

RNM ALERT
APRIL
NEWSLETTER

VOL NO 195

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EDITORIAL

Dear Readers

During the month of April 2025 RNM India entered into a Cooperation Agreement with the International Organisation for Eurasian Cooperation (IOEC), Russia an independent non-profit organisation working to promote Eurasian integration in various spheres. Our CEO, Mr. Raghu Marwah made a presentation on the 'India Budget, Trade War & Investment Opportunities' to the members of the Jain International Trade Organisation (JITO), UK CIC a not for profit global network of businessmen, industrialists and professionals at an event held at Harrow Arts Centre, London. Mr. Charles NG, the Associate Director General of Investment Promotion, Invest-HK met with Mrs. Jagruti Sheth, Partner Mumbai branch and Mr. Raghu Marwah, CEO in Mumbai and Delhi respectively to discuss growth opportunities of RNM India in the accounting field and RNM Capital in the asset management field in Hong Kong.

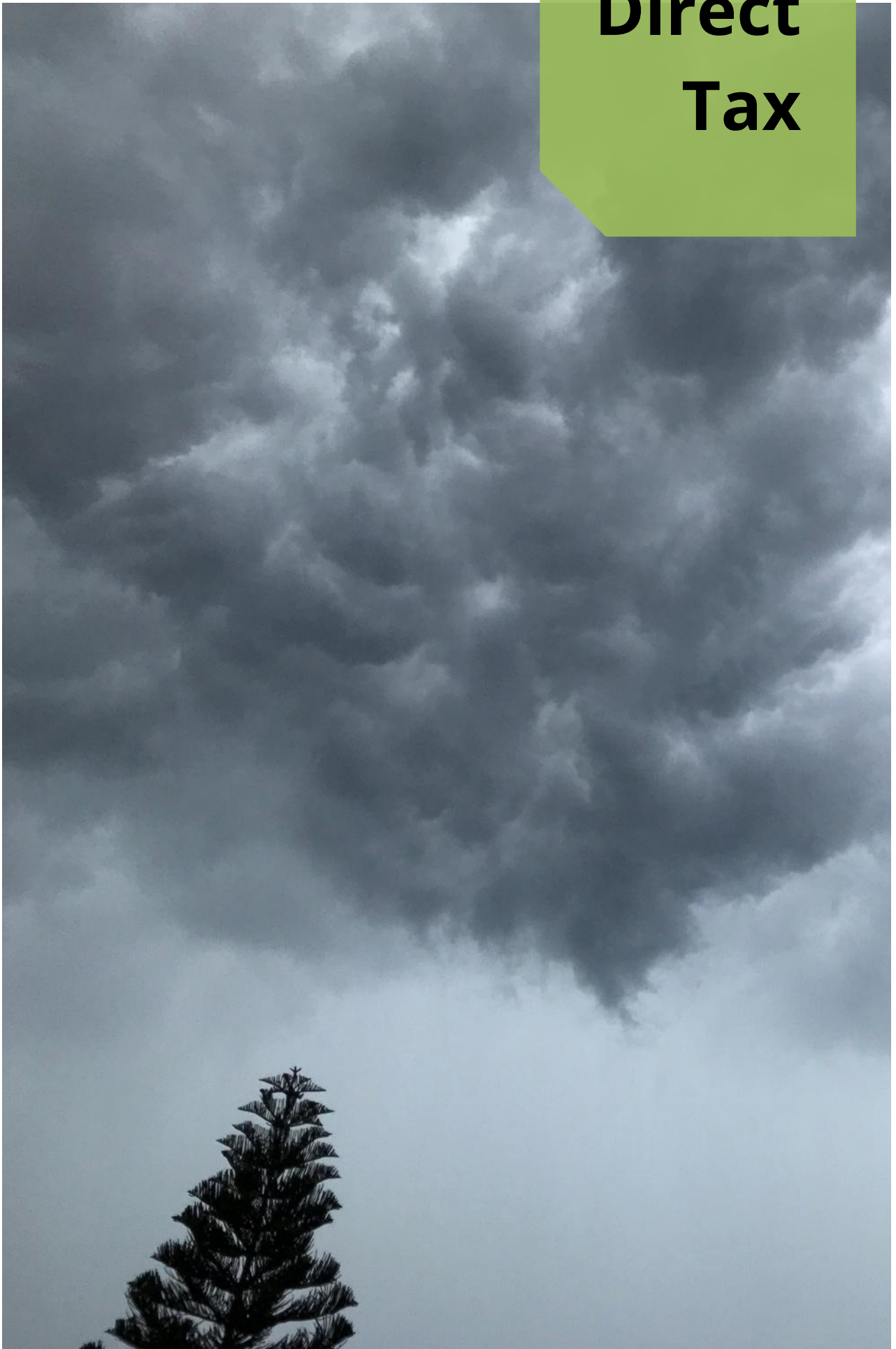
On the Direct Tax front, the Specified Financial Transaction (SFT) Returns for financial year 2024-25 are due on or before 31 May 2025. Certain class of persons are required to file such returns such as companies issuing bonds or debentures or shares; companies paying dividend; listed companies which have done buy back etc. In a landmark judgement of ITAT Mumbai in the case of Anushka Sanjay Shah Vs ITO it has been held that capital gains arising on mutual fund investment in the hands of Non Residents shall not be taxable in India in view of Tax Treaty with certain countries like Singapore, UAE etc.

On the Indirect Tax front, the CBIC has issued instructions and a Standard Operating Procedure (SOP) for registration of GST to address the challenges such as delays in processing, inconsistent procedures across states, and frequent discrepancies in registration applications. Team RNM is of the view that this is a welcome step which will enhance transparency, reduce arbitrariness, and ensure structured approach to GST registration.

We would like to take this opportunity of wishing all our readers best wishes for Happy Accounting Standard Day on 3 May. On this day we celebrate the importance of Accounting Standards to the accounting world.

U N Marwah
Chairman - RNM India

Direct Tax



1. NOTIFICATION G.S.R. 252(E) [NO. 35/2025/F.NO. 370142/11/2025-TPL], DATED 22-4-2025

The CBDT vide notification dated 22.04.2025; notifies 10 luxury goods liable to TCS; list includes home theatre systems, shoes, handbags etc.

2. NOTIFICATION NO. 25/2025 [G.S.R. 217(E)/F. NO. 370142/1/2025-TPL], DATED 3-4-2025

Person allotted PAN based on enrollment ID shall intimate his Aadhaar Number on or before 31-12-2025.

3. NOTIFICATION NO. 30/2025 [G.S.R. 221(E)/F.NO. 370142/29/2024-TPL], DATED 7-4-2025

The CBDT vide notification dated 07.04.2025; notifies form 'ITR-B' for furnishing ITR for block assessment.

4. NOTIFICATION S.O. 1644(E) [NO. 31/2025/F.NO. 225/06/2024/ITA-II], DATED 7-4-2025

The CBDT notifies bonds issued by HUDCO as 'long-term specified asset' for Sec. 54EC exemption.

