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# ECONOMIC NEWSLETTER

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## QUOTE OF THE MONTH

**"This budget will  
increase savings,  
increase investment,  
increase consumption and  
also boost growth rapidly"**

~ Hon'ble Prime Minister  
Sri Narendra Modi

**"Democracy, Demography  
and Demand are  
key pillars of  
Viksit Bharat journey"**

~ Hon'ble Finance Minister  
Smt. Nirmala Sitharaman

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## UNION BUDGET 2025-26 DREAMS, DELIVERED

India's Economy is on a steady growth path an estimated growth rate of 6.8% for FY 2025-26. It is a bright spot amidst a global slowdown and turmoil and remains the fastest growing prominent global economy, a feat that the Modi led NDA has managed for 3 years in a row. There is much to cheer for us as recipients of this strong and stable growth. It is equally important to recognize the visionary leadership of Prime Minister Sri Narendra Modi and the steady hand at the till provided by Finance Minister Smt. Nirmala Sitharaman, who has delivered a record 8<sup>th</sup> Consecutive Union Budget, and a block buster budget at that!

No sector, state or segment has been left untended. And each planned scheme, plan & outlay is characterized by inclusion, impetus & innovation!

### TAX REFORMS

The Union Budget 2025 introduced significant reforms in both direct and indirect taxation, aiming to boost economic growth and simplify the tax system. The headline of course is the increased personal income tax exemption limit to ₹12 lakhs, ensuring that indivi-

duals earning up to this amount pay no tax. This move is expected to benefit millions of middle-class taxpayers, increasing their disposable income and stimulating consumption & savings. Additionally, the budget announced a new Income Tax Bill, promising to streamline the tax code and reduce litigation.

In indirect tax, the budget focussed on rationalizing customs duties by removing seven tariff rates, simplifying the customs tariff structure, and exempting 36 new life-saving drugs from basic customs duty. These reforms are designed to support domestic manufacturing, promote exports, and make essential goods more affordable. The budget also extended duty exemptions to critical minerals and capital goods for electric vehicle battery production, furthering the 'Make in India' initiative.

With inflation rates stabilizing but still a concern, the budget aims to provide relief to the middle class through tax reforms, potentially increasing consumer spending power.

## RURAL INDIA

- **Agricultural Reforms:** The 'Prime Minister Dhan-Dhaanya Krishi Yojana' targets 100 districts for enhanced agricultural productivity. Enhanced loan limit of ₹5 lakh for 7.7 crore farmers *via* Kisan Credit Cards. Pradhan Mantri Matsya Sampada Yojana - Increased allocation to ₹2,465 crore for fisheries infrastructure. Support includes increasing the loan limit under the Modified Interest Subvention Scheme to ₹5 lakh and a mission for self-sufficiency in pulses.
- **Rural Infrastructure:** There's a push for rural connectivity, sanitation, and water management, aiming to bridge the urban-rural divide.

## SOCIAL WELFARE & EMPOWERMENT

Poverty Alleviation: Continuing the drive towards 'Sabka Vikas', the budget focuses on lifting millions out of multi-dimensional poverty through direct benefit transfers and welfare schemes like PM-JANMAN for tribal welfare.

- **Healthcare:** Significant investments are announced in healthcare, with plans for 10,000 new medical seats, daycare cancer centres in district hospitals, and the promotion of medical tourism under "Heal in India".
- **Education:** The establishment of 50,000 Atal Tinkering Labs, AI centers of excellence, and broadband connectivity for schools under BharatNet are steps towards equipping students for future challenges.

A Jan Vishwas Bill 2.0 decriminalizing of over 100 provisions has been announced.

## INFRASTRUCTURE

- **Transport:** The budget allocates funds for new railway corridors, port connectivity, and expanding the UDAN scheme to connect 120 new destinations, enhancing regional connectivity.
- **Energy:** Internationally, India has pledged to achieve

net-zero emissions by 2070. The budget supports this through allocations for green energy projects, reflecting India's commitment to global climate objectives.

- **Urban Sector:** An Urban Challenge Fund of ₹1 lakh crore is proposed with ₹10,000 crore earmarked for 2025-26 to transform cities into growth hubs, with incentives for states to undertake reforms in urban governance and services.

In all ₹11.21 lakh crore has been allocated for infrastructure development.

## INNOVATION

- **Digital India:** The government's investment in digital infrastructure, including cybersecurity, aims to position India as a leader in digital transformation.
- **Startups & AI:** Initiatives like the Deep Tech Fund of Funds and AI Centers of Excellence are designed to foster innovation, with a particular focus on education and healthcare sectors.
- **FDI:** Several key initiatives are announced to foster foreign investment, most notably 100% FDI is now allowed in Insurance

A National Manufacturing Mission promoting large-scale manufacturing and sustainable production has been announced.

## FISCAL PRUDENCE

All these aspirational aims have been met without sacrificing fiscal prudence. The budget sets a fiscal deficit target at 4.4% of GDP, a step towards fiscal consolidation from the previous year's 4.8%.

In Conclusion, India's 2025 Budget while presented in a complex international environment marked by economic uncertainties, uneven inflation and climate change imperatives, manages masterfully to balance growth with inclusivity, sustainability with immediate economic needs, and national development with global integration.

Somehow amidst all this personal income tax relief, a long-standing demand of the middle class has also been met. By focusing on both domestic priorities and international positioning, the budget aims to navigate India through these multifaceted challenges positioning India to harness its demographic dividend and achieve 'Viksit Bharat' by 2047. All Aspirations have been fulfilled. New dreams have been ignited. ■

**PRASHANTH G. S.**

*Convener, Economic Cell - BJP Karnataka*



# VIKSIT BHARAT'S BHUMI PUJAN

The ambitious vision of Viksit Bharat was launched by Sri Narendra Modi with the aim of making our country a developed one by 2047. This year's budget has provided a stepping stone towards that vision. It encompasses several key aspects: eradicating poverty, ensuring 100% quality school education, providing accessible and affordable high-quality healthcare, achieving full employment with skilled labour, increasing women's participation in economic activities to 70%, and establishing India as the world's "food basket."

Viksit Bharat will run on 4 main engines with reforms as fuel and inclusivity as the driving force. - Agriculture, MSMEs, Investment, and Exports.

## AGRICULTURE AS 1<sup>st</sup> ENGINE



The Modi government is truly living up to the slogan coined by Sri Lal Bahadur Shastri - "Jai Jawan, Jai Kisan!". The Prime Minister **Dhan-Dhaanya Krishi Yojana**, is set to transform agriculture in 100 districts facing low productivity, moderate crop intensity, and below-average credit parameters. This comprehensive program aims to enhance agricultural productivity, promote crop diversification and sustainable practices, improve post-harvest storage at panchayat and block levels, enhance irrigation facilities, and facilitate better access to long-term and short-term credit benefiting approximately 1.7 crore farmers.

