

FINANCE BILL |
2025



GKC Management Services Private Limited

A COUNTRY IS NOT JUST ITS SOIL, A COUNTRY IS ITS PEOPLE.



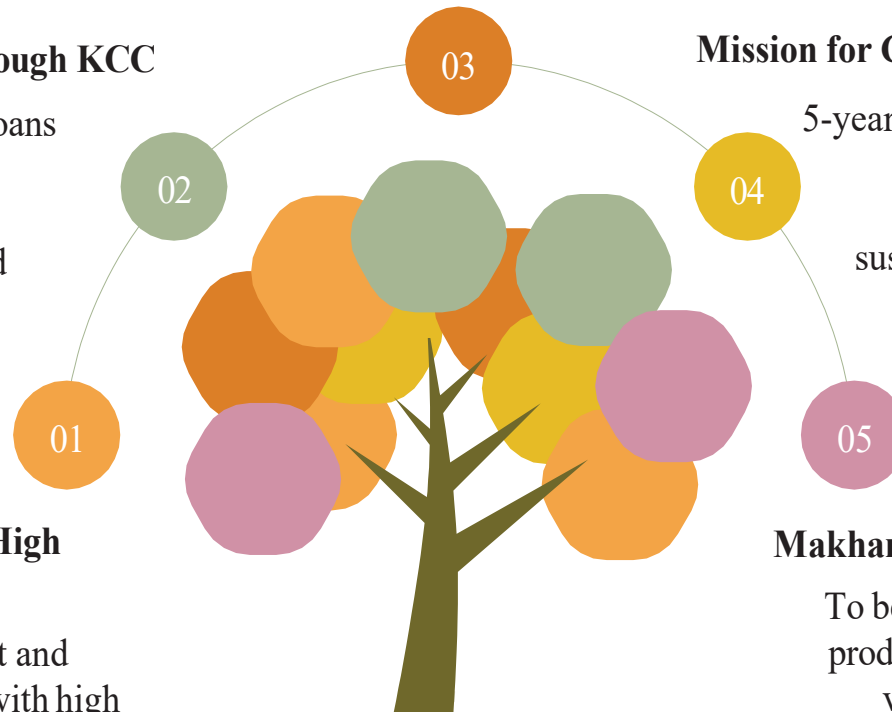
Development measures focusing on *Garib, Youth, Annadata and Nari*

Prime Minister Dhan-Dhaanya Krishi Yojana - Developing Agri Districts Programme

To cover 100 districts and
likely to help 1.7 crore farmers.

Enhanced Credit through KCC

Facilitate short term loans
for 7.7 crore farmers,
fishermen, and dairy
farmers with enhanced
loan of ₹5 lakh.



Mission for Cotton Productivity

5-year mission to facilitate
improvements in
productivity and
sustainability of cotton
farming.

National Mission on High Yielding Seeds

Targeted development and
propagation of seeds with high
yield, pest resistance and
climate resilience.

Makhana Board in Bihar

To be set up to improve
production, processing,
value addition, and
marketing and
organisation of FPOs.

Credit Cards for Micro Enterprises: Customised Credit Cards with a ₹ 5 lakh limit for micro enterprises registered on Udyam portal. In the first year, 10 lakh such cards will be issued.

Scheme for first time Entrepreneurs: For 5 lakh first-time entrepreneurs, including women, Scheduled Castes and Scheduled Tribes, a new scheme, to be launched, to provide term loans up to ₹ 2 crore during the next 5 years.

Significant enhancement of credit availability with guarantee cover

₹ in Crore	Credit guarantee cover	
	Current	Revised
MSEs	5	10
Startups	10	20
Exporter MSMEs	For Term Loans Up To ` 20 Crore	

Revision in classification criteria for MSMEs



₹ in Crore	Investment		Turnover	
	Current	Revised	Current	Revised
Micro Enterprises	1	2.5	5	10
Small Enterprises	10	25	50	100
Medium Enterprises	50	125	250	500

