# Redefine.
# Reinvent.
# Rise.

## Key Highlights of the Union Budget 2025-26

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Union Budget 2025-26

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# Foreword

Redefine. Reinvent. Rise.

As India advances towards its vision of Viksit Bharat 2047, the Union Budget 2025-26 emerges as a critical policy instrument designed to promote sustainable growth, strengthen fiscal resilience, and establish a supportive environment for both individuals and businesses alike. At a time when the global economic landscape remains dynamic and complex, this budget underlines the government's commitment to structural reforms, inclusive development, and strategic investments that drive long-term economic prosperity.

The Union Budget is a blueprint that determines economic priorities, influences business decisions, and lays the groundwork for national progress. The finance minister identified four engines of development—Agriculture, MSMEs, investments, and exports—while initiating transformative reforms across six domains: taxation, power sector, urban development, mining, financial sector, and regulatory reforms. The budget places a strong emphasis on the Make in India campaign to enhance economic resilience. Key initiatives include the launch of a National Manufacturing Mission for MSMEs, targeted support for small businesses, positioning India as a global hub for toy manufacturing, incentivizing green technologies, and boosting domestic solar panel production. Additionally, the finance minister introduced revised MSME classification criteria, doubling turnover limits and increasing investment thresholds by 2.5 times.

Infrastructure development remains a priority, with INR 1.5 trillion going to states in interest-free loans and INR 10 trillion directed towards new projects under the Asset Monetisation Plan 2025–30. Simultaneously, the government's emphasis on investment in people—through programs like Saksham Anganwadi and Poshan 2.0, broadband expansion in rural schools, and 50,000 new Atal Tinkering Labs—underscores the critical role of human capital in economic transformation.

On the fiscal front, the government has struck a compromise between prudent budgetary management and growth aspirations. With total receipts (excluding borrowings) projected at INR 3.147 trillion and total expenditure at INR 4.716 trillion for FY25-26, the fiscal deficit stands at 4.4% of GDP despite the personal tax relief measures. The fiscal deficit for FY25 will remain at 4.8% of GDP, slightly below the earlier estimate of 4.9%.

Taxation remains a cornerstone of this budget, with significant reforms aimed at simplification and ease of compliance. On the personal tax front, budget proposes no income tax for individuals upto INR 1.2 million and changes in slabs would result in reduction of taxes for all taxpayers opting for new regime. The exemption on the second home (if not let out) and the increased TCS limit on LRS from INR 0.7 million to INR 1 million further ease the burden on taxpayers. Moreover, TDS thresholds have been raised in several cases.

The budget also introduced corporate tax measures, including a presumptive taxation scheme for non-resident service providers in the electronics manufacturing sector, setting a deemed profit of 25%, effectively reducing the tax rate below 10%. The International Financial Services Centre (IFSC) received multiple incentives, including an extended sunset date until 2030. Additionally, benefits for startups have been extended to those incorporated up to 2030.

A key structural reform is the introduction of a High-Level Committee for Regulatory Reforms, which will review all non-financial sector regulations, certifications, licenses, and permissions to enhance the ease of doing business. Additionally, the FDI limit for the insurance sector will be raised from 74% to 100%, further opening the economy to foreign investments.

Budget 2025 also brings key indirect tax reforms on the import duties, exemptions on life-saving medicines, and simplifying custom duty rates to just eight categories aimed at boosting domestic manufacturing, easing trade, and driving economic growth. Compliance has been simplified with quarterly reporting, extended import utilization periods, and streamlined customs duty rates. The GST updates incorporate the 55th Council decisions, such as Plant and Machinery, a track-and-trace mechanism, ITC reversals, and new provisions for SEZ/FTWZ goods.

The finance minister also announced the forthcoming New Tax Bill, which aims to adopt a “trust first, scrutinize later” approach. The new legislation will be significantly shorter, reducing its complexity and providing greater tax certainty for taxpayers. This move is expected to simplify compliance and reduce litigation.

As India navigates its economic trajectory, policy clarity and strategic foresight remain crucial. This budget serves as both a reflection of current priorities and a guide for the future—shaping decisions for businesses, investors, and policymakers alike.

This publication explores the nuances of the Union Budget 2025-26 by providing an in-depth analysis of its key provisions, implications, and opportunities. As the business landscape evolves, understanding these shifts will be essential for strategic planning and sustained growth.

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# Economic Overview

## Journey of Development

**Engines of Development**
- Agriculture
- MSME
- Investment
- Exports

**The Fuel**
Reforms

**Guiding Spirit**
Inclusivity

**Destination**
*Viksit Bharat*

## Aspirations for *Viksit Bharat*

1. Secure Inclusive Development
2. Accelerate Growth
3. Enhance Spending Power of India's Rising Middle Class
4. Invigorate Private Sector Investments
5. Uplift Household Sentiments

# India's Economic Survey 2025: Key Highlights and Insights

## Gross Domestic Products (GDP)

As per the first advance estimates released by the National Statistical Office, Ministry of Statistics & Programme Implementation (MoSPI), the real gross domestic product (GDP) growth for FY25 is estimated to be 6.4%.

- From the angle of aggregate demand in the economy, private final consumption expenditure at constant prices is estimated to grow by 7.3%, driven by a rebound in rural demand.
- Private final consumption expenditure (PFCE) as a share of GDP (at current prices) is estimated to increase from 60.3% in FY24 to 61.8% in FY25. This share is the highest since FY03.
- Gross fixed capital formation (GFCF) (at constant prices) is estimated to grow by 6.4%.
- On the supply side, real gross value added (GVA) is also estimated to grow by 6.4%.
- The agriculture sector is expected to rebound to a growth of 3.8% in FY25.
- The industrial sector is estimated to grow by 6.2% in FY25. Strong growth rates in construction activities and electricity, gas, water supply and other utility services are expected to support industrial expansion.
- Growth in the services sector is expected to remain robust at 7.2%, driven by healthy activity in financial, real estate, professional services, public administration, defence, and other services.

## Inflation Trends

The RBI and the IMF have projected that India's consumer price inflation will progressively align towards the inflation target in FY26. In December 2024 RBI's Monetary Policy, the committee report revised its inflation projection from 4.5 % to 4.8 % in FY25. IMF has projected an inflation rate of 4.4 % in FY25 and 4.1 % in FY26 for India.

- India's headline inflation, measured by the Consumer Price Index (CPI), has moderated in FY25 (April-December) compared to FY24. This decline is primarily due to a significant decrease in core inflation, which dropped by 0.9% points between FY24 and FY25 (April-December).
- A decrease in fuel price inflation has also contributed to the moderation in headline inflation, alleviating pressure on household budgets. In general, the decline in retail inflation can be attributed to a reduction in input prices, as reflected in wholesale price inflation, which was in the deflationary zone (-0.7 %) in FY24 and remained low in FY25 (April-December).
- Vegetables and pulses together hold a total weightage of 8.42 % in CPI basket. However, their contribution to the overall inflation stood at 32.3 % in FY25 (April to December). When these items are excluded, the average food inflation rate for FY25 (April-December) was 4.3%, which is 4.1% lower than the overall food inflation. Similarly, the average headline inflation would be 3.2% when the vegetables and pulses inflation rate were excluded, 1.7% lower than the actual headline inflation.

