Union Budget 2025-26

Contents

Introduction

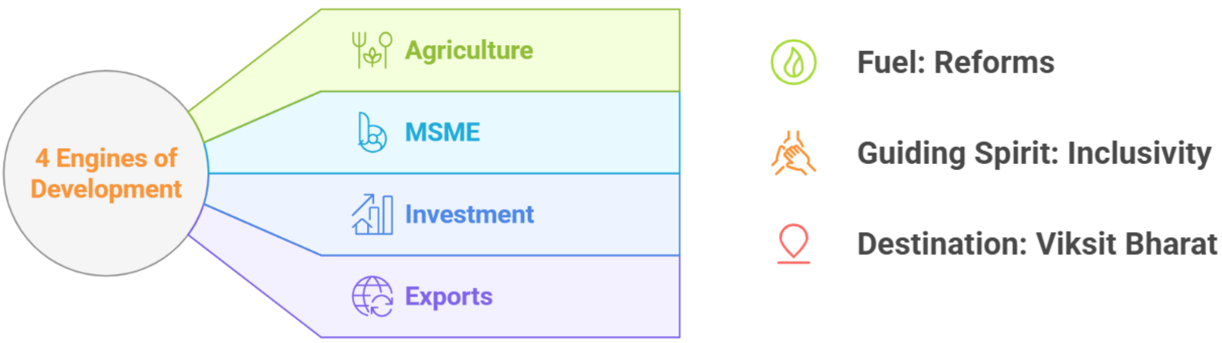
- Union Finance minister Nirmala Sitharaman presented her record eighth Union Budget in Parliament.
    - She is the only finance minister to present the Union Budget 2025 for eight straight times

- Indian economy is the fastest-growing among all major economies.
    - Next five years are considered as a unique opportunity to realise **Sabka Vikas**, stimulating balanced growth in all regions.

- **Theme of Union Budget 2025-2026**: "Sabka Vikas" for stimulating balanced growth of all regions.

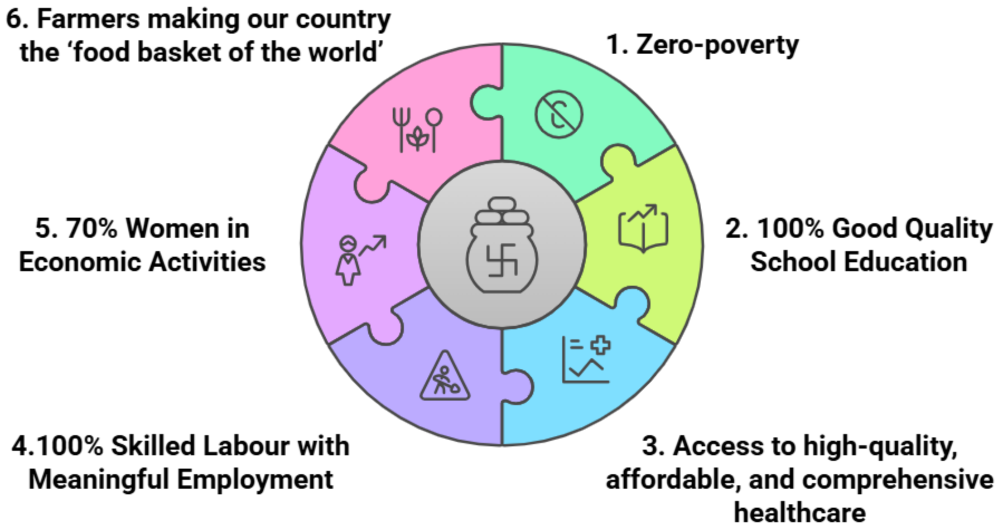
- **It promises to continue Government's efforts to**

- **Journey of Development as Highlighted in the Union Budget 2025-26**



- These four engines in the journey to achieve the goal of Viksit Bharat will be achieved using reforms as fuel, guided by the spirit of inclusivity.

Six Broad Principles of Viksit Bharat



Union Budget 2025-26 proposes development measures focusing on

- Garib (Poor)
- Youth
- Annadata (Farmer)
- Nari (Women)

PART A

1st Engine of Development: Agriculture

Prime Minister Dhan-Dhaanya Krishi Yojana - Developing Agri Districts Programme	• **Objectives:** It aims to ▪ Enhance Agricultural Productivity ▪ Adopt crop diversification and sustainable agricultural practices ▪ Augment post-harvest storage at panchayat & block level ▪ Improve irrigation facilities ▪ Facilitate availability of long-term and short-term credit • **Inspiration:** Success of the Aspirational Districts Programme • **Coverage:** 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. • **Target:** 1.7 crore farmers.
Multi-sectoral 'Rural Prosperity and Resilience' programme	• **Objective:** To address under-employment in agriculture through skilling, investment, technology, and invigorating the rural economy. • **Goal:** To generate ample opportunities in rural areas so that migration is an option, but not a necessity. • To be launched in partnership with states. • **Coverage:** In Phase-1, 100 developing Agri-districts will be covered. • **Focus:** Rural women, young farmers, rural youth, marginal and small farmers, and landless families.
Mission for Aatmanirbharta in Pulses	• **Objective:** It aims to ▪ Development and commercial availability of climate resilient seeds ▪ Enhance protein content ▪ Increase productivity ▪ Improve post-harvest storage and management, assuring remunerative prices to farmers • **Tenure:** 6 years. • **Focus on 3 Pulses:** Tur, Urad, and Masoor. • Under it, unlimited procurement of these 3 pulses by central agencies (NAFED and NCCF) during the next 4 years from farmers who register with these agencies and enter into agreements.
Mission for Cotton Productivity	• **Objective:** To facilitate significant improvements in productivity and sustainability of cotton farming, and promote extra-long staple cotton varieties. • **Tenure:** 5 years • It is aligned with the Government's integrated 5F vision for the textile sector.

	▪ The '5F' Formula encompasses - Farm to fibre; fibre to factory; factory to fashion; fashion to foreign. • It will benefit lakhs of cotton growing farmers as the best of science & technology support will be provided to farmers. • It will help in increasing incomes of the farmers as well as ensure a steady supply of quality cotton for rejuvenating India's traditional textile sector.
Framework for sustainable harnessing of fisheries from Indian Exclusive Economic Zone and High Seas	• **Objective:** To unlock the untapped potential of the marine sector • **Focus areas:** Andaman & Nicobar and Lakshadweep Islands • **Key facts:** ▪ India ranks 2nd largest globally in fish production and aquaculture ▪ Seafood exports are valued at 60 thousand crore
Comprehensive Programme for Vegetables & Fruits	• **Objective:** To promote production, efficient supplies, processing, and remunerative prices for farmers • To be launched in partnership with states.
Makhana Board in Bihar	• **Objectives:** ▪ To improve production, processing, value addition, and marketing of makhana ▪ To support the people engaged in these activities to be organized into Farmer Producer Organizations (FPOs). • It will provide handholding and training support to makhana farmers and also work to ensure they receive the benefits of all relevant Government schemes.
National Mission on High Yielding Seeds	• **Objectives:** ▪ To strengthen the research ecosystem ▪ Targeted development and propagation of seeds with high yield, pest resistance and climate resilience ▪ To make commercial availability of more than 100 seed varieties released since July 2024.
Enhanced Credit through Kisan Credit Cards (KCC)	• 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. • KCC facilitate short term loans for around 7.7 crore farmers, fishermen, and dairy farmers.
Setting up of Urea plant with annual capacity of 12.7 lakh metric tons at Namrup, Assam	• It will further augment urea supply and help to achieve Atmanirbharta in urea production, along with the recently reopened three dormant urea plants in the Eastern region. • So far, 5 Urea plants have been revived across India: Sindri (Jharkhand); Barauni (Bihar); Gorakhpur (U.P.); Ramagundam (Telangana); Talcher (Odisha)
India Post as a Catalyst for the Rural Economy	• It will become a public logistics organization serving Viswakarmas, entrepreneurs, women, SHGs, MSMEs, and businesses. • It will be rural community hub colocation providing ▪ Institutional account services ▪ DBT, cash out and EMI pickup

