

**Celebrating Summer Solstice (21st June 2024)**

**RNM ALERT  
MAY  
NEWSLETTER**

**VOL NO 184**



# CONTENTS

<b><u>Editorial</u></b> .....	1
<b><u>Direct Tax Alert</u></b> .....	2
<b><u>Indirect Tax Alert</u></b> .....	5
<b><u>Internal Audit Alert</u></b> .....	10
<b><u>Corporate Finance Alert</u></b> .....	13
<b><u>Transaction &amp; Regulatory Advisory Services Alert</u></b> .....	17
<b><u>UK Tax Update</u></b> .....	19
<b><u>Tax Calender</u></b> .....	21



# EDITORIAL

## Dear Readers

During the month of May 2024 our CEO, Mr. Raghu Marwah visited Tokyo to meet our Geneva Capital Group member Mr. Toshihiro Suezawa-San, Managing Director Aspasio Co., Ltd and other Japanese companies. Thereafter, he also visited Bangalore office to meet with clients. With the increasing heat in Delhi, political temperatures have also been soaring and by the time you read this RNM Alert a new Government would have been formed in Delhi.

On the Regulatory front, the International Financial Services Centre Authority (IFSCA), Gift City IFSC Regulator, has issued a Circular facilitating investment by NRIs and OCIs into Indian securities through Schemes/ Funds in an IFSC wherein such NRI/OCI may contribute without submitting copies of PAN (or other suitable document), subject to certain safeguards. This is a very progressive step and we are sure that many NRI/ OCI would be encouraged by the same.

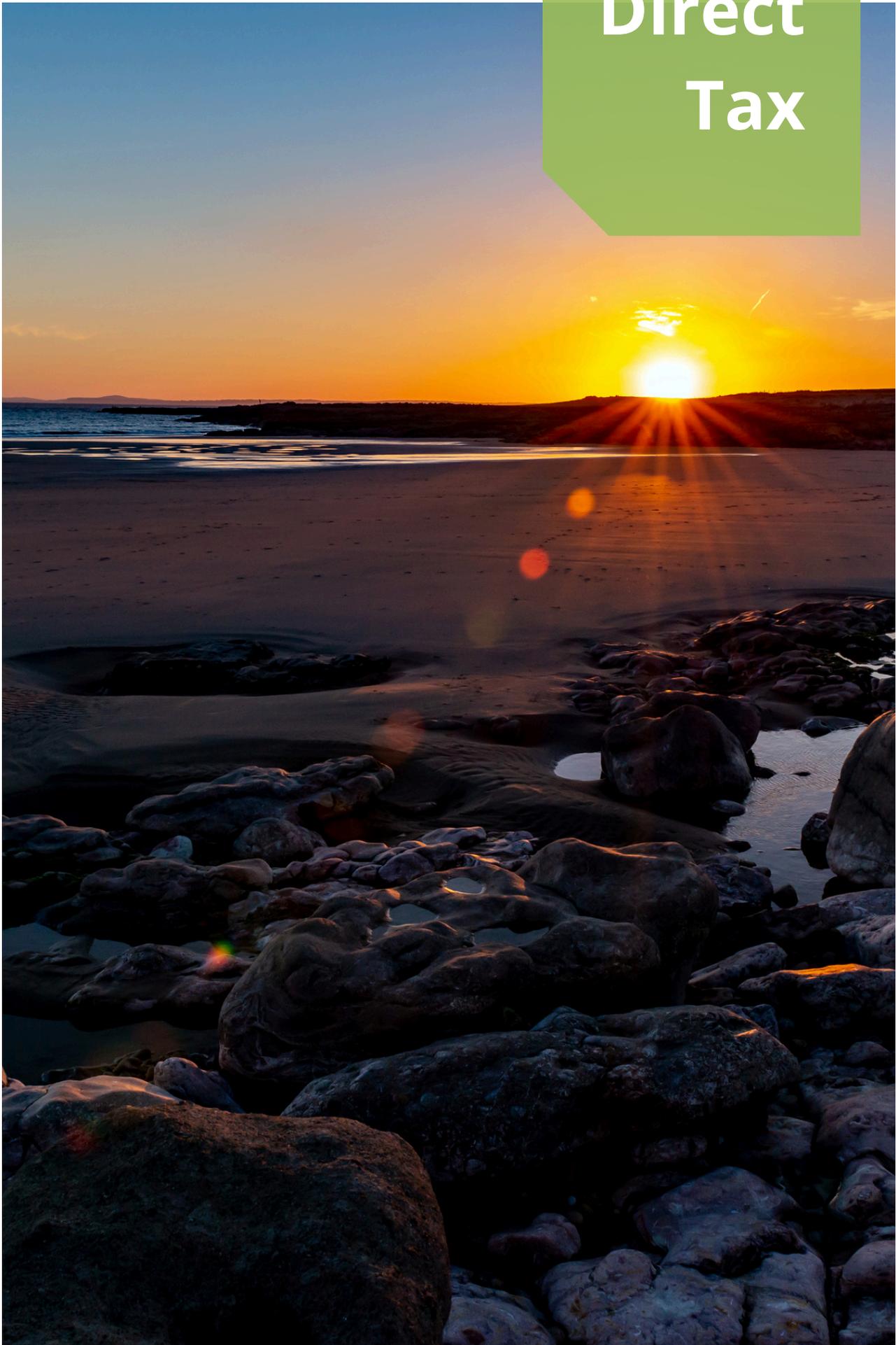
Further, the Sebi, Securities market regulator has issued Listing Obligation and Disclosure requirements amendment regulations. As per the amendment, the manner in which market capitalization is to be computed has been changed to an average data of 6 months instead of a single day (i.e. 31 March). In regard to market rumour verification, Sebi has introduced a uniform approach for all companies which is a welcome step.

