

# FY 2027 **BUDGET**







# Fiscal Position



**Nominal GDP:** FY27 Nominal GDP growth targeted over 10% at 393 lakh cr



**FY27 Fiscal Deficit Target:** 4.3% of GDP



**Estimated Gross Market Borrowing:** Rs.17.2 lakh cr



**Estimated Net Market Borrowing:** Rs.11.7 lakh cr



**Capex:** FY27 effective capex will be Rs. 12.2 lakh cr from 11.2 lakh cr in FY26



**Rural Development:** Rs. 2.73 lakh cr



**Defence:** Defence budget pegged at Rs. 7.84 lakh cr, 15% higher than FY26





# Budget's Key Numbers

The total size of the 2026-27 budget stood at Rs.53.47 lakh Cr - a 7.7% jump over the Revised Estimates for 2025-26

Fiscal Maths	FY27 BE	FY26 RE	% CHANGE
Fiscal deficit	16.96	15.58	8.81%
<b>% of GDP</b>	<b>4.3%</b>	<b>4.4%</b>	
Revenue deficit	5.92	5.27	12.45%
<b>% of GDP</b>	<b>1.5%</b>	<b>1.5%</b>	
<b>Total receipts</b>	<b>53.47</b>	<b>49.65</b>	<b>7.10%</b>
- Tax revenue (Net to Centre)	28.67	26.75	7.19%
- Non-tax revenue	6.66	6.68	-0.21%
<b>Total expenditure</b>	<b>53.47</b>	<b>49.65</b>	<b>7.70%</b>
- Revenue spend	41.25	38.69	6.63%
- Effective Capital Expenditure	17.15	14.04	22.13%
<b>% of GDP</b>	<b>4.4%</b>	<b>3.9%</b>	

