

NEWSLETTER

NOVEMBER 2025



GST 2.0 ushers in a new compliance era from October 1, 2025, mandatory IMS, locked GSTR-3B fields, stricter ITC rules, a 10% pre-deposit for penalty appeals, and UIM-based goods tracking to strengthen compliance.



India takes a leap in fintech innovation. The Foreign Currency Settlement System (FCSS) launched at GIFT City enables real-time foreign currency settlements within India, cutting dependence on overseas banks and boosting global transaction efficiency.



The 2025 US market crash unleashed global turmoil, erasing trillions in value within days. Triggered by steep import tariffs, surging inflation, and geopolitical tensions, the collapse sent shockwaves through world markets. Technology, metals, and banking sectors suffered severe losses, with Indian IT and steel stocks plunging in tandem. A massive crypto meltdown deepened October's volatility, fueling investor panic. With tariffs rising and supply chains breaking, fears now grow over a prolonged global slowdown and shrinking corporate profits.

TABLE OF CONTENTS

01**GST 2.0 - Major GST Reforms****02****Enhancing Global Financial Efficiency:
Launch of the FCSS at GIFT City****03****2025 US Market Crash: Tariff Fallout****04****Compliance Calendar****05****Creative Corner****06****Disclaimer**

GST 2.0- Major GST Reforms

Compliance Revolution

From October 1, 2025, India introduced GST 2.0 which aimed at simplifying tax structures while tightening compliance norms. Other than the rate revisions, the real transformation lies in procedural and compliance change that redefine how businesses interact with the GST framework. Under this new system, input tax credit claims, return filing and portal interactions underwent significant changes designed to improve transparency, reduce errors and ensure faster reconciliation.



Procedural & Compliance Changes

As part of India's transition to GST 2.0 the procedural and compliance changes which took effect from 1st October are:

A.) Invoice Management System (IMS) & ITC Acceptance

- Effective October 1, 2025, the Invoice Management System (IMS) has been introduced, marking a major procedural shift. This system replaces the earlier auto-populated Input Tax Credit (ITC) mechanism in GSTR-3B.
- Under the new framework, taxpayers are now required to manually accept, reject, or mark invoices as pending before claiming ITC. Only accepted invoices will be eligible for credit in GSTR-3B.

- Reconciliation with IMS is advisable in every tax period and recipients must act within prescribed timelines i.e monthly filers within one month and quarterly filers within the quarter.

B.) Locking of GSTR-3B Liability Fields

- Starting October 2025, several fields in GSTR-3B will be hard-locked, meaning taxpayers will no longer be able to make manual edits to auto-populated data.
- Under the new process, any corrections or revisions to outward supplies or tax liabilities must now be made through GSTR-1 or GSTR-1A, rather than directly in GSTR-3B.
- This change highlights the need to report invoices accurately from the start, as discrepancies will automatically reflect in subsequent returns.

C.) Credit Notes & ITC Reversal

- The amendment to Section 34(2) of the CGST Act has redefined how credit notes impact tax liability and input tax credit (ITC). Effective October 2025, a supplier can reduce their tax liability through a credit note only after the recipient has reversed the corresponding ITC.
- This ensures integrity in the flow of credits and prevents misuse of credit notes for tax manipulation.

D.) Pre-deposit for Penalty Appeals

- Under the revised provisions to Sections 107(6) and 112(8) of the CGST Act appellants are now required to pre-deposit 10% of the penalty amount when filing an appeal against such orders.
- This change is meant to discourage unnecessary appeals and ensure that only genuine cases move to higher authorities. By setting a financial requirement, it helps reduce excessive litigation, ease the load on appellate forums, and enable quicker resolution of penalty cases.

E.) Track & Trace/ Unique Identification Marking (UIM)

- A major step toward supply chain transparency under GST 2.0 is the introduction of the Unique Identification Marking (UIM) system.
- This initiative will require such notified goods to carry a secure, non-removable digital stamp or mark.
- The UIM will make it possible to track goods in real time i.e from production to final use which will help to prevent fake products, and wrongful claims of input tax credit.
- Further, under the newly inserted Section 148A, the government has been empowered to mandate reversal of ITC in cases where inputs or goods are found to be diverted or used for unintended purposes.

Overall, these reforms under GST 2.0 aim to strengthen compliance, enhance transparency, and create a more efficient and trustworthy tax environment for businesses and taxpayers alike.



