

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

SUMMARY OF UNION BUDGET 2025-26

**NO INCOME TAX ON AVERAGE MONTHLY INCOME OF UPTO RS 1 LAKH; TO
BOOST MIDDLE CLASS HOUSEHOLD SAVINGS & CONSUMPTION**

**SALARIED CLASS TO PAY NIL INCOME TAX UPTO ₹ 12.75 LAKH PER ANNUM IN
NEW TAX REGIME**

**UNION BUDGET RECOGNISES 4 ENGINES OF DEVELOPMENT – AGRICULTURE,
MSME, INVESTMENT AND EXPORTS**

**BENEFITTING 1.7 CRORE FARMERS, ‘PRIME MINISTER DHAN-DHAANYA KRISHI
YOJANA’ TO COVER 100 LOW AGRICULTURAL PRODUCTIVITY DISTRICTS**

**“MISSION FOR AATMANIRBHARTA IN PULSES” WITH A SPECIAL FOCUS ON TUR,
URAD AND MASOOR TO BE LAUNCHED**

**LOANS UPTO Rs. 5 LAKHS THROUGH KCC UNDER MODIFIED INTEREST
SUBVENTION SCHEME**

**FY-25 ESTIMATED TO END WITH FISCAL DEFICIT OF 4.8%, TARGET TO BRING IT
DOWN TO 4.4% IN FY-26**

**SIGNIFICANT ENHANCEMENT OF CREDIT WITH GUARANTEE COVER TO MSMEs
FROM ₹ 5 CR TO ₹ 10 CR**

**A NATIONAL MANUFACTURING MISSION COVERING SMALL, MEDIUM AND
LARGE INDUSTRIES FOR FURTHERING “MAKE IN INDIA”**

50,000 ATAL TINKERING LABS IN GOVERNMENT SCHOOLS IN NEXT 5 YEARS

**CENTRE OF EXCELLENCE IN ARTIFICIAL INTELLIGENCE FOR EDUCATION,
WITH A TOTAL OUTLAY OF ₹ 500 CRORE**

**PM SVANIDHI WITH ENHANCED LOANS FROM BANKS, AND UPI LINKED CREDIT
CARDS WITH ₹ 30,000 LIMIT**

**GIG WORKERS TO GET IDENTITY CARDS, REGISTRATION ON E-SHRAM PORTAL
& HEALTHCARE UNDER PM JAN AROGYA YOJANA**

₹ 1 LAKH CRORE URBAN CHALLENGE FUND FOR ‘CITIES AS GROWTH HUBS’

**NUCLEAR ENERGY MISSION FOR R&D OF SMALL MODULAR REACTORS WITH
AN OUTLAY OF ₹ 20,000 CRORE**

**MODIFIED UDAN SCHEME TO ENHANCE REGIONAL CONNECTIVITY TO 120 NEW
DESTINATIONS**

**₹ 15,000 CRORE SWAMIH FUND TO BE ESTABLISHED FOR EXPEDITIOUS
COMPLETION OF ANOTHER 1 LAKH STRESSED HOUSING UNITS**

**₹ 20,000 CRORE ALLOCATED FOR PRIVATE SECTOR DRIVEN RESEARCH
DEVELOPMENT AND INNOVATION INITIATIVES**

**GYAN BHARATAM MISSION FOR SURVEY AND CONSERVATION OF
MANUSCRIPTS TO COVER MORE THAN ONE CRORE MANUSCRIPTS**

FDI LIMIT ENHANCED FOR INSURANCE FROM 74 TO 100 PER CENT

**JAN VISHWAS BILL 2.0 TO BE INTRODUCED FOR DECRIMINALISING MORE THAN
100 PROVISIONS IN VARIOUS LAWS**

**UPDATED INCOME TAX RETURNS TIME LIMIT INCREASED FROM TWO TO FOUR
YEARS**

DELAY IN TCS PAYMENT DECRIMINALISED

TDS ON RENT INCREASED FROM ₹ 2.4 LAKH TO ₹ 6 LAKH

**BCD EXEMPTED ON 36 LIFESAVING DRUGS AND MEDICINES FOR TREATING
CANCER, RARE AND CHRONIC DISEASES**

BCD ON IFPD INCREASED TO 20% AND ON OPEN CELLS REDUCED TO 5%

**BCD ON PARTS OF OPEN CELLS EXEMPTED TO PROMOTE DOMESTIC
MANUFACTURING**

**TO BOOST BATTERY PRODUCTION, ADDITIONAL CAPITAL GOODS FOR EV AND
MOBILE BATTERY MANUFACTURING EXEMPTED**

**BCD EXEMPTED FOR 10 YEARS ON RAW MATERIALS & COMPONENTS USED FOR
SHIP BUILDING**

**BCD REDUCED FROM 30% TO 5% ON FROZEN FISH PASTE AND 15% TO 5% ON
FISH HYDROLYSATE**

New Delhi, 1st February, 2025

Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman presented the Union Budget 2025-26 in Parliament today. Here is the summary of her budget speech;

PART A

Quoting Telugu poet and playwright Shri Gurajada Appa Rao's famous saying, 'A country is not just its soil; a country is its people.' – the Finance Minister presented the Union Budget 2025-26 with the theme "Sabka Vikas" stimulating balanced growth of all regions.

In line with this theme, the Finance Minister outlined the broad Principles of Viksit Bharat to encompass the following:

- a) Zero-poverty;
- b) Hundred per cent good quality school education;
- c) Access to high-quality, affordable, and comprehensive healthcare;
- d) Hundred per cent skilled labour with meaningful employment;
- e) Seventy per cent women in economic activities; and
- f) Farmers making our country the 'food basket of the world'.

The Union Budget 2025-2026 promises to continue Government's efforts to accelerate growth, secure inclusive development, invigorate private sector investments, uplift household sentiments, and enhance spending power of India's rising middle class. The Budget proposes development measures focusing on poor (Garib), Youth, farmer (Annadata) and women (Nari).

The Budget aims to initiate transformative reforms in Taxation, Power Sector, Urban Development, Mining, Financial Sector, and Regulatory Reforms to augment India's growth potential and global competitiveness.

Union Budget highlights that **Agriculture, MSME, Investment, and Exports** are engines in the journey to Viksit Bharat using reforms as fuel, guided by the spirit of inclusivity.

1st Engine: Agriculture

Budget announced 'Prime Minister Dhan-Dhaanya Krishi Yojana' in partnership with states covering 100 districts to increase productivity, adopt crop diversification, augment post-harvest storage, improve irrigation facilities, and facilitate availability of long-term and short-term credit.

A comprehensive multi-sectoral 'Rural Prosperity and Resilience' programme will be launched in partnership with states to address underemployment in agriculture through skilling, investment,

technology, and invigorating the rural economy. The goal is to generate ample opportunities in rural areas, with focus on rural women, young farmers, rural youth, marginal and small farmers, and landless families.

Union Finance Minister announced that Government will launch a 6-year “Mission for Aatmanirbharta in Pulses” with special focus on Tur, Urad and Masoor. Central agencies (NAFED and NCCF) will be ready to procure these 3 pulses, as much as offered during the next 4 years from farmers.

The Budget has outlined measures to Comprehensive Programme for Vegetables & Fruits, National Mission on High Yielding Seeds, and a five year Mission for Cotton Productivity amongst other measures to promote agriculture and allied activities in a major way.

Smt. Sitharaman announced the increase in loan limits from Rs. 3 lakh to Rs. 5 lakh for loans taken through Kisan Credit Cards under modified interest subvention scheme.



The poster for the Union Budget 2025-26 features a smiling family (a man, a woman, and a child) standing in a golden field. The text on the poster includes the Ministry of Finance logo, the Union Budget 2025-26 title, and the announcement about higher credit through Kisan Credit Cards.

विद्युत मंत्रालय
MINISTRY OF
FINANCE

₹ UNION
BUDGET
2025-26

**Higher Credit through
Kisan Credit Cards**

Loan limit under Modified
Interest Subvention Scheme to
be raised from
₹ 3 lakh to ₹ 5 lakh

*Kisan Credit Cards facilitate short term
loans for 7.7 crore farmers, fishermen, and
dairy farmers*

@PIB_India @PIBHindi @pibindia @pibindia @pibindia @pibindia @pibindia @pibindia

2nd Engine: MSMEs

Finance Minister described MSMEs as the second power engine for development as they constitute for 45% of our exports. To help MSMEs achieve higher efficiencies of scale, technological upgradation and better access to capital, the investment and turnover limits for classification of all MSMEs enhanced to 2.5 and 2 times, respectively. Further, steps to enhance credit availability with guarantee cover have also been announced.

The Finance Minister also announced the launch of a new scheme for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs. This will provide term loans up to Rs. 2 crore during the next 5 years.

Smt. Sitharaman announced that the Government will also implement a scheme to make India a global hub for toys representing the 'Made in India' brand. She added that the Government will set up a National Manufacturing Mission covering small, medium and large industries for furthering "Make in India".

3rd Engine: Investment

Defining Investment as the third engine of growth, the Union Minister prioritized investment in people, economy and innovation.

Under the **investment in people**, she announced that 50,000 Atal Tinkering Labs will be set up in Government schools in next 5 years.

Smt. Nirmala Sitharaman announced that broadband connectivity will be provided to all Government secondary schools and primary health centres in rural areas under the Bharatnet project.

She said Bharatiya Bhasha Pustak Scheme will be implemented to provide digital-form Indian language books for school and higher education.

Five National Centres of Excellence for skilling will 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.

A Centre of Excellence in Artificial Intelligence for education will be set up with a total outlay of 500 crore.

Budget announced that Government will arrange for Gig workers' identity cards, their registration on the e-Shram portal and healthcare under PM Jan Arogya Yojana.

Under the investment in Economy, Smt Sitharaman said Infrastructure-related ministries will come up with a 3-year pipeline of projects in PPP mode.

She added that an outlay of Rs 1.5 lakh crore was proposed for the 50-year interest free loans to states for capital expenditure and incentives for reforms.

She also announced the second Asset Monetization Plan 2025-30 to plough back capital of Rs 10 lakh crore in new projects.

The Jal Jeevan Mission was extended till 2028 with focus on the quality of infrastructure and Operation & Maintenance of rural piped water supply schemes through “Jan Bhagidhari”.

Government will set up an Urban Challenge Fund of Rs.1 lakh crore to implement the proposals for ‘Cities as Growth Hubs’, ‘Creative Redevelopment of Cities’ and ‘Water and Sanitation’.

Under the investment in Innovation, an allocation of ₹20,000 crore is announced to implement private sector driven Research, Development and Innovation initiative.

Finance Minister proposed National Geospatial Mission to develop foundational geospatial infrastructure and data which will benefit urban planning.

Budget proposes Gyan Bharatam Mission, for survey, documentation and conservation of more than 1 crore manuscripts with academic institutions, museums, libraries and private collectors. A National Digital Repository of Indian knowledge systems for knowledge sharing is also proposed.

4th Engine: Exports

Smt. Sitharaman defined Exports as the fourth engine of growth and said that jointly driven by the Ministries of Commerce, MSME, and Finance; Export Promotion Mission will help MSMEs tap into the export market. She added that a digital public infrastructure, ‘BharatTradeNet’ (BTN) for international trade was proposed as a unified platform for trade documentation and financing solutions.

The Finance Minister mentioned that support will be provided to develop domestic manufacturing capacities for our economy’s integration with global supply chains. She also announced that government will support the domestic electronic equipment industry for leveraging the opportunities related to Industry 4.0. A National Framework has also been proposed for promoting Global Capability Centres in emerging tier 2 cities.

The government will facilitate upgradation of infrastructure and warehousing for air cargo including high value perishable horticulture produce.

Reforms as the Fuel

Defining Reforms **as the fuel** to the engine, Smt. Sitharaman said that over the past 10 years, the Government had implemented several reforms for convenience of tax payers, such as faceless assessment, tax payers charter, faster returns, almost 99 per cent returns being on self-assessment, and Vivad se Vishwas scheme. Continuing with these efforts, she reaffirmed the commitment of the tax department to “trust first, scrutinize later”.

Financial Sector Reforms and Development

In a demonstrated steadfast commitment of the Government towards ‘Ease of Doing Business’, the Union Finance Minister proposed changes across the length and breadth of the financial landscape in India to ease compliance, expand services, build strong regulatory environment, promote international and domestic investment, and decriminalisation of archaic legal provisions.

The Union Finance Minister proposed to raise the Foreign Direct Investment (FDI) limit for the insurance from 74 to 100 per cent, to be available for those companies that invest the entire premium in India.

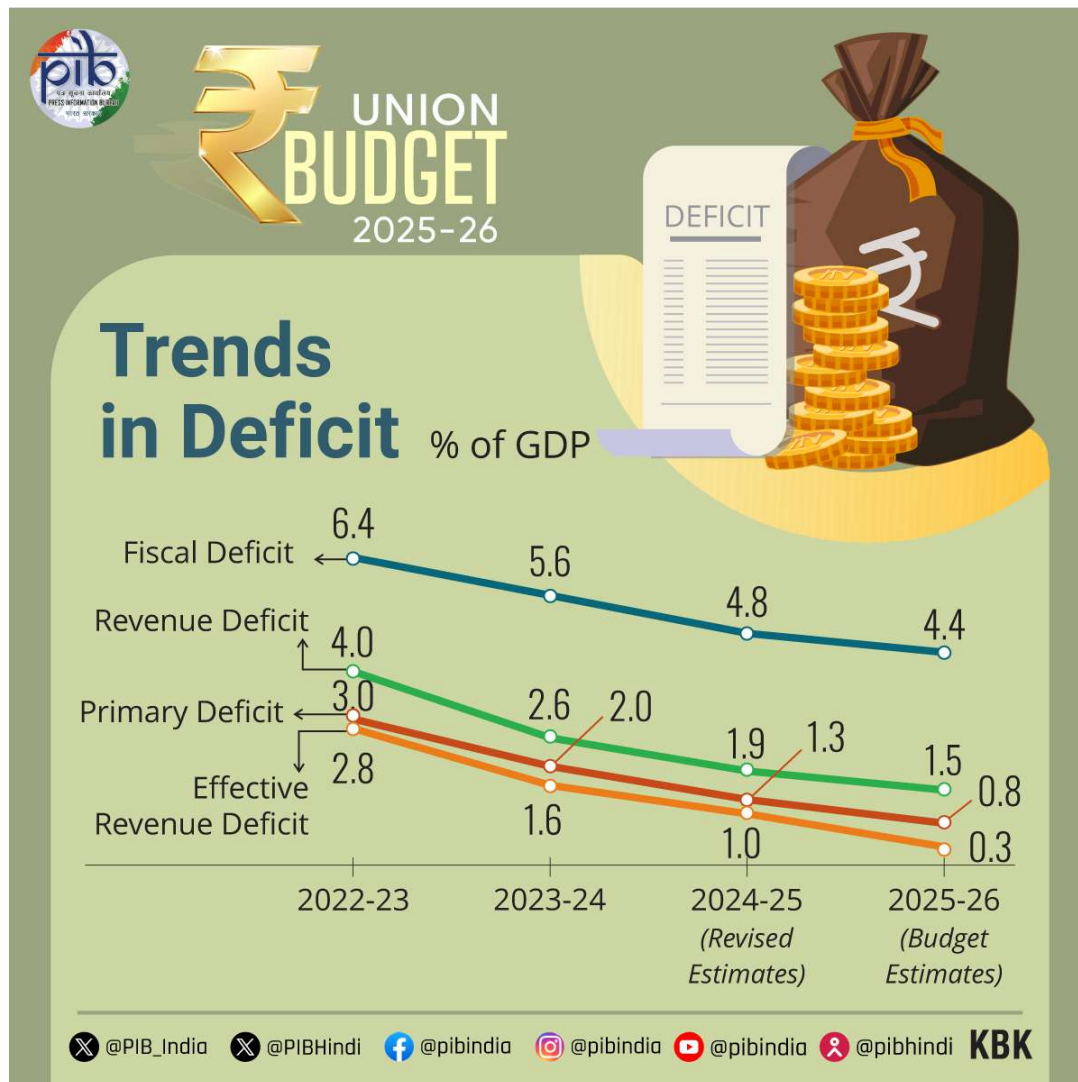
Smt. Sitharaman proposed a light-touch regulatory framework based on principles and trust to unleash productivity and employment. She proposed four specific measures to develop this modern, flexible, people-friendly, and trust-based regulatory framework for the 21st first century, viz.:

- i. High Level Committee for Regulatory Reforms
 - To review all non-financial sector regulations, certifications, licenses, and permissions.
 - To strengthen trust-based economic governance and take transformational measures to enhance ‘ease of doing business’, especially in matters of inspections and compliances
 - To make recommendations within a year
 - States will be encouraged to be onboarded
- ii. Investment Friendliness Index of States
 - An Investment Friendliness Index of States will be launched in 2025 to further the spirit of competitive cooperative federalism.
- iii. Mechanism under the Financial Stability and Development Council (FSDC)
 - Mechanism to evaluate impact of the current financial regulations and subsidiary instructions.
 - Formulate a framework to enhance their responsiveness and development of the financial sector.
- iv. Jan Vishwas Bill 2.0
 - To decriminalise more than 100 provisions in various laws.

