



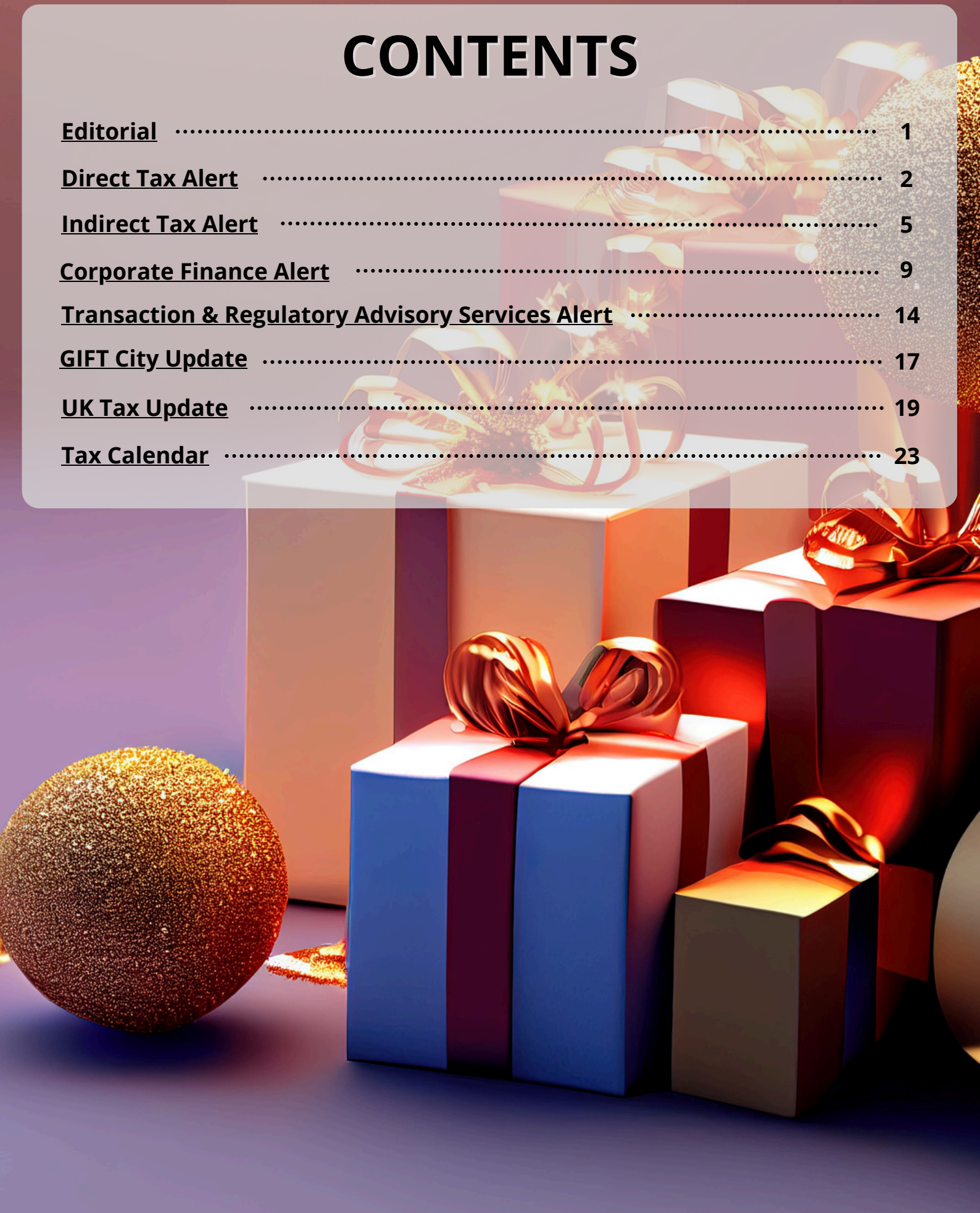
**RNM ALERT**  
**DECEMBER**  
**NEWSLETTER**

**VOL NO 191**



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# EDITORIAL

## Dear Readers

During the month of December 2024 our CEO, Mr. Raghu Marwah participated in an Investor Roadshow to Dubai, UAE for the RNM Equity Opportunities Fund-Non Resident alongwith Mr. Paulastya Sachdev, Co-Sponsor. The feedback to the Fund strategy, track record and the India story participation through a gift city based structure was very good.

On the Indirect Tax side, the 55th GST Council meeting in Jaisalmer has proposed to retrospectively amend the GST law to restrict input tax credit on construction services. The Council has recommended amending the section 17(5)(d) of CGST Act, 2017, to replace the phrase “plant or machinery” with “plant and machinery”, retrospectively, with effect from 1 July 2017 nullifying the Supreme Court order in the Safari Retreat case.

