

RNM ALERT
OCTOBER
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Festival of Lights

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EDITORIAL

Dear Readers

During the month of October 2025 we are pleased to share the successful closing of a M&A transaction in Bengaluru for which RNM Capital acted as an exclusive Sell Side advisor in the Auto Dealership space. The transaction demonstrated our deep understanding of the auto industry as well as the nuances of deal making, including Valuations, M&A tax, Due Diligence, transaction documentation, psychology of money. In the end the satisfaction of achieving a win-win for both parties is the ultimate testament of a job well done.

On the Direct Tax side, the due date for filing Tax Audit has been extended to 10 November 2025 and the Income Tax Return due date has been extended to 10 December.

On the Indirect Tax Side, the Honorable High Court of Allahabad in the case of Vrinda Automation has held that the demand in an Order cannot exceed the amount specified in the Show Cause Notice (SCN) and any order passed beyond the scope of SCN is unsustainable in law.

On the Assurance Side, the Sebi has issued a Circular during the month of October 2025 modifying the original Circular of June 2025 to operationalize the Related Party Transaction (RPT) Industry Standards for minimum information to be provided to the Audit Committee and shareholders for approval of RPTs. Now only for RPTs exceeding Rs 10 crore full disclosure as specified in the RPT Industry Standard should be provided.

On the Transaction Regulatory front, the National Company Law Appellate Tribunal (NCLAT) in the case of Vantage Point Asset Management has held that any attachment of assets by the Enforcement Directorate (ED) under the Prevention of Money Laundering Act (PMLA) ceases to have effect once the resolution plan is approved under the Insolvency and Bankruptcy Code (IBC).

We would like to take this opportunity of wishing all our readers, especially in North America best wishes for Thanksgiving Day on 27 November. On this day we celebrate gratitude, unity and harvest including the blessings of family and friends.

U N Marwah
Chairman - RNM India

Direct Tax



Rangoli



1. CBDT further extends due date for filing audit reports for AY 2025-26; also extends ITR filing due date

The CBDT vide Press release dated 29.10.2025; has further extended the due date for filing various audit reports, which was originally due on September 30, 2025, to November 10, 2025. The due date for filing the return of income in audit cases has also been extended from October 31, 2025, to December 10, 2025.

2. NOTIFICATION S.O. 4901(E), NO. 155/2025/F. NO. CB/362/2025-O/O ADDL. DIT 6 CPC BENGALURU-187/10/2024-ITA-I] DATED 27-10-2025

That the CBDT authorizes designated Income-Tax Authority to rectify apparent mistakes under section 154 and issue demand notices under section 156 in all cases processed through CPC interface in respect of all incomes.

3. Govt. notifies revised India-Qatar DTAA effective from FY 2026-27 [NOTIFICATION NO. 154/2025]

The Government of India has notified the revised Double Taxation Avoidance Agreement with the Government of the State of Qatar. The revised Article 11(3) clarified that the term "State" includes the RBI and EXIM Bank for India, and the Qatar Investment Authority and Qatar Holding LLC for Qatar.



Important Judicial Precedents

1. Rate of tax on LTCG for companies opting u/s 115BAA is 22% and not 20% under sec. 112:ITAT

[2025] 179 taxmann.com 698 (Delhi - Trib.) Maharishi Education Corporation P. Ltd. vs. Income-tax Officer

Where assessee company opted for taxation under section 115BAA, rate of tax applicable in respect of total income, including Long Term Capital Gain, would be 22 percent as per section 115BAA and not 20 percent under section 112.

2. No contempt if AO passed order in light of CBDT circular to deposit 20% of demand for grant of stay: HC

[2025] 179 taxmann.com 279 (Delhi-HC) Court on its Own Motion vs. Anuradha Misra

Where Principal Commissioner rejected stay application filed by assessee and directed assessee to deposit 20 per cent of demand raised in assessment orders, since decision taken by Principal Commissioner was not bereft of reasons, albeit, such reasons were brief and not elaborate and order did reflect due application of mind on part of Principal Commissioner, there was no wilful disobedience of earlier court order and contempt proceedings were to be dropped.

3. SLP dismissed; HC held delay under 148A(b) to be computed from first notice, making it within sec. 149 time limit.

[2025] 179 taxmann.com 341 (SC) Chandra Shekhar vs. PCIT 1

SLP dismissed against order of High Court that where assessee was issued notice under section 148A(b) on 28-3-2024 and pursuant to assessee's reply another notice was issued on 22-4-2024, delay was required to be taken note of with reference to first notice and thus, same was within time limit stipulated under section 149.

4. TDS credit to be allowed to employee as tax was deducted by employer even if not deposited to govt: ITAT

[2025] 179 taxmann.com 134 (Bangalore - Trib.) Mrs. Antaash Sheikh vs. ITO

Where employer deducted TDS from assessee's salary but did not deposit it to government, resulting in no TDS credit in Form 26AS, since assessee claimed TDS credit based on salary slips, assessee could not be denied TDS credit merely due to employer's fault.

5. HC quashes order as assessee wasn't given adequate time to respond to notice issued for reassessment

[2025] 179 taxmann.com 281 (Gujarat-HC) Atul Mahavirprasad Paldecha vs. Income-tax Officer, Ward 2(3)(6)

Where assessee was issued a notice under section 148A(b) alleging bogus sales transactions and was directed to furnish reply by certain date, since assessee was allowed only four days to respond to notice which was contrary to minimum required statutory period of seven days as mandated under section 148A(b), impugned order passed under section 148A(d) as well as notice issued under section 148 were required to be quashed and set-aside.

6. Property bought in spouse's name doesn't deny sec. 54 exemption if own funds used: ITAT

[2025] 179 taxmann.com 262 (Ahmedabad-Trib.) Rajesh Narendrabhai Patel vs. ITO

Where investment in new residential property is made by assessee from his own funds, mere fact that property is purchased in name of spouse does not disentitle assessee from exemption under section 54.

