

NEWSLETTER

DECEMBER 2025



The U.S. has lifted tariffs on 200 agricultural items, creating a major opportunity for India's export sector with potential gains of up to \$2.5–3 billion. India must still improve quality standards and supply chains to fully benefit from this policy shift.



India's new Labour Codes, implemented in 2025, streamline 29 labour laws into a unified system aimed at strengthening worker welfare and simplifying compliance. The reforms mark a major shift toward a more modern and inclusive labour framework.

Simplified GST
Registration Scheme
(Rule 14A)



Rule 14A is the GST system's new welcome gate for emerging businesses—quick, clean, and Aadhaar-driven. It trims approval time to just three days, helping entrepreneurs get started without bureaucratic roadblocks. And as their operations scale, the rule nudges them toward the regular GST framework.

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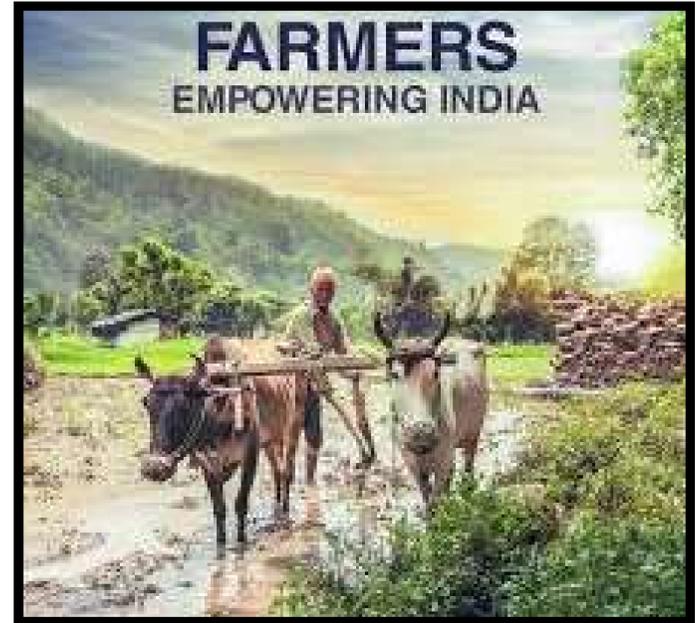
US Tariff relief for Indian Agricultural exports

India Reclaims Market

The United States has announced a major policy shift by exempting more than 200 agricultural and food products from the steep reciprocal tariffs imposed earlier this year. The decision, formalized through a White House executive order on November 12, 2025, has been welcomed by Indian exporters, particularly in sectors such as tea, coffee, spices, fruits, nuts, and processed foods. For India, this marks one of the most significant positive resets in U.S. trade policy in recent years.

High Duties, Low Growth

Indian agricultural exporters have long struggled under steep U.S. tariffs, often ranging from 40% to 50%, imposed through Washington's "reciprocal tariffs" on countries with significant trade surpluses. As a result, exporters faced declining demand, thinner profit margins, and increased difficulty in sustaining growth, particularly for small and medium-sized producers. The high tariffs also disrupted long-standing trade relationships and made it challenging for India to expand its agricultural footprint in the U.S., one of its largest export markets. Over time, this created uncertainty for



farmers and businesses relying on export revenues, highlighting the need for a more predictable and supportive trade environment.

Boost for Indian Exports

- According to India's Commerce Ministry, the products covered by the exemptions currently account for over US\$1 billion of India's exports to the U.S., with trade experts estimating that the potential gains could reach US\$2.5–3 billion, as per the Federation of Indian Export Organisations (FIEO). Items such as spices, tea, coffee, and other high-value niche products are likely to see immediate growth.

- Experts also point out that the biggest beneficiaries will be value-added and premium-grade products. This shift not only promises higher revenue for exporters but could also strengthen India's position as a reliable supplier of high-quality agricultural goods in the U.S. market. With improved competitiveness and cost advantages, Indian exporters have an opportunity to expand market share, enhance profitability, and drive long-term growth in key agricultural sectors.

India-U.S. Trade Prospects

Beyond agriculture, the U.S. tariff exemptions carry broader diplomatic and trade implications. New Delhi sees the move as an opportunity to stabilize and potentially expand its trade relationship with Washington following months of tariff tensions. The gesture could pave the way for renewed discussions on a bilateral trade agreement, greater market access for Indian manufactured goods, and coordinated frameworks on food and technology supply chains.

