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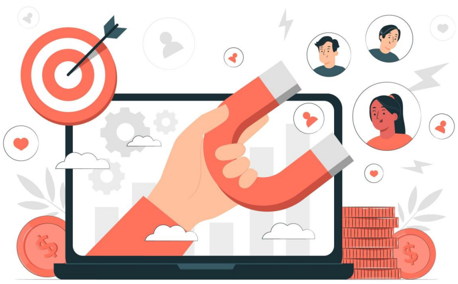

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SPOTLIGHT

Greenvissage

Pay or Pack Up – How the USD 1,00,000 H-1B Visa Shock Threatens India's IT Empire, Explained.

Backdrop

Pay or pack up. That's the blunt message Indian IT giants received in September 2025 when the United States dropped its biggest visa bombshell in decades: a jaw-dropping USD 100,000 fee for every H-1B visa application filed by companies heavily dependent on the program. For India's USD 250 billion IT services industry, the global back-office and coding powerhouse that has built Silicon Valley's apps, maintained Wall Street's servers, and even powered Uncle Sam's healthcare systems, this isn't just a policy change. It's an existential jolt. For years, the H-1B visa has been the artery pumping Indian tech talent straight into the beating heart of the US economy. Names like Infosys, TCS, Wipro, and HCL became household legends in the outsourcing world precisely because they could place tens of thousands of engineers in American client sites at competitive costs. But what was once a lifeline is now a chokehold. At USD 100,000 per head, sending a single software engineer to California could cost as much as hiring two or three domestically. For firms running on razor-thin contracts, that's a crippling burden.

The US has packaged the move as "protecting American jobs" and "levelling the playing field," a familiar refrain in Washington every election season. But in India, the move is being read very differently, as an economic weapon disguised as immigration reform. Trade analysts see it as a non-tariff barrier – one that effectively sidelines Indian firms while giving US companies an artificial advantage in their own backyard. And because nearly 60–70% of all H-1B visas issued historically have gone to Indians, no one doubts who the real target is. So the question hanging over India's IT empire is simple yet brutal – will it pay up, pack up, or reinvent itself before the rules of the global tech game leave it behind?

What is an H1-B Visa?

The H-1B visa is one of the United States' most sought-after non-immigrant work permits, designed to let American employers bring in highly skilled foreign professionals for "speciality occupations." These are jobs that typically demand a bachelor's degree or higher in fields such as information technology, engineering, mathematics, finance, healthcare, or scientific research. For India, and especially for its tech sector, the H-1B is far more than paperwork; it has long been the bridge connecting Silicon Valley to Bengaluru. Each year, the US government makes only 85,000 new H-1B visas available, of which 65,000 are open under the general quota and an extra 20,000 are reserved for candidates holding advanced degrees from American universities. Because demand dwarfs supply, visas are allotted through a computerised lottery, with hundreds of thousands of applications competing for this narrow slot. In recent years, the overwhelming majority of those applications, often more than two-thirds, have been filed on behalf of Indian professionals, underlining just how central this program is to India's global tech footprint.

An H-1B visa is normally granted for three years and can be extended up to six years, sometimes longer if the applicant is in the process of securing permanent residency. The visa, however, is strictly tied to a specific employer, which means workers cannot switch jobs freely; a new petition must be filed if they want to move. Employers must also certify, through a labour condition application filed with the US Department of Labour, that hiring a foreign worker will not undermine American wages or working conditions. The special status of the H-1B lies in the way it has served multiple constituencies at once. For US companies, it has filled skill gaps that the domestic labour market has struggled to cover, especially in software engineering, data science, and systems design. For Indian IT giants such as Infosys, TCS, Wipro, and HCL, it has been nothing less than the backbone of their outsourcing model, allowing them to place engineers directly at client sites in America and manage complex projects on the ground. For thousands of Indian families, the visa has represented opportunity and upward mobility: it is often the first step toward long-term American careers, permanent residency, and a better life for the next generation. And at a geopolitical level, the H-1B has become a symbol of interdependence between the world's largest democracy and the world's largest economy. Every tweak in its rules is felt not just in corporate boardrooms and political capitals but also in living rooms from Washington to New Delhi.

What's the new rule?

