

A black and white photograph of a hand tearing a piece of white paper, revealing a cityscape with buildings and a street. The image is overlaid with large, diagonal teal and dark blue geometric shapes.

# ASC TIMES NEWSLETTER

Volume 10, JULY 2022

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# MESSAGE FROM DIRECTOR

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-10 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.	Due Date	Compliance	Period
1	7 <sup>th</sup> July 2022	Deposit of TDS/TCS for June, 2022. However, all sum deducted/collected by a government office shall be paid to the Central Government on the same day where tax is paid without production of an Income-tax Challan.	June 2022
2		Due date for deposit of TDS for the period April 2022 to June 2022 when Assessing Officer has permitted quarterly deposit of TDS under sections 192, 194A, 194D or 194H	April 2022 to June 2022
3	15 <sup>th</sup> July 2022	The due date for issue of TDS Certificate for tax deducted under sections 194-IA, 194-IB and 194M	May 2022
4		Quarterly statement of TCS deposited for the quarter ending 30 <sup>th</sup> June 2022	Quarter ending June 2022
5		Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June 2022	Quarter ending June 2022
6		E-payment of Provident Fund through Electronic Challan cum Return (ECR)(PF) and ESI payment through ESI challan.	June 2022
7	30 <sup>th</sup> July 2022	Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2022	Quarter ending June 2022
8		The due date for furnishing of challan-cum-statement in respect of tax deducted under sections 194-IA, 194-IB and 194M	June 2022
9	31 <sup>st</sup> July 2022	Quarterly statement of TDS deposited for the quarter ending June 30, 2022	Quarter ending June 2022
10		Return of income for the assessment year 2022-23 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 2022-23
11		The due date for claiming a foreign tax credit, upload a statement of foreign income offered for tax for the previous year 2021-22 and of foreign tax deducted or paid on such income in Form no. 67. (If the assessee is required to submit a return of income on or before July 31, 2022.)	Previous Year 2021-22
12		Intimation in Form 10BBB by a pension fund in respect of each investment made in India for the quarter ending June 2022	Quarter ending June 2022



## NEWS HIGHLIGHTS

### Joe Biden says G7 to ban Russian gold in response to Ukraine war

US President Joe Biden said that the USA and other G7 countries will announce a ban on Russian gold in response to the Russia-Ukraine war. This is in a bid to economically isolate Russia further. A formal announcement was expected at the G7 summit. It is key to note that gold is the second-largest export product for Russia after energy. [Click here](#) to read the full story.



### Monkeypox was declared a pandemic by World Health Network

While the Covid-19 pandemic is yet to be over, another seems to be waiting in the queue. The World Health Network (WHN) clarified that while the death rate from monkeypox is lower than smallpox, it needs to be controlled otherwise it will lead to the death of millions of people while others may become disabled and blind.

With 4000+ confirmed monkeypox cases reported across multiple countries, WHN declared the monkeypox outbreak as a pandemic as it continues to spread rapidly across multiple continents. However, as per the [NBC news report](#), WHO stated that monkeypox does not constitute a public health emergency of international concern which is the highest alert that WHO can issue. WHO previously gave the designation to a few diseases i.e., polio, Zika, Ebola, H1N1 flu as well as Covid-19. [Click here](#) to read the full story.

### Food Security, climate among others on PM Modi's agenda for G7

At the current G7 summit, Indian Prime Minister Narendra Modi is all set to address issues like energy, food security, climate, especially after the Russia-Ukraine war. Further, the G7 leaders are expected to discuss the Marshall Plan to rebuild the war-destroyed country of Ukraine. PM Narendra Modi was invited by Germany in line with the tradition of a close and strong partnership between India and Germany. [Click here](#) to read the full story.







## Indo Japan News

### India-Japan hold finance dialogue in New Delhi

India and Japan held a finance dialogue on 16th June 2022 and discussed the macro-economic situation, financial digitalization, financial system and financial environment of both countries. The dialogues were led by Ajay Seth (Secretary of the Department of Economic Affairs in the Ministry of Finance) and Masato Kanda (Vice Minister of Finance for International Affairs). As they hold the presidency of G20 and G7 next year, both sides affirmed that they will continue to work closely together. [Click here](#) to know the full story.

