

## Celebrating Navratri (9 days of Goddess Durga)



Maa Shailputri

RNM ALERT  
MARCH  
NEWSLETTER

VOL NO 182

Day 1 - Goddess Shailputri

Provides Courage, Strength and  
Composure



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# EDITORIAL

## Dear Readers

During the month of March 2024 our CEO, Mr. Raghu Marwah attended the first National Financial Reporting Authority (NFRA) International Conference at New Delhi where matters on corporate governance, transparency and technology were discussed and some of you may have seen on the RNM social media handles the Q&A session with Mr. Uday Kotak, one of the Expert Speakers. A visit to Gift City, Ahmedabad was also very fruitful during this month where meetings with IFSCA, NSE-IX, Gift Co representatives and various related persons were held. The jurisdiction continues to be one of the most desirable International Financial jurisdiction for attracting global monies.

On the Capital Market front, the Securities and Exchange Board of India (Sebi) has amended the SEBI (Real Estate Investment Trusts) Regulations 2014 to provide the detailed framework for Small and Medium Real Estate Investment Trusts (SM REITs). The SM REITs will now accept minimum funds of Rs. 1 million from individual investors and invest in real estate projects of the range of Rs. 50 crore to Rs. 500 crore. The structure of the SM REITs is similar to an AIF, in so far as it permits multiple schemes.

In the United Kingdom, the Chancellor announced in his Budget Speech the termination of the non-domicile regime and remittance basis of taxation effective April 12, 2025. In its place a new Foreign Income Gains (FIG) regime will be available for UK tax residents after 10 years of non resident status. Individuals who become eligible under the scheme would be able to bring FIG to UK free from UK tax for upto four years.

We would like to take this opportunity of wishing all our readers a happy Eid Al Fitr on 11th April. On this day when we celebrate the conclusion of the month of fasting of Ramadan, we express gratitude for the blessings received.

**U N Marwah**  
**Chairman - RNM India**





# Direct Tax



**Maa Brahmcharini**

**Day 2 - Goddess Brahmcharini**

Helps us recognise our true self,  
that is Infinity



## **1. CBDT issues clarification on the time limit to verify Income-tax Returns**

The CBDT vide Notification No. 2 of 2024 dated 31.03.2024; has clarified that if income-tax return and e-verification/ITR V are submitted within 30 days of uploading, the upload date is considered as the filing date. If submitted after 30 days, the submission date becomes the filing date, with the consequence of late filing being applicable. This notification will come into effect from 01.04.2024.

## **2. Clarification regarding the applicability of the new tax regime and old tax regime**

The CBDT on 31.03.2024 via Press Release clarifies that new tax regime is the default tax regime; tax payers can choose the tax regime that they think is beneficial to them. The option for opting out from the new tax regime is available till filing of return for the AY 2024-25. There is no new change which is coming in from 01.04.2024.

## **Important Judicial Precedents**

### **1. SC dismissed SLP against ruling that AO can't issue a notice in the name of a non-existing amalgamating Co.**

**[2024] 161 taxmann.com 41 (SC) Income Tax Officer, Ward-1 vs. Abhishek Caplease (P.) Ltd.**

SLP dismissed the order of the High Court that where the department issued notice under section 148 in the name of a non-existent entity, which had ceased to exist pursuant to a scheme of amalgamation and arrangement and the factum of its amalgamation was very much within the knowledge of revenue, notice issued under section 148 was unsustainable in law and deserved to be set aside.

### **2. Undisclosed income from regular business activities surrendered during a search is taxable at a normal rate: HC**

**[2024] 161 taxmann.com 44 (MP-HC) PCIT Vs. Krishna Kumar Verma**

Assessee during search and seizure action surrendered undisclosed income on account of excess stock and excess cash which was not entered in regular books of account - Assessing Officer was of view that undisclosed income falls within ambit of section 69A and, therefore, is liable to be taxed at special rate within meaning of section 115BBE - On appeal, Commissioner (Appeals) allowed appeal of assessee and held that undisclosed income so surrendered was derived from regular business activities, therefore, it was liable to be taxed at normal rate instead of under provisions stated under section 115BBE - On second appeal, Tribunal dismissed appeal of revenue - Whether there being no perversity in findings of Tribunal and Tribunal having dealt with all grounds raised by assessee in order impugned and having passed a well reasoned and speaking order taking into consideration all material available on record, interference with concurrent findings of Commissioner(Appeals) as well as Tribunal therewith was not warranted - Held, yes [Para 18][In favour of assessee]

### **3. AO can't issue notice on old email ID of assessee if new email ID is duly updated on e-filing portal: HC**

**[2024] 160 taxmann.com 125 (Allahabad-HC) \_Grs Hotel (P.) Ltd. vs. UOI**

Where Assessing Officer issued a notice under section 148A(b) and passed an order under section 148(d) to assessee-company on secondary email address and not registered e-mail address, impugned notice and consequential order were liable to be quashed and set-aside.



