

Goods and Services Tax Act

(Based on the recommendation of GST Council)

BUDGET ANALYSIS 2026-27

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Sec No	Amendment Effective	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
15	From the date to be notified.	Value of taxable supply	(3) The value of the supply shall not include any discount which is given— (a) _____ (b) after the supply has been effected, if (i) such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and (ii) input tax credit as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply.	(b) after the supply has been effected, if for such discount, a credit note has been issued by the supplier and input tax credit as is attributable to such discount has been reversed by the recipient of the supply, in accordance with the provisions of section 34.	<p>The proposed substitution of section 15(3)(b) significantly liberalises the treatment of post-supply discounts under GST. By removing the rigid requirement that such discounts must be pre-agreed and invoice-linked, the amendment aligns the statutory provision with commercial realities, where discounts are often determined based on post-sale performance, targets, or market conditions.</p> <p>The proposed amendment to section 15(3)(b) is a clear legislative harmonization, by expressly linking valuation adjustment for post-supply discounts to section 34 compliance, the law now ensures that both provisions</p>

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Sec No	Amendment Effective	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
					operate in tandem rather than in isolation.
34	From the date to be notified.	Credit Note	34. Where one or more tax invoices have] been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year] containing such particulars as may be prescribed.	34. Where one or more tax invoices have] been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient <u>or where a discount referred to in clause (b) of sub-section (3) of section 15 is given,</u> the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year] containing such particulars as may be prescribed.	Earlier, while section 15 permitted reduction in taxable value for post-supply discounts, section 34 did not explicitly acknowledge such discounts, resulting in uncertainty regarding the legitimacy of credit notes issued for this purpose. Post-amendment, the law establishes a unified framework where post-supply discounts, credit note issuance, ITC reversal, and taxable value adjustment are seamlessly integrated.

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Sec No	Amendment Effective	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
Section 54 (6)	From the date to be notified.	Refund	(6) Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety per cent of the total amount so claimed, 5c[***] in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.	(6) Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both <u>or of unutilised input tax credit allowed under clause (ii) of the first proviso to sub-section (3) made by registered persons,</u> other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety per cent of the total amount so claimed, 5c[***] in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.	Provisional refund of 90% shall be available in cases of zero-rated supply of goods or services or both, and refund of unutilised input tax credit allowed under section 54(3)(ii), subject to prescribed conditions.

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Sec No	Amendment Effective	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
Section 54 (14)	From the date to be notified.	Refund	(14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if the amount is less than one thousand rupees.	(14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6), other than cases where refund of tax is claimed on account of goods exported out of India with payment of tax, shall be paid to an applicant, if the amount is less than one thousand rupees.	The proposed amendment to section 54(14) introduces a targeted carve-out from the minimum refund threshold of ₹1,000 in cases where refund of tax is claimed on account of export of goods out of India with payment of tax. By exempting IGST-paid export refunds from the monetary threshold, the legislature seeks to ensure that exporters are not denied legitimate refunds merely on account of the quantum involved. This change is particularly relevant for exporters of low-value or high-frequency consignments, where refund amounts may individually fall below the prescribed limit.
101A	From the date to be notified.	Constitution of National Appellate Authority for Advance Ruling	NA	“(1A) Notwithstanding anything contained in sub-section (1), till the National Appellate Authority is constituted under that sub-section, the Government, may on the	The NAAR (an appeal can be made before the NAAR in cases of conflicting advance rulings issued by Appellate Authorities of different States or Union Territories) has not yet been constituted,

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Sec No	Amendment Effective	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
				<p>recommendations of the Council, by notification, empower any existing Authority constituted under any law for the time being in force to hear appeals made under section 101B and in such case:</p> <p>(a) the provisions of sub-sections (2) to (13) shall not apply; and</p> <p>(b) any reference to the National Appellate Authority under this Chapter shall be construed as a reference to such Authority.</p> <p>Explanation.— For the purposes of this sub-section, the expression “existing Authority” shall include a Tribunal.”.</p>	<p>rendering the appellate remedy under section 101B practically inoperative.</p> <p>The proposed sub-section (1A) provides that until the NAAR is constituted:</p> <p>The Government may, on the recommendation of the Council, empower any existing Authority (including a Tribunal) to hear appeals under section 101B.</p>
Section 13	From the date to be notified.	Place of Supply in case of Intermediary Services.	Place of supply is location of the service provider	Proposed to be omitted and default clause of Section 13 (2), i.e. place of supply will be location of service recipient.	<p>Intermediary services are removed from section 13(8).</p> <p>Consequently, place of supply for intermediary services will no longer be deemed as the location of the supplier under section 13(8).</p>

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					<p>Such services will now be governed by the general rule under section 13(2), i.e.:</p> <p>Place of supply shall be the location of the recipient of services.</p> <p>Indian intermediary service providers supplying services to overseas recipients will no longer be liable to GST, while intermediary services received by Indian recipients from foreign suppliers will become taxable under reverse charge.</p> <p>However, now the intermediary appointed outside either for sourcing in India or providing services from outside India will be subjected to tax under reverse charge mechanism.</p>

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CUSTOMS ACT, 1962

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CUSTOMS ACT 1962:

Section	Existing	Amendment / New Clause	Bizsol Analysis
1	(2) It extends to the whole of India and, save as otherwise provided in this Act, it applies also to any offence or contravention thereunder committed outside India by any person.	(2) It extends to the whole of India, <i>fishing and fishing related activities by Indian-flagged fishing vessels beyond territorial waters of India</i> and, save as otherwise provided in this Act, it applies also to any offence or contravention thereunder committed outside India by any person.	The Scope has expanded to include fishing and fishing-related activities by Indian-flagged fishing vessels beyond India's territorial waters. This brings deep-sea fishing operations within Indian customs jurisdiction, ensuring regulatory oversight, traceability and compliance for offshore fishing. It strengthens monitoring of marine exports and prevents regulatory gaps, thereby improving export governance and sector discipline
2(28A)		(28A) "Indian-flagged fishing vessel" means a vessel which is used or intended to be used for the purpose of fishing in the seas and entitled to fly the flag of India	New clause 28A has been inserted and previous clause 28A has been renumbered to 28B. Since, fishing and fishing-related activities has been included in the scope of customs act, there was a need to define Indian flagged fishing vessels.
28	(6)(i) that the duty with interest and penalty has been paid in full, then, the proceedings in respect of such person or other persons to whom the notice is served under sub-section (1) or sub-section (4), shall, without prejudice to the provisions	(6)(i) that the duty with interest and penalty has been paid in full, then, the proceedings in respect of such person or other persons to whom the notice is served under sub-section (1) or sub-section (4), shall, without prejudice to the	Even if the payment of duty, interest and penalty is paid, action against importer / exporter still can be initiated under sections 135, 135A and 140 for the specific action as mentioned in the aforesaid sections. Therefore, for the

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Section	Existing	Amendment / New Clause	Bizsol Analysis
	of sections 135, 135A and 140 be deemed to be conclusive as to the matters stated therein; or	provisions of sections 135, 135A and 140 be deemed to be conclusive as to the matters stated therein and penalty so paid under sub-section (5), on determination under this sub-section, shall also be deemed to be a charge for non-payment of duty.	purpose of clarity it is considered as deemed non-payment of duty.
28J	(2) The advance ruling referred to in sub-section (1) shall remain valid for three years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier: Provided that in respect of any advance ruling in force on the date on which the Finance Bill, 2022 receives the assent of the President, the said period of three years shall be reckoned from the date on which the said Finance Bill receives the assent of the President	(2) The advance ruling referred to in sub-section (1) shall remain valid for five years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier: <i>Provided that in respect of any advance ruling in force on the date on which the Finance Bill, 2026 receives the assent of the President, the Authority shall, upon a request by the applicant, extend the validity for five years from the date of the ruling</i>	Enhances tax certainty, predictability, and planning efficiency. This supports long-term commercial contracts, pricing strategies, and risk management, while reducing repeat litigation and compliance burden.
56A		56A. Special provision for fishing and fishing related activities. <i>(1) Notwithstanding anything contained in this Act or in any other law for the time being in force, fish harvested by an Indian-flagged fishing vessel beyond territorial waters of India,—</i> <i>(a) may be brought into India free of duty;</i>	Insertion of new clause in line with extending the scope of Customs Act w.r.t. fishing and fishing-related activities. Duty-free import of fish harvested beyond territorial waters and export treatment for fish landed abroad.

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Section	Existing	Amendment / New Clause	Bizsol Analysis
		<p><i>(b) that has landed at foreign port may be treated as export of goods, in such manner and subject to such conditions as may be provided by rules.</i></p> <p><i>(2) The Board may make regulations providing for the form and manner of making an entry in respect of fish harvested including its declaration, custody, examination, assessment of duty, clearance, transit or transshipment.</i></p>	<p>A transformational reform for the marine export sector, boosting cost competitiveness, export volumes and global integration. Encourages deep-sea fishing investments, fleet modernization and strengthens India's marine export ecosystem.</p>
67	<p>Removal of goods from one warehouse to another.</p> <p>The owner of any warehoused goods may, with the permission of the proper officer, remove them from one warehouse to another, subject to such conditions as may be prescribed for the due arrival of the warehoused goods at the warehouse to which removal is permitted.</p>	<p>Removal of goods from one warehouse to another.</p> <p><i>The owner of any warehoused goods may remove them from one warehouse to another, subject to such conditions as may be prescribed.</i></p>	<p>It is welcome measure with the focus of ease of doing business and there is no requirement of any prior permission of Custom Officer for removal of goods from one warehouse to another warehouse.</p> <p>Major trade facilitation and ease-of-doing-business measure, enabling faster logistics movement, reduced compliance burden, lower costs and enhanced supply chain efficiency.</p>
84	<p>The Board may make regulations providing for</p> <p>(a) the form and manner in which an entry may be made in respect of goods imported or to be exported by post or courier;</p>	<p>The Board may make regulations providing for</p> <p>(a) the form and manner in which an entry may be made in respect of goods</p>	<p>Explicit inclusion of custody in regulatory framework.</p> <p>It thereby strengthens accountability of courier operators, improves cargo security and reduces disputes related to</p>

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Section	Existing	Amendment / New Clause	Bizsol Analysis
	<p>(b) the examination, assessment to duty, and clearance of goods imported or to be exported by post or courier;</p> <p>(c) the transit or transshipment of goods imported by post or courier, from one customs station to another or to a place outside India.</p>	<p>imported or to be exported by post or courier;</p> <p>(b) the custody, examination, assessment to duty, and clearance of goods imported or to be exported by post or courier;</p> <p>(c) the transit or transshipment of goods imported by post or courier, from one customs station to another or to a place outside India.</p>	<p>loss, pilferage and liability, though increasing compliance responsibilities.</p>

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**CUSTOMS NOTIFICATIONS
(NON-TARIFF)**

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CUSTOMS NOTIFICATIONS (NON-TARIFF) :

Notification No.	Existing	Amendment	Bizsol Analysis
12/2026-Customs (N.T.) dtd 1 st Feb 2026 (W.e.f. 1 st Feb 2026)	135/2016-Customs (N.T.), dated the 2 nd November, 2016,	Sr No iii : Eligible Manufacturer Importer . Explanation has been inserted in Sr No iii in Eligible Manufacturer Importer means Manufacturer Importer	Manufacturer importer having acquired AEO-2 and AEO-3 Certification can utilize deferred payment of import duty up to the 31st March, 2028.
13/2026-Customs (N.T.) dtd 1 st Feb 2026 (W.e.f. 1 st March 2026)	Rule 1[4]. Payment of Duty- The eligible importer shall pay the duty by the dates specified here under inclusive of the period (excluding holidays) as mentioned in sub-section (2) of section 47 of the Act, namely:- (a) for goods corresponding to Bill of Entry returned for payment from 1st day to 15th day of any month, the duty shall be paid by the 16th day of that month; (b) for goods corresponding to Bill of Entry returned for payment from 16th day till the last day of any month other than March, the	Rule 1[4]. Payment of Duty- The eligible importer shall pay the duty by the dates specified here under inclusive of the period (excluding holidays) as mentioned in sub-section (2) of section 47 of the Act, namely:- (a) for goods corresponding to Bill of Entry returned for payment from 1st day to the last day of any month other than March, the duty shall be paid by the 1st day of the following month;	Deferred Payment Scheme has been extended from 15 days to 30 days. Big Relief to the eligible importer.

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Notification No.	Existing	Amendment	Bizsol Analysis
	<p>duty shall be paid by the 1st day of the following month; and</p> <p>(c) for goods corresponding to Bill of Entry returned for payment from 16th day till the 31st day of March, the duty shall be paid by the 31st March.</p> <p>Provided that, where the Central Government considers it necessary and expedient, it may, under exceptional circumstances, and for reasons to be recorded in writing, allow payment to be made on a different due date.</p>	<p>(b) for goods corresponding to Bill of Entry returned for payment from 1st day to 31st day of March, the duty shall be paid by 31st March.</p>	
<p>14/2026-Customs (N.T.) dtd 1st Feb 2026 (W.e.f. 2nd Feb 2026)</p>	<p>Baggage Rules, 2016</p>	<p>Baggage Rules, 2026</p>	<p>Baggage Rules 2016 has been replaced with Baggage Rules 2026.</p> <p>This is mainly to rationalize the baggage provisions and addressing passenger related concerns at airports and resolution of interpretational issues; provide clarity in temporarily carriage of goods brought in or taken out to avoid unnecessary detention of goods, and restructure Transfer of Residence benefits for Indian residents and foreign professionals based on duration of stay. These changes shall</p>

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Notification No.	Existing	Amendment	Bizsol Analysis
			<p>come into effect from midnight of 02.02.2026.</p> <p>This is also the facilitation of ease of doing business and also inviting foreign guest and NRI for developing tourism in India.</p>
15/2026-Customs (N.T.) dtd 1 st Feb 2026 (W.e.f. 2 nd Feb 2026)	<p>The Passenger's Baggage (Levy of Fees) Regulations, 1966,</p> <p>The Baggage (Transit to Customs Stations) Regulations, 1967</p> <p>The Customs Baggage Declaration Regulations, 2013</p>	<p>Customs Baggage (Declaration and Processing) Regulations, 2026</p>	<p>New one regulations has been made as against three regulations.</p> <p>The Customs Baggage Declaration Regulations, 2013, the Baggage (Transit to Customs Stations) Regulations, 1967 and the Passenger's Baggage (Levy of Fees) Regulations, 1966 are being superseded by the Customs Baggage (Declaration and Processing) Regulations, 2026 to consolidate all baggage-related procedural provisions into a single, comprehensive and facilitative framework.</p> <p>CBIC will issue consolidated clarificatory circular which will simplify the procedure and bring the clarity.</p> <p>This is also the facilitation of ease of doing business and also inviting foreign guest and NRI for developing tourism in India.</p>

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CENTRAL EXCISE CHANGES

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1. NCCD Rate Changes - TOBACCO PRODUCTS

Notification No. 01/2026-CE dated 01.02.2026 & Finance Bill 2026 (Clause 142)

(National Calamity Contingent Duty - NCCD)

A.	Change in Tariff rate		NCCD Scheduled Rate		Effective Date
S. No.	Tariff item	Commodity	From	To	
1	2403 99 10	Chewing tobacco	25%	60%	01.05.2026
2	2403 99 30	Jarda scented tobacco	25%	60%	01.05.2026
3	2403 99 90	Other (including gutkha)	25%	60%	01.05.2026

Bizsol Comments:

While the Schedule rate is being increased from 25% to 60%, the **EFFECTIVE RATE WILL REMAIN AT 25%** through an exemption notification (Notification 01/2026-CE). This means there is **NO ACTUAL CHANGE** in the duty burden for tobacco products.

Effective Rate (After Exemption Notification):

Tariff Item	Commodity	Effective Rate From	Effective Rate To	Effective Date
All three items	All tobacco products	25%	25% (No Change)	01.05.2026

This is a technical amendment to revise the Schedule rate with simultaneous exemption notification to maintain the effective rate. No price impact expected.

2. CNG BLENDED WITH BIOGAS/CBG - New Concessional Entry

[Notification No. 02/2026-CE dated 01.02.2026]

(Amendment to Notification No. 11/2017-CE dated 30.06.2017)

S.No.	Tariff Item	Commodity	Rate From	Rate To	Effective Date
4	2711 21 00	CNG blended with Biogas or Compressed Biogas (CBG)	Not applicable earlier (NEW ENTRY)	14% on CNG component only	02.02.2026

Bizsol Comments:

- Excise duty of 14% applies ONLY on the CNG portion of the blend
- The value of Biogas or CBG contained in the blend is EXCLUDED from excise duty calculation
- GST already paid on the Biogas/CBG component is also excluded from the excise duty base
- This promotes green energy by providing excise benefit for biogas blending

3. UNBLENDED DIESEL - Deferment of Higher Excise Duty

[Notification No. 02/2026-CE dated 01.02.2026]

S.No.	Tariff Item	Commodity	Previous Implementation Date	Deferred Implementation Date	Effective Date
5	2710 19 44, 2710 19 49	Unblended Diesel (Additional duty of Rs. 2 per litre)	Implementation was scheduled for 01.04.2026	Now deferred till 31.03.2028	02.02.2026

Bizsol Comments: The additional excise duty of Rs. 2 per litre on unblended diesel (diesel not blended with biodiesel) has been deferred by 2 years till 31.03.2028. This provides relief to diesel users and time for biodiesel blending infrastructure.

4. RESCISSION OF NOTIFICATION 05/2023-CE dated 01.02.2023

[Notification No. 03/2026-CE dated 01.02.2026]

Notification No. 05/2023-CE dated 01.02.2023, which provided exemption from central excise duty on the GST amount paid on Biogas/CBG contained in blended CNG, has been RESCINDED with effect from 02.02.2026.

Bizsol Comments: The earlier notification 05/2023-CE only exempted the GST component paid on Biogas/CBG from excise calculation. The new notification 02/2026-CE dated 01.02.2026 now provides a more comprehensive benefit by exempting both the VALUE of Biogas/CBG AND the GST paid on it. Hence, the older limited notification has been withdrawn.

This is actually BENEFICIAL for CNG-Biogas/CBG blenders as the new notification provides wider exemption than the rescinded one.

CUSTOMS TARIFF CHANGES

CUSTOMS TARIFF CHANGES:

A. Amendments to the First Schedule to the Customs Tariff Act, 1975

A. Modification in Tariff rate (to be effective from 02.02.2026)			Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)
1.	6601 91 00, 6601 99 00	Umbrellas (other than garden umbrellas)	20%	20% or Rs. 60 per piece, whichever is higher
2.	6603 20 00, 6603 90 10, 6603 90 90	Parts, trimmings and accessories of articles of heading 6601 to 6602	10%	10% or Rs. 25 per kg., whichever is higher
B. Decrease in Tariff rate (to be effective from 01.04.2026) [Clause 136(b) of the Finance Bill, 2026]			Rate of Basic Customs Duty	
1.	9804	All dutiable goods, imported for personal use	20%	10%
C. Tariff rate changes (without any change in effective rate of duty) [to be effective from 01.05.2026, unless otherwise specified]			Rate of Duty	
S. No.	Heading, sub-heading tariff item	Commodity	From	To
(1)	(2)	(3)	(4)	(5)
1.	0207 25 00, 0207 27 00	Meat and edible offal of turkeys, frozen	30%	5%
2.	0306 36 60	Artemia	5%	Nil
3.	0511 91 40	Artemia cysts	5%	Nil
S. No.	Heading, sub-heading tariff item	Commodity	From	To

A. Modification in Tariff rate (to be effective from 02.02.2026)			Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)
(1)	(2)	(3)	(4)	(5)
4.	0802 11 00	Almonds, in shell	Rs.42 per kg	Rs.35 per kg
5.	0802 12 00	Almonds, shelled	Rs.120 per kg	Rs. 100 per kg
6.	0802 31 00	Walnuts, in shell	120%	100%
7.	1209 (other than those falling under sub headings 1209 91 and 1209 99)	Seeds, fruit and spores, of a kind used for sowing	30%	15%
8.	1505	Wool grease and fatty substances derived therefrom (including lanolin)	30%	15%
9.	2008 19 21, 2008 19 22, 2008 19 29, 2008 19 91	Makhana, other roasted nuts and seeds	150%	30%
10.	2008 19 92	Other nuts, otherwise prepared or preserved	150%	30%
11.	2309 90 31	Prawn and shrimps feed	15%	5%
12.	2504	Natural graphite	5%	2.5%
13.	2505	Natural sands of all kinds, whether or not coloured, other than metal bearing sands of chapter 26 of the	5%	Nil

A.		Modification in Tariff rate (to be effective from 02.02.2026)		Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)	
		Customs Tariff Act, 1975			
S. No.	Heading, sub-heading tariff item	Commodity	From	To	
(1)	(2)	(3)	(4)	(5)	
14.	2506	Quartz (other than natural sands); quartzite, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape	5%	2.5%	
15.	2530 90 91	Strontium sulphate (natural ore)	5%	Nil	
16.	2701, 2702, 2703	Coal; briquettes, ovoids and similar solid fuels manufactured from coal; Lignite, whether or not agglomerated, excluding jet; Peat (including peat litter), whether or not agglomerated	5%	2.5%	
17.	2709 00 10	Petroleum crude	5%	Re 1 per tonne	
18.	2804 50 20	Tellurium	5%	Nil	
19.	2804 61 00	Silicon, containing by weight not less than 99.99% of silicon	5%	Nil	
20.	2804 69 00	Silicon, other	5%	Nil	
21.	2804 90 00	Selenium	5%	Nil	

A.	Modification in Tariff rate (to be effective from 02.02.2026)		Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)
22.	2805 30 00	Rare-earth metals, scandium and yttrium, whether or not intermixed or inter alloyed	5%	Nil
23.	2809 20 10	Phosphoric Acid	7.5%	5%
24.	2811 22 00	Silicon dioxide	7.5%	2.5%
25.	2816 40 00	Oxides, hydroxides and peroxides, of strontium or barium	7.5%	Nil
S. No.	Heading, sub-heading tariff item	Commodity	From	To
(1)	(2)	(3)	(4)	(5)
26.	2822 00 10	Cobalt oxides	7.5%	Nil
27.	2822 00 20	Cobalt hydroxides	7.5%	Nil
28.	2822 00 30	Commercial cobalt oxides	7.5%	Nil
29.	2825 20 00	Lithium oxide and hydroxide	7.5%	Nil
30.	2825 30	Vanadium oxides and hydroxides	7.5%	Nil
31.	2825 60 10	Germanium oxides	7.5%	Nil
32.	2825 70	Molybdenum oxides and hydroxides	7.5%	Nil
33.	2825 80 00	Antimony Oxides	7.5%	Nil
34.	2825 90 20	Cadmium oxide	7.5%	Nil
35.	2827 35 00	Chlorides of Nickel	7.5%	Nil
36.	2827 39 30	Strontium chloride	7.5%	Nil
37.	2833 24 00	Sulphates of Nickel	7.5%	Nil
38.	2834 21 00	Nitrates of potassium	7.5%	Nil
39.	2836 91 00	Lithium carbonates	7.5%	Nil

A.		Modification in Tariff rate (to be effective from 02.02.2026)		Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)	
40.	2836 92 00	Strontium carbonate	7.5%	Nil	
41.	2910 20 00	Methyloxirane (propylene oxide)	5%	2.5%	
S. No.	Heading, sub-heading tariff item	Commodity	From	To	
(1)	(2)	(3)	(4)	(5)	
42.	2918 15 30	Bismuth citrate	7.5%	Nil	
43.	3102 30 00	Ammonium nitrate, whether or not in aqueous solution	10%	5%	
44.	3801	Artificial Graphite; colloidal or semi-colloidal graphite ; preparations based on graphite or other carbon in form of pastes, blocks, plates or other semi-manufactures	7.5%	2.5%	
45.	3808 93 30	Gibberellic acid	10%	5%	
46.	3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms	10%	7.5%	
47.	4906	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic	10%	Nil	

A.		Modification in Tariff rate (to be effective from 02.02.2026)		Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)	
		reproductions on sensitised paper and carbon copies of the foregoing			
48.	5201 00 25	Other cotton of staple length exceeding 32.0 mm	5%	Nil	
49.	7202 60 00	Ferro-nickel	2.5%	Nil	
50.	7402 00 10	Blister copper	5%	Nil	
51.	7802	Lead waste and scrap	5%	Nil	
52.	7902	Zinc waste and scrap	5%	Nil	
S. No.	Heading, sub-heading tariff item	Commodity	From	To	
(1)	(2)	(3)	(4)	(5)	
53.	8105 20 30	Cobalt powders	5%	Nil	
54.	8419 89 12, 8419 89 13, 8419 89 14, 8419 89 15, 8419 89 16, 8419 89 17, 8419 89 19	Reactors, columns or towers or chemical storage tanks	10%	7.5%	
NEW TARIFF LINES HAVE BEEN CREATED					
S. No.	Chapter/ heading/sub-heading/tariff item mentioned in notification	Commodity	New tariff item being created w.e.f. 01.05.2026	Rate of duty	

A.		Modification in Tariff rate (to be effective from 02.02.2026)		Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)	
(1)	(2)	(3)	(4)	(5)	
55.	0306 19 00	Krill, frozen	0306 19 10	15%	
56.	0802 99 00	Pecan Nuts	0802 99 10	30%	
57.	0810 40 00	Cranberries, fresh	0810 40 10	10%	
58.	0810 40 00	Blueberries, fresh	0810 40 20	10%	
59.	0811 90	Cranberries, frozen	0811 90 11 0811 90 91	10%	
60.	0811 90	Blueberries, frozen	0811 90 12 0811 90 92	10%	
61.	0813 40 90	Cranberries, dried	0813 40 30	10%	
62.	0813 40 90	Blueberries, dried	0813 40 40	10%	
S. No.	Chapter/ heading/sub-heading/tariff item mentioned in notification	Commodity	New tariff item being created w.e.f. 01.05.2026	Rate of duty	
(1)	(2)	(3)	(4)	(5)	
63.	1207 99 90	Shea Nuts	1207 99 50	15%	
64.	2008 93 00	Cranberries, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	2008 93 10	5%	

A.	Modification in Tariff rate (to be effective from 02.02.2026)		Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)
65.	2008 99	Blueberries, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	2008 99 15	10%
66.	2106 90	Other than compound alcoholic preparations of a kind used for manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% vol., determined at 20 degrees centigrade	2106 90 <i>(other than 2106 90 51)</i>	50%
67.	2202 99	Cranberry products	2202 99 21, 2202 99 31, 2202 99 91	10%
68.	2529 22 00	Acid grade fluorspar containing by weight more than 97% of calcium fluoride	2529 22 10	2.5%
69.	2615 90	Hafnium ores and concentrates	2615 10 10	Nil
70.	2841	Ammonium metavanadate	2841 90 10	2.5%
S. No.	Chapter/ heading/sub-heading/tariff item mentioned in	Commodity	New tariff item being created	Rate of duty

