

KEY TAKEAWAYS FROM

THE UNION BUDGET 2025



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A. Introduction

About Us:

S. S. Dhamne & Co., Chartered Accountants we a firm registered with the Institute of Chartered Accountants of India, Statutory Body established under the Chartered Accountants Act, 1949. Firm is practicing with 40+ years of experience in providing services in the areas of Audit, Assurance and Attestation, Direct & Indirect Tax Advisory, Management and Financial Consultancy, Valuation and Insolvency & Bankruptcy related matters. We currently have offices in Chalisgaon, Pune, Chh. Sambhajinagar and Mumbai.

About The Union Budget 2025:

The Union Budget 2025 isn't just a big win for businesses and investors – it's a game-changer for the middle class, with the Honourable Finance Minister Nirmala Sitharaman truly putting their needs at the forefront. We're thrilled to bring you our detailed analysis, "Union Budget 2025 – Key Insights," which digs deep into the provisions set to shape the coming year. Our expert team has carefully examined the budget's impact across key sectors, providing clear, actionable insights to help you stay ahead.



Through this document, we aim to equip you with concise, actionable insights that allow you to navigate the government's initiatives effectively. Whether you are looking to assess the impact on your sector or explore new avenues for investment, our analysis is designed to help you stay ahead of the curve.

We invite you to explore our in-depth review, which will keep you well-informed about the latest economic developments and positioned for success in 2025 and beyond. We highly value your feedback and welcome any suggestions or comments you may have at admin@ssdca.in. Happy Reading!

Team SSDCA

B. Eyes on the Budget: What Should We Expect?

The Indian middle class and taxpayers looked forward to potential Income-Tax-related breaks and reliefs in the budget. There was a strong interest in changes to the tax slabs, with many hoping that the new tax regime would allow them to keep a larger portion of their income tax-free. In addition, as per the survey the taxpayers expected from government to focus on tariff adjustments, duty exemptions, and streamlining export procedures to boost the global competitiveness of Indian products.

In recent years, the government has placed a central emphasis on infrastructure development, with capital spending increasing from 1.63 percent of GDP in year 2019 to 3.4 percent in year 2025. Infrastructure development continues to be a priority for the government, with India working towards its vision of a **Viksit Bharat** by 2047. As part of this, infrastructure investment is likely to remain a key driver of economic growth. Moreover, inflation is an ongoing challenge for the economy, and the budget is expected to address food inflation with supply-side solutions rather than relying on the RBI to manage demand.

Exporters today face greater challenges amid global uncertainties, necessitating more comprehensive support than in previous years. Introduction to schemes would effectively reduce costs and enhance the competitiveness of Indian exports. The growing share of high-value manufactured goods, such as electronics and medical devices, signals a positive shift in India's export profile, with continued support through sector-specific incentives further strengthening this momentum. Additionally, expanding credit guarantee schemes and providing concessional export financing to MSMEs facing liquidity challenges would ensure more inclusive growth in the export sector. As industries like textiles and pharmaceuticals evolve, targeted up skilling initiatives will enable India to meet global quality standards, further enhancing its competitiveness on the international stage.



C. 10 Broad Areas for the Budget: Game-Changing Moves Ahead

Having thoroughly analysed the pre-budget land-scape, we now focus on the key highlights of this year's budget in a detailed and insightful manner. The budget effectively balances fiscal responsibility with strategic investments aimed at driving long-term economic growth.

Budget 2025 highlights 10 priority areas focusing on development measures relating to **Garib, Youth, Annadata and Nari**.



D. 4 Engines - First Engine: 1. Productivity and Resilience in Agriculture

Prime Minister Dhan-Dhaanya Krishi Yojana: Initiatives to enhance agricultural productivity, promote sustainable practices, improve post-harvest storage, upgrade irrigation systems, and increase access to credit for farmers. Covers 100 districts with low productivity and weak credit parameters.	Rural Prosperity and Resilience Programme: A multi-sectorial initiative to reduce underemployment, focus on skilling, investment and technology adoption to create rural employment opportunities. Phase-1 to cover 100 developing agri-districts.	Mission for Aatmanirbharta in Pulses: A six-year mission to achieve self-sufficiency in pulses & Central agencies (NAFED & NCCF) to procure pulses from farmers for four years .
Comprehensive Programme for Vegetables & Fruits: Initiative to promote production, supply chain efficiency, processing, and farmer income. Implemented in partnership with states, FPOs, and cooperatives .	Makhana Board in Bihar: Dedicated Makhana Board to boost production, processing, and marketing, Organizing Makhana farmers into FPOs and providing training & support.	National Mission on High Yielding Seeds: Commercial availability of 100+ new seed varieties with high-yield, pest-resistance, and climate-resilience.
Fisheries Development: Focus on Andaman & Nicobar & Lakshadweep Islands for fisheries expansion and new framework to sustainably harness marine resources in the Exclusive Economic Zone & High Seas.	Mission for Cotton Productivity: 5-year plan to improve cotton yield and sustainability to boost farmer incomes & textile industry.	Enhanced Credit through Kisan Credit Card (KCC): Loan limit under Modified Interest Subvention Scheme increased from Rs. 3lakh to Rs. 5lakh .
Urea Plant in Assam: New 12.7 lakh metric ton urea plant in Namrup, Assam will be set up.	India Post as a Catalyst for the Rural Economy: India Post to be transformed into a public logistics organization for MSMEs, self-help groups, and new entrepreneurs.	Support to NCDC (National Co-operative Development Corporation): Strengthen NCDC's lending operations for cooperative sector growth.