Fiscal Consolidation

Reiterating the commitment to stay the course for fiscal consolidation, the Union Finance Minister stated that the Government endeavours to keep the fiscal deficit each year such that the Central Government debt remains on a declining path as a percentage of the GDP and the detailed roadmap for the next 6 years has been detailed in the FRBM statement. Smt. Sitharaman stated that the

Revised Estimate 2024-25 of fiscal deficit is 4.8 per cent of GDP, while the Budget Estimates 2025-26 is estimated to be 4.4 per cent of GDP.

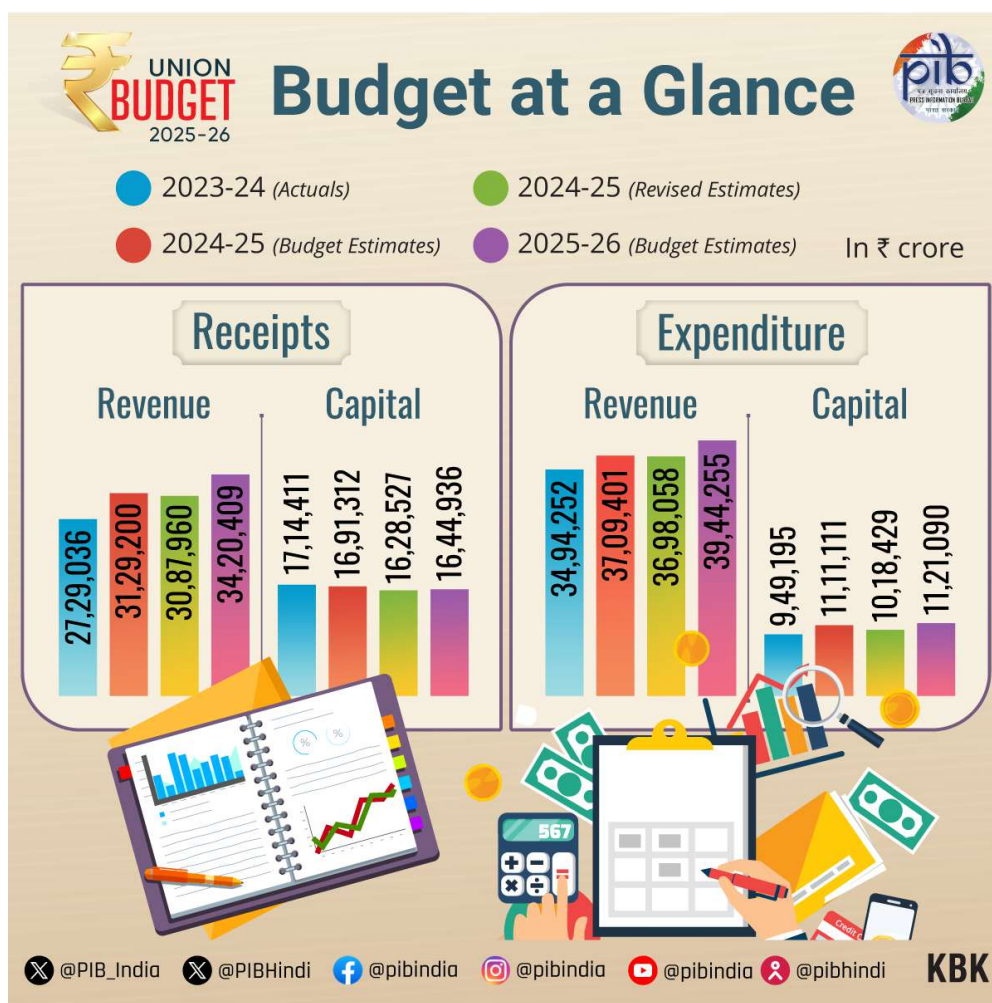


Revised Estimates 2024-25

The Minister said that the Revised Estimate of the total receipts other than borrowings is ₹31.47 lakh crore, of which the net tax receipts are ₹25.57 lakh crore. She added that the Revised Estimate of the total expenditure is ₹47.16 lakh crore, of which the capital expenditure is about ₹10.18 lakh crore.

Budget Estimates 2025-26

For FY 2025-26, the Union Finance Minister stated that the total receipts other than borrowings and the total expenditure are estimated at ₹34.96 lakh crore and ₹50.65 lakh crore respectively. The net tax receipts are estimated at ₹28.37 lakh crore.



PART B

Reposing faith on middle class in nation building, the Union Budget 2025-26 proposes new direct tax slabs and rates under the new income tax regime so that no income tax is needed to be paid for total income upto ₹ 12 Lakh per annum, i.e. average income of Rs 1 Lakh per month, other than special rate income such as Capital Gain. Salaried individuals earning upto ₹ 12.75 Lakh per annum will pay NIL tax, due to standard deduction of ₹ 75,000. Towards the new tax structure and other direct tax proposals, Government is set to lose revenue of about ₹ 1 lakh crore.

Under the guidance of Prime Minister Shri Narendra Modi, the Government has taken steps to understand the needs voiced by the people. The direct tax proposals include personal income tax reform with special focus on middle class, TDS/TCS rationalization, encouragement to voluntary compliances along with reduction of compliance burden, ease of doing business and incentivizing employment and investment.

The Budget proposes revised tax rate structure under the new tax regime as follows;

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

To rationalize TDS/TCS, Budget doubles limit for tax deduction on interest earned by senior citizens from the present ₹ 50,000 to ₹ 1 Lakh. Further, TDS threshold on rent has been increased to ₹ 6 Lakh from ₹ 2.4 Lakh per annum. Other measures include, increasing of threshold to collect TCS to ₹ 10 Lakh and continuing with higher TDS deductions only in non-PAN cases. After the decriminalization of delay in payment of TDS, delay in TCS payments has now been decriminalized.

Encouraging voluntary compliance, Budget extends time-limit to file updated returns for any assessment year, from the current limit of two years, to four years. Over 90 Lakh taxpayers paid additional tax to update their income. Small charitable trusts/institutions have been given the benefit by increasing their period of registration from 5 to 10 years, reducing compliance burden. Further, tax payers can now claim annual value of two self-occupied properties as NIL, without any condition. Last budget's Vivad Se Vishwas Scheme has received a great response, with nearly 33,000 tax payers having availed the scheme to settle their disputes. Giving benefits to senior and very senior citizens, withdrawals made from National Savings Scheme Accounts on or after 29th of August, 2024 have been exempted. NPS Vatsalya accounts also to get similar benefits.

For ease of doing business, Budget introduces a scheme for determining arm's length price of international transaction for a block period of three years. This is in line with global best practices. Further, self harbor rules are being expanded to provide certainty in international taxation.

To promote employment and investment, a presumptive taxation regime is envisaged for non-residents who provide services to a resident company that is establishing or operating an electronics manufacturing facility. Further, benefits of existing tonnage tax scheme are proposed to be extended to inland vessels. To promote start-up ecosystem, period of incorporation has been extended for a period of 5 years. To promote investment in the infrastructure sector, Budget extends the date of making investment in Sovereign Wealth Funds and Pension Funds by five more years, to 31st March, 2030.

As part of rationalization of Customs tariffs of industrial goods, Budget proposes to; (i) Remove seven tariffs, (ii) apply appropriate cess to maintain effective duty incidence, and (iii) levy not more than one cess or surcharge.

As relief on import of Drugs/Medicines, 36 lifesaving drugs and medicines for treating cancer, rare diseases and chronic diseases have been fully exempted from Basic Customs Duty (BCD). Further,

37 medicines along with 13 new drugs and medicines under Patient Assistance Programmes have been exempted from Basic Customs Duty (BCD), if supplied free to patients.

To support Domestic Manufacturing and Value Addition, BCD on 25 critical minerals, that were not domestically available, were exempted in July 2024. The Budget 2025-26 fully exempts cobalt powder and waste, scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals. To promote domestic textile production, two more types of shuttle-less looms added to fully exempted textile machinery. Further, BCD on knitted fabrics covering nine tariff lines from “10% to 20%” revised to “20% or ₹ 115 kg, whichever is higher”.

To rectify inverted duty structure and promote “Make in India”, BCD on Interactive Flat Panel Display (IFPD) increased to 20% and on Open cells reduced to 5%. Further to promote manufacture of Open cells, BCD on parts of Open Cells stands exempted.

To boost manufacturing of Lithion-ion battery in the country, 35 additional capital goods for EV battery manufacturing, and 28 additional capital goods for mobile phone battery manufacturing added to the list of exempted capital goods. Union Budget 2025-26 also continues exemption on BCD on raw materials, components, consumables or parts for ship building for another ten years. Budget also reduced BCD from 20% to 10% on Carrier Grade ethernet switches to make it at par with Non-Carrier Grade ethernet switches.

For export promotion, Budget 2025-26 facilitates exports of handicrafts, fully exempts BCD on Wet Blue leather for value addition and employment, reduce BCD from 30% to 5% on Frozen Fish Paste and reduce BCD from 15% to 5% on fish hydrolysate for manufacture of fish and shrimp feeds.

Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman said that Democracy, Demography and Demand are key pillars of Viksit Bharat journey. She said that the middle class gives strength of India’s growth and the Government has periodically hiked the ‘Nil tax’ slab in recognition to their contribution. She said the proposed new tax structure will substantially boost consumption, savings and investment, by putting more money in the hands of the middle class.

NB/RC/VV/SR

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HIGHLIGHTS OF UNION BUDGET 2025-26

PART A

New Delhi, 1st February 2025

Union Minister for Finance and Corporate Affairs Smt Nirmala Sitharaman presented Union Budget 2025-26 in the Parliament today. The highlights of the budget are as follows:

Budget Estimates 2025-26

- The total receipts other than borrowings and the total expenditure are estimated at ₹ 34.96 lakh crore and ₹ 50.65 lakh crore respectively.
- The net tax receipts are estimated at ₹ 28.37 lakh crore.
- The fiscal deficit is estimated to be 4.4 per cent of GDP.
- The gross market borrowings are estimated at ₹ 14.82 lakh crore.
- Capex Expenditure of ₹11.21 lakh crore (3.1% of GDP) earmarked in FY2025-26.

AGRICULTURE AS THE 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

- A comprehensive multi-sectoral programme to be launched in partnership with states to address under-employment in agriculture through skilling, investment, technology, and invigorating the rural economy.
- Phase-1 to cover 100 developing agri-districts.

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.

MSMEs AS THE 2ND ENGINE OF DEVELOPMENT

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.

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.

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.

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.

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.

Measures for the Toy Sector

- A scheme to create high-quality, unique, innovative, and sustainable toys, making India a global hub for toys announced.

Support for Food Processing

- A National Institute of Food Technology, Entrepreneurship and Management to be set up in Bihar.

Manufacturing Mission - Furthering "Make in India"

- A National Manufacturing Mission covering small, medium and large industries for furthering "Make in India" announced.

INVESTMENT AS THE 3RD ENGINE OF DEVELOPMENT

I. Investing in People

Saksham Anganwadi and Poshan 2.0

- The cost norms for the nutritional support to be enhanced appropriately.

Atal Tinkering Labs

- 50,000 Atal Tinkering Labs to be set up in Government schools in next 5 years.

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.

Bharatiya Bhasha Pustak Scheme

- Bharatiya Bhasha Pustak Scheme announced to provide digital-form Indian language books for school and higher education.

National Centres of Excellence for Skilling

- 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.

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.

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.

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.

Day Care Cancer Centres in all District Hospitals

- Government to set up Day Care Cancer Centres in all district hospitals in the next 3 years, 200 Centres in 2025-26.

Strengthening urban livelihoods

- A scheme for socio-economic upliftment of urban workers to help them improve their incomes and have sustainable livelihoods announced.

PM SVANidhi

- Scheme to be revamped with enhanced loans from banks, UPI linked credit cards with ₹ 30,000 limit, and capacity building support.

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.

II. Investing in the Economy

Public Private Partnership in Infrastructure

- Infrastructure-related ministries to come up with a 3-year pipeline of projects in PPP mode, States also encouraged.

Support to States for Infrastructure

- An outlay of ₹1.5 lakh crore proposed for the 50-year interest free loans to states for capital expenditure and incentives for reforms.

Asset Monetization Plan 2025-30

- Second Plan for 2025-30 to plough back capital of ₹ 10 lakh crore in new projects announced.

Jal Jeevan Mission

- Mission to be extended until 2028 with an enhanced total outlay.

Urban Challenge Fund

- An Urban Challenge Fund of ₹ 1 lakh crore announced to implement the proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation', allocation of ₹ 10,000 crore proposed for 2025-26.

Nuclear Energy Mission for Viksit Bharat

- Amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act to be taken up.
- Nuclear Energy Mission for research & development of Small Modular Reactors (SMR) with an outlay of ₹20,000 crore to be set up, 5 indigenously developed SMRs to be operational by 2033.

Shipbuilding

- The Shipbuilding Financial Assistance Policy to be revamped.
- Large ships above a specified size to be included in the infrastructure harmonized master list (HML).

Maritime Development Fund

- A Maritime Development Fund with a corpus of ₹ 25,000 crore to be set up, with up to 49 per cent contribution by the Government, and the balance from ports and private sector.

UDAN - Regional Connectivity Scheme

- A modified UDAN scheme announced to enhance regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years.
- Also to support helipads and smaller airports in hilly, aspirational, and North East region districts.

Greenfield Airport in Bihar

- Greenfield airports announced in Bihar, in addition to the expansion of the capacity of Patna airport and a brownfield airport at Bihta.

Western Koshi Canal Project in Mithilanchal

- Financial support for the Western Koshi Canal ERM Project in Bihar.

Mining Sector Reforms

- A policy for recovery of critical minerals from tailings to be brought out.

SWAMIH Fund 2

- A fund of ₹ 15,000 crore aimed at expeditious completion of another 1 lakh dwelling units, with contribution from the Government, banks and private investors announced.

Tourism for employment-led growth

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

III. Investing in Innovation

Research, Development and Innovation

- ₹20,000 crore to be allocated to implement private sector driven Research, Development and Innovation initiative announced in the July Budget.

Deep Tech Fund of Funds

- Deep Tech Fund of Funds to be explored to catalyze the next generation startups.

PM Research Fellowship

- 10,000 fellowships for technological research in IITs and IISc with enhanced financial support.

Gene Bank for Crops Germplasm

- 2nd Gene Bank with 10 lakh germplasm lines to be set up for future food and nutritional security.

National Geospatial Mission

- A National Geospatial Mission announced to develop foundational geospatial infrastructure and data.

Gyan Bharatam Mission

- A Gyan Bharatam Mission for survey, documentation and conservation of our manuscript heritage with academic institutions, museums, libraries and private collectors to be undertaken to cover more than 1 crore manuscripts announced.

EXPORTS AS THE 4TH ENGINE OF DEVELOPMENT

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.

BharatTradeNet

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

National Framework for GCC

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

REFORMS AS FUEL: FINANCIAL SECTOR REFORMS AND DEVELOPMENT

FDI in Insurance Sector

- The FDI limit for the insurance sector to be raised from 74 to 100 per cent, 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.

PART B

DIRECT TAX

- No personal income tax payable upto income of Rs 12 lakh (i.e. average income of Rs 1 lakh per month other than special rate income such as capital gains) under the new regime.
- This limit will be Rs 12.75 lakh for salaried tax payers, due to standard deduction of Rs 75,000.
- The new structure will substantially reduce the taxes of the middle class and leave more money in their hands, boosting household consumption, savings and investment.
- The new Income-Tax Bill to be clear and direct in text so as to make it simple to understand for taxpayers and tax administration, leading to tax certainty and reduced litigation.
- Revenue of about ₹ 1 lakh crore in direct taxes will be forgone.

