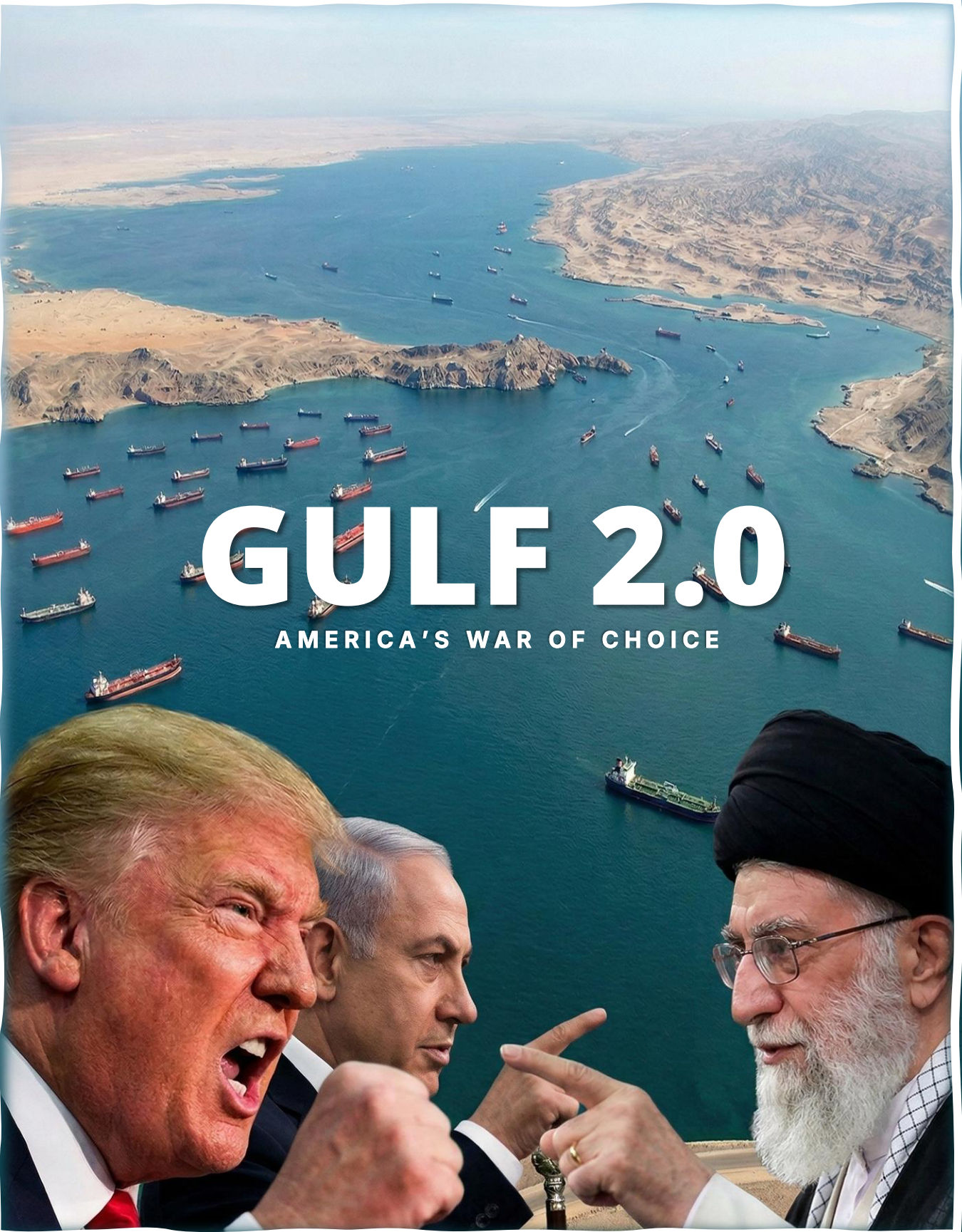


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SPOTLIGHT

Greenvissage

The Strait of Hormuz – The wifi router of global oil supply has left the world buffering for oil.



Background

Oil markets behave like a system that looks stable until you notice how few pipes actually carry the water. Roughly one fifth of the world's oil supply passes through a single maritime chokepoint, the Strait of Hormuz, while most of the production that feeds that flow sits within a few hundred kilometres of geopolitical rivals. When tensions rise in the Middle East, investors are not reacting to drama alone. They are reacting to the physical structure of the global energy system, which is surprisingly concentrated and therefore fragile. The Persian Gulf region produces roughly 30 million barrels of crude oil per day, close to a third of global supply. Saudi Arabia alone produces about 9–10 million barrels daily and holds some of the largest reserves on the planet, estimated above 250 billion barrels. Iraq contributes roughly 4.5 million barrels per day, the United Arab Emirates nearly 3 million, Kuwait about 2.5 million, and Iran somewhere between 3 and 4 million depending on sanctions and export channels. These producers are clustered along the same narrow coastline, making the Persian Gulf the central export hub for global oil.

