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YEARS OF EXCELLENCE

ASC TIMES NEWSLETTER

Volume 2, November 2021



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MESSAGE FROM DIRECTOR

Dear Readers,

We are delighted to resume our Monthly newsletter 'ASC TIMES' considering the rigorous demand from our eminent readers. I would like to take this opportunity to present the October 2021 edition of our monthly newsletter. ASC Times summarizes all the business-related news & government updates like press release, 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.

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Best regards
Shailendra Kumar Mishra
Director
ASC Group



COMPLIANCE CALENDAR

Description	Period	Due Date
Deposit of TDS/ TCS	Oct-21	7th November 2021
Deposit of TDS/ TCS	July-Sep '21	7th November 2021
Payment of Equalisation Levy- online advertisement and other specified services	Oct-21	7th November 2021
Date of issue of TDS Certificate under section 194-IA/IB/M	September'21	14th November 2021
Quarterly TDS Certificate other than salary	Quarter ending September	15th November 2021
Depositing contribution towards EPF	Oct-21	15th November 2021
Depositing contribution towards ESI	Oct-21	15th November 2021
To be filed by unlisted public company for reconciliation of share capital audit report on half yearly in Form PAS 6	For half-year ending on 30th September	29th November 2021
To exercise option of safe harbour rules for international and domestic transaction by furnishing Form 3CEFA		30th November 2021
Declaration received from recipients in Form 15G/ 15H	Quarter ending 30th June, 2021	30th November 2021
Filing of Cost Audit Report with the Central Government		30th November 2021



KEY HIGHLIGHTS

1. NOCLAR became effective from 1st April, 2022. This would require accountants to report on matters including fraud, corruption, bribery, money laundering, environmental protection as well as public health and safety.

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



2. NFRA Chief quotes "The need for audits to enhance users' confidence is even greater since public interest is involved".

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

3. India Post Payments Bank (IPPB) and mortgage lender HDFC Limited on Tuesday announced a strategic alliance to offer home loans to nearly 4.7 crore customers of IPPB.

<https://bit.ly/31QKvUO>



4. Dearness Allowance for Central Government employees has been hiked to 31 per cent from 28 percent of the basic pay with effect from July 1, 2021:

<https://bit.ly/3C6Y66T>

5. The government has received Rs 533 crore as dividend tranches from 4 Central Public Sector Enterprises: <https://bit.ly/31Sox3J>



6. Two conditions must be fulfilled in order to file GST advance ruling application. First, the question asked should be in relation to supply undertaken by the applicant. Second, the question should be in relation to the supply of <https://bit.ly/3wzeDz8>



7. "The real estate sector to reach a market size of USD 1 trillion by 2030, accounting for 18-20 per cent of India's GDP", Niti Aayog CEO Amitabh Kant: <https://bit.ly/30hhBMU>



8. The Central Board of Direct Taxes (CBDT) has issued refunds of over Rs 92,961 crore to more than 63.23 lakh taxpayers from April 1 to October 18, the Income Tax Department said on Thursday: <https://bit.ly/3ohyAXE>



9. Non-performing assets (NPAs) of banks are set to rise to 8-9% this fiscal, well below the peak of 11.2% seen at the end of fiscal 2018 as relief measures contained stress, according to ratings firm Crisil: <https://bit.ly/3qxt71L>



10. At least seven lenders, including Axis Bank, HDFC Bank and ICICI Bank are harnessing the GIFT City facilities to mark a robust Indian presence in the non-deliverable forward (NDF) currency derivatives market, potentially paving the way for eventual currency convertibility that's considered a draw-card for overseas investments. <https://bit.ly/3kqpSFn>



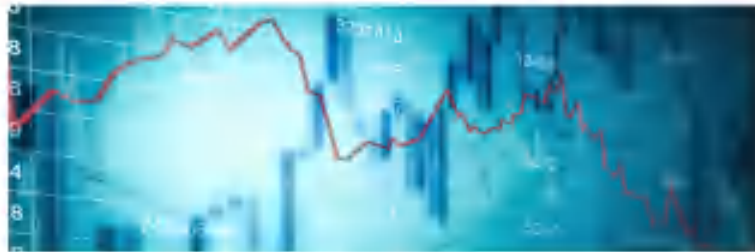
11. Finance Ministry to seek Cabinet nod for setting up company to monetise land assets of privatisation-bound Central Public Sector Enterprises. <https://bit.ly/30jCIOP>



