

Celebrating Mothers Day (12th May 2024)

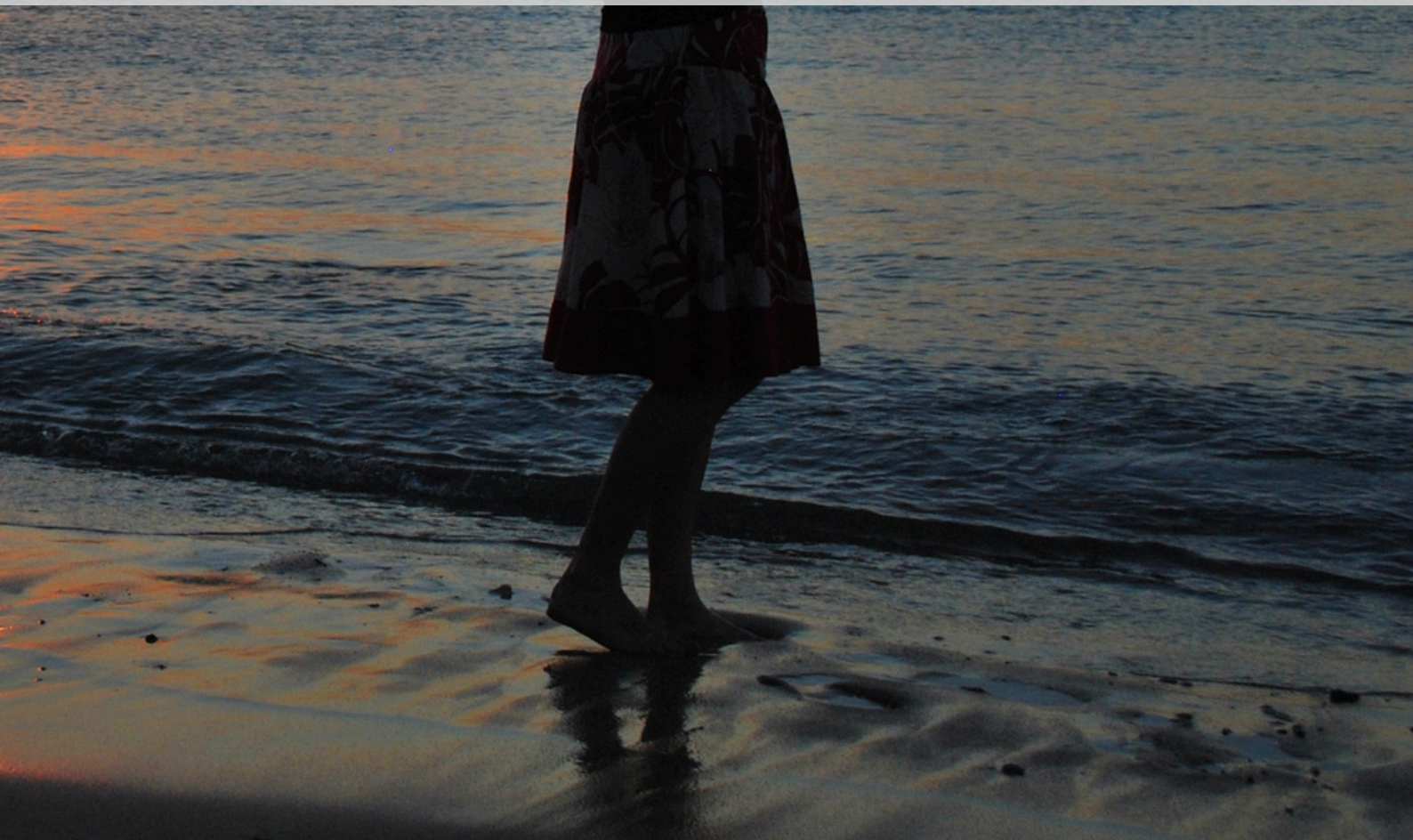


RNM ALERT
APRIL
NEWSLETTER

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EDITORIAL

Dear Readers

During the month of April 2024 our CEO, Mr. Raghu Marwah visited the Mumbai office and interacted with clients. It is the season of elections in India with a lot of offices being shut on election day this past month. I hope you all have exercised your franchise. An article was also published on LinkedIn on '2024 General Elections in Bharat: How it matters?' by Mr. Raghu Marwah. Ms. Pratichi Avinash and Ms. Priyanka Sinha from Team RNM also published an Article on 'Unlocking growth: A collaborative approach to market expansion' in the GGI FYI Newsletter for the Business Development and Marketing Practice Group.

On the Assurance front, the recent judgements of the National Financial Reporting Authority (NFRA) slapping high-value penalties on erring audit Firms and audit Partners, coupled with the Institute of Chartered Accountants of India (ICAI) order banning a particular Multinational Accounting Firm (MAF) operating in India thru profit share arrangements with domestic associate firms has been a big jolt. On one side, the argument that the Big4 accounting firms were circumventing the regulations is there and on the other side the counter argument is that the regulations are archaic, reeking of license raj and require reconsideration.

To rebuild the faith of all stakeholders in the audit field, such tough steps are welcome however, it must be coupled with fresh regulations and higher fee structures to enable growth of the profession in a transparent manner fulfilling the aspirations of millions.

We would like to take this opportunity of wishing all our readers a happy May Day on 1st May. On this day when we offer thanx to all our labour and blue collar workers.

U N Marwah
Chairman - RNM India

Direct Tax



1. Circular No. 7/2024: Extension of due date for filing of form 10A/10B Under the income-tax Act, 1961.

(i) Form No. 10A, in case of an application under clause (i) of the first proviso to clause (23C) of section 10 or under sub-clause (i) of clause (ac) of sub-section (1) of section 12A or under clause (i) of the first proviso to sub-section (5) of section 80G or in case of an intimation under fifth proviso of subsection (I) of section 35 of the Act, till 30.06.2024;

(ii) Form No. 10AB, in case of an application under clause (iii) of the first proviso to clause (23C) of section 10 or under sub-clause (iii) of clause (ac) of sub-section (I) of section 12A or under clause (iii) of the first proviso to sub-section (5) of section 80G of the Act, till 30.06.2024.