Global Oil Geography

What makes the Middle East uniquely important is not only the size of its reserves but also the geography through which those reserves reach the world. Most of the region's oil fields lie near the Persian Gulf. From there crude is transported to export terminals along the coast and loaded onto tankers that pass through the Strait of Hormuz before entering the Arabian Sea and the wider global shipping network. The Strait of Hormuz is the most important oil transit chokepoint in the world. According to the U.S. Energy Information Administration, roughly 20–21 million barrels of oil per day move through this corridor. That represents about 20 percent of global petroleum consumption and close to one quarter of the world's seaborne oil trade. The navigable shipping lanes are extremely narrow relative to the traffic they carry, meaning that even small disruptions can quickly slow or halt flows. The strategic geography of Hormuz also amplifies its importance. Iran sits directly across the strait from Oman and the United Arab Emirates. Over decades, Iran has developed naval capabilities designed specifically to threaten shipping through this passage, including anti ship missiles, naval mines, drones and fast attack craft. Analysts widely believe that Iran could severely disrupt shipping through the strait if it chose to escalate militarily. Yet closure is not required for disruption. In modern

commodity markets, perception often matters as much as physical blockades. Insurance premiums for tankers passing through conflict zones can surge dramatically. If insurers refuse coverage or shipping companies judge the risks too high, tankers simply stop sailing. In effect, commercial decisions can halt trade long before any government formally closes a waterway.

Concentrated Infrastructure

Beyond shipping routes, the oil supply chain itself is built around a handful of massive facilities. Oil extracted from fields must pass through processing plants, pipelines and export terminals before reaching global markets. When these facilities concentrate enormous volumes of crude in one location, they become potential single points of failure. One of the most important examples is Saudi Arabia's Abqaiq processing facility. Abqaiq handles around 7 million barrels per day of crude processing capacity, removing sulfur from sour crude to make it suitable for export. Because so much Saudi production passes through this facility, Abqaiq processes roughly 7 percent of global oil supply on a typical day. This concentration became clear in 2019 when drone and missile strikes temporarily knocked out major parts of the facility. The attack removed roughly 5.7 million barrels per day of Saudi production from the market, about 5 percent of global supply at the time. Oil prices surged nearly 20 percent in a single day, illustrating how sensitive markets are to disruptions in key infrastructure. Other facilities present similar risks. Ras Tanura in Saudi Arabia is the kingdom's largest oil export terminal and one of the biggest in the world. Iraq's southern export infrastructure near Basra handles the majority of the country's oil exports. Iran's Kharg Island terminal historically handled the bulk of Iranian crude shipments. These installations represent critical nodes where disruptions could ripple across the global market.

The Market Reaction

Oil markets are global and highly integrated. When a major supply route appears threatened, traders adjust expectations immediately. Prices rise not necessarily because supply has already fallen but because the probability of future disruption increases. The mechanism is straightforward. Refiners begin securing additional cargoes to avoid shortages. Financial traders speculate on price increases. Strategic reserves may be

considered for release. The resulting demand pressure pushes prices upward even if actual supply remains unchanged in the short term. This dynamic explains why geopolitical tensions often produce sudden price spikes. Markets are effectively pricing insurance against a potential supply shock. Strategic petroleum reserves offer some buffer against short term disruptions. The United States maintains one of the largest reserves in the world, historically holding more than 700 million barrels of crude oil. China, India, Japan and several European countries also maintain emergency reserves designed to stabilize markets during crises. However, these reserves are intended to offset temporary disruptions lasting weeks or months. If major export flows from the Persian Gulf were blocked for a prolonged period, reserves alone would struggle to compensate.

The Structural Vulnerability

The global oil system has evolved over decades to maximize efficiency. Pipelines connect major fields to ports. Tanker fleets move crude across oceans at minimal cost. Refineries operate with tight supply chains to maintain profitability. But efficiency often comes at the expense of redundancy. When supply chains become highly optimized, they rely on a small number of critical routes and facilities. If those nodes fail, the system has limited capacity to reroute flows quickly. The Persian Gulf exemplifies this structural vulnerability. Massive reserves sit close to one another along a single coastline. Most exports pass through a single maritime corridor. Alternative routes exist but cannot fully replace the main channel. As a result, geopolitical tensions in the region carry outsized consequences for the global economy. Even in an era of energy transition and diversification, oil remains central to global economic activity. Transportation, petrochemicals, aviation and industrial production still rely heavily on crude oil and its derivatives. Until alternative energy systems fully scale, disruptions in oil supply will continue to reverberate across markets. For investors and policymakers, this means that geography still matters. A narrow strait between two countries thousands of kilometres away can influence inflation, trade balances and financial markets worldwide. The global oil market may look like a complex web of pipelines, tankers and trading desks. But at its core it still depends on a few chokepoints where enormous volumes of energy pass every day. And when tensions rise near those chokepoints, the entire world starts paying attention.



EXPERT OPINION

Greenvissage

Data Centers – Artificial intelligence is the engine, and data centers are the fuel, the new crude oil of the world.

By Amit Chandak, Managing Partner, Greenvissage



Introduction

For most of modern history, industrial revolutions required factories, workers, and smokestacks. The current one requires warehouses filled with humming computers that consume electricity like a medium sized town and depreciate faster than a new luxury car. Welcome to the world of AI data centers, where billions of dollars are being poured into buildings whose most valuable contents might become obsolete before the paint dries. Yet despite this strange economic paradox, investors from sovereign wealth funds to private equity giants are racing to finance these facilities. Somewhere between infrastructure investing and high speed hardware speculation, a new asset class is quietly emerging. The global race to build AI infrastructure is transforming the data center from a relatively dull real estate asset into one of the most strategically important pieces of the digital economy. Hyperscalers such as Microsoft, Amazon, and Google already operate massive global cloud networks, but the rapid growth of artificial intelligence

workloads has fundamentally altered the scale and economics of computing infrastructure. Training advanced AI models requires enormous clusters of GPUs and specialized chips that consume vast amounts of power. The result is a new generation of facilities that look less like traditional server farms and more like industrial power plants designed around computing.

