

1. Introduction and Overview

- **Presentation Details:** This is Finance Minister Nirmala Sitharaman's 9th consecutive budget. The speech lasted approximately 1.5 hours.
- **Budget Basics:** The budget outlines government income (taxes) and expenditure (development). Since 2017, the Railway Budget and Union Budget have been merged and presented on February 1st.
- **Vision 2047 (Viksit Bharat):** The overarching goal is to make India a "Developed Economy" by 2047. The government emphasizes three key themes:
 1. **Action over Ambivalence:** Delivering on promises.
 2. **Reform over Rhetoric:** Taking actual action rather than just making announcements.
 3. **People over Populism:** Focus on job creation and production rather than offering freebies.
- **Three Duties of the Government:**
 1. Accelerate and sustain economic growth to compete globally.
 2. Fulfill aspirations by building people's capacity (skills/jobs).
 3. "Sabka Saath, Sabka Vikas" (Inclusive growth reaching the most disadvantaged).

2. The Six Pillars of Growth

The budget is anchored on six pillars:

1. Sustaining Economic Growth, 2. Strengthening Foundations of Growth, 3. People-Centric Development, 4. Trust-Based Governance, 5. Ease of Doing Business, and 6. Fiscal Matters.

3. Pillar 1: Sustaining Economic Growth (Manufacturing & Industry)

The government announced several schemes to boost domestic production and reduce import dependence:

- **Semiconductors:** Launch of **India Semiconductor Mission 2.0** to focus on producing equipment and materials required for the semiconductor value chain.
- **Rare Earths:** A scheme for the research, mining, and processing of **Rare Earth Permanent Magnets**, critical for defense and aircraft.
- **Chemicals:** Establishment of **Dedicated Chemical Parks** to boost domestic petrochemical production.
- **Bio-Pharma:** Launch of "**Bio-Pharma Shakti**" with an allocation of **₹100 crore** to strengthen research and manufacturing in the bio-pharma sector.
- **Public Sector:** Creation of **High-Tech Tool Rooms** in Central Public Sector Enterprises (CPSEs) for advanced manufacturing and training.
- **Container Manufacturing:** A **₹10,000 crore scheme** to manufacture cargo containers domestically, reducing reliance on foreign vessels.
- **Textiles:** An **Integrated Program for Textiles** and a **National Fiber Scheme** to strengthen the sector and recover from tariff impacts.
- **Legacy Industries:** A scheme to revive **200 Legacy Industrial Clusters** (artisans, handlooms, textiles).

- **Electronics: ₹400 crore top-up** for the Electronic Component Manufacturing Scheme.

Tax Reforms for Manufacturing:

- **Income Tax Exemption:** 5-year exemption for non-residents providing capital goods or tooling to toll manufacturers in bonded zones.
- **Safe Harbor:** Provided for component warehousing by non-residents.
- **Seafood Exports:** Duty-free import limit for inputs increased from 1% to 3% of export turnover.
- **Leather & Textiles:** Time allowed for exporters to ship final products extended from 6 months to **1 year**.
- **Duty Exemptions:** Basic Customs Duty (BCD) reduced to **zero** for inputs used in manufacturing **Microwave Ovens, Aircraft** (MRO - Maintenance, Repair, Overhaul), and **Drones**.

4. MSME Sector (Micro, Small, and Medium Enterprises)

The government referred to MSMEs as the "Champions" of the economy.

- **SME Growth Fund:** A new fund of **₹10,000 crore** created to help small businesses.
- **Self-Reliant India Fund:** A top-up of **₹2,000 crore** to the existing 2021 fund.
- **Corporate Mitra:** Appointment of institutions to act as "Corporate Mitras" to guide SMEs on legal compliance and cost-efficiency.
- **TReDS (Trade Receivables Discounting System):** Made mandatory for government procurements to ensure timely payments to MSMEs. A credit guarantee mechanism will support this.
- **Courier Exports:** The cap on exports via courier (previously ₹10 lakh) has been removed.

5. Service Sector & Education

- **Healthcare Skills:** Training for Allied Health Professionals in 10 disciplines.
- **Caregivers:** Implementation of the **National Skill Qualification Framework (NSQF)** to train **1.5 lakh multi-skilled caregivers**.
- **Medical Tourism:** Establishment of **5 Medical Value Tourism Hubs** to attract international patients.
- **Ayurveda:** Three new **All India Institutes of Ayurveda (AIIA)** to be established.
- **Creative Economy (AVGC):** Content creator labs for Animation, Visuals, Gaming, and Comics to be set up in **15,000 schools and 500 colleges**.
- **Design:** A **National Institute of Design** to be built in the Eastern Region.
- **Education Townships:** Development of **5 University Townships** within industrial corridors.
- **STEM Education:** Mandatory **Girls' Hostels** in colleges offering STEM (Science, Technology, Engineering, Math) courses in every district.
- **Hospitality:** Launch of a **National Institute of Hospitality**. Training for **10,000 guides** at 20 iconic tourist sites.
- **Tourism:** Development of ecological trails (turtle, bird watching) in every state and a **Buddhist Circuit** in the North East.

