

RNM ALERT
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Autumn Harvest: Flavors & Focus

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EDITORIAL

Dear Readers

During the month of September 2025 our CEO, Mr. Raghu Marwah was in London to visit RNM UK office and to discuss cooperation with a USA headquartered accounting firm and leading private Bank. He was also in Bengaluru on an exclusive Sell Side Advisory mandate for a M&A transaction.

On the Direct Tax side, the due date for filing Tax Audit has been extended to 31 October 2025. The ICAI has also issued a revised 2025 Guidance Note on Tax Audit which highlights practical clarifications with a focus on threshold limits, timelines and compliance procedures.

On the Indirect Tax Side, the 56th GST Council meeting recommended the consolidation of the multiple existing slabs into three broad categories merit rate at 5%, standard rate at 18% and demerit rate at 40%. The GST Appellate Tribunal has been decided to be operationalized with benches across India.

On the Assurance Side, the NFRA has released the Series -4 of Auditor-Audit Committee Interaction Series on audit of Accounting Estimates and Judgement. This provides a good guidance to independent members of Audit Committee to enhance transparency and quality of interaction.


We would like to take this opportunity of wishing all our readers best wishes for Deepawali on 20 October. On this day we celebrate the spiritual triumph of good over evil and light over darkness.

U N Marwah
Chairman - RNM India

The background of the slide is a close-up photograph of several autumn leaves. The leaves are in various shades of brown, tan, and orange, with some showing signs of decay and small holes. Numerous clear water droplets of varying sizes are scattered across the surface of the leaves, particularly on the right side. In the top right corner, there is a semi-transparent green rectangular box containing the title text.

Direct Tax

Focus



1. CBDT extends due date for filing tax audit report for AY 2025-26 to 31-10-2025

The CBDT vide Press release dated 25.09.2025; has extended the due date for furnishing the report of audit under any provision of the Income-tax Act, 1961 for the Assessment Year 2025-26. The due date is extended to 31st October 2025.

2. CIRCULAR NO. 13/2025 [F. NO. 275/09/2025-IT(BUDGET)], DATED 19-9-2025

The CBDT waives interest on demand raised due to disallowance of Sec. 87A rebate on income taxable at special rate. The interest payable under section 220(2) of the Act shall be waived in such cases where the payment of the demands raised, is made on or before 31.12.2025.



Important Judicial Precedents

1. Deduction u/s 54F allowed as assessee's delay in construction was due to reasons beyond his control: ITAT

[2025] 178 taxmann.com 543 (Delhi - Trib.) Rajni Kumar vs. ITO, Ward 3 (1)

Where assessee had intended to construct a residential house and invested whole purchase consideration in plot of land but it was beyond control of assessee to get plot of land to initiate construction of house on time and finally assessee had to forego rights of plot of land and invested recovered amount in new property, assessee would be eligible to claim deduction under section 54F.

2. Provisional attachment u/s 281B lapses after six months without valid extension order: HC

[2025] 178 taxmann.com 502 (Kerala-HC) Brijesh M. vs. Income-tax Officer

Where assessee challenged provisional attachment of properties under section 281B on grounds that attachment continued beyond six months without valid extension, and respondents admitted that no extension order was passed, provisional attachment could not subsist and respondents were required to update land records accordingly.

3. No penalty for concealment if additions were based on ad-hoc estimation of income: HC

[2025] 178 taxmann.com 458 (Bombay-HC) PCIT vs. Colo Colour (P.) Ltd

Where Assessing Officer made additions on alleged bogus purchases merely on estimate basis and by relying upon Sales Tax Department information not furnished to assessee, levy of penalty under section 271(1)(c) was not sustainable.



4. Reassessment can't be made on same facts already considered in original assessment: HC

[2025] 177 taxmann.com 701 (Gujarat-HC) Pacifica Developers (P.) Ltd. vs. ITO

Where assessee sold 'development rights' in relation to certain pieces of land in two phases and Assessing Officer issued reopening notice on ground that while calculating profit earned by assessee in phase-1 cost of acquisition amounting to certain sum was deducted from amount received, and assessee had shown cost of land in inventories/work in progress which was either needed to be reduced from work in progress or cost of acquisition was not to be given, since reasons recorded for reopening were already considered by Assessing Officer in assessment order passed under section 143(3), impugned reopening notice was to be quashed and set aside.

5. 6 years is a reasonable period for passing Sec. 201 order in case of non-deduction of TDS from non-residents: HC

[2025] 178 taxmann.com 268 (Madras-HC) Vedanta Ltd. vs. DCIT (International Taxation)

Where assessee was treated as 'assessee-in-default' for payments made to non-resident without deduction of tax at source, since orders under section 201 and 201(A) were passed beyond six years from end of relevant financial year, same were barred by limitation and liable to be set aside.

6. Protective addition u/s 69A for cash deposits unjustified as substantive additions made in beneficiaries' hands: ITAT

[2025] 178 taxmann.com 474 (Amritsar - Trib.) Mandeep Singh vs. Income-tax Officer

Where Assessing Officer added about Rs. 15 crores on protective basis in assessee's hands under section 69A for cash deposits in a disputed bank account which assessee denied operating and substantive additions for same amount had already been made in hands of two other entities identified as actual beneficiaries, such protective addition was not legally justified and directed to be deleted.

