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GST Reforms 2025: Relief for Common Man, Boost for Businesses

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GST Reforms 2025: Relief for Common Man, Boost for Businesses

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Renewed calls for India to transform into A 'Product Nation' amid US punitive tariff action



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Dear Member,

The GST 2.0, announced by GST Council in its 56th Council meeting, is a landmark reform focusing on improving the lives of citizens and ensuring ease of doing business for all, including small traders and businessmen.

These reforms, no doubt, help in boosting consumption, and economy as a whole, and help us in achieving a higher growth rate than 7.8% in first quarter of FY 2026. Rationalisation of the current 4-tiered tax rate structure into a Simple 2 rate tax structure is a welcome reform. FTCCI has been recommending to the government, consistently, for the last 5 years to rationalize the tax structure and reduce the number of rates, and we are glad that this has happened now after introducing GST in 2017.

I am particularly happy about the exemption of GST on all individual life insurance policies and health insurance policies and reinsurance that makes insurance affordable for the common man and increase the coverage in the country. Indian population need social security as majority of the workers are engaged in unorganized sector, and spreading the coverage of life and health insurance is one way of covering more families under security ambit.

The GST reforms also help reducing the adverse impact of US Tariffs on Indian exports, creating demand for the products in domestic market.

In the last one month, the Federation held useful and beneficial programs to our members and industry and trade fraternity. The seminar on 'Empowering MSMEs through Strategic Finance and Marketing Excellence' has created awareness of various schemes offered by SIDBI and how to excel in marketing of their products. FTCCI has organized a roundtable on 'Navigating Trade Headwinds: US Tariff Impact on Telangana Exporters' to understand the impact of US Tariffs on Indian exports and the measures needed to overcome the difficulties. The recommendations emerged from the discussion were submitted to the government. The programme on Transforming Telangana: Future City, Master Plan 2050, Regional Ring Road & Musi rejuvenation for Sustainable Growth was graced by Sarfaraz Ahmad, I.A.S., Metropolitan Commissioner of the Hyderabad Metropolitan Development Authority (HMDA), and K. Shashanka, IAS, VC & MD of TGIIC.

The Global Corporate Summit 2025: Driving Resilience, Innovation & Global Collaboration deliberated on pressing global challenges and explore pathways for sustainable growth, innovation, and international partnerships.

On the occasion of World Tourism Day, a Photo Contest was held and there was an overwhelming response with more than 300 entries. The theme of the contest was - Explore, Experience and Exhibit, that aimed at promoting Telangana Tourism.

The DISCOMs have recently served notices to the industrial and commercial consumers on the implementation of new KVAH Billing regulation that was passed in the 2025-26 Tariff Order. An Awareness Program on New kVAh Billing Regulation for Telangana Businesses is organized to spread the awareness about the new billing regulation and enable industries to adopt new rules and avoid attracting penalty.

As the GST Reforms are going to be implemented from September 22, FTCCI is going to conduct number of programs, training sessions on various issues related to transformation of business under new applicable rate and how to overcome the challenges. I suggest members to utilize the opportunity to understand the full impact of the GST Reforms, impact on input costs and pricing strategies, how to leverage the simplified compliance rules etc.

The interaction with the delegation from UAE and Mr. Martin Barratt, Senior Trade Commissioner, South India, Canadian Consulate were fruitful and opened the door for furthering trade relations and business opportunities.

The 7.8% growth rate in the first quarter of FY 2025-26 is very encouraging but India need to navigate through number of geopolitical challenges to grow consistently, and I am confident in our industries' resilience to overcome the difficult times.



A stylized handwritten signature in black ink, appearing to read 'Ravi Kumar'.

R. Ravi Kumar
President

India To Continue Russian Oil Imports In Line With National Energy Requirements: FM Sitharaman



Finance Minister Nirmala Sitharaman on 5th September reaffirmed that India will continue purchasing oil from Russia, underscoring that the country's energy policy will be determined by national requirements.

"India will continue to buy Russian oil. It is our decision to buy what suits our needs, where we buy our oil from, we will have to take a call on it," Sitharaman told News Reporter.

The minister emphasised fiscal discipline and credibility as key to economic management, noting that long-term growth depends on trust-building with citizens and responsible policymaking.

"There are no shortcuts to earning profits. We need to earn the people's trust to make them," she said.

India faces a 50 percent tariff on Russian oil imports effective August 27, comprising a 25 percent reciprocal levy and an additional 25 percent duty specifically targeting

Russian energy.

The US administration has defended the move as part of efforts to promote peace and enhance economic security, citing negotiations on large-scale trade and investment agreements worth about USD 2 trillion with key partners, including the European Union.

India has defended its reliance on Russian crude, calling it vital for energy security and criticising the US for singling out India while other nations continue similar purchases.

<https://knnindia.co.in>

Rooftop Solar Offers Major Savings for Indian SMEs: Study

A new study by the World Resources Institute (WRI) India reveals that rooftop solar (RTS) systems could dramatically lower electricity expenses for around 330,000 small and medium enterprises (SMEs) across India.

These businesses—often juggling limited capital and rising operational costs—stand to benefit significantly by adopting solar solutions.

The study highlights two key advantages of RTS adoption: cost-efficiency and alignment with sustainability goals.

By generating electricity onsite, SMEs can reduce reliance on traditional grid power while supporting India's transition toward renewable energy.

This finding comes amid India's broader push for renewable energy, as policy incentives and financing mechanisms increasingly encourage green energy adoption.

While the article doesn't provide detailed metrics on average savings per SME, the potential collective impact is substantial, both financially and environmentally.

<https://knnindia.co.in>

GST 2.0 Reforms A Boost For India's Energy Storage & Battery Innovation: IESA

The India Energy Storage Alliance (IESA) on 8th September 2025, welcomed the new tax regime under GST 2.0, describing it as a significant step toward supporting India's future energy storage needs.

According to IESA, several key recommendations from the industry body have been adopted by the GST Council.

A major policy shift under GST 2.0 has streamlined the tax rate for all advanced batteries under heading 8507 to a uniform 18 percent, replacing the earlier system where lithium-ion batteries were

taxed at 18 percent and other chemistries at 28 percent.

IESA highlighted that this change will encourage innovation across diverse battery technologies, including flow batteries, sodium-ion, and metal-air systems, and create a more level playing field for non-lithium-ion chemistries.

However, some recommendations remain under active consideration.

Proposals to reduce GST on parts used in electric vehicle (EV) manufacturing from 18–28 percent to 5 percent are still under review, with the Fitment Committee citing concerns over an inverted duty structure.

Similarly, GST on cathode coatings and separators for lithium-ion batteries remains at 28 percent to prevent classification disputes.

Proposed reductions on EV charging and battery swapping services from 18 percent to 5 percent, or reclassifying them as electricity supply, have also not been approved, though the Council will clarify the nature of the services.

IESA President Debmalya Sen welcomed the reforms, noting that the uniform 18 percent rate for all batteries is a long-standing industry demand.



He also highlighted recent GST reductions for the Clean Hydrogen ecosystem, including a cut in ammonia GST from 18 percent to 5 percent and a reduction for hydrogen fuel cell vehicles under four meters from 12 percent to 5 percent.

The alliance praised the GST Council's measures as forward-looking reforms that lower barriers for alternative battery chemistries and clean energy technologies. IESA emphasised the importance of continued engagement to address pending rate reductions for EV parts, battery components, and charging services, ensuring the tax framework fully supports India's clean energy transition.

<https://knnindia.co.in>

Thermal power and its vital role in India's green energy transition

As India advances its green transition and renewable energy goals, it is equally important to recognise the longstanding significance of thermal power in the energy mix. India is the world's third-largest electricity consumer, with power demand expected to triple by 2050. This trajectory places reliability and scale at the core of planning. While renewables take centre stage, thermal power still holds the fort as the backbone of electricity generation and a key pillar of energy security. It remains the dependable

workhorse, keeping the lights on and ensuring grid stability.

The Current Thermal Power Landscape

India's total installed power capacity stood at 476 GW as of June 2025, with thermal power accounting for 240 GW, 50.52 percent of the total installed capacity. The addition of just 4.53 GW of thermal capacity in FY 2024-25, far short of the 15.4 GW target, and only 5.4 GW in FY 2024 highlights a growing gap between targets and actual buildout. While the shift to renewables is necessary and expected, the slower thermal expansion invites reflection, especially given its continued role as the workhorse of India's power mix. With energy demand rising, relying predominantly on variable sources without strengthening dependable and dispatchable capacity risks peak power shortages and avoidable strain on the grid.

In this light, it is equally imperative to also understand that while global geopolitics have started to weaponise energy security, country's geography looks towards balanced installation of thermal energy generation infrastructure especially the North – Eastern territories of India as a vital demonstration of strength, stability, strategic superiority and reliance, emphasizes Mr. Neeraj Padhi, Managing Director of Fitzroy Energy & Minerals Limited.

<https://www.moneycontrol.com>

NITI Aayog working on amendments to open nuclear power for private sector: NITI Aayog CEO Subrahmanyam



Federal policy think tank NITI Aayog is working on amendments to open nuclear power for the private sector at a time when nuclear energy is emerging as a key source of sustainable and clean energy, said chief executive officer B. V. R. Subrahmanyam.

Speaking at a WRI India event in the national capital, Subrahmanyam noted that nuclear power would be a key driver for sustainability and bolstering climate finance in the country.

The amendment allowing private sector participation was announced in the Union budget for 2025-26, in which finance minister Nirmala Sitharaman announced the Nuclear Energy Mission.

