

NYCA's

The ReCap

A news to clear your doubts

A Monthly E-Newsletter

May, 2024 / Vol 13



For use by clients and firm personnel only

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KEY METRICS



Indices

BSE SENSEX	74,483	01.12%	
NSE NIFTY50	22,605	01.24%	
NASDAQ Composite	15,658	04.40%	

Currency

USD/INR	83.45	0.10%	
EURO/INR	89.05	0.92%	
GBP/INR	104.23	1.02%	



Note: The month-on-month movement as on April 30, 2024 is represented in percentages Source: Yahoo Finance, Investing.com

COMPLIANCE ALERT

May, 2024

7th May - Income Tax

Due date for deposit of Tax deducted/collected for the month of April, 2024. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan

10th May - GST

GSTR-7 : Summary of Tax Deducted at Source (TDS) and deposited under GST laws for the month of April, 2024

11th May - GST

GSTR-1 : Summary of outward supplies where turnover exceeds Rs.5 crore or have not chosen the QRMP scheme for the quarter of Apr - Jun, 24

13th May - GST

GSTR- 5 : Summary of outward taxable supplies and tax payable by a non-resident taxable person

13th May - GST

GSTR-6 : GSTR 6 is a monthly return for Input Service Distributors (ISD) to provide the details of their inward supplies & distributed Input Tax Credit (ITC).

15th May - Income Tax

Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of March, 2024

15th May - ESIC & PF

PF deducted from the Employees salary in the month of April, 24, needs to be paid on or before 15th of May, 2024 The payment of ESIC is made by every employer to the ESIC department on a monthly basis. The due date for ESIC is 15th May, 2024

15th May - Income Tax

Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of April, 2024 has been paid without the production of a challan

15th May - Income Tax

Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes have been modified after registering in the system for the month of April, 2024

20th May - GST

GSTR- 3B : Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not chosen the QRMP scheme for the quarter of Apr - Jun, 24

20th May - GST

GSTR- 5A : Summary of outward taxable supplies and tax payable by a person supplying OIDAR services

25th May - GST

PMT-06 : PMT-06 is a challan used for making payment of tax, interest, late fee and penalty under the GST law by taxpayers who have opted for the quarterly filing of GSTR-3B under the QRMP scheme

30th May - MCA

Form LLP 11 : Form LLP 11 is an Annual Return of an LLP that needs to be filed within the period of 60 days from the end of a Financial Year.

31st May - Income Tax

TDS Return : Quarterly statement of TDS deposited for the quarter ending March 31, 2024

Direct Tax

Notifications/Circulars

No liability to deduct/collect tax at higher rates if payee links PAN-Aadhaar by May 31, 2024: CBDT

To address grievances faced by deductors/collectors, the CBDT has specified that for the transactions entered into up to 31.03.2024 and in cases where the PAN becomes operative (as a result of linkage with Aadhaar) on or before 31.05.2024, there shall be no liability on the deductor/collector to deduct/collect the tax at higher rates specified under section 206AA/206CC.

[CIRCULAR NO. 6/2024](#)



CBDT notified changes in jurisdiction of certain assessment and verification units

The CBDT vide Notification No. 39/2024 dated April 22, 2024 has amended its earlier notification (S.O.2692 (E), dated June 10, 2022) to restructure and specify the hierarchy within the income tax department. Changes include renaming schedules, reassigning the Principal Chief Commissioners and Principal Commissioners to various units and schedules across

India, including Tamil Nadu, Andhra Pradesh, West Bengal, Pune, and more. New positions and units are outlined in the First Schedule and a Second Schedule is introduced, detailing the hierarchy. This amendment is effective immediately.

[Notification No. 39/2024 dated April 22, 2024](#)

CBDT extends due date of filing Form 10A/10AB till June 30, 2024

The Central Board of Direct Taxes (CBDT) has extended the due date of filing Form 10AB and Form 10A till 30-06-2024. Such extension shall also be available with respect to applications that are pending or rejected by CIT on account of the fact that the same was furnished after the due date.

[Circular No. 07/2024 dated 25.04.2024](#)

CBDT issues clarification on time limit to verify Income-tax Returns

The Central Board of Direct Taxes (CBDT) 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.