We hope you enjoyed participating in the Webinar on 'Emerging Market Investment Destinations' recently on 3 June organised by RNM India.

We would like to take this opportunity of wishing all our readers a happy Eid Al Adha on 17th June. On this day when we celebrate the festival of sacrifice we must all hope to strive for betterment of the society.

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

# Direct Tax





## **1. Notification S.O. 2103(E) [NO. 44/2024/F.NO.370142/10/2024-TPL], DATED 24-5-2024**

The CBDT via this notification notified '363' Cost Inflation Index (CII) for Financial Year 2024-25.

## **2. Notification G.S.R. 233 (E), dated 27th March , 2024.**

The CBDT amends Form 27Q; added 'Note 7A' for furnishing information about lower or no TDS under section 197A. Taxpayers are now required to write "P" if lower deduction or no deduction is in view of the notification issued u/s 197A(1F).

### **Important Judicial Precedents**

#### **1. SC Reassessment made by jurisdictional AO on basis of notice issued by non-jurisdictional AO is bad in law: ITAT**

[2024] 162 taxmann.com 704 (Delhi - Trib.) Saroj Sangwan vs. Income-tax Officer\*

Where reassessment proceedings were initiated by a non-jurisdictional Assessing Officer, and later on, the case was transferred to a jurisdictional Assessing Officer for completion of reassessment, since the non-jurisdictional Assessing Officer had no jurisdiction over the assessee, reassessment made by jurisdictional Assessing Officer on basis of notice issued under section 148 by non-jurisdictional Assessing Officer was to be quashed.

#### **2. AO can't deny the benefit of TDS to the employee if the employer failed to deposit tax with Govt.: HC**

[2024] 162 taxmann.com 767 (HC - Orissa) Malay Kar vs. Union of India\*

Where the employer, which had deducted tax at source from the salary of its employee-assessee but had not deposited amount to Central Government's account, in such case Assessing Officer cannot deny benefit of tax deducted at source by employer to assessee and shall give credit of TDS amount to him.

#### **3. No reassessment if tax liability under MAT is higher than income assessed under normal provisions: ITAT**

[2024] 162 taxmann.com 730 (Delhi - Trib.) Genus Power Infrastructure Ltd. vs. ACIT

Reopening of an assessment is unwarranted when tax liability under MAT provisions remains higher and unchanged despite adjustments made under normal tax provisions.

#### **4. Sec. 54F relief not available if registered purchase deed of new house wasn't executed within stipulated time**

[2024] 162 taxmann.com 547 (Rajkot - Trib.) Hiteshbhai Mansukhbhai Bagdai v. ACIT

Where assessee claimed exemption under section 54F in respect of investment made for purchase of new residential property against sale of long term capital asset being land, however, assessee failed to get documents registered for purchase of residential house being flat, hence, condition laid down in section 54F remained unfulfilled and thus, exemption under section 54F was not allowable.



## **5. HC quashes reassessment as notice was issued in the name of a non-existing firm subsequent to conversion into company**

[2024] 162 taxmann.com 71 (Madras - HC) NRP Projects (P.) Ltd. vs. Additional/Joint/Deputy/Assistant Commissioner of Income-tax/Income-tax Officer, NFAC Delhi

Where a partnership firm was converted into a company and it was dissolved on 14-7-2010 and Assessing Officer issued in the name of firm a notice under section 148 for assessment year 2015-16 and thereafter passed assessment order in its name, since assessment order itself had been passed in name of non-existing firm, impugned assessment order and notice issued under section 148 deserved to be set aside.

## **6. ITAT deleted sec. 69 additions as AO made additions solely on basis of retracted statement of witnesses**

[2024] 162 taxmann.com 157 (Delhi - Trib.) Maple Destinations and Dreambuild (P.) Ltd. vs. DCIT

Where AO made addition u/s 69 on account of unexplained investment made by assessee in purchase of a farm house ignoring documentary evidence in form of registered sale deed which is a best evidence for finding actual sale value and in absence of any other material to show that transactions involved in cash outside sale consideration mentioned in sale deed and relying on statements of witnesses which had been retracted thereafter and without granting opportunity to assessee to cross-examine witnesses, addition was liable to be deleted.

# Indirect Tax



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

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

## **Rules for Commencing Recovery Actions within Three Months after the Demand Order is Issued.**

In Instruction No. 01/2024-GST dated May 30, 2024, the CBIC has outlined the timelines for starting recovery proceedings. According to Section 78 of the Central Goods and Services Tax Act, 2017 (CGST Act), there is a mandatory 3-month waiting period before recovery proceedings for unpaid tax dues can begin after the taxpayer has received the order. However, the proviso to Section 78 allows tax authorities to shorten this period in exceptional circumstances, provided they document their reasons in writing. The proper officer can then initiate recovery proceedings under Section 79 of the CGST Act.

