FICCI

Union Budget

2025-26 | Analysis Report

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Part A: Macro Overview

Macro Overview

The Union Budget 2025-26 carries forward the balanced and pragmatic approach of the government. The announcements continue to build on the path laid out over the past few years towards realising the vision of Viksit Bharat.

This budget has been announced amidst a complex global economic environment and stands as a testament to the government's resolve to drive an inclusive and sustainable growth. The moderation in latest GDP growth numbers had flagged discernible signs of unease. The Budget makes a genuine effort towards stimulating near-term growth while maintaining fiscal prudence and advancing structural reforms.

Foremost, the emphasis on investment and consumption were amongst key asks from the industry in order to maintain resilience in the economy. The allocation of Rs 11.21 lakh crore to capital expenditure —a 10% increase vis-à-vis the revised estimates of previous fiscal year is well noted. This, however, marks a marginal increase over Rs 11.11 lakh crore budgeted in 2024-25 and is below industry's expectations. Nonetheless, the government this time has the full financial year to carry out the capital expenditure unlike in 2024-25. This along with the tweaks on the taxation side should catalyse the twin engines of growth to catch on the momentum once again. The extension of complete exemption to individuals earning up to Rs 12 lakh per year is welcome and will have a positive impact on the discretionary spend over the short term.

Next, exports – another significant driver of the economic engines -have continued to display volatility owing to external headwinds. The announcements in the Union Budget 2025-26 brings a fresh lease of hope for the future of the exporting community. The announcement of the Exports Promotion Mission is expected to ease access to credit, provide cross border factoring support; the unified platform 'Bharat Trade Net' will help facilitate trade documentation and financing solutions; and the national framework for promoting Global Capability Centres in emerging tier 2 cities should enable a positive momentum in exports over the medium term.

Inflation especially of the food segment has been another key challenge not only for the policymakers but also for both rural and urban citizens. The announced programmes towards self-reliance in pulses and production/efficient supplies of fruits and vegetables should be implemented expeditiously to ensure improved management of food prices. Putting in place a seamless supply side framework and minimising food wastage is much needed in order to deal with the recurrent episodes of volatility. FICCI reiterates its suggestion to have a Food Inflation Response and Strategy Team (FIRST) mechanism for creating an e-enabled, empowered co-ordination framework along with a global market intelligence mechanism that can aid in better forecasts and planning. In fact, a similar suggestion has been made in the Economic Survey 2024-25 released before the Union Budget.

Further, from the employment perspective – job creation and skill development have been encouraged through multiple initiatives. The focus on the labour-intensive sectors including footwear, leather, toys, food processing; the multi-sectoral 'Rural Prosperity and Resilience' programme to address under-employment in agriculture through skilling; setting up of National Centres of Excellence of Skilling to equip our youth with the skills required for manufacturing; the support to MSMEs will help scale employment prospects.

Also, the measures to enhance ease of doing business, such as simplifying tax laws, streamlining customs tariffs, decriminalizing certain provisions, adjusting surcharges and cess, and reforming

related-party transaction regulations will be crucial in fostering a more business-friendly environment and boosting confidence among investors. The setting up of a High-Level Committee on Regulatory reforms is looked forward to.

In the Union Budget 2025-26, the government has continued to deepen the work on the growth pillars – including agriculture, manufacturing, MSMEs, infrastructure, ease of doing business/regulatory reforms, sustainability, innovation/R&D - strengthening the foundation for long-term economic expansion.

Viksit Bharat: The Destination

The Journey of Development

Fuel: Reforms

Guiding Spirit: Inclusivity

Engines of Growth

Agriculture	MSMEs	Investments	Exports
Developing Agri Districts Programme Building Rural Prosperity & Resilience Aatmanirbharta in Pulses Comprehensive Programme for Vegetable & Fruits National Mission for High Yielding Seeds Framework for Sustainable Harnessing of Fisheries Enhanced Credit through KCCs	Revision in classification criteria for MSMEs Credit Card for Micro enterprises Fund of fund for Start-ups Scheme for first time entrepreneurs Focus product schemes – leather, footwear toys, food processing National Manufacturing Mission covering MSMEs	People- 50000 Atal Tinkering Labs to be set up in govt schools in 5 years; broadband connectivity to govt secondary schools & PHCs; National Centres of Excellence for Skilling; Centre of Excellence in AI Education; 10000 additional seats in medical colleges Economy- PPP in Infrastructure, support to states for infrastructure; Asset Monetization Plan 2025-30; Nuclear Energy Mission; Marine Development Fund; Tourism focus; Deep tech funs of funds	Export Promotion Mission, with sectoral and ministerial targets, driven jointly by the Ministries of Commerce, MSME, and Finance to be set up BharatTradeNet' (BTN) for international trade to be set-up as a unified platform for trade documentation and financing solutions. A national framework to be formulated as guidance to states for promoting Global Capability Centres in emerging tier 2 cities.

Some key asks from FICCI accepted in the Union Budget 2025-26

- FM announces Dhan Dhanya Krishi Yojna in partnership with states. Scheme to cover 100 Districts with focus on enhancing agriculture productivity, adopt crop diversification, improve post-harvest storage, improve irrigation facilities, enhance long and short-term credit.
- Atmanirbharta Mission for pulses launched; Programme to be spread over 6 years aimed at bringing about self-sufficiency in pulses production

Some key asks from FICCI accepted in the Union Budget 2025-26

- Consumption of pulses has increased significantly. Push Self Sufficiency in Pulses in tur, Urad, Masoor.
- Comprehensive Programme for Vegetables and Fruits – To promote efficiency in supply chains and offer better remuneration for farmers.
- National mission on high yielding seeds – promote pest and climate resilience, encourage commercial viability.
- National Action plan for Toys – India to be a Global Hub for Toys - Development of cluster, manufacturing eco-system for production of unique and sustainable toys.
- PM Gati Shakti data will be made accessible to the private sector.
- Hotels will also be included in the harmonised scheme for enhanced tourism infrastructure.
- Medical tourism and Heal in India – to be promoted in PPP
- National guidance framework to help states promote Global Capability Centres (GCCs) and enhance their growth.
- Jan Vishwas 2.0 bill to decriminalize over 100 provisions in existing laws.
- TDS/TCS rationalisation for easing difficulties in confidence.

Fiscal Performance

Fiscal Indicators (as % of GDP)

	Actual 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Fiscal Deficit	5.6	4.9	4.8	4.4
Revenue Deficit	2.6	1.8	1.9	1.5
Primary Deficit	2.0	1.4	1.3	0.8

Source: Union Budget 2025-26

The revised estimates for fiscal deficit in 2024-25 stood at 4.8 per cent, lower than the budgeted 4.9 per cent. Further, keeping in line with the fiscal consolidation roadmap announced in the Budget FY 2021-22, the government has committed to a fiscal deficit target of below 4.5% of GDP for 2025-26.

The Fiscal Deficit in 2025-26 is budgeted at Rs 15.69 lakh crore, vis-à-vis Rs 15.70 lakh crore in RE 2024-25 - translating into a fiscal deficit to GDP ratio of 4.4 per cent.

The target benefits from the fiscal consolidation achieved in FY 2024-25, while maintaining a higher capital outlay to support economic growth objectives.

Furthermore, the government has put forth a debt-to GDP target of 56.1 percent for FY 2025-26, compared to the revised estimate of 57.1 percent for FY 2024-25.

Fiscal Consolidation Path: FY 2026-27 to FY 2030-31

The choice of debt to GDP ratio as the fiscal anchor is in line with current global thinking. The fiscal consolidation strategy for FY 2026-27 to FY 2030-31 aims to maintain the fiscal deficit at a level that ensures a steady decline in the central government's debt-to-GDP ratio. The government targets to keep fiscal deficit in each year (from FY2026-27 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%) by March 2031, in line with the 16th Finance Commission cycle. This approach, anchored in debt sustainability, emphasizes fiscal transparency and flexibility over rigid annual targets. Various fiscal scenarios, based on GDP growth projections (10%-11%), indicate that a calibrated approach to deficit management would provide requisite operational flexibility to respond to unforeseen developments while putting central government debt on sustainable trajectory.

Revenue Side

Receipts (in Rs crore)

	Actual	Budget	Revised	Budget	2024-25 BE over 2023-24 PA (%)	2024-25 RE over 2023-24A (%)	2025-26 BE over 2024-25 RE (%)
	2023-24	2024-25	2024-25	2025-26			
Revenue Receipts	**2729036**	**3129200**	**3087961**	**3420409**	14.7	**13.2**	**10.8**
Tax Revenue (Net)	2327251	2583499	2556960	2837409	11.0	**9.9**	**11.0**
Gross Tax Revenue	**3465519**	**3840170**	**3853455**	**4270233**	10.8	**11.2**	**10.8**
Corporation Tax	911055	1020000	980000	1082000	12.0	**7.6**	**10.4**
Tax on Income	1044757	1187000	1257000	1438000	13.6	**20.3**	**14.4**
Customs	233119	237745	235000	240000	2.0	**0.8**	**2.1**
Union Excise Duty	305362	319000	305000	317000	4.5	**-0.1**	**3.9**
Goods & Services Tax	957208	1061899	1061899	1178000	11.0	**10.9**	**10.9**
Non -Tax Revenue	401785	545701	531000	583000	35.8	**32.2**	**9.8**
Interest receipts	38224	38261	34042	47738	-0.2	**-11.0**	**40.2**
Dividends and Profits	170877	289134	289285	325000	69.6	**69.3**	**12.3**
Other Non Tax Revenue	188568	214389	203427	205668	11.6	**7.9**	**1.1**
Receipts of Union Territories	3066	2910	3070	3419	-	**0.1**	**11.4**
Capital Receipts	**1713617**	**1550915**	**1576576**	**1642452**	-17.8	**-8.0**	**4.2**
Debt*	1653849	1472915	1517576	1566452	-19.3	**-8.2**	**3.2**
Non -debt	59768	78000	59000	76000	29.0	**-1.3**	**28.8**
Recoveries of loans and advances	26646	28000	26000	29000	2.4	**-2.4**	**11.5**
Other Receipts	33122	50000	33000	47000	51.0	**-0.4**	**42.4**
Total Receipts	**4443447**	**4820512**	**4716487**	**5065345**	4.5	**6.1**	**7.4**

*The receipts are net of payment.

Source: Union Budget 2025-26

▪ For the upcoming fiscal year (2025-26), **revenue receipts** are projected to grow at 10.8% year-on-year. The moderation, compared to the fiscal year 2024-25, is primarily attributed to revenue forgone due to relaxation provided under the new tax regime and an expectation of lower dividends from the RBI.

▪ For 2025-26 BE, the **gross tax revenue** is estimated at Rs 42.7 lakh crore- indicating a growth of 10.8% year-on-year. Direct Taxes are estimated at Rs 25.20 lakh crore are expected to be the key contributor to gross tax revenue, while indirect taxes are estimated at Rs 17.40 lakh crore. Buoyed by uptick in tax collections, the overall tax to GDP ratio is projected to improve marginally to 12.0% of GDP compared to 11.9% for FY 2024-25 as per the revised estimates.

▪ In 2025-26 BE, the **non-tax revenue collections** note a visible moderation. The non-tax revenues are budgeted to grow by 9.8% in FY 2025-26, vis-à-vis 32.8% growth reported as per 2024-25 revised estimates.

▪ In 2025-26 BE, the **non-debt capital receipts** (including recovery of loans & advances and other miscellaneous capital receipts) are estimated at Rs 76,000 crore. However, the actual realisation of other miscellaneous capital receipts will be contingent on the market conditions.

Expenditure Side

Summary of Expenditure (in Rs crore)

	Actual	Budget	Revised	Budget			
	2023-24	2024-25	2024-25	2025-26	2024-25 BE over 2023-24 PA (%)	2024-25 RE over 2023-24A (%)	2025-26 BE over 2024-25 RE (%)
Total Expenditure	**4443447**	**4820512**	**4716487**	**5065345**	**8.5**	**6.1**	**7.4**
On Revenue Account	3494252	3709401	3698058	3944255	**6.2**	**5.8**	**6.7**
Interest Payments	1063872	1162940	1137940	1276338	**9.3**	**7.0**	**12.2**
Grants in Aid for creation of capital assets	303916	390778	299891	427192	**28.6**	**-1.3**	**42.4**
On Capital Account	949195	1111111	1018429	1121090	**17.1**	**7.3**	**10.1**

Source: Union Budget 2025-26

▪ **Total expenditure** is budgeted at Rs. 50.65 lakh crore, with an expected growth rate of 7.4 percent over 2024-25 (revised estimates). The increase in total expenditure is primarily driven by the revenue account.

▪ The **revenue expenditure** for 2025-26 is budgeted at Rs 39.44 lakh crore and is expected to grow by 6.7 percent (vis-à-vis 5.8% in FY 2024-25 (RE).

Major Subsidies (in Rs. crore)

	Actual	Budget	Revised	Budget			
	2023-24	2024-25	2024-25	2025-26	2024-25 BE over 2023-24 RE (%)	2024-25 RE over 2023-24A (%)	2025-26 BE over 2024-25 RE (%)
Fertiliser Subsidy	188292	164000	171299	167887	-13.2	-9.0	-2.0
Food Subsidy	211814	205250	197420	203420	-3.3	-6.8	3.0
Petroleum Subsidy	12240	11925	14700	12100	-2.6	20.1	-17.7

Major Subsidies	**412346**	**381175**	**383419**	**383407**	**-7.8**	**-7.0**	**0.0**
Interest Subsidies	19516	29550	28157	27840	23.2	44.3	-1.1
Other Subsidies	3037	17698	16294	14969	472.8	436.5	-8.1
Total - Subsidies	**434899**	**428423**	**427868**	**426216**	**-2.7**	**-1.6**	**-0.4**

Source: Union Budget 2025-26

▪ For the fiscal year 2025-26, the total allocation for **major subsidies** is projected at Rs 3.8 lakh crore. The growth of food subsidy component is pegged at 3.0% according to 2025-26 BE, while fertilizer and petroleum subsidies are anticipated to shrink by 2.0% and 17.7%, respectively. A potential challenge is posed by Rupee volatility, which could necessitate government intervention to stabilize the prices of imported fertilizers and fuel for farmers and consumers. The government has already extended the Rs 3,500 per tonne special subsidy on DAP fertilizers, originally set to expire on December 31, 2024, for an additional year, providing relief to farmers against currency fluctuations.

▪ The expenditure on **capital account** has been budgeted at Rs 11.21 lakh crore (3.1% of GDP) for 2025-26 - reflecting a projected 10.1% increase over the revised estimates for FY 2024-25. Further, the allocation for grants-in-aid for the creation of capital assets is projected at Rs 4.2 lakh crore. The Effective Capital Expenditure of the Union Government which includes budgeted capital expenditure and Grants-in-aid for creation of capital assets is estimated at Rs 15.4 lakh crore.

Part B: Taxation

The Budget aims to initiate transformative reforms across six domains. During the next five years, these will augment our growth potential and global competitiveness. The domains are:-

1) Taxation;
2) Power Sector;
3) Urban Development;
4) Mining;
5) Financial Sector; and
6) Regulatory Reforms.

The thrust of the proposals relating to Customs aim to rationalize tariff structure and address duty inversion. These will also support domestic manufacturing and value addition, promote exports, facilitate trade and provide relief to common people.

Rationalisation of Customs Tariff Structure for Industrial Goods

- Amendments have been made to the Customs Tariff Act, 2025 (changes to be effective from May 1, 2025) to implement rationalisation of Customs Tariff structure and reduction of rate slabs, for better identification of goods; to align tariff lines with WCO classification.
- Exemption of Social Welfare Surcharge on 82 tariff lines that are subject to a cess in line with the announcement made to levy not more than one cess or surcharge (**Amendment to Notification NO. 11/2018 – CUSTOMS, DATED 02.02.2018 (w.e.f. 02.02.2025)**
- **Review of Customs duty Exemptions - Review of conditional exemption rates of BCD prescribed in notification No. 50/2017- Customs dated June 30, 2017**

  A comprehensive review has been undertaken in respect of 25 conditional exemptions/concessional rate entries in Notification No. 50/2017-Customs dated 30th June, 2017 whose validity is expiring by March 31, 2025. After review, 24 entries are being continued for varying periods with modification in few entries and 1 entry is being lapsed. The details of exemptions/concessional rates being extended with or without modifications are as below:-

S. No.	Description	Entry No	End date
1.	Ships and vessel for breaking up	S. No. 555A	31.3.2035
2.	Raw materials, components, consumables or parts, for use in the manufacture of ships/vessels	S. No. 559	31.3.2035
3	Bulk drugs for manufacture of drugs or medicines [A separate entry is being created for Drugs, medicines, diagnostic kits specified in List 3 with modifications in the list]	S. No. 166	31.3.2029
4	Bulk drugs used in the manufacture of polio vaccine and Monocomponent insulins	S. No. 166A	31.3.2029
5	Bulk drugs used in the manufacture of life saving drugs or medicines [A separate entry is being created for Drugs, medicines, diagnostic kits specified in List 4 with modifications in the list]	S. No. 167	31.3.2029
6	Drugs, Medicines or Food for Special Medical Purposes (FSMP) used for treatment of rare disease	S. No. 167A S. No. 607B	31.3.2029
7	Good specified in List 36 imported by testing	S. No. 532A	31.3.2029

	agencies specified in List 37, for the purpose of testing and/or certification		
8	Crude Glycerin for use in manufacture of Epichlorohydrin	S. No. 81A	31.3.2027
9	Denatured ethyl alcohol for use in manufacture of industrial chemicals	S. No. 104B	31.3.2027
10	Fish meal for use in manufacture of aquatic feed	S. No. 104C	31.3.2027
11	Goods for the manufacture of telecommunication grade optical fibres or optical fibre cables	S. No. 168, S. No. 341, S. No. 341A	31.3.2027
12	Textile machinery (with addition of two new machinery)	S. No. 460 S. No. 460A S. No. 460B S. No. 460C S. No. 460D	31.3.2027
13	Parts and components for use in manufacturing of textile machineries	S. No. 460E	31.3.2027
14	Goods for use in the manufacture of Open cell of LCD and LED TV panel	S. No. 515B	31.3.2027
15	Seeds for use in manufacturing of rough LabGrown Diamonds [IGCR condition removed]	S. No. 345B	31.3.2026
16	Parts of wind operated electricity generators, for the manufacture or the maintenance of wind operated electricity generators [The entry has also been modified	S. No. 405	31.3.2026
17	Permanent magnets for manufacture of PM synchronous generators above 500KW for use in wind operated electricity generators	S. No. 406	31.3.2026

Note: Description of entries is indicative. Notification may be referred to for complete description.

(2) The following entry is being allowed to lapse with effect from 01.04.2025

S. No	S. No. of 50/2017-Customs	Description
1.	489AA	Heat Coil for use in the manufacture of Electric Kitchen Chimneys falling under tariff item 84146000

Other Changes in notification No. 50/2017 -Customs dated 30.6.2017

Certain entries are being modified as under:

S.No.	S.No of 50/17-Customs	Brief Description
1.	257A	9 new groups of items such as sea shell, adhesive etc are being added to the list of duty free items for use in manufacture of handicrafts for export. The time period for export of the handicraft items is also being increased from 6 months to 1 year, further extended by another three months.
2.	539	BCD exemption is being extended to imports of ground installations for satellites and payloads and its spares and consumables of such installations.
3.	539A	BCD exemption is being provided on goods for use in the building of launch vehicles and launching of satellites

Note: Description of entries is indicative. Notification may be referred to for complete description.

- Impact on key sectors with respect to amendments in duty rates in First Schedule to the Customs Tariff Act, 1975 are as below:-

Relief on import of Drugs/Medicines

- 36 lifesaving drugs and medicines to be added to the list of medicines fully exempted from Basic Customs Duty (BCD), To provide relief to patients, particularly those suffering from cancer, rare diseases and other severe chronic diseases;
- 6 lifesaving medicines to be added 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 BCD. 37 more medicines to be added along with 13 new patient assistance programmes.

Support to Domestic Manufacturing and Value addition

Critical Minerals

- Proposal to fully exempt cobalt powder and waste, the scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals from BCD;

Textiles

- Proposal to add two more types of shuttle-less looms to the list of fully exempted textile machinery, to promote domestic production of technical textile products such as agro-textiles, medical textiles and geo textiles at competitive prices;
- Proposal to revise the BCD rate on knitted fabrics covered by nine tariff lines from “10% or 20%” to “20% or `115 per kg, whichever is higher”.

Electronic Goods

- BCD on parts of Open Cells to be fully exempted;
- Proposal 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.

Shipping Sector

- Continue the exemption of BCD on raw materials, components, consumables or parts for the manufacture of ships for another ten years

Telecommunication

- Proposal to reduce the BCD from 20% to 10% on Carrier Grade ethernet switches to make it at par with Non-Carrier Grade ethernet switches, to prevent classification disputes;

Export Promotion

Handicraft Goods

- To facilitate exports of handicrafts, proposal to extend the time period for export from six months to one year, further extendable by another three months, if required;
- Proposal to add nine items to the list of duty-free inputs;

Leather Sector

- Proposal to fully exempt BCD on Wet Blue leather to facilitate imports for domestic value addition and employment.
- Proposal to exempt crust leather from 20% export duty to facilitate exports by small tanners.

Marine products

- Proposal to reduce BCD from 30% to 5% on Frozen Fish Paste (Surimi) for manufacture and export of its analogue products;
- Proposal to reduce BCD from 15% to 5% on fish hydrolysate for manufacture of fish and shrimp feeds

Domestic MROs for Railway Goods

- 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.
- Agriculture Infrastructure and Development cess (AIDC) - Notification No. 11/2021 – Customs, dated 01.02.2021 is being amended to revise the AIDC rates on the certain goods. (w.e.f. 02.02.2025).

5. Trade facilitation Measures Under Customs – Changes to Customs Act, 1962

The following changes will come into effect from the date of enactment of the Finance Bill, 2025

1. Time limit for Provisional Assessment

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, a new sub-section (1B) is being inserted in Section 18 of the Customs Act to provide a definite time limit of two years for finalisation of provisional assessment. This time period may be extended by the Commissioner of Customs for a further period of one year if sufficient cause is shown. Further, it also provides that, for the pending cases, the time-limit shall be reckoned from the date of assent of the Finance Bill.

Amendment has also been proposed to insert new sub-section (1C) to provide for certain grounds on which the time limit of two years shall remain suspended.

2. **Voluntary Compliance**

Proposal to introduce a new section 18A in Customs Act, 1962 to enable importers or exporters, after clearance of goods, to voluntarily declare material facts and pay duty with interest but without penalty. The proposed amendment is to incentivise voluntary compliance. However, this will not apply in cases where department has already initiated audit or investigation proceedings.

Further, a new Explanation is being inserted in section 27(1) of the Customs Act, 1962, to clarify that the claim of refund consequent to the revised entry under section 18A or amendment under section 149 of the Customs Act, 1962, shall be one year from the date of payment of duty or interest.

3. Power of Settlement Commission to be exercised by the Interim Board

Amendment has been proposed by inserting a new sub-section (2) in section 127D of the Customs Act, 1962 clarifying that the powers of Settlement Commisison is to be exercised by the Interim Board**.** The Union Budget of 2025-26 proposes constitution of Interim Board for the settlement of pending cases, thereby replacing the existing Settlement Commission w.e.f. April 01, 2025. The pending applications before the Settlement Commission will be dealt by the Interim Board from the stage at which the applications stood immediately before the constitution of the Board.

Further, amendments have been proposed under the Customs Act to define Interim Board, Member of Interim Board**.**

4. Changes made to Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2017 - Extended Time for End Use for the end-use of imported inputs

Amendment has been made in Rules 6 and 7 to increase the time limit for fulfilling end use from current six months to one year. Further, the importers will now have to file only a quarterly statement instead of monthly statement.

This will 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.

The key direct tax announcements proposed in the budget are summarised as below:-

The Hon'ble while announcing the Budget Speech for Union Budget 2025-2026, informed that the New Income Tax Bill will be announced in the next week and that new income-tax bill will carry forward the same spirit of "Nyaya". The new bill will be clear and direct in text with close to half of the present law, in terms of both chapters and words. It will be simple to understand for taxpayers and tax administration, leading to tax certainty and reduced litigation.

The key direct tax amendments proposed in the Finance Bill,2025 are as below:-

1. Personal Tax reforms introduced with special focus on the middle class

Substantial relief is proposed under the new tax regime with new slabs and tax rates as under:-

Total income	Rate of tax
Upto ` 4,00,000	Nil
From ` 4,00,001 to ` 8,00,000	5 per cent
From ` 8,00,001 to ` 12,00,000	10 per cent
From ` 12,00,001 to ` 16,00,000	15 per cent
From ` 16,00,001 to ` 20,00,000	20 per cent
From ` 20,00,001 to ` 24,00,000	25 per cent
Above ` 24,00,000	30 per cent

Resident individual with total income up to Rs. 7,00,000 do not pay any tax due to rebate under the new tax regime. It is proposed to increase the rebate for the resident individual under the new regime so that they do not pay tax if their total income is up to Rs. 12,00,000. Marginal relief as provided earlier under the new tax regime is also applicable for income marginally higher than Rs. 12,00,000.

2. Rationalization of tax deducted at source (TDS) rates

To improve ease of doing business and better compliance by taxpayers, it is proposed to rationalize certain rates of TDS and to increase threshold limit for applicability of the TDS provisions**.**

(a) TDS rate reduction for section 194LBC

TDS rate under section 194LBC of the Income Tax Act, 1961, where any income is payable by a securitisation trust is proposed to be reduced from 25% (in case of payee being an individual or a Hindu undivided family) and 30% (in case of other payees) to 10% as this sector is sufficiently organized and regulated**.** This amendment will take effect from the 1st day of April 2025.

(b) TDS threshold rationalization

TDS provisions have various thresholds of amount of payment or amount of income, beyond which tax is required be deducted. It is proposed to rationalize these thresholds as below:-

S. No.	Section	Current threshold	Proposed threshold
1.	193 - Interest on securities	Nil	Rs. 10,000/
2.	194A - Interest other than Interest on securities	(i) Rs. 50,000/- for senior citizen; (ii) Rs. 40,000/- in case of others when payer is bank, cooperative society and post office (iii) Rs. 5,000/- in other cases	(i) Rs. 1,00,000/- for senior citizen (ii) Rs. 50,000/- in case of others when payer is bank, cooperative society and post office (iii) Rs. 10,000/- in other cases
3.	194 - Dividend for an individual shareholder	Rs. 5,000/-	Rs. 10,000/-
4.	194K - Income in respect of units of a mutual fund or specified company or undertaking	Rs. 5,000/	Rs. 10,000/
5.	194B - Winnings from lottery, crossword puzzle, etc.	Aggregate of amounts exceeding Rs. 10,000/- during the financial year	Rs. 10,000/- in respect of a single transaction
6.	194BB - Winnings from horse race		
7.	194D - Insurance commission	Rs. 15,000/	Rs. 20,000/
8.	194G - Income by way of commission, prize etc. on lottery tickets	Rs. 15,000/	Rs. 20,000/-
9.	194H - Commission or brokerage	Rs. 15,000/-	Rs. 20,000/-
10.	194-I Rent	Rs. 2,40,000/- during the financial year	Rs. 50,000/- per month or part of a month
11.	194J - Fee for professional or technical services	Rs. 30,000/	Rs. 50,000/-
12.	194LA - Income by way of enhanced compensation	Rs. 2,50,000/-	5,00,000/-

(c) TDS on Securities

Currently there is no threshold for amount of income by way of interest on securities for deduction of tax at source in section 193 of the Act.

