RNM India

GGi INDEPENDENT MEMBER

RNM ALERT
NOVEMBER NEWSLETTER

VOL NO 202

Celebrating Young Minds

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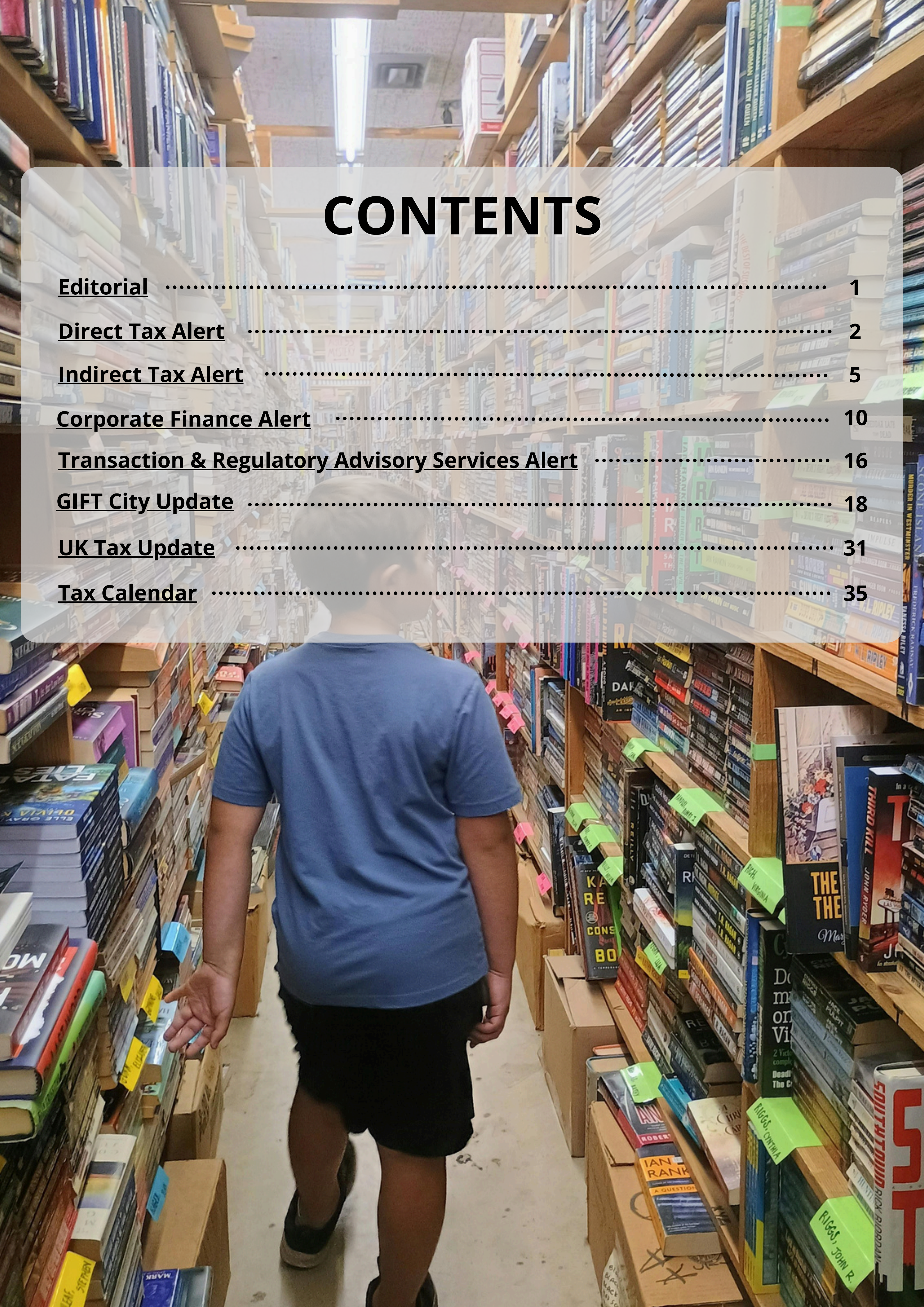

ELLERY QUEEN
MURDER IN WESTMINSTER
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EDITORIAL

Dear Readers

During the month of November 2025 we are pleased to share the successful conduct of the Webinar organized by RNM India on 'India-Russia Business Collaboration: Trade Taxation Market Entry Strategies' moderated by Mr. Raghu Marwah, CEO with Expert Speakers from Russia including Mr. Thomas Brand, Ms. Ekaterina Kabanova, Mr. Gleb Stepanova all from Brand & Partners, Moscow and Mr. Sammy Kotwani, President Indian Business Association, Moscow and from RNM India we had Ms. Jagruti Sheth, Partner Mumbai Office, Mr. Ankit Dharmashi, Fund Manager Gift City office. The Webinar was interactive and set the tone for the forthcoming visit to India of President Putin where enhanced business collaborations is on the agenda. For all those who missed the Webinar, the recording is available on the RNM India YouTube channel.

On 21 November 2025, the Government of India issued a series of notifications bringing into force substantial provisions, including in many cases the entirety of all four Labour Codes, namely Code on Wages, 2019; Code on Social Security, 2020; Industrial Relations Code, 2020; and Occupational Safety, Health and Working Conditions Code, 2020. Organisations would need to conduct a comprehensive compliance review under the new regime.

On the Assurance Side, the Expert Advisory Committee (EAC) Opinion of the ICAI has been issued on the accounting treatment of GST component paid on lease payments under Ind AS 116. The EAC has clarified that GST paid by lessee to the lessor is a statutory levy and should not be included in the measurement of lease liability or the Right of Use (ROU) Asset

On the Transaction Regulatory front, the Reserve Bank of India has issued a Consolidated Master Directions. Under this consolidation exercise consolidation of more than 3500 directions, circular and guidelines have been consolidated into 244 Master Directions across 11 types of regulated entities.

Global Capability Centers (GCC) are the buzz word these days and RNM India is assisting in providing GCC-as-a-Service (GaaS) on a turnkey basis across the planning and advisory phase as well as the execution phase by assisting MNCs looking to set up their GCC in India with premium green building workspaces at RNM Tower. Be sure to follow the 'RNM Tower' page on Instagram for regular updates.

We would like to take this opportunity of wishing all our readers a Merry Christmas. On this day we celebrate not only the birth of Jesus Christ, but also hope, love and salvation.

U N Marwah
Chairman - RNM India

Direct Tax

R. Praggnanandhaa - Chess Grandmaster at age 12

Important Judicial Precedents

1. Writ challenging order passed by AO under section 148A(d) maintainable despite alternate appeal remedy: HC

[2025] 180 taxmann.com 207 (SIKKIM-HC) Zydus Healthcare Ltd vs. ACIT

Section 246A, read with section 148A, of the Income-tax Act, 1961 - Commissioner (Appeals) - Appealable orders (Order under section 148A(d)) - Whether section 246A(1)(b) provides scope for appeal against order under section 148A(d) - Held, yes - Whether power to issue prerogative writs under Article 226 of Constitution of India is plenary and discretionary in nature, and availability of alternative remedy does not bar exercise of such jurisdiction - Held, yes - Whether thus High Court, in exercise of its discretion, could entertain writ petition against order under section 148A(d) notwithstanding availability of alternative remedy - Held, yes [Paras 3 and 4] [In favour of assessee]

2. Both JAO and FAO have concurrent jurisdiction to initiate reassessment proceedings under section 148: HC

[2025] 179 taxmann.com 619 (Delhi-HC) Yukti Export vs. Income-tax Officer

Section 147, read with sections 148 and 151A, of the Income-tax Act, 1961 - Income escaping assessment - Issue of notice for (Jurisdiction) - Whether both Jurisdictional Assessing Officer (JAO) and Faceless Assessing Officer (FAO) possess concurrent jurisdiction to initiate reassessment proceedings under section 148 - Held, yes [Paras 10 and 18] [In favour of revenue]

3. AO must refund TDS if assessee furnishes valid Form 16A, even if not reflected in Form 26AS: HC

[2025] 179 taxmann.com 615 (Allahabad-HC) U.P. Rajya Nirman Sahakari Sangh Ltd. vs. Union of India Min.of Finance Dept.of Revenue

Where assessee claimed TDS refund by submitting Form 16A certificates but TDS was not reflected in Form 26AS, Assessing Officer could not deny refund solely due to mismatch and was obliged to verify Form 16A details, making assessee entitled to refund once such certificates were accepted by tax authority.