## Trade

- India’s services trade surplus helped balance the overall trade deficit. India remains the seventh-largest global services exporter, and remittances from abroad contributed to a manageable current account deficit (CAD) of 1.2% of GDP in Q2 FY25.
- India's total exports (merchandise + services) have shown positive momentum in the first nine months of FY25, reaching USD 602.6 billion, witnessing a YoY growth of 6%. Total imports during April-December 2024 reached USD 682.2 billion, registering a YoY growth of 6.9%.
- A more significant increase in overall imports compared to exports led to a rise in the overall trade deficit from USD 69.7 billion during April-December 2023 to USD 79.5 billion in the corresponding period of FY25.
- India aims to diversify its export markets, with total exports reaching USD 35.87 billion in FY24 for textiles, apparel, and handicrafts. The government is promoting export-linked incentives for high-value goods such as electronics and pharmaceuticals.
- Services sector exports remained resilient, growing 11.6% in the first nine months of FY25, boosting net services receipts to USD 131.3 billion, up from USD 120.1 billion in FY24.

## Foreign Exchange Reserves

India’s foreign exchange reserves increased from USD 616.7 billion at the end of January 2024 to USD 704.9 billion in September 2024 before moderating to USD 634.6 billion as in January 2025.

India’s forex reserves are sufficient to cover 90 % of external debt and provide an import cover of more than ten months, thereby safeguarding against external vulnerabilities.

## Fiscal Deficit

India’s fiscal deficit reached USD 10.53 billion in April-December FY25, 56.7% of the annual estimate, widening from 55% last year. Expenditure stood at USD 391.76 billion, and receipts were USD 280.97 billion . The government aims to reduce the fiscal deficit to 4.9% of GDP by FY25, down from 5.6% the previous year.

## External Debt

- India’s external debt has remained stable over the past few years. The external debt to GDP ratio rose slightly from 18.8 % of the GDP at the end of June 2024 to 19.4 % at the end of September 2024.
- India’s merchandise exports grew by 1.6 % YoY in April – December 2024.33 However, non-petroleum exports (on the same comparison basis) were up by 7.1 %. Non- petroleum and non-gems and jewellery exports rose by 9.1 %. Merchandise imports rose by 5.2 %.
- India's external debt remains manageable, supported by healthy forex reserves. These reserves cover 90% of external debt and provide a buffer against potential external shocks. The decline in global commodity prices has improved the outlook for managing external debt, contributing to overall external sector stability.

## Foreign Investment

- FDI recorded a revival in FY25, with gross FDI inflows increasing from USD 47.2 billion in the first eight months of FY24 to USD 55.6 billion in the same period of FY25, a YoY growth of 17.9 %.
- FDI inflows into India have surpassed the USD 1 trillion mark from April 2000 to September 2024, solidifying the country's position as a safe and significant global investment destination. According to data from the Department for Promotion of Industry and Internal Trade (DPIIT), the cumulative FDI inflows, which include equity inflows, reinvested earnings, and other capital, reached USD 1,033.4 billion during this period.
- From a sectoral perspective, the services sector remains the largest recipient of FDI, accounting for 19.1 % of total equity inflows in H1 of FY25. Other significant sectors attracting foreign investments include computer software and hardware (14.1 %), trading (9.1 %), non-conventional energy (7 %), and cement & gypsum products (6.1 %).

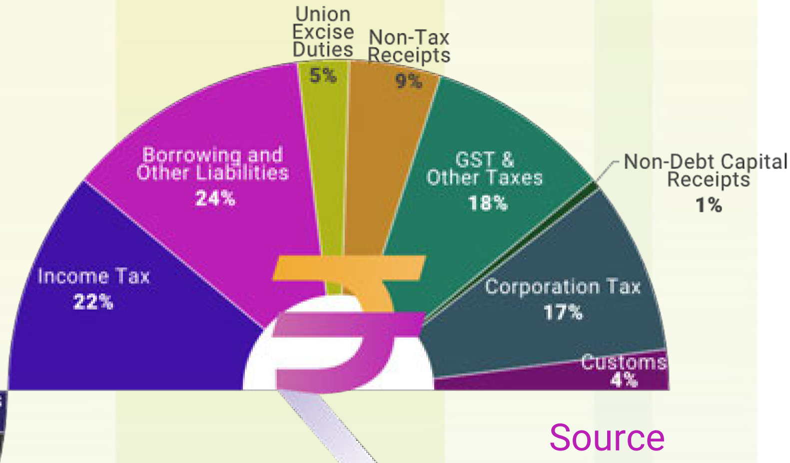
## Path to 'Viksit Bharat' and Policy Directions

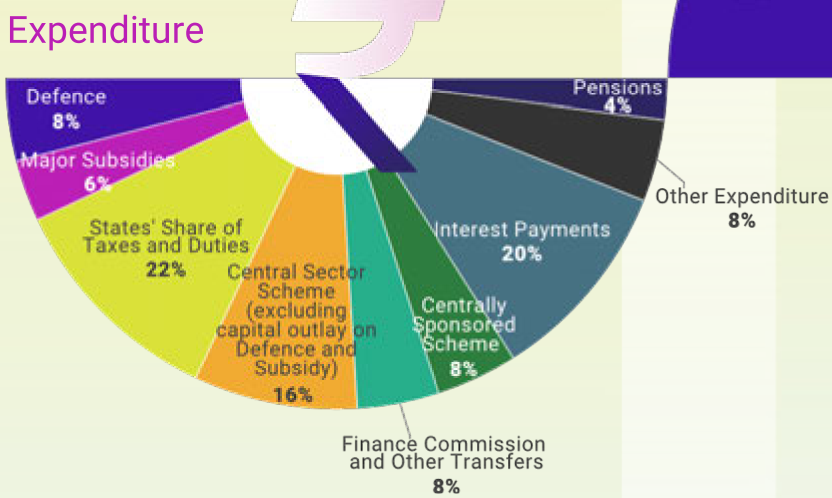
The Economic Survey 2025 highlights deregulation as a cornerstone for India's long-term growth, emphasizing the need for large-scale infrastructure investments to sustain economic expansion. The report also assesses India's future in light of geo-economic fragmentation (GEF), China's strategic dominance, and evolving global trade dynamics.