5. NOTIFICATION S.O. 1774(E) [NO. 34/2025/F.NO. 300164/2/2024-ITA-I], DATED 17-4-2025

Govt. notifies 'Ten Year Zero Coupon Bond of Housing and Urban Development Corporation Ltd.' as zero coupon bond

Important Judicial Precedents

1. SLP dismissed against HC's ruling that AO is required to supply info. to assessee before issuing notice u/s 148A

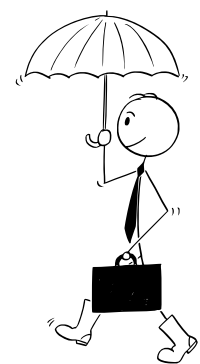
[2025] 173 taxmann.com 687 (SC) Chaturbhuji Gattani vs. Income-tax Officer

SLP dismissed against order of High Court that section 148A mandates Assessing Officer only to supply information before issuing notice under section 148A in prescribed manner and not other material on basis of which it has formed prima facie opinion that income of assessee chargeable to tax has escaped assessment

2. Jewellery seized during search to be released if no additions were made in assessee's hands: HC

[2025] 173 taxmann.com 519 (Gujarat-HC) Nayanaben Hasmukhbhai Patel vs. PCIT

Where assessee had already paid tax on addition made for seized jewellery, in absence of any outstanding liability to be discharged for relevant assessment year, jewellery could not be retained for recovery of outstanding demand for any subsequent assessment years



3. Reassessment based on third party info. that assessee was beneficiary of bogus LTCG without implicating him rightly quashed

[2025] 173 taxmann.com 834 (Delhi-HC) Abha Gupta vs. Income-tax Office

Section 148, read with section 147, of the Income-tax Act, 1961 - Income Escaping Assessment - Issue of notice for (Reassessment) - Assessment year 2013-14 - Assessing Officer issued notice under section 148 on basis of information received from Investigation Wing relating to certain share transactions involving one Dayand Singh, alleging that sell trades exceeded buy trades and assessee was beneficiary of bogus LTCG - Objections raised by assessee to initiation of reassessment proceedings were rejected - Whether, since reasons recorded for reopening were based solely on transactions of third party and failed to allude to any material implicating petitioner in alleged manipulation of penny scrips, reassessment notice under section 148 and order disposing objections were to be quashed - Held, yes [Paras 14 and 15] [In favour of assessee]

4. Donation given by trust to other registered trusts to be considered as application of income: ITAT

[2025] 173 taxmann.com 99 (Chandigarh - Trib.) DCIT vs. Indo Global Education Foundation

Where assessee charitable trust, engaged in providing education, had given donations to other educational trusts, which were also registered under section 12AA, and claimed that by way of such donations object of providing education was fulfilled, said donations were to be considered as application of income and were to be allowed as exemption under section 11.

5. SLP dismissed against ruling that sec. 263 revision isn't justified if there was no dispute with regard to sale & purchase

[2025] 173 taxmann.com 880 (SC) PCIT vs. Green Touch Vincom (P.) Ltd

SLP dismissed against order of High Court that where Assessing Officer found that assessee had shown very low net profit against large gross receipts in its profit and loss account by inflating purchases and other expenses and Assessing Officer completed assessment by fixing disallowance of alleged expenses at 5 per cent, since there was no dispute with regard to assessee's sale and purchase figures, assumption of jurisdiction by Commissioner under section 263 was not justified.

6. Provisions of Sec. 40A(7) would override Sec. 43B in case of an approved gratuity fund: Madras HC

[2025] 173 taxmann.com 884 (Madras-HC) Sanmar Speciality Chemicals Ltd. vs. Assistant Commissioner of Income-tax

Where assessee-company made provision towards approved gratuity fund with LIC, since provisions of section 40A(7)(b) were specific to a claim of deduction based on provision for payment towards an approved gratuity fund, same would take precedence over general provision of section 43B and claim of deduction towards said gratuity fund was to be allowed.



7. Prior period exp. to be considered while computing book profit u/s 115JA if disclosed in P&L A/c: HC

[2025] 173 taxmann.com 918 (Madras -HC) Ramakrishna Mills (CBE) Ltd. vs. JCIT

Where prior period expenses had crystallised and were incurred in relevant financial year, such expenses were to be allowed in computation of book profit under section 115JA, and revision under section 263 disallowing such claim was unsustainable.

8. AO to pass fresh order disposing of objections to reassessment notice if not dealt with earlier: HC

[2025] 174 taxmann.com 64 (Bombay-HC) Modern Realty (P.) Ltd. vs. DCIT

Section 148, read with section 147, of the Income-tax Act, 1961 - Income escaping assessment - Issue of notice for (Objections) - Assessment year 2015-16 - Assessing Officer issued a reopening notice upon assessee - Assessee raised objections against reopening of assessment - Assessing Officer passed an order disposing of objections raised by assessee - However, it was found that Assessing Officer had not dealt with objections raised by assessee - Whether assessee having filed only one set of objections, and without dealing with those objections, to say that objections followed by cross objections are an endless process, which should end at a certain point in time, was not justified - Held, yes - Whether since Assessing Officer had not dealt with objections raised by assessee, matter was to be remanded back to Assessing Officer to pass a fresh order disposing of objections raised by assessee - Held, yes [Paras 8 to 10] [Matter remanded]



Indirect Tax



**GST Calendar –Compliances for the month of
April 2025.**

Nature of Compliances	Due Date
GSTR-7 (Tax Deducted at Source 'TDS')	May 10, 2025
GSTR-8 (Tax Collected at Source 'TCS')	May 10, 2025
GSTR-1	May 11, 2025
IFF- Invoice furnishing facility (Availing QRMP)	May 13, 2025
GSTR-6 Input Service Distributor	May 13, 2025
GSTR-2B (Auto Generated Statement)	May 14, 2025
GSTR-3B	May 20, 2025
GSTR-5 (Non-Resident Taxable Person)	May 20, 2025
GSTR-5A (OIDAR Service Provider)	May 20, 2025
PMT-06 (who have opted for QRMP scheme)	May 25, 2025

Private Agreements Do Not Override Statutory RCM Liability – Allahabad High Court

Facts:

The petitioner (a service recipient) entered into an agreement with the supplier where the supplier agreed to bear all GST liabilities.

However, GST authorities demanded tax under the Reverse Charge Mechanism (RCM) from the petitioner.

Issue:

Whether a private agreement between parties can override the statutory liability of the service recipient under RCM provisions.

Held:

The Court held that obligations under Section 9(3) of the CGST Act are statutory. A private contract cannot override statutory provisions. The service recipient remains liable to pay GST under RCM, irrespective of any private arrangement.

Parallel Proceedings by CGST and SGST Authorities Deemed Impermissible- Madras High Court

Facts:

Both CGST and SGST authorities initiated separate proceedings against the taxpayer on the same transaction and tax period.

The taxpayer challenged the duplicity.

Issue:

Can both CGST and SGST authorities initiate separate proceedings on the same cause of action.

Held:

The Court held that parallel proceedings are impermissible. Since GST is a unified tax regime (CGST + SGST share a common administration), only one authority should undertake proceedings. Therefore, duplicative notices were quashed.

Misclassification of Imports Leads to Tax Demand- Directorate of Revenue Intelligence (DRI)

Facts:

Assessee faced a GST demand for allegedly misclassifying telecom equipment imports as exempted parts rather than taxable complete units.

Assessee argued it followed standard industry practices and was denied a proper hearing.

Issue:

Whether the classification adopted by Assessee was bona fide and whether the GST department followed due process before raising the massive demand?

Held:

(Matter pending final decision.), However, interim observations noted that proper adjudication must allow the taxpayer a full opportunity to explain. A direction was given to reconsider the classification based on principles of natural justice.

GST Not Applicable on Assignment of Leasehold Rights – Gujarat High Court

Facts:

The taxpayer had long-term lease rights (99 years) on industrial land from a government authority. Later, the taxpayer transferred (assigned) these lease rights to another party for a lump sum amount. The taxpayer paid stamp duty and registration charges for the transfer. The question was whether GST should be charged on this assignment.

Issue:

Is the transfer (assignment) of leasehold rights in industrial land a "supply" of service under GST, and therefore liable to GST.

Held:

The Appellate Authority ruled that the assignment of leasehold rights in industrial land is similar to the sale of land. Sale of land is neither a supply of goods nor services under GST laws, and therefore not taxable under GST. The assignment in this case does not attract GST

Sale of Partly Constructed Mall on "As-Is-Where-Is" Basis – Not Liable to GST

(Karnataka High Court | WP No. 12700 of 2023)

Facts:

- A real estate Company bought a partly constructed shopping mall from a liquidator during insolvency proceedings.
- The sale was done on an "as-is-where-is" basis (i.e., without making it complete or adding services).
- The company paid GST under protest and later applied for a refund, arguing that the transaction was simply a sale of property, not a supply of construction services.

