RNM India

RNM ALERT MAY NEWSLETTER

VOL NO 208

Timeless Wonders

GGi INDEPENDENT MEMBER

CONTENTS

EDITORIAL

Dear Readers

During the month of May 2026 the ceasefire of the Iran War remained volatile and tenuous, leading to a sharp depreciation of the Indian Rupee and increase in oil prices. The IPL season 2026 came to an end during the month with RCB and GT in the final match of the T20 tournament. The IPL has become the worlds second most valuable sports league after the USA NFL, largely due to huge fan following in India for cricket.

In a major relief enhancing the ease of doing business in India, the Honorable Supreme Court of India has issued deadlines by way of a directive to all High Courts to issue reserved judgement within 3 months, non compliance or inordinate delay may lead to reallocation to another Bench and if reasons are not uploaded within 30 days, case can be withdrawn to a fresh Bench.

On the Indirect tax front, in a landmark judgement of the Hon'ble Supreme Court the constitutional validity of bringing organized online gaming with money stakes within the ambit of GST regime has been upheld. The said activity has been classified under betting and gambling irrespective of whether the underlying game is one of chance or skill. The GST amendment of 2023 which imposed GST on the entire face value of the deposit in online gaming and not merely on the platform fee has been also upheld. The judgement has far reaching consequences on the entire online gaming industry.

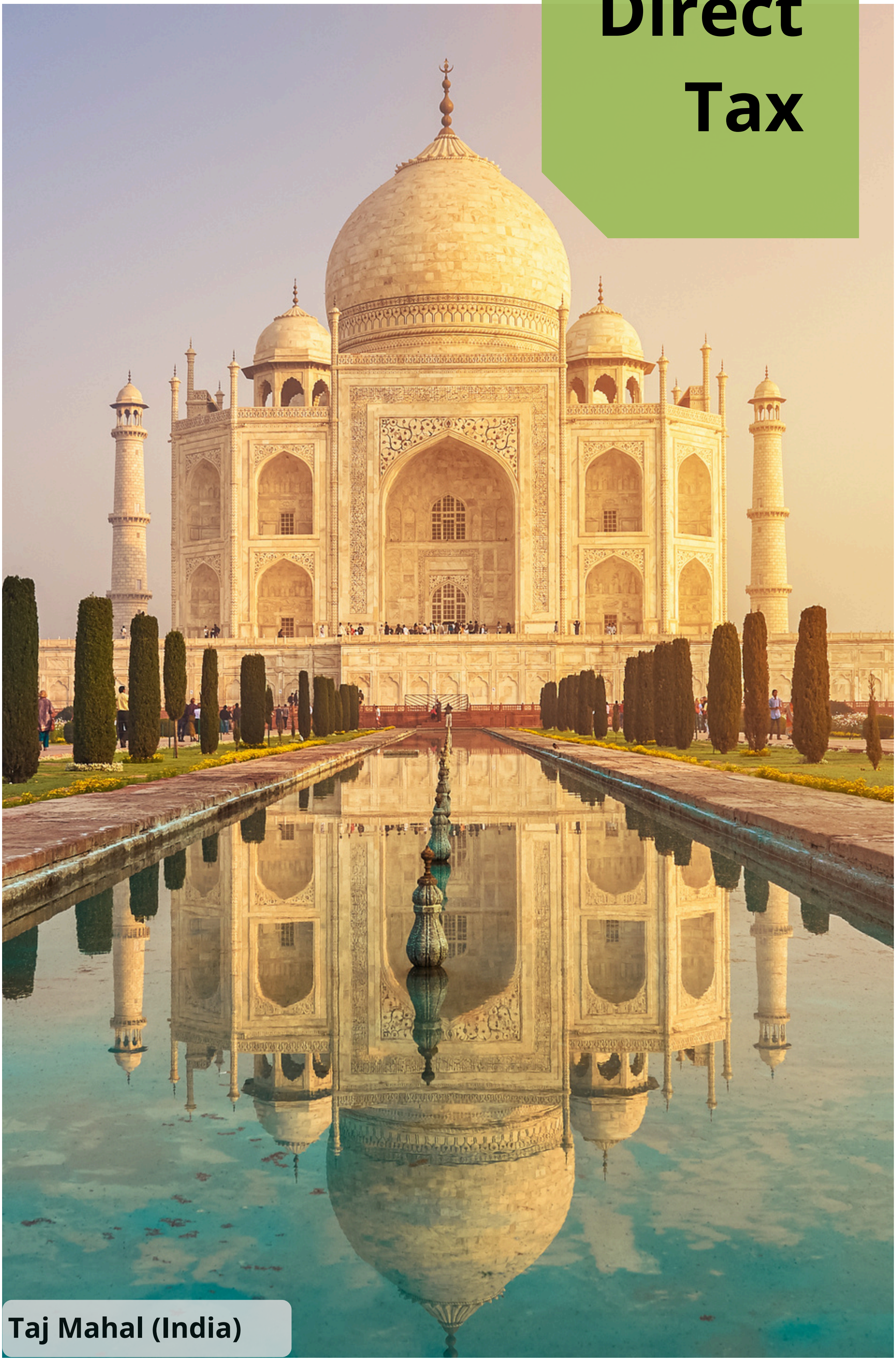
On the Direct tax front, the Hon'ble High Court of Gujrat at Ahmedabad has held that income tax demands raised in respect of a company undergoing CIRP under IBC cannot sustain where these demands are not part of the Resolution Plan approved by NCLT. This follows the Clean Slate Doctrine laid down by the Hon'ble Supreme Court.

On the Assurance front, the NFRA has issued the Audit Quality Inspection Guidelines 2026 to ensure that audit firms and chartered accountants maintain robust review mechanism. As compared to the earlier 2022 Guidelines, the new Guidelines transition from a compliance driven to a risk based, tech enabled enforcement framework with tighter timelines.

We would like to take this opportunity of wishing all our readers all the best for Fathers Day on June 21. On this day we honour and celebrate the profound impact of fathers, grandfathers on individual lives and society as a whole.

U N Marwah
Chairman - RNM India

Direct Tax



Taj Mahal (India)

Important Judicial Precedents

1. Addition u/s 69 based solely on sec. 132(4) statement without corroborative evidence was liable to be deleted: HC

[2026] 186 taxmann.com 143 (Madras-HC) PCIT v. M. Kiran Kumar

Where addition of undisclosed income was made solely on basis of statement recorded under section 132(4) without any corroborative evidence and statement did not relate to assessee in his individual capacity, deletion of addition by Tribunal was justified.

2. Intra-group share transfer between wholly owned Indian subsidiaries held exempt under section 47(iv): ITAT

[2026] 186 taxmann.com 471 (Chennai - Trib.) Valeo Bayen vs. DCIT, International Taxation

Where assessee, French based company, transferred shares of its wholly owned Indian subsidiary to another wholly owned Indian subsidiary, since transaction involved reorganization of shareholding without any change in ultimate beneficial ownership and there was no material to suggest that arrangement was sham, transaction could not be treated as income from other sources merely due to perceived tax advantage and exemption under section 47(iv) was to be allowed.

3. Reassessment u/s 147 quashed as AO failed to link Investigation Wing allegations with assessee's transactions: HC

[2026] 186 taxmann.com 638 (Allahabad-HC) PCIT v. Nita Rastogi

Where Assessing Officer initiated reassessment solely on general information received from Investigation Wing regarding alleged bogus long-term capital gains, without any independent tangible material or independent application of mind, reasons recorded reflected borrowed satisfaction and, therefore, reassessment proceedings were liable to be quashed.

4. Section 148 notice valid despite absence of signature if name and designation of officer provided: HC

[2026] 186 taxmann.com 313 (Delhi-HC) Asro Arcade vs. Income-tax Officer

Where notice under section 148 initiating reassessment was issued bearing name and designation of issuing officer without digital or handwritten signature, such notice fulfilled authentication requirements under section 282A(2), making notice valid and reassessment order sustainable.

