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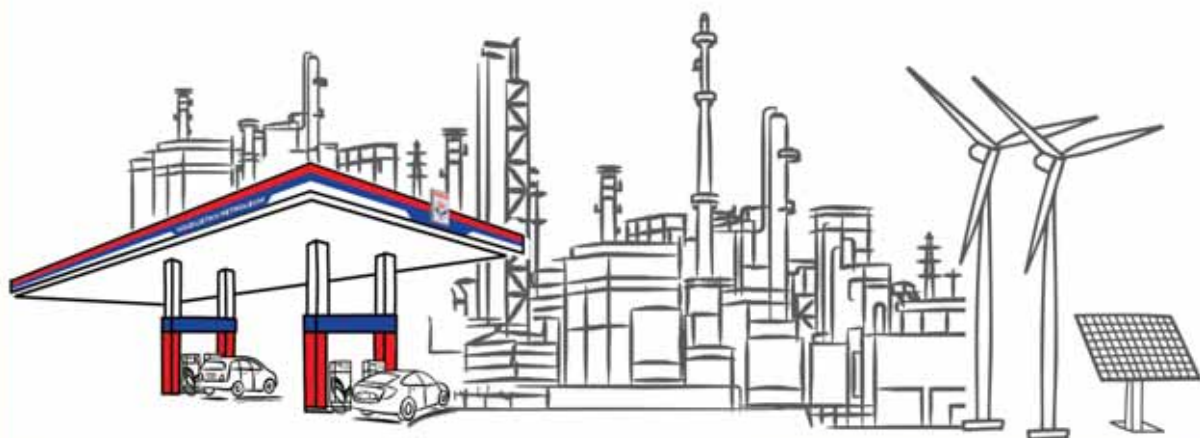
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February 15, 2025

A Perfect News Magazine



UNION BUDGET : 2025-26



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CONTENT

February 15, 2025

News Street

Volume - XXIII, No. - 03

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Editor : Bishwambhar Mishra

Editorial 2

President Address on Republic Day 3

76th Republic Day 7

Cover Story : Economic Survey 2024-2510

Cover Story : Highlights of Economic Survey... 12

Cover Story : Speech on Union Budget 2025-26 18

Cover Story : Summary on Union Budget 2025-26 35

Cover Story : Highlights of Union Budget 2025-26 41

Film : Interview of Kangana Ranaut 47

POLITICS OVER KUMBH



pposition leaders have accused the Uttar Pradesh government of downplaying the scale of the tragic stampede at the Maha Kumbh Mela on January 29. Official reports claim 30 people were killed and over 60 injured. However, the figures are being hotly contested, with opposition leaders like Akhilesh Yadav alleging that the real death toll is significantly higher, with many still missing. The state's response has been both evasive and inadequate. The UP government, while deploying a judicial commission to investigate, stands accused of suppressing information and failing to provide transparency. The Supreme Court termed the incident "unfortunate" but redirected the matter to the Allahabad High Court, highlighting judicial reluctance to confront administrative lapses directly. Meanwhile, bereaved families continue searching for missing relatives, as official silence fuels public anger and distrust.

More troubling is the emerging angle of a possible conspiracy. With over 16,000 mobile numbers under investigation and facial recognition technology being used to identify suspects, authorities suggest foul play may have contributed to the chaos. Yet, the specifics remain murky. This raises critical questions about security preparedness and the state's ability to protect its citizens during mass gatherings. Beyond political blame games and conspiracy theories, this tragedy underscores a recurring issue: inadequate crowd management at religious events. The National Disaster Management Authority has long recommended comprehensive policies for such gatherings, yet implementation remains lacklustre.

As millions continue to gather for subsequent bathing rituals during the ongoing Maha Kumbh, which is a grand confluence of faith, tradition and humanity, the pressing need is not just for better protocols but also for transparent governance that respects both the living and the departed. Faith may guide the pilgrims, but safety must be ensured by those in power.

Bishwambhar Mishra



PRESIDENT ADDRESS ON REPUBLIC DAY

By Smt. Droupadi Murmu

My Dear Fellow Citizens,
Namaskar!

I am happy to be addressing you on this historic occasion. On the eve of Republic Day, I offer you my heartiest congratulations! On January 26, 75 years ago, our founding document, the Constitution of India, came into effect.

The Constituent Assembly, after nearly three years of debates, adopted the Constitution on 26th of November in 1949. That day, 26th November, has been celebrated as Samvidhan Divas, that is, Constitution Day, since 2015.

Republic Day is indeed a matter of collective joy and pride for all citizens. Seventy-five years, someone might say, is only the blink

of an eye in the life of a nation. No, I will say, not these past 75 years. This has been the time when the long-dormant soul of India has awakened again, taking strides to regain its rightful place in the comity of nations. Among the oldest civilizations, India was once known as a source of knowledge and wisdom. There, however, came a dark phase, and inhuman exploitation under colonial rule led to utter poverty.

Today, we should first recall the brave souls who made great sacrifices to free the motherland from the shackles of foreign rule. Some were well known, while some remained little known till recently. We are celebrating this year the 150th birth anniversary of Bhagwan Birsa Munda, who stands as a representative of the freedom fighters

whose role in the national history is now being recognised in true proportions.

In the early decades of the twentieth century, their struggles consolidated in an organized nationwide independence movement. It was the nation's good fortune to have the likes of Mahatma Gandhi, Rabindranath Tagore and Babasaheb Ambedkar, who helped it rediscover its democratic ethos. Justice, liberty, equality and fraternity are not theoretical concepts that we came to learn in modern times; they have always been part of our civilisational heritage. It also explains why the critics who were cynical about the future of the Constitution and the Republic when India had newly become independent were proven so thoroughly wrong.

CURRENT AFFAIRS

The composition of our Constituent Assembly was also a testimony to our republican values. It had representatives from all parts and all communities of the country. Most notably, it had 15 women among its members, including stalwarts such as Sarojini Naidu, Rajkumari Amrit Kaur, Sucheta Kripalani, Hansaben Mehta and Malati Choudhury. When women's equality was only a distant ideal in many parts of the world, in India women were actively contributing in shaping the destiny of the nation.

The Constitution has become a living document because civic virtues have been part of our moral compass for millennia. The Constitution provides the ultimate foundation of our collective identity as Indians; it binds us together as a family. For 75 years now, it has guided the path of our progress. Today, let us humbly express our gratitude to Dr. Ambedkar, who chaired the Drafting Committee, other distinguished members of the Constituent Assembly, various officers associated with and others who worked hard and bequeathed us this most wonderful document.

Dear Fellow Citizens,

The 75 years of the Constitution are marked by an all-round progress of a young republic. At the time of Independence and even later, large parts of the country had faced extreme poverty and also hunger. But one thing we were not deprived of was our belief in ourselves. We set down to create the right conditions in which everyone would have the opportunity to flourish. Our farmers toiled hard and made our country self-sufficient in food production. Our labourers worked relentlessly to transform our infrastructure and manufacturing sector. Thanks to their sterling efforts, India's economy today influences the global economic trends. Today, India is taking

leadership positions in international forums. This transformation would not have been possible without the blueprint laid down by our Constitution.

In recent years, the economic growth rate has remained persistently high, creating job opportunities for our youth, putting more money in the hands of farmers and labourers, and also lifting more people out of poverty. The bold and far-sighted economic reforms will sustain this trend in the years to come. Inclusion is the cornerstone of our growth saga, distributing the fruits of developments as widely as possible.

As the Government continues to assign top priority to financial inclusion, initiatives such as the Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, MUDRA, Stand-Up India and Atal Pension Yojana have been expanded to provide more people access to a variety of financial support schemes.

Equally importantly, the government has redefined the notion of welfare, making basic necessities such as housing and access to drinking water a matter of entitlement. Every effort is being made to extend a helping hand to the marginalized communities, particularly of the Scheduled Castes, Scheduled Tribes and Other Backward Classes. For example, there have been pre-matric and post-matric scholarships, national fellowships, overseas scholarships, hostels and coaching facilities for the youth from the SC communities. The Pradhan Mantri Anusuchit Jaati Abhyuday Yojana is making progress in reducing poverty among the SC communities by adding employment and income generation opportunities. There have been dedicated schemes for aiming for the socio-economic development of ST communities, including Dharti

Aaba Janjatiya Gram Utkarsh Abhiyan and Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN). A Development and Welfare Board has been constituted for the De-notified, Nomadic and Semi Nomadic Communities.

Meanwhile, the focus on physical infrastructure development, including roads and railways, ports and logistics hubs, over the past decade has created a platform that will support growth for decades to come.

The way the government has used technology in the field of finance has been exemplary. A variety of digital payment options as well as the system of direct benefit transfer have promoted inclusion, bringing a significant number of people within the formal system. It has also brought unprecedented transparency in the system. In the process, within a few years we have created a robust Digital Public Infrastructure that is among the best in the world.

The banking system has been in a healthy condition after a series of bold measures such as the Insolvency and Bankruptcy Code, effecting a substantial reduction in the Non-Performing Assets of Scheduled Commercial Banks.

Dear Fellow Citizens,

We won freedom in 1947, but many relics of a colonial mindset persisted among us for long. Of late, we have been witnessing concerted efforts to change that mindset. Among the most noteworthy of such efforts was the decision to replace the Indian Penal Code, the Code of Criminal Procedure and the Indian Evidence Act with the Bharatiya Nyaya Sanhita, the Bharatiya Nagarik Suraksha Sanhita and the Bharatiya Sakshya Adhiniyam. Based also on Indian traditions of jurisprudence, the new criminal laws place the delivery of justice instead of punishment at the centre of the criminal justice system. Moreover,

CURRENT AFFAIRS

the new laws grant top priority to countering crimes against women and children.

Reforms of such magnitude require an audacity of vision. Another measure that promises to redefine the terms of good governance is the Bill introduced in Parliament to synchronise election schedules in the country. The 'One Nation One Election' plan can promote consistency in governance, prevent policy paralysis, mitigate resource diversion, and reduce the financial burden, apart from offering many other benefits.

There has also been a fresh engagement with our civilisational heritage. The ongoing Mahakumbh can be seen as an expression of the richness of that heritage. An exciting array of initiatives is underway in the domain of culture to preserve and revitalise our traditions and customs.

India is a hub of great linguistic diversity. In order to conserve as well as celebrate this richness, the Government has recognised Assamese, Bengali, Marathi, Pali and Prakrit as classical languages. This category already includes Tamil, Sanskrit, Telugu, Kannada, Malayalam, and Odia. The Government is proactively promoting research in 11 classical languages now.

I look forward to the completion of India's first Archaeological Experiential Museum in Vadnagar of Gujarat, being developed next to an excavation site that shows evidence of human settlement from around 800 BCE. The museum will bring together in one place a wide range of arts, crafts and cultural elements from different eras.

Dear Fellow Citizens,

It is, after all, our young generation that is going to shape the India of tomorrow. Education, in turn, shapes these young minds. Therefore, the Government has

increased its investment in education and made every effort to improve every parameter related to this sector. The results so far are more than encouraging. The last decade has transformed education, in terms of quality of learning and physical infrastructure and digital inclusion. For the medium of instruction, the regional languages are promoted at more levels. It is not surprising that there has been a notable improvement in students' performance. I am glad to learn that women teachers have played a crucial role in this transformation, since more than 60 percent of those who became teachers in the last decade are women.

The expansion and mainstreaming of vocational and skill education is a welcome development. This is also supplemented now by the scheme to provide our youth internship opportunities in the corporate sector.

With a stronger foundation of the school-level education, India has been scaling new heights in various branches of knowledge, particularly in science, along with technology. For example, India stands sixth in terms of intellectual property filings in the world. We have consistently improved our ranking in the Global Innovation Index, moving from 48th position in 2020 to 39th in 2024.

With rising self-assurance, we are increasing our participation in cutting-edge research with a series of initiatives. The National Quantum Mission aims to create a vibrant and innovative ecosystem in this new frontier of technology. Another noteworthy beginning is with the National Mission on Interdisciplinary Cyber Physical System, which plans to focus on several advanced technologies including artificial intelligence, machine learning, robotics and cyber security. These technologies were called futuristic till

recently, but they are fast becoming part of our daily lives.

The Genome India Project has been not only an exciting venture in exploring nature; it is also a veritable defining moment in the history of science in India. Under its flagship programme, the genome sequencing of 10,000 Indians have been made available for further research only this month. This pathbreaking project will open new vistas in biotechnology research and also give a fillip to the public healthcare system.

The Indian Space Research Organisation has been taking giant leaps in space in recent years. This month, the ISRO once again made the nation proud with its successful Space Docking Experiment. India has now become the fourth country in the world to have this capability.

Our increasing confidence levels as a nation are also reflected in the arena of sports and games where our players have scripted thrilling success stories. Last year, our athletes made a mark in the Olympic Games. In the Paralympic Games, we sent our largest-ever contingent, who came back with our best-ever performance. Our chess champions impressed the world, as our men and women won the gold at the FIDE Chess Olympiad. The achievements in the sports during the year 2024 were capped by D. Gukesh, who became the youngest World Chess Champion.

Supported by a great improvement in training facilities at the ground level, these sportspersons have made us proud with their winning drive and inspired the next generation to aim higher and higher.

Our brothers and sisters living abroad have taken the best of our culture and civilisation to different parts of the globe and have made us proud with their achievements in diverse fields. They have always considered themselves to be a part



of the India Story. As I said at the Pravasi Bharatiya Divas earlier this month, I am confident of their proactive and enthusiastic participation in the making of a Viksit Bharat, a developed India, by the year 2047.

Dear Fellow Citizens,

Thanks to substantial and concrete progress in a wide range of areas, we are marching towards the future, holding our heads high. The key to our future is our youth and especially the young women. Their dreams are moulding the India of tomorrow, when we will be celebrating the centenary of our Independence. And when today's children will salute the tricolour on 26th January of 2050, they will tell their next generation that this great quest would not have been possible without our incomparable Constitution guiding them along the way.

Our future generations will also keep in mind the mission of Independent India in the world. In the

words of the Father of the Nation, Mahatma Gandhi [and I quote]

"If Swaraj was not meant to civilize us, and to purify and stabilize our civilization, it would be nothing worth. The very essence of our civilization is that we give a paramount place to morality in all our affairs, public or private." [unquote]

Today, let us reaffirm our commitment to strive to realise Gandhiji's dreams. His watchwords, truth and nonviolence, will continue to remain relevant for the whole world. He also taught us that rights and duties are but the two sides of the coin – indeed, the true source of rights is duty. Today we recall his lessons in compassion too – compassion not only for our human neighbours but also for our other neighbours, namely, flora and fauna, rivers and mountains.

Each of us must contribute to the efforts to counter the global threat of climate change. There have been two exemplary initiatives in this regard. At the global level, India is leading a

mass movement, called Mission Lifestyle for Environment, to inspire individuals and communities to be more pro-active in protecting and preserving the environment. Last year, on World Environment Day, we launched a unique campaign, 'Ek Ped Maa Ke Naam', paying tribute to the nurturing power of our mothers as well as of Mother Nature. Its target of planting 80 crore seedlings was achieved ahead of the deadline. The world can learn from such innovative moves that people can adopt as their own movements.

Dear Fellow Citizens,

Let me once again congratulate you all on the occasion of Republic Day. My congratulations to the soldiers guarding our borders as well as police and paramilitary personnel keeping it safe within the borders. My congratulations also to the members of the judiciary, the bureaucracy and our missions abroad. My best wishes to you in all your endeavours.

Thank you.

Jai Hind! Jai Bharat! ●



76TH REPUBLIC DAY

By Dhiraj Kumar

Republic Day, in India, is a national holiday celebrated annually on January 26 to commemorate the entry into force of the Constitution of India on that day in 1950, marking the transition of India to a sovereign democratic republic. Distinct from Independence Day, which annually commemorates India's liberation from British rule on August 15, 1947, Republic Day highlights the establishment of a government by the people, for the people.

History

The roots of Republic Day trace back to the Indian Independence Act of July 18, 1947, which ended British rule and transferred legislative authority to the Constituent

Assembly of India. The Constituent Assembly, tasked with drafting the constitution of the country, formed a drafting committee chaired by Bhimrao Ramji Ambedkar, the country's first law minister, often referred to as the "Father of the Indian Constitution." A draft of the document was submitted in November 1948 to the Constituent Assembly, which publicly debated and adjusted the text over the following year. January 26 was selected as the date of the Constitution's promulgation, in recognition of the Purna Swaraj ("Complete Self-Governance") resolution, a call for India's complete independence, adopted by the Indian National Congress on January 26, 1930. The Constitution, one of the longest and most detailed in the world, established India as a

democratic republic and a union of states.