Second Engine: Supporting MSMEs



Revision in MSME Classification Criteria

Particulars	Rs. 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

Significant Credit Enhancement with Guarantee Cover

Beneficiary	Policy
Micro & Small Enterprises	Credit guarantee increased from Rs. 5 Crore to Rs. 10 Crore, enabling Rs. 1.5 lakh crore additional credit in 5 years.
Startups	Guarantee cover doubled from Rs.10 Crore to Rs. 20 Crore with a 1% fee for loans in 27 key sectors.
Exporter MSMEs	Term loan guarantee up to Rs.20 crore

1. Credit Cards for Micro Enterprises

- Introduction of **Rs.5 lakh credit cards** for micro enterprises registered on **Udyam portal**.
- **10 lakh cards** to be issued in the first year.

2. Funds for Startups

- Existing Fund of Funds supported by **Rs. 10,000 crore** government contribution has mobilized **Rs. 91,000 crore**.
- New Fund of Funds with an **additional Rs. 10,000 crore** contribution to be set up.

3. Scheme for First-Time Entrepreneurs

- **5 lakh women, SC & ST entrepreneurs** to receive **term loans up to Rs. 2 crore** over the next **5 years**.
- Inspired by **Stand-Up India**, with online training in **entrepreneurship & management**.

4. Measures for Labour-Intensive Sectors

- **Policy & facilitation measures** to promote **employment & entrepreneurship** in these sectors.

5. Focus Product Scheme for Footwear & Leather

- Support for **design, component manufacturing, and machinery** for leather & non-leather footwear.
- Expected outcomes are 22 Lakh new jobs, Rs. 4 Lakh Turnover and Rs. 1.1 Lakh Crore Exports.

6. Measures for the Toy Sector

- **Expansion of the National Action Plan for Toys** to make India a **global toy hub**.
- Focus on **clusters, skill development, and innovation** for high-quality, sustainable "Made in India" toys.

7. Support for Food Processing

- National Institute of Food Technology, Entrepreneurship & Management to be set up in **Bihar**.
- Expected benefits are Higher farmer incomes through value addition. and Skilling & employment opportunities for youth.

8. National Manufacturing Mission (Make in India)

- Comprehensive mission covering **small, medium, and large industries**.
- Policy support, execution roadmaps, and governance framework for **states & central ministries**.

9. Clean Tech Manufacturing

- Focus on **climate-friendly industrial growth** and domestic value addition.
- Support for manufacturing in Solar PV cells, Electrolyzers & wind turbines, High-voltage transmission equipment.

Third Engine Investment

This approach focuses on harnessing the power of investment to drive economic growth. By directing resources into key areas, the aim is to fuel innovation, improve infrastructure, and create jobs, making investment a central force in shaping a brighter and more sustainable future for everyone.

A. Innovation in Education:

Expansion of IITs

Over the past decade, the student capacity at IITs has more than doubled, growing from 65,000 to 1.35 lakh, reflecting a strong commitment to expanding access to world-class education. To further enhance this growth, infrastructure development is underway at five new IITs, which will add 6,500 more student seats. Additionally, IIT Patna is set to benefit from the construction of new hostels and improved facilities, ensuring that students have the resources they need for a supportive and enriching academic experience.

Expansion of medical education

In the last ten years, the number of UG and PG medical seats in India has increased by 130%, with an addition of 1.1 lakh seats. Building on this significant expansion, 10,000 additional medical seats are set to be introduced next year. Furthermore, the government has outlined a target of creating 75,000 new medical seats over the next five years, reinforcing its commitment to strengthening the healthcare workforce and addressing the growing demand for medical professionals in the country.

Saksham Anganwadi & Poshan 2.0

The program provides nutritional support to 8 crore children, 1 crore pregnant and lactating women, and 20 lakh adolescent girls, especially in aspirational districts and the northeast. Enhanced cost norms are in place to improve the effectiveness of this support, addressing key health and nutrition challenges.

Social Security for Gig Workers

1 crore online platform workers will receive identity cards, e-Shram registration, and access to healthcare under the PM Jan Arogya Yojana, ensuring better welfare and social security for this workforce.

B. Investing in Economy

Regional Connectivity & Airports

The modified UDAN scheme aims to enhance regional air connectivity, expanding to 120 destinations over the next 10 years. Additionally, Greenfield airports are planned for Bihar, alongside the expansion of Patna airport and the development of a brownfield airport in Bihar, further improving air travel infrastructure in the region.