A.		Modification in Tariff rate (to be effective from 02.02.2026)		Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)	
	notification		w.e.f. 01.05.2026		
(1)	(2)	(3)	(4)	(5)	
71.	29	Gibberellic acid	2932 20 40	5%	
72.	29	Triethyl orthoformate	2915 90 96	5%	
73.	29	Diethyl malonate	2917 19 22	5%	
74.	29	DL-2 Aminobutanol	2922 19 30	5%	
75.	29	Aceto butyrolactone	2932 20 50	5%	
76.	29	Artemisinin	2932 99 30	5%	
77.	29	Thymidine	2934 99 50	5%	
78.	3302 10	Mixtures of odoriferous substances of a kind used in food or drink industries other than compound alcoholic preparations of a kind used for manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% vol., determined at 20 degrees centigrade	3302 10 19, 3302 10 99	10%	
79.	4104 11 00, 4104 19 00, 4105 10 00, 4106 21 00, 4106 31 00, 4106 91 00	Wet blue leather (hides and skin)	4104 11 10, 4104 19 10, 4105 10 10, 4106 21 10, 4106 31 10, 4106 91 10	Nil	

A.		Modification in Tariff rate (to be effective from 02.02.2026)		Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)	
S. No.	Chapter/ heading/sub-heading/tariff item mentioned in notification	Commodity	New tariff item being created w.e.f. 01.05.2026	Rate of duty	
(1)	(2)	(3)	(4)	(5)	
80.	4702	Rayon grade wood pulp	4702 00 10	2.5%	
81.	4823 90 90	All goods other than kites	4823 90 90 <i>(kites fall under new tariff item 4823 90 40)</i>	10%	
82.	8101 99 90	Tungsten (wolfram) bars and rods, other than those obtained simply by sintering, profiles, plates, sheets, strip and foil	8101 99 20	5%	
83.	8415 90 00	All goods other than indoor or outdoor units of split-system air conditioner	8415 90 90	10%	
84.	8421 99 00	All goods other than Reverse Osmosis (RO) membrane element for household type filters	8421 99 90	7.5%	
85.	8507 90	Battery separators	8507 90 20	5%	
86.	8529 10 99, 8529 90 90	Parts suitable for use solely or principally with the apparatus of headings 8525, 8526 or 8527	8529 10 93, 8529 90 30	10%	
87.	8609 00 00	Refrigerated containers	8609 00 10	5%	

B. OTHER PROPOSALS INVOLVING CHANGES IN BASIC CUSTOMS DUTY RATES IN NOTIFICATIONS:

Changes in Basic Customs Duty (to be effective from 02.02.2026)			Rates of Duty	
Sl. No.	Chapter, Heading, sub-heading, tariff item	Commodity	From	To
1.	2612 20 00	Monazite [<i>vide insertion of S. No. 84A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025</i>]	2.5%	Nil
2.	2841 90 00	Sodium antimonate for use in manufacture of solar glass [<i>vide insertion of S. No. 110A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025</i>]	7.5%	Nil
3.	2815 20 00	Potassium hydroxide [<i>vide omission of S.No. 21 in notification No. 36/2024-Customs dated 23.07.2024</i>]	Nil	7.5%
4.	8401 30 00	All goods for generation of nuclear power [<i>vide insertion of S.No. 227A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025</i>]	7.5%	Nil
5.	8401 40 00	Control and Protector Absorber Rods, and Burnable Absorber Rods, for generation of nuclear power [<i>vide insertion of S.No. 227B in TABLE I of notification No. 45/2025-Customs dated 24.10.2025</i>]	7.5%	Nil
6.	8501 10 20, 8504 31 00, 8516 80 00, 8516 90 00	Specified goods for use in the manufacture of Microwave Ovens falling under tariff item 8516 50 00 [<i>vide insertion of S.No. 278A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025</i>]	As applicable	Nil

C. OTHER CHANGES PROPOSED IN THE CUSTOM NOTIFICATIONS:

Sl. No.	S. No. of notification No. 25/2002- Customs*	Description
1	Amendment to S. No. 69A	Extension of BCD exemption on capital goods used in manufacture of Lithium-Ion Cells to also cover batteries for stationary energy storage applications, i.e., Battery Energy Storage Systems (BESS). Earlier exemption was restricted to batteries for Electrically Operated Vehicles (EOVs) only. Parent Notification: Notification No. 25/2002-Customs dated 01.03.2002 Effective date: 02.02.2026
Sl. No.	S. No. of notification No. 45/2025- Customs*	Description
1	New insertion (corresponding to S. No. 334A)	BCD exemption on raw materials for manufacture of aircraft parts meant for maintenance, repair or overhaul (MRO) of aircraft or aircraft components, including engines, when imported by PSUs under Ministry of Defence. Conditions: <ul style="list-style-type: none"> • Compliance with Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022 (IGCR Rules) • End-use certificate from officer not below Joint Secretary, Ministry of Defence Parent Notification: Notification No. 45/2025-Customs dated 24.10.2025 Effective date: 02.02.2026
2	New insertion (corresponding to S. No. 335A)	BCD exemption on components or parts of aircraft (including engines) imported for manufacture of aircraft and aircraft parts. Condition: Mandatory compliance with IGCR Rules, 2022. Parent Notification: Notification No. 45/2025-Customs dated 24.10.2025 Effective date: 02.02.2026
3	Modification of S. No. 66 (Table II)	Expansion of BCD exemption for goods required for setting up Nuclear Power Projects, removing the earlier capacity-based restriction. Certification: Officer not below Joint

Sl. No.	S. No. of notification No. 25/2002-Customs*	Description
		Secretary, Department of Atomic Energy. Validity extended: from 30.09.2027 to 30.09.2035. Contract eligibility: All contracts registered with Customs Houses on or before 30.09.2035. Parent Notification: Notification No. 45/2025-Customs Effective date: 02.02.2026
4	Amendment to List 3 (Table I)	Inclusion of 17 additional drugs / medicines in List 3 for extension of Basic Customs Duty exemption. Parent Notification: Notification No. 45/2025-Customs dated 24.10.2025 Effective date: 02.02.2026
5	Amendment to List 22 (Table I)	Inclusion of 7 rare diseases as per National Policy for Rare Diseases (NPRD), 2021, for granting customs duty exemption on drugs, medicines and food for special medical purposes, when imported for personal use. Parent Notification: Notification No. 45/2025-Customs Effective date: 02.02.2026

Sl. No.	S. No. of notification No. 36/2024-Customs	Description
1.	38	Salts of oxometallic or peroxometallic acids of Beryllium and Rhenium <i>[vide insertion of S.No. 110B in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>
2.	39	Compounds, inorganic or organic of rare earth metals <i>[vide insertion of S.No. 111A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>

Sl. No.	S. No. of notification No. 36/2024-Customs	Description
3.	55	Unwrought; waste and scrap; powders of: — (i) Gallium (ii) Germanium (iii) Indium (iv) Niobium (v) Vanadium <i>[vide insertion of S.No. 226A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>

Note: Effective BCD rates will remain the same.

D. Conditional exemptions/concessional rates of BCD prescribed in notification No. 45/2025-Customs dated 24.10.2025 are being continued with / without modification for 2 years i.e. up to 31st Mar 2028 for below 102 entries

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
In TABLE I of notification No. 45/2025-Customs			
1.	5	Meat and edible offal of ducks, frozen	31.03.2028
2.	14	Planting materials, namely, oil seeds, seeds of vegetables, flowers and ornamental plants, tubers and bulbs of flowers, cuttings or saplings of flower plants, seeds or plants of fruits and seeds of pulses	31.03.2028
3.	58	Algal oil for manufacturing of aquatic feed	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
4.	61	Lactose for use in the manufacture of homeopathic medicine	31.03.2028
5.	69	Specified goods used in the processing of sea-food	31.03.2028
6.	84	Gold ores and concentrates for use in the manufacture of gold	31.03.2028
7.	85	Specified bunker fuels for use in ships or vessels	31.03.2028
8.	98	Electrical energy supplied to DTA by power plants of 1000MW or above, and granted formal approval for setting up in SEZ prior to 19 th July, 2012	31.03.2028
9.	99	Electrical energy supplied to DTA from power plants of less than 1000MW, and granted formal approval for setting up in SEZ prior to 19 th July, 2012	31.03.2028
10.	111	Medical use fission Molybdenum-99 (Mo-99) for use in the manufacture of radio pharmaceuticals	31.03.2028
11.	112	Pharmaceutical Reference Standard	31.03.2028
12.	114	Specified goods used for the manufacture of ELISA Kits	31.03.2028
13.	119	Anthraquinone or 2-Ethyl Anthraquinone, for use in manufacture of Hydrogen Peroxide	31.03.2028
14.	134	Specified goods for use in the manufacture of sheets or backsheet, which are used in the manufacture of solar photovoltaic cells or modules [<i>The entry has been modified</i>]	31.03.2028
15.	138	Specified goods for use in the manufacture of Brushless Direct Current (BLDC) motors	31.03.2028
16.	140	Tags, labels, stickers, belts etc. imported by <i>bona fide</i> exporters	31.03.2028
17.	141	Specified goods imported by <i>bona fide</i> exporters for use in the manufacture of handicraft items, for export	31.03.2028
18.	142	Specified goods imported by <i>bona fide</i> exporters for use in the manufacture of textile or leather garments, for export	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
19.	143	Specified goods imported by <i>bona fide</i> exporters for use in the manufacture of leather or synthetic footwear, or other leather products, for export [The entry has been modified]	31.03.2028
20.	144	Specified goods for the manufacture of orthopedic implants or other artificial parts of the body	31.03.2028
21.	146	Capacitor grades polypropylene granules or resins for the manufacture of capacitor grade plastic film	31.03.2028
22.	148	Super absorbent polymer (SAP) imported for use in the manufacture of specified goods	31.03.2028
23.	150	Polytetramethylene ether glycol (PT MEG) for use in the manufacture of spandex yarn	31.03.2028
24.	155	New or retreaded Pneumatic tyres of rubber of a kind used in aircrafts	31.03.2028
25.	156	New or retreaded Pneumatic tyres of rubber of a kind used in aircrafts	31.03.2028
26.	160	Pulp of wood or of other fibrous cellulosic material for the manufacture of newsprint, paper and paperboard, adult diapers, and goods falling under heading 9619	31.03.2028
27.	162	All goods imported for use in manufacture of paper, paperboard, or newsprint	31.03.2028
28.	163	Specified goods used in the printing of newspapers	31.03.2028
29.	164	Lightweight coated paper weighing upto 70g/m ² , imported by actual users for printing of magazines	31.03.2028
30.	173	Pile fabrics for the manufacture of toys	31.03.2028
31.	174	Moulds, tools and dies, for the manufacture of parts of electronic components or electronic equipment	31.03.2028
32.	175	Graphite Felt for growing silicon ingots, and thin steel wire used in wire saw for slicing of silicon wafers	31.03.2028
33.	184	Simply Sawn Diamonds	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
34.	185	Seeds for use in manufacturing of rough lab-grown diamonds	31.03.2028
35.	205	Ferrous Scrap	31.03.2028
36.	208	Magnesium Oxide (MgO) coated cold rolled steel coils for use in manufacture of cold rolled grain oriented steel (CRGO).	31.03.2028
37.	209	Specified goods for the manufacture of cold rolled grain-oriented steel	31.03.2028
38.	220	Forged steel rings for manufacture of special bearings for use in wind operated electricity generators <i>[The entry is being merged with S.No. 230 in TABLE I of notification No. 45/2025-Customs dated 24.10.2025.]</i>	31.03.2028
39.	222	Copper wire of refined copper or copper rod for manufacture of photovoltaic ribbon for solar photovoltaic cell or modules <i>[The entry has been modified]</i>	31.03.2028
40.	227	Dies for drawing metal, when imported after repairs from abroad, in exchange of similar worn-out dies exported out of India for repairs	31.03.2028
41.	228	Parts and raw materials for manufacture of goods to be supplied in connection with the purposes of off- shore oil exploration or exploitation	31.03.2028
42.	229	Specified goods when imported by a specified person, in relation with various petroleum operations or coal bed methane operations	31.03.2028
43.	230	Goods for manufacture or the maintenance of wind operated electricity generator components. <i>[The entry has been modified after merger of entry S. No. 220 in TABLE I of notification No. 45/2025- Customs]</i>	31.03.2028
44.	232	Parts of catalytic converters and goods for use in the manufacture of catalytic convertors or its parts	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
45.	233	Platinum or Palladium for use in the manufacture of Noble Metal Compounds and Noble Metal Solutions	31.03.2028
46.	234	Ceria zirconia compounds for use in the manufacture of wash coat for catalytic converters	31.03.2028
47.	235	Cerium compounds for use in the manufacture of wash coat for catalytic converters	31.03.2028
48.	237	Machinery, electrical equipment, other instruments and their parts except populated PCBs for use in fabrication of semiconductor wafer and Liquid Crystal Display	31.03.2028
49.	238	Machinery, electrical equipment, other instruments and their parts except populated PCBs for use in assembly, testing, marking and packaging of semiconductor chips	31.03.2028
50.	239	Specified goods for the manufacture of certain goods and their parts	31.03.2028
51.	246	Bushings made of Platinum and Rhodium alloy when imported in exchange of worn out or damaged bushings exported out of India	31.03.2028
52.	247	Parts and components for manufacture of tunnel boring machines	31.03.2028
53.	256	Evacuated tubes with three layers of solar selective coating for use in the manufacture of solar water heater and system	31.03.2028
54.	267	Ball screws for use in the manufacture of CNC Lathes	31.03.2028
55.	268	Linear Motion Guides for use in the manufacture of CNC Lathes	31.03.2028
56.	269	CNC Systems for use in manufacture of CNCL lathes	31.03.2028
57.	270	Certain goods for use in manufacture of plastic processing machineries	31.03.2028
58.	272	Parts and components for use in the manufacture of goods like Micro ATMs, Fingerprint reader/scanner, Iris scanner, miniaturized POS card reader	31.03.2028
59.	273	All parts for use in the manufacture of LED lights or fixtures including LED Lamps	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
60.	274	All inputs for use in the manufacture of LED (Light Emitting Diode) driver or Metal Core Printed Circuit Board for LED lights and fixtures or LED lamps	31.03.2028
61.	277	Goods imported for being tested in specified test centers	31.03.2028
62.	280	Specified goods for use in the manufacturing of Microphones	31.03.2028
63.	292	(i) Parts, components and accessories for manufacture of Digital Video Recorder (DVR)/ Network Video Recorder (NVR) falling under 8521 90 90, other than the following items, namely (a) populated printed circuit boards; (b) charger or power adapter; (ii) Sub-parts for use in manufacture of items mentioned at (i) above <i>[Only clause (ii) is being continued while clause (i) is being allowed to lapse on the end-date of 31st March, 2026]</i>	31.03.2028
64.	293	Parts, components and accessories for use in manufacture of reception apparatus for television	31.03.2028
65.	294	Parts, components and accessories for manufacture of CCTV Camera	31.03.2028
66.	295	Parts, components and accessories except Lithium- ion cell and PCBA for use in manufacture of Lithium- ion battery and battery pack	31.03.2028
67.	296	Inputs, parts or sub-parts for use in the manufacturing of PCBA of Lithium-ion battery and battery pack	31.03.2028
68.	297	Open cell for use in the manufacture of LCD and LED TV panels	31.03.2028
69.	302	Specified goods for use in the manufacture of LCD and LED TV panels	31.03.2028
70.	306	Magnetron of up to 1.5 KW used for the manufacture of domestic microwave ovens	31.03.2028
71.	314	Parts, sub-parts, inputs or raw material for use in manufacture of Lithium-ion	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
		cells	
72.	319	Lithium-ion cell for use in manufacture of battery or battery pack other than for cellular phone or EV	31.03.2028
73.	320	Lithium-ion cell for use in the manufacture of battery or battery pack of cellular mobile phone	31.03.2028
74.	321	Lithium-ion cell for use in the manufacture of battery or battery pack of EV or hybrid motor vehicle	31.03.2028
75.	333	Parts of gliders or simulators of aircrafts (excluding rubber tyres and tubes of gliders)	31.03.2028
76.	334	Raw materials for manufacture of aircrafts and parts of aircrafts	31.03.2028
77.	335	Components or parts including engines, of aircraft for manufacture of air craft	31.03.2028
78.	336	Parts, testing equipment, tools and tool-kits for MRO of aircraft, components or parts of aircraft	31.03.2028
79.	337	Other Aircrafts	31.03.2028
80.	338	Components or parts, including engines, of aircraft	31.03.2028
81.	339	Satellites and payloads, ground equipment brought for testing and ground installations for satellite including its spares and consumables	31.03.2028
82.	340	Scientific and technical instruments, apparatus, equipment etc., required for launch vehicles and satellites and payloads	31.03.2028
83.	341	All goods under heading 8802 (except CTH 8802 6000)	31.03.2028
84.	342	All goods under heading 8802 (except CTH 8802 60 00)	31.03.2028
85.	343	All goods under heading 8802 (except CTH 8802 60 00)	31.03.2028
86.	345	Parts (other than rubber tubes), of aircraft of heading 8802	31.03.2028
87.	348	Parts (other than rubber tubes), of aircraft of heading 8802	31.03.2028
		Barges or pontoons imported along with ships for the more speedy unloading of	

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
88.	350	imported goods and loading of export goods	31.03.2028
89.	355	Fishing vessels, tugs and pusher crafts, light vessels, excluding vessels and other floating structures as are imported for breaking up	31.03.2028
90.	375	Stainless steel tube and wire, cobalt chromium tube, etc. required for manufacture of Coronary stents/coronary stent system and artificial heart valve	31.03.2028
91.	376	Ostomy products for managing Colostomy, Ileostomy, Ureterostomy, Ileal Conduit Urostomy Stoma cases	31.03.2028
92.	377	Medical and surgical instruments, apparatus and appliances including spare parts and accessories thereof	31.03.2028
93.	382	Hospital Equipment for use in specified hospitals	31.03.2028
94.	386	Raw materials, parts or accessories for the manufacture of Cochlear Implants	31.03.2028
95.	387	X-Ray Baggage Inspection Systems and parts thereof	31.03.2028
96.	388	Portable X-ray machine / system	31.03.2028
97.	392	Parts and cases of braille watches, for the manufacture of Braille watches	31.03.2028
98.	396	Parts of electronic toys for manufacture of electronic toys	31.03.2028
99.	415	All items of machinery, and auxiliary equipment required for initial setting up of a project for generation of power or generation of compressed bio-gas (Bio-CNG) using non-conventional materials	31.03.2028
100.	440	All items of machinery, and auxiliary equipment for setting up of fuel cell-based system for generation of power or for demonstration purposes or balance of systems operating on biogas or bio-methane or by-product hydrogen	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
In TABLE II of notification No. 45/2025-Customs			
101.	1	Security fibre, security threads, Paper Based Taggant, including M-feature, for use in the manufacture of security paper by Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Private Limited, Mysore	31.03.2028
102.	2	Raw materials for use in manufacture of security fibre and security threads for supply to Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Private Limited, Mysore for use in manufacture of security paper	31.03.2028

E. Conditional exemptions/concessional rates of BCD prescribed in notification No. 45/2025-Customs dated 24.10.2025 are allowed to laps on 31st Mar 2026 for following 22 entries

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
In TABLE I of notification No. 45/2025-Customs			
1.	93	Naphtha, for use in the manufacture of fertilisers	31.03.2026
2.	95	Liquified petroleum gases (LPG), in excess of the quantity of petroleum gases and other gaseous hydrocarbons consumed in the manufacture of polyisobutylene by the unit located in the Domestic Tariff Area (DTA), received from the unit located in Special Economic Zone (SEZ) and returned by the DTA unit to the SEZ unit from where such LPG were received.	31.03.2026

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
3.	107	Silicon in all forms for the manufacture of un-diffused silicon wafers; and un-diffused silicon wafers for the manufacture of solar cells or solar cell modules	31.03.2026
4.	117	Maltol, for use in the manufacture of deferiprone	31.03.2026
5.	145	Specified goods imported for the manufacture of Copper-T contraceptives	31.03.2026
6.	154	Ethylene – Propylene – Non-Conjugated Diene Rubber (EPDM) for use in the manufacture of insulated wires and cables	31.03.2026
7.	172	Hydrophilic non-woven, hydrophobic non- woven, imported for use in the manufacture of adult diapers	31.03.2026
8.	201	Spent catalyst or ash containing precious metals	31.03.2026
9.	218	Metal parts for use in the manufacture of electrical insulators	31.03.2026
10.	219	Pipes and tubes for use in manufacture of boilers	31.03.2026
In TABLE I of notification No. 45/2025-Customs			
11.	231	Permanent magnets for manufacture of synchronous generators above 500KW for use in wind operated electricity generators	31.03.2026
12.	236	Zeolite for use in the manufacture of wash coat for catalytic converters	31.03.2026
13.	243	High speed cold-set or high-speed heat set web offset rotary printing machines along with mail room equipment	31.03.2026
14.	271	Cash dispenser or automatic banknote dispenser and its parts and components	31.03.2026
15.	275	Television equipment, cameras and other equipment for taking films, imported by a foreign film unit or television team	31.03.2026
16.	276	Photographic, filming, sound recording of foreign origin, if imported	

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
		into India after having been exported there from	31.03.2026
17.	291	Parts and Components of digital still image video cameras	31.03.2026
18.	309	Raw materials or parts for use in manufacture of e- Readers	31.03.2026
19.	370	X-Ray tubes used in manufacture of X ray machines for medical, surgical or veterinary use	31.03.2026
20.	372	Flat panel detector for use in manufacture of X-Ray machine for medical, surgical or veterinary use	31.03.2026
21.	397	Parts of video games for the manufacture of video games	31.03.2026
In TABLE IV of notification No. 45/2025-Customs			
22.	1	Motion pictures, music, gaming software for use on gaming consoles printed or recorded on media	31.03.2026

F. Conditional exemptions/concessional rates of BCD prescribed in notification No. 45/2025-Customs dated 24.10.2025 are lapsed by omitting the respective entries effective from 2nd Feb 2026

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

**Effective BCD rate will remain the same for Sl.No. 5 and 6.*

G. Other Changes in notification No. 45/2025-Customs dated 24.10.2025:

G1. Sunset-clause for the following entries is being removed with effect from 02.02.2026:

Sl. No.	S. No. of TABLE I in notification No. 45/2025-Customs	Brief Description
1.	303	Parts suitable for use solely or principally with the apparatus of headings 8525, 8526 or 8527. <i>*The said entry is being omitted w.e.f 1st May, 2026 as the applicable rates will be incorporated in Tariff itself.</i>
2.	353	All goods (excluding vessels and other floating structures as are imported for breaking up) (CTH 8901)
3.	356	All goods (excluding vessels and other floating structures as are imported for breaking up) (CTH 8906)

Note: Description of entries is indicative. Notification may be referred to for complete description.

G2. Sunset-date of 31.03.2027 for the following entries is being prescribed:

Sl. No.	S. No. of TABLE I in notification No. 45/2025- Customs	Brief Description	End date prescribed
1.	192	Gold dore bar, having gold content not exceeding 95%	31.03.2027
2.	193	Silver dore bar having silver content not exceeding 95%	31.03.2027
3.	194	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units, and gold coins having gold content not below 99.5%, imported by the eligible passenger (ii) Gold in any form other than (i), including tola bars and ornaments, but excluding ornaments studded with stones or pearls	31.03.2027
4.	195	Silver, in any form including ornaments, but excluding ornaments studded with stones or pearls, imported by the eligible passenger	31.03.2027

Note: Description of entries is indicative. Notification may be referred to for complete description.

G3. The following entries of notification No. 45/2025-Customs are being modified as under, with effect from 02.02.2026:

Sl. No.	S. No. of TABLE I in notification No. 45/2025-Customs	Particulars
1.	69	The value limit of duty-free imports of specified goods imported for use in processing of sea-food has been increased from 1% to 3% of the FOB value of seafood products exported during the preceding financial year
2.	134	The modified description covers specified goods for use in the manufacture of sheets/encapsulants of EVA (Ethylene Vinyl Acetate), PoE (Polyolefin Elastomer) or combinations thereof or backsheet, which are used in the manufacture of solar photovoltaic cells or modules
3.	12, 140, 142	The time period of export of value-added products manufactured from specified inputs imported at concessional rate of duty is being extended from six months to twelve months.
4.	143	The benefit of duty exemption on specified inputs for manufacture of leather/synthetic footwear for export is being extended to exporters of shoe-uppers also. The time period of export of value-added products manufactured from specified inputs imported at concessional rate of duty is being extended from six months to twelve months.
5.	222	The modified description covers copper wire of refined copper of which the maximum cross-sectional dimension exceeds 6 mm or copper rods of refined copper, for the manufacture of photovoltaic ribbon, or tinned copper interconnect or cell interconnect or string interconnect or the photovoltaic connect or photovoltaic ribbon or solar ribbon or manufacture of solar photovoltaic cell or modules.
6.	220 & 230	S.No. 220 pertaining to <i>“Forged steel rings for manufacture of special bearings for use in wind operated electricity generators”</i> is being merged with S.No. 230. Subsequently, the description of S.No. 230 covering goods for manufacture or the maintenance of wind operated electricity generator components, has been modified.

Note: Description of entries is indicative. Notification may be referred to for complete description.

G4. The following exemption entries of notification No. 45/2025-Customs are being omitted with effect from 02.02.2026 as these are redundant. The effective BCD rate would remain the same and will apply from First Schedule of the Customs Tariff Act, 1975. The details are as under:

Sl. No.	S. No. of TABLE I in Notification No.45/2025-Cus	Brief Description
1.	139	Ethylene vinyl acetate (EVA)
2.	157	New Pneumatic tyres, of rubber, of a kind used on aircrafts (other than goods covered under S.Nos. 155 and 156 of the notification No. 45/2025-Customs)
3.	217	Other screws and bolts, nuts and other non-threaded articles falling under tariff items 7318 15 00, 7318 16 00, 7318 29 90

Note: Description of entries is indicative. Notification may be referred to for complete description.

H. The validity of the BCD exemption for the goods covered under the following notifications is being extended for two years, i.e. upto 31.03.2028:

Sl. No.	Notification No.	Brief Description	End date
1.	248-Customs dated 2 nd August 1976	Exemption to precious stones imported by posts on 'approval or return' basis	31.03.2028
2.	32/1997-Customs dated 1 st April 1997	Exemption to goods imported for execution of an export order for jobbing	31.03.2028
3.	24/2001-Customs dated 1 st March 2001	Exemption to copper cathodes, wire bars and wire rods produced out of copper reverts	31.03.2028
4.	25/2001-Customs dated 1 st March 2001	Exemption on gold and silver produced out of copper anode slime which were exported out of India for toll smelting and processing	31.03.2028

Note: Description of entries is indicative. Notification may be referred to for complete description

I. The following standalone notification is being allowed to lapse on the 31.03.2026:

Sl. No.	Notification No.	Brief Description	End date
1.	113/2003-Customs dated 22 nd July 2003	Exemption to castor oil cake and castor de-oiled cake manufactured from indigenous castor oil seeds on indigenous plant and machinery by unit in SEZ and brought to DTA	31.03.2026

Note: Description is indicative. Notification may be referred to for complete description.

J. For the following standalone notification, a sunset date of 31.03.2028 is being prescribed:

Sl. No.	Notification No.	Brief Description	End date
1.	29/2025- Customs dated 9 th May, 2025	Exemption to works of art and antiques intended for public exhibition	31.03.2028

Note: Description of entries is indicative. Notification may be referred to for complete description.

