Nandawat Corporate Services Pvt. Ltd.

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Highlights of Union Budget 2025

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Chhatrapati Sambhajinagar (Aurangabad)

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Union Budget 2025 highlight (Direct Tax)

Personal Income-tax reforms with special focus on middle class

1. Substantial relief is proposed under the new tax regime with new slabs and tax rates as under:-

Total income	Rate of tax
Upto Rs. 4,00,000	Nil
From Rs. 4,00,001 to Rs. 8,00,000	5 per cent
From Rs. 8,00,001 to Rs. 12,00,000	10 per cent
From Rs. 12,00,001 to Rs. 16,00,000	15 per cent
From Rs. 16,00,001 to Rs. 20,00,000	20 per cent
From Rs. 20,00,001 to Rs. 24,00,000	25 per cent
Above Rs. 24,00,000	30 per cent

2. Rebate on income-tax

- It is proposed to increase the rebate for the residents under the new regime so that they do not pay tax if their total income is up to Rs. 12,00,000. Marginal relief as provided earlier under the new tax regime is also applicable for income marginally higher than Rs. 12,00,000.

• A few examples for calculation of tax benefit are given in the table below:

Income	Tax on Slabs and rates		Benefit of	Rebate benefit	Total Benefit	Tax after rebate Benefit
	Present	Proposed	Rate /Slab	Full upto Rs 12 lacs		
Rs. 8 lac	30,000	20,000	10,000	20,000	30,000	0
Rs. 9 lac	40,000	30,000	10,000	30,000	40,000	0
Rs. 10 lac	50,000	40,000	10,000	40,000	50,000	0
Rs. 11 lac	65,000	50,000	15,000	50,000	65,000	0
Rs. 12 lac	80,000	60,000	20,000	60,000	80,000	0
Rs. 16 lac	1,70,000	1,20,000	50,000	0	50,000	1,20,000
Rs. 20 lac	2,90,000	2,00,000	90,000	0	90,000	2,00,000
Rs. 24 lac	4,10,000	3,00,000	1,10,000	0	1,10,000	3,00,000
Rs. 50 lac	11,90,000	10,80,000	1,10,000	0	1,10,000	10,80,000

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Union Budget 2025 Highlights (Others)

Changes In TDS/ TCS

S.No	Section of the Act	Present TDS /TCS Threshold (Rs)	Proposed TDS /TCS Threshold (Rs)
1.	193-Interest on securities	Nil	10,000/-
2.	194A - Interest other than Interest on securities	(i) 50,000/- for senior citizen; (ii) 40,000/- in case of others when payer is bank, cooperative society & post office (iii) 5,000/- in other cases	(i) 1,00,000/- for senior citizen (ii) 50,000/- in case of others when payer is bank, co-operative society and post office (iii) 10,000/- in other cases
3.	194 – Dividend, for an individual shareholder	5,000/-	10,000/-
4.	194K - Income in respect of units of a mutual fund or specified company or undertaking	5,000/-	10,000/-

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S.No	Section of the Act	Present TDS /TCS Threshold (Rs)	Proposed TDS /TCS Threshold (Rs)
5.	194B - Winnings from lottery, crossword puzzle etc.	Aggregate of amounts exceeding 10,000/- during the financial year	10,000/- in respect of a single transaction
6.	194BB - Winnings from horse race		
7.	194D - Insurance commission	15,000/-	20,000/-
8.	194G - Income by way of commission, prize etc. on lottery tickets	15,000/-	20,000/-
9.	194H - Commission or brokerage	15,000/-	20,000/-

