



The Union Budget 2025 Adventure

Join us on a thrilling journey through India's financial landscape!

Get ready to explore a world where numbers tell stories, policies shape futures, and economic decisions transform lives. From digital innovations to green initiatives, from startup revolutions to infrastructure metamorphosis - this is no ordinary budget presentation.

Together, we'll uncover how this landmark budget will navigate India's path toward becoming a \$5 trillion economy, empower millions of citizens, and revolutionize the way we live, work, and grow. Buckle up for an expedition into the future of India's prosperity! 🚀





Meet Our Hero: The Finance Minister



Fiscal Superhero

Armed with economic wisdom and a calculator, our hero sets out to balance the budget.



Budget Briefcase

The FM's trusty sidekick, containing secrets of the nation's financial future.



Speech Time

Where our hero reveals the grand plan to the eager nation.

The Economic Landscape

GDP Growth

Our hero surveys the vast expanse of India's economy, noting its strengths and challenges.

Employment Quest

The ongoing mission to create jobs and opportunities for all.

Inflation Battle

A fierce dragon that must be tamed for economic stability.





The Tax Reform Adventure

1

Simplification

New three-tier structure replaces multiple tax brackets, reducing compliance burden and paperwork for businesses and individuals.

2

Digital Transformation

AI-powered platform enables instant calculations and assistance, while blockchain technology ensures secure, transparent tax records.

3

Fairness for All

Progressive rates protect lower-income groups while closing high-value loopholes. Enhanced support for senior citizens and differently-abled taxpayers.

4

Global Integration

Unified GST codes streamline international trade and simplify cross-border business operations through standardized procedures.

5

Green Tax Incentives

Tax benefits for renewable energy investments and electric vehicle ownership, balanced with increased charges for carbon-intensive industries.

Personal Tax

Economic Outlook and Fiscal Targets

6.8%

Projected Growth

Economic Survey 2024-25 projects real GDP growth for FY26 between 6.3% to 6.8%.

10.8%

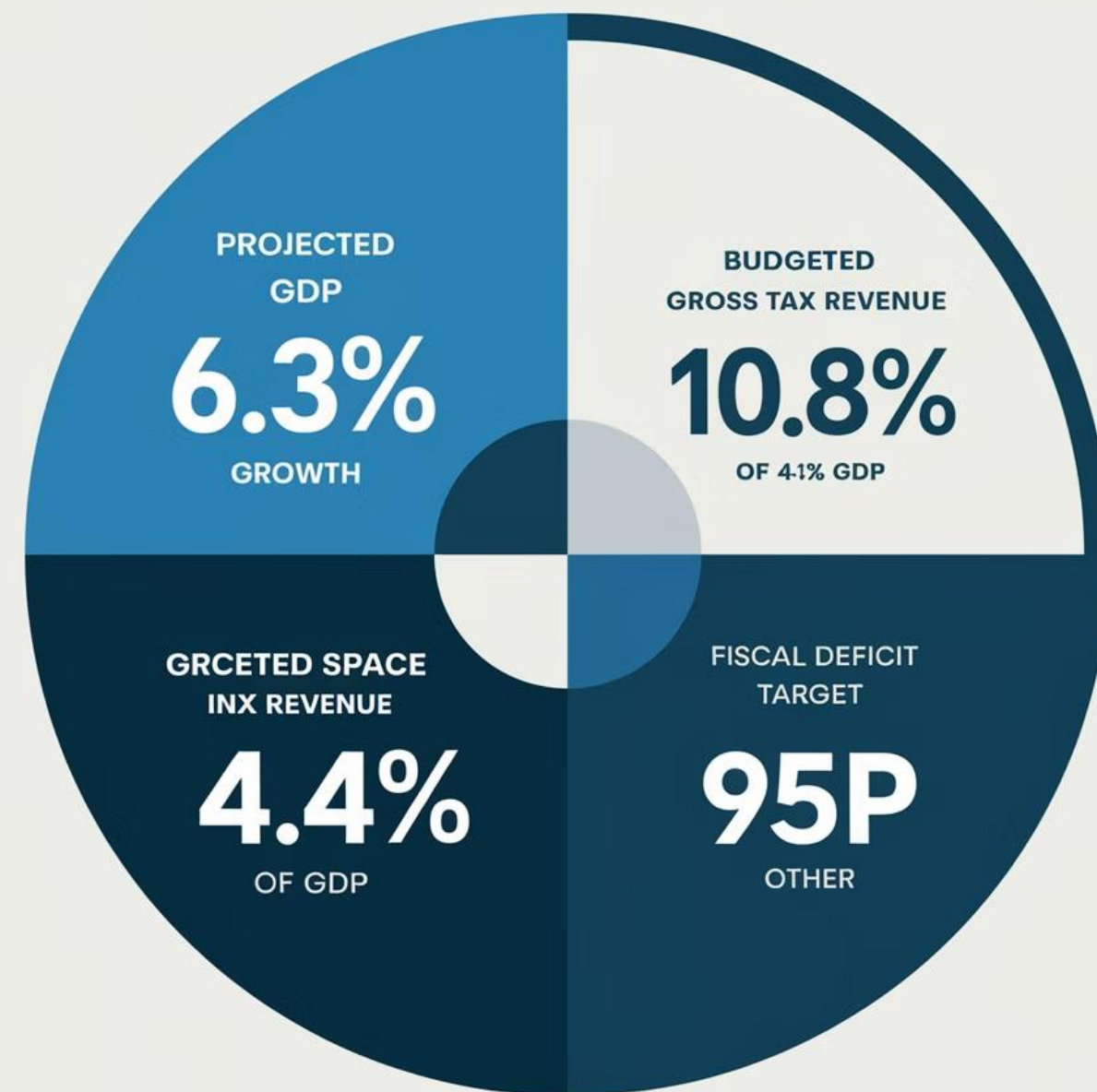
Revenue Projection

Gross Tax Revenue growth budgeted at 10.8% for FY26.

4.4%

Fiscal Consolidation

Fiscal deficit target for FY26 set at 4.4% of GDP.



