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GST 2.0

Empowering Growth, Building Resilience

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From the President's Desk

Ms. Sunita Ramnathkar

Season's Greetings to our members.

India's growth story continues from a position of strength. The Provisional Estimates released in May confirmed that **real GDP grew by 6.5% in FY 2024–25**, with the January–March quarter clocking **7.4%** on the back of robust construction, public administration and financial services. That momentum carried into the new year: the April–June 2025 quarter **(Q1 FY 2025–26)** expanded by **7.8% year-on-year**, led by strong investment and private consumption. In its **October 1 Monetary Policy Report**, the Reserve Bank of India (RBI) revised its **FY 2025–26 growth projection up to 6.8%**, with a quarterly path of **7.8% (Q1), 7.0% (Q2), 6.4% (Q3) and 6.2% (Q4)**—explicitly citing GST 2.0, buoyant domestic demand and rising capacity utilisation as key supports.

Multilateral institutions are broadly aligned with this optimistic view. The **IMF's October 2025 World Economic Outlook** now pegs India at **6.6% growth in FY 2025–26**, maintaining our position as the fastest-growing major economy despite elevated U.S. tariffs and a softer global trade cycle. Against a backdrop of global growth projected at just **3.2%** in 2025, India stands out as a rare bright spot.

If growth is the first pillar of resilience, inflation management has been the second. Official data show that **headline CPI inflation fell to just 1.54% in September 2025**, with rural inflation at 1.07% and urban at 2.04%; food inflation on the Consumer Food Price Index turned sharply negative at **–2.28%** year-on-year. Wholesale inflation followed a similar pattern, with **WPI rising only 0.13%** in September as food and fuel prices eased. Against this backdrop, the RBI's **Monetary Policy Committee meeting of 29 September–1 October** kept the **repo rate unchanged at 5.50% with a neutral stance,** marking a second consecutive pause after a cumulative 100 bps of cuts earlier in the year. The central bank also **lowered its FY 2025–26 inflation forecast to 2.6%,** down from 3.1%.

Crucially for this issue's theme, the RBI explicitly links part of this disinflation to **GST rate rationalisation from 22 September 2025**, which it estimates directly affects around **11.4% of the CPI basket.** In other words, **GST 2.0** is not only a tax reform—it is now a macro-stabilising instrument, easing costs for households and freeing up purchasing power for growth.

The defining development of these two months has been the launch of GST 2.0 through the decisions of the **56th GST Council meeting on 3 September 2025**. The Council agreed to move from a fragmented four-slab structure (5%, 12%, 18%, 28%) towards a more streamlined

framework with **5% and 18% as the principal rates,** and a **40% "demerit" rate** reserved for a narrow band of luxury and sin goods. Effective **22 September 2025,** GST rates were slashed on **hundreds of consumer items**—from soaps, shampoos and packaged food to small cars, air conditioners and televisions. One of the most transformative moves was the **elimination of the 18% GST on individual life and health insurance premiums**, bringing the rate effectively to zero and directly reducing the cost of risk protection for households.

Industry reaction has been particularly positive in sectors under stress. The man-made fibre and textile value chain, for instance, expects GST 2.0 to **reduce cost pressures, fix inverted duty structures and spur growth in the sub-₹2,500 retail segment,** helping MSMEs and exporters regain competitiveness. Beyond sector specifics, the overarching narrative is clear: GST 2.0 aims to be **simpler, fairer and more growth-oriented**, embodying exactly the "Empowering Growth, Building Resilience" message of this journal.

The external sector, however, continues to flash amber. As per the Commerce Ministry's latest release, **merchandise exports during April–September 2025 reached US$220.12 billion,** while **imports stood at US$375.11 billion,** taking the **cumulative trade deficit to US$154.98 billion**, higher than US$145.18 billion a year earlier. Within that, **September 2025 alone saw a merchandise trade deficit of US$32.15 billion**, up more than 30% year-on-year, as imports surged 16.7% to US$68.53 billion while exports grew 6.75% to US$36.38 billion.

Even so, India's **current account deficit narrowed to just 0.2% of GDP in Q1 FY 2025–26**, supported by strong services exports and remittances of US$35.3 billion. Equity markets remained on an upward trajectory through to late September, and the rupee was among the least volatile emerging-market currencies, underpinned by healthy FX reserves and stable capital flows.

On the global front, September–October 2025 were dominated by **monetary and trade policy signals.** The **U.S. Federal Reserve cut the federal funds rate by 25 bps in September to a 4.00–4.25% range,** its first cut since 2024, and followed with another 25 bps reduction at its **October 29 meeting**, bringing the range down to **3.75–4.00%**, as it grappled with a slowing labour market and **U.S. CPI inflation around 3%.** The IMF's **October WEO** meanwhile flagged that new tariff actions—especially those targeting Chinese and Indian exports—would slow global growth to **3.2%** in 2025, even as India itself holds up at 6.6%.

Domestically, beyond GST, other policy decisions in October reinforced the resilience agenda. The Union Cabinet cleared **Rabi 2025–26 fertilizer subsidies** for phosphatic and potassic fertilizers, aimed at cushioning farmers' input costs, while a **draft National Labour and Employment Policy** was released for consultation, signalling continued attention to employment quality and workforce skilling. These measures complement GST 2.0 by supporting rural purchasing power and a more productive labour market.

For Indian business, the message from September–October is threefold. First, **growth and inflation are both in a sweet spot:** 7.8% real growth in Q1 and projections of 6.8% for the year, alongside sub-2% headline inflation, provide a macro foundation few peers enjoy. Second, **GST 2.0 has structurally lowered the tax burden on consumption and risk protection**, and companies that quickly recalibrate pricing, supply chains and product positioning to the new rates will be best placed to capture incremental demand. Third, despite low inflation and strong domestic demand, **external risks remain real**—from a large goods trade deficit to shifting global monetary conditions and tariff regimes—which require disciplined treasury management, diversified export markets and continuous productivity improvement.

In that sense, GST 2.0 is more than a rate-cut exercise; it is a signal of India's commitment to building a **simpler, investment-friendly, shock-absorbing tax architecture**. If we use this window of macro stability to strengthen balance sheets, formalise supply chains and deepen our global integration.

Highlights of IMC Activities

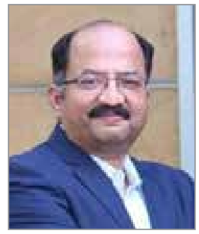
- Interactive meeting with **Mr. Harjinder Kang**, Deputy High Commissioner for Western India, British Deputy High Commission, Mumbai, to discuss the India–UK Free Trade Agreement (FTA). Mr. Kang emphasized the FTA's potential to boost exports, create jobs, foster innovation, enhance inclusivity, and improve business mobility, strengthening economic and bilateral ties between the two nations.
- IMC in association with Bombay Stock Exchange Brokers Forum conducted the fifth session of GST Pathshala, focusing on "GST Updates for the Trading Member Community". The expert discussed recent GST developments, challenges ahead, the significance of Input

Tax Credit (ITC) in minimizing GST liability, and tips for preparing for GST audits and emphasized crucial reforms and strategies for taxpayers to manage audits effectively.

- World Tourism Day featured a discussion on “Tourism and Sustainable Transformation,” in line with the UNWTO’s 2025 objectives. The event emphasized on sustainability, inclusivity, and innovation, ecotourism and sustainable practices to address over-tourism and climate change while empowering communities, the importance of values and choices in tourism, advocating for a return to roots for genuine sustainability.
- Webinar on **“Understanding GST 2.0”**. The objective of the Webinar was to understand the implications of GST 2.0 and to provide first-hand insights into the changes, sectoral impacts, compliance requirements, and opportunities, helping participants stay ahead of evolving tax policies.
- Talks by **Mr. Rajendra Chodankar**, Founder and Chairman, RRP Group of Companies on “Journey of RRP and Vision for Fostering Semiconductor Innovation in Maharashtra and India” and **Mr. Kaustubh Dhavse**, Chief Advisor to the Hon’ble Chief Minister of Maharashtra (Investments & Strategy) on “Maharashtra’s Vision on Becoming India’s Leading Tech Hub”.
- IMC in collaboration with DGFT, Mumbai, held a seminar on the India–UK Comprehensive Economic and Trade Agreement (CETA), discussing its provisions, export opportunities, DGFT schemes, and the Trade Connect e-Platform. Shri R K Mishra highlighted FTAs’ role in lowering tariffs and enhancing global integration, emphasizing CETA’s focus on sustainability, digital trade, and e-commerce, and encouraged Indian businesses to pursue growth in Africa’s emerging markets.
- IMC in collaboration with HKTDC and MSInS, organized an interactive session on ‘Hong Kong: Springboard to Success for Startups, Entrepreneurs & Financial Services’. **Mr. Vivek Mogal** from MSInS highlighted their role in connecting innovative startups with global opportunities, helping them grow and scale internationally.
- Interactive panel discussion on AI in Finance and India’s Monetary Policy Framework. The Special Guest, **Mr. Sumnesh Joshi**, ITS Deputy Director General, highlighted the importance of capacity building and training for AI’s effective usage.

I hope you will enjoy reading the articles in this issue and find them insightful.

GST 2.0: Empowering Growth, Building Resilience



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Executive summary

In September 2025, India moved from incremental GST fixes to a bold package of reforms — rationalizing the rate structure, cutting taxes on many consumer goods, strengthening digital compliance. The stated aim is explicit, namely boost consumption, simplify compliance for ordinary businesses, and increase the resilience of public finances through broader formalisation and better enforcement. Key decisions were announced by the GST Council and the Centre, with many measures effective 22 September 2025 (rate changes) or phased in during 2025 for compliance systems, and some to come into effect once the GST law is amended.

What changed — the headline reforms

1. Rate rationalisation: move towards two broad slabs

The GST Council approved a major rationalisation that collapses multiple slabs into a simpler structure with predominant rates pegged at 5 percent and 18 percent, combined with targeted reductions (for example, cement and many labour-intensive goods) and selected exemptions for essential medicines and some food items, fitness services, hotel accommodation services, etc. This has been broadly referred to as a "simpler, fairer and growth-oriented" reform implemented from 22 September 2025.

2. Targeted tax increases on high-margin / sin sectors

Alongside the rate reductions, certain categories (online real-money gaming, betting, and some "super-luxury/ sin" goods) saw steep rate increases in rate of tax (e.g., online gaming increased from 28 percent to 40 percent). Similarly, the base rate on many goods, such as, large motor vehicles, aerated drinks, etc. was increased, although there is relief from the exemption granted from the levy of 'Compensation Cess'

3. Exemptions for life and health insurance and medicines

Proposals and Council recommendations moved toward exempting individual life and health insurance premiums and exempting many lifesaving drugs—measures meant to reduce burden on health and risk-protection products.

4. Elimination of Compensation Cess

A significant change is the elimination of Compensation Cess on most goods, except on pan masala, gutkha, cigarettes, chewing tobacco products like zarda, unmanufactured tobacco and bidi. However, with the increase in the rate of tax on some 'sin/luxury' goods and services, the effective impact is lower. However, a significant issue which remains un-addressed is as regards transition of accumulated compensation cess.

5. Taxability of Intermediary Services

The GST Council has also proposed shifting the place of supply for intermediary services from the supplier's location to the recipient's location, thereby treating intermediary services like other services for export purposes. This change would provide broad relief across industries and finally resolve a long-standing controversy—stemming from conflicting court and advance-ruling decisions since the Service Tax era—that had denied export treatment for services provided to foreign principals (notably where foreign firms operate Indian support offices or procure Indian marketing/ sales services). The amendment will require a statutory change.

