

KEY TAKEAWAYS FROM



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Chalisgaon | Pune | Chh. Sambhajinagar | Mumbai

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A. Introduction

About Us:

S. S. Dhamne & Co., Chartered Accountants we a firm registered with the Institute of Chartered Accountants of India, Statutory Body established under the Chartered Accountants Act, 1949. Firm is practicing with 40+ years of experience in providing services in the areas of Audit, Assurance and Attestation, Direct & Indirect Tax Advisory, Management and Financial Consultancy, Valuation and Insolvency & Bankruptcy related matters. We currently have offices in Chalisgaon, Pune, Chh. Sambhajinagar and Mumbai.

About The Union Budget 2026:

The Union Budget 2026, presented on 1 February 2026 by Finance Minister Smt. Nirmala Sitharaman, focuses on sustainable growth, capacity building and inclusive development under the vision of *Sabka Saath, Sabka Vikas* and *Viksit Bharat*. Key reforms include higher public capital expenditure for infrastructure, support for manufacturing in strategic sectors, tax rationalisation along with introduction of the new Income Tax Act, 2025 from April 1, 2026, and sector-specific measures to boost healthcare, employment-intensive industries, and regional development, with an emphasis on empowering youth and supporting the poor and disadvantaged.



Through this document, we aim to equip you with concise, actionable insights that allow you to navigate the government's initiatives effectively. Whether you are looking to assess the impact on your sector or explore new avenues for investment, our analysis is designed to help you stay ahead of the curve.

We invite you to explore our in-depth review, which will keep you well-informed about the latest economic developments and positioned for success in 2026 and beyond. We highly value your feedback and welcome any suggestions or comments you may have at admin@ssdca.in. Happy Reading!

Team SSDCA

B. Budget at a Glance

The budget prioritized long-term economic capacity building over short-term populism, focusing on tax simplification, easing compliance, and strengthening trust between the state and taxpayers to improve the business environment. Strong emphasis was placed on MSMEs to help them become globally competitive, recognizing their role in employment and innovation.

Job creation through manufacturing and services, along with positioning India as a reliable global investment and production hub, was a key objective. Infrastructure and urban development were identified as major growth drivers, while energy transition goals were balanced with economic growth.

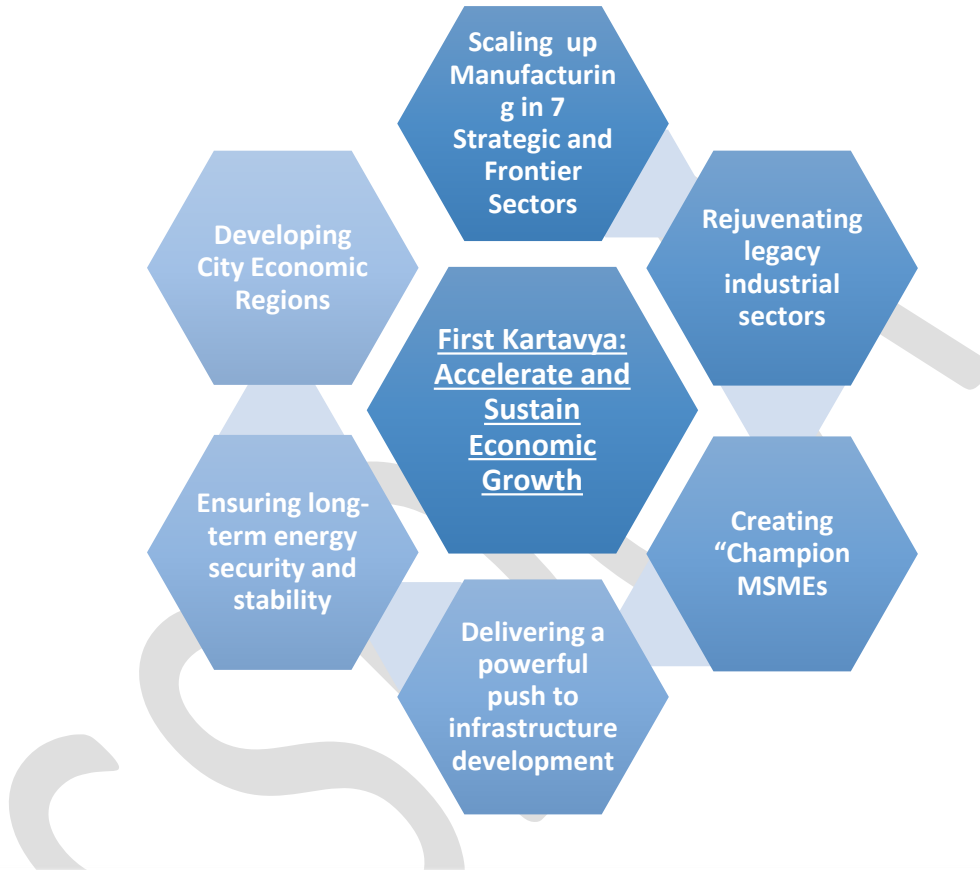
Strategic sectors such as semiconductors and advanced technologies received attention to boost self-reliance and competitiveness while the services sector was targeted for a larger share in the global market by 2047. The budget also highlighted human capital and social infrastructure, including agricultural transformation, AI-enabled farmer support, and promotion of women-led enterprises. Overall, it aimed at inclusive, technology-driven, and sustainable growth with deeper global integration.



