

UNION BUDGET 2026



Shah & Shah

CHARTERED ACCOUNTANTS

Foreword

The Union Budget 2026 is anchored in the strength, aspirations, and potential of India's Yuva Shakti, recognising young Indians as the central force shaping the country's economic and social transformation. At a time of global uncertainty and rapid technological change, the Budget balances growth imperatives with fiscal prudence, while laying the foundation for long-term nation building. With a strong emphasis on productive public investment, capacity creation, and job generation, the Budget seeks to sustain economic momentum while preserving macroeconomic stability. It prioritises the development of future-ready skills, innovation, and entrepreneurship, enabling the youth to participate meaningfully in emerging sectors such as services, manufacturing, digital technologies, healthcare, and creative industries.

A defining feature of Budget 2026 is its people-centric and inclusive approach. Alongside continued support for infrastructure and manufacturing, the Budget invests deeply in education, skilling, healthcare, and social empowerment. Targeted initiatives for farmers, MSMEs, women-led enterprises, Divyangjan, and aspirational regions ensure that growth translates into opportunities, livelihoods, and upward mobility for all sections of society.

The Budget also reinforces India's transition towards a digital, innovation-driven, and sustainable economy. Measures aimed at ease of doing business, digital public infrastructure, and green growth reflect a forward-looking policy framework designed to harness demographic strength while addressing environmental and social priorities.

This booklet presents an overview of the key policy directions, sectoral measures, and economic implications of Union Budget 2026 in a concise and accessible manner. The success of these initiatives will depend on effective implementation and active collaboration among government, industry, professionals, and citizens, as India advances steadily towards the vision of Viksit Bharat @2047.



Team: Shah & Shah | Chartered Accountants

Introduction: Union Budget 2026 and Finance Bill, 2026

The Union Budget 2026 and Finance Bill 2026, presented on 1 February 2026, outlines the Government of India's economic vision and financial priorities for the coming year.

The Budget highlights the Government's continued focus on fiscal discipline and prudent financial management, ensuring that public finances remain stable while supporting long-term growth. Strong emphasis has been placed on public investment, which is seen as a key driver of economic expansion, job creation, and improved productivity. By prioritising capital expenditure, the Government aims to build a strong foundation for sustainable development.

A central theme of the Budget is Atmanirbhar Bharat, which focuses on strengthening domestic manufacturing capacity, enhancing energy security, and reducing dependence on critical imports.

The Budget also stresses that economic growth must be inclusive. It places importance on employment generation, agricultural productivity, and improving household purchasing power, so that the benefits of growth reach all sections of society. The Government underlines its commitment to improving the quality of life of citizens through reforms that support income growth and access to essential services.

To achieve the goal of Viksit Bharat, the Budget is inspired by three key Kartavya (Duties):



First Kartavya

- Accelerate and sustain economic growth
- Building resilience to volatile global dynamics

Second Kartavya

- Fulfil aspirations of our people

Third Kartavya

- Vision of Sabka Sath, Sabka Vikas

Overall, the Union Budget 2026 and Finance Bill 2026 seek to balance ambition with responsibility.

Kartavya 1 – Accelerating Economic Growth

The primary objectives are to enhance productivity, increase competitiveness, and build resilience against volatile global market dynamics.

Key Pillars of Kartavya 1

A. Scaling Up Strategic Manufacturing The Government has identified seven frontier sectors for rapid scaling to establish India as a global manufacturing hub:

Industry	Objective	Key Policy Measures	Shah & Shah analysis
Biopharmaceutical & Life Sciences	Position India as a global biologics & biosimilars hub and reduce import dependence.	<ul style="list-style-type: none"> • BIOPHARMA SHAKTI (₹10,000 crore, 5 years) • New & upgraded NIPERs • Expansion of clinical trial infrastructure • Strengthened CDSCO approvals 	<p>Impact: Faster drug approvals, export-led growth, high-end R&D jobs</p> <p>Key Takeaway: Shift from generic drugs to innovation-led pharma manufacturing</p>
Semiconductor & Electronics	Build an end-to-end semiconductor ecosystem with strong IP ownership.	<ul style="list-style-type: none"> • India Semiconductor Mission 2.0 • Electronics Components Manufacturing Scheme (₹40,000 crore) 	<p>Impact: Stronger global value chain role, strategic autonomy, tech job creation</p> <p>Key Takeaway: Transition from assembly-led to technology-led electronics manufacturing</p>
Rare Earth & Critical Minerals	Secure strategic minerals for clean energy, electronics, and defence.	<ul style="list-style-type: none"> • Rare Earth Corridors • Mining-to-manufacturing integration • Expansion of Rare Earth Magnet Scheme 	<p>Impact: Domestic permanent magnets, EV & wind sector support, national security gains</p> <p>Key Takeaway: Critical minerals treated as strategic manufacturing assets</p>
Capital Goods & Industrial Equipment	Strengthen domestic machinery manufacturing and reduce import dependence.	<ul style="list-style-type: none"> • Hi-Tech Tool Rooms by CPSEs • Construction & Infrastructure Equipment (CIE) Scheme • Container Manufacturing Scheme 	<p>Impact: Domestic permanent magnets, EV & wind sector support,</p> <p>Key Takeaway: Critical minerals treated as strategic manufacturing assets</p>
Textiles & Apparel Manufacturing	Revive labour-intensive manufacturing & Modernize India's textile sector	<ul style="list-style-type: none"> • National Fiber Scheme; • Textile Expansion Scheme; • Handloom & Handicraft Programme; 	<p>Impact: Assessment Cluster modernization; women-centric job creation;</p> <p>Key Takeaway - Textiles as technology-enabled employment engine</p>
Chemicals & Petrochemicals	Reduce imports and build globally competitive chemical clusters.	<ul style="list-style-type: none"> • Three chemical parks via challenge route • Plug-and-play cluster model 	<p>Impact: Scale efficiency, improved environmental compliance, lower entry barriers</p> <p>Key Takeaway: Shift towards cluster-led chemical ecosystems</p>

B. Rejuvenating Legacy Industrial Clusters

A new scheme will revive 200 legacy industrial clusters to improve their cost competitiveness through infrastructure and technology upgrades

C. Empowering "Champion MSMEs"



Recognising their central role in manufacturing growth, exports, and job creation, Union Budget 2026 places MSMEs at the heart of its economic and industrial strategy, with a clear objective of building globally competitive "Champion MSMEs."

Strategic Framework

The Budget adopts a three-pronged approach to MSME development:



Key Budget Measures

1. Equity Support – Enabling Scale

- ₹10,000 crore SME Growth Fund to provide equity and quasi-equity capital to high-potential MSMEs.
- ₹2,000 crore top-up to the Self-Reliant India Fund to sustain risk capital access for micro enterprises.

2. Liquidity Support – Faster Cash Flows

- Over ₹7 lakh crore of MSME receivables already financed through TReDS.
- Mandatory CPSE onboarding on TReDS for MSME procurement.
- CGTMSE-backed credit guarantees for invoice discounting.
- GeM-TReDS integration for faster, data-driven financing.
- Securitisation of TReDS receivables to create a secondary liquidity market.

3. Professional & Compliance Support – Ease of Doing Business

- Creation of a nationwide network of “Corporate Mitras”, trained by professional bodies such as ICAI, ICSI, and ICMAI.
- Affordable assistance for accounting, taxation, statutory filings, and regulatory compliance, with focus on Tier-II and Tier-III cities.

D. Ease of Doing Business

- Foreign Portfolio Investment : Individual Persons Resident Outside India (PROI) can now invest in listed Indian equity through the Portfolio Investment Scheme.
- Increased Limits : The individual PROI investment limit is proposed to increase from 5% to 10%, with the overall aggregate limit for all PROIs rising from 10% to 24%.

Kartavya 2 – Fulfilling Aspirations Of People

A High - Powered ‘Education to Employment and Enterprise’ Standing Committee will integrate education, skilling, employment, and enterprise, assess technology impacts including AI, and target a 10% global services trade share by 2047.

Key Focus Areas & Interventions



Health & Care Economy : 1 lakh AHPs in five years; 1.5 lakh caregivers trained; five Medical Value Tourism Hubs.

AYUSH & Traditional Medicine : Three new All India Institutes of Ayurveda; upgraded pharmacies and drug-testing labs; strengthened WHO-Traditional Medicine Centre, Jamnagar.



Animal Husbandry : Loan-linked capital subsidy for veterinary and para-veterinary capacity; 20,000+ professionals; global education and research collaboration.



Creative, Design & Knowledge Economy : AVGC labs in schools and colleges; new National Institute of Design in Eastern India.



Education & Research Infrastructure : University townships; girls’ hostels in every district; expanded national astronomy and astrophysics infrastructure



Tourism, Heritage & Culture : National Institute of Hospitality; trained tourist guides; experiential heritage destinations; Global Big Cat Summit.



Sports : Strengthened Khelo India Mission; talent development; coaching; sports science; leagues; infrastructure.



Kartavya 3 – Vision Of Sabka Sath, Sabka Vikas

Kartavya 3 of Budget 2026 advances the vision of Sabka Sath, Sabka Vikas by ensuring that the benefits of growth reach farmers, women, Divyangjan, the mentally vulnerable, and lagging regions.

