

Commerce Dept gathers inputs for Budget 2025-26

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The Commerce Department has begun consultations with industry players for Budget 2025-26, seeking suggestions related to customs duties, other levies and services such as banking and credit that could increase the profitability and competitiveness of domestic manufacturers and exporters, sources said.

"The Commerce Department has already started reaching out to various industrial bodies for inputs for next year's budget in order to formulate precise demands to place before the Finance Ministry. The idea is to have suggestions backed by well-substantiated reasons," a source tracking the matter told *businessline*.

Industry players have been asked to give inputs on issues such as customs duties, Central excise, inverted tax structure, income tax, Central sales tax and other levies.

Inputs have also been sought on matters related to banking and credit and streamlining of procedures.

In the Budget 2024-25, Finance Minister Nirmala Sitharaman reduced customs duties on gold, silver, mobile phones, chargers, cancer medicines, medical equipment, critical minerals, and inputs for the leather and textiles industries.

To make a strong case for concessions for Budget 2025-26, the Department has

Inverted duty structure, where duties on inputs exceed that of finished products will be taken up

asked industry players to indicate the volume and value of the products produced and the total number of Indian companies engaged. "The bigger the size of the sector seeking a particular concession, the better the chances of it getting a favourable response," the source said.

CORRECTIONS MADE

The attempt to address inverted duty structure, where duties on inputs are more than that of the finished products discouraging local production, will also be taken up, the source added.

"Inverted duty structure still exists for a number of products, especially because of some of the free trade pacts between India and other countries. In Budget 2024-25, some corrections were made. With industry inputs, more would hopefully be made in the next Budget," the source said.

The Commerce Department has asked players to clarify if their proposals were new or if had already been taken up with the Ministry. Information on whether proposals were discussed with other Departments, such as revenue or economic affairs, has also been sought.