On September 19, 2025, the White House issued a presidential proclamation titled "Restriction on Entry of Certain Nonimmigrant Workers" that dramatically rewrites who can enter the US on a new H-1B and on what financial terms. The proclamation directs the Secretary of Homeland Security and related agencies to require a supplemental payment of USD 100,000 to accompany any new H-1B petition filed on or after September 21, 2025, and to restrict adjudication/entry for petitions that are not accompanied by that payment for a 12-month window. USCIS promptly posted clarifying guidance – the new USD 100,000 requirement applies prospectively and is targeted at initial admissions or readmissions, meaning beneficiaries already in H-1B status inside the US (extensions or changes of status filed while the worker remains in the US) are generally not subject to the supplemental payment, and petitions filed before the effective time are exempt. However, the guidance also leaves many operational details murky, how the payment is to be remitted, whether it is refundable, exact accounting and verification processes, and edge cases such as consular renewals or cap-exempt filings, and legal practitioners immediately flagged serious implementation questions.

Before the proclamation, the typical set of H-1B employer costs per petition, USCIS filing fee + ACWIA training fee + fraud-prevention fee + optional premium processing + attorney costs, generally ranged in the low-thousands to, in larger cases with premium processing and outside counsel, roughly USD 2,000–8,000 per petition. The H-1B program itself is limited in supply (the common annual cap is 85,000), and historically, the lion's share of those visas has gone to Indian nationals. Estimates in coverage put Indian beneficiaries at well over half, 60-70%+ of H-1B immigrants, which is why Indian IT firms and New Delhi read the move as a targeted economic shock.

What to expect next?

With the USD 100,000 H-1B fee now in place, Indian IT firms are staring down an unprecedented crossroads. The immediate reality is grim; sending engineers to the US under the traditional delivery model has suddenly become exponentially more expensive, forcing companies to rethink decades of strategy. Firms like TCS, Infosys, Wipro, and HCL are already exploring alternatives. Some are accelerating the shift to remote and hybrid delivery models, relying more on offshore teams in India, Eastern Europe, and Southeast Asia, while sending only critical personnel onsite. Others are considering nearshoring, setting up smaller operational hubs closer to clients in Europe, Canada, and Latin America to reduce reliance on US-based visas.

But the challenge goes beyond logistics and costs. Many long-term client contracts were structured around the assumption that engineers could be placed onsite in the US at relatively modest cost. The fee disruption threatens these margins and may even lead some clients to renegotiate contracts or explore alternatives, including homegrown tech firms or local talent. Indian companies must also now invest in legal and compliance strategies to navigate the murky waters of the new rule, which remains riddled with operational ambiguities, exemptions, and potential litigation.

Conclusion

Will this change the IT outsourcing landscape forever? Almost certainly. Even if the fee is eventually reduced or delayed due to legal or diplomatic pushback, the shock has revealed the vulnerability of the traditional H-1B model. Companies are being pushed to diversify geographically, rethink workforce structures, and accelerate automation, AI-driven coding, and knowledge transfer. The era of relying heavily on visa-based deployment in the U.S. is likely drawing to a close. In short, Indian IT firms may survive, and even thrive, but the way they operate, compete, and deliver will almost certainly never be the same. The choice is stark – adapt to a new global talent reality or risk paying the price for clinging to an old model.

(References – Bloomberg, Al Jazeera, The Guardian, Reuters)

EXPERT OPINION

Greenvissage

RBI MPC Meeting – No candy this time, but something more healthy – RBI skips the rate cut, serves reforms instead!

By Amit Chandak, Managing Partner, Greenvissage

Introduction

India's economy today is running through a maze of contradictions. On one hand, growth projections remain robust compared to global peers, but on the other, private consumption is sluggish, rural demand is uneven, and corporate capex still hasn't found its second wind. Inflation has been playing hide-and-seek, easing in some months only to flare up again, thanks to food price shocks and crude oil uncertainty. Add to this the global backdrop: sticky inflation in developed markets, a stronger US dollar pressuring emerging market currencies, volatile capital inflows, and geopolitical tensions that continue to disrupt supply chains. For India Inc., this mix translates into rising input costs, cautious consumer sentiment, and a financing environment that is far less forgiving than it was two years ago. Against this backdrop, business leaders and markets had one clear expectation: a rate cut. A neat monetary stimulus that could have lowered borrowing costs, eased liquidity, and injected a quick shot of optimism into boardrooms and balance sheets alike. After all, the pressure on growth is visible, and sentiment needs a nudge. Instead, the Monetary Policy Committee (MPC) chose not to indulge in what many would call the "easy way out." No sugar rush this time. Instead of chasing a temporary high, the RBI served up a menu of reforms, subtle in design but potentially more powerful in impact. This was less about headlines and more about hard discipline, less about short-term feel-good factors and more about steering the economy toward structural stability.