Further, no tax is required to be deducted on the aggregate amount of any interest payable to an individual or a Hindu undivided family, who is resident in India, on any debenture issued by a company in which the public are substantially interested, if the aggregate amount of such interest during the financial year does not exceed Rs. 5,000/-

Amendment has been proposed to increase the threshold limit of Rs. 5,000 during a financial year to Rs. 10,000. These amendments will take effect from the 1st day of April 2025.

(d) Section 194 – Dividends

Amendment has been proposed in section 194 of the Act to increase the threshold limit for deduction of tax on dividends from Rs. 5000 to Rs. 10000 during a financial year**.** This amendment will take effect from the 1st day of April 2025.

(e) Section 194A – Interest other than interest on securities

It is proposed to increase the threshold for requirement to deduct tax at source in section 194A as below:-

S. No.	Payer	Current threshold to deduct TDS	Proposed threshold to deduct TDS	Current threshold to deduct TDS when payee is a senior citizen	Proposed threshold to deduct TDS when payee is a senior citizen
1.	A banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution, referred to in section 51 of that Act)	Rs. 40,000/-	Rs. 50,000/-	Rs. 50,000/-	Rs. 1,00,000/-
2.	A co-operative society engaged in carrying on the business of banking	Rs. 40,000/-	Rs. 50,000/-	Rs. 50,000/-	Rs. 1,00,000/-
3.	on any deposit with post office under any scheme framed by the Central Government and notified by it in this behalf	Rs. 40,000/-	Rs. 50,000/-	Rs. 50,000/-	Rs. 1,00,000/-
4.	Any other case	Rs. 5,000/	Rs. 10,000/-	Rs. 5,000/-	Rs. 10,000/-
5.	A cooperative society referred to in clause (v) and clause (viia) of sub-section (3) of section 194A	Rs. 40,000/-	Rs. 50,000/-	Rs. 50,000/-	Rs. 1,00,000/-

These amendments will take effect from the 1st day of April 2025.

(f) Section 194B - Winnings from lottery or crossword puzzle

Amendment has been proposed to remove the condition of threshold applying on aggregate of amounts exceeding Rs. 10,000/- and to now instead apply in respect of a single transaction. This amendment will take effect from the 1st day of April 2025.

(g) Section 194BB - Winnings from horse race

Amendment has been proposed to remove the condition of threshold applying on aggregate of amounts exceeding Rs. 10,000/- and to now instead apply in respect of a single transaction. This amendment will take effect from the 1st day of April 2025.

(h) Section 194D – Insurance commission

Amendment has been proposed to increase this threshold amount for requirement of deduction of tax at source under this section from Rs. 15,000/- in a financial year to Rs. 20,000**/-** in a financial year**.** This amendment will take effect from the 1st day of April 2025**.**

(i) Section 194G - Commission, etc., on sale of lottery tickets

Amendment has been proposed to increase the threshold amount for requirement of deduction of tax at source under this section from Rs. 15,000/- to Rs. 20,000**/-.** This amendment will take effect from the 1st day of April 2025.

(j) **Section 194H - Commission or brokerage**

Amendment is proposed to increase the threshold amount for requirement of deduction of tax at source under this section from Rs. 15,000/- to Rs. 20,000/ during a financial year. This amendment will take effect from the 1st day of April 2025.

(k) Section 194-I – Rent

Amendment is proposed to increase the threshold amount of income by way of rent for requirement of deduction of tax at source under section from Rs. 2,40,000/- in a financial year to Rs. 50,000/- in a month or part of a month. This amendment will take effect from the 1st day of April 2025.

(l) Section 194J - Fees for professional or technical services

Amendment has been proposed to increase the thresholds specified in Clause (B) of proviso to sub-section (1) of section 194J of the Act as below:-

S. No	Nature of sum	Current threshold to deduct TDS	Proposed threshold
1.	Fees for professional services	Rs. 30,000/-	Rs. 50,000/-
2.	Fees for technical services	Rs. 30,000/-	Rs. 50,000/-
3.	Royalty	Rs. 30,000/	Rs. 50,000/-
4.	Any sum referred to in clause (va) of section 28	Rs. 30,000/-	Rs. 50,000/-

This amendment will take effect from the 1st day of April 2025.

(m) Section 194K – Income in respect of units

Amendment is proposed to increase the threshold amount for requirement of deduction of tax at source under this section from Rs. 5,000/- to Rs. 10,000/- in a year. This amendment will take effect from the 1st day of April 2025.

(n) Section 194LA - Payment of compensation on acquisition of certain immovable property

Amendment is proposed to increase the threshold amount for requirement of deduction of tax at source under section from Rs. 2,50,000/- to Rs. 5,00,000/- in a financial year. This amendment will take effect from the 1st day of April 2025.

3. Definition of "forest produce" rationalised for the purpose of TCS

To bring clarity regarding the meaning of "forest produce", amendment is proposed in Section 206C of the Act to provide that "forest produce" shall have the same meaning as defined in any State Act for the time being in force, or in the Indian Forest Act, 1927. Further, it is proposed that to address the applicability of TCS on traders of forest produce, only such other forest produce (not being timber or tendu leaves) which is obtained under forest lease will be covered under TCS.

The amended rate for collection of TCS are as under:-

S.No.	Nature of goods	Percentage
(iii)	Timber or any other forest produce (not being tendu leaves) obtained under a forest lease	Two per cent
(iv)	Timber obtained by any mode other than under a forest lease	Two per cent

These amendments will take effect from the 1st day of April 2025.

4. Reduction in compliance burden by omission of TCS on sale of specified goods

To facilitate ease of doing business and reduce compliance burden on the taxpayers, amendment has been proposed to provide that provisions of TCS [sub-section (1H) of section 206C of the Act] will not be applicable from the 1st day of April, 2025. These amendments will take effect from the 1st day of April 2025.

5. Rationalisation of provisions related to carry forward of losses in case of amalgamation

In order to bring clarity and parity with the provisions of section 72 of the Act, it is proposed to amend section 72A and section 72AA of the Act to provide that any loss forming part of the accumulated loss of the predecessor entity, which is deemed to be the loss of the successor entity, shall be eligible to be carried forward for not more than eight assessment years immediately succeeding the assessment year for which such loss was first computed for original predecessor entity. The proposed amendment is aimed to prevent evergreening of the losses of the predecessor entity resulting from successive amalgamations and to ensure that no carry forward and set off of accumulated loss is allowed after eight assessment years from the immediately succeeding the assessment year for which such loss was first computed for original predecessor entity. The aforesaid amendments shall apply to any amalgamation or business re-organisation which is effected on or after 01.04.2025. These amendments will take effect from the 1st day of April, 2026.

6. Rationalisation of transfer pricing provisions for carrying out multi-year arm's length price determination

Amendments have been proposed in the Act to provide that the Arm Length Price (ALP) determined in relation to an international transaction or a specified domestic transaction for any previous year shall apply to the similar transaction for the two consecutive previous years immediately following such previous year. These amendments will take effect from the 1st day of April, 2026 and shall accordingly, apply in relation to the assessment year 2026-27 and subsequent assessment years.

7. Removal of higher TDS/TCS for non-filers of return of income

Amendments have been proposed to address the issue of verification of whether returns have been filed by the deductee/collectee, resulting in application of higher rates of deduction/collection, blocking of capital and increased compliance burden, amendment it is proposed to omit section 206AB of the Act and section 206CCA of the Act. These amendments will take effect from the 1st day of April, 2025.

8. Increase in the limits on the income of the employees for the purpose of calculating perquisites

Amendments have been proposed to provide that the provisions of section 17 may be amended so that the power to prescribe rules may be obtained to increase the limit on the gross total income of the employees so that

(i) the amenities and benefits received by such employees would be exempt from being treated as perquisites.

(ii) the expenditure incurred by the employer for travel outside India on the medical treatment of such employee or his family member would not be treated as a perquisite.

These amendments will take effect from the 1st day of April, 2026 and shall accordingly, apply in relation to the assessment year 2026-27 and subsequent assessment years.

9. Deduction under section 80CCD for contributions made to NPS Vatsalya

Amendments have been proposed to extend the tax benefits available to the National Pension Scheme (NPS) under Section 80CCD of the Act to the contributions made to the NPS Vatsalya accounts, as follows:

(i) A deduction to be allowed to the parent/guardian's total income, of the amount paid or deposited in the account of any minor under the NPS to a maximum of Rs 50,000/- overall as mandated under sub-section (1B) of section 80CCD;

(ii) The amount on which deduction has been allowed under sub-section (1B) of section 80CCD or any amount accrued thereon, will be charged to tax when such amount is withdrawn, in the case where deposit was made in the account of a minor; and

(iii) The amount on which deduction has been allowed and is received on closure of the account due to the death of the minor shall not be deemed to be the income of the parent/guardian.

These amendments will take effect from the 1st day of April, 2026, and shall accordingly, apply in relation to the assessment year 2026-27 and subsequent assessment years.

10. Annual value of the self-occupied property simplified

With a view to simplifying the provisions, amendments have been proposed to amend the sub-section (2) of section 23 of the Act so as to provide that the annual value of the property consisting of a house or any part thereof shall be taken as nil, if the owner occupies it for his own residence or cannot actually occupy it due to any reason. The provision of sub-section (4) of section 23 of the Act which allows this benefit only in respect of two of such houses shall continue to apply as earlier.

This amendment will take effect from the 1st day of April, 2025 and shall accordingly apply for assessment year 2025-26 onwards.

11. Exemption from prosecution for delayed payment of TCS in certain case

It is proposed to amend section 276BB of the Act to provide that the prosecution shall not be instituted against a person covered under the said section, if the payment of the tax collected at source has been made to the credit of the Central Government at any time on or before the time prescribed for 47 filing the quarterly statement under proviso to sub-section (3) of section 206C of the Act in respect of such payment. 3. This amendment will take effect from the 1st day of April, 2025.

12. Certain penalties to be imposed by the Assessing Officer

In order to rationalize the process of levying penalty under the Act, it is proposed to amend sections 271C, 271CA, 271D, 271DA, 271DB and 271E of the Act so that penalties under these sections shall be levied by the Assessing Officer in place of Joint Commissioner, subject to the provisions of sub-section (2) of section 274 of the Act. Thus, Assessing Officer shall take the prior approval of Joint Commissioner for the passing of penalty order, where penalty amount exceeds the limit specified in sub-section (2) of section 274 of the Act. These amendments will take effect from the 1st day of April, 2025.

13. Extending the time-limit to file the updated return

With a view to further nudging voluntary compliance, it is proposed to amend the sub-section (8A) of section 139 of the Act so as to extend the time-limit to file the updated return from existing 24 months to 48 months from the end of relevant assessment year. Rate of additional income-tax payable for updated return filed after expiry of 24 months and upto 36 months from the end of the relevant assessment year shall be 60% of aggregate of tax and interest payable. The additional income-tax payable for updated return filed after expiry of 36 months and upto 48 months from the end of the

relevant assessment year shall be 70% of aggregate of tax and interest payable. These amendments will take effect from the 1st day of April, 2025.

14. Harmonisation of Significant Economic Presence applicability with Business Connection

Owing to definition of significant economic presence provided in Explanation 2A to Section 9(1)(i) of the Act, the specific exclusion provided in the case of a non-resident, for income arising through or from operations which are confined to the purchase of goods in India for the purpose of export may be denied and such income may also be treated as income deemed to accrue or arise in India**.**

It is, therefore, proposed to amend the Explanation 2A of section 9 so that the transactions or activities of a non-resident in India which are confined to the purchase of goods in India for the purpose of export shall not constitute significant economic presence of such non-resident in India. This will bring it in coherence with the Explanation 1 to clause (i) of sub-section (1) of section 9 for business connection.

These amendments will take effect from the 1st day of April, 2026 and shall accordingly, apply in relation to the assessment year 2026-27 and subsequent assessment years.

15. Bringing clarity in income on redemption of Unit Linked Insurance Policy

Amendments have been proposed to rationalise the provisions for unit-linked insurance policies, so as to provide that:-

(i) ULIPs to which exemption under clause (10D) of section 10 does not apply, is a capital asset;

(ii) the profit and gains from the redemption of ULIPs to which exemption under clause (10D) of section 10 does not apply, shall be charged to tax as capital gains [sub-section (1B) of section 45]; and

(iii) ULIPs to which exemption under clause (10D) of section 10 does not apply, shall be included in the definition of equity oriented fund [clause (a) of Explanation to section 112A]

These amendments will take effect from the 1st day of April, 2026 and shall accordingly, apply in relation to the assessment year 2026-27 and subsequent assessment years.

16. Amendment of Definition of 'Capital Asset'

With a view of providing certainty, it is proposed to amend the Act to provide that any security held by investment funds referred to in Section 115UB which has invested in such security in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be treated as capital asset only so that any income arising from transfer of such security would be in the nature of capital gain. This amendment will take effect from the 1st day of April, 2026 and shall accordingly, apply in relation to the assessment year 2026-27 and subsequent assessment years.

17. Extension of timeline for tax benefits to start-ups

Amendment has been proposed in Section 80-IAC of the Act so as to extend the benefit to start-ups for another period of five years, i.e. the benefit will be available to eligible start-ups incorporated before April 1, 2030. This amendment will take effect from the 1st day of April 2025.

18. Rationalisation of taxation of capital gains on transfer of capital assets by non-residents

Amendments have been proposed to amend the provisions of section 115AD to provide that income-tax on the income by way of long-term capital gains on transfer of securities (other than units referred to in section 115AB) not referred to in section 112A, if any, included in the total income, shall be calculated at the rate of twelve and one-half per cent**.** These amendments will take effect from the

1st day of April, 2026, and shall accordingly, apply in relation to the assessment year 2026-27 and subsequent assessment years.

Other important announcements

- Tax certainty for electronics manufacturing Schemes
- Tonnage Tax Scheme for Inland Vessels
- Extension for incorporation by 5 years of Start-Ups
- Specific benefits to ship-leasing units, insurance offices and treasury centres of global companies which are set up in IFSC
- Certainty of taxation to Category I and category II AIFs, undertaking investments in infrastructure and other such sectors, on the gains from securities.

Part C- Sectoral Analysis

Agriculture

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - Ministry of Agriculture	122634.47	146857.28	145300.62	-1.05%
Dept. of Agriculture Cooperation & Farmers Welfare	108355.77	131195.21	127290.16	-2.97%
Dept. of Animal Husbandry & Dairying	3199.10	3839.25	4840.40	26.07%
Department of Fisheries	1288.82	1666.47	2703.67	62.23%
Dept. of Agriculture Research & Education	9790.78	10156.35	10466.39	3.05%
Outlays for key sectoral schemes				
Major Central Sector Scheme				
Crop Insurance Scheme	12948.50	15864.00	12242.27	-22.82%
Modified Interest Subvention Scheme (MISS)	14251.93	22600.00	22600.00	-
Market Intervention Scheme and Price Support Scheme (MIS-PSS)	-	75.13	-	-100%
Pradhan Mantri Annadata Aay Sanrakshan Yojna (PM-AASHA)	2200.00	6437.50	6941.36	7.82%
Distribution of Pulses to State / Union Territories for Welfare Schemes	446.30	300.00	-	-100%
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	61440.74	63500.00	63500.00	-
Pradhan Mantri Kisan Man Dhan Yojana	100.00	100.00	120.00	20%
Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)	428.86	584.19	584.00	-0.03%
Agriculture Infrastructure Fund (AIF)	475.23	750.00	900.00	20%
National Beekeeping Honey Mission (NBHM)	22.50	75.00	75.00	-
Blended Capital Support to Finance Startups for Agriculture and Rural Enterprise Relevant for Farm Produce Value Chain	-	62.50	71.50	14.4%
NAMO DRONE DIDI	-	250.00	676.85	63.06%
Cotton Technology Mission	-	-	500.00	-
Mission for Pulses	-	-	1000.00	-
Mission for Vegetables and Fruits	-	-	500.00	-
National Mission on Hybrid Seeds	-	-	100.00	-
Support for Makhana Board	-	-	100.00	-
Core Scheme				

Rashtriya Krishi Vikas Yojna (RKVY)	5693.49	6000.00	8500.00	41.66%
National mission on Natural Farming	30.19	100.00	616.01	516.01%
Fisheries and Aquaculture Infrastructure Development Fund (FIDF)	22.22	25.00	30.00	20%
Pradhan Mantri Matsya Sampada Yojana (PMMSY)	1105.89	1500.00	2465.00	64.33%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Prime Minister Dhan-Dhaanya Krishi Yojana(Developing Agri Districts Programme)** - Aims to cover 100 agricultural districts with low productivity through crop diversification, irrigation improvements, post-harvest storage, and credit facilitation.	Low crop productivities is a major constraint in agriculture sector. The situation is getting further complicated due to the impact of climate change and climate vagaries. Agri district programmes will provide an opportunity to create win-win models by incorporating best of the agriculture practices. This is a focused move and should create opportunities for industry partnerships at ground level.
2	**National Mission on High-Yielding Seeds -** Focuses on climate-resilient, pest-resistant, and high-yielding seed development and commercialization.	This was a long standing ask and one of the important components of FICCI's farm prosperity vision. Quality seeds will improve productivity. The mission will help in enhancing incomes of small farmers, keep food inflation under check and reduce reliance on imports. This will also be a step towards agricultural sustainability by increasing crop resilience to climate change.
3	**Comprehensive Rural Prosperity & Resilience Program -** Multi-sectoral initiative focused on skilling, technology adoption, and economic integration to reduce agricultural underemployment.	This is an encouraging step and will strengthen rural entrepreneurship. Skilling and technology being the core pillars of the program, it will help improve skills of rural youth.
4	**Mission for Aatmanirbharta in Pulses** - A 6-year mission dedicated to boosting **Tur, Urad, and Masoor** production with assured procurement of these 3 pulses through NAFED & NCCF for next 4 years	Creating forward and backward linkages in pulses is crucial to reduce dependency on imports, stabilize prices and ensuring farmer incomes. Creating a success story in pulses is an urgent need for the country. This mission will strength India's food security and also address issue of food inflation.
5	**Comprehensive Programme for Vegetables & Fruits-** Enhancing production, efficient supply chains, and processing while ensuring remunerative prices.	Fruits and vegetables are the important components of high value horticulture sector. The detailed roadmap is awaited, however the program is expected to improve nutritional security, creating

		export opportunities, and reducing post-harvest losses. Implementation of cluster based development in fruits and vegetables sector will be beneficial.
6	**Makhana Board (Bihar)- will be established t**o boost Makhana production, processing, and value addition. Organized FPOs will get training and access to government schemes.	Building strong supply chains for state specific production strengths is a commendable step. The move will help ensuring fair prices to Bihar makhana farmers too.
7	**Fisheries & Marine Development –** Enabling sustainable fishing in EEZ and high seas, with a special focus on Andaman, Nicobar & Lakshadweep. **Reduction in Customs Duty on Seafood Inputs (**BCD on frozen fish paste (Surimi) reduced from 30% to 5%; fish hydrolysate from 15% to 5%.)	These initiative for marine sector will strengthens the blue economy, boosts overall increase in fish production, seafood exports, and generate.
8	**Mission for Cotton Productivity -**A 5-year initiative to improve cotton yields and sustainability while promoting extra-long staple cotton.	Cotton is an important crop for India that not only is critical for farmers but also for textile industry. The mission will help ensure quality raw material to the cotton textile industry.
9	**Enhanced Credit through KCC** - Loan limit increased from ₹3 lakh to ₹5 lakh under the Modified Interest Subvention Scheme.	This will improve financial access for 7.7 crore farmers, dairy farmers, and fishers, reducing dependency on informal lending.
10	**Urea Plant in Assam-** A new urea plant with 12.7 LMT capacity to be set up in Assam.	Reduces fertilizer imports, ensures domestic supply, and stabilizes input costs for farmers.
11	**Support to NCDC:** Government to support NCDC's lending operations for cooperatives, with mechanisms for FPO and cooperative participation.	This support will enhance the financial capacity of cooperatives and FPOs. Focus on empowering cooperatives is crucial for Indian agriculture which is constrained by issues like land fragmentation and low economies of scale.
12	**Western Koshi Canal Project in Mithilanchal -** Financial support will be provided for the Western Koshi Canal ERM Project, benefiting 50,000 hectares of farmland in Bihar.	This project will enhance irrigation facilities, improve water availability, and increase farm productivity in Bihar's Mithilanchal region

Overall Assessment of Budget for Sector's Growth and Development

The budget for the agriculture sector in FY 2025-26 have several positives for the agricultural sector. While it may seem that there is an overall decline of 1.05% in total allocation compared to the previous year, there is a clear attempt to drive farm prosperity in a mission mode through various missions. While the Department of Agriculture Cooperation & Farmers Welfare has seen a 2.97% reduction in outlay, the Department of Animal Husbandry & Dairying and the Department of Fisheries have received significant increases of 26.07% and 62.23%, respectively, indicating a shift towards diversifying agricultural growth. The Department of Agriculture Research & Education has also seen a

modest 3.05% increase, supporting innovation and resilience in farming. Among key schemes, PM-Kisan, MISS, and the Formation of 10,000 FPOs have maintained their allocations, ensuring continuity in farmer support and financial access. However, the Crop Insurance Scheme has been reduced by 22.82 %. The government is in the process of overhauling the crop insurance scheme and this could be the reason for reduced allocation to the current scheme. The Rashtriya Krishi Vikas Yojana (RKVY) has been significantly increased by 41.66%, while the National Mission on Natural Farming has seen a 516.01% rise, emphasizing sustainable agricultural practices.

New initiatives such as the Mission for Pulses (₹1,000 Cr), Mission for Vegetables & Fruits (₹500 Cr), and the Cotton Technology Mission (₹500 Cr) reflect a targeted approach to boosting productivity and reducing import dependency. Key budget announcements like the Prime Minister Dhan-Dhaanya Krishi Yojana, focused on improving agricultural productivity in 100 districts, and the National Mission on High-Yielding Seeds, promoting climate-resilient crops, address long-standing structural challenges. Increased credit availability through KCC (₹5 lakh limit) and the establishment of a Makhana Board in Bihar indicate efforts to strengthen farm incomes and regional crop value chains. The support for fisheries through reduced customs duty on seafood inputs and expansion of deep-sea fishing will support development of blue economy. Additionally, the new urea plant in Assam aim to ensure stable fertilizer supply. The increased allocation for drone-based agricultural solutions (NAMO DRONE DIDI, ₹676.85 Cr) and blended capital support for agri-startups signals a push towards technology adoption.

Overall, while the budget supports innovation, diversification, and rural prosperity, the reduction in key safety net programs like crop insurance and market intervention schemes requires careful monitoring to safeguard farmer incomes and market access.

Art & Culture

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Ministry of Culture	3385.22	3260.93	3360.96	3.06 %
Outlays for key sectoral schemes				
Centenaries and Anniversaries, Celebrations and Schemes	334.39	110.00	35.00	-59.09 %
Kala Sanskriti Vikas Yojana	218.36	207.24	198.50	- 4.22 %
Development of Museums	95.70	165.60	210.72	27.17 %
Development of Libraries and Archives	4.69	21.61	53.19	145.76 %
National Mission for Manuscripts	-	3.50	60.00	1614 %

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Gyan Bharatam Mission** For survey, 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. To safeguard India's manuscript heritage by setting up the National Digital Repository of Indian Knowledge Systems (IKS), which will serve as a platform for knowledge-sharing. This repository will digitise and centralise India's traditional knowledge, making it accessible to researchers, students, and institutions worldwide.	This is an important step to safeguard repositories of India's rich history. This will also open up opportunities for private players to partner in the process of survey, documentation, preservation as well as digitization, thus also creating relevant job opportunities.

Overall Assessment of Budget for Sector's Growth and Development

The government has announced a significant increase in the allocation for Development of Museums, Libraries and Archives and boosted the scheme of Manuscripts Heritage. This Mission would create not just ensure preservation of India's rich art and culture but also create job opportunities in the process.

Capital Goods

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall for the Sector / Ministry	4674.41	4560.69	7680.23	68.40%
Outlays for key sectoral schemes				
Enhancement of Competitiveness in the Indian Capital Goods Sector	83.34	184.00	120.00	-34.78%

Key Budget Announcements and Implications

	Announcement	Likely Implication
1	**Manufacturing Mission - Furthering "Make in India"** The government will establish a **National Manufacturing Mission**, encompassing small, medium, and large industries, to advance the **"Make in India"** initiative. This mission will provide policy support, execution roadmaps, and a governance and monitoring framework for central ministries and states. The Mission's mandate will include 5 focus areas: • 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.	This will greatly benefit the capital goods sector by improving the ease and cost of doing business, which will enhance competitiveness. With a focus on developing a skilled workforce, it will address labor shortages in advanced manufacturing. The mission's emphasis on strengthening the MSME sector and ensuring access to technology will encourage innovation and growth in small and medium-sized capital goods firms. Additionally, the focus on quality products will elevate manufacturing standards, further boosting the capital goods sector's global competitiveness.
2	Allocation of Rs 20,000 crore for private sector driven Research, Development and Innovation	This initiative will drive innovation in the capital goods sector by enabling the development of cutting-edge machinery, technologies, and manufacturing processes. It will improve global competitiveness, encourage collaboration between industry players and research institutions, and reduce reliance on imports through the indigenization of key technologies. In the long run, it will enhance the sector's ability to meet the evolving needs of various industries.
3	Significant enhancement of credit availability with guarantee cover a. For Micro and Small Enterprises, from Rs 5 crore to 10 crore, leading to	Since the capital goods industry relies heavily on MSMEs, the enhanced credit guarantee cover will greatly improve access to collateral-free credit. This will provide crucial liquidity, driving growth, and supporting the expansion

	additional credit of Rs 1.5 lakh crore in the next 5 years; b. For Startups, from Rs 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 Rs 20 crore.	of manufacturing capabilities within the sector.
4	**100 GW of nuclear energy by 2047** to drive energy transition. To enable private sector participation, amendments to the **Atomic Energy Act** and **Civil Liability for Nuclear Damage Act** will be undertaken.	The expansion of nuclear energy will drive demand for domestically manufactured reactors, turbines, and precision components, strengthen supply chains,. Policy reforms will enable private sector participation, enhance investment in nuclear infrastructure, and align with **Make in India**, fostering exports and technological advancement

Overall Assessment of Budget for Sector's Growth and Development

The Budget fosters significant growth in the capital goods sector through various measures. The National Manufacturing Mission will improve ease of doing business, develop a skilled workforce, and promote innovation, benefiting MSMEs in the sector. The ₹20,000 crore allocation for research, development and innovation will enhance technological development and indigenization. Enhanced credit availability for MSMEs will provide crucial liquidity, fueling growth and expansion. Additionally, nuclear energy expansion will create demand for capital goods, supporting technological advancement and private sector participation. Together, these measures will strengthen the sector's competitiveness, innovation, and capacity for growth.