**4. No denial of DTAA benefits to Mauritius Co. if it was the beneficial owner of capital gain prior to 01-04-2017: ITAT**

**[2024] 160 taxmann.com 632 (Delhi - Trib.) Norwest Venture Partners X-Mauritius vs. DCIT, Circle IT**

Where assessee, a Mauritius-based company had made an investment in shares of Indian companies and claimed exemption under article 13(4) of India-Mauritius DTAA and the Assessing Officer denied said exemption on the ground that assessee was a shell/conduit company, since shares on sale of which assessee derived capital gain were acquired prior to 1-4-2017, assessee being holder of TRC was beneficial owner of capital gain and, hence, was entitled to benefits under article 13(4) of DTAA.

**5. Income from software maintenance is not taxable if the original software sale was held as not taxable: ITAT**

**[2024] 159 taxmann.com 1478 (Bangalore - Trib.) DCIT (International Taxation) vs. Mathworks Inc.\***

Where assessee, a US-based company, received consideration for the sale of software licenses to its distributor in India who in turn sold the same to end-users since assessee only permitted end-users to use a copyrighted article and there was no sale of copyright per se in said article, the payment received by assessee from said distributor on sale of software to end-users could not be termed as 'royalty' under relevant DTAA

Where assessee, a US-based company, received consideration towards maintenance services in relation to the sale of software licenses in India since said maintenance services were inextricably linked to supply of software license and when supply of software itself was not taxable as 'royalty', amount received by assessee on account of said maintenance services could not be termed as 'fees for included services'

**6. Whether no addition of income can be made on estimate basis without rejecting books of account - YES : HC**

**[2024-TIOL-412-HC-DEL-IT] PCIT (CENTRAL)-1 Vs. M/s FORUM SALES PVT LTD**

The ITAT has made a categorical finding that despite the fact that the AO was provided with the requisite bills, vouchers and addresses of the transacting parties, it did not make any effort to confirm the veracity of the alleged bogus or inflated bills. Also, the decisions relied upon by the Revenue do not essentially support its case as the facts of cases are strikingly different from the case at hand and therefore, the same are distinguishable. ....

The action of the AO in making an addition of Rs.1,00,000/- on the protective basis, which already stood explained, deserved to be deleted. The ITAT further held that the substantive addition has already been made in the hands of Mr. Moin Akhtar Qureshi, which has been mentioned by the AO himself and therefore, there is no infirmity in deletion of the said addition by the CIT (A). Admittedly, the addition of income on estimate basis has been done without rejecting the books of account. In view of the same, find that no substantial question of law arises in the present appeals. No merit in the case of the Revenue and have no reason to interfere with the view taken by the ITAT. Therefore, the appeals stand dismissed.





**7. CSR exp. is liable to be disallowed even if it is voluntarily incurred without any statutory obligation: ITAT**

**[2024] 161 taxmann.com 118 (Chennai - Trib.) \_City Union Bank Ltd. vs. Assistant Commissioner of Income-tax, Circle-1**

We have heard both the parties, perused materials available on record and gone through orders of the authorities below. In our considered view, when an expenditure is incurred out of profit of an assessee, it partakes the nature of appropriation of profit, but not expenditure incurred wholly and exclusively for the purpose of business of the assessee. Further, Explanation (2) to section 37 of the Act, put a restriction on deductibility of expenditure of any kind referred to u/s. 135 of the Companies Act, 2013 i.e., corporate social responsibilities expenses, w.e.f. assessment year 2015-16. In this view of the matter and considering the facts and circumstances of the case, we are of the considered view that the assessee is not entitled for deduction towards CSR expenses and thus, we are inclined to uphold the findings of the ld. CIT(A) and reject ground taken by the assessee.





# Indirect Tax



Maa Chandraghanta

## Day 3 - Goddess Chandraghanta

Helps us gain the control of mind  
and attain alertness



## **GST Calendar –Compliances for the month of March 2024.**

<b>Nature of Compliances</b>	<b>Due Date</b>
<b>GSTR-7 (Tax Deducted at Source 'TDS')</b>	<b>April 10, 2024</b>
<b>GSTR-8 (Tax Collected at Source 'TCS')</b>	<b>April 10, 2024</b>
<b>GSTR-1</b>	<b>April 11, 2024</b>
<b>IFF- Invoice furnishing facility (Availing QRMP)</b>	<b>April 13, 2024</b>
<b>GSTR-6 Input Service Distributor</b>	<b>April 13, 2024</b>
<b>GSTR-2B (Auto-Generated Statement)</b>	<b>April 14, 2024</b>
<b>GSTR-3B</b>	<b>April 20, 2024</b>
<b>GSTR-5 (Non-Resident Taxable Person)</b>	<b>April 20, 2024</b>
<b>GSTR-5A (OIDAR Service Provider)</b>	<b>April 20, 2024</b>
<b>PMT-06 (who have opted for the QRMP scheme)</b>	<b>April 25, 2024</b>





## **A challenge has been filed in the Delhi High Court against the imposition of GST on corporate guarantees.**

### **Facts**

Sterlite Power Transmission Limited (petitioner) has contested the imposition of GST on the provision of a corporate guarantee to a subsidiary by the holding company, arguing that it does not qualify as a service transaction. Additionally, the petitioner has challenged Circular No. 204/16/2023-GST issued by the Central Board of Indirect Taxes and Customs (CBIC) on 27th October 2023, which provided clarification on the taxability of personal and corporate guarantees.

