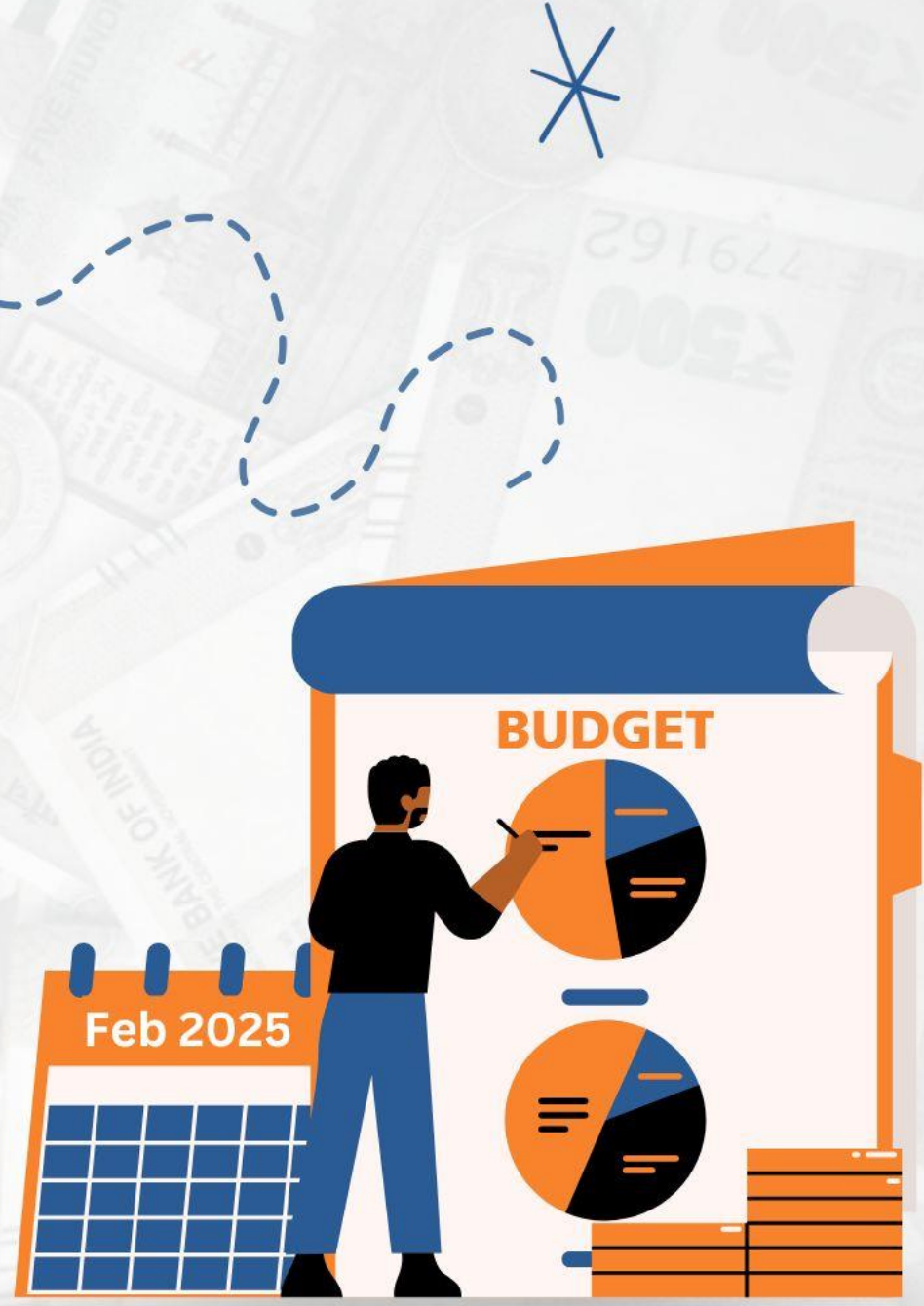


RMP S

UNION BUDGET

Budget 2025: Key Points and Insightful Highlights





FORWARD

Dear Readers,

India's economic landscape is at an inflection point, driven by **strategic reforms, resilient growth, and an ambitious vision for "Viksit Bharat 2047."** As the nation moves toward becoming a **developed economy by 2047**, the **Economic Survey 2024-25** and the **Union Budget 2025-26** provide a **roadmap for sustainable, inclusive, and innovation-led growth**, catering to the evolving needs of businesses, entrepreneurs, and investors.

The Union Budget 2025-26 focuses on the **four engines of consistent development**, each playing a critical role in driving India's long-term economic transformation:

1. **Agriculture** – Strengthening rural prosperity with higher farm productivity, improved credit access, and modernized supply chains to boost agribusiness opportunities.
2. **MSMEs & Startups** – Expanding credit guarantees, simplified regulations, and tax incentives to empower entrepreneurs and small businesses, ensuring job creation and value chain integration.
3. **Investments** – Catalyzing public and private sector investments in infrastructure, digital transformation, and sustainability, fostering a business-friendly ecosystem.
4. **Exports & Global Competitiveness** – Enabling businesses to integrate into global supply chains, expanding trade networks, and leveraging India's position as a manufacturing and services hub.

