

**RMPS**



# **BUDGET**

**UNION**

**2024-25**



# FORWARD

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**Dear Readers,**

The Economic Survey 2023-24 and the Finance Bill 2024 give some indication of the resilience and strength being displayed by the Indian economy in the current times, which, in turn, is opening up wide opportunities in many sectors. Projections of a 6.5% to 7% growth of the GDP in 2024-25 fiscal year indicate that India continues to prove its efforts in consistent economic expansion. This is being backed by effective management of inflation, a significant improvement in Current Account Deficit (CAD), and strong banking.

India's strategic emphasis on renewable energy and reduction of emissions is, without doubt, in sync with global sustainable goals and places the country at the epicenter of all green initiatives. The projected increase in energy needs toward the year 2047 underscores that this is a sector of high relevance for further advancements and offers great opportunities in both innovation and investments.

Going ahead, this publication endeavors to provide our clients with the insights and strategies required to leverage these opportunities and stay ahead in the evolving economic landscape. We look forward to working together with you and achieving sustained success in coming days.

**Best Regards, Team - RMPS & Co., Chartered Accountants**





# KEY

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## Introduction :

- ❑ With a view to align tax regime with economic strategy, the 2024 Budget has introduced several significant amendments to the Income-tax Act. This presentation highlights the key changes and their potential impact on taxpayers and businesses.
- ❑ Comprehensive Review of Income-tax Act, 1961:
  - ❑ Announcement of a review to make the Act concise and easy to understand.
  - ❑ Simplification starting with the Finance Bill, addressing charities, TDS rates, reassessment, search provisions, and capital gains tax.
- ❑ Introduction of simplified tax regimes without exemptions and deductions for corporate tax and personal income tax.
- ❑ 58% of corporate tax in FY 2022-23 came from the simplified tax regime.
- ❑ More than two-thirds of taxpayers have availed the new personal income tax regime in the last fiscal year.





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# Changes In Income Tax Rates(New Regime):

New Tax Regime (Proposed)	Individual, HUF, AOP, BOI
Income	Rate *
0 - 3 Lakhs	0
3 - 7 Lakhs	5%
7 - 10 Lakhs	10%
10 - 12 Lakhs	15%
12 - 15 Lakhs	20%
Above 15 Lakhs	30%

New Tax Regime (Current)	Individual, HUF, AOP, BOI
Income	Rate *
0 - 3 Lakhs	0
3 - 6 Lakhs	5%
6 - 9 Lakhs	10%
9 - 12 Lakhs	15%
12 - 15 Lakhs	20%
Above 15 Lakhs	30%





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## Amendments Regarding TDS Rates:

Section	Present TDS Rate	Proposed TDS Rate	With effect from
Payment in respect of life insurance policy	5%	2%	1st October 2024
Commission etc on sale of lottery tickets	5%	2%	1st October 2024
Payment of commission or brokerage	5%	2%	1st October 2024
Payment of rent by certain individuals or HUF	5%	2%	1st October 2024
Payment of certain sums by certain individuals or HUF	5%	2%	1st October 2024
Payment of certain sums by e-commerce operator to commerce participant	1%	0.10%	1st October 2024
Payments to partners of firms	-	10%	1st April 2025
Withdraw 20% TDS on MF Repurchase	20	0	1st October 2024
Reduce TDS on E-commerce from 1% to 0.1%	1	0.1	1st October 2024





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## Amendments Regarding TDS Rates:

Description	Amendment	Old Rate (%)	New Rate (%)	Effective Date
Income from foreign currency bonds or shares of Indian company.	Long-term capital gains from transfer of such bonds or Global Depository Receipts on or after July 23, 2024	10	12.5	July 23, 2024





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## Amendments Regarding TDS Applicability :

Description	Amendment	Effective Date
TDS on Floating Rate Savings (Taxable) Bonds (FRSB) 2020	<p>Provided that nothing in this clause shall apply to the interest exceeding 10,000 Rs. payable during the financial year on:</p> <ul style="list-style-type: none"><li>✓ 8% Savings (Taxable) Bonds, 2003</li><li>✓ 7.75% Savings (Taxable) Bonds, 2018</li><li>✓ Floating Rate Savings Bonds, 2020 (Taxable)</li><li>✓ Any other security of the Central Government or State Government as specified by the Central Government in the Official Gazette.</li></ul>	1st October 2024







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## Amendments Regarding TCS :

Section	Old Expiry Year	New Expiry Year	Effective Date
Section 201 - Consequences of failure to deduct tax at source	After the expiry of 7 years for a person resident in India	After the expiry of 6 years for any person	April 1, 2025
Section 206C - Consequences of failure to collect tax at source	No specific provision	After the expiry of 6 years from the end of the financial year in which the tax was collectible or 2 years from the end of the financial year in which the correction statement is delivered, whichever is later	April 1, 2025





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## Amendments Regarding TCS :

Section	Description	Old Tax Rate	New Tax Rate	Effective Date
206C - Profits and gains from the business of trading in alcoholic liquor, forest produce, scrap, etc	Interest on collectible tax	1% per month or part thereof	1% - until tax is collected; 1.5% - after collection until payment	April 1, 2025





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## Personal Income Tax:

- ❑ Standard Deduction Increased from ₹50,000 to ₹75,000 for salaried individuals and pensioners under the new tax regime. This change provides relief to about four crore salaried individuals and pensioners.
- ❑ Family Pension Deduction Increased from ₹15,000 to ₹25,000 under the new tax regime.