Capital Markets

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - Ministry of Corporate Affairs	583.60	1078.43	11561.19	972%
Outlays for Central Sector Schemes/Projects - Corporate Data Management System - New Internship Program	4.17 ---	15 380	11 10831.07	
Other Central Sector Expenditure: Insolvency & Bankruptcy Board of India (IBBI)	19	---	0.03	
Competition Commission of India (CCI)	49.98	51	54.21	

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Credit Enhancement Facility by NaBFID:** NaBFID will set up a Partial Credit Enhancement Facility for corporate bonds for infrastructure.	This is a positive move which would help issuers (rated AA or below) to tap bond market and reduce their dependence on traditional bank borrowings. Investments through this mode will further help to meet infrastructure needs of the economy in a focused manner.
2	**Alternate Investment Funds (AIFs):** Category I and category II AIFs are undertaking investments in infrastructure and other such sectors. Certainty of taxation to these entities on the gains from securities will be provided.	Significant amounts have been invested through this route in the Indian start-up ecosystem. Certainty of taxation would help attract more investments.
3	**International Financial Services Centre (IFSC):** - Specific benefits announced for ship-leasing units, insurance offices and treasury centres of global companies which are set up in IFSC. - To claim benefits, the cut-off date for commencement in IFSC has also been extended by five years to 31st March 2030.	These measures will attract further investments to IFSC, paving way for IFSC to develop into a dominant gateway for global capital inflows and outflows. These measures, in conjunction with other incentives, would prevent export of India's business to other countries and encourage foreign capital to participate in India's growth journey. This would ultimately meet India's development needs through the key objectives of boosting job creation and providing market access to India's growing financial services sector.
4	**Extension of investment date for Sovereign and Pension Funds:**	Private participation is required alongside public investment to meet infrastructure needs of the economy. This relaxation would help to attract

	To promote funding from Sovereign Wealth Funds and Pension Funds to the infrastructure sector, the date of making investment has been extended by five more years, to 31st March 2030.	investments from sovereign wealth funds and other long-term institutional investors, boosting inflow of foreign capital. This would in turn help provide long term funds for infrastructure projects.
5	**KYC Simplification:** The revamped Central KYC Registry will be rolled out in 2025 to implement the earlier announcement on simplifying the KYC process. A streamlined system for periodic updating will be implemented.	Industry welcomes roll out of the revamped Central KYC Registry, a long-standing request of FICCI. This will go a long way in promoting financial inclusion, ease of investing and attracting more investors to the market.

Initiatives on Ease of Doing Business

1	**Regulatory Reforms** - **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 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. - **Investment Friendliness Index of States** 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. It will also formulate a framework to enhance their responsiveness and development of the financial sector. - **Jan Vishwas Bill 2.0** The government will bring up the Jan Vishwas Bill 2.0 to decriminalize more than 100 provisions in various laws.	These are significant measures to improve ease of doing business by making the regulatory framework simpler and more business friendly, while instilling a great degree of faith and trust between the corporate sector and the administration. Will pave way for more global capital inflows by enhancing India's image as an attractive investment destination. Jan Vishwas Bill 2.0 will further reduce compliance burden of companies by decriminalizing offences, improving ease of living and doing business.
2	**Merger of Companies**	This would foster an investor-friendly environment by providing companies with more

	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 made simpler.	certainty regarding timelines. Investors would feel confident about undertaking transactions in India due to increased efficiencies and improved ease of doing business.

Overall Assessment of Budget for Sector's Growth and Development

The Budget focused on several initiatives for improving ease of doing business. The proposal to introduce next set of Ease of Doing Business reforms in India through the Jan Vishwas Bill 2.0 and institution of High-Level Committee for Regulatory Reforms demonstrate Governmemt's commitment to enhance ease of doing business for domestic and global investors. The success of Jan Vishwas has further enhanced India's image as an attractive investment destination, which would only get strengthened further with adoption of a trust-based approach towards compliance. Creation of an environment of transparency and fairness would also give fillip to entrepreneurship.

One of the other significant positives is an action plan to deepen the market for corporate bonds with specific focus on the infrastructure sector. This is a significant announcement which will provide an impetus to infrastructure investments in India, providing much-needed long term finance. The proposal would also impart depth to corporate bond market and a mature bond market would provide capital for growth, infrastructure financing and relax dependence on banks as sole-debt providers to businesses. Over time, retail investors would gain confidence to participate in this risk-free, stable, fixed income investment option, which will in turn promote liquidity in secondary bond market.

The announcement of the roll out of Central KYC Registry is a very welcome move. FICCI gratefully acknowledges Government's positive consideration of this long-standing request. In addition to investors, all the financial sector intermediaries stand to benefit from this move.

Chemicals & Petrochemicals

Budget Outlay for Sector (Rupees Crore)

Heading	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% Change (BE FY26 / RE FY25)
Department of Chemicals and Petrochemicals	468.15	261.99	194.05	-25.93%
Central Sector Schemes/Projects				
New Schemes of Petrochemicals	18.00	33.50	50.50	50.75%
Other Central Sector Expenditure				
Statutory and Regulatory Bodies				
Assistance related to Bhopal Gas leak Disaster	16.41	17.47	20.85	19.35%
Autonomous Bodies				
Central Institute of Petrochemicals Engineering and Technology (CIPET)	-0.04	44.20	78.48	77.56%
Institute of Pesticides Formulation Technology (IPFT)	7.69	17.15	12.15	-29.15%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	The government will revise the tariff rates to support industry growth and trade facilitation. The duty on compounds containing a pyrimidine or piperazine ring (whether or not hydrogenated) under tariff subheading 2933 59 will be reduced from 10% to 7.5%. The duty on synthetic flavoring essences and mixtures of odoriferous substances used in the food and beverage industry, classified under 3302 10, will be lowered from 100% to 20%. Additionally, the duty on Sorbitol, classified under 3824 60, will be reduced from 30% to 20% to encourage its wider industrial application.	These tariff reductions are expected to create a more competitive business environment, benefiting key industries such as pharmaceuticals, food and beverage, and specialty chemicals. Lowering import duties on essential compounds and ingredients will reduce production costs, encourage innovation, and support domestic manufacturing. This move aligns with the government's vision of promoting ease of doing business, fostering global trade partnerships, and strengthening India's position in the global supply chain. Additionally, these revisions will enable industries to access high-quality raw materials at competitive prices, driving growth, efficiency, and long-term sustainability.
2	The government will reduce the import duty on crude glycerol, glycerol waters, and glycerol lye (covered under tariff item 1520 00 00) from 30% to 20% to support industrial applications	This reduction in import duty is expected to benefit industries such as pharmaceuticals, cosmetics, personal care, and biofuels, where glycerol serves as a key raw material. By lowering costs, the government aims to boost domestic manufacturing, enhance price competitiveness, and encourage value addition in downstream industries. Additionally, this move

	and enhance cost efficiency for manufacturers.	supports India's transition toward a more sustainable and resource-efficient economy by making essential raw materials more accessible, fostering innovation, and strengthening India's position in the global supply chain.
3	The government will reduce the import duty on Phosphoric Acid from 20% to 7.5% to support key industries and ensure the availability of essential raw materials at competitive prices.	This reduction in import duty is expected to significantly benefit the fertilizer, chemical, and pharmaceutical industries, where phosphoric acid is a critical input. By lowering costs, the move will enhance domestic production capabilities, improve price stability, and reduce dependency on expensive raw material imports. Additionally, this initiative aligns with the government's vision of strengthening India's agricultural sector by making fertilizers more affordable, ultimately supporting farmers and promoting food security. The decision will also encourage investment in value-added industries, reinforcing India's position as a competitive player in the global chemical supply chain.
4	The government will reduce the import duty on prepared binders, chemical products, and preparations of the chemical or allied industries (covered under tariff item 3824 99 00) from 17.5% to 7.5% to support industrial growth and enhance cost efficiency.	This reduction in import duty is expected to significantly benefit multiple industries, including construction, adhesives, coatings, and specialty chemicals, where these products are widely used. By lowering costs, the initiative will enhance domestic manufacturing competitiveness, encourage research and development in high-performance chemical formulations, and attract investments in value-added production. Additionally, this move aligns with the government's vision to boost India's chemical industry, support exports, and strengthen India's role in the global supply chain while fostering innovation and sustainable industrial growth.
5	The government will revise the import duty structure on PVC flex films, including PVC flex banners and PVC flex sheets (covered under tariff headings 3920 and 3921) by reducing the Basic Customs Duty (BCD) from 25% to 20% while introducing a 7.5% Agriculture Infrastructure and Development Cess (AIDC) in place of the existing 2.5% Social Welfare Surcharge (SWS).	This adjustment in the duty structure is expected to support the domestic signage, advertising, and printing industries by balancing import costs while ensuring adequate revenue for infrastructure development. By reducing the Basic Customs Duty, manufacturers and businesses will benefit from improved cost efficiency, while the restructured cess will contribute to agricultural and rural development initiatives. This move aligns with the government's broader vision of promoting domestic manufacturing, fostering economic growth, and ensuring a fair and sustainable trade environment for industries reliant on PVC flex materials.
6	The government will revise the import duty on laboratory chemicals under tariff item 9802 00 00 (excluding those attracting 10% Basic Customs Duty (BCD) on specified end use) by reducing	This significant reduction in the Basic Customs Duty on laboratory chemicals is expected to enhance accessibility to essential chemicals for research, education, and innovation across various sectors including pharmaceuticals, biotechnology, and environmental science. By lowering costs, the move

	the Basic Customs Duty (BCD) from 150% (+15% Social Welfare Surcharge (SWS)) to 70% (+70% Agriculture Infrastructure and Development Cess (AIDC)).	will encourage more cost-effective research and development, enabling Indian institutions and businesses to access high-quality materials at competitive prices. Furthermore, the shift to AIDC ensures that funds generated will support infrastructure development in agriculture and rural areas. This policy shift aligns with the government's objective to promote scientific advancement, reduce research costs, and facilitate innovation while ensuring investments contribute to sustainable development.

Overall Assessment of Budget for Sector's Growth and Development

The government's decision to revise import duty rates will significantly benefit India's chemical industry by promoting growth, improving cost efficiency, and facilitating trade. By lowering duties on essential raw materials like pyrimidine and piperazine compounds, synthetic flavoring essences, and sorbitol, the government is reducing input costs for key sectors such as pharmaceuticals, food processing, and personal care. This will drive wider industrial applications, enhancing competitiveness and fostering innovation across industries. Additionally, the reduction in duties on crude glycerol, glycerol waters, and phosphoric acid will make these vital chemicals more affordable, boosting manufacturing capabilities, especially in biofuels and fertilizer production. The lower import duties on prepared binders and PVC flex films will support the domestic manufacturing of essential chemical products, reducing reliance on imports and stimulating innovation. By introducing a 7.5% Agriculture Infrastructure and Development Cess (AIDC) in place of the Social Welfare Surcharge (SWS), the government is aligning trade policy with infrastructure development goals, supporting long-term growth. Furthermore, the revision of duties on laboratory chemicals will promote scientific research and development, reducing costs for Indian laboratories and enabling them to remain competitive in the global market. These measures will foster a robust, cost-efficient chemical industry, attract foreign investments, enhance global competitiveness, and ultimately position India as a leader in the global chemical market. In the current budget, the Government of India has introduced an Export Promotion Mission aimed at boosting exports from India while also supporting the growth of the chemical sector.

Civil Aviation

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall for the Sector/Ministry **Ministry of Civil Aviation**	2757.14	2658.68	2400.31	-9.72%
Total Establishment Expenditure of Centre	570.65	572.21	662	15.70%
Central Sector Schemes/Projects				
Regional Connectivity Scheme	822.22	800	540	-32.50%
Krishi Udaan Scheme		0.01		
Production Linked Incentive (PLI) Scheme for Drone and Drone Component	31.22	57.00		-100%
Customs Cost Recovery (CCR) charges to Airport Authority of India (AAI) and AAI Cargo Logistics and Allied Services Company Ltd. (AAICLAS) for tier II / III cities' airports		124.17	142.75	14.96%
Total Central Sector Schemes/Projects	853.44	981.17	682.75	-30.41%
Other Central Sector Expenditure				
Indira Gandhi Rashtriya Udaan Academy and National Aviation University	9.00	8.02	10.02	24.94%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Launch of Modified UDAN Scheme	The modified UDAN scheme aims to further revolutionize regional connectivity by expanding its reach to 120 new destinations, which will provide air travel access to a larger section of the population. With a target of 4 crore passengers in the next 10 years, this initiative is expected to significantly enhance air traffic in Tier 2 and Tier 3 cities, boosting economic activities in these regions. The focus on helipads and smaller airports in hilly, aspirational, and North-East districts will improve last-mile connectivity, benefiting remote areas and promoting tourism, medical travel, and business opportunities. It will have positive impact on the overall economy of those regions.
2	Facilitation of Greenfield Airports in Bihar	The announcement of Greenfield airports in Bihar will help address the state's growing air traffic needs, complementing the expansion of Patna airport. Improved air connectivity is expected to enhance economic growth,

		boost tourism, and attract investments, supporting industrial development and job creation.
3	Cargo screening and customs protocols will be streamlined and made user-friendly.	The simplification of cargo screening and customs procedures will reduce turnaround times for air cargo, increasing efficiency and lowering logistics costs. The initiative will particularly benefit the export of high-value perishable horticulture products, supporting India's farmers and agricultural exporters. A more user-friendly cargo process will encourage businesses to rely on air freight for faster delivery, helping sectors like e-commerce, pharmaceuticals, and perishable goods. This move aligns with India's goal of becoming a global air cargo hub, strengthening supply chains and enhancing international trade opportunities.
4	The budget for the civil aviation sector is increased from 2357.14 crores to 2400.31 crores	The budgetary increase, though marginal, reflects the government's continued commitment to modernizing airports, improving regional connectivity, and boosting infrastructure. This funding will likely support the implementation of the modified UDAN scheme, development of new airports, and upgradation of air cargo facilities.

Overall Assessment of Budget for Sector's Growth and Development

India's civil aviation sector has undergone a significant change over the past few decades, emerging as one of the world's fastest-growing aviation markets. This rapid expansion reflects the country's strengthening economy, rising disposable incomes, and a growing middle class demanding better connectivity both domestically and internationally. Beyond economic growth, the sector is set to generate vast employment opportunities, driving skill development and workforce expansion. The government's proactive initiatives, including the establishment of aviation skill centers, are fostering a highly trained talent pool to support this momentum. With a strong policy framework, increasing investments, and a focus on technological advancements, India is on course to become a global aviation hub, driving innovation, attracting capital, and shaping a promising future for the industry and its workforce.

This budget is expected to have a positive impact on the aviation ecosystem by providing financial support for UDAN scheme, specifically for Greenfield and Brownfield airport projects. These initiatives will not only generate significant employment opportunities, but also create demand for skilled manpower, enhance connectivity, and provide a substantial boost to the regional economy. Government is facilitating Greenfield airports in Bihar and expanding Patna Airport. Additionally, brownfield development aims to improve air access and stimulate economic growth in the region.

Defence

Budget Outlay for Sector (Rupees Crore)

	2023-24 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **-Ministry of Defence**	154256.28	159500.00	180000.00	9.26%
Army	192559.19			
Navy	34261.52			
Air Force	53024.92			
Outlays for key sectoral schemes				
A: Defence Services				
Aircraft and Aero Engines	4601.93		48614.06	
Heavy and Medium vehicles	1520.86		3650.52	
Other Equipments	16689.61		63099.03	
Procurement of Rolling Stock	97.45		500.00	
Naval Fleet	24747.18		24390.95	
Naval Dockyard	5222.38		4500.00	
Special Projects	1033.97		1731.52	
B: Technology Development - Assistance for prototype development under make procedure				
Projects of the Army	--	30.00	335.00	1016.66 %
Projects of the Air Force	68.30	377.47	1702.16	350.93%
Investment in Public Enterprise	1310.00	407.47	2037.16	399.78%
Ministry of Home Affairs				
BSF Air Wing, Aircrafts, River Boats and Helibase	72.52	72.59	96.46	32.88%
Border Infrastructure and Management	3336.16	3069.75	5597.25	82.34%
Border Area Development Programme	31.83	110.00	98.19	-10.74%
Police infrastructure	2447.76	1986.28	4379.20	120.47%
Schemes for Safety of Women	143.18	374.75	960.12	156.20%
Modernization Plan IV for Central Armed Police Forces	97.80	111.07	352.92	32.88%
Modernization of Police Forces	2658.59	2623.74	4069.24	55.09%
Modernization of Prisons	86.95	75.00	300.00	300.00%
Ministry of Electronics & Information Technology				

Cyber Security Projects	316.51	322.00	782.00	142.86%
Cyber Security (CERT-In)	-	241.00	255.00	5.81%
Ministry of Civil Aviation				
Bureau of Civil Aviation Security	0.34	87.00	95.00	9.20%
Ministry of Defence (Civil)				
Coast Guard Organisation	-	8279.50	9676.70	16.88%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	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**.** Significant enhancement of credit availability with guarantee cover.	This will give defence MSMEs confidence to grow and scale up productivity.
2	**Fund of Funds for Startups.** Presently the Alternate Investment Funds (AIFs) for startups have received commitments of more than Rs. 91,000 crore. Additionally, government is supporting by setting up the Fund of Funds set up with a contribution of Rs. 10,000 crore.	This will give defence startups more funds to grow and develop Futuristic Indigenous Technologies for the tri services.
3	**Manufacturing Mission -** Furthering "Make in India". Government will set up a National Manufacturing Mission covering small, medium and large industries for furthering "Make in India" by providing policy support, execution roadmaps, governance and monitoring framework for central ministries and states	This initiative from government will boost Atamanirbharta in defence manufacturing and also further the 'Make in India, Make for the World' objective.
4	**Clean Tech Manufacturing.** Manufacturing Mission will also support Clean Tech manufacturing. This will aim to improve domestic value addition and build our ecosystem for solar PV cells, EV batteries, motors and controllers, electrolyzers, wind turbines, very high voltage transmission equipment and grid scale batteries.	Dual-Use Capabilities & Opportunities for the defence Industry.
5	**Shipbuilding.** The Shipbuilding Financial Assistance Policy will be revamped to address cost disadvantages. This will also include Credit Notes for shipbreaking in Indian yards to promote the circular economy. Shipbuilding Clusters will be facilitated to increase the range, categories and capacity of ships. This will include additional infrastructure	This initiative from government will strengthen defence shipbuilding capability and scaling up infrastructure.

	facilities, skilling and technology to develop the entire ecosystem.	
6	**Export Promotion Mission.** Export Promotion Mission, with sectoral and ministerial targets, driven jointly by the Ministries of Commerce, MSME, and Finance. It will facilitate easy access to export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets.	This initiative from government will further boost 'Make in India, Make for the World' objective.

Overall Assessment of Budget for Sector's Growth and Development

The defence sector has seen an increase of 9.26% in the budget for 2025-2026. The increased budget of the Defence Ministry highlights the government's high priorities in defence modernization.

There is an increase of 9.23 % in total budgetary allocation on Policing by the Ministry of Home Affairs (MHA). The Ministry has increased the budget for police infrastructure, police modernization scheme, modernization of CAPFs, BSF Air Wing, Aircrafts, River Boats and Helibase, Border Infrastructure and Management and modernization of prisons. There is a substantial increase in the budget for Police infrastructure, Schemes for Safety of Women and Modernization of Prisons. This could create opportunities for industry in FY 2025-2026. In addition, MeitY also indicated adequate budget growth for Cyber Security Projects.

Electronics Manufacturing

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Electronics and Information Technology**	12766.34	17566.31	26026.25	48.2%
Promotion of Electronics and IT HW Manufacturing (MSIPS, EDF and Manufacturing Clusters)	694.27	677.68	712	5.1%
R and D in IT/Electronics/CCBT	877.09	1183.56	1249.75	5.6%
Modified Program for Development of Semiconductors and Display Manufacturing Ecosystem in India	681.11	3816.47	7000	83.4%
i. Modified Scheme for setting up of Compound Semiconductors/Silicon Photonics/Sensors Fab/Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP)/Outsourced Semiconductor Assembly and Test (OSAT) facilities in India	644.32	2500	3900	56.0%
ii. Modified Scheme for Setting up of Semiconductor Fabs in India		1200	2499.96	108.3%
iii. Modified Scheme for setting up of Display Fabs in India		0.01	0.04	300.0%
iv. Modernization of Semi-Conductor Laboratory, Mohali		11	400	3536.4%
v. Design Linked Incentive Scheme		105.46	200	89.6%
Production Linked Incentive Scheme (PLI)		5777	9000	55.8%
i. Production linked Incentive for Large Scale Electronics Manufacturing		5747	8885	54.6%
ii. Production Linked Incentive for IT Hardware		30	115	283.3%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Government has increased the outlay on Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India by over 83%	There is immense potential and opportunities in chip design and semiconductor-related industries in India, with strong government support playing a crucial role in nurturing innovation and growth in this field. Such an increase would attract large scale investments in India by encouraging leading manufacturers to set up

<table>
<tr><td></td><td></td><td>semiconductor and display fabs in India. This would help in strengthening the electronics manufacturing ecosystem in the country</td></tr>
<tr><td>2</td><td>Outlay on PLI scheme has been increased by over 55%</td><td>Increased outlays in PLI will further support manufacturing of mobiles and IT hardware in the country by making them export competitive.</td></tr>
<tr><td>3</td><td>Significant enhancement of credit availability with guarantee cover
To improve access to credit, the credit guarantee cover will be enhanced for:
• Micro and Small Enterprises, from Rs 5 crore to 10 crore, leading to additional credit of Rs 1.5 lakh crore in the next 5 years
• For Startups, from Rs 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
• For well-run exporter MSMEs, for term loans up to Rs 20 crore.</td><td>Since the electronics components industry is largely driven by MSMEs, this enhanced credit guarantee cover will significantly ease access to collateral-free credit. It will provide much-needed liquidity, fueling growth, innovation, and expansion.</td></tr>
<tr><td>4</td><td>Clean Tech Manufacturing under National Manufacturing Mission</td><td>This will boost domestic manufacturing of essential clean tech components like motors and controllers, reducing reliance on imports. Additionally, it will create job opportunities, attract investments, strengthening India’s position in the global clean tech market.</td></tr>
<tr><td>5</td><td>Export Promotion Mission</td><td>This initiative will strengthen electronics manufacturing by simplifying access to export credit and provide necessary regulatory support to expand globally. It will improve the global competitiveness of MSMEs and drive growth in exports within the sector.</td></tr>
<tr><td>7</td><td>A graded duty structure is being put in place to incentivize domestic manufacture of Interactive Flat Panel Displays as below:

<table><tr><th>Interactive Flat Panel Displays (IFPD)</th><th>BCD Rate</th></tr><tr><td>CBU under tariff item 8528 59 00</td><td>20%</td></tr><tr><td>Flat Panel Display Module</td><td>15%</td></tr><tr><td>PCBA of IFPD</td><td>15%</td></tr><tr><td>Open Cell for Flat panel display module with or without touch, under heading 8524</td><td>5%</td></tr><tr><td>Touch glass sheet</td><td>5%</td></tr></table></td><td>This is in line with FICCI’s recommendation to the Government. The increase in BCD on completely built units (CBU) of IFPDs will curb imports and encourage domestic manufacturing. At the same time, reduction in BCD on key components such as open cells, touch sheets, and touch sensor PCBs will further reduce costs, fostering more cost-effective local manufacturing. This will lower overall production expenses, promote domestic assembly, and enhance India’s competitiveness in the IFPD market, driving job creation and strengthening the electronics manufacturing ecosystem.</td></tr>
</table>

	Touch sensor PCB under heading 8529 | 5%	
8	BCD on inputs and parts (chip on film, PCBA, glass board/substrate cell) for manufacture of open cell of LCD/ LED television panels has been reduced from 2.5% to Nil	This reduction will encourage the manufacturing of open cells, lowering production costs and making it more cost-effective to produce them locally. As a result, local assembly will become more competitive, driving higher domestic production of LCD/LED panels and reducing reliance on imports. This move will also foster job creation, attract investment in the electronics sector.
9	BCD on Ethernet Switches - Carrier grade classified under tariff item 8517 62 90, 8517 69 90 has been reduced from 20% to 10% to make it at par with Non-Carrier Grade ethernet switches.	This will align carrier-grade Ethernet switches with non-carrier grade switches, boosting their market competitiveness. It will further reduce the cost of domestic manufacturing, encouraging local production and decreasing import reliance. Consequently, it will stimulate investment in the telecom and networking sector, promote cost-effective local assembly, and foster job creation.

Overall Assessment of Budget for Sector's Growth and Development

The budget announcement for the electronics sector reflects Governments continuous focus aimed at fostering manufacturing, growth and strengthening the Indian economy. Rationalisation of customs tariff structure is a welcome move. The approach of aligning inverted duty structure and increase in BCD on interactive flat panel displays from 10% to 20%, will be an enabler for enhancing manufacturing in India. Reduction of duty in components for manufacturing Open Cell is also in the direction towards making a robust manufacturing base for LCD/ LED television panels in India.

Establishment of Bharat Trade Net is a good move as it will bring commerce, MSME and revenue ministries together and build inter-ministerial dialogues - a unified platform to streamline trade documentation, policy interventions, supply chain efficiencies and financing needs for businesses. This is the need of the hour, further easing and enhancing the international trade and exports in the electronics sector.

Enhanced investment and turnover limits for MSMEs aimed at empowering MSMEs will help scale up, innovate, and generate more employment opportunities for the Indian talent further bolstering the manufacturing economy. Additionally, establishing five National Centres of Excellence for Skilling reflects a full-circle approach to equipping our youth for 'Make for India, Make for the World' manufacturing, including that for electronics sector.

Environment & Climate Change

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY25 over RE FY24)
Overall - **Ministry of Environment, Forests and Climate Change**	3113.61	3125.96	3412.82	9.17
Outlays for key sectoral schemes				
Total-Central Sector Schemes/Projects	1031.05	1030.94	1060.56	2.87
Total-Centrally Sponsored Schemes	529.55	590.0	720.00	22.03
Total-Establishment Expenditure of the Centre	779.50	881.08	945.76	7.34
Other Central Sector Expenditure	773.51	623.94	686.50	10.03

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	**Clean Tech Manufacturing Initiative** The Initiative aims to improve domestic value addition and build the ecosystem for the manufacturing of solar PV cells, electric vehicle (EV) batteries, motors and controllers, electrolyzers, wind turbines, very high voltage transmission equipment, and grid-scale batteries.	This initiative will strengthen India's green tech manufacturing, reducing reliance on imports and fostering innovation in solar, EV, and energy storage technologies. It will support India's climate goals, accelerate the transition to a low-carbon economy, and create new business opportunities. By attracting investment and boosting energy security, this initiative will position India as a leading player in green technology, while generating jobs.
2	**Urban Challenge Fund-** The creation of an Urban Challenge Fund with ₹1 lakh crore aims to implement transformative proposals for 'Cities as Growth Hubs,' 'Creative Redevelopment of Cities,' and the enhancement of 'Water & Sanitation' infrastructure.	This will drive urban transformation by promoting innovative city redevelopment, and improved water and sanitation infrastructure, creating opportunities for services that enhance the quality of sustainable urban living.

Overall Assessment of Budget for Sector's Growth and Development

The 2025-26 budget underscores a continued commitment to sustainability and climate action, offering transformative opportunities for business and industry. The Green Tech Manufacturing Initiative emphasizes building a domestic clean energy ecosystem, accelerating growth in solar, EV, and energy storage sectors. These initiatives align with India's Carbon Reduction Targets and net-zero commitments by 2070, encouraging industries to adopt innovative and sustainable practices across manufacturing, transportation, and energy by offering various tax incentives.

Urban development efforts, including the Urban Challenge Fund, aim to transform cities into economic and sustainable hubs, fostering demand for green infrastructure, smart urban planning, and technological solutions. The extension of the Jal Jeevan Mission to achieve universal rural water coverage presents businesses with opportunities in sustainable water management and infrastructure.

The Critical Minerals Initiative boosts domestic production of essential minerals, supporting the green technology supply chain and reducing environmental impact.

Agriculture-focused programs like the Prime Minister Dhan-Dhaanya Krishi Yojana and Aatmanirbharta in Pulses promote climate-resilient farming practices, offering opportunities to agribusinesses integrate sustainability into advanced farming technologies and value addition.

