

Key features of Union Budget 2025-26

1) Budget Key Tax Highlights

New Income Tax Bill to be introduced next week

No income tax up to Rs 12 lakh income per annum

Nil tax for Rs 12.75 lakh for salaried income due to Rs 75,000 standard deduction

Slabs and rates to be changed across the board

Simplified tax structure proposed in New Income Tax Bill

Income	Tax on Slabs and rates		Benefit of Rate /Slab	Rebate benefit Full upto Rs 12 lacs	Total Benefit	Tax after rebate Benefit
	Present	Proposed				
8 lac	30,000	20,000	10,000	20,000	30,000	0
9 lac	40,000	30,000	10,000	30,000	40,000	0
10 lac	50,000	40,000	10,000	40,000	50,000	0
11 lac	65,000	50,000	15,000	50,000	65,000	0
12 lac	80,000	60,000	20,000	60,000	80,000	0
16 lac	1,70,000	1,20,000	50,000	0	50,000	1,20,000
20 lac	2,90,000	2,00,000	90,000	0	90,000	2,00,000
24 lac	4,10,000	3,00,000	1,10,000	0	1,10,000	3,00,000
50 lac	11,90,000	10,80,000	1,10,000	0	1,10,000	10,80,000

Courtesy Hindustan Times

- 2) Tax threshold on interest for senior citizens increased to ₹1 lakh.
- 3) TDS (Tax Deducted at Source) on rent increased to ₹6 lakh from ₹2.4 lakh.
- 4) Foreign Direct Investment (FDI) in insurance for firms which invest entire premium in India raise from 74 percent to 100 percent.
- 5) 10,000 seats to be added in medical colleges and hospitals in FY26.
- 6) To set up day-care cancer centres in all district hospitals.
- 7) Broadband connectivity to primary health centres in rural areas.
- 8) 37 new medicines and 13 new patient assistance programs will be included in the exemption list.
- 9) Six life-saving medicines will be added to a list with a concessional customs duty of 5%.
- 10) Creation of a ₹1 lakh crore Urban Challenge Fund which will cover up to 25 percent of the cost for bankable projects, with a stipulation that at least 50 percent of the funding comes from bonds, bank loans, or public-private partnerships (PPPs). Each infrastructure ministry will present a three-year list of Public-Private Partnership (PPP) projects, with a focus on three PPP proposals per ministry. An initial ₹10,000 crore has been proposed for the fiscal year 2025-26 to launch the initiative.

- 11) Nuclear Energy Mission to accelerate India's shift towards clean energy, aiming to develop at least 100 GW of nuclear power by 2047.
- 12) To support MSMSEs, government has introduced customised credit cards, a fund-of-funds (FoF) for startups, and an expanded FoF with a wider scope, to improve capital access.
- 13) Additionally, the government will enhance the investment and turnover limits for MSMEs, increasing them by 2.5 times and 2 times, respectively, to boost their growth and operational efficiency.
- 14) FM unveiled the Prime Minister Jan Dhanya Krishi Yojana, which will focus on 100 districts with low productivity, moderate crop intensity, and below-average credit access. It aims include — crop diversification, augmenting storage, improving irrigation, and facilitating long and short-term credit for farmers. An estimated 1.7 crore farmers are expected to benefit from these measures.
- 15) A 6-year mission aimed at achieving self-reliance in pulses, with a special focus on tur and masoor.
- 16) The Finance Minister stated that Kisan Credit Cards (KCC) will continue to support 7.7 crore farmers, fishermen, and dairy farmers with short-term credit access. Further, under the revised interest subvention scheme, the loan limit for KCC-backed borrowing will be raised from ₹3,000 to ₹5,000, offering enhanced financial support for agricultural activities.
- 17) Government will incentivize states to implement reforms in electricity distribution and boost intrastate transmission capacity. To assist states, an additional borrowing allowance of 0.5 percent of GSDP will be provided, based on their progress in implementing these reforms.
- 18) A modified version of UDAN will be launched, expanding to 120 new destinations, with the aim of accommodating an additional 4 crore passengers.