Why did RBI Skip Rate Cut?

At first glance, a rate cut might have looked like the natural choice, the easy medicine to soothe slowing demand and perk up sentiment. But the RBI's reasoning was more deliberate. While headline inflation has softened, the underlying picture remains uneven. Food inflation, driven by erratic monsoon patterns and supply shocks, is anything but predictable. Cutting rates into such uncertainty could risk undoing hard-won credibility on inflation management. For the central bank, anchoring inflation expectations remains a non-negotiable priority because once that anchor slips, the cost of regaining stability multiplies. The RBI has already delivered several rate actions in the past cycles, but their full impact has yet to be fully percolate through the financial system. Lending rates take time to adjust, corporate borrowing costs recalibrate with a lag, and consumption responses are not immediate. Cutting further now, before earlier easing has played out, would risk overdosing the system without knowing whether the last prescription worked. The Goods and Services Tax (GST) rollout, still settling into the system, has created near-term disruptions but promises long-term efficiency. The RBI would rather wait and see how GST reshapes revenue flows, corporate cash cycles, and consumer spending before rushing into another monetary push. In other words, do not mix two moving variables at once.

With the US Federal Reserve and other major central banks holding a higher-for-longer stance, any aggressive Indian rate cut would risk widening the interest rate differential, triggering outflows of foreign capital and adding pressure to the rupee. In an era of volatile oil prices and a stubbornly strong dollar, that is a gamble RBI is unwilling to take. Despite patchy demand, India remains one of the fastest-growing large economies. The RBI's stance signals confidence that structural drivers such as government capex, manufacturing momentum under PLI schemes, and digital adoption can sustain medium-term growth without the crutch of a rate cut. Monetary easing, therefore, is being preserved as a tool for genuine distress, not as a quarterly habit. Thus, RBI chose patience over popularity. It opted to keep its powder dry, test the impact of past actions, and focus on deeper reforms rather than a quick policy tweak.

Key Reforms Announced

The October 2025 Monetary Policy Committee meeting of the Reserve Bank of India marked a significant shift in the central bank's approach, away from short-term rate adjustments and towards bold, long-term structural reforms designed to deepen financial markets, enhance corporate financing, and internationalise the Indian rupee.

Transforming Corporate Financing and Capital Markets

A major step was allowing banks to finance corporate acquisitions, a facility previously restricted due to risk concerns. This opens up structured, low-cost funding channels for mergers and acquisitions, enabling Indian companies to consolidate more efficiently and optimise capital expenditure under a robust regulatory framework. Additionally, the RBI substantially increased the lending limit for IPO financing from INR 10 lakh to INR 25 lakh and for loans against shares from INR 20 lakh to INR 1 crore, effectively modernising access to market-based funding. The removal of loan ceilings against listed debt securities, alongside the allowance for surplus Special Rupee Vostro Account balances to be invested in corporate bonds and commercial papers, reflects an overarching commitment to deepening liquidity and expanding investment avenues. These measures collectively improve structured financing, lower the cost of capital, and spur growth in both equity and debt markets.

Advancing Rupee Internationalisation and Regional Influence

The RBI's intent to internationalise the rupee was evident in its decision to permit Indian banks and their overseas arms to lend in rupees to residents or institutions in neighbouring countries such as Nepal, Bhutan, and Sri Lanka. This initiative is designed to reduce India's dependence on the US dollar in regional transactions, bolster financial influence across South Asia, and build greater confidence in the rupee's stability. By expanding the list of benchmarked currencies for the Financial Benchmarks India Limited (FBIL) beyond the USD, Euro, Pound, and Yen, rupee-based settlements are made more efficient, serving both regional trade interests and India's strategic ambitions. Further, surplus rupee balances held by foreign entities can now be invested in Indian corporate bonds and commercial papers, deepening the integration of Indian markets with the regional financial system.

Strengthening Banking Sector Resilience and Regulatory Norms

Core reforms also targeted banking sector resiliency and credit expansion. The RBI introduced a risk-based premium framework for deposit insurance, moving away from a flat premium system that had been in place since 1962. Here, better-rated banks pay lower premiums, directly incentivising sound risk management and strengthening financial stability. Implementation of the Expected Credit Loss (ECL) framework and revised Basel III capital adequacy norms is planned from April 2027, introducing lower risk weights for crucial sectors like MSMEs and home loans. These moves, along with the removal of lending restrictions to large corporates with exposures above INR 10,000 crore, make it easier for banks to finance corporate growth while systemic risk is managed through the Large Exposure Framework. The result is a banking sector that can efficiently extend credit, maintain robust risk management practices, and operate on par with international standards.

