

Union Budget 2025-2026

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About CRS

CRS has proudly completed 72 years of existence and has 10 partners & directors and over 90 team members.

A legacy of excellence
spanning over

72+
years

Established in

1953

1200+
clients both nationally and
internationally

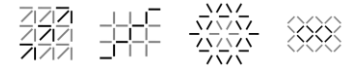
90+ Team
Members

Core Team

10 Partners &
Directors

25 Professionals





Our Values

Agility

We respond to change effectively through collaboration, adaptability, and continuous improvement.



Commitment

We execute high-quality work within timelines and continually strive to maximise our productivity in each client assignment.

Empowerment

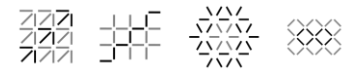
We take ownership of the work delegated to us and contribute to meaningful decision making.



Sincerity

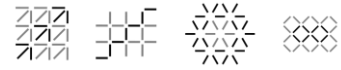
We follow in spirit and action the values of our firm and use them as a moral compass which helps to create an atmosphere of trust and respect.





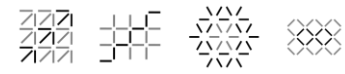
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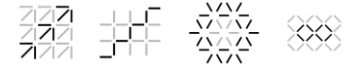


Foreword

- At CRS Consulting, we are pleased to present a snapshot of the key changes proposed to be made through the Union Budget 2025.
- This budget introduces substantial income tax reductions aimed at enhancing middle-class spending power and stimulating economic growth. By raising the income tax threshold and adjusting tax slabs, the government seeks to increase disposable incomes, thereby boosting consumer demand and private investment. Additionally, the budget emphasizes support for MSMEs, infrastructure development, and the agricultural sector, aiming to foster an inclusive and robust economic landscape.
- Our team has meticulously examined the key changes to provide you with insightful guidance on navigating these updates. We believe these measures will drive sustainable development and prosperity. We look forward to assisting you in maximizing the benefits of these new provisions.



Proposed changes in Direct taxes



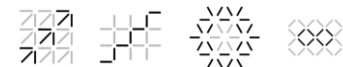
Income Tax Rates for AY 2026-27

1. Individual/HUF/AOP/BOI/AJP

- No Change in the tax rates for an individual/HUF/AOP/BOI/ Artificial Juridical Person opting for the old tax regime.
- Under the new tax regime, the threshold for claiming a tax rebate under Section 87A is increased from Rs. 7 lakhs to Rs. 12 lakhs. This means that there will be no income tax on Total Income upto Rs. 12 lakhs. However, the return of income has to be filed if Total Income exceeds Rs. 4 lakh.

2. Other entities: Company, Firm, LLP, Co-operative societies

- There is no change of income tax rates for these entities.



Income Tax Rates for AY 2026-27 for Individuals / HUF / AOP-BOI / AJP

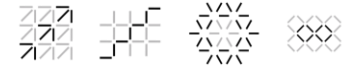
Tax rates and slabs have been revised in the new tax regime for AY 2026-27

Total Income	Rate of Tax
Upto ₹ 4 Lakh	0%
₹ 4 Lakh – ₹ 8 Lakh	5%
₹ 8 Lakh – ₹12 Lakh	10%
₹ 12 Lakh- ₹ 16 Lakh	15%
₹ 16 Lakh- ₹ 20 Lakh	20%
₹ 20 Lakh- ₹ 24 Lakh	25%
Above ₹ 24 Lakh	30%

Income Tax Rates for AY 2026-27 for Individuals

- No tax on income up to Rs.12 Lakh [Rs. 12.75 Lakh for Salaried taxpayers with a Standard Deduction of Rs.75,000/-]
(Excluding income taxed at special rates like capital gains, digital assets etc.)
- Year-on-year comparison of calculation of Income-tax under the new regime:

Income Rs.	Tax payable for ITAY 2025-26	Tax payable from ITAY 2026-27
12,00,000	80,000	0
15,00,000	1,40,000	1,05,000
25,00,000	4,40,000	3,30,000



House Property [From ITAY 2025-26]

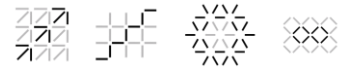
- The annual value of two self-occupied houses is to be taken as nil if the owner occupies it for his own residence or cannot occupy it for any reason.

Capital Gains [From ITAY 2026-27]

- Income from the redemption of ULIPs not eligible for exemption under section 10(10D) shall be taxed as capital gains.

Startups

- To support the growth of the Indian startup ecosystem, the government plans to extend the period of incorporation by 5 years to allow benefits to startups incorporated before April 1, 2030.
- The exemptions under section 80-IAC is extended for start-ups incorporated before 01/04/2030.(i.e., till 31/03/2030)

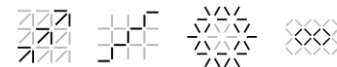


Public Charitable Entities [From ITAY 2025-26]

- Small Public charitable trusts/institutions (Total income of which does not exceed Rs. 5 Crores) registration period increased from 5 years to 10 years to reduce compliance burden.
- An incomplete application of charitable trusts or institutions shall not be considered a violation for cancelling the registration.