The International Financial Services Centre Authority (IFSCA) has recently issued IFSCA (Informal Guidance) Scheme, 2024 (‘Scheme’) on 2nd December 2024. The Scheme is aimed at providing a mechanism for seeking clarity and guidance inter-alia on various issues pertaining to a potential business activity and transactions, which are under the regulatory ambit of the IFSCA and on other legal issues emanating from the acts administered by IFSCA.

On the Direct Tax front, the recent ITAT Mumbai’s order in the case of Jitendra Gala Navneet Trust V. DDIT has held that a Discretionary Trust though taxable at the Maximum Marginal Rate would not attract surcharge if its income did not exceed Rs 50 Lakh which was the prescribed threshold for levy of surcharge in the case of individual, Hindu Undivided Family or Association of Persons or Body of Individuals.

We would like to take this opportunity of wishing all our readers best wishes for a successful and happy 2025 ahead. On this day we commiserate with those less fortunate than us through the causes taken up by RNM Charitable Foundation, which has recently also obtained approval under section 80G of the Income Tax Act, 1961.

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

# Direct Tax



### **1. CBDT extends due date for filing belated/revised ITR for AY 2024-25**

The CBDT vide circular no. 21/2024 dated 31.12.2024 has extended the last date for furnishing a belated return of income or for furnishing a revised return of income for the Assessment Year 2024-25 in the case of resident individuals from 31st December 2024 to 15th January 2025.

### **2. CBDT modifies and issues new FAQs on DTVSV Scheme**

That the CBDT vide Circular No. 19/2024 issues Guidance Note 2/2024 on provisions of the Direct Tax Vivad Se Vishwas Scheme, 2024

### **3. CBDT extends due date for DTVSV scheme payment from 31-12-2024 to 31-01-2025**

The CBDT vide circular no. 20/2024 dated 30.12.2024 has extended the due date for determining the amount payable under the Vivad Se Vishwas Scheme from 31st December 2024 to 31st January 2025. The extension is applicable for those cases where the declaration is filed on or before 31st January 2025.

### **4. No TDS u/s 194Q on goods purchased from IFSC if seller opts for sec. 80LA relief: CBDT**

The CBDT vide Notification No. 3/2025 has specified that no TDS u/s 194Q of the Income Tax Act, 1961, will be required for purchases made from units of International Financial Services Centres (IFSC), provided both buyers and sellers meet specific conditions.

## **Important Judicial Precedents**

### **1. Sec. 54F exemption not allowed if assessee purchased two non-adjacent flats in same residential society: HC**

*[2024] 169 taxmann.com 119 (Delhi-HC) Mrs. Kamla Ajmera vs. PCIT*

Where assessee sold a plot of land and used proceeds to purchase two non-adjacent flats, since two flats were constructed and situated physically in a manner that it was not possible to combine them and they could not be used as one single dwelling unit even though they were in a same tower of a residential society, assessee was entitled to exemption under section 54F in respect of only one flat.

### **2. Hiring charges paid to owners of vehicles/machines covered u/s 194-I and not u/s 194-C: ITAT**

*[2024] 169 taxmann.com 123 (Raipur - Trib.) ITO vs. Sun Grace Construction Company*

Where assessee paid hire charges to various persons, since it was materially established by assessee that amount for higher charges was paid to owners of vehicles/machines, besides other incidental expenses like fuel, maintenance, tyre-tube, drivers salary etc. were borne by assessee, payment of hiring charges towards hiring of vehicle/machines were in nature of rent within meaning of section 194I.

### **3. HC quashed reassessment as AO failed to show how info from investigation wing indicated income escapement**

*[2024] 169 taxmann.com 590 (Gujarat-HC) J.K. Bullions (P.) Ltd. vs. DCIT*

Where Assessing Officer reopened assessment on basis of report of Investigation Wing that cash deposits appearing in bank account of assessee were unexplained money under section 69A and that assessee had made cash sales without keeping proper documentary evidence and identity of customers, since reasons recorded for reopening did not disclose any nexus between information received from Investigation Wing and formation of belief that income had escaped assessment, impugned reopening notice was to be set aside.

### **4. Partial stay on recovery of tax demand granted as assessee deposited 20% of demand in each case; SLP dismissed**

*[2024] 169 taxmann.com 594 (SC) Samir Andrea Kasliwal vs. PCIT*

SLP dismissed against order of High Court that where assessee filed multiple writ petitions challenging reassessment orders for relevant years and made various allegations against reassessment orders, if assessee deposited 20 per cent of demand in each case within a period of one month, recovery of balance amount under assessment orders and demand notices issued in aforesaid cases, shall remain in abeyance.