7. AO can't question authenticity of Sec. 10AA claim in subsequent years if he accepted it in first year: ITAT

[2025] 178 taxmann.com 183 (Delhi - Trib.) Orient International vs. ACIT

Where Assessing Officer had given categorical finding in first year of business of assessee-company that assessee was altogether an independent unit and it had come into existence on totally new set off of plant and machinery and it had got nothing to do with bifurcation of any other existing company, in subsequent years, Assessing Officer could not deny claim of deduction made under section 10AA by assessee on ground that assessee was being used/misused by some other company in order to deviate its income/profit.





Indirect Tax

Structure

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



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





Consolidated GST Council Meeting Highlights – 56th Meetings

Rate Rationalization & Tax Structure Changes

- Two-Slab GST Framework
- The Council recommended replacing the existing four-tier structure (5%, 12%, 18%, 28%) with a simplified two-rate structure:
 - 5% – Merit Rate
 - 18% – Standard Rate
 - A separate 40% GST + Compensation Cess rate introduced for sin/luxury goods such as tobacco, pan masala, and aerated beverages

Notifications to be issued under Section 9(1) of the CGST Act, 2017 read with Section 5 of the IGST Act, 2017 for implementation.

Exemptions & Concessions

- Life & Health Insurance Premiums: Individual life and health insurance exempted from GST via amendments under Section 11(1) of the CGST Act.
- Essential Goods: UHT milk and dairy products (HSN 0401 & 0402) moved to lower slabs to reduce consumer burden
- Education Sector: Supply of educational stationery (HSN 4901) and maps shifted to Nil Rate through amendments to Notification No. 2/2017–Central Tax (Rate).



HSN-wise Rate Changes



HSN Code	Description	Old Rate	New Rate	Legal Basis
0401	UHT Milk	5%	Nil	Sec. 9 CGST Act + Notification 2/2017-CTR
0402	Butter, Ghee, Paneer	12%	5%	Notification 1/2017-CTR
4901	Educational Stationery, Maps	5%	Nil	Notification 2/2017-CTR
2402	Tobacco & Pan Masala	28% + Cess	40% + Cess	Sec. 8 GST Comp. Cess Act + Notif. 3/2019-CT
8528	Television Sets >32 Inches	28%	18%	Notification 1/2017-CTR
9963	Hotel Rooms ≤ ₹7,500	12%	5% (No ITC)	Notif. 11/2017-CTR as amended

CBIC has issues SOP for scrutiny of GST returns for FY 2019-20 onwards to ensure a systematic and efficient process

The GST Council in its 56th Meeting recommended significant procedural reforms to simplify compliance, reduce litigation, and improve ease of doing business. The reforms, backed by amendments under the CGST Act, IGST Act, and CGST Rules, are summarized below:



- Auto-Refund Mechanism
- Rule 89 of CGST Rules, 2017 to be amended for the automation of refund sanctioning process in cases involving:
 - Inverted Duty Structure (where the tax rate on inputs exceeds the tax rate on outputs).
 - Export of goods and services under zero-rated supplies.
 - System-based processing to replace manual verification for refund claims up to a prescribed limit, thereby reducing human intervention and time delays.
- The system will enable real-time tracking of refund status and automatic credit into the taxpayer's bank account upon verification of return data in GSTR-1, GSTR-2B, and GSTR-3B.
- Proposed amendment aligns with Section 54 of CGST Act for time-bound refunds.

Prefilled GSTR-3B Returns

- Based on data from outward supplies (GSTR-1) and auto-drafted ITC statements GSTR-2B), the GST portal will:
 - Auto-populate liability and ITC figures in GSTR-3B.
- Provide system-generated draft returns to minimize clerical errors and mismatches.
- Reduces reconciliation disputes under Section 37 (Outward Supplies) and Section 38 (Inward Supplies) of the CGST Act.
- Helps taxpayers in accurate ITC reporting and reduces interest liabilities due to under-reporting or mismatches.

Single E-Commerce Registration

- Rule 8 of CGST Rules to be amended to allow one GST registration for small e-commerce operators across multiple States/UTs.

Objective:

- Eliminate the need for multiple GSTINs for each State, which earlier led to compliance duplication.
- Encourage small sellers and startups to expand operations pan-India under a single registration framework.
- Reporting requirements to remain State-wise in GSTR-1 for uniform tax distribution to States under Section 9(1) CGST Act read with Section 5(1) IGST Act.

Biometric Aadhaar Authentication

Rule 8(4A) of CGST Rules to be enforced mandating biometric Aadhaar verification for all new GST registrations.

Aimed at curbing:

- Creation of fake firms used for generating bogus ITC invoices.
- Fraudulent claims under Section 16 of CGST Act leading to revenue leakage.
- Verification to be completed at Common Facilitation Centres (CFCs) before granting registration under Section 25 CGST Act.





Place of Supply Amendments for Intermediary Services

- Clarifications issued under Section 13(8)(b) of IGST Act for determination of Place of Supply in cases involving:
 - Intermediary services provided to overseas clients.
 - Cross-border Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO) activities.
- Alignment with global practices under OECD VAT/GST Guidelines to avoid double taxation or non-taxation.
- Ensures Indian service providers to foreign clients are taxed appropriately, promoting export competitiveness.