Investing in people, economy and innovation



- *Saksham Anganwadi and Poshan 2.*
- *Expansion of Capacity in IITs*
- *Day Care Cancer Centres in all District Hospitals*
- **Bharatiya Bhasha Pustak Scheme:** provide digital- form Indian language books for school and higher education.
- **05 National Centres of Excellence for skilling** to be set up with global expertise and partnerships.
- **Atal Tinkering Labs:** 50 Thousand Labs to be set up in government schools in next 5 years.
- **Centre of Excellence in Artificial Intelligence for education** with a total outlay of ₹500 crore.
- **Broadband connectivity to be provided to all government secondary schools and primary health centers** in rural areas.
- **Expansion of medical education:** 10,000 additional seats with the goal of adding 75,000 seats in the next 5 years
- **PM SVANidhi:** To be revamped with enhanced loans from banks, UPI linked credit cards and capacity building support.
- **Welfare of Online Platform Workers:** Registration on the e-Shram portal & healthcare under PM Jan Arogya Yojana

Investing in people, economy and innovation



- **Support to States for Infrastructure:** With an outlay of ₹ 1.5 lakh crore, 50-year interest free loans to states for capital expenditure and incentives for reforms.
- **Jal Jeevan Mission:** To achieve 100 % coverage, the mission extended till 2028 with an enhanced total outlay
- **Power Sector Reforms:** Incentivize distribution reforms and augmentation of intra-state transmission. Additional borrowing of 0.5 % of GSDP to states, contingent on these reforms.
- **Asset Monetization Plan 2025-30:** launched to plough back capital of ₹ 10 lakh crore in new projects.
- **Urban Challenge Fund** ₹ 1 lakh crore to implement the proposals for ‘Cities as Growth Hubs’
- **Maritime Development Fund** with a corpus of ₹25,000 crore for long-term financing with up to 49 % contribution by the government
- **Nuclear Energy Mission for Viksit Bharat:** Amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act will be taken up for active partnership with the private sector.
- **UDAN:** Regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years.
- **Development in Bihar:** Greenfield airports, Financial support for the Western Koshi Canal ERM Projects
- **SWAMIH Fund-2:** ₹ 15,000 crore for expeditious completion of one lakh dwelling units through blended finance

Promoting Exports



- **Export Promotion Mission:** With sectoral and ministerial targets to facilitate easy access to export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets.
- **BharatTradeNet:** A digital public infrastructure, ‘*BharatTradeNet*’ (BTN) for international trade will be set-up as a unified platform for trade documentation and financing solutions. Support for integration with **Global Supply Chains**.
- **National Framework for GCC:** As guidance to states for promoting Global Capability Centres in emerging tier 2 cities.
- **Warehousing facility for air cargo:** To facilitate upgradation of infrastructure and warehousing for air cargo including high value perishable horticulture produce.



