

The background of the cover is a black and white photograph of a person in a business suit, seen from the chest up, with their arms crossed. The image is partially obscured by large, overlapping geometric shapes in shades of blue and grey.

# ASC TIMES NEWSLETTER

Volume 15, DECEMBER 2022

# INDEX



**1** Message from Director

**2** Compliance Calendar - December 2022

**3** Key Indian News Highlights

**4** Indo- Japan News

**5** Circulars & Notifications:

**INCOME TAX**

- Draft common Income-tax Return-request for inputs from stakeholders and the general public- reg.
- Explanatory notes to the provisions of the finance act, 2022

**CUSTOMS**

- Customs, dated the 1st March, 2011 in order to withdrawal export duty on iron ore & steel products.

**RESERVE BANK OF INDIA**

- Agency Commission for Direct Tax collection under the TIN 2.0 regime
- Inclusion of Goods and Service Tax Network (GSTN) as a Financial Information Provider under Account Aggregator Framework
- Basel III Framework on Liquidity Standards – Standing Deposit Facility

**6** Internal Publication

**7** Quote of the Month



# 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 Volume-15 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 <sup>th</sup> December 2022	The due date for the deposit of Tax deducted/collected for the month of October 2022.	November 2022
2	15 <sup>th</sup> December 2022	The due date for furnishing of Form 24G by an office of the Government where TDS/TCS has been paid without the production of a challan	November 2022
3		The third instalment of advance tax for the assessment year 2023-24	AY 2023-24
4		The due date for issue of TDS Certificate for tax deducted under sections 194-IA, 194IB and 194M in the month of October, 2022	October 2022
5		The due date for the issue of the TDS Certificate for tax deducted under section 194S.  (Note: Applicable in case of the specified person as mentioned under section 194S)	October 2022
6		Provident fund payment for November 2022	November 2022
7		ESI payment for November 2022	November 2022
8	30 <sup>th</sup> December 2022	The due date for furnishing of challan-cum-statement in respect of tax deducted under sections 194-IA, 194-IB and 194M in the month of November, 2022	November 2022
9		Furnishing of the report in Form No. 3CEAD for a reporting accounting year (assuming reporting accounting year is January 1, 2021 to December 31, 2021) by a constituent entity, resident in India, in respect of the international group of which it is a constituent if the parent entity is not obliged to file a report under section 286(2) or the parent entity is a resident of a country with which India does not have an agreement for the exchange of the report etc.	For the year 1 <sup>st</sup> January 2021 to 31 <sup>st</sup> December 2021
10		The due date for furnishing of challan-cum-statement in respect of tax deducted under section 194S.  Note: Applicable in case of the specified person as mentioned under section 194S	November 2022
11	31 <sup>st</sup> December 2022	Filing of belated/revised return of income for the assessment year 2022-23 for all assesseees (provided assessment has not been completed before December 31, 2022)	AY 2022-23





## NEWS HIGHLIGHTS

### India is projected to become the world's third-largest economy overtaking Japan and Germany: S&P

A report by S&P Global suggests that India's real GDP is expected to grow at a rate of 6.3% annually between FY 2021-2030 which is higher than the global average growth rate. This will make India 3rd largest economy in the world beating Germany and Japan. The primary reasons behind this growth are rising per capita income, deepening trade ties with global economies and boosting domestic manufacturing. The base assumptions behind this projection are the continued structural reforms, infrastructure and human capital investment, labour market reform and trade and financial liberalization. Further, India is becoming more supportive of the private players with incentive schemes such as Production Linked Incentives (PLI) etc. [Click here](#) to read the full story.



### Rationalisation in long-term capital gains tax structure on the anvil

Budget 2023 is just a few months away and the finance ministry is looking to rationalize the long-term capital gains tax structure. This includes revising the base year and bringing different asset classes at par. Currently, the asset class and the holding period are the key determinants of the type of capital gain and the tax rate applicable thereon. Currently, capital gains can be divided into short and long-term capital gains with each having a different tax rate. Further, the different asset class is having different holding period that determines whether the gains are short-term or long-term. The changes can include rationalizing the tax rates, holding periods and revision in the base year to make it more relevant. The primary reason is to reduce the compliance burden by making the capital gains structure taxpayer-friendly and simple. [Click here](#) to know the full story.