### **5. HC set aside assessment order due to lack of effective opportunity of hearing through VC for the assessee**

*[2024] 169 taxmann.com 619 (Kerala-HC) Leric Reeches vs. Income-tax Officer*

Where pursuant to issue of reopening notice assessee opted for personal hearing through video conferencing, however, he could not join link due to technical failure on part of department, and no further opportunity was given to assessee and impugned order was passed, since impugned order was passed without providing effective hearing, order suffered from violation of principles of natural justice and, thus, same was to be set aside and matter was to be remitted back to Assessing Officer

### **6. SC dismissed SLP against HC's order quashing reassessment based on info received from NSEL**

*[2025] 170 taxmann.com 9 (SC) ACIT vs. N.K. Industries Ltd*

SLP dismissed against order of High Court that where Assessing Officer issued notice under section 148 only on basis of information received from NSEL that certain amount was outstanding to be payable by assessee as for termination of liability of NSEL and, thus, having belief that such amount was assessee's income which escaped assessment, since such belief of Assessing Officer was without considering fact on record that there was no sale or purchase transaction carried by assessee-company on NSEL during relevant assessment year, impugned notice was without jurisdiction and was to be quashed.

# Indirect Tax





**GST Calendar –Compliances for the month of  
December 2024.**

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



## **Proposed Amendments to the CGST Act -17(5)**

### **Revision to Section 17(5)(d)**

- A retrospective modification is suggested for section 17(5)(d) of the CGST Act, replacing the phrase 'plant or machinery' with 'plant and machinery.'
- Following this amendment, the recent Supreme Court judgment (Civil Appeal No. 2948 of 2023, dated 3 October 2024), which held that the definition of plant and machinery does not apply to section 17(5)(d), will be rendered partially ineffective.

### **Relief in Appeals Limited to Penalties**

- Pre-deposit requirement for appeals before an appellate authority reduced from 25% to 10% for cases involving only penalties.
- New proviso recommended to be added to section 112(8) of the CGST Act, setting a 10% pre-deposit requirement for appeals before an appellate tribunal in penalty-only cases

### **Updates to the Input Service Distributor (ISD) Framework**

- Effective 1 April 2025, sections 2(61) and 20(1) of the CGST Act will explicitly incorporate inter-state reverse charge mechanism (RCM) transactions under the ISD mechanism, covering supplies taxed under sections 5(3) and 5(4) of the IGST Act, 2017.
- Corresponding amendments will also be made to section 20(2) of the CGST Act and rule 39(1A) of the CGST Rules to align with these changes

### **Streamlined Tax Payments for Non-Registered Persons**

- A new rule 16A is proposed to enable tax authorities to issue temporary identification numbers for individuals not registered under GST but required to make tax payments under rule 87(4) of the CGST Rules.
- Rule 87(4) and Form GST REG-12 will be revised to reflect this provision

### **Flexibility for Composition Scheme Taxpayers**

- Rule 19 of the CGST Rules is set to be revised to permit taxpayers under the composition scheme to update their 'category of registered person' via Table 5 of Form GST CMP-02.
- Currently, such updates are managed through Form GST REG-14.

### **Enhancements to the Invoice Management System (IMS)**

- Section 38 of the CGST Act and rule 60 of the CGST Rules will be revised to establish a legal framework for generating Form GSTR-2B based on taxpayer activities within the IMS.
- Section 34(2) of the CGST Act will be modified to permit the reversal of input tax credit (ITC) by recipients, enabling a corresponding reduction in suppliers' tax liabilities.
- A new rule 67B will outline the procedure for adjusting suppliers' tax liabilities using credit notes.
- Section 39(1) of the CGST Act and rule 61 of the CGST Rules will be updated to ensure that Form GSTR-3B can only be submitted after Form GSTR-2B becomes accessible on the GST portal.

## **GST Council Meeting: Industry Anticipates Key Decisions on Tax Relief and Higher Levies**

The upcoming GST Council meeting has drawn significant attention from industry stakeholders as discussions are expected to center around critical policy changes. Two major proposals are likely to dominate the agenda:

- **Tax Relief on Health Insurance Premiums**  
Industry representatives and policy experts have advocated for a reduction in GST rates on health insurance premiums, currently taxed at 18%. The push for relief aims to make health insurance more affordable and accessible to a larger section of the population, aligning with the government's goal of universal healthcare coverage. If approved, this measure could boost insurance penetration in the country while providing financial respite to policyholders.
- **Higher GST on Luxury Items**  
In a bid to streamline tax revenues and discourage non-essential consumption, the Council may deliberate on increasing GST rates on luxury goods. This could include items such as high-end automobiles, luxury watches, and premium services. The move is seen as an attempt to balance fiscal priorities while promoting equity in taxation.

### **Recent Developments in India's GST Landscape**

- **Taxation on Popcorn Sparks Debate**  
The GST Council's recent decision to impose differential tax rates on popcorn has led to public and political debate. The rates are as follows:
  - **Non-branded salted popcorn:** 5% GST
  - **Pre-packaged and branded popcorn:** 12% GST
  - **Caramel popcorn:** 18% GST

Critics argue that such distinctions add complexity to the tax system, deviating from the original intent of GST as a 'Good and Simple Tax.'

