RNM India

GGI INDEPENDENT MEMBER

RNM ALERT APRIL NEWSLETTER

VOL NO 207

Turning Up the Heat: Insights for the Season Ahead

CONTENTS

EDITORIAL

Dear Readers

During the month of April 2026 the ceasefire of the Iran War brought a much needed peace in the region, helping stabilize economic activity and settle fears of rapid inflation globally and in India. Mr. Raghu Marwah, CEO visited Mumbai during the month to develop investment banking in commodity trade to assist in securing energy supplies to India.

During the month of April, a Training was conducted by Mr. Ashu Malhotra, CHRO on Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 ('POSH').

RNM Capital Trust, the licensed Gift City based Alternative Investment Fund continued to perform well, with a significant outperformance as compared to the Nifty benchmark. Our Investors receive separately a fortnightly 'India Market Pulse' which discusses market events and our performance metrics.

On the tax front, the new year from April 1 also marks the coming into effect of the new Income Tax Act, 2025 replacing the six decade old Income Tax Act 1961. This is a significant step into India's journey into simplified and modern tax regime. By focusing on clarity in drafting, logical structuring of provisions and alignment with digital tax administration, the new Act seeks to reduce interpretational issues and enhance ease of compliance.

On the Regulatory front, the Government has notified the FEM(Non Debt Instruments)(Amendment) Rules, 2026 permitting 100% FDI in Insurance under Automatic Route and allowing Chinese FDI of upto 10% under Automatic Route.

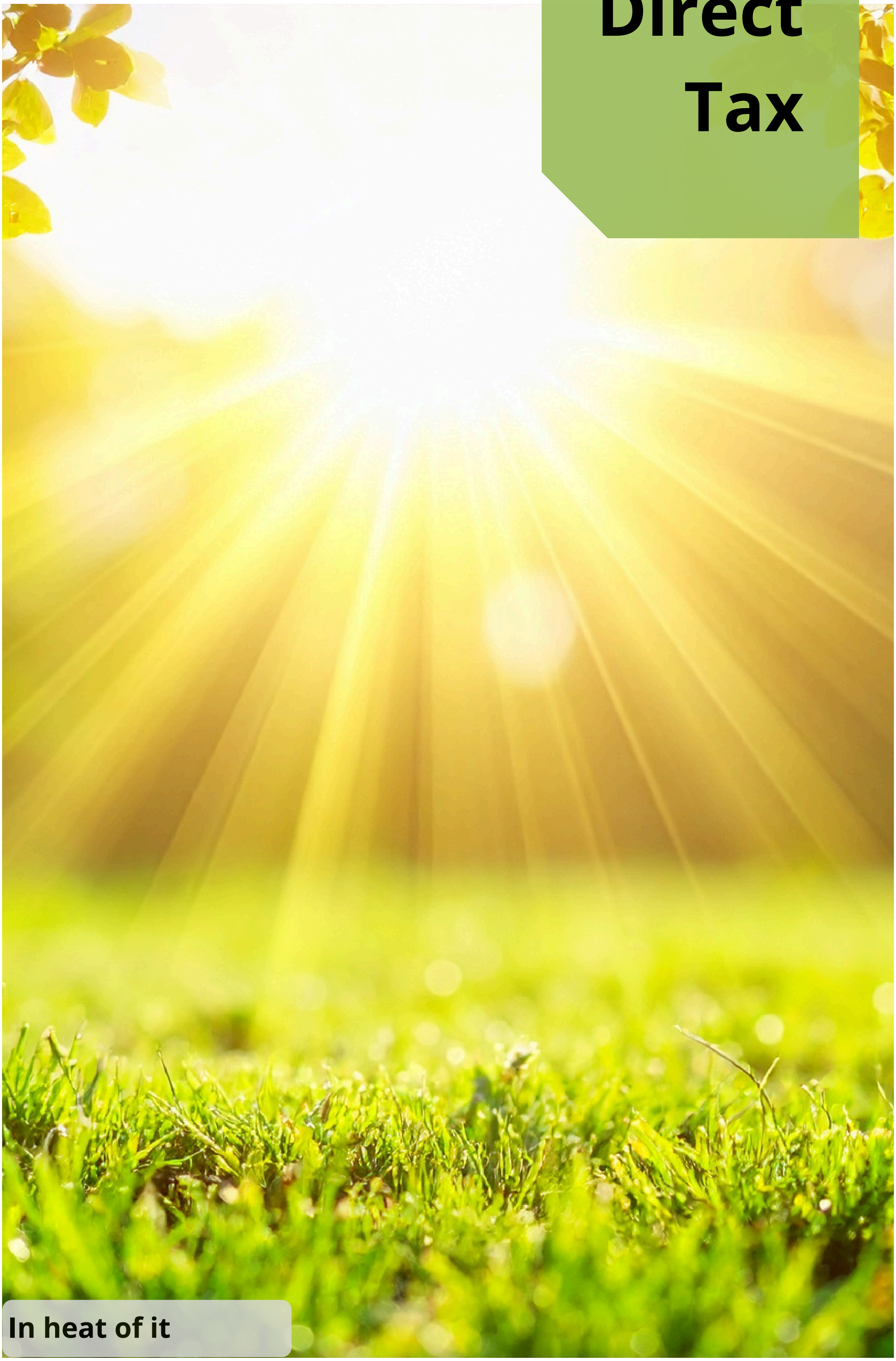
The Ministry of Electronics and Information Technology (MeitY) issued the Promotion and Regulation of Online Gaming Rules, 2026 fully operationalizing the regulatory framework first introduced with promulgation of the Promotion and Regulation of Online Gaming Act, 2025 (PROG Act). Online Money games, Esports and Online Social games have been regulated under this framework.

During last month we received a lot of good wishes on RNM India achieving the milestone of 80 years in service. We remain blessed with the passion of our team and patronage of our clients, with undying loyalty. We thank each and every one of you readers for the words of encouragement that you give on our social media pages and you tube channel.

We would like to take this opportunity of wishing all our readers all the best for Buddha Purnima. Buddha Purnima celebrates the birth, attainment of Nirvana and enlightenment of Lord Buddha.

U N Marwah
Chairman - RNM India

Direct Tax



In heat of it

1. NOTIFICATION G.S.R. 286(E) [NO. 64/2026/F. NO. 370142/41/2025-TPL], DATED 16-4-2026

The CBDT issues corrigendum to IT Rules 2026; drops mention of 'Aadhaar' instead of 'PAN' in several Income Tax forms.

2. NOTIFICATION S.O. 1715(E) [NO. 56/2026/F. NO. 500/22/2022-FT&TR-V], DATED 2-4-2026

India–Japan MoU notified for mutual assistance in tax collection effective from 8 July 2025.

