

INDIA BUDGET 2025

Beneath
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State of Economy

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State of Economy

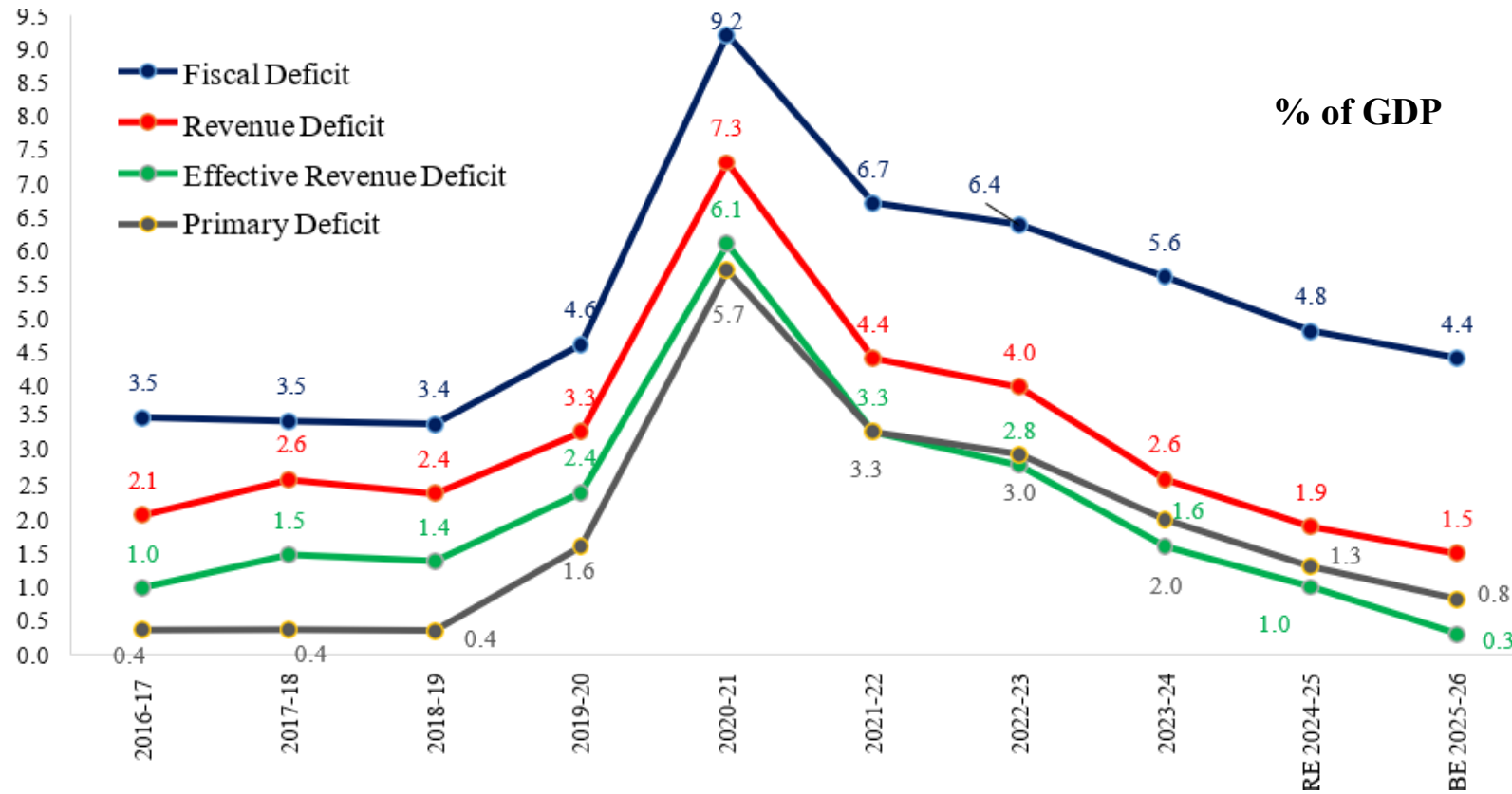
- » Real Gross Domestic Product (GDP) and Gross Value Added (GVA) growth pegged at 6.4 percent in FY25 (First AE)
 - » Real GDP expected to grow in the range of 6.3 to 6.8 percent in FY26
- » Global growth at 3.3 percent for both FY25 & FY26 as per World Economic Outlook (WEO) report of International Monetary Fund (IMF)
 - » GDP growth of India has not only outpaced its peers but outperformed most developed nations in the past decade
- » Overall 6 percent growth in Exports during first nine months of FY25
 - » Services sector exports growing at 12 percent
 - » Manufacturing Sector?

State of Economy

- » Retail Headline Inflation decreased to 4.9 percent in FY25 from 5.4 percent in FY24
- » Foreign exchange reserves of USD 640.3 Billion as of January 03, 2025
 - » Sufficient to cover ~11 months of Imports
- » Foreign Direct Investment (FDI) inflows
 - » USD 55.6 billion in the first eight months of FY25 against USD 47.2 billion of FY24
- » Gross Non Performing Assets (GNPA) of commercial banks
 - » At decade low of 2.6 percent of total assets
- » Resolution Plans under Insolvency and Bankruptcy Code (IBC)
 - » INR 3.6 Lac crores recovered from over 1,000 cases

