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INDIA BUDGET STATEMENT 2025

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Foreword

Manish Singhal
Secretary General, ASSOCHAM

The Union Budget 2025-26, presented by Finance Minister Nirmala Sitharaman, is a comprehensive roadmap aimed at accelerating India's growth trajectory and realizing the vision of a 'Viksit Bharat' by 2047. With a strong emphasis on inclusive development, infrastructure, innovation, and sustainability, the budget seeks to address key challenges while unlocking opportunities across sectors.

The government's focus on enhancing middle-class spending power through substantial tax reforms is commendable and timely, as it will directly contribute to boosting economic activity. The emphasis on fiscal consolidation, alongside strategic investments in agriculture and infrastructure, demonstrates a commitment to sustainable development.

While prioritizing infrastructure and capital expenditure, the government remains committed to fiscal consolidation. The fiscal deficit for FY25 is set at 4.8 per cent, with an estimated reduction to 4.4 per cent in FY26. This disciplined approach ensures that the central government debt remains on a declining trajectory as a percentage of GDP.

In line with the government's recognition of MSMEs as the 'second engine' of economic expansion, the 2025-26 Budget introduces key reforms to enhance financial accessibility, technological adoption, and market linkages. A notable step was the enhancement of the credit guarantee cover for MSMEs from Rs. 5 crores to Rs. 10 crores, leading to additional credit of Rs. 1.5 lakh crore over the next 5 years. The government's vision aligns with broader industry expectations and takes significant strides in bolstering the MSME sector, setting the stage for sustained growth and competitiveness. While there is always room for further enhancements, the budget represents a decisive step in the right direction.

The Budget also presents a roadmap to reinforce India's commitment to promote innovation and entrepreneurship. After doing away with Angel Tax during the last budget, the additional ₹10,000 crore Fund of Funds Scheme (FFS) and proposed Deep Tech Fund will provide crucial capital for startups, particularly in AI, Climate Tech, and Agri Tech. Enhanced MSME support and policies will improve ease of doing business and further accelerate growth for the future entrepreneurs. The new simplified taxation and regulatory framework will attract private capital, which in turn will further accelerate growth.

In conclusion, the Union Budget 2025-26 lays a robust foundation for achieving a 'Viksit Bharat' by 2047. It prioritizes human capital development, enhancing healthcare, education, and nutrition, while significantly supporting agriculture and MSMEs. The budget also emphasizes urban infrastructure, clean energy initiatives, and tax reforms, fostering inclusive growth and sustainable economic progress.

Foreword

Rakesh Nangia
Founder & Managing Partner,
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The Union Budget 2025-26 lays out a clear vision for a self-reliant and globally competitive India. In a challenging global economic environment, the Government has introduced key reforms to boost domestic consumption and sustain economic momentum. This Budget builds on past policies while taking new steps toward inclusive growth, economic stability, and sustainability, aligning with the goal of "Viksit Bharat"—a developed and self-sufficient India.

Recognizing Agriculture, MSMEs, Investment, and Exports as critical growth drivers, the Budget emphasizes inclusive development, faster economic expansion, and greater private sector participation. A key focus is social equity, with targeted welfare measures for underprivileged communities. MSMEs stand to benefit from revised classification criteria, an enhanced credit guarantee scheme, and sector-specific support, which will encourage entrepreneurship, technological adoption, and job creation. The establishment of a Fund of Funds for startups and the introduction of credit cards for micro-enterprises reflect the Government's commitment to fostering innovation and self-sufficiency.

In recognition of the demographic advantage of India, education, skilling, and healthcare have received significant attention. Atal Tinkering Labs, Centre of Excellence in Artificial Intelligence for Education, and increasing medical college capacity aim to create a knowledge-driven economy. Strengthened provisions under the Saksham Anganwadi and Poshan 2.0 programs reinforce the government's focus on nutrition and early childhood development.

Sustainability is another major theme, with initiatives like the expansion of the Jal Jeevan Mission, the launch of the Nuclear Energy Mission, and incentives for clean-tech manufacturing supporting both environmental goals and energy security.

On the direct taxation front, the Government has announced that a new Income Tax Bill will be released soon. Meanwhile, the Budget continues efforts to simplify direct and indirect tax structures. Key direct tax proposals include streamlining TDS/TCS provisions, encouraging voluntary compliance, and easing the compliance burden on taxpayers. By maintaining stable income tax rates while increasing the basic exemption limit, the Government aims to boost disposable income and spur domestic demand. For businesses, incentives for International Financial Services Centres (IFSCs) and rationalized customs duties strengthen India's appeal as a global investment destination.

Overall, a concerted effort has been made by the Government to boost consumption. The Union Budget 2025-26 balances ambition with pragmatism, driving entrepreneurship, innovation, and sustainable development. As India moves toward its centennial of independence, this Budget lays the financial foundation to navigate challenges and seize new opportunities, keeping the country on track for a stronger, more resilient, and inclusive future.

Direct Tax Proposals

Personal Taxation

Tax Rates

- Under the new tax regime, slabs and rates are proposed to be modified to make the personal income tax structure more attractive and reduce overall tax liability. A comparison between the earlier slab rates and the proposed slab rates is tabulated below:

Sl No	Erstwhile Tax rates under NTR		Proposed Tax rates under NTR	
	Total Income	Rate of Tax	Total Income	Rate of Tax
1	Upto INR 0.3 million	NIL	Upto INR 0.4 million	NIL
2	> INR 0.3 million and upto INR 0.7 million	5%	> INR 0.4 million and upto INR 0.8 million	5%
3	> INR 0.7 million and upto INR 1.0 million	10%	> INR 0.8 million and upto INR 1.2 million	10%
4	> INR 1.0 million and upto INR 1.2 million	15%	> INR 1.2 million and upto INR 1.6 million	15%
5	>INR 1.2 million and upto INR 1.5 million	20%	>INR 1.6 million and upto INR 2.0 million	20%
6	> INR 1.5 million	30%	>INR 2.0 million and upto INR 2.4 million	25%
			> INR 2.4 million	30%

- The tax rates under the old regime continue to remain the same.

  Applicable from AY 2026-27.

Rebate Under Section 87A

- The limit of total income for rebate for the resident individual under the new tax regime is proposed to be increased from INR 0.7 million to INR 1.2 million and the limit of such rebate is increased from INR 25,000 to INR 60,000.
- However, such tax rebate will not be available to tax paid at special rates on income such as capital gains under Sections 111A and 112 etc.

Applicable with effect from AY 2026-27

Increase In The Limits On Income Of Employees For The Purpose Of Calculating Perquisites

- It is proposed to amend the provisions of Section 17 of the Act to prescribe rules for increase the limit on the gross total income of the employees such that-
  - amenities and benefits received by employees as per section 17(2)(iii)(c) of the Act would be exempt from being treated as perquisites.
  - the expenditure incurred by the employer for travel outside India on the medical treatment of such employee or his family member as provided under proviso to Section to 17(2) not treated as perquisite.

Applicable with effect from AY 2026-27

Deduction Under Section 80CCDFor Contributions Made To NPS Vatsalya

- NPS Vatsalya Scheme officially launched on September 18, 2024, was exclusively for minors to be operated by parents and guardians till they attain majority.
- It is proposed to extend the tax benefits available to the National Pension Scheme under Section 80CCD of the Act to the contributions made to the NPS Vatsalya accounts, as follows:
  - A deduction to be allowed to the parent/guardian's total income of the amount paid or deposited in the account of any minor under the NPS to a maximum of INR 50,000 overall as mandated under Section 80CCD(1B);
  - The amount on which deduction has been allowed under 80CCD(1B) or any amount accrued thereon, will be charged to tax when such amount is withdrawn and where deposit was made in the account of a minor; and
  - The amount on which deduction has been allowed and is received on closure of the account due to the death of the minor shall not be deemed to be the income of the parent/guardian;
- It is also proposed to insert a clause (12BA) in section 10 of the Act, which provides that any partial withdrawal made out of the minor's account, shall not be included in the total income of the parent/guardian to the extent it does not exceed 25 per cent of the contributions made by him and in accordance with the terms and conditions, specified under the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013) and the regulations made thereunder.

Applicable with effect from AY 2026-27

Exemption To Withdrawals By Individuals From National Savings Scheme From Taxation – 80CCA

- Section 80CCA, provided for deduction to an individual, or a Hindu undivided family, for any amount deposited in the National Savings Scheme which was discontinued on or after April 1, 1992.
- Further, Section 80CCA (2) provided that where such amount, together with the interest accrued is withdrawn, it shall be deemed to be the income of the Assessee and shall be chargeable to tax.
- Furthermore, vide notification dated August 29, 2024, it was provided that no interest would be paid on the accumulated balances under this scheme after October 1, 2024.
- In order to provide relief to the individual taxpayers facing hardship and compelled to withdraw the accumulated balances, it is proposed to amend Section 80CCA to provide exemption on the withdrawals made from such deposits for which deduction was allowed on or after August 29, 2024.

Applicable with retrospective effect from August 29, 2024.

Annual Value Of The Self-occupied House Property

- Section 23(2) of the Act provides that where house property is in the occupation of the owner for the purposes of his residence or owner cannot actually occupy it due to his employment, business or profession carried on at any other place, in such cases, the annual value of such house property shall be taken to be 'NIL'.
- In order to simplify the provisions, it is proposed to amend the aforesaid section 23(2) of the Act such that the annual value of a self-occupied property is now to be taken as 'NIL', if it is occupied by the owner for his own residence or if he cannot occupy it due to any reason. Thus, the additional condition of not being able to reside therein due to his business or employment or profession has been done away with. However, the limit of two properties under Section 23(4) will remain unchanged.

Applicable from AY 2025-26 onwards

Corporate Taxation

Extension Of Timeline For Tax Benefits To Start-ups

- Section 80-IAC is proposed to be amended to extend the date of incorporation from March 31, 2025 to March 31, 2030 to be an eligible start-up to claim the deduction.

