

KHARABANDA ASSOCIATES, CHARTERED ACCOUNTANTS

Union Budget 2025-26 An insight into the fine print



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DIRECT TAX PROPOSALS

Personal Income Tax Reforms

No tax on income up to ₹ 12 lakhs

Salaries individuals who avail of the standard deduction benefit of ₹ 75,000 under the new tax regime, the tax-free threshold increases to ₹ 12.75 lakhs

Rebate of ₹ 60,000 and tax slab changes will result in savings up to ₹ 1.10 lakhs

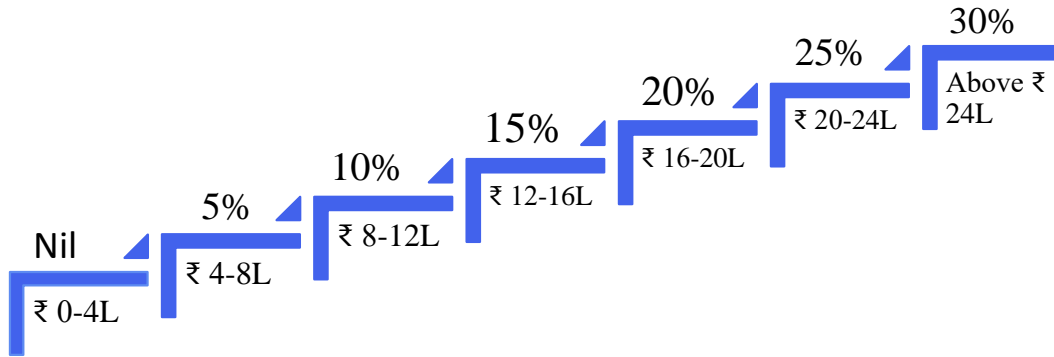
No deemed rental for two self-occupied house properties.

Contributions up to ₹ 50,000 made to the NPS under Section 80CCD are only eligible for deductions in the old tax regime

Extension of time-limit to file updated returns, from the current limit of two years, to four years.

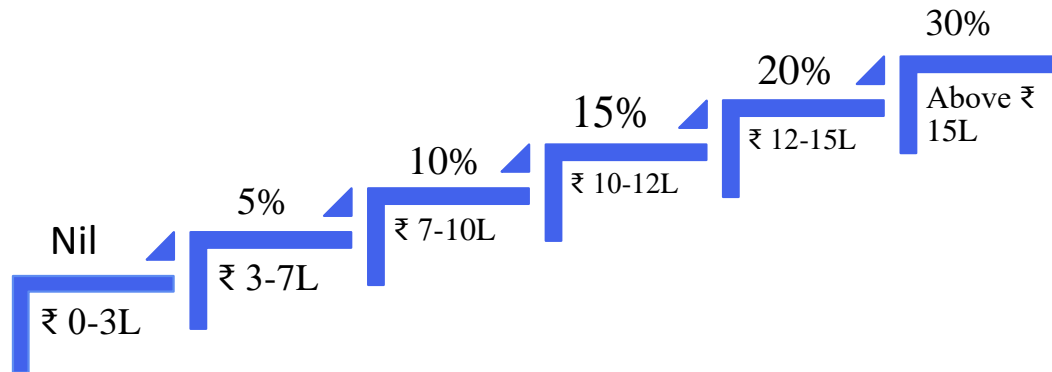
Note: 60% Rate of additional income-tax is payable at the time of filing the updated return after expiry of 24 months & up to 36 months from the end of the relevant assessment year, rate shall be 60% of aggregate of tax and interest payable.

New Tax Regime



Taxpayers whose income is just above ₹ 12 lakhs (approximately up to ₹ 12.75 lakhs) would get the benefit of Marginal relief. Beyond this income, regular tax slabs shall apply.

Old Tax Regime



For Assesseees under the Old Regime, there is no change in taxation rates or the slabs.

Presently tax-payers can claim the annual value of self-occupied properties as nil only upon fulfilment of certain conditions. Considering the challenges faced by taxpayers, it is proposed to allow the benefit of two such self-occupied properties without any condition.

Illustrations for calculation of tax benefit, as given in the table below:

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

Source: Budget 2025-26 (indiabudget.gov.in)

Tax certainty for electronics manufacturing Schemes

It is proposed to provide a presumptive taxation regime for non-residents who provide services to a resident company that is establishing or operating an electronics manufacturing facility. It is further proposed to introduce a safe harbour for tax certainty for non-residents who store components for supply to specified electronics manufacturing units.

