

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)







Budget 2025 MSME Perspective



CA G. B. Modi Speaker



Journey of Development



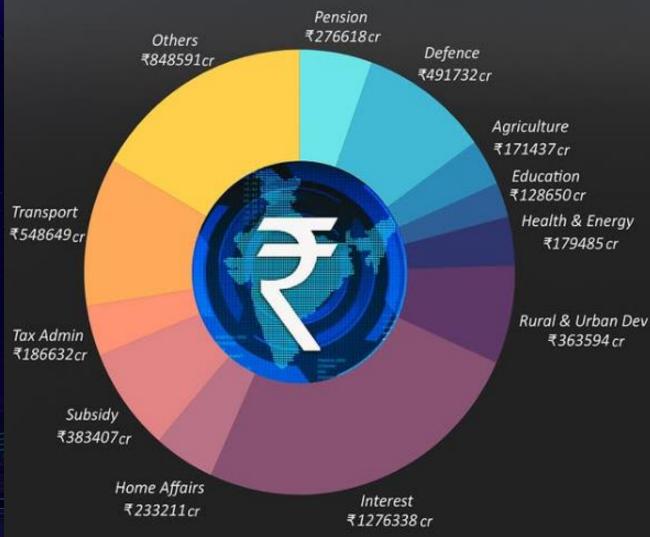
A country is not just its soil, a country is its people.

MINISTRY-WISE **BUDGET ALLOCATION** FOR FY 2025-26 DEFENCE 1.08 COMMUNICATIONS ROAD TRANSPORT AND HIGHWAYS 1.28 EDUCATION TOTAL EXPENDITURE AGRICULTURE AND FARMER'S RAILWAYS WELFARE LAKH CRORE 1.61 2.33 CHEMICAL AND HOME AFFAIRS **FERTILISERS** CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

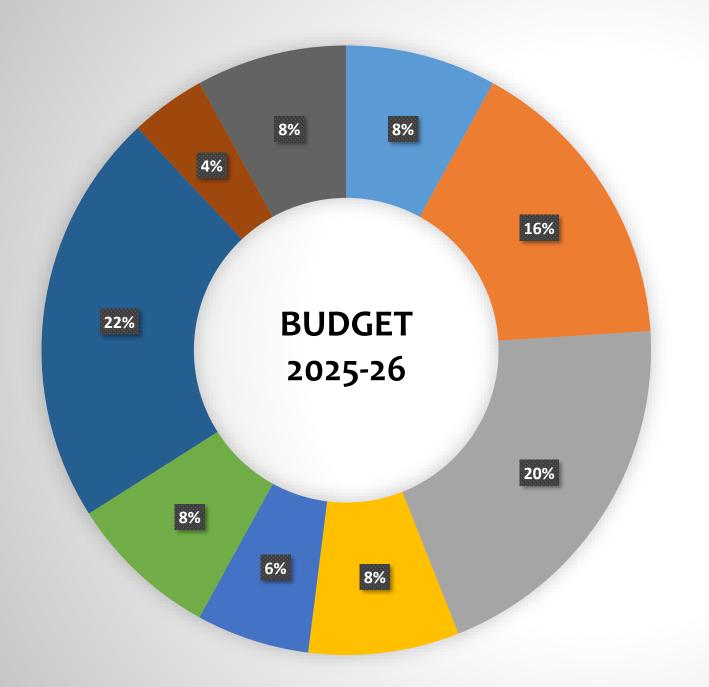
RURAL DEVELOPMENT

*IN RS LAKH CRORES

BUDGET 2025: SECTOR-WISE ALLOCATION



TOTAL ALLOCATION: ₹ 50,65,345 CRORE



RUPEE GOES TO

- Centrally Sponsored Scheme
- Central Sector Scheme
- Interest
- Defence
- Subsidies
- Finance Commission
- State Taxes Duties
- Pensions
- Other Expenditures

MSME Budget Allocation 2025

MSME Sector Budget Up by 33.5%

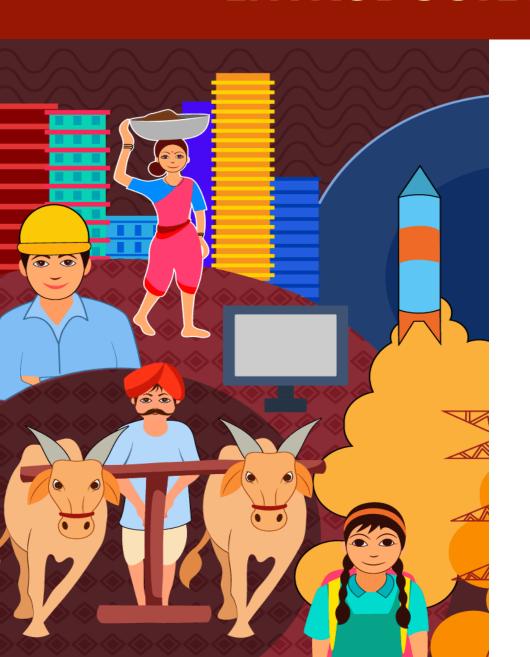
- Last Year (24-25): ₹ 17,300 crore
- > This Year (25-26): ₹ 23,100 crore