Expenditure Priorities

1 Infrastructure Investment

Capital expenditure set at INR11.2 lakh crore (3.1% of GDP) for FY26.

2 State Support

INR1.5 lakh crore allocated for long-term interest-free loans to states.

3 Revenue Expenditure

Budgeted growth of 6.7% in FY26.

Key Policy Initiatives

Agricultural District Programme

Enhancing productivity and credit access. Six-year mission for self-reliance in pulses.

MSME Support

Increased investment limits, improved credit guarantee cover for MSMEs.

Nuclear Energy Mission

R&D for Small Modular Reactors with INR20,000 crore outlay.

Corporate Tax Reforms

New Income Tax Bill

Simplified law to be introduced, reducing text by half for clarity and reduced litigation.

Extended Filing Period

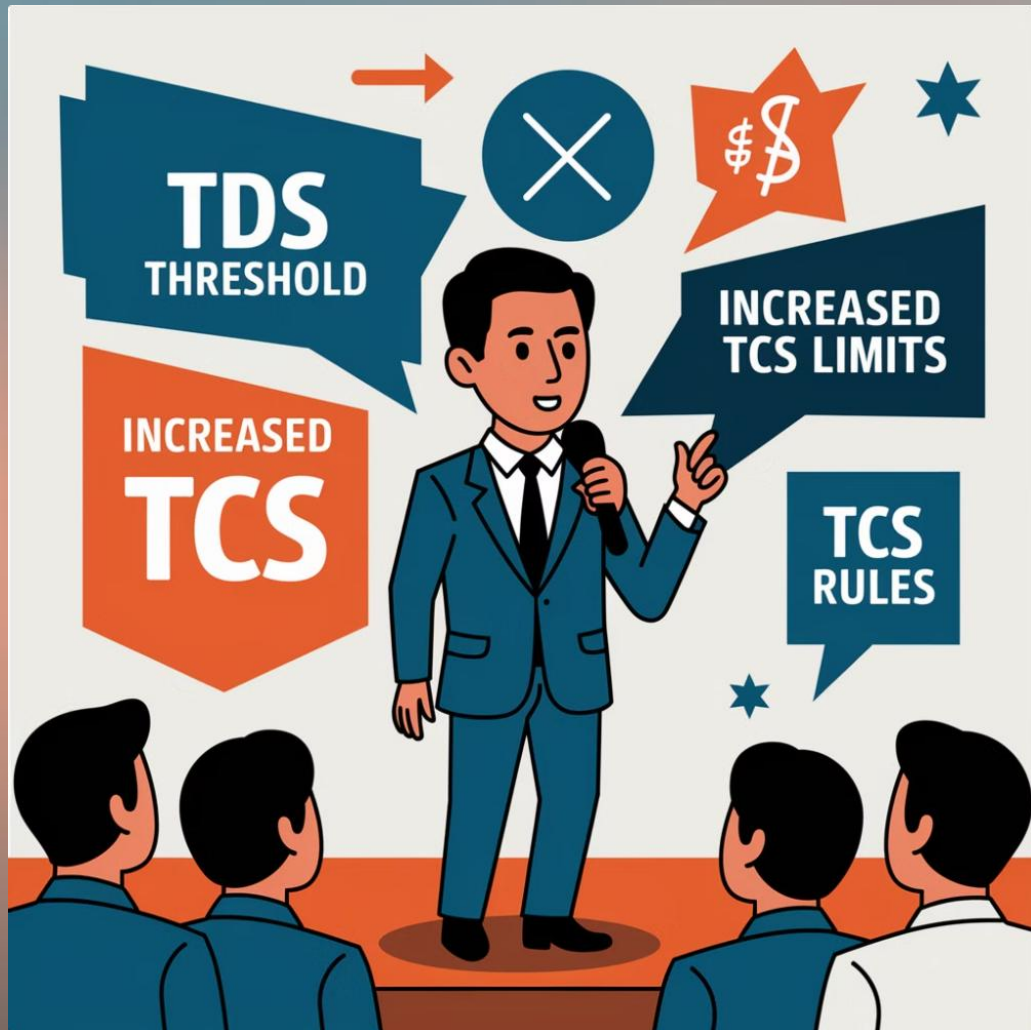
Time limit for updated tax returns extended to five years from three years.

Start-up Incentives

Tax holiday extended for eligible startups incorporated by 31 March 2030.



TDS and TCS Rationalization



Threshold Increases

Various TDS thresholds increased for interest, dividends, and professional services.

LRS Remittance

TCS threshold for LRS remittance increased to INR10 lakh per financial year.

Simplification

No TCS on education loans from financial institutions. Higher rates for non-filers removed.

TDS and TCS Rate Changes

	Existing	Proposed Rates w.e.f. 1 April 2025
TDS on payment of income by securitization trust to resident individual and HUFs investors	25% for individual investors, and 30% for HUF investors	10%
Annual thresholds w.e.f. 1 April 2025 for resident payee:		
TDS on interest on securities	Nil	INR 0.1 lakh
TDS on interest other than on securities	INR 0.5 lakh for senior citizen INR 0.4 lakh in other cases when payer is bank, cooperative society and post office INR 0.05 lakh in other cases	INR 1 lakh for senior citizen INR 0.5 lakh in other cases when payer is bank, cooperative society and post office INR 0.1 lakh in other cases
TDS on dividend to individual shareholders	INR 0.05 lakh	INR 0.10 lakh
TDS on income from mutual fund units	INR 0.05 lakh	INR 0.10 lakh
TDS on insurance commission, or lottery commission or any other commission or brokerage	INR 0.15 lakh	INR 0.20 lakh
TDS on professional or technical services or royalty or non-compete fees	INR 0.3 lakh	INR 0.50 lakh
TDS on compensation for compulsory acquisition of immovable property	INR 2.5 lakh	INR 5 lakh
Other thresholds w.e.f. 1 April 2025:		
TDS on rent	INR 2.4 lakh	INR 0.50 lakh per month or part of the month
TDS on winnings from lottery or crossword puzzle or any other game and horse race	Aggregate of amounts exceeding INR 0.1 lakh in a financial year	INR 0.1 lakh per transaction
TCS for LRS remittance and overseas tour program package	INR 7 lakh per financial year	INR 10 lakh per financial year

International Tax Measures

Electronics Manufacturing

New presumptive taxation for non-residents providing services/technology. Effective tax below 10% on gross receipts.

