

ASC TIMES NEWSLETTER

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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 Volume-17 of our monthly newsletter. ASC Times summarizes all the business-related news & government updates like imparting relevant information, press releases, notifications, periodic updates, etc. to keep you updated with things affecting the business as a whole.



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

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

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

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

Best regards
Shailendra Kumar Mishra
Director
ASC Group



COMPLIANCE CALENDAR

| Sr. No. | Date | Compliance | Period |
|---------|--------------------------------|---|------------------------------|
| 1 | 7 th February 2023 | The due date for the deposit of Tax deducted/collected for the month of January, 2023. | December 2022 |
| 2 | 14 th February 2023 | The due date for issue of TDS Certificate for tax deducted under sections 194-IA, 194-IB and 194M in the month of December, 2022 | December 2022 |
| 3 | 15 th February 2023 | The due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of January, 2023 has been paid without the production of a challan | January 2023 |
| 4 | | Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending December 31, 2022 | Quarter ending December 2022 |
| 5 | | The due date for payment of the PF contributions | January 2023 |
| 6 | | The due date for payment of the ESIC contributions | January 2023 |
| 7 | 28 th February 2023 | Filing of Form MGT 7 / 7A by the companies (including One Person Companies) that have conducted their AGM on 31 st December 2022. | FY 2021-22 |



NEWS HIGHLIGHTS

India-Australia Free Trade Agreement: Here Are Key Things To Know About Deal Which Comes Into Effect From Today

India and Australia executed their first Free Trade Agreement (FTA) on 29th December 2022. This FTA is known as Economic Cooperation and Trade Agreement (ECTA). It will boost the bilateral trade between the two nations which is expected to cross \$70 billion in the upcoming 5 years. In the financial year 2021-22, India's export to Australia stood at \$8.3 billion while its import from Australia stood at \$16.75 billion. This agreement covers all the tariff lines that exist between the trade between India and Australia. India gained preferential market access from Australia on 100% of its tariff lines. Against this, India offered preferential access to Australia on 70% of the tariff lines.

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



Worst of inflation, growth and currency crises behind us: Shaktikanta Das

As per Shaktikanta Das, Governor of the Reserve Bank of India, the latest data on inflation, currency volatility and growth indicates that the worst situations for the world economy and the financial markets are behind us. This statement comes after considering the fact that the global economy is projected to contract significantly in 2023. However, RBI still continues to put in necessary efforts to bring down inflation to their respective targets. He also stated that our economy remains resilient against an uncertain and hostile international environment. [Click here](#) to read the full story.

Digital currency to further bolster the digital economy, says RBI

India recently pivoted its way to digital currency. As per RBI Executive Director Ajay Kumar Chaudhary, the digital currency will further bolster the digital economy and reduce the cost that is involved in physical cash management while making the payment system more efficient. Further, it will also contribute towards financial inclusion. As per Chaudhary, CBDC is just a digital form of the existing physical currency. E-rupee will also carry other features of the existing physical currency like the safety as well as settlement of transactions. It is supported by the state-of-the-art payment system of India making it accessible, efficient, convenient, secure and safe. [Click here](#) to read the full story.





Indo Japan News

India-Japan defense ties enter a new phase with first joint fighter drills

India and Japan started their first-ever joint fighter aircraft exercise in order to deepen their strategic ties. This is also in response to the growing assertiveness of China in the Indo-Pacific region. It was named Veer Guardian 23 and it took place in the air space surrounding Air Self Defence's Force Iruma and Hyakuri air bases in Ibaraki Prefecture. It was an 11-day exercise that continued till 26th January 2023. India entered with four Su-30MKI multirole fighters, one IL-78 aerial tanker, two C-17 Globemaster transport planes and 150 personnel. While ASDF fielded four F-2s and four F-15 multirole fighters. [Click here](#) to read the full story.

India, Japan concludes 16-day air exercise

The 16-day bilateral air exercise 'Veer Guardian 2023' between Japan Air Self Defence Force (JASDF) and India Air Force (IAF) has concluded in Japan. Both the forces engaged in interception, air combat manoeuvring and air defence missions. Further, the aircrew of both forces flew in each other's fighter aircraft in order to develop a deeper understanding. While JASDF participated with F-2 and F-15 aircraft, IAF participated with Su-30 MKI. This exercise witnessed coordination and interactions between JASDF and IAF and various aspects were discussed between both forces. Both nations got deeper insights into each other's best practices and also learnt from each other's unique capabilities. [Click here](#) to read the full story.