To facilitate the mission's implementation, amendments to the Atomic Energy Act and Civil Liability for Nuclear Damage Act will be taken up in Parliament. These changes are expected to encourage private-

sector investments in nuclear power projects, according to a government statement issued after the budget. Subrahmanyam added that NITI Aayog was "closely" working on these amendments.

The NITI Aayog CEO also emphasized the need to lower the cost of capital for clean-energy projects. He said banks were reluctant to extend credit to buyers of electric buses and trucks, given their low resale value.

Currently, the cost of capital for renewable-energy projects in India stands at about 15% - significantly higher than in other countries, such as Germany, where it is around 8%.

The think tank is exploring models such as sovereign guarantees and co-lending to reduce the high cost of climate finance, he said. Sovereign guarantees, he added, help reduce uncertainty associated with sustainable projects.

<https://www.livemint.com>

ECONOMY WATCH

Trump's tariff blow to weigh on India, but will be shortlived: CEA V Anantha Nageswaran



Chief Economic Advisor V Anantha Nageswaran has warned that the additional 25 per cent tariff — taking the total to 50 per cent — imposed by US President Donald Trump on Indian exports will make business conditions extremely challenging and that the ripple effects of this move are expected to be felt in economic growth, particularly in the second and third quarters of the current financial year.

At the same time, Nageswaran expressed confidence that the tariff measure would be shortlived and that there would be “certain recalibration happening from the other side” on it, as the “current approach is not going to be a long-term positive thing in terms of the overall relationship”.

“I do feel that it (high tariff) will be more short-lived than long-lived,” Nageswaran said.

On the other hand, he said the reduction in GST rates announced by the government will boost

consumption in the country. “The question is whether it will be of a magnitude that will compensate for the export losses, is a different matter of calculations, but it will definitely offset and compensate for that,” he said at the Express Adda, organised by The Indian Express in Mumbai on 3rd September 2025.

Nageswaran was in conversation with P. Vaidyanathan Iyer, Managing Editor, The Indian Express.

“This year, you must understand that in the first four months, up to August, exports have happened without the tariff. So the impact (of the additional 25 per cent tariff) this year will be in the second half of the financial year. Estimates vary about the tariff-exempt and tariff-affected sectors,” he said.

“You can do your calculations, but unfortunately you have to make multiple assumptions about second- and third-round effects on uncertainty, capital formation, and employment. I think there will be an impact on GDP growth in the second and the third quarters, assuming that the situation continues,” Nageswaran said.

According to him, the order of magnitude could be anywhere between 0.3 per cent and 0.5 per cent this year in terms of real GDP impact. The country's GDP rose to a five-quarter high of 7.8 per cent during the April–June 2025 quarter. The Reserve Bank of India (RBI) has projected real GDP growth for FY26 at 6.5 per cent.

<https://indianexpress.com>

‘I called up Tatas...’: Piyush Goyal underscores govt's focus on exporter support amid tariff turbulence

Union Commerce and Industry Minister Piyush Goyal on 4th September 2025 said the government is working to ease the challenges faced by exporters amid ongoing tariff turbulence.

In an interview with Network18 Group Editor-in-Chief Rahul Joshi, when asked about the short-term pain exporters are experiencing and whether the Centre will enable them to sell more within India, Goyal said: “Well fortunately, the timing of the GST reduction at such massive levels couldn't have been better. This will give a big impetus to domestic demand, which will help some of the exporters who may lose a part of their business.”

When asked if the government will make it easier for exporters to do so, Goyal responded: “We are even trying to make connects.”

Explaining this outreach, he added: “So, for example, when I recognized that the garment industry could face some stress, I called up the Tatas, who run Zudio and Westside. I'm going to be talking to all other high-street

malls or large retail outlets to see if they can help these garment exporters by buying their produce and making it available at affordable prices. High quality at affordable prices, now at reduced GST rates, will make it a great story to run.” When asked if the Centre will remove restrictions on exporters, Goyal said: “Absolutely, we are trying to make it easier so that they can supply in the domestic market. It's part of one of the reforms we are working on.”

www.moneycontrol.com

Can India hit 7 percent again in the September quarter?

India's economy could sustain 7 percent growth in the September quarter, economists told Moneycontrol, with front-loaded exports to beat the US tariff increase, higher government capital spending, and a low GDP deflator offsetting the drag from slowing industrial momentum. A low GDP deflator indicates that inflation is subdued and boosts

the calculation of real GDP growth."Q2FY26 (September quarter) GDP growth is expected to be on the higher side between 7 percent and 7.5 percent, with GDP deflator growth likely to remain low. The latter will boost real GDP growth. Government capex will also be another support to growth. Front loading of exports to the US has continued for majority of Q2," said Gaura Sengupta, chief economist, IDFC First Bank.

India surprised with 7.8 percent GDP growth in the March quarter, powered by services and consumption. The second quarter began strongly too, with industrial production rising to a four-month high of 3.5 percent in July.

"2QFY26 GDP is likely to clock around 7 percent plus growth again, aided by a low deflator and reasonably firm activity for the first half of the quarter," said Upasna Bhardwaj, chief economist, Kotak Mahindra Bank

entiment indicators also remain encouraging. Business activity indices show services and manufacturing climbing to multi-decade highs, with HSBC's composite index in August touching a 17-year peak. "High PMI numbers indicate strong domestic demand expectations by private firms. High sentiments amidst external volatility suggest healthy confidence for demand conditions," said Paras Jasrai, associate director, India Ratings and Research. Still, not all analysts are convinced. "PMI is a

sentiment indicator with a small sample size. Export orders have slipped to a five-month low, and the full effect of 50 percent tariffs will show up September onwards. GDP growth is likely to decelerate Q2 onwards, though festive season demand and low deflator could support momentum into Q3," warned Yuvika Oberoi, economist, QuantEco Research.

www.moneycontrol.com

Fitch lifts India FY26 GDP growth outlook to 6.9%, flags US trade risks

Fitch Ratings on 3rd September 2025 raised India's growth outlook for the fiscal year ending March 2026 to 6.9%, from its June estimate of 6.5%, citing stronger-than-expected momentum in the services sector and resilient consumption spending from both households and the government.

The Indian economy expanded 7.8% in the first quarter (April-June) of FY26, its fastest pace in five quarters, defying expectations of a slowdown.

"The wedge between nominal and real GDP growth narrowed sharply, with GDP deflator growth (0.9% year-on-year) at its lowest since 3Q19," Fitch noted in its September Global Economic Outlook. Still, the agency warned that real GDP may be overstated, given past

patterns when wholesale prices were weak and commodity costs were falling. That effect could reverse if prices climb again.

<https://www.livemint.com>

GST Diwali Dhamaka has a catch, but govt is watching



The government is keenly monitoring businesses and industry to ensure that the GST rate cuts, effective from September 22, first day of Navratri, reach the common person. A day after the sweeping reforms in the GST, Prime Minister Narendra Modi hailed, what he called, the "Diwali Dhamaka". The use of "Diwali Dhamaka" was seen as a reference to the deadline the PM had set for the benefits of the reduced rates on a whole range of goods and services to reach the consumers during the month-long festive season which has traditionally seen a surge in consumer spend. However, there are concerns whether businesses and industry will pass on GST cuts to the consumer immediately.

Stock indices ended marginally higher on 4th September, giving up most of the early gains that were fuelled by the GST cuts announced 3rd September.

As per experts the market gave up the gains as it awaits more visible signs for the demand environment to improve.

Aware of this catch, the government is all set to ensure that the GST cuts

reach the end consumer. What's the govt doing to ensure GST relief reaches the common man

The finance ministry, in coordination with other ministries, will closely monitor the implementation of the reduced GST rates to ensure that the relief is passed on to the common man, minister of state for finance Pankaj Chaudhary said on 4th September.

"The government is serious about the benefits (of rate cuts) reaching the common man, and we will work with relevant ministries and keep an eye on it," Chaudhary told ET in an interview. The government will run a campaign for this purpose, he added.

www.economictimes.indiatimes.com



Case Law Alert

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As the GST law continues to evolve, we are witnessing increased enforcement efforts by the Department to identify and address non-compliance within the ecosystem. This has inevitably led to a rise in litigation. To support stakeholders in navigating these developments, RSM Astute Consulting Pvt Ltd is sharing timely and relevant updates on GST for the benefit of stakeholders.