K. The following exemption entries of notification No. 36/2024-Customs are being omitted with effect from 02.02.2026 as these are redundant. The effective BCD rate would remain the same and will operate through the First Schedule of the Customs Tariff Act, 1975. The details are as under:

Sl. No.	S. No. of notification No. 36/2024-Customs	Description
1.	5	Copper ores and concentrates
2.	6	Cobalt ores and concentrates
3.	7	Tin ores and concentrates
4.	8	Tungsten ores and concentrates
5.	9	Molybdenum ores and concentrates
6.	10	Zirconium ores and concentrates
7.	12	Vanadium ores and concentrates
8.	13	Niobium or tantalum ores and concentrates
9.	14	Antimony ores and concentrates
10.	42	Unwrought Tin
11.	43	Unwrought tungsten, including bars and Rods obtained simply by sintering
12.	44	Unwrought molybdenum, including bars and rods obtained simply by sintering
13.	45	Unwrought tantalum, including bars and rods obtained by sintering, powders
14.	46	Cobalt, unwrought
15.	47	Bismuth, unwrought

Sl. No.	S. No. of notification No. 36/2024-Customs	Description
16.	48	Unwrought zirconium, powders, containing less than 1 part hafnium to 500 parts zirconium by weight
17.	49	Unwrought antimony, powders
18.	50	Beryllium unwrought, powders
19.	51	Hafnium unwrought, waste and scrap, powders
20.	52	Rhenium unwrought
21.	53	Cadmium unwrought, Powders
22.	54	Cadmium, wrought

Note: Description of entries is indicative. Notification may be referred to for complete description.

L. SOCIAL WELFARE SURCHARGE (SWS)

Sl. No.	Notification / Entry Impacted	Goods / Heading	Nature of Change	SWS Impact	Effective Date
1	Notification No. 11/2018-Customs – Sl. No. 1 (Amended)	Natural graphite (2504), Quartz & quartzite (2506), Silicon dioxide (2811 22 00), Artificial graphite (3801)	Goods earlier exempt from SWS through Notification No. 36/2024-Customs entries are now explicitly included in Sl. No. 1 of Notification No. 11/2018-Customs due to omission of those entries	SWS exemption continues unchanged	01.05.2026
2	Notification No. 45/2025-Customs – S. No. 67 (Omitted) & Notification No. 11/2018-Customs – Sl. No. 7 (Omitted)	Goods under sub-heading 2106 90 (excluding alcoholic beverages >0.5% vol.)	Concessional BCD of 50% shifted from exemption notification to First Schedule (Customs Tariff); consequential restructuring of SWS exemption entries	SWS incidence remains unchanged for heading 2106 90	01.05.2026

Sl. No.	Notification / Entry Impacted	Goods / Heading	Nature of Change	SWS Impact	Effective Date
3	Notification No. 11/2018-Customs – Sl. No. 1 (Amended)	Compound alcoholic preparations – tariff item 2106 90 51	Included in Sl. No. 1 due to omission of Sl. No. 7; alignment with tariff-based BCD	SWS position unchanged	01.05.2026
4	Notification No. 11/2018-Customs – Sl. No. 54A (Modified)	Spent catalyst and ash containing precious metals (7112)	Reference to S. No. 201 of Notification No. 45/2025-Customs omitted due to lapse of that entry on 31.03.2026	SWS exemption continues without change	01.04.2026
5	Heading 9804 (No exemption under 11/2018-Customs)	All dutiable goods imported for personal use	Fresh levy of SWS introduced; earlier imports under heading 9804 were outside SWS ambit	SWS applicable	01.04.2026
6	Notification No. 45/2025-Customs – S. No. 396	Parts of electronic toys for manufacture of electronic toys (9503)	SWS exemption extended to parts; consequentially entire heading 9503 becomes exempt from SWS	Full SWS exemption for heading 9503	02.02.2026

M. AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC)

Sl. No.	Notification / Entry Impacted	Goods / Tariff Item	Nature of Change	AIDC Impact	Effective Date
1	Notification No. 11/2021-Customs – Sl. No. 13A (Modified)	New pneumatic tyres, of rubber, of a kind used on aircraft – 4011 30 00 (excluding goods covered under S. Nos. 155 & 156 of Table I of Notification No. 45/2025-Customs)	Reference to S. No. 157 of Table I of Notification No. 45/2025-Customs omitted, consequent to omission of that exemption entry	AIDC continues at 0.5%; no change in effective duty incidence	02.02.2026

INCOME TAX ACT 1961

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
Amendment of section 92CA	AY 2026-27	Reference to Transfer Pricing Officer.	(3A) Where a reference was made under sub-section (1) before the 1st day of June, 2007 but the order under sub-section (3) has not been made by the Transfer Pricing Officer before the said date, or a reference under sub-section (1) is made on or after the 1st day of June, 2007, an order under sub-section (3) may be made at any time before sixty days prior to the date on which the period of limitation referred to in section 153, or as the case may be, in section 153B for making the order of assessment or reassessment or recomputation or fresh assessment, as the case may be, expires: Provided that in the circumstances referred to in clause (ii) or clause (x) of Explanation 1 to section 153, if the period of limitation available to the Transfer	(3AA). Notwithstanding anything contained in any judgment, order or decree of any court, for the purposes of making order under sub-section (3), the calculation of sixty days shall be made and shall always be deemed to have been made in the following manner, namely:— (a) where the period of limitation expires on 31st of March of any year (not being a leap year), the order under sub-section (3) may be made up to the 30th of January of that year; (b) where the period of limitation expires on 31st of March of any year (being a leap year), the order under sub-section (3) may be made up to the 31st of January of that year; (c) where the period of limitation expires on 31st of December of any year, the order under sub-section (3)	Section 92CA(3A) requires the Transfer Pricing Officer to pass the order at least 60 days before the assessment time limit. Section 92CA(3AA) removes ambiguity by clearly specifying how these 60 days are to be counted. Applies retrospectively from 1 June 2007, and overrides earlier court interpretations also.

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			Pricing Officer for making an order is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to have been extended accordingly.	may be made up to the 1st of November of that year.”.	
Amendment of section 139	AY 2026-27	Return of income	In this section, “due date” means,— (a) where the assessee [other than an assessee referred to in clause (aa)] is— (i) a company; or (ii) a person (other than a company) whose accounts are required to be audited under this Act or under any other law for the time being in force; or (iii) a working partner of a firm whose accounts are required to be audited under this Act or under any other law for the time being in force, The 30th day of September of the assessment year; (aa) in the case of an assessee who is required to	For the purposes of this section, subject to the conditions as mentioned, revised “due date” shall be- 1. Person- Assessee, including the partners of the firm or the spouse of such partner (if section 5A applies to such spouse). Condition- Where the provisions of section 92E apply. Due Date- 30th November of the assessment year . 2. Person- (i) Company; (ii) Assessee (other than a company) whose accounts are required to be audited under this Act or under any other law for the time being in force; (iii) partner of a firm whose	The amendment to section 139 rationalises and standardises due dates for filing returns by clearly categorising assessees. The due date is now 30 November where section 92E (transfer pricing) applies, 31 October for companies and other audit cases where section 92E does not apply, 31 August for non-audit business/profession cases, and 31 July for all other assessees.

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			<p>furnish a report referred to in section 92E, the 30th day of November of the assessment year;</p> <p>(b) in the case of a person other than a company, referred to in the first proviso to this sub section, the 31st day of October of the assessment year;</p> <p>(c) in the case of any other assessee, the 31st day of July of the assessment year.</p>	<p>accounts are required to be audited under this Act or under any other law for the time being in force or the spouse of such partner (if section 5A applies to such spouse).</p> <p>Condition- Where the provisions of section 92E do not apply.</p> <p>Due Date- 31st October of the assessment year.</p> <p>3. Person- (i) Assessee having income from profits and gains of business or profession whose accounts are not required to be audited under this Act or under any other law for the time being in force; (ii) partner of a firm whose accounts are not required to be audited under this Act or under any other law for the time being in force or the spouse of such partner (if section 5A applies to such spouse).</p>	

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
				<p>Condition- Where the provisions of section 92E do not apply.</p> <p>Due Date- 31st August of the assessment year.</p> <p>4. Any other assessee. - 31st July of the assessment year.</p>	
Amendment of section 139	AY 2026-27	Return of income	(5) If any person, having furnished a return under sub-section (1) or sub-section (4), discovers any omission or any wrong statement therein, he may furnish a revised return at any time before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.	<i>(5) If any person, having furnished a return under sub-section (1) or sub-section (4), discovers any omission or any wrong statement therein, he may, subject to the provisions of section 234-I, furnish a revised return at any time before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.”;</i>	The amendment to section 139(5) makes the filing of a revised return beyond nine months subject to the fee under section 234-I. While the time limit for revision remains unchanged, late revisions will now attract a prescribed fee.
Amendment of section 139 (Continued)	AY 2026-27	Return of income	8A-Where the return under sub-section (1) or sub-section (2) or sub-section (4) for an assessment year is furnished after the specified date, or is not furnished, then [whether or not the	In sub-section (8A),— (i) in the first proviso, in item (i), after the words “return of a loss”, the words “ except in a case referred to in the sixth proviso ” shall be inserted;	New proviso inserted allowing filing of updated return pursuant to notice u/s 148, within time specified; assessee barred from filing return in any other manner

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			<p>Assessing Officer has extended the date for furnishing the return under sub-section (1) or sub-section (2)] the assessee shall be liable to pay simple interest at fifteen per cent per annum, reckoned from the day immediately following the specified date to the date of the furnishing of the return or, where no return has been furnished, the date of completion of the assessment under section 144, on the amount of the tax payable on the total income as determined on regular assessment, as reduced by the advance tax, if any, paid, and any tax deducted at source</p> <p>Provided also that if any person has sustained a loss in any previous year and has furnished a return of loss in the prescribed form within the time allowed under sub-</p>	<p>(ii) in the third proviso, in item (b), after the words “in his case”, the words “except in a case referred to in the eighth proviso” shall be inserted;</p> <p>(iii) in the sixth proviso, after the words “return of income”, the words “or such updated return has the effect of reducing the loss” shall be inserted;</p> <p>(iv) after the seventh proviso, the following proviso shall be inserted, namely:— “Provided also that an updated return may be furnished by a person for the relevant assessment year in pursuance of a notice under section 148 within such period as specified in the said notice and in such a case, the assessee shall be precluded from filing return in pursuance of the said notice in any other manner”.</p>	

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			section (1) and verified in the prescribed manner and containing such other particulars as may be prescribed, he shall be allowed to furnish an updated return where such updated return is a return of income		
Amendment of section 140B	AY 2026-27	Tax on Updated return	Newly Inserted	(3A) Where an updated return is filed in pursuance of a notice issued under section 148 within the period specified in the said notice, the additional income-tax payable under sub-section (3) shall be increased by a further sum of ten per cent. of the aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be.”.	The amendment to section 140B provides that where an updated return is filed in response to a notice under section 148 where income has escaped assessment, the additional tax payable will increase by a further 10% of the aggregate tax and interest.
Amendment of section 144C	AY 2026-27	Reference to dispute resolution panel	(4) The Assessing Officer shall, notwithstanding anything contained [in section 153 or section 153B], pass the assessment order under sub-section (3) within one month from the end of	(4A) <i>Notwithstanding anything contained in any judgment, order or decree of any court, or section 153, for the removal of doubts, it is hereby clarified for the purposes of sub-section (4)</i>	The amendment to section 144C clarifies that if a draft assessment order is issued within the time limit under section 153 or 153B, the time for passing the final assessment order or giving

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			<p>the month in which,— (a) the acceptance is received; or (b) the period of filing of objections under sub-section (2) expires.</p> <p>(13) Upon receipt of the directions issued under sub-section (5), the Assessing Officer shall, in conformity with the directions, complete, notwithstanding anything to the contrary contained 2[insection 153 or section 153B], the assessment without providing any further opportunity of being heard to the assessee, within one month from the end of the month in which such direction is received</p>	<p><i>that where a draft of the proposed order of assessment under sub section (1) is forwarded within the time period allowed under section 153, further time period available to the Assessing Officer to complete the assessment under sub-section (3) shall be governed and shall always be deemed to have been governed by the provisions of sub-section (4)</i></p> <p><i>(4B) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153B, for the removal of doubts, it is hereby clarified for the purposes of sub-section (4) that where a draft of the proposed order of assessment under sub-section (1) is forwarded within the time period allowed under section 153B, further time period available to the Assessing Officer to complete the</i></p>	<p>effect to DRP directions will be governed only by section 144C Reference to dispute resolution panel</p>

BUDGET ANALYSIS 2026-27

Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
				<p><i>assessment under sub-section (3) shall be governed and shall always be deemed to have been governed by the provisions of sub-section (4)</i></p> <p><i>(13A) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153, for the removal of doubts, it is hereby clarified for the purposes of sub-section (13) that where a draft of the proposed order of assessment under sub-section (1) is forwarded within the time period allowed under section 153, time period available for the Assessing Officer under sub-section (13) to pass the assessment order upon receipt of the direction issued under sub-section (5), shall be governed and shall always be deemed to have been governed by the provisions of sub-sections (12) and (13).</i></p>	

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
				<i>(13B) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153B, for the removal of doubts, it is hereby clarified for the purposes of sub-section (13) that where a draft of the proposed order of assessment under sub-section (1) is forwarded within the time period allowed under section 153B, time period available for the Assessing Officer under sub-section (13) to pass the assessment order upon receipt of the direction issued under sub-section (5), shall be governed and shall always be deemed to have been governed by the provisions of sub-sections (12) and (13)."</i>	
Insertion of new section 147A	AY 2026-27	Assessing Officer for purposes of sections 148 and 148A	Newly Inserted	<i>147A. Notwithstanding anything contained in any judgement, order or decree of any court or in section 151A or in any scheme framed thereunder, for the removal of doubts, it is hereby clarified</i>	The newly inserted section 147A clarifies that notices under sections 148 and 148A can be issued only by the jurisdictional Assessing Officer, and not by the National Faceless Assessment

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
				<i>that the Assessing Officer for the purposes of sections 148 and 148A shall mean and shall always be deemed to have meant to be an Assessing Officer other than the National Faceless Assessment Centre or any assessment unit referred to in sub-section (3) of section 144B.</i>	Centre or faceless assessment units
Amendment of section 153	AY 2026-27	Time limit for completion of assessment, reassessment and recomputation.	Newly Inserted	<i>(10) Notwithstanding anything contained in any judgment, order or decree of any court, for the removal of doubts, it is hereby clarified that in terms of provisions of sub-sections (1) to (4), the draft of the proposed order of assessment referred to in sub-section (1) of section 144C shall be made, and shall always be deemed to have been made, at any time up to the time limit of assessment, reassessment or recomputation referred to in the said sub-sections."</i>	The amendment to section 153 clarifies that a draft assessment order under section 144C can be issued at any time up to the prescribed time limit for completion of assessment, reassessment, or recomputation.

BUDGET ANALYSIS 2026-27

Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
Amendment of section 153B	AY 2026-27	Time limit for completion of assessment under section 153A	Newly Inserted	(1A) <i>Notwithstanding anything contained in any judgment, order or decree of any court, for the removal of doubts, it is hereby clarified that in terms of provisions of this section, the draft of the proposed order of assessment referred to in sub-section (1) of section 144C shall be made, and shall always be deemed to have been made, at any time up to 46 the time limit of assessment, reassessment or recomputation referred to in this section."</i>	The amendment to section 153B clarifies that a draft assessment order under section 144C can be issued at any time up to the time limit prescribed for completion of assessment under section 153A. This clarification applies retrospectively from 1 October 2009, overrides court rulings, and removes ambiguity on the validity of draft orders in search-related cases.
Amendment of section 220	AY 2026-27	When tax payable and when assessee deemed in default.	Sub-section(2) If the amount specified in any notice of demand under section 156 is not paid within the period limited under sub-section (1), the assessee shall be liable to pay simple interest at one per cent for every month or part of a month comprised in the period commencing from the day immediately following the end of the period mentioned	<i>Provided also that no interest shall be charged under this sub-section in respect of any demand raised on account of penalty levied under section 270A— (a) up to the date of passing of the order under section 250; (b) up to the date of passing of the order under section 254, where the assessment or reassessment has been made in pursuance to directions issued by the</i>	The amendment to section 220(2) provides relief by waiving interest on demands arising from penalty under section 270A during the pendency of appeal proceedings. No interest will be charged up to the order of the Commissioner (Appeals) or up to the order of the ITAT in DRP cases, reducing the interest burden on assessees effective from AY 2026-27.

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			in sub-section (1) and ending with the day on which the amount is paid	<i>Dispute Resolution Panel under section 144C.</i>	
Insertion of new section 234-I	AY 2026-27	Fee for furnishing revised return of income.	Newly Inserted	<i>234-I. Without prejudice to the provisions of this Act, where any person furnishes a return of income under sub-section (5) of section 139, beyond nine months but before twelve months from the end of the relevant assessment year, he shall pay by way of a fee,— (a) a sum of one thousand rupees, if the total income of such person does not exceed five lakh rupees; (b) a sum of five thousand rupees, in any other case.</i>	The newly inserted section 234-I introduces a fee for filing a revised return beyond nine months but within twelve months from the end of the assessment year. The fee is ₹1,000 where total income does not exceed ₹5 lakh and ₹5,000 in other cases.
Amendment of section 245MA	AY 2026-27	Dispute Resolution Committee.	(2) The Dispute Resolution Committee, subject to such conditions, as may be prescribed, shall have the powers to reduce or waive any penalty imposable under this Act or grant immunity from prosecution for any offence punishable under this Act in case of a	<i>(2) The Dispute Resolution Committee, subject to such conditions, as may be prescribed, shall have the powers to reduce or waive any penalty imposed or imposable under this Act or grant immunity from prosecution for any offence punishable under this Act in</i>	The amendment to section 220(2) waives interest on penalty demands under section 270A during the appeal period. Interest will not be charged up to the order of the Commissioner (Appeals) or up to the ITAT order in DRP cases, thereby reducing the interest burden

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			person whose dispute is resolved under this Chapter.	<i>case of a person whose dispute is resolved under this Chapter.</i>	on assessees from AY 2026-27.
276D	AY 2026-27	Failure to produce accounts and documents	If a person wilfully fails to produce, or cause to be produced, on or before the date specified in any notice served on him under sub-section (1) of section 142, such accounts and documents as are referred to in the notice 10[or wilfully fails to comply with a direction issued to him under sub-section (2A) of that section], he shall be punishable with rigorous imprisonment for a term which may extend to one year 11[and with fine].]	If a person wilfully fails to comply with a direction issued to him under sub-section (2A) of section 142, he shall be punishable with simple imprisonment for a term up to six months, or with fine, or with both.	The amendment to section 276D reduces the severity of punishment for failure to comply with directions to produce accounts and documents by replacing rigorous imprisonment up to one year with simple imprisonment up to six months, or fine, or both.
277	AY 2026-27	False statement in verification, etc.	If a person makes a statement in any verification under this Act or under any rule made thereunder, or	If a person makes a statement in any verification under this Act or under any rule made thereunder, or delivers	The amendment to section 277 rationalises punishment for making false statements by replacing rigorous imprisonment with a graded

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			delivers an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable,— (i) in a case where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds 2[twenty-five hundred thousand rupees], with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine; (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to 3[two years] and with fine	an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable (i) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds fifty lakh rupees (ii) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or	framework of simple imprisonment or fine, linked to the amount of tax that would have been evaded.

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
				(iii) with fine, in any other case	
277A	AY 2026-27	Falsification of books of account or document,	If any person (hereafter in this section referred to as the first person) wilfully and with intent to enable any other person (hereafter in this section referred to as the second person) to evade any tax or interest or penalty chargeable and imposable under this Act, makes or causes to be made any entry or statement which is false and which the first person either knows to be false or does not believe to be true, in any books of account or other document relevant to or useful in any proceedings against the first person or the second person, under this Act, the	If any person (hereafter in this section referred to as the first person) wilfully and with intent to enable any other person (hereafter in this section referred to as the second person) to evade any tax or interest or penalty chargeable and imposable under this Act, makes or causes to be made any entry or statement which is false and which the first person either knows to be false or does not believe to be true, in any books of account or other document relevant to or useful in any proceedings against the first person or the second person, under this Act, the first person shall be punishable with simple	The amendment to section 277A reduces the severity of punishment for falsification of books or documents by replacing rigorous imprisonment with simple imprisonment, while retaining the maximum term of two years and fine.

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			first person shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to 5[two years] and with fine	imprisonment for a term up to two years and with fine	
278	AY 2026-27	Abetment of false return	If a person abets or induces in any manner another person to make and deliver an account or a statement or declaration relating to 6[any income or any fringe benefits chargeable to tax] which is false and which he either knows to be false or does not believe to be true or to commit an offence under sub-section (1) of section 276C, he shall be punishable (i) in a case where the amount of tax, penalty or	If a person abets or induces in any manner another person to make and deliver an account or a statement or declaration relating to 6[any income or any fringe benefits chargeable to tax] which is false and which he either knows to be false or does not believe to be true or to commit an offence under sub-section (1) of section 276C, he shall be punishable (i) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, penalty or	The amendment to section 278 rationalises punishment for abetment of false returns by replacing rigorous imprisonment with a graded framework of simple imprisonment or fine, linked to the amount of tax, penalty, or interest sought to be evaded.

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			<p>interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds 7[twenty-five hundred thousand rupees], with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine;</p> <p>(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to 8[two years] and with fine.</p>	<p>interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds fifty lakh rupees; or</p> <p>(ii) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or</p> <p>(iii) with fine, in any other case.</p>	
278A	AY 2026-27	Punishment for second and subsequent offences.	If any person convicted of an offence	If any person convicted of an offence	The amendment to section 278A reduces the severity of punishment for second and subsequent offences by

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			under section 276B or sub-section (1) of section 276C or section 276CC 1[or section 276DD] 2[or section 276E] or section 277 or section 278 is again convicted of an offence under any of the aforesaid provisions, he shall be punishable for the second and for every subsequent offence with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.	under section 276B or sub-section (1) of section 276C or section 276CC 1[or section 276DD] 2[or section 276E] or section 277 or section 278 is again convicted of an offence under any of the aforesaid provisions, he shall be punishable for the second and for every subsequent offence with simple imprisonment for a term which shall not be less than six months but which may extend to Three years and with fine.	replacing rigorous imprisonment with simple imprisonment and by lowering the maximum term from seven years to three years, while retaining the minimum term of six months and fine.
280	AY 2026-27	Disclosure of particulars by public servants	(1) If a public servant 10[furnishes any information or produces any document in contravention of the provisions of sub-section (2) of section 138], he shall be punishable with	(1) If a public servant 10[furnishes any information or produces any document in contravention of the provisions of sub-section (2) of section 138], he shall be punishable with simple imprisonment up to one month, or with	The amendment to section 280 reduces the severity of punishment for unauthorised disclosure of information by public servants by substituting imprisonment up to six months with simple imprisonment up to one month, or fine, or both

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
			imprisonment which may extend to six months, and shall also be liable to fine. (2) No prosecution shall be instituted under this section except with the previous sanction of the Central Government.	fine, or with both. (2) No prosecution shall be instituted under this section except with the previous sanction of the Central Government	
292BA	AY 2026-27	Return of income, etc., not to be invalid on certain grounds	Newly Inserted	No return of income, assessment, notice, summons or other proceeding, furnished or made or issued or taken or purported to have been furnished or made or issued or taken in pursuance of any of the provisions of this Act shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such return of income, assessment, notice, summons or other	The newly inserted section 292BA provides that returns, assessments, notices, summons, or other proceedings will not be invalidated merely due to technical mistakes, defects, or omissions, so long as they are substantively in conformity with the intent of the Act.

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
				proceeding if such return of income, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act.	

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INCOME TAX ACT 2025

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Sec No	Amendment Effective from Tax Year	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
2(32)	2026-27	Definition of co-operative society	“co-operative society” means a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912), or under any other law in force in any State or Union territory for the registration of co-operative societies;	“co-operative society” means a co-operative society registered under the Co-operative Societies Act, 1912, or the Multi-State Cooperative Societies Act, 2002 , or under any other law in force in any State or Union territory for the registration of co-operative societies	“Multi-State” Cooperative Societies have been Added to definition.
2(40)(f)	2026-27	Dividend-Buy Back of Shares	any payment by a company on purchase of its own shares from a shareholder as per section 68 of the Companies Act, 2013	Omitted	Amendment made to rationalize that the taxation of share buy-backs by providing that consideration received on buy-back shall be chargeable to tax under the head “Capital gains” instead of being treated as dividend income. The object is to protect the rights of the minority shareholders.
2(40)	2026-27	Advance or loan between group entities- Exclusion	(v) any advance or loan between two group entities,	“(v) any advance or loan between two group entities, where,— (A) one of the group entities is a “Finance	Earlier, it was sufficient if one group entity was a Finance Company/Finance Unit and the

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		from definition of Dividend	where,— (A) one of the group entity is a “Finance Company” or a “Finance Unit”; and (B) the parent entity or principal entity of such group is listed on stock exchange in a country or territory outside India other than the country or territory outside India as specified by the Board in this behalf	Company” or a “Finance Unit”; (B) the other group entity to the transaction is located in a country or territory outside India; and (C) the parent entity or the principal entity of such group is listed on the stock exchange in a country or territory outside India, for the purposes of items (B) and (C), the country or territory outside India shall be specified by the Central Government, by notification;’	parent/principal entity was listed abroad (except notified countries). Now, it is additionally mandated that: <ul style="list-style-type: none"> • the other group entity must be located outside India; and • both the location of the overseas group entity and the foreign listing of the parent/principal entity must be in countries/territories specifically notified by the Central Government.
2(40)	2026-27	Dividend-Definition of group entity”, “parent entity” and “principal entity”	(II) “group entity”, “parent entity” and “principal entity” shall be such entities which satisfy such conditions as may be prescribed in this behalf;	‘(II) “group entity” shall have the same meaning as assigned to the expression “group entities” in clause (m) of sub-regulation (1) of regulation 2 of the International Financial Services Authority (Payment Services) Regulations, 2024 made under the International Financial Services Centres Authority Act, 2019; (III) “parent entity” or “principal entity” in relation to one or more other group entities, shall be an entity of which other group entities are subsidiary and such entity,— (a) exercises or controls more than one-half of the total	Section amended to provide definitional clarity around “group entity,” “parent entity,” and “principal entity,” along with specifying conditions for the exclusions — giving more <i>certainty</i> on when such intra-group transactions will not be treated as dividend.

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				voting power either at its own or together with one or more of its subsidiaries; or (b) controls the composition of the Board of Directors;’.	
7(2)(a)	2026-27	Income deemed to be received and dividend deemed to be income in a tax year	(2) For inclusion in the total income of an assessee,— (a) any dividend declared by a company or distributed or paid by it within the meaning of <u>section 2(40)(a) to (f)</u> shall be deemed to be the income of the tax year in which it is so declared, distributed or paid, as the case may be;	<u>section 2(40)(a) to (e)</u>	Provision realigned to give impact for change of definition of Dividend – Sec 2(40) as mentioned above
21(5)	2026-27	Annual Value of house property	(5) Where a property is held as stock-in-trade and is not let wholly or partly at any time during the tax year, the annual value of such property or part thereof shall be nil for two years from the end of the financial year in	5) Where a property is held as stock-in-trade and is not let wholly or partly at any time during the tax year, the annual value of such property or part thereof shall be nil up to two years from the end of the financial year in which the certificate for completion of construction is obtained from the competent authority.	Correction proposed so as to provide that annual value of property held as stock-in-trade to be taken as nil <u>up to two years</u> from the end of the financial year in which certificate of completion of construction is obtained from the competent authority.