Enhancing Global Financial Efficiency: Launch of the FCSS at GIFT City



During the Global Fintech Festival 2025, held at the International Financial Services Centre (IFSC), Finance Minister Nirmala Sitharaman launched the new Foreign Currency Settlement System (FCSS), enabling real time settlement of foreign currency transactions settlements within the GIFT city.

Existing Scenario

The entities operating in the GIFT city were previously dependent on foreign banks abroad for settling transactions in global currencies. Such transactions at IFSC were carried out through correspondent banking arrangements via multiple nostro banks, i.e. entities used accounts held with foreign banks and intermediaries to route funds. This existing settlement process took about 36 to 48 hours, leading to higher costs, longer processing time, and dependence on overseas systems.

The New System (FCSS):

Now, transactions in foreign currency by entities within the GIFT city can be settled in real time or near real time, instead of the 36-48 hours previously taken. This system aims to reduce settlement time, enhance liquidity management, lower settlement risk, and improve efficiency.

A local settlement bank will be selected for settlements through a bidding process. The entities in GIFT city will open accounts in this bank and interbank foreign currency transactions will be settled directly through these accounts. The new settlement system enables such entities to settle international trades within India itself.

Initially, the system will support transactions in the US Dollar. Other foreign currencies will be added to the system later.

Standard Chartered India has been selected as the designated bank for US Dollar settlements under this new system.

The system will operate under the regulatory framework of the Payment and Settlement Systems Act (PSS) Act, 2007 and is authorized by IFSCA.

CCIL IFSC Ltd, a subsidiary of Clearing Corporation of India is the system operator, and the software is being developed by Indian Financial Technology & Allied Services, a wholly owned subsidiary of RBI.

2025 US Market Crash: Tariff Fallout

The US stock market crash in 2025 was one of the most dramatic financial events in recent history, shaking investors and businesses around the world. It began in early April when the US government announced sweeping tariffs on nearly all imported goods, especially targeting major economies like China and the European Union. Besides new tariffs, the crash was made worse by rising inflation, higher interest rates from the Federal Reserve, ongoing supply chain problems, and global political tensions. As a result, the US market saw its largest drop since the pandemic in 2020, with trillions of dollars in value lost in just a few days and many companies and sectors around the world were affected by this sudden change.



October 2025 was unusually volatile and bearish for markets, marked also by a massive cryptocurrency liquidation event where nearly \$19 billion in leveraged positions were wiped out in 24 hours. Alternative cryptocurrencies collapsed between 60-80%, while Bitcoin dropped 18% but managed some recovery. This turmoil further shook investor confidence and added to market instability.

Affected sectors

The current situation varies widely across industries:

1. Technology (IT/AI):

- US tech giants faced large share price drops due to export sanctions and reduced demand.
- Indian IT companies were hit hard because they rely on US clients. Stocks like Infosys, TCS, Wipro, and Tech Mahindra fell between 3.6% and 7.2% in a single day.

2. Metals and Steel:

- Metals faced major problems because of US tariffs on Indian steel exports. Tata Steel crashed over 9%, JSW Steel lost 7.5%.
- US companies in steel also declined due to higher import costs and falling demand.

3. Banking and Financials:

- Both Indian and American banks saw massive sell-offs as global uncertainty grew.

4. Oil & Gas:

- Oil prices surged due to Middle East tensions, hurting companies that rely on buying oil and causing losses in stocks for energy firms.

5. Automobiles:

- Auto makers faced slow demand and higher costs due to tariffs on parts from China and other countries.

Examples of Affected Companies

Sectors	Indian Companies	Foreign Companies
Technology	Infosys	Nvidia
Metals/Steel	Tata Steel	U.S. Steel Corp
Banking/Finance	SBI	JPMorgan
Oil & Gas	Vedanta	ExxonMobil
Automobiles	Bajaj Auto	General Motors

Possible Future Impact on US & Global Economy

- The trade wars and tariff hikes risk prolonged disruptions to global supply chains, increasing costs for manufacturers and consumers in the US and abroad.
- Corporate earnings could be pressured by higher input costs and reduced demand, especially for export-dependent sectors.
- The US economy could slow down if consumer and business confidence erodes further, potentially leading to reduced investment and hiring
- Emerging markets may be vulnerable due to capital outflows triggered by US market turbulence.



