

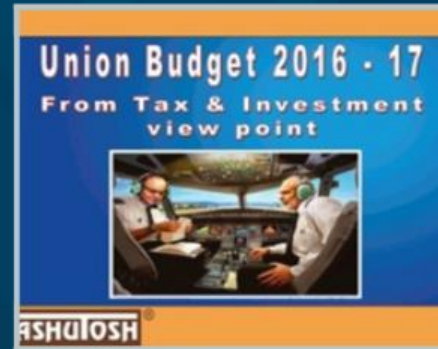
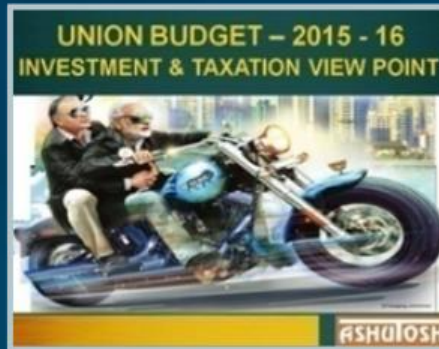
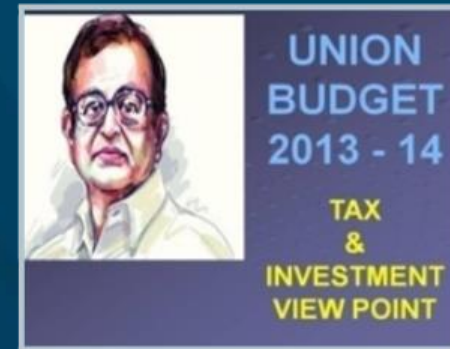
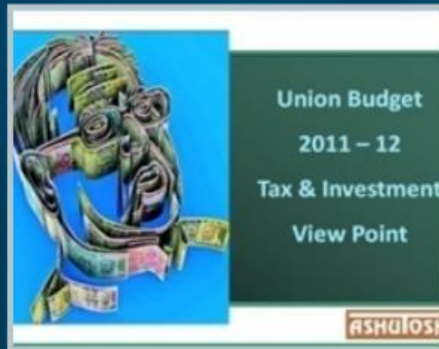
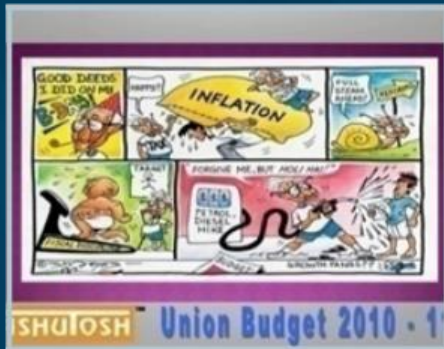
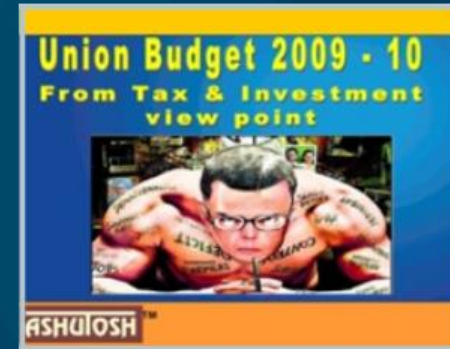
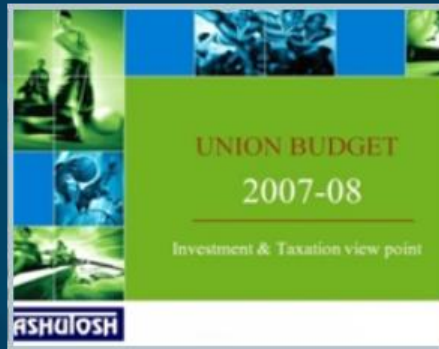
# Union Budget 2025 – 26