Financial Sector Reforms and Development

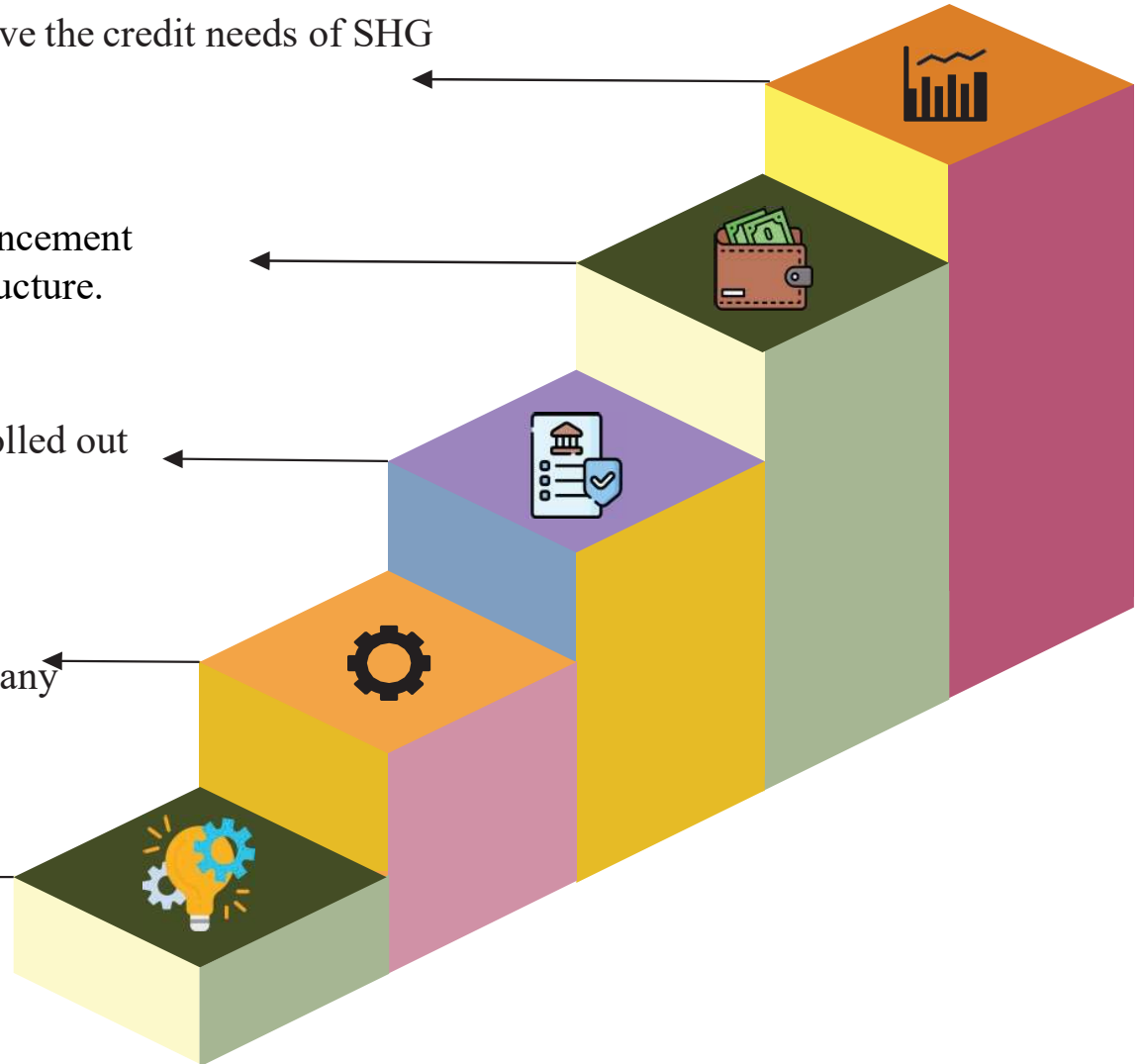
Grameen Credit Score framework to serve the credit needs of SHG members and people in rural areas.

NaBFID to set up a 'Partial Credit Enhancement Facility' for corporate bonds for infrastructure.

Revamped Central KYC registry to be rolled out in 2025

Rationalisation of requirements and procedures for speedy approval of company mergers

FDI limit for the insurance sector will be raised from 74 to 100 per cent

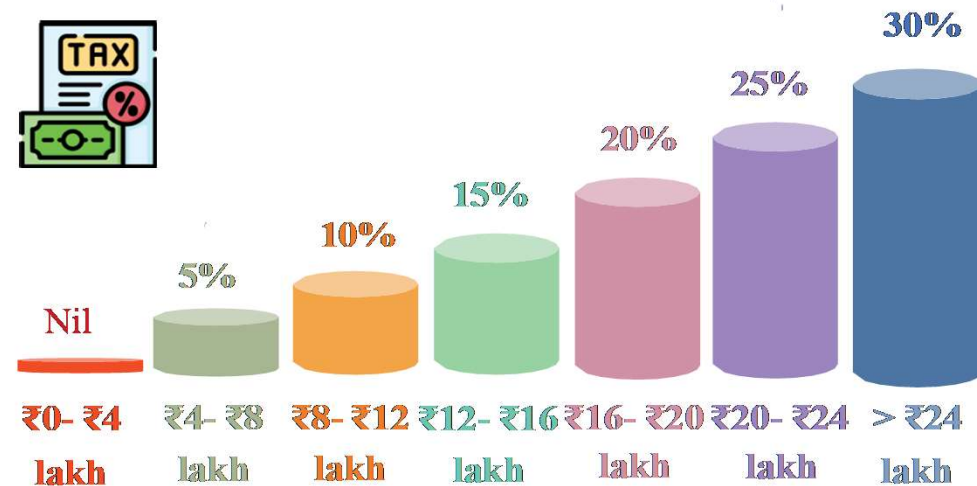


Personal Income Tax reforms with special focus on the middle class

Ease of doing business

- Introduction of a scheme for determining arm's length price of international transaction for a block period of three years.
- Expansion of scope of safe harbour rules to reduce litigation and provide certainty in international taxation.