<table>
<tr><td></td><td>Credit services to micro enterprises
Insurance
Assisted digital services</td></tr>
<tr><td>Support to National Cooperative Development Corporation (NCDC)</td><td>It will be provided for its lending operations for the cooperative sector.</td></tr>
</table>

2nd Engine of Development: MSMEs

<table>
<tr><td>Revision in classification criteria for MSME</td><td>The investment and turnover limits for classification of all MSMEs to be enhanced to 2.5 and 2 times respectively (refer below table)
<table>
<tr><th rowspan="2"></th><th colspan="2">Investment
(Rs. in crore)</th><th colspan="2">Turnover
(Rs. in crore)</th></tr>
<tr><th>Current</th><th>Revised</th><th>Current</th><th>Revised</th></tr>
<tr><td>Micro Enterprises</td><td>1</td><td>2.5</td><td>5</td><td>10</td></tr>
<tr><td>Small Enterprises</td><td>10</td><td>25</td><td>50</td><td>100</td></tr>
<tr><td>Medium Enterprises</td><td>50</td><td>125</td><td>250</td><td>500</td></tr>
</table></td></tr>
<tr><td>Enhancement of credit availability with guarantee cover</td><td>
<table>
<tr><th rowspan="2"></th><th colspan="2">Credit Guarantee Cover (Rs. in crore)</th></tr>
<tr><th>Current</th><th>Revised</th></tr>
<tr><td>MSEs</td><td>5</td><td>10</td></tr>
<tr><td>Startups</td><td>10</td><td>20</td></tr>
<tr><td>Export MSMEs</td><td colspan="2">For Term Loans upto Rs. 20 Crore</td></tr>
</table></td></tr>
<tr><td>Credit Cards for Micro Enterprises</td><td>Customized Credit Cards with a Rs 5 lakh limit for micro enterprises registered on Udyam portal.
In the first year, 10 lakh cards will be issued.</td></tr>
<tr><td>New Fund of Funds for Startups</td><td>New Fund of Funds, with expanded scope and fresh contribution of Rs 10,000 crore to be set up</td></tr>
<tr><td>Scheme for First-time Entrepreneurs</td><td>To be launched for 5 lakh first-time entrepreneurs, including women, Scheduled Castes and Scheduled Tribes.
It will provide term loans up to Rs 2 crore during the next 5 years.</td></tr>
<tr><td>Measures for Labour-Intensive Sectors to promote employment and entrepreneurship opportunities</td><td>Focus Product Scheme for Footwear & Leather Sectors
Objective: To enhance productivity, quality and competitiveness of footwear and leather sector.
Features: It will provide support for design capacity, component manufacturing, and machinery required for production of non-leather & leather footwear and products.
Goal: To facilitate employment for 22 lakh persons; generate turnover of Rs 4 lakh crore & exports of over Rs 1.1 lakh crore.</td></tr>
</table>

	• **Scheme to make India a global hub for toys:** ▪ It 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. ▪ It builds on the National Action Plan for Toys. • **Support for Food Processing – Establishment of National Institute of Food Technology, Entrepreneurship and Management in Bihar.** ▪ It will result in enhanced income for the farmers; skilling, entrepreneurship & employment opportunities for the youth
National Manufacturing Mission - Furthering "Make in India"	• **Objectives:** It will focus on ease and cost of doing business; create future ready workforce for in-demand jobs; develop vibrant and dynamic MSME sector, clean tech manufacturing for climate friendly development. • **Coverage:** It will cover small, medium, and large industries by providing policy support, execution roadmaps, governance, etc. • It will also support Clean Tech manufacturing 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.

3rd Engine of Development: Investment (in People, Economy and Innovation)

1. Investing in People	• **Saksham Anganwadi and Poshan 2.0:** The cost norms for the nutritional support to be enhanced appropriately to support to over 8 crore children, 1 crore pregnant women and lactating mothers, and 20 lakh adolescent girls in aspirational districts and the northeast. • **Atal Tinkering Labs:** 50,000 Atal Tinkering Labs will be set up in Government schools in next 5 years. • **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:** To provide digital-form Indian language books for schools and higher education. • **National Centres of Excellence (CoEs) for Skilling:** 5 National CoEs for skilling will be set up for "Make for India, Make for the World" manufacturing with global expertise and partnerships to equip our youth with the required skills. • **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.

	▪ In Union Budget 2023-24, 3 CoEs in AI for agriculture, health, and sustainable cities were announced. • **Expansion of medical education:** 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:** In all district hospitals in the next 3 years. 200 Centres will be established in 2025-26. • **Strengthening urban livelihoods:** A scheme for socio-economic upliftment of urban workers to improve their incomes, livelihoods and a better quality of life. • **PM SVANidhi Scheme**: It will be revamped with enhanced loans from banks, UPI linked credit cards with Rs. 30,000 limit, and capacity building support. • **Social Security Scheme for Welfare of Online Platform Workers:** To provide identity cards and registration on the e-Shram portal and healthcare under PM Jan Arogya Yojana assisting nearly 1 crore gig-workers.
2. 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 will also be encouraged to seek support from the India Infrastructure Project Development Fund (IIPDF) scheme to prepare PPP proposals. • **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. • **Second Asset Monetization Plan for 2025-30:** It will be launched to plough back capital of Rs. 10 lakh crore in new projects. • **Jal Jeevan Mission:** Mission to be extended until 2028 with an enhanced total outlay to achieve 100% coverage and O&M through "Jan Bhagidhari". ▪ Since 2019, 15 crore rural households (80% of India's rural population) have received tap water connections • **Rs 1 lakh crore Urban Challenge Fund: It will be set up t**o implement the proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation'. ▪ **Urban Sector Reforms:** Related to governance, municipal services, urban land, and planning will be incentivized. • **Power Sector Reforms:** Additional borrowing of 0.5% of GSDP will be allowed to states, contingent on electricity distribution reforms. • **Nuclear Energy Mission for Viksit Bharat:** Development of at least 100 GW of nuclear energy by 2047 ▪ 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 Financial Assistance Policy to be revamped**: Large ships above a specified size to be included in the infrastructure harmonized master list (HML). ▪ It will also include Credit Notes for shipbreaking in Indian yards to promote the circular economy. • Shipbuilding Clusters will be facilitated. • **Maritime Development Fund:** It will be set up for long-term financing for the maritime industry with a corpus of Rs. 25,000 crore. ▪ This will have up to 49% contribution by the Government and the balance will be mobilized from ports and private sector. • **UDAN - Regional Connectivity Scheme to be modified:** To add 120 new destinations, serve 4 crore passengers in 10 years. ▪ **New Greenfield Airport in Bihar:** Expansion of Patna airport and a brownfield airport at Bihta. • **Mining Sector Reforms:** Through sharing of best practices and institution of a State Mining Index, including those for minor minerals. ▪ A policy for recovery of critical minerals from tailings will be brought out. • **SWAMIH Fund 2:** Under the Special Window for Affordable and Mid-Income Housing (SWAMIH), 40,000 units will be completed in 2025. ▪ 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. • **PM Gati Shakti Data for Private Sector:** For furthering PPPs, private sector can access relevant data and maps from the PM Gati Shakti portal. • **Tourism for employment-led growth:** Top 50 tourist destination sites in the country will be developed in partnership with states. ▪ The following measures will be taken for facilitating employment-led growth: ✓ Organizing intensive skill-development programmes; ✓ Providing MUDRA loans for homestays; ✓ Improving ease of travel and connectivity; ✓ Providing performance-linked incentives to states for effective destination management, ✓ Introducing streamlined e-visa facilities along with visa-fee waivers. ▪ Special focus on destinations related to the life and times of Lord Buddha. ▪ Medical Tourism and Heal in India: In partnership with the private sector.
3. 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**: To be explored to catalyze the next generation startups.