## Income Tax & Investment View Point

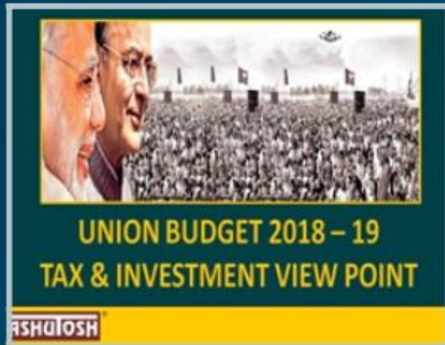




# Welcome to the 20th Budget Presentation



# Welcome to the 20th Budget Presentation



# State of the Economy



# State of the Economy

## Expected growth Rate of Top 20 economies of the world in the year 2025

Country	Growth Rate	Country	Growth Rate
India	6.50%	Spain	2.10%
Indonesia	5.10%	Netherlands	1.60%
Saudi Arabia	4.60%	United Kingdom	1.50%
China	4.50%	Russia	1.30%
Turkey	2.70%	Mexico	1.30%
Canada	2.40%	Switzerland	1.30%
USA	2.20%	Japan	1.10%
Brazil	2.20%	France	1.10%
South Korea	2.20%	Germany	0.80%
Australia	2.10%	Italy	0.80%

**Growth Rate in Q2 of FY 2024-25 has declined to 5.4%**

Source : [https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC/ADVEC/WEOWORLD](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD)  
<https://ceoworld.biz/2024/11/25/revealed-these-are-the-largest-economies-in-the-world-2025/>

# State of the Economy

## Rate of Inflation of Top 20 economies of the world in Dec 2024

Country	Inflation Rate	Country	Inflation Rate
Turkey	44.38%	Germany	2.60%
Russia	9.50%	United Kingdom	2.50%
India	5.22%	Australia	2.4% (Q4 2024)
Brazil	4.83%	South Korea	1.90%
Mexico	4.21%	Saudi Arabia	1.90%
Netherlands	4.10%	Canada	1.80%
Japan	3.60%	Indonesia	1.57%
USA	2.90%	France	1.30%
China	2.90%	Italy	1.30%
Spain	2.80%	Switzerland	0.60%

- Supply side challenges
- Global inflation
- Strengthening of US \$

Source : <https://tradingeconomics.com/china/inflation-cpi>

# State of the Economy

## Change in Interest Rate of Top 20 economies of the world From 31-01-2024 to 31-01-2025

Country	31-01-2024	31-01-2025	Country	31-01-2024	31-01-2025
Turkey	45.00%	45.00%	China	3.45%	3.10%
Russia	16.00%	21.00%	Canada	5.00%	3.00%
Brazil	11.25%	13.25%	South Korea	3.50%	3.00%
Mexico	11.25%	10.00%	Germany	4.50%	2.90%
India	6.50%	6.50%	France	4.50%	2.90%
Indonesia	6.00%	5.75%	Italy	4.50%	2.90%
Saudi Arabia	6.00%	5.00%	Spain	4.50%	2.90%
United Kingdom	5.25%	4.75%	Netherlands	4.50%	2.90%
USA	5.50%	4.50%	Japan	-0.10%	0.50%
Australia	4.35%	4.35%	Switzerland	1.75%	0.50%

RBI was not comfortable reducing interest rate

Source : <https://tradingeconomics.com/poland/interest-rate>

# State of the Economy

## Depreciation of Currency against USD of Top 20 economies of the world From 31-01-2024 to 31-01-2025

Country	Change (%)	Country	Change (%)
Mexico (Mexican Peso)	20.14%	France	4.39%
Brazil (Brazilian Real)	17.94%	Italy	4.39%
Turkey (Turkish Lira)	17.76%	Spain (Euro)	4.39%
Russia (Russian Ruble)	9.59%	Netherlands (Euro)	4.39%
South Korea (South Korean Won)	9.16%	India (Indian Rupee)	4.14%
Canada (Canadian Dollar)	8.11%	Indonesia (Indonesian Rupiah)	3.30%
Switzerland (Swiss Franc)	5.76%	United Kingdom	2.36%
Australia (Australian Dollar)	5.69%	Poland	1.50%
Japan (Japanese Yen)	5.65%	China (Chinese Yuan)	1.16%
Germany (Euro)	4.39%	Saudi Arabia (Saudi Riyal)	-0.01%

US \$ has appreciated against all the global currencies

Source : <https://investing.com/>



# State of the Economy

## Brent Crude Oil price (in USD)

31-01-2021	31-01-2022	31-01-2023	31-01-2024	31-01-2025
55.88	91.21	84.49	81.71	75.67

Source : [www.investing.com](http://www.investing.com)

**Recent decline in prices on account of new US administration planning for more oil production in US.**

# State of the Economy

## India Forex Reserves (USD)

Year	31-01-2021	31-01-2022	31-01-2023	31-01-2024	31-01-2025
Forex Reserves	590.19B	634.29B	576.73B	616.73B	629.56B