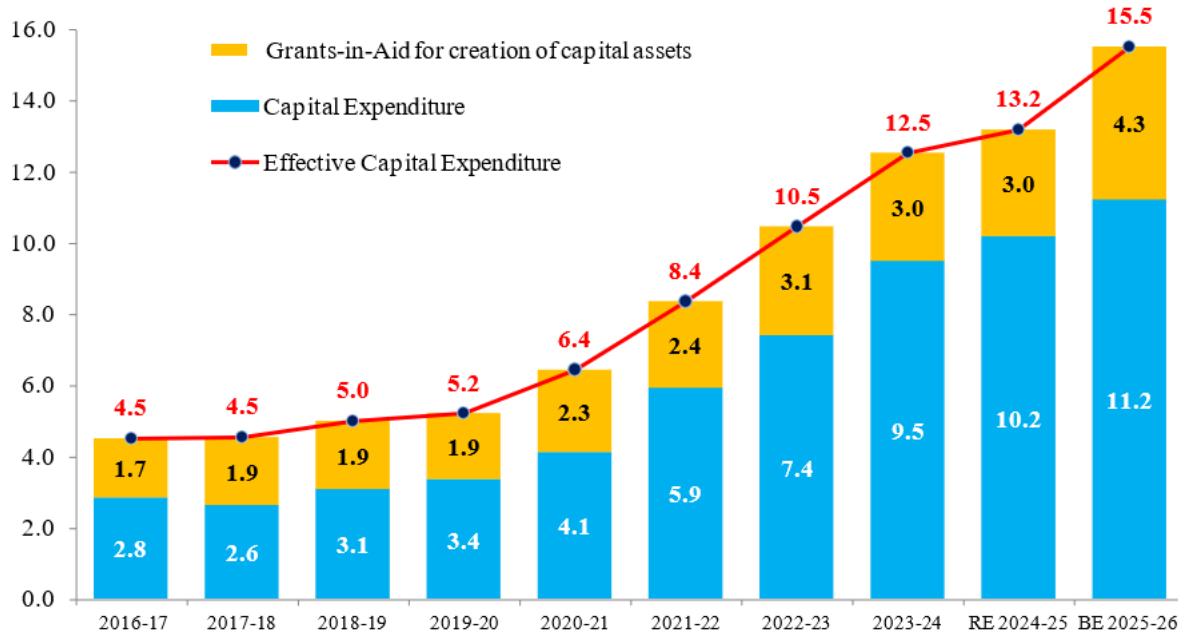


Deficit Trends

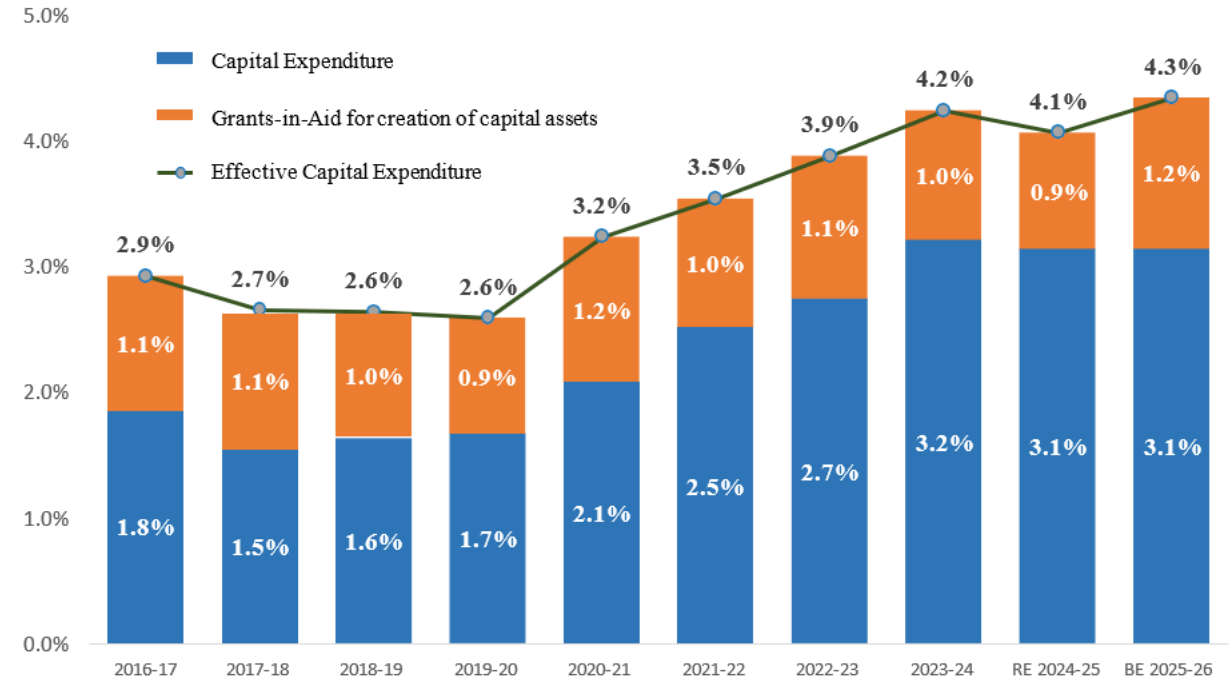


Trends in Capex

In INR Lakh Crores



% of GDP



Aspirations

- » Constant growth rate of 8 percent for the next decade to realize the vision of Viksit Bharat 2047
 - » Public Private Partnerships (PPPs) means to achieve the soaring aspirations of the fastest developing economy
- » Dedicated focus on business reforms to accelerate growth in industrial and services sector
 - » De-regulation (Staying out of Businesses) key to economic growth and job opportunities
 - » New Income Tax Code – whether a step in that direction?
- » Financial sector reforms
 - » To balance between growth and stability in times of rising consumer debt, increased unsecured loans and first-time investors
 - » Need to create independent agencies within financial sector regulators to ensure impartial and objective assessment of decisions of regulators

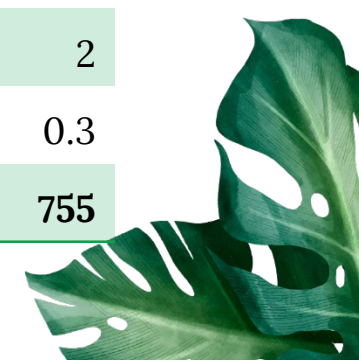
Growth Engines

- » Greater reliance on domestic drivers of growth
 - » Considering geo-economic fragmentation and growing protectionist policies
- » Small and Medium Enterprises (SMEs) to be Mittelstand of India
 - » New engines of growth and employment
- » Emerging services sector to focus on Artificial Intelligence (AI)
 - » To develop digital and technical skills to avail the benefits therefrom
- » Investments in hydrocarbons must for energy security
 - » But with equitable focus on developing reliable renewable energy sources