## The Road Ahead

With a focus on inclusive growth, investment-driven expansion, and digital transformation, the Economic Survey 2025 sets the stage for India's economic ambitions in the coming decade. However, addressing income disparities, gender pay gaps, and inflationary pressures remains critical to achieving sustainable progress. Strengthening climate resilience, AI-driven productivity, and deeper global integration will be key to India's next growth phase.

## Rupee Comes From




## Rupee Goes To

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# Key Direct Tax Proposals

The said proposals will be effective after the Finance Bill 2025 (as finally approved by the legislature) receives the assent of the Hon'ble President of India.

All the proposals mentioned in this booklet are effective for Assessment Year 2026-27 (Financial Year 2025-26) unless specified otherwise.

## New Income Tax Bill

- Finance Minister announced that the New Income-tax bill will be released for discussion in the coming week.
- It is further announced that the new bill will be clear and direct in text with close to half of the present law in terms of both chapters and words. It will be simple for taxpayers and tax administration to understand, leading to tax certainty and reduced litigation.

## Personal Income Tax

### Tax rates for individual and HUFs

- No changes are proposed under the old tax regime.
- Changes proposed in the new tax regime for individuals/Hindu Undivided Family (HUFs):

| Total Income | Revised slab rates under new regime |
|---|---|
| Up to INR 0.4 million | NIL |
| From INR 0.4 million to INR 0.8 million | 5% |
| From INR 0.8 million to INR 1.2 million | 10% |
| From INR 1.2 million to INR 1.6 million | 15% |
| From INR 1.6 million to INR 2.0 million | 20% |
| From INR 2.0 million to INR 2.4 million | 25% |
| Above INR 2.4 million | 30% |

- Benefits to Individual taxpayers with different levels of income under the Existing and Proposed New Tax Regime:

| Income | Tax as per existing rates | Tax as per proposed rates (Considering Rebate) | Total Benefit |
|---|---|---|---|
| 0.8 million | 0.03 million | NIL | 0.03 million |
| 1.2 million | 0.08 million | NIL | 0.08 million |
| 2 million | 0.29 million | 0.2 million | 0.09 million |
| 2.4 million | 0.41 million | 0.3 million | 0.11 million |
| 3.5 million | 0.74 million | 0.63 million | 0.11 million |
| 5 million | 1.19 million | 1.08 million | 0.11 million |

- It is proposed to increase the rebate to INR 0.06 million from existing INR 0.025 million on income other than income chargeable at special rates.

**Our Comments**

An increase in the threshold limits is much awaited and a welcome move by the government. This would result in substantial tax savings for individual taxpayers. The table above depicts the tax savings under the new regime as per existing and proposed rates.

## Annual value of self-occupied property

It is proposed that the annual value of the property consisting of a house, or any part thereof shall be taken as NIL (available for two houses), if the owner occupies it for his residence or cannot occupy it due to any other reason.

## Deduction on contribution to the NPS Vatsalya Scheme

It is proposed that the existing provision be amended to extend the tax benefit to the account under the newly launched NPS Vatsalya Scheme for minors.

## Exemption to individuals on withdrawals from the National Savings Scheme (NSS)

In order to provide relief to individuals, it is proposed that withdrawals from NSS, including interest, shall be exempt from income tax. This amendment is proposed to be effective from 29 August 2024 retrospectively.

## Changes in the perquisite limit of employees

It is proposed to amend the existing perquisite rules to increase the exemption limits with respect to certain amenities and benefits received by employees.

# Corporate Tax Rate

Corporate tax rates for domestic as well as foreign entities remain unchanged.

# Non-Residents

## Harmonization of Significant Economic Presence

It is proposed that the transactions or activities of a non-resident in India, which are confined to the purchase of goods in India for the purpose of export, shall not constitute a significant economic presence of such non-resident in India.

## Presumptive Taxation for entities engaged in electronic system design and manufacturing business

- A presumptive taxation scheme is proposed for non-residents providing services or technology for setting up electronic manufacturing facilities or in connection with the manufacturing of electronic goods to a resident company under a prescribed Government Scheme.
- It is proposed that 25% of the gross receipts will be treated as profits from the business, which in turn will result in an effective tax rate of 9.56% on gross receipts. Further, no set-off of unabsorbed depreciation or loss brought forward shall be allowed.

## Rationalization of tax of Business Trust

- Under the existing provisions, the total income of a business trust is taxed at the maximum marginal rate (MMR), except income earned from short-term capital gains and long-term capital gains not being equity shares or units of an equity-oriented fund or units of a business trust.
- In order to rationalize the provisions, it is now proposed that the long-term capital gains on equity shares or units of equity-oriented funds or units of a business trust shall be taxable at special rates (12.5%) as against MMR.

## Incentives for Inland Transportation

Currently, the Tonnage tax scheme is applicable only to specified shipping companies. It is proposed that the tonnage tax scheme be extended to inland transportation as well.

## Tax incentives to the International Financial Services Centre (IFSC)

In order to attract and promote additional activities in the IFSC, it is proposed to extend certain specific benefits to entities set up in the IFSC as stated below:

- Sunset date for commencement of operations in IFSC extended to 31 March 2030 for availing exemptions / deductions.
- Exemption from capital gains on the relocation of offshore funds to IFSC extended to retail schemes, and Exchange- traded funds (ETFs).
- Exemptions on dividends received by units in IFSC from IFSC company extended to ship leasing business (earlier was limited to the business of aircraft leasing).
- Exemption to non-residents on gains / income from offshore derivative instruments extended to transactions entered with FPIs (earlier was limited to offshore banking unit).
- Rationalization of the definition of dividend for corporate treasury center in IFSC.
- Exemption for life insurance policies issued by life insurer.
- Simplified regime for fund managers based in IFSC.

# Simplification, Rationalization, and Other Significant Measures

## Rationalization of Carry forward of losses in case of Amalgamation

Under the existing provisions, accumulated loss of the amalgamating/predecessor company is deemed to be the loss of the amalgamated/ successor company in the year in which such amalgamation takes place.

In order to bring parity with the non-amalgamation cases, it is proposed to allow the carry forward of such losses only for eight assessment years beginning from the year in which such losses were computed for the original amalgamating/predecessor company.

### Our Comments

While the proposal seeks to bring parity with non-amalgamated cases and to curb the evergreening of losses, it may adversely affect the M&A transactions. Further, there is an ambiguity on which date would be relevant, i.e., date of filing of the scheme, or the appointed date or, the effective date.

## Extension of tax benefits to start-ups

Sunset date for incorporation of start-ups eligible for claiming tax holiday is proposed to be extended to 31 March 2030 from 31 March 2025.

### Our Comments

Relaxation relating to start-ups is certainly an encouraging move for the start-up fraternity.

## Rationalization of long-term capital gains tax rate on transfer of securities by non-residents

In order to bring parity in the taxation of residents and Foreign Portfolio Investors (FPI) with respect to long-term capital gain on securities, it is proposed to increase the tax rate from 10% to 12.5%.