Source : [www.investing.com](http://www.investing.com)

**Forex Reserves maintained despite FII out flows and slow FDI**

# State of the Economy

## Exchange Ratio – Stable INR V/s US\$

31-01-2015	31-01-2016	31-01-2017	31-01-2018	31-01-2019	31-01-2020
62.02	67.88	67.52	63.55	70.96	71.56
31-01-2021	31-01-2022	31-01-2023	31-01-2024	31-01-2025	
72.91	74.56	81.74	83.10	86.54	

Source : [www.investing.com](http://www.investing.com)

Depreciation of INR against USD in last 10 Years is 3.39% CAGR



# State of the Economy

## GST Collection in Last 12 Months Without Refunds

Month	Collection (INR) Cr
Feb-24	1,68,337
Mar-24	1,78,484
Apr-24	2,10,267
May-24	1,72,739
Jun-24	1,73,813
Jul-24	1,82,075
Aug-24	1,74,962
Sep-24	1,73,240
Oct-24	1,87,346
Nov-24	1,82,269
Dec-24	1,76,857
Jan-25	1,95,506

Source: <https://www.gst.gov.in/download/gststatistics>

[https://tutorial.gst.gov.in/downloads/news/approved\\_monthly\\_gst\\_data\\_for\\_publishing\\_jan\\_2025.pdf](https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_data_for_publishing_jan_2025.pdf)

# State of the Economy

## Foreign Institutional Investors (FII) V/s Domestic Institutional Investors (DII)

Rs. Crores

Year	2020	2021	2022	2023	2024	Jan-25	Total
FII	65,246	-91,626	-2,78,429	-16,325	-3,04,217	-87,375	-7,12,726
DII	-35,663	94,846	2,75,726	1,81,482	5,27,438	86,592	11,30,421

Source: [https://www.moneycontrol.com/stocks/marketstats/fii\\_dii\\_activity/index.php](https://www.moneycontrol.com/stocks/marketstats/fii_dii_activity/index.php)

# State of the Economy

## Stock Market performance of Top 20 Economies of the World 1 Year Return from 31-01-2025

Country	1 Year Change	Country	1 Year Change
Germany – DAX	28.56%	India Nifty Midcap 150	10.99%
USA - Nasdaq 100	26.33%	Japan - Nikkei 225	9.06%
USA - S&P 500	24.66%	India Nifty 50	8.21%
Spain - IBEX 35	22.74%	Saudi Arabia - Tadawul All Share	5.25%
Canada - S&P / TSX	21.46%	India Nifty Smallcap 250	5.23%
Italy - FTSE MIB	18.63%	France - CAC	3.83%
Turkey - BIST 100	17.74%	South Korea - Kospi	0.81%
China - Shanghai Composite	16.57%	Brazil - Bovespa	-1.27%
United Kingdom - FTSE 100	13.67%	Indonesia - IDX Composite	-1.37%
Netherlands – AEX	12.68%	Russia - MOEX	-8.28%
Switzerland – SMI	11.15%	Mexico - S&P / BMV IPC	-10.74%
Australia - S&P / ASX 200	11.09%		

Source : <https://www.investing.com/>



# State of the Economy

## Stock Market performance of Top 20 Economies of the World 3 Year CAGR Return from 31-01-2025

Country	3 Year Change	Country	3 Year Change
Turkey - BIST 100	70.93%	Canada - S&P / TSX	6.57%
India Nifty Midcap 150	20.26%	United Kingdom - FTSE 100	5.13%
USA - Nasdaq 100	20.23%	France - CAC	4.34%
India Nifty Smallcap 250	17.33%	Brazil - Bovespa	4.00%
Japan - Nikkei 225	13.59%	Indonesia - IDX Composite	2.35%
Spain - IBEX 35	12.82%	Switzerland - SMI	1.00%
Germany - DAX	11.99%	Saudi Arabia - Tadawul All Share	0.39%
Italy - FTSE MIB	10.80%	Mexico - S&P / BMV IPC	-0.08%
India Nifty 50	10.68%	China - Shanghai Composite	-1.11%
USA - S&P 500	10.18%	South Korea - Kospi	-1.86%
Australia - S&P / ASX 200	6.97%	Russia - MOEX	-5.83%
Netherlands - AEX	6.88%		