### **Background:**

The petitioner pointed out that the Customs Excise and Service Tax Appellate Tribunal (CESTAT) Chennai had ruled in favor of its group company, M/s. Sterlite Industries India Limited, stating that providing a corporate guarantee to an associate company is akin to an internal safeguard to protect the company's investments and does not constitute provision of taxable services.

Referring to the Supreme Court's verdict in the case of M/s. Edelweiss Financial Services Limited, the petitioner argued that even under the previous service tax regime, issuing a corporate guarantee to a group company without any consideration was considered a non-taxable service.

Furthermore, the petitioner stressed that a corporate guarantee is essentially a contingent contract, enforceable only when a bank or financial institution demands it in case of default. Therefore, attributing a value to the guarantee based on potential enforcement, such as fixing it at 1% of the corporate guarantee's value, would impose a burdensome obligation on the entity providing the guarantee.

### **Rulings**

The High Court has issued a notice regarding the case and instructed that no coercive measures should be implemented against the petitioner until a final assessment is made or a demand is officially established.

## **The Telangana High Court has ruled that the transfer of development rights under a Joint Development Agreement constitutes a 'service' rather than an outright 'sale of land'.**

### **Facts**

M/s. Prahitha Constructions Private Limited (petitioner) is involved in constructing commercial properties and has entered into a Joint Development Agreement (JDA) with the landowners. As per the agreement, the petitioner undertook to construct three towers of the adjoining building, complete with modern amenities and facilities.

The petitioner sought a declaration that the transfer of development rights of the land by the landowners through the execution of a JDA should be considered equivalent to the 'sale of land' and hence should not be subject to GST.

Consequently, the petitioner challenged the constitutional validity of Notification No. 04/2018-CT(Rate) dated 30 September 2019, which imposed GST on such transactions.





## **Background**

The petitioner argued that through the execution of the Joint Development Agreement (JDA), the landowners effectively transferred the development rights in the land for the purpose of development. Consequently, the transfer of these development rights should be considered as equivalent to the sale of land, exempting it from GST liability.

Highlighting the JDA as merely a medium for landowners to sell their land to developers, the petitioner emphasized that in return for the development rights, the landowners receive residential or commercial properties through corresponding conveyances.

The petitioner asserted that such transfer of development rights constitutes a sale of land, which falls outside the purview of GST as it is neither a supply of goods nor a service.

Furthermore, the petitioner contended that the imposition of tax via notification without explicit provisions or proper mechanisms for determining the tax amount is unjustified. The impugned notification, lacking any methodology for the offer of development rights, was argued to exceed jurisdiction and violate the statute.

As a result, the petitioner deemed the notification illogical, arbitrary, unconstitutional, and in violation of Articles 14, 246A, and 265 of the Indian Constitution.

## **Rulings**

The High Court determined that a Joint Development Agreement (JDA) does not serve as a medium for the transfer of title in land. Upon scrutinizing the terms of the JDA, it was noted that the petitioner does not acquire the right, title, and ownership of the property solely by executing the JDA. Instead, the petitioner gains entitlement to the land only upon fulfilling specific conditions, milestones, or stages outlined in the agreement.

Regarding the transfer of development rights, the Court clarified that the JDA facilitates the petitioner to conduct construction activities on the land owned by the landowner. Upon completion of construction, the petitioner is entitled to a share of the land proportionate to their share in the built-up area. This share is granted to the petitioner through a separate sale deed. Failure to complete construction within the stipulated time or any breach of terms by the petitioner would not confer any rights upon them. The Court affirmed that such transfer of development rights, allowing the petitioner to engage in development activities, constitutes a service provided by the landowner rather than an outright sale of land in exchange for construction services.

Additionally, the Court highlighted that the transfer of development rights does not equate to the transfer of ownership rights. The petitioner can only sell their share of the developed property after the underlying land is conveyed to them through a sale deed, which occurs upon the receipt of the completion certificate (CC) for the project. Therefore, the transfer of development rights via JDA is considered permissive possession and not delivery of possession, thus falling outside the scope of a sale.

Regarding the impugned notification, the Court noted that it merely prescribes the point of taxation rather than creating a charge on the transfer of development rights. The notification determines the time of supply, specifying when the tax payment is due, typically upon the delivery of possession of the underlying land upon receipt of the completion certificate (CC). Based on these observations, the Court dismissed the petition.



# Internal Audit



*Maa Kushmanda*

**Day 4 - Goddess Kushmanda**  
Increases our Creative Energy

## Importance of UDIN in Internal Audit and Stock Takes

### Introduction:

The Unique Document Identification Number (UDIN) is a system introduced by the Institute of Chartered Accountants of India (ICAI) to authenticate documents and ensure their credibility. It aims to enhance transparency, accountability, and quality in professional services, including Internal Audits and Stock Takes.

