



**MONTHLY**

# NEWSLETTER



## For the Month of February 2025

(Covers Tax updates, Case laws and Due dates of GST, Income Tax and MCA)

## DASA & CO

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# Welcome to our Newsletter!

In this edition of our newsletter, we are excited to bring you the most recent updates and developments in the field of taxation and legal amendments. Our primary goal is to provide you with timely and accurate information to assist you in making informed business decisions.

We understand the complexities of the ever-changing tax laws and regulations. That is why we curate each edition carefully to cover topics that are most relevant to your business and professional needs. Whether it is changes in tax laws, case studies, or tips on tax planning, our newsletter aims to be a comprehensive resource for all your tax-related queries.

Your feedback is incredibly important to us. It not only helps us improve but also ensures that we cover topics that matter the most to you. We are committed to making this newsletter a valuable resource, and we are always open to suggestions and questions.

If you have any questions or require further clarification on any of the topics discussed, please do not hesitate to reach out. Our dedicated team is just an email or a phone call away, ready to assist you in any way possible. We hope you find this newsletter both informative and useful. Thank you for your continued support!

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DASA & CO

*In this special report, we delve into the critical aspects of the Union Budget 2024-25, presenting a clear and detailed overview tailored for the business community. Our analysis covers the significant budgetary changes and their potential impact on your business operations and financial strategies. Understanding these updates is essential for navigating new fiscal policies, leveraging tax advantages, and making strategic, informed decisions.*

*As we dissect the elements of this budget, our aim is to equip you with the insights needed to foster growth and maintain financial health in the evolving economic environment.*



## 1) Introduction

### • Union Budget 25-26

Finance Minister Nirmala Sitharaman presented the Union Budget 2025-26 on February 1, 2025, outlining the government's fiscal policies and priorities for the upcoming year. The budget focuses on stimulating economic growth, enhancing the spending power of the middle class, and promoting inclusive development across various sectors. Key areas of emphasis include tax reforms, agricultural initiatives, support for small and medium-sized enterprises (MSMEs), and measures to attract private investment. The government also aims to reduce the fiscal deficit to 4.4% of GDP, reflecting its commitment to fiscal prudence.

### • Impactful and concise Budget speech

In the shortest full budget speech in India's history, Finance Minister Nirmala Sitharaman delivered a concise yet impactful address lasting 1 hour and 58 minutes. Despite its brevity, the speech outlined major reforms focused on inclusive growth and economic resilience, with special emphasis on the middle class, farmers, women entrepreneurs, and the people of Bihar.

### • The Prime Minister highlighted the budget's robust foundation

The Prime Minister highlighted the budget's robust foundation for economic growth and its role in

improving citizens financial well-being. He also commended the reforms, especially the landmark push for private sector participation in nuclear energy, calling it a major milestone in India's energy transition.

## 2) Income Tax

- **No Income Tax for Incomes up to Rs. 12 Lakh:**

Individuals earning up to Rs. 12 lakh annually will not be liable to pay income tax. For salaried taxpayers, this limit is effectively Rs. 12.75 lakh, considering a standard deduction of Rs. 75,000.

- **Revised Tax Slabs:**

The new tax regime introduces the following tax slabs:

Rs. 0 to Rs. 4 lakh: Nil

Rs. 4 lakh to Rs. 8 lakh: 5%

Rs. 8 lakh to Rs. 12 lakh: 10%

Rs. 12 lakh to Rs. 16 lakh: 15%

Rs. 16 lakh to Rs. 20 lakh: 20%

Rs. 20 lakh to Rs. 24 lakh: 25%

Above Rs. 24 lakh: 30%

- **Two Self-Occupied Properties Now Tax-Exempt**

Finance Minister Nirmala Sitharaman announced a major relief for taxpayers, allowing them to claim the annual value of two self-occupied properties as nil without any conditions. This reform simplifies the tax process, enabling individuals to designate two houses as self-occupied without fulfilling specific criteria. Previously, taxpayers had to meet certain conditions to avail of this benefit, making it more restrictive.

- **Rationalization of TDS/TCS:**

To simplify tax processes, the budget proposes reducing the number of rates and thresholds for Tax Deducted at Source (TDS) and Tax Collected at Source (TCS). Notably, the limit for tax deduction on interest for senior citizens has been doubled from Rs. 50,000 to Rs. 1 lakh, and the annual limit for TDS on rent has increased from Rs. 2.4 lakh to Rs. 6 lakh.

- **New Income Tax Bill to Be Introduced in Second Week of February**

Finance Minister Nirmala Sitharaman announced that a new Income Tax Bill will be introduced in the second week of February. This legislation aims to simplify compliance, modernize tax provisions, and enhance transparency in the tax system. The bill is expected to replace the existing Income Tax Act, bringing significant reforms to ease tax filing and administration.