Key Focus Areas & Interventions



Farmer Income Enhancement

Integrated fisheries development across 500 reservoirs and Amrit Sarovars; strengthened fisheries value chains; entrepreneurship-driven animal husbandry; promotion of high-value crops; Coconut Promotion Scheme; global branding of Indian Cashew and Indian Cocoa; revival of the sandalwood ecosystem.



Regional Development

Purvodaya Initiative covering the East Coast Industrial Corridor, tourism destinations, and deployment of 4,000 e-buses; development of Buddhist Circuits in the North-Eastern Region.



Digital Agriculture:

Launch of Bharat-VISTAAR, a multilingual AI-based advisory platform integrating AgriStack and ICAR systems.



Women-led Enterprises

Establishment of SHE-Marts; transition from credit-led livelihoods to enterprise ownership under the Lakhpati Didi framework.



Empowering Divyangjan

Divyangjan Kaushal Yojana for customised skill training; Divyang Sahara Yojana for universal access to assistive devices.



Mental Health & Trauma Care:

Establishment of NIMHANS-2; upgradation of mental health institutes at Ranchi and Tezpur; 50% expansion of Emergency and Trauma Care Centres.

Comparative Insights

Category	2024-25	2025-26	2026-27
Fiscal Deficit (% of GDP)	5.9%	4.4%	4.3%
Capital Expenditure	₹10.5 Lakh Cr	₹10.9 Lakh Cr	₹12.2 Lakh Cr
Agriculture Focus	Agri-tech & FPOs	Pulses Aatmanirbharta	Continued Agri support; emphasis on value chains.
MSME Support	Collateral-free Credit	Higher Credit Limits	Corporate Mitras, compliance & liquidity support for MSMEs.
Urban Infra	Infra Monetization	₹1 Lakh Cr Urban Fund	Cities as Growth Hubs; Urban Challenge Fund continuation.
Defence	₹6.21 Lakh Cr	₹6.81 Lakh Cr	₹7.84 Lakh Cr
Tax Reforms	TDS Rationalization	New Income Tax Bill	New Income Tax Act effective Apr 1, 2026; compliance simplification
Manufacturing & Strategic Sectors	Make in India push, Focus on frontier sectors	Champion MSMEs; export push	Seven strategic sectors; Yuva Shakti; manufacturing scale up.
Green Energy & Climate Transition	Energy efficiency measures	Carbon Capture, Utilisation and Storage pilots; green finance	₹20,000 Cr for Carbon Capture, Utilisation and Storage over 5 years; green tech push.



Introduction

The Direct Tax proposals in Budget 2026 focus on rationalising tax rates, simplifying compliance, and decriminalising minor offences, with an emphasis on reducing litigation, promoting voluntary compliance, and enhancing ease of doing business.

Applicability of New Income Tax Act, 2025:

In this budget the Honbl'e Finance Minister has confirmed the applicability of The Income Tax Act, 2025 from 01 April 2026.

Simplified income tax rules and forms will be notified shortly, providing adequate time for taxpayers to familiarize themselves.

Personal Tax:

No change in the income tax rates and slabs under the old and new tax regimes.

Introduction of (Foreign Assets Small Taxpayers- Disclosure Scheme, 2026) FAST-DS:

- A one-time opportunity to eligible small taxpayers like students, young professionals, tech employees, relocated NRIs, and such others to disclose specified foreign income and assets either not taxed or not reported in the return of income, on payment of tax or fee, with immunity from further tax, penalty and prosecution.

Sr. No.	Types of undisclosed income or assets	Amount Payable
1	Undisclosed assets located outside India or undisclosed foreign income where aggregate value does not exceed ₹ 1 Crore as on 31st march 2026.	Aggregate of: 1. Tax at 30% of value of asset located outside India, or 2. Tax at 30% of the undisclosed foreign income 3. Additional 100% of the amount calculated in 1 and 2 above (total amount payable will be 60% of the value of the asset or foreign income)
2	Taxpayers who disclosed foreign income and/or paid tax but did not declare foreign assets up to ₹5 crore as on 31st march 2026.	Flat fee of ₹ 1 Lakh is payable

- A declaration shall be made electronically in the prescribed form and verified in the prescribed manner, within the period notified by the Central Government.

Capital Gain Tax:

Rationalization of Buyback of Shares:

- Consideration received by a shareholder on buy-back of shares by a company shall be chargeable to tax under the head “Capital gains” instead of dividend income. (With effect from 1st April 2026).
- Therefore, the cost of acquisition shall be deducted from the buy - back consideration.
- An additional tax is proposed to be collected from taxpayers who are promoters.
- The aggregate tax liability on capital gains arising from buy-back of shares for promoters shall comprise of:
 - Tax payable under the capital gains provisions; and
 - An additional tax.

