

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

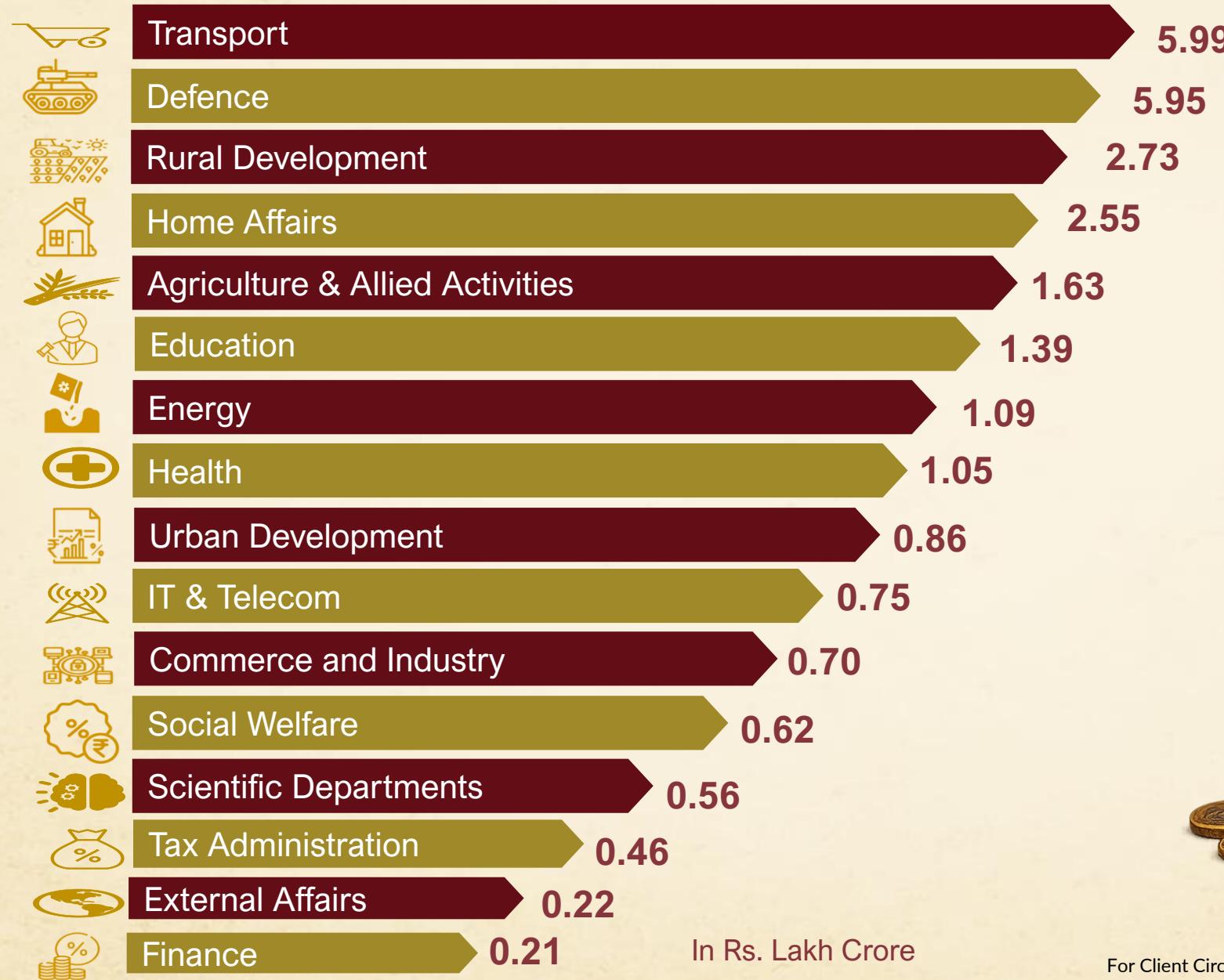
Fiscal Maths	FY27 BE	FY26 RE	% CHANGE
Fiscal deficit	16.96	15.58	8.81%
% of GDP	4.3%	4.4%	
Revenue deficit	5.92	5.27	12.45%
% of GDP	1.5%	1.5%	
Total receipts	53.47	49.65	7.10%
- Tax revenue (Net to Centre)	28.67	26.75	7.19%
- Non-tax revenue	6.66	6.68	-0.21%
Total expenditure	53.47	49.65	7.70%
- Revenue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