Important Judicial Precedents

1. Section 263 action unjustified as Forex loss on ECB, partly used for revenue expenses, rightly allowed as revenue item: HC

[2026] 184 taxmann.com 660 (Telangana-HC) CIT vs. VST Industries Ltd

SLP disposed of against order of High Court that where Assessing Officer allowed deduction claimed by assessee in respect of reversal/writing back of provision for liabilities under section 43B created in earlier assessment years, since Principal Commissioner in revision order did not deal with explanation offered by assessee that reversal of a provision which was not allowed as an expense when created by virtue of section 43B, could not now be brought to tax upon its reversal/write back, revisionary order was to be set aside.

2. Notional rent on vacant unsold stock-in-trade flats taxable as house property; ALV to be based on municipal value: ITAT

[2026] 185 taxmann.com 118 (Mumbai - Trib.) Haware Engineers and Builders (P.) Ltd. v. ACIT

Where assessee, a builder-developer company, held unsold flats/shops as stock-in-trade and did not offer notional rent for vacant units, notional rental income on such vacant unsold properties was taxable under 'income from house property' and annual letting value should be computed based on municipal rateable value.

3. Deduction u/s 80JJAA cannot be denied for delayed Form 10DA if available with CPC at return processing: ITAT

[2026] 185 taxmann.com 714 (Hyderabad - Trib.) AML Motors (P.) Ltd. vs. DCIT Circle-1

Where assessee obtained audit report in Form No. 10DA within prescribed time but could not upload same before due date due to technical glitches and subsequently filed Form No. 10DA before filing return of income, delay in filing same could not be a ground for denying deduction under section 80JJAA, and assessee was eligible for such deduction.

4. Addition u/s 68 deleted as transaction was mere repayment recorded in books, not fresh loan in AY 2020-21:ITAT

[2026] 185 taxmann.com 602 (Delhi - Trib.) DCIT vs. Bright Buildtech (P.) Ltd.

Where assessee furnished all relevant confirmations, ITRs and bank statements regarding an unsecured loan received from a party, and no fresh loan was received in relevant year but only a journal entry was made, addition treating transaction as non-genuine was unjustified and warranted deletion as assessee need not prove source of source.

5. SLP disposed of: reopening based on third party search invalid as no assessee specific material, notice beyond six years time barred.

[2026] 185 taxmann.com 729 (SC) DCIT vs. E Homes Infrastructure (P.) Ltd

SLP disposed of against order of High Court that where reassessment proceedings were initiated based on search in case of third-party, since no material belonging to assessee was found during search, provisions of section 153C were not applicable and reopening notice issued beyond six years from end of relevant assessment year was held to be time-barred under section 149.

6. No penalty under sec. 270A as disallowance already made in intimation; bona fide claim with full disclosure:HC

[2026] 185 taxmann.com 495 (Bombay-HC) GM Modular (P.) ltd. vs. PCIT

Where disallowance under section 36(1)(va) was already made in intimation under section 143(1)(a) and merely reiterated in assessment, assessed income did not exceed processed income, and, hence, penalty for under-reporting under Section 270A was unsustainable, especially when claim was bona fide, fully disclosed and supported by jurisdictional precedent.

7. Assessment order in name of non-existent entity after merger void ab initio, sec. 292B inapplicable: HC

[2026] 185 taxmann.com 411 (Delhi-HC) PCIT vs. Boeing India (P.) Ltd

Where final assessment order was passed in name of non-existent amalgamating company despite revenue having been informed of amalgamation prior to completion of assessment, and even TPO order and DRP directions were passed in name of amalgamated entity, such order was void ab initio and not a mere procedural irregularity curable under section 292B, and an alleged system or portal glitch could not cure this defect.

8. Assessment quashed as notices sent to wrong email violated natural justice; fresh opportunity granted:HC

[2026] 185 taxmann.com 643 (Karnataka-HC) Vyavasaya Seva Sahakari Sangh Ltd. vs. Assessment Unit, NFAC

Where assessment and penalty orders were passed after notices in penalty proceedings were sent to an incorrect email address, thereby depriving assessee of effective opportunity of hearing, such proceedings were held violative of principles of natural justice and were quashed with liberty to file reply afresh to notice under section 143(2).

9. Reassessment notice quashed as AO failed to obtain approval from correct authority under sec. 151(ii): HC

[2026] 185 taxmann.com 239 (Bombay-HC) Anil Gupta (P.) Family Trust vs. Income-tax Officer

Where Assessing Officer passed order under section 148A(d) and issued notice under section 148 under new regime after three years from end of relevant year, but prior approval was taken from Principal Commissioner instead of required Principal Chief Commissioner or equivalent as per section 151(ii), such non-compliance with statutory sanction requirement vitiated jurisdiction and both order passed under section 148A(d) and notice issued under section 148 were liable to be quashed.

10. Cash gift claim rejected u/s 68 as assessee failed to establish donor’s identity and source in hands of donor : HC

[2026] 185 taxmann.com 189 (Andhra Pradesh-HC) Bathina Srilakshmi vs. Income-tax Officer

Where assessee explained negative cash balance in books by claiming receipt of large cash gifts initially from 'others' and later in appeal as from her grandmother, but failed to establish source of such funds or donor's creditworthiness, and firm from which alleged withdrawal was made had not filed return, explanation was rightly rejected and cash was treated as unexplained income.

Indirect Tax

GST Calendar –Compliances for the month of April 2026.

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

Notification Update: Changes in GST Rates and Classification for Non-Alcoholic Beverages.

Notification No. 01/2026-Central Tax (Rate) dated 30 April 2026

The Ministry of Finance, Department of Revenue, has issued Notification No. 01/2026–Central Tax (Rate) dated 30 April 2026, whereby amendments have been carried out in the GST rate schedules applicable to specified categories of non-alcoholic beverages under the Central Goods and Services Tax (CGST) framework.

The said notification has been issued in exercise of the powers conferred under Section 9(1) and Section 15(5) of the Central Goods and Services Tax Act, 2017, on the recommendations of the GST Council, and seeks to amend Notification No. 09/2025–Central Tax (Rate) dated 17 September 2025.

The amendments are intended to align GST tariff references with the revised Customs Tariff classifications and to provide greater clarity in the taxation framework governing fruit juice-based drinks, milk-based beverages, caffeinated beverages and other non-alcoholic drinks falling under tariff heading 2202.

Pursuant to the revised notification, modifications have been effected in Schedule I, attracting GST at the rate of 5%, in respect of specified categories of non-alcoholic beverages.

Against Serial Number 150, the tariff entries stand revised to include “2202 99 21” and “2202 99 29”, thereby covering fruit pulp or fruit juice-based drinks other than carbonated beverages of fruit drink or carbonated beverages with fruit juice.

Further, against Serial Number 151, the tariff entries have been substituted with “2202 99 31” and “2202 99 39”, pertaining to beverages containing milk.