Applicable with effect from April 1, 2025

Rationalisation Of Provisions Related To Carry Forward And Set Off The Accumulated Losses And Unabsorbed Depreciation Allowance In Case Of Amalgamation

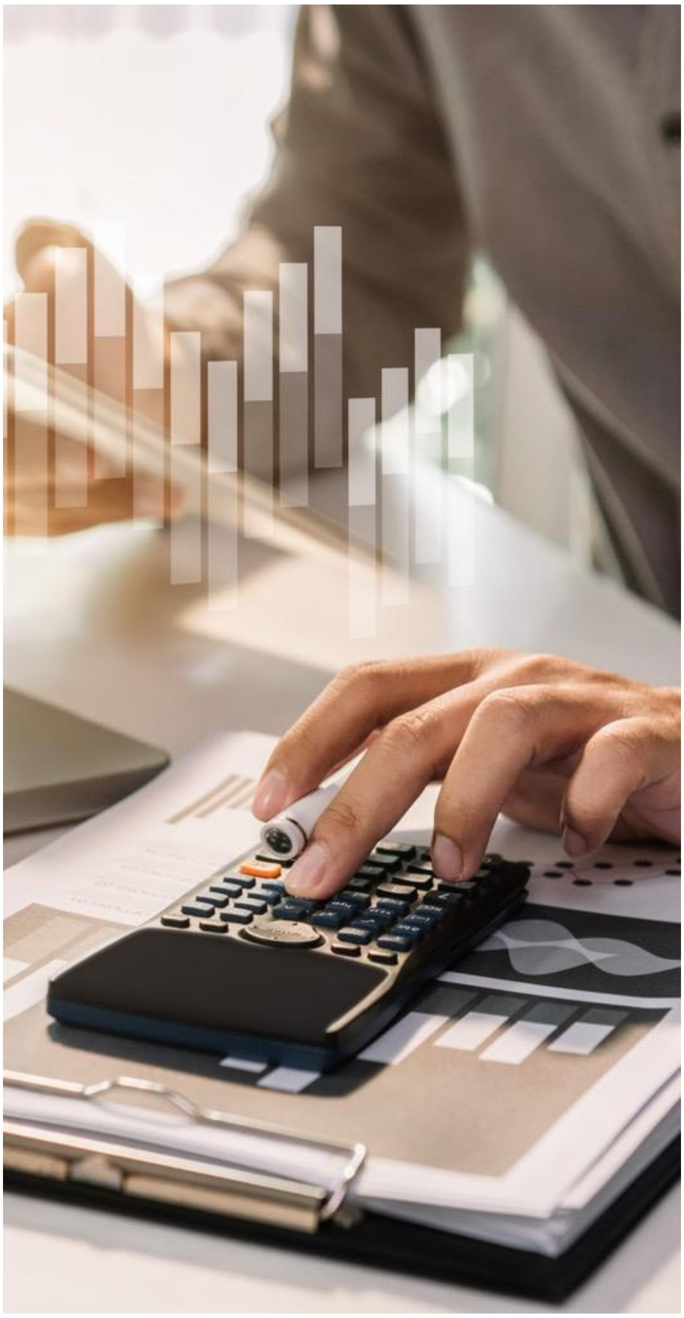
- In order to bring parity with the provisions of section 72 of the Act, which restricts the carry forward of losses for 8 years, and prevent the perpetuation of carry forward and set off the losses in relation to amalgamations or business reorganisations etc., in certain cases, it is proposed to amend section 72A and 72AA to restrict the carry forward and set off the accumulated loss of the predecessor entity, which is deemed to be the losses of the successor entity, to a maximum of eight assessment years following the assessment year in which the loss was first computed for the original predecessor entity.
- The aforesaid amendment shall apply to any amalgamation or business re-organization which is effected on or after April 1, 2025.

Applicable with effect from April 1, 2026

Extension Of Benefits Of Tonnage Tax Scheme To Inland Vessels

- In order to promote inland water transportation and to attract investment in the said sector, it is proposed to extend the benefits of tonnage tax scheme to Inland Vessels registered under Inland Vessels Act, 2021.
- Accordingly, inland vessels have been included in section 115VD for being eligible to be a qualified ship and have been defined in the same manner as provided in the Inland Vessels Act, 2021.

Applicable with effect from April 1, 2026



International Taxation

Scheme Of Presumptive Taxation Extended For Non-residents Providing Services For Electronics Manufacturing Facility

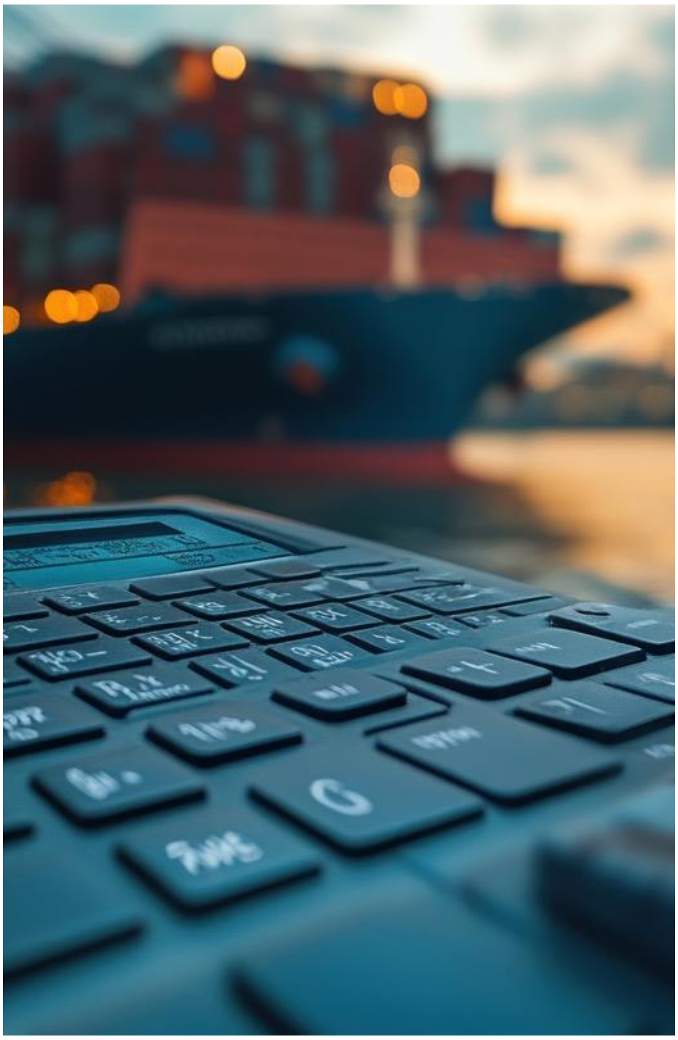
- In order to ensure certainty and promote Electronics System Design and Manufacturing facilities in India, it is proposed to provide a presumptive taxation regime for non-residents engaged in business of providing services or technology, to a resident company establishing or operating electronics manufacturing facility or a connected facility for manufacturing or producing electronic goods, article or thing in India.
- Therefore, a new section 44BBD is proposed to be inserted, deeming 25 % of aggregate amount received/ receivable by, or paid/ payable to, the non-resident for providing services or technology as taxable profits, thereby resulting in an effective tax of less than 10% on gross receipts.

Applicable from AY 2026-27

Rationalisation Of Taxation Of Capital Gains On Transfer Of Capital Assets By Non-residents

- To rationalise the tax rates with the resident taxpayers on long-term capital gains, the provisions of section 115AD of the Act are proposed to be amended to tax the long-term capital gains from the transfer of securities (other than units referred to in section 115AB of the Act), not referred to in section 112A of the Act in the hands of the Foreign Institutional Investors (FIIs) and specified funds @12.5%.

Applicable from AY 2026-27



Significant Economic Presence Proposed To Be Harmonised With The Provisions Of Business Connection

- It is proposed that the Significant Economic Presence of a non- resident in India shall not include the transactions or activities, which are confined to the purchase of goods in India for the purpose of export, in coherence with the provisions of business connection.

Applicable with effect from April 1, 2026

International Financial Services Centre Units

In order to promote and further incentivise the IFSC units, it is proposed to make the following amendments:

Extension of sunset dates for several tax concessions pertaining to IFSC

- The sunset dates for the commencement of operations of IFSC units for several tax concessions, or relocation of funds to IFSC in sections 80LA(2)(d), clause (4D), clause (4F), clause (4H) of section 10 and clause (viiad) of section 47 of the Act is proposed to be extended to March 31, 2030.

Exemption from capital gains and dividends for ship leasing units in IFSC

- The scope of section 10(4H) and section 10(34B) is proposed to be expanded to provide exemptions for non-residents or units of an IFSC on capital gains tax from the transfer of equity shares of a domestic company located in IFSC, as well as on dividends paid by companies that are units of an IFSC, engaged in ship leasing business also, as already provided to aircraft leasing businesses.

Rationalization of definition of 'dividend' for treasury centres in IFSC

- The provisions of section 2(22) are proposed to be amended so as not to include any advance or loan between two group entities, where one entity is a "Finance company" or "Finance unit" in an IFSC acting as a global or regional treasury centre, and the parent entity is listed on a stock exchange outside India (except in specified countries or territories), in the definition of dividend.

Proposed simplified regime for fund managers in IFSC

- Section 9A provides that the fund management activity carried out through an eligible fund manager acting on behalf of eligible investment fund shall not constitute business connection in India, subject to the conditions mentioned therein.
- Further, it also provides that the eligible investment fund shall fulfil the condition that the aggregate participation or investment in the fund, directly or indirectly, by persons resident in India does not exceed five per cent of the corpus of the fund.
- It is proposed to have a simplified regime for the fund managers in IFSC at par with other foreign jurisdictions. Accordingly, it is proposed to check the aggregate participation or investment in funds as on April 1 or October 1 of the previous year and if the aforesaid condition is not satisfied on either of the said days, then it shall be provided to satisfy the same within four months of the said days.
- Further, the date of commencement of operations by fund manager located in IFSC is proposed to be extended from March 31, 2024 to March 31, 2030.

Applicable with effect from April 1, 2025

Exempt Income of Non-Residents

- As per clause (4E) of section 10, the income of a non-resident on account of transfer of non-deliverable forward contracts or offshore derivative instruments or over the-counter derivatives, or distribution of income on offshore derivative instruments, entered into with Foreign Portfolio Investors being an IFSC unit shall is proposed not to be included in the total income subject to certain conditions as may be prescribed.

Applicable with effect from April 1, 2026

Sovereign Wealth Funds, Pension Funds etc.

