

UNION BUDGET 2025-2026

A NEW ROADMAP

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FOUR JOURNEY OF DEVELOPMENT

ENGINES

OF

DEVELOPMENT

1

AGRICULTURE

Agriculture forms the backbone of a nation's food supply and rural economy.



2

MSME

MSMEs are a critical engine of economic activity. They foster innovation, generate employment opportunities, and contribute significantly to the country's GDP.

3

INVESTMENT

Investment refers to the allocation of resources, such as capital or time, into projects, assets, or ventures with the expectation of future financial returns.

4

EXPORTS

The export sector involves selling goods and services produced domestically to foreign markets.



Driving Agricultural Growth & Empowering Rural Prosperity

1 Prime Minister Dhan-Dhaanya Krishi Yojana:

A strategic initiative aimed at transforming 100 agricultural districts, expected to benefit around 1.7 crore farmers by enhancing agricultural productivity and rural development.

2 Boosting Credit Access through Kisan Credit Card (KCC):

Designed to provide short-term financial support to 7.7 crore farmers, including those in fisheries and dairy sectors, with an increased loan limit of up to ₹5 lakh to meet their operational needs.

4 National Mission on High-Yielding Seeds:

A targeted initiative to develop and distribute high-yield, pest-resistant seeds, aiming to improve crop productivity and ensure better resilience against agricultural challenges.

3 Cotton Productivity Enhancement Mission:

A dedicated 5-year program focused on improving cotton yield and promoting sustainable farming practices to strengthen India's position in the global cotton market.

Financial & Investment Sector

1 Expansion of FDI in Insurance

Foreign Direct Investment (FDI) limit increased from 75% to 100% to encourage capital inflow.

The Foreign Direct Investment (FDI) limit in the insurance sector has been raised from 75% to 100%. This move is aimed at attracting more foreign capital, which will strengthen the financial health of insurance companies. Increased FDI can lead to better product offerings, improved risk management practices, and enhanced customer services due to the infusion of global expertise and technology.

To boost business efficiency and support ease of doing business, the government has introduced simplified norms for corporate mergers. These fast-track regulations will reduce procedural delays, cut down regulatory bottlenecks, and make mergers and acquisitions quicker and more cost-effective. The streamlined process is expected to encourage business consolidation, improve economies of scale, and attract more domestic and foreign investors, thereby strengthening India's corporate ecosystem.

2 Fast-Track Merger Norms

Simplified regulations to speed up corporate mergers and improve business efficiency.

3 New Income Tax Bill

Expected introduction of revised tax policies next week.

The government is set to introduce a new Income Tax Bill next week, which is anticipated to revise and modernize the current tax framework. The objective is to simplify tax compliance, reduce ambiguities, and create a more transparent and taxpayer-friendly system. While specific details will be unveiled soon, the new bill is expected to address issues related to tax slabs, exemptions, deductions, and possibly introduce measures that stimulate economic activity while broadening the tax base.

Supporting MSME & Furthering MAKE IN INDIA

1 Credit Cards for Micro Enterprises

Customised Credit Cards with a ₹ 5 lakh limit for micro enterprises registered on Udyam portal. In the first year, 10 lakh such cards will be issued.

2 Manufacturing mission with the mandate to focus on

- Ease and cost of doing business;
- Future ready workforce for indemand jobs
- A vibrant and dynamic MSME sector
- Availability of technology; • Quality products;
- Clean tech manufacturing for climate-friendly development.

4 Scheme for first time Entrepreneurs

For 5 lakh first-time entrepreneurs, including women, Scheduled Castes and Scheduled Tribes, a new scheme, to be launched, to provide term loans up to ₹ 2 crore during the next 5 years.

3 Measures for Labour Intensive Sectors

- Focus Product Scheme for Footwear & Leather Sectors
- Measures for the Toy Sector
- Support for Food Processing

Promoting Exports

1 Export Promotion Mission

With sectoral and ministerial targets to facilitate easy access to export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets.

2 Bharat Trade Net

A digital public infrastructure, ‘BharatTradeNet’ (BTN) for international trade will be set-up as a unified platform for trade documentation and financing solutions. Support for integration with **Global Supply Chains**.

3 National Framework for GCC

As guidance to states for promoting Global Capability Centres in emerging tier 2 cities.

4 Warehousing facility for air cargo

To facilitate upgradation of infrastructure and warehousing for air cargo including high value perishable horticulture produce.

Indirect Taxes: Streamlining for Trade Growth & Economic Efficiency

The Union Budget focuses on rationalizing indirect tax structures to promote exports, simplify trade, and support key industries. Here's a detailed overview of the changes:

01 Simplification of Customs Tariff Structure

To reduce complexity, the Finance Minister has eliminated 7 different tariff rates under Customs. This will make import-export procedures more transparent and business-friendly, ultimately easing trade operations.



02 Boost for the Textile Sector:

BCD rates have been revised on 9 tariff lines to stimulate growth in the textile industry. This revision will help in reducing production costs, enhancing competitiveness in global markets, and supporting domestic manufacturers.



03 Exemptions under the Social Welfare Surcharge (SWC)

SWC exemptions have been extended to 82 tariff lines. This move aims to reduce the cost of essential imports, benefiting sectors like healthcare, technology, and renewable energy.



04 Focus on Clean Energy and Battery Manufacturing

Exemptions for EV Battery Manufacturing: The import of 35 additional capital goods required for electric vehicle manufacturing.
Exemptions for Critical Materials: Items like cobalt powder, lithium-ion battery scrap, lead, and zinc will be fully exempt from customs duty.