According to research firm Synergy Research, global spending on data center infrastructure crossed \$400 billion in 2024 and is expected to exceed \$600 billion before the end of the decade. In the United States alone, several megaprojects now involve capital expenditures measured in tens of billions. In one of the largest deals announced recently, Meta partnered with investment firm Blue Owl Capital to build data center campuses worth roughly \$27 billion. Oracle secured financing estimated at \$18 billion for a single facility in New Mexico. Meanwhile private equity groups such as Blackstone, KKR, and Brookfield have poured billions into data center platforms across Asia and Europe. At first glance this surge appears to be simply another phase of the cloud computing boom. But

beneath the surface, the financial structure of AI infrastructure reveals something more complicated. Data centers are evolving into hybrid assets that combine elements of real estate, energy infrastructure, and rapidly depreciating technology equipment. This unusual combination is forcing lenders and investors to rethink how such projects should be financed.

Economics of Data Centers

Historically, the economics of data centers were relatively straightforward. Operators built facilities equipped with cooling systems, power infrastructure, and security. They then leased rack space and electricity to customers who installed their own servers. This model, known as colocation, behaves much like commercial real estate. Tenants sign multi year contracts and pay recurring rent based on power consumption and space usage. Because the building and electrical systems have useful lives of two or three decades, lenders treat these facilities similarly to other infrastructure projects. Once occupancy stabilizes, operators can refinance their construction loans into long term debt backed by predictable rental income. Artificial intelligence has complicated this picture. Many operators are now shifting toward what might be called compute infrastructure rather than simple colocation. In these setups the facility owner not only builds the building but also purchases the GPUs and servers that perform the computational work. Instead of renting physical space, customers buy computing power by the hour. This model resembles cloud computing services offered by hyperscalers, but it is increasingly being adopted by independent operators and so called neocloud startups that specialize in AI workloads. The difference might appear subtle but it dramatically changes the financial profile of the project. Buildings and cooling systems can operate for decades with relatively stable value. High performance GPUs, by contrast, often lose technological relevance within three to five years as new chip generations deliver significantly higher performance. From the perspective of lenders, that makes the underlying asset far riskier. A loan secured against a building retains collateral value for decades. A loan secured against computer hardware may be backed by equipment that becomes obsolete before the loan matures.

Why Financing is Complex?

This divergence explains why financing structures for AI

infrastructure are becoming increasingly complex. In many projects the physical facility and the computing hardware are financed separately. Traditional banks or infrastructure funds provide long term construction loans for the building and electrical systems. Hardware acquisitions are funded through shorter term credit facilities or leasing arrangements that resemble equipment financing. In some cases specialized private credit funds step in to finance GPU purchases at higher interest rates, compensating for the faster depreciation and technological risk. The financial lifecycle of a data center typically begins with equity capital during the development phase. Developers must acquire land, obtain environmental approvals, secure power connections, and line up potential tenants long before construction begins. At this stage the uncertainty is highest. Projects can stall due to zoning disputes, delays in grid capacity expansion, or difficulties negotiating long term power purchase agreements. Because of these risks, equity investors bear the initial burden of financing early development work.

Once permits are secured and construction contracts are finalized, projects move into the next stage where banks and non bank lenders provide construction loans. These loans often follow a structure known as construction to mini perm financing. The loan covers the construction period and extends slightly beyond completion to allow the facility to stabilize operations. Developers aim to fill the facility with tenants and demonstrate consistent revenue during this period. The final stage involves refinancing the project into long term financing once cash flows become predictable. In mature markets such as the United States, operators frequently turn to capital markets for this step. One common method is asset backed securitization, in which the future lease revenues of the data center are packaged into bonds sold to institutional investors. Because many tenants are large technology companies with strong credit profiles, these bonds can achieve relatively high ratings. The resulting capital is cheaper and longer term than traditional bank loans.

Data Centers in India

India's data center financing ecosystem has evolved along a somewhat different path. While the development stage resembles global patterns, the refinancing stage relies far more heavily on bank lending than capital markets. Instead of

issuing securitized bonds backed by rental cash flows, Indian operators often use a structure called lease rental discounting. In this arrangement banks lend against the projected future rent generated by long term customer contracts. The loan effectively monetizes anticipated rental income over many years. Lease rental discounting provides a practical solution in a financial system where securitization markets remain relatively shallow. However, it concentrates exposure within the banking sector. If data center economics were to deteriorate due to technological shifts or oversupply, domestic banks would carry a significant portion of the risk. In contrast, markets with active securitization distribute this risk among a wider pool of institutional investors.

Another distinctive feature of India's emerging data center industry is the importance of corporate backing from large parent companies. Many local operators are subsidiaries of global infrastructure investors or technology conglomerates. Their creditworthiness is often linked to the financial strength of these parent entities rather than purely to the cash flows generated by individual facilities. In several cases large equity infusions from parent firms have supported expansion plans and improved credit ratings.

Energy Infrastructure

Energy infrastructure has become a central constraint shaping data center economics worldwide. Modern AI clusters require enormous amounts of electricity, often exceeding 100 megawatts for a single campus. That is roughly equivalent to the consumption of tens of thousands of households. In regions

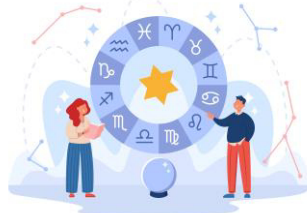
with limited grid capacity, obtaining reliable power connections can be more difficult than securing financing. India illustrates this challenge clearly. The country's growing digital economy and regulatory push toward data localization have accelerated demand for domestic data center capacity. According to estimates from industry consultancy Arizton, India's installed data center power capacity could exceed 1 gigawatt by the late 2020s, more than double the current level. Yet power infrastructure and land availability in major technology hubs such as Mumbai and Chennai remain constrained. Developers increasingly explore secondary cities where electricity supply and land acquisition may be easier. The larger strategic question facing investors is whether the current boom represents the early stages of a durable infrastructure buildout or the peak of a speculative cycle driven by artificial intelligence hype. On one hand, AI workloads are genuinely transforming computing demand. Training and running advanced models requires exponentially more processing power than traditional applications. Major technology companies have already committed tens of billions of dollars annually to expanding their AI infrastructure. On the other hand, the speed of technological change introduces a level of uncertainty rarely seen in traditional infrastructure sectors. Hardware performance improvements can rapidly alter the economics of existing facilities. New chip architectures might drastically reduce power consumption or computational requirements. A facility designed around today's GPU clusters might require substantial retrofitting within a few years.