Issue:

Whether selling a partly constructed mall without a completion certificate should be treated as:

- A construction service (and liable to GST), or
- A sale of building/land (which is not liable to GST)?



Held (High Court's Decision):

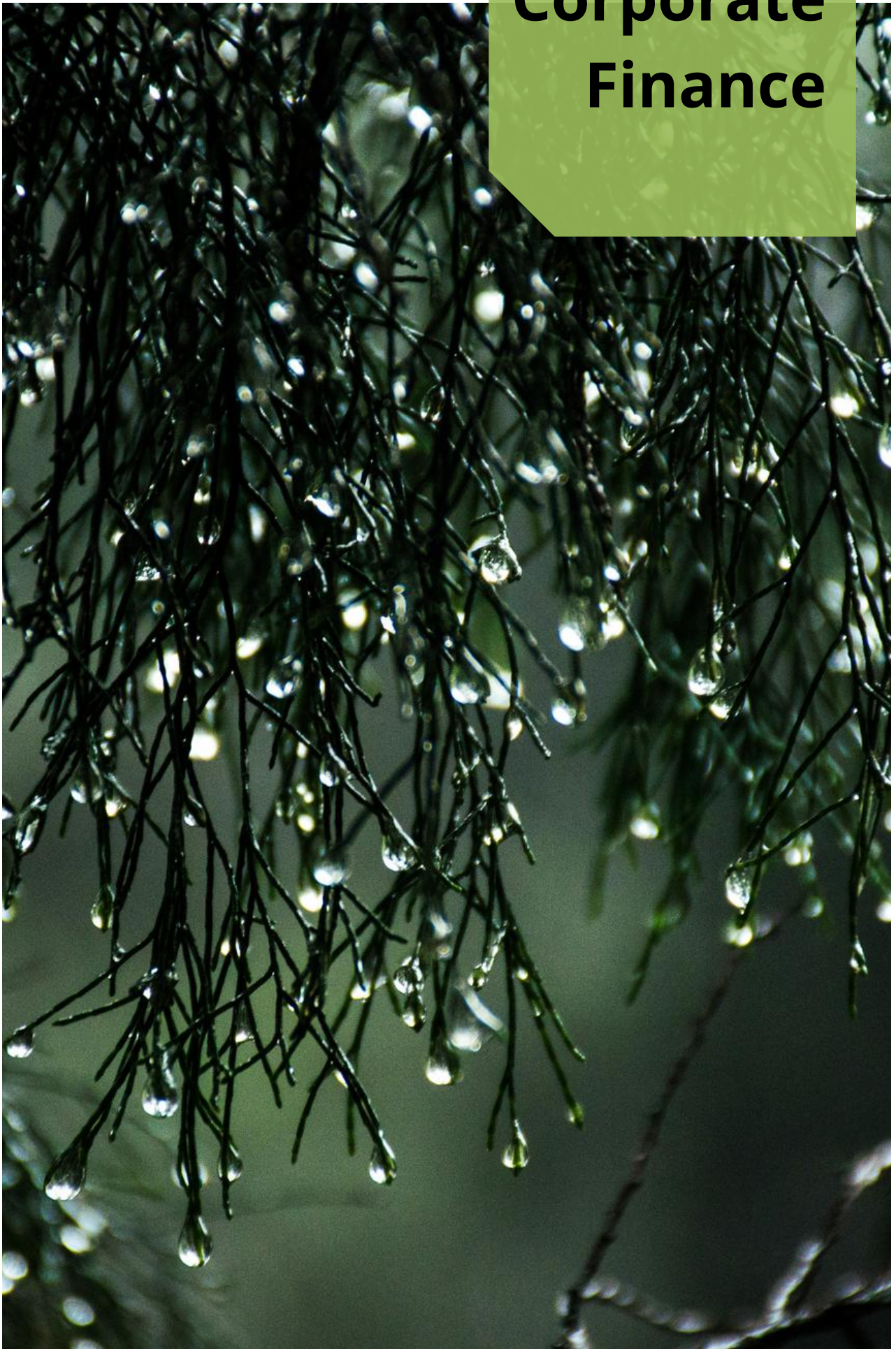
- Nature of Transaction: The sale was not about providing construction services; it was a plain sale of an existing (incomplete) building.
- Entry 5(b) of Schedule II: Only applies where a contract exists to provide construction services and the payment is made before completion.
- Sale under Schedule III: Sale of land and buildings (even partly constructed) is outside GST, covered under Schedule III.
- True Nature Important: Even if the building was incomplete, since there was no agreement to provide construction services, GST cannot be levied.
- Refund Granted: The Court ruled that the tax collected was wrong, and allowed a refund to the petitioner.

Key Takeaways:

Sale of an incomplete project on "as-is-where-is" basis = Not a supply of services under GST.
Helps real estate and insolvency sectors avoid unnecessary GST on asset sales.
GST may apply later if the buyer further develops the property with construction services.



Corporate Finance



Warburg Pincus, ADIA To Invest \$877 Mn In IDFC First Bank

Warburg Pincus and the Abu Dhabi Investment Authority (ADIA) will invest \$877 million (around INR 7,421 crores) in IDFC First Bank. The bank's board has approved a preferential equity issue of \$576 million (around INR 4,876 crores) to Warburg Pincus and \$310 million (around INR 2,624 crores) to ADIA, subject to shareholder and regulatory approvals. The funds will strengthen the bank's balance sheet, raising its capital adequacy ratio from 16.1% to 18.9%, and support its next phase of growth. IDFC First Bank plans to use the funding to scale up businesses like credit cards, cash management, and wealth management, aiming for 20% growth in its loan book.

(Source: VC Circle, 17th April 2025)

Private Equity

Mathew Cyriac's Florintree, Others Invest In Tonbo Imaging's Pre-IPO Round

Tonbo Imaging India Pvt Ltd, a defence technologies company, has raised \$20.5 million (around INR 175 crores) in its Series D round from Florintree Advisors, Tenacity Ventures, and the Export-Import Bank of India, ahead of its planned IPO. The funds will accelerate the development of next-gen infrared sensors, high-power microwave technologies, and support global expansion. Tonbo's technology is used by elite forces like the US Navy SEALs, NATO, and the Indian armed forces. The company aims to drive innovation in defence solutions, enhancing battlefield intelligence and protection systems.

(Source: VC Circle, 3rd April 2025)

ValueQuest Infuses Fresh Capital Into Solar Firm Jupiter International

Mumbai-based ValueQuest, which closed its first private equity fund in February, has invested \$58 million (around INR 500 crores) in Jupiter International, a solar cell manufacturer aiming for a \$300-million (around INR 2537 crores) IPO. This marks ValueQuest's second investment in the company, having previously invested \$36 million (around INR 300 crores) in July 2024. Jupiter, which operates a 1-GW facility in Himachal Pradesh, plans to expand its capacity to 5.6 GW for solar cells and 2.4 GW for modules. The funds will support this expansion, along with internal accruals. ValueQuest's SCALE Fund, which focuses on growth-stage investments, also backed Tone Tag with a \$78-million investment earlier this year.

(Source: VC Circle, 14th April 2025)

HDFC Capital Forms \$175 Mn Platform With Eldeco Group

HDFC Capital Advisors Ltd, the real estate private equity arm of HDFC Bank, has partnered with Eldeco Group to create a \$177 million (around INR 1500 crores) development platform aimed at residential projects in tier 2 and 3 cities. This initiative aligns with HDFC Capital's strategy to focus on affordable and mid-income housing, targeting 18 projects in towns such as Panipat, Sonipat, Rudrapur, and Rishikesh, with a total development area of over 10 million square feet. The platform is expected to generate a combined revenue potential of approximately \$1.3 billion (around INR 11,000 crores). HDFC Capital's investment vehicles have raised significant capital, including contributions from entities like NIIF and ADIA, and the firm continues to expand in high-growth markets.

