

# Key Highlights of Union Budget

The Union Budget for 2025-26 introduces significant measures aimed at stimulating economic growth, providing tax relief to the middle class, and bolstering key sectors such as agriculture and infrastructure.

## Economic Overview



- **GDP Growth Projection:** Estimated growth of 10.1 % for FY 2025-26.
- **Fiscal Deficit:** Targeted at 4.4% of GDP, down from 4.8% in FY 2024-25.
- **Inflation Control:** Measures announced to keep inflation in check, including price stabilization for essential commodities.

## Taxation Reforms



### Direct Taxes

- **Increased Tax Exemption Limit:** Raised to ₹12 lakh per annum under the new tax regime.
- **Revised Tax Slabs:**
  - **Up to ₹12 lakh:** No tax
  - **₹12 lakh - ₹18 lakh:** 10%
  - **₹18 lakh - ₹30 lakh:** 20%
  - **Above ₹30 lakh:** 30%
- **Salaried Standard Deduction:** Increased to ₹75,000.
- **Incentives for Startups:** Tax holiday for eligible startups extended by 2 years.
- **Senior Citizen Benefits:** Enhanced deductions for medical expenses and savings.

### Indirect Taxes

- **GST Rationalization:** Further simplification and reduction of compliance burdens for MSMEs.
- **Customs Duty Reductions:** Lowered on select raw materials to boost domestic manufacturing.
- **Import Duty on Luxury Items:** Reduced for automobiles, electronics, and high-end motorcycles.



## Agriculture & Rural Development



- **High-Yield Crop Program:** Targeting 17 million farmers with subsidies and modern farming techniques.
- **Interest-Free Loans:** For small and marginal farmers through cooperative banks.
- **Kisan Credit Cards (KCC):** Short-term loans up to ₹5 lakh for 7.7 crore farmers, fishermen, and dairy farmers taken through the KCC.
- **Natural Farming Promotion:** Target to train 1 crore farmers in sustainable farming over the next two years
- **Digital Agri-Tech Initiatives:** Expansion of digital platforms for price transparency and real-time market insights.

## Manufacturing & Infrastructure



- **National Manufacturing Mission:** Boosting MSMEs & 'Make in India' with policy support & incentives.
- **Interest Free Loans to States:** 50-Year Interest-Free Loan to States – Rs.1.5 lakh crore for capital infrastructure projects
- **Railways Modernization and Expansion:** ₹2.55 lakh crore allocated for Railways
- **Smart Cities & Urban Development:** ₹1.5 lakh crore for smart city projects and affordable housing.

## Healthcare, Education & Social Welfare



- **Healthcare:** Over ₹95,000 crore allocated for healthcare, including expansion of Ayushman Bharat.
- **Medical tourism:** ₹20,000 crore to boost Medical Tourism
- **Education:** 50,000 Atal tinkering labs to be set up in Government Schools to promote STEM learning
- **Women Empowerment:** ₹10,000 crore allocated for women-led startups and self-help groups.
- **Formalization of Gig Workers:** Social security benefits extended to gig and platform workers.
- **Day Care Cancer Centres:** 200 Cancer centres in 2025-26, all district hospitals to have one in three years



## Digital & Technology Push



- **AI & Semiconductor Investment:** Special fund for AI startups and semiconductor research.
- **Cybersecurity Measures:** ₹1,900 crore to enhance national cybersecurity framework.
- **Digital India Expansion:** New initiatives to digitize public services and government processes.

## MSME & Startup Support



- **Tax Incentives:** Extension of startup tax exemptions and lower compliance requirements.
- **Easier Loan Access:** Reduction in loan interest rates for startups and MSMEs.
- **Make in India:** Strengthening local industries through subsidies and export incentives
- **Credit Cards for Micro Enterprises:** customized credit cards with a credit limit of ₹5 lakh to support micro enterprises

## Banking & Financial Sector Reforms



- **Crypto & Digital Assets:** No respite for crypto investors, as taxation policies remain unchanged, maintaining the 30 per cent tax on gains and 1 per cent TDS on transactions
- **Financial Inclusion:** New schemes to bring unbanked rural areas into the financial ecosystem.

## Defence & National Security



- **Defence Budget:** ₹6.81 lakh crore allocation, with emphasis on indigenous defence manufacturing.
- **Border Security Strengthening:** Additional 87% rise for infrastructure at border areas.
- **Increased Pensions:** Defence pensions rise to Rs 1.6 lakh crore. Up by 13.5%



## Green Energy & Sustainability



- **Solar Energy Expansion:** ₹75,000 crore allocated for rooftop solar and large-scale solar parks.
- **Green Manufacturing:** Incentives for solar PV cells, EV batteries, electrolyzers & wind turbines.
- **Power Sector Reforms:** States to get 0.5% of GSDP in additional borrowing for electricity distribution upgrades.
- **Nuclear Energy Expansion:** Nuclear Energy Mission for research & development of Small Modular Reactors (SMR) with an outlay of Rs.20,000 crore will be set up.

## Tourism & Culture



- **Top 50 Tourist Sites Development:** Special focus on Buddhist circuits, spiritual & historical sites.
- **PM SVANidhi Expansion:** Credit support for ₹68 lakh street vendors, now with ₹30,000 UPI-linked credit limit.
- **Medical Tourism & 'Heal in India' Initiative:** Easier visa norms & global partnerships.

## International Trade & Foreign Investment



- **FDI Policy Relaxation:** Foreign insurers get control with 100% FDI.
- **Export Promotion Schemes:** ₹ 2,250 crore for export promotion schemes for 2025-26, down 17 per cent from ₹ 2,718.73 crore allocated in the revised Budget estimates for 2024-25

## OUR OFFICES



### Gurugram – Enkay Tower

Enkay Centre, Wing A,  
Second Floor, Plot No A,  
Vanijya Nikunj, Udyog Vihar,  
Phase V, Gurugram-122016

### Hyderabad

CWS One, Plot No: 40, 41 & 42,  
Survey No: #54 Kondapur,  
Serilingampally, Hyderabad,  
Telangana 500084.

### Mumbai

2nd Floor, 264-265, Vaswani Chambers,  
Dr Annie Besant Rd, Municipal Colony,  
Worli Shivaji Nagar, Mumbai,  
Maharashtra - 400025/30

### Gurugram - Ocus Technopolis

Third Floor Tower A, Ocus  
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### Bangalore

2nd & 3rd Floor, 235,13th cross  
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### USA

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