[NOTIFICATION NO. 2 OF 2024](#)

CBDT signs record number of 125 advance pricing agreements in FY 2023-24

In FY 2023-24, CBDT signed a record 125 APAs with Indian taxpayers, including 86 UAPAs and 39 BAPAs, marking a 31% increase

from the previous year. The total tally of APAs since inception is now 641, with 506 UAPAs and 135 BAPAs. This fiscal year also saw the highest number of BAPAs signed to date, facilitated by Mutual Agreements with treaty partners like Australia, Canada, Denmark, Japan, Singapore, the UK, and the US.

[Press Release Dated 16 April, 2024](#)



CBDT issues corrigendum to notification on time limit to verify Income-tax Returns

The CBDT issues a corrigendum to the notification issued on the time limit to verify Income-tax returns. Para 5 of the notification is amended to provide that ITR shall be deemed invalid if it isn't verified within 30 days of uploading or by the due date as per the Income-tax Act, 1961, whichever is later.

[CORRIGENDUM Dated 4 April, 2024](#)

Judicial Rulings

HC remanded matter back to consider assessee's claim for lower TDS as revenue rejected it without application of mind

Where clause 5(ii) of Circular No.6 of 2023, dated 24-5-2023 failed to extend due date for making an application for approval to new trusts under clause (iii) of first proviso to sub-section 5 of section 80G, without any basis for discrimination, it was arbitrary and violative of article 14 of Constitution of India and accordingly, would be ultra vires the Constitution.

[\[2024\] 161 taxmann.com 209 \(Madras\) \[02-04-2024\]](#)

Delay in filing revision to be condoned if denial of deduction was due to inadvertence of CA: HC

Where assessee's revision petition under section 264 was dismissed on ground that assessee had not applied for revision within limitation time prescribed and there was delay of more than two years, Legislature had conferred power on Principal Commissioner to condone delay under section 119 to enable authorities to do substantive justice to parties by disposing matter on merits.

[\[2024\] 161 taxmann.com 383 \(Bombay\) \[08-04-2024\]](#)

Filing Appeal Shortly Before Section 153C Assessment deadline Unjustified: HC

Section 153C of the Income Tax Act allows the assessment of undisclosed income from seized documents of one person by the Assessing Officer of another. Delays in assessments between searched and non-searched

persons prompted a 2005 proviso, retroactively linking assessment initiation to document receipt. Recent rulings confirm assessment years start from the date of document receipt, streamlining the process for non-searched individuals.

[\[2024\] 161 taxmann.com 160 \(Delhi\)\[03-04-2024\]](#)

Interest on enhanced compensation received for acquisition of land is taxable as income from other sources: Delhi High Court

The Delhi High Court decided that interest received on compensation or enhanced compensation is taxable under "Income from other sources," overturning the Income Tax Appellate Tribunal's ruling. The case involved Inderjit Singh Sodhi (HUF), whose interest income was disputed under the Income Tax Act. The court upheld the Assessing Officer and Commissioner of Income Tax (Appeals)'s decision, emphasizing that the 2010 amendment to the Act changed the taxability of such interest, affirming it as taxable income.

[\[2024\] 161 taxmann.com 301 \(Delhi\)\[08-04-2024\]](#)

CBDT's circular not extending time for filing application for Sec. 80G approval for new trust is arbitrary: HC

The failure to extend the due date for submitting applications for approval to new trusts, as specified in Clause 5(ii) of Circular No.6 of 2023 dated 24-5-2023, in accordance with Clause (iii) of the first proviso to sub-section 5 of Section 80G, without reasonable grounds for differentiation,



constitutes arbitrariness and violates Article 14 of the Constitution of India. Consequently, it would be unconstitutional and beyond the scope of authority granted by the Constitution.

[\[2024\] 161 taxmann.com 209 \(Madras\) \[02-04-2024\]](#)

Sec. 153C proceedings can be initiated only if seized material is likely to have bearing on determination of income

In a case challenging notices issued under section 153C of the Income Tax Act, the High Court clarified that the Assessing Officer can initiate assessments for a block of six assessment years if satisfied that seized material affects the assessee's total income. However, assessments should only cover years influenced by the seized material, and automatic assessment for the entire block is not justified. Various case precedents were cited to support this interpretation.