To ensure the consistent application of this provision, the Central Board of Indirect Taxes and Customs (CBIC) has issued the following clarifications:

1. The 3-month waiting period mandated by Section 78 of the CGST Act is generally required before initiating recovery proceedings for unpaid tax dues.
2. In exceptional cases, the waiting period can be shortened by the tax authorities if they provide written documentation of the reasons.
3. Recovery proceedings under Section 79 of the CGST Act can be initiated by the proper officer once the waiting period is either completed or shortened as per the provisions.
4. The CBIC emphasizes the need for uniformity in the application of these rules to avoid discrepancies and ensure fairness in the recovery process.

While recovery proceedings under Section 79(1) of the CGST Act are generally undertaken by the Deputy Commissioner (DC) or Assistant Commissioner (AC), there are provisions for exceptional circumstances. When it is deemed necessary to initiate recovery proceedings before the completion of the 3-month waiting period from the date of service of the order, the following steps should be followed:

1. Referral to Principal Commissioner (PC) or Commissioner (C):
  - The DC/AC must present the case, including the reasons and justification for expedited recovery, to the PC/C.
2. Examination by PC/C:
  - The PC/C will promptly review the reasons provided by the DC/AC. If the PC/C is convinced that initiating recovery before the 3 months is in the interest of revenue, they must document the justification in writing.
  - The written justification should specify why the taxable person is required to pay the dues within a period shorter than 3 months.
3. Issuance of Directions:
  - After recording the reasons, the PC/C may direct the concerned taxable person to pay the specified amount within the newly defined period.
  - A copy of these directions should be sent to the DC/AC.

These measures are designed to ensure that expedited recovery actions are justified, documented, and approved at the highest levels, ensuring transparency and accountability in the process.



In exceptional circumstances where early recovery of dues is necessary, the following steps should be meticulously followed:

**1. Provision of Specific Reasons by PC/C:**

- The Principal Commissioner (PC) or Commissioner (C) must clearly outline the reasons for requiring early payment of dues from the taxable person. These reasons should detail the circumstances prompting such action.
- Potential reasons may include:
  - High risk to revenue if the 3-month period is observed, such as apprehensions that the taxable person may soon cease business operations.
  - Likely default on dues due to the taxable person's deteriorating financial conditions or impending insolvency.
  - Anticipation of proceedings under the Insolvency and Bankruptcy Code.
- Such reasons must be based on credible evidence, which should be documented and kept on record whenever possible.

**2. Issuing Directions with Consideration:**

- When issuing directions for early payment, the proper officer must carefully consider the taxable person's financial health, status of business operations, infrastructure, and credibility.
- It is essential to balance safeguarding revenue interests with maintaining ease of doing business. Directions should not be issued mechanically but only in cases where specific apprehensions justify the need to protect revenue interests.

**3. Procedure Following Issuance of Directions:**

- If directions are issued under the proviso to Section 78 of the CGST Act and the taxable person fails to make the payment within the specified period, the DC/AC shall proceed with recovery actions under Section 79(1) of the CGST Act.

These measures ensure that expedited recovery actions are justified, well-documented, and issued with due consideration to both the revenue interests and the business environment, ensuring fairness and accountability in the process.

**The High Court has affirmed the validity of GST notifications that extend the time limit for passing orders for the financial year 2017-18. FACTS**

**Facts**

The Kerala High Court (HC) has issued a judgment upholding the validity of GST notifications that extend the timelines for passing orders under Section 73 of the Central Goods and Services Tax Act, 2017 (CGST Act) for the financial year 2017-18.

According to the petitioner, the extension of the time limit can only be notified under Section 168A of the CGST Act when actions cannot be completed due to force majeure. The challenged notifications do not specify any force majeure event affecting the passing of orders within the time stipulated by the CGST Act.

**Rulings**

The GST Council, during its 47th meeting, acknowledged the impact of the COVID-19 pandemic and endorsed the recommendation of the Law Committee. The discretion to determine the duration of the extension, considering the pandemic, lies with the Executive, which acted upon the suggestion of the GST Council. The government is fully authorized to prolong the limitation for concluding proceedings and taking action under Section 73 by issuing a notification under Section 168A in the event of force majeure. COVID-19 constituted a force majeure event, and after considering various factors, the time limit was extended accordingly.



The High Court held that the impugned notifications, which extend the time limit for passing orders under Section 73 for the financial year 2017-18, do not contravene the provisions of Section 168A of the CGST Act.

**The Punjab and Haryana High Court has temporarily halted the implementation of a circular that clarifies the taxability of corporate guarantees.**

This Alert highlights a recent interim decree from the Punjab & Haryana High Court (HC), halting the enforcement and effects of a Circular regarding the tax treatment of corporate guarantees.

In the Circular, the Central Board of Indirect Taxes and Customs (CBIC) clarified that providing corporate guarantees by an entity to banks or financial institutions for extending credit facilities to other related entities, even without any consideration, constitutes a service supply between related parties under Schedule I of the Central Goods and Services Tax Act, 2017 (CGST Act). Moreover, it specified that following the incorporation of Rule 28(2) into the Central Goods and Services Tax Rules, 2017 (CGST Rules), such services must be valued according to Rule 28(2).

An assessee filed a writ petition before the HC, arguing that the Circular seeks to usurp the adjudicatory powers of the Assessing Authority and the Appellate Authority by clarifying provisions akin to adjudication, invoking a Supreme Court precedent in support.

The HC suspended the enforcement and effects of the Circular concerning the aforementioned clarification and directed the Appellate Authority to adjudicate the case of the assessee without being influenced by said clarification.