(References – Associated Press, Synergy Research, BSIC)



GREENVISSAGE EXPLAINS

Greenvissage



Are Prediction Markets truth machines or just fancy gambling?

Imagine a market where you don't buy stocks or commodities but instead buy probabilities. You're not investing in a company's earnings or a country's growth. You're simply betting on whether something will happen or not. Will a politician win an election? Will a company launch a new product? Will a hurricane make landfall before a certain date? This is the basic idea behind prediction markets, and in the past few years they've exploded in popularity across the world. At first glance, these markets look deceptively simple. Every contract asks a binary question. Traders then buy shares that pay \$1 if the event happens and \$0 if it doesn't. The price of the share becomes the market's estimate of the probability. If the share trades at 60 cents, the market is effectively saying there's a 60% chance the event will occur. That single price becomes a powerful piece of information. Instead of listening to pundits or reading analyst reports, you get a number that supposedly reflects the collective belief of thousands of people putting real money behind their opinions. Supporters argue that this makes prediction markets one of the most efficient forecasting tools ever invented. The logic is rooted in an old economic idea known as the wisdom of crowds. When many independent participants contribute their information, the average prediction can become surprisingly accurate. If everyone has a small piece of the puzzle, the market price aggregates those pieces into one number. Unlike surveys or expert panels, prediction markets introduce something extra. Skin in the game. When someone risks real money on a forecast, they have a strong incentive to be correct. If a trader thinks a political poll is misleading or that investors are missing an economic trend, they can express that belief through a trade. If they're right, they profit. If they're wrong, they lose money. In theory, this financial incentive filters out noise and exaggeration. What remains is supposedly a cleaner signal about what people truly believe will happen. The concept has fascinated economists for decades. Even the US Department of Defense once explored a controversial policy analysis market that would allow traders to bet on geopolitical events in the Middle East. The project was quickly scrapped after criticism, but the idea stuck. Fast forward to today, and the technology infrastructure finally exists to run such markets at scale. Platforms like Polymarket and Kalshi allow users to trade contracts on everything from elections to economic indicators and sports outcomes. In some cases, the trading volume rivals that of niche financial derivatives markets. During the 2024 US presidential election, for example, billions of dollars reportedly flowed through prediction markets tracking the race. Traders constantly updated the probability of each candidate winning based on news events, campaign developments, and shifting public sentiment. But the optimistic narrative starts to crack when the mechanics of these markets are examined more closely. For starters, prediction markets are extremely sensitive to large traders. If a single participant places a huge wager, they can push prices significantly in one direction. This doesn't necessarily mean new information has entered the system. It may simply reflect the financial power of one actor. Because contracts are tied to specific real world outcomes, individuals with advance knowledge of events could profit by trading before information becomes public, creating insider trading concerns, especially if government officials, corporate insiders, or regulators possess non public information about policy decisions, military actions, or corporate announcements. Disputes over how outcomes are determined create another challenge, since prediction contracts require a binary resolution even when real world events are ambiguous. Questions such as whether a politician has officially announced a policy or whether a company has truly launched a product can lead to competing interpretations. Strict timing rules introduce further complications because contracts specify exact deadlines, meaning a trader who correctly predicts an event may still lose entirely if it occurs slightly after the cutoff, producing results that are technically correct but economically misleading. Manipulation risks also arise when traders can influence the events they are betting on, turning prediction markets from forecasting mechanisms into incentive systems that may encourage participants to trigger the outcome themselves, whether through publicity stunts at sporting events or more serious scenarios tied to crime or violence. These risks have led regulators worldwide to adopt inconsistent approaches, with some jurisdictions classifying prediction markets as financial derivatives subject to regulatory oversight, others banning them as gambling, and many leaving them in a legal gray area with unclear rules. (References – Investopedia, The Guardian, Forbes)



Are small cars better than big cars?