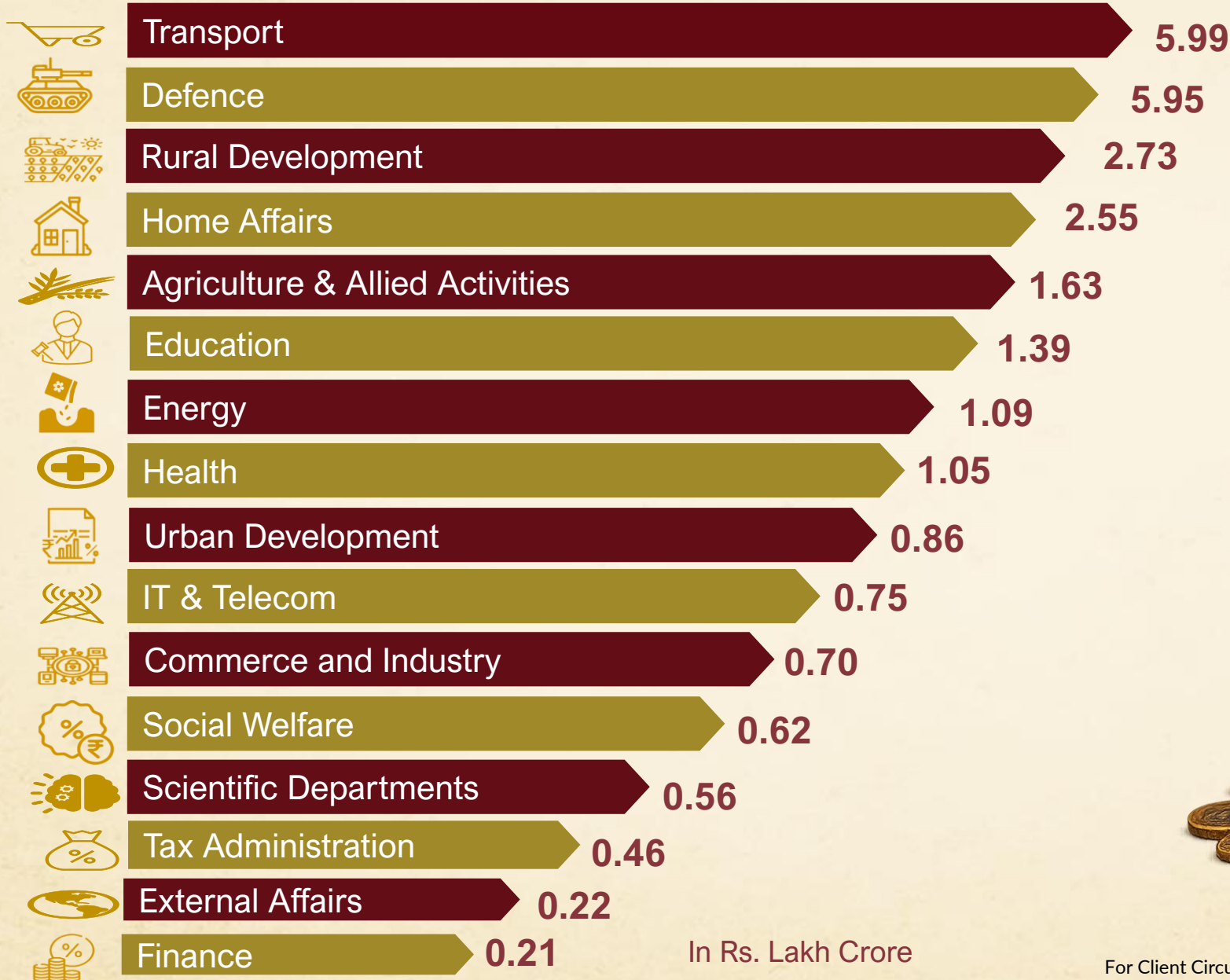
Revenue Break-up	FY27 BE	FY26 RE	% Change
<b>Gross tax revenue</b>	<b>44.04</b>	<b>40.78</b>	<b>8.00%</b>
- Corporation tax	12.31	11.09	11.00%
- Income tax	14.66	13.12	11.74%
- Customs	2.71	2.58	5.00%
- Excise	3.89	3.37	15.56%
- GST	10.19	9.58	6.32%
<b>Non-tax revenue</b>	<b>6.66</b>	<b>6.67</b>	<b>-0.15%</b>
- Interest Receipts	0.41	0.40	2.50%
- Dividends & Profits	3.91	3.75	4.27%

