

A Monthly E-Newsletter

Vol 05 Issue 10
October 2024

The Bottom Line

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KEY METRICS

Indices

BSE SENSEX	84,300	2.35%	▲
NSE NIFTY50	25,811	2.28%	▲
NASDAQ Composite	18,189	2.68%	▲
NIKKEI 225	37,920	-1.88%	▼

Currency

USD/INR	83.76	0.14%	▲
Euro/INR	93.25	-0.64%	▼
GBP/INR	111.98	-1.64%	▼
JPY/INR	0.58	-1.77%	▼

Note: The month-on-month movement as on September 30, 2024 is represented in percentages
Source: NSE.com, BSE.com, NASDAQ.com, NIKKEI.com, Investing.com



DIRECT TAX

Circulars/Notifications

VSV Scheme related rules and forms notified

The Finance Act, 2024, enacted the VSV Scheme to resolve income tax disputes under appeal. In this regard, the rules specifying the manner and procedure for availing the Scheme alongwith all the relevant forms have been notified. The Scheme read with the aforesaid rules shall come into force from October 1, 2024.

Notification No. 4 dated September 30, 2024, Notification No. 104 dated September 20, 2024 and Notification No.103 dated September 19, 2024

Due date for audits for FY 2023-24 extended

The due date for furnishing of audit report under any provision of the Income Tax Act for FY 2023-24 have now been extended from September 30 to October 7, 2024.

Circular No.10/2024 dated September 29, 2024

Judicial Rulings

Delay in filing ROI due to CA's personal issue valid reason for condonation

The High Court ruled in favour of the assessee condoning the delay in filing of the ROI. It held that where the assessee had engaged a CA and was completely reliant on his services, delay in filing of the ROI due to the personal challenges faced by the CA, was a valid reason for the delay as it was

beyond the control of the assessee. Consequently, it was determined that the delay should be condoned, as the assessee was not at fault.

Jyotsna M. Mehta (Mumbai High Court)

Income from offshore supply not taxable as the same executed outside India

The Tribunal recently allowed an appeal of the assessee on the taxability of income from offshore supply contracts, claiming that since these contracts were executed outside India, the income should not be deemed to accrue in India. The Tribunal held that since there were no changes in the contractual terms or the nature of the work from prior years,

VSV Scheme rules and forms notified

Due date extended for audits for FY 2023-24

Delay in filing ROI due to CA's personal issue valid reason for condonation

the previous findings remained applicable and hence the income from the offshore supply contracts was deemed not taxable in India.

Atomstroyexport (Mumbai ITAT)



INDIRECT TAX

Circulars / Notifications / Press Releases

Supplies to unregistered dealers

The Government has reduced the threshold limit for reporting invoice-wise details of inter-state taxable outward supplies made to unregistered dealers from INR 0.25 million to 0.1 million.

Advisory dated September 03, 2024

Advertising services provided to foreign clients

It has been clarified that advertising company cannot be considered as an intermediary between the foreign client and the media owners. Further, advertising services provided to foreign clients cannot be considered as performance-based services as per Section 13(3) of the IGST Act.

Circular No. 230/24/2024-GST dated September 10, 2024

ITC on demo vehicles allowed

ITC on demo vehicles having approved seating capacity of not more than 13 passengers shall be eligible.

Circular No. 231/25/2024-GST dated September 10, 2024

Clarification on refunds

Where the inputs were initially imported without payment of tax taking benefit of specified Notifications, but subsequently tax is paid on such inputs along with applicable interest, then the taxpayer shall now be allowed to file refund for IGST paid on exports.

Circular No. 233/27/2024-GST dated September 10, 2024

Various provisions of Finance (No. 2) Act, 2024, notified

Various provisions/amendments regarding GST as promulgated vide Finance (No.2) Act, 2024 have been notified to be effective as per specified dates.

Notification No. 17/2024-Central Tax dated September 27, 2024

Judicial Rulings

BRC not mandatory for refund

The refund application cannot be rejected merely due to non-submission of BRC. It is not mandatory for claiming refund.

Rajiv Sharma HUF (Delhi High Court)

Limitation period for issuing Orders

Three year limitation period for issuing order as provided under Section 73(10) of the CGST Act, begins from the original due date

of filing annual return, not from the extended date. Interim stay granted against the demand Order and matter to be heard further.