## Amendment of Section 80G:

- ❑ National Sports Fund renamed to National Sports Development Fund effective April 2025.

## Deepening the Tax Base:

- ❑ Increase in Security Transactions Tax on futures to 0.02% and options to 0.1%.





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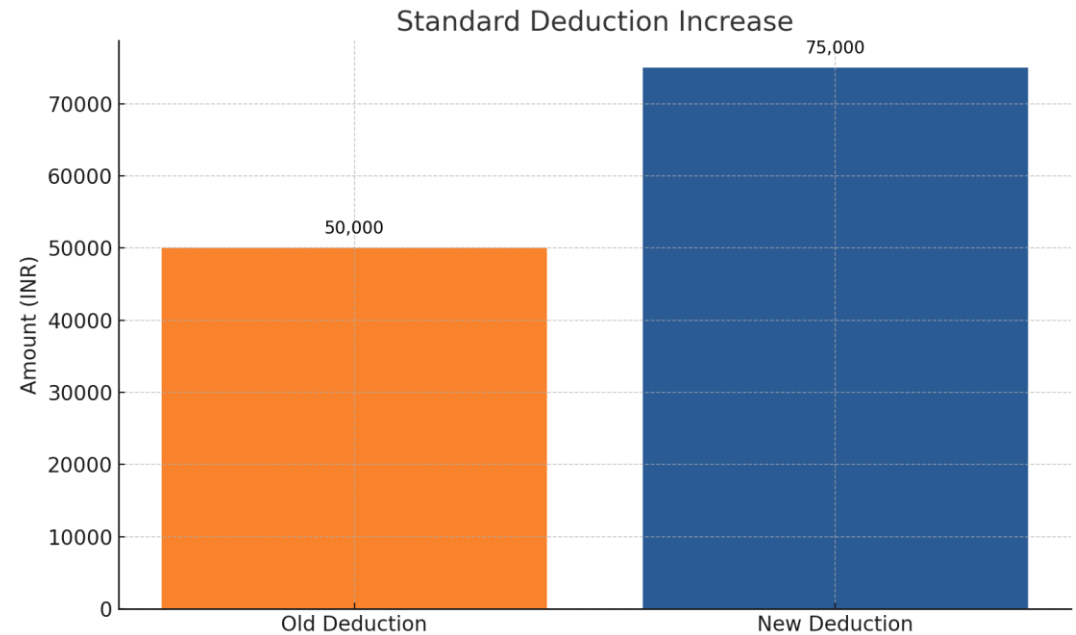
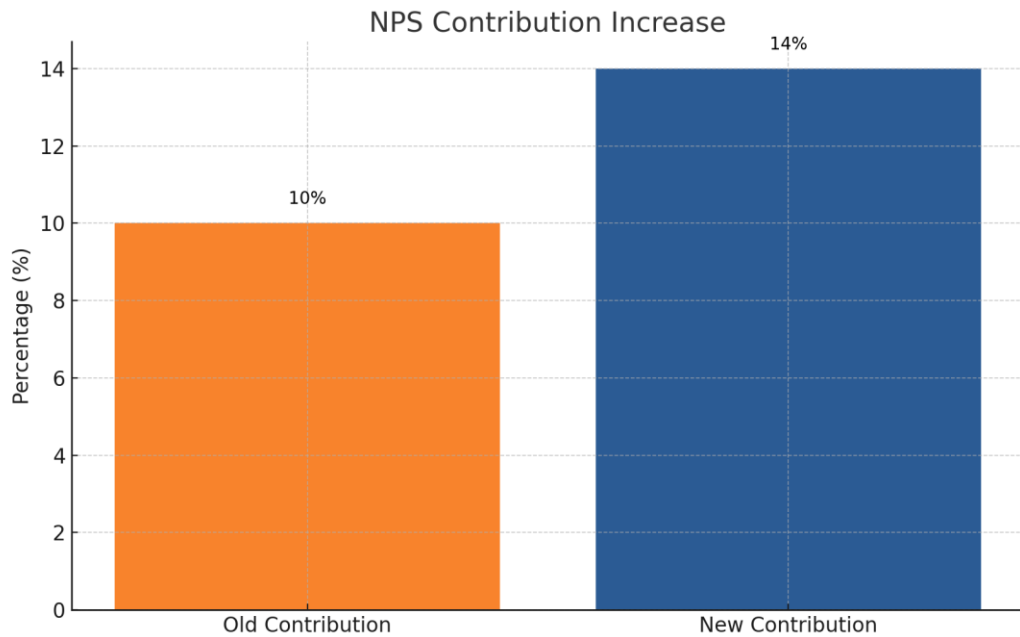
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## NPS Contribution & Standard deduction Chart:





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## Business and Profession:

- Increase in the deduction limit for employer contributions to a pension scheme from 10% to 14% of the employee's salary to non-government employers and their employees.
- Clarified that expenditure incurred to settle proceedings initiated for contravention of any law will not be allowed as a business expense.
- 20% of the aggregate amounts shall be considered as deemed profit in the case of an assessee, being a non-resident, engaged in the business of operation of cruise ships subject to such conditions as may be prescribed.