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





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Changes In Income Tax Rates(New Regime):

New Tax Regime (Proposed)	Individual, HUF, AOP, BOI. Rate *
Income	Rate *
0 - 4 Lakhs	0
4 - 8 Lakhs	5%
8 - 12 Lakhs	10%
12 - 16 Lakhs	15%
16 - 20 Lakhs	20%
20 - 24 Lakhs	25%
Above 24 Lakhs	30%

New Tax Regime (Current)	Individual, HUF, AOP, BOI. Rate *
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%

❖ There are no changes in the tax rates of the old regime under the recent Finance Bill 2025.





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REBATE:

Section 87A Under 115BAC	CURRENT REGIME	PROPOSED REGIME AY 2026-27
Total Income Limit	Up to ₹7,00,000	Up to ₹12,00,000
Maximum Rebate	₹25,000	₹60,000
SPECIAL RATE INCOME	Excluded	Excluded

- ❖ There is no change in the taxation of cooperative societies, firms, local authorities, or companies in the recent Finance Bill 2025.
- ❖ Furthermore, there is no change in the surcharge provisions in the recent Finance Bill 2025.





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Amendments Regarding TDS Threshold Limit:-

Section	Present TDS Threshold Limit	Proposed TDS Threshold Limit	With effect from
193- Payment in respect of Interest On Securities	Nil	Rs. 10,000/-	1 st April 2025
194A- Payment In Respect Of Interest Other Than Interest On securities			
A) For Senior Citizen	Rs. 50,000/-	Rs. 1,00,000/-	1 st April 2025
B) For Bank , Co-Operative Society And Post Office	Rs. 40,000/-	Rs. 50,000/-	1 st April 2025
C) For Other Than Senior Citizen And Bank , Co-Operative Society And Post Office	Rs. 5,000/-	Rs. 10,000/-	1 st April 2025
194-Payment In Respect Of Dividend For An Individual Shareholder	Rs. 5,000/-	Rs. 10,000/-	1 st April 2025
194J - Fee for professional or technical services	Rs. 30,000/-	Rs. 50,000/-	1 st April 2025
194 - Dividend for an individual shareholder	Rs 5,000/-	Rs. 10,000/-	1 st April 2025





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Amendments Regarding TDS Threshold Limit:-

Section	Present TDS Threshold Limit	Proposed TDS Threshold Limit	With effect from
194K - Income in respect of units of a mutual fund or specified company or undertaking	Rs. 5,000/-	Rs. 10,000/-	1 st April 2025
194D - Insurance commission	Rs. 15,000/-	Rs. 20,000/-	1 st April 2025
194G - Income by way of commission, prize etc. on lottery tickets	Rs. 15,000/-	Rs. 20,000/-	1 st April 2025
194H - Commission or brokerage	Rs. 15,000/-	Rs. 20,000/-	1 st April 2025
194LA - Income by way of enhanced compensation	Rs. 2,50,000/-	Rs.5,00,000/-	1 st April 2025





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Amendments Regarding TDS Threshold Limit:-

Section	Present TDS Threshold Limit	Proposed TDS Threshold Limit	With effect from
194I Rent	Rs. 2,40,000/- during the financial year	Rs. 50,000/- per month or part of a month	1 st April 2025
194B - Winnings from lottery, crossword puzzle, etc.	Aggregate of amounts exceeding Rs. 10,000/- during the financial year	Rs. 10,000/- in respect of a single transaction	1 st April 2025
194BB - Winnings from horse race			





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Amendments Regarding TDS Rates:

Description	Amendment	Old Rate (%)	New Rate (%)	Effective Date
Income From Securitization Trust.	For All Investors Tax Deducted At Source Rate Under Section 194LBC of the Act be reduced from 25% and 30% to 10%	25% And 30%	10%	April 01, 2025

Updated TDS/TCS Chart For The F.Y 2025-26(A.Y.2026-27)

Click on below link.

[TDS & TCS Rates for FY 2025-26 Key Budget Updates You Need to Know](#)





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TDS/TCS Provisions withdrawn:-

❖ Section 206AB -No More Higher Rates for Non-Filers

- Section 206AB charged a higher TDS rate (5% or double the normal rate) for those who did not file ITR for the last 2 years and had TDS of ₹50,000+ each year
- In Budget 2025, Section 206AB is removed, meaning higher TDS rates for non-ITR filers will no longer apply from April 1, 2025. This change simplifies tax deduction and reduces compliance burden.

❖ TCS Omission Eases Burden on Specified Goods Sales

- Section 206C(1H) required sellers with a turnover above ₹10 crores to collect 0.1% TCS (1% if PAN not provided) on sales exceeding ₹50 lakh per buyer in a financial year..
- To make business easier and reduce compliance, TCS under Section 206C(1H) will not apply from April 1, 2025.





