

## Forests of the World

**RNM ALERT**  
**JUNE**  
**NEWSLETTER**

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# EDITORIAL

## Dear Readers

During the month of June 2024 our CEO, Mr. Raghu Marwah visited the Mumbai office to meet with clients. We were blessed by the gracious presence of Mr. Pavan Shah, General Manager IFSCA, Gift City, Gujrat on the Webinar on 'Emerging Market Investment Destinations' organized by RNM India during the month. To get the Regulators perspective on the positive and progressive changes which the IFSCA is bringing about in Gift City was truly an eye opener. Ms. Saloni Kapadia, Mumbai, Mr. Harm Hoonstra, Shanghai and Mr. Thomas Wong, Hong Kong also shared their valuable insights on the topic, which you would find on the YouTube channel of RNM India. The performance of team India in the T20 Cricket World Cup has been great and team India won the Cup after a long wait of 17 years. A grand Victory Parade was held in Mumbai, which saw a sea of humanity blessing the winning team.

On the Indirect tax front, the 53rd GST Council meeting has made some major recommendations, including pre-deposit reduction for appeal filing and monetary limit for department appeal. It is hoped that in the forthcoming Union Budget 2024, widely expected to be announced on July 24, some widening of GST net to include Petrol/ Diesel may materialize. The buoyant GST collections have improved the possibility of States agreeing to the devolution of petroleum products within GST ambit.

We would like to take this opportunity of wishing all our readers a happy CA Day on 1st July. On this day when we celebrate the hard work and dedication of the Chartered Accountant fraternity to nation building.

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

An aerial photograph showing a dark, winding river meandering through a vast, dense rainforest. The forest is a mix of deep green and lighter, yellowish-green patches, suggesting different types of vegetation or perhaps a seasonal change. The river's path is highly irregular, creating a complex, looping pattern across the landscape. In the upper right corner, there is a semi-transparent green rectangular box containing the text "Direct Tax" in white.

# Direct Tax

Congo Basin Rainforest,  
Central Africa

## **Important Judicial Precedents**

### **1. As per the settled position in law, interest accrued on compensation received can be termed as capital receipt & hence, not taxable: HC**

**[2024-TIOL-960-HC-DEL-IT\_ITA 1114/2018 \_PCIT-4 Vs. INS FINANCE AND INVESTMENT PVT LTD]**

It is pertinent to point out that this amount cannot be characterized as compensation granted by the Court on account of cancellation of the auction. Rather, such an amount was a bonafide amount of the successful auction bidder, which he had deposited against the purchase of the land. The amount so received by the assessee was the entitlement of the successful bidder which was given back to the assessee vide an order of the Court. Thus, when the amount in question was not in the nature of compensation, then, as a natural corollary, the interest accrued on the said amount cannot tantamount to revenue receipts and hence, the same cannot be subjected to tax as per Section 56(2)(viii) of the Act.

### **2. Mere execution of sale deed without complete transfer of consideration does not constitute transfer of property for purpose of levying capital gains: ITAT**

**[2024-TIOL-834-ITAT-DEL \_ ITO Vs. DHARAMPAL,]**

After giving thoughtful consideration to the matter on record, it comes up as an admitted fact that at the time of execution of the sale deed in the year 2006, the assessee along with his brothers had sold the agricultural land by way of five sale deeds for a total sale consideration of Rs.4,95,76,932/- and a part payment of sum of Rs.1,24,05,662/- was paid by way of cheque which was encashed. However, the balance sale consideration of Rs.3,71,71,270/- was paid by post-dated cheques which were dishonoured and for which there was litigation between the parties and, subsequently, compromise was effected on 21st March 2010 in furtherance of which the amount was paid and, thereafter, the physical possession of the entire land was transferred to the prospective vendee. As a matter of fact, on account of the court injunction, the title in the land was not conveyed under the registered sale deed and the final and complete transfer only occurred in March 2010 when the complete consideration was paid and possession was handed over to the prospective vendee.

### **3. Revisionary order u/s 264 passed without considering assessee's written submissions; order relies on undisclosed information sourced from third parties: HC**

**[2024-TIOL-1076-HC-KAR-IT\_Writ Petition No. 4623 Of 2024 (T-IT)\_MR SHAMEER RAZAIK Vs. PCIT]**

A perusal of the impugned order will also indicate that reliance is placed by PCIT on certain information said to have been procured/prescribed from the Stock Exchange and Banks. In this regard, the material on record would indicate that there is nothing to show that the said information had been furnished to the petitioner for the purpose of enabling him to have his say/explanation and as such impugned order is violative the principles of natural justice and the same deserves to be set-aside.

**4. CBDT rightly refused request for condonation of delay as assessee was regularly filing belated returns: HC**

**[[2024] 163 taxmann.com 148 (Delhi-HC) Lava International Ltd. vs. CBDT]**

Where assessee requested to condone delay in filing return for A.Y. 2020-21 due to COVID-19 pandemic, in view of fact that financials for relevant year were duly finalized and signed on 31-7-2020, however return of income was filed on 30-3-2021, furthermore, assessee was regularly filing belated return, recital of said facts clearly demolished any assertion of financial constraints that might have befallen assessee, and thus, impugned order refusing to condone delay for late filing of return was justified.

**5. AO cannot travel beyond the mandate, he cannot proceed to make any other additions beyond the reasons recorded to reopen the assessment: ITAT**

**[2024-TIOL-789-ITAT-DEL\_ITA No.2233/Del/2023\_SUKH DARSHAN SINGH Vs. ITO]**

We observe that the assessee has not made proper submissions during the reassessment proceedings and appellate proceedings, it does not matter as long as the information is coming from the proceedings. In this case, the AO was satisfied that the assessee owned agricultural land and sold the same during this assessment year. Therefore, the mandate to reopen the assessment was completed by bringing on record the relevant documents to prove the sources of cash deposits. Therefore, the AO cannot travel beyond the mandate, he cannot proceed to make any other additions beyond the reasons recorded to reopen the assessment. Therefore, confirming the other additions beyond the mandate is uncalled for. Accordingly, the appeal filed by the assessee is allowed on merits.