# Business and Profession: Partnership Firm

☐ Increase in allowable amount as a remuneration to working partners of a firm:

Old Slab	Old Amount	Old Maximum Amount Allowed	New Slab	New Amount	New Maximum Amount Allowed
On the first Rs. 3,00,000 of the book profit or in case of a loss	Rs. 1,50,000 or at the rate of 90 per cent of the book profit, whichever is more;	2,70,000	On the first Rs. 6,00,000 of the book profit or in case of a loss	Rs. 3,00,000 or at the rate of 90 per cent of the book profit, whichever is more;	Rs. 5,40,000
on the balance of the book-profit	at the rate of 60%		on the balance of the book-profit	at the rate of 60%	

☐ The partnership firm is now supposed to deduct TDS @10% for paying any sum in the nature of alary, remuneration, commission, bonus or interest to a partner of the firm





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## Capital Gains: Long Term and Short Term

Following is the easy decision making question for new capital gain taxability.

- Did you sell a capital asset?
  - No: No Tax
  - Yes: Proceed to the next question
- Nature of Capital Asset
  - Listed Securities (stocks, equity mutual funds, business trusts) Held for more than 12 months?
    - Yes: Long-term gains, Taxed @ 12.5%
    - No: Short-term gains, Taxed @ 20%
  - Other Assets (bonds, debentures, gold, unlisted shares, immovable property) Held for more than 24 months?
    - Yes: Long-term gains, Taxed @ 12.5%
    - No: Short-term gains, Taxed @ 20%





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## Capital Gains: BuyBack value will be Treated as “Deemed Dividend”

- The amount received on BuyBack of share, will now be considered as Deemed Dividend and hence now at par with dividend distributed by the Companies;
- Now, Domestic company will not pay any tax on BuyBack of shares; Presently, tax rate is 23.296%;
- However, the buyback consideration received by the shareholder will be considered as “**Deemed Dividend**” and hence, the same tax treatment will be applied as applicable to Dividend Incomes.
- The purchase value of BuyBack shares will be treated as capital loss and it will be adjusted to future capital gains.
- This provision will be effective from from 1st day of October, 2024.

### Capital Gains: Transfer not taxable

- Any transfer of a capital asset, under a gift or will or an irrevocable trust, by an individual or a Hindu undivided family is not regarded as transfer of assets for Capital Gain Tax.







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## Transfer Pricing and International Taxation:

- Transfer Pricing Officer(TPO) is now enabled to deal with Specified Domestic Transactions (SDTs) not referred to him by the AO and/or in whose respect audit report under section 92CE has not been filed.
- Liaison office of non-resident in India, if fails to submit statement of activities in a financial year to the assessing officer within 60 days from the end of the financial year, the **Penalty of Rs. 1,000/- for every day till 3 months of defaults otherwise Rs. 1,00,000/-** shall be payable.





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## The Direct Tax Vivad Se Vishwas Scheme, 2024

- Applicable to
  - A person with a pending appeal, writ petition, or special leave petition on the specified date.
  - A person with pending objections before the Dispute Resolution Panel or awaiting an assessment completion under Section 144C.
  - A person with a pending application for revision under Section 264.
- Appellate Forum: Includes the Supreme Court, High Court, Income Tax Appellate Tribunal, Commissioner (Appeals), and Joint Commissioner (Appeals).
- Declaration to be filed before the designated authority. Pending appeals will be deemed withdrawn.
- Proof of withdrawal required for appeals or writ petitions. False Information or Violation: The declaration will be invalid, and proceedings will be revived.
- Exclusions: The Scheme does not apply to certain cases such as : Tax arrears related to search assessments, prosecution cases, undisclosed foreign income or assets, and assessments based on information under international agreements. Persons under detention under specific acts, prosecution for serious offenses, and persons notified under specific sections.