More Funding = More Credit, More Growth

More Employment

"MSMES ARE THE PILLARS OF OUR ECONOMY. THEIR **ACTIVE PARTICIPATION AND** SUCCESS ARE ESSENTIAL FOR **OUR NATION'S SUSTAINABLE GROWTH.**"

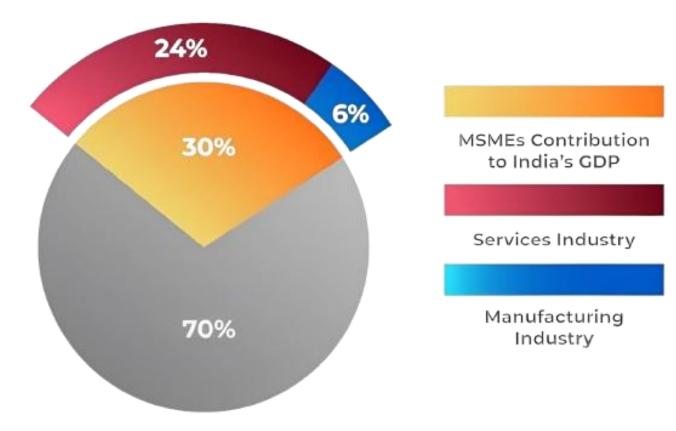




- Currently there are over 1 crore MSMEs registered in India.
 - Which is employing 7.5 crore people & generating 36% of manufacturing in India.

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the Indian Economy.

MSMEs contribute nearly 30% to India's GDP.



Currently MSMEs are contributing

45% of our Export



Budget 2025 has introduced key reforms to enhance their growth and sustainability.

The focus is on financial support, digital transformation, and export facilitation.



IMPORTANCE OF MSMEs IN ECONOMIC GROWTH

IMPORTANCE OF MSMEs IN ECONOMIC GROWTH

EMPLOYMENT GENERATION

Provides jobs to over 7.5 crore people



IMPORTANCE OF MSMEs IN ECONOMIC GROWTH





KEY ANNOUNCEMENTS IN BUDGET 2025

- MSMEs



OLD DEFINITION OF MSMEs

MSME DEFINITION REVISED

Distinction Between Manufacturing and Service Sector Eliminated

REVISED MSME CLASSIFICATION - Composite Criterion: Investment in Plant & Machinery/ Equipment and Annual Turnover



Investment in P&M/ Equipment: Not more than Rs.1 crore & Annual Turnover; not more than Rs. 5 crore

Investment in P&M/ Equipment: Not more than Rs.10 crore & Annual Turnover; not more than Rs. 50 crore

Investment in P&M/ Equipment: Not more than Rs.50 crore & Annual Turnover; not more than Rs. 250 crore

The Government has Increased Investment and Turnover thresholds to help MSMEs scale up

CATEGORY	INVESTMENT		ANNUAL TURNOVER	
	CURRENT	REVISED	CURRENT	REVISED
MICRO ENTERPRISE	Up to ₹1 crore	Up to ₹ 2.5 crore	Up to ₹5 crore	Up to ₹ 10 crore
SMALL ENTERPRISE	Up to ₹ 10 crore	Up to ₹ 25 crore	Up to ₹ 50 crore	Up to ₹ 100 crore
MEDIUM ENTERPRISE	Up to ₹ 50 crore	Up to ₹125 crore	Up to ₹ 250 crore	Up to ₹ 500 crore



NEW CREDIT GUARANTEE COVER

CGTMSE

For Micro & Small Enterprises

From ₹ 5 crore to ₹ 10 crore

Additional Credit of

₹ 1.5 lakh crore in next 5 years



NEW CREDIT GUARANTEE COVER

CGTMSE

For Startups

From ₹ 10 crore to ₹ 20 crore

Guarantee Fee Down to 1%

EXPORT PROMOTION MISSION

Since the Finance Ministry did not approve the continuation of an Interest Equalisation Scheme (IES) beyond December 31, fresh funds have been allocated under this Mission for Export Promotion.



EXPORT PROMOTION MISSION

₹ 20 crore credit for Export-Oriented MSMEs



EXPORT PROMOTION MISSION

For

- ➤ Handicraft Goods,
- ➤ Leather Sector,
- ➤ Marine products,
- ➤ Domestic MROs (Maintain, Repair and Overhaul) for Railway Goods





Union Budget 2025-26

Empowering Exports, Expanding Horizons & Driving India Towards

Viksit Bharat!



Textile Industry:

- Two more types of shuttle less looms added to the list of fully exempted textile machinery to promote the domestic production of technical textiles thus facilitating modernisation and capacity building in the weaving sector. A boost in Make in India in technical textiles sector such as agro textiles, medical textiles and geo-textiles.
- ➤ The Customs Duty on Knitted fabrics has been increased to improve the competitiveness of Indian knitted fabric manufacturing.



Handicraft Exports:

- ➤ Nine new groups of materials can now be imported duty-free for use in the manufacture of handicraft goods for export.
- Additionally, the time limit for export of the handicraft goods extended from 6 months to 1 year, extendable to a further period of 3 months.