12. GSTN blocks Rs 14,000-crore input tax credits of 66,000 taxpayers: <https://bit.ly/3C3n4DV>



13. The Department of Expenditure, Ministry of Finance has released the 7th monthly installment of Post Devolution Revenue Deficit (PDRD) Grant of Rs. 9,871.00 crore to the States. <https://bit.ly/3BZoFuE>



14. Same GST slab for ice-cream sold anywhere - Finance ministry: <https://bit.ly/3n3DZ52>



15. Moody's upgrades India's ratings outlook after nearly two years to Stable from Negative: <https://bit.ly/3qpJJEn>



16. The government is likely to introduce two crucial financial sector Bills, wherein state-run banks will be privatised, and amend the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013. This will enable the separation of the National Pension System Trust (NPS) from the PFRDA and hike the foreign direct investment limit in the pension sector from 49% to 74%: <https://bit.ly/3Hf5ros>

17. Thanks to brisk trade and commerce ahead of Diwali, daily e-way bill generation for goods transportation under the Goods and Services Tax (GST) system came in at 24.86 lakh for the week ended October 24: <https://bit.ly/3kqWEGy>



18. It has been reported by NFRA that at least 1011 auditors/audit firms have not yet filed form NFRA-2 for the reporting period 2018-19. As such, The Institute of Chartered Accountants of India has advised to file the same for the reporting period 2018-2019 and also for the year ending 31/03/2020 immediately without any delay, if not filed already. Read more at: <https://bit.ly/31R4JxH>



Class of assessee exempted from filing ITR <https://bit.ly/3ohyWgW>

The Central Government has exempted the following class of persons mentioned in column (2) of the Table below, subject to the conditions specified in column (3) of the said Table, from the requirement of furnishing a return of income from the Assessment Year 2021-2022 onwards:-

Sl. No	Class of Persons	Conditions
(1)	(2)	(3)
1.	(i) A non-resident, A foreign company.	(i) They didn't earn income in India, during the past year, without revenue coming from investment in the specified fund
2.	A non-resident, being an eligible foreign investor.	(i) They engaged in work only with the large property referred including derivatives, GDR, RDB, listed in a well-known stock exchange available in any International Financial Services Center and transfer consideration of such capital assets are paid or paid for in foreign currency during the past year; (ii) They didn't receive any income in India, during the past year, including revenue from derivatives, RDB, GDR.

Note that the above exemption from filing ITR will not be available if an assessment notice is furnished by the Assessing Officer with reference to the said assessment year.



Furnish undertaking in Form No. 1 under rule 11UE <https://bit.ly/3n43KIR>

CBDT has amended the Income-tax Rules, 1962 wherein sub-part 11UE has been introduced which specify conditions under Explanation to fifth and sixth provision to Explanation 5 of section 9(1)(i). This explanation relates to clarification that an asset or a capital asset being any share or interest in a company or entity registered or incorporated outside India shall be deemed to be and shall always be deemed to have been situated in India, if the share or interest derives, directly or indirectly, its value substantially from the assets located in India.

According to newly introduced 11UE, the declarant has to furnish an undertaking in Form No. 1 and shall append the undertakings from all the interested parties in Part M of the Annexure to the undertaking in Form No. 1 and furnish all the attachments required to be furnished under any clause or Part thereof. Read more <https://bit.ly/30isEpi>

New Rule: Relaxation of Validation (section 119 of the Finance Act, 2012) Rules, 2021 <https://bit.ly/30cOGtJ>

The CBDT has issued a new set of rules, "Relaxation of Validation (section 119 of the Finance Act, 2012) Rules, 2021". They shall come into force from the date of publication in the Official Gazette.

This rule extends the conditions, form and manner of settling retrospective tax cases notified in October, 2021 to those cases where the tax demand was validated under a special provision. The Ministry has notified the following procedure under Relaxation of Validation (section 119 of the Finance Act, 2012) Rules, 2021:

- **Form and manner of furnishing undertaking under first proviso to section 119-** The form and manner of furnishing undertaking under Explanation to fifth and sixth proviso to Explanation 5 to section 9(1)(i), as prescribed under Rule 11UE(1) and Rule 11UE(3) and rule 11UF of the Income-tax Rules, 1962, will similarly be applicable to clauses (i), (ii) and (iii) of the first proviso to section 119.
- **Conditions under clause (iv) of first proviso to section 119-** The conditions for the purposes of clause (iv) of the Explanation to fifth and sixth proviso to Explanation 5 to clause (i) of section 9(1) of the Income tax Act, 1961, shall be similarly applicable to clause (iv) of the first proviso to section 119.