2. Partial modification of Circular No.3 of 2023 dated 28.03.2023 regarding consequences of PAN becoming inoperative as per rule 114AAA of the Income tax Rules, 1962- reg.

Partial modification and in continuation of the Circular No. 3 of 2023, hereby specifies that for the transactions entered into upto 31.03.2024 and in cases where the PAN becomes operative (as a result of linkage with Aadhaar) on or before 31.05.2024, there shall be no liability on the deductor/collector to deduct/collect the tax under section 206AA/206CC.

Important Judicial Precedents

1. Non-furnishing of Form No.67 before the due date u/s 139(1) is not fatal to the claim for FTC

[2024] 162 taxmann.com 96 (Bangalore - Trib.)[17-04-2024]

Section 90 of the Income-tax Act, 1961, read with rule 128 of the Income-tax Rules, 1962 - Double taxation relief - Claim for foreign tax credit (Form No. 67) - Assessment year 2021-22 - Assessee filed its return claiming foreign tax credit (FTC) - However, Assessing Officer denied said credit on ground that assessee had not filed Form 67 within due date of filing return - It was noted that similar issue had been decided by Co-ordinate Bench of Tribunal in case of ITA No. 680/Bang/2022 dated 6-9-2022 wherein it was held that Rule 128(9) of Rules does not provide for disallowance of FTC in case of delay in filing Form No. 67; filing of Form No. 67 is not mandatory but a directory requirement; and (iii) DTAA overrides provisions of Act and Rules cannot be contrary to Act - Whether following aforesaid order, Assessing Officer was to be directed to allow foreign tax credit as per Form 67 filed after due date - Held, yes [Paras 4 and 5] [In favour of assessee]

2. Where assessee offered interest income as per Form 26AS and difference in interest income came to light post filing of ITR on account of delayed reporting by payer bank, same could not tantamount to under-reporting of income, consequently, it would not attract any penalty under section 270A

[2024] 161 taxmann.com 712 (Nagpur - Trib.)[16-04-2024]

Section 270A of the Income-Tax Act, 1961 - Penalty - For under-reporting and misreporting of income (Scope of provision) - Assessment year 2017-18 - Whether where as on date of filing of return, amount of interest earned as appearing in Form No 26AS had been rightly offered to tax and difference in interest income came to light post filing of return on account of delayed reporting by deductor/payer bank/Financial Institution, same could not tantamount to under-reporting of income, consequently, it would not attract any penalty under section 270A - Held, yes [Para 4] [In favour of assessee]

3. Interest received on enhanced compensation under section 28 of Land Acquisition Act would not be chargeable to tax as income from other sources under section 56(2)(viii)

[2024] 161 taxmann.com 735 (Delhi - Trib.)(15-04-2024)

Section 10(37), read with sections 56 and 263, of the Income-Tax Act, 1961 and section 28 of the Land Acquisition Act, 1894 - Capital gains arising from transfer of agricultural land (Revision) - Assessment year 2018-19 - Assessee received enhanced compensation after compulsory acquisition of his agriculture land and claimed interest received on said compensation as exempt - During scrutiny assessment, Assessing Officer completed assessment and allowed assessee's claim - Principal Commissioner opined that said interest ought to be treated as income from other sources and was to be tax accordingly - He, thus, invoked revisionary proceedings under section 263 on ground that Assessing Officer completed assessment without carrying out necessary enquiry with respect to tax treatment of interest received on compensation - It was noted that in case similar to assessee GK v. PCIT, Rohtak ITA No. 1676/Del/2023, dated 13-2-2024, Tribunal held that amended provisions of section 56(2)(viii) by Finance Act, 2009 didn't alter nature of interest under Land Acquisition Act from 'capital receipt' to 'revenue receipt' taxable under 'income from other sources' - Whether thus, following aforesaid view, interest received on enhanced compensation under section 28 of Land Acquisition Act would not be chargeable to tax as income from other sources under section 56(2)(viii) and impugned order of Principal Commissioner was to be quashed - Held, yes [Para 7.1 and 7.2][In favour of assessee]

4. Where assessee-company filed its income tax return for assessment year 2021-22 on 30.12.2021, opting for reduced taxation under section 115BAA, but Commissioner (Appeals) dismissed it due to late filing of Form 10-IC, since Circular No. 19/2023 issued by CBDT allowed for condonation of delay in filing Form No. 10-IC for AY 2021-22, and assessee fulfilled all conditions laid in said circular including timely return filing and electronic submission of Form 10-IC, it would be eligible for concessional tax rate under section 115BAA

[2024] 162 taxmann.com 200 (Ahmedabad - Trib.)(24-04-2024)

The assessee Pvt. Ltd. company has fulfilled all the conditions mentioned in such circular as under which makes it eligible for condoning the delay in filing of Form No.10-IC."Accordingly, looking into the instant facts, the appeal of the assessee is allowed.