C. 3 (Three) Kartavya Framework

The budget is structured around three Kartavyas inspired by the Viksit Bharat Young Leaders Dialogue 2026.

1st Kartavya: Accelerate and Sustain Economic Growth



2nd Kartavya: Fulfil Aspirations and Build Capacity

Health & Allied Services



Healthcare and Allied Services

- Allied Health Professionals
- Caregivers Training
- Medical Value Tourism
- AYUSH Expansion

Educational & Skill Development



Education and Skill Development

- University Townships
- Girls' Hostels
- AVGC Content Creator Labs
- National Institute of Hospitality

Tourism Development



Tourism Development

- pilot scheme for upskilling 10,000 guides in 20 iconic tourist sites
- National Destination Digital Knowledge Grid
- Eco-Tourism: Mountain trails, Turtle trails, Bird watching trails
- Archaeological Sites

Sports Sector Development



Sports Sector

- Khelo India Mission
- Sports Goods Manufacturing

3rd Kartavya: Sabka Sath, Sabka Vikas

- Fisheries
- Coconut Promotion
- Cashew and Cocoa
- Sandalwood Ecosystem
- Bharat-VISTAAR
- Expand high-density cultivation of walnuts, almonds and pine nuts
- Self-Help Entrepreneur (SHE)

Agriculture and Farmer Income



- Divyangjan Kaushal Yojana: Industry-relevant training in IT, AVGC, hospitality
- Divyang Sahara Yojana: Scale up ALIMCO production, strengthen PM Divyasha Kendras

Empowering Divyangjan



- NIMHANS-2: New institute for North India
- Emergency Care: 50% capacity increase in district hospitals

Healthcare Infrastructure



- Purvodaya: East Coast Industrial Corridor, 5 tourism destinations, 4,000 e-buses
- North-East: Buddhist Circuit development across 6 states

Regional Focus



D. The Budget Breakdown: Core Figures and Facts

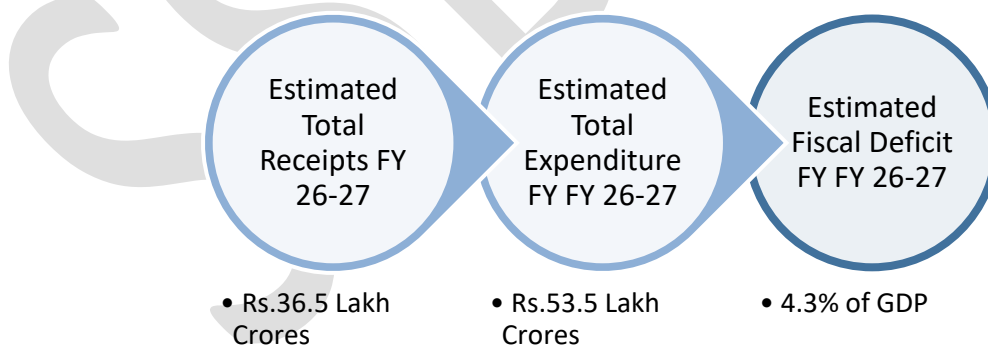
16th Finance Commission

On 17th November 2025, the 16th Finance Commission submitted its report to the President. As mandated under Article 281 of the Constitution, the Government is to lay the Report along with the Explanatory Memorandum on the Action Taken Report on the recommendations of the Commission in Parliament.