	• **PM Research Fellowship:** 10,000 fellowships for technological research in IITs and IISc with enhanced financial support. • **Gene Bank for Crops Germplasm:** 2nd Gene Bank with 10 lakh germplasm lines to be set up for future food and nutritional security. ▪ India's first gene bank was set up in 1996 by the Indian Council of Agricultural Research-National Bureau of Plant Genetic Resources (ICAR-NBPGR) in New Delhi • **National Geospatial Mission:** Announced to develop foundational geospatial infrastructure and data, and facilitate modernization of land records, urban planning, and design of infrastructure projects • **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. • **National Digital Repository of Indian knowledge systems** for knowledge sharing.

4th Engine of Development: Exports

Export Promotion Mission	• It will be jointly driven by the Ministries of Commerce, MSME, and Finance. • It will have sectoral and ministerial targets to facilitate easy access to export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets.
'BharatTradeNet' (BTN) for international trade	• It is a digital public infrastructure proposed as a unified platform for trade documentation and financing solutions. • It will be set-up to complement the Unified Logistics Interface Platform. • It will be aligned with international practices.
Support for integration with Global Supply Chains	• It will provide support for developing domestic manufacturing capacities for selected sectors. • Under it, facilitation groups with officials and industry experts for select products and supply chains. • It will provide support to the domestic electronic equipment industry to harness Industry 4.0 opportunities.
National Framework for Global Capability Centres (GCCs)	• It will provide guidance for states to promote Global Capability Centres (GCCs) in tier 2 cities. • The framework will focus on talent, infrastructure, building byelaw, and industry collaboration.
Warehousing facility for air cargo	• It will facilitate upgradation of infrastructure and warehousing for air cargo including high value perishable horticulture produce. • It will also streamline cargo screening and customs protocols and made user friendly.

Reforms as Fuel

Defining Reforms as the fuel to the engine, Union Budget 2025-26 introduced following new reforms:

<table>
<tr><td>Financial Sector Reforms and Development</td><td>

FDI in Insurance Sector: FDI limit raised from 74% to 100% for companies investing entire premiums in India.
Pension Sector: Forum for regulatory coordination and development of pension products to be setup.
KYC Simplification: Revamped Central KYC Registry will be rolled out in 2025 and a streamlined system for periodic updating will also be implemented.
Merger of Companies: Scope for fast-track mergers will be widened and made simpler.
Bilateral Investment Treaties (BITs): Signed BIT with two countries (Uzbekistan and UAE, however BITs with these countries are not in force yet) in 2024.
To encourage spirit of ‘first develop India’, the current model BIT will be revamped.
Credit Enhancement Facility by NaBFID: NaBFID to set up a ‘Partial Credit Enhancement Facility’ for corporate bonds for infrastructure.
Grameen Credit Score: To developed by Public Sector Banks to serve the credit needs of SHG members and people in rural areas.
Services of India Post Payment Bank (IPPB) will be expanded in rural areas.
</td></tr>
<tr><td>Regulatory Reforms</td><td>

Light-touch regulatory framework (emphasizes self-regulation) is proposed to 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 4 specific measures were proposed.

High Level Committee for Regulatory Reforms
✓ It is mandate to review all non-financial sector regulations, certifications, licenses
✓ It will submit recommendations within one year
Investment Friendliness Index of States: To be launched in 2025 to further the spirit of competitive cooperative federalism
Financial Stability and Development Council (FSDC)
✓ It will evaluate impact of current financial regulations
✓ It will create framework for effectiveness and sector growth
Jan Vishwas Bill 2.0: It will decriminalize more than 100 provisions in various laws. It will follow Jan Vishwas Act 2023 which had decriminalized 180+ legal provisions.

</td></tr>
<tr><td>Tax Reforms</td><td>

Principle of "trust first, scrutinize later" in tax governance was highlighted
The key reform undertaken over the past decade were also highlighted that have simplified compliance.
Tax Reforms undertaken over the decades

Faceless assessments
Taxpayers' charter
Faster refunds'
Around 99% returns being on self-assessment
Vivad se Vishwas scheme (for both – direct and indirect taxes)

Building on these efforts, indirect tax reforms and changes in direct taxes were introduced (refer PART B for details).
</td></tr>
</table>

PART B

Direct Taxes

- **New income-tax bill:** Government will introduce the bill to carry forward the same spirit of "Nyaya" to achieve Good Governance by simplifying provisions and making them responsive.

- **Rationalization of TDS/TCS for easing difficulties:**
  - Tax deduction limit for senior citizens doubled from Rs 50,000 to Rs 1 lakh.
  - The annual limit of Rs 2.40 lakh for TDS on rent increased to Rs 6 lakh.

- **Encouraging voluntary compliance:** Extension of time-limit to file updated returns, from the current limit of two years, to four years.

- **Reducing compliance burden:**
  - Reduced compliance for small charitable trusts/institutions by increasing their period of registration from 5 years to 10 years.
  - Tax payers to be allowed to claim the annual value of 2 self occupied properties (previously 01) without any conditions (previously conditions attached).
  - **Threshold to collect tax collection at source (TCS) on remittances:** Under RBI's Liberalized Remittance Scheme (LRS) is proposed to be increased from Rs 7 lakh to Rs 10 lakh.

- **Employment and investment**
  - Tax certainty for electronics manufacturing Schemes
  - Tonnage Tax Scheme for Inland Vessels
  - Extension for incorporation by 5 years of Start-Ups
  - Specific benefits to ship-leasing units, insurance offices and treasury centres of global companies which are set up in IFSC
  - Investment period for Sovereign Wealth and Pension Funds in the infrastructure sector is extended by five years.

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

- **Ease of Doing Business**
  - **Streamline the process of transfer pricing**: A new scheme will allow determining arm's length prices for international transactions over a 3-year block period.
  - **Scope of safe harbour rules expanded:** With a view to reduce litigation and provide certainty in international taxation.
  - **Senior Citizens' Withdrawal Exemption:** Withdrawals from old NSS accounts by senior citizens, post-August 29, 2024, will be tax-exempt. NPS Vatsalya accounts will be treated like regular NPS accounts, within limits.

- **Personal Income- tax Reforms with special focus on middle class**
  - **New tax regime exemption:** No income tax payable upto income of Rs 12 lakh under the new regime.
  - **Standard Deduction:** Raised to Rs 75,000.
  - Under new tax regime, revise tax rate slabs are as follows:

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

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

Indirect Taxes

- **Rationalisation of Customs Tariff Structure for Industrial Goods:** Removal of tariff rates, application of appropriate cess to broadly maintain effective duty incidence, levy not more than one cess or surcharge, and exemption of Social Welfare Surcharge on multiple tariff lines.

- **Rationalisation of Customs Tariff Structure for Industrial Goods:** Budget proposes to
  - Remove seven tariffs
  - Apply appropriate cess to maintain effective duty incidence
  - Levy not more than one cess or surcharge
  - Exemption of Social Welfare Surcharge on multiple tariff lines

- **Medicine Import:** 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)
  - 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.

- **Support to Domestic Manufacturing and Value addition:** To support Domestic Manufacturing and Value Addition
  - **Critical Mineral:** BCD on 25 critical minerals, that were not domestically available, were exempted in July 2024.
    - ✓ Budget 2025-26 fully exempts cobalt powder and waste, scrap of lithium-ion battery, Lead, Zinc and 12 more critical minerals.
  - **Textile:** 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 Rs 115 kg, whichever is higher”.
  - **Electronics Goods:** 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.
- ✓ **Lithium ion:** 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.
- ✓ **Carrier Grade ethernet switches:** BCD reduced from 20% to 10% on Carrier Grade ethernet switches to make it at par with Non-Carrier Grade ethernet switches.