## Rationalization on taxability of income on redemption of Unit Linked Insurance Policy (ULIP)

In order to rationalize the provisions of ULIPs, it is proposed that ULIPs that are not eligible for exemption under the existing provision should be be considered as a capital asset, and thus, any income from such ULIPs shall be treated as capital gains.

## Extension of time limit for filing Updated Return

- Under the existing provisions, an updated return can be filed up to 24 months from the end of the relevant assessment year.
- With a view to pushing the taxpayers towards voluntarily filing updated returns, it is proposed to extend the time limit for filing the updated return to 48 months from the existing 24 months except in cases where show cause notice for reassessment has been issued.
- The rate of additional income tax payable for updated return is to be computed as percentage of aggregate tax and interest payable as stated below:

| | Additional Tax | | | |
|---|---|---|---|---|
| Period up to | 12 months | 24 months | 36 months | 48 months |
| % | 25% | 50% | 60% | 70% |

## Expansion of definition of virtual digital assets

The government has been putting constant efforts to tap into the transactions entered by taxpayers in Virtual Digital Assets and has also laid down the taxability of the same. With a view to further deepen the tax base, it is proposed to expand the definition of virtual digital assets to 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 whether or not already included in the original definition.

It is also proposed to introduce reporting requirements for such crypto-assets.

## Definition of capital assets for AIFs

It is proposed to amend that any security held by investment funds which has invested in such security in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, would be treated as a capital asset, and any income arising from transfer of such security would be in the nature of capital gains.

**Our Comments**

This is a welcome move by the government. Thus, going forward, securities held by Category I and Category II AIFs would be treated as capital asset, hence the controversy of Capital gain v/s Business Income is put to rest.

# Tax Deduction and Collection at Source (TDS/TCS)

Finance Act 2024 brought a reduction of TDS rates for different types of payments to rationalize TDS provisions. In order to further rationalize the TDS/TCS provisions, it is proposed to increase threshold limits for the following types of payments:

| Section | Current threshold | Proposed threshold |
|---|---|---|
| **Section 193 - Interest on securities** | Nil | INR 10,000 |
| **Section 194 - Dividend for an individual shareholder** | INR 5,000 | INR 10,000 |
| **Section 194A - Interest other than Interest on securities** | (i) Senior Citizen: INR 50,000<br>(ii) Others (payer is bank, cooperative society and post office) – INR 40,000<br>(iii) In all other cases – INR 5,000 | (i) Senior Citizen: INR 100,000<br>(ii) Others (payer is bank, cooperative society and post office) – INR 50,000<br>(iii) In all other cases – INR 10,000 |
| **Section 194B – Winnings from lottery, crossword, puzzle** | Aggregate of amounts exceeding INR 10,000 during financial year | INR 10,000 in respect of a single transaction |
| **Section 194BB - Winnings from horse race** | Aggregate of amounts exceeding INR 10,000 during financial year | INR 10,000 in respect of a single transaction |
| **Section 194D – Insurance Commission** | INR 15,000 | INR 20,000 |
| **Section 194G – Income by way of commission, prize, etc on lottery tickets** | INR 15,000 | INR 20,000 |
| **Section 194H – Commission of Brokerage** | INR 15,000 | INR 20,000 |
| **Section 194-I – Rent** | INR 240,000 during Financial Year | INR 50,000 per month or part of the month |
| **Section 194J – Fees for Professional or Technical services, Royalty or any sum referred in Section 28(va)** | INR 30,000 | INR 50,000 |
| **Section 194K - Income in respect of units** | INR 5,000 | INR 10,000 |
| **Section 194LA – Income by way of enhanced compensation** | INR 250,000 | INR 500,000 |

- Apart from the above, it is also proposed to bring down the TDS rate on income earned by a resident investor from an investment in a securitization trust to 10% from the existing 25% (in the case of an individual or HUF payee) and 30% in the case of any other person.
- It is proposed to do away with the provisions of TCS in case of the sale of goods, considering the fact that the obligation to deduct tax on the purchase of goods is already in place.
- Apart from the above, the government has also proposed to increase the threshold limit for TCS for remittance under the Liberalized Remittance Scheme to INR 1,000,000 as against the existing threshold of INR 700,000. It is also proposed that no TCS is required if remittance is made out of a loan obtained from a specified financial institution for the purposes of education.
- It is proposed that higher TDS/TCS rates be removed for non-filers of income tax returns.

### Our Comments

In the previous year, the government rationalized TDS/TCS provisions by reducing rates on certain payments. In the current year, it is proposed to increase the threshold limits for certain payments and also remove certain genuine difficulties, such as the applicability of TDS and TCS on the same transactions, as well as doing away with the applicability of higher rates in case of non-filers of tax return. This clearly indicates the government's intention to ease the taxpayers' compliance burden.

# Penalties and Prosecution

## Extension of Time Limit for granting Immunity from Penalty

- Presently, the Assessing Officer merely has a time limit of one month to accept or reject the application of immunity from penalty from the date of application being filed by the taxpayer.
- In order to provide a reasonable time period for the taxpayers to represent their case, it is proposed to extend the processing time of applications seeking immunity from penalty from one month to three months from the end of the month in which such applications are received.

## Rationalization of process in case of Penalties

It is proposed to confer the powers to impose certain penalties in the hands of the authority responsible for passing the assessment orders, i.e., the Assessing Officer (subject to approval from Joint Commissioners).

## Rationalization in Time Limit to Impose Penalty

Under the existing provisions, multiple timelines are prescribed to impose penalties under different scenarios. It is proposed to keep a single date for passing of the penalty, which would be six months from the end of the quarter in which the connected proceedings are completed, or the order of appeal is received, or the order of revision is passed, or the notice for the imposition of penalty is issued, as the case may be.

## Exemption from Prosecution for delayed payment of TCS in certain cases

- Under the existing provisions, where a taxpayer fails to deposit the TCS, the same is considered a punishable offense with rigorous imprisonment for a term that shall not be less than 3 three months but may extend to seven years with a fine.
- It is proposed that an exemption from prosecution be provided if the payment of TCS is made before the due date of furnishing the TCS statements with respect to the specified quarter.