# Internal Audit



# **Elevating Integrity: The Vital Role of Internal Audit in Governance and Ethics**

In today's complex business environment, maintaining transparency, strong governance and ethical practices is no longer a luxury – it's a necessity. In the world of business rules, where tough moral questions pop up all the time, internal audit is like a trustworthy guide playing a crucial role in safeguarding of assets, integrity and fostering a culture of ethical behaviour within organizations. With rules and standards changing all the time and tricky ethical problems to solve, internal audit is more important than ever.

## **Introduction:**

Picture this: a world where honesty is currency, and integrity is king. In this utopian vision of corporate nirvana, internal audit reigns supreme as the custodian of righteousness, the defender of decency, and the champion of all things ethical. But alas, we live in the real world, where the battle between good and evil rages on, and the role of internal audit in strengthening governance and ethics has never been more vital.

Internal auditors act as independent watchdogs, safeguarding an organization's ethical compass. They objectively assess controls, identify risks, and ensure adherence to internal as well as external regulations. This independent scrutiny helps prevent fraud, misconduct, and costly mistakes, ultimately protecting the organization's reputation and stakeholders' trust.

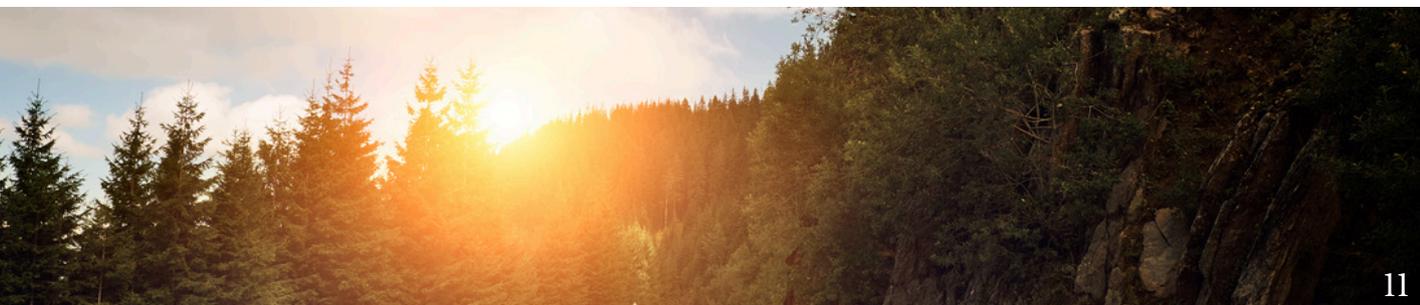
## **Upholding Credibility and Trust**

Internal audit has undergone a transformation from its traditional role as a compliance-driven function to becoming a strategic partner in governance and ethics. It no longer confines itself to ensuring regulatory compliance alone; rather, it adopts a holistic approach encompassing risk management, control assessment, and ethical oversight. By delving deep into organizational processes, systems, and behaviours, internal audit identifies potential risks and vulnerabilities that may compromise integrity. This proactive approach enables the implementation of pre-emptive measures to mitigate risks, thereby fortifying the organization's defences against ethical lapses and safeguarding its credibility and trustworthiness in the eyes of stakeholders.

## **Risk-based Approach**

Beyond financial matters, internal audit also delves into operational practices, human resources, and IT systems. This holistic approach sheds light on potential vulnerabilities that could expose the organization to ethical lapses or legal issues.

The risk-based approach in internal audit is a methodology that prioritizes the allocation of audit resources based on the identification and assessment of risks faced by an organization. Rather than adopting a one-size-fits-all approach, where every aspect of the organization is audited equally, this approach focuses on areas that pose the greatest risks to achieving organizational objectives. By focusing on areas of highest impact, internal auditors help organizations enhance their risk management practices, strengthen internal controls, and ultimately achieve their strategic objectives in a more efficient and effective manner.



## **Cultivating a Culture of Integrity**

Internal audit serves as a catalyst for continuous improvement. Through regular assessments and evaluations, it identifies areas for enhancement in governance structures, policies, and procedures. By recommending corrective actions and best practices, internal audit facilitates organizational learning and adaptation, thereby strengthening the foundation of ethical conduct.

It serves as a powerful deterrent for employees within organizations to prevent fraud, mismanagement, and other unethical behaviour by providing oversight and monitoring, assessing risks and controls, detecting fraudulent activities, promoting an ethical culture, ensuring compliance, and holding individuals accountable for their actions.

## **Safeguarding Assets and Reputation**

In addition to its assurance and improvement roles, internal audit acts as a guardian of organizational values. By promoting ethical awareness and accountability, internal audit instils a culture of integrity across all levels of the organization. Through training programs, ethical guidelines, and behavioural assessments, internal audit cultivates a workforce committed to upholding ethical standards in their daily operations.

## **Conclusion**

In today's interconnected and dynamic business environment, the importance of internal audit in governance and ethics cannot be overstated.

To maximize the effectiveness of internal audit in promoting governance and ethics, organizations must empower it with adequate resources, autonomy, and support from senior management. By investing in robust internal audit functions, organizations demonstrate their commitment to integrity and accountability, thereby fostering trust among stakeholders and enhancing their long-term sustainability.