- **Revised tax rate structure**

- In the new tax regime, the revised tax rate structure will stand as follows:

0-4 lakh rupees	Nil
4-8 lakh rupees	5 percent
8-12 lakh rupees	10 percent
12-16 lakh rupees	15 percent
16-20 lakh rupees	20 percent
20- 24 lakh rupees	25 percent
Above 24 lakh rupees	30 percent

- **TDS/TCS rationalization for easing difficulties**

- Rationalization of Tax Deduction at Source (TDS) by reducing number of rates and thresholds above which TDS is deducted.
 - The limit for tax deduction on interest for senior citizens doubled from the present Rs 50,000 to Rs 1 lakh.
 - The annual limit of Rs 2.40 lakh for TDS on rent increased to Rs 6 lakh.
 - The threshold to collect tax at source (TCS) on remittances under RBI's Liberalized Remittance Scheme (LRS) increased from Rs 7 lakh to Rs 10 lakh.
 - The provisions of the higher TDS deduction will apply only in non-PAN cases.
 - Decriminalization for the cases of delay of payment of TCS up to the due date of filing statement.

- **Reducing Compliance Burden**

- Reduction of compliance burden for small charitable trusts/institutions by increasing their period of registration from 5 years to 10 years.
- The benefit of claiming the annual value of self-occupied properties as nil will be extended for two such self-occupied properties without any condition.

- **Ease of Doing Business**

- Introduction of a scheme for determining arm's length price of international transaction for a block period of three years.
- Expansion of the scope of safe harbour rules to reduce litigation and provide certainty in international taxation.
- Exemption of withdrawals made from National Savings Scheme (NSS) by individuals on or after the 29th of August, 2024.
- Similar treatment to NPS Vatsalya accounts as is available to normal NPS accounts, subject to overall limits.

- **Employment and Investment**

Tax certainty for electronics manufacturing Schemes

- Presumptive taxation regime for non-residents who provide services to a resident company that is establishing or operating an electronics manufacturing facility.
- Introduction of a safe harbour for tax certainty for non-residents who store components for supply to specified electronics manufacturing units.

Tonnage Tax Scheme for Inland Vessels

The benefits of existing tonnage tax scheme to be extended to inland vessels registered under the Indian Vessels Act, 2021 to promote inland water transport in the country.

- **Extension for incorporation of Start-Ups**

Extension of the period of incorporation by 5 years to allow the benefit available to start-ups incorporated before 1.4.2030.

- **Alternate Investment Funds (AIFs)**

Certainty of taxation on the gains from securities to Category I and Category II AIFs which are undertaking investments in infrastructure and other such sectors.

- **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.

INDIRECT TAX

Rationalisation of Customs Tariff Structure for Industrial Goods

Union Budget 2025-26 proposes to:

- (i) Remove seven tariff rates. This is over and above the seven tariff rates removed in 2023-24 budget. After this, there will be only eight remaining tariff rates including 'zero' rate.
- (ii) Apply appropriate cess to broadly maintain effective duty incidence except on a few items, where such incidence will reduce marginally.
- (iii) Levy not more than one cess or surcharge. Therefore Social Welfare Surcharge on 82 tariff lines that are subject to a cess, exempted.

Revenue of about ₹ 2600 crore in indirect taxes will be forgone.

Relief on import of Drugs/Medicines

- 36 lifesaving drugs and medicines fully exempted from Basic Customs Duty (BCD).
- 6 lifesaving medicines to attract concessional customs duty of 5%.
- Specified drugs and medicines under Patient Assistance Programmes run by pharmaceutical companies fully exempted from BCD; 37 more medicines added along with 13 new patient assistance programmes.

Support to Domestic Manufacturing and Value addition

- **Critical Minerals :**
 - Cobalt powder and waste, the scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals fully exempted from BCD.
- **Textiles:**
 - Two more types of shuttle-less looms fully exempted textile machinery.
 - BCD rate on knitted fabrics revised from "10% or 20%" to "20% or ` 115 per kg, whichever is higher.
- **Electronic Goods:**
 - BCD on Interactive Flat Panel Display (IFPD) increased from 10% to 20% .
 - BCD reduced to 5% on Open Cell and other components.
 - BCD on parts of Open Cells exempted.
- **Lithium Ion Battery:**
 - 35 additional capital goods for EV battery manufacturing, and 28 additional capital goods for mobile phone battery manufacturing exempted.

- **Shipping Sector:**
 - Exemption of BCD on raw materials, components, consumables or parts for the manufacture of ships extended for another ten years.
 - The same dispensation to continue for ship breaking.
- **Telecommunication:**
 - BCD reduced from 20% to 10% on 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.
 - Nine items added to list of duty-free inputs.
- **Leather sector:**
 - BCD on Wet Blue leather fully exempted.
 - Crust leather exempted from 20% export duty.
- **Marine products:**
 - BCD reduced from 30% to 5% on Frozen Fish Paste (Surimi) for manufacture and export of its analogue products.
 - BCD reduced from 15% to 5% on fish hydrolysate for manufacture of fish and shrimp feeds.
- **Domestic MROs for Railway Goods:**
 - Railways MROs to benefit similar to the aircraft and ships MROs in terms of import of repair items.
 - Time limit extended for export of such items from 6 months to one year and made further extendable by one year.

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.

NB/RC/VV/KS/CNAN/GS/SC/AG/NJ

UNION BUDGET 2025-26

**Press Information Bureau
Government of India**

NO INCOME TAX ON ANNUAL INCOME UPTO Rs. 12 LAKH UNDER NEW TAX REGIME

**LIMIT TO BE Rs. 12.75 LAKH FOR SALARIED TAX PAYERS, WITH STANDARD DEDUCTION OF RS.
75,000**

**UNION BUDGET 2025-26 BRINGS ACROSS-THE-BOARD CHANGE IN INCOME TAX SLABS AND
RATES TO BENEFIT ALL TAX-PAYERS**

**TAX SLAB RATE REDUCTION AND REBATES TO RESULT IN SUBSTANTIAL TAX RELIEF TO MIDDLE
CLASS, THEREBY BOOSTING HOUSEHOLD CONSUMPTION EXPENDITURE AND INVESTMENT**

New Delhi, 1st February, 2025

Reaffirming Government's commitment to the philosophy of "trust first, scrutinize later", the Union Budget 2025-26 has reposed faith in the Middle class and continued the trend of giving relief in tax burden to the common tax-payer. Presenting the Budget in the Parliament today, Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman proposed an across-the-board change in tax slabs and rates to benefit all tax-payers.



Giving the good news to tax payers, the Finance Minister stated, “There will be no income tax payable upto income of Rs. 12 lakh (*i.e. average income of Rs.1 lakh per month other than special rate income such as capital gains*) under the new regime. This limit will be Rs.12.75 lakh for salaried tax payers, due to standard deduction of Rs. 75,000.” Tax rebate is being provided in addition to the benefit due to slab rate reduction in such a manner that there is no tax payable by them, she added.

Smt. Sitharaman stated, “The new structure will substantially reduce the taxes of the middle class and leave more money in their hands, boosting household consumption, savings and investment”. In the new tax regime, the Finance Minister proposed to revise tax rate structure as follows:

0-4 lakh rupees	Nil
4-8 lakh rupees	5 per cent
8-12 lakh rupees	10 per cent
12-16 lakh rupees	15 per cent
16-20 lakh rupees	20 per cent
20- 24 lakh rupees	25 per cent
Above 24 lakh rupees	30 per cent

The total tax benefit of slab rate changes and rebate at different income levels can be illustrated in the table below:

Income	Tax on Slabs and rates		Benefit of	Rebate benefit	Total Benefit	Tax after rebate Benefit
	Present	Proposed				
			Rate /Slab	Full upto Rs 12 lacs		
8 lac	30,000	20,000	10,000	20,000	30,000	0
9 lac	40,000	30,000	10,000	30,000	40,000	0
10 lac	50,000	40,000	10,000	40,000	50,000	0
11 lac	65,000	50,000	15,000	50,000	65,000	0
12 lac	80,000	60,000	20,000	60,000	80,000	0
16 lac	1,70,000	1,20,000	50,000	0	50,000	1,20,000
20 lac	2,90,000	2,00,000	90,000	0	90,000	2,00,000
24 lac	4,10,000	3,00,000	1,10,000	0	1,10,000	3,00,000
50 lac	11,90,000	10,80,000	1,10,000	0	1,10,000	10,80,000

UNION BUDGET 2025-26

Zero Income Tax till ₹ 12 Lakh Income under New Tax Regime

Personal Income Tax Reforms with Special Focus on Middle Class

- ▶ 'Nil tax' slab up to ₹ 12.00 lakh (₹ 12.75 lakh for salaried tax payers with standard deduction of ₹ 75,000)
- ▶ New structure to substantially reduce taxes of middle class and leave more money in their hands, boosting household consumption, savings and investment
- ▶ Slabs and rates being changed across the board to benefit all tax-payers

0-4 lakh rupees	Nil
4-8 lakh rupees	5%
8-12 lakh rupees	10%
12-16 lakh rupees	15%
16-20 lakh rupees	20%
20-24 lakh rupees	25%
Above 24 lakh rupees	30%

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While underlining Taxation Reforms as one of key reforms to realize the vision of Viksit Bharat, Smt. Sitharaman stated that the new income-tax bill will carry forward the spirit of 'Nyaya'. The new regime will be simple to understand for taxpayers and tax administration, leading to tax certainty and reduced litigation, she informed.

Quoting Verse 542 from The Thirukkural, the Finance Minister stated, "Just as living beings live expecting rains, Citizens live expecting good governance." Reforms are a means to achieve good governance for the people and economy. Providing good governance primarily involves being responsive. The tax proposals detail just how the Government under the guidance of Prime Minister Shri Narendra Modi has taken steps to understand and address the needs voiced by our citizens, Smt. Sitharaman added.

NB/VM

UNION BUDGET 2025-26

PRESS INFORMATION BUREAU

GOVERNMENT OF INDIA

**AGRICULTURE IS THE FIRST ENGINE FOR INDIA'S DEVELOPMENT JOURNEY:
BUDGET 2025-26**

MAKHANA BOARD TO BE ESTABLISHED IN BIHAR

NATIONAL MISSION ON HIGH YIELDING SEEDS TO BE LAUNCHED

SECOND GENE BANK WITH 10 LAKH GERMPLASM LINES TO BE SET UP

FIVE- YEAR MISSION FOR COTTON PRODUCTIVITY ANNOUNCED

KISAN CREDIT CARD LOAN LIMIT RAISED FROM Rs. 3 LAKH TO Rs. 5 LAKH

12.7 LAKH METRIC TONS UREA PLANT TO BE SET UP AT NAMRUP, ASSAM

**ANDAMAN & NICOBAR AND LAKSHADWEEP ISLANDS WILL BE THE SPECIAL
FOCUS OF THE NEW FRAMEWORK FOR SUSTAINABLE HARNESSING OF
FISHERIES**

New Delhi, 1st February, 2025

Emphasizing ‘**Agriculture as the first engine**’ for India’s development journey, Union Budget 2025-26 tabled in Parliament today by Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman, announced a slew of measures to **spur Agricultural Growth and Productivity, thereby benefitting the Annadata.**

Announcing the Government’s decision to establish a **Makhana Board in Bihar**, Smt. Sitharaman said it will **improve production, processing, value addition, and marketing of makhana** as well as support the people engaged in these activities to be organized into Farmer Producer Organizations (FPOs). She added that the Board will **provide handholding and training support to makhana farmers** and also work to ensure they receive the benefits of all relevant Government schemes.



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Makhana Board in Bihar

To improve production, processing, value addition, and marketing of Makhana

- People engaged in these activities to be organized into FPOs
- Board to provide handholding and training support to Makhana farmers
- Will also work to ensure they receive benefits of all relevant Government schemes

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The Minister stated that a **National Mission on High Yielding Seeds** will be launched with an aim to strengthen the research ecosystem, targeted development and propagation of seeds with high yield, pest resistance and climate resilience, and commercial availability of more than 100 seed varieties released since July 2024.

To provide conservation support to both public and private sectors for genetic resources and ensure future food and nutritional security, the Minister said that the **second Gene Bank with 10 lakh germplasm lines** will be set up.

Announcing the ‘**Mission for Cotton Productivity**’, Smt. Sitharaman highlighted that the five-year mission will **facilitate significant improvements in productivity and sustainability of cotton farming, and promote extra-long staple cotton varieties**. She said the mission will benefit lakhs of cotton growing farmers as the **best of science & technology support will be provided** to farmers. Aligned with the Government’s integrated 5F vision for the textile sector, the Minister remarked that the mission will **help in increasing incomes of the farmers** as well as **ensure a steady supply of quality cotton** for rejuvenating India’s traditional textile sector.

Noting the importance of **Kisan Credit Cards (KCC) in facilitating short term loans for around 7.7 crore farmers, fishermen, and dairy farmers**, the Minister announced the **enhancement of loan limit under the Modified Interest Subvention Scheme from Rs. 3 lakh to Rs. 5 lakh** for loans taken through the KCC.

Smt. Sitharaman announced the **setting up of Urea plant with annual capacity of 12.7 lakh metric tons at Namrup, Assam**. This, she said will further **augment urea supply** and help to **achieve Atmanirbharta in urea production**, along with the recently reopened three dormant urea plants in the Eastern region.



Highlighting that **India ranks second-largest globally in fish production and aquaculture** with the Seafood exports valued at Rs. 60 thousand crore, the Union Minister remarked that the Government will bring in **an enabling 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, which will unlock the untapped potential of the marine sector.

NB/SK/SR

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PRIME MINISTER DHAN-DHAANYA KRISHI YOJANA TO BE LAUNCHED IN 100 LOW CROP PRODUCTIVITY DISTRICTS, PROGRAMME WILL HELP 1.7 CRORE FARMERS TO ENHANCE AGRICULTURAL PRODUCTIVITY, IMPROVE IRRIGATION FACILITIES AND FACILITATE LONG-TERM AND SHORT-TERM CREDIT: UNION BUDGET 2025-26

RURAL PROSPERITY AND RESILIENCE PROGRAMME ANNOUNCED TO ADDRESS UNDER-EMPLOYMENT IN AGRICULTURE THROUGH SKILLING, INVESTMENT, TECHNOLOGY AND INVIGORATING RURAL ECONOMY

6-YEAR “MISSION FOR AATMANIRBHARTA IN PULSES”; EMPHASIS ON DEVELOPING CLIMATE RESILIENT SEEDS, IMPROVING POST-HARVEST STORAGE, ASSURING REMUNERATIVE PRICES TO FARMERS

UNION BUDGET PROPOSES COMPREHENSIVE PROGRAMME FOR VEGETABLES AND FRUITS TO PROMOTE PRODUCTION, EFFICIENT SUPPLIES, PROCESSING AND REMUNERATIVE PRICES FOR FARMERS

PUBLIC SECTOR BANKS TO DEVELOP ‘GRAMEEN CREDIT SCORE’ FRAMEWORK TO SERVE CREDIT NEEDS OF SHG MEMBERS AND RURAL POPULATION

New Delhi, 1st February, 2025

Spurring agricultural growth and productivity is one of the development measures proposed in the Union Budget 2025-26. Agriculture is one of the four powerful engines amongst MSME, Investment and Exports, stated Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman, while presenting the Union Budget 2025-26, in the Parliament today.

Specific proposals proposed in the Union Budget to strengthen productivity and resilience in agriculture are as follows:

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

The Union Finance Minister stated that motivated by the success of the Aspirational Districts Programme, the Government will undertake a ‘Prime Minister Dhan-Dhaanya Krishi Yojana’ in partnership with states. Through the convergence of existing schemes and specialized measures, the programme will cover 100 districts with low productivity, moderate crop intensity and below-average credit parameters. The programme aims to enhance agricultural productivity; adopt crop diversification and sustainable agriculture practices; augment post-harvest storage at the panchayat and block level; improve irrigation facilities and facilitate availability of long-term and short-term credit. This programme is likely to help 1.7 crore farmers.