05 Life-Saving Drugs Exemptions

Full Exemption from Basic Custom Duty (BCD): 36 critical life-saving drugs will now be fully exempt from BCD.
Concessional Import Duty: An additional 6 life-saving drugs have been brought under a reduced 5% import duty.



06 Technology Sector Support

To promote digital infrastructure, the BCD on carrier-grade Ethernet switches has been reduced. This is expected to lower operational costs for telecom companies and boost connectivity across the country.

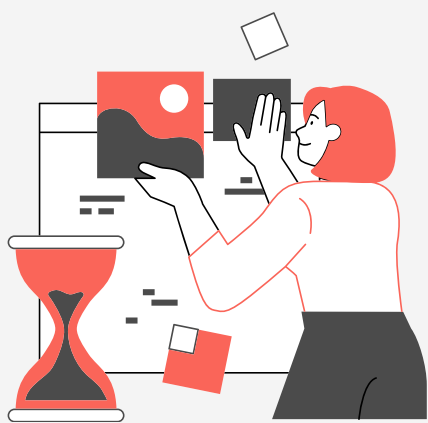


07 Duty-Free Inputs Expansion

Nine additional items have been added to the duty-free list for inputs, simplifying the supply chain for various industries and reducing the cost of raw materials in key sectors.

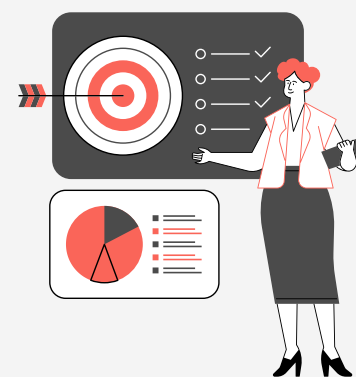


Direct TAX



FAIR TAXATION FRAMEWORK

The new Income Tax Bill is designed with the spirit of Nyaya — ensuring fairness, transparency, and justice in tax laws.



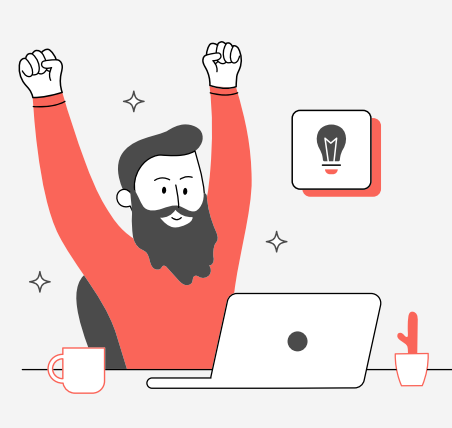
HIGHER TDS THRESHOLD ON RENT

The threshold for TDS on rent payments has been increased from ₹2.4 lakh to ₹6 lakh, reducing compliance hassles.



EDUCATION REMITTANCE & GOODS SALE TCS EXEMPTIONS

TCS will be removed on education remittances (when funded by a specified loan) and on transactions related to the sale of goods.



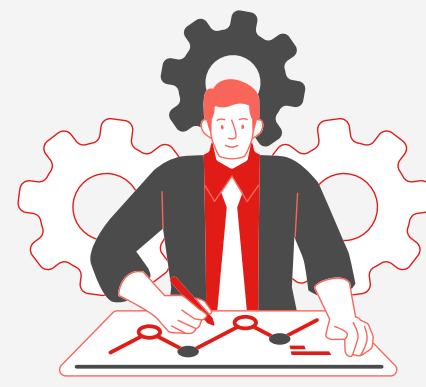
ENHANCED SENIOR CITIZEN RELIEF

The deduction limit on interest income for senior citizens has been doubled from ₹50,000 to ₹1,00,000 for better financial support.



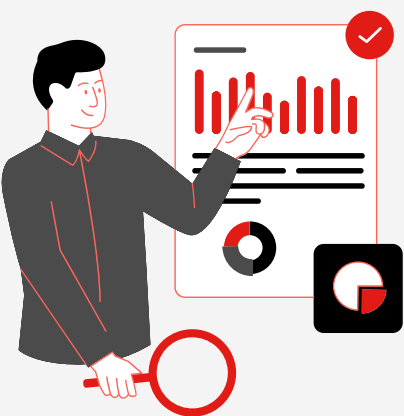
UNCONDITIONAL HOMEOWNER BENEFITS

Tax benefits for two self-occupied properties will now be available without additional conditions.



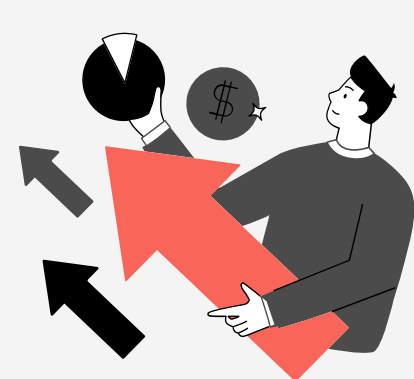
EXTENDED FILING PERIOD FOR RETURNS:

The time limit for filing updated returns has been extended from 2 years to 4 years, providing greater flexibility.



INCREASED LRS TCS THRESHOLD

The threshold for collecting TCS on remittances under the Liberalised Remittance Scheme has been raised from ₹7 lakh to ₹10 lakh.



EASED COMPLIANCE FOR CHARITABLE TRUSTS

The registration period for small charitable trusts has been extended from 5 years to 10 years, reducing administrative burdens.



SUPPORT FOR NON-RESIDENT SERVICE PROVIDERS

A presumptive taxation scheme for non-residents providing services to residents is proposed, along with an extension of safe harbour rules.



BOOST FOR START-UPS & HIGHER TAX-FREE INCOME

Regularly review your habit-building journey and assess the effectiveness of the habit.