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			which the certificate for completion of construction is obtained from the competent authority.		
22(2)	2026-27	Ceiling limit for deduction in case of self-occupied house property	2) In case of property or properties referred to in section 21(6), the aggregate amount of deduction under sub-section (1)(b) shall not exceed— (a) ₹ 200000	2) In case of property or properties referred to in section 21(6), the aggregate amount of deduction under sub-section (1)(b) & (c) shall not exceed— (a) ₹ 200000	Ceiling of ₹2 lakh now applies collectively to interest on borrowed capital and prior-period (pre-construction) interest. Amendment corrects omission and aligns with legislative intent; no separate limit available for pre-construction interest.
29(1)(e)	2026-27	Deduction of employees' contribution to welfare funds	“(e) the amount of contribution received from an employee to which the provisions of section 2(49)(o) apply, if it is credited by the assessee to the account of the employee in the relevant fund or funds on or before the due date under the relevant law.”	“(e) the amount of contribution received from an employee to which the provisions of section 2(49)(o) apply, if it is credited by the assessee to the account of the employee in the relevant fund or funds, on or before the due date of filing of return of income under section 263(1) for the tax year.”	Deduction timeline extended for employee contribution from due date under respective laws to the IT return filing due date. This amendment aligns deduction w.r.t. employees' contribution with employer's contribution and provides substantive compliance relief & will reduce litigations. Ambiguity employees contribution and employers contribution has been removed, however employees may lose interest if employers donot pay in time.

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58(11)(a)	2026-25	Special provision for computing profits and gains of business or profession on presumptive basis in case of certain residents.	(11) For the purposes of this section,— (a) “eligible assessee” means an individual, a Hindu undivided family, or a firm other than a limited liability partnership, who is resident in India, and who— (i) has not claimed any deduction under section 144;	<i>Sub-clause (i) of clause (a) of sub-section (11) shall be omitted.</i>	With this amendment, the presumptive calculation stands on its own without linkage to Section 144 (Special provisions in respect of newly established Units in Special Economic Zones) , so the income is computed solely under Section 58 mechanics
66(4)	2026-27	Interpretation- Definition of commodities transactions tax and commodity derivative	“(4) ‘commodities transactions tax’ shall have the meanings respectively assigned to them in Chapter VII of the Finance Act, 2013.”	<i>“(4) ‘commodities transactions tax’ and ‘commodity derivative’ shall have the same meanings as respectively assigned to them in Chapter VII of the Finance Act, 2013.”</i>	Though reference of commodity derivative was made in section 66(33), Definition was not provided in 2025 Act. Amendment is made to clarify the meaning of commodity derivative. clarificatory in nature.
69	2026-27	Capital gains on purchase by company of its own shares or other specified securities.	(2) If the shareholder receives any consideration of the nature referred to in section 2(40)(f), from any company in respect of buy-back of shares, then for the	‘(2) In respect of capital gains referred to in sub-section (1), where the shareholder or holder of other specified securities is a promoter, the aggregate income-tax payable on such capital gains shall be— (a) the income-tax payable on such capital gains in accordance with the provisions of this Act; and (b) an additional income tax in respect of capital gains specified in column B of the	To rationalise the taxation of share buy-backs by providing that consideration received on buy-back shall be chargeable to tax under the head “Capital gains” instead of being treated as dividend income

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			<p>purposes of this section, the value of such consideration shall be deemed to be <i>nil</i>. (3) For the purposes of this section, "specified securities" shall have the same meaning as assigned to it in <i>Explanation 1</i> to section 68 of the Companies Act, 2013.</p>	<p>Table below, computed at the rate specified in column C or column D of the said Table –</p> <table border="1"> <thead> <tr> <th data-bbox="1041 289 1115 586">Sl. No.</th> <th data-bbox="1115 289 1272 586">Income</th> <th data-bbox="1272 289 1419 586">Rate, where the promoter is a domestic company</th> <th data-bbox="1419 289 1560 586">Rate, where the promoter is other than a domestic company</th> </tr> <tr> <th data-bbox="1041 586 1115 626">A</th> <th data-bbox="1115 586 1272 626">B</th> <th data-bbox="1272 586 1419 626">C</th> <th data-bbox="1419 586 1560 626">D</th> </tr> </thead> <tbody> <tr> <td data-bbox="1041 626 1115 1107">1.</td> <td data-bbox="1115 626 1272 1107">Short-term capital gains referred to in section 196 arising from the transfer of such securities.</td> <td data-bbox="1272 626 1419 1107">2%</td> <td data-bbox="1419 626 1560 1107">10%</td> </tr> </tbody> </table>	Sl. No.	Income	Rate, where the promoter is a domestic company	Rate, where the promoter is other than a domestic company	A	B	C	D	1.	Short-term capital gains referred to in section 196 arising from the transfer of such securities.	2%	10%	<p>Earlier, buy-back gains were effectively tax-free for shareholders; now, promoters must pay normal capital gains tax plus an additional tax, making buy-backs costlier for them. It will disincentivize misuse of tax arbitrage, promoters will pay an additional buyback tax.</p>
Sl. No.	Income	Rate, where the promoter is a domestic company	Rate, where the promoter is other than a domestic company														
A	B	C	D														
1.	Short-term capital gains referred to in section 196 arising from the transfer of such securities.	2%	10%														

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				2.	Long-term capital gains referred to in section 197 or section 198 arising from the transfer of such securities.	9.5%	17.5%	
					<p>(3) For the purposes of this section,—</p> <p>(a) in the case of a company whose shares are listed on a recognised stock exchange in India, ‘promoter’ shall have the same meaning as assigned to it in regulation 2(k) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 made under the Securities and Exchange Board of India Act, 1992;</p> <p>(b) in any other case, “promoter” means,—</p> <p>(i) a “promoter” as defined in section 2(69) of the Companies Act, 2013; or</p>			

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				(ii) a person who holds, directly or indirectly, more than 10% of the shareholding in the company; (c) "specified securities" shall have the same meaning as assigned to it in <i>Explanation 1</i> to section 68 of the Companies Act, 2013	
70	2026-27	Transactions not regarded as transfer	The provisions of section 67 shall not apply to transfer— (x) of Sovereign Gold Bond issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015, by way of redemption, by an individual;	The provisions of section 67 shall not apply to transfer— (x) by way of redemption, of Sovereign Gold Bond issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015 or any subsequent Sovereign Gold Bond Scheme, if held by an individual from the date of original issue till maturity	The exemption shall be available only where the Sovereign Gold Bond is subscribed to by a subscriber at the time of original issue and is held continuously until redemption on maturity.
93	2026-27	Deductions	(1) The income chargeable under the head "Income from other sources" shall be computed after making the following deductions:— (a) for dividends [excluding those referred to in section 2(40)(f)] or interest on securities, any reasonable sum paid as commission or	(1) The income chargeable under the head "Income from other sources" shall be computed after making the following deductions:— "(a) for interest on securities, any reasonable sum paid as commission or remuneration to a banker or any other person for the purpose of realising such interest on behalf of the assessee;	No deduction shall be allowed in respect of any interest expenditure incurred for earning dividend income or income from units of mutual funds.

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			remuneration to a banker or any other person for the purpose of realising such dividend or interest on behalf of the assessee;		
99	2026-27	Income of individual to include income of spouse, minor child, etc	(2) If the asset transferred under sub-section (1)(a)(i) or (b) is invested by the spouse or son's wife, in any business or in the nature of capital contributed as a partner in a firm, or, as the case may be, for being admitted to the benefits of partnership in a firm, then, the income to be included in the hands of the individual for the tax year shall.	(2) If the asset transferred under sub-section (1)(a)(ii) or (b) is invested by the spouse or son's wife, in any business or in the nature of capital contributed as a partner in a firm, or, as the case may be, for being admitted to the benefits of partnership in a firm, then, the income to be included in the hands of the individual for the tax year shall.	Correction of referencing is done to include income arising to the spouse from assets transferred .
147	2026-27	Deductions for income of Offshore Banking Units and Units of International	(2) The deduction shall be allowed— (a) for ten consecutive tax years beginning from the	(2) Irrespective of anything contained in section 80LA of the Income-tax Act, 1961, the deduction shall be allowed— (a) for twenty consecutive tax years beginning from the relevant tax year in the	To increase the competitiveness of IFSC, it is proposed to increase the period of deduction to 20 consecutive years out of 25 years for units in

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		Financial Services Centre	relevant tax year in the case of an entity mentioned in sub-section (1)(a); (b) for ten consecutive tax years out of fifteen years beginning from the relevant tax year, at the option of an assessee, in the case of an entity mentioned in sub-section (1)(b).	case of an entity mentioned in sub-section (1)(a); (b) for twenty consecutive tax years out of twenty-five years beginning from the relevant tax year, at the option of an assessee, in the case of an entity mentioned in sub-section (1)(b)	IFSC and 20 consecutive years for Offshore Banking Units instead of 10 consecutive year out of 15 in IFSC and 10 consecutive year in Offshore Banking units.
147	2026-27	Deductions for income of Offshore Banking Units and Units of International Financial Services Centre	-	<i>(5) In respect of any Offshore Banking Unit or any other unit referred in sub-section (1), commencing operations on or after the 1st April, 2026, the deduction under sub-section (1) shall be available only if such unit is not formed by splitting up or reconstruction or reorganisation or transfer of a business already in existence in India;</i>	Substituted Sub-section 5 to ensure consistency in language, removes transitional ambiguities, and clarifies applicability of deductions.
149	2026-27	Deduction in respect of income of co-operative societies.	(b) in the case of a co-operative society, being a primary society engaged in supplying milk, oilseeds, fruits, or vegetables raised or grown by its members	(b) in the case of a co-operative society, being a primary society engaged in supplying milk, oilseeds, cotton seed, cattle feed , fruits, or vegetables raised or grown by its members	Scope of deduction for co-operative societies extended to co-operative society, being a primary society engaged cotton seed and cattle feed.

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149	2026-27	Deduction in respect of income of co-operative societies.	(d) in respect of any income by way of interest or dividends derived by the co-operative society from its investments with any other co-operative society, the whole of such income	(d) in respect of any income derived by the co-operative society from its investments with any other co-operative society by way of— (i) interest; or (ii) dividends, the whole of such income	Now, It is proposed to allow deduction on dividends received by cooperative societies from other cooperative societies to the extent such dividends are distributed to its members, in the new tax regime.
149	2026-27	Deduction in respect of income of co-operative societies.	-	<i>‘(6) For the purposes of this section,— (a) “consumers’ co-operative society” means a society for the benefit of the consumers; (b) “primary agricultural credit society” has the same meaning as assigned to it in Part V of the Banking Regulation Act, 1949; and 10 of 1949. (c) “primary co-operative agricultural and rural development bank” means a society having an area of operation confined to a taluk, the principal object of which is to provide long-term credit for agricultural and rural development activities.</i>	Re-categorization of definition with respect to consumers cooperative society, primary agricultural credit society and primary co-operative agricultural and rural development bank.
150	2026-27		-	150. (1) If the gross total income of an assessee being a federal co-operative, in any tax year, includes any income by way of dividends received from its investment with any company, a deduction shall be allowed from such income, to the extent of the amount which,—	To allow deduction for dividends received by notified federal cooperatives from companies for 3 years, i.e. till tax year 2028-29 under both the old and new tax regimes. This deduction is proposed to be allowed only to the dividends

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				<p>(a) has arisen from such investment as recorded in its books of account on or before the 31st January, 2026; and</p> <p>(b) has been distributed by it to its members at least one month before the due date for filing the return of income under section 263(1).</p> <p>(2) The provisions of this section shall not apply to any tax year beginning on or after the 1st April, 2029.</p> <p>(3) For the purposes of this section, “federal co-operative” means a “federal co-operative” as defined in section 3(k) of the Multi-State Co-operative Societies Act, 2002 and notified as such by the Central Government.’.</p>	<p>arising out of investments made by the federal cooperative till 31.01.2026 and which are further distributed by it to its members.</p>
162 (2) (c)	2026-27	Meaning of associated enterprise	(c) other units, undertakings, enterprises or business of such assessee, or other person referred to in section 140(13) in respect of a transaction referred to in section 144 or the transactions referred to in Chapter VIII to which the provisions of section 140(9) or (13)	“(c) other units, undertakings, enterprises or business of such assessee, or other person referred to in section 140(13) in respect of a transaction referred to in section 144 or transactions referred to in Chapter VIII, to which the provisions of section 140(9) or (13) of this Act or section 80-IA(8) or (10) of the Income-tax Act, 1961 are applicable.	Section 144 (Special provisions in respect of newly established Units in Special Economic Zones) has been omitted but it does not reduce the scope of section 162(2)(c) as section 144 is covered under chapter VIII. It only removes double reference, while the main anti-tax-avoidance rule continues fully through other sections.

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			of this Act or section 80-IA(8) or (10) of the Income-tax Act, 1961 are applicable.		
164 (d)	2026-27	Meaning of specified domestic transaction.	(d) any transaction, referred to in any other section under Chapter VIII or section 144, to which provisions of section 140(9) or (13) of this Act or section 80-IA(8) or (10) of the Income-tax Act, 1961 are applicable.	(d) any transaction, referred to in any other section under Chapter VIII or section 144 , to which provisions of section 140(9) or (13) of this Act or section 80-IA(8) or (10) of the Income-tax Act, 1961 are applicable.	Section 164(d) ensures that domestic transactions which affect tax benefits are priced fairly, and the reference to the omitted section 144 as section 144 is covered under chapter VIII.
165 (7)	2026-27	Determination of arm's length price	(7) No deduction shall be allowed under section 144 or under Chapter VIII in respect of income by which the total income of the assessee is enhanced after computation of income under sub-section (6).	(7) No deduction shall be allowed under section 144 or under Chapter VIII in respect of income by which the total income of the assessee is enhanced after computation of income under sub-section (6).	Earlier, if the total income of an assessee increased after recomputation under sub-section (6), no deduction was allowed on such increased income under section 144 or Chapter VIII. Now, section 144 has been omitted from this restriction as section 144 is covered under chapter VIII. This means that while deductions under Chapter VIII will still not be allowed on the increased income, the reference to section 144 has been removed.

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					In short, the restriction has been narrowed, and the denial of deduction now applies only to Chapter VIII deductions, not to section 144.
166 (7)	2026-27	Reference to Transfer Pricing Officer	(7) Where a reference was made under sub-section (1), an order under sub-section (6) may be made at any time sixty days before the expiry of the limitation period referred to in section 286 or 296, for making the order of assessment or reassessment or recomputation or fresh assessment.	“(7) Where a reference was made under sub-section (1), an order under sub-section (6) may be made at any time before one month prior to the month in which period of limitation referred to in section 286 or 296, for making the order of assessment or reassessment or recomputation or fresh assessment, expires and accordingly, where such period expires on— 61 (a) the 31st March of any year, the order under sub-section (6) shall be made on or before the 31st January of that year; (b) the 31st December of any year, the order under sub-section (6) shall be made on or before the 31st October of that year.	Now the rule is made much clearer. It says: The order must be passed before one month prior to the month in which the assessment time limit ends. To avoid confusion, the law also gives fixed calendar dates.
169 (1)	2026-27	Effect to advance pricing agreement	(1) If a return of income for any tax year covered by an advance pricing agreement has been furnished by any person, before the date of entering into the	(1) Irrespective of anything to the contrary contained in section 263, where an income is modified as a result of advance pricing agreement entered into with any person then, such person shall, or any other person being an associated enterprise may,— (a) furnish a return or a modified return in accordance with and limited to the agreement; and	Earlier, if a taxpayer had already filed the return for a year covered by an Advance Pricing Agreement (APA), they were required to file a modified return within three months after the APA was signed, and this applied only to that taxpayer.

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			said agreement, he shall, irrespective of anything to the contrary contained in section 263, furnish a modified return, in accordance with and limited to the agreement, in respect of such tax years, within three months from the end of the month in which the agreement was entered into.	(b) the time period for furnishing such return or modified return shall be three months from the end of the month in which the agreement was entered into, where the tax years relevant for such return or modified return shall be the years covered by such agreement.	Now, the provision is made more flexible and wider. If income changes due to an APA, either the taxpayer or even the associated enterprise can file a return or a modified return. The time limit remains three months from the end of the month in which the APA is entered, and it applies to all tax years covered by the APA.
195 (1)(i)	2026-27	Tax on income referred to in sections 102 to 106	the income-tax payable shall be the aggregate of— (i) income-tax calculated on the income referred to in clauses (a) and (b), at the rate of 60%; and	<i>the income-tax payable shall be the aggregate of— (i) income-tax calculated on the income referred to in clauses (a) and (b), at the rate of 30%; and</i>	Earlier, certain specified income i.e. unexplained credits, investments and assets of the assessee was taxed at a very high rate of 60%. The amendment reduces this tax rate to 30%.
202 (2)(a)(iii)	2026-27	New tax regime for individuals, Hindu undivided family and others	(2) For the purposes of sub-section (1), the total income of the assessee shall be computed—	(2) For the purposes of sub-section (1), the total income of the assessee shall be computed— (a) without any exemption or deduction under—	Nothing changes for the taxpayer in practical terms—the amendment merely removes an double reference to Section 144 (special provision for SEZ) and simplifies the law.

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			<p>(a) without any exemption or deduction under— (i) Schedule III (Table: Sl. No. 5 or 6 or 7 or 8 or 11 or 17); (ii) Schedule III (Table: Sl. No. 12 or 13) (other than those as may be prescribed for this purpose); (iii) section 144;</p>	<p>(i) Schedule III (Table: Sl. No. 5 or 6 or 7 or 8 or 11 or 17); (ii) Schedule III (Table: Sl. No. 12 or 13) (other than those as may be prescribed for this purpose); (iii) section 144;</p>	
203	2026-27	Tax on income of certain resident co-operative societies	<p>(1) Irrespective of anything contained in this Act but subject to the provisions of Part A, B, E and this Part (other than section 204) of this Chapter, the income-tax payable for a tax year shall be at the rate of 22%, at the option of a person being a co-operative society resident in India, in respect of the total income of such person</p>	<p>(1) Irrespective of anything contained in this Act but subject to the provisions of Part A, B, E and this Part (other than section 204) of this Chapter, the income-tax payable for a tax year shall be at the rate of 22%, at the option of a person being a co-operative society resident in India, in respect of the total income of such person computed in the following manner:— (a) without any deduction under— (i) Chapter VIII other than the provisions of section 146 or 150; or (ii) sections specified in section 205(1)(a) to (g); (7) In case of an assessee, being a co-operative society, which has exercised</p>	<p>Now, deductions of section 150 has also been allowed which states about consumers cooperative society, primary agricultural credit society and primary co-operative agricultural and rural development bank.</p> <p>Further, if a co-operative society opts for the new regime, it can claim deduction on dividend received from another co-operative society only to the extent such dividend is actually</p>

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			<p>computed in the following manner:— (a) without any deduction under— (i) Chapter VIII other than the provisions of section 146; or (ii) sections specified in section 205(1)(a) to (g);</p>	<p>option under sub-section (5), the requirements contained in sub-section (1) shall be modified to the extent that the deduction under section 149(2)(d)(ii) shall be available to such assessee as does not exceed the amount of dividend distributed by it 62 to its members at least one month before the due date for filing the return of income under section 263(1).</p>	<p>distributed to its members in time.</p>
204	2026-27	Tax on income of certain new manufacturing co-operative societies.	<p>(3) For the purposes of sub-section (1), the total income of the assessee shall be computed,— (a) without any deduction under— (i) Chapter VIII other than the provisions of section 146; or (ii) sections specified in section 205(1)(a) to (g);</p>	<p>(3) For the purposes of sub-section (1), the total income of the assessee shall be computed,— (a) without any deduction under— (i) Chapter VIII other than the provisions of section 146 or 150; or (ii) sections specified in section 205(1)(a) to (g);</p> <p><i>“(5) In case of an assessee, being a co-operative society, which has exercised option under sub-section (2), the requirements contained in sub-section (3) shall be modified to the extent that the deduction under section 149(2)(d)(ii) shall be available to such assessee as does not exceed the amount of dividend distributed by it to its members at least one month before the due date for filing the return of income under section 263(1).</i>”</p>	<p>Now, deductions of section 150 has also been allowed which states about consumers cooperative society, primary agricultural credit society and primary co-operative agricultural and rural development bank.</p> <p>Further, notified federal co-operatives can claim deduction on dividends from companies for three years, subject to conditions</p>

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206	2026-27	Special provision for minimum alternate tax and alternate minimum tax.	<p>(b) For the purposes of clause (a), the expressions “minimum alternate tax” means the amount of tax computed on the book profit—</p> <p>(i) in case of a company being a unit located in an International Financial Services Centre and deriving its income solely in convertible foreign exchange, at the rate of 9%;</p> <p>(ii) in case of any other company, at a rate of 15%.</p> <p>(i) (ii) the assessee has not utilised the credit of tax paid under this sub-section in any subsequent tax year under clauses (m), (n), (o) and (p),</p>	<p><i>(b) For the purposes of clause (a), the expressions “minimum alternate tax” means the amount of tax computed on the book profit—</i></p> <p><i>(i) in case of a company being a unit located in an International Financial Services Centre and deriving its income solely in convertible foreign exchange, at the rate of 9%;</i></p> <p><i>(ii) in case of any other company, at a rate of 15% 14%.</i></p> <p><i>(i)(ii) the assessee has not utilised the credit of tax paid under section 115JAA of the Income-tax Act, 1961, in any subsequent tax year ending on or before the 31st March, 2026.</i></p> <p><i>(l) (iii) the total income of the assessee comprises solely of profits and gains from business referred to in section 61(2) (Table: Sl. Nos. 1, 3, 4 and 5), and such income has been offered to tax at the rates specified in the respective sections.</i></p> <p>(m) Where any tax is paid under clause (a) by an assessee, then, credit shall be allowed to him of an amount in excess of such minimum alternate tax over the tax payable by such assessee on his total income computed as per the other provisions of this Act for that tax year.</p>	<p>The Finance Bill, 2026 proposes major changes to the Minimum Alternate Tax (MAT) starting 1 April 2026 (i.e., tax year 2026–27 onwards):</p> <p>A. MAT Becomes a “Final Tax”</p> <ul style="list-style-type: none"> • Currently, MAT paid can be carried forward as a credit to reduce future regular tax. • From FY 2026–27, MAT will be treated as a final tax, meaning no credit for future years. • Companies cannot use MAT paid in one year to reduce tax in future years. • MAT becomes a one-time, terminal tax rather than a temporary payment. <p>B. MAT Rate Reduced</p> <ul style="list-style-type: none"> • The MAT rate is proposed to fall from 15% to 14% on book profits. <p>C. Transition for Existing MAT Credits</p> <ul style="list-style-type: none"> • MAT credits accumulated till 31 March 2026 can still be
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BUDGET ANALYSIS 2026-27

			<p>(l) (iii) the total income of the assessee comprises solely of profits and gains from business referred to in section 61(2) (Table: Sl. Nos. 1, 3, 4 and 5), and such income has been offered to tax at the rates specified is the respective sections.</p> <p>(m) Where any tax is paid under clause (a) by an assessee, then, credit shall be allowed to him of an amount in excess of such minimum alternate tax over the tax payable by such assessee on his total income computed as per the other provisions of this Act for that tax year.</p>	<p>(n) While allowing credit under clause (m),— — (i) no interest shall be payable on the tax credit so allowed; and (ii) where tax credit in respect of any income tax paid in any country or specified territory outside India, under section 159(1) or (2), allowed against the minimum alternate tax exceeds such tax credit admissible against the tax payable by the assessee on its income as per the other provisions of this Act, then, while computing the credit under clause (m), such excess amount shall be ignored. (o)(i) The tax credit determined under clause (m) shall be carried forward, and— (A) set off in a year, when tax payable on the total income computed as per the provisions of this Act exceeds the minimum alternate tax; and (B) such set off in respect of brought forward tax credit shall be allowed for any tax year to the extent of the difference between the tax on his total income and the minimum alternate tax for that tax year; (ii) such carry forward of tax credit shall not be allowed beyond the</p>	<p>used, but only if the company switches to the new regime.</p> <ul style="list-style-type: none"> • The utilisation is limited to 25% of tax payable in a year. <p>D. MAT Exemption for Certain Non-Residents</p> <ul style="list-style-type: none"> • Non-resident taxpayers paying under the presumptive tax scheme will not be liable for MAT. • Reduces tax and compliance burden for eligible non-resident companies and aligns tax with their income structure.
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BUDGET ANALYSIS 2026-27