### Importance of UDIN in Internal Audits and Stock Takes:

a) Authentication and Traceability: UDIN serves as a unique identifier for each document, ensuring its authenticity and enabling stakeholders to trace its origin and verify its legitimacy. In Internal Audits and Stock Takes, where accuracy and reliability are paramount, UDIN helps establish the integrity of the reports and findings.

b) Quality Assurance: By mandating the use of UDIN, regulatory bodies and stakeholders can have confidence in the quality of Internal Audit reports and Stock Take assessments. It acts as a seal of approval from qualified professionals, thereby enhancing trust and credibility.

c) Prevention of Fraud and Misrepresentation: UDIN discourages unethical practices such as document forgery or misrepresentation by requiring every document to be registered and authenticated by the issuing chartered accountant. This helps in maintaining the integrity of Internal Audit findings and stock-take reports.

d) Regulatory Compliance: Many regulatory bodies require the use of UDIN for various financial and compliance-related documents. Compliance with UDIN requirements in Internal Audits and Stock Takes ensures adherence to regulatory standards and helps avoid penalties or legal repercussions.

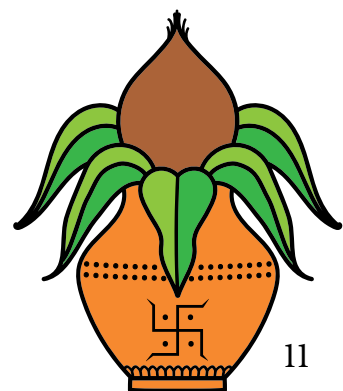
e) Facilitation of Audits and Reviews: UDIN simplifies the process of audits and reviews by providing a standardized method for verifying document authenticity. Auditors, regulators, and other stakeholders can efficiently track and verify Internal Audit reports and Stock Take assessments, streamlining the auditing process.

### Challenges and Considerations:

a) Awareness and Adoption: Ensuring widespread awareness and adoption of UDIN among professionals, organizations, and regulatory bodies is crucial for its effective implementation in Internal Audits and Stock Takes.

b) Integration with Existing Systems: Integrating UDIN into existing audit and documentation systems may require technological upgrades and adjustments, which could pose implementation challenges for some organizations.

c) Compliance Burden: While UDIN enhances transparency and credibility, it also adds to the compliance burden for professionals and organizations. Balancing the benefits of UDIN with the associated compliance costs is essential for its sustainable adoption.





**Conclusion:**

The requirement of UDIN in Internal Audits and Stock Takes represents a significant step towards ensuring the integrity and credibility of financial reporting and compliance processes. By mandating the authentication of documents by qualified professionals, UDIN enhances transparency, accountability, and trust in the audit and assessment outcomes. However, effective implementation will require concerted efforts to address awareness, integration, and compliance challenges, ultimately strengthening the governance and reliability of Internal Audit and Stock Take practices.



# Corporate Finance



Skandmata

## Day 5 - Goddess Skandamata

Provides Skills, Innocence, Courage and Compassion



## **Adani Ports To Buy 95% Of Odisha's Gopalpur Port For \$162 Mn**

India Billionaire, Gautam Adani led Adani Ports and Special Economic Zone will buy a 95% stake in Odisha's Gopalpur Port for an equity value of \$161.74 million (around INR 1,349 crore) to bolster its east coast presence. India's largest private port operator will purchase a 56% stake in Gopalpur Port from real-estate conglomerate Shapoorji Pallonji Group and a 39% stake from Orissa Stevedores. The enterprise value of the deal is INR 3,080 crore. Gopalpur handles a diverse mix of dry bulk cargo, including iron ore, coal, limestone, ilmenite and alumina.

(Source: VC Circle, 26th March 2024)

## **Private Equity**

### **Advent, Multiples PE Invest \$230 Mn In Microlender Svatantra**

Private equity firms Advent International and Multiples PE will invest \$230 million (around INR 1,930 crore) in the country's second largest microlender Svatantra Microfin Pvt Ltd. Svatantra, a decade old firm, provides small-ticket loans to rural and largely women entrepreneurs.

(Source: VC Circle, 4th March 2024)

### **Blue Lotus, NAV Capital Invest In Renewable Energy Firm Matrix Gas**

Matrix Gas & Renewables Ltd, a green hydrogen infrastructure developer and natural gas aggregator, has raised \$42.2 million (around INR 350 crore) in its pre-IPO round. Matrix, a Gensol company, has raised funds from Blue Lotus and NAV Capital among other investors.

(Source: VC Circle, 5th March 2024)

### **Rajiv Jain Led GQG Partners Acquires Singtel's Partial Stake In Bharti Airtel**

Singapore Telecommunications sold a 0.8% stake in India's Bharti Airtel for \$711 million (around INR 6040 crore) to U.S. investment firm GQG Partners. The deal is the latest effort of Southeast Asia's largest telecom operator to recycle capital. Singtel will hold an effective stake of 29% in Airtel.