Significant Economic Presence

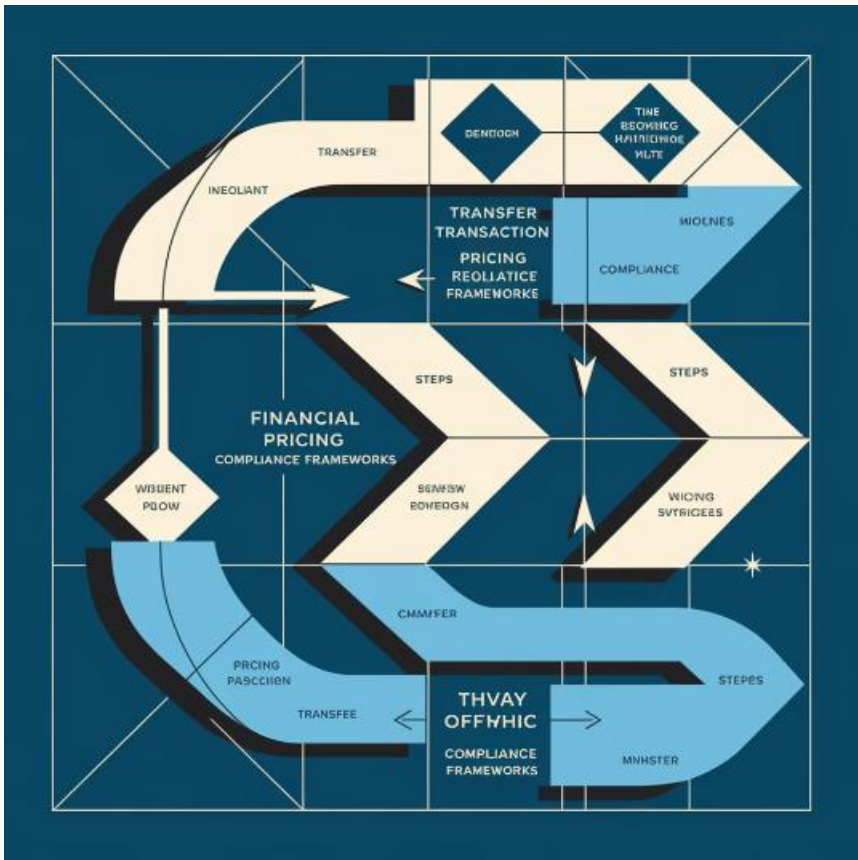
SEP provisions harmonized. Not applicable to non-residents purchasing goods for export.

Transfer Pricing Updates

The 2025-26 Budget modernizes transfer pricing regulations with transformative reforms that balance compliance simplification with robust tax governance. These changes mark a strategic shift toward more efficient, transparent, and business-friendly transfer pricing frameworks.

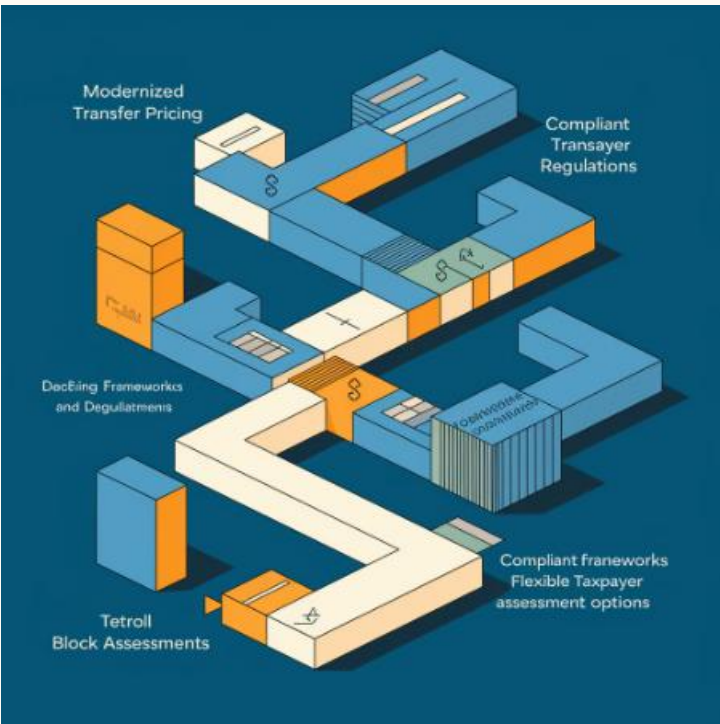
Block Assessments

Implementation of three-year block assessments for transfer pricing evaluations. This innovative approach ensures continuity in analysis, reduces administrative workload by 40%, and enables comprehensive evaluation of long-term business relationships.



Taxpayer Option

Introduction of flexible assessment choice for businesses under TP audit reference. This landmark reform allows companies to select between standard or specialized TP assessment pathways, enabling strategic compliance decisions based on transaction complexity and business needs.