Updated Returns

- Updated returns can be filed for up to 4 years.
- 60% additional tax applicable for ITR filed for the prior 3rd assessment year.
- 75% additional tax applicable for ITR filed for the prior 4th assessment year.

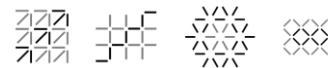


NSS(National Saving Scheme) Withdrawals [From 29-08-2024]

- Section 80CCA, Provides for a deduction to an individual or HUF, for any amount deposited in the National Saving Scheme (NSS). It is also provided that no deduction would be allowed in relation to such amount on or after the 1st day of April,1992.
- The withdrawals made on or after 29th day of August, 2024 by individuals from these deposits for which deduction was allowed, will be exempt from income tax.

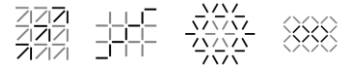
TDS Threshold and Rationalization [From FY 2025-26]

Section	Present TDS/TCS Threshold	Proposed TDS/TCS Threshold (effective from 1st April, 2025)
193 - Interest on securities	Nil	10,000/-
194A - Interest other than Interest on securities	(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
194 – Dividend, for an individual shareholder	5,000/-	10,000/-
194H - Commission or brokerage	15,000/-	20,000/-
194-I - Rent	2,40,000 (in a financial year)	6,00,000 (in a financial year)



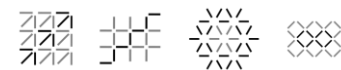
TDS Threshold and Rationalization [From FY 2025-26]

Section	Present TDS/TCS Threshold	Proposed TDS/TCS Threshold (effective from 1st April, 2025)
194J - Fee for professional or technical services	30,000/-	50,000/-
206C(1G) – Remittance under LRS and overseas tour program package	7,00,000/-	10,00,000/-
206C(1G) – Remittance under LRS for the purpose of education, financed by loan from financial institution	0.50% after 7,00,000/-	Authorized Dealer shall not collect the TCS if the amount being remitted out is a loan obtained from any financial institution, for the purpose of pursuing any education
206C(1H)- Sales of goods	50,00,000/-	No TCS shall be collected from the 1st April, 2025

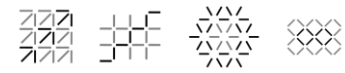


Removal of higher TDS/TCS for non-filers of return of income [From 01-04-2025]

- Section 206AB of the Act, requires deduction of tax at higher rate when the deductee specified therein is a non-filer of income-tax return. Section 206CCA of the Act, requires for collection of tax at higher rate when the collectee specified therein is a non-filer of income-tax return. This is subject to other conditions specified in the two sections.
- It is difficult for the deductor/collector, at the time of deduction/collection, to verify whether returns have been filed by the deductee/collectee, resulting in application of higher rates of deduction/collection, blocking of capital and increased compliance burden.
- Accordingly, to address this issue and reduce compliance burden for the deductor/collector, it is proposed to omit section 206AB of the Act and section 206CCA of the Act.

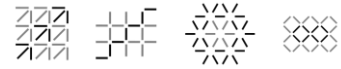


Proposed changes in Indirect taxes



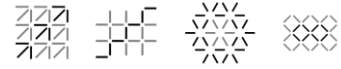
Compliance Reforms

- The Input Service Distributor (ISD) definition (Section 2) has been expanded to include the distribution of input tax credit (ITC) for inter-state supplies under reverse charge mechanism (RCM).
- A Track-and-Trace Mechanism (Section 148A) has been introduced for better monitoring of goods, requiring unique identification markings on specified products. Penalty for non-compliance with Section 148A: ₹1 lakh or 10% of tax payable (whichever is higher)
- The Time of Supply for Vouchers (Sections 12 & 13) has been clarified, removing the time of supply for vouchers applicable to both goods and services.



ITC-Related Provisions

- Input Tax Credit on Plant and Machinery (Section 17): This amendment brings clarity on disallowance of ITC on building and explicitly allows ITC only on plant and machinery, removing ambiguity and applying this retrospectively from July 1, 2017.
- The Reversal of ITC on Credit Notes (Section 34(2)) now requires the recipient to reverse the ITC related to a credit note for the supplier to reduce their output tax liability.
- The ISD's role in distributing ITC for inter-state supplies under RCM has been further clarified under Section 20.



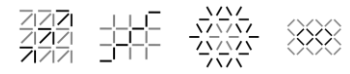
Other Changes

Retrospective Changes

- Supplies within SEZs/FTWZs are reclassified as "neither supply of goods nor services" before clearance for export or DTA, effective July 1, 2017.

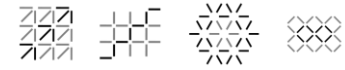
Appeals Process

- A 10% mandatory pre-deposit of the penalty amount is required for appeals involving penalties only (Section 107 & 112).



Thank you!

We appreciate your attention. If you have any queries, suggestions, or concerns, we would be happy to address them.



Encouraging Passion,
Shaping Inspiration,
Making an Impact

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