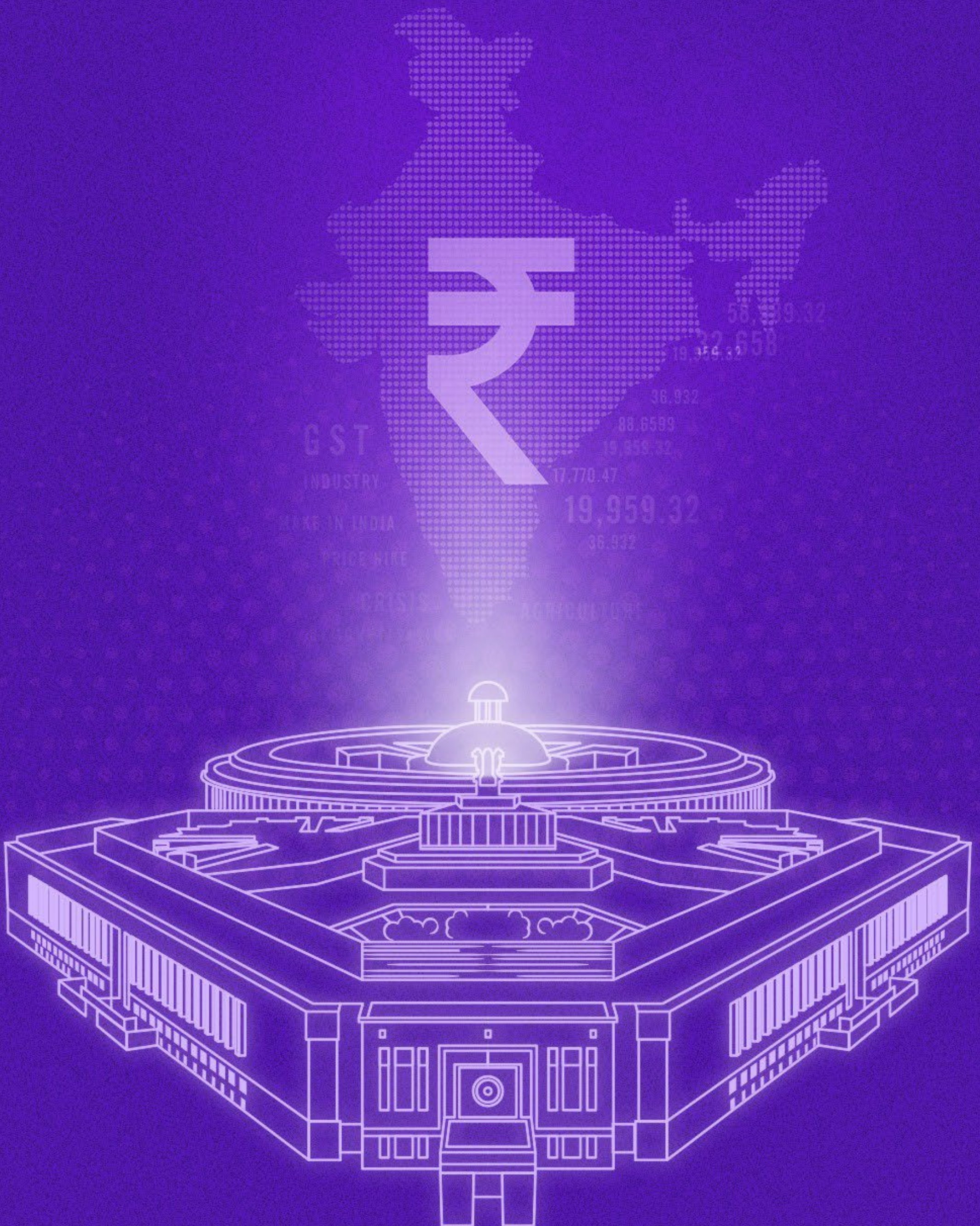




UNION BUDGET 2024-25

Focus on Employment, Manufacturing, & Sustainable Development



THE BIG PICTURE

The Government has laid out nine priorities towards achieving its "Viksit Bharat" (Developed India) vision, with subsequent budgets to be structured around these priorities.

Productivity and Resilience in Agriculture



- Impetus to climate-resilient seeds and high-value horticulture
- Financial support for R&D in the production, storage, and marketing of pulses and oilseeds
- New National Cooperation Policy to spur rural growth
- Fertilizer subsidy reduced to INR 1.89 trillion (USD 22.5 billion) and food subsidy reduced to INR 2.12 trillion (USD 25.3 billion)

Employment and Skilling



- The direct benefit transfer of one-month salary in 3 instalments (up to INR 15000) to first-time employees with a salary limit of INR 100,000 per month
- Internship opportunities in 500 top companies to 10 million youth in five years

Inclusive Human Resource Development and Social Justice



- Purvodaya Plan for the all-round development (human resource, infrastructure, and economic opportunities) of the eastern region of the country covering Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh
- Pradhan Mantri Janjatiya Unnat Gram Abhiyan to cover 63,000 villages for 50 million tribal families in tribal-majority villages and aspirational districts.