Conclusion

Altogether, these reforms are expected to profoundly deepen India's financial markets, unlock liquidity, facilitate faster and safer corporate consolidation, and elevate India's regional and global financial profile. Businesses will benefit from better structured financing, lower capital costs, and quicker capital deployment, while the resilience, stability, and risk efficiency of the banking sector will be upgraded. Above all, the strategic direction towards rupee internationalisation underscores India's intention to assert financial sovereignty, reduce reliance on intermediary currencies, and strengthen its centrality within both South Asian and global markets.

(References – Press Information Bureau, Economic Times)

GREENVISSAGE EXPLAINS

Greenvissage

Will the Right to Housing change how Homes are Built in India?

For most Indian families, a home is not just an asset but the culmination of years of savings, sacrifice, and aspiration. Yet real estate in India has long been associated with delays, broken promises, and stalled projects. Buyers often hand over their life's savings as advances, only to wait endlessly for completion. Developers routinely run out of funds, shift money from one project to another, or abandon commitments altogether. In such a setting, trust between homebuyers and builders has been thin at best.

The Supreme Court's recent verdict marks an ambitious attempt to reset this equation. On the surface, the case was about two investors who had entered into buyback arrangements with developers. These were not genuine home purchases but speculative bets disguised as property deals, offering assured returns rather than actual homes. When developers defaulted, the investors tried to use India's insolvency system to recover their money. The court dismissed these claims, pointing out that speculative buyers could not enjoy the same protections as genuine homebuyers. But the ruling did not stop at resolving this narrow dispute. Instead, the Supreme Court issued a 50-page judgment that declared housing to be a fundamental right under the Constitution. If the right to life has any meaning, the court reasoned, it must include the right to shelter. The judgment highlighted the peculiar problems of real estate insolvencies.

In the past, when projects failed, banks and institutional lenders had first claim on whatever assets remained. Homebuyers, though they had put in substantial advances, were left fighting for scraps. A reform in 2018 had given them equal standing with lenders, but that opened the door for misuse by speculators. The Supreme Court has now tried to balance these competing concerns by preserving protections for genuine buyers while cutting out opportunistic investors. Equally significant was the court's insistence that insolvency cases should be handled at the level of individual projects, not entire companies. This is a profound shift. When a developer goes bankrupt, it often has multiple projects underway, and liquidation of one project to pay off debts from another leaves many buyers stranded. Treating each project separately should, in theory, protect the interests of those who invested in a specific housing development.

The judgment also urged the government to create a revival fund that can step in to provide last-mile financing for stalled projects. Most incomplete housing schemes fail not because of a lack of demand, but because developers run out of cash in the final stages. A pool of funds dedicated to bridging this gap could unlock thousands of homes that remain just short of completion. In addition, the court called on state regulators to be far stricter before approving new projects. Advances from homebuyers must remain in escrow accounts and be released only as construction milestones are reached. Authorities must also ensure that buyers fully understand the contracts they are signing, especially when terms deviate from standard agreements.

In principle, this judgment could transform the sector. Yet the ruling comes with its own risks. Project-specific insolvency, while good for buyers, complicates the position of lenders. Banks may be reluctant to finance developers if their ability to recover money is curtailed. The exclusion of speculative investors, though justified, could reduce liquidity in the market, at least in the short term. And most importantly, the sweeping directives require an administrative capacity that India has often struggled to muster. Setting up a revival fund, strengthening insolvency tribunals, and ensuring consistent enforcement across state RERAs demand coordination and political will across multiple institutions. Without such follow-through, the ruling could add another layer of compliance without improving outcomes.

(References – LiveLaw, The Print, Deccan Herald)

Can Small Modular Reactors change India's Energy Future?

TIndia is on the cusp of a nuclear shift. For decades, nuclear power in the country has been synonymous with large, state-run plants that take years, sometimes decades, to build, and which come with significant financial and political baggage. But in recent months, the government has unveiled a new ambition – to bring small modular reactors (SMRs) into the mainstream of India's energy mix. Unlike traditional nuclear reactors, SMRs are designed to be smaller, safer, and quicker to deploy. They can be factory-built in modules, shipped to sites, and scaled up as needed. Large nuclear plants are often beset by cost overruns and decade-long delays, which make them financially risky. SMRs, by contrast, can be deployed faster, in smaller units, and closer to demand centres. This makes them suitable for replacing old coal plants or powering energy-intensive industrial clusters. Globally, countries like the United States, Canada, and the UK have been exploring SMRs as the next generation of nuclear technology. India now wants to position itself not just as a buyer of this technology, but as a developer and exporter.