			<p>(n) While allowing credit under clause (m),—</p> <p>(i) no interest shall be payable on the tax credit so allowed; and</p> <p>(ii) where tax credit in respect of any income-tax paid in any country or specified territory outside India, under section 159(1) or (2), allowed against the minimum alternate tax exceeds such tax credit admissible against the tax payable by the assessee on its income as per the other provisions of this Act, then, while computing the credit under clause (m), such excess amount shall be ignored.</p> <p>(o)(i) The tax credit determined under</p>	<p>fifteenth tax year immediately succeeding the tax year in which the tax credit becomes allowable under clause (m);</p> <p>(p) Where as a result of any order passed under this Act, tax payable under this Act is decreased or increased, as the case may be, tax credit allowed under clause (m) shall also be decreased or increased accordingly.</p> <p>(q) The provisions of this Sub-section shall not apply to a person,—</p> <p>(i) being a company having income accruing or arising from life insurance business referred to in section 194(1) (Table: Sl. No. 6); or</p> <p>(ii) who has exercised the option under section 200(5) or section 201(2).</p> <p>(r) In case of conversion of a private company or unlisted public company into a limited liability partnership under the Limited Liability Partnership Act, 2008, the provisions of clauses (m) to (p) shall not apply to the successor limited liability partnership.</p> <p>(s) Every company to which this sub-section applies, shall furnish a report in the prescribed form from an accountant, certifying that the book profit in its case has</p>	
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			<p>clause (m) shall be carried forward, and— (A) set off in a year, when tax payable on the total income computed as per the provisions of this Act exceeds the minimum alternate tax; and (B) such set off in respect of brought forward tax credit shall be allowed for any tax year to the extent of the difference between the tax on his total income and the minimum alternate tax for that tax year; (ii) such carry forward of tax credit shall not be allowed beyond the fifteenth tax year immediately succeeding the tax year in which the tax credit becomes</p>	<p>been computed as per the provisions of this section— (i) before the specified date referred to in section 63; or (ii) along with the return of income furnished in response to a notice under section 268(1). “(3) (a) The provisions of this sub-section shall be applicable only to an assessee, being a domestic company, that has exercised the option under section 200(5) or section 201(2) for a tax year, beginning on or after the 1st April 2026. (b) Where any amount of credit, in respect of tax paid, was allowed to be carried forward to the assessee under the provisions of section 115JAA of the Income-tax Act, 1961, as on 31st March, 2026,— (i) such credit brought forward shall be allowed to be set off in any tax year to the extent of 25% of the tax payable on the total income computed as per the other provisions of this Act for that tax year; (ii) the remaining credit shall be carried forward to the subsequent tax year; and (iii) such carry forward or set off of tax credit shall not be allowed beyond the fifteenth tax year immediately succeeding the tax year in which the tax credit first became allowable</p>	
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			<p>allowable under clause (m);</p> <p>(p) Where as a result of any order passed under this Act, tax payable under this Act is decreased or increased, as the case may be, tax credit allowed under clause (m) shall also be decreased or increased accordingly.</p> <p>(q) The provisions of this section shall not apply to a person,—</p> <p>(i) being a company having income accruing or arising from life insurance business referred to in section 194(1) (Table: Sl. No. 6); or</p> <p>(ii) who has exercised the option under</p>	<p>under section 115JAA of the Income-tax Act, 1961.</p> <p>(c) Where, as a result of any order passed under this Act, tax payable under this Act is decreased or increased, as the case may be, tax credit allowed to be set off under clause (b) shall also be decreased or increased, accordingly.</p> <p>(d) In case of conversion of a private company or unlisted public company into a limited liability partnership under the Limited Liability Partnership Act, 2008, the provisions of clauses (a) and (b) shall not apply to the successor limited liability partnership.</p> <p>(4) (a) The provisions of this sub-section shall be applicable only to an assessee, being a foreign company.</p> <p>(b) Where, any amount of credit in respect of tax paid was allowed to be carried forward to the assessee under the provisions of section 115JAA of the Income-tax Act, 1961, as on 31st March, 2026,—</p> <p>(i) such tax credit shall be carried forward and set off in a tax year, when tax payable on the total income computed as per the provisions of this Act exceeds the minimum alternate tax computed as per provisions of sub-section (1);</p> <p>(ii) such set off in respect of brought forward tax credit shall be allowed for any tax year to</p>	
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			<p>section 200(5) or section 201(2).</p> <p>(r) In case of conversion of a private company or unlisted public company into a limited liability partnership under the Limited Liability Partnership Act, 2008, the provisions of clauses (m) to (p) shall not apply to the successor limited liability partnership.</p> <p>(s) Every company to which this section applies, shall furnish a report in the prescribed form from an accountant, certifying that the book profit in its case has been computed as per the provisions of this section—</p> <p>(i) before the specified date</p>	<p>the extent of the difference between the tax liability on the total income computed as per the other provisions of this Act and the minimum alternate tax for that tax year; and</p> <p>(iii) such carry forward or set off of tax credit shall not be allowed beyond the fifteenth tax year immediately succeeding the tax year in which the tax credit first became allowable under section 115JAA of the Income-tax Act, 1961.</p> <p>(c) Where, as a result of any order passed under this Act, tax payable under this Act is decreased or increased, as the case may be, tax credit allowed to be set off under clause (b) shall also be decreased or increased, accordingly.</p> <p>(d) In case of conversion of a private company or unlisted public company into a limited liability partnership under the Limited Liability Partnership Act, 2008, the provisions of clauses (a) and (b) shall not apply to the successor limited liability partnership.</p> <p>(5) Save as otherwise provided in this section, all other provisions of this Act shall apply to every assessee mentioned in this section.</p>	
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			<p>referred to in section 63; or (ii) along with the return of income furnished in response to a notice under section 268(1).</p> <p>(3) Save as otherwise provided in this section, all other provisions of this Act shall apply to every assessee mentioned in this section.</p>		
217	2026-27	Benefit under Chapter to be available in certain cases even after assessee becomes resident.	<p>Where a non-resident Indian in any tax year,— (a) becomes assessable as a resident in India in respect of total income in a subsequent year; and (b) furnishes a declaration in writing to the Assessing Officer along with his return of income under</p>	<p>(1) Where a non-resident Indian in any tax year,— (a) becomes assessable as a resident in India in respect of total income in a subsequent year; and (b) furnishes a declaration in writing to the Assessing Officer along with his return of income under section 263 for the tax year for which he is so assessable, to the effect that provisions of sections 212 to 216 shall continue to apply to him in relation to the investment income derived from any foreign exchange asset referred to in section 212(e) other than shares in an Indian company, then the provisions of sections 212 to 216 shall continue to apply in relation to such</p>	<p>The amendment restricts the scope of concessional tax benefits available to a Non-Resident Indian (NRI) who subsequently becomes a resident in India. Earlier, such an assessee could continue to avail the benefits of sections 212 to 218, which also included relief from interest payable for deferment of advance tax under section 217.</p>

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			section 263 for the tax year for which he is so assessable, to the effect that provisions of sections 212 to 218 shall continue to apply to him in relation to the investment income derived from any foreign exchange asset referred to in section 212(e) other than shares in an Indian company, then the provisions of sections 212 to 218 shall continue to apply in relation to such income for that tax year and every subsequent tax year until the transfer or conversion (otherwise than by transfer) of such assets into money.	income for that tax year and every subsequent tax year until the transfer or conversion (otherwise than by transfer) of such assets into money.	
217(2)	2026-27	Option to opt out of special regime	Newly inserted	(2) A non-resident Indian may choose not to be governed by the provisions of sections 212 to 216 for any tax year by declaring it in	Enhances taxpayer flexibility; choice can be exercised year-

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				his return of income under section 263 for such tax year, and if he does so,— (a) the provisions of sections 212 to 216 shall not apply to him for that tax year; and (b) his total income for that tax year shall be computed and charged to tax according to the other provisions of this Act.”.	specific, enabling tax planning based on income profile
218	2026-27	Tax on business income of Offshore Banking Units (OBU) / IFSC units	A non-resident Indian may choose not to be governed by the provisions of sections 212 to 217 for any tax year by declaring it in his return of income under section 263 for such tax year, and if he does so,— (a) the provisions of sections 212 to 217 shall not apply to him for that tax year, and (b) his total income for that tax year shall be computed and charged to tax according to the other provisions of this Act.	Where the total income of an assessee includes income of the nature referred to in section 147(3), the aggregate of income-tax payable by the assessee shall be the aggregate of income-tax computed on the income specified in column B of the Table below at the rate specified in the corresponding entry in column C of the said Table: TABLE Income Rate of Sl.No income-tax payable A B C 1. Income referred to in section 147(3) 15% 2. Total income as reduced by force. in income referred to in Sl. No. (1).	Codifies concessional 15% tax rate for specified IFSC / OBU income directly in charging section, improving legal clarity and certainty Prevents interpretational disputes and ensures segregated computation, especially useful for mixed-income assesseees

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227(4)(a)	2026-27	Computation of tonnage income.	<p>(4) For the purposes of this Part of the Chapter, the tonnage shall—</p> <p>(a) mean the tonnage of a ship or inland vessel, as the case may be, indicated in the certificate referred to in sub-section (9); and</p> <p>(9) (iii) in case of inland vessel registered in India, a certificate issued under the Inland Vessels Act, 2021.</p>	<p>(4) For the purposes of this Part of the Chapter, the tonnage shall—</p> <p>(a) mean the tonnage of a ship or inland vessel, as the case may be, indicated in the valid certificate referred to in sub-section (9); and</p> <p>9) (iii) in case of inland vessel registered in India, a certificate of registration issued under the Inland Vessels Act, 2021.</p>	Clarificatory in nature; ensures that only subsisting and unexpired certificates are acceptable, preventing reliance on lapsed, suspended or cancelled certificates
228(3)(b)(ii)(A)	2026-27	Relevant shipping income and exclusion from book profit	<p>(ii) specific shipping trades, being—</p> <p>(A) on-board or on-shore activities of passenger ships comprising of fares and food and beverages consumed on-board</p>	<p>(ii) specific shipping trades, being—</p> <p>(A) on-board or on-shore activities of passenger ships or inland vessels comprising of fares and food and beverages consumed on-board.</p>	Expands the scope to include inland vessels; ensures parity of tax treatment between passenger ships and inland water transport vessels

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232(12)	2026-27	Minimum training requirement for tonnage tax company	(12) A tonnage tax company, after its option has been approved under section 231(4), shall comply with the minimum training requirement in respect of trainee officers as per the guidelines issued by the Director-General of Shipping and notified by the Central Government.	(12) A tonnage tax company, after its option has been approved under section 231(4), shall comply with the minimum training requirement as per the guidelines issued by the Director-General of Shipping or the Inland Waterways Authority of India , as the case may be, and notified by the Central Government.	Amended sub-section (12) to insert reference to guidelines related to minimum training requirements in case of inland vessels issued by Inland Waterways Authority of India and notified by the Central Government.
232(13)	2026-27	Furnishing of compliance certificate	(13) The tonnage tax company shall be required to furnish a copy of the certificate issued by the Director-General of Shipping along with the return of income under section 263 to the effect that such company has complied with the minimum training requirement as per	(13) The tonnage tax company shall be required to furnish a copy of the certificate issued by the Director-General of Shipping, or the designated authority , as appointed by the respective State Governments under the Inland Vessels Act, 2021, as the case may be, along with the return of income under section 263 to the effect that such company has complied with the minimum training requirement as per the guidelines referred to in sub-section (12) for the tax year.	Amended the said sub-section to refer to the designated authority in respect of inland vessels.

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			the guidelines referred to in sub-section (12) for the tax year.		
232(17)	2026-27	Power of authority for guidelines / oversight	(17) For the purposes of sub-section (16), the average of net tonnage shall be computed in such manner, as may be prescribed, in consultation with the Director-General of Shipping	(17) For the purposes of sub-section (16), the average of net tonnage shall be computed in such manner, as may be prescribed, in consultation with the Director-General of Shipping or Inland Waterways Authority of India , as the case may be	Amended to add reference to Inland Waterways Authority of India, in case of inland vessels.
235(fa)	2026-27	Definition clause – statutory authorities	New inserted	‘(fa) “Inland Waterways Authority of India” shall have the same meaning as assigned to it in section 3 of the Inland Waterways Authority of India Act, 1985	Clarificatory and definitional amendment
262(10)(c)	2026-27	Permanent Account Number	(c) categories of documents pertaining to business or profession in which Permanent Account Number shall be quoted by every person	(c) categories of documents pertaining to business or profession, or other transactions in which Permanent Account Number shall be quoted by every person	Significantly widens the scope beyond business or professional activities to include other transactions (e.g., investment, capital or personal transactions), enhancing reporting and verification powers.

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Sec No	Amendment Effective from tax year	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks																					
263	01 st April 2026	Return of income	<p>(1)(c) for the purposes of this section, “due date” means the date of the financial year succeeding the relevant tax year as mentioned in the corresponding entry of column C of the Table below in respect of the persons mentioned in column B of the said Table:</p> <p>Table :</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Person</th> <th>Due date</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>B</td> <td>C</td> </tr> <tr> <td>1.</td> <td>Assessee, including the partners of the firm or the spouse of such partner (if section 10 applies to such spouse), who is</td> <td>30th November.</td> </tr> </tbody> </table>	Sl. No.	Person	Due date	A	B	C	1.	Assessee, including the partners of the firm or the spouse of such partner (if section 10 applies to such spouse), who is	30th November.	<p>(1) (c) for the purposes of this section, “due date” in respect of the persons mentioned in column B of the Table below, subject to conditions as mentioned in column C of the said Table, shall be the due date of the financial year succeeding the relevant tax year as mentioned in column D thereof:</p> <p>TABLE</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Person</th> <th>Conditions</th> <th>Due date</th> </tr> <tr> <th>A</th> <th>B</th> <th>C</th> <th>D</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Assessee, including the partners of the firm or the spouse of such partner (if section 10 applies to such spouse).</td> <td>Where the provisions of section 172 apply.</td> <td>30th November.</td> </tr> </tbody> </table>	Sl. No.	Person	Conditions	Due date	A	B	C	D	1	Assessee, including the partners of the firm or the spouse of such partner (if section 10 applies to such spouse).	Where the provisions of section 172 apply.	30 th November.	For assesses Income from profits and gains of business or profession, Income of a partner or Spouse of partner whose accounts are not required to be audited, the due date for filing income tax return is extended from 31st July to 31st August
Sl. No.	Person	Due date																								
A	B	C																								
1.	Assessee, including the partners of the firm or the spouse of such partner (if section 10 applies to such spouse), who is	30th November.																								
Sl. No.	Person	Conditions	Due date																							
A	B	C	D																							
1	Assessee, including the partners of the firm or the spouse of such partner (if section 10 applies to such spouse).	Where the provisions of section 172 apply.	30 th November.																							

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			required to be furnished a report referred to in section 172 .		2	(i) Company; (ii) Assessee (other than a company) whose accounts are required to be audited under this Act or under any other law in force; (iii) partner of a firm whose accounts are required to be audited under this Act or under any other law	Where the provisions of section 172 do not apply.	31 st October.		
			2. Company (in cases other than those mentioned in Sl. No. 1).	31st October.						
			3. Person (other than a company) whose accounts are required to be audited under this Act or under any other law in force (in cases other than those mentioned in Sl. No. 1).	31st October.						
			4. Partner of a firm whose accounts are required to be audited under this Act or under any	31st October.						

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				(ii) partner of a firm whose accounts are not required to be audited under this Act or under any other law in force or the spouse of such partner (if section 10 applies to such spouse).			
				4	Any other assessee.		31 st July
			(5) If any person, having furnished a return under sub-section (1) or sub-section (4), discovers any omission or any wrong statement therein, he may furnish a revised return at any time within nine months from the end of the relevant tax year, or	(5) If any person, having furnished a return under sub-section (1) or (4), discovers any omission or any wrong statement therein, he may, subject to the provisions of section 428(b), furnish a revised return at any time within twelve months from the end of the relevant tax year, or before the			Time period for filing a revised return increased to 12 months from earlier 9 months from the end of the

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			before the completion of the assessment, whichever is earlier.	completion of the assessment, whichever is earlier.	relevant tax year, or before the completion of the assessment, whichever is earlier
			(6)(b) the provisions of clause (a) shall continue to apply for a tax year if any person has sustained a loss in the said tax year and has furnished a return of loss within the due date specified under sub-section (1) and the updated return is a return of income	(6)(b)(i) the provisions of clause (a) shall continue to apply for a tax year if any person has sustained a loss in the said tax year and has furnished a return of loss within the due date specified under subsection (1) and the updated return is a return of income or such updated return has the effect of reducing the loss; (ii) the provisions of clause (a) shall also apply where an updated return is furnished by a person for the relevant tax year in pursuance of a notice issued under section 280 within such period as specified in the said notice and in such a case, the assessee shall be precluded from filing return in pursuance of the said notice in any other manner	The amendment clarifies that an updated return can be filed even in loss cases where it converts the loss into income or reduces the loss. It also allows filing of an updated return in response to a reassessment notice under section 280, within the time specified in the notice, and prohibits filing the return in any other manner thereafter.
			(6)(c)(i) the updated return is a return of loss for the said tax year	(6)(c)(i) the updated return is a return of loss for the said tax year except in a case referred to in sub-section (6) (b) (i)	
			(6)(c)(v) any proceeding for assessment or reassessment or recomputation or revision of income under this Act is pending or has been completed for the said tax year	(6)(c)(v) any proceeding for assessment or reassessment or recomputation or revision of income under this Act is pending or has been completed for the said tax year except in a case referred to in sub-section (6) (b) (i)	
			(6)(e) if a person has furnished a return of income under clause (a) for a tax year, and as a result the loss or	(6)(e) if a person has furnished a return of income under clause (a) for a tax year, and as a result the loss or any part thereof carried forward under	

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			any part thereof carried forward under Chapter VII or unabsorbed depreciation carried forward under section 33(3)(b) or tax credit carried forward under section 206(1)(m) to (p) and 206(2)(e) to (h) is to be reduced for any subsequent tax year, then, an updated return shall be furnished for each such subsequent tax year.	Chapter VII or unabsorbed depreciation carried forward under section 33(3)(b) or tax credit carried forward under 206(2)(e) to (h) and 206(3) and (4) is to be reduced for any subsequent tax year, then, an updated return shall be furnished for each such subsequent tax year.	
266	01 st April 2026	Self-assessment	(2)(f) any tax credit claimed to be set off as per section 206(1)(m) to (p) and 206(2)(e) to (h)	(2)(f) any tax credit claimed to be set off as per sections 206(2)(e) to (h) and 206(3) and (4)	The amendment rationalizes the MAT framework by reducing the MAT rate from 15% to 14% and aligning MAT credit only with the new tax regime. MAT paid under the old regime will be treated as final tax with no further credit, while MAT credit set-off under the new regime is restricted to 25% of tax liability for domestic
			(4)(f) any tax credit claimed to be set off as per the provisions of section 206(1)(m) to (p) and 206(2)(e) to (h)	(4)(f) any tax credit claimed to be set off as per the provisions of sections 206(2)(e) to (h) and 206(3) and (4)	
			(6)(e) any tax credit claimed to be set off as per the provisions of section 206(1)(m) to (p) and 206(2)(e) to (h)	(6)(e) any tax credit claimed to be set off as per the provisions of sections 206(2)(e) to (h) and 206(3) and (4)	
267	01 st April 2026	Tax on updated return	(2)(f) any tax credit claimed to be set off as per the provisions of section 206(1)(m) to (p) and 206(2)(e) to (h)	(2)(f) any tax credit claimed to be set off as per the provisions of sections 206(2)(e) to (h) and 206(3) and (4)	
			(4)(e) any tax credit claimed, to be set off as per the provisions of section 206(1)(m) to (p) and 206(2)(e) to (h) which has not been claimed in the earlier return.	(4)(e) any tax credit claimed, to be set off as per the provisions of sections 206(2)(e) to (h) and 206(3) and (4) which has not been claimed in the earlier return.	
			(7)(a)(v) any tax credit claimed, to be set off as per section 206(1)(m) to (p)	(7)(a)(v) any tax credit claimed, to be set off as per sections 206(2)(e) to (h) and 206(3) and (4) , which has not been claimed in the earlier return	

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			and 206(2)(e) to (h), which has not been claimed in the earlier return		companies and excess of normal tax over MAT for foreign companies
			(5) For the purposes of sub-sections (1) and (3), the additional income-tax payable at the time of furnishing the return under section 263(6) shall be equal to,— (a) 25% of aggregate of tax and interest payable, as determined in sub-section (1) or (3), as the case may be, if such return is furnished after expiry of the time available under section 263(4) or (5) and before completion of twelve months from the end of the financial year succeeding the relevant tax year; or (b) 50% of aggregate of tax and interest payable, as determined in sub-section (1) or (3), as the case may be, if such return is furnished after the expiry of twelve months but before completion of twenty-four months from the end of the financial year succeeding the relevant tax year; or (c) 60% of aggregate of tax and interest payable, as determined in sub-section (1) or (3), as the case may	(5)(i) For the purposes of sub-sections (1) and (3), the additional income-tax payable at the time of furnishing the return under section 263(6) shall be equal to, — (a) 25% of aggregate of tax and interest payable, as determined in subsection (1) or (3), as the case may be, if such return is furnished after the expiry of the time available under section 263(4) or (5) and before completion of twelve months from the end of the financial year succeeding the relevant tax year; or (b) 50% of aggregate of tax and interest payable, as determined in subsection (1) or (3), as the case may be, if such return is furnished after the expiry of twelve months but before completion of twenty-four months from the end of the financial year succeeding the relevant tax year; or (c) 60% of aggregate of tax and interest payable, as determined in subsection (1) or (3), as the case may be, if such return is furnished after the expiry of twenty-four months, but before the completion of thirty-six months, from the end of the financial year succeeding the relevant tax year; or (d) 70% of aggregate of tax and interest payable, as determined in subsection (1) or (3), as the case	<ul style="list-style-type: none"> • If an updated return is filed in response to a notice under section 280 within the specified time, an additional 10% of the aggregate tax and interest payable will be levied as extra additional income-tax. • Further, where such additional income-tax is paid, the related income will not be

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			<p>be, if such return is furnished after the expiry of twenty-four months, but before completion of thirty-six months, from the end of the financial year succeeding the relevant tax year; or</p> <p>(d) 70% of aggregate of tax and interest payable, as determined in sub-section (1) or (3), as the case may be, if such return is furnished after the expiry of thirty-six months, but before completion of forty-eight months, from the end of the financial year succeeding the relevant tax year.</p>	<p>may be, if such return is furnished after the expiry of thirty-six months, but before the completion of forty-eight months, from the end of the financial year succeeding the relevant tax year.</p> <p>(ii) Where an updated return is filed in pursuance of a notice issued under section 280 within the period specified in the said notice, the additional income-tax payable under sub-section (5)(i) shall be increased by a further sum of 10 % of the aggregate of tax and interest payable, as determined in sub-section (1) or (3), as the case may be.</p>	<p>subject to penalty under section 439.</p>
270	01st April 2026	Assessment	<p>(1)(a)(vi) disallowance of deduction claimed under section 144 or under any of the provisions of Chapter VIII-C, if the return is furnished beyond the due date specified under section 263(1)</p>	<p>(1)(a)(vi) disallowance of deduction claimed under any of the provisions of Chapter VIII-C, if the return is furnished beyond the due date specified under section 263(1)</p>	<p>Since section 144 is covered under Chapter VIII-C along with other provisions, now all the provisions of Chapter VIII-C will not be considered for deductions if return is filed beyond due date</p>
275	01st April 2026	Reference to dispute resolution panel	<p>(4) The Assessing Officer shall, irrespective of anything contained in section 286, pass the assessment</p>	<p>(4)(a) The Assessing Officer shall, irrespective of anything contained in section 286, pass the assessment order under sub-section (3) within</p>	<p>Welcome move for faster adjudication. This</p>

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			<p>order under sub-section (3) within one month from the end of the month in which,- (a) the acceptance is received; or (b) the period of filing of objections under sub-section (2) expires.</p>	<p>one month from the end of the month in which,- (i) the acceptance is received; or (ii) the period of filing of objections under sub-section (2) expires. (b) Irrespective of anything contained in section 286, where a draft of the proposed order of assessment under sub-section (1) is forwarded within the time period allowed under the said section, further time period available to the Assessing Officer to complete the assessment under sub-section (3) shall be governed by the provisions of this sub-section.</p>	<p>amendment states once a draft assessment is issued and either accepted or the period to file objections is over, the AO has just one month (after that month ends) to complete and pass the final assessment order.</p>
			<p>(14) Upon receipt of the directions issued under sub-section (5), the Assessing Officer shall, in conformity with the directions, complete, irrespective of anything to the contrary contained in section 286, the assessment without providing any further opportunity of being heard to the assessee, within one month from the end of the month in which such direction is received.</p>	<p>(14)(a) Upon receipt of the directions issued under sub-section (5), the Assessing Officer shall, in conformity with the directions, complete, irrespective of anything to the contrary contained in section 286, the assessment without providing any further opportunity of being heard to the assessee, within one month from the end of the month in which such direction is received; (b) Irrespective of anything contained in section 286, where a draft of the proposed order of assessment under sub-section (1) is forwarded within the time period allowed under section 286, time period available for the Assessing Officer under this sub-section to pass the assessment order upon receipt of the direction issued under sub-section (5), shall be governed by the provisions of sub-section (13) and this sub-section.</p>	

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279	01 st 2026	April	Income escaping assessment	Newly inserted	(3) The “Assessing Officer” for the purposes of sections 280 and 281 shall mean to be an Assessing Officer other than the National Faceless Assessment Centre or any assessment unit referred to in section 273(3)	Newly added to define “Assessing Officer” for section 280 and section 281 w.r.t issue of notice where income has escaped assessment.
286	01 st 2026	April	Time limit for completion of assessment, assessment re-computation	for of re-and	(2) Time limit for completion of any assessment or reassessment as provided in sub-section (1), in a case where reference is made to the Transfer Pricing Officer for determining the arm’s length price under section 166(1), shall be extended by an additional period of twelve months. (2)(a) Time limit for completion of any assessment or re-assessment as provided in sub-section (1) [Table: SI No. 1 to 4], in a case where reference is made to the Transfer Pricing Officer for determining the arm’s length price under section 166(1), shall be extended by an additional period of twelve months. (b) In terms of provisions of sub-section (1) [Table: SI No. 1 to 4] and this sub-section, the draft of the proposed order of assessment referred to in section 275 shall be made at any time up to the time limit of assessment, reassessment or recomputation referred to in the said Table and this sub-section.	The newly inserted clauses (c) and (d) of section 295(2) clearly define the block period for “other persons” in search or requisition cases. Where undisclosed income relates only to the specified year and the search period, the block period will be restricted to that limited span; and where it pertains to only one tax year out of the

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						preceding five years, the block period will be confined to that single year
295 (2)	01 st April 2026	Undisclosed income of any other person	Newly inserted	(c) where the undisclosed income of the other person pertains only to the period – (i) commencing from the tax year (herein referred to as the specified year) immediately preceding the year of initiation of search or requisition; and (ii) ending on the date of initiation of search or making of requisition, then irrespective of the provisions of section 301(a), the block period in respect of such other person shall comprise of the specified year and the period starting from the 1st April of the tax year in which search was initiated or requisition was made and ending on the date of the execution of the last of the authorisations for such search or such requisition; (d) where the undisclosed income of the other person pertains to a single tax year out of the five tax years preceding the specified year, then irrespective of the provisions of section 301(a), the block period in respect of such other person shall comprise of only that single tax year.	The newly inserted clauses (c) and (d) of section 295(2) clearly define the block period for “other persons” in search or requisition cases. Where undisclosed income relates only to the specified year and the search period, the block period will be restricted to that limited span; and where it pertains to only one tax year out of the preceding five years, the block period will be	

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					confined to that single year.
296	01 st April 2026	Time-limit for completion of block assessment	(1)(a) Irrespective of the provisions of section 286, the order under section 294 shall be passed within twelve months from the end of the quarter in which the last of the authorisations for search was executed, or requisition was made. (b) Where in pursuance to section 294(1)(a)(v), the time allowed under the said section for furnishing return is extended by a further period of thirty days, the provisions of sub-sections (1) and (5) shall have effect, as if for the words “twelve months”, the words “thirteen months” had been substituted.	(1) Irrespective of the provisions of section 286, the order under section 294 shall be passed within eighteen months from the end of the quarter in which the search was initiated or requisition was made.	Time period for passing an order u/s 294 w.r.t. block assessment extended to 18 months from existing 12 months.
332	01 st April 2026	Application registration for	(1)(f) any person as referred to in Schedule III (Table: Sl. No. 27) to (Table: Sl. No. 29) and (Table: Sl. No. 36) and in Schedule VII (Table: Sl. No. 10) to (Table: Sl. No. 19) and (Table: Sl. No. 42)	(1)(f) any person as referred to in Schedule III (Table: Sl. No. 27) to (Table: Sl. No. 29) and (Table: Sl. No. 36) and in Schedule VII (Table: Sl. No. 17 to 19) and (Table: Sl. No. 42)	Removal of person specified at Sl. No. 10 to 16 such as ‘The Prime Minister’s Fund (Promotion of Folk Art), The Prime Minister’s Aid to Students Fund, The National

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					<i>Foundation for Communal Harmony' etc. so that such person shall not be required to register themselves to claim benefit of exemption u/s 10</i>
349	01 st April 2026	Return of income	Where the total income of a registered non-profit organisation, without giving effect to the provisions of this Part, exceeds the maximum amount which is not chargeable to income-tax in any tax year, it shall furnish the return of income for that tax year as per the provisions of section 263(1)(a)(iii) and (2), within the time limit allowed under section 263(1)(c)	Where the total income of a registered non-profit organisation, without giving effect to the provisions of this Part, exceeds the maximum amount which is not chargeable to income-tax in any tax year, it shall furnish the return of income for that tax year as per the provisions of section 263(1)(a)(iii) and (2), within the time limit allowed under section 263(4)	The amendment to section 349 revises the due date reference for filing return of income by registered non-profit organizations whose income exceeds the basic exemption limit. Such returns will now be filed at any time within nine months from the end of the relevant tax year, or before the completion of the

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					assessment, whichever is earlier under section 263(4) instead of section 263(1)(c).
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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks												
351	01-04-2026	Specified violation by Non Profit Organization	<p>351. (1) The following shall constitute specified violation by a registered non-profit organisation: —</p> <p>(a) where any income of the registered non-profit organisation has been applied, other than for its objects; or</p> <p>(b) it carries out any commercial activity in contravention of the provisions of section 345 or 346; or</p> <p>(c) where it has applied any part of its total income for private religious purposes, which does not enure for the benefit of the public; or</p>	<p>351. (1) The following shall constitute specified violation by a registered non-profit organisation: —</p> <p>(a) where any income of the registered non-profit organisation has been applied, other than for its objects; or</p> <p>(b) it carries out any commercial activity in contravention of the provisions of section 345 or</p> <p>(c) where it has applied any part of its total income for private religious purposes, which does not enure for the benefit of the public; or</p>	Violations of Section 346 will not no longer result in cancellation of registration. An NGO will no longer lose its tax registration just because it earns some money while carrying out public welfare activities, as long as its main purpose remains charitable. This is a much-needed corrective amendment.												
352	01-04-2026	Section 352 Tax on accreted income of Non Profit Organization	<p>352- (4) The specified person and the principal officer or trustee of such specified person shall be liable to pay the tax on accreted income to the credit of the Central Government within fourteen days from the due date specified in column D of the Table below-</p> <table border="1" data-bbox="604 1268 1163 1305"> <tr> <td>A</td> <td>B</td> <td>C</td> <td>D</td> </tr> </table>	A	B	C	D	<p>352- (4) The specified person and the principal officer or trustee of such specified person shall be liable to pay the tax on accreted income to the credit of the Central Government within fourteen days from the due date specified in column D of the Table below-</p> <table border="1" data-bbox="1192 1219 1730 1295"> <tr> <td>A</td> <td>B</td> <td>C</td> <td>D</td> </tr> <tr> <td></td> <td>(i)</td> <td>(ii)</td> <td></td> </tr> </table>	A	B	C	D		(i)	(ii)		As per the new amendment, it is clear that even when two registered non-profits organisation with similar objectives merge, tax may still be applicable if
A	B	C	D														
A	B	C	D														
	(i)	(ii)															

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	(i)	(ii)								
8	The specified person has merged with any other entity other than a registered nonprofit organisation having the same or similar objects and the said merger does not fulfil such conditions, as may be prescribed-		The date of merger-	The date of merger-	8	The specified person has merged with any other— (a) entity other than a registered non-profit organisation; or (b) registered non-profit organisation having objects same or similar to it but the said merger does not fulfil such conditions, as may be prescribed; or (c) registered non-profit organisation that does not have same or		The date of merger-	The date of merger-	certain prescribed conditions are not met- In short, simply having the same charitable purpose is no longer enough compliance with the specified conditions is now crucial to avoid tax exposure.