Limitations and Challenges

While the U.S. tariff exemptions offer significant opportunities, the benefits are not evenly distributed across all 200 products. The Global Trade Research Initiative (GTRI) estimating that India supplies only about US\$548 million worth of these goods compared to the US\$50.6 billion total U.S. import demand. Indian exporters also face challenges including strict U.S. food safety and quality standards, high logistics and shipping costs, intense competition from Southeast Asia and Latin America, and inadequate cold-chain and farm-level compliance infrastructure. To fully capitalize on the exemptions, India will need to scale up production, diversify its product portfolio, and strengthen supply chain capabilities to compete effectively in the American market.



Simpler GST, Smarter Compliance: Key Changes from November 2025

Rule 14A of the CGST Rules, introduced with effect from 1 November 2025, represents a major reform in the GST registration process for small and low-risk businesses in India. This new rule creates a simplified and fast-track registration route for suppliers whose monthly B2B output-tax liability does not exceed ₹2.5 lakh. By relying on Aadhaar-based authentication and an automated risk-analysis system, the government aims to provide a seamless and quick registration experience, while still maintaining safeguards against fraudulent or high-risk applicants. Under this system, if the applicant successfully completes Aadhaar authentication and the risk engine detects no irregularities, GST registration is automatically approved within just three working days, eliminating the long waits and manual verifications that many genuine businesses used to face.



It speeds up the onboarding process for low-volume suppliers—such as emerging entrepreneurs, small B2B service providers, and MSMEs—who often rely on rapid GST approval to start billing clients. To be eligible, the applicant must meet several conditions: their projected monthly B2B tax must remain within the ₹2.5 lakh limit, they must complete Aadhaar verification for the authorized signatory and at least one promoter, and they must not already hold a Rule 14A registration under the same PAN in the same State or Union Territory. They must also have a clean compliance history, with no pending returns or unresolved GST cancellations.

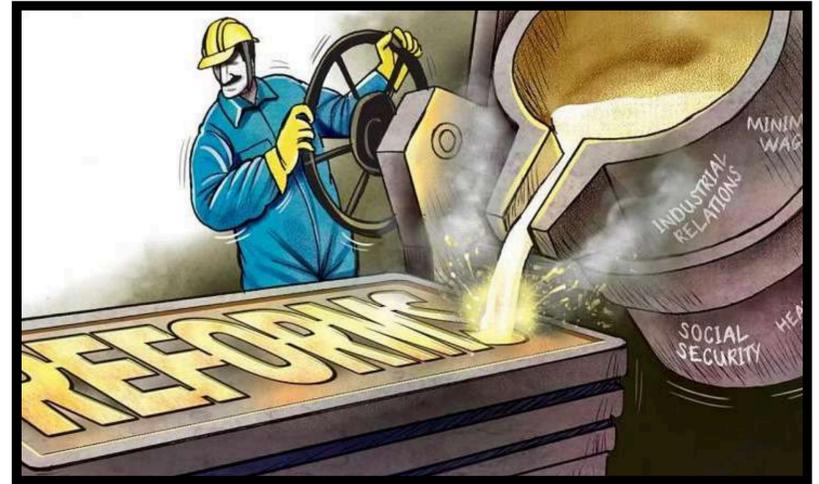
The application procedure remains simple. The applicant files for registration through FORM GST REG-01 on the GST portal and selects the Rule 14A option. After Aadhaar verification, the system issues an acknowledgment. If no red flags appear, the GSTIN is issued automatically in three working days through a completely faceless, electronic process. However, if the system detects risk elements—such as discrepancies in PAN details, previous irregularities, or issues with the declared business address—the officer may initiate desk scrutiny or even physical site verification. In such cases, auto-approval does not occur, ensuring that the system remains secure while still offering speed to genuine applicants.

As businesses grow, some may cross the ₹2.5 lakh monthly output-tax threshold. Rule 14A accommodates this by allowing taxpayers to switch back to the normal registration regime through FORM GST REG-32, without changing their GSTIN. The transition becomes smooth as long as all pending compliances have been completed, and the officer finalizes the withdrawal using FORM GST REG-33. Despite its benefits, Rule 14A excludes high-risk applicants, those unable to complete Aadhaar authentication, and applicants with compliance defaults or multiple registrations in one State under the same PAN.

Rule 14A is an important step toward modernizing India's GST system. It leverages digital verification, minimizes human intervention, reduces delays, and supports the government's broader goals of transparency and operational efficiency. For small and emerging businesses, it offers a real boost—allowing them to enter the market quickly, compliantly, and with minimal administrative burden, while strengthening the overall integrity of the GST ecosystem.