- **Shipping Sector:** Union Budget 2025-26 also continues exemption on BCD on raw materials, components, consumables or parts for ship building for another ten years.

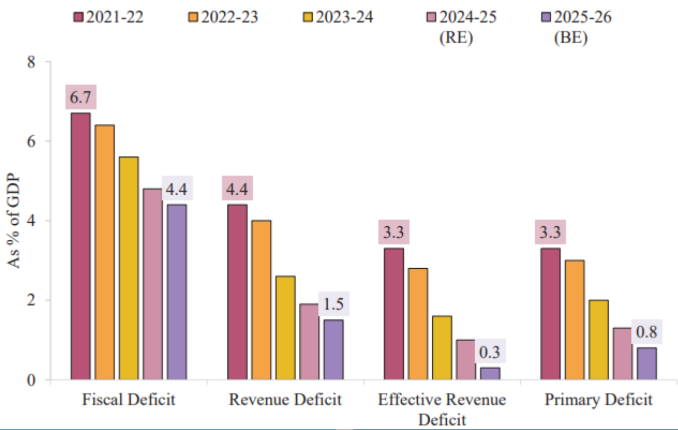
- **Export Promotion:**
  - **Handicraft Goods:** Proposed to add nine items to the list of duty-free inputs.
  - **Leather sector:** Full exemption of BCD on Wet Blue leather to facilitate imports for domestic value addition and employment.
  - **Marine products:** To enhance India's competitiveness in the global seafood market, proposed to reduce BCD from 30% to 5% on Frozen Fish Paste (Surimi).
  - **Domestic MROs for Railway Goods:** To promote development of domestic MROs for railway goods extended the time limit for export of foreign origin goods that were imported for repairs, from 6 months to one year.

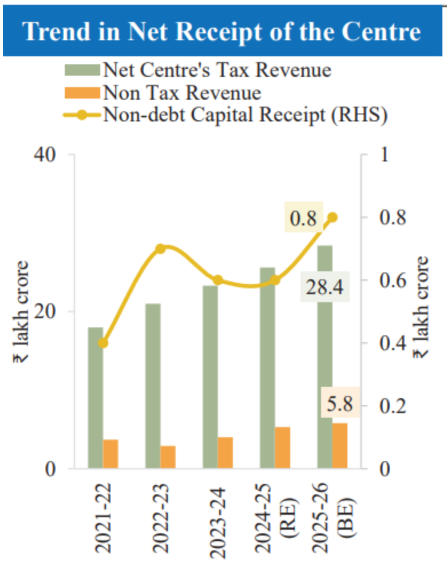
- **Trade Facilitation:**
  - **Time limit for Provisional Assessment:** Presently, the Customs Act, 1962 does not provide any time limit to finalize Provisional Assessments. Hence proposed to fix a time-limit of two years, extendable by a year.
  - **Voluntary Compliance:** A new provision allows importers/exporters to voluntarily declare facts and pay duty with interest, without penalty, incentivizing compliance; excluding cases already under audit or investigation.
  - **Extended Time for End Use:** To aid industry planning, extended the end-use time limit for imported inputs from six months to one year and reducing filing requirements to quarterly statements.

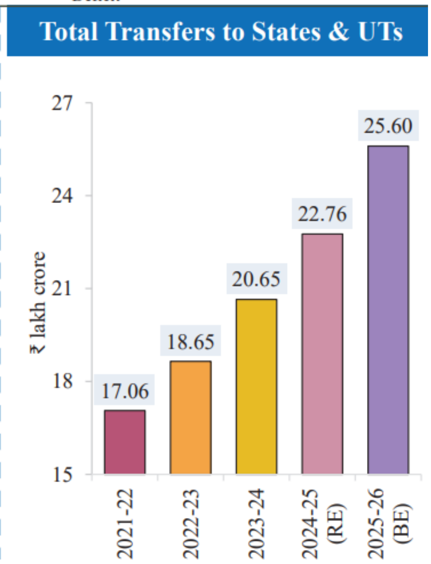
Fiscal Indicators

Indicator	Budget Estimates (2025-26)*
Fiscal Deficit	4.4%
Revenue Deficit	1.5%
Effective Revenue Deficit	0.3%
Primary Deficit	0.8%
Tax Revenue (Gross)	12%
Non-Tax Revenue	1.6%
Central Government Debt	56.1%

*As a percentage of GDP





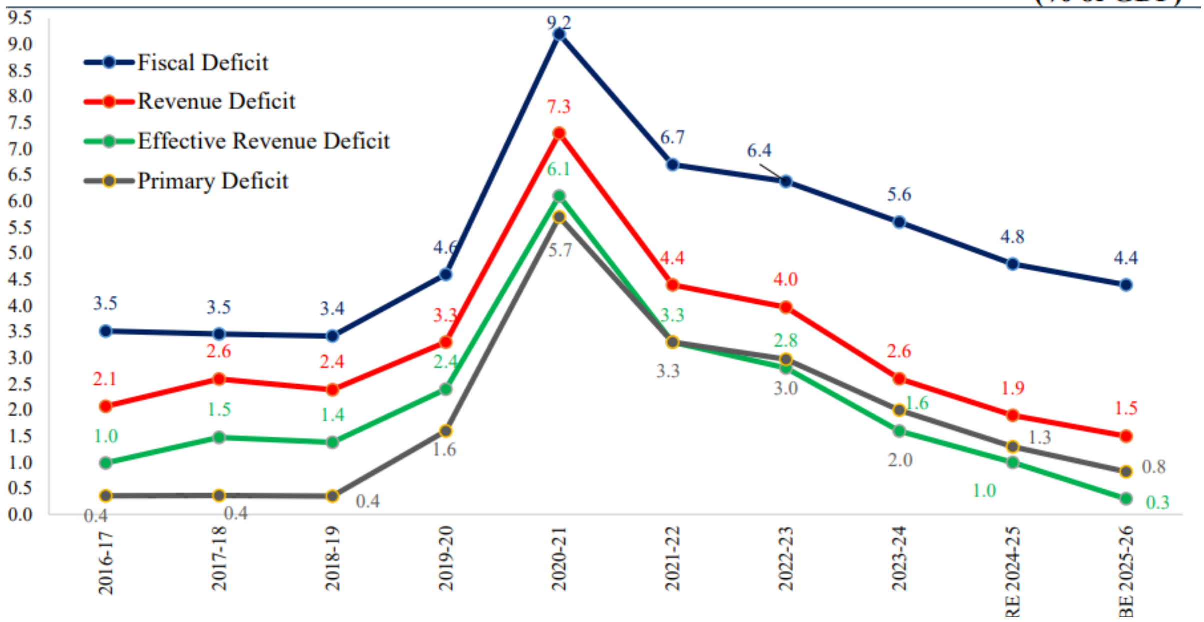


Budget Estimates 2025-26

- **Total receipts other than borrowings:** Rs 34.96 lakh crore
- **Total expenditure**: Rs 50.65 lakh crore
- **Net tax receipts:** Rs 28.37 lakh crore (estimated)
- **Fiscal deficit:** 4.4 per cent of GDP (estimated)
- **Gross market borrowings**: Rs 14.82 lakh crore (estimated)
- **Capex Expenditure**: Rs 11.21 lakh crore (3.1% of GDP) earmarked in FY2025-26