SWAMIH Fund 2.0

The SWAMIH (Special Window for Affordable and Mid-Income Housing) initiative has completed 50,000 units in stressed housing projects, with 40,000 more set for completion in 2025, easing the burden on middle-class families. Building on this success, the Rs.15,000 crore SWAMIH Fund 2 will be established to expedite the completion of an additional 1 lakh units, with contributions from the government, banks, and private investors.

Nuclear Energy Mission

The development of 100 GW of nuclear energy by 2047 is crucial for India's energy transition. To facilitate private sector involvement, amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act will be introduced. Additionally, a Nuclear Energy Mission with an outlay of Rs.20,000 crore will focus on the research and development of Small Modular Reactors (SMRs), with a target of having at least 5 indigenously developed SMRs operational by 2033.

Shipbuilding and Maritime Development Fund

The Shipbuilding Financial Assistance Policy will be updated to address cost challenges and promote shipbreaking in Indian yards. Large ships will be included in the infrastructure master list, and shipbuilding clusters will be developed to boost capacity. A Rs.25,000 crore Maritime Development Fund will also be set up to support long-term financing and competition in the maritime industry.

C. Investing in Innovation

The budget introduces several forward-thinking initiatives to foster innovation and research. A substantial Rs.20,000 crore has been allocated to support private sector-driven R&D. A new Deep Tech Fund of Funds will back next-generation start-ups, fuelling technological advancements. The PM Research Fellowship will provide 10,000 fellowships at IITs and IISc, with enhanced funding over the next five years to nurture top-tier research talent. To safeguard food security, a second Gene Bank will be established, containing 10 lakh germplasm lines. The National Geospatial Mission will modernize land records and improve urban planning and infrastructure design. Additionally, the Gyan Bharatam Mission will digitize 1 crore manuscripts, creating a National Digital Repository to preserve and make knowledge more accessible.

Forth Engine Exports



- **Export Promotion Mission:** Ministries of Commerce, MSME, and Finance to boost exports with easier credit access and MSME support.
- **Bharat Trade Net (BTN):** A unified digital platform for trade documentation and financing, aligned with global standards.
- **Global Supply Chain Integration:** Support for domestic manufacturing and Industry 4.0, with facilitation groups for select products.
- **National Framework for GCC:** Guidelines to promote **Global Capability Centres** in tier-2 cities, enhancing talent and infrastructure.
- **Air Cargo Warehousing:** Upgraded facilities for high-value perishables, streamlined screening, and customs protocols.

E. Direct Taxes:

Following are the insights on the changes introduced with respect to the earlier provisions:

1. New Tax regime u/s 115BAC with new tax slabs and tax rates is introduced:

Rate of Tax	Old Tax Slab	Revised Tax Slab
Nil	Up to Rs. 3,00,000	Up to Rs. 4,00,000
5 %	Rs. 3,00,001 to Rs. 7,00,000	Rs. 4,00,001 to Rs. 8,00,000
10 %	Rs. 7,00,001 to Rs. 10,00,000	Rs. 8,00,001 to Rs. 12,00,000
15 %	Rs. 10,00,001 to Rs. 12,00,000	Rs. 12,00,001 to Rs. 16,00,000
20 %	Rs. 12,00,001 to Rs. 15,00,000	Rs. 16,00,001 to Rs. 20,00,000
25%	-	Rs. 20,00,001 to Rs. 24,00,000
30 %	Above Rs. 15,00,000	Above Rs. 24,00,000

2. Following provisions were amended to provide tax saving benefits to the taxpayers:

Section No.	Old Provision	Revised Provision	Impact
Sec. 87A	Rebate of Rs. 25,000/- is allowed under old tax regime. i.e., No tax for income up to Rs. 7,00,000/- . This rebate is not available in respect of rate income u/s 111A (STCG on listed shares), 112(LTCG), 112A (LTCG on listed shares).	Rebate of Rs. 60,000/- is allowed under new tax regime i.e., No tax for income up to Rs. 12,00,000/- . This rebate is not available in respect of rate income u/s 111A (STCG on listed shares), 112(LTCG), 112A (LTCG on listed shares).	Rebate amount has been increased by Rs. 35,000/- for non-salaried taxpayers which helps them in tax saving. For Salaried taxpayers, the Rebate amount will be on Taxable value of Rs. 12,75,000/- due to Standard Deduction of Rs. 75,000.
Section 139(8A)	The deadline for taxpayers to file updated income tax returns is 2 years from the end of the relevant assessment year.	The deadline for taxpayers to file updated income tax returns is 4 years from the end of the relevant assessment year with additional tax as given below.	The amendment will take effect from 01.04.2025. This will make tax compliance more flexible by extending the time for filing and simplifying the process of correcting returns.