Circulars & Notifications:

BUDGET 2023 HIGHLIGHTS

The Union Budget 2023 was presented on 1st February 2023 which saw some major changes in the current taxation laws while also laying down the government's goals and plans for India's future growth. Following are some of the key highlights of Budget 2023:

- The new tax regime u/s 115BAC is made the default tax regime.
 - Tax rate were changed significantly in the new tax regime.
- Following is the comparative analysis of the same:



| New Income Slab (Budget 2023) | New Tax Rates (Budget 2023) | Old Income Slab (as per Section 115BAC) | Old Tax Rates (as per Section 115BAC) |
|----------------------------------|--------------------------------|--|--|
| Nil – 3 lakhs | 0% | Nil - 2.50 lakhs | 0% |
| 3 lakhs – 6 lakhs | 5% | 2.50 lakhs – 5 lakhs | 5% |
| 6 lakhs – 9 lakhs | 10% | 5 lakhs – 7.50 lakhs | 10% |
| 9 lakhs – 12 lakhs | 15% | 7.50 lakhs – 10 lakhs | 15% |
| 12 lakhs – 15 lakhs | 20% | 10 lakhs – 12.50 lakhs | 20% |
| Above 15 lakhs | 30% | 12.50 lakhs – 15 lakhs | 25% |
| | | Above 15 lakhs | 30% |

- Rebate under the new tax regime has been increased from Rs. 5 lakhs to Rs. 7 lakhs.
- No changes under the old tax regime.
- The surcharge rate is reduced from 37% to 25% for income exceeding Rs. 5 crores.
- Salaried taxpayers can now claim the standard deduction of Rs. 50,000 under the new tax regime as well.
- The limit for presumptive taxation increased from Rs. 2 crores to Rs. 3 crores u/s 44AD and from Rs. 50 lakhs to Rs. 75 lakhs u/s 44ADA if cash receipts are not more than 5%.
- Deduction for MSME expenses can be made only after the payment has been made to the MSME vendors.
- Exemption on TDS for interest payment on listed debentures is proposed to be withdrawn.
- In the case of online games, TDS will be applicable on net winnings without the threshold limit of Rs. 10,000.
- TCS on foreign remittances for purposes (other than education and medical purposes) under LRS and purchase of overseas tour program is proposed to be increased from 5% to 20%.

- Certain offences under GST law have been decriminalized.
- Unregistered suppliers and composition taxpayers can make the intra-state supply of goods through e-commerce operators subject to certain conditions.
- A one-time new small savings scheme is introduced for women whereby deposits of up to Rs. 2 lakhs can be made for a period of 2 years. The interest rate under this scheme is 7.50% per annum.

INCOME TAX

Format, procedure and guidelines for submission of SFT for interest income

Section 285BA of the Income Tax Act, 1961 and Rule 114E require certain persons to furnish the Statement of Financial Transaction (SFT). In order to prefill the income tax returns, CBDT also included reporting of information relating to the interest income. Earlier, the reporting was required only for the account holders or deposit holders where the interest exceeded Rs. 5000 per person in a financial year. It was specified in column point 1 in Annexure A – Guidelines for Preparation of Statement of Financial Transactions (SFT). This column has been modified by the government. Now even if the interest exceeds Rs. 0 per account, it shall be reported. This excludes the Jan Dhan accounts. This came into effect from 5th January 2023. [Click here](#) to read the full circular.



Extension of time limit for compliance to be made for claiming any exemption under Section 54 to 54GB in view of the then Covid-19 pandemic

The CBDT provided relaxation in relation to certain compliances to be made by the taxpayers in relation to deposit, investment, acquisition, payment, construction, purchase etc. for claiming exemption under the provisions contained under sections 54 to 54GB of the Income Tax Act, 1961. The relaxation was provided by the issue of Circular No. 12 of 2021 dated 25-06-2021 and it provided that if the last date for such compliances fell between 1st April 2021 to 29th September 2021 may be completed on or before 30th September 2021.

After receiving representations and considering the prevailing Covid-19 situation, the CBDT has provided further relaxations. In case the last date for the above compliances falls between 1st April 2021 to 28th February 2022, then such compliances may be completed on or before 31st March 2023. [Click here](#) to read the full circular.