**6. Provision on account of 'Customer Loyalty Points' to be allowed if it was created on scientific basis: ITAT**

**[2024] 164 taxmann.com 84 (Chennai - Trib.) \_Titan Company Ltd. vs. ACIT]**

Section 37(1) of the Income-tax Act, 1961 - Business expenditure - Allowability of (Provision) - Assessment years 2009-10 to 2012-13 - Assessee had created customer loyalty points (CLP) provision based on estimated percentage of redemption - Assessing Officer held that assessee had not adopted any scientific method for creating this provision and this being simpliciter provision, same was not allowable expenditure - It was observed that system adopted by assessee was based on scientific method as propounded by Supreme Court in case of Rotork Controls India Pvt. Ltd., v. CIT reported in [2009] 180 Taxman 422/314 ITR 62 (SC)(SC) - Assessee had been consistently following same method and even creation of provision created based on remedy percentage of redemption was on scientific basis - As regards to excess provision, difference between provisions created for a particular year and actual expenditure incurred in subsequent year, difference was offered to tax - Whether in view of aforesaid, CLP provision was to be allowed as deduction - Held, yes [Para 3.4] [In favour of assessee]

A vibrant photograph of an Amazon rainforest. In the foreground, large, bright green ferns are prominent. To the left, a waterfall cascades down a rocky, moss-covered cliff. The background is filled with dense tropical vegetation and tall, slender trees.

# Indirect Tax

**Amazon Rainforest,  
Brazil, South America**

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

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

**The Council advises revising the GST law and providing clarifications to achieve rate rationalization, enhance trade facilitation, and decrease ongoing litigation.**

This Tax Alert provides an overview of the recent press release issued by the Ministry of Finance, detailing the various recommendations made by the Goods and Services Tax (GST) Council during its 53rd meeting on June 22, 2024. The key recommendations include: To ensure the consistent application of this provision, the Central Board of Indirect Taxes and Customs (CBIC) has issued the following clarifications:

The value of a corporate guarantee, as specified in Rule 28(2) of the Central Goods and Services Tax Rules, 2017 (CGST Rules), will not apply in the case of exporting such services or where the recipient is eligible for full input tax credit (ITC).

Section 11A will be added to the Central Goods and Services Tax Act, 2017 (CGST Act) to grant authority regarding the non-recovery of duties not levied or under-levied due to general practice.

There will be a waiver of interest and penalty for demand notices issued under Section 73 for the fiscal years 2017-18 to 2019-20, provided the entire tax demand is paid by March 31, 2025.

The time limit to avail ITC for the fiscal years 2017-18 to 2020-21 is extended to November 30, 2021, provided the relevant GSTR-3B is filed by that date.

Interest will not be levied if the balance is available in the Electronic Cash Ledger on the due date of filing GSTR-3B and is utilized while filing the return.

The three-month period for filing an appeal before the GST Appellate Tribunal (GSTAT) will commence from a date to be notified.

The required quantum of pre-deposit for filing appeals has been reduced.

The time limit to avail ITC based on a self-invoice raised by the recipient will be calculated from the date of the self-invoice.

**The recommendations made in the 53rd GST Council meeting:**

**1) Amendment in Section 73 and 74 of the CGST ACT 2017**

The GST Council has proposed amendments to Sections 73 and 74 of the CGST Act, 2017, and the introduction of a new Section 74A. These changes aim to establish a common time limit for issuing demand notices and orders, regardless of whether the case involves fraud, suppression, or willful misstatement, starting from the fiscal year 2024-25 onwards. Additionally, the Council recommends increasing the time limit for taxpayers to avail the reduced penalty by paying the tax demanded along with interest, extending it from 30 days to 60 days.



## **2) Reduction Of Monetary Limits And Amendment in Time Limit For Filing Appeal to Appellate Tribunal**

The Council has recommended monetary limits for filing appeals before the GST Appellate Tribunal, High Court, and Supreme Court. The proposed limits include:

- GST Appellate Tribunal (GSTAT): Rs. 20 Lakhs
- High Court: Rs. 1 Crore
- Supreme Court: Rs. 2 Crores

The GST Council has also proposed amending Section 112 of the CGST Act, 2017, to allow a three-month period for filing appeals in the Appellate Tribunal. This period will start from a date to be notified for appeal/revision orders passed before that date.

## **3) A new section will be inserted to provide relief from interest and penalties under specified conditions.**

The GST Council has recommended the inclusion of a new Section 128A in the CGST Act, 2017, to allow a conditional waiver of interest or penalty for demands under Section 73 for FY 2017-18 to FY 2019-20, applicable to taxpayers who pay the full amount of tax demanded by 31.03.2025, excluding erroneous refund demands.

The GST Council also recommended introducing Section 11A in the CGST Act to grant the government the power to regularize non-levy or short levy of GST, where tax is short-paid or not paid due to common trade practices.

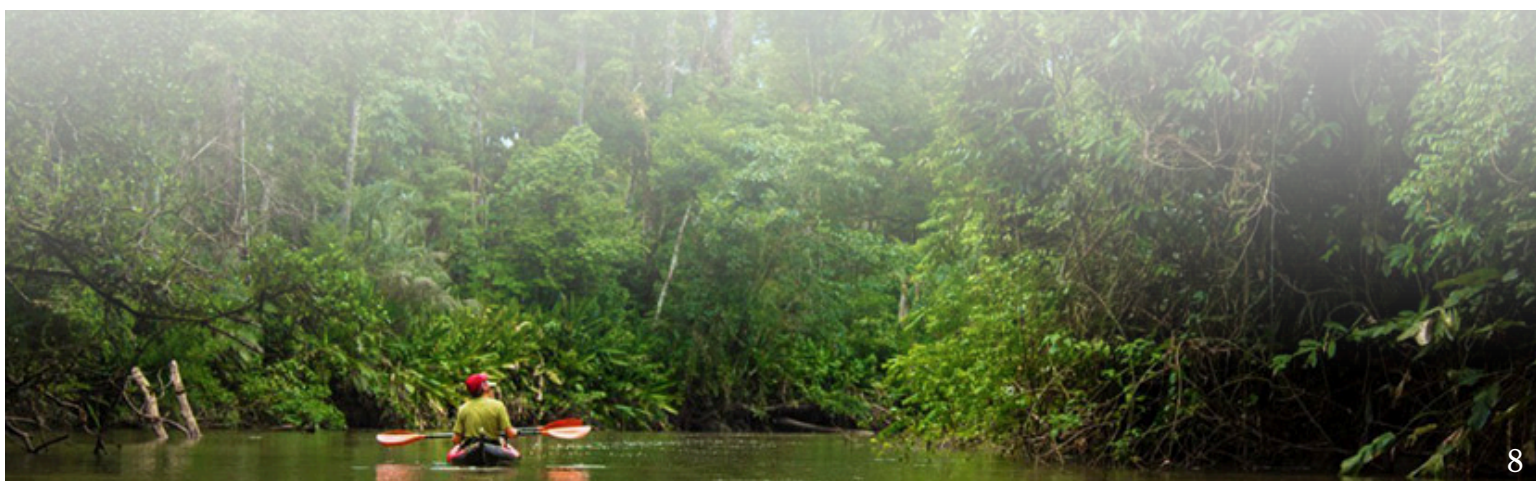
## **4) Section 107 And 112 Of CGST Act Pre-deposit Amount Paid For Filing Of Appeals**