Transfer Pricing Updates (Continued)

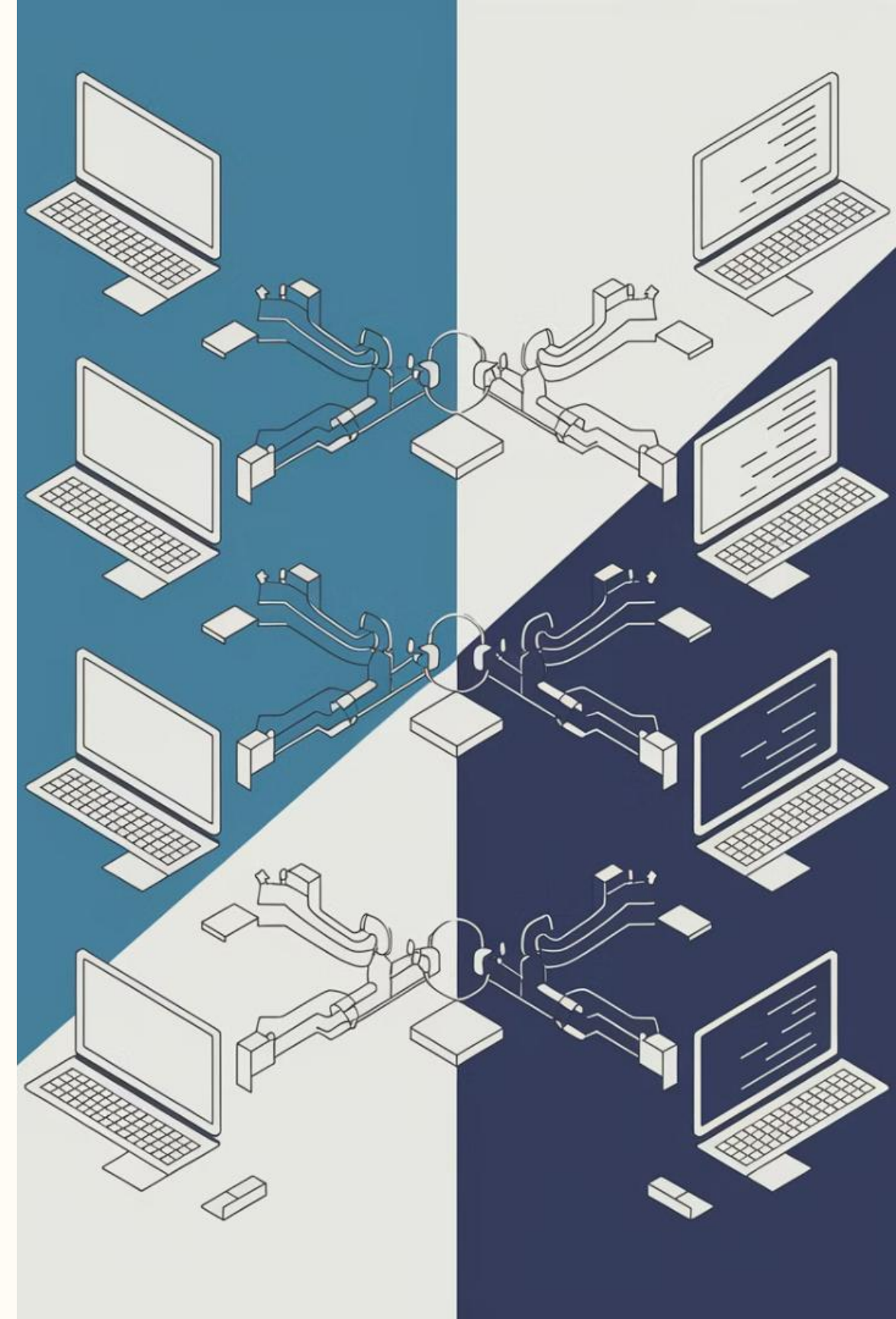
ALP Application

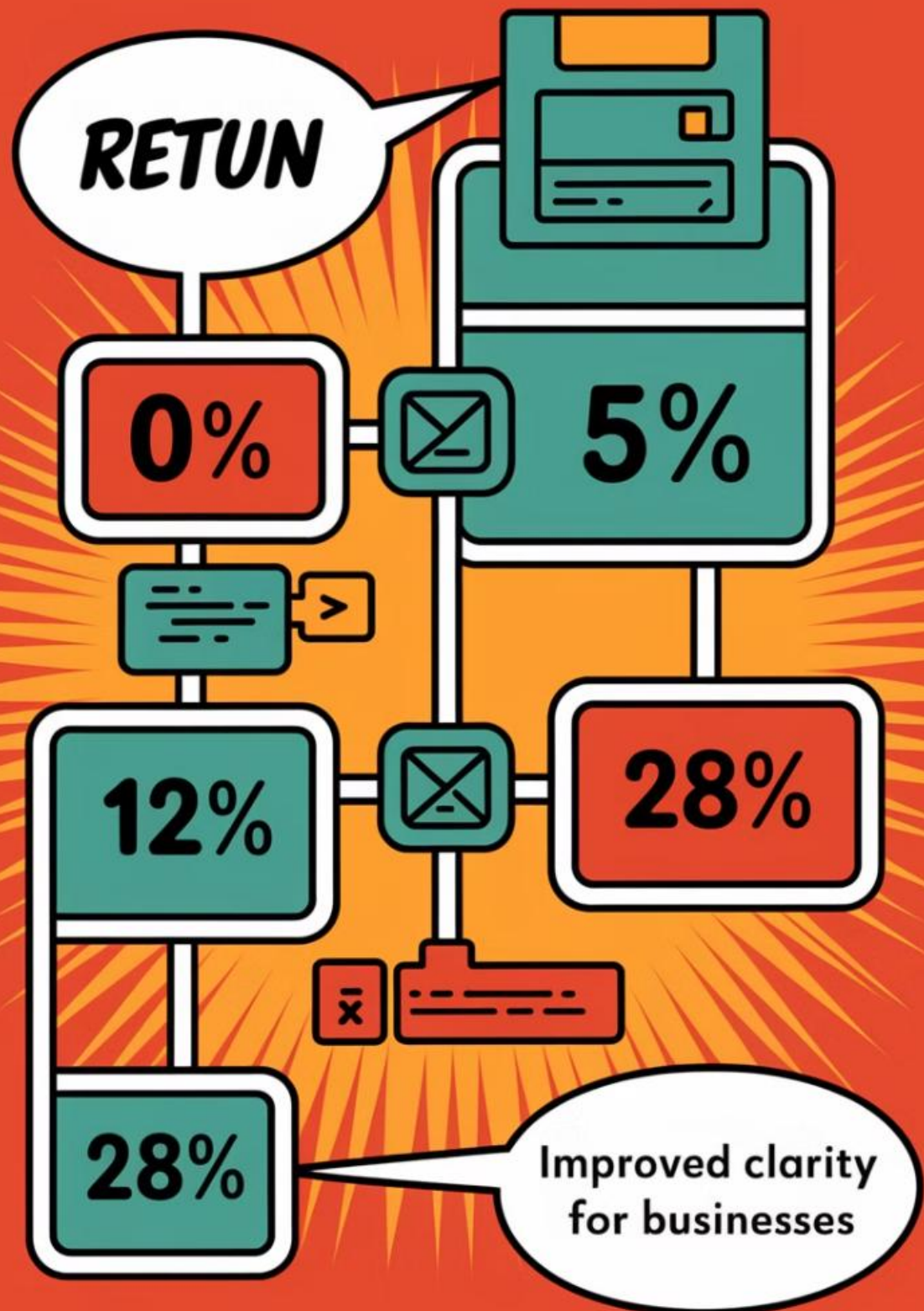
New three-year validity for arm's length pricing determinations on similar transactions. This forward-looking approach delivers pricing certainty, cuts documentation costs by 60%, and applies to transactions maintaining consistent functional and economic parameters.