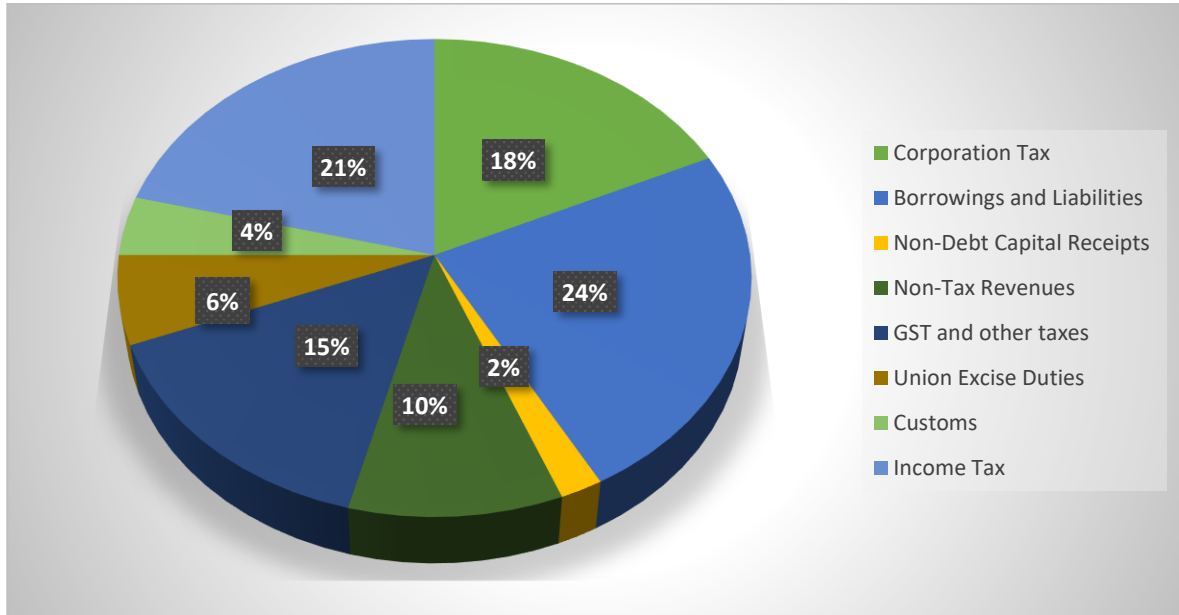
The Centre has accepted the Finance Commission's advice to give 41% of its Tax Revenue to States and will also provide ₹1.4 lakh crore in grants in 2026–27 to support Rural and Urban Local Body and Disaster Management Grants.

Fiscal Consolidation

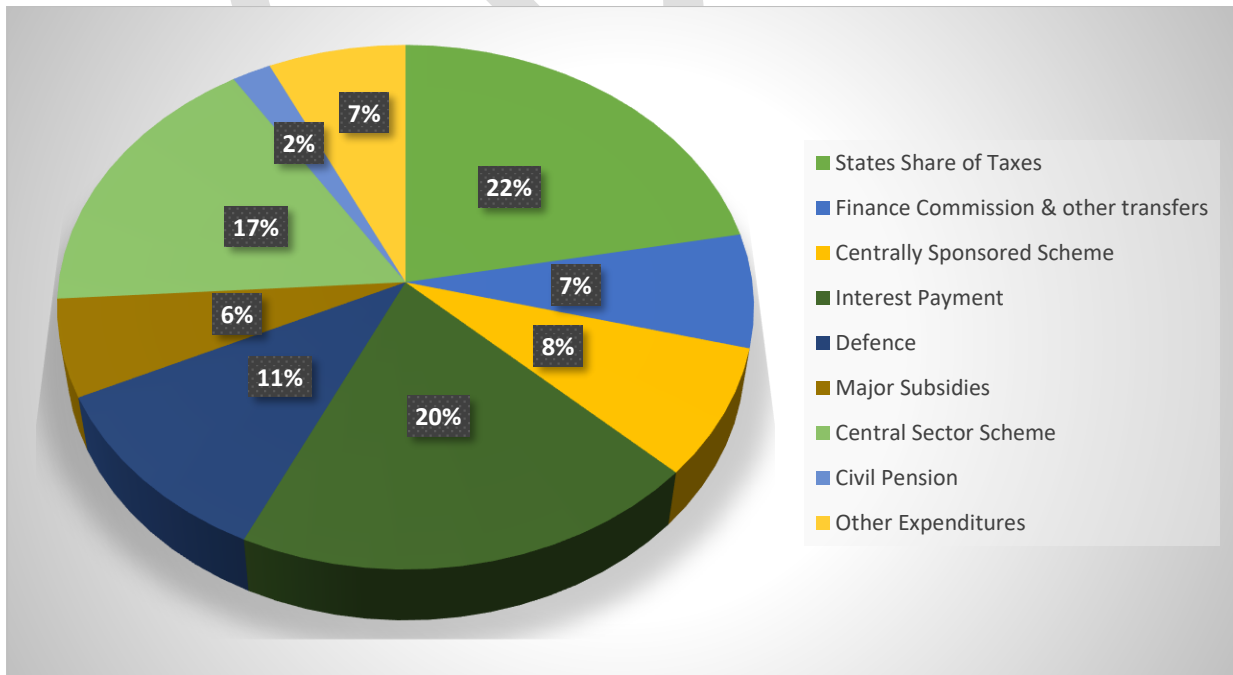
- Central Government will target reaching a debt-to-GDP ratio of 50±1 percent by FY 2030-31.
- The debt-to-GDP ratio is estimated to be 55.60% of GDP in Budgeted Estimate for FY 2026-27, compared to 56.10% of GDP in Revised Estimate for FY 2025-26.
- To finance the fiscal deficit, the net market borrowings from dated securities are estimated at Rs. 11.7 lakh crore. The balance financing is expected to come from small savings and other sources. The gross market borrowings are estimated at Rs. 17.2 lakh crore.



Rupees comes from:



Rupees goes to:



E. Direct Taxes:

Following are the insights on the changes introduced with respect to the earlier provisions: **Income Tax Act, 2025** to take effect from **1st April, 2026**, with redesigned forms to make compliance simpler for ordinary citizens.