In. Rs. lakh Cr





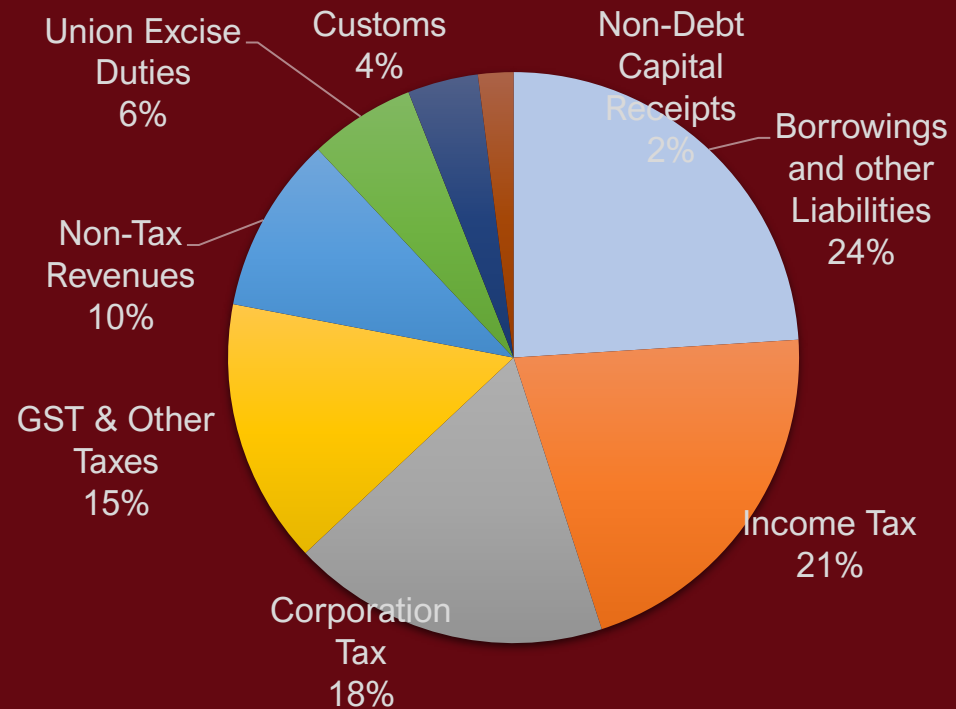
# Expenditure of Major Items



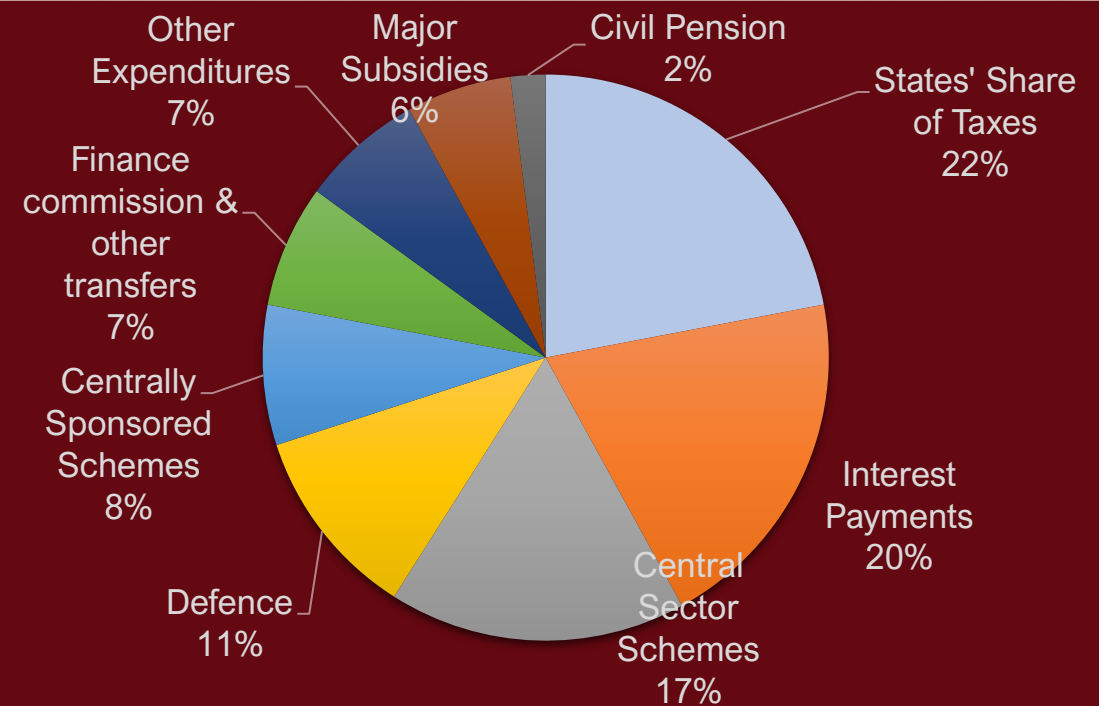


# Budget - Receipts and Expenditures

## Receipts

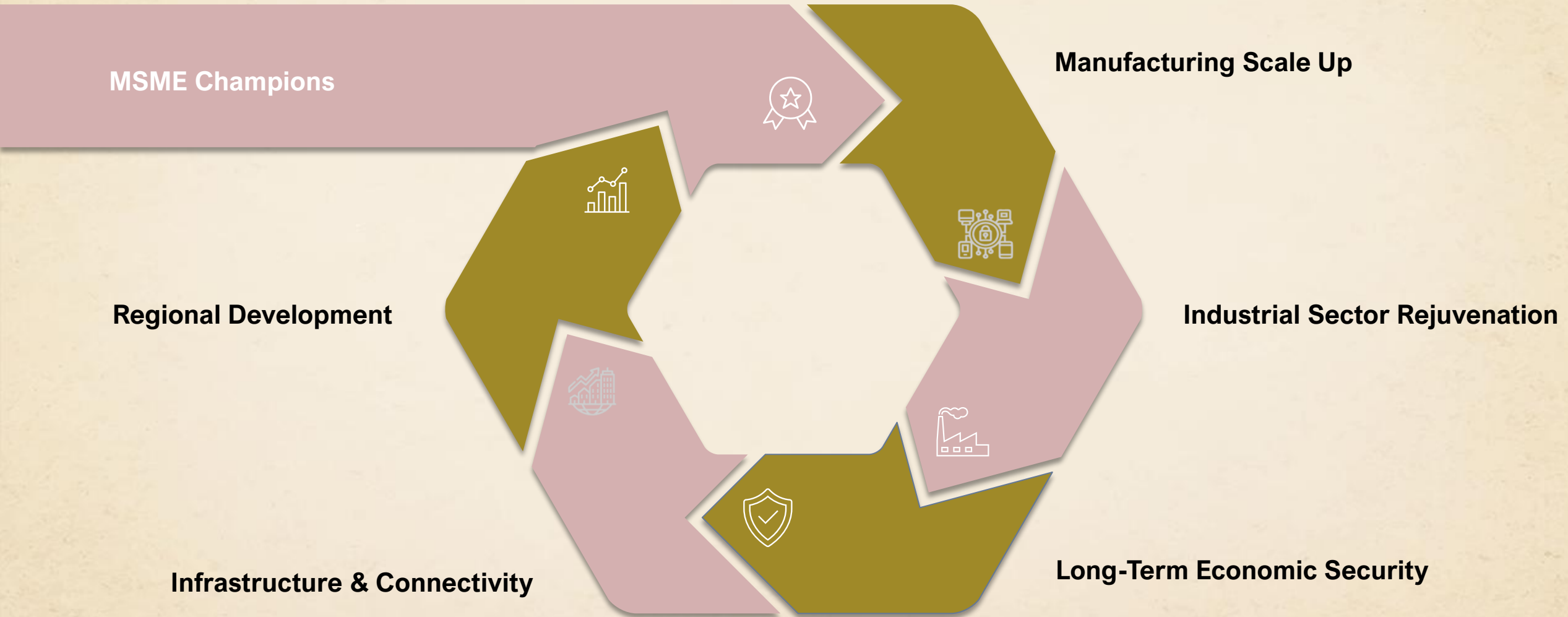


## Expenditures





# Focus Areas of Budget







## Sector Announcements

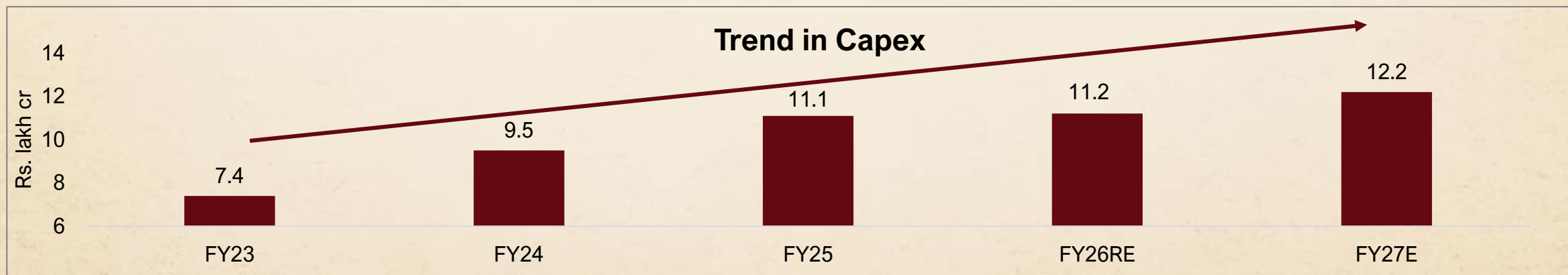




# Infrastructure



- ❖ **Setting up Infrastructure Risk Guarantee Fund** to provide prudently calibrated partial credit guarantees to lenders.
- ❖ **Recycling of real estate assets of CPSEs** through the setting up of dedicated REITs.