Source : <https://www.investing.com/>

# The Union Budget 2025 – 26

# Budget at a Glance

(₹ Crore)		2023-2024 (Actuals)	2024-2025 (Budget Estimates)	2024-2025 (Revised Estimates)	2025-2026 (Budget Estimates)
1	Revenue Receipts	27,29,036	31,29,200	30,87,960	34,20,409
2	Tax Revenue (Net to Centre)	23,27,251	25,83,499	25,56,960	28,37,409
3	Non-Tax Revenue	4,01,785	5,45,701	5,31,000	5,83,000
4	Capital Receipts	17,14,411	16,91,312	16,28,527	16,44,936
5	Recovery of Loans	26,646	28,000	26,000	29,000
6	Other Receipts	33,122	50,000	33,000	47,000
7	Borrowings and Other Liabilities	16,54,643	16,13,312	15,69,527	15,68,936
8	Total Receipts (1+4)	44,43,447	48,20,512	47,16,487	50,65,345
9	Total Expenditure (10+13)	44,43,447	48,20,512	47,16,487	50,65,345
10	On Revenue Account	34,94,252	37,09,401	36,98,058	39,44,255
11	Interest Payments	10,63,872	11,62,940	11,37,940	12,76,338
12	Grants in Aid for creation of Capital Assets	3,03,916	3,90,778	2,99,891	4,27,192
13	On Capital Account	9,49,195	11,11,111	10,18,429	11,21,090
14	Effective Capital Expenditure (12+13)	12,53,111	15,01,889	13,18,320	15,48,282
15	Revenue Deficit (10-1)	7,65,216	5,80,201	6,10,098	5,23,846
		(2.6)	(1.8)	(1.9)	(1.5)
16	Effective Revenue Deficit (15-12)	4,61,300	1,89,423	3,10,207	96,654
		(1.6)	(0.6)	(1.0)	(0.3)
17	Fiscal Deficit (9-1+5+6)	16,54,643	16,13,312	15,69,527	15,68,936
		(5.6)	(4.9)	(4.8)	(4.4)
18	Primary Deficit (17-11)	5,90,771	4,50,372	4,31,587	2,92,598
		(2.0)	(1.4)	(1.3)	(0.8)