- **GST on Online Food Delivery Services**  
The GST Council is considering a proposal to reduce the GST rate on food delivery charges from e-commerce platforms like Zomato and Swiggy from 18% to 5%. This change aims to make food delivery services more affordable for consumers.
- **Aviation Fuel Excluded from the GST Regime**  
The GST Council has rejected the aviation industry's proposal to include aviation turbine fuel (ATF) under the GST regime. Currently, state governments determine the taxation of ATF, leading to varying rates across the country. The decision maintains the status quo, with states retaining control over ATF taxation.
- **GST on Used Vehicles**  
The Council has decided to impose an 18% GST on the sale of all used or old vehicles, including electric vehicles, when sold by registered dealers. Sales conducted directly between individuals will not attract this tax. This move aims to standardize the taxation process in the second-hand vehicle market.

# Corporate Finance



## Jubilant Bhartia Group To Buy 40% Stake In Coca-Cola's Indian Bottler

Jubilant Bhartia Group has announced its acquisition of a 40% stake in Hindustan Coca-Cola Holdings Pvt Ltd, the parent company of Coca-Cola's largest bottler in India. The move marks the group's entry into India's high-growth beverage sector. The financial terms of the deal have not been disclosed, although media reports estimate it at \$1.19 billion (around INR 10,000 crores). Hari S. Bhartia, founder and co-chairman of Jubilant, highlighted that the investment aligns with the group's strategy to diversify into high-growth industries. Coca-Cola India President Sanket Ray noted that Jubilant's diverse expertise will accelerate the Coca-Cola system and enhance value for consumers and local communities.

(Source: VC Circle, 11th December 2024)

## Private Equity

### CarDekho's Southeast Asia Unit Raises \$60 Mn From Navis Capital, Others

CarDekho, a leading automobile marketplace, raised \$60 million (around INR 500 crores) for its Southeast Asia unit (CarDekho SEA), marking its first external funding round. The funding, led by Navis Capital Partners, Liquidity Group, and Dragon Fund, will help enhance its presence and capabilities in the region. This brings CarDekho SEA's total funding to \$100 million (around INR 857 crores), including a previous \$40 million (around 342 INR crores) from its parent company. The company plans to expand its auto and financial services ecosystem, focusing on used car financing, insurance, and electric vehicle financing across Southeast Asia.

(Source: VC Circle, 11th December 2024)

### Kenro Capital Makes Debut Investment of \$40 Mn In K12

Kenro Capital, led by Piyush Gupta, has invested \$40 million (around INR 342 crores) in K12 Techno Services Pvt Ltd, acquiring a minority stake. This marks Kenro's first investment from its growth-stage-focused secondaries fund, which targets companies in India and Southeast Asia. K12 Techno, known for operating Orchids International Schools, will use the funding to fuel growth. This follows a \$27 million (around INR 231 crores) investment from Venturi Partners earlier this year. Kenro Capital focuses on profitable, growth-stage companies with plans for public listing within 2-3 years, typically investing \$20-\$30 million (around INR 171 to INR 257 crores) per deal.

(Source: VC Circle, 12th December 2024)

### Temasek Leads \$210 Mn Investment In Rebel Foods

Rebel Foods, a foodtech company known for its cloud kitchens and recent offline expansion, raised \$210 million (around INR 1800 crores) in its Series G round, led by Temasek with participation from existing investor Evolve. The funding will help expand Rebel Foods' brand portfolio and strengthen its platform. The company operates several internet-first brands, including Faasos, Behrouz Biryani, Oven Story Pizza, and more, across 450 kitchens in over 70 cities in India, as well as in international markets like the UAE and the UK. This funding follows a \$175 million (around INR 1500 crores) raised in 2021, making Rebel Foods a unicorn.

(Source: VC Circle, 12th December 2024)



## **Sahyadri Farms Raises \$46 Mn, Adds New Investors To Cap Table**

Sahyadri Farms raised \$46 million (around INR 394 crores) in its Series B funding round, with investments from Europe's responsAbility and US-based GEF Capital Partners, along with existing investors FMO, Proparco, Incofin, and Korys. The funds will support the expansion of its climate-resilient grape varieties, citrus produce, and processing facilities for fruits, vegetables, and food products. The company, which exports 71% of India's table grapes, works with over 26,000 small farmers. Sahyadri Farms plans an IPO in the future and reported a significant growth in revenue and profits for FY24.

(Source: VC Circle, 20th December 2024)

## **EQT, Temasek To Sell Indian Green Energy Platform O2 Power In \$1.5 Bn Deal**

Swedish private equity firm EQT and Singapore's Temasek have agreed to sell their Indian green energy platform, O2 Power, to JSW Neo Energy Ltd, a subsidiary of JSW Energy, for \$1.47 billion (around INR 12,468 crores). The acquisition, which includes a 4.7 GW portfolio, will help JSW Neo achieve its 20 GW target by 2029-30. Founded in 2019, O2 Power specializes in solar, wind, and hybrid energy projects, and saw significant revenue growth, from \$3.9 million (around INR 33 crores) in FY22 to \$62.8 million (around INR 538 crores) in FY24. EQT and Temasek's sale marks EQT's first infrastructure exit in the region.