Manufacturing and Services



- Creation of e-commerce export hubs in public-private partnership mode
- Credit guarantees up to INR 1 billion support MSMEs in manufacturing
- Facilitate development of "plug and play" industrial parks in 100 cities
- Twelve industrial parks under the National Industrial Corridor Development Programme also will be sanctioned
- Development of Digital Public Infrastructure applications for productivity gains, business opportunities, and innovation by the private sector

Urban Development



- Creative redevelopment of cities as growth hubs
- Focus on transit oriented development, water supply, waste management, and sanitation in 100 cities

Energy Security



- Taxonomy for climate finance to enhance the availability of capital for climate adaptation and mitigation
- Government to release policy on energy transition, balancing jobs, growth, and sustainability
- MSMEs to be provided financial support for their energy-efficient measures and to support their shift to clean energy

Infrastructure



- Develop logistics parks integrating road, rail, and waterways
- Ownership, leasing, and flagging reforms to improve the share of the Indian shipping industry and generate more employment
- Government to maintain strong fiscal support for infrastructure over the next 5 years

Innovation, Research and Development



- Removal of angel tax to support innovation
- Budget allocation for biotechnology research and development has been more than doubled to INR 11 billion (USD 132 million)
- Expanding the space economy by 5 times in the next 10 years, a venture capital fund of INR 10 billion (USD 120 million) to be set up
- The Government to partner with private players to set up Bharat Small Reactors and promote R&D of newer technologies for nuclear energy

Next Generation Reforms



- Developing new policy framework to improve productivity and making markets more efficient
- Focus on tech enabled land and labour reforms
- Simplification of FDI regulations to attract more investment



Blueprint for a future-forward India

What lesson did the Bharatiya Janata Party (BJP) take away from the election results? That's been the big question on most minds ever since the results of General Elections 2024 were declared on June 4. Would it stay the course on reform, or would it close ranks and ramp up on welfare? The full Union Budget today, a record seventh for Finance Minister Sitharaman, unequivocally answered all those questions.

And the answer is fairly simple: As far as the Government is concerned, the elections have been unquestionably won, some tweaks will be made to ensure future success at the hustings, the long-term economic vision is very much intact, and this Budget is a confident step in that journey.

To begin with, a clear articulation of the nine priority areas for Viksit Bharat provides a stable and predictable framework. The Government has also shown an inclination to launch schemes and programs with clear outcomes.

Second, there is an understanding that India's human capital, and our demographic dividend, needs to be nurtured over the long term, even as employment opportunities are created immediately—thus the Budget's focus on skilling, education, and Government-supported internship programs. The Government has also, for the first time, put money on the table to get India's youth into the formal economy by incentivizing companies to hire new entrants.

Third, urban rejuvenation has found a priority position. There is no disagreement on the fact that India needs more cities, and the existing ones need to up the standard of living that they offer their citizens. Combining that with a clear energy transition pathway—from nuclear energy to helping hard-to-abate sectors become more efficient—should provide a green engine for economic growth.

Furthermore, the next generation of reforms are also in the offing—including contentious ones like land and labor—which will be deliberated on in consultation with the states.

This Budget showed that the Government is moving towards realizing a long-term vision. That is good. That the Government is looking to do this in a more consultative way is even better—for it is then that economic growth is truly inclusive and sustainable.