7. SLP dismissed; reopening invalid as AO relied solely on DRI information without independent application of mind

[2025] 179 taxmann.com 255 (SC) ACIT vs. Tungabhadra Minerals (P.) Ltd

SLP dismissed against order of High Court that where reason for reopening was recorded only on borrowed information from Directorate of Revenue Intelligence (DRI) and there was no independent application of mind on part of Assessing Officer to come to his own conclusion that income escaped assessment, reopening of assessment was not permissible. HC set-aside final assessment order passed by Faceless Officer without serving draft order on assessee

8. HC set-aside final assessment order passed by Faceless Officer without serving draft order on assessee

[2025] 179 taxmann.com 582 (Bombay-HC) Barentz India (P.) Ltd. vs. Assessment Unit, National Faceless Assessment Centre, New Delhi

Where a final assessment order had been directly passed by Faceless Officer without serving a draft assessment order on assessee to enable it to approach DRP, it was in clear violation not only of provisions of section 144C but also of section 144B(1)(xxi) to (xxix) and thus, final assessment order was to be set aside.



Indirect Tax



Diyas

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

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





“Accommodation provided in course of employment—GST & ITC implications clarified”

Case: Suzuki Motor Gujarat Pvt. Ltd. (AAR Gujarat)

Background & Facts

Applicant manufactures passenger cars and parts. As part of its company policy, the applicant provides dormitory accommodation near its factory to permanent employees (optional) and student-trainees (mandatory). Accommodation is arranged through a third-party accommodation service provider (“ASP”) which invoices the applicant and charges GST @ 18 %. The Applicant recovers a nominal amount from employees/trainees for the accommodation facility.

- For employees, the facility is optional and family members are not covered.
- Key questions raised with the AAR:
 1. Whether GST is liable on the amount recovered from employees for the accommodation?
 2. Whether GST is liable on the amount recovered from student-trainees for the accommodation?
 3. Whether the Applicant is eligible to avail Input Tax Credit (ITC) on the GST paid by the ASP for accommodation to employees?
 4. Whether ITC is available on GST paid by the ASP for accommodation to student-trainees?

Ruling / Held

- **GST on employees’ recoveries:** The AAR held that no GST is leviable on the nominal amount recovered from permanent employees for the dormitory accommodation. The reasoning: the accommodation is a perquisite provided in the employment contract/policy; hence it does **not** qualify as a “supply” under Section 7 of the CGST Act, 2017.
- **GST on trainees’ recoveries:** The AAR held that GST is leviable on the amount recovered from student-trainees, since they are not on the payroll and the accommodation cannot be treated as a perquisite in an employment relationship; thus the facility constitutes a supply in the course of business.
- **ITC on employees’ accommodation:** The AAR held that the Applicant is eligible to claim ITC on the GST paid to the ASP for the accommodation of permanent employees. ITC is not blocked under Section 17(5) because the service does not fall under the blocked categories; however, the ITC must be restricted to the extent of cost borne by the Applicant (i.e., the portion recovered from employees is excluded).
- **ITC on trainees’ accommodation:** The AAR also held that ITC is available in respect of the GST paid for the accommodation provided to student-trainees, since the Applicant bears the cost (including deduction from trainees) and the outward supply (to trainees) is taxable.



RNM Comments

This ruling provides clear guidance for entities providing dormitory/accommodation facilities to employees and/or trainees through third-party service providers.

- The distinction between employees vs trainees/contract persons is critical for GST liability and ITC eligibility:
 - For employees (under employment contract), the facility can be treated as a perquisite and hence not subject to GST.
 - For trainees or persons not in employment contract/payroll, the facility is a supply and GST applies.
- On ITC, the ruling is employer-friendly: as long as the inward supply is for business purposes and the benefit is ultimately for the employer, ITC is available—even if the service is provided to employees. The restriction of Section 17(5)(g) (services for personal consumption) was held not applicable.
- Practical “take-aways” for your client scenarios:
 - 1.If your client offers accommodation to its employees under employment contracts, ensure the policy supports that the facility is part of employment terms (to claim non-supply status).
 - 2.If accommodation is also offered to trainees, contract staff, apprentices, etc., treat it as taxable supply: ensure GST is discharged and corresponding ITC aspects are handled.
 - 3.When claiming ITC for such accommodation facilities, ensure the cost borne by the employer is clearly identified and recoveries from employees are excluded from the basis of ITC.
 - 4.Review agreements with third-party service providers to clearly document supply chain and invoicing (ASP to employer).
- Note: While the ruling is from Gujarat AAR (and thus binding on the Applicant and persuasive elsewhere), you should evaluate whether your state has analogous AAR/AAAR jurisprudence or whether your scenario aligns in facts with this case (especially optional vs mandatory facility, employee vs non-employee distinction).
- For your litigation/advisory purposes (in GST SCNs for works contracts etc), you may highlight this decision as supporting the proposition that employer-employee perquisites may not constitute supply and thus outside GST levy—as long as the facts align.

Rule 112 of CGST Rules can be Invoked to Allow Additional Evidence when Adequate Opportunity was not Given by Adjudicating Authority- Kerala High Court

U.S. Technology International Pvt. Ltd. vs. State of Kerala and Ors

Background

The Kerala High Court in a recent judgment in *U.S. Technology International Pvt. Ltd. vs. State of Kerala and Ors.* [TS-866-HC(KER)-2025-GST] examined whether the Appellate Authority under the CGST Act, 2017 can invoke Rule 112 of the CGST Rules, 2017 to permit a taxpayer to furnish additional evidence/documents that could not be produced before the adjudicating authority due to lack of sufficient time or opportunity. This ruling reiterates the importance of procedural fairness and the principles of natural justice in GST adjudication proceedings.