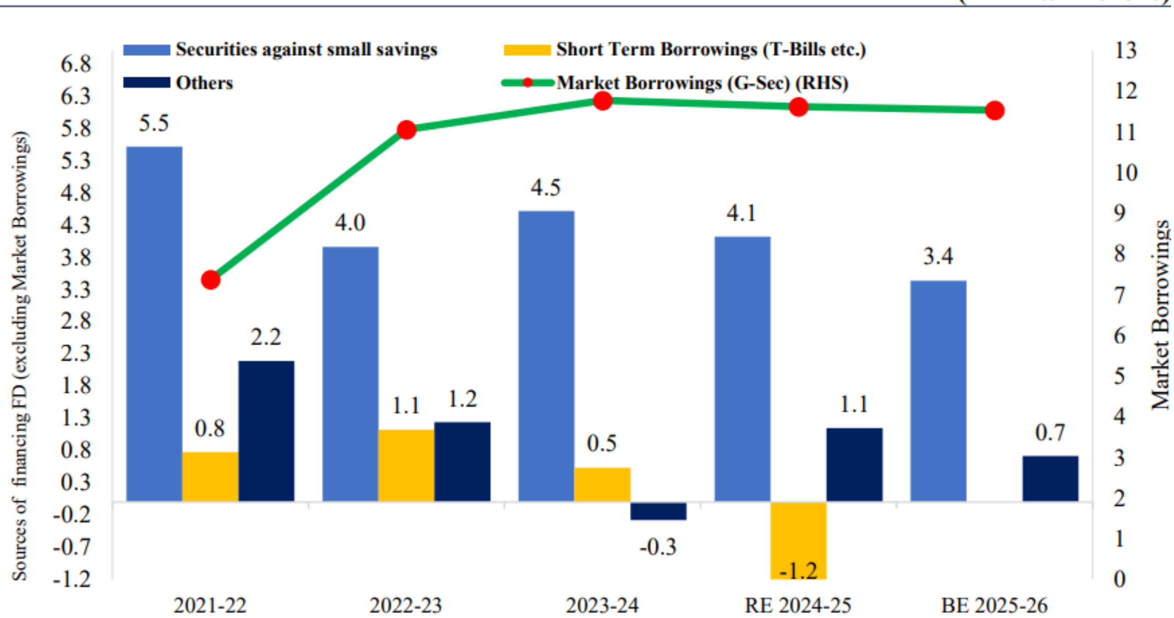
DEFICIT TRENDS

(जीडीपी का %)
(% of GDP)



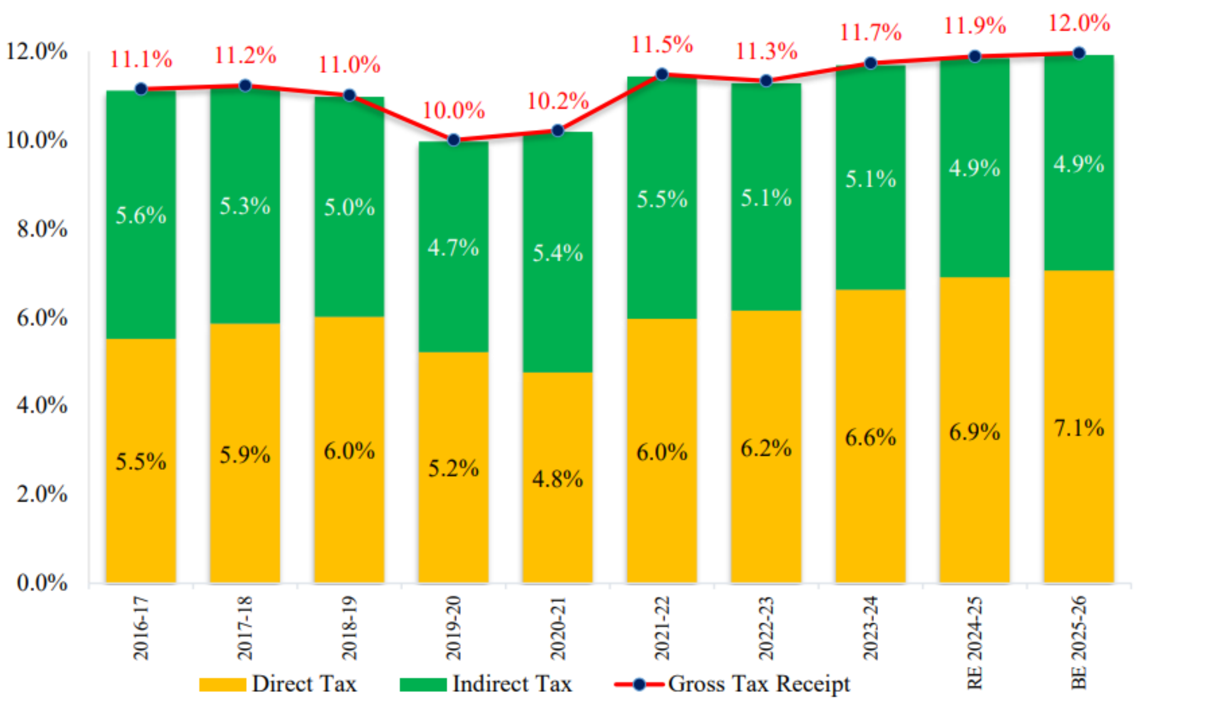
SOURCES OF DEFICIT FINANCING

(₹ लाख करोड़ में)
(₹ in Lakh crore)



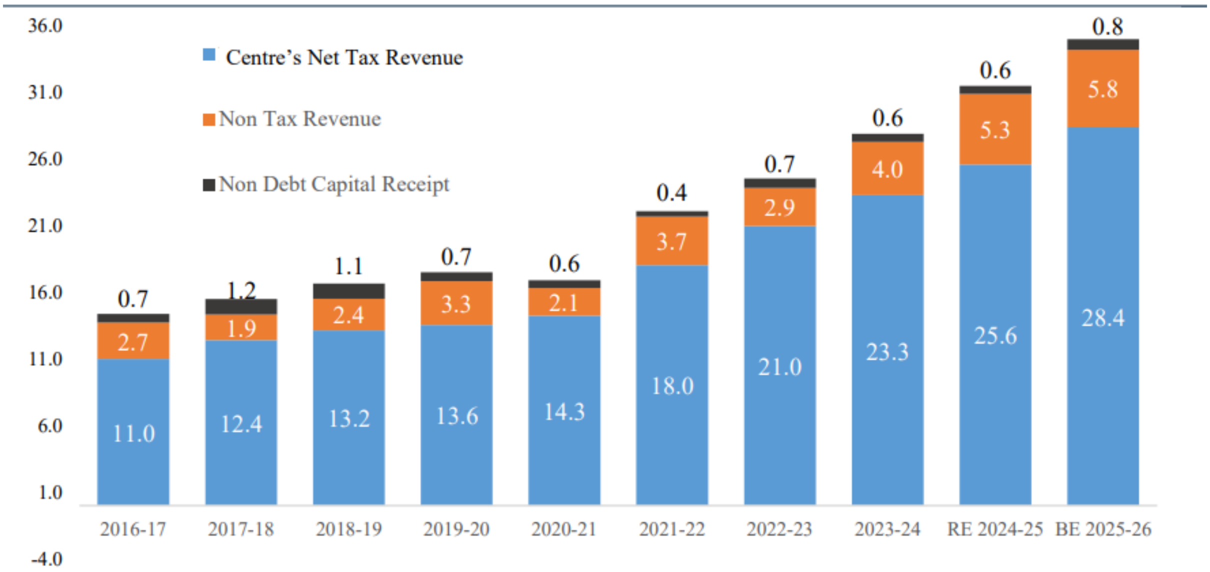
TREND IN TAX RECEIPTS

(जीडीपी का %)
(% of GDP)