Vasudevan Rangarajan

Head, EGA India

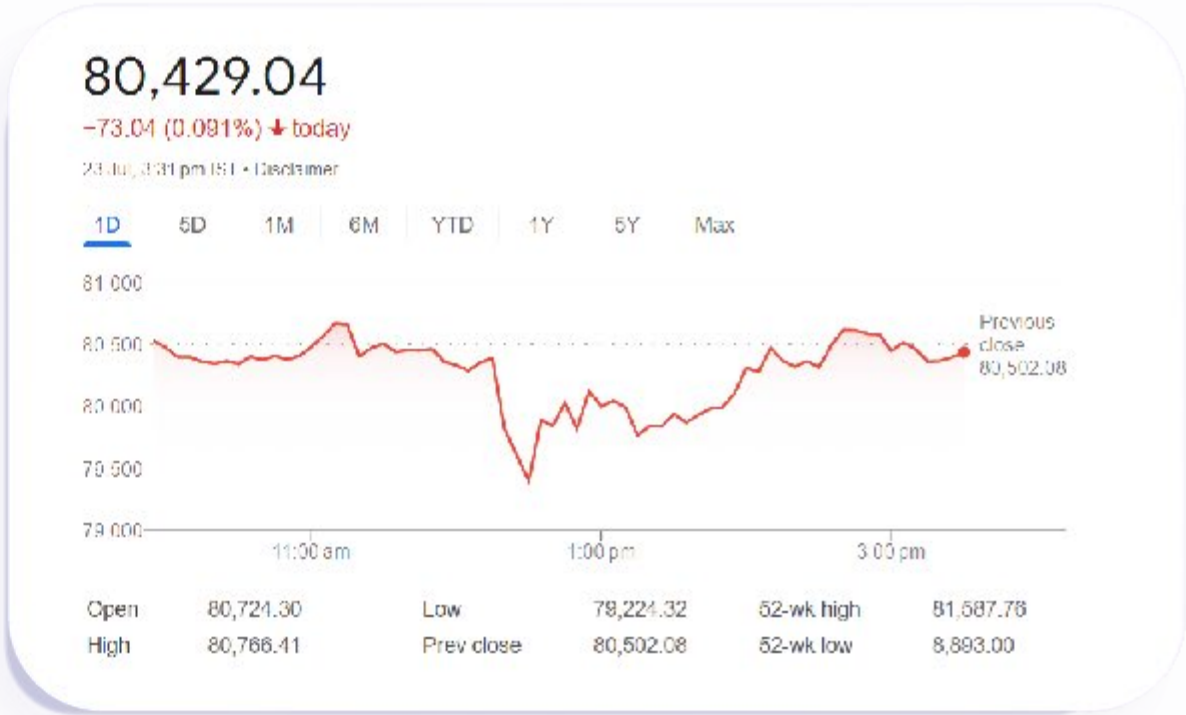
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Budget Estimates (2024-25)

(Numbers in INR, 84 INR ≈ 1 USD)

	2022-23 (Actuals)	2023-24 (Revised Estimates)	2024-25 (Budget Estimates)
Fiscal Deficit	6.4%	5.8%	4.9%
Revenue Deficit	4.0%	2.8%	1.8%
Gross Tax Revenue	30.5 trillion	34.3 trillion	38.5 trillion
Devolution of States' Share in Taxes	9.4 trillion	10.9 trillion	12.4 trillion

Market Reactions



Financial markets were highly volatile due to increased taxes on capital gains and trading derivatives. The NSE Nifty 50 and S&P BSE Sensex each dropped about 1% as the Finance Minister delivered her speech. While FMCG and agricultural stocks gained from a INR 1.52 trillion allocation to agriculture, capital goods companies declined by up to 5% due to a lack of increased infrastructure spending.

The Indian rupee fell to a record low of 83.69 against the US dollar.

BSE Sensex

OUTLAY OF SCHEMES

(Numbers in INR billion)



The figures are compared with the revised estimates of 2023-24.

Agriculture and Allied Sectors



Agriculture and allied sectors have been allocated a total of INR 1.52 trillion (USD 18 billion)

Implementation of Digital Public Infrastructure (DPI) in states

- Central and state governments will implement DPI for farmer and land coverage within three years.
- Digital crop survey for Kharif in 400 districts.
- Issuance of Jan Samarth-based Kisan Credit Cards in five states.

New high-yielding horticulture varieties to be released

- Review of agriculture research setup to focus on productivity.
- Release of 109 high-yielding, climate-resilient varieties of 32 crops.

Onboarding natural farming

- 10 million farmers to be initiated into natural farming in two years.
- Establishment of 10,000 bio-input resource centers.

Strengthening missions for pulses and oilseeds

- Financial support for R&D in production, storage, and marketing.

Vegetable production and supply chains

- Development of vegetable production clusters near consumption centers.
- Promotion of Farmer-Producer Organizations, cooperatives, and startups.

Comprehensive development of cooperative sector

- Introduction of a national cooperation policy for rural economy growth and employment generation.

Biotechnology Research and Development

- Allocation increased from INR 5 billion (USD 60 million) to INR 11 billion (USD 132 million).

Banking and Finance



- Up to 100 additional branches of India Post Payments Bank (IPPB) to be established in India's Northeastern states. The IPPB currently provides banking services to approximately 90 million Indians and over 600 branches across the country.
- Appropriate changes to be introduced to the Insolvency and Bankruptcy Code (IBC), and tribunals to be strengthened.
- The National Pension Scheme (NPS) sees two major changes:
 - The introduction of the NPS Vatsalaya, a plan for contribution by parents and guardians for minors which is converted into a non-NPS plan once the child becomes the major account holder.
 - Employer deduction towards NPS to be increased from 10% to 14% of the employee's salary. Further, up to 14% of salary deduction from the income of employees in the private sector, public sector banks and undertakings, opting for the new tax regime, is proposed.