Synopsis of GST Rate Rationalization Measures

Measure	Instances
Lowering household costs	GST on everyday essentials reduced from 18% to 5% (e.g., hair oil, shampoo, soaps, chocolates, biscuits, plant based beverages) and household electronics cut from 28% to 18% (32” TVs, ACs, dishwashers, monitors) to ease household expenditure.
Supporting farmers and rural economy	Tax on agricultural equipment lowered from 18% to 5% (tractor tyres, parts, irrigation systems, farm machinery), aimed at reducing input costs for farmers and stimulating the rural economy.
Making healthcare & education affordable	Rates for certain medical devices/products reduced to 5% (medical thermometers, diagnostic kits, glucometers) and select education supplies made nil (maps, notebooks, pencils, erasers) to improve access and affordability.
More hikes than cuts in services realignment	Several services — government contracts, transport, mining and leasing — moved from 12% to 18%. Raising GST on residuary job work from 12% to 18% may pressure sectors like renewables and EVs that face inverted duty structures and no input service refunds.
ITC restrictions to balance lower rates	Reduced rates for hotel accommodation and beauty/wellness services are coupled with denial of input tax credit, which can keep the effective tax burden on end consumers roughly unchanged.
Luxury and sin segments taxed heavily	High rates (40%) imposed on casinos, race clubs, large sporting events (e.g., IPL) and online gaming, indicating a deterrent/taxation posture for luxury and vice sectors.
Green economy incentives	Effluent and biomedical waste treatment services moved to 5%, providing a fiscal incentive for environmentally sustainable practices.
Strategic cuts for MSME sectors	Job work services cut to 5% to relieve compliance and cost pressures on MSMEs and simplify the tax burden for small manufacturers and contractors.

Economic impact: growth, demand and the fiscal

1. Short-term demand stimulus

Reduction in everyday consumer items (toiletries, appliances, food items) were explicitly designed to raise disposable incomes and consumption propensity, the direct policy intent being an immediate stimulus to domestic demand. This has provided a near-term lift to retail and manufacturing sectors exposed to household spending. Some reported instances are as follows.

Automobiles

October’s overall vehicle sales, the first full-month numbers since goods and services tax (GST) was simplified on September 22, jumped 40.5% year-on-year to more than 4.2 million units, the Federation of Automobile Dealers Associations (FADA) said.[1]

During the 42-day festive period through September and October, which included Dussehra and Diwali, overall retail sales rose 21% on-year, led by a 22% increase in two-wheeler sales and a 23% rise in passenger vehicles.[2]

Life and Health Insurance[3]

It is reported that the exemption to insurance has provided an impetus on new business of life and health insurers, with a large insurance aggregator reporting term insurance reporting a historic 2.5 times surge after no-GST rule implementation and health insurance has clocked a phenomenal 2.2 times increase in demand. Similar spike in demand has also been reported by Insurance Companies.

2. Revenue and fiscal trade-offs

A large re-shaping of slabs invariably has fiscal effects. The Council paired cuts with selective increase in the rates (gaming, super-luxury items) and exemptions (insurance) to offset revenue losses. The net fiscal outcome on GST collections will depend on: (a) behavioural consumption responses, (b) increased compliance and higher collections from reduced fraud, and (c) transition issues. Early reports and Government briefings flagged potential short-term revenue loss but expected medium-term gains from increased demand on goods and services.

1. Reuters report, 7 November 2025
2. Reuters report, 7 November 2025
3. https://www.deccanchronicle.com/business/gst-exemption-driving-health-term-cover-sales-say-insurers-1910149

3. GDP Forecast Revisions on account of GST 2.0[4]

While explicit September-October GDP figures are not available, several major bodies have revised India's overall GDP growth forecasts for the fiscal year 2025-26 (FY26) upwards, specifically mentioning GST 2.0 reforms as a contributing factor:

- RBI: The Reserve Bank of India raised its FY26 GDP growth forecast to 6.8% from an earlier 6.5%.[5]
- IMF: The International Monetary Fund upgraded its projection for FY26 to 6.6% (from 6.4%), citing strong first-quarter momentum and the resilience of domestic demand.
- OECD: The Organisation for Economic Co-operation and Development increased its 2025 growth outlook to 6.7% (from 6.3%), specifically crediting robust domestic demand and the GST reforms.

Administrative and operational impact - Simpler classification, fewer disputes

Fewer slabs reduce litigation risk and administrative disputes around classification — business as well as GST Department resources for enforcement rather than adjudication. Government releases highlights reduced compliance friction as a major benefit of the rationalization exercise.

Risks and implementation challenges

1. **Transition shocks for businesses** —lowering of taxes, especially exemptions with a very short timeline had resulted in many industries scrambling to update its invoicing systems, reworking pricing to pass on the benefits to end consumers and determining the impact on production and distribution costs on account of loss of ITC. The impact of ITC reversals on stock of raw materials, semi-finished and finished goods, lying with the manufacturers and the distribution chain, upto the retailer was required to be determined, reversed and compensated.
2. **Revenue uncertainty** — behavioural responses (substitution, tax avoidance, demand deferment) could produce short-term revenue reduction in relation to some goods and services, which will require robust monitoring and contingency mechanisms (e.g., targeted rate tweaks)
3. **Short term disruptions** – especially for the FMCG sector, most companies saw disruption in trade and inventory liquidation with both distributors and retailors adjusting to new prices. Most also required price and grammage tweaks.
4. **Enforcement capacity** — analytics are only as useful as follow-through; states and Centre must coordinate to act on data-driven leads to address challenges faced by businesses and consumers.

Conclusion — growth with resilience

"GST 2.0" is best read as a simultaneous simplification and digitalisation agenda. By cutting consumer rates and simplifying slabs the Government aims to revive household demand; by strengthening compliance controls it seeks to contain revenue loss and tighten enforcement. Success will depend on a careful, taxpayer-friendly rollout for smaller firms, rapid administrative capacity building and transparent monitoring of fiscal outcomes. If implemented with these safeguards, GST 2.0 can deliver both sustained demand uplift and the longer-term resilience that comes from a cleaner, more formal tax base.

(Views are personal)

4. Media reports
5. RBI Monetary Policy: Repo Rate Unchanged, GDP Outlook Brightens -01 OCT 2025 by PIB Delhi

Next-Generation GST Reforms: Key Highlights from the 56th Council Meeting

CA (Adv) Bimal Jain
Founder, A2Z Taxcorp LLP

The 56th GST Council meeting introduced sweeping reforms under the banner of "Next-generation GST 2.0," which aim to simplify the tax structure, relieve the burden on common citizens, rationalize rates, and strengthen institutional mechanisms.

Below are the main policy changes, especially sector-wise, followed by procedural/trade facilitation measures, then analysis of likely economic effects.

Important Sector-Specific Changes

These changes largely came under two broad heads: *rate rationalization* / *exemptions* for goods and services; and other sectoral rules (valuation, classification, etc.).

Sector	What Changed / Exempted / Reduced	Effect / Notes
Insurance (Life & Health)	All individual life insurance policies (term, endowment, ULIP) **and reinsurance thereof** → *Nil* GST. Similarly, all individual **health insurance policies** (including family floater and senior citizens) and reinsurance thereof → *Nil*.	Makes insurance more affordable; encourages uptake, especially among middle- & lower-income classes.
Food/ Daily Essentials	Many items moved from 5%/ 12%/ 18% to 5% or *Nil*. Examples: UHT milk; pre-packaged/labeled chena /paneer; "Indian breads" (roti, paratha etc) exempted. Items like packaged namkeens, sauces, cornflakes, butter, ghee etc. also got reduced GST.	Reduces cost of essential food, benefiting consumers, lowering cost of living.
Automotive & Luxury Goods ("sin goods", de-merit")	GST on small cars, motorcycles ≤ 350 cc, etc., reduced from higher rates (28%) to 18% (without cess). Conversely, luxury vehicles, big SUVs, etc. → proposed *40%* "de-merit" rate. Similar treatment for sin goods (pan masala, tobacco etc) being retained until compensation-cess liabilities are cleared. Also, valuation for such items to be on Retail Sale Price (RSP) rather than transaction value.	Higher rate on luxury / sin goods increases revenue; rate reduction on non-luxury vehicles lowers cost for many buyers; RSP valuation aims at more predictable revenue and crackdown on undervaluation.
Textiles/ Handicrafts/ Agriculture/ Renewable Energy	Reduction from 12% to 5% on agricultural machinery, horticultural / forestry machinery, irrigation equipment etc. Handicraft items, certain textile inputs and common daily-use goods in textile / household category got relief. Renewable energy devices & parts also reduced to 5%.	This supports farmers, MSMEs, boosts green energy, domestic manufacturing.
Services (Hotel/ Beauty/ Transport/ Entertainment, etc.)	• Hotel accommodation ≤ ₹7,500/unit/day → 12% with ITC → 5% without ITC. • Beauty, physical well-being services (gyms, salons, etc.) moved from 18% to 5%. • Cinema tickets ≤ ₹100 → 12% → 5%. • Some transport/goods transport by GTA etc. rates rationalized. • Entertainment / betting / casinos / online gaming raised to 40%.	Helps reduce cost of everyday services; disincentivises gambling, etc.; boosts sectors like tourism, hospitality; likely increase in demand.

Trade Facilitation, Ease of Doing Business & Procedural Reforms:

In addition to rate changes, there are important reforms intended to make GST more business- and citizen-friendly:

1. **Dual rate structure**
   - Rationalisation from current 4 tiers to a simpler structure: **5%** (merit / essentials), **18%** (standard), with **40%** for select luxury / sin goods.

2. **Implementation timeline & phasing**
   - Most goods & all services: new rates effective **22 September 2025**. Except for sin goods (pan masala, gutkha, cigarettes, unmanufactured tobacco, bidi etc.), which will continue under the old regime until compensation-cess obligations (loan & interest) are discharged.

3. **GST Appellate Tribunal (GSTAT)**
   - GSTAT to be made operational for receiving appeals by end September 2025 and hearings to begin by end December 2025.
   - Backlog appeals deadline: 30 June 2026.
   - Principal Bench of GSTAT to also act as National Appellate Authority for Advance Ruling.

4. **Refund reforms / provisional refunds**
   - **Risk-based provisional refunds** for zero-rated supplies (e.g. exports) to get 90% of claim based on system-driven risk checks starting **1 November 2025.**
   - Similar 90% provisional refunds extended to cases of *inverted duty structure* (IDS).
   - Removal of threshold for "low-value export consignments" to get refunds.

5. **Simplified / optional GST registration**
   - New optional simplified registration scheme: automated within 3 working days for applicants whose output liability to registered persons does not exceed **₹ 2.5 lakh/ month.**
   - Effective from 1 November 2025.
   - Special scheme for small suppliers via e-commerce operators (ECOs) crossing state boundaries.

6. **Other accuracy & classification / discount / valuation changes**
   - Omission of Section 13(8)(b) of IGST Act: place of supply for intermediary services (making recipient's location relevant), which helps in treating intermediary services to foreign clients as exports.
   - Change to discount rules (post-sale discounts): dropping requirements that discount must be agreed *before* or at time of supply and linked to invoice; use of credit note under Section 34; recipient must reverse ITC where discount reduces value. Rescinding of prior circular (Circular 212/6/2024) to simplify this.
   - Valuation changes for lottery tickets, tobacco etc.; and RSP-based valuation for certain products (pan masala, cigarettes etc.) to prevent undervaluation.
   - Clarification of "specified premises" so that stand-alone restaurants cannot treat themselves as such and opt for 18% with ITC; they remain in 5% without ITC class.