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Amendments Regarding TCS Rate:-

Section	Present TCS Rate	Proposed TCS Rate	With effect from
206C-TCS on Traders of Forest Produces Only Such Other Forest Produces(Not Being Timber or Tendu Leaves)			
A) Timber Or any Other Forest Produce Obtained Under a Forest Lease	2.5%	2%	1 st April 2025
B) Timber Obtained By Any Mode Other Than Under a Forest Lease	2.5%	2%	1 st April 2025





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House Property:

Provision	Current	Proposed
Section 23(2) Annual value in case of Self Occupied Property.	Annual value is nil if the house is self-occupied or cannot be occupied due to employment, business, or profession elsewhere.	Annual value is nil if the house is self-occupied or cannot be occupied due to any reason i.e. allowed without any conditions.





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Salary: Perquisite u/s 17(2)

- ❖ Perquisite towards travel outside India for medical treatment of employee or member of employee's family shall only be available to employees whose salaried income:
 - Current Provision= is upto ₹50,000
 - Proposed Provision= such amount as may be prescribed
- ❖ Expenditure for the same purpose shall not be included in 'perquisite' for employee whose Gross Total Income:
 - Current provision= is upto ₹ 200,000
 - Proposed Provision= such amount as may be prescribed
- ❖ The guidelines for new limits of Eligibility and Exemption are yet to be released.
- ❖ W.E.F 1st April,2025





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Deductions u/s 80CCD:-

- ❖ Parents/guardians can claim a deduction on their total income for amount paid or deposited in a minor's NPS account maximum upto ₹50,000.
- ❖ This amount will be chargeable to tax when withdrawn.
- ❖ Amount received on closure of account due to the death of minor shall not be deemed as income of parents/guardian.
- ❖ Any income on partial withdrawal out of minor's account, shall be exempted in total income of parent/guardian till the extent of 25% of amount of contribution.
 - Partial withdrawal of amount shall be allowed in situations like education, treatment of illness and disability (more than 75%) of the minor.
- ❖ W.E.F 1st April, 2026





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Deductions u/s 80CCA:-

Existing	Circular No. 532 (17March,1989)	Notification (29 August,2024)	Proposed (W.R.E.F 29 th August,2024)
<ul style="list-style-type: none">No deduction allowed to any individual or HUF for any amount deposited in NSS on or after 1st April,1992.Amount & interest when withdrawn shall be taxable.	<ul style="list-style-type: none">Withdrawal on death of assessee shall not be chargeable to tax.	<ul style="list-style-type: none">No interest shall be paid on balances after 1st October,2024.	<ul style="list-style-type: none">Withdrawals from NSS deposits by individuals (made before 1st April, 1992) along with accrued interest are exempt from tax.





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Carry Forward and Set off of accumulated loss:

- ❖ In case of amalgamation or business re-organisation, any loss forming part of the accumulated loss of the predecessor entity, which is deemed to be the loss of the successor entity, shall be eligible to 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.
- ❖ The aforesaid amendments shall apply to any amalgamation or business re-organisation which is effected on or after 01.04.2025.





Capital Gains:

- ❖ Unit Linked Insurance Policy to which exemption does not apply, shall be included in the definition of equity oriented fund and shall be considered as capital assets. All profits and gains on such ULIPs shall be charged to tax as capital gain.
- ❖ The securities held by a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, shall be treated as capital assets only so that any income arising from transfer of such security would be in the nature of capital gain.



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Multi-Year Arm's Length Price [ALP] determination: From AY 2026-27

- ❖ ALP determined in relation to an international transaction or a specified domestic transaction for any previous year shall apply to the similar transaction for the two consecutive previous years immediately following such previous year.
- ❖ For such multi-year ALP determination, tax payer shall follow following process;
 - Exercise an option or options with TPO
 - The TPO may by an order within one month declare that the option is valid subject to the prescribed conditions
 - If the TPO declares that the option exercised by the assessee is valid
 - The TPO shall determine the ALP in relation to such similar transaction for such consecutive previous years;
 - Said ALP determined shall apply to the similar transaction for next 2 consecutive years
 - The AO shall recompute the total income of the assessee for such consecutive previous years and no reference for computation of ALP in relation to such transaction shall be made to TPO for said 2 years.





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❖ **Presumptive taxation scheme for non-resident providing services for electronics manufacturing facility:**

- A presumptive tax regime is proposed for Non-Residents providing services or technology to Indian companies engaged in electronic manufacturing under government notified schemes.
- New Section 44BBD will be introduced, deeming 25% of Total Receipts as Profit & Gain of such Non-Resident leading to an effective tax payable of less than 10% on gross receipts.