Key Focus on Research & Innovation, Sustainable Practices, Digital Infrastructure, and Boosting Production

This year's Budget underscored key nine priority areas out of which the major one was improving productivity and resilience in agriculture. The Honorable Finance Minister has announced several measures including thrust on agriculture research, promotion of natural farming, implementation of digital public infrastructure (DPI), and national cooperation policy.

The Government will conduct a thorough review of research to develop climate-resilient seeds. This is a very important step on scaling up of scientific and real-world applications in sustainable agriculture landscape. We need to invest in rigorous evaluation and adaptive research, and tailor them to benefit smallholder farmers who need them most. As we are witnessing the impact of unpredictable weather patterns on crop cultivation and production, the adoption of climate-resilient varieties could play a crucial role in safeguarding India's rice production in the face of increasing climate uncertainty.

Government's ambition on implementation of DPI can be a game changer for small and marginal farmers and the entire value chain. This will pave the way to enable inclusive farmer-centric solutions through relevant information services of planning, improved access to farm inputs, credit and insurance help for crop estimation, and market intelligence. If built in collaboration with the private sector, it may address issues of exclusion, making digital agriculture affordable, and encourage the proliferation of start-ups.



Dr. Ashok Gulati
Distinguished Professor
Indian Council for Research on
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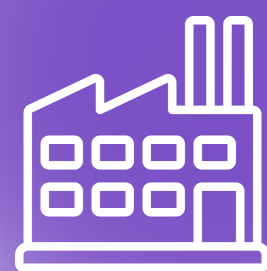


Infrastructure and Urbanization



- Capex outlay for infrastructure is maintained at INR 11.10 trillion (USD 132.63 billion), as announced in the interim budget.
- A provision of INR 1.5 trillion (USD 179.34 billion) for long-term interest-free loans has been made this year as well, to support the states in their resource allocation.
- Under the Purvodaya scheme, an industrial node will be developed in Gaya on the Amritsar Kolkata Industrial Corridor.
- **Development of road connectivity projects**
 - Patna-Purnea Expressway
 - Buxar-Bhagalpur Expressway
 - Bodhgaya, Rajgir, Vaishali and Darbhanga spurs
 - Additional two-lane bridge over river Ganga at Buxar at a total cost of INR 260 billion (USD 3.11 billion)
- Power projects, including setting up a new 2400 MW power plant at Pirpainti, proposed at a cost of INR 214 billion (USD 2.56 billion).
- New airports, medical colleges, and sports infrastructure in Bihar will be constructed under the Purvodaya scheme.
- Under the Andhra Pradesh Reorganisation Act, funds have been allocated for railways and road infrastructure in the Kopparthy node on the Vishakhapatnam-Chennai Industrial Corridor and Orvakal node on the Hyderabad-Bengaluru Industrial Corridor. Additional allocation will be provided for capital investment to boost economic growth.
- A provision of an interest subsidy to facilitate loans at affordable rates is also envisaged for the next five years.

Manufacturing and MSME



- Credit guarantee scheme for Micro, Small and Medium Enterprises (MSMEs) to facilitate term loans without collateral or third-party guarantee.
- MSMEs will now be able to avail loans up to INR 2 million instead of INR 1 million under the MUDRA scheme.
- Turnover threshold of MSME buyers for mandatory onboarding on TReDS platform reduced from INR 5 billion (USD 60 million) to INR 2.5 billion (USD 30 billion)
- A digital public infrastructure application to be developed in seven areas, including credit, e-commerce, education, health, law and justice, logistics and MSMEs for productivity gains, business opportunities, and innovation by the private sector. Government to facilitate investment-grade energy audit in 60 clusters, next phase to be expanded to 100 clusters.
- INR 21.43 billion (USD 256 million) has been allocated for Production Linked Incentives (PLI) in Pharmaceutical sector.
- Small Industries Development Bank of India (SIDBI) to open 24 new branches in the current financial year along with new branches over the next three years.



Driving Urban Development and Transformation by Promoting Circularity

One of the key focus areas of the Union Budget 2024 is on promoting solid waste management projects across 100 large cities, which signifies a commitment to enhancing the quality of life for the public, while mitigating environmental degradation in challenging sectors. It will help build smart cities through not only improved infrastructure but also drive the right way of waste management.

The announcement highlights a growing need for incorporating integrated waste management system in India's burgeoning waste sector. A system that uses sustainable technologies to achieve zero to landfill will help reclaim land, reduce dependence on virgin resources through recycling, and minimize greenhouse gas emissions. The scientific treatment of waste is necessary to not only drive a circular economy but also help develop green energy sources that are vital for energy transition.

