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DIDN'T PLAN, OR WELL PLANNED?

INDIGO

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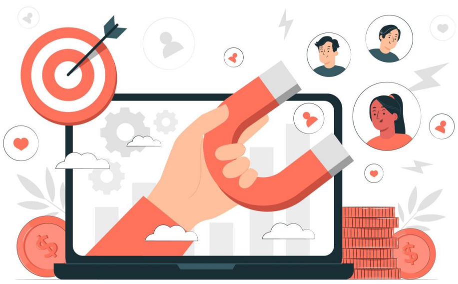
IN THIS ISSUE



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SPOTLIGHT

Greenvissage

Flying on Fumes – How India's Most Efficient Airline Ran Head-First Into the Laws of Physics, Policy, and Probability

Backdrop

The great irony of IndiGo's December meltdown is that it did not look like a crisis at first. It looked like what Indian aviation has always looked like. A few late flights, grumpy passengers, social media outrage that would peak by evening and vanish by morning. Then it kept going. And going. By the time the country realised this was not turbulence but structural failure, the airline that built its legend on predictability had become the most unpredictable variable in the system. To treat the episode as an operational lapse is comforting but incomplete. This was not about one airline missing a memo or underestimating a regulation. It was a stress fracture running through India's aviation business model, exposed when safety rules finally met scale, density, and a brutally optimised cost structure.

IndiGo's rise has been extraordinary precisely because it mastered a contradiction few airlines survive. It sells low fares in one of the world's most expensive aviation environments. Fuel in India is taxed like a luxury sin while being consumed like a public utility. Aircraft leases, maintenance, insurance, and spares are paid for in dollars while revenue is collected in rupees. Airport charges have risen faster than passenger yields. Yet IndiGo has remained consistently profitable in a market where airline failure is not an exception but a rite of passage. The way it achieved this is no secret. Uniform aircraft, relentless utilisation, fast turnarounds, lean staffing, and minimal slack anywhere in the system. Slack is expensive. Slack is inefficiency. Slack is what turns a low fare into a loss. For years, IndiGo proved that slack was optional. Until it wasn't.

What triggered the chaos?

The trigger was the enforcement of revised Flight Duty Time Limitations. The objective was unambiguous. Fatigue kills. Aviation safety regulation globally is written in blood, not theory. India's rules were not radical by global standards, but they were stricter than what many domestic airlines had grown accustomed to. The problem was not that the rules arrived suddenly. They were notified well in advance. The problem was that they arrived in a system engineered to operate within millimetres of legal and operational limits. IndiGo did not collapse because it violated safety norms. It collapsed because it complied with them too literally and too late. The revised definition of night duty, the tighter landing limits, and the cumulative rest requirements turned marginal delays into legal impossibilities. A flight delayed by weather or congestion crossed midnight by minutes and became illegal to operate further. Crews timed out. Aircraft went out of position. The network unraveled faster than it could be rethreaded. This was not incompetence. It was fragility masquerading as efficiency.

What makes this episode more interesting than yet another airline crisis is the scale. IndiGo is not just a participant in Indian aviation. It is the backbone. With over 60 percent domestic market share, its schedules define airport peaks, its delays cascade across terminals, and its cancellations spill over into railways, highways, hotels, and boardrooms. When IndiGo sneezes, India's transport system catches pneumonia. That is why the regulatory response was extraordinary. The temporary relaxation of duty norms for a single airline was less a policy choice than an emergency bypass surgery. Regulators were faced with a grim trade-off. Uphold safety rules strictly and let the system seize up, or bend them temporarily and restore movement. They chose continuity. This choice deserves criticism, but it also deserves context. Indian aviation operates with razor-thin buffers everywhere. Airports are congested, airspace is crowded, and alternative capacity is limited. When a dominant carrier stumbles, there is no deep bench waiting to absorb demand. In such a system, rules designed for safety can unintentionally amplify disruption if not paired with resilience requirements.

This is the deeper lesson the crisis offers. India has focused regulation on compliance but not on robustness. Airlines file schedules, crew numbers, and duty rosters, and regulators check whether they meet the letter of the law. What is rarely tested is how those systems behave under stress. How many flights can be disrupted before the network collapses? How much slack exists before compliance turns into paralysis? How quickly can an airline re-optimise when assumptions break? IndiGo optimised for the median day. December delivered a tail risk event.

What led to the crisis?