The emphasis on addressing climate change, creating new avenues for clean technologies and renewable energy innovations encourage industries to align growth with sustainability, enabling businesses to contribute meaningfully to India's climate and environmental goals while driving economic prosperity.

External Trade

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall – **Department of Commerce**	6017.87	5624.00	5300.99	-5.74%
Outlays for key sectoral schemes				
Interest Equalisation Scheme	3699.99	2482.00	-	-100%
Export Promotion Mission	-	-	2250.00	100%
Overall for the Sector / Ministry – **Ministry of Finance (Indirect Taxes)**	34644.88	40751.67	42888.83	5.2%
Remission of Duties and Taxes on Exported Products (RoDTEP)	15018.81	17951.00	18232.50	1.57%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Export Promotion Mission:** The government has announced launch of Export Promotion Mission, a collaborative initiative involving the Ministries of Commerce, MSME, and Finance. This mission will set specific sectoral and ministerial targets to drive export growth and strengthen India's position in global trade.	This initiative will foster a more favourable environment for exporters by integrating various efforts, facilitating easier access to credit, cross-border factoring support, and providing assistance to MSMEs in overcoming non-tariff barriers in international markets.
2	**BharatTradeNet (BTN):** A digital platform, BharatTradeNet, will be developed to simplify trade documentation and financing solution.	This initiative will simplify trade processes by reducing paperwork. It will also complement the Unified Logistics Interface Platform, thereby facilitating smoother movement of goods and enhancing India's global trade competitiveness.
3	**Integration with Global Supply Chains:** The government will implement measures to develop domestic manufacturing capacities and integrate the Indian economy into global supply chains. Industry facilitation groups will be formed, and objective criteria will be used to identify priority sectors. This initiative will create new opportunities in Industry 4.0, leveraging India's skilled youth and boosting the domestic electronics industry.	Measures to boost domestic manufacturing capacities for integration with GVCs will strengthen India’s position in advanced manufacturing and technology, particularly within the rapidly growing electronics sector.
4	**National Framework for Global Capability Centres (GCCs):** A national framework will be established to	This initiative will expand economic opportunities in emerging cities by creating jobs, attracting investment,

	assist states in promoting Global Capability Centres in emerging tier 2 cities, with an emphasis on improving talent availability, infrastructure, by-law reforms, and fostering industry collaboration.	and promoting balanced regional development by empowering smaller cities and encouraging partnerships between state governments and private sector companies. This collaborative approach will drive inclusive growth and boost the overall economy.
5	**Warehousing for Air Cargo:** Upgradation of infrastructure and warehousing for air cargo will be facilitated including for high value perishable horticulture produce. Further cargo screening and customs protocols will be streamlined and made user-friendly.	This will significantly benefit exporters by ensuring faster and more efficient handling of shipments, especially for time-sensitive and high-value perishable goods. This will reduce logistical challenges and enhance India's trade competitiveness.
6	**Simplified Tariff Structure:** The Union Budget proposes further rationalization of the customs tariff structure. This involves the removal of seven tariff rates, building upon the reductions implemented in the previous budget.	The rationalization of the customs tariff structure will benefit exporters by simplifying compliance and reducing the complexity of tariff rates.
7	**Labour Intensive Sector:** The budget has focused on sector-specific reforms, particularly in labour-intensive industries, to drive growth and enhance global competitiveness. Targeted support to sectors such as handicrafts, toys, fisheries, leather and footwear, marine products has been provided.	This will improve domestic manufacturing and boost exports will strengthen their presence in global markets.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2025-26 has focused on strengthening India's position in global trade and boosting economic growth through inclusive measures. With Export Promotion as one of the key areas of focus, the government has introduced strategic initiatives such as the Export Promotion Mission, BharatTradeNet, and targeted sectoral reforms to enhance competitiveness, streamline processes, and boost the outbound shipments.

The MSME sector, recognized as the backbone of the economy, receives substantial support through revised classification criteria and enhanced credit guarantees. These measures aim to empower small enterprises to scale operations, adopt advanced technologies, and contribute significantly to manufacturing, exports, and employment.

Additionally, targeted initiatives for labour-intensive and export-oriented sectors such as handicrafts, toys, leather and footwear, reflect a focused approach to unlocking export potential and driving productivity.

Measures including the rationalization of customs duties and streamlined trade facilitation are welcome steps and will reduce costs, enhance ease of doing business, and promote value addition across industries. The rationalisation of cess by ensuring that no more than one cess or surcharge

would be levied is a crucial step toward ensuring a fairer and more predictable taxation regime, benefiting both industry and consumers.

The Union Budget 2025-26 addresses the issue of inverted duty structures, a key challenge for domestic manufacturing, by proposing targeted adjustments in customs duties. Notably, the BCD on Interactive Flat Panel Displays (IFPD) has been increased from 10% to 20%, while the duty on Open Cells has been reduced to 5%. These changes aim to reduce input costs, promote value addition, and enhance export competitiveness. The reduction of duties on various other sectors, including chemicals, electronics, and textiles, further seeks to rectify the inverted structure, encouraging a more balanced and efficient manufacturing ecosystem. These measures are in line with the government's focus on promoting 'Make in India' and boosting domestic production and exports.

Financial Services

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Department of Financial Services**	4464.63	3924.84	1688.14	-57%
Outlays for key sectoral schemes				
Government Co-contribution to Atal Pension Yojana	481.00	500.75	308.00	-38%
Pradhan Mantri Vaya Vandan Yojana (PMVVY)	422.78	507.22	423.01	-17%
Incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (person-to merchant)	2484.97	2000.00	437.00	-78%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Enhanced Credit through KCC:** The loan limit under the Modified Interest Subvention Scheme will be enhanced from ₹3 lakh to ₹5 lakh for loans taken through the KCC.	This move will ensure farmers can procure enough credit to increase productivity, boosting rural economic growth. It also provides opportunities for fintech and banks to collaborate to provide automated credit to farmers.
2	**Enhanced Credit Guarantee Cover:** For Micro and Small Enterprises, from ₹5 crore to ₹10 crore.For Startups, from ₹10 crore to ₹20 crore, with the guarantee fee moderated to 1% for loans in 27 focus sectors important for Atmanirbhar Bharat. For well-run exporters MSMEs, for term loans up to ₹20 crore.	Enhancement of credit guarantee is a significant step to support small businesses, entrepreneurs, and exporters, improving access to credit for MSMEs.
3	**Credit Cards for Micro Enterprises:** Introduction of customized Credit Cards with a ₹5 lakh limit for micro enterprises registered on the Udyam portal.	This will expand the credit market for banks and NBFCs and enhance the formalization of the economy, thereby boosting financial inclusion.
4	**Revamped PM SVANidhi Scheme:** Enhanced loans from banks and UPI-linked credit cards with a ₹30,000 limit.	Providing UPI-linked credit cards with a ₹30,000 limit will enhance financial inclusion and boost the card industry.
5	**MUDRA loans for homestays**	Extending MUDRA loans to homestay operators will expand credit for the banking industry and encourage entrepreneurship.
6	**BharatTradeNet (BTN):** A digital public infrastructure for international trade to be set up as a unified platform for trade documentation and financing solutions,	This move is expected to reduce costs, compliance burdens, and give a boost to trade finance.

	complementing the Unified Logistics Interface Platform.	
7	**Increased FDI Limit for Insurance Sector:** The FDI limit for the insurance sector will be raised from 74% to 100%, available for companies that invest the entire premium in India.	This decision is expected to significantly boost capital infusion, addressing a longstanding industry demand, and aims to accelerate insurance penetration by attracting more investment, fostering innovation, and enhancing competition.
8	**Expansion of India Post Payment Bank Services:** The services of India Post Payment Bank will be deepened and expanded in rural areas.	This expansion will boost financial inclusion, leveraging its vast rural network.
9	**Partial Credit Enhancement Facility by NaBFID:** NaBFID will set up a Partial Credit Enhancement Facility for corporate bonds for infrastructure.	This aims to provide long-term capital for infrastructure projects, crucial for sustained economic growth.
10	**Grameen Credit Score:** Public Sector Banks will develop a 'Grameen Credit Score' framework to serve the credit needs of SHG members and people in rural areas.	This system will assess the financial health of SHG members in rural India, ensuring better access to credit.
11	**Forum for Regulatory Coordination and Development of Pension Products:** A forum for regulatory coordination and development of pension products will be set up.	This will deepen the pensions market in India, addressing the current fragmentation and heterogeneity of pension products.
12	**Revamped Central KYC Registry:** A streamlined system for periodic updating will be implemented.	This will ease customer onboarding, addressing a long-standing industry demand, and enable paperless and presence-less onboarding of customers for financial products.

Overall Assessment of Budget for Sector's Growth and Development

The decision to increase foreign direct investment (FDI) in the insurance sector to 100% is expected to significantly boost capital infusion, addressing a longstanding industry demand. This move aims to accelerate insurance penetration by attracting more investment, fostering innovation, and enhancing competition in the insurance industry.

The budget has also announced significant steps to support small businesses, entrepreneurs, and exporters. Customized credit cards with a Rs 5 lakh limit for micro enterprises registered on the Udyam portal will provide timely credit. Additionally, credit guarantee limits for MSMEs and startups have been increased, with MSMEs eligible for loans up to Rs 10 crore and startups up to Rs 20 crore. Exporter MSMEs can avail term loans up to Rs 20 crore with government-backed guarantees.

The budget is focused on financial inclusion. The Grameen Credit Score system will assess the financial health of Self-Help Group (SHG) members in rural India, ensuring they have better access to credit. The revamped Central KYC registry, set to launch in 2025, will ease customer onboarding, addressing a long-standing industry demand. Enhancing the Kisan Credit Card (KCC) scheme by increasing the loan

limit from Rs 3 lakh to Rs 5 lakh under the Modified Interest Subvention Scheme aims to provide more financial support to farmers, helping them manage their agricultural expenses more effectively.

The government is also focusing on infrastructure financing through the National Bank for Financing Infrastructure and Development (NaBFID). Establishing a Partial Credit Enhancement Facility to boost investment in corporate bonds aims to provide long-term capital for infrastructure projects, which is crucial for sustained economic growth.

FMCG

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Department of Consumer Affairs**	272.56	7345.04	4360.72	−40.63%
Outlays for key sectoral schemes	272.56	7345.04	4360.72	−40.63%
Consumer Awareness (Advertising and Publicity)	24.55	17.99	17.99	0%
Consumer Protection Cell	6.20	10.49	8.90	−15.15%
Legal Metrology and Quality Assurance	69.17	99.02	121.10	22.30%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	The government is set to implement the National Mission for Edible Oilseeds to achieve self-reliance in edible oils.	The implementation of the National Mission for Edible Oilseeds marks a significant step towards ensuring India's self-sufficiency in edible oils. This initiative will reduce the country's dependence on imports, fostering a more resilient agricultural sector. By promoting domestic production, it is expected to enhance farmer incomes, stimulate rural economies, and create job opportunities across the supply chain
2	The government will establish a Makhana Board in Bihar to enhance the production, processing, value addition, and marketing of makhana. The initiative will focus on organizing those involved in these activities into Farmer Producer Organizations (FPOs). The Board will offer training and support to makhana farmers while ensuring they gain access to relevant government schemes and benefits.	The creation of the Makhana Board in Bihar is poised to be a transformative initiative for the state's agricultural sector. By focusing on improving production and adding value to makhana, this move will empower local farmers, increase their earnings, and open new avenues for market access.
3	The government will establish an Export Promotion Mission, with specific sectoral and ministerial targets, to be jointly led by the Ministries of Commerce, MSME, and Finance. This mission will simplify access to export credit, provide cross-border factoring support, and assist	The establishment of the Export Promotion Mission will significantly enhance India's global trade presence by streamlining the export process for businesses, especially MSMEs. By offering targeted support in export credit and cross-border factoring, this initiative will make it easier for Indian businesses to tap into international markets, while also tackling non-tariff barriers that often impede growth.

	MSMEs in addressing non-tariff barriers in international markets.	
4	The government will establish BharatTradeNet (BTN), a digital public infrastructure for international trade, as a unified platform that will streamline trade documentation and financing solutions. This initiative will complement the Unified Logistics Interface Platform and will be aligned with international standards and practices.	The establishment of BharatTradeNet (BTN) will revolutionize India's international trade landscape by simplifying and digitizing essential trade processes. As a unified platform for trade documentation and financing, BTN will facilitate smoother, faster, and more transparent transactions for businesses engaging in cross-border trade. By aligning with international standards, BTN will enhance India's competitiveness in global markets, ensuring that Indian businesses can operate seamlessly within global trade frameworks.
5	The government will streamline the requirements and procedures for the swift approval of company mergers. The scope for fast-track mergers will be expanded, and the process will be simplified for greater efficiency.	The government's move to simplify and expedite the merger approval process will foster a more business-friendly environment in India. By rationalizing the requirements and broadening the fast-track options, companies will be able to complete mergers more efficiently, leading to quicker integration and operational synergies. This will encourage both domestic and foreign investments, as businesses will find it easier to consolidate and scale. The simplified process will also reduce administrative bottlenecks, enabling companies to focus more on growth and innovation. Overall, these regulatory reforms are expected to boost the corporate sector's competitiveness, attract investments, and stimulate economic development.
6	The government has shown strong commitment to 'Ease of Doing Business' in both financial and non-financial sectors. Moving forward, regulations will evolve with technological and global policy trends. A light-touch, trust-based regulatory framework will drive productivity and job creation. Outdated regulations will be updated to create a modern, flexible, and people-friendly system. The government will introduce four specific measures to achieve this.	This shift toward a modern and adaptable regulatory framework is poised to unlock significant potential for economic growth. By ensuring that regulations keep pace with technological advancements and international policy changes, businesses will find it easier to navigate the legal landscape, fostering innovation and investment. The focus on trust and simplicity will reduce compliance burdens, enabling companies to operate with greater agility and efficiency.
7	The government will establish a High-Level Committee for Regulatory Reforms to review all non-financial sector regulations, certifications, licenses, and permissions. The committee will provide recommendations within a year, aiming to strengthen trust-based	The establishment of the High-Level Committee for Regulatory Reforms will lead to a comprehensive overhaul of existing regulations, making them more streamlined, efficient, and aligned with current economic needs. By focusing on trust-based governance and simplifying compliance procedures, the government is paving the way for a more business-friendly environment.

	economic governance and implement transformative measures to enhance the 'ease of doing business,' particularly in areas of inspections and compliance. States will be encouraged to actively participate in this initiative.	
8	The government will launch the Investment Friendliness Index of States in 2025 to promote the spirit of competitive cooperative federalism.	The introduction of the Investment Friendliness Index will encourage states to improve their business environments, fostering healthy competition and cooperation. By ranking states based on their investment-friendly policies and ease of doing business, this initiative will drive states to adopt best practices, streamline regulations, and create more attractive opportunities for investors.
9	The government will introduce the Jan Vishwas Bill 2.0 to decriminalize over 100 provisions in various laws, building on the success of the Jan Vishwas Act 2023, which decriminalized more than 180 legal provisions	The introduction of Jan Vishwas Bill 2.0 marks a significant step towards reducing the legal burden on businesses and individuals by decriminalizing provisions that were previously seen as restrictive. This initiative will further simplify compliance, encourage entrepreneurship, and promote a more business-friendly environment by eliminating unnecessary legal penalties. The reduction in criminal offenses will help reduce the overburdened legal system, enabling resources to be focused on more serious matters. As a result, businesses will be empowered to focus on growth and innovation without the fear of minor infractions leading to criminal charges, ultimately fostering a more dynamic, productive, and efficient economy.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2025 sets a transformative course for economic growth by fostering a business-friendly, investment-driven, and globally competitive environment. The launch of the National Mission for Edible Oilseeds will enhance self-sufficiency, boost rural economies, and create jobs, while the Makhana Board in Bihar will empower farmers and expand market access. The Export Promotion Mission and BharatTradeNet (BTN) will streamline trade, digitize processes, and enhance India's global competitiveness. Regulatory simplifications, including fast-track merger approvals and the High-Level Committee for Regulatory Reforms, will reduce administrative bottlenecks and enhance ease of doing business. The Investment Friendliness Index will drive states toward investor-centric policies, promoting healthy competition. The Jan Vishwas Bill 2.0, by decriminalizing over 100 provisions, will further simplify compliance and encourage entrepreneurship. This budget's focus on trust-based governance, digital transformation, and reduced regulatory burdens signals a bold step toward a more agile, resilient, and future-ready economy.

Food Processing

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Food Processing Industries**	2262.48	2796.79	4364.22	56.0%
Outlays for key sectoral schemes				
Pradhan Mantri Kisan Sampada Yojana (PMKSY)	745.00	630.00	903.38	43.39%
Production-Linked Incentive Scheme for Food Processing Industry (PLIFPI)	590.48	700.00	1200.00	71.4%
Prime Minister Formalisation of Micro Food Processing Enterprises Scheme (PM FME)	778.84	1200.00	2000.00	66.66%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Makhana Board in Bihar:** A Makhana Board will be established in Bihar to enhance production, processing, value addition, and marketing while organizing farmers into FPOs and facilitating access to government schemes.	The establishment of the Makhana Board will significantly boost the processing of makhanas in India, driving value addition and market expansion. By enhancing processing infrastructure, adopting new technologies, and integrating farmers into FPOs, the initiative will improve market linkages, and exports. It will also drive MSMEs and startup innovation in the functional food and snack segment, leveraging makhana's superfood potential. Additionally, by promoting rural development, skill training, and employment generation, this initiative aligns with India's strategy to expand the food processing sector and enhance its global competitiveness in healthy and organic food markets.
2	A National Institute of Food Technology, Entrepreneurship, and Management will be established in Bihar to boost food processing in the Eastern region.	The establishment of the National Institute of Food Technology, Entrepreneurship, and Management in Bihar will be a game-changer for the food processing sector in the Eastern region of India. The institute will provide skilled workforce and boost startups in agribusiness, aligning with India's goal of self-reliance and rural economic growth.

Overall Assessment of Budget for Sector's Growth and Development

In the Union Budget 2025, the ministry's budget allocation has increased by 56%, with notable rises of 71.4% in PLIFPI, 66.6% in PMFME, and 43.39% in PMKSY. This reflects the government's commitment to boosting the food processing sector. The higher allocation for the PLI Scheme is expected to drive greater industry participation, enhancing productivity, market positioning, and global competitiveness.

Increased funding for PMFME and PMKSY highlights continued support for micro food processing enterprises, value addition, infrastructure development, and employment generation.

The government's decision to establish a Makhana Development Board is a welcome move, providing farmers with essential training and support leveraging makhana's superfood potential. This initiative will further strengthen Bihar's position as a hub for makhana-based processing in India.

Additionally, the establishment of the National Institute of Food Technology, Entrepreneurship, and Management in Bihar will contribute to building a skilled workforce and supporting agribusiness startups, aligning with India's goal of self-reliance and rural economic growth. The institute will play a key role in boosting food processing activities throughout the Eastern region. This will result in higher income for farmers through value-added products while also creating opportunities for skill development, entrepreneurship, and employment for the youth.

Green Mobility

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Heavy Industries**	4674.41	4560.69	7680.23	68.4%
Outlays for key sectoral schemes				
PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme	-	1870.76	4000	113.81%
PM-eBus Sewa-Payment Security Mechanism (PSM) for procurement and operation of e-Buses by Public Transport Authorities (PTAs)	-	16.52	510	2987.17%
Production Linked Incentive (PLI) Scheme for Automobiles and Auto Components	2.63	346.87	2818.85	712.65%
Production Linked Incentive (PLI) Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage	7.73	15.42	155.76	910.11%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Clean Tech Manufacturing	It will strengthen domestic EV battery, motor, and controller production, reducing import dependence and costs. Support for grid-scale batteries and high-voltage transmission will enhance charging infrastructure, accelerating EV adoption in India.
2	BCD exemption to NIL on key critical minerals, including cobalt powder, lithium-ion battery scrap, lead, and zinc	It will significantly benefit India's EV sector by lowering raw material costs for battery manufacturing, enhance recycling capabilities, and strengthen the domestic EV supply chain, making EV production more competitive and sustainable.
3	35 additional capital goods for EV battery manufacturing added to the list of exempted capital goods	The exemption will lower production costs and encourage domestic manufacturing of lithium-ion batteries. This move will attract investments in advanced battery technologies, reduce import dependence, and accelerate the growth of India's EV ecosystem by making batteries more affordable and accessible.
4	₹20,000 crore allocation for private sector-driven Research Development & Innovation	This will encourage and foster advancements in battery technology, charging infrastructure, and energy efficiency encouraging many startups to play a key role in driving EV and clean tech innovation.
5	Higher Budget Allocation: 1. PM E-DRIVE (Rs 4000 Cr) 2. PLI Automobile & Auto Components (Rs 2818.85 Cr)	The enhanced allocations for PM E-DRIVE, PLI Auto, PLI ACC, and the PM-eBus Sewa-Payment Security Mechanism will significantly strengthen India's electric mobility ecosystem and adoption.

	3. PLI ACC (Rs 155.76) 4. PM e-Bus Sewa (Rs 510 Cr)	Initiatives such as (i) supporting the domestic manufacturing of electric vehicles, batteries, and components, (iii) facilitating procurement of e-buses for public transport - will drive innovation, create more jobs, and also accelerate the adoption of clean, sustainable mobility solutions across the country.
6	Significant enhancement of credit availability with guarantee cover a) For Micro and Small Enterprises, from Rs 5 crore to 10 crore, leading to additional credit of Rs 1.5 lakh crore in the next 5 years; b) For Startups, from Rs 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 Rs 20 crore.	The enhanced credit guarantee cover will ease access to collateral-free credit for start-ups & MSMEs in the sector. It will also empower EV manufacturers to invest in advanced technologies, scale operations, and enhance their competitiveness as many MSMEs and startups are part of this emerging sector.

Overall Assessment of Budget for Sector's Growth and Development

The budget announcements strengthen India's EV sector by boosting domestic manufacturing of batteries, motors, and controllers, reducing costs and imports. Exempting customs duties on key minerals like cobalt and lithium-ion battery scrap lowers raw material costs for batteries. An allocation of Rs 20,000 crore for R&D will help in advancing battery technology and charging infrastructure, with startups playing a key role. Increased funding for PM E-DRIVE, PLI Auto, PLI ACC, and PM e-Bus Sewa will accelerate EV production/adoption and electric buses in public transport, reducing emissions. Overall, these measures position India as a leader in clean mobility, creating jobs and promoting sustainable growth.

Healthcare

Budget Outlay for Sector (Rupees Crore)

Ministry/Department	2023-24 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - Ministry of Health & Family Welfare	83149.49	89974.12	99858.56	10.99%
Department of Health and Family Welfare	80292.01	86582.48	95957.87	10.83%
National Health Mission	33042.62	36000	37226.92	3.41%
Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM)	1805.78	3000	4200	40.00%
Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)	6670.47	7605.54	9406	23.67%
National Digital Health Mission- NHM	175.36	225	340.11	51.16%
Department of Health Research	2857.48	3391.64	3900.69	15.01%
Ministry of AYUSH	2671.74	3497.64	3992.9	14.16%
Department of Pharmaceuticals	2368.2	3387.96	5268.72	55.51%
PLI Schemes	1604.42	2150.5	2444.93	13.69%
PRIP Scheme		95	245	157.89%
Strengthening of Medical Device Industry		3307.5	5224.5	57.96%
Department of Biotechnology (MoS&T)	1467.34	2460.13	3446.64	40.10%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Broadband connectivity to be provided to all government secondary schools and primary health centres in rural areas.	The announcement of broadband connectivity for all government secondary schools and PHCs in rural areas will significantly enhance India's primary healthcare ecosystem. It will boost telemedicine services, faster diagnosis, and reduced burden on tertiary hospitals. Rural patients can consult specialists remotely, improving healthcare access. Integration with Ayushman Bharat Digital Mission (ABDM) will ensure seamless health data exchange, strengthening electronic health records and continuity of care. Health workers will benefit from online training, AI-powered decision support tools,

		and remote monitoring of maternal and NCD health parameters.
2	Saksham Anganwadi and Poshan 2.0 provides nutritional support to over 8 crore children and 1 crore pregnant women, mothers and 20 lakh adolescent girls. The cost norms will be enhanced in the scheme.	The enhancement of cost norms under Saksham Anganwadi & Poshan 2.0 will improve maternal and child health by reducing malnutrition, stunting, and wasting among children while ensuring better pregnancy outcomes. Increased nutritional support will strengthen immunity, lower disease susceptibility, and improve cognitive development in children. It will also aid in preventing anaemia among adolescent girls and mothers, reducing maternal and infant mortality.
3	Focus on the expansion of medical education. Government has added almost 1.1 lakh UG and PG medical education seats in ten years, an increase of 130 per cent. 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 addition of 10,000 UG and PG medical seats will strengthen India's healthcare system by increasing the availability of doctors and improving the doctor-patient ratio. More trained professionals will improve critical care, diagnostics, and emergency response, reducing the burden on existing hospitals.
4	Setting up day-care Cancer centres in all district hospitals in the next three years, with 200 centres to be established in 2025-26 itself.	The establishment of day-care cancer centres in district hospitals will significantly enhance access to cancer care, particularly for early diagnosis and treatment. These centers can provide chemotherapy, diagnostics, and follow-up care closer to patients' homes, reducing the need for travel to tertiary hospitals. This will help in early intervention, improved survival rates, and reduced treatment costs.
5	Government will arrange for ID cards for gig workers with registration on the E-shram portal and give them health cover under PM Jan Arogya Yojana. This will benefit 1 crore gig workers.	Providing health cover to 1 crore gig workers will significantly improve their healthcare access and financial security. With formal registration, gig workers will be eligible for health insurance schemes, ensuring coverage for hospitalization, preventive care, and medical emergencies. This initiative will reduce out-of-pocket healthcare expenses, encourage regular health check-ups, and improve overall workforce productivity.
6	The Jal Jeevan Mission has benefited 15 crore households with potable tap water connections. To achieve 100% coverage by 2028 in rural India, from the current 80%, the outlays will be enhanced	The Jal Jeevan Mission's expansion to achieve 100% rural coverage by 2028 will have significant healthcare benefits by ensuring safe and potable drinking water for all. This will lead to a reduction in waterborne diseases such as diarrhoea, cholera, and typhoid, improving overall public health, especially among children and pregnant women. Access to clean water will also enhance sanitation, hygiene, and infection control, reducing the burden on primary healthcare centers (PHCs).