Additional tax for updated return:

ITR-U filed within	Additional Tax
12 months from the end of the relevant AY	25% of additional tax (tax + interest)
24 months from the end of the relevant AY	50% of additional tax (tax + interest)
36 months from the end of the relevant AY	60% of additional tax (tax + interest)
48 months from the end of the relevant AY	70% of additional tax (tax + interest)

3. Revised TDS Threshold were introduced in the Budget which are as follows:

Sr. No.	Section	Present Threshold Limit	Revised Threshold limit
1.	194LA - Income by way of enhanced compensation	2,50,000/-	5,00,000/-
2.	194J - Fee for professional or technical services	30,000/-	50,000/-
3.	194-I Rent	2,40,000/- during the financial year	50,000/- per month or part of a month i.e. 6,00,000/- during the financial year
4.	Section 194G – Commission etc. on sale of lottery tickets	15,000/-	20,000/-
5.	Section 194H - Payment of commission or brokerage	15,000/-	20,000/-
6.	194D - Insurance commission	15,000/-	20,000/-
7.	a. 194B - Winnings from lottery, crossword puzzle etc. b. 194BB - Winnings from horse race	Aggregate of amounts exceeding 10,000/- during the financial year	10,000/- in respect of a single transaction
8.	194K - Income in respect of units of a mutual fund or specified company or undertaking	5,000/-	10,000/-
9.	194 – Dividend, for an individual shareholder	5,000/-	10,000/-

Sr. No.	Section	Present Threshold Limit	Revised Threshold limit
10.	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, cooperative society and post office. (iii) 10,000/- in other cases.
11.	193 - Interest on securities	Nil	10,000/-
12.	206C(1G) - Remittance under LRS and overseas tour program package.	7,00,000/-	10,00,000/-
13.	Sec. 206C	TCS is applicable on remittances for education purpose where such remittance is out of loan taken from specified financial institution	TCS is not applicable on remittances for education purpose where such remittance is out of loan taken from specified financial institution
14.	Sec. 276BB	This provides for prosecution in case of failure to pay the tax collected at source to the credit of the CG	The delay for payment of TCS up to the due date of filing statement is decriminalized.
15.	Sec. 206C(1H)	A seller is required to collect tax at source at 0.1% on receipt of consideration of value exceeding Rs 50 lakh in a financial year from the buyer.	The same provision is omitted. As a result, no TCS would be required to be collected from 01.04.2025 even if the amount of sales exceeds Rs. 50 Lakh.
16.	Sec. 206AB	Higher TDS/TCS for non-filers of return of income	Omitted
17.	Sec. 206CCA	Higher TDS/TCS for non-filers of return of income	Omitted

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

Sr.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.	2.5%	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

• Direct Tax Vivad se Vishwas Scheme 2024:

The July 2024 Scheme enabled settlement of pending disputes under Income Tax Act, 1961. Inspiration for implementation of this scheme is drawn from the success of the previous Direct Tax Vivad Se Vishwas Act, 2020 in the applicability, procedure and manner of settlement of dispute. The date from which the taxpayers can begin to settle their disputes as well as the sunset date, were yet to be notified by the government in previous years budget and the same are yet not notified in Union Budget 2025.

The 2024 Scheme was been implemented due to an increased number of pending disputes which were arising because of higher number of cases going for appeal than disposal of these cases. This scheme can be availed by taxpayers in disposal of appeals pending before the appellate authorities.

As per the Union Budget 2025, the scheme has received a great response, with nearly **33,000 tax payers** having availed of this scheme to settle their disputes.

5. Other General Points highlighted in Direct Taxes:

- a. Annual Value of two **self-occupied properties** can be taken as NIL, regardless of reason for non-occupancy.
- b. Proceeds from redemption of any **Unit Linked Insurance Policies (ULIPs)** which are not eligible for exemption, proposed to be taxable under the head Capital Gains.
- c. **Time limit for passing any penalty orders** proposed to be streamlined to six months from the end of the quarter in which the connected proceedings are completed or penalty notice is issued, as the case may be.
- d. **Timeline for disposing of application filed by taxpayer** for immunity from penalty and prosecution in relation to under-reporting of income proposed to be enhanced from 1 month to 3 months.
- e. Withdrawals from specified **National Savings Scheme** (i.e. contributed till 1 April 1992) on or after 29 August 2024 proposed to be exempt.
- f. **Seized books and documents may be retained** for up to **one month** after the quarter in which the assessment, reassessment, or recomputation order is issued.
- g. Section 115VP may be amended to require a decision on an assessee's tonnage tax application **expiry of three months from the end of the quarter in which such application was received.**
- h. 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.
- i. It is proposed to provide that the **transfer pricing provisions** for arm's length price determination in relation to similar transactions shall now be applicable for a **period of 3 years.**
- j. It is proposed to provide that the **total income of a business trust** which is charged to tax at the **maximum marginal rate**, shall be subject to the provisions of section 112A of the Act as well, as it is subject to provisions of section 111A and section 112 of the Act.
- k. It is proposed to increase the **period of validity of registration of trust** or institution from **5 years to 10 years** for smaller trusts or institutions.

