



World Association for Small and Medium Enterprises
(WASME)

**Comprehensive Report
on
Union Budget 2025-26 Discussion**

1 February 2025

**WASME International Secretariat,
Plot No. 4, Sector 16 A, Film City, Noida**

1. Introduction

The World Association for Small and Medium Enterprises (WASME) organized an exclusive Union Budget 2025-26 Discussion on 1st February 2025, bringing together policymakers, financial experts, economists, and MSME stakeholders. The discussion aimed to analyze the impact of the Union Budget 2025-26 on the



MSME sector and identify key opportunities and challenges.

2. Objective of the Discussion

The primary objective of the discussion was to:



- Assess the budgetary allocations and policy announcements concerning MSMEs.
- Identify opportunities for MSME growth and sustainability.
- Discuss financial, tax, and compliance reforms introduced in the budget.
- Provide expert recommendations for policy refinement and effective implementation.

3. Key Highlights of Union Budget 2025-26 for MSMEs

3.1 Financial & Credit Support

- 50,000 Crore Allocation to strengthen the Credit Guarantee Fund for MSMEs (CGTMSE) to ease access to finance.
- 5% Interest Subvention Scheme for MSMEs adopting green and sustainable manufacturing practices.
- Increased capital infusion under the MUDRA Loan Scheme to encourage small business growth.



3.2 Taxation & Compliance Reforms

- Corporate Tax Exemption Limit raised from 2 crore to 5 crore for MSMEs.
- Simplified GST Filing for MSMEs with turnover up to ₹10 crore, allowing quarterly return submissions.
- Faster GST Refund Mechanism to ensure better cash flow for small businesses.

3.3 Digital Transformation & Technology Adoption

- 10,000 Crore allocated for Digital MSME 2.0 Scheme, focusing on AI, blockchain, and cloud technology integration.
- 50% Subsidy on ERP and Cybersecurity Solutions for MSMEs adopting digital tools.
- Special E-commerce Enablement Fund to integrate MSMEs with global marketplaces.

3.4 Export Promotion & Global Competitiveness

- Extension of RoDTEP (Remission of Duties and Taxes on Exported Products) scheme to more MSME sectors.
- 5,000 Crore fund to support MSME participation in international trade fairs and exhibitions.
- Simplification of export compliance procedures for MSMEs.



3.5 Infrastructure & Cluster Development

- Launch of MSME Industrial Cluster Development Scheme, with a ₹20,000 Crore allocation.
- Financial incentives for green and sustainable MSME industrial zones.

4. Expert Analysis & Key Discussions

The session featured insights from financial experts, industry leaders, and MSME representatives, analyzing the impact of the budget:

4.1 Positive Takeaways

- Increased focus on credit availability will help MSMEs expand operations.
- Simplified taxation & GST processes will reduce compliance burden.
- Digital adoption incentives will help MSMEs become globally competitive.
- Enhanced export facilitation measures will drive MSME internationalization.

4.2 Challenges & Gaps Identified

- Need for faster implementation of announced schemes.
- High interest rates on MSME loans despite credit guarantee provisions.
- Insufficient clarity on ESG compliance support for MSMEs.
- Delayed payments from large corporations to MSMEs remain unresolved.

5. Recommendations for the Finance Ministry

Following the discussion, WASME compiled key recommendations for the Finance Minister of India:

- Increase Credit Guarantee Coverage for MSMEs without collateral.
- Reduce GST Compliance Requirements for micro businesses with turnover under ₹5 crore.
- Introduce Tax Benefits for MSME Investments in AI & Green Technologies.
- Ensure Timely Implementation & Monitoring of budget announcements.

6. Conclusion & Way Forward

The Union Budget 2025-26 presents a progressive roadmap for MSMEs, emphasizing financial inclusion, tax simplifications, digitalization, and global competitiveness. However, effective implementation and sustained engagement between the government and industry will be crucial for realizing these benefits. WASME remains committed to working with policymakers and stakeholders to ensure that MSMEs fully leverage the opportunities presented in this budget. The insights gathered from this discussion will be forwarded to the Finance Ministry for further action.





World Association for Small and Medium Enterprises (WASME)

Ph: +91 120 4216283 | E-Mail: info@wasmeinfo.org | website: www.wasmeinfo.org

World Association for Small and Medium Enterprises
International Secretariat: WASME House, Plot No. 4, Sector- 16-A,
Institutional Area, Noida, Gautam Buddha Nagar-201301, Uttar Pradesh, India

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