The government is also launching a 6-year "**Mission for Atmanirbharta in Pulses**" with a special focus on Tur, Urad and Masoor, responding to the increased consumption of pulses due to rising incomes and better affordability. Central agencies like NAFED and NCCF will be prepared to procure these 3 pulses from registered farmers over the next 4 years, ensuring a stable market for pulse producers.

The central government will also implement the **National Mission for Edible Oilseed** for achieving

Atmanirbharta in edible oils. Our farmers will be empowered to grow enough for our needs and more.

To support specific regional products, a **Makhana Board** will be established in Bihar, to focus on improving the production, processing, value addition, and marketing of makhana. The **National Mission on High Yielding Seeds** aims to strengthen & propagate seeds with high yield, pest resistance and climate resilience, and ensure the commercial availability of more than 100 seed varieties released since July 2024.

Recognizing India's position as the 2<sup>nd</sup> largest global producer in fish & aquaculture, the govt plans to create an enabling framework for sustainable harnessing of fisheries from the Indian Exclusive Economic Zone and High Seas. This initiative will have a special focus on the Andaman & Nicobar and Lakshadweep Islands, to unlock the untapped potential of the marine sector.

In pursuit of self-reliance in urea production, a new plant with an annual capacity of 12.7 lakh metric tons will be set up at Namrup, Assam. This adds to the government's efforts to reopen dormant urea plants in the Eastern region.

## INDIA LIVES IN ITS VILLAGES

As Mahatma Gandhi once said - "India lives in its villages" which has been the motto of the Modi government as well. Along with the plans for the agriculture sector, the govt plans to launch a multi-sectoral '**Rural Prosperity & Resilience**' program in partnership with states.

This initiative addresses under-employment in agriculture with the ultimate goal of invigorating the rural economy with a focus on rural women, young farmers, rural youth, marginal and small farmers, and landless families. It aims to create ample opportunities in rural areas, making migration an option rather than a necessity.

The government will provide support to the **National Co-operative Development Corporation (NCDC)** for its lending operations in the co-operative sector, further strengthening the rural financial infrastructure. To enhance credit availability, the loan limit under the **Modified Interest Subvention Scheme for Kisan Credit Cards (KCC)** will be increased from ₹ 3 lakh to ₹ 5 lakh. This change will benefit 7.7 crore farmers, fishermen, and dairy farmers who rely on KCC for short-term loans.

India Post, with its vast network of 1.5 lakh rural post offices and 2.4 lakh Dak Sevaks, will be repositioned to act as a catalyst for the rural economy. It will also be transformed into a large public logistics organization to meet the rising needs of various sectors, including Viswakarmas, new entrepreneurs, women, self-help groups, MSMEs, and large business organizations.

## MSME AS 2<sup>ND</sup> ENGINE



MSMEs (Micro, Small & Medium Enterprises) are emerging as a crucial engine for India's development, second only to agriculture. With over 1 crore registered MSMEs employing 7.5 crore people and generating 36% of India's manufacturing output, these enterprises are positioning India as a global manufacturing hub.

Recognizing the potential of MSMEs, the Indian govt is implementing several measures to boost their growth and efficiency. A key initiative is the revision of classification criteria for MSMEs. The investment and turnover limits for all MSMEs will be enhanced to 2.5 and 2 times their current levels, respectively. This change aims to help these enterprises achieve higher efficiencies of scale, facilitate technological upgradation, and improve access to capital.

To enhance credit availability, the government is significantly increasing credit guarantee cover for various sectors. For Micro & Small Enterprises, the cover will be raised from ₹ 5 crore to ₹ 10 crore, potentially leading to an additional credit of ₹ 1.5 lakh crore over the next 5 years. Startups will see their guarantee cover doubled from ₹ 10 crore to ₹ 20 crore, with reduced guarantee fees for loans in 27 focus sectors crucial for Atmanirbhar Bharat. Well-run exporter MSMEs will also benefit from increased term loan guarantees up to ₹ 20 crore.

In a move to support micro enterprises, the govt plans to introduce **customized Credit Cards** with a ₹ 5 lakh limit for those registered on the **Udyam** portal. The initial target is to issue 10 lakh such cards in the 1<sup>st</sup> year. Additionally, a new Fund of Funds with an expanded scope and a fresh contribution of ₹ 10,000 crore will be set up to support startups, complementing the existing fund that has already received commitments of over ₹ 91,000 crore.

The government is also focusing on labor-intensive sectors to promote employment and entrepreneurship. A **Focus Product Scheme** for the footwear and leather sectors aims to enhance productivity, quality, and competitiveness, potentially creating employment for 22 lakh persons and generating a turnover of ₹ 4 lakh crore. Similarly, a scheme to make India a global hub for toys will be implemented, focussing on cluster development, skills, and a manufacturing ecosystem.

## INVESTMENT AS 3<sup>RD</sup> ENGINE



Investment as the 3<sup>rd</sup> engine can be again categorized into investing in people, investing in the economy, and investing in innovation.

### INVESTING IN PEOPLE

As Dr. APJ Abdul Kalam rightly said - "Education is the most powerful weapon which you can use to change the world". The Union Budget 2025 places a strong emphasis on investing in people, recognizing that human capital is crucial for India's development.

The **Saksham Anganwadi** and **Poshan 2.0** programme is set to receive a boost with enhanced cost norms for nutritional support. This program currently provides essential nutritional assistance to over 8 crore children, 1 crore pregnant women and lactating mothers, and about 20 lakh adolescent girls in aspirational districts and the North-East region.

In the realm of education and innovation, the budget proposes the establishment of 50,000 **Atal Tinkering Labs** in govt schools over the next 5 years. These labs are designed to cultivate curiosity, foster innovation, and promote scientific thinking among young minds.

To bridge the digital divide, the govt plans to provide broadband connectivity to all govt secondary schools and Primary Health Centers in rural areas under the **Bharatnet** project.

The **Bharatiya Bhasha Pustak** Scheme is another noteworthy initiative aimed at providing digital-form Indian language books for school & higher education. This scheme is designed to help students better understand their subjects by offering educational materials in their native languages, thereby promoting inclusive education.

Higher education also receives significant attention in the budget. The govt plans to create additional infra-



structure in 5 IITs started after 2014 to accommodate 6,500 more students.

In the field of Artificial Intelligence, a Centre of Excellence in AI for education will be set up with a total outlay of ₹ 500 crore. This initiative builds upon the previously announced AI centres for agriculture, health & sustainable cities, demonstrating the govt's focus on leveraging technology for societal development.