In conclusion, internal audit stands as a linchpin in the fabric of governance and ethics within organizations. Its multifaceted role in providing assurance, driving improvement, promoting values, and combating fraud makes it indispensable in upholding integrity and fostering ethical conduct. As organizations strive to navigate the complexities of the modern business landscape, internal audit emerges as a steadfast ally, dedicated to elevating integrity to its rightful place at the heart of corporate governance.



# Corporate Finance



## Google To Invest \$350 Mn In Flipkart At \$37 Bn Valuation

Alphabet's Google will pick up a minority stake worth \$350 million in Walmart-backed Flipkart, valuing the Indian e-commerce firm at \$37 billion. The tech giant will join in as an investor in the latest funding round for the Bengaluru-based company. The round will be led by Walmart, Flipkart's biggest shareholder and will make Google a minority investor, subject to approvals. Flipkart has been a source of IPO speculation since Walmart took over the company, which competes with Amazon in India.

(Source: VC Circle, 24th May 2024)

## Private Equity

### Samena Capital Leads \$158 Mn Funding Round In U Gro Capital

Listed non-banking lender U Gro Capital Pvt Ltd has raised \$158.3 Million (around INR 1,322 crore) of fresh capital from existing and new institutional investors and family offices. It raised the funds through a mix of compulsorily convertible debentures and warrants. Samena Capital led the exercise with infusion of INR 500 crore through warrants.

(Source: VC Circle, 2nd May 2024)

### CapitaLand Inks Pact To Acquire IT Park Assets In Hyderabad

The Singapore-based real estate investor is set to acquire about 2.5 million square feet of IT buildings in Hyderabad's HITEC City, a major IT and office hub which counts some large multinational companies as its tenants. CapitaLand will invest \$25.77 million (around INR 215 crore). Proceeds will be used to refinance existing loan.

(Source: VC Circle, 3rd May 2024)

### KKR Signs Deal To Acquire Healthium From Apax Partners

US private equity giant KKR has signed an agreement to acquire Bengaluru-based medical device maker Healthium Medtech Ltd from UK-based private equity Apax Partners. Acquisition will be facilitated through a special purpose vehicles owned by KKR-managed funds. Financial details of the transaction have not been disclosed.

(Source: VC Circle, 6th May 2024)

### Quadria Capital To Invest \$102 Mn In India's Leading Dialysis Chain

Healthcare focused private equity firm Quadria Capital has signed an agreement to acquire a significant minority stake in India's largest dialysis services provider, NephroPlus. Nephrocare Health Services Pvt Ltd will receive an investment of \$102 million (around INR 850 crore), valuing the company at around INR 2000 crore.

(Source: VC Circle, 6th May 2024)

### Jungle Ventures Leads \$20 Mn Series B Round In RED.Health

Medical emergency response platform RED.Health, which claims to dispatch ambulances within eight minutes, has raised \$20 million (around INR 167 crore) in its Series B funding round led by venture capital firm Jungle Ventures. Round also saw participation from existing and new investors including HealthQuad, HealthX and Alteria Capital.

(Source: VC Circle, 15th May 2024)



## Venture Capital

### Confectionary Brand Go Desi Secures Series B Funding

Bengaluru-base Go Desi has raised \$4.9 million (around INR 41 crore) in a Series B funding round, led by impact investor Aavishkar Capital. Round also saw participation from existing investors Rukam Capital, Roots Ventures and DSG Consumer.

(Source: VC Circle, 2nd May 2024)

### Japan's Eneos Leads Zypp Electric's Series C Funding

Electric vehicle delivery app Zypp Electric has raised \$15 million (around INR 124.6 crore) as part of its Series C funding round, led by Japanese investor Eneos. The round also saw participation from existing investors, including 9unicorns, IAN fund, Venture Catalysts, and We Founder Circle. The funding is part of its ongoing \$50-million Series C round that is split into \$40 million in equity and \$10 million in debt.

(Source: VC Circle, 27th May 2024)

### Parseable Raises Early Stage Funding

Bengaluru-based analytics platform Parseable has raised \$2.75 million (around INR 23 crore) in a seed funding round led by Peak XV Partners' early stage accelerator program surge. Round also saw participation from NP-Hard Ventures.

(Source: VC Circle, 6th May 2024)

### Cold-Chain Marketplace Celcius Logistics Snags \$5 Mn In Pre-Series B

Celcius Logistics, a domestic aggregator providing end-to-end cold-chain solutions has raised \$4.8 million (around INR 40 crore) in its pre-Series B funding round led by existing investor Ivy Cap Ventures. Other investors participating in the funding round included Mumbai Angels and Caret Capital.

(Source: VC Circle, 14th May 2024)

### Niqo Robotics Snags \$13 Mn In Series B Round

Agriculture robotics startup Niqo Robotics has raised \$13 million (around INR 109 crore) in its Series B funding round that was led by Bidra Innovation Ventures. The round also saw investments from new investor Fulcrum Global Capital and existing investor Omnivore. This funding round brings Niqo's total fundraising to \$21 million.

(Source: VC Circle, 15th May 2024)

## Mergers & Acquisitions

### Bayer Acquires Remaining Stake In JV With Zydus Lifesciences

Germany's Bayer Pharmaceuticals Pvt. Ltd has acquired the 25% stake it didn't already own in its joint venture with Ahmedabad-based Zydus Lifesciences Ltd for \$33.8 million (around INR 282.2 crore). Bayer and Zydus, formerly Cadila Healthcare, formed Bayer Zydus Pharma Pvt. Ltd in 2011 as a 50:50 JV for sale and marketing of pharmaceutical products in India. Bayer bought a 25% stake in the JV in April 2018, increasing its ownership interest to 75%. It has now taken full ownership as per pre-agreed JV terms.