# Direct Tax Vivad Se Vishwas Scheme, 2024 Payment Summary

Nature of Tax Arrear	Payment on or Before Dec 31, 2024	Payment Between Jan 1, 2025, and Last Date
<b>Disputed Tax</b>		
- Appellant after Jan 31, 2020	Disputed tax amount	Disputed tax amount
- Appellant on or before Jan 31, 2020	Disputed tax + 10%	Disputed tax + 20%
<b>Disputed Interest, Penalty, or Fee</b>		
- Appellant after Jan 31, 2020	25% of disputed amount	30% of disputed amount
- Appellant on or before Jan 31, 2020	30% of disputed amount	35% of disputed amount
<b>Special Cases</b>		
- Appeal by Income-tax Authority	50% of calculated amount	50% of calculated amount
- Favorable Decision from Tribunal or High Court	50% of calculated amount	50% of calculated amount





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## Block Assessment Provisions for Search and Requisition Cases:

- Scope: Applies to searches initiated or requisitions made from 1st September 2024.
- Block Period: Includes six assessment years before the search year plus the search year.
- Consolidated Assessment: One assessment for the entire block period; regular assessments for those years will be stopped.
- Tax Rate: A 60% tax will be applied to undisclosed income.
- Penalties: A penalty of 50% on undisclosed income, but no penalty if the income is declared and tax is paid with the return.
- Time-Limit: The assessment must be completed within 12 months from the end of the month in which the last search or requisition was made.
- Effective Date : These changes will take effect from 1st September 2024.**





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## Changes in Assessment and Reassessment Provisions:

Change	Details
<b>Issuance of Notice</b>	Notice issued with an order under Section 148A(3) before assessment. Notice issued only if AO has information suggesting escaped income. Survey info from 1st Sep 2024 included. Notice under Section 148 requires approval if based on Section 135A scheme info.
<b>Procedure Before Issuance of Notice</b>	AO to provide show cause notice and information before issuing Section 148 notice. Assessee can respond to show cause notice. AO, with specified authority's approval, determines if case is fit for Section 148 notice. Not applicable if AO has Section 135A scheme info.
<b>Time Limits for Issuance of Notice</b>	Normal cases: No Section 148A notice if 3 years elapsed; special cases extendable to 5 years. No Section 148 notice if 3 years and 3 months elapsed; special cases extendable to 5 years and 3 months.
<b>Effective Date</b>	Amendments take effect from 1st Sep 2024.





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## Customs Duty: Changes in Rates (Decreased)

Category	Commodity	Previous Rate	New Rate	Change
Medicines and Medical Equipment	Exemptions for cancer treatment medicines: Trastuzumab Deruxtecan, Osimertinib, Durvalumab	10%	Nil	-10%
X-ray Tubes and Flat Panel Detectors	Match domestic production capacity	15%	5%	-5%
Mobile Phones and Electronics	Reduction in BCD on mobile phone components to support consumer interests	20%	15%	-5%
Critical Minerals	Full exemption on customs duties on 25 critical minerals like lithium, copper, and cobalt	7.5%	Nil	-7.5%
Steel Sector	Ferro Nickel	2.5%	Nil	-2.50%



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## Customs Duty: Changes in Rates (Decreased)

Category	Commodity	Previous Rate	New Rate	Change
Steel Sector	Blister Copper	5%	Nil	-5%
Solar Energy Initiatives	Expansion of capital goods exempted for manufacturing of solar cells and panels	7.5%	Nil	-7.5%
Marine Products and Exports	Reduction in BCD on certain inputs for shrimp and fish feed to enhance export competitiveness	15%	5%	-10%
Leather and Textile	Reduction in BCD on real down filling material and exemptions for goods used in manufacturing leather and textile garments	30%	10% to Nil	- 20 to - 30%
Precious Metals and Jewellery	Reduction in customs duties on gold, silver, and platinum	15%	6%	-9%





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## Customs Duty: Changes in Rates (Increased)

Category	Commodity	Previous Rate	New Rate	Change
Chemicals and Plastics	Ammonium Nitrate	7.50%	10%	+2.5%
Chemicals and Plastics	Poly vinyl chloride (PVC)	10%	25%	+15%
IT and Electronics Sector	Printed Circuit Board Assembly (PCBA)	10%	15%	+5%







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## Understanding GST Changes:

### ☐ Key Amendments :

- **New Form** : New GSTR-1A Form to Allow Changes Before 3B Filing.
- **Reduced TCS Rate for ECOs** : The TCS rate for Electronic Commerce Operators reduced from 1% to 0.5% to ease the financial burden on suppliers.
- **New Section** : Insertion of Section 11A to allow the government to regularize non-levy or short levy of GST due to common trade practices.
- **Waiver of Interest and Penalties** : Interest and penalties for demand notices issued under Section 73 of the CGST Act for fiscal years 2017-18, 2018-19, and 2019-20 are waived if the full tax demanded is paid by March 31, 2025. This waiver excludes erroneous refunds and will be implemented through the insertion of Section 128A in the CGST Act.