One of the most instinctive advantages of smaller cars is cost. Every rupee matters when you are signing on the dotted line at a dealership. Compact cars cost less to buy in the first place because they require fewer raw materials and simpler technology to build. That simplicity often extends to lower insurance premiums, reduced maintenance bills, and better fuel efficiency on a day-to-day basis. In dense urban traffic where speeds are low and parking is a premium, a light, and nimble hatchback can feel like a smart choice. Fuel efficiency is not just about saving money at the pump. In a country where fuel prices can swing widely because of policy changes and global oil markets, having an engine that sips rather than gulps is comforting for numerous families. Smaller engines paired with lighter bodies need less energy to move, meaning they burn less fuel and emit less carbon dioxide per kilometre. This holds consequences for both your money and the planet. Then there is the everyday practicality of driving in crowded cities. India's urban areas are notorious for narrow lanes, unpredictable traffic, and sparse parking space. In such environments, compact cars are easier to manoeuvre, easier to park, and often less stressful to drive. That ease of manoeuvrability becomes an emotional benefit as much as a practical one. It's harder to enjoy the drive when you are constantly hunting for parking or worrying about scraping your bumper. Yet size brings its own set of advantages that are difficult to dismiss. Larger vehicles, from spacious sedans to SUVs, offer roominess that compact cars simply cannot match. On long journeys with family or friends, where luggage piles up and everyone wants extra elbow room, this space becomes more than a luxury. It becomes a defining feature of comfort. For many car buyers, this level of comfort is worth paying a little more for. Safety remains one of the biggest debates in the small versus big car conversation. In pure physics, a heavier and bigger vehicle tends to fare better in collisions. Vehicles with more mass and crumple zones, the engineered parts of a car that absorb crash energy, protect occupants more effectively than tiny, lightweight cars. Larger cars often have higher safety ratings, though this is not universal and depends on specific designs and safety features. But safety also depends on how the car is used. Many compact cars now come equipped with advanced safety systems, from airbags to electronic stability control. The mere size of a vehicle does not guarantee safety; how it performs in crash tests and what technology it includes matter just as much. Still, there is a tangible peace of mind associated with greater height and mass, especially in high-speed collisions, that compact cars struggle to match. Then there is the performance factor. Larger vehicles typically house bigger engines with more power. That translates into stronger acceleration, easier overtaking, and a feeling of confidence at highway speeds. Drivers who regularly travel beyond city limits might find this performance edge persuasive, especially in situations that demand quick responses or increased stability. One of the subtler but increasingly significant dimensions of this debate is the environmental impact beyond fuel efficiency. Big cars typically produce more emissions because their engines are larger and heavier. This becomes important in a world wrestling with air quality and climate change. While electric vehicles are gradually entering the Indian market, petrol, and diesel cars still dominate, and the larger they are, the more challenging it becomes to reconcile comfort with environmental responsibility. On the flip side, the growing popularity of larger vehicles has societal consequences that extend beyond individual preferences. In some countries where big vehicles dominate, urban infrastructure develops accordingly. Roads become wider, parking slots larger, and even living spaces get designed around bigger cars. These changes push cities toward car dependency and sometimes undermine public transport solutions that could be more sustainable and efficient. We also have to think about how cars fit into people's lives financially. Owning a big car often means higher loan repayments, bigger insurance premiums, and more money spent on fuel. Compact cars tend to hold their value well and can be easier to sell when you want to upgrade or change your lifestyle. This matters in emerging economies where car ownership is not just about mobility but also about long-term financial planning. But consumer preferences shift over time. There is a noticeable trend in India where SUVs, including compact SUVs, are becoming more popular. Buyers are drawn to the commanding road presence, higher seating position, and perceived safety of these vehicles. (References – Indian Express, Economic Times, Financial Express)



COMPLIANCE UPDATES

Greenvissage

Government policies

MCA Clarifies Shell Company Oversight | The Ministry of Corporate Affairs informed the Lok Sabha that the term “shell company” is not defined under the Companies Act, 2013, though Section 455 provides a framework for recognising dormant companies formed for future projects or asset holding without significant accounting transactions. Regulatory action against suspected misuse is undertaken through inquiry, inspection, or investigation under Sections 206 and 210/212 of the Act based on case-specific risk indicators such as negligible business activity, insignificant assets, or failure to maintain a registered office. The Ministry stated that a rule-based risk profiling and analytics system operates on the MCA-21 platform, while the upgraded MCA21 V3 system enables web filings with real-time validations and pre-filled master data to reduce falsification of corporate filings. (Business Standard)

Goods and services tax

GST Registration Threshold Unchanged | The Ministry of Finance informed the Lok Sabha that the GST registration threshold continues to remain at ₹40 lakh for suppliers of goods and ₹20 lakh for suppliers of services, with lower limits of ₹20 lakh and ₹10 lakh respectively for special category States. The limits were last revised based on the recommendations of the GST Council held on January 10, 2019, and the revised thresholds came into effect from April 1, 2019 through notified amendments. The Government clarified that the determination of registration thresholds under GST is exclusively based on recommendations of the GST Council. Despite concerns regarding inflation and compliance costs for small businesses, the Council has not made any further recommendation to revise these limits. As a result, there is currently no proposal under consideration to increase or rationalise the GST registration threshold for small traders, artisans, or micro-enterprises. (Financial Express)

GSTN Enables Rule 14A Withdrawal | The Goods and Services Tax Network introduced an online facility allowing taxpayers registered under Rule 14A of the CGST Rules to apply for withdrawal through Form GST REG-32 on the GST Portal. The facility is available only to active taxpayers registered under Rule 14A, who must log in to the portal and submit the

application along with a reason for withdrawal and mandatory Aadhaar authentication. GSTN specified that applications filed before April 1, 2026 require returns for at least three months to be filed, while those submitted on or after April 1, 2026 require returns for at least one tax period, along with all pending returns from the effective registration date. Authentication must be completed through OTP-based or biometric Aadhaar verification for the primary authorised signatory and at least one promoter or partner, and an Application Reference Number will be generated only after successful verification. (Business Standard)

Bombay HC Allows Cross-State ITC Transfer | The Bombay High Court allowed transfer of unutilised CGST and IGST input tax credit between entities registered in different States following a court-approved amalgamation, clarifying that Section 18(3) of the CGST Act, 2017 and Rule 41 of the CGST Rules do not impose any State-wise restriction on such transfers. The ruling came in the case of Umicore Autocat India Private Limited, where the GST portal rejected Form GST ITC-02 because the transferor company was registered in Goa while the transferee entity was registered in Maharashtra. The court held that portal restrictions or circular-based interpretations cannot override statutory provisions permitting transfer of unutilised ITC during business reorganisation such as merger, demerger, amalgamation, sale, or transfer of business with liabilities. However, considering potential State revenue implications, the court permitted transfer only of CGST and IGST credit from the transferor's electronic credit ledger and directed that the transfer be allowed through a physical mechanism until the system is updated. The judgment also urged the GST Council and GSTN to create a technological mechanism on the GST portal to facilitate lawful inter-State ITC transfers in restructuring cases. (LiveLaw)