The GST Council has proposed amendments to Section 107 and Section 112 of the CGST Act to decrease the pre-deposit required for filing GST appeals. The maximum amount for filing with the appellate authority has been reduced from Rs. 25 crores CGST and Rs. 25 crores SGST to Rs. 20 crores CGST and Rs. 20 crores SGST. Additionally, the pre-deposit amount for filing with the Appellate Tribunal has been reduced from 20% to 10%.

## **5) Amendments Related To Provisions Of Refund under CGST And IGST Act**

The GST Council has recommended a mechanism for claiming refunds of additional Integrated Tax (IGST) paid due to upward revisions in the price of goods post-export, applicable to taxpayers who must pay additional IGST because of these price changes.

Additionally, the Council has proposed amendments to Section 16 and Section 54 of the IGST Act and CGST Act to restrict refunds for goods subject to export duty, regardless of whether they are exported without or with taxes. These restrictions will also apply to goods supplied to a Special Economic Zone (SEZ) developer or unit for authorized operations.



## **6) Amendments And New Sections Related to All The Returns**

- Introduction of FORM GSTR-1A, allowing taxpayers to amend details in FORM GSTR-1 for a specific tax period before filing a return in FORM GSTR-3B. This enables taxpayers to add missing supply details or amend existing ones, ensuring accurate liability is auto-populated in FORM GSTR-3B, including those declared in IFF for quarterly taxpayers.
- Proposal to exempt taxpayers with an annual turnover of up to two crore rupees from filing their annual return in FORM GSTR-9/9A for FY 2023-24.
- Recommendation to reduce the threshold for reporting B2C inter-State supplies invoice-wise in Table 5 of FORM GSTR-1 from Rs. 2.5 lakh to Rs. 1 lakh.
- Suggestion that registered persons filing FORM GSTR-7 monthly, regardless of whether any tax has been deducted, should file a non-filing FORM GSTR-7 return. No late fee will be charged for delayed filings, and invoice-wise details may be required for the return.
- Proposal to amend the CGST Rules, 2017 and FORM GSTR-4 to extend the due date for filing returns for composition taxpayers from 30th April to 30th June following the end of the financial year, for the 2024-25 financial year, providing more time for those paying tax under composition levy.

## **7) Amendments in others provisions of GST Act**

- Reduction of the Tax Collected at Source (TCS) rate for Electronic Commerce Operators (ECOs) to 0.5% from the current 1% (0.5% CGST + 0.5% SGST/UTGST or 1% IGST) to ease the financial burden on suppliers making supplies through ECOs.
- Amendment to Rule 88B of the CGST Rules, 2017 regarding interest under Section 50 of the CGST Act on delayed filing of returns, excluding the amount available in the Electronic Cash Ledger on the due date of filing a return in FORM GSTR-3B, which is debited during filing.
- Retrospective amendment to section 140(7) of the CGST Act to allow transitional credit for invoices received by Input Service Distributors before the appointed date.
- Proposed retrospective amendment to section 122(1B) of the CGST Act, effective from 01.10.2023, clarifying that penal provisions apply only to e-commerce operators under section 52.
- Amendment in Rule 142 of CGST Rules and issuance of a circular to prescribe a mechanism for adjustment of an amount paid in respect of a demand through FORM GST DRC-03 against the amount to be paid as pre-deposit for filing appeal.
- Roll-out of biometric-based Aadhaar authentication nationwide for registration applicants in a phased manner to strengthen the GST registration process and combat fraudulent Input Tax Credit (ITC) claims through fake invoices.
- Amendments to section 171 and 109 of the CGST Act, 2017 to include a sunset clause for anti-profiteering under GST and set a sunset date for new anti-profiteering applications.

## **The Kerala High Court ruled that the time limit of 30 November for claiming Input Tax Credit (ITC) applies retroactively from 1 July 2017.**

This Tax Alert summarizes a recent judgment by the Kerala High Court (HC)<sup>1</sup> concerning the constitutional validity of Section 16(2)(c) and Section 16(4) of the Central Goods and Services Tax Act, 2017 (CGST Act).

Section 16(2)(c) limits input tax credit (ITC) for the recipient when the supplier has not paid the tax to the Government, while Section 16(4) specifies the time limit for claiming ITC.

**The Kerala High Court's key observations are as follows:**

ITC is a conditional entitlement subject to specific conditions and restrictions provided in Sections 16(2) to 16(4). Several High Courts have upheld the constitutional validity of these provisions. Recognizing the challenges during the initial GST rollout,

The Government issued Circulars to address genuine ITC claims. Petitioners who missed these benefits can approach the appropriate GST authority within 30 days of the order.

With the Finance Act, 2022, amending Section 16(4) to extend the time limit for claiming ITC until 30 November of the following financial year, this procedural change aims to alleviate taxpayer challenges and thus applies retrospectively. Consequently, for the period from 1 July 2017 to 30 November 2022, individuals who filed returns for September by 30 November should have their claims considered.