[\[2024\] 161 taxmann.com 485 \(Delhi\)\[09-04-2024\]](#)

Indirect Tax

Notifications/Circulars/Case Laws

CBIC notifies Nil Interest Rate for Late GSTR-3B Filings for specified taxpayers

Notification No. 07/2024, issued by the Ministry of Finance, grants a 'Nil' interest rate for registered persons who faced technical glitches while filing their GST returns (FORM GSTR-3B) due to portal issues. Eligible individuals are identified by their GSTINs and must have had sufficient funds in their ledgers or deposited the required amount via challan. The notification covers non-filing months from June 2017 to October 2018, aiming to provide clarity on eligibility. This initiative acknowledges challenges beyond taxpayers' control and reflects the government's commitment to facilitating GST compliance while addressing technical hurdles. It signifies a proactive approach to enhance ease of compliance and minimize hardships for affected taxpayers.

[CIRCULAR NO. 6/2024](#)

CBIC Extends Implementation Timeline for Central Tax Notification No. 04/2024-CT

The Central Board of Indirect Taxes and Customs (CBIC) has extended the deadline for implementing Notification No. 04/2024-Central Tax, issued on January 5, 2024, from April 1, 2024, to May 15, 2024. Earlier, Vide Notification No. 04/2024-Central Tax dated 05.01.2024, the CBIC has notified the special procedure to be followed by a registered person

engaged in manufacturing of the goods. The procedure prescribes the Details of Packing Machines, Special Monthly Statement, Certificate of Chartered Engineer, Details of the machines, Details of the intimation of the machines furnished to other departments, Disposal of the packing machines, Product details, Details of the Documents uploaded.

[Notification No. 08/2024 dated 10th April, 2024](#)



HC set aside confiscation order since calculation of stock on basis of an estimate was without any basis in law

Where stock was not weighed or counted, specifically when same could have very well been done in premises of assessee, calculation of stock by appellate authority on basis of an estimate was without any basis in law, thus, entire procedure followed by authorities indicates not only a lackadaisical approach but also showcases incompetence and inefficiency of authorities, therefore order related

to confiscation and penalty related to additional stock was to be set aside.

[\[2024\] 161 taxmann.com 414 \(Allahabad\) \[12-04-2024\]](#)

GST refund can't be denied merely because of non-compatibility of data between Customs and GST Department: HC

For period July 2017 to December, 2018, assessee had exported goods on consignment/exhibition basis and paid IGST on exported goods; since assessee had complied with relevant provisions, assessee at relevant time, on presentation of shipping bills in regard to confirmed sales, was entitled to refund of IGST amounts paid on goods in question; conflicting stands taken by different authorities denying refund of IGST were unjustified.

[\[2024\] 161 taxmann.com 313 \(Bombay\) \[08-04-2024\]](#)

Application for cancellation of GST registration can't be rejected merely on ground of pendency of DRC-01 proceedings: HC

The rejection of an application seeking the cancellation of GST registration due to pending DRC-01 proceedings implies that the registration stands cancelled from the date the cancellation was originally requested. The DRC-01 proceedings are considered separate from the cancellation process and can proceed even after the cancellation of GST registration.

[\[2024\] 161 taxmann.com 468 \(Delhi\)\[05-04-2024\]](#)

Judicial Rulings

Waiver of loan amount to cessation of liability other than trading liability; Sec. 41(1) not applicable: HC

Where assessee filed belated return for assessment years 1991-92, 1992-93 and 1993-94 disclosing loss on account of accrued bank interest and AO disallowed carry forward of said loss, thereafter in relevant assessment year, AO made additions under section 41(1) on account of waiver of interest on bank loan.

[\[2024\] 161 taxmann.com 415 \(Calcutta\) \[01-04-2024\]](#)

AO must record his dissatisfaction with correctness of claim of assessee before invoking Rule 8D: HC

If the Assessing Officer did not provide reasoning for his dissatisfaction regarding the assessee's claim concerning expenses related to exempt income such as dividends and long-term capital gains, the disallowance imposed under Section 14A through the application of Rule 8D should be nullified.

[\[2024\] 161 taxmann.com 557 \(Bombay\) \[03-04-2024\]](#)

HC disposed of petition by directing dept. to restore GST number after depositing tax & penalty along with interest

Where show cause notice was issued to assessee which was not responded to by him consequently leading to cancellation of registration, assessee expressed willingness to deposit taxes,

penalty, and interest in accordance with GST Act, 2017, provided his GST number was restored and in absence of objections from revenue.

[\[2024\] 161 taxmann.com 244 \(Jammu & Kashmir and Ladakh\)\[01-04-2024\]](#)

Exp. incurred for researching and printing literature regarding products and its related uses/effects is allowable

In instances where no incriminating material was unearthed during a search conducted under section 132, any additional assessments carried out by the Assessing Officer in cases of completed assessments or unabated assessments are deemed unsustainable under the provisions of section 153A.