Did You Know?

The Indian Constitution, the longest written constitution in the world, contains 448 articles, 12 schedules, and 104 amendments. The original copies were handwritten in Hindi and English.

Key events and celebrations

Republic Day is celebrated annually in New Delhi as a showcase of India's cultural diversity, military strength, and historical legacy. The holiday's celebrations highlight the country's unity and progress. Key features include the following.

Amar Jawan Jyoti ceremony

The Republic Day celebrations take place primarily in New Delhi, though similar events are held across



the country. The festivities begin with the Indian prime minister's laying of a wreath at the Amar Jawan Jyoti ("Light of the Immortal Soldier"), located at India Gate in New Delhi. This solemn act honors the members of the Indian armed forces who sacrificed their lives for the country. Amar Jawan Jyoti symbolizes gratitude to the soldiers. After the wreath laying, two minutes of silence is observed to pay tribute to them.

Republic Day parade

The parade, a centerpiece of the celebrations, proceeds from Rashtrapati Bhavan ("President's House") on a roughly 2-mile-long (3-km-long) boulevard called Kartavya Path ("Path of Duty"), passes India Gate, and ends at the Red Fort. It begins with the Indian president's hoisting of the national flag, followed by a performance of the national anthem, and a 21-gun salute. The parade includes:

Military Displays: Tanks, missiles, radar systems, advanced fighter jets and other elements

showcase India's defense capabilities. Aerobic teams such as Surya Kiran and Sarang perform breathtaking flybys.

Marching Contingents: Precision marches are executed by elite contingents from the Indian Army, Navy, and Air Force as well as paramilitary forces such as the Central Reserve Police Force and the Border Security Force.

Cultural Tableaux: Colorful floats from various states and union territories display regional traditions, folk art, and progress. Themes often include historical milestones, environmental awareness, and social initiatives.

Performances: Schoolchildren and cultural troupes present synchronized dances and music, celebrating India's unity in diversity.

Did You Know?

The Republic Day parade features two unique contingents: the 61st Cavalry Regiment of the Indian Army, the world's only active horse-mounted

cavalry unit, and the Border Security Force's camel contingent, the only one of its kind, whose mounts are adorned with elaborate decorations and led by a deputy commandant.

The chief guest

Each year, a foreign dignitary is invited as the chief guest to emphasize India's diplomatic ties and global outreach. This tradition, which began in 1950 with Indonesian Pres. Sukarno, has seen many notable guests. In 1989 Nguyen Van Linh, the general secretary of the Communist Party of Vietnam, was invited. Nelson Mandela, the president of South Africa, attended in 1995, symbolizing India's solidarity with the anti-apartheid movement. In 2015 U.S. Pres. Barack Obama was invited, and 2018 featured leaders from ASEAN countries, including Aung San Suu Kyi of Myanmar and Rodrigo Duterte of the Philippines. In 2023 Egyptian Pres. Abdel Fattah al-Sisi was the chief guest, followed by French Pres. Emmanuel Macron in 2024.



Awards and honors

Republic Day is also a day to honor exceptional bravery, service, and achievement. The president of India bestows several prestigious awards during this period, including:

Gallantry Awards: These include the Param Vir Chakra (India's highest military honor), Ashoka Chakra, Maha Vir Chakra, Kirti Chakra, Vir Chakra, and Shaurya Chakra, recognizing military personnel and civilians who have displayed extraordinary courage.

Civilian Awards: The Padma Awards Padma Vibhushan, Padma Bhushan, and Padma Shri—recognize contributions in diverse fields such as the arts and sciences, literature, sports, and public service. These awards underline the spirit of excellence and dedication.

President's Police Medals: These are awarded in three categories: gallantry, distinguished service, and meritorious service. Recipients are recognized for acts of bravery, long-term service, and exceptional commitment to law enforcement.

Correctional Services Medals: Prison personnel receive awards for gallantry, meritorious service, and distinguished service. These

recognize extraordinary efforts in performing prison duties, including handling riots and preventing escapes.

Children's Awards: The Pradhan Mantri Rashtriya Bal Puraskar ("Prime Minister's National Award for Children") recognizes children aged 5–18 for exceptional achievement in sports, arts, innovation, social service, bravery, and academics.

Bravery Awards for Civilians: The Jeevan Raksha Padak ("Lifesaving Medal") awards are presented to civilians who have displayed extraordinary bravery in saving lives during accidents or emergencies. It has three categories: Sarvottam Jeevan Raksha Padak (sarvottam meaning "the best"), Uttam Jeevan Raksha Padak (uttam meaning "excellent"), and Jeevan Raksha Padak.

Beating Retreat ceremony

Concluding the Republic Day festivities

Concluding the Republic Day festivities Indian Army troops participating in the Beating Retreat ceremony, which marks the conclusion of Republic Day celebrations in New Delhi.

The Beating Retreat ceremony,

held annually on January 29 at Raisina Hill and Vijay Chowk near Rashtrapati Bhavan in New Delhi, concludes India's Republic Day celebrations. This event, rooted in military tradition, combines music and ceremonial precision to honor the country's armed forces and cultural heritage. The tradition dates back to the 17th century, when drums signaled troops to return to camp at sunset. Adopted in England during King James II's reign, it became a formal military ritual. India introduced the Beating Retreat in 1955 during the visit of Queen Elizabeth II, and it has been an integral part of the celebrations ever since.

The event begins with the president of India's reception of a ceremonial salute. Bands from the Indian Army, Navy, and Air Force and the Delhi Police and the Central Armed Police Forces perform a mix of traditional and contemporary tunes such as "Sare Jahan Se Achha" ("Better Than the Entire World") and "Aye Mere Watan Ke Logon" ("O People of My Country"). The lowering of the national flag is marked by a bugle call, and the ceremony ends with the retreat of the bands and the illumination of government buildings. ●



ECONOMIC SURVEY 2024-25

By V.R. Iyer

The Preface of the Economic Survey 2024-25, tabled in Parliament today by Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman, argues for a philosophical approach to governance by rolling back regulations significantly to accelerate economic growth and employment amidst unprecedented global challenges.

The Preface to the Survey observes that the world is evolving more rapidly than anticipated, with the year 2024 having witnessed political and economic uncertainties world over, especially Europe, and with elections in three big democracies India, USA and Indonesia.

Deregulation Stimulus

The Economic Survey argues, “Getting out of the way and allowing businesses to focus on their core mission is a significant contribution that governments around the country can make to foster innovation and enhance competitiveness.”

The Survey prescribes a Deregulation Stimulus to raise the growth average in the next two decades that require reaping the demographic dividend.

The Survey further argues that the Government needs to embrace risk-based regulations and change the operating principle of regulations from ‘guilty until proven innocent’ to ‘innocent until proven guilty’. Adding layers of operational conditions to policies to prevent abuse makes them incomprehensible and

regulations needlessly complicated, taking them further from their original purposes and intents.

The Survey also delves into building a trust-based society to achieve economy of scale, just as the information technology sector and the startup ecosystem that emerged in Bengaluru in the ninties. Thereby, the Survey states, “It is a good bet that India public will overcome the challenges and turn them into opportunities on the way to Viksit Bharat by 2047.

Facilitating Strategic Investments

In the ecology of developing, developed and Emerging Market Economies, the Survey states that the era of rapid world trade growth has passed and India needs to make an all out effort to attract, promote

COVER STORY

and facilitate further domestic and foreign investments to become a competitive and innovative economy. The Survey also suggests that private sector strategic investments in strengthening domestic supply-chain capability and resilience will help in the long-term.

Noting the reality of global challenges, the Survey Preface states that domestic growth levers will be relatively more important than external ones in the coming years.

Climate Change and Energy Transition

The Survey lays great emphasis on the role of public policy in energy security and energy affordability in enhancing and maintaining competitiveness in the backdrop of climate change. The Survey argues for India charting its own path to energy transition and diversification away from fossil fuels as electric mobility makes economic sense due to abundant renewable energy and coal. More importantly, the Survey argues, public transportation is a more efficient alternative for viable energy transition given India's vast size and limited land availability.

The Survey notes that India's energy transition plans must be mindful of geographical vulnerabilities and avoid deepening India's dependence on external sources for critical imports. The Survey argues for India to focus on adaptation than on emission mitigation.

Skilling and Education

The Survey states that for India's youth to take advantage of technological advances such as Artificial Intelligence, skilling and education must enable youth to stay one step ahead of the technological developments to minimise or even eliminate its potential adverse impact on employment, and might even help in augmenting employment. The Survey also suggests establishing

- ★ **PREFACE UNDERLINES DEREGULATION AS UNDERPINNING THEME OF ECONOMIC SURVEY 2024-25**
- ★ **INDIA NEEDS TO MAKE AN ALL OUT EFFORT TO ATTRACT, PROMOTE AND FACILITATE FURTHER DOMESTIC AND FOREIGN INVESTMENTS TO BECOME A COMPETITIVE AND INNOVATIVE ECONOMY: ECONOMIC SURVEY**
- ★ **"INDIA MUST FOCUS ON CLIMATE CHANGE ADAPTATION THAN ON EMISSION MITIGATION"**
- ★ **SURVEY SUGGESTS ESTABLISHING ARTIFICIAL INTELLIGENCE CENTRES FOR EXCELLANCE (COE) AT TOP EDUCATIONAL INSTITUTIONS ACROSS INDIA**
- ★ **SURVEY ENDORSES NURTURING MENTAL, EMOTIONAL AND PHYSICAL NEEDS OF INDIAN YOUTH THROUGH ENFORCEMENT OF STRINGENT FRONT-OF-THE-PACK LABELING RULES ALARMING CONSUMPTION OF ULTRA-PROCESSED FOODS**

Artificial Intelligence Centres for Excellance (CoE) at top educational institutions across India with a Rs. 1 lakh crore financing corpus to catalyse private sector innovation and R&D in sunrise sectors.

Artificial Intelligence

Taking a balanced view on Artificial Intelligence (AI), the Survey argues that AI is not applicable as one for all solution and it does not apply to all the countries unequivocally, particularly so for a labour-rich country like India.

Healthy Eating: Healthy Living

In the backdrop of India's rising and alarming consumption of ultra-processed foods (High in Fat, Salt and Sugar or HFSS), the Survey endorses nurturing the mental, emotional and physical needs of the Indian youth through enforcement of stringent front-of-the-pack labeling rules to release their vast potential. The Survey states that globally self-regulation has been ineffective to curtail this phenomenon.

Policy Priorities for Women, Farmers, Youth and Poor

The Survey posits that facilitating productive and enhanced participation of women, farmers, youth and poor in economic activity is the litmus test of inclusive development policies. For Youth, the

Survey argues for focus on investment in education, skill, and physical and mental health. To bring Poor from the periphery to the centre of economic activity by advancing their income and living standards through empowerment, the Survey argues to provide targeted support to improve their livelihoods and opportunities. For Women, the Survey advocates to the Centre and the State Governments to eliminate legal and regulatory hurdles that hold back their participation in the labour force besides undertaking facilitative measures.

Industrial Activity

The Survey notes the positive correlation between States that score high on the 'Ease of Doing Business' parameters and the level of industrial activity, and also stated that aspiring States will need to raise their industrialization quotient.

The Survey also celebrates the success story of indigenisation of the Production-Linked Incentive Scheme in air-conditioners through Government intervention.

External Sector Challenges

The Survey also anticipates challenges that India will face in the near future, such as threat of restrictive trade policies that have potential to reduce India's exports and widen the current account deficit. ●



HIGHLIGHTS OF ECONOMIC SURVEY 2024-25

By Umesh Upadhyay

Union Minister of Finance and Corporate Affairs, Smt . Nirmala Sitharaman presented the Economic Survey 2024-25 in the Parliament. The highlights of the survey are as follows;

State of the Economy: Getting Back into the Fast Lane

- India's real GDP growth is estimated at 6.4 per cent in FY25 (as per first advance estimates of national income), which equates nearly to its decadal average.

- Real gross value added (GVA) is also estimated to grow by 6.4 per cent FY25. The global economy on an average grew by 3.3 per cent in 2023 against the IMF projection of 3.2 per cent growth in the next five years.

- The real GDP growth in FY26 is expected to grow between 6.3 and 6.8 per cent, keeping in mind the upsides and downsides to growth.

- Thrust on grassroots-level structural reforms and deregulation to reinforce the medium-term growth potential and boost global competitiveness of Indian economy.

- Geopolitical tensions, ongoing conflicts and global trade policy risks continue to pose significant challenges to the global economic outlook.

- Retail headline inflation has softened from 5.4 per cent in FY24 to 4.9 per cent in April –December 2024.

- Capital expenditure (CAPEX) improved continuously from FY21 to FY24. Post general elections, CAPEX grew YOY by 8.2 per cent

during July –November 2024.

- India accounts for seventh-largest share in global services exports, underscoring India's global competitiveness in the sector.

- During April to December 2024, non-Petroleum and non-Gems & Jewellery exports went up by 9.1 per cent reflecting resilience of India's merchandise exports amid volatile global conditions.

Monetary and Financial Sector Developments: The Card and the Horse

- Bank credit has grown at a steady rate with credit growth converging towards deposit growth.

- Profitability of Scheduled Commercial Banks improved, reflected in a fall in gross non-performing assets (GNPAs) and rise in capital to risk weighted asset ratio (CRAR).

COVER STORY

- Credit growth outpaced nominal GDP growth for two successive years. The credit-GDP gap narrowed to (-) 0.3 per cent in Q1 of FY25 from (-) 10.3 per cent in Q1 of FY23, indicating sustainable bank credit growth.

- Banking sector exhibits improvement in asset quality, robust capital buffers, and strong operational performance.

- The gross non-performing assets (GNPAs) of Scheduled Commercial Banks declined to a 12-year low of 2.6 per cent of gross loans and advances at the end of September 2024.

- Under Insolvency and Bankruptcy Code, ₹3.6 lakh crore realized in resolution of 1,068 plans till September 2024. It amounts to 161 per cent against the liquidation value and 86.1 per cent of the fair value of the assets involved.

- Indian stock markets outperformed its emerging market peers despite election-driven market volatility challenges.

- The total resource mobilisation from primary markets (equity and debt) stands at ₹11.1 lakh crore from April to December 2024, five per cent more than the amount mobilised during FY24.

- BSE stock market capitalisation to GDP ratio stood at 136 per cent at the end of December 2024, far higher than other Emerging Market Economies like China (65 per cent) and Brazil (37 per cent).

- India's insurance market continued its upward trajectory, with total insurance premiums growing by 7.7 per cent in FY24, reaching Rs. 11.2 lakh crore.

- India's pension sector experienced significant growth, with the total number of pension subscribers growing by 16 per cent (YoY) as of September 2024.