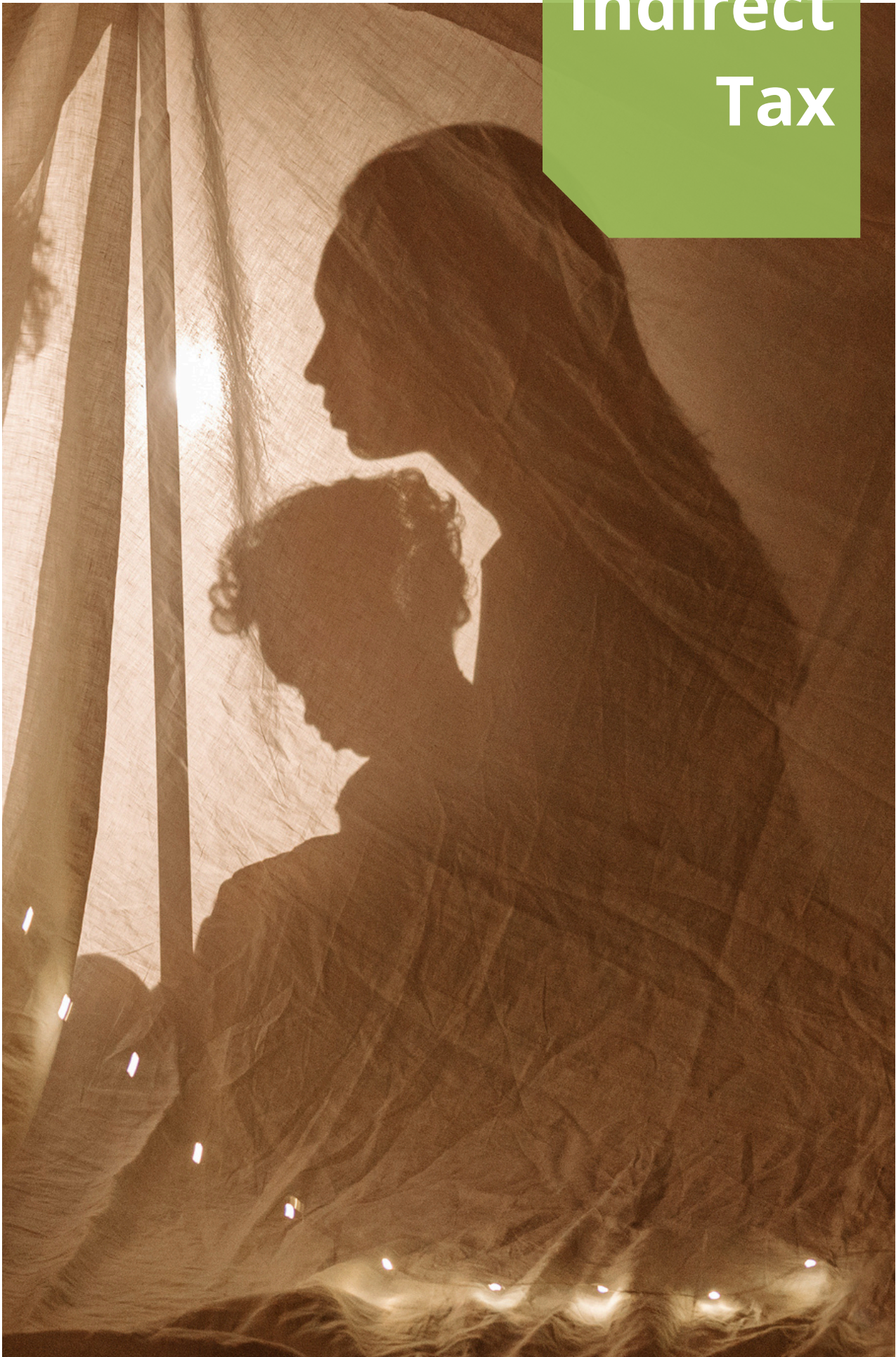
5. Where assessee, 50 per cent owner of an immovable property, had received Rs. 50 lakhs as its share of sale consideration on sale of said property and Registered Valuer had estimated fair market value of property at Rs. 54.09 lakhs and had calculated cost of property as on 1-4-1981 at Rs. 10 lakhs applying reverse method of indexation, since indexed cost of acquisition of Rs. 54 lakhs was higher than sale consideration, it would result into a long-term capital loss and, therefore, addition made by AO on account of LTCG was to be deleted

[2024] 162 taxmann.com 45 (Kolkata - Trib.)(23-04-2024)

Section 45 of the Income-tax Act, 1961 - Capital gains - Chargeable as (Capital loss) - Assessment year 2016-17 – Assessee, 50 per cent owner of an immovable property, had received Rs. 50 lakhs as its share of sale consideration on sale of said property - For purpose of calculating cost of acquisition, since property was acquired prior to 1-4-1981, assessee obtained report from Registered Valuer who had estimated fair market value of property at Rs. 54.09 lakhs and, thereafter, applying reverse method of indexation, calculated cost of property as on 1-4-1981 at Rs. 10 lakhs - Assessing Officer, however, estimated indexed cost of acquisition at Rs. 5 lakhs (50 per cent of cost at Rs.10 lakhs) and made an addition for long-term capital gain (LTCG) – It was observed that while calculating LTCG, no benefit of indexation had been given - Assessing Officer had himself considered cost of acquisition at Rs. 5 lakhs based on valuation report by Registered Valuer, which was fair market value of property (assessee's share) as on 1-4-1981 - Assessing Officer had not made any efforts to get information about Circle rate of immovable property as on 1-4-1981 – Whether since, fair market value of property as on 1-4-1981 as calculated by Registered Valuer had been accepted by Assessing Officer and there being no other evidence of fair market value of property as on 1-4-1981, cost of acquisition as on 1-4-1981 would be Rs.5 lakhs (adopted by Assessing Officer) and indexed cost of acquisition would be Rs. 54 lakhs – Held, yes –



Indirect Tax



GST Calendar –Compliances for the month of April 2024.

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



Madras HC rules that GST demand cannot be imposed solely due to the absence of state-wise trial balance.

Facts

TMF Business Services Limited, engaged in providing non-banking financial services, challenged an order confirming the demand, citing the absence of a trial balance for the state of Tamil Nadu as the sole basis for their objection.

Background:

The authority assessed the taxable turnover by aggregating the total trade receivables across India, attributing them to sundry creditors, and levied tax liability based on this assessment. Furthermore, they determined the taxable turnover as INR 180,64,88,000/- from the financial statement's "income received," applying a tax rate of 36%. The petitioner countered this assessment, presenting Form GSTR-9C to assert that the actual annual turnover under the relevant registration amounted to only INR 8,82,352.