[\[2024\] 161 taxmann.com 511 \(Mumbai - Trib.\)\[08-04-2024\]](#)



SLP dismissed against HC's ruling that payment made for resale/use of computer software didn't amount to royalty

SLP dismissed against order of High Court that where payments were made by Indian company to non-resident-company which was computer software manufacturer/

supplier for resale/use of computer software through/distribution agreements, said payment did not amount to royalty for use of copyright in computer software, and same did not give rise to any income taxable in India.

[\[2024\] 161 taxmann.com 510 \(SC\)\[01-04-2024\]](#)



Amendment providing that no application can be filed before SetCom after 31-01-2021 is prospective in nature: HC

On 18-3-2021, the petitioner submitted an application to the Settlement Commission under Section 245C. However, the petitioner subsequently received a notice from the ACIT stating that a valid application had not been filed before the Settlement Commission, as per the provisions of the Finance Act, 2021. This amendment introduced subsection 5 to Section 245C, stipulating that no applications could be made under this section on or after February 1, 2021.

[\[2024\] 161 taxmann.com 166 \(Bombay\) \[02-04-2024\]](#)

Corporate & Allied Laws

Notifications / Circulars

SEBI introduces a standard reporting format of 'Private Placement Memorandum audit report' for AIFs

SEBI has introduced a standard reporting format for alternative investment funds (AIF) in the Private Placement Memorandum (PPM) audit report. This is to ensure uniform compliance standards and facilitate ease of compliance. The reporting format has been prepared in consultation with the pilot Standard Setting Forum for AIFs (SFA). It shall be hosted on the websites of the AIF Associations which are part of SFA within 2 working days of issuance of this circular.

CIRCULAR NO. SEBI/HO/AFD/SEC-1/P/CIR/2024/22

SEBI amends Alternative Investment Funds Regulations, 2012; introduces a new regulation w.r.t 'dissolution period'

SEBI has notified the SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2024. As per the amended norms, a new regulation 29B relating to the dissolution period has been inserted. It states that a scheme of an Alternative Investment Fund may enter into a dissolution period in the manner and subject to the conditions specified by the Board. Further, SEBI has introduced definitions of 'dissolution period' and 'encumbrance' under Regulation 2 of existing regulations.

NOTIFICATION NO. SEBI/LAD-NRO/GN/2024/168

SEBI relaxes the requirement of publishing 'fit and proper' text on contract notes to enhance ease of doing business

SEBI received representations from market participants via Industry Standards Forum (ISF) to relax the requirement under Chapter 6 at Para 2.4.2.2.2 of the Master Circular dated 16.10.2023, of publishing text related to 'fit and proper' on contract notes. SEBI has now waived the requirement of publishing 'fit and proper' text on contract notes as a step to enhance ease of doing business. Only a reference to applicable regulation about 'fit and proper' must be made part of contract note.

CIRCULAR NO. SEBI/HO/MRD/MRD-POD-2/P/CIR/2024/25



SEBI issued a circular for cross margin benefits for offsetting positions having different expiry dates

SEBI has extended cross-margin benefits on offsetting positions having different expiry dates subject to certain conditions. A spread margin of 40% would be levied in case of offsetting positions in correlated indices having different expiry dates.

spread margin of 30% would continue to be levied in case of the same expiry date (i.e. the existing requirement). Presently, cross-margin benefits are provided if both the correlated indices or an index and its constituents have the same expiry date

CIRCULAR NO. SEBI/HO/MRD/TPD-1/P/CIR/2024/24



SEBI allows one-time flexibility to AIF schemes whose liquidation period expired to deal with unliquidated investments

Earlier, SEBI notified SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2024, to provide flexibility to AIFs and investors to deal with unliquidated investments of their schemes. SEBI has now allowed one-time flexibility to AIF schemes whose liquidation period has expired to deal with unliquidated investments. Thus, AIF schemes, whose liquidation period has expired or shall expire on or before July 24, 2024 shall be granted a fresh liquidation period till April 24, 2025.

CIRCULAR NO. SEBI/HO/AFD/POD-1/P/CIR/2024/026

Policies & Schemes

MGS: Multiplier Grants Scheme

Introduction:

Are you an entrepreneur and trying to acquire some government grants?