- ★ INDIA'S REAL GDP AND GVA GROWTH ESTIMATED AT 6.4 PER CENT IN FY25 (FIRST ADVANCE ESTIMATES)
- ★ THE REAL GDP GROWTH TO GROW BETWEEN 6.3 AND 6.8 PER CENT IN FY26
- ★ THRUST ON GRASSROOTS-LEVEL STRUCTURAL REFORMS AND DEREGULATION TO BOOST MEDIUM-TERM GROWTH POTENTIAL AND GLOBAL COMPETITIVENESS
- ★ GEO-ECONOMIC FRAGMENTATION (GEF) IS REPLACING GLOBALIZATION LEADING TO IMMINENT ECONOMIC REALIGNMENTS AND READJUSTMENTS
- ★ FOCUS OF REFORMS AND EASE OF DOING BUSINESS 2.0 TO CREATE INDIA'S MITTELSTAND, I.E. INDIA'S SME SECTOR
- ★ TO MEET THE REQUIREMENTS OF INFRASTRUCTURE PRIVATE SECTOR PARTICIPATION WILL BE CRUCIAL
- ★ CAPEX IMPROVED CONTINUOUSLY FROM FY21 TO FY24 AND POST GENERAL ELECTIONS, IT GREW YOY BY 8.2 PER CENT
- ★ CAPITAL EXPENDITURE ON KEY INFRASTRUCTURE SECTORS GROWN AT A RATE OF 38.8 PER CENT FROM FY20 TO FY24
- ★ RBI AND THE IMF PROJECT INDIA'S CONSUMER PRICE INFLATION WILL ALIGN WITH TARGET OF 4 PER CENT IN FY26
- ★ RETAIL HEADLINE INFLATION SOFTENED FROM 5.4 PER CENT IN FY24 TO 4.9 PER CENT IN APRIL –DECEMBER 2024
- ★ BANK CREDIT HAS GROWN AT A STEADY RATE WITH CREDIT GROWTH CONVERGING TOWARDS DEPOSIT GROWTH
- ★ GNPA OF SCHEDULED COMMERCIAL BANKS DECLINED TO A 12-YEAR LOW OF 2.6 PER CENT
- ★ Rs. 3.6 LAKH CRORE REALIZED IN RESOLUTION OF 1,068 PLANS TILL SEPTEMBER 2024 UNDER INSOLVENCY AND BANKRUPTCY CODE
- ★ Rs. 11.1 LAKH CRORE MOBILISED THROUGH EQUITY AND DEBT TILL DECEMBER 2024, A 5% INCREASE THAN PREVIOUS YEAR
- ★ BSE STOCK MARKET CAPITALISATION TO GDP RATIO STOOD AT 136 PER CENT, FAR HIGHER THAN CHINA (65 PER CENT) AND BRAZIL (37 PER CENT)
- ★ OVERALL EXPORTS GREW BY 6 PER CENT, SERVICES BY 11.6 PER CENT (YOY) IN THE FIRST NINE MONTHS OF FY25
- ★ INDIA RANKS 2ND LARGEST EXPORTER IN THE WORLD IN 'TELECOMMUNICATIONS, COMPUTER, & INFORMATION SERVICES', AS PER UNCTAD
- ★ FOREX AT USD 640.3 BILLION, SUFFICIENT TO COVER 10.9 MONTHS OF IMPORTS AND 90 PER CENT OF EXTERNAL DEBT
- ★ GOVERNMENT'S SPACE VISION 2047 INCLUDES GAGANYAAN MISSION AND CHANDRAYAAN-4 LUNAR SAMPLE RETURN MISSION
- ★ DRASTIC REDUCTION ON SMARTPHONE IMPORTS, 99 PER CENT NOW MANUFACTURED DOMESTICALLY: ECONOMIC SURVEY 2024-25
- ★ WIPO REPORT 2022 - INDIA RANKS SIXTH AMONG THE TOP 10 PATENT FILING OFFICES GLOBALLY
- ★ Rs. 50,000 CRORE SELF-RELIANT INDIA FUND LAUNCHED TO PROVIDE EQUITY FUNDING TO MSMEs

COVER STORY

- ★ INDIA'S SERVICES EXPORT GROWTH SURGED TO 12.8 PER CENT DURING APRIL–NOVEMBER FY25, UP FROM 5.7 PER CENT IN FY24
- ★ THE TOURISM SECTOR'S CONTRIBUTION TO GDP RETURNED TO ITS PRE-PANDEMIC LEVEL OF 5 PER CENT IN FY23
- ★ AGRICULTURE AND ALLIED ACTIVITIES SECTOR CONTRIBUTES APPROXIMATELY 16 PER CENT OF THE COUNTRY'S GDP FOR FY24 (PE) AT CURRENT PRICES
- ★ KHARIF FOODGRAIN PRODUCTION IS EXPECTED TO REACH 1647.05 LMT, AN INCREASE OF 89.37 LMT FROM PREVIOUS YEAR
- ★ FISHERIES SECTOR SHOWN HIGHEST CAGR OF 8.7 PER CENT, FOLLOWED BY LIVESTOCK WITH A CAGR OF 5.8 PER CENT
- ★ INSTALLED ELECTRICITY GENERATION CAPACITY FROM NON-FOSSIL FUEL SOURCE ACCOUNTS FOR 46.8 PER CENT OF THE TOTAL CAPACITY
- ★ ADDITIONAL CARBON SINK OF 2.29 BILLION TONNES CO₂ EQUIVALENT HAS BEEN CREATED BETWEEN 2005 AND 2023
- ★ BY 2030, LIFE MEASURES COULD SAVE CONSUMERS AROUND USD 440 BILLION GLOBALLY
- ★ SOCIAL SERVICES EXPENDITURE REGISTERS AN ANNUAL GROWTH RATE OF 15 PER CENT FROM FY 21 TO FY 25
- ★ GOVERNMENT HEALTH EXPENDITURE INCREASES FROM 29.0 PER CENT TO 48.0 PER CENT; EXPENDITURE BY PEOPLE ON HEALTH DECLINES FROM 62.6 PER CENT TO 39.4 PER CENT
- ★ UNEMPLOYMENT RATE DECLINES TO 3.2 PER CENT IN 2023-24 FROM 6.0 PER CENT IN 2017-18
- ★ GROWING DIGITAL ECONOMY AND RENEWABLE ENERGY SECTORS PROVIDE ENHANCED OPPORTUNITIES FOR JOB CREATION, ESSENTIAL FOR ACHIEVING VIKSIT BHARAT'S VISION
- ★ PM-INTERNSHIP SCHEME EMERGES AS TRANSFORMATIVE CATALYST FOR EMPLOYMENT GENERATION
- ★ BARRIERS TO LARGE-SCALE AI ADOPTION PERSIST IN PRESENT, LEADING TO A WINDOW FOR POLICYMAKERS TO ACT
- ★ COLLABORATIVE EFFORT BETWEEN GOVERNMENT, PRIVATE SECTOR, AND ACADEMIA ESSENTIAL TO MINIMISE ADVERSE SOCIETAL EFFECTS OF AI-DRIVEN TRANSFORMATION

External Sector: Getting FDI Right

● India's external sector continues to display resilience amidst global uncertainties and headwinds.

● Overall exports (merchandise + services) grew by 6 per cent (YOY) in the first nine months of FY25. Services sector by 11.6 per cent during the same time.

● India commands 10.2 per cent of the global export market in 'Telecommunications, Computer, & Information Services', ranking 2nd largest exporter in the world, as per UNCTAD.

● India's current account deficit (CAD) stood at 1.2 per cent of GDP in Q2 of FY25, supported by rising net services receipts and an increase in private transfer receipts.

● Gross Foreign Direct Investment (FDI) inflows recorded a revival in FY25, increasing from USD 47.2 billion in the first eight months of FY24 to USD 55.6 billion in the same period of FY25, a YoY growth of 17.9 per cent.

● India's FOREX reserves stood at USD 640.3 billion as of the end of December 2024, sufficient to cover 10.9 months of imports and approximately 90 per cent of the country's external debt.

● India's external debt remained stable over the past few years, with the external debt to GDP ratio standing at 19.4 per cent at the end of September 2024.

Prices and Inflation: Understanding the Dynamics

● As per the IMF, the global inflation rate moderated to 5.7 per cent by 2024 from its peak of 8.7 per cent in 2022.

● Retail inflation in India saw a reduction from 5.4 per cent in FY24 to 4.9 per cent in FY25 (April–December 2024).

● RBI and the IMF project India's consumer price inflation will gradually align with the target of around 4 per cent in FY26.

● Development of climate-resilient crop varieties and enhanced farming practices are essential to mitigate the effects of extreme weather events and achieve long-term price stability.

Medium-Term Outlook: Deregulation Drives Growth

● Indian economy is in the middle of a change that represents an unprecedented economic challenge and opportunity. Geo-Economic Fragmentation (GEF) is replacing globalization leading to imminent economic realignments and readjustments.

● To realize the vision of Viksit Bharat by 2047 India will need to achieve a growth rate of around 8 per cent at constant prices, on average,



for about a decade or two.

- The Medium-term growth outlook for India must consider the new global realities - GEF, China's manufacturing prowess, and dependency of efforts for energy transition on China.

- India to focus on systematic deregulation to reinvigorate the domestic levers of growth and empower individuals and organisations to pursue legitimate economic activity with ease.

- Systemic deregulation or enhancing economic freedom for individuals and small businesses is arguably the most important policy priority to bolster India's medium-term growth prospects.

- Focus of reforms and economic policy must now be on systematic deregulation under Ease of Doing Business 2.0 and creation of a viable Mittelstand, i.e. India's SME sector.

- In the next step, States must work on liberalising standards and controls, setting legal safeguards for enforcement, reducing tariffs and fees, and applying risk-based regulation.

Investment and Infrastructure: Keeping it Going

- The central focus of the Government in the last five years was on increasing public spending on infrastructure, and speeding up approvals and resource mobilization.

- The Union Government's capital expenditure on key infrastructure sectors has grown at a rate of 38.8 per cent from FY20 to FY24.

- Under railway connectivity, 2031 km of railway network was commissioned between April and November, 2024, and 17 new pairs of Vande Bharat trains were introduced between April and October 2024.

- Under road network, 5853 km of National Highways was constructed in FY25 (April-Dec).

- Under National Industrial Corridor Development Programme, a total of 383 plots covering 3788 acres have been allotted for industrial use for various sectors in phase 1.

Operational efficiency improved reduction in average container turnaround time in major ports from

48.1 hours in FY24 to 30.4 hours during FY25 (Apr-Nov), significantly improving port connectivity.

- A 15.8 per cent year-on-year increase in renewable energy capacity of solar and wind power by December 2024.

- The share of renewable energy in India's total installed capacity now stands at 47 per cent.

- Government's schemes like the DDUGJY and the SAUBHAGYA improved electricity access in rural areas, electrifying 18,374 villages and providing electricity to 2.9 crore households.

- The government's digital connectivity initiatives have gained traction, particularly with the rollout of 5G services across all states and union territories by October 2024.

- Efforts to provide 4G mobile services to remote areas under the Universal Service Obligation Fund (now Digital Bharat Nidhi) have made significant strides, with over 10,700 villages covered by December 2024.

- Under the Jal Jeevan Mission, over 12 crore families have gained access of piped drinking water since its launch.

COVER STORY

- Under Phase II of the Swachh Bharat Mission-Grameen, during April to November 2024, 1.92 lakh villages were incrementally declared ODF Plus under the model category, taking the total number of ODF Plus villages to 3.64 lakh.

- In urban areas, the Pradhan Mantri Awas Yojana has completed over 89 lakh houses.

- City transportation network is expanding rapidly, with metro and rapid rail systems operational or under construction in 29 cities, covering over 1,000 kilometers.

- Real Estate (Regulation & Development) Act, 2016, ensured regulation and transparency of Real Estate sector. By January 2025, over 1.38 lakh real estate projects registered, and 1.38 lakh complaints were resolved.

- India currently operates 56 active space assets. The government's Space Vision 2047 includes ambitious projects like the Gaganyaan mission and the Chandrayaan-4 Lunar Sample Return Mission.

- Public sector investment alone cannot meet the requirements of infrastructure, and private sector participation will be crucial to bridge the gap.

- The government has created mechanisms such as the National Infrastructure Pipeline and National Monetisation Pipeline to facilitate private sector involvement in infrastructure.

Industry: All about Business Reforms

- The industrial sector expected to grow by 6.2 per cent in FY-25 (first advance estimates), driven by robust growth in electricity and construction.

- The government has been actively promoting Smart Manufacturing and Industry 4.0, supporting the establishment of SAMARTH Udyog centres.

- In FY24, the Indian automobile domestic sales grew by 12.5 per cent.

- The domestic production of electronic goods has grown at a CAGR of 17.5 per cent from FY15 to FY24.

- 99 per cent smartphones now manufactured domestically, drastically reducing India's dependence on imports.

- The total annual turnover of pharmaceuticals in FY24 was ₹4.17 lakh crore, growing at an average rate of 10.1 per cent in the last five years.

- As per the WIPO Report 2022, India ranks sixth among the top 10 patent filing offices globally.

- Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant sector of the Indian economy.

- To provide equity funding to MSMEs with the potential to scale up, the government launched the Self-Reliant India Fund with a corpus of ₹50,000 crore.

- The government is implementing the Micro and Small Enterprises-Cluster Development Programme to develop clusters across the country.

Services -New Challenges for the Old War Horse

- The service sector's contribution to total GVA has risen from 50.6 per cent in FY14 to 55.3 per cent in FY25 (First Advance Estimates).

- The average growth rate of the services sector was 8 per cent in the pre-pandemic years (FY13 -FY20). It stood at 8.3 per cent in the post-pandemic period (FY23–FY25).

- India held a 4.3 per cent share in global services exports in 2023, ranking seventh worldwide.

- India's services export growth surged to 12.8 per cent during April–November FY25, up from 5.7 per cent in FY24.

- Information and computer-related services grew at a trend rate of 12.8 per cent over the last decade (FY13–FY23), increasing their share of overall GVA from 6.3 per cent to 10.9 per cent.

- Indian Railways recorded an 8 per cent growth in passenger traffic originating in FY24. Revenue-earning freight in FY24 grew by 5.2 per cent.

- The tourism sector's contribution to GDP returned to its pre-pandemic level of 5 per cent in FY23.

Chapter-9 Agriculture and Food Management: Sector of the Future

- The 'Agriculture and Allied Activities' sector contributes approximately 16 per cent of the country's GDP for FY24 (PE) at current prices.

- High-value sectors like horticulture, livestock, and fisheries have become key drivers of overall agricultural growth.

- Kharif foodgrain production for 2024 is expected to reach 1647.05 Lakh Metric Tonnes (LMT), an increase of 89.37 LMT from the previous year.

- For the fiscal year 2024-25, the MSP for Arhar and Bajra has been increased by 59 per cent and 77 per cent over the weighted average cost of production, respectively.

- The fisheries sector has shown the highest compound annual growth rate (CAGR) of 8.7 per cent, followed by livestock with a CAGR of 8 per cent.

- National Food Security Act (NFSA) 2013 and the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) marked a fundamental shift in the approach to food security.

- The provision of free food grains under PMGKAY for another five years, reflects the long-term commitment of Govt towards food and nutrition security.

COVER STORY

- As of 31st October, over 11 crore farmers have benefitted under PM-KISAN, while 23.61 lakh farmers are enrolled under PM Kisan Mandhan.

Climate & Environment: Adaptation Matters

- India's ambition to achieve developed nation status by 2047 is fundamentally anchored in the vision of inclusive and sustainable development.

- India has installed electricity generation capacity of 2,13,701 megawatts from non-fossil fuel sources, which accounts for 46.8 per cent of the total capacity as of 30 November 2024.

- As per the Forest Survey of India 2024 an additional carbon sink of 2.29 billion tonnes CO₂ equivalent has been created between 2005 and 202

- The India-led global movement, Lifestyle for Environment (LiFE), aims to enhance the country's sustainability efforts.

- By 2030, it is estimated that LiFE measures could save consumers around USD 440 billion globally through reduced consumption and lower prices.

Social Sector -Extending reach and driving empowerment

- The social services expenditure of the government (combined for Centre and States) increased at a compound annual growth rate of 15 per cent from FY21 to FY 25.

- Gini coefficient, a measure of inequality in consumption expenditure, is declining. For rural areas it declined to 0.237 in 2023-24 from 0.266 in 2022-23, and for urban areas, it fell to 0.284 in 2023-24 from 0.314 in 2022-23.

- Various fiscal policies of the government are aiding in reshaping the income distribution.

- Government health expenditure increases from 29.0 per cent to 48.0 per cent; share of out-of-pocket expenditure in total health

expenditure declines from 62.6 per cent to 39.4 per cent, reducing financial hardship endured by households.

- The Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY) has played a decisive role in the significant reductions in expenditure with over ₹1.25 lakh crore in savings being recorded.

- The strategy of -Localisation of Sustainable Development Goals (SDGs) has been adopted to ensure that budgets at the Gram Panchayat levels align with the SDG objectives.

Employment and Skill Development: Existential priorities

- Indian labour market indicators have improved with unemployment rate declining to 3.2 per cent in 2023-24 (July-June) from 6.0 per cent in 2017-18 (July-June).

- With around 26 per cent of the population in the age group of 10-24 years, India stands at the cusp of a unique demographic opportunity, as one of the youngest nations globally.

- To give a fillip to women's entrepreneurship, the government has launched several initiatives in terms of easier access to credit, marketing support, skill development, and support to women start-ups, etc.