The healthcare sector sees significant investment with plans to add 10,000 additional seats in medical colleges and hospitals in the next year, working towards the goal of adding 75,000 seats in the next 5 years. Additionally, the government aims to facilitate the setting up of **Day Care Cancer Centres** in all district hospitals over the next 3 years, with 200 centres to be established in 2025-26.

Urban Development & Welfare also feature prominently in the budget. A scheme for socio-economic upliftment of urban workers will be implemented to improve their incomes and quality of life.

The PM **SVANidhi** scheme, which has already benefited over 68 lakh street vendors, will be revamped with enhanced loans, **UPI-linked Credit Cards**, and capacity-building support.

Lastly, the budget recognizes the contribution of gig workers in the new-age services economy. The govt plans to provide them with identity cards, registration on the e-Shram portal, and healthcare coverage under **PM Jan Arogya Yojana**, potentially benefiting nearly 1 crore gig workers.

## INVESTING IN ECONOMY

Investing in the economy is as good as investing in people and the country. The Union Budget 2025 outlines a very detailed and thoughtful strategy, focussing on infrastructure development, urban renewal, energy transition, and various sector-specific initiatives. The budget emphasizes **Public-Private Partnerships** (PPP) and state involvement to drive economic growth and development across the country.

Infrastructure development takes center stage in the budget, with each infrastructure-related ministry tasked to create a 3-year pipeline of PPP projects. The government has proposed an outlay of ₹ 1.5 lakh crore for 50-year interest-free loans to states for capital expenditure and reform incentives, further bolstering infrastructure development at the state level.

Building on the success of the first **Asset Monetization Plan** announced in 2021, the government plans to launch a second plan for 2025-30, aiming to plough back ₹ 10 lakh crore in new projects.

The govt plans to set up an **Urban Challenge Fund** of ₹ 1 lakh crore to implement proposals for '**Cities as Growth Hubs**', '**Creative Redevelopment of Cities**', and '**Water & Sanitation**'. This fund will finance up to 25% of the cost of bankable projects, with the stipulation that at least 50% of the cost is funded from bonds, bank loans, and PPPs. An initial allocation of ₹ 10,000 crore is proposed for 2025-26.

In the energy sector, the budget announces a **Nuclear Energy Mission** for Viksit Bharat, aiming to develop at least 100 GW of nuclear energy by 2047. This includes a ₹ 20,000 crore outlay for Research & Development of **Small Modular Reactors** (SMRs), with a goal to operationalize at least 5 indigenously developed SMRs by 2033.

The maritime sector receives a significant boost with the revamping of **Shipbuilding Financial Assistance Policy** and the establishment of a **Maritime Development Fund** with a corpus of ₹ 25,000 crore.

In the aviation sector, a modified **UDAN** scheme is set to be launched, aiming to enhance regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years. The scheme will also support helipads and smaller airports in hilly, aspirational, and North East region districts.

Additionally, greenfield airports will be facilitated in Bihar to meet the state's future needs.

To address housing needs, the budget announces **SWAMIH Fund 2**, a blended finance facility with a ₹ 15,000 crore fund aimed at expediting the completion of another 1 lakh housing units. The original SWAMIH fund, has already completed 50,000 dwelling units.

The budget proposes developing the top 50 tourist destinations in partnership with states through a challenge mode. Various measures to facilitate employment growth in the tourism sector are outlined. The budget also emphasizes promoting medical tourism and "**Heal in India**" initiative in partnership with the private sector.

## INVESTING IN INNOVATION

Dr. Satish Dhawan once said - "It is not technology that guarantees social objectives - it is people who must decide." This quote talks of how technology can be used for social welfare depending on how the people decide to use it. The right people in the right positions must give a boost for technology to develop and be used for Loka Kalyan.

At the forefront of these efforts is a substantial allocation of ₹ 20,000 crore to implement a **private sector-driven Research, Development & Innovation initiative**. This significant investment underscores the

govt's recognition of the private sector's potential to drive cutting-edge research & technological advancements. To further support this ecosystem, the budget proposes exploring the establishment of a **Deep Tech Fund of Funds**. This fund aims to catalyse the next generation of startups, particularly those working on advanced technologies that have the potential to create significant impact across various sectors.

Recognizing the importance of nurturing young talent in technological research, the government plans to enhance the **PM Research Fellowship** scheme. Over the next 5 years, 10,000 fellowships will be provided for technological research in prestigious institutions such as IITs and IISc, with enhanced financial support.

The budget also addresses the critical area of food and nutritional security through innovation in agriculture. The establishment of a second **Gene Bank** with 10 lakh germplasm lines is a forward-looking measure aimed at conserving genetic resources for future food security.

In the realm of geospatial technology, the budget announces the launch of a **National Geospatial Mission**. This mission aims to develop foundational geospatial infrastructure and data, leveraging the PM **Gati Shakti** framework.

Recognizing the importance of preserving and leveraging India's rich cultural & intellectual heritage, the budget introduces the **Gyan Bharatam Mission**. This ambitious project aims to survey, document, and conserve India's manuscript heritage, covering more than 1 crore manuscripts. Additionally, the establishment of a National Digital Repository of Indian knowledge systems will facilitate knowledge sharing and preservation of India's intellectual wealth in a digital format, making it accessible to researchers and the public alike.

## EXPORTS AS 4<sup>th</sup> ENGINE



As PM Narendra Modi said - "Let us come together and think of ways India does not have to import but we export to the world." Central to this strategy is the establishment of an **Export Promotion Mission**, a collaborative effort driven jointly by the Ministries of Commerce, MSME, and Finance. This mission is designed to set and achieve sectoral and ministerial

targets, facilitating easy access to export credit, providing cross-border factoring support and assisting MSMEs in navigating non-tariff measures in overseas markets. This integrated approach aims to address key challenges faced by exporters and create a more conducive environment for export growth.

To streamline international trade processes, the govt plans to introduce '**Bharat Trade Net**' (BTN), a digital public infrastructure for international trade. This unified platform will handle trade documentation and financing solutions, complementing the existing **Unified Logistics Interface Platform**. BTN is expected to significantly reduce the complexities & inefficiencies in cross-border trade, making Indian exports more competitive globally.

Recognizing the importance of integrating with global supply chains, the budget outlines measures to support the development of domestic manufacturing capacities. Sectors will be identified based on objective criteria, and facilitation groups comprising senior officers and industry representatives will be formed for select products and supply chains. This initiative is particularly focussed on leveraging opportunities related to **Industry 4.0**, which requires high skills and talent. The government plans to support the domestic electronic equipment industry to capitalize on these opportunities, benefiting the youth who possess the necessary skills and talent.

To further enhance India's global competitiveness, the budget proposes the formulation of a national framework to guide states in promoting **Global Capability Centres** (GCCs) in emerging tier-2 cities. This framework will suggest measures for enhancing the availability of talent & infrastructure, implementing building by-law reforms, and establishing mechanisms for collaboration with industry. By encouraging the development of GCCs beyond major metropolitan areas, this initiative aims to distribute economic growth more evenly across the country and tap into the talent pool in smaller cities.