The notification also introduces amendments in Schedule III, attracting GST at the rate of 40%, in respect of specified categories of non-alcoholic and caffeinated beverages.

Against Serial Number 2, the revised tariff entries now include “2202 99 90, 2202 99 91 and 2202 99 99”, covering other non-alcoholic beverages not specified under Schedule I.

Additionally, against Serial Number 3, the tariff entries “2202 99 91 and 2202 99 99” have been specified for caffeinated beverages, which shall continue to attract GST at the rate of 40%.

As per the Department of Revenue, the aforesaid amendments form part of the Government’s broader tariff harmonisation exercise, with the objective of aligning GST schedules with the revised Customs Tariff classifications and removing classification-related ambiguities in the beverage sector.

The revised classification framework is expected to facilitate smoother GST administration, enhance legal certainty for industry stakeholders, and ensure uniformity in the levy of tax across various categories of beverages.

Bombay High Court permits filing of refund application for period covered under earlier application.

This Tax Alert summarises a recent judgement of the Bombay High Court ("HC") concerning the validity of multiple refund applications filed by a taxpayer under Section 54(1) of the Central Goods and Services Tax Act, 2017 ("CGST Act") for the same tax period.

The assesse had filed a refund application for the tax period of August 2022, which came to be rejected by the Revenue on the ground that the assessee had earlier filed and obtained refund through a consolidated application covering the period July 2022 to September 2022. The petitioner contended that the invoice pertaining to August 2022 had been inadvertently omitted from the earlier application. Aggrieved by such rejection, the petitioner approached the HC.

Key observations of the HC are as under:

- The plain language of Section 54(1) of the CGST Act does not prescribe any embargo on filing more than one refund application, particularly in cases where omission to include certain invoices in an earlier application is attributable to inadvertence and the subsequent application is filed within the prescribed limitation period.
- Where the fundamental statutory condition of filing the refund application within the stipulated two-year period is satisfied, the claim ought not to be rejected on technical grounds, and the subsequent application deserves to be examined on merits.
- The principles of *res judicata* (or analogous principles) cannot be imported into refund proceedings under the CGST regime, especially where the claims pertain to distinct transactions or omissions.
- The proper officer was under an obligation to consider and follow the binding precedent laid down by the Gujarat High Court on a similar issue, which had attained finality, rather than distinguishing the same on the basis of the nature of the error.

In view of the above, the HC allowed the writ petition and remanded the matter to the Revenue authorities for fresh adjudication on merits in accordance with law.

Cancellation of GST Registration for Non-Filing of Returns – Requirement of Reasoned Order- Calcutta High Court

Facts:

Facts:

The taxpayer's GST registration was cancelled by the department solely on account of non-filing of returns, without detailed reasoning or adequate consideration of the surrounding circumstances.

Issue:

Whether GST registration can be cancelled in a mechanical manner for non-filing of returns, without adherence to principles of natural justice and without passing a reasoned (speaking) order.

Held:

The Court held that such cancellation is unsustainable in law, as it violates principles of natural justice. Registration cannot be cancelled mechanically; a proper opportunity of hearing must be granted and a reasoned order must be passed, considering the consequences on the taxpayer's business.

Corporate Finance

The Chill Edit

Sun Pharma to Acquire Organon in $11.75 Bn Landmark Deal

Sun Pharmaceutical Industries has announced the acquisition of Organon & Co in an all-cash deal valued at approximately $11.75 billion (Around INR 1,10,620 crores), including debt, marking the largest overseas acquisition by an Indian pharma company. The transaction aligns with Sun Pharma's strategic shift toward higher-margin specialty segments such as dermatology, oncology, and obesity, amid margin pressures in the US generics market. The deal, priced at $14 per share with a premium of over 24%, will be financed through a combination of cash reserves and committed bank funding. Organon's portfolio of over 70 products across women's health and general medicines, spanning nearly 140 countries, will enhance Sun Pharma's global scale and diversify its revenue base. Additionally, the acquisition provides entry into biosimilars and strengthens its presence in emerging markets like China and Brazil. While the deal is expected to be earnings-accretive, analysts believe it may not significantly alter Sun's US positioning due to Organon's relatively limited footprint. With Organon carrying net debt of $8.6 billion, Sun Pharma's strong balance sheet is expected to support deleveraging over the medium term. The announcement was positively received by markets, with Sun Pharma's shares rising sharply following the news.

(Source: VC Circle, 27th April 2026)

Private Equity

Permira Invests $100 Mn In Real Estate Services Firm SILA

British private equity firm Permira has invested around $100 million (Around INR 927 crores) in SILA Solutions Pvt Ltd, acquiring an estimated 40% stake and marking its entry into India. The company plans to use the funds to scale operations, enhance technology capabilities, and expand service lines. Founded in 2009, SILA operates across 125+ cities, managing over 450 million sq. ft. with a workforce of 60,000+, offering integrated services such as facility management, catering, and real estate advisory. While SILA reported strong revenue growth of 28% to INR 914 crores in FY25, its profitability has weakened with net margins declining to 1.3%. Early investor Norwest Venture Partners is likely to partially exit through this transaction.

(Source: VC Circle, 9th April 2026)

Everstone To Invest $270 Mn In Drugmaker Apothecon

Everstone Capital has committed $270 million (Around INR 2,513 crores) to invest in Apothecon Pharmaceuticals Pvt Ltd and its US based affiliate Navinta, collectively known as the Apothecon Group, acquiring a substantial stake alongside participation from Waymade Capital. The founders will retain a meaningful ownership, while Everstone aims to support the company in expanding its product pipeline, entering new geographies, and pursuing acquisitions. Founded in 2003, Apothecon specializes in complex pharmaceutical formulations with integrated API manufacturing and has a strong presence in the US and Europe. The company operates manufacturing and R&D facilities across India and the US, offering a diverse portfolio including injectables and oral solids. This investment aligns with Everstone's broader strategy as it prepares to raise its fifth PE fund targeting $800 million.

(Source: VC Circle, 14th April 2026)

ICICI Venture Invests $20 Mn In Agrochem Maker Agrow Allied

ICICI Venture has invested $20 million (Around INR 186 crores) in Agrow Allied Ventures, marking the company's first institutional fundraise. The Gurugram-based firm manufactures herbicides, insecticides, and fungicides, operating a 30,000 MT capacity facility in Rajasthan and exporting to over 80 countries. The funds will be used to strengthen R&D in specialty molecules, expand manufacturing capacity, and support global registrations. Founded in 2015, Agrow reported FY25 revenue of INR 451 crore, up 17% YoY, with improved profitability. The investment highlights growing investor interest in India's crop protection sector, driven by strong domestic demand and export potential.