The Multiplier Grants Scheme (MGS), introduced by the Department of Electronics and Information Technology (DeitY), aims to bridge the gap between academic research and business commercialization while fostering innovation in the business sector.

By providing financial support to entrepreneurs and industries engaged in research and development (R&D), the MGS promotes collaboration between academia and industry and facilitates the transfer of knowledge and technology.

This scheme addresses the financial burden of R&D for businesses, particularly start-ups, and covers various expenses incurred during research projects. Overall, the MGS represents a proactive government initiative to stimulate innovation and propel the growth of the business sector in India.

Objectives:

- Establish and improve a connection between academic institutions and the business industry.
- Promote the development of business-specific Research and Development (R&D) in such institutions.
- Encourage sales and purchase of indigenous products.
- Reduce the gap between globalisation, R&D and commercialisation within the industry.

Features:

Industry Promotion:

- Encourages collaboration between academic institutions and businesses.
- Provides opportunities for individuals in academia to gain industry knowledge.
- Facilitates the production of innovative products by indigenous companies through R&D efforts.



Research and Development for Innovation:

- Promotes collaborative research with academic institutions and R&D bodies.
- Focuses on developing innovative technology options in Electronics and IT sectors.
- Considers prototyping and packaging for commercialization.



Market Research:

- Requires detailed market surveys to develop commercially viable products.
- Emphasizes understanding target audience requirements, buyer behavior, and demand-supply dynamics.
- Includes SWOT (strengths, weaknesses, opportunities, and threats) analysis and assessment of pricing.

Government Grants:

- Offers financial support to businesses collaborating with academic institutes for Research and Development.
- Grants up to ₹ 2 Crores for individual sectors (less than two years) and ₹ 4 Crores for industry consortiums (three years).
- Requires formal agreement on IPRs/know-how and royalty/lump sum before grant disbursement.

Project Coverage:

- Covers expenses such as tools, equipment, human resources, and consumables.
- Includes travel, training, contingencies, and overheads (limited to 15% of the project).

Department Working Group:

- Responsible for scrutinizing and evaluating project proposals.
- Recommends suitable projects for financial support to the Department.
- May invite additional Domain Experts based on project complexity.

Project Review & Steering Group (PRSG):

- Administers the MGS and oversees project progress.
- Reviews financial and technical aspects periodically.
- Recommends grant release, continuity, extension, or closure to the Government.

**Eligibility:**

While the Multiplier Grants Scheme is developed keeping entrepreneurs and start-ups in mind, various business industries can be eligible based on their intentions. The Government mostly follows a broad eligibility criterion while selecting project proposals for financial assistance.

- Project proposals coming jointly from an academic institution /R&D bodies and industry/industry consortiums will be eligible for considerations.
- The proposal should aim at innovation for services, products or packages in the areas of E&IT.

- The purpose of a proposal should be to improve core business areas.
- A project approval depends on the expertise and track record of the appointed institute/ Project investigator in the proposed area. For this, MGS looks into the below-mentioned factors.
 - The courses they conduct,
 - Prior research/projects they have undertaken
 - Number of papers they have published,
 - Industry collaboration (if any), and
 - Whether the institution has been in existence for the past five years
- MGS only considers projects whose proposed innovation promises technical and commercial viability.
- The industry applying here should have appropriate human resources to work with the proposed technology and infrastructure suitable for production.

Benefits of the MGS:

- The academic and Government R&D Labs will take more interest in including market-oriented R&D. This will make Education and Training more relevant to meet the business requirements.
- Industry workers will be able to mobilise technical knowledge and skills among participants.

- With the help of R&D, businesses will develop cost-effective, innovative products, thereby efficiently responding to the market needs.
- Royalty sharing will enable incentives development, attracting human resources and retaining them longer in academia/ Government R&D Labs.
- The interactions between the academia/ R&D Lab and close industry will increase the number of entrepreneurs and business knowledge.

How to apply?

- **Step 1-** Visit the [official website](#) of the Ministry of Electronics and Information Technology. From the list of schemes, select Multiplier Grants Scheme.
- **Step 2-** Click on the link of "Application form for submission of joint R&D project proposal". It will open a form in PDF format. Download it and get a printout.
- **Step 3-** Fill the form with all your necessary details.
- **Step 4-** On the same web page, you will find an "Invitation of Project Proposals" link. Here, different areas of projects are listed that are being invited currently. If your project matches the criteria, you can send your application with the required documents to the given address.



