

A black and white photograph of a hand holding a newspaper, with a city skyline visible in the background. The image is partially obscured by large, diagonal geometric shapes in shades of blue and black.

ASC TIMES NEWSLETTER

Volume 5, February 2022



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MESSAGE FROM DIRECTOR

Dear Readers,

We are delighted to release our Monthly newsletter 'ASC TIMES' - February Edition considering the rigorous demand from our eminent readers. I would like to take this opportunity to present the February 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	January 2022	7 th February 2022
2	Depositing contribution towards EPF	January 2022	15 th February 2022
3	Filing of Tax Audit Report	AY 2021-22	15 th February, 2022
4	Filing Form 3CEB	AY 2021-22	15 th February 2022
5	Tax Audit Report	AY 2021-22	15 th February, 2022
6	Transfer Pricing Report	AY 2021-22	15 th February, 2022
7	ITR	AY 2021-22	15 th March, 2022



Circulars & Notifications:

Income Tax:

Circular No. 01/2022: Extension of due dates

On consideration of difficulties reported by the taxpayers and other stakeholders due to COVID -19 and in online filing of tax audit reports the Central Board of Direct Taxes (CBDT), in exercise of its powers under Section 119 of the Act, has extended the following due dates:

Description	New due date
Tax Audit Report	15th February, 2022
Transfer Pricing Report	15th February, 2022
ITR	15th March, 2022

Circular No. 2 of 2022: Clarification on Section 10(10D)

Clause (10D) of section 10 of the Income-tax Act, 1961 (the Act) provides for income-tax exemption on the sum received under a life insurance policy, including any sum allocated by way of bonus on such policy. The following provisos have been added:

- Fourth Proviso: Sum received under a Unit Linked Insurance Policy (ULIP), issued on or after 01.02.2021, shall not be exempt under the said clause if the amount of premium payable for any of the previous years during the term of such policy exceeds Rs 2,50,000.
- Fifth Proviso: Premium is payable for more than one ULIP, issued on or after 01.02.2021, the exemption under the said clause shall be available only with respect to such policies where the aggregate premium does not exceed Rs 2,50,000 for any of the previous years during the term of any of those policies.
- Sixth Proviso: This proviso states that the fourth and fifth provisos shall not apply in case of sum received on death of the person.

To seek more clarifications regarding this amendment, visit [here](#)

Notification: Insertion of Rule 8AD related to computation of capital gains under section 45(1B)

Central Board of Direct taxes have introduced Income tax (2nd Amendment) Rules, 2022 and introduced Rule 8AD related to computation of capital gains under section 45(1B). Section 45(1B) talks about any amount received by any person under a unit linked insurance policy to which exemption under section 10(10D) does not apply. The exemption under section 10(10D) relates to income received under life insurance policy, which is subjected to conditions. To understand calculation of capital gain under the newly inserted rule, click [here](#)

Notification: Introduction of e-advance rulings scheme, 2022

Central Government has introduced the e-advance rulings scheme, 2022. This scheme relates to the procedure for giving advance ruling on applications allotted or transferred to a Board for Advance Rulings. The Principal Director General of Income-tax (Systems) or the Director General of Income tax (Systems), with the approval of the Central Board of Direct Taxes, devise a process to randomly allocate or transfer the applications for advance ruling. To understand the procedure, click [here](#)



Reserve Bank of India Circulars:

Framework for Facilitating Small Value Digital Payments in Offline Mode

Reserve Bank had, vide circular dated August 06, 2020, permitted a pilot scheme to encourage technological innovations that enable small value digital transactions in offline mode. Accordingly, the framework to enable small value digital payments in offline mode using cards, wallets, mobile devices has been introduced. An offline payment means a transaction which does not require internet or telecom connectivity to take effect. Authorised Payment System Operators (PSOs) and Payment System Participants (PSPs) – Acquirers and Issuers (banks and non-banks) – desirous to provide / enable payment solutions that facilitate small value digital payments in offline mode shall comply with the requirements mentioned in the circular.

Retail Direct Scheme – Market Making

RBI Retail Direct Scheme was launched on November 12, 2021 for providing one-stop access to facilitate investment in Government Securities by retail investors. In this connection, to provide liquidity in the secondary market, a market making arrangement, wherein the Primary Dealers shall be present on the NDS-OM platform, throughout market hours and respond to buy/sell requests from Retail Direct Gilt Account Holders (RDGAHs).