Leather Industry:

- > Customs Duty on Wet Blue Leather is reduced from 10% to zero to support domestic value addition.
- Export duty on Crust leather also reduced from 20% to zero to facilitate exports by small tanners.



Marine Products:

- Customs Duty on Frozen Fish Paste (Surimi) reduced from 30% to 5%, making it cheaper to manufacture Surimi analogue products for export.
- Customs Duty on fish hydrolysate reduced from 15% to 5%, for manufacture of aquatic feed.



Maintenance, Repair and Overhaul (MRO) of Railway Goods:

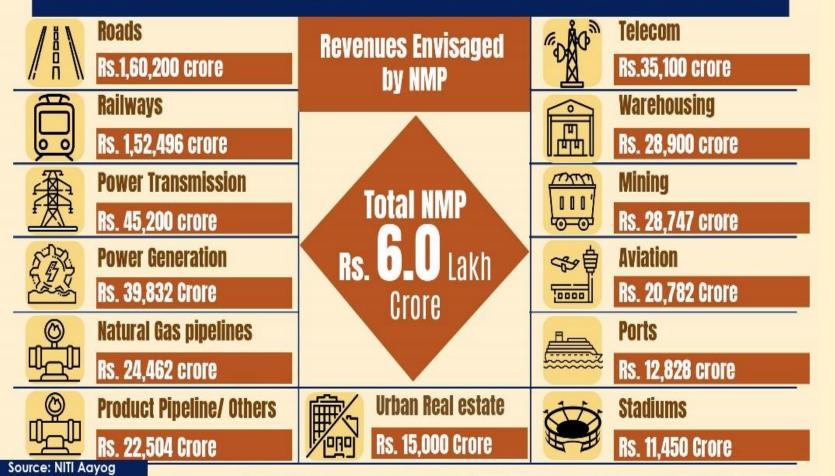
The time limit for exporting goods of foreign origin imported for repairs has been extended from six months to one year, and further extendable by one year in case of railway goods.



Maintenance, Repair & Overhaul (MRO)

First Asset Monetization Plan Which Was Announced in Budget 2021

National Monetisation Pipeline for Brownfield Infrastructure Assets



On Success of First Asset Monetization Plan, the Second Plan for 2025-30 will be launched to plough back capital of ₹ 10 lakh crore

in new projects.







Higher Credit through Kisan Credit Cards

Loan limit under Modified
Interest Subvention Scheme to
Be raised from
₹ 3 lakh to ₹ 5 lakh







Kisan Credit Cards (KCC) facilitate short term loans for 7.7 crore farmers, fishermen and dairy farmers









This Scheme will apply only to

- ➤ Accounts that have a **Good Repayment**Track Record &
- Those primarily engaged in Commercial Farming



PROVISIONS RELATED TO INTEREST RATE

- ➤ In addition to interventions such as the Modified Interest Subvention Scheme (MISS) which provides short term agriloans through KCC at a concessional interest rate 7%
- The Prompt Repayment Incentive (PRI) provides a 3% incentive to farmers who repay on time



Customised Credit Cards with a ₹ 5 lakh limit for Micro Enterprises registered on Udyam portal. In the first year, 10 lakh such cards will be issued.



Women
Entrepreneurs
Coming In Strong

5 lakh SC/ST & First Time women

entrepreneurs to

Receive Up to ₹ 2 crore term loan support

During next 5 years.

WOMEN ENTREPRENEURSHIP



FUND OF FUNDS FOR STARTUPS

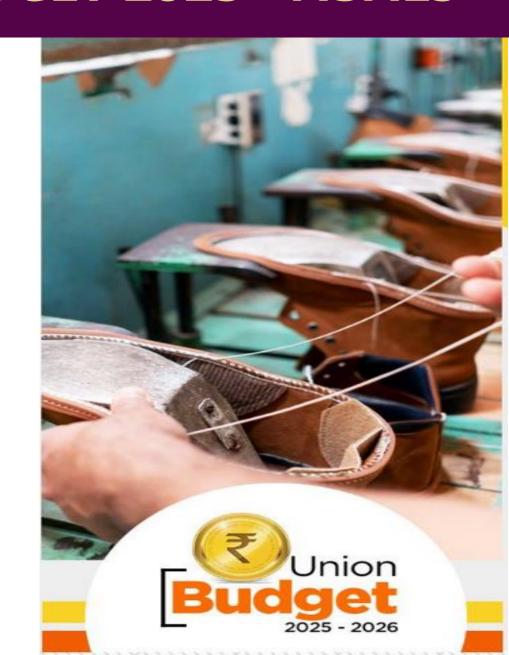
- ➤ AIFs for startups have received ₹91,000 crore in commitments.
- ➤ Supported by a ₹10,000 crore
 Government-backed Fund of Funds.
- ➤ A new Fund of Funds with an additional ₹10,000 crore will be established with an expanded scope.