1. Rationalisation of Other Direct Tax Provisions

Provision	Current provisions	New Provisions
Taxation of share buybacks	Buyback consideration taxed as dividend income in shareholders' hands	Buyback consideration to be taxed as capital gains
Buyback tax rate - promoters	No differential capital gains regime	Differential effective rates: 22% for promoters who are domestic companies, 30% for other promoters
Securities Transaction Tax (STT) - Futures	0.02%	Increased to 0.05%
STT - Options premium	0.10%	Increased to 0.15%
STT - Exercise of options	0.13%	Increased to 0.15%
Capital gains exemption - Sovereign Gold Bonds (SGBs)	Exemption available generally on redemption	Exemption available only if bonds are: i. subscribed by an individual at original issue, and ii. held till maturity
Uniformity across SGB issuances	Exemption applied issuance-wise	Exemption to apply uniformly across all RBI SGB issuances
Recognised Provident Funds - Schedule XI	Employer contribution limits based on parity, percentages, salary links and shareholder status	Limits and distinctions removed; alignment with EPF Act, 1952 and EPFO investment norms
Interest deduction against dividend / mutual fund income	Interest deduction allowed subject to specified ceiling	No interest deduction allowed against dividend or mutual fund income
Deemed income - transitional clarity	No explicit provision covering deductions allowed under repealed IT Act, 1961	Amounts earlier deducted or excluded will be considered as deemed

Provision	Current provisions	New Provisions
		income under IT Act, 2025, if taxable under IT Act, 1961
Tonnage tax scheme	Provisions not fully aligned with Inland Vessel Act, 2021	Provisions aligned with Inland Vessels Act, 2021
Disability pension - Armed Forces	Exemptions exist but lack comprehensive clarity	Full exemption for service and disability element where invalidated out due to service-related disability
Exclusion cases - disability pension	Ambiguity in cases of retirement	Exemption not applicable in cases of superannuation or non-disability retirement
Compulsory land acquisition (RFCTLARR Act)	Exemptions available but not explicitly comprehensive	Explicit exemption for individuals and HUFs for income from compulsory acquisition (except section 46 cases)
Advance Pricing Agreement - modified return	Modified return facility available only to entity entering APA	Facility extended to associated entities whose income changes due to APA

2. The following changes were made for rationalisation of tax collection at source (TCS) rates:

Nature of Receipt	Current TCS Rate	Proposed TCS Rate
Sale of alcoholic liquor for human consumption	1%	2%
Sale of tendu leaves	5%	2%
Sale of scrap	1%	2%
Sale of minerals (coal, lignite or iron ore)	1%	2%
Remittance under Liberalised Remittance Scheme (LRS) - education or medical treatment (amount exceeding Rs. 10 lakh)	5%	2%
Remittance under Liberalised Remittance Scheme (LRS) - purposes other than education or medical treatment	20%	20%
Sale of overseas tour programme package (including travel, hotel, boarding, lodging, etc.)	a. 5% of amount or aggregate of	2%

Nature of Receipt	Current TCS Rate	Proposed TCS Rate
	amounts up to Rs. 10 lakhs	
	b. 20% of amount or aggregate of above Rs. 10 lakhs	

3. Rationalisation of Corporate Tax Regime: The following are the provisions changed in the MAT and set off and brought forward of MAT credit

Provision	Current provisions	New Provisions
Nature	MAT is an advance/alternate tax with credit available for future set-off	MAT to become a final tax for companies shifting to the new regime
Rate	15%	Reduced to 14%
Availability of MAT credit on MAT paid after shift to new regime	MAT credit can generally be carried forward	No MAT credit allowed in future tax years for MAT paid after shifting to new regime
Set-off of brought forward MAT credit	MAT credit can be carried forward and set off as per existing limits	Restricted set-off under new regime
Eligibility for set-off of MAT credit prior to AY 2026-27	Available as per existing provisions	Set-off allowed only to domestic companies shifting to the new regime
Extent of MAT credit set-off (domestic companies)	Set-off allowed against normal tax as per existing limits	Set-off capped at 25% of tax liability under the new regime
Time limit for utilisation of brought forward MAT credit	Up to 15 years from the year credit first arose	Continues to be available only up to 15 years
MAT credit set-off for foreign companies	Set-off governed by existing MAT provisions	Set-off allowed only to the extent of difference between normal tax and MAT, and only in years where normal tax exceeds MAT