### The global slowdown may hurt exports, but domestic steam to power economy: Union Finance Ministry

The world is nearing a global slowdown because of high inflation, geopolitical tensions, rising borrowing costs etc. This can dent India's export sector. India's retail inflation has been over 7% in all the months since April 2022 barring two months. It was at 6.8% in October. Further, the government stated that the demand under the Rural Employment Guarantee Scheme (MGNREGS) has fallen to the lowest level this year. A rapid deterioration of the global growth prospects can affect the export sector in India. The inflationary pressures continue to remain high despite of the significant rise in the policy rates and tightening of the measures adopted by the central banks worldwide. [Click here](#) to know the full story.







### India's economic reforms will help boost potential growth beyond 6%: Goldman Sachs

Goldman Sachs stated that this decade is the biggest opportunity for India to spur job creation and economic growth. India can achieve so by developing globally competitive manufacturing hubs as the world is looking towards restructuring its supply chain. However, for becoming a manufacturing powerhouse, India will require a coordinated strategy across all the government departments to make it easy for global manufacturers to set up their shops in India. The Indian government has been focusing on boosting domestic manufacturing and it also increased its spending on infrastructure. As the global slowdown may affect the export sector, India should lay down its focus on domestic drivers of demand. Further, resilient service exports will provide some cushion. The conditions are conducive for an investment cycle recovery. Further, the growth capital can chase India as international companies are willing to diversify their sources of supply. For them, India is a good opportunity for a long-term investment. [Click here](#) to know the full story.

### India must be cautious in dealing with US: Ex-Army chief Bikram Singh

General Bikram Singh, our former Army Chief, has urged the Indian Government to be cautious while dealing on strategic matters with the USA. So far, the USA has not proved its trustworthiness with its close allies. He further shared his opinion about Quad that comprises of India, Japan, Australia and the USA. As per his concerns, while it is good that India is a part of Quad, it is important to exercise caution because the USA has never proved to be trustworthy in its dealings with any of its defence and strategic allies. The USA has extricated itself from Afghanistan, Vietnam and twice from Iraq. One of the reasons for the failure of the USA's external military intervention is that it outsources its work to others.

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







## Indo Japan News

### Chennai to host Japan film & music festival

Japan Film and Music Festival was organised at PVR SPI Escape at Express Avenue Mall in Chennai between 25th to 27th of November. It was organised to commemorate the 70th anniversary of the diplomatic relations between India and Japan. It was organised by the Japan Foundation in association with the Embassy of Japan in India and PVR Cinemas (venue partners). The festival featured recorded concerts by one of Japan's leading rock bands RADWIMPS. What followed was the iconic animated movies by the animator and filmmaker Makoto Shinkai. [Click here](#) to know the full story.

### India and Japan should now have more people-to-people exchanges: Jetro

The existing Japanese businesses are doing very well in India. However, there is a challenge in bringing medium and smaller companies into India due to miscommunication or wrong perceptions. Japanese investments in China are more diversified than in India. As the economic ties are expanding, India and Japan are focusing on boosting the people-to-people contract. This was emphasized by the Chief Director General of Japan External Trade Organisation (Jetro), Suzuki Takashi. Further, Aditya Kumar Vijay – Chairman of One Kizuna stated that the Japan Exchange and Teaching (JET) Programme in India must be expanded to promote people-to-people exchanges. [Click here](#) to know the full story.

### Indo-Japan Business Council festival from Nov 18 to 20

The Indo-Japan Business Council (IJBC) organised a 3-day festival 'Konnichiwa Pune' in Pune between the 18th to 20th of November. The festival was focused on promoting the exchange of trade, education and cultural ties between Japan and India. The festival witnessed the participation of Japanese and Indian business leaders, cultural

organisations, government agencies, educational institutes and consulates and intellectuals' deliberate possibilities. It is co-organised with the Consulate General of Japan in Mumbai. Multiple topics were discussed in this festival including 15 years in India, Japan-India diplomatic relations etc. Japan is seeking to further invest in India and expand businesses to build a robust supply chain, IT businesses, innovation entrepreneurship, India-Japan collaboration in new energy etc. [Click here](#) to know the full story.