ALTERNATE INVESTMENT FUNDS (AIF)





FOCUS PRODUCT SCHEME FOR FOOTWEAR & LEATHER SECTORS TO BE LAUNCHED

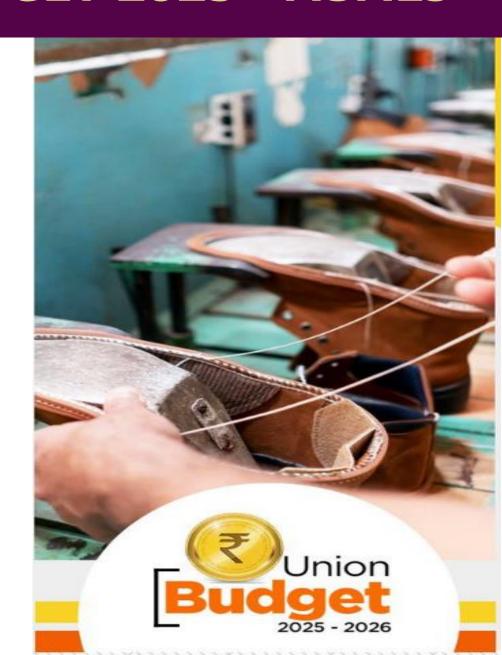


KEY FEATURES

To enhance

- Productivity
- Quality
- Competitiveness

of India's footwear and leather sector

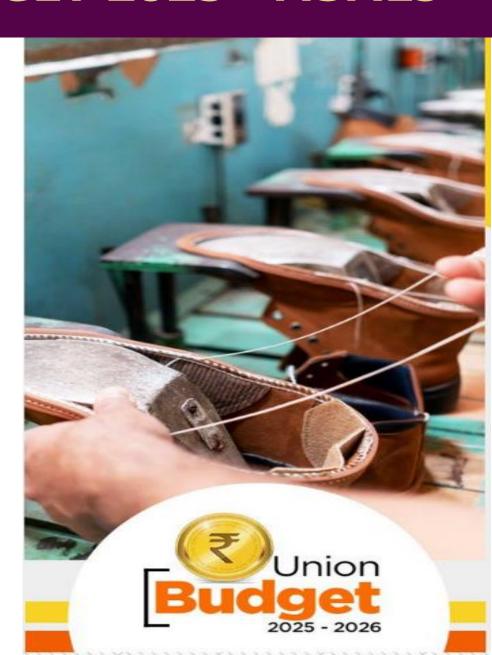


KEY FEATURES

To support

- Design Capacity
- > Component Manufacturing
- Machinery for Production

of non-leather quality footwear



KEY FEATURES

Expected

- To facilitate employment for22 lakh persons
- ➤ Turnover of ₹ 4 lakh crore
- > Exports of over ₹ 1.1 lakh crore



MEASURES FOR TOY SECTOR

Building on the National Action Plan for Toys
Government will implement a scheme to make India
global hub for toys.

The scheme 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.



National Institute of Food Technology, Entrepreneurship And Management

Government will establish a National Institute of Food Technology, Entrepreneurship And Management (NIFTEM) in Bihar

- It will raise farmers' income through value addition to their produce.
 - It will also provide skilling, entrepreneurship and employment opportunities for youth.

INDIA'S 2025 UNION BUDGET

INTRODUCES

YEAR

NATIONAL MISSION FOR COTTON
PRODUCTIVITY TO BOOST COTTON
FARMERS, FOCUSING ON EXTRA-LONG
STAPLE (ELS) VARIETIES

COTTON CONTRIBUTES

23% OF GLOBAL PRODUCTION

AND SUPPORTS MILLIONS OF

FARMERS

AND WORKERS



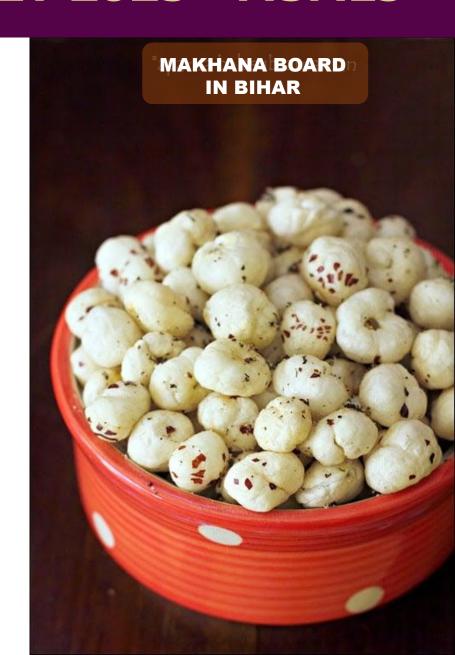
Makhana Board in Bihar

To improve production, processing, value addition, and marketing of Makhana

 People engaged in these activities to be organized into FPOs

 Board to provide handholding and training support to Makhana farmers

 Will also work to ensure they receive benefits of all relevant Government schemes