GST on Cancer & Life-Saving Drugs

- A total of 33 life-saving drugs, including major cancer and rare disease medicines, have been granted full exemption from GST (0%) through amendments to Notification No. 2/2017–Central Tax (Rate), effective from 22nd September 2025. Additionally, the GST on all other finished formulation drugs has been uniformly reduced from 12% to 5%, while several diagnostic kits, medical devices, and individual health and life insurance premiums have also been moved to the 0–5% GST slab. These measures, aligned with Section 11(1) of the CGST Act, 2017, aim to reduce treatment costs, enhance affordability, and strengthen public health access across India.

Clarification on GST Treatment of Electricity Meter Services

- Under existing GST provisions, the supply of electricity and allied services provided by an electricity transmission or distribution utility (such as a State Electricity Board) for the transmission or distribution of electricity enjoys full exemption pursuant to relevant exemption notifications issued under Section 11(1) of the CGST Act, 2017. However, the Central Board of Indirect Taxes and Customs (CBIC), through Circular No. 34/8/2018-GST, had previously clarified that ancillary charges—including meter rent, testing fees, and similar incidental services—were subject to GST when charged separately, since they were treated as independent supplies. Recognizing that such ancillary services are intrinsically linked to and form an integral part of the principal supply of electricity, the GST Council in its recent deliberations has recommended issuing a composite supply clarification under Section 8 of the CGST Act, to ensure that when such charges are bundled with the principal supply of electricity, the entire transaction remains GST-exempt.



Prospective Inclusion of Petroleum Products under GST

- As per Section 9(2) of the Central Goods and Services Tax Act, 2017, the levy of GST on petroleum crude, high-speed diesel, motor spirit (petrol), natural gas, and aviation turbine fuel shall be applicable from a date to be notified by the Government on the recommendation of the GST Council. Until such notification is issued, these products continue to remain outside the purview of GST and are subject to existing State and Central levies including VAT, excise duty, and cesses. While no formal decision has yet been taken, there are strong indications that the GST Council may deliberate on the feasibility and potential GST rates for these petroleum products in upcoming meetings. Such inclusion would have significant implications on revenue distribution between the Centre and States, input tax credit availability for businesses, and final consumer pricing, particularly given the current state-wise variations in fuel taxation and the impact on inflationary trends.

Relief On Late ITC Claims: Section 16(5) Overrides Time Limit

M/s Rajkumar Josphine vs. The Superintendent- Madras High Court

Facts

- The Petitioner, M/s Rajkumar Josphine, had availed Input Tax Credit (ITC) pertaining to FY 2017–18 to FY 2020–21. The Department denied the ITC solely on the ground that the GSTR-3B returns for the relevant periods were filed beyond the time limit prescribed under Section 16(4) of the CGST Act, 2017. Consequently, ITC was reversed and recovery proceedings were initiated along with interest and penalty.

Background

- The Finance Act (No. 2), 2024 introduced sub-section (5) to Section 16 with retrospective effect.
- This provision expressly overrides Section 16(4) for the initial years of GST implementation and permits the availment of ITC for FY 2017–18 to 2020–21 where the relevant returns were filed up to 30 November 2021.

Held

The Hon'ble Madras High Court observed that:

- Section 16(5) is a beneficial and curative provision, intended to address genuine difficulties faced by taxpayers during the nascent phase of GST implementation.
- The legislative intent behind its retrospective insertion is to ensure that taxpayers are not denied substantive ITC merely due to procedural delay in filing GSTR-3B, provided the returns were filed by November 30, 2021.
- Consequently, any ITC reversal made solely on account of limitation under Section 16(4) for FY 2017–18 to 2020–21 cannot be sustained in law post insertion of Section 16(5).





Clarification on Tax Treatment of Secondary / Post-Sale Discounts under Goods and Services Tax

Background

- The Central Board of Indirect Taxes and Customs (CBIC) has recently issued clarifications on the GST treatment of secondary or post-sale discounts between manufacturers and their distribution partners. While intended to provide uniformity, these clarifications also signal increased scrutiny on how discounts and promotional activities are structured in agreements.

Input Tax Credit (ITC) on Financial / Commercial Credit Notes/ Promotional Activities

- Commercial/financial credit notes issued without impacting tax liability shall not require ITC reversal by the recipient. The emphasis is on documentation clarity — credit notes must reflect genuine commercial adjustments.
- Incidental efforts (general sales push) remain outside the scope of supply.
- Contracted activities (advertising, co-branding, events) are treated as taxable services in the dealer's hands.



Corporate Finance



Warmth

KKR, Ontario Teachers' Pension Fund Sell \$280-Mn Stake In Road InvIT

KKR & Co and the Ontario Teachers' Pension Plan (OTPP) have divested units worth \$280 million (around INR 2,483 crores) in the NSE-listed Vertis Infrastructure Trust (formerly Highways Infrastructure Trust). Prior to the transaction, KKR held a 71.66% stake and OTPP 24.99%, with KKR selling units worth \$226.3 million (around INR 2,007 crores) and OTPP \$51.9 million (around INR 460 crores) through a secondary sale. Vertis currently manages highway assets valued at \$2.8 billion (around INR 25,000 crores), comprising 27 projects spanning 8,100 lane km, and in 2024 acquired 12 projects from PNC Infratech at an enterprise value of \$1.01 billion (around INR 9,005 crores). The InvIT has set an ambition to double its AUM to \$5.5 billion (around INR 48,771 crores) over the next three years, well above the ₹30,000–40,000 crore long-term target outlined in its FY24 annual report. KKR entered India's highways sector in 2021 through the acquisition of Global Infrastructure Partners' roads portfolio, marking its entry into the segment.