19) Infra/ Economy

Each infrastructure-related ministry will come up with a 3-year pipeline of projects that can be implemented in PPP mode.

States will also be encouraged to do so and can seek support from the IIPDF (India Infrastructure Project Development Fund) scheme to prepare PPP proposals.

To provide Rs 1.5 lakh crore 50-year interest free loans to states for infrastructure development

Announces Maritime Development Fund with a corpus of Rs 25,000 crore

Policy for critical minerals development to be launched

20) National Manufacturing Mission

Govt to set up National Manufacturing Mission to boost production in India

Govt will enhance the productivity of footwear and leather industry, a focus scheme will be launched

A scheme will be announced to make India a global hub for toys

To create an ecosystem for solar PV cells

21) India Post

2.4 lakh Dak Sevaks will be repositioned to act as a catalyst for the rural economy. India Post will also be transformed as a large public logistics organization to meet the rising needs of Viswakarmas, entrepreneurs, women, self-help groups, MSMEs, and large businesses.

The total outlay for Indian Railways in the Union Budget 2025-26 was ₹2,65,200 crore. This is the same amount as the previous year.

Expenditure Profile 2025-2026

Railway Budget at a Glance

OVERVIEW OF RECEIPTS AND EXPENDITURE

Sr. No.	Items	<i>(In ₹ crores)</i>			
		Actuals 2023-2024	Budget 2024-2025	Revised 2024-2025	Budget 2025-2026
Receipts					
1	Gross Traffic Receipts (1a to 1e)	255272.64	278100.00	278600.00	301400.00
	a Receipts from Passengers	70693.33	80000.00	80000.00	92800.00
	b Receipts from Freight	168293.29	180000.00	180000.00	188000.00
	c Other Coaching Receipts	6727.25	7500.00	7500.00	8500.00
	d Sundry Other Revenue	9652.44	10500.00	11000.00	12000.00
	e Traffic Suspense	-93.67	100.00	100.00	100.00
2	Miscellaneous Receipts	820.78	400.00	400.00	700.00
3	Total Revenue Receipt (1+2)	256093.42	278500.00	279000.00	302100.00
4	Capital Receipts
5	Total Railway Receipts(3+4)	256093.42	278500.00	279000.00	302100.00
6	Capital Support from Budget of Govt. of India	242648.46	252200.00	252200.00	252200.00
7	Total Receipts +Budget Support (5+6)	498741.88	530700.00	531200.00	554300.00
8	Extra Budgetary Resources (EBR)	16625.36	10000.00	10000.00	10000.00
9	Total Receipt including EBR(7+8)	515367.24	540700.00	541200.00	564300.00
Expenditure					
10	Total Working Expenses (10a to 10c)	250893.62	273000.00	275158.69	296358.69
	a Ordinary Working Expenses	191093.62	205000.00	208000.00	226256.00
	b Appropriation to Pension Fund	59000.00	67000.00	66358.69	68602.69
	c Appropriation to Depreciation Reserve Fund	800.00	1000.00	800.00	1500.00
11	Miscellaneous Expenditure	1940.12	2700.00	2500.00	2700.00
12	Total Expenditure from Railway Revenues(10+11)	252833.74	275700.00	277658.69	299058.69
13	Expenditure from EBR and Budgetary Support(6+8)	259273.82	262200.00	262200.00	262200.00
14	Total expenditure including EBR (12+13)	512107.56	537900.00	539858.69	561258.69
15	Net Revenue(3-12)	3259.68	2800.00	1341.31	3041.31
16	Appropriation to the Development Fund	1500.00	1000.00	421.31	1041.31
17	Appropriation to Rashtriya Rail Sanraksha Kosh (RRSK)	1759.68	1800.00	920.00	2000.00
18	Operating Ratio	98.43%	98.22%	98.90%	98.43%