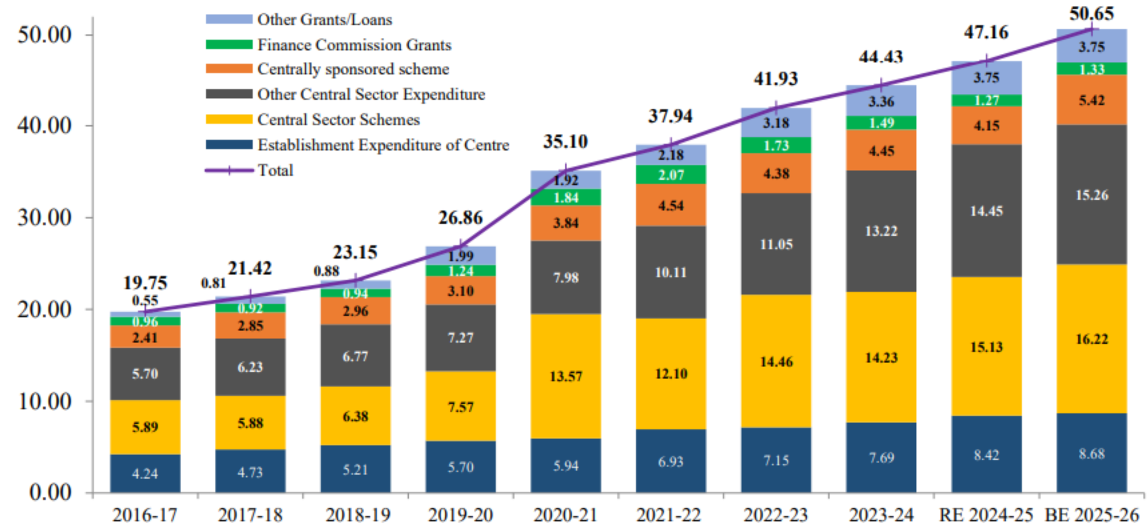
TREND IN NET RECEIPT OF THE CENTRE

(₹ लाख करोड़ में)
(₹ in lakh crore)



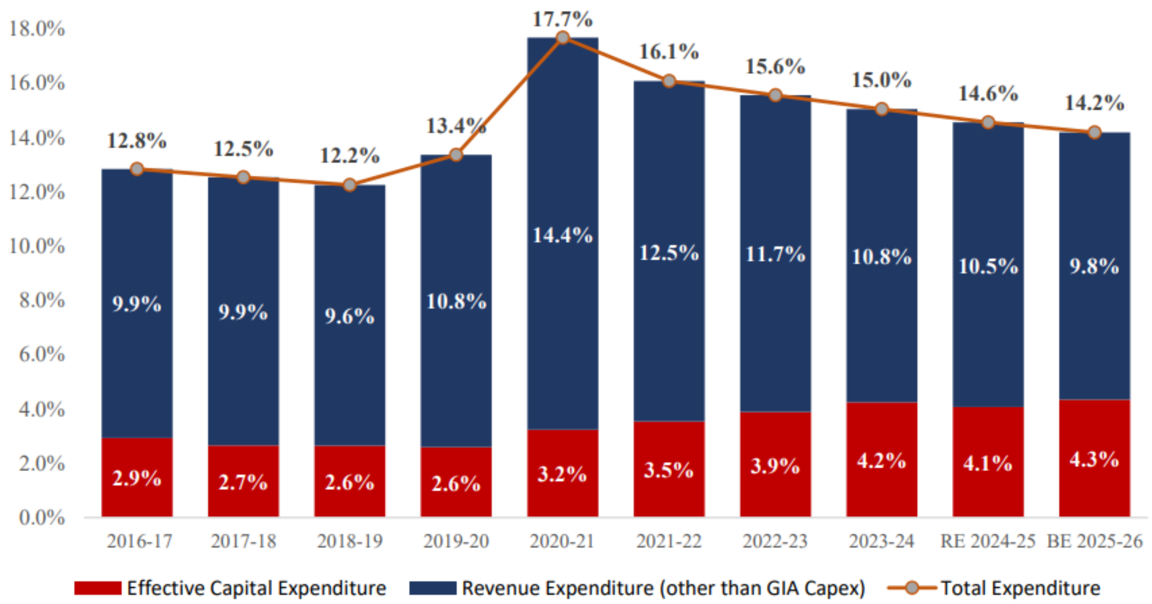
COMPOSITION OF EXPENDITURE

(₹ लाख करोड़ में)
(₹ in lakh crore)



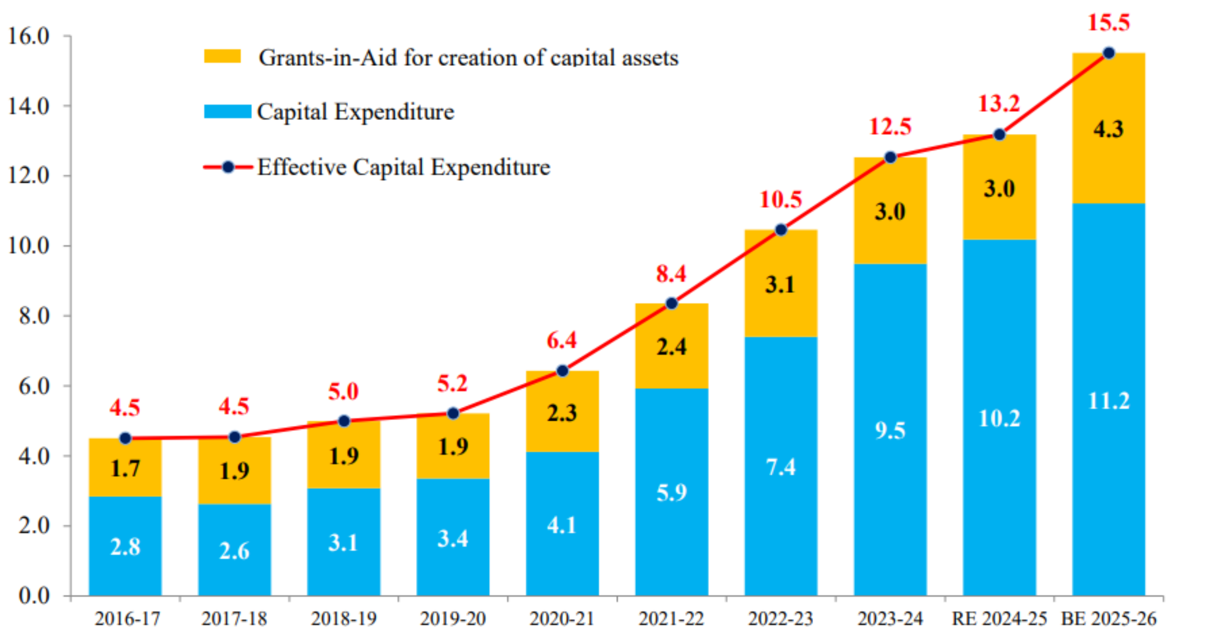
TOTAL EXPENDITURE (REVENUE ACCOUNT & EFFECTIVE CAPITAL EXPENDITURE) * (जीडीपी का %)

(% of GDP)