			RSM
01 PETITIONER / RESPONDENT Petitioner: Super Service Point Respondent : Union of India & Others	03 GROUNDS OF WRIT The Petitioner challenged the order passed under Section 74 of the GST Act, along with the associated notices and summary orders, on the ground that the adjudicating authority failed to issue separate and reasoned orders in respect of a consolidated Show Cause Notice (SCN) covering multiple tax periods from July 2017 to March 2022. It was contended that the issuance of a single composite order, without a period-wise adjudication of GST liability, amounted to a procedural irregularity and violated the principles of fair adjudication and natural justice.	04 ORDER The Court dismissed the writ petition, holding that the petitioner had an effective and statutory alternative remedy under Section 107 of the GST Act, which provides for an appeal before the appellate authority. The Court observed that no exceptional circumstances were made out such as a violation of the principles of natural justice, lack of jurisdiction, or patent illegality to justify the exercise of writ jurisdiction under Article 226 of the Constitution of India. Accordingly, the petitioner was relegated to pursue the remedy available under the statutory appellate framework.	
02 COURT/ FORUM High Court : Gujarat High Court Writ Petition Number: R/Special Civil Application No. 9382 of 2025			

			RSM
01 PETITIONER / RESPONDENT Petitioner: R.B. Chopra Freighters Pvt. Ltd Respondent : Union of India & Ors	03 GROUNDS OF WRIT The petitioner, a government contractor, has challenged the inordinate delay in reimbursement of the additional 6% Goods and Services Tax (GST) liability arising from the upward revision of tax rates from 12% to 18% effective July 2022. Although a committee of officers had taken a decision in this regard, followed by a directive issued by the Deputy Secretary mandating reimbursement, the petitioner's representation has remained pending without resolution for a period exceeding eight months.	04 ORDER The Court, without delving into the merits of the case, disposed of the writ petition with a direction to the respondents to consider and decide the petitioner's claim for reimbursement within a period of six weeks from the date of receipt of the court's order. The Court clarified that such decision shall be guided by the existing committee decision and the relevant government communication, particularly the letter issued by the Deputy Secretary dated July 11, 2024.	
02 COURT/ FORUM High Court : Jammu and Kashmir and Ladakh High Court Writ Petition Number: 2468/2025			

RSM		
01 PETITIONER / RESPONDENT Petitioner: Lotus Valley Resort Respondent : Union of India & Ors	03 GROUND'S OF WRIT The Petitioner aggrieved by the impugned order dated 25.04.2025, issued under the State Goods and Services Tax (SGST) regime for the tax periods 2021–22 and 2022–23, on the ground that the Central Goods and Services Tax (CGST) authorities had already initiated proceedings for the same periods. In support of this contention, the petitioner placed reliance on Section 6(2)(b) of the CGST Act, which expressly prohibits concurrent proceedings by SGST authorities when action has already been undertaken by the CGST authorities for the same subject matter and tax period.	04 ORDER The High Court ruled in favour of the assessee, by quashing the SGST order dated 25.04.2025, on the ground that parallel proceedings were impermissible under Section 6(2)(b) of the CGST Act. The Court directed the SGST authorities to transfer all relevant records, documents, and data pertaining to the petitioner to the CGST authorities for appropriate action. However, it was clarified that the SGST department shall be at liberty to initiate proceedings for other financial years, if found applicable under law.
02 COURT/ FORUM High Court : Allahabad High Court Writ Petition Number: Writ Tax No. 3204 of 2025		

RSM		
01 PETITIONER / RESPONDENT Petitioner: Smart World Communications Respondent : Commissioner of Central Tax and CGST Delhi	03 GROUND'S OF WRIT The Petitioner challenged the retrospective cancellation of its GST registration, which was made effective from 29.09.2018, despite the Show Cause Notice (SCN) dated 02.02.2022 containing no reference to such retrospective application. It was contended that the business operations had ceased in June 2021, and therefore, the cancellation of registration ought not to have been given retrospective effect, particularly when the same was neither proposed nor justified in the SCN. The petitioner further argued that the proceedings were in violation of the principles of natural justice, as no opportunity of personal hearing had been afforded prior to the cancellation.	04 ORDER The High Court ruled in favour of the assessee, holding that the retrospective cancellation of GST registration was unsustainable in law, as the Show Cause Notice (SCN) dated 02.02.2022 did not contain any specific proposal for such retrospective effect. The Court accordingly modified the effective date of cancellation to the date of the SCN, i.e., 02.02.2022, and granted liberty to the department to initiate proceedings for retrospective cancellation in accordance with law and procedure, should they choose to pursue such action in the future.
02 COURT/ FORUM High Court : Delhi High Court Writ Petition Number: W.P. (C) 13747/2025, CM APPL. 56395/2025 & CM APPL. 56396/2025		

RSM		
01 PETITIONER / RESPONDENT Petitioner: Poddar Electronics Security Respondent : Commissioner & Ors	03 GROUND'S OF WRIT The Petitioner aggrieved by the impugned GST orders, contending that he had never opted out of the Composition Scheme, but was erroneously reflected as a regular taxpayer due to a technical glitch in the GST portal. He asserted that this inadvertent change in status resulted in unwarranted tax demands, and that the appellate authority failed to properly consider his submissions regarding the said technical error. It was further alleged that he had been denied a fair opportunity of hearing, and that no tax liability arose as he continued to be eligible under the Composition Scheme throughout the relevant period.	04 ORDER The Court ruled in favour of the Revenue, observing that the petitioner had failed to furnish any substantive evidence to rebut the intimation dated 03.11.2017, which indicated that he had opted out of the Composition Scheme. It was further noted that the petitioner neither responded to the tax notices nor undertook any timely remedial measures to rectify the alleged error. Accordingly, the writ petitions were dismissed, and the impugned orders were upheld, with no relief granted to the petitioner.
02 COURT/ FORUM High Court : Allahabad High Court Writ Petition Number: WRIT – TAX No. 736 of 2020, 732 of 2020, 904 of 2023		

National CSR Roundtable on Defence & Veteran Welfare



13th August, 2025
FTCCI Pokarna Skill Centre

Meeting with Dr. Niten Chandra, IAS, Secretary (ESW), Ministry of Defence; Maj. Gen. SBK Singh, SM, DG (Resettlement); and Brig. Digvijay Singh Basera, VSM & Bar

A meeting was held with Dr. Niten

Chandra, IAS, Secretary (Ex-Servicemen Welfare), Ministry of Defence; Maj Gen SBK Singh, SM, Director General (Resettlement); and Brig. Digvijay Singh Basera, VSM & Bar, to discuss the opportunity to highlight the relevance and invaluable contributions of Ex-Servicemen, who have risked their

lives to protect the sovereignty and borders of our nation.

The discussion also underscored the significance of Veer Naris and reaffirmed the commitment of the Government of India towards their welfare through the Department of Ex-Servicemen Welfare.

Roundtable on Navigating Trade Headwinds: US Tariff Impact on Telangana Exporters

20th August, 2025
FTCCI Surana Auditorium

The main aim of the meeting is to address the ongoing challenges posed by Trump-era tariffs on Indian exports. The event brought together over 35 exporters from key sectors including textiles, quartz, gems & jewellery, chemicals, engineering goods, and agriculture, alongside industry leaders and policymakers.

Mr. Madhukar Babu, Joint Director (MSME), Commissioner of Industries, Government of Telangana, graced the occasion as Special Guest and urged exporters to build on their inherent strengths while exploring new geographies beyond traditional markets like the USA. Citing success



stories of Indian companies such as Hero Motors and Bajaj in Africa, he encouraged businesses to research and target emerging global opportunities. He assured

participants that all feedback from the roundtable, particularly on logistical challenges, would be conveyed to the state government. In his remarks, Mr. R. Ravi Kumar,

President of FTCCI, emphasized the urgency of building resilience in export operations. Stressing the risks of overdependence on a single market, he remarked, "Today it is the USA; tomorrow, it could be another country." He underlined the importance of strategic preparedness to safeguard exporters against protectionist shocks.

Mr. AVPS Chakravarthi, Chairman of FTCCI's International Committee, provided an overview of the wider economic implications of U.S. tariffs, noting that the U.S. accounts for 18% of India's exports and contributes 2.2% to GDP. He highlighted how sectors like chemicals, rice, textiles, engineering goods, and gems & jewellery were among the worst affected, with Indian textiles becoming 35% costlier in the U.S. compared to Bangladesh or Vietnam. He reiterated FTCCI's submission of a memorandum to Telangana's Industries Minister,

Sri Duddilla Sridhar Babu, seeking exemption from trade license fees for manufacturing units, reduction of establishment fees, faster release of incentives, and subsidies for shipping and logistics. He also proposed a three-step action plan and urged exporters to target new markets in Europe, Canada, Latin America, and ASEAN, while leveraging Free Trade Agreements, including the upcoming UK FTA.

Mr. Chakravarthy highlighted FTCCI's role in supporting exporters through buyer connections, the Indian Trade Portal, and upcoming SME workshops. He also called for stronger government support, better infrastructure such as cold storage for agri-exports, and proactive diplomatic engagement. Adding further insights, Mr. Mahesh Desai, Past Chairman of EEPC, stressed that export categories require tailored strategies and discouraged overreliance on subsidies. He

advised exporters to economize raw materials, pursue import substitution, and explore African markets using embassies and trade delegations. He also recommended adopting Japanese models in sourcing and logistics to improve competitiveness.

Exporters collectively agreed on the need for a strategic shift, focusing on their core strengths while diversifying markets and exploring new international opportunities. They highlighted the necessity of cost innovation, operational efficiency, and continuous government support to mitigate the impact of global trade uncertainties. The roundtable concluded with a strong consensus on a multi-pronged approach encompassing market diversification, policy advocacy, cost efficiency, and legal preparedness to make Indian exporters more resilient to U.S. tariffs and other global protectionist measures.

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Programme on Transforming Telangana: Future City, Master Plan 2050, Regional Ring Road & Musi rejuvenation for Sustainable Growth



22nd August, 2025
KLN Prasad Auditorium, FTCCI.

FTCCI in association with NAREDCO Telangana organized a Programme on Transforming Telangana: Future City, Master Plan 2050, Regional Ring Road & Musi rejuvenation for Sustainable Growth on 22nd August, 2025 at KLN Prasad Auditorium, FTCCI, Federation House, Hyderabad.

Sri Ravi Kumar, President, FTCCI welcoming the gathering said that “The future is not something we enter; the future is something we create.” The event gathering is with that very spirit—to envision and to shape the Telangana of tomorrow.

Telangana has always been a land of resilience, innovation, and cultural richness. From the engineering marvels of the Kakatiya dynasty to the modern-day achievements of Hyderabad as a global technology hub, our State has demonstrated that progress is possible when vision is matched with determination.