Income tax

Draft Rules Add CA Certificate for FTC | The Central Board of Direct Taxes has proposed under the Draft Income Tax Rules, 2026 that certain Foreign Tax Credit (FTC) claims must be verified by a Chartered Accountant, introducing an additional compliance step for taxpayers claiming credit for

taxes paid abroad. Under the proposed Rule 76, Form 44 must be certified by a CA where the claimant is a company or where the foreign tax paid exceeds ₹1 lakh in a tax year, even for non-corporate taxpayers such as individuals or professionals. The rule requires submission of Form 44 along with supporting evidence including proof of foreign tax payment, certificates from the foreign tax authority or payer, or a self-declared statement confirming the tax paid outside India. The form also requires detailed disclosure including country of taxation, taxpayer identification number, nature of income, tax paid abroad, tax payable in India on the same income, and the applicable DTAA article and rate. The draft further mandates filing of Form 44 within 12 months from the end of the relevant tax year if the income tax return has been filed within the due date, including cases where FTC previously claimed results in a refund due to revision of return or carry-back of losses. (Financial Express)

Draft Rules Revise Salary Perquisites | The Central Board of Direct Taxes has proposed significant revisions to valuation rules for salary perquisites under the Draft Income-tax Rules, 2026, which are intended to operationalise the proposed Income-Tax Act, 2025. Draft Rule 15 proposes substantial increases in taxable valuation for employer-provided motor cars used for mixed purposes, raising monthly perquisite values to ₹5,000 for cars below 1.6 litres and ₹7,000 for larger vehicles, with chauffeur valuation increased to ₹3,000 per month. Draft Rule 280 proposes a major revision in exemption limits for Children Education Allowance and Hostel Expenditure Allowance to ₹3,000 and ₹9,000 per month per child respectively, replacing earlier limits of ₹100 and ₹300 per month. Draft Rule 279 expands the cities eligible for the higher 50% HRA exemption limit to include Bengaluru, Hyderabad, Pune, and Ahmedabad in addition to Delhi, Mumbai, Kolkata, and Chennai. The draft rules also increase thresholds for minor perquisites, including free meals up to ₹200 per meal and gifts or vouchers up to ₹15,000 annually. These proposals remain in draft stage and will apply after final notification under the new Income-tax framework. (Business Standard)

Draft Rules Tighten HRA Disclosures | The Income Tax Department has proposed under the Draft Income-tax Rules, 2026 that employees claiming House Rent Allowance must disclose their relationship with the landlord while submitting exemption details to employers. The requirement is introduced

through Draft Rule 205 and will be implemented in the revised Form No. 124 used by salaried employees to declare deductions and exemptions for tax computation. The new form adds a specific column requiring disclosure of any relationship with the landlord where rent is claimed for HRA exemption. The measure is intended to enable data analytics checks to identify cases where rent is paid to family members and verify whether the landlord has reported the rental income in their income tax return. Incorrect reporting or concealment may attract penalties for misreporting of income under Section 270A of the Income Tax framework, which can extend up to 200 percent of the tax payable. The proposal is currently part of draft rules released for public consultation and will apply after final notification under the new tax regime. (Financial Express)

Corporate and allied laws

ICSI Issues MGT-7 Filing Advisory | The Institute of Company Secretaries of India issued an advisory regarding certification procedures for Forms MGT-7 and MGT-7A following the migration of annual filing forms to the MCA21 V3 portal and amendments under the Companies (Management and Administration) Amendment Rules, 2025. The advisory states that practising company secretaries must certify compliance under Form MGT-8 on the letterhead of a Peer Reviewed Practice Unit and generate a Unique Document Identification Number before attaching the certification as an optional attachment in Form MGT-7. The guidance follows MCA's integration of MGT-8 certification fields directly within e-Form MGT-7, replacing the earlier system of submitting MGT-8 as a separate attachment. The institute also noted that qualifying remarks regarding compliance can currently be added through the Optional Attachment field with reference to the embedded MGT-8 section in the form. Additionally, due to the revised definition of small company effective December 1, 2025, Form MGT-7A presently does not contain a designated field for MGT-8 certification where applicable. (Business Standard)

MCA Eases Director KYC Rules | The Ministry of Corporate Affairs notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2025, revising the Director KYC compliance framework under the Companies Act, 2013

with effect from March 31, 2026. The amendment replaces the earlier annual KYC requirement with a triennial filing cycle, requiring individuals holding a Director Identification Number to submit Form DIR-3-KYC-Web once every three financial years, with the due date set as June 30 of the relevant year. The revised rules also prescribe DIR-3-KYC-Web as the single standard form for director KYC filings on the MCA portal, discontinuing earlier formats such as e-Form DIR-3-KYC. However, directors must report any change in mobile number, email address, or residential address within 30 days through the same web form, with such event-based filings requiring digital signature authentication and certification by a practising professional. Routine triennial filings will not require digital signatures or professional certification where no changes are reported. Directors who have completed KYC up to FY 2025-26 will next be required to file under the revised regime by June 30, 2028. (Business Standard)