Rulings

The High Court highlighted that the assessing authority erroneously calculated the tax demand by using the petitioner's 'trade receivables' from the financials instead of 'trade payables', which is logically flawed. Additionally, the High Court emphasized that no demand can be imposed solely due to the failure to produce a state-wise trial balance. The High Court noted that the assessing authority inaccurately computed the demand based on 'income received', applying a 36% tax rate derived from the financial statement. The High Court referenced the reconciliation statement provided by the petitioner to assert the correct turnover figure. Notably, the High Court observed that the authority confirmed the demand solely due to the absence of the trial balance. Consequently, the High Court annulled the order and directed a fresh consideration of the matter.

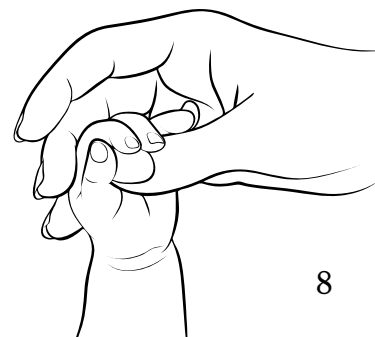
Gujarat AAR ruled that SEZ units receiving services from DTA are not liable for Reverse Charge Mechanism (RCM) obligations.

Facts

M/s. Waaree Energies Limited, a SEZ unit specializing in manufacturing solar modules, engages in various services such as goods transport agency, legal services from an advocate, security services, and bus hiring services from the Domestic Tariff Area (DTA).

Background

As per the RCM notification, a recipient is obligated to remit GST under the RCM. However, concerning SEZ rules, DTA units can provide services to SEZ units without remitting IGST under a bond or a Letter of Undertaking (LUT). The applicant referenced a CBIC circular, which clarified that SEZ units can procure services without tax payment, provided they furnish an LUT in lieu of a bond. Given that the SEZ Act's provisions supersede those of any other laws, the RCM notification is deemed inapplicable in this scenario.



Rulings

The AAR underscored that SEZ units are not liable for Reverse Charge Mechanism (RCM) on services received from DTA, contingent upon furnishing a Letter of Undertaking (LUT). While the FAQs on GST imply SEZ units as deemed suppliers under RCM and thus subject to GST payment, Notification No. 37/2017-CT permits DTA to provide services to SEZ units without tax payment, provided an LUT or bond is furnished. The AAR referenced CBIC's clarification to a specific SEZ unit and concluded that SEZ units are exempt from RCM GST payment for specified services upon submission of an LUT or bond.

The Patna HC ruled that interest liability arises from delayed filing of returns regardless of the payment mode.

Facts

M/s. Sincon Infrastructure Pvt. Ltd. (the petitioner) delayed submitting the Form GSTR-3B return for FY 2017-18 and FY 2018-19. Despite this delay, the petitioner settled the output tax liability during this period using DRC-03, utilizing the balance available in Electronic Cash Ledger (ECrL) and through Electronic Credit Ledger (ECL). Subsequently, a demand notice was issued to the petitioner, imposing interest for the delay in remitting the tax to the government owing to the delay in submitting the return.

Background

The proviso to Section 50(1) specifies that interest liability arises only when a payment is debited in the Electronic Credit Ledger (ECL). The Input Tax Credit (ITC) signifies the tax amount that the recipient pays to the supplier for the procurement of inward supplies from said supplier.

The tax amount in question has already been remitted to the government by the supplier. Hence, there should be no interest liability since there is no delay in transferring the tax amount to the government.

Rulings

The High Court clarified that Input Tax Credit (ITC) becomes available in the Electronic Credit Ledger (ECrL) only upon the filing of the return by the purchaser. Despite the supplier remitting the tax to the government, the amount is credited to the ECrL only when the purchaser avails eligible ITC in the return. The offset of ITC against the output tax liability is also contingent upon the filing of the return. Therefore, interest becomes payable in case of a delay in furnishing the return, even if the output tax liability has been settled using the balance available in the ECrL, as the ITC offset has not occurred until the return is filed.

The High Court further emphasized that the proviso to Section 50(1) does not prohibit the levy of interest when the output tax liability has been discharged using the balance available in the ECrL. It clarified that the proviso only indicates that depositing the tax amount in the ECL does not constitute payment of tax to the government, and interest liability arises in case of a delay in filing the return. Based on these grounds, the High Court rejected the petitioner's claim that interest liability does not occur when the output tax liability is settled using the balance available in the ECrL.



Internal Audit



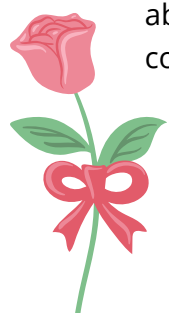
Internal Audit Areas in respect of Foreign Guest in a Hotel

In respect of the Foreign Guests the Internal Auditor should ensure to check the following:

1. **Visa Requirements:** Ensure that foreign guests have the appropriate visa for their stay in India. Different types of visas (tourist, business, employment, etc.) have different requirements and durations.
2. **Passport Validity:** Check that the guest's passport is valid for at least six months beyond their intended stay in India.
3. **Purpose of Stay in India:** The hotel staff should enquire about the purpose of stay in India from the Foreign Guest and the same should be mentioned in the A&D Register.
4. **A&D Register:** The Front office in the hotel should ensure that the details of the Foreign Guest are filled in the Arrival & Departure (A&D) Register of the Hotel just like the other guests. And further, the same should be complete in all respects.
5. **Foreigner's Regional Registration Office (FRRO) Reporting:** The hotel is required to furnish the details of the Foreign Guest i.e. name, country of Origin, Passport No., Period of Stay in India etc. in Form C to the FRRO. The Internal Auditor should ensure, whether the hotel has submitted Form C to the FRRO with in 24 hours of arrival of the Foreign Guest in the Hotel.
6. **Foreign Exchange Compliance:** Hotels are generally authorized to deal in foreign exchange as a 'restricted money-changer' especially for accepting Foreign Currency/ Traveler's Cheques. The authorization is subject to conditions laid down in this regard and remains valid for a limited period only and the hotel gets it renewed after that period. The hotel is required to issue encashment certificates to the Foreign Guests in respect of foreign currency/traveler's cheques purchased and submit a report to the Authorized Dealers regarding encashment of foreign currency on a monthly basis.
7. **GST on Forex Encashment:** The Hotel should ensure that it had collected GST on Encashment Certificates and further made payment of GST to the government.
8. **Guest paid-out:** In many cases the hotel makes payment on behalf of the Foreign Guest as the later may not be having Domestic currency for payment like cab charges. Further, the hotel should ensure that the same is duly accounted for in the customer's Invoice as a recovery.
9. **Not to share personal information of Foreign Guests to outsiders:** The Hotel should ensure that its staff does not share personal information of Foreign Guests including European Guests to outsiders to ensure compliance with the GDPR norms.
10. **Not to take Cash of Rs. 2 lakhs or more:** The hotel staff should ensure that it has not taken cash Rs. 2 lakhs or more, be it in Forex, from the Foreign Guests, to avoid non compliance of Section 269 ST of Income Tax Act, 1961.