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				similar objects-	
New section 354A	01-04-2026	Merger of registered non-profit organisation in certain cases-	NA	354A- Where any registered non-profit organisation merges with any other registered non-profit organisation, the provisions of section 352 shall not apply if, — (a) the other registered non-profit organisation has same or similar objects; and (b) the said merger fulfils such conditions as may be prescribed-	Section 354A proposed in the Finance Bill, 2026 provides that tax on accreted income under section 352 shall not apply where a registered non-profit organisation merges with another registered non-profit organisation having the same or similar objects, subject to prescribed conditions-
379	01-04-2026	Dispute Resolution Committee-	379- (1) The Central Government shall constitute, one or more Dispute Resolution Committees, as per the rules made under this Act, for dispute resolution in the case of such persons or class of persons, as specified by the Board, who opt for dispute resolution under this Chapter in respect of dispute arising from any variation in the specified order in his case and who fulfils the specified conditions, as may be prescribed-	379- (1) The Central Government shall constitute, one or more Dispute Resolution Committees, as per the rules made under this Act, for dispute resolution in the case of such persons or class of persons, as specified by the Board, who opt for dispute resolution under this Chapter in respect of dispute arising from any variation in the specified order in his case and who	Section 379 is amended to clarify that the competent authority i.e., DRC may waive any penalty that is already imposed or yet to be imposed.

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			(2) The Dispute Resolution Committee, subject to the conditions as may be prescribed, may make modifications to the variations in specified order or reduce or waive any penalty imposable under this Act, or grant immunity from prosecution for any offence punishable under this Act, in case of a person whose dispute is resolved under this Chapter-	fulfils the specified conditions, as may be prescribed- (2) The Dispute Resolution Committee, subject to the conditions as may be prescribed, may make modifications to the variations in specified order or reduce or waive any penalty imposed or imposable under this Act, or grant immunity from prosecution for any offence punishable under this Act, in case of a person whose dispute is resolved under this Chapter-	
393 (1)	01-04-2026	The Deduction of Tax at Source to be made under the provision	Section 393 (1) Sr- No- 3 to the Table Note 3—For the purposes of serial number 3(iii), the income-tax shall be deducted where consideration for transfer of any immovable property or the stamp duty value of such property, is equal to or greater than fifty lakh rupees-	Section 393 (1) Sr- No- 3 to the Table Note 3- —For the purposes of serial number 3(i) , the income-tax shall be deducted where consideration for transfer of any immovable property or the stamp duty value of such property, is equal to or greater than fifty lakh rupees-	Typographical error made in the act, is corrected.
393 (4)	01-04-2026	The deduction of tax at source shall not be made under the provisions	Section 393 (4) Sr- No- 7 to the Table (a) Interest income credited or paid to— (i) any banking company; or	Section 393 (4) Sr- No- 7 to the Table (a) Interest income credited or paid to— (i) any banking company or any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank)	Interest earned by Co-Operative society engaged in Banking Business will not be subject to Tax deduction at source (TDS)-
393 (4)	01-04-2026	The deduction of tax at source shall not be made under the provisions	Section 393 (4) Sr- No- 7 to the Table sub-clause (c) interest income credited or paid— (iv) by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal where the amount of such income or, the aggregate of	Section 393 (4) Sr- No- 7 to the Table sub-clause (c) interest income credited or paid— (iv) on the compensation amount awarded by a Motor Accidents Claims Tribunal— (A) to an individual; or	As the claim amount is not taxable in the hands of an individual. Hence Cap of Rs- 50,000 for interest received

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			the amounts of such income does not exceed ₹ 50000 during the tax year;	(B) to a person other than an individual, where the aggregate interest on such compensation does not exceed ₹ 50000 during the tax year;	from Accidents Tribunal for individuals removed.	Motor Claim for is
393 (6)	01-04-2027	Tax Deduction not to be made in case of Declaration received that the tax on such person's estimated total income of the tax year in which such income or sum is to be included in computing his total income shall be nil-	Section 393 (6) The deduction of tax shall not be made under provisions referred to in column C of the Table below, in the case of a person as specified in column B, if such person furnishes to the person responsible for paying any income or sum of the nature referred to in such provisions, a written declaration in duplicate in such form and manner as may be prescribed that the tax on such person's estimated total income of the tax year in which such income or sum is to be included in computing his total income shall be nil-	Section 393 (6)(a) The deduction of tax shall not be made under provisions referred to in column C of the Table below, in the case of a person as specified in column B, if such person furnishes to the person responsible for paying any income or sum of the nature referred to in such provisions, a written declaration in duplicate in such form and manner as may be prescribed that the tax on such person's estimated total income of the tax year in which such income or sum is to be included in computing his total income shall be nil- Section 393(6)(b) The declaration referred in clause (a) may also be furnished electronically to a depository, as defined in section (2)(e) of the Depositories Act, 1996, where— (i) the income is from units, interest on securities or dividends, as the case may be, as referred to in section 393(1) [Table: 4(i), 5(i) or 7]; (ii) such units or securities are held with such depository; and (iii) such securities are listed on a recognised stock exchange, in accordance with such	New clause (b) is added so as to enable the Declaration to be submitted electronically to the depositories for availing exemption.	

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				<i>procedure and manner, as may be prescribed-;</i>	
393(7)	01-04-2026		(7) The person responsible for paying any income or sum of the nature referred in sub-section (6) shall deliver or cause to be delivered, one copy of the declaration referred therein, received from the person to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, on or before the seventh day of the month following the month in which the declaration is furnished to him-	<i>(7) The person responsible for paying any income or sum of the nature referred to in sub-section (6) shall deliver or cause to be delivered, such declaration referred therein, received from the person, as specified in column (B) of the Table in sub-section (6) or the depository, to the prescribed income-tax authority, on or before the seventh day of the month immediately following the end of each quarter in which declaration is furnished to him as per sub-section (6)-"-</i>	Once the declaration is furnished in a quarter for availing exemption from TDS, it must be sent to the income tax authority within the next seven days after that quarter ends.
394	01-04-2026	Collection of tax at source-	394- (1) Every person, as specified in column C of the Table below shall collect tax— (a) on receipts specified in column B; (b) at the rate as specified in column D; and (c) at the time of debiting of the amount payable by the buyer or licensee or lessee to the account of the buyer or licensee or lessee or at the time of receipt of such amount from the said buyer or licensee or lessee in cash or by way of a cheque or a draft or any other mode, whichever is earlier- 1- Sale of alcoholic liquor for human consumption - 1% 2- Sale of tendu leaves- - 5%	394- (1) Every person, as specified in column C of the Table below shall collect tax— (a) on receipts specified in column B; (b) at the rate as specified in column D; and (c) at the time of debiting of the amount payable by the buyer or licensee or lessee to the account of the buyer or licensee or lessee or at the time of receipt of such amount from the said buyer or licensee or lessee in cash or by way of a cheque or a draft or any other mode, whichever is earlier- 1- Sale of alcoholic liquor for human consumption —2% 2- Sale of tendu leaves- - 2% 4- Sale of scrap-- 2%	TCS rates under section 394 revised to a uniform rate of 2% in following cases: Alcoholic Liquor, Tendu Leaves & Scrap Specified LRS remittances for medical & education and overseas tour programme packages.

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			<p>4-Sale of scrap-- 1%</p> <p>5- Sale of minerals, being coal or lignite or iron ore-- 1%</p> <p>7- Remittance under the Liberalised Remittance Scheme of an amount or aggregate of the amounts exceeding ten lakh rupees— Person – Authorised dealer-</p> <p>(a) 5% for purposes of education or medical treatment;</p> <p>(b) 20% for purposes other than education or medical treatment-</p> <p>8- Sale of “overseas tour programme package” including expenses for travel or hotel stay or boarding or lodging or any such similar or related expenditure--</p> <p>(a) 5% of amount or aggregate of amounts up to ten lakh rupees;</p> <p>(b) 20% of amount or aggregate of Amounts exceeding ten lakh rupees-</p>	<p>5- Sale of minerals, being coal or lignite or iron ore-- 2%</p> <p>7- Remittance under the Liberalised Remittance Scheme of an amount or aggregate of the amounts exceeding ten lakh rupees— Person – Authorised dealer-</p> <p>(a) 2% for purposes of education or medical treatment;</p> <p>(b) 20% for purposes other than education or medical treatment-</p> <p>8- Sale of “overseas tour programme package” including expenses for travel or hotel stay or boarding or lodging or any such similar or related expenditure- - 2% of amount or aggregate of amounts- (irrespective of amounts)</p>	
395	01-04-2026	Certificates-	<p>395 (1)(c) when a certificate is issued under clause (b), the person responsible for paying the income or sum shall deduct the tax at the rate specified in such certificate, or deduct no income-tax, as the case may be, till its validity-</p> <p>----</p>	<p><i>Section 395 (1) (c) when a certificate is issued under clause (b) or sub-section (6), as the case may be, the person responsible for paying the income or sum shall deduct the tax at the rate specified in such certificate, or deduct no income-tax, as the case may be, till its validity;</i></p> <p><i>“(6) The application referred to in sub-section (1)(a) may also be filed before the prescribed income-tax authority, subject to such</i></p>	<p>Instead of visiting the tax office and filing paper applications, small taxpayers can now apply online for a certificate that allows tax to be deducted at a lower rate or not deducted at all.</p>

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				<p><i>conditions as may be prescribed, and such authority on electronic verification of the contents of the application, may—</i></p> <p><i>(a) either issue a certificate for deduction of income-tax at lower rate or no deduction of income-tax; or</i></p> <p><i>(b) reject such application on account of non-fulfillment of the prescribed conditions or on account of the application being incomplete—</i></p>	
397	01-10-2026	Compliance and reporting-	<p>397- (1)(a) Every person deducting or collecting tax shall apply for allotment of a tax deduction and collection account number to the Assessing Officer within such time as may be prescribed, if that person has not already been allotted such number;</p> <p>(c) the provisions of clause (a) shall not apply—</p> <p>(i) to a person who is required to deduct tax under provisions of section 393(1) [Table: SI- No- 2(i), 3(i) and 6(ii)];</p> <p>(ii) to a person referred to in section 393(4) [Table: SI- No- 12-C(a)]; and</p> <p>(iii) a person notified in this regard by the Central Government-</p>	<p>397- (1)(a) Every person deducting or collecting tax shall apply for allotment of a tax deduction and collection account number to the Assessing Officer within such time as may be prescribed, if that person has not already been allotted such number;</p> <p>“(c) the provisions of clause (a) shall not apply to—</p> <p>(i) a person in respect of a transaction where he is required to deduct tax under section 393(1) [Table: SI- No- 2(i), 3(i) or 6(ii)]; or</p> <p>(ii) a person referred to in section 393(4) [Table: SI- No- 12-C(a)] in respect of a transaction where he is required to deduct tax on consideration for transfer of a virtual digital asset under section 393(1) [Table: SI- No-8(vi)]; or</p> <p>(iii) a resident individual or Hindu undivided family in respect of a transaction where he is required to deduct tax on any consideration</p>	<p>In order to reduce compliance burden for the resident individual and Hindu undivided family, it is proposed that resident individual or Hindu undivided family, is not required to obtain TAN to deduct tax at source in respect of any consideration on transfer of any immovable property under section 393(2) [Table SI- No- 17]</p>

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				for the transfer of any immovable property under section 393(2) [Table: SI- No- 17]; or (iv) a person notified in this regard by the Central Government--"	
399	01-04-2026	Processing of Returns-	<p>399- (1) All statements of tax deducted at source or tax collected at source including a correction statement shall be processed in the following manner:—</p> <p>(a) the amounts deductible or collectible under this Chapter shall be computed after making the following adjustments:—</p> <p>(i) any arithmetical error in the statement; or</p> <p>(ii) an incorrect claim apparent from any information in the statement;</p> <p>(b) the interest, if any, shall be computed on the basis of the amounts deductible or collectible as reflected in the statement;</p> <p>(c) the fee, if any, shall be computed as per the provisions of section 427;</p> <p>(d)(i) the amount payable by; or</p> <p>(ii) the amount of refund due to, the deductor or collector shall be determined after adjustment of the amount computed under clauses (b) and (c) against any amount paid under section 397(3) or 398 or 427 and any amount paid otherwise by way of tax or interest or fee;</p> <p>(e) an intimation shall be prepared or generated and sent to the</p>	<p>399- (1) All statements of tax deducted at source or tax collected at source including a correction statement shall be processed in the following manner:—</p> <p>(a) the amounts deductible or collectible under this Chapter shall be computed after making the following adjustments:—</p> <p>(i) any arithmetical error in the statement; or</p> <p>(ii) an incorrect claim apparent from any information in the statement;</p> <p>(b) the interest, if any, shall be computed on the basis of the amounts deductible or collectible as reflected in the statement;</p> <p>(c) the fee, if any, shall be computed as per the provisions of section 427(1) and 427(2);</p> <p>(d)(i) the amount payable by; or</p> <p>(ii) the amount of refund due to, the deductor or collector shall be determined after adjustment of the amount computed under clauses (b) and (c) against any amount paid under section 397(3) or 398 or 427(1) and 427(2) and any amount paid otherwise by way of tax or interest or fee;</p>	Typographical errors of Section 427 is replaced with Section 427(1) & 427 (2). No change in the late fees.

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			deductor or collector specifying the amount determined to be payable by, or the amount of refund due to, him under clause (d); (f) the amount of refund due to a deductor or collector in pursuance of the determination under clause (d) shall be granted to the deductor or collector- (2) The intimation under this section shall be sent within of one year from the end of the tax year in which the statement is filed- (3) The Board may make a scheme for centralised processing of statements, as required under sub-section (1)-	(e) an intimation shall be prepared or generated and sent to the deductor or collector specifying the amount determined to be payable by, or the amount of refund due to, him under clause (d); (f) the amount of refund due to a deductor or collector in pursuance of the determination under clause (d) shall be granted to the deductor or collector- (2) The intimation under this section shall be sent within of one year from the end of the tax year in which the statement is filed- (3) The Board may make a scheme for centralised processing of statements, as required under sub-section (1)-	
400	01-04-2026	Power of Central Government to relax provisions of this Chapter-	Section 400(2): The Board may issue guidelines with the previous approval of the Central Government, to remove any difficulty arising in giving effect to the provisions of this Chapter and these guidelines shall be laid before each House of Parliament-	Section 400(2): The Board may, with the previous approval of the Central Government, issue guidelines to remove any difficulty arising in giving effect to the provisions of this Chapter and such guidelines shall be— (a) binding on the income-tax authorities and on the person liable to deduct or, as the case may be, collect income-tax; and (b) laid before each House of Parliament-”	To make sure the Income-tax Act, 2025 works with the intent laid out in Income Tax Act 1961, it is proposed that any guidelines issued to clear difficulties in applying the TDS/TCS provisions will be compulsory for both income-tax authorities and

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					taxpayers who are required to deduct or collect tax.				
402	01-04-2026	Interpretation-	<p>Section 402</p> <p>clause (27), in sub-clause (c), “person responsible for paying” means— (c) in the case of any sum payable to a non-resident Indian, being any sum representing consideration for the transfer by him of any foreign exchange asset, which is not a short-term capital asset, the authorised person responsible—</p>	<p>Clause (27), in sub-clause (c), “person responsible for paying” means— (c) in the case of any sum payable to a non-resident Indian, being any sum representing consideration for the transfer by him of any foreign exchange asset, which is not a short-term capital asset, authorised person, referred in clause (c) of section 2 of the Foreign Exchange Management Act, 1999, responsible-</p> <p>Clause (47) after sub-clause (e), the following sub-clause shall be inserted, namely: — “(f) supply of manpower to a person to work under his supervision, control or direction-”-</p>	<p>Authorized person for the clause 27 means the authorised person, referred in clause (c) of section 2 of the Foreign Exchange Management Act, 1999-</p> <p>Clause (47) expressly interpreters “Work” under which Manpower supply is added, which means TDS on Manpower Supply service to be deducted @ 1% or 2% as per applicability.</p>				
411	1st April, 2026	When tax payable and when assessee deemed in default-	<p>(3)If the amount specified in any notice of demand under section 289 is not paid within the period limited under sub-section (1),—</p> <table border="1"> <tr> <td>(a)</td> <td>the assessee shall be liable to pay simple interest at 1% for every month or part of a month comprised in the period; and</td> </tr> </table>	(a)	the assessee shall be liable to pay simple interest at 1% for every month or part of a month comprised in the period; and	<p>Section 411(3)(a) If the amount specified in any notice of demand under section 289 is not paid within the period limited under sub-section (1),—</p> <table border="1"> <tr> <td>(i)</td> <td>the assessee shall be liable to pay simple interest at 1% for every</td> </tr> </table>	(i)	the assessee shall be liable to pay simple interest at 1% for every	<p>Section 411 amended to continue 1% interest on delayed tax payments only excluding interest on penalty demands under Section 439</p>
(a)	the assessee shall be liable to pay simple interest at 1% for every month or part of a month comprised in the period; and								
(i)	the assessee shall be liable to pay simple interest at 1% for every								

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				<p>(b) such period shall commence from the day immediately following the end of the period mentioned in sub-section (1) and end with the day on which the amount is paid-</p>	<p>month or part of a month comprised in the period; and</p> <p>(b) such period shall commence from the day immediately following the end of the period mentioned in sub-section (1) and end with the day on which the amount is paid-</p> <p>3(b) No interest shall be charged under this sub-section in respect of any demand raised on account of penalty levied under section 439,-</p> <p>(i) up to the date of passing of the order under section 359</p> <p>(ii) up to the date of passing of the order under section 363, where the assessment or reassessment has been made in pursuance to directions issued by the Dispute Resolution Panel under section 275-</p>	for specified procedural periods.
423	1st April, 2026	Interest defaults for in furnishing return of income-	Sec 423 (4)(d)(vii) "tax paid" means— any tax credit allowed to be set off as per sections 206(1)(m) to (p) and 206(2)(e) to (h)-	Sec 423 (4)(d)(vii) -any tax credit allowed to be set off as per sections 206(2)(e) to (h) and 206(3) and (4).".	In order to amendment made to Section 206, Section 423 is amended to update tax credit	

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					references from 206(1)(m)–(p) to 206(3) & (4), aligning the definition of ‘tax paid’ with the restructured MAT regime under the new Income-tax Act.
424	1st April, 2026	Interest in payment of advance tax-	424 (2) In sub-section (1), “assessed tax” means the tax on the total income determined under section 270(1) and where a regular assessment is made, the tax on the total income determined under such regular assessment as reduced by the amount of,— (f) any tax credit allowed to be set off as per sections 206(1)(m) to (p) and 206(2)(e) to (h)-	424 (2) In sub-section (1), “assessed tax” means the tax on the total income determined under section 270(1) and where a regular assessment is made, the tax on the total income determined under such regular assessment as reduced by the amount of,— (f) any tax credit allowed to be set off as per sections 206(2)(e) to (h) and 206(3) and (4).	In order to amendment made to Section 206, interest under Section 424 was computed on shortfall after reducing credits under 206(2)(e)–(h)- And 206 (3) & (4).
425		Interest for deferment of advance tax-	5) For the purposes of this section “tax due on the returned income” means the tax chargeable on the total income declared in the return of income furnished by the assessee for the tax year in which the advance tax is paid or payable, as reduced by the amount of— (f) any tax credit allowed to be set off as per sections 206(1)(m) to (p) and 206(2)(e) to (h)-	5) For the purposes of this section “tax due on the returned income” means the tax chargeable on the total income declared in the return of income furnished by the assessee for the tax year in which the advance tax is paid or payable, as reduced by the amount of— (f) any tax credit allowed to be set off as per sections 206(2)(e) to (h) and 206(3) and (4)	In order to amendment made to Section 206, interest under Section 425 was computed on shortfall after reducing credits under 206(2)(e)–(h)- And 206 (3) & (4).

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428	1st April, 2026	Fee for default in furnishing return of income	<p>Without prejudice to the provisions of this Act, where, a person required to furnish a return of income under section 263 fails to do so within such time as may be prescribed in section 263(1), he shall pay, by way of a fee,—</p> <p>(a) A sum not exceeding ₹ 1000, if the total income of such person does not exceed ₹ 500000;</p> <p>(b) A sum of ₹ 5000, in any other case.</p>	<p>428 Without prejudice to the provisions of this Act, where any person—</p> <p>(a) provides that where any person required to furnish a return of income under section 263, fails to do so within the due date as specified in sub section (1) of said section, he shall be liable to pay by way of fee, a sum of ₹ 1000, if the total income of such person does not exceed ₹ 500000 and a sum of ₹ 5000, in any other case;</p> <p>(b) furnishes a return of income under section 263(5) beyond nine months from the end of relevant tax year, he shall liable to pay by way of fee- a sum of ₹ 1000, if the total income of such person does not exceed ₹ 500000 and a sum of ₹ 5000, in any other case;</p> <p>(c) fails to get his accounts audited for any tax year or years and furnish the report of such audit as required under section 63, he shall be liable to pay by way of fee, a sum of ₹ 75000 for a delay upto one month for which such failure continue and a sum of ₹ 150000 thereafter;</p> <p>(d) fails to furnish a report from an accountant as required by section 172, he shall be liable to pay by way of fee, a sum of ₹ 50000 for a delay up to one month for which such failure continues and a sum of ₹ 100000 thereafter.</p>	<p>Section 428 is amended to expand its ambit and now following defaults will attract only late fees and no penalty is imposed u/s 446, 447 of Income Tax Act.</p> <p>Following defaults are added:</p> <ol style="list-style-type: none"> 1) failure to file revised return 2) failure to get its accounts audited u/s 63 3) failure to submit accountant's reports under Section 172. <p><i>As now these defaults are removed from Penalty, these fees will not be contested in the court of laws, however it may be allowable deduction.</i></p>
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427	1st day of April, 2026	Fee for default in furnishing statements-	<p>1) Without prejudice to the provisions of this Act, where a person fails to deliver or cause to be delivered a statement within the time prescribed in section 397(3)(b), he shall be liable to pay, by way of fee, a sum of ₹ 200 for every day during which the failure continues-</p> <p>2) The amount of fee referred to in sub-section (1) shall,— (a) not exceed the amount of tax deductible or collectible; and (b) be paid before delivering or causing to be delivered the statement, as per sub-section (1</p>	<p>3) without prejudice to the provisions of this Act, if any person who is required to furnish a statement of financial transaction or reportable account under section 508(1), fails to furnish such statement within the time as may be provide by rules under section 508(2), he shall be liable to pay by way of fee, a sum of ₹ 200 for every day for which such failure continues and such fee shall not exceed a sum of ₹ 1,00,000-</p>	Subsection (3) is added to cover the Failure to furnish statement of financial transaction or reportable account, under late fees instead of penalty u/s 454.
439	1st day of April, 2026	Penalty for under-reporting and misreporting of income-	<p>Sec 439(11) (e) failure to record any receipt in books of account having a bearing on total income ; and (f) failure to report any international transaction or any transaction deemed to be an international transaction or any specified domestic transaction, to which the provisions of Chapter X apply-</p>	<p>Sec 439(11) (e) failure to record any receipt in books of account having a bearing on total income ; (f) failure to report any international transaction or any transaction deemed to be an international transaction or any specified domestic transaction, to which the provisions of Chapter X apply; and (g) income referred to in section 195(1)(b) (13A) Where additional income-tax is paid in accordance with section 267(5)(ii), the income on which such additional income-tax is paid shall not form the basis of imposition of penalty under this section.</p>	<p>Section 439 amended to expand penalty scope by adding income under Sec 195(1)(b) as a penalty trigger.</p> <p>While simultaneously introducing Sec 439(13A) to grant penalty immunity where additional tax is voluntarily paid under Sec 267(5)(ii)</p>
440	1st day of April, 2026	Immunity from imposition of penalty, etc-	Immunity from imposition of penalty, etc-	“Waiver of penalty and immunity from prosecution-”;	Section 440 of the Act is amended to extend

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(1) An assessee may make an application to the Assessing Officer for granting immunity from penalty under [section 439](#) and initiation of proceedings under [section 478](#) or [section 479](#), if—

(a)	the tax and interest payable as per the order of assessment or reassessment under section 270(10) or section 279 , has been paid within the period specified in the notice of demand; and
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(b)	no appeal against the order referred to in clause (a) has been filed-
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(2) An application referred to in sub-section (1) shall be made within one month from the end of the month in which the order referred to in clause (a) of the said sub-section has been received, in such form and manner as may be prescribed-

(3) The Assessing Officer, on fulfilment of the conditions as specified in sub-section (1), and after the expiry of the period of filing appeal as specified in [section 358\(3\)\(a\)](#), shall grant immunity from penalty under [section 439](#) and initiation of proceedings under [section 478](#) or [479](#)-

(4) No immunity under sub-section (3) shall be granted if penalty under [section 439](#) has been

(b) for sub-sections (1) to (4), the following sub-sections shall be substituted, namely:—

(1) An assessee may make an application to the Assessing Officer to **grant waiver of penalty** levied under section 439 and immunity from initiation of proceedings under section 478 or 479 on fulfilment of the following conditions: —

(a) the tax and interest payable as per the order of assessment under section 270(10) or reassessment under section 279, has been paid within the period specified in the notice of demand;

(b) where penalty has been levied under the circumstances referred to in section 439(11)(a) to (f), additional income-tax amounting to 100% of the amount of tax payable on under-reported income has been paid within the period specified in the notice of demand, in lieu of such penalty

(c) where penalty has been levied under the circumstances referred to in section 439(11)(g), additional income-tax amounting to 120% of the amount of tax payable on under-reported income has been paid within the period specified in the notice of demand, in lieu of such penalty; and

the scope of immunity to such cases where penalty is initiated for under-reporting of income in consequence of misreporting.