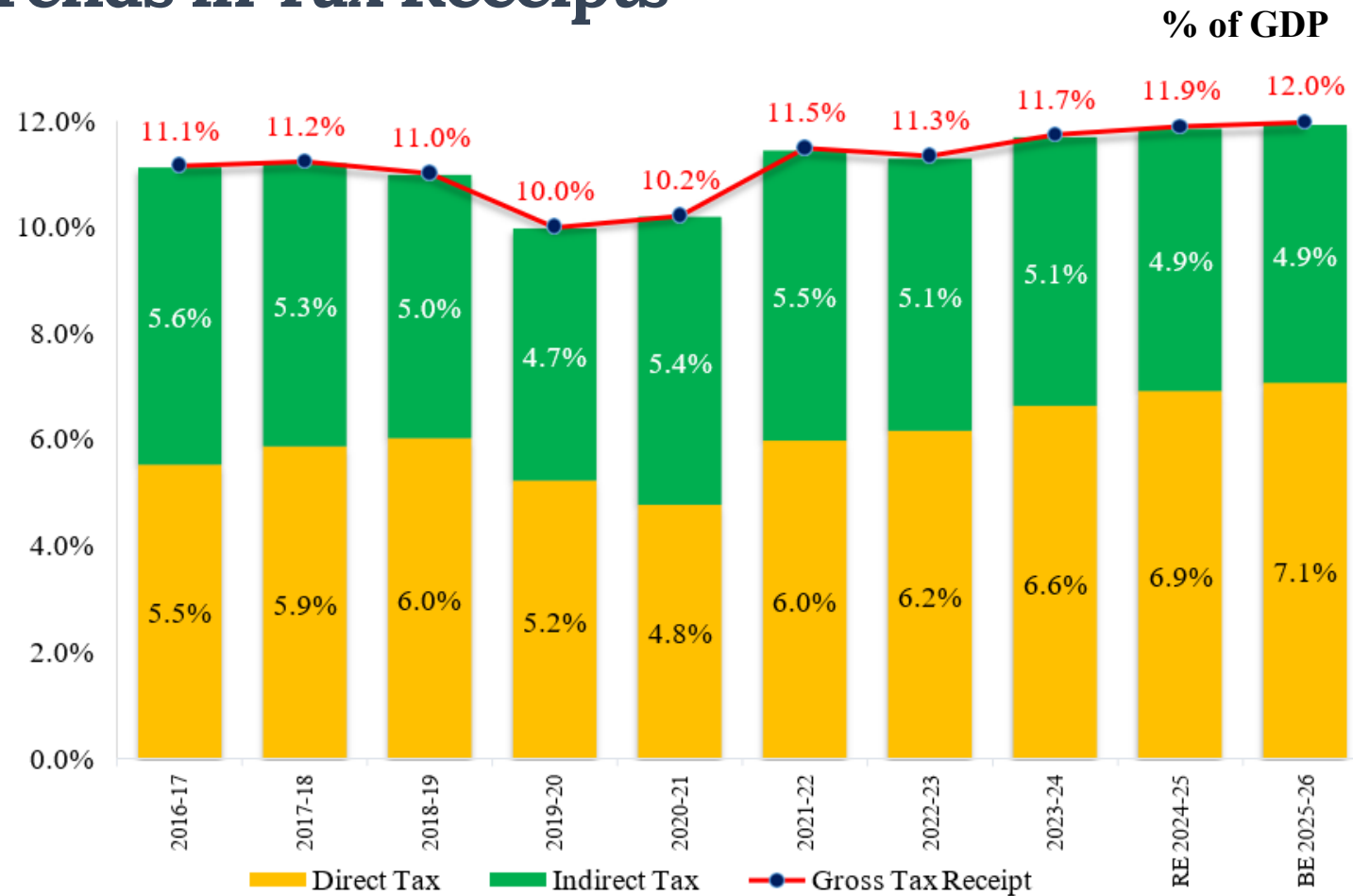


Individual Tax Statistics

Total Income	Tax (AY 2025-26)	Tax (AY 2026-27)	Savings	Savings in Tax Liability (%)	ETR (%)	Approx. TaxPayers (in Lacs)
7,00,000	-	-	-		0.0%	628
10,00,000	52,000	-	52,000	100%	0.0%	33
12,00,000	83,200	-	83,200	100%	0.0%	34
15,00,000	1,45,600	1,09,200	36,400	25%	7.3%	8
20,00,000	3,01,600	2,08,000	93,600	31%	10.4%	19
25,00,000	4,57,600	3,43,200	1,14,400	25%	13.7%	10
50,00,000	12,37,600	11,23,200	1,14,400	9%	22.5%	16
1,00,00,000	30,77,360	29,51,520	1,25,840	4%	29.5%	5
1,50,00,000	50,11,240	48,79,680	1,31,560	3%	32.5%	2
2,50,00,000	93,47,000	92,04,000	1,43,000	2%	36.8%	0.3
Total						755



Trends in Tax Receipts



- » Revenue foregone on account of tax slabs considered at INR 1 Lac Crores
- » Budgeted receipts from Income Tax (other than Corporation Tax) for FY 2025-26 is INR 14.38 Lac Crore (up from INR 12.57 Lac Crore in FY 2024-25)



Direct Tax

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New Direct Tax Law – Curtain raiser

- » New Direct Tax Law to be rolled out in Feb 2025
- » To carry forward the spirit of 'Nyaya'
- » To be clear & direct in text
- » Reduction in volume (chapters & words)
- » Simple to understand for taxpayers & tax administration
- » To lead to tax certainty
- » Reduce litigation

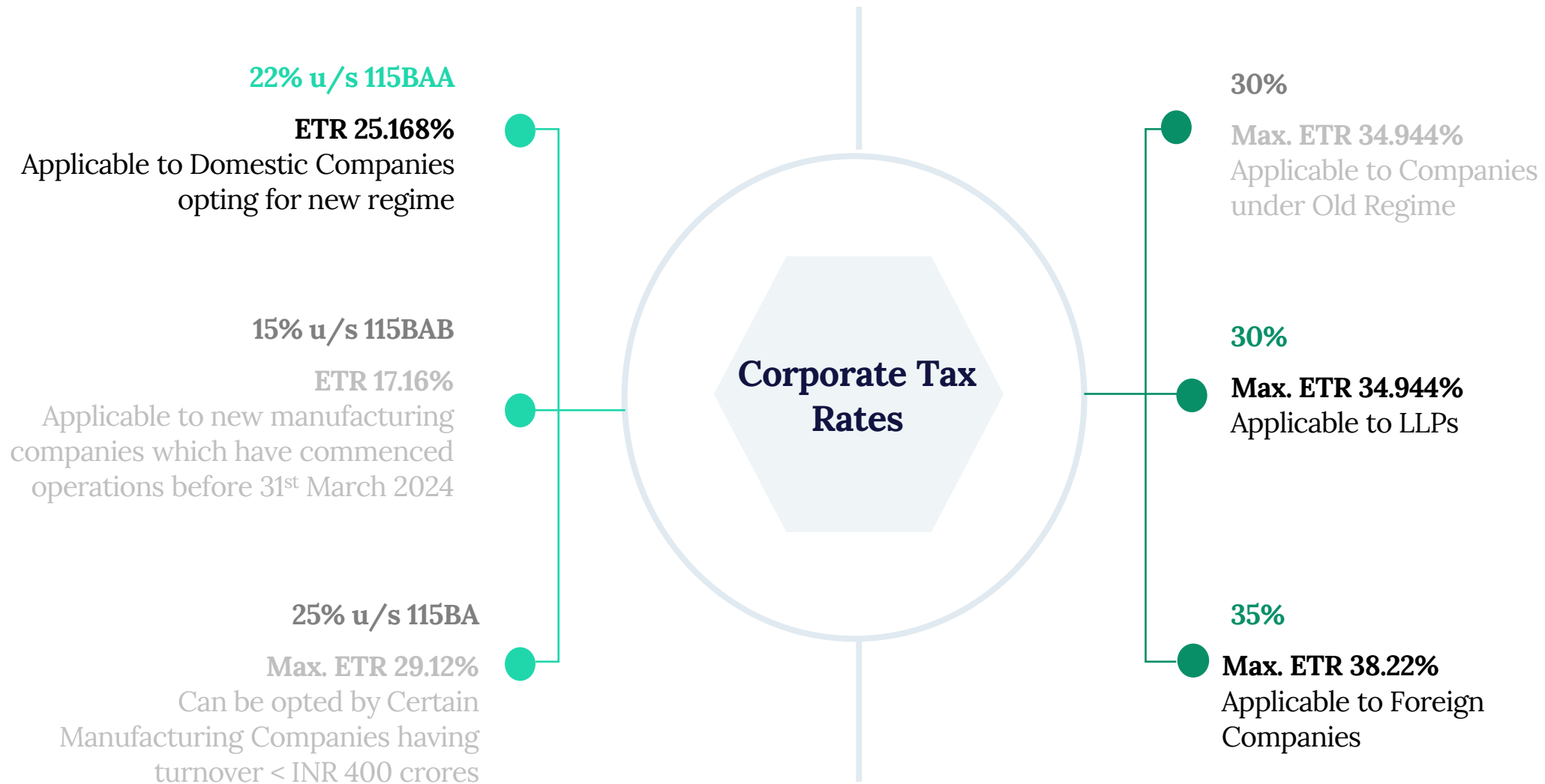


Corporate Tax Rates – A recap



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Tax Rates – Corporates



Personal Taxation

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Personal Taxation – Much Awaited Relief!