The budget also addresses the critical area of air cargo infrastructure, recognizing its importance in facilitating exports, particularly of high-value perishable horticulture produce. The govt plans to facilitate the upgradation of infrastructure and warehousing for air cargo, while also streamlining cargo screening and customs protocols to make them more user-friendly.

These improvements are expected to enhance the efficiency of air cargo operations, reducing transit times and costs for exporters. ■

*Authored by the* **EDITORIAL TEAM**

*Economic Newsletter*



# BUDGET 2025-26 HIGHLIGHTS

## INDIA - THE FASTEST GROWING ECONOMY AMONG ALL MAJOR ECONOMIES.

Next 5 years is seen as a unique opportunity to realize 'Sabka Vikas', stimulating balanced growth of all regions.

Viksit Bharat encompasses zero poverty, 100% quality education and comprehensive healthcare.

### 5 OBJECTIVES OF BUDGET 2025-26

- Accelerate Growth
- Secure Inclusive Development
- Invigorate Private Sector Investment
- Uplift Household Sentiment
- Enhance spending power of India's rising middle class

### 10 BROAD AREAS

This year's budget proposals span 10 broad areas. Focusing on **POOR, YOUTH, ANNADATA** (farmer) & **NAARI** (women), spurring **AGRICULTURAL GROWTH & PRODUCTIVITY**, building **RURAL PROSPERITY & RESILIENCE**, and taking everyone together on an **INCLUSIVE GROWTH PATH**, boosting manufacturing and further **MAKE IN INDIA**, supporting **MSMEs**, enabling **EMPLOYMENT-LED DEVELOPMENT**, investing in **PEOPLE, ECONOMY & INNOVATION**.



### 6 DOMAINS FOR REFORMS

- Taxation
- Power Sector
- Urban Development
- Mining
- Financial Sector
- Regulatory Reforms



### AGRICULTURE

- **Atmanirbharta Mission'** for pulses launched - Programme to be spread over 6 years aimed at bringing about self-sufficiency in pulses production.
- **Kisan Credit Card** - Facilitates loans for 7.07 farmers. Loan limit will be increased from ₹3 lakh to ₹5 lakh under KCC.
- **Makhana Board in Bihar** announced for value addition and processing.
- **Dhan Dhanya Krishi Yojana** in partnership with states. Scheme to cover 100 Districts. Says 1.7 crore farmers will be benefitted.
- **National Mission on High Yielding Seeds.**



## MSMEs

- **Credit Guarantee Cover for MSMEs to be increased**
  - Start-ups to ₹ 20 cr from ₹ 10 cr
  - MSME: to ₹ 10 cr from ₹ 5 cr
- **Customised Credit Cards** worth ₹ 5 lakh limit credit cards to **MICRO SMEs**.
- A new **Fund of Funds** with a corpus of ₹ 10,000 crore will be established to invest in start-ups.
- **Investment & Turnover limits** for all MSMEs will be **enhanced 2.5 and 2 times**, respectively.
- The govt will create a model **Bilateral Investment Treaty** to foster a more investment-friendly environment and encourage sustained Foreign Investment.

## EDUCATION

- **10,000 additional seats** to be added in **medical colleges**, aim to add **75,000 seats in next 5 years**.
- A **Centre of Excellence in AI** for education to be set up with outlay of ₹ 500 crore.
- **50,000 Atal Tinkering Laboratories (ATLs)** will be set up in **government schools** in the next 5 years to foster scientific temper in young minds. Broadband connectivity to be provided to all secondary schools.
- **5 National Centres of Excellence for Skilling** will be established to equip the youth with the necessary skills for global opportunities. The Finance Minister also promised global skill-ing partnerships to enable India to become a key player in global manufacturing.
- **Infrastructure** will be **expanded in IITs** set up after 2015, allowing for 6,500 more students across 5 IITs.



## TOURISM

- The modified **UDAN Scheme** will be launched to **connect 120 new destinations** and cater to 4 crore passengers over the next 10 years.
- **Greenfield airports** will be facilitated in **Bihar** to support this expansion.
- **PM Gati Shakti data** will be made accessible to the **private sector**, 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**.



## MANUFACTURING

- A new scheme will be launched for 5 lakh women, SC, and ST first-time entrepreneurs to provide term loans of up to ₹ 2 crore over the next 5 years.
- The **Clean-Tech Mission** will be launched to boost clean-tech manufacturing, focusing on solar PV, EVs, and batteries.
- A new **manufacturing mission under the Make in India initiative** will support Small, Medium & Large Industries through comprehensive policy backing and a detailed framework. The mission aims to create an ecosystem for solar PV cells, electrolyzers, and grid-scale batteries.





## ENERGY

- **100 GigaWatt (GW) of nuclear energy by 2047** is essential for energy transition.
- **Power sector reforms and augmentation of capacity** to be incentivised.
- Additional borrowing of 0.5% of Gross State Domestic Product by states, **nuclear energy mission for R&D of small modular reactors** with an outlay of ₹ 20,000 crore will be set up.
- **A new scheme** will be implemented for the **socio-economic upliftment of urban workers**, with enhanced loan opportunities **through PM Swanidhi**.



## FISCAL POLICY

- **The fiscal deficit for FY-25 is set at 4.8%**, while the estimated fiscal deficit for FY-26 stands at 4.4%.
- **The Revised Estimate of the total receipts other than borrowings is ₹ 31.47 lakh crore**, of which the net tax receipts are ₹ 25.57 lakh crore. The Revised Estimate of the total expenditure is ₹ 47.16 lakh crore, of which the capital expenditure is about ₹ 10.18 lakh crore.

## FDI

- **The Foreign Direct Investment (FDI) limit in the insurance sector has been raised from 74% to 100%**. This applies to insurers who invest their entire premium within India.
- The government **aims to manage the Fiscal Deficit** while ensuring a steady decline in debt over the years.



## TAXATION

- **A new Income Tax Bill is set to be introduced**, adopting a "trust first, scrutinize later" approach.
- **Propose removal of 7 tariff rates** over an above those in removed in earlier budget. Only 8 tariff rates to remain after the new move.
- The new Income Tax Bill will retain nearly half of the existing provisions and **introduce personal income tax reforms with a focus on the middle class**.
- **TDS & TCS rationalisation with focus on middle class** - The Tax Deducted at Source (TDS) and Tax Collected at Source (TCS) regime by reducing the number of rates and adjusting thresholds.
- Threshold limit for TCS on LRS remittances has been **increased from ₹ 7 lakh to ₹ 10 lakh**.
- **TDS threshold limit on rent has been raised to ₹ 50,000 per month or part of month**.
- It is proposed to **remove TCS on education loans up to ₹ 10 lakh** from specified financial institutions.
- **Time limit to file updated tax returns extended to 4 years**.
- **2 self occupied properties in place of 1 can be valued at 'Nil'**.

