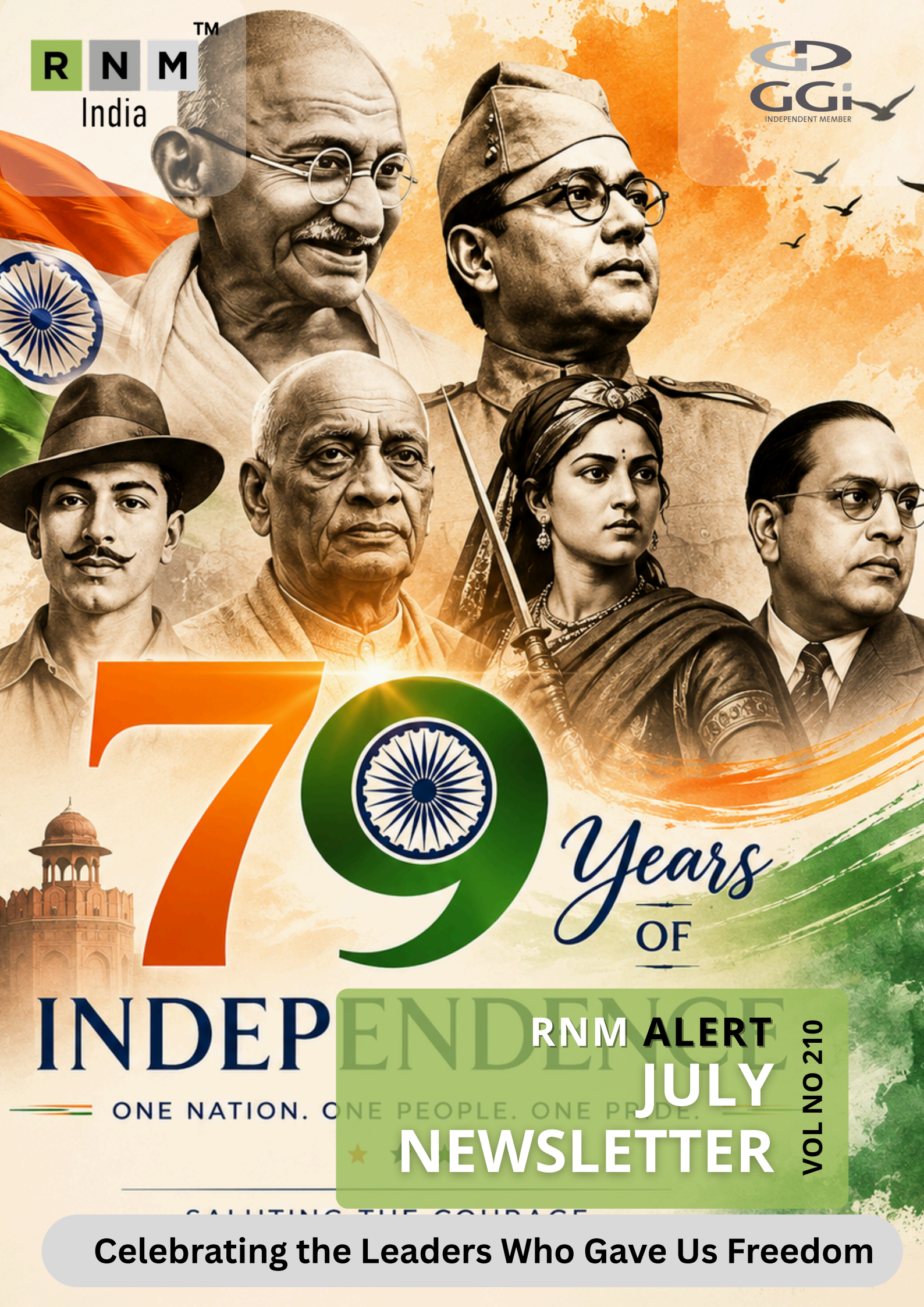




79

Years
OF

INDEP

ENDENCE

ONE NATION. ONE PEOPLE. ONE PRIDE.



NEWSLETTER

RNM ALERT
JULY

VOL NO 210

Celebrating the Leaders Who Gave Us Freedom

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EDITORIAL

Dear Readers

During the month of July 2026 the country faced student protests which saw after very long the youth support a cause in such large numbers. The vibrancy of our democratic processes ensured a fair outcome and necessary action being taken. It re-affirmed our unshakeable belief in the country's vision to achieve Viksit Bharat by 2047. Mr. Raghu Marwah, CEO attended the ICAI Global Summit in New Delhi during the month, the theme of which was 'From GCCs to Global Leadership' which had various speakers from industry and the profession talking about AI and GCCs.

On the Direct Tax front, the Hon'ble ITAT Delhi in the case of Ranjan Sen Jain held that capital gain reinvestment benefit claimed u/s 54 of the Income tax Act, 1961 cannot be denied to investment made in multiple floors of a single residential house. This has been a contentious issue with the Revenue since very long and hopefully litigation on this issue should end.

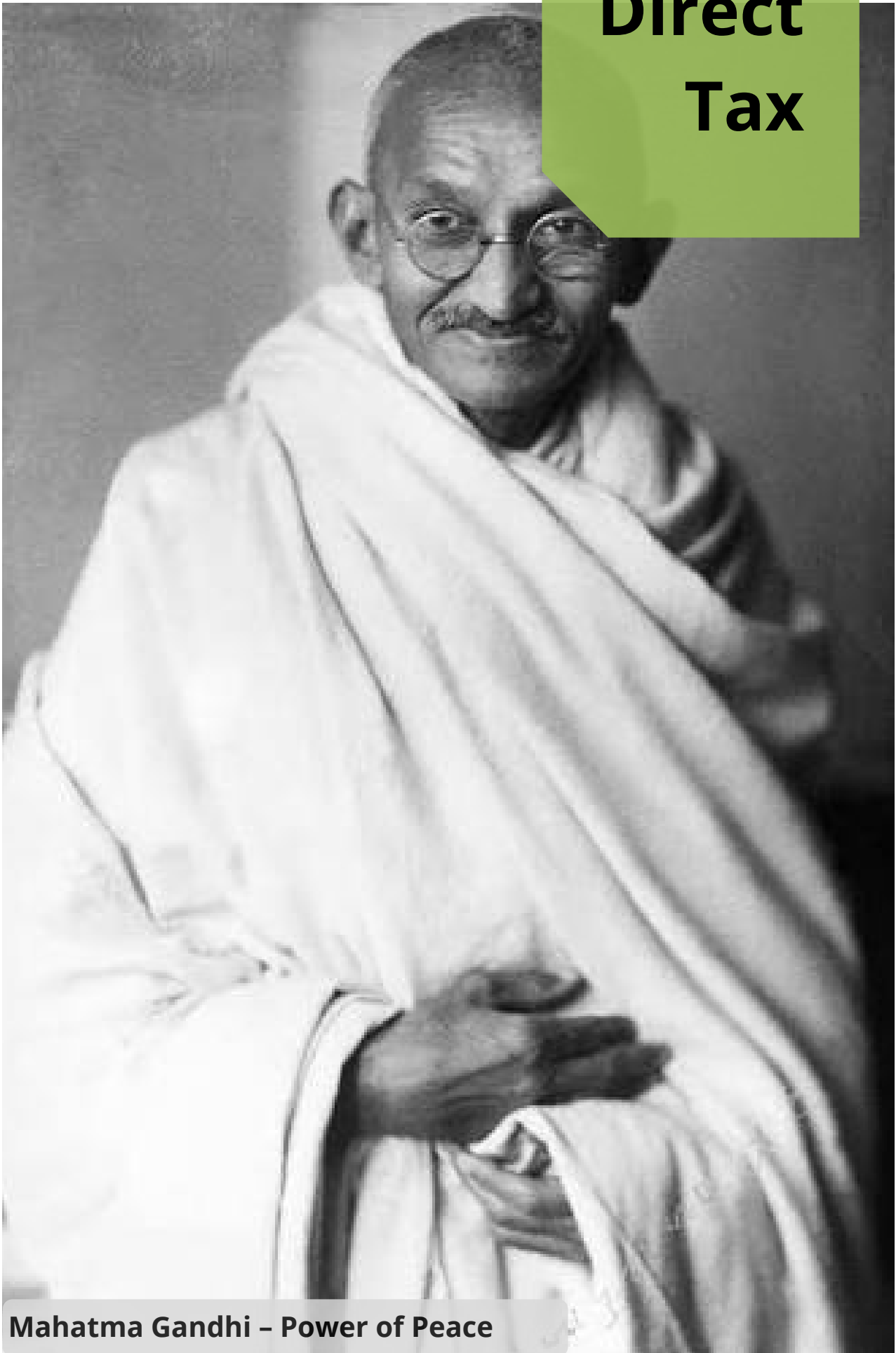
On the Assurance front, the ICAI has launched a Peer Review Board web Portal to enhance transparency and modernize a key quality assurance mechanism, namely Peer Review under which the auditors audit processes are reviewed for shortcomings. The ICAI has also decided that wherever the fee quoted in a tender is extremely low and is not commensurate with the size, value, volume, manpower and nature of work the matter can be referred for Disciplinary action, thereby enhancing transparency and fairness.