❖ **Tonnage scheme to Inland vessels:** To provide a boost to inland water transportation, it is proposed to include inland vessels under the ambit of tonnage tax scheme, wherein shipping companies were given the choice to opt for the tonnage tax regime or continue to remain within the normal corporate tax regime.





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Significant Economic Presence applicability with Business Connection:

- ❖ Owing to definition of significant economic presence provided, the specific exclusion provided in the case of a non-resident, for income arising through or from operations which are confined to the purchase of goods in India for the purpose of export may be denied and such income may also be treated as income deemed to accrue or arise in India.
- ❖ Hence, now, the transactions or activities of a non-resident in India which are confined to the purchase of goods in India for the purpose of export shall not constitute significant economic presence of such non-resident in India





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Obligation to furnish information in respect of crypto-asset:

- ❖ the transfer of VDA is to be taxed at the rate of 30% with no deduction in respect of expenditure (other than cost of acquisition) to be allowed
- ❖ To capture VDA transaction details, TDS section has been inserted in the Act to provide for deduction of tax on payment for transfer of VDA at the rate of 1% of transaction value including cases where the transaction occurs in kind or partly in cash.
- ❖ It is now proposed to insert section 285BAA in the Act, being the Obligation to furnish information of crypto-asset, wherein: any person, being a reporting entity, as may be prescribed, in respect of crypto asset, shall furnish information in respect of a transaction in such crypto asset in a statement, for such period, within such time, in such form and manner and to such income-tax authority





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Simplification of provisions for charitable trusts/institutions:

- ❖ The in-complete application for registration of trust or institution, shall not be treated as specified violation for the purpose of the cancellation of registration of trust or institution
- ❖ To reduce the compliance burden for the smaller trusts or institutions, it is proposed to increase the period of validity of registration of trust or institution from 5 years to 10 years, in cases where the total income of such trust or institution, does not exceed Rs. 5 crores during each of the two previous year, preceding to the previous year in which such application is made. Will take effect from the 1st day of April, 2025.
- ❖ Difficulties in furnishing certain details of persons other than author, founder, trustees or manager etc. who have made a 'substantial contribution to the trust or institution' is now addressed by amending the definition of specified person;
 - shall be any person whose total contribution to the trust or institution, during the relevant previous year exceeds one lakh rupees, or, in aggregate up to the end of the relevant previous year exceeds ten lakh rupees.





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Major Changes in Customs Duty Rates :

- ❖ **Key Increases:** Specific tariff items in textiles and IT & electronics face rate hikes. Aimed at addressing industry-specific cost structures.
- ❖ **Key Decreases:** Tariff reductions for building materials, metal scrap, automobiles, and more. Designed to lower cost burdens on critical sectors.
- ❖ Read the full list of change in custom rates : [2025 Customs Duty Update: Key Increases, Decreases, and Their Impact on Various Sectors](#)
- ❖ **Overall Impact:**
 - Affects pricing strategies, supply chain dynamics, and competitive positioning.
 - Businesses need to reassess cost structures and operational planning.





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Customs Duty: Amendments to the Customs Act, 1962:

❖ Time Limits & Provisional Assessments:

- Introduces a **2-year limit** for finalizing provisional assessments, with an option to extend it by one additional year if sufficient cause is shown.
- Specifies conditions under which this 2-year period may be suspended.

❖ Voluntary Revision of Entries:

- Creates a new provision that allows importers and exporters to revise entries after clearance.
- The revised entry can be treated as a self-assessment or processed as a refund claim.

❖ Refund Claim Period:

- Clarifies that the time limit for claiming a refund after a revised entry is **one year** from the date of duty or interest payment.





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Customs Duty: Amendments to the Customs Act, 1962:

❖ Clarification of Payment Dates:

- Establishes that, for revised entries, the date of duty payment is the relevant date for all purposes.

❖ Empowering the Interim Board:

- Defines and sets up an Interim Board (including its members and pending applications).
- Sets end dates for receipt of applications and time limits for extensions.
- Transfers the powers and functions of the Settlement Commission to the Interim Board (applied mutatis mutandis).





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Customs Duty: Amendments to the Customs Tariff Act, 1975

❖ Tariff Rate Reductions in First Schedule:

- Lowers existing rates (from 25%, 30%, 35%, 40%) to **20%**.
- Reduces higher rates (150%, 125%, 100%) to **70%**.
- Specific items see further reductions as specified.

❖ Introduction of New Tariff Items:

- Creates new tariff items based on processing methods (e.g., parboiled) and product varieties (e.g., basmati rice).
- Introduces new items for Makhana products, resulting in the re-numbering of existing entries.
- Introduces new items to differentiate waste oils by the concentration of contaminants (PCBs/PCTs/PBBs).





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Customs Duty Exemptions & IGCR Rules

❖ **SWS - Notification No. 11/2018 (w.e.f. 02.02.2025):**

- Exempts SWS on candles, tapers, PVC flex films/sheets, solar cells/modules, yachts, smart meters, seats/furniture (incl. mattress supports, luminaries), electronic toy parts, various footwear, personal use goods, and motor vehicles (passenger, goods, used).