In addition, waste in India is a complex and fragmented sector that has direct and indirect implications on climate change due to the pollution and emissions it generates. The Government's initiative on taxonomy for climate finance will be imperative in achieving India's climate commitments and green transition and could also address a key source of climate change.

The Government's initiative to develop a policy document on appropriate energy transition pathways, balancing the imperatives of employment, growth, and environmental sustainability, is a commendable step. This approach will prioritize responsible waste practices and pave the way for a future where waste is transformed into an opportunity—a catalyst for positive change.



Mr. Prashant Singh

CEO and Co-Founder

Blue Planet Environmental Solutions India

Energy, Power and Climate Change



- The Government to bring out a policy document on energy transition pathways to balance the imperatives of employment, growth, and environmental sustainability.
- Promotion of PM Surya Ghar Muft Bijli Yojana, which aims to install rooftop solar plants to enable 10 million households to obtain free electricity up to 300 units every month. An allocation of INR 100 billion (USD 1.1 billion) has been announced for solar power (grid).
- A policy for promoting pumped storage projects will be brought out for electricity storage and facilitating smooth integration of the growing share of renewable energy.
- The Government will partner with private players in the nuclear energy sector to set up and promote R&D for Bharat Small Reactors and promote R&D of newer technologies for nuclear energy. An allocation of INR 22.28 billion (USD 266 million) has been announced.
- The Government will provide fiscal support for a joint venture between NTPC and BHEL to set up a full-scale 800 MW commercial plant using Advanced Ultra Super Critical (AUSC) technology in thermal power plants.
- MSMEs to be provided financial support for their energy-efficient measures and to support their shift to cleaner forms of energy.
- Expansion of the exempted capital goods list for solar cell and panel manufacturing has been announced. Removal of customs duty exemption on solar glass and tinned copper.
- The Government will bring out a financial sector vision and strategy document to prepare the solar sector in terms of size, capacity, and skills.
- The Government will develop a taxonomy for climate finance to enhance the availability of capital for climate adaptation and mitigation.

Next-Gen Reforms



- Land records in urban areas will be digitized with GIS mapping, while a Unique Land Parcel Identification Number (ULPIN) or Bhu-Aadhaar will be assigned to all rural lands.
- Jan Vishwas Bill 2.0 is being worked upon to improve Ease of Doing Business.
- Sectoral databases established under the Digital India mission will be utilized for improving data governance, collection, processing, and management of data and statistics.
- Sectoral database for improving data governance and management will be established.
- Foreign direct investment (FDI) and overseas investments will be simplified to facilitate foreign direct investments, nudge prioritization, and promote opportunities for using Indian Rupee as a currency for overseas investments.



Progress in Energy and Health, Yet More Work Ahead

The Union Budget 2024 reflects a blend of tentative new beginnings and a huge scope of building on it, particularly in the environment and healthcare sectors. While there are notable advancements, there remain areas requiring further attention and resource allocation.

The Budget introduces a diversified energy plan, which marks a significant step towards achieving energy security and addressing climate change. The plan includes small modular nuclear reactors, rooftop solar plants, and the development of indigenous Advanced Ultra Super Critical (AUSC) thermal power plants. These initiatives are commendable, but their potential impact hinges on effective implementation and scaling.

The Government's commitment to nuclear energy, specifically the introduction of Bharat Small Reactors and R&D funding for Bharat Small Modular Reactors, indicates a strategic shift towards a more sustainable energy mix. However, this is merely the beginning. The initiative, though promising, requires sustained effort and thoughtful consideration to realize its full potential in contributing to energy security.

The PM Surya Ghar Muft Bijli Yojana, aimed at installing rooftop solar plants for 10 million households, has already garnered substantial interest with 12.8 million registrations. However, the cost-effectiveness of this scheme needs to be ascertained to ensure its long-term viability. The Government must take additional steps to enhance the scheme's acceptability and efficiency, ensuring that it translates into tangible benefits for the population.

The development of indigenous AUSC thermal power technology, resulting in the upcoming 800 MW commercial plant by NTPC and BHEL, is a noteworthy achievement. This high-efficiency plant represents a leap forward in reducing emissions from thermal power generation. The Government's fiscal support for this project is a positive move, but a deeper focus on "hard-to-abate" industries will be crucial in achieving meaningful reductions in greenhouse gas emissions. The Government's proposed policy document for appropriate energy transition pathways for hard-to-abate sectors is a move in the right direction.

A key announcement is the imposition of customs duty on the import of solar glass. This initiative will support the domestic solar cell/module production industry by reducing reliance on imported materials. This measure is expected to provide relief to domestic manufacturers and foster growth within the sector.