### ● Personal Taxation

No Income Tax payable up to 12 lakh

Revised tax rate structure as follows:

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



**Pradhan Mantri Mudra Yojna**



Empowers non-corporate, small enterprises with collateral free loans up to ₹ 10 lakh

Gives flexibility to use funds for business expansion or modernisation

Beneficiaries: **47 crore**

Amount Sanctioned: ₹ 27.7 lakh crore, with 51% beneficiaries belonging to SC, ST & OBC communities

69% of the 44.46 crore loans have been sanctioned to women

## Khelo India

### Budgetary Allocation: ₹ 1,000 crore

The scheme promotes excellence in sports

23,080 athletes supported


2,781 athletes are being provided coaching, medical care, etc

#### Increase in Paralympic Medals

Year	Medals	Increase
2012	1	29x Increase
2024	29	

#### Increase in Asian Games Medals

Year	Medals	Increase
2014	57	2x Increase
2022	107	




## ANNADATA

Budgetary Allocation to Ministry of Agriculture and Farmers Welfare (in ₹ crore)

Year	Allocation	Increase
2013-14	27,663	5x Increase
2025-26	1,37,756	

Budgetary Allocation to Ministry of Fisheries, Animal Husbandry and Dairying (in ₹ crore)

Year	Allocation	Increase
2013-14	2,110	3.6x Increase
2025-26	7,544	



### IMPACT

- 3 dormant Urea plants re opened in Eastern India
- Urea plant with an annual capacity of 12.7 lakh metric tonnes will be set up in Assam

Availability of high-quality urea to farmers at cheap prices to boost productivity





## Agriculture Infrastructure Fund

### Budgetary Allocation: ₹ 900 crore

#### Impact

- Medium to long-term debt financing for post-harvest management
- Pilot project launched for godowns in 500 Primary Agricultural Credit Societies (PACS) and for computerization of 18,000 PACSS
- Reduces input costs and wastage of produce, and increases farmers income
- Increases access to quality, affordable and diverse crops

**84,159 Projects**

### Institutional Credit For Agriculture Sector

#### Impact



₹ 25.48 lakh crore

₹ 7.30 lakh crore

3.5x Increase in ground-level disbursement

2013-14 to 2023-24

- Average Annual Growth Rate: 4.18%, over the last five years
- Farmers provided 109 high yielding varieties of seeds
- Installation of over 5 lakh solar pumps under PM KUSUM

### Rashtriya Gokul Mission

Development and conservation of indigenous cattle and buffalo breeds

146 MMT to 231 MMT


57.6% Increase in milk production

2013-14 to 2022-23

1,648 KG per animal per year to 2,048 KG per animal per year

24.3% Increase in productivity of dairy products

2013-14 to 2021-22



## NARI

### Budgetary Allocation To the Ministry of WOMEN & CHILD DEVELOPMENT (in ₹ crore)

₹ 26,890

₹ 20,440

32% Increase

2013-14 to 2025-26

#### INVESTMENT IN WOMEN CENTRIC SCHEMES

₹ 97 thousand crore to ₹ 3.3 lakh crore

3.5x Increase

2013-14 to 2024-25


5 lakh SC/ST women will get loans up to ₹ 2 crore over five years

₹ 12,500 crore allocated under PM POSHAN

#### SAKSHAM ANGANWADI AND POSHAN 2.0

Provide nutritional support to:

- 8+ crore children
- 1 crore pregnant and lactating mothers
- 20 lakh adolescent girls.



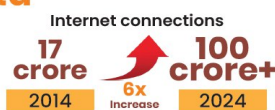

## CUSTOMS

- The Finance Minister announced exemptions from Basic Customs Duty (BCD) for 36 life-saving drugs, 35 additional capital goods for EV manufacturing, and wet blue leather. BCD on flat panel displays will increase from 10% to 20%, while duty on fish paste will be reduced from 30% to 5%.
- The time limit for provisional assessments in customs has been set at 2 years. This applies specifically to customs assessments.

## "Vanchito Ko Variyata" as Guiding Principle

- 25 crore+ people escaped Multidimensional Poverty

- Covid Management: Free ration for 80 crore people; 200 crore+ vaccine doses



## Pradhan Mantri Garib Kalyan Anna Yojana

Budget: ₹ 2,03,000 crore  
Beneficiaries: 81.35 crore

Alleviates financial burden and ensures access to essential nutrition



## Pradhan Mantri Jan Dhan Yojana

Beneficiaries: 54.40 Crore

- 37.2 crore free of cost RuPay cards issued with in-built accident insurance cover of ₹ 2 lakh to promote digital transactions
- Mudra loan sanctions growing at a 9.8% CAGR (FY19-FY24)
- 308% increase in Average Deposit per A/C in domestic savings in the last decade
- Total DBT transfers have risen to ₹ 41.46 lakh crore

## Pradhan Mantri Awas Yojana

Budget: ₹ 78,126 crore  
Beneficiaries: 3.45 crore



₹ 5.14 lakh crore central assistance released

Beneficiaries provided ₹ 1.2 lakh as housing finance

1.2 crore direct and indirect employment generated



Apart from housing assistance, beneficiaries get 90-95 days of work under MGNREGA and ₹ 12,000 for toilets under Swachh Bharat Mission

## Jal Jeevan Mission

### Har Ghar Jal

Budget: ₹ 67,000 crore  
Beneficiaries: 15.42 crore rural households

11 States/UTs achieved 100% tap water connections in rural households  
Extended until 2028 to achieve 100% coverage



#### Tap water connections



#### Household Coverage



## PM Shram Yogi Maandhan Yojana

Budget: ₹ 244 crore

45.92 lakh workers enrolled

Assured Pension of ₹ 3,000 per month after the age of 60 for unorganized sector workers



Budget: ₹ 308 crore

Gross enrolments crossed 7 crore

For citizens of 18-40 years, encouraging regular savings for retirement

Lifelong monthly pension of ₹ 1,000 to ₹ 5,000 from the age of 60 years



## Budgetary Allocation To The Ministry of YOUTH WELFARE and SPORTS (in ₹ crore)



₹ 1,219



2013-14

₹ 3,794



2025-26



## Pradhan Mantri Kaushal Vikas Yojana 4.0

Beneficiaries: 1.48 crore

Promotes industry partnerships and introduces innovative courses

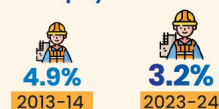
Training locations 12,257

Candidates placed 24.3 lakh

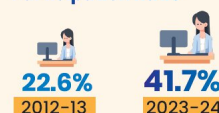
QS World Future Skills Index Digital Skills Readiness

India's rank 2nd

#### Unemployment rate



#### Women Labour Force Participation Ratio



Increase in Labour Force Participation in rural women from 2017-23





## OTHER SCHEMES

- **Focused product scheme** to be launched for **footwear, leather sector**.