5. Penalty u/s 271D to remain in abeyance till disposal of appeal against sec. 147 reassessment: HC

[2026] 186 taxmann.com 486 (Bombay-HC) Yamaji Ramchandra Rithe vs. Union of India

Where appeal against assessment order passed under section 147 was pending before CIT(A), penalty proceedings under section 271D and consequential demand under section 156 were liable to be kept in abeyance till disposal of said appeal, and continuation thereof would depend upon outcome of assessee's appeal before CIT(A).

6. Assessment u/s 143(3) based on third-party search material invalid; AO must proceed under reassessment regime:ITAT

[2026] 186 taxmann.com 1169 (Delhi - Trib.) Ramesh Zalpuri vs. DCIT/ACIT, Central

Where Assessing Officer made addition under section 69A by treating salary cash component as unexplained money solely on basis of documents seized from a search on a third person, assessment framed under section 143(3) without initiating reassessment was invalid and was liable to be quashed.

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. Addition of entire sale consideration for alleged accommodation entries unjustified as profit element already taxed: ITAT

[2026] 186 taxmann.com 1162 (Ahmedabad - Trib.) Vikramkumar Kishanlal Mehta vs. Deputy Commissioner of Income-tax

Where assessee made sales to a party alleged to be providing accommodation entries, but such sales were recorded in books, disclosed in GST returns, received through banking channels and profit therefrom had already been offered to tax, entire sale consideration could not be added as unexplained cash credit.

8. Stamp duty value on date of original allotment to be adopted under sec. 56(2)(x)(b)(B); matter remanded for factual verification:ITAT

[2026] 186 taxmann.com 650 (Mumbai - Trib.) Maniti Jayesh Shah vs. Income-tax Officer

Where assessee purchased office premises pursuant to allotment and part consideration moved through banking channels, stamp duty valuation as on allotment date was to be adopted under provisos to section 56(2)(x)(b)(B); matter remanded for limited verification.

<u>9. Tax recovery notice quashed as Revenue failed to produce demand orders or proof of service: HC</u>

[2026] 185 taxmann.com 941 (Bombay-HC) Capegemini Technology Services India Ltd vs. DCIT

Where petitioner-company received recovery notices for outstanding tax demands in name of erstwhile entity after amalgamation, but Revenue failed to produce underlying rectification/intimation orders or proof of service despite repeated opportunities, existence of valid orders giving rise to impugned demands remained unsubstantiated so such demands could not be sustained.

<u>10. AO can't make additions contrary to binding directions of DRP: HC</u>

[2026] 186 taxmann.com 267 (Delhi-HC) LX Pantos India (P.) Ltd. vs. Assessment Unit NFAC, Delhi

Where DRP directed Assessing Officer not to make addition under section 40(a)(i) if Department had not challenged Tribunal's orders on same issue for earlier years and revenue admittedly had not filed any appeal, Assessing Officer was bound by such mandatory directions under section 144C(10) and addition made contrary thereto was unsustainable in law.

<u>11. AO can't make additions contrary to binding directions of DRP: HC</u>

[2026] 186 taxmann.com 412 (Indore - Trib.) Chandrashekhar Jangde vs. Income-tax Officer

Where government employee filed return claiming relief under section 89 on salary arrears but Form 10E was filed belatedly, mere delay in filing Form 10E cannot result in denial of substantial relief if entitlement otherwise exists, and time limit for such form must be construed liberally allowing relief after due verification.

Indirect Tax

Great Wall of China

GST Calendar –Compliances for the month of May 2026.

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

The May 2026 issue of our GST Compendium provides a comprehensive overview of significant judicial developments, important GSTN advisories, updates under Customs and the Foreign Trade Policy (FTP), as well as technology-driven compliance initiatives that have a bearing on business processes and indirect tax implications.

The publication covers noteworthy developments concerning eligibility and availment of input tax credit, registration-related matters under GST, principles governing classification of supplies, taxation issues arising from supplies between Special Economic Zones (SEZs) and the Domestic Tariff Area (DTA), export promotion schemes, faceless customs assessments, and technology-enabled regulatory processes. It further reviews recent initiatives aimed at enhancing trade efficiency and examines international policy trends that continue to influence cross-border commerce and the administration of indirect taxes.

Major Takeaways from the GST Compendium – May 2026

Regulatory and Administrative Developments:

GSTN has rolled out an important enhancement to the appellate filing mechanism by allowing taxpayers to revise the pre-deposit amount while submitting appeals through Form GST APL-01. Effective from 6 April 2026, the GST portal permits modification of the pre-deposit field, thereby providing greater flexibility to taxpayers in determining the appropriate amount based on the facts and circumstances of individual cases.

Notable Judicial Rulings:

The Gujarat High Court has reaffirmed the validity of Section 16(2)(c) of the CGST Act, holding that entitlement to input tax credit is intrinsically linked to the actual remittance of tax to the Government by the supplier. Consequently, disallowance or reversal of credit on account of non-payment of tax by the supplier was upheld as being consistent with the statutory framework of GST.

GSTAT Continues Relaxed Defect-Scrutiny Framework for E-filed Appeals Until 31 December 2026

To facilitate a seamless transition to the newly introduced electronic filing system before the Goods and Services Tax Appellate Tribunal (GSTAT), the Tribunal has extended the operation of the simplified scrutiny mechanism for appeals filed through the GSTAT portal up to 31 December 2026. The extension has been granted under Rule 123 of the Goods and Services Tax Appellate Tribunal (Procedure) Rules, 2025 and follows the relief measures previously introduced through the Office Order dated 20 January 2026 and the Instructions dated 10 March 2026.

The decision takes into account the practical challenges and technological constraints encountered by taxpayers, authorised representatives, and professionals during the initial implementation phase of the GSTAT digital filing platform. The objective is to reduce procedural bottlenecks and promote efficient disposal of appeals through a user-friendly electronic process.

Under the revised framework, Registry officials have been directed to confine scrutiny primarily to material and substantive deficiencies and refrain from raising objections on account of insignificant procedural or technical irregularities. Appeals should not be treated as defective merely because of minor formatting or documentation issues where the essential records have been furnished.

Further, no defect memo is required to be issued where the appellant has uploaded electronic copies of key appeal documents, including: -

- The Show Cause Notice
- Adjudication order
- Appellate order
- Statement of facts
- Grounds of appeal
- Evidence of payment of the prescribed pre-deposit or applicable fees.

The instructions also clarify that documents generated electronically through the GST system are not required to be separately authenticated. In addition, scanned copies of certified documents shall be accepted, provided the certification by the issuing authority is clearly discernible from the uploaded record.

Framework for Classification and Allocation of Appeals Before GSTAT Benches

The Goods and Services Tax Appellate Tribunal (GSTAT) has prescribed a structured mechanism for allocation and hearing of appeals before its Benches across the country. The framework has been notified by the Principal Bench, New Delhi in exercise of powers conferred under Section 109(8) of the CGST Act, 2017 read with Rule 110A of the CGST Rules and Rule 123 of the GSTAT (Procedure) Rules, 2025.

A key feature of the framework is that all pending and future appeals shall initially be placed before a Division Bench. While certain matters involving an amount below the prescribed threshold and not raising any substantial question of law may be heard by a Single Bench, the determination of such eligibility shall first be made by the Division Bench. Upon satisfaction that the matter is fit for disposal by a Single Bench, the case may be transferred with the approval of the President or Vice-President of the Tribunal.

For administrative convenience and effective case management, appeals have been categorised into three broad classes:

Category I – Core Tax Disputes: Matters involving classification, exemption, input tax credit, valuation, time of supply, determination of tax liability, and proceedings under Sections 73 and 74 of the CGST Act, including cases involving fraud, suppression, or wrongful availment of credit.