Importing Drugs / Medicines Becomes Cheaper

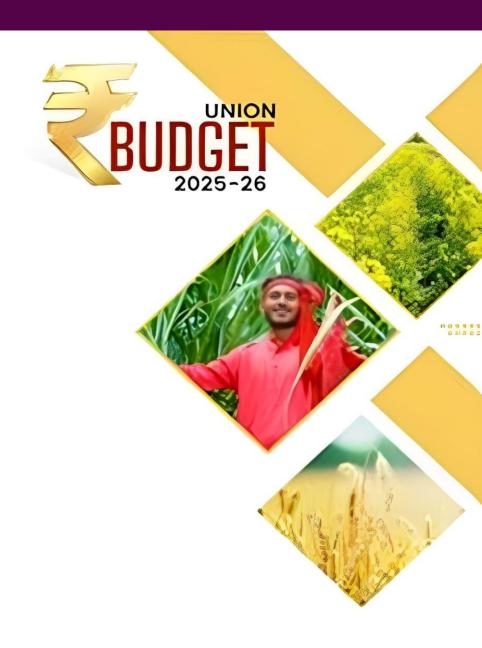
- ➤ 36 Lifesaving drugs and medicines to be added to the list of medicines fully exempted from Basic Customs Duty
- ➤ 6 Lifesaving medicines to be added to the list attracting concessional customs duty of 5%
- > 37 more medicines and 13 new patient assistance programs to be fully exempted from Basic Custom Duty (where they are supplied free of cost to patients)



Prime Minister Dhan-Dhaanya Krishi Yojana

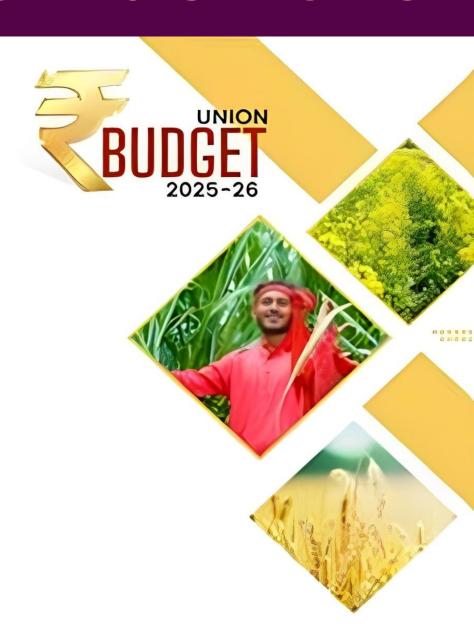
Developing Agri Districts Programme

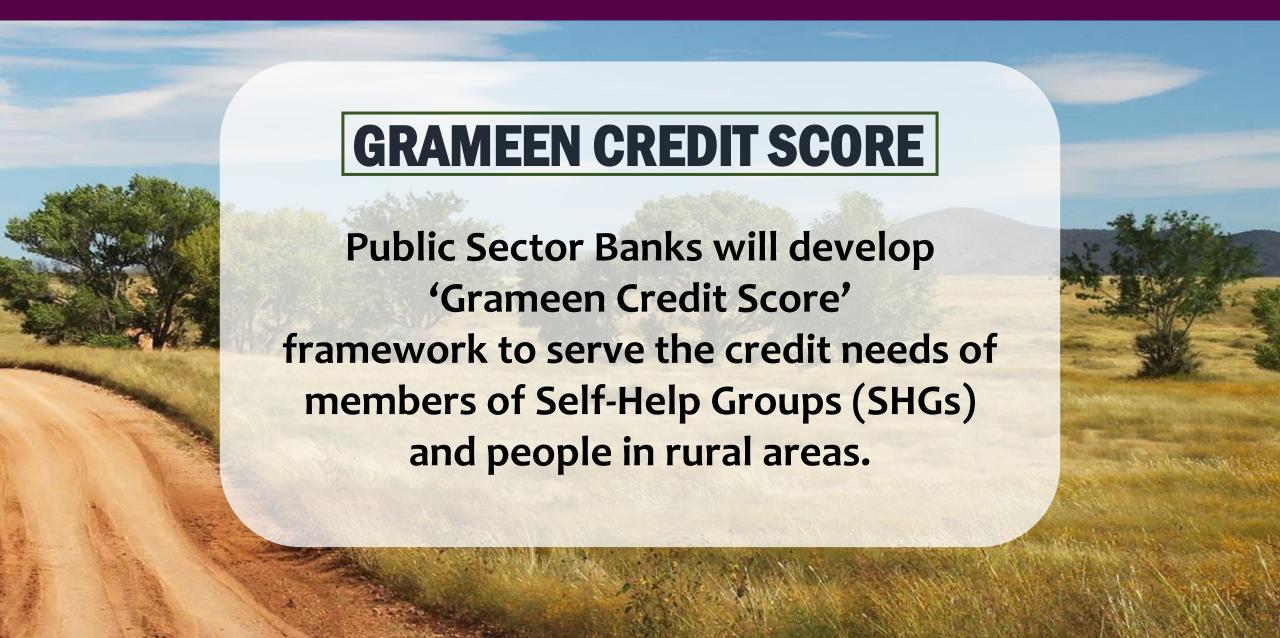
Scheme to cover 100 districts with low productivity, moderate crop intensity and below-average credit parameters



KEY FEATURES

- > To enhance agricultural productivity
- ➤ To adopt crop diversification and sustainable agriculture practices
- ➤ To augment post-harvest storage at Panchayat and Block levels
- > Improve irrigation facilities
- > Improve credit availability