# Highlights of the Budget

## Three Pronged Budget Strategy

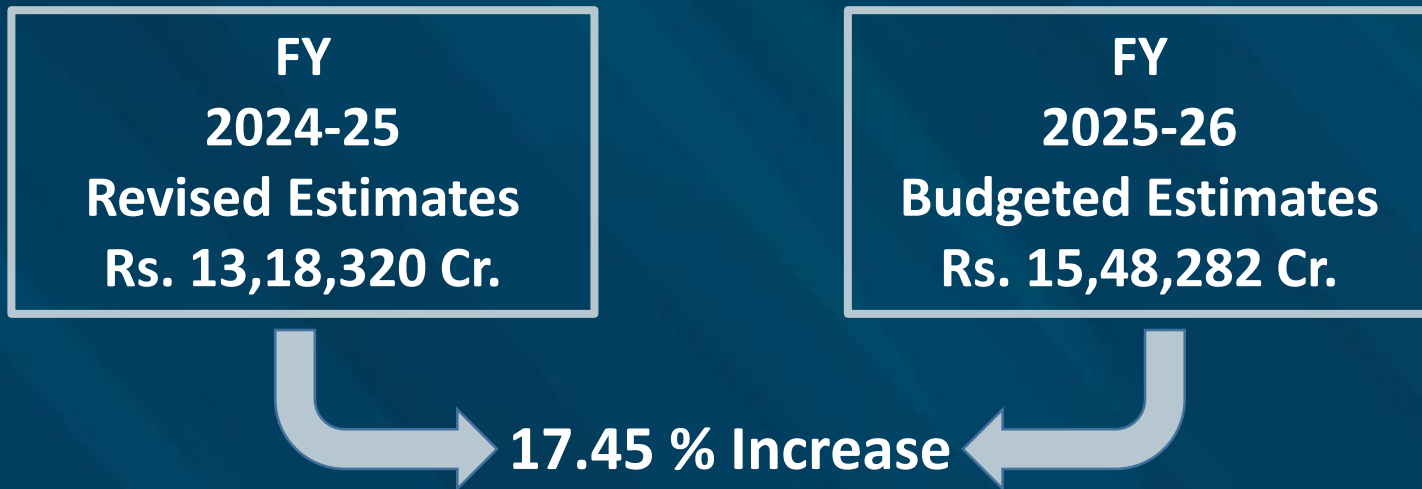


# Highlights of the Budget

## Budget Strategy I

### Increased Capital Expenditure

#### Spending on Capital Expenditure

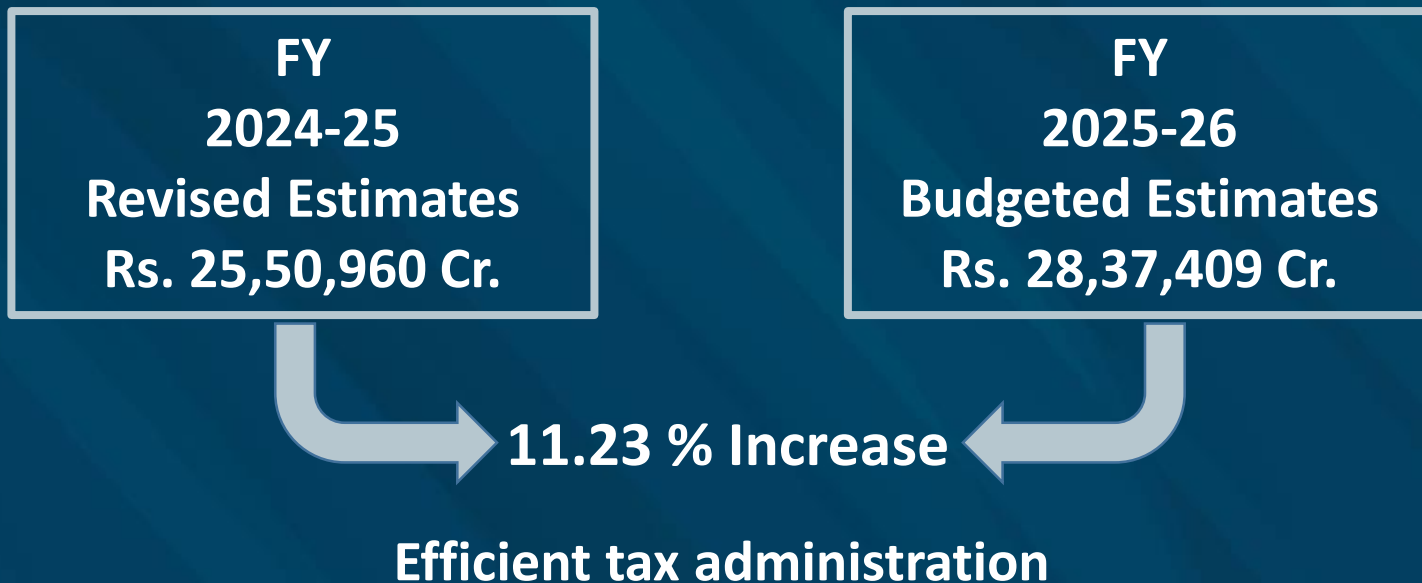


# Highlights of the Budget

## Budget Strategy II

### Boost to Consumption

Rs. 1 Lakh crore for gone out of Personal Income tax in hands of  
Income Tax payers





# Highlights of the Budget

## Budget Strategy III

### Fiscal Discipline

#### Fiscal deficit

**FY**  
**2024-25**  
**Revised Estimates**  
**Rs. 15,69,527 Cr.**  
**4.8% of GDP**

**FY**  
**2025-26**  
**Budgeted Estimates**  
**Rs. 15,68,936 Cr.**  
**4.4% of GDP**

**Fiscal deficit of USA as a % of its GDP is 6.4%**

# Highlights of the Budget

## New Income Tax Law

- New Income Tax Bill will be introduced in the Parliament this week.
- New law will simplify the current tax framework and shall be compact.
- New law will reduce compliance burden and enhance clarity in the tax regulation.

# Highlights of the Budget

## Defence allocation

	<b>FY 2024-25 Revised Estimates</b>	<b>FY 2025-26 Budgeted Estimates</b>
<b>Total Expenditure</b>	<b>6.4 Lakh Crore</b>	<b>6.8 Lakh Crore</b>
<b>Allocation to Capital Expenditure</b>	<b>1.59 Lakh Crore</b>	<b>1.80 Lakh Crore</b>
<b>Allocation to build infrastructure in Border areas</b>	<b>6500 Crore</b>	<b>7000 Crore</b>

# Highlights of the Budget

- 100% FDI in Insurance, hence foreign insurance companies can set up Insurance business in India without Indian Partners.