Conclusive Remarks:

Economic Rationale & Expected Impacts:

How these reforms tie in with **fiscal consolidation, GDP growth, and inflation (CPI):**

Fiscal Consolidation

- **Revenue neutrality through rate adjustment:** By moving some goods from lower rates to higher (especially luxury / sin goods at 40%) while reducing rates for essentials, the GST system aims to balance fiscal cost of tax cuts with revenue-raising elsewhere. This helps in avoiding large revenue loss while delivering relief.
- **Broadening tax base and better compliance:** Simplified registrations, clarified valuation, improved dispute resolution (via GSTAT), less ambiguity in discounts etc. reduce leakages and broaden the effective tax net.

Thus, these reforms can help in stabilizing or increasing GST (and overall indirect tax) collections while addressing key cost pressures.

GDP Growth, Investment & Sectoral Stimulus

- **Boost to consumption:** Rate reductions on everyday goods and services increase disposable incomes (especially of lower/middle income groups), likely raising demand. Sectors such as food, hospitality, personal care, textiles, etc. will see increased consumption.

- **Support for MSMEs & exporters:** Simplification for e-commerce suppliers, low value export refunds, provisional refunds for IDS reduce liquidity constraints. Export competitiveness improves especially in service and goods sectors.

- **Manufacturing / agriculture stimulus:** Lower GST on agricultural machinery, renewable energy devices etc. encourages investment in green energy, farming productivity.

- **Encouragement of formal economy:** Simplified registration, less compliance burden, certainty via appellate reforms induce informal/ unregistered players to come into the system, boosting scale and economies.

Inflation / CPI Control

- **Lower GST on essentials** reduces direct cost pressure on food and everyday goods; since food has large weight in CPI basket, this helps contain inflation (or reduce inflation rate).

- **Reduced tax on services** (beauty, hotel, etc.) similarly helps, especially as services inflation has been a contributor.

- **However**, higher tax on luxury / sin goods may have small upward pressure in those specific segments, but given their low CPI weight, net effect is likely disinflationary.

Challenges & Things to Watch

- **Transition & Implementation Risks:** The phasing required amendments to law, issuance of notifications, capacity of GST bodies to adapt (IT systems, training) are potential friction points.

- **Passing on benefits:** Whether reductions in tax are passed to consumers depends on market competition, input cost movements, and business behaviour; anti-profiteering remains relevant though not explicitly emphasized in these changes.

- **Monitoring revenue impact:** Despite rationalisation, some rate cuts (on broadly used items) may reduce receipts; whether gains from luxury/sin goods and better compliance offset these is empirical and depends on elasticity.

Overall Conclusion:

The 56th GST Council meeting's reforms represent an important inflection point in India's indirect tax policy. By simplifying the rate structure to a more manageable dual-rate (with a demerit tier), reducing tax burden on essentials and services used by many, while increasing it on select luxury/sin items, the changes are well calibrated to achieve multiple goals simultaneously:

- **Support consumption and demand among lower- and middle-income groups**, helping GDP growth;

- **Ease compliance and reduce costs for businesses**, especially small and medium;

- **Strengthen institutional mechanisms** (GSTAT, refund process etc.) to reduce uncertainty and leakage;

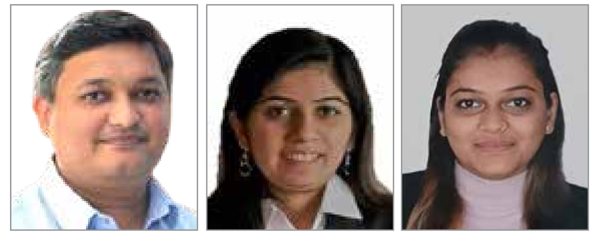
- **Help fiscal consolidation** by ensuring revenue is protected through higher rates on luxury/sin goods, improved compliance, and gradual phasing where needed;

- **Contain inflation,** especially via lower tax on essentials, thereby reducing tax-driven price pressures.

In sum, these reforms are likely to produce a net positive effect on growth, stabilize government finances, and help in moderating inflation, provided implementation is smooth, benefits are passed on to end consumers, and the system monitors and addresses transitional issues effectively.

(Author can be reached at bimaljain@a2ztaxcorp.com)

GST 2.0: Empowering Growth and Building Resilience



Mr. Hardik Gandhi, Partner
Ms. Komal Sampat, Director
Ms. Komal Patolia, Associate Director
Indirect Tax - Deloitte Touche Tohmatsu India LLP

Introduction

When Goods and Services Tax (GST) was introduced in 2017, it ushered in an era of integrated taxation in one of the most transformative tax reforms in the country's history. By consolidating a multitude of indirect taxes into a single, unified framework, GST simplified compliance, reduced the cascading effect of taxes, and created a seamless national market. Over the last few years, the system has steadily matured, continuously adapting through comprehensive feedback from businesses, policymakers, and tax administrators. However, as the country's economy accelerates its transition toward digitization and deeper global integration, the tax framework too must evolve. GST 2.0 represents the next generation of tax reforms — designed not only to simplify and rationalize the tax structure but also to foster growth, enhance resilience, and build a more transparent, technology-driven governance ecosystem.

Catalyzing economic growth with rate rationalization

At the heart of the GST 2.0 reform lies a shift from the earlier four-tier structure to a simpler, two-tier rate system — a 5% merit rate for essential goods and services and an 18% standard rate, along with a 40% demerit rate for luxury and sin goods. This rationalization aims to reduce classification disputes, simplify compliance, and create a predictable and data-driven environment conducive to long-term investment. By making the system clearer and more efficient, it strengthens the overall tax administration infrastructure — a critical pillar of fiscal resilience.

Beyond simplification, GST rate rationalization serves as a macroeconomic policy instrument — providing immediate consumption stimulus, medium-term growth support, and long-term economic resilience against external headwinds. As demand rises, businesses experience improves sales volumes, which in turn stimulates production, capacity utilization, employment, and investment — creating a virtuous economic cycle. Early data supports this momentum: GST collections in October 2025 indicate that the rate cuts have already given a noticeable boost to consumption, particularly in price-sensitive categories such as essential goods, small consumer durables, personal care items, healthcare products, and entry-level automobiles and two-wheelers. Unlike income or corporate tax cuts, GST reductions have a direct and immediate impact at the point of purchase — making them a more effective tool for stimulating broad-based consumption.

Building resilience for global stage

While GST 2.0 delivers short-term growth gains, it also focuses on building long-term systemic resilience — particularly in liquidity, trade competitiveness, and compliance efficiency. A key component of this resilience agenda is the fast-tracking of GST refunds. The reform introduces a mechanism to release 90% of refunds upfront and provisionally for exports and inverted duty cases, without detailed scrutiny, for taxpayers categorized as low risk. Faster refunds improve working capital management and cash flow predictability, especially for MSMEs exporters, directly reducing cost pressures and improving global competitiveness. The automated refund system also reduces administrative delays, allowing capital to flow more quickly back into innovation, quality improvements, and capacity expansion. In the future, expanding refund eligibility — for example, to include services and capital goods under inverted duty structures — could further strengthen business liquidity and competitiveness.

A revamped registration system now grants automated approvals for low-risk applicants, drastically cutting down human interface and processing time. Businesses with monthly tax payments below Rs 2.5 lakh will also benefit from simplified compliance procedures, encouraging more MSMEs to enter the formal tax ecosystem. This not only broadens the tax base but also ensures long-term fiscal sustainability. As digital trade expands, GST 2.0 seeks to align taxation with the realities of a digital economy — simplifying registration for e-commerce and digital service providers while using data analytics to ensure compliance and transparency.

Also, operationalization of the Goods and Services Tax Appellate Tribunal (GSTAT) introduces a faster, more transparent mechanism for resolving tax disputes. It ensures consistency in legal interpretation across states, boosting investor confidence and reducing litigation costs. The tribunal's digital processes are expected to ease the compliance burden and reduce the caseload of higher courts.

Harnessing technology and automation

GST 2.0 marks a paradigm shift towards **smart governance** — where automation, artificial intelligence (AI), and data analytics drive compliance, enforcement, and policymaking. The objectives are clear – make compliance effortless, detect and deter frauds effectively and use data to design adaptive, evidence-based tax policies.

By integrating e-invoicing, e-way bills, and GST returns, the new system ensures a seamless digital trail for every transaction, minimizing opportunities for evasion. Auto-populated returns and simplified filing formats mean businesses spend less time and resources on compliance.

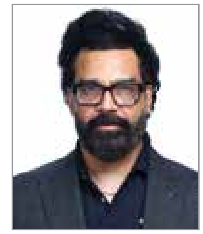
The Invoice Management System (IMS) further enables near real-time validation of input tax credits (ITC). Buyers can instantly access invoices uploaded by suppliers, allowing continuous reconciliation and improving transparency across the supply chain. This technology-driven reconciliation not only prevents fraudulent claims but also strengthens data accuracy and ensures a robust audit trail — laying the foundation for a more trustworthy tax ecosystem.

Conclusion

GST 2.0 is a strategic blueprint for a modern, efficient, and inclusive tax policy. By simplifying the system, empowering the consumer, and strengthening the domestic manufacturing base, India is well-positioned to navigate future economic challenges and secure sustained, resilient growth for decades to come.

(Views are personal)

GST 2.0: Catalyzing Growth, Fortifying Resilience



Mr. Krishan Arora
Partner, Grant Thornton LLP
Ms. Devika Dixit
Executive Director Grant Thornton LLP

On the occasion of India's 79th Independence Day, a bold and visionary roadmap for a *Viksit Bharat* by 2047 was unveiled. With a resolute emphasis on self-reliance, innovation, and citizen empowerment, the Hon'ble Prime Minister underscored the nation's transformation—from a dependent economy to a globally confident, technologically empowered, and economically resilient powerhouse.

As a foundational pillar of this vision, the GST Council and the Central Board of Indirect Taxes and Customs (CBIC) introduced a landmark reform: GST 2.0. This reimagined framework simplifies the indirect tax regime into a streamlined three-tier structure—5% for essential goods, 18% for standard goods and services, and 40% for luxury and sin goods. The reform also phases out the compensation cess, with exceptions maintained for pan masala, tobacco, and related products.

GST 2.0 reaffirms a core economic principle: that simplicity and transparency in taxation are among the most potent catalysts for sustained growth. The reform promises to deliver tangible benefits to both businesses and consumers by fostering a more efficient, equitable, and predictable tax environment.

GST 2.0 marks a pivotal inflection point in India's industrial evolution. By addressing long-standing structural inefficiencies, the reform introduces a rationalized tax structure and enhanced input tax credit (ITC) mechanisms—unlocking liquidity, easing cash flow constraints, and improving access to working capital.

By dismantling legacy bottlenecks and streamlining compliance, the new regime empowers manufacturers to scale operations, bolster financial resilience, and sharpen global competitiveness. However, transitional challenges such as ITC reversals, pricing distortions, and litigation risks necessitate strategic foresight and sector-specific agility.

A uniform 18% GST now applies to most vehicles and components—including small cars, hybrids, two-wheelers (up to 350cc), three-wheelers, ambulances, buses, goods carriers, and auto parts—down from the previous 29–31% (inclusive of cess). This rationalization reduces acquisition costs, stimulates demand, and resolves classification disputes. Meanwhile, a 40% GST on larger passenger vehicles, SUVs, luxury bikes, and high-capacity hybrids preserves a progressive tax structure aligned with environmental goals. However, the removal of compensation cess has led to stranded ITC worth ₹ 2,500 crore, prompting the Federation of Automobile Dealers Associations (FADA) to seek redress from the Supreme Court.