(Source: VC Circle, 17th April 2025)

Kotak Alternate Invests \$142 Mn In South India-Based Manufacturing Firm

Kotak Alternate Asset Managers Ltd has announced a \$142 million (around INR 1,200 crores) investment in Ace Designers Ltd, a leading machine tool manufacturer based in Bengaluru, India. The funds will be used to establish a new manufacturing plant, expand Ace Designers' product portfolio, and enhance its global footprint. SG Shirkurkar, promoter of Ace Designers, highlighted that the partnership with Kotak Alts will drive investments in technology, capacity, and talent. The investment is being made through the \$1.5-billion (around INR 12,703 crores) Kotak Strategic Situations Fund II. Founded in 1979, Ace Designers is a key player in CNC turning and machining centres, with annual revenue projections of over \$283 million (Around INR 2,400 crores) for FY25.

(Source: VC Circle, 30th April 2025)

GIC, SAMHI Hotels Plan \$300 Mn Hotel Joint Venture

Singapore's sovereign wealth fund, GIC, will acquire a 35% stake in three units of SAMHI Hotels for \$88 million (around INR 744 Crores) to develop upscale hotels in India. The investment will help reduce SAMHI's debt, with \$71.3 million (around INR 603 crores) used to scale down liabilities. Following the deal, SAMHI JV will be debt-free, and Ascent Hotels will have a reduced debt of \$23.6 million (around INR 200 crores). This is part of a joint venture worth \$300 million (around INR 2537 crores), with GIC holding 35% and SAMHI 65%, focused on expanding upscale business hotels in India. SAMHI's shares rose 10% following the announcement.

(Source: VC Circle, 24th April 2025)

Venture Capital

Wendor Snags 2.5 Mn Funding

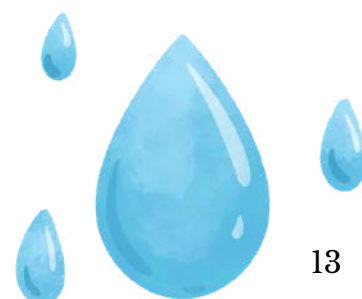
Wendor, a smart vending solutions provider, has secured \$2.5 million (around INR 21 crores) in funding from commercial refrigeration firm Elanpro. The round includes \$0.59 million (around INR 5 crores) in equity and \$1.89 million (around INR 16 crores) in debt. The investment will support Wendor's expansion, enhance its AI and computer vision technologies, and drive international growth. Founded in 2021 by Lakshit Anand, Wendor specializes in digital payments, smart vending technology, and mobile integration. The partnership also grants Wendor access to Elanpro's national logistics, warehousing, and technical expertise.

(Source: VC Circle, 01st April 2025)

The Bear House Secures 50 crores For Expansion

The Bear House Clothing Pvt Ltd, a Bengaluru-based men's apparel brand, has raised \$5.9 million (around INR 50 crores) in a Series A round led by JM Financial India Growth Fund III. The funding will support offline expansion, working capital, and branding efforts. Founded in 2017, The Bear House focuses on premium casual work wear and sells through its website, app, and platforms like Myntra, AJIO, and Flipkart. The brand opened its first store in Bengaluru in March 2025 and plans to launch 20 more stores across India over the next two years.

(Source: VC Circle, 01st April 2025)



Chef Robotics Raises \$43M To Scale AI-Powered Meal Assembly

Chef Robotics, a San Francisco-based startup specializing in robotic meal assembly, has raised \$43 million (around INR 364 crores) in a Series A round led by Avataar Ventures. The funding includes \$20.6 million (around INR 174 crores) in equity and \$22.5 (around INR 190 crores) million in equipment financing to support its robotics-as-a-service (RaaS) model. Other investors include Construct Capital, Bloomberg Beta, Promus Ventures, and others. Founded by Rajat Bhageria, Chef Robotics has raised over \$65.6 million (around INR 555 crores) to date and partners with food brands like Amy's Kitchen and Sunbasket, using AI-driven robots to assemble over 44 million meals.

(Source: VC Circle, 02nd April 2025)

Better Nutrition Raises 1.2 Mn To Boost Biofortified Food Expansion

Better Nutrition, a Lucknow-based food brand, has raised \$1.2 million (around INR 10 crores) in a funding round backed by family offices, HNIs, and angel investors including Namita Thapar, Shantanu Deshpande, and PV Sindhu. Other participants include Aclr8.vc, Karan Jindal, Arjun Vaidya, and Akshay Ghulati. The funds will be used to expand biofortified food offerings, strengthen distribution across retail and D2C channels, scale farmer training, and invest in R&D and awareness campaigns. Founded by Prateek Rastogi and Aishwarya Bhatnagar, the startup works with over 15,000 farmers to offer nutrient-rich grains.

(Source: VC Circle, 02nd April 2025)

Scapia Snags Series-B Funding

Scapia, a travel-focused fintech startup, has raised \$40 million (around INR 342 crores) in a Series B round led by Peak XV Partners, with participation from Elevation Capital, Z47, and Binny Bansal's 3STATE Capital. The funds will be used to strengthen its team, enhance products, integrate AI, and drive growth. Founded by Anil Goteti, Scapia offers co-branded credit cards in partnership with Federal Bank, tailored for Gen Z and millennial travelers. The card features no annual fees, no forex markup, domestic lounge access, and up to 20% rewards on travel bookings made via the Scapia app.

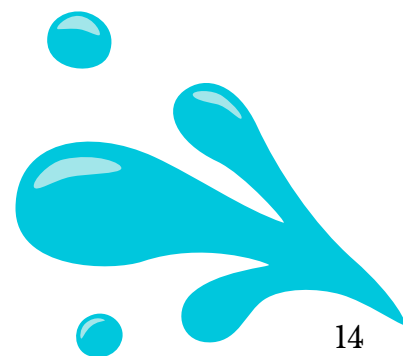
(Source: VC Circle, 03rd April 2025)

Mergers & Acquisitions

ITC To Acquire Aditya Birla Real Estate's Pulp And Paper Unit

ITC has announced the acquisition of Aditya Birla Real Estate's pulp and paper business for up to \$409.7 million (around INR 3471 crores). The deal will add 480,000 metric tonnes of annual capacity to ITC's paperboards and specialty papers segment, which is facing challenges from low-priced imports and rising wood costs. The acquisition aims to strengthen ITC's market position and create new growth opportunities domestically and internationally. The transaction is expected to close within six months, pending regulatory approvals, including from the Competition Commission of India.

(Source: VC Circle, 01st April 2025)



Metropolis Healthcare To Acquire Another North Indian Diagnostics Firm

Metropolis Healthcare Ltd, India's second-largest pathology chain, has acquired Dehradun-based Dr. Ahujas' Pathology and Imaging Centre (DAPIC) for \$4.13 million (around INR 35 crores) in cash, marking its third acquisition in four months. This acquisition strengthens Metropolis' presence in northern India, particularly in Dehradun, and aligns with its strategy to expand in underserved markets. DAPIC, founded in 1990, operates two labs, 11 patient service centres, and nine hospital-based centres. The deal follows Metropolis' recent acquisitions of Core Diagnostics and Scientific Pathology to enhance its network and cancer testing portfolio. Metropolis aims to add 100 locations in FY25, with a focus on tier II, III, and IV cities in North and Central India.

(Source: VC Circle, 07th April 2025)

Bain-Backed 360 One WAM To Acquire UBS' Wealth Business In India For \$36 Mn

360 One WAM Ltd, backed by Bain Capital, has agreed to acquire the Indian onshore wealth business of UBS for \$36 million (around INR 305 crores). The deal includes UBS' local stock broking, portfolio management services, and residual loan portfolios, with active assets under management valued at \$3.1 billion (around INR 26,000 crores) as of December 31, 2024. UBS will also purchase a 4.95% stake in 360 One and continue serving clients in Singapore. This is 360 One's second acquisition in 2025, following its purchase of B&K Securities for \$222.4 million (around INR 1,884 crores).