Total income (INR) AY 2025-26	Rate of tax (%)	Total income (INR) AY 2026-27
Up to 3 Lakh	Nil	Up to 4 Lakh
> 3 – 7 Lakh	5%	> 4 – 8 Lakh
> 7 – 10 Lakh	10%	> 8 – 12 Lakh
> 10 – 12 Lakh	15%	> 12 – 16 Lakh
> 12 – 15 Lakh	20%	> 16 – 20 Lakh
-	25%	> 20 – 24 Lakh
> 15 Lakh	30%	> 24 Lakh

Threshold for highest tax bracket increased from INR 15 Lakh to INR 24 Lakh

Tax Saving of up to INR 1.43 Lakh for income of more than INR 24 Lakh

Reduction in tax liability by 33% in case of income of INR 16 Lakh!



Personal Taxation

- » Rebate u/s 87A
 - » Income threshold for rebate increased from INR 7L to INR 12L
 - » Rebate relief increased from INR 25K to INR 60K
 - » Marginal relief to be available on tax on income marginally above INR 12L

- » Rebate on special rate incomes – Controversy settled or a new controversy?

Individuals earning income up to INR 12L would not pay any tax!



Personal Taxation

	Scenario 1 (Amount in INR)	Scenario 2 (Amount in INR)	Scenario 3 (Amount in INR)
Income (other than income as per section 112A)	11,00,000	11,00,000	12,50,000
Income as per Section 112A	-	2,50,000	2,50,000
Total Income	11,00,000	13,50,000	15,00,000
Tax on Normal Income @ slab rates	50,000	50,000	67,500
Tax on Income as per Section 112A @12.5%	-	15,625	15,625
Total Tax Payable	50,000	65,625	83,125
(Less): Rebate	(50,000)	(50,000)#	-
(Less): Marginal Relief	-	-	(17,500)*#
Net Tax Payable (excl. surcharge & cess)	-	15,625#	65,625

debatable

*Since normal income exceeds INR 12L, rebate shall not be available. However, taxpayer shall be eligible for marginal relief u/s 87A



Personal Taxation

Rebate and Marginal Relief u/s 87A

Total income (INR)	Tax Liability Before Rebate u/s 87A	Excess of Income above INR 12L	Excess of Tax over Income above INR 12L	Rebate u/s 87A	Marginal Relief u/s 87A	Net Tax Payable
12,00,000	60,000	-	-	60,000	-	-
12,25,000	63,750	25,000	38,750	-	38,750	25,000
12,50,000	67,500	50,000	17,500	-	17,500	50,000
12,75,000	71,250	75,000	(3,750)	-	-	71,250



Personal Taxation

» House Property

» Self-occupied house property

- › Conditions present for claiming two properties as self-occupied properties, now removed
 - › Any property that is either occupied by self or not occupied (not let-out) for whatever reason now allowed

» NPS Vatsalya Scheme contribution – Deduction u/s 80CCD(1B)

» Available to Parents / Guardian

- › Aggregate deduction to continue to be INR 50K

» Withdrawal on death or upto 25% of the total contribution during lifetime not taxable

» Relevant only under Old Tax Regime (if opted)

» NSS Deposits – Deductible u/s 80CCA until March 1992

» Withdrawal of deposit amount & interest thereon after August 29, 2024 to be exempt



Personal Taxation

Certainty for taxation of redemption proceeds from ULIPs during the lifetime

Scenarios	ULIPs		LIPs (Other than ULIPs)	
	Existing	Proposed	Existing	Proposed
Premium \leq 10%/20% of the sum assured; and Premium \leq INR 2.5L / INR 5L	Exempt u/s 10(10D)	No Change	Exempt u/s 10(10D)	No Change
Premium \leq 10%/20% of the sum assured; but Premium $>$ INR 2.5L / INR 5L	<ul style="list-style-type: none"> - Taxable as Capital Gains - At par with equity-oriented MF 	No Change	Taxable as IFOS u/s 56(2)(xiii)	No Change
Premium \leq INR 2.5L / INR 5L; but Premium $>$ 10%/20% of the sum assured	Not Taxable ?	<ul style="list-style-type: none"> - Taxable as Capital Gains - At par with Equity Oriented MF 	Taxable as IFOS u/s 56(2)(xiii)	No Change

Corporate Reorganization

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Corporate Reorganizations – No More Evergreening of Losses!

- » Section 72A – Carry forward of losses in case of amalgamation
 - » Currently, a new lease of life is allowed for a period of 8 years for business losses
 - » Proposed Amendment – Business loss to be allowable for a maximum period of 8 years commencing from the year in which loss first incurred by the original amalgamating Company
- » Similar amendment proposed for business re-organizations
 - » Succession of firm by a company
 - » Conversion of a private / unlisted company into LLP
- » Period of carry forward of unabsorbed depreciation to remain unaffected
- » Amendment applicable to amalgamations and business reorganizations *effected on or after* April 1, 2025
 - » Restriction not applicable to corporate re-organisations ‘effected’ before such date



Corporate Reorganizations – No More Evergreening of Losses!

» Appointed Date v. Effective Date

» Judicial precedents – Hold that amalgamation is effective from the Appointed Date

» **Hon'ble Supreme Court** in case of **Marshall Sons & Co (India) Ltd v. ITO** [1997] 223 ITR 809 (SC)

» **Hon'ble Gujarat HC** in case of **PCIT v. Intas Pharmaceuticals Limited** [2023] 151 taxmann.com 447 (Guj.)

» Applicability of proposed amendments to amalgamation with Appointed Date prior to April 1, 2025?

» Scope of fast-track mergers u/s 233 of the Company Law proposed to be widened

» Whether unlisted companies would be covered?