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## Sectorial - GST Updates:

GST Updates February 2023 to 22 July 2024	
Sector/Area	Link for updates
REAL ESTATE SECTOR	<a href="https://www.rmpsco.com/real-estate-sector-fy-2023-24-gst-updates/">https://www.rmpsco.com/real-estate-sector-fy-2023-24-gst-updates/</a>
E-COMMERCE SECTOR	<a href="https://www.rmpsco.com/e-commerce-sector-fy-2023-24-gst-updates/">https://www.rmpsco.com/e-commerce-sector-fy-2023-24-gst-updates/</a>
HEALTH SECTOR	<a href="https://www.rmpsco.com/gst-and-healthcare-infrastructure-challenges-and-opportunities/">https://www.rmpsco.com/gst-and-healthcare-infrastructure-challenges-and-opportunities/</a>
GST – ITC (INPUT TAX CREDIT)	<a href="https://www.rmpsco.com/gst-itc-input-tax-credit-fy-2023-24-updates/">https://www.rmpsco.com/gst-itc-input-tax-credit-fy-2023-24-updates/</a>
GST REFUND	<a href="https://www.rmpsco.com/gst-refund-february-2023-to-july-2024-updates/">https://www.rmpsco.com/gst-refund-february-2023-to-july-2024-updates/</a>
GST RECENT AMENDMENT IN 53 <sup>rd</sup> COUNCIL MEETING	<a href="https://www.rmpsco.com/recent-amendment-made-by-gst-council-in-53rd-council-meeting/">https://www.rmpsco.com/recent-amendment-made-by-gst-council-in-53rd-council-meeting/</a>





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## STARTUP:

- ❑ **Union Budget 2024 Expectations:** Key issues and industry requests include corporate tax reforms, clarity on Section 68 of the Income Tax Act, favorable taxation for relocated startups, and subsidies for electric vehicle manufacturing and sales, along with the third iteration of the FAME scheme.
- ❑ **Overview of Budget 2024 for Startups:** The Union Budget 2024 introduces a new scheme for the deeptech sector, focusing on defense applications to bolster the 'Atmanirbhar Bharat' vision through indigenous defense technologies. This initiative also aims to apply these technologies for civilian use, enhancing technological capabilities and supporting scientific self-reliance across various sectors.
- ❑ **Sector-Specific Hopes:** The drone industry seeks government measures to expand market opportunities, the edtech sector wants reduced tax rates on online learning, gaming startups need more policies for domestic hardware and game development, and AI initiatives beyond the India AI Mission are called for to fully harness the technology.





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## STARTUP:

- ❑ **Support for Electric Vehicle (EV) Ecosystem:** The Union Budget 2024 emphasizes expanding the EV ecosystem by supporting manufacturing and charging infrastructure, promoting electric buses with a new payment security mechanism, and accelerating e-bus adoption to boost EV startups and achieve net-zero emissions by 2070.
- ❑ **Boost to Private Sector R&D and Financing:** The Union Budget 2024 creates a ₹1 lakh crore corpus to boost private sector R&D, spur innovation, and develop emerging technologies in sunrise sectors, with a 50-year lifespan and low or no interest rates. Additionally, ₹43 crore in loans under the PM Mudra Yojana, totaling ₹22.5 lakh crore, are sanctioned to enhance the entrepreneurial environment. The Union Budget 2024 supports startups with financial assistance, early funding, and extends tax benefits and exemptions for startups and sovereign/pension fund investments until March 31, 2025, with no changes to tax rates.





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## REFORMS:

- PLI Scheme for Medical Devices:** The PLI scheme for medical devices aims to commission four new projects in 2024-25 to boost the production of high-quality medical devices. This initiative is expected to generate devices worth ₹4,500 Crores, enhancing healthcare infrastructure and reducing import dependency.
- PLI Scheme for Bulk Drugs:** The PLI scheme for bulk drugs aims to increase manufacturing capacity by 2,000 MT/annum in 2024-25, producing bulk drugs worth ₹900 Crore to enhance domestic availability of critical drugs.
- PLI Scheme for Pharmaceuticals:** The PLI scheme for pharmaceuticals seeks to attract ₹5,000 Crores in investments for 2024-25. This investment is expected to boost pharmaceutical production to ₹90,000 Crores, enhancing the industry's ability to meet domestic and international demands.





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## REFORMS:

### ❑ Other Major Reforms under PLI:

- The government's Production Linked Incentive (PLI) scheme for automobiles and auto components has increased to ₹3,500 crore for FY25 from ₹604 crore in FY24.
- The auto PLI scheme, with a budgetary outlay of ₹25,938 crore for FY23-FY27, has attracted ₹6The FY25 budget allocates ₹250 crore for the National Programme on Advanced Chemistry Cell (ACC) Battery Storage and ₹500 crore for the Electric Mobility Promotion Scheme 2024.
- The union budget didn't include specific provisions for the automotive industry, but exempting lithium, copper, and cobalt from custom duties is expected to boost lithium-ion battery manufacturing in India.
- 7,690 crore in investments, with ₹14,043 crore invested by March 31, 2024, and 85 applicants approved.
- The government didn't announce FAME-III, but the FY25 allocation for FAME is ₹2,671.33 crore, down from ₹5,171.97 crore in FY24, with the five-year FAME-II scheme ending on March 31, 2024.