The most concrete step so far has been the announcement of the Bharat Small Modular Reactor (BSMR-200), a 200 MWe pressurised water reactor designed by the Bhabha Atomic Research Centre (BARC) and the Nuclear Power Corporation of India Limited (NPCIL). The concept design was completed earlier this year, and the government is also developing two other SMR models, a 55 MWe reactor and a 5 MW high-temperature gas-cooled reactor designed specifically for hydrogen production. The government has backed this effort with real money. The Union Budget for 2025 created a Nuclear Energy Mission, allocating INR 20,000 crore (over USD 2 billion) for SMR research, development, and deployment. The aim is to build at least five operational SMRs by 2033. If India sticks to this timeline, it could become one of the few countries to commercialise this technology within the next decade.

But what makes this initiative more groundbreaking than previous nuclear plans is the entry of private players. Nuclear energy has historically been the exclusive domain of the state, with laws tightly controlling ownership and operation. Now, NPCIL has invited private companies to co-develop SMRs, particularly for captive power generation in industrial sites. Reliance Industries, Adani Power, Tata Power, Hindalco Industries, Jindal Steel & Power, and JSW Energy have all shown interest by collecting tender documents and signing non-disclosure agreements. Meanwhile, NTPC, India's largest power utility, is exploring SMRs as replacements for its ageing coal-fired plants. For India, which has committed to reaching net-zero emissions by 2070, SMRs could provide a clean and reliable alternative to coal, particularly in regions where renewable energy alone may not be sufficient. The government also sees a role for SMRs in producing green hydrogen, a key pillar of its future energy strategy. Equally important is the geopolitical angle. If India succeeds in developing indigenous SMR technology, it could become an exporter to other emerging economies facing similar energy challenges. Countries in Africa, Southeast Asia, and even parts of Latin America are exploring nuclear options but cannot afford massive plants. However, the path is far from smooth.

Nuclear projects anywhere in the world face three persistent problems: cost, regulation, and public acceptance. SMRs are often touted as cheaper, but the technology is still new, and the first generation of reactors is likely to be expensive. Financing remains a hurdle, especially if banks and investors are unsure about timelines and cost recovery. Regulatory issues are another challenge. India's Atomic Energy Act currently centralises control over nuclear power, and the Civil Liability for Nuclear Damage Act imposes supplier liability that has long deterred foreign companies from entering the market. For private and international players to participate meaningfully, the government will likely need to amend these laws. Public perception also matters. While nuclear energy is carbon-free, safety concerns linger, particularly in a country where land conflicts and protests have delayed past nuclear projects.

(References – Live Mint, IAEA, India Today)

Why Kutch is India's New Green Energy Frontier?

For most of its history, Kutch has been a land of extremes. Summers here can roast you at 48 degrees, the monsoon can drown whole villages, and the soil is too poor for farming. And yet, paradoxically, Kutch has always been indispensable to India. More than two-thirds of the country's salt is scraped from its shimmering white flats, the by-product of an earthquake in 1819 that reshaped the land forever. But now, this remote district on India's western edge is being remade once again, this time not by geology, but by ambition. Kutch is fast becoming the stage for what could be the world's largest experiment in clean energy. The pitch is simple: Kutch has everything a renewable empire needs. With 320 sunny days a year, strong coastal winds, and vast tracts of sparsely populated land, the district is practically tailor-made for solar panels and wind turbines. Mukesh Ambani and Gautam Adani have seized on this promise with staggering scale. Between them, their groups now control nearly a million acres of land, roughly a tenth of Kutch. Ambani wants to create a new energy ecosystem that stretches from solar modules to batteries to green hydrogen, while Adani is building what could be the world's biggest single-site renewable project at Khavda, on the border with Pakistan. If everything goes to plan, by the 2030s, Kutch could supply not just electricity to Indian cities but also green hydrogen for global industries and clean power for Silicon Valley's data centres.