S.S. Enterprises (Patna High Court)

Various provisions of Finance (No. 2) Act, 2024, notified

ITC on demo vehicles allowed

BRC not mandatory for refund



CORPORATE & ALLIED LAWS

Circulars / Notifications

Form CSR-2 for FY 2023-24 to be filed by December 31, 2024

MCA has amended the Companies (Accounts) Rules, 2014, introducing a new rule for the filing process of the CSR report for financial year 2023-2024. Now, companies must file Form CSR-2 separately by December 31, 2024, after submitting Form AOC-4 or Form AOC-4-NBFC (Ind AS), depending on the company's requirements, or Form AOC-4 XBRL, as specified under the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015

MCA Notification No. G.S.R. 587(E) dated September 24, 2024

SEBI modifies valuation framework for investment portfolio of AIFs

SEBI has issued modifications to the valuation framework for AIFs under the SEBI (Alternative Investment Funds) Regulations, 2012. According to the revised framework, the valuation of securities not covered under specific provisions, must follow guidelines endorsed by an AIF

industry association representing at least 33% of registered AIFs. SEBI also extended the timeline for AIFs to report valuation data based on audited accounts of investee companies from six to seven months. The circular clarifies that any changes in valuation methodology or approach will not be considered a "Material Change" but transparency must be maintained through investor disclosures. Additional guidelines have been introduced for independent valuers, ensuring that valuation is conducted by authorized individuals with relevant credentials

SEBI Circular No. SEBI/HO/AFD/PoD-1/P/CIR/2024/123 dated September 19, 2024

MCA provides extension to holding EGM via VC/OAVM

MCA has extended the period for holding AGMs and EGMs via VC or OAVM. This extension allows companies whose AGMs are due in 2024 or 2025 to conduct these meetings through VC or OAVM by September 30, 2025 as per earlier

Filing process of CSR report introduced

SEBI modifies valuation framework for investment portfolio of AIFs

MCA provides extension to holding EGM via VC/OAVM

guidelines. However, this extension does not alter the statutory deadlines for holding AGMs. Additionally, the circular permits the holding of EGMs and the use of postal ballots under the previously established framework until the same deadline. All other conditions from previous circulars remain in effect.

MCA General Circular No. 09/2024 dated September 19, 2024



CFO WATCH

MCA issues key amendments on Ind AS 116

SEBI issues circular on enabling T+2 trading of bonus shares post record date

SEBI issues circular on enabling T+2 trading of bonus shares post record date

SEBI has introduced measures to reduce the time taken for credit and trading of bonus shares after the record date. Issuers must apply for in-principle approval within five working days of the board meeting. After notifying the Stock Exchange, bonus shares must be credited to depositories by T+1 day. The shares will then be available for trading on T+2 day. This procedure applies to all bonus issues announced after October 1, 2024, with penalties for non-compliance as per regulations.

MCA issues key amendments on Ind AS 116

MCA has introduced significant amendments to the Companies (Indian Accounting Standards) Rules, 2015 focusing on Ind AS 116 related to leases. Key changes include new guidelines for sale and leaseback transactions, effective reporting periods and illustrative examples. These amendments aim to enhance transparency and align Indian standards with IFRS 16, requiring corporates to reassess lease arrangements for compliance.

MERGERS & ACQUISITIONS

India's FDI surges by 48 per cent in the current year

India's FDI surged by 48 per cent in the current financial year, with inflows reaching \$16.18 billion between April and June 2024, up from \$10.94 billion in the same period last year. FDI inflows have increased largely in service sector viz. financial, banking, insurance, non-financial/business, outsourcing, followed by computer software and hardware, telecommunications, pharmaceuticals and chemicals.

Major countries contributing to increased FDI equity inflows included Mauritius, Singapore, US, Netherlands, UAE, Cayman Islands and Cyprus, while countries like Japan, UK and Germany saw a decline in FDI. Among Indian states, for the second consecutive year, Maharashtra emerged as the top recipient of FDI in the country, securing \$8.48 billion, followed by Karnataka getting \$2.28 billion, Telangana receiving \$1.08 billion and Gujarat having \$1.02 billion. FDI inflows declined in Delhi and Rajasthan compared to the year-ago period.

The government is opening new overseas offices of Invest India, the national agency to promote investments into the country assisting foreign investors looking to invest in India. The first such office of Invest India was inaugurated in Singapore. With rising FDI inflows and new initiatives like Invest India's global expansion, India is positioning itself as a preferred destination for international investors. These initiatives are likely to further drive foreign investment and support country's long-term economic growth.





IN THE NEWS

20th CFO Vision & Innovation Summit & Awards, Chennai

September 27, 2024

Giridharan DK, ASA, was one of the panelists at the fireside chat on 'Financial Strategies in the Startup Ecosystem', discussing how startups can navigate financial challenges and seize growth opportunities in today's dynamic market.

Sathyabama R, ASA shared her insights on 'Emerging as Wealth Creators to Build Sustainable Businesses'. She discussed how CFOs can balance long-term growth with a commitment to responsible practices, inspiring us all to think beyond profit and cultivate sustainable futures for our businesses and communities.

Is the India Mauritius Tax Treaty out of the Treaty Shopping List

September 12, 2024

Authors: Ameet Baid, Pragya Bansal & Saahil Mehra, ASA

Cross-border transactions have gained momentum across geographies. Multinational enterprises are aggressively carving out ways and means to execute business operations in manner that yields maximum rewards. On one hand, the local tax laws are drafted such that they aim at extracting maximum tax revenue

for the respective country, while on the other hand, the provisions of the treaty provide a cushion to the taxpayers, undue advantage of which is leveraged by the taxpayers – a concept known as "Treaty-Shopping".