A dedicated scheme for India's footwear and leather sector, expected to generate employment for 22 lakh individuals, achieve a revenue of ₹ 4 lakh crore, and boost exports to over ₹ 1.1 lakh crore.

- **Scheme to make India global hub for toys.**
- FM announces **Social Security Scheme for Online Platform & Gig Workers.**
- **PM Swanidhi Scheme** will be revamped with higher loan limits and the introduction of a ₹ 30,000 UPI-linked credit card.

The government will also facilitate **Identity Card Issuance & Registration on the e-Shram portal for gig workers**, providing insurance coverage for nearly 1 crore workers.

A **scheme for socio-economic upliftment of urban workers** will be implemented to help them improve their incomes.

- **Saksham Anganwadi and Poshan 2.0 programs** will provide vital nutritional support to 8 crore children, 1 crore mothers, and 20 lakh adolescent girls, focusing on lactating women, adolescent girls, and children.
- **Mudra loans** to be provided to homestays.
- **Jan Vishwas 2.0 bill** to decriminalise over 100 provisions in existing laws.

### ● **RURAL DEVELOPMENT:**

The **National Geo-Spatial Mission** will modernise land records.

**India Post** will be transformed as a large public logistics organization to act as a catalyst for the rural economy.

- The Government will extend the **time limit for Export of Railway Goods** from 6 months to one year which will be further extendable by one year.
- A **National Institute of Food Technology, Entrepreneurship and Management** will be set up in Bihar.
- Financial assistance for **Western Kosi Canal Project** in Mithilanchal.

- The **Shipbuilding Financial Assistance Policy** will be revamped with the establishment of a **Maritime Development Fund**, having a corpus of ₹25,000 crore. The govt will contribute 49% to this fund.



- Government to establish ₹1 lakh crore **Urban Challenge Fund** for growth hubs.
- **Extend Jal Jeevan Mission** - 15 crore households have been provided portable tap water access under Jal Jeevan Mission.
- **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.
- **Banks will be required to maintain a Grameen Credit Score for self-help groups** to facilitate better financial access and support.



- **200 Cancer Centres** will be established in 2025-26.



- The govt will introduce **streamlined e-visa facilities** along with visa-fee waivers for certain tourist groups.
- **Medical Tourism & Heal In India** will be promoted in partnership with the private sector, through capacity building and easier Visa norms.



# FOCUS KARNATAKA



## BUDGET ALLOCATION (RAILWAYS)

(₹ in Crore)

#	Items	2009-14	2025-26
1	Annual Average	835	7,564 (9 times)

## WORKS

#	Items	Average per year		
		2009-2014	2014-25	
1	New tracks (in Km)	113	150 (1.3x)	
2	Electrification (in RKm)	18	294 (16x)	96.5% electrified

- Constructed **1,652 Km of new tracks in Karnataka since 2014** which is more than the entire rail network of Sri Lanka.
- Electrified 3,233 Km since 2014:** Karnataka is 96.5% electrified.
- 61 Amrit stations of ₹ 1,981 crore are being developed.
- Ongoing Projects (New tracks): **31 projects; 3,840 Km; ₹ 47,016 crore.**

KAVACH (Fig. in RKm)		(Fig. in RKm)
Deployed	Work / Tender in progress	Total Sanctioned
132	1,672	1,703

- 644 Rail Flyovers & Under-bridges constructed since 2014**
- Passenger amenities provided since 2014:**  
Lift: 61 | Escalator: 43 | Wifi (No. of Stations): 335
- Running 10 Vande Bharat covering 12 districts having 18 unique stoppages in Karnataka**
- 1 Amrit Bharat Express (Malda Town - Bengaluru), covering 1 dist having 1 unique stoppage in Karnataka**
- 61 stations will be developed as Amrit stations:**

Almatti, Alnavar, Arsikere Junction, Badami, Bagalkot, Ballary, Bangalore Cantt., Bangarpet, Bantwala, Belagavi, Bidar, Bijapur, Channapatna, Channasandra, Chamarajanagar, Chikkamagaluru, Chikodi Road,

Chitradurga, Davangere, Dharwad, Dodballapur, Gadag, Gangapur Road, Gangavathi, Ghataprabha, Gokak Road, Gubbi, Harihar, Hassan, Hosapete, Kalaburagi Jn (Gulbarga), Kengeri, Koppal, Krantivira Sangolli Rayanna (Bengaluru), Malleswaram, Malur, KR Puram, Mandya, Mangalore Central, Mangalore Jn, Munirabad, Mysuru Jn, Raibag, Raichur, Ramanagara, Ranibennur, Sagar Jambagaru, Sakleshpur, Shahabad, Shivamogga Town, Shree Siddharoodha Swamiji Hubballi Jn, Shravanabelgola, Subramanya Road, Talguppa, Tiptur, Tumakuru, Udupi, Whitefield, Wadi, Yadgir & Yesvantpur.