Category II – Procedural and Compliance Matters: Disputes relating to registration, cancellation of registration, composition levy, refunds, recovery proceedings, provisional assessments, and other compliance-related issues.

Category III – Ancillary and Consequential Proceedings: Matters concerning seizure, confiscation, provisional attachment, rectification of orders, penalties, compounding applications, and requests for payment of dues in instalments.

The Tribunal has further clarified that ancillary or consequential proceedings should ordinarily be assigned to the same Bench that is seized of the principal dispute, thereby promoting consistency in adjudication and administrative efficiency.

Key Enhancements Introduced in the E-Way Bill System

The GST E-Way Bill framework has undergone a series of technology-driven enhancements aimed at strengthening compliance controls, improving data accuracy, and facilitating seamless movement of goods. These measures are intended to reduce manual intervention, prevent duplication of records, and enhance operational efficiency for taxpayers and transporters.

One of the significant changes is the introduction of automated distance calculation based on the PIN codes of the consignor and consignee locations. The system now auto-populates the travel distance, while permitting taxpayers to declare an additional distance within the prescribed tolerance limit, thereby minimizing errors and ensuring greater consistency in E-Way Bill generation.

To curb duplication and misuse, the portal has implemented a "One Invoice – One E-Way Bill" validation mechanism. Under this control, once an E-Way Bill has been generated against a particular invoice or document number, the system restricts the generation of multiple E-Way Bills for the same transaction.

The portal has also enhanced the process relating to extension of E-Way Bill validity. Taxpayers and transporters may now seek extension where goods are either in transit or continue to remain in movement, subject to updating the relevant transportation details before expiry of the original validity period.

Further, an expiry monitoring facility has been introduced, enabling users to track E-Way Bills approaching their validity deadline. This feature is expected to assist businesses in avoiding disruptions arising from the movement of goods under expired E-Way Bills.

As an additional compliance safeguard, vehicle registration details entered in the E-Way Bill system are now validated through integration with the VAHAN database. Any mismatch or invalid vehicle registration number is flagged by the system, thereby reducing the possibility of erroneous reporting.

The portal also facilitates multi-vehicle transportation of a single consignment following transshipment. This enhancement is particularly beneficial in situations involving logistical constraints, route diversions, transportation through multiple hubs, or movement in geographically challenging regions.

Further restrictions have been incorporated for taxpayers operating under the Composition Scheme to ensure alignment with statutory limitations prescribed under the GST law. Certain interstate movements and transaction-specific functionalities have accordingly been restricted within the system.

Additionally, the introduction of the interoperable E-Way Bill 2.0 ecosystem enables taxpayers to generate, update, extend, and print E-Way Bills through either of the designated portals. Real-time synchronization between the portals is expected to improve system resilience, ensure business continuity, and minimize disruptions arising from portal downtime.

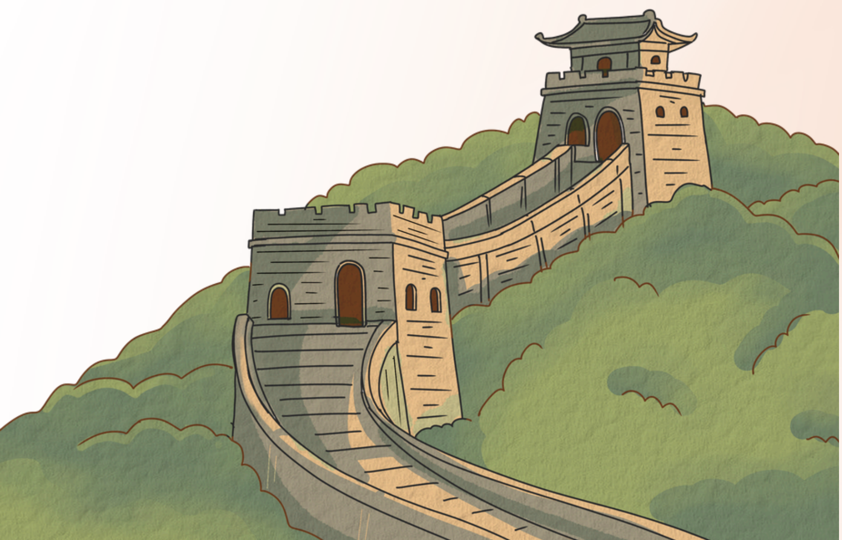
Principal Bench of GSTAT Notified to Hear Appeals Against Conflicting Advance Rulings

Section 101A of the CGST Act, 2017 provides for the constitution of a National Appellate Authority for Advance Ruling (NAAAR) to adjudicate appeals arising from conflicting Advance Rulings pronounced by Appellate Authorities for Advance Ruling (AAARs) of two or more States or Union Territories. Such a mechanism is intended to ensure uniformity in the interpretation and application of GST provisions across jurisdictions.

Pursuant to the amendments introduced by the Finance Act, 2026, the Central Government has been empowered, with effect from 1 April 2026, to designate any existing authority to discharge the functions envisaged under Section 101A, in lieu of constituting a separate National Appellate Authority.

In exercise of the aforesaid powers, the Central Government, vide Notification No. 18/2024 – Central Tax dated 30 September 2024, has notified the Principal Bench of the Goods and Services Tax Appellate Tribunal (GSTAT), New Delhi, to hear and dispose of appeals filed under Section 101B of the CGST Act arising from conflicting Advance Rulings. The notification shall be deemed to have come into force with effect from 1 April 2026.

This development establishes a centralized appellate mechanism for resolving divergent interpretations adopted by different State AAARs, thereby promoting consistency, certainty, and uniformity in the administration of GST laws for businesses operating across multiple jurisdictions.



Corporate Finance

Colosseum (Italy)

Lakshmi Mittal, Poonawalla Led Group To Buy IPL Franchise Rajasthan Royals

A consortium led by steel magnate Lakshmi Mittal and vaccine entrepreneur Adar Poonawalla has agreed to acquire a controlling stake in IPL franchise Rajasthan Royals in a transaction valuing the franchise at approximately $1.65 billion (Around INR 15,673 crores). Under the proposed deal, the Mittal family will hold around 75% ownership, while Poonawalla will own approximately 18%, with existing investors retaining the remaining stake. The acquisition includes not only the Rajasthan Royals IPL team but also its sister franchises, Paarl Royals in South Africa's SA20 league and Barbados Royals in the Caribbean Premier League. Subject to regulatory approvals from the BCCI, IPL Governing Council and competition authorities, the transaction is expected to close in Q3 2026. The deal marks one of the most significant investments in global franchise cricket and underscores the growing commercial value of sports assets in India and international T20 leagues.

(Source: VC Circle, 04th May 2026)

Private Equity

Fairfax To Gain Majority Stake In IIFL Capital With $211 Mn Investment

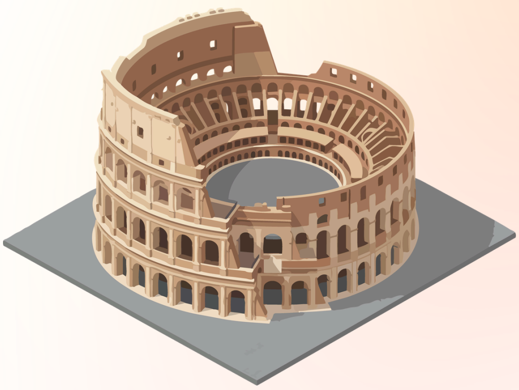
Fairfax India Holdings Corp announced a $211 million (Around INR 2,000 crores) investment in IIFL Capital Services through a preferential allotment, increasing its stake from 30.5% to at least 51%. The transaction will trigger an open offer for an additional 26% stake and position Fairfax as a co-promoter alongside the existing promoter group. The capital infusion is expected to strengthen IIFL Capital's balance sheet and support growth across wealth management, asset management, capital markets, and investment banking businesses. Fairfax will also gain board representation, enhancing governance and institutional oversight.