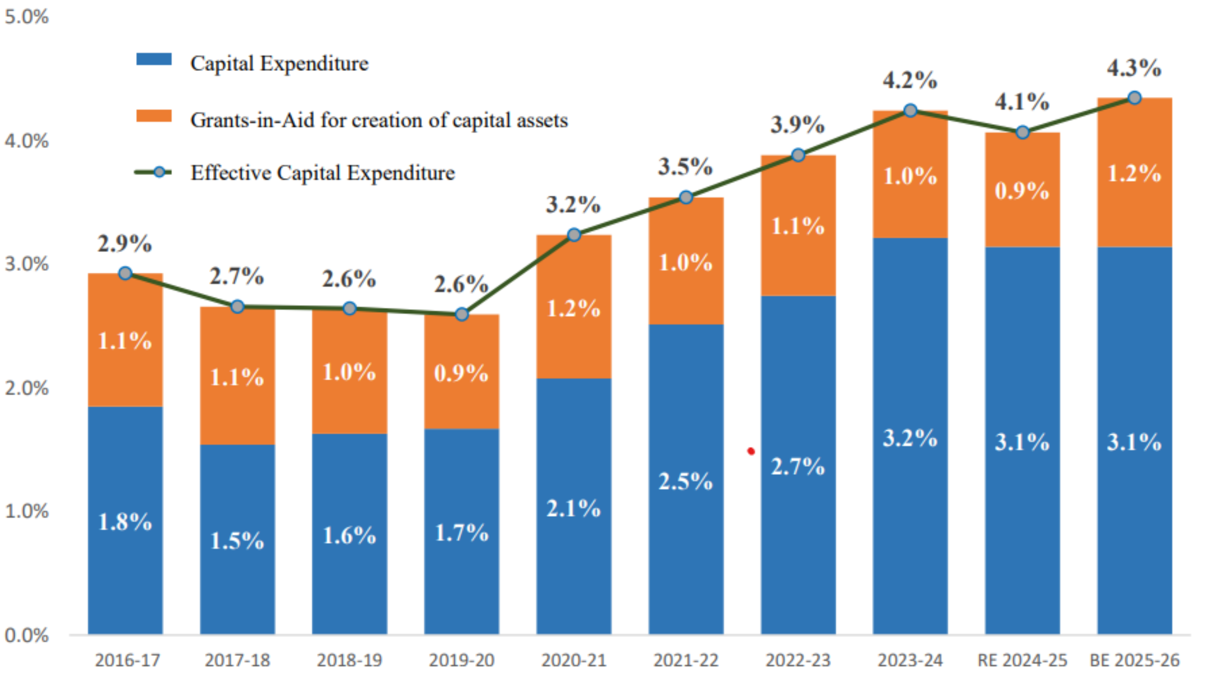
TREND IN CAPITAL EXPENDITURE

(₹ लाख करोड़ में)
(₹ in lakh crore)



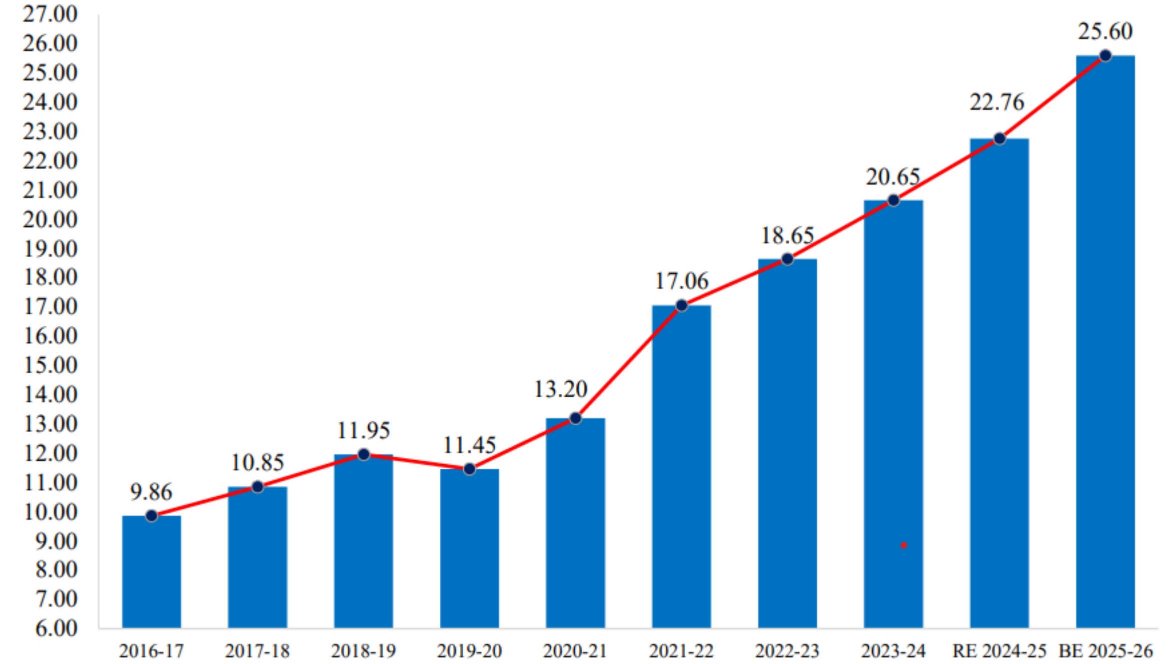
CAPITAL EXPENDITURE

(जीडीपी का %)
(% of GDP)



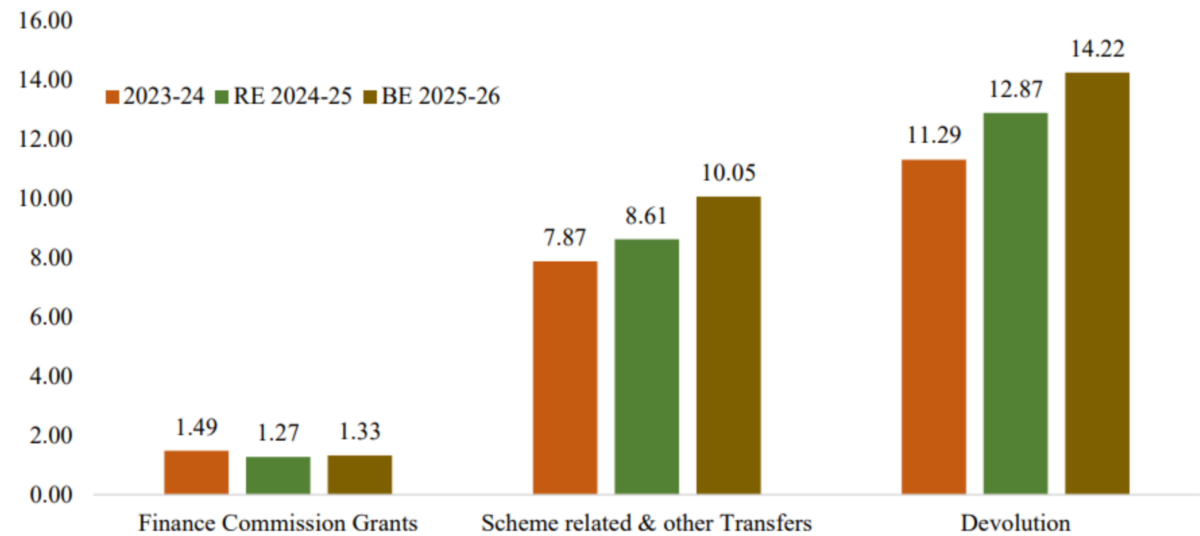
TOTAL TRANSFERS TO STATES AND UTs

(₹ लाख करोड़ में)
(₹ lakh crore)