(Source: VC Circle, 7th March 2024)

### **Battery Recycling Startup Raises \$54 Mn In Series B Round**

Lohum Cleantech Pvt. Ltd, which operates an eponymous sustainable energy transition materials company, has raised \$54 million (around INR 450 crore) in a Series B funding round. The round saw participation from a host of firms including singularity Growth, Baring Private Equity, Cactus Venture Partners and Venture East amongst other firms.

(Source: VC Circle, 13th March 2024)

## **JM Financial Private Equity Bets On Bottled Water Firm**

The private equity arm of JM Financial Ltd, which offers investment banking, lending, wealth management, and alternative asset management services, has backed a Gujarat based bottled water maker that scaled up by more than five times in the last five years. JM Financial Private Equity has invested \$5.4 million (around INR 45 crore) in Energy Beverages Pvt. Ltd, which operates premium packaged water brand 'clear'.

(Source: VC Circle, 14th March 2024)



## Venture Capital

### **GenAI Startup Ema Nets \$25 Mn From Accel, Prosus, Others**

Technology startup Ema, short Enterprise Machine Assistant has raised \$25 million (around INR 207 crore) in funding from a host of investors. The startup, which focuses on generative artificial intelligence (AI) on an enterprise level raised Series A funding from venture capital firms Accel, Section 32, Posus Ventures and Wipro Ventures.

(Source: VC Circle, 5th March 2024)

### **Elev8 Venture Partners Leads \$27-Mn Funding Round In IDfy**

Growth stage venture capital firm Elev8 Venture Partners, has led an investment of \$27 million (around INR 224 crore) in Baldor Technologies Pvt Ltd, which operates IDfy, an integrated identity platform.

(Source: VC Circle, 6th March 2024)

### **Bira 91 Secures \$25-Mn Funding From Tiger Pacific Capital**

B9 Beverages Ltd, which owns Indian craft beer brand Bira 91, has raised \$25 million (around INR 207 crore) in funding from Tiger Pacific Capital. This transaction is part of \$50 million fundraise where existing investor, Kirin Holdings of Japan also participated with \$25 million.

(Source: VC Circle, 6th March 2024)

### **Nanonet Secures Series B Investment From Accel, Others**

Artificial Intelligence based workplace automation platform Nanonets has raised \$29 million (around INR 240 crore) in a Series B funding round. Round was led by multi-stage venture capital firm Accel and saw participation from Nanonets' existing investors, including Elevation Capital and YCombinator.

(Source: VC Circle, 12th March 2024)

### **CureSkin Snags \$20 Mn From Healthcare-Focussed VC Firm HealthQuad**

Consumer healthcare startup CureSkin has raised \$20 million (around INR 166 crore) as a part of its Series B round, led by health-focussed venture capital investor HealthQuad. The round also saw participation from company's existing investor including JSW Ventures, Khosla Ventures and Sharrp Ventures.

(Source: VC Circle, 12th March 2023)



## Mergers & Acquisitions

### Chalet Hotels Inks Deal To Acquire Luxury Resort In NCR

Chalet Hotels, part of K Raheja Corp Group, headquartered in Mumbai, entered into a definitive agreement to acquire 158-room Courtyard by Marriot Aravali Resort in Faridabad, Haryana. Enterprise value of the resort, owned by Mankind Pharma's RC Juneja, is \$38 million (around INR 315 crore)

(Source: VC Circle, 1st March 2024)

### Actis-Backed Blupine Energy Acquires Select India Assets From Acme Group

BluePine Energy Pvt. Ltd, a renewable energy platform established in India by the UK-based private equity firm Actis, has completed the acquisition of 369 megawatts solar power assets from Indian renewables energy producer Acme Group. Financial details of transaction are not disclosed.

(Source: VC Circle, 4th March 2024)

### HCL Invest \$20 Mn in PE-Backed Digital Learning Firm EI

HCL Group has invested \$20 million (around INR 166 crore) in digital learning firm Educational Initiatives Pvt Ltd, which has presence across India, UAE, South Africa, and Singapore.

(Source: VC Circle, 5th March 2024)

### Reliance Industries To Buy Paramount's Stake In Viacom18

India's Reliance Industries has agreed to buy Paramount Global's entire 13.01% stake in local entertainment network Viacom 18 Media for about \$517 million (around INR 4,286 crore). Paramount will continue to license its content to Viacom18 after closing the deal.

(Source: VC Circle, 13th March 2024)



# Transaction & Regulatory Advisory Services



**Maa Kathyayini**

**Day 6 - Goddess Kathyayini**

Gives the blessings of Healthier Relationships



In this edition we have tried to bring you notice the latest amendment that followed in the month of March, 2024 issued by RBI, CCI and others.