Facts of the Case

The adjudicating authority issued a show cause notice (SCN) granting the taxpayer 30 days to file a reply. However, a personal hearing was scheduled before the expiry of the 30-day reply period, leaving the taxpayer with inadequate time to prepare and furnish supporting documents. Despite requesting more time, the adjudicating authority proceeded to pass the order without considering the additional documents offered later by the taxpayer. Before the Appellate Authority, the taxpayer sought permission to submit the same documents as additional evidence, relying on Rule 112(1)(c) of the CGST Rules. The appellate authority, however, rejected the request, stating that such documents could not be entertained at the appeal stage.

Held

The Kerala High Court set aside the appellate order and made the following key observations: Violation of natural justice, Although 30 days were granted to file the reply, fixing a hearing before the expiry of that period deprived the taxpayer of an effective opportunity to present its case. A hearing can only be scheduled after the expiry of the reply period; otherwise, such opportunity cannot be treated as proper compliance with natural justice. Invocation of Rule 112(1)(c): The Court held that Rule 112(1)(c) permits the appellate authority to accept additional evidence/documents if the taxpayer was prevented by sufficient cause from producing them before the adjudicating authority. The taxpayer's failure to produce the documents earlier was justified due to the limited time granted and therefore constituted a "sufficient cause." Appellate leniency under GST: Since the GST appellate framework prohibits remand of cases back to the adjudicating authority, appellate authorities must adopt a liberal and pragmatic approach when admitting additional evidence to ensure justice. Direction of the Court: The appellate authority's order was quashed and set aside. The authority was directed to accept the additional documents, reconsider the appeal afresh on merits, and pass a speaking order after granting proper opportunity of hearing.

RNM Comments

- The judgment reinforces the judiciary's emphasis on substantive justice over procedural rigidity.
- Where adjudicating authorities fail to grant adequate time or fair opportunity for document submission, appellate authorities are duty-bound to admit additional evidence under Rule 112(1)(c).
- Taxpayers should document all requests for adjournment or extension to establish bona fide reasons for delayed submission of evidence.
- Practically, this ruling offers a safeguard in cases where orders are passed prematurely or without full consideration of evidence, ensuring that such lapses can be rectified at the appellate stage.
- For ongoing GST litigation, taxpayers may rely on this decision to seek admission of supporting documentation where time constraints or procedural lapses hindered submission before adjudication.





Supreme Court Upholds ITC Benefit Despite Seller's Default in VAT Payment

Background

In a landmark judgment, the Supreme Court of India has reaffirmed that Input Tax Credit (ITC) cannot be denied to a bona fide purchasing dealer merely because the selling dealer failed to deposit VAT collected with the government. The decision arose under the Delhi Value Added Tax Act, 2004 (DVAT Act) in the case of Shanti Kiran India Pvt. Ltd. vs. Commissioner of Trade & Taxes, Delhi [Supreme Court, Civil Appeal Nos. 2042–2047/2015, decided on 9 October 2025]. This ruling upholds the Delhi High Court's judgment, aligning with the principle that law cannot compel the impossible—a buyer cannot be held responsible for the seller's post-sale default.

Facts of the Case

The assessee purchased taxable goods from registered dealers within Delhi, paid VAT as part of the purchase price, and claimed ITC under Section 9(1) of the DVAT Act. All purchases were supported by valid tax invoices and bank payments, and suppliers were registered with valid TINs at the time of supply. The VAT Department later disallowed ITC on the ground that some suppliers failed to remit the VAT or their registrations were cancelled post-transaction, invoking Section 9(2) (g) of the DVAT Act. Despite the genuineness of transactions, the department raised demands with interest and penalty, which were upheld in appeal, prompting writ proceedings before the Delhi High Court.

Held – Supreme Court (affirming Delhi HC)

- **Bonafide Purchaser Protection:**

The Court held that once a purchasing dealer establishes that goods were bought from a registered seller, invoices were genuine, and tax was paid, ITC cannot be denied solely because the seller defaulted in depositing VAT.

- **Interpretation of Section 9(2)(g):**

The Court approved the Delhi HC's purposive reading of Section 9(2)(g), observing that there is no statutory mechanism for purchasers to verify whether the seller has deposited VAT. A literal reading would make compliance impossible and defeat the purpose of the VAT credit chain.

- **Remedy Against Defaulting Seller:**

The department's recourse lies against the defaulting seller, not against the bona fide purchaser.

- **Fraud or Collusion Exception:**

ITC can only be denied if evidence shows collusion or fraudulent conduct between buyer and seller; mere non-deposit of tax by the seller is insufficient.

- **Confirmation of Delhi HC View:**

The Court cited *On Quest Merchandising India Pvt. Ltd.* and reaffirmed that this interpretation now forms the settled position of law under the DVAT framework.

RNM Comments

- This decision reinforces the sanctity of the input credit chain and ensures that compliant taxpayers are not penalised for a supplier's independent default. The judgment is particularly relevant under the GST regime, where similar disputes continue under Section 16 of the CGST Act—notably the “supplier-compliance” conditions linked to GSTR-2A/2B mismatch cases. Courts (e.g., *DY Beathel Enterprises – Madras HC*; *Suncraft Energy – Calcutta HC*) have similarly safeguarded bona fide recipients, while others (e.g., *Aastha Enterprises – Patna HC*; *R.V. Enterprises – Gujarat HC*) have upheld reversals in supplier-default scenarios. This Supreme Court ruling will serve as persuasive guidance in GST matters, emphasising that ITC should not be denied when purchases are genuine and tax has been paid to a registered supplier. Practically, taxpayers should maintain robust documentary evidence—including invoices, e-way bills, and proof of payment—to demonstrate transaction genuineness and protect credit claims.