(Source: VC Circle, 02nd September 2025)

Private Equity

Tessolve Raises \$150 Mn From TPG Growth For Acquisition, Expansion

Bengaluru-based semiconductor engineering firm Tessolve has raised \$150 million (around INR 1,332 crores) from TPG Growth to drive acquisitions, expand test labs, and strengthen global delivery centres. Acquired by Hero Electronix in 2016, Tessolve has grown revenues from \$25 million (around INR 222 crores) in FY16 to over \$150 million (around INR 1,332 crores) in FY25, with Novo Tellus Capital Partners also investing \$40 million (around INR 355 crore) in 2021. Founded in 2004, the company runs 11 labs, partners with 18 of the top 20 semiconductor firms, and employs over 3,000 engineers worldwide.

(Source: VC Circle, 01st September 2025)X

IFC Invests In JBM Auto's Electric Mobility Unit, Eversource-Backed GreenCell

International Finance Corporation (IFC), the private-sector arm of the World Bank Group, is investing \$137 million (around INR 1,216 crores) in India's electric mobility sector \$100 million (around INR 888 crores) in JBM Ecolife Mobility, a unit of JBM Auto, and \$37 million (around INR 328 crores) in GreenCell Mobility, backed by Eversource Capital. IFC's first capital investment in Asia's e-bus sector and its largest globally, the funding will help deploy 4,000 e-buses and charging stations across 39 municipalities, creating 12,000 jobs. GreenCell's NueGo brand connects more than 100 Indian cities, making it one of the country's largest electric bus operators.

(Source: VC Circle, 11th September 2025)

Kedaara Capital Invests In Life-Sciences Software Firm Axtria

Kedaara Capital, which is deploying from its \$1.73 billion (around INR 15,340 crores) fourth fund, has invested \$240 million (around INR 2,131 crores) in Axtria, a life sciences-focused data analytics and cloud software firm, through a mix of secondary investment and company-sponsored buyback, marking one of the largest employee-centric liquidity events in the sector. Founded in 2010, Axtria serves over 100 customers across 75 organizations, and Kedaara plans to support its organic and inorganic growth. This marks Kedaara's second investment in the data analytics and AI space this year, following its \$350 million (around INR 3108 crores) bet on Impetus Technologies, alongside recent investments in Porter and Juspay.

(Source: VC Circle, 23rd September 2025)



Swiggy Selling Rapido Stake To Prosus, WestBridge; To Hive Off Instamart

Swiggy Ltd has agreed to divest its entire 12% stake in Rapido to Prosus and WestBridge Capital for \$270.6 million (around INR 2,400 crores), according to its stock exchange filings. The transaction, subject to approvals from the Competition Commission of India and Swiggy's shareholders, includes both equity and preference shares, with Prosus acquiring shares worth \$ 221.9 million (around INR 1,968 crores) and WestBridge \$48.7 million (around INR 432 crores). The company said the sale, classified as a related-party transaction given Prosus' 23% stake in Swiggy, was executed on fair terms and is aimed at strengthening its cash reserves amid growing competition in quick commerce.

(Source: VC Circle, 24th September 2025)

CapitaLand India Trust Divests From Chennai, Hyderabad Assets For \$125 Mn

CapitaLand India Trust (CLINT) has entered into an agreement to divest CyberVale in Chennai and CyberPearl in Hyderabad for \$125 million (around INR 1,110 crores), marking its first divestment since its listing in 2007. The transaction, priced at approximately a 3% premium to independent valuations, is expected to generate net proceeds of \$122 million (around INR 1,083 crores), which will be utilized to strengthen the balance sheet, fund higher-yielding projects, and enhance unitholder distributions.

(Source: VC Circle, 25th September 2025)



Venture Capital

CityMall Raises \$47 Mn in Series D Round

CityMall, an online commerce startup focused on tier II and smaller Indian cities, has raised \$47 million (around INR 414 crores) in a Series D round led by Accel, with participation from existing investors including Waterbridge Ventures, Citius, General Catalyst, Elevation Capital, Norwest Venture Partners, and Jungle Ventures, bringing its total funding to \$165 million (around INR 1386 crores). Founded in 2019, CityMall leverages a network of community leaders for marketing and logistics, claiming a distribution model up to three times more efficient than traditional e-commerce. The new funds will be used to strengthen its value-commerce model, expand into new regions, scale infrastructure, grow private labels and brand partnerships, and hire across tech, product, and operations.

(Source: VC Circle, 02nd September 2025)

Seekho Raises \$28 Mn in Series B Round

Edtech startup Seekho has raised \$28 million (around INR 246 crores) in a Series B funding round led by Bessemer Venture Partners, with participation from Goodwater Capital and existing investors Lightspeed Venture Partners and Elevation Capital. Founded in 2020 by Rohit Choudhary, Keertay Agarwal, and Yash Banwani, Seekho offers personalised, short-form educational videos across categories like technology, money, and business. With 25 million monthly active users a 60% QoQ growth—the platform aims to make learning engaging and accessible. The new funding will support the development of AI-first features, new content formats, and user experiences to scale its "edutainment" model.