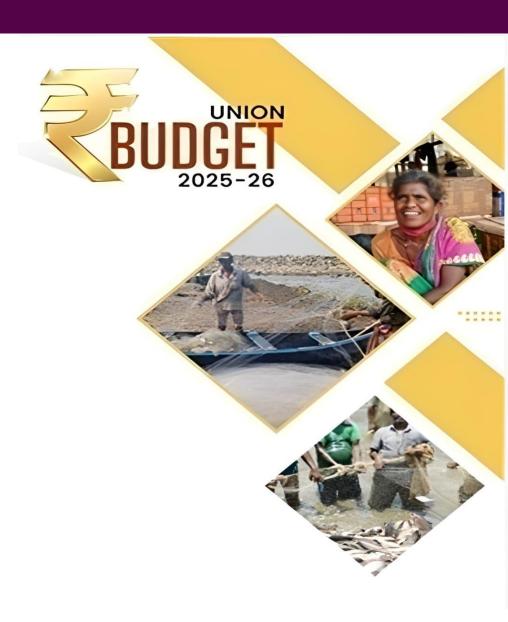


Sustainable Harnessing Of Fisheries

To unlock the untapped potential of the marine sector

 Enabling framework for sustainable harnessing of fisheries from Indian Exclusive Economic Zone and High Seas

 Special Focus on the Andaman & Nicobar and Lakshadweep Islands











Investing in Public Education and Health

- 50,000 Atal Tinkering Labs to be set up in Government schools in next 5 years to cultivate spirit of curiosity and innovation, and foster scientific temper among young minds
- Broadband connectivity to be provided to all Government secondary schools and primary health centres in rural areas, under Bharatnet project
- Bharatiya Bhasha Pustak Scheme to be implemented to provide digital-form Indian language books for school and higher education
- Day Care Cancer Centres to be set up in all district hospitals in next 3 years; 200 Centres in FY 2025-26







Investing in Our People's Nutrition

 Nutritional support under Saksham Anganwadi and Poshan 2.0 to be increased, by raising cost norms

Did You Know ?

- Currently, the programme provides nutritional support to:
 - » More than 8 crore children
 - 1 crore pregnant women & lactating mothers all over the country
 - About 20 lakh adolescent girls in aspirational districts and north-east region

Investing in Street Vendors and Online and Urban Workers

➤ Gig workers of online platforms to be provided with identity cards and registration on e-Shram portal, and healthcare under PM Jan Arogya Yojana; likely to help nearly 1 crore gig-workers



Scheme for socio-economic upliftment of urban workers to be implemented to help urban poor and vulnerable groups improve their incomes, have sustainable livelihoods and a better quality of life

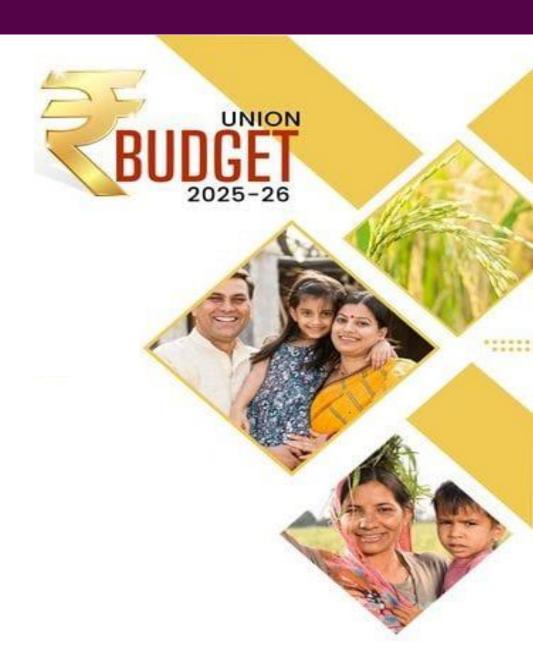
➤ PM SVANidhi scheme to be revamped with enhanced loans from banks, UPI linked credit cards with ₹ 30,000 limit, and capacity building support

Gig Workers - A person who does temporary or freelance work, especially an independent contractor engaged on an informal or on-demand basis. e.g. Street Vendors, Rickshaw Drivers, Cleaner, etc.



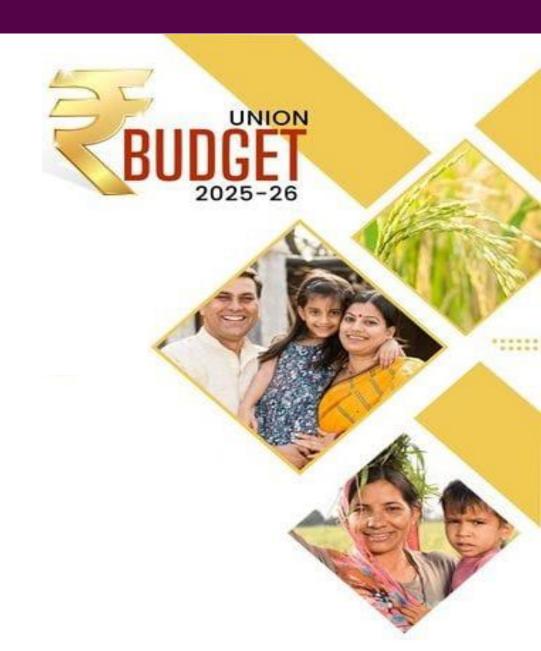
Rural Prosperity and Resilience Programme