(Source: VC Circle, 22nd April 2025)

Accenture Buys TalentSprint From NSE Academy

Accenture has acquired TalentSprint, a skill development platform, from NSE Academy for \$29 million (around INR 245 crores). This acquisition will enhance Accenture's LearnVantage platform by adding university certifications and bootcamps. TalentSprint, founded in 2009, offers advanced tech courses in AI, data science, and digital transformation. The deal brings TalentSprint's 210 professionals into LearnVantage. Accenture launched LearnVantage in 2024, aiming to invest \$1 billion (around INR 8470 crores) over three years to reskill and upskill the workforce in emerging technologies.

(Source: VC Circle, 23rd April 2025)

Mahindra & Mahindra To Buy Majority Stake In SML Isuzu For \$65 Mn

Mahindra & Mahindra has acquired a 58.96% stake in SML Isuzu for \$65 million (around INR 550 crores) to strengthen its truck and bus business. The deal, which includes buying shares from Sumitomo Corp (43.96%) and Isuzu Motors (15%), will boost Mahindra's market share in India's truck and bus segment from 3% to 6%, with a goal to reach 12% by FY31. The acquisition also involves a mandatory open offer for an additional 26% stake. Mahindra sees this as a key step in achieving its growth targets and capital allocation strategy.

(Source: VC Circle, 28th April 2025)





Transaction & Regulatory Advisory Services

In this edition we have tried to bring you notice the latest amendment that followed in the month of April, 2025 issued by MCA, SEBI, RBI and etc.

MCA

Proposed Amendment in Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

Budget announcement (2025-2026), Para 101, inter alia, states that the scope for fast track mergers will also be widened and the process made simpler. Accordingly, a notification proposing amendments to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 proposing inclusion of more classes of companies under section 233 of Companies Act 2013 has been drafted and is available, along with an Explanatory note, on the online portal of the Ministry, www.mca.gov.in.

To read more:

<https://www.mca.gov.in/bin/dms/getdocument?mds=Vl7V8BHbA7gmKAjfxzhiTw%253D%253D&type=open>

SEBI

SEBI Clarificatory circular refining procedures and obligations for ESG Rating Providers (ERPs)

These updates build upon the existing framework laid out in the Master Circular dated May 16, 2024, with the goal of enhancing transparency, procedural alignment, and consistency in the ESG rating landscape.

To read more:

https://www.sebi.gov.in/legal/circulars/apr-2025/clarificatory-and-procedural-changes-to-aid-and-strengthen-esg-rating-providers-erps_93704.html

FAQs for SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SEBI has issued FAQs for LODR Regulations which have been prepared to provide guidance on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as updated till April 23, 2025).

To read more:

https://www.sebi.gov.in/sebi_data/faqfiles/apr-2025/1745399101865.pdf

IFSCA

IFSCA (Bullion Market Regulations), 2025

IFSCA has notified the IFSCA (Bullion Market Regulations), 2025, which aims at improving price discovery, streamlining operations, enhancing participation, governance and safeguarding consumer interests in the bullion ecosystem within the IFSC.

To read more:

<https://ifsc.gov.in/Viewer?Path=Document%2FLegal%2Fpress-release-april-2025-customer-and-extended-trading-hours29042025095109.pdf&Title=Infusing%20vibrance%20into%20the%20Bullion%20ecosystem%20at%20GIFT%20IFSC&Date=29%2F04%2F2025>



RBI

Amendments to Directions - Compounding of Contraventions under FEMA, 1999

Accordingly, it is provided that subject to satisfaction of the compounding authority, based on the nature of contravention, exceptional circumstances/ facts involved in case, and in wider public interest, the maximum compounding amount imposed may be capped at INR 2,00,000/- for contravention of each regulation/ rule (applied in a compounding application) .

To read more:<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12842&Mode=0>

Miscellaneous Laws

The Haryana Contractual Employees (Security Of Service) Amendment Act, 2025

The Government of Haryana has enacted the Haryana Contractual Employees (Security of Service) Amendment Act, 2025, which received the Governor's assent on April 5, 2025, and was officially published on April 9, 2025.

To read more:

https://prsindia.org/files/bills_acts/bills_states/haryana/2025/Bill12of2025HR.pdf

The Drugs and Cosmetics (Compounding of Offences) Rules, 2025

The Department of Health and Family Welfare, Ministry of Health and Family Welfare has notified the Drugs and Cosmetics (Compounding of Offences) Rules, 2025, which came into force on April 25, 2025.

To read more: <https://egazette.gov.in/WriteReadData/2025/262711.pdf>



A close-up photograph of numerous water droplets of varying sizes on a dark, reflective surface. A vibrant rainbow is visible in the background, its colors reflected on the wet surface and distorted by the presence of the droplets. The overall mood is fresh and serene.

GIFT City Update

Fee Structure for Payment System Operators (PSO) / Applicants desirous to setup a PSO in IFSC", issued by IFSCA on April 2, 2025:

Purpose:

To define the applicable fee structure for Payment System Operators (PSOs) operating in or intending to operate in the International Financial Services Centre (IFSC).

Applicable Entities & Fees:

For all categories below:

- Application Fee: \$1,000 (flat)
- Processing Fee (substantive modification/waiver): \$2,500
- Conditional Fee (20% of authorisation fee)

Category	Authorization Fee	Annual Recurring Fee
Real-time or Deferred Large Value Payment Systems	\$15,000	\$10,000
Trade Repository	\$5,000	\$5,000
Issuers of Legal Entity Identifier (LEI)	\$10,000	\$5,000
Card Payment Networks	\$15,000	\$15,000
TREDS Platforms (under PSS Act, 2007)	\$5,000	\$10,000
Any Other PSOs	\$15,000	\$10,000

Implementation:

- Comes into immediate effect.
- Subject to additional provisions of the May 17, 2023 circular (as amended).



The International Financial Services Centres Authority (IFSCA) issued a circular on April 4, 2025, amending the Guidelines on Corporate Governance and Disclosure Requirements for a Finance Company under the IFSCA (Finance Company) Regulations, 2021.

Key highlights of the amendment:

- The applicability clause (Clause 3) has been revised to align with updated FC Regulations and the new framework for Global/Regional Corporate Treasury Centres.
- **Part I** of the Guidelines will apply to all finance companies registered under Regulation 3, **excluding** those operating as Global/Regional Corporate Treasury Centres.
- **Part II** of the Guidelines will apply to companies undertaking one or more core activities (with or without non-core activities), **excluding** Global/Regional Corporate Treasury Centres.
- The amendments take immediate effect and are issued under sections 12 and 13 of the IFSCA Act, 2019.

07 April 2025: Amendment to the Framework for Ship Leasing and Related Circulars

Key Changes:

1. Currency for Conduct of Business:

- a. Lessors must now issue invoices in any foreign currency listed in the IFSCA (Banking Regulations), 2020.
- b. Payments must be received in a foreign currency account with an IFSC Banking Unit.
- c. Lessors are allowed to open SNRR accounts with authorized dealers in India (outside IFSC) for business transactions outside IFSC, under FEMA rules.

2. Restriction on Transactions with Indian Residents:

- a. Lessors or applicants under the Ship Leasing Framework (SL Framework) holding a Certificate of Registration (CoR) **cannot** facilitate ownership or leasehold transfers of ships from Indian residents to IFSC entities **if the ship is used solely to serve Indian residents in a single financial year.**

3. Exception:

- a. This restriction **does not apply** if the ship being transferred is a **new vessel** acquired from an **Indian shipyard.**

These amendments are effective immediately and aim to refine regulatory clarity and foreign exchange alignment in IFSC ship leasing operations.