4. Following provisions were simplified for providing Ease of Living to the taxpayers:

Area	Current Provisions	Proposed Change
Interest on Motor Accident Claim Tribunal (MACT) compensation	Interest on compensation awarded by MACT is taxable; TDS may apply based on amount	Interest fully exempt in hands of individuals; no TDS, irrespective of amount
TDS on supply of manpower	Ambiguity whether treated as “work” or “professional services” leading to higher TDS	Supply of manpower included in “work” under section 402(47); TDS to apply as payment to contractors under section 393(1) [Table Sl. No. 6(i)/(ii)]
Certificate for lower / nil TDS	Manual or partly electronic process; time-consuming for small taxpayers	Fully online application, electronic verification, and online issuance of certificate
Declaration for no TDS on certain incomes	Separate declarations required to each payer (AMC, company, etc.); monthly reporting	Single declaration to depository for MF income, interest on securities, dividends; quarterly reporting by payer
Time limit for revised / belated return	Revised return allowed till 31 December following tax year (31 October for sec. 92E cases)	Time extended till 31 March following tax year; nominal fee of Rs. 1,000 (income ≤ Rs. 5 lakh) or Rs. 5,000 (> Rs. 5 lakh) if filed after 31 December
ITR due date - non-auditable business & trusts	Common due date of 31 July	Staggered due dates:
		<ul style="list-style-type: none"> • ITR-1 / ITR-2: 31 July • Non-audit business & trusts: 31 August

5. The following changes were made for rationalizing Penalty and Prosecution:

Sr. No.	Area	Current Provision	Proposed Change
1	Multiplicity of penalty proceedings	Assessment and penalty proceedings are separate; penalty initiated after assessment	Integrated assessment + penalty order through a single proceeding

Sr. No.	Area	Current Provision	Proposed Change
	Interest on penalty during appeal	Interest continues to accrue	Interest on penalty kept in abeyance during appeal before first appellate authority
2	Penalty for underreporting (mistake / oversight)	50% of tax on underreported income	Immunity available on payment of 100% of tax as additional income-tax
	Penalty for misreporting of income	200% of tax; limited immunity	Immunity extended on payment of 100% of tax, except for specified cases
	Misreporting - unexplained cash credit, investments, etc.	Severe penalty + prosecution	Settlement allowed on payment of 120% of tax; no immunity if prosecution initiated
3	Conversion of penalties into fees	Fixed penalties apply	Converted into fee per day, subject to maximum ceiling, for: <ul style="list-style-type: none"> • Failure to get accounts audited • Non-furnishing TP report • Failure to furnish SFT / reportable accounts
4	Decriminalisation of certain offences	Criminal prosecution applicable	Fully decriminalised: <ul style="list-style-type: none"> • Non-production of books • Failure to ensure TDS where payment is in kind
	Nature of imprisonment	Rigorous imprisonment prescribed	Only simple imprisonment
	Maximum punishment (general)	Up to 7 years	Reduced to 2 years (except repeated offences)
	Where max punishment was 2 years	Mandatory imprisonment	Reduced to 6 months or fine or both; no minimum jail
	Punishment framework	Fixed maximums + mandatory fine	Punishment to be proportionate to tax evaded; fine becomes optional

Sr. No.	Area	Current Provision	Proposed Change
	Minor offences	Criminal prosecution	Only monetary fine, no imprisonment
5	Special income taxed under section 195 (unexplained income, etc.)	Tax @ 60% + penalty @ 10% of tax	Tax rate reduced to 30%; penalty merged with 200% misreporting penalty
6	Search assessment - "other person"	Full block assessment even if income relates to one year	Block period restricted where undisclosed income relates to only one tax year
7	Time limit for search assessment (Section 296)	Limitation based on completion of search; 12 months	Limitation to run from date of initiation of search; period extended to 18 months for specified persons
8	Updated return - scope	Allowed up to 4 years, but not after reassessment starts	Updated return allowed even after reassessment initiation
	Additional tax on updated return	25% / 50% / 60% / 70% depending on year	Additional 10% over applicable rate where filed post reassessment initiation
	Updated return reducing loss	Not permitted	Permitted in case where the original return filed under section 263(1).
	Penalty on additional income declared	Penalty may apply	No penalty on income disclosed in updated return (if tax on the same paid in full)
9	Black Money Act - prosecution immunity	No prosecution relief even if no penalty	Prosecution immunity where non-immovable foreign assets < Rs. 20 lakhs (retrospective from 1.10.2024)
10	Crypto-asset reporting (Section 509)	No specific penalty	New penalty introduced: • Rs. 200 per day for non-furnishing statement

Sr. No.	Area	Current Provision	Proposed Change
			<ul style="list-style-type: none"> Rs. 50,000 for furnishing inaccurate info and failure to correct

6. The following are the changes for the Co-operatives

Tax deduction extended to primary cooperative societies supplying cattle feed and cotton seed produced by members.

Inter-cooperative dividend income allowed as deduction under the new tax regime if distributed to members.