Tonnage Tax Scheme for Inland Vessels

Presently the tonnage tax scheme is available to only sea going ships. The benefits of existing tonnage tax scheme are proposed to be extended to inland vessels registered under the Indian Vessels Act, 2021 to promote inland water transport in the country.

Extension for incorporation of Start-Ups

It is proposed to extend the period of incorporation by 5 years to allow the benefit available to start-ups which are incorporated before 01.04.2030.

International Financial Services Centre (IFSC)

Specific benefits are being proposed to ship-leasing units, insurance offices and treasury centres of global companies which are set up in IFSC. Further, to claim benefits, the cut-off date for commencement in IFSC has also been extended by five years to 31.03.2030.

Alternate Investment Funds (AIFs)

Category I and category II AIFs are undertaking investments in infrastructure and other such sectors. It is proposed to provide certainty of taxation to these entities on the gains from securities.

Extension of investment date for Sovereign and Pension Funds

To promote funding from Sovereign Wealth Funds and Pension Funds to the infrastructure sector, it is proposed to extend the date of making an investment by five more years, to 31st March, 2030.

Rationalization of TDS/TCS for easing difficulties

At present, both TDS and TCS provisions are being applied on sale of goods transactions. To prevent such compliance difficulties, it is proposed to omit the TCS. It is also proposed that the provisions of higher TDS deduction will now apply only in non-PAN cases.

TCS payment default decriminalized (Budget has proposed to relax penalties for delayed payments under the TCS & TDS).

The annual limit of ₹2.40 lakhs for TDS on rent is proposed to be increased to ₹ 6 lakhs.

Threshold for TCS on overseas remittances raised to ₹ 10 lakhs from the present limit of ₹ 7 lakhs. No TCS on remittances for education from loan

It is proposed to remove TCS on remittances for education purposes, where such remittance is out of a loan taken from a specified financial institution.

Tax deduction limit for senior citizens doubled from ₹ 50,000 to ₹ 1 lakhs. For others, threshold increase to ₹ 50,000. TDS on dividend income above ₹ 10,000

1. Rationalization tax deducted at source (TDS) and tax collected at source (TCS) rates:

To reduce multiplicity of rates and compliance burden, it is proposed to bring down certain TDS and TCS rates in certain sections as below:

S. No	Section of the Act	Present TDS/TCS Rate	Proposed TDS/TCS Rate
1.	Section 194LBC - Income in respect of investment in securitization trust	25% if payee is Individual or HUF and 30% otherwise	10%
2.	Sub-section (1) of section 206C (i) TCS on timber or any other forest produce (not being tendu leaves) obtained under a forest lease and (ii) TCS on timber obtained by any mode other than under a forest lease	2.50%	2%
3.	Sub-section (1G) of section 206C – TCS on remittance under LRS for purpose of education, financed by loan from financial institution	0.5% after ` 7 lakhs	Nil

It is further proposed to increase certain thresholds for requirement to deduct tax at source or collect tax at source under certain sections, as below:

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 and 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/-
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/-
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/-	50,000/-
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/-

Ease of doing business

- Introduction of a scheme for determining arm's length price of International transaction for a block period of 3 years.
- To streamline the process of transfer pricing and to provide an alternative to yearly examination, it is proposed to introduce a scheme for determining arm's length price of international transaction for a block period of three years. This will be in line with global best practices.
- With a view to reduce litigation and provide certainty in international taxation, the scope of safe harbour rules is being expanded.
- A number of senior and very senior citizens have very old National Savings Scheme accounts. As interest is no longer payable on such accounts, it is proposed to exempt withdrawals made from NSS by individuals on or after the 29th of August, 2024. It is proposed to allow similar treatment to NPS Vatsalya accounts as is available to normal NPS accounts, subject to overall limits.
- Digitalisation is being made operational for all processes including giving effect to appellate orders.

Encouraging Voluntary Compliance

Obligation to furnish information in respect of crypto-asset

It is proposed to bring amendment in the Act to provide for that a prescribed reporting entity in respect of a crypto-asset shall furnish information in respect of a transaction in such crypto asset, in a statement as prescribed. It is also proposed to align the definition of virtual digital asset accordingly.

