

NEWSLETTER

THE MONTHLY ADVANTAGE |



A VERY HAPPY NEW YEAR!

As regulatory reform moves from intent to execution, businesses operating in or entering India are facing a clear shift. Compliance is no longer a back-office function. It is becoming a determinant of credibility, valuation, and long-term scalability.

From labour code implementation and data protection enforcement to governance expectations and valuation discipline, the rules of engagement are firming up. The question for organisations is no longer whether these changes will matter, but how ready they are when scrutiny increases.

Over the past few months, we have seen a consistent pattern across global businesses and startups alike: those who begin strengthening compliance and governance frameworks early are able to scale with confidence, while others are forced into reactive, risk-heavy decisions.

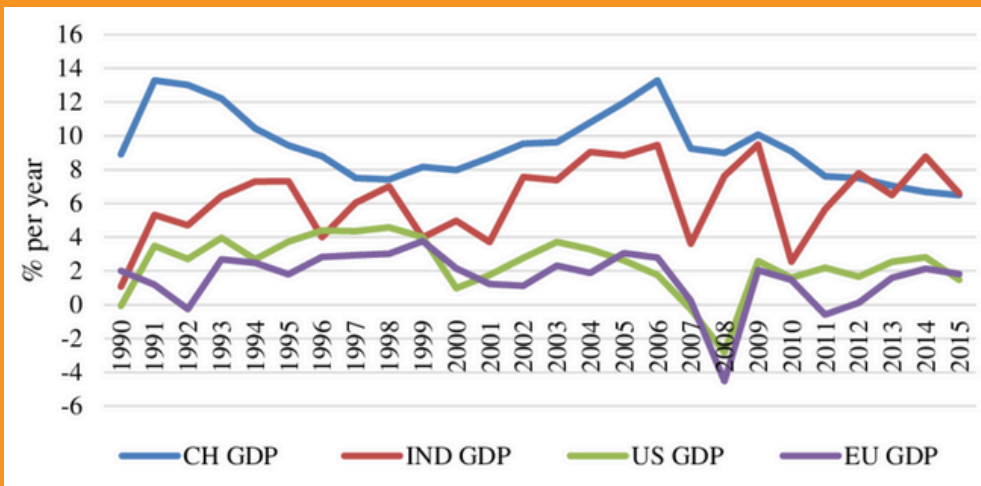
As we enter 2026, India's growth story continues, but it will increasingly favour organisations that prepare ahead, not those that adjust later.





INDIA & GLOBAL ECONOMIC CONTEXT

India continues to be recognised as one of the fastest-growing major economies, supported by domestic consumption, public capital expenditure, and structural reforms. Inflation has remained within the Reserve Bank of India's tolerance band, allowing policymakers to maintain a calibrated stance focused on stability rather than disruption.



Globally, growth remains uneven. Advanced economies such as the United States and parts of Europe have seen moderation, while emerging markets demonstrate relatively stronger momentum.

What this means for businesses:

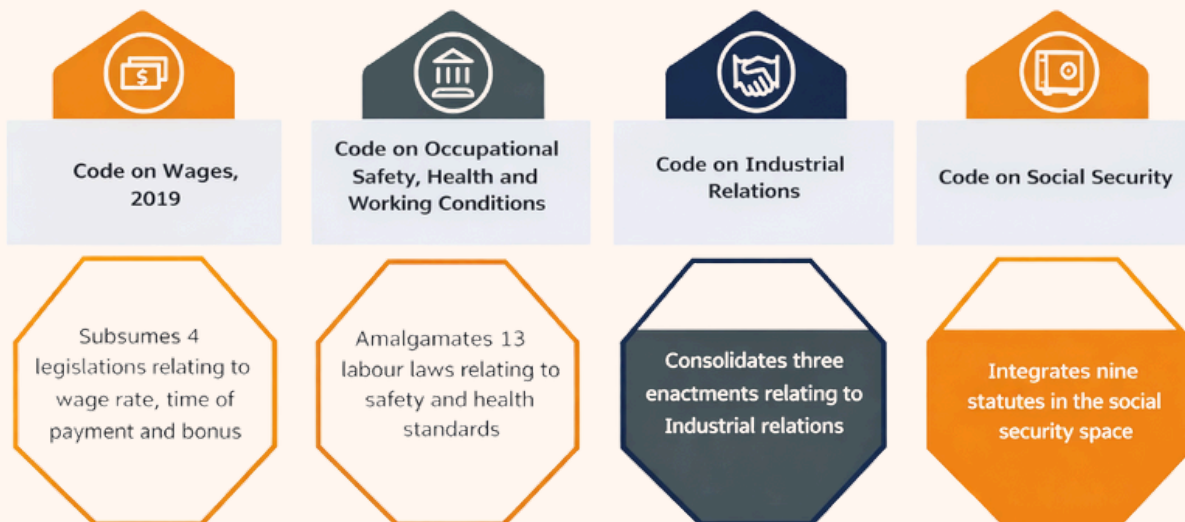
India's macro stability, combined with regulatory reform, continues to make it a strategic market for long-term investment, expansion, and operational diversification.