- ❖ Operationalising 20 new National Waterways connecting mineral rich areas, industrial centres and ports.
- ❖ Setting up of ship repair ecosystem catering to inland waterways.
- ❖ Launch a **Coastal Cargo Promotion Scheme** to increase the share of inland waterways and coastal shipping from 6% to 12% by 2047.
- ❖ **Launching a Seaplane VGF (viability gap funding) Scheme** to indigenise manufacturing.
- ❖ **Rs. 2 lakh Cr support to states under SASCI** (Special Assistance to States for Capital Investment) Scheme.
- ❖ **Purvodaya: Development of Integrated East Coast Industrial Corridor.**
- ❖ **Establishment of new Dedicated Freight Corridors** connecting Dankuni in the East, to Surat in the West.







**Biopharma SHAKTI Plan - outlay of Rs.10,000 crore, 5-year initiative to make India a global pharma manufacturing hub. The plan focuses on:**

Creating 1,000 accredited clinical trial sites



**01**

Building a biopharma network with 3 new NIPERs and upgrading 7 existing ones



**03**

Boosting domestic biologics & biosimilars production



**02**



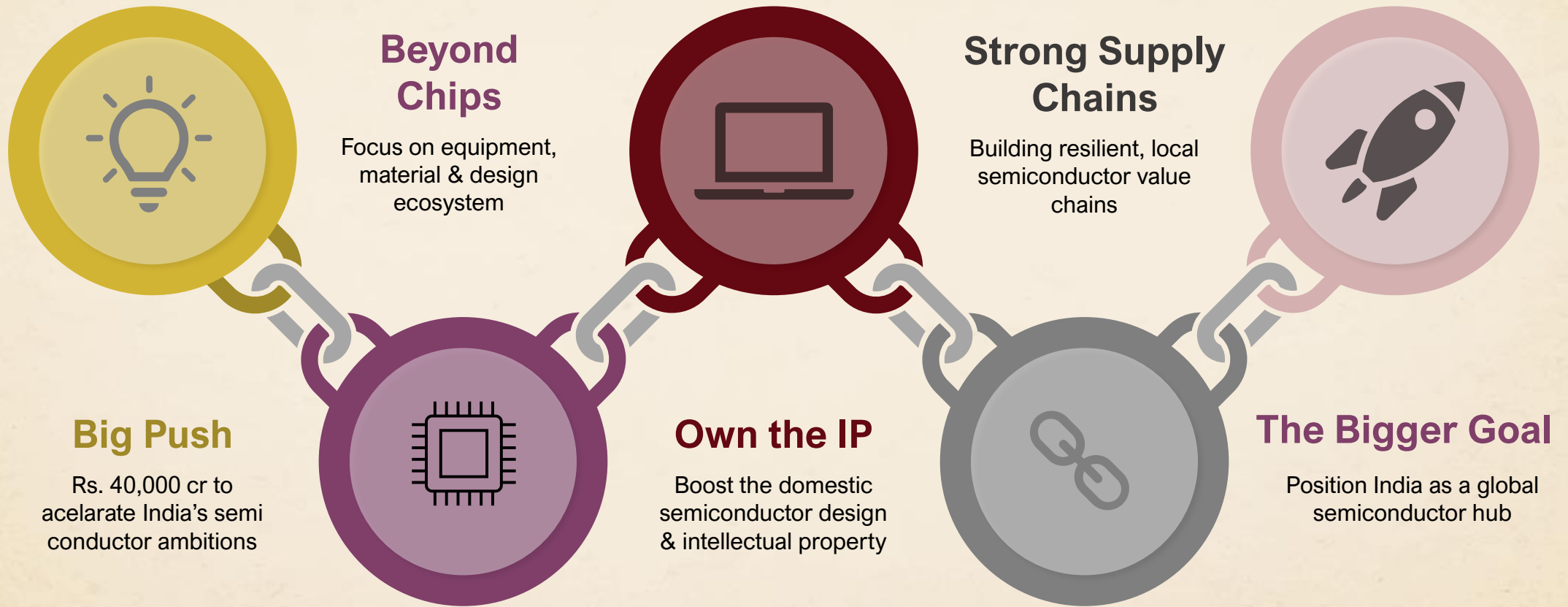
Strengthening CDSCO for global-standard faster approvals