Conclusion:

By checking the abovementioned areas, the Internal Auditor can be reasonably assured about the compliances to be checked in respect of a Foreign Guest and whether the concerned Hotel for which the Internal Audit is being done is comprehensively done or not.



Statutory Audit



Share Profits with Shareholders

Shareholders are more than mere investors; they are the vital force of a company, providing the capital that fuels its ambitions and innovations. They invest their money and trust the company's vision. In return for this trust, companies bear a profound qualitative debt to their shareholders by distributing a portion of their profits to shareholders with a direct return on their investment.

Capital appreciation and dividends are the two main ways in which businesses generate profits from the investments made by their shareholders. Investors provide capital to the company through the purchase of shares. As the company grows, increases its revenue and profitability, or experiences positive market sentiment, the value of these shares can be appreciated over time. This capital appreciation results in gains for shareholders when they sell their shares at a higher price than initially paid.

Businesses use several financial methods to distribute earnings to their shareholders, such as:

- Dividends: Provide a direct share of the company's profits by periodic cash payments as regular income.
- Stock Buybacks: Companies repurchase their shares from the market, thus reducing the number of outstanding shares.
- Capital Appreciation: When the market price of the company's shares increases because of strong financial performance.
- Special Dividends and One-Time Payments: Issue extra dividends or make one-time payments to shareholders.
- Preferred Stock Dividends: Receive fixed dividend payments from equity shareholders.
- Employee Stock Ownership Plans (ESOPs): Companies offer employees shares as part of their salary, allowing them to benefit from the company's success.
- Convertible Securities: Convertible bonds or preferred stock can be exchanged for common shares.
- Rights Issues: Existing shareholders are granted the option to purchase additional shares at a discounted price.
- Stock Splits: The company issues shares while decreasing the share price proportionally.
- Liquidity Events: Shareholders receive cash or stock from another company during mergers and acquisitions. Preferred shareholders are granted privileges during liquidation.

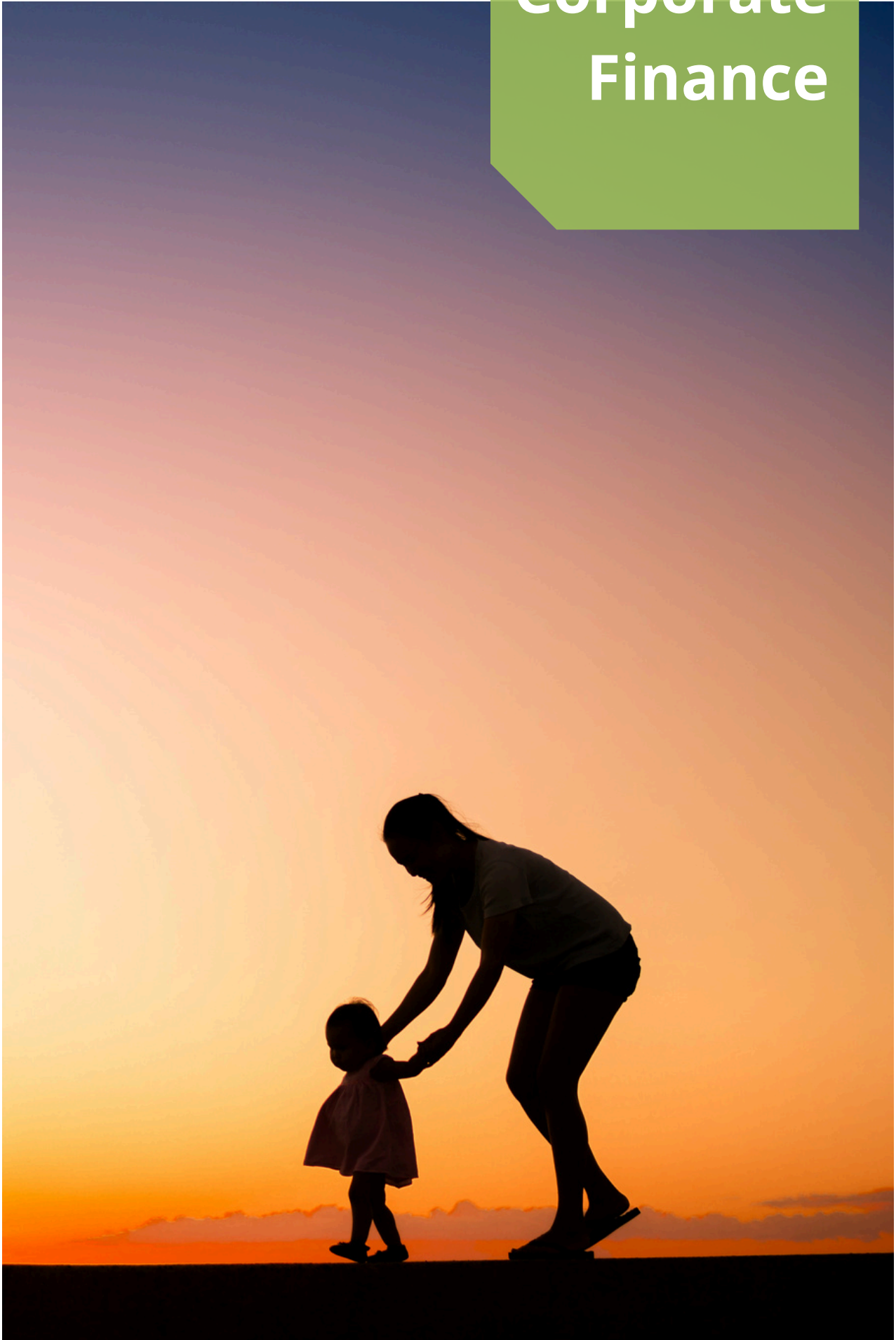
By distributing earnings to shareholders, the firm draws and keeps investors, acting as a powerful instrument for capital raising a necessary resource for the development and expansion of the enterprise. Profit-sharing aligns the interests of shareholders with those of the company's management, fostering a sense of ownership and encouraging long-term commitment. By doing this, a company's image in the financial markets is improved, which lowers its cost of capital and increases its capacity to draw in investment. Additionally, distributing income to shareholders through dividends or capital gains helps both current and prospective investors by eventually boosting shareholder value. It reduces agency problems a situation in which management could put their own interests ahead of shareholders' by holding management directly responsible for generating shareholder value through a direct return on investment.