Professionals Desk

GROUP KEY PERFORMANCE INDICATORS (KPIs): REVOLUTIONIZING PROJECT MANAGEMENT PRACTICES

Abstract:

This document elucidates the deployment of Group Key Performance Indicators (KPIs) as a revolutionary strategy in project management. It advocates for a transition from solely individual-based evaluations to a cohesive group-oriented approach, aiming to cultivate a collaborative culture, elevate team morale, and ultimately attain superior outcomes aligned with the organization's strategic objectives.

Justification:

Group KPIs offer a comprehensive perspective on performance by capturing the collective contributions of team members towards shared goals. Prioritizing collective success over individual achievements fosters a culture of collaboration, synergy, and mutual support. Moreover, Group KPIs seamlessly align with organizational strategic objectives, ensuring that every project and endeavor contributes directly to overarching goals.



The Potential of Group KPIs:

Group KPIs will:

- Foster Collective Endeavor: By evaluating success based on shared goals, team members will be motivated to collaborate, nurturing a supportive and cooperative environment.

- Elevate Team Morale & Motivation: Pursuing common objectives instills a sense of purpose and camaraderie, inspiring employees to excel and surpass expectations. Recognizing and rewarding group accomplishments enhances team spirit, fostering pride and fulfillment among members, thus driving engagement and productivity.



- Align with Strategic Objectives: Group KPIs guarantee that each project directly advances the organization's strategic aims, propelling progress and prosperity across all fronts, thereby ensuring that projects deliver tangible value to the company's overarching success.
- Improve Performance: Emphasizing teamwork and collaboration through Group KPIs harnesses the diverse skills and expertise of team members, resulting in superior outcomes.

Implementation Approach:

- Initiate a dedicated project with SMART goals for Group KPI implementation, ensuring clarity and progress tracking.

- Collaborate within project teams to define shared objectives for Group KPIs, fostering team ownership and accountability.
- Secure senior leadership support to allocate resources and integrate Group KPIs into the performance management system, aligning with organizational goals.
- Form a cross-functional team to develop an implementation plan and offer ongoing support for successful adoption.
- Engage stakeholders at all levels to gain support and commitment for Group KPI implementation, highlighting its benefits for collective success.
- Provide training and resources to equip employees with necessary skills for effective collaboration towards Group KPI achievement, promoting continuous learning.
- Establish mechanisms for monitoring and evaluating Group KPI performance to provide regular feedback and ensure alignment with strategic objectives.

Conclusion:

In conclusion, embracing Group KPIs heralds a paradigm shift in organizational performance evaluation. By prioritizing collective achievements and fostering a culture of collaboration, organizations can unleash their full potential and achieve sustainable success in today's competitive landscape.

CFO's Eye

ITC shares in focus as June 6 set as date for shareholder meeting on hotel demerger

ITC Ltd has announced a proposed demerger of its hotels division, aiming to create a standalone entity focused solely on the hospitality industry. This move is expected to unlock value and optimize the hotel business's capital structure. Analysts believe the demerged entity will be better positioned to attract strategic partners and leverage synergies with ITC. The demerger has received a no-objection from stock exchanges and is set for approval at a shareholders' meeting on June 6, 2024. Shareholders of ITC Ltd will receive 1 share of the new entity, ITC Hotels Ltd, for every 10 shares held in ITC Ltd. 60% of the new hotel business will be owned by ITC shareholders, with the remaining 40% held by ITC Ltd.

AU Small Finance Bank Completes Merger with Fincare SFB, Expands Distribution Network

AU Small Finance Bank has successfully amalgamated with Fincare Small Finance Bank, marking the first consolidation in the sector. The merger, finalized on April 1, 2024, following RBI approval, saw Fincare SFB shareholders receiving AU SFB equity shares. This strategic move enhances AU SFB's access to South India, significantly broadening its distribution network. The combined entity now boasts a customer base of approximately 10 million, 43,500 employees, and a network of

2,350 touchpoints across 25 states and union territories. With a deposit base of Rs 89,854 crore and a balance sheet size of Rs 116,695 crore, AU SFB aims for seamless integration within the next 9-12 months to deliver exceptional banking services. This merger reflects a shared vision to redefine banking excellence in India, emphasizing regulatory support and customer-centric approaches.