The "Framework for Finance Company/Finance Unit undertaking the activity of Global/Regional Corporate Treasury Centres (GRCTC)", issued by the International Financial Services Centres Authority (IFSCA) on April 4, 2025, outlines the updated regulatory structure for entities operating or intending to operate as GRCTCs in IFSCs

Purpose and Scope

Applies to new and existing Finance Companies/Units registered or seeking registration under IFSCA's Finance Company Regulations, 2021.

Replaces the earlier framework dated June 25, 2021, to align with international best practices and ease of doing business.

Key Provisions

1. Registration Requirements

- Applications must be submitted via the Single Window IT System (SWIT).
- Entity must maintain a **minimum owned fund of USD 0.2 million**.
- Must employ at least **5 qualified personnel** including a Head of Treasury and a Compliance Officer.
- The parent entity must not be from a FATF high-risk jurisdiction.
- Entities must meet **fit and proper criteria** (Annex I).

2. Permissible Activities (Clause 13 & Annex II)

GRCTCs can:

- Raise capital, borrow, lend, and provide credit guarantees.
- Invest and transact in financial instruments and derivatives (OTC and exchange-traded).
- Engage in foreign exchange, factoring, forfaiting, and re-invoicing.
- Conduct liquidity and cash flow management.
- Provide treasury-related advisory services.
- Act as a holding company.

Note: Factoring requires separate registration under the **IFSCA Factors Regulations, 2024**.

3. Governance & Compliance

- Mandatory policies on governance, risk management, and permitted activities.
- Prior approval required for significant changes in control.
- AML, CFT, and KYC compliance as per IFSCA guidelines.

4. Operational Guidelines

- Operations must begin within 6 months of registration (extendable by 3 months).
- Transactions in IFSCs must be in **Specified Foreign Currencies**.

Allowed to open **SNRR accounts** in India for external business.

5. Fee Structure

- Application Fee: USD 1,000
- Registration Fee: USD 12,500 (one-time)
- Recurring Fee: USD 25,000 annually
- No separate fee if registering for factoring under the IFSCA regulations.

6. Repeal & Transition

- Previous 2021 framework is repealed.
- Existing entities must comply with the new framework within 6 months.

08 April 2025: Revision in IBU Governance Meeting Requirements

The International Financial Services Centres Authority (IFSCA) has revised the governance norms for IFSC Banking Units (IBUs). Effective immediately, the governing body of each IBU must convene **at least once every quarter** during the financial year, with the flexibility to hold additional meetings as required. This replaces the earlier stipulation under the Governance Directions in the IFSCA Banking Handbook (GEN V 5.0). The change has been made under Sections 12 and 13 of the IFSCA Act, 2019, and aims to enhance regulatory clarity while ensuring continued oversight.

08 April 2025: The IFSCA has announced the transition to the new Fund Management Regulations, 2025, effective from February 19, 2025, replacing the 2022 regulations.

Key changes include:

1. Validity of Private Placement Memorandums (PPMs): Extended from 6 to **12 months** for Venture Capital and Restricted Schemes.
2. Minimum Corpus Requirement: Reduced from **USD 5 million to USD 3 million** for eligible schemes.
3. Transition Provision: Schemes filed under the 2022 regulations can launch under the new regime if:
 - a. Taken on record within 6 months before Feb 19, 2025, or
 - b. Had valid extensions extending beyond Feb 19, 2025.
4. One-Time Re-Filing Opportunity: FMEs may re-file expired PPMs (prior to Feb 19, 2025) within 3 months under specific conditions, with a **50% reduced filing fee**.
5. No Processing Fee: Changes mandated due to regulatory updates or Authority action are **exempt from processing fees**.

This circular is effective immediately and aims to facilitate a smooth transition while providing relief to FMEs with lapsed schemes.

17 April 2025: Amendments to the "Framework for enabling Ancillary Services at International Financial Services Centres"

The amendment expands the scope of "Trusteeship Services" in response to market requests. Specifically, Clause 4.3 of Annexure I to the IFSCA (Ancillary Services) Framework, 2021 has been revised to include Trusteeship Services for various financial structures, including Alternative Investment Funds (AIFs), Investment Trusts (e.g., InvITs, REITs), Family Investment Funds (FIF), and Security Trust arrangements. The amendment also extends Trusteeship Services to retail schemes launched by Fund Management Entities (FMEs), subject to compliance with relevant regulations.

This amendment takes effect immediately and does not affect other provisions of the original framework. The circular is issued under the powers granted by the IFSCA Act, 2019.

22 April 2025: Clarification on conducting Customer Due Diligence (CDD) and Maintenance of Supply Chain Integrity by the Vault Managers

This circular provides clarification regarding the conduct of Customer Due Diligence (CDD) and maintenance of supply chain integrity by Vault Managers in the International Financial Services Centre (IFSC), as outlined under the IFSCA (KYC/AML-CFT) Guidelines, 2022, and the Bullion Guidelines.

1. Customer Due Diligence (CDD) for Vault Managers:
 - Vault Managers, as regulated entities, must conduct CDD on customers, including ultimate beneficial owners of Bullion Depository Receipts (BDRs). This applies to both domestic and international customers, such as suppliers, buyers, and members of the Bullion Exchange.
 - The Vault Manager may rely on CDD conducted by the Bullion Depository, but must also independently verify the due diligence of customers they onboard.
 - Vault Managers must ensure that agreements with overseas logistics service providers require them to undertake CDD on bullion suppliers in accordance with FATF guidelines or the regulatory framework of the supplier's jurisdiction.

2. Maintenance of Supply Chain Integrity:

- Vault Managers are responsible for ensuring the integrity of the bullion supply chain, ensuring that the bullion remains under custody of the Vault Manager or its authorized logistics partners from the point of origin to receipt in the vault.
- Custodial arrangements must be formalized in contracts, ensuring continuous custody of the bullion through transportation, storage, and delivery.

3. Compliance Responsibility:

- The Bullion Depository is responsible for ensuring that Vault Managers comply with the supply chain integrity requirements.

The circular, effective immediately, is issued under the powers of the International Financial Services Centres Authority Act, 2019, and related regulations.

Clarifications on Fee Structure for Entities in IFSC

On April 23, 2025, the International Financial Services Centres Authority (IFSCA) issued a circular to clarify and amend certain provisions of the fee structure outlined in the previous circular (IFSCA-DTFA/1/2025 dated April 8, 2025) for entities operating in the International Financial Services Centres (IFSC) or seeking guidance under the Informal Guidance Scheme.

Key Clarifications and Amendments:

1. Processing Fees for Fund Management Entities (FME):

- A fee of USD 500 will be applicable for modifications to scheme documents launched by FMEs.

2. Late Fees for Periodic Returns:

- Late fees for failure to submit periodic returns will apply per activity for each Regulated Entity (RE).

3. Changes in Key Managerial Personnel (KMP):

- A fee of USD 250 will apply for intimation of changes in KMPs, Directors, Designated Partners, Trustees, or similar positions in FMEs.

4. Payment Service Providers (PSP) and Payment System Operators (PSO):

- Clarifications were made on the application, license, registration, and recurring fees for various PSP and PSO activities, including services like account issuance, e-money issuance, escrow, cross-border money transfers, etc.
- For Significant Payment Service Providers (SPSP), the annual fee for each activity will be USD 10,000.

5. Finance Companies:

- Clarified that fees for Finance Companies undertaking permissible core activities will apply separately for each activity.

6. Recurring Fees:

- The annual recurring fees for certain entities (like PSOs and PSPs) will be payable starting the financial year immediately following the issuance of their registration certificate.

7. Turnover-Based Fees for Stock Exchanges:

- For stock exchanges with turnover exceeding USD 150 billion, a conditional fee of USD 150,000 plus a percentage of the excess turnover will apply.