Safe Harbour Expansion

Comprehensive expansion of Safe Harbour provisions covering emerging business models. Enhanced framework encompasses digital services, financial transactions, and modern business arrangements with updated thresholds. Benefits include 50% reduction in litigation risk and assured compliance pathways for over 25,000 multinational enterprises.

These reforms are projected to reduce compliance costs by 35% while strengthening India's position as a trusted partner in international trade and investment.





Goods and Services Tax Changes

The image above illustrates key changes in the Goods and Services Tax (GST) structure. These changes aim to simplify the tax system and improve compliance.

Customs Duty Rationalization

The government has introduced comprehensive reforms to streamline customs procedures and promote ease of doing business. These changes aim to enhance trade facilitation while maintaining effective customs control.

1

Duty Rates

Rationalized to support domestic manufacturing and promote exports. Basic customs duty reduced on 25 items and increased on 15 items to protect domestic industry. Special focus on electronics, textiles, and critical raw materials to strengthen Make in India initiative.

2

Interim Board

Set up for settlements of cases with dedicated panels for different sectors. The board will expedite resolution of pending disputes, targeting clearance of cases within 90 days. Special provisions for cases involving amounts below ₹50 lakh for faster processing.

Customs Duty Rationalization (Continued)

1 Provisional Assessment

Definitive timelines provided for finalization with a maximum period of 6 months. New digital platform introduced for tracking assessment status. Automated reminders and escalation mechanism implemented to ensure adherence to timelines.

2 Revision Mechanism

New system for voluntary revision of entry post clearance within 30 days. Reduced penalties for voluntary disclosures and corrections. Online portal launched for seamless submission and tracking of revision requests with integrated payment gateway.

These reforms are expected to reduce compliance burden, accelerate customs clearance, and enhance India's ranking in ease of doing business index while securing government revenue through better compliance.

Personal Tax Reforms



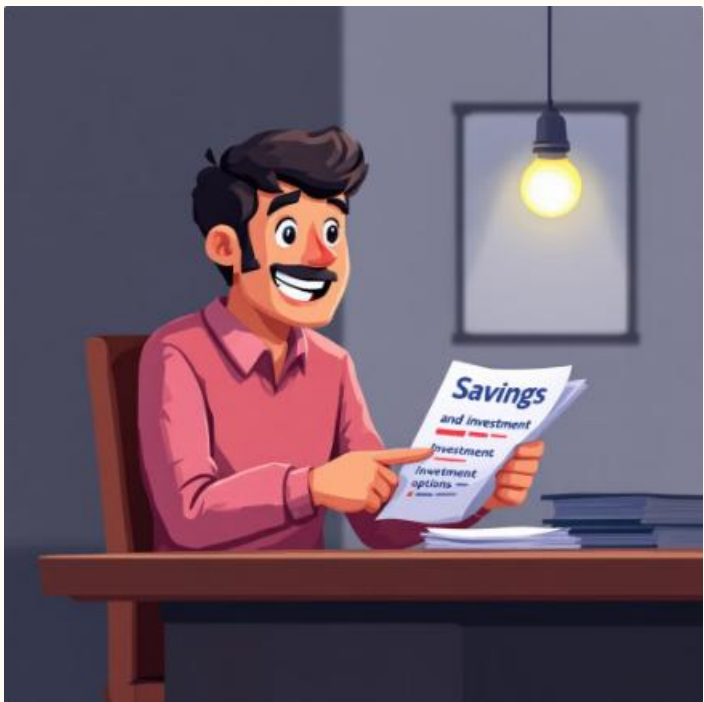
New Tax Regime

Incomes up to INR12 lakh not subject to income tax under the New Tax Regime (NTR). This significant increase from the previous threshold provides substantial relief to middle-class taxpayers. Standard deduction of INR75,000 now available under NTR, making it more attractive for salaried individuals.



Tax Slabs

Up to INR4 lakh — Nil,
INR4 lakh to INR8 lakh -5%,
INR8 lakh to INR12 lakh -10%,
INR12 lakh to INR16 lakh -15%,
INR16 lakh to INR20 lakh -20%,
INR20 lakh to INR24 lakh -25%,
Above INR24 lakh -30%.



Tax Savings

Significant savings for individuals across various income levels. For example, taxpayers earning INR15 lakh annually can save up to INR75,000 compared to the old regime. Additional benefits through enhanced deductions for health insurance premiums and education expenses. New investment options introduced for tax savings under Section 80C.



TDS Thresholds

Increased threshold limits for TDS deduction: Rental income threshold raised to INR3 lakh annually, dividend payments threshold enhanced to INR50,000, and interest income threshold increased to INR40,000 for bank deposits. Special provisions for senior citizens with higher thresholds. Digital TDS certificate generation system implemented for faster processing.

