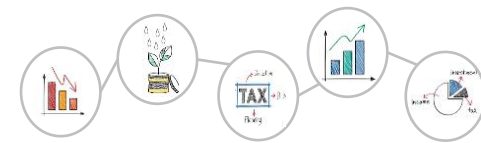


UNION BUDGET 2025

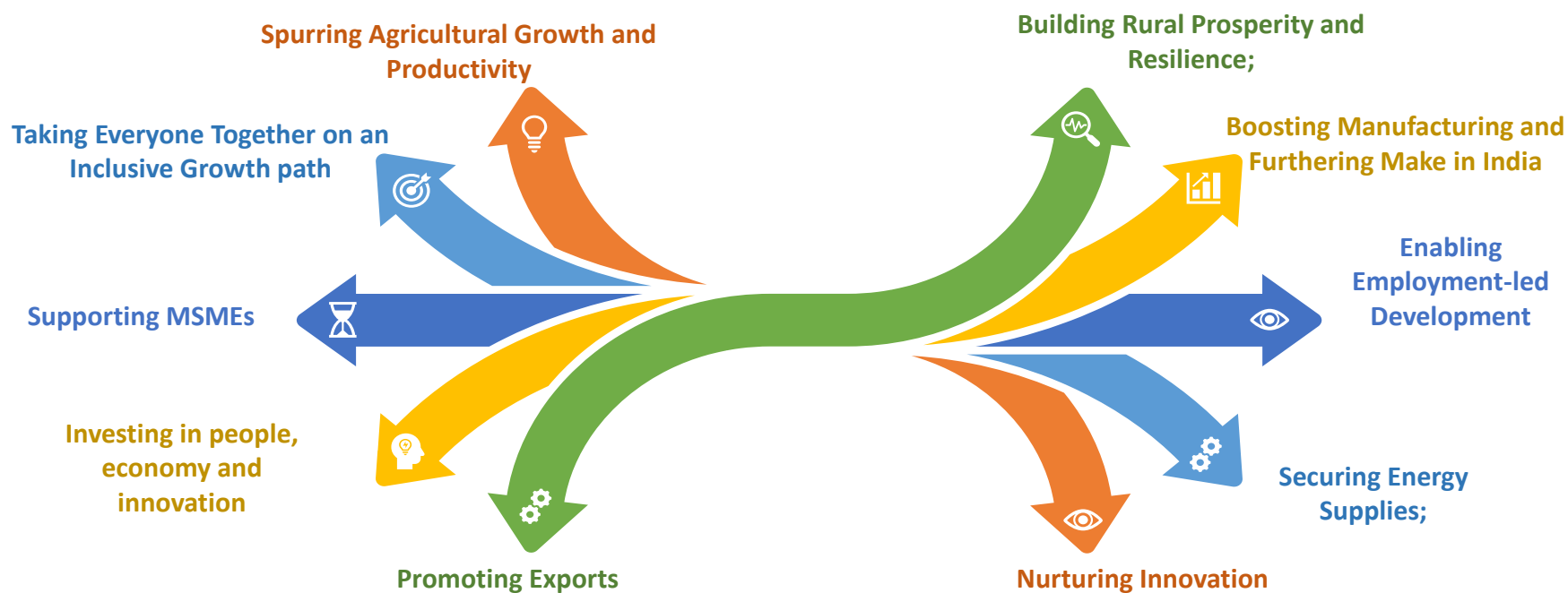




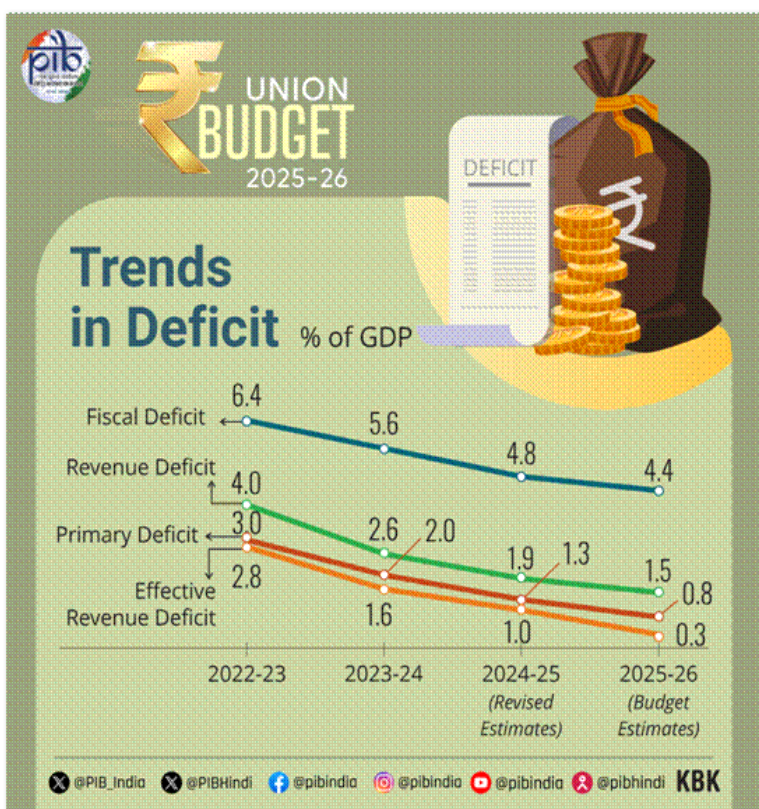
'A country is not just its soil; a country is its people.'

Key Thrust Areas

- Accelerate growth and unlock the nation's potential with a focus on inclusive development & consumption, and
- Initiate reforms in primarily 6 domains — **Agriculture, MSME, investments in people, infrastructure and innovation, exports, regulatory reforms in financial sector, and taxation**



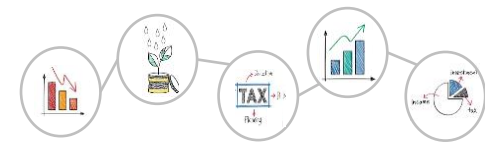
A. FISCAL ESTIMATES



- Total receipts other than borrowings ~ ₹ 34.96 lakh crores & the total expenditure at ₹ 50.65 lakh crores.
- The net Tax receipts are estimated at ₹ 28.37 lakh crore.
- The estimated **fiscal deficit** is **4.4 % of GDP**.
- To finance the fiscal deficit in 2025-26, the net market borrowings from dated securities are estimated at ₹ 11.54 lakh crore.
- Capital expenditure outlay is ₹ 11.21 lakh crores (3.1% of GDP)

Fiscal trajectory is on the right path, though the pace is slow

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2098357>



B. AGRICULTURE - 1ST ENGINE OF DEVELOPMENT

Prime Minister Dhan-Dhaanya Krishi Yojana - Developing Agri Districts Programme