7	Relief on import of Drugs/Medicines • To provide relief to patients, particularly those suffering from cancer, rare diseases and other severe chronic diseases, it was proposed to add 36 lifesaving drugs and medicines to the list of medicines fully exempted from Basic Customs Duty (BCD). 6 lifesaving medicines were added 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 BCD, provided the medicines are supplied free of cost to patients. 37 more medicines along with 13 new patient assistance programmes were added.	The proposal to exempt 36 lifesaving drugs and medicines from Basic Customs Duty (BCD), along with the addition of 6 medicines at a concessional 5% duty, will provide significant relief to patients, particularly those battling cancer, rare diseases, and chronic conditions. This will lower the cost of critical treatments, making them more affordable and accessible, especially for economically vulnerable populations. Additionally, the full exemption for medicines under Patient Assistance Programmes will improve access to free medications for patients who need them the most. By reducing the financial burden of imported medicines, this measure will enhance health outcomes, improve quality of life, and reduce the overall economic strain on healthcare systems, especially in low-income and underserved areas.
8	Medical tourism and Heal In India will be promoted in partnership with the private sector along with capacity building and easier visa norms.	The push for promoting medical tourism under the 'Heal in India' initiative is a strategic move to elevate India's position as a global healthcare destination. By easing the visa process and partnering with the private sector, India can attract more international patients, benefiting both our healthcare system and economy.
9	Government will set up an Export Promotion Mission, with sectoral and ministerial targets, driven jointly by the Ministries of Commerce, MSME, and Finance. It will facilitate easy access to export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets. 'BharatTradeNet' (BTN) for international trade was proposed as a unified platform for trade	The establishment of an Export Promotion Mission will boost India's healthcare exports, including pharmaceuticals, medical devices, Ayush products and health services. By providing easy access to export credit and cross-border factoring support, it will enable healthcare companies, especially MSMEs, to expand their global reach. This will also help tackle non-tariff barriers in international markets, making it easier for Indian health products to compete globally. Strengthening exports will contribute to economic growth, enhance India's position as a global healthcare provider, and improve innovation and quality within the domestic healthcare sector.

	documentation and financing solutions.	
10	Research, Development and Innovation A DeepTech Fund of Funds will also be explored to catalyse the next generation startups. 10,000 fellowships to be provided for technological research in IITs and IISC with enhanced financial support. To improve access to credit, the credit guarantee cover will be enhanced, which will also include Start-ups. Fund of Funds for Startups - Alternative investment funds have received commitments of more than ₹91,000 crore. Now a new Fund of Funds with expanded scope and a fresh contribution of another ₹10, 000 crore will be set up.	The establishment of a DeepTech Fund of Funds and the expansion of credit guarantee cover will significantly boost innovation and technology-driven startups, especially in healthcare and digital health. These funds will enable next-gen startups to access necessary capital, fostering the development of cutting-edge solutions in diagnostics, telemedicine, and health IT. The 10,000 fellowships for research in IITs and IISC will drive advancements in medical technology, AI for healthcare, and biotechnology, contributing to long-term healthcare improvements. The expanded Fund of Funds for Startups, with an additional ₹10,000 crore, will provide crucial investment for health tech startups, supporting scalable solutions that can address gaps in healthcare access, affordability, and quality. Overall, these initiatives will stimulate healthcare innovation, improve global competitiveness, and support the growth of India's healthcare startup ecosystem.
11	New Classification Criteria for MSMEs- • Investment limit for MSME classification to be made 2.5 times · • Turnover limits for MSME classification to be doubled	The revised classification criteria for MSMEs, which include increasing the investment limit by 2.5 times and doubling the turnover limits, will significantly benefit the healthcare MSME sector, including pharmaceuticals, medical devices, and health tech companies. This will allow more small and medium enterprises in the healthcare space to qualify for MSME benefits, such as easier access to credit, government schemes, and export incentives. By enhancing their growth potential, this move will stimulate innovation, production capacity, and affordable healthcare solutions, ultimately strengthening India's healthcare infrastructure.
Domestic Manufacturing and Infrastructure Development- Supply Side Interventions		
12	Manufacturing Mission - Furthering "Make in India" Government will set up a National Manufacturing Mission covering small, medium and large industries for furthering "Make in India" by providing policy support, execution roadmaps, governance and monitoring framework for central ministries and states.	The National Manufacturing Mission will provide a significant boost to India's healthcare manufacturing sector, including medical devices, pharmaceuticals, and health tech products. By offering policy support, execution roadmaps, and a governance framework, this mission will facilitate the growth of domestic manufacturing in healthcare, reducing dependence on imports. It will help MSMEs scale up production, enhance R&D in medical technologies, and improve quality standards. This initiative will also drive cost-

		effective healthcare solutions, improve accessibility, and strengthen India's position as a global hub for healthcare manufacturing.
13	Domestic electronic component industry push - In line with 'Make in India' policy, and to rectify inverted duty structure, government will 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	This will help boost domestic manufacturing of components through incentive scheme for medical devices industry.
14	National Framework for GCC A national framework will be formulated as guidance to states for promoting Global Capability Centres in emerging tier 2 cities. This will suggest measures for enhancing availability of talent and infrastructure, building-byelaw reforms, and mechanisms for collaboration with industry.	A national framework will be set up to guide states in promoting Global Capability Centres, a sector poised to contribute 3.5 percent of India's GDP by 2030, as the country cements its status as the GCC capital globally.
Regulatory Reforms – Ease of Doing Business		
15	Regulatory Reforms In the last ten years in several aspects, including financial and non-financial, Government has demonstrated a steadfast commitment to 'Ease of Doing Business'. Government is determined to ensure that our 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, we will update regulations that were made under old laws. 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 committee will be expected to make recommendations within a year.	By updating outdated regulations, the government will create a more dynamic, flexible environment for healthcare startups, medical device manufacturers, and pharmaceutical companies. This will make it easier to bring innovative healthcare solutions to market, accelerate approvals, and improve compliance with global standards. The focus on ease of doing business will also encourage investment, foster entrepreneurship, and promote job creation within the healthcare ecosystem, ultimately improving access to quality healthcare in India. The medical devices sector is highly regulated, with multiple regulatory bodies influencing the industry. Updating regulations to a modern and flexible framework can support the sector's growth. Better alignment between the central and state governments, along with licensing authorities, will enhance the ease of doing business. The government's announcement to establish a High-Level Committee for Regulatory Reforms will drive a comprehensive review of non-financial sector regulations, certifications, licenses, and permissions. With a mandate to provide recommendations within 18 months, the initiative

		aims to enhance trust-based economic governance and implement transformational measures for improving the ease of doing business, particularly in inspections and compliance processes. Additionally, states will be encouraged to participate, fostering a more streamlined and business-friendly regulatory environment.
Others		
16	Centre of Excellence in AI for Education Three Centres of Excellence in Artificial Intelligence for agriculture, health, and sustainable cities were announced in 2023. Now a Centre of Excellence in Artificial Intelligence for education will be set up with a total outlay of Rs 500 crore.	The establishment of a Centre of Excellence in AI for Education will have indirect yet significant implications for healthcare. By promoting AI-driven educational tools, this initiative can enhance medical education, training future healthcare professionals with advanced technologies like AI in diagnostics, telemedicine, and health data analytics. This investment in AI education will contribute to a smarter, more tech-savvy workforce.
17	Significant enhancement of credit availability with guarantee cover To improve access to credit, the credit guarantee cover will be enhanced: • For Micro and Small Enterprises, from Rs 5 crore to 10 crore, leading to additional credit of Rs 1.5 lakh crore in the next 5 years; • For Startups, from Rs 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 • For well-run exporter MSMEs, for term loans up to Rs 20 crore.	A significant portion of startups and MSMEs in India are engaged in innovative medical device development. While the government has already introduced schemes to support their growth and global exposure, enhanced access to credit facilities and an increased credit guarantee cover would provide a major boost to the medical devices sector. This would accelerate technology development, manufacturing, and commercialization, driving India towards Atmanirbhar Bharat in cutting-edge medical technologies.
18	Exempted BCD on cobalt powder and waste, scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals.	This is step in the direction to support Domestic Manufacturing and Value Addition to the industry.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2025 reinforces the government's commitment to strengthening India's healthcare sector by prioritizing access, affordability, and quality, particularly for underserved and vulnerable communities.

With an allocation of Rs.98,311 crore, a ~11% increase from ₹89,287 crore in the previous year, the budget aims to support the development, maintenance, and enhancement of the country's healthcare

infrastructure. There has been 40% increase for healthcare infrastructure scheme (PM-ABHIM) and nearly 24% increase for AB-PMJAY. Additionally, ₹2,445 crore has been earmarked for the Production-Linked Incentive (PLI) scheme, and ₹5224.5 for Strengthening of Medical Device Industry Scheme, to boost the pharmaceutical and medical devices industries, fostering domestic manufacturing and innovation.

Key initiatives directly impacting healthcare include the expansion of medical education, with the addition of 10,000 new seats in medical institutions across the country in next one year and 70,000 over next 5 years. This move is aimed at addressing the shortage of healthcare professionals, ensuring that India has the capacity to meet its growing healthcare demands. With more trained professionals and improved access to modern medical technology, the medical devices sector will see greater domestic demand, increased investments in R&D, and enhanced global competitiveness, strengthening India's position as a hub for medtech innovation and manufacturing.

Strengthening district-level oncology care will be a crucial step toward making cancer treatment more affordable and accessible across India. Additionally, the exemption of customs duties on lifesaving drugs will lower the cost of essential medicines, improving access to treatment for patients with cancer, rare diseases, and chronic conditions.

Coupled with this, the DeepTech Fund of Funds will drive innovation in the medical technology space, fostering the development of cutting-edge technologies like AI in diagnostics, telemedicine, and health data analytics, ensuring the sector remains at the forefront of global healthcare advancements.

The budget also introduces measures to enhance healthcare infrastructure, such as the creation of day-care cancer centres in district hospitals. This will provide more accessible cancer care, reduce travel costs, and ensure treatment is available closer to patients' homes. In parallel, the expansion of the Jal Jeevan Mission aims to provide clean drinking water to rural areas, helping prevent waterborne diseases and improving overall public health.

The industry also applauds the visa reforms, a landmark move that will enhance India's position as a global healthcare destination. The 'Heal in India' initiative, coupled with government-private sector collaboration, will drive increased international patient influx, foreign exchange earnings, and job creation in healthcare & hospitality.

Another significant measure is the government's focus on healthcare for gig workers through the E-shram portal. This will provide health insurance and other benefits to 1 crore gig workers, a previously underserved and vulnerable segment of the workforce.

On the indirect front, the budget's focus on regulatory reforms and ease of doing business will have a positive impact on the healthcare sector, simplifying processes for healthcare startups and companies. The government's commitment to boosting domestic manufacturing through the National Manufacturing Mission will reduce India's dependency on imports for medical devices and pharmaceuticals, ensuring a more cost-effective and resilient healthcare supply chain. The credit guarantee schemes and the establishment of a Fund of Funds for Startups will foster innovation in the health tech space, encouraging new solutions that improve patient care and treatment options.

Overall, the budget presents a comprehensive strategy to enhance India's healthcare sector through medical education expansion, improved healthcare access, affordable medicines, and technological innovation. These direct measures, combined with the regulatory reforms and support for domestic manufacturing, will pave the way for a stronger, more self-reliant healthcare system, not only improving the quality of healthcare within India but also positioning the country as a global healthcare hub.

Higher Education

Budget Outlay for Sector (Rupees Crore)

	2023-24 Actual	2024-25 RE	2025-26 BE	% change (BE FY 26 over RE FY 25)
Overall - **Department of Higher Education**	55392.68	46482.35	50077.95	7.74%
Outlays for key sectoral schemes				
World Class Institutions	1436.28	1000	475.12	-52.49%
Indian Knowledge Systems	3.09	10	50	400.00%
PM Uchchatar Shiksha Protsahan (PM-USP) Yojna	97.86	1000	1560	56.00%
PM Research Fellowship	300.09	282.4	600	112.46%
Digital India e-learning (including NMEICT, HESPIS, ABC)	404.85	1595	681	-57.30%
Research and Innovation (Including SPARC, IMPRINT, STARS, MERITE, Unnat Bharat Abhiyan, Start up initiative for HEIs, National Initiative for Design Innovation)	135.94	74.5	327	338.93%
Malviya Mission Teacher Training Programme (MMTTP)		50	70	40.00%
National Apprenticeship Training Scheme (NATS)	460	750	1178	57.07%
Study In India	7.5	12	14	16.67%
Centre of Excellence (CoE) in Artificial Intelligence (AI)	16	110	200	81.82%
Statutory and Regulatory Bodies	5676.37	3151.5	3535.97	12.20%
Grants to Central Universities (All central universities including Central University, Andhra Pradesh, Andhra Pradesh and Telangana Tribal Universities, Deemed Universities promoted by Central Government)	11755.82	16570.62	17295.31	4.37%
Support to Indian Institutes of Technology (IITs)	8699.71	10467.13	11349	8.43%
Support of Indian Institutes of Management (IIMs)	307.24	227.89	251.89	10.53%
Support to NITs and IIEST	3253.35	5375.8	5687.47	5.80%
Support to IISERs	1447.49	1479.75	1353.33	-8.54%
Support to IISc	893.08	848.27	900	6.10%
Support to Institutes of Information Technology (IIITs)	514.36	439.43	522.2	18.84%
Grants to Institutes for Promotion of Indian Languages	272.3	308.44	347.03	12.51%
National Institutional Ranking Framework (NIRF)	0	2.5	5	100.00%

National Digital University	0	25	25	0.00
National Education Mission (Including Rashtriya Uchhatar Shiksha Abhiyan (RUSA) and Pradhan Mantri Uchchatar Shiksha Abhiyan (PMUSHA))	186.06	895	1815	102.79%
EdCIL	67.27	185.98	203	9.15%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Expanding IITs' infrastructure to support technical education and research	This will increase access to premier engineering education for more students and strengthen India's global standing in technical education. It would also enhance research and innovation capacity in IITs.
2	Setting up a Centre of Excellence in AI for education with an outlay of Rs. 500 Cr	This would integrate AI-based learning tools into education and promote research and development in AI for better educational outcomes. It would also strengthen India's position in AI-driven education solutions.
3	Expanding Medical Education with 10,000 seats this year and 75,000 over the next 5 years	This will improve healthcare education and meet the rising demand for medical professionals. This also addresses the shortage of doctors and healthcare professionals and will help in improving healthcare access in underserved areas.
4	PM Research Fellowship for technical research in IITs/NITs/IIITs/ IISERs/IISc	Enhancement of allocation in this scheme will attract students to pursue research in areas of advanced technology and strengthen India's research and innovation ecosystem.
5	PM Uchchatar Shiksha Protsahan (PM-USP) Yojna to enhance accessibility to higher education	This initiative will support students from low-income families to pursue higher education and integrate them into the national academic mainstream. It will also reduce the financial burden on students, lower interest rates on educational loans, and foster greater access to higher education.
6	Pradhan Mantri Uchchatar Shiksha Abhiyan (PM-USHA) revitalizing higher and technical institutions in state	The significant increase in allocation to this scheme will enable states to develop comprehensive education plans that address expansion, equity, and excellence in an interconnected manner and drive transformative academic, administrative, and financial reforms.
7	National Apprenticeship Training Scheme (NATS) for improving graduate employability	Enhancement of allocation will help integrating and expanding apprenticeship opportunities across various sectors will bridge the gap between academic learning and industry requirements, ensuring that young professionals acquire practical, job-ready skills.
8	Malaviya Mission Teacher Training Programme (MMTTP) to give impetus to training of teachers	Enhancement of allocation will help in reflecting a comprehensive approach to teacher education, the initiative will strengthen both pre-service and in-service training through an integrated, coordinated strategy. FICCI has always advocated for continuous faculty

		development that forms the backbone of our education ecosystem.
9	National Institutional Ranking Framework (NIRF) for quality and benchmarking in higher education	Enhancement of allocation will help NIRF to drive institutions towards higher standards of academic excellence and operational transparency. This will stimulate healthy competition among universities, encouraging continuous improvement in higher education institutions.
10	Indian Knowledge System (IKS) to systematically incorporate elements of ancient Indian knowledge in the global education ecosystem	The rise in budget allocation will encourage promotion of IKS and is astep in the right direction to attract students (including foreign nationals) to pursue higher education in India. It will also promote interdisciplinary and transdisciplinary research, which will preserve and disseminate IKS for further research and societal applications
11	Gyan Bharatam Mission for surveying, documenting, and conserving over 1 crore manuscripts	This will promote India's ancient manuscripts & knowledge systems, and encourage academic research in traditional knowledge This is also an effective way for providing global access to India's cultural and historical heritage.
12	Liberalized Remittance Scheme (LRS) Amendments to remove TCS on remittances for higher education	This reduces financial burden on students studying abroad and encourages higher education and research opportunities for Indian students.

Overall Assessment of Budget for Sector's Growth and Development

The Education Budget provides an impetus to education and is a transformative step. Specific proposals have been directed towards creating a future-ready workforce through strategic investments in education, skill development, and technological research. By focusing on emerging technologies, digital infrastructure, and global collaboration, it reinforces India's commitment to innovation and human capital development.

The AI Centres of Excellence for Education is a visionary step and will strengthen India's leadership in cutting-edge research. Infrastructural expansion in select IITs and Research Fellowships will enhance academic capabilities, equipping students with advanced skills for emerging industries.

Additionally, the expansion of medical education will play a crucial role in addressing the growing demand for healthcare professionals and strengthen country's healthcare infrastructure.

The increased allocation for Pradhan Mantri Uchchatar Shiksha Abhiyan (PM-USHA) will ensure that we attain high levels of access, equity and excellence in state higher education system to enable mainstream integration of students from economically challenging.

By integrating research, innovation, and digital infrastructure, the Budget lays the foundation for a knowledge-driven economy.

Information Technology and Telecommunication

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 Revised	2025-26 Budgeted	% change (BE FY26 over RE FY25)
Overall – **Ministry of Electronics and Information Technology**	12766.34	17566.31	26026.25	48.16 %
Digital India Program	4174.12	4000.00	4071.00	1.77%
Promotion of IT/ITeS Industries	115.76	128.50	130.00	1.16%
Cyber Security Projects	316.51	322.00	782.00	142.85%
IndiaAI Mission	-	173.00	2000.00	1056.06%
Overall for the Sector / Ministry – **Department of Telecom Communications**	86883.94	124408.71	81005.24	-34.88%
Compensation to Service Providers for the creation and augmentation of telecom infrastructure (DoT) (also includes Bharatnet; Transfer to USO fund; R & D Others)	2000.00	13700.00	28400.00	107.29%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**The Centre of Excellence in AI for Education:** Centre of Excellence in Artificial Intelligence for education will be set up with a total outlay of INR 500 crore.	The establishment of a Centre of Excellence in AI for Education with an outlay of INR 500 crore is poised to transform learning methodologies, enhance digital education infrastructure, and foster AI-driven personalized learning solutions. This initiative will drive research, industry collaborations, and skill development, ensuring a future-ready workforce. It aligns with India's broader AI strategy, strengthening edtech innovation and accessibility.
2	**Bharatiya Bhasha Pustak Scheme**: Scheme to provide digital-form Indian language books for schools and higher education.	This will strengthen India's multilingual internet ecosystem by expanding access to educational content in Indian languages. Digitizing books for school and higher education will enhance language technology adoption, supporting AI-driven translation, voice recognition, and text-to-speech tools. This initiative also encourages the development of vernacular digital content, empowering students and promoting innovation in Indian language computing and internet accessibility.
3	**Deep Tech Fund of Funds:** Deep Tech Fund of Funds to catalyse the next-generation startups to be explored	The proposed Deep Tech Fund of Funds will accelerate India's innovation ecosystem by providing crucial financial backing to next-generation startups in AI, quantum computing, semiconductor design, and biotech. This initiative will also enhance R&D

		capabilities, attract global investors, and strengthen India's position as a deep-tech hub.
4	**National Framework for GCC**: A national framework will be formulated as guidance to states for promoting Global Capability Centres in emerging tier 2 cities.	The announcement of a National Framework for GCCs is poised to boost India's attractiveness as a hub for Global Capability Centres, particularly in Tier 2 cities. By enhancing talent availability, improving infrastructure, and streamlining regulations, the initiative will drive regional economic growth, create high-value jobs, and strengthen India's global competitiveness. This framework will also position India as a premier destination for GCC investments and operations.
5	**Broadband connectivity for all Government secondary schools and primary healthcare centres under Bharatnet project.**	This will significantly enhance digital access in rural areas. This initiative will improve e-learning opportunities for students, facilitate. It will bridge the digital divide, in the country and foster inclusive development.
6	**Reduction in customs duty to reduce input costs, deepen value addition, promote export competitiveness, correct inverted duty structure, and boost domestic manufacturing:** Reduction in customs duty on various capital goods items for mobile phone battery manufacturing. Additional components include Inputs/ parts and sub-parts of PCBA, camera module, connectors and inputs or raw materials for use in the manufacture of wired headsets, microphone and receiver, USB cable, and fingerprint reader/ sensor of cellular mobile phones.	The reduction in customs duty on key capital goods and components for mobile phone battery manufacturing is set to enhance domestic production of lithium-ion batteries, lowering input costs and improving value addition. This announcement will correct the inverted duty structure, making Indian exports more competitive. By encouraging local manufacturing of PCBA parts, camera modules, connectors, and other essential inputs, the initiative is expected to boost the mobile device ecosystem, strengthen the supply chain, and attract further investments in India's electronics sector.
7	**Reduced BCD on Carrier Grade Ethernet Switches** To prevent classification disputes, the Government will reduce the BCD from 20% to 10% on carrier-grade ethernet switches to make it at par with non-carrier-grade ethernet switches.	The reduction in Basic Customs Duty (BCD) on Carrier Grade Ethernet Switches from 20% to 10% is likely to enhance cost competitiveness for telecom infrastructure providers, aligning it with Non-Carrier Grade switches. This move may encourage greater investments in network expansion, supporting 5G and broadband rollouts. Additionally, it could reduce classification disputes, ensuring smoother import processes.
8	**Government to support domestic electronic equipment industry to leverage industry 4.0 opportunities.**	The government's announcement to support the domestic electronic equipment industry in leveraging Industry 4.0 opportunities is poised to drive innovation and growth in the sector. By fostering skill development and empowering youth, this initiative will create a talent pool ready to meet the demands of emerging technologies. It will enhance India's position in the global electronics market, offering both job creation and economic benefits while ensuring the workforce is equipped

		with cutting-edge skills for future industry requirements.

Overall Assessment of Budget for Sector's Growth and Development

The budget announcements reflect a growth-enabling approach with key projects being targeted in the Government's strategy of pushing forward AI, digital education, manufacturing, Industry 4.0 etc. India is rapidly stepping into the forefront of technology and innovation, with proposed key initiatives such as the Centre of Excellence for AI in Education, the Bharatiya Bhasha Pustak Scheme, and the Deep Tech Fund of Funds showcasing a strong commitment to tech-driven development in the country. For the mobile manufacturing sector, reduction in duties on mobile phone components will enhance domestic manufacturing and reduce import dependency.

Enhancing broadband connectivity in rural areas and creating a National Framework for Global Capability Centres will bridge the digital divide and decentralize high-tech job creation to Tier 2 cities and will enhance socio-economic growth in the country.

These measures are set to create a robust ecosystem that nurtures innovation, drives economic growth, and empowers youth with the skills required for the future. The budget aligns with India's broader strategy of building technological self-reliance, enhancing competitiveness, and ensuring inclusive development across sectors.

Innovation

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall – **Ministry of Science and Technology**				
Department of Science and Technology (DST)	4,002.67	5,661.45	28,508.90	403.56%
Department of Biotechnology (DBT)	1,467.34	2,460.13	3,446.64	40.10%
Department of Scientific and Industrial Research (DSIR)	6,088.57	6,350.54	6,657.78	4.84%
Ministry of Earth Sciences (MoES)	2,394.56	3,632.78	3,649.81	0.47%
Total	**13,953.14**	**18,104.90**	**42,263.13**	**133.43%**
DST - Outlays for Key Sectoral Schemes				
National Mission on Interdisciplinary Cyber Physical Systems	435.00	815.00	900.00	10.43%
National Quantum Mission (NQM)	-	86.00	600.00	597.67%
Vigyan Dhara		330.75	1,425.00	330.84%
National Supercomputing Mission	-	200.00	265.00	32.50%
Research, Development and Innovation (RDI) scheme	-	-	20,000.00	-
National Geospatial Mission	-	-	100.00	-
Science and Engineering Research Board	1,004.50	766.00	693.25	-9.50%
National Research Foundation (NRF)	-	200.00	2,000.00	900.00%
DBT - Outlays for Key Sectoral Schemes				
Entrepreneurship Development (Bio-RIDE)	-	672.10	2,300.00	242.21%
Biotechnology Industry Research Assistance Council (BIRAC)	50.46	40.00	42.00	5.00%
DSIR - Outlays for Key Sectoral Schemes				
Industrial Research and Development	3.35	10.38	16.50	58.96%
Assistance to PSEs for Other Scientific Research	18.45	12.15	15.50	27.57%
MoES - Outlays for Key Sectoral Schemes				
Deep Ocean Mission (DOM)	204.18	600.00	600.00	-
Mission Mausam	-	671.00	1,329.00	98.06%

High Performance Computing System	-	756.00	55.00	-92.72%
Prithvi Vigyan (PRITHVI)	-	685.00	700.00	2.19%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Fifty thousand Atal Tinkering Labs will be set up in Government schools in next 5 years to cultivate the spirit of curiosity and innovation and foster a scientific temper among young minds.	By providing students with hands-on experience in science, technology, engineering, and mathematics (STEM), these labs will nurture creativity, critical thinking, and problem-solving skills. This initiative will create a culture of innovation and entrepreneurship, enabling students to explore new technologies and develop practical solutions to real-world challenges. It will also bridge the urban-rural divide in access to advanced learning resources, equipping the youth with the tools needed to thrive in an increasingly digital and tech-driven world.
2	A Centre of Excellence in Artificial Intelligence for education will be set up with a total outlay of ₹500 crore.	CoE for AI will transform education from pre-primary to research levels using AI to bridge disparities, enhance quality of education covering teaching, learning & assessment.
3	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.	This initiative aims to develop at least five indigenously produced SMRs by 2033, which will bolster the country's clean energy transition and reduce reliance on fossil fuels. SMRs, being smaller and more flexible, offer advantages in terms of safety, efficiency, and adaptability for various locations, including remote areas. This move is expected to stimulate technological innovation, attract investments, and create jobs, while supporting India's long-term energy security and its climate change mitigation goals.
4	**79.** To implement private sector driven Research, Development and Innovation initiative announced in the July Budget, an allocation of ₹20,000 is made.	By empowering the private sector, the initiative can lead to faster commercialization of breakthrough technologies, increased global competitiveness, and the creation of high-skilled jobs. Additionally, it will encourage collaboration between industry, academia, and government, propelling India's position as a global leader in innovation.
5	In the next five years, under the PM Research Fellowship scheme, government will provide ten	This initiative is likely to attract bright minds to engage in cutting-edge

	thousand fellowships for technological research in IITs and IISc with enhanced financial support.	technological research, fostering innovation and excellence in the country. It will not only enhance the quality of research output but also provide a platform for young researchers to contribute to solving critical challenges across sectors such as AI, renewable energy, and biotechnology. The increased financial support will ensure that talented individuals can focus on their research without financial constraints, ultimately bolstering India's global position in technology and innovation.
6	Government will start a National Geospatial Mission 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.	The initiative will enhance the efficiency and precision of land record modernization, support data-driven urban planning, and streamline the design of infrastructure projects. By creating a robust, interconnected geospatial network, the mission will enable better decision-making, promote transparent governance, and foster sustainable development across the country. This data-centric approach will also facilitate faster implementation of projects, boosting economic growth and improving public services nationwide.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget provides a strong impetus to India's Science, Technology, and Innovation (STI) ecosystem by prioritizing cutting-edge research, industrial applications, and technology-driven economic growth. A major highlight is the National Quantum Mission (NQM), which will position India as a global leader in quantum technologies. Additionally, the focus on long-term financing for private-sector-driven R&D will encourage innovation, accelerate commercialization, and enhance global competitiveness.

This year's budget also emphasizes the integration of geospatial technologies, biotechnology, and climate resilience, ensuring advancements in urban planning, disaster management, and bio-based manufacturing. Enhanced investments in weather prediction and climate technology will improve disaster preparedness and support key sectors like agriculture and aviation. By fostering collaboration between academia and industry, promoting startups, and strengthening indigenous capabilities, these initiatives will generate high-skilled jobs and attract global investments.