Business Taxation

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Start-ups – Can Start up to 2030

- » Tax Holiday for eligible start-ups u/s 80-IAC
 - » Deduction of 100% of profits and gains for 3 consecutive AYs out of 10 years from the year of incorporation

- » 80-IAC introduced back in 2017 with an initial sunset date of March 31, 2019
 - » Amended through the years, with the current sunset date being March 31, 2025

- » To boost to the Start-up ecosystem, sunset date for incorporation settled for good
 - » Extended for another 5 years upto March 31, 2030



International Taxation



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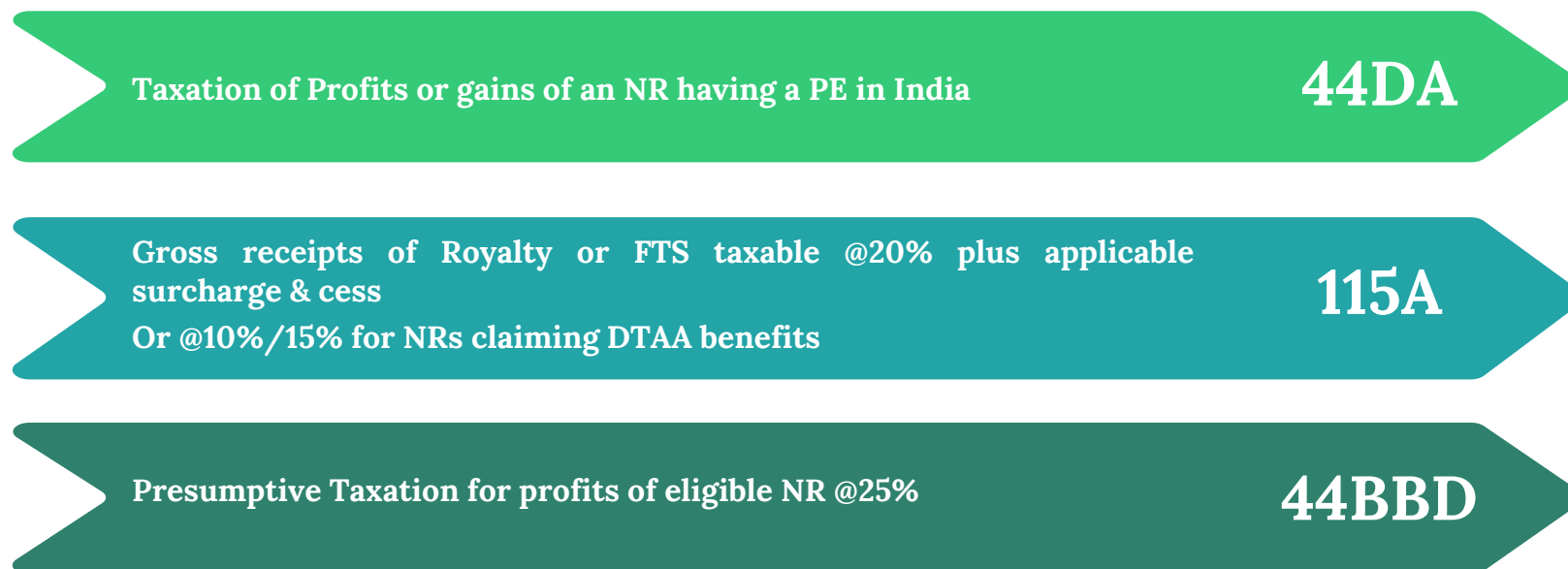
Significant Economic Presence (SEP)

- » SEP intended to cover sale of goods by NRs without their presence or nexus in India
- » Transactions of purchases by Non-residents from India – applicability of SEP?
- » Amendment – Transactions or activities of purchase of goods ‘in India’ for the purpose of export excluded
 - » Intended to be at par with the exclusion provided in the context of business connection
- » Clarification – a diversion from the original intent of SEP?
- » Goods imported & exported by NRs without physical presence in India ?
- » Does it lead to ambiguity to have covered goods purchased by NRs in India for sale to customers in India?
- » Taxpayers await profit attribution rules



Presumptive Taxation – NR Service Providers for Electronics Sector

- » Providing technology and service for establishing or operating electronics manufacturing or connected facility
- » 25% of gross amount deemed to be profits and gains of such business
 - » Option of claiming lower profits / losses?
- » Interplay between section 44DA or 115A & proposed section 44BBD



Business Connection – Fund Managers

- » Investment Funds generally appoint Fund Managers in India to carry out their activities
- » Section 9A specifically provides that activities of Fund Managers of Eligible Investment Funds shall not tantamount to 'Business Connection'
- » Relief is subject to specific conditions for both, Investment Funds and for the Fund Manager
 - » One of the conditions for Investment Fund – Aggregate participation or investment in fund, directly or indirectly by residents not to exceed 5% of corpus of the fund
- » As of now, the condition is to be fulfilled on each day throughout the year
- » Bill proposes to relax the requirement
 - » Condition to be fulfilled only on April 1 and October 1 of the year
 - » Even if condition is not fulfilled on **either of these dates**, can be fulfilled within 4 months of these dates, respectively
 - » If condition is not fulfilled on **both the dates** – whether the relief continues?

FII's

- » Uniformity in tax rate on LTCG arising to FII's – proposed to be taxed @ 12.5%
 - » FA (No.2) of 2024 amended section 115AD to tax securities covered u/s 112A @ 12.5%
 - » Securities not covered u/s 112 continued to be taxed @ 10% - an unintended disparity
 - » Bill proposes to tax LTCG from all securities (whether covered u/s 112A or not) @ 12.5%
 - » Now at parity with rates for residents and other NRs

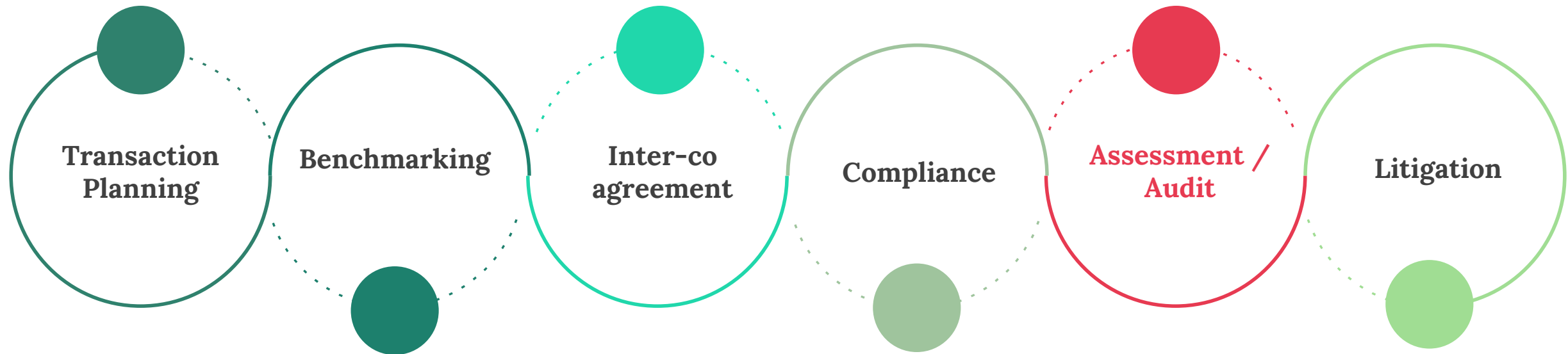


Transfer Pricing



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TP Lifecycle for major transactions



» Majority transactions subject to transfer pricing are long-term arrangements

- » Similar fact pattern, similar FAR
- » Planned for a long-term horizon
- » e.g., service provision, distribution, contract manufacturing, technology, financing, etc.
- » Makes economic sense to review over a longer timeframe – time & effort saved over planning, compliance, audits / assessments & litigation