Accordingly, the High Court upheld the constitutional validity of Sections 16(2)(c) and 16(4) of the CGST Act and affirmed that the retrospective application of the amendment to Section 16(4) is appropriate.



# Internal Audit

**Tongass National Forest,  
Alaska, US**

# **The Evolving Landscape of Internal Audit: From SOX to ESG and Beyond**

In today's corporate landscape, maintaining robust governance practices is imperative for sustained growth and stakeholder trust. Internal audit, Sarbanes-Oxley (SOX) audit, and Environmental, Social, and Governance (ESG) frameworks each play a pivotal role in enhancing corporate governance. This article explores the interplay between these three pillars, highlighting their significance in fostering transparency, accountability, and long-term value creation.

## **Internal Audit**

Internal audit has long served as a cornerstone of good corporate governance, providing independent assurance and strategic insights into an organization's operations, risk management practices, and internal controls. Through regular audits and assessments, internal audit functions identify weaknesses, recommend remedial actions, and monitor implementation to mitigate risks and strengthen governance frameworks.

Traditionally, the focus has been on ensuring financial reporting accuracy, largely driven by the Sarbanes-Oxley Act (SOX) of 2002. Now, it involves various other non-financial functions as well such as Human Resources, IT Controls, Ethical Governance and so on.

In present era, the landscape of Internal Audit is rapidly evolving. Today, internal audit is even adapting to encompass a broader range of priorities, including Environmental, Social, and Governance (ESG) considerations.

## **SOX: A Foundation for Controls**

SOX (Sarbanes-Oxley) audit is a specialized form of internal audit mandated in certain jurisdictions to ensure the accuracy and reliability of financial reporting by implementing robust internal controls over financial reporting processes.

By mandating internal control assessments of financial reporting, SOX established a framework for robust risk management and enhanced financial transparency. This focus on controls remains vital, as it safeguards the integrity of financial statements and protects stakeholders' interests. Internal auditors honed their skills in evaluating internal controls, developing a systematic approach that can be applied to other areas of risk management.

## **Beyond the Balance Sheet: The Rise of ESG**

ESG (Environmental, Social, and Governance) audits, emerging as a critical component of corporate sustainability initiatives, assess an organization's performance across environmental, social, and governance dimensions. These audits are increasingly important to demonstrate commitment to sustainability, ethical business practices, and long-term value creation, as they are scrutinized not only by investors but also by customers, regulators, and other stakeholders.

In effect, the conversation has expanded beyond the balance sheet. Investors, consumers, and regulators increasingly demand transparency and accountability on ESG issues. Internal audit is uniquely positioned to play a crucial role in this evolving landscape.

Internal auditors can adapt their existing control assessment methodologies to evaluate ESG processes, ensuring they are well-defined, implemented effectively, and continuously monitored.

## **A Symphony of Controls: Internal Audit, SOX and ESG**

Internal audit, SOX audit, and ESG (Environmental, Social, and Governance) audits represent distinct yet interconnected components of modern organizational governance and compliance frameworks.

While internal audit provides a comprehensive overview of an organization's governance and risk management practices, SOX audit focuses specifically on financial reporting integrity, and ESG audits assess broader sustainability and ethical considerations. Together, these audits contribute to enhancing transparency, accountability, and stakeholder trust, thereby driving organizational success and resilience in today's complex and interconnected business environment.

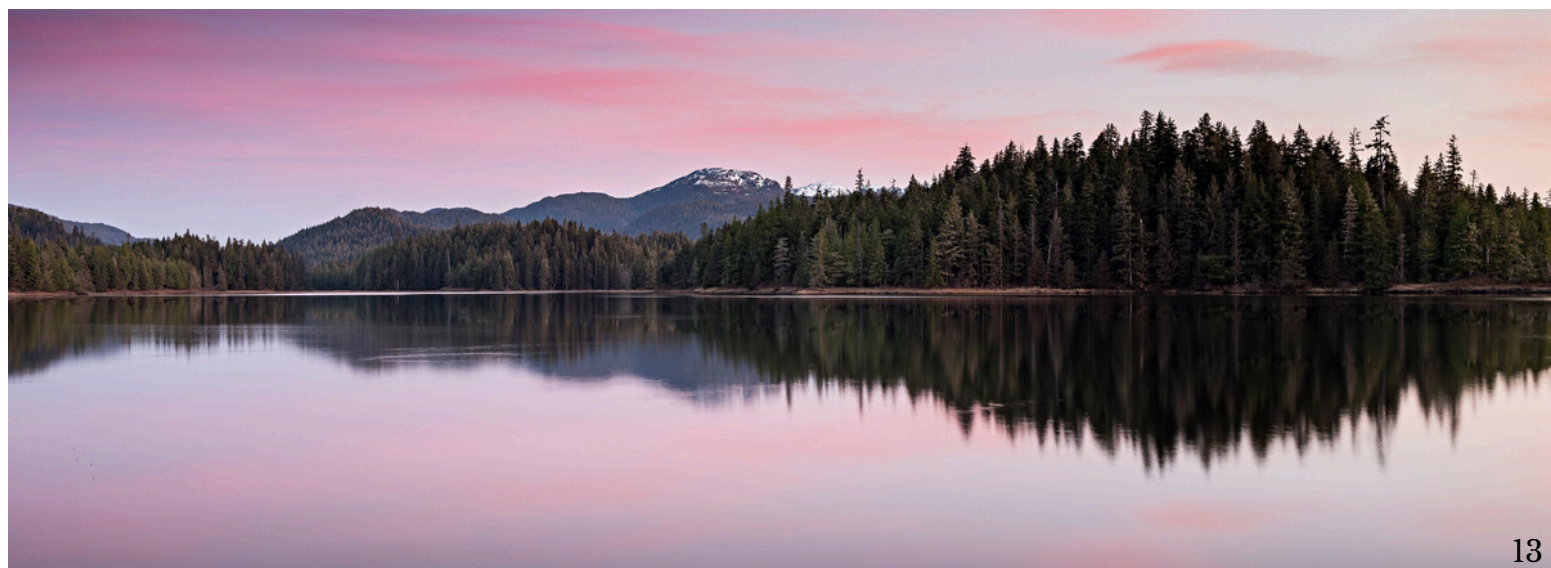
The integration of ESG considerations into governance frameworks enhances risk management practices, strengthens stakeholder relationships, and promotes sustainable value creation. Companies that prioritize ESG performance are better positioned to anticipate and respond to emerging regulatory requirements, market trends, and societal expectations, thereby gaining a competitive edge and securing long-term viability.