(Source: VC Circle, 1st May 2024)



## **Firstsource Solutions To Acquire Medical Billing Firm QBSS**

Firstsource Solutions Ltd, has entered into an agreement to acquire a 100% stake in Quintessence Business Solutions & Services (QBSS), a medical billing and coding services company. Firstsource Solutions will acquire 100% stake in QBSS for \$39.2 million (around INR 327.8 crore) from Anitha Balasubramanian, N S Ragnathan, TS Giridharan and R Nirmal Kumar.

(Source: VC Circle, 3th May 2024)

## **Happiest Minds Technologies To Acquire US Firm Aureus**

Indian IT services firm Happiest Minds Technologies Ltd has signed an agreement to acquire a 100% stake in the US- based digital product engineering firm Aureus Tech Systems, LLC. The deal is expected to be finalized by the end of June this year, with Happiest Minds paying an upfront cash consideration of \$8.5 million (around INR 72.3 crore).

(Source: VC Circle, 9th May 2024)

## **ACT Fibernet Invests In Aprecomm**

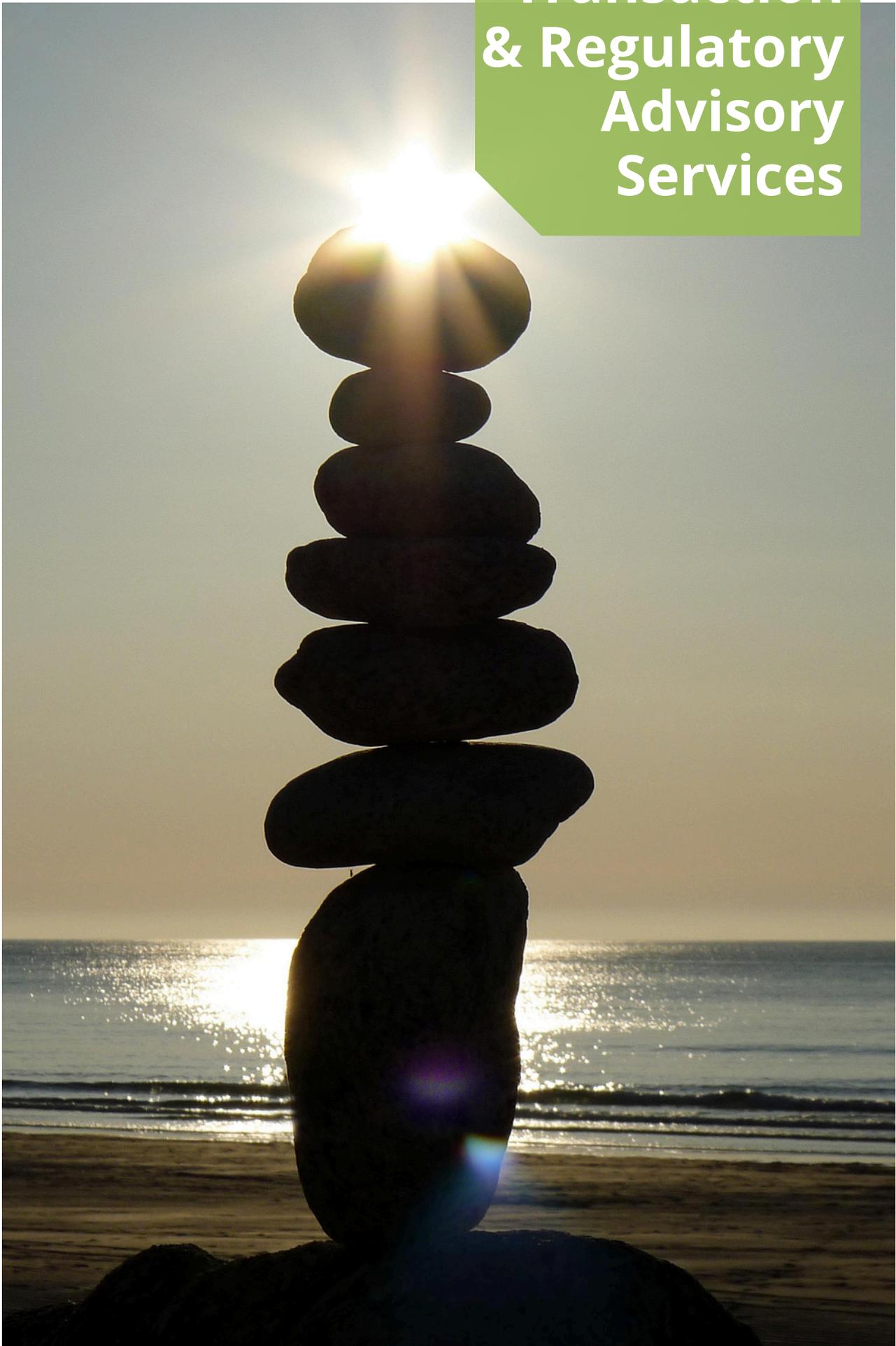
ACT Fibernet, broadband and internet service provider-backed by private equity firms such as True North and TA Associates, has invested an undisclosed amount in network intelligence solution provider Aprecomm in a bid to improve its offerings.