Additional Personal Tax Measures

LRS Threshold

Tax Collection at Source (TCS) threshold for Liberalised Remittance Scheme (LRS) remittances increased to INR10 lakh. This higher threshold provides greater flexibility for foreign transactions without TCS burden. Particularly beneficial for individuals sending money abroad for various purposes including investments, property purchase, and gifts.

Updated Returns

Time limit for filing updated returns extended to four years from previous two years. This extension provides taxpayers more flexibility to rectify errors or omissions. Taxpayers can now declare additional income and pay taxes with reasonable interest, reducing potential penalties and legal complications.

Education Remittances

Education-related remittances funded through specified financial institution loans are now exempt from TCS. This relief specifically targets students pursuing education abroad, reducing their financial burden. The exemption applies to both tuition fees and living expenses covered under education loans from recognized institutions.

Self-Occupied Properties

Annual value of up to two self-occupied properties will be taken as Nil for tax purposes. This provides significant relief to homeowners with multiple properties. Interest paid on home loans for both properties can be claimed as deduction under specified limits, optimizing tax benefits for property owners.

Infrastructure Boost

1

Roads and Highways

Paving the way for progress with new superhighways connecting cities.

2

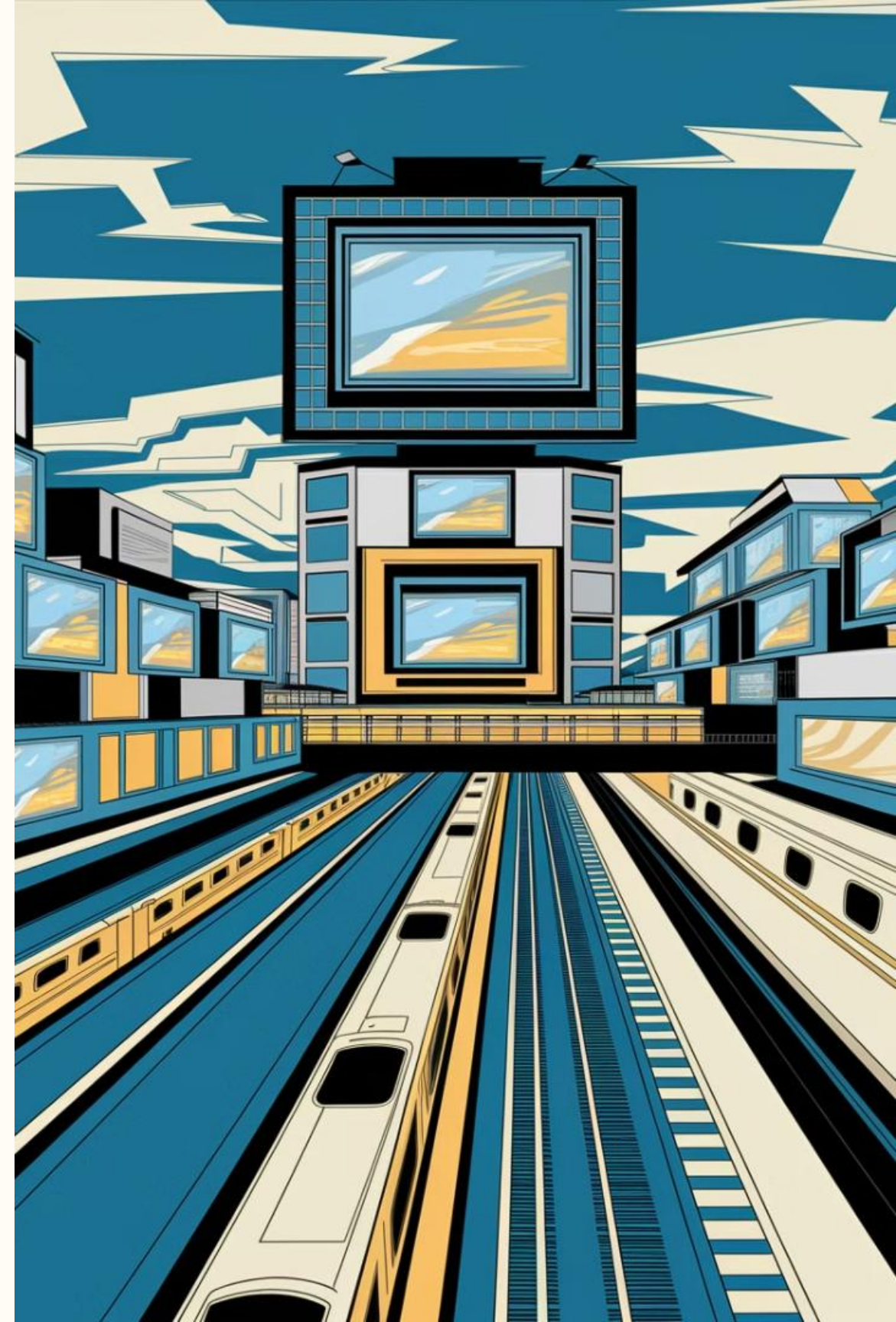
Railway Revolution

Upgrading the iron veins of the nation for faster, more efficient travel.

3

Digital India

Weaving a web of connectivity to empower every citizen with information.



Agriculture: The Green Revolution Continues

Crop Insurance

Protecting farmers from the whims of nature with a financial safety net.

Tech-Savvy Farming

Equipping farmers with gadgets to boost productivity and sustainability.

Market Access

Building bridges between farmers and consumers for fair prices.



Healthcare: The Wellness Mission

Affordable Care

Making quality healthcare accessible to all citizens, rich or poor.

Digital Health

Revolutionizing healthcare delivery with telemedicine and AI diagnostics.

Pandemic Preparedness

Building a fortress of health to protect against future outbreaks.

Key Policy Changes

The policy changes aim to enhance the MSME sector's growth and competitiveness through a comprehensive set of reforms and initiatives. They address longstanding challenges related to access to credit, classification criteria, and support mechanisms for specific segments like startups and exporters. These wide-ranging reforms, implemented over 2020-2023, represent the government's strategic commitment to strengthening India's MSME ecosystem and boosting economic growth in the post-pandemic era. The changes are designed to create a more resilient and globally competitive MSME sector.