Sr. No.	Income	Capital Gain tax	Additional Tax rate, if promoter is a Domestic company	Additional Tax rate, if promoter is other than Domestic company
1	STCG	20%	2%	10%
2	LTCG	12.5%	9.5%	17.5%

Increase in Securities Transaction Tax (STT) Rate:

- Increase in STT on Future and Options carried out on recognized stock exchanges. (With effect from 1st April, 2026)

Nature of Transaction	Existing Rate	Proposed Rate
Sale of Option in securities	0.1%	0.15%
Sale of Option in securities, where the option is exercised	0.125%	0.15%
Sale of Futures in securities	0.02%	0.05%

Exemption on Capital Gain on Sovereign Gold Bonds:

- The capital gains arising from redemption of Sovereign Gold Bonds issued by the Reserve Bank of India are exempt earlier.
- The same has been amended that the exemption from capital gains tax shall be available only where the Sovereign Gold Bond is subscribed to by an individual at the time of original issue and is held continuously until redemption on maturity.
- This exemption applies uniformly to all issuances of Sovereign Gold Bonds by the Reserve Bank of India. (With effect from 1st April 2026).

Corporate Tax:

Important Amendments in MAT Provisions

In Budget 2026 major amendments are made regarding MAT Provisions:

■ Company opts for New Regime from Tax Year 2026–27(F.Y. 2026–27)

- As proposed now MAT credit accumulated up to Tax Year 2025–26 (i.e. till 31 March 2026) can be carried forward only if the company opts for the New Corporate Tax Regime.
- However, MAT credit carried forward under the New Regime can be set off only up to 25% of the tax liability computed as per the New Regime.
- Balance MAT credit (if any) will continue to be carried forward within the overall time limit. (i.e. fifteen years)..

■ Company continues under old Regime from Tax Year 2026–27(F.Y. 2026–27)

- If a company continues under the Old Regime in Tax Year 2026–27 (previous year 2026–27), the entire MAT credit accumulated till 31-03-2026 will lapse / get exhausted.
- However, MAT rate reduced from 15% to 14% of book profits under the Old Regime. The MAT Tax will be treated as final tax and No further MAT credit will accumulate for
- future years if the company remains in the Old Regime.

■ In case of Foreign Companies:

- MAT credit accumulated up to Tax Year 2025–26 will not lapse. Such MAT credit will be allowed to be set off against tax payable under the new Income Tax Act,2025.
- However, no new MAT credit will be accumulated going forward.

Other Corporate Tax Amendments:

Deduction of employees' contribution to specified funds:

- Currently, employees' contribution to specified funds such as provident fund and Employees' State Insurance are allowed as a deduction only if deposited within the statutory due date prescribed under the respective laws.
- It is now proposed to allow deduction of an employee's contribution if such contribution is deposited on or before the due date for filing the return of income, even where payment is not made within the statutory due date.

Incorporating ICDS requirements in Ind AS:

- A joint committee of Ministry of Corporate Affairs (MCA) and Central Board of Direct Taxes will be constituted to for incorporating requirements of Income Computation and Disclosure Standards (ICDS) in Indian Accounting Standards (IndAS) which will eliminate the requirement to make adjustments in book profit due to differences that used to arise between ICDS and IndAS. This integration will be effected from April 1, 2027.

Procedural Compliance related Amendments :

Return Of Income:

The due dates of the Income Tax return have been amended as follows:

Category	Earlier Due Dates	Proposed Due Dates
Individuals with non-business income	July 31	July 31
Non-audit business/profession/Trusts and Partners of non-audit firms	July 31	August 31

(With effect from Assessment Year 2026-27)

Change in Time limit of filing Revised Income tax return:

- The time limit for revision of Income Tax return has been extended from nine months to twelve months from the end of the relevant tax year (i.e., Financial Year).
- A revised return may be filed in respect of both original and belated returns.
- Revision of Income Tax Return after nine months is allowed with a specific fee as mentioned below:

if total income is	Fees
up to ₹5 lakh	1000
exceeds ₹5 lakh	5000

Extending the scope of filing of updated return:

- Earlier it was prohibited filing of an updated return in cases where any proceedings for reassessment of income are pending or have been completed for the tax year in question.
- Now, as per the amended provisions, taxpayers can file an updated return even after initiation of reassessment proceedings, on payment of an additional 10% of the aggregate of tax and interest payable as per updated return.
- Updated return shall also be permitted whereas the taxpayer seeks to reduce the loss declared in the original return.