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.

Parity in rates of long term capital gain on transfer of securities by non-resident

It is proposed to bring parity between the taxation of capital gains on transfer of capital assets between residents and non-residents being Foreign Institutional investors, on their income by way of long-term capital gains on transfer of securities.

Extension of time limit u/s 80-IAC for startups

It is proposed to extend the benefit provided under Section 80-IAC to startups for another period of five years, i.e. the benefit will be available to eligible start-ups incorporated before 01.04.2030

Simplification of tax provisions for Charitable trusts/institutions

It is proposed to reduce the compliance burden for small charitable trusts/institutions by increasing their period of registration from 5 years to 10 years. It is also proposed that disproportionate consequences to not arise for minor defaults, such as incomplete applications filed by charitable entities.

Amendment of definition of Capital asset

In order to bring clarity on the chargeability of income arising out of transfer of capital asset being securities held by an investment fund as referred to in section 115UB of the Act, the definition of capital asset is proposed to be amended.

Scheme of Presumptive taxation extended for non-resident providing services for electronics manufacturing facility

It is proposed to provide a presumptive taxation regime for non-residents, engaged in the business of establishing or operating electronics manufacturing facility or a connected facility for manufacturing or production of electronic goods, article or thing in India.

Extending the processing period of Application seeking immunity from penalty and prosecution

It is proposed that Assessing Officer shall pass an order accepting or rejecting the application requesting immunity from penalty and prosecution, within a period of three months from the end of the month in which such application is received.

Excluding the period such as court stay etc. for calculating time limit to pass an order

It is proposed to exclude certain time period such as period of stay on proceedings by any court order, etc. from the time limit to pass an order deeming a person to be an assessee in default with respect of failure to collect TCS.

Rationalisation of provisions related to carry forward of losses in case of amalgamation

It is proposed to amend section 72A and section 72AA of the Act to provide that any loss forming part of the accumulated loss of the predecessor entity, shall be carried forward for not more than eight assessment years immediately succeeding the assessment year for which such loss was first computed for original predecessor entity.

Time limit for retention of seized books of account or other documents rationalized

It is proposed make amendments to provide that retention of seized books of account or other documents shall be one month from the end of the quarter in which the assessment or reassessment or recomputation order has been made.

Time limit to impose penalties rationalized

It is proposed that any order imposing a penalty shall not be passed after the expiry of six months from the end of the quarter in which the connected proceedings are completed, or the order of appeal is received.

INDIRECT TAX PROPOSALS

SECTOR SPECIFIC PROPOSALS

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.

Various proposals are announced for Export Promotion of Handicraft goods, Leather sector, Marine Products and others

Export promotion and Trade Facilitation

Relief on import of drugs/medicines

- ❑ 36 life saving drugs and medicines to the list of medicines fully exempted from Basic Customs Duty
- ❑ Budget also proposes to add 6 life saving medicines to the list attracting concessional customs duty of 5%
- ❑ Specified drugs and medicines under Patient Assistance Programmes run by pharmaceutical companies are fully exempt from Basic Customs Duty, provided the medicines are supplied free of cost to patients. Budget proposes to add 37 more medicines along-with 13 new patient assistance programmes to the list

Rationalisation of Customs Tariff Structure for Industrial Goods

- Proposal to remove seven tariff rates post which there would be eight remaining tariff rates including 'zero' rate
- Proposal to levy not more than one cess or surcharge. Proposal to exempt social welfare surcharge on 82 tariff lines that are subject to a cess
- Proposal to apply appropriate cess to broadly maintain effective duty incidence except on a few items, where such incidence will reduce marginally

Textiles Sector

- To promote domestic production of technical textile products such as agro-textiles, medical textiles and geo textiles at competitive prices, it is proposed to add two more types of shuttle-less looms to the list of fully exempted textile machinery. Proposal to revise the BCD rate on knitted fabrics covered by nine tariff lines from "10% or 20%" to "20% or ` 115 per kg, whichever is higher"

Electronic Goods

- In order to rectify inverted duty structure, it is proposed to increase the BCD on Interactive Flat Panel Display (IFPD) from 10% to 20% and reduce the BCD to 5% on Open Cell and other components. BCD on parts of open cells now proposed to stand exempted

