huge demands under the GST law. In many cases, the interest and penalty exceeded the tax itself. It was decided in the 53rd GST Council meeting that the penalty and interest will be waived if the tax is paid by 31st March 2025. This is covered in the notices for escarpment of tax for the Financial Years 2018 and 2020. However, it does not cover cases that involve misstatements and fraud. [Read more](#)



Centre imposes stockholding limit on wheat to check hoarding, ensure price stability

The Central Government has imposed a stockholding limit on wheat for retailers, processors, wholesalers and big-chain retailers. This will help keep a check on the hoarding of food grains and stabilize the price. Single retailers, wholesalers, processors and big chain retailers will disclose their wheat stocks every Friday. The stock limit for the wholesalers will be 3000 tones while it will be 70% of the processing capacity for the processors. The limit will be 10 tones per outlet for the big chain retailers with the overall limit being 3000 tones. In the case of single retailers, the limit would be 10 tones. [Read more](#)



INCOME TAX

MOF extends the validity of India & USA Transitional Approach on Equalisation Levy 2020 until June 30, 2024

India and the USA have decided to extend the validity of the agreement reflected in November 2024 statements until 30th June 2024. Here's the timeline of key events:

- 8th October 2021: India and the USA joined the 134 members of the OECD/G20 Inclusive Framework to reach a mutual agreement on the Statement on a Two Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy.
- 21st October 2021: The USA and Austria, France, Spain, Italy and the UK reached a political compromise and was reflected in the Joint Statement.
- 24th November 2021: India and the USA agreed that the terms applicable under the 21st October 2021 Joint Statement shall also apply between India and the USA in relation to a 2% equalisation levy on e-commerce supply of services.
- 18th December 2023: The Inclusive Framework issued a statement calling for the finalisation of the text of the Pillar-1 multilateral convention by the end of March 2024.
- 15th February 2024: The USA and Austria, France, Spain, Italy and the UK extended the political compromise of the 21st October 2021 Joint Statement till 30th June 2024.

Accordingly, the extension was also decided by India and the USA government.

CBDT specifies Forms to be furnished electronically under Rule 131



The Central Board of Direct Taxes (CBDT) has prescribed certain forms for specific purposes that shall come into effect from 27th June 2024. Here's the list of forms prescribed:

Sr. No.	Form	Description
1	3CN	Application for notification of affordable housing project as a specified business under section 35AD of the Income Tax Act
2	3CS	Application for notification of a semiconductor wafer fabrication manufacturing unit as a specified business under section 35AD of the Income Tax Act
3	3CEC	Application for a pre-filing meeting
4	3CEFB	Application for opting for Safe Harbor in respect of Specified Domestic Transactions
5	59	Application for approval of issue of public companies under Section 80C(2)(xix) of the Income Tax Act
6	59A	Application for approval of mutual funds investing in the eligible issue of public companies under Section 80C(2)(xx) of the Income Tax Act

CBDT directs PCIT under Sec.10 of the DTVsV Act to accept delayed payment of taxes

The CBDT and field authorities have received applications and representations for accepting the delays in payment of taxes specified in Form-3 of the Direct Tax Vivad se Vishwas Rules, 2020 within the due date specified in the Direct Tax Vivad se Vishwas Act, 2020 (DTVSV). In order to mitigate the difficulties faced by the taxpayers, the CBDT has directed that the delayed payment of requisite taxes can be accepted in the DTVSV Act if the following conditions are satisfied:

- The assessee has made complete payment of taxes including the amount payable after the due date as specified in Form-3 of the DTVSV Act on or before 28th February 2022 under the DTVSV Act and

The concerned PCIT shall issue the modified Form-3 manually if required and allow the assessee to file Form-4 manually and then issue Form-5 manually after examining the conditions as per the DTVSV Act. The entire proceedings should be completed by 30th September 2024.

- The appeals mentioned in Form-1 of the DTVSV Rules have either been withdrawn or have not been decided as of the date of full payment of taxes (including the amount payable after the date prescribed in Form-3 of the DTVSV Rules).



Amendment to Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016

The RBI has decided to revise the definition of bulk deposits for all the Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks. The term 'Bulk Deposit' would mean:

- Single Rupee Term Deposits of Rupees 3 crore and above for Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks
- Single Rupee Term Deposits of Rupees 1 crore and above for Local Area Banks as applicable in the case of Regional Rural Banks [Read more](#)

Foreign Exchange Management (Overseas Investment) Directions, 2022 - Investments in Overseas Funds

As per the Foreign Exchange Management (Overseas Investment) Directions, 2022, investments (including sponsor contribution) in units of any investment fund overseas that is duly regulated by the regulator for the financial sector in the host jurisdiction shall be considered as Overseas Portfolio Investment. In order to diversify the regulatory framework governing investment funds across various jurisdictions, certain amendments are being made. The Para 1(ix)(e) of the above directions are replaced with the following directions:

"The investment (including sponsor contribution) in units or any other instrument (by whatever name called) issued by an investment fund overseas, duly regulated by the regulator for the financial sector in the host jurisdiction, shall be treated as OPI. Accordingly, in jurisdictions other than IFSCs, listed Indian companies and resident individuals may make such investments. Whereas in IFSCs, an unlisted Indian entity also may make such OPI in units or any other instrument (by whatever name called) issued by an investment fund or vehicle, in terms of schedule V of the OI Rules subject to limits, as applicable.

Explanation: 'investment fund overseas, duly regulated' for the purpose of this para shall also include funds whose activities are regulated by the financial sector regulator of the host country or jurisdiction through a fund manager."