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2025-26

Prime Minister Dhan-Dhaanya Krishi Yojana

Developing Agri Districts Programme

Scheme to cover 100 districts with low productivity, moderate crop intensity and below-average credit parameters

- To enhance agricultural productivity
- To adopt crop diversification and sustainable agriculture practices
- To augment post-harvest storage at Panchayat and Block levels
- Improve irrigation facilities
- Improve credit availability

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Building Rural Prosperity and Resilience:

A comprehensive multi-sectoral ‘Rural Prosperity and Resilience’ programme will be launched in partnership with states, added the Union Finance Minister. This will address under-employment in agriculture through skilling, investment, technology, and invigorating the rural economy. The goal is to generate ample opportunities in rural areas so that migration is an option, but not a necessity. She further added that the programme will focus on rural women, young farmers, rural youth, marginal and small farmers, and landless families. The programme aims in catalyzing enterprise development, employment and financial independence for rural women; accelerating creation of new employment and businesses for young farmers and rural youth; nurturing and modernizing agriculture for productivity improvement and warehousing, especially for marginal and small farmers and diversifying opportunities for landless families. The Union Finance Minister further highlighted that the global and domestic best practices will be incorporated and appropriate technical and financial assistance will be sought from multilateral development banks. In Phase-1, 100 developing agri-districts will be covered.



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Prime Minister Dhan-Dhaanya Krishi Yojana

Developing Agri Districts Programme

Scheme to cover 100 districts with low productivity, moderate crop intensity and below-average credit parameters

- To enhance agricultural productivity
- To adopt crop diversification and sustainable agriculture practices
- To augment post-harvest storage at Panchayat and Block levels
- Improve irrigation facilities
- Improve credit availability

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Aatmanirbharta in Pulses:

Smt. Nirmala Sitharaman highlighted that the Government is implementing the National Mission for Edible Oilseed for achieving atmanirbharta in edible oils. The Government made concerted efforts and succeeded in achieving near self-sufficiency in pulses. Farmers responded to the need by increasing the cultivated area by 50 per cent and Government arranged for procurement and remunerative prices. Since then, with rising incomes and better affordability, consumption of pulses has increased significantly. She further emphasized that the Government will launch a 6-year “Mission for Aatmanirbharta in Pulses” with a special focus on Tur, Urad and Masoor. The Mission will place emphasis on development and commercial availability of climate resilient seeds; enhancing protein content; increasing productivity; improving post-harvest storage and management and assuring remunerative prices to the farmers. Central agencies (NAFED and NCCF) will be ready to procure these 3 pulses, as much as offered during the next 4 years from farmers who register with these agencies and enter into agreements.



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Mission for Aatmanirbharta in Pulses

*6-year Mission with special focus on Tur,
Urad and Masoor*

- Central agencies to procure as much of these 3 pulses as offered by farmers during next 4 years
- Emphasis on climate-resilient seeds, protein content, productivity, post-harvest storage and remunerative prices to farmers



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Comprehensive Programme for Vegetables & Fruits:

The Union Finance Minister said that it is encouraging that people are increasingly becoming aware of their nutritional needs. It is a sign of a society becoming healthier. With rising income levels, the consumption of vegetables, fruits and Shree-Anna is increasing significantly. A comprehensive programme to promote production, efficient supplies, processing, and remunerative prices for farmers will be launched in partnership with states. She further added that appropriate institutional mechanisms for implementation and participation of farmer producer organizations and cooperatives will be set up.

Grameen Credit Score:

The Union Finance Minister stated that Public Sector Banks will develop 'Grameen Credit Score' framework to serve the credit needs of SHG members and people in rural areas.

NB/SK/BK

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

FDI LIMIT FOR INSURANCE SECTOR RAISED FROM 74 TO 100 PER CENT

**FORUM FOR REGULATORY COORDINATION AND DEVELOPMENT OF PENSION
PRODUCTS TO BE SET UP: UNION BUDGET 2025-26**

ROLL OUT OF REVAMPED CENTRAL KYC REGISTRY PLANNED IN 2025

**PROCEDURES FOR SPEEDY APPROVAL OF COMPANY MERGERS TO BE
RATIONALIZED, PROCESS TO BE MADE SIMPLER**

2/1/2025

Budget 2025-26 aims to initiate transformative reforms across six domains which will augment our growth potential and global competitiveness during the next five years, the Union Finance & Corporate Affairs Minister said while presenting the Union Budget 2025-26 in the Parliament today.

One of these domains is Financial Sector which encompasses sectors like Insurance, Pensions, Bilateral Investment Treaties (BIT) and so forth.

FDI in Insurance Sector

Smt. Nirmala Sitharaman informed that the FDI limit for the insurance sector will be raised from 74 to 100 per cent. This enhanced limit will be available for those companies which invest the entire premium in India. The current guardrails and conditionalities associated with foreign investment will be reviewed and simplified.

Pension Sector

A forum for regulatory coordination and development of pension products will be set up, the Union Finance Minister stated.



KYC Simplification

To implement the earlier announcement on simplifying the KYC process, the revamped Central KYC Registry will be rolled out in 2025, Smt. Nirmala Sitharaman said. A streamlined system for periodic updating will also be implemented.

Merger of Companies

The Union Finance Minister also said that requirements and procedures for speedy approval of company mergers will be rationalized. The scope for fast-track mergers will also be widened and the process will be made simpler.

Bilateral Investment Treaties

To encourage sustained foreign investment and in the spirit of ‘first develop India’, the current model BIT will be revamped and made more investor-friendly, the Union Finance Minister added.

NB/AD

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“NATIONAL MANUFACTURING MISSION” TO COVER SMALL, MEDIUM AND LARGE INDUSTRIES FOR FURTHERING “MAKE IN INDIA” ANNOUNCED IN UNION BUDGET 2025-26

A NEW ‘FOCUS PRODUCT SCHEME’ FOR FOOTWEAR & LEATHER SECTORS, SCHEME TO GENERATE EMPLOYMENT FOR 22 LAKH PERSONS

NATIONAL ACTION PLAN FOR TOYS TO MAKE INDIA A GLOBAL HUB FOR TOYS

New Delhi, 1st February 2025

A “National Manufacturing Mission” to cover small, medium and large industries for furthering “Make in India” was announced by the Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman while presenting the Union Budget 2025-26 in Parliament today. This will provide policy support, execution roadmaps, governance and monitoring framework for central ministries and states.

The National Manufacturing Mission will lay emphasis on five focal areas i.e. ease and cost of doing business; future ready workforce for in-demand jobs; a vibrant and dynamic MSME sector; availability of technology; and quality products.

The Mission will also support Clean Tech manufacturing and aims to improve domestic value addition and build the ecosystem for solar PV cells, EV batteries, motors and controllers, electrolyzers, wind turbines, very high voltage transmission equipment and grid scale batteries, the Union Finance Minister added.

The Finance Minister also outlined measures for Labour-Intensive Sectors, adding that Government will undertake specific policy and facilitation measures to promote employment and entrepreneurship opportunities in labour-intensive sectors.

The Union Minister specified that to enhance the productivity, quality and competitiveness of India’s footwear and leather sector, a focus product scheme will be implemented. The Union Finance Minister further informed that the scheme will support design capacity, component manufacturing, and machinery required for production of non-leather quality footwear, besides the support for leather footwear and products. The scheme is expected to facilitate employment for 22 lakh persons, generate turnover of Rs. 4 lakh crore and exports of over Rs. 1.1 lakh crore.



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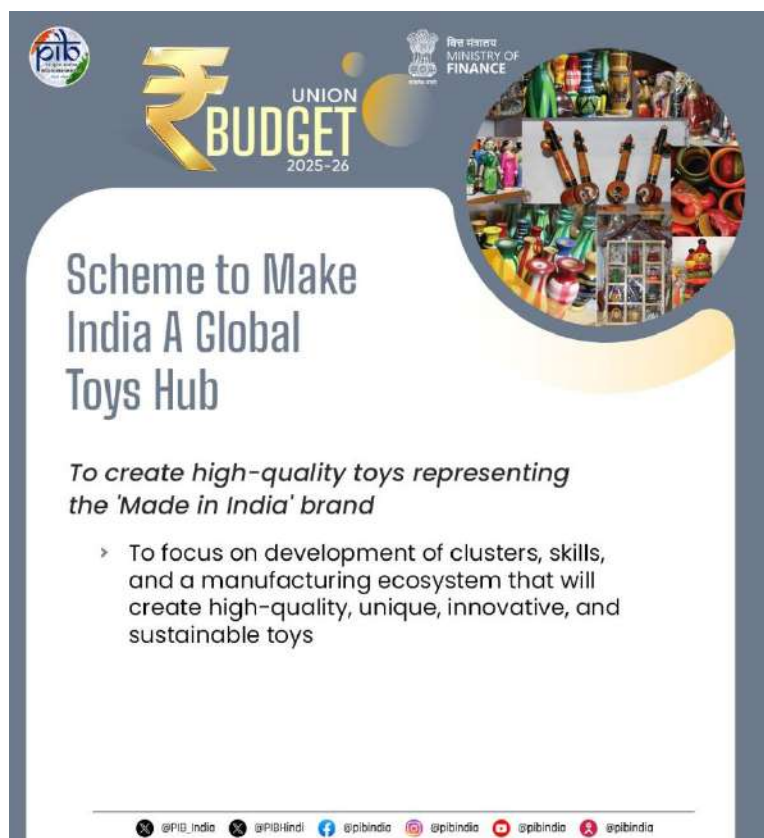
Focus Product Scheme for Footwear & Leather Sectors to be launched

To enhance productivity, quality and competitiveness of India's footwear and leather sector

- To support design capacity, component manufacturing, and machinery for production of non-leather quality footwear
- To also support leather footwear and products
- Expected to facilitate employment for 22 lakh persons, turnover of ₹4 lakh crore and exports of over ₹1.1 lakh crore

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The Union Minister further proposed National Action Plan for Toys to be implemented to make India a global hub for toys. The scheme will focus on development of clusters, skills, and a manufacturing ecosystem that will create high-quality, unique, innovative, and sustainable toys that will represent the 'Made in India' brand, the Minister added.



On the front of support for food processing, the Union Finance Minister reiterated Government's commitment towards 'Purvodaya'. The Union Minister proposed to establish a National Institute of Food Technology, Entrepreneurship and Management in Bihar. The institute will provide a strong fillip to food processing activities in the entire Eastern region. This will result in enhanced income for the farmers through value addition to their produce, and skilling, entrepreneurship and employment opportunities for the youth.

NB/SB/RV

UNION BUDGET 2025-26

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**INVESTMENT AND TURNOVER LIMITS FOR CLASSIFICATION OF ALL MSMEs TO
BE ENHANCED TO 2.5 AND 2 TIMES RESPECTIVELY**

**CREDIT GUARANTEE COVER FOR MICRO AND SMALL ENTERPRISES ENHANCED
FROM 5 CRORE TO 10 CRORE**

**10 LAKH CUSTOMIZED CREDIT CARDS WITH A 5 LAKH LIMIT FOR MICRO
ENTERPRISES REGISTERED ON UDYAM PORTAL TO BE INTRODUCED IN THE
FIRST YEAR**

NEW FUND OF FUNDS of Rs. 10,000 CRORE TO BE SET UP FOR START-UPS

**A NEW SCHEME TO PROVIDE LOANS UP TO 2 CRORE DURING THE NEXT 5 YEARS
FOR 5 LAKH WOMEN, SCHEDULED CASTES AND SCHEDULED TRIBES FIRST-
TIME ENTREPRENEURS TO BE LAUNCHED**

**EXPORT PROMOTION MISSION TO FACILITATE EASY ACCESS TO EXPORT
CREDIT AND SUPPORT MSMEs TO TACKLE NON-TARIFF MEASURES IN
OVERSEAS MARKETS ANNOUNCED**

New Delhi, 1st February, 2025

The Union Budget 2025-26 sees the next five years as a unique opportunity to realize ‘Sabka Vikas’, stimulating balanced growth of all regions and achieving the goal of Viksit Bharat.

The Union Budget defines MSMEs as one of the powerful engines for the story of development and the proposed development measures supports MSMEs to accelerate growth and secure inclusive development.

Revision in classification criteria for MSMEs

While presenting the Union Budget 2025-26 in Parliament today, the Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman said “To help MSMEs achieve higher efficiencies of scale, technological upgradation and better access to capital, the investment and turnover limits for classification of all MSMEs will be enhanced to 2.5 and 2 times respectively.” The details are in Figure 1.

She further said that this will give them the confidence to grow and generate employment for our youth.

Rs. in Crore	Investment		Turnover	
	Current	Revised	Current	Revised
Micro Enterprises	1	2.5	5	10
Small Enterprises	10	25	50	100
Medium Enterprises	50	125	250	500

(Figure 1)

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman stated that currently, over 1 crore registered MSMEs, employing 7.5 crore people, and generating 36 per cent of our manufacturing, have come together to position India as a global manufacturing hub. She also remarked “With their quality products, these MSMEs are responsible for 45 per cent of our exports.”

Significant enhancement of credit availability with guarantee cover

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman said that to improve access to credit, the credit guarantee cover will be enhanced:

- a) For **Micro and Small Enterprises**, from 5 crore to 10 crore, leading to additional credit of 1.5 lakh crore in the next 5 years;
- b) For **Startups**, from 10 crore to 20 crore, with the guarantee fee being moderated to 1 per cent for loans in 27 focus sectors important for Atmanirbhar Bharat; and
- c) For **well-run exporter MSMEs**, for term loans up to 20 crore.

The infographic features the Union Budget 2025-26 logo and the Ministry of Finance emblem. It includes a circular graphic showing a hand holding a coin over a building icon, symbolizing financial support for MSMEs.

Making it Easier for MSMEs to get Loans

Credit guarantee cover for MSMEs to be significantly enhanced

- For Micro and Small Enterprises: from ₹5 crore to ₹10 crore, additional credit of ₹1.5 lakh crore in next 5 years
- For Startups: from ₹10 crore to ₹20 crore, guarantee fee down to 1% for loans in 27 focus sectors

Customized Credit Cards for Micro Enterprises registered on the Udyam Portal to be introduced

- With ₹5 lakh limit
- 10 lakh cards to be issued in the first year

Social media handles: @PIB_India, @PIBHindi, @pibindia, @pibindia, @pibindia, @pibindia

Credit Cards for Micro Enterprises

Union Minister Smt. Nirmala Sitharaman announced that customized Credit Cards with a 5 lakh limit for micro enterprises registered on Udyam portal will be introduced. She further remarked that in the first year, 10 lakh such cards will be issued.

Fund of Funds for Startups

In her Budget speech, Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman said, “The Alternate Investment Funds (AIFs) for startups have received commitments of more than 91,000 crore. These are supported by the Fund of Funds set up with a Government contribution of 10,000 crore.” She announced that now, a new Fund of Funds, with expanded scope and a fresh contribution of another 10,000 crore will be set up.

Scheme for First-time Entrepreneurs

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman announced that a new scheme will be launched for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs. She informed that this will provide term loans up to 2 crore during the next 5 years. In her speech she said, “The scheme will incorporate lessons from the successful Stand-Up India scheme. Online capacity building for entrepreneurship and managerial skills will also be organized.”

UNION BUDGET 2025-26

Powering Entrepreneurship

New Fund of Funds for Startups to be set up

- Fresh contribution of another ₹10,000 crore, in addition to existing government contribution of ₹10,000 crore

Did You Know?

Alternate Investment Funds (AIFs) for startups, supported by Fund of Funds, have received commitments of more than ₹91,000 crore

New Scheme for 5 lakh Women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs

- To provide term loans up to ₹2 crore during next 5 years
- To provide online capacity building for entrepreneurship and managerial skills

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Deep Tech Fund of Funds

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman informed that a Deep Tech Fund of Funds will also be explored to catalyze the next generation startups as a part of this initiative.

Export Promotion Mission

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman stated that an Export Promotion Mission, with sectoral and ministerial targets, driven jointly by the Ministries of Commerce, MSME, and Finance will be set up. She also informed that the Mission will facilitate easy access to export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets.

NB/KS/SK/RJ

UNION BUDGET 2025-26

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**‘BHARATTRADENET’ FOR INTERNATIONAL TRADE TO BE SET-UP AS A UNIFIED
PLATFORM FOR TRADE DOCUMENTATION AND FINANCING SOLUTIONS: UNION
BUDGET 2025-26**

**DOMESTIC MANUFACTURING CAPACITIES TO BE AUGMENTED FOR
INTEGRATING INDIAN ECONOMY WITH GLOBAL SUPPLY CHAINS**

**GOVERNMENT WILL SUPPORT THE DOMESTIC ELECTRONIC EQUIPMENT
INDUSTRY TO LEVERAGE THE OPPORTUNITY OF INDUSTRY 4.0**

**NATIONAL FRAMEWORK FOR STATES TO BE FORMULATED FOR PROMOTING
GLOBAL CAPABILITY CENTRES IN EMERGING TIER 2 CITIES**

New Delhi, 1st February, 2025

In our journey of realizing ‘*Sabka Vikas*’ by stimulating balanced growth of all regions, **Exports** have been reckoned as one of the powerful engines of India’s growth story. The Union Budget 2025-26 tabled in Parliament today by Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman, aims to initiate transformative reforms in domestic manufacturing and integrating India’s economy with global supply chains.