The rationalized GST structure aims to enhance affordability, stimulate consumption, and incentivize domestic production. Concessional rates on essentials such as food, beverages, and personal care items help mitigate inflationary pressures. Yet, concerns persist around the disruption of traditional MRP slabs (₹5, ₹10, ₹20), which may require pricing recalibrations and consumer re-education.

The reform is also expected to boost order volumes, improve capacity utilization, and enhance competitiveness. A simplified registration process for small suppliers selling via e-commerce platforms lowers entry barriers, enabling informal vendors to formalize and integrate into the structured economy.

Further, in pharma, GST exemptions on 36 essential medicines, a reduced 5% tax on medical devices, and a cut in job work GST from 12% to 5% are poised to lower healthcare costs and improve access - especially in underserved regions. However, the inverted duty structure remains problematic, with inputs and R&D related services being taxed at 18% while finished drugs attract only 5%, leading to ITC accumulation and pricing complexities, particularly in related-party transactions.

In service sector GST reductions on hotel stays, gyms, salons, and yoga services to 5% make wellness and lifestyle offerings more accessible. This not only boosts the hospitality and wellness sectors but also increases disposable income, creating a virtuous cycle of consumption-led growth.

GST 2.0 is a transformative leap in India's indirect tax architecture. By consolidating tax rates into 5% and 18% slabs, it eliminates the distortive inverted duty structure that previously hampered domestic value addition.

This rationalization reduces procurement and logistics costs, particularly with lower GST on cement, air conditioners, and small vehicles. Fleet operators benefit from reduced capital and operational expenses, while the original GST's removal of interstate checkpoints continues to streamline goods movement across state borders.

A hallmark of GST 2.0 is its digital-first orientation. Automated invoice matching and real-time ITC reconciliation empower businesses to make agile decisions and facilitate seamless inter-state trade. These internal efficiencies help counterbalance external trade frictions, particularly those arising from shifting global dynamics.

GST 2.0 places renewed emphasis on export promotion through several key measures:

- **Streamlined Refunds & POS Reforms:** A simplified refund disbursal mechanism and proposed amendments to the Place of Supply (POS) provisions under the IGST Act for intermediary services enhance certainty and competitiveness. This is especially beneficial for Indian Global Capability Centers (GCCs) and IT-enabled services.
- **Zero-Rated Exports:** The reaffirmation of zero-rated status for outbound goods and services ensures tax-free exports while preserving full ITC eligibility—enhancing liquidity and pricing power.
- **Geopolitical Resilience:** Amid heightened scrutiny of service exports under U.S. trade policies, GST 2.0 strengthens India's ability to sustain export volumes and maintain its edge in global value chains.

Together, these reforms foster a more agile, transparent, and globally integrated trade ecosystem—provided they are complemented by investments in logistics, customs modernization, and trade facilitation.

GST 2.0 is not merely a fiscal adjustment—it is a comprehensive institutional reform. It reflects a maturing cooperative federalism where states play a more active role in shaping tax policy, supported by digital tools that enable real-time revenue tracking and transparent governance.

Key enablers include:

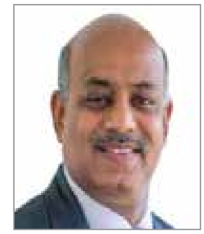
- **Ease of Doing Business:** Features such as pre-filled returns, automated refunds, and streamlined e-commerce registration significantly enhance compliance and reduce administrative friction.
- **Simplified Registration Scheme:** A new fast-track registration process for low-risk applicants—processed within three working days using data analytics—is expected to benefit 96% of applicants, according to CBIC estimates.
- **Technology Integration:** The incorporation of AI and blockchain into the GST ecosystem enables real-time invoice authentication and fraud detection, fortifying India's tax infrastructure against systemic shocks.
- **Dispute Resolution:** The long-awaited establishment of the GST Appellate Tribunal (GSTAT) provides a dedicated second appellate forum, easing the burden on high courts and ensuring faster, more consistent adjudication. Businesses must act swiftly to leverage staggered filing windows for legacy appeals.

GST 2.0 is a landmark reform that simplifies taxation, enhances transparency, and deepens digital integration across India's economic fabric. By prioritizing long-term growth over short-term revenue, it equips India to navigate global volatility with confidence. It is indeed a new era of fiscal maturity.

Authored by Krishan Arora, Partner Grant Thornton LLP with inputs from Devika Dixit, Executive Director Grant Thornton LLP and Devansh Munjal, Associate Director Grant Thornton LLP

(Views are personal)

From Tax Reform to Growth Engine: How GST 2.0 is Reshaping India's Supply Chains



Dr. Pramod Sant
Chairman, IMC - Logistics and Transportation Committee

Every tax reform tells a story—not of rates and slabs, but of confidence, credibility, and continuity. India's Next-Gen GST reforms, described as a "Diwali gift," mark a decisive step in aligning fiscal policy with national growth priorities. By rationalising GST rates across more than 200 goods and services—from essentials and energy to logistics and education—the reform has enhanced affordability for consumers, reduced supply chain costs, and strengthened investor confidence through greater predictability.

The true impact of GST reforms on competitiveness and confidence becomes evident only when viewed within India's current economic and supply chain growth trajectory. As the world's fastest-growing major economy, India is not just expanding its domestic demand base but also modernising its logistics and manufacturing networks to compete globally. GST 2.0 sits at the centre of this transformation, connecting fiscal simplification with real-sector efficiency.

The reform's impact can be understood through three interlinked catalysts—growth, trade, and investment. Together, they demonstrate how a unified and predictable tax system strengthens supply chain efficiency, deepens export competitiveness, and attracts long-term capital—advancing India's emergence as a global hub for manufacturing and logistics.

Growth Catalyst: Strengthening Supply Chains and Expanding Competitiveness

GST rationalisation has set off a positive chain reaction across India's supply network. Lower tax rates have reduced input and logistics costs, improving efficiency, connectivity, and delivery speed. As costs fall, supply chains become leaner and more responsive, driving higher throughput across warehouses, ports, and distribution hubs. Larger volumes bring economies of scale, boosting productivity, reliability, and service quality. These gains make Indian industries more cost-competitive—first in domestic markets and then globally. By enhancing supply chain performance, GST 2.0 not only stimulates consumption and trade but also strengthens India's standing as a manufacturing and export hub, turning fiscal reform into a true growth catalyst.

For MSMEs, GST rationalisation has eased compliance and reduced working capital stress by lowering input costs across transport, warehousing, and packaging services. With logistics now taxed more uniformly, small enterprises can access multimodal transport solutions at competitive rates, improving delivery reliability and expanding their customer base. These operational efficiencies also support the shift toward greener logistics—through route optimisation, digital invoicing, and reduced fuel use—aligning growth with sustainability.

Trade Catalyst: Competitiveness as the Bridge Between Import Substitution and Export Growth

GST 2.0 acts as a trade catalyst by reinforcing competitiveness across India's production and logistics ecosystem, enabling both import substitution and export expansion. Lower tax rates on raw materials, intermediates, and logistics services reduce production and distribution costs, allowing domestic manufacturers to match or even outperform imported goods in price and quality. This enhances India's capacity for self-reliance in sectors such as electronics, machinery, and renewable energy while simultaneously opening new export opportunities. As cost efficiencies flow through integrated supply chains—from sourcing to last-mile delivery—firms achieve the scale, consistency, and delivery speed vital for export success. Export-driven industries such as textiles, food processing, pharmaceuticals, and engineering particularly benefit from leaner logistics, predictable taxation, and faster refunds, making their products more attractive in global markets. In essence, GST rationalisation serves as a trade catalyst—reducing import dependency, expanding export markets, and embedding Indian supply chains deeper into global value networks.

The reform's simplified credit flow and faster refund system have been particularly beneficial for MSME exporters, who often faced liquidity blockages under earlier frameworks. By ensuring timely Input Tax Credit and zero-rating exports, GST 2.0 enables small and medium firms to reinvest capital in capacity building and technology. Improved cost visibility and efficient logistics now allow Indian exporters to meet just-in-time global supply commitments with confidence, reinforcing India's image as a reliable trade partner.

Investment Catalyst: Logistics and Manufacturing Growth

GST 2.0 has emerged as a powerful investment catalyst within India's logistics and manufacturing ecosystem. A unified and predictable tax structure is driving capital inflows into multimodal logistics parks, warehousing hubs, and cold-chain infrastructure—reducing inefficiencies, improving connectivity, and cutting turnaround time. These advances reinforce India's rise as a global manufacturing hub, where connected, cost-efficient supply chains underpin competitiveness. As manufacturing expands, it fuels the growth of MSMEs and ancillary industries, deepening domestic value addition, employment, and innovation. In essence, GST rationalisation transforms fiscal reform into an investment catalyst—linking logistics efficiency, industrial expansion, and investor confidence into one integrated story of India's manufacturing transformation.

The investment momentum in logistics and manufacturing is generating a powerful economic multiplier—creating new jobs, deepening domestic value chains, and attracting FDI into allied sectors such as warehousing, fleet technology, and automation. As these investments scale, MSMEs become critical partners within supplier ecosystems, linking regional production clusters with national and global markets. In this way, GST 2.0 supports the Viksit Bharat @2047 vision by fostering inclusive growth built on logistics strength, manufacturing depth, and small-enterprise dynamism.

Conclusion

GST 2.0 is more than a change in tax structure—it is a shift in how India builds competitiveness. By simplifying rates, improving credit flow, and creating a unified logistics framework, it strengthens the link between manufacturing, trade, and investment. MSMEs, which anchor India's industrial base, now benefit from lower operational costs and better access to transport and warehousing networks. The logistics sector, once fragmented and costly, is emerging as a reliable backbone for growth and exports. Together, these reforms create the conditions for steady industrial expansion, wider participation of small enterprises, and greater investor confidence. As India moves toward its Viksit Bharat @2047 goals, GST 2.0 stands as a foundation for a more connected, efficient, and competitive economy.

(Views are personal)

GST 2.0 – Empowering Growth, Building Resilience

Mr. Rohit Bajaj
Senior General Manager and Head – Indirect Tax
Lupin Limited

India's Goods and Services Tax (GST) reform has been one of the most defining milestones in the country's economic transformation. It created a unified market, promoted transparency, and strengthened the ease of doing business. Now, with the Government ushering in GST 2.0, the reform has entered its next phase—one that focuses not merely on rationalizing rates but on simplifying compliance and empowering consumers in a way that builds long-term resilience and competitiveness.

1) A Trilogy of Fiscal Empowerment

GST 2.0 should not be seen simply as a tax-rate reduction exercise. It represents the third leg of a broader fiscal trilogy—complementing income-tax rate rationalisation and corporate tax moderation.

- Income-tax reforms enhanced disposable incomes for individuals.
- RBI rate reductions aimed to stimulate credit growth.
- GST 2.0 now completes the loop by putting more money directly in the hands of consumers, spurring demand-led growth.

Together, these measures reflect a coherent economic philosophy, strengthening demand, boosting investment, and fueling formalization. The shift is from viewing taxation as merely a revenue instrument to seeing it as an enabler of growth and empowerment.

2) Simplification: From Complexity to Clarity

One of the most powerful elements of GST 2.0 is its focus on simplification. Over time, the earlier structure—with multiple tax slabs, frequent rate notifications, and classification disputes—had created avoidable complexity for both taxpayers and administrators. The new framework seeks to correct that by prioritizing simplicity, predictability, and digital transparency.

Fewer slabs, greater certainty:

Moving toward three principal categories—low, standard, and high—gives businesses clarity on pricing and contracts. Predictability in tax incidence helps them plan investments and operations with confidence.

