

The Budget proposals on MSMEs are welcome

Anish Shah

Budget 2025-26 is another decisive step forward in our journey towards 'Viksit Bharat'.

By prioritising agriculture, manufacturing, MSMEs, exports, and ease of doing business — while keeping sustainability and digitisation as underlying themes — the Budget paves the way for continued progress.

Foremost, the emphasis on manufacturing is well-placed and much appreciated by the industry. The four pillars of Make in India — new processes, new infrastructure, new sectors, and a new mindset — have been redefining the country's manufacturing ecosystem. The Budget reinforces the government's commitment to further bolster this ecosystem.

The announcement to establish a National Manufacturing Mission by providing policy support, execution roadmaps, governance is looked forward to with anticipation. Additionally,

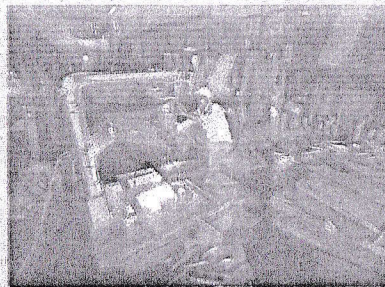
continued support for the MSME sector is welcome. The revised investment and turnover limits for MSME classification, enhanced credit availability with guaranteed cover, and customized credit cards for micro enterprises are notable announcements.

The emphasis on infrastructure development, ease of doing business, skilling and the rationalization of the customs tariff structure for industrial goods are significant positives.

The announcements on climate-proofing the agriculture sector and emphasizing self-reliance are well noted. The National Mission on High-Yielding Crops, along with initiatives for boosting the production of pulses, fruits and vegetables, can help ease inflation.

The new Agri Districts Programme, covering 100 districts with low productivity, moderate crop intensity, and below-average credit parameters, is another significant step.

Additionally, the enhancement of the loan limit under the Modified Interest



MSMEs. Far-reaching proposals REUTERS

Subvention Scheme from ₹3 lakh to ₹5 lakh for loans taken through the Kisan Credit Card (KCC) will further empower India's farm community and thereby strengthen rural resilience and financial inclusion.

The emphasis of the National Manufacturing Mission on Clean Tech manufacturing, particularly in solar PV cells, EV batteries, motors and controllers, electrolyzers, and wind turbines, will move us forward in that direction and

reduce our dependence on imports.

Further, the proposed amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act to encourage private sector participation in the Nuclear Energy Mission are encouraging.

It is commendable that the Union Budget 2025-26 continues to support women's empowerment, particularly through new schemes for first-time entrepreneurs.

The Budget announcements are expected to spur two key engines of growth — consumption and investment. Changes in the personal income tax structure will give a boost to demand, while the government's increased capital expenditure, although modest compared to previous years, will continue to add to the nation's productive capacity. The economic momentum is expected to catch up going ahead.

The writer is Immediate Past President, FICCI