8. Implementation Timeline:

- The revised fees will apply for FY 2025-26. Entities that have already paid fees before the issuance of the circular may need to pay differential fees by May 10, 2025, or the due date specified in the original Fee Circular.

These changes aim to streamline and clarify the fee structure for entities engaged in permissible activities within IFSCs, ensuring alignment with current operational realities. The circular is effective immediately.

29 April 2025: Amendment to the "IFSCA Operating Guidelines on Bullion Exchange, Bullion Clearing Corporation, Bullion Depository and Vault Manager – Dispensation of net-worth requirement for 'Customers'.

The International Financial Services Centres Authority (IFSCA) has amended the Operating Guidelines on Bullion Exchange, Bullion Clearing Corporation, Bullion Depository, and Vault Manager. This amendment, effective immediately, dispenses with the net worth requirement for all classes of 'Customers' participating in the bullion market at the International Financial Services Centre (IFSC). This change follows a representation from India International Bullion Exchange (IIBX) to broaden participation across various products.

However, the net worth requirements for Qualified Suppliers and Qualified Jewellers, as specified in previous circulars (18th August 2022 and 11th December 2023), remain in place. The amendment is issued under the authority of the International Financial Services Centres Authority Act, 2019.

Revised Framework for International Trade Finance Services (ITFS) Platform as updated on April 11, 2025 by the IFSCA:

The IFSCA has issued updated guidelines for the establishment and operation of the International Trade Finance Services (ITFS) Platform, under the IFSCA (Finance Company) Regulations, 2021. These revised norms aim to enhance the regulatory clarity and operational efficiency for ITFS operators and participants at International Financial Services Centres (IFSCs).

Key Highlights:

1. Scope & Applicability:

- Applicable to both existing ITFS operators and new applicants seeking registration.
- Covers exporters, importers, financiers, insurance/credit guarantee institutions, and payment service providers.

2. Registration & Eligibility:

- Applicants must be newly incorporated companies with at least three years of experience in financial market infrastructure or fintech platforms.
- A minimum owned fund requirement of **USD 0.2 million** is mandated.
- Applicants must satisfy stringent 'fit and proper' criteria.

3. Permissible Activities:

- ITFS can facilitate a range of trade finance services, **including factoring, reverse factoring, bill discounting under LC, supply chain finance, pre-shipment credit, and forfaiting.**
- Secondary market transactions of these services are also allowed.

4. Operational Framework:

- Platforms must support **transparent, real-time bidding** with robust MIS and ensure participant anonymity.
- Financiers must have **USD 5 million in AUM or loan book** and capital, along with credit recovery capability.
- ITFS operators must **not assume credit risk** and must establish a grievance redressal mechanism.

5. Technology & Outsourcing:

- Mandatory **annual IT/IS audits**, disaster recovery systems, and business continuity plans.
- Critical operations such as participant onboarding and daily platform management **cannot be outsourced**.

6. Currency & Settlement:

- Books to be maintained in **USD**; transactions can occur in any specified foreign currency.
- Clearing and settlement functions require **additional authorization** under payment regulations.

7. Governance:

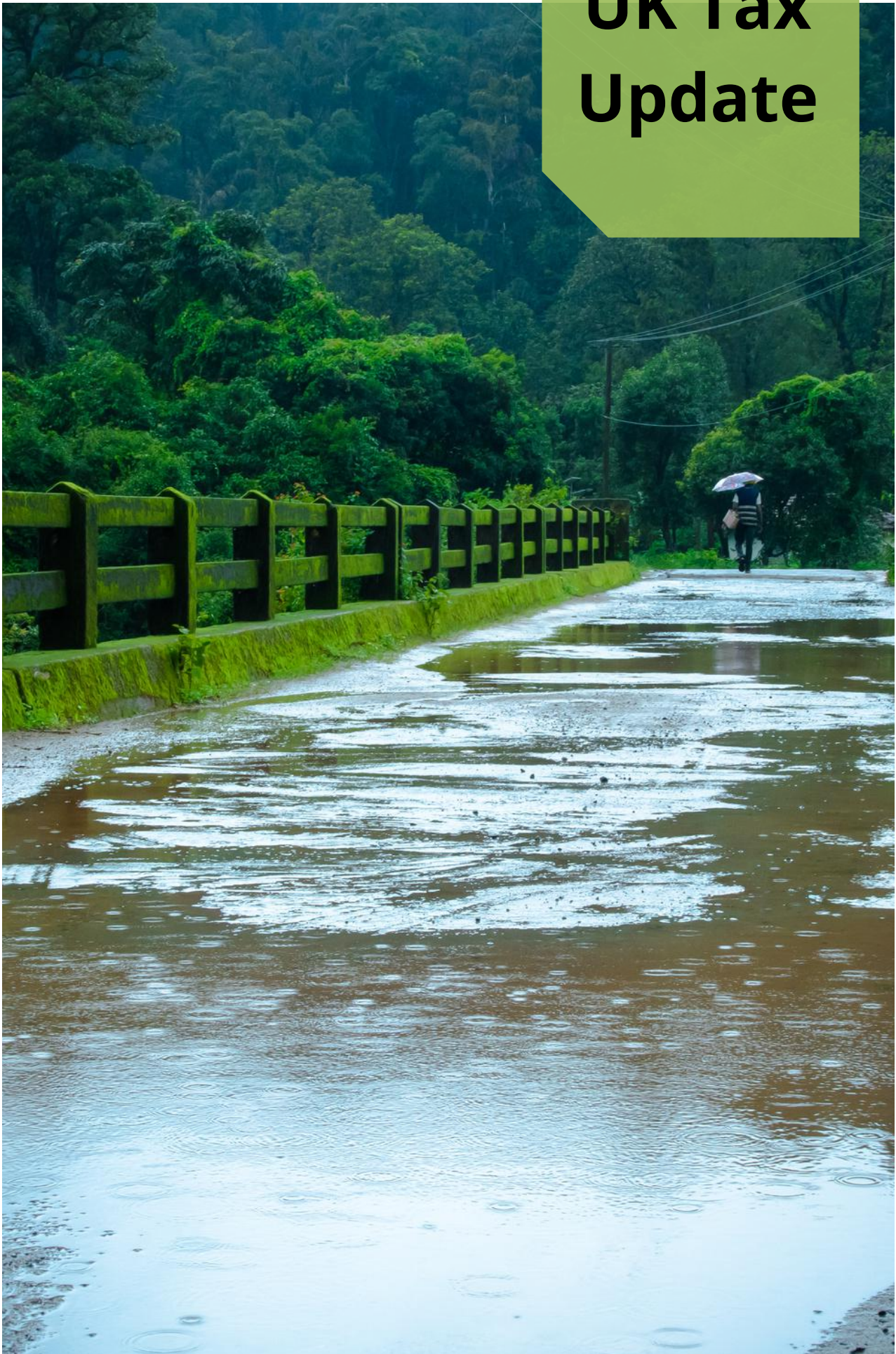
- Requires board-approved corporate governance policy and ongoing compliance with fit and proper standards.
- Strong compliance obligations under AML/KYC, FATF, and IFSCA directions.

8. Transition & Repeal:

- Supersedes the previous framework issued on **July 9, 2021**.
- Existing actions taken under the old framework are deemed valid under the new guidelines.



UK Tax Update



UK ECONOMIC SNAPSHOT

MAY 2025

The UK economy is showing tentative signs of recovery, but underlying challenges continue to weigh heavily. GDP grew by 0.6% in the three months to February 2025, a modest improvement driven largely by the service sector. Manufacturing bounced back in February with a 2.2% uptick, but output remains below last year's levels. Construction also nudged upward by 0.4%. Productivity, although rising slightly quarter-on-quarter, is still down 0.8% from a year ago — a persistent drag on long-term economic resilience.

Globally, conditions are softening. The IMF recently downgraded the UK's 2025 growth forecast to 1.1%, in line with the Office for Budget Responsibility's 1.0% projection. Global GDP expectations have also been trimmed to 2.2%, reflecting broad-based slowdown risks, especially in major trading partners.