To create opportunities in rural areas to make migration an option, not a necessity



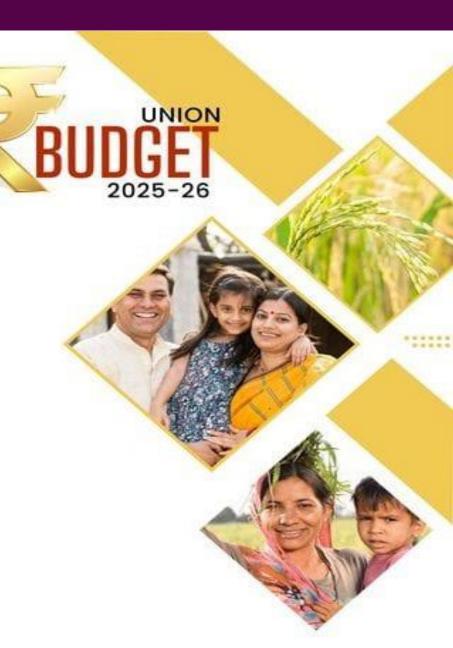
KEY FEATURES

- ➤ To catalyze enterprise development, employment and financial independence for rural women
- ➤ To accelerate creation of new employment and businesses for young farmers and rural youth



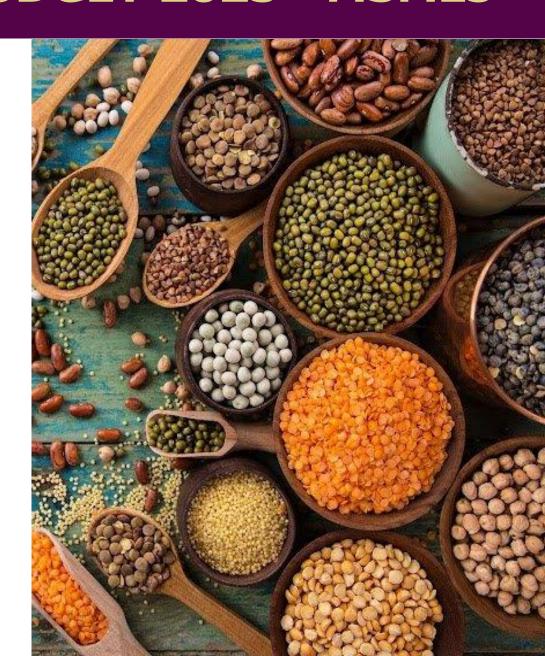
KEY FEATURES

- ➤ To nurture and modernize agriculture for productivity improvement and warehousing, especially for marginal and small farmers
- >To diversify opportunities for landless families
- ➤ 100 developing agri-districts to be covered in Phase-I



Mission for Aatmanirbharta in Pulses

6-year Mission with special focus on Tur, Urad and Masoor



KEY FEATURES

- ➤ Central agencies to procure as much of these 3 pulses as offered by farmers during next 4 years
- Emphasis on climate-resilient seeds, protein content, productivity, post-harvest storage and remunerative prices to farmers



National Manufacturing Mission

- Furthering "Make in India"
- ➤ It focuses on ease and cost of doing business and future-ready workforce for in-demand jobs
- > It will cover small, medium and large industries
- ➤ It will also improve availability of technology and quality products
- ➤ It will also supports Clean Tech manufacturing



KEY ANNOUNCEMENTS IN BUDGET 2025

CLEAN TECH MANUFACTURING

The National Manufacturing Mission will also support Clean Tech Manufacturing



KEY ANNOUNCEMENTS IN BUDGET 2025

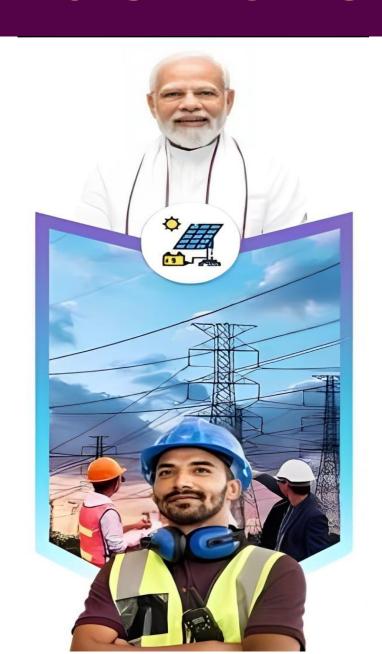
This will aim to improve domestic value addition and build our ecosystem for

- Solar PV Cells
- > EV Batteries
- Motors And Controllers
- Electrolysers
- ➤ Wind Turbines
- > Very High Voltage Transmission Equipment
- ➤ Grid Scale Batteries.