Reduced disputes and compliance friction:

Ambiguities over classification—whether an item falls under 12 % or 18 %—generated a huge volume of litigation. Rationalisation will reduce such disputes, release administrative bandwidth, and allow both sides to focus on compliance quality rather than contestation.

Simplification, therefore, is not just an administrative reform—it is a growth enabler that reduces cost, saves time, and builds trust in the system.

3) Putting More Money in the Hands of Consumers

At the heart of GST 2.0 lies a clear policy philosophy—to put more purchasing power in people's hands. Lower GST rates on essential and commonly consumed goods directly reduce household expenditure. This allows consumers to save more, upgrade their consumption basket, or invest in long-term needs such as health and education.

A consumption-driven economy like India gains immensely from such a shift. Higher disposable income fuels demand across sectors, which in turn stimulates production, employment, and formalisation. This creates a virtuous cycle of growth—where affordability leads to higher volumes, and higher volumes lead to greater tax buoyancy.

Importantly, this is not merely a "rate cut"; it is a policy realignment that treats taxation as an instrument for economic inclusion and growth stimulation.

4) A Broader Policy Shift

GST 1.0 was about structural alignment—bringing together multiple indirect taxes under one umbrella. GST 2.0, in contrast, is about strategic empowerment—using tax policy to drive consumption, competitiveness, and compliance.

The reform signals a mature phase of India's tax evolution:

- From rate complexity to rate clarity.
- From compliance pressure to compliance trust.
- From fragmented practices to seamless systems.
- And from revenue collection to growth orientation.

By aligning the interests of consumers, industry, and government, GST 2.0 positions itself not merely as a fiscal measure but as a national growth strategy.

5) Challenges and the Way Forward

Even as GST 2.0 brings clarity and simplification, certain pain points continue to demand urgent policy attention.

Inverted duty structure – now a deeper concern:

For sectors like pharmaceuticals, textiles, and footwear, rate rationalisation may ironically worsen the inverted duty problem—where tax on inputs remains higher than on finished goods. The present refund mechanism, which excludes input services and capital goods, does not provide full relief and leads to credit accumulation.

This not only locks working capital but also erodes competitiveness, particularly for exporters. A holistic remedy would be to include both input services and capital goods within the refund framework and to allow quarterly automatic disbursement of accumulated credits based on return data.

Quality of audits and capacity building of GST officers:

The volume of show-cause notices (SCNs) issued without proper verification has surged across jurisdictions. Many notices are template-driven, lacking factual basis, and often get dropped later, but not before consuming enormous time and resources. This trend undermines taxpayer confidence and burdens both sides with avoidable litigation.

To correct this, structured training and certification of GST officers should be institutionalized. Audit guidelines must focus on materiality, evidence, and risk-based selection rather than blanket scrutiny. A culture of trust-based compliance will deliver better revenue outcomes than aggressive enforcement.

Seamless input tax credit:

The foundation of GST is the principle of credit flow through the value chain. Yet, credits continue to be blocked or disputed on account of arbitrary restrictions—ranging from interpretation of "business purpose" to subjective tests on marketing, employee welfare, or corporate expenditure.

A progressive GST regime must allow uninterrupted credit for all business-related procurements, subject only to genuine exceptions such as personal consumption. Clarity and consistency in this area will go a long way in restoring the fundamental character of GST as a value-added tax.

6) Conclusion

GST 2.0 is far more than a rate rationalisation exercise—it is a policy pivot designed to empower every participant in the economic chain.

By simplifying tax structures, enhancing consumer purchasing power, and addressing structural challenges like inverted duties, audit quality, and credit flow, it can strengthen the very foundations of India's growth story.

Seen alongside income-tax and RBI rate cuts, it completes a coherent fiscal trilogy:

Putting money in people's hands, empowering businesses, and building a resilient economy.

If implemented in true spirit - with cooperative federalism, technological agility, and a focus on trust-based compliance—GST 2.0 can become a cornerstone of India's journey toward Viksit Bharat @ 2047—a future where growth is not only robust but also fair, inclusive, and sustainable.

(Views are personal)

October 29, 2025

Shri Arvind Shrivastava
Revenue Secretary
Ministry of Finance
North Block
New Delhi 110 001

Respected Sir,

Sub: Representation on Key Issues for Budget – 2026-27

At the outset, IMC Chamber of Commerce and Industry ('IMC') records its appreciation of the efforts taken by present Government, particularly the Finance Ministry, in taking swift and strong decisions which has led India to emerge as the fastest-growing economy among G20 economies. The steps taken by government in easing business and bringing cohesive growth are very well appreciated by trade and industry.

With a view to further boost the economy and to assist the businesses to lead India in attaining the status as the 3rd largest economy in the World, we have enclosed our detailed representation on other key issues which need attention from the finance ministry from direct-tax perspective in Budget of 2026-27.

We have made these suggestions keeping in mind the Government's Motto of 'ease of doing business', 'reducing litigation', 'tax friendly atmosphere', and 'simplification of tax laws', which would enable to reboot the economy by building greater investors' confidence.

The representation made in the detail in Annexure 1 are in connection with the following issues:

A. Category I: Key issues facilitating ease of doing business & reduced litigation.

B. Category II – Reintroduction of certain provisions to encourage investment & manufacturing in India.

C. Category III – Important changes proposed for the Income-tax Act, 2025

D. Category IV – Suggestions in relation to Charitable Trust (Non-Profit organizations);

E. Category V – Suggestions relating to Direct-tax Litigation management.

We earnestly request you to consider our recommendations and would be honoured to explain our recommendations in a personal meeting and partner the Government in nation-building by providing draft amendments in line with these suggestions to take the recommendations to an effective resolution.

With regards,

Sunita Ramnathkar
President

Scan QR code for Annexures

India–UK Free Trade Agreement: overview and opportunities for expanding trade and investment

2nd September, 2025

IMC Chamber of Commerce and Industry organised an Interactive meeting with **Mr. Harjinder Kang**, Deputy High Commissioner for Western India, British Deputy High Commission, Mumbai on **India–UK Free Trade Agreement: overview and opportunities for expanding trade and investment.**

Ms. Sunita Ramnathkar, President, IMC in her welcome address mentioned that India-UK FTA is one of the most ambitious and comprehensive agreements India has entered into, and it opens enormous opportunities for business, trade, and investment on both sides. The Chamber strongly believed that international partnerships are vital to realising India's vision of becoming a global manufacturing and export hub. In this context, the United Kingdom stands as a natural partner — bound with India not only through history and shared values, but also through a modern relationship of innovation, services, sustainability, and entrepreneurship.

Addressing members of the IMC, Mr. Harjinder Kang, His Majesty's Trade Commissioner for South Asia and British Deputy High Commissioner for Western India, expressed confidence that the U.K.-India Comprehensive Economic and Trade Agreement (CETA) or commonly known as the FTA is poised to deliver wide-ranging benefits for both nations, driving stronger economic growth and deeper bilateral engagement. According to him, the agreement is expected to boost exports, create high-quality jobs, encourage innovation, promote inclusivity, and expand opportunities for business mobility across borders.

He noted that he remains optimistic about bilateral trade volumes exceeding by £25.5 billion every year in the long run with the deal coming into force. The existing bilateral trade and investment value already stands at over £44 billion a year, underscoring the strategic importance of the partnership in today's global economic landscape.

"This agreement will redefine the scale and scope of our economic partnership. By unlocking new avenues for trade and investment, it will not only strengthen our bilateral ties but also ensure that businesses and communities in both nations reap lasting benefits," Mr. Harjinder Kang said.

*(L-R) : **Mr. Gul Kripalani**, Past President, IMC, **Mr. Dinesh Joshi**, Chairman, International Business Committee of IMC, **Mr. M. K. Chouhan**, VP, IMC, **Mr. Harjinder Kang**, Dy.High Commissioner for Western India, British Dy. High Commission, Mumbai, **Ms. Sunita Ramnathkar**, IMC President, **Mr. Sanjay Mehta**, DDG, IMC and **Ms. Sheetal Kalro**, DDG, IMC.*

GST Pathshala: GST Updates for the Trading Member Community

10th September, 2025

IMC Chamber of Commerce and Industry, under the aegis of Navi Mumbai Expert Committee organised the fifth session of **GST Pathshala** on the topic **"GST Updates for the Trading Member Community"** in association with Bombay Stock Exchange Brokers forum (BBF) in hybrid format.

In his opening remarks, **Mr. Ajit Mangrulkar,** Director General, IMC, highlighted that since the inaugural session on July 2, 2025, this initiative has received strong engagement from the trading community. He expressed gratitude to Dr. Vispi Rusi Bhathena, Chief Executive Officer, BBF, for their Forum's continued association with IMC.

Dr. Bhathena shared introductory remarks, followed by a welcome address by **Mr. Jayant Khadilkar, Chairman, Navi Mumbai Expert Committee**, who also introduced the keynote speaker, **Mr. Anand**

NETWORKING SERIES

Natarajan Kollengode, Assistant Commissioner (Retd.), Central GST - a widely respected expert in the field.

Mr. Kollengode delivered a compelling and insightful talk on "Evaluation of GST and Future Challenges.", Importance of ITC (Input Tax Credit) in GST and Audit How to Tackle? and Preparations thereof". His speech highlighted key developments since the implementation of GST and discussed emerging challenges and potential reforms, how input tax credit mitigates the registered person's GST liability for the sale of goods or services, necessity of GST audit to tax payers and their preparations for the audit.

The workshop saw active participation in hybrid format and received overwhelmingly positive feedback. Participants were encouraged to stay engaged for our upcoming sessions. The event concluded with a vote of thanks by **Mr. Yunus Qureshi**, Head, Finance & Operations Bombay Stock Exchange Brokers' Forum (BBF).

***Mr Jayant Khadilkar**, Chairman, Navi Mumbai Expert Committee and **Mr. Anand Natarajan Kollengode**, Assistant Commissioner (Retd.), Central GST.*

Product Storytelling Workshop powered by LEGO® SERIOUS PLAY®

13th September, 2025

The Product Storytelling Workshop, organized by the IMC Chamber of Commerce and Industry and powered by LEGO® SERIOUS PLAY®, was held on 13th September 2025 at the IMC Building, Churchgate. The session was facilitated by Ms. Manali Mitra, Certified LEGO® SERIOUS PLAY® Facilitator.

The workshop was designed to help participants craft compelling product narratives, align team purpose, and build confidence in presenting ideas that resonate with diverse audiences. Using LEGO® bricks as a thinking and communication tool, participants explored innovative ways to visualize their product stories and translate abstract ideas into tangible models.

Key highlights included:

- Understanding the essence of storytelling in product communication
- Aligning the purpose and value of a product with audience expectations
- Building and presenting LEGO® models to represent product ideas and brand narratives
- Strengthening collaboration, creativity, and clarity among participants

The workshop provided a unique platform for startups, entrepreneurs, and professionals to learn by doing — combining creativity with structured thinking. Participants appreciated the hands-on, interactive format that encouraged reflection, team engagement, and innovative expression.

The session concluded with a certification ceremony, acknowledging each participant's commitment to creative learning and storytelling excellence.