### Japan's SMFG plans to buy a 10% stake in SBI worth over \$443 mln -Nikkei

Japan's Sumitomo Mitsui Financial Group Inc. (SMFG) is in talks to acquire a 10% stake in the State Bank of India. SBI will be issuing new shares to the SMFG which are likely to be worth 60 billion Yen (\$443 million). Further, SBI will also be taking a small stake in the SMFG. This will further enhance the financial standing of SBI.

SMFG might introduce SBI's online securities business to its retail banking customers. The two are already set to create a digital stock exchange as an alternative to the Tokyo Stock Exchange. SBI is aiming to become the fourth-largest banking group in Japan after Mizuho Financial Group Inc. [Click here](#) to know the full story.

### SoftBank tightened its investments in India

This year, SoftBank might end up investing only \$ 1 billion, 1/3rd of what it invested last year. Last year, SoftBank invested \$ 3.2 billion in India. Masayoshi Son, CEO of SoftBank, announced that it lost \$ 27 billion in its two Vision Funds. It lost \$13.2 billion in the last year itself, pushing it to slow its investment pace in India.

While SoftBank refrained from commenting, SoftBank is becoming more cautious of investment in India primarily because of the startup valuations and their volatility. Further, US hedge funds, that pushed up the valuations of the startups manifold, have reduced their exposure as well. [Click here](#) to know the full story.



# Circulars & Notifications:

## Income Tax

### Guidelines for Removal of Difficulties u/s 194R(2) and 194S(6) of the Income Tax Act, 1961

Section 194R [TDS on providing benefit or perquisite] and Section 194S [TDS on transfer of Virtual Digital Assets] have been raising a lot of questions in the minds of the taxpayers and tax professionals. Being newly introduced and set to be implemented from 1st July 2022, both these sections created ambiguities and therefore, CBDT introduced circulars to remove the difficulties. [Circular No. 12 of 2022](#) addressed Section 194R while [Circular No. 13 of 2022](#) addressed Section 194S. The Circulars were issued in the FAQ format answering all the important queries and questions of the taxpayers. Following are some of the clarifications included in the above circulars:

- Taxability of the benefit or perquisite in the hands of the recipient
- TDS liability if the benefit or perquisite is in the form of a capital asset
- TDS in case of sale discounts, cash discounts and rebates
- TDS implication in case of transfer of VDA through an Exchange
- Applicability of Section 194Q on the transfer of VDA etc.

### No deduction of tax shall be made under section 194-I for lease to IFSC unit

The CBDT introduced a Notification dated 16th June 2022 specifying that no TDS shall be deducted u/s 194-I of the Income Tax Act, 1961 for lease rentals or supplemental lease rentals being paid by a person (herein referred to as lessee) to a unit located in the International Financial Services Center (herein referred to as lessor). The lessor shall furnish to the lessee, a statement-cum-declaration in Form No. 1 providing the details of the previous years relevant to 10 consecutive assessment years in which the lessor opts to claim deduction u/s 80LA(2). After receipt of the above declaration, the lessee shall not deduct the TDS on payments made or credited to the lessor. [Click here](#) to read the entire notification.

### Compliance Check Functionality for Section 206A8 & 206CCA of Income-tax Act 1961

In the case of non-filers of returns, the income tax has laid down explicit provisions that specify deduction of TDS at a higher rate as per Section 206AB and 206CCA. Further, to ease the compliance burden of the tax deductors,





the CBDT launched the 'Compliance Check Functionality' that allowed tax deductors to verify whether the recipient of the payment is liable to deduction of TDS at a higher rate. Further, the CBDT issued [Notification No. 01 of 2022](#) dated 9th June 2022 laying down the procedure to use the compliance check facility.

However, this is not the first notification issued by the CBDT in relation to this functionality. Circular No. 10 of 2022 further laid down the logic to use the functionality. [Click here](#) to get a detailed analysis of how to use compliance check functionality in line with Section 206AB and 206CCA.