Sector Overview

The MSME sector forms the backbone of India's economic structure, employing a significant portion of the country's workforce and contributing substantially to industrial output and exports. The government recognizes its pivotal role in achieving the \$5 trillion economy goal and is implementing targeted interventions and policy reforms to accelerate growth.

- Total MSMEs: 5.7 crore enterprises across manufacturing and services sectors
- Registered MSMEs: Over 1 crore with 15% annual growth rate
- Employment: 7.5 crore people directly employed, with additional 12 crore indirect employment
- Manufacturing Contribution: 36% of total manufacturing output, growing at 10% annually
- Exports: 45% of total Indian exports, valued at \$147.3 billion
- GDP Contribution: 30% to national GDP, expected to reach 40% by 2025
- Rural Employment: 51% of MSMEs in rural areas, supporting local economies
- Women-owned Enterprises: 20% of registered MSMEs, showing steady growth

Support Initiatives

The government has launched several comprehensive support measures to strengthen the sector and enhance its global competitiveness:

- Credit Guarantee Scheme with expanded coverage up to ₹5 crore per enterprise
- Technology Upgradation Fund support with 15% capital subsidy
- Digital marketplace platform for government procurement (GeM portal)
- Simplified registration process through Udyam portal with zero fees
- CHAMPIONS portal for grievance resolution and handholding
- Skill development programs targeting 2.5 million MSME workers
- Zero Defect Zero Effect (ZED) certification scheme
- MSME Innovative Scheme for technology adoption

Implementation Timeline

The policy implementation follows a structured approach:

- Phase 1 (2023): Digital transformation and registration reforms
- Phase 2 (2024): Credit access and financial inclusion measures
- Phase 3 (2025): Technology upgradation and export promotion

Classification Changes

The government has implemented significant changes to MSME classification, increasing investment and turnover limits to help enterprises achieve larger scale and adopt advanced technologies. This revolutionary move is expected to encourage growth, innovation, and competitiveness within the sector while enabling easier access to credit and government schemes.

- Investment Limit Increased: 2.5x from previous levels across categories
- Turnover Limit Increased: 2x across categories with automatic reclassification
- Composite Criteria: Both investment and turnover considered for classification
- Export Turnover: Excluded from total turnover calculations

New Classification Thresholds

- Micro Enterprises:
 - Investment up to ₹1 crore
 - Turnover up to ₹5 crore
 - Simplified compliance requirements
- Small Enterprises:
 - Investment up to ₹10 crore
 - Turnover up to ₹50 crore
 - Medium compliance requirements
- Medium Enterprises:
 - Investment up to ₹50 crore
 - Turnover up to ₹250 crore
 - Standard compliance requirements

Credit Access Improvements

Enhanced credit access measures have been implemented to address working capital needs and expansion requirements:

- Emergency Credit Line Guarantee Scheme (ECLGS)
 - 100% credit guarantee coverage
 - No additional collateral required
 - Extended repayment period
- Revised Priority Sector Lending guidelines with higher limits
- Fund of Funds scheme with ₹50,000 crore corpus
 - Equity funding support
 - Daughter funds structure
- Streamlined loan approval process with 59-minute loan approval
- TReDS platform for invoice financing
- Credit linked capital subsidy scheme

Future Outlook

The policy changes are expected to create a more dynamic and resilient MSME sector by 2025, with projected outcomes including:

- 40% increase in export contribution
- 25% growth in employment generation
- 50% increase in technology adoption
- Doubled credit flow to the sector

Start-up Ecosystem: Nurturing Innovation

India's start-up ecosystem is experiencing unprecedented growth, with over 100,000 registered start-ups contributing to innovation and employment. The government has launched comprehensive support mechanisms to transform India into a global start-up hub.

1 Tax Holidays

Giving start-ups a breather to focus on growth and innovation. Eligible start-ups now receive 3 years of income tax exemption within their first 10 years of incorporation. Additional benefits include exemption from angel tax, simplified compliance procedures, and special GST provisions for early-stage companies.

2 Incubation Centers

Creating hatcheries of innovation across the country. We're establishing 500 new technology business incubators and accelerators by 2024, equipped with state-of-the-art facilities, mentor networks, and industry partnerships. These centers provide workspace, technical support, prototype development facilities, and business development assistance.

3 Venture Capital

Fueling the dreams of entrepreneurs with financial rocket fuel. The government has set up a ₹10,000 crore Fund of Funds managed by SIDBI, along with credit guarantee schemes and seed funding programs. Special focus is placed on deep-tech startups, women entrepreneurs, and solutions addressing social challenges.

Through these initiatives, we aim to facilitate the creation of 100,000 new jobs, generate intellectual property, and establish India as a global innovation leader by 2025.



Tourism: Incredible India 2.0



Heritage Sites

Preserving and promoting India's rich cultural tapestry.



Visa Reforms

Making it easier for tourists to explore the wonders of India.



Infrastructure

Building world-class facilities to welcome global travelers.



Healthcare Innovation: Tech Meets Wellness

AI Diagnostics

Harnessing artificial intelligence for faster, more accurate medical diagnoses.

Biotech Research

Investing in cutting-edge research for new treatments and cures.

Telemedicine

Bringing healthcare to remote corners through digital consultations.



Pharmaceutical Industry: Medicine for the Masses

India's pharmaceutical sector stands as a cornerstone of global healthcare, combining innovation with accessibility to serve billions worldwide. Our strategic initiatives focus on three key pillars to strengthen this vital industry.

R&D Investment

Boosting research for developing new drugs and treatments. This includes establishing state-of-the-art research facilities, providing tax incentives for pharmaceutical research, and fostering collaboration between academic institutions and industry leaders. Special focus will be placed on developing treatments for India-specific health challenges.

- Setting up advanced research centers
- Tax benefits for R&D spending
- Industry-academia partnerships

Generic Medicines

Ensuring affordable healthcare through quality generic drugs. The initiative includes strengthening quality control measures, expanding production capabilities, and implementing price control mechanisms to keep medicines affordable for all citizens. We aim to make essential medicines accessible to every Indian household.