- The growing digital economy and renewable energy sectors are providing enhanced opportunities for job creation, essential for achieving the Viksit Bharat's vision.

- The government is establishing a resilient and responsive skilled ecosystem to keep pace with emerging global trends such as automation, generative AI, digitalisation, and the effects of climate change.

- The Government has implemented measures to boost employment, foster self-employment, and promote worker welfare.

- The recently launched PM-

Internship Scheme is emerging as a transformative catalyst for employment generation.

- The net payroll additions under EPFO have more than doubled in the past six years, signalling healthy growth in formal employment.

Labour in the AI Era: Crisis or Catalyst?

- Developers of Artificial Intelligence (AI) promise to usher in a new age, where a bulk of the economically valuable work is automated.

- AI is anticipated to surpass human performance in critical decision-making across various fields, including healthcare, research, criminal justice, education, business, and financial services.

- Barriers to large-scale AI adoption persist in the present, which include concerns over reliability, resource inefficiencies, and infrastructure deficits. These challenges, along with AI's experimental nature, create a window for policymakers to act.

- Fortunately, due to AI presently being in its infancy, India is afforded the time necessary to strengthen its foundations and mobilise a nationwide institutional response.

- Leveraging its young, dynamic, and tech-savvy population, India has the potential to create a workforce that can utilise AI to augment their work and productivity.

- The future revolves around 'Augmented Intelligence', where the workforce integrates both human and machine capabilities. This approach aims to enhance human potential and improve overall efficiency in job performance, ultimately benefiting society as a whole.

- Collaborative effort between government, private sector, and academia essential to minimise adverse societal effects of AI-driven transformation. ●



SPEECH ON UNION BUDGET 2025-26

By Nirmala Sitharaman

Hon'ble Speaker,
I present the Budget for 2025-26.

Introduction

1. This Budget continues our Government's efforts to:

- a) accelerate growth,
- b) secure inclusive development,
- c) invigorate private sector investments,
- d) uplift household sentiments, and
- e) enhance spending power of India's rising middle class.

2. Together, we embark on a journey to unlock our nation's tremendous potential for greater prosperity and global positioning under the leadership of Hon'ble Prime Minister Shri Narendra Modi.

3. As we complete the first quarter of the 21st century, continuing geopolitical headwinds suggest lower global economic growth over the medium term. However, our aspiration for a Viksit

Bharat inspires us, and the transformative work we have done during our Government's first two terms guides us, to march forward resolutely.

Budget Theme

4. Our economy is the fastest-growing among all major global economies. Our development track record of the past 10 years and structural reforms have drawn global attention. Confidence in India's capability and 2 potential has only grown in this period. We see the next five years as a unique opportunity to realize 'Sabka Vikas', stimulating balanced growth of all regions.

5. The great Telugu poet and playwright Gurajada Appa Rao had said, 'Desamante Matti Kaadoi, Desamante Manushuloi'; meaning, 'A country is not just its soil, a country is its people.' In line with this, for us, Viksit Bharat, encompasses:

- a) zero-poverty;
- b) hundred per cent good quality school education;
- c) access to high-quality, affordable, and comprehensive healthcare;

d) hundred per cent skilled labour with meaningful employment;

e) seventy per cent women in economic activities; and

f) farmers making our country the 'food basket of the world'.

6. In this Budget, the proposed development measures span ten broad areas focusing on Garib, Youth, Annadata and Nari.

1) Spurring Agricultural Growth and Productivity;

2) Building Rural Prosperity and Resilience;

3) Taking Everyone Together on an Inclusive Growth path;

4) Boosting Manufacturing and Furthering Make in India;

5) Supporting MSMEs;

6) Enabling Employment-led Development;

7) Investing in people, economy and innovation;

8) Securing Energy Supplies;

9) Promoting Exports; and

10) Nurturing Innovation.

7. For this journey of development,



a) Our four powerful engines are: Agriculture, MSME, Investment, and Exports

b) The fuel: our Reforms

c) Our guiding spirit: Inclusivity

d) And the destination: Viksit Bharat

8. This 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.

Agriculture as the 1st Engine

9. Now I move to specific proposals, beginning with 'Agriculture as the 1st Engine'.

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

10. Motivated by the success of the Aspirational Districts Programme, our Government will undertake a 'Prime Minister Dhan-Dhaanya Krishi Yojana' in partnership with states. Through the convergence of existing schemes and specialized measures, the programme will cover 100 districts with low productivity, moderate crop intensity and below-average credit parameters. It aims to (1) enhance agricultural productivity, (2) adopt crop diversification and sustainable agriculture practices, (3) augment post-harvest storage at the panchayat and block level, (4) improve irrigation facilities, and (5) facilitate availability of long-term and short-term credit. This programme is likely to help 1.7 crore farmers.

Building Rural Prosperity and Resilience

11. A comprehensive multi-sectoral 'Rural Prosperity and Resilience' programme will be launched in partnership with states. This will address under-employment

in agriculture through skilling, investment, technology, and invigorating the rural economy. The goal is to generate ample opportunities in rural areas so that migration is an option, but not a necessity. 12. The programme will focus on rural women, young farmers, rural 4 youth, marginal and small farmers, and landless families. Details are in Annexure A.

13. Global and domestic best practices will be incorporated and appropriate technical and financial assistance will be sought from multilateral development banks. In Phase-1, 100 developing agri-districts will be covered.

Aatmanirbharta in Pulses

14. Our Government is implementing the National Mission for Edible Oilseed for achieving atmanirbharta in edible oils. Our farmers have the

capability to grow enough for our needs and more. 15. Ten years ago, we made concerted efforts and succeeded in achieving near self-

COVER STORY

sufficiency in pulses. Farmers responded to the need by increasing the cultivated area by 50 per cent and Government arranged for procurement and remunerative prices. Since then, with rising incomes and better affordability, our consumption of pulses has increased significantly.

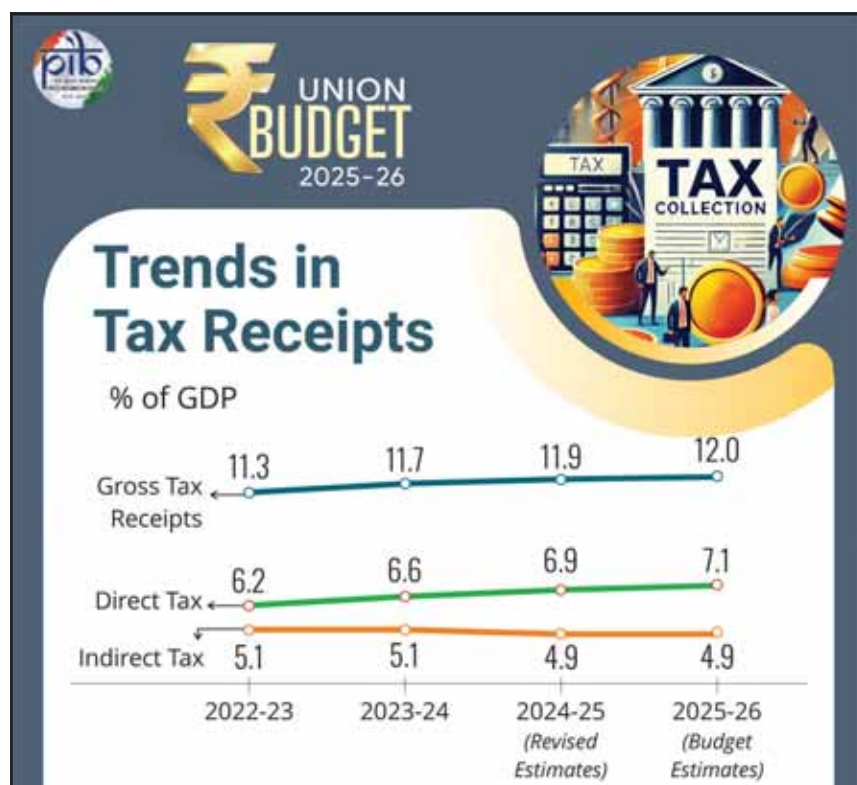
16. Our Government will now launch a 6-year "Mission for Aatmanirbharta in Pulses" with a special focus on Tur, Urad and Masoor. Details are in Annexure B. Central agencies (NAFED and NCCF) will be ready to procure these 3 pulses, as much as offered during the next 4 years from farmers who register with these agencies and enter into agreements.

Comprehensive Programme for Vegetables & Fruits

17. It is encouraging that our people are increasingly becoming aware of their nutritional needs. It is a sign of a society becoming healthier. With rising income levels, the consumption of vegetables, fruits and shree-anna is increasing significantly. A comprehensive programme to promote production, efficient supplies, processing, and remunerative prices for farmers will be launched in partnership with states. Appropriate institutional mechanisms for implementation and participation of farmer producer organizations and cooperatives will be set up.

Makhana Board in Bihar

18. For this, there is a special opportunity for the people of Bihar. A Makhana Board will be established in the state to improve production, processing, value addition, and marketing of makhana. The people engaged in these activities will be organized into FPOs. The Board will provide handholding and training support to makhana farmers and will also work to ensure they receive the benefits of all relevant Government schemes.



National Mission on High Yielding Seeds

19. A National Mission on High Yielding Seeds will be launched, aimed at (1) strengthening the research ecosystem, (2) targeted development and propagation of seeds with high yield, pest resistance and climate resilience, and (3) commercial availability of more than 100 seed varieties released since July 2024.

Fisheries

20. India ranks second-largest globally in fish production and aquaculture. Seafood exports are valued at ₹ 60 thousand crore. To unlock the untapped potential of the marine sector, our Government will bring in an enabling framework for sustainable harnessing of fisheries from Indian Exclusive Economic Zone and High Seas, with a special focus on the Andaman & Nicobar and Lakshadweep Islands.

Mission for Cotton Productivity

21. For the benefit of lakhs of cotton growing farmers, I am pleased

to announce a 'Mission for Cotton Productivity'. This 5-year mission will facilitate significant improvements in productivity and sustainability of cotton farming, and promote extra-long staple cotton varieties. The best of science & technology support will be provided to farmers. Aligned with our integrated 5F vision for the textile sector, this will help in increasing incomes of the farmers, and ensure a steady supply of quality cotton for rejuvenating India's traditional textile sector.

Enhanced Credit through KCC

22. Kisan Credit Cards (KCC) facilitate short term loans for 7.7 crore farmers, fishermen, and dairy farmers. The loan limit under the Modified Interest Subvention Scheme will be enhanced from ₹ 3 lakh to 5 lakh for loans taken through the KCC.

Urea Plant in Assam

23. For Aatmanirbharta in urea production, our Government had reopened three dormant urea plants in the Eastern region. To further

COVER STORY



augment urea supply, a plant with annual capacity of 12.7 lakh metric tons will be set up at Namrup, Assam.

India Post as a Catalyst for the Rural Economy

24. India Post with 1.5 lakh rural post offices, complemented by the India Post Payment Bank and a vast network of 2.4 lakh Dak Sevaks, will be repositioned to act as a catalyst for the rural economy. Details are at Annexure C.

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

Support to NCDC

26. Our Government will provide support to NCDC for its lending operations for the cooperative sector.

MSMEs as the 2nd engine

27. Now, I move to MSMEs as the 2nd engine, which encompasses manufacturing and services with a focus on MSMEs numbering 5.7 crore.

Revision in classification criteria for MSMEs

28. Currently, over 1 crore registered MSMEs, employing 7.5 crore people, and generating 36 per cent of our manufacturing, have come together to position India as a global manufacturing hub. With their quality products, these MSMEs are responsible for 45 per cent of our exports. To help them 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. This will give them the confidence to grow and generate employment for our youth. The details are in Annexure D.

Significant enhancement of credit availability with guarantee cover

29. To improve access to credit, the credit guarantee cover will be enhanced:

a) For Micro and Small Enterprises, from ` 5 crore to 10 crore, leading to additional credit of ` 1.5 lakh crore in the next 5 years;

b) For Startups, from ` 10 crore

to 20 crore, with the guarantee fee being moderated to 1 per cent for loans in 27 focus sectors important for Atmanirbhar Bharat; and c) For well-run exporter MSMEs, for term loans up to ` 20 crore.

Credit Cards for Micro Enterprises

30. We will introduce customized Credit Cards with a ` 5 lakh limit for micro enterprises registered on Udyam portal. In the first year, 10 lakh such cards will be issued.

Fund of Funds for Startups

31. The Alternate Investment Funds (AIFs) for startups have received commitments of more than ` 91,000 crore. These are supported by the Fund of Funds set up with a Government contribution of ` 10,000 crore. Now, a new Fund of Funds, with expanded scope and a fresh contribution of another ` 10,000 crore will be set up.

Scheme for First-time Entrepreneurs

32. 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

COVER STORY

during the next 5 years. The scheme will incorporate lessons from the successful Stand-Up India scheme. Online capacity building for entrepreneurship and managerial skills will also be organized.

Measures for Labour-Intensive Sectors

33. To promote employment and entrepreneurship opportunities in labour-intensive sectors, our Government will undertake specific policy and facilitation measures.

Focus Product Scheme for Footwear & Leather Sectors

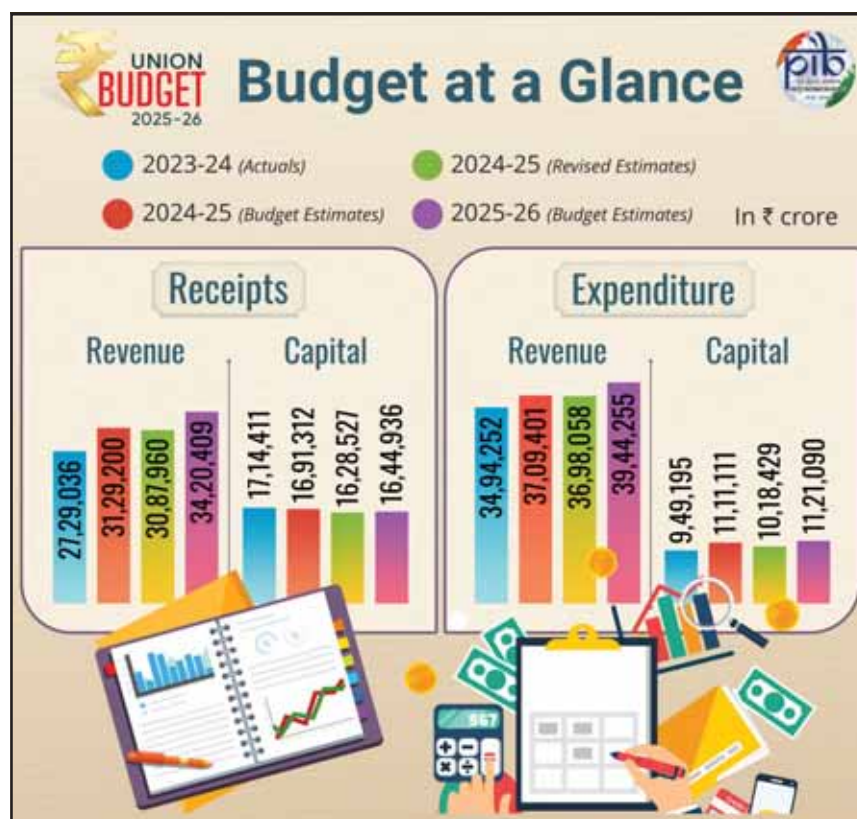
34. To enhance the productivity, quality and competitiveness of India's footwear and leather sector, a focus product scheme will be implemented. The scheme will support design capacity, component manufacturing, and machinery required for production of non-leather quality footwear, besides the support for leather footwear and products. The scheme is expected to facilitate employment for 22 lakh persons, generate turnover of ` 4 lakh crore and exports of over ` 1.1 lakh crore.

Measures for the Toy Sector

35. Building on the National Action Plan for Toys, we will implement a scheme to make India a global hub for toys. The scheme will focus on development of clusters, skills, and a manufacturing ecosystem that will create high-quality, unique, innovative, and sustainable toys that will represent the 'Made in India' brand.

Support for Food Processing

36. In line with our commitment towards 'Purvodaya', we will establish a National Institute of Food Technology, Entrepreneurship and Management in Bihar. The institute will provide a strong fillip to food processing activities in the entire Eastern region. This will result in (1) enhanced income for the farmers through value addition to their



produce, and (2) skilling, entrepreneurship and employment opportunities for the youth.