(Source: VC Circle, 02nd September 2025)



FirstClub Raises \$23 Mn Series A to Expand Clubhouse Network and Product Offerings

Bengaluru-based FirstClub Technology Pvt Ltd has raised \$23 million (around INR 202 crores) in a Series A round led by existing investors Accel and RTP Global, with participation from Blume Founders Fund, 2am VC, Paramark Ventures, and Aditya Birla Ventures, valuing the startup at \$120 million (around INR 1050 crores). Launched in June, FirstClub operates dark stores called “clubhouses” and offers over 4,000 curated SKUs across categories like packaged foods, fresh produce, dairy, and nutrition. The funds will be used to launch 35 new clubhouses, introduce new fulfilment formats like cafés and subscriptions, expand into new categories, and accelerate hiring and tech development.

(Source: VC Circle, 04th September 2025)

Reveal HealthTech Raises \$7.2 Mn Series A to Expand AI Solutions for Healthcare

Healthtech startup Reveal HealthTech has raised \$7.2 million (around INR 61 crores) in a Series A round led by Leo Capital, with participation from Sanos Capital. Founded in 2023 by Sanchit Mullick, the US- and India-based company offers AI-driven transformation solutions for healthcare and life sciences. Its key products include BioCanvas, which accelerates clinical trial recruitment through multimodal AI, and Prism AI, a platform for building workflow automation agents. The funding will support product expansion, sales growth, and broader market reach. The company was incubated by W Health Ventures and 2070 Health.

(Source: VC Circle, 04th September 2025)

FlexifyMe Raises \$2.3 Mn In Pre-Series A to Expand Hybrid Healthtech Offerings

Healthtech startup FlexifyMe has raised \$2.3 Million (Around INR 20 crores) in a pre-Series A funding round led by IvyCap Ventures, with participation from Signal Ventures and existing investors. Founded by Manjeet Singh and Amit Bhayani, the company leverages AI-based posture and motion analysis combined with physiotherapy to address the root causes of chronic musculoskeletal pain. The funding will be used to expand its hybrid care model through online and offline centres, launch advanced posture and gait analysis labs, and strengthen clinical research partnerships.

(Source: VC Circle, 04th September 2025)



Mergers & Acquisitions

Tata Tech To Acquire Germany's ES-Tec Group To Boost Auto Engineering Play

Tata Technologies Ltd has entered into a definitive agreement to acquire ES-Tec GmbH and its subsidiaries for up to \$79 million (around INR 781 crores) in an all-cash transaction, aimed at strengthening its automotive R&D capabilities in Europe. The acquisition, expected to close by December 2026 subject to regulatory approvals, will enhance Tata Technologies' presence in Germany, provide access to local talent and domain expertise, and is projected to be earnings-per-share accretive from the first full year of operations.

(Source: VC Circle, 15th September, 2025)

Graphite India Buys Into NYSE-Listed Firm

Graphite India Ltd has acquired a 6.82% stake in NYSE-listed GrafTech International through a secondary transaction for \$19 million (around INR 168 crores). GrafTech manufactures high-quality graphite electrodes essential for electric arc furnace steel and other ferrous and non-ferrous metals. The company operates some of the world's highest-capacity, low-cost, ultra-high-power graphite electrode facilities and is substantially vertically integrated into petroleum needle coke, a key raw material for production.

Source: VC Circle, 19th September, 2025)



Ventive Hospitality Acquires 76% Stake in Hilton Goa Owner to Expand Portfolio

Ventive Hospitality Ltd, a joint venture between Blackstone and Panchshil Realty, is entering the Goa market by acquiring a 76% stake in Soham Leisure Ventures Pvt Ltd, which owns the Hilton Goa Resort in Candolim. The deal is valued at approximately \$36 million (around INR 320 crores), including land cost, with INR 9.5 crore to be paid in cash. This marks Ventive's first acquisition since its INR 1,600 crore IPO in December, which was subscribed 10 times. The 64-room Hilton resort offers potential for refurbishment and expansion, aligning with Ventive's plan to double its portfolio to 4,000 rooms over the next five years.

(Source: VC Circle, 26th September 2025)

Lupin to Acquire VISUfarma for \$201 Mn to Enter European Eyecare Market

Lupin Ltd has announced the acquisition of Netherlands-based VISUfarma for an enterprise value of \$201 million (around INR 1,977 crores) to expand its presence in the European ophthalmology market. The deal, made through Lupin's Dutch subsidiary Nanomi, is expected to close by year-end, subject to regulatory approvals in Spain and Germany. Funded through existing cash reserves, the acquisition will give Lupin access to over 60 branded eyecare products across segments such as dry eye, glaucoma, eyelid hygiene, and retinal health. Lupin expects the deal to be accretive to growth and margins, citing the rising demand in the sector due to aging populations and increasing diabetes-related eye conditions.

(Source: VC Circle, 29th September 2025)

Entero Healthcare Acquires 60% Stake in Ace Cardiopathy,

Entero Healthcare Solutions, backed by OrbiMed and ValueQuest Scale Fund, has acquired a 60% stake in Ace Cardiopathy Solutions for \$6.6–8.6 million (around INR 59.3-77.1 crores) with the deal expected to close by January 31, 2026. Incorporated in 2009, Ace Cardiopathy distributes medical devices and healthcare products, reporting revenue of Rs 155 crore in FY25, down from Rs 176 crore the previous year. Separately, Entero Healthcare has approved the sale of its entire stake in subsidiary Suprabhat Pharmaceutical to Yash Sudhir Biradar and Kavita Sudhir Biradar.