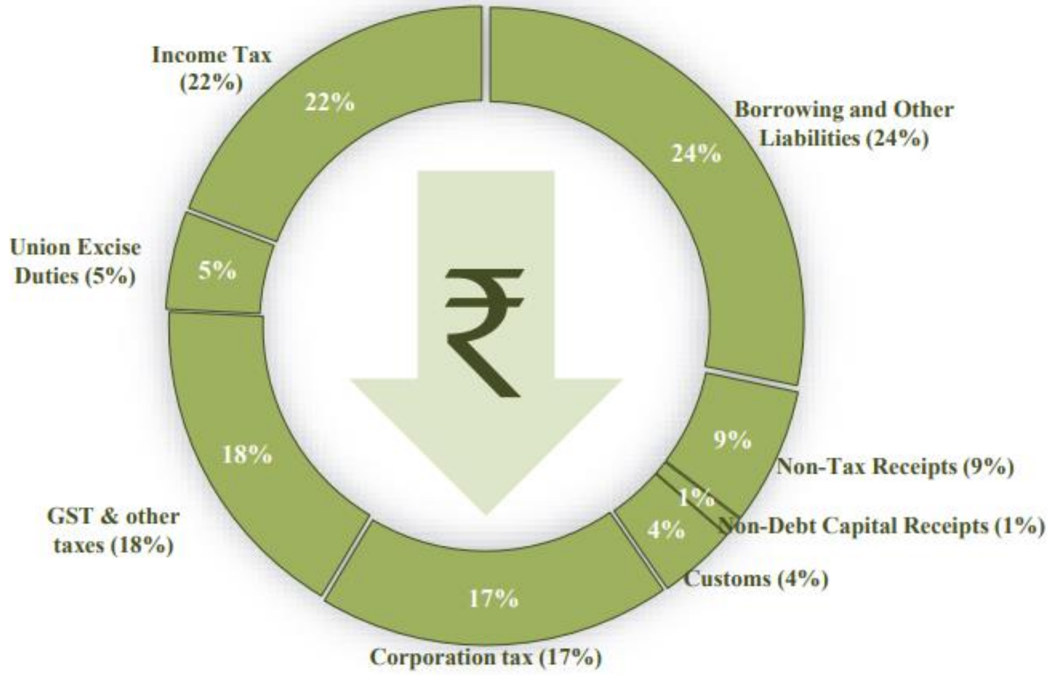


COMPOSITION OF TRANSFERS TO STATES AND UTs

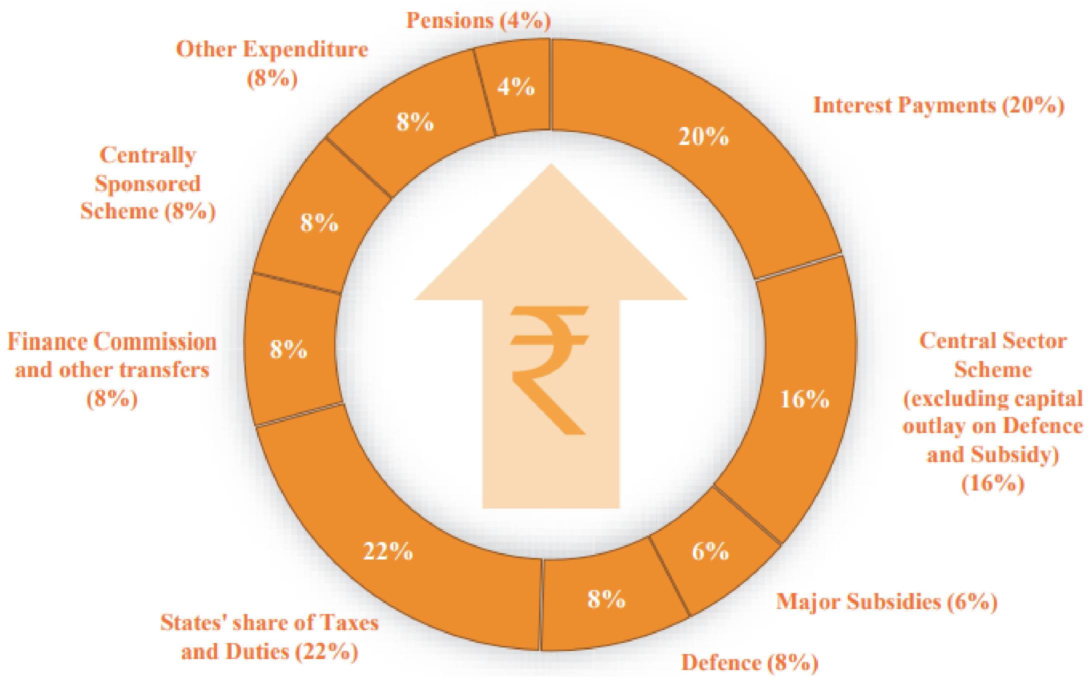
(₹ लाख करोड़ में)
(₹ in lakh crore)

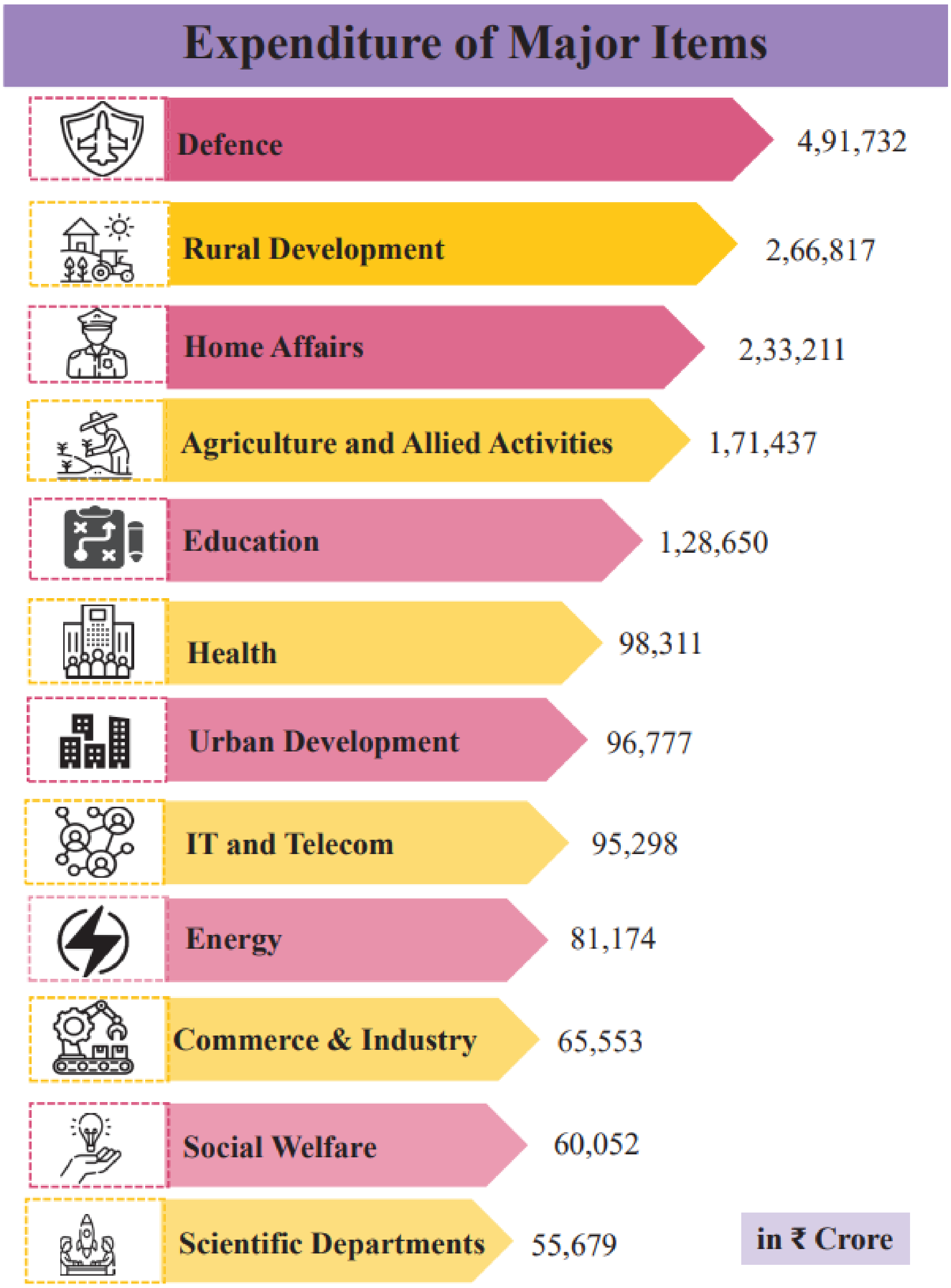


Rupee Comes From



Rupee Goes To




Expenditure of Major Items
Defence
4,91,732
Rural Development
2,66,817
Home Affairs
2,33,211
Agriculture and Allied Activities
1,71,437
Education
1,28,650
Health
98,311
Urban Development
96,777
IT and Telecom
95,298
Energy
81,174
Commerce & Industry
65,553
Social Welfare
60,052
Scientific Departments
55,679
in ₹ Crore