- **Extension of Tax Benefits for Startups Until 2030**

The Union Budget 2025-26 proposes an amendment to Section 80-IAC of the Income Tax Act

to extend tax benefits for startups by another five years. Previously, eligible startups incorporated between April 1, 2016, and April 1, 2025, could avail 100% tax deduction on profits for three consecutive years within ten years of incorporation. The proposed amendment extends this benefit to startups incorporated before April 1, 2030. This change aims to support new businesses, encourage entrepreneurship, and promote economic growth. The amendment will take effect from April 1, 2025.

- **TCS on Sale of Specified Goods Removed for Ease of Business**

The Union Budget 2025-26 proposes to omit TCS (Tax Collection at Source) on the sale of specified goods under Section 206C (1H) to reduce compliance burdens. Currently, sellers must collect 0.1% TCS on sales exceeding Rs. 50 lakh, while buyers deduct TDS under Section 194Q on the same transaction, leading to dual taxation. To simplify tax compliance, TCS will no longer apply from April 1, 2025, ensuring smoother transactions and reducing seller difficulties in verifying buyer compliance.

- **Rs. 1.1 Lakh Tax Relief for Incomes of Rs. 25 Lakh**

Finance Minister Nirmala Sitharaman announced that individuals with an annual income of Rs 25 lakh will benefit from Rs 1.1 lakh in tax relief under the new provisions of Union Budget 2025.

### 3) GST

- **ITC Distribution Across States to Ease GST Compliance**

Finance Minister Nirmala Sitharaman proposed amendments to the Goods and Services Tax (GST) laws to enhance trade facilitation. One notable proposal is the distribution of Input Tax Credit (ITC) across multiple states, benefiting businesses operating in various locations. This measure aims to streamline tax credits for companies with a presence in multiple states, thereby simplifying compliance and promoting ease of doing business.

- **Introduction of Unique ID to Curb GST Evasion**

The government has introduced Unique Identification Marking (UIM) as a track and trace mechanism to combat GST evasion in select commodities like tobacco products. The GST Council has approved an amendment defining UIM as a secure, non-removable digital stamp or mark, ensuring transparency in the supply chain. Non-compliance will attract penalties up to Rs. 1 lakh or 10% of the tax payable. This initiative aligns with global anti-evasion standards and aims to strengthen GST compliance while reducing tax leakages in high-risk sectors.

- **Track and Trace Mechanism Introduced for GST Compliance**

The Union Budget 2025-26 has introduced a Track and Trace Mechanism under Section 148A of the CGST Act to curb tax evasion in high-risk commodities. This system will require businesses to affix a Unique Identification Mark (UIM) on select goods to monitor their movement throughout the supply chain. Non-compliance will attract penalties of Rs. 1 lakh or 10% of the tax payable, whichever is higher. This initiative aims to enhance transparency,

prevent invoice fraud, and strengthen GST enforcement.

- **Finance Bill 2025 Proposes Reduction in Pre-Deposit for GST Appeals**

The Finance Bill 2025 proposes an amendment to Section 107 of the Central Goods and Services Tax (CGST) Act, aiming to reduce the pre-deposit requirement for filing appeals related to e-way bill violations. Currently, taxpayers are required to pre-deposit 25% of the penalty amount when appealing such cases. The proposed amendment seeks to lower this pre-deposit to 10%, thereby easing the financial burden on businesses during the appeal process. This change is expected to facilitate a more accessible and efficient dispute resolution mechanism within the GST framework.

- **Conditions and Restrictions for Filing Returns**

Certain conditions and restrictions for filing returns are to be included, aiming to streamline the compliance process.

- **Definitions of Local Fund and Municipal Fund**

The budget includes definitions for these terms as used in the definition of local authority, providing clarity for tax purposes.

## 4) Finance

- **Support for First-Time Entrepreneurs**

A new scheme has been introduced to provide term loans of up to Rs. 2 crore to 5 lakh first-time women, Scheduled Castes (SC), and Scheduled Tribes (ST) entrepreneurs over the next five years. This initiative aims to promote entrepreneurship among underrepresented groups.

- **Fund of Funds for Startups**

An allocation of Rs. 10,000 crore has been made under the Fund of Funds for Startups, aiming to support entrepreneurial ventures and innovation. This move is expected to indirectly benefit students and young professionals pursuing entrepreneurial careers post-education.

- **Foreign Direct Investment (FDI)**

The budget proposes raising the FDI limit in the insurance sector to 100%, aiming to attract more foreign investment and strengthen the sector.

## 5) Other highlights

- **Infrastructure Development**

An Urban Challenge Fund of Rs. 1 lakh crore has been established to implement proposals for



'Cities as Growth Hubs', 'Creative Redevelopment of Cities', and 'Water and Sanitation'. This fund will finance up to 25% of the cost of bankable projects, with at least 50% of the cost funded from bonds, bank loans, and public-private partnerships.

- **Agricultural Initiatives**

A national mission has been launched to boost crop productivity, targeting 17 million farmers. The budget also raises subsidized credit limits for farmers, aiming to enhance agricultural output and support rural economies.