The Bengaluru-based telecom company plans to integrate Aprecomm's technology into its Wi-Fi products, which will help provide real-time network visibility into Wi-Fi performance, thereby allowing quick resolution of problems in last-mile connectivity.

(Source: VC Circle, 31th May 2024)



# Transaction & Regulatory Advisory Services



In this edition we have tried to bring to your notice the latest amendment that followed in the month of May, 2024 issued by MCA, RBI and SEBI.

## **MCA Updates**

### **MCA tightens scrutiny of beneficial ownership norms for foreign-owned companies**

The Ministry of Corporate Affairs has tightened its scrutiny of beneficial ownership standards for companies owned and controlled by foreign investors, which legal experts said could have consequences for compliance practices. The Registrar of Companies (RoC) recently issued notices to several foreign owned and controlled companies, including LinkedIn, for alleged violation of beneficial ownership disclosure norms, said two people with knowledge of the matter.

To read more:

[MCA tightens scrutiny of beneficial ownership norms for foreign-owned companies \(moneycontrol.com\)](https://moneycontrol.com)

## **RBI Updates**

### **Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2024**

RBI vide its Notification has decided to regularize the issuances of partly paid units by Alternative Investment Funds to persons resident outside India prior to the said amendment through compounding under Foreign Exchange Management Act, 1999. However, before approaching the RBI for compounding, AD Category-I banks may ensure that the necessary administrative action, including the reporting of such issuances by Alternative Investment Funds to the RBI, through Foreign Investment Reporting and Management System (FIRMS) Portal and issuing of conditional acknowledgements for such reporting is completed.

To read more:

<http://www.rbi.org/>

## **SEBI Updates**

### **Master Circular for Alternative Investment Funds (AIFs)**

The SEBI has issued a Master Circular dated May 07, 2024 related to Alternative Investment Funds (AIFs). The provisions of all circulars issued until March 31, 2024 regarding AIFs have been incorporated in this Master Circular, which supersedes the Master Circular for AIFs dated July 31, 2023.

To read more:

[https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-alternative-investment-funds-aifs\\_83229.html](https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-alternative-investment-funds-aifs_83229.html)

### **Master Circular for Registrars to an Issue and Share Transfer Agents**

The SEBI has issued a Master Circular dated May 07, 2024 related to Registrars to an Issue and Share Transfer Agents in order to enable the users to have access to the applicable circulars at one place. This Master Circular consolidates various directives previously issued to RTAs by SEBI. It supersedes the previous Master Circular for RTAs dated May 17, 2023, and subsequent circulars on the subject.

To read more:

[https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-registrars-to-an-issue-and-share-transfer-agents\\_83226.html](https://www.sebi.gov.in/legal/master-circulars/may-2024/master-circular-for-registrars-to-an-issue-and-share-transfer-agents_83226.html)

# UK Tax Update Report



## **UK Economy Demonstrates Resilience in Q1 2024**

The economic landscape of the United Kingdom exhibited notable strength during the initial quarter of 2024, surpassing expectations with a 0.6% increase in GDP. This achievement exceeded earlier projections and outpaced growth rates observed in both the United States and key eurozone nations. While sectors like manufacturing and services experienced significant expansion, challenges persisted, particularly in construction, which witnessed a decline in output for two consecutive quarters. Despite these obstacles, signs of progress in business investment suggest potential enhancements to productivity in the future.

### **Inflation Moderates, Yet Remains a Worry**

Inflation, a consistent concern for households and policymakers alike, displayed early indications of easing in April, primarily due to declines in energy prices. However, core and services inflation rates remained stubbornly elevated, posing ongoing challenges, especially for lower-income households. The anticipated rise in interest rates is expected to further strain household budgets, particularly impacting mortgages and higher-income brackets.

### **Monetary Policy Perspectives**

The decision by the Monetary Policy Committee to maintain the Bank Rate at 5.25% in May was accompanied by forecasts indicating a modest improvement in GDP growth for 2024. While the impact of the energy price shock is anticipated to diminish, the consequences of higher interest rates may temper overall demand. Geopolitical tensions, particularly in the Middle East, and uncertainties surrounding the Chinese economy add further complexity to the economic landscape.

### **Household Spending Trends**

Retail sales exhibited fluctuations during the first quarter, reflecting broader economic trends and consumer sentiment. While essential spending remained relatively stable, a resurgence in travel expenditure was observed as international holiday activities resumed. Conversely, spending on household goods remained subdued amidst sluggishness in the housing market.