(Source: VC Circle, 20th April 2026)

Siguler Guff Invests $40 Mn In Chili's Operator Trimex Foods

Siguler Guff & Company has invested $40 million (Around INR 379 crores) in Trimex Foods Pvt Ltd, marking the company's first institutional fundraise. Trimex, a subsidiary of Stellar Concepts, operates over 50 outlets across 13 cities and holds franchise rights for global brands like Chili's, PAUL, and Cinnabon. The company plans to use the capital to expand its footprint in India, scale existing brands, and onboard new international partners. Founded in 2010, Trimex has built a multi-brand dining platform catering to rising demand for global food experiences. The investment reflects growing investor interest in India's evolving food services sector driven by changing consumer preferences.

(Source: VC Circle, 29th April 2026)

Abakkus PE Leads Over $84 Mn Round In Dholakia Lab Grown Diamond

Dholakia Lab Grown Diamond Pvt Ltd has raised over $84 million (Around INR 800 crores) in a funding round led by Abakkus Private Equity, with participation from other investors. The proceeds will be utilised to scale manufacturing capacity, expand the company's retail footprint across India, and strengthen its working capital position. The company also aims to enhance its capabilities in precision single-crystal diamonds for advanced applications across optical, quantum, thermal, defence, and semiconductor sectors. Operating a vertically integrated business model, DLGD spans diamond growing, cutting and polishing, jewellery manufacturing, and global distribution, serving over 80 retailers across 25+ countries. The investment underscores increasing institutional confidence in the lab-grown diamond segment, driven by rising global acceptance and growing demand for sustainable luxury products.

(Source: VC Circle, 29th April 2026)

Venture Capital

NudgeBee Raises $3 Mn to Scale AI-Driven Cloud Operations Platform

NudgeBee, a Pune based AI-agentic platform, has raised $3 million (Around INR 28 crores) in a seed funding round led by Kalaari Capital with participation from technology founders, to expand its AI-led enterprise cloud operations platform. Founded in 2024, the company helps cloud, SRE, and FinOps teams reduce manual workloads and improve responsiveness through AI agents, and already works with enterprises such as Rackspace Technology. The fresh capital will be used to strengthen its core platform and expand distribution as it targets increasing complexity in multicloud environments.

(Source: VC Circle, 21st April 2026)

Açaí Theory Raises $430K to Expand Healthy QSR Footprint in Bengaluru

Açaí Theory, a Bengaluru-based health-focused quick service restaurant (QSR) chain, has raised $430,000 (Around INR 4 crores) in a pre-seed round led by All In Capital, with participation from TDV Partners and angel investors. Founded in 2025, the company will use the funds to expand its presence, strengthen its supply chain, and invest in technology as it builds an açaí-led healthy indulgence brand using an assembly-only model for faster and more consistent service. Currently operating a flagship store in Bengaluru, Açaí Theory plans to scale to 8–10 outlets in the city while setting up a central kitchen and leveraging AI-driven tools to improve operational efficiency.

(Source: VC Circle, 21st April 2026)

AITS Raises $4 Mn to Expand Rysen School Network Across India

AITS, the parent company of the Rysen School network, has raised $4 million (Around INR 37.5 crores) in a pre-Series A round led by Big Capital and Singapore-based Redbrook Fund, with participation from founders of Udaan, Livspace, and Unacademy. The company will use the funds to expand its K-12 school network into Tier 2 and Tier 3 cities, enhance technology-led learning infrastructure such as smart classrooms and coding labs, and strengthen faculty development and academic outcomes. Operating 15 campuses in Rajasthan with over 10,000 students since its 2024 launch, AITS follows an asset-light model and aims to scale to 100 new campuses and reach 1 lakh students over the next three years.

(Source: VC Circle, 22nd April 2026)

LightFury Games Raises $11 Mn to Accelerate eCricket Development

Bengaluru-based startup LightFury Games has secured $11 million (Around INR 103.4 crores) in a pre-Series A round led by Blume Ventures, V3 Ventures, MIXI, and Times Internet, with additional backing from cricketers MS Dhoni, Jasprit Bumrah, and Hardik Pandya; founded in 2024, the company will use the funding to complete development of its flagship mobile game eCricket, slated for launch later this year, while strengthening post-launch live operations and content systems, with Karthik Reddy noting that building a AAA game demands sustained creative excellence, deep technical expertise, and long-term discipline.

(Source: VC Circle, 23rd April 2026)

Deep Algorithm Solutions Raises $1.7 Mn to Scale AI Cybersecurity Platform

Deep Algorithm Solutions has raised $1.7 million (Around INR 16 crores) in a pre-Series A round led by Unicorn India Ventures to advance its AI-driven cybersecurity offerings focused on continuous identity risk management across human, machine, and AI agent identities. The company's behaviour-based security platform is designed to help sectors such as banking, defence, and government mitigate threats including account takeovers and social engineering attacks. The newly raised funds will be used to support international expansion and enhance product capabilities, as the company reports strong growth momentum with annual recurring revenue tripling from FY25 to FY26 and projecting up to 20x growth by FY27, driven by its patented behavioral biometrics technology.

(Source: VC Circle, 23rd April 2026)

Mergers & Acquisitions

Wipro To Acquire Temasek-Owned Olam's IT Services Arm For $375 Mn

Wipro Ltd has agreed to acquire 100% of Mindsprint Pte. Ltd from Olam Group for $375 million (Around INR 3,488 crores) in cash. The deal is part of a broader strategic partnership that includes an eight-year digital transformation contract with Olam, expected to exceed $1 billion in value with a committed spend of $800 million. Through this acquisition, Wipro aims to strengthen its consulting-led, AI-powered capabilities while leveraging Mindsprint's expertise in supply chain transformation and agri-business solutions. Founded in 2007, Mindsprint has a global workforce of over 3,200 employees and reported revenues of $135.6 million in 2025, with the transaction expected to close by June 30.

(Source: VC Circle, 06th April 2026)

Blackstone-Backed Nexus Select Trust To Acquire Kolkata Mall

Nexus Select Trust, backed by Blackstone, has agreed to acquire Diamond Plaza mall in Kolkata for $37.5 million (Around INR 347 crores) by purchasing Super Diamond Enterprises, the entity that owns the asset. The mall has a gross leasable area of 244,000 sq. ft. and generated INR 40.1 crore in revenue in FY25. This acquisition will strengthen the REIT's presence in eastern India and aligns with its strategy to expand aggressively, particularly in smaller cities with rising consumption. Nexus currently operates a retail portfolio of 10.6 million sq. ft. across 19 malls in 15 cities, along with office and hotel assets, and aims to double its portfolio over the next five years.