- **Fiscal Deficit Target**

The government has set a fiscal deficit target of 4.4% of GDP for the fiscal year 2025-26, down from a revised 4.8% for the current year. To fund the deficit, gross market borrowing is projected at Rs. 14.82 trillion.

- **Boosting Womens Economic Empowerment**

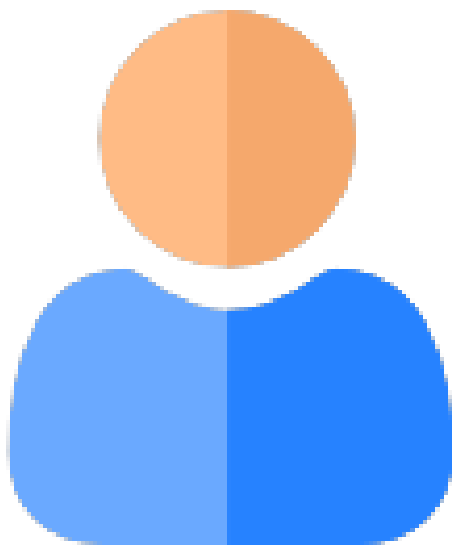
Womens empowerment is a key focus of Budget 2025, with initiatives designed to enhance female participation in the economy. A new scheme for first-time women entrepreneurs will provide term loans up to Rs. 2 crore, supporting business ventures across sectors. The budget sets a target of 70% female participation in economic activities through skill development, mentorship, and credit access. Additionally, rural women will benefit from the Rural Prosperity and Resilience Program, fostering financial independence and promoting leadership roles in cooperatives.

- **Economic Support for the Lower Middle Class**

The lower middle class will benefit from targeted welfare programs and employment opportunities. The PM Street Vendors AtmaNirbhar Nidhi (PM SVANidhi) scheme has been revamped with higher loan limits and UPI-linked credit cards, improving credit access for street vendors and small entrepreneurs. Additionally, over 8 crore children, 1 crore pregnant women, and lactating mothers will receive enhanced support through the Saksham Anganwadi and Poshan 2.0 programs, ensuring better nutrition. The government is also expanding affordable housing under the SWAMIH Fund 2, aiming to complete 1 lakh residential units.



## Our Profile



DASA & CO is a seasoned Tax Consultancy firm based in the city of Bangalore. Established three years ago, we have built a reputation for offering top-notch financial services.

Our mission is to provide unparalleled tax services with a focus on accuracy, timeliness, and client satisfaction. We strive to simplify complex tax regulations for our clients, ensuring compliance and maximizing savings. Our team is dedicated to staying abreast of the ever-evolving tax laws, offering proactive advice and tailored solutions.

Our vision is to be a leading tax firm renowned for delivering exceptional and innovative tax solutions. We aspire to empower our clients with comprehensive, personalized tax strategies, enhancing their financial health and compliance. We are committed to nurturing a professional environment where trust, integrity, and expertise are the cornerstones.

We specialize in both direct and indirect taxation. From income tax to GST, we offer a one-stop solution for all your tax-related

concerns.

Our dedicated team consists of 5 highly skilled professionals. Each member brings a unique set of skills, ensuring that we provide comprehensive solutions tailored to your needs.

Over the years, we have had the privilege of working with a diverse clientele. From small businesses to large corporations, we deliver exceptional service to all.

Our firm is not just about numbers; we believe in building long-term relationships. Trust and transparency are the cornerstones of our practice.

We understand the complexities of the financial landscape and are committed to staying ahead of the curve. Our team is always updated with the latest tax laws and regulations.

Efficiency and accuracy are our hallmarks. Our streamlined processes ensure that we deliver timely and accurate services, every time.

At DASA & CO, your financial well-being is our top priority. Partner with us and experience unparalleled financial solutions that drive your business forward.

Technology is at the core of our operations. We employ modern software tools and digital platforms to make our services more accessible and efficient for our clients.

Sustainability and social responsibility are important to us. We engage in ethical practices and are committed to contributing positively to our community.

# SERVICES PROVIDED



Department	Heading	Service
Audit	Auditing Services	Our meticulous auditing practices help you maintain transparency and adhere to financial standards. Our meticulous auditing practices help you maintain transparency and adhere to financial standards.
GST	GST Compliance	From registration to return filing, we handle all your GST needs, ensuring full compliance with laws.
Income Tax	ITR Filing	Personal ITR Filing for individuals.
Income Tax	Tax Planning	Tax planning for businesses efficiently.
Income Tax	Income Tax Consultancy	We offer expert advice on income tax planning and filing, helping you optimize your tax liabilities.
Personal Finance	Financial Planning	We provide personalized financial planning services aimed at achieving your long-term financial goals.
Business Support Services	Payroll Management	Outsource your payroll to us and focus on your core business activities, while we handle the complexities.
Accounting	Accounting	Monthly Outsourcing of your accounts

We hope you found this edition of our newsletter informative and valuable. If you have any further questions or inquiries, please don't hesitate to reach out to us at the following contact details. Your feedback and inquiries are always welcome. Thank you for trusting us to be your source of knowledge and insights.



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