Lithium Iron Battery

- Proposal to add 35 additional capital goods for EV battery manufacturing and 28 additional capital goods for mobile phone battery manufacturing. This is proposed so as to boost domestic manufacture of lithium-ion battery, both for mobile phones and electric vehicles

Trade Facilitation (Time Limit for Provisional Assessment)

- Presently, the Customs Act, 1962 does not provide any time limit to finalize Provisional Assessments leading to uncertainty and cost to trade. As a measure of promoting ease of doing business, it is proposed to fix a time-limit of two years, extendable by a year, for finalising the provisional assessment

Extended Time for End Use

- For industry to better plan their imports, it is proposed to extend the time limit for the end-use of imported inputs in the relevant rules, from six months to one year. Further, such importers will now have to file only quarterly statements instead of a monthly statement

Proposals relating to Customs aim to rationalize tariff structure and address duty inversion

Voluntary Compliance:

Proposal to introduce a new provision that will enable importers or exporters, subsequent to clearance of goods, to voluntarily declare material facts and pay duty with interest, however, without penalty. This will not apply in cases where department has already initiated audit or investigation proceedings

LEGISLATIVE CHANGES UNDER GST LAW

Insertion of a new Section 122B of the CGST Act, 2017

- A new Section 122B is being inserted to provide penalties for contraventions of provisions related to the Track and Trace Mechanism provided under Section 148A.

Insertion of a new Section 148A of the CGST Act, 2017

- Section 148A is being inserted to provide for enabling mechanism for a Track and Trace Mechanism for specified commodities.

Amendments in Schedule III of the CGST Act, 2017

- Insert a new Entry (aa) in Paragraph 8 to provide that the supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area shall be treated neither as supply of goods nor as supply of services
- Amend Explanation 2, w.e.f. 01.07.2017 to clarify that the said explanation would be applicable in respect of entry (a) of paragraph 8
- Insert Explanation 3 to define the terms 'Special Economic Zone', 'Free Trade Warehousing Zone' and 'Domestic Tariff Area', for the purpose of the proposed entry (aa) in Paragraph 8
- To provide that no refund of tax already paid will be available for the transactions referred above.

Special Provision for Exemption from Service Tax in Certain Cases

- Services provided or agreed to be provided by insurance companies by way of reinsurance services under the Weather Based Crop Insurance Scheme (WBCIS) and the Modified National Agricultural Insurance Scheme (MNAIS), are being exempted from service tax for the period commencing from 1st April, 2011 and ending with 30th June, 2017.

Amendments in Section 2 of the CGST Act, 2017

- Clause (61) 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.
- Clause (69) (c) is being amended to insert an Explanation 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.
- A new clause (112A) is being inserted to provide definition of Unique Identification Marking for implementation of Track and Trace Mechanism.

Amendments in Section 12 and 13 of the CGST Act, 2017

- Sub-section (4) of Section 12 and Sub-section (4) of Section 13 relating to time of supply in respect of vouchers are being omitted.

Amendments in Section 17 of the CGST Act, 2017

- Clause (d) of sub-section (5) is being amended to substitute the words "Plant or machinery" with the words "Plant and machinery" with effect from 1st July, 2017.

Amendments in Section 20 of the CGST Act, 2017

- 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 sub-section (1) of section 20. The amendment will be effective from 1st April, 2025.

Amendments in Section 34 of the CGST Act, 2017

- The Proviso to sub-section (2) 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.

Amendments in Section 38 of the CGST Act, 2017

- Section 38(1) is being amended to omit the expression "auto-generated"
- Section 38(2) is being amended to omit the expression "auto-generated" and to insert the expression "including" after the words "by the recipient" in clause (b) to make the said clause more inclusive
- Section 38(2) is also being amended to insert a new clause (c) to provide an enabling clause to prescribe other details to be made available in statement of input tax credit.

Amendments in Section 39 of the CGST Act, 2017

- Section 39(1) is being amended to provide an enabling clause to prescribe certain conditions and restriction for filing of return.

Amendments in Section 107 and 112 of the CGST Act, 2017

- Section 107(6) 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
- Section 112(8) is 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.