***Ms. Manali Mitra**, Certified LEGO® Serious Play® Facilitator, **Ms. Sheetal Kalro**, DDG, IMC along with the participants.*

IMC
Chamber of Commerce and Industry

Knowledge Series Webinar on Master Class on Evidence in Arbitrations – Law and Practice

26th September, 2025

IMC's Arbitration Committee (presently Chaired by Mr. Gautam T. Mehta and Co-chaired Mr. Bhavesh V. Panjuani), has since IMC year 2022-2023, organised a series of online sessions / webinars under its **'Arbitration Knowledge Series'**, for persons interested in or practising in the field of arbitration, with the purpose of: (a) creating better and wider awareness of the law and practice of arbitration; (b) focussing on varied topics and aspects of arbitration law and practice; and (c) sharing and disseminating knowledge, skills, expertise, and practical experiences; through eminent speakers from the world over, with preference to domestic arbitrations in India.

In continuation of the **Online Session / Webinar** of the ongoing **'Arbitration Knowledge Series'**, a Webinar was held, the 1st of IMC year 2025-2026, on Friday, 26th September 2025 from 5:30 pm onwards, on an interesting and engaging topic - **"Master Class on Evidence In Arbitrations – Law And Practice"**, conducted by Senior Advocate, Mr. Rohit A. Kapadia in conversation with Mr. Anant Shende, Advocate, Member IMC Arbitration Committee and 3) Mr. Gautam T. Mehta, Advocate & Counsel, Bombay High Court (Chairman of the **IMC Chamber of Commerce and Industry's (IMC)** Arbitration Committee & a Director at **IMC International ADR Centre (IIAC)**

Mr. Shikhil Suri, Senior Advocate, Supreme Court of India, Member IMC Arbitration Committee welcomed and introduced the Speakers.

Prompted by insightful questions from Mr. Shende and Mr. Mehta, Mr. Kapadia offered a lucid explanation of the fundamentals of evidence in arbitration. He addressed the frequently debated concern of how non-legal arbitrators can apply the principles of the Evidence Act, clarifying that the law of evidence is, at its core, an exercise in logic. As long as this premise is kept in mind, he suggested, the conduct of evidentiary proceedings in arbitration need not pose any difficulty.

Mr. Kapadia further noted that even if non-legal arbitrators are unfamiliar with the basic tenets of the Evidence Act, these can be explained by the counsel appearing for the parties. If the principles proposed are logically sound and appear fair, they can be adopted and implemented accordingly.

Overall the panellists engaged in a conversation about various aspects of evidence in arbitrations and best practices for presenting evidence.

Following a brief question and answer session with participants at the end, Co-Chair Mr. Bhavesh V. Panjuani gave the vote of thanks to the speakers for sparing their invaluable time and sharing their knowledge and expertise on the subject and engaging with participants.

The Co-Chair also thanked the Arbitration committee members who attended and were present during the webinar and the IMC secretariat, and its technical team, for their assistance in conducting the webinar.

Finally, Mr. Mehta also thanked Mr. Kapadia for sparing his valuable time and for addressing the participants. Mr. Mehta stated that the Arbitration committee would endeavour to conduct more such sessions and interactions, including with Mr. Kapadia.

More than 100 participants attended this webinar.

Senior Advocate ***Mr. Rohit A. Kapadia*** *in conversation with Advocates -* ***Mr. Anant Shende*** *and* ***Mr. Gautam T. Mehta***

World Tourism Day Interaction on 'Tourism and Sustainable Transformation'

26th September, 2025

IMC's Travel, Tourism and Hospitality Committee organized its flagship event on the occasion of the **World Tourism Day,** an Interaction on **"Tourism and Sustainable Transformation"** aligning with the United Nations World Tourism Organization's (UNWTO) global focus for 2025 on September 26, 2025 at IMC.

President, IMC, **Ms. Sunita Ramnathkar** stated in her welcome address that the global observance of World Tourism Day reminds us that tourism is not only about travel and leisure, but also about transformation and sustainability. This year's theme, "Tourism and Sustainable Transformation," resonates deeply with the challenges and opportunities before us. Tourism today is one of the world's most dynamic sectors—an industry that drives employment, nurtures entrepreneurship, builds cultural bridges, and sustains livelihoods. Yet its long-term impact depends on how responsibly we manage growth, invest in skills, embrace innovation, and align development with environmental and social priorities.

Mr. Farhat Jamal, Chairman, Travel, Tourism and Hospitality Committee, IMC, stressed that sustainable tourism offers India a pathway to inclusive growth—generating opportunities for professionals, protecting heritage, and fostering eco-friendly destinations that can build resilience and equity in the sector.

A recorded video message of UN Secretary General, **Mr. Zurab Pololikashvili** underscored the growing importance of sustainability, inclusivity, and innovation in shaping the future of global tourism.

Delivering the keynote as Guest of Honour, **Shri Mohamed Farouk**, Deputy Director General & Regional Director (West & Central), Ministry of Tourism, Government of India, emphasized that "Tourism is a catalyst for social progress." He highlighted the growing need for ecotourism, regenerative practices, and sustainable actions to address challenges such as over tourism and climate change, while restoring ecosystems and empowering communities.

Shri Chandrashekhar Jaiswal, General Manager, Maharashtra Tourism Development Corporation said that Tourism is not only about destinations, it is about the choices we make and the values we carry forward. He reminds us that true sustainability begins with going back to our roots. It is about how humanity chooses to live, today and for the future.

Mr. Chetan Mehta, Vice President, Hotel and Restaurant Association (Western India), observed that hospitality lies at the heart of this transformation. He noted that the industry is shifting from "compliance to innovation" by adopting energy-efficient operations, waste management systems, local sourcing, and community engagement—embedding sustainability as a strategic priority rather than a CSR obligation.

The panel discussion was moderated by **Mr Farhat Jamal**, and the esteemed panelists were **Ms. Janhavi Parab**, General Manager – ESG & Sustainability, Chalet Hotels Limited, **Dr. Nisheeth Srivastava**, Principal, Institute of Hotel Management-Mumbai and **Ms. Sireesha Chandana**, Vice President - Learning and Development & Sustainability, The Indian Hotels Company Limited (IHCL)

The session reaffirmed IMC's commitment to championing responsible tourism, with India positioned as a key driver in promoting sustainable growth, cultural preservation, and a resilient future for the global travel and hospitality industry.

The panel discussion was followed by a question and answer session with the participants. The session was well attended by business executives, members representing the travel, tourism and hospitality industry, students and government officials.

Esteemed speakers along with the IMC Officials

Webinar on Understanding GST 2.0 *30th September, 2025*

IMC's Indirect Taxation Committee organised a Webinar on **"Understanding GST 2.0".**

The objective of the Webinar was to understand the implications of GST 2.0 and to provide first-hand insights into the changes, sectoral impacts, compliance requirements, and opportunities, helping participants stay ahead of evolving tax policies.

Mr. Nishant Shah, Co-Chairman, Indirect tax committee explained the recent GST rate changes announced, which aims to simplify the tax structure and reduce rates on essential items to boost the economy. He further explained that many goods, including daily consumables, healthcare products, and white goods, have seen rate reductions, while luxury and sin products remain at higher rates. He also covered legislative changes, including updates to the place of supply for intermediaries and modifications to post-sale discount rules. He concluded by highlighting implications for businesses, such as the need to revisit internally generated services and state incentive schemes in light of the new GST rates.

This was followed by panel discussion which was moderated by Mr. Parind Mehta, Co-Chairman, Indirect Tax Committee. The questions raised included GST-related matters, tax implications for hotel accommodations and insurance policies, GST rate reductions, mpact of GST reforms on businesses and consumers, anti-profiteering measures and concerns about accumulated input tax credits.

Mr. Arvind Bhansali, Chairman, Indirect Tax Committee explained that if a product becomes exempt from tax, businesses must reverse Input Tax Credit (ITC) that was availed for that product, as per legal provisions. He clarified that for services already consumed, there is no requirement to reverse ITC since the credit has already been utilized. He emphasized the need for administrative reforms to improve ease of doing business, including efficient return filing and assessment processes. He also mentioned about the GST rates for medical and insurance services, explaining that group insurance policies are subject to 18% GST, while individual health insurance policies are exempt.

Mr. Anand Natarajan Kollengode, Assistant Commissioner (Retd.), Central GST predicted strong future demand in automotive, electronics, real estate, and pharmaceutical sectors due to reduced taxes. He further suggested that businesses may need to write off or adjust the accumulated credits based on the new tax rates. He also clarified the rules for reversing input tax credits on hotel services, emphasizing that businesses must adopt a two-pronged approach for supplies where ITC is not allowed He recommended reviewing block credits and including natural gas, electricity, and petroleum products in the GST regime.

Mr. Gaurav Parasrampuria, CFO, Magma HDI General Insurance Co. Ltd. highlighted that insurance premiums will see a significant reduction from 18% to 0%, potentially increasing insurance coverage or freeing up funds for other expenses. He highlighted the issue of 2A2B reconciliation, which is causing significant litigation and affecting input credits for businesses. He mentioned that a full credit note should be issued for the original invoice value, including taxes for returned goods as tax rates have changed.

Mr. Hiral Raja, AVP Accounts, Shared Services and Taxation, Asian Paints emphasized that the combined benefits of income tax changes and GST reductions could boost consumption in staples and discretionary items. He explained the process of reducing MRP for goods in stock and the importance of communicating price reductions to consumers through newspaper ads, pamphlets, and MRP booklets. He also emphasized the need for documentation to ensure that price reductions are passed on throughout the value chain. Businesses can adjust input tax credits when reselling goods, noting that while there might be a cash flow delay, there is no personal financial loss and suggested strategies for businesses to justify price changes and maintain proper documentation. He suggested bringing petroleum products under GST and improving e-invoicing systems for direct invoice exchange between buyers and sellers.

The panellists unanimously also agreed that further reforms are needed to enhance the efficiency and reach of GST in India.

The seminar was attended by more than 50 participants.

Esteemed speakers at the webinar

NETWORKING SERIES

Offsite visit at Rambhau Mhalgi Prabodhini, Bhayander, Thane

5th October, 2025

The IMC Chamber of Commerce and Industry's Young Leaders Forum (YLF) organized an enriching offsite visit to the Rambhau Mhalgi Prabodhini (RMP) — a renowned leadership development institute established in 1982. RMP is known for its unique programs that train and build capacities of elected representatives, social workers, entrepreneurs, and institutional leaders.

IMC Senior Leadership Team, the Chair and Co-chairs of the IMC YLF, along with students from IMC's MoU partner Sydenham College

The delegation, comprising IMC's senior leadership — Mr. Ajit Mangrulkar, Director General; Mr. Sanjay Mehta, Deputy Director General; and Ms. Sheetal Kalro, Deputy Director General — was hosted by Mr. Shailesh Gokhale, COO, RMP; Mr. Uday Wankawala, CEO, AIC-RMP; and Mr. Suraj Avahad, Dean, IIDL. They were joined by Ms. Vidhi Doshi, Chairperson, YLF; Ms. Jyyotsana Sanghi and Mr. Ateet Sanghavi, Co-chairpersons; YLF committee members; and students from Sydenham College, IMC's MoU partner.

The visit featured presentations, discussions, and a tour of RMP's facilities. IMC and RMP leadership explored collaborative opportunities in areas such as start-up engagement, speaker exchanges, capacity-building, and social incubation — reinforcing their shared commitment to leadership and nation-building.

NETWORKING SERIES

Talks on India's Semi conductor future and Maharashtra Tech Vision

7th October, 2025

Talks by Mr. Rajendra Chodankar, Founder and Chairman, RRP Group of Companies on "Journey of RRP and Vision for Fostering Semiconductor Innovation in Maharashtra and India" and Mr. Kaustubh Dhavse, Chief Advisor to the Hon'ble Chief Minister of Maharashtra (Investments & Strategy) on "Maharashtra's Vision on Becoming India's Leading Tech Hub" held on October 7, 2025

IMC organised a Talks by **Mr. Rajendra Chodankar,** Founder and Chairman, RRP Group of Companies on "Journey of RRP and Vision for Fostering Semiconductor Innovation in Maharashtra and India" and Mr. Kaustubh Dhavse, Chief Advisor to the Hon'ble Chief Minister of Maharashtra (Investments & Strategy) on "Maharashtra's Vision on Becoming India's Leading Tech Hub".