**04**



# Semi Conductor

## India Semi Conductor Mission 2.0







# Tourism and Education



## Tourism:

- ❖ **Setting up a National Institute of Hospitality as a bridge** between academia, industry and the Government.
- ❖ Pilot scheme for upskilling 10,000 guides in 20 iconic tourist sites.
- ❖ National Destination Digital Knowledge Grid to digitally document all places of significance.
- ❖ Develop 15 archeological sites into vibrant, experiential cultural destinations.
- ❖ Development of Buddhist Circuits in North East Region.



## Education:

- ❖ **5 University Townships in the vicinity of major industrial and logistic corridors.**
- ❖ A girls' hostel in Higher Education STEM institutions in every district.
- ❖ Setting up or upgrading of four Telescope Infrastructure facilities.



# Agriculture and allied sectors

## 03. Fisheries

Integrated development of 500 reservoirs and Amrit Sarovars, Strengthening fisheries value chain in coastal areas and enabling market linkages for start-ups and women-led groups together with Fish FPOs

## 02. Sandalwood

Focused cultivation and post-harvest processing

## 01. Dedicated programme for Horticulture

Rejuvenate old, low-yielding orchards and expand high-density cultivation of walnuts, almonds and pine nuts

## 04. Bharat- VISTAAR

Integrating AgriStack portals and the ICAR package on agricultural practices with AI systems

