

Key Takeaways from Union Budget 2025

Dear Investors,

The Union Budget 2025, presented by Finance Minister Nirmala Sitharaman, marks a significant step towards economic simplification and growth. Key highlights include:

- ✓ **Income Tax Relief** – No income tax up to ₹12 lakh, with a significant rationalization of tax slabs, enhancing disposable income and boosting consumption. A new **Income Tax Bill** is set to be tabled next week, aiming to further simplify tax structures.
- ✓ **TDS Compliance Eased** – Higher TDS thresholds will improve compliance and reduce the burden on taxpayers.
- ✓ **Boost for GIFT City** – Several measures were introduced to promote India's financial hub, reinforcing its position as a global financial services center.
- ✓ **FDI in Insurance Increased** – Foreign Direct Investment (FDI) limit in the insurance sector has been increased from **74% to 100%**, opening avenues for greater capital inflows.
- ✓ **Gig Worker Recognition & Social Security** – 1 crore gig workers will now receive formal recognition, with the government introducing an identity card and registration framework for their welfare.
- ✓ **Agriculture & MSME Credit Expansion** –
 - ❖ **Kisan Credit Card limit** increased to **₹5 lakh** (from ₹3 lakh), ensuring better credit flow to farmers.
 - ❖ **MSME credit cover** raised to **₹10 crore** (from ₹5 crore), aiding small businesses.
- ✓ **Startup Support** – A new **₹10,000 crore Alternate Investment Fund (AIF)** will be launched, expanding the existing startup funding ecosystem.
- ✓ **Manufacturing & Export Growth** –
 - ❖ A new scheme for the **footwear and leather sector** aims to generate **22 lakh jobs**, contributing **₹400 crore** in revenues and boosting exports to **₹1.1 lakh crore**.
 - ❖ The **toy sector** will see policy support to establish India as a **global toy manufacturing hub**, enhancing skills, clusters, and innovation.
- ✓ **Relief for Senior Citizens** – Tax exemption on **interest income for senior citizens increased to ₹1 lakh**, providing greater financial security.

The numbers in this Budget remain **conservative and credible**, reinforcing confidence in government finances. These measures are expected to stimulate growth, simplify taxation, and enhance India's global competitiveness.

For any further insights or discussions, feel free to reach out.

Best Regards,

Sowilo Investment Managers Team