## RBI Updates

### **Master Direction – Reserve Bank of India (Bharat Bill Payment System) Directions, 2024**

RBI has issued a Master Direction – Reserve Bank of India (Bharat Bill Payment System) Directions, 2024 which shall be applicable from April 01, 2024. In view of significant developments in the payments landscape, RBI has come out with these Directions to streamline the process of bill payments, enable greater participation, and enhance customer protection among other changes. The provisions of these Directions shall apply to NPCI Bharat Bill Pay Limited (NBBL – a wholly owned subsidiary of National Payments Corporation of India); and All Bharat Bill Payment Operating Units (BBPOUs). Further, NBBL is the entity authorised as the Payment System Provider for Bharat Bill Payment System (BBPS) and any entity, other than a biller, operating a system for payment of bills outside the scope of BBPS is a ‘payment system’ under Section 2(1)(i) of PSS Act 2007 and will require authorisation as per Chapter III of the Act to undertake the activity. Banks (All Scheduled Commercial Banks including RRBs / Urban Cooperative Banks / State Cooperative Banks / District Central Cooperative Banks), non-bank Payment Aggregators (PAs) and other existing entities authorised as BBPOUs can participate in BBPS as Operating Units. Banks and non-bank PAs, intending to operate as BBPOUs, will not require a separate authorisation. They shall intimate DPSS, RBI, Central Office before commencing operations. The indicative roles and responsibilities of the system operator and system participants are also provided in the master circular.

To read more:

Reserve Bank of India - Master Directions ([rbi.org.in](http://rbi.org.in))



## Competition Commission of India (CCI)

The Competition Commission of India (CCI) has notified three distinct regulations on the determination of turnover, settlement, commitment and penalty guidelines concerning an enterprise. The Competition Commission of India (CCI) has notified three regulations viz. The CCI (Settlement) Regulations, 2024; The CCI (Commitment) Regulations, 2024; The CCI (Determination Of Turnover Or Income) Regulations, 2024 And The CCI (Determination Of Monetary Penalty) Guidelines, 2024 on March 06, 2024. These regulations and guidelines were issued according to the Competition (Amendment) Act, 2023, and subsequent notification of sections 20, 35 & 40 of the Competition (Amendment) Act, 2023 and shall be effective from 06.03.2024. The Settlement Regulations and Commitment Regulations are intended to enable an enterprise against whom an inquiry under Section 26(1) of the Act is initiated for an alleged contravention of Section 3(4) or Section 4 of the Act, as the case may be, to apply for settlement or commitment before the CCI. The intent of creating a procedure for Settlement and Commitment is driven by the need to reduce litigation and ensure quicker market correction. The two mechanisms differ in terms of the stage of the inquiry process at which the application for Settlement or Commitment is filed. The Turnover or Income Regulations provide for the determination of turnover or income for enterprises for the purposes of Section 27 of the Act and the determination of income for individuals for the purposes of Sections 27 and 48 of the Act. In addition, CCI has also notified Monetary Penalty Guidelines with respect to the determination of monetary penalty to be levied on the enterprise(s) and/or persons for any contravention of the provisions of the Act. The much-awaited monetary penalty guidelines have been framed in line with best practices and to ensure that the penalty imposed is proportional to the anti-competitive harm caused to the market by the contravening entities/ persons.

To read more:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2012824>

## Miscellaneous

### E-Waste (Management) Amendment Rules, 2024

The Central Government has notified the E-Waste (Management) Amendment Rules, 2024 which shall be effective from March 8, 2024. The amendment provides that the Central Government may, if it is satisfied that it is necessary so to do in the public interest or for effective implementation of these rules, by order, relax any period within which any return or report is to be filed under these rules by a manufacture, producer, refurbisher or recycler of electrical and electronic equipment and components or consumables or parts or spares thereof, for a further period not exceeding nine months. The Central Government may by, order, establish one or more platforms for an exchange or transfer of extended producer responsibility certificates in accordance with the guidelines issued by the Central Pollution Control Board with the approval of the Central Government.

To read more:

[egazette.gov.in/\(S\(by1iaodsce5tqyqbhttzrubj\)\)/error.aspx?aspxerrorpath=/ViewPDF.aspx](http://egazette.gov.in/(S(by1iaodsce5tqyqbhttzrubj))/error.aspx?aspxerrorpath=/ViewPDF.aspx)





# UK Tax Update Report



**Maa Kaalratri**

## **Day 7 - Goddess Kaalratri**

Helps us attain dynamism through  
deep rest (/Meditation)

## April 2024 UK Economic Insight

### OBR update

Last month, the Chancellor presented the spring budget, with an accompanying economic update from the Office for Budget Responsibility (OBR). Near-term growth projections remained largely unchanged, with expected growth of 0.8 percent in 2024 and 1.9 percent in 2025. Factors such as declining interest rates and rising household incomes are expected to drive growth, although challenges persist in business investment and export growth. Both the OBR and the Bank of England anticipate a quicker decline in inflation, attributed to forthcoming reductions in energy prices and policy measures. While stronger household spending is positive, concerns arise about the economy's dependence on this sector for growth, emphasizing the need for sustained productivity gains.