Multi-year TP Assessment Framework

» International Best Practices

- » Multi-year compliances – concept of ‘update studies’ (UK, Germany, Canada, Australia, Singapore)
- » Multi-year assessment / audit by tax office – Germany, Australia, China, UK, US
- » Risk-based parameters
- » Assessment of multiple years together i.e., block assessment

» Taskforce to review existing Act and draft a new law – November 2017

» Recommendations of the taskforce – August 2019

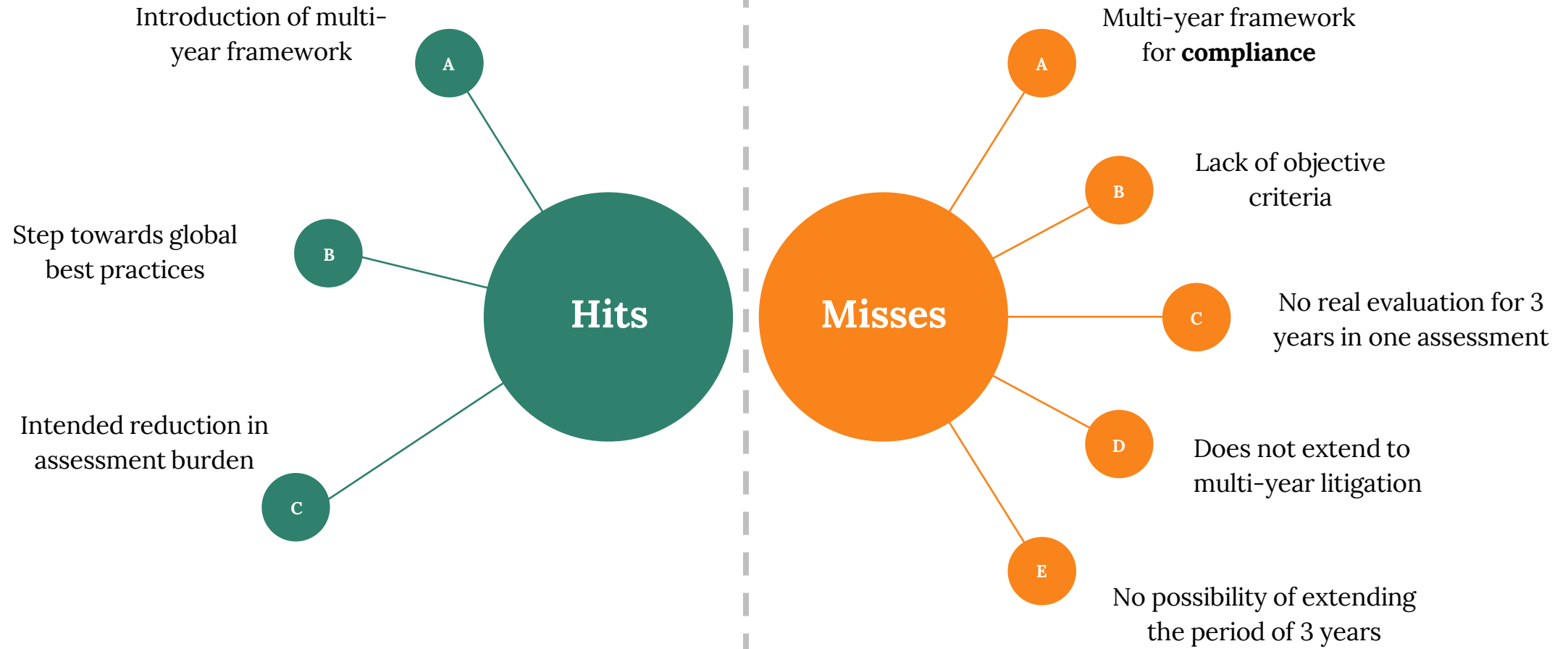
- » Assessing officers to be replaced by ‘assessment units’ – functional units with industry-specific expertise, knowledge & solutions team, etc.
- » TP Assessments by a separate functional unit **for** a block of 4 years – qualitative and intensive assessment

Proposed amendment

- » Taxpayer can opt for multi-year assessment (limited to 3 years)
 - » Modalities of form, timeline, etc. to form part of Rules
- » TPO to evaluate and pass an order on validity of option
 - » Whether this would be an 'appealable' order?
- » Application of arm's length result of Year 1 to Years 2 & 3
 - » Does not provide for assessing 3 years together
 - » Does not envisage an evaluation of transactions over a longer timeframe
- » Encompasses DRP proceedings within multi-year framework
 - » DRP's directions on Year 1 to be applied for Years 2 & 3
 - » Does not envisage evaluation by DRP over 3 years
 - » Litigation i.e., CIT(A), ITAT, HC, SC not encompassed – year-on-year litigation
- » Expected guidelines to address difficulties in implementation, if any