RNM Capital Trust, an Alternative Investment Fund (AIF) category 3 based out of Gift City catering to Non Residents completed six months of operation by generating over 20% absolute returns. We are very thankful to our investors in reposing continued faith in our Fund.

RNM Tower, our green certified commercial leasing building in Mohan Co-operative, New Delhi during the month launched its own LinkedIn page and an Outdoor Advertising campaign at the Mohan Estate Metro Station. This is another initiative to cement our GCC turnkey solution offering for international corporates looking at India as a GCC destination.

We would like to take this opportunity of wishing all our readers all the best for India's Independence Day on August 15. On this day we honour all the brave freedom fighters and cherish our unity in diversity.

Direct Tax



Mahatma Gandhi – Power of Peace

1. NOTIFICATION S.O. 3609(E) [NO. 74/2026/F.NO. 275/16/2026-IT(B)], DATED 3-7-2026

The CBDT vide notification dated 3rd July, 2026, exempts TDS on aircraft and ship lease payments to IFSC units.

2. ORDER F. NO. 225/73/2025-ITA-II, DATED 8-7-2026

The CBDT authorised the DGIT (Systems) to upload information received under AEOI to the Annual Information Statement (AIS).

3. NOTIFICATION S.O. 3889(E) [F. NO. 85/2026/F.NO.370149/112/2026-TPL], DATED 15-7-2026

The CBDT notifies '384' as Cost Inflation Index for Financial Year 2026-27.

4. NOTIFICATION G.S.R. 656(E) [NO. 97/2026/F. NO. 370142/11/2026-TPL], DATED 24-7-2026

The CBDT notifies ITR-BN for block assessment under the Income-tax Act, 2025.

5. CBDT issues Guidance Note on Crypto-Asset Reporting Obligations under Income-tax Act, 2025

The CBDT has released Guidance Note that explains the reporting obligations of Reporting Crypto-Asset Service Providers (RCASPs) under section 509, Rules 241 to 244 and Form 167. It provides practical guidance on due diligence, reporting procedures and compliance, and includes detailed FAQs aligned with the OECD's Crypto-Asset Reporting Framework (CARF).

Important Judicial Precedents

Part-A. Domestic Tax - Case Law

1. SLP dismissed: sec.153C proceedings invalid absent incriminating material found during third-party search linking assessee.

[2026] 188 taxmann.com 640 (SC) Assistant Commissioner of Income-tax v. Maulik Jayantilal Patel

SLP dismissed against impugned order of High Court that where no incriminating material relating to assessee was found during search on a third party and Assessing Officer relied only on post-search documents and public domain data without establishing any live nexus with assessee, invocation of section 153C and issuance of notices for alleged undisclosed investment based on difference in land sale consideration was unsustainable and liable to be quashed.

2. Multiple floors in same property under redevelopment qualify as 'one residential house' for sec. 54 exemption: ITAT

[2026] 188 taxmann.com 645 (Delhi - Trib.) Ranjan Sen Jain v. Income-tax Officer

Where assessee, after inheriting a residential property, received basement, ground and third floors as a single residential house under collaboration agreement and claimed Section 54 exemption, exemption could not be denied merely because property comprised separate floors since what mattered was assessee acquired one residential unit as a whole in consequence of capital gains investment.



3. Unregistered sale agreement without possession transfer won't trigger capital gains taxation: ITAT

[2026] 187 taxmann.com 173 (Jabalpur - Trib.) Surendra Singh v. Income-tax Officer

Where assessee entered into an unregistered agreement to sell properties in 2011 but retained possession until execution of registered sale deeds in assessment year 2014-15, since possession was not handed over in part performance of agreement, section 2(47)(v) read with section 53A of Transfer of Property Act was inapplicable and capital gains were chargeable in year of registered transfer.

4. Exemption u/s 10(37) allowed on compulsory acquisition as land consistently classified agricultural: ITAT

[2026] 187 taxmann.com 676 (Chennai - Trib.) Sundaramahalingam Narayanan v. Income-tax Officer

Where assessee claimed exemption under section 10(37) on compensation received for compulsory acquisition of land, since revenue records classified land as agricultural and revenue failed to establish its conversion or use for non-agricultural purposes, mere absence of agricultural income in returns could not justify denial of exemption and thus, compensation received was entitled to exemption.

5. Resident individual under sec. 115BAC entitled to sec. 87A rebate on STCG chargeable u/s 111A: ITAT

[2026] 187 taxmann.com 1011 (Mumbai - Trib.) Lisha Gajendra Marlecha v. Income-tax Department, CPC, Bengaluru

Where resident individual governed by section 115BAC(1A) declared total income below threshold prescribed under section 87A, which included short-term capital gains chargeable under section 111A, rebate under section 87A could not be denied merely because part of income was chargeable under section 111A, in absence of any express statutory prohibition in sections 87A or 111A during relevant assessment year.

6. SLP granted: issue whether director's receipts were taxable as salary or professional income admitted for consideration

[2026] 188 taxmann.com 1031 (SC) Mukesh Gupta v. Deputy Commissioner of Income-tax

SLP granted against order of High Court that where assessee, a director in company, claimed receipt from company as professional/technical service fee assessable as business income but failed to produce any document evidencing professional or technical services rendered as a financial expert, such receipt was liable to be treated as salary income.

SLP granted against order of High Court that where assessee claimed deduction of interest on amounts borrowed and advanced to company, but failed to substantiate details of professional or technical services to company and did not prove business nexus between borrowing and advancement of funds, claim of interest expenditure as business deduction and plea for commercial expediency or set-off against interest income was not allowable.





Part-B. International Tax - Case Law

1. AO to re-examine if automated software/SaaS services qualified as 'technical services' under India-Ireland DTAA: ITAT

[2026] 188 taxmann.com 583 (Delhi - Trib.) SFDC Ireland Ltd v. Deputy Commissioner of Income-tax

Where assessee, an Irish company, received revenue from Indian customers from sale of software, SaaS, support and related services, and Assessing Officer sought to tax receipts as FTS without examining, in light of Supreme Court's decision in CIT v. Kotak Securities Ltd. [2016] 67 taxmann.com 356/239 Taxman 139/383 ITR 1 (SC), whether automated services satisfied requirements of 'technical services' under India-Ireland DTAA, matter was to be remanded for fresh adjudication.

2. Domestic sale prices couldn't be adopted as CUP for benchmarking export sales in absence of comparable uncontrolled export transactions: ITAT

[2026] 187 taxmann.com 370 (Mumbai - Trib.) Kansai Nerolac Paints Ltd. v. Deputy Commissioner of Income-tax

Where assessee exported water-based paints to its AE in Philippines and TPO rejected TNMM and applied CUP by comparing domestic sale prices with export prices without making adjustments for differences in market conditions and other relevant factors, rejection of TNMM and adoption of CUP was unjustified as domestic sales could not be adopted as CUP in absence of comparable uncontrolled export transactions.