(Source: VC Circle, 27th December 2024)

## **Venture Capital**

### **Prosus Invests \$80 Mn In PremjiInvest-Backed Fintech Firm**

Global technology investor Prosus has invested \$79.9 million (around INR 677 crore) in Mintifi Pvt. Ltd. The investment, made in October, values Mintifi at around \$750 million. Founded in 2017, Mintifi offers supply-chain payments, invoicing, and purchase financing solutions to distributors and retailers in the supply chain domain. Mintifi works with over 100 brands, including Tata Motors, Jockey, Parle Agro, and TVS Motorcycles.

(Source: VC Circle, 02nd December 2024)

### **Agrileaf Raise Early-Stage Funding**

Agrileaf, a Karnataka-based maker of biodegradable dinnerware, has raised \$2 million (around INR 16 crores) in its first growth funding round, led by Capital-A and Samarsh Capital. The company, founded in 2019 by Avinash Rao and Athishay Jain, manufactures eco-friendly alternatives to plastic, paper, and bagasse plates using Areca leaves. The funds will support expansion in the US and European markets. Angel investors, including Shaji Devekar (co-founder of The Nutcracker), Siddharth Bafna, and Pritie Jain of Bling Mushrooms, also participated in the round.

(Source: VC Circle, 03rd December 2024)

## **AdvantageClub.Ai Secure Early-Stage Cheques For Expansion**

AdvantageClub.ai, an AI-powered platform offering a comprehensive suite of employee engagement, rewards, and wellness solutions, has raised \$4 million (around INR 33.6 crores) in a funding round led by Axilor Ventures, bringing its total funding to \$11 million (around INR 92 crores). The platform's services include rewards programs, wellness initiatives (OPD plans, health checkups, fitness programs), sales incentive automation, flexible benefits, and community-building features. The round also saw participation from AFG Ventures, Prasanna Sarkar (co-founder of Rippling), Bytez Ventures, and existing investors. The funds will support AI enhancements, product development, and expansion into the US and Asia.

(Source: VC Circle, 02nd December 2024)

## **RaptorX Raises Early-Stage Funding For Expansion**

Fraud prevention software company RaptorX has raised \$0.47 million (around INR 4 crores) in a pre-seed funding round led by Peak XV Spark, EagleWings Ventures, and Point One Capital, with additional participation from Lenskart CEO Peyush Bansal, BoAt CMO Aman Gupta, and angel investors from Google. Founded by Pratyusha Vemuri, RaptorX will use the funds to enhance its AI and machine learning capabilities for banking and e-commerce applications, expand its team, and improve integrations with payment gateways, e-commerce platforms, and banking systems. The company focuses on fraud prevention, anti-money laundering (AML), and customer risk intelligence.

(Source: VC Circle, 02nd December 2024)

## **WickedGud Gets Funding**

Shilpa Shetty-backed Wicked Gud has raised \$2.4 million (around INR 20 crores) in funding led by Orios Venture Partners, with participation from Asiana Fund and existing investors. Founded in 2021 by Bhuman Dani, the Mumbai-based startup offers healthier indulgent foods like noodles, pasta and chips. The funds will support distribution expansion, branding, and new product development, including Korean flavors to its instant and cup noodle range.

(Source: VC Circle, 04th December 2024)

## **Mergers & Acquisitions**

### **CEAT to buy Camso brand from France's Michelin for \$225 Mn**

Ceat, a leading domestic tyre manufacturer has announced its acquisition of the Camso brand from Michelin, a global tyre major, for USD 225 million (around INR 1,900 crore). As part of the agreement, Ceat will also acquire two Michelin-owned manufacturing facilities in Sri Lanka. Camso, a Canadian brand, specializes in off-highway tyres for vehicles such as tractors, harvesters, and bulldozers—sectors that typically offer higher profit margins compared to passenger vehicle and two-wheeler tyres. According to Ceat, the acquisition of the Camso brand aligns perfectly with its growth strategy for the off-highway tyre segment, enhancing the company's margin profile.

(Source: VC Circle, 7th December 2024)

## Metropolis Healthcare To Acquire Core Diagnostics For \$29 Mn

Metropolis Healthcare Ltd, India's second-largest pathology chain, announced its acquisition of oncology diagnostics provider Core Diagnostics Pvt Ltd \$29 million. (around INR 246.83 crores) The deal includes Rs 135.76 crore in cash and a share swap for the remaining amount. The transaction is expected to complete within 60 days from the signing of definitive agreements, pending shareholder approval. This acquisition strengthens Metropolis's cancer testing portfolio and expands its presence in northern and eastern India. It also leverages Core Diagnostics' relationships with top cancer specialists and hospitals.