From a business perspective, the meltdown exposes a paradox at the heart of modern airline economics. Investors reward efficiency, not redundancy. Markets celebrate high utilisation and low unit costs. Analysts punish idle assets and surplus manpower. Yet resilience requires exactly those sins. Extra pilots who do not fly every possible hour. Aircraft that sit on the ground longer than the spreadsheet demands. Technology systems designed not just for scheduling but for failure. For years, IndiGo outperformed peers because it resisted gold-plating and emotional decision-making. It treated flying like logistics, not romance. That discipline created value. But discipline without adaptability hardens into brittleness. The December crisis was not a failure of intent but of imagination. The airline planned for growth, not for rule-induced discontinuity layered onto peak season demand. Passenger outrage, while justified, risks missing the structural point. Indian consumers pay among the lowest airfares in the world relative to distance flown. Those fares are not a gift. They are the outcome of airlines squeezing every ounce of productivity from people and machines. Strong passenger protection regimes in Europe coexist with higher fares because resilience costs money. India has implicitly chosen cheap access over robust guarantees.

The Corrective Action

The crisis forces a reckoning with that choice. You cannot have ultra-low fares, minimal buffers, strict safety rules, and perfect punctuality at continental scale without paying for at least one of those things somewhere else. Someone absorbs the cost. In December, it was passengers and crew. The political temptation is to treat IndiGo's dominance as the villain. Market share becomes shorthand for arrogance. But competition law is a blunt instrument in capital-intensive industries. Weakening the only consistently profitable airline does not magically produce five strong competitors. It more often produces one distressed survivor and a vacuum of capacity. Aviation history globally is littered with examples where fragmentation increased chaos rather than discipline. The more productive response lies in redesigning regulatory expectations. If safety rules reduce effective flying hours, staffing norms must evolve alongside them. If airlines are required to comply with stricter duty limits, they must also be required to demonstrate network resilience under stress scenarios. This is not about micromanaging schedules but about testing systems the way banks are stress-tested. What happens if 10 percent of your crew times out unexpectedly? What happens if weather delays cascade through a hub? What is your recovery half-life?

Technology plays an underappreciated role here. Crew management systems in many airlines remain rule-compliant but not adaptive. They optimise for legality, not for recovery. Advanced fatigue risk management and real-time re-rostering tools exist, but they are expensive and culturally disruptive. Investing in them reduces short-term efficiency metrics, which markets notice. Not investing in them creates exactly the kind of failure IndiGo experienced. There is also a labour dimension that deserves sober attention. Pilot fatigue is not just a safety variable. It is a productivity constraint. India faces a global pilot shortage, and training pipelines take years to mature. Aggressive fleet expansion without proportional crew depth is not just risky, it is mathematically unsustainable once duty limits tighten. IndiGo's cadet programs and hiring plans will help, but they lag growth by design. In the long run, the crisis may ironically strengthen IndiGo if it leads to a recalibration rather than a retreat. The airline has the balance sheet, scale, and institutional memory to invest in resilience without abandoning its cost discipline. Smaller rivals do not. If regulators shift from reactive firefighting to proactive system design, India could emerge with fewer disruptions and clearer trade-offs between price and protection.

The Way Forward

What should worry policymakers more than December's cancellations is how close the system was to total gridlock. That fragility is not unique to IndiGo. It is embedded in airports, air traffic control, ground handling, and consumer redress mechanisms that assume normalcy as the default state. India's aviation story has always been framed as one of growth. More passengers, more airports, more aircraft. The next chapter must be about maturity. Mature systems assume failure will happen and design for it. They do not rely on apologies and exemptions as crisis tools. IndiGo's meltdown was not the fall of a model. It was a warning that the model has reached the edge of its operating envelope. Ignoring that warning would be far costlier than the delays that briefly brought the country's busiest airline to its knees.

(References – Wikipedia, Aljazeera, Frontline by the Hindu)

EXPERT OPINION

The Digital Pied Piper: Inside the Rise and Regulatory Fall of Avdhut Sathe

By Amit Chandak, Managing Partner, Greenvissage

Background

In the digital age, finance is as much about algorithms and markets as it is about narratives and personalities. A generation of finfluencers, financial influencers on social media platforms, has risen, attracting millions of aspiring retail investors with bold stock picks, promises of life-changing returns, and alluring portrayals of wealth creation. For many, these charismatic figures appear as benevolent mentors guiding the uninitiated through the labyrinth of markets. But when influence crosses the line into unregulated financial advice, the consequences can be severe. Over the past decade, digital platforms have transformed how individuals learn about finance and investing. YouTube channels, Instagram reels, Telegram groups, and other online forums now disseminate investment content at an unprecedented scale. Many finfluencers began as educators, sharing insights aimed at demystifying markets for novice investors. However, as their audiences grew, so did the commercial imperatives behind their channels. Paid subscriptions, exclusive groups, online courses, and premium tip services became commonplace. In some cases, the boundary between education and investment advisory blurred, and that is precisely where SEBI's regulatory framework becomes relevant.

What's the Controversy?