6. Financial Sector

- **Committee:** A high-level committee titled "**Banking for Viksit Bharat**" will be formed.
- **Municipal Bonds:** A **₹100 crore incentive** for any municipality that raises ₹1,000 crore via bonds.
- **Securities Transaction Tax (STT):**
 - Increased on **Futures** from 0.02% to **0.05%**.
 - Increased on **Options** to **1%** and **0.125%**.
- **FEMA Review:** The Foreign Exchange Management Act will be reviewed to simplify rules.

7. Agriculture and Fisheries

- **Horticulture:** Focus on rejuvenating orchards for **Walnuts, Almonds, and Pine Nuts**.
- **Global Branding:** Goal to make Indian **Cashew and Cocoa** global brands by 2047.
- **Fisheries:**
 - Development of **500 Reservoirs (Amrit Sarovar)**.
 - Duty-free fish catch allowed for Indian vessels in Exclusive Economic Zones.
- **Bharat Vistar:** An AI-integrated Agri-Stack portal providing farmers with data on soil, crops, and weather.
- **Cooperatives:** Deductions allowed for dividend income received by National Cooperative Federations.

8. Infrastructure (Strengthening Foundations)

- **Capex:** Public Capital Expenditure increased to **₹12.2 lakh crore**.
- **Risk Guarantee:** Establishment of an **Infrastructure Risk Guarantee Fund** to protect lenders.
- **Freight & Waterways:** New Dedicated Freight Corridor (Dankuni to Surat) and **20 new National Waterways**.
- **Coastal Shipping:** Target to increase coastal shipping share from 6% to **12% by 2047**.
- **Seaplanes:** Viability Gap Funding introduced to encourage seaplane manufacturing and operations.
- **State Assistance:** **₹2 lakh crore** allocated under the SASCI scheme (Assistance to States for Capital Investment).
- **Railways:** 7 High-Speed Rail Corridors proposed (e.g., Mumbai-Pune, Hyderabad-Bangalore).

9. Energy Security & Green Goals

- **CCUS:** **₹20,000 crore** allocated for **Carbon Capture, Utilization, and Storage** technologies.
- **Solar & Nuclear:**
 - **Sodium Antimonate:** Basic Customs Duty removed (used in solar glass).
 - **Nuclear Power:** Import of goods for projects exempt from duty until 2035.

- **Clean Fuel: Central Excise Duty exemption** for the manufacture of **CNG and Biogas**.

10. People-Centric Development (Social Welfare)

- **Self-Help Groups:** Launch of "**Self-Help Entrepreneur Smart**" to set up retail outlets for products made by women's groups (Lakhpatri Didi initiative).
- **Divyangjan (Persons with Disabilities):**
 - **Divyang Sahara Yojana:** To provide high-quality assistive devices.
 - Upgradation of **ALIMCO** (Artificial Limbs Manufacturing Corporation).
- **Mental Health:** Upgrading institutes in Ranchi and Tezpur; establishing **Trauma Care Centers** in district hospitals.

11. Ease of Doing Business & Fiscal Management

- **Tax Reliefs:**
 - **Cancer Drugs:** Basic Customs Duty reduced to **zero on 17 specific cancer drugs**.
 - **Motor Claims:** Interest awarded by Motor Accident Claims Tribunals made tax-free.
 - **Integrated Customs:** A single portal for all customs-related processes (duty, clearance, etc.).
- **Fiscal Deficit:**
 - Achieved **4.4%** in the current cycle.
 - Target for next year: **4.3%**.
- **Debt Management:** Aim to bring Central Govt Debt to **50% of GDP (+/- 1%) by 2030**.
- **Finance Commission:** The 16th Finance Commission begins in 2026. The vertical devolution share to states remains at **41%**.
- **Liquidity Facility:** A **₹1.4 lakh crore** facility for states to manage cash flows.

12. Major Budget Allocations (in Lakh Crore/Crore)

- **Transport:** ₹5,98,520 crore
- **Defense:** ₹5,94,000 crore
- **Agriculture:** ₹1,62,000 crore
- **Education:** ₹1.39 lakh crore
- **Energy:** ₹1.09 lakh crore
- **Healthcare:** ₹1.04 lakh crore
- **North East Development:** ₹6,682 crore.