## Ministry Of Corporate Affairs

### Restoration of name of members removed from the databank of independent directors

In certain cases, the names of the members being independent directors or offering to become independent directors are removed from the databank of independent directors. In the recent [MCA Notification dated 10th June 2022](#), an individual whose name has been removed from the databank may apply for restoration of his name on payment of fees of Rs. 1000. The restoration shall be allowed subject to the following conditions:



**M** MINISTRY OF  
**C** CORPORATE  
**A** AFFAIRS  
GOVERNMENT OF INDIA

- The name shall be displayed under a separate restored category for 1 year from the date of restoration within which he shall pass an online proficiency self-assessment test. If he passes the said test, then his name shall be included in the databank and the fees paid at the time of initial registration shall be valid for the period for which it was initially paid.
- If he fails to pass the online proficiency self-assessment test, then his name shall be removed from the databank and he shall be required to apply afresh for inclusion of the name in the databank.

### MHA approval for directors from countries sharing land borders with India

Concerning the security issues of India, the MCA issued a [Notification dated 1st June 2022](#) specifying amendments incorporated in the (Appointment and Qualification of Directors) Rules, 2014 that now requires individuals who are nationals of countries that share land borders with India to obtain necessary security clearances from MHA for the following purposes:

- Consent to act as director
- Allotment of Director Identification Number (DIN)

Further, necessary changes were made in Form DIR-2 (Consent to act as a director) and Form DIR-3 (Application for allotment of DIN) where the applicant shall declare whether he needs to obtain the security clearances or not.

### Relaxation in Filing of Form 11 (Annual Return) by LLPs till 15th July

The MCA vide release of Circular No. 07/2022 dated 29th June 2022 extended the due date for filing of Form-11 for LLP for Financial Year 2021-22 without paying additional fees till 15th July 2022



## CUSTOMS

### Imposition of Anti-Dumping Duty on Certain Goods from China PR

The government vide Notification No. 22/2022 – Customs (ADD) has imposed anti-dumping duty in respect of “Fluoro Backsheet excluding transparent backsheet” falling under the tariff heading 3920 and 3921 of First Schedule to the Customs Tariff Act, 1975 originating in or exported from China PR and imported into India. The anti-dumping duty shall be levied for a period of 5 years from the date of publication of this notification in the Official Gazette. [Click here](#) to read the full notification.

### Extending Anti-Dumping Duties on new/unused pneumatic radial tyres originating in or exported from China PR

The government has extended the anti-dumping duties imposed on the imports of “new/unused pneumatic radial tyres with or without tubes and/or flap of rubber (including tubeless tyres) having normal rim dia code above 16” used in buses and lorries/trucks originating in or exported from China PR and falling under the tariff heading 4011 20 10 of the First Schedule to the Customs Tariff Act, 1975. The anti-dumping duty, as extended above, shall remain in force up to 17th December 2022 unless revoked earlier. [Click here](#) to read the full notification.



## RESERVE BANK OF INDIA

### Restriction on Storage of Actual Card Data [i.e. Card-on-File (CoF)]

The RBI has laid down explicit instructions that no entity in the card transaction / payment chain, other than the card issuers and / or card networks, shall store the CoF data and any data stored previously shall be purged. The timeline given to the stakeholders to devise an alternate mechanism to handle post-transaction activity or use cases was extended till 30th June 2022.

The RBI has noted significant progress in terms of token creation. While the transaction processing has been commenced based on these tokens, it is yet to be implemented by all the merchants. Therefore, RBI has vide [Notification RBI/2022-23/77](#) dated 24th June 2022 further extended the timeline for storing the CoF data by 3 months i.e., till 30th September 2022 after which such data shall be purged.

### Discontinuation of Return under Foreign Exchange Management Act, 1999

Authorised Persons were advised about the proposed discontinuation of the return “Details of guarantee availed and invoked from non-resident entities” whose effective date was yet to be notified. Therefore, RBI vide [Notification RBI/2022-23/69](#) dated 9th June 2022 has decided to discontinue the above return with effect from the quarter ending on June 2022.