3. Web hosting receipts not taxable as royalty or FTS where customer had no right to use or control servers: ITAT

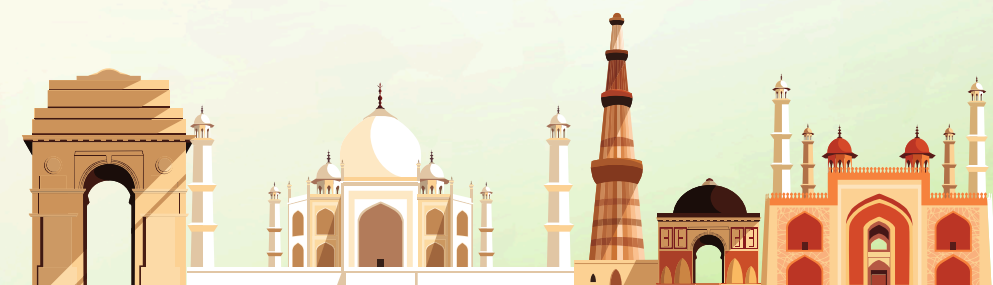
[2026] 187 taxmann.com 467 (Chennai - Trib.) Deputy Commissioner of Income-tax, International Taxation v. ZOHO Corporation

Where assessee, a US company, provided web hosting services through data centres located outside India and customer neither possessed nor controlled servers or equipment nor acquired any right to use them, receipts from such services could not be characterised as royalty or fees for technical services under section 9(1)(vi) or article 12 of India-USA DTAA; further, Explanations 4 to 6 to section 9(1)(vi) could not be imported into DTAA in absence of a corresponding treaty amendment.

4. No TDS required u/s 195 as commission for procuring export orders rendered outside India not taxable: ITAT

[2026] 188 taxmann.com 77 (Delhi - Trib.) Ajay Sharma v. Income-tax Officer

Where assessee paid commission to a Swedish intermediary for procuring export orders and follow-up services rendered entirely outside India, such payments constituted commission income not chargeable to tax in India, thus there was no obligation to deduct tax at source under Section 195.



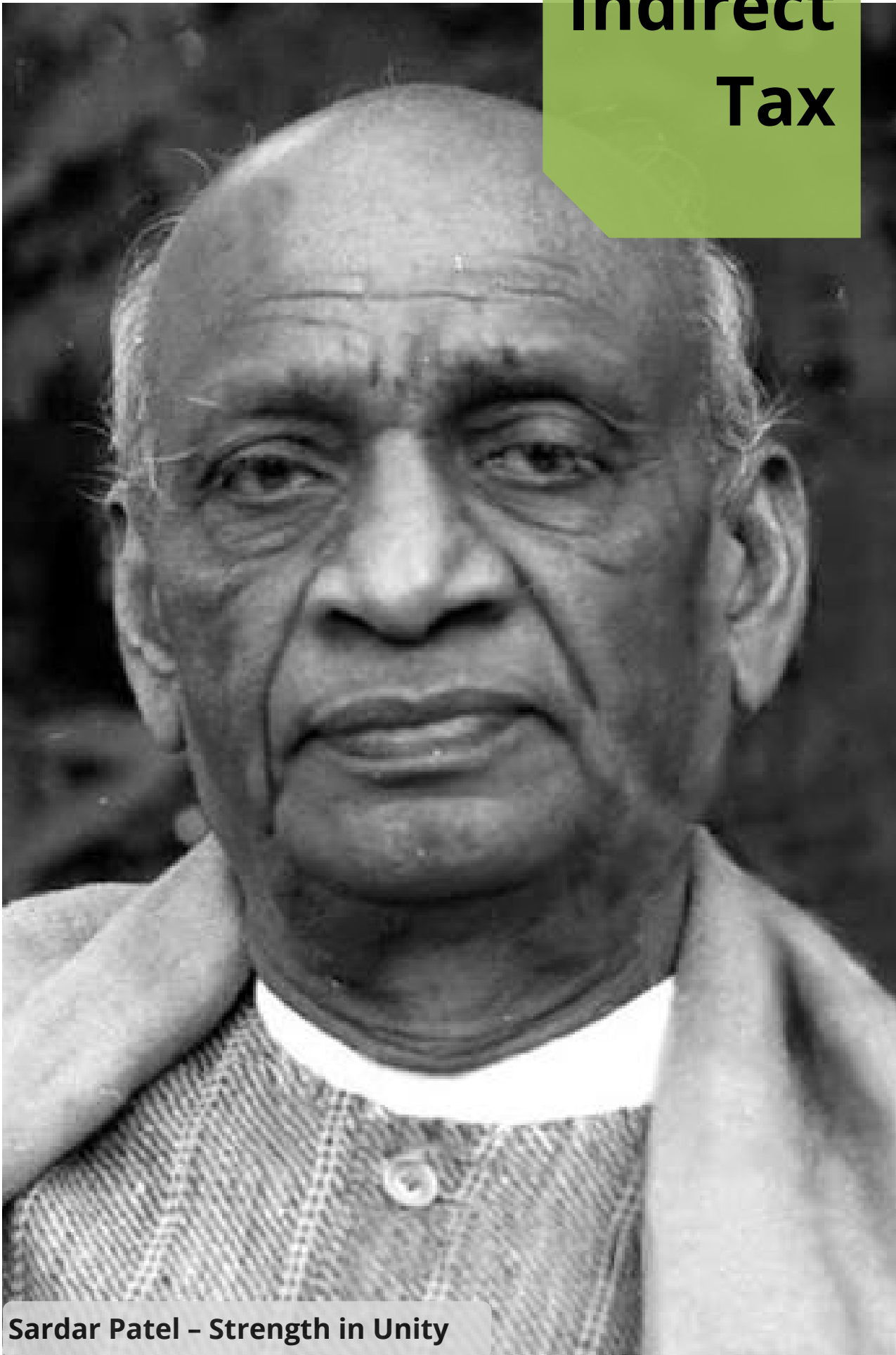
5. Corporate guarantee to AE requiring TP benchmarking is international transaction as it impacts AE's finances: ITAT

[2026] 187 taxmann.com 658 (Mumbai - Trib.) ACT Infraport Ltd. v. Deputy Commissioner of Income-tax

Where assessee, engaged in shipping and related services, furnished a corporate guarantee to a bank enabling its associated enterprise to secure a term loan for acquisition of a ship, such guarantee had a direct bearing on associated enterprise's financial position and constituted an international transaction requiring transfer pricing benchmarking, justifying transfer pricing adjustment towards corporate guarantee commission.



Indirect Tax



Sardar Patel – Strength in Unity

**GST Calendar – Compliance for the month of
July 2026.**

Nature of Compliances	Due Date
GSTR-7 (Tax Deducted at Source 'TDS')	Aug 10, 2026
GSTR-8 (Tax Collected at Source 'TCS')	Aug 10, 2026
GSTR-1	Aug 11, 2026
IFF- Invoice furnishing facility (Availing QRMP)	Aug 13, 2026
GSTR-6 Input Service Distributor	Aug 13, 2026
GSTR-2B (Auto Generated Statement)	Aug 14, 2026
GSTR-3B	Aug 20, 2026
GSTR-5 (Non-Resident Taxable Person)	Aug 20, 2026
GSTR-5A (OIDAR Service Provider)	Aug 20, 2026
PMT-06 (who have opted for QRMP scheme)	Aug 25, 2026



Key Highlights of the July 2026

Supreme Court upholds Section 16(2)(c) – ITC dependent on supplier paying tax

Case: Bhandari Scrap Traders v. Union of India & Ors., – Supreme Court

Facts:

The constitutional validity of Section 16(2)(c) of the CGST Act, 2017 was challenged before the Supreme Court after the Gujarat High Court, in *Maruti Enterprise v. Union of India*, upheld the provision. The petitioners contended that they had fulfilled all conditions for availing Input Tax Credit (ITC), including possession of a valid tax invoice, receipt of goods/services, and reflection of invoices in GSTR-2B. However, ITC was denied solely because the supplier failed to deposit the tax with the Government.