The morning air in Karjat is usually still, but in August 2025, it was filled with the arrival of investigators from the Securities and Exchange Board of India. This search and seizure operation at the Avdhut Sathe Trading Academy was the culmination of years of quiet monitoring by the market regulator. For nearly two decades, Avdhut Sathe had cultivated the image of a master trader who combined technical prowess with spiritual discipline. His academy promised to turn ordinary people into wealthy market participants through a mix of psychology, technical analysis, and community support. However, the evidence collected during the thirty-six-hour raid suggested that the education being provided was a thin cover for a massive, unregistered advisory business. Under Indian law, any entity providing tailored investment advice or specific buy/sell recommendations must register with SEBI as an investment advisor or intermediary. This registration is not a mere formality: it ensures that advice is provided under a framework designed to protect investors, including mandatory disclosures, conflict-of-interest management, qualifications and certifications, and mechanisms for grievance redressal. Unregistered advice may expose investors to significant financial risk without any recourse. Yet many finfluencers operate outside this legal mandate, offering actionable trading strategies under the guise of education. SEBI views such practices as dangers masquerading as learning.

In December 2025, SEBI's crackdown reached a turning point with its action against Avadhut Sathe, a well-known figure in India's trading education space. Sathe, founder of the Avadhut Sathe Trading Academy (ASTA), built a substantial following by offering stock market training programs and online mentorship to a vast audience of retail investors. According to SEBI's interim order, Sathe conducted unregistered investment advisory activities and provided specific trading examples and market predictions in his courses, practices that fall squarely within the ambit of regulated advisory services. As a result, SEBI imposed a ban on Sathe's participation in the securities market and impounded over ₹546 crore of alleged unlawful gains linked to these activities. This action was historic not only for the size of the amount involved but also for its symbolic weight. It marked one of the most stringent enforcement moves SEBI has taken against a finfluencer, signaling a clear regulatory stance: charismatic personalities cannot circumvent the law simply because their delivery mechanism is digital and entertaining. In the past, SEBI had acted against finfluencers on a smaller scale, including bans and refunds in cases involving tens of crores, but the Sathe order dwarfs those efforts in scale and impact.

Gamification of Markets

What precisely led SEBI to take such draconian action? Beyond the lack of registration, the regulator documented practices that went beyond generic knowledge sharing into the realm of specific, actionable investment guidance. For example, videos and course content allegedly walked students through real-time trades, including exact entry and exit points, an activity that, from a legal perspective, constitutes investment advice. Additionally, promotion via selective success stories and testimonials created unrealistic expectations about returns, further blurring the line between education and unregulated financial promotion. The regulatory response is rooted in investor protection. Unlike registered advisors, who must adhere to fiduciary duties and standardized processes, unregistered influencers often operate without oversight or accountability. Their followers, usually retail investors with limited market experience, are particularly vulnerable to biased or ill-informed recommendations. In markets with high retail participation, such guidance can amplify herd behavior, contribute to market distortions, and, worst of all, result in significant personal financial losses for everyday investors. The situation is reminiscent of historic episodes like the US stock-market bubbles fueled by unregulated tipsters, where enthusiasm outpaced fundamentals and costs were borne by the most vulnerable participants.

Was SEBI's action correct?

SEBI's approach mirrors global trends. Financial markets regulators worldwide are grappling with how to oversee advice disseminated via digital platforms. In the United States, the Securities and Exchange Commission (SEC) has long enforced rules on investment advice, ensuring that those providing such guidance do so under regulated frameworks. India's step to extend these principles into the digital influencer ecosystem reflects a maturation of regulatory thinking, acknowledging that the medium, whether social media or traditional channels, does not change the nature of the service provided.

Critics of the crackdown argue that the regulatory framework was not originally designed with digital influencers in mind, leading to ambiguity about what constitutes advice versus education. Some finfluencers claim that their content is purely informational and not tailored to individual investment decisions. The legal definitions around advice versus education continue to be debated, with calls for more clarity in regulations to help content creators understand their obligations without stifling legitimate educational efforts.

Nevertheless, SEBI's firm stance suggests that generic disclaimers are insufficient when the substance of content includes specific trade recommendations or actionable strategies. Beyond individual cases, SEBI has broadened its efforts to curate the informational environment. It has reportedly taken steps to remove tens of thousands of misleading investment posts and channels from social platforms, attempting to prune out content that could harm investors. These actions underscore the breadth of the challenge regulators face in a decentralized, user-generated content landscape where reach can rival that of established media with far less accountability.

The Way Forward

For investors, SEBI's crackdown serves as a potent reminder of the importance of due diligence and critical thinking. Reliable financial guidance should come from sources that are transparent, regulated, and accountable. Retail investors should be wary of promises of guaranteed returns, secret formulas, or exclusive communities that charge for access to supposedly privileged information. Registrations with SEBI and compliance with established investment adviser norms are not bureaucratic hurdles; they are safeguards designed to protect both markets and participants. The implications of SEBI's actions extend beyond any single finfluencer. They signify a shift in how India's financial regulatory architecture adapts to the digital age. As social media continues to democratize access to financial knowledge, regulators must balance two competing imperatives: enabling financial literacy while preventing misinformation and harm. SEBI's recent enforcement actions suggest that India is willing to impose strict boundaries on digital financial influence to uphold market integrity. For finfluencers themselves, the message is unmistakable: popularity does not confer regulatory immunity. Those who wish to operate legitimately within India's financial ecosystem will need to engage with SEBI's frameworks, register appropriately, and adhere to standards of conduct designed to protect investors. This may not only enhance the credibility of the finfluencer community but also foster a healthier, more sustainable environment for financial education and engagement.