# Transfer Pricing

Introduction of Block Assessment aiming to streamline Transfer Pricing ('TP') litigation and ease the administrative burden on Transfer Pricing Officers (TPOs)

- The government has made efforts to streamline TP assessments by introducing block assessments, where the arm's length price determined in relation to the international transaction or specified domestic transaction ('SDT') by the TPO for any previous year shall apply to similar transactions for two consecutive years immediately following such previous year.
- The benefit of block assessments shall be available to the taxpayer by making an application to the TPO in the prescribed form. The template of the form and manner of making such an application, along with the timelines to opt for such an option by the taxpayer, is yet to be prescribed. The TPO is bound to declare the validity of the form within one month from the end of the month in which the taxpayer exercises such option.
- No new reference to the TPO for subsequent years will be required during this period, simplifying compliance for taxpayers and reducing the administrative workload for authorities and any existing references will be considered invalid.
- These benefits of block assessments will not apply to cases under search and seizure.
- In cases where the TPO has determined the arm's length price (ALP) for a previous year and validated the taxpayer's option for applying the same ALP to the subsequent two consecutive years, the Assessing Officer (AO) must recompute the taxpayer's total income based on the ALP determined by the TPO or as directed by the Dispute Resolution Panel (DRP) for the block assessment period.
- The AO is required to undertake the re-computation within three months from the end of the month in which the assessment is completed or three months from the end of the month in which the order of assessment or any intimation or deemed intimation is made.

## Points for consideration

- The criteria for determining 'similar transactions' are yet to be prescribed, which may lead to subjective interpretations based on factors such as the entities involved, transaction quantum, and location of associated enterprises.
- The TPO may still need to call for additional information and evaluate transaction details to determine 'similar transactions,' potentially limiting the intended relief from the compliance burden for the taxpayer during assessments.
- It is unclear whether the taxpayer can appeal if the TPO rejects the option by deeming it invalid.
- It needs to be clarified whether the taxpayer can opt for only one year.
- It needs to be clarified whether the taxpayer can opt for a few transactions.
- While at the TPO level, a block assessment would be done; however, the provisions do not discuss the consolidated first-level appeal, which could add to the administrative burden.
- Certain scenarios which need further thought process are captured below:

| | FY 25-26 (Year 1) | FY 26-27 (Year 2) | FY 27-28 (Year 3) |
|---|---|---|---|
| Due Date for Form 3CEB | 31-Oct-26 | 31-Oct-27 | 31-Oct-28 |
| Selection of Case for Normal Scrutiny | 30-Jun-27 | 30-Jun-28 | 30-Jun-29 |
| Reference to TPO | 31-Mar-28 | 31-Mar-29 | 31-Mar-30 |
| Due Date for AO Order (No TP Reference) | 31-Mar-28 | 31-Mar-29 | 31-Mar-30 |
| Due Date for TPO Order | 31-Jan-29 | 31-Jan-30 | 31-Jan-31 |
| Due Date for Draft AO Order | 31-Mar-29 | 31-Mar-30 | 31-Mar-31 |

Given the above table, it would be critical to evaluate whether

- Taxpayer would need to opt for block assessment for Years 2 and 3 latest by 31 December 2029, to allow the TPO one month to determine the validity of the block assessment.
- Further, if the AO has not referred the case to the TPO in Year 2 till 31 December 2029, whether the taxpayer would be inclined to go for block assessment, more so if it appears to the taxpayer that there may be a TP adjustment possible in Year 1.
- Further, if in Year 3, the case has not been selected for normal scrutiny by the AO, the taxpayer may not be inclined to go for block assessment.
- Accordingly, each case is to be evaluated based on the facts of the taxpayer and the timeline involved.

### Our Comments

The introduction of block assessments, covering three-year period, aims to provide taxpayers with an alternative to annual assessments, offering more balanced outcomes and reduced litigation. This move aligns with India's agenda of improving the ease of doing business and fostering a more favorable environment for global trade and investment. However, the success of this framework will largely depend on the detailed provisions, administrative implementation, facts and timelines involved, and effective clarifications.

Unlike many other jurisdictions where tax authorities automatically test transactions over multiple years, India offers taxpayers the flexibility and control to opt for block assessments, allowing them to choose multi-year ALP determination based on their specific circumstances. However, in the current aggressive TP audit environment, this could be challenging, as taxpayers may hesitate to exercise this option due to uncertainty regarding the outcome of the first year's assessment.

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# Key Indirect Tax Proposals

## Goods and Services Tax

to be made effective from a date to be notified except otherwise provided

### Credit Notes

A supplier issuing a Credit Note will now be able to reduce his output tax liability only if –

- The registered recipient has reversed the ITC attributable to such Credit Note, or
- Incidence of tax on such supply has not been passed to any other person, in other cases.

**Our Comments**

While the tax authorities have been already directing the taxpayers to provide evidence of reduction of ITC by the registered recipients, the same was not categorically covered in the law. The above amendment will now empower the tax authorities to seek appropriate evidences for providing benefit of reduction of output tax liability on account of the issuance of Credit Notes.

However, from the perspective of taxpayers as well as tax authorities, it will be very difficult to monitor and track the reversal of proportionate ITC by the registered recipients.

### Litigation related

For filing appeals before Commissionerate Appeals /Appellate Tribunals, payment of pre-deposit has now been extended even for orders demanding penalty without involving tax demand (upto 10% of the penalty in the order, at each appellate authority).

**Our Comments**

The above amendment will affect taxpayers' cash flow in various appeal scenarios. In appeals related to E-way bill matters, a pre-deposit of 25% of the penalty amount was previously mandated, but under the new provisions, only 10% will be required to be paid where goods were released on furnishing of bond or security. In other cases involving no tax demands, where no pre-deposit was required earlier, a pre-deposit of 10% will now be required to be paid for filing appeals.

## Supply of goods warehoused in a Special Economic Zone ('SEZ')/Free Trade Warehousing Zone ('FTWZ')

Supply of goods warehoused in a SEZ or FTWZ to any person before clearance of such goods for exports or to the Domestic Tariff Area shall be treated neither as supply of goods nor as supply of services.

No refund of taxes, if any, will be allowed on such transactions before insertion of said clause.

### Our Comments

The above amendment has been specifically proposed to bring the said transaction at par with the existing provision for transactions in the Customs bonded warehouse. The Appellate Authority for Advance Ruling, Tamil Nadu, in case of M/s. Panasonic Life Solutions India (P) Ltd. had taken a similar view that the activity of supply of goods warehoused in an SEZ/FTWZ is not to be considered as supply of goods nor supply of services as the same gets covered within the ambit of "Supply of warehoused goods to any person before clearance for home consumption."

## Track and Trace Mechanism

It is proposed to develop a mechanism to trace specified commodities (for instance, tobacco products, pan masala, etc.) throughout the supply chain, which will be enabled by way of affixation of a Unique Identification Marking ('UIM') containing specific information.

The Central Government will specify the goods and the persons or class of persons who are in possession or deal with such goods.

Further, penal provisions have also been introduced for non-compliance with the above provision. Non-compliance will attract a penalty of INR 0.1 Million or 10% of the tax payable, whichever is higher.

### Our Comments

The said amendment is mainly focusing on tracking and tracing specified evasion-prone commodities such as pan masala, gutkha, brick kilns, and sand mining, with an aim to make these sectors more organized, and ultimately to plug revenue leakages.