Three-year exemption for dividend income of notified national cooperative federations received from a company, if passed on to member cooperatives. The deduction is limited to the dividend received on investments made till 31.1.2026

7. Following changes were made for attracting Global Business and Investment:

Provision	Current provisions	New Provisions
Tax treatment for foreign companies using Indian data centres	No specific long-term tax holiday for foreign companies procuring Indian data-centre services for global operations	Tax holiday up to 2047 for foreign companies providing services outside India using Indian data centres
Transfer pricing or margin certainty for Indian data centre service providers	No specific safe harbour prescribed	15% safe harbour margin for Indian entities providing data-centre services to related foreign cloud companies
Toll manufacturing - supply of capital goods for electronics	No specific exemption for foreign suppliers to toll manufacturers	Tax exemption for foreign companies supplying capital goods, equipment and tooling to toll manufacturers in bonded zones
Period of exemption for toll manufacturing	Not applicable	Five tax years beginning 1 April 2026
Taxation of global income of foreign experts in India	Long stay may trigger taxation of global income	Exemption of global income (except Indian-sourced income) for eligible foreign experts

Provision	Current provisions	New Provisions
Conditions for expert income exemption	No special carve-out	Expert must: (i) stay in India for up to 5 years, (ii) have been non-resident in prior 5 years, and (iii) work under a notified Government scheme
Deduction for exploration of critical minerals	Limited list of minerals eligible for deduction	Additional critical minerals to be included in Schedule XII, enabling deduction under section 51
Tax holiday period for IFSC units	Deduction available for 10 consecutive years out of 15 years	Deduction extended to 20 consecutive years out of 25 years
Tax holiday for Offshore Banking Units (OBUs) in IFSC	Limited deduction period	Deduction extended to 20 consecutive years
Tax rate after IFSC deduction period	Taxed at normal applicable corporate tax rate	Post-deduction IFSC income to be taxed at concessional 15% rate
Deemed dividend provisions for IFSC treasury centres	Deemed dividend provisions apply in general	Deemed dividend not applicable if parent/principal entity is listed abroad and group entities are in notified foreign jurisdictions

8. Tax Administration

- a. ICDS to be merged into IndAS from tax year 2027-28, removing separate accounting requirements.
- b. Definition of “accountant” under Safe Harbour Rules to be rationalised to support Indian firms globally.

9. Other changes in the nature of clarifications

Conflicting court rulings exist on timelines for assessments, TPO orders, DIN requirements, and reassessment notices. To ensure certainty, clarifications are proposed in the Income-tax Act, 1961 and the Income-tax Act, 2025.

Section amended	Nature of amendment	Key change / substance	Effective date
92CA	Insertion of sub-section (3AA)	Legislatively clarifies computation of 60-day limitation for TPO orders; overrides judicial rulings; validates past orders	Retrospective from 1-6-2007
140B	Insertion of sub-section (3A)	Updated return filed under Sec. 148 notice (within time): Additional tax payable increased by 10% of total tax + interest due.	01-04-2026
147A	New section inserted	Clarifies that reassessment powers under sections 148 & 148A vest in an AO other than NFAC; removes jurisdictional doubts	Retrospective from 1-4-2021
153B	Amendment	Draft assessment orders under section 144C can be issued any time up to limitation period	01-04-2026
220	Amendment	Interest on penalty under section 270A not chargeable till appeal disposal (CIT(A)/ITAT/DRP).	01-04-2026
234-I	New section inserted	Fee for delayed filing of revised return: <ul style="list-style-type: none"> • Rs. 5,000 if income > Rs. 5 lakh • Rs. 1,000 if income ≤ Rs. 5 lakh Applicable after 9 months from end of relevant previous year	01-04-2026
270A	Amendment	Penalty shall not be levied on any additional income offered in updated return if additional tax is paid in full.	01-04-2026

F. Indirect Taxes:

1. Legislative changes in custom laws

a. Following Amendment have been made in the Custom laws,1962:

Sr. No	Section	Amendment	Details
1	Section 1(2) & 2	Jurisdiction & Definitions	Extends the Act's jurisdiction beyond territorial waters for fishing activities and defines 'Indian-flagged fishing vessel'.
2	Section 28(6)	Penalty Classification	Provides that penalty paid under sub-section (5) shall be deemed a charge for non-payment of duty.
3	Section 28J(2)	Advance Ruling Validity	Extends the validity period of advance rulings from 3 years to 5 years.
4	Section 56A (New)	Fishing Activities	Fish caught in the EEZ or High Seas by Indian vessels is duty-free; landing at foreign ports is treated as export.
5	Section 67	Warehousing	Substitutes the section to remove the requirement for prior officer permission to move goods between bonded warehouses.
6	Section 84(b)	Cargo Custody	Enables the Board to make provisions for the custody of goods imported or exported under specific regulations.

*These changes shall come into effect from date of assent to the Finance Bill, 2026

b. Following Amendment have been made in the Customs Tariff Act, 1975:

Sr. No.	Provision	Amendment
1	First Schedule Amendments	Addition of 148 new tariff entries across various chapters (e.g., Chapter 03, 08, 12, 13, 20-22, 25, 26, 28, 29, 33, 39, 41, 47, 48, 73, 81, 84-86).
2	Tariff Entry Modification	Deletion or substitution of 54 tariff entries and amendment of specific entries in Chapter 29 and Chapter 85.