❖ **Review of Customs Duty Exemptions (Notification No. 50/2017):**

- 24 conditional exemptions extended/modified (shipbuilding, bulk drugs, crude glycerin, denatured alcohol, fish meal, telecom fiber, textile machinery, LCD/LED panels, seeds, wind generator parts, magnets).
- One exemption (heat coil for kitchen chimneys) lapses from 01.04.2025.
- Adds duty-free items for handicrafts, satellite installations, and launch vehicles.





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Customs Duty Exemptions & IGCR Rules

❖ Amendments (Notification No. 16/2017 & 153/1994):

- Expands duty exemptions for drugs/medicines, if supplied free of cost to patients under Patient Assistance Programme (PAP) run by the pharmaceutical companies.
- Extends export period for railway goods from 6 months to 1 year (extendable by 1 year).

❖ IGCR Rules, 2017: (Import of Goods at Concessional Rate)

- End-use period extended from 6 months to 1 year; importers now file quarterly statements instead of monthly.



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Sectorial - GST Updates:

GST Updates July 2024 to January 2025

Sector/Area	Link for updates
REAL ESTATE SECTOR	Real Estate Sector – GST Updates from July 2024 to January 2025
E-COMMERCE SECTOR	GST Form 8 Updates: New TDS Rates Effective July 10, 2024
GST RETURN FILING	GST Return Filing – JULY 2024 to January 25 GST UPDATES
GST – ITC (INPUT TAX CREDIT)	GST ITC – Key Updates from July 2024 to January 2025
GST REFUND	GST Refund Updates – July 2024 to January 2025
GST RECENT AMENDMENT	GST Recent Amendments – July 2024 to January 2025 Updates





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Understanding GST Changes :

Aspect	OLD DEFINITION	NEW DEFINITION
Section 17(5)(d)	“Goods or services or both received by a taxable person for the construction of an immovable property (other than plant or machinery) on his own account, including when such goods or services or both are used in the course or furtherance of business”	“Goods or services or both received by a taxable person for the construction of an immovable property (other than plant and machinery) on his own account, including when such goods or services or both are used in the course or furtherance of business”
Impact on ITC Availment	Could result in inconsistent ITC claims due to differing interpretations of “plant or machinery.”	Provides clear criteria, reducing misinterpretation and ensuring that ITC is claimed only when both components are involved.





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Case Study :

Aspect	Summary
Case	Chief Commissioner of Central Goods and Services Tax (GST) vs. M/s Safari Retreats Private Ltd. [2024 (10) TMI 286]
Background	A mall builder sought ITC on GST paid for constructing a mall intended for rental.
Issue	GST rules normally deny ITC on construction of immovable property unless it qualifies as “plant or machinery.”
Decision	The Supreme Court introduced a functionality test to assess if the building plays an essential role in the business.

❖ **Now, definition is amended retrospectively from 01.07.2017 notwithstanding anything to the contrary contained in any judgment, decree or order of any court or any other authority.**





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Understanding GST Changes :

Section 34(2)	OLD PROVISIO	NEW PROVISIO
Reversal Requirement for ITC on Credit Note	It was not clearly stated that ITC must be reversed when a credit note is used to reduce tax.	It clearly states that ITC must be reversed if a credit note is used to lower the supplier's tax liability.
Condition	No reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.	Condition is removed





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Understanding GST Changes :

Clause / Section	New Provision	Purpose
Clause 116A (Section 2)	Defines “unique identification marking” as a mark that is unique, secure, and nonremovable.	To support the implementation of the track and trace mechanism.
Clause 126 (Section 122B)	Inserts a new section providing penal provisions for contraventions of the track and trace mechanism.	To impose penalties for non-compliance with the track and trace provisions.
Clause 127 (Section 148A)	Inserts a new section as an enabling provision for the implementation of the track and trace mechanism.	To ensure effective monitoring and control of the supply of specified commodities through track and trace measures.





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Startup:

❖ **Enhanced Credit Guarantee Cover for Startups:**

- The credit guarantee cover for startups has been doubled from ₹10 crore to ₹20 crore. The guarantee fee is moderated to 1% for loans in 27 focus sectors under the Atmanirbhar Bharat initiative.

❖ **Fund of Funds for Startups:**

- A new Fund of Funds with an additional contribution of ₹10,000 crore will be set up. The fund aims to expand the scope of the Alternate Investment Funds (AIFs), which have already secured commitments exceeding ₹91,000 crore.

❖ **Extension of Startup Incorporation TAX Benefits:**

- The incorporation period for startups to avail of tax benefits has been extended by five years, applicable to those incorporated before April 1, 2030.