Rationalising Penalty And Prosecution:

Rationalising Penalties: Introducing a Fee-Based Approach:

Sr. No.	Particulars of Non-Compliance	Proposed Fee
1	Failure to get accounts audited or non-filing of audit report	₹75,000 up to delay of one month; and ₹1,50,000 thereafter

2	Non-filing of Statement of Financial Transactions (SFT) within the due date	₹200 per day subject to maximum limit of ₹1,00,000
3	Non-filing of Statement of Financial Transactions (SFT) within period specified in the notice	₹1000 per day subject to maximum limit of ₹1,00,000
4	Non-furnishing of Transfer Pricing Report	₹50,000 up to delay of one month; and ₹1,00,000 thereafter

Reduced Tax Rates on Unexplained Cash & Credits:

- Currently, unexplained credits, investments, assets, expenditures, or amounts borrowed/paid through instruments like hundi are taxed at 60% with an additional 10% penalty.
- The tax rate is proposed to be reduced to 30%, and the 10% penalty removed. However, these cases will still attract a 200% penalty for misreporting, from which taxpayers can seek immunity by paying 120% of the tax due on such income.

Tax Deduction at Source ('TDS') and Tax Collection at Source ('TCS') Rationalisation of TCS Rates:

Nature of Receipt Current Rate Proposed Rates

Sr. No.	Nature Of Receipt	Current Rate	Proposed Rate
1	LRS remittances for education/ medical treatment (Aggregate exceeding ₹10 lakh in a particular FY)	a) 5% b) 20%	a) 2%.
	LRS remittances for other purposes (aggregate exceeding ₹10 lakh in a FY)	20%	a) 2%.
2	Overseas tour program package (travel, hotel stay, boarding, lodging, etc.)	5% up to ₹10 lakh 20% above ₹10 lakh	2% without any threshold

Other amendments in TDS/TCS provisions:

- Supply of manpower to a person to work under his supervision, control or direction' included in the definition of 'work and payments to contractor' under 194C of the Income Tax Act so tax is required to be deducted at source under section 194C of Income Tax Act, 1961 at the rates prescribed for contractors.
- Eligible investors (resident individuals / HUFs) having income below the maximum amount not chargeable to tax, can now file a Form 15G or Form 15H with the depository for non-deduction of TDS in respect of income from units of a mutual fund, interest income from securities and dividends provided that such units or securities are held with such depository and such securities are listed on a recognized stock exchange. Depository to submit such declaration to the Income Tax Authority on quarterly basis [effective 1 April 2027].

- Resident individual and Hindu Undivided Family ('HUF') (being buyer of immovable property) not required to obtain Tax Deduction and Collection Account Number ('TAN') to deduct tax at source on consideration relating to transfer of any immovable property where the seller of the immovable property is a non- resident [effective 1 October 2026]

Miscellaneous Provisions:

Removal of Interest Deduction against Dividend and Mutual Fund Income:

- It is proposed to provide that no deduction shall be allowed in respect of any interest expenditure incurred in relation to dividend income or income from units of mutual funds, and to omit the existing provision permitting such deduction upto 20% of dividend income computed under the head "Income from Other Source" subject to a specified ceiling.

Investments in India by PROI:

- Individual PROIs (Person Resident Outside India) are permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme (PIS). Individual PROI limits under PIS increased from 5% to 10% with the overall limit increased from 10% to 24%.

Summary of Major Direct Tax Amendments and Their Applicability:

Sr. No.	Particulars of Amendment	Applicable for A.Y. 2026-27	Applicable from A.Y. 2027-28 onwards
1	Personal Tax (Slab Rates)	✓	✓
2	Capital Gain on Buyback of Shares	✗	✓
3	Change in STT Rate	✗	✓
4	Exemption of Capital Gain on Sovereign Gold Bonds	✗	✓
5	Amendments in MAT Provisions	✗	✓
6	Allowance of employees' contribution to specified funds paid before due date of filing of return	✗	✓
7	Change in Due Dates of Filing Return of Income	✓	✓
8	Change in Time limit for Revised Income tax return	✓	✓
9	Amendments in filing of updated return	✓	✓
10	Rationalising Penalties: Introducing a Fee-Based Approach	✗	✓
11	Reduced Tax Rates on Unexplained Cash & Credits	✗	✓
12	Changes in TCS Rates	✗	✓
13	Submission of Form 15G/Form 15H to the depository for non-deduction of TDS	✗	✓
14	Amendments in case of Transfer of immovable property by Non-resident seller	✗	✓

Goods and Services Tax (GST)

In the Union Budget 2026 presented on February 1, 2026, the focus on compliance simplification, liquidity for businesses, dispute reduction, simplifying the "Place of Supply" rules and streamlining the refund process to unlock working capital.