## Input Service Distributor (ISD) related

The definition of ISD has been widened to include for distribution of GST paid under reverse charge on inter-state supplies. Appropriate amendments in other provisions relating to ISD have also been proposed to include the distribution of Input Tax Credit ('ITC') of such GST paid under reverse charge.

## Taxability of Vouchers

Provisions relating to Time of Supply with respect to vouchers have been omitted.

### Our Comments

As a result of the said amendment, the perplexing issue revolving around the taxability of vouchers has been put to rest.

Further, vouchers may now be taken completely out of the GST net by treating the same as transactions in money (if said vouchers can be treated as 'Prepaid Instruments' as per RBI) or actionable claims (if not money). The same has been clarified vide Circular No. 243/37/2024-GST dated 31 December 2024.

## Blocked Credit (retrospectively effective from 01 July 2017)

The word 'Plant or Machinery' has been substituted with the words 'Plant and Machinery' in Section 17(5)(d) of the CGST Act, 2017.

Further, an explanation has been inserted to nullify the impact of any previous contrary judgment, decree, or order of any court.

### Our Comments

The purpose of the proposed amendment is to remove any ambiguity in the interpretation of the law for the purpose of availing ITC on goods or services or both used for construction of immovable property. This amendment has been introduced to overcome the impact of the Supreme Court judgment in the case of M/s. Safari Retreats Private Limited [TS-622-SC-2024-GST] wherein ITC in relation to the construction of immovable property was held to be eligible based on the interpretation of the term "plant or machinery" rather than "plant and machinery" along with application of functionality test.

# Customs

## 2-year time limit for completion of provisional assessment

A definite time limit of two years has been prescribed for the finalization of provisional assessments. The Commissioner of Customs may extend such a period by one year if sufficient cause is shown. Further, for the pending cases, the time limit shall be reckoned from the date of Presidential assent to the Finance Bill 2025.

However, the above time limit would not be applicable in certain circumstances, which include requests for information from an authority outside India, pending appeals in higher courts, interim stay orders, specific direction by the Board, and pending applications with the Settlement Commission / Interim Board. However, in such scenarios, the proper officer must inform the importer/exporter about the reason for the non-finalization of the provisional assessment.

### Our Comments

While such provisional assessments are governed by the Customs (Finalization of Provisional Assessment) Regulations, 2018, which prescribe the timelines and manner therefor, the inordinate delays in completing the assessments often led to the importers/exporters to approach the Courts of law for relief. In the case of Uniexcel Polychem Pvt. Ltd. [1] and Om Gems and Jewellery[2], the Delhi High Court had acknowledged these concerns. Further, in the case of Bihar Foundry & Castings Ltd. [3], demand was dropped by the Jharkhand High Court as the assessment was finalized after six to nine years, holding that such time-barred assessments are legally untenable.

Accordingly, the prescribed time limit will help reduce the hardships faced by the importers in finalizing their Bills of Entry, particularly in cases involving SVB or DRI investigations. This would mitigate the interest burden and uncertainty for trade and industry.

## Voluntary revision of entry, post-clearance

The importers and exporters can now voluntarily revise an entry after the clearance of goods. This provision would enable the rectification of inadvertent errors in the declarations made in the bills of entry/shipping bills without resorting to the amendment mode as prescribed in Section 149, which requires documentary evidence as in existence at the time of clearance and the approval of the proper officer. If the revised entry results in a shortfall in the liability, the importer or exporter must pay the duty along with interest. Conversely, if excess duty has been paid, the revised entry will be treated as a refund claim. The Customs officers can, however, verify and re-assess the revised entries based on risk evaluation criteria to ensure compliance.

Certain cases are excluded from this provision, including situations where an audit, search, seizure, or summons has been initiated, cases where the duty has already been assessed under specific sections, and any other instances specified by the Board via official Notification.

### Our Comments

This amendment aims to enhance transparency and compliance in Customs procedures while offering importers and exporters a structured mechanism for correcting post-clearance entries, backing the tax department's commitment to "trust first, scrutinize later."

1. *2015 (9) TMI 29 - DELHI HIGH COURT*
2. *2024 (387) E.L.T. 575 (Del.)*
3. *W.P.(T) No. 5161 of 2022*

## Time limit prescribed for claiming refund and recovery of duties

Pursuant to the above, Sections 27 and 28 of the Customs Act, which govern refunds and recovery of duties, respectively, have been amended to prescribe a time limit of one year and two years for claiming refund and recovery of taxes, respectively, post such revision.

The amendment in Section 27 also clarifies the limitation period for claiming refunds in cases where documents have been amended under Section 149. It has been stated that the one-year limitation period to claim a refund would begin from the date of payment of duty or interest.

**Our Comments**

Said amendment clears the ambiguity surrounding the time limit for claiming a refund – whether it should be calculated from the date of amendment or from the date of payment of duty.

## Relaxation in compliance under Customs (Import of Goods at Concessional Rate of Duty) Rules

The time limit for fulfilling end-use obligations has been extended from six months to one year. Further, importers can file quarterly statements instead of on a monthly basis.

# Customs Tariff

The Government has rationalized the custom duty rates by reducing 15 tariff rates to 8 effective tariff rates. Further, it has been proposed to reduce the tariff rates from 25%, 30%, 35% and 40% to 20%; and from 150%, 125%, and 100% to 70%. The below key changes shall be effective from 02 February 2025 unless otherwise mentioned:

Agriculture Infrastructure and Development Cess (AIDC) has been hiked up to 70% on certain products, including marbles, granite, PVC flex films and sheets, footwear, solar cells, modules and semiconductors, motor vehicles (new and used) and laboratory chemicals falling under CTH 9802 00 00, etc. However, the Social Welfare Surcharge (SWS) has been exempted for these goods.

A comprehensive review has been undertaken with respect to 25 conditional exemptions/concessional rate entries in Notification No. 50/2017-Customs, whose validity is expiring by 31 March 2025. After review, 24 entries have been continued for varying periods with modification in a few entries, while one entry would lapse, viz. Heat Coil for use in the manufacture of Electric Kitchen Chimneys falling under CTH 84146000.

Basic Customs Duty (BCD) exemption has been extended to imports of ground installations for satellites and payloads and the spares and consumables of such installations.

BCD exemption has also been extended to specified drugs and medicines, subject to such products being supplied free of cost to patients under the Patient Assistance Programme (PAP) run by pharmaceutical companies.