## 05. Dedicated programme for Indian cashew and cocoa

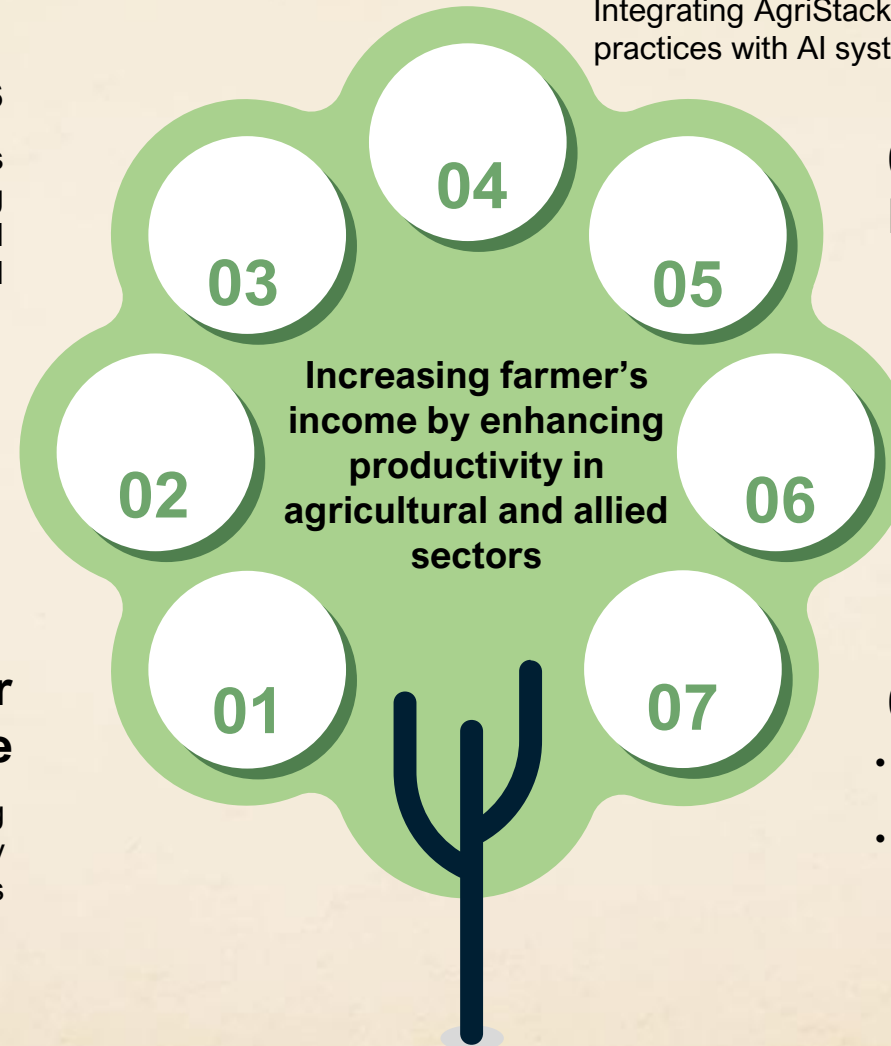
- Boost engagement and relevance by aligning training with employee roles
- Indian Cashew & Cocoa Programmes

## 06. Supporting High Value Agriculture

- Coconut promotion Scheme to increase production and enhance productivity

## 07. Animal Husbandry

- Support entrepreneurship in the sector to facilitate job creation in Rural and Peri-urban areas
- Loan-linked capital subsidy support scheme for establishment of veterinary and para-vet colleges, veterinary hospitals, diagnostic laboratories and breeding facilities in the private sector







# MSME

## Equity Support:

- ❖ **Dedicated Rs. 10,000 Cr SME Growth Fund.**
- ❖ Top up the Self-Reliant India Fund (2021) with Rs. 2,000 Cr.

## Liquidity Support through TReDS:

- ❖ Mandate TReDS as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporates.
- ❖ Introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on the TReDS platform.
- ❖ Linking GeM with TReDS to encourage cheaper and quicker financing.
- ❖ TReDS receivables as asset-backed securities, to develop a secondary market and enhance liquidity and settlement of transactions.

## Professional Support:

- ❖ Government to facilitate Professional Institutions to develop 'Corporate Mitras' especially in Tier-II and Tier- III towns, to help MSMEs meet compliance requirements at affordable costs.

**Tax Proposal - Removal of the current value cap of Rs. 10 lakh per consignment on courier exports**



# Financial Sector & Markets

Setting up of **High Level Committee on Banking** for Viksit Bharat to align with India's next growth phase

- **Incentive of Rs. 100 cr for single issuance of municipal bonds** of more than Rs. 1000 cr.
- Current Scheme under AMRUT will continue.

**Restructuring** Power Finance Corporation (PFC) and Rural Electrification Corporation (REC).



**Comprehensive Review of the Foreign Exchange Management (FEMA) (Nondebt Instruments) Rules.**

**Introduction of Market making framework** and total return swaps on corporate bonds.

## **Tax Proposals on Financial Markets:**

- STT on futures hiked to 0.05% from 0.02% at present.
- STT on options transactions raised to 0.15% from 0.1% earlier.