The object of the scheme is to promote retail participation in Government Securities by providing prices/quotes to Retail Direct Gilt (RDG) account holders enabling them to buy/sell securities under the RBI Retail Direct Scheme. To understand this new scheme, click [here](#)

Reserve Bank of India's regulatory policy regarding financing of NBFCs by banks

Reserve Bank of India has been regulating the financial activities of the Non-Banking Financial Companies under the provisions of Chapter III B of the Reserve Bank of India Act, 1934. With the amendment of the Reserve Bank of India Act, 1934 in January 1997 and National Housing Bank Act, 1987 in August 2019, in terms of Section 29 A of the National Housing Bank Act, 1987, all Non-Banking Financial Companies including Housing Finance Companies have to be mandatorily registered with the Reserve Bank of India. Although few categories of non-banking financial companies are exempted from certain provisions of the Reserve Bank of India Act, 1934 (the RBI Act, 1934), including the need for registration with the Reserve Bank.

For NBFCs required to be registered with RBI:

The ceiling on bank credit linked to Net Owned Fund (NOF) of NBFCs has been withdrawn in respect of all NBFCs which are statutorily registered with RBI and are engaged in principal business of asset financing, loan, factoring and investment activities. Accordingly, banks may extend need based working capital facilities as well as term loans to all NBFCs registered with RBI and engaged in infrastructure financing, equipment leasing, hire-purchase, loan, factoring and investment activities subject to provisions of para 8 of these guidelines.

Reserve Bank of India Circulars:

Activities not eligible for Bank Credit

(i) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising from sale of -

- commercial vehicles (including light commercial vehicles), and
- two wheeler and three wheeler vehicles, subject to conditions

(ii) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.

(iii) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.

(iv) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.

(v) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPOs) and for purchase of shares from the secondary market.

For more details click [here](#)

Registration of Factors (Reserve Bank) Regulations, 2022

The Reserve Bank of India, has introduced new regulations pertaining to the manner of granting Certificate of Registration to companies which propose to do factoring business. For every company seeking registration as NBFC-Factor shall have a minimum Net Owned Fund (NOF) of ₹5 crore, or as specified by the Reserve Bank from time to time.

Every company intending to undertake factoring business shall make an application to the Reserve Bank for grant of certificate of registration (CoR) as NBFC-Factor under the Act and shall ensure compliance with Prescribed Bodies Corporate as stipulated in regulation 4 of these regulations.

Any existing NBFC-ICC, intending to undertake factoring business, shall make an application to the Reserve Bank for grant of CoR under the Act if it satisfies the following eligibility criteria:

Click [here](#) to read more.



Increasing Awareness regarding Online Mechanisms for Investor Grievance Redressal

In order to increase the awareness regarding online grievance redressal Mechanisms, all Recognized Stock Exchanges including Commodity Derivatives Exchanges/ Depositories / Clearing Corporations are advised to display the following on the home page of their websites and mobile apps

- Link / option to lodge complaint with them directly.
- Link to SCORES website/ link to download SCORES mobile app.

Investors are encouraged to lodge their complaints through online mechanisms more specifically through SCORES portal and SCORES mobile application for effective redressal of grievances.

Schemes of Arrangement by Listed Entities

In respect of the No Objection Certificate (NOC) required for schemes of arrangement by listed companies, an No Objection Certificate (NOC) from the lending scheduled commercial banks/ financial institutions/ debenture trustees, from not less than 75% of the secured creditors in value is additionally required.

To read more about this scheme, click [here](#)



Indo Japan News

The US, India and several other world powers have been talking about the need to ensure a free, open and thriving Indo-Pacific in the backdrop of China's aggressive military maneuvering in the region. Beijing has built artificial islands and military installations in the South China Sea. China also has territorial disputes with Japan in the East China Sea. The US maintains it will support its regional allies in the defense of a free and open Indo-Pacific region. Read More: <https://bit.ly/3oSbk3t>

In 2020, 20 Indian soldiers sacrificed their lives in a conflict along the disputed India-China border, and tension between India and China have continued since then. Indeed, China's provocations have been increasing in many surrounding areas, including the South China Sea and the East China Sea. China has escalated its aggressive posture against Taiwan in particular—so much so that in 2021, the US naval commander of the Indo-Pacific area, Admiral Philip Davidson, predicted that China could invade Taiwan within six years. Read more: <https://bit.ly/36fdcwR>

Indian Naval Ships Shivalik & Kadmat undertook Maritime Partnership Exercise with Japan Maritime Self-Defence Force Ships Uruga and Hirado in the Bay of Bengal on January 13. The exercise included a wide range of flying operations, replenishment approaches and tactical maneuvers. Read more: <https://bit.ly/3sEFokh>