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## REFORMS:

### ❑ **Economic Survey Insights:**

- **Impact of AI:** The Economic Survey 2023-24 notes a "huge pall of uncertainty" concerning AI's impact on workers across all skill levels.
- **GDP Growth:** The survey projects GDP growth for the current fiscal year at 6.5-7%, cautioning about the lack of private capital.
- **Job Creation:** There is a need to create 78.5 lakh jobs annually in the non-farm sector.
- **Renewable Energy:** The renewable energy sector is expected to attract Rs 30 lakh crore worth of investments by 2030.

- ❑ **PM Awas Yojana Urban 2.0:** The objective is to address urban housing needs with a ₹10 lakh crore investment to provide housing for 1 crore urban poor and middle-class families, focusing on transparent and efficient rental housing markets.





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## REFORMS:

- ❑ **PM Surya Ghar Muft Bijli Yojana:** The PM Surya Ghar Muft Bijli Yojana aims to provide free electricity up to 300 units per month to 1 crore low-income households, with 1.28 crore registrations and 14 lakh applications so far.
- ❑ **Infrastructure Investment:** The objective is to enhance infrastructure across India with a massive allocation of ₹11,11,111 crore, representing 3.4% of GDP. The budget includes ₹1.5 lakh crore in long-term interest-free loans to states for developing roads, power, and water facilities.
- ❑ **Purvodaya: Vikas bhi Virasat bhi:** The objective is to promote economic development in Eastern states like Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh, focusing on opportunities and growth through the Amritsar-Kolkata Industrial Corridor and a new industrial node at Gaya.
- ❑ **Innovation & R&D:** The Anusandhan National Research Fund will foster innovation and research with a ₹1 lakh crore financing pool for private sector-driven projects and a ₹1,000 crore venture capital fund for the space economy.







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## REFORMS:

- ❑ **Pradhan Mantri Janjatiya Unnat Gram Abhiyan:** The objective is to improve the socio-economic conditions of tribal communities by implementing developmental initiatives across 63,000 villages, benefiting 5 crore tribal people. This effort aims to enhance the quality of life and increase economic opportunities in tribal areas, addressing key issues and fostering sustainable development.
- ❑ **Land Reforms:** The objective is to streamline land management and ownership through the introduction of Bhu-Aadhaar, a unique identification number for all lands. Urban land records will be digitized with GIS mapping, including cadastral maps and a new land registry. This initiative aims to enhance transparency, efficiency, and accessibility of land records.
- ❑ **Investment Reforms:** The objective is to simplify investment processes and boost foreign investments by streamlining FDI regulations and promoting the use of the Indian Rupee for overseas transactions. Additionally, the NPS Vatsalya plan encourages contributions for minors. These measures aim to facilitate international financial transactions and attract more investment.





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## REFORMS:

- ❑ **MGNREGA:** The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) budget allocation increases from ₹60,000 crore in 2023-24 to ₹86,000 crore in 2024-25 to enhance rural employment and economic stability.
- ❑ **Research and Development Projects:** The budget allocation for Research and Development Projects increases from ₹840 crore in 2023-24 to ₹1,200 crore in 2024-25, reflecting the government's commitment to promoting innovation, technological advancements, and global competitiveness of Indian industries.
- ❑ **Nuclear Power Projects:** The budget allocation for Nuclear Power Projects increases from ₹442 crore in 2023-24 to ₹2,228 crore in 2024-25, aiming to boost sustainable nuclear energy production and enhance energy security.
- ❑ **PLI for Pharmaceutical Industry:** The PLI for the Pharmaceutical Industry aims to boost domestic manufacturing, reduce import dependence, and enhance global competitiveness with a budget increase from ₹1,200 crore in 2023-24 to ₹2,143 crore in 2024-25.





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## REFORMS:

- Solar Power (Grid):** The Solar Power (Grid) initiative aims to boost grid-connected solar projects and support renewable energy, with a budget increase from ₹4,970 crore in 2023-24 to ₹10,000 crore in 2024-25, highlighting the government's commitment to expanding renewable infrastructure and reducing carbon emissions.
- Direct Benefit Transfer - LPG and Lines of Credit under IDEA Scheme:** The budget for the Direct Benefit Transfer - LPG initiative increases from ₹180 crore in 2023-24 to ₹1,500 crore in 2024-25, while the Lines of Credit under the IDEA Scheme rise from ₹1,300 crore to ₹3,849 crore to support innovative development and economic activities.





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## GIFT IFSC:

- Amendments to Promote IFSC:** Tax exemptions now include retail funds and Exchange Traded Funds (ETFs) established in the IFSC. These funds must be set up in India as a trust, company, limited liability partnership, or body corporate and regulated under the IFSCA (Fund Management) Regulations, 2022.
- Enhancements to IFSC operations:** Tax exemptions now include retail funds and ETFs established in the IFSC, which must be set up in India and regulated under the IFSCA (Fund Management) Regulations, 2022, with "Recognized Clearing Corporation" updated to include entities defined under the IFSCA (Market Infrastructure Institutions) Regulations, 2021.
- Section 68 Amendment:** Under Section 68, assesses must prove credited sums' sources, but this proof is no longer required for SEBI-registered and IFSCA-regulated VCFs and VCCs, promoting IFSC investments.