A New Era of Labour Governance in India: Major Changes Explained

In one of the most significant reforms to India's labour framework, the Union Government has implemented the country's four consolidated labour codes effective from 21st November, 2020. The new codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety,



Health and Working Conditions Code, 2020 consolidate 29 Labour Laws into a unified framework aimed at simplifying compliance and strengthening worker protections.

For organizations, this shift goes beyond mere regulatory updates, it requires a thorough review of human resource policies, compensation structures, and operational governance. Some points that can be highlighted from these changes are:

1. Restructuring of Compensation Frameworks

The most noticeable shift is the unified definition of “Wages” under the Code on Wages, 2019. The new definition mandates that basic pay (including DA and retention allowances) must constitute at least 50% of the Total Remuneration. This might have affect on the traditional salary structuring.

- Organizations that historically utilized high-allowance structures to optimize costs will need to restructure their payroll models.
- This shift may increase the base for social security contributions, which in turn might result in higher retirement benefits (like Provident Fund and Gratuity) for employees.
- Consequently, businesses may need to anticipate a permanent change in their long-term personnel costs and statutory liabilities.

2. Strategic Shift in Workforce Planning

The new Codes emphasize parity between permanent and contract staff. Fixed-term employees (FTEs) will now receive the same social security and medical benefits as permanent employees. Crucially, the gratuity eligibility period has been reduced from 5 years to just 1 year of service.

This provision removes the traditional cost advantage associated with short-term contracting. Implication that may emerge due to this are:

- Hiring strategies might need to account for long-term benefit liabilities even for contractual roles.
- Organizations relying heavily on flexible staffing such as those in manufacturing, logistics, and IT services might need to re-evaluate the cost-benefit analysis of their staffing procedure, as the distinction in benefits between permanent and fixed-term staff narrows.

3. Formalization of the Gig Economy

For the first time, "gig and platform workers" such as delivery personnel and app-based drivers have been formally included under social security schemes. They will now be eligible for benefits like provident fund and ESIC. This provision integrates gig and platform workers into the social security net, with aggregators required to contribute between 1% and 2% of their annual turnover (excluding taxes, levies, or cess) to the social-security fund for these workers, subject to a maximum of 5% of the total payments made to them in a year.

- For digital platforms and aggregators, this introduces a new statutory compliance layer.
- Business models that operate on thin margins and utilize gig talent shall now factor in these social security contributions as an essential operational cost, potentially influencing pricing strategies and unit economics across the sector.

4. Improved Worker Welfare

The Codes require employers to provide a free annual health check-up for workers aged 40 and above, promoting early detection of health issues. Women can now work night shifts, provided adequate safety measures are in place, enabling greater participation in the workforce. Strong emphasis on equal pay for equal work reinforces gender equity and fairness. These measures aim to improve the overall quality of working conditions

Rupee's Historic Fall to ₹89.61 Signals Deepening Economic Pressures



The Indian rupee tumbled to a historic low of ₹89.61 per U.S. dollar, marking one of its steepest single-day declines in years. The sharp fall was driven by heavy foreign portfolio investor outflows, strong global demand for the U.S. dollar, and lingering uncertainty over India–U.S. trade relations. Limited intervention from the Reserve Bank of India allowed the slide to accelerate, while persistent dollar demand from importers added further pressure. The sudden depreciation has rattled markets, highlighting India's vulnerability to external shocks and global financial volatility.

The weakening rupee carries significant economic implications. Imported inflation risks are rising, especially for crude oil and other essentials, while companies with foreign-denominated debt face higher repayment costs. Although exporters may benefit from a weaker rupee, analysts warn that prolonged depreciation could destabilize markets, intensify inflationary pressures, and challenge the RBI's ability to maintain monetary stability. If current trends continue, the rupee could test ₹90 per dollar, with global market movements and central bank actions playing a decisive role in determining its near-term trajectory.

December, 2025

COMPLIANCE CALENDAR**TDS/TCS**

7	Payment for Nov 2025
15	Issue of TDS Certificates for tax deducted u/s 194-IA, 194-IB, 194M in Oct 2025
15	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 Nov 2025 in Form 26QB
30	Deposit of TDS u/s 194M for Nov 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

15	Advance Tax - 3rd instalment (upto 75%) for A.Y. 2026-27
31	Filing of belated/revised return of income for the financial year for all assessee

FEMA

7	ECB-2 Return - By Borrowers of External Commercial Borrowings (ECB) through AD Bank for Nov 2025
31	Annual Performance Report - in ODI Part-II by an Indian Party/Resident Individual/ having made Overseas Direct Investment in JV\WOS for F.Y.2024-25