(Source: VC Circle, 29th September 2025)



Transaction & Regulatory Advisory Services

Courage



Key Regulatory & Legal Updates in September 2025

1.Ministry of Corporate Affairs (MCA)

- **Fast-Track Merger (FTM) / Merger-Demerger Overhaul:** On 4 September 2025, MCA exploded into the horizon with a notification fundamentally altering the framework on the Fast-Track Merger route allowing:
 - Unlisted, non-Section 8 companies with borrowings of up to ₹200 crore, and with no previous default, may now qualify for this process.
 - Mergers occurring between subsidiaries (even if not 100% owned) and a holding company will qualify, subject to conditions being met (i.e., not a public company, no creditor objection, etc.).

Read More: <https://www.mca.gov.in/content/mca/global/en/home.html>

2. Securities and Exchange Board of India

- **LODR (Listing Obligations & Disclosure Requirements) – Third Amendment Regulations, 2025**

On 8 September 2025, the Listing Obligations and Disclosure Requirements (Third Amendment) Regulations 2025 were published by SEBI provides that:


- Mandating dematerialisation of securities for certain categories, reducing exceptions.
- Tightening / expanding disclosures for Not-for-Profit (NPO) entities listed on the Social Stock Exchange (impact / non-financial, social impact reporting) to be furnished within 60 days of financial year end.
- Some simplifications in exceptions / provisos (removal of carve-outs) in Schedule VII of LODR.

Read More: <https://www.sebi.gov.in/>

- **Materiality thresholds for RP (Related Party) Transactions based on rates of turnover for remuneration amounts, etc**

Revised RPT (Related Party Transactions) Standards (as of 1 September 2025) The revised RPT (related party transactions) standards replaces the recommencement of circulars and rationalised the regime (e.g., scale based thresholds based on your amounts tied to outcome thresholds). Desirably, the aim here is to ease the burden of reporting obligations on less significant RPTs while providing oversight of material RPTs theoretically.

Read More: <https://www.sebi.gov.in/>



A still life photograph with a warm, autumnal theme. In the top left, a cup of frothy coffee sits on a dark wooden surface. To its right is a small, woven basket. Below the coffee cup, a dried plant with feathery seed heads is visible. In the center, several large, dried, brown leaves are scattered. A thick, brown, textured book lies diagonally across the lower half of the image. In the bottom left, a dried flower stem with small, dried blossoms rests on the book. The overall lighting is soft and warm, creating a cozy atmosphere.

GIFT City Update

Wisdom

Sep 02, 2025: IFSCA and ASIC Sign MoU to Strengthen Regulatory Cooperation

The International Financial Services Centres Authority (IFSCA) and the Australian Securities and Investments Commission (ASIC) have signed a Memorandum of Understanding (MoU) to enhance inter-regulatory cooperation. The MoU aims to facilitate mutual assistance, share information on market trends and best practices, and collaborate on technology use and regulatory oversight. It also enables timely exchange of information on financial services events and compliance, supervision, and enforcement requirements for market participants in both jurisdictions.

Sep 19, 2025 - IFSCA Invites Feedback on Draft FinTech Sandbox Framework

The **International Financial Services Centres Authority (IFSCA)** has released a draft **FinTech Sandbox Framework** aimed at fostering innovation across financial services in IFSCs. The framework provides a **structured regulatory environment** for domestic and foreign FinTech entities to develop and test products across **banking, capital markets, insurance, funds, and other financial services**.

Key Highlights:

- **Applicability:** Open to domestic and foreign entities seeking a **Limited Use Authorisation** as a FinTech Sandbox Entity (FSE). Existing Limited Use Authorisations continue under the 2022 framework.
- **Types of Sandboxes:**
 1. **Regulatory Sandbox (FRS):** Live testing with real customers under controlled conditions.
 2. **Innovation Sandbox (FIS):** Testing in isolation using market-related data.
 3. **Inter-Operable Regulatory Sandbox (IoRS):** For hybrid products under multiple domestic regulators, with IFSCA as principal regulator.
 4. **Overseas Regulatory Referral/FinTech Bridge:** Collaboration with foreign regulators.
- **Testing Stage:** Maximum 12 months (extendable by 6 months), with defined boundary conditions, risk disclosures, and user consent requirements.
- **Evaluation:** Based on innovation, benefits to users, risk management, and feasibility for deployment.
- **Regulatory Relief:** Conditional relaxations may be granted for sandbox testing.
- **Exit & Revocation:** Clear protocols for early exit, expiry, or revocation of sandbox authorisation.
- **Reporting & Compliance:** FSEs must maintain records, submit interim/final reports, and comply with regulatory obligations including financial reporting in foreign currency.

Eligible Activities: FinTech ideas/products must be linked to activities regulated by IFSCA, including **capital markets, banking, insurance, pensions, metals & commodities, financial support services, and other areas approved by the Authority**.