❖ **Scheme for First-Time Entrepreneurs:**

- A new scheme will provide term loans up to ₹2 crore for 5 lakh women, Scheduled Caste, and Scheduled Tribe entrepreneurs over the next five years. A Deep Tech Fund of Funds will be explored to support next-generation startups and catalyze innovation in emerging technologies





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REFORMS:

❖ **Manufacturing and PLI Scheme Expansion:**

- National Manufacturing Mission: Focus on ease of doing business, future-ready workforce, MSME growth, and technology.
- Clean Tech Manufacturing Support: Promotion of solar PV cells, EV batteries, electrolyzers, wind turbines, and grid-scale batteries.
- Focus Product Scheme for Footwear & Leather: Support for non-leather and leather-based products, creating 22 lakh jobs, ₹4 lakh crore turnover, and ₹1.1 lakh crore exports.
- Toy Sector Scheme: Initiative under the National Action Plan for Toys to make India a global toy hub with a focus on skill development, cluster-based manufacturing, and sustainable products.





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REFORMS:

❖ Empowering Skill Development and Research Innovation:

- Five National Centers of Excellence for skilling will be established in partnership with global experts.
- These will focus on skills required for the “Make for India, Make for the World” mission.
- ₹20,000 crore allocated for private sector-driven research and development initiatives. PM Research Fellowship program will provide 10,000 fellowships for technological research in IITs and IISc.

❖ Infrastructure and Investment Reforms:

- 50-Year Interest-Free Loans to States: ₹1.5 lakh crore allocated for capital expenditure.
- Second Asset Monetization Plan: ₹10 lakh crore investment in infrastructure projects.
- Jal Jeevan Mission Extension: 15 crore households covered so far; scheme extended until 2028 with enhanced funding.
- UDAN – Regional Connectivity Scheme: Expansion to 120 new destinations; aims to carry 4 crore passengers over 10 years.





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REFORMS:

❖ **Green and Sustainable Development :**

- Nuclear Energy Mission: 100 GW nuclear power target by 2047 with ₹20,000 crore investment in Small Modular Reactors (SMRs).
- Shipbuilding Clusters & Maritime Development: ₹25,000 crore Maritime Development Fund with the inclusion of large ships in infrastructure categories.
- SWAMIH Fund 2 for Stressed Housing: ₹15,000 crore blended finance facility aiming to complete 1 lakh additional housing units.

❖ **Agriculture and Rural Development:**

- PM Dhan-Dhaanya Krishi Yojana: Targeted at 100 low-productivity districts with a focus on irrigation, crop diversification, and storage infrastructure.
- In Pulses: 6-year mission for Tur, Urad, and Masoor pulses; NAFED & NCCF to procure pulses for the next 4 years.
- Vegetables & Fruits Growth Initiative: Institutional mechanisms for farmer producer organizations and cooperatives.
- Makhana Board in Bihar: Support for makhana farmers with processing, marketing, and value addition assistance.





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GIFT IFSC:

❖ Exemptions to incentivize operations from IFSC:

Exemptions now include :

- **Sum received under life insurance policy from IFSC Insurance offices:** Earlier the sum is exempted subject to condition of annual/aggregate amount of premiums, it is proposed to be exempted without the condition related to maximum premium payable on such policy.
- **Capital Gains & Dividend for ship leasing units in IFSC:** Capital Gain on transfer on Equity Shares of Company having unit in IFSC engaged in aircraft leasing business & dividend from such company to another company engaged in similar business in IFSC is exempted, however similar provisions are proposed to extend in the Ship Leasing Business.





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GIFT IFSC:

❖ Simplified regime for fund managers based in IFSC

- Rationalization for all eligible investment funds (whether their eligible fund managers are based in IFSC or not) by determining the aggregate participation or investment in fund directly or indirectly shall not exceed 5% of corpus of fund as on 1st April & on 1st October of previous year, if so, it shall be provided that it will satisfy the same within 4 months of the said days.

❖ Exempt income of Non-Residents:

Subject to certain conditions, Income of Non-Resident from transfer of

- Non-deliverable forward contracts
 - Offshore derivative instruments
 - Over the-counter derivatives
 - Distribution of income on offshore derivative instruments entered into with an offshore banking unit of IFSC,
- shall not be included in total income.





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GIFT IFSC:

❖ Investment by Sovereign Wealth Funds, Pension Funds & others:

- For giving the long-term nature to infrastructure investments & the role of foreign SWFs & PFs in financing such projects, the deadline for investments is proposed to extend from 31st Mar. 2025 to 31st Mar. 2030.
- Long Term Capital Gains (irrespective of their holding period) arising from investment made by SWFs & PFs in India, shall not be included in total income of SWFs & PFs.

❖ Inclusion of Retail Schemes & Exchange Traded Funds (ETFs) in existing regime of funds of IFSCA: In relocation of capital assets such as shares, units or interest, any transfer by the holders of original funds in consideration for the share, unit or interest in resultant fund in IFSC shall not be regarded as transfer for Capital Gain purpose.