In conclusion, profit-sharing is a relationship that unites businesses and investors in addition to being a simple financial transaction. It is the assurance of an opportunity. When assessing profit-sharing policies, shareholders should take into account several aspects of the firm, including its financial stability, dividend history, development potential, and compatibility with their own investing objectives. A company's image may be improved by consistent profit-sharing, which may raise the stock price by luring in additional investors. However, poorly managed profit-sharing strategies can have negative consequences.



Corporate Finance



Godrej Family to Split Conglomerate into Two Parts

India's Godrej family has decided to restructure its shareholding in the conglomerate to operate as two entities, Godrej Enterprises and Godrej Industries. The realignment will be implemented after the relevant regulatory approvals have been obtained, after which the two companies will continue to use the Godrej brand.

Godrej Enterprises Group (GEG) will be headed by 75-year-old Jamshyd Godrej as chairperson and managing director and his niece Nyrika Holkar as executive director. The group has been split between two branches of the founding family, with Adi Godrej (82) and his brother Nadir (73) on one side and their cousins Jamshyd Godrej (75) and Smita Godrej Crishna (74) on the other.

(Source: VC Circle, 01st May 2024)

Private Equity

ADIA, Kotak AIF Ink \$240 Mn Real Estate Deal with Prestige Estates

The Abu Dhabi Investment Authority, a sovereign wealth fund of the Gulf emirate, and India's Kotak Alternate Investment Fund have signed a \$240 million (around INR 2,001 crore) deal with Prestige Estates Projects Ltd for housing projects with a combined gross development value of over \$2.16 billion (around INR 18,000 crore). The deal involves the development of residential projects across Bengaluru, Mumbai, Goa, and the National Capital Region, marking the Gulf-based sovereign fund's foray into India's residential real estate market.

(Source: VC Circle, 1st April 2024)

Bahrain's Investcorp to Acquire NSE's Digital Arm for \$120 Mn

Bahrain-based private equity and real estate investor Investcorp has entered into an agreement to acquire NSEIT, the digital technology business subsidiary of National Stock Exchange (NSE) for an \$120 million (around INR 1,000 crore). The transaction, however, will exclude the digital examinations vertical housed under NSEIT.

(Source: VC Circle, 29th April 2024)

B2B Marketplace Procmart Raises \$30 Mn in series B round.

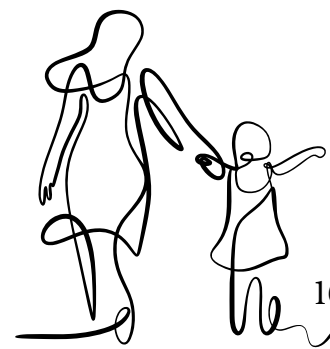
ProcMart, a business-to-business marketplace, which counts investors like Sixth Sense Ventures and IndiaMART's chief executive Dinesh Agarwal amongst its backers, has raised \$30 million (around INR 250 crore) in its Series B round. The round was led by Nandan Nilekani and Sanjeev Aggarwal's VC fund Fundamentum Partnership and the Edelweiss Discovery Fund, with participation from South Korea-based Paramark Ventures.

(Source: VC Circle, 16th April 2024)

Macquarie Floats India-Focused Fund to Back Commercial Electric Mobility

Australia's Macquarie Group launched an EV financing platform for India that will focus 95% of its \$1.5 billion (around INR12,507 crore) investment on electrifying fleets of commercial vehicles. The platform, called Vertelo, will offer financing, fleet management, and charging infrastructure solutions. The remaining 5% of the investment will go towards charging infrastructure and other requirements.

(Source: VC Circle, 22nd April 2024)



Advent International to invest \$296 Mn in Apollo Hospital Unit

US-based private equity firm Advent International has agreed to invest \$296 million (around INR 2,475 crore) to pick up a minority stake in Apollo HealthCo Ltd, a subsidiary of Apollo Hospitals Enterprise Ltd. The PE firm will invest INR 1,732 crore in the first stage and INR 743 crore in the second phase. The transaction would enable the merger of two units under Apollo Healthco-wholesale pharma distribution vertical Keimed Pvt Ltd and digital healthcare business Apollo 24/7.

(Source: VC Circle, 26th April 2024)

Venture Capital

Payments Platform Innoviti secures Pre-IPO funding from existing investors

Payment-focused retail software-as-a-service (SaaS) platform Innoviti has raised \$4.8 million (around INR 40 crore) from its existing investors as part of its ongoing Series E funding round. The round, which is a pre-IPO funding exercise, was co-led by Bessemer Venture Partners and Patni Family Office, with the rights issue subscribed by early angels and founders.