### Xi's 3rd term calls for closer India-Japan ties

Chinese President Xi Jinping announced his visions for his upcoming tenure which include a plan for combat preparedness and troop training. It is a no-brainer that it can create trouble for bordering nations, especially India. Further, China has already started funding its military exercise. Further, the Galwan clip was showcased at the 20th Chinese Communist Party Congress which may be an official recognition of India as an enemy. Japan also has genuine concerns about the rising Chinese aggression. In 2021, China alone accounted for 43% of entire Asia's defence spending at a whopping \$207 billion. While in 2022, India's military spending was merely \$70 billion. As India and Japan are having a shared perception of the growing military challenges, both nations could execute multiple agreements including Geo-Spatial Cooperation, Mutual Logistic Support Arrangements, Reciprocal Access Agreements etc. [Click here](#) to know the full story.







# Circulars & Notifications:

## Income Tax

### **Draft common Income-tax Return-request for inputs from stakeholders and the general public- reg.**

Currently, the taxpayers shall furnish their income tax returns in ITR-1 to ITR-7 depending upon the type of income and the constitution of the assessee. However, multiple forms create confusion and the assessee is required to go through all the schedules of the form irrespective of their applicability for the assessee. This makes the return filing process time-consuming and cumbersome.



To mitigate this, the income tax department has proposed a draft ITR that merges all the ITRs except ITR-7. Further, the current ITR-1 and ITR-4 will continue. Therefore, the taxpayers can opt for either filing the ITR in the new proposed form or in the existing form in ITR-1 or ITR-4. In the new form, the taxpayers will not be required to go through all the schedules while filing the ITR. Further, it will facilitate proper reconciliation of the third-party data with the data available with the income tax department. [Click here](#) to know more details of the new proposed ITR.

### **Explanatory notes to the provisions of the finance act, 2022**

The Finance Act, 2022 was passed by the Parliament and it received the President's assent on 30th March 2022. There were many changes incorporated by the Finance Act, 2022. Therefore, the income tax department released explanatory notes to the provisions of the Finance Act 2022 that explicitly discusses the changes brought by this act in different sections of the Income Tax Act, 1961. [Click here](#) to go through the explanatory notes.





## CUSTOMS

**Customs, dated the 1st March, 2011 in order to withdrawal export duty on iron ore & steel products.**

The Ministry of Finance has released a Notification No. 58/2022 – Customs dated 18th November 2022 to withdraw export duties on certain products. Further, certain new entries were inserted in the list of products covered under export duty. This includes the following:



(1)	(2)	(3)	(4)
61A	7219	Flat-rolled products of stainless steel, of a width of 600 mm or more	NIL
61B	7222	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel	NIL
61C	7227	Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel	NIL

The notification came into effect from 19th November 2022. [Click here](#) for more details about other products covered under the notification.

## RESERVE BANK OF INDIA

**Agency Commission for Direct Tax collection under the TIN 2.0 regime**

After the TIN 2.0 regime for direct tax collection was implemented, paragraph 21 of the Master Circular was modified by the RBI. As per the modified paragraph, agency banks shall submit their claims for agency commission to CAS Nagpur for Central Government transactions and respective Regional Offices of RBI for State Government transactions. Further, agency commission in relation to GST receipt transactions and transactions relating to direct tax collection under the TIN 2.0 regime will be settled in the Mumbai Regional Office of RBI only. The agency commission for transactions relating to direct tax under OLTAS will be settled under CAS Nagpur. [Click here](#) to read the full notification.



**Inclusion of Goods and Service Tax Network (GSTN) as a Financial Information Provider under Account Aggregator Framework**

In order to facilitate cash flow-based lending to the MSME sector, the RBI has decided to include the Goods and Services Tax Network (GSTN) as a Financial Information Provider (FIP) under the Account Aggregator (AA) framework. For this, the Department of Revenue shall be the regulator of GSTN for this purpose. Also, GST returns i.e., GSTR-1 and GSTR-3B shall be treated as financial information. [Click here](#) to read the full notification.