COMPLIANCE CALENDAR

TDS/TCS

7	Payment for Oct 2025
14	Issue of TDS Certificates for tax deducted u/s 194-IA, 194-IB, 194M in Sep 2025
14	Issue of TDS Certificate for Non salary TDS returns.
30	Deposit of TDS u/s 194-IA on payment made for purchase of property in Oct 2025 in Form 26QB
30	Deposit of TDS u/s 194M for Oct on payments made to resident contractors or professionals greater than 50 lacs pa by individual/HUF not subject to tax audit in Form 26QD

Income Tax

30	Return of income for the A.Y. 2025-26 in the case of an assessee to whom International & Domestic Transfer Pricing applies
30	Claiming foreign tax credit in Form no. 67
30	Report in Form No. 3CEAA by a constituent entity of an international group for the accounting year
30	Form No.3CEJ by an eligible investment fund
30	Intimation by a constituent entity in Form No. 3CEAC
30	Country-By-Country Report in Form No. 3CEAD for a reporting accounting year by a constituent entity
30	Intimation on behalf of an international group in Form No. 3CEAE

November, 2025

COMPLIANCE CALENDAR**FEMA**

7	ECB-2 Return- By Borrowers of External Commercial Borrowings(ECB) through AD Bank for Oct 2025
29	Form OPI needs to be filed for reporting of Overseas Portfolio Investment undertaken during the half year ending 30th Sep

GST, INDIRECT TAXES & CORPORATE AND ALLIED LAWS

10	Return for Authorities deduction Tax at source-GSTR7 for Oct 2025
10	Details of supplies effected through e-commerce operator & the amount of tax collected-GSTR8 for Oct 2025.
11	Details of outward supplies of taxable goods and/or services effected – GSTR 1 for Oct 2025.
13	Invoice Furnishing Facility (IFF) for Oct 2025 in Lieu of GSTR1 for QRMP Filing.
13	Return for non-resident foreign taxable person – GSTR 5 for Oct 2025
13	Return for Input Service Distributor – GSTR 6 for Oct 2025.
20	GSTR 3B for Oct 2025 if aggregate turnover above Rs. 5 crore
20	Return for OIDAR Service Provider – GSTR 5A for Oct 2025.
22	GSTR 3B for Oct 2025 if aggregate turnover below Rs. 5 Cr (Note 1).

November, 2025

COMPLIANCE CALENDAR

GST, INDIRECT TAXES & CORPORATE AND ALLIED LAWS

24	GSTR 3B for Oct 2025 if turnover below Rs. 5 Cr (Note 2).
25	Monthly Payment for Oct 2025 through Challan PMT06 for QRMP filers
30	Professional Tax - Monthly Return Tax Liability of Rs.1,00,000/- & Above for Oct 2025.
15	P.F & ESIC- Payment for Oct 2025.

Note 1: For Andaman and Nicobar Islands, Andhra Pradesh, Chhattisgarh, Dadra & Nagar Haveli, Gujarat, Goa, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Puducherry, Tamil Nadu, Telangana

Note 2: For Rest of India

CREATIVE CORNER



-Shivya Chella



-Jiya Marwaha



-Bhargi Bhavsar

CREATIVE CORNER



We wear many faces, but one is shown,
 A mask that hides what we feel, deep down.
 We feel it all, the ups and the downs,
 Joy, sadness, anger, and quiet crowds.
 We feel surprised, we feel betrayed,
 We feel calm, but also feel afraid.
 But our face stays the same, a steady gaze,
 No hint of what we feel in secret ways.
 It's as if we don't see, we don't feel,
 Our emotions locked, our hearts concealed.
 We're complex, like the night and the day,
 Full of feelings, but we don't show the way.
 We hide our true selves, behind a disguise,
 A face that's calm, with a stormy surprise.

-Sanjana Gindani

NEWSLETTER CREDIT



Shivya Chella



Sanjana Gindani



Bhargi Bhavsar

DISCLAIMER

This document is prepared exclusively for the benefit and use of the articulated assistants and employees of Mukund & Rohit Chartered Accountants. Reasonable care has been taken for ensuring the accuracy and the authenticity of the contents of this newsletter. However, we do not take any responsibility for any error or omission contained therein on any account. This document is under no circumstances intended to be used or considered as financial advice or solicitation and no legal interpretation or professional advisory be construed out of opinions expressed herein.