The key changes to BCD rates are summarized below:

1. Increase in Tariff Rate (w.e.f. 02 February 2025)

| Commodity | Old Rate | New Rate |
|---|---|---|
| **Knitted Fabrics** | 10%/20% | 20% or ₹115/kg |
| **Interactive Flat Panel Displays (CBU)** | 10% | 20% |

2. Decrease in Tariff Rate (w.e.f. 01 May 2025)

| Commodity | Old Rate | New Rate |
|---|---|---|
| Plates, sheets, films, foils, and strips of plastics that are non-cellular, not reinforced, and not combined with other materials. | 25% | 20% |
| Waterproof and other types of footwear made with outer soles and uppers of rubber, plastics, leather, or textile materials, including various assembly methods, and materials. | 35% | 20% |
| Metal Waste and Scrap | Various | Nil |
| Solar Cells, solar modules and other semiconductor devices | Various | 20% |
| Motor Vehicles, Yachts and other vessels | Various | 20% |
| Motor cars and motor vehicles for the transport of persons | Various | 70% |

3. From 2 February 2025, BCD on many items dropped to nil or significantly lower rates, aiming to promote industry growth and reduce import costs. Key BCD reductions include aquafarming products, leather, metals, IT and electronics components, and toys.

4. Further, it has proposed to reduce the BCD on motor cars and other motor vehicles with a CIF value of more than USD 40,000 or with engine capacity of more than 3000cc for petrol-run vehicles and more than 2500cc for diesel-run vehicles or with both, from 100% to 70%. Similar reduction has been given to motorcycles depending on their engine capacity (upto or above 1600cc) and import condition (CKD, SKD, CBU) [w.e.f. 02 February 2025]

5. 35 capital goods for use in the manufacture of lithium-ion batteries for EVs and 28 capital goods for use in the manufacture of lithium-ion batteries for mobile phones have also been added to the list of exempted capital goods.

# Settlement Commission

## Cessation of Settlement Commission for Customs and Excise matters

The Settlement Commission shall cease to exist from 1 April 2025, and an Interim Board shall be set up for settlement of pending applications. A registered person can file the application for settlement of cases pertaining to liability not paid or short paid on account of misclassification, under-valuation, inapplicability of exemption Notification, or CENVAT credit.

Any settlement application filed or order pending on or before 1 April shall be construed as a 'pending application', and the same shall be dealt with by the Interim Board as per the manner prescribed.

Redefine. Reinvent. Rise.

# Sectoral Announcements

## Agriculture and Food Processing

### Prime Minister Dhan-Dhaanya Krishi Yojana

The Government will launch the Prime Minister Dhan-Dhaanya Krishi Yojana in collaboration with states, targeting 100 districts with low agricultural productivity and moderate crop intensity. The focus will be on enhancing agricultural productivity, promoting crop diversification and sustainable farming practices, improving post-harvest storage at the panchayat and block levels, strengthening irrigation facilities, and facilitating both long-term and short-term credit access.

### Rural Prosperity and Resilience Program

A multi-sectoral program will be launched to boost rural prosperity through investments, skill development, technology, and rural economic growth. Special focus will be placed on rural women, young farmers, rural youth, marginal and small farmers, and landless families. Phase-1 will cover 100 developing agri-districts, aiming to create sustainable employment and reduce rural migration.

### National Mission on High Yielding Seeds

A mission will be launched to strengthen the research ecosystem for developing high-yielding, pest-resistant, and climate-resilient seeds. The goal is to commercialize over 100 new seed varieties released since July 2024, boosting agricultural productivity and sustainability.

### Enhanced Credit through Kisan Credit Cards (KCC)

The loan limit under the Modified Interest Subvention Scheme will increase from INR 0.3 million to INR 0.5 million for loans taken through KCC. This will provide easier access to short-term loans for farmers, fishermen, and dairy farmers, benefiting 77 million individuals.

The budget puts a strong focus on improving agricultural productivity and sustainability, which is crucial for India's rural economy. Initiatives like the Prime Minister Dhan-Dhaanya Krishi Yojana, Rural Prosperity and Resilience, and the National Mission on High Yielding Seeds are designed to uplift farmers and boost rural livelihoods. Strengthening supply chains through large-scale vegetable clusters, Farmer-Producer Organizations (FPOs), and agri-tech solutions will help farmers get better returns. This will also help in better liquidity with farmers resulting into increased consumptions.

Investments in digital infrastructure and enhanced limits of Kisan Credit Cards will help the farmers to easily access funds and support. The creation of the National Institute of Food Technology, Entrepreneurship, and Management will further reduce dependency on food imports and promote domestic processing, leading to increased value addition and more employment opportunities. These steps collectively lay a strong foundation for India to become more self-sufficient in food production while enhancing the agricultural sector's resilience.

# Healthcare

## Cancer Day Care Centers

The government has recognized that cancer has become one of the leading causes of mortality in the country. Treatment facilities for cancer are not adequate enough to address the current patient pool spread across the country. Hence, cancer day-care centers will be opened in all district hospitals of the country in the next three years and 200 of these will be established in 2025-26. The total number will introduce an excess of 600 day-care centers and create additional capacity in the healthcare system while bringing down the cost of cancer treatment. Further, this will ease accessibility of cancer treatment across the country.

## Pradhan Mantri Jan Arogya Yojana (PM-JAY)

Post covid, a significant number of youth has become part of the gig economy where they do not have access to any social security benefits as they are not employed with any online platform/organization. Hence, the FM has announced that they will arrange for registration for these workers on the e-Shram portal and these workers will be provided with access to healthcare under the PM-JAY policy. This is expected to benefit 10 million gig workers across the country.

## Broadband Connectivity to Primary Healthcare Centers (PHCs)

PHCs were getting upgraded to Health and Wellness Centers (HWCs) under the Aayushman Bharat initiative. Now they will also be connected via the high-speed broadband network under the Bharat net scheme.

## Medical Tourism & Heal in India

Medical tourism and heal in India will be promoted in collaboration with the private sector. It will also facilitate easier medical visas for patients arriving in the country for treatment.

The Union Budget 2025-26 strengthens India's healthcare sector with an allocation of INR 998.59 billion, marking a 9.78% increase from INR 909.59 billion in 2024-25 . With a strong focus on expanding healthcare access and infrastructure, this budget reinforces the government's commitment to building a healthier and more resilient India.

The government has continued its focus on improving the healthcare sector in India via both increased spending and better health outcomes. It has taken an integrated approach in building the foundational blocks of a robust, self-sufficient, and reliable healthcare industry.

The consistent push in creating capacity by increasing number of medical seats at undergraduate and post graduate levels and creating 200 Cancer daycare centres, will enhance cancer care and reduce burden on tertiary care hospitals, are some steps in that direction. The reduction in BCDs on life saving drugs and the bulk drugs in their production is a significant step in increasing access and affordability for the patients.

It is commendable that the government has understood the importance of new age service economies and has stepped in to support gig economy workers with social security benefits via the e-Shram portal.

Connecting the PHCs with broadband is a crucial step in enhancing connectivity of HWCs with the district hospitals. It will enhance the quality of care provided as PHCs especially in rural and remote areas of the country. There are more than 30,000 PHCs in India hence the impact will be significant, and it will also expedite the upgradation process to HWCs.