Sr. No.	Provision	Amendment
3	Rate Rationalization	Modification of tariff rates for certain items effective from February 2, 2026, and further rationalization for others starting April 1, 2026.
4	Simplification of Rates	Creation of new tariff lines to operationalize effective Basic Customs Duty (BCD) rates directly within the First Schedule, replacing many existing exemption notifications.
5	Policy-Driven Tariff Lines	Introduction of new lines for better monitoring of precursor chemicals, identification of coated pipes for export, tracking of plant-based extract products, and promoting eco-friendly industries.

c. Following Amendment have been made in the Rules and Regulations under Customs Act, 1962:

Sr. No.	Provision	Amendment	Details
1	Baggage Rules	New Rules Issued	Enhances duty-free allowances and clarifies rules for temporary carriage of goods.
2	Deferred Payment Rules	Payment Cycle Change	Shifts duty payment to a monthly cycle and creates a new class of eligible manufacturer-importers.
3	Courier Regulations	Removal of Value Cap	Completely eliminates the Rs. 10 lakh per consignment limit on courier exports.
4	Courier Regulations	Returns and Rejects	Relaxes procedures for handling returned goods using technology for better identification.
5	Courier Regulations	Terminal Efficiency	Introduces "Return to Origin" provisions to decongest courier terminals and improve flow.
6	Section 84(b)	Custody Provisions	Enables the Board to make regulations specifically for the custody of imported or exported goods.

2. Legislative changes in GST Laws:

Sr. No	Section	Amendment	Details	Effective Dates
1	Section 15(3) (CGST)	Post-sale Discounts	Removes the requirement of linking post-sale discounts with a specific prior agreement.	To be notified
2	Section 34 (CGST)	Credit Notes	Amended to include a reference to Section 15 regarding post-sale discounts.	To be notified
3	Section 54(6) (CGST)	Provisional Refunds	Extends provisional refund facilities to refunds arising from an inverted duty structure.	To be notified
4	Section 54(14) (CGST)	Refund Threshold	the threshold limit for sanctioning refund claims for goods exported with payment of tax has been removed.	To be notified
5	Section 101A (1A) inserted (CGST)	Tribunal Empowerment	The CG can empower an existing Tribunal to hear appeals until the constitution of the National Appellate Authority for GST.	April 1, 2026
6	Section 13(8)(b) (IGST)	Intermediary Services	Clause omitted so that the place of supply for intermediary services is determined by default provisions under Section 13(2).	To be notified

3. To promote domestic manufacturing, lower input costs, and enhance export competitiveness, the Basic Customs Duty on the following commodities has been reduced (with effect from 02.02.2026):

Sr. No.	Sector	Commodity	Old Rate	New Rate
1	Critical Minerals	Monazite	2.5%	Nil

Sr. No.	Sector	Commodity	Old Rate	New Rate
2	Renewable Energy	Sodium antimonate for solar glass manufacture	7.5%	Nil
3	Renewable Energy	Specified capital goods for Lithium-ion cells for Battery Energy Storage Systems	As applicable	Nil
4	Nuclear Energy	All goods for generation of nuclear power (Tariff 8401 30 00)	7.5%	Nil
5	Nuclear Energy	Control/Protector Absorber Rods for nuclear power (Tariff 8401 40 00)	7.5%	Nil
6	Nuclear Energy	Goods for setting up specified Nuclear Power Projects (registered by 30.09.2035)	As applicable	Nil
7	Electronics	Specified goods for use in the manufacture of Microwave Ovens	As applicable	Nil
8	Civil Aviation	Components/parts (including engines) for manufacture of aircraft	As applicable	Nil
9	Defence Sector	Raw materials for manufacture of aircraft parts by PSUs under Ministry of Defence	As applicable	Nil
10	Healthcare	17 new drugs/medicines (added to List 3 of Notification 45/2025)	5%/10%	Nil
11	Healthcare	Drugs, medicines, and FSMP for 7 rare diseases (Personal use)	As applicable	Nil
12	Personal Imports	All dutiable goods for personal use (effective 01.04.2026)	10%/20%	10%

4. Increase/Modification in Customs duty [with effect from 02.02.2026]

Sr. No.	Sector	Commodity	Old Rate	New Rate
1	Chemicals	Potassium hydroxide	Nil	7.5%

Sr. No.	Sector	Commodity	Old Rate	New Rate
2	Umbrellas	Umbrellas (other than garden umbrellas) covered under tariff items 6601 9100 and 6601 9900	20%	20% or Rs. 60 per piece, whichever is higher
3	Umbrellas	Parts, trimmings and accessories of articles of heading 6601 to 6602	10%	10% or Rs. 25 per kg, whichever is higher

5. the following lists the specific customs duty exemptions that are being removed/lapsed (with effect from 02.02.2026):