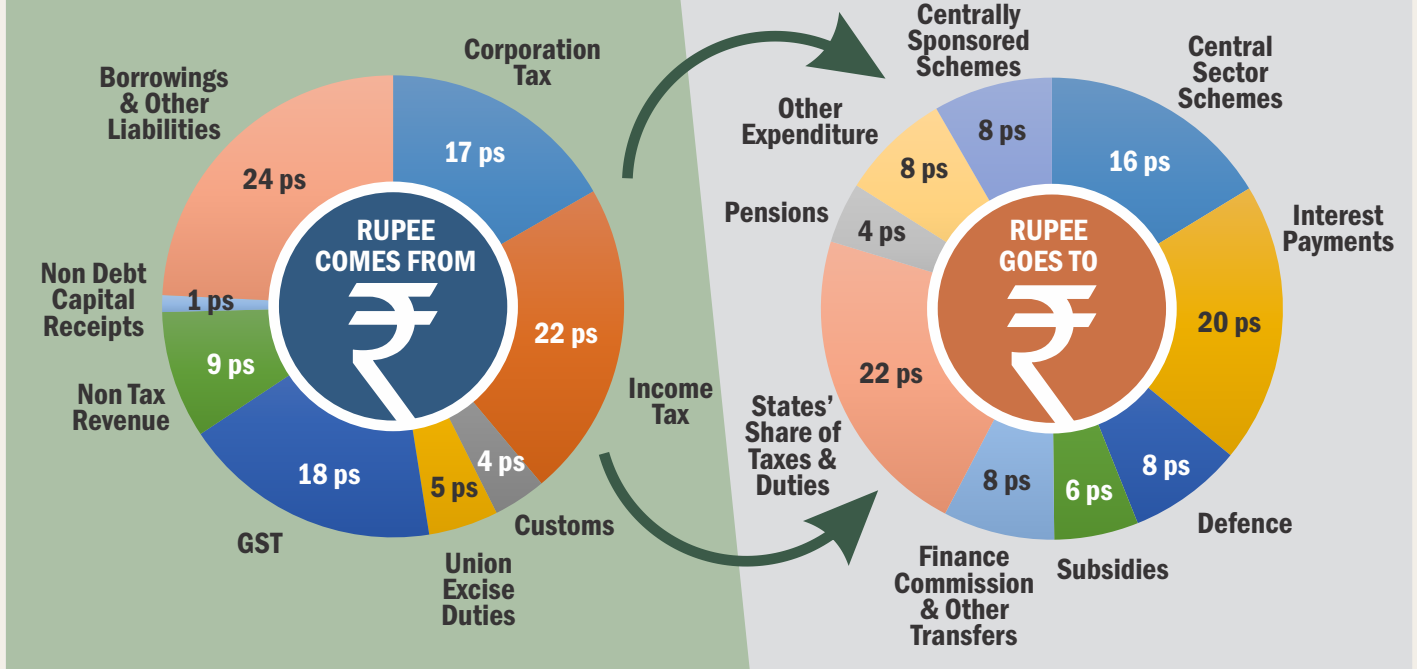
## STATION REDEVELOPMENT PROGRESS

#	Station Name	Cr	Status
1	Sir M. Visvesvaraya Terminal	300	Commissioned on 06.06.2022.
2	Yesvantpur	367	Structural works of East side station building and Multi Level Car Parking have been completed and finishing works are in progress. Foundation work of the South side station building has been started. Foundations and column fabrication of the air concourse is in progress.
3	Bangalore Cantt.	485	Structural framework of South side station building is in progress. Foundation work of North side station building is in progress. Foundations and column fabrication of the air concourse and two Foot Over Bridges are under progress.
4	Tumakuru	88	Tender has been invited, tender opening is due on 31.03.2025.
Total Cost		1,240	

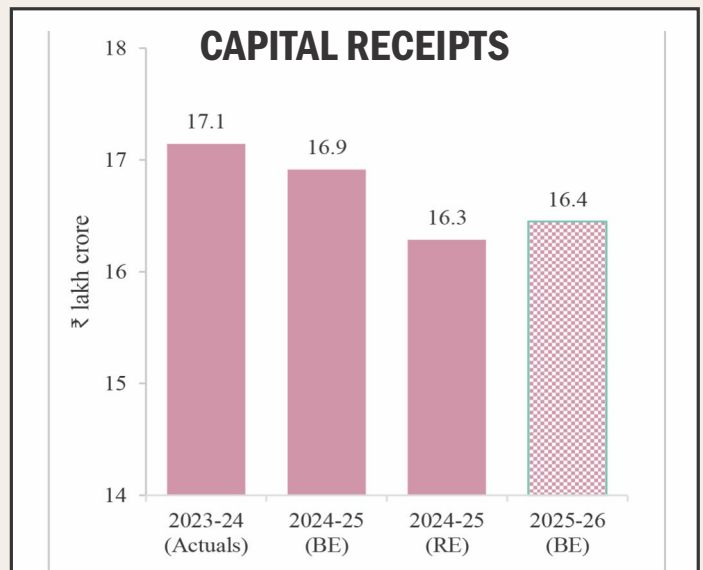
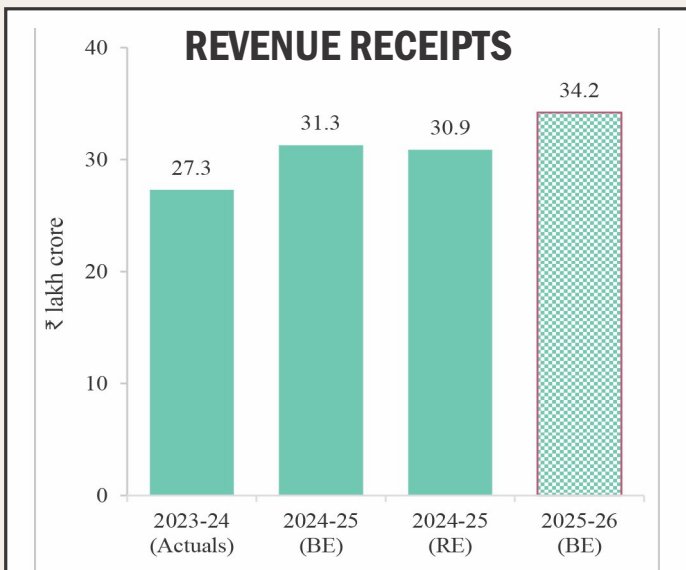
# INFOGRAPHICS

## UNION BUDGET 2025-26

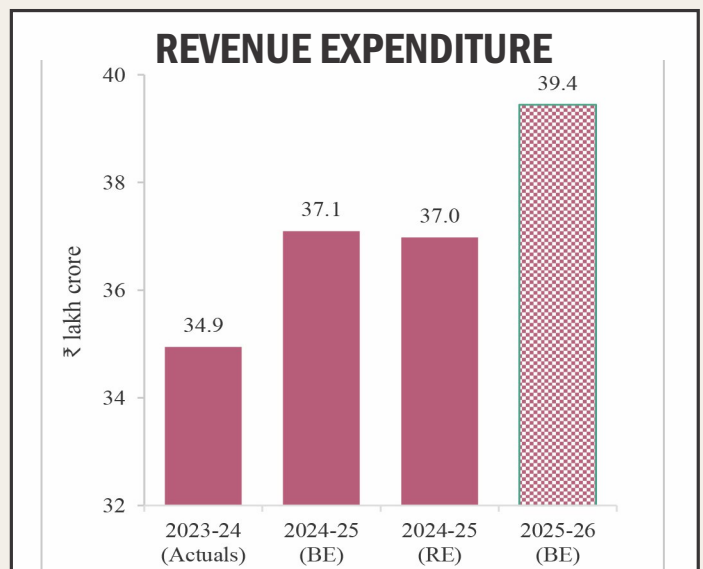
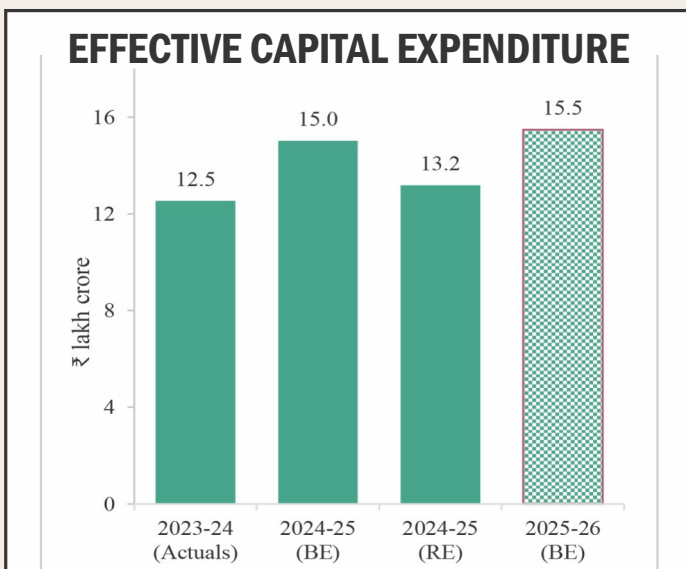
### INCOME & EXPENDITURE



