

Union Budget 2025 Impact on Business



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**International Vaish Federation – IVF Professional Cell – CA/CS/CMA
6th March 2025**

TAX RATES – S. 115BAC (1A)

Tax Rate	Total Income AY 2026-27	Total Income AY 2025-26
0%	Up to 4,00,000	Up to 3,00,000
5%	4,00,001 to 8,00,000	3,00,001 to 7,00,000
10%	8,00,001 to 12,00,000	7,00,001 to 10,00,000
15%	12,00,001 to 16,00,000	10,00,001 to 12,00,000
20%	16,00,001 to 20,00,000	12,00,001 to 15,00,000
25%	20,00,001 to 24,00,000	
30%	Above 24,00,000	Above 15,00,000

- **Rebate u/s 87A increased from Rs 25k to Rs 60k (resident Ind.)**
- **Rebate u/s 87A would not be applicable to special rate taxes**
- **Loss in Tax contribution by Rs. 1 Lac Cr.**

TAX RATES – BENEFIT

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

INDIA GROWTH

- India fastest growing economy of world – 6 -7% growth rate
- US 2.7%; China 4.9%
- US added USD 787 billion; China 895 billion USD
- India 256 billion USD
- FY 2023-24 – 8.09 Cr. ITR
- FY 2023-24 – 4.90 Cr.– Zero Tax ITRs
- If these .. 12 L –283 billion USD

MSME

	12.10.2006		1.7.2020		2025	
	Mfg (Plant & Mach.)	Services (Equip.)	Invest.	Turnover	Invest.	Turnover
Micro	< 25L	< 10 L	< 1 Cr	< 5 Cr	< 2.5 Cr	< 10 Cr
Small	25L to 5 Cr	10L to 2 Cr	< 10 Cr	< 50 Cr	< 25 Cr	< 100 Cr
Medium	5 Cr to 10 Cr	2 Cr to 5 Cr	< 50 Cr	< 250 Cr	< 125 Cr	< 500 Cr

NUCLEAR POWER

- **2 Atomic Acts to be amended**
 - **The Atomic Act 1962**
 - **Civil Liability for Nuclear Damage Act 2010**
- **India – 2nd Asian Nation to build Nuclear power plant in 1969 at Tarapur.. after Japan**
- **Hoped to build 10000 MW by 2000.. Currently 8200 MW**
- **China 58000 MW, South Korea 32000 MW, UAE which started less than a decade ago – 5300 MW**
- **In Budget after amendments India's target 100000 MW by 2047**

TCS RATE CHANGE

Section	Nature of Payment	Existing Rate Upto 31.03.2025	Proposed Rate From 01.04.2025
3 rd Proviso to 206C (1G)	TCS on LRS for education purpose taken by Loan from Financial Institutions as per s. 80E	0.50%	Nil

TDS THRESHOLD CHANGE

Section	Nature of Payment	Existing Threshold Upto 31.03.2025	Proposed Threshold From 01.04.2025
193	Interest on Securities	Nil	10,000
194	Dividends	5,000	10,000
194 B	Winnings from lottery or crossword puzzle	10,000 (Aggregate during FY)	10,000 (Limit per Transaction)
194 BB	Winnings from horse race	10,000 (Aggregate during FY)	10,000 (Limit per Transaction)
194 D	Insurance Commission	15,000	20,000
194 G	Commission, etc., on sale of lottery tickets	15,000	20,000
194 H	Commission or Brokerage	15,000	20,000

TDS/TCS THRESHOLD CHANGE

Section	Nature of Payment	Existing Threshold Upto 31.03.2025	Proposed Threshold From 01.04.2025
194 I	Rent	2,40,000 (For full year)	50,000 (Per month or part of month)
194 J	Fees for professional or technical services	30,000	50,000
194 K	Income in respect of units	5,000	10,000
194 LA	Payment of compensation on acquisition of certain immovable property	2,50,000	5,00,000
206C(1G)	Remittance under LRS & Overseas Tour Program	700000	1000000

DEDUCTIONS & EXEMPTIONS

- **S. 80CCA - Withdrawing funds from the National Savings Scheme (NSS)**
- **No interest is paid on NSS balances from October 1, 2024.**
- **Amendment would exempt withdrawals made on or after August 29, 2024, for deposits made before April 1, 1992.**
- **Both deposit & Interest !!**
- **TDS u/s 194EE !!**

DEDUCTION

- **S. 80-IAC – extend benefit of deduction for another period of 5 years for start-ups incorporated before 01.04.2030. Earlier for Start-ups incorporated before 01.04.2025.**

CHARITIES

- Trusts registered u/s 12A(1) (ac) (i to v) and whose TI of each of 2 yrs does not exceed Rs. 5 crs. preceding to PY in which such application is made, period of validity extended from 5 to 10 yrs.
- 80G !!!
- Explanation (g) to section 12AB (4) amended to clarify that an incomplete application will not be treated as a specified violation for cancellation of registration.
 - *“(g) the application referred to in clause (ac) of sub-section (1) of section 12A ~~is not complete or it~~ contains false or incorrect information”*

CHARITIES

- **S. 13** - persons who have made substantial contributions (over ₹50,000 in aggregate in lifetime of the trust), their relatives, or concerns in which they have a substantial interest. Now:
 - *Persons whose total contribution exceeds ₹1 lakh in the relevant year or ₹10 lakh cumulatively.*
 - *Relatives of these contributors will not be included in the specified persons under section 13.*
 - *Concerns in which such persons have a substantial interest will also not be included in the specified persons u/s 13.*

CAPITAL GAIN

- Income on redemption of ULIP would be treated as CG and following clarifications have been made:
 - *ULIPs which are not exempt u/s 10(10D) shall be treated as a Capital Asset*
 - *Income arising from redemption of ULIPs on which the exemption of Section 10(10D) does not apply are taxable as Capital Gain u/s 45*
 - *For purpose of clause (a) of Explanation to s. 112A, the definition of equity-oriented funds shall also include ULIPs on which the exemption u/s 10(10D) is not applicable.*

ITR - U

Time Period	Rate of Additional tax	Effective Tax Rate (assuming 30% bracket)
Upto 12 months from the end of relevant AY	25%	37.5%
After expiry of 12 months and upto 24 months	50%	45%
After expiry of 24 months and upto 36 months	60%	48%
After expiry of 36 months and upto 48 months	70%	51%
Post 36 months (If notice u/s 148A issued)	ITR U cannot be filed	

- 90 L ITR-U filed in last 2 years

CARRY FORWARD / SET-OFF LOSSES

- Sections 72A /72AA - Carry- forward and set-off of accumulated losses and unabsorbed depreciation in cases of business amalgamation or reorganization.
- Currently, accumulated losses of the predecessor entity can be carried forward by the successor entity.
- Proposed amendment will limit the carry forward period to 8 assessment years from the year the loss was first calculated for predecessor for amalgamation or business reorganization
- Applicable on amalgamation or business reorganization effected on or after 1st April 2025.
- Unabsorbed Depreciation !!

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1

answer

Q. can a defense non public fund apply for CSR-1as they dont have 80G and 12A registration under income tax act

Answered By CA PRAMOD JAIN

5 views

Question added **5 hours** ago Income Tax By CA DEVENDER SAINI, CA, CHANDNI CHOWK

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