(Source: VC Circle, 09th December 2024)

## Wipro To Acquire US Firm Applied Value Technologies For \$40 Mn

Wipro Ltd has agreed to acquire Massachusetts-based Applied Value Technologies Inc. (AVT) for \$40 million (around INR 340 crores) in cash. The acquisition will enhance Wipro's application services capabilities and open new growth opportunities. The deal includes a deferred consideration in the form of an earnout, contingent on meeting specific performance metrics. AVT specializes in transforming IT operations with a customized, data-driven approach, and will strengthen Wipro's offerings in application services.

(Source: VC Circle, 17th December 2024)

## Datamatics To Acquire Digital Publishing Firm TNQ Tech

Datamatics Global Services Ltd announced that its wholly owned subsidiary, Lumina Datamatics Ltd, has signed an agreement to acquire Chennai-based digital publishing company TNQ Tech Pvt Ltd. Lumina will first acquire an 80% stake in TNQ Tech for \$39.6 million (around INR 336 crores), with plans to purchase the remaining 20% later. TNQ Tech specializes in AI-enabled publishing technology and services for clients in Europe and North America. Lumina Datamatics stated that the acquisition will boost the company's global workforce to over 6,500 and enhance its AI-driven offerings.

(Source: VC Circle, 10th December 2024)

## Ashoka Buildcon To Sell 11 Road Projects To Edelweiss Infra Fund In \$272 Mn Deal

Ashoka Buildcon Ltd is set to sell a portfolio of 11 road projects to Sekura Roads, an infrastructure platform managed by the Edelweiss Infrastructure Yield Plus (EIYP) fund, in a deal valued at \$272 million (around INR 2,324 crores) The projects, housed across 11 special purpose vehicles, will be acquired by Concesiones 2 Pvt Ltd, Infrastructure Yield Plus II, and Infrastructure Yield Plus IIA, managed by EAAA India Alternatives Ltd. The roads are located in Punjab, Jharkhand, Karnataka, Andhra Pradesh, Telangana, Gujarat, and Maharashtra.

(Source: VC Circle, 31st December 2024)





# Transaction & Regulatory Advisory Services



In this edition we have tried to bring to your notice the latest amendments that followed in the month of December, 2024 issued by SEBI

## SEBI

### **Allowing subscription to the issue of Non-Convertible Securities during trading window closure period**

1. In terms of Clause 4(3)(b) of Schedule B read with sub-regulation (1) of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) the trading window restrictions shall not apply in respect of transactions, such as, acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or such other transactions which are undertaken in accordance with the mechanisms as may be specified by the Board from time to time.

2. In this regard, SEBI vide Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/133 dated July 23, 2020, provided that in addition to the transactions mentioned in Clause 4(3)(b) of Schedule B read with Regulation 9 of PIT Regulations, trading window restrictions shall not apply in respect of Offer for Sale and Rights Entitlements Transactions carried out in accordance with the framework specified by the Board from time to time.

3. It has been decided that in addition to the transactions mentioned in Clause 4(3)(b) of Schedule B read with sub-regulation (1) of Regulation 9 of PIT Regulations and SEBI Circular no. SEBI/HO/ISD/ISD/CIR/P/2020/133 dated July 23, 2020, the trading window restrictions shall also not apply to subscription to the issue of non-convertible securities, carried out in accordance with the framework specified by the Board from time to time.

4. Stock Exchanges are advised to bring the provisions of this circular to the notice of all listed companies and also disseminate the same on their websites.

5. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulations 4(3) and 11 of the PIT Regulations and to protect the interests of investors in securities and to promote the development of and to regulate the securities market and shall come into effect with immediate effect

To read more:

[https://www.sebi.gov.in/legal/circulars/dec-2024/allowing-subscription-to-the-issue-of-non-convertible-securities-during-trading-window-closure-period\\_90338.html](https://www.sebi.gov.in/legal/circulars/dec-2024/allowing-subscription-to-the-issue-of-non-convertible-securities-during-trading-window-closure-period_90338.html)



## Industry Standards on Reporting of BRSR Core

1. In order to facilitate ease of doing business and to bring about standardization in implementation, the Industry Standards Forum (“ISF”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, has formulated industry standards, in consultation with SEBI, for effective implementation of the requirement to disclose Business Responsibility and Sustainability Report (BRSR) Core under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) read with Chapter IV-B of SEBI master circular for compliance with the provisions of the LODR regulations by listed entities, issued vide SEBI/HO/CFD/PoD2/CIR/P/0155 and dated November 11, 2024.
2. The industry associations which are part of ISF (ASSOCHAM, FICCI, and CII) and the stock exchanges shall publish the aforesaid industry standards on their websites.
3. The listed entities shall follow the above industry standards to ensure compliance with SEBI requirements on disclosure of BRSR Core.
4. This circular shall be applicable for FY 2024-25 and onwards.
5. The Stock Exchanges are advised to bring the contents of this circular to the notice of their listed entities and ensure its compliance.
6. This circular is issued in exercise of the powers conferred under Section 11(1) and 11A of the Securities and Exchange Board of India Act, 1992 read with regulation 101 of LODR Regulations.