### RECEIPTS



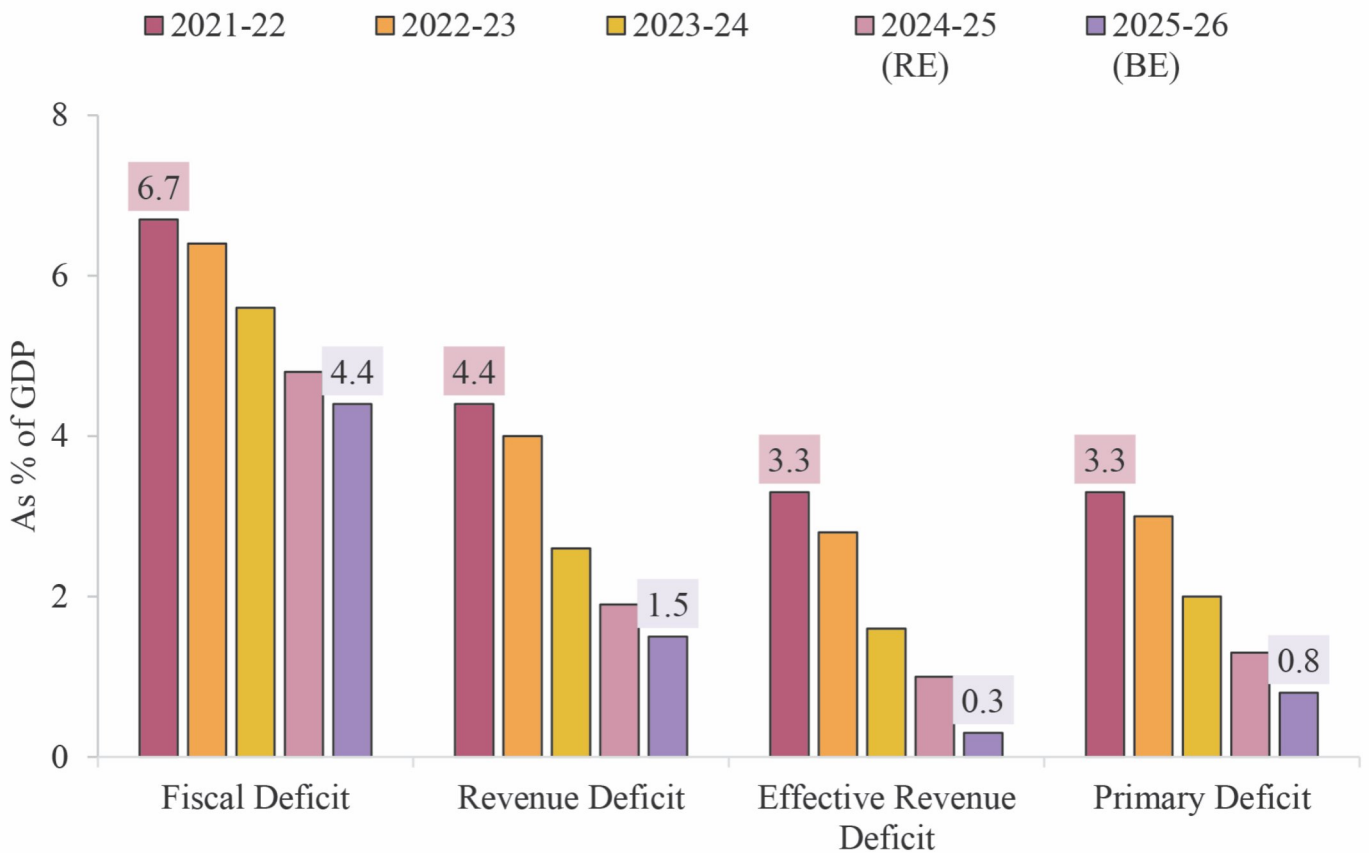
### EXPENDITURE



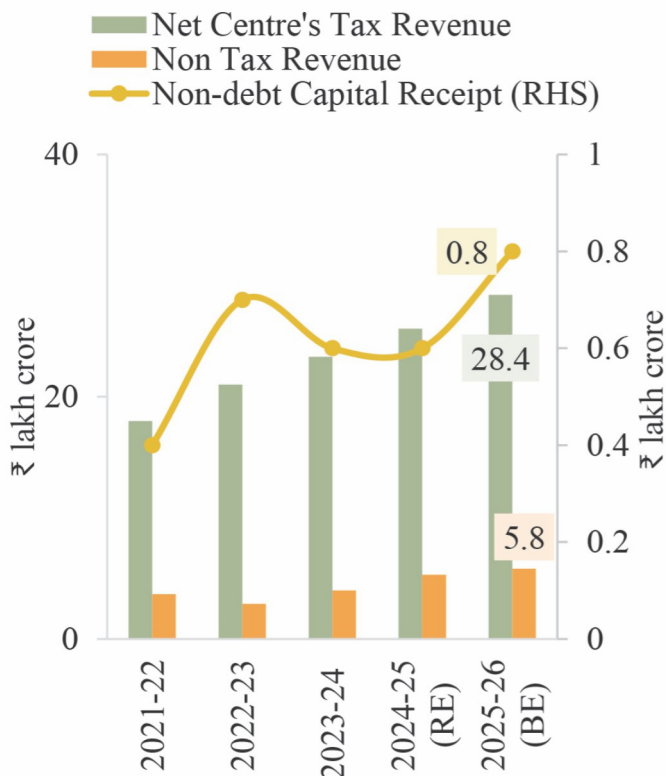


## ROBUST ECONOMIC FOUNDATIONS

### DEFICIT TRENDS



### TREND IN NET RECEIPT OF THE CENTRE



### TOTAL TRANSFERS TO STATES & UTs



## EXPENDITURE OF MAJOR ITEMS