# PUBLICATIONS

## INTERNAL PUBLICATIONS

### Analysis on TDS Benefits / Perquisites - Section-194R of Income Tax Act

In order to streamline this activity, the government came up with a new TDS Section 194R in Budget 2022. Section 194R of the Income Tax Act will be effective from 1st July 2022. The CBDT vide Circular No. 12 of 2022 dated 16th June 2022 released certain guidelines clarifying the implications of TDS under Section 194R. Let's understand these guidelines in detail. [Read more](#)

### Important Highlights on 47th GST Council Meet decisions held on 28th June 2022

Finance Minister Nirmala Sitharaman chaired the 47th GST council meeting taking place in Chandigarh yesterday i.e. 28th June 2022. GST Council is meeting to deliberate on a number of GST-related issues such as GST compensation, GST rate rationalisation and other critical aspects. [Read more](#)

### Procedure Relating to the Sanction, Post - Audit, and Review of GST Refund Claims

As per Section 107 (2) of the CGST Act, 2017, the commissioner has the power to review, if he may, any decision/order (including an order of refund, w.r.t. its legality or propriety). Also, the commissioner may direct any subordinate to file an appeal against the said decision/order, within 6 months of its date of the communication. [Read more](#)

### Revocation of cancelled GSTIN beyond 90 days on Appeal of High Court order

As per the GST laws [Section 29(2)(c)], where the registered person has not furnished proper returns, for a continuous period of 6 month, the GST officer has the power to cancel the registration of the person from such date, including any retrospective date, as deemed fit by the proper officer. [Read more](#)

### CBI Arrests Superintendents of GST and Customs over Bribery Charges

In Karnataka, two Superintendents of GST and a superintendent of customs in Karnataka has been arrested by the Central Bureau of Investigation (CBI) over bribery charges. The Superintendents of GST in Karnataka's Ballari, Madhusudhana Kavadiki and Ananth Narhari, were arrested on Monday. [Read more](#)

### GST Compensation Due till May 2022 Cleared by Centre - State Wise Breakup

The entire amount of GST compensation (Up to 31st May, 2022) payable to the States amounting to Rs. 86,912 cr has been released by the Government of India (GOI). Despite the fact that about only Rs. 25,000 cr is available in the GST compensation fund, the decision has been taken. [Read more](#)

### CBDT Issues Clarificatory Circular on MFN Clause in Tax Treaties

There has been a recent ruling by the Delhi High Court on Most Favoured Nation Clause that can result in multiple litigations and has created ambiguity in the minds of the taxpayers, especially after the follow-on clarificatory circular issued by the CBDT on MFN clause. [Read more](#)

### Income Tax Allowances & Deductions for Salaried Employees in India

Salaried individuals in India are one of the highest taxpaying citizens. Therefore, they are often in search of tax saving opportunities. A person whose salary falls in the highest income slab (income above Rs. 10 lakhs) has to pay tax @ 30% plus applicable surcharge and cess. [Read more](#)



## CBDT Instructions After Supreme Court Judgement on Section 148 Notices – Case Analysis

The provisions relating to reassessment have undergone multiple changes over the past two years. While they became more assessee friendly, a peculiar yet debatable situation arose after the issue of Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (herein referred to as TOLA) that extended the time limit for various income tax deadlines. [Read more](#)

## Amendment in Companies (Appointment and Qualification of Directors) Rules, 2014 – Detailed Analysis

The government introduced a major amendment in the Companies (Appointment and Qualification of Directors) Rules, 2014 vide Notification dated 1st June 2022 as an additional measure for the security of India. The amendments have been made applicable with immediate effect from 1st June 2022. [Read more](#)



## QUOTE OF THE MONTH

**“Everyone wants to live on top of the mountain, but all the happiness and growth occurs while you're climbing it.”**

**- Andy Rooney, Journalist**



**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.4, 1st floor Silver OAK,  
SN Nagar Road, Wadgaon Sheri,  
Pune-MH-411014  
Landmark: Near Inorbit Mall

**Bengaluru:**

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

**Chennai:**

Level2 - 78/132  
Dr RK salai mylapore  
Chennai - 600004, Tamil Nadu  
Mobile No: +91-8860774980

**BRANCH ABROAD****Singapore:**

One Raffles Place  
Tower 1, 27-03  
Singapore - 048616  
Mobile No: +65-31632191  
[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)