Overall, this budget reinforces India's commitment to self-reliance in technology, economic expansion through innovation, and leadership in emerging scientific fields. By aligning with the broader vision of Atmanirbhar Bharat, these measures will accelerate India's transition to a knowledge-driven economy and solidify its position as a global technology hub.

Labour and Employment

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Labour and Employment**	11385.62	18307.22	32646.19	78.3%
Outlays for key sectoral schemes				
National Employment Generation Scheme	10000	6799.43	20000	194%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Social Security Scheme for Welfare of Online Platform Workers:** Issue of identity card and registration on e-shram portal, healthcare under PM Jan Arogya Yojana	This scheme is expected to benefit 1 crore gig workers as mentioned in the budget. The formal recognition of gig workers through identity cards and registration on the e-Shram portal is a significant step in integrating them into the social security net. Providing healthcare under PM Jan Arogya Yojana will improve their welfare and job security.
2.	Allocation to New Employment Generation Scheme increased 3 times	This will provide higher job opportunities for youth.
3	**Building rural Prosperity and Resilience:** A comprehensive multi-sectoral 'Rural Prosperity and Resilience' programme will be launched in partnership with states. The programme will focus at: 1) catalyzing enterprise development, employment and financial independence for rural women; 2) accelerating creation of new employment and businesses for young farmers and rural youth; 3) nurturing and modernizing agriculture for productivity improvement and warehousing, especially for marginal and small farmers; and 4) diversifying opportunities for landless families.	By strengthening rural economies, it would help reduce distress migration, ensuring that people move for better opportunities rather than out of necessity.
4.	National Manufacturing Mission - Furthering "Make in India, one of the focus areas under the mission is future ready workforce for in-demand jobs	The mission will foster Industry- academia collaboration to create job-oriented curriculum. It will also enable policies to support reskilling and upskilling for emerging sectors and lead to expansion of industry - aligned training in automation, AI and robotics

Overall Assessment of Budget for Sector's Growth and Development

The budget reflects a comprehensive approach to employment generation, targeting both urban and rural workers. MSMEs and gig workers are set to benefit from regulatory support and welfare measures. Skilling remains a key focus, with sector-specific training likely to be strengthened. These measures are likely to contribute to a more resilient and inclusive labour market, addressing both formal and informal employment challenges.

Media & Entertainment

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Information and Broadcasting**	4310.60	4626.71	4358.38	-5.79%
Outlays for key sectoral schemes				
Broadcasting Infrastructure Network Development	345.38	400.00	500.00	25%
Development Communication and Dissemination of Filmic Content	339.88	400.00	363.00	-9.25%
Supporting Community Radio Movement in India	4.24	14.73	17.40	15.34%
Developmental Heads: Social Services (Broadcasting)	2897.74	2808.81	2829.70	0.74%
National Centre of Excellence for Animation, Visual Effects, Gaming and Comics - Extended Reality (NCoE AVGC-XR)	--	392.85	--	-100%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Three AI Centres of Excellence:** The government will establish a Centre of Excellence (CoEs) in Artificial Intelligence (AI) for education, with an allocation of ₹500 crore announced by Finance Minister Nirmala Sitharaman.	This strategic initiative is poised to transform India's education landscape by integrating cutting-edge AI technologies into learning systems. The CoEs will foster research, innovation, and skill development, equipping students and educators with advanced AI-driven tools and methodologies. By strengthening India's AI ecosystem, this move will enhance the quality of education, promote digital inclusion, and position the country as a global leader in AI-led learning solutions.
2	**Deep Tech Fund:** The government will establish a Deep Tech Fund of Funds to support the growth of deep-tech startups. This initiative comes at a crucial time when investment in the sector has been limited due to the long gestation period of deep-tech ventures.	By creating a dedicated funding mechanism, the government aims to catalyze innovation in emerging technologies such as AI, quantum computing, semiconductors, and space tech. This move will not only provide critical financial support to deep-tech startups but also foster an ecosystem that encourages breakthrough research, commercialization of advanced technologies, and global competitiveness. In the long run, this initiative is expected to position India as a leader in deep-tech

		innovation, driving economic growth, job creation, and technological self-reliance.
3	**Merger of Companies:** The government will streamline the requirements and procedures for faster approval of company mergers, expanding the scope of fast-track mergers and simplifying the overall process.	This reform is set to enhance ease of doing business by reducing bureaucratic delays and expediting corporate restructuring. By making mergers more efficient, businesses can achieve greater operational synergies, drive innovation, and scale more effectively. The move will also encourage investments, foster industry consolidation where needed, and create a more dynamic and competitive corporate ecosystem, ultimately contributing to economic growth and job creation.
4	**Regulatory Reforms:** The government will establish a **High-Level Committee for Regulatory Reforms** to review all non-financial sector regulations, certifications, licenses, and permissions. The committee will be tasked with making recommendations within a year to drive trust-based economic governance and implement transformative measures that enhance the ease of doing business, particularly in streamlining inspections and compliance processes.	This initiative marks a significant step toward modernizing India's regulatory landscape, ensuring that outdated laws are updated to align with technological advancements and global best practices. By reducing bureaucratic hurdles and fostering a principles-based, light-touch regulatory framework, businesses will benefit from greater efficiency, lower compliance burdens, and increased investor confidence. This move is expected to unlock new opportunities for entrepreneurship, drive innovation, and create a more dynamic and competitive business environment, ultimately contributing to economic growth and job creation.
5	**Jan Vishwas Bill 2.0:** The government will introduce the Jan Vishwas Bill 2.0 to further decriminalize over 100 provisions across various laws, building on the transformative reforms of the Jan Vishwas Act 2023, which had already decriminalized more than 180 legal provisions.	This progressive step underscores the government's commitment to reducing regulatory complexities and fostering a pro-business environment. By eliminating excessive penal provisions, the reform will provide businesses and individuals with greater legal clarity, encourage entrepreneurship, and reduce unnecessary litigation. It will also enhance investor confidence, improve ease of doing business, and promote a trust-based governance model, ultimately driving economic growth and innovation.
6	**Ease of Doing Business:** The government will introduce a new scheme for determining the arm's length price of international transactions for a block period of three years, streamlining transfer pricing procedures and reducing the need for yearly examinations. Additionally, the scope of safe harbour rules will be expanded to minimize	These reforms will significantly enhance ease of doing business by offering multinational companies a more predictable and efficient tax framework. By reducing compliance burdens and mitigating disputes, businesses will benefit from improved tax transparency and stability, encouraging foreign investment and fostering a

	litigation and provide greater certainty in international taxation, aligning India with global best practices.	competitive business environment. This move will further strengthen India's position as a global hub for trade and investment while ensuring fair and transparent tax administration.

Overall Assessment of Budget for Sector's Growth and Development

The Budget 2025-26 introduces several key initiatives that will foster growth in Education Media & Entertainment (M&E) sector. The establishment of a Centre of Excellence in AI and a Deep Tech Fund will drive innovation and support deep-tech startups. Streamlining company merger approvals and expanding fast-track mergers will enhance industry consolidation and efficiency. The High-Level Committee for Regulatory Reforms promises to simplify regulations, improving ease of doing business.

While these measures are commendable, a more substantial financial commitment is needed for successful implementation. Adequate funding for AI and deep-tech infrastructure, along with enhanced support for public service broadcasting, will be critical. Nonetheless, the Budget sets a positive tone for a more competitive and dynamic M&E sector, attracting both domestic and international investment.

Micro Small and Medium Enterprises

Budget Outlay for Sector (Rupees Crore)

	2023-24 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Micro, Small and Medium Enterprises**	21783.28	17306.70	23168.15	33.87%
Outlays for key sectoral schemes				
Total-Development of Khadi, Village and Coir Industries	755.54	1011.21	1532.16	51.52%
Total-Technology Upgradation and Quality Certification	91.61	63.40	74.72	17.85%
ASPIRE (Promotion of Innovation, Rural Industry and Entrepreneurship)	2.84	8.68	20.00	
MSME Champions Scheme	88.77	54.72	54.72	
Total-Prime Minister Employment Generation Programme (PMEGP) and Other Credit Support Schemes	17606.18	9418.00	11954.42	26.93%
Prime Minister Employment Generation Programme (PMEGP)	3106.18	1918.00	2954.42	
Credit Support Programme	500	-	-	
Guarantee Emergency Credit Line (GECL) facility to eligible MSME borrowers	14000.00	7500.00	9000.00	
Credit Linked Capital Subsidy (CLCS)	2.22	-	-	-
Total-Market Promotion Scheme	94.92	94	92	-2%
Procurement and Marketing Support Scheme	68.70	65.00	65.00	
Studies, Publicity & International Cooperation (SPIC)	26.22	29.00	27.00	
Total-Entrepreneurship and Skill Development	656.04	680	836	22.9%
Total-Infrastructure Development Programme	1791.55	1687.76	3156.00	87%
Establishment of New Technology Centres	9.99	97.76	591.00	
Technology Centre Systems Programme (TCSP) EAP	94.10	350.00	400.00	
Raising and Accelerating MSME Performance -RAMP	1319.41	750.00	1500.00	
Micro and Small Enterprise-Cluster Development Programme (MSE-CDP)	178.66	300.00	410.00	
Tool Rooms & Technical Institutions (TR/TIs)	140.00	140.00	160.00	
Promotion of MSMEs in NER and Sikkim	49.39	50.00	95.00	
Total-Research and Evaluation Studies	845.92	4099.92	5251.21	28%
National Schedule Caste/Schedule Tribe Hub Centre	100.00	99.92	151.21	

PM Vishwakarma	745.92	4000.00	5100.00	

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Revised Classification of MSMEs:** Investment and turnover limits significantly increased to facilitate growth and global competitiveness: - Micro Enterprises: ₹2.5 crore investment, ₹10 crore turnover - Small Enterprises: ₹25 crore investment, ₹100 crore turnover - Medium Enterprises: ₹125 crore investment, ₹500 crore turnover	Will help MSMEs scale up operations and improve their competitiveness. The expansion of thresholds for classification of MSMEs will foster growth by enabling more enterprises to avail MSME status and benefit from special dispensations provided to MSMEs.
2	**Credit and Financing Boost for MSMEs:** • Credit Cards for Micro Enterprises: – Rs 5 lakh customized credit limit for micro enterprises registered on the Udyam portal. – 10 lakh credit cards to be issued in the first year. • Credit guarantee cover for micro and small enterprises: – doubled from Rs 5 crore to Rs 10 crore, leading to additional credit of Rs. 1.5 lakh crore in the next 5 years.	The increase in credit guarantee cover for micro and small enterprises and availability of pre-approved credit for micro enterprises will make funds available for working capital, investments and contingencies. This will also play a vital role in modernising the MSME manufacturing sectors by enabling MSMEs to invest in advanced infrastructure and technologies.
3	**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.**	This initiative to boost India's role in global manufacturing, along with global skilling partnerships under the National Centres of Excellence for Skilling, will benefit MSMEs by providing access to advanced technologies and a skilled workforce.
4	**Sector-Specific Supports extended:** – Footwear & Leather: ₹4 lakh crore turnover and employment for 22 lakh people. – Toy Industry: Focus on development of clusters, skills, and a manufacturing ecosystem that will create high-quality, unique, innovative, and sustainable toys to make India a Global Toy Hub. – Food Processing: National Institute of Food Technology, Entrepreneurship and Management to be established.	The incentives announced in the Footwear & Leather, Toy and Food Processing sectors will give boost to the MSME enterprises operating in these sectors, which was much needed. This will certainly enhance India’s global standing in these sectors.
6	**Make in India and Promoting Exports to Propel Growth:** **Export Promotion Mission, driven jointly by the Ministries of Commerce, MSME, and Finance:** To improve export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets **BharatTradeNet:** Unified platform for trade documentation and financing solutions to be set up	The sectors addressed in the budget have a significant number of MSME players. These measures will support MSMEs in exploring international market opportunities with reduced tariff and duties.

	as a digital public infrastructure for international trade. **Air Cargo Warehousing:** Upgrading storage infrastructure for perishable and high-value goods. **Key initiatives in select sectors:** – **Exports of handicrafts:** To extend the time period for exports from 6 months to 1 year, further extendable by another 3 months if required. Proposed to add 9 items to the list of duty-free inputs. – **Leather sector:** To fully exempt BCD on wet blue leather to facilitate imports for domestic value addition and employment. To exempt crushed leather from 20% export duty to facilitate exports by small tanners. – **Marine Products:** To enhance India's competitiveness in the global seafood market, it is proposed to reduce BCD from 30% to 5% on frozen fish paste. To reduce BCD from 15% to 5% on fish hydrolysates for the manufacture of fish and shrimp feed.	
7	**New Scheme for 5 lakh Women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs to be provided term loans up to Rs. 2 crores during the next 5 years.**	Significant initiative encouraging SC/ST first-time women entrepreneurs and pave the way for Inclusive Bharat.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2025-26 is investment-driven and growth-oriented, with strong facilitations in finance, taxation, infrastructure, and R&D from the perspective of MSMEs. It has rightly emphasized the pivotal role of MSMEs in India's economic landscape. Reforms in certifications, licenses, and permissions will further improve the ease of doing business for MSMEs and help build a robust and resilient MSME ecosystem, supporting India's ambition of becoming a global manufacturing hub.

Mines

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Mines**	2,816.16	3,133	3,038	– 3%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Policy for recovery of critical minerals from tailings.	The implementation of this policy will provide a new source of valuable critical minerals, simultaneously addressing the environmental concerns associated with waste disposal, and creating new economic opportunities. Also, access to critical minerals from recycled tailings could lessen dependence on foreign sources, improving supply chain stability for essential minerals.
2	Mining sector reforms, including those for minor minerals, will be encouraged through sharing of best practices and institution of a State Mining Index	The institution of State Mining Index is a welcome move as this will not only capture the State's mining sector performance but also highlight States' future readiness in mining activity.

Overall Assessment of Budget for Sector's Growth and Development

1. The budget has a strong focus towards the development of critical minerals ecosystem in the country. This is a welcome step as these minerals are important for sectors such as clean energy, defense etc. It is important to reduce their import dependence for supply chain stability, immunity from price fluctuations and negative impact on currency. It will help in increasing the critical minerals supply in the country and the overall mining sector growth.

2. The launch of modified UDAN scheme to enhance regional connectivity to 120 new destinations in the next 10 years and greenfield airports in Bihar; capacity expansion of Patna airport and a brownfield airport at Bihta; as also other announcements such as allocation of ₹1.5 lakh crore for 50 years interest free loans to state governments for boosting capital expenditure & development of infrastructure - will indirectly enhance demand for steel & cement in the country, and in turn, demand for minerals such as iron ore & limestone respectively.

Nuclear Power

Budget Outlay for Sector (Rupees Crore)

	2022-23 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over FY25-Prov)
Overall - **Department of Atomic Energy**	25,882.88	24,450.66	24049.10	-1.64 %
Outlays for key sectoral schemes				
Nuclear Power Projects	1,404	1,500	2,086	39.06%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Development of 100 GW Nuclear Energy by 2047 – The government has set a target of developing at least 100 GW of nuclear energy by 2047 as part of its energy transition efforts.	The announcements signal a strong government push towards expanding nuclear power capacity, aligning with India's clean energy transition and energy security goals. While requiring high initial investment, nuclear power offers long-term cost benefits with stable electricity prices. It will also drive infrastructure growth and job creation.
2	Amendments to Atomic Energy Laws – To facilitate private sector participation in nuclear power, amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act will be undertaken.	It will open doors for private sector participation, attracting domestic and foreign investments. This will pave the way for access to advanced technology and encourage global collaborations.
3	Nuclear Energy Mission for Small Modular Reactors (SMRs) – A dedicated mission with an outlay of ₹20,000 crore will be launched to support research and development in Small Modular Reactors (SMRs). At least five indigenously developed SMRs are planned to be operationalized by 2033.	It will accelerate nuclear deployment with cost-effective, decentralized power solutions. SMRs can support industrial and remote areas, improve grid resilience, and position India as a global leader in reactor exports. Their faster deployment will help achieve clean energy targets efficiently.

Overall Assessment of Budget for Sector's Growth and Development

The nuclear sector's budget for FY25 presents a clear, focused strategy & vision to strengthen India's energy security and transition to cleaner sources of power. The increase in funding for nuclear power projects and the emphasis on SMRs & reforms reflect the government's resolve to make nuclear energy a cornerstone of India's sustainable energy future. These initiatives will also foster innovation, technological advancement, and infrastructure development, supporting both economic growth and environmental sustainability.

Power & Coal

Budget Outlay for Sector (Rupees Crore)

	2023-24 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Power**	16,326.61	19,845	21,847	10.08%
Outlays for key sectoral schemes				
Power System Development Fund	1,004.43	1,200	1,100	-8.33%
Reform Linked Distribution Scheme	9,768.47	12,665	16,021	26.49%
Scheme for Promoting Energy Efficiency activities in different sectors of Indian Economy	31.56	37	40	8.10%
Viability Gap Funding for development of Battery Energy Storage Systems	----	46	200	334.78%

	2023-24 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Coal**	178.18	141.21	501.20	254.93%
Outlays for key sectoral schemes				
Conservation, Safety and Infrastructure Development in Coal Mines	86.54	50	92.50	85%
Labour, Employment and Skill Development	10.64	10.82	10.43	-3.60%
Scheme for Promotion of Coal / Lignite Gasification	-	-	300	New Allotment
Research and Development	18	20	30	50%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Government will Incentivize Electricity Distribution Reforms:** Electricity distribution reforms and augmentation of intra state transmission capacity by states will be incentivized. Additional borrowing of 0.5% of Gross State Domestic Product (GSDP) will be allowed to states, contingent on these reforms.	This will improve the financial health and operational efficiency of distribution companies. It will facilitate the augmentation of intra-state transmission capacity, bringing operational efficiencies into the system. Additional borrowing of 0.5% of the gross domestic product will encourage states to undertake reforms.
2	**Investing in Innovation:** Under investment in Innovation, an allocation of ₹20,000 crore is announced to	This funding will help India emerge as a global player in technology and innovation, including energy technologies & electricity equipment.

	implement private sector driven Research, Development and Innovation initiative.	

Overall Assessment of Budget for Sector's Growth and Development

Ministry of Power

1. The announcements made during the Budget 2025-26 are progressive in nature and will help transform the power sector, bring efficiencies and improve energy access.

2. The budget outlay of ₹ 16,021 Crores for the Reform Linked Distribution Scheme will help to improve the financial viability of power sector. It will result in reduction in Aggregate Technical and Commercial Losses (AT&C) through efficiency measures and smart meters, will modernize & strengthen the power supply infrastructure and improve the quality, reliability, & affordability of power supply to consumers.

3. Further, the budget outlay of ₹ 1,100 Crores for Power system development fund will create necessary new transmission systems for relieving congestion in Inter-State Transmission Systems (ISTS) and Intra-State System as well as Renovation and Modernization (R&M) of already available transmission systems. An Additional borrowing of 0.5% of Gross State Domestic Product (GSDP) will help further in strengthening the electricity distribution ecosystem.

Ministry of Coal

1. The Ministry of Coal has allocated ₹ 92.50 crores for conservation, safety and infrastructural development in coal mines through which coal companies are given financial assistance for activities including: (i) conservation, (ii) environment management, (iii) safety, (iv) research, and (v) development of road and rail linkages for coal mines, which helps the overall ecosystem development of the sector.

2. Further, a budget outlay of ₹ 10.43 crores for Labour, Employment and Skill Development will help develop skilled manpower for the sector, increase employment and bring in efficiency within the system.

3. Allocation of ₹ 300 crores for promotion of Coal / Lignite Gasification Scheme will help promote cleaner coal technologies, support energy transition and enhance energy security.

Publishing

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Department of Higher Education**				
Digital India-e-learning				
National Mission in Education Through ICT	395.82	1575.00	655.00	-58.41%
Ministry of Culture				
Libraries & Archives	125.84	147.94	156.55	5.81%
National Mission for Manuscripts	--	3.50	60.00	1614.28%
Ministry of Tribal Affairs				
Tribal Research Information, Education, Communication and Events (TRI-ECE)	32.04	32.00	27.00	-15.62%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Bharatiya Bhasha Pustak Scheme will be implemented to provide digital-form Indian language books for school and higher education. This aims to help students understand their subjects better	This will encourage the academic publishers to develop and produce content across Indian regional languages for improved accessibility.
2	A Gyan Bharatam Mission for survey, documentation and conservation of India's manuscript heritage with academic institutions, museums, libraries and private collectors will be undertaken to cover more than 1 crore manuscripts. A National Digital Repository of Indian knowledge systems for knowledge sharing will be set up.	This will unlock vast ancient knowledge, creating new opportunities for academic, digital, and regional language publishing. It will drive the revival of lost texts, give boost to translations, modern interpretations, and niche publishing.

Overall Assessment of Budget for Sector's Growth and Development

The budget has presented new opportunities for the publishing industry as the demand for new content creation is likely to increase for both physical books and digital content across Indian regional languages. Publishers have scope for identifying varied topics to produce relevant content in STM publishing, AI, hospitality management, food technology etc. Setting up of a National Digital Repository of Indian knowledge systems will enhance accessibility to traditional and scholarly content, potentially boosting demand for digital publishing. It may also encourage publishers to adapt by digitize rare manuscripts and academic works for wider dissemination.

Real Estate & Urban Infrastructure

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Housing and Urban Affairs**	**68564.88**	**63669.93**	**96777**	**52%**
Pradhan Mantri Awas Yojna (PMAY)- Urban	21684.33	13670	19794	44.8%
Urban Rejuvenation Mission: AMRUT and Smart Cities Mission	13573.2	8000	10000	25%
Swachh Bharat Mission (SBM) - Urban	2392	2159.42	5000	131.54%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**PPP in infrastructure:** 3-year pipeline of projects by states to be given that can be implemented in private-public partnership (PPP) mode. Each infrastructure-related ministry is to come up with a 3-year plan to be implemented in PPP mode. The outlay of ₹1.5 lakh crore is proposed for 50-year interest-free loans for states.	This will boost confidence of private industry and encourage investments for unlocking large-scale infrastructure projects. It will also create a strong pipeline of opportunities for a collective of industries, ensuring sustained growth for infrastructure sector. The provision of interest-free loans is expected to have a long-term impact on infrastructure development in the country. It can lead to the creation of sustainable and high-quality infrastructure assets across various sectors.
2	**Urban Challenge Fund to drive the transformation of cities:** Establishment of a ₹1 lakh crore Urban Challenge Fund to drive the transformation of cities into growth hubs, support creative redevelopment, and enhance water and sanitation infrastructure. This fund will finance up to 25% of the cost of bankable projects, with a requirement that at least 50% of the funding comes from bonds, bank loans, or public-private partnerships (PPPs). An initial allocation of ₹10,000 crore has been proposed for the fiscal year 2025-26 to kickstart the initiative.	This will enhance confidence of the private industry and stimulate investments, unlocking large-scale project opportunities to transform cities into thriving growth hubs. This is a citizen centric approach highlighting the government's commitment to improve essential services and quality of life for citizens in urban areas.
3	**SWAMIH Fund 2.0**: Established as a blended finance facility; the ₹15000 Cr fund will aim for speedy completion of another one lakh dwelling units	The fund is poised to address the housing shortage and contribute to meeting the demand for affordable housing in the country.

	PM Gati Shakti data to be made available for private sector for Urban land records PM Gati Shakti data will be made accessible to the private sector, for urban land records and the development of the top 50 tourist destinations will be carried out in partnership with state governments. Hotels will also be included in the harmonised scheme for enhanced tourism infrastructure.	Digitalization of land records will enhance transparency in land transactions and property ownership and facilitate better urban planning and development strategies. This will improve project planning and implementation.

Overall Assessment of Budget for Sector's Growth and Development

Budget 2025, prioritises driving economic growth, ensuring inclusive development, boosting private sector investments, and enhancing spending power of India's middle class. With the objective to give the Indian economy the required impetus and increasing consumption, the Budget has significantly increased tax slabs, which will result in more purchasing powers for the customers and hence benefit businesses. The emphasis on infrastructure initiatives and overall capex estimates for the next FY are significant. It is heartening to witness the ability to manage fiscal prudence and reduced fiscal deficit projections in FY25 and FY26. This makes the sustenance of growth more probable and long-term.

Moreover, the budget proposes a paradigm shift in infrastructure development through PPP. States are slated to present a 3-year pipeline of projects for implementation in PPP mode, supported by a substantial outlay of Rs 1.5 lakh crore for 50-year interest-free loans. This strategic approach not only promises economic growth but also ensures a more targeted and efficient use of resources.

In the realm of housing, the introduction of SWAMIH Fund 2.0 as a blended finance facility with a Rs 15,000 crore corpus aims to expedite the completion of one lakh dwelling units. This initiative is poised to address housing shortages and foster the availability of affordable housing options, underscoring the government's commitment to inclusive urban development.

The confluence of these initiatives underscores a comprehensive strategy to drive sustainable urban development, enhance infrastructure, and pave the way for inclusive growth in cities nationwide.