NUCLEAR ENERGY MISSION FOR VIKSIT BHARAT

- ➤ A **Nuclear Energy Mission** for research & development of Small Modular Reactors (SMR) to be set up
- ➤ At least 5 indigenously developed SMRs will be operationalised by 2033
- ➤ Outlay of ₹ 20,000 crore is proposed for the Mission



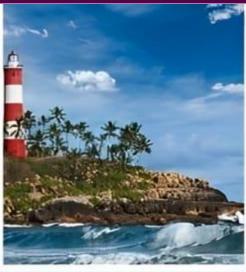


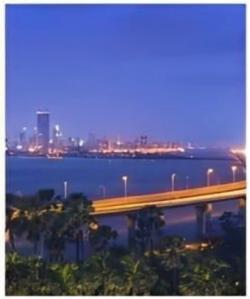












Top 50 tourist destination site in the country to be developed in partnership with states through a challenge mode

Sates to be performance-linked incentives for effective destination management

MUDRA loans for homestays to be provided



Special focus on destinations related to the life and times of **Lord Buddha**

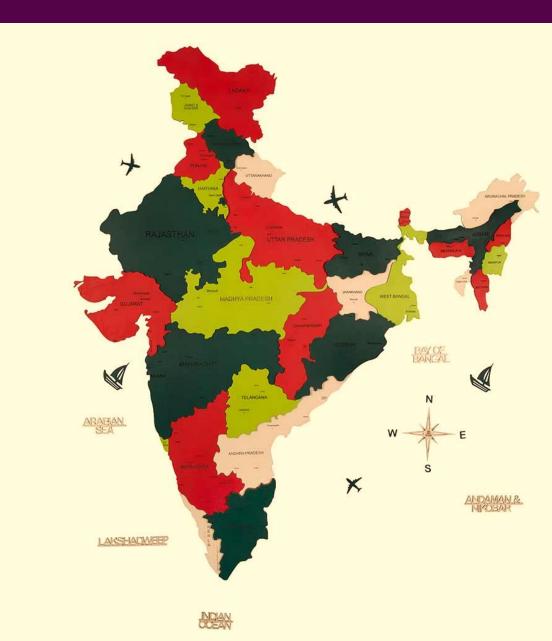


Medical tourism & Heal in India will be promoted along with private sector, including easier visa norms (E-Visa Expansion)



SUPPORT TO STATES FOR INFRASTRUCTURE

An outlay of ₹ 1.5 lakh crore is proposed for the 50-year interest free loans to states for capital expenditure and incentives for reforms.



UDAN – REGIONAL CONNECTIVITY SCHEME

- ➤ UDAN scheme has enabled 1.5 crore middle-class passengers to travel faster.
- Connected 88 airports and operationalized 619 routes.



A modified UDAN scheme will be launched to:

- Expand regional connectivity to 120 new destinations.
- Target 4 crore passengers in the next 10 years.
- Support helipads and smaller airports in hilly, aspirational, and North East regions.



DEFENCE ALLOCATION SEES 6.26% RISE

MONEY FOR THE MILITARY (in ₹cr)





The joy of owning your first home is now possible with Interest Subsidy

Avail interest subsidy up to ₹1.80Lacs under Pradhan Mantri Awas Yojana - Urban 2.0 on your Home Loan.



HOME LOANS

Features of Interest Subsidy Scheme (PMAY- Urban 2.0)

Key Parameters	EWS / LIG / MIG	
Annual Household Income	Up to ₹ 9 lakh	
Interest Subsidy (% P.A.)	4.0%	
Maximum Benefit of Interest Subsidy	₹ 1.80 lakh (paid in 5 annual instalments)	
Maximum Housing Loan	₹ 25 lakh	
Maximum House Value	₹ 35 lakh	
Maximum Carpet Area	120 sq.m.	



HOME LOANS

Eligibility Criteria

Families belonging to EWS/LIG/MIG category, having no house anywhere in the country, are eligible under Interest Subsidy Scheme for housing loans for purchase or construction

EWS	LIG	MIG
Households with annual income up to ₹ 3 lakh	Households with annual income from ₹ 3 lakh up to ₹ 26 lakh	Households with annual income from ₹ 26 lakh up to ₹ 29 lakh



HOME LOANS

'ENTITY LOCKER': A RELIEF FOR MSMES

Managing and verifying business documents has always been a challenge, especially for MSMEs.

To address this, the government has launched

Entity Locker

A digital platform designed to make document management simple, secure, and efficient.

Entity Locker is a platform that was announced in the Union Budget 2024-25

Entity Locker

For Entities, Organizations and MSMEs

Effortlessly access and share Business related Documents with Entity Locker



'ENTITY LOCKER': A RELIEF FOR MSMES

Features of Entity Locker:

- ➤ Centralized Storage Offers 10 GB of secure cloud storage which connects with MCA, GSTN, and other regulatory bodies
- ➤ Quick Document Access Allows real-time retrieval and verification of documents, saving time in approvals and processes
- ➤ Legal Authentication Provides digital signature support to ensure documents are tamper-proof and legally valid.

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'ENTITY LOCKER': A RELIEF FOR MSMES

➤ Simplifies Compliance - Speeds up processes like loan applications, FSSAI compliance, GST registrations, and more. Also Reduces the paperwork burden, helping businesses focus on growth.

With Entity Locker, MSMEs can overcome hurdles like delayed approvals, misplaced documents, and compliance headaches.

This platform reflects the government's commitment to making business processes smoother and helping businesses thrive in a digital-first world.

Entity Locker

For Entities, Organizations and MSMEs

Effortlessly access and share Business related Documents with Entity Locker



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