F. Indirect Taxes:

1. Legislative changes in custom laws

a. Following Amendment have been made in the Custom laws,1962:

Sr.No	Section	Amendment	Details
1.	Sec. 18	a) Insertion of Sub-section (1B) b) Insertion of Sub-section (1C)	a) Time limit of 2 years for finalizing provisional assessment, extendable by 1 year by Commissioner of Customs. For the pending cases, the time-limit shall be computed from the date of assent of the Finance Bill, 2025. b) Time Limit of 2 years remain suspended under specific grounds.
2.	Sec.18A	New Insertion	Importers and exporters can voluntarily revise their entry after clearing goods , within a prescribed time and conditions. The revised entry is considered self-assessed, allowing duty payment or a refund claim under Section 27. However, some cases are exempt from this provision.
3.	Sec.27	New Explanation in Sub-section (1)	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, 1 year from duty or interest payment date.
4.	Sec.28	New Clause in Explanation 1	Defines relevant date in the case of payment of duty as per the revised entry under section 18A is the date of payment of duty or interest.
5.	Sec.127A	New Clause	Defines Interim Board, its members, and pending applications.
6.	Sec.127B	Insertion of Sub-section (6)	Sets end date for receipt of applications under this section.
7.	Sec.127C	Insertion of Sub-section (12)	To make applicable the sub-sections of Section 127C of the Customs Act, 1962 to the Interim Board
8.	Sec.127D	Insertion of Sub-section (3)	Clarifies that Settlement Commission powers shall be exercised by Interim Board and the provisions of this section shall, mutatis mutandis, apply to the Interim Board as they apply to the Settlement Commission.
9.	Sec.127F	Insertion of Sub-section (5)	Settlement Commission's functions and powers to be exercised by Interim Board.

Sr.No	Section	Amendment	Details
10.	Sec.127G	Insertion of Proviso	Settlement Commission's functions under this section shall be exercised or performed by the Interim Board .
11.	Sec.127H	Insertion of Sub-section (4)	Powers and functions of Settlement Commission under this section shall be exercised or performed by the Interim Board.

2. Legislative changes in GST laws:

a. Amendment for trade facilitation:

Sr.No.	Section	Amendment	Details	Effective Date
1.	Section 2	Amendments in Clause (61)	Input Service Distributor (ISD) can distribute ITC for inter-state supplies under reverse charge.	April 1, 2025
2.		Amendments in Clause (69)(c)	Explanation added for definitions of 'Local Fund' and 'Municipal Fund' under "local authority".	April 1, 2025
3.		Insertion of Clause (112A)	Definition of Unique Identification Marking for Track and Trace Mechanism .	April 1, 2025
4.	Sections 12 & 13	Amendments in Sub-section (4)	Omission of provisions related to time of supply for vouchers .	April 1, 2025
5.	Section 17	Amendment in Sub-section (5)(d)	Substitutes " plant or machinery " with " plant and machinery ".	April 1, 2025
6.	Section 20	Amendments in Sub-sections (1) & (2)	Explicitly provides for ISD distribution of ITC for inter-state reverse charge supplies.	April 1, 2025
7.	Section 34	Amendment in Proviso to Sub-section (2)	Requires reversal of ITC for credit notes availed by recipient before supplier tax liability reduction.	April 1, 2025
8.	Section 39	Amendment in Sub-section (1)	Enables prescribing conditions and restrictions for filing returns.	April 1, 2025
9.	Sections 107 & 112	Amendment in Section 107(6)	Mandatory 10% pre-deposit for appeals	April 1, 2025

Sr.No.	Section	Amendment	Details	Effective Date
		and Section 112(8)	before Appellate Authority (penalty-only cases).	
10.	Section 122B	New Insertion	Penalties for violating Track and Trace Mechanism under Section 148A.	April 1, 2025
11.	Section 148A	New Insertion	Enabling mechanism for Track and Trace Mechanism for specified commodities.	April 1, 2025
12.	Schedule III	New Entry (aa) in Paragraph 8	Supplies from SEZ/FTWZ before clearance to exports/DTA will not be considered as supply of goods or services .	April 1, 2025
13.		Amendment in Explanation 2	Clarifies applicability for entry (a) of Paragraph 8 .	April 1, 2025
14.		New Explanation 3	Defines SEZ, FTWZ, and DTA for Paragraph 8	April 1, 2025
15.		Refund Restriction	No refund of tax paid for above transactions.	April 1, 2025
16.	Section 38	Amendment in Sub-section (1)	Removes the term " auto-generated ".	April 1, 2025
17.		Amendment in Sub-section (2)	Removes "auto-generated"; makes clause (b) more inclusive.	April 1, 2025
18.		New Clause (c)	Allows prescribing additional details for ITC statements.	April 1, 2025

3. Other provision in Finance Bill:

Reinsurance services under the **Weather Based Crop Insurance Scheme (WBCIS)** and Modified National Agricultural Insurance Scheme (MNAIS) are exempted from **service tax** for the period **April 1, 2011, to June 30, 2017**.