Section / Provision	Previous Law (CGST/IGST Act 2017)	New Provision (Finance Bill 2026)	Impact
Section 15(3)(b) (CGST)	Discounts were excluded from taxable value only if linked to a pre-supply agreement and specific invoices.	Post-Sale Discounts: Simplified valuation. Discounts can now be excluded from the taxable value without a pre-existing agreement.	Reduces litigation; aligns tax with commercial reality.
Section 13(8)(b) (IGST)	Taxed at the location of the supplier (India), making them taxable even if the client was foreign.	Intermediary Services: The specific rule for intermediaries is omitted. The "Place of Supply" will now follow the general rule (location of the recipient).	Massive win for service exporters; reduces double taxation in cross-border deals.
Section 54(6) (CGST)	Provisional refund (90%) was only available for Zero-rated supplies (Exports).	Provisional Refunds: 90% provisional refund is now extended to cases of Inverted Duty Structure (where tax on inputs is higher than on outputs).	Improves immediate cash flow for manufacturers.
Section 54(14) (CGST)	Refunds were not sanctioned if the claim amount was less than ₹1,000.	Refund Threshold: The minimum threshold (₹1,000) for refund claims is removed for exports made with payment of tax.	Small exporters can now claim even minor refund amounts.
Section 101A (CGST)	Appeals against Advance Rulings were stuck due to the non-constitution of the National Appellate Authority.	Appellate Mechanism: Empowers an existing authority to hear appeals against Advance Rulings until the National Appellate Authority is fully functional.	Prevents legal "deadlock" for businesses seeking clarity.

Custom Duty

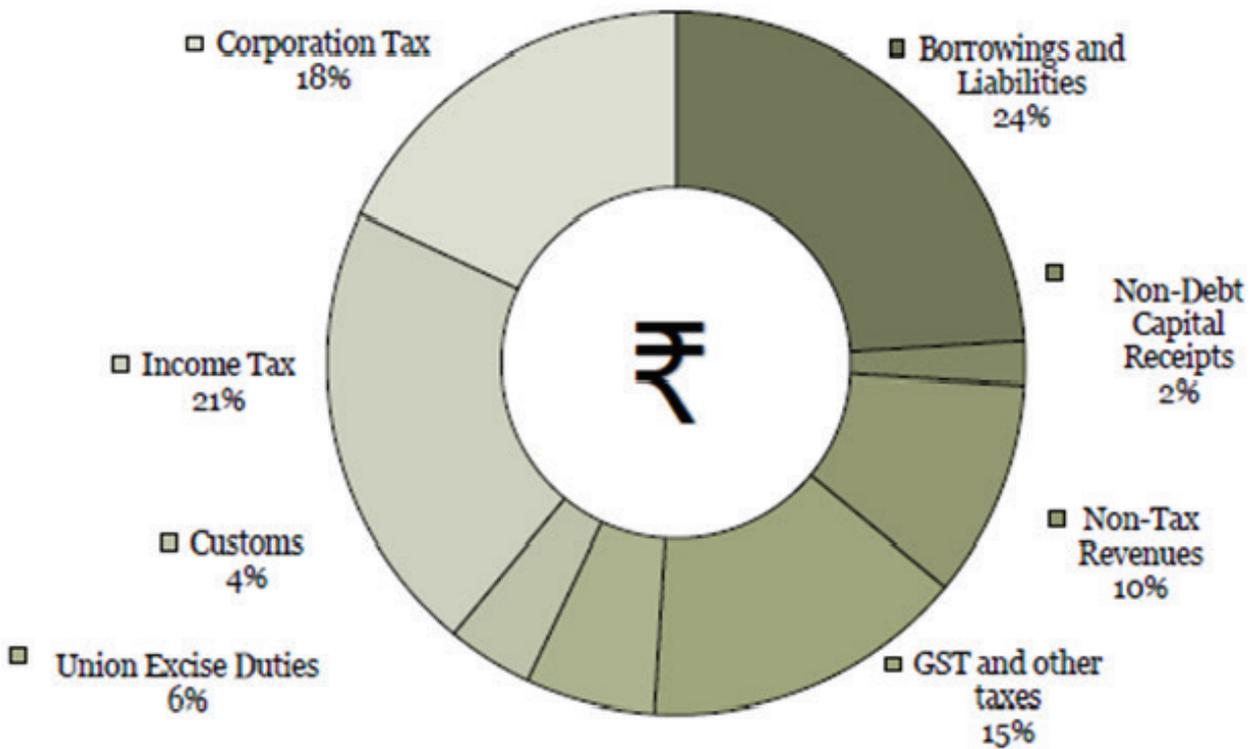
In the Union Budget 2026 Finance Minister Nirmala Sitharaman focused on a "trust-based" customs regime designed to boost domestic manufacturing, lower healthcare costs, and ease the burden on individual consumers.