Subjective hits & clear misses



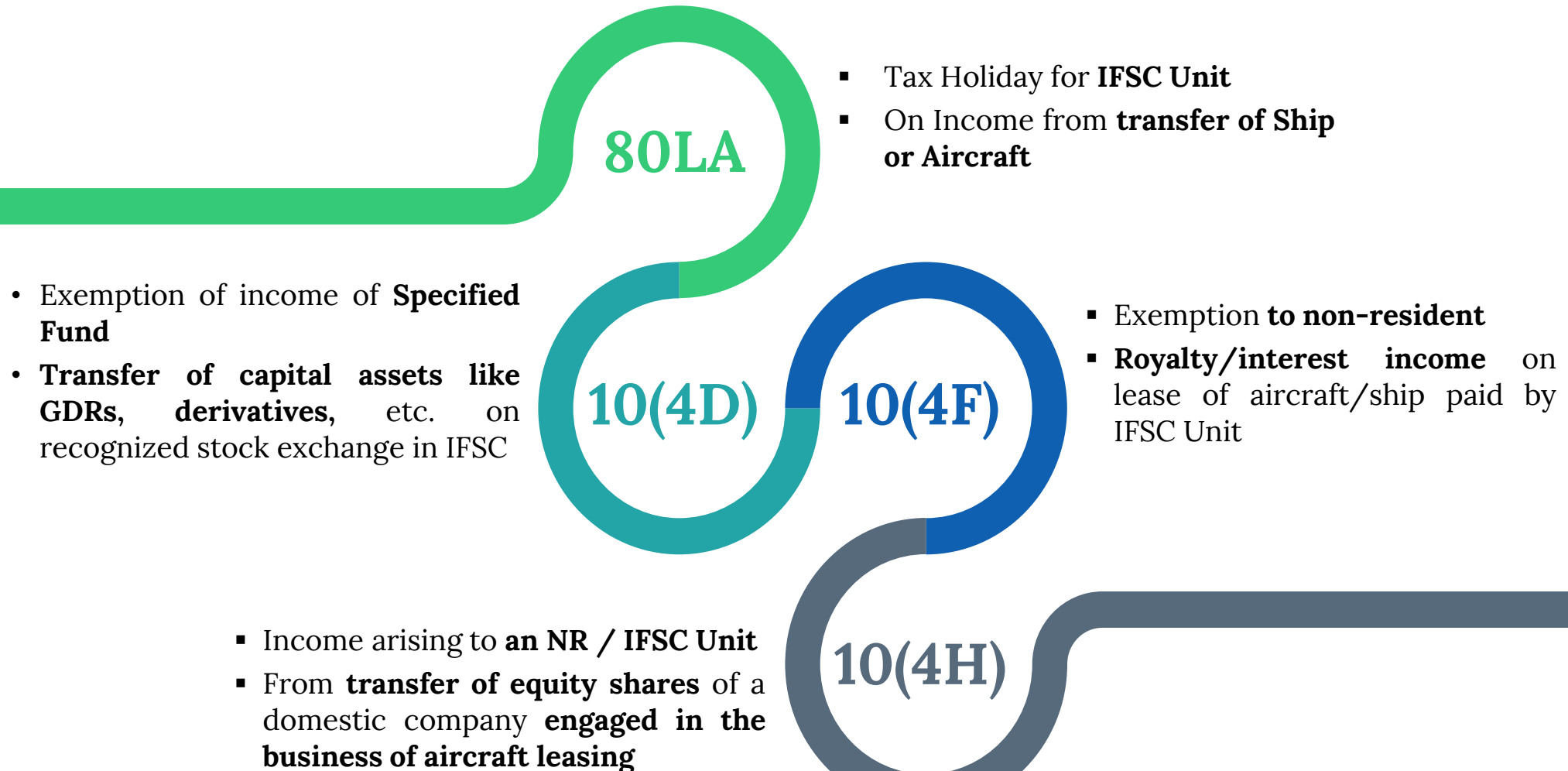
IFSC & Funds



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Incentive Boost for IFSC Units

Sunset Date for commencing commercial operations extended to March 31, 2030



Incentive Boost for IFSC Units

- » Income of an NR of from transfer of contracts between NRs and FPIs to be exempt
 - » Income from transfer of non-deliverable forward contract, off-shore derivative instruments, etc exempt
 - › Currently, covers contracts with OBU in IFSC
 - » Proposed amendment to provide for exemption for contracts between NRs and FPIs located in IFSC

- » Tax Incentives to ship leasing companies at par with Aircraft leasing companies
 - » Exemption of capital gains income of NRs or IFSC units in ship leasing business
 - › From transfer of equity shares of an IFSC unit engaged in ship lease business
 - » Exemption of dividend income
 - › Paid by an IFSC unit in ship leasing business to another IFSC unit in ship leasing business



Incentive Boost for IFSC Units

- » Deemed dividend u/s 2(22)(e) rationalized for Global Treasury Centres (GTCs) in IFSC
 - » 2(22)(e) excludes any advance or loan by a company in the ordinary course
 - » Horizon for exclusions widened to exclude
 - › Advance or loan between 2 group entities
 - › Where one entity is a 'Finance Company' or 'Finance Unit' in IFSC set up as GTC
 - › Parent entity or principal entity of such group entity is listed outside India
 - › Conditions for 'parent entity', 'principal entity' and 'group entity' shall be prescribed



Incentive Boost for IFSC Units

- » Tax neutral relocation of offshore funds as Retail Schemes and ETFs in IFSC
 - » Currently, Category I/II/III AIFs located in IFSC have been granted tax neutrality
 - » Proposed that 'Resultant Fund' shall now also include Retail Schemes and ETFs located in IFSC
 - » Incomes of such retail schemes and ETFs was granted exemption vide FA (No.2) of 2024
- » Sunset date extended to 31st March 2030
 - » For transfer of capital assets to Resultant Fund u/s 47(viiac) & 47(viiad)



Category I & II AIFs

- » Securities held by Category I/II AIFs to be treated as 'capital asset'
 - » To settle the ambiguity – 'business asset' v. 'capital asset'
 - » Thereby, income of AIFs from transaction in securities be accorded a 'pass through' status



Exemption to SWFs, Pension Funds, etc.

- » Income of certain Sovereign Wealth Funds (SWFs), Pension Funds, etc. exempt being
 - » Dividend income, interest income, LTCG, etc.
 - » Exemption available if investment made on or before 31st March 2025
- » Now proposed to be extended to 31st March 2030
- » Exemption available in respect of any long-term capital gains
 - » Even if deemed as STCG as per section 50AA
- » Amendment removes road blocks & encourages more investments from such funds



Rationalization of Business Trust Taxation

- » Income of a Business Trust (InVITs, REITs) accorded a 'pass-through' status
 - » Interest & dividend incomes & also rent income in case of REITs
- » Currently, other income of a Business Trust taxed at MMR
 - » Subject to the provisions of sections 111A & 112
 - » Thereby, income u/s 112A being subject to MMR
- » Lacuna now proposed to be filled in – taxation of other income at MMR
 - » Shall also be subject to the provisions of section 112A



Compliances & Procedures

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Rationalization of TDS/TCS Provisions

- » Sections 206AB and 206CCA providing for higher withholding tax / TCS in case of non-filers removed
- » Section 206AA and 206CC providing for higher withholding tax in case of non-availability of PAN continues to apply
- » Section 206(1H) providing or TCS on Sale of Goods removed
- » Relaxation in prosecution u/s 276BB for delayed deposit of TCS
 - » If TCS is deposited at any time on or before the time prescribed for filing quarterly TCS return
 - » In line with relaxation provided from Prosecution u/s 276B (withholding tax)
- » 'Forest Produce' now defined for the purpose of TCS collection



Rationalization of TDS/TCS Provisions

Thresholds for TDS and TCS revised w.e.f. April 1, 2025

Sections	Existing Threshold	Proposed Threshold
Section 193 - Interest on securities (other than below)	Nil	INR 10,000
Section 193 - Interest on securities (to individuals or HUFs on debentures of listed entity/company in which public are substantially interested)	INR 5,000	INR 10,000
194 - Dividend	INR 5,000	INR 10,000
194A - Interest (other than covered u/s 193)		
(A) Interest Payments by Banks, Co-Op. Society, Post Office		
▪ To Senior Citizens	INR 50,000	INR 1,00,000
▪ Other than Senior Citizens	INR 40,000	INR 50,000
(B) Interest payment by any other person	INR 5,000	INR 10,000
194B - Winnings from Lottery, Crossword Puzzles, etc. 194BB - Winnings from Horse Races	Aggregate amount > INR 10,000 in the FY	INR 10,000 in respect of a single transaction
194D - Insurance Commission	INR 15,000 (5%)	INR 20,000 (2%)



Rationalization of TDS/TCS Provisions

Thresholds for TDS and TCS revised w.e.f. April 1, 2025

Sections	Existing Threshold	Proposed Threshold
194G – Commission, etc. on sale of lottery tickets	INR 15,000	INR 20,000
194H – Commission or Brokerage	INR 15,000	INR 20,000
194-I – Rent	INR 2,40,000 per year	INR 50,000 p.m. or part of the month
194J – Fees for Professional or Technical Services	INR 30,000	INR 50,000
194K – Income in respect of units of mutual funds or specified company	INR 5,000	INR 10,000
194LA – Income by way of enhanced compensation	INR 2,50,000	INR 5,00,000
Section 206C(1G) – TCS on remittance made under LRS scheme of RBI and receipt for overseas tour package	INR 7,00,000	INR 10,00,000