Relief to Small Taxpayers Through Alternative Dispute Resolution

September 18, 2024

Authors: Ashwath S Pai, Sagar Nagaraj & Pranav A Vora, ASA

This article delves into the government's introduction of a new dispute resolution scheme designed to provide greater tax certainty, particularly for small and medium taxpayers. It explores how the scheme aims to address tax disputes at an early stage, offering a more streamlined and predictable process for resolving tax-related issues. By focusing on simplifying the resolution process, the article highlights the potential benefits this initiative brings, such as reducing the administrative burden and fostering a more efficient tax environment for smaller taxpayers.

Key Tax considerations in a cross-border acquisition

September 23, 2024

Authors: Sunil Arora & Léa Parmentier, ASA

M&A are a permanent aspect of global markets and a highly effective way to swiftly enter the Indian market. While the characteristics and magnitude of M&A activities mirror the state of the global economy, government-led regulatory and policy reforms in India have significantly boosted both international and domestic M&A activity.

Auditing the Solar Power Industry - Key Challenges

September 24, 2024

Authors: Parveen Kumar & Abhishek Babbar, ASA

The landscape of corporate restructuring has evolved dramatically, especially in the wake of unprecedented global challenges like the COVID-19 pandemic and rising political tensions amongst nations. These challenges have fundamentally altered business models, disrupted supply chains, and transformed the way companies operate. The ability to harness opportunities during difficult times has become a crucial factor for businesses aiming to not just survive but thrive.

GLOSSARY

AGM

Annual General Meeting

AIF

Alternative Investment Fund

BRC

Bank Realisation Certificate

CA

Chartered Accountant

CSR

Corporate Social Responsibility

EGM

Extraordinary General Meeting

FDI

Foreign Direct Investment

FY

Financial Year

GST

Goods & Services Tax

IFSC

International Financial Services Centre

ITAT

Income Tax Appellate Tribunal

ITC

Input Tax Credit

M&A

Mergers & Acquisition

MCA

Ministry of Corporate Affairs

OAVM

Other Audio Visual Means

RBI

Reserve Bank of India

ROI

Return of Income

SEBI

Securities and Exchange Board of India

VC

Video Conference

VSV

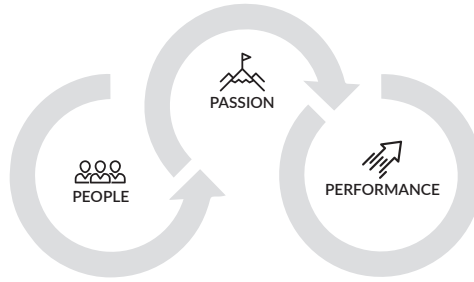
Direct Tax Vivad Se Vishwas Act

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ABOUT US

A full services firm of corporate strategists, accountants, tax advisory experts and financial and marketing analysts.



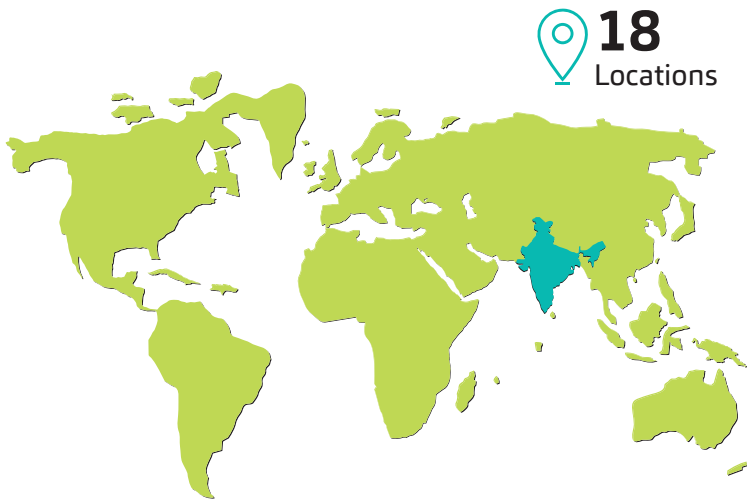
SERVICES

- Accounting and Business Support
- Assurance
- Business Advisory
- Digital Automation and Transformation
- Risk Advisory
- Taxation
- Transaction Advisory

Well structured teams with domain specialization are guided by leaders who possess expertise and experience and are present PAN India to ensure excellent client service.

PRESENTLY POSITIONED IN THE

TOP 10 ACCOUNTING & CONSULTING FIRMS



70 Partners/
Directors

6000+
Clients

1000+
In-house
Professionals

GLOBAL PRESENCE



43,000
Staff



658
Offices



141
Territories



\$5.2bn
Turnover



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Vishakhapatnam