In. Rs. lakh Cr

Revenue Break-up	FY27 BE	FY26 RE	% Change
Gross tax revenue	44.04	40.78	8.00%
- 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%
Non-tax revenue	6.66	6.67	-0.15%
- Interest Receipts	0.41	0.40	2.50%
- Dividends & Profits	3.91	3.75	4.27%



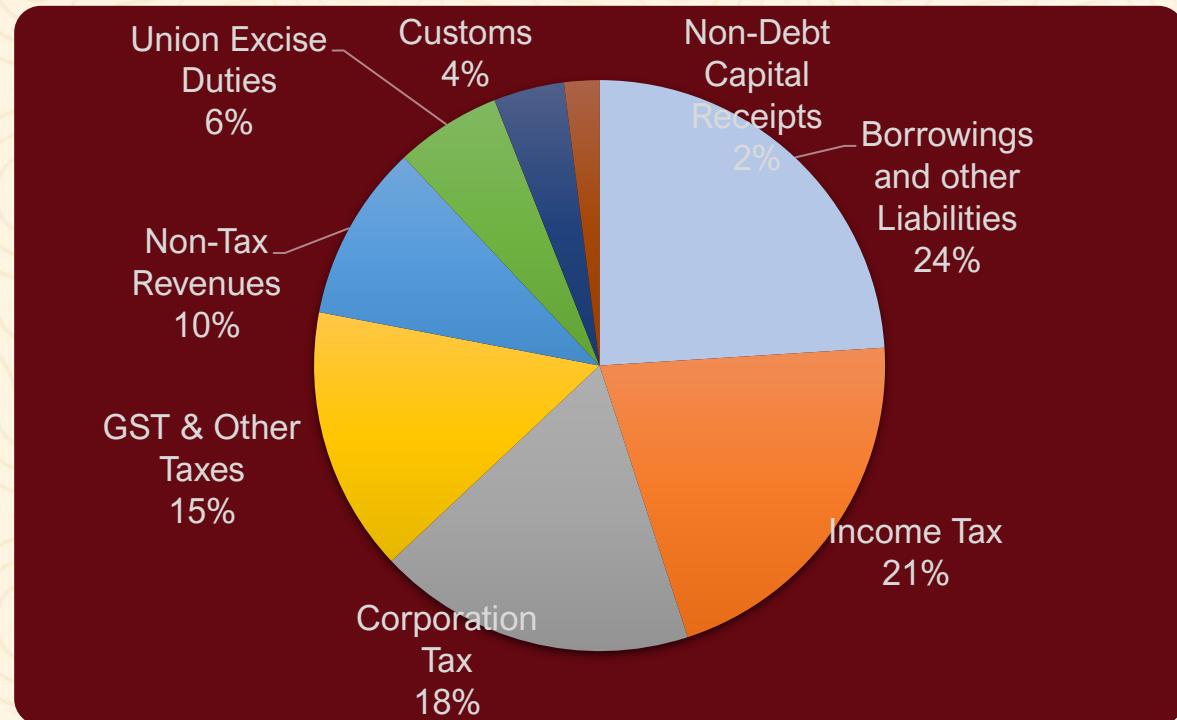
Expenditure of Major Items



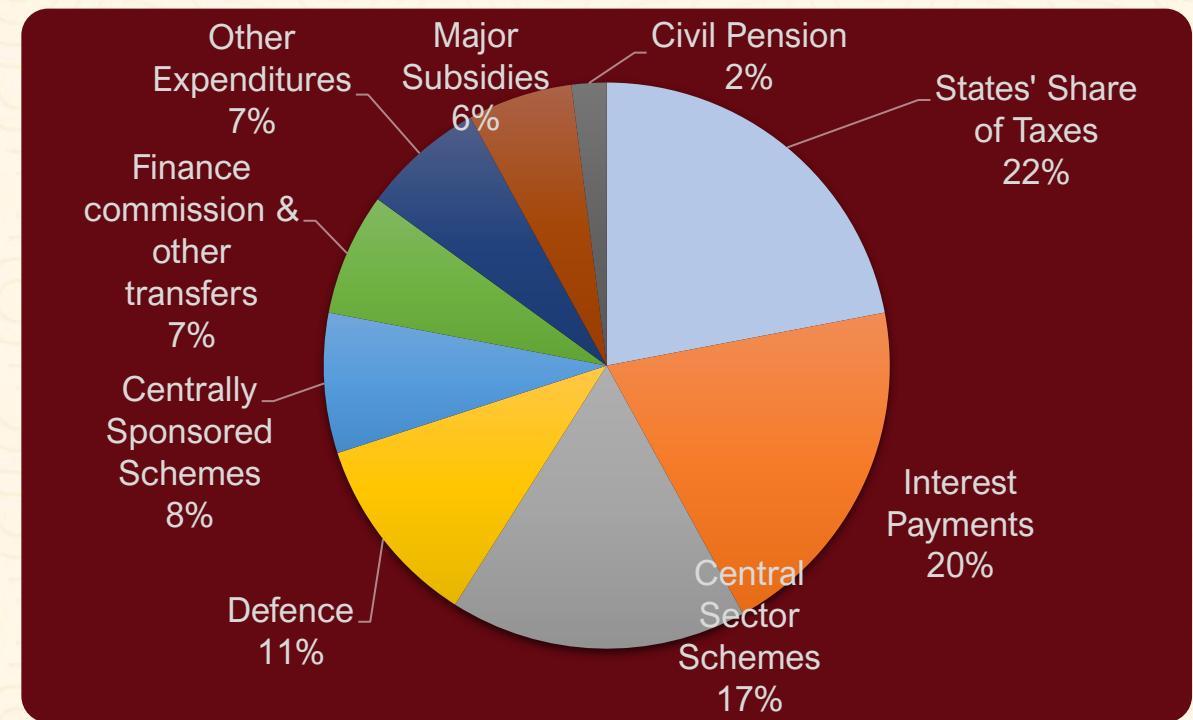


Budget - Receipts and Expenditures

Receipts



Expenditures





Focus Areas of Budget

MSME Champions

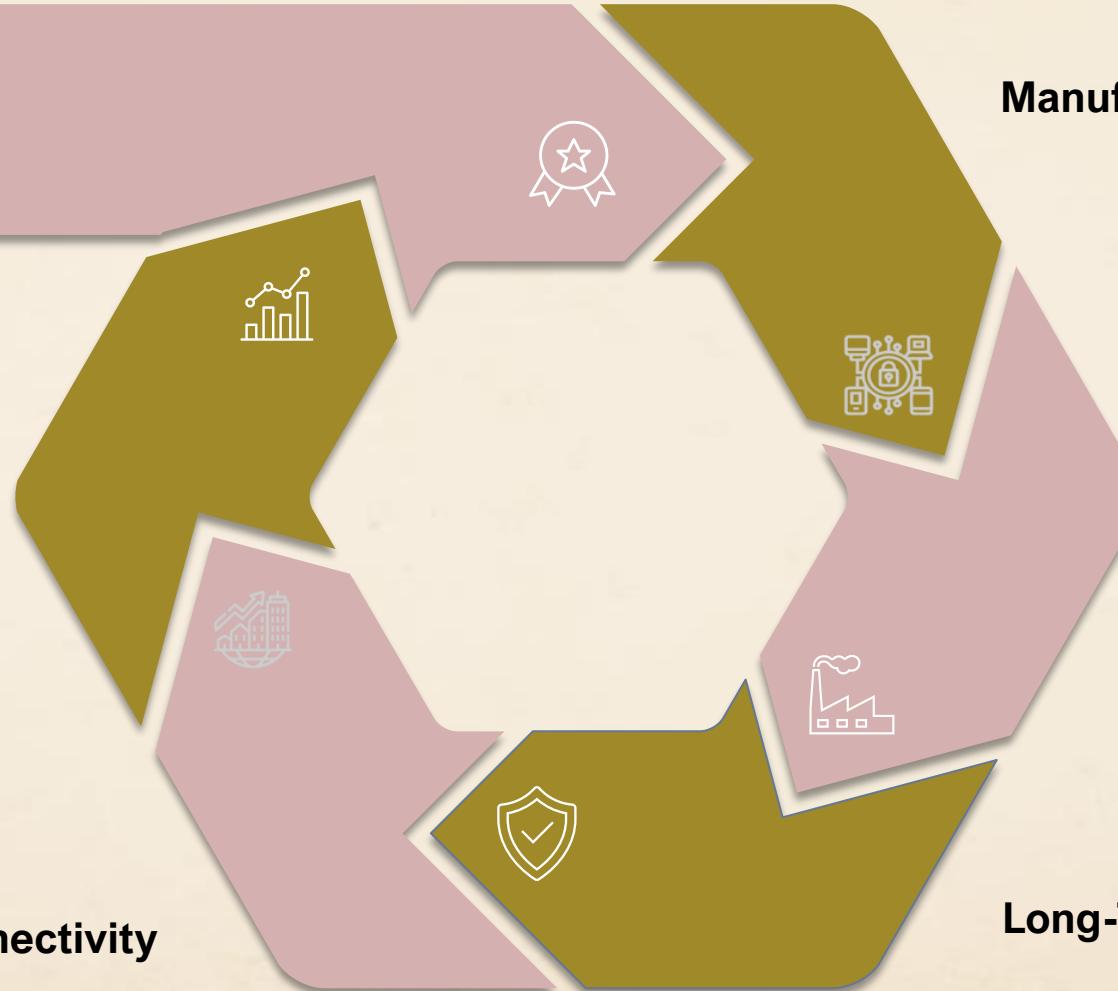
Manufacturing Scale Up