(Source: VC Circle, 08th April 2026)

Mindspace REIT, 360 One Buy CapitaLand's Chennai Asset For $321 Mn

Mindspace Business Parks REIT, sponsored by K Raheja Corp, along with 360 One Asset, has acquired International Tech Park Chennai from CapitaLand Investment Ltd at a valuation of $321 million (Around INR 3,000 crores), with a 51:49 ownership split. The 2.6 million sq. ft. Grade A office campus will be rebranded as “One Radial” and strengthens Mindspace REIT’s presence in Chennai. The acquisition aligns with its strategy of expanding through high-quality, income-generating assets in key markets, and follows its recent purchase of Commerzone Pallikaranai. Post completion, Mindspace REIT’s total leasable portfolio is expected to increase to approximately 44.2 million sq. ft., reinforcing its position as a major office asset owner in India.

(Source: VC Circle, 15th April 2026)

Inventurus to Acquire Trubridge for $565 Million to Expand Healthcare SaaS Capabilities

Inventurus Knowledge Solutions (IKS), backed by the Jhunjhunwala family, will acquire US-based Trubridge Inc for $565 million (Around INR 5,330 crores) in cash through its subsidiary, strengthening its health records and revenue cycle management (RCM) offerings. The deal, which values Trubridge at an enterprise value of $557 million (Around INR 5,254 crores), will see the merger of IKS’s US subsidiary with Trubridge and enable expansion into the SaaS-based electronic medical records (EMR) segment. Trubridge, which serves small and mid-sized US hospitals, brings established EMR and RCM solutions along with data-driven assets, enhancing IKS’s capabilities as a technology-led healthcare provider

(Source: VC Circle, 24th April 2026)

Pine Labs to Acquire Shopflo in $9.3 Mn All-Cash Deal

Pine Labs Ltd has agreed to acquire Shopflo Technologies, a Tiger Global-backed direct-to-consumer checkout platform, for $9.3 million (Around INR 88 crores) in an all-cash transaction, with completion expected within three months. Founded in 2021, Shopflo provides checkout optimization solutions to over 1,000 e-commerce brands, serving more than 60 million consumers. The acquisition is likely to offer an exit to existing investors and may be at a premium to its previous funding round, reflecting strong growth. Shopflo last raised $2.6 million (Around INR 24 crores) in 2022 in a seed round led by Tiger Global and TQ Ventures, with total funding reaching $3.7 million (Around INR 35 crores).

(Source: VC Circle, 27th April 2026)

Transaction & Regulatory Advisory Services

Key Regulatory & Legal Updates in April 2026

1. FEMA / RBI

- **FEMA Reporting & Compliance**

The Reserve Bank of India, through April 2026 operational clarifications under the Foreign Exchange Management Act, 1999 and FEMA (Non-Debt Instruments) Rules, 2019, has reaffirmed strict timelines of 30 days for FC-GPR and 60 days for FC-TRS filings. Any delay in such reporting shall continue to attract compounding proceedings, with no relaxation in compliance requirements.
Read More: https://www.rbi.org.in/

- **NBFC Regulatory Oversight Circulars**

Under the RBI Master Direction – NBFC Scale Based Regulation (SBR), 2021, the Reserve Bank of India has, through recent supervisory communications, emphasized strengthening of governance standards and robust risk management frameworks across NBFCs. The RBI has also highlighted close monitoring of evergreening of loans and strict adherence to provisioning norms to ensure transparency and financial discipline.
Read More: https://www.rbi.org.in/

2. Securities and Exchange Board of India (SEBI)

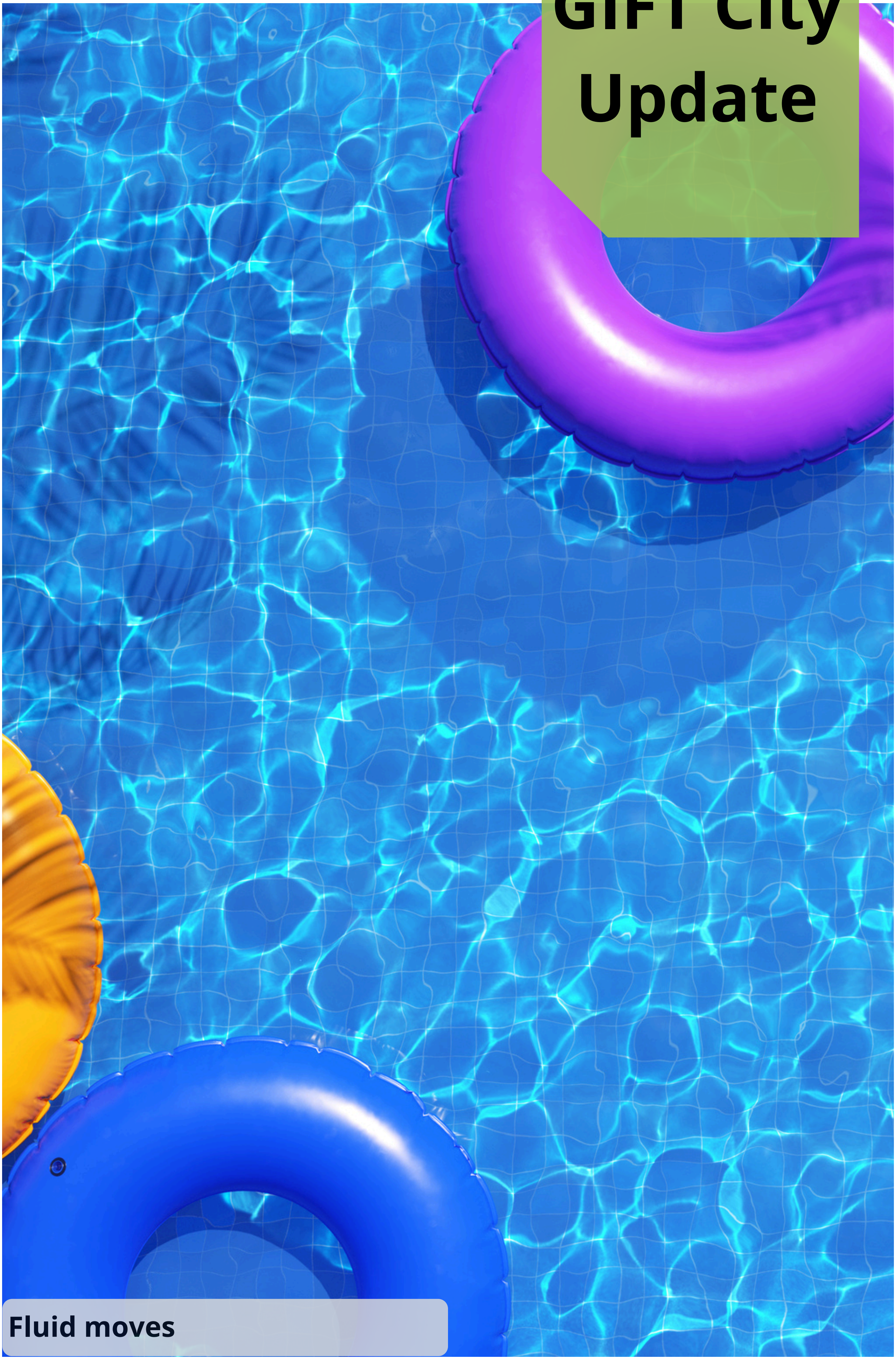
- **SEBI Circular – Strengthening Disclosure Framework (April 2026):**