The petitioners argued that making the recipient's entitlement to ITC dependent upon an act entirely within the supplier's control was arbitrary, impossible to comply with, and violates of Articles 14, 19(1)(g), 265 and 300A of the Constitution. Reliance was placed on judgments rendered under the Delhi VAT Act, including *On Quest Merchandising India Pvt. Ltd.* and *Arise India Ltd.*, wherein bona fide purchasers were protected from the consequences of supplier defaults.

Issue:

Whether Section 16(2)(c) of the CGST Act, which makes the availment of Input Tax Credit conditional upon the supplier having actually deposited the tax with the Government, is unconstitutional or liable to be read down to protect bona fide purchasers who have acted diligently and paid the tax to the supplier.

Held:

The Supreme Court dismissed the batch of Special Leave Petitions and affirmed the Gujarat High Court's judgment, thereby upholding the constitutional validity of Section 16(2)(c). The Court held that ITC under the GST regime is a statutory concession and not an absolute or vested right. Consequently, a registered recipient cannot claim ITC unless the supplier has actually paid the tax to the Government, as mandated under Section 16(2)(c).

The Court observed that the GST framework differs fundamentally from the erstwhile VAT regime and, therefore, the principles laid down in *On Quest Merchandising* and *Arise India* could not be mechanically applied. It further noted that the CGST Act itself provides a mechanism under Section 41 read with Rule 37A permitting the recipient to re-avail the reversed ITC once the supplier subsequently discharges the tax liability. The Court, therefore, found no ground either to declare Section 16(2)(c) unconstitutional or to read it down in favour of bona fide purchasers.



Proper Service of GST Orders is Mandatory – Mere Upload on the GST Portal May Not Always Constitute Valid Service

Facts:

In several writ petitions decided by different High Courts, taxpayers challenged assessment orders and demand notices on the ground that they had never received the Show Cause Notice (SCN) or the Order-in-Original. The tax authorities contended that the notices had been uploaded on the GST common portal and, therefore, stood validly served under **Section 169 of the CGST Act, 2017**. The taxpayers argued that the notices were uploaded under obscure tabs such as "Additional Notices and Orders" without any email, SMS, or other effective communication, depriving them of a reasonable opportunity to respond.

Issue:

Whether mere uploading of a notice or order on the GST common portal, without ensuring that the taxpayer is effectively informed or without following the prescribed modes of service under Section 169, constitutes valid service for initiating adjudication proceedings or computing the limitation period for filing an appeal.

Held:

Several High Courts have emphasized that service of notices and orders must satisfy the requirements of Section 169 of the CGST Act as well as the principles of natural justice. Where notices are merely uploaded on the GST portal—particularly under non-prominent sections of the portal—and the taxpayer is not effectively put to notice, such service has been held to be inadequate in certain cases. Consequently, ex parte assessment orders passed on the basis of such defective service have been quashed and remanded for fresh adjudication after providing the taxpayer with a proper opportunity of hearing.

However, it is equally important to note that judicial opinion is not uniform. Some High Courts have held that making a notice or order available on the common portal is itself a statutorily recognized mode of service under Section 169(1)(d), and a registered taxpayer is expected to regularly monitor the GST portal. Thus, whether portal upload alone amounts to valid service depends on the facts of each case and the approach adopted by the jurisdictional High Court.



Retrospective Benefit of Section 16(5) – ITC Cannot Be Denied if Returns Filed Within Extended Time

Case: *Excel Polymers v. State Tax Officer & Ors.*

Court: Kerala High Court

Facts:

The petitioner was denied Input Tax Credit (ITC) for FY 2018-19 on the ground that GSTR-3B returns were filed beyond the time limit prescribed under Section 16(4) of the CGST Act. Subsequently, the Finance (No. 2) Act, 2024 inserted Section 16(5) granting a one-time retrospective relaxation for claiming ITC pertaining to FY 2017-18 to FY 2020-21, subject to the prescribed cut-off date. The petitioner contended that its returns had been furnished well within the extended timeline and, therefore, the benefit of Section 16(5) ought to be extended.

Issue:

Whether ITC can continue to be denied under Section 16(4) after the insertion of Section 16(5), where the taxpayer had filed the returns within the extended statutory period.

Held:

The Kerala High Court held that the benefit of **Section 16(5)** is retrospective and intended to remove the hardship caused by the earlier limitation under Section 16(4). Since the petitioner had filed the returns within the extended timeline prescribed under Section 16(5), denial of ITC was held to be unsustainable. The assessment order was set aside and the matter was remanded for reconsideration.

However, it is equally important to note that judicial opinion is not uniform. Some High Courts have held that making a notice or order available on the common portal is itself a statutorily recognized mode of service under Section 169(1)(d), and a registered taxpayer is expected to regularly monitor the GST portal. Thus, whether portal upload alone amounts to valid service depends on the facts of each case and the approach adopted by the jurisdictional High Court.



Parallel Proceedings under CGST and SGST Permissible Only Where Subject Matter Differs

Case: *Sri Shekhar Chandra Podder v. Union of India*

Court: Calcutta High Court

Facts:

Proceedings were initiated by both the State GST and Central GST authorities against the taxpayer. The petitioner contended that such parallel proceedings were barred under **Section 6(2)(b)** of the CGST Act since both authorities were examining the same issue.

Issue:

Whether both CGST and SGST authorities can initiate proceedings on the same subject matter against the same taxpayer.

Held:

The High Court clarified that the bar under **Section 6(2)(b)** applies only where the proceedings relate to the **identical subject matter**. If the State and Central authorities examine distinct issues, parallel proceedings are permissible. However, if one authority has already adjudicated a specific issue, the other authority cannot reopen the very same issue.



Corporate Finance



Netaji Subhas Chandra Bose – Courage to Lead

Cube Highways Trust Secures \$131.6 Mn Pre-IPO Investment

Premji Invest, the family office of Wipro founder Azim Premji, has invested \$100 Million (around INR 950 crores) in Cube Highways Trust as part of a \$131.6 Million (around INR 1,250 crores) strategic investor round ahead of the InvIT's \$526 Million (around INR 5,000 crores) initial public offering (IPO). The pre-IPO placement also attracted investments from HDFC Life Insurance, HDFC Pension Fund Management, Axis Max Life Insurance, and WhiteOak Capital REIT & InvIT Alternatives Fund I, reflecting strong institutional confidence in the infrastructure investment trust. The IPO, comprising entirely an offer-for-sale (OFS) by existing unitholders including I Squared Capital, Mubadala Investment Company, and British Columbia Investment Management Corporation (BCI), will facilitate Cube Highways Trust's transition from a privately listed to a publicly listed InvIT, enabling access to a broader investor base and additional sources of capital. As of March 31, 2026, the InvIT manages 27 operational road assets across 12 Indian states and one Union Territory, covering 8,754 lane kilometres, with assets under management of \$3.87 billion (around INR 36,842 crores) and an average residual concession life of 18 years.

(Source: VC Circle, 14th July 2026)

Private Equity

Vitruvian Partners in Talks to Invest in Linux Laboratories

Global investment firm Vitruvian Partners is in advanced discussions to acquire a significant stake in Linux Laboratories Pvt. Ltd., a Chennai-based domestic formulations manufacturer focused on central nervous system (CNS) therapies. The company is reportedly looking to raise around \$70 million (Around INR 674 crores) through a funding round comprising both primary and secondary components. Backed by Tata Capital Healthcare Fund, Linux Laboratories has appointed Avendus Capital to manage the fundraising process, with other private equity firms including ChrysCapital, Creador, and Investcorp also having expressed interest in the transaction.

(Source: VC Circle, 16th July 2026)

Neo Group Raises \$36.8 Mn to Accelerate Growth

Neo Group, a Mumbai-based wealth and asset management firm, has raised \$36.8 Million (around INR 350 crores) in a funding round led by existing investor Peak XV Partners, following a recent \$58 Million (Around INR 550 crores) capital infusion from TVS Capital. The company plans to use the proceeds to strengthen its technology platform, expand its talent base and develop new products as it scales across India. As of 30 June 2026, Neo Group manages approximately INR 1.3 trillion in client assets with a focus on alternative investment strategies including private credit, infrastructure and private equity.