Corporate Finance



Fireworks

Dubai's Emirates NBD To Buy 60% Stake In RBL Bank For \$3 Bn

Dubai-based Emirates NBD (ENBD) has announced plans to acquire a 60% stake in Indian private lender RBL Bank for \$3.05 billion (around INR 26,786 crores) through a preferential allotment of shares, marking the largest-ever cross-border acquisition in India's financial sector. The transaction, subject to regulatory approvals, will be followed by an open offer to retail shareholders for an additional 26% stake at ₹280 per share, in compliance with India's takeover regulations. Once completed, ENBD will be designated as the promoter of RBL Bank, gaining rights to appoint directors to its board while ensuring its total ownership stays within the 74% foreign investment limit allowed for private banks. The infusion will significantly strengthen RBL Bank's balance sheet, enhance its Tier-1 capital ratio, and provide long-term growth capital to support expansion. With \$16.6 billion (around INR 145,787 crores) in assets, 15.17 million customers, and 562 branches across 28 states, RBL Bank's position in the Indian banking sector is set to strengthen further. The move underscores ENBD's confidence in India's rapidly expanding financial services market and its growing strategic importance within the India-Middle East-Europe Economic Corridor, aligning with ENBD's broader regional expansion strategy that includes operations in Egypt, Saudi Arabia, and Turkey, where it previously acquired DenizBank in 2019.

(Source: VC Circle, 19th October 2025)

Private Equity

Membrane Group secures \$50 Mn from GEF Capital Partners

Membrane Group India Pvt. Ltd, a Gurugram-based provider of industrial water and wastewater treatment solutions, has received a \$50 million (around INR 439 crores) investment commitment from GEF Capital Partners' South Asia Growth Fund III.

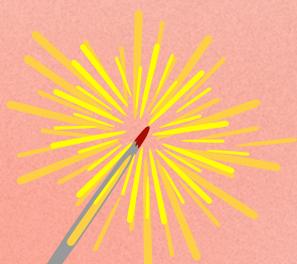
The funding will support the company's expansion in ultrapure water (UPW), wastewater treatment, water reclamation, and zero liquid discharge (ZLD) solutions, targeting high-growth sectors such as solar photovoltaics, semiconductors, microelectronics, and advanced manufacturing. The capital will also be used to enhance project execution, boost R&D, and develop resource recovery technologies.

(Source: VC Circle, 08th October 2025)

Hunger Inc. raises \$24.2 Mn from Lighthouse Funds and DSG Consumer Partners

Hunger Inc Hospitality Pvt. Ltd, the parent company of The Bombay Canteen, O Pedro, Veronica's, and Bombay Sweet Shop, has raised \$24.2 million (around INR 212 crores) in a funding round co-led by Lighthouse Funds and DSG Consumer Partners. The capital will fuel the company's expansion across its restaurant and packaged goods businesses. Founded in 2015 by Yash Bhanage and Sameer Seth, Hunger Inc. has previously received backing from Everstone Capital, Anamudi Real Estates, and Godrej Group's Tanya, Pirojsha, and Nisaba Godrej, as well as individual investors CP Gurnani and Barkha Cardoz. For DSG Consumer Partners' managing director Deepak Shahdadpuri, the investment aligns with the firm's focus on innovative consumer brands, adding to a portfolio that includes Sula, Epigamia, Veeba, and Ugao.

(Source: VC Circle, 10th October 2025)





L Catterton Picks Up Minority Stake In Proctology-Focused Clinic

Global private equity firm L Catterton has made its first external investment in Healing Hands Clinic, a Pune-based specialist proctology chain, acquiring a minority stake. Founded in 2013 by Ashwin, Snehal, and Roshan Porwal, Healing Hands offers comprehensive anorectal care through minimally invasive techniques, plant-based medicines, and holistic services across 36 clinics in 14 Indian cities. The investment will support the clinic's nationwide expansion to improve access to quality anorectal care and plant-based treatments.

(Source: VC Circle, 16th October 2025)



Amicus-Backed Berar Finance Raises \$17 Mn

Nagpur-based non-banking lender Berar Finance has raised \$17 million (around INR 150 crores) in a funding round led by Norwegian fund Abler Nordic, with participation from First Bridge India Growth Fund, providing a partial exit for early investor Amicus Capital. The company plans to use the capital to deepen its presence in two-wheeler financing and expand its secured MSME loan portfolio, aiming to evolve into a multi-product NBFC focused on growth, profitability, and asset quality. Founded in 1990 and promoted by Maroti Gendaru Jawanjar, Berar Finance also counts impact investors Maj Invest and Creation Investments among its shareholders. InteQuant Advisors acted as exclusive financial advisor for the transaction.

(Source: VC Circle, 22nd October 2025)

Verlinvest invests \$75 Mn in The Eye Foundation

Belgium-based investment firm Verlinvest has invested \$75 million (around INR 658 crores) in Coimbatore-based eyecare chain The Eye Foundation, marking its second healthcare bet in India. The deal gives Verlinvest a minority stake of about 20%, valuing The Eye Foundation at around \$375 million (around INR 3,293 crores), according to people familiar with the development. Founded over four decades ago, The Eye Foundation operates 25 centres across Tamil Nadu, Kerala, and Karnataka. The company reported ₹213 crore in revenue and ₹86.4 crore in net profit for FY24, up from ₹167 crore and ₹49.2 crore, respectively, in the previous year. Verlinvest made its first healthcare investment in India in 2023, acquiring a controlling stake in Ferty9 Fertility Center.

(Source: VC Circle, 23rd October 2025)



Venture Capital

Climaty AI Snags Early Stage Funding

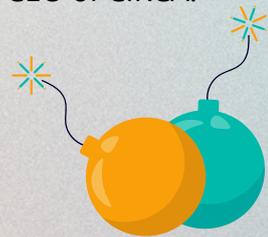
Climaty AI, an India-founded and UAE-based climate and marketing technology company, has raised \$2 million (around INR 17 crores) in early-stage funding led by venture capital and accelerator fund Turbostart, with participation from AI experts and angel investors. Founded in 2024 by Neel Pandya, Climaty AI is developing an agentic AI-powered marketing ecosystem that automates campaign planning, content creation, optimization, and measurement while reducing the carbon footprint of digital advertising. The funds will support the company's expansion across APAC, EMEA, the UK, and North America, targeting the growing demand for sustainable, high-performance marketing solutions.