BharatTradeNet

A digital public infrastructure, ‘BharatTradeNet’ (BTN) for international trade has been proposed to be set-up as a **unified platform for trade documentation and financing solutions**. In the budget speech Smt. Sitharaman stated that, “BTN will complement the Unified Logistics Interface Platform and will be aligned with international practices”.



Promoting Exports to Propel Growth

Export Promotion Mission to be set up

- To improve export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets

'BharatTradeNet' (BTN) to be set up as a digital public infrastructure for international trade

- Unified platform for trade documentation and financing solutions

@PIB_India @PIBHindi @pibindia @pibindia @pibindia @pibindia

Integrating India's Economy with Global Supply Chains

The Finance Minister announced in the Union Budget 2025-26 that support will be provided to develop domestic manufacturing capacities for integrating Indian economy with global supply chains. In this direction, the sectors will be identified based on an objective criteria.

It is also proposed that facilitation groups with participation of senior officers and industry representatives be formed for select products and supply chains.

Smt. Nirmala Sitharaman highlighted that the youth of India have both high skills and talent which are required for capitalizing on the opportunities related to Industry 4.0. “Our Government will **support the domestic electronic equipment industry** to leverage this opportunity for the benefit of the youth”, she added.





Promoting Exports to Propel Growth

Export Promotion Mission to be set up

- › To improve export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets

‘BharatTradeNet’ (BTN) to be set up as a digital public infrastructure for international trade

- › Unified platform for trade documentation and financing solutions



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1/2

National Framework for GCC

It has been proposed in the Union Budget 2025-26 that a **National Framework** will be formulated as guidance to states for **promoting Global Capability Centres** in **emerging tier 2 cities**. This will suggest 16 measures for enhancing availability of talent and infrastructure, building-byelaw reforms, and mechanisms for collaboration with industry.

NB/KS

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

₹ 1 LAKH CRORE URBAN CHALLENGE FUND TO IMPLEMENT ‘CITIES AS GROWTH HUBS’

**NATIONAL GEOSPATIAL MISSION TO DEVELOP FOUNDATIONAL GEOSPATIAL
INFRASTRUCTURE AND DATA**

**GIG WORKERS TO GET IDENTITY CARDS AND REGISTRATION ON THE E-SHRAM
PORTAL**

**GIG-WORKERS WILL BE PROVIDED HEALTHCARE UNDER PM JAN AROGYA
YOJANA, NEARLY 1 CRORE TO GET ASSISTED**

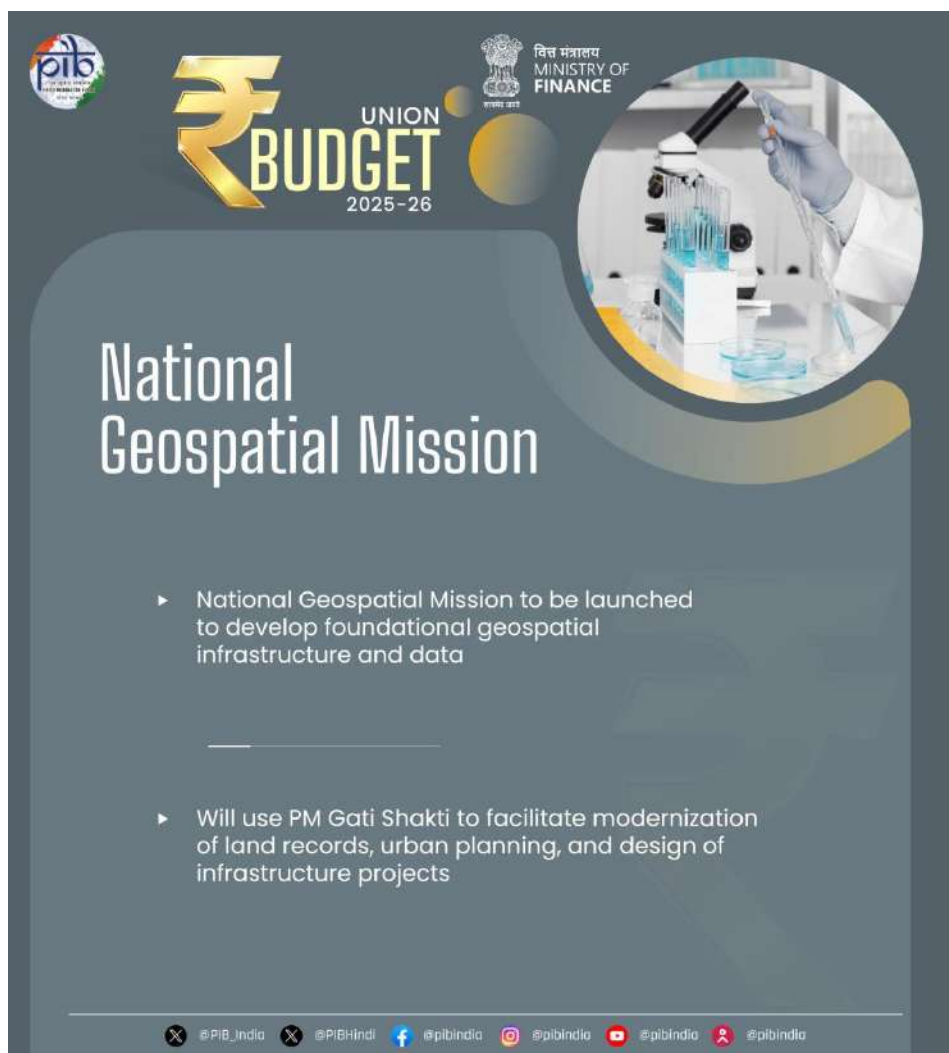
UPI LINKED CREDIT CARDS WITH ₹ 30,000 LIMIT UNDER PM SVANIDHI SCHEME

New Delhi, 1st February, 2025

Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman, while presenting the Budget 2025-2026 in the Parliament today said that the Government will set up an Urban Challenge Fund of ₹ 1 lakh crore to implement the proposals for ‘Cities as Growth Hubs’, ‘Creative Redevelopment of Cities’ and ‘Water and Sanitation’ announced in the July Budget.

She further added this fund will finance up to 25 per cent of the cost of bankable projects with a stipulation that at least 50 per cent of the cost is funded from bonds, bank loans, and PPPs. An allocation of ₹ 10,000 crore is proposed for 2025-26.

The Budget has proposed that a National Geospatial Mission will be started to develop foundational geospatial infrastructure and data. Using PM Gati Shakti, this Mission will facilitate modernization of land records, urban planning, and design of infrastructure projects.



Smt. Sitharaman said that the Government has been giving priority to assisting urban poor and vulnerable groups. A scheme for socio-economic upliftment of urban workers will be implemented to help them improve their incomes, have sustainable livelihoods and a better quality of life.

Gig workers of online platforms provide great dynamism to the new-age services economy. Recognising their contribution, our Government will arrange for their identity cards and registration on the e-Shram portal. They will be provided healthcare under PM Jan Arogya Yojana. This measure is likely to assist nearly 1 crore gig-workers.

The infographic features the Union Budget 2025-26 logo at the top left, the Ministry of Finance logo at the top right, and a circular image of a street vendor. The title 'Investing in Street Vendors and Online and Urban Workers' is prominently displayed. Below the title, three key initiatives are listed:

- ▶ **Gig workers of online platforms to be provided with identity** cards and registration on e-Shram portal, and healthcare under PM Jan Arogya Yojana; likely to help nearly 1 crore gig-workers
- ▶ **Scheme for socio-economic upliftment of urban workers** to be implemented to help urban poor and vulnerable groups improve their incomes, have sustainable livelihoods and a better quality of life
- ▶ **PM SVANidhi** scheme to be revamped with enhanced loans from banks, UPI linked credit cards with ₹30,000 limit, and capacity building support

Social media handles for PIB India are listed at the bottom.

Finance Minister highlighted that the PM SVANidhi scheme has benefitted more than 68 lakh street vendors giving them respite from high-interest informal sector loans. Building on this success, the scheme will be revamped with enhanced loans from banks, UPI linked credit cards with ₹ 30,000 limit, and capacity building support.

She highlighted that Under the Special Window for Affordable and Mid-Income Housing (SWAMIH) fifty thousand dwelling units in stressed housing projects have been completed, and keys handed over to home-buyers. Another forty thousand units will be completed in 2025, further helping middle-class families who were paying EMIs on loans taken for apartments, while also paying rent for their current dwellings.

Building on this success, SWAMIH Fund 2 will be established as a blended finance facility with contribution from the Government, banks and private investors. This fund of ₹ 15,000 crore will aim for expeditious completion of another 1 lakh units.

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

UNION BUDGET 2025-26: BOOST TO SHIPPING AND AVIATION SECTOR

MARITIME DEVELOPMENT FUND OF Rs 25,000 CRORE PROPOSED

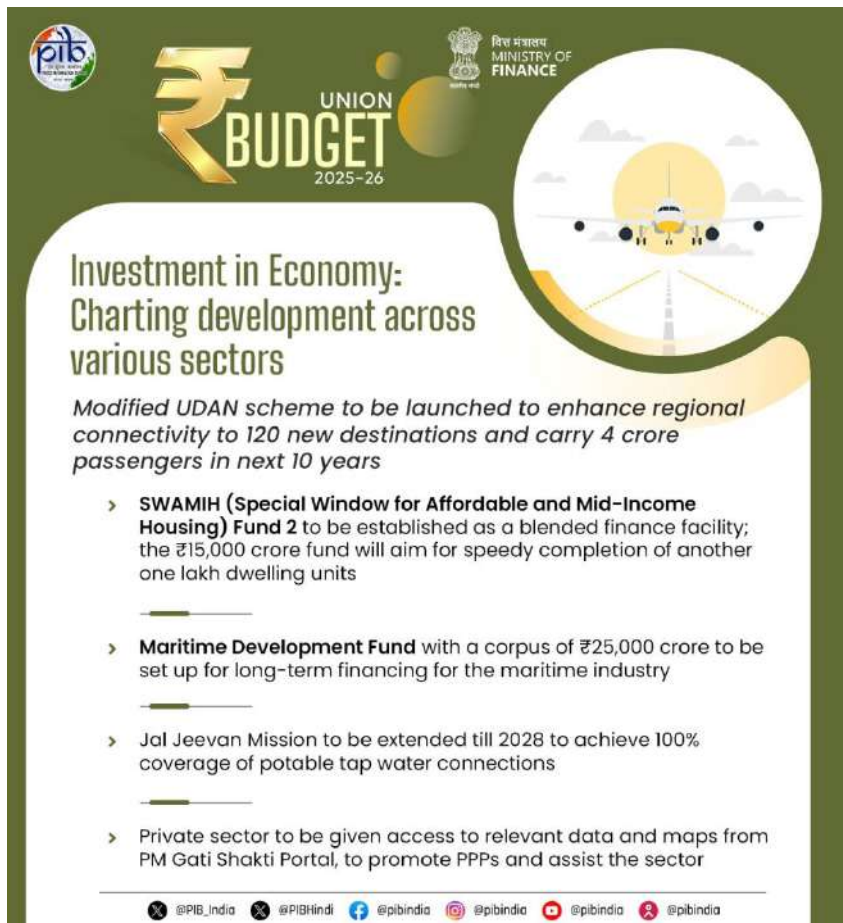
**MODIFIED UDAN SCHEME TO CONNECT 120 NEW DESTINATIONS AND CARRY 4
CRORE PASSENGERS IN NEXT 10 YEARS**

GREENFIELD AIRPORTS AND WESTERN KOSHI CANAL PROJECT FOR BIHAR

New Delhi, 1st February, 2025

For long-term financing for the maritime industry, the Union Finance Minister Smt. Nirmala Sitharaman has proposed to set up a Maritime Development Fund with a corpus of Rs 25,000 crore. Announcing this in her budget speech in the Parliament today, the Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman said that this corpus will be for distributed support and promoting competition in the maritime industry. The fund will have up to 49 per cent contribution by the Government, and the balance will be mobilized from ports and private sector.

The Finance Minister stated that the Shipbuilding Financial Assistance Policy will be revamped to address cost disadvantages, which will also include Credit Notes for shipbreaking in Indian yards to promote the circular economy. Further, the large ships above a specified size are also proposed to be included in the infrastructure harmonized master list (HML). The Union Budget also proposes to facilitate 'Shipbuilding Clusters' in order to increase the range, categories and capacity of ships. This will include additional infrastructure facilities, skilling and technology to develop the entire ecosystem. Acknowledging that the shipbuilding has a long gestation period, the Finance Minister proposed to continue the exemption of Basic Customs Duty on raw materials, components, consumables or parts for the manufacture of ships for another ten years. She further proposed the same dispensation for ship breaking to make it more competitive.



Praising the Regional Connectivity Scheme UDAN, Smt. Nirmala Sitharaman said in her speech that UDAN has enabled 1.5 crore middle-class people to meet their aspirations for speedier travel. The scheme has connected 88 airports and operationalized 619 routes. Inspired by that success, a modified UDAN scheme which will be launched to enhance regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years and this scheme will also support helipads and smaller airports in hilly, aspirational, and North East region districts, stated the Finance Minister. She also informed the house that the government will facilitate upgradation of infrastructure and warehousing for air cargo including high value perishable horticulture produce. Cargo screening and customs protocols will also be streamlined and made user-friendly.

Giving infrastructure fillip to the state of Bihar, the Union Finance Minister proposed that the Greenfield airports will be facilitated in Bihar to meet the future needs of the State. These will be in addition to the expansion of the capacity of Patna airport and a brownfield airport at Bihta. Financial support will also be provided for the Western Koshi Canal ERM Project benefitting a large number of farmers cultivating over 50,000 hectares of land in the Mithilanchal region of Bihar.

NB/KSY/PSF

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

50,000 ATAL TINKERING LABS IN GOVERNMENT SCHOOLS IN NEXT 5 YEARS

**BHARATIYA BHASHA PUSTAK SCHEME TO PROVIDE DIGITAL-FORM INDIAN
LANGUAGE BOOKS**

**ALLOCATION OF RS 20,000 CRORE TO IMPLEMENT PRIVATE SECTOR DRIVEN
RESEARCH, DEVELOPMENT AND INNOVATION**

**PROVISION OF 10,000 FELLOWSHIPS FOR TECHNOLOGICAL RESEARCH IN IITs
AND IISC UNDER PM RESEARCH FELLOWSHIP SCHEME**

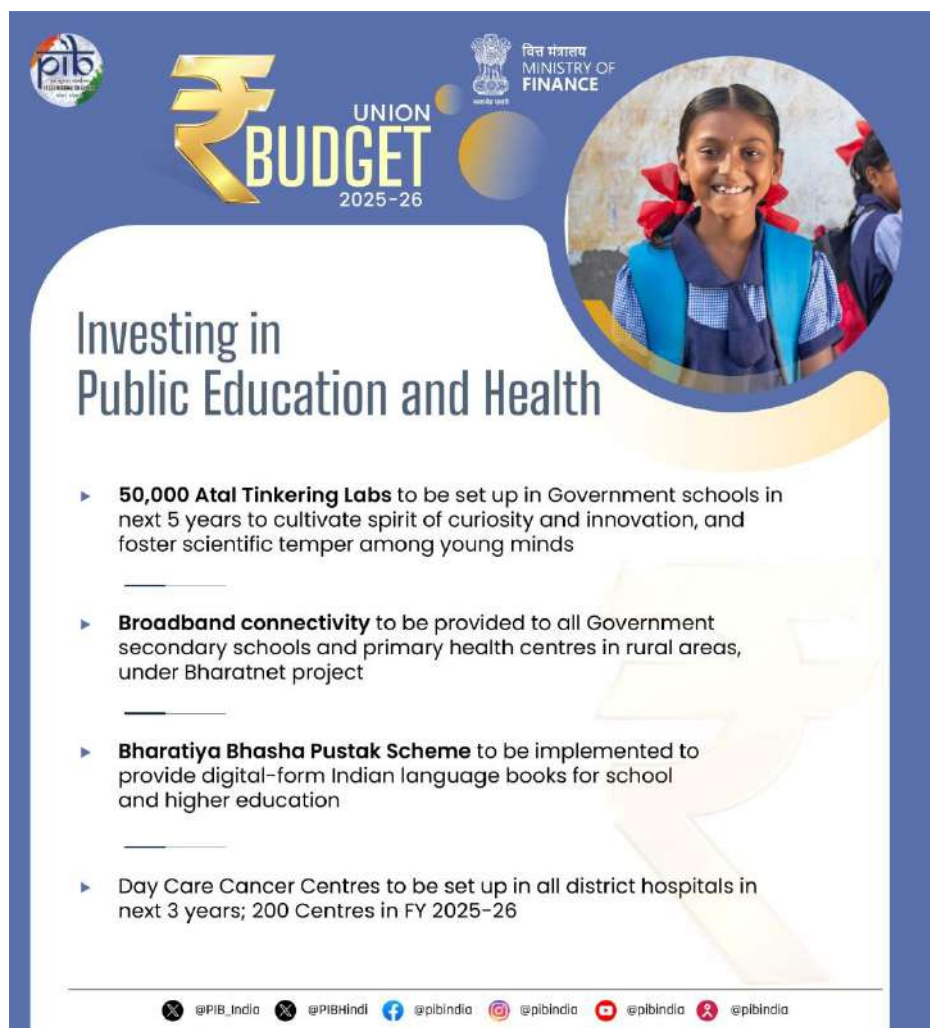
**5 NATIONAL CENTRES OF EXCELLENCE FOR SKILLING TO EQUIP YOUTH FOR
“MAKE FOR INDIA, MAKE FOR THE WORLD” MANUFACTURING**

**CENTRE OF EXCELLENCE IN ARTIFICIAL INTELLIGENCE FOR EDUCATION
WITH TOTAL OUTLAY OF RS 500 CRORE**

New Delhi, 1st February, 2025

While presenting the Union Budget 2025-26 in the Parliament today, the Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman proposed various development measures for nurturing innovation.