### **The Future of Internal Audit**

The future of internal audit lies in its ability to adapt and expand its scope. By integrating ESG considerations into their existing expertise on financial controls, internal auditors can become strategic partners in driving ethical and sustainable business practices. This evolution will be crucial in navigating the complexities of the contemporary business world and fostering long-term organizational success. Internal auditors who embrace continuous learning and develop new skillsets in areas like sustainability reporting and data analytics will be best positioned to thrive in this evolving landscape.

### **Conclusion**

In Conclusion, Internal audit is at a crossroads. By embracing the evolving landscape of ESG and building upon the solid foundation of SOX compliance, internal audit can elevate its role as a champion of good governance and contribute to a more responsible and sustainable future for businesses. This journey requires continuous adaptation, collaboration with stakeholders across the organization, and a commitment to lifelong learning. As internal audit embraces its expanded role, it will play a critical part in shaping a future where businesses are not only profitable but also environmentally conscious, socially responsible, and operate with the highest ethical standards.





# Corporate Finance

New Guinea Forest,  
Papua, Indonesia

## **Ambuja Cements Acquires South Indian Rival For \$1.25 Bn**

Adani-owned Ambuja Cements buys Penna Cement Industries for an enterprise value of \$1.25 billion (around INR 10,422 crores) for its 14 mtpa of cement grinding capacity and 10.3 mtpa of clinker capacity. While PCIL has been facing liquidity issues, a potential turnaround can enhance the value for Ambuja Cements. At the same time, utilisation ramp-up at PCIL shall bring in additional volumes to the market and intensify competition. The buyout is aimed to boost Adani group company's presence in the country's south and compete with market leader Ultratech Cement, which in 2023 bought Kesoram's cement. The transaction will be funded through internal accruals.

(Source: VC Circle, 13th June 2024)

## **Private Equity**

### **Temasek, Fidelity Bet \$200 Mn On Lenskart In Secondary Deal**

Singapore state investment firm Temasek and American asset manager Fidelity Management and Research company have invested \$200 million (around INR 1,660 crores) in omni-channel eyewear retailer Lenskart via a secondary transaction. The transaction marks the entry of Fidelity as a new investor of Lenskart while Temasek's investment stands doubled. The transaction values Lenskart around \$5 billion (around INR 41,305 crores).

(Source: VC Circle, 3rd June 2024)

### **BanyanTree Invests in Groovy Juices**

The Mumbai-based PE firm, BanyanTree has invested \$3-5 million (around INR 25-42 crores); a significant minority stake in Groovy Juices through a primary deal from its third fund. Founded in 2019, the fruit beverage startup Groovy Juices doubled its net sales in the fiscal year 2023 to \$3.8 million (around INR 32 crores).

(Source: VC Circle, 4th June 2024)

### **Bay Capital, Steadview Capital bet on IPO-Bound Le Travenues Technology Ltd.**

Bay Capital led by founder and chief investment officer Siddharth Mehta bought a 1.43% stake in Le Travenues Technology Ltd which operates by the name Ixigo for \$6 million (around INR 50 crores), while Steadview (an India focused investment firm) purchased a 1.16% stake for \$4.96 million (around INR 41 crores).

(Source: VC Circle, 7th June 2024)

### **ValueQuest Strikes Fresh Bet In Local Healthcare Services Player**

Boutique equity investor ValueQuest which has \$1.6 billion AUM (around INR 13,294 crores) has invested \$8.4 million (around INR 70 crores) for a minority stake in Kerala-based Sabine Hospital, which was founded in 2010 and is a mother and childcare player. Sabine provides programs in infertility, assisted reproductive technology, obstetrics, gynecology, neonatology, pediatrics, general surgery and genetics.

(Source: VC Circle, 10th June 2024)

### **Agri Solutions Provider Samunnati Secures Debt from Offshore Investor**

Agri finance and commerce solutions provider Samunnati Financial Intermediation & Service Pvt. Ltd, has raised \$16 million (around INR 134 crores) from Blue Earth Capital, impact investment arm of Blue Earth Foundation headquartered in Switzerland. The aim of this credit facility is to empower all stakeholders in the agricultural value chain and to ultimately transform the lives of smallholder farmers across India.

(Source: VC Circle, 12th June 2024)

## Venture Capital

### **Renee Cosmetics Valuation changed in Internal VC funding round**

Renee Cosmetics Pvt. Ltd, an Ahmedabad based company has raised \$12 Million (around INR 100 crores) in an extended Series B round led by Evolve India and Edelweiss Group. Its valuation has jumped by almost 60% in just one and a half years. The company now values between \$144.35 million to \$168.41 million (almost INR 1200 to INR 1400 crores).

(Source: VC Circle, 13th June 2024)

### **Vikram Solar Ltd Secures \$87.6 Mn Funding**

Kolkata-based solar panel maker which was founded in 2005 has raised \$87.6 million (around INR 731 crores) in a funding round led by Plutus Wealth, Haldiram Snacks, Viney Equity Market LLP as well as several high net worth individuals (81 investors collectively). Vikram Solar's post funding valuation stood at \$466 million (around INR 3,900 crores).

(Source: VC Circle, 10th June 2024)

### **Astro Talk Secures \$14 Mn Funding**

AstroTalk which was founded in 2017 is an online marketplace for astrology services has secured \$14 million (around INR 117 crores) via a mix of primary and secondary funding led by Elev8 Venture Partners amongst others. The deal struck at a pre money valuation of \$288 Million (around INR 2,400 crores).

(Source: VC Circle, 4th June 2024)

### **Trampoline Secures Early Stage Funding**

Trampoline, a cross border B2B home décor brand has raised \$7 million (around INR 58 crores) in a seed funding round from a host of investors. The startup raised \$5 million (around INR 42 crores) in equity from Matrix Partners India and WaterBridge Ventures. The round also saw \$2 million (around INR 17 crores) debt investment from Alteria Capital.