(Source: VC Circle, 03rd October 2025)

Luxury Watch Retailer Art Of Time Raises \$19.5 Mn Series B

Art of Time, a Mumbai-based luxury watch retailer, has raised \$19.5 million (around INR 175 crores) in a Series B round led by Caratlane founder Mithun Sacheti and Siddhartha Sacheti, with participation from Plutus Wealth Management and Freshworks founder Girish Mathrubootham. Founded in 2015 by Gaurav Bhatia and Bharat Kapoor, the company retails brands such as Cartier, Omega, Montblanc, and Bvlgari through 14 boutiques across major Indian cities. The funds will support the expansion of its store network, technology investments, and the launch of CIRCA, a new bridge-to-luxury omniretail concept aimed at next-generation watch buyers. Former Caratlane executive Prashant Chaudhary has been appointed CEO of CIRCA.

(Source: VC Circle, 03rd October 2025)



Fintech Startup Dhan Enters Unicorn Club With \$120 Mn Round

Raise Financial Services, the parent company of investing platform Dhan, has raised \$120 million (around INR 1,053 crores) in a Series B round led by Hornbill Capital, with participation from MUFG, BEENEXT, and other investors. The funding values the company at \$1.2 billion (around INR 10,538 crores), making it a unicorn. Founded in 2021 by Pravin Jadhav, Raise plans to expand its investing, AI, and financial services offerings. The company also operates ScanX, Upsurge, and Filter Coffee. Avendus Capital advised on the deal, with Veritas Legal as legal counsel.

(Source: VC Circle, 06th October 2025)





AskMyGuru Raises \$500K from Bharat Matrimony to Expand AI-Powered Astrology Platform

AskMyGuru, a Bengaluru-based astrology technology startup, has raised \$500,000 (around INR 4.35 crores) in funding from Bharat Matrimony, part of the Matrimony.com Group. This follows its earlier \$1.2 million round led by Lumikai in April 2025. Launched in June 2025, AskMyGuru offers AI-powered Vedic Shastra and astrology consultations through its app. Bharat Matrimony called the investment a strategic move to blend cultural traditions with modern technology for wider user engagement.

(Source: VC Circle, 08th October 2025)



Uniphore Raises \$260 Mn From NVIDIA, AMD, Others In Flat Round

Conversational automation platform Uniphore has raised \$260 million (around INR 2,283 crores) in a Series F round at an unchanged \$2.5 billion (around INR 21,956 crores) valuation. The funding was led by NVIDIA, AMD, Snowflake, and Databricks, along with BNI Capital and Prosperity7 Ventures, while existing investors NEA and March Capital also participated. The funds will support the expansion of Uniphore's AI cloud platform and global operations. Founded in 2008, the Palo Alto- and Chennai-based firm serves over 2,000 clients including KPMG, Dell, and The Washington Post.

(Source: VC Circle, 23rd October 2025)

Mergers & Acquisitions

RateGain Set To Expand Global Operations With \$250 Mn US Acquisition

Tata RateGain Travel Technologies Ltd has entered into definitive agreements to acquire US-based travel advertising and marketing platform Sojern Inc. for \$250 million (around INR 2,195 crores) in an all-cash deal through its newly formed US subsidiary, RateGain Merger Sub, Inc. The transaction will be funded via increased investments in its US arm, backed by a corporate guarantee of up to \$150 million (around INR 1,317 crores) for securing loans. Founded in 2007, Sojern reported \$172.2 million (around INR 1,512 crores) revenue in 2024 and operates across multiple global markets.

(Source: VC Circle, 1st October, 2025)

PE-Backed Indegene To Acquire US Firm For \$106 Mn

Mumbai-listed Indegene Ltd, a life sciences and healthcare services company, has agreed to acquire US-based marketing services firm BioPharm Parent Holding Inc. from Omnicom Health Group for \$106 million (around INR 930 crores) in cash. Founded in 2005, BioPharm specializes in AI-driven ad-tech and omnichannel marketing for pharma companies, serving 17 of the 25 major global biopharma clients, and recorded \$38.13 million (around INR 334 crores) revenue in FY2024. The acquisition strengthens Indegene's commercialization portfolio by integrating advanced tech capabilities and data-driven media solutions, enhancing media ROI and agentic operations for clients.

(Source: VC Circle, 1st October, 2025)



Abu Dhabi's IHC To Take Controlling Stake In Sammaan Capital For \$1 Bn

Abu Dhabi-based International Holding Company (IHC) has agreed to acquire a 41.2% stake in Indian non-bank lender Sammaan Capital (formerly Indiabulls Housing Finance Ltd) for nearly \$1 billion (around INR 8,782 crores), marking the largest primary capital infusion by a foreign investor in an Indian NBFC. The deal will trigger a mandatory open offer for an additional 26% stake at ₹139 per share, a 17% discount to the recent closing price. Post-transaction, IHC will be classified as promoter, with the right to appoint the majority of the board, and may hold up to 63.4%, depending on open offer uptake.