(Source: VC Circle, 16th July 2026)



Bain Capital to Acquire Vitabiotics and Its Indian Unit

Bain Capital has agreed to acquire Vitabiotics, the UK-based nutritional supplements manufacturer, including its Indian subsidiary Meyer Organics, as part of its international expansion strategy. While the financial terms were not disclosed, Bain will support the company through investments in digital capabilities, e-commerce, international distribution, supply chain resilience and product development. Vitabiotics will continue operating under its existing brand while accelerating growth across key markets, including India, the Middle East & North Africa (MENA), China and Africa, with Bain's Asia private equity team leading the investment.

(Source: VC Circle, 24th July 2026)

Prime Pharmaceuticals Raises \$14.7 Mn

Mumbai-based Prime Pharmaceuticals Pvt. Ltd. has raised \$14.7 Million (around INR 140 crores) in its first external fundraise through a convertible instrument, reportedly backed by DMI Finance Pvt. Ltd. Established in 1968, the company manufactures generic, specialty and OTC medicines, exporting finished formulations to over 50 countries. The proceeds will be used to strengthen R&D capabilities, expand its consumer healthcare business, and accelerate growth in developed markets. The company opted for a convertible structure to balance its funding requirements while deferring immediate equity dilution.

(Source: VC Circle, 31st July 2026)

Mahindra Last Mile Mobility Raises \$33 Mn at Unicorn Valuation

Mahindra Last Mile Mobility Ltd. (MLMML), the electric three-wheeler subsidiary of Mahindra & Mahindra, has raised \$33 Million (around INR 322 crores) in a funding round led by Lightrock, with participation from existing investors IFC and the India-Japan Fund (IJF) through pre-emptive rights. The transaction values MLMML at a post-money equity valuation of approximately \$1.1 billion (around INR 10,822 crores), making it a unicorn. The fundraise will be completed in tranches, subject to regulatory approvals, and is expected to reduce Mahindra & Mahindra's shareholding from 78.11% to 75.79%.

(Source: VC Circle, 31st July 2026)



Venture Capital

Age Care Labs Snags Series B Cheque, Ties Up With Shrem For Senior Living Platform

Age Care Labs, the parent company of Emoha and Epoch Elder Care, has raised \$9 million (around INR 85 crores) in the first tranche of its Series B funding round, led by Shrem Group, with participation from Rainmatter, Pegasus Finvest and other investors. The company plans to raise a total of \$26 million (around INR 250 crores) as part of the broader Series B round and will utilise the proceeds to expand its eldercare platform, enhance healthcare and technology capabilities and scale its services across India.

(Source: VC Circle, 02nd July 2026)

Econovus Packaging Snag Funding

Pune-based engineered sustainable packaging company Econovus Packaging has raised \$4.2 million (around INR 40 crores) in its pre-Series A funding round, led by Rainmatter, with participation from Rockstud Capital. The company will utilise the proceeds to strengthen its presence in high-growth sectors, including automotive, lithium-ion batteries, solar infrastructure, steel, defence and broader industrial supply chains, while expanding its sustainable packaging solutions.

(Source: VC Circle, 07th July 2026)



Aukera Bag Early-Stage Cheques

Premium lab-grown diamond jewellery brand Aukera has raised \$9.4 million (around INR 90 crores) in a funding round led by existing investor Alteria Capital, with participation from Innoven Capital, Lighthouse Canton and an undisclosed bank. The proceeds will be utilised to accelerate store expansion, strengthen its omnichannel presence and invest in design, product innovation and talent. Founded in 2023, the company has rapidly expanded its retail footprint from 13 to 35 company-owned stores across multiple Indian cities, reflecting the growing demand for premium lab-grown diamond jewellery.

(Source: VC Circle, 10th July 2026)



Quick Commerce Player Plaza Bag Early-Stage Funding

Medicine delivery quick commerce platform Plaza has raised \$15 million (around INR 145 crores) in its Series A funding round, co-led by Accel, Elevation Capital and Nexus Venture Partners, with participation from existing investors All In Capital and Better Capital. Founded in 2024, the pharmacy-first platform provides 15-30 minute medicine deliveries powered by AI-driven inventory intelligence. The company plans to utilise the funds to strengthen its technology platform, enhance operational capabilities and expand into new geographies.

(Source: VC Circle, 20th July 2026)

Omega Seiki Mobility Secure Funding

Electric commercial vehicle maker OSM (Omega Seiki Mobility) has raised \$5.2 million (around INR 50 crores) in a funding round co-led by Securocorp Securities, Sangeeta Pareekh, Saket Aggarwal Family Office and Vanshika Sharma. The company will utilise the funds to expand manufacturing capacity, strengthen R&D capabilities, enhance its nationwide dealer and service network and accelerate the adoption of electric mobility solutions. Founded in 2018, OSM operates across electric cargo three-wheelers, passenger vehicles, premium electric two-wheelers and electric light commercial vehicles.

(Source: VC Circle, 27th July 2026)



Mergers & Acquisitions

Emcure Acquires Full Ownership of Gennova Biopharmaceuticals

Emcure Pharmaceuticals Ltd. has acquired the remaining 12.05% stake in its biopharma subsidiary, Gennova Biopharmaceuticals Ltd., for \$24.2 Million (around INR 231.8 crores), increasing its ownership from 87.95% to 100%. The acquisition reinforces EMCure's strategic focus on expanding its biologics and biosimilars business and is accompanied by a leadership transition, with Samit Mehta set to lead Gennova's next phase of growth. The company stated that the transaction will not materially impact its capital allocation, deleveraging plans, or R&D investments, while Gennova will continue to strengthen its biologics franchise and biosimilars pipeline.

(Source: VC Circle, 13th July 2026)

Zaggle To Invest In Unobanc

Mumbai-listed fintech company Zaggle Prepaid Ocean Services Ltd. has agreed to invest \$0.83 million (around INR 7.96 crores) in technology-driven cross-border payments and remittances company Unobanc Pvt. Ltd. through one or more tranches. Following the investment, Zaggle will acquire up to a 19.9% equity stake in Unobanc. The investment will strengthen Zaggle's presence in the fintech ecosystem, while enabling access to Unobanc's digital infrastructure for cross-border payments and remittance solutions through its MoneyHop platform.

(Source: VC Circle, 21st July 2026)

Godrej Capital To Acquire Kanakadurga's Gold Loan Business

Godrej Capital, the financial services arm of the Godrej Industries Group, has entered the gold loan segment through the acquisition of the gold loan business of Kanakadurga Finance for \$12.1 million (around INR 117.5 crores), with an additional consideration of \$1.8 million (around INR 17.5 crores) subject to fulfilment of certain conditions. The acquisition will add nearly 12,000 customers, 54 branches across Andhra Pradesh, and around 250 employees to Godrej Capital's platform. The transaction aligns with Godrej Capital's strategy to build a diversified financial services franchise and expand its presence across lending segments. The acquisition is expected to be completed by September 30, 2026.

(Source: VC Circle, 22nd July 2026)

Wipro Consumer Acquires Good Home and Eva Brands

Wipro Consumer Care & Lighting has agreed to acquire the Good Home and Eva brands from TTK Healthcare Ltd. For \$26 Million (around INR 256 crores), strengthening its presence in the home care and personal care segments. The acquisition, Wipro Consumer Care's 17th transaction, aligns with the group's acquisition-led growth strategy and follows its recent agreement to acquire S Brands Consumer Care Inc. in the Philippines. The Good Home brand offers household cleaning and hygiene products, while Eva is a well-established personal care and deodorant brand. Both brands will continue to operate under their existing identities while leveraging Wipro Consumer Care's extensive distribution network, brand-building capabilities, and market reach to accelerate future growth.