Regional Development

Industrial Sector Rejuvenation

Infrastructure & Connectivity

Long-Term Economic Security





Sector Announcements

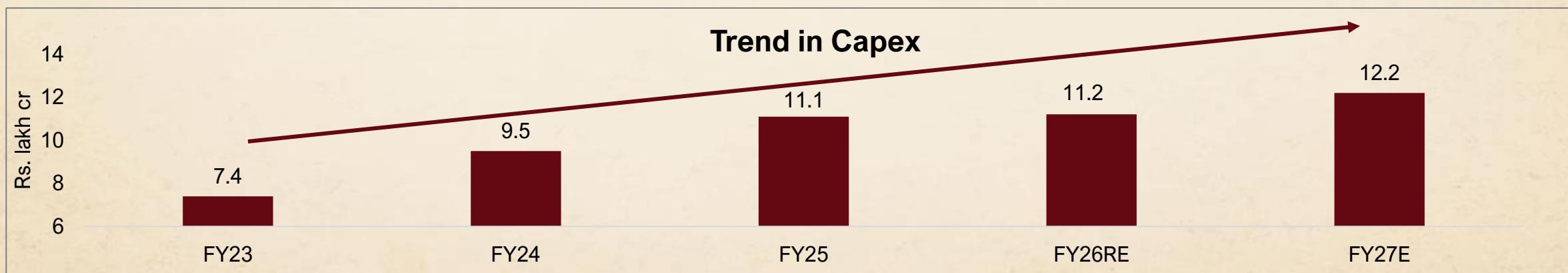




Infrastructure



- ❖ **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.