The Union Finance Minister announced to set up Fifty thousand **Atal Tinkering Labs** in Government schools in next 5 years to cultivate the spirit of curiosity and innovation, and foster a scientific temper among young minds. The Union Budget also proposes to provide Broadband connectivity to all Government secondary schools and primary health centres in rural areas under the Bharatnet project.



UNION BUDGET 2025-26

विद्यया ऽ मृतमश्नुते
MINISTRY OF FINANCE

Investing in Public Education and Health

- ▶ **50,000 Atal Tinkering Labs** to be set up in Government schools in next 5 years to cultivate spirit of curiosity and innovation, and foster scientific temper among young minds
- ▶ **Broadband connectivity** to be provided to all Government secondary schools and primary health centres in rural areas, under Bharatnet project
- ▶ **Bharatiya Bhasha Pustak Scheme** to be implemented to provide digital-form Indian language books for school and higher education
- ▶ **Day Care Cancer Centres** to be set up in all district hospitals in next 3 years; 200 Centres in FY 2025-26

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On higher education, the Union Budget 2025-26 states that total number of students in 23 IITs has increased 100 per cent from 65,000 to 1.35 lakh in the past 10 years. Additional infrastructure will be created in the 5 IITs started after 2014 to facilitate education for 6,500 more students. Hostel and other infrastructure capacity at IIT, Patna will also be expanded.

With the aim to help students understand their subjects better, Smt. Nirmala Sitharaman has proposed to implement a **Bharatiya Bhasha Pustak Scheme** to provide digital-form Indian language books for school and higher education.

The Union Finance Minister also announced to set up five **National Centres of Excellence for skilling** with global expertise and partnerships to equip youth with the skills required for “Make for India, Make for the World” manufacturing. The partnerships will cover curriculum design, training of trainers, a skills certification framework, and periodic reviews.

The Union Budget also announced to set up a **Centre of Excellence in Artificial Intelligence for education** with a total outlay of Rs 500 crore.

The infographic features a blue header with the PIB logo, a large gold Rupee symbol, and the text 'UNION BUDGET 2025-26'. To the right is the Ministry of Finance logo and a circular image of students in a computer lab. The main title 'Investing in Skilling and Higher Education' is in a large, bold font. Below it, four bullet points list budgetary allocations for skill centers, IIT infrastructure, AI education, and medical seats. The footer contains social media handles for PIB India in various languages.

UNION BUDGET 2025-26

Investing in Skilling and Higher Education

- ▶ **Five National Centres of Excellence for skilling** to be set up with global expertise and partnerships to equip youth with skills required for "Make for India, Make for the World" manufacturing
- ▶ **Additional infrastructure to be created in 5 IITs** started after 2014 to facilitate education for 6,500 more students
- ▶ **Centre of Excellence in Artificial Intelligence for Education** to be set up with outlay of ₹500 crore
- ▶ 10,000 additional seats to be added in medical colleges and hospitals in next year, with the goal of adding 75,000 seats in next 5 years

@PIB_india @PIBHindi @pibindia @pibindia @pibindia @pibindia @pibindia

While presenting the Budget, Smt. Nirmala Sitharaman announced to allocate Rs 20,000 crore to implement private sector driven Research, Development and Innovation. In the next five years, under the **PM Research Fellowship scheme**, provision of ten thousand fellowships for technological research in IITs and IISc with enhanced financial support is also proposed in the Budget.

NB/KS/AS

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

**ENHANCED NUTRITIONAL SUPPORT UNDER SAKSHAM ANGANWADI AND
POSHAN 2.0 PROGRAMME**

**DAY CARE CANCER CENTRES TO BE SET UP IN ALL DISTRICT HOSPITALS; 200
CENTRES TO BE SET UP IN 2025-26**

**MEDICAL TOURISM AND HEAL IN INDIA TO BE PROMOTED IN PARTNERSHIP
WITH PRIVATE SECTOR**

**36 LIFESAVING DRUGS AND MEDICINES FULLY EXEMPTED FROM BASIC
CUSTOMS DUTY**

New Delhi, 1st February, 2025

Investment is the 3rd engine of development encompassing investing in people, investing in the economy and investing in innovation, said the Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman while presenting the Union Budget 2025-26 in the Parliament today.

As part of investing in people, the Union Budget 2025-26 proposes to enhance the cost norms for the nutritional support under Saksham Anganwadi and Poshan 2.0 programme. The programme provides nutritional support to more than 8 crore children, 1 crore pregnant women and lactating mothers all over the country, and about 20 lakh adolescent girls in aspirational districts and the north-east region.

The Union Finance Minister, in her Budget Speech, announced to facilitate setting up of Day Care Cancer Centres in all district hospitals in the next 3 years. 200 Centres will be established in 2025-26. The Budget also highlights that in the next year, 10,000 additional seats will be added in medical colleges and hospitals, towards the goal of adding 75,000 seats in the next 5 years.

The Finance Minister informed that the Medical Tourism and Heal in India will be promoted in partnership with the private sector along with capacity building and easier visa norms.





UNION BUDGET 2025-26



वित्त मंत्रालय
MINISTRY OF FINANCE



Investing in Our People's Nutrition

► Nutritional support under Saksham Anganwadi and Poshan 2.0 to be increased, by raising cost norms

Did You Know ?

- Currently, the programme provides nutritional support to:
 - › More than 8 crore children
 - › 1 crore pregnant women & lactating mothers all over the country
 - › About 20 lakh adolescent girls in aspirational districts and north-east region

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  @pibindia

Relief on import of Drugs/Medicines

To provide relief to patients, particularly those suffering from cancer, rare diseases and other severe chronic diseases, the Union Finance Minister has proposed to add 36 lifesaving drugs and medicines to the list of medicines fully exempted from Basic Customs Duty (BCD).

The Finance Minister also proposed to add 6 lifesaving medicines to the list attracting concessional customs duty of 5%. Full exemption and concessional duty will also respectively apply on the bulk drugs for manufacture of the above.

The Budget also specified that drugs and medicines under Patient Assistance Programmes run by pharmaceutical companies are fully exempt from BCD, provided the medicines are supplied free of cost to patients. Budget proposes to add 37 more medicines along with 13 new patient assistance programmes.

NB/KS/AS

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**AS PART OF 3RD ENGINE OF INVESTMENT IN ECONOMY, UNION FINANCE
MINISTER PROPOSES MULTI-SECTORAL REFORMS IN PUBLIC PRIVATE
PARTNERSHIPS, SUPPORT TO STATES, ASSET MONETISATION, MINING, AND
DOMESTIC MANUFACTURING**

**UNION BUDGET 2025-26 PROPOSES TO FULLY EXEMPT COBALT POWDER AND
WASTE, SCRAP OF LITHIUM-ION BATTERY, LEAD, ZINC AND 12 MORE CRITICAL
MINERALS**

New Delhi, 1st Feb. 2025

As part of the 3rd engine of investment in economy, Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman proposed multi-sectoral reforms encompassing Public Private Partnerships, support to States, Asset Monetisation Plan for 2025-2030, mining sector, and support to domestic manufacturing, while presenting the Union Budget 2025-26 in Parliament, today.

Public Private Partnership in Infrastructure

Smt. Sitharaman proposed that each infrastructure-related ministry will come up with a 3-year pipeline of projects that can be implemented in PPP mode, and States will also be encouraged to initiate and seek support from the India Infrastructure Project Development Fund (IIPDF) scheme to prepare PPP proposals.



Support to States for Infrastructure

The Union Finance Minister proposed an outlay of ₹1.5 lakh crore for the 50-year interest free loans to states for capital expenditure and incentives for reforms.

Asset Monetisation Plan 2025-30

Building on the success of the first Asset Monetisation Plan announced in 2021, Smt. Sitharaman proposed to launch the Second Plan for 2025-30 to plough back capital of ₹10 lakh crore in new projects with fine-tuning of the regulatory and fiscal measures to support the Plan.

Mining Sector Reforms

The Union Finance Minister proposed mining sector reforms, including those for minor minerals, through sharing of best practices and institution of a State Mining Index.

PM Gati Shakti Data for Private Sector

Smt. Sitharaman proposed to provide access to relevant data and maps from the PM Gati Shakti portal for furthering PPPs and assisting the private sector in project planning.

Support to Domestic Manufacturing and Value addition Critical Minerals

The Union Finance Minister proposed to fully exempt cobalt powder and waste, the scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals to secure their availability for manufacturing in India and promote more jobs for India's youth.

NB/KMN

PRESS INFORMATION BUREAU GOVERNMENT OF INDIA

A HIGH-LEVEL COMMITTEE FOR REGULATORY REFORMS TO BE SET UP FOR REVIEW OF ALL NON-FINANCIAL SECTOR REGULATIONS, CERTIFICATIONS, LICENSES, AND PERMISSIONS

GOVERNMENT TO LAUNCH AN INVESTMENT FRIENDLINESS INDEX OF STATES IN 2025

JAN VISHWAS BILL 2.0 TO BE BROUGHT TO DECRIMINALIZE MORE THAN 100 PROVISIONS IN VARIOUS LAWS

2/1/2025

The Union Finance & Corporate Affairs Minister presented the Union Budget 2025-26 in the Parliament today.

Regulatory Reforms

In her Budget speech, the Union Finance Minister said that the Government is determined to ensure that the regulations must keep up with technological innovations and global policy developments. A light-touch regulatory framework based on principles and trust will unleash productivity and employment. Through this framework, regulations will be updated that were made under old laws.

To develop this modern, flexible, people-friendly, and trust-based regulatory framework appropriate for the twenty-first century, Smt. Nirmala Sitharaman proposed four specific measures:



High Level Committee for Regulatory Reforms

A High-Level Committee for Regulatory Reforms will be set up for a review of all non-financial sector regulations, certifications, licenses, and permissions, the Union Finance Minister added. The committee will be expected make recommendations within a year. The objective is to strengthen trust-based economic governance and take transformational measures to enhance 'ease of doing business', especially in matters of inspections and compliances. States will be encouraged to join in this endeavour.

Investment Friendliness Index of States

Smt. Nirmala Sitharaman added that an Investment Friendliness Index of States will be launched in 2025 to further the spirit of competitive cooperative federalism.

FSDC Mechanism

Under the Financial Stability and Development Council, a mechanism will be set up to evaluate impact of the current financial regulations and subsidiary instructions, the Union Finance Minister said. It will also formulate a framework to enhance their responsiveness and development of the financial sector.

Jan Vishwas Bill 2.0

Smt. Nirmala Sitharaman informed that the Government will now bring up the Jan Vishwas Bill 2.0 to decriminalize more than 100 provisions in various laws. In the Jan Vishwas Act 2023, more than 180 legal provisions were decriminalized.

In the last ten years in several aspects, including financial and non-financial, our Government has demonstrated a steadfast commitment to ‘Ease of Doing Business’, the Union Finance Minister said.

NB/AD

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**UNION BUDGET 2025-26 IDENTIFIES TOURISM AS A SECTOR FOR EMPLOYMENT-
LED GROWTH**

**TOP 50 TOURIST DESTINATION WILL BE DEVELOPED IN PARTNERSHIP WITH
STATES THROUGH A CHALLENGE MODE**

**MEDICAL TOURISM AND HEAL IN INDIA WILL BE PROMOTED IN PARTNERSHIP
WITH THE PRIVATE SECTOR**

**MANUSCRIPT HERITAGE WILL BE UNDERTAKEN TO COVER MORE THAN 1
CRORE MANUSCRIPTS**

New Delhi, 1st February, 2025

Union Budget 2025-26 has identified tourism as a sector for employment-led growth. Presenting Budget in Parliament today, Finance Minister Smt. Nirmala Sitharaman said that facilitating employment-led growth include organizing intensive skill-development programmes for youth including hospitality management, MUDRA loans for homestays, improving ease of travel and connectivity to tourist destinations, introducing streamlined e-visa facilities and providing performance-linked incentives to states.

She said that top 50 tourist destination sites in the country will be developed in partnership with states through a challenge mode. The Budget added that land for building key infrastructure including hotels will have to be provided by states and hotels in those destinations will be included in the infrastructure HML. Minister said that emphasis on places of spiritual and religious significance will be given and there will be a special focus on destinations related to the life and times of Lord Buddha. In her speech, Smt. Nirmala Sitharaman said that medical tourism and Heal in India will be promoted in partnership with the private sector along with capacity building and easier visa norms.

The infographic features a green background with a large white circle containing a list of tourism initiatives. At the top left is the PIB logo. In the center top is the '₹ BUDGET 2025-26' logo. To the right is the Ministry of Finance logo. The circle's illustration shows a person with a suitcase, a smartphone displaying a travel app, a passport, and a globe with location pins. The list of initiatives is as follows:

- › Top 50 tourist destination sites in the country to be developed in partnership with states through a challenge mode
- › States to be given performance-linked incentives for effective destination management
- › MUDRA loans for homestays to be provided
- › Special focus on destinations related to the life and times of Lord Buddha
- › Medical Tourism and Heal in India to be promoted in partnership with the private sector

At the bottom, there are social media handles: @PIB_India, @PIBHindi, @pibindia, @pibindia, @pibindia, and @pibindia.

Gyan Bharatam Mission

Finance Minister said that documentation and conservation of our manuscript heritage with academic institutions, museums, libraries and private collectors will be undertaken to cover more than 1 crore manuscripts. She added that Government will set up a National Digital Repository of Indian knowledge systems for knowledge sharing.

NB/KS/PR

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**NEXT FIVE YEARS PRESENT A UNIQUE OPPORTUNITY TO REALIZE
'SABKA VIKAS'; UNION BUDGET 2025-26**

**AGRICULTURE, MSME, INVESTMENT, AND EXPORTS TO BE FOUR
POWERFUL ENGINES IN JOURNEY OF DEVELOPMENT**

FOCUS ON GARIB, YOUTH, ANNADATA AND NARI IN THE BUDGET

New Delhi, 1st February 2025

Next five years is seen as a unique opportunity to realize 'Sabka Vikas', said the Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman while presenting the Union Budget 2025-26 in Parliament today. In her budget speech, the Union Finance Minister emphasized on stimulating balanced growth of all regions.

The Minister highlighted that our economy is the fastest-growing among all major global economies. Our development track record of the past 10 years and structural reforms have drawn global attention. Confidence in India's capability and potential has only grown in this period, the Minister added.



The Union Budget 2025-26 highlights Government's efforts to accelerate growth, secure inclusive development, invigorate private sector investments, uplift household sentiments, and enhance spending power of India's rising middle class.