MCA Announces 90% ROC Fee Relief | The Ministry of Corporate Affairs introduced the Companies Compliance Facilitation Scheme, 2026 through General Circular No. 01/2026, offering companies a one-time opportunity to regularise pending ROC filings by paying only 10% of the additional late filing fees otherwise applicable under Section 403 of the Companies Act, 2013. The scheme will operate from April 15, 2026 to July 15, 2026 and applies to overdue annual filings such as financial statements in Form AOC-4 and annual returns in Forms MGT-7 or MGT-7A. Under the existing regime, delayed filings attract an additional fee of ₹100 per day without any upper limit, which often leads to substantial financial penalties for prolonged defaults. During the scheme period, companies must pay the normal filing fee plus only 10% of the accumulated additional fee, effectively providing a 90% reduction in late filing charges. The scheme also permits inactive companies to apply for dormant status under Section 455 or seek strike-off through Form STK-2 with concessional fees. The initiative aims to improve corporate compliance levels and enable companies with long-pending filings to regularise records in the MCA registry. (Economic Times)

Finance and banking

RBI Holds Repo Rate Steady | The Reserve Bank of India's Monetary Policy Committee on February 6, 2026 kept the policy repo rate unchanged at 5.25% with a neutral stance while

announcing a series of regulatory and developmental measures aimed at strengthening the financial system. The decision was taken unanimously after reviewing macroeconomic conditions, with the RBI citing resilient domestic growth, moderate inflation, and global uncertainties as key considerations. Consequently, the Standing Deposit Facility rate remains at 5.00%, while the Marginal Standing Facility rate and bank rate continue at 5.50%. The central bank indicated that the neutral stance provides flexibility to adjust policy in response to evolving inflation and growth dynamics. Alongside the rate decision, the RBI outlined a broader financial sector roadmap focused on improving customer protection, enhancing market infrastructure, and supporting financial stability. (Economic Times)

RBI Proposes Revised KCC Framework | The Reserve Bank of India issued draft revised guidelines for the Kisan Credit Card (KCC) Scheme to consolidate existing agricultural credit norms and expand coverage for farming and allied activities. The proposed framework standardises crop seasons as 12 months for short-duration crops and 18 months for long-duration crops to align loan sanction and repayment schedules across banks. It also extends the overall KCC tenure to six years to better match longer agricultural cycles and investment requirements. Drawing limits under the scheme will now be linked to the scale of finance for each crop season to ensure that credit availability reflects the actual cost of cultivation. The revised guidelines also include eligible expenses for agri-technology interventions such as soil testing, real-time weather forecasts and certification for organic or good agricultural practices within an additional 20% component of the credit limit. (Financial Express)

Customs and foreign trade

DGFT Introduces NPCI Bank Validation | The Directorate General of Foreign Trade implemented an NPCI-based real-time bank account validation system for Importer Exporter Code (IEC) issuance and modification through Trade Notice No. 23/2025-26. Under the new workflow effective February 2026, applicants must declare all active bank accounts linked to their PAN and ensure that the PAN, account holder name, and bank account details match bank records. The bank account information submitted in IEC applications is transmitted to the National Payments Corporation of India for real-time

authentication, which returns validation statuses such as Success, In Progress, or Failed. Applications proceed normally if validation is successful, while those with In Progress status are placed under automatic review and approved once validation succeeds. If validation fails, new IEC applications may be rejected and modification requests may be marked deficient or rejected after repeated failure. (Financial Express)

DGFT Launches LIFT Freight Scheme | The Directorate General of Foreign Trade launched the Logistics Interventions for Freight and Transport (LIFT) scheme under the Export Promotion Mission – Niryat Disha to support MSME exporters located in hinterland and low-export-intensity districts. The scheme provides reimbursement of up to 30% of eligible inland freight expenditure, subject to a maximum cap of ₹20 lakh per Importer Exporter Code per financial year, for transportation of export consignments from MSME premises to Inland Container Depots, Container Freight Stations, seaports, or Air Cargo Complexes. Support is available only for MSMEs with valid Udyam Registration and an active IEC exporting notified products from designated districts across regions including the North-Eastern States, Himachal Pradesh, Uttarakhand, Jammu & Kashmir, Ladakh and Bihar. Freight assistance applies where the distance between the exporter's location and the logistics hub is at least 200 km, and the eligible freight cost considered cannot exceed 20% of the FOB value of goods. Exporters must file an online Intent-to-Claim declaration before availing transport services and subsequently submit a reimbursement claim with supporting documents such as transport invoices and shipping bills through the DGFT portal. (Financial Express)

Accounting and management

ICAI Releases Handbook on Writs | The Institute of Chartered Accountants of India has released a detailed CAs' Handbook on Writs to help chartered accountants understand constitutional remedies and the use of writ jurisdiction in taxation, compliance, and corporate governance matters. The handbook explains the legal framework governing writ petitions under Articles 32 and 226 of the Constitution and discusses the five principal writs – Habeas Corpus, Mandamus, Prohibition, Certiorari, and Quo Warranto. It provides guidance on how writ petitions can be used by professionals to challenge administrative decisions, address regulatory

disputes, and safeguard fundamental rights in financial and tax-related matters. (ICAI)

CMAs Included in Safe Harbour Certification | The Draft Income Tax Rules, 2026 propose to include Cost and Management Accountants within the definition of accountant eligible to certify compliance under the safe harbour framework for transfer pricing and specified transactions. This change expands the certification authority beyond chartered accountants, enabling practising CMAs to issue reports and certifications required for safe harbour applications under the Income Tax framework. The amendment forms part of broader safe harbour reforms announced in Budget 2026 aimed at simplifying transfer pricing compliance and providing tax certainty for eligible taxpayers. By widening the pool of recognised professionals, the draft rules seek to improve access to certification services while maintaining professional oversight in safe harbour declarations. (Economic Times)