The expansion of FDI limits for insurance sector is a welcome move that is bound to bring in more players leading to more competition and better products. However, it is yet to be determined whether it will be via the automatic route or via the government approval route.

The renewed push for medical tourism, backed by easier visa norms will bring significant economic benefits by improving healthcare affordability while fostering long term growth in the sector.

While the government has announced a lot steps in the right direction there are few areas where more was expected from the budget. Rationalization of GST on medical devices, long demanded reduction in custom duties on essential medical equipment, and more support for R&D are few areas which could have been addressed. The budget has outlined several initiatives aimed at strengthening the healthcare sector, offering hope for long-term benefits to the country.

## Manufacturing

National Manufacturing Mission: A mission to support 'Make in India' with policy backing, execution roadmaps, and a governance framework for industries of all sizes.

Footwear & Leather Sector: A focus product scheme to boost productivity, quality, and competitiveness. Aims to create 2.2 million jobs, generate INR 4 trillion in turnover, and exports of INR 1.1 trillion.

Toy Sector: A scheme to transform India into a global toy hub, focusing on clusters, skills, and a sustainable manufacturing ecosystem for innovative, high-quality toys.

Export Promotion Mission: The Export Promotion Mission will be launched, driven jointly by the Ministries of Commerce, MSME, and Finance, with sectoral and ministerial targets. This initiative aims to provide easier access to export credit, cross-border factoring support, and help Medium and Small Enterprises (MSMEs) tackle non-tariff barriers in international markets. MSMEs, which contribute to 45% of India's exports, will benefit from enhanced investment and turnover limits—set at 2.5 times and 2 times respectively—enabling them to scale up, upgrade technology, and improve access to capital.

"The Manufacturing Mission" is a crucial step in advancing the Make in India initiative, especially considering the challenges that many MSMEs have faced in recent years. By simplifying business processes, providing skill development, and enhancing MSME competitiveness through better technology and quality standards, these reforms will make a real difference. MSMEs, which have been burdened by high costs, regulatory complexities, and limited technology access, during the recent times will now be empowered to grow.

Raising investment and turnover limits for MSMEs by 2.5 times and 2 times respectively, will help them scale up, attract more investment, and strengthen local manufacturing. The government has also introduced measures like better credit guarantees, micro-enterprise credit cards, and regulatory ease to improve global competitiveness. Special focus on labor-intensive sectors is key to generating employment and fostering entrepreneurship. Additionally, the Focus Product Scheme for footwear and leather, along with the Toy Sector Scheme, will drive higher productivity, better exports, and create a more robust manufacturing ecosystem, all while strengthening India's self-reliance and reinforcing the Made in India brand.

## Infrastructure

Public-Private Partnership (PPP) in Infrastructure: Ministries will outline a 3-year pipeline of PPP projects. States can access IIPDF support for proposal development.

State Infrastructure Support: INR 1.5 trillion allocated as 50-year interest-free loans. Funds to boost capital expenditure and incentivize reforms.

Global Capability Centers (GCCs): A national framework to promote GCCs in tier-2 cities. Focus on talent, infrastructure, and industry collaboration.

Asset Monetization Plan 2025-30: A new plan will be launched to reinvest INR 10 trillion into new projects. Regulatory and fiscal measures will be refined to support implementation.

India's infrastructure push in this budget is a well-timed move to accelerate growth and attract private investment. With ministries preparing structured PPP project pipelines and states getting financial support, project execution should become faster and more efficient. The Asset Monetization Plan 2025-30 is crucial, as reinvesting INR 10 trillion from existing assets into new projects can bridge funding gaps. The INR 1.5 trillion interest-free loan for states will encourage much-needed capital expenditure, especially in sectors like transport and urban development. Giving private players access to PM Gati Shakti data is a smart step, as better planning can reduce delays and cost overruns. If executed well, these initiatives can modernize infrastructure, boost job creation, and enhance India's global competitiveness.

## Foreign Direct Investment (FDI)

Insurance:  FDI in insurance raised to 100% for companies investing premiums in India. Conditions to be simplified.

Mergers: Fast-track approvals and streamlined processes for company mergers.

Bilateral Investment Treaties: Model BIT to be revamped for investor-friendliness, following two agreements signed in 2024.

Regulatory Reforms: A High-Level Committee will review non-financial sector regulations to ease compliance and inspections.

Investment Friendliness Index: State-wise ranking to promote competitive cooperative federalism in 2025.

Global Supply Chains: Targeted support for domestic manufacturing in key sectors, with facilitation groups for select products. Industry 4.0 and high-skill opportunities will be leveraged, with a focus on the electronic equipment industry.

The increase in the FDI limit in the insurance sector to 100% will help attract more foreign investment. This will also foster competition in the sector. The proposal to widen the scope of fast-track mergers is likely to expedite outcomes and reduce the burden on tribunals.

## Power and Energy

Clean Tech Manufacturing: A mission to support clean tech manufacturing, enhancing domestic value addition in solar PV cells, EV batteries, motors, controllers, electrolyzers, wind turbines, transmission equipment, and grid-scale batteries.

Nuclear Energy Mission: Aiming for 100 GW of nuclear energy by 2047, amendments to the Atomic Energy Act and Civil Liability for Nuclear Damage Act will foster private sector partnerships in energy transition efforts.

The budget's focus on clean tech manufacturing will reduce India's reliance on imports and strengthen its renewable energy sector. Supporting the production of solar PV cells, wind turbines, and EV batteries will foster innovation and job creation in green technologies. This aligns with India's push for energy self-sufficiency and climate goals.

# About Nexdigm

Nexdigm is an employee-owned, privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise enables us to provide customized solutions for our clients.

We provide integrated, digitally driven solutions encompassing Business and Professional Services, that help companies navigate challenges across all stages of their life-cycle. Through our direct operations in the USA, Poland, UAE, and India, we serve a diverse range of clients, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries.

Our multidisciplinary teams serve a wide range of industries, with a specific focus on healthcare, food processing, and banking and financial services. Over the last decade, we have built and leveraged capabilities across key global markets to provide transnational support to numerous clients.

From inception, our founders have propagated a culture that values professional standards and personalized service. An emphasis on collaboration and ethical conduct drives us to serve our clients with integrity while delivering high quality, innovative results. We act as partners to our clients, and take a proactive stance in understanding their needs and constraints, to provide integrated solutions. Quality at Nexdigm is of utmost importance, and we are ISO/IEC 27001 certified for information security and ISO 9001 certified for quality management.

We have been recognized over the years by global organizations, like the International Accounting Bulletin and Euro Money Publications, World Commerce and Contracting, Everest Group Peak Matrix® Assessment 2022, for Procurement Outsourcing (PO) and Finance and Accounting Outsourcing (FAO), ISG Provider Lens™ Quadrant 2023 for Procurement BPO and Transformation Services and Global Sourcing Association (GSA) UK.

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