(Source: VC Circle, 3rd October 2025)



ReNew Energy To Sell Rajasthan Solar Project To Sembcorp For \$191 Mn

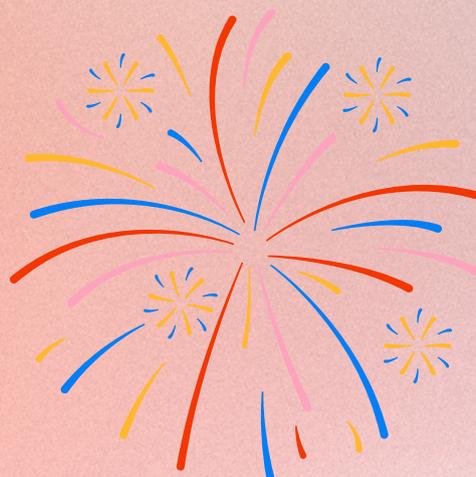
ReNew Energy Global Plc, currently delisting from Nasdaq and planning an Indian IPO, has entered into a definitive agreement to sell its 300MW Rajasthan solar project to Sembcorp Green Infra Pvt Ltd for an enterprise value of \$191 million (around INR 1,700 crores). The transaction, expected to generate approximately \$98 million (around INR 860 crores) in cash inflow, covers a project commissioned in November 2021 under a 25-year power purchase agreement with Maharashtra State Electricity Distribution Co. Ltd. The acquisition will increase Sembcorp's renewable capacity in India to 6.9GW and its global portfolio to 19.3GW. The deal is anticipated to close in H1 2026, subject to regulatory approvals, and will be funded through a combination of internal resources and external borrowings.

(Source: VC Circle, 8th October 2025)

GEF Capital-Backed Premier Energies To Buy Power Transformer Maker In \$57 Mn Deal

GEF Capital Partners-backed Premier Energies Ltd, India's second-largest solar cell and module manufacturer, is expanding into the power transmission space by acquiring a 51% stake in Hyderabad-based transformer manufacturer Transcon Industries Ltd for around \$57 million (around INR 500 crores). Additionally, the company has acquired a 51% stake in Pune-based solar inverter maker KSolare Pvt Ltd for \$9.8 million (around INR 86 crores), with the remaining 49% taken by Syrma SGS Technologies. These acquisitions mark Premier Energies' strategic move to become a full-spectrum energy solutions provider, bridging the gap between power generation and transmission. The deals will enhance its ability to offer integrated energy solutions and cross-sell to a wider customer base.

(Source: VC Circle, 23rd October 2025)



Transaction & Regulatory Advisory Services



Sweets

Key Regulatory & Legal Updates in October 2025

1. Ministry of Corporate Affairs (MCA)

- **Establishment of RDs under Companies Act 2013 – MCA Notification No. 4852(E) dated 23.10.2025**

On October 23, 2025, the Ministry of Corporate Affairs (MCA) issued S.O. 4852(E) designating certain Regional Directors under section 396 of the Companies Act.

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

- **Establishment of ROCs under Companies Act 2013 – MCA Notification No. SO-4850(E) dated 23.10.2025**

On 23 October 2025, the MCA issued S.O. 4850(E) designating certain Registrars of Companies (ROCs) under sections 396(1) & (2) for the purposes of company registration and functions under the Companies Act.

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



2. Securities and Exchange Board of India (SEBI)

- **Amendment to Debenture Trustees Regulations, 2025**

Under the said amendment, the significant modifications are as under: a) Debenture trustees can perform additional business (fee based/non-fund based) within a separate business unit subject to arm's length basis; b) The debenture trustees must ring-fence net worth of the trustee from the impact of new activities; c) New rights for trustees: to review issuer books, request documents, utilizing the Recovery Expense Fund with consent of debenture holders.

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

- **Circular on Related-Party Transactions (“RPT”) – Minimum Information to Audit**

With new amendment, Listed companies should make sure when seeking approval with RPTs that the disclosures to the Audit Committee and shareholders comply with the new minimum disclosures; compliance teams should consider updating their RPT approval procedures.

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

- **Circular on Angel Funds – Relaxation in timeline for disclosure of allocation methodology**

With new amendment, Angel Funds will want to update their Private Placement Memoranda (PPMs) and disclosures for the new, relaxed timeline and compliance timelines are now one to consider.

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

- **Disclosure requirement on promoter’s in-laws (news)**

With new amendment, Listed companies will want to review their shareholding disclosures, the definition of related party and promoter group and update their systems to reflect this new, expanded universe of relatives and entities.

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



GIFT City Update



Decoration

01stOct 2025: Constitution and First Actions of the Payments Regulatory Board (PRB) under IFSCA

Following the implementation of amendments to the *Payment and Settlement Systems Act, 2007* on **May 9, 2025**, the **Payments Regulatory Board (PRB)** was established, replacing the earlier **Board for Regulation and Supervision of Payment and Settlement Systems (BPSS)**. The PRB now serves as the statutory body through which the **International Financial Services Centres Authority (IFSCA)** regulates and supervises payment and settlement systems under the Act.

The Board comprises senior representatives from IFSCA, the Department of Financial Services, UIDAI, and NPCI. In its **first meeting on October 1, 2025**, the PRB granted **authorisation to CCIL IFSC Ltd.** to operate a **Foreign Currency Real-Time Gross Settlement (RTGS) System** within the IFSC framework, marking its first major regulatory action.

07thOct 2025: Finance Minister Launches Foreign Currency Settlement System at GIFT IFSC — A Milestone in India's Financial Infrastructure

Hon'ble Finance Minister Nirmala Sitharaman launched the **Foreign Currency Settlement System (FCSS)** for **GIFT IFSC** at the Global Fintech Festival in Mumbai. The FCSS, authorised by the **International Financial Services Centres Authority (IFSCA)** under the Payment and Settlement Systems Act, 2007, allows **local settlement of foreign currency transactions (initially in USD)** between **IFSC Banking Units (IBUs)**—eliminating the need for the traditional, slower **correspondent banking route**.

Operated by **CCIL IFSC Ltd.**, a subsidiary of the **Clearing Corporation of India Limited (CCIL)**, and developed by **IFTAS** (a subsidiary of the RBI), the system appoints **Standard Chartered Bank** as the settlement bank through an open bidding process. The FCSS will enable **real-time or near real-time settlements**, cutting down settlement time from up to 48 hours to a few minutes, while enhancing **speed, safety, cost efficiency, and risk reduction**.