(Source: VC Circle, 7th May 2026)

Nisus Finance Invests In Paranjape Schemes' Project

Nisus Finance Services invested $9.3 million (Around INR 90 crores) through its Real Estate Special Opportunities Fund-I (RESO-I) in a residential tower project within Paranjape Schemes' Blue Ridge township in Hinjewadi, Pune. The project comprises 188 residential units with a saleable area of approximately 4.02 lakh sq. ft. Located in one of Pune's key IT-driven residential corridors, the investment aligns with Nisus' strategy of backing high-quality housing projects in growth markets.

(Source: VC Circle, 15th May 2026)



Advent International Invests $150 Mn In Iscon Balaji Foods

Advent International has invested $150 million (Around INR 1,424 crores) in Iscon Balaji Foods as part of the company's $215 million (Around INR 2,042 crores) Series A funding round, which also included a recent investment from 360 One Asset. The capital will support capacity expansion, product diversification, and growth across domestic and international markets. The company is further strengthening its market position through significant capacity additions, including Asia's largest French fries manufacturing facility in Gujarat.
(Source: VC Circle, 19th May 2026)

InCred Alternative Invests $19 Mn In Defence, Aerospace Player VEM Technologies

InCred Alternative Investments has invested $19 million (Around INR 185 crores) in Hyderabad-based VEM Technologies through its private equity funds, InCred Growth Partners Fund-I and Fund-II. The investment will serve as growth capital to support the defence and aerospace company's expansion plans, including strengthening manufacturing infrastructure and enhancing capabilities across complex defence systems. Founded in 1988, VEM Technologies is a key supplier to strategic missile programmes such as BrahMos, Akash, and Prithvi. The transaction underscores growing investor confidence in India's defence manufacturing sector, supported by increasing localisation, policy reforms, and rising demand for indigenous defence solutions.
(Source: VC Circle, 20th May 2026)

Aditya Birla Capital Taps IFC For $95 Mn Cheque

Aditya Birla Capital has raised $95 million (Around INR 902 crores) from the International Finance Corporation (IFC), alongside a $324 million (Around INR 3,080 crores) capital infusion from promoter group entities through a preferential share issue. The fresh capital will strengthen the company's balance sheet, support lending business growth and fund strategic investments across subsidiaries and associated businesses. The capital infusion is expected to enhance the company's ability to capitalize on growth opportunities and expand its digital-first financial services offerings.
(Source: VC Circle, 20th May 2026)

Damroo Secures $0.5 Mn Investment

Artist-first music streaming and distribution platform Damroo has raised a strategic investment of $0.5 million (Around INR 5 crores) from Hindustan Times. The funding will support the startup's technology expansion, artist network growth, regional music discovery, and new monetization opportunities for creators. Backed by Kumar Vishwas, Damroo focuses on empowering independent and regional artists across India, while Hindustan Times will help amplify its reach through its media and entertainment platforms.
(Source: VC Circle, 18th May 2026)

StrainX Raises $13 Mn

Synthetic biology startup StrainX Bioworks has raised $13 million (Around INR 124 crores) in a funding round led by Prime Venture Partners and Leo Capital. Founded by IIT Delhi alumni Akshay Mittal and Alok Malaviya, the company is building a precision fermentation and biotechnology platform for sustainable manufacturing across food, materials, and consumer health sectors, and is now preparing to scale its fermentation operations significantly.
(Source: VC Circle, 25th May 2026)

Fairdeal.Market Raises $15 Mn in Series A Funding

Fairdeal.Market, a B2B quick commerce platform serving neighborhood retailers, has raised $15 million (Around INR 143 crores) in a Series A funding round led by Bertelsmann India Investments, with participation from WaterBridge Ventures and Incubate Asia Fund. Operating across Delhi-NCR, the company plans to use the fresh capital to expand its retailer network, dark store operations, technology infrastructure, and last-mile delivery capabilities. Fairdeal currently delivers over 1,000 SKUs to more than 20,000 retailers within 60 minutes.
(Source: VC Circle, 26th May 2026)

Quantum Tiger Secures Pre-Seed Funding at $2 Mn Valuation

Kolkata-based AI-native intelligence startup Quantum Tiger has raised pre-seed funding at a valuation of $2 million (Around INR 19 crores), backed by a prominent Middle East-based family office. The company is developing an intelligence operating system that integrates graph memory systems, adaptive risk analysis, contextual AI reasoning, and intelligence workflows to support strategic decision-making. Its platform enables organizations to ingest, connect, and analyze documents, communications, operational reports, and enterprise knowledge within a unified AI-native workspace.

(Source: VC Circle, 26th May 2026)

Flexprice Raises $1.5 Mn in Seed Funding

Open-source usage billing infrastructure platform Flexprice has raised $1.5 million (Around INR 14 crores) in a seed funding round led by Shastra VC, with participation from People Group founder Anupam Mittal and TDV Partners. Founded in late 2024, the New Delhi-headquartered startup provides a platform for real-time usage ingestion, entitlement management, and flexible pricing logic, helping companies manage evolving billing workflows without relying on rigid or opaque systems. Flexprice also operates teams in San Francisco and Bengaluru.

(Source: VC Circle, 26th May 2026)

Mergers & Acquisitions

Zydus Lifesciences Arm To Acquire US Oncology Firm Assertio

Zydus Lifesciences has agreed to acquire US-based pharmaceutical company Assertio Holdings Inc for approximately $166.4 million (Around INR 1,596 crores) in an all-cash transaction. The acquisition will strengthen Zydus' oncology and specialty pharmaceutical presence in the US by providing access to Assertio's established commercial platform, including a network of over 170 oncology accounts and its approved oncology therapy, ROLVEDON. The transaction, expected to close during the current financial year, reflects Zydus' strategy of expanding its global specialty healthcare portfolio through targeted acquisitions.

(Source: VC Circle, 14th May 2026)

Inox Clean Energy Inks $750 Mn Deal To Acquire Boviet Solar's US Assets

Inox Clean Energy has acquired the US solar manufacturing assets of Boviet Solar Technology LLC for an enterprise value of approximately $750 million (Around INR 7,195 crores), marking one of the largest overseas renewable energy manufacturing acquisitions by an Indian company. The transaction provides Inox with 3 GW of operational solar module manufacturing capacity in the US and access to an additional 3 GW solar cell manufacturing facility expected to be commissioned by 2026. The acquisition strengthens Inox's global footprint, establishes a strategic manufacturing presence in the US and positions the company to benefit from domestic clean energy incentives and tax credits.

(Source: VC Circle, 15th May 2026)

Temasek-Backed Cloudnine To Acquire Apollo Health's Maternity, Fertility Units

Cloudnine has agreed to acquire the maternity, childcare, and fertility businesses of Apollo Health & Lifestyle in a cash and stock transaction valued at approximately $162 million (Around INR 1,550 crores). The deal includes the merger of Apollo Cradle and Apollo Fertility with Cloudnine, creating one of India’s largest integrated maternity and fertility care platforms. As part of the transaction, Apollo Health & Lifestyle will receive a 9.9% stake in Cloudnine. The acquisition significantly expands Cloudnine’s healthcare network and strengthens its leadership position in the rapidly growing maternal and reproductive healthcare segment.