Retail and E-Commerce

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **DPIIT**	6353.91	8011.00	13145.06	64.11%
Outlays for key sectoral schemes	6353.91	8011.00	13145.06	64.11%
Ease of Doing Business	10.89	9.50	10.00	5.26%
Startup India	44.21	45.61	0.01	–99.98%
Startup India Seed Fund Scheme (SISFS)	140.00	160.00	175.00	9.38%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	The government will transform India Post into a major public logistics organization to cater to the growing needs of Viswakarmas, new entrepreneurs, women, self-help groups, MSMEs, and large business organizations.	The transformation of India Post into a large public logistics organization will create a robust infrastructure that serves a wide range of stakeholders, from small entrepreneurs to large corporations. This initiative will facilitate smoother, faster, and more reliable logistics services, especially for MSMEs and self-help groups, enabling them to expand their reach and access new markets.
2	The government will implement a Focus Product Scheme for the footwear and leather sectors to enhance productivity, quality, and competitiveness. The scheme will support design capabilities, component manufacturing, and machinery for producing both non-leather quality footwear and leather footwear and products. This initiative is expected to generate employment for 22 lakh people, achieve a turnover of ₹4 lakh crore, and drive exports exceeding ₹1.1 lakh crore.	The implementation of the Focus Product Scheme will significantly bolster India's footwear and leather industries by improving their production capacity, quality, and global competitiveness. By supporting both leather and non-leather footwear production, the scheme will foster innovation in design and manufacturing processes, enabling the sector to cater to diverse consumer needs.
3	The government will implement a scheme to establish India as a global hub for toys, building on the National Action Plan for Toys. This initiative will focus on the development of manufacturing clusters, skill enhancement, and an ecosystem that produces high-quality, unique, innovative, and sustainable toys, all representing the 'Made in India' brand.	The government's initiative to develop India into a global toy hub will transform the sector into a key player in the international market. By focusing on innovation, sustainability, and quality, this scheme will not only raise India’s profile in the global toy industry but will also create significant employment opportunities, especially in manufacturing clusters across the country. The emphasis on skill development will equip the workforce with the expertise

		needed for high-quality production, while fostering entrepreneurship in the sector.
4	The government will recognize the valuable contribution of gig workers in the online platform services economy by providing them with identity cards and registration on the e-Shram portal. Additionally, they will be granted healthcare coverage under the PM Jan Arogya Yojana. This initiative is expected to benefit nearly 1 crore gig workers.	This initiative marks a significant step in supporting gig workers who are an integral part of the evolving digital economy. By offering identity cards and registration on the e-Shram portal, the government will help formalize the gig workforce, making it easier for them to access social security benefits. Providing healthcare coverage under the PM Jan Arogya Yojana ensures that these workers, often without consistent benefits, will have access to essential healthcare services. This measure will improve the financial and social well-being of nearly 1 crore gig workers, empowering them with greater security and support, while further driving growth in the online platform services sector.
5	The government will establish an Export Promotion Mission, with specific sectoral and ministerial targets, to be jointly led by the Ministries of Commerce, MSME, and Finance. This mission will simplify access to export credit, provide cross-border factoring support, and assist MSMEs in addressing non-tariff barriers in international markets.	The establishment of the Export Promotion Mission will significantly enhance India's global trade presence by streamlining the export process for businesses, especially MSMEs. By offering targeted support in export credit and cross-border factoring, this initiative will make it easier for Indian businesses to tap into international markets, while also tackling non-tariff barriers that often impede growth.
6	The government will establish BharatTradeNet (BTN), a digital public infrastructure for international trade, as a unified platform that will streamline trade documentation and financing solutions. This initiative will complement the Unified Logistics Interface Platform and will be aligned with international standards and practices.	The establishment of BharatTradeNet (BTN) will revolutionize India’s international trade landscape by simplifying and digitizing essential trade processes. As a unified platform for trade documentation and financing, BTN will facilitate smoother, faster, and more transparent transactions for businesses engaging in cross-border trade. By aligning with international standards, BTN will enhance India’s competitiveness in global markets, ensuring that Indian businesses can operate seamlessly within global trade frameworks.
7	The government will expand and deepen the services of India Post Payment Bank in rural areas, ensuring broader access to banking facilities.	Expanding India Post Payment Bank’s services in rural areas will significantly enhance financial inclusion across the country. This initiative will make banking more accessible to remote and underserved communities, empowering individuals and small businesses with essential financial services such as savings accounts, money transfers, and digital payments. By deepening its reach, the government is not only bridging the rural-urban divide but also fostering economic growth in rural areas. Increased access to banking will promote

		financial literacy, reduce dependency on informal lending sources, and encourage savings, ultimately improving the economic resilience of rural populations.
8	The government will roll out the revamped Central KYC Registry in 2025 to simplify the KYC process and implement a streamlined system for periodic updates.	The introduction of the revamped Central KYC Registry will simplify the process of identity verification for individuals and businesses, making it easier and faster to access financial services. By streamlining the periodic updating system, the government will reduce the administrative burden on citizens and financial institutions alike, ensuring that KYC information is always up-to-date and accurate. This move is likely to enhance the efficiency of banking, insurance, and other financial sectors, fostering greater trust and ease of doing business.
9	The government has shown strong commitment to 'Ease of Doing Business' in both financial and non-financial sectors. Moving forward, regulations will evolve with technological and global policy trends. A light-touch, trust-based regulatory framework will drive productivity and job creation. Outdated regulations will be updated to create a modern, flexible, and people-friendly system. The government will introduce four specific measures to achieve this.	This shift toward a modern and adaptable regulatory framework is poised to unlock significant potential for economic growth. By ensuring that regulations keep pace with technological advancements and international policy changes, businesses will find it easier to navigate the legal landscape, fostering innovation and investment. The focus on trust and simplicity will reduce compliance burdens, enabling companies to operate with greater agility and efficiency.
10	The government will establish a High-Level Committee for Regulatory Reforms to review all non-financial sector regulations, certifications, licenses, and permissions. The committee will provide recommendations within a year, aiming to strengthen trust-based economic governance and implement transformative measures to enhance the 'ease of doing business,' particularly in areas of inspections and compliance. States will be encouraged to actively participate in this initiative.	The establishment of the High-Level Committee for Regulatory Reforms will lead to a comprehensive overhaul of existing regulations, making them more streamlined, efficient, and aligned with current economic needs. By focusing on trust-based governance and simplifying compliance procedures, the government is paving the way for a more business-friendly environment.
11	The government will launch the Investment Friendliness Index of States in 2025 to promote the spirit of competitive cooperative federalism.	The introduction of the Investment Friendliness Index will encourage states to improve their business environments, fostering healthy competition and cooperation. By ranking states based on their investment-friendly policies and ease of doing business, this initiative will drive states to adopt best practices, streamline regulations, and create more attractive opportunities for investors.

12	The government will introduce the Jan Vishwas Bill 2.0 to decriminalize over 100 provisions in various laws, building on the success of the Jan Vishwas Act 2023, which decriminalized more than 180 legal provisions.	The introduction of Jan Vishwas Bill 2.0 marks a significant step towards reducing the legal burden on businesses and individuals by decriminalizing provisions that were previously seen as restrictive. This initiative will further simplify compliance, encourage entrepreneurship, and promote a more business-friendly environment by eliminating unnecessary legal penalties. The reduction in criminal offenses will help reduce the overburdened legal system, enabling resources to be focused on more serious matters. As a result, businesses will be empowered to focus on growth and innovation without the fear of minor infractions leading to criminal charges, ultimately fostering a more dynamic, productive, and efficient economy.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2025 lays a strong foundation for sectoral growth by prioritizing digital transformation, regulatory simplification, and global competitiveness. The transformation of India Post into a public logistics powerhouse will enhance supply chain efficiency, particularly benefiting MSMEs and self-help groups. Initiatives like the Focus Product Scheme for footwear and leather, along with efforts to position India as a global toy hub, will drive innovation, boost exports, and generate employment. The formalization of gig workers through identity cards, e-Shram registration, and healthcare benefits will strengthen the workforce in the digital economy. The establishment of the Export Promotion Mission and BharatTradeNet (BTN) will streamline trade processes, making cross-border commerce more seamless and efficient. Expanding India Post Payment Bank's rural reach will foster financial inclusion, while a revamped Central KYC Registry will simplify identity verification, reducing compliance burdens. The High-Level Committee for Regulatory Reforms and the Investment Friendliness Index will encourage states to create a more business-friendly environment. Finally, the Jan Vishwas Bill 2.0 will decriminalize over 100 provisions, reducing legal complexities and fostering entrepreneurship. With a focus on trust-based governance and ease of doing business, this budget sets the stage for a more agile, resilient, and investment-driven economy.

Renewable Energy

Budget Outlay for Sector (Rupees Crore)

	2023-24 Actual	2024-25 RE	2025 -2026 BE	% change (BE FY26 over RE FY25)
Ministry of New & Renewable Energy	7,928.89	17,298	26,549	53.48%
Outlays for key sectoral schemes				
National Green Hydrogen Mission	100	300	600	100%
Solar Power (Grid)	5,009.17	1,300	1,500	15.38%
Wind Power (Grid)	916	800	500	(-) 37.50%
KUSUM	1100	2525	2600	2.97%
Green Energy Corridor	413	600	600	-
Bio Energy Programme	70.51	185	325	75.67%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**National Manufacturing Mission with focus in clean tech manufacturing:** National Manufacturing Mission will be set up to cover small, medium and large industries for furthering "Make in India" by providing policy support, execution roadmaps, governance and monitoring framework for central ministries and states. The mission will also support Clean Tech manufacturing. The Mission will aim to improve domestic value addition and build an ecosystem for solar PV cells, EV batteries, motors and controllers, electrolyser, wind turbines, very high voltage transmission equipment and grid-scale batteries.	The mission focused on cleantech would enable the expansion of manufacturing footprint across states, enhance export market access and competitiveness & build the end-to-end value chain in the emerging sectors like renewable energy and energy storage batteries. This is a welcome step giving boost to the domestic manufacturing.
2	**Investing in Innovation:** Under investment in Innovation, an allocation of ₹20,000 crore is announced to implement private sector driven Research, Development and Innovation initiative.	This funding will help India emerge as a global leader in technology and innovation, including clean energy technologies.
3	**Export Promotion Mission with sectoral targets** Export Promotion Mission with an allocation of Rs 2,250 crore to enhance India's export competitiveness	Clean energy solutions such as green hydrogen exports could help in tapping the global demand & opportunity.

4	**Basic Custom Duty (BCD) exemption for Lithium-ion battery:** Basic Custom Duty on cobalt powder, lithium-ion battery waste, lead, zinc and 12 other critical minerals To the list of exempted capital goods, 35 additional capital goods for EV battery manufacturing and 28 additional capital goods for mobile phone battery manufacturing.	This will boost the domestic manufacturing of lithium-ion batteries both for electric vehicles and mobile phones. Further, investment in lithium-ion batteries will also help energy storage solutions in renewable energy sector.

Overall Assessment of Budget for Sector's Growth and Development

1. The Budget presented with a clear focus & vision on transitioning towards green energy and accordingly there has been a significant increase in the capital outlay for the various schemes and missions.
2. The budget outlay of Rs 600 Crores for the National Green Hydrogen Mission will help scale up production and utilization of green hydrogen in the country. Further an outlay of Rs 600 cores for Green Energy Corridor will help facilitate the augmentation of transmission infra and synchronize the electricity produced from renewable sources into the grid.
3. The government has announced the National Manufacturing Mission with a key focus on clean tech manufacturing. The mission will support the manufacturing of solar PV cells, wind turbine generators, EV batteries, electrolyser and grid scale batteries. This will give a major fillip to domestic manufacturing.
4. To boost domestic manufacturing, cobalt powder and waste scrap of lithium-ion battery, lead, zinc and 12 more critical minerals will be exempted from Basic Customs Duty (BCD). Further, 35 additional goods for EV battery manufacturing will be added to the list of exempted capital goods. This will provide support to clean energy transition and growth of capacities in renewable energy sector in the country.

School Education

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Department of School Education and Literacy**	67972.28	67571.2	78572.1	16.28%
Outlays for key sectoral schemes				
Pradhan Mantri Innovative Learning Programme (DHRUV)		7.50	55.00	633.33%
National Means cum Merit Scholarship Scheme	313.11	352.60	374.00	6.06%
Kendriya Vidyalaya Sangathan (KVS)	8500.00	8727.00	9503.84	8.90%
Navodaya Vidyalaya Samiti (NVS)	5469.80	5370.79	5305.23	-1.22%
National Council of Educational Research and Training (NCERT)	342.97	560.77	593.71	5.87%
National Bal Bhawan	19.04	24.33	27.80	14.26%
Samagra Shiksha	32829.70	37010.00	41250.00	11.45%
Pradhan Mantri Poshan Shakti Nirman (PM POSHAN)	8457.73	10000.00	12500.00	25%
Strengthening Teaching-Learning and Results for States (STARS)	699.47	850.00	1250.00	47.05%
PM Schools for Rising India (PM SHRI)	1214.68	4500.00	7500.00	66.66%
New India Literacy Programme (NILP)	39.30	120.00	160.00	33.33%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Saksham Anganwadi and Poshan 2.0:** The cost norms for the nutritional support will be enhanced appropriately.	**Enhanced Early Childhood Development:** Nutritional support during the first 1,000 days (from conception to 2 years) is crucial for cognitive and physical development, directly impacting learning ability. Better Educational & Workforce Outcomes: Nutritionally healthy adolescent girls are more likely to complete schooling and participate effectively in the workforce later. Capacity Building for Anganwadi Workers (AWWs): Additional funding can be used to train AWWs on nutrition planning, food safety, and child development, strengthening grassroots implementation.
2	**Atal Tinkering Labs:** Fifty thousand Atal Tinkering Labs will be set up in Government schools in next 5 years to cultivate the spirit of curiosity and innovation, and foster a scientific temper among young minds.	**Strengthening STEM Education:** Hands-on learning opportunities will enhance students' problem-solving skills, creativity, and scientific temperament. Bridging the Digital Divide: Increased access to technology and innovation tools in government schools will help reduce educational disparities. Teacher Training & Capacity Building: The large-scale initiative will also

		require comprehensive teacher training programs to ensure effective use of ATL resources. Industry & Startup Engagement: Collaboration opportunities may arise for ed-tech companies, startups, and industry leaders to support innovation and mentorship.
3	**Broadband Connectivity to Government Secondary Schools and PHCs:** Broadband connectivity will be provided to all Government secondary schools and primary health centres in rural areas under the Bharatnet project.	**Digital Learning & Smart Classrooms:** Schools can leverage online educational resources, virtual labs, and digital classrooms, bridging the urban-rural learning gap. Teacher Training & Capacity Building: Connectivity enables remote teacher training programs, enhancing instructional quality. Access to EdTech & AI Tools: Rural schools can integrate AI-driven learning tools, enabling personalized and competency-based education. Reduced Dropout Rates: Improved learning experiences and access to digital curricula may help reduce dropout rates by making education more engaging. NEP 2020 Implementation: Supports the National Education Policy's vision of technology-enabled education, including online assessments and hybrid learning models.
4	**Bharatiya Bhasha Pustak Scheme:** Bharatiya Bhasha Pustak Scheme to provide digital-form Indian language books for school and higher education. This aims to help students understand their subjects better.	**Improved Learning Outcomes:** Learning in one's mother tongue enhances concept clarity, comprehension, and critical thinking, as per NEP 2020. **Bridging the Language Divide:** Non-English-speaking students often struggle with textbooks in English. Indian-language books will level the playing field and reduce dropout rates. **Integration with EdTech & Digital Classrooms:** Digital books in multiple Indian languages can be integrated with EdTech platforms, making learning more accessible.

Overall Assessment of Budget for Sector's Growth and Development

FICCI commends the government's continued commitment to increasing budgetary allocations for centrally sponsored schemes aimed at improving access to quality education in the country.

Initiatives like Atal Tinkering Labs in government schools and the Bharatiya Bhasha Pustak Scheme are welcome steps. However, it is important that these initiatives are effectively implemented and are able to sustain funding. Further, there should be continued focus by the government on strengthening early education interventions to ensure foundation learning outcomes.

Skill Development

Budget Outlay for Sector (Rupees Crore)

	2023-24 Actual	2024-25 RE	2025-26 BE	% change (BE FY25 over RE FY24)
Overall – **Ministry of Skill Development and Entrepreneurship**	2982.17	3300.83	6100.1	84.81%
Outlays for key sectoral schemes				
Central Sector Schemes/Projects				
Skill India Programme	1733.33	2318	2700	16.48%
Other Central Sector Exp (NCVET, IIE, NIESBUD, NIMI)	-183.65	19.1	19.13	0.16%
Centrally Sponsored Scheme				
Strengthening of Infrastructure for Institutional Training	66.56	20	49.9	149.50%
New ITI Upgradation Scheme	-	294	3000	920.41%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Five new **National Centres of Excellence (CoEs)** will be established with global expertise & focus on curriculum design, trainer capacity-building, certification frameworks, and industry partnerships.	**Industry-Relevant Skill Development:** The establishment of CoEs will enable cutting-edge skill training, ensuring that Indian professionals are equipped to meet global industry demands. This will also lead to fostering industry-academia linkages that ensure training is market-driven and demand-responsive. **Increased Employability & Wage Growth:** With advanced skills training, job seekers will have better career prospects, leading to higher wages and productivity. **Global Workforce Readiness:** This move aligns Indian workforce training with international standards, boosting the potential for global placements in high-demand industries.
2	**₹3,000 Crore allocation for upgradation of ITIs**	The increased budget allocation of ₹3,000 crore for ITI upgradation in 2025-26 marks a significant step toward modernizing vocational training in India. This will equip ITI with the much-needed advanced technology, aligning courses with emerging sectors, and enhancing faculty training & employability.
3	**Comprehensive multi-sectoral 'Rural Prosperity and Resilience' programme in partnership with states**	This initiative will reduce rural-urban migration by creating local employment opportunities, enabling workers to thrive in their communities. It will strengthen rural entrepreneurship by promoting agri-business, food processing, and allied activities, fostering economic growth. Training in modern

		farming, agri-tech, and food processing will boost agricultural productivity and incomes.
4	**Global Capability Centers (GCCs):** A national framework to be formulated as guidance to states for promoting GCCs in emerging tier-2 cities.	National Framework for Global Capability Centres (GCCs) will strengthen India's skilling ecosystem, particularly in Tier-2 cities, by enhancing workforce capabilities to meet global industry demands. This initiative will drive job creation, attract foreign investment, and boost economic growth through improved infrastructure and policy support. By fostering collaboration between the government, industry, and academia, the framework aims to position India as a global hub for skilled professionals while enabling multinational companies to expand their operations seamlessly.
5	**National Institute of Food Technology** to be set up in **Bihar**, promoting food processing skills.	The establishment of this institute will significantly improve skilling opportunities in Bihar, creating a highly trained workforce for the food processing industry. It will boost entrepreneurship, enhance farmers' incomes through value addition, and attract investment in the agri-business sector. By providing modern training infrastructure and industry linkages, the initiative aims to position Bihar as a key player in India's growing food processing economy.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2025-26 for Skill Development reflects a transformative vision aimed at fostering inclusive growth, equipping the workforce with new-age skills, and ensuring a positive social impact. With a significant budget outlay of INR 6100 Crores, the government's focus is clear: to build a robust and future-ready skill ecosystem.

The budget emphasizes inclusivity by targeting rural areas and marginalized communities. Initiatives like the empowerment of rural India through skilling, innovation, and entrepreneurship in agriculture aim to reduce rural-urban migration and create local employment opportunities. This will enable workers to thrive within their communities, fostering economic growth and social stability.

The establishment of five new National Centres of Excellence (CoEs) with global expertise underscores the commitment to advanced skill training. These CoEs will focus on curriculum design, trainer capacity-building, certification frameworks, and industry partnerships, ensuring that Indian professionals are equipped to meet global industry demands. Additionally, the allocation of INR 3000 Crores for the upgradation of ITIs marks a significant step towards improving infrastructure, modernizing vocational training, aligning courses with emerging sectors, and enhancing faculty training and employability.

The budget's initiatives are designed to have a far-reaching social impact. The focus on industry-relevant skill development will increase employability and wage growth, leading to higher productivity and better career prospects for job seekers.

Sports

Budget Outlay for Sector (Rupees Crore)

	2023-2024 Actual	2024-2025 RE	2025-2026 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Youth Affairs and Sports**	2982.60	3232.85	3794.30	17.37%
Outlays for key sectoral schemes				
Central Sector Schemes/Projects	1645.50	1569.76	2191.01	39.57%
Establishment Expenditure of the Centre	39.89	40.09	41.79	4.24%
Other Central Sector Expenditure	1297.21	1623.00	1561.50	-3.79%

Overall Assessment of Budget for Sector's Growth and Development

The budget for the Ministry of Youth Affairs and Sports for the fiscal year 2025-2026 demonstrates a robust commitment to enhancing growth and development in the youth and sports sectors. The estimate is approximately ₹3,794.30 crores, reflecting a notable increase from the revised budget of ₹3,232.85 crores in the previous year. This upward trajectory underscores the government's recognition of youth engagement and sports as vital components for national progress.

Significant investments are directed towards key initiatives such as the Khelo India scheme, which aims to cultivate a sports culture and promote excellence, receiving a substantial allocation of ₹1,000 crores. Additionally, programs like the National Service Scheme and various youth empowerment initiatives are designed to foster social responsibility among young people while providing avenues for personal growth.

The budget also prioritizes infrastructure improvements, financial support for national sports federations and incentives for outstanding athletes highlight the government's dedication to nurturing talent and enhancing India's performance on international stages.

Overall, this budget reflects a strategic vision for youth empowerment and sports development, aiming not only for immediate benefits but also for long-term societal impact. By focusing on holistic growth through sports, it is poised to contribute significantly to national integration and promote healthier lifestyles among the youth.

Startups

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
DPIIT				
Fund of Funds	1470	1200	1200	
Funds of Funds 2	-	-	2000	-
Overall for the Sector/Ministry – **Ministry of Agriculture & Farmer Welfare**				
Blended Capital Support to Finance Startups for Agriculture and Rural Enterprise Relevant for Farm Produce Value Chain	62.5	62.5	71.50	14.4%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	To improve access to credit, the credit guarantee cover will be enhanced. For Startups, from ₹10 crore to ₹20 crores, with the guarantee fee being moderated to 1 per cent for loans in 27 focus sectors important for Atmanirbhar Bharat	This will provide greater financial support and facilitate better access to larger loans for startups. Additionally, the moderation of guarantee fee to 1%, will make credit more affordable for startups.
2	A new Fund of Funds, with expanded scope and a fresh contribution of another ₹10,000 crore will be set up for startups.	For the new Fund of Funds scheme new proposal of adding another ₹10,000 crore will give a further boost to startup ecosystem in the country.
3	To implement private sector driven Research, Development and Innovation initiative announced in the July Budget ₹20,000 crores allocated for 2025-26.	This will support private sector-driven Research, Development, and Innovation.
4	A Deep Tech Fund of Funds will also be explored to catalyze the next generation startups as a part of this initiative.	Creation of a Deep Tech Fund of Funds, aimed at encouraging private investment in deep tech startups. This can provide crucial capital to innovative, high-risk projects that often face challenges in securing traditional financing.
4	Extension on benefit provided under Section 80-IAC to startups for another period of five years, i.e. the benefit will be available to eligible start-ups incorporated before 01.04.2030.	This extension allows eligible startups incorporated before April 1, 2030, to claim a 100% tax deduction on profits for any three consecutive financial years within their first ten years of incorporation. This will give boost to investments by startups.

Overall Assessment of Budget for Sector's Growth and Development

The Budget reflects the government's continued commitment to strengthening India's startup ecosystem by introducing significant policy measures and enhancing budget allocation.

One of the most impactful reforms is the increase in credit guarantee cover from ₹10 crore to ₹20 crore, providing startups in 27 critical sectors with improved access to funding. The moderation of the guaranteed fee to 1% further makes financing more affordable. This move is expected to boost entrepreneurship, particularly in capital-intensive industries.

The expansion of the Alternate Investment Funds (AIFs) with an additional ₹10,000 crore under the Fund of Funds scheme reinforces government-backed venture capital initiatives. With total commitments now exceeding ₹91,000 crore, this initiative will accelerate funding availability for startups at various growth stages.

The ₹20,000 crore allocation for private-sector-driven Research, Development, and Innovation is another strategic intervention. The proposed Deep Tech Fund of Funds aims to catalyse private investment in high-risk, high-impact startups working on deep technology solutions.

Additionally, the extension of Section 80-IAC benefits for another five years allows eligible startups to claim a 100% tax deduction for three out of their first ten years will ease the financial burden and encouraging greater investment.

Overall, the Budget builds a robust foundation for fostering innovation and strengthening India's position as a global startup hub.

Steel

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Steel**	51.87	8,561	3,362	– 60.7%
Outlays for key sectoral schemes				
Total-Central Sector Schemes	10.43	67	318	374.6%
Product Linked Incentive (PLI) Scheme for Specialty Steel in India	2.35	55	305	
Scheme for Promotion of Research and Development in Iron and Steel sector	2.94	5	6	
Flagging of Merchant Ships in India	5.14	7	7	

Overall Assessment of Budget for Sector's Growth and Development

1. Increased allocation to Product Linked Incentive (PLI) Scheme for specialty steel in India will provide a big impetus to domestic manufacturing and reduce dependence on imports. It would also help in the production of specialized steel products and local employment generation.

2. The budget announcement to facilitate the development of shipbuilding clusters with additional infrastructure facilities will indirectly enhance the demand for steel.

3. The setting up of an Export Promotion Mission, with sectoral and ministerial targets will provide a focus on exports of steel products (in case Steel is identified as one of the focus sector).

4. The launch of modified UDAN scheme to enhance regional connectivity to 120 new destinations in the next 10 years and greenfield airports in Bihar; capacity expansion of Patna airport and a brownfield airport at Bihta; as also other announcements such as allocation of ₹1.5 lakh crore for 50 years interest free loans to state governments for boosting capital expenditure & development of infrastructure - will indirectly enhance demand for steel in the country.

5. The budget preposition to highlight three-year pipeline for PPP infrastructure projects will provide enhanced visibility for upcoming steel demand across states. This will help the industry plan better for capacity augmentation and increase steel production accordingly.

Space and Geospatial Applications

Budget Outlay for Sector (Rupees Crore)

	2023-24 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over FY25)
Overall - **Department of Space**	10704.07	11725.75	13416.20	14.41%
Outlays for key sectoral schemes				
Space Technology	8083.43	8985.60	10230.21	13.85%
Space Applications	1475.43	1527.97	1706.79	11.70%
Space Sciences	109.51	127.24	371.00	1.91%
INSAT Satellite Systems	234.74	218.44	207.00	-5.23%
Space Research	6171.14	6865.38	7198.77	4.85%
Capital Outlay on Space Research	4396.75	4728.37	6103.63	29.08%
Overall for the Sector/Ministry - **Ministry of Science & Technology**				
Department of Science & Technology				
Survey of India	446.31	544.39	597.49	9.7%
National Geospatial Mission	-	-	100.00	-
Ministry Rural Development				
Land records modernization programme	124.33	141.00	120.00	-14.8%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Launch of a National Geospatial Mission to develop foundational geospatial infrastructure and data. Leveraging PM Gati Shakti, it will modernize land records, urban planning, and infrastructure project design.	This will Strengthen India's geospatial infrastructure, making high-quality spatial data more accessible for businesses, startups, and government agencies. This will also support applications in satellite-based mapping, urban planning, disaster management, and precision agriculture which will drive growth for geospatial service providers.
2	Establishment of a National Manufacturing Mission covering small, medium, and large industries to strengthen the "Make in India" initiative. The mission includes policy support, execution roadmaps, and governance frameworks.	This will encourage domestic production of space and geospatial technology components, reducing reliance on imports. This will also support indigenization of satellite components, sensors, and mapping hardware, boosting "Make in India" for space-tech.
3	Mining sector reforms, including those for minor minerals will be encouraged, through best	This will ensure sustainable extraction and processing of critical minerals like lithium, cobalt, and rare earth elements which are essential for

	practices sharing and the establishment of a State Mining Index.	satellite manufacturing, lithium-ion batteries, and advanced geospatial equipment.
4	Private sector and PPP projects to get access to relevant data and maps from the PM Gati Shakti portal to assist in project planning.	This will open opportunities for private companies to integrate satellite imagery and GIS solutions into national infrastructure projects.

Overall Assessment of Budget for Sector's Growth and Development

The Government has increased the overall budget allocation for the space sector by 14.41% for the year 2025-26 and has allocated Rs. 100 crore for the National Geospatial Mission. This investment is expected to strengthen India's position in the global geospatial economy by improving data access and infrastructure. Additionally, it will encourage investment in satellite manufacturing and GIS-based solutions, while encouraging start-ups to innovate and scale up.