Rationalization of TDS/TCS Provisions

Rationalization of Rates of TDS and TCS w.e.f. April 1, 2025

Sections	Existing Rate	Proposed Rate
194LBC – Income in respect of investment in securitization trust	Payee is Individual/HUF – 25% Any other Person – 30%	Any Person – 10%
206C(1) – TCS on sale of certain goods	<ul style="list-style-type: none"> ▪ Timber obtained under / other than Forest Lease – 2.5% ▪ Any other Forest Produce – 2.5% 	<ul style="list-style-type: none"> ▪ Timber obtained under / other than Forest Lease – 2% ▪ Any other Forest Produce (other than tendu leaves) obtained under Forest Lease – 2%
206C(1G) – TCS on remittances made under LRS for purpose of education, financed by loan from financial institution	0.5% in excess of INR 7,00,000	Nil
206C(1H) – TCS on sale of goods	0.1% in excess of INR 50,00,000	Not Applicable



Updated Tax Return – Nudge towards voluntary compliance

- » Time limit for filing Updated Return u/s 139(8A)
 - » Extended from 2 years to 4 years from the end of the relevant assessment year
 - » Except where show-cause notice has been issued u/s 148A after 36 months from the end of the relevant AY
 - › Can be filed within 48 months once order is passed to drop proceedings u/s 148
- » Can updated return be filed if 148A notice issued within 36 months?
- » Can be filed upon payment of additional tax as shown below

Time Limit for Filing Updated Return	Additional Tax (as per Current Law)	Additional Tax (as Proposed)
Upto 12 months	25% of aggregate tax & interest	25% of aggregate tax & interest
After 12 & upto 24 months	50% of aggregate tax & interest	50% of aggregate tax & interest
After 24 & upto 36 months	Not Applicable	60% of aggregate tax & interest
After 36 & upto 48 months	Not Applicable	70% of aggregate tax & interest



Block Assessments

- » Concept of block assessment re-introduced vide FA (No.2) of 2024 in case of search
- » The returned income considered twice as per the current method of computation of income
 - » Possibility of triggering consequences of undisclosed income to income already disclosed in ITR or during assessment
- » Amendment proposed to remove this anomaly to compute undisclosed income (UDI) as under

Particulars	Amount
UDI declared in ITR filed u/s 158BC	XXX
Income assessed u/s 143(3) / 144 / 147 / 153A / 153C for any year covered by block years prior to date of initiation of search	XXX
Income declared in ITR filed u/s 139 / 142(1) / 148 for any block years and not covered above	XXX
Income of the searched year determined on the basis of entries recorded in the books or other documents maintained (up to the date of conclusion of search)	XXX
“Undisclosed Income” determined by AO u/s 158BB(2)	XXX
Total Income	XXX



Block Assessments

- » VDA – Proposed to be treated as ‘undisclosed income’
- » Time limit for passing order for block assessment
 - » From 12 months from the end of the month to 12 months from the end of the quarter in which search is completed
- » All the above proposals applicable w.e.f. February 1, 2025



Other amendments

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Charitable Organizations

» Relief to 'Small Charitable Organizations' – Validity of approval granted u/s 12AB

- » Extended to 10 years instead of 5 years

- » An organization whose total income < INR 5 crores (without considering section 11 and 12) in each of 2 preceding years

» Rationalisation of 'Specified persons' u/s 13(3)

- » Current provisions *inter alia* cover persons making substantial contribution (> INR 50K), their relatives & concerns in which they have substantial interest

- » Proposed to increase the thresholds to annual contribution > INR 1L / aggregate contribution till date > INR 10L

- » Removal of relatives of person referred above and entities in which person referred above has substantial interest from the categories of 'specified persons'

» Condition for 'specified violation' for rejection of application to be rationalized

- » For cases where application is incomplete or contains false information



Other Amendments

- » Streamlining of time limit for passing penalty order u/s 275
 - » To be passed within 6 months from the end of the quarter in which
 - » Connected proceedings are completed
 - » Order of appeal is received by jurisdictional PCIT or Commissioner
 - » Order of revision is passed
 - » Notice for imposition of penalty is issued
- » Scope of 'tonnage taxation' expanded to include 'inland vessels'
- » Insertion of Section 285AA – A step forward to regulate Crypto Assets
 - » 'Reporting Entity' to report information of crypto assets in such form & manner as may be prescribed
- » More clarity in the definition of VDA with retrospective effect
 - » to specifically include digital representation of value that relies on blockchain / similar technology
 - » e.g., convertible virtual currencies, cryptocurrencies, NFTs, etc.

Indirect Tax

**INDIA
BUDGET
2025** Beneath
the
Canopy



Indirect Taxation : Key Pronouncements (1/2)

» Customs law

- » 11 Tariff Notifications issued for
 - › Reduction of export duty on crush leather
 - › Rationalization of Tariff Rates & Changes in BCD
 - › Exemption from levy of SWS
 - › Granting exemption to certain drugs under Patient Assistance Program run by specified Pharma Companies

- » 1 Non- Tariff Notification issued to amend Customs (IGCR of duty or for specified end use) Rules to provide for filing of quarterly statement instead of monthly statement

- » Legislative changes
 - › Time limit of two years (extendable by another 1 year) proposed for finalization of provisional assessment
 - › Introduction of voluntary revision of bill of entry with time limit of one year to claim refund in case of voluntary revision
 - › Enabling provisions for setting up of Interim Board

Indirect Taxation : Key Pronouncements (2/2)

» GST

- » Section 17 (5) (d) proposed to be retrospectively amended wef 1 July 2017 to restrict claim of ITC for 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
- » No reduction in output tax liability if tax incidence had been passed on to any other person
- » Provisions for determination of time of supply for supply for Vouchers deleted
- » Schedule III to be amended retrospectively wef 1 July 2017 to provide that supply of goods warehoused in a SEZ / FTWZ to any person before clearance for exports or for DTA shall be treated as neither supply of goods nor supply of service
- » Proposal to include interstate RCM transactions under ISD (wef 1 April 2025)
- » Proposal for mandatory pre-deposit of 10% of penalty amount for filing of appeal involving only penalty demand

Thank you!

K C Mehta & Co LLP
Chartered Accountants

Independent Member
kcm
NETWORK



Vadodara

Meghdhanush,
Race Course,
Vadodara, India - 390 007
Phone: +91 265 2440 400



Ahmedabad

Level 11, Tower B,
Ratnaakar Nine Square,
Vastrapur,
Ahmedabad, India - 380 015
Phone: +91 79 4910 2200



Mumbai

315, The Summit Business Bay,
Nr. WEH Metro Station,
Andheri East,
Mumbai, India - 400 069
Phone: +91 22 2612 5834



Bengaluru

19/4, Between 7th & 8th Cross,
Malleswaram,
Bengaluru, India - 560 003
Phone: +91 80 2356 1880