Personal Income Tax reforms with special focus on the middle class



Rationalization of TDS/TCS for easing difficulties

Tax deduction limit for senior citizens doubled from ₹ 50,000 to ₹ 1 lakh.

The annual limit of ₹2.40 lakh for TDS on rent increased to ₹ 6 lakh.

PERSONAL TAXATION



RATES OF TAX

One of the major highlights of the budget has been the significant decrease in tax rates under the new regime read with rebate under Section 87A. Individuals with an average monthly income of INR 1 lakh will now be tax-free. This, along with the enhanced threshold for TDS deductions, is expected to increase disposable income in the hands of the common man resulting in enhanced the GDP growth.

Existing Tax slabs & Rates (under the new tax regime)

EXISTING	
SLAB	APPLICABLE RATES OF TAX
Upto INR 3,00,000	NIL
INR 3,00,001 to 7,00,000	5%
INR 7,00,001 to 10,00,000	10%
INR 10,00,001 to 12,00,000	15%
INR 12,00,001 to 15,00,000	20%
Above INR 15,00,000	30%

PERSONAL TAXATION



Proposed New Tax Slabs & Rates (under the new tax regime)

Income (INR)	Tax Rate	Surcharge	Tax @ max of Slab	Rebate	Effective Tax Rate
< 4 Lakh	0%	-	0	-	0.00%
4 - 8 Lakh	5%	-	20,000	20,000	0.00%
8 - 12 Lakh	10%	-	60,000	60,000	0.00%
12 - 16 Lakh	15%	-	1,24,800	-	7.80%
16 - 20 Lakh	20%	-	2,08,000	-	10.40%
20 - 24 Lakh	25%	-	3,12,000	-	13.00%
24 - 50 Lakh	30%	-	11,23,200	-	22.46%
50 - 100 Lakh	30%	10%	29,51,520	-	29.52%
1 - 2 Crore	30%	15%	66,73,680	-	33.37%
> 2 Crore	30%	25%	1,89,54,000	-	37.91%

Please further note as under:

- (i) There is no change in rates under the old tax regime.
- (ii) Any person having income beyond INR 12 Lacs annually , will be taxed accordingly as per the tax rates given above from the income exceeding INR 4 Lacs

OTHER BENEFITS under Income Tax



1) Deduction Under Section 80CCD (NPS)

- The deduction under Section 80CCD is one of the few deductions available in the new tax regime.
- The benefit will be extended to the NPS Vatsalya Scheme from April 1, 2026, with a maximum deduction of INR 50,000 per annum.

2) Extension of Time to Update Returns

- The Updated Return concept, introduced in Finance Act 2022, has received a positive response.
- The period to file an Updated Return has been extended from 2 years to 4 years from the end of the relevant Assessment Year.
- However, Additional tax will have to be paid as under:
 - (i) Delay of one year - additional tax 25%
 - (ii) Delay of two years – additional tax 50%
 - (iii) Delay of three years - additional tax 60%
 - (iv) Delay of four years - additional tax 70%

OTHER BENEFITS under Income Tax



3) Tax on High-Premium ULIPs and Insurance Policies

- Gains from ULIPs, which do not qualify for exemption under Section 10(10D), will now be taxed under capital gains.
- Short-Term Capital Gains (STCG) @ 20% and Long-Term Capital Gains (LTCG) @ 12.5% will be applicable.

4) Crypto Taxation

- Crypto assets are now explicitly included under Virtual Digital Assets (VDA) as per Section 2(47A).
- Gains from cryptocurrency sales will be taxed @ 30% under Section 115BBH.
- TDS @ 1% continues under Section 194S.
- Section 285BAA has been introduced to regulate the reporting of such assets.