One of the persistent challenges in advancing climate action is the reluctance of financial institutions to engage in green finance. The Budget recognizes this issue and seeks to develop a clear taxonomy for climate finance. Defining climate finance comprehensively is essential to ramping up investment in green projects. More incentives, not necessarily fiscal ones, can further spur investments by financial institutions. Additionally, the Government should consider introducing specific schemes for MSMEs, as they are usually at the forefront of innovations and solutions in the green technology space.

The Budget acknowledges climate adaptation as a key area, but the financial commitments fall short of what is required. Catching the Government's attention on this issue is a positive step, but it remains to be seen if the measures will be sufficient to drive significant change. Accelerating investments in technology and processes for the sector is the need of the hour. Overall, while the Government did not open its purse significantly for the climate sector, it found some means to secure finance for it.

The healthcare sector, which was allocated INR 89,287 crore in the Budget, has seen incremental progress in absolute terms, but the increment is not much when compared to rising inflation and the overall GDP growth. In fact, it falls short of the expected commitment of 2.5% of GDP made during the pandemic. The allocation for healthcare does not meet the expectations set during the pandemic. Greater investment is needed to strengthen primary healthcare, disease control, and surveillance systems. These areas are crucial for building a resilient healthcare infrastructure capable of responding to future health crises. There is a pressing need for the Government and political leadership to prioritize health as a critical area of focus. The Budget's current provisions, while helpful, indicate the need for a more robust and dedicated approach to healthcare funding and policymaking.

The Budget introduces several promising initiatives in the environmental sector but there is room for improvement. However, the healthcare sector has failed to receive any focused attention. A stronger commitment to healthcare funding and a more aggressive push for climate finance and energy security measures will be essential for India to achieve its development goals. As the Government takes these first steps, sustained effort and strategic investments will determine the success of these initiatives.



Mr. C K Mishra

Former Secretary

Ministry of Environment, Forest and Climate Change

Ministry of Health and Family Welfare

Employment and Skilling



- Outlay of INR 1.48 trillion (USD 17.6 billion) for education, employment and skilling.
- Government has introduced three employment linked incentive schemes for employers and employees based on enrollment in Employees' Provident Fund Organisation (EPFO) to boost hiring.
- These three schemes, including Scheme A (one month's salary for fresh graduates), Scheme B (job creation in manufacturing), and Scheme C (support to employers), have been proposed to benefit first-time employees as they enroll in the EPFO.
- Scheme A: One-month wage to be provided to new entrants in all formal sectors in three instalments up to INR 15,000 (USD 179) which is expected to benefit 210 million youth.
- Scheme B: Incentive to be provided to both employee and employer for EPFO contributions in the specified scales for the first four years, which is expected to benefit 30 million youth entering employment, and their employers.
- Scheme C: The Government will reimburse EPFO contributions of employers up to INR 3,000 (USD 35) per month for 2 years for all new hires, which is expected to generate 5 million jobs.
- Accommodation for working women (in collaboration with the industry) and daycares will be established to facilitate higher participation of women in the workforce.
- Two million youth will be skilled over a five-year period through a new centrally sponsored scheme. 1,000 Industrial Training Institutes (ITIs) to be upgraded in the hub and spoke arrangements with outcome orientation.
- Model Skill Loan Scheme to be revised to facilitate loans up to INR 0.75 million (USD 10,000) with a guarantee from a government-promoted fund, to help 25,000 students every year.
- Financial loans of up to INR 1 million (USD 12,000) for higher education in domestic institutions.
- Launch of a comprehensive scheme with an outlay of INR 20 billion (USD 230 million) (FY24-25) for providing internship opportunities in 500 top companies to 10 million youth in five years, with an internship allowance of INR 5,000 (USD 59) per month along with a one-time assistance of INR 6,000 (USD 71).
- E-Shram portal, a National Database of Unorganized Workers (NDUW), to be integrated with other portals to facilitate a one-stop solution.
- Shram Suvidha (Unified Portal for Labour and Employment) and Samadhan (Software Application for Monitoring, Disposal and Handling of Industrial Disputes) portals to be revamped to enhance ease of compliance for industry and trade.
- Outlay for Samagra Shiksha scheme has been increased by 13.63% from INR 330 billion (USD 3.94 billion) to INR 375 billion (USD 4.48 billion).
- Outlay for the Mahatma Gandhi National Rural Employment Guarantee Programme has been retained at INR 860 billion (USD 10.2 billion).
- Outlay for Skill India Programme has increased by 54.9% from INR 17.33 billion (USD 200 million) to INR 26.86 billion (USD 320 million).