KEY REGULATORY & POLICY DEVELOPMENTS

Labour Code Reforms: Moving Towards Structured Compliance

India's labour law framework has undergone a fundamental overhaul with the consolidation of 29 central labour laws into four Labour Codes covering wages, social security, industrial relations, and occupational safety and health.

Four Labour Codes were enacted by the parliament



The objective of these reforms is to simplify compliance, standardise definitions, expand employee benefit coverage, and reduce interpretational ambiguity.

For employers, particularly multinational companies, the Labour Codes provide clearer guidance on wage structures, statutory contributions, and workforce policies. While full implementation remains phased, the direction is unambiguous: compliance in India is moving towards greater uniformity and predictability.

KEY TAX & REGULATORY COMPLIANCE UPDATES



India's tax and regulatory ecosystem continue to evolve with a clear emphasis on simplification, digitisation, and reduced litigation.

On the direct tax front, the Government has initiated a transition to a new Income Tax framework aimed at simplifying the language, improving clarity, and reducing interpretational disputes (CBDT / Ministry of Finance). The Central Board of Direct Taxes (CBDT) has also actively used circulars and relaxations to ensure that technical errors do not result in rejection of genuine filings, reinforcing a taxpayer-friendly approach.

Importantly, India's digital tax administration has reached a significant scale. For Assessment Year 2025–26, over 7.28 crore Income Tax Returns were filed electronically, reflecting deep adoption of online compliance systems. The majority of these returns were processed by automated systems, resulting in faster acknowledgements and refunds.

From an indirect tax perspective, GST compliance continues to be refined through technology-led controls, simplified registration processes, and system-based validations, reducing manual intervention and improving accuracy. These measures are designed to lower disputes while strengthening audit trails.



CORPORATE LAW & COMPANY SECRETARIAL COMPLIANCE

The Ministry of Corporate Affairs (MCA) has continued its push towards digitised and disclosure-driven corporate compliance through enhancements to the MCA21 platform and updated reporting requirements. These changes strengthen transparency around corporate filings, board disclosures, and statutory reporting.

The regulatory environment has also elevated the role of company secretarial compliance, particularly for entities with foreign shareholding, group structures, or cross-border operations. Strong secretarial governance is increasingly viewed as a cornerstone for risk management, regulatory readiness, and investor confidence.

INFERENCE:

India's corporate compliance framework is steadily moving towards predictability, transparency, and faster processing, aligning well with global governance expectations.



DPDP RULES: INDIA'S DATA PROTECTION FRAMEWORK COMES OF AGE

The enactment of the Digital Personal Data Protection Act, 2023, marks a significant milestone in India's digital governance journey. The framework introduces consent-based data processing, defines the responsibilities of data fiduciaries, and protects individuals' rights.



Conceptually, the DPDP regime aligns with global data protection standards, such as the EU's GDPR, particularly in accountability, lawful processing, and individual rights.

For global organisations operating across jurisdictions, this alignment reduces friction and enables better integration of India operations within existing global compliance frameworks.



POSH COMPLIANCE: GOVERNANCE BEYOND FORMALITY

Workplace sexual harassment compliance in India continues to be governed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which mandates the constitution of Internal Committees, annual reporting, and employee awareness programmes.