Manufacturing Mission - Furthering "Make in India"

37. Our 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. Details are in Annexure E.

Clean Tech Manufacturing

38. Given our commitment to climate-friendly development, the 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.

Investment as the 3rd engine

39. Now, I move to Investment as the 3rd engine, which encompasses investing in people, investing in the economy and investing in innovation.

A. Investing in People

Saksham Anganwadi and Poshan 2.0

40. The Saksham Anganwadi and Poshan 2.0 programme provides nutritional support to more than 8 crore children, 1 crore pregnant women and lactating mothers all over the country, and about 20 lakh adolescent girls in aspirational districts and the north-east region. The cost norms for the nutritional support will be enhanced appropriately.

Atal Tinkering Labs

41. 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.



Broadband Connectivity to Government Secondary Schools and PHCs

42. Broadband connectivity will be provided to all Government secondary schools and primary health centres in rural areas under the Bharatnet project.

Bharatiya Bhasha Pustak Scheme

43. We propose to implement a 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.

National Centres of Excellence for Skilling

44. Building on the initiative announced in the July 2024 Budget, five National Centres of Excellence for skilling will be set up with global expertise and partnerships to equip our youth with the skills required for

“Make for India, Make for the World” manufacturing. The partnerships will cover curriculum design, training of trainers, a skills certification framework, and periodic reviews.

Expansion of Capacity in IITs

45. Total number of students in 23 IITs has increased 100 per cent from 65,000 to 1.35 lakh in the past 10 years. Additional infrastructure will be created in the 5 IITs started after 2014 to facilitate education for 6,500 more students. Hostel and other infrastructure capacity at IIT, Patna will also be expanded.

Centre of Excellence in AI for Education

46. I had announced three Centres of Excellence in Artificial Intelligence for agriculture, health, and sustainable cities in 2023. Now a Centre of Excellence in Artificial Intelligence for education will be set up with a total outlay of ₹ 500 crore.

Expansion of medical education

47. Our 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.

Day Care Cancer Centres in all District Hospitals

48. Our Government will facilitate setting up of Day Care Cancer Centres in all district hospitals in the next 3 years. 200 Centres will be established in 2025-26.

Strengthening urban livelihoods

49. Our Government has been giving priority to assisting urban poor and vulnerable groups. A scheme for socio-economic upliftment of urban workers will be implemented to help

COVER STORY

them improve their incomes, have sustainable livelihoods and a better quality of life.

PM SVANidhi

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

Social Security Scheme for Welfare of Online Platform Workers

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

B. Investing in the Economy

Public Private Partnership in Infrastructure

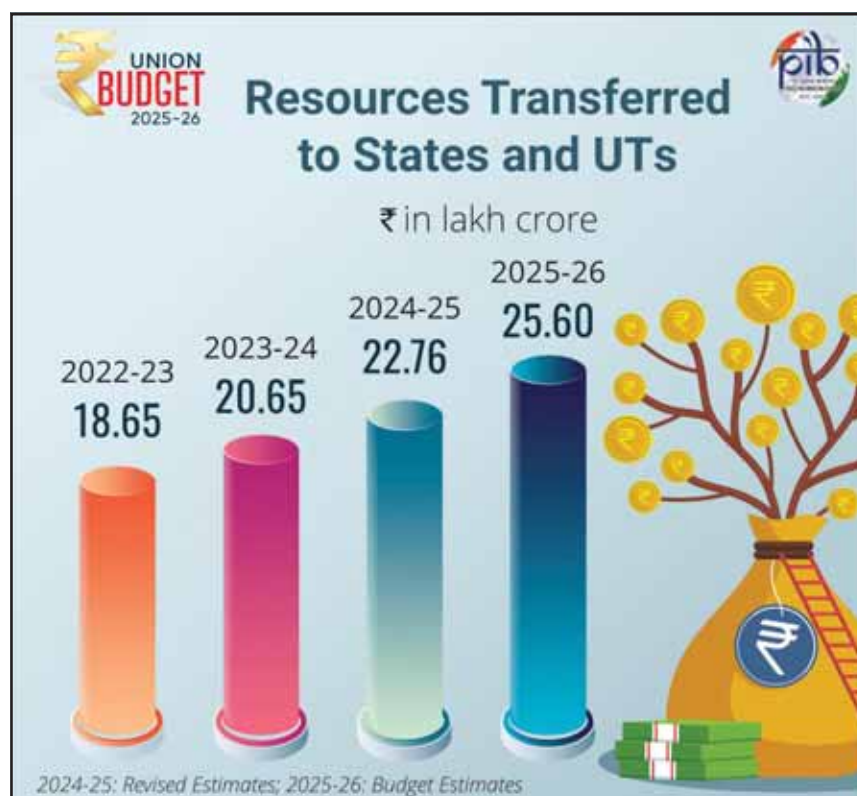
52. Each infrastructure-related ministry will come up with a 3-year pipeline of projects that can be implemented in PPP mode. States will also be encouraged to do so and can seek support from the IIPDF (India Infrastructure Project Development Fund) scheme to prepare PPP proposals.

Support to States for Infrastructure

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

Asset Monetization Plan 2025-30

54. Building on the success of the first Asset Monetization Plan announced in 2021, the second Plan for 2025-30 will be launched to plough



back capital of ` 10 lakh crore in new projects. Regulatory and fiscal measures will be finetuned to support the Plan.

Jal Jeevan Mission

55. Since 2019, 15 crore households representing 80 per cent of India's rural population have been provided access to potable tap water connections. To achieve 100 per cent coverage, I am pleased to announce the extension of the Mission until 2028 with an enhanced total outlay.

56. The Mission's focus will be on the quality of infrastructure and O&M of rural piped water supply schemes through "Jan Bhagidhari". Separate MoUs will be signed with states/UTs, to ensure sustainability and citizencentric water service delivery.

Urban Sector Reforms

57. Building on the July Budget proposals, urban sector reforms related to governance, municipal services, urban land, and planning will be incentivized.

Urban Challenge Fund

58. The Government will set up an Urban Challenge Fund of ` 1 lakh crore to implement the proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation' announced in the July Budget.

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

Power Sector Reforms

60. We will incentivize electricity distribution reforms and augmentation of intra-state transmission capacity by states. This will improve financial health and capacity of electricity companies. Additional borrowing of 0.5 per cent of GSDP will be allowed to states, contingent on these reforms.

Nuclear Energy Mission for Viksit Bharat

COVER STORY



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

62. 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.

Shipbuilding

63. 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.

64. Large ships above a specified size will be included in the

infrastructure harmonized master list (HML).

65. 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.

Maritime Development Fund

66. For long-term financing for the maritime industry, a Maritime Development Fund with a corpus of ` 25,000 crore will be set up. This will be for distributed support and promoting competition. This will have up to 49 per cent contribution by the Government, and the balance will be mobilized from ports and private sector.

UDAN - Regional Connectivity Scheme

67. UDAN has enabled 1.5 crore middle-class people to meet their aspirations for speedier travel. The

scheme has connected 88 airports and operationalized 619 routes. Inspired by that success, a modified UDAN scheme will be launched 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.

Greenfield Airport in Bihar

68. Greenfield airports will be facilitated in Bihar to meet the future needs of the State. These will be in addition to the expansion of the capacity of Patna airport and a brownfield airport at Bihta.

Western Koshi Canal Project in Mithilanchal

69. Financial support will be provided for the Western Koshi Canal ERM Project benefitting a large number of farmers cultivating over

COVER STORY

50,000 hectares of land in the Mithilanchal region of Bihar.

Mining Sector Reforms

70. Mining sector reforms, including those for minor minerals, will be encouraged through sharing of best practices and institution of a State Mining Index.

71. A policy for recovery of critical minerals from tailings will be brought out.

SWAMIH Fund 2

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

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

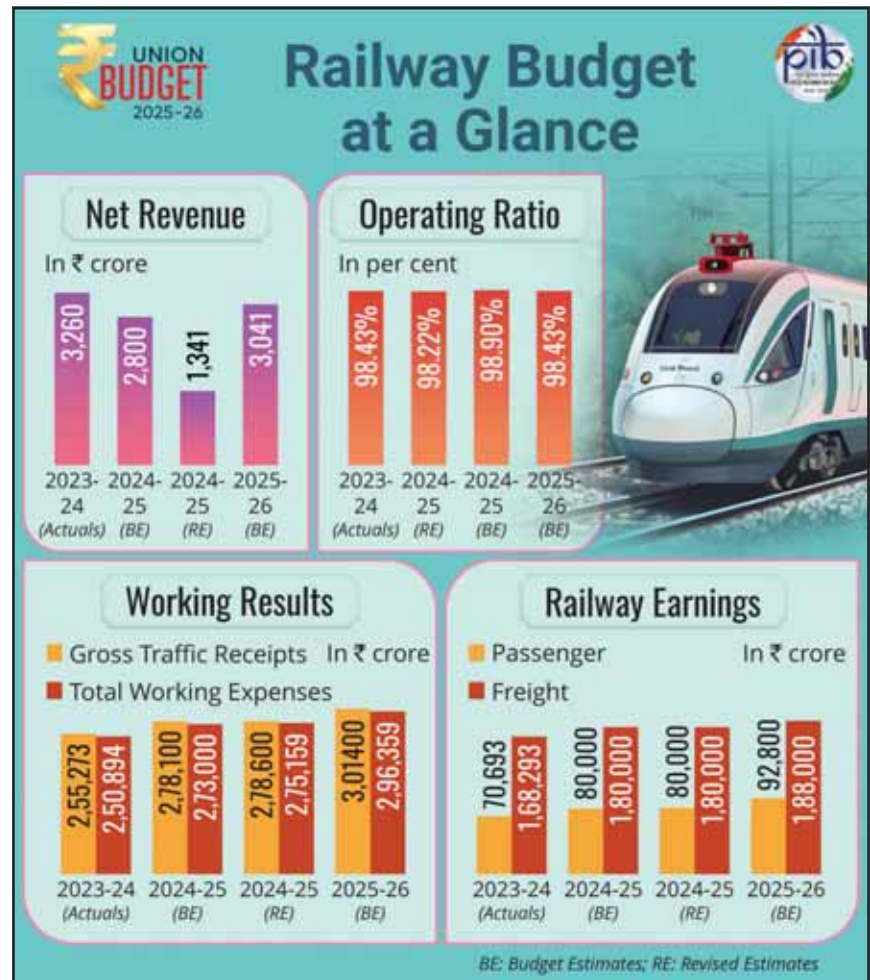
PM Gati Shakti Data for Private Sector

74. For furthering PPPs and assisting the private sector in project planning, access to relevant data and maps from the PM Gati Shakti portal will be provided.

Tourism for employment-led growth

75. 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.

76. The following measures will be taken for facilitating employment-led growth:



1) Organizing intensive skill-development programmes for our youth including in Institutes of Hospitality Management;

2) Providing MUDRA loans for homestays;

3) Improving ease of travel and connectivity to tourist destinations;

4) Providing performance-linked incentives to states for effective destination management including tourist amenities, cleanliness, and marketing efforts; and

5) Introducing streamlined e-visa facilities along with visa-fee waivers for certain tourist groups.

77. Continuing with the emphasis on places of spiritual and religious significance in the July Budget, there will be a special focus on destinations related to the life and

times of Lord Buddha.

Medical Tourism and Heal in India

78. Medical Tourism and Heal in India will be promoted in partnership with the private sector along with capacity building and easier visa norms.

C. Investing in Innovation Research, Development and Innovation

79. To implement private sector driven Research, Development and Innovation initiative announced in the July Budget, I am now allocating ₹ 20,000 crore.

Deep Tech Fund of Funds

80. A Deep Tech Fund of Funds will also be explored to catalyze the next generation startups as a part of this initiative.

COVER STORY

PM Research Fellowship

81. In the next five years, under the PM Research Fellowship scheme, we will provide ten thousand fellowships for technological research in IITs and IISc with enhanced financial support.

Gene Bank for Crops Germplasm

82. The 2nd Gene Bank with 10 lakh germplasm lines will be set up for future food and nutritional security. This will provide conservation support to both public and private sectors for genetic resources.

National Geospatial Mission

83. We 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.

Gyan Bharatam Mission

84. A 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. We will set up a National Digital Repository of Indian knowledge systems for knowledge sharing.

85. Now, I move to Exports as the 4th engine.

Exports as the 4th engine

Export Promotion Mission

86. We 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

87. A digital public infrastructure, 'BharatTradeNet' (BTN) for international trade will be set-up as



In ₹ crore	2023-24 (Actuals)	2024-25 (Budget Estimates)	2024-25 (Revised Estimates)	2025-26 (Budget Estimates)
Revenue Receipts	27,29,036	31,29,200	30,87,960	34,20,409
Capital Receipts	17,14,411	16,91,312	16,28,527	16,44,936
Total Receipts	44,43,447	48,20,512	47,16,487	50,65,345
Total Expenditure	44,43,447	48,20,512	47,16,487	50,65,345
Effective Capital Expenditure	12,53,111	15,01,889	13,18,320	15,48,282
Revenue Deficit	7,65,216	5,80,201	6,10,098	5,23,846
Effective Revenue Deficit	4,61,300	1,89,423	3,10,207	96,654
Fiscal Deficit	16,54,643	16,13,312	15,69,527	15,68,936
Primary Deficit	5,90,771	4,50,372	4,31,587	2,92,598

a unified platform for trade documentation and financing solutions. This will complement the Unified Logistics Interface Platform. The BTN will be aligned with international practices.

Support for integration with Global Supply Chains

88. Support will be provided to develop domestic manufacturing capacities for our economy's integration with global supply chains. Sectors will be identified based on objective criteria.

89. Facilitation groups with participation of senior officers and industry representatives will be formed for select products and supply chains.

90. Through this, there are huge opportunities related to Industry 4.0, which needs high skills and talent. Our youth have both. Our Government will support the domestic electronic equipment industry to leverage this opportunity for the benefit of the youth.

National Framework for GCC

91. 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.

Warehousing facility for air cargo

92. Our Government will facilitate upgradation of infrastructure and warehousing for air cargo including high value perishable horticulture produce. Cargo screening and customs protocols will be streamlined and made user-friendly.

Reforms as the Fuel

93. Now I move to 'Reforms as the Fuel', and detail specific reforms.

Tax Reforms

94. Over the past 10 years, our Government has implemented several reforms for convenience of tax

COVER STORY

payers, such as (1) faceless assessment, (2) tax payers charter, (3) faster returns, (4) almost 99 per cent returns being on selfassessment, and (5) Vivad se Vishwas scheme. Continuing these efforts, I reaffirm the commitment of the tax department to “trust first, scrutinize later”. I also propose to introduce the new income-tax bill next week. I will detail the indirect tax reforms and changes in direct taxes in Part B.

Financial Sector Reforms and Development

FDI in Insurance Sector

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

Expanding Services of India Post Payment Bank

96. The services of India Post Payment Bank will be deepened and expanded in rural areas.

Credit Enhancement Facility by NaBFID

97. NaBFID will set up a ‘Partial Credit Enhancement Facility’ for corporate bonds for infrastructure.

Grameen Credit Score

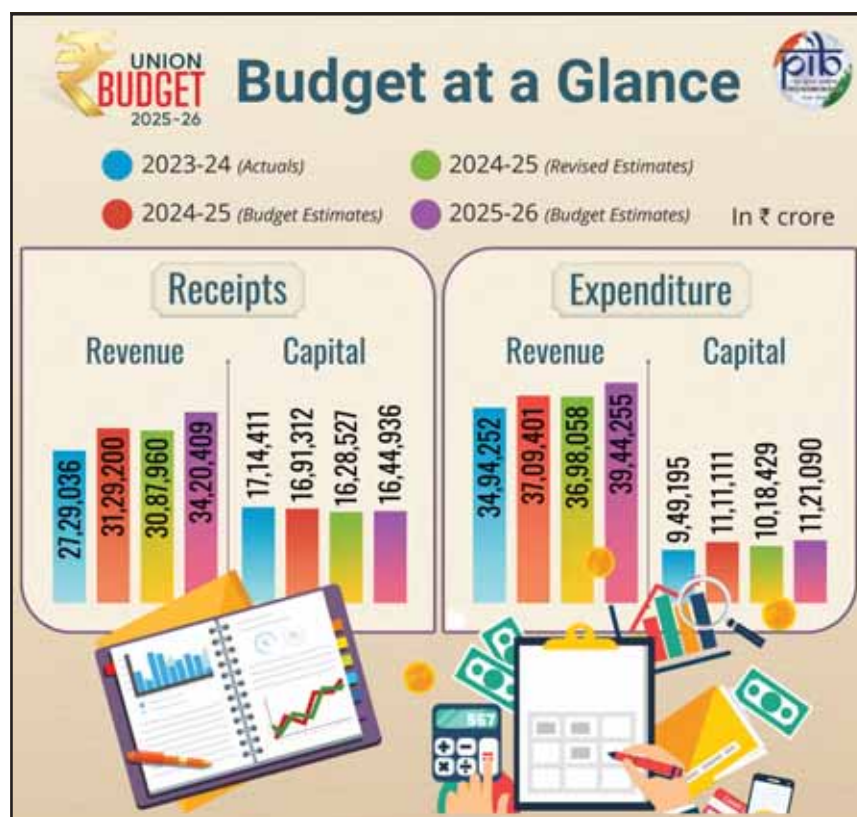
98. Public Sector Banks will develop ‘Grameen Credit Score’ framework to serve the credit needs of SHG members and people in rural areas.