4. On following commodities Basic Customs Duty and Export Duty was reduced (with effect from 02.02.2025):

Sr. No	Particulars	Old Rates	New Rates
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%
3.	Other compounds containing a pyrimidine ring (whether or not hydrogenated) or piperazine ring in the structure.	10%	7.5%
4.	Synthetic flavouring essences and mixtures of odoriferous substances of a kind used in food or drink industries.	100%	20%
5.	Sorbitol	30%	20%
6.	Waste and scrap of Antimony, Beryllium, Bismuth, Cobalt, Cadmium, Molybdenum, Rhenium, Tantalum, Tin, Tungsten, Zirconium, Copper scrap.	10/5%/2.5%	Nil
7.	Waste and scrap of Lithium-Ion Battery	5%	Nil
8.	Cobalt powder	5%	Nil
9.	Waste and scrap of Lead	5%	Nil
10.	Waste and scrap Zinc	5%	Nil
11.	Addition of 6 more medicines in List 3 and bulk drugs for their manufacture	As applicable	5%
12.	Addition of 36 more medicines in List 4 and bulk drugs for their manufacture	As applicable	Nil
13.	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
14.	Platinum findings	25%	6.4% (5%

Sr. No	Particulars	Old Rates	New Rates
			BCD + 1.4% AIDC)
15.	Wet blue leather	10%	Nil
16.	Shuttle less loom Rapier 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
17.	Certain additional items for duty free import by Bonafide exporters for manufacture of handicrafts	As applicable	Nil
18.	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
19.	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
20.	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
21.	Ethernet Switches Carrier-Grade	20%	10%
22.	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%/10%	5%
23.	Ground installation for satellites including its spares and consumables	As applicable	Nil
24.	Goods used in the building of launch vehicles and launching of satellites	5%	Nil

Sr. No	Particulars	Old Rates	New Rates
25.	(i) Engine capacity not exceeding 1600 CC (CBU)	50%	40%
	(ii) Semi-knocked down (SKD)	25%	20%
	(iii) Completely knocked down (CKD)	15%	10%
26.	(i) Engine capacity 1600 CC & above (CBU)	50%	30%
	(ii) Semi-knocked down (SKD)	25%	20%
	(iii) Completely knocked down (CKD)	15%	10%

5. On following commodities there is Decrease in Tariff rate with no change in Effective rate [With effect from 02.02.2025]

Sr. No	Particulars	Old Rates	New Rates
1.	Glycerol crude, glycerol waters, glycerol lye	30%	20%
2.	Phosphoric Acid	20%	7.5%
3.	Other – Prepared Binders, chemical products and preparations of chemical or allied industries	17.5%	7.5%
4.	Marble and travertine, granite, crude or roughly trimmed, merely cut into blocks, slabs	40%	20 % (+20% AIDC)
5.	Candles, tapers and the like	25 % (+2.5% SWS)	20% (+7.5% AIDC)
6.	Other reference materials	30%	10%
7.	PVC flex films including PVC flex banner and PVC flex sheets	25% (+2.5% SWS)	20 (+7.5 AIDC)
8.	Footwear	35% (+3.5 SWS)	20 (+18.5 AIDC)
9.	Worked monumental or building stone and articles thereof	40%	20%
10	Marble slabs	40%	20% (+20% AIDC)
11.	OTS/MR type-flat rolled products of thickness less than 0.5 mm	27.5%	15%
12.	Other plates, sheets, strips of thickness less than 0.5mm	27.5%	15%
13.	Flat - rolled products in coils of thickness greater than or equal to 4.75 mm but not exceeding 10mm	22.5%	15%
14.	Flat-rolled products in coils of thickness greater than or equal to 3 mm but less than 4.75 mm	22.5%	15%

Sr. No	Particulars	Old Rates	New Rates
15.	Flat-rolled products of stainless steel of width 600mm or more- Other nickel chrome austenitic type	22.5%	15%
16.	Flat-rolled products of stainless steel of width 600mm or more- Other sheets and plates	22.5%	15%
17.	Flat-rolled products of other alloy steel grain oriented	20%	15%
18.	Other tubes or pipe fittings of stainless steel	25%	15%
19.	Other fittings of iron or steel, non-galvanised	25%	15%
20.	Other structure and parts of structures of iron and steel	25%	15%
21.	Others-tanks and drums etc.	25%	15%
22.	Other screws and bolts w/n with nuts	25%	15%
23.	Threaded nuts	25%	15%
24.	Other non-threaded articles	25%	15%
25.	Others springs and leaves of iron/steel	25%	15%
26.	Other cast articles of iron or steel	25%	15%
27.	Articles of forged or stamped but not further worked	25%	15%
28.	All other articles of iron/steel	25%	15%
29.	Solar cells	25% (+2.5% SWS)	20% (+7.5% AIDC)
30.	Motor cars and other motor vehicles principally designed for the transport of persons, including station wagons and racing cars	125% (tariff rate) 100% BCD +10% SWS (effective rate)	70% (tariff rate) 70%+ 40% AIDC (effective rate)
31.	Used Motor cars and other motor vehicles principally designed for the transport of persons, including station wagons and racing cars	125% (tariff) 125% BCD + 12.5% SWS (effective rate)	70% (tariff) 70% + 67.5% AIDC (effective rate)
32.	Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars	100% (tariff) (No change in effective rate)	70%(tariff) (No change in effective rate)
33.	Used Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars	100% (tariff) 100% BCD +10% SWS (effective rate)	70% (tariff) 70%+ 40% AIDC (effective rate)