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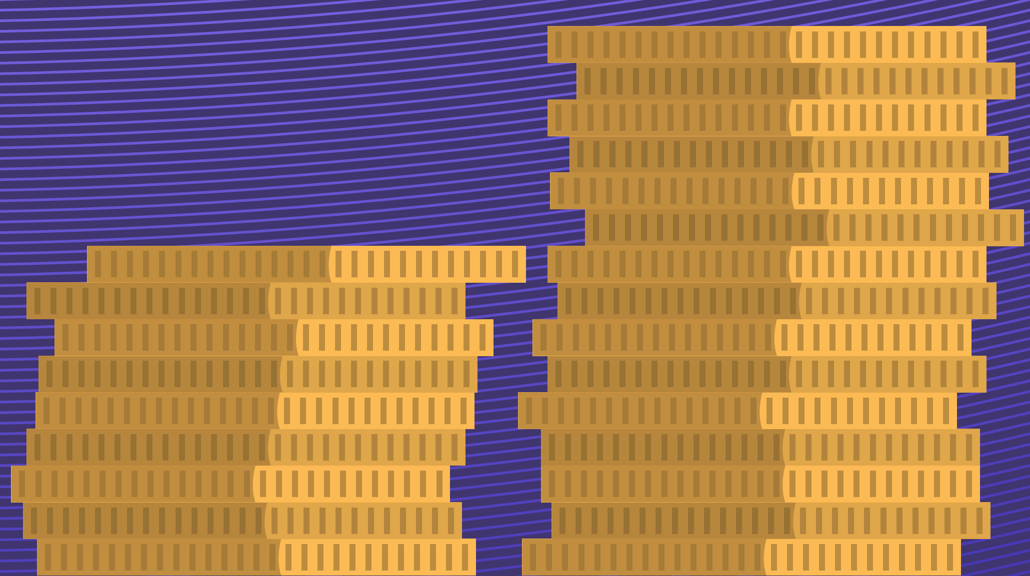
S.No	Section of the Act	Present TDS /TCS Threshold (Rs)	Proposed TDS /TCS Threshold (Rs)
10.	194-I Rent	2,40,000/- during the financial year	50,000/- per month or part of a month
11.	194J - Fee for professional or technical services	30,000/-	10,000/-
12.	194LA Income by way of enhanced compensation	2,50,000/-	5,00,000/-
13.	206C(1G) – Remittance under LRS and overseas tour program package	7,00,000/-	10,00,000/-

Reduction in compliance burden by omission of TCS on sale of specified goods:
To reduce compliance burden of the taxpayers, it is proposed to no tax will be collected at source on sale of specified goods of value of more than fifty lakhs.

Removal of higher TDS/TCS for non-filers of return of income:
To reduce compliance burden on the deductor/collector, it is proposed to omit section 206AB and section 206CCA of the Act.

Simplification of tax provisions for charitable trusts/institutions:
It is proposed to increase the period of validity of registration of trust or institution from 5 years to 10 years for smaller trusts or institutions.



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Union Budget 2025 highlight (CUSTOMS)

1. New section introduced for voluntary revision of entry, post clearance.

2. Time limit for finalising provisional assessment - limit of two years, extendable by a year.

3. Relief on import of Drugs/Medicines:

- 36 lifesaving drugs and medicines to the list of medicines fully exempted from Basic Customs Duty (BCD)

- 6 lifesaving medicines to the list attracting concessional customs duty of 5%

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4. Textiles

- Two more types of shuttle-less looms added to the list of fully exempted textile machinery.
- The BCD rate on knitted fabrics covered by nine tariff lines revised from “10% or 20%” to “20% or Rs.115 per kg, whichever is higher”.

5. Electronic Goods

- BCD on Interactive Flat Panel Display (IFPD) increased from 10% to 20% and the BCD is reduced to 5% on Open Cell and other components.

6. Lithium Ion Battery

- 35 additional capital goods for EV battery manufacturing, and 28 additional capital goods for mobile phone battery manufacturing added to the list of exempted capital goods.

7. Shipping Sector

- The exemption of BCD on raw materials, components, consumables or parts for the manufacture of ships continued for another ten years.

8. Telecommunication

- Reduced the BCD from 20% to 10% on Carrier Grade ethernet switches.

9. EXPORT PROMOTION

- Reduced the BCD from 20% to 10% on Carrier Grade ethernet switches.

a. Handicraft Goods
- The time period for exports extended from six months to one year, further extendable by another three months, if required

b) Leather sector
- BCD on Wet Blue leather fully exempted.
- crust leather exempted from 20% export duty.

c) Marine products
- BCD reduced from 30% to 5% on Frozen Fish Paste (Surimi) for manufacture and export of its analogue products
- BCD reduced from 15% to 5% on fish hydrolysate for manufacture of fish and shrimp feeds.

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Union Budget 2025 highlight (InDirect Tax)

1.Amendment to section 112

In case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty, in addition to the amount payable under the proviso to sub-section (6) of section 107 has been paid by the appellant.”

2. Insertion of new section 148A -track and trace mechanism for certain goods

3. Penalty for failure to comply with track and trace mechanism.
Liable to pay a penalty equal to an amount of one lakh rupees or ten per cent. of the tax payable on such goods, whichever is higher.”.

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Union Budget 2025 Highlights (MSME)

Changes In MSME Defination

Particulars	Investment (Rs. in Crore)	
	Current	Revised
Micro Enterprises	1	2.5
Small Enterprises	10	25
Medium Enterprises	50	125

Particulars	Turnover (Rs. in Crore)	
	Current	Revised
Micro Enterprises	5	10
Small Enterprises	50	100
Medium Enterprises	250	500

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