(Source: VC Circle, 23rd July 2026)

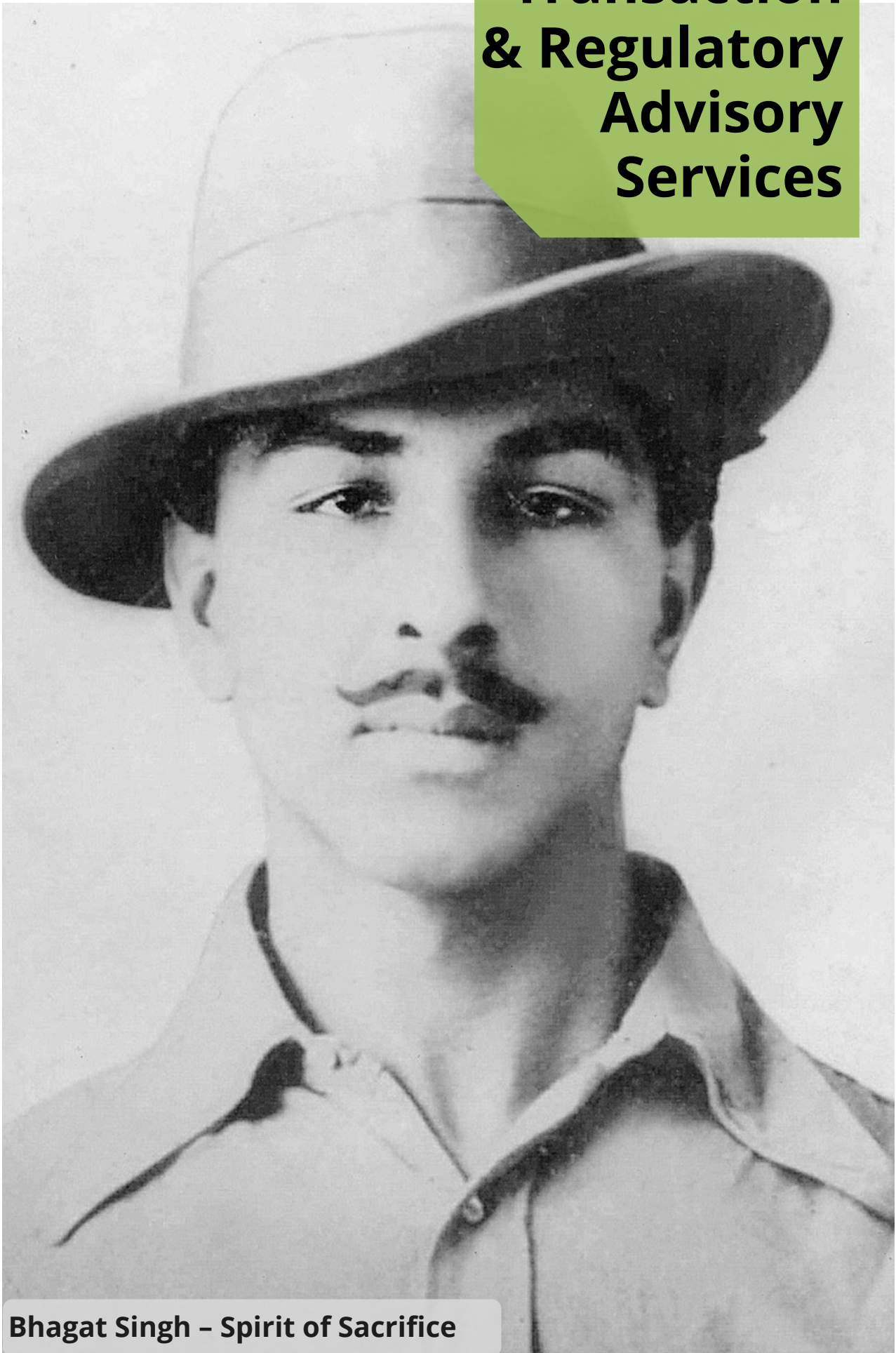
Japan's Galilei Holdings To Acquire Stake In Ice Make Refrigeration, Form JV

Japan-based Galilei Holdings Co. Ltd. has announced plans to acquire a 12.36% stake in Mumbai-based Ice Make Refrigeration Ltd. through an investment of \$18.7 million (around INR 180 crores). The companies will also establish a technology-led joint venture, Ice Make Horeca Pvt. Ltd., to manufacture and market commercial refrigeration products in India. The joint venture will be majority-owned by Galilei Holdings, which will hold a 60% stake, while Ice Make Refrigeration will hold the remaining 40% stake. The partnership is expected to support capacity expansion, technology enhancement and long-term growth in India's refrigeration and cold-chain sector. The venture will initially focus on manufacturing and distribution of commercial refrigerators, ice makers, blast chillers and related after-sales services.

(Source: VC Circle, 27th July 2026)



Transaction & Regulatory Advisory Services



Bhagat Singh – Spirit of Sacrifice

Key Regulatory & Legal Updates in July 2026

1.MCA

- **Extension of Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) General Circular No. 03/2026 dated 8 July 2026**

The MCA, vide General Circular No. 03/2026 dated 15 July 2026, has extended the validity of the Companies Compliance Facilitation Scheme, 2026 till 31 August 2026. The Scheme enables eligible companies to complete pending statutory filings at concessional additional fees and provides an opportunity to obtain dormant status or seek strike-off. The extension has been granted considering the disruption in MCA21 services following the MCA Data Centre incident.

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

- **Corporate Mitra Scheme — guidelines notified Union Budget 2026-27 initiative**

The MCA has notified the operational guidelines for the Corporate Mitra Scheme under the Union Budget 2026–27, introducing structured industry-linked skill development through the Swayam Plus platform, stipend-supported on-the-job training, and a dedicated governance framework for implementation.

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

2. FEMA / RBI

- **Widening of eligible non-resident investor category under Non-Debt Instruments framework**

The Central Government has expanded the category of eligible investors for repatriable rupee investments by permitting any person resident outside India to invest under the prescribed framework, along with revised provisions relating to designated repatriable accounts and enhanced investment limits.

Read More: <https://www.rbi.org.in/>

- **Rationalisation of FEMA reporting and withdrawal of non-operative circulars**

The RBI has streamlined FEMA reporting by withdrawing obsolete circulars, introducing revised reporting formats, and simplifying compliance requirements for Authorised Persons, FFMCS, and MTSS entities to facilitate ease of doing business.

Read More: <https://www.rbi.org.in/>



3. Securities and Exchange Board of India (SEBI)

- **SEBI (LODR) (Second Amendment) Regulations, 2026**

SEBI has amended the LODR Regulations by shifting the procedural framework for transfer and transmission of securities from the Regulations to SEBI circulars. Regulation 40(7) has been substituted to mandate compliance with procedures as prescribed by SEBI from time to time.

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

- **Reintroduction of open-market buyback of shares through stock exchanges**

Effective 1 August 2026, SEBI has reinstated the stock exchange route for open-market buybacks, subject to specified eligibility conditions, including a buyback size below 15% of paid-up capital and free reserves, along with a revised time-bound completion framework.

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

- **SEBI Settlement Helpdesk Facility launched**

SEBI has introduced a dedicated **Settlement Helpdesk** to assist applicants with procedural queries relating to settlement proceedings, with the objective of improving stakeholder support and facilitating regulatory compliance.



GIFT City Update



Rani Lakshmibai – Fearless Leadership



July 01, 2026: RBI Clarifies FDI Reporting Framework for IFSC Regulated Entities

The Reserve Bank of India (RBI), in consultation with the International Financial Services Centres Authority (IFSCA), has clarified the reporting framework for Foreign Direct Investment (FDI) received by regulated entities in GIFT IFSC.

The clarification confirms that while **FDI regulations under FEMA do not apply to regulated entities operating in IFSC**, information on foreign investments is still required to enable the compilation of India's Balance of Payments (BoP) statistics.

As a result, **regulated entities in IFSC will no longer be required to file the Annual Foreign Liabilities and Assets (FLA) Return with the RBI**. Instead, the responsibility for collecting the required investment data will shift to IFSCA, which will issue a separate reporting framework and operational guidelines in due course.