The programme to be launched in partnership with the states, covering 100 districts with low productivity, moderate crop intensity and below-average credit parameters, to benefit 1.7 crore farmers.

Building Rural Prosperity and Resilience

Comprehensive multi sectoral programme to be launched partnership with states to address under-employment in agriculture through skilling, investment, technology, and invigorating the rural economy.

Aatmanirbharta in Pulses

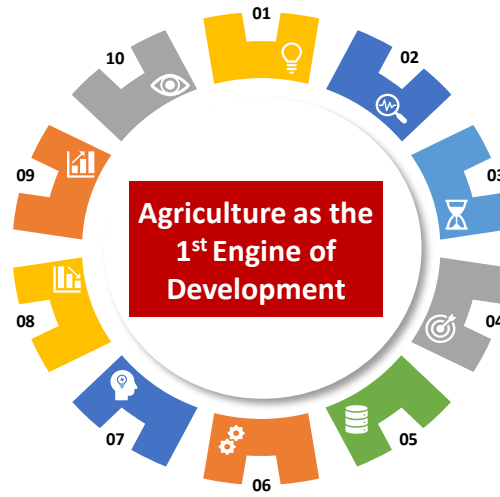
- Government to launch a 6-year "Mission for Aatmanirbharta in Pulses" with focus on Tur, Urad and Masoor.
- NAFED and NCCF to procure these pulses from farmers during the next 4 years.

Comprehensive Programme for Vegetables & Fruits

A comprehensive programme to promote production, efficient supplies, processing, and remunerative prices for farmers to be launched in partnership with states.

Makhana Board in Bihar

A Makhana Board to be established to improve production, processing, value addition, and marketing of makhana.



National Mission on High Yielding Seeds

A National Mission on High Yielding Seeds to be launched aiming at strengthening the research ecosystem, targeted development and propagation of seeds with high yield, and commercial availability of more than 100 seed varieties.