Sector / Category	Item(s)	Old Rate	New Rate
Healthcare	17 Specific Cancer Drugs (e.g., Ribociclib)	10% / 5%	Nil (Exempt)
	Medicines for 7 Rare Diseases (NPRD 2021)	Applicable Rate	Nil (Exempt)
Electronics	Specified parts for Microwave Ovens	Applicable Rate	Nil (Exempt)
	Smartphone & Tablet components	Various	Reduced
	Interactive Flat Panel Displays	10%	20% (Increase)
Energy & EV	Sodium Antimonate (for Solar Glass)	7.5%	Nil (Exempt)
	Capital goods for Li-ion cell & BESS manufacturing	5%	Nil (Exempt)
	Goods for Nuclear Power Projects (till 2035)	7.5%	Nil (Exempt)
Aviation & Defence	Parts for Civilian Training Aircraft	Applicable Rate	Nil (Exempt)
	Raw materials for Defence MRO (Aircraft parts)	Applicable Rate	Nil (Exempt)
Consumer Goods	All goods for Personal Use (Air/Post)	20%	10%
	Umbrellas (except garden umbrellas)	20%	20% or ₹60/pc*
	Potassium Hydroxide	Nil	7.5%
Agriculture	Specific Fertilizers (Ammonium Phosphate)	Exempt	Exemption Removed
	Prawn & Shrimp Feed	15%	5%
Metals/Minerals	Critical Minerals (Monazite, Cobalt powder)	2.5% / 5%	Nil (Exempt)