To read more:

[https://www.sebi.gov.in/legal/circulars/dec-2024/industry-standards-on-reporting-of-brsr-core\\_90091.html](https://www.sebi.gov.in/legal/circulars/dec-2024/industry-standards-on-reporting-of-brsr-core_90091.html)



# GIFT City Update



## **IFSCA proposes amendments to FME regulations, aimed at improving enhancing ease of doing business**

GIFT City, India's first International Financial Services Centre (IFSC), modelled as a global financial and IT hub and spread over ~886 acres provides a seamless integration of cutting edge infrastructure with modern urban planning. It was established with an aim to position India as a competitive international financial market in the global landscape. Apart from world-class infrastructure, favourable regulatory frameworks under unique regulatory body IFSCA, access to international markets & attractive tax incentives (under SEZ) are some of the striking benefits offered by GIFT City.

Banking and Investment Funds have played a pivotal role in the growth and development of GIFT City. As per the latest data available on IFSC website as on Dec'24, a total of 132 FMEs and 171 funds are registered with IFSC Authority. At its 42nd meeting on Dec'19, 2024, IFSCA has proposed to make some pivotal changes in its regulations to further simplify and streamline the regulatory framework, enhance the ease of doing business and encourage FMEs to setup and expand their fund and portfolio management services operations in GIFT City.

### **Some of the key proposed changes are:**

- Reduction in minimum corpus requirement for VC schemes & non-retail schemes (AIFs) from USD 5million earlier to USD 3 million.
- Instead of requiring prior approval from the IFSCA for the appointment of a Key Managerial Personnel (KMP), the new regulation proposes only intimation to the IFSCA.
- Increase in validity of private placement memorandum for the non-retail schemes from six months to 12 months from the date of filing with IFSCA or from the date of observation letter by IFSCA, whichever is later.
- Allowing open-ended category III AIFs to commence investment activities upon reaching minimum corpus of USD 1 million, with requirement to reach the minimum corpus of USD 3 million within 12 months.

RNM Capital FME IFSC LLP, the fund management entity of RNM Group is in its advanced stages of getting all the regulatory approvals. The in-principle approval, the Letter of Approval from the Department of Commerce, Government of India, and the FME approval from the IFSCA have already been obtained. However, the approval for the Bond-cum-Legal Undertaking (BLUT) from the IFSCA is currently awaited. We are looking forward to the formal launch of the RNM Equity Opportunities Fund – Non Resident soon.



# UK Tax Update



## Economic Outlook for 2025: Key Trends to Watch

As we enter 2025, the UK economy is navigating through a complex landscape, marked by ongoing inflationary pressures, slowing growth, and heightened global uncertainties. The latter part of 2024 revealed significant economic challenges, but there are reasons for cautious optimism as we look ahead. Economic policies, particularly increased government spending, could spur some growth, but several key factors will determine whether the UK can avoid stagnation and emerge with stronger momentum in the coming year.

### Slowing Economic Growth at the End of 2024

The UK economy entered the final months of 2024 on a weak footing, with revised figures revealing that there was no economic growth in the third quarter. This performance ranked the UK as one of the worst-performing G7 economies during that period. The economy also contracted by 0.1% in October, marking the first instance of consecutive monthly GDP declines since the initial COVID-19 lockdown in March 2020. The downturn was primarily attributed to weak consumer demand, rising energy prices, and underperformance in key industries such as retail, hospitality, and energy extraction.

However, certain sectors showed resilience amid the overall slowdown. Professional services, such as law and accountancy, saw increased demand, driven by heightened activity ahead of the Autumn Budget. While these sectors provided some offset to the broader decline, the economy's overall performance remained lacklustre, leaving many businesses and households bracing for a challenging 2025.

### Inflationary Pressures Continue to Rise

Inflation has remained stubbornly high, contributing to the UK's economic challenges. By November 2024, the Consumer Price Index (CPI) inflation had risen to 2.6%, marking the highest level since earlier in the year. The primary drivers of this inflation surge were higher fuel costs and clothing prices, although a notable drop in airfares helped to partially offset the increases. Despite the inflation uptick, the Bank of England decided to maintain interest rates at 4.75%, although there was significant debate within the Monetary Policy Committee. A split vote hinted at the possibility of an interest rate cut in the near future, with February 2025 looking like a likely time for action.

Looking forward, inflation is expected to fluctuate, with energy prices and global supply chain issues continuing to place upward pressure on costs. However, as inflationary forces begin to moderate, some relief could materialize later in 2025, especially if wage growth slows down and demand for services weakens.

### A Slight Economic Rebound: Government Spending to Support Growth

While the end of 2024 was disappointing, there are reasons to expect some improvement in 2025. A key driver of this anticipated recovery is the government's decision to ramp up public spending, much of which was announced in the October budget. This boost in spending, particularly on infrastructure and public sector services, is expected to provide a temporary economic boost. Increased public sector investment could help support consumer demand, bolster job creation, and foster a modest recovery in economic activity.