TAX DEDUCTION AT SOURCE (TDS) - RATIONALIZATION



Section	Type of Income	Current Rate	Current Threshold	Revised Rate	Revised Threshold
193	Interest on securities	10%	Nil	10%	INR 10,000
194	Dividend for individual shareholders	10%	INR 5,000	10%	INR 10,000
194A	Interest (other than securities)	10%	INR 50,000 (senior citizens) / INR 40,000 (others)	10%	INR 1,00,000 (senior citizens) / INR 50,000 (others)
194B	Lottery winnings	30%	INR 10,000 (aggregate)	30%	INR 10,000 per transaction
194BB	Horse race winnings	30%	INR 10,000 (aggregate)	30%	INR 10,000 per transaction
194D	Insurance commission	10% / 5%	INR 15,000	10% / 2%	INR 20,000
194H	Commission or brokerage	2%	INR 15,000	2%	INR 20,000
194I	Rent	10%	INR 2,40,000 per annum	10%	INR 50,000 per month
194J	Professional fees	10%	INR 30,000	10%	INR 50,000

Key Changes in TDS/TCS



- Higher TDS Rate for Non-Filers (Section 206AB & 206CCA) has been omitted, reducing compliance burden.
- The threshold to collect TCS on remittances under RBI's liberalised remittance scheme (LRS) is proposed to be raised from ₹7 lakh to ₹10 lakh.
- TCS on remittances for education purposes, where such remittance is out of a loan taken from a specified financial institution, has been abolished.
- The TCS on sale of goods has been abolished.
- The carry forward and set of accumulated losses under the scheme amalgamation & merger will be eligible to be carried forward by amalgamated/ merged company for the remaining period only out of the original 8 years allowed to the predecessor company.

INDUSTRY-SPECIFIC IMPLICATIONS



1) Start-Ups

- The eligibility date for a 100% tax deduction under Section 80-IAC has been extended from March 31, 2025, to March 31, 2030.

2) Electronics Manufacturing

- New presumptive taxation regime (Section 44BBD) introduced for non-residents engaged in electronics manufacturing.
- Effective tax rate will be less than 10% of gross receipt/ turnover.

3) Imports

- Custom Duty reductions across multiple sectors: Aqua farming, IT & electronics, plastics, automotive, jewellery, and metal scraps.

INTERNATIONAL TAXATION



1) Significant Economic Presence (SEP)

- Transactions related to the export of goods will no longer trigger a tax liability for non-residents.

2) Arm's Length Pricing (ALP) Adjustments

- ALP determined for a transaction in a previous year can be applied for similar transaction for the next two consecutive years, reducing compliance costs.



CHARITABLE TRUSTS & INSTITUTIONS



1) Amendments to Specified Violations

- Minor errors in applications will not be treated as violations for registration purposes under Section 12AB.

2) Registration Period Extension

- Smaller trusts (income < INR 5 crore) will now have a registration validity of 10 years instead of 5 years. From now, the renewal of registration for such trust will be due after 10 years from the date of original registration.

3) Substantial Contributions & Trust Taxation

- Contribution limits under Section 13 increased to INR 1 lakh per year or INR 10 lakh cumulatively from INR 50 thousand.

Indirect Tax proposals

Rationalisation of Customs Tariff Structure for Industrial Goods

Make in India- Exemption to open cell for LED/LCD TV, looms for textiles, capital goods for lithium ion battery of mobile phones and EVs.

Promotion of MRO – exemption for 10 years on goods for ship building and ships for breaking, extension of time limit for export of railway goods imported for repairs.

Export promotion – duty free inputs for handicraft and leather sectors.

Trade Facilitation: Time limit fixed for finalisation of provisional assessment; new provision for voluntary declaration of material facts post clearance and duty payment with interest but without penalty; IGCR Rules amended to extend time limit to 1 year and file quarterly statement instead of monthly.

- 36 lifesaving drugs/medicines in exempted list;
- 6 medicines in 5% duty list;
- 37 medicines and 13 new patient assistance programmes in exempt list.