Fisheries

Government to bring a framework for sustainable harnessing of fisheries from Indian Exclusive Economic Zone and High Seas, with a special focus on the Andaman & Nicobar and Lakshadweep Islands.

Mission for Cotton Productivity

A 5-year mission announced to facilitate significant improvements in productivity and sustainability of cotton farming, and promote extra-long staple cotton varieties.

Enhanced Credit through KCC

The loan limit under the Modified Interest Subvention Scheme to be enhanced from ₹ 3 lakh to ₹ 5 lakh for loans taken through the KCC.

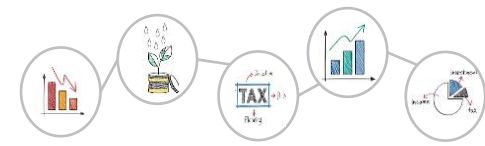
Urea Plant in Assam

A plant with annual capacity of 12.7 lakh metric tons to be set up at Namrup, Assam.

C. MSMEs - 2ND ENGINE OF DEVELOPMENT

SN	Policy Change	Measures
1	Manufacturing Mission - Furthering "Make in India"	A National Manufacturing Mission covering small, medium and large industries for furthering "Make in India" announced.
2	Revision in classification criteria for MSMEs	The investment and turnover limits for classification of all MSMEs to be enhanced to 2.5 and 2 times respectively.
3	Credit Cards for Micro Enterprises	Customized Credit Cards with ₹ 5 lakh limit for micro enterprises registered on Udyam portal, 10 lakh cards to be issued in the first year.
4	Fund of Funds for Startups	A new Fund of Funds, with expanded scope and a fresh contribution of ₹ 10,000 crore to be set up.
5	Scheme for First-time Entrepreneurs	A new scheme for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs to provide term-loans upto ₹ 2 crore in the next 5 years announced.
6	Focus Product Scheme for Footwear & Leather Sectors	To enhance the productivity, quality and competitiveness of India's footwear and leather sector, a focus product scheme announced to facilitate employment for 22 lakh persons, generate turnover of ₹ 4 lakh crore and exports of over ₹ 1.1 lakh crore.
7	Support for Food Processing	A National Institute of Food Technology, Entrepreneurship and Management to be set up in Bihar.
8	Measures for the Toy Sector	A scheme to create high-quality, unique, innovative, and sustainable toys, making India a global hub for toys announced.





D. INVESTMENT - 3rd ENGINE OF DEVELOPMENT

Investing in Skills

Investing in Infra

Investing in Innovation

Upskilling of Human Resources

SN	Policy Change	Measures
1	National Centres of Excellence for Skilling ring Mission	5 National Centres of Excellence for skilling to be set up with global expertise and partnerships to equip our youth with the skills required for "Make for India, Make for the World" manufacturing.
2	Broadband Connectivity to Government Secondary Schools and PHCs	Broadband connectivity to be provided to all Government secondary schools and primary health centres in rural areas under the Bharatnet project.
3	Atal Tinkering Labs	50,000 Atal Tinkering Labs to be set up in Government schools in next 5 years.
4	Centre of Excellence in AI for Education	A Centre of Excellence in Artificial Intelligence for education to be set up with a total outlay of ₹ 500 crore.
5	Expansion of medical education	10,000 additional seats to be added in medical colleges and hospitals next year, adding to 75000 seats in the next 5 years.
6	Strengthening urban livelihoods	A scheme for socio-economic upliftment of urban workers to help them improve their incomes and have sustainable livelihoods announced.
7	PM SVANidhi	Scheme to be revamped with enhanced loans from banks, UPI linked credit cards with ₹ 30,000 limit, and capacity building support.
8	Expansion of Capacity in IITs	Additional infrastructure to be created in the 5 IITs started after 2014 to facilitate education for 6,500 more students
	Social Security Scheme for Welfare of Online Platform Workers	Government to arrange for identity cards, registration on e-Shram portal and healthcare under PM Jan Arogya Yojna, for gig-workers.x

Thrust on Infrastructure and Connectivity

Support to States for Infrastructure

₹ 1.5 L Cr outlay for 50 Year ZERO interest loans for Capex

Asset Monetization Plan 2025-30

2nd Plan for 2025-30 to plough back capital of ₹ 10 L crore in new projects announced.