(References – India Today, Indian Express, Outlook Money)

GREENVISSAGE EXPLAINS

Can we trust the high-flying SME drone stories?

Imagine you are watching a startup that promises to revolutionize the skies. They talk about high-tech surveillance, cutting-edge software, and a future where drones are as common as delivery bikes. You see their IPO on the SME exchange, and it is a massive hit. The subscription numbers are through the roof, the listing gains are mouth-watering, and the company seems to be winning massive contracts every other week. It feels like you have caught a rocket ship at the launchpad. But then, the market regulator steps in, takes a look at the cockpit, and realizes that the pilot was just playing a high-stakes game of smoke and mirrors. This is exactly what seems to have happened with DroneAcharya Aerial Innovations. When the Pune-based company listed on the BSE SME platform in late 2022, it was hailed as a pioneer in the Indian drone ecosystem. It raised nearly ₹34 crore from the public, promising that the lion's share of this money, about ₹28 crore, would go toward buying drones and accessories to scale up its business. On paper, it was a dream story. In reality, the Securities and Exchange Board of India (SEBI) recently discovered that the reality was far more grounded and significantly messier. According to SEBI's investigation, which culminated in a massive 105-page order in late 2025, the company only spent a measly ₹70 lakh on actual drones. If you are doing the math, that is barely 2.5% of what they told investors they would spend. So, where did the rest of the money go? Well, it appears a large chunk was funneled into what looked like inflated software purchases. The company reportedly paid nearly ₹6 crore to a vendor for software that typically costs just a few lakhs. When SEBI followed the money, they found that this cash did not stay with the software vendor for long. It was moved out almost immediately to various other entities, a classic red flag for fund diversion. But the plot thickens beyond just misusing the IPO proceeds. To keep the stock price buoyant and the investor excitement alive, the company allegedly engaged in some creative accounting and storytelling. SEBI found that about 35% of the company's revenue in a single year came from just two entities. When the regulator dug deeper, they could not find evidence of any actual services or goods being delivered to these clients. In fact, some of the customer addresses listed by the company turned out to be residential apartments or unrelated small shops. Without these questionable revenues, the company's healthy profit would have transformed into a staggering loss. While the financial engineering was happening behind the scenes, the front-facing part of the business was busy with corporate announcements. The company released a steady stream of news about global partnerships, massive orders, and expansion plans. To a regular investor, it looked like a company on a fast-track to success. To SEBI, it looked like a systematic plan to create artificial demand for the stock. This allowed pre-IPO investors and insiders a chance to exit their positions at highly inflated valuations, leaving the retail crowd holding the bag when the music finally stopped. This case is not just about one drone company; it is a symptom of a much larger fever in the SME IPO market. For a few years, the SME segment has been a playground for speculators. Because these companies are smaller, their share prices can be easily manipulated through circular trading, where a group of people buy and sell among themselves to drive up the price. SEBI has noticed this pattern repeatedly, where glossy prospectuses hide a maze of related-party transactions and accounting acrobatics. The regulator is now fighting back with a heavy hand. In the DroneAcharya case, it has banned the promoters from the securities market for two years and slapped them with hefty penalties. More broadly, SEBI has introduced much stricter rules for the entire SME segment. New companies now need to show a minimum operating profit before they can even think of an IPO. There are also new caps on how much promoters can sell during the listing and tighter controls on how they use working capital funds, which were previously a black hole for diverted cash. For the average investor, the DroneAcharya saga is a sobering reminder that tech-heavy narratives can often be light on substance. When a company promises the moon, it is worth checking if they even have a ladder. The SME exchange was designed to give genuine small businesses access to capital, but it also inadvertently gave fraudsters a stage. As SEBI tightens the screws, the era of easy, unverified SME riches might be coming to an end, forcing investors to look past the flashy headlines and deep into the actual bank statements. *(References – MoneyLife, Money Control, The Hindu)*

Is Australia's Under-16 Social Media Ban a Masterstroke or a Glitch?

Imagine you are a fifteen-year-old in Sydney. Your evenings are spent scrolling through TikTok for a laugh, checking Instagram to see what your friends are up to, and watching YouTube tutorials for your weekend hobbies. Then, suddenly, the digital door slams shut. This is not just a parental grounding, it is a national law. In late 2024, the Australian Parliament passed the Online Safety Amendment (Social Media Minimum Age) Bill, a world-first experiment that officially went live on December 10, 2025. The rule is simple: if you are under sixteen, you cannot have a social media account. The Australian government, led by Prime Minister Anthony Albanese, argues that this is a necessary intervention for public health. They point to rising rates of cyberbullying, the addictive nature of algorithms, and the mental health toll that constant social comparison takes on developing brains. By setting the bar at sixteen, the government hopes to let kids be kids and shift the focus back to offline interactions. Unlike many previous attempts at regulation, this law does not punish the kids or their parents. Instead, it places the entire burden of enforcement on the platforms themselves.

If a tech giant like Meta, TikTok, or Snapchat fails to take reasonable steps to prevent under-16s from holding accounts, they face staggering fines of up to 49.5 million Australian dollars. This has forced these companies into a frantic scramble to implement age-assurance technologies. The methods vary, from facial age estimation, where an AI analyzes a selfie to guess your age, to checking digital IDs. However, the law explicitly forbids platforms from forcing users to upload government passports or driver's licenses, creating a delicate balancing act between age verification and user privacy. But while the law looks clear on paper, the digital reality is proving to be much more complicated. Almost immediately after the ban took effect, young Australians began sharing workarounds. Virtual Private Networks (VPNs) can make a phone in Melbourne look like it is in New York, bypassing the Australian restrictions entirely. Others are simply using older siblings' accounts or migrating to exempt platforms. The government has excluded messaging apps like WhatsApp, gaming platforms like Roblox, and educational tools like Google Classroom from the ban, recognizing that these are essential for modern communication and learning. However, the line between a gaming site and a social network is notoriously blurry.

Critics of the ban argue that it is a blunt instrument for a complex problem. Human rights groups and youth advocates suggest that instead of protecting children, the ban might isolate them. For many marginalized teenagers, social media is a vital lifeline to communities and support networks they cannot find in their local neighborhoods. There is also the concern that by pushing kids off mainstream, regulated platforms, they will end up on darker corners of the internet where there are no safety guards at all. As of early 2026, the global community is watching Australia's experiment with a mix of curiosity and skepticism. Other nations, including Denmark and the United Kingdom, have signaled that they might follow suit if the Australian model proves successful. But success is hard to measure. If the goal was to keep kids off social media, the initial reports of widespread workarounds suggest a rocky start. If the goal was to force a global conversation about the design and accountability of tech platforms, then Australia has already succeeded in moving the needle.

(References – The Guardian, UNICEF Australia, Esafety Australia)

COMPLIANCE UPDATES

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Government policies

🟧 **UIDAI Mandates Aadhaar Verifier Registration** | The Unique Identification Authority of India (UIDAI) will shortly notify a rule requiring entities such as hotels, event organisers and other offline verification-seeking businesses to register with the authority before conducting Aadhaar-based identity checks, aiming to curb paper copies of Aadhaar cards and align with the Digital Personal Data Protection Act. Registered entities will be granted access to QR code scanning and integration with the forthcoming Aadhaar app or API, facilitating paperless offline verification and reducing dependency on central server authentication. The mandate is designed to discourage contravention of the Aadhaar Act through physical storage of Aadhaar data and enhance privacy safeguards for individuals. Non-registered entities will be unable to perform Aadhaar verification under the new framework once it takes effect. Notification is pending formal promulgation by UIDAI. (Economic Times)

🟥 **Mexico Raises Tariffs on Indian Exports** | Mexico's Senate has approved a substantial tariff overhaul that will impose duties of up to 50% on imports from countries without a Free Trade Agreement with Mexico, including India, with the higher levies expected to take effect in 2026 and sharply raise duties on passenger vehicles and auto parts from the current 20% level. This change will directly impact Indian automotive exports worth around $1 billion to Mexico, where major manufacturers such as Volkswagen, Hyundai, Nissan and Maruti Suzuki currently ship vehicles, potentially reducing price competitiveness and export volumes. The tariff regime applies to more than 1,400 product categories and aims to protect domestic industries and strengthen Mexico's fiscal position. Higher duties could compel Indian automakers to reassess supply chain and market strategies for Latin America, and may prompt engagement between Indian trade authorities and Mexico. (Reuters)

🟩 **India Eases FDI and Regulatory Processes** | The Government of India has raised the foreign direct investment (FDI) limit in the insurance sector from 74% to 100% for companies investing the entirety of premiums within India, as announced in the Union Budget 2025-26, with an associated review of conditionalities and guardrails to be simplified. In addition, the budget outlines plans to set up a forum for regulatory coordination and pension product development, roll out a revamped Central KYC Registry in 2025 to streamline periodic updates, and rationalise procedures for speedy approval of company mergers, including broadening fast-track merger processes. The reforms aim to boost foreign investment attractiveness, expand financial sector depth, and reduce compliance frictions for businesses. The policy measures are part of a broader strategy to enhance global competitiveness and foster a business-friendly regulatory environment. (Press Information Bureau)

Goods and services tax

🟥 **GST Auto Suspension Enforced** | The Goods and Services Tax Network has implemented system-driven auto suspension of GST registrations for non-furnishing of bank account details under Rule 10A, as notified on December 5, 2025. Regular taxpayers, excluding TCS, TDS and suo motu registrations, must provide bank details within 30 days of grant of registration or before filing GSTR-1 or IFF, whichever is earlier. Failure to comply triggers automatic suspension, with orders accessible on the GST Portal under View Notices and Orders. Bank details can be added through a non-core amendment, after which cancellation proceedings are designed to be auto-dropped, with a manual drop option available if not processed the same day. OIDAR and NRTP taxpayers are generally exempt, except OIDAR registrants appointing an Indian representative, for whom bank details are mandatory, creating immediate compliance risk for new businesses. (Goods and Services Tax Network)

Income tax

🟩 **Direct Tax Collections Climb 8%** | India's net direct tax collections in the current financial year (FY26) rose by 8% to approximately ₹17.04 lakh crore up to December 17, 2025, driven largely by higher corporate advance tax payments and steady compliance, according to provisional data from the Income Tax Department. Gross collections before refunds were about ₹20.01 lakh crore, while refund outflows declined 13.5% to ₹2.97 lakh crore, supporting the net growth. Corporate tax receipts were a major contributor, with corporate advance tax up around 8%, although advance tax from non-corporate taxpayers dipped during the period. Net collections from non-corporate sources, including personal income tax and STT, also showed solid year-on-year gains. The figures suggest the government is on course toward its FY26 direct tax target of ₹25.2 lakh crore amid controlled refund disbursements and resilient business earnings. (Economic Times)

Corporate and allied laws

🟩 **MCA Raises Small Company Thresholds** | The Ministry of Corporate Affairs has amended the Companies (Specification of Definition Details) Rules, 2014 via Notification G.S.R. 880(E) effective December 1, 2025, revising the definition of a "small company" under Section 2(85) of the Companies Act, 2013. Under the new rules, a private company (other than a public company) will qualify as a small company if its paid-up share capital does not exceed ₹10 crore and its turnover in the preceding financial year does not exceed ₹100 crore, up from the prior limits of ₹4 crore and ₹40 crore respectively. Companies meeting these thresholds can continue to avail compliance relaxations such as simplified financial reporting, reduced board meeting requirements, and lower penalties for defaults. The expanded eligibility is expected to bring more startups and MSMEs under the simplified regulatory regime, easing governance and compliance costs. Exclusions remain for holding companies, subsidiaries, Section 8 companies, and entities governed by special Acts. (Business Standard)

🟧 **SEBI Tightens SME IPO Profit Criteria** | The Securities and Exchange Board of India has introduced a new ₹1 crore EBITDA profitability test for companies seeking to list on the SME IPO platform under the ICDR Regulations, effective from the March 2025 amendment. Firms must demonstrate operating profit (EBITDA) of at least ₹1 crore in two of the last three financial years before filing their Draft Red Herring Prospectus, aiming to improve IPO quality and investor assessment. This replaces looser profitability norms and is designed to discourage speculative listings lacking consistent earnings, especially where operating losses are frequent. The rule directly affects eligibility for capital raising via SME listings and requires robust financial performance evidence at the time of IPO filing. (Economic Times)

🟧 **SEBI Revises REIT Investor Definitions** | SEBI has updated the REIT Regulations to broaden the definition of institutional and strategic investors, enabling wider participation in real estate investment trusts and infrastructure investment trusts. The amendments focus on expanding eligible categories, including entities that meet Qualified Institutional Buyer criteria, and clarifying investor roles in public offerings. Minimum investment thresholds such as strategic investors jointly or individually investing at least 5 % of the offer size have been codified to support deeper institutional engagement and market development. These changes are intended to align REIT investor definitions with broader capital market norms and enhance governance clarity. (Financial Express)

Finance and banking

🟧 **SC Defines NI Act Jurisdiction** | The Supreme Court of India has clarified territorial jurisdiction in cheque dishonour prosecutions under Section 138 of the Negotiable Instruments Act, 1881 with effect from the 2015 amendment, holding that only the court within whose local limits the payee's home-branch bank (where the account is maintained) is situated has jurisdiction to try such cases, ending prior forum-shopping confusion. This interpretation reinforces the statutory language of Section 142(2)(a) and emphasises the need to correctly identify the branch location for complaint filing. Courts cannot dismiss or transfer cases based on erroneous jurisdiction once evidence under Section 145 has commenced. The ruling has procedural implications for litigants and advocates handling cheque bounce litigation across multiple jurisdictions. (Economic Times)

🟩 **RBI Withdraws 9,445 Circulars** | The Reserve Bank of India has consolidated its regulatory framework by issuing 244 function-wise Master Directions for regulated entities and formally withdrawing 9,445 legacy circulars, guidelines and directions that were identified as obsolete or redundant, effective following notifications in late November 2025. The consolidation covers multiple sectors including commercial banks, NBFCs, co-operative banks and payment banks, creating a single, cohesive regulatory reference library to reduce cross-referencing and compliance ambiguity. Withdrawn circulars will no longer be treated as standalone sources, though actions started under them remain governed by previous instructions where applicable. The Master Directions were finalised after public consultation and are expected to enhance regulatory clarity and operational efficiency. (Economic Times)

RBI Mandates LRS Daily Returns | The Reserve Bank of India has issued A.P. (DIR Series) Circular No. 17 dated December 3, 2025, directing that Authorised Dealer (AD) Category-II banks/entities and Full-Fledged Money Changers (FFMCs) must submit Liberalised Remittance Scheme (LRS) daily returns directly on the Centralised Information Management System (CIMS) from January 1, 2026. Previously only AD Category-I banks filed these returns on behalf of attached Category-II entities and FFMCs. Direct submission, including nil reports, will enable real-time PAN-wise monitoring of cumulative LRS remittances before further transactions are approved. This change updates the Master Direction on FEMA reporting and aims to strengthen compliance and limit-tracking across authorised foreign exchange dealers. (Money Control)

RBI Governor Highlights Economic Trends | In the Governor's Statement dated December 5, 2025, the Reserve Bank of India noted robust GDP growth and benign inflation, with headline inflation averaging below the lower tolerance threshold of the RBI's target range in Q2 2025-26 and real GDP expansion supported by consumer spending and GST rate rationalisation. The statement reflects the central bank's assessment of macroeconomic developments and its regulatory stance heading into 2026, emphasising sustained financial system consolidation and ongoing refinement of regulatory frameworks to support ease of doing business and financial stability. (Press Information Bureau)

Customs and foreign trade

DGFT Streamlines IEC Application Process | The Directorate General of Foreign Trade amended Paragraph 2.08 of the Handbook of Procedures via Public Notice No. 32/2025-26 dated November 20, 2025, merging ANF-1A into a revised ANF-2A to simplify Importer-Exporter Code (IEC) applications. Under the revised framework, ANF-1A is discontinued and all IEC issuance, modification and related filings must use the updated ANF-2A with online system-based electronic verification of applicant details through integrated government databases, reducing manual validation. Applicants must continue to provide essential documents unless the digital system grants exemptions, and post-verification guidelines will be issued by DGFT Headquarters. Paras 2.08(c)(i) and 2.08(c)(ii) remain unchanged, maintaining key procedural requirements. The change formalises a fully electronic, paperless IEC process, improving accuracy and turnaround times for trade compliance. (Taxscan)

CBIC Launches Fully Digital SWIFT 2.0 Platform | The Central Board of Indirect Taxes and Customs issued Circular No. 29/2025-Customs on November 21, 2025, announcing SWIFT 2.0, an upgraded Single Window Interface for Facilitating Trade to serve as a unified digital touch point for importers, exporters, customs brokers and Partner Government Agencies (PGAs) for EXIM processes. SWIFT 2.0 replaces the legacy repository model, enabling online submission of additional data and documents for NOC processing, real-time tracking via dashboards, SMS/email alerts, and online payment of PGA fees with digital NOC access. The first phase mandates onboarding of Animal Quarantine and Certification Services (AQCS), Plant Quarantine Management System (PQMS) and FSSAI from December 1, 2025, with phased integration of 60+ PGAs. Importers and exporters must file requisite details through Integrated Declaration in the Bill of Entry or the unified application dashboard to ensure compliance. Field formations are directed to issue trade notices to ensure accurate filings and smooth transition to the fully digitised platform. (Taxscan)

Accounting

NFRA Expands Audit Quality Outreach | The National Financial Reporting Authority has rolled out a nationwide outreach programme to strengthen audit quality and compliance standards across audit firms, including small and mid-sized practices. The initiative involves regional workshops, direct engagement with auditors, and a nationwide audit firms survey to gather data on audit practices, capacity and challenges. NFRA has indicated that insights from the outreach and survey will guide future supervisory, inspection and standard-setting actions under the Companies Act framework. The programme focuses on improving consistency in audit execution, documentation and professional judgement. For audit firms and companies, this signals closer regulatory engagement and a sharper focus on audit quality benchmarks. (Economic Times)

ICAI Migrates UDIN to DigiCA | The Institute of Chartered Accountants of India has announced the migration of the

Unique Document Identification Number portal to the DigiCA digital platform to enhance system stability, security and user experience. The transition involves a temporary downtime during the migration window, after which all UDIN generation and verification will be routed exclusively through DigiCA. ICAI has advised members to plan certificate and report issuance accordingly to avoid compliance delays. The upgraded platform is intended to support higher transaction volumes and improved audit trail features. For chartered accountants and regulated entities, timely adaptation is essential to ensure uninterrupted statutory filings. (Financial Express)

🟥 **ICAI Tightens UDIN Usage Rules** | The Institute of Chartered Accountants of India has released a detailed UDIN portal manual mandating stricter usage norms to eliminate silent modifications in certified documents. The updated guidance requires UDIN generation for a wider set of attestations and reinforces timelines for linking UDINs with documents issued by members. Non-compliance may render documents unverifiable on the ICAI system, increasing regulatory and client risk. The manual also outlines enhanced verification checks available to regulators and stakeholders. Businesses relying on certified financial and compliance documents may face delays or re-issuance if UDIN requirements are not strictly followed. (Business Standard)

Payroll and personal finance

🟩 **PFRDA Expands NPS Equity Options** | The Pension Fund Regulatory and Development Authority has introduced two new high-equity auto investment choices for Central Government National Pension System subscribers, increasing total lifecycle options from four to six. The new options allow equity exposure of up to 75% during early service years, with a structured tapering as the subscriber approaches retirement age. The change was notified through an official circular following amendments approved by the Ministry of Finance. Subscribers opting out of the default scheme must actively select a pension fund and lifecycle option through the CRA system. The move provides greater long-term return potential but also increases market-linked risk exposure for government employees. (ET Wealth)

🟧 **RBI Caps Currency Carry to Nepal, Bhutan** | The Reserve Bank of India has revised limits on Indian currency that residents may carry while travelling to Nepal and Bhutan to curb misuse of high-value notes. As per updated directions, travellers may carry Indian currency notes up to ₹25,000, excluding denominations of ₹500 and ₹2,000. The restriction applies to both leisure and business travel and aligns with existing foreign exchange regulations. Authorised dealers and banks are required to ensure compliance while facilitating travel-related forex services. Businesses sending employees on cross-border travel must align internal travel policies with the revised limits. (Financial Express)

🟧 **NPS Exit Framework Definitions Revised** | The Pension Fund Regulatory and Development Authority has revised the National Pension System exit and withdrawal framework to introduce uniform definitions across regulations. The update standardises terminology for superannuation, premature exit, partial withdrawal and annuity purchase to remove interpretational ambiguity. The revised framework applies across all NPS sectors, including corporate and government subscribers. Points of Presence and intermediaries must update internal processes and subscriber communication accordingly. The clarification improves operational consistency and reduces disputes during exit and settlement processing. (Economic Times)

ECONOMIC INDICATORS

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Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Sep-25	8.20	7.80
Unemployment (%)	Nov-25	4.70	5.20
Inflation (%)	Nov-25	0.71	0.25
Balance of Trade ($bn)	Nov-25	(24.53)	(41.68)
Business confidence	Dec-25	126.00	126.00
Manufacturing PMI	Dec-25	55.00	56.60
Services PMI	Dec-25	58.00	59.80

(Trading Economics)

Global Indices

Index	Country	Change %
NIFTY 50	India	0.48%
BSE SENSEX	India	-0.34%
NIFTY BANK	India	1.07%
INDIA VIX	India	-9.91%
DOW JONES	USA	3.61%
S&P 500	USA	1.44%
NASDAQ	USA	0.01%
S&P/TSX	Canada	3.97%
BOVESPA	Brazil	3.46%
DAX	Germany	3.52%
FTSE 100	UK	4.95%
CAC 40	France	1.59%
FTSE MIB	Italy	5.34%
MOEX Russia Index	Russia	1.48%
NIKKEI 225	Japan	2.80%
S&P/ASX 200	Australia	0.83%
SHANGHAI	China	4.12%
HANG SENG	Hong Kong	2.52%
KOSPI	South Korea	9.54%

Commodities Futures

Commodity	Expiry	Price	Change %
Gold	Feb-26	1,38,159.00	9.87
Silver	Mar-26	2,54,950.00	61.66
Crude Oil	Jan-26	5,074.00	(2.54)
Natural Gas	Jan-26	314.00	(22.30)
Aluminum	Jan-26	313.50	16.69
Copper	Jan-26	1,331.70	31.30
Zinc	Jan-26	314.30	5.47

(MCX India)

Currency Exchange Rates

Pair	Current	Prior	Change %
USD/INR	89.92	89.22	(0.78)
GBP/INR	121.02	116.90	(3.53)
EUR/INR	105.56	102.77	(2.71)
YEN/INR	57.42	56.93	(0.86)

(FBIL India)

Cryptocurrencies

Pair	Crypto	Price	Change %
BTC/USD	Bitcoin	92,751.77	5.91
ETH/USD	Ethereum	3,256.34	10.61
BNB/USD	Binance	915.86	6.48
SOL/USD	Solona	139.09	0.36

(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	-

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