- Enhanced quality standards
- Price regulation mechanisms
- Distribution network expansion

Export Promotion

Strengthening India's position as the 'Pharmacy of the World'. This involves streamlining export procedures, establishing new trade partnerships, and ensuring compliance with international quality standards. We're focusing on expanding our presence in emerging markets while maintaining our strong position in established ones.

- International compliance support
- Trade partnership development
- Export infrastructure upgrade

Through these comprehensive measures, we aim to not only strengthen India's pharmaceutical sector but also ensure that quality healthcare remains accessible and affordable for all. The focus on research, affordability, and global reach will help create a more resilient and innovative pharmaceutical industry.



Smart Agriculture: Farming for the Future



Precision Farming

Using IoT and AI for optimal resource utilization in agriculture.



Drone Technology

Employing drones for crop monitoring and pesticide application.



Farmer Apps

Developing mobile applications for real-time agricultural advice.



Blockchain: Beyond Cryptocurrency

1

Governance

Implementing blockchain for transparent and efficient government processes.

2

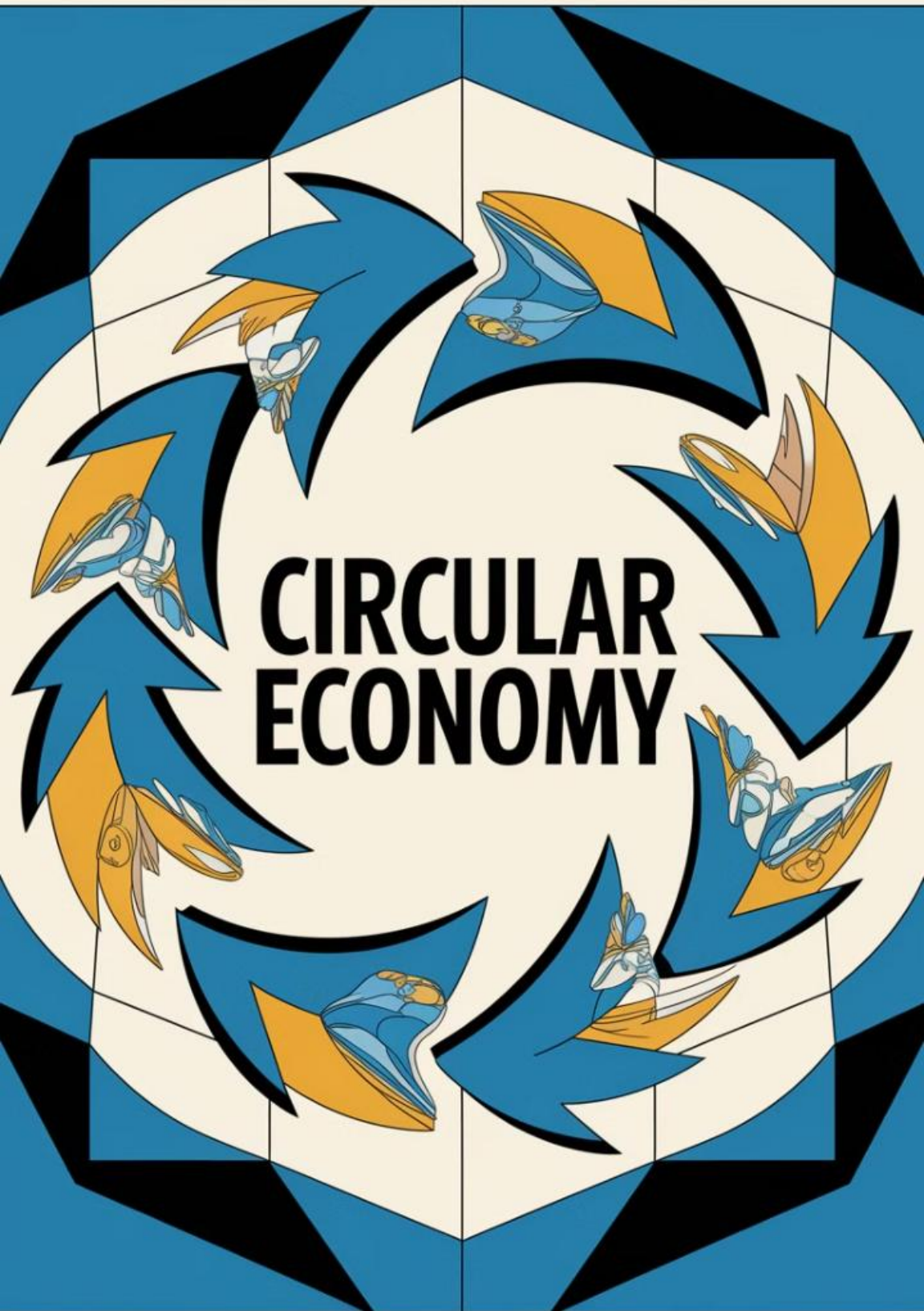
Supply Chain

Enhancing traceability and efficiency in logistics using blockchain.

3

Digital Identity

Creating secure and portable digital identities for citizens.



Circular Economy: Closing the Loop



Product Design

Promoting designs that facilitate easy recycling and reuse.



Industrial Symbiosis

Encouraging industries to use each other's waste as raw materials.



Consumer Awareness

Educating consumers about sustainable consumption patterns.

We're seeing a surge in opportunities, with a robust pipeline of projects that promise significant growth for us. This is a testament to your hard work, dedication, and the exceptional talent we have within our team. This is a pivotal moment for us. To capitalize on these opportunities, we need to remain focused, collaborative, and innovative. We need to continue to leverage our collective expertise and work together seamlessly to deliver exceptional results for our clients. I have complete confidence in each and every one of you. The future of our firm is bright, and I'm incredibly proud to be on this journey with all of you. Let's seize these opportunities and make the most of this incredible momentum. Thank you for your unwavering commitment and hard work. I'm confident that together, we will achieve remarkable things.

-CA Shashank Doshi

THANK YOU



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