

Union Budget 2025-26 - Part 1

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Context : The **Union Budget 2025-26**, delivered by the Finance Minister, is grounded in the vision of “**Sabka Vikas**” (Development for All). Its primary objective is to stimulate inclusive and balanced growth across all sectors and regions of India. The budget is a detailed roadmap designed to address the diverse challenges facing the nation while promoting equitable progress. This overview dissects the main highlights and core principles outlined in the Union Budget for the year 2025-26.

Understanding the Union Budget

The Union Budget is a constitutional requirement under **Article 112** of the Indian Constitution. It mandates the government to present an **Annual Financial Statement** to Parliament, detailing the estimated receipts and expenditures for the coming financial year (April 1 to March 31). The budget is categorized into three primary components:

1. **Consolidated Fund of India:** This is the principal fund for all revenues and expenditures.
2. **Contingency Fund:** A reserve used for handling unforeseen expenditures.
3. **Public Account:** Funds held by the government as a trustee, which includes provident funds, small savings, and other similar funds.

Each fund has to be accompanied by a detailed statement that ensures transparency and accountability in the management of public finances.

Key Features of the Union Budget 2025-26

The Finance Minister's presentation commenced with a quote by the iconic Telugu poet **Shri Gurajada Appa Rao**: “*A country is not just its soil; a country is its people.*” This quote sets the tone for the budget, underscoring the government's commitment to human-centric development.

The budget is aligned with the broader vision of **Viksit Bharat** (Developed India), highlighting six core principles that will steer the nation's development:

- **Zero Poverty:** Aimed at eradicating poverty through inclusive welfare schemes.
- **Quality Education for All:** Focus on making high-quality education accessible and affordable.
- **Affordable, High-Quality Healthcare:** Expanding healthcare infrastructure to meet growing demands.

- **Skilled Workforce with Meaningful Employment:** Enhancing skill development and creating job opportunities.
 - **70% Women Participation in Economic Activities:** Empowering women to play a significant role in the economy.
 - **Farmers Making India the 'Food Basket of the World':** Strengthening agriculture to ensure food security and elevate India's global competitiveness.
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Prioritized Sections in the Budget

The Union Budget 2025-26 places particular emphasis on four key groups, which are at the heart of this year's fiscal strategy:

1. **Garib** (The Poor): Initiatives for poverty alleviation and social welfare.
2. **Youth:** Focusing on education, skill development, and employment opportunities.
3. **Annadata** (Farmers): Support aimed at enhancing agricultural productivity and ensuring rural prosperity.
4. **Nari** (Women): Empowerment programs to support the economic and social upliftment of women.

These focus areas are designed to promote overall growth, stimulate private investment, and empower households, especially the middle class, creating a foundation for long-term prosperity.

Key Reform Areas

To bolster India's global competitiveness, the Union Budget outlines several critical reform initiatives:

- **Taxation:** Simplifying tax processes and improving compliance to make the tax system more transparent and efficient.
 - **Power:** Expanding renewable energy sources while enhancing energy efficiency across sectors.
 - **Urban Development:** Revamping urban infrastructure to meet the demands of rapid urbanization.
 - **Mining:** Promoting sustainable mining practices to ensure both environmental and economic sustainability.
 - **Financial Sector:** Strengthening financial regulations to improve the investment climate and increase investor confidence.
 - **Regulations:** Streamlining policies and regulations to foster ease of doing business, creating a more business-friendly environment.
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Growth Engines for Viksit Bharat

The budget identifies four primary growth engines essential for the nation's long-term development:

1. **Agriculture**

2. **MSMEs (Micro, Small, and Medium Enterprises)**
3. **Investment**
4. **Exports**

These sectors are bolstered by various reform measures and the overarching principle of inclusivity, aiming to create a more resilient and diverse economic structure.

1st Engine: Agriculture

Agriculture remains the cornerstone of India's economy. The budget introduces several key initiatives to boost this vital sector:

- **Prime Minister Dhan-Dhaanya Krishi Yojana:** A 100-district program designed to increase productivity, encourage crop diversification, and improve irrigation and storage facilities.
 - **Rural Prosperity and Resilience Programme:** A comprehensive initiative focusing on skilling, technology adoption, and investment to enhance rural employment and resilience.
 - **Mission for Aatmanirbharta in Pulses:** A six-year plan to achieve self-sufficiency in pulse production, including crops like Tur, Urad, and Masoor.
 - **Increased Loan Limits for Farmers:** The Kisan Credit Card loan limit has been raised from ₹3 lakh to ₹5 lakh, with modifications to the interest subvention scheme.
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2nd Engine: MSMEs

MSMEs contribute significantly to India's exports and employment. The budget outlines measures to enhance the sector's growth:

- **Strengthening MSMEs:** Increased investment limits and turnover thresholds for MSME classification, along with improved credit availability.
 - **Support for Women, SC/ST Entrepreneurs:** A new scheme offering term loans up to ₹2 crore for first-time entrepreneurs from these groups.
 - **Boosting Manufacturing:** Launch of a **National Manufacturing Mission** to promote industrial growth and the "Make in India" initiative.
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3rd Engine: Investment

Investment in key areas of the economy is prioritized to ensure sustainable growth:

- **Investment in People:** Establishing 50,000 **Atal Tinkering Labs**, providing broadband connectivity for rural schools, and launching skilling programs.
- **Investment in the Economy:** A ₹1.5 lakh crore allocation for 50-year interest-free loans to states, along with an **Asset Monetization Plan** to reinvest ₹10 lakh crore into new projects.
- **Investment in Innovation:** A ₹20,000 crore allocation to drive private sector-led research and development and launch the **National Geospatial Mission** for urban planning.

4th Engine: Exports

In line with global trade aspirations, the budget outlines several measures to enhance India's export capacity:

- **Export Promotion Mission:** A joint initiative by the Commerce, MSME, and Finance Ministries to help MSMEs tap into global markets.
- **BharatTradeNet (BTN):** A unified digital platform for simplifying trade documentation and financing.
- **Infrastructure & Warehousing Support:** Modernizing infrastructure, especially for air cargo and high-value perishable goods.

Reforms as the Fuel for Growth

The budget emphasizes a strong commitment to taxpayer-friendly reforms, which include:

- **Faceless Assessment:** Streamlining the tax assessment process for greater ease.
- **Vivad se Vishwas Scheme:** An efficient mechanism for resolving long-standing tax disputes.
- **Financial Sector Reforms:** Increasing the FDI limit in insurance to 100% and implementing a light-touch regulatory framework to foster investment.

Conclusion

The **Union Budget 2025-26** is a forward-looking, inclusive plan to achieve **Viksit Bharat** (Developed India) by 2047. It focuses on sustainable growth, technological innovation, and the empowerment of every citizen, while prioritizing key sectors such as agriculture, MSMEs, investment, and exports. By reinforcing India's economic and social resilience, the budget aims to pave the way for a robust, prosperous, and globally competitive India. Through this strategic framework, the government is positioning India for a brighter and more equitable future.