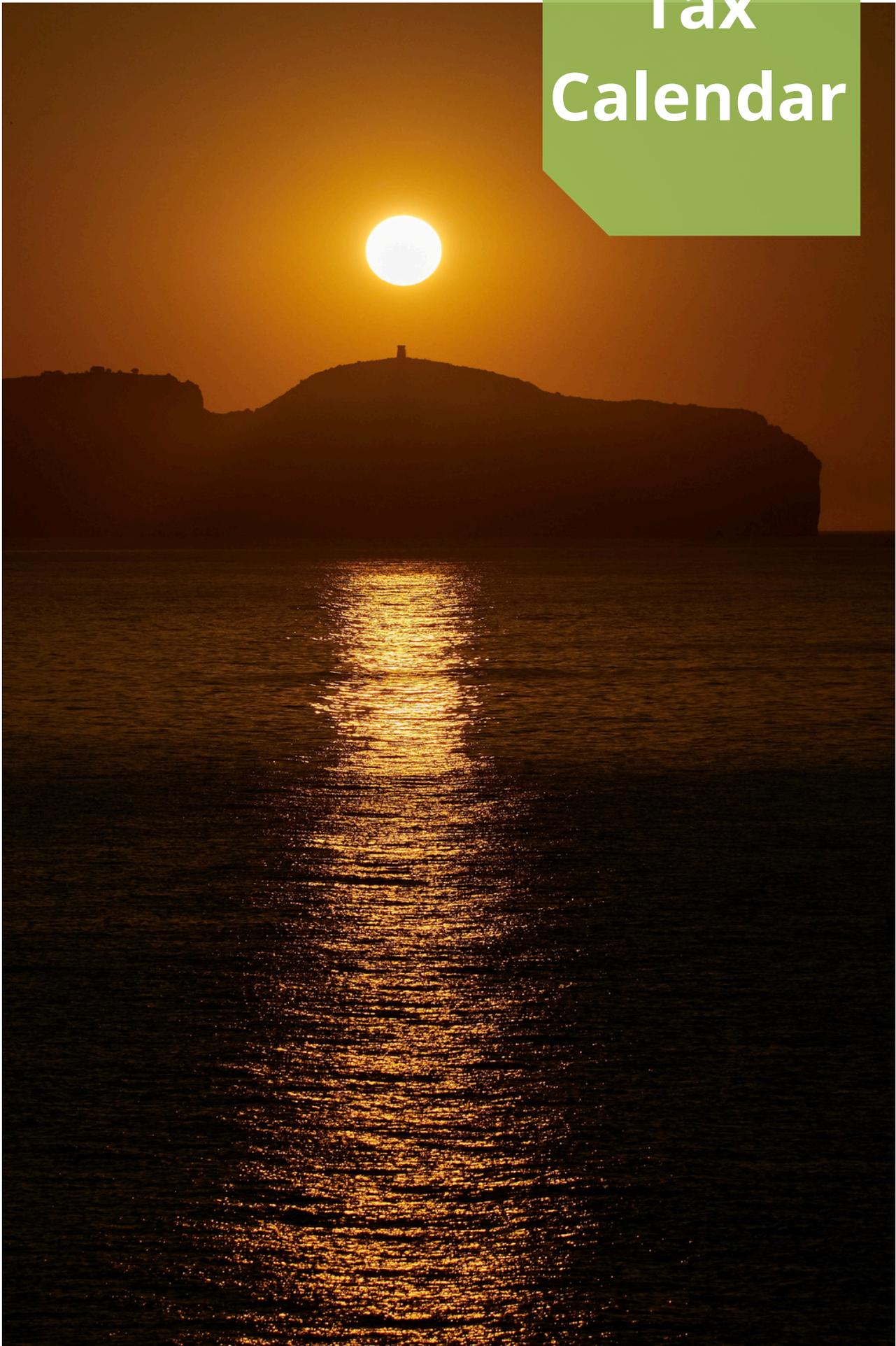
### **General Election Dynamics**

With the general election scheduled for July 4th, political campaigning is gaining momentum, albeit without significant public engagement thus far. UK Finance has outlined key policy expectations from the main parties to bolster economic recovery. Nevertheless, interest in the election remains relatively subdued compared to other events, such as the impending Euros tournament.

### **Conclusion**

The UK economy's resilience in the first quarter of 2024 is commendable, demonstrating notable growth in pivotal sectors. However, persistent challenges, particularly surrounding inflation and household spending, underscore the need for prudent policymaking. As the general election approaches, there is a pressing need to shape economic policies that foster sustainable growth and stability, navigating uncertainties with agility and foresight while ensuring originality in content presentation.

# Tax Calendar



# June 2024 - Tax Calendar

<b>7TH JUNE</b>	Due date for deposit of Tax deducted/collected for the month of May, 2024.
<b>14TH JUNE</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 April, 2024
<b>15TH JUNE</b>	Quarterly TDS certificates (in respect of tax deducted for payments other than salary) for the quarter ending March, 2024
<b>15TH JUNE</b>	Certificate of tax deducted at source to employees in respect of salary paid and tax deducted during Financial Year 2023-24
<b>15TH JUNE</b>	Furnishing of statement (in Form No. 64D) of income paid or credited by an investment fund to its unit holder for the previous year 2023-24
<b>29TH JUNE</b>	Due date for e-filing of a statement (in Form No. 3CEK) by an eligible investment fund under <u>section 9A</u> in respect of its activities in financial year 2023-24
<b>30TH JUNE</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 May, 2024
<b>30TH JUNE</b>	Return in respect of securities transaction tax for the financial year 2023-24
<b>30TH JUNE</b>	Statement to be furnished (in Form No. 64C) by Alternative Investment Fund (AIF) to units holders in respect of income distributed during the previous year 2023-24
<b>30TH JUNE</b>	Report by an approved institution/public sector company under <u>section 35AC(4)/(5)</u> for the year ending March 31, 2024
<b>30TH JUNE</b>	Due date for furnishing of statement of income distributed by business trust to its unit holders during the financial year 2023-24. This statement is required to be furnished to the unit holders in form No. 64B
<b>30TH JUNE</b>	Furnishing of Equalisation Levy statement for the Financial Year 2023-24



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