Inflation has continued its downward trajectory, falling to 2.6% in March from 2.8% in February. Core services inflation now stands at 4.7%, and the trend suggests that the Bank of England's 2% target is within sight. Real wages are rising again — average weekly earnings excluding bonuses rose 5.9% year-on-year, translating into a real terms increase of around 3%. This has provided some relief for households, even as consumer confidence remains fragile.

The labour market is showing signs of cooling. Employment remains high at 34 million, but unemployment has ticked up to 4.4%, with youth unemployment notably higher at 14.6%. While wage growth remains strong, employers appear increasingly hesitant about long-term hiring. Permanent job placements have fallen for 13 consecutive months.

On the fiscal front, borrowing for the 2024–25 fiscal year came in at £152 billion — £15 billion higher than forecast. Public sector net debt now stands at 95.8% of GDP. With debt servicing costs on the rise, fiscal headroom is narrowing. Interest rates remain at 4.5%, with the Bank of England maintaining a cautious stance until inflation is fully under control.

External trade remains a weak point. The UK registered a trade deficit of £4.8 billion for the three months to February. Exports rose 4.6% but were outpaced by a 2.6% rise in imports. The current account deficit widened again in Q4 2024 to £21 billion, a sign that the UK remains reliant on foreign capital inflows. The pound has strengthened to \$1.29 against the US dollar but weakened slightly to €1.19 against the euro. On a trade-weighted basis, sterling is down 2.2% year-on-year.

Consumer activity remains mixed. Retail sales volumes increased 1.6% in March, driven by strong non-food spending, but food sales continued to decline. The GfK consumer confidence index dropped to -23 in April, its lowest level since late 2022. Business sentiment also weakened, especially in manufacturing and services, with PMIs falling and investment plans increasingly cautious.

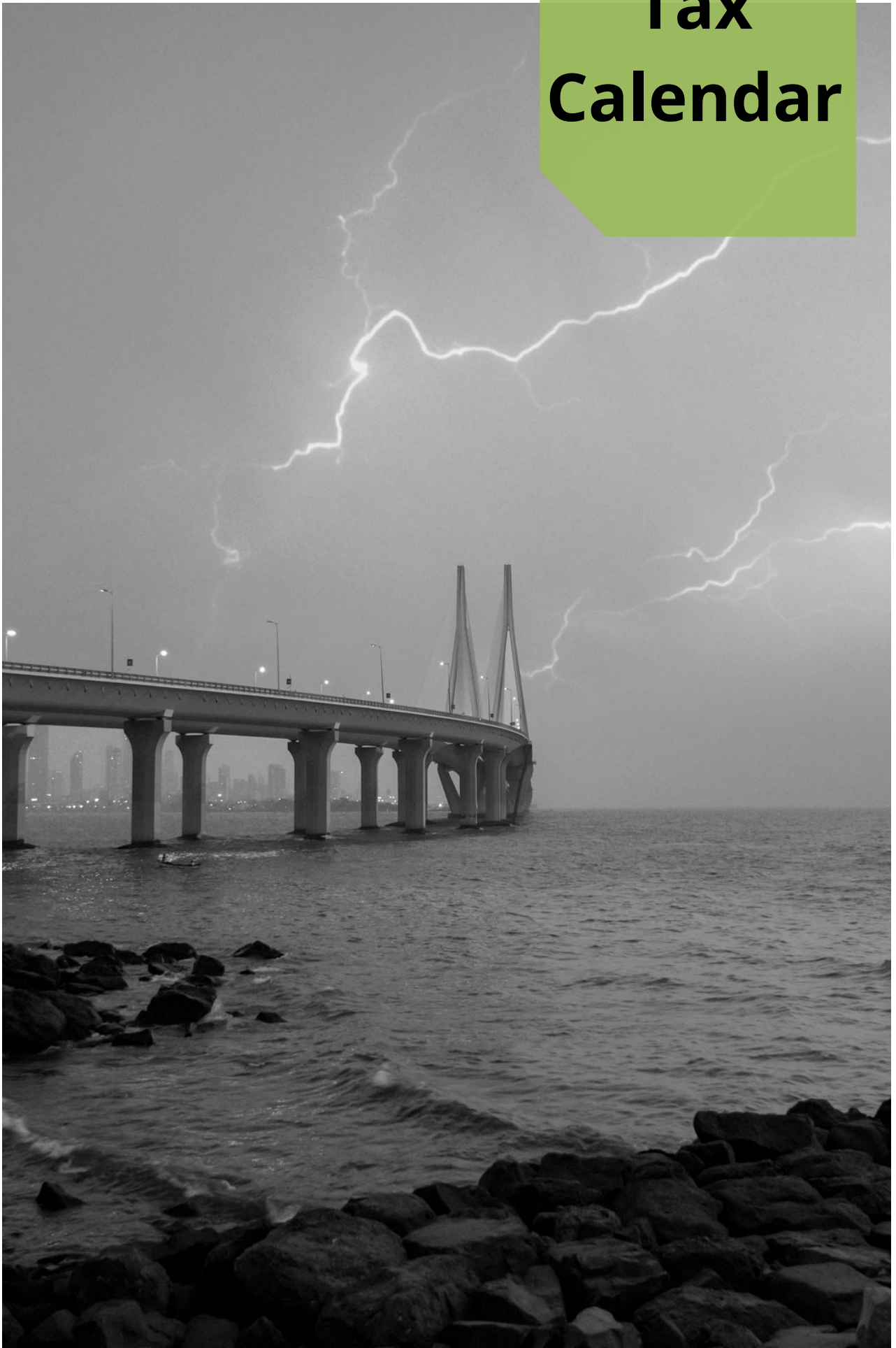
Household debt has dropped to 118.1% of disposable income — its lowest level since 2007 — as consumers continue to deleverage. The housing market, however, has defied broader economic softness. Prices rose 5.4% year-on-year to February, buoyed by gains in the North of England. Mortgage approvals are up 8% annually, though momentum is slowing. The average two-year fixed mortgage rate now sits at 4.70%, slightly down from earlier highs but still elevated by historical standards.

Industrial momentum remains weak. April's manufacturing PMI dropped sharply to 44.0 — the lowest in 18 months — reflecting falling output, new orders, and worsening export demand. Input cost pressures have eased, but weak global demand and post-Brexit frictions continue to hamper the sector.

In short, the UK economy is treading water — not sinking, but far from sailing smoothly. Stabilisation in inflation and wage growth offers some optimism, but weak investment, stagnant productivity, and fragile confidence are keeping recovery shallow. Policymakers and businesses alike face a delicate balancing act through the rest of 2025.



Tax Calendar



May 2025 - Tax Calendar

7TH MAY	Due date for deposit of Tax deducted/collected for the month of April, 2025
7TH MAY	Uploading of declarations received in Form 27C from the buyer in the month of April, 2025
15TH MAY	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-M & 194S in the month of March, 2025
15TH MAY	Quarterly statement of TCS deposited for the quarter ending March 31, 2025
30TH MAY	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M & 194S in the month of April, 2025
30TH MAY	Issue of TCS certificates for the 4th Quarter of the Financial Year 2024-25
30TH MAY	Furnishing of statement required under Section 285B for the previous year 2024-25
31ST MAY	Quarterly statement of TDS deposited for the quarter ending March 31, 2025
31ST MAY	Return of tax deduction from contributions paid by the trustees of an approved superannuation fund
31ST MAY	Due date for furnishing of statement of financial transaction (in Form No. 61A) as required to be furnished under sub-section (1) of section 285BA of the Act respect for financial year 2024-25
31ST MAY	Due date for e-filing of annual statement of reportable accounts as required to be furnished under section 285BA(1)(k) (in Form No. 61B) for calendar year 2024 by reporting financial institutions



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