- Section 10(23FE) of the Act provides for the exemption to specified persons viz. Sovereign Wealth Funds, Pension Funds from income in the nature of dividend, interest, long-term capital gains or certain other incomes arising from an investment made by it in India.
- It is proposed that long-term capital gains, whether or not such capital gains are deemed to be short-term or long-term capital gains under section 50AA of the Act, shall not be included in the total income of such specified persons.
- Further, the deadline for investment is proposed to be extended from March 31, 2025, to March 31, 2030.

Applicable with effect from April 1, 2025

Extension of the timeline to commence operations under section 80LA

- The clause (d) of sub-section (2) of section 80LA which includes income arising from the transfer of aircraft or a ship has been proposed to be amended to extend the date of commencement of operations from March 31, 2025 to March 31, 2030 to claim deduction for units located in IFSC.

Applicable with effect from April 1, 2025

TDS/TCS provisions

Changes in TDS rates

To rationalize the TDS rate, the following change is proposed:

Section	Present TDS Rate	Proposed TDS Rate	Effective from
194LBC - Income in respect of investment and securitization trust	25% - Individual and HUF and 30% - Any other person	10%	April 1, 2025

TDS Threshold Rationalisation

To rationalize the TDS thresholds, the following changes are proposed:

S. No.	Section	Present TDS Threshold (INR)	Proposed TDS Threshold (INR)
1	193 - Interest on securities	5,000 (Payment of Debenture interest to Individual & HUF)	10,000
2	194 - Dividend for an individual shareholder	5,000	10,000
3	194A - Interest other than interest on securities	(i) 50,000 for senior citizen (ii) 40,000 for others (Where payer is bank,	(i) 1,00,000 for senior citizen
		cooperative society and post office) (iii) 5,000 in other cases	(ii) 50,000 (Where payer is bank, cooperative society and post office) (iii) 10,000 in other cases
4	194B - Winnings from lottery, crossword puzzle, etc.	Aggregate of amounts exceeding 10,000 during the FY	10,000 in respect of a single transaction
5	194BB - Winning from horse race		
6	194D - Insurance Commission	15,000	20,000
7	194G - Commission etc., on sale of lottery tickets	15,000	20,000
8	194H - Commission or brokerage	15,000	20,000
9	194I – Rent	2,40,000 during the FY	50,000 per month/part of month
10	194J - Fee for professional or technical services	30,000	50,000
11	194K – Income in respect of units (mutual fund/specified company or undertaking)	5,000	10,000
12	194LA - Payment of compensation on acquisition of certain immovable property	2,50,000	5,00,000

Applicable with effect from April 1, 2025

TCS Rationalisation

- Section 206C(1G) mandates TCS on remittances under RBI's LRS. The threshold for TCS collection by authorized dealers is proposed to increase from INR 7,00,000 to INR 10,00,000 per FY. Further, TCS will not apply to remittances made as loans from financial institutions under Section 80E.
- Section 206C(1H) mandates TCS on sales exceeding INR 50 lakhs, while Section 194Q requires TDS on purchases above the same threshold. In order to facilitate ease of doing business and reduce compliance burden on the taxpayers, it has been proposed that provisions under section 206C(1H) will not be applicable from April 1, 2025.

Transfer Pricing

Block TP Assessment

- To reduce the burden on the Assessee as well as the administrative burden on the TPOs, cases where there are similar international transactions or specified domestic transactions for various years with similar facts, the Government has proposed to introduce block TP Assessment for 3 years. The process, as suggested, in the finance bill is as follows:
  - The Assessee shall be required to exercise the option of block assessment. Form, manner and period to be prescribed;
  - The TPO shall within one month from the end of month in which the option is exercised, declare if the option exercised by the Assessee is valid or not;
  - If the option exercised by the Assessee is declared to be valid, the ALP in relation to such similar transaction(s) shall also be determined for two consecutive previous years immediately following such previous year;
  - The said findings will be then considered by the AO to recompute the total income of the Assessee.
- As the form, manner and period are still to be prescribed, the finer details will bring more clarity and determine the scope/ benefits of the new provisions.

Applicable with effective from April 1, 2026

Expansion of the scope of safe harbour rules (details to be announced)

- While it was mentioned by the Hon'ble Finance Minister in her speech; the finance bill does not contain anything specific for transfer pricing safe harbour rules. It may form part of the new income tax bill, which is proposed to be tabled soon or through a circular to be issued later.

Charitable Trust and Institutions

Rationalization of 'Specified violation' for cancelling of Charitable Trusts / Institutions Registration

- Section 12AB governs the approval and cancellation of registrations for charitable trusts/institutions seeking exemption under section 11 and 12 of the Act whereby the Principal Commissioner shall pass an order in writing cancelling the registration of such trust/institution on satisfaction that one or more specified violations have taken place. Further, incomplete and incorrect information in the application furnished for registration in terms of Section 12A is considered as a 'specified violation.'

- In order to prevent harsh consequences for default in filing incomplete application, it is proposed that incomplete applications for registration should not be classified as a 'specified violation' under this provision. The trust/institution shall be able to complete the application and shall be considered for the purpose of registration.

Applicable with effective from April 1, 2025

Extended Registration Period for Smaller Trusts

- Presently, Section 12AB provides for registration of trust or institution for a period of 5 years or provisional registration (where activities have not commenced at the time of filing application for registration) for a period of 3 years.
- In order to reduce the compliance burden for the smaller trusts/institutions, it is proposed to increase the period of validity of registration of trust/institution from 5 years to 10 years, in case where the total income (without considering exemptions under Sections 11 and 12) does not exceed INR 50 million in each of the two preceding years prior to the application year.

Applicable with effective from April 1, 2025

Rationalization of person specified under section 13(3) of the Act

- Section 13 of the Act provides restriction on exemption under section 11and 12 and exclude any income from the total income of trust of institution, if such income or any property of the trust or the institution is used or applied, directly/ indirectly for the benefit of any person as specified under Section 13(3) of the Act.
- Further, such specified person also includes:
  - any person (other than founder, author or trustee, member or manager) who has made substantial contribution to the trust or institution in the relevant previous year with total contribution exceeding INR 50,000 ;
  - any relative of any such person as aforesaid;
  - any concern in which any such person as aforesaid has a substantial interest.
- In order to remove difficulty in furnishing the details and to provide ease in compliance, it is proposed to:
  - Increase the threshold for 'substantial contribution' from INR 50,000 to INR 0.1 million or, in aggregate exceeding INR 1 million up to the end of the relevant previous year.
  - Exclude relatives and concerns where such person holds substantial interest.

Applicable with effective from April 1, 2025

Penalties

Rationalisation Of Time Limit For Imposition Of Penalties

- Section 275 of the Act provides for multiple timelines for the imposition of penalties in case of orders passed under various of the Act. In order to remove the difficulty in keeping track of multiple time-barring dates and for effective and efficient tax administration, it is proposed to provide that any order imposing penalty shall not be passed beyond six months from the end of the quarter in which the concerned proceedings are completed or the order of appeal is received by the jurisdictional Principal Commissioner or Commissioner, or the order of revision is passed, or the notice for imposition of penalty is issued, as the case maybe.

Applicable with effective from April 1, 2025

Tax Administration

Obligation To Furnish Information Regarding Crypto Assets

- Taxation of VDA was introduced under section 115BBH of the Act through Finance Act 2022 as per which transfer of VDA is taxed at the rate of 30% with no deduction allowed in respect to the expenditure (other than cost of acquisition).
- The provisions of section 2(47A) of the Act are proposed to be amended and include any crypto asset being a digital representation of value that relies on a cryptographically secured distributed ledger or a similar technology to validate and secure transactions, in the definition of Virtual Digital Assets.
- Further, it is now proposed to insert section 285BAA in the Act, being the obligation to furnish information of crypto asset wherein:
  - the reporting entity as prescribed shall furnish the statement in respect of crypto asset within such time and such form as prescribed;
  - where the income tax authority considers the statement furnished as defective, then they may intimate such defect to the Assessee and give him an opportunity to rectify the defect within thirty days from the date of such intimation;
  - where the Assessee fails to furnish the statement, the prescribed income tax authority will issue notice to such Assessee requiring him to submit the statement within a period not exceeding thirty days from the date of service of such notice;

- where the Assessee comes to know or discovesr any inaccuracy in the information provided in the statement, he shall within the period of 10 days inform the prescribed income tax authority about the inaccuracy and furnish the correct information in a manner as may be prescribed.

Applicable with effective from April 1, 2025

Extending The Time Limit To File Updated Return

- At present, as per Section 139(8A) of the Act an updated return can be filed up to 24 months from the end of the relevant AY with an additional tax payment on aggregate tax and interest payable at 25% for updated return filed up to 12 months and 50% up to 24 months from the end of the relevant AY.
- It is proposed to extend the said time-limit from existing 24 months to 48 months from the end of the relevant AY with an additional tax payment on aggregate tax and interest payable at 60% for updated return filed up to 36 months and 70% up to 48 months from the end of the relevant AY.
- It is further proposed that no updated return shall be furnished where a show cause notice has been issued under section 148A of the Act after 36 months from the end of the relevant AY. However, where an order has been passed under section 148A(3) of the Act determining the case not fit for reassessment, updated return may be filed up to 48 months from the end of the relevant AY.

Applicable with effect from April 1, 2025

Extending The Processing Period Of Application Seeking Immunity From Penalty And Prosecution

- Section 270AA of the Act provides for procedure of granting immunity by the AO from imposition of penalty or prosecution wherein an application shall be furnished by the Assessee within one month from the end of the month in which the order is received. Further, the AO shall pass an order accepting or rejecting the application, within one month from the end of the month in which the application requesting immunity is received.
- Considering the challenges faced by the Taxpayers to represent their matters within this limited period, it is proposed to extend the processing period to three months from the end of the month in which application for immunity is received by the AO.

Applicable with effect from April 1, 2025

Exemption From Prosecution For Delayed Payment Of TCS

- Section 276BB provides that where any person fails to pay the tax collected at source to the credit of the Central Government, he shall be punishable with rigorous imprisonment for a term not less than three months, but which may extend to seven years and with fine.
- It is proposed that the prosecution shall not be initiated in case the payment of tax collected at source has been made before the due date for filing the TCS return for that quarter.