KEY LEGISLATIVE CHANGES UNDER CUSTOMS LAW

Basic Customs Duty

- BCD reduced from 38.5% to 35% for dutiable articles imported by passengers or crew member
- BCD on goods imported for personal use slashed from 38.5% to 20%
- BCD reduced on import of articles of jewellery & parts from 25% to 20%
- Customs duty rate reduced on import of various types of furniture, mattresses and articles of bedding from 27.5% to 25%

Amendments in The Customs Tariff Act, 1975

- Revise tariff rates on certain industrial tariff items
- Add 178 new tariff entries in chapter 10, 20, 27, 28, 29, 38 and 71 and substitute/delete 63 tariff entries; insert supplementary notes in chapter 10, 20, 29 and 38 and amend 2 supplementary notes. This is to align the tariff lines with WCO classification and better identification of goods.

Amendments in The Customs Act, 1962

- A new sub-section (1B) is being inserted in Section 18 to provide time limit of two years for finalization of provisional assessment. It also provides that this time limit may be extended by the Commissioner of Customs for a further period of one year if sufficient cause is shown. It further provides that, for the pending cases, the time-limit shall be computed from the date of assent of the Finance Bill, 2025.
- A new Section 18A is being inserted for voluntary revision of entry after clearance of goods to allow importers and exporters to revise any entry made in relation to the goods within a prescribed time and subject to conditions as may be prescribed. It also provides for treating such revised entry as self-assessment and allow payment of duty or treat the revised entry as a refund claim under section 27. It further provides for certain cases where this section will not apply.
- A new Explanation is being inserted in sub-section 1 of Section 27 to clarify that the period of limitation for claim of refund consequent to the revised entry under Section 18A or amendment under Section 149 of the Customs Act, 1962, shall be one year from the date of payment of duty or interest.

CUSTOMS DUTY RATE CHANGES

Reduction in customs duty to reduce input costs, deepen value addition, promote export competitiveness, correct inverted duty structure, boost domestic manufacturing etc [with effect from 2.2.2025]

S. No.	Commodity	From (per cent)	To (per cent)
I.	Aquafarming & Marine exports		
1	Frozen fish paste (surimi) for manufacture of surimi analogue products for export	30	5
2	Fish hydrolysate for manufacture of aquatic feed	15	5
II.	Chemicals		
1	Other compounds containing a pyrimidine ring (whether or not hydrogenated) or piperazine ring in the structure classified under tariff sub heading 2933 59	10	7.5
2	Synthetic flavouring essences and mixtures of odoriferous substances of a kind used in food or drink industries classified under tariff sub heading 3302 10	100	20
3	Sorbitol classified under tariff subheading 3824 60	30	20
III.	Waste and Scrap of Critical Minerals and others		
1	Waste and scrap of Antimony, Beryllium, Bismuth, Cobalt, Cadmium, Molybdenum, Rhenium, Tantalum, Tin, Tungsten, Zirconium, Copper scrap covered under tariff items 74040012, 74040019 and 74040022	10/5/2.5	Nil
2	Waste and scrap of Lithium-Ion Battery	5	Nil
3	Cobalt powder	5	Nil
4	Waste and scrap of Lead	5	Nil
5	Waste and scrap Zinc	5	Nil
IV.	Drugs and Medicines		
1	Addition of 6 more medicines in List 3 and bulk drugs for their manufacture	As applicable	5
2	Addition of 36 more medicines in List 4 and bulk drugs for their manufacture	As applicable	Nil
3	Addition of 37 more medicines and 13 Patient Assistance Programmes in the list of duty free imports by pharmaceutical companies for supply free of cost to patients	As applicable	Nil
V.	Precious Metals		
1	Platinum findings	25	6.4 (5 BCD + 1.4 AIDC)