Ms. Sunita Ramnathkar, President, IMC in her welcome address mentioned that in an era when semiconductors have become the building blocks of every frontier technology — from artificial intelligence and renewable energy to defence systems and space exploration — it is a matter of great pride that a home-grown enterprise like RRP is leading India's charge to develop advanced manufacturing capabilities within our own borders.

The session brought together business leaders, investors, and policymakers to explore India's strategic direction in semiconductor innovation and the role of Maharashtra as a technology hub.

Addressing members of the IMC, **Mr. Rajendra Chodankar**, Founder and Chairman of RRP Group of Companies said that, "The semiconductor industry is complex, demanding, and full of challenges, but that's exactly what makes it so rewarding. Every rejection teaches us precision, every breakthrough strengthens our resolve. We started with a belief that even with rejections as high as 80%, perseverance could turn the tide. Today, we have reduced rejection rates to nearly 10%, and that comes only from passion, discipline, and innovation.

He also added that "Maharashtra today stands as one of the most active and forward-looking states in India's semiconductor journey. Long before others began, we invested years of groundwork, research, and planning to create an ecosystem strong enough to attract the best minds, the right technology, and global confidence in India's capabilities."

Mr. Kaustubh Dhavse, Chief Advisor to the Hon'ble Chief Minister of Maharashtra (Investments & Strategy) addressed that gathering and said, "Semiconductors are the heart of every modern innovation, from phone to defense systems, washing machines to satellites. The scale of opportunity in this sector is enormous, and India must lead from the front. Maharashtra has set for itself a clear mission to become the semiconductor capital of the country. We are working with scientists, engineers, and entrepreneurs to make this a reality. The next decade will define the world through chips, and India will be at the centre of it.

He further added that Maharashtra has always been India's gateway to growth, and it continues to lead by example. Today, our economy stands at 522 billion dollars, growing at over 10 percent annually. But our true goal is to make Maharashtra the innovation capital of India by 2030."

The session proceeded with highly engaging interactions and networking opportunities with the guest speakers, facilitated by IMC.

(L-R) : Mr. M. K. Chouhan, Vice-President, IMC, Mr. Prashant Deshmukh, Managing Director, RRP Group of Companies, Mr. Rajendra Chodankar, Founder and Chairman, RRP Group of Companies, Ms. Sunita Ramnathkar, President, IMC, Mr. Ajit Mangrulkar, Director General, IMC, Ms. Sheetal Kalro, Deputy Director General, IMC, Ms. Vanita Ghuge, Director, IMC, Mr. Sanjay Mehta, Deputy Director General, IMC

IMC President, Ms. Sunita Ramnathkar felicitating Mr. Kaustubh Dhavse, Chief Advisor to the Hon'ble Chief Minister of Maharashtra (Investments & Strategy)

Seminar on key provisions and opportunities through India-UK FTA Comprehensive Economic and Trade Agreement (CETA)

8th October, 2025

The IMC Chamber of Commerce and Industry, in collaboration with the Additional Directorate General of Foreign Trade (DGFT), Mumbai, organised a Seminar on the recently signed India–UK Comprehensive Economic and Trade Agreement (CETA). The session highlighted insights into the agreement's provisions, opportunities for exporters and entrepreneurs the objective of the event was to update members on the schemes & initiatives of DGFT and the advantages of Trade Connect e-Platform.

Ms. Sunita Ramnathkar, President, IMC, welcomed participants to the seminar on the India–UK CETA, highlighting its significance in expanding export opportunities and strengthening India's global trade presence. She underlined the role of DGFT initiatives and the Trade Connect e-Platform in enhancing exporter competitiveness and encouraged members to leverage the insights shared to explore new markets.

In his address, Shri R K Mishra emphasised that with over 800 FTAs currently active worldwide, such

***Shri R. K. Mishra**, Additional Director General of Foreign Trade, Mumbai*

agreements serve as vital instruments for reducing tariffs, promoting competitiveness, and fostering global economic integration. He noted that the India–UK CETA reflects modern trade priorities, including sustainability, digital trade, and e-commerce, while safeguarding India's economic interests. He also encouraged Indian businesses to explore Africa's emerging markets and leverage bilateral collaborations for mutual growth.

The Deputy Director General of Foreign Trade (DGFT), Mumbai, presented a detailed overview of the India–UK CETA, signed on July 24, 2025, describing it as a landmark free trade pact and the UK's largest post-Brexit trade deal. The agreement is projected to double bilateral trade to USD 112 billion by 2030 and provides India with the widest duty-free access ever granted by a G7 nation.

He outlined the sectoral opportunities arising from the agreement across Textiles & Clothing, Leather & Footwear, Engineering Goods, Pharmaceuticals & Medical Devices, Agriculture & Processed Foods, Gems & Jewellery, and Electronics & IT Services. These sectors stand to benefit from zero-duty access, simplified Rules of Origin, and enhanced competitiveness in the UK market.

(L–R) : Ms. Vanita Ghuge, Director – Strategy and Engagement, IMC; Ms. Sheetal Kalro, Deputy Director General, IMC; Mr. M. K. Chouhan, Vice President, IMC; Shri R. K. Mishra, Additional Director General of Foreign Trade, Mumbai; Mrs. Sunita Ramnathkar, President, IMC; Mr. Ajit Mangrulkar, Director General, IMC; and Mr. Backiyavelu, Deputy Director General of Foreign Trade (DGFT), Mumbai.

In conclusion, Shri Mishra underscored that the India–UK CETA represents a transformative milestone in India's trade diplomacy, fostering deeper economic integration, job creation, and global competitiveness. He urged Indian exporters to actively leverage the DGFT's Trade Connect e-Platform and ensure compliance with Rules of Origin and UK standards to fully realize the benefits of this landmark agreement.

Seminar on Hong Kong: Springboard to Success for Startups, Entrepreneurs & Financial Services

10th October, 2025

IMC jointly organised a Seminar *"Hong Kong: Springboard to Success for Startups, Entrepreneurs & Financial Services"* with **Maharashtra State Innovation Society (MSInS), and the Hong Kong Trade Development Council (HKTDC)** to highlight Hong Kong's position as a strategic business hub for Indian entrepreneurs, startups, and financial service providers.

Ms. Sunita Ramnathkar, President, IMC, highlighted Hong Kong's dynamic ecosystem and the opportunities it presents for Indian enterprises—particularly in the fintech and innovation sectors—and emphasized IMC's vision to strengthen the startup ecosystem through global partnerships.

(L-R) : Mr. M.K. Chouhan, Vice President, IMC, Mr. Rajesh Bhagat, Consultant – South Asia, Hong Kong Trade Development Council (HKTDC), Mr. Vivek Mogul, Manager (Innovation and Startups), Maharashtra State Innovation Society (MSInS), Ms. Vian Cheung, Director – South Asia and Thailand, Hong Kong Trade Development Council (HKTDC), Mrs. Sunita Ramnathkar, President, IMC and Ms. Sheetal Kalro, Deputy Director General, IMC.

Mr. Vivek Mogul, Manager (Innovation and Startups), **Maharashtra State Innovation**

Society (MSInS), highlighted how MSInS continues to serve as a bridge connecting innovative startups with global opportunities, empowering them to expand and scale beyond borders.

Ms. Vian Cheung, Director – South Asia and Thailand, **Hong Kong Trade Development Council (HKTDC)**, emphasized the strong synergy between India and Hong Kong in entrepreneurship, innovation, and trade. She noted the growing participation of Indian startups at the Asian Financial Forum each year as a reflection of India's rising global footprint.

Mr. Rajesh Bhagat, Consultant – South Asia, **HKTDC**, shared valuable insights into Hong Kong's robust business environment and its support mechanisms for startups and investors, underscoring Hong Kong's role as a gateway to global markets.

The presentations were followed by an engaging **Q&A session**, during which participants explored opportunities for collaboration, market entry strategies, and financial connectivity between India and Hong Kong. The event concluded **networking session**, offering participants the opportunity to interact with speakers, Hong Kong representatives, and industry peers to explore potential collaborations and strengthen India–Hong Kong business ties.

Panel Discussion on AI in Finance & India's Monetary Policy Framework

15th October, 2025

The Banking, NBFC and Finance Committee of IMC has organised an interactive panel discussion on **AI in Finance & India's Monetary Policy Framework.**

Mr. Sumnesh Joshi, ITS Deputy Director General (Joint Secretary level Government of India) Ministry of Communications, Government of India highlighted the importance of capacity building and providing best training to all stakeholders in AI for its effective usage, in his special address at the event. He further stated that AI is an integral part in everyone's life and effectively transforming sectors such as agriculture, telecom, manufacturing, healthcare and more. He also noted that healthcare sector is achieving telemedicine data from its usage and many devices from household to industries and manufacturing are all relied on AI to obtain data accurately. He also mentioned that the AI is being actively integrated to support initiatives such as Central Bank Digital Currency (CBDC), Unified Payments Interface (UPI), and the broader vision of a cashless economy. He added that the Reserve Bank of India (RBI) has also issued advisories to banks encouraging the integration of the Department of Telecom's (DoT) Financial Fraud Risk Indicator—leveraging AI to mitigate cyber security threats and financial risks. He further mentioned that Government authorities and Law Enforcement agencies use AI to control frauds thereby safeguarding the interests of citizens and enhancing public trust in digital systems.

Ms. Sunita Ramnathkar, President, IMC said in her welcome remarks that Artificial Intelligence is rapidly transforming banking and finance—redefining fraud detection, service delivery, credit evaluation, and data-driven policymaking. Yet, alongside innovation comes the challenge of ethics, transparency, and governance. The Reserve Bank of India (RBI) has taken a significant step towards shaping the ethical and responsible use of Artificial Intelligence in the financial sector by releasing the Report of the Committee to develop a Framework for Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI).

Dr. M. Narendra, Chairman, Banking, NBFC and Finance Committee, IMC and Former CMD, Indian Overseas Bank mentioned that AI models, especially in financial services, must be built on trust and people-centric values and trust for a sustainable future. He also highlighted the proactive approach taken by the Reserve Bank of India, which has released a discussion paper outlining regulatory frameworks and strategic recommendations for the adoption of AI in the financial sector which marks a significant step towards nurturing responsible innovation while ensuring systemic stability and consumer protection.

The panel discussions on **RBI FREE-AI Committee Report to Develop a Framework for Responsible and Ethical Enabling Artificial Intelligence (FREE-AI) and Review of Monetary Policy Framework** in the Financial Sector proceeded with highly engaging interactions focused on the banking and finance sector powered by AI, facilitated by IMC.

NETWORKING SERIES

The panel discussion on RBI FREE-AI Committee Report was moderated by **Mr. Santanu Sengupta**, President & Chief Growth & Strategy Officer, ZERON, an AI powered Cyber Risk Management Company & Former MD & APAC South Head, Wells Fargo Bank, Singapore. The other panellists included **Mr. Ajay Rajan**, Senior Group President & Head of Transaction Banking, YES Bank Limited, **Mr. Hitesh Sachdev,** Head - Startup Engagement & Investments, ICICI Bank Limited, **Mr. Muralidhar Manchala**, DGM, FinTech Department, Reserve Bank of India and **Dr. Ravi T. Seshadri**, Strategic Advisor, Insursa, Dallas, Texas, USA. During the Panel Discussion our esteemed speakers guided us with insights on responsible and ethical AI adoption in the financial ecosystem. They emphasized that innovation should go hand in hand with fairness, equity, and explainability — the very essence of the RBI's FREE-AI "Sutras." A thoughtful exchange on shaping the future of AI in finance.