In December, as part of Walmond's ongoing commitment to workplace governance and statutory compliance, a POSH awareness session was conducted for employees with the support of Prof. (Dr.) Shobhna Jeet. The session focused on strengthening awareness, clarifying individual responsibilities, and reinforcing organisational processes that support a safe and respectful work environment.

At Walmond, POSH compliance extends beyond formal policy requirements. It is anchored in continuous training, structured internal mechanisms, and leadership accountability—ensuring that prevention, awareness, and redressal remain integral to our workplace culture.

Increasingly, POSH compliance is viewed by boards, investors, and global partners not merely as a statutory obligation but also as a reflection of organisational culture and governance maturity.

STARTUP VALUATION FRAMEWORK: GLOBAL STANDARDS IN FOCUS

India is examining ways to strengthen startup valuation practices in line with International Valuation Standards (IVS), which are widely recognised in cross-border transactions and financial reporting.

Globally accepted valuation norms play a critical role in reducing disputes, improving transparency, and supporting investor confidence, particularly in fundraising, tax assessments, and M&A scenarios.



For foreign investors and funds, movement towards IVS-aligned valuation practices signals greater predictability and discipline within India's startup ecosystem.

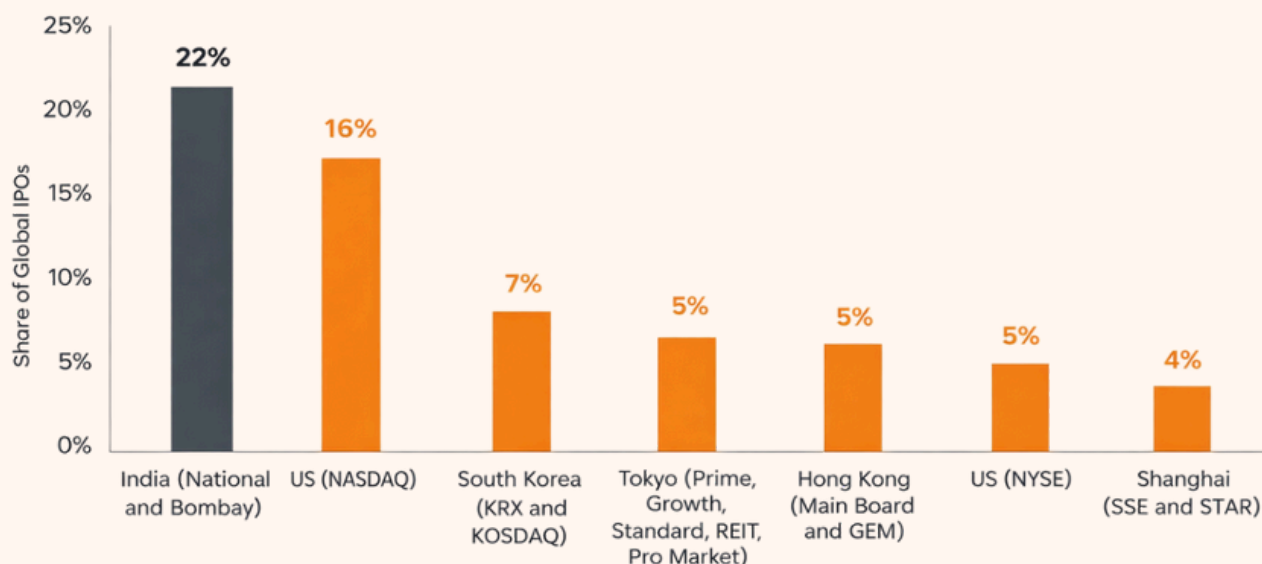
CAPITAL MARKETS & STARTUP ECOSYSTEM

India's IPO Scenario

India has witnessed sustained IPO activity across sectors, including manufacturing, financial services, and technology, supported by robust regulatory oversight and disclosure norms.

The growing depth of India's public markets indicates a shift towards capital-market maturity, where listings are no longer episodic but part of a broader growth pathway for companies.

India Leads the IPO Race



Data Source: EY Report

Implication:

Public markets are increasingly becoming a structured and credible capital-access route for growth-stage enterprises, including those with global investor participation.