Applicable with effect from April 1, 2025

➢ **Miscellaneous**

- Sections 206AB and 206CCA, which mandated higher TDS/TCS for non-filers of income tax returns, have been omitted effective April 1, 2025.
- The provisions of section 2(14) of the Act, which define capital assets, are proposed to be amended and include any securities, in which funds are invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, held by the Category I and Category II AIFs, in the definition of Capital Assets.

Indirect Tax Proposals

Customs

Legislative Changes In The Customs Act, 1962

- **Amendments proposed in relation to Provisional Assessment of Duty**

  - **Time Limit for finalization of provisional assessment:**

    Proper officer may provisionally assess the duty on goods. Time limit of two years (extendable by one year if sufficient cause is shown/ reasons recorded in writing) specified for finalisation of provisional assessment. Further, for pending cases, the time-limit shall be reckoned from the date of assent of the Finance Bill.

  - **Cases when the time-limit of two years shall not apply:**

    Where the duty finally cannot be assessed by the proper officer within the period of 2 years, on account of the below mentioned reasons, he is required to inform the importer or exporter the reason for non-finalisation of the provisional assessment. In such cases the time-limit of two years would apply not from the date of the order of the provisional assessment, but from the date when the following specified reason for such ground ceases to exit:

    - an information is being sought from an authority outside India through a legal process; or
    - an appeal in a similar matter of the same person or any other person is pending before the Appellate Tribunal or the High Court or the Supreme Court; or
    - an interim order of stay has been issued by the Appellate Tribunal or the High Court or the Supreme Court; or
    - the Board has, in a similar matter, issued specific direction or order to keep such matter pending; or
    - the importer or exporter has a pending application before the Settlement Commission or the Interim Board.

- **Amendments in relation to Voluntary revision of entry, post clearance by the importers and exporters, in relation to the goods**

  - Provision inserted to provide for voluntary revision of entry post clearance so that the importers and exporters may revise any entry that is made in relation to the goods within a prescribed time and according to prescribed conditions. Such revised entry would be treated as self-assessment and allowing payment of duty or treating the revised entry as a refund claim under the Customs Act. It also empowers the proper officer verify and reassess the revised entry. It also provides that no revision of entry shall be made in certain specified cases.

  - Explanation inserted to clarify that the period of limitation of the claim of refund consequent to the revised entry would be one year from the date of payment of duty or interest.

  - Provision amended to provide that the relevant date for recovery of duties in case where duty is paid under the revised entry is the date of payment of duty or interest.

- **Amendment in relation to Settlement of Cases to Empower Interim Board**

  - **Definitions inserted:**

    The expressions "Interim Board" and "pending application" defined to mean the following:

    - "Interim Board" means the Interim Board for Settlement constituted under section 31A of the Central Excise Act, 1944;
    - "Pending application" means an application filed under section 127B before the 1st day of April, 2025 and fulfils the following conditions, namely:

1. it has been allowed under section 127C; and

2. no order under sub-section (5) of section 127C was issued on or before the 31st day of March, 2025 with respect to such application;

- **End date for receipt of applications to Settlement Commission:**

  Application for settlement of cases would not be made to Settlement Commission on or after April 1, 2025 and every pending application to be dealt by the Interim Board from the stage at which such pending application stood immediately before constitution of the Interim Board.

  Settlement Commission would cease to operate from April 1, 2025;

- **Time Limit for extension by the Interim Board specified:**

  In relation to procedure on receipt of an application, effective April 1, 2025, the specified provisions would apply to pending applications with modifications specified therein.

  It further empowers the Interim Board to extend the time-limit for issuance of Order, within three months from its constitution, by such period not exceeding twelve months from the date of its constitution.

- On and from April 1, 2025, the power of the Settlement Commission would be exercised by the Interim Board and the provisions in relation to Settlement of cases would mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission in following cases:

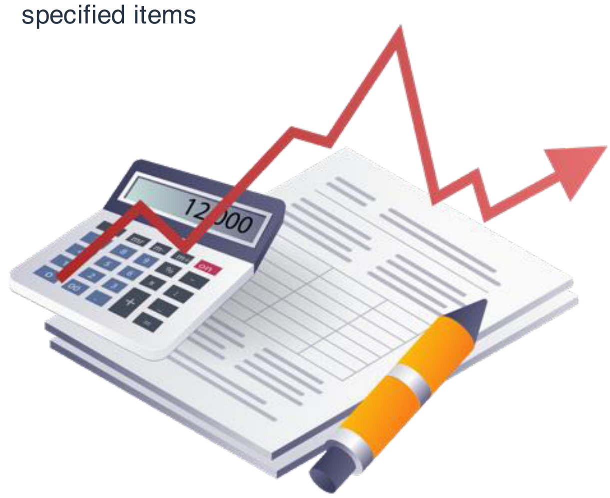
  - Power of the Settlement Commission to order provisional attachment to protect revenue;
  - Power and procedure of Settlement Commission;
  - Inspection, etc. of reports;
  - Power of Settlement commission to grant immunity from prosecution and penalty.

Miscellaneous Legislative Changes

- Provisions amended in IGCR (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2017 to increase the time limit for fulfilling end use from current six months to one year. Further, the importers will now have to file only a quarterly statement instead of monthly statement.

Changes In The Customs Tariff

- CTA amended to modify the tariff entries with effect from February 02, 2025;
- 35 capital goods for use in the manufacture of lithium-ion battery of Electrically Operated Vehicles and 28 capital goods for use in the manufacture of lithium-ion battery of mobile phones have been added to the existing list of exempted capital goods for BCD exemption ;
- Relief on import of Drugs/Medicines
  - 36 lifesaving drugs/medicines in exempted list;
  - 6 medicines in 5% duty list;
  - 37 medicines and 13 new patient assistance programmes in exemption list.
- Comprehensive review undertaken in respect of 25 conditional exemptions/concessional entries in Notification 50/2017-Customs dated June 30, 2017 and extended for a further period upto March 31, 2035/ March 31, 2029/ March 31, 2027/ March 31, 2026.;
- Certain goods have been exempted from levy of SWS in order to levy not more than one cess or surcharge
- 9 new groups of items such as sea shell, adhesive etc have been added to the list of duty free items for use in the manufacture of handicrafts for export;
- AIDC rate of certain footwear increased from NIL to 18.5%;
- BCD on inputs and parts of the open cells for use in the manufacture of Television Panels of LED/LCD TV reduced from 2.5% to NIL;
- Duration for export in the case of railway goods imported for the purpose of maintenance, repair and overhauling increased from 6 months to 1 year further extendable by 1 year
- First Schedule to the CTA proposed to be amended to implement rationalisation of custom tariff structure and reduction of rate slabs in case of specified items



Key Changes In BCD Rate

- Tariff rate changes for BCD to be effective from February 02,2025, unless otherwise specified:

Sr No	Tariff Item	Commodity	Rate of Duty	
			From	To
1	6004 10 00, 6004 90 00, 6006 22 00, 6006 31 00, 6006 32 00, 6006 33 00, 6006 34 00, 6006 42 00, 6006 90 00	Knitted Fabrics	20%/10%	20% or INR. 115/kg, whichever is higher
2	8528 59 00	Interactive Flat Panel Displays (Completely Built Units)	10%	20%

- Decrease in Tariff rate to be effective from May 01, 2025, unless otherwise specified:

Sr No	Tariff Item	Commodity	Rate of Duty	
			From	To
1	2515 11 00 2515 12	Marble and travertine, crude or roughly trimmed, merely cut into blocks, slabs, and other	40%	20%
2	2516 11 00, 2516 12 00	Granite, crude or roughly trimmed, merely cut into blocks, slabs, and other	40%	20%
3	2933 59	Other compounds containing a pyrimidine ring (whether or not hydrogenated) or piperazine ring in the structure	10%	7.5%
4	3302 10	Synthetic flavouring essences and mixtures of odoriferous substances used in food and drink industries	100%	20%
5	3406	Candles, tapers, and the like	25%	20%
6	3822 90	Reference Materials	30%	10%
7	3824 60	Sorbitol (other than sub-heading 2905 44)	30%	20%
8	3920	Other plates, sheets, films, foil, and strip of plastics, non-cellular and not reinforced, laminated, supported, or similarly combined with other materials	25%	20%
9	3921	Other plates, sheets, films, foil, and strip of plastics	25%	20%
10	6401	Waterproof Footwear with outer soles and uppers of rubber or plastic the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	35%	20%
11	6402	Other footwear with outer soles and uppers of rubber or plastics	35%	20%

Sr No	Tariff Item	Commodity	Rate of Duty	
			From	To
12	6403	Footwear with outer soles of rubber, plastics, leather, or composition leather and uppers of leather	35%	20%
13	6404	Footwear with outer soles of rubber, plastics, leather, or composition leather and uppers of textile materials	35%	20%
14	6405	Other Footwear	35%	20%
15	6802 10 00 6802 21 10 6802 21 20 6802 21 90 6802 23 10 6802 23 90 6802 29 00 6802 91 00 6802 92 00 6802 93 00	Worked monumental or building stone	40%	20%
16	7113	Articles of Jewellery and parts thereof	25%	20%
17	7114	Articles of goldsmiths' and silversmiths' wares and parts thereof	25%	20%
18	7404 00 12 7404 00 19 7404 00 22	Copper Waste and Scrap	2.5%	Nil
19	8002	Tin Waste and Scrap	5%	Nil
20	8101 97 00	Tungsten Waste and Scrap	5%	Nil
21	8102 97 00	Molybdenum Waste and Scrap	5%	Nil
22	8103 30 00	Tantalum Waste and Scrap	5%	Nil
23	8105 30 00	Cobalt Waste and Scrap	5%	Nil
24	8106 90 10	Waste and Scrap of Bismuth and Bismuth alloys	5%	Nil
25	8109 31 00 8109 39 00	Zirconium Waste and Scrap	10%	Nil
26	8110 20 00	Antimony Waste and Scrap	2.5%	Nil
27	8112 13 00	Beryllium Waste and Scrap	5%	Nil
28	8112 41 20	Rhenium Waste and Scrap	10%	Nil
29	8112 61 00	Cadmium Waste and Scrap	5%	Nil
30	8541 42 00	Solar Cells	25%	20%
31	8541 43 00 8541 49 00	Solar Module and Other semiconductor devices and photovoltaic cells	40%	20%
32	8702	Motor vehicles for transport of 10 or more persons	40%	20%
33	8703	Motor cars and other motor vehicles designed for the transport of persons (other than heading 8702)	125%	70%
34	8704	Motor vehicles for transport of goods	40%	20%
35	8711	Motorcycles and cycles fitted with an auxiliary motor with or without side-car	100%	70%

Sr No	Tariff Item	Commodity	Rate of Duty	
			From	To
36	8712 00 10	Bicycles	35%	20%
37	8903	Yachts and other vessels for pleasure or sports; rowing boats and canoes	25%	20%
38	9028 30 10	Electricity meters for alternating current (Smart meter)	25%	20%
39	9401	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof	25%	20%
40	9403	Other furniture and parts thereof	25%	20%
41	9404	Mattress supports, articles of bedding, and similar furnishing	25%	20%
42	9405	Luminaries and lighting fittings including searchlights and spotlights, and parts thereof	25%	20%
43	9503 00 91	Parts of electronic toys	70%	20%
44	9802 00 00	Laboratory Chemicals	150%	70%
45	9803 00 00	All dutiable articles imported by a passenger or crew member in baggage	100%	70%
46	9804 00 00	All dutiable goods imported for personal use	35%	20%

- Tariff rate changes (without change in existing effective rate of duty) to be effective from May 01, 2025 unless otherwise specified.