Specifying Agriculture, MSME, Investment, and Exports to be four powerful engines in journey of development, the Minister underlined that this budget aims to initiate transformative reforms across six domains. During the next five years, the domains of Taxation, Power Sector, Urban Development, Mining, Financial Sector and Regulatory Reforms will augment our growth potential and global competitiveness. The Finance Minister said that in the journey of development, "Our Reforms" is the fuel; where, "Inclusivity" is a guiding spirit; and the "Viksit Bharat" is the destination.

Focussing on Garib, Youth, Annadata and Nari in her Union Budget 2025-26 speech, the Union Finance Minister underscored on proposed development measures spanning ten broad areas. These are namely, Spurring Agricultural Growth and Productivity; Building Rural Prosperity and Resilience; Taking Everyone Together on an Inclusive Growth path; Boosting Manufacturing and Furthering Make in India; Supporting MSMEs; Enabling Employment-led Development; Investing

in people, economy and innovation; Securing Energy Supplies; Promoting Exports; and Nurturing Innovation.

The Union Minister observed that “Viksit Bharat” encompasses zero-poverty; hundred per cent good quality school education; access to high-quality, affordable, and comprehensive healthcare; hundred per cent skilled labour with meaningful employment; seventy per cent women in economic activities; and farmers making our country the ‘food basket of the world’.

NB/SB/RV

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

BUDGET OUTLAY FOR JAL JEEVAN MISSION ENHANCED TO RS. 67,000 CRORE

JAL JEEVAN MISSION EXTENDED UNTIL 2028

MISSION TO ACHIEVE 100% COVERAGE OVER NEXT THREE YEARS

New Delhi, 1st February, 2025

While presenting the Union Budget 2025-26 in the Parliament today, Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman said that the total budget outlay for Jal Jeevan Mission has been enhanced to Rs 67,000 Crore. She said that the Mission stands extended until 2028.

Smt. Nirmala Sitharaman stated that 15 crore households representing 80 per cent of India’s rural population have benefitted by the Jal Jeevan Mission since 2019. She added that access to potable tap water connections is provided under this Mission and in the next three years the target is to achieve 100 per cent coverage.

Jal Jeevan Mission’s focus will be on the quality of infrastructure and O&M of rural piped water supply schemes through “Jan Bhagidhari”. Separate MoUs will be signed with states/UTs, to ensure sustainability and citizen-centric water service delivery, informed Smt. Sitharaman.

NB/VV/SC

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

A NUCLEAR ENERGY MISSION FOR RESEARCH & DEVELOPMENT OF SMALL MODULAR REACTORS (SMR) WILL BE SET UP: BUDGET 2025-26

AT LEAST 5 INDIGENOUSLY DEVELOPED SMRS WILL BE OPERATIONALIZED BY 2033

New Delhi, 1st February, 2025

Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman, while presenting the Budget 2025-2026 in the Parliament today said that a Nuclear Energy Mission for research & development of Small Modular Reactors (SMR) with an outlay of ₹ 20,000 crore will be set up. At least 5 indigenously developed SMRs will be operationalized by 2033, she informed.

Smt. Sitharaman highlighted that development of at least 100 GW of nuclear energy by 2047 is essential for our energy transition efforts. For an active partnership with the private sector towards this goal, amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act will be taken up.

The infographic features a green background with a large white circle on the right containing an image of high-voltage power transmission towers. At the top left is the PIB logo, and at the top center is the Union Budget 2025-26 logo. To the right of the budget logo is the Ministry of Finance logo. The main title 'Energy Sector Reforms' is in a bold, sans-serif font. Below it, a paragraph states the goal of amending the Atomic Energy Act and the Civil Liability for Nuclear Damage Act to achieve at least 100 GW of nuclear energy by 2047. Two bullet points follow, detailing the Nuclear Energy Mission for SMRs and government incentives for electricity distribution reforms. The bottom of the infographic displays social media handles for PIB India across various platforms.

UNION BUDGET 2025-26

Energy Sector Reforms

Atomic Energy Act and the Civil Liability for Nuclear Damage Act to be amended to realize goal of development of at least 100 GW of nuclear energy by 2047

- Nuclear Energy Mission for research & development of Small Modular Reactors (SMR) to be set up, with outlay of Rs. 20,000 crore; at least 5 indigenously developed SMRs to be operationalized by 2033
- Government to incentivize electricity distribution reforms and augmentation of intra-state transmission capacity by states; additional borrowing of 0.5% of GSDP to states, contingent on these reforms

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The Budget also proposes that states will be incentivized for electricity distribution reforms and augmentation of intra-state transmission capacity. This will improve financial health and capacity of electricity companies. The Minister informed that additional borrowing of 0.5 per cent of GSDP will be allowed to states, contingent on these reforms.

NB | VV | BKC

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

INDIA POST TO ACT AS A CATALYST FOR THE RURAL ECONOMY: BUDGET 2025-26

INDIA POST SERVICES WILL BE EXPANDED TO INCLUDE DBT, CREDIT SERVICES TO MICRO ENTERPRISES, INSURANCE AMONG OTHERS

INDIA POST WILL BE TRANSFORMED AS A LARGE PUBLIC LOGISTICS ORGANIZATION TO MEET THE RISING NEEDS OF VISWAKARMAS, WOMEN, SHG, MSMEs ETC

New Delhi, 1st February, 2025

Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman said, while presenting the Budget 2025-26 in the Parliament today, that India Post with 1.5 lakh rural post offices, complemented by the India Post Payment Bank and a vast network of 2.4 lakh Dak Sevaks, will be repositioned to act as a catalyst for the rural economy.

Finance Minister also proposed that the expanded range of services of India Post will include:

- 1) rural community hub co-location;
- 2) institutional account services;
- 3) DBT, cash out and EMI pick-up;
- 4) credit services to micro enterprises;
- 5) insurance; and
- 6) assisted digital services.

Smt Sitharaman further added that India Post will also be transformed as a large public logistics organization. This will meet the rising needs of Viswakarmas, new entrepreneurs, women, self-help groups, MSMEs, and large business organizations.

Union Minister also said that the services of India Post Payment Bank will be deepened and expanded in rural areas.

NB | VV| BKCV

PRESS INFORMATION BUREAU

GOVERNMENT OF INDIA

**UNION BUDGET 2025-26 PROPOSES 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**

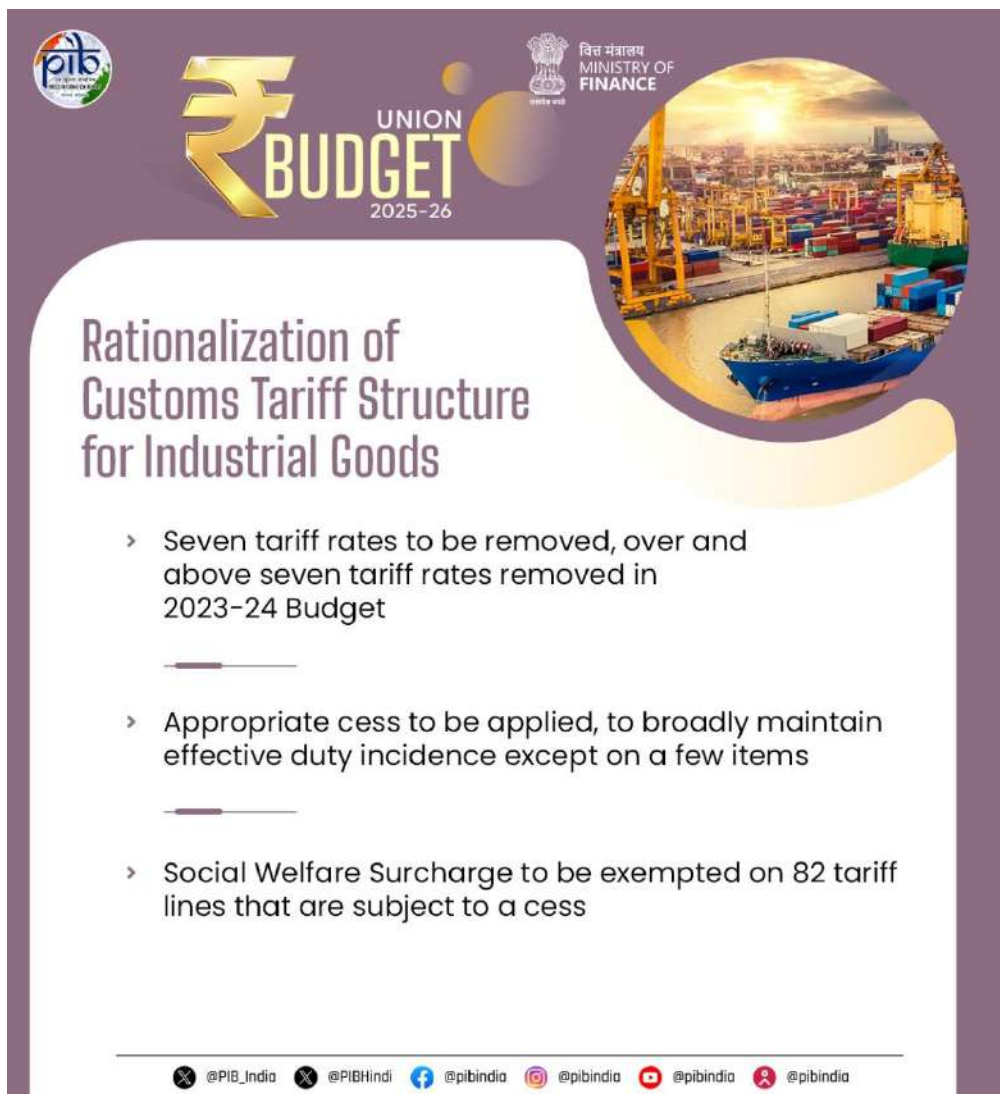
**BOOST TO E-MOBILITY: 35 ADDITIONAL CAPITAL GOODS FOR EV BATTERY
MANUFACTURING EXEMPTED FROM BCD**

**PROPOSALS TO SUPPORT DOMESTIC MANUFACTURING AND VALUE ADDITION
WHILE PROMOTING EXPORTS, FACILITATING TRADE AND PROVIDING RELIEF
TO COMMON PEOPLE**

New Delhi, 1st February, 2025

The Union Budget 2025-26 presented by Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman in parliament today, focuses its customs proposals on rationalizing tariff structure and addressing duty inversion. The Minister said that the proposals will also support domestic manufacturing and value addition while promoting exports, facilitating trade and providing relief to common people.

Delivering on the promise to review customs rate structure announced in July 2024, the Budget proposes to remove seven customs tariff rates for industrial goods over and above the seven tariff rates removed in Budget 2023-24. This will leave only eight tariff rates, including 'zero' rate. The Budget also proposes to levy not more than one cess or surcharge. This will exempt Social Welfare Surcharge on 82 tariff lines that are subject to a cess.



₹ UNION BUDGET 2025-26

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MINISTRY OF FINANCE

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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Relief on import of Drugs/Medicines

In sector specific proposals, the Budget comes as a big relief to patients, particularly to those suffering from cancer, rare diseases and other severe chronic diseases. The Budget proposes to add 36 life saving drugs and medicines to the list of medicines fully exempted from Basic Customs Duty. The Budget also proposes to add 6 life saving medicines to the list attracting concessional customs duty of 5%. Full exemption and concessional duty will also respectively apply on the bulk drugs for manufacture of the above.

Specified drugs and medicines under Patient Assistance Programmes run by pharmaceutical companies are fully exempt from Basic Customs Duty, provided the medicines are supplied free of cost to patients. The Budget proposes to add 37 more medicines along with 13 new patient assistance programmes to the list.



The infographic features a purple background with a large yellow circle on the right containing an image of various pills. At the top left is the PIB logo. In the center top is the '₹ BUDGET 2025-26' logo. To the right of the budget logo is the Ministry of Finance logo with the text 'विद्युत मंत्रालय' and 'MINISTRY OF FINANCE'. The main title 'Importing Drugs / Medicines Becomes Cheaper' is in a large, bold, white font. Below it, three bullet points are listed, each preceded by a right-pointing arrow and separated by a horizontal line. At the bottom, a row of social media icons and handles is displayed.

Importing Drugs / Medicines Becomes Cheaper

- > 36 Lifesaving drugs and medicines to be added to the list of medicines fully exempted from Basic Customs Duty
- > 6 Lifesaving medicines to be added to the list attracting concessional customs duty of 5%
- > 37 more medicines and 13 new patient assistance programmes to be fully exempted from Basic Customs Duty (where they are supplied free of cost to patients)

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Support to Domestic Manufacturing and Value addition

The Budget proposes to add 35 additional capital goods for EV battery manufacturing, and 28 additional capital goods for mobile phone battery manufacturing to the list of exempted capital goods. “This will boost domestic manufacture of lithium-ion battery, both for mobile phones and electric vehicles”, FM stated in her speech.

The Budget also proposes to fully exempt Basic Customs Duty on cobalt powder and waste, the scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals. Finance Minister said that this will help secure their availability for manufacturing in India and promote more jobs for our youth. This is in addition to the 25 critical minerals fully exempted of BCD in July 2024 Budget.

To promote domestic production of technical textile products such as agro-textiles, medical textiles and geo textiles at competitive prices, the Budget proposes to add two more types of shuttle-less looms to the list of fully exempted textile machinery. “I also propose to revise the BCD rate on knitted fabrics covered by nine tariff lines from “10% or 20%” to “20% or Rs.115 per kg, whichever is higher”, said Finance Minister in her speech.

In line with the 'Make in India' policy, the Budget proposes to increase the BCD on Interactive Flat Panel Display (IFPD) from 10% to 20% and reduce the BCD to 5% on Open Cell and other components. The Minister informed that it will rectify the inverted duty structure.

Considering the long gestation period of shipbuilding, the Budget proposes to continue the exemption of BCD on raw materials, components, consumables or parts for the manufacture of ships for another ten years. The Budget also proposes the same dispensation for ship breaking to make it more competitive.

The Budget also proposes to reduce the BCD from 20% to 10% on Carrier Grade ethernet switches to make it at par with Non-Carrier Grade ethernet switches. Finance Minister said that that this will prevent classification disputes.

Export Promotion

The Budget also contains certain tax proposals to promote exports. To facilitate exports of handicrafts, it proposes to extend the time period for export from six months to one year, further extendable by another three months, if required. The Budget also proposes to add nine handicraft items to the list of duty-free inputs.

The Budget also proposes to exempt crust leather from 20% export duty to facilitate exports by small tanners, while fully exempting BCD on Wet Blue leather to facilitate imports for domestic value addition and employment.

To enhance India's competitiveness in the global seafood market, the Budget proposes to reduce BCD from 30% to 5% on Frozen Fish Paste (Surimi) for manufacture and export of its analogue products. It also proposes to reduce BCD from 15% to 5% on fish hydrolysate for manufacture of fish and shrimp feeds.

To promote development of domestic MROs for aircraft and ships, the July 2024 Budget extended the time limit for export of foreign origin goods that were imported for repairs, from 6 months to one year and further extendable by one year. The Budget 2025-26 proposes to extend the same dispensation for railway goods.

Trade facilitation and Ease of Doing Business

Presently, the Customs Act, 1962 does not provide any time limit to finalize Provisional Assessments leading to uncertainty and cost to trade. As a measure of promoting ease of doing business, the Budget proposes to fix a time-limit of two years, extendable by a year, for finalizing the provisional assessment.

The Budget also proposes to introduce a new provision that will enable importers or exporters, after clearance of goods, to voluntarily declare material facts and pay duty with interest but without penalty. "This will incentivize voluntary compliance. However, this will not apply in cases where department has already initiated audit or investigation proceedings", said Smt Sitharaman.

The Budget proposes to extend the time limit for the end-use of imported inputs in the relevant rules, from six months to one year. This will not only allow industry to better plan their imports, but

also provide operational flexibility in view of cost and uncertainty of supply. Further, such importers will now have to file only quarterly statements instead of a monthly statement.

NB/VM/ST

UNION BUDGET 2025-26

**Press Information Bureau
Government of India**

SLEW OF DIRECT TAX REFORMS PROPOSED IN UNION BUDGET 2025-26 TO ACHIEVE GOOD GOVERNANCE

New Delhi, 1st February, 2025

Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman presented the Union Budget 2025-26, in the Parliament today. A slew of Direct Tax reforms were proposed in the document with the aim to achieve good governance for the people and economy.