## Other Key Announcements

From 1 April 2026:

- **Minimum Alternate Tax (MAT) becomes a final tax**
- **MAT rate reduced from 15% to 14%**
- No fresh MAT credit accumulation
- Brought-forward MAT credit can be set off (up to one-fourth of tax liability) under the new regime
- ❖ **Buybacks will now be taxed as capital gains for all shareholders.** Promoters will pay an additional buyback tax, resulting in an effective tax of 22% for corporate promoters and 30% for non-corporate promoters.
- ❖ **Individual Person Resident Outside India (PROI) investment limit increased from 5% to 10% (overall cap 24%)**
- ❖ **Reduce TCS rate on sale of overseas tour program package from 5% and 20% to 2%** without any stipulation of amount.
- ❖ **Reduce TCS for pursuing education and for medical purposes** under the Liberalized Remittance Scheme (LRS) from 5% to 2%.
- ❖ **Time available for revising returns extended from 31st December to up to 31st March** with the payment of a nominal fee.
- ❖ **Interest awarded by the motor accident claim tribunal to a natural person will be exempt from Income Tax**, and any TDS on this account will be done away with.
- ❖ **TDS on the sale of immovable property by a non-resident to be deducted** and deposited through resident buyer's PAN instead of TAN.
- ❖ **Scheme for Rare Earth Permanent Magnets, research, mining, processing and manufacturing.**

Source: Union Budget FY27 document

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# What gets Cheaper and what gets Costlier

## Income tax misreporting

100% penalty of the tax amount plus tax and interest

## Stock options & Future Options (STT)

STT on Futures raised from 0.02% to 0.05% and on Options raised from 0.1% to 0.15%

## Alcoholic liquor, minerals, scrap sales

TCS increased from 1% to 2%

## Refrigerated containers

Duty increased to 5%

## Potassium hydroxide

Duty raised from nil to 7.5%

## Cranberries & blueberries

Increased to 5% and 10% respectively

## Chewing tobacco, jarda, gutkha

NCCD hiked from 25% to 60%

## Umbrellas & umbrella parts

Floor import price introduced



**Cheaper**

## Overseas education & medical remittances (LRS)

TCS reduced from 5% to 2%

## Overseas tour packages

TCS cut from 5–20% to 2%

## Rare & cancer disease drugs

BCD exempt

## Textile & leather exports

Export realisation period extended to 1 year

## Bio-gas blended CNG

Excise duty exemption in the calculation

## Agriculture & food items

Makhana and roasted nuts duty cut from 150% to 30% Almonds and walnuts see duty reductions Seeds and spores for sowing: BCD cut from 30% to 15%

## Key minerals & industrial inputs

Lower or nil duty on graphite, quartz, coal, sand, silicon, rare-earth metals, metal oxides



**Costlier**

## Energy transition equipment, solar glass inputs, Capital goods for critical minerals, lithium-ion cells, Civilian aircraft MRO components

BCD exempt





## Impact on Markets





# Market Update

## Equity Market Update:

- ❖ **Indian markets fell sharply in the special trading session on Sunday** after FM Sitharaman announced a hike in the STT on futures and options in her Budget 2026 speech, triggering a sharp sell-off during the Budget special weekend trading session.
- ❖ India VIX surged 12%, indicated high volatility.
- ❖ Among sectors, **except IT, all other indices ended in the red** with PSU Bank declined 6%, metal index shed 4%, oil & gas slipped 3% and chemicals fell 3%.

Index	1 day change
Sensex	-1.9%
Nifty 50	-2.0%
Nifty Midcap 150	-2.1%
Nifty Smallcap 250	-2.2%

Top Gainer	1 day change
Nifty IT	0.6%

Top 10 Losers	1 day change
Nifty PSU Bank	-5.6
Nifty Metal	-4.1
Nifty Oil & Gas	-2.9
Nifty Chemicals	-2.6
Nifty FMCG	-2.3
Nifty Realty	-2.2
Nifty Auto	-2.1
Nifty Media	-1.8
Nifty Private Bank	-1.2
Nifty Pharma	-0.8

## Debt Market Update:

The debt and foreign exchange markets were closed today.





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