Pension Sector

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

KYC Simplification

100. To implement the earlier announcement on simplifying the KYC process, the revamped Central KYC Registry will be rolled out in 2025. We will also implement a



streamlined system for periodic updating.

Merger of Companies

101. 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.

Bilateral Investment Treaties

102. As proposed in the Interim Budget, we signed Bilateral Investment Treaties (BIT) with two countries in 2024. To encourage sustained foreign investment and in the spirit of ‘first develop India’, the current model BIT will be revamped and made more investor-friendly.

Regulatory Reforms

103. In the last ten years in several aspects, including financial and nonfinancial, our Government has demonstrated a steadfast commitment to ‘Ease of Doing Business’. We are 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. To develop this modern, flexible, people-friendly, and trust-based regulatory framework appropriate for the twenty-first century, I propose four specific measures:

High Level Committee for Regulatory Reforms

104. 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 make recommendations within a year. The objective is to strengthen trust-based economic governance and take transformational measures to

COVER STORY

enhance 'ease of doing business', especially in matters of inspections and compliances. States will be encouraged to join in this endeavour.

Investment Friendliness Index of States

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

FSDC Mechanism

106. 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

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

Fiscal Policy

108. Now I move to fiscal policy matters.

Fiscal Consolidation

109. In the July Budget, I had committed to staying the course for fiscal consolidation. Our endeavour will be to keep the fiscal deficit each year such that the Central Government debt remains on a declining path as a percentage of the GDP. The roadmap for the next 6 years has been detailed in the FRBM statement.

Revised Estimates 2024-25

110. 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.

111. The Revised Estimate of the fiscal deficit is 4.8 per cent of GDP.

Budget Estimates 2025-26

112. Coming to 2025-26, the total receipts other than borrowings and the total expenditure are estimated at ` 34.96 lakh crore and ` 50.65 lakh crore respectively. The net tax receipts are estimated at ` 28.37 lakh crore.

113. The fiscal deficit is estimated to be 4.4 per cent of GDP.

114. To finance the fiscal deficit, the net market borrowings from dated securities are estimated at ` 11.54 lakh crore. The balance financing is expected to come from small savings and other sources. The gross market borrowings are estimated at ` 14.82 lakh crore.

Indirect Taxes

115. My 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

116. As a part of comprehensive review of Customs rate structure announced in July 2024 Budget, I propose to:

(i) remove seven tariff rates. This is over and above the seven tariff rates removed in 2023-24 budget. After this, there will be only eight remaining tariff rates including 'zero' rate.

(ii) apply appropriate cess to broadly maintain effective duty incidence except on a few items, where such incidence will reduce marginally.

(iii) levy not more than one cess or surcharge. Therefore, I propose to exempt Social Welfare Surcharge on 82 tariff lines that are subject to a cess.

117. I shall now take up sector specific proposals.

Relief on import of Drugs/Medicines

118. To provide relief to patients, particularly those suffering from cancer, rare diseases and other severe chronic diseases, I propose to add 36 lifesaving drugs and medicines to the list of medicines fully exempted from Basic Customs Duty (BCD). I also propose to add 6 lifesaving medicines to the list attracting concessional customs duty of 5%. Full exemption and concessional duty will also respectively apply on the bulk drugs for manufacture of the above.

119. 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. I propose to add 37 more medicines along with 13 new patient assistance programmes.

Support to Domestic Manufacturing and Value addition

Critical Minerals

120. In the July 2024 Budget, I had fully exempted BCD on 25 critical minerals that are not domestically available. I had also reduced BCD of 2 other such minerals to provide a major fillip to their processing especially by MSMEs. Now, I propose to fully exempt cobalt powder and waste, the scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals. This will help secure their availability for manufacturing in India and promote more jobs for our youth.

Textiles

121. To promote domestic production of technical textile products such as agro-textiles, medical textiles and geo textiles at competitive prices, I propose to add two more types of shuttle-less looms

COVER STORY

to the list of fully exempted textile machinery. I also propose to revise the BCD rate on knitted fabrics covered by nine tariff lines from “10% or 20%” to “20% or ` 115 per kg, whichever is higher”.

Electronic Goods

122. In line with our ‘Make in India’ policy, and to rectify inverted duty structure, I propose to increase the BCD on Interactive Flat Panel Display (IFPD) from 10% to 20% and reduce the BCD to 5% on Open Cell and other components.

123. In 2023 -24 Budget, for the manufacture of Open Cells of LCD/ LED TVs, I had reduced the BCD on parts of Open Cells from 5% to 2.5% . To further boost the manufacture of such Open Cells, the BCD on these parts will now stand exempted.

Lithium Ion Battery

124. To the list of exempted capital goods, I propose to add 35 additional capital goods for EV battery manufacturing, and 28 additional capital goods for mobile phone battery manufacturing. This will boost domestic manufacture of lithium-ion battery, both for mobile phones and electric vehicles.

Shipping Sector

125. Considering that shipbuilding has a long gestation period, I propose to continue the exemption of BCD on raw materials, components, consumables or parts for the manufacture of ships for another ten years. I also propose the same dispensation for ship breaking to make it more competitive.

Telecommunication

126. To prevent classification disputes, I propose to reduce the BCD from 20% to 10% on Carrier Grade ethernet switches to make it at par with NonCarrier Grade ethernet switches.

Export Promotion

Handicraft Goods

127. To facilitate exports of



handicrafts, I propose to extend the time period for export from six months to one year, further extendable by another three months, if required. I also propose to add nine items to the list of dutyfree inputs.

Leather sector

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

Marine products

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

Domestic MROs for Railway Goods

130. In July 2024 Budget, to promote development of domestic MROs for aircraft and ships, I had

extended the time limit for export of foreign origin goods that were imported for repairs, from 6 months to one year and further extendable by one year. I now propose to extend the same dispensation for railway goods.

Trade facilitation Time limit for Provisional Assessment

131. 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, I propose to fix a time-limit of two years, extendable by a year, for finalising the provisional assessment.

Voluntary Compliance

132. I propose to introduce a new provision that will enable importers or exporters, after clearance of goods, to voluntarily declare material facts and pay duty with interest but without penalty. This will incentivise voluntary compliance. However, this will not apply in cases where department has already initiated

audit or investigation proceedings.

Extended Time for End Use

133. For industry to better plan their imports, I propose to extend the time limit for the end-use of imported inputs in the relevant rules, from six months to one year. 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.

Direct Taxes

I now come to my Direct tax proposals.

134. In Part A, I have briefly underlined Taxation Reforms as one of key reforms to realize our vision of Viksit Bharat. In respect of criminal law, Our Government had earlier ushered in Bharatiya Nyaya Sanhita replacing Bharatiya Danda Sanhita. I am happy to inform this August House and the country that the 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.

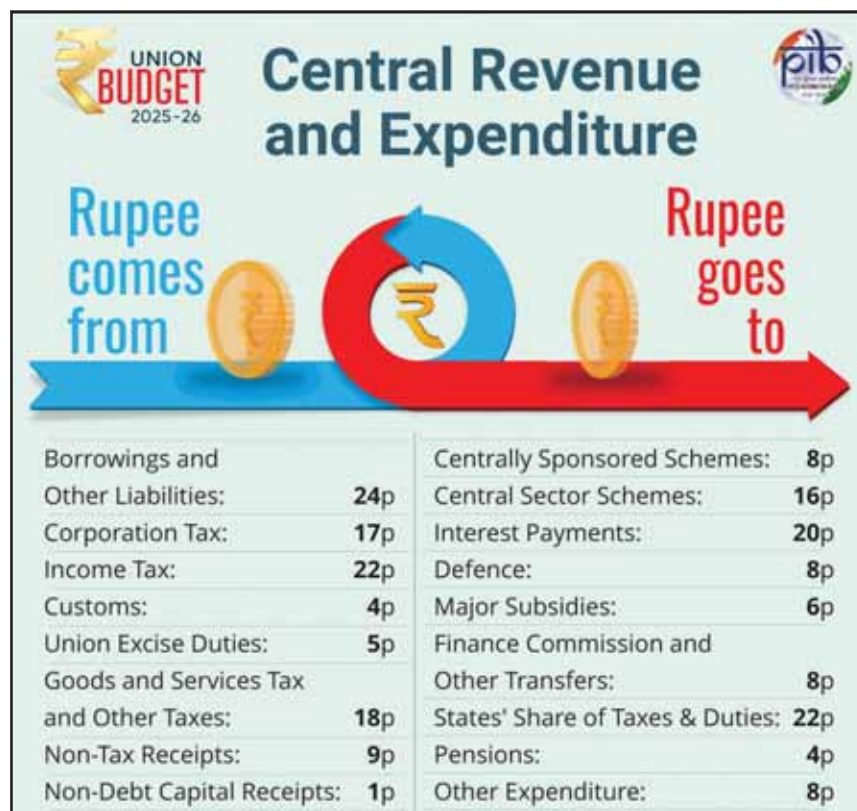
135. Reforms, however, are not a destination. They are a means to achieve good governance for our people and economy. Providing good governance primarily involves being responsive. The Thirukkural captures this in Verse 542, which reads:

*vaanokki vaalum ulakellaam
mannavan koalnokki vaalung kuti*

Meaning:

*Just as living beings live
expecting rains, Citizens live
expecting good governance.*

Our Government is committed to keeping an ear to the ground and a finger on the pulse, and responding while balancing our nation-building efforts. The following measures will



detail just how our Government under the guidance of PM Modi has taken steps to understand and address the needs voiced by our citizens. My tax proposals are guided by this spirit.

136. The objectives of my proposals are as follows:

- (i) Personal Income Tax reforms with special focus on middle class
- (ii) Rationalization of TDS/TCS for easing difficulties
- (iii) Encouraging voluntary compliance
- (iv) Reducing compliance burden
- (v) Ease of doing business
- (vi) Employment and investment

I will come to my proposal on personal income tax towards the end.

TDS/TCS rationalization for easing difficulties

137. I propose to rationalize Tax Deduction at Source (TDS) by reducing the number of rates and thresholds above which TDS is deducted. Further, threshold amounts

for tax deduction will be increased for better clarity and uniformity. The limit for tax deduction on interest for senior citizens is being doubled from the present ` 50,000 to ` 1 lakh. Similarly, the annual limit of ` 2.40 lakh for TDS on rent is being increased to ` 6 lakh. This will reduce the number of transactions liable to TDS, thus benefitting small tax payers receiving small payments.

138. The threshold to collect tax at source (TCS) on remittances under RBI's Liberalized Remittance Scheme (LRS) is proposed to be increased from ` 7 lakh to ` 10 lakh. I also propose to remove TCS on remittances for education purposes, where such remittance is out of a loan taken from a specified financial institution.

139. Both TDS and TCS are being applied on any transaction relating to sale of goods. To prevent such compliance difficulties, I propose to omit the TCS. I also propose that the provisions of the higher TDS

COVER STORY

deduction will now apply only in non-PAN cases. 140. In July 2024, the delay for payment of TDS up to the due date of filing statement was decriminalized. I propose to provide the same relaxation to TCS provisions as well.

Encouraging Voluntary Compliance

141. The Government under the leadership of Prime Minister Modi believes in "Sabka Saath, Sabka Vikas, Sabka Vishwas and Sabka Prayas". In line with this, we brought in updated return facility in 2022 for voluntary compliance by taxpayers who had omitted to report their correct income. Our trust in taxpayers was proved right. Nearly 90 lakh taxpayers voluntarily updated their incomes by paying additional tax. Taking this trust further, I now propose to extend the time-limit to file updated returns for any assessment year, from the current limit of two years, to four years.

Reducing Compliance Burden

142. I propose to reduce the compliance burden for small charitable trusts/institutions by increasing their period of registration from 5 years to 10 years. It is also proposed that disproportionate consequences do not arise for minor defaults, such as incomplete applications filed by charitable entities.

143. Presently tax-payers can claim the annual value of self-occupied properties as nil only on the fulfilment of certain conditions. Considering the difficulties faced by taxpayers, it is proposed to allow the benefit of two such self-occupied properties without any condition.

Ease of Doing Business

144. To streamline the process of transfer pricing and to provide an alternative to yearly examination, I propose to introduce a scheme for determining arm's length price of international transaction for a block



period of three years. This will be in line with global best practices.

145. With a view to reduce litigation and provide certainty in international taxation, the scope of safe harbour rules is being expanded.

146. A number of senior and very senior citizens have very old National Savings Scheme accounts. As interest is no longer payable on such accounts, I propose to exempt withdrawals made from NSS by individuals on or after the 29th of August, 2024. I am also proposing to allow similar treatment to NPS Vatsalya accounts as is available to normal NPS accounts, subject to overall limits.

147. In my speech in July 2024, I had promised that all processes including giving effect to appellate orders shall be digitalized and made paper-less over the next two years. I am happy to announce that digitalization is being made operational.

148. In July 2024, we brought in the Vivad Se Vishwas Scheme to resolve income tax disputes pending in appeal. The scheme has received a great response, with nearly 33,000 tax payers having availed of this scheme to settle their disputes.

Employment and Investment

149. I have a few proposals to promote investment and employment.

Tax certainty for electronics manufacturing Schemes

150. It is proposed to provide a presumptive taxation regime for nonresidents who provide services to a resident company that is establishing or operating an electronics manufacturing facility. I further propose to introduce a safe harbour for tax certainty for non-residents who store components for supply to specified electronics manufacturing units.

Tonnage Tax Scheme for Inland Vessels

151. Presently the tonnage tax

COVER STORY

scheme is available to only sea going ships. The benefits of existing tonnage tax scheme are proposed to be extended to inland vessels registered under the Indian Vessels Act, 2021 to promote inland water transport in the country.

Extension for incorporation of Start-Ups

152. We continue to support the Indian start-up eco-system. I propose to extend the period of incorporation by 5 years to allow the benefit available to start-ups which are incorporated before 1.4.2030.

International Financial Services Centre (IFSC)

153. In order to attract and promote additional activities in the IFSC, I am inter alia proposing specific benefits to ship-leasing units, insurance offices and treasury centres of global companies which are set up in IFSC. Further, to claim benefits, the cut-off date for commencement in IFSC has also been extended by five years to 31.3.2030.