Sr. No	Particulars	Old Rates	New Rates
34.	Bicycles	35%	20% (+15% AIDC)
35.	Yachts and other vessels for pleasure or sports; rowing boats and canoes	25% (+2.5% SWS)	20% (+7.5% AIDC)
36.	Electricity meters for alternating current (Smart Meters)	25% (+2.5% SWS)	20% (+7.5% AIDC)
37.	Parts of electronic toys for manufacture of electronic toys	25% BCD + 2.5% SWS	20% BCD + 7.5% AIDC

Note: AIDC – Agriculture Infrastructure and Development Cess; SWS – Social Welfare Surcharge

6. On the following commodities there is Decrease in Tariff rate with reduction in effective rate [With effect from 02.02.2025]

Sr. No	Particulars	Old Rates	New Rates
1.	Synthetic flavouring essences and mixtures of odoriferous substances for use in food and drink industry	100%	20% (+2% SWS)
2.	Sorbitol	3% (+3% SWS)	20% (+2% SWS)
3.	Articles of jewellery and parts thereof; articles of goldsmiths' or silversmiths' wares and parts thereof	25%	20%
4.	Solar module	40% (+4% SWS)	20% (+20% AIDC)
5.	Motor vehicles (for passenger)	40% (+4% SWS)	20% (+20% AIDC)
6.	Motor vehicles (for goods)	40% (+4% SWS)	20% (+20% AIDC)
7.	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof	25% (+2.5% SWS)	20% (+5% AIDC)
8.	Other furniture and parts thereof	25% (+2.5% SWS)	20% (+5% AIDC)
9.	Mattress supports, articles of bedding and similar furnishing etc	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	70%	20% (+20% AIDC)
12.	Laboratory chemicals (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	100% (tariff rate) 35% + 3.5% SWS (effective rate)	70% (tariff rate) 35% (effective rate)
14.	Dutiable goods imported for personal use classified under	35% (+ 3.5% SWS)	20%

Sr. No	Particulars	Old Rates	New Rates
	heading 9804 other than those at 10% BCD		

7. On the following commodities there is Increase in Customs duty [with effect from 02.02.2025]

Sr. No.	Commodity	Old Rates (in percent)	Revised rates (in per cent)
1.	Knitted Fabrics	10% /20%	20% or Rs 115 per kg, whichever is higher
2.	Interactive Flat Panel Display	10%	20%

8. On the following commodity the Export duty on Leather has been removed [with effect from 2.2.2025]

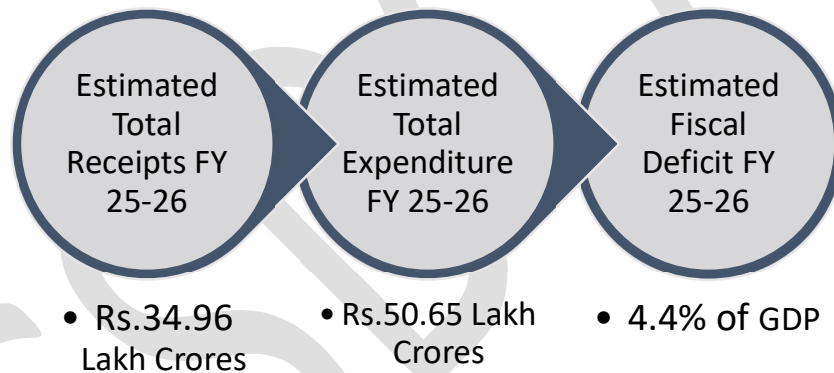
Sr. No.	Commodity	Old Rates (in percent)	Revised rates (in per cent)
1.	Crust Leather (hides and skins)	20%	0%