(Source: VC Circle, 21st May 2026)

LTM To Acquire Randstad Tech Services' Business In Europe, Australia

LTM has announced plans to acquire the technology and consulting services business of Randstad across select European markets and Australia in a transaction valued at up to $188 million (Around INR 1,786 crores). The acquisition encompasses operations in France, the Netherlands, Australia, and several other European countries. The deal is expected to strengthen LTM’s AI-led technology services portfolio, engineering capabilities and regional delivery footprint across key international markets. In addition to the acquisition, the companies have entered into a broader strategic partnership, including a five-year IT services agreement and talent management collaboration, supporting LTM’s long term global growth strategy.

(Source: VC Circle, 22nd May 2026)

Steel Pipe Maker MAN Industries Buys Saudi Firm For $102 Mn

MAN Industries (India) Ltd has acquired Saudi Arabia-based National Pipe Company (NPC) for $102 million (Around INR 1,000 crores), strengthening its presence in the Middle East and expanding access to infrastructure, energy, water, and industrial projects in the region. The acquisition adds a manufacturing capacity of 430,000 metric tonnes per annum, a strong order book of $120 million (Around INR 1,139 crores) and relationships with leading customers such as Saudi Aramco and Saudi Water Authority. The transaction is expected to be immediately earnings-accretive and enhances MAN Industries' position in one of the world's fastest-growing infrastructure and energy markets.

(Source: VC Circle, 22nd May 2026)

Transaction & Regulatory Advisory Services

Machu Picchu (Peru)

Key Regulatory & Legal Updates in May 2026

1.MCA

- **MCA Clarification issue related to Transfer of Membership Interest in Company Without Capital**

MCA has clarified vide its communication dated 08.05.2026 that transfer of membership interest in a company not having share capital (including companies limited by guarantee) must be effected through a duly executed instrument of transfer under Section 56 of the Companies Act, 2013.

Further, pursuant to Rule 11(2) of the Companies (Share Capital and Debentures) Rules, 2014, Form SH-4 shall be used for such transfer, with references to “securities” being read as references to the “interest of a member”.

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

- **CSR through Social Stock Exchange**

Vide G.S.R. 416(E), Schedule VII of the Companies Act, 2013 has been amended to include subscription to Zero Coupon Zero Principal (ZCZP) Instruments listed on the Social Stock Exchange as an eligible CSR activity.

This provides companies with an additional avenue to deploy CSR funds towards social impact initiatives through a regulated market framework.

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

- **Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026**

Vide G.S.R. 415(E), the Companies (CSR Policy) Rules, 2014 have been amended to allow companies to undertake CSR activities through Zero Coupon Zero Principal (ZCZP) Instruments issued by SEBI-registered NPOs listed on the Social Stock Exchange.

Key features include a 10% cap on annual CSR expenditure, exemption from impact assessment requirements, and mandatory utilization/reporting obligations for issuing NPOs.

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

2. FEMA / RBI

- **Foreign Exchange Management (Authorised Persons) Regulations, 2026**

The Reserve Bank of India has notified the Foreign Exchange Management (Authorised Persons) Regulations, 2026, introducing a revised regulatory framework for Authorised Persons under FEMA, 1999. The Regulations seek to strengthen regulatory oversight, streamline foreign exchange operations, and enhance compliance standards, while superseding certain existing circulars and making consequential amendments to related Master Directions.

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

3. Securities and Exchange Board of India (SEBI)

- **Advisory on Emerging Advanced Artificial Intelligence (AI) Tools for Vulnerability Detection**

SEBI, through its Circular dated 05 May 2026, has cautioned regulated entities regarding emerging Artificial Intelligence (AI)-based tools capable of identifying and exploiting cybersecurity vulnerabilities at scale. The advisory urges market participants to strengthen cybersecurity controls, vulnerability management frameworks, and AI governance mechanisms to enhance cyber resilience.

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

- **Discontinuation of Investor Risk Reduction Access (IRRA) platform**

SEBI has approved the discontinuation of the Investor Risk Reduction Access (IRRA) platform following the implementation of enhanced business continuity and disaster recovery mechanisms by Market Infrastructure Institutions (MIIs). Market participants should review and align their contingency and operational resilience frameworks with the revised regulatory arrangements.

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

- **Master Circular on Surveillance of Securities Market**

SEBI has issued an updated Master Circular on Surveillance of the Securities Market, consolidating existing surveillance-related circulars and compliance requirements into a single reference framework. The circular strengthens market monitoring mechanisms and reiterates compliance obligations for stock exchanges, depositories, intermediaries, and other regulated entities.

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

Petra (Jordan)

May 01, 2026: IFSCA Positions GIFT City as Emerging Global Treasury Hub at Corporate Treasury Conference 2026

The International Financial Services Centres Authority (IFSCA) hosted the two-day IFSCA Corporate Treasury Conference 2026 at GIFT City, bringing together more than 250 treasury professionals, bankers, fintech leaders, and corporate executives from India and overseas to discuss the future of global treasury operations. Addressing the conference, IFSCA Chairperson K. Rajaraman highlighted GIFT IFSC's transformation from an initiative aimed at "onshoring the offshore" into India's gateway to global capital. He emphasized that strong domestic demand, fiscal discipline, infrastructure investment, digital public infrastructure, and manufacturing growth continue to support India's medium-term economic outlook and its vision of becoming a developed economy.

Rajaraman underscored the growing importance of corporate treasury functions amid rising market volatility, liquidity pressures, foreign exchange risks, and cybersecurity challenges. He noted that IFSCA's revised Treasury Centre Framework, introduced in 2025, offers enhanced operational flexibility, a foreign-currency-focused ecosystem, a light-touch regulatory approach, and significant tax advantages for treasury centres operating from GIFT IFSC.

The Chairperson also highlighted recent tax reforms under the Finance Bill 2026, which extended the tax holiday period for IFSC units to 20 years out of a 25-year block and provided long-term tax certainty. IFSCA is additionally exploring broader foreign currency transaction permissions and the introduction of commodity trading activities within GIFT IFSC.

The conference featured discussions on treasury governance, cross-border payment innovations, treasury technology, cash concentration, treasury centralization, and operational optimization through IFSC structures. Industry experts shared insights on emerging technologies such as tokenized deposits, stablecoins, virtual accounts, AI-driven treasury management, advanced analytics, and real-time settlement systems.

A key highlight was the participation of treasury leaders already operating in GIFT IFSC, who shared their experiences, operational benefits, and expansion plans. Discussions also focused on liquidity optimization, cash pooling, regulatory support, and the strategic advantages of establishing treasury centres within the IFSC ecosystem.

The event concluded with a presentation on the Foreign Currency Settlement System (FCSS), a real-time gross settlement mechanism within GIFT IFSC that enables near-instant settlement of USD obligations among banking units, reinforcing GIFT City's ambition to become a globally competitive treasury and financial services hub.

May 08, 2026: GIFT City Strengthens Ambition to Become Global Aviation Leasing Hub as Industry Commits Over $10 Billion in Aircraft Assets

India's ambition to emerge as a global aircraft leasing and aviation financing hub received a significant boost at the second edition of the India Aircraft Leasing & Financing Summit (IALFS 2.0), held at GIFT City, Gandhinagar. Organized jointly by the Ministry of Civil Aviation (MoCA), the International Financial Services Centres Authority (IFSCA), and FICCI, the summit brought together policymakers, financiers, lessors and aviation industry leaders to accelerate the development of a domestic aircraft leasing ecosystem. With Indian airlines collectively placing some of the world's largest aircraft orders and the country's aircraft leasing market projected to approach USD 100 billion, stakeholders emphasized the need to build financing capabilities within India rather than relying predominantly on overseas leasing jurisdictions.

Addressing the summit, Union Civil Aviation Minister Rammohan Naidu Kinjarapu said India is positioning itself not only as one of the fastest-growing aviation markets but also as an emerging global aviation financing and leasing jurisdiction. He highlighted recent reforms, including the implementation of the Cape Town Convention and the Protection of Interest in Aircraft Objects Act, 2025, which have strengthened investor confidence and improved access to competitive financing.