The Para 24(1) of the above directions is replaced with the following paragraph:

"A person resident in India, being an Indian entity or a resident individual, may make investment (including sponsor contribution) in units or any other instrument (by whatever name called) issued by an investment fund or vehicle set up in an IFSC, as OPI. Accordingly, in addition to listed Indian companies and resident individuals, unlisted Indian entities also may make such investment in IFSC." [Read more](#)

Export-Import Bank of India (Exim Bank)'s Government of India-supported Line of Credit of USD 23.37 Mn to the Government of the Co-operative Republic of Guyana (GO-GUY), for procurement of two Hindustan 228-201 aircraft from Hindustan Aeronautics Ltd.

The Export-Import Bank of India has entered into an agreement with the Government of the Co-operative Republic of Guyana to provide the latter with a Government of India supported Line of Credit of USD 23.37 million. This will assist in the procurement of two Hindustan 228-201 aircraft from Hindustan Aeronautics Limited. The export of eligible goods and services from India will be allowed subject to their eligibility under the Foreign Trade Policy of the Government of India. The purchase may be agreed to be financed by the Exim Bank. Out of the total credit by the Exim Bank, goods, works and services of the value of at least 75% of the contract price shall be supplied by the seller from India. The remaining 25% of the goods and services may be procured by the seller from outside India. The agreement under the LoC will be effective from 8th April 2024. The last date for disbursement shall be 48 months after the scheduled completion date of the project. [Read more](#)

International Trade Settlement in Indian Rupees (INR)- Opening of additional Current Account for settlement of trade transactions

AD Category-I banks that maintain a Special Rupee Vostro Account on international trade settlement in India Rupees were permitted to open an additional special current account for its constituents. This is exclusively meant for the settlement of export transactions. In order to provide flexibility, the facility of opening an additional special current account by the AD Category-I banks for its constituents may be extended for the settlement of both import and export transactions. [Read more](#)

Priority Sector Lending – Amendments to the Master Directions

The RBI has made certain amendments to the Master Directions on Priority Sector Lending (PSL) and it specifies the list of districts with comparatively high and low PSL credit. After reviewing the same, the RBI has updated the list of districts and it will remain valid till FY 2026-27. From FY 2024-25 onwards, a higher weight (125%) will be assigned to the incremental priority sector credit in the districts where the credit flow is lower comparatively. Further, the master directions also specify that the Urban Co-operative Banks are required to furnish data on priority sector advances in the format 'Statement-I' and 'Statement-II' quarterly and annually to the Regional Offices of DoS, RBI. [Read more](#)



Customs duty on Display Assembly of a cellular mobile phone-reg

A concessional Basic Customs Duty (BCD) @10% for the Display Assembly for use in the manufacture of a cellular mobile phone and Nil BCD rate on inputs or parts for use in the manufacture of Display Assembly in manufacturing of a cellular mobile phone. However, there were certain cases of misdeclaration of Display Assembly imported as parts were reported. Due to this, certain cases were intercepted by the Directorate of Revenue Intelligence (DRI) and other field formations. Demand notices were issued thereon. Therefore, the industry made representations to the MeitY for their intervention in this matter. MeitY stated that the concessional BCD rate of 10% is not being extended to display assembly by classifying it as others.



PUBLICATIONS

INTERNAL PUBLICATION

Labour Law Due Diligence Audits - The New Labour Law Rules

Labour law due diligence audits are an effective way to ensure compliance with the latest regulations and identify potential legal risks in India rapidly evolving labour law landscape. The new labour laws in India include the Code on Wages, Social Security, Industrial Relations Code, and Occupational, Safety, Health and Working Conditions Code. These audits involve a review of employment contracts, compliance with employment laws, evaluation of employee benefits, assessment of workplace policies, and litigation review. The audits help employers identify key labour laws applicable to them and avoid significant penalties and potential disputes. They also improve operational efficiency, corporate transactions, and employee relations by aligning HR and employment practices with the laws of the land. Key components of the audits include legal compliance, risk management, and reviewing training and compliance programs. The audit helps identify potential liabilities and risks relating to employment practices that can harm the organization financially and legally in the long run. It also helps organizations create better policies and ensure timely compliance while minimizing the risk and potential liabilities due to ongoing litigations. The key steps involved in Labour Law Due Diligence audits are outlined in the article. [Read more](#)

GST Updates: Highlights of 53rd GST Council Meeting

The 53rd GST council meeting on 22nd June 2024 introduced recommendations to ease the tax burden on taxpayers. Changes in GST rates for goods included reductions on particular items like milk cans, solar cookers, and parts of poultry machinery. Exemptions and extensions were also announced for certain imports related to defense and research equipment. Services provided by Indian Railways and Special Purpose Vehicles were exempted from GST as well. Notable changes in monetary and limit-based areas involved the waiver of interest and penalty for past years and adjustments in pre-deposit requirements for appeals. The meeting also addressed delayed return filing and the threshold for reporting interstate supplies. Additionally, amendments were recommended for issues related to ENA, TCS collected by ECOs, and anti-profiteering clauses. New provisions included the refund of additional IGST due to price revisions post-export and clarifications on ITC for specific goods. Recommendations were made for corporate guarantee valuation and transitional credit amendments. A significant change involved the introduction of biometric-based Aadhaar authentication for GST registration to prevent fraudulent activities. The meeting also recommended restrictions on the refund of IGST for goods subject to export duty, regardless of payment status. All these recommendations will be implemented through relevant notifications and legal amendments. [Read more](#)

QUOTE OF THE MONTH

Employee of the month is a good example of how somebody can be both a winner and a loser at the same time.

-Demetri Martin

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