Sr No	Tariff Item	Commodity	Rate of Duty	
			From	To
1	2603 00 00	Copper Ores and concentrates	2.5%	Nil
2	2605 00 00	Cobalt Ores and concentrates	2.5%	Nil
3	2809 20 10	Phosphoric Acid	20%	7.5%
4	3824 99 00	Prepared Binders, chemical products, and preparations of chemical/allied industries	17.5%	7.5%
5	7225 11 00	Other alloy steel flat-rolled (grain-oriented, silicon electrical steel)	20%	15%
6	7307 29 00	Other tube/pipe fittings (stainless steel)	25%	15%
7	7307 99 90	Other fittings of iron or steel, non-galvanized	25%	15%
8	7308 90 90	Other structure and parts of structures (iron and steel)	25%	15%
9	7310 29 90	Others-tanks and drums etc.	25%	15%
10	7318 15 00	Other screws and bolts (with/without nuts or washers)	25%	15%

- Tariff rate changes for BCD to be effective from February 02, 2025, unless otherwise specified:

Sr No	Tariff Item	Commodity	Rate of Duty	
			From	To
		Leather		
1	4104 11 00 4104 19 00 4105 10 00 4106 21 00 4106 31 00 4106 91 00	Wet blue leather (hides and skins)	10%	Nil
		Gems and Jewellery Sector		
1	7113	Platinum Findings	25%	5%
		Metal Scrap & Lithium-Ion Battery Waste and Scrap		
1	7802	Lead waste and scrap	5%	Nil
2	7902	Zinc waste and scrap	5%	Nil
3	8105 20 30	Cobalt powders	5%	Nil
4	8549 13 00, 8549 14 00, 8549 19 00	Waste and scrap of Lithium-Ion Battery	5%	Nil
		IT and Electronics Sector		
1	8517	Ethernet switches (Carrier grade)	20%	10%
2	8524 8529	Open cell for Interactive Flat Panel Display Module with or without touch, Touch Glass Sheet and Touch Sensor PCB for the manufacture of the Interactive Flat Panel Display Module	15%/10%	5%
3	8529	Inputs and Parts of the Open Cells for use in the manufacture of Television Panels of LED/LCD TV	2.5%	Nil

Sr No	Tariff Item	Commodity	Rate of Duty	
			From	To
		IT and Electronics Sector		
1	8517	Ethernet switches (Carrier grade)	20%	10%
2	8524 8529	Open cell for Interactive Flat Panel Display Module with or without touch, Touch Glass Sheet and Touch Sensor PCB for the manufacture of the Interactive Flat Panel Display Module	15%/10%	5%
3	8529	Inputs and Parts of the Open Cells for use in the manufacture of Television Panels of LED/LCD TV	2.5%	Nil
4	Any Chapter	Inputs or Parts/Sub-parts for use in the manufacture of Printed Circuit Board Assembly, Camera module, and connectors of cellular mobile phones, and inputs and raw materials for use in the manufacture of specified parts of cellular mobile phones i.e on wired headset, microphone, receiver, USB cable, fingerprint/ scanner of Cellular Mobile phones	2.5%	Nil

Sr No	Tariff Item	Commodity	Rate of Duty	
			From	To
5	Any Chapter	Add 35 capital goods for use in the manufacture of lithium-ion battery of EVs and 28 capital goods for use in the manufacture of lithium-ion battery of mobile phones in the list of exempted capital goods	As applicable	Nil
6	Any Chapter	To Amend entry S. No. 6D of Notification No. 57/2017-Customs and incorporate "any chapter" in column (2) for goods used to manufacture mechanics of mobile phone	As applicable	Nil
		Automobile		
1	8702	Motor vehicles for transport of 10 or more persons	25%/40%	20%
2	8703	Motor cars and other motor vehicles with CIF value more than US $40,000 or with engine capacity more than 3000 cc for petrol run vehicles and more than 2500 cc for diesel run vehicles or with Both	100%	70%
3	8704	Motor vehicles for transport of goods	25%/40%	20%
4	8711	Motorcycles ≤ 1600cc (CBU form)	50%	40%
5	8711	Motorcycles ≤ 1600cc (SKD form)	25%	20%
6	8711	Motorcycles ≤ 1600cc (CKD form)	15%	10%
7	8711	Motorcycles > 1600cc (CBU form)	50%	30%
8	8711	Motorcycles > 1600cc (SKD form)	25%	20%
9	8711	Motorcycles > 1600cc (CKD form)	15%	10%

- Changes in Export Duty to be effective from February 02, 2025, unless otherwise specified:

Sr No	Tariff Item	Commodity	Rate of Duty	
			From	To
1	4104 41 00, 4104 49 00, 4105 30 00, 4106 22 00, 4106 32 00, 4106 92 00	Crust leather (hides and skins)	20%	Nil

Changes To AIDC To Be Effective From February 02, 2025

- Tariff rate changes (without change in existing effective rate of duty) to be effective from May 01, 2025 unless otherwise specified.

AIDC rate changes			Rate of Duty	
Sr No	**Chapter, Heading, sub-heading, tariff item**	**Commodity**	**From**	**To**
1	2515 11 00 2515 12	Marble and travertine, crude or roughly trimmed, merely cut into blocks, slabs, and other	Nil	20%
2	2516 11 00 2516 12 00	Granite, crude or roughly trimmed, merely cut into blocks, slabs, and other	Nil	20%
3	3406	Candles, Tapers, and the like	Nil	7.5%
4	3920 or 3921	PVC Flex Films, PVC Flex Sheets, PVC Flex Banner	Nil	7.5%
5	6401	Waterproof Footwear with outer soles and uppers of rubber or plastics	Nil	18.5%
6	6402	Other Footwear with outer soles and uppers of rubber or plastics	Nil	18.5%
7	6403	Footwear with outer soles of rubber, plastics, leather, or composition leather and uppers of leather	Nil	18.5%
8	6404	Footwear with outer soles of rubber, plastics, leather, or composition leather and uppers of textile materials	Nil	18.5%
9	6405	Other Footwear	Nil	18.5%
10	6802 10 00 6802 21 10 6802 21 20 6802 21 90 6802 91 00 6802 92 00	Marble Slab	Nil	20%
11	7113	Platinum findings	Nil	1.4%
12	8541 42 00	Solar Cells	Nil	7.5%
13	8541 43 00 8541 49 00	Solar Module and Other semiconductor devices and photovoltaic cells	Nil	20%
14	8702	Motor vehicles for transport of 10 or more persons	Nil	20%
15	8702	Motor vehicles for transport of 10 or more persons when imported under S. No. 524 (1) (b) of Notification No. 50/2017-Customs	Nil	5%
16	8702	Motor vehicles for transport of 10 or more persons when imported under S. No. 524 (2) of Notification No. 50/2017-Customs	Nil	20%
17	8703	Used Motor Vehicles	Nil	67.5%

AIDC rate changes			Rate of Duty	
Sr No	**Chapter, Heading, sub-heading, tariff item**	**Commodity**	**From**	**To**
18	8703	Motor cars and other motor vehicles principally designed for the transport of persons in other than Completely Knocked Down and Semi Knocked Down form with CIF value exceeding USD 40,000	Nil	40%
19	8704	Motor vehicles for transport of goods	Nil	20%
20	8704	Motor vehicles for transport of goods when imported under S. No. 525 (1) (b) of Notification No. 50/2017-Customs	Nil	5%
21	8704	Motor vehicles for transport of goods when imported under S. No. 525 (2) of Notification No. 50/2017-Customs	Nil	20%
22	8711	Used motorcycles and cycles fitted with an auxiliary motor with or without side-car	Nil	40%
23	8712 00 10	Bicycles	Nil	15%
24	8903	Yachts and other vessels for pleasure or sports	Nil	7.5%
25	9028 30 10	Electricity meters for alternating current (Smart meter)	Nil	7.5%
26	9401	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof	Nil	5%
27	9403	Other furniture and parts thereof	Nil	5%
28	9404	Mattress supports, articles of bedding, and similar furnishing	Nil	5%
29	9405	Luminaries and lighting fittings including searchlights and spotlights, and parts thereof	Nil	5%
30	9503 00 91	Parts of electronic toys	Nil	20%
31	9503 00 91	Parts of electronic toys for manufacture of electronic toys (S. No. 591 of Notification No. 50/2017-Customs dated June 30, 2017)	Nil	7.5%
32	9802 00 00	Laboratory Chemicals (other than those attracting 10% BCD for specified end use)	Nil	70%

Changes To SWS To Be Effective From February 02, 2025

- Exemption from SWS to be effective from February 02, 2025, unless otherwise specified:

Sr No	Commodity Description
1	Candles, tapers, and the like
2	PVC Flex Films including Flex Banner and PVC Flex Sheets under headings 3920 or 3921
3	Solar Cells
4	Yachts and other vessels for pleasure or sports
5	Electricity meters for alternating current (Smart meter)
6	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof
7	Other furniture and parts thereof
8	Mattress supports, articles of bedding, and similar furnishings
9	Luminaries and lighting fittings including searchlights and spotlights, and parts thereof
10	Parts of electronic toys
11	Articles of gold/silver imported under S. No. 356 and 357 of Notification No. 50/2017-Customs dated 30.06.2017
12	Waterproof Footwear with outer soles and uppers of rubber or plastics
13	Other Footwear with outer soles and uppers of rubber or plastics
14	Footwear with outer soles of rubber, plastics, leather, or composition leather and uppers of leather
15	Footwear with outer soles of rubber, plastics, leather, or composition leather and uppers of textile materials
16	Other Footwear
17	All dutiable goods imported for personal use and not exempted under any prohibition under the Foreign Trade (Development and Regulations) (FTDR) Act, 1992
18	Solar Modules and Other semiconductor devices and photovoltaic cells
19	Motor vehicles for transport of 10 or more persons
20	Motor vehicles for transport of goods
21	Motor cars and other motor vehicles principally designed for the transport of persons in other than Completely Built Form with CIF value exceeding USD 40,000
22	Motor cars and other motor vehicles registered abroad before import into India (Used Vehicles)
23	Used motorcycles and cycles fitted with an auxiliary motor with or without side-car
24	Laboratory Chemicals under CTH 9802 00 00 (other than those attracting 10% BCD for specified end use)
25	Dutiable articles imported by passengers or crew in their baggage (classified under heading 9803)

Review Of Customs Duty Concessions/ Exemptions

- Details of exemption entries covered under Notification No 50/2017-custom dated June 30, 2017 being extended for a further period upto March 31, 2035/ March 31, 2029 / March 31, 2027/ March 31, 2026 and exemption entries being lapsed on April 1, 2025.

Sr No	S.No (of Notification No 50/2017-cus)	Commodity
Extended for further period upto March 31, 2035		
1	555A	Ships and vessel for breaking up
2	559	Raw materials, components, consumables or parts, for use in the manufacture of ships/vessels
Extended for further period upto March 31, 2029		
1	166	Bulk drugs for manufacture of drugs or medicines.
2	166 A	Bulk drugs used in the manufacture of polio vaccine and Monocomponent insulins.
3	167	Bulk drugs used in the manufacture of life saving drugs or medicines.
4	167A &607B	Drugs, Medicines or Food for Special Medical Purposes (FSMP) used for treatment of rare disease.
5	532A	Good specified in List 36 imported by testing agencies specified in List 37, for the purpose of testing and/or certification.
Extended for further period upto March 31, 2027		
1	81A	Crude Glycerin for use in manufacture of Epichlorohydrin.
2	104B	Denatured ethyl alcohol for use in manufacture of industrial chemicals.
3	104C	Fish meal for use in manufacture of aquatic feed.
4	168 & 341 & 341A	Goods for the manufacture of telecommunication grade optical fibres or optical fibre cable.
5	460 ,460A, 460B, 460C & 460D	Textile machinery *(with addition of two new Machinery)*
6	460E	Parts and components for use in manufacturing of textile machineries.
7	515B	Goods for use in the manufacture of Open cell of LCD and LED TV panel.
Extended for further period upto March 31, 2026		
1	345B	Seeds for use in manufacturing of rough Lab-Grown Diamonds

Sr No	S.No (of Notification No 50/2017-cus)	Commodity
2	405	Parts of wind operated electricity generators, for the manufacture or the maintenance of windboperated electricity generators. [*The entry has also been modified]*
3	406	Permanent magnets for manufacture of PM synchronous generators above 500KW for use in wind operated electricity generators
Exemptions Lapsing on April 01, 2025		
1	489AA	Heat Coil for use in the manufacture of Electric Kitchen Chimneys falling under tariff item 84146000
Modifications in Certain Entries		
1	257A	9 new categories of items, including sea shells and adhesives, are added to the list of duty-free items used in manufacture of handicrafts for export and time period for export is increased to 1 year , which can be further extended to 3 months
2	539	BCD exemption is being extended to imports of ground installations for satellites and payloads and its spares and consumables of such installations.
3	539A	BCD exemption is being provided on goods for use in the building of launch vehicles and launching of satellites.

Excise Duty

Legislative Changes In Central Excise Act, 1944

- Provisions to establish one or more Interim Boards for Settlement of cases pending before the Settlement Commission under the CEA, proposed;
- Specified pending applications i.e. applications filed before April 1, 2025 before the Settlement Commission would be dealt with by the Interim Board from the stage at which such application was pending immediately before constitution of the Interim Board;
- Settlement Commission to cease to operate from April 1, 2025;
- Specified powers and functions of the Settlement Commission to be exercised by the Interim Boards.

Goods and Services Tax

Legislative Changes In Goods And Services Tax

- Definition of ISD amended to provide for distribution of ITC by the ISD in respect of inter-state procurements on which tax has to be paid on reverse charge basis. Corresponding amendments are also proposed in the provisions related to manner of distribution of credit by ISD.

These amendments are proposed to be effective from April 1, 2025;

- Track & Trade mechanism introduced for specified evasion prone goods. Key highlights in relation to the Track & Trade mechanism are as follows:
    - Goods or person or class of persons in possession or who deal with such goods, to whom such provisions would apply, to be notified;
    - Government to prescribe Unique Identification Marking on specified commodities and a system for enabling affixation of Unique identification Marking and access of information contained therein;
    - Unique Identification Marking includes a digital stamp, digital mark or any similar marking which is unique, secure and non-removable;
    - Assessee notified under the said provisions would be responsible for affixing Unique Identification Marker, furnishing information/details in relation to specified goods and details relating to machinery and production;
    - Payment in relation to the System being deployed to be borne by the prescribed person or class of persons in possession or who deal with such goods;

- Additional penalty for contravention of provisions relating to Track & Trace mechanism amounting to INR 0.1 million or 10% of tax payable on such goods, whichever is higher.

- Amendment to explicitly provide for requirement of reversal of corresponding ITC in respect of a credit-note, if availed, by the registered recipient, for the purpose of reduction of tax liability of the supplier in respect of the said credit note.

  In cases other than where supply is to a registered recipient, reduction of tax liability of the supplier in respect of credit note would be allowed only where incidence of tax on such supply has not been passed to any other person;

- Suitable amendments being made in provisions relating to communication of details of inward supplies and ITC to remove references to auto generated statement;

- Time of Supply provisions in relation to supply of vouchers (for goods or services) by a supplier are proposed to be omitted;

- Retrospective amendment, effective from July 1, 2017 is proposed to be made in Section 17(5)(d) of the CGST Act. The words “plant and machinery” to substitute “plant or machinery” in the said Section. The said amendment is proposed notwithstanding anything to the contrary contained in any judgement, decree or order of any court or any other authority;

- Mandatory pre-deposit of 10% of penalty amount to apply, for appeals involving only penalty amount, before the Appellate Authority. Additional 10% of penalty amount would need to be deposited for appeals before the Appellate Tribunal, in such cases;

- Supply of goods warehoused in a SEZ or in a FTWZ to any person before clearance for exports or to the DTA shall be treated neither as supply of goods nor supply of services in terms of Schedule III of the CGST Act. The terms SEZ, FTWZ and DTA to derive same meaning as assigned to them under the SEZ Act, 2005.

- This amendment is proposed to be effective retrospectively from July 1, 2017. Further, no refund of any GST collected prior to the said amendment would be provided;

- Explanation defining ‘Warehoused goods’ under Schedule III of the CGST Act to be made applicable retrospectively from July 1, 2017;

Particulars	Date From Which Changes Will Be Effective
GST Legislative Changes	Amendments to come into effect from the date when the same will be notified, concurrently with the corresponding amendments to the similar Acts passed by the Centre, States and Union territories with Legislature, unless otherwise specified
Other Legislative Changes	Date of enactment of the Finance Bill, 2025
New rates of Customs Duty	February 2, 2025 unless otherwise specified

Regulatory Proposals

Regulatory Proposals

Introduction

- The aspirations for Viksit Bharat are as follows:
  - accelerate growth,
  - secure inclusive development,
  - invigorate private sector investments,
  - uplift household sentiments, and
  - enhance spending power of India's rising middle class

Budget Theme

- Following are the engines for the journey of development:
  - Agriculture,
  - MSME,
  - Investment, and
  - Exports
- Further, the proposed development measures would focus on:
  - Garib,
  - Youth,
  - Annadata, and
  - Nari
- The Budget aims to initiate transformative reforms across six domains during the next five years:
  - Taxation;
  - Power Sector;
  - Urban Development;
  - Mining;
  - Financial Sector; and
  - Regulatory Reforms

Agriculture As The 1st Engine

- **Prime Minister Dhan-Dhaanya Krishi Yojana - Developing Agri Districts Programme**

  The programme will cover 100 districts with low productivity, moderate crop intensity and below-average credit parameters, and is likely to help 1.7 crore farmers. It aims to enhance agricultural productivity, adopt crop diversification and sustainable agriculture practices, augment post-harvest storage at the panchayat and block level, improve irrigation facilities, and facilitate availability of long-term and short-term credit.

- **Building Rural Prosperity and Resilience**

  The programme will be launched in partnership with states, to address under-employment in agriculture through skilling, investment, technology, and invigorating the rural economy. The programme will focus on rural women, young farmers, rural youth, marginal and small farmers, and landless families. Financial assistance will be sought from multilateral development banks to cover 100 developing agri-districts in Phase-1, 100.

- **Aatmanirbharta in Pulses**

  The Government will launch a 6-year "Mission for Aatmanirbharta in Pulses" with a special focus on Tur, Urad and Masoor. The emphasis will be on:
  - Development and commercial availability of climate resilient seeds
  - Enhancing protein content
  - Increasing productivity
  - Improving post-harvest storage and management,
  - Assuring remunerative prices to the farmers.

- **Comprehensive Programme for Vegetables & Fruits**

  A comprehensive programme to promote production, efficient supplies, processing, and remunerative prices for farmers will be launched in partnership with states. Appropriate institutional mechanisms for implementation and participation of farmer producer organizations and cooperatives will be set up.

- **Makhana Board in Bihar**

  A Makhana Board will be established in the state of Bihar to improve production, processing, value addition, and marketing of makhana. The people engaged in these activities will be organized into FPOs. The Board will provide handholding and training support to makhana farmers and ensure they receive the benefits of all relevant Government schemes.