(Source: VC Circle, 1st April 2024)

Lets Transport Raises \$22 Mn in Series E from Bertelsmann, Others

Trucking aggregator LetsTransport has raised \$22 million (around INR 184 crore) in its Series E funding round, led by existing investors Bertelsmann India Investments. Rebright Partners, NB Ventures, ALES Global, Stride Ventures, and CAC Capital, among others, also participated in the funding round. This fundraise will help LetsTransport accelerate its mission to modernise India's trucking industry by aggregating more than 10 million fragmented truckers.

(Source: VC Circle, 4th April 2024)

LeapFrog Leads \$48 Mn Series B funding in Electronica finance

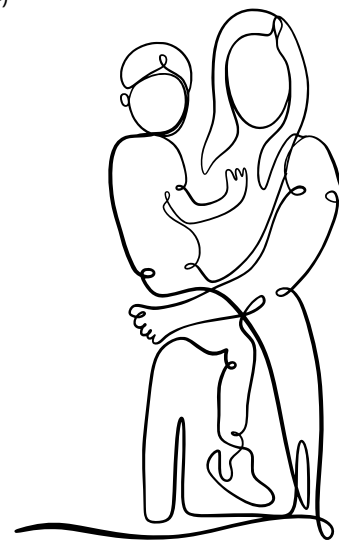
Electronica Finance Ltd, which provides loans to micro, small and medium enterprises (MSME), has raised \$48 million (around INR 400 crore) in a Series B funding round. The equity round was led by global impact investor LeapFrog Investments, with participation from Aavishkaar Capital.

(Source: VC Circle, 4th April 2024)

Grey Collar Training, Recruitment Platform Beyond Odds Raises \$11 Mn in Seed Round

Grey-collar training and recruitment platform Beyond Odds has raised \$11 million (around INR 91 crore) in a seed funding round. The round which is a mix of equity and debt was led by Lightspeed and Matrix Partners India. InnoVen Capital and Alteria Capital also participated in the round along several other angel investors including Ritesh Agarwal (Oyo), Gaurav Munjal (Unacademy), Mayank Kumar (Upgrad) amongst others.

(Source: VC Circle, 18th April 2024)



IPO Bound NBFC Northern Arc Raises \$80 Mn from IFC

Non-banking lender Northern Arc, which recently refiled its preliminary papers for a public listing, has raised \$40 million (around INR 333 crore) in equity and another \$40 million (around INR 333 crore) in debt from International Finance Corporation (IFC), the private-sector investment arm of the World Bank Group.

(Source: VC Circle, 24th April 2024)

Mergers & Acquisitions

EaseMyTrip buys 4.94% stake in B2B Travel Platform

Mumbai-listed online travel aggregator EaseMyTrip has invested \$4 million (around INR 33 crore) in Mumbai-based business-to-business travel tech platform E-Trav Tech Ltd in an all-cash deal. As part of the transaction, EaseMyTrip picked up INR 55 crore fully paid-up equity shares of E-Trav, constituting about 4.94% of the aggregate post-allotment paid-up share capital on a fully diluted basis

(Source: VC Circle, 1st April 2024)

IndusInd Bank Promoters to acquire 60% of Invesco's India Arm

Promoters of private lender IndusInd Bank entered into an agreement to acquire a 60% stake in the Indian arm of global asset manager Invesco. After the deal, Invesco will keep a 40% stake in Invesco Asset Management India (IAMI), the fifth largest foreign asset manager with assets under management worth \$10.3 billion (around INR 85,882 crore) as of March 31 2024.

(Source: VC Circle, 9th April 2024)

Convergent Backed Agilitas Sports Acquires Exclusive Rights for Lotto in India, Australia

Indian sports and athleisure company Agilitas Sports has acquired exclusive rights to design, manufacture, and distribute products of popular Italian sports brand Lotto across India and Australia, with plans to expand to South Africa. Agilitas, headed by former Puma India Managing Director Abhishek Ganguly, will buy the brand license from New York investment firm WHP Global and aim to launch the Lotto products in India by early 2025.

(Source: VC Circle, 19th April 2024)

Gautam Adani, Family raises Stake in Ambuja Cements to 70%

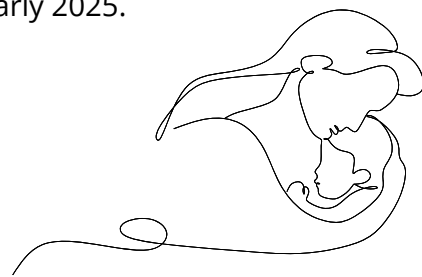
Indian billionaire Gautam Adani's family raised its stake in Ambuja Cements to 70.3% from 66.7% with a \$996.7 million (around INR 8,310 crore) investment, in a move to help the cement maker boost its production capacity. Intense competition in the Indian cement sector has led to companies rushing to ramp up production capacities as demand for construction materials remains buoyant.

(Source: VC Circle, 17th April 2024)

Dialog Axiata to buy Bharti Airtel's Telecom Operations in Sri Lanka

Sri Lankan telecom operator Dialog Axiata has signed a definitive agreement to buy Bharti Airtel's operations in the island nation, nearly a year after the merger was announced. Under the agreement, Dialog Axiata will acquire a 100% stake in Airtel Lanka by issuing Bharti Airtel a 10.4% stake in Dialog Axiata.

(Source: VC Circle, 18th April 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 April, 2024 issued by RBI, CCI and others.