The launch marks a significant milestone for **GIFT IFSC**, aligning it with global financial centres like **Tokyo and Hong Kong**, and strengthening India's position as a **world-class hub for international financial services and cross-border payment innovation**.

23rdOct 2025: GIFT IFSC Takes Major Strides in Financial Innovation with Launch of FCSS and Consultation on Blended Finance Framework

At the Global Fintech Festival in Mumbai, Finance Minister Nirmala Sitharaman inaugurated the **Foreign Currency Settlement System (FCSS)** for GIFT IFSC — a landmark development in India's financial infrastructure. The FCSS, authorised by **IFSCA** and operated by **CCIL IFSC Ltd.**, enables **local settlement of foreign currency transactions** (starting with USD) between IFSC Banking Units, significantly reducing settlement time from up to 48 hours to just minutes. This move aligns GIFT IFSC with leading global financial centres like Tokyo and Hong Kong, enhancing its efficiency, safety, and global competitiveness.

In parallel, IFSCA released a **Consultation Paper on "Regulatory Framework for Differential Distribution in Restricted and Venture Capital Schemes"**, aimed at **facilitating blended finance structures**. The proposed framework seeks to attract diverse investor classes — including institutional, philanthropic, and impact investors — to **mobilize private capital at scale** toward climate and sustainable development goals.





As of June 2025, **177 Fund Management Entities** have registered in GIFT IFSC, launching **272 schemes** with **USD 22.11 billion** in commitments and **USD 11 billion** in investments, underscoring the rapid growth of India's offshore fund ecosystem. Stakeholders have been invited to provide feedback on the proposal by **November 11, 2025**.

Together, these initiatives underscore India's commitment to **building GIFT IFSC as a global hub for cross-border finance and sustainable investment innovation**.



UK Tax Update



Gifts

UK Business Registrations and Equity Investment Surge in Q3 2025

The third quarter of 2025 recorded a notable uptick in new business registrations across the United Kingdom, with Scotland ranking second only to London in regional investment activity.

According to newly released data from **Barclays**, based on research by **Barclays Eagle Labs** and **Beauhurst**, the number of active companies in the UK reached **5.48 million** by the end of Q3 2025 - an increase of **0.43%** compared with the previous quarter.

At the same time, UK equity investment rose sharply by **78.4%**, reaching **£5.89 billion**, driven primarily by growth in the **Digital, Professional and Business Services**, and **Financial Services** sectors.

Broad-Based Growth Across the UK

Most UK regions experienced an increase in active companies during the quarter. The **North East** saw the largest rise, with a **1.03%** increase - equivalent to around **5,500 new firms**. Only **Scotland** and the **East Midlands** reported slight declines in incorporations, despite Scotland's strong performance in investment terms.

The data suggests that regional business activity continues to diversify, with smaller regions showing resilience and adaptability despite a challenging macroeconomic environment.

The Role of the UK Government's Modern Industrial Strategy

The UK Government's **Modern Industrial Strategy**, launched in July 2025, has played an influential role in shaping investment flows. The strategy identifies eight priority areas - collectively known as the **Industrial Strategy Eight (IS8)** - aimed at enhancing national productivity and innovation. These sectors include **Advanced Manufacturing, Clean Energy, Creative Industries, Digital and Technologies, Financial Services, Life Sciences, Professional and Business Services**, and **Defence**.

Nearly **one-fifth (19.2%)** of UK companies now operate within these IS8 sectors. Together, they attracted **£3.90 billion** in equity investment during the third quarter, representing **47.7%** of all UK equity activity. The **Digital and Technology** segment led the way, securing **£2.37 billion**, followed by **Professional and Business Services** (£1.24 billion) and **Financial Services** (£986 million).

Abdul Qureshi, Managing Director of Business Banking at Barclays, noted that the IS8 framework has provided clear direction for investment. "The government has set out a clear vision by identifying the IS8 sectors as priorities for UK growth," Qureshi said. "While a significant share of companies now operate in these areas, sustained growth and investment continue across other sectors as well."

Peter Kyle, Secretary of State for Business and Trade, emphasized the partnership between government and industry, stating that the data demonstrates the country's appeal as a global investment destination. He described the Modern Industrial Strategy as key to "driving economic growth into every part of the country, creating jobs and new opportunities" and offering investors long-term confidence.





Sharp Rise in Equity Investment

The **Barclays Regional Investment Map** - a quarterly report produced by Barclays Eagle Labs and Beauhurst - highlights the rebound in UK equity activity following a quieter first half of the year. Total investment rose **78.4%**, suggesting renewed investor confidence across several high-growth industries.

The **Digital and Technology** sector remained the primary driver, responsible for **£2.37 billion** of total investment through **628 deals**, with almost half occurring at the seed stage. This indicates continued appetite for early-stage innovation, especially within software, AI, and data-led businesses.

Although smaller in absolute company numbers, **Advanced Manufacturing** recorded the highest average funding per company, buoyed by two large transactions in automotive and manufacturing technology.

The **Defence** sector also saw sustained attention from investors, particularly in regions with strong manufacturing and technology capabilities. Notable defence-related equity activity was observed in **London (£65 million)**, the **West Midlands (£35 million)**, and the **South East (£4.3 million)**.

Scotland's Standout Performance

Scotland emerged as one of the most dynamic investment destinations of Q3 2025, with equity investment increasing **675%** to **£507 million**. This surge was largely attributed to a major funding round by **Fidra Energy**, which raised **£445 million** to finance the Thorpe Marsh Battery Energy Storage System, a project designed to enhance the UK's renewable energy infrastructure.

The country also led the UK in **Clean Energy** investment, securing **£450 million** - substantially ahead of **London (£121 million)**. This level of funding reinforces Scotland's growing influence in the national energy transition and its ability to attract large-scale private capital for sustainable initiatives.