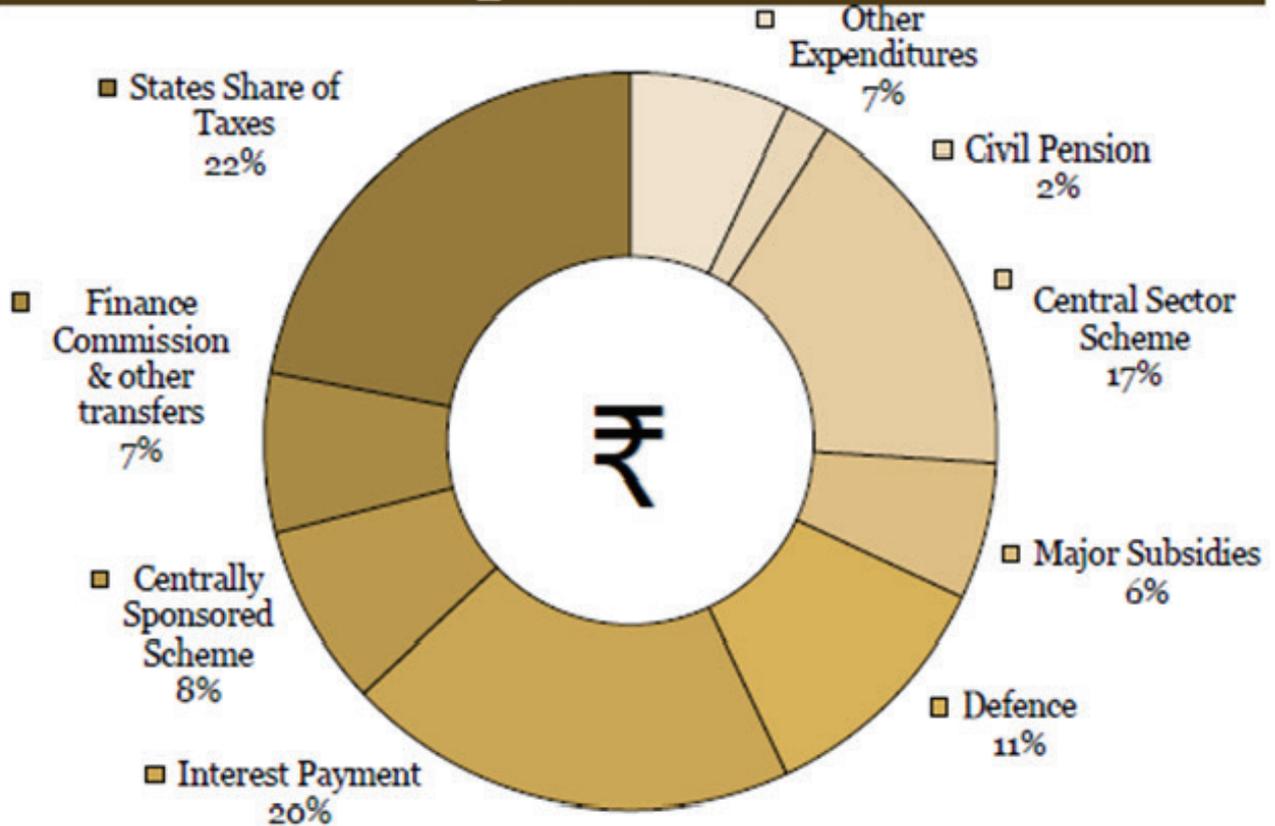
Other Points

- **Marine Sector :** Duty-free import limit for inputs used in seafood processing increased from 1% to 3% of FOB value.
- **Leather/Textiles :** BCD on "Wet Blue" leather removed to lower production costs for high-quality footwear. CGTMSE-backed credit guarantees for invoice discounting.
- **Personal Imports :** The reduction to 10% for personal goods (Heading 9804) applies to items brought in via air or post but specifically excludes motor vehicles, alcohol, and tobacco.
- **Administrative Reforms :** A new Customs Integrated System (CIS) will be rolled out over the next two years to move toward a "trust-based" cargo clearance framework using AI.

Rupee Comes From



Rupee Goes To



Budget At Glance

(₹ in Cr)

Particulars	2024-2025 Actuals	2025-2026 Budget Estimates	2025-2026 Revised Estimates	2026-2027 Budget Estimates
1. Revenue Receipts (2+3)	30,36,619	34,20,409	33,42,323	35,33,150
2. Tax Revenue (Net to Centre) ¹	25,00,039	28,37,409	26,74,661	28,66,922
3. Non Tax Revenue	5,36,580	5,83,000	6,67,662	6,66,228
4. Capital Receipts (5+6+7)	16,16,249	16,44,936	16,22,519	18,14,165
5. Recovery of Loans	24,617	29,000	30,190	38,397
6. Other Receipts	17,202	47,000	33,837	80,000
7. Borrowings and Other Liabilities ²	15,74,431	15,68,936	15,58,492	16,95,768
8. Total Receipts (1+4)	46,52,867	50,65,345	49,64,842	53,47,315
9. Total Expenditure (10+13)	46,52,867	50,65,345	49,64,842	53,47,315
10. On Revenue Account of which	36,00,914	39,44,255	38,69,087	41,25,494
11. Interest Payments	11,15,575	12,76,338	12,74,338	14,03,972
12. Grants in Aid for creation of Capital assets	2,72,656	4,27,192	3,08,151	4,92,702
13. On Capital Account	10,51,953	11,21,090	10,95,755	12,21,821
14. Effective Capital Expenditure (12+13)	13,24,609	15,48,282	14,03,906	17,14,523
15. Revenue Deficit (10-1)	5,64,296	5,23,846	5,26,764	5,92,344
	(1.7)	(1.5)	(1.5)	(1.5)
16. Effective Revenue Deficit (15-12)	2,91,640	96654	2,18,613	99,642
	(0.9)	(0.3)	(0.6)	(0.3)
17. Fiscal Deficit [9-(1+5+6)]	15,74,431	1568936	15,58,492	16,95,768
	(4.8)	(4.4)	(4.4)	(4.3)
18. Primary Deficit (17-11)	4,58,856	2,92,598	2,84,154	2,91,796
	(1.4)	(0.8)	(0.8)	(0.7)

Notes:

(i) The GDP for FY 2026-27 is estimated at ₹393,00,393 crore, which is 10% over the Advance Estimates for FY 2025-26 of ₹357,13,886 crore released by NSO.

(ii) Individual items in this document may not sum up to the totals due to rounding off.

(iii) Figures in parentheses are percentages of GDP.

Team Shah & Shah Chartered Accountants



SERVICES OFFERED

OUR SERVICES INCLUDES:

Compliance

Audit & Assurance
Company & Corporate Law
Income Tax
Indirect Tax
International Compliance
Incorporation services
Bookkeeping

Advisory

1. Transaction Advisory
2. Direct Tax Advisory
3. Indirect Tax Advisory
4. Investment & Wealth management advisory
5. Virtual CFO service advisory
6. Payroll processing advisory
7. Management advisory
8. Estate planning advisory
9. Overseas operations

: Disclaimer :

The information stated above is based on the "Union Budget 2026" announcement. To the best of our knowledge, the information contained herein is accurate and reliable as of the date of publication; however, we do not assume any liability whatsoever for the accuracy and completeness of the above information.