The government has decided not to impose anti-dumping duty on certain steel products being imported from countries like China, Japan, and Korea, as the finance ministry has not accepted the recommendations of the directorate general of trade remedies (DGTR). Read more: <https://bit.ly/3gMDGaV>

India is likely to overtake Japan as Asia's second-largest economy by 2030 when its GDP is also projected to surpass that of Germany and the UK to rank as world's No.3, IHS Markit said in a report on Friday. Currently, India is the sixth-largest economy in the world, behind the US, China, Japan, Germany and the United Kingdom. Read more: <https://bit.ly/3Bk8MA4>





NEWS HIGHLIGHTS

1. India's goods and services tax (GST) revenue posted another strong month, rising 13% from a year ago to ₹1.30 lakh crore in December. The GST revenue in December 2021 was 26% higher than that in December 2019, showing a strong bounce from pre-pandemic levels as well. Read more: <https://bit.ly/34FVAK4>



2. The current account is back in deficit after a modest surplus last year not only because of a widening trade deficit, but pressures are also being built up due to foreign investors taking huge amounts back home as return on their investments. <https://bit.ly/3gIISwF>

3. Fresh trouble could be brewing for the cryptocurrency exchanges as the income tax department is now contemplating investigating them over the tax applicable to their total income. The Directorate General of GST Intelligence (DGGI), an investigation arm of the indirect tax department, conducted searches on several crypto exchanges and asked them to pay GST on their transaction fees or margins. Read more: <https://bit.ly/3LDKc2a>



4. Deal Street had the best year in 2021, clocking the highest tallies in both value and volume terms at USD 115 billion involving 2,224 deals, an industry report said. This was USD 37 billion and 867 transactions more than the corresponding figures for 2020. While 499 mergers and acquisitions (M&As) worth USD 42.9 billion were concluded in the year gone by, there were 1,624 private equity deals involving USD 48.2 billion, and 101 IPOs and QIPs worth USD 23.9 billion, of which 65 initial public offerings alone fetched a record USD 17.7 billion, according to data collated by Grant Thornton. Read more: <https://bit.ly/3oPXEGi>



5. The income tax department on Thursday said it has issued refunds of over Rs 1.54 lakh crore to more than 1.59 crore taxpayers so far this fiscal. CBDT issues refunds of over Rs 1,54,302 crore to more than 1.59 crore taxpayers from 1st Apr 2021 to 10th January 2022," the I-T department tweeted. Read more:

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

6. According to CMIE, these enterprises have largely, or possibly almost entirely, benefited from the central government's Emergency Credit Line Guarantee Scheme (ECLGS), launched in November 2020. ECLGS loans are top-up loans to help existing business enterprises overcome their difficulties arising out of lockdowns and other pandemic related ill-effects. Read more: <https://bit.ly/3GR2IQE>



7. India's armoury of foreign exchange reserves is seen depleting in the recent weeks. Reserves dipped \$897 million during the week ended January 7 as the Reserve Bank sold dollars to meet dollar demand to touch \$632.7 billion. Both foreign currency assets as well as value of gold in reserves dipped during the week by \$497 million and \$360 million respectively, the latest Reserve Bank data shows. Read more:

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

8. India's overall macroeconomic situation is in a recovery mode but the growth is concentrated at the top end, which is a worrying trend, according to former World Bank Chief Economist Kaushik Basu. The National Statistical Office (NSO) in its first advance estimate has projected a GDP growth of 9.2 per cent in April 2021 to March 2022 fiscal year while the Reserve Bank of India has forecast 9.5 percent expansion during the same period. The World Bank has been the most conservative projecting 8.3 per cent growth while Organisation for Economic Cooperation and Development (OECD) has pegged GDP expansion at 9.7 per cent. Read more: <https://bit.ly/3LCzGlr>



9. Indian companies raised \$6 billion selling offshore bonds during January 1-14, the most in the first fortnight of a year, showing the confidence of international investors in India's economy despite looming uncertainties globally. Read more: <https://bit.ly/34X3QVE>

10. The government on Wednesday approved sanction of Rs 973.74 crore to State Bank of India (SBI) as reimbursement related to loan moratorium that was implemented in 2020 amid the pandemic. Read more: <https://bit.ly/3gNHtoA>