Under the SEBI (LODR) Regulations, 2015, the Securities and Exchange Board of India has introduced enhanced disclosure requirements for material events under Regulation 30, along with stricter timelines and greater standardization in reporting. Further, additional clarity has been provided on approval mechanisms and disclosure requirements relating to related party transactions (RPTs), reinforcing transparency and governance standards for listed entities.
Read More: https://www.sebi.gov.in/

- **SEBI Circular – Insider Trading Compliance Review (April 2026)**

Under the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India has intensified scrutiny on maintenance of Structured Digital Database (SDD), with a focus on accurate tracking of UPSI and robust audit trails. SEBI has further emphasized strengthening of internal control mechanisms to ensure accountability, prevent leakage of UPSI, and enhance overall compliance standards.
Read More: https://www.sebi.gov.in/

GIFT City Update



20th April 2026: IFSCA Registers First Foreign Family Investment Fund, Boosting GIFT IFSC's Global Wealth Hub Ambitions

The International Financial Services Centres Authority (IFSCA) has taken a significant step in strengthening India's position as a global financial hub by granting registration to the first foreign Family Office under its newly notified IFSCA (Fund Management) Regulations, 2025.

This marks the debut of a Foreign Family Investment Fund structure within the GIFT International Financial Services Centre (GIFT IFSC), underscoring the regulator's push to attract global private wealth and institutional capital to India's offshore financial ecosystem.

The move reflects IFSCA's broader strategy to create a globally competitive, flexible, and investor-friendly regulatory framework tailored for sophisticated wealth structures such as family offices. By enabling Family Investment Funds, the framework allows wealthy global families to efficiently manage and deploy capital across jurisdictions through well-governed, institutional-grade fund structures based in India.

Industry observers see this development as a milestone for GIFT IFSC, enhancing its appeal as a preferred destination for international fund management. With regulatory clarity, tax efficiency, and a growing ecosystem, the platform is increasingly positioning itself as a gateway for global investors seeking exposure to both Indian and international markets.

The registration is expected to pave the way for more foreign family offices to establish a presence in GIFT IFSC, further deepening India's integration into global capital flows and reinforcing its ambition to become a leading financial services hub.

20th April 2026: IFSCA Unveils Comprehensive Cybersecurity Framework for Market Infrastructure Institutions at GIFT IFSC

The International Financial Services Centres Authority (IFSCA) has rolled out a comprehensive cybersecurity and resilience framework for Market Infrastructure Institutions (MIIs) at GIFT IFSC, covering exchanges, clearing corporations, depositories, and bullion platforms.

The guidelines introduce a seven-pillar architecture-Govern, Identify, Protect, Detect, Respond, Recover, and Resilience-while strengthening governance through board-approved cybersecurity policies and mandatory appointment of a Chief Information Security Officer (CISO) reporting to the CEO/MD.

A key addition is future-ready risk management, requiring annual cryptographic assessments and adoption roadmaps for Post-Quantum Cryptography (PQC). Institutions must also set up 24x7 Security Operations Centres, deploy real-time monitoring tools, and maintain robust disaster recovery systems.

Strict incident reporting norms mandate disclosure to regulators within six hours, alongside detailed follow-ups. The framework also tightens third-party risk oversight and requires ISO 27001 certification within two years.

Aligned with Indian laws and national cybersecurity agencies, the guidelines-effective April 1, 2026-will be implemented in phases, significantly enhancing cyber resilience at GIFT IFSC.

20th April 2026: India, South Korea Strengthen Financial Ties with IFSCA-FSC MoU at Bilateral Forum

In a move aimed at deepening cross-border financial cooperation, the International Financial Services Centres Authority (IFSCA) and South Korea's Financial Services Commission (FSC) have signed a Memorandum of Understanding (MoU) to enhance regulatory collaboration and foster the development of financial services ecosystems in both countries.

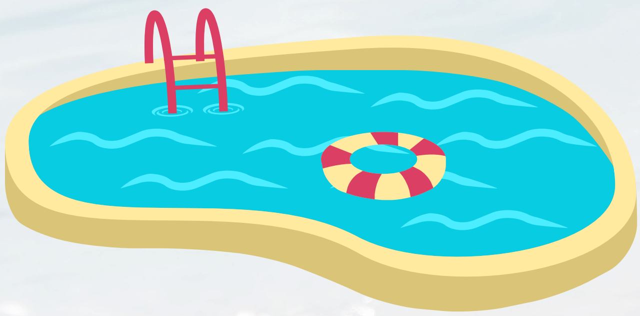
The agreement was signed during the Korea-India Financial Cooperation Forum held in New Delhi, coinciding with the official visit of Lee Jae Myung, President of the Republic of Korea, to India.

The MoU was formalised by K. Rajaraman, Chairperson of IFSCA, and Lee Eog-weon, Chairman of the FSC, along with Lee Chanjin, Governor of the Financial Supervisory Service of Korea. The exchange took place in the presence of senior officials from both nations, including Anuradha Thakur, Secretary of the Department of Economic Affairs, Ministry of Finance, and Hangyong Lee, Chairman of the Council on International Financial Cooperation.

At its core, the agreement seeks to facilitate cooperation and mutual assistance between the two regulators through the exchange of information, regulatory best practices, and supervisory insights. It also lays the groundwork for collaboration in emerging areas such as financial innovation and the adoption of advanced technologies within the financial sector.

Officials highlighted that the MoU reflects a shared commitment by India and South Korea to strengthen engagement between their financial ecosystems. By creating a structured platform for dialogue and knowledge-sharing, the partnership is expected to support the development of robust, innovation-driven financial systems in both jurisdictions.

The agreement further underscores India's growing role in global financial governance, particularly through platforms such as GIFT IFSC, as it seeks to build stronger linkages with key international financial centres.



24th April 2026: IFSCA Approves Capital-Raising Norms and SPV Framework to Boost GIFT IFSC’s Aviation Finance Ecosystem

The International Financial Services Centres Authority (IFSCA), at its 28th Authority meeting held on April 17, 2026, cleared a series of regulatory measures aimed at strengthening capital markets and deepening the aviation financing ecosystem at the GIFT International Financial Services Centre (GIFT IFSC).