BJP Manifesto for 2024 Lok Sabha Polls Sets Stage for Sectoral Growth

PM Modi unveiled the BJP's manifesto, "Sankalp Patra," for the 2024 Lok Sabha Elections, aiming for a third term with ambitious goals. The manifesto outlines strategies for expanding manufacturing, exports, MSMEs, employment, rural incomes, and empowerment, alongside robust infrastructure development. Phillip Capital's report highlights the BJP's emphasis on policy continuity with enhanced clarity and rigor. Expectations include

proactive policy development and implementation, building upon previous initiatives. The long-term outlook remains bullish, projecting a \$6.7 trillion economy and Nifty 50 at 40,000 by Financial Year 2030.

Sectoral Beneficiaries:

- **Automobile:** India's potential as a global manufacturing hub will benefit auto suppliers like Mutherson and Sona BLW, with a focus on EV infrastructure supporting companies like Tata Motors and TVS Motor.
- **Banking:** Extension of the Mudra loan cap will aid PSBs, SFBs, and MFIs, with potential benefits for institutions like HUDCO.
- **Energy:** Expansion of the CGD network and PNG-Domestic connections will drive demand, benefiting players like GAIL and PLNG alongside CGD participants.

The manifesto's vision sets the stage for sectoral growth, promising opportunities across various industries



Systems & forensics

Building Compliance Resilience Amid a Patchwork of Data Protection and Privacy Laws

In today's digital era, the exponential growth in digital dependence has led to the recognition and exploitation of data's significant value by both positive and negative actors, resulting in substantial risks to individual privacy and security, exemplified by the staggering 5.9 billion records compromised in 2023. Consequently, many countries have enacted regulatory mechanisms to protect individual rights, safeguard personally identifiable information (PII), and hold organizations accountable for operational failures or breaches involving personal data.

While some jurisdictions like Australia, Canada, and the European Union have relatively mature privacy laws, it's the extraterritorial nature of the EU's General Data Protection Regulation (GDPR) that has notably transformed the global data protection legislative landscape. This has prompted many countries to reform existing laws or draft new ones, with over 70% of countries worldwide now having privacy laws, many modeled after the GDPR.

However, this has resulted in a complex patchwork of laws and regulations, creating challenges for organizations operating across multiple jurisdictions. Compliance requirements become more burdensome due to the diverse and sometimes conflicting obligations, impacting various aspects of organizations' operations, including capacity, processes, economics, and technology.

Despite these challenges, compliance is essential in today's competitive digital environment. Organizations must employ techniques like Compliance by Design to develop and maintain robust compliance programs that can adapt to the dynamic legislative landscape and demonstrate compliance resilience. This approach involves defining applicable regulatory requirements, harmonizing obligations across jurisdictions, building integrated compliance programs, actively managing and monitoring compliance, and continuously maintaining compliance posture through learning and adaptation.

In conclusion, organizations face increasing pressure to adapt to new regulatory regimes and manage privacy risks amid the growing array of privacy laws and regulations worldwide. Building compliance resilience through integrated compliance programs is crucial, offering advantages such as improved privacy compliance management and more effective risk mitigation.

[ISACA Journal](#)

Auditing the Unauditable: Ethics and Culture

The assessment of an enterprise's ethics and organizational culture is vital for ensuring its long-term health and success. Ethics, embodied in employee behavior and work habits, are challenging to measure definitively but are essential for maintaining organizational integrity. Similarly, organizational culture, shaped by ethics over time, influences various aspects of an enterprise's operations and is recognized by regulators as crucial, such as in the US Foreign Corrupt Practices Act.

Internal audit functions play a critical role in evaluating these intangible aspects by assessing factors indicative of good organizational policies related to ethics and culture. They do so by evaluating the "tone at the top," which emphasizes the importance of leadership's commitment to honesty and integrity, permeating through the organization. This involves engaging staff to assess their leaders' supportiveness, handling of ethical dilemmas, and adherence to policies. Furthermore, internal auditors evaluate proactive and reactive habits within the organization, including the frequency of brainstorming sessions to foster innovation and the effectiveness of crisis response mechanisms. They also assess parity in policy enforcement across all levels of the organization to ensure equality and integrity.

Employee feedback mechanisms, such as appraisal processes and "speak up" hotlines, are examined to gauge the organization's commitment to maintaining a positive and empowering atmosphere. Additionally, auditors evaluate the organization's risk culture, which considers potential risks and encourages responsible behavior by identifying, analyzing, and mitigating risks at all levels.