Textiles

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall – **Ministry of Textiles**	3015.2	3342.00	5272.00	57.75%
Outlays for key sectoral schemes				
Amended Technology Upgradation Fund Scheme (ATUFS)	577.75	390.00	635.00	62.82 %
National Handloom Development Programme	186.37	198.84	200.00	0.58 %
National Handicrafts Development Programme (NHDP)	158.85	175.00	200.00	14.28 %
Integrated Scheme for Skill Development	11.28	15.00	18.28	21.86 %
National Technical Textiles Mission	62.23	250.00	370.00	48 %
Textile Cluster Development Scheme	33.05	50.00	100.00	100 %
Central Silk Board	857.00	945.56	956.84	1.19 %
PM MITRA	0.13	44.00	300.00	581.8 %

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	The budget outlay for the textiles sector has been increased by 57 percent to Rs 5272 crore.	This increase reflects the government's steadfast commitment to positioning India as a leading global player in the textile industry.
2.	There is an increase in allocation for technical textiles mission, the increase is **48 %**	This allocation aims to enhance the growth of the technical textiles sector in the country by placing a strong emphasis on research and technology
3.	**Promote Domestic Manufacturing of Technical Textiles:** To boost the domestic manufacturing of technical textiles such as agro-textiles, medical textiles, and geo-textiles, and to enhance the sector's competitiveness, two additional types of shuttle looms have been included in the list of fully exempted textile machinery: **Shuttle-less Rapier Looms** (below 650 meters per minute) **Shuttle-less Air Jet Looms** (below 1000 meters per minute) for use in the textile industry	This will reduce input costs for manufacturers and encourage investment in the production of high-value technical textile products This move aligns with India's broader goal of strengthening **technical textiles manufacturing** under initiatives like **Make in India** and the **National Technical Textiles Mission (NTTM)**

	Previously, the Basic Customs Duty (BCD) on these items was 7%, which has now been **reduced to nil**.	
4.	**Revised BCD Rate on Knitted Fabrics:** The Basic Customs Duty (BCD) on knitted fabrics in particular to the below nine tariff lines has been revised from **10% or 20%" to "20% or ₹115 per kg,** (whichever is higher) • 6004 10 00 • 6004 90 00 • 6006 22 00 • 6006 31 00 • 6006 32 00 • 6006 33 00 • 6006 34 00 • 6006 42 00 • 6006 90 00	The revised duty structure is expected to encourage local manufacturing and reduce dependence on imports and improve competitiveness of domestic knitted fabric manufacturers.
5.	**Extension of Export Duration for Handicrafts Manufactured from Duty-Free Inputs** To support the growth of the handicrafts export sector, the duration for exporting handicrafts manufactured from duty-free inputs by bonafide exporters is increased from 6 months to 1 year, with an additional extension of 3 months. Certain items have been brought under **NIL duty** to further encourage exports.	This move will provide exporters with greater flexibility and enhance their ability to fulfill international orders effectively.
6.	**Mission for Cotton Productivity** The government has announced a 5-year Mission for Cotton Productivity to enhance cotton farming productivity, promote extra-long staple cotton varieties, and provide farmers with advanced science and technology support.	This mission will ensure a steady supply of high-quality cotton, supporting **cost-efficiency** and **sustainability** in the textiles sector, improving **product quality**, and boosting **global competitiveness**.
7.	**Measures for Labour-Intensive Sectors** The Budget includes targeted policy and facilitation measures aimed at promoting growth in labor-intensive sectors.	As a key labor-intensive sector, the **textiles industry** is expected to benefit from these initiatives, fostering greater **entrepreneurship** and **employment opportunities**.
8.	**Focus on MSMEs** To support the growth of MSMEs, the investment and turnover limits for classification will be increased to **2.5 times** and **2 times**, respectively.	This will help MSMEs scale up, upgrade technology, and gain better access to capital, strengthening India's global manufacturing position Being

<table>
<tr><td></td><td></td><td><table>
<tr><td>Rs. In Crore</td><td colspan="2">Investment</td><td colspan="2">Turnover</td></tr>
<tr><td></td><td>Current</td><td>Revised</td><td>Current</td><td>Revised</td></tr>
<tr><td>Micro Enterprises</td><td>1</td><td>2.5</td><td>5</td><td>10</td></tr>
<tr><td>Small Enterprises</td><td>10</td><td>25</td><td>50</td><td>100</td></tr>
<tr><td>Medium Enterprises</td><td>50</td><td>125</td><td>250</td><td>500</td></tr>
</table></td><td>MSME-driven sector, textiles will benefit from this move.</td></tr>
<tr><td>9.</td><td colspan="2">Manufacturing Mission - Furthering “Make in India”
The government will establish a National Manufacturing Mission, encompassing small, medium, and large industries, to advance the "Make in India" initiative. This mission will provide policy support, execution roadmaps, and a governance and monitoring framework for central ministries and states. The Mission’s mandate will include 5 focus areas:
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.</td><td>As the textiles sector is largely MSME-driven, it is likely to benefit significantly from this positive move.</td></tr>
<tr><td>10.</td><td colspan="2">Increase in the allocation to the development of PM MITRA Park</td><td>This allocation is intended to empower India's textile industry to scale up, fostering growth in size and capacity, while establishing a modern and integrated textile value chain at a single location.</td></tr>
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Overall Assessment of Budget for Sector’s Growth and Development

The budget underscores the government's commitment to bolstering the textile sector through targeted interventions, increased capital outlay, and policy measures that support domestic manufacturing, MSMEs, and technical textiles. With a focus on fostering innovation, enhancing export competitiveness, and ensuring a sustainable value chain, these measures are poised to drive long-term growth and employment in the sector.

Transport Infrastructure & Logistics

Budget Outlay for Sector (Rupees Crore)

	2023-24 Actual	2024-25 RE	2025-26 BE	% Change (BE FY 25-26 over RE FY24-25)
Ministry of Railways	**245791.30**	**255347.81**	**255445.18**	**0.038%**
Outlays for key sectoral schemes		%		
New Lines	33702.18	31458.83	32235.24	2.46%
Signalling and Telecom	3750.97	6006.05	6800.00	13.21%
Track Renewals	17850.25	22669.05	22800.00	0.57%
Electrification Projects	5806.98	6072.30	6150.00	1.27%
Ministry of Roads Transport and Highways	**275985.72**	**280518.80**	**287333.16**	**2.42%**
Outlays for key sectoral schemes				
National Highways Authority of India	167398.30	169371.00	170266.00	0.52%
Roads and Bridges	108678.29	110576.00	116292.10	5.16%
Road Transport and Safety	279.00	400.80	595.02	48.45%
Ministry of Shipping	**2230.63**	**2858.54**	**3470.58**	**21.41%**
Outlays for key sectoral schemes				
Development of Ports	0.71	1.88	0.71	- 62.2%
Sagarmala	491.06	709.00	866.00	22.14%
Shipping and Ship Building	99.12	150.00	365.00	143.33%
Inland Water Transport	-	5.00	15.00	200%

Key Budget Announcements and Implications

Announcement	Likely Implication
Transport infrastructure	
PPP in infrastructure: • Each infrastructure-related Ministry is to come up with a 3-year pipeline to be implemented in PPP mode • Rs 1.5 lakh crore will be provided towards 50-year interest free loans to states, for infrastructure development	This will boost confidence in private industry and increase investments for unlocking large-scale project opportunities. It will also create a strong pipeline of opportunities for a collective of industries, ensuring sustained growth for infrastructure sector. The loan of Rs. 1.5 lakh crore to states for infrastructure, along with an extra 0.5% borrowing flexibility for power sector distribution reforms, is set to accelerate investments in power infrastructure, enhancing grid reliability and expansion.
National Geospatial Mission to be launched	The Mission is poised to address the long-pending challenges of potential errors in feasibility reports and

	DPRs in transport projects and substantially bring down delays and cost overruns.
Railways	
Extension of time limit for export of foreign origin goods applicable to domestic MROs for railway goods.	This move is crucial for export promotion and trade. It will provide relaxation to the industry towards maintenance of Railways Infrastructure and upkeep of rolling stocks.
Ports, shipping & waterways	
The Shipbuilding Financial Assistance Policy (SFAP) revamped. Establishment of a Maritime Development Fund with a corpus of ₹25,000 crore. The government will contribute 49% to this fund with remaining contribution from ports & private sector. Shipbuilding clusters will be facilitated to increase the range, categories and capacity of ships. This will include additional infrastructure facilities, skilling and technology to develop the entire ecosystem.	This is a long-standing demand of the industry and will offer financial support to shipbuilders and easier access to funds. The ₹25,000 crore fund will boost port infrastructure and encourage private participation and investment. Revamping the SFAP will strengthen domestic shipbuilding industry, helping shipyards expand their capacity and range of ships. The creation of shipbuilding clusters provides a further fillip to India's shipping building ecosystem through the addition of infrastructure, skilling and technology.
Ship breaking: Credit notes against shipbreaking in Indian yards to promote the circular economy. Exemption of Basic Customs Duty (BCD) to be continued on manufacturing of ships and shipbreaking for another 10 years.	This will establish an enabling ecosystem for growth of shipbuilding industry as well as sustainable recycling of ships. Credit notes against shipbreaking to be used against new shipbuilding will help shipyards in getting more orders. This will position India as a significant shipbuilding nation. Also, India being a labour-intensive industry, this move will generate large-scale employment.
Large ships will be included in the harmonious list of infrastructure.	Inclusion of larger ships in the harmonised master list of infrastructure sector will enhance long-term funding at easier terms and increased benefits.
Tonnage Tax Scheme for Inland Vessels: The benefits of existing tonnage tax scheme are proposed to be extended from only sea going ships to inland vessels registered under the Indian Vessels Act, 2021.	This has been advocated by the industry at several forums. The step is welcomed and will hugely promote water transportation, encouraging a shift of freight from road to coastal and short-distance water transport. It will also help include tax incentives for green initiatives in inland waterways and hugely promote inland traffic.
Specific benefits proposed to ship-leasing units, insurance offices and treasury centres of global companies which are set up in IFSC. (To claim benefits, the cut-off date for commencement in IFSC has also been extended by five years to 31st March, 2030)	These benefits will focus on accelerating the growth of the IFSC GIFT City, positioning India as a global financial hub. Focusing on ease of doing business, it will ensure efficient funding mechanism for finance lease of ships, promising enhanced financial and operational flexibility to the GIFT city.

Logistics	
India Post will be transformed as a large public logistics organisation	The transformation of India Post into a major logistics player will enhance connectivity, efficiency and AI-driven logistics innovations. Revamping 1.5 lakh rural post offices will boost last-mile delivery, expanding express services and driving economic growth in the hinterlands.
Social sector scheme for gig workers, benefitting one crore gig workers: • Government will arrange for ID cards • Registration on the E-shram portal • Provide health cover under PM Jan Arogya Yojana	The budget's focus on social security for gig workers will enhance job security and welfare. This scheme will attract skilled workers to logistics and express delivery, improving service quality and boosting employment in the fast-growing quick commerce sector.
PM Gati Shakti data to be made available for private sector	This has been FICCIs recommendation to make the PM GatiShakti database available to private sector. This will ensure more transparency, visibility and efficiency. Enhanced access to urban land records and infrastructure data will help in optimising route planning and connectivity, while enabling logistics companies to offer faster, more efficient delivery services via road transport across India.
Focus on upgradation of infra and warehousing for air cargo and food products	It is a good step towards building a more efficient and resilient logistics sector. Infrastructure upgrades, air cargo, and warehousing improvements will streamline operations. Public-private partnerships and tech-driven initiatives will further enhance India's multimodal logistics ecosystem.

Overall Assessment of Budget for Sector's Growth and Development

Transport Infrastructure Sector

The Union Budget 2025-26 is PPP-driven for infrastructure sector providing the necessary push to drive demand and catalyse long-term growth. We are pleased with the government's forward-looking vision in setting an ambitious capital expenditure target of ₹11.21 lakh crore for infrastructure, reflecting a 10% increase and reaffirming its commitment to economic growth. The announcement of Rs 10 lakh crore infrastructure asset divestment pipeline and the upcoming PPP proposals from all infrastructure ministries over the next three years will unlock large-scale project opportunities across multiple sectors. Additionally, the ₹1.5 lakh crore interest-free allocation for infrastructure spending in states for 50 years will provide a significant boost to development, enabling long-term investments in critical sectors such as transportation, urban development, and logistics. This initiative will enhance connectivity, create jobs, and accelerate economic growth across the country.

The Maritime Development fund of Rs 25,000 crores will give a huge fillip to port infrastructure creation and enhance private sector participation in infrastructure building. The overhaul of the Shipbuilding Financial Assistance Policy (SFAP) will establish a conducive environment for the expansion of India's shipbuilding industry and the advancement of sustainable ship recycling. A 10-year exemption from basic customs duty on shipbuilding and shipbreaking could position India as a

major player in the global shipbuilding sector. As a labour-intensive industry, it has the potential to generate large-scale employment.
The budget lays a strong foundation for the infrastructure sector, unlocking significant opportunities across key segments.

FICCI welcomes these announcements, as they strongly align with its vision for India's holistic development, bringing the nation closer to a resilient, sustainable, and Viksit Bharat.

Budget Overview for Logistics Sector

The Union Budget will significantly enhance ease of doing business, workforce skilling and manufacturing competitiveness with its continued focus on development of maritime infrastructure, domestic air connectivity, development of dedicated rail freight corridors (DFCs) and large-scale port modernization. The government's commitment to inland water transport through the tonnage tax scheme will provide a more sustainable and cost-effective way of cargo movement.
The Bharat Trade Net aimed at simplifying trade documentation and will help optimize supply chains through data-driven decision-making. The INR 25,000 crore Maritime Development Fund will enhance financial stability and competitiveness for Indigenous shipbuilding and other infrastructure projects encouraging private investments.

Streamlining export compliance procedures and customs duty reforms indicate a continued commitment to reducing manufacturing costs, making Indian industries more competitive. Targeted sectoral initiatives under the National Manufacturing Mission underscore the government's ambition to create a resilient domestic production ecosystem. These measures will not only boost exports but also generate employment opportunities.

The decision to share PM Gati Shakti data with private companies is a welcome move that will drive investment and efficiency in infrastructure development. Access to comprehensive project data will enable better planning and execution, fostering growth across sectors.

Overall, the Union Budget 2025 takes a decisive step toward transitioning from 'Make in India' to 'Make in India for the World,' leveraging infrastructure expansion, policy reforms, and human capital setting the foundation for a more resilient, efficient, and competitive India.

Tourism

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Ministry of Tourism**	801.82	850.36	2541.06	198.82%
Outlays for key sectoral schemes				
Tourism Infrastructure	529.20	540	2230.03	312.96%
Promotion and Publicity	119.50	125.95	139.97	11.13%
Training and Skill Development	53.40	66.05	60.00	- 9.15 %

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Top 50 tourist destination sites in the country will be developed in partnership with states through a challenge mode. Land for building key infrastructure will have to be provided by states. Hotels in those destinations will be included in the infrastructure HML.	This will boost the hospitality industry and encourage growth and development of tourism infrastructure leading to job opportunities.
2	Organizing intensive skill-development programmes for our youth including in Institutes of Hospitality Management Providing MUDRA loans for homestays Improving ease of travel and connectivity to tourist destinations Providing performance-linked incentives to states for effective destination management including tourist amenities, cleanliness, and marketing efforts; and Introducing streamlined e-visa facilities along with visa-fee waivers for certain tourist groups. Medical Tourism and Heal in India will be promoted in partnership with the private sector along with capacity building and easier visa norms	These measures will enhance skill development, employment opportunities and infrastructure development. Effective destination management, improved connectivity, streamlined visa processes along with free visas will encourage increased tourist footfalls. The focus on Medical Tourism and Heal in India will also position India as leading destination for medical tourism and wellness.
3	Continuing with the emphasis on places of spiritual and religious significance in the July Budget, there will be a special focus on	Buddhist tourism will get a significant boost. Given the importance and significance of Buddhist destinations in

	destinations related to the life and times of Lord Buddha	India, this would attract international tourists too.
4	Udan scheme to enhance regional connectivity to 120 new destinations	This will further boost last mile connectivity and tourism to lesser-known destinations.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2025 has introduced strategic initiatives aimed at the systematic development and growth of the tourism industry. These initiatives are expected to create jobs, support local businesses, and attract investments into this sector. A strong emphasis on medical tourism will help India remain competitive by offering top-tier medical treatments. Spiritual tourism also remains a key focus, with the development of Buddhist tourism sites, further establishing India as a leading spiritual destination. Boosting local connectivity through the UDAN scheme will also increase tourist footfalls to lesser-known destinations thereby improving the local economy. Additionally, streamlining visa processes and waiving visa fees for certain groups will send a clear message that India is committed to positioning itself as a premier tourism destination. These strategic measures will not only strengthen India's tourism sector but help the economy draw on its vast economic potential.

Water

Budget Outlay for Sector (Rupees Crore)

	2023-24 Actual	2024-25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Overall - **Department of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti**	18538.84	21640.88	25276.83	17%
Outlays for key sectoral schemes				
Scheme A - National River Conservation Plan – Other Basins	346.15	591.12	558.09	-6%
Scheme B - Namani Gange II National Ganga Plan	1922.32	3000.00	3400.00	13%
Scheme C - River basin Management	63.59	143.00	243.00	70%
Scheme D - Water Resources Management	2473.47	1547.80	2435.79	57%
Overall - **Department of Drinking Water and Sanitation, Ministry of Jal Shakti**	76570.13	29916.68	74226.02	148%
Outlays for key sectoral schemes				
Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	69992.34	22694.00	67000.00	195%
Swachh Bharat Mission (Gramin)	6545.96	7192.00	7192.00	0%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Jal Jeevan Mission** 80 per cent of India's rural population have been provided access to potable tap water connections since 2019. The budget has announced extension of Jal Jeevan Mission until 2028 to achieve 100% coverage of rural potable tap water connections.	The strong push towards improving rural infrastructure for potable water and operation and maintenance (O&M) through "Jan Bhagidhari" will be a game-changer in ensuring that the infrastructure is not just built but also maintained effectively.

Women and Child Development

Budget Outlay for Sector (Rupees Crore)

	Actual 2023-2024	Revised 2024-2025	Budget 2025-2026	% change (BE FY26 over FY25)
Overall - Ministry of Women and Child Development	24695.56	23182.98	26889.69	15.99%
Outlays for key sectoral schemes				
Saksham Anganwadi and POSHAN 2.0 (Umbrella ICDS - Angnwadi Services, Poshan Abhiyan, Scheme for Adolescent Girls)	21809.64	20070.90	21960.00	9.41%
Mission Shakti (Mission for Protection and Empowerment for Women)				
SAMBAL (Beti Bacaho Beti Padhao, One Stop Centre, Nari Adalat, Mahila Police Volunteer, Women's Helpline etc.) SAMARTHYA (Shakti Sadan (Swadhar, Ujjawala, Widow Home), Shakhi Niwas (Working Women Hostel), Palna (National Creche Scheme), Pradhan Mantri Matru Vandana Yojana/ National Hub for Women Empowerment/Gender Budgeting/Research/ Skilling/ Trg/ Media etc.)	1521.64	1451.10	3150.00	117.08%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Building Rural Prosperity and Resilience:** A comprehensive multi-sectoral 'Rural Prosperity and Resilience' programme will be launched in partnership with states. This will address underemployment in agriculture through skilling, investment, technology, and invigorating the rural economy. The programme will focus on rural women, young farmers, rural youth, marginal and small farmers, and landless families	The program's emphasis is on skilling and technology adoption will boost productivity, encourage innovation, and improve incomes through diversified farming and market linkages. Empowering ***rural women*** and engaging youth in modern farming techniques and agri-tech solutions will foster inclusivity and entrepreneurship.
2	**India Post as a Catalyst for the Rural Economy:** India Post will to 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.	The transformation of India Post into a large public logistics organization will significantly enhance market access for Viswakarmas, new entrepreneurs, women, self-help groups (SHGs), and MSMEs by providing reliable and cost-effective logistics solutions. This will enable rural producers and artisans to reach broader markets, boosting economic inclusion and rural

		development. Women-led enterprises and SHGs can efficiently distribute products, reducing operational barriers, while large businesses will benefit from affordable services, particularly in remote areas. The modernization of India Post will also support e-commerce growth and drive the adoption of digital tracking and payment systems across rural and semi-urban regions, fostering a more competitive and inclusive business ecosystem.
3	**Scheme for First-time Entrepreneurs:** A new scheme will be launched for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs. This will provide term loans up to 2 crore during the next 5 years.	This scheme will enable access to capital for marginalized groups. The addition of online capacity-building programs for entrepreneurship and managerial skills will enhance their ability to run sustainable businesses, promoting economic empowerment, inclusivity, and long-term growth.
4	**Saksham Anganwadi and Poshan 2.0:** The cost norms for the nutritional support will be enhanced appropriately.	By enhancing the cost norms for nutritional support, the scheme will ensure better quality and more accessible nutrition, addressing malnutrition and promoting overall well-being. This initiative will have long-term positive impacts on maternal and child health, education, and the empowerment of women and girls in underserved regions.
5	**Grameen Credit Score** Public Sector Banks will develop 'Grameen Credit Score' framework to serve the credit needs of SHG members and people in rural areas.	The development of a Grameen Credit Score framework by Public Sector Banks will greatly enhance access to credit for Self-Help Group (SHG) members and people in rural areas. By providing a tailored credit assessment system, it will allow banks to more accurately evaluate the financial credibility of rural individuals, particularly those without formal credit histories. This will enable underserved populations to access financial services, fostering entrepreneurship, improving livelihoods, and supporting the growth of rural businesses and SHGs.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget for FY 2025-2026 has increased the funding for the Ministry of Women and Child Development by 15.99%. which is a positive step.

There is continuity in the government's agenda to promote women development. By providing skills and financial support to women entrepreneurs particularly in rural areas, there is a huge thrust on inclusive development in the budget.

Youth Affairs

Budget Outlay for Sector (Rupees Crore)

	2023 - 24 Actual	2024 - 25 RE	2025-26 BE	% change (BE FY26 over RE FY25)
Ministry of Youth Affairs and Sports				
Outlays for key sectoral schemes				
National Service Scheme	185.61	250.00	450.00	80%
National Young Leaders Programme	7.93	6.00	9.25	54.17%
YUVA Portal- youth leadership and social engagement	-	13.30	90.00	577.0%
Mera Yuva Bharat	-	74.76	82.48	10.31%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Empowering MSMEs and Startups: The government is enhancing investment and turnover limits for MSMEs, allowing them to scale up and create more jobs. With increased credit guarantees and ₹1.5 lakh crore in additional credit over five years, MSMEs and startups, especially in key sectors, will thrive. Additionally, customized Credit Cards with ₹5 lakh limits will be introduced for micro enterprises.	These measures will create vast opportunities for India's youth by fostering a vibrant entrepreneurial ecosystem. With easier access to credit, startups and MSMEs will grow, generating a large number of jobs. Young entrepreneurs will gain financial backing to innovate, adopt new technologies, and build globally competitive businesses. The credit card initiative will aid micro-entrepreneurs in managing finances, while enhanced funding and classifications will help MSMEs scale. This will drive economic growth, self-reliance, and India's emergence as a global economic hub, ensuring a prosperous future for the next generation.
2	**Inclusive Entrepreneurship Support**: A new scheme will empower 5 lakh first-time entrepreneurs, focusing on women, SCs, and STs, offering term loans up to ₹2 crore. It will also provide online training to build entrepreneurial and managerial skills, ensuring young entrepreneurs can confidently grow their businesses.	This initiative will empower young entrepreneurs, especially from underrepresented communities, by providing financial support and skill development to turn their ideas into successful ventures. With increased access to credit, they will be better equipped to create jobs, drive economic growth, and foster a new generation of business leaders shaping India's future.
3	**Regional Development through Skill and Innovation**: A National Institute for Food Technology and Entrepreneurship will be set up in Bihar, fostering innovation and employment in food processing. The institute will provide cutting-edge	This initiative will create vast opportunities for India's youth, especially in food technology and agribusiness. By providing specialized education and training, young minds will drive innovation, establish ventures, and contribute to the agri-economy. The focus on skilling and employment will foster an ecosystem where youth can thrive as job creators and industry leaders, positioning India as a global

	skills to youth, benefiting farmers and promoting self-sufficiency.	hub for food technology and entrepreneurship, ensuring a sustainable future.
4	**PM Research Fellowship**: The government will offer 10,000 fellowships for technological research at IITs and IISc over five years, promoting innovation and research excellence.	This initiative will strengthen India's research landscape, particularly in emerging technologies. By offering more fellowships and financial support, the government will empower top talent at leading institutions, fostering innovation and research breakthroughs. This will enhance India's global standing in tech research and drive solutions to complex challenges, benefiting both the economy and society.
5	**Support for Industry 4.0**: The government will boost the domestic electronic equipment industry to leverage Industry 4.0 opportunities, helping youth utilize their skills in emerging sectors.	This initiative aims to bridge the gap between evolving technology and India's young workforce. By empowering the domestic electronic equipment sector, the Government is fostering innovation, entrepreneurship, and skill development. This will create rewarding opportunities for youth, boost sector growth, and position India as a leader in Industry 4.0, enhancing employability and global competitiveness.
6	**Extended Benefits for Startups**: The government will extend startup benefits under Section 80-IAC until 2030, ensuring continued support for eligible startups.	This extension provides stability and support to India’s start-up ecosystem, allowing businesses to focus on growth and innovation without the pressure of deadlines. With more time to scale, secure funding, and build sustainable models, this move will foster entrepreneurship, attract investments, and enhance India’s global start-up hub status. It will create a thriving ecosystem, driving job creation, technological advancement, and economic progress.
7	**New Fund of Funds for Startups**: A new ₹10,000 crore Fund of Funds will expand support for startups, building on the existing fund with commitments exceeding ₹91,000 crore.	The Government's new initiative will boost the startup ecosystem with an additional ₹10,000 crore to the Fund of Funds, unlocking opportunities for innovation and job creation. By expanding the fund’s scope, startups will gain access to vital capital to scale up.
8	**National Centres of Excellence for Skilling**: Five centres will be set up to equip youth with skills for global manufacturing. These will focus on curriculum, training, and skill certification.	This initiative will transform India’s workforce by equipping youth with advanced skills for the global manufacturing sector. Partnering with global experts, the Government will align curriculum with international standards, ensuring relevant, cutting-edge training. The National Centres of Excellence will foster skill development, driving employability and innovation. A dynamic skills certification framework will keep training programs responsive to industry trends. This initiative will strengthen India’s position as a global manufacturing hub, create quality jobs,

		and fuel economic growth through a skilled workforce.
9	**Expansion of IIT Capacity and AI Excellence**: IITs will increase student capacity, with expanded infrastructure. Additionally, a ₹500 crore Centre of Excellence for AI in education will be established, complementing other AI initiatives.	The government's initiatives to expand IIT capacity and infrastructure will strengthen India's educational framework, producing a highly skilled workforce ready for the global economy. The establishment of a Centre of Excellence in AI for education will enhance India's leadership in AI integration, improving the quality of learning nationwide. These efforts will foster innovation, attract global talent, and equip India's youth with the skills needed to drive future growth and global competitiveness.

Overall Assessment of Budget for Sector's Growth and Development

The Government's comprehensive initiatives outlined in the budget will have a transformative impact on India's youth, equipping them with the necessary resources, skills, and opportunities to thrive in a rapidly evolving global economy. By enhancing the MSME sector's capacity, expanding access to credit, and launching specialized schemes for first-time entrepreneurs, particularly women and marginalized communities, the Government is creating a fertile ground for innovation and job creation. The establishment of National Centres of Excellence for skilling, in partnership with global experts, will provide youth with cutting-edge training, enabling them to contribute to the "Make for India, Make for the World" manufacturing vision. Additionally, the focus on expanding IIT capacities and introducing Centres of Excellence in Artificial Intelligence for education will foster technological expertise, preparing young Indians for leadership in the tech-driven future. With a commitment to supporting startups through extended tax benefits, new funding avenues, and increased access to resources, these measures will nurture a vibrant entrepreneurial ecosystem. Altogether, these initiatives will empower youth across the country, unlocking opportunities for career growth, innovation, and regional development, driving India's future as a global economic leader.

ABOUT FICCI

Established in 1927, Federation of Indian Chambers of Commerce and Industry (FICCI) is the largest and oldest apex business organisation in India. Mahatma Gandhi addressed FICCI's 4th AGM in 1931. Our 97th AGM was held in November 2024. With our rich legacy, FICCI would play an even greater role as India emerges as the 3rd largest economy.

FICCI works with its key stakeholders to foster active engagement and dialogue with decision makers, to support steps that are good for commerce and industry.

As a member-led and member-driven organisation, FICCI represents over 2,50,000 companies across all segments of economy including public, private and multinationals. The diverse membership base of FICCI across all Indian states includes both direct and indirect members through its 300 affiliated regional and state level industry associations. FICCI has a large international presence via partner agreements with 250 national business associations in over 100 countries.

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