Now, we stand at the threshold



of another transformative era. The Future City vision and Master Plan 2050 are not just about buildings, roads, and infrastructure. They are about creating thriving, sustainable, and inclusive urban ecosystems where every citizen has the opportunity to live, work, and prosper. Mr. B Sunil Chandra Reddy, Chair of FTCCI Infrastructure, Real Estate & Smart Cities Committee delivering the introductory remarks mentioned objective of the event

is to bring together policymakers, regulators, and industry leaders to share knowledge, exchange ideas, and collaborate towards building a sustainable future. Telangana today stands at a pivotal moment in its growth journey. With projects like the Future City Telangana, the Master Plan 2050, the Regional Ring Road (RRR), and the Musi River Rejuvenation, the state is reimagining urban living. He opined that these initiatives will not only reshape



infrastructure but also strengthen Telangana's position as a hub for innovation, sustainability, and economic progress.

The Chief Guest at the event Sri Sarfaraz Ahmad, IAS Commissioner, Hyderabad Metropolitan Development Authority (HMDA), Government of Telangana delivered keynote address.

Addressing the gathering, he emphasized the transformative role of the Master Plan 2050 in guiding Hyderabad's urban growth over the next decades. He outlined the core objectives of the plan fostering balanced regional development, integrating transport and land use planning, and enhancing quality of life through green infrastructure and smart urban services.

He also shed light on the Regional Ring Road (RRR) as a critical infrastructure project that will improve connectivity, reduce traffic congestion in core urban areas, and boost economic activity in surrounding regions, decentralizing opportunities, and unlocking new industrial and residential corridors. Furthermore, he highlighted the Musi River Rejuvenation Project as a flagship ecological initiative, aiming to restore the river's health, enhance urban resilience, and develop green corridors that benefit both the environment and citizens.

Sri K Shashanka, IAS, Commissioner, Future City Development Authority

(FCDA), Government of Telangana is the Guest of Honour at the event addressed the gathering.

The Future City Development Authority is not just creating another township. They are crafting an economic and cultural powerhouse spread over 765 square kilometers, one that will redefine how cities in India and indeed the world are built. Strategically placed between highways, the airport, and industrial corridors, it will be the anchor of a new Hyderabad, a new Telangana, and a new India.

The Future City Telangana, India's first Net-Zero Greenfield Smart City, is a bold step toward sustainable urban development. It is not just a physical space but a concept—a city where technology and ecology work hand in hand, where mobility is smart, energy is green, and citizens are active partners in shaping their environment. He said that it is about creating a "Live, Learn, Work, Play" ecosystem — a city that inspires creativity, nurtures talent, and offers opportunities to every citizen.

In his address, he highlighted the government's strategic vision for urban transformation through integrated planning, infrastructure development, and sustainable initiatives. His insights on the Future City Master Plan 2050 and the significance of projects like the Regional Ring Road and Musi River rejuvenation underscored the state's

commitment to inclusive and future-ready urban growth.

The program had several other sessions such as Panel Discussion on Real Estate - Present and Future vision 2030 – Moderated by Mr. B Sunil Chandra Reddy and the Panelists are Mr. K Sridhar Reddy, Secretary General, NAREDCO Telangana; Mr. Narsi Reddy Teegala, Managing Director, Green Rich Estates LLP; Mr. Mudit Gupta, Head - Hyderabad Residential, ANAROCK Property Consultants; Mr. Manoj Kumar Agarwal, Managing Director, DSL Infrastructure and Space Developers Pvt. Ltd and Panel Discussion on Policy & Infrastructure Impact on Real Estate in Hyderabad & Future Growth - Moderated by Mr. Rajkumar, Member, FTCCI Infrastructure, Real Estate & Smart Cities Committee, Panelists - Mr. Venu Vinod, Managing Director, Cybercity Builders and Developers Pvt. Ltd.; Mr. Preetham Mehra, Senior Executive Director, CBRE India; Dr. Y. Kiron, Executive Vice President, NAREDCO Telangana, Mr. Aditya Reddy, Executive Director, Sri Aditya Homes Pvt Ltd. ; Presentation on Building Future Cities: The Role of Commercial Real Estate in Urban Transformation by Mr. Sandip Patnaik, Senior Managing Director – Hyderabad, JLL and Presentation on Hyderabad Residential Real Estate: Trends, Transitions & the Road Ahead by Mr. Vamshi Krishna, Head of Valuation Advisory (India & South East Asia), CBRE.

Around 200 delegates participated in the event. FTCCI Vice President Mr. Srinivas Garimella, and FTCCI Infrastructure, Real Estate & Smart Cities Committee Mr. Abhishek Tibrewala, Mr. Jitender Kedia, Mr. Girish Malpani; Members of NAREDCO & Mr. Dasharath Reddy, Past President, NAREDCO Telangana and other members also participated in the event.

Mr. K K Maheshwari, Senior Vice President, FTCCI proposed a vote of thanks.

Global Corporate Summit 2025

Driving Resilience, Innovation & Global Collaboration



23rd August 2025 FTCCI Surana Auditorium

The Federation of Telangana Chambers of Commerce and Industry (FTCCI) organized the Global Corporate Summit 2025 on the theme "Driving Resilience, Innovation & Global Collaboration." The summit brought together nearly 100 industry leaders, policymakers, and thought leaders from across the world to deliberate on pressing global challenges and explore pathways for sustainable growth, innovation, and international partnerships.

M/s AMR India sponsored the event. Sri Sunil Agarwal, CFO of the company, spoke about its commitment to driving innovation and sustainable growth, while highlighting its contributions to infrastructure and development in India.

The program was inaugurated by the Chief Guest, Dr. Ausaf Sayeed, Former Secretary to the Government of India, Ministry of External Affairs, who was introduced by Dr. Tasneem Shariff, Co-Chair of the Corporate Laws, IBC & ADR Committee of FTCCI.

FTCCI dignitaries present on the occasion included: Sri R. Ravi Kumar, President; Sri K.K. Maheshwari, Senior Vice-President; Sri Srinivas Garimella, Vice-President; CA Ritesh Mittal, Chair; Sri V.S. Raju, Advisor, Corporate Laws, IBC & ADR Committee; and Smt. M. Veena, Secretary of FTCCI.

Smt Jaya Pandey, Assistant Director, FTCCI, opened the session.

Delivering the Keynote Address, Ambassador Dr. Ausaf Sayeed, Former Secretary, Ministry of External Affairs, Government of India, emphasized that one of the foremost responsibilities of modern-day diplomats is to actively support businesses. "It is not just about political dispatches or delegations; we need to help enterprises in scaling exports and accessing markets. There is no shortage of foreign investments. What investors look for are credible, investible projects," he said.

Dr. Sayeed also highlighted the looming concern of the US Reciprocal Tariff regime, noting that tariffs are increasingly being deployed as political instruments. "While many countries continue to trade with Russia, India is being singled out.

America is America. Our response must be to diversify and scout for new markets. We cannot put all our eggs in one basket," he remarked.

He observed that while Telangana's strong pharmaceutical base is relatively insulated from such tariffs, manpower-intensive sectors such as textiles, gems, and jewellery could be adversely affected. He urged the Telangana Government to form a task group with trade bodies to devise strategies, further noting that Telangana's exports amount to around USD 90 billion, with engineering goods contributing 39% and pharma 31%.

In his Welcome Address, Sri R. Ravi Kumar, President, FTCCI, stated: "In today's interconnected world, businesses face both unprecedented opportunities and daunting challenges. From navigating complex global trade agreements, embracing digital transformation, and building resilient supply chains, to fostering international collaborations, success now demands agility, foresight, and innovation."

He reiterated FTCCI's role as a catalyst in connecting industry with



policymakers, fostering dialogue, and supporting enterprises in their growth journey. “This summit is another step in that direction—reaffirming our commitment to serve as a bridge between business, government, and global stakeholders.”

In his Introductory Remarks, Sri Ritesh Mittal, Chair, Corporate Laws, IBC & ADR Committee, FTCCI, noted that the summit was privileged to host eminent thought leaders and practitioners, including Sri Siddharth

Vishwanathan, CA Giridhar Mamidi, Ms. Mubarrakka Lokhandwala, Sri Ayub Shaikh, and Sri Kamal Jain.

The day-long summit featured a series of high-powered technical sessions on:

- ▶ India–UK FTA: A New Era of Trade & Investment
- ▶ Innovation & Investment Without Borders: Unlocking Growth in Emerging Global Markets
- ▶ Digital Trade & Innovation: The AI Edge Redefining Business

Intelligence

- ▶ Resilient & Sustainable Supply Chains: Strategies for a Volatile World

The summit concluded with a vote of thanks proposed by Sri K. K. Maheshwari, Senior Vice-President of FTCCI, who underscored the importance of stronger collaboration among industry, government, and international stakeholders to enhance resilience, foster innovation, and promote inclusive global growth.



INDEPENDENCE DAY *Celebrations at Federation House*



Photo Contest 2025

Explore, Experience and Exhibit



1st September, 2025
JS Krishna Murthy Hall

The Federation of Telangana Chambers of Commerce and Industry (FTCCI), in collaboration with professional photojournalists, successfully organized the Tourism Photo Contest 2025 to showcase the vibrant culture, diverse landscapes, and hidden treasures of Telangana and beyond through the powerful medium of photography.

The contest received an enthusiastic response, with 147 participants submitting over 700 photographs. These entries vividly captured the

essence of Telangana's tourism potential, from historic monuments and scenic landscapes to cultural festivities and the charm of rural life.

To ensure transparency and credibility, the photographs were evaluated on 18th August 2025 by a distinguished jury panel chaired by Mr. H. Satish, veteran photojournalist and former Photo Editor of The Hindu. The results were announced on 19th August 2025, and winners were selected across multiple categories. The Award Presentation Ceremony of the Tourism Photo Contest 2025 was held on Monday,

1st September 2025, at the FTCCI Surana Auditorium, Federation House, Hyderabad. The ceremony was graced by Ms. N. Manvi Jagan, General Manager, Telangana State Tourism Development Corporation (TSTDC), as the Chief Guest, and Mr. Mahesh Kumar Bendala, Deputy General Manager, TSTDC, as the Guest of Honour. The dignitaries presented cash prizes and certificates to the winners and lauded FTCCI's efforts in promoting tourism through creative and innovative public engagement initiatives.

In her address, Ms. Manvi Jagan highlighted the importance of visual storytelling in enhancing tourism visibility and appreciated the photographic talent that emerged through the contest. She noted that such initiatives provide a strong platform for photographers to contribute to the promotion of Telangana's heritage and attractions. Mr. Mahesh Kumar Bendala, in his remarks, emphasized the role of such contests in creating awareness about unexplored tourist destinations and fostering community involvement in tourism development.

The winners of the contest were then felicitated.



Main Prizes

First Prize: Mr. Mucharla Srinivas, Photographer, Hans India – Sri Eleshwara Mallikharjuna Swamy Temple

Second Prize: Mr. Putla Ashokudu Yadav, Photographer, Andhra Jyothi – Durgam Cheruvu Lake

Third Prize: Mrs. Shalini Jain, Telangana Photographic Society – Bogatha Waterfalls

Consolation Prizes:

Mr. Gokarapu Shyam Kumar, Sr. Photo Journalist, Media – Thousand Pillar Temple with Nandi, Hanamkonda

Mr. G. Balaswami, Sr. Photographer, Sakshi – TS Secretariat

Mr. Peeranayakam Saidulu, Photographer – Telangana Bathukamma Festival

Mr. N. Rajesh Reddy, Photo Journalist, Sakshi Telugu Daily – Moazzam Jahi Market (Full View)

Mr. N. Pradeep Kumar – Chowmahalla Palace

Mr. Firdaus F. Mistri, Chief Manager Operations, ETV Network – Qutb



Shahi Tombs

Ms. Sandhya – Golconda Fort

Mr. C. Basheer, Asst. Chief Photographer, Eenadu – Boat Trip on Durgam Cheruvu

This contest reaffirms FTCCI's commitment to tourism promotion, cultural preservation, and creative public engagement. By bridging art with advocacy, FTCCI continues to explore innovative ways to support the state's development agenda and

encourage community participation in showcasing Telangana's unique heritage to a wider audience.

The event was well attended by photographers, tourism professionals, media representatives, and FTCCI members. The winning photographs will be displayed at FTCCI and featured across its digital platforms to further amplify the message of sustainable and inclusive tourism.



Meeting with Dubai Delegation :
1st September, 2025

Press meet on recommendations of the 56th GST Council meeting on rate rationalisation :
5th September, 2025



Awareness Program on New kVAh Billing Regulation for Telangana Businesses



**10th September 2025
FTCCI Surana Auditorium**

FTCCI in association with Bharat Smart Services, organized an Awareness Program on “New kVAh Billing Regulation for Telangana Businesses” on 10th September 2025 at Federation House, Hyderabad. The program witnessed active participation with over 60 industry representatives.

The key speaker, Sri Sikinder Reddy Thandra, Co-Founder & CEO, Coral Innovations Pvt. Ltd., highlighted the importance of proactive energy management. He stated that the shift to kVAh billing is not just about paying electricity bills differently it is about how efficiently enterprises use power. Businesses that do not actively manage their Power Factor risk hidden costs and a steep rise in energy expenses. With smart monitoring and corrective measures, companies can not only avoid penalties but also turn energy efficiency into a competitive advantage.”

He further emphasized that optimizing electricity bills must be a top priority for all businesses. Telangana DISCOMs have recently



introduced kVAh-based billing for all commercial and industrial consumers, making Power Factor (PF) management a critical area. A low or leading PF not only increases costs but also places an unnecessary burden on industries.

In his welcome address, Sri R. Ravi Kumar, President, FTCCI stated “FTCCI, as the voice of trade and industry, felt it is important to create awareness among our members and the larger business community on this transition. Today’s program has been specially designed to provide insights into billing implications, share practical solutions, and showcase case studies that will help businesses reduce hidden penalties and improve efficiency in power usage.”

In his Introductory Remarks, Sri P. Vijay Gopal Reddy, Co-Chair – Energy Committee, FTCCI, underlined the seriousness of the change: “The shift from kWh to kVAh billing is not just a technical adjustment; it is a paradigm change in energy cost management. For businesses, especially SMEs and industries with high power usage, understanding this change is crucial. If ignored, it can silently increase power bills by 10–20% without any increase in consumption. But with proper awareness and corrective action, it can also become an opportunity to optimise costs and improve operational efficiency.

The session concluded with a Vote of Thanks proposed by Sri K.K. Maheshwari, Senior Vice President, FTCCI.

GST Reforms 2025: Relief for Common Man, Boost for Businesses

Relief, Simplification, and Growth for All

KEY TAKEAWAYS

- ✓ GST simplified to a two-slab structure (5% & 18%)
- ✓ GST reforms cut taxes on household essentials (soaps, toothpaste, Indian breads) to 5% or Nil boosting affordability
- ✓ Life-saving drugs, medicines reduced from 12% to Nil or 5% making healthcare affordable
- ✓ Two-wheelers, small cars, TVs, ACs, cement cut from 28% to 18% bringing relief to middle-class.
- ✓ Farm machinery, irrigation equipment cut from 12% to 5%, reducing farming costs
- ✓ Tobacco, pan masala, aerated drinks, and luxury goods taxed at 40%.



The Goods and Services Tax (GST), introduced on 1st July 2017, is India's most significant indirect tax reform since Independence. By bringing together multiple central and state taxes into a single, unified system, GST created a common national market, reduced the cascading of taxes, simplified compliance, and improved transparency. Over eight years, GST has steadily evolved through rate rationalisation and digitalization, becoming the backbone of India's indirect tax framework.

The 56th meeting of the GST Council, chaired by Union Finance Minister Smt. Nirmala Sitharaman has now approved Next-Gen GST reforms, with focus on improving the lives of the common man and ensuring ease of doing business for all, including small traders and businessmen. In his Independence Day address, Prime Minister Narendra Modi had announced-“The government will bring Next-Generation GST reforms, which will bring down tax burden on the common man. It will be a Diwali gift for you.”The reforms, he said, would directly benefit the common man, farmers, MSMEs, women, youth, and middle-class families, while strengthening India's long-term growth.

In line with the PM's vision the GST Council has recommended a comprehensive reform package that includes rate rationalization with a simplified two-slab structure (5% and 18%), sweeping rate reductions across sectors, with focus on common-man, labour-intensive Industries, farmers and agriculture, health, key drivers of the economy. These recommendations are based on consensus among all members of the GST Council to make GST simpler, fairer, and more growth-oriented. The revised rates and exemptions will come into effect from 22nd September 2025, ensuring timely relief for the common man, households, farmers, and businesses. Only exception will be specified goods namely, cigarettes, chewing tobacco products like zarda, unmanufactured tobacco and beedi, for which the existing rates of GST and compensation cess will continue to apply and the new rates will be implemented at a later date to be notified, based on discharging of entire loan and interest liabilities on account of compensation cess.

7 Pillars of Next - Gen GST reforms

1 Building on the success of GST

One Nation, One Tax
Expanded the taxpayer base
Simpler 2-tier system (5% & 18%)

4 Putting consumers first

Essential goods in the 0-5% bracket
High-value items like cars down from 28% > 18%

2 Rationalising rates for fairer taxation

Smoother duty structures
Faster processing of refunds

5 Empowering MSMEs & manufacturers

Fixed inverted duty structures
Simpler rates to support Make in India

3 Simplifying filing through technology

Easy registration for small & low-risk businesses
90% upfront provisional refunds for exporters
Digital compliance with e-invoicing
AI-driven risk detection

6 Stronger states, stronger Bharat

Sustainable revenue growth for all states
Rationalised rates will increase demand

7 Lower taxes = Higher spending

Families buy more, demand rises, industries grow.
Cheaper appliances, electronics will increase demand

Source : Ministry of Finance

Simplified Structure, Sectoral Relief

The latest reforms mark a major simplification of the GST structure. The shift to a two-slab system of 5% and 18%, removing the earlier 12% and 28% rates, will make taxation more transparent and easier to follow. At the same time, a 40% on luxury and sin goods such as pan masala, tobacco, aerated drinks, high-end cars, yachts, and private aircraft ensures fairness and revenue balance. Alongside, registration and return filing have been simplified, refunds made faster, and compliance costs reduced, easing the burden on businesses, especially MSMEs and startups.

Here is a sector-wise follow-up of the reforms and their expected impact.

Food and Household Sector



Reforms bring direct savings to households by reducing taxes on everyday essentials and packaged foods. GST rate cut on AC, Dishwashers and TVs (LCD, LED) is a dual win. It increases affordability for consumers while strengthening India's electronics manufacturing ecosystem.

- ▶ Products like Ultra-High Temperature (UHT) milk, Pre-packaged and labelled chena or paneer, all the Indian Breads will see NIL rates
- ▶ Household goods like soaps, shampoos, toothbrushes, toothpaste, tableware, bicycles now at 5%.
- ▶ Food items such as packaged namkeens, Bhujia, Sauces, Pasta, Chocolates, Coffee, Preserved Meat etc. reduced from 12% OR 18% to 5%
- ▶ Consumer durables: TVs (LCD/LED) (> 32'), ACs, dishwashers: 28% -> 18%.

Home Building & Materials



The cut in GST on cement and construction materials will give a big boost to the housing sector. This will lower the cost of homes and infrastructure projects, making ownership of houses more affordable. The move is also expected to spur demand in

real estate and create new jobs in construction.

- ▶ Cement: 28% -> 18%.
- ▶ Marble/travertine blocks, Granite blocks, Sand-lime bricks: 12% -> 5%
- ▶ Bamboo flooring / joinery, Packing cases & pallets (wood): 12% -> 5%

Automobile Sector



Clearer classification of vehicles and auto parts will cut down disputes, improve compliance, and support growth in India's automotive manufacturing and exports.

- ▶ Small cars, two-wheelers ≤350cc: 28% -> 18%.
- ▶ Buses, trucks, three-wheelers, all auto parts: 28% -> 18%.

Agriculture sector



Cheaper machinery and lower rates on bio-pesticides will help small farmers reduce costs and encourage sustainable farming practices. Correcting the inverted duty structure on Fertilizer inputs will boost domestic fertilizer production and reduce dependence on imports, strengthening self-reliance in agriculture.

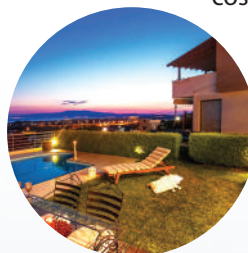
- ▶ Tractors: 12% -> 5%; tires and parts: 18% -> 5%.
- ▶ Harvesters, threshers, sprinklers, drip irrigation, poultry & bee-

keeping machines: 12% -> 5%.

- ▶ Bio-pesticides and natural menthol: 12% -> 5%.

Service sector

Lower GST on hotel stays, gyms, salons, and yoga services will reduce costs for citizens,



improve access to wellness, and give a fillip to the hospitality and service industries.

- ▶ Hotel stays up to Rs. 7,500/day from 12% to 5%.
- ▶ Gyms, salons, barbers, yoga GST cut from 18% to 5%.

Toys, Sports & Handicrafts

Fixing duty structures for man-made fibres will improve the



competitiveness of the textile industry, especially in exports. The inverted duty structure in the sector has been corrected with reduction of

GST rate on manmade fibre from 18% to 5% and manmade yarn from 12% to 5%.

Further, lower GST rates on handicrafts will support artisan livelihoods, preserve India's cultural heritage, and promote rural economic growth.

- ▶ Handicraft idols & statues: 12% -> 5%.
- ▶ Paintings, sculptures: 12% -> 5%.

- ▶ Wooden/metal/textile dolls & toys: 12% -> 5%.

Education sector



Education has become more affordable with exercise books, erasers, pencils, crayons and sharpeners moving to 0%

GST. This directly supports families and students, ensuring lower costs of learning materials.

- ▶ Geometry boxes, school cartons, trays: 12% -> 5%.

Medical sector



Reduced rates on medicines and medical devices will improve access to healthcare and support domestic manufacturing in the pharma and medical equipment sectors.

- ▶ 33 life-saving drugs, diagnostic kits: 12% -> 0%.
- ▶ Other medicines including Ayurveda, Unani, Homoeopathy: 12% -> 5%.
- ▶ Spectacles and corrective goggles: 28% -> 5%.
- ▶ Medical oxygen, thermometers,

surgical instruments: 12-18% -> 5%.

- ▶ Medical, dental, and veterinary devices cut from 18% to 5%.

Health and life Insurance



GST exemptions on life and health insurance premiums will expand financial protection and support the vision of Mission Insurance for All by 2047.

- ▶ GST exemption on premiums for individual life insurance, health insurance, floater plans, and senior citizen policies.

Next-Gen GST: Benefits for All

The Next-Generation GST reforms are designed not just to reduce tax rates, but to create a virtuous cycle of growth.

- ✓ **Lower Prices, Higher Demand:** Cheaper goods and services increase household savings and stimulate consumption.
- ✓ **Support for MSMEs:** Reduced rates on inputs like cement, auto parts, and handicrafts lower costs and make small businesses more competitive.
- ✓ **Ease of Living:** A two-rate structure means fewer disputes, quicker decisions, and simpler compliance.
- ✓ **Wider Tax Net:** Simpler rates encourage compliance, expanding the tax base and improving revenues.
- ✓ **Support for Manufacturing:** Correcting inverted duty structures boosts domestic value addition and exports.
- ✓ **Revenue Growth:** As seen in past reforms, lower rates with better compliance increase collections.
- ✓ **Economic Momentum:** Lower costs -> higher demand -> larger tax base -> stronger revenues -> sustainable growth.
- ✓ **Social Protection:** Exemption of GST on insurance and essential medicines strengthens household security and access to healthcare.

Together, these reforms ensure that GST is citizen-centric, business-friendly, and aligned with India's global growth ambitions.

Source : PIB, Government of India

Renewed calls for India to transform into A 'Product Nation' amid US punitive tariff action

In a way, this has intensified a consensus that cuts across academia to industry, that going forward, India has to strive to transform into a 'product nation' and that the country needs to produce some things that it does better than others, if it has to be relevant in the global geopolitical scene.



**Anil Sasi*

In June, Ford Motor Company - America's second biggest carmaker - temporarily idled all its factories in the United States for well over three weeks due to a shortage of magnets containing rare earth minerals imported from China, after trade tensions precipitated a blockade by Beijing. China has since instituted a new approval process for exports of rare earths that has slowed supply lines, which impacted not just Ford, but automakers all over the world. The Donald Trump administration rushed in officials to meet with Chinese negotiators and strike an interim deal, in return for a restoration of supplies of rare earth magnets, and has subsequently been accommodative of Beijing's point of view, despite the fact that China is only among a few countries that launched retaliatory action against US tariffs.

Two months on, India finds itself in a situation where it is now likely being used as a soft target to pressure Russia into ending the war – collateral damage in US President Donald Trump's ambition to squeeze Russia's crude exports and pressurise Moscow to the negotiating table for ending the Ukraine war. The problem for India is that unlike China, which has been able to weaponise trade by leveraging its stranglehold over critical processes and products, India simply does not hold the cards at this point in time to retaliate in a meaningful manner.

In a way, this has intensified a consensus that cuts across academia to industry, that going forward, India has to strive to transform into a 'product nation'. And that the country needs to produce some things that it does better than others, if it has to be relevant in the global geopolitical scene. The bigger the economy, chances are that a country would be taken more seriously by others, but the more strategic its products or service offerings, the greater is its strategic leverage. Just like only Taiwan can fabricate the most advanced chips in the world, or a company in the Netherlands can make the top-of-the-line 'EUV' lithography machines needed to etch the circuits on microchip, or it's only companies in China that are the only ones that can make certain types of magnets, process rare earth minerals and put together high-end batteries or manufacture pharmaceutical ingredients. "There is a growing consensus that India must transition from being primarily a service-driven economy to becoming a product nation - one that not only innovates but also manufactures and exports IP-driven solutions across sectors. To support this shift, India's higher education ecosystem is being strategically realigned," T G Sitharam, Chairman, AICTE said.

The NITI Aayog too has flagged the need for working strategically towards transitioning to a product nation, especially in the backdrop of

There is a growing consensus that India must transition from being primarily a service-driven economy to becoming a product nation - one that not only innovates but also manufactures and exports IP- driven solutions across sectors.

the American tariff action. Principal Scientific Advisor to the Government of India Ajay Kumar Sood, in an earlier interaction with The Indian Express said that while there is now an increasing sensitivity in policy circles to put deep tech start-ups on an accelerated path, India has to aim to become a "product nation".

"India is already very good at designing - nearly one in five of the world's semiconductor design engineers, for instance, are here - but the country accounts for under 10 per cent of the global chip design facilities, and much of the designing is done for specifications offered by global companies... But what we need is that we should have designing capabilities (based) on our specifications, not on someone else's specifications, which means some intellectual thinking has already (been done) somewhere else. We have to do it here... So that's what will make our country a leading product nation," Sood, who is also the Chairperson of the Prime Minister's Science, Technology & Innovation Advisory Council and is a National Science Chair Professor at the Indian Institute of Science (IISc) Bangalore, said in an interaction.

For this objective, India needs to think beyond manufacturing. "What do you need (to be) a 'product nation'? It's not just manufacturing... Manufacturing, of course, is required, but it (manufacturing) is not the only thing, because then you will get into the middle-income trap. In sectors

such as cell phone assembly and chip manufacturing, for instance, much of the profits in the value chain are before and after the manufacturing stage.

The evolving situation has also prompted deliberations on India's place in the world. "Decades ago, India did not have a big economy, but we carried certain diplomatic heft, given we were seen as standing for certain ideals. Now, even as our economy has grown, we seem to be losing that diplomatic heft. That's something worth pondering over," a government official tracking the trade negotiations with the US said.

For India, the problem is that the US is not just any country. It is the largest economy in the world and India's largest market. The two alternatives before India are to either accept the tariffs, or retaliate in some measure. The Europeans were among the first of America's trade partners who flagged an intent to retaliate, but they have since succumbed to pressure from Washington DC. The only ones who have retaliated against US tariffs and managed to get away with it are the Chinese, who were able to do that because they control aspects of trade that could have hit the US. Like the magnets impacting Ford Motor and other American carmakers.

The problem for India, at this point in time, is that the country does not export anything to the US that is critical for that country, which is cutting edge or high tech, which is crucial for driving their technology sectors or part of their economy. What we export – garments, generic drugs, electronic components, cell phones – are all largely substitutable. There might be a cost to it that US consumers will have to bear, but that's pretty much where the trade-off ends.

The call for transforming India into a product nation is even more relevant, given the current global context.

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Telangana's GCC Boom: India's Next Big Tech Destination

CA Arpan Bohra & CA Praveen Reddy M

Telangana is no longer just making headlines - it's making history.

In a world where global enterprises are reimagining operations, the State has emerged not as an alternative, but as the answer. Once seen as a back-office base, Hyderabad has rapidly morphed into the beating heart of enterprise innovation. Today, it houses some of the world's most cutting-edge Global Capability Centers (GCCs) - powering critical decisions, advanced analytics, engineering breakthroughs, and next-gen business models.

Telangana's rise as a Global Capability Center (GCC) powerhouse isn't accidental - it's architected.

Driven by bold governance, business-first reforms, and future-ready infrastructure, Hyderabad is fast becoming the strategic heartbeat for global enterprises. This is no longer a city companies choose to cut costs - it's where they come to craft competitive advantage.

Here, vision meets velocity.

From Fortune 500 giants to disruptive innovators, businesses are drawn to a landscape designed for scale, speed, and sophistication. Telangana doesn't just welcome investments - it empowers transformation.

"Global enterprises no longer come to Hyderabad to save costs - they come here to build the future."

1. What Are GCCs?

Definition, Purpose, and Global Context

Global Capability Centers (GCCs), formerly known as Captive Centers, are offshore units established by multinational companies (MNCs) to perform a wide range of support functions, including:

- ✓ Information Technology (IT)
- ✓ Finance & Accounting
- ✓ Human Resources
- ✓ Legal & Compliance
- ✓ Supply Chain
- ✓ Data Analytics
- ✓ Artificial Intelligence (AI) & Machine Learning (ML)
- ✓ Customer Support



These centers serve the parent company and its global operations—not external customers.

Purpose of GCCs:

- ▶ Cost Optimization – Leverage global talent at lower costs
- ▶ Operational Efficiency – Standardize and streamline back-office functions
- ▶ Innovation – Drive transformation, R&D, and digital strategy
- ▶ Control & Integration – Retain strategic oversight instead of outsourcing to third-party vendors

Global Context:

- ▶ Emerged in India in the early 2000s; now expanded to Asia, Eastern Europe, and Latin America
- ▶ India remains the top no #1 destination due to its talent pool, English proficiency, and strong tech ecosystem

2. From Back Office to Boardroom: Why GCCs Flock to Telangana

Telangana is fast becoming India's preferred destination for Global Capability Centers (GCCs), thanks to its strategic focus, world-class

infrastructure, and stable governance. Backed by proactive policies, faster clearances, and a rich talent pool, Hyderabad is drawing companies away from saturated hubs like Bengaluru and Pune.

With over 150 GCCs already present, Telangana's blueprint for innovation and ease of doing business is redefining India's global tech narrative.

3. Comparative Table: Why Telangana is Leading in Attracting GCCs

Factor	Hyderabad (Telangana)	Bengaluru	Pune
Cost of Operations	Lower rentals & salaries	High real estate & talent cost	Moderate
Talent Availability	Large pool (tech, analytics, back-office)	Largest IT talent base	Skilled but niche
Government Support	Proactive IT policy, single-window clearances	Moderate, slower processes	Decent, not industry-specific
Infrastructure	Robust IT parks (Kokapet, Gachibowli, Nanakramguda)	Saturated, traffic bottlenecks	Developing, limited to core city
Quality of Life	Affordable, peaceful, cosmopolitan	Expensive, crowded	Comfortable, limited nightlife
Speed of Setup	<100 days avg. with TS-iPASS	120+ days	90–120 days
New GCC Entrants (2023–24)	Qualcomm, Salesforce, ZF, Intel, Synchrony	Google, Amazon's expansion	HSBC, Allianz

4. Telangana Government's GCC Policy: Infrastructure, Incentives & Clarity

With a strategic vision to position Telangana as the GCC capital of India, the state government has rolled out a comprehensive, investor-friendly framework.

Core Components:

1. TS-iPASS: Investor-First Clearance System

- ▶ Guarantees approvals in 15–30 days
- ▶ Post-deadline approvals are deemed approved
- ▶ Accountability ensured through penalties for delay

2. Land Allotment through TSIIC

- ▶ Sites in Gachibowli, Kokapet, Genome Valley, and Nanakramguda
- ▶ Plug-and-play facilities in developed IT parks

3. Incentives under IT/ITES & GCC-Specific Policies:

- ▶ Capital subsidies and rental discounts
- ▶ Stamp duty waivers
- ▶ Power tariff rebates
- ▶ Wage-based seat subsidies
- ▶ SGST refunds up to 50% for 7 years

4. Tier-II City Expansion

- ▶ Incentives extended to Warangal, Karimnagar, Nizamabad
- ▶ Cost-effective land and early mover benefits

Policy Summary Table

Domain	Key Provision
Approval Mechanism	TS-iPASS – Single-window clearance in 15–30 days; penal provisions for delay
Land & Infrastructure	TSIIC-managed tech parks with plug-and-play facilities
Capital Incentives	Rental subsidies, stamp duty waivers, EPF reimbursement, SGST rebate
Operational Support	Workforce, power, and tax benefits to reduce OPEX and improve ROI
Expansion Strategy	Incentives extended to Tier-II cities and domain-specific hubs
Industry Focus	IT/ITES, digital innovation, AI/ML, analytics, genomic clusters

Why This Policy Matters:

- ▶ Crystal-clear guidelines and fast approvals eliminate bureaucratic friction
- ▶ Bundled incentives reduce CAPEX and ongoing OPEX
- ▶ Dedicated land allocation ensures rapid scale
- ▶ Support to Tier II cities enables cost-efficient decentralised growth

5. Case Studies of GCC Investments in Hyderabad

1. **Eli Lilly** – Set up a GCC focused on clinical research and drug development
2. **Goldman Sachs** – Expanded with a digital innovation center employing 1,500+ professionals
3. **HSBC** – Built a global operations center supporting finance, analytics, and compliance

These examples underscore Hyderabad's appeal to diverse sectors - from finance to pharma - and its capacity to host high-value, high-complexity work.

6. Opportunities Arising from GCCs in Telangana

For the State (Telangana Government):

- ▶ Boost in employment generation and economic growth
- ▶ Increased FDI inflow and global positioning
- ▶ Development of Tier-II cities like Warangal, Karimnagar, Khammam

- ▶ Enhanced infrastructure and smart city progress

For Entrepreneurs:

- ▶ Opportunity to offer services/products to GCCs (IT, HR, logistics, facility management)
- ▶ Scope for startups in tech support, SaaS, staffing, etc.
- ▶ Access to global clientele via GCC linkages

For Professionals (CA, CS, Lawyers, Engineers):

- ▶ Surge in demand for services like Compliance, Audit, IP, Contracts, Taxation.
- ▶ Job roles in Global Finance, Legal Advisory, Cybersecurity, AI, and Analytics.
- ▶ Cross-border work exposure with MNC Clients.

For Salaried Individuals:

- ▶ More high-paying jobs in IT, Finance, HR, and Operations
- ▶ Upskilling opportunities in Digital Technologies and Global Processes.
- ▶ Better work-life balance through hybrid/flexible models

Conclusion: Telangana — The Vanguard of India's GCC Future

As the global economy shifts towards integrated, tech-enabled operations, Telangana has firmly positioned itself as a premier destination for Global Capability Centers (GCCs) - not just with promises, but with

policies, infrastructure, and results. The convergence of cost-efficiency, quality talent, and proactive governance is creating an ecosystem where global ambition meets local advantage.

We invite forward-thinking enterprises to not only set up their GCCs in Telangana but also to collaborate with the vibrant community of enablers, advisors, and entrepreneurs ready to support this transformative journey. Telangana isn't just the next GCC destination - it is the future of global business operations.

"When vision meets execution, ecosystems are born-and Telangana today is not offering land, it's offering legacy."

(The authors are Chartered Accountants. The views expressed in this article are solely those of the authors and are intended to create awareness and highlight potential opportunities related to Global Capability Centers (GCC's) in Telangana)

GST 2.0: Practical Strategies to Streamline Business Processes Post-56th Council Decisions

The 56th GST Council Meeting on September 3, 2025, has ushered in what we're calling GST 2.0: a simpler two-rate structure (18% standard, 5% merit, with 40% de-merit for a few items), exemptions on life and health insurance, and tweaks like scrapping the intermediary carve-out in Section 13(8) (b) of the IGST Act. These are game-changers, especially with cuts benefiting sectors like agriculture (e.g., fertilizers and tractor parts down to 5%) and heavy industries (e.g., bikes and small cars from 28% to 18%), but they come with transitional headaches. Drawing from the Press Release, sector analyses including agriculture and heavy industries impacts, and notes on credit notes and intermediaries, here's an updated take on key business process changes. I've kept it straightforward – no jargon overload – so you can roll this out in your operations without losing sleep.

** CMA Bhogavalli Mallikarjuna Gupta*

1. **Reviewing Contract Terms** –

Time to Renegotiate Pricing Clauses With rates dropping on everyday items like hair oil, shampoos, bicycles, and even renewable energy gear (from 12% to 5%), long-term contracts need a fresh look. Check those pricing clauses right away; the reductions open doors for renegotiating lower prices. If talks drag on – and they often do, as the other side recalculates their costs – push for credit notes instead. The amendment to Section 15 now treats these as post-sale discounts without needing upfront agreements, which is a relief. In my experience across global GST setups, this clarity cuts down on disputes, but start early to avoid cash flow pinches. If negotiations get tricky, bringing in external consultants can provide the expertise to handle complex clauses smoothly.

2. **Updating Pricing Stickers** –

Don't Let Old Stocks Trip You Up For MRP-labeled products, hunt down existing stocks across your warehouses, dealers, and retail points. Print new stickers with the revised prices and ship them



out fast, with a solid verification process – maybe spot audits or digital checklists – to ensure they're stuck on properly. In today's social media world, one viral photo of mismatched prices can spark unnecessary backlash. A smart tip: Use bright, eye-catching colors for the stickers, like neon with slogans such as "GST Savings Inside!" to draw in customers and turn this chore into a sales booster. I've seen this work

wonders in retail chains during similar rate shifts abroad.

- ## 3. **Tweaking Rate Configurations in Your Systems** –
- Get Date-Effective Right Reconfigure your billing, ERP, or accounting software with the new rates – think 5% on common household stuff or NIL on UHT milk and paneer. The key is ensuring your system has a date-effective feature, so changes kick in from

September 22, 2025, without messing up old records. POS software often lacks this; change a rate, and it rewrites history, leading to audit nightmares. If that's your setup, map out workarounds like separate ledgers for pre- and post-change transactions. This is a common snag in point-of-sale apps and some ERPs – I've fixed it in implementations from Dubai to Singapore – so test thoroughly to keep your data clean. For intricate ERP overhauls, external consultants can ensure seamless integration without disrupting daily ops.

4. **Handling Post-Supply Discounts** – A Welcome Loosening of the Rules Brief your teams: You no longer need discounts documented at the time of supply. Thanks to the Section 15 tweak, post-sale reductions can now carry GST adjustments, even if not pre-agreed – a big win that slashes litigation over valuations. But here's my caution: Scrutinize the fine print in notifications for how this applies to past and future deals. The credit notes note from the meeting highlights this flexibility for things like sales returns or incentives, but don't assume it's retroactive everywhere. In my global advisory work, these valuation changes often need case-by-case tweaks to avoid surprises.
5. **Building Team Capacity** – Invest in Targeted Training Roll out training for everyone involved: Sales folks on proper invoicing under the new rates, procurement teams on haggling for price pass-throughs, and tax pros on ITC eligibility, reversals, and managing excess credits on closing stock (like in inverted structures). External trainers shine here – they bring fresh perspectives and real-world examples, like how the power sector's rate cuts (renewables

to 5%) boost tariffs but demand quick adaptations. From my sessions as a thought leader, I've found interactive workshops cut errors by half, especially with the intermediary rule gone, making exports smoother for IT and back-office services. Don't skimp on this; hiring external consultants for customized training can make all the difference in high-stakes sectors.

6. **Reading the Fine Print** – Press Releases Aren't the Gospel Dig into the final notifications – the Press Release is just a teaser, not the real deal. As the Mumbai High Court ruled in *Schulke India Private Limited v. Union of India* (2024), press releases lack legal teeth and can't dictate classifications. Shape your strategy around the official docs from CBIC, covering everything from real estate tweaks (like affordable housing exemptions) to construction sector impacts. I've advised firms worldwide: Jumping the gun on announcements leads to costly U-turns, so wait for the dotted lines before committing. If interpreting these docs feels overwhelming, external consultants with legal expertise can help decode them accurately.
7. **Redrafting Your SOPs** – Align Processes Across the Board Update standard operating procedures for sales, purchases, IT, tax, and accounting to bake in these changes – from the two-rate simplicity to NIL on breads and insurance. This keeps everyone on the same page, plugging gaps that could cause confusion or big financial hits, like mismatched Time Of S under Section 14. In real estate, for instance, the notes suggest clearer guidelines on project financing and RERA alignments. From my authorship on GST best practices, well-drafted SOPs have saved clients millions in penalties during transitions like this. For

comprehensive SOP revamps, especially in regulated industries, external consultants can provide tailored templates and reviews.

8. **Strengthening IT Controls** – Lock Down Changes and Test Rigorously Revalidate your IT setup so only authorized folks tweak prices or rates. Map out a plan with regression testing to confirm old data stays intact – crucial for audits. Maintain audit trails for GST master data shifts and transaction edits, especially on sales orders where old prices might need overrides. For legacy deals, build in controls to flag changes that could dent your top or bottom line. I've implemented these in multi-country ERPs; without them, rate overhauls like this one (e.g., tobacco valuation to retail price) can spiral into compliance chaos. If your IT team is stretched thin, hiring external consultants for system audits and testing is a wise move to avoid glitches.
9. **Assessing Cost Implications** – Rethink Your Pricing Due to ITC Shifts Where ITC gets blocked – like on now-exempt insurance or certain services – revisit product and service costing, or it'll eat into profits. Kick off vendor chats now to gauge impacts, then nail it down post-notifications; waiting too long squeezes your timelines and could hurt sales or margins. Take insurance: Switched from taxable to exempt, so ITC on non-personal policies needs careful apportioning under Rule 42. A classic example from the power sector analysis: Coal at 18% (cess gone) tightens liquidity, but overall tariffs drop. In agriculture, cuts on inputs like sulphuric acid, nitric acid, and ammonia (from 18% to 5%), plus bio-pesticides and micronutrients (from 12% to 5%), lower farming costs – but watch for ITC reversals on exempted outputs. In my cross-border experience, early

vendor dialogues turn these into opportunities. For detailed cost modeling, external consultants can run simulations to protect your bottom line.

10. **Applying Section 14** – Nail Time of Supply for Rate Changes Tax goods and services based on TIME OF SUPPLY rules: Earlier of invoice or payment date. The real headache? Services with pre-change advances but undelivered work – clients will push for new lower rates, needing a thoughtful management decision after weighing pros and cons. Goods are trickier since no GST on advances, but buyers might demand price revisions despite old agreements. From the TIME OF SUPPLY document's illustrations, plan for scenarios like partial payments. I've handled similar in Australia's GST reforms; evaluate customer relations carefully to avoid disputes.

11. **Adapting to Valuation Changes** – Update for Tobacco and More For tobacco products (cigarettes, beedi), shift from transaction value to retail sale price in your software – a must once cess loans are cleared. This aligns with the de-merit rate structure but demands quick system tweaks. Broader valuation shifts, like post-sale discounts, tie into this; ensure your setups reflect the amended rules without overcomplicating things.

12. **Tackling Inverted Duty Structures** – Weigh Your Options Many items now face higher input taxes than outputs (e.g., textiles yarn to 5%, but some inputs higher), creating IDS. In agriculture, watch for this with fertilizers – micronutrients down to 5%, but if raw materials stay higher, refunds could apply. Scrutinize notifications for refund eligibility under Section 54 – can you claim it, offset against other products, or park it for future litigations? The sector-wise

analysis flags this in agriculture and health goods. Don't rush; detailed reads are key. In my international work, firms that map this early often turn refunds into cash flow advantages. External consultants can assist with eligibility assessments and refund strategies here.

13. **Managing Closing Stock** – Explore All Angles for Items Like Vehicles Dealers with motor vehicles bought under old cess rates? Cess is out now, with rates dropping sharply – bikes up to 350cc and small cars from 28% to 18%, for instance – so what next? Refunds might not be straightforward – check if it qualifies as IDS, write it off, hold for offsets, or haggle with OEMs/manufacturers for buy-backs. This extends to tractors (<1800cc engines) and parts like rear tyres, tubes, and hydraulic pumps (now at 5%), where lower rates could boost rural demand but require stock reevaluation. Evaluate every option for your setup; external pros help here with their broader insights. The dealer management notes suggest strategies like redistribution, while heavy industries analysis points to wider benefits like job creation in manufacturing and logistics. From my exposure, negotiating upstream often yields the best results without writing off value.

Wrapping It Up: Embracing GST 2.0 for a Smoother Ride Ahead

These tweaks from the 56th Council Meeting aren't just about compliance – they're a step toward a more citizen-friendly tax system that boosts affordability, eases business ops, and fuels sectors like renewables, real estate, agriculture (with lower input costs aiding farmers' incomes by 7-13%), and heavy industries (driving demand, jobs, and cleaner mobility through vehicle rate cuts). By acting proactively on contracts, systems, and training, you can turn potential

pitfalls into growth opportunities, much like I've seen in GST rollouts worldwide. Remember, not every business has the in-house bandwidth for all this; wherever things get complex – like IT overhauls, legal interpretations, or sector-specific modeling – don't hesitate to rope in external consultants. Their fresh eyes and specialized know-how can save you time, money, and headaches, ensuring your transition to GST 2.0 is as seamless as possible. Stay vigilant, adapt smartly, and here's to thriving in this new era!

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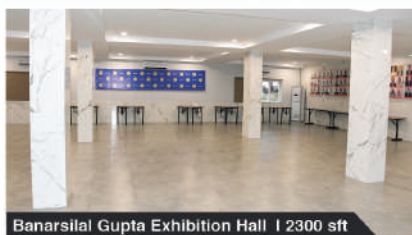
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