(Source: VC Circle, 13th June 2024)

### **Crème Castle Raises \$838k In Seed Funding Round**

Crème castle customized cakes focused bakery brand startup has raised \$838k (around INR 7 crores) in a seed funding round that was led by host of investors including V3 Ventures, Car dekho & Indian Silicon Ventures. The brand aims to use the funding to expand its presence across 15 cities in India along with setting up a central facility in Uttar Pradesh.

(Source: VC Circle, 13th June 2024)



## Mergers & Acquisitions

### Kalyan Jewellers Buys Remaining 15% Stake In Candere

Kalyan Jewelers is acquiring 15% stake in online jewellery firm Candere for \$5 million (around INR 42 crores), post the transaction Candere would be a wholly owned subsidiary of Kalyan Jewellers. The valuation of Candere stands around \$33.71 million (around INR 280 crores). Back in 2017 the company was valued at \$2.04 million-\$2.16 million (around INR 17-18 crores).

(Source: VC Circle, 4th June 2024)

### Cognizant To Buy Belcan For \$1.3 Billion

Cognizant Technologies which has a market value of \$33 billion (around INR 2,74,197 crores), has agreed to acquire digital engineering firm Belcan for \$1.3 billion (around INR 10,802 crores) in cash and stock. As a part of the deal Belcan would continue to be led by its CEO Lance Kwasniewski and operate as a unit of Cognizant.

(Source: VC Circle, 10th June 2024)

### Suven Pharma To Acquire Majority Stake In Sapala Organics

Suven Pharma has entered into a definitive agreement to acquire 67.5% stake in Hyderabad based Sapala Organics for \$ 27.5 million (around INR 230 crores), the remaining stake will be acquired by 2026-27 via a secondary transaction. The 100% acquisition is expected to be in range of 13-15X EBITDA multiple, linked to next three years of financial performance.

(Source: VC Circle, 13th June 2024)

### Dr Reddy To Buy Haleon's Nicotine Replacement Therapy Business

Dr. Reddy has agreed to acquire British consumer healthcare company Haleon plc's nicotine replacement therapy business outside the US for \$633 million (around INR 5257 crores). It involves majority upfront cash payment and remaining as performance based contingent payments payable in 2025 and 2026.

(Source: VC Circle, 26th June 2024)



A photograph of a tropical forest stream. The water flows over large, rounded rocks covered in vibrant green moss. The surrounding forest is dense with various tropical plants, including ferns and palm trees. The scene is captured with a long exposure, giving the water a soft, blurred appearance.

# Transaction & Regulatory Advisory Services

**Daintree Forest,  
Australia**

In this edition we have tried to bring to your notice, the latest amendments that followed in the month of June, 2024 issued by MCA, RBI and SEBI.

## **MCA UPDATE**

### **MCA to roll out 9 more forms for statutory filing of forms on the V3 portal**

The MCA is launching the third set of the company forms (MSME, BEN-2, MGT-6, IEPF-1, IEPF-1A, IEPF-2, IEPF-4, IEPF-5 and IEPF-5 e-verification report) from V2 portal to V3 Portal.

To read more:

[Home \(mca.gov.in\)](https://mca.gov.in)

## **RBI UPDATES**

### **Foreign Exchange Management (Overseas Investment) Directions, 2022 - Investments in Overseas Funds**

The Reserve Bank of India (RBI), vide the circular dated June 04, has made some amendments in the Foreign Exchange Management (Overseas Investment) Directions, 2022 - Investments in Overseas Funds. As per the circular, 'investment fund overseas, duly regulated' for para 1(ix) (e) of FEM (OI) Directions, 2022 shall also include funds whose activities are regulated by financial sector regulator of host country or jurisdiction through a fund manager.

## **INSOLVENCY & BANKRUPTCY**

### **Compliance relief proposed for insolvency professionals**

In a bid to expedite the corporate insolvency resolution process (CIRP) under the Insolvency and Bankruptcy Code (IBC), the government is mulling to reduce compliance burden on insolvency professionals (IPs). In a discussion paper floated on Monday (10.06.2024), the Insolvency and Bankruptcy Board of India (IBBI) has proposed to streamline and reduce the number of CIRP forms filed by IPs by merging, dropping, and revamping certain forms. Currently, the timelines for filing various CIRP forms – nine in total – are linked to different events such as the insolvency commencement date, public announcement, appointment of RP, etc.

## **SEBI UPDATES**

### **SEBI Board Meeting (June 27, 2024)**

**The SEBI Board met on June 27, 2024 where it, inter-alia, approved the following:**

- Proposal on association of persons regulated by the SEBI and the agents of such persons with other specified persons.
- Introduction of Fixed Price process as an alternative to Reverse Book Building process (RBB) for delisting of companies whose shares are frequently traded.
- Introduction of an alternate delisting framework for listed Investment Holding Companies (IHC) through scheme of arrangement by way of selective capital reduction.

- Proposal to facilitate ease of doing business with respect to the additional disclosure framework for FPIs.
- Proposal to streamline the public issue process for debt securities and Non-Convertible Redeemable Preference Shares to provide:
  - Faster access to funds to issuers,
  - Flexibility to issuer by providing discretion with regard to advertisement of public issue through electronic modes subject to a window advertisement (containing a QR Code and Link to full advertisement) in newspapers
  - Harmonisation of the procedure by mandating UPI for individual investors where the investment is up to Rs Five lakhs.
- Amendments to SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 pertaining to rationalization of disclosure requirements in the offer document for nonconvertible securities and modification in timeline of intimation to Stock Exchanges for listed Commercial Paper towards measures for ease of doing Business.
- Measures to facilitate Ease of Doing Business for Infrastructure Investment Trusts and Real Estate Investment Trusts.
- Guidelines for borrowing by Category I and II AIFs (facilitating ease of doing business) and specifying of maximum permissible limit for extension of tenure by Large Value Funds.
- Proposal to facilitate an optional mechanism for fee collection by SEBI registered Investment Advisers (IAs) and Research Analysts (RAs)
- Parameters for independent external evaluation of performance of Market Infrastructure Institutions.
- Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs).
- Proposal to remove Financial Disincentive applicable on Managing Director and Chief Technology Officer of Market Infrastructure Institutions on account of Technical Glitch.
- Review of eligibility criteria for entry/exit of stocks in derivatives segment.
- Annual Report of SEBI.