**Basel III Framework on Liquidity Standards – Standing Deposit Facility**

The RBI received queries from various banks seeking clarification on the treatment of the Standing Deposit Facility (SDF) under the Liquidity Risk Management Framework. Therefore, it is advised that the overnight balances held by the banks with the RBI under SDF shall be eligible as 'Level 1 High-Quality Liquid Assets (HQLA)' for the computation of LCR. This circular shall be applicable to all commercial banks (excluding the regional rural banks, local area banks and payments banks). [Click here](#) to read the full notification.





# PUBLICATIONS

## INTERNAL PUBLICATIONS

### Guide on SCOMET items Export License in India- SCOMET Product Categories

Exports of certain commodities may require special approval or license. The SCOMET items are stated in Appendix 3 of Schedule 2 of the ITC (HS). The product listed under SCOMET are items that are mandated to obtain a SCOMET license from the DGFT Head Quarter or the National Authorities. [Read more](#)

### CBIC letter on Supreme Court ruling in Mohit Minerals case |GST Update

The Central Board of Indirect Taxes and Customs Legal Cell has issued Letter vide F. No. 275/11/2022-CX.8A dated November 04, 2022 informed that the Board has decided that the GST department will not challenge the Supreme Court decision in Mohit Minerals case. [Read more](#)

### Major agenda for GST Council to be headed on December 17th | GST News

The agenda of the 48th meeting of the GST Council is expected to be finalized in the coming days. Still, the meeting also assumes significance as it comes just ahead of the 2023-24 Union Budget. The meeting would discuss two reports of a panel of State finance ministers on levy of GST on casinos, online gaming and horse racing and the other on setting up of GST Appellate Tribunal. [Read more](#)

### Approval Route in FDI (Foreign Direct investment): A Complete Guide

Foreign Direct investment is the investment made by a person resident outside India in a business entity in India. Foreign Direct Investments (FDI) are important to channelize growth in various sectors. However, there are certain critical sectors where foreign investment needs to be regulated. Therefore, the government has provided two routes (Approval & Automatic Route in FDI) for foreign direct investments. [Read more](#)

### Time for Income Tax and GST reforms, says Revenue Secretary Tarun Bajaj -Budget 2023

Pointing out some emerging issues in income tax and GST, Revenue Secretary Tarun Bajaj said there is a need for reforms in both direct and indirect taxes. [Read more](#)

### NBFC Registration in India: Eligibility, Process and requirements

A Non-Banking Financial Company (NBFC) is akin to a banking company and engaged in the business of providing loans, accepting deposits (only certain NBFCs), leasing, hire purchase, acquisition of stocks, insurance, etc. Let's understand, What separates the NBFCs from normal banking companies... [Read more](#)

### Karnataka Govt Caps Convenience Fee At 5% For App-Based Auto Rides | GST News

Amidst an ongoing tussle between the Karnataka government and cab aggregators, the state government has reportedly sought to cap the convenience fee at 5% for auto rickshaw rides. However, senior officials told the Economic Times that the convenience fee was exclusive of GST, meaning users will have to pay an additional 5% GST on an aggregate total of base fare and service charge. [Read more](#)

### Online gaming likely to attract 28% GST on full value | GST Update

To discourage gambling and betting-related games, the GST Council is likely to hike the tax rates for online gaming from 18% to 28%. A Group of Ministers, set up by the Ministry of Finance to look into matters related to the GST regime covering online gaming, casinos, and race courses, may suggest a flat GST rate of 28% on online gaming soon. [Read more](#)



## Pre-Budget meet- GST rationalisation, easier bank credit and hike in public expenditure

The Union Finance Minister Nirmala Sitharaman met infrastructure industry experts at the customary pre-budget meeting, the latter sought rationalisation of GST, easier bank credit and a hike in public expenditure.