Social Development Schemes



- Provision of INR 2.66 trillion (USD 32 billion) for rural development including rural infrastructure.
- 30 million additional houses in rural and urban areas have been announced under the PM Awas Yojana scheme. Further, provisions have been made for housing of 10 million poor and middle-class families in urban areas, with an investment of INR 10 trillion (USD 119.56 billion), including central assistance of INR 2.20 trillion (USD 26.30 billion) in the next 5 years.
- There has been a 36% increase in allocation from FY 2023-24 for the Pradhan Mantri Awas Yojna (PMAY)-Urban.
- Pradhan Mantri Garib Kalyan Anna Yojana has been extended for five years, with the aim of benefiting over 800 million people. The outlay for the scheme has, however, been reduced by 3.4% from INR 2.12 trillion (USD 25.3 billion) to INR 2.05 trillion (USD 24.5 billion)
- Women-led development: The budget allocates more than INR 3 trillion (USD 35.86 billion) for schemes benefitting girls and women to enhance their role in economic development. There has been a 26% increase in allocation of Mission Shakti (Mission for Protection and Empowerment for Women) from INR 23.26 billion (USD 27 million) to INR 31.46 billion (USD 37 million).
- PM Janjatiya Unnat Gram Abhiyan will be launched to help improve the socio-economic conditions of India's tribal communities; the scheme will cover 63,000 villages and benefit 50 million tribal people.
- The budget also outlines the opening of more than 100 branches of India Post Payment Bank to be set up in the Northeast region.
- Purvodaya Scheme has been announced for the states of Bihar, Jharkhand, West Bengal, Andhra Pradesh, and Odisha, with a focus on human resource development, infrastructure, and generation of economic opportunities.
- The Government will intensify implementation of schemes supporting economic activities of craftsmen, artisans, self-help groups, SC/ST and women entrepreneurs, and street vendors, including PM Vishwakarma, PM SVANidhi, National Livelihood Missions, and Stand-Up India.
- The Government, in collaboration with state governments and multilateral development banks, plans to implement bankable projects for water supply, sewage treatment, and solid waste management in 100 large cities. These initiatives will also focus on utilizing treated water for irrigation and replenishing nearby water tanks, promoting sustainable urban development and resource management.

Taxation

Income Tax



- The Government has increased the Standard Deduction limit to INR 75,000 (USD 900) from INR 50,000 (USD 600) allowing salaried class to save up to INR 17,500 (USD 210) in taxes under the new regime.
- A comprehensive review of the Income Tax Act has also been announced, aiming to simplify taxation norms and potentially provide further relief to taxpayers.
- Increase long-term capital gains tax from 10% to 12.5%.
- Tax deduction on National Pension System (NPS) contributions to be raised from 10% to 14% of salary.
- The Tax Deducted at Source (TDS) rate on e-commerce operators has been reduced from 1% to 0.1%.
- The 20% TDS rate on the repurchase of units by mutual funds or UTI will be withdrawn.

Corporate Tax

- Corporate tax rate for foreign companies has been reduced to 25% from 40%.
- Angel tax has been abolished for all classes of investors.
- Securities Transaction Tax (STT) on Futures to be increased from 0.0125% to 0.02%, while the STT on Options to be increased from 0.0625% to 0.10%.
- Long-term capital gains on all financial and non-financial assets to attract a tax rate of 12.5%.
- Exemption limit for capital gains will be set at INR 125,000 (USD 1,495) per year.