Sep 22, 2025: IFSC Authority Seeks Public Feedback on Internet Banking Services for IBUs

The International Financial Services Centres Authority (IFSCA) has initiated a public consultation on its draft circular reviewing internet banking services provided by IFSC Banking Units (IBUs). The consultation invites comments on three categories of services: **Information Service, Interactive Information Exchange Service, and Transactional Service.**

Key highlights of the draft circular include:

- **Information Services:** IBUs must display currencies offered for transactions and clearly communicate transaction cut-off timings.
- **Interactive Services:** IBUs are required to provide a unified digital dashboard for real-time balances, live currency conversion rates, downloadable account statements in machine-readable formats, inward remittance instructions, deposit withdrawals, and SMS/email transaction alerts.
- **Transactional Services:** Internet banking platforms should include dual-layer authentication, fund transfers (internal and external), fixed deposit creation, corporate user access management, pre-approved beneficiary lists, currency conversion, auto-scheduled payouts, and validation tools to prevent errors and regulatory breaches.

Compliance Deadline: IBUs must adhere to the circular by **March 31, 2026.**



UK Tax Update



Growth



UK Inflation Climbs Again: Why Prices Are Rising Faster Than Expected

Overview

Consumer prices in the United Kingdom are once again outpacing expectations, rising at nearly double the Bank of England's target rate. After a year of decline through 2024, inflation has accelerated in 2025, driven mainly by food costs, regulated price increases, and labour-related expenses. This trend marks a concerning shift for policymakers who believed price stability was within reach.

Inflation's Recent Path

Between 2021 and 2023, inflation in the UK reached its highest levels in over four decades, peaking at almost 11 percent in late 2022. By September 2024, it had dropped sharply to 1.7 percent, appearing to settle near the Bank of England's 2 percent goal.

However, the decline proved short-lived. In July and August 2025, the annual inflation rate stood at **3.8 percent**—the highest since early 2024. Over the past five years, the cumulative impact has been striking: prices in August 2025 were **28.2 percent higher** than in August 2020, compared with an **8.3 percent** rise in the preceding five-year period.

This rebound illustrates how inflation's effects build up over time. While the pace slowed briefly in 2024, the general price level remains far above pre-pandemic norms, and households continue to feel the squeeze.

The Bank of England's Role and Target

The UK government tasks the Bank of England with keeping inflation close to **2 percent** in the medium term. The Bank's **Monetary Policy Committee (MPC)**, independent since 1997, manages interest rates to achieve that goal.

If inflation deviates by more than one percentage point from the target—above 3 percent or below 1 percent—the Governor must write an open letter to the Chancellor explaining the reasons and setting out the Bank's response. With inflation currently at 3.8 percent, Governor **Andrew Bailey** did so in September 2025, attributing much of the rise to increases in food prices and “administered prices” set or influenced by the government.

Why Inflation Picked Up Again

Policy-linked price increases

The Governor's letter identified a few major drivers. Key among them are **regulated or government-linked price increases**, including higher water bills and Vehicle Excise Duty.

April 2025 also brought two notable policy changes: a rise in **employer National Insurance contributions (NICs)** and a **6.7 percent increase in the National Living Wage**. Together, these raised labour costs across the economy. According to the Bank's **Decision Maker Panel survey**, two-thirds of businesses said they absorbed the NICs rise through reduced profit margins, while about a third passed on costs to consumers by raising prices. One in five reported lowering wages relative to what they would otherwise have paid.



Energy and commodity prices

Energy bills, which had been declining, turned upward again this year, adding further pressure to production and transportation costs. In parallel, global agricultural commodity prices increased, pushing up food inflation more sharply than expected.

The Surge in Food Prices

Food and non-alcoholic drink prices rose 5.1 percent year-on-year in August 2025, up from 3.3 percent in January. Several categories saw exceptional hikes: beef and veal prices climbed 24.9 percent, butter 18.9 percent, and chocolate 15.4 percent compared with the previous year.

This increase stems partly from international markets. The UN Food and Agriculture Organization's global food price index was up around **8 percent** in August 2025 from a year earlier, reflecting higher global demand, climate disruptions, and rising input costs.

However, the Bank of England also highlights domestic factors. UK food inflation has outpaced that of the Eurozone, suggesting internal cost pressures—such as rising wages and taxes—are amplifying global trends. The **Food and Drink Federation**, representing manufacturers, notes that regulatory changes and higher employer NICs have made operations more expensive, leading many firms to pass on part of those costs.

Over five years, the cumulative effect is stark: UK food prices have risen **37.2 percent** between August 2020 and August 2025, compared with just **4.6 percent** between 2015 and 2020. Although food inflation briefly eased in 2024, it has regained momentum in 2025.

Fiscal and Economic Context

The upcoming Budget

The government has set **26 November 2025** as the date for the next Budget. With inflation still above target, the Chancellor faces a complex balancing act between adhering to fiscal rules and providing economic support. Rising prices raise government spending pressures and can complicate debt management, especially when public expectations of price stability weaken.

The **House of Commons Library** will issue its usual pre-Budget briefing, covering public finances, the economic outlook, and possible revisions to the **Office for Budget Responsibility (OBR)** forecasts. The OBR is likely to scrutinise how inflation affects both revenues (through higher nominal tax receipts) and expenditure (via indexed payments and public sector wages).

GDP growth outlook

While inflation has revived, overall growth remains modest. GDP growth in the first half of 2025 was slightly better than expected but continues to hover between **1.0 and 1.5 percent annually**—a rate often described as “subdued.”