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			initiated under circumstances referred to in section 439(11) -	<p>(d) no appeal has been filed against the order of assessment or reassessment and levy of penalty referred to in clause (a), (b) and (c)-</p> <p>(2) An application referred in sub-section (1) shall be made within one month from the end of the month in which the order referred to in clause (a) the said sub-section is received by the assessee, in such form and verified in such manner, as may be prescribed-</p> <p>(3) The Assessing Officer shall, on fulfilment of the conditions as specified in sub-section (1), and after the expiry of the period of filing appeal as specified in section 358(3)(a), shall grant immunity from penalty waiver of penalty under section 439 and immunity from initiation of proceedings under section 478 or 479 -</p> <p>(4) No waiver or immunity under sub-section (3) shall be granted if any proceeding has been initiated under Chapter XXII-</p>	
443	1st day of April, 2026	Omission of section 443	The Assessing Officer or the Joint Commissioner (Appeals) or Commissioner (Appeals) may impose a penalty of 10% of the tax payable under section 195(1)(i) , on an assessee if the income determined in his case for any tax year	it is proposed to omit penalty under section 443 and subsume this penalty under section 439(11) of the Act-	Section 443, which provided for a separate special penalty regime of 10% of tax payable on specified

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includes any income referred to in [section 102, 103, 104, 105](#) or [106](#)-
(2) The penalty under sub-section (1) shall be payable in addition to the tax payable under [section 195](#)-
(3) No penalty shall be levied on income referred to in [section 102, 103, 104, 105](#) or [106](#) to the extent such income has been included by the assessee in the return of income furnished under [section 263](#) and the tax as per [section 195\(1\)\(i\)](#) has been paid on or before the end of the relevant tax year-
(4) No penalty under [section 439](#) shall be imposed upon the assessee in respect of income referred to in sub-section (1)-

categories of income (Sections 102 to 106), along with conditional immunity for voluntary disclosure and protection against double penalization, is omitted w-e-f- 01 April 2026.

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Sec No	Amendment Effective from TY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
446	01.04.2026	Penalty for failure to furnish information or for furnishing inaccurate information on transaction of crypto-asset.	If any person fails to get his accounts audited for any tax year or years or furnish the audit report as required under section 63, the Assessing Officer may impose a penalty on such person, which shall be the lesser of— (a) 0.5% of the total sales, turnover, or gross receipts in business, or the gross receipts in profession for such tax year or years; or (b) Rs.150000.	<p>If any person fails to get his accounts audited for any tax year or years or furnish the audit report as required under section 63, the Assessing Officer may impose a penalty on such person, which shall be the lesser of— (a) 0.5% of the total sales, turnover, or gross receipts in business, or the gross receipts in profession for such tax year or years; or (b) Rs.150000.</p> <p>If any person who is required to furnish a statement in respect of a transaction of a crypto-asset under section 509(1), fails to furnish such statement within the time prescribed under the said section, the prescribed income-tax authority under that section may impose on him, a penalty of Rs. 200 for every day for which such failure continues. (2) The prescribed income-tax authority may impose a penalty</p>	The audit-related penalty under section 446 has been replaced with a graded fee under section 428(c). Section 446 has now been repurposed to impose penalties for non-compliance with crypto-asset reporting under section 509 , prescribing Rs.200 per day for non-furnishing of statements and Rs.50,000 for inaccurate reporting.

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				of Rs. 50000 on a person referred in sub-section (1), if such person— (a) provides inaccurate information in the statement and fails to remove such inaccuracy as per section 509(4); or (b) fails to comply with due diligence the requirement under section 509(5).	
447	01.04.2026	Penalty for failure to furnish report under section 172.	If any person fails to furnish a report from an accountant as required by section 172, the Assessing Officer may impose a penalty of Rs.100000 on such person.	If any person fails to furnish a report from an accountant as required by section 172, the Assessing Officer may impose a penalty of Rs.100000 on such person.	The section has now been omitted. Penalty under section 447 for failure to furnish report under section 172 is converted to a fee under section 428(4). Slabwise fee of Rs. 50,000 and 1,00,000 is provided depending upon the period of delay.
454	01.04.2026	Penalty for failure to furnish statement of financial transaction or reportable account after a notice.	If a person who is required to furnish a statement of financial transaction or reportable account under section 508(1), fails to furnish such statement within the time prescribed under sub-section (2) thereof, the income-tax authority prescribed under the said sub-section (1) may impose on him, a penalty	<i>Where any person, who is required to furnish a statement of financial transaction or reportable account under section 508(1), fails to furnish such statement or reportable account within the period specified in the notice issued under section 508(7), the</i>	Penalty under section 454(1) for failure to furnish statement of financial transaction or reportable account is converted to a fee under section 427(3).

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			of Rs.500 for every day during which such failure continues.	<i>income-tax authority prescribed under section 508(1) may impose on him, a penalty of Rs. 1000 for every day for which such failure continues, beginning from the day immediately after the period specified in such notice for furnishing such statement or reportable account expires and such penalty shall not exceed Rs. 100000."</i>	Further, an upper limit of Rs. 1,00,000/- is also proposed to be made in existing penalty under section 454(2) of the Act.
466	01.04.2026	Penalty for failure to comply with the provisions of section 254.	If a person fails to comply with the provisions of section 254, the Joint Commissioner, Deputy Director or Assistant Director or the Assessing Officer, may impose a penalty which may extend up to Rs.1000 on him.	If a person fails to comply with the provisions of section 254, the Joint Commissioner, Deputy Director or Assistant Director or the Assessing Officer, may impose a penalty which may extend up to Rs.1000-Rs.25,000 on him.	Penalty for failure to comply with the provisions of section 254 has been increased from Rs. 1000 to Rs. 25,000
470	01.04.2026	Penalty not to be imposed in certain cases	Irrespective of anything contained in the provisions of section 441 or 442 or 446 or 447 or 448 or 449 or 450 or 451 or 452 or 453 or 454 or 455 or 456 or 457 or 458 or 459 or 460 or 461 or 462 or 463 or 465(1)(c) or 465(1)(d) or 465(2) or 466 or 467 or 468, no penalty shall be imposed on a person or assessee for any failure referred to in the said provisions, if he proves that there was reasonable cause for the said failure.	Irrespective of anything contained in the provisions of section 441 or 442 or 446 or 447 or 448 or 449 or 450 or 451 or 452 or 453 or 454 or 455 or 456 or 457 or 458 or 459 or 460 or 461 or 462 or 463 or 465(1)(c) or 465(1)(d) or 465(2) or 466 or 467 or 468, no penalty shall be imposed on a person or assessee for any failure referred to in the	Earlier, even failures linked to section 447 were covered by this reasonable-cause protection. With section 447 now excluded, penalty relief on the ground of reasonable cause is no longer available for defaults covered under section

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				said provisions, if he proves that there was reasonable cause for the said failure.	447 (Report from an accountant to be furnished by persons entering into international transaction or specified domestic transaction).
471	01.04.2026	Procedure	<p>(1) No order imposing a penalty under this Chapter shall be made unless the assessee has been heard, or has been given a reasonable opportunity of being heard.</p> <p>(2) No order imposing a penalty under this Chapter shall be made without the prior approval of the Joint Commissioner— (a) where the penalty exceeds Rs.10000, by the Income-tax Officer; (b) where the penalty exceeds Rs.20000, by the Assistant Commissioner or Deputy Commissioner.</p> <p>(3) An income-tax authority on making an order under this Chapter imposing a penalty, unless he himself is the Assessing Officer, shall send a copy of the order to the Assessing Officer.</p>	<p>(1) No order imposing a penalty under this Chapter shall be made unless the assessee has been heard, or has been given a reasonable opportunity of being heard by way of a show cause notice to that effect</p> <p>(2) No order imposing a penalty under this Chapter shall be made without the prior approval of the Joint Commissioner— (a) where the penalty exceeds Rs.10000, by the Income-tax Officer; (b) where the penalty exceeds Rs.20000, by the Assistant Commissioner or Deputy Commissioner.</p> <p>(3) An income-tax authority on making an order under this Chapter imposing a penalty, unless he himself is the Assessing</p>	<p>The new provision explicitly mandates the issuance of a Show Cause Notice. This formalizes the procedural requirement for imposing penalties.</p> <p>Under Clause (4), penalty proceedings (specifically under Section 439) are no longer distinct post-assessment exercises. The penalty now constitutes an integral component of the draft assessment or the final assessment/reassessment order.</p> <p>Previously, separate administrative sanctions might be required for</p>

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				<p>Officer, shall send a copy of the order to the Assessing Officer.</p> <p>(4) Irrespective of anything contained in any other provision of this Act, where any draft of the proposed order of assessment under section 275 or assessment under section 270 or reassessment under section 279 is made on or after the 1st April, 2027,—</p> <p>(a) penalty under section 439, if any, shall constitute part of such draft assessment or shall be imposed as a part of such order of assessment or reassessment, as the case may be; and</p> <p>(b) the reference to the assessment order or the penalty order under section 439 in any of the provisions of this Act shall take reference to such order of assessment or reassessment, as the case may be.</p> <p>(5) Where the approval of the Joint Commissioner is taken for passing of an order of assessment or reassessment on or after the 1st April, 2027, such</p>	<p>assessment and penalty. Under Clause (5), the Joint Commissioner's approval for an assessment order serves as a deemed approval for the associated penalty. Further there will be no separate adjudication process for tax demands and penalties, which will reduce number of litigations.</p>
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				approval shall also be deemed to be the approval for the imposition of penalty under section 439, if any, constituting part of such order of assessment or reassessment.	
473	01.04.2026	Contravention of order made during search action	Whoever contravenes any order referred to in section 247(4) shall be punishable with rigorous imprisonment which may extend to two years and shall also be liable to fine.	Whoever contravenes any order referred to in section 247(4) shall be punishable with rigorous imprisonment which may extend to two years and shall also be liable to fine simple imprisonment upto two years and fine	Punishment for the offences mentioned under section 473 is proposed to be changed from its current “rigorous imprisonment for a term which may extend to two years and shall also be liable to fine” to “simple imprisonment upto two years and fine
474	01.04.2026	Failure to afford facility for inspection of books of account during search.	If a person, who is required to afford the authorised officer with the necessary facility to inspect the books of account or other documents, under section 247(1)(ii), fails to do so, he shall be punishable with rigorous imprisonment for a term which may extend to two years and shall also be liable to fine.	If a person, who is required to afford the authorised officer with the necessary facility to inspect the books of account or other documents, under section 247(1)(ii), fails to do so, he shall be punishable with rigorous imprisonment for a term which may extend to two years and shall also be liable to fine simple imprisonment for a term up to six months, or with fine, or with both	Punishment for the offences mentioned under section 474 is proposed to be changed from its current “rigorous imprisonment for a term which may extend to two years and shall also be liable to fine” to “simple imprisonment upto 6 months and/or fine”.

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475	01.04.2026	Removal, concealment, transfer or delivery of property to prevent tax recovery.	Whoever, fraudulently removes, conceals, transfers or delivers to any person, any property or any interest therein, with the intent to prevent such property or interest therein from being taken in execution of a certificate drawn under section 413, shall be punishable with rigorous imprisonment for a term which may extend to two years and shall also be liable to fine.	Whoever, fraudulently removes, conceals, transfers or delivers to any person, any property or any interest therein, with the intent to prevent such property or interest therein from being taken in execution of a certificate drawn under section 413, shall be punishable with rigorous imprisonment for a term which may extend to two years and shall also be liable to fine simple imprisonment for a term up to two years and with fine.	Punishment for the offences mentioned under section 475 is proposed to be changed from its current "rigorous imprisonment for a term which may extend to two years and shall also be liable to fine" to "simple imprisonment upto two years and fine
476(1)	01.04.2026	Failure to pay tax to credit of Central Government under Chapter XIX-B.	(1) If a person fails to— (a) pay the tax deducted at source by him to the credit of the Central Government, as required by or under the provisions of Chapter XIX-B; or (b) pay tax or ensure payment of tax to the credit of the Central Government, as required under— (i) Note 2 below the Table in section 393(3); or (ii) Note 6 to section 393(1) (Table: Sl. No. 8); he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years, and with fine	(1) If a person fails to— (a) pay the tax deducted at source by him to the credit of the Central Government, as required by or under the provisions of Chapter XIX-B; or (b) pay tax or ensure payment of tax to the credit of the Central Government in respect of— (A) any income by way of winnings from online games as referred in section 393(3) [Table: Sl. No. 2], excluding such winnings which are wholly in kind, as referred to in Note 2 to the said Table; or	Defaults involving Online Games or Virtual Digital Assets (VDA) that are 100% in-kind (no cash component) are now explicitly excluded from these prosecution provisions. The "Old" provision mandated a minimum of 3 months of Rigorous Imprisonment for <i>any</i> default. The "New" provision removes the mandatory minimum and

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				<p>(B) any sum by way of consideration for transfer of a virtual digital asset as referred in section 393(1) [Table: Sl. No. 8(vi)], excluding such consideration which is wholly in kind, as referred to in Note 6 to the said Table, he shall be punishable—</p> <p>i.with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or</p> <p>ii.with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or</p> <p>iii.with fine, in any other case.</p>	<p>introduces a "fine-only" tier for defaults under Rs.10 Lakh.</p> <p>The nature of punishment has been downgraded from Rigorous Imprisonment to Simple Imprisonment.</p> <p>Punishment is now strictly linked to the amount of tax evaded, creating a safety net for smaller defaults where only a fine is applicable.</p>
477(1)	01.04.2026	Failure to pay tax collected at source	(1) If a person fails to pay the tax collected by him to the credit of the Central Government, as required under section 397(3)(a), he shall be punishable with rigorous imprisonment for a term	(1) If a person fails to pay the tax collected by him to the credit of the Central Government, as required under section	The "Old" provision mandated a minimum of 3 months of Rigorous Imprisonment for <i>any</i> default. The "New"

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			<p>which shall not be less than three months but which may extend to seven years, and with fine.</p>	<p>397(3)(a), he shall be punishable—</p> <p>(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or</p> <p>(b) with simple imprisonment for a term up to six months or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or</p> <p>(c) with fine, in any other case.</p>	<p>provision removes the mandatory minimum and introduces a "fine-only" tier for defaults under Rs.10 Lakh.</p> <p>The nature of punishment has been downgraded from Rigorous Imprisonment to Simple Imprisonment.</p> <p>Punishment is now strictly linked to the amount of tax evaded, creating a safety net for smaller defaults where only a fine is applicable.</p>
478(1) & 478(2)	01.04.2026	Willful attempt to evade tax, etc.	<p>(1) If a person wilfully attempts in any manner whatsoever to evade any tax, penalty or interest chargeable or imposable, or under-reports his income, under this Act, he shall be punishable,—</p> <p>(a) in a case, where the amount sought to be evaded or tax on under-reported income exceeds twenty five lakh rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years, and with fine; (b) in any other case, with rigorous imprisonment for a term which</p>	<p>(1) If a person wilfully attempts in any manner to evade any tax, penalty or interest chargeable or imposable, or under-reports his income, under this Act, he shall be punishable—</p> <p>(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded or tax on under reported income exceeds fifty lakh rupees; or</p>	<p>The "Old" provision mandated a minimum of 3 months of Rigorous Imprisonment for <i>any</i> default. The "New" provision removes the mandatory minimum and introduces a "fine-only" tier for defaults under Rs.10 Lakh.</p> <p>The nature of punishment has been downgraded</p>

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			<p>shall not be less than three months but which may extend to two years, and with fine. (2) If a person wilfully attempts in any manner to evade the payment of any tax, penalty or interest under this Act, he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to two years and shall, in the discretion of the court, also be liable to fine.</p>	<p>(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded or tax on under reported income exceeds ten lakh rupees but does not exceed fifty lakh rupees; or (c) with fine, in any other case.</p> <p>(2) If a person wilfully attempts in any manner to evade payment of any tax, penalty or interest under this Act, he shall be punishable — 85</p> <p>(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded exceeds fifty lakh rupees; or (b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded exceeds ten lakh rupees but does not exceed fifty lakh rupees; or (c) with fine, in any other case.”.</p>	<p>from Rigorous Imprisonment to Simple Imprisonment.</p> <p>Punishment is now strictly linked to the amount of tax evaded, creating a safety net for smaller defaults where only a fine is applicable.</p>
479(1)	01.04.2026	Failure to furnish returns of income.	(1) If a person wilfully fails to furnish in due time the return of income, which is required to be furnished under section 263(1), or by notice given under sections 268(1) or 280, he shall be punishable,—	(1) If a person wilfully fails to furnish in due time the return of income, which is required to be furnished under section 263(1), or by notice given under sections	The "Old" provision mandated a minimum of 3 months of Rigorous Imprisonment for <i>any</i> default. The "New"

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			<p>(a) in a case, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds twenty-five lakh rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years, and with fine;</p> <p>(b) in any other case, with imprisonment for a term which shall not be less than three months but which may extend to two years and with fine.</p>	<p>268(1) or 280, he shall be punishable,—</p> <p>(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds fifty lakh rupees; or</p> <p>(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or</p> <p>(c) with fine, in any other case.</p>	<p>provision removes the mandatory minimum and introduces a "fine-only" tier for defaults under Rs.10 Lakh.</p> <p>The nature of punishment has been downgraded from Rigorous Imprisonment to Simple Imprisonment.</p> <p>Punishment is now strictly linked to the amount of tax evaded, creating a safety net for smaller defaults where only a fine is applicable.</p>
480	01.04.2026	Failure to furnish return of income in search cases.	<p>If a person wilfully fails to furnish in due time the return of total income which is required to be furnished by notice given under section 294(1)(a), he shall be punishable with imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.</p>	<p>If a person wilfully fails to furnish in due time the return of income, setting forth his undisclosed income for the block period, which is required to be furnished by notice given under section 294(1)(a), he shall be punishable—</p>	<p>The "Old" provision mandated a minimum of 3 months of Rigorous Imprisonment for <i>any</i> default. The "New" provision removes the mandatory minimum and introduces a "fine-only" tier for defaults under Rs.10 Lakh.</p>

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				<p>(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax exceeds fifty lakh rupees; or</p> <p>(b) with simple imprisonment up to six months, or with fine, or with both, where the amount of tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or</p> <p>(c) with fine, in any other case</p>	<p>The nature of punishment has been downgraded from Rigorous Imprisonment to Simple Imprisonment.</p> <p>Punishment is now strictly linked to the amount of tax evaded, creating a safety net for smaller defaults where only a fine is applicable.</p>
481	01.04.2026	Failure to produce accounts and documents	<p>If a person wilfully fails to produce, or cause to be produced, the accounts and documents as are referred to in the notice served on him under section 268(1) on or before the date specified in such notice, or wilfully fails to comply with a direction issued to him under section 268(5), he shall be punishable with rigorous imprisonment for a term which may extend to one year and with fine.</p>	<p>If a person wilfully fails to comply with a direction issued to him under section 268 (5), he shall be punishable with simple imprisonment for a term up to six months, or with fine, or with both.</p>	<p>The nature of punishment has been relaxed from Rigorous Imprisonment to Simple Imprisonment.</p> <p>The term of one year has been reduced to 6 months.</p> <p>The fine which was mandatory has now been made discretionary on the adjudicating officer.</p>
482	01.04.2026	False statement in verification, etc.	<p>If a person makes a statement in any verification under this Act or under any rule made thereunder, or delivers an</p>	<p>If a person makes a statement in any verification under this Act or under any rule made</p>	<p>The risk of going to jail for small mistakes (under Rs.10 Lakh) is effectively</p>

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			<p>account or statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable,—</p> <p>(a) in a case, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds twenty five lakh rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years, and with fine;</p> <p>(b) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to two years, and with fine.</p>	<p>thereunder, or delivers an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable,—</p> <p>(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds fifty lakh rupees; or</p> <p>(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or</p> <p>(c) with fine, in any other case.</p>	<p>zero now. For larger amounts, the jail time has been cut by (from 7 years down to 2 years), and it is now 'Simple' rather than 'Rigorous' imprisonment.</p>
483(1)	01.04.2026	Falsification of books of account or document, etc.	<p>If any person (herein referred to as the first person) wilfully and with intent to enable any other person (herein referred to as the second person) to evade any tax or interest or penalty chargeable and imposable under this Act, makes or</p>	<p>If any person (herein referred to as the first person) wilfully and with intent to enable any other person (herein referred to as the second person) to evade any tax or interest or penalty chargeable</p>	<p>Punishment for the offences mentioned under section 483(1) is proposed to be changed from its current “rigorous imprisonment for a term</p>

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			causes to be made any entry or statement which is false and which the first person either knows to be false or does not believe to be true, in any books of account or other document relevant to or useful in any proceedings against the first person or the second person, under this Act, the first person shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to two years and with fine.	and imposable under this Act, makes or causes to be made any entry or statement which is false and which the first person either knows to be false or does not believe to be true, in any books of account or other document relevant to or useful in any proceedings against the first person or the second person, under this Act, the first person shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to two years and with fine simple imprisonment for a term up to two years and with fine.	which shall not be less than three months but which may extend to two years and with fine” to “simple imprisonment for a term upto two years and shall also be liable to fine”
484	01.04.2026	Abetment of false return, etc	If a person abets or induces in any manner another person— (a) to make and deliver an account or a statement or declaration relating to any income chargeable to tax which is false and which he either knows to be false or does not believe to be true; or (b) to commit an offence under section 478(1), he shall be punishable,— (i) in a case, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true,	If a person abets or induces in any manner another person— (a) to make and deliver an account or a statement or declaration relating to any income chargeable to tax which is false and which he either knows to be false or does not believe to be true; or (b) to commit an offence under section 478(1), he shall be punishable,—	The "Old" provision mandated a minimum of 3 months of Rigorous Imprisonment for <i>any</i> default. The "New" provision removes the mandatory minimum and introduces a "fine-only" tier for defaults under Rs.10 Lakh . The nature of punishment has been downgraded

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			<p>or which is wilfully attempted to be evaded, exceeds twenty-five lakh rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years, and with fine;</p> <p>(ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to two years, and with fine.</p>	<p>(i) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds fifty lakh rupees; or</p> <p>(ii) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or</p> <p>(iii) with fine, in any other case</p>	<p>from Rigorous Imprisonment to Simple Imprisonment.</p> <p>Punishment is now strictly linked to the amount of tax evaded, creating a safety net for smaller defaults where only a fine is applicable.</p>
485	01.04.2026	Punishment for second and subsequent offences.	If any person convicted of an offence under sections 476, 477, 478(1), 479, 480, 482 or 484 is again convicted of an offence under any of the said sections, he shall be punishable for the second and for every subsequent offence with	If any person convicted of an offence under sections 476, 477, 478(1), 479, 480, 482 or 484 is again convicted of an offence under any of the said sections, he shall be punishable for the	Punishment for the offences mentioned under section 485 is proposed to be changed from its current "rigorous imprisonment for a term

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			rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years, and with fine	second and for every subsequent offence with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years, and with fine simple imprisonment for a term which shall not be less than six months but which may extend to three years and shall also be liable to fine	which shall not be less than six months but which may extend to seven years, and with fine” to “simple imprisonment for a term which shall not be less than six months but which may extend to three years and shall also be liable to fine”
494(1)	01.04.2026	Disclosure of particulars by public servants.	(1) A public servant, who furnishes any information or produces any document in contravention of the provisions of section 258(3), shall be punishable with imprisonment which may extend to six months, and shall also be liable to fine.	(1) A public servant, who furnishes any information or produces any document in contravention of the provisions of section 258(3), shall be punishable with imprisonment which may extend to six months, and shall also be liable to fine simple imprisonment upto one month, or with fine, or with both	Punishment for the offences mentioned under section 494(1) is proposed to be changed from its current “imprisonment which may extend to six months, and shall also be liable to fine” to “simple imprisonment upto one month, or with fine, or with both”
522	01.04.2026	Return of income, etc., not to be invalid on certain grounds.	No return of income, assessment, notice, summons or other proceeding, furnished or made or issued or taken, or purported to have been furnished or made or issued or taken, in pursuance of any of the provisions of this Act, shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect	(1) No return of income, assessment, notice, summons or other proceeding, furnished or made or issued or taken, or purported to have been furnished or made or issued or taken, in pursuance of any of the provisions of this Act, shall be	New subsection (2) has been inserted which provides that an assessment will not be treated as invalid merely because there is a mistake, defect, or omission in quoting the

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			or omission in such return of income, assessment, notice, summons or other proceeding, if such return of income, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purposes of this Act	invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such return of income, assessment, notice, summons or other proceeding, if such return of income, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purposes of this Act (2) No assessment under any of the provisions of this Act shall be invalid on the ground of any mistake, defect or omission in respect of quoting of a computer generated Document Identification Number, if the assessment order is referenced by such number in any manner	computer-generated Document Identification Number (DIN).
536(2)(h)	01.04.2026	Repeal and savings	Irrespective of the repeal of the Income-tax Act, 1961 (herein referred to as the repealed Income-tax Act), and subject to sub-section (3)— (h) where any deduction has been allowed or any amount has not been included in the total income of any person, subject to fulfilment of certain	Irrespective of the repeal of the Income-tax Act, 1961 (herein referred to as the repealed Income-tax Act), and subject to sub-section (3) sub section (4)— (h) where any sum has been allowed as a deduction or has	It is proposed that any amount allowed as deduction or excluded from total income under the repealed Act shall be deemed to be income under the Income-tax Act, 2025, even in the absence of any violation, if such

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			<p>conditions for any tax year beginning before the 1st April, 2026, and in case of violation of such conditions in any tax year beginning on or after 1st April, 2026, any sum (on account of deduction earlier allowed or amount not included) was required to be included in the total income of such subsequent tax year under the repealed Income-tax Act if it had not been so repealed, then such sum shall be—</p> <p>(i) deemed to be the income of the tax year in which the violation takes place; and</p> <p>(ii) included in the total income of the said person under the same head of income as it would have been included under the repealed Income-tax Act;</p>	<p>not been included in the total income of any person, either on account of fulfillment of certain conditions or for any other reason, for any tax year beginning before the 1st April, 2026, and such sum was required to be included in the total income of any subsequent tax year including beginning on or after the 1st April, 2026 under the repealed Income-tax Act, if it had not been so repealed, on account of violation of such conditions or for any other reason, then such sum shall be—</p> <p>(i) deemed to be the income of such subsequent tax year; and</p> <p>(ii) included in the total income of the said person under the same head of income as it would have been included under the repealed Income-tax Act;”</p>	<p>amount would have been taxable under the Income-tax Act, 1961 had it continued in force.</p>
536(2)(l)	01.04.2026	Repeal savings and	<p>(l) any amount of credit, in respect of tax paid, allowable to be carried forward in the case of an assessee, under the provisions of section 115 JAA or 115JD of the repealed Income-tax Act for the tax</p>	<p>(l) any amount of credit, in respect of tax paid, allowable to be carried forward in the case of an assessee, under the provisions of section 115 JAA or</p>	<p>The nature, quantum, and carry-forward period of the MAT/AMT credit u/s 115JAA/115JD remain unchanged. The</p>

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			<p>year beginning before the 1st April 2026, had the Income-tax Act, 1961 not been repealed,—</p> <p>(i) shall be deemed to be the amount eligible for credit under corresponding provision of this Act in the case of said assessee; and</p> <p>(ii) credit for the tax paid under the repealed Income-tax Act shall be allowed under this Act for the period for which it would have been allowed under the repealed Income tax Act if the assessee otherwise continues to satisfy the conditions as specified in the corresponding provisions of this Act in such tax years;</p>	<p>115JD of the repealed Income-tax Act for the tax year beginning before the 1st April 2026, had the Income-tax Act, 1961 not been repealed,—</p> <p>(i) shall be deemed to be the amount eligible for credit under corresponding provisions or section 206(3) or (4) of this Act, as the case may be in the case of said assessee; and</p> <p>(ii) credit for the tax paid under the repealed Income-tax Act shall be allowed under this Act for the period for which it would have been allowed under the repealed Income-tax Act if the assessee otherwise continues to satisfy the conditions as specified in the corresponding provisions or section 206(3) or (4) of this Act, as the case may be in such tax years</p>	<p>amendment only clarifies where and how such credit will be used under the new law.</p>
Sch III 38A	Tax Year 2026-27	Income not to be included in Total Income of Eligible Person	Inserted	<p>Disability Pension received (including service element and disability element)</p> <p>Eligible Person : An individual who has been a member of the armed forces (including</p>	<p>This addition provided explicit exemption for disability pension (service + disability element) for armed forces members invalidated out; clarifies tax</p>

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				paramilitary forces) of the Union. Condition : (a) The individual has been invalided out of service in the armed forces on account of bodily disability attributable to, or aggravated by such service; and (b) the individual has not retired on superannuation or otherwise.	treatment of certain compensation interest.
Sch III 38B	Tax Year 2026-27	Income not to be included in Total Income of Eligible Person	Inserted	Any interest on compensation amount awarded by Motor Accident Claims Tribunal. Eligible Person : An individual or his legal heir. Condition : Such interest is received under the Motor Vehicles Act, 1988 (59 of 1988)	Interest received on Accident claims by person or their legal heirs will not be taxable.
Sch III 38C	Tax Year 2026-27	Income not to be included in Total Income of Eligible Person	Inserted	Any income in respect of any award or agreement made on account of compulsory acquisition of any land. Eligible Person : An individual or a Hindu undivided family.	Monetary award on compulsory acquisition of land received to Individual or HUF is exempted.