Extension of deadline for Cost Audit Report

<https://bit.ly/3F3wEZw>

Extension of deadline for submission of the Cost Audit Report to the Board of Directors under Rule 6 (5) of the Companies

Given the dramatic disruption caused by the pandemic, it was decided that the cost audit report for the FY 2020-21 must be submitted to the Board of Directors of the company by 31st October 2021. The same must be submitted to MCA in e-form CRA-4 within 30 days from the date of receipt of a copy of the cost audit report by the company. However, wherein the company has received an extension to hold Annual General Meeting, then e-form CRA-4 must be filed accordingly by 30th November, 2021

Removal of additional late fee for MSME Enterprises operating as LLPs <https://bit.ly/3c0Mfwn>

Due to the ongoing Covid-19 pandemic, as per the Government's continued efforts to promote ease of living and compliance with the rules of Micro, Medium and Small Enterprises operating as LLPs, it has been decided to allow LLPs to complete Form 8 (Statement of Account and Solvency) for the FY 2020-2021 without further payment of additional fee upto 30 December 2021.

FAQs related to CSR

The Ministry of Corporate Affairs has issued a circular that enlists FAQs relating to Corporate Social Responsibility. The FAQ covers clarifications related to the following topics: <https://bit.ly/308aGFA>

- Applicability of Corporate Social Responsibility
- CSR Framework
- CSR Expenditure
- CSR Activities
- CSR Implementation
- Concept of Ongoing Projects
- Treatment on unspent CSR Amount
- CSR Enforcement
- Impact Assessment
- CSR Reporting and Disclosure

[Click here to read more:](https://bit.ly/3C5jMQE)

<https://bit.ly/3C5jMQE>



CUSTOMS

Rebate on State and Central Taxes & Levies (RoSCTL) Scheme on export of textiles w.e.f 1st January 2021 <https://bit.ly/3c7CKvj>

The RoSCTL scheme now notified for exports w.e.f. 01.01.2021 is not operated under the framework of section 25 of the Customs Act. With effect from 01.01.2021, the scheme provides for remission amount in the form of transferable duty credit issued to a person and maintained in the electronic duty credit ledger in the customs automated system, in terms of section 51B of the Customs Act inserted vide Finance Act, 2020.

Till facility is operationalized by Systems Directorate for making claim of RoSCTL on shipping bill/bill of export, the eligibility for grant of RoSCTL benefits, in respect of items covered under the RoSCTL scheme, will function on the basis of exporter having already filed shipping bill from 01.01.2021 onwards exercising its claims for both RoDTEP and Duty Drawback. The Systems Directorate will commence this processing. The exporter shall not be required to amend an existing shipping bill or file a separate claim.

Once the facility for making a claim of RoSCTL on shipping bill is operationalized and procedure specified by the Systems Directorate, the exporter will be required to make a claim of RoSCTL by way of a declaration in shipping bill at item level (along with Duty Drawback claim). Further, exporter shall make declaration provided on the electronic shipping bill undertaking that it would abide by the scheme provisions, not claim rebate/remission with respect to any duties/taxes/levies already exempted or for which remission is provided under other schemes and that it shall preserve documents for audit, etc.

Upon commencement of processing by the Systems Directorate the following points must be kept in mind:

- A scroll will be generated in the customs automated system. The scroll will contain the details of the shipping bill, amounts of duty credit allowed against the shipping bill etc. The exporter has the option of combining duty credits available in a scroll or a number of scrolls at the particular customs station of export and generate an e-scrip in the exporter's electronic ledger maintained in the customs automated system.
- An electronic ledger shall be created for every holder of IEC number who is either the exporter having made a claim of RoSCTL against export of goods or is a recipient of duty credit by way of transfer.
- The exporter has the option to generate e-scrips within one year of generation of scroll. If this option is not availed by an exporter, the available duty credits in each scroll shall be combined Customs station-wise and sent by the Customs System to the electronic ledger of the said



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- An e-scrip shall be valid for a period of one year from the date of its generation in the ledger and any duty credit in the said e-scrip remaining unutilized at the end of this period shall lapse.
- E-scrips shall be freely transferable.
- Duty credit available in an e-scrip shall be transferred at a time for the entire amount available in the said e-scrip to another person and transfer of the duty credit in part shall not be permitted.
- Each e-scrip will carry a unique identification number and date of its creation.
- All transactions made in the ledger of an IEC through credit, debit or transfer of duty credit shall be visible to the said IEC holder and Customs.
- Once an e-scrip is generated in the ledger, it will be registered automatically with the Customs station of export.
- E-scrips shall be used for payment of duties of customs specified in the First Schedule to the Customs Tariff Act, 1975 i.e. Basic Customs Duty only on imports made through customs automated systems.