### Inflation continues to fall

Recent OBR updates suggest inflation could hit the Bank of England's two percent target by Q2 2024, a year earlier than expected. The latest ONS data shows CPI dropped to 3.4 percent in February, lowest since September 2021. Despite this, consumers may have faced higher prices for items like Easter eggs due to soaring chocolate costs. The MPC remains cautious with services inflation at 6.1 percent in February, amid mixed signals on wage growth and concerns over the National Living Wage increase. Against supply chain disruptions and the Baltimore port collapse, the MPC voted to maintain the Bank Rate at 5.25 percent in March, awaiting further evidence on inflation persistence, though there's a split in the committee, with markets anticipating a potential rate cut in the summer.

### Answer for supply chain issues?

Supply chain disruptions have been prevalent in recent years due to factors like the pandemic aftermath, weather-related incidents, and geopolitical tensions. Although the proportion of businesses affected has decreased since its peak in early 2022 following Russia's invasion of Ukraine, events undermining supply chain resilience remain common. Firms have long outsourced or relocated production to cut costs and access new markets, highlighting the vulnerabilities of stretched supply chains. Recent surveys indicate a growing focus on reshoring, with many manufacturers bringing production closer to end-customers to enhance security and reduce costs, potentially benefiting UK industry through increased investment in capacity.

### Consumer spending weakens

Recent briefings have highlighted the challenges consumers face from high inflation and rising interest rates, impacting confidence and spending patterns. UK Finance's Card Spending Update (CSU) reveals a decline in debit card spending in December 2023 compared to the previous year, continuing a trend seen throughout 2023. Despite total card spending in 2023 being 4.6 percent higher than in 2022, it lags behind the rate of price growth, reflecting weakened retail sales. Average debit card spending also moderated for the third consecutive year, suggesting ongoing changes in consumer behavior such as smaller, more frequent supermarket purchases and evolving commuting patterns. As household spending is expected to rebound, monitoring these metrics will be crucial in the coming months.





## What's happening with buy-to-let?

In 2023, the mortgage market faced difficulties due to higher interest rates and cost-of-living pressures, with further weakness anticipated in 2024. A new Buy-to-Let dashboard has been added to mortgage insights, reflecting challenges in the Buy-to-Let (BTL) market. Weak demand for new BTL loans resulted in a significant decline in BTL house purchases and remortgages in Q4 2023. Despite rent increases, BTL landlords have seen no improvement in profit margins, with the average Interest Cover Ratio decreasing by 58 percentage points year-on-year. While the number of BTL mortgages in arrears increased significantly in Q4 2023, it remains relatively low compared to the residential sector. Despite challenges, rental demand remains strong, and most landlords show resilience, with quarterly updates on the BTL market forthcoming.

## Summary

The recent updates on various economic fronts reveal a mixed picture. Inflation forecasts suggest a potential return to the Bank of England's target sooner than expected, supported by a decline in the Consumer Price Index (CPI), albeit with challenges persisting in certain sectors. Supply chain disruptions, although subsiding from previous peaks, continue to pose challenges, prompting a renewed focus on reshoring trends. Similarly, the Buy-to-Let (BTL) market faces hurdles, with declining demand and profitability, despite ongoing strong rental demand. Meanwhile, consumer spending patterns reflect the impact of high inflation and rising interest rates, necessitating close monitoring as households adjust. Overall, these updates underscore the dynamic nature of economic conditions, marked by resilience in some sectors and ongoing challenges in others.



# Foreign Market Update



*Maa MahaGauri*

**Day 8 - Goddess Mahagauri**

Gives us Wisdom (The elixir of life)



## **Expanding to Hong Kong: Government Funding Support for SMEs**

Lauded for its attractive array of business-friendly attributes, such as its simple tax regime, world-class infrastructure, and robust legal protection, Hong Kong has long been the go-to destination for companies of all shapes and sizes. The city's allure hardly comes as a surprise. It serves as a bustling entrepôt, global financial hub, and an international maritime centre, among other roles.

On its doorstep lie the thriving markets in Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") and the Association of Southeast Asian Nations, such as Indonesia, Thailand, and Vietnam. Hong Kong provides a nexus point for global, regional, and local connectivity to unite under one roof.

### **SMEs Go Global via the Launchpad of Hong Kong**

By leveraging Hong Kong's distinctive role as a springboard for expansion, many small and medium-sized enterprises, or commonly known as SMEs, from all over the world have seized the opportunity to enhance their competitiveness. They harness Hong Kong's strategic location within the GBA to extend operations into the nine mainland GBA cities. At the same time, they use Hong Kong as a launchpad to propel their success elsewhere in Asia and further afield in the world.

The rising trend of SMEs going abroad demonstrates that the perks of globalisation are no longer exclusively enjoyed by large corporations. Instead, smaller businesses are also reaping the rewards offered by an increasingly interconnected global marketplace. Despite the benefits of internationalisation, SMEs may come up against various pain points that can hinder their expansion pursuits. These include, for example, difficulties in acquiring the right talent and capabilities, securing funding, and keeping pace with digitalisation.

### **2024-25 Hong Kong Budget: Support Measures for SMEs**

The local government recognises the pivotal role that SMEs play as the backbone of Hong Kong's economy and the different challenges encountered by them. In the recent 2024-25 Budget Speech delivered by Hong Kong's Financial Secretary, a wide range of measures were introduced to oil the wheels of SMEs' operations, some of which are outlined below.