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				Condition : Such award or agreement is made under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (30 of 2013), except under section 46 of the said Act.”.	
Sch IV 13A	Tax Year 2026-27	Income not to be included in Total Income of Eligible Non Resident, Foreign Companies and other such person	Inserted	<p>Any income arising on account of providing capital goods, equipment or tooling to a contract manufacturer, being a company resident in India.</p> <p>Eligible Person : A foreign company, who is providing capital goods, equipment or tooling to the contract manufacturer for use in electronic manufacturing in India</p> <p>Condition : (a) Ownership of such capital goods, equipment or tooling remains with the foreign company; (b) such capital goods, equipment or tooling is under the control and direction of the contract manufacturer;</p>	In order to promote manufacturing of electronic goods by a contract manufacturer and provide certainty on taxation of supply of capital equipment by a foreign company to such manufacturer, exemption is provided to a foreign company for a period upto the tax year 2030-2031, on any income arising on account of providing capital goods, equipment or tooling to a contract manufacturer, being a company resident in India, who is located in a custom bonded area (warehouse referred to in section 65

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				<p>(c) the contract manufacturer is located in a custom bonded area, that is, a warehouse referred to in section 65 of the Customs Act, 1962 (52 of 1962);</p> <p>(d) the contract manufacturer produces electronic goods on behalf of the foreign company for a consideration;</p> <p>(e) such exemption shall be available up to the tax year 2030-2031.</p>	<p>of the Customs Act, 1962) and produces electronic goods on behalf of such foreign company for a consideration.</p>
Sch IV 13B	Tax Year 2026-27	Income not to be included in Total Income of Eligible Non Resident, Foreign Companies and other such person		<p>Any income which accrues or arises outside India, and is not deemed to accrue or arise in India.</p> <p>Eligible Person : An individual, being a non-resident for a period of five consecutive tax years immediately preceding the tax year during which he visits India for the first time for rendering services in India in connection with any scheme as may be notified by the Central Government</p> <p>Condition : (a) Such individual, during the relevant tax year</p>	<p>In order to provide tax certainty to a non-resident individual visiting India for rendering certain services in connection with any notified Scheme of the Central Government, exemption to an individual, being a non-resident for a period of five consecutive tax years immediately preceding the tax year during which he visits India for the first time for rendering services, on any income which accrues or arises outside India,</p>

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				renders any service in India in connection with any scheme as may be notified by the Central Government; (b) such exemption shall not be available beyond a period of five consecutive tax years commencing from the first tax year during which he visits India in connection with such scheme; and (c) such other conditions, as may be prescribed.	and is not deemed to accrue or arise in India, for five consecutive tax years commencing from the first tax year during which he visits India.
Sch IV 13C	Tax Year 2026-27	Income not to be included in Total Income of Eligible Non Resident, Foreign Companies and other such person		Any income accruing or arising in India or deemed to accrue or arise in India by way of procuring data centre services from a specified data centre. Eligible Person : A foreign company. Condition : (a) Such foreign company is notified by the Central Government in this behalf; (b) such foreign company does not own or operate any of the physical infrastructure or any resources of the specified data centre;	To attract investment in data center and promote artificial intelligence data center framework in India, exemption is provided to a foreign company, on any income accruing or arising in India or deemed to accrue or arise in India by way of procuring data centre services from a specified data centre, for a period upto tax year ending on 31st March, 2047 subject to fulling of the conditions.

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				(c) all sales by such foreign company to users located in India are made through a reseller entity being an Indian company; (d) such foreign company maintains and furnishes such information in such form and manner, as may be prescribed; and (e) such exemption shall be available up to tax year ending on the 31st March, 2047.”	
Sch VI 13B	Tax Year 2026-27	Income not to be included in Total Income of certain eligible person in International Financial Service center or Having income therefrom	(g) “specified fund” means— (i) a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate and located in International Financial Services Centres,— (A) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated— (I) under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992); (II) under the International Financial Services Centres Authority (Fund	(g) “specified fund” means— (i) a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate and located in International Financial Services Centres,— (A) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated— (I) under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 made under the Securities and Exchange	The commencement period of the operation to avail the exemption has been extended from 31/03/2025 to 31/03/2030

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		<p>Management) Regulations, 2022 made under the International Financial Services Centres Authority Act, 2019 (50 of 2019); or (B) which has been granted a certificate as a retail scheme or an Exchange Traded Fund, and satisfies the conditions laid down for such schemes or funds under the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centres Authority Act, 2019 (50 of 2019); of which all the units are held by non-residents except— (I) the unit held by a sponsor or manager; (II) where any unit holder or holders, being non-resident during the tax year when such unit or units were issued, becomes resident under section 6(2) or (3) or (4) or (5) or (6) or (7) in any tax year subsequent to that year; (III) in case of sub-item (II), aggregate value and the number of units held by such resident unit holder or holders do not exceed 5% of the total units issued and shall fulfil such other conditions as may be prescribed; or (ii) investment division of an offshore banking unit, which has been—</p>	<p>Board of India Act, 1992 (15 of 1992); (II) under the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centres Authority Act, 2019 (50 of 2019); or (B) which has been granted a certificate as a retail scheme or an Exchange Traded Fund, and satisfies the conditions laid down for such schemes or funds under the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centres Authority Act, 2019 (50 of 2019); of which all the units other than the unit held by a sponsor or manager are held by non-residents except,— (I) where such non-resident becomes resident under section 6(2) or (3) or (4) or (5) or (6) or (7) in any tax year subsequent to that tax year; and (II) the number of units held by such resident unit holder or</p>	
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			<p>(A) granted a certificate of registration as a Category-I foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992) and which has commenced its operations on or before the 31st March, 2025; and</p> <p>(B) fulfils such conditions including maintenance of separate accounts for its investment division, as may be prescribed;</p>	<p>holders do not exceed 5% of the total units issued and shall fulfil such other conditions as may be prescribed; or”;</p> <p>(ii) investment division of an offshore banking unit, which has been—</p> <p>(A) granted a certificate of registration as a Category-I foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992) and which has commenced its operations on or before the 31st March, 2030; and</p> <p>(B) fulfils such conditions including maintenance of separate accounts for its investment division, as may be prescribed;</p>	
Schedule XI (Part A para 4)	01.04.2026	Rationalisation of Schedule XI relating to Provident Funds	<p>Conditions to be satisfied by recognised provident funds.—In order to receive and retain recognition, a provident fund, shall, subject to the provisions of paragraph 5, satisfy the following conditions and any other conditions as may be prescribed— (a) all employees</p>	<p>Conditions to be satisfied by recognised provident funds.—In order to receive and retain recognition, a provident fund, shall, subject to the provisions of paragraph 5, satisfy the following conditions and any</p>	<p>Employer contributions are no longer restricted by parity with employee contributions or mandatory annual crediting. Taxability will now be governed solely by</p>

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		<p>shall be employed in India, or employed by an employer whose principal place of business is in India;</p> <p>(b) the contributions of an employee in any year shall be a fixed proportion of his salary for that year, deducted by the employer from each periodical payment of salary in that proportion and credited to the employee's individual account in the fund; (c) the employer's contributions to the employee's account in any year shall not exceed the employee's contribution in that year, and shall be credited to the employee's account at intervals not exceeding one year;</p> <p>(d) the fund shall be vested in two or more trustees or the Official Trustee under a trust which shall not be revocable, except with the consent of all the beneficiaries;</p> <p>(e) the fund shall consist only of—</p> <p>(i) contributions as specified above, received by the trustees;</p> <p>(ii) accumulations thereof;</p> <p>(iii) interest credited in respect of such contributions and accumulations;</p> <p>(iv) securities purchased there with; and</p> <p>(v) any capital gains arising from the transfer of capital assets of the fund;</p>	<p>other conditions as may be prescribed— (a) all employees shall be employed in India, or employed by an employer whose principal place of business is in India;</p> <p>(b) the contributions of an employee in any year shall be a fixed proportion of his salary for that year, deducted by the employer from each periodical payment of salary in that proportion and credited to the employee's individual account in the fund;</p> <p>(c) Omitted</p> <p>(d) the fund shall be vested in two or more trustees or the Official Trustee under a trust which shall not be revocable, except with the consent of all the beneficiaries;</p> <p>(e) the fund shall consist only of—</p> <p>—</p> <p>(i) contributions as specified above, received by the trustees;</p> <p>(ii) accumulations thereof;</p> <p>(iii) interest credited in respect of such contributions and accumulations;</p>	<p>the absolute monetary ceiling of ₹7.50 lakh per employee under section 17(1)(h), simplifying compliance and eliminating legacy percentage-based controls.</p> <p>Only provident funds formally exempted under section 17 of the EPF Act, 1952 will be eligible to seek recognition under the Income-tax Act.</p>
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			<p>(f) the fund shall be the fund of an establishment—</p> <p>(i) to which the provisions of section 1(3) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952) apply; or</p> <p>(ii) notified by the Central Provident Fund Commissioner under section 1(4) of the said Act, and such establishment shall be exempted from the operation of all or any of the provisions of any scheme mentioned in section 17 of the said Act;</p> <p>(g) the employer, subject to clause</p> <p>(h), shall not be entitled to recover any sum from the fund, except when the employee—</p> <p>(i) is dismissed for misconduct; or</p> <p>(ii) voluntarily leaves his employment otherwise than due to ill-health or other unavoidable cause before the end of the term of service specified in the regulations of the fund;</p>	<p>(iv) securities purchased there with; and</p> <p>(v) any capital gains arising from the transfer of capital assets of the fund;</p> <p>(f) the fund shall be the fund-</p> <p>(i) of an establishment to which the provisions of section 1(3) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 apply; or</p> <p>(ii) of an establishment notified by the Central Provident Fund Commissioner under section 1(4) of the said Act, and such establishment shall obtain exemption under section 17 of the said Act from the operation of all or any of the provisions of any scheme as referred to in that section;</p> <p>(g) the employer, subject to clause</p> <p>(h), shall not be entitled to recover any sum from the fund, except when the employee—</p> <p>(i) is dismissed for misconduct; or</p> <p>(ii) voluntarily leaves his employment otherwise than due to ill-health or other unavoidable</p>	
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				cause before the end of the term of service specified in the regulations of the fund;	
Schedule XI (Part A para 5)	01.04.2026	Rationalisation of Schedule XI relating to Provident Funds	<p>Relaxation of conditions.—</p> <p>(1) Irrespective of anything contained in paragraph 4(a), the approving authority may, if he thinks fit and subject to such conditions that he thinks proper to attach to such recognition, record recognition to a fund which is—</p> <p>(a) maintained by an employer whose principal place of business is outside India; and</p> <p>(b) the proportion of employees employed outside India does not exceed 10 %.</p> <p>(2) Irrespective of anything contained in paragraph 4(b), an employee who retains his employment—</p> <p>(a) while serving in the armed forces of the Union; or</p> <p>(b) when taken into or employed in the national service under any law for the time being in force, may, contribute to the fund during such service in the armed forces or employment in the national service, a sum not exceeding the amount he would have contributed had he continued to serve the employer,</p>	<p>Relaxation of conditions.—</p> <p>(1) Irrespective of anything contained in paragraph 4(a), the approving authority may, if he thinks fit and subject to such conditions that he thinks proper to attach to such recognition, record recognition to a fund which is—</p> <p>(a) maintained by an employer whose principal place of business is outside India; and</p> <p>(b) the proportion of employees employed outside India does not exceed 10 %.</p> <p>(2) Irrespective of anything contained in paragraph 4(b), an employee who retains his employment—</p> <p>(a) while serving in the armed forces of the Union; or</p> <p>(b) when taken into or employed in the national service under any law for the time being in force, may, contribute to the fund during such service in the armed forces or employment in the</p>	<p>The omission of Paragraph 5(4) of Part A of Schedule XI removes outdated provisions allowing discretionary relaxation of employer–employee contribution parity based on salary limits or bonus-linked structures.</p>

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			<p>whether he received any salary or not from the employer.</p> <p>(3) Irrespective of anything contained in paragraph 4(e) or (i),—</p> <p>(a) at the request made in writing by the employee who ceases to be an employee of the employer maintaining the fund, the trustees of the fund may agree to retain the whole or any part of the accumulated balance to be drawn by him at any time on demand;</p> <p>(b) when the accumulated balance due to such employee is retained in the fund as per clause (a), the fund may also include interest in respect of such accumulated balance; and</p> <p>(c) the fund may also consist of any amount and interest thereof transferred from the employee’s individual account in any recognised provident fund maintained by his former employer.</p> <p>(4) Subject to any rules made by the Board, the approving authority may relax the provisions of paragraph 4(c) for any particular fund,—</p> <p>(a) to permit the payment of larger contributions by an employer to the employee’s individual account whose</p>	<p>national service, a sum not exceeding the amount he would have contributed had he continued to serve the employer, whether he received any salary or not from the employer.</p> <p>(3) Irrespective of anything contained in paragraph 4(e) or (i),—</p> <p>(a) at the request made in writing by the employee who ceases to be an employee of the employer maintaining the fund, the trustees of the fund may agree to retain the whole or any part of the accumulated balance to be drawn by him at any time on demand;</p> <p>(b) when the accumulated balance due to such employee is retained in the fund as per clause (a), the fund may also include interest in respect of such accumulated balance; and</p> <p>(c) the fund may also consist of any amount and interest thereof transferred from the employee’s individual account in any recognised provident fund</p>	
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			<p>salary does not exceed five hundred rupees per month; and (b) to permit the employers to credit the employees' individual accounts with periodical bonuses or contributions of a contingent nature, when the calculation and payment of such bonuses or contributions is provided for on definite principles by the regulations of the fund. (5) Irrespective of anything contained in paragraph 4(j), in order to allow an employee to pay the amount of tax assessed on his total income under paragraph 11(4), such employee shall be allowed to withdraw from the balance amount to his credit in the recognised provident fund, a sum not exceeding the difference between such amount and the amount to which he would have been assessed if the transferred balance referred to in paragraph 11(2) had not been included in the total income.</p>	<p>maintained by his former employer. (4) Omitted (5) Irrespective of anything contained in paragraph 4(j), in order to allow an employee to pay the amount of tax assessed on his total income under paragraph 11(4), such employee shall be allowed to withdraw from the balance amount to his credit in the recognised provident fund, a sum not exceeding the difference between such amount and the amount to which he would have been assessed if the transferred balance referred to in paragraph 11(2) had not been included in the total income.</p>	
Schedule XI (Part A para 6)	01.04.2026	Rationalisation of Schedule XI relating to Provident Funds	<p>(6) Employer's annual contributions, when deemed to be income received by employee.—The portion of the annual accretion in the tax year to the employee's balance in a recognised provident fund consisting of— (a) contributions made by the employer exceeding 12% of the employee's salary; and</p>	<p>(6) Omitted</p>	<p>Paragraph 6(a) of Part A of Schedule XI, which treats employer contributions exceeding twelve per cent of salary as taxable income, is proposed to be omitted as it overlaps with the unified monetary ceiling of Rs. 7.5 lakh</p>

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			(b) interest credited on the balance to the credit of an employee in so far as it is allowed at a rate exceeding such rate as fixed by the Central Government by notification, shall be deemed to have been received by the employee and included in his total income for that tax year and shall be liable to income tax.		prescribed under section 17(1)(h).
Schedule XI (Part C para 1)	01.04.2026	Rationalisation of Schedule XI relating to Provident Funds	<p>Power of Board to make rules for fund.—In addition to powers granted by Part A and Part B of this Schedule, the Board may make rules for a fund (provident fund or superannuation fund or gratuity fund) in respect of the following:—</p> <p>(a) to provide for the statements and information to be submitted along with an application for approval or recognition for a fund;</p> <p>(b) to provide for the returns, statements, particulars, or information which the Assessing Officer may require from the trustees of an approved superannuation fund or from the employer;</p> <p>(c) to limit the ordinary annual and other contributions of an employer to the gratuity fund or an approved superannuation fund;</p> <p>(d) to limit the contributions to a recognised provident fund by</p>	<p>Power of Board to make rules for fund.—In addition to powers granted by Part A and Part B of this Schedule, the Board may make rules for a fund (provident fund or superannuation fund or gratuity fund) in respect of the following:—</p> <p>(a) to provide for the statements and information to be submitted along with an application for approval or recognition for a fund;</p> <p>(b) to provide for the returns, statements, particulars, or information which the Assessing Officer may require from the trustees of an approved superannuation fund or from the employer;</p> <p>(c) to limit the ordinary annual and other contributions of an employer to the gratuity fund or</p>	<p>Clause d has been omitted & clause e has been substituted:</p> <p>Paragraph 1(d) of Part C of Schedule XI, which prescribes differential limits for employees who are also shareholders of the employer company, has been omitted.</p> <p>Further, Paragraph 1(e) of Part C, which restricts investment of provident fund monies in Government securities to fifty per cent, has been amended to be removed.</p>

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			<p>employees who are shareholders in the company;</p> <p>(e) to regulate investment or deposit of the moneys of a recognised or an approved fund, subject to the condition that no rule shall require more than 50% of the fund's money to be invested in Government securities as defined in section 2(f) of the Government Securities Act, 2006 (38 of 2006);</p> <p>(f) to provide for the assessment by way of penalty of any consideration received by an employee for an assignment of, or creation of a charge upon, his beneficial interest in a recognised or an approved fund;</p> <p>(g) to determine the extent and manner of exemption from payment of tax on contributions and interest credited to the individual account of the employee in a provident fund from which recognition has been withdrawn;</p> <p>(h) to determine the extent and manner of exemption from payment of tax on any payment made from a superannuation fund from which approval has been withdrawn;</p> <p>(i) to provide for the withdrawal of the approval of a superannuation fund or gratuity fund, which ceases to satisfy</p>	<p>an approved superannuation fund;</p> <p>(d) Omitted</p> <p>(e) to regulate investment or deposit of the moneys of a recognised or an approved fund;</p> <p>(f) to provide for the assessment by way of penalty of any consideration received by an employee for an assignment of, or creation of a charge upon, his beneficial interest in a recognised or an approved fund;</p> <p>(g) to determine the extent and manner of exemption from payment of tax on contributions and interest credited to the individual account of the employee in a provident fund from which recognition has been withdrawn;</p> <p>(h) to determine the extent and manner of exemption from payment of tax on any payment made from a superannuation fund from which approval has been withdrawn;</p> <p>(i) to provide for the withdrawal of the approval of a superannuation fund or gratuity</p>	
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			the requirements of this Part or the rules made thereunder; and (j) to carry out any other the purpose of this Part and to secure such further control over the recognition or approval of the funds and the administration of such funds as it may deem requisite	fund, which ceases to satisfy the requirements of this Part or the rules made thereunder; and (j) to carry out any other the purpose of this Part and to secure such further control over the recognition or approval of the funds and the administration of such funds as it may deem requisite	
Schedule XII	01.04.2026	Allowing expenditure on prospecting of critical minerals as deduction	<p align="center">Schedule XII Part A Minerals</p> <ol style="list-style-type: none"> 1. Aluminium ores. 2. Apatite and phosphatic ores. 3. Beryl. 4. Chrome ore. 5. Coal and lignite. 6. Columbite, Samarskite and other minerals of the “rare earths” group. 7. Copper. 8. Gold. 9. Gypsum. 10. Iron ore. 11. Lead. 12. Manganese ore. 13. Molybdenum. 14. Nickel ores. 15. Platinum and other precious metals and their ores. 	<p align="center">Schedule XII Part A Minerals</p> <ol style="list-style-type: none"> 1. Aluminium ores. 2. Apatite and phosphatic ores. 3. Beryl. 4. Chrome ore. 5. Coal and lignite. 6. Columbite, Samarskite and other minerals of the “rare earths” group. 7. Copper. 8. Gold. 9. Gypsum. 10. Iron ore. 11. Lead. 12. Manganese ore. 13. Molybdenum. 14. Nickel ores. 	In order to incentivise the prospecting and exploration of the critical minerals, the list of minerals in Schedule XII of the Act has been expanded and new entries 28. Beryllium bearing minerals. 29. Glauconite. 30. Graphite. 31. Indium bearing minerals. 32. Lithium bearing minerals. 33. Niobium bearing minerals. 34. Potash. 35. Rhenium bearing minerals.

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			<p>16. Pitchblende and other uranium ores. 17. Precious stones. 18. Rutile. 19. Silver. 20. Sulphur and its ores. 21. Tin. 22. Tungsten ores. 23. Uraniferous allanite, monazite and other thorium minerals. 24. Uranium bearing tailings left over from ores after extraction of copper and gold, ilmenite and other titanium ores. 25. Vanadium ores. 26. Zinc. 27. Zircon</p>	<p>15. Platinum and other precious metals and their ores. 16. Pitchblende and other uranium ores. 17. Precious stones. 18. Rutile. 19. Silver. 20. Sulphur and its ores. 21. Tin. 22. Tungsten ores. 23. Uraniferous allanite, monazite and other thorium minerals. 24. Uranium bearing tailings left over from ores after extraction of copper and gold, ilmenite and other titanium ores. 25. Vanadium ores. 26. Zinc. 27. Zircon 28. Beryllium bearing minerals. 29. Glauconite. 30. Graphite. 31. Indium bearing minerals. 32. Lithium bearing minerals. 33. Niobium bearing minerals. 34. Potash. 35. Rhenium bearing minerals. 36. Tantalum bearing minerals</p>	<p>36. Tantalum bearing minerals has been introduced.</p>
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<p>Schedule XIV (Para 4)</p>	<p>01.04.2026</p>	<p>Allowing deduction to non-life insurance business when TDS, not deducted earlier is paid later</p>	<p>Computation of profits and gains of other insurance business.— (1) The profits and gains of any insurance business other than life insurance shall be the profit before tax and appropriations as disclosed in the profit and loss account prepared as per the Insurance Act, 1938 (4 of 1938) or the rules made thereunder or the Insurance Regulatory and Development Authority Act, 1999 (4 of 1999) or the regulations made subject to the following adjustments:— (a) subject to the other provision of this rule, any expenditure or allowance including any amount debited to profit and loss account either by way of a provision for any tax, dividend, reserve, or any other provision as may be prescribed, which is inadmissible under sections 28 to 54 shall be added back; (b) any gain or loss from realisation of investments shall be added or deducted, as the case may be, if not already credited or debited to the profit and loss account; (c) any provision for diminution in investment value debited to the profit and loss account, shall be added back; and (d) such amount carried over to a reserve for unexpired risks as may be</p>	<p>Computation of profits and gains of other insurance business.— (1) The profits and gains of any insurance business other than life insurance shall be the profit before tax and appropriations as disclosed in the profit and loss account prepared as per the Insurance Act, 1938 (4 of 1938) or the rules made thereunder or the Insurance Regulatory and Development Authority Act, 1999 (4 of 1999) or the regulations made subject to the following adjustments:— (a) subject to the other provision of this rule this paragraph, any expenditure or allowance including any amount debited to profit and loss account either by way of a provision for any tax, dividend, reserve, or any other provision as may be prescribed, which is inadmissible under sections 28 to 54 shall be added back; (b) any gain or loss from realisation of investments shall be added or deducted, as the case may be, if not already</p>	<p>New Sub Paragraph 3 has been inserted: Part B of Schedule XIV governs the computation of profits from non-life insurance business and requires inadmissible expenses debited to the profit and loss account to be added back. While section 35(b)(i) and (ii) disallow certain expenses for non-deduction or non-payment of TDS but permit deduction in the year of compliance, Schedule XIV presently lacks a corresponding allowance mechanism. To address this anomaly, it is proposed to insert a new provision in Paragraph 4 of Schedule XIV to allow such disallowed amounts as deduction in the year in which tax is duly deducted and paid. This amendment will apply from 1 April 2026, i.e.,</p>
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			<p>prescribed shall be allowed as a deduction.</p> <p>(2) The amount payable under section 37, which is added under sub-paragraph (1)(a) shall be allowed as deduction in the tax year in which it is actