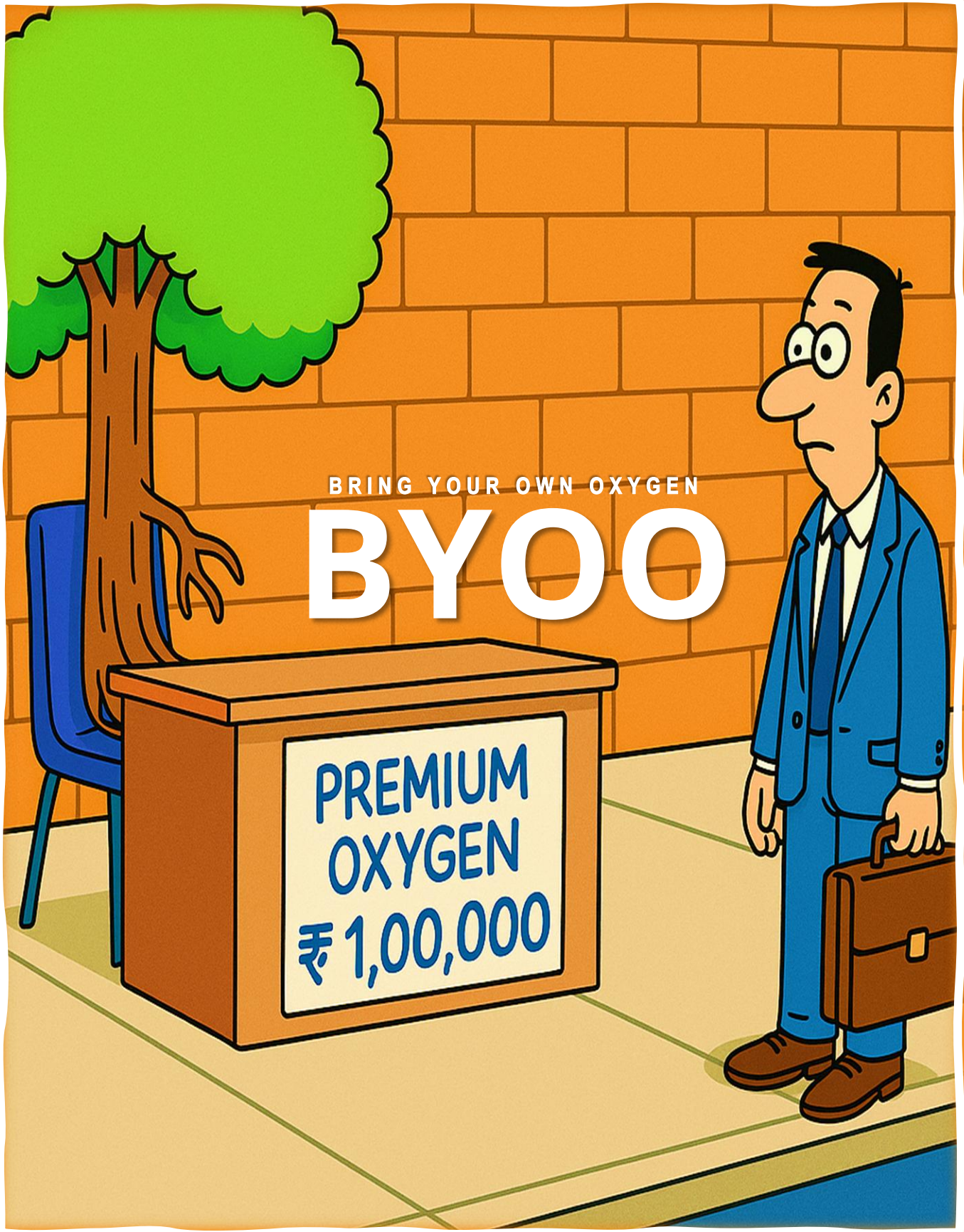


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Understanding how Delhi's Air Pollution is costing the economy



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**EXPERT OPINION**

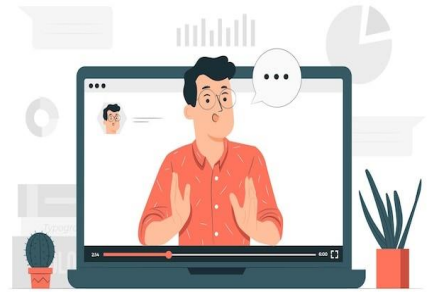
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Analysis of key economic factors



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# SPOTLIGHT

Greenvissage

## Welcome to Delhi – Where breathing needs a pro subscription, air runs its own revenue strategy, and oxygen is strictly on BYOO basis (Bring Your Own Oxygen)



### Backdrop

First, a confession. If Delhi were an expense line on a corporate profit and loss statement, it would be filed under an infamous category: uncontrolled operating cost. For decades, the city's smog looked like a public health problem, the sort of distant civic nuisance executives signed off on municipal budgets and environmental briefs. Not anymore. The air of Delhi has moved from being a public good externality to a recurring commercial shock. Shareholders, CFOs, and risk officers should now budget for it. The business case is stark. Air pollution is not merely a seasonal headline. It is a structural drag on productivity, an insurer of unforeseen costs, a grievance that chips away at human capital, and an input tax on the economy. Measured in lost workdays, higher medical claims, lower tourism revenue, and weakened labour force participation, dirty air is a tax with no legislative debate. And while policy debates have historically focused on morality, health, or technical fixes, the marketplace speaks a different language: dollars, rupees, and return on invested capital. Seen through

that prism, Delhi's pollution crisis becomes a predictable, monetizable, and therefore manageable risk if businesses choose to act.

### Impact bigger than we think

Traditional analyses focus on the immediate health costs: hospital visits, asthma attacks, and premature deaths. Those numbers are headline-worthy but insufficient for boards. There are three less publicised channels where pollution bites deeper into corporate balance sheets. First, labour productivity. Chronic exposure to fine particulate matter diminishes cognitive performance and endurance. Firms that rely on front-line labour, construction, logistics, or manufacturing see output per worker fall not just on smoggy days, but through long-term health degradation. Second, recruitment and retention. Highly skilled millennials and knowledge workers weigh liveability when deciding where to work. Persistent poor air quality constrains the effective talent pool and raises compensation premiums for those willing to tolerate it.

Third, capital allocation. Developers and investors now adjust discount rates, factoring in the probability of seasonal restrictions that limit construction activity, or the risk of reputational damage from contributing to local pollution. These three channels compound. The result is slower urban productivity growth and lower valuations for firms whose fortunes are tied to Delhi's operational rhythm.

## How the economy is paying the bills

Several recent studies and policy assessments quantify the issue. Analyses have suggested that if India had achieved WHO safe air levels in 2019, its GDP would have been materially higher. City-level studies put half-year losses during acute smog episodes as a meaningful percentage of local GDP, through reduced output and higher health spending. That math is why a firm should think of pollution as a recurring operational cost akin to energy or logistics. Put differently, every quarter that Delhi's air remains poor, companies absorb a hidden tax through absenteeism, increased employee health benefits, compliance interventions, and lower consumer footfall. For corporate treasuries, these are not theoretical losses. They are cashflow variances that matter to margins and, ultimately, to investor returns.

A vexing problem for business planning is regulatory unpredictability. The Commission for Air Quality Management, established to coordinate responses across a fragmented governance landscape, has been increasingly active in deploying graded restrictions as air quality worsens. In November 2025, the commission revised the Graded Response Action Plan to accelerate stricter measures into earlier phases, effectively shortening the lead time for disruptive interventions. For firms, this translates into planning risk. A manufacturer on the periphery of Delhi that sources inputs from multiple states can have operations curtailed with days' notice. A retail mall touting a weekend event can see footfall collapse after a Stage IV advisory. Planning capital expenditure, staffing, and supply chains around a calendar now includes air quality forecasts as a legitimate input.

## Sectoral winners and losers

Not all sectors suffer equally. Logistics, construction, outdoor entertainment, tourism, and informal urban manufacturing

are immediate losers because their production functions are weather-dependent. Insurance and healthcare see demand spikes and rising claims. Real estate bifurcates into premium assets insulated by filtration and mid-tier properties that experience higher vacancy or discount rates. Conversely, a new generation of firms stands to profit. Indoor air quality firms, high-efficiency HVAC suppliers, sensor networks, and firms offering telecommuting and remote work solutions gain from rising corporate budgets allocated to mitigation. There is also a sizeable investment opportunity in agricultural technology and circular economy solutions for crop residue. The business community should treat these not as philanthropic channels but as scalable market opportunities born of necessity.

On the supply side of pollution, two interventions stand out for immediate cost-effectiveness. One is the reduction of sulfur dioxide emissions from thermal power plants near Delhi through flue gas desulfurisation technology. Studies indicate significant potential reductions in one pollutant that contributes to particulate formation. The other is systemic crop residue management in states adjacent to the national capital. The grain markets and mechanisation patterns created by decades of agricultural policy produced millions of tonnes of paddy straw that have too often been disposed of by burning. Managing that residue at scale requires equipment subsidies, supply chain coordination, and viable ex situ uses. Both solutions demand capital and coordination, but they are defeated not by technology but by regulatory friction and weak accountability. The private sector can be a deployer of capital, through green bonds, pay-for-performance contracts, and off-take arrangements for residue-based bio products, but it needs clearer policy signals to underwrite projects.

## Comparing Beijing and Delhi

It is tempting to point to Beijing's dramatic improvement over the last decade as a blueprint. Beijing's air quality gains were real, and the policy toolkit was expansive: large-scale plant closures, coal bans, massive funding, and enforced compliance. The caveat is implementation friction. A democratic polity with devolved authority will not replicate Beijing overnight. India also faces a multiplicity of boundary conditions. Power plants, industrial belts, and agricultural practices cross state lines. Compensation, legal due process, and livelihoods complicate straightforward shutdowns. That said, the Beijing case is useful

because it proves two essential points. First, decisive policy and sustained finance can move ambient concentrations at scale. Second, monitoring and accountability infrastructure matters. A robust, transparent network of sensors and public dashboards makes policy enforceable and markets responsive. Investing in dense monitoring is an efficiency play: better data yields better targeting and lower abatement cost per unit of pollution removed.

Delhi's air crisis is a warning and an opportunity. For the economy, it is a multi-billion-rupee drag and a real business risk. For innovators and capital markets, it is the seed of an asset class: measurable interventions that create verifiable improvements and monetizable cashflows. The choice for businesses is simple. Treat pollution as a recurring operating expense and plan defensively, or treat it as an investable problem and capture the upside from the solutions. Either way, the era when air was a free public good is over. Boards should

now ask their CFOs to put a line item on next year's budget titled Air Risk Mitigation. It will be the most profitable insurance policy they buy. C-suite leaders and boards should incorporate five practical questions into quarterly risk reviews. What is our exposure to operational curbs driven by graded response plans? What is the financial sensitivity of our workforce productivity to poor air? What capex do we need to make facilities future-proof with indoor air filtration, remote operation capability, or staggered shifts? Are our insurance contracts priced to account for higher claims or business interruption due to environmental advisories? Finally, where can we partner with public entities to finance structural abatement that has a direct commercial payoff, such as cofunding residue management equipment that secures agricultural supply chains?

*(References – World Economic Forum, The Guardian, India Briefing)*



# EXPERT OPINION

Greenvissage

# Employee Stock Options – When ownership knocks your door, first understand its taxation.

By Amit Chandak, Managing Partner, Greenvissage



## Introduction

On a breezy April morning in Bengaluru, a young product manager opened her inbox to find a message she had spent years hoping for: her start-up had finally raised a major funding round. Overnight, her Employee Stock Option Plan had gone from a distant possibility to a tangible doorway to wealth. Yet, the excitement lasted only a few minutes before a second email landed, this one from the finance team, explaining her tax obligations on exercising ESOPs. What started as a dream of ownership suddenly felt like a lesson in tax law. Across India's corporate corridors, this story repeats itself every year. ESOPs inspire, reward, and empower. But they also trigger a chain of tax consequences that few first-time employees fully grasp. Chartered accountants have long been the custodians of clarity in this domain, decoding valuation rules, perquisite taxability, capital gains mechanics, and a maze of start-up-specific concessions. With India's ESOP ecosystem expanding rapidly, mirroring global trends of equity-driven compensation, the conversation around taxation

has become more nuanced, more policy-driven and more central to employer-employee negotiations.

## Why are ESOPs issued?

At its heart, an ESOP is a promise, an invitation to employees to become co-owners in the enterprise they helped build. Global research consistently shows that companies with broad-based ESOP participation exhibit higher retention, stronger alignment of incentives, and better long-term performance. India's start-up economy, short on cash and high on ambition, has embraced ESOPs as a strategic lever to attract high-quality talent without incurring heavy salary costs upfront. Tax policy has generally recognised this intent, but not without balancing the revenue imperative. The two-stage taxation structure enshrined in Section 17(2)(vi) and the capital gains provisions is rooted in a simple logic: an ESOP yields an economic benefit at exercise and a realisable gain at sale. These are fundamentally different moments in the employee's journey. But the complexity lies not in the philosophy but in the valuation

mechanics and timing rules.

Modern compensation psychology suggests that ESOPs are not merely financial tools but behavioural levers. They shift an employee's identity from worker to owner. This sense of ownership drives productivity, aligns long-term commitment, and builds cultural cohesion. India's corporate sector has witnessed this across industries, from IT majors to new-age unicorns. But the taxation framework also influences retention outcomes. Employees who anticipate heavy tax bills upon exercise may delay exercising options or even decline them, undermining the ESOP's purpose. The deferment mechanism for start-ups attempts to balance this by providing breathing room. Yet, mainstream companies continue to navigate this challenge, often resorting to cashless exercise mechanisms or buyback programs to support employees.

## Exercise Date Rules All

The first tax point arises not when shares are granted or vested, but when the employee finally exercises the option. This distinction is crucial. The Fair Market Value on the exercise date becomes the centrepiece of computation. The Income Tax Rules avoid any ambiguity by prescribing a precise valuation regime. Listed shares look to market prices. Unlisted shares, which dominate the start-up landscape, rely on a merchant banker's valuation, anchored to a date no later than 180 days before the exercise event. This ensures the tax trigger reflects contemporary enterprise value rather than outdated projections. Interestingly, the date of allotment, which might be days or even weeks after exercise, is irrelevant for computing perquisite tax. The logic is that the economic decision is made at exercise, not at allotment. The law taxes the notional gain crystallised at that moment, even if liquidity is not yet available to the employee. This creates an inherent tension: a tax bill without a corresponding cash inflow. In mature public markets, employees can mitigate this through an immediate sale. But in the private market universe, particularly for unlisted start-ups, exercise often coincides with cash constraints and illiquid shares. It is precisely this gap that pushed policymakers to rethink ESOP taxation for start-ups.

## Holding Period as Differentiator

Once the shares are finally sold, the capital gains machinery

takes over. Here, two variables dominate the conversation: the cost of acquisition and the holding period. Counterintuitively, the FMV used for perquisite taxation becomes the cost base for capital gains. This prevents double taxation of the same appreciation. Employees often underestimate how favourable this can be, especially when valuations rise sharply between grant and exercise. The holding period starts from the date of allotment, not exercise, and determines whether the gains are long-term or short-term. For listed companies, this distinction can radically influence tax outflows. In private companies, while the benefit is still meaningful, the bigger challenge is timing liquidity events so that tax does not erode outcomes. Thus, ESOP taxation demands a dual perspective: one rooted in salary taxation rules, and another grounded in capital market logic.

## The Deferment Revolution

The 2020 amendment introducing tax deferment for ESOPs of eligible start-ups was a watershed moment. Until then, employees faced a dilemma: exercise options and incur perquisite tax without liquidity, or delay exercise and risk expiration or missing a valuation advantage. The government recognised that taxing notional gains in cash-starved hands was counterproductive and misaligned with the start-up growth model. The new rules introduced a three-pronged trigger mechanism. Tax on the perquisite can be deferred until the earliest of the employee exiting, the shares being sold, or 48 months from the relevant assessment year ending. While this does not eliminate tax, it shifts the burden to a more logical time. The law still requires disclosure in the year of allotment, reflecting the principle that income arises then, but the cash-flow impact is postponed. This has spurred healthier ESOP participation in the start-up sector. Companies can now design ESOP policies without worrying that employees will reject vesting due to immediate tax obligations. It also aligns taxation with liquidity, a cornerstone principle of equitable tax design.

## The Valuation Dilemma

One of the most debated issues among CAs is the tension between regulatory valuation and commercial valuation. Merchant banker valuations, while compliant, may diverge from live investor negotiations. Similarly, listed company

prices can swing dramatically on any given day, raising questions of fairness when the exercise date happens to coincide with a sharp market spike. The law's answer is consistency; use the opening and closing prices or the valuation report, irrespective of broader market behaviour. While this brings objectivity, it also creates strategic scenarios. Some companies advise employees to stagger exercises across a period to average out FMV volatility. Others align exercise

windows with relatively stable trading cycles. As ESOPs gain prominence, conversations around whether FMV should consider vesting date value or incorporate employee liquidity constraints are growing louder. These debates are likely to influence future policy updates.

*(References – Live Mint, Outlook Business, Income Tax India)*



# **GREENVISSAGE EXPLAINS**

Greenvissage



## What made Digital Gold popular and why it is a risk?

Gold has always held a special place in Indian hearts. For decades, owning physical gold, whether as jewellery, coins or bars, was considered a mark of security, tradition and savings. But over the last several years, a new way to invest in gold has quietly taken root: buying and holding digital gold. It's often pitched as an easy, affordable, and frictionless path to owning gold, especially for those who don't want to worry about storage or purity. And yet, for all its convenience, digital gold remains outside the formal regulatory framework. So how did it end up as a favourite investment choice for many? Put simply, digital gold refers to a product that allows individuals to buy and store gold digitally, through mobile apps or online platforms. When you buy digital gold, the platform claims to purchase and hold a corresponding amount of physical gold, often 24K, in secure vaults. What you own is a digital record or certificate indicating how much gold you hold. You may even have the option to convert it into physical gold or sell it back to the provider. Fractional ownership removes a massive barrier in traditional gold buying. Instead of needing a lump sum to buy a coin or bar, anyone with modest savings can begin building a gold portfolio. Add to that the convenience: no need to visit a jeweller, no questions about purity or paperwork, no worries about storing jewellery or bars at home. The platform handles vaulting, storage, insurance, and, often, claims to offer instant liquidity. These features make digital gold uniquely suited to modern, app-savvy Indians, especially younger investors or those with modest incomes who nonetheless want exposure to the traditional security of gold. Historically, investing in gold meant either buying physical gold or going via regulated financial instruments like gold ETFs, which required a demat account, certain minimum investment thresholds, and some financial sophistication. Digital gold removed all these friction points. With just a few taps on a phone, even someone with ₹100 could own gold. That democratised gold ownership in a way few had anticipated. Digital gold promised the best of both worlds: the traditional value of gold, along with the digital-age convenience of easy buying, selling, and tracking. For investors who didn't want to deal with lockers or home safes or worry about purity and authenticity, it was a compelling option. Many considered it a set-and-forget savings tool, a path to slowly accumulate gold over time. Gold has long held cultural importance in India, as a store of value, a hedge, a symbol of marriage, prosperity and security. Digital gold allowed a new generation to participate in that tradition, even if they lacked the means to buy large quantities. For many, representing ownership of a few grams of gold, even digitally, felt close enough to the real thing. Because you could buy, sell or redeem at will, digital gold offered a kind of liquidity that traditional gold investments struggled with. Need quick cash? Sell. Want to add more? Tap to buy. There was no need to wait for a jewellery store visit or deal with paperwork. Recent developments have shone a harsh light on what many skipped over: the fact that digital gold exists in a regulatory no man's land. As of November 2025, the Securities and Exchange Board of India (SEBI) issued a public advisory warning investors about the risks of digital gold/e-gold products. According to SEBI, digital gold does not qualify as a security under existing laws, nor does it fit into regulated categories like commodity derivatives. That means it does not fall under SEBI's purview or legal protection. The implications are serious. If the platform holding your gold defaults, mismanages assets, or, worse, becomes insolvent, there may be no legal guarantee that investors like you get their money or gold back. There's no standard audit requirement, no mandated disclosure of vault holdings, and no regulated grievance or claims mechanism. In short, you are trusting the platform and its vault partner at your own risk. Digital gold grew quietly, quietly enough to avoid immediate regulatory scrutiny. It didn't ask for a public sale via the stock markets. It didn't market itself as a security or derivative. It simply offered a service: store gold for customers, let them buy and sell fractions, and maybe deliver physical gold on demand. Because it didn't fit neatly into existing categories, neither deposit, security, commodity derivative, nor payment instrument, regulators effectively had no rulebook to apply. That regulatory ambiguity gave platforms a big head start: they could scale, reach millions of users, and accumulate huge amounts of claimed holdings without being subject to audits, reserve requirements, or disclosure norms. So digital gold thrived in grey space, much like how informal gold-saving schemes did in the past.

*(References – Live Mint, The New Indian Express, Times of India)*



## Why is India's inflation at a multi-year low?

India's latest inflation reading has thrown up a puzzle that economists, policymakers, and investors are still trying to unpack. In October 2025, headline retail inflation nearly touched zero, coming in at 0.25% a level India has not seen in years. Inflation usually makes headlines when it rises, not when it disappears, because households associate low prices with relief. Yet this unexpectedly soft number has triggered far more debate than celebration, because the forces behind it reveal distortions rather than a durable cooling of the economy. Understanding why inflation dipped so sharply requires looking beyond the data and examining how India's economic structure responded to an unusual mix of agricultural cycles, tax decisions, and statistical shadows.

The most dramatic movement came from food prices, which form the backbone of India's consumption basket and often dominate household perceptions of inflation. This time, food prices did not merely stabilise; they fell with a steepness rarely seen. Vegetables, pulses, and fruits all witnessed year-on-year declines, with vegetables leading the fall by a wide margin. Supermarket shoppers may have felt a brief sense of relief, but the scale of the correction reflected something deeper than abundant supply. The country had experienced two years of erratic food prices caused by extreme weather swings and bottlenecks in distribution. When the monsoon behaved more predictably this year, and transport disruptions eased, supplies normalised all at once. The result was a flood of produce entering markets simultaneously, pushing retail prices down sharply.

Another force tugging inflation downward was the government's decision to cut GST rates on several categories of daily-use items. Unlike one-off supply improvements, tax cuts have an immediate pass-through effect on prices and are designed to stimulate discretionary spending. These rate reductions came at a moment when consumption demand was beginning to look uneven, so the policy aimed to nudge households into spending more freely. The timing created a double impact: food was becoming cheaper because of seasonal improvements, and manufactured essentials dipped because of lower tax burdens. This combination is uncommon in India, where food inflation typically overshadows all other categories, and it contributed to a headline number that appeared far more subdued than the underlying economic cycle.

Statistical effects played an equally important role. Inflation is always measured relative to a base period, and October 2024 happened to be a time when inflation was uncomfortably high, driven primarily by a prolonged run-up in food prices. When this year's data was compared to that elevated base, even moderate prices seemed significantly cheaper. This base effect exaggerated the extent of the decline, creating the impression of a slowdown even though many non-food categories were rising normally. For casual observers, a near-zero inflation number may suggest a broad cooling of prices, but the comparison is misleading. India is experiencing a recalibration, not a broad deflationary trend.

One reason the inflation story looks so fragmented is that price movements in India differ significantly across geography. Rural inflation turned negative, which is unusual in a developing economy and indicates how sensitive rural budgets are to food prices. Urban inflation stayed positive, albeit subdued, because city households spend more on services, rent, and education, all of which continued to become costlier. The contrast between states widened even more starkly. Some states experienced outright deflation, while others, such as Kerala, recorded among the highest inflation rates in the country.

*(References – Economic Times, The Times of India, Business Standard)*



## Has Crypto become a money laundering machine?

For over a decade, cryptocurrencies were marketed as the future of finance, fast, borderless, and democratic. You could move money across continents in seconds, without waiting for bank approvals or navigating forex paperwork. All you needed was a smartphone, an email address, and an appetite for a little volatility. That frictionless promise was precisely what drew millions of everyday users in. But as it turns out, the same promise was irresistible to another group too: the world's most sophisticated criminal networks. Over the past year, an unprecedented international investigation has shown just how deeply crime, fraud and digital assets became intertwined. The project, led by the International Consortium of Investigative Journalists (ICIJ) and supported by more than thirty global media outlets, revealed that money launderers, cybercriminals, and even state-sponsored hacking groups had quietly threaded their way into major crypto exchanges. The scale was stunning; billions of dollars had been washed through platforms that many people assumed were safe, compliant, and monitored. What makes these findings unsettling is that nothing about the laundering mechanism was especially complicated. Blockchain, often described as a transparent and immutable technology, was supposed to make it harder, not easier, to hide illicit funds. Transactions are public. Ledgers can't be altered. Records last forever. In theory, criminal activity should be glaring. But the blockchain's transparency only tells half the story. It records movement, not identity. And that tiny gap, between a wallet and the real person controlling it, is where the entire laundering ecosystem thrives. To understand how this works, imagine a sprawling digital world where anyone can create hundreds of wallet addresses in minutes. None of these wallets requires a name. None requires a bank account. A scammer sitting in another country can transfer money from a victim's bank account, convert it into crypto, and scatter it across dozens of wallets before investigators can even freeze the first trail. By the time authorities try to trace the flows, the funds have hopped across platforms, blockchains and mixing services, effectively dissolving into the digital mist. This isn't a hypothetical scenario. The investigation revealed how major exchanges, some household names in the crypto world, became unintentional participants in laundering networks. Even after several of them were fined by regulators in the US and Europe for weak compliance systems, questionable flows continued slipping through their platforms. Binance, the world's largest exchange at one point, admitted guilt in 2023 for failing to prevent money laundering. OKX, another giant, settled charges for operating without proper licenses. And yet, even after these crackdowns, new evidence showed hundreds of millions of dollars connected to cybercrime networks still passing through these very exchanges. India, too, found itself woven into this global web. Working alongside ICIJ, The Indian Express uncovered data showing that at least 27 Indian crypto exchanges had been used, knowingly or unknowingly, to launder money siphoned from thousands of victims. These weren't isolated cases of a few rogue traders. Approximately ₹623 crores moved across these platforms over just two years, routed through a pattern of layering that disguised both origin and destination. Many victims didn't even realise the money they deposited on scam platforms was being instantly converted into digital coins and spirited away through overseas wallets. This raises an uncomfortable question: were these exchanges unaware, or were some simply looking away? Part of the problem lies in the soul of crypto itself. Traditional finance, banks, mutual funds, and brokerages operate within a tight regulatory perimeter. Every rupee is tied to someone's identity. Every large transfer triggers alerts. Crypto, by design, does not obey these rules. A platform can register in a lenient jurisdiction, operate in dozens of countries, and move assets through intermediaries that regulators struggle to even define. A crypto exchange in one country may send coins to a mixer in another, which funnels them into a wallet in a third, before they finally end up at a platform in a fourth. This fluidity creates compliance nightmares; by the time a red flag is raised, the trail has already fractured into hundreds of data points. The rise of mixers further complicates things. These services blend cryptocurrencies from many users and redistribute them in ways that break the transaction chain, making it nearly impossible to reconstruct who sent what to whom. Mixers aren't illegal tools by themselves; some people use them for privacy, but they are tailor-made for launderers who want to erase their digital footprints with precision.

*(References – ICIJ, The Indian Express, Financial Express)*



# COMPLIANCE UPDATES

Greenvissage

## Government policies

■ **S&P Holds India Growth Outlook** | S&P Global has retained India's GDP growth projection at 6.5 per cent for FY26, according to its Economic Outlook for Asia Pacific released on November 26, 2025. The agency noted that uncertainty may ease if India reaches a trade settlement with the United States, and stated that risks to the outlook remain broadly balanced. S&P expects growth to improve slightly to 6.7 per cent in FY27, reflecting resilient domestic demand and investment momentum. The latest estimate is broadly aligned with recent updates from global bodies, including the IMF and World Bank, both of which raised their FY26 forecasts by 20 basis points but reduced FY27 projections, citing the impact of higher US tariffs. Economists view the steady forecast as a signal of medium-term macroeconomic stability despite policy and external trade challenges. (Business Line)

## Goods and services tax

■ **GSTN to Enforce Rule 10A Compliance** | The Goods and Services Tax Network has confirmed that automated checks for Rule 10A will be activated shortly on the GST Portal following its advisory issued on November 20. The rule mandates that all regular GST registrants must furnish their bank account details within 30 days of issuance of GST registration or before filing their first GSTR-1 or IFF, whichever occurs earlier, with exemptions granted only to TCS, TDS, and suo motu registrations. Once implemented, the portal will prevent further return filing or outward invoicing until compliance is completed, and non-compliant taxpayers may face automatic suspension of registration under GST provisions. Suspension may result in an inability to issue valid tax invoices, generate e-way bills, file returns, or claim input tax credit, creating operational and cash flow risks for affected businesses. (Goods and Services Tax Network)

■ **Simplified GST Registration Now Live** | The Government of India has implemented the Simplified GST Registration Scheme under Rule 14A of the CGST Rules, 2017, effective November 1, 2025, to streamline compliance for small taxpayers. The scheme is available to applicants whose self-assessed monthly output tax liability, including all GST components and Compensation Cess, does not exceed ₹2.5 lakh. Registration must be applied through FORM GST REG-01

with Aadhaar authentication for the Primary Authorised Signatory and at least one Promoter or Partner, and approval will be issued electronically within three working days. The rule restricts obtaining a second registration under the same PAN in the same State or Union Territory. Withdrawal from the scheme is allowed only after meeting filing conditions and ensuring no pending amendments, cancellation requests, or Section 29 proceedings exist. (The Hindu)

## Income tax

■ **Refund Delays Dominate Google Searches** | Income tax refunds have become one of the most searched topics on Google Trends as lakhs of taxpayers await delayed payouts. Over 92 lakh ITRs remain unprocessed, with the department subjecting high-value and red-flagged claims to deeper scrutiny. While small refunds are being issued, CBDT Chairman Ravi Agarwal has assured that all legitimate refunds will be cleared by December. Refund disbursal so far has dipped by nearly 18%, though authorities say pending appeals are being resolved faster than last year. Experts note that scrutiny-driven delays are temporary and expect the situation to normalise if timelines are met. (Financial Express)

■ **CBDT Extends Capital Gains Relief to SEZs** | The CBDT has notified key updates to the Capital Gains Accounts Scheme aimed at improving taxpayer convenience and reducing procedural hurdles. The revised rules expand the scope of eligible SEZ transactions and streamline documentation for claiming capital gains exemptions. Taxpayers will now be able to use a wider range of SEZ reinvestment options and enjoy simplified compliance for deposit and withdrawal under the scheme. The move is expected to ease long-standing operational bottlenecks faced by individuals and businesses in capital gains rollover. Tax experts say the update aligns the scheme with current market realities and promotes smoother reinvestment into SEZs. (Economic Times)

■ **Simplified ITR Rules From April 1, 2026** | The CBDT has confirmed that simplified ITR forms and rules under the new Income Tax Act, 2025, will take effect from April 1, 2026. The department plans to notify the redesigned forms by January, so taxpayers have enough time to update internal systems and processes. The new law, replacing the six-decade-old Income Tax Act of 1961, focuses on easing compliance rather than

altering tax rates. It cuts total sections from 819 to 536 and chapters from 47 to 23, while modernising language and eliminating redundant provisions. Officials say user-friendly forms, supported by 39 new tables and 40 formulas, will make tax filing clearer and more intuitive for individuals and businesses alike. (Financial Express)

## Corporate and allied laws

■ **MCA Plans Audit Relief for Small Companies** | The Ministry of Corporate Affairs is considering an amendment to Section 139 of the Companies Act, 2013, to exempt companies with annual turnover up to ₹1 crore from mandatory statutory audit, according to reports. If implemented, this would be the first turnover-based exemption under the Act and would align the audit threshold with the tax audit limit for many micro-businesses. The proposal aims to reduce compliance cost burdens for micro-enterprises, including OPCs, by eliminating audits that officials say often yield limited value and rarely detect material misstatements. However, the move has triggered governance concerns from regulatory and professional bodies, including ICAI, over the absence of alternative oversight mechanisms if both statutory and tax audits are waived for such entities. The draft amendment is expected to be introduced in an upcoming Parliament session, where discussions may focus on balancing compliance efficiency with financial reporting integrity. (Economic Times)

■ **SEBI Proposes BSDA Valuation Changes** | SEBI has proposed excluding zero-coupon zero-principal bonds and delisted securities from portfolio value calculations used to determine eligibility for a Basic Services Demat Account, according to reports. The regulator noted that ZCZP instruments are non-transferable, non-tradable and carry no monetary payout, and therefore should not influence whether an investor crosses the ₹50,000 threshold that triggers annual maintenance charges. BSDAs were introduced to reduce demat-related costs for small retail investors, and the proposed change aims to ensure that passive or non-tradable holdings do not disadvantage account holders. The proposal is expected to undergo public consultation before final implementation, with the industry viewing it as a step towards fairer compliance and cost rationalisation for small investors. (Business Standard)

## Finance and banking

■ **RBI Extends Export Realisation Window** | The Reserve Bank of India has amended the Foreign Exchange Management (Export of Goods and Services) Regulations through its Second Amendment Notification dated November 13, 2025, extending the export realisation period from 9 months to 15 months. The revision applies to SEZs, EOUs, status holder exporters, and units operating under STP, EHTP, and BTP schemes, creating uniformity in compliance timelines. The RBI has also amended Regulation 15 to permit exporters up to three years to complete shipments against advance payments, compared to the earlier one-year limit. These changes are expected to ease documentation pressure, support long-cycle export contracts, and reduce FEMA-related compliance risks, particularly for high-value or custom-manufactured export orders. Industry specialists note that the extended timeframes may enhance India's global trade competitiveness and strengthen foreign exchange realisation predictability. (RBI Notification)

■ **RBI and ECB Advance UPI-TIPS Link** | The Reserve Bank of India announced that it has entered the realisation phase with the European Central Bank and NPCI International Payments Limited to operationalise the proposed UPI-TIPS cross-border payments system. The linkage will connect India's Unified Payments Interface with the TARGET Instant Payment Settlement platform operated by the Eurosystem, aiming to enable seamless and low-cost remittances between India and the Eurozone. The next phase will focus on technical integration, settlement design and risk management frameworks to ensure secure interoperability between the two systems. Once fully operational, the mechanism is expected to significantly benefit users, including migrants, travellers and businesses, by reducing transaction costs and settlement delays. (Press Release)

## Customs and foreign trade

■ **CBIC Launches ICEGATE 2.0 Module** | The Central Board of Indirect Taxes and Customs has operationalised a new online module on ICEGATE 2.0 for processing applications under Section 65 of the Customs Act, 1962. The module enables digital submission and approval of permissions for MOOWR warehouses licensed under Section 58 and MOOSWR facilities

licensed under Section 58A. CBIC has also released detailed trade and departmental user manuals on the ICEGATE portal to guide applicants through the filing workflow. Customs field formations have been instructed to publish designated port codes for receiving applications and ensure a smooth transition to the electronic system. Support channels have been made available through the ICEGATE helpdesk and escalation mechanism for departmental users. (Economic Times)

## Payroll and personal finance

**Labour Codes Now Enforced** | The Government of India has made the four consolidated Labour Codes effective from November 21, 2025, replacing 29 earlier labour laws to create a

unified regulatory framework. The Code on Wages, Industrial Relations Code, Code on Social Security and Occupational Safety, Health and Working Conditions Code introduce mandatory appointment letters, a national floor wage and extended social security, including PF, ESIC and insurance for all workers, including gig and platform workers. Employers will be required to provide free annual health check-ups for workers above 40 years, ensure night-working provisions for women with adequate safety, and release salaries to IT and ITES employees by the 7th of each month. Fixed-term employees will now receive full parity with permanent staff, including gratuity after one year instead of five, and aggregators must contribute one to two per cent of turnover toward gig worker benefits. (Press Information Bureau)



# ECONOMIC INDICATORS

## ■ Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Jun-25	7.80	7.40
Unemployment (%)	Oct-25	5.20	5.20
Inflation (%)	Oct-25	0.25	1.44
Balance of Trade (\$bn)	Oct-25	(41.68)	(32.15)
Business confidence	Dec-25	126.00	126.00
Manufacturing PMI	Nov-25	57.40	59.20
Services PMI	Nov-25	59.50	58.90

(Trading Economics)

## ■ Commodities Futures

Commodity	Expiry	Price	Change %
Gold	Dec-25	1,25,750.00	4.10
Silver	Dec-25	1,57,711.00	7.86
Crude Oil	Dec-25	5,206.00	(2.66)
Natural Gas	Dec-25	404.10	7.44
Aluminum	Dec-25	268.65	(1.29)
Copper	Dec-25	1,014.25	1.73
Zinc	Dec-25	298.00	(1.65)

(MCX India)

## ■ Global Indices

Index	Country	Change %
NIFTY 50	India	0.61%
BSE SENSEX	India	0.70%
NIFTY BANK	India	2.23%
INDIA VIX	India	1.16%
DOW JONES	USA	-0.91%
S&P 500	USA	-1.59%
NASDAQ	USA	-2.59%
S&P/TSX	Canada	2.06%
BOVESPA	Brazil	6.08%
DAX	Germany	-3.47%
FTSE 100	UK	-0.46%
CAC 40	France	-2.59%
FTSE MIB	Italy	-0.50%
MOEX	Russia	8.44%
NIKKEI 225	Japan	-1.87%
S&P/ASX 200	Australia	-4.96%
SHANGHAI	China	-3.27%
HANG SENG	Hong Kong	-1.79%
KOSPI	South Korea	-2.19%

(Investing.com)

## ■ Currency Exchange Rates

Pair	Current	Prior	Change %
USD/INR	89.22	88.72	(0.56)
GBP/INR	116.90	116.69	(0.17)
EUR/INR	102.77	102.67	(0.10)
YEN/INR	56.93	57.61	1.18

(FBIL India)

## ■ Cryptocurrencies

Pair	Crypto	Price	Change %
BTC/USD	Bitcoin	87,577.00	(15.88)
ETH/USD	Ethereum	2,944.00	(16.01)
BNB/USD	Binance	860.13	(9.36)
SOL/USD	Solona	138.59	(13.92)

(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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