Dr. Ashima Goyal, Emeritus Professor of Economics, Indira Gandhi Institute for Development Research (IGIDR) and **Ms. Kanika Pasricha**, Chief Economic Advisor, Union Bank of India were the panellists for the session on RBI Discussion Paper – A Review of India's Monetary Policy Framework. **Dr. M. Narendra**, Chairman, Banking, NBFC and Finance Committee, IMC and Former CMD, Indian Overseas Bank moderated the session. Our esteemed speakers explored ways to balance inflation control with sustainable growth. Their insights focused on minimizing growth sacrifices while safeguarding jobs, investment, and economic confidence.

According to a 2024 Asian Development Bank (ADB) report, India could face a GDP loss of up to 24.7% by 2070 due to climate change, **Mr. Mahendra Kumar Chouhan**, Vice President, IMC, shared this information in his concluding remarks.

The panel discussion was well attended by a diverse group of dignitaries, including Bankers, NBFCs, MSMEs, other professionals and students from the financial community.

Panel-1 Discussion on RBI FREE-AI Committee Report to Develop a Framework for Responsible and Ethical Enabling Artificial Intelligence (FREE-AI) in the Financial Sector.

Panel-2 Discussion on Review of Monetary Policy Framework

IMC
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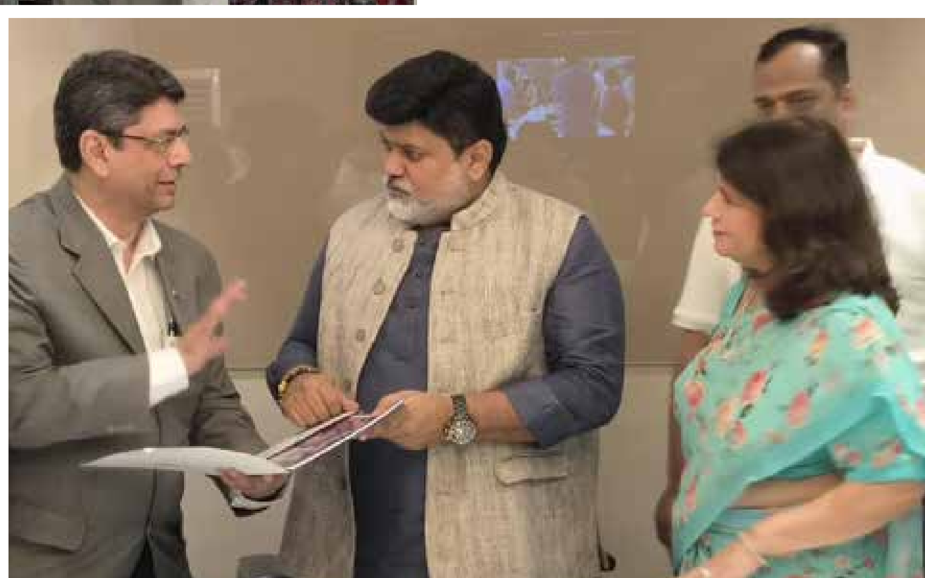
COURTESY CALL

India-UAE HLJTFI 2025: **Advancing High-Impact Economic Collaboration** - Shri Piyush Goyal, Hon'ble Minister of Commerce and Industry and **HH Sheikh Hamed bin Zayed Al Nahyan**, MD, Abu Dhabi Investment Authority.

Signing of MOU between IMC Chamber of Commerce and Industry and Sydenham College of Commerce and Economics, Mumbai

Mr. Ajit Mangrulkar, Director General, IMC met Shri Uday Samant ji, Hon'ble Minister for Industries & Marathi Language, Government of Maharashtra, exploring potential partnerships between IMC and the Industry Department of the State Government.



IMC Ladies Wing Events

Short Films Screening

9th September, 2025

The IMC Ladies' Wing hosted an inspiring afternoon celebrating *the power of stories told through cinema.* Members experienced how short films can move, inspire, and connect us through powerful narratives and creative expression. The session offered meaningful insights into the art of storytelling, the impact of visual media, and the emotions that unite us all through the cinematic experience.

It was an afternoon that beautifully highlighted how films, even in their briefest form, can leave a lasting impression on the heart and mind.

Members at the screening

Domestic Violence, Live-in Relationships, and Divorce

18th September, 2025

The IMC Ladies' Wing hosted an empowering and insightful session with Hon'ble Justice Dr. Neela Kedar Gokhale (Bombay High Court) on Domestic Violence, Live-in Relationships & Divorce.

The discussion shed light on crucial aspects of women's legal rights, offering participants a deeper understanding of the laws that protect and empower them. Justice Gokhale's clarity, compassion, and expertise helped demystify complex legal issues, encouraging women to make informed decisions and take charge of their choices and futures.

The event truly embodied the spirit of the message — breaking barriers, building awareness, and empowering women through knowledge.

Address by Hon'ble Justice Dr. Neela Kedar Gokhale (Bombay High Court)

Guest speaker with the members of the Legal Committee

Mrs. Rajyalakshmi Rao – President, IMC Ladies' Wing

Her Wealth, Her Way

22nd September, 2025

An enlightening and empowering session titled "Her Wealth, Her Way", was led by Ms. Smita Parekh, Founder & Trading Mentor, *My Trading School.*

The session highlighted the importance of financial literacy and encouraged women to take charge of their own money, investments, and wills. Ms. Parekh shared practical insights on building financial independence, managing risks, and cultivating confidence in making financial decisions.

It was an engaging and inspiring afternoon that motivated every participant to take the first step towards true empowerment — because her wealth, her way, is the foundation of her freedom.

Ms. Smita Parekh, Founder & Trading Mentor, My Trading School.

Felicitation of guest speaker

Guest speaker with the members of the Events and More Committee

Gateways and Pathways

24th September, 2025

The IMC Ladies' Wing was delighted to be part of a special walkthrough of "Gateways to Pathways", an exhibition commemorating 25 years of Tao Art Gallery.

Guided by Mrs. Kalpana Shah (Director, Tao) and Ms. Sanjana Shah (Creative Director, Tao), members had the privilege of exploring an extraordinary collection of artworks curated by Ranjit Hoskote at Jehangir Art Gallery, Kala Ghoda.

It was a truly memorable experience that celebrated creativity, culture, and the evolution of contemporary Indian art, leaving members inspired by the depth and diversity of artistic expression.

Ms. Sanjana Shah addressing the members

Members at the gallery

Women Entrepreneurs' Exhibition 2025 - Hyderabad Edition

27th and 28th September 2025

The IMC Ladies' Wing marked a historic milestone with the 38th edition of its Women Entrepreneurs' Exhibition, hosted for the very first time in Hyderabad at the Novotel Hyderabad Convention Centre. Held on September 27–28, the two-day celebration brought together dynamic women entrepreneurs from across India, presenting the finest in fashion, jewellery, lifestyle, and design.

The grand inaugural ceremony was graced by Chief Guest Ms. Brahmani Nara, Executive Director, Heritage Foods Ltd., who commended the event for empowering women-led enterprises and fostering innovation. Guest of Honour Ms. Swapna Dutt Chalasani, acclaimed film producer and co-founder of Swapna Cinema, further elevated the occasion with her inspiring journey in cinema and entrepreneurship.

The Hyderabad Exhibition had an amazing panel of Advisors — Pinky Reddy, Gool Pestonji, Sailaja Kiron, Vijayeswari Cheruku, Miheeka Daggubati, and Shreya Karnati — whose invaluable guidance, support, and contribution played a vital role in making this landmark edition an unforgettable celebration of women's enterprise, creativity, and empowerment.

The exhibition's stunning Tree of Life décor, inspired by Raja Ravi Varma's iconic portrayal of women, symbolized grace, strength, and resilience — a heartfelt tribute to women who lead, nurture, and transform.

With over 100 curated stalls, the exhibition showcased exquisite craftsmanship, creativity, and innovation, making the Hyderabad edition a resounding success and reaffirming the IMC Ladies' Wing's mission to create meaningful opportunities for women entrepreneurs.

As the City of Pearls sparkled with creativity and collaboration, the Hyderabad debut of the IMC Women Entrepreneurs' Exhibition truly inspired women, celebrated innovation, and set the stage for many more milestones ahead.

Felicitation of Chief Guest – Ms. Brahmani Nara

Lighting of the lamp

Address by Mrs. Rajyalakshmi Rao – President, IMC Ladies' Wing

Dignitaries along with the members of the WE Exhibition Committee Hyderabad

LADIES' WING

Day Trip to Abhay Prabhavana – Firodia Institute of Philosophy, Culture & History

8th October 2025

Members spent a reflective and enriching day at Abhay Prabhavana, a museum that beautifully reimagines Jain wisdom for the modern world.

Through its 30 thoughtfully curated galleries, members experienced a serene journey where timeless philosophy met contemporary interpretation. The visit offered a rare opportunity for quiet introspection and deeper understanding, making it a truly meaningful and soulful experience for all who attended.

Members at the trip

Diwali Utsav

13th October, 2025

What a joyful and sparkling afternoon it was at our Diwali Utsav, filled with music, laughter, dance, and festive cheer!

The celebration came alive with soulful performances by Mr. Kunal Kaushal and Ms. Manisha Jethwani, setting the perfect tone for an afternoon of joy and camaraderie. Our members lit up the dance floor with their vibrant energy, creating an atmosphere brimming with warmth and togetherness.

Adding to the excitement were the Best Dressed and Best Dancer Awards, which brought out everyone's festive flair and spirit. With delicious food, lively music, and thoughtful takeaways, the Diwali Utsav was truly a celebration of light, laughter, and the joy of being together.

Events and More Committee Members

Members enjoying the party

Felicitation of singer – Mr. Kunal Kaushal

Bulgari Serpenti Infinito Exhibition

15th October, 2025

The IMC Ladies' Wing enjoyed an exclusive and enchanting experience at BVLGARI's Serpenti Infinito Exhibition.

Hosted at the Nita Mukesh Ambani Cultural Centre, the private walkthrough offered members a mesmerizing journey through time, art, and exquisite craftsmanship, showcasing BVLGARI's iconic evolution of the Serpenti — a timeless symbol of elegance and transformation.

Members at the exhibition

It was an afternoon of luxury, artistry, and inspiration, celebrating heritage, design, and the enduring allure of feminine strength and creativity.

South Asian Art and Its Markets - A Collector's Guide

31st October, 2025

The IMC Ladies' Wing hosted an engaging and insightful session titled "South Asian Art and Its Markets – A Collector's Guide." The afternoon brought together art lovers and collectors for a deeper understanding of the evolving landscape of South Asian art.

The session featured Ms. Minal Vazirani, Co-Founder of Saffronart, whose pioneering work has played a pivotal role in shaping the contemporary art market in India. Through her rich experience and perspectives, Ms. Vazirani guided members in recognizing how art extends beyond aesthetics — representing history, identity, and a meaningful asset that can enrich lives and spaces.

The event concluded on a lively note with a mock auction, giving members a first-hand experience of how bidding works at an art auction — from understanding price estimates to the thrill of placing a winning bid.

Ms. Minal Vazirani, Co-Founder of Saffronart

Guest Speaker with the members of the Arts Committee

Members participating in the mock auction

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