## Govt may remove penal offences covered under IPC from GST law

The government is considering removing the penal offences which are already covered under the IPC from the GST Act to make it more taxpayer-friendly, an official said. The part of the exercise to decriminalise GST law is supposed to be taken up in the next GST Council meeting. [Read more](#)

## GST on Health Insurance to reduce, deadlock persists on input tax credit

The central government has made a significant step to boost the health insurance sector. The government aim to reduce the GST on health insurance on premium package. However, a deadlock persists on the input tax credit. [Read more](#)

## Letter to Finance Minister for urgent GST Council Meet by WB Chief Advisor

Principal Chief Advisor Amit Mitra to the Chief Minister of West Bengal wrote Union Finance Minister Nirmala Sitharaman in a letter on Wednesday to call an urgent GST Council meeting which was not met for over four and half months. [Read more](#)

## Maharashtra businessman nabbed as for INR 45 cr fake bills scam | GST News

An official said here on Friday, the Maharashtra Goods & Services Tax Department has busted a GST scam involving fake invoices worth Rs 45 crore and arrested a businessman for the alleged fraud. Launching a special operation, GST sleuths raided Arnav Creations on Wednesday as part of the ongoing probe into the malaise of fraudulent invoices to cheat the exchequer. [Read more](#)

## Secretarial & Legal Due Diligence Process – Complete Guide

Due diligence basically involves the verification, investigation and audit of an entity or a potential deal or investment opportunity to verify and confirm all the relevant facts. It ensures that the organization undertaking due diligence knows all the details and gets confirmation about the genuineness of the other entity before proceeding with the same. [Read more](#)

## Low Number of E-way bills in India despite high GST revenue | GST News

The GST regime covers e-way bills for the transport of goods, which went down during October, even as the tax inflow was high. Apart from high sales during the festive season, the rise in tax revenue on everything from groceries to transport could also be attributed to factors such as inflation. [Read more](#)

## Chandigarh GST revenue sees 28% rise in October

The Chandigarh administration collected Rs.203 crore GST in October, which is the first month of this financial quarter, an increase of 28% from Rs.158 crore in October last year. They also reported that they had also seen a hike in each month of the last quarter too. In September, UT logged GST collection of Rs.206 crore, an increase of 35% from Rs.152 crore in September 2021. [Read more](#)

## GST Slabs Rejig Unlikely Before 2024 General Elections

According to official sources, with inflation likely to remain elevated for a longer period and key state elections due in 2023, the Narendra Modi 2.0 government may choose not to restructure the GST slabs before it demits office in May 2024. [Read more](#)

## QUOTE OF THE MONTH

**“When you find an idea that you just can’t stop thinking about, that’s probably a good one to pursue.”**

**-Josh James**

***CEO and co-founder of Omniture***



## REGISTERED OFFICE

73, National Park, Lajpat Nagar IV,  
New Delhi - 110024 (India)  
P: ++91-11-41729056-57, 41601289

## CORPORATE OFFICE

C-100, Sector-2,  
Noida- 201301  
Uttar Pradesh (India)  
Phone No: +91-120-4729400

## BRANCHES IN INDIA

### Gurugram:

605, Suncity Business Tower  
Golf Course Road, Sector-54,  
Gurugram - 122002, Haryana  
Phone No: +91-124-4245110/116

### Mumbai:

Office No. 315-316, A wing, Sagar Tech  
Plaza, Andheri Kurla Road, Sakinaka,  
Andheri (E), Mumbai - 400072, India.  
Phone No: 022-67413369/70/71

### Pune:

Office No. 511, City Space, Viman-  
nagar, Nagar Road, Pune MH - 411014  
Phone No : +91-9022131399

### Bengaluru:

0420, Second Floor,  
20th Main, 6th Block,  
Koramangala,  
Bangalore - 560095, Karnataka  
Phone No : 080-42139271

### Chennai:

37, TTK Road, CIT Colony, Alwarpet,  
Chennai, Tamil Nadu 600018  
Mobile No: +91-8860774980

## BRANCH ABROAD

### Singapore:

One Raffles Place  
Tower 1, 27-03  
Singapore - 048616  
[www.ascgroup.sg](http://www.ascgroup.sg)  
[info@ascgroup.sg](mailto:info@ascgroup.sg)

### Canada:

302-18 Edgecliff Golfway, North York,  
Toronto, Ontario-M3C 3A3  
Mobile No:+1437-774-4488  
[www.ascventures.ca](http://www.ascventures.ca)  
[info@ascventures.ca](mailto:info@ascventures.ca)