- **National Mission on High Yielding Seeds**
  A National Mission on High Yielding Seeds will be launched aimed at strengthening the research ecosystem, targeted development and propagation of seeds with high yield, pest resistance and climate resilience, and commercial availability of more than 100 seed varieties released since July 2024.

- **Fisheries**
  To unlock the untapped potential of the marine sector, the Government will bring in an enabling framework for sustainable harnessing of fisheries from Indian Exclusive Economic Zone and High Seas, with a special focus on the Andaman & Nicobar and Lakshadweep Islands.

- **Mission for Cotton Productivity**
  The Government has announced a 'Mission for Cotton Productivity'. This 5-year mission will facilitate significant improvements in productivity and sustainability of cotton farming and promote extra-long staple cotton varieties. The best of science & technology support will be provided to farmers to help increasing incomes of the farmers and ensure a steady supply of quality cotton for rejuvenating India's traditional textile sector.

- **Enhanced Credit through KCC**
  The existing Kisan Credit Cards (KCC) facilitate short term loans for 7.7 crore farmers, fishermen, and dairy farmers. The loan limit under the Modified Interest Subvention Scheme will be enhanced from INR 3 lakh to INR 5 lakh for loans taken through the KCC.

- **Urea Plant in Assam**
  For Atmanirbharta in urea production, the Government had reopened three dormant urea plants in the Eastern region. To further augment urea supply, a plant with annual capacity of 12.7 lakh metric tons will be set up at Namrup, Assam.

- **India Post as a Catalyst for the Rural Economy**
  India Post with 1.5 lakh rural post offices, complemented by the India Post Payment Bank and a vast network of 2.4 lakh Dak Sevaks, will be repositioned to act as a catalyst for the rural economy. India Post will also be transformed as a large public logistics organization to meet the rising needs of Viswakarmas, new entrepreneurs, women, self-help groups, MSMEs, and large business organizations.

- **Support to NCDC**
  The Government will provide support to NCDC for its lending operations for the cooperative sector.

MSME As The 2nd Engine

- **Revision in classification criteria for MSMEs**
  To help over 1 crore registered MSMEs achieve higher efficiencies of scale, technological upgradation and better access to capital, the investment and turnover limits for classification of all MSMEs will be enhanced to 2.5 and 2 times respectively. This will give these MSMEs the confidence to grow and generate employment for youth.

- **Significant enhancement of credit availability with guarantee cover**
  To improve access to credit, the credit guarantee cover will be enhanced as follows:
  - For Micro and Small Enterprises, from INR 5 crore to INR 10 crore, leading to additional credit of INR 1.5 lakh crore in the next 5 years;
  - For Startups, from INR 10 crore to INR 20 crore, with the guarantee fee being moderated to 1% for loans in 27 focus sectors important for Atmanirbhar Bharat; and
  - For well-run exporter MSMEs, for term loans up to INR 20 crore.

- **Credit Cards for Micro Enterprises**
  Introduction of customized Credit Cards with a INR 5 lakh limit for micro enterprises registered on Udyam portal.

- **Fund of Funds for Startups**
  The Alternate Investment Funds (AIFs) for startups, backed by an INR 10,000 crore Government-supported Fund of Funds, have received commitments exceeding INR 91,000 crore. In furtherance to this, a new Fund of Funds is set to launch with a fresh contribution of INR 10,000 crore and an expanded scope.

- **Scheme for First-time Entrepreneurs**
  A new scheme with an aim to support 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs is proposed to be launched, providing term loans up to INR 2 crore during the next 5 years, incorporating lessons from the successful Stand-Up India scheme and organizing online capacity building for entrepreneurship & managerial skills.

- **Measures for Labour-Intensive Sectors**
  The Government will undertake specific policy and facilitation measures to boost employment and entrepreneurship in labour-intensive sectors.

- **Focus Product Scheme for Footwear & Leather Sectors**
  A focus product scheme will be implemented to enhance the productivity, quality and competitiveness of India's footwear and leather sector. The scheme will support design capacity, component manufacturing, and machinery for production of both leather and non-leather footwear & products. The scheme is likely to produce 22 lakh jobs, INR 4 lakh crore turnover, and INR 1.1 lakh crore in exports.

- **Measures for the Toy Sector**
  Building on the National Action Plan for Toys, the Government will implement a scheme to establish India as a global toy hub. The scheme will focus on developing clusters, skills, and fostering a manufacturing ecosystem thereby creating high-quality, innovative, and sustainable toys that will represent 'Made in India' brand.

- **Support for Food Processing**
  As a part of 'Purvodaya' initiative, a National Institute of Food Technology, Entrepreneurship and Management will be set up in Bihar to boost food processing activities in the entire Eastern region. This will result in increase in farmers' income through value addition to their produce, and skilling, entrepreneurship, and employment opportunities for the youth.

- **Manufacturing Mission - Furthering "Make in India"**
  A National Manufacturing Mission will be established by the Government covering small, medium and large industries to promote "Make in India" by providing policy support, execution roadmaps, governance and monitoring framework for both central ministries and states.

- **Clean Tech Manufacturing**
  In line with commitment towards climate-friendly development, the Mission will also support Clean Tech manufacturing. This will facilitate domestic value addition and build an ecosystem for solar PV cells, EV batteries, motors and controllers, electrolyzers, wind turbines, high-voltage transmission equipment, and grid-scale batteries.

Investment As The 3rd Engine

- <u>**Investing in People**</u>
  - **Saksham Anganwadi and Poshan 2.0:** The cost norms for nutritional support to children, pregnant women, lactating mothers and adolescent girls provided under the programme will be enhanced appropriately.
  - **Atal Tinkering Labs:** Fifty thousand labs will be set up in government schools over the next five years to nurture curiosity, innovation, and a scientific temper among young minds.
  - **Broadband Connectivity to Government Secondary Schools and PHCs:** Broadband connectivity will be extended to all Government secondary schools and primary health centres in rural areas under the Bharatnet project.
  - **Bharatiya Bhasha Pustak Scheme:** The scheme will be implemented to provide digital-form Indian language books for school and higher education.
  - **National Centres of Excellence for Skilling:** Five centres will be set up with global expertise and partnerships to equip youth with the skills required for "Make for India, Make for the World" manufacturing.
  - **Expansion of Capacity in IITs:** Additional infrastructure to be created in the 5 IITs established after 2014 to accommodate 6,500 more students.
  - **Centre of Excellence in AI for Education:** A Centre of Excellence in Artificial Intelligence for education will be set up with a total outlay of INR 500 crore.
  - **Expansion of medical education:** Additional 10,000 seats to be increased in medical colleges and hospitals, contributing to the goal of increasing 75,000 seats in said institutions over the next 5 years.
  - **Day Care Cancer Centres in all District Hospitals:** Day Care Cancer Centres will be established in all district hospitals in the next 3 years with 200 Centres to be established in 2025-26.
  - **Strengthening urban livelihoods:** A scheme for the socio-economic upliftment of urban workers will be implemented to improve their incomes, ensure sustainable livelihoods, and enhance quality of life.
  - **PM SVANidhi:** The scheme will be revamped with enhanced loans from banks, UPI linked credit cards with INR 30,000 limit, and capacity building support for street vendors.
  - **Social Security Scheme for Welfare of Online Platform Workers:** The Government will arrange identity cards and registration on the e-Shram portal, along with healthcare coverage under PM Jan Arogya Yojana, benefiting nearly 1 crore gig workers.

- <u>**Investing in the Economy**</u>
  - **Public Private Partnership in Infrastructure:** Each ministry responsible for infrastructure will develop a three-year pipeline of projects suitable for implementation under the PPP model and will also encourage states do the same.
  - **Support to States for Infrastructure:** An outlay of INR 1.5 lakh crore is proposed for the 50-year interest free loans to states for capital expenditure and incentives for reforms.
  - **Asset Monetization Plan 2025-30:** A second plan for 2025-30 will be launched to reinvest INR 10 lakh crore into new projects. Regulatory and fiscal policies will be adjusted to support its implementation.

- **Jal Jeevan Mission:** Extension of the Mission access to potable tap water connections until 2028 with an increased overall budget will focus on the quality of infrastructure and operation of rural piped water supply schemes through "Jan Bhagidhari" which will be facilitated by entering into separate MoUs by State/ UTs to ensure sustainability and citizen-centric water service delivery.

- **Urban Sector Reforms:** Urban sector reforms related to governance, municipal services, urban land, and planning will be incentivized.

- **Urban Challenge Fund:** The Government will establish an Urban Challenge Fund of INR 1 lakh crore to support initiatives including 'Cities as Growth Hubs,' 'Creative Redevelopment of Cities,' and 'Water and Sanitation' with an aim to finance up to 25% of the cost of bankable projects with a stipulation that at least 50% of the cost is funded from bonds, bank loans, and PPPs.

- **Power Sector Reforms:** The budget proposes to incentivize states to implement electricity distribution reforms and enhance intra-state transmission capacity wherein the states will be permitted additional borrowing of 0.5% of GSDP, subject to these reforms.

- **Nuclear Energy Mission for Viksit Bharat:** A Nuclear Energy Mission for the research and development of Small Modular Reactors (SMRs) will be established with a budget of INR 20,000 crore. At least 5 indigenously developed SMRs will be operational by 2033.

- **Shipbuilding:** Revamping of the Shipbuilding Financial Assistance Policy will address cost disadvantages and to include credit notes for shipbreaking in Indian yards to promote the circular economy. Further, shipbuilding clusters will be facilitated to increase the range, categories and capacity of ships.

- **Maritime Development Fund:** A Maritime Development Fund with a fund size of INR 25,000 crore will be established with 49% contribution by the Government, and the balance will be mobilized from ports and private sector.

- **UDAN - Regional Connectivity Scheme:** A modified UDAN scheme will be launched to enhance regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years. The scheme will also support helipads and smaller airports in hilly, aspirational, and Northeast region districts.

- **Greenfield Airport in Bihar:** Greenfield airports will be facilitated in Bihar in addition to the expansion of the capacity of Patna airport to meet the future needs of the State.

- **Western Koshi Canal Project in Mithilanchal:** Financial support will be provided for the Western Koshi Canal ERM Project benefitting a large number of farmers cultivating over 50,000 hectares of land in the Mithilanchal region of Bihar.

- **Mining Sector Reforms:** Reforms in the mining sector, including minor minerals, will be promoted by sharing best practices and introducing a State Mining Index.