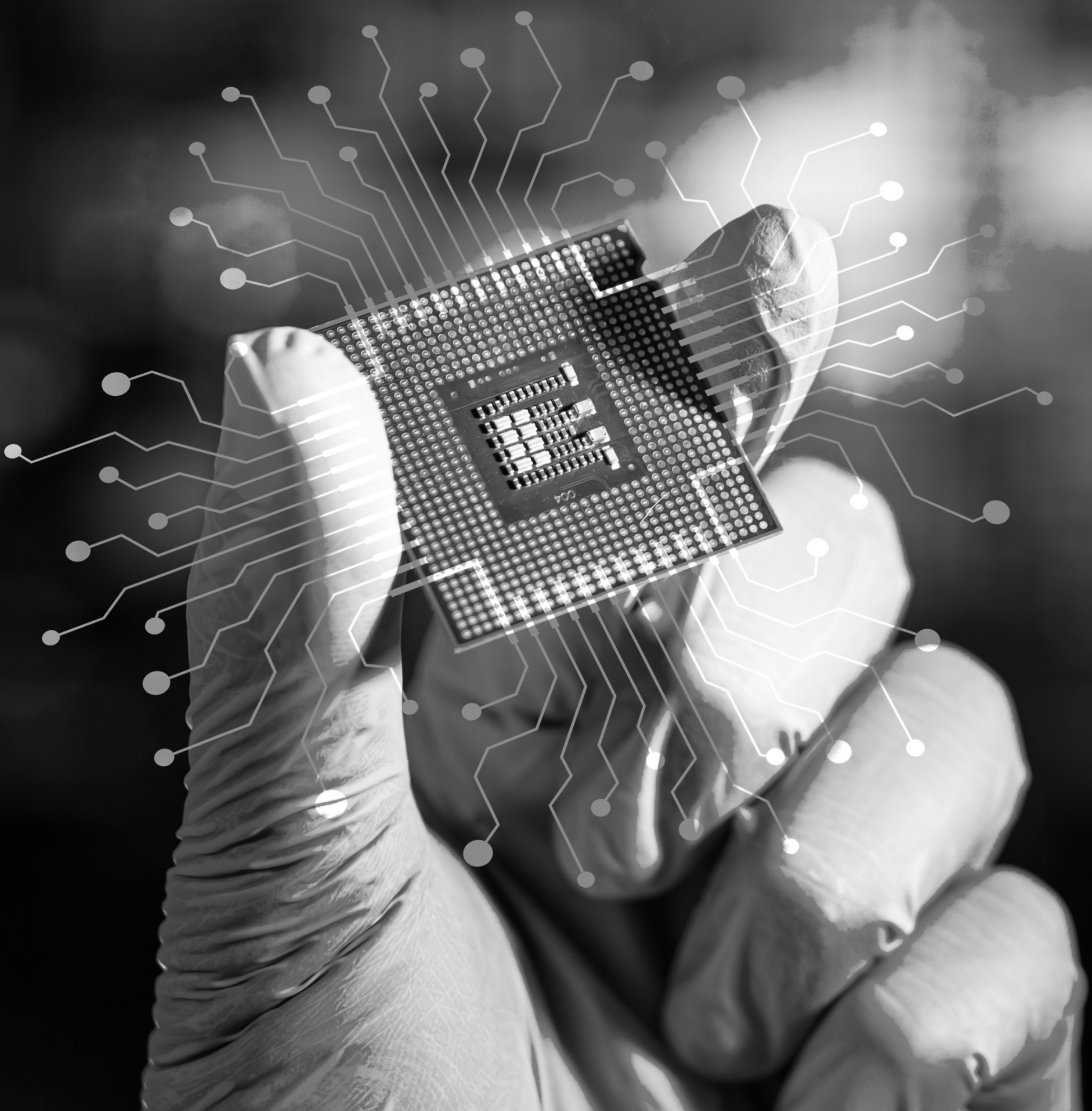
Basic Custom Duty

- Three additional cancer medicines (Trastuzumab Deruxtecan, Osimertinib, and Durvalumab) have been exempted from custom duties to provide relief to cancer patients.
- Custom duties on x-ray tubes and flat panel detectors for use in medical x-ray machines revised under the Phased Manufacturing Programme, to be synchronized with domestic capacity addition.
 - Duties have been reduced from 15% to 5% which will gradually increase to 10% by 2026.
- Custom duties on mobile phones, mobile printed circuit board assembly (PCBA), and mobile chargers have been reduced from 20% to 5%.
- Exemption of custom duties granted on 25 critical minerals, with basic custom duty (BCD) reduced on two of them.
- List of exempted capital goods for use in solar cell and panel manufacture has been expanded. Further, in view of sufficient domestic manufacturing capacity, duty exemption for solar glass and tinned copper interconnect will not be extended.
- Custom duties on gold and silver have been reduced to 6% and that on platinum to 6.4%. Custom duties on ferronickel and blister copper have been removed.

Technology, Telecom, and E-commerce



- An outlay of INR 1.16 trillion (USD 13.9 billion) has been allocated for IT and Telecom sector.
- The "Anusandan" national research fund has been operationalized for basic research and prototype development, with a financing pool of INR 1 billion (USD 11.96 billion.).
- To promote domestic manufacturing, basic custom duty (BCD) has been increased from 10% to 15% on printed circuit board assembly (PCBA) and specified telecom equipment.
- The Budget proposes the development of Digital Public Infrastructure (DPI) applications for productivity gains, business opportunities, and innovation by the private sector.
- These apps will be developed for credit, e-commerce, education, health, law, MSME service delivery, and urban governance.
- E-commerce export hubs will be established to enhance global market access to micro, small, and medium enterprises (MSMEs), as well as traditional artisans.
- These e-commerce export hubs will be developed through a public-private partnership model.
- The hubs are to provide export clearances, warehousing support, customs clearance, returns processing, labeling, testing, and repackaging services, therefore streamlining export processes.





About EGA

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