Kutch is not just remote, it is sensitive. Parts of the new energy hubs sit right along the Pakistan border, on land that until recently was off-limits under defence regulations. Rule changes allowed companies to acquire plots once reserved for government agencies. Critics warn that this concentration of strategic assets so close to the frontier could create vulnerabilities, even as the projects are hailed as symbols of energy independence. The geopolitical dimension adds a layer of complexity to an already fraught balancing act between development, ecology, and community rights. There are also ecological and social trade-offs. The desert might look empty, but it is teeming with life and livelihoods. The critically endangered Great Indian Bustard flies across these skies, colliding with transmission lines. The Banni grasslands sustain pastoralist communities who fear being squeezed out by solar fences. And in a region where water scarcity is acute, the billions of litres needed to clean solar panels or produce hydrogen could deepen tensions. These concerns underline that what appears as barren land for industrial projects is in fact a delicate ecological and cultural system.

The government has set ambitious goals: 500 GW of renewables by 2030, and net-zero by 2070. But Kutch reveals how messy that transition will be. On one hand, it showcases India's ability to scale up clean power at breakneck speed. On the other hand, it highlights the risks of rushing without checks: ecological damage, community displacement, regulatory shortcuts, and corporate monopolies. The lesson is not that Kutch should be left untouched. Far from it. But the desert needs smarter planning, mapped transmission corridors that avoid bird habitats, cumulative impact studies that go beyond project-by-project clearances, community consent frameworks for the grasslands, and strict water-use standards. Without these, the clean energy future risks looking more like an extractive past.

But behind the glossy vision lie some uncomfortable questions. One is the risk of concentration. Industry analysts warn that if these two conglomerates dominate the supply chains from polysilicon to wafers to transmission, they could lock smaller competitors out of the market. What is being sold as a green revolution could, in effect, become a private duopoly. Another is the fragility of infrastructure. Green hydrogen is at the centre of Reliance's plans, but transporting it is still costly and technologically tricky. Adani, meanwhile, is expanding renewables while still tied to coal, raising doubts among global investors about whether this is a transformation or greenwashing. And both projects depend heavily on transmission networks that don't yet exist, leaving open the possibility of stranded assets in the desert.

(References – Deccan Herald, IIFL Capital, Economic Times)

COMPLIANCE UPDATES

Greenvissage

Government policies

🟩 **Government to Track GST Reform Benefits |** The Centre has directed authorities to submit monthly price reports for 54 commonly used goods, including toothpaste, shampoo, butter, TVs, cement, and ice cream, to ensure manufacturers pass on reduced GST rate benefits to consumers. Field officials must submit the first report, detailing commodity, brand, and MRP changes since the revamped GST's rollout on September 22, by the month-end, with monthly submissions for six months. The simplified GST now features two rates, 5% and 18%, plus a 40% slab for luxury and sin goods. Nearly 3,000 complaints about non-compliance have been logged, and the Central Consumer Protection Authority will act against violators under the Consumer Protection Act, 2019. (Hindustan Times)

🟧 **Government Scrutinises E-Commerce Price Hikes Despite GST Cuts |** Following numerous public complaints about price increases on some products, the government has sent queries to select e-commerce platforms to explain the higher prices despite GST 2.0 rate cuts effective from September 22. Officials are monitoring price changes across 54 categories, including FMCG, food, medicines, cement, and white goods, with monthly reports mandated to the CBIC. Although most items show price reductions, some remain unadjusted due to unsold stock. Nearly 3,000 GST-related complaints have been recorded on the National Consumer Helpline. The anti-profiteering mechanism under GST transitioned from the National Anti-Profiteering Authority to the Competition Commission of India and GST Appellate Tribunal, with the anti-profiteering clause set to sunset on April 1, 2025. (Hindustan Times)

Goods and services tax

🟩 **New Changes in Invoice Management System (IMS) Effective October |** The GST portal's Invoice Management System (IMS) is being updated, effective from the October tax period for records filed by suppliers after the rollout, to simplify compliance. Key updates include a new "Pending" action for specified records, namely, Credit Notes and certain downward amendments of Invoices/Debit Notes/ECO documents, allowing taxpayers to defer action for one tax period (one month for monthly filers, one quarter for quarterly filers). Crucially, the system now provides a facility to declare the actual amount of Input Tax Credit (ITC) availed and the corresponding amount required to be reversed; this clarifies that no reversal is warranted if ITC was not availed, and reversal is limited only to the extent of partial availment. Finally, an optional facility will be rolled out shortly to allow taxpayers to save remarks when taking 'reject' or 'pending' action on records, which will be visible in the recipient's GSTR-2B and the supplier's Outward Supplies dashboard for better communication and corrective action. (Goods and Services Tax Network)