CUSTOMS

Reserve Bank of India (Financial Statements – Presentation and Disclosures) Directions, 2021 – Disclosure of material items

CBIC invited references relating to phases in the Phase 1 implementation of the Standard Examination Orders (SEO) for goods that are covered under Assessment Group 4. Phase 1 refers to the case-based selection for examination after assessment. This SEO was further extended to the goods under Assessment Group 5. Now, the board has decided to implement SEOs on other assessment groups as well through the Risk Management System. This will be implemented National Assessment Centre (NAC) wise. [Click here](#) to read the full circular.



Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023(CAVR, 2023)

The government has notified Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023 (hereafter referred as CAVR, 2023) by issuing Circular No. 01/2023-Customs. These rules are primarily framed to specify additional obligations on the importers for certain imported goods whose value has not been declared correctly. It also deals with the criteria for selecting such goods and the necessary checks in relation to such goods. [Click here](#) to read the full circular.

RESERVE BANK OF INDIA

Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies

The RBI has come up with new guidelines for the acquisition and holding of shares or voting rights in banking companies. As per these guidelines, every person who intends to acquire shares or voting rights and is intending to become a major shareholder of a banking company is required to obtain the previous approval of the Reserve Bank of India. An application shall be made to the RBI in Form A. The RBI will carry out the necessary due diligence to assess the 'fit and proper' status of the applicant.

Further, the RBI may specify the conditions and include a validity period in order to complete such an acquisition. After the acquisition, if the aggregate holding of such a person again falls below 5%, such person will again be required to obtain the approval of RBI to raise the aggregate holding above 5% or more of the total paid-up share capital or voting rights of the banking company. [Click here](#) to read the full guidelines.



'Fully Accessible Route' for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds

The RBI invited reference to the Press Release on the issuance calendar for Marketable Sovereign Green Bonds. The RBI notified the issuance calendar for Sovereign Green Bonds for the fiscal year 2022-23. It also invited attention to the Fully Accessible Route (FAR) introduced by the RBI. FAR specifies certain categories of Central Government securities that are opened fully for non-resident investors without any restrictions while also being available to domestic investors.

Now, Sovereign Green Bonds issued by the Government in the fiscal year 2022-23 have also been designated as 'specified securities' under the FAR. [Click here](#) to read the full notification.



PUBLICATIONS

INTERNAL PUBLICATIONS

Budget 2023 Analysis – Major Income Tax Highlights

Budget 2023 by Nirmala Sitharaman was presented on 1st February 2023 and it was indeed a revolutionary budget, especially for the taxpayers and middle class. The long-pending wish was fulfilled after a reduction in the tax rates in Budget 2023 followed by a consequent increase in the tax slabs. It can be said that the entire tax structure for individuals was revamped which will prove beneficial for them. Last time, the tax structure was revised in 2014 followed by a new optional tax regime in 2020. Let's see the income tax key highlights of Budget 2023. [Read more](#)

Country by Country Reporting in India – Action Plan 13 of OECD BEPS

India introduced the provisions relating to Country-by-Country Reporting under the Income Tax Act, 1961 through Finance Act 2016. India already had provisions whereby the local entities of the Multinational Enterprises (MNEs) are required to maintain the transfer pricing documentation. The additional responsibilities placed upon them are for the master file and country-by-country report. [Read more](#)

Key Highlights from Budget 2023-24 on GST Law

Budget 2023 was presented by Nirmala Sitharaman on 1st February 2023 and it was indeed a revolutionary budget, especially for the taxpayers and middle class. In this article, we have highlighted key highlights of Budget 2023 on GST with Interpretation and analysis by an industry expert. One of the major changes in the GST law in Budget 2023 was the decriminalization of certain offences. For this, Sections 132 and 138 of the CGST Act were amended.

Mandatory EPR Registration Rules for Plastic Waste Management: Targets & Compliances

Extended Producer Responsibility (EPR) India is one such initiative that aims to place responsibility on certain stakeholders for the proper disposal of plastic waste. The government issued a notification making certain amendments to the existing plastic waste management rules. A new Schedule II was inserted through this amendment specifying guidelines on EPR for plastic packaging. Let's understand the requirements in detail. [Read more](#)

New Rules for EPR E-waste Management 2022-23: Registration and Compliances

The government recently came up with the E-Waste (Management) Rules, 2022 which will come into force from 1st April 2023. These rules highlight the EPR for e-waste management framework for those dealing in the sale, manufacture, purchase, transfer, dismantling, re-furbishing, processing or recycling of e-waste including their parts and components. [Read more](#)



QUOTE OF THE MONTH

Success doesn't necessarily come from breakthrough innovation but from flawless execution. A great strategy alone won't win a game or a battle; the win comes from basic blocking and tackling.

-Naveen Jain

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