CUSTOMS DUTY RATE CHANGES

VI.	Textile, Handicraft and Leather Sector		
1	Wet blue leather	10	Nil
2	Shuttle less loom Ravier Looms (below 650 meters per minute) and Shuttle less loom Air jet Looms (below 1000 meters per minute) for use in textile industry	7.5	Nil
3	Certain additional items for duty free import by bonafide exporters for manufacture of handicrafts	As applicable	Nil
VII.	Capital Goods		
1	Addition of 35 capital goods/machinery for use in the manufacture of lithium-ion battery of EVs and 28 capital goods/machinery for use in the manufacture of lithium-ion battery of mobile phones	As applicable	Nil
VIII.	IT and Electronics		
1	Inputs/ parts and sub-parts of PCBA, camera module, connectors and inputs or raw materials for use in manufacture of wired headset, microphone and receiver, USB cable, fingerprint reader/ sensor of cellular mobile phone	2.5	Nil
2	Specified inputs/parts (chip on film, PCBA, glass board / substrate cell) for use in manufacture of open cells of TV panels of LED/LCD TV	2.5	Nil
3	Ethernet Switches Carrier-Grade	20	10
4	Open cell (with or without touch) for interactive Flat Panel Display module, Touch Glass sheet and Touch Sensor PCB for use in manufacture of Interactive Flat Panel Display module	15-Oct	5
IX.	Space Sector		
1	Ground installation for satellites including its spares and consumables	As applicable	Nil
2	Goods used in the building of launch vehicles and launching of satellites	5	Nil
X.	Motorcycles		
1	(i) Engine capacity not exceeding 1600 CC (CBU)	50	40
	(ii) Semi-knocked down (SKD)	25	20
	(iii) Completely knocked down (CKD)	15	10
2	(i) Engine capacity 1600 CC & above (CBU)	50	30
	(ii) Semi-knocked down (SKD)	25	20
	(iii) Completely knocked down (CKD)	15	10

Decrease in Tariff rate with reduction in effective rate [With effect from 02.02.2025]

	Commodity	Rate of duties	
		From	To
		(per cent)	(per cent)
1	Synthetic flavouring essences and mixtures of odoriferous substances for use in food and drink industry	100	20 (+2 SWS)
2	Sorbitol under tariff sub-heading 3824 60	30 (+3 SWS)	20 (+2 SWS)
3	Articles of jewellery and parts thereof under tariff heading 7113; articles of goldsmiths' or silversmiths' wares and parts thereof under tariff heading 7114	25	20
4	Solar module under tariff heading 8541	40 (+4 SWS)	20 (+20 AIDC)
5	Motor vehicles (for passenger) covered under tariff heading 8702	40 (+4 SWS)	20 (+20 AIDC)
6	Motor vehicles (for goods) covered under tariff heading 8704	40 (+4 SWS)	20 (+20 AIDC)
7	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof, covered under tariff heading 9401	25 (+2.5 SWS)	20 (+5 AIDC)
8	Other furniture and parts thereof covered under tariff heading 9403	25 (+2.5 SWS)	20 (+5 AIDC)
9	Mattress supports, articles of bedding and similar furnishing etc covered under tariff heading 9405	25 (+2.5 SWS)	20 (+5 AIDC)
10	Luminaries and light fittings including searchlights and spotlights and parts thereof etc	25 (+2.5 SWS)	20 (+5 AIDC)
11	Parts of electronic toys, under tariff item 9503 00 91	70	20 (+20 AIDC)
12	Laboratory chemicals under tariff item 9802 00 00 (other than those attracting 10% BCD on specified end use)	150 (+ 15 SWS)	70 (+ 70 AIDC)
13	All dutiable articles, imported by a passenger or a member of a crew in his baggage, under tariff heading 9803	100 (tariff rate) 35+ 3.5 SWS (effective rate)	70 (tariff rate) 35 (effective rate)
14	Dutiable goods imported for personal use classified under heading 9804 other than those at 10% BCD	35 (+ 3.5 SWS)	20

Export duty on Leather [with effect from 2.2.2025]

S. No.	Commodity	Rate of duties	
		From (per cent)	To (per cent)
1	Crust Leather (hides and skins)	20	0

SUPPORTING MSMEs & FURTHERING MAKE IN INDIA

Credit Cards for Micro Enterprises:

Customised Credit Cards with a ₹ 5 lakhs limit for micro enterprises that are registered on the Udyam portal. In the first year, 10 lakhs such cards are proposed to be issued.

A new scheme to be launched for 5 lakhs women, first-time entrepreneurs, Scheduled Castes and Scheduled Tribes. This will provide term loans up to ₹ 2 crore during the next 5 years.

Online capacity building for entrepreneurship and managerial skills is proposed to be organized.

Manufacturing mission with the mandate to focus on

- i) Ease and cost of doing business;
- ii) Future ready workforce for in demand jobs;
- iii) A vibrant and dynamic MSME sector;
- iv) Availability of technology;
- v) Quality products;
- vi) Clean tech manufacturing for climate-friendly development.