Amendment Related to GST



- **ISD Changes** - Clause (G1) of section 2 of the Central Goods and Services Tax Act is being amended to explicitly provide for distribution of input tax credit by the Input Service Distributor in respect of inter-state supplies on which tax has to be paid on reverse charge basis, by inserting reference to sub-section (3) and sub-section (4) of section 5 of Integrated Goods and Services Tax Act. This amendment will be effective from 1st April 2025.
- **Definition changes** - Sub-clause (c) of clause (GU) of section 2 is being amended to replace "municipal or local fund" with "municipal fund or local fund" and to insert an Explanation after the said sub-clause, to provide for definitions of the terms 'Local Fund' and 'Municipal Fund' used in the definition of "local authority" under the said clause so as to clarify the scope of the said terms.
- **Track and Trace Mechanism**- A new clause (11GA) is being inserted in section 2 to provide definition of Unique Identification Marking for implementation of Track and Trace Mechanism.
- **Voucher Related** - (i) (ii) Sub-section (4) of Section 12 relating to time of supply in respect of Vouchers is being deleted.
- **Sub-section (4) of Section 13** relating to time of supply in respect of Vouchers is being deleted

Amendment Related to GST



- **Major Changes for ITC Related to Building** - change to void the impact of Safari Retreat Judgement - Clause (d) of sub-section (5) of section 17 is being amended to substitute the words "plant or machinery" with words "plant and machinery". This amendment will be effective retrospectively from 1st July 2017, notwithstanding anything to the contrary contained in any judgment, decree or order of any court or any other authority
- **ISD - Section 20(1) and Section 20(2)** are being amended to explicitly provide for distribution of input tax credit by the Input Service Distributor in respect of inter-state supplies, on which tax has to be paid on reverse charge basis, by inserting reference to sub-section (3) and sub-section (4) of section 5 of Integrated Goods and Services Tax Act in said sub-sections of section 20 of Central Goods and Services Tax Act. The amendment will be effective from 1st April 2025.
- **Credit Note Related** - Proviso to sub-section (2) of section 34 is being amended to explicitly provide for requirement of reversal of corresponding input tax credit in respect of a credit-note, if availed, by the registered recipient, for the purpose of reduction of tax liability of the supplier in respect of the said credit note.
- **GSTR 2B Related-** Section 38(1) is being amended to omit the expression "auto generated" with respect to statement of input tax credit in the said sub section.

Amendment Related to GST



- Section 38(2) is being amended by omitting the expression “auto generated” with respect to statement of input tax credit in said sub-section and also to insert the expression “including” after the words “*by the recipient*” in clause (b) of said sub-section to make the said clause more inclusive.
- Section 38(2) is being amended by inserting a new clause (c) in the said sub-section to provide for an enabling clause to prescribe other details to be made available in statement of input tax credit.
- GSTR 3B - Section 39(1) is being amended so as to provide for an enabling clause to prescribe conditions and restriction for filing of return under the said sub-section.
- Pre-deposit in case of Appeal of Penalty Order to First Appellate Authority - Section 107(G) is being amended to provide for 10% mandatory pre-deposit of penalty amount for appeals before Appellate Authority in cases involving only demand of penalty without any demand for tax.
- No refund of tax already paid will be available for the aforesaid activities or transactions referred to in clause 128.

Amendment Related to GST



- Pre-deposit in case of Appeal of Penalty Order to Tribunal- Section 112(8) is being amended to provide for 10% mandatory pre-deposit of penalty amount for appeals before Appellate Tribunal in cases involving only demand of penalty without any demand for tax.
- **Track and Trace** - New section 122B is being inserted to provide penalty for contraventions of provisions related to the Track and Trace Mechanism provided under section 148A. New section 148A is being inserted to provide for an enabling mechanism for Track and Trace Mechanism for specified commodities. New section 148A is being inserted to provide for an enabling mechanism for Track and Trace Mechanism for specified commodities.
- It further seeks to amend Explanation 2 of Schedule III of the Central Goods and Services Tax Act, w.e.f. 01.07.2017 to clarify that the said explanation would be applicable in respect of clause (a) of paragraph 8 of the said Schedule.
- It further seeks to amend Schedule III of CGST Act, w.e.f. 01.07.2017 by inserting Explanation 3 to define the terms 'Special Economic Zone', 'Free Trade Warehousing Zone' and 'Domestic Tariff Area', for the purpose of the proposed clause (aa) in paragraph 8 of said Schedule.

THANK YOU

**GKC MANAGEMENT SERVICES PRIVATE
LIMITED**