Urban Challenge Fund

- ✓ 1 L Cr Urban Challenge Fund to implement proposals for "Cities as Growth Hubs"
- ✓ 10 k Cr "Creative Redevelopment of Cities" & "Water and Sanitation" allocated for 2025 - 26

Maritime Development Fund

₹25,000 cr Fund with ~ 49 % contribution by the Government, and the balance from ports and private sector.

UDAAN

120 new regional airports to be covered under modified UDAAN Scheme

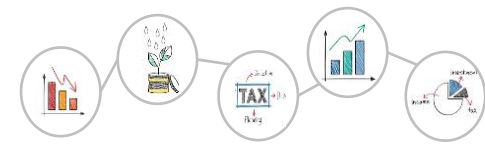
SWAMIH FUND 2

₹15,000 cr Fund towards completion of 1 L dwellings with contribution from banks and pvt investors

Tourism led growth

Top 50 tourist destination sites in the country to be developed in partnership with states through a challenge mode.





Investing in People

Investing in Economy

Investing in Innovation

Thrust on Innovation

Research, Development and Innovation

₹ 20,000 Crore to be allocated



Deep Tech Fund of Funds

To be explored to catalyze next generation startups



PM Research Fellowship

10,000 fellowships for technological research in IITs and IISc.



Gene Bank for Crops Germplasm

2nd Gene Bank with 10 lakh germplasm lines to be set up



National Geospatial Mission

Mission announced to develop foundational geospatial infrastructure and data..



Gyan Bharatam Mission

Mission to be undertaken to cover more than 1 crore manuscripts announced.



E. EXPORTS - 4TH ENGINE OF DEVELOPMENT

EXPORTS A KEY ENGINE OF GROWTH

01

Export Promotion Mission

An Export Promotion Mission, with sectoral and ministerial targets, driven jointly by the Ministries of Commerce, MSME, and Finance to be set up.



02

BharatTradeNet

'BharatTradeNet' (BTN) for international trade to be set-up as a unified platform for trade documentation and financing solutions.

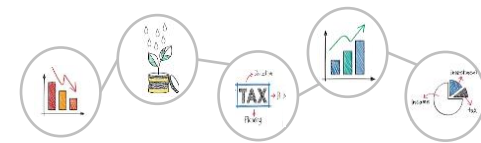


03

National Framework for GCC

A national framework to be formulated as guidance to states for promoting Global Capability Centres in emerging tier 2 cities.





F. FINANCIAL SECTOR REFORMS AND DEVELOPMENT – REFORMS AS FUEL

FDI in Insurance Sector

FDI limit for the insurance sector raised to 100 %, for those companies which invest the entire premium in India.

Credit Enhancement Facility by NaBFID

NaBFID to set up a 'Partial Credit Enhancement Facility' for corporate bonds for infrastructure.

Grameen Credit Score

Public Sector Banks to develop 'Grameen Credit Score' framework to serve the credit needs of SHG members and people in rural areas.



Pension Sector

A forum for regulatory coordination and development of pension products to be set up.

High Level Committee for Regulatory Reforms

A High-Level Committee for Regulatory Reforms to be set up for a review of all non-financial sector regulations, certifications, licenses, and permissions.

Investment Friendliness Index of States

An Investment Friendliness Index of States to be launched in 2025 to further the spirit of competitive cooperative federalism announced

Jan Vishwas Bill 2.0

The Jan Vishwas Bill 2.0 to decriminalize more than 100 provisions in various laws.

G. TAX – HUGE INCENTIVE PROVIDED

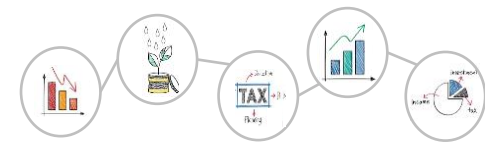
DIRECT TAX

Rationalizing TDS / TCS
Number of rates and thresholds above which TDS is deducted to be reduced

- Limit for tax deduction on interest for senior citizens to be doubled from ₹ 50,000 to ₹ 1 lakh
- Annual limit for TDS on rent to be increased from ₹ 2.40 lakh to ₹ 6 lakh
- Threshold to collect tax at source on remittances under RBI's Liberalized Remittance Scheme to be raised from ₹ 7 lakh to ₹ 10 lakh
- Only TDS and not TCS to be levied in goods sale transactions