Alternate Investment Funds (AIFs)

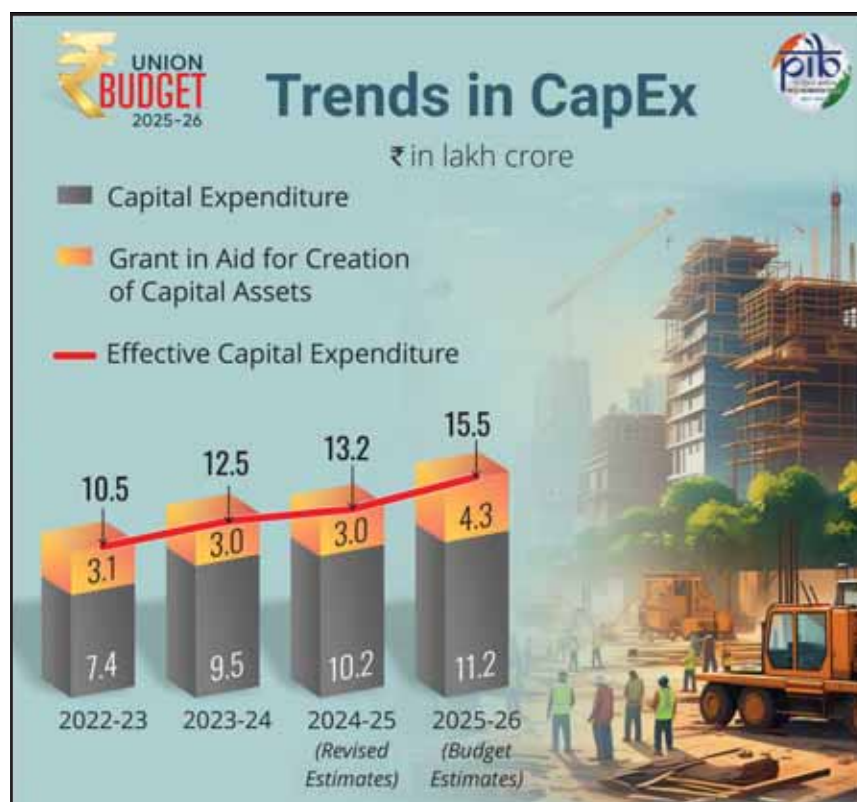
154. Category I and category II AIFs are undertaking investments in infrastructure and other such sectors. I propose to provide certainty of taxation to these entities on the gains from securities.

Extension of investment date for Sovereign and Pension Funds

155. To promote funding from Sovereign Wealth Funds and Pension Funds to the infrastructure sector, I propose to extend the date of making an investment by five more years, to 31st March, 2030.

Personal Income- tax Reforms with special focus on middle class

156. Democracy, Demography and Demand are the key support pillars in our journey towards Viksit Bharat. The middle class provides strength for



India's growth. This Government under the leadership of Prime Minister Modi has always believed in the admirable energy and ability of the middle class in nation building. In recognition of their contribution, we have periodically reduced their tax burden. Right after 2014, the 'Nil tax' slab was raised to ₹ 2.5 lakh, which was further raised to ₹ 5 lakh in 2019 and to ₹ 7 lakh in 2023. This is reflective of our Government's trust on the middle-class tax payers. I am now happy to announce that there will be no income tax payable upto income of ₹ 12 lakh (i.e. average income of ₹ 1 lakh per month other than special rate income such as capital gains) under the new regime. This limit will be ₹ 12.75 lakh for salaried tax payers, due to standard deduction of ₹ 75,000.

157. Slabs and rates are being changed across the board to benefit all taxpayers. The new structure will substantially reduce the taxes of the middle class and leave more money in their hands, boosting household

consumption, savings and investment.

158. In the new tax regime, I propose to revise tax rate structure as follows:

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

159. To tax payers upto ₹ 12 lakh of normal income (other than special rate income such as capital gains) tax rebate is being provided in addition to the benefit due to slab rate reduction in such a manner that there is no tax payable by them. The total tax benefit of slab rate changes and rebate at different income levels can be illustrated with examples. A tax payer in the new regime with an income of ₹ 12 lakh will get a benefit of ₹ 80,000 in tax (which is 100% of tax payable as per existing rates). A



person having income of ₹ 18 lakh will get a benefit of ₹ 70,000 in tax (30% of tax payable as per existing rates).

A person with an income of ₹ 25 lakh gets a benefit of ₹ 1,10,000 (25% of his tax payable as per existing rates).

160. Details of my tax proposals are given in the Annexure.

161. As a result of these proposals, revenue of about ₹ 1 lakh crore in direct taxes and ₹ 2600 crore in indirect taxes will be forgone.

Mr. Speaker Sir, with this, I commend the budget to this august House.

Jai Hind.

Annexures to Part A

Annexure A

Building Rural Prosperity and Resilience

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.

Annexure B

Mission for Aatmanirbharta in Pulses

The Mission will place emphasis on:

1) development and commercial availability of climate resilient seeds,

2) enhancing protein content,

3) increasing productivity,

4) improving post-harvest storage and management, and

5) assuring remunerative prices to the farmers.

Annexure C

India Post as a Catalyst for the Rural Economy

The expanded range of services will include:

1) rural community hub colocation;

2) institutional account services; 3) DBT, cash out and EMI pick-up;

4) credit services to micro enterprises;

5) insurance; and

6) assisted digital services.

Annexure D

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

Annexure E

Manufacturing Mission - Furthering "Make in India"

The Mission's mandate will include 5 focus areas:

1) ease and cost of doing business;

2) future ready workforce for in-demand jobs;

3) a vibrant and dynamic MSME sector;

4) availability of technology; and

5) quality products. ●



SUMMARY OF UNION BUDGET 2025-26

By P.R. Mishra

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

PART A

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

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

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

The Union Budget 2025-2026 promises to continue Government's efforts to accelerate growth, secure inclusive development, invigorate private sector investments, uplift household sentiments, and enhance spending power of India's rising middle class. The Budget proposes

development measures focusing on poor (Garib), Youth, farmer (Annadata) and women (Nari).

The Budget aims to initiate transformative reforms in Taxation, Power Sector, Urban Development, Mining, Financial Sector, and Regulatory Reforms to augment India's growth potential and global competitiveness. Union Budget highlights that Agriculture, MSME, Investment, and Exports are engines in the journey to Viksit Bharat using reforms as fuel, guided by the spirit of inclusivity.

1st Engine: Agriculture

Budget announced 'Prime Minister Dhan-Dhaanya Krishi Yojana' in partnership with states covering 100 districts to increase productivity, adopt crop diversification, augment post-harvest

COVER STORY

storage, improve irrigation facilities, and facilitate availability of long-term and short-term credit.

A comprehensive multi-sectoral 'Rural Prosperity and Resilience' programme will be launched in partnership with states to address underemployment in agriculture through skilling, investment, technology, and invigorating the rural economy. The goal is to generate ample opportunities in rural areas, with focus on rural women, young farmers, rural youth, marginal and small farmers, and landless families.

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

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

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

2nd Engine: MSMEs

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

- ★ NO INCOME TAX ON AVERAGE MONTHLY INCOME OF UPTO RS 1 LAKH; TO BOOST MIDDLE CLASS HOUSEHOLD SAVINGS & CONSUMPTION
- ★ SALARIED CLASS TO PAY NIL INCOME TAX UPTO ₹ 12.75 LAKH PER ANNUM IN NEW TAX REGIME
- ★ UNION BUDGET RECOGNISES 4 ENGINES OF DEVELOPMENT – AGRICULTURE, MSME, INVESTMENT AND EXPORTS
- ★ BENEFITTING 1.7 CRORE FARMERS, 'PRIME MINISTER DHANDHAANYA KRISHI YOJANA' TO COVER 100 LOW AGRICULTURAL PRODUCTIVITY DISTRICTS
- ★ "MISSION FOR AATMANIRBHARTA IN PULSES" WITH A SPECIAL FOCUS ON TUR, URAD AND MASOOR TO BE LAUNCHED
- ★ LOANS UPTO Rs. 5 LAKHS THROUGH KCC UNDER MODIFIED INTEREST SUBVENTION SCHEME
- ★ FY-25 ESTIMATED TO END WITH FISCAL DEFICIT OF 4.8%, TARGET TO BRING IT DOWN TO 4.4% IN FY-26
- ★ SIGNIFICANT ENHANCEMENT OF CREDIT WITH GUARANTEE COVER TO MSMEs FROM ₹ 5 CR TO ₹ 10 CR
- ★ A NATIONAL MANUFACTURING MISSION COVERING SMALL, MEDIUM AND LARGE INDUSTRIES FOR FURTHERING "MAKE IN INDIA"
- ★ 50,000 ATAL TINKERING LABS IN GOVERNMENT SCHOOLS IN NEXT 5 YEARS
- ★ CENTRE OF EXCELLENCE IN ARTIFICIAL INTELLIGENCE FOR EDUCATION, WITH A TOTAL OUTLAY OF ₹ 500 CRORE
- ★ PM SVANIDHI WITH ENHANCED LOANS FROM BANKS, AND UPI LINKED CREDIT CARDS WITH ₹ 30,000 LIMIT
- ★ GIG WORKERS TO GET IDENTITY CARDS, REGISTRATION ON E-SHRAM PORTAL & HEALTHCARE UNDER PM JAN AROGYA YOJANA
- ★ Rs. 1 LAKH CRORE URBAN CHALLENGE FUND FOR 'CITIES AS GROWTH HUBS'
- ★ NUCLEAR ENERGY MISSION FOR R&D OF SMALL MODULAR REACTORS WITH AN OUTLAY OF ₹ 20,000 CRORE
- ★ MODIFIED UDAN SCHEME TO ENHANCE REGIONAL CONNECTIVITY TO 120 NEW DESTINATIONS
- ★ Rs. 15,000 CRORE SWAMIH FUND TO BE ESTABLISHED FOR EXPEDITIOUS COMPLETION OF ANOTHER 1 LAKH STRESSED HOUSING UNITS
- ★ Rs. 20,000 CRORE ALLOCATED FOR PRIVATE SECTOR DRIVEN RESEARCH DEVELOPMENT AND INNOVATION INITIATIVES
- ★ GYAN BHARATAM MISSION FOR SURVEY AND CONSERVATION OF MANUSCRIPTS TO COVER MORE THAN ONE CRORE MANUSCRIPTS
- ★ FDI LIMIT ENHANCED FOR INSURANCE FROM 74 TO 100 PER CENT
- ★ JAN VISHWAS BILL 2.0 TO BE INTRODUCED FOR DECIMALISING MORE THAN 100 PROVISIONS IN VARIOUS LAWS

COVER STORY

- ★ **UPDATED INCOME TAX RETURNS TIME LIMIT INCREASED FROM TWO TO FOUR YEARS**
- ★ **DELAY IN TCS PAYMENT DECRIMINALISED**
- ★ **TDS ON RENT INCREASED FROM ? 2.4 LAKH TO ? 6 LAKH**
- ★ **BCD EXEMPTED ON 36 LIFESAVING DRUGS AND MEDICINES FOR TREATING CANCER, RARE AND CHRONIC DISEASES**
- ★ **BCD ON IFPD INCREASED TO 20% AND ON OPEN CELLS REDUCED TO 5%**
- ★ **BCD ON PARTS OF OPEN CELLS EXEMPTED TO PROMOTE DOMESTIC MANUFACTURING**
- ★ **TO BOOST BATTERY PRODUCTION, ADDITIONAL CAPITAL GOODS FOR EV AND MOBILE BATTERY MANUFACTURING EXEMPTED**
- ★ **BCD EXEMPTED FOR 10 YEARS ON RAW MATERIALS & COMPONENTS USED FOR SHIP BUILDING**
- ★ **BCD REDUCED FROM 30% TO 5% ON FROZEN FISH PASTE AND 15% TO 5% ON FISH HYDROLYSATE**

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

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

3rd Engine: Investment

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

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

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

She said Bharatiya Bhasha Pustak Scheme will be implemented

to provide digital-form Indian language books for school and higher education.

Five National Centres of Excellence for skilling will be set up with global expertise and partnerships to equip our youth with the skills required for "Make for India, Make for the World" manufacturing.

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

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

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

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

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

The Jal Jeevan Mission was

extended till 2028 with focus on the quality of infrastructure and Operation & Maintenance of rural piped water supply schemes through "Jan Bhagidhari".

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

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

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

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

4th Engine: Exports

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

The Finance Minister mentioned that support will be provided to develop domestic manufacturing capacities for our economy's integration with global supply chains. She also announced that government will support the domestic electronic equipment industry for leveraging the

COVER STORY

opportunities related to Industry 4.0. A National Framework has also been proposed for promoting Global Capability Centres in emerging tier 2 cities.

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

Reforms as the Fuel

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

Financial Sector Reforms and Development

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

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

Smt. Sitharaman proposed a light-touch regulatory framework based on principles and trust to unleash productivity and employment. She proposed four specific measures to develop this

The graphic is a promotional poster for the Union Budget 2025-26. It features a family of three (a man, a woman, and a child) smiling in a rural setting. The text on the left side of the graphic reads: 'UNION BUDGET 2025-26', 'Higher Credit through Kisan Credit Cards', 'Loan limit under Modified Interest Subvention Scheme to be raised from ₹ 3 lakh to ₹ 5 lakh', and 'Kisan Credit Cards facilitate short term loans for 7.7 crore farmers, fishermen, and dairy farmers'. Logos for PIB and the Ministry of Finance are at the top.

modern, flexible, people-friendly, and trust-based regulatory framework for the 21st first century, viz.:

★ High Level Committee for Regulatory Reforms

- To review all non-financial sector regulations, certifications, licenses, and permissions.

- To strengthen trust-based economic governance and take transformational measures to enhance ‘ease of doing business’, especially in matters of inspections and compliances

- To make recommendations within a year

- States will be encouraged to be onboarded

★ Investment Friendliness Index of States

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

★ Mechanism under the Financial Stability and

Development Council (FSDC)

- Mechanism to evaluate impact of the current financial regulations and subsidiary instructions.

- Formulate a framework to enhance their responsiveness and development of the financial sector.

★ Jan Vishwas Bill 2.0

- To decriminalise more than 100 provisions in various laws.

Fiscal Consolidation

Reiterating the commitment to stay the course for fiscal consolidation, the Union Finance Minister stated that the Government endeavours to keep the fiscal deficit each year such that the Central Government debt remains on a declining path as a percentage of the GDP and the detailed roadmap for the next 6 years has been detailed in the FRBM statement. Smt. Sitharaman stated that the Revised Estimate 2024-25 of fiscal deficit is 4.8 per cent of GDP, while the Budget Estimates 2025-26 is estimated to be 4.4 per cent of GDP.

Revised Estimates 2024-25

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

Budget Estimates 2025-26

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

PART B

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

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



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

Total Income per annum	Rate of Tax
0-4 lakh rupees	Nil
4-8 lakh rupees	5%
8-12 lakh rupees	10%
12-16 lakh rupees	15%
16-20 lakh rupees	20%
20- 24 lakh rupees	25%
Above 24 lakh rupees	30%

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

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

For ease of doing business, Budget introduces a scheme for determining arm's length price of

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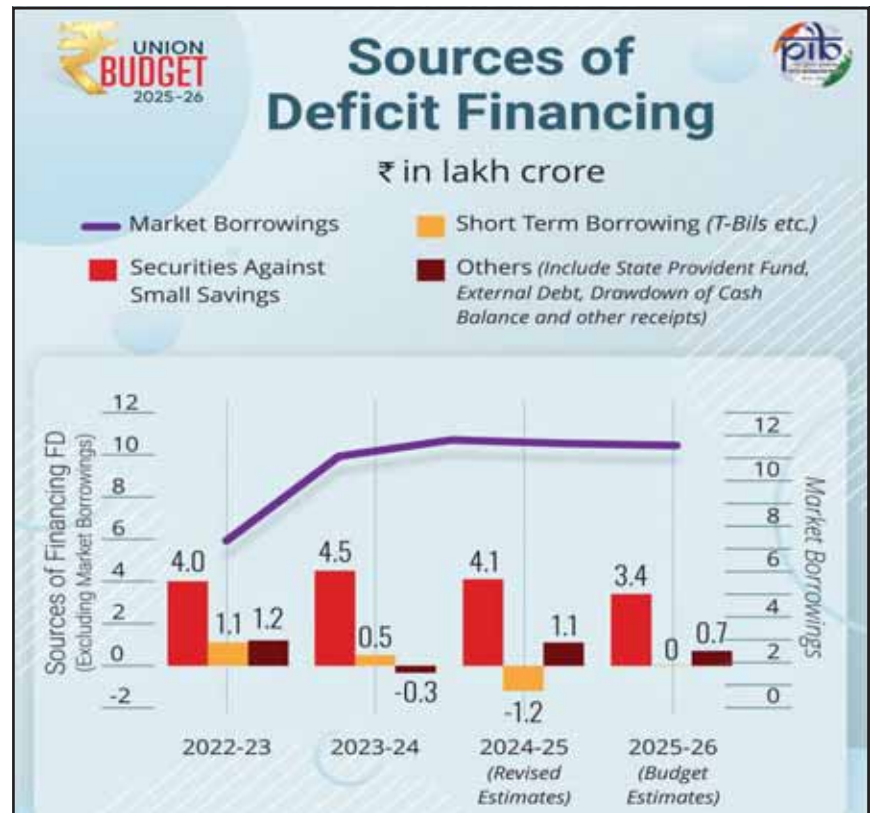
international transaction for a block period of three years. This is in line with global best practices. Further, self harbor rules are being expanded to provide certainty in international taxation.