Gujarat Chief Minister Bhupendrabhai Patel reiterated the state's commitment to strengthening GIFT City as a global financial and fintech hub, pointing to recent policy support such as the extension of tax benefits for aircraft leasing entities operating from the International Financial Services Centre (IFSC).

IFSCA Chairman K. Rajaraman noted that GIFT IFSC already hosts a growing ecosystem of aircraft lessors and aviation financing structures covering aircraft, engines, helicopters and other aviation assets. He said the next phase of growth would focus on greater regulatory flexibility and wider institutional participation across the aviation finance value chain.

A key highlight of the summit was a series of industry announcements that collectively underscore the growing momentum of aircraft leasing activities through GIFT City. Air India’s leasing arm announced plans to increase aircraft leased through GIFT IFSC from 50 to more than 75 aircraft during FY27, representing additional assets worth approximately USD 2.5–3 billion. IndiGo said it expects its GIFT IFSC-based leased fleet to double to around 150 aircraft by March 2027, adding aircraft worth an estimated USD 3.5–4 billion.

Regional carrier Star Air announced the establishment of a leasing entity in GIFT IFSC and plans to lease additional regional aircraft from the centre, while Akasa Air unveiled its dedicated leasing platform at GIFT City to support the leasing of around 60 aircraft over the next five years.

The summit also witnessed the signing of a Memorandum of Understanding between IFSCA and FICCI to further develop GIFT IFSC as a global aviation finance centre. Discussions during the event focused on strengthening regulatory frameworks, expanding access to capital, enhancing dispute resolution mechanisms and attracting long-term domestic and international investment into aviation financing.

With strong policy backing, increasing participation from airlines and financial institutions, and growing global interest, GIFT IFSC is steadily positioning itself as a credible alternative to established international aircraft leasing centres, supporting India's broader vision of becoming a leading aviation powerhouse by 2047.

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) has approved the draft IFSCA (Managing General Agents) Regulations, 2026, marking a significant step towards strengthening the insurance ecosystem within India's International Financial Services Centres (IFSCs). The draft regulations were approved during the Authority's 28th meeting held on April 17, 2026. The proposed framework seeks to establish a comprehensive regulatory regime governing the registration, operation and oversight of Managing General Agents (MGAs) operating in IFSCs. MGAs are entities that receive delegated authority from foreign insurers to underwrite direct insurance business and settle claims. The regulations aim to ensure transparency, accountability and policyholder protection while supporting the orderly growth of the insurance sector in the IFSC. Under the proposed framework, MGAs may be established in the IFSC either as incorporated entities or as branches. Incorporated MGAs will be required to register as companies under the Companies Act, 2013. Branch MGAs must meet specified eligibility conditions, including obtaining a valid registration and No Objection Certificate (NOC) from their home regulator. In addition, the applicant's home jurisdiction must have a Double Taxation Avoidance Agreement (DTAA) with India and comply with Financial Action Task Force (FATF) standards. Foreign insurers partnering with MGAs through binding authority agreements will also need to satisfy prescribed requirements, including maintaining a minimum net worth of USD 100 million, holding a minimum credit rating of 'A', and possessing valid regulatory approval from their home jurisdiction. The regulations permit registered MGAs to undertake direct insurance business from within the IFSC and outside India. Business sourced from Domestic Tariff Area (DTA) India will remain subject to the provisions of Section 2CB of the Insurance Act, 1938. All transactions will be conducted only in specified foreign currencies. To ensure financial stability, the draft regulations prescribe a minimum capital requirement of USD 500,000 to be maintained in an IFSC Banking Unit (IBU). Investments in MGAs must be made from unencumbered own funds. Net worth requirements have been set at USD 250,000 or 50% of the minimum capital requirement, whichever is higher. Branch MGAs, however, will be permitted to maintain the required net worth at the parent entity level. The proposed regulations also introduce several governance and operational safeguards, including mandatory Binding Authority Agreements between foreign insurers and MGAs, insurer-wise fiduciary accounts, premium segregation norms, independent annual audits and on-site reviews by insurers, financial security and deposit requirements, professional indemnity insurance coverage, board-approved policies governing product comparison and distribution, and a prescribed code of conduct. The move is expected to enhance the attractiveness of GIFT IFSC as a global insurance hub by enabling innovative distribution models while maintaining robust regulatory oversight and international best practices.

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.

May 12, 2026: IFSCA Issues Master Circular for Broker Dealers and Clearing Members in GIFT IFSC

The International Financial Services Centres Authority (IFSCA) has issued the Master Circular for Broker Dealers and Clearing Members (Circular No. IFSCA/CMD/MIIT/MCBDCM/2026), bringing together the regulatory framework governing these intermediaries into a single comprehensive document.

The move is aimed at simplifying compliance and providing greater regulatory clarity for Broker Dealers and Clearing Members operating in GIFT International Financial Services Centre (IFSC). The Master Circular consolidates multiple circulars issued by IFSCA over the past five years relating to registration, supervision, governance, conduct and operational requirements. With the issuance of the circular, all applicable Securities and Exchange Board of India (SEBI) circulars issued prior to October 1, 2020, in respect of Broker Dealers and Clearing Members registered with IFSCA stand superseded. The consolidated framework will serve as a single reference point for market intermediaries operating within the IFSC ecosystem.

The Master Circular has been structured across eleven chapters and covers the entire lifecycle of a Broker Dealer or Clearing Member, ranging from registration and eligibility requirements to ongoing supervision, technology governance, compliance obligations and surrender of registration. Among the key features of the circular is the introduction of a streamlined registration process through the Single Window IT System (SWITS), designed to improve ease of doing business and accelerate regulatory approvals.

The framework also strengthens governance standards and adopts a risk-based supervisory approach, enabling more effective oversight of regulated entities based on their scale, complexity and risk profile. Recognising the growing importance of technology in financial markets, the circular introduces a tiered system audit framework and detailed requirements relating to technical glitches, software resilience and vendor risk management. These measures are intended to enhance operational robustness and safeguard market integrity. The Master Circular further places significant emphasis on investor protection through client asset safeguarding requirements, while also mandating comprehensive business continuity and disaster recovery mechanisms to ensure uninterrupted market operations during disruptions.

In addition, the framework formalises market access through authorised persons and prescribes detailed periodic reporting and compliance audit requirements to strengthen transparency and regulatory monitoring. The consolidation of regulatory requirements into a single master circular is expected to reduce compliance complexity, improve regulatory certainty and support the continued development of GIFT IFSC as a globally competitive international financial centre.

May 16, 2026: Commerce Secretary Reviews GIFT IFSC's Growing Role in Global Trade Finance and Capital Flows