*Target – Insurance for all by 2047*

# Highlights of the Budget

- **Announcement about amendments to Atomic Energy Act and Civil Liability for Nuclear Damages Act**
- **Government aiming to add 100 GW of Nuclear Power capacity by 2047 from the current 8 GW**



# Changes in the Income Tax Act

# Personal Taxation (Individual & HUF)

*There is no change in the following rates of Income Tax under the **old regime**.*

Income (Rs.)	Tax Rate
0 to 2,50,000	Nil
2,50,000 to 5,00,000	5%
5,00,000 to 10,00,000	20%
10,00,000 and above	30%

Relief U/s. 87A of Rs. 12,500/- available. Hence, NO TAX TILL INCOME OF RS. 5 LAKH

# Personal Taxation (Individual & HUF)

*Concessional Rates of tax offered under the **new regime** (U/s. 115BAC)*

Total Income (in Rs.)	Old Tax Rate	Total Income (in Rs.)	New Tax Rate
Up to 3,00,000	Nil	Up to 4,00,000	Nil
3,00,001 to 7,00,000	5%	4,00,001 to 8,00,000	5%
7,00,001 to 10,00,000	10%	8,00,001 to 12,00,000	10%
10,00,001 to 12,00,000	15%	12,00,001 to 16,00,000	15%
12,00,001 to 15,00,000	20%	16,00,001 to 20,00,000	20%
Above 15,00,000	30%	20,00,001 to 24,00,000	25%
		More than 24,00,000	30%

Relief U/s. 87A of Rs. 60,000 available. Hence, NO TAX TILL INCOME OF RS. 12 LAKH.

# Personal Taxation (Individual & HUF)

- ✓ The benefit of no Income Tax till income Rs. 12L p.a. (rebate) only for slab rate incomes.
- ✓ Special rate incomes shall be not eligible for this benefit.
- ✓ Total income (Slab rate + Special Rate) shall be considered for calculation of the income limit of Rs.12L.
- ✓ This shall be available only to Resident Individuals and not to any other taxpayers - HUF, NRI, Firms, Companies, etc.
- ✓ Income Tax Return filing mandatory beyond Rs. 4L of annual income.

# Personal Taxation (Individual & HUF)

- ✓ Marginal relief shall also be available.
- ✓ Effectively makes old tax regime redundant through this.
- ✓ Highest rate of slab rate tax only when income exceeds Rs. 24L p.a.
- ✓ Extended slab rates with reduced tax rates benefit to all taxpayers.



# Personal Taxation (Individual & HUF)

- ✓ Benefit to 1Cr taxpayers out of 8.75Cr tax returns filed in India.
- ✓ Channelizing this amount towards consumption and investment in the economy.
- ✓ Intent of the govt. to provide freedom of consumption and investment to the taxpayer.

# Personal Taxation (Individual & HUF)

- ✓ Anticipated tax loss of Rs. 1L Cr to the government.
- ✓ Progression towards less tax rates and higher compliance efficiency.
- ✓ Visionary approach of reducing the parallel economy and promoting the official economy.

# Change in TCS (Tax Collection at Source) limits

Sr. No.	Nature of transaction	Present TCS limit (in Rs.)	Proposed TCS limit (in Rs.)
1	TCS on <u>Remittance under LRS</u> and <u>overseas tour program package</u>	7,00,000/-	10,00,000/-
2	TCS on <u>remittance under LRS</u> for <u>purpose of education</u> , financed by loan from financial institution	0.5% after 7,00,000/-	Nil

# Change in TDS (Tax Deduction at Source) limits

Sr. No.	Nature of transaction	Present TDS limit (in Rs.)	Proposed TDS limit (in Rs.)
3	Interest other than Interest on securities (194A)	(i) 50,000/- for senior citizen; (ii) 40,000/- in case of others when payer is bank, cooperative society and post office (iii) 5,000/- in other cases	(i) 1,00,000/- for senior citizen (ii) 50,000/- in case of others when payer is bank, cooperative society and post office (iii) 10,000/- in other cases
4	193 - Interest on securities	Nil	10,000/-
5	194-I - Rent	2,40,000/- during the financial year	50,000/- per month or part of a month