Among the key decisions, the Authority approved frameworks for Preferential Issues and Qualified Institutions Placements (QIPs) under the IFSCA (Listing) Regulations, 2024. The move is expected to provide listed entities in IFSC with efficient avenues to raise additional capital. In parallel, a streamlined framework for Rights Issues was also cleared, enabling companies to access funds through faster and more simplified processes.

In a significant push to the leasing and financing ecosystem, IFSCA approved amendments to enable the creation of Special Purpose Vehicles (SPVs) within GIFT IFSC. The changes, spanning the IFSCA (TechFin and Ancillary Services) Regulations, 2025 and the IFSCA (Finance Company) Regulations, 2021, will allow end-to-end structuring of leasing transactions within India.

The development comes amid rapid growth in the IFSC’s aviation leasing segment, with over 370 aviation assets already leased from GIFT IFSC as of March 31, 2026. The new framework facilitates the registration of Trust and Company Service Providers (TCSPs), which manage SPV structures widely used by global financiers for aircraft leasing.

Officials said the reforms are designed to attract global lenders, lessors, and investors while reducing reliance on offshore jurisdictions for aircraft financing. By enabling domestic structuring, the framework is expected to curb outflows related to lease rentals and administrative costs, while also fostering a regulated TCSP ecosystem and creating high-skilled jobs in finance and legal services.

The revised regulations, shaped by stakeholder consultations, also incorporate strong governance standards, including AML/KYC compliance and alignment with global norms.
With these measures, IFSCA aims to enhance capital availability at competitive costs and reinforce GIFT IFSC’s positioning as an emerging global hub for aviation finance and international capital markets.

29th April 2026: IFSCA Hosts Corporate Treasury Conference 2026 at GIFT City

The International Financial Services Centres Authority (IFSCA) convened its Corporate Treasury Conference 2026 on April 29-30 at GIFT City, drawing over 250 participants from corporates, banks, and fintech firms across India and globally.

In his keynote, Chairperson K. Rajaraman highlighted GIFT IFSC's evolution into a gateway for global capital, underpinned by a dual mandate of prudent regulation and purposeful innovation. He emphasized India's strong medium-term outlook, supported by resilient demand, infrastructure-led growth, and digital public infrastructure.

IFSCA outlined the growing role of corporate treasury functions amid market volatility, forex risks, and cybersecurity challenges. The updated Treasury Centre framework (2025) offers operational flexibility, transactions in multiple foreign currencies, a light-touch regulatory regime, and tax incentives.

Key policy highlights included the extension of the IFSC tax holiday to 20 years out of 25, with a 15% tax rate thereafter, and proposals to expand permissible foreign currency transactions and enable commodity trading.

Discussions at the conference focused on GIFT IFSC's transition into a global treasury hub, governance best practices, cross-border payment innovations, treasury technology (including AI and automation), and experiences of firms operating treasury centres in IFSC.
The event also featured knowledge sessions on treasury centralisation, cash concentration strategies, virtual accounts, and optimisation of treasury operations through IFSC structures, reinforcing GIFT City's positioning as a global financial and treasury hub.

UK Tax Update

Overview

Economic conditions in 2026 are characterised by low growth, persistent inflationary pressure, and elevated external risk. The UK economy continues to expand, but at a limited pace, with forecasts for annual GDP growth revised down to between 0.6% and 0.8%. This reflects the impact of higher energy prices, weaker global demand, and ongoing geopolitical disruption.

Inflation remains above target, with Consumer Price Index (CPI) inflation at 3.3% in March 2026, up from 3.0% in February. While this is significantly below the peaks seen in previous years, it indicates that price pressures are proving more persistent than expected.

At the same time, monetary policy remains restrictive. The Bank of England base rate stands at 3.75%, unchanged as of April 2026, following a gradual reduction from earlier highs. The current policy stance reflects a balance between controlling inflation and avoiding further suppression of economic activity.

Overall, the economy is stable but operating below potential, with limited capacity to absorb further shocks.

Growth and Output

Recent data shows modest but positive growth across key sectors. GDP increased by approximately 0.5% in the three months to early 2026, continuing a pattern of weak but consistent expansion.

The structure of the economy remains heavily weighted towards services, which account for over 80% of total output. Service sector activity increased by 0.5% over the latest three-month period and by 1.1% on an annual basis. This continues to provide the primary support for overall growth.

Manufacturing output has shown some improvement, rising by 1.2% over the same three-month period, although annual growth remains limited at 0.3%. Construction output has been weaker, with recent declines highlighting sensitivity to higher borrowing costs and reduced investment.

Productivity growth remains subdued. Output per hour increased by 0.7% quarter-on-quarter and 1.1% year-on-year in the latest available data. While positive, this continues a long-term trend of underperformance relative to pre-2008 levels, constraining wage growth and overall economic capacity.

Forecasts remain cautious. Independent projections suggest GDP growth of around 0.6% for 2026, while international estimates place it closer to 0.8%. Both indicate a slowdown from earlier expectations.

Inflation and Monetary Policy

Inflation remains the central economic issue. CPI inflation rose to 3.3% in March 2026, with energy prices acting as the primary driver. Motor fuel costs were the largest contributor to the increase, reflecting global supply disruptions.

Food inflation has also begun to rise again, reaching 3.7% in March, up from 3.3% in February. Forward-looking estimates suggest that food price inflation could exceed 9% by the end of 2026, depending on how energy and supply chain conditions evolve.

Core inflation remains elevated, indicating that price pressures are not limited to energy alone. This reduces the likelihood of a rapid return to the 2% inflation target.

In response, the Bank of England has maintained a cautious policy stance. The base rate remains at 3.75%, with policymakers indicating that further decisions will depend on the trajectory of inflation, particularly in relation to energy markets.

Market expectations suggest that rate cuts are possible, but not imminent. The persistence of inflation, combined with external uncertainty, is likely to delay any aggressive easing cycle.

Labour Market and Earnings

Labour market conditions remain relatively stable, although there are signs of gradual weakening.

Employment stands at approximately 34.3 million people, with an employment rate of 75%. This is broadly unchanged on the previous year. However, alternative data sources indicate a decline in payrolled employees, suggesting that underlying conditions may be softer than headline figures imply.

Unemployment has increased to 1.78 million, with the unemployment rate rising to 4.9%, up from 4.4% a year earlier. Youth unemployment remains significantly higher, at 15.8%, indicating continued structural challenges in the labour market.

Wage growth has moderated. Average earnings excluding bonuses increased by 3.6% year-on-year, while inflation over the same period averaged 3.1%. This results in marginal real wage growth of approximately 0.4%.

While this represents an improvement compared to periods of negative real wage growth, it remains insufficient to significantly improve household purchasing power.

Trade and External Position

The UK’s external position shows mixed improvement. In the three months to early 2026, the country recorded a trade surplus of £0.6 billion, compared to a deficit of £14.0 billion in the previous period. This was driven by a 3.0% increase in exports and a 3.1% decline in imports.