Until such guidelines are notified, regulated entities have been advised to **await further instructions from IFSCA**.

Why this matters: The clarification eliminates ambiguity around FLA reporting obligations for IFSC entities, reinforces the distinct regulatory framework applicable to GIFT IFSC, and is expected to streamline compliance by creating a dedicated reporting mechanism through IFSCA while continuing to meet India's statistical reporting requirements.

July 02, 2026: IFSCA and Japan's FSA Strengthen Regulatory Cooperation

The International Financial Services Centres Authority (IFSCA) and Japan's Financial Services Agency (FSA) have taken a significant step towards deepening financial sector collaboration by executing an **Exchange of Letters (EoL) during the 16th India-Japan Annual Summit** held in New Delhi.

The Exchange of Letters, signed on **June 26, 2026**, establishes a formal framework for regulatory cooperation between the two authorities across areas of mutual interest.

Under this arrangement, IFSCA and the FSA will collaborate through the exchange of information on regulatory developments relating to financial products, financial services and financial institutions. The partnership will also facilitate the sharing of supervisory approaches, policy initiatives and global best practices, helping both regulators strengthen their respective financial ecosystems.

Why this matters: The agreement reflects the growing strategic partnership between India and Japan in financial services and reinforces GIFT IFSC's ambition to integrate more closely with leading global financial centres. Enhanced regulatory cooperation is expected to support cross-border business, promote knowledge sharing, and create a more robust and internationally aligned financial ecosystem.



July 15, 2026: IFSCA Unveils Roadmap to Position GIFT IFSC as a Global REIT & InvIT Hub

The International Financial Services Centres Authority (IFSCA) has released the report of its Expert Committee on the development of **Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)** in GIFT IFSC, outlining a comprehensive strategy to transform the centre into a global gateway for real estate and infrastructure financing.

The report comes at a time when India's infrastructure ambitions require massive long-term capital, with an estimated **USD 4.5 trillion** of infrastructure investment needed by 2040 and the real estate market projected to reach **USD 5.8 trillion** by 2047. Recognising GIFT IFSC's potential to channel global capital into these sectors, the Expert Committee has proposed a series of regulatory, tax and product innovations to enhance the jurisdiction's global competitiveness.

Among the key recommendations are the introduction of **Mortgage REITs (mREITs)**, expansion of the REIT and InvIT ecosystem to include **Global** and **Mixed REITs/InvITs**, faster capital-raising mechanisms, investor protection measures, and tax parity with domestic REITs and InvITs. The Committee has also recommended easing inter-regulatory constraints, including exemptions from certain sectoral caps, lock-in requirements and overseas investment limits, while enabling dual listings on GIFT IFSC exchanges.

Why this matters: If implemented, these recommendations could significantly strengthen GIFT IFSC's position as an international platform for infrastructure and real estate investments. By creating a globally competitive regulatory and tax framework, GIFT IFSC can attract sovereign wealth funds, pension funds and other long-term institutional investors, supporting India's infrastructure financing needs while reinforcing its emergence as a leading international financial centre.





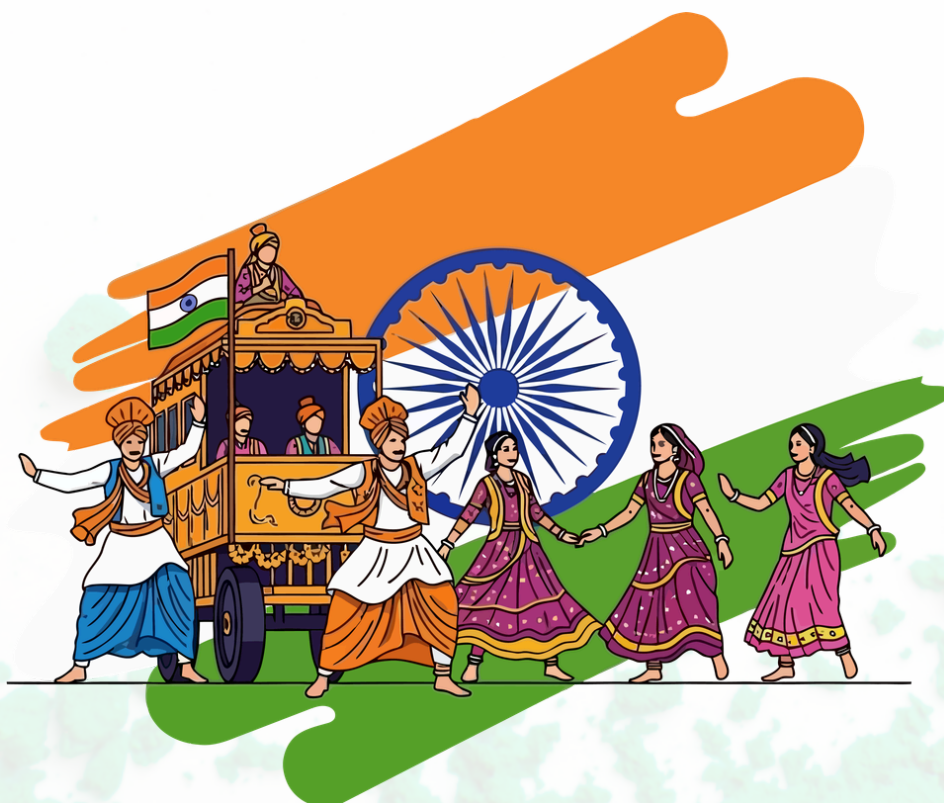
July 17, 2026: IFSCA Issues Advisory on Updated FATF High-Risk and Increased Monitoring Jurisdictions

The International Financial Services Centres Authority (IFSCA) has advised all regulated entities to take note of the latest **Financial Action Task Force (FATF)** updates on jurisdictions identified as having strategic deficiencies in their Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and Countering Proliferation Financing (CPF) frameworks.

Under the FATF's June 19, 2026 review, **North Korea (DPRK) and Iran** continue to remain subject to a **Call for Action**, while **Myanmar** remains subject to enhanced due diligence measures. Additionally, **Bosnia and Herzegovina** and **Iraq** have been added to the list of jurisdictions under increased monitoring, whereas **Algeria** and **Namibia** have been removed following improvements in their AML/CFT frameworks.

IFSCA has advised regulated entities to incorporate these updates into their **risk-based AML/CFT/CPF compliance frameworks** when assessing customer relationships and cross-border transactions. At the same time, the Authority has clarified that the advisory **does not prohibit legitimate trade or business transactions** with the identified jurisdictions, provided appropriate risk assessment and due diligence measures are followed.

Why this matters: The advisory reinforces IFSCA's commitment to aligning GIFT IFSC with global financial integrity standards. By ensuring that regulated entities remain responsive to evolving FATF guidance, the Authority aims to strengthen the resilience, credibility, and international reputation of GIFT IFSC as a trusted global financial centre.





July 21, 2026: IFSCA Introduces Basel III-Aligned Framework for Factoring Transactions

The International Financial Services Centres Authority (IFSCA) has introduced a new regulatory framework governing **capital relief and prudential requirements for factoring transactions**, marking an important step towards strengthening trade finance within GIFT IFSC.

The framework allows Finance Companies to claim **capital relief** when they obtain eligible credit protection such as **credit insurance or guarantees** from approved institutions operating in IFSC. The framework is aligned with **Basel III standards** and also extends capital relief to factoring transactions undertaken through the **two-factor model**, including arrangements facilitated by international networks such as **FCI**.

In addition to capital treatment, the circular establishes a comprehensive prudential framework for Finance Companies engaged in factoring. This includes norms relating to **exposure limits, non-performing asset (NPA) recognition, and asset classification**. Recognising the needs of smaller institutions, IFSCA has also introduced **relaxed asset classification norms** for Finance Companies with a total asset base of **less than USD 150 million**, supporting their growth while maintaining prudent risk management.