The **OECD's September 2025 forecast** projects GDP growth of **1.5 percent in 2025** and **1.0 percent in 2026**, signalling that the UK economy is still struggling to regain pre-pandemic dynamism. Weak productivity, soft investment, and cautious consumer spending continue to hold back momentum.

This combination of **high inflation and low growth**—a form of mild stagflation—poses a challenge for policymakers. Raising interest rates further could help curb inflation but risks stalling already-weak growth.

Summary of Key Points

- **Inflation has rebounded** to 3.8 percent in mid-2025, nearly double the Bank of England's target.
- **Cumulative price rises** since 2020 total 28.2 percent, highlighting how living costs remain much higher than pre-pandemic levels.
- The **Bank of England** attributes the latest rise to food costs, government-linked prices, higher wages, and energy bills.
- **Food inflation** reached 5.1 percent in August 2025, led by steep increases in beef, butter, and chocolate prices.
- Global commodity prices and **domestic wage growth** both play major roles in sustaining price pressures.
- The **Budget on 26 November 2025** will test the government's ability to maintain fiscal discipline while addressing cost-of-living pressures.
- **Economic growth** remains tepid, with GDP expected to expand by only 1–1.5 percent in 2025.

Conclusion

The UK's return to higher inflation in 2025 highlights how difficult it is to maintain price stability in a volatile global and domestic environment. After appearing to have inflation under control in 2024, the economy is again contending with rising costs in food, energy, and regulated sectors.

For households, this means continued pressure on living standards, especially as wage growth fails to keep pace with food and housing costs. For policymakers, it means navigating a tightrope: containing inflation without derailing fragile growth.

The months ahead—particularly the government's November Budget and future MPC decisions—will be pivotal. Whether inflation can be brought back to the 2 percent target without deeper economic pain will depend on coordinated action, credible fiscal discipline, and global price stability.

While the worst of the post-pandemic inflation crisis may be behind the UK, 2025 has shown that the path back to normality remains uneven—and that vigilance, not complacency, must guide policy in the year ahead.



Tax Calendar

Abundance

October 2025 - Tax Calendar

7TH OCTOBER	Due date for deposit of Tax deducted/collected for the month of September, 2025
7TH OCTOBER	Uploading of declarations received in Form 27C from the buyer in the month of September, 2025
15TH OCTOBER	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194-M & 194S in the month of August, 2025
15TH OCTOBER	Quarterly statement of TCS deposited for the quarter ending September 30, 2025
15TH OCTOBER	Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2025
30TH OCTOBER	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 September, 2025
30TH OCTOBER	Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2025
31ST OCTOBER	Quarterly statement of TDS deposited for the quarter ending September, 2025
31ST OCTOBER	Due date for filing of return of income for the assessment year 2025-26 if the assessee (not having any international or specified domestic transaction) is (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audit)
31ST OCTOBER	Audit report under section 44AB for the assessment year 2025-26 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E
31ST OCTOBER	Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction

October 2025 - Tax Calendar

31ST OCTOBER	Reporting of details of funds received from eligible persons (either directly or through Alternative Investment Fund) in the previous year 2024-25 (if the assessee is required to submit return of income by October 31, 2025)
31ST OCTOBER	Furnishing of audit report along with particulars forming part of its Annexure by electoral trust
31ST OCTOBER	Furnishing of particulars for claiming relief under Section 89 (if assessee is required to submit return of income by October 31, 2025)
31ST OCTOBER	Furnishing of an annual statement of income exempt under section 10(4D) (if assessee is required to submit return of income by October 31, 2025)
31ST OCTOBER	Exercising the option to opt for alternative tax regime under Section 115BA; 115BAA; 115BAB(1) by a domestic company (if due date of submission of return of income is October 31, 2025)
31ST OCTOBER	Furnishing of details of attribution of capital gain taxable under section 45(4) to the capital asset remaining with the firm, AOP or BOI after reconstitution (if the firm, AOP or BOI is required to furnish return of income by October 31, 2025)
31ST OCTOBER	Furnishing of the audit report by a trust or institution registered under Section 12AB or approved under Section (23C)(iv)/(v)/(vi)/(via
31ST OCTOBER	Furnishing report relating to computation of capital gains in case of slump sale during the previous year 2024-25 (if the assessee is required to submit return of income on November 30, 2025)
31ST OCTOBER	Furnishing report certifying the claim for additional employee cost under section 80JJAA during the previous year 2024-25 (if the assessee is required to submit return of income on November 30, 2025)
31ST OCTOBER	Furnishing report under section 115JB for computing the book profits of the company during the previous year 2024-25 (if the assessee is required to submit return of income on November 30, 2025)
31ST OCTOBER	Furnishing report under section 115JC for computing Adjusted Total Income and Alternate Minimum Tax of the person other than company during the previous year 2024-25 (if the assessee is required to submit return of income on November 30, 2025)



October 2025 - Tax Calendar

31ST OCTOBER [EXTENDED]*	Furnishing of Audit report in Form no. 10B/10BB by a fund or trust or institution or any university or other educational institution or any hospital or other medical institution
31ST OCTOBER [EXTENDED]*	Due date for filing of audit report under section 44AB for the assessment year 2025-26 in the case of a corporate-assessee or non-corporate assessee. (who is required to submit his/its return of income on October 31, 2025)

***Note:** The due date for furnishing the report has been extended from 30-09-2025 to 31-10-2025 vide Circular No. 14/2025, dated 25-09-2025







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