Sr. No.	S. No. of Table I in 45/2025-Customs	Sector	Commodity
1	1	Livestock/Zoo	Animals and birds imported by Zoo
2	113	Chemicals	Alpha pinene
3	123	Healthcare	Artificial plasma
4	128	Agriculture	Ammonium phosphate or ammonium nitro-phosphate, for use as manure or for the production of complex fertilisers
5	132	Agriculture	Potassium sulphate, containing not more than 52% by weight of potassium oxide
6	137	Diagnostics	Other diagnostic or laboratory reagents falling under tariff heading 3822 90 90
7	213	Metals	INVAR
8	258	Machinery	Coffee roasting, brewing or vending machines for use in the manufacture or processing of coffee
9	285	Electronics	Parts of radio trunking terminals
10	287	Education	CD-ROMS containing books of an educational nature, journals, periodicals (magazines) or newspapers
11	310	Transportation	Loco simulators

6. the following lists the specific customs duty exemptions that are being removed/lapsed (with effect from 01.04.2026):

Sr. No.	S. No. of notification No. 45/2025-Customs	Sector	Commodity
1	93	Agriculture	Naphtha, for use in the manufacture of fertilisers
2	95	Energy	LPG consumed in manufacture of polyisobutylene (DTA/SEZ transactions)
3	107	Electronics	Silicon for manufacture of un-diffused silicon wafers for solar cells
4	117	Healthcare	Maltol, for use in the manufacture of deferiprone
5	145	Healthcare	Specified goods in manufacture of Copper-T contraceptives
6	154	Electronics	EPDM Rubber for manufacture of insulated wires and cables
7	172	Textiles	Hydrophilic and hydrophobic non-woven fabrics for adult diapers
8	201	Metals	Spent catalyst or ash containing precious metals
9	218	Electronics	Metal parts for use in the manufacture of electrical insulators
10	219	Industrial	Pipes and tubes for use in manufacture of boilers
11	231	Energy	Permanent magnets for wind operated electricity generators
12	236	Automotive	Zeolite for use in the manufacture of wash coat for catalytic converters
13	243	Printing	High speed web offset printing machines and mail room equipment

Sr. No.	S. No. of notification No. 45/2025-Customs	Sector	Commodity
14	271	Banking	Cash dispenser or automatic banknote dispenser and its parts
15	275	Media	Television equipment and cameras imported by foreign film units
16	276	Media	Photographic/filming/sound recording of foreign origin re-imported
17	291	Electronics	Parts and components of digital still image video cameras
18	309	Education	Raw materials or parts for use in manufacture of e-Readers
19	370	Healthcare	X-Ray tubes used in manufacture of X-ray machines
20	372	Healthcare	Flat panel detector used in manufacture of X-Ray machines
21	397	Entertainment	Parts of video games for the manufacture of video games
22	1 (Table IV)	Media	Recorded motion pictures, music, or gaming software on media
23	113/2003-Cus	Agriculture	Castor oil cake manufactured by units in SEZ

7. The following measures have been proposed to boost export competitiveness and support Indian exporters:

Sr. No.	Measure	Details
1	Sea-food Processing (D.1)	The value limit of duty-free imports for specified goods used in processing sea-food has been increased from 1% to 3% of the FOB value of seafood products exported during the preceding financial year.

Sr. No.	Measure	Details
2	Export Timeframe (D.2)	The time period allowed for the export of textile/leather garments, leather/synthetic footwear, or other leather products manufactured from duty-free inputs is extended from 6 months to 12 months.
3	Shoe-Uppers (D.3)	Duty exemption benefits on inputs for the manufacture of leather/synthetic footwear for export are now extended to exporters of shoe-uppers as well.

8. The following changes to Central Excise Duty were proposed, specifically targeting green energy and tobacco products:

Sr. No.	Particulars	Amendment Details
1	Biogas/Compressed Biogas (CBG)	The value of Biogas or CBG contained in blended CNG (along with applicable GST paid on it) is now excluded from the transaction value for calculating Central Excise duty.
2	NCCD on Tobacco Products	The National Calamity Contingent Duty (NCCD) rates for tobacco products are being revised effective from May 1, 2026.

9. Amendment to Seventh Schedule to the Finance Act, 2001 to revise the National Calamity Contingent Duty (NCCD) Rate with effect from 01.05.2026 with no change in the effective duty rate***

Sr. No.	Commodity	Old NCCD Rate	New NCCD Rate
1	Chewing tobacco	25%	60%
2	Jarda scented tobacco	25%	60%
3	Other tobacco products	25%	60%

***effective duty rate will be maintained at 25% by notification

G. Conclusion

The Union Budget 2026 represents a bold, forward-looking vision that balances fiscal prudence with ambitious growth targets. Through the three kartavya framework, it addresses immediate economic needs while laying the foundation for India's transformation into a developed nation by 2047. The emphasis on youth empowerment, technological innovation, inclusive development, and sustainable growth positions India to navigate global uncertainties while achieving its economic aspirations.

With strategic investments exceeding Rs. 12 lakh Crore in capital expenditure, comprehensive tax reforms, sector-specific interventions across manufacturing, services, agriculture, and infrastructure, this budget demonstrates the government's commitment to transforming aspiration into achievement and potential into performance for every Indian citizen.

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