The objectives of the Direct Tax proposals are as follows:

- **Personal Income Tax reforms with special focus on Middle Class:** No income tax payable upto total income of Rs. 12 lakh (*i.e. average income of Rs.1 lakh per month other than special rate income such as capital gains*) under the new regime. This limit will be Rs.12.75 lakh for salaried tax payers, due to standard deduction of Rs. 75,000.
- **Rationalization of TDS/TCS for easing difficulties:** The limit for tax deduction on interest for senior citizens is proposed to be doubled from the present Rs. 50,000 to Rs. 1 lakh. Similarly, the proposals include annual limit of Rs. 2.40 lakh for TDS on rent to be increased to Rs.6 lakh. This will reduce the number of transactions liable to TDS, thus benefitting small tax payers receiving small payments. The provisions of the higher TDS deduction will now apply only in non-PAN cases. Further, the threshold to collect tax at source (TCS) on remittances under RBI's Liberalized Remittance Scheme (LRS) is proposed to be increased from Rs.7 lakh to Rs.10 lakh. Also, the delay for payment of TCS up to the due date of filing statement is proposed to be decriminalized.

UNION BUDGET 2025-26

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

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- **Encouraging Voluntary Compliance:** Proposal to extend the time-limit to file updated income tax returns for any assessment year, from the current limit of two years, to four years. It is further proposed to bring amendment in the Act to obligate furnishing of information in respect of crypto-asset transaction, in a statement as prescribed. It has also been proposed to align the definition of virtual digital asset accordingly.
- **Reducing Compliance Burden:** Proposal to reduce the compliance burden for small charitable trusts/institutions by increasing their period of registration from 5 years to 10 years. Further, proposal to allow the benefit of claiming the annual value of two self-occupied properties as Nil, without any condition. The Budget also proposes that no tax will be collected at source on sale of specified goods of value of more than fifty lakhs.
- **Ease of Doing Business:** Scheme proposed for determining arm's length price of international transaction for a block period of three years, to streamline the process of transfer pricing and to provide an alternative to yearly examination, in line with global best practices. With a view to reduce litigation and provide certainty in international taxation, the scope of safe harbour rules is being expanded. Parity has been proposed in rates of long term capital gain tax on transfer of securities by non-resident. Further, a proposal has been made to exempt withdrawals made from National Savings Scheme accounts by

individuals on or after the 29th August, 2024, while also proposing to allow similar treatment to NPS Vatsalya accounts, subject to overall limits.

₹ BUDGET 2025-26

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MINISTRY OF FINANCE

TAX

Tax Reforms to Improve Ease of Doing Business

- ▶ Scheme to be introduced for determining arm's length price of international transaction for a block period of three years
- ▶ Scope of safe harbour rules to be expanded, to reduce litigation and provide certainty in international taxation
- ▶ Tax exemption to be provided on withdrawals made from National Savings Scheme by individuals on or after 29th August, 2024

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- **Employment and Investment:**

- a) Tax certainty for Electronics Manufacturing Schemes:** Proposal to provide a presumptive taxation regime for non-residents who provide services to a resident company that is establishing or operating an electronics manufacturing facility. Further, a proposal to introduce a safe harbour for tax certainty for non-residents who store components for supply to specified electronics manufacturing units.
- b) Tonnage Tax Scheme for Inland Vessels:** The benefits of existing tonnage tax scheme proposed to be extended to inland vessels registered under the Indian Vessels Act, 2021, to promote inland water transport in the country.
- c) Extension for incorporation of Start-Ups:** To support the Indian start-up eco-system, proposal to extend the period of incorporation by 5 years, to allow the benefit available to start-ups that are incorporated before 01.04.2030.
- d) International Financial Services Centre (IFSC):** In order to attract and promote additional activities in the IFSC, the Budget proposed specific benefits to ship-leasing units, insurance

offices and treasury centers of global companies that are set up in IFSC. Further, to claim benefits, the cut-off date for commencement in IFSC has also been extended by five years to 31.03.2030.

- e) **Alternate Investment Funds (AIFs):** Proposal to provide certainty of taxation to Category I and category II AIFs, which are undertaking investments in infrastructure and other such sectors, on the gains from securities.
- f) **Extension of investment date for Sovereign and Pension Funds:** Proposal to extend the date of making an investment by five more years, to 31.03.2030, to promote funding from Sovereign Wealth Funds and Pension Funds to the infrastructure sector.

As a result of these proposals, revenue of about Rs.1 lakh crore in direct taxes will be forgone, the Finance Minister informed concluding her Budget speech.

NB/VM

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

BUDGET 2025-26 PRIORITISES TRADE FACILITATION: GST AMENDMENTS PROPOSED

DISTRIBUTION OF INPUT TAX CREDIT IN RESPECT OF INTER-STATE SUPPLIES FROM 1ST APRIL, 2025.

NEW CLAUSE TO DEFINE UNIQUE IDENTIFICATION MARKING FOR TRACK AND TRACE MECHANISM

PROVISION TO REDUCE SUPPLIER TAX LIABILITY

New Delhi, 1st February, 2025

The Union Budget 2025-26 was tabled by the Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman in the Parliament today. The Budget proposes changes in GST laws for ensuring trade facilitation. These proposed amendments include:

- Provision for distribution of input tax credit by Input Service Distributor in respect of inter-state supplies on which tax has to be paid on reverse charge basis, with effect from 1st April, 2025.
- A new clause to provide definition of Unique Identification Marking for implementation of Track and Trace Mechanism.

- Provision for reversal of corresponding input tax credit required in respect of a credit-note, if availed, for the purpose of reduction of tax liability of the supplier.
- 10% mandatory pre-deposit of penalty amount for appeals before Appellate Authority in cases involving only demand of penalty without any demand for tax.
- Provision for penalties for contraventions of provisions related to the Track and Trace Mechanism.
- Provision in Schedule III of the CGST Act, 2017 stating that the supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area shall be treated neither as supply of goods nor as supply of services. Also no refund of tax already paid will be available for such transactions. This will be applicable with effect from 01.7.2017.
- Inclusion of definitions of 'Local Fund' and 'Municipal Fund' used in the definition of "local authority".
- Certain conditions and restriction for filing of return to be included.

These changes will be brought into effect from a date to be notified in coordination with States, as per recommendations of the GST council, states the budget.

NB/VV/GS

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

India's real and nominal GDP are expected to grow at 6.4% and 9.7% respectively in FY25 as per 1st Advanced Estimates

India's nominal GDP is projected to grow by 10.1% in FY26

Supported by the Supply-side measures from the Government retail inflation remained within inflation-band of 4±2 per cent in FY 2024-25 (April-December)

RBI projects inflation at 4.6% in Q1 and 4.0% in Q2 of FY26

Fiscal Deficit targeted at 4.8 per cent of GDP for FY 2024-25 (RE 2024-25), on track to attain below 4.5 % in FY 2025-26

Capital expenditure of Rs. 11.21 lakh crore (3.1 per cent of GDP) earmarked in FY 2025-26

India's merchandise exports grew at 1.6 % (YoY basis) while services exports recorded growth of 11.6 % (YoY basis) in April-December 2024

India's Current Account Deficit (CAD) moderated to 1.2 % of GDP in Q2 FY25 against 1.3 % of GDP in Q2 FY24

Revenue Deficit is on declining trend, expected to reduce from 4.8 per cent of GDP in FY 2024-25 to 4.4 per cent of GDP in FY 2025-26.

Central Government Debt to GDP ratio is estimated to decline to 56.1 in FY 2025-26 from 57.1 in FY 2024-25

FDI inflow witnessed revival in FY 2024-25, increased from USD 42.1 billion (in April-October of FY 2023-24) to USD 48.6 billion (in the same period of FY 2024-25)

India's foreign exchange reserves estimated at USD 640.3 billion at the end of December 2024, sufficient to cover about 90 per cent of the country's external debt

New Delhi, 1st February, 2025

As one of the fastest growing economies, the global spotlight has shifted onto India to restore order in an increasing disorderly global financial system. Among the challenges, India would work towards creating an international economic order that is just, fair, inclusive and equitable for all. The focus of Union Government will be on generating broad-based and inclusive economic growth. The fiscal policy would be grounded in reforms, resilience and readiness. This approach should not only invigorate the growth momentum, but also create necessary buffers to enable the Government to effectively respond to emergent global and domestic challenges. This as stated in the Medium Term Fiscal Policy Cum Fiscal Policy Strategy Statement presented by the Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman in the Parliament today.

Macro-Economic Framework Statement 2024-25 cites the first advance estimates published by the National Statistics Office, projecting India's real and nominal GDP growth rates at 6.4 per cent and 9.7 per cent, respectively, in FY 2024-25. The Budget for FY 2025-26, the nominal GDP is projected to grow by 10.1 per cent over the first Advance Estimates of FY 2024-25.

Inflationary pressures have moderated in FY 2024-25, with average retail inflation easing to 4.9 per cent (April-December) compared to 5.4 per cent in 2023-24, notes the Macro-Economic Framework Statement. This decline was driven by benign core (nonfood, non-fuel) inflation trends. The overall retail inflation remained within inflation-band of 4 ± 2 per cent in FY 2024-25 (April-December). Supply-side measures from the Government have helped contain food inflation. The statement forecasts that Inflation is expected to decline in FY 2025-26. The RBI has projected inflation at 4.6 per cent and 4.0 per cent in Q1 and Q2 of FY 2025-26, respectively. Even though the outlook for commodity prices remains benign, geopolitical triggers may aggravate price pressures.

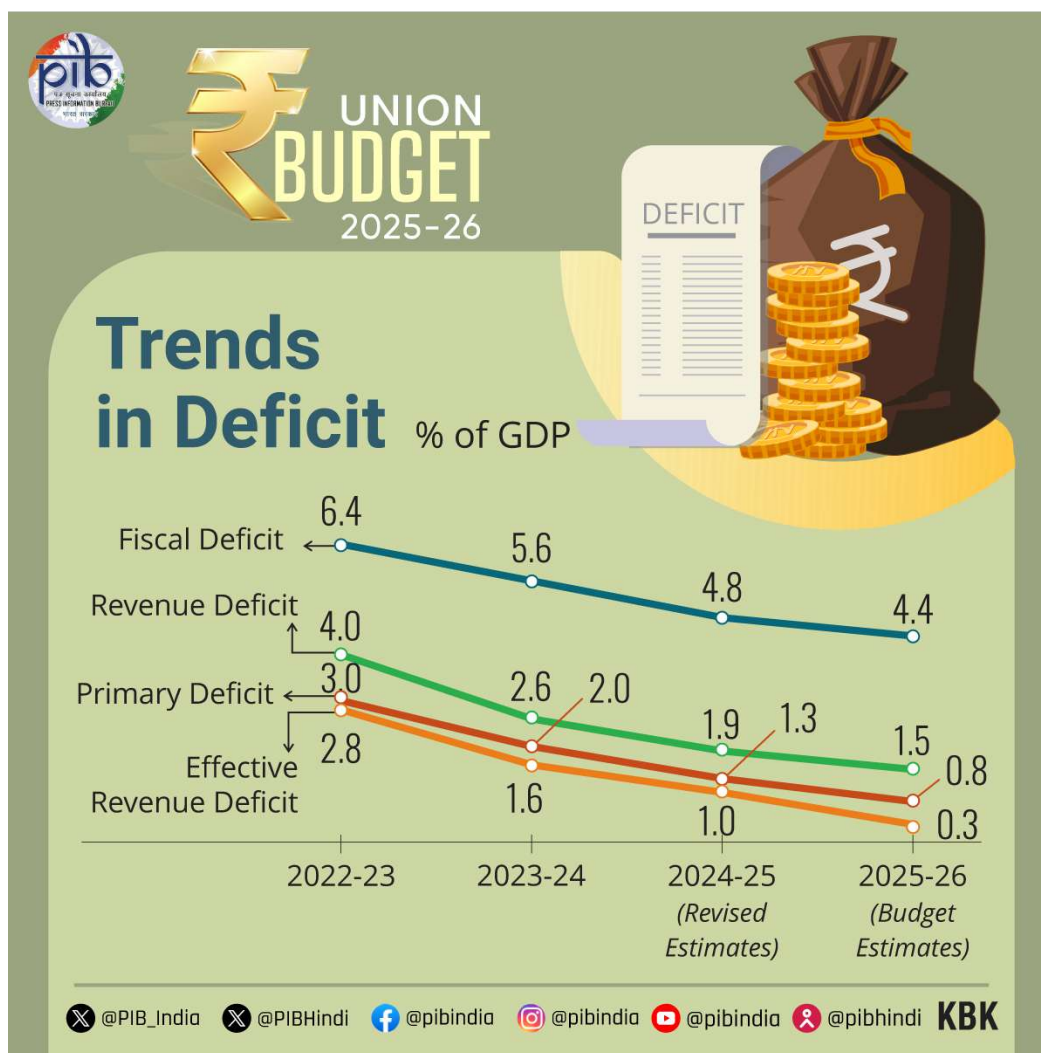
The Macro-Economic Framework Statement 2024-25 highlights that the nimble fiscal policy strategy adopted by the Union Government in the post CoVID-19 pandemic years, which has generated desired fiscal policy results while providing for the country's development needs. In RE 2024-25, the Government has revised its Fiscal Deficit target to 4.8 per cent of GDP. In line with the commitment made in the Budget for FY 2021-22, the country is well on track to attain a fiscal deficit to GDP ratio below 4.5 per cent in FY 2025-26.

The Central Government Debt to GDP ratio is estimated to decline to 56.1 in FY 2025-26 from 57.1 in FY 2024-25. As per the path for fiscal consolidation – FY 2026-27 to FY 2030-31, sans any major macro-economic disruptive exogenous shock(s), and while keeping in mind potential growth trends and emergent development needs, the Government would endeavour to keep fiscal deficit in

each year (from FY 2026-27 till FY 2030-31) such that the Central Government debt is on declining path to attain a debt to GDP level of about 50±1 per cent by 31st March 2031. Along with these, Revenue Deficit is also on declining trend and is expected to reduce from 4.8 per cent of GDP in FY 2024-25 to 4.4 per cent of GDP in FY 2025-26.

		Revised Estimates	Budget Estimates
		2024-25	2025-26
1	Fiscal Deficit	4.8	4.4
2	Revenue Deficit	1.9	1.5
3	Primary Deficit	1.3	0.8
4	Tax Revenue (Gross)	11.9	12.0
5	Non-Tax Revenue	1.6	1.6
6	Central Government Debt	57.1	56.1

Table: Fiscal Indicators – Rolling Targets as a Percentage of GDP



Talking about the budget allocation for FY 2025-26 it highlights earmarking of Rs. 11.21 lakh crore (3.1 per cent of GDP) towards capital expenditure. It includes capital support to States through

interest free long-term loans with an outlay of Rs. 1.50 lakh crore. The budgeted capital outlay is almost 3.3 times of the outlay in FY 2019-20.

The statement notes that to finance the fiscal deficit of FY 2025-26, the net market borrowings from dated securities are estimated at Rs. 11.54 lakh crore and the balance financing is expected to come from small savings and other sources. The gross market borrowings are estimated at Rs. 14.82 lakh crore for the same period.

Highlighting the health of External Sector, the statement notes India's merchandise exports grew at 1.6 per cent (YoY basis) in April-December 2024 while services exports recorded a healthy growth of 11.6 per cent in the same period. India's current account deficit (CAD) moderated to 1.2 per cent of GDP in Q2 of FY 2024- 25 against 1.3 per cent of GDP in Q2 of FY 2023-24.

Further it observes that Foreign Direct Investment (FDI) flows recorded a revival in FY 2024-25. While the gross FDI inflows increased from USD 42.1 billion (in April-October of FY 2023-24) to USD 48.6 billion (in the same period of FY 2024-25), net FDI inflows are pegged at USD 14.5 billion in April-October of the current FY. It also remarks that India's foreign exchange reserves are estimated at USD 640.3 billion at the end of December 2024 which is sufficient to cover about 90 per cent of the country's external debt. The import cover - a crucial indicator of external sector stability - is 11 months as of November 2024.

The document highlights Strategic priorities for FY 2025-26 which include fostering equitable and sustained growth through enhancement in employment intensity and growth potential of the economy, increased public capital spending, adoption of 'saturation approach' to social welfare and development, building productive capacities in research and development for critical technologies, strengthening development capacity of the Union Government and States, and unflinching commitment to fiscal responsibility and transparency.

NB/VM/NBJ