🟩 **GST Collection Rises 9.1% to Rs 1.89 Lakh Crore in September 2025 |** India's gross GST collections for September 2025 reached INR 1.89 lakh crore, marking a 9.1% year-on-year increase and sustaining revenues above INR 1.8 lakh crore for the ninth consecutive month. Despite the rate cuts effective from September 22 under GST reforms, net collections rose by 5% to INR 1.6 lakh crore due to a 40% surge in refunds. The collection includes INR 33,645 crore as central GST, INR 41,836 crore as state GST, INR 1,01,883 crore as integrated GST, and INR 11,941 crore cess. The growth reflects both domestic consumption and import activity, with import GST rising 15.6%. Authorities highlight the stable refund processes and efficient credit management that supported robust inflows amid the GST rate rationalisation (Financial Express)

🟩 **Relief from GST Annual Return Filing |** Starting FY 2024-25, small businesses and professionals with an aggregate turnover up to Rs 2 crore are exempted from filing GST annual returns (GSTR-9), reducing compliance burdens and associated costs. This exemption, notified on September 17, 2025, aims to ease tax filing processes for smaller taxpayers while allowing the GST administration to focus on larger businesses. However, this also removes an opportunity for taxpayers to self-correct errors from monthly or quarterly filings. A new table (6A1) in GSTR-9 has been introduced to enhance clarity and transparency in input tax credit claims, helping both taxpayers and tax officers in reviews and minimising litigation risks. (Economic Times)

Income Tax

🟩 **CBDT Extends Tax Audit Report Due Date to October 31, 2025 |** The Central Board of Direct Taxes (CBDT) has extended the due date for filing various Income Tax Audit Reports for the Financial Year 2024-25 (Assessment Year 2025-26) from the original deadline of September 30, 2025, to October 31, 2025. The extension, announced in a press release on September 25, 2025, was made in response to representations from professional bodies, including Chartered Accountant associations, and submissions before various High Courts, citing difficulties faced by taxpayers and practitioners due to issues like floods and natural calamities. The deadline applies to assessees referred to in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Income Tax Act, 1961, which includes businesses and professionals subject to a mandatory tax audit under Section 44AB. (Economic Times)

Corporate and allied laws

🟧 **Premium-Based Model for Order-to-Trade Ratio (OTR) in Options |** SEBI is revising how the order-to-trade ratio (OTR) is calculated for options, shifting from the current strike-price-linked method to one based on option premiums. Under the new framework, only orders exceeding ±40% of the option premium or INR 20 (whichever is higher) will count toward OTR computation. OTR measures the ratio of total orders, including modifications and cancellations, to actual executed trades by algorithmic trading members. The change aims to curb excessive low-value or manipulative orders that distort prices or congest exchange systems. SEBI plans to exclude orders from designated market makers and has dropped complex theoretical pricing models after industry feedback. The proposal is under further review and will also increase penalties for OTR violations to enhance market discipline. (The Hindu BusinessLine)

Finance and banking

🟥 **Banks Revamp Underwriting as MSME Loan Delinquencies Rise |** Banks and NBFCs are revising their underwriting models in response to increasing delinquencies in the micro, small, and medium enterprise (MSME) sector, especially in smaller loan segments. Lenders are adopting more sophisticated credit assessment techniques by incorporating alternative data sources such as GST filings, cash flow patterns, verified business transactions, utility bill payments, digital footprints, and supply chain information. Additionally, the presence of multiple unsecured loans in a borrower's portfolio is being closely scrutinised to better evaluate credit risk. (Financial Express)

Customs and Foreign Trade

🟩 **CBIC Mandates Two-Year Deadline for Customs Assessments |** The Central Board of Indirect Tax and Customs (CBIC) has set a two-year time limit for the completion of all customs provisional assessments, formalising a measure announced in the FY26 budget. These new guidelines, which specify timelines and procedures for finalising provisional assessments under the Customs Act, are expected to be a game-changer, providing certainty, clarity, and reduced compliance costs for businesses, while unlocking working capital currently tied up. Additionally, the new rules permit businesses to make voluntary duty payments during the provisional assessment phase, which can be adjusted against the final duty. (Economic Times)

🟩 **DGFT Amends End-User Certificate Rules for Restricted Imports |** The Directorate General of Foreign Trade (DGFT) has amended Para 2.35 of the Handbook of Procedures 2023, effective immediately, to empower Regional Authorities (RAs) to issue End-User Certificates (EUCs) not only for freely importable items but also for restricted import items. For restricted goods, issuance of EUCs is contingent upon DGFT having granted a valid restricted authorisation, with the EUC strictly limited to the approved quantity and value. This amendment streamlines the process, providing clarity and facilitating importers facing foreign government requirements for EUCs as export preconditions. The change enhances compliance ease while ensuring adherence to DGFT's import controls. (Directorate General of Foreign Trade)