ICAI Issues Audit Guidance Note | The Institute of Chartered Accountants of India has released guidance to help auditors address accounting and audit implications arising from the implementation of the four new Labour Codes consolidating 29 existing labour laws. The note advises auditors to closely examine payroll structures, statutory dues, employee benefit obligations and financial disclosures to ensure companies comply with the revised labour framework. Key audit focus areas include changes in wage definitions affecting provident fund and gratuity calculations, expanded worker coverage, and updated employee benefit liabilities that may impact financial statements. (ICAI)

ICAI Adds UDIN Field Validation | The Institute of Chartered Accountants of India introduced field-level validation on the UDIN portal for all sub-categories of tax audits under Section 44AB of the Income-tax Act to strengthen compliance and data accuracy during UDIN generation. The validation now checks key statutory parameters such as turnover thresholds, gross receipts limits, cash transaction criteria and applicability of presumptive taxation provisions under Sections 44AD, 44ADA, 44AE, 44BB and 44BBB before allowing a UDIN to be generated. The measure applies across audit report categories including Form 3CA and Form 3CB under the GST and Tax Audit section of the portal. ICAI also confirmed that from April 1, 2026 the UDIN portal will enforce

a ceiling aligned with the prescribed limit of 60 tax audits per chartered accountant, restricting further UDIN generation once the limit is reached. (ICAI)

ICAI Releases Updated Bank Audit Guide | The Institute of Chartered Accountants of India has released an updated edition of its guidance note on bank audits to support auditors conducting statutory central audits and branch audits of banks. The publication, issued by the Auditing and Assurance Standards Board, provides detailed audit procedures, reporting formats, and compliance guidance aligned with the Banking Regulation Act, Reserve Bank of India directives, and applicable Standards on Auditing. It includes practical guidance on areas such as verification of advances, income recognition, asset classification, provisioning, fraud detection, and regulatory compliance in bank financial statements. (ICAI)

Payroll and personal finance

SEBI Revamps Mutual Fund Categorisation | The Securities and Exchange Board of India has overhauled the mutual fund

categorisation framework to reduce portfolio overlap and improve transparency across the ₹80-trillion industry. The revised framework introduces new fund categories such as life-cycle funds and sectoral debt funds, increasing the total number of mutual fund categories to around 40. The regulator has imposed a cap of 50% portfolio overlap between schemes such as value and contra funds and also limited overlap in thematic or sectoral equity funds within the same asset management company. Asset management companies must disclose category-wise portfolio overlap on a monthly basis and ensure that schemes remain true-to-label in line with their stated investment strategy. Existing thematic schemes have been given up to three years to align their portfolios with the new norms, while most other schemes must comply within six months. The reforms also allow equity and hybrid funds to invest part of their non-core allocation in instruments such as gold and silver ETFs, aiming to improve diversification while strengthening investor protection. (Reuters)



ECONOMIC INDICATORS

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■ Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Dec-25	7.80	8.20
Unemployment (%)	Jan-26	5.00	4.80
Inflation (%)	Jan-26	2.75	1.33
Balance of Trade (\$bn)	Jan-26	(34.68)	(25.04)
Business confidence	Dec-25	126.00	126.00
Manufacturing PMI	Feb-26	56.90	55.40
Services PMI	Feb-26	58.10	58.50

(Trading Economics)

■ Global Indices

Index	Country	Change %
NIFTY 50	India	-7.35%
BSE SENSEX	India	-7.96%
NIFTY BANK	India	-7.60%
INDIA VIX	India	100.84%
DOW JONES	USA	-5.35%
S&P 500	USA	-2.91%
NASDAQ	USA	-3.09%
S&P/TSX	Canada	-0.52%
BOVESPA	Brazil	-3.53%
DAX	Germany	-7.12%
FTSE 100	UK	-1.98%
CAC 40	France	-5.98%
FTSE MIB	Italy	-7.09%
MOEX Russia Index	Russia	6.12%
NIKKEI 225	Japan	-8.57%
S&P/ASX 200	Australia	-3.03%
SHANGHAI	China	-0.77%
HANG SENG	Hong Kong	-6.53%
KOSPI	South Korea	-0.94%

■ Commodities Futures

Commodity	Expiry	Price	Change %
Gold	Apr-26	1,60,200.00	15.95
Silver	May-26	2,63,220.00	3.24
Crude Oil	Mar-26	9,580.00	88.81
Natural Gas	Mar-26	312.90	(0.35)
Aluminum	Mar-26	340.10	8.48
Copper	Mar-26	1,185.65	(10.97)
Zinc	Mar-26	326.55	3.90

(MCX India)

■ Currency Exchange Rates

Pair	Current	Prior	Change %
USD/INR	91.45	89.92	(1.70)
GBP/INR	122.44	121.02	(1.17)
EUR/INR	107.39	105.56	(1.74)
YEN/INR	58.26	57.42	(1.46)

(FBIL India)

■ Cryptocurrencies

Pair	Crypto	Price	Change %
BTC/USD	Bitcoin	67,465.92	(27.26)
ETH/USD	Ethereum	1,985.27	(39.03)
BNB/USD	Binance	625.49	(31.70)
SOL/USD	Solona	83.29	(40.12)

(Crypto.com)

■ Bank Policy Rates

Type	Current	Prior	Change %
Repo rate	5.25	5.50	(0.25)
Standing deposit	5.00	5.25	(0.25)
Marginal facility	5.50	5.75	(0.25)
Bank rate	5.50	5.75	(0.25)
Reverse Repo	3.35	3.35	-



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