Finally, culture influencers within the organization provide valuable insights into the practical implementation of policies and procedures. Internal auditors utilize various tools, including reports, surveys, and interviews, to assess these aspects comprehensively.

In conclusion, a strong workplace culture, characterized by ethical behavior and organizational integrity, is essential for an enterprise's success. Internal audit functions play a crucial role in evaluating and providing feedback on these intangible aspects, enabling management to foster a positive culture and address weaknesses effectively.

[ISACA Journal](#)

Glossary

AY

Assessment Year

ACIT

Assistant Commissioner of Income Tax

MSME

Micro Small & Medium Enterprises

CBDT

Central Board of Direct Taxes

CBIC

Central Board of Indirect Taxes

DG GST

Directorate General of Goods & Services Tax

EFCI

Eligible Fixed Capital investment

MFI

Micro Finance Institutions

AO

Assessing Officer

FY

Financial year

OM

Office Memorandum

ICAI

Institute of Chartered Accountants of India

APA

Advance Pricing Agreement

UAPA

Unilateral Advance Pricing Agreement

INR

Indian National Rupee

BAPA

Bilateral Advance Pricing Agreement

PSB

Punjab & Sind Bank

GRIDco

Grid Corporation of Odisha

SCRA

Securities Contracts Regulation Act

ITC

Input Tax Credit

ITD

Income Tax Department

ITR

Income Tax Return

KUA

KYC User Agency

LLP

Limited Liability Partnership

MCA

Ministry of Corporate Affairs

PTI

Press Trust of India

SFB

Small Finance Bank

IPR

Intellectual Property Rights

REITs

Real Estate Investment Trust

NSIC

National Small Industries Corporation

SEBI

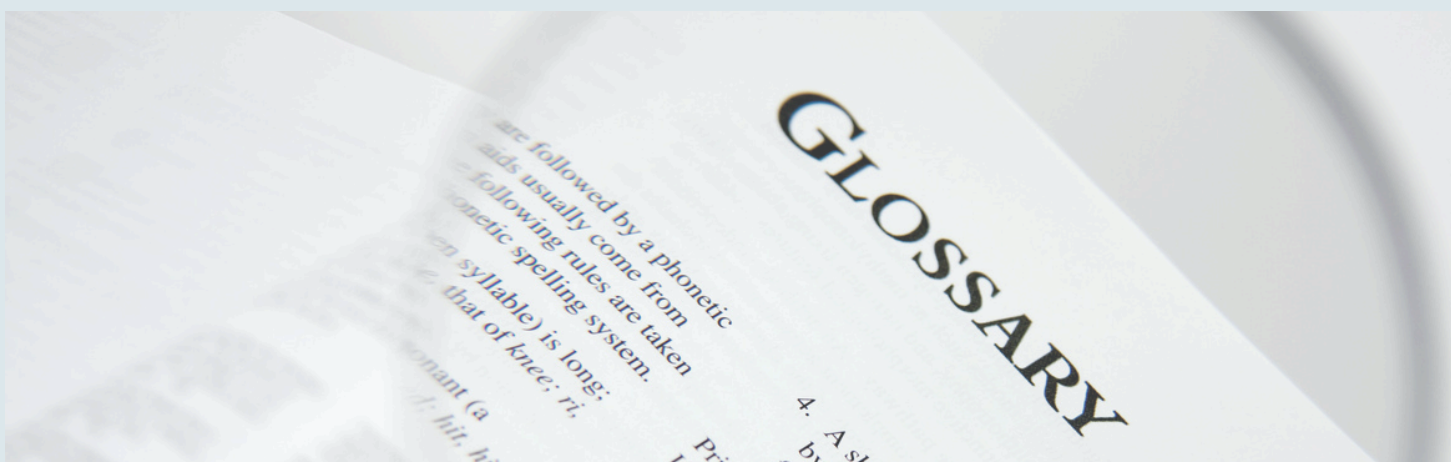
Securities and Exchange board of India

UIDAI

Unique Identification Authority of India

USD

United State Dollar



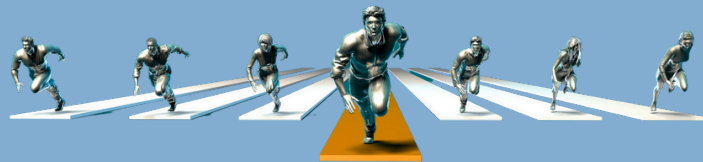
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