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## GIFT IFSC:

- Interest Deduction for Finance Companies in IFSC:** Section 94B limits interest expense deductions to 30% of EBITDA for debt from non-resident associates, but proposed exemptions for finance companies in IFSC will enhance capitalization and attract foreign investment.
- Income from Other Sources - Section 56 Amendment:** Currently, companies are taxed on share premiums exceeding fair market value as income from other sources. The proposed amendment introduces a sunset clause, removing this tax from assessment year 2025-26 onwards to reduce tax burdens and encourage investment in startups and private companies.
- Effective Dates and Summary:** From April 1, 2025 (AY 2025-26), key changes include expanded IFSC exemptions, interest deduction exemptions for IFSC finance companies, a new taxation regime for cruise ship leases, and removal of tax on share premiums.





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## Key Initiatives for MSMEs:

- ❑ **In-House MSME Credit Assessment Capabilities:** Public sector banks are encouraged to develop in-house capabilities to assess MSME creditworthiness, moving away from reliance on external assessments. This aims to improve access to finance for MSMEs based on their digital footprints and economic activities.
- ❑ **₹100 Crore Credit Guarantee Scheme:**
  - A new ₹100 crore credit guarantee scheme has been introduced to facilitate term loans for MSMEs for purchasing machinery and equipment without the need of collateral.
  - This scheme will facilitate term loans for MSMEs without the need for collateral or third-party guarantees, providing significant financial support to foster growth and stability within the MSME sector.
- ❑ **Reduction in TReDS Onboarding Mandatory Thresholds:**
  - To further support MSMEs, the government will reduce the turnover threshold for mandatory onboarding on the TReDS platform from ₹500 crore to ₹250 crore.
  - TReDS is an online platform designed to assist MSMEs in managing their receivables and improving cash flows.





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## Key Initiatives for MSMEs:

### ❑ Expansion of SIDBI Branches:

- Additionally, SIDBI will establish 24 new branches to serve MSME clusters.
- This expansion aims to enhance accessibility to financial services and support across different regions, improving the reach and effectiveness of MSME assistance.

### ❑ New Food Irradiation and Quality Testing Units:

- The government will set up new food irradiation, quality, and safety testing units under the MSME category.
- Financial support will be provided for the establishment of 50 multi-product food irradiation units.
- Additionally, the formation of 100 NABL accredited labs will be facilitated to ensure high standards of food safety and quality.

### ❑ Formation of E-Commerce Export Hub:

- To help MSMEs access new markets, the government announced the creation of e-commerce export hubs in a Public-Private Partnership (PPP) mode.
- These hubs will offer trade and export-related services under one roof, enabling MSMEs and traditional artisans to sell their products in international markets.





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## Key Initiatives for MSMEs:

### ☐ Increase in TARUN MUNDRA LOAN LIMIT:

- The government has announced an increase in the TARUN category MUDRA loan limit from the current ₹10 lakhs to ₹20 lakhs.
- This increase is aimed at benefiting entrepreneurs who have previously availed and successfully repaid their loans under the TARUN category.
- This measure is designed to provide greater financial support and opportunities for entrepreneurs looking to expand their businesses.







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 Use of AI in detecting Anomalies in Financial Data : Uncovering Unusual Transactions

 The Role of AI in enhancing Business Intelligence

 The Impact of Technology on Business Models Creation and Monitoring

 The Use of Generative AI for Financial Reporting under Accounting Standards and Indian Accounting Standards

 Using AI for Anomaly Detection to Prevent Compliance Violations





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 [Revolutionize your E-Commerce Strategy with Automated Data Reports](#)

 [The Role of AI in Validation and Reconciliation in the Financial Sector](#)

 [AI in Financial Planning and Analysis: Game-Changer for Modern Business](#)

 [What's My Business' Exports Potential?](#)





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## **Business Model Extensive:** (Click on Below Topic to read)

- [Scaling New Heights: Business Models That Fuel Expansion!](#)
- [From Zero to Hero: Crafting a Business Model that Dominates the Market!](#)
- [How to Develop a Winning Business Model !](#)
- [The Future of Business Models: Trends to Watch!](#)
- [Understanding Cash Flow: The Lifeblood of Your Business!!](#)





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## **Business Model Extensive:** (Click on Below Topic to read)

- [Creating Passive Income Streams: Smart Strategies for Business Owners!](#)
- [Securing Funding: Essential Steps for Financing Your Business Growth!](#)
- [Financial Forecasting Techniques for Business Growth !!](#)
- [The Importance of a Business Model in Small Business!](#)
- [Time-Saving Tips: How to Make Your Business Life Easier!](#)