SEBI Updates

SEBI Board Meeting (April 30, 2024)

The SEBI Board met on April 30, 2024 where it, inter-alia, approved the following:

- Amendments to SEBI (Infrastructure Investment Trusts) Regulations, 2014 and SEBI (Real Estate Investment Trusts) Regulations, 2014 in order to provide a framework for Unit Based Employee Benefit Scheme.
- Flexibility to Venture Capital Funds, registered under the erstwhile SEBI (Venture Capital Regulations), 1996, to deal with unliquidated investments of their schemes upon expiry of tenure by opting to migrate into SEBI (Alternative Investment Funds) Regulations, 2012.
- Amendments to SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to modify provisions relating to disclosure of financial results in the offer documents, record date, due-diligence certificate and reduction in face value of debt securities and Non-convertible Redeemable Preference Shares.
- Amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for providing flexibility regarding publication of financial results in newspapers for entities that have listed only Non-Convertible Securities.
- Flexibility for increased participation by Non-Resident Indians, Overseas Citizens of India and Resident Indian individuals in SEBI registered Foreign Portfolio Investors based out of International Financial Services Centres in India and regulated by the International Financial Services Centres Authority.
- Streamlining of prudential norms for passive schemes with respect to exposure to securities of group companies of the sponsor to facilitate a level playing field for mutual funds.
- AMCs to have an institutional mechanism for deterrence of potential market abuse including front-running.
- Various proposals for Market Infrastructure Institutions (MIIs) with the objective of easing compliance requirements and removing redundant provisions applicable to MIIs under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

To read more:

https://www.sebi.gov.in/media-and-notifications/press-releases/apr-2024/sebi-boardmeeting_83115.html

Master Circular for Listed Companies (April 29, 2024)

NSE has been issuing various circulars/guidelines to Listed companies on various requirements. In order to enable the Listed Companies to have access to the applicable circulars at one place and to facilitate Listed Companies to comply with the regulatory requirements, the Exchange has prepared a Master circular for Listed Companies. This Master Circular is a compilation of relevant and updated circulars/guidelines issued by the NSE as on April 29, 2024, and which are operational as on date of this circular. With the issuance of this Master Circular, the circulars/guidelines contained in the circulars listed out in the respective annexures to this Master Circular shall stand rescinded.

To read more:

<https://www.nseindia.com/companies-listing/circular-for-listed-companies-equitymarket>



UK Tax Update Report



Strengthening Financial Operational Resilience in the UK: A Reflection

As we approach the critical milestone of March 2025, the imperative for UK financial institutions to enhance their operational resilience has become increasingly urgent. Guided by directives from the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA), firms are mandated to ensure readiness to operate within pre-defined impact tolerances for each significant business service by this deadline. This imperative reflects a broader strategic initiative aimed at fortifying the stability and resilience of the UK's financial system against operational disruptions.

The significance of this endeavour cannot be overstated, particularly against the backdrop of evolving global trends and challenges. The European Union's Digital Operational Resilience Act (DORA), in alignment with the UK's efforts, underscores a collective commitment to bolstering digital operational resilience across the financial sector. This regulatory framework, coupled with internal strategies, serves as a proactive response to the growing threat landscape characterized by cyber risks and digital vulnerabilities.

Within this context, the proactive stance taken by UK regulatory bodies and financial institutions is notable. The emphasis on resilience encompasses not only individual firms but also the broader financial ecosystem. In particular, the focus on cyber resilience underscores an acknowledgment of the escalating digital threats that pose risks to essential financial services and, consequently, to overall financial stability.

Looking ahead, the journey towards achieving and maintaining operational resilience extends beyond the March 2025 deadline. It necessitates ongoing efforts characterized by persistent performance monitoring, continuous service assessment, data-driven decision-making, strategic scenario testing, and diligent reporting and stakeholder communication. These activities form the cornerstone of a resilient operational framework, ensuring that financial institutions are not only compliant with regulatory expectations but also well-prepared to navigate unforeseen disruptions effectively.

Furthermore, as advancements in technology continue to reshape the financial landscape, the role of innovative solutions such as AI-powered security assistants becomes increasingly prominent. These tools hold the potential to optimize threat detection and response mechanisms, aligning with the overarching goal of fostering a resilient financial system capable of withstanding emerging challenges.

In conclusion, the journey towards strengthening financial operational resilience in the UK is multifaceted and ongoing. It requires a concerted effort from regulatory bodies, financial institutions, and industry stakeholders to navigate evolving threats and regulatory landscapes effectively. By embracing a proactive approach and leveraging technological advancements, the UK financial sector can build a resilient foundation capable of ensuring stability and integrity in an ever-changing environment.



Tax Calendar



May 2024 - Tax Calendar

7TH MAY	Due date for deposit of tax collected and deducted for the month of April, 2024.
15TH MAY	Due date for issue of TDS Certificate for tax deducted under <u>section 194-IA</u> , 194-IB, 194M, and 194S in the month of March, 2024
15TH MAY	Due date of Quarterly statement of TCS deposited for the quarter ending March 31, 2024
30TH MAY	Due date for furnishing of challan-cum-statement in respect of tax deducted under <u>section 194-IA</u> , 194-IB, 194M, and 194S in the month of April, 2024
31ST MAY	Due date quarterly statement of TDS deposited for the quarter ending March 31, 2024
31ST MAY	Statement of particulars to be filed by reporting person under clause (viii) of sub-section (5) of section 80G and clause (i) to sub-section (1A) of section 35 of the Income-tax Act, 1961 for the Financial Year 2023-24.
31ST MAY	Certificate of donation under clause (ix) of sub-section (5) of section 80G and under clause (ii) to sub-section (1A) of section 35 for the Financial Year 2023-24.
31ST MAY	Due date for furnishing of statement of financial transaction (in Form No. 61A) as required to be furnished under subsection (1) of section 285BA of the Act respect of a Financial Year 2023 -24
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 2023 -24.
31ST MAY	Statement of particulars to be filed by reporting person under clause (viii) of sub-section (5) of section 80G and clause (i) to sub-section (1A) of section 35 of the Income-tax Act, 1961 for the Financial Year 2023-24
31ST MAY	Certificate of donation under clause (ix) of sub-section (5) of section 80G and under clause (ii) to sub-section (1A) of section 35 for the Financial Year 2023-24.
31ST MAY	Application for exercise of option under clause (2) of the Explanation to sub-section (1) of section 11 of the Income - tax Act, 1961 (if the assessee is required to submit return of income on or before July 31, 2024) in Form No. 9A.
31ST MAY	Statement to be furnished to the Assessing Officer/Prescribed Authority under clause (a) of the Explanation 3 to the third proviso to clause (23C) of section 10 or under clause (a) of sub-section (2) of section 11 of the Income-tax Act, 1961 (if the assessee is required to submit return of income on July 31, 2024) in Form No. 10



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