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

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

As relief on import of Drugs/Medicines, 36 lifesaving drugs and medicines for treating cancer, rare diseases and chronic diseases have been fully exempted from Basic Customs Duty (BCD). Further, 37 medicines along with 13 new drugs and medicines under Patient Assistance Programmes have been exempted from Basic Customs Duty (BCD), if supplied free to patients.

To support Domestic Manufacturing and Value Addition, BCD on 25 critical minerals, that were not domestically available, were exempted in July 2024. The Budget 2025-26 fully exempts cobalt powder and waste, scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals. To promote



domestic textile production, two more types of shuttle-less looms added to fully exempted textile machinery. Further, BCD on knitted fabrics covering nine tariff lines from "10% to 20%" revised to "20% or ? 115 kg, whichever is higher".

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

To boost manufacturing of Lithion-ion battery in the country, 35 additional capital goods for EV battery manufacturing, and 28 additional capital goods for mobile phone battery manufacturing added to the list of exempted capital goods. Union Budget 2025-26 also continues exemption on BCD on raw materials, components, consumables or parts for ship building for another ten years. Budget

also reduced BCD from 20% to 10% on Carrier Grade ethernet switches to make it at par with Non-Carrier Grade ethernet switches.

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

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



HIGHLIGHTS OF UNION BUDGET 2025-26

By Bishwambhar Mishra

ART A
Union Minister for Finance and Corporate Affairs Smt Nirmala Sitharaman presented Union Budget

2025-26 in the Parliament today. The highlights of the budget are as follows:

Budget Estimates 2025-26

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

AGRICULTURE AS THE 1 ENGINE OF DEVELOPMENT

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

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

Building Rural Prosperity and Resilience

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

- Phase-1 to cover 100 developing agri-districts.

Aatmanirbharta in Pulses

- Government to launch a 6-year

“Mission for Aatmanirbharta in Pulses” with focus on Tur, Urad and Masoor.

- NAFED and NCCF to procure these pulses from farmers during the next 4 years.

Comprehensive Programme for Vegetables & Fruits

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

Makhana Board in Bihar

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

National Mission on High Yielding Seeds

- A National Mission on High Yielding Seeds to be launched aiming at strengthening the research ecosystem, targeted development



and propagation of seeds with high yield, and commercial availability of more than 100 seed varieties.

Fisheries

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

Mission for Cotton Productivity

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

Enhanced Credit through KCC

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

Urea Plant in Assam

- A plant with annual capacity of

12.7 lakh metric tons to be set up at Namrup, Assam.

MSMEs AS THE 2 ENGINE OF DEVELOPMENT

Revision in classification criteria for MSMEs

- The investment and turnover limits for classification of all MSMEs to be enhanced to 2.5 and 2 times respectively.

Credit Cards for Micro Enterprises

- Customized Credit Cards with Rs. 5 lakh limit for micro enterprises registered on Udyam portal, 10 lakh cards to be issued in the first year.

Fund of Funds for Startups

- A new Fund of Funds, with expanded scope and a fresh contribution of Rs. 10,000 crore to be set up.

Scheme for First-time Entrepreneurs

- A new scheme for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs to provide term-loans upto Rs. 2 crore in the next 5 years announced.

Focus Product Scheme for Footwear & Leather Sectors

- To enhance the productivity, quality and competitiveness of India's footwear and leather sector, a focus product scheme announced to facilitate employment for 22 lakh persons, generate turnover of Rs. 4 lakh crore and exports of over Rs. 1.1 lakh crore.

Measures for the Toy Sector

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

Support for Food Processing

- A National Institute of Food

COVER STORY

Technology, Entrepreneurship and Management to be set up in Bihar.

Manufacturing Mission - Furthering "Make in India"

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

INVESTMENT AS THE 3 ENGINE OF DEVELOPMENT

I. Investing in People

Saksham Anganwadi and Poshan 2.0

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

Atal Tinkering Labs

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

Broadband Connectivity to Government Secondary Schools and PHCs

- Broadband connectivity to be provided to all Government secondary schools and primary health centres in rural areas under the Bharatnet project.

Bharatiya Bhasha Pustak Scheme

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

National Centres of Excellence for Skilling

- 5 National Centres of Excellence for skilling to be set up with global expertise and partnerships to equip our youth with the skills required for "Make for India, Make for the World" manufacturing.

Expansion of Capacity in IITs

- Additional infrastructure to be created in the 5 IITs started after 2014 to facilitate education for 6,500 more students.

Centre of Excellence in AI for Education

- A Centre of Excellence in

Artificial Intelligence for education to be set up with a total outlay of Rs. 500 crore.

Expansion of medical education

- 10,000 additional seats to be added in medical colleges and hospitals next year, adding to 75000 seats in the next 5 years.

Day Care Cancer Centres in all District Hospitals

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

Strengthening urban livelihoods

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

PM SVANidhi

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

Social Security Scheme for Welfare of Online Platform Workers

- Government to arrange for identity cards, registration on e-Shram portal and healthcare under PM Jan Arogya Yojna, for gig-workers.

II. Investing in the Economy

Public Private Partnership in Infrastructure

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

Support to States for Infrastructure

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

Asset Monetization Plan 2025-30

- Second Plan for 2025-30 to

plough back capital of ? 10 lakh crore in new projects announced.

Jal Jeevan Mission

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

Urban Challenge Fund

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

Nuclear Energy Mission for Viksit Bharat

- Amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act to be taken up.

- Nuclear Energy Mission for research & development of Small Modular Reactors (SMR) with an outlay of Rs. 20,000 crore to be set up, 5 indigenously developed SMRs to be operational by 2033.

Shipbuilding

- The Shipbuilding Financial Assistance Policy to be revamped.

- Large ships above a specified size to be included in the infrastructure harmonized master list (HML).

Maritime Development Fund

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

UDAN - Regional Connectivity Scheme

- A modified UDAN scheme announced to enhance regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years.

- Also to support helipads and smaller airports in hilly, aspirational, and North East region districts.

Greenfield Airport in Bihar

- Greenfield airports announced

COVER STORY

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

Western Koshi Canal Project in Mithilanchal

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

Mining Sector Reforms

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

SWAMIH Fund 2

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

Tourism for employment-led growth

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

III. Investing in Innovation

Research, Development and Innovation

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

Deep Tech Fund of Funds

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

PM Research Fellowship

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

Gene Bank for Crops Germplasm

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

National Geospatial Mission

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

Gyan Bharatam Mission

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

EXPORTS AS THE 4 ENGINE OF DEVELOPMENT

Export Promotion Mission

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

BharatTradeNet

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

National Framework for GCC

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

REFORMS AS FUEL: FINANCIAL SECTOR REFORMS AND DEVELOPMENT

FDI in Insurance Sector

- The FDI limit for the insurance sector to be raised from 74 to 100 per cent, for those companies which invest the entire premium in India.

Credit Enhancement Facility by NaBFID

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

Grameen Credit Score

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

Pension Sector

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

High Level Committee for Regulatory Reforms

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

Investment Friendliness Index of States

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

Jan Vishwas Bill 2.0

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

PART B

DIRECT TAX

- No personal income tax payable upto income of Rs 12 lakh (i.e. average income of Rs 1 lakh per month other than special rate income such as capital gains) under the new regime.

- This limit will be Rs 12.75 lakh for salaried tax payers, due to standard deduction of Rs 75,000.

- The new structure will substantially reduce the taxes of the middle class and leave more money in their hands, boosting household consumption, savings and investment.

- The new Income-Tax Bill to be clear and direct in text so as to make it simple to understand for taxpayers and tax administration, leading to tax certainty and reduced litigation.

- Revenue of about Rs. 1 lakh crore in direct taxes will be forgone.

Revised tax rate structure

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

- 0-4 lakh rupees Nil
- 4-8 lakh rupees 5 percent
- 8-12 lakh rupees 10 percent
- 12-16 lakh rupees 15 percent
- 16-20 lakh rupees 20 percent

COVER STORY

20- 24 lakh rupees 25 percent

Above 24 lakh rupees 30 percent

TDS/TCS rationalization for easing difficulties

- Rationalization of Tax Deduction at Source (TDS) by reducing number of rates and thresholds above which TDS is deducted.

- The limit for tax deduction on interest for senior citizens doubled from the present Rs 50,000 to Rs 1 lakh.

- The annual limit of Rs 2.40 lakh for TDS on rent increased to Rs 6 lakh.

- The threshold to collect tax at source (TCS) on remittances under RBI's Liberalized Remittance Scheme (LRS) increased from Rs 7 lakh to Rs 10 lakh.

- The provisions of the higher TDS deduction will apply only in non-PAN cases.

- Decriminalization for the cases of delay of payment of TCS up to the due date of filing statement.

Reducing Compliance Burden

- Reduction of compliance burden for small charitable trusts/institutions by increasing their period of registration from 5 years to 10 years.

- The benefit of claiming the annual value of self-occupied properties as nil will be extended for two such self-occupied properties without any condition.

Ease of Doing Business

- Introduction of a scheme for determining arm's length price of international transaction for a block period of three years.

- Expansion of the scope of safe harbour rules to reduce litigation and provide certainty in international taxation.

- Exemption of withdrawals made from National Savings Scheme (NSS) by individuals on or after the 29th of August, 2024.

- Similar treatment to NPS

Vatsalya accounts as is available to normal NPS accounts, subject to overall limits.

Employment and Investment

Tax certainty for electronics manufacturing Schemes

- Presumptive taxation regime for non-residents who provide services to a resident company that is establishing or operating an electronics manufacturing facility.

- Introduction of a safe harbour for tax certainty for non-residents who store components for supply to specified electronics manufacturing units.

Tonnage Tax Scheme for Inland Vessels

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

Extension for incorporation of Start-Ups

- Extension of the period of incorporation by 5 years to allow the benefit available to start-ups incorporated before 1.4.2020.

Alternate Investment Funds (AIFs)

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

Extension of investment date for Sovereign and Pension Funds

- Extension of the date of making investments in Sovereign Wealth Funds and Pension Funds by five more years, to 31st March, 2030, to promote funding from them to the infrastructure sector.

INDIRECT TAX

Rationalisation of Customs Tariff Structure for Industrial Goods

Union Budget 2025-26 proposes to:

i. Remove seven tariff rates. This is over and above the seven tariff rates removed in 2023-24 budget. After this, there will be only eight remaining tariff rates including 'zero' rate.

ii. Apply appropriate cess to broadly maintain effective duty incidence except on a few items, where such incidence will reduce marginally.

iii. Levy not more than one cess or surcharge. Therefore Social Welfare Surcharge on 82 tariff lines that are subject to a cess, exempted.

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

Relief on import of Drugs/Medicines

- 36 lifesaving drugs and medicines fully exempted from Basic Customs Duty (BCD).

- 6 lifesaving medicines to attract concessional customs duty of 5%.

- Specified drugs and medicines under Patient Assistance Programmes run by pharmaceutical companies fully exempted from BCD; 37 more medicines added along with 13 new patient assistance programmes.

Support to Domestic Manufacturing and Value addition

Critical Minerals :

- Cobalt powder and waste, the scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals fully exempted from BCD.

Textiles:

- Two more types of shuttle-less looms fully exempted textile machinery.

- BCD rate on knitted fabrics revised from "10% or 20%" to "20% or ` 115 per kg, whichever is higher.

Electronic Goods:

- BCD on Interactive Flat Panel Display (IFPD) increased from 10% to 20% .

COVER STORY



- BCD reduced to 5% on Open Cell and other components.

- BCD on parts of Open Cells exempted.

Lithium Ion Battery:

- 35 additional capital goods for EV battery manufacturing, and 28 additional capital goods for mobile phone battery manufacturing exempted.

Shipping Sector:

- Exemption of BCD on raw materials, components, consumables or parts for the manufacture of ships extended for another ten years.

- The same dispensation to continue for ship breaking.

Telecommunication:

- BCD reduced from 20% to 10% on Carrier Grade ethernet switches.

Export Promotion

Handicraft Goods:

- Time period for export extended

from six months to one year, further extendable by another three months, if required.

- Nine items added to list of duty-free inputs.

Leather sector:

- BCD on Wet Blue leather fully exempted.

- Crust leather exempted from 20% export duty.

Marine products:

- BCD reduced from 30% to 5% on Frozen Fish Paste (Surimi) for manufacture and export of its analogue products.

- BCD reduced from 15% to 5% on fish hydrolysate for manufacture of fish and shrimp feeds.

Domestic MROs for Railway Goods:

- Railways MROs to benefit similar to the aircraft and ships MROs in terms of import of repair items.

- Time limit extended for export of such items from 6 months to one year and made further extendable by one year.

Trade facilitation

Time limit for Provisional Assessment:

- For finalising the provisional assessment, time-limit of two years fixed, extendable by a year.

Voluntary Compliance:

- A new provision introduced to enable importers or exporters, after clearance of goods, to voluntarily declare material facts and pay duty with interest but without penalty.

Extended Time for End Use:

- Time limit for the end-use of imported inputs in the relevant rules extended from six months to one year.

- Such importers to file only quarterly statements instead of a monthly statement. ●



I HAD A GREAT CREW : KANGANA RANAUT

By Umesh Puri

An exclusive interview actor and filmmaker Kangana Ranaut spoke about preparing for the portrayal of former Prime Minister of India Indira Gandhi, the sweeping shots that we see in her films, and working with late actor Satish Kaushik. Edited excerpts from the interview

How did you prepare for this role since you were not only acting but directing too?

You know this is going to come to you so you have to do it unlike my first film. In my first film, it came on

to me accidentally. I was taken aback, exhausted, and deeply tormented by the process because I was not prepared for it. And because I was the producer for this film also, and Anupam Kher would agree, you do need help. I did my prep. I did my homework and only when I was hundred percent ready, I felt I was ready to go on floors.

A director does not have a talent of his own. A director is the most talented person on the sets. There is somebody to act, there is somebody to make music, to make costumes, to do art, to do light. You just have to align everybody. You

don't know how to light yourself or how to do makeup. You can't do it yourself but you can say 'I don't think this is right.' I had a great crew. My actors loved me because I've been an actor. Nobody can see actors the way a good director can. They all saw me with had so much compassion and kindness.

Be it Manikarnika or Emergency, there are some sweeping shots in these films. What does it take to mount a scene?

It takes a story first of all. Your film should have soul and a meaning to it. Most of the directors make the



mistake of seeing a scene in isolation. In my case, I'm not shooting that scene, I'm always shooting the next scene. You need to keep moving and that's probably my biggest takeaway.

What are your views on Jayprakash Narayan, the role Anupam Kher essays?

There are some people who are just so enormous in their personality. He's the hero. At time, to be able to take on someone like Indira Gandhi and he wasn't a leader. He became a leader much later. The one mistake people make is thinking Indira Gandhi jailed leaders but they all became leaders much later. He was

honest, upright, and powerful. Casting is the most important aspect of filmmaking.

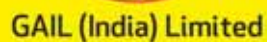
And the way Anupam Kher is, his personality and his awareness about the country. He's a grounded person, yeh hawa mein Rehne waale filmstars mein se nahin hain. He's also multi-faceted. On some day he'll be launching his book with Prime Minister Narendra Modi, on some day he'll be on a Sooraj Barjatya film set, one some day he'll be at his acting school and on some day he'll go to Hollywood. He's a dynamic person. Half the battle was won when he came on board to play Jayprakash Narayan.

What are your memories of directing Satish Kaushik?

He's such a delight. He and Anupam Kher are just good Karmas on the set. We used to have lunch together and Anupam ji used to tell Satish ji 'Meri line Tere se zyaada achchi hai abhi main bolunga,' and he used to tell him 'Mera role tere se better hai.' It's so cute. And Satish ji being a director himself, he used to come on the set and say 'Good good Karo Karo.' It's a beautiful role that has come out.

What has been the one takeaway for you from the experience of Emergency?

I will remember not to make a political film again. (Laughs) ●



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