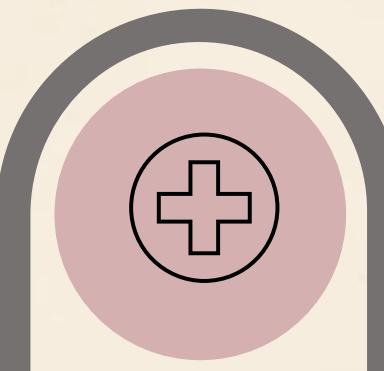




Biopharma SHAKTI Plan - outlay of Rs.10,000 crore, 5-year initiative to make India a global pharma manufacturing hub. The plan focuses on:



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

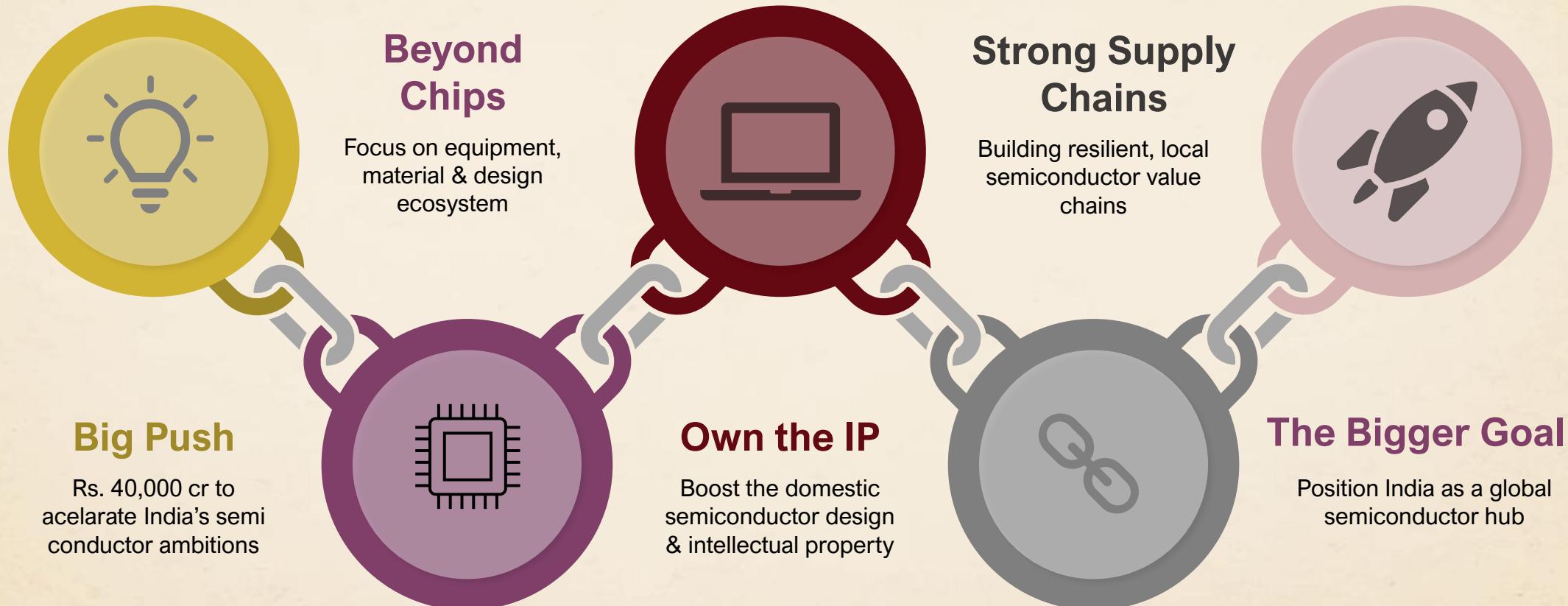


04

Strengthening CDSCO for global-standard faster approvals



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-ledgroups 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



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



- **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).

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

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



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

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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