SN	Policy Change	Measures
1	0 Tax for 12 L income and below	Under New Regime, significant tax savings and) slab is revised to 12 L Limit for salaried class ~ 12.75 L with 75,000 SD
2	Streamlining Compliance	<ul style="list-style-type: none"> for small charitable trusts/institutions by increasing their period of registration to 10 years. benefit of claiming the annual value of self-occupied properties as NIL will be extended for two such self-occupied properties without any condition
3	Extension for Start Ups	Extension of the period of incorporation by 5 years to allow the benefit available to start-ups incorporated before 1.4.2030.
4	AIFs	Certainty of taxation on the gains from securities to AIF CAT I and II which invest in infrastructure related sectors
5	Extension of investment date for Sovereign and Pension Funds -	Extension of the date of making investments in Sovereign Wealth Funds and Pension Funds by five more years, to 31st March, 2030, to promote funding from them to the infrastructure sector.
6	Transfer Pricing	Block Assessment scheme introduced to provide tax certainty in determination of Arm Length Price i.e. Assessment for block of 3 years. Once approved the same is valid for 2 consecutive subsequent years.

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INDIRECT TAX

- **Proposal to remove seven customs tariff rates for industrial goods**
- **Exemption to 36 more life saving medicines** for cancer and other rare diseases from basic customs duty
- **Boost To E-mobility:** 35 additional Capital Goods for EV battery Manufacturing Exempted From BCD.
- **Support to Domestic Manufacturing and Value addition -**
 - promote domestic production of technical textile products - agro-textiles, medical textiles and geo textiles at competitive prices
 - proposal to increase the BCD on Interactive Flat Panel Display (IFPD) to 20% and reduce the BCD to 5% on Open Cell and other components.
 - proposal to reduce the BCD to 10% on Carrier Grade ethernet switches to make it at par with Non-Carrier Grade ethernet switches
- **Export Promotion**
 - Handicraft Goods - Time period for export extended from six months to one year, further extendable by another three months, if required.
 - Leather sector: BCD on Wet Blue leather fully exempted., Crust leather exempted from 20% export duty.
- **Trade facilitation**
 - **Time limit for Provisional Assessment:** For finalising the provisional assessment, time-limit of two years fixed, extendable by a year.
 - **Voluntary Compliance:** A new provision introduced to enable importers or exporters, after clearance of goods, to voluntarily declare material facts and pay duty with interest but without penalty.
 - **Extended Time for End Use:** Time limit for the end-use of imported inputs in the relevant rules extended from six months to one year. Such importers to file only quarterly statements instead of a monthly statement.

UNION BUDGET 2025-26

Rationalization of Customs Tariff Structure for Industrial Goods

- › Seven tariff rates to be removed, over and above seven tariff rates removed in 2023-24 Budget
- › Appropriate cess to be applied, to broadly maintain effective duty incidence except on a few items
- › Social Welfare Surcharge to be exempted on 82 tariff lines that are subject to a cess

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OUR VIEW

- ✓ *Focussing on the four main powerful engines of development - Agriculture, MSME, Investment, and Exports, the budget underlined government's aim to initiate transformative reforms across six domains. During the next five years, Agriculture, MSME, investments in people, infrastructure and innovation, exports, regulatory reforms in financial sector, and taxation are expected to augment our growth potential and global competitiveness.*
- ✓ *The Union Budget 2025-26 laid emphasis on promoting economic growth. The budget clearly portrayed the Government's efforts to accelerate growth, encourage inclusive development, invigorate private sector investments, uplift household sentiments, and enhance spending power of India's rising middle class.*
- ✓ *The focus on Fiscal prudence is commendable showing a fiscal deficit target of 4.4% which for an emerging economy of India's size is impressive. and so is the fact that overall direct taxes are outgrowing indirect taxes.*
- ✓ *Red flags remain –*
 - ✓ *the worry is interest burden which has grown from INR.8.09 L cr in 2021 to INR.12.76 L cr in 2025 reflecting an increase of 58%. Interest burden alone wipes out budgeted figure of corporate taxes.*
 - ✓ *Fiscal discipline and expanding the tax net, are key to enhanced revenue management and for financing India's tremendous growth potential.*
- ✓ *Overall, Budget 2025 sets the trajectory for India's economic future. It will be crucial in determining how the government balances short-term relief with long-term strategic growth. The success of its implementation will depend on how effectively the policies are executed at the ground level.*