#### **SME Financing Guarantee Scheme**

The SME Financing Guarantee Scheme aims to help Hong Kong-based SMEs secure financing from participating lenders. It provides guarantees to banks to facilitate lending to SMEs, thereby reducing the risk for banks and incentivising them to continue offering lending facilities to SMEs. In particular, the 90% guarantee coverage scheme enables companies with limited operational history to access funds.

To tide SMEs over cashflow challenges, the application period for the 80% and 90% guarantee products under the scheme has been extended for an additional two years, until the end of March 2026, according to the 2024-25 Budget.



## **Dedicated Fund on Branding, Upgrading and Domestic Sales (“BUD Fund”)**

The BUD Fund provides financial support to non-listed companies registered in Hong Kong. It aims to aid their expansion into mainland China as well as target markets covered by Free Trade Agreements and Investment Promotion and Protection Agreements signed by Hong Kong. The scheme revolves around three main areas, namely branding, operations upgrading and restructuring, and promoting sales. Funding is allocated on a 1:1 matching basis, and the cumulative funding ceiling for each eligible company is HKD 7 million. In the 2024-25 Budget, an additional injection of HKD 500 million into the fund was announced, together with the launch of “E-commerce Easy” to help companies implement e-commerce projects in mainland China.

## **SME Export Marketing Fund**

The SME Export Marketing Fund provides financial assistance to Hong Kong-registered SMEs in their export promotion endeavours. Activities that fall within scope are wide ranging, including trade exhibitions, business missions, advertisements in trade publications, corporate website improvements, and other relevant activities conducted on online platforms which target markets outside Hong Kong. Funding is provided on a 1:1 matching basis, capped at HKD 100,000 for each successful application. Although there is no restriction on the number of applications, each eligible company can receive a maximum of HKD 1 million in total.

## **Digital Transformation Support Pilot Programme**

To be launched this year, the Digital Transformation Support Pilot Programme will offer subsidies to Hong Kong-registered SMEs operating in the food and beverage or retail industries. The pilot scheme aims to assist SMEs in boosting their productivity and undertaking business upgrading and transformation, with each eligible company receiving up to HKD 50,000 for acquiring basic technology solutions. The three focal areas are digital payment and shopfront sales, online promotion, and customer management solutions. The pilot programme is slated to benefit over 8,000 eligible SMEs.

## **About CW CPA**

CW CPA is a professional advisory firm, providing a comprehensive range of client-focused and tailored services, including audit and other assurance, tax, corporate secretarial, business process outsourcing, and China consulting services. Headquartered in Hong Kong, CW CPA has offices in Shenzhen, Guangzhou, and Shanghai in mainland China as well as liaison offices in São Paulo and Belo Horizonte in Brazil, Bogotá in Colombia, Barcelona in Spain, and London in the United Kingdom.





# Tax Calendar



**Maa SiddhiDaatri**

**Day 9 - Goddess Siddhidaatri**

Helps us gain Perfection and  
Enlightenment



# April 2024 - Tax Calendar

<b>14TH APRIL</b>	Due date for issue of TDS Certificate for tax deducted under <u>section 194-IA</u> , 194-IB, 194M, and 194S in the month of February, 2024
<b>15TH APRIL</b>	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2024
<b>30TH APRIL</b>	Due date for furnishing of challan-cum-statement in respect of tax deducted under <u>section 194-IA</u> , 194-IB, 194M, and 194S in the month of March, 2024
<b>30TH APRIL</b>	Due date for deposit of Tax deducted by an assessee for the month of March, 2024
<b>30TH APRIL</b>	Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2023 to March 31, 2024
<b>30TH APRIL</b>	Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2024
<b>30TH APRIL</b>	Due date for deposit of TDS for the period January 2024 to March 2024 when Assessing Officer has permitted quarterly deposit of TDS under <u>section 192</u> , <u>194A</u> , <u>194D</u> or <u>194H</u> .





# India



United Kingdom



capital advisors



consulting

## New Delhi (Head Office)

4/80, Janpath,  
New Delhi -110001  
+91-11-43192000  
rnm@rnm.in

## Bangalore

813 Oxford Towers, 139  
Airport Road, Bangalore -  
560008

banglore@rnm.in

## Raipur

D-362, Near MLA Rest  
House, Tagore Nagar,  
Raipur,  
Chhattisgarh – 492001  
rnm@rnm.in

## Mumbai

Cabin - 5, Awfis, 5th Floor,  
Raheja Titanium,  
Geetanjali Railway Colony,  
Ram Nagar, Goregaon,  
Mumbai, Maharashtra  
400063  
mumbai@rnm.in

## Gurugram

613, Suncity Business  
Tower, Golf Course Road,  
Gurugram,  
Haryana – 122002  
+91-124-4372956  
gurgaon@rnm.in

## London

213 Kingsbury Road  
Sri Abji Bapashree house  
Suite 15, 1 Floor  
NW9 8AQ  
info@ukrnm.in

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