However, this government spending is likely to provide only short-term relief. The UK will face significant challenges in sustaining this growth, especially with looming tax hikes and the ongoing uncertainty in global markets. Retail and hospitality sectors, which are particularly sensitive to inflation and rising business costs, may continue to struggle in 2025. Higher insolvencies in these industries are expected as businesses grapple with rising operating costs, such as the planned increase in national insurance contributions in April 2025.

### **Inflationary Volatility Expected in 2025**

As the year progresses, inflation is set to experience continued volatility. In the short term, rising energy costs and the fiscal impacts of the government's budget are expected to push inflation above 3% by mid-2025. However, inflation should gradually ease in the latter half of the year, especially as wage growth slows and the pressure on service sector prices reduces. While the UK's inflation rate could remain high compared to historical averages, the expected downward shift toward the end of 2025 should offer some breathing room for consumers and businesses alike.

Despite this potential relief, the persistence of inflation will remain a key challenge for policymakers. The Bank of England will need to carefully manage the trade-off between encouraging economic growth through lower interest rates and addressing the ongoing inflationary risks that threaten to undermine recovery. With inflationary pressures continuing to simmer, interest rates are likely to see slow and steady cuts, likely reducing from 4.75% to around 3.75% or 4.00% by the end of 2025.

### **Households and Living Standards: No Immediate Relief**


For households across the UK, there is little sign of immediate relief from the financial pressures of rising living costs. Despite modest improvements in real wages and public services, many households will continue to struggle with high energy prices, food costs, and other essentials. These persistent cost-of-living challenges, compounded by inflation, are likely to prevent any substantial improvement in overall living standards.

Moreover, low productivity growth remains a significant barrier to achieving sustained wage increases and better living standards. Without addressing the UK's longstanding productivity issues, any wage gains are unlikely to be substantial enough to offset the rise in household costs. As a result, the broader public may not feel the positive impacts of any economic recovery, making it unlikely that the UK will see a material improvement in living standards in 2025.

### **Global Factors: Uncertainty and Price Volatility**

Looking beyond the UK, global factors are likely to play a key role in shaping economic conditions in 2025. The political and economic ramifications of potential changes in U.S. leadership, particularly under a new Trump administration, could significantly impact trade policies and global supply chains. The introduction of new tariffs could lead to higher global prices, further fuelling inflation in the UK and other economies. Additionally, Europe faces its own set of challenges, including political uncertainty in key economies like France and Germany, which could further weaken the continent's economic performance.





In Asia, the success of China's stimulus measures will be closely watched. The Chinese government's ability to stabilize its property market and stimulate consumer confidence will have wide-reaching effects on global growth. If China's economy fails to recover, it could drag down global growth expectations, which would be particularly detrimental for the UK's export-driven sectors.

### **What to Watch for in 2025**

As 2025 unfolds, key economic indicators will provide critical insights into the trajectory of the UK economy. Monthly GDP data, inflation figures, and business confidence surveys will be important signals to track. Economic data from major trading partners, particularly the U.S. and China, will also be crucial in gauging global market conditions and how they impact the UK.

In summary, the UK economy faces a challenging 2025, with inflationary pressures, a weak global economy, and slow growth in key sectors. However, government spending is expected to provide a short-term boost, and inflation could ease later in the year. The long-term success of the UK's recovery will depend on tackling productivity issues and managing the delicate balance between inflation, interest rates, and economic growth. For now, 2025 will be a year of navigating these uncertainties while hoping for brighter prospects in the months to come.



# Tax Calendar

# January 2024 - Tax Calendar

|                                |   |
|--------------------------------|---|
| <b>7TH JAN</b>                 | Due date for deposit of Tax deducted/collected for the month of December, 2024.   |
| <b>7TH JAN</b>                 | Due date for deposit of TDS for the period October 2024 to December 2024 when Assessing Officer has permitted quarterly deposit of TDS under Sections 192, 194A, 194D or 194H |
| <b>14TH JAN</b>                | Due date for issue of TDS Certificate for tax deducted under <u>section 194-IA</u> , 194-IB, 194M & 194S in the month of November, 2024                                       |
| <b>15TH JAN</b>                | Quarterly statement of TCS for the quarter ending December 31, 2024   |
| <b>15TH JAN</b>                | Due date for furnishing of Form 15G/15H declarations received during the quarter ending December, 2024  |
| <b>15TH JAN<br/>[EXTENDED]</b> | Filing of belated/revised return of income for the assessment year 2024-25 for all assessee (provided assessment has not been completed before December 31, 2024)             |
| <b>30TH JAN</b>                | Quarterly TCS certificate in respect of quarter ending December 31, 2024  |
| <b>30TH JAN</b>                | 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 December, 2024                          |
| <b>31ST JAN</b>                | Quarterly statement of TDS for the quarter ending December 31, 2024   |



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