# Change in TDS (Tax Deduction at Source) limits

Sr. No.	Nature of transaction	Present TDS limit (in Rs.)	Proposed TDS limit (in Rs.)
6	194J - Fee for professional or technical services	30,000/-	50,000/-
7	194 - Dividend, for an individual shareholder	5,000/-	10,000/-
8	194K - Income in respect of units of a mutual fund or specified company or undertaking	5,000/-	10,000/-
9	194H - Commission or brokerage	15,000/-	20,000/-



## Other TDS/TCS changes

- ✓ For entities having a turnover in excess of Rs. 10Cr, TCS at 0.1% is applicable on any sale transaction exceeding Rs. 50L (individual or aggregate) when TDS was not done by the buyer.
- ✓ To avoid uncertainty to the seller, the TCS applicability has been removed on such transactions. Only TDS will be applicable to be deposited by the buyer on such sale.
- ✓ TDS/TCS deduction is to be done at a higher rate when the person to whom the payment is to be made is a non-filer of Income Tax Return.
- ✓ This shall be removed and higher TDS/TCS will only have to be done in case of invalid PAN or no PAN.

# Changes for Insurance Policy Incomes

- ✓ ULIPs (Unit Linked Insurance Plans) issued after Feb 2021 in which the annual premium exceeds Rs. 2.5L are taxable in India.
- ✓ The life cover should be at least 10 times the annual premium of the policy.
- ✓ The ULIPs which do not fulfill the above conditions will be eligible for income from capital gains, similar to Equity Mutual Funds from next financial year.

# Changes for Insurance Policy Incomes

- ✓ However, any proceeds received on death of insured person continue to remain tax free.
- ✓ Non-Residents availing Life Insurance policies from Insurance companies registered in GIFT City will be always have maturity proceeds tax free without any limits of premiums.

# Changes in Updated Income Tax Return

Period till which updated Income Tax Return can be filed from the end of the Financial Year	Percentage of additional Income Tax on [Tax + Interest] payable	Existing / New provision
Between 24 - 36 months	25%	Existing
Between 36- 48 months	50%	Existing
Between 48 - 60 months	60%	New
Between 60 - 72 months	70%	New

- ✓ Updated return can be filed even when original return was not filed.
- ✓ It can be revised only once per assessment year.
- ✓ It should not result in a refund or decrease in tax liability.

# Changes in Income from House Property

- ✓ Any one House property owned by any individual could be claimed as self occupied.
- ✓ Another house property could also be claimed as self occupied if certain conditions were fulfilled.
- ✓ Notional rent is to be calculated for all other house properties owned.
- ✓ Any two house properties without any conditions will now be eligible for claiming as self-occupied.



# Changes in Income from NSS & NPS Vatsalya

- ✓ The government has stopped paying interest on NSS (National Savings Scheme) deposits from 29<sup>th</sup> August 2024.
- ✓ Hence, withdrawal of deposits in NSS after the above date shall be tax free for the depositors.
- ✓ The withdrawal of amount to the extent of 25% of the contributions made from NPS Vatsalya account for specified purposes shall be tax free to the depositor.

# Changes for Charitable & Religious Trusts

- ✓ For smaller trusts where income of the trusts is not exceeding Rs. 5 Crores in each of the two preceding years, the period of registration validity is increased from 5 to 10 years.
- ✓ 'Incomplete registration' where registration application is incorrect or false, shall not result in cancelling the registration of the trust.

# Message

“

"India's strength lies in its people.

When they are empowered, the economy grows, and the nation prospers."

**PM Narendra Modi**



# Disclaimer

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# Events Schedule



We are organizing a presentation on the topic  
**UNION BUDGET 2025-26 INCOME TAX & INVESTMENT VIEWPOINT**

*Our 20th consecutive presentation on the Union Budget...*

**:: Zoom Meeting & YouTube Live ::**

**—• Date : 4th Feb, 2025 – Tuesday •—**

**Gujarati session**

**Time : 4:00 PM IST onwards**

**Meeting ID: 438 183 2702**

**Passcode: 12345**

**English session**

**Time : 7:00 PM IST onwards**

**Meeting ID: 438 183 2702**

**Passcode: 12345**

# Thank You

# Questions?



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### MULTI FAMILY OFFICE SERVICES



| Integrated complete financial  
services to families