Despite this short-term improvement, the broader picture remains unchanged. The UK continues to run a structural trade deficit, particularly in goods, which is partially offset by a surplus in services.

The current account deficit stands at £18.4 billion, equivalent to 2.4% of GDP. This represents a widening compared to the previous quarter.

Exchange rate movements have been relatively stable, although sterling has weakened slightly over recent months, reflecting global uncertainty and shifting capital flows.

Financial Markets and Commodities

Financial markets present a mixed outlook. Equity markets have performed strongly, with the FTSE 100 surpassing 10,000 for the first time in early 2026. This reflects both strong corporate earnings in certain sectors and broader market liquidity.

At the same time, commodity markets indicate increased risk. Brent crude oil prices have risen above $117 per barrel, driven by supply disruptions linked to geopolitical tensions. Gold prices have also surged, exceeding $4,500 per ounce, reflecting demand for safe-haven assets.

These trends suggest that while financial markets remain functional, they are pricing in elevated uncertainty.

Supply Chains and Structural Adjustments

Recent geopolitical developments have highlighted the continued vulnerability of global supply chains. Disruptions to key energy routes have had immediate effects on fuel prices, transport costs, and production inputs.

However, supply chains have demonstrated a degree of resilience. Rather than collapsing, they are adapting. Businesses are increasingly diversifying suppliers, rerouting logistics, and holding higher levels of inventory.

This marks a structural shift away from efficiency-driven models towards resilience-focused strategies. While this improves long-term stability, it also introduces higher costs, which are likely to feed into inflation over time.

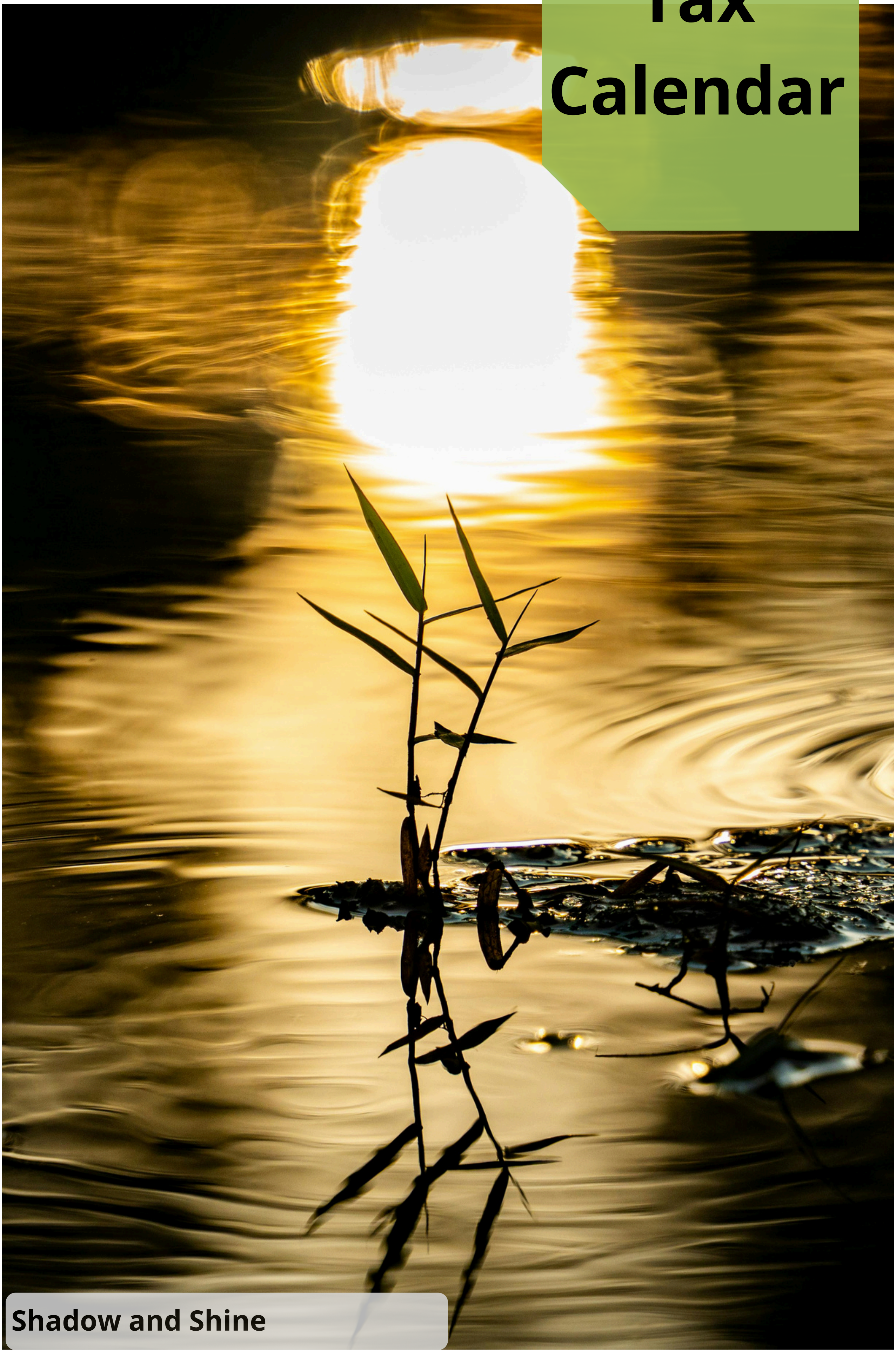
Outlook

The current economic environment can be described as stable but constrained. Growth is positive but limited, inflation is declining but remains above target, and external risks continue to influence domestic conditions.

The outlook depends on three key factors. First, the trajectory of energy prices, which will continue to drive inflation in the near term. Second, the response of monetary policy, particularly the timing and scale of any rate adjustments. Third, the recovery of business and consumer confidence, which will determine the strength of investment and demand.

In the absence of further shocks, the economy is likely to continue along its current path of low growth and gradual disinflation. However, the margin for error remains narrow, and the system has limited capacity to absorb additional stress.

Tax Calendar



Shadow and Shine

April 2026 - Tax Calendar

7^{TH} APRIL	Due date of Deposit of TCS collected for the Month of March , 2026
7^{TH} APRIL	Uploading of declarations received in Form 27C from the buyer in the month of March, 2026
14^{TH} APRIL	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194-M & 194S in the month of February, 2026
30^{TH} APRIL	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M & 194S in the month of March, 2026
30^{TH} APRIL	Due date for deposit of Tax deducted for the month of March, 2026.
30^{TH} APRIL	Due date for deposit of TDS for the period January 2026 to March 2026 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H
30^{TH} APRIL	Intimation by a pension fund in respect of investment made in India for quarter ending March 31, 2026

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