



MOORE Singhi

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UNION BUDGET

2026

Key Economic Indicators

- ▶ **GDP** is expected to grow between **6.8 – 7.2%** in FY 2026-27
- ▶ **Fiscal Deficit** is targeted at around **4.3% of GDP** in FY 2026–27
- ▶ **Capital Expenditure (Capex)** hiked to **₹12.2 lakh crore** for FY 2026–27
- ▶ **Debt-to-GDP Ratio** is estimated to be **55.6%** in FY 2026–27
- ▶ Provision of **₹1.4 lakh crore** to the States for the FY 2026-27 as **Finance Commission Grants**
- ▶ **Non-debt receipts** and the **total expenditure** are estimated for FY 2026-27 as **₹36.5 lakh crore** and **₹53.5 lakh crore** respectively
- ▶ **Net market borrowings** from dated securities estimated at **₹11.7 lakh crore** and gross market borrowings are estimated at **₹17.2 lakh crore**
- ▶ **Agriculture and allied services** estimated to grow by **3.1 %** in FY 2026-2027



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Key Economic Reforms

▶ Scaling up manufacturing in strategic and frontier sectors:

- To establish **Biopharma SHAKTI** (Strategy for Healthcare Advancement through Knowledge, Technology and Innovation)
- **India Semiconductor Mission 2.0** to produce equipment and materials, design fully stack Indian IP
- To establish **Dedicated Rare Earth Corridors** to promote mining, processing, research and manufacturing
- To establish **3 dedicated chemical parks**
- An integrated programme for **labour intensive textile sector**
- Equity support / professional support to SME/MSMEs

▶ To establish a **establish an Infrastructure Risk Guarantee Fund** to provide prudently calibrated partial credit guarantees to lenders

▶ Increase in expenditure in **public infrastructure sector**

▶ To set up 'High Level Committee on banking for **Viksit Bharat**' to comprehensively review the **Financial Sector** to align it with India's growth

▶ To establish **Five Regional Medical Hubs** to promote medical tourism services



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Key Direct Taxes Proposals

- ▶ **TDS on sale of immovable property** by a non-resident to be deducted and deposited through resident buyer's PAN instead of TAN
- ▶ **Tax buyback for all types of shareholders as capital gains** - Promoters to pay an additional buy back tax
- ▶ **Interest awarded by the Motor Accident Claims Tribunal** to an individual shall be fully exempt from income tax, and accordingly, no TDS shall be deducted on such amount
- ▶ The time limit for filing a **revised return** to be extended **from 31st December to 31st March**, subject to payment of a nominal fee
- ▶ Taxpayers to **update their returns even after reassessment proceedings** have been initiated at an additional 10 percent tax rate over and above the rate applicable for the relevant year
- ▶ **Safe harbour threshold for IT services** increased from ₹ 300 crore to ₹2,000 crore
- ▶ **Provision of tax holidays until 2047 to foreign companies providing cloud services** to global customers through India-based data centre services. Related Entities providing data center services from India to get a safe-harbour of 15% on cost
- ▶ **Exemption to global income of non-resident expert** for a stay period of 5 years under notified schemes



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Key Indirect Taxes Proposals

- ▶ Ease in GST compliance for **post-sale discounts** – withdrawal of requirement of prior agreement
- ▶ **ITC reversal** made by recipient **sufficient** for fulfilment of benefit of post-sale discount
- ▶ Refunds on **provisional basis (90%)** to include **Refund under IDS**
- ▶ Removal of specific clause for '**Intermediary services**' under Section 13(8) of IGST Act - to determine **place of supply under default provision** i.e. Section 13(2) – **Location of recipient**
- ▶ Validity of **Customs Advance Ruling** extended to **5 years** or **change of law** whichever is earlier
- ▶ **Decrease** in Basic Custom duty in case of **Coal, Crude Petroleum, Silicon** and other various chemicals
- ▶ **Decrease** in Basic Customs duty in case of **ferro nickel, blister copper, lead and zinc waste & scrap** to **Nil**
- ▶ Introduction of **Baggage Rules 2026** to rationalize baggage provisions
- ▶ **Extension of Exemptions and Conditional rates** of Basic Customs duty **upto 31-03-2028** from 31-03-2026 for various goods required in **solar industry, semi-conductor industry, offshore oil exploration** etc.