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MSME:

❖ Revised Classification and Support for MSMEs :

- Encompasses 5.7 crore MSMEs, contributing to 36% of manufacturing and 45% of exports, employing 7.5 crore people. Investment and turnover limits for MSMEs will be raised to 2.5 and 2 times respectively, encouraging growth and employment generation.

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





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MSME:

❖ Credit and Financial Support:

- Micro and Small Enterprises: Cover increased from ₹5 crore to ₹10 crore, enabling an additional ₹1.5 lakh crore credit over five years.
- Startups: Guarantee cover doubled from ₹10 crore to ₹20 crore with reduced fees for loans in 27 Atmanirbhar Bharat focus sectors.
- Exporter MSMEs: Term loans up to ₹20 crore with enhanced credit support.
- Launch of credit cards with ₹5 lakh limits for micro enterprises registered on the Udyam portal, targeting 10 lakh cards in the first year.

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





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Entrepreneurship:



The process of entrepreneurship involves the following key steps:

- ✓ Opportunity Identification: Recognizing market gaps or unmet needs.
- ✓ Business Planning: Developing a structured plan with objectives, strategies, and financial projections.
- ✓ Resource Mobilization: Gathering capital, talent, and other essential resources.
- ✓ Business Setup: Establishing the legal and operational framework for the business.
- ✓ Product/Service Launch: Introducing offerings to the market.
- ✓ Operations Management: Ensuring smooth day-to-day functioning.
- ✓ Performance Assessment and Scaling: Analyzing success and planning for growth.
- ✓ Risk Management: Tackling challenges and adapting to changes.





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Viksit Bharat@2047:

- ❖ This table provides an overview of key chapters derived from the Economic Survey 2024-25, covering various dimensions of India's economic and social development. Each chapter offers valuable insights into specific sectors, policies, and trends shaping the nation's growth trajectory.
- ❖ Select a specific link from the table below to explore topics such as monetary policies, infrastructure growth, climate strategy, or the future of work in an AI-driven era.

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[India's Monetary and Financial Sector – Key Takeaways from the Economic Survey 2024-25](#)

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[Inflation Dynamics in India: Insights from the Economic Survey 2024-25](#)

[India's Medium-Term Growth Outlook: The Role of Deregulation and Economic Freedom](#)

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Exports:

The Union Budget 2025-26 recognizes exports as one of the four key engines of India's economic growth. The government has introduced several strategic initiatives to enhance India's export competitiveness, integrate businesses into global supply chains, and ease trade processes.

- ❖ **Export Promotion Mission:** A national mission to expand export markets with targeted policy support and credit facilitation. Focus on reducing non-tariff barriers and enhancing MSME exports.
- ❖ **BharatTradeNet (BTN) – Digital Trade Infrastructure.** A unified digital platform for export documentation, financing, and compliance automation. Seamless integration with customs, logistics, and trade finance systems.
- ❖ **Integration with Global Supply Chains:** Support for domestic manufacturers to integrate into global value chains. Sector-specific trade facilitation groups to expand India's footprint in high-tech and advanced manufacturing.
- ❖ **Strengthening Air Cargo & Export Warehousing:** Modernized air cargo infrastructure to facilitate faster customs clearance and global logistics connectivity. Special focus on perishable goods and high-value exports.
- ❖ **Export Incentives for Key Sectors Marine exports:** Customs duty reduction on inputs to boost seafood competitiveness. Leather & textiles: Exemptions for export-oriented raw materials. Handicrafts: Extended export timelines and duty-free import of select materials.





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Exports:

- ❖ **Export Incentives for Key Sectors** **Marine exports:** Customs duty reduction on inputs to boost seafood competitiveness. **Leather & textiles:** Exemptions for export-oriented raw materials. **Handicrafts:** Extended export timelines and duty-free import of select materials.
- ❖ **Shipbuilding & Maritime Export Competitiveness** : ₹25,000 crore Maritime Development Fund to support port and shipbuilding exports. Financial assistance for Indian shipbuilders to compete globally.
- ❖ **UDAN Scheme for Export Connectivity** Expansion of regional air cargo connectivity to 120 new destinations under a revised UDAN scheme.
- ❖ **Easing Trade Compliance & Customs Reforms** Simplified voluntary compliance mechanism for correcting trade declarations. Extended export timelines and reduced documentation for key export sectors.
- ❖ **Industry 4.0 & High-Tech Export Strategy** Financial and policy support for electronics, AI-driven manufacturing, and digital exports. Expansion of Global Capability Centers (GCCs) to attract investment and create skilled jobs.





कर्मण्येवाधिकारस्ते मा फलेषु कदाचन। मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ॥ 2.47

*Karmany-evādhikāras te mā phaleṣhu kadāchana,
Mā karma-phala-hetur bhūr mā te saṅgo 'stvakarmaṇi.*

You have the right to perform your duty, but you are not entitled to the fruits of your actions. Do not be driven by the results, nor remain attached to inaction.