Measures for Labour Intensive Sectors

- A Focus Product Scheme to be implemented to enhance productivity, competitiveness and quality for Footwear & Leather Sector in India.
- Measures – Building on the National Action Plan for the Toys Sector
- Support for Food Processing – Commitment to set up National Institute of Food Technology, Entrepreneurship & Management.

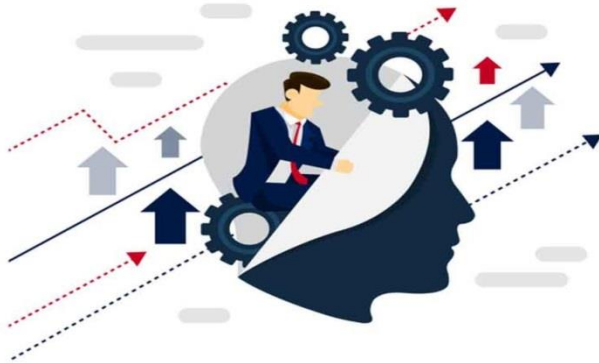
₹ in Crore	Credit guarantee cover	
	Current	Revised
MSEs	5	10
Startups	10	20
Exporter MSMEs	For Term Loans Up To ` 20 Crore	

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

VISION FOR VIKSIT BHARAT

ENGINES OF DEVELOPMENT

- **AGRICULTURE**
- **MSME**
- **INVESTMENT**
- **EXPORT**



- **ASPIRATION FOR VIKSIT BHARAT**
- **ACCELERATE GROWTH**
- **SECURE INCLUSIVE DEVELOPMENT**
- **ENHANCE SPENDING POWER OF INDIA'S RISING MIDDLE CLASS**
- **INVIGORATE PRIVATE SECTOR INVESTMENTS**
- **UPLIFT HOUSEHOLD SENTIMENTS**

Financial Sector Reforms and Development

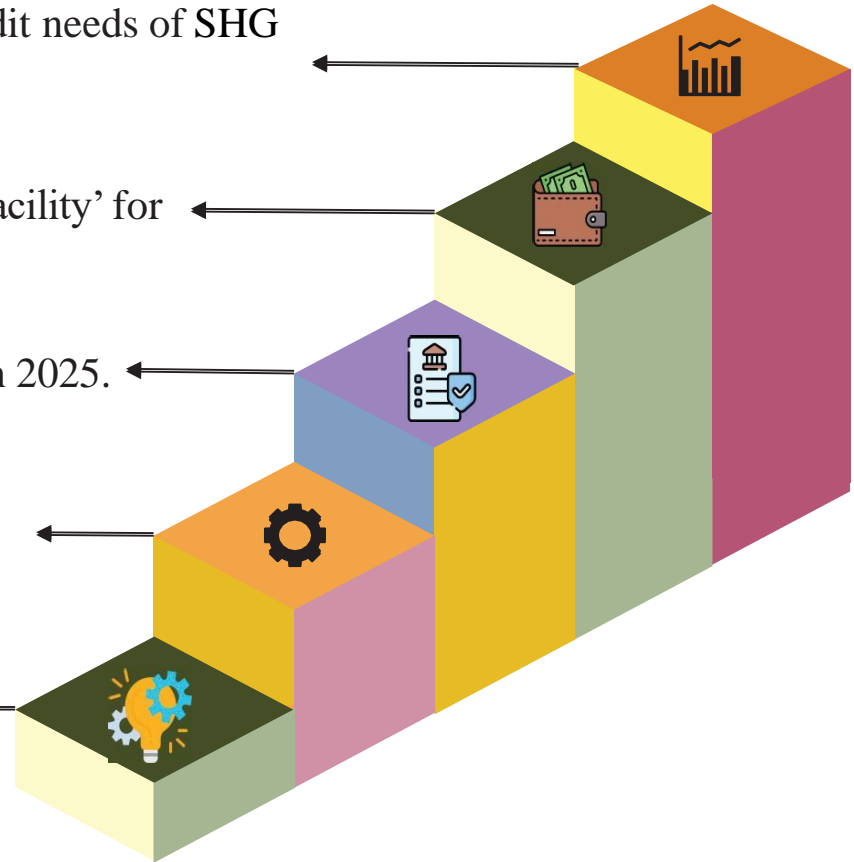
'Grameen Credit Score' framework to serve the credit needs of SHG members and people in rural areas.

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 is proposed to be raised from 74 to 100 per cent.



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