Beyond energy, Scotland continues to strengthen its reputation as a hub for academic and research-driven innovation. Outside the so-called "**Golden Triangle**" of Cambridge, London, and Oxford, Scotland now hosts the largest number of **university spinouts**, recording **339** in Q3 2025.

Commenting on these trends, Qureshi highlighted that the rising levels of equity investment - particularly in Digital, Professional Services, and Clean Energy - underscore the UK's appeal to both domestic and international investors. He added that Scotland's performance demonstrates "the importance of growth across all pockets of the UK in driving national progress."

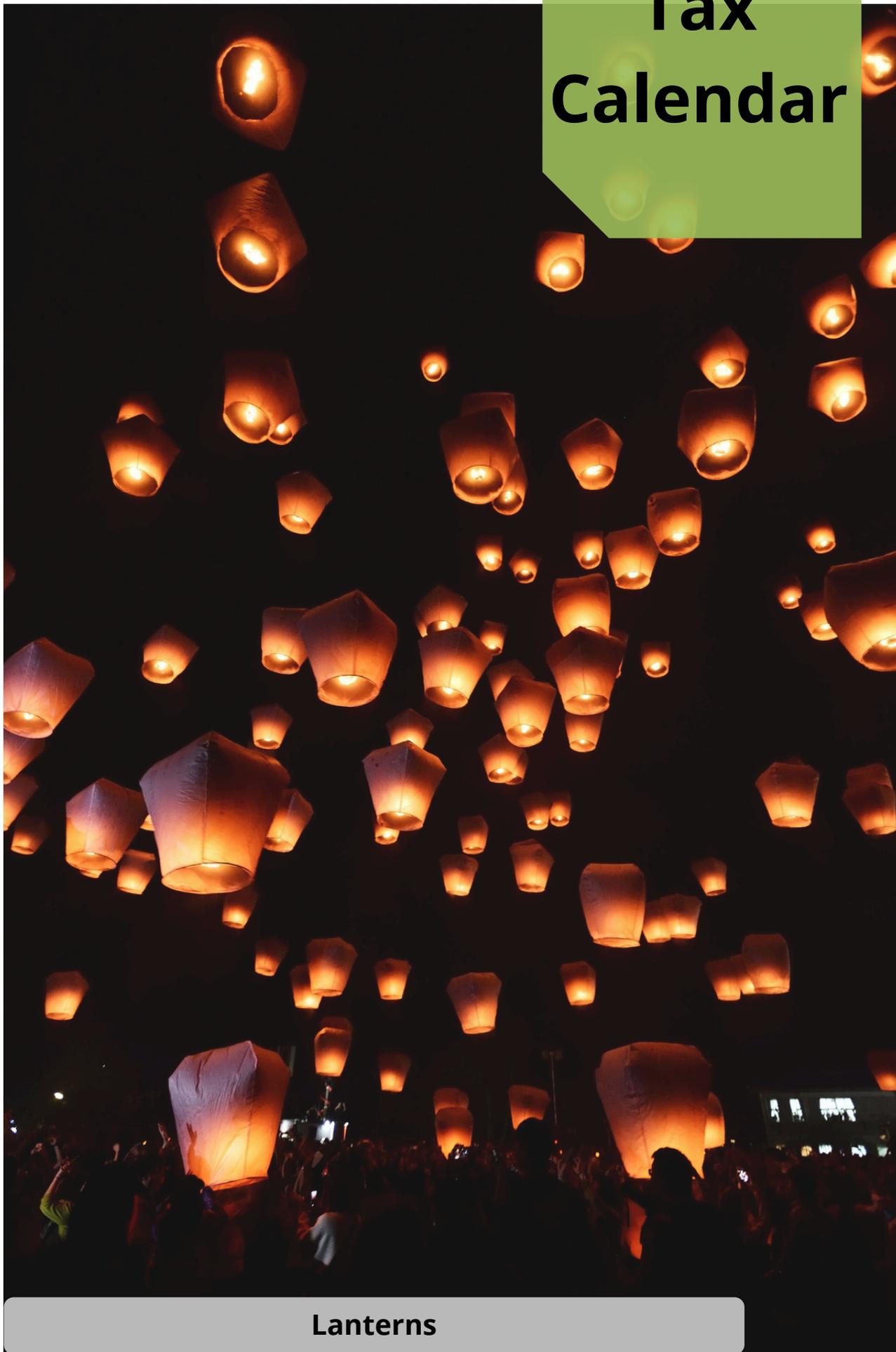
Outlook

The increase in new incorporations and the strong rebound in equity investment reflect a gradually improving business environment heading into late 2025. With a broad base of sectors contributing to growth and a clear policy focus on innovation, sustainability, and advanced technologies, the UK appears to be entering a phase of renewed entrepreneurial momentum.

While regional disparities persist, the overall trajectory suggests increasing investor confidence and a more geographically balanced pattern of economic activity. As the Modern Industrial Strategy continues to mature, analysts expect further capital inflows into the IS8 sectors - particularly in Clean Energy and Advanced Manufacturing - throughout 2026.



Tax Calendar



Lanterns



November 2025 - Tax Calendar

7TH NOVEMBER	Due date for deposit of Tax deducted/collected for the month of October, 2025
14TH NOVEMBER	Due date for issue of TDS Certificate for tax deducted under <u>section 194-IA; 194-IB; 194M & 194S</u> in the month of September, 2025
15TH NOVEMBER	Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending September 30, 2025
30TH NOVEMBER	Due date for furnishing of challan-cum-statement in respect of tax deducted under <u>section 194-IA; 194-IB; 194M & 194S</u> in the month of October, 2025
30TH NOVEMBER	Return of income for the assessment year 2025-26 in the case of an assessee if he/it is required to submit a report under <u>section 92E</u> pertaining to international or specified domestic transaction(s)







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