The **Bhagavad Gita's wisdom** beautifully encapsulates India's economic journey—**stay committed to action, embrace uncertainty, and build for the future without attachment to immediate outcomes.**

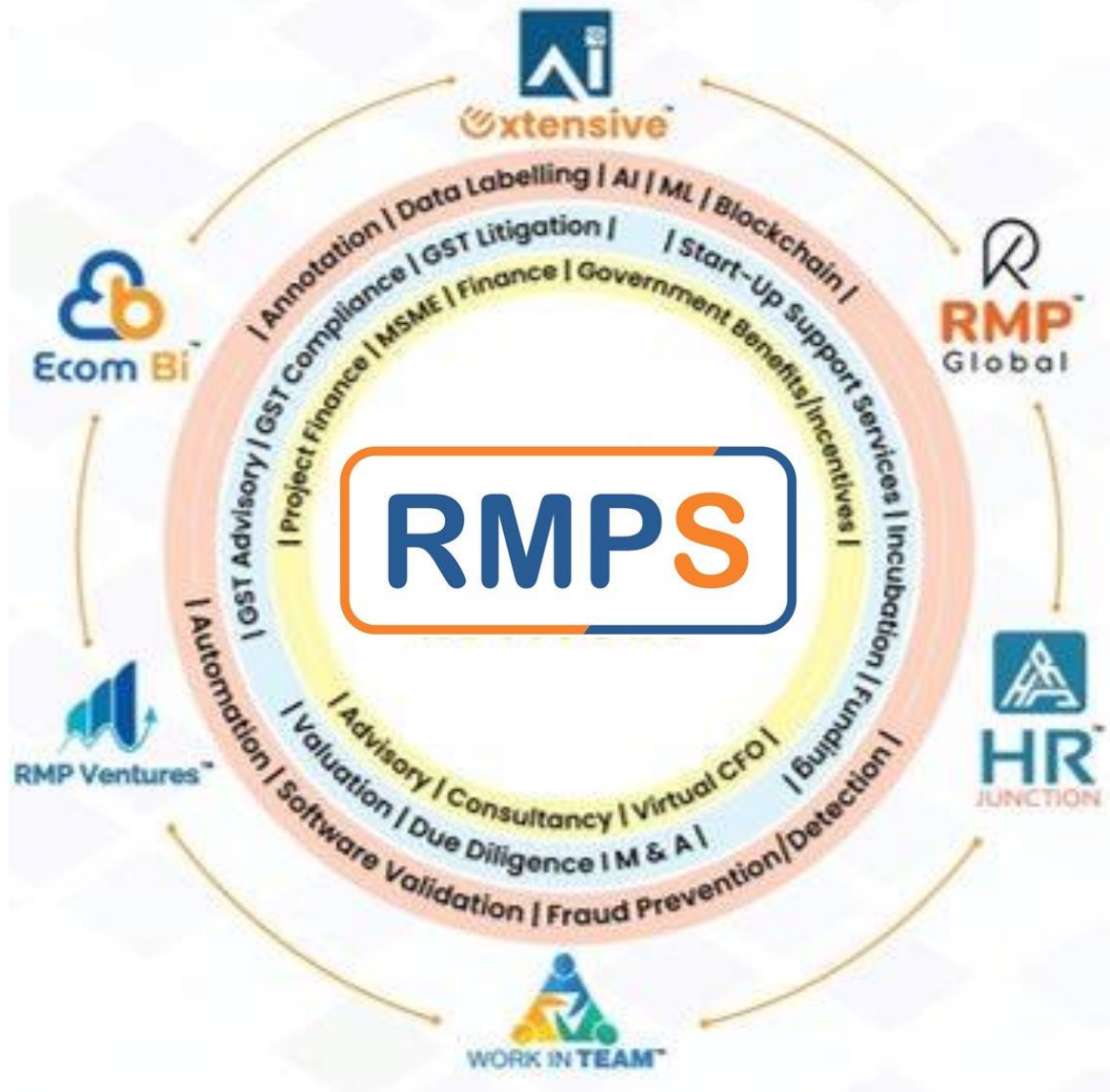
As **India moves forward on its growth path**, this verse serves as a guiding principle:

- Continue **economic reforms**, even when challenges arise.
- Focus on **value creation rather than short-term profits.**
- Do not let **setbacks lead to inaction—progress comes from perseverance.**

India's Path to Viksit Bharat 2047:

- ✓ Consistent effort, innovation, and resilience drive sustainable success.
- ✓ India's economic policies should focus on long-term structural reforms rather than short-term fluctuations.
- ✓ Businesses and policymakers must work towards transformation, not just immediate results.

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Phone

+91 97272 59636



Mail

rajnikant@rmpsco.com

info@rmpsco.com



Website

www.rmpsco.com



Address

B-1110, Ratnakar Nine Square, opp.

ITC Narmada, Keshavbaug, Satellite, Ahmedabad,

Gujarat 380015