Shri Rajesh Agrawal, Secretary, Department of Commerce, Government of India, visited the headquarters of the International Financial Services Centres Authority (IFSCA) at GIFT City and held high-level discussions with IFSCA Chairperson Shri K. Rajaraman and senior officials on strengthening India's international trade and financial ecosystem. The meeting focused on enhancing the role of GIFT International Financial Services Centre (IFSC) in facilitating global capital flows, international trade financing, and building a robust cross-border financial services ecosystem. The discussions underscored the strategic importance of GIFT IFSC in improving ease of doing business and supporting India's growing engagement with global markets. During the interaction, Shri K. Rajaraman highlighted the rapid evolution of GIFT IFSC into a globally competitive international financial and business hub. He noted that the centre has emerged as a key gateway for global capital, while also becoming a significant hub for aircraft and ship leasing, trade finance, insurance, and reinsurance activities. Rajaraman emphasized that IFSCA's unified regulatory framework—comprising over 35 regulations and 17 policy frameworks—has helped attract more than 1,000 registered entities to the ecosystem. Managing Director of GIFT City Company Limited, Shri Sanjay Kaul, presented plans aimed at further upgrading urban infrastructure, improving social amenities, and enhancing the overall quality of life within the city. IFSCA officials also presented an overview of the expanding GIFT IFSC ecosystem, highlighting growth across banking, capital markets, insurance, fund management, fintech, aircraft leasing, and ship leasing sectors. Discussions with officials from the Department of Commerce and the India International Bullion Exchange covered policy initiatives related to Special Economic Zone (SEZ) framework enhancements, development of the leasing ecosystem, and opportunities in the metals and commodities segment. The scale of activity at GIFT IFSC was reflected in its trade finance performance during FY26. International Banking Units operating within GIFT IFSC facilitated nearly USD 50 billion in trade finance transactions, while International Trade Finance Services (ITFS) platforms and factoring companies supported small and medium enterprises through bill factoring worth USD 111 million. A stakeholder consultation meeting was also organised during the visit, bringing together representatives from banks, bullion market participants, leasing firms, fund management entities, ITFS platforms, factoring companies, the Indian Institute of Foreign Trade (IIFT), and other trade finance institutions. Participants discussed industry challenges, operational issues, and policy measures required to further strengthen the business environment within GIFT IFSC. The visit reaffirmed GIFT IFSC's growing significance as a gateway for international capital and trade flows and highlighted its increasing contribution to enhancing India's competitiveness in global financial services. The deliberations reflected a shared commitment between policymakers and industry stakeholders to deepen policy coordination and accelerate the development of a globally integrated financial ecosystem aligned with the vision of Viksit Bharat 2047.

May 19, 2026: NPCI's e-KYC Setu Platform Access Extended to Regulated Entities in GIFT IFSC

In a significant move aimed at strengthening digital onboarding and compliance processes within GIFT International Financial Services Centre (IFSC), access to the National Payments Corporation of India's (NPCI) e-KYC Setu platform has been enabled for all regulated entities operating in the financial hub.

The e-KYC Setu system, developed by NPCI, provides a secure and seamless Aadhaar-based digital identity verification mechanism, allowing regulated entities to onboard clients through a single-window interface.

With the integration of the platform, regulated entities in GIFT IFSC can now digitally verify customers' Aadhaar information in a secure and efficient manner. The facility is expected to significantly streamline client onboarding procedures, reduce operational friction, and enhance compliance standards across financial institutions operating in the IFSC ecosystem.

The platform also addresses data privacy concerns by eliminating the need for regulated entities to physically store or process sensitive Aadhaar-related information, including Aadhaar card numbers. This strengthens data protection measures while ensuring faster and more reliable customer verification.

The move is expected to further bolster GIFT IFSC's position as a globally competitive financial centre by facilitating technology-driven, secure, and efficient onboarding processes for domestic and international clients.

UK Tax Update

Christ the Redeemer (Brazil)

UK Economic & Accounting Insight

The UK economy continued to demonstrate resilience throughout May, although several indicators suggested that businesses and consumers remain cautious about the months ahead. Inflation continued its gradual decline, economic growth remained positive and employment conditions were broadly stable. However, concerns surrounding energy prices, geopolitical uncertainty and investment activity became increasingly prominent as the month progressed.

Alongside economic developments, the accounting profession continued to navigate a period of significant regulatory and technological change. Firms are preparing for major financial reporting updates, adapting to evolving audit requirements and investing heavily in technology to improve efficiency and service delivery.

Taken together, May presented a mixed picture. The economic environment is more stable than it was during the inflationary pressures of recent years, but businesses continue to face uncertainty that requires careful planning and strong financial management.

Economic Growth Remains Positive

The UK's economic performance has generally exceeded expectations during the first part of 2026. Official figures released during May confirmed that economic activity remained positive during the first quarter of the year, supported by consumer spending, services output and a recovery in parts of the construction sector.

International organisations also responded positively to recent data. Forecasts for UK economic growth were revised upwards by several institutions, reflecting stronger-than-expected performance compared with earlier projections. While growth remains modest by historical standards, it has been sufficient to ease concerns that the economy could slip back into stagnation.

Despite these positive indicators, many businesses remain hesitant to commit to significant expansion plans. Business surveys released during May suggested that investment intentions remain subdued across a range of sectors. Concerns regarding future demand, labour costs, taxation and international developments continue to influence decision-making.

Many organisations appear to be adopting a cautious approach. Rather than pursuing aggressive growth strategies, businesses are prioritising cash flow management, operational efficiency and balance sheet strength. This reflects a broader recognition that while conditions have improved, uncertainty remains elevated.

Inflation Continues To Moderate

Inflation remained one of the most closely monitored economic indicators during May.
Price pressures have eased considerably compared with the peaks experienced during the cost-of-living crisis. Lower domestic energy costs contributed to a further reduction in headline inflation and provided some relief for households facing pressure on disposable incomes.

The moderation in inflation has also supported real wage growth. For many employees, earnings growth is now exceeding inflation, helping to improve household purchasing power. This has provided some support to consumer spending and retail activity.
However, inflation risks have not disappeared entirely.

Energy markets became increasingly volatile during May as geopolitical tensions in the Middle East intensified. Rising oil and gas prices have the potential to increase transportation costs, manufacturing expenses and wider supply chain costs. Businesses in energy-intensive sectors are paying particularly close attention to developments, given the impact that sustained increases in fuel and utility costs could have on profitability.

The Bank of England therefore continues to face a delicate balancing act. While inflation has moved closer to target levels, policymakers must also consider the possibility that external shocks could place renewed upward pressure on prices later in the year.

Housing Market Activity Softens

The housing market showed signs of slowing during May after a relatively encouraging start to the year.

Higher mortgage rates continue to influence affordability, particularly for first-time buyers and households seeking larger loans. While expectations for future interest rate reductions remain, borrowing costs have not fallen as quickly as many prospective buyers had hoped.
Estate agents reported more cautious buyer behaviour in several regions. Sellers are increasingly recognising that pricing expectations may need to adjust to reflect current market conditions. Although housing demand remains present, activity levels are generally lower than many industry participants anticipated at the beginning of 2026.
The slowdown does not currently resemble the significant market corrections seen during previous economic downturns. Instead, it appears to reflect a period of adjustment as buyers and sellers adapt to a higher interest rate environment than existed during much of the previous decade.

For businesses operating within construction, property development and related industries, housing market performance remains an important indicator to monitor throughout the remainder of the year.

Accounting Profession Faces Continuing Change

May was also an important month for the accounting profession.

Regulators continue to place significant emphasis on audit quality, governance and financial reporting standards. Accounting firms of all sizes are responding to increased expectations regarding documentation, risk management and quality control processes.

The Financial Reporting Council's ongoing focus on audit quality remains a major area of attention. Firms are being encouraged to strengthen internal monitoring systems, improve governance frameworks and ensure that quality management procedures are embedded throughout the organisation.

For many firms, this has resulted in increased investment in training, compliance systems and internal review processes. While these initiatives require additional resources, they are viewed as necessary steps to maintain confidence in financial reporting and audit outcomes.

The profession continues to evolve beyond its traditional compliance role. Clients increasingly expect accountants to provide strategic insight, commercial guidance and forward-looking financial analysis. This shift is changing the way many firms structure their services and develop talent.

Preparing For FRS 102 Changes

One of the most significant accounting topics throughout 2026 continues to be the forthcoming changes to FRS 102.

Many businesses are currently assessing how the revised standard will affect their financial statements, internal systems and reporting processes. Particular attention is being given to changes involving lease accounting and revenue recognition, both of which have the potential to affect reported financial performance and balance sheet presentation.

Larger organisations have generally been preparing for these changes for some time. Smaller businesses and owner-managed companies are increasingly beginning detailed implementation planning as effective dates approach.