To read more:

[https://www.sebi.gov.in/media-and-notifications/press-releases/jun-2024/sebi-boardmeeting\\_84448.html](https://www.sebi.gov.in/media-and-notifications/press-releases/jun-2024/sebi-boardmeeting_84448.html)

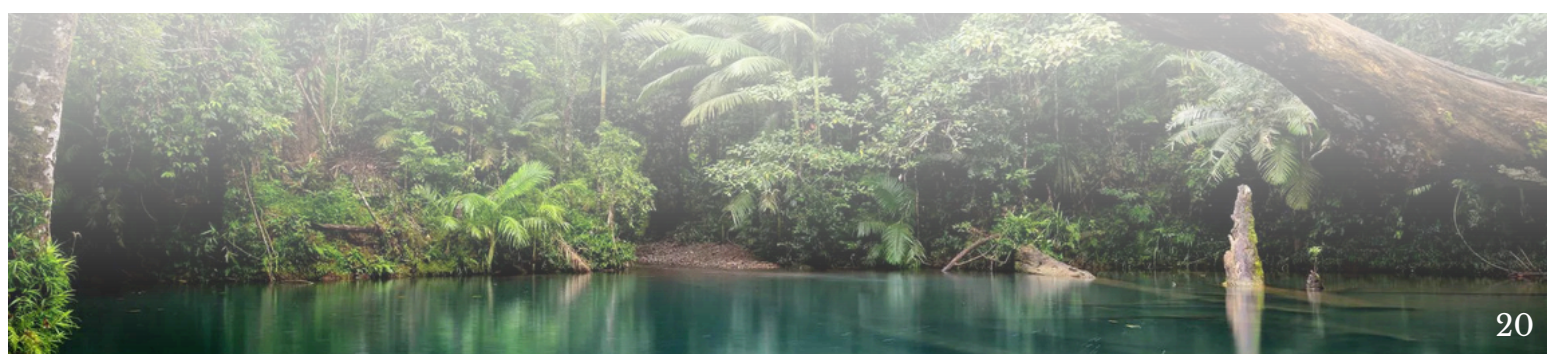
## MISCELLANEOUS LAWS

### Master Circular on General Insurance Business (June 11, 2024)

Insurance Regulatory and Development Authority of India (IRDAI) on June 11, 2024 has issued master circular on IRDAI (Insurance Products) Regulation 2024- general Insurance. This master circular shall apply to every existing general insurance product and every add-on cover. It will also apply to the general insurance coverage section within a Package Product. The master circular shall not apply to health insurance products included within a package product.

To read more:

<https://irdai.gov.in/web/guest/document-detail?documentId=5025428>



## MINISTRY OF COMMERCE AND INDUSTRY

### **Special Economic Zones (Fourth Amendment) Rules, 2024(June 20, 2024)**

Central Government vide its Notification dated June 20, 2024 amended the Rule 18(4)(d) of the Special Economic Zones Rules, 2006. According to the amendment the reconditioning, repair and re-engineering may be permitted subject to the conditions that export shall have one to one correlation with imports and all the reconditioned or repaired or reengineered products shall be exported. Provided also that only nonhazardous metal and metal-alloy wastes in metallic, non-dispersible form having no contaminants enlisted against Basel No. B1010 in Part D of Schedule III of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 generated from the reconditioning, repair or reengineering, may be allowed to be sold in the Domestic Tariff Area on payment of applicable customs duty and this shall be treated as import and will be permitted only to the actual user or to the trader for use of the actual users authorized by the State Pollution Control Board on one-time basis and subject to verification of documents specified in Schedule VIII of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 by the Custom Authority.

To read more:

[https://egazette.gov.in/\(S\(d2y0ww2iufg5jtdumtlilzim\)\)/ViewPD F.aspx](https://egazette.gov.in/(S(d2y0ww2iufg5jtdumtlilzim))/ViewPD F.aspx)

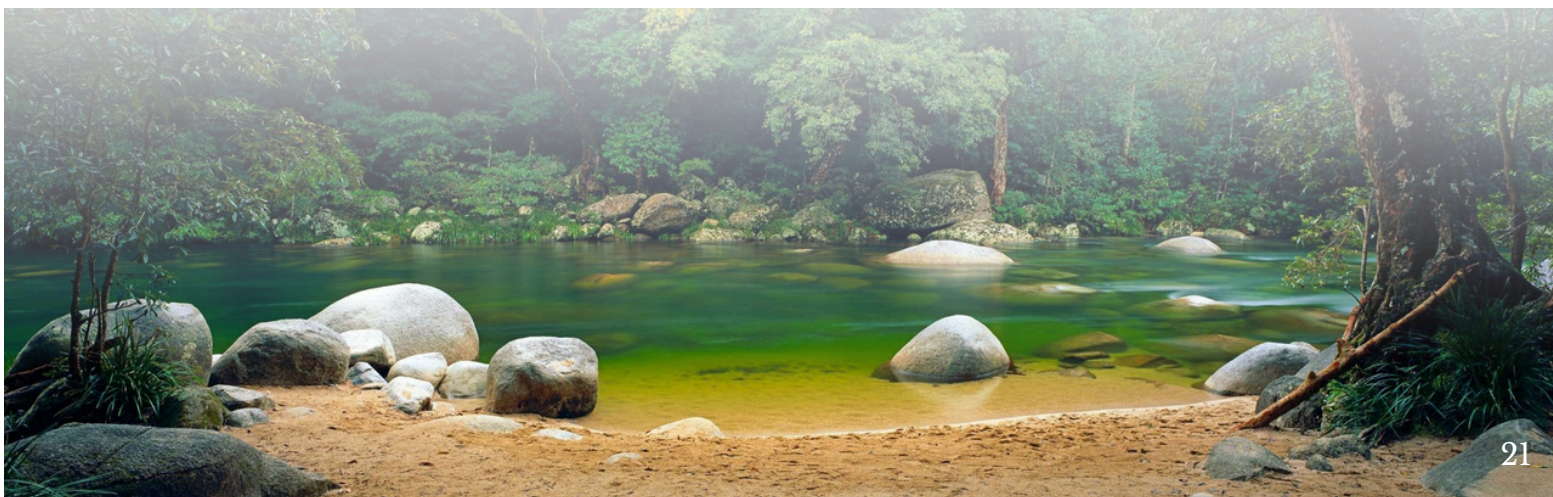
## MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION

### **Bureau of Indian Standards introduces two new standards to enhance Safety and Quality of Electric Vehicles in India (June 22, 2024)**

The Bureau of Indian Standards (BIS) has introduced two new standards, IS 18590: 2024 and IS 18606: 2024, aimed at enhancing the safety of electric vehicles in the L, M, and N categories. These standards focus on the critical component of electric vehicles—the powertrain—ensuring it meets stringent safety requirements. Additionally, they emphasize the safety and performance of batteries, ensuring they are both powerful and secure. However, the shift to electric mobility extends beyond cars and trucks. E-rickshaws and E-Karts are gaining popularity across India. To address this, BIS has introduced IS 18294: 2023, which establishes safety standards specifically for these vehicles. These standards cover various aspects, from construction to functionality, ensuring the safety of both drivers and passengers. With these new standards, BIS has raised the bar, now having a total of 30 Indian Standards dedicated to electric vehicles and their accessories, including charging systems.

To read more:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2027948>



An underwater photograph showing a vast school of small, silvery fish swimming through a dense kelp forest. The kelp stalks are tall and thin, reaching towards the surface where sunlight filters through. The water is a deep blue-green color.

# UK Tax Update Report

**The Great African Seaforest  
South Africa**

## UK Election: Trade Deal with India a Key Issue for Both Tories and Labour

As the UK nears the final phase of campaigning ahead of Thursday's (July 4th) general election, a free trade agreement (FTA) with India is a key topic for both the incumbent Tories and the Opposition Labour. Efforts to finalize this pact, aimed at boosting the £38.1 billion bilateral trading partnership, have been ongoing. However, with India's general election followed by Britain's, the fourteenth round of negotiations remains stalled. Initiated in January 2022 under then-Prime Minister Boris Johnson, the FTA talks have faced disruptions due to political changes, including a brief Liz Truss premiership and now Rishi Sunak's leadership as Britain's first Prime Minister of Indian heritage.

The Conservative Party manifesto underscores the significance of finalizing a free trade agreement with India and forging a deeper strategic partnership on technology and defence. A notable objective is the permanent removal of tariffs on Scotch whisky, seeking significant tariff reductions in India.

Labour, on the other hand, is keen to conclude the FTA, criticizing the Tories for missing the Diwali 2022 deadline. At the India Global Forum in London, Labour's shadow foreign secretary, David Lammy, highlighted their readiness to finalize the deal. Labour's manifesto also calls for a new strategic partnership with India, emphasizing cooperation in security, education, technology, and climate change.

Challenges persist, as noted by Lord Christopher Fox of the Liberal Democrats, who sits on the House of Lords International Agreements Committee. The UK-India Business Council (UKIBC) stresses the importance of promptly concluding the FTA, citing benefits like enhanced economic growth, productivity, and private sector investment, alongside strengthening the UK-India partnership in crucial areas such as defence and climate change.

Indian High Commissioner to the UK, Vikram Doraiswami, reaffirmed India's commitment to the FTA, stating that it is a priority for Prime Minister Narendra Modi's government. Doraiswami clarified that visas are not India's main focus in the FTA, contrary to some UK media reports. Instead, the goal is to enhance trade in goods and services under the General Agreement on Trade in Services (GATS).

Navigating these negotiations remains complex, but completing the FTA is a major objective, promising mutual economic benefits and reinforcing the strategic relationship between the UK and India.

As the UK and India navigate the intricacies of their FTA negotiations, both sides recognize the profound economic and strategic benefits at stake. A successful agreement promises not only to boost bilateral trade and investment but also to strengthen collaboration in key sectors such as defence, technology, and climate change. The commitment from both the Conservative and Labour parties underscores the importance of this deal, reflecting a shared vision for a robust and dynamic UK-India partnership. Concluding the FTA will mark a significant milestone, enhancing economic growth and fostering a deeper bond between the two nations. As election day approaches, the future of the UK-India FTA remains a pivotal issue, with both countries poised to reap the rewards of a strengthened alliance.



# Tax Calendar

**Taiga Forest,  
North America**

# July 2024 - Tax Calendar

|                  |   |
|------------------|---|
| <b>7TH JULY</b>  | Due date for deposit of Tax deducted/collected for the month of June, 2024.   |
| <b>7TH JULY</b>  | Due date for deposit of TDS for the period April 2024 to June 2024 when Assessing Officer has permitted quarterly deposit of TDS under <u>section 192, 194A, 194D or 194H</u>   |
| <b>15TH JULY</b> | Due date for issue of TDS Certificate for tax deducted under <u>section 194-IA, 194-IB, 194M, and 194S</u> in the month of May, 2024  |
| <b>15TH JULY</b> | Quarterly statement of TCS deposited for the quarter ending June 30, 2024   |
| <b>15TH JULY</b> | Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 2024   |
| <b>30TH JULY</b> | Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2024  |
| <b>30TH JULY</b> | Due date for furnishing of challan-cum-statement in respect of tax deducted under <u>section 194-IA, 194-IB, 194M, and 194S</u> in the month of June, 2024  |
| <b>31ST JULY</b> | Quarterly statement of TDS deposited for the quarter ending June 30, 2024   |
| <b>31ST JULY</b> | Return of income for the AY 2024-25 for all assessee other than:<br>(a) corporate-assessee or<br>(b) non-corporate assessee (whose books of account are required to be audited) or<br>(c) Partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of <u>section 5A</u> applies or<br>(d) an assessee who is required to furnish a report under <u>section 92E</u> . |
| <b>31ST JULY</b> | Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2024  |



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