Remission on duties and taxes on exported products of textiles w.e.f 1st January 2021

<https://bit.ly/3ncf4N3>

The RoDTEP scheme Notification No. 76/2021- Customs (N.T.) issued under section 51B of the Customs Act provides various conditions and restrictions subject to which duty credit will be issued, used, transferred. Further, Notification No. 75/2021- Customs (N.T.) read with Section 157 of the Act is regarding regulation for use, transfer, maintenance of Electronic Credit Ledger.

This scheme provides for remission amount in the form of transferable duty credit issued to a person and maintained in electronic credit ledger in the customs automated system.

Till the facility is operationalized by the Systems Directorate for making a claim of RoDTEP on shipping bill/bill of export, the eligibility for grant of RoDTEP benefits, in respect of items covered under the RoSCTL scheme, will function on this basis. The Systems Directorate will commence the risk evaluation



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The RoDTEP Scheme rebates the incidence of duties, taxes and levies at the Central/ State/ Local level on specified export goods, where such duty is not exempted, remitted or credited under any other scheme. The remission under RoDTEP Scheme is a percentage of the Free On Board Value of the eligible export or at a specific value as detailed in the Foreign Trade Policy..

Once the facility for making a claim of RoDTEP on shipping bill is operationalized and procedure specified by the Systems Directorate, the exporter will be required to make a claim of RoSCTL by way of a declaration in shipping bill at item level (along with Duty Drawback claim). Further, exporter shall make declaration provided on the electronic shipping bill undertaking that it would abide by the scheme provisions, not claim rebate/remission with respect to any duties/taxes/levies already exempted or for which remission is provided under other schemes and that it shall preserve documents for audit, etc.

Please refer to the previous notification for points that must be kept in mind while commencement of processing by the Systems Directorate.

FEMA:

Benchmark Rate for alternative reference rate

Since LIBOR has been debarred as a benchmark rate, it has been decided to permit AD banks to use any other widely accepted/Alternative reference rate in the currency concerned for such transactions.





PUBLICATIONS

INTERNAL PUBLICATIONS-NOV 2021

Transfer Pricing under the Income Tax Act 1961

The transfer pricing rules become applicable when two or more associated companies enter into a mutual contract during an international transaction for goods, services, or facilities offered by any one or all companies.

<https://bit.ly/31Sp2L9>

Operational Creditor Should have more Stakes in IBC

The basic foundation on which the Insolvency and Bankruptcy Code 2016 (IBC) is laid, is that of a default by a Corporate Entity in its payment to any Creditor. <https://bit.ly/3ojvFxB>

Guide to Company incorporation in Singapore: Legal Compliance

Before expanding your business to the Singaporean space, it's always recommended to be well-versed with the procedural and compliance aspects of company registration in Singapore. <https://bit.ly/3BZp4xa>

Surprise visits at Fish market by Legal Metrology department to check scales

The Legal Metrology department carried a massive drive in the SGPDA market and Margao wholesale Market for the inspection of weight & measures including weighing instruments. <https://bit.ly/3DhY0ug>

The next big push for Electric Vehicles - Complete Study on PLI Scheme

Six companies in India have withdrawn advertisements claiming that products manufactured by them offer more than 99 percent protection against Covid-19 or germs. Wherein, four of the companies have decided to put out corrective advertisements against their previous claims. <https://bit.ly/30cPHBk>

A Complete Guide to Secretarial Compliance and Secretarial Audit

Various provisions have been incorporated under the Companies Act, 2013 and various SEBI regulations to ensure compliance with various governmental and regulatory requirements. Let's have a profound understanding on the topic. <https://bit.ly/3qo8LI5>

QUOTE OF THE MONTH

**"Coming together is a beginning;
keeping together is progress;
working together is success."**

**- Henry Ford,
Founder of Ford Motor Company**

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