- **SWAMIH Fund 2:** The SWAMIH Fund 2, at the swift completion of 1 lakh more housing units, will be a collaborative effort. It will pool funds from the government, banks, and private investors, totaling INR 15,000 crore, in a blended finance structure.

- **PM Gati Shakti Data for Private Sector:** The PM Gati Shakti portal's data and maps will be available to the private sector, helping them plan projects and encouraging PPPs.

- **Tourism for employment-led growth:** Top 50 tourist destination sites in the country will be developed in partnership with states through a challenge mode. Measures will be taken to facilitate employment-led growth directed towards skill-development programs for our youth, providing MUDRA loans for homestays; easing travel and connectivity to tourist destinations, providing performance-linked incentives to states for effective destination management. There will be a special focus on destinations related to the life and times of Lord Buddha.

- **Medical Tourism and Heal in India:** This will be promoted in partnership with the private sector along with capacity building and easier visa norms.

• <u>Investing in Innovation</u>

  - **Research, Development and Innovation:** This budget allocates INR 20,000 crore to implement private sector driven Research and Development.

  - **Deep Tech Fund of Funds:** A Deep Tech Fund of Funds will be explored to catalyze the next generation startups.

  - **PM Research Fellowship:** PM Research Fellowship scheme will provide 10,000 fellowships for technological research in IITs and IISc with enhanced financial support over the next 5 years.

- **Gene Bank for Crops Germplasm:** The 2nd Gene Bank with 10 lakh germplasm lines will be set up to ensure future food and nutritional security, providing conservation support to both public & private sectors for genetic resources.

- **National Geospatial Mission:** National Geospatial Mission will be launched to develop foundational geospatial infrastructure and data, leveraging PM Gati Shakti to modernize land records, urban planning, and the design of infrastructure projects.

- **Gyan Bharatam Mission:** Gyan Bharatam Mission will be launched for survey, documentation and conservation of India's manuscript heritage, collaborating with academic institutions, museums, libraries, and private collectors to cover over 1 crore manuscripts. Further, A National Digital Repository of Indian knowledge systems will also be established for knowledge sharing.

Exports As The 4th Engine

- **Export Promotion Mission**

  Export Promotion Mission will be set up jointly with Ministries of Commerce, MSME, and Finance to set sectoral targets and facilitation for easier access to export credit, cross-border factoring, and MSME support.

- **BharatTradeNet (BTN)**

  A digital public infrastructure "Bharat Trade Net" to be set up for international trade documentation and financing. The platform will be integrated with the Unified Logistics Interface Platform and aligned with international practices.

- **Support for integration with Global Supply Chains:**
  - Identification of sectors for development of domestic manufacturing capacities and further integration with global supply chains.
  - Facilitation Groups will be formed with Industry-government collaboration for product-specific supply chains.
  - Huge Opportunities related to Industry 4.0 to benefit youth with high skills and talent and support domestic electronic equipment industry.

- **National Framework for GCC**

  For promoting Global Capability Centres in emerging tier 2 cities, a national framework will be formulated as guidance to states. This will lay down guidelines for talent development, infrastructure, and industry collaboration.

- **Warehousing for air cargo**

  With special focus on perishable horticulture exports, the Government plans to enhance and upgrade infrastructure and warehousing for air cargo.

- **Tax Reforms**

  Over the past 10 years, Government has implemented reforms such as Faceless assessment, taxpayer charter, faster refunds etc. to facilitate the taxpayers. Proposed introduction of New Income Tax Bill for further tax simplification by next week.

- **Financial Sector Reforms**
  - **FDI in Insurance sector** will be increased from existing 74% to 100%, with conditions to invest the entire premium in India. Current conditionalities shall also be simplified.
  - **India Post Payment Bank** will be expanded in rural areas.
  - **NaBFID to be set up for** Partial Credit Enhancement Facility for corporate bonds for infrastructure.
  - Public sector banks to develop 'Grameen Credit Score' framework for rural borrowers.
  - Regulatory Coordination forum to be set up for development of pension product.
  - **KYC Simplification** – Revamped Central KYC Registry to be rolled out by 2025 for implementing streamlined system for periodic updating.
  - **Merger of Companies:** Requirements and procedures for speedy approval of company mergers will be rationalized along with simplification of process of fast-track mergers.
  - **Bilateral Investment Treaties:** To encourage sustained foreign investment and in the spirit of 'first develop India', the current model BIT will be revamped and made more investor-friendly.

- **Regulatory Reforms**
  - **High-Level Regulatory Reform Committee :** A High-Level Committee will be set up to review non-financial sector regulations, licenses, and permissions. The Committee will also provide recommendations to enhance trust-based economic governance and ease of doing business, particularly in inspections and compliance. States will be encouraged to participate.
  - **Investment Friendliness Index –** An Investment Friendliness Index for States will be introduced to promote competitive and cooperative federalism.
  - **FSDC Evaluation Mechanism –** Under the Financial Stability and Development Council a review mechanism will be set up to evaluate financial regulations for enhance responsiveness.
  - **Jan Vishwas Bill 2.0 –** It will decriminalise over 100 additional legal provisions.

- **Budget Estimates 2025-26:**
  - The total receipts other than borrowings and the total expenditure are estimated at INR 34.96 lakh crore and INR 50.65 lakh crore respectively.
  - The net tax receipts are estimated at INR 28.37 lakh crore. The fiscal deficit is estimated at 4.4% of GDP.
  - The gross and net market borrowings through dated securities during 2024-25 are estimated at INR 14.82 lakh crore and INR 11.54 lakh crore respectively.

Glossary

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AAR	Authority for Advance Rulings
AI	Artificial Iantelligence
AIDC	Agriculture Infrastructure and Development Cess
AIF	Alternate Investment Fund
ALP	Arm's Length Price
AO	Assessing Officer
AY	Assessment Year
BCD	Basic Customs Duty
BTN	Bharat Trade Net
CEA	Central Excise Act, 1944
CENVAT	Central Value Added Tax
CGST/CGST Act	Central Goods and Services Tax Act, 2017
CKD	Completely Knocked Down
CTA	Customs Tariff Act, 1975
Customs Act	Customs Act, 1962
DTA	Domestic Tariff Area
EOU	Export Oriented Unit
EV	Electric Vehicle
Evs	Electrical operated vehicles
FDI	Foreign Direct Investment
FIIs	Foreign Institutional Investors
FM	Finance Minister
FPO	Farmer Producer Organization
FTWZ	Free Trade Warehousing Zone
FY	Financial Year
GCC	Global Capability Centre
GDP	Gross Domestic Product
GST	Goods & Services Tax
GW	Gigawatt

Glossary	
HUF	Hindu Undivided Family
IFSC	International Financial Services Centre
IGST/IGST Act	Integrated Goods and Services Tax Act, 2017
INR	Indian Rupees
ISD	Input Service Distributor
IT	Information Technology
ITC/Credit	Input Tax Credit
KCC	Kisan Credit Cards
KYC	Know Your Customer
LRS	Liberalised Remittance Scheme
MOU	Memorandum of Understanding
MSME	Micro, Small & Medium Enterprises
MW	Megawatt
NPS	National Pension Scheme
NRI	Non Resident Indian
NSS	National Savings Scheme
NTR	New Tax Regime
PCBA	Printed Circuit Board Assembly
PHC	Primary Health Care
PM	Prime Minister
PM SVANidhi	Prime Minister Street Vendor's AtmaNirbhar Nidhi
PMGSY	Pradhan Mantri Gram Sadak Yojana
PPP	Public-Private-Partnership
PSU	Public Sector Undertaking
RBI	Reserve Bank of India
RCM	Reverse Charge Mechanism
RIC	Road and Infrastructure Cess
SC	Supreme Court
SDTs	Specified Domestic Transactions
Settlement Commission	Customs & Central Excise Settlement Commission
SEZ	Special Economic Zone
SKD	Semi Knocked Down
SMR	Small Modular Reactors
SWS	Social Welfare Surcharge
TCS	Tax Collected at Source

Glossary	
TDS	Tax Deducted at Source
the Act	The Income-tax Act, 1961
TPO	Transfer Pricing Officer
UDAN	Ude Desh ka Aam Naagrik
ULIPs	Unit Linked Insurance Plan
UPI	Unified Payments Interface
UT	Union Territory
UTGST	Union Territory Goods and Services Tax Act, 2017
VDA	Virtual Digital Assets

About ASSOCHAM

ASSOCHAM
· Ideate · Innovate · Impact ·

The Associated Chambers of Commerce & Industry of India (ASSOCHAM) is the country's oldest apex chamber. It brings in actionable insights to strengthen the Indian ecosystem, leveraging its network of more than 4,50,000 members, of which MSMEs represent a large segment. With a strong presence in states, and key cities globally, ASSOCHAM also has more than 400 associations, federations and regional chambers in its fold.

Aligned with the vision of creating a New India, ASSOCHAM works as a conduit between the industry and the Government. The Chamber is an agile and forward looking institution, leading various initiatives to enhance the global competitiveness of the Indian industry, while strengthening the domestic ecosystem.

With more than 100 national and regional sector councils, ASSOCHAM is an impactful representative of the Indian industry. These Councils are led by well-known industry leaders, academicians, economists and independent professionals. The Chamber focuses on aligning critical needs and interests of the industry with the growth aspirations of the nation.

ASSOCHAM is driving four strategic priorities - Sustainability, Empowerment, Entrepreneurship and Digitisation. The Chamber believes that affirmative action in these areas would help drive an inclusive and sustainable socio-economic growth for the country.

ASSOCHAM is working hand in hand with the government, regulators and national and international think tanks to contribute to the policy making process and share vital feedback on implementation of decisions of far-reaching consequences. In line with its focus on being future-ready, the Chamber is building a strong network of knowledge architects. Thus, ASSOCHAM is all set to redefine the dynamics of growth and development in the technology-driven 'Knowledge-Based Economy. The Chamber aims to empower stakeholders in the Indian economy by inculcating knowledge that will be the catalyst of growth in the dynamic global environment.

The Chamber also supports civil society through citizenship programmes, to drive inclusive development. ASSOCHAM's member network leads initiatives in various segments such as empowerment, healthcare, education and skilling, hygiene, affirmative action, road safety, livelihood, life skills, sustainability, to name a few.

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