9. Following is the Trade Facilitation Measures:

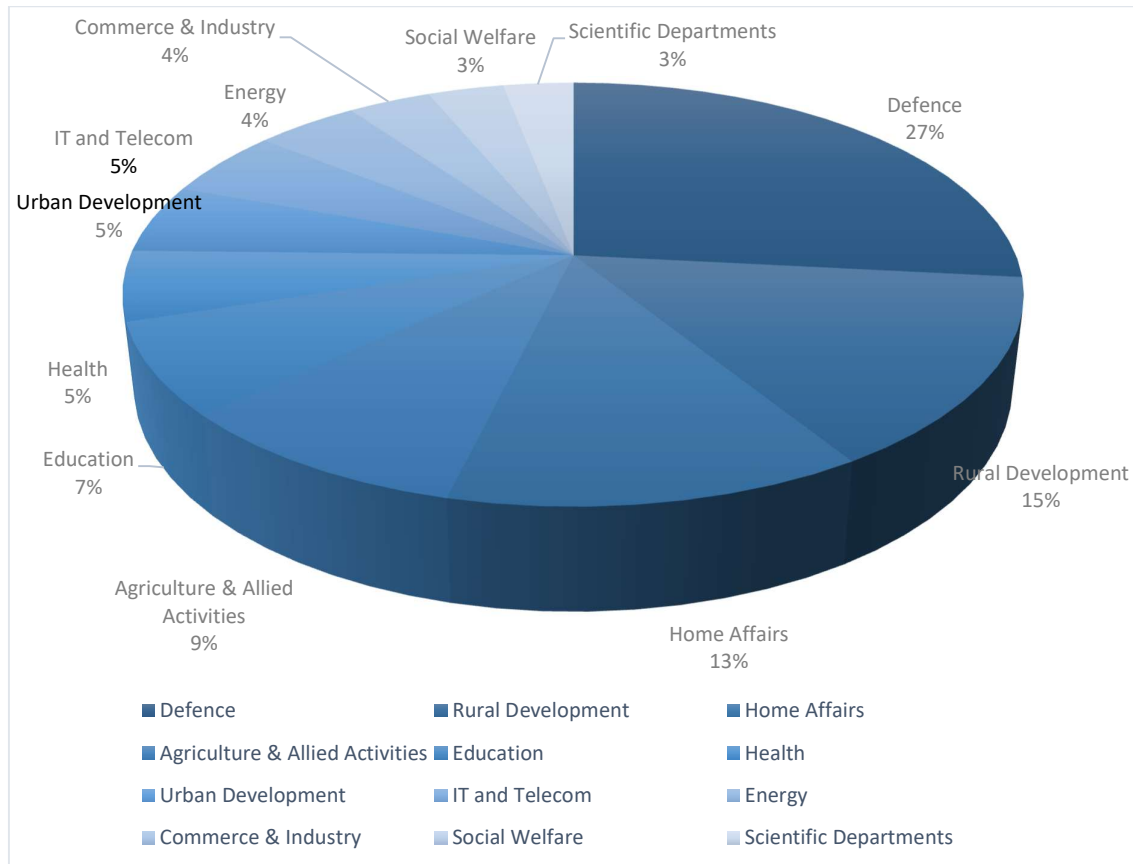
Sr. No.	Provision	Description
1.	Increase in Duration for Export of Handicrafts	The export period for handicrafts produced from duty-free inputs by bona fide exporters has been extended from 6 months to 1 year, with a possible further extension of 3 months.
2.	Removal of IGCR Condition for Import of Seeds for Lab-Grown Diamonds	The requirement under the Customs (Import of Goods at Concessional Rate of Duty or For Specific End Use) Rules 2022 (IGCR) for customs duty exemption on importing seeds used in manufacturing rough lab-grown diamonds has been eliminated.
3.	Extension of Time Limit for Export of Repaired Foreign-Origin Goods	The time limit for exporting foreign-origin goods imported for repairs has been extended from 6 months to 1 year, with an

Sr. No.	Provision	Description
		additional extension of 1 year specifically for railway goods.
4.	Amendment of IGCR Rules 2022	Amendments to Rules 6 and 7 of the Customs (Import of Goods at Concessional Rate of Duty or For Specified End Use) Rules 2022 include increasing the time limit for fulfilling end-use obligations from 6 months to 1 year and changing the reporting requirement from a monthly to a quarterly statement.

G. India's Financial Position at a glance



H. Expenditure allocation in a glimpse



I. Conclusion

The Union Budget 2025 is a progressive and inclusive roadmap aimed at fostering economic growth while addressing key priorities such as middle-class welfare, rural development, infrastructure expansion, and sustainability. By providing substantial tax relief, the government seeks to boost consumer spending and enhance disposable income, which will drive domestic demand. With a strong focus on agriculture, research, and innovation, the budget aims to build self-reliance in essential sectors, empower farmers, and accelerate technological advancements. Increased capital expenditure, urban housing initiatives, and clean energy projects further demonstrate the government's commitment to infrastructure development and sustainability. Support for MSMEs, startups, and manufacturing reflects a vision to bolster entrepreneurship, job creation, and industrial growth. Overall, the Budget 2025 strikes a balance between addressing immediate economic challenges and laying the groundwork for long-term growth, steering India toward a more prosperous and self-reliant future and lead India towards Viksit Bharat.

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