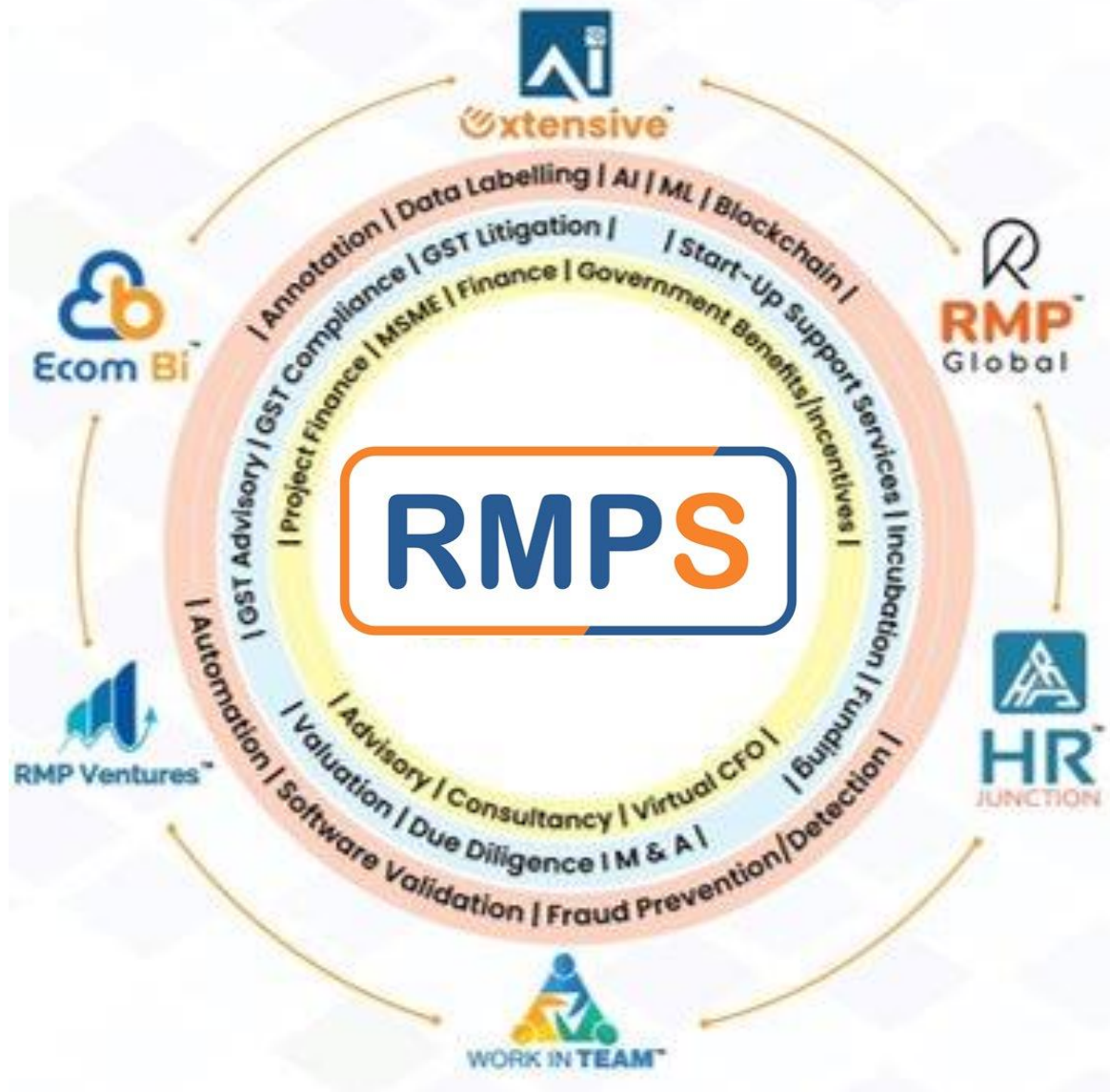
दुःखेष्वनुद्विग्नमनाः सुखेषु विगतस्पृहः ।  
वीतरागभयक्रोधः स्थितधीर्मुनिरुच्यते ॥ ॥ 2.56 ॥

Duhkhesv anudvigna-manah sukhesu vigata-sprhah,  
Vita-raga-bhaya-krodhah sthita-dhir munir ucyate.

Entrepreneurs must maintain an equanimity of emotions and be calm and composed during tough moments, which also aids in rational decision-making and acts as a motivator for the team.

There has to be ambition to do well, but not too much craving for success, as that will result in stress and burning one out, which could be due to emphasizing the result rather than the journey. A professional must remain detached from the outcome to stay resilient and concentrate on the task at hand, without being affected by the situation.

Fostering freedom from fear, anger and excessive attachment ensures clarity of judgment and healthy working atmosphere which will provide long-term growth. Having all these features in place entrepreneurs can steer their journey with the wise grace that comes through highs and lows.



# Thank You



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