Why this matters: The new framework aligns GIFT IFSC's factoring ecosystem with global banking standards, improves capital efficiency for Finance Companies, and encourages wider use of credit risk mitigation tools. Together, these measures are expected to deepen trade finance activity, enhance liquidity, and strengthen GIFT IFSC's position as a competitive international financial centre.



July 28, 2026: IFSCA Approves Wide-Ranging Reforms to Deepen GIFT IFSC's Financial Ecosystem

At its **29th Authority Meeting** held on **24 July 2026**, the International Financial Services Centres Authority (IFSCA) approved a series of landmark regulatory reforms aimed at enhancing market integrity, improving ease of doing business, strengthening investor protection, and expanding GIFT IFSC's global competitiveness across capital markets, fund management, trading infrastructure and education.

Among the key decisions, IFSCA approved a **new Market Abuse Regulations, 2026**, introducing a unified framework to curb insider trading, market manipulation and unfair trade practices. The Authority also approved amendments to the **Fund Management Regulations, 2025**, easing operational requirements for fund managers through measures such as simplified NAV disclosures, higher sponsor contribution limits for overseas-focused funds, greater flexibility for venture capital funds, extended timelines for annual reporting and enhanced disclosure standards to strengthen investor protection. To support innovative capital structures, IFSCA introduced a framework permitting **differential distribution rights** in Venture Capital and Restricted Schemes, enabling blended finance structures that can attract philanthropic, developmental and private capital for long-term investments, particularly in sustainability and infrastructure. The Authority also approved the **Electronic Trading Platform (ETP) Regulations, 2026**, creating a dedicated regulatory framework for technology-driven trading venues aligned with international standards. In addition, it cleared revamped regulations for **International Branch Campuses (IBCs)**, expanding eligibility for foreign higher educational institutions, streamlining approvals, enhancing student protection, and further positioning GIFT IFSC as a global destination for international education. Other notable decisions include amendments to the regulatory framework governing **Credit Rating Agencies** to align rating withdrawal practices with global standards.

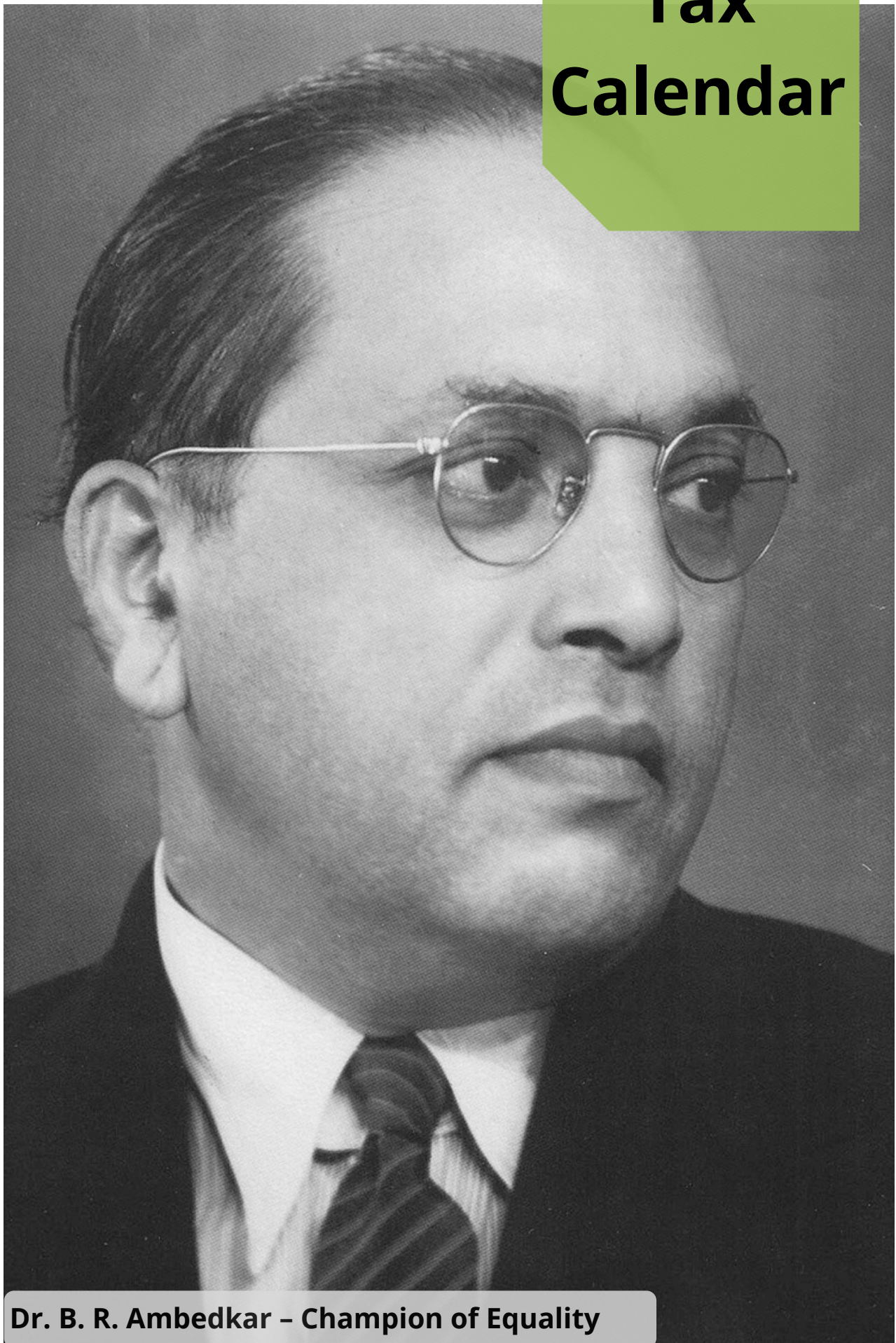
Why this matters: Collectively, these reforms represent one of IFSCA's most comprehensive policy updates to date. By modernising regulations, promoting innovation, facilitating global capital flows and reinforcing governance standards, the Authority continues to strengthen GIFT IFSC's position as a globally competitive international financial centre capable of attracting institutional investors, fund managers, financial intermediaries and leading international institutions.



Independence Day

—15 AUGUST—

Tax Calendar



Dr. B. R. Ambedkar – Champion of Equality

July 2026 - Tax Calendar

7TH AUG	Due date of Deposit of TDS/ TCS for the Month of July, 2026
7TH AUG	Uploading of declarations received in Form No. 127 (Income-tax Rules, 2026) from the buyer in the month of July, 2026
14TH AUG	Issue of certificate in Form No. 132 (Income-tax Rules, 2026) under section 395(4) of the Income-tax Act 2025 for tax deducted at source under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-tax Act, 2025 in the month of June, 2026
15TH AUG	Issuance of TDS certificate in Form No. 131 (Income-tax Rules, 2026) for TDS other than on salary, pension or interest income of specified senior citizen under section 393(1) of the Income-tax Act, 2025 for the quarter ending June 30, 2026
15TH AUG	Issuance of TCS certificate in Form No. 133 (Income-tax Rules, 2026) under section 395(4) of the Income-tax Act, 2025 for tax collected at source for the quarter ending June 30, 2026
30TH AUG	Furnishing of challan-cum-statement in Form No. 141 (Income-tax Rules, 2026) in respect of deduction of tax under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-tax Act, 2025 for the month of July, 2026
31ST AUG	Due date for furnishing the return of income for the Assessment Year 2026-27 by the following assesseees:- • An assessee having income from business or profession whose accounts are not required to be audited, and to whom the provisions of Section 92E of the Income-tax Act, 1961 do not apply; and • A partner of a firm whose accounts are not required to be audited, or the spouse of such partner (where Section 5A of the Income-tax Act, 1961 applies), to whom the provisions of Section 92E of the Income-tax Act, 1961 do not apply.
31ST AUG	Furnishing of Form No. 5C (Income-tax Rules, 1962) containing details of attribution of capital gain taxable under section 45(4) (Income-tax Act, 1961) to the capital asset remaining with the firm, AOP, or BOI after reconstitution (if the firm, AOP, or BOI is required to furnish the return of income on or before August 31, 2026)



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