11. In what could impact several companies and hotels, an Appellate Authority for Advance Ruling (AAAR) has denied input tax credit under the Goods and Services Tax (GST) framework on leasing of land and property. Most companies and hotels pay GST at 18% on lease rentals and claim credit to reduce their tax outgo. Also in many instances the leased properties are treated as owned ones and the rights are transferred when the property is sold or bought by new owners. Read more: <https://bit.ly/3h3eVYp>

12. The total business-to-business spending in India is expected to rise by 10.3 per cent in 2022 with the spend of the country's businesses growing three times faster than the expectations from its comparable peers in other countries in the third quarter of last year, according to a study. Read more: <https://bit.ly/3rPKbQF>



13. Niti Aayog has proposed inclusion of electric vehicles in the Reserve Bank of India's priority-sector lending guidelines, saying the move will help give a significant push to retail lending for EVs. Banks and non-banking financial companies (NBFCs) in India have the potential to achieve an electric vehicle (EV) financing market size of ₹40,000 crore by 2025 and ₹3.7 lakh crore by 2030, the official think tank said in a report on EVs released on Friday. Read more: <https://bit.ly/3JtgWZP>

14. Finance Minister Nirmala Sitharaman has tabled the Economic Survey report in the Lok Sabha. The Survey projected a GDP growth rate in the range of 8-8.5% for the next fiscal 2022-23 (FY23). The economy is projected to grow at 9.2 per cent in the current fiscal. Read more: <https://bit.ly/3v6vdlf>





PUBLICATIONS

INTERNAL PUBLICATIONS- FEB 2022

Product Certification Process under BIS- CRS Registration (Compulsory Registration Scheme)

Bureau of Indian Standards (BIS) is the national body responsible for the promotion and development of marking, standardization, and quality certification of goods including matters connected therewith and incidental thereto. BIS fulfills its responsibilities through various schemes and initiatives. One such initiative directed towards ensuring product compliance with Indian Standards is the Compulsory Registration Scheme (CRS). Here's a complete guide about BIS Compulsory Registration Scheme and the procedural requirements for registration under the same.

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

Insolvency & Bankruptcy Board of India is Eager to fill in the Gaps

Gigantic legislation like IBC,2016 will definitely face hurdles, bumps, pits in its journey towards implementation. Insolvency & Bankruptcy Board of India (IBBI) has shown enormous anticipation in appreciating the improvements required from time to time on the basis of experience it got through judgments of NCLT, NCLAT, and Supreme Court. Besides, there is a continuous system of feedback from other stakeholders like IPs, IPEs, IPAs and Legal fraternity, Insolvency Law Committee for either removal of defunct clauses or amendment for the better.

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

Legal Metrology Dept. books 11 guilty LPG Dealers - Fine of Rs 18000 recovered

Four LPG dealers were fined Rs. 18000 on the spot while cases were booked against 6 other LPG dealers who were found involved in short delivery of LPG cylinders. The Legal Metrology Department (LMD) field executives, J&K have recorded cases against 11 guilty LPG Traders for delivering underweight LPG Cylinders to the Consumers. During a special inspection drive conducted on the order of Controller Legal Metrology Department (LMD) J&K, 4 LPG dealers were fined Rs. 18000.

<https://bit.ly/3oODT1P>

GST Highlights in budget FY 2022-23

Extension in time-limit to claim ITC under GST - It seeks to amend section 16(4) of the CGST Act, 2017 so as to provide that a registered person shall not be entitled to take input tax credit in respect of any invoice or debit note after the thirtieth day of November (Earlier this date was 20th Oct i.e. last due date for filing GSTR -3B for September) following the end of the financial year to which such invoice or debit note pertains, or furnishing of the relevant annual return, whichever is earlier.

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

Annual Information Statement and Taxpayer Information Summary: A Detailed Guide

The Income Tax Department rolled out the new Annual Information Statement (AIS) from 1st November 2021. It is a detailed statement encompassing details of the financial transactions undertaken by the taxpayer during the Financial Year. The AIS is introduced with an aim to provide a comprehensive report to the taxpayer of the financial transactions as well as to promote voluntary compliance. It assists the taxpayers with the seamless and accurate filing of income tax returns, reducing the omissions and missing out on crucial information.

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

SEBI Compliances and Regulations for Listed Companies

Listed Companies benefit in terms of better opportunities to raise ample amounts of funds from various categories of investors. This facilitates rapid expansion and modernization of operations. However, as public interest and money are involved, the government through various rules and regulations mandates these companies to ensure compliances all-round the year in order to ensure transparency and accountability.

<https://bit.ly/3rQz4H8>

QUOTE OF THE MONTH

Business opportunities are like buses, there's always another one coming.

-Richard Branson

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