December, 2025

COMPLIANCE CALENDAR

GST, INDIRECT TAXES & CORPORATE AND ALLIED LAWS

10	Return for Authorities deducting Tax at source - GSTR 7 for Nov 2025
10	Details of supplies effected through e-commerce operator & the amount of tax collected-GSTR8 for Nov 2025
11	Details of outward supplies of taxable goods and/or services effected – GSTR 1 for Nov 2025
13	Invoice Furnishing Facility (IFF) for Nov 2025 in Lieu of GSTR1 for QRMP Filers
13	Return for non-resident foreign taxable person – GSTR 5 for Nov 2025
13	Return for Input Service Distributor – GSTR 6 for Nov 2025.
15	Payment for Nov 2025
20	GSTR 3B for Nov 2025 if aggregate turnover above Rs. 5 crore
20	Return for OIDAR Service Provider – GSTR 5A for Nov 2025
22	GSTR 3B for Nov 2025 if aggregate turnover below Rs. 5 Crore (Note 1 - Jan)
24	GSTR 3B for Nov 2025 if turnover below Rs. 5 Crore (Note 2 - Jan)
25	Monthly Payment for Nov 2025 through Challan PMT 06 for QRMP filers

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COMPLIANCE CALENDAR

GST, INDIRECT TAXES & CORPORATE AND ALLIED LAWS

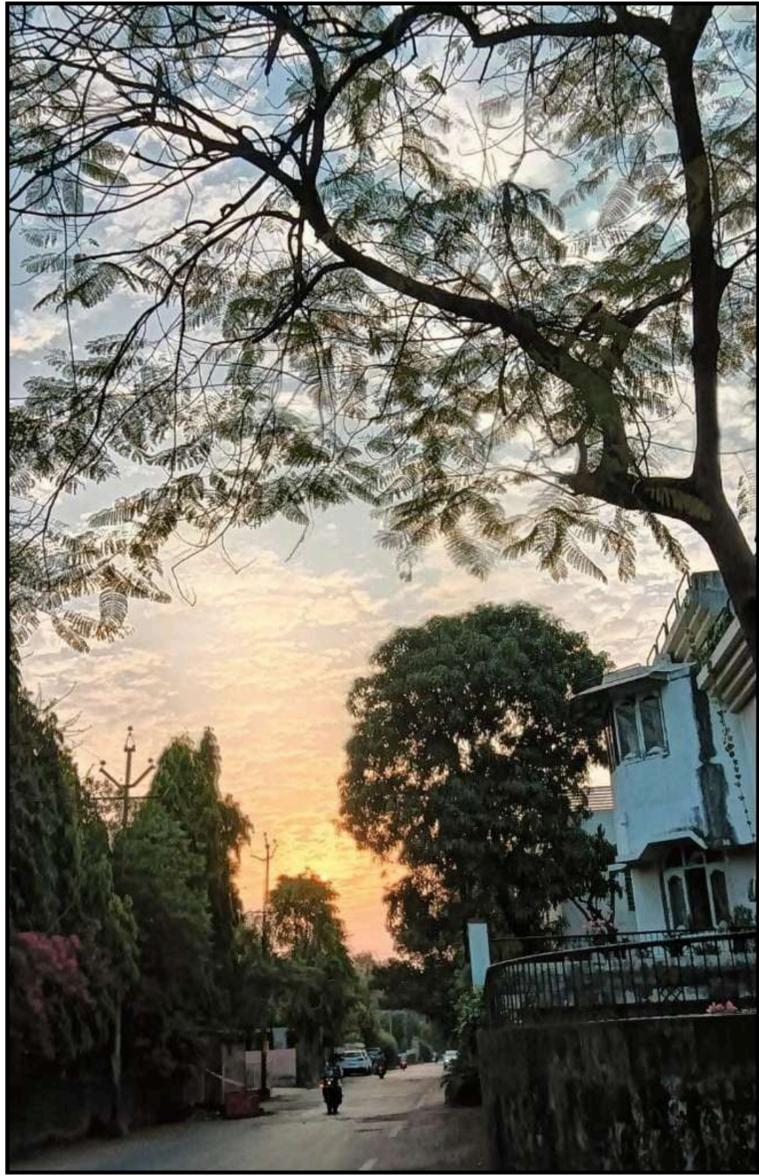
31	Annual Return - in GSTR 9 & Reconciliation Statement in GSTR 9C as applicable for F.Y. 2024-25
31	Prof. Tax - Monthly Return Tax Liability of Rs. 1,00,000 & above for Nov 2025
31	P.F. & ESIC - Payment for Nov 2025

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

November, 2025

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NEWSLETTER CREDIT



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