The practical implications extend beyond the preparation of financial statements. Changes to accounting treatment may influence financial ratios, banking covenants, business valuations and performance measures used by management teams.

As a result, accountants are spending considerable time helping clients understand the broader commercial implications of the revised requirements.

Technology Continues To Transform The Profession

Technology remains one of the most important themes affecting accounting firms and finance departments.

Artificial intelligence, automation and data analytics continue to attract significant investment across the profession. The conversation has moved beyond theoretical discussions regarding future possibilities. Firms are increasingly focused on identifying practical applications that can deliver measurable improvements in productivity and service quality.

Routine compliance activities are becoming more automated, allowing professionals to devote greater attention to advisory work, strategic planning and client relationships. Document review, workflow management, data extraction and reporting processes are all areas where technology is already having a meaningful impact.

The challenge facing many organisations is implementation rather than adoption. Business leaders recognise the potential benefits of new technologies but must ensure that appropriate controls, governance procedures and quality standards remain in place.
Successful firms are likely to be those that combine technological capability with strong professional judgement and client service.

Tax And Public Finances

Public finances remained under pressure during May.

Government borrowing figures highlighted the ongoing challenge of balancing spending commitments with fiscal discipline. Rising costs associated with public services, welfare programmes and infrastructure investment continue to place demands on government resources.

For businesses, taxation remains an area requiring close attention. HMRC continues to strengthen compliance activity across several areas, including tax relief claims and reporting obligations. Organisations should expect regulatory scrutiny to remain high as authorities seek to improve compliance and reduce errors within the tax system.

Finance teams should continue prioritising accurate record keeping, timely reporting and robust tax governance procedures.

Looking Ahead

As the UK moves into the second half of 2026, the overall economic picture remains cautiously positive.

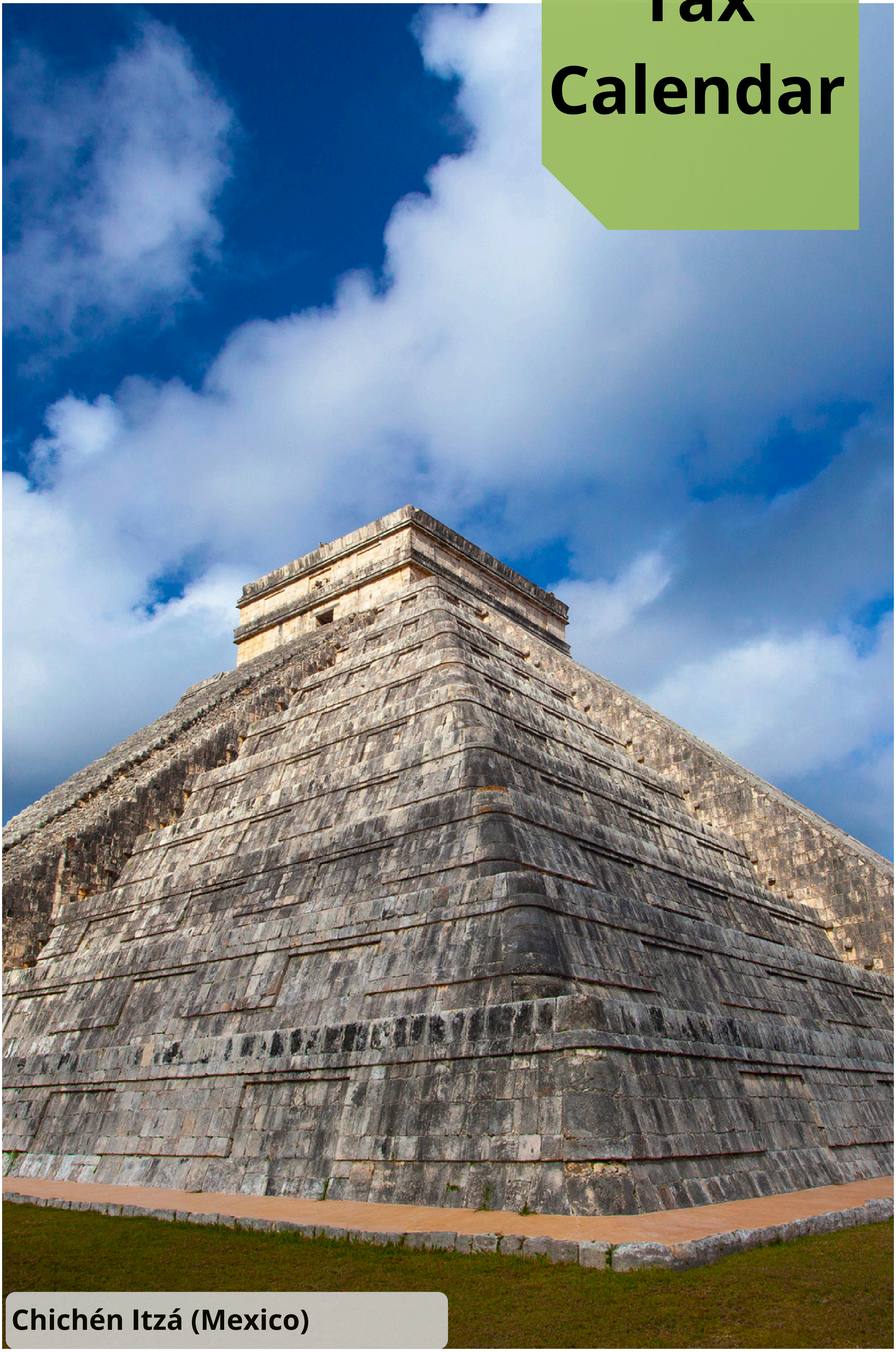
Inflation has moderated significantly from recent highs. Economic growth has exceeded many forecasts. Employment conditions remain relatively stable and consumer spending has shown resilience.

At the same time, challenges remain. Energy markets are becoming more volatile, business confidence remains mixed and borrowing costs continue to affect investment decisions across multiple sectors.

For finance professionals, accountants and business leaders, the priorities remain clear. Strong forecasting, disciplined cash flow management, effective risk assessment and high-quality financial reporting will continue to play an essential role in supporting decision-making.

The environment is more stable than it was twelve months ago, but uncertainty has not disappeared. Businesses that remain adaptable, financially disciplined and forward-looking are likely to be best positioned for the opportunities and challenges that lie ahead.

Tax Calendar



Chichén Itzá (Mexico)

April 2026 - Tax Calendar

7TH JUNE	Due date of Deposit of TDS/ TCS for the Month of May, 2026
7TH JUNE	Declaration under section 394(2) of the Income-tax Act 2025 to be made by a buyer for obtaining goods without collection of tax in the month of May, 2026
14TH JUNE	Certificate under section 395(4) of the Income-tax Act 2025 for tax deducted at source under section 393(1) of the Income-tax Act 2025 [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] in the month of April, 2026
15TH JUNE	Certificate of tax deducted at source to employees in respect of salary paid and tax deducted during Financial Year 2025-26
15TH JUNE	First instalment of advance tax for the Tax Year 2026-27
15TH JUNE	Quarterly TDS certificates (in respect of tax deducted for payments other than salary) for the quarter ending March, 2026
15TH JUNE	Furnishing of statement of income paid or credited by an investment fund to its unit holder for the previous year 2025-26
30TH JUNE	Due date for furnishing statement by Alternative Investment Fund (AIF) to unit holders in respect of income distributed during the previous year 2025-26
30TH JUNE	Furnishing of statement containing the particulars of expenditures specified under section 35D(2)(a) (Income-tax Act 1961) (if the assessee is required to submit return of income by July 31, 2026)
30TH JUNE	Challan-cum-statement of deduction of tax under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] in the month of May, 2026
30TH JUNE	Challan-cum-statement of deduction of tax under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] in the month of May, 2026

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