🟩 **India Notifies Customs Tariff Rules for Origin of Goods |** The Ministry of Finance has introduced the Customs Tariff (Determination of Origin of Goods under the Trade and Economic Partnership Agreement between India and the EFTA States) Rules, 2025, effective October 1, 2025. These rules provide the legal framework to identify if goods imported from EFTA States (Iceland, Liechtenstein, Norway, Switzerland) qualify for preferential tariff treatment under the Trade and Economic Partnership Agreement (TEPA). Origin criteria include goods wholly obtained or sufficiently processed in a Party, with a 10% tolerance on non-originating materials. The rules cover proof of origin documentation, such as origin declarations, EUR.1 movement certificates, or Certificates of

Origin valid for 12 months, and outline direct transport requirements. A detailed verification process ensures timely and fair checks of origin claims to facilitate smooth trade benefits under TEPA. (The Hindu BusinessLine)

Payroll and Personal Finance

🟧 **Small Savings Schemes Interest Rates Unchanged for Q3 FY 2025-26 |** The Government of India, through the Ministry of Finance, has announced that interest rates on various Small Savings Schemes will remain unchanged for the third quarter of the financial year 2025-26. As per the Office Memorandum dated September 30, 2025, rates for schemes such as Savings Deposit (4%), one-year and two-year time deposits (6.9% and 7.0%), five-year time deposit (7.5%), Senior Citizen Savings Scheme (8.2%), National Savings Certificate (7.7%), Public Provident Fund (7.1%), and Kisan Vikas Patra (7.5%) will continue as in the second quarter. The Sukanya Samriddhi Yojana remains at 8.0%, unchanged from a slight reduction last quarter. (Financial Express)

ECONOMIC INDICATORS

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Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Jun-25	7.80	7.40
Unemployment (%)	Aug-25	5.10	5.20
Inflation (%)	Aug-25	1.55	2.10
Balance of Trade ($bn)	Aug-25	(26.49)	(27.35)
Business confidence	Sep-25	126.00	118.00
Manufacturing PMI	Sep-25	57.70	59.30
Services PMI	Sep-25	61.60	6.29

(Trading Economics)

Commodities Futures

Commodity	Expiry	Price	Change %
Gold	Oct-25	1,17,350.00	10.43
Silver	Dec-25	1,45,599.00	16.99
Crude Oil	Sep-25	5,444.00	(2.56)
Natural Gas	Sep-25	298.70	8.86
Aluminum	Sep-25	259.85	2.40
Copper	Sep-25	987.60	9.79
Zinc	Oct-25	294.45	8.07

(MCX India)

Global Indices

Index	Country	Change %
NIFTY 50	India	0.62%
BSE SENSEX	India	0.62%
NIFTY BANK	India	2.73%
INDIA VIX	India	-6.75%
DOW JONES	USA	2.99%
S&P 500	USA	3.61%
NASDAQ	USA	4.98%
S&P/TSX	Canada	4.89%
BOVESPA	Brazil	1.09%
DAX	Germany	3.31%
FTSE 100	UK	3.07%
CAC 40	France	5.30%
FTSE MIB	Italy	3.97%
MOEX	Russia	-10.23%
NIKKEI 225	Japan	6.39%
S&P/ASX 200	Australia	1.31%
SHANGHAI	China	1.84%
HANG SENG	Hong Kong	6.78%
KOSPI	South Korea	10.74%

(Investing.com)

Currency Exchange Rates

Pair	Current	Prior	Change %
USD/INR	88.78	87.85	(1.05)
GBP/INR	119.32	118.58	(0.63)
EUR/INR	104.08	102.47	(1.57)
YEN/INR	60.16	59.76	(0.67)

(FBIL India)

Cryptocurrencies

Pair	Crypto	Price	Change %
BTC/USD	Bitcoin	1,22,454.89	10.40
ETH/USD	Ethereum	4,507.11	2.12
BNB/USD	Binance	1,171.75	38.12
SOL/USD	Solona	229.81	10.69

(Crypto.com)

Bank Policy Rates

Type	Current	Prior	Change %
Repo rate	5.50	5.50	-
Standing deposit	5.25	5.25	-
Marginal facility	5.75	5.75	-
Bank rate	5.75	5.75	-
Reverse Repo	3.35	3.35	-

(RBI India)

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