Startup Ecosystem: Discipline Over Hype

While private funding remains selective, investor focus has clearly shifted towards governance discipline, unit economics, and regulatory readiness.

This transition reflects a maturing ecosystem where sustainable growth and compliance preparedness are prioritised over rapid scale alone, particularly relevant for foreign investors assessing long-term exposure to Indian startups.

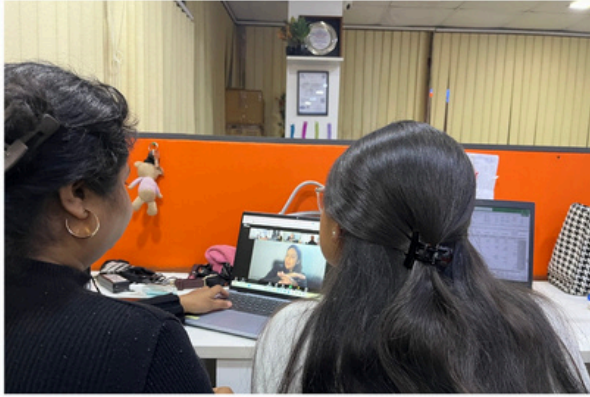
Walmond Highlights | November-December

The final months of the year saw Walmond supporting multiple India-entry and compliance advisory engagements across manufacturing, technology, and services sectors. Interest from international businesses evaluating India entry also continued to rise through Walmond's Springboard-led initiatives.

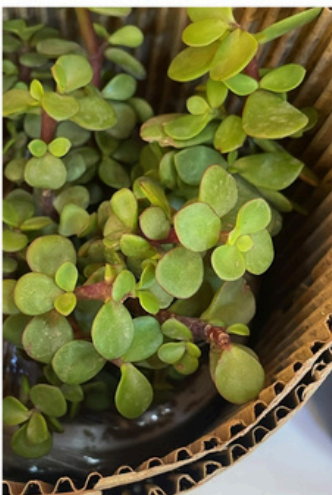
Internally, the team marked important moments that reflected both continuity and growth, celebrating Neeraj Sir's birthday alongside two employee birthdays, recognising the achievement of a former colleague qualifying as a Chartered Accountant, and reinforcing governance through an internal POSH training programme.



Building a respectful and safe workplace- POSH Training



Celebrating Women's Day, every day!



Celebrating our people today and always!



Marking Milestone, One step at a time!



The year concluded with a Christmas celebration, bringing teams together in a spirit of togetherness and shared appreciation. Activities such as Secret Santa exchanges and informal team interactions reinforced the collaborative culture that underpins Walmond's day-to-day work.

The period also provided an opportunity for Rewards and Recognition, acknowledging individuals who have been part of Walmond's journey and continue to remain connected even as they pursue new professional paths. The enduring relationships reflect a culture built on mutual respect, collaboration, and shared values.

Together, these moments underscore Walmond's belief that strong advisory outcomes are sustained by professional rigour, governance discipline, and a people-centric culture.

International Desk- Springboard Service

Enquiries from the UK, Europe, and Asia-Pacific markets continued through the year, with particular interest in manufacturing, EV, fintech, and digital services.

Through its Springboard Service, Walmond supports international businesses with structured market entry, compliance readiness, and regulatory navigation, focusing on sustainable, long-term engagement rather than transactional entry.



LOOKING AHEAD TO 2026



As India enters 2026, the conversation will move decisively from policy intent to on-ground execution, supported by digital compliance systems, faster processing cycles, and a steadily improving litigation environment. Regulatory simplification, stricter data protection enforcement, disciplined valuation practices, and elevated governance expectations will shape not only compliance outcomes but also overall business credibility.

Organisations that begin strengthening their compliance frameworks, governance structures, and operating models now will be better equipped to scale with confidence. In a landscape where global alignment and transparency are increasingly scrutinised, early action will translate into resilience, investor trust, and sustained growth.

The next phase of India's growth will favour those who prepare ahead, not those who react later. Be part of the growth, discover how you can accelerate your business with Walmond. Connect with us for expert guidance.



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