4. Sec. 50C not applicable on sale of leasehold rights as transfer did not involve land or building: ITAT

[2025] 179 taxmann.com 567 (Delhi - Trib.) Neha Gupta vs. Income-tax Officer

Section 50C of the Income-tax Act, 1961 - Capital gains - Special provision for computation of full value consideration (Leasehold rights) - Assessment year 2009-10 - Assessee sold an industrial unit, which was a leasehold property - Assessing Officer adopted stamp duty valuation as full value of consideration and made addition under section 50C - It was noted that in case similar to assessee, High Court held that section 50C would not apply to a case of rights in land - Whether since what was sold by assessee was not 'land or building' or both but only lease rights in land, provisions of section 50C would have no application to facts of assessee's case - Held, yes [Paras 8 to 10] [In favour of assessee]

5. **Payment for withdrawing suit claiming property rights is not capital gains; no transfer of asset: ITAT**

[2025] 180 taxmann.com 478 (Mumbai - Trib.) Shireen J. Dastur vs. ITO

Where assessee, a non-resident individual, received Rs. 15 crores from purchaser of an immovable property for withdrawing her civil suit claiming inheritance rights in that property, since her suit was still pending before High Court and any right in property would have accrued only upon adjudication, she had no existing enforceable right capable of transfer; therefore, withdrawal of suit did not amount to transfer of a capital asset under sections 2(14) and 2(47), and amount received could not be taxed under head 'capital gains'

6. **Notice u/s 148 to be quashed as same was issued after expiry of limitation period prescribed by TOLA: HC**

[2025] 179 taxmann.com 572 (Delhi-HC) Sarthak Gupta vs. Income-tax Officer

In view of decision in case of Union of India v. Rajeev Bansal [2024] 167 taxmann.com 70/469 ITR 46/301 Taxman 238 (SC), notices issued under section 148 on or after 01-04-2021 in respect of assessment year 2015-16 were liable to be dropped as they would not fall for completion during period prescribed under TOLA.

7. **HC deleted penalty as assessee disclosed acquisition of foreign assets in ITRs before any notice for penalty was issued**

[2025] 180 taxmann.com 634 (Bombay-HC) PCIT vs. Shrem Alloys (P.) Ltd

Where assessee disclosed acquisition of foreign asset in original returns for relevant years as well as in books of account and again in section 153A return before any penalty proceedings, imposition of penalty for alleged non-disclosure in prescribed format was unwarranted.

8. **TDS credit can't be denied to ex-employee merely because employer failed to comply with TDS provisions: ITAT**

[2025] 180 taxmann.com 645 (Delhi - Trib.) Mani Madhukar Bansal vs. ACIT/DCIT, International Taxation

Where employer had not given any Form 16 to assessee after deducting TDS from salary and assessee had brought on record relevant salary slips to demonstrate that tax was deducted from salary, revenue could not deny tax credit to assessee.

9. **HC directs AO to verify info. available on 'Insight Portal' before issuing notice u/s 148A(1)**

[2025] 180 taxmann.com 16 (Gujarat-HC) Vasuki Global Industrial Ltd. vs. PCIT

It is responsibility and liability of jurisdictional Assessing Officer to verify information made available on Insight Portal which suggests that income chargeable to tax has escaped assessment in case of assessee for relevant assessment year and if necessary, Assessing Officer must conduct inquiry with prior approval of specified authority with respect to such information and only after verification of information made available to Assessing Officer, provisions of section 148A(1) shall be invoked.

Indirect Tax

Gitanjali Rao - TIME Kid of the Year at age 15

GST Calendar –Compliances for the month of November 2025.

Nature of Compliances	Due Date
GSTR-7 (Tax Deducted at Source 'TDS')	December 10, 2025
GSTR-8 (Tax Collected at Source 'TCS')	December 10, 2025
GSTR-1	December 11, 2025
IFF- Invoice furnishing facility (Availing QRMP)	December 13, 2025
GSTR-6 Input Service Distributor	December 13, 2025
GSTR-2B (Auto Generated Statement)	December 14, 2025
GSTR-3B	December 20, 2025
GSTR-5 (Non-Resident Taxable Person)	December 20, 2025
GSTR-5A (OIDAR Service Provider)	December 20, 2025
PMT-06 (who have opted for QRMP scheme)	December 25, 2025

GST Update – November 2025

1. CESTAT to move fully to e-filing from 1 January 2026

The Tribunal is transitioning to a complete digital filing architecture. Every appeal—new or pending—will have to be lodged and managed online. Even documents earlier filed in physical form must be uploaded on the portal at least a week prior to final hearing. This marks a decisive move toward eliminating paper-based processes in indirect tax litigation.

2. Annual GST compliances for FY 2024–25

GSTR-9 and GSTR-9C are now live on the portal. GSTN has issued detailed FAQs to resolve practical issues around reporting, audit adjustments, and validation errors.

3. Circular 253/10/2025

The Government has withdrawn the earlier requirement mandating a Chartered Accountant's certificate or recipient's undertaking confirming reversal of input tax credit against a credit note issued by the supplier. Consequently, suppliers may now reduce their tax liability on issuance of a credit note without needing such external confirmation, simplifying compliance and eliminating an additional procedural step.

Union of India v. SICPA India Pvt. Ltd. – Sikkim High Court

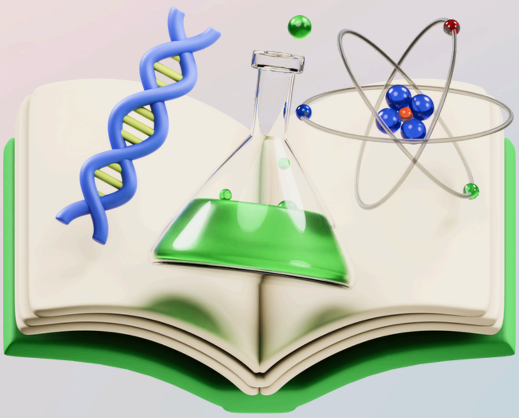
1. Facts

The assesse, SICPA India Pvt. Ltd., had discontinued its business operations in the State of Sikkim. Upon closure, the assesse was left with a sizeable balance of accumulated Input Tax Credit (ITC) in its electronic ledger. The assesse sought refund of this unutilized ITC, contending that since business activities had ceased, there was no possibility of utilizing the credit against future output tax. An earlier judgment of the same High Court had held that refund of accumulated ITC upon closure was permissible, even though the CGST Act does not expressly provide for such a refund category.

The Department challenged the earlier view, arguing that:

- ITC is not an unconditional entitlement;
- Refund can be granted only under the specific situations enumerated in Section 54 of the CGST Act;
- Closure of business does not fall under any statutory refund category.

The matter was placed before the High Court to re-examine the correctness of the earlier decision.



2. Issues

The decision turned on the following core questions:

- Whether a registered person who closes down its business has a statutory right to claim refund of accumulated ITC under the CGST Act.
- Whether accumulated ITC, left unutilized solely because business has ceased, can be refunded in the absence of explicit legislative sanction.

3. Held

The Sikkim High Court held that a taxpayer whose business has ceased has no statutory right to seek refund of accumulated Input Tax Credit, as the CGST Act allows refund of unutilized ITC only in specifically enumerated situations such as zero-rated supplies or inverted duty structure, and closure of business is not one of them. ITC being aconditional concession meant solely to offset output tax, it cannot survive once taxable supplies cease; accordingly, any remaining ITC must be reversed, not refunded. The Court therefore overruled its earlier contrary decision, reiterating that refund provisions must be strictly construed, and no refund can be granted unless explicitly authorized by statute.

<u>Hikal Ltd. v. Union of India – Bombay High Court</u>

1. Facts

Hikal Ltd. was subjected to proceedings initiated under Rule 96(10) of the CGST Rules, 2017, which at the relevant time imposed restrictions on exporters claiming IGST refunds where they had availed certain benefits under other export incentive schemes. In the midst of these proceedings, Rule 96(10) was omitted by the Government without incorporating any savings clause preserving pending actions.

Despite the omission, the Department continued to pursue action against Hikal Ltd. under the deleted rule, contending that the omission did not nullify past liabilities or ongoing proceedings. The assessee challenged this continuance, arguing that once the rule stood deleted without savings, it must be treated as though it never existed, and no authority could sustain proceedings founded upon it.

Thus, the dispute reached the Bombay High Court to determine the effect of the deletion of Rule 96(10) on pending proceedings.

2. Issues

Whether the omission of Rule 96(10) of the CGST Rules, without a savings clause, results in automatic termination of all pending proceedings initiated under that rule. Whether a deleted rule can continue to operate for past periods in the absence of explicit statutory preservation of liabilities. Whether ongoing actions against Hikal Ltd., premised solely on Rule 96(10), were legally sustainable post-omission.

3. Held

The Bombay High Court held that upon omission of Rule 96(10) without any savings clause, all pending proceedings that do not constitute “past and closed transactions” automatically lapse, and the deleted rule must be treated as if it never existed in the statute book. The Court applied the settled principle under Section 6 of the General Clauses Act, 1897, that unless the Legislature expressly preserves accrued liabilities, the repeal or omission of a provision entirely extinguishes the basis for continuing proceedings under it. Consequently, any action taken or continued against Hikal Ltd. solely under Rule 96(10) after its omission was rendered unsustainable in law. The Court therefore held that the Department could not proceed further, as the statutory foundation for such proceedings had ceased to exist.

Eagle Security & Personnel Services v. Union of India – Bombay High Court

1. Facts

The assessee, engaged in providing security and manpower services, supplied certain outward services that were liable to tax under the reverse charge mechanism (RCM) in the hands of the recipient. While computing its input tax credit (ITC) eligibility under Sections 17(2) and 17(3) of the CGST Act, the Department treated these RCM-taxable outward supplies as “exempt supplies”. This treatment reduced the proportion of eligible ITC available to the assessee. The assessee challenged the legislative scheme itself, contending that including RCM-taxable outward supplies within the definition of “exempt supplies” was arbitrary, ultra vires, and resulted in unjust denial of ITC.

2. Issues

Whether Sections 17(2) and 17(3) of the CGST Act, 2017—requiring inclusion of RCM-taxable outward supplies in the value of exempt supplies—are constitutionally valid. Whether denial of proportionate ITC on account of such inclusion violates the principles of neutrality, arbitrariness, or excessive legislative delegation. Whether ITC constitutes a vested right, thereby restricting the Legislature’s power to impose conditions or limitations on its availment.

3. Held

The Bombay High Court upheld the validity of Sections 17(2) and 17(3), holding that ITC is a conditional statutory benefit, not an absolute right, and the Legislature is empowered to determine the circumstances in which ITC may be restricted or denied. Including RCM-taxable outward supplies within “exempt supplies” for apportionment of credit was found neither arbitrary nor unconstitutional, as it reflected a deliberate policy choice to prevent unintended credit flow where the supplier bears no output tax liability. The Court emphasized the limited scope of judicial review over economic and tax policy, and concluded that the impugned provisions were rational, consistent with GST’s architecture, and did not warrant interference.

Corporate Finance

Vedant Madhavan - International medals in swimming at age 15

Brookfield REIT To Acquire Bengaluru's Ecoworld For $1.5 Bn

Brookfield India Real Estate Trust, a publicly listed entity sponsored by Brookfield, has signed an agreement to acquire 100% of Ecoworld for $1.5 billion (around INR 13,412 crores). Ecoworld is a 7.7 million sq. ft. office campus on 48 acres along Bengaluru's Outer Ring Road, leased to global capability centers including Honeywell, Morgan Stanley, Standard Chartered, Shell, KPMG, Deloitte, and Cadence. The acquisition, made at a 6.5% discount to gross asset value, is expected to increase the REIT's operating area by 31% and gross asset value by 34%, while improving tenant diversification and global capability center share to 45%. Funding will come from a mix of $391.3 million (around INR 3,500 crores) in new debt, $111.8 million (around INR 1,000 crores) from a preferential issue, and $279.5 million (around INR 2,500 crores) in fresh equity. Brookfield REIT currently manages ten Grade A assets across major Indian gateway cities, with 29.1 million sq. ft. of leasable area. CEO Alok Aggarwal noted the acquisition strengthens its Pan-India platform, enhances growth prospects, and positions the REIT to deliver value to unitholders.

(Source: VC Circle, 06th November 2025)

Private Equity

Furniture Maker Spacewood Snags Fresh Capital From A91 Partners

A91 Partners has invested $ 33.9 million (around INR 300 crores) in Spacewood Furnishers, valuing the modular furniture manufacturer at about $135.5 million (around INR 1,200 crores). The funding will support Spacewood's expansion in Tier-2 cities, strengthen its presence in the mass-premium and premium segments, and enhance automation and technology capabilities. Founded in 1996, the company operates a large manufacturing facility in Nagpur and currently runs 35+ exclusive stores with a 500-partner dealer network.

(Source: VC Circle, 06th November 2025)

Mantra Group Raises $14 Mn To Expand Identity-Check And AI-Based Solutions

Deeptech firm Mantra Group has raised $14 million (around INR 125 crores) in its first institutional round led by India SME Fund II. The capital will be directed towards expanding R&D, enhancing AI and computer vision capabilities, and scaling its certified biometric and access-control product portfolio. Founded in 2006, Mantra has deployments across 50+ countries and is active in areas such as employee access, DigiYatra, and defence ID solutions. The company plans to strengthen its global presence, particularly in the Middle East, while expanding enterprise and airport-focused offerings.

(Source: VC Circle, 06th November 2025)

Waaree Energies' Battery Storage Arm Bags $113 Mn In Fundin

Waaree Energy Storage Systems, the battery-storage arm of Waaree Energies, has raised $113 million (around INR 1,010 crores) from multiple investors in a round led by Surat-based Niveshaay, which contributed $14.3 million (around INR 128 crores). The fundraise supports Waaree's broader strategy to scale its renewable energy capabilities including storage, smart metering, and manufacturing—following a $33.6 million (around INR 300 crores) infusion from its parent earlier this year. The capital will be used to expand cell and pack manufacturing, strengthen engineering and validation, and scale containerised BESS solutions in India and select global markets.

(Source: VC Circle, 12th November 2025)

Kotak Alts, Asha Ventures Bet On Eastern India- Focussed Hospital Operator

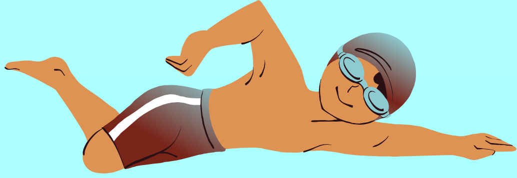
Kotak Alternate Asset Managers, through its Kotak Life Science Fund I, has invested $4.5 million (around INR 40 crores) in Patna-based Mediversal Healthcare, with Asha Ventures also participating. The funding will support Mediversal's organic and inorganic expansion across Bihar and eastern India. Founded in 2020, the company operates a 200-plus bed hospital and served over 60,000 patients last year, recording $9.58 million (around INR 85.7 crores) revenue in FY24 and turning profitable. The capital will help strengthen its technology infrastructure and scale new facilities in underserved regions.

(Source: VC Circle, 13th November 2025)

HDFC Capital, Hero Realty Create $112 Mn Housing Platform

HDFC Capital Advisors and Hero Realty have formed a $112 million (around INR 1,002 crores) platform to develop mid-income housing projects across Tier 1 and Tier 2 cities. HDFC Capital noted strong demand driven by infrastructure growth and rising aspirations in these markets. Hero Realty, which has delivered 8.4 million sq. ft. of residential projects and operates across NCR, Punjab, and Uttarakhand, aims to accelerate its expansion through this partnership. The collaboration is expected to support new projects in well-connected urban extensions of major metros.

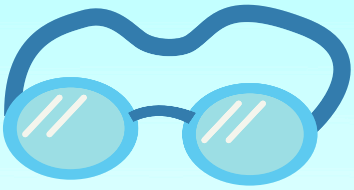
(Source: VC Circle, 27th November 2025)



Venture Capital

TVS Capital, Z47 Invest In Digital Lender Finnable

Finnable, a digital lending platform focused on salaried professionals, has raised $56.4 million (around INR 504 crores) in a new equity round led by Z47 (formerly Matrix Partners India) and TVS Capital. The funds will be used to expand its product suite, deepen partnerships, and strengthen tech and data capabilities. Founded in 2018, Finnable targets salaried individuals earning ₹15,000–₹50,000 segments often underserved by traditional banks through a hybrid "phygital" model combining digital underwriting with physical verification.
(Source: VC Circle, 11th November 2025



MAIA Estates Secures $13.5 Mn From Arnya For New Residential Development

Bengaluru-based MAIA Estates has raised $13.5 million (around INR 120 crores) from real estate investment firm Arnya to develop a residential project in Basavanagudi, South Bengaluru. Founder and CEO Mayank Ruia said the partnership will help deliver a project that aligns with the locality's heritage and focus on resident well-being. Arnya's founder Sharad Mittal noted that Bengaluru's luxury housing market is poised for strong growth, mirroring trends seen in Mumbai and Gurgaon. Established in 2016, MAIA Estates has a development pipeline of 11 million sq ft. Arnya, led by Mittal after his stint at Motilal Oswal Real Estate, manages two sector-focused funds.
(Source: VC Circle, 11th November 2025)

Sixth Sense Ventures Leads Funding In Bombay Shaving Company

Bombay Shaving Company has raised $15.3 million (around INR 136 crores) in a new round led by existing investor Sixth Sense Ventures, with participation from founder-CEO Shantanu Deshpande, the Patni Family Office, Gulf Islamic Investments, Rahul Dravid and other HNIs. The round includes both primary and secondary components, with Sixth Sense estimated to have invested INR 90–100 crores while also buying out an HNI investor. The company plans to use the funds to strengthen its Omni channel presence, deepen retail reach, and build capabilities ahead of a potential IPO in the next 18–24 months.
(Source: VC Circle, 12th November 2025)

AgroStar Raises $30 Mn From Just Climate, Existing Investors

Pune-based AgroStar has raised $30 million (around INR 268 crores) in equity funding from Just Climate, with participation from existing investors. The company will use the capital to expand its Pan-India presence, enhance product offerings across input and output categories, and accelerate AI-led platform development. Founded in 2013, AgroStar operates an Omni channel agri-inputs and advisory platform serving over 10 million farmers through 10,000+ retail stores. The company reported significant sustainability gains in FY25, including 276 billion litres of water savings and 120,000 tonnes of CO_2-equivalent emissions avoided.

(Source: VC Circle, 20th November 2025)

Wealth-Tech Platform Wealthy.in Secures $14.5 Mn Series B Funding

Wealth-tech platform Wealthy.in has raised $14.5 million (around INR 130 crores) in a Series B round led by Bertelsmann India Investments, with participation from Alpha Wave Global, Shepherd's Hill and prominent tech entrepreneurs. The funds will be used to enhance its tech stack, build AI-powered advisory tools, and expand across tier II and III markets. Founded by Aditya Agarwal and Prashant Gupta, the platform supports 6,000+ mutual fund distributors serving over 100,000 clients and processing $34.48 million (Around INR 300 crores) in monthly transactions.

(Source: VC Circle, 24th November 2025)

Mergers & Acquisitions

Cipla To Acquire Inzpera Healthsciences To Expand Paediatric Portfolio

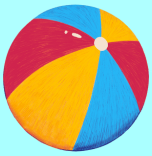
Cipla has signed an agreement to acquire Inzpera Healthsciences for $12.5 million (around INR 111 crores), making it a wholly owned subsidiary upon completion. The acquisition bolsters Cipla's paediatric pharmaceutical and wellness portfolio, leveraging its distribution and operational strengths to scale Inzpera's differentiated products. Founded in 2016 and backed by Tata Industries, Inzpera offers brands such as Bowmuv, Babeaze, Tasiron, Curkey and Imki. The company reported $2.99 million (around INR 26.75 crores) revenue in FY25, up 21.3% YoY. The transaction implies an enterprise value of $13.5 million (around INR 120 crores), or ~4.5x FY25 revenue.

(Source: VC Circle, 04th November, 2025)

Carlyle Controlled Hexaware Makes Second Acquisition Within Four Months

Hexaware Technologies has agreed to acquire CyberSolve, an IAM-focused cybersecurity solutions provider, for $66 million (around INR 590 crores), with $34.5 million (around INR 308 crores) payable upfront and the balance tied to future performance. The deal enhances Hexaware's AI-led cybersecurity capabilities through CyberSolve's specialised IAM consulting, integration services and proprietary accelerators. Founded in 2016, CyberSolve earns ~90% of its revenue from the US and has completed over 500 implementations. This marks Hexaware's second acquisition within four months, following its $120 million (around INR 1073 crores) purchase of SMC Squared to strengthen its GCC capabilities.

(Source: VC Circle, 07th November, 2025)



PE-Backed Indegene To Acquire Austrian Healthcare Marketing Firm

Indegene has signed an all-cash deal to acquire Austria-based Cake Kommunikations Holding GmbH (Cake Group) and its European subsidiaries for up to $9.8 million (around INR 87 crores), pending regulatory approval under Austria's InvKG. The acquisition strengthens Indegene's European footprint and enhances its healthcare communications capabilities across the DACH region. Cake Group, which provides brand strategy, creative campaign development and digital marketing solutions, operates with a team of around 25 professionals. The deal follows Indegene's recent acquisition of US-based BioPharm as part of its strategy to expand its commercialization and ad-tech offerings.

(Source: VC Circle, 11th November 2025)

Cement Maker Nuvoco Vistas To Buy Vadraj Energy From JSW, Alpha Alts

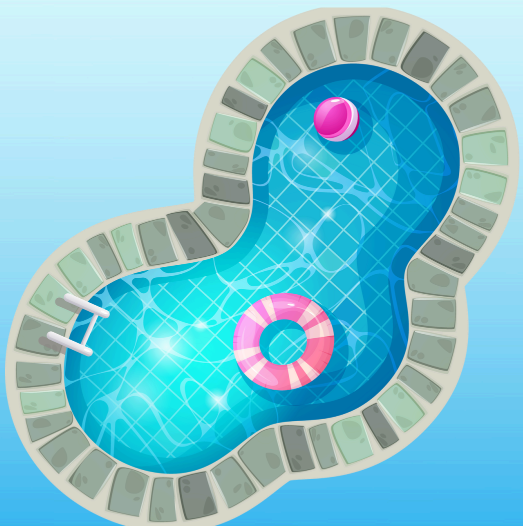
Nuvoco Vistas has agreed to acquire Vadraj Energy (Gujarat) Ltd from JSW Cement and Alpha Alternatives for $22.4 million (around INR 200 crores), with $21.42 million (around INR 191.63 crores) payable to JSW Cement and remaining $0.98 million (around INR 8.63 crores) to alpha alternatives. Vadraj Energy owns two captive power plants in Kutch and Surat and is currently a wholly owned unit of Algebra Endeavour, which will become a subsidiary of Nuvoco post-transaction. The acquisition strengthens Nuvoco's captive power capacity, enhancing operational efficiency and cost control.

(Source: VC Circle, 18th November 2025)

RPSG Ventures To Acquire Stake In Luxury Fashion House Falguni Shane Peacock

RPSG Ventures is acquiring a 40% stake in luxury fashion house Falguni Shane Peacock (FSP Design Pvt Ltd) for $20.34 million (around INR 182 crores) in cash, valuing the company at an enterprise value of $51.4 million (around INR 459 crores). The deal includes an option for RPSG to buy an additional 10% within 18–24 months, potentially raising its total investment to $25.46 million (around INR 227.6 crores). The acquisition marks RPSG's entry into India's rapidly expanding luxury couture and lifestyle segment. Founded in 2004, FSP operates in India and internationally, including a showroom in New York, and is known for dressing global celebrities such as Beyoncé, JLo, Katy Perry, and Rihanna.

(Source: VC Circle, 19th November 2025)



Transaction & Regulatory Advisory Services

Emma Raducanu - Won the US Open at age 18, Tennis

Key Regulatory & Legal Updates in November 2025

1. Ministry of Corporate Affairs (MCA)

- **Loans & Guarantees Clarification (Section 186)**

MCA notified amendment clarifying that NBFCs' ordinary-course lending and guarantee activities fall squarely within "business of financing industrial enterprises." It will reduce ambiguity for NBFCs/finance companies in complying with Section 186 limits.

Read More: https://www.mca.gov.in/content/mca/global/en/home.html

- **Enforcement on Preferential Issues / CCPS**

a "start-up" was penalized for issuing Compulsorily Convertible Preference Shares (CCPS) by private placement / preferential allotment without obtaining a required Registered Valuer's report.

Read More: https://www.mca.gov.in/content/mca/global/en/home.html

2. Securities and Exchange Board of India (SEBI)

- **SEBI LODR (Fifth Amendment), 2025**

Key changes relate to — materiality thresholds for related-party transactions (RPTs); validity periods of omnibus shareholder approvals; clearer definitions around "holding company" (to mean a listed holding company, if applicable); and revised compliance / disclosure obligations. In view of the same, listed companies must revise RPT policies and disclosure controls.

Read More: : https://www.sebi.gov.in/

- **Angel Funds – New Sub-Category under AIF Regime**

SEBI issued amendments separating Angel Funds as a dedicated AIF sub-category and stricter norms around investor eligibility, disclosure, governance, and investment thresholds have been introduced. Existing funds have a transition window until September 2026 to comply.

Read More: https://www.sebi.gov.in/

3. Reserve Bank of India (RBI)

- **Export of Goods & Services — FEMA Amendment**

This affects aspects like export-related forex flows, compliance with export-of-services/goods regulations, and remittance regulations.

Read More: https://www.rbi.org.in/

GIFT City Update

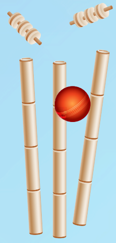
Ishan Kishan - India's youngest T20 high scorers at age 17–18

03 Nov 2025: FATF High-Risk & Monitored Jurisdictions

The Financial Action Task Force (FATF) Plenary released updated lists of jurisdictions with strategic AML/CFT deficiencies:

1. High-Risk Jurisdictions – Subject to Call for Action

FATF urges all countries to apply **countermeasures, targeted financial sanctions, and enhanced due diligence** for:



- **Democratic People's Republic of Korea (DPRK)**
- **Iran**
- **Myanmar**

2. Jurisdictions Under Increased Monitoring (Grey List)

Countries with identified AML/CFT deficiencies and working with FATF on action plans include:

- **Algeria, Angola, Bolivia, Bulgaria, Cameroon, Côte d'Ivoire, DRC, Haiti, Kenya, Lao PDR, Lebanon, Monaco, Namibia, Nepal, South Sudan, Syria, Venezuela, Vietnam, Virgin Islands (UK), Yemen**

3. Countries Removed from Increased Monitoring (as of Oct 2025)

- **Burkina Faso**
- **Mozambique**
- **Nigeria**
- **South Africa**

FATF clarifies that the advisory **does not prohibit** legitimate trade or business transactions by IFSCA-regulated entities with these jurisdictions.

Detailed updates are available in the FATF's October 24, 2025 public statements.

03 Nov 2025: Consultation Paper — Amendments to IFSCA (Capital Market Intermediaries) Regulations, 2025

Purpose / Background

- IFSCA issued the IFSCA (Capital Market Intermediaries) Regulations (CMI Regulations) in **April 2025**, replacing the 2021 rules.
- New rules set detailed norms for **principal officers, compliance officers,** and revised **net worth** definitions for certain intermediaries (broker-dealers, clearing members, investment bankers).
- Original compliance deadline for appointments / net-worth infusion was **Oct 1, 2025;** extended to **Dec 31, 2025** due to stakeholder representations.

Objective of this consultation

- Seek public / stakeholder comments on proposed amendments to improve ease of doing business and align rules with IFSC market realities.

Key proposed changes (high level)

1.Eligibility / Qualifications for Principal & Compliance Officers

- **Add fintech and STEM (science, technology, engineering, mathematics)** as acceptable postgraduate qualifications.
- **Reduce minimum experience** required for graduates from **10 years → 5 years** (so graduation + 5 years qualifies).

2.Common Principal Officer across multiple registrations

- Allow **same person** to be principal officer for entities registered as **broker-dealer, clearing member, depository participant, custodian and registered distributor.**
- For **distribution activities,** require a **separate vertical head** with adequate financial services experience.

3. Clarification on 'Liquid Net Worth' components

- **Exclude** base minimum capital and interest-free deposits placed with stock exchanges / clearing corporations from liquid assets.
- **Include** margins deposited with clearing members and clearing corporations as part of liquid assets.

4. Net worth requirement for Custodians

- Propose **minimum net worth = USD 1 million** for custodians registered with IFSCA.
- For branches, parent may maintain net worth at parent level but **earmark** the specified amount for the IFSC branch.
- Existing custodians will have time till **Jan 31, 2026** to comply where additional infusion/earmarking is required.

5.Umbrella / Unified Registration (exploratory)

- IFSCA is **exploring an umbrella registration** allowing one application/license to cover multiple capital market activities (similar to Singapore's CMS licence).
- Consultation invites views on merits, challenges and safeguards (e.g., conflicts of interest) if entities undertake multiple activities.

Expected impact

These amendments aim to **ease operational burden**, reduce compliance friction for nascent IFSC players, and streamline registration while protecting investor/market integrity through specified safeguards

04 Nov 2025: Consultation Paper – Proposed IFSCA (Pension Fund) Regulations, 2025

The International Financial Services Centres Authority (IFSCA) has released a consultation paper proposing the **IFSCA (Pension Fund) Regulations, 2025**, following recent government notifications that bring pension schemes under its regulatory ambit within GIFT-IFSC.

Key drivers include expanding pension access for **15 million NRIs, 19 million PIOs, and foreign expatriates**, and positioning IFSC as a **global pension hub**.
The proposed regulations aim to create a **robust, flexible, and globally aligned pension ecosystem,** offering:

·Voluntary subscriber participation
·Flexible contribution frequency and amounts
·Multiple investment scheme options
·Diverse exit choices
·Integration with health/medical insurance products

Stakeholders have been invited to provide feedback by **November 25, 2025.**

11 Nov 2025: Additional Directions on Reporting of Transactions for India's External Account Statistics (IBUs – BAL Statement)

The IFSCA has issued new reporting requirements to enhance the accuracy of India's external account statistics, specifically related to the **fortnightly Banking Asset Liability (BAL) statement** submitted by IFSC Banking Units (IBUs) through the RBI's **FETERS** system.

Background

- IBUs currently report foreign currency holdings (Nostro balances, FDs, loans, securities, T-bills) as required by the **2022 IFSCA circular**.
- However, IBUs have now begun maintaining **foreign currency Vostro accounts** of overseas banks, which are **not being captured** in current BAL submissions.

New Reporting Requirements (Effective from 2nd Fortnight of November 2025)

IBUs must now also report:

- **Balances in foreign currency Vostro accounts** of overseas banks maintained with the IBU.

Key Reporting Instructions

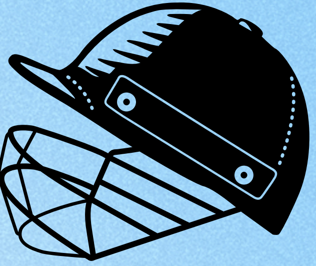
1.Vostro Account Reporting

- Only one subcomponent: **Current Account.**
- **Report either:**
  - Net **Credit (Cr)** balance, or
  - Net **Debit (Dr)** balance (entered as a positive number).

→ *No simultaneous reporting of both Cr and Dr.*

2.Valuation

- Report **book value** of balances held by overseas banks/branches in the respective currency.



3.Country & Currency Fields

- **Country**: jurisdiction of overseas bank holding the Vostro account.
- **Currency**: currency in which the account is maintained.

4.Revised BAL format shared in the annexure (not included in text).

Compliance Note

- Instructions supplement existing IFSCA (2022) and RBI reporting guidelines.
- **Non-compliance** (inaccuracy or delays) will be taken **seriously** by IFSCA.

Legal Basis

- Issued under **Section 35A** of the Banking Regulation Act, 1949 and **Section 13(1)** of the IFSCA Act, 2019.

<u>13 Nov 2025: Implementation Services by Investment Advisers in IFSC</u>

The circular clarifies how **Investment Advisers (IAs)** in GIFT-IFSC may offer *implementation* services—i.e., assisting clients in executing transactions related to the advice they provide.

Key Provisions

1. Implementation of Products Listed on IFSC Exchanges

- If the **financial products or securities are listed on a recognized IFSC stock exchange,** → Implementation services **must be routed through an IFSCA-registered broker dealer.**

2. Implementation of Foreign (Non-IFSC) Products

- For **products/securities listed in foreign jurisdictions**, → Investment Advisers may enter into **formal arrangements** with:
  - Overseas investment platforms, and/or
  - Asset management companies (AMCs) → Provided these entities are **registered or regulated** with a financial regulator in that foreign jurisdiction.

3. Optional Nature of Implementation Services

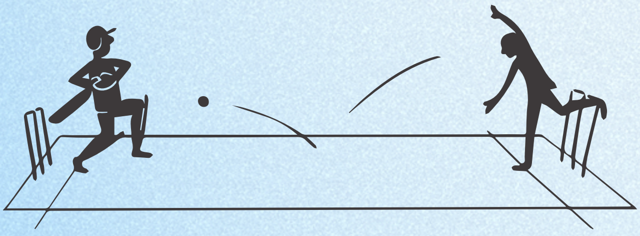
- IAs must ensure implementation services remain **completely optional.**
- Clients **cannot be compelled** to use the IA's execution/implementation services (as per Regulation 34(13) of CMI Regulations).

Effective Date

- The circular is **effective immediately.**

Legal Authority

- Issued under **Sections 12 & 13** of the IFSCA Act, 2019 and **Regulations 27 & 45** of the Capital Market Intermediaries (CMI) Regulations.



17 Nov 2025: Mandatory AML/CFT Certification for Designated Directors & Principal Officers

IFSCA has issued a circular requiring key compliance personnel of all regulated entities in the IFSC to obtain a newly launched AML/CFT certification.

Background

- Clause **8.2** and **8.4** of the **IFSCA (AML/CFT/KYC) Guidelines, 2022** mandate adequate training and competency for Principal Officers and relevant employees responsible for AML/CFT compliance.

New Certification Requirement

- A specialized program titled **"NISM-IFSCA-01: Certification Course on Anti-Money Laundering and Counter-Terrorist Financing in the IFSC"** has been jointly developed by:
  - **NISM (National Institute of Securities Markets)**
  - **IFSCA Academy**
- Course launch date: **18 November 2025.**
- The curriculum is aligned with the IFSCA AML/CFT/KYC Guidelines.

Mandate

- **Designated Directors** and **Principal Officers** of all IFSC regulated entities:
  - **Must undergo this certification course**, and
  - **Must maintain valid certification at all times** while performing their AML/CFT responsibilities.

Objective

- To strengthen AML/CFT compliance standards and ensure competent oversight across IFSC-regulated entities.

19 Nov 2025: Consultation Paper on Proposed IFSCA (Registration of Insurance Business) (Amendment) Regulations, 2025

Objective: To seek public comments on proposed amendments to the definition of Lloyd's IFSC Service Companies under the IFSCA (Registration of Insurance Business) Regulations, 2021.

Background

- Lloyd's London requested IFSCA to expand the definition of entities permitted to establish a Lloyd's Service Company in GIFT-IFSC.
- The current definition allows only Managing Agents of Lloyd's or Indian Companies to set up such Service Companies.
- IFSCA noted that Members of Lloyd's Syndicates (which may be corporate bodies or Indian persons) are currently excluded.
- The proposed amendment intends to broaden eligibility by including members or group entities as approved by Lloyd's.

Proposed Amendment

A revised definition of "**Service Companies of Lloyd's IFSC**" is proposed, allowing establishment of Lloyd's Service Companies by:

1. **Managing Agents of Lloyd's,**
2. **Group entities of Managing Agents or Members of Lloyd's,** as permitted by Lloyd's,
3. **Indian companies** meeting prescribed criteria.

Public Consultation

- Draft amendment notification is published on the IFSCA website.
- Stakeholders are invited to submit comments by **29 November 2025.**

Regulatory Basis

The amendment is issued under **Sections 12, 13, and 28** of the IFSCA Act, 2019.

<u>25 Nov 2025: Consultation Paper on Guidelines on Cyber Security and Cyber Resilience for the Market Infrastructure Institutions (MIIs) in IFSC</u>

Consultation Paper issued by IFSCA that presents the **draft Guidelines on Cyber Security and Cyber Resilience for Market Infrastructure Institutions (MIIs) in IFSC** (such as stock exchanges, clearing corporations, depositories, and the bullion exchange).

The **purpose** is to seek stakeholder comments on a proposed **enhanced, risk-based cybersecurity framework** tailored for MIIs, considering their **systemic importance and high interconnectivity** in the financial market ecosystem**.**

Why this is needed

- MIIs are critical infrastructure enabling listing, trading, clearing, and settlement.
- Cyber threats can disrupt financial stability, market integrity, and interconnected participants.
- As an IOSCO member, IFSCA aligns its norms with **CPMI–IOSCO Principles for FMIs, especially Principle 17 (Operational Risk).**
- MIIs in IFSC require a "**differentiated and elevated**" cybersecurity baseline, stronger than the standard RE guidelines.

What the paper contains

The document includes **comprehensive draft guidelines** (Annexure A), covering:

- **Governance**: Board-approved policies, risk appetite, CISO role, SCOT oversight.
- **Identify**: Asset inventory, critical asset classification, risk assessment.
- **Protect**: Access control, AD/DC security, network security, data protection, training, secure SDLC, change management, patching, third-party risk, cloud security.
- **Detect**: Continuous monitoring, alerts, anomaly detection.
- **Respond**: Cyber Crisis Management Plan, incident reporting (within 6 hours), RCA and mitigation.
- **Recover**: DR/BCP aligned restoration and backups.
- **Resilience**: Cyber resilience testing, scenario drills.
- **Cyber SOC:** Mandatory 24×7 C-SOC + DR-site C-SOC.

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Audit:
Annual CERT-In empanelled audits, ISO 27001 certification within 2 years, VAPT, revalidation.

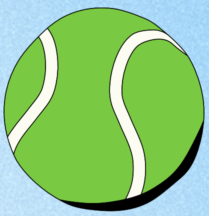
Consultation Process

Stakeholders are invited to send comments (with a structured format) by **December 16, 2025** to IFSCA's cybersecurity team.

26 November 2025: IFSCA Circular- Disclosure Requirement under Clause 39

Applies to:

- Global Access Providers (GAPs)
- Introducing Brokers (IBs)
- Recognised Stock Exchanges in IFSC
- Broker-dealers in IFSC



Purpose of the Circular

To mandate **display of key risk disclosures** to clients **at every login**, as required under **Clause 39** of the "Regulatory Framework for Global Access in the IFSC" (issued August 12, 2025).

What Entities Must Do

- GAPs and IBs must display **IFSCA-specified key risks & disclaimers** to clients at every login.
- They must fully comply **by December 31, 2025.**

Legal Basis

Circular issued under Sections 12 & 13 of the IFSCA Act, 2019 read with Regulations 27 and 45 of the CMI Regulations.

<u>Annexure I — Key Risks to Be Shown to Investors</u>

These risks must be shown as a mandatory notice before a client proceeds.

1. Market & Interest Rate Risk: Foreign markets operate under different regulations, hours, disclosure norms, and investor-protection frameworks.
2. Currency Risk: Returns may vary due to currency fluctuations when converting to base currency.
3. Custody Risk: Assets held with foreign brokers/custodians could be impacted if those entities fail or become insolvent.
4. Liquidity & Settlement Risk: Foreign markets may have different settlement cycles and lower liquidity, causing potential delays or execution challenges.
5. Technology, Time-Zone & Cybersecurity Risk: Electronic trading across time zones may face outages, latency, price gaps, and cyber-attack risks (including exposure of personal data).
6. Product & Suitability Risk: Foreign products may be complex and unsuitable for all investors; investors must independently assess suitability.
7. Regulatory & Legal Risk: Foreign laws govern the trades; investor protection and dispute mechanisms vary by jurisdiction. Some markets may have restrictions or sanctions.
8. Taxation Risk: Trades may attract taxes both in India and the foreign market; tax rules may change, and the investor is responsible for compliance.
9. Remittance & Compliance Risk: All transfers must follow Indian laws (including RBI's LRS) and foreign jurisdiction rules; violation may lead to regulatory action.
10. Social & Political Risk: Geopolitical or economic developments in foreign markets may materially impact investments.

26 Nov 2025: IFSCA Good Delivery Guidelines 2025

1. Objective

The consultation paper proposes a framework to **allow gold refined by any Indian or global refinery**—subject to responsible sourcing, best practices, and third-party audits—to be **eligible for delivery on the India International Bullion Exchange (IIBX).**
The aim is to deepen India's bullion market and align it with global standards.

2. Strategic Background

- India is one of the **largest gold importers/consumers** globally.
- The **International Bullion Exchange at GIFT IFSC (IIBX)** was conceptualized based on NITI Aayog's 2018 gold market reform recommendations and announced in Union Budget 2020.
- IIBX was launched in July 2022 to help India transition from being a **price taker to a price setter** in the global gold market.

3. Why New Good Delivery Guidelines?

Global bullion markets (e.g., LBMA, UAE Good Delivery) admit only refineries that follow:

- **Responsible sourcing norms**
- **Supply chain due diligence**
- **ESG and human rights safeguards**
- **AML/CFT compliance**

IFSCA intends to create an **Indian standard** aligned with these benchmarks to:

- Improve credibility of bullion delivered on IIBX
- Encourage more global participation
- Promote domestic refining
- Make India a trusted global bullion hub

4. Expected Impact

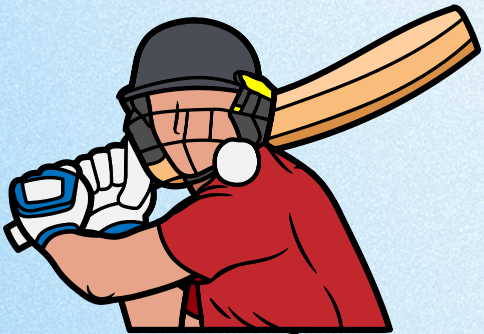
The proposed guidelines aim to create:

- A **transparent, compliant, responsible sourcing ecosystem**
- A refined and well-regulated bullion market at IFSC
- Better *ease of doing business* for bullion players
- Strong alignment with ESG norms and global best practices

5. Public Consultation

IFSCA invites public comments on the draft guidelines until **31 December 2025.**
Stakeholders may submit structured feedback in the prescribed format.

The consultation paper lays the foundation for a **comprehensive responsible sourcing and compliance framework** governing all refineries delivering gold on IIBX. It positions India to become an **internationally recognized, transparent, and credible bullion market**, strengthening GIFT City's role as a global financial hub.



27 Nov 2025: Clarification on raising invoices by IFSC Insurance Offices (IIOs)

Background

- IIOs had reported operational issues because invoices for reinsurance transactions had to be raised in the *currency of the underlying contract,* while settlements were routed through IFSC Banking Units (IBUs).
- IFSCA issued this clarification under its regulatory powers.

Key Clarification

1.Invoice Currency Flexibility

- An IIO can raise invoices on Indian insurers, foreign insurers, reinsurers, or cedants **in the currency of the underlying reinsurance contract.**
- This **includes the option to raise invoices in INR.**

2.Settlement Requirement

- Even if the invoice is raised in INR (or any other currency), **the actual realization of money into the IIO's bank account with an IBU must be in a *specified foreign currency*** - refers to the currencies listed in the First Schedule of the IFSCA Banking Regulations, 2020.

Regulatory Basis

- Issued under Section 12 & 13 of the IFSCA Act, 2019 and Regulation 18 of the IFSCA (Registration of Insurance Business) Regulations, 2021.
- **You can raise the invoice in INR**, but
- **You must receive the payment in a permitted foreign currency** in your IBU account.

29 Nov 2025: IFSCA Consultation Paper & Master Circular

Purpose

IFSCA has issued a **draft Master Circular** consolidating and superseding all earlier circulars (SEBI pre-Oct 2020 + IFSCA) governing **Broker Dealers and Clearing Members** in GIFT IFSC. Public comments invited by **20 December 2025**.

1. Unified Framework

- Consolidates rules under the *IFSCA (Capital Market Intermediaries) Regulations, 2025*.
- Provides a **single, harmonised regulatory structure** for broker dealers & clearing members.

2. Registration Process

- Registration must be applied through the **Single Window IT System (SWITS).**
- SWITS integrates:
  - SEZ Letter of Approval (LoA)
  - GST registration
  - NOCs from SEBI, RBI, IRDAI
- **Fees** must be paid as per IFSCA Fee Circular (2025).
- Registration is **perpetual**, subject to continued validity of SEZ LoA.

3. Supervision & Oversight

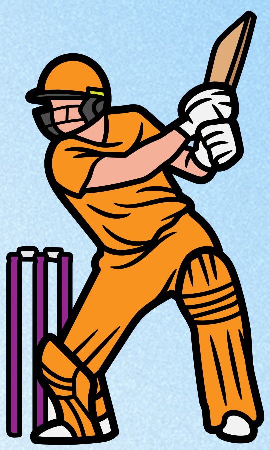
- Stock Exchanges/Clearing Corporations must inspect members annually.
- Joint inspections allowed for multi-membership entities.
- Monitoring requirements include:
    - **Net worth maintenance**
    - **Client funds monitoring**
    - **Event-based red flags**
- ·Early Warning Mechanism to detect **diversion of client securities**.

4. Client-Related Rules

- Mandatory **Unique Client Code.**
- Client funds must be in **segregated accounts.**
- Proprietary trading disclosure required in KYC.
- Contract notes must be issued within **24 hours.**

5. Authorised Persons (APs)

- Market access permitted through APs:
    - **Foreign jurisdictions**
    - **India (for LRS-based investors)**



6. Technology & Cyber Regulations

Software Testing

- Mandatory:
    - Simulated testing
    - Monthly mock trading
    - UAT procedures
    - Regular system audits (annual for all; half-yearly for algo brokers)

Technical Glitch Framework

Broker must:

- Report glitch within **1 hour**
- Submit:
    - Preliminary Report (T+1)
    - RCA (within 14 days)

Capacity planning:

Installed capacity must be **1.5× peak load**.

BCP/DR Requirements

- Mandatory DR site for large brokers.
- DR site must be **250+ km away**.
- Mandatory **DR drills/live trading.**

Cybersecurity

- Must comply with IFSCA Cybersecurity Guidelines (Mar 10, 2025).

7. Outsourcing Policy

- A formal **Outsourcing Policy** is mandatory before operations begin.

8. Complaint Handling

·Must comply with IFSCA's Complaint Handling & Grievance Redressal framework (Dec 2024).

9. Change in Control

- Branch structures: Intimation within **15 days.**
- IFSC-incorporated entities: **Prior approval mandatory.**

10. Periodic Reporting

- Quarterly reporting as per “Reporting Norms” (Feb 2024).
- Annual Compliance Audit due **by Sept 30** to IFSCA.

11. Surrender of Registration

- Must be filed through the Exchange/CC.
- Clean-up requirements include:
    - No pending investigations
    - Record preservation
    - oTransfer/closure of client activities
- Security deposit refunded after:
    - **12 months** – client-trading brokers
    - **6 months** – proprietary-only brokers

UK Tax Update

Licypriya Kangujam - Global climate activist at age 7

Reflection on November 2025 UK Economic Landscape

The final months of 2025 brought an unusual combination of subdued growth, shifting fiscal priorities and a complex global data environment. Reflecting on the recent economic developments reveals a picture of an economy that is neither in crisis nor in clear recovery. Instead, it appears held in a state of cautious restraint, with households, businesses and policymakers all navigating uncertainty while hoping for stability.

A Cooling Momentum in UK Growth

One of the most notable takeaways is the marked slowdown in UK GDP during the third quarter. After two surprisingly strong quarters earlier in the year, growth slipped to a marginal 0.1 per cent. What stands out is how broad-based this stagnation was. Whether looking at consumer spending, business investment, trade or output by sector, momentum was minimal almost everywhere.

Household expenditure, for example, grew by just 0.2 per cent. While slightly better than the previous quarter, it still represents a weak backdrop for an economy that depends heavily on domestic consumption. There is a clear pattern emerging: consumers are cautious, not because of immediate financial distress, but because of lingering anxiety. Uncertainties around taxes, higher mortgage costs and job market fragility are encouraging households to rebuild savings, not increase spending. It suggests a public that is preparing for the possibility of harder times, even if they haven't arrived yet.

Services output also contributed little to growth. Hospitality, in particular, suffered with a contraction, suggesting a consumer who is willing to shop for essentials but reluctant to indulge in discretionary leisure spending. Meanwhile, construction barely moved and manufacturing took a notable hit, largely due to the temporary shutdown of a major automotive facility. These disruptions underline how sensitive some parts of UK industry remain to supply chain volatility and operational shocks.

Inflation and Monetary Policy at a Turning Point

Inflation, which had been sticky through mid-2025, finally eased in October. Moderation in services inflation and slower increases in energy prices contributed to a welcome decline. Yet the Monetary Policy Committee remains divided. Some members view the soft demand environment as a sign that inflation could fall more quickly than expected, perhaps even undershooting targets. Others worry that elevated inflation expectations among households could feed into higher wage demands next year.

The November meeting ultimately produced a narrow vote to hold Bank Rate at 4 per cent. However, given the slowdown in both growth and price pressures, markets now anticipate another 0.25 percentage point cut in December. This would mark a continued shift away from the tightening of previous years, and perhaps the first tentative move toward looser monetary conditions in 2026.

Lessons From the OBR's Updated Forecasts

The Office for Budget Responsibility's new assessments were a focal point of public and political interest. Prior to the Budget, speculation had been rife about the scale of the expected fiscal gap. In the end, downward revisions to productivity did indeed create a sizeable loss in future revenues, but upward adjustments to income growth softened the blow.

Growth expectations were nudged upward for 2025, reflecting the stronger-than-anticipated first half of the year. Yet the medium-term outlook remains subdued, with annual growth hovering around 1.5 per cent. Real household disposable incomes are projected to grow much more slowly than in the decade following the global financial crisis, confirming that living standards are unlikely to rebound strongly anytime soon.

Perhaps more concerning is the downward revision to business investment across every year of the forecast horizon. This reflects ongoing weakness in sentiment, squeezed margins and higher long-term borrowing costs. The UK's chronic investment gap continues to shadow prospects for productivity improvement and long-term competitiveness.

Mixed Messages From Fiscal Policy

The Budget introduced a broad collection of revenue-raising measures, particularly concentrated toward the end of the parliamentary period. These included freezes to personal allowances, adjustments to pension tax relief and several smaller changes touching sectors from EVs to landfill to soft drinks. While individually modest, together these measures generate a substantial uplift in government revenues by 2029-30.

Alongside these came a number of high-profile spending commitments. Ending the child benefit cap, freezing rail fares, and increasing investment in infrastructure and innovation all signal a desire to soften cost-of-living pressures and stimulate strategic sectors. However, it is hard to identify a single coherent growth strategy across the package. Business groups welcomed the absence of new corporate tax rises but also highlighted the lack of direction in policies that aim to support long-term productivity.

Meanwhile, another above-inflation rise in minimum wage rates will be challenging for some firms, particularly small and medium-sized ones whose margins are already under pressure. Evidence from recent surveys shows that many businesses have absorbed rising labour and tax costs by reducing margins rather than raising prices or cutting staff. This cannot continue indefinitely, especially as cashflow conditions slip back to pre-pandemic levels.

The United States: Slow Data and a Shifting Outlook

Across the Atlantic, the US economy is grappling with delays in official data releases following the government shutdown. The Federal Reserve must make its December policy decisions with only partial information. What is known so far does not give a clear signal.

Labour markets show mixed performance. Hiring rebounded slightly in September, yet the improvement was concentrated in a few sectors, while seasonal employment in retail is expected to be notably lower than usual. Consumer sentiment indicators paint a much darker picture. The University of Michigan index has sunk to one of its lowest readings on record, reflecting household frustration with high prices and weakening incomes. Retail sales growth is declining, and inflation expectations remain elevated.

Markets currently expect another rate cut in December and further easing in 2026, but the Fed is navigating with limited visibility and competing pressures.

Final Reflections

Taken together, the narrative emerging from late 2025 is one of economies moving cautiously, almost gingerly, through an uncertain landscape. The UK faces slow growth, hesitant consumers and businesses dampening investment. Inflation has begun to retreat, but confidence remains fragile. Fiscal policy is active but sometimes feels piecemeal rather than transformative.

The US, normally a point of global stability, is also dealing with weaker sentiment and unclear data. Both economies seem to be waiting for a clearer signal, whether from a stronger labour market, firmer consumer outlook or a more convincing decline in inflation.

While there is no immediate cause for alarm, there is also limited room for complacency. The coming year will likely hinge on whether confidence can rebuild faster than new headwinds emerge. For policymakers, businesses and households alike, the challenge is balancing caution with ambition in a climate where visibility is limited and resilience remains essential.

Tax Calendar

Akrit Jaswal - Performed his first medical surgery at age 7

December 2025 - Tax Calendar

7TH DECEMBER	Due date for deposit of Tax deducted/collected for the month of October, 2025
10TH DECEMBER [EXTENDED]*	Due date for filing of return of income for the assessment year 2025-26 if the assessee (not having any international or specified domestic transaction) is (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c)partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A apply
15TH DECEMBER	3rd instalment of advance tax for the assessment year 2026-27
15TH DECEMBER	Due date for issue of TDS Certificate for tax deducted under section 194-IA; 194-IB; 194M & 194S in the month of October, 2025
30TH DECEMBER	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA; 194-IB; 194M & 194S in the month of November, 2025
31ST DECEMBER	Filing of belated/revised return of income for the assessment year 2025-26 for all assessee (provided assessment has not been completed before December 31, 2025)

***Note: The due date of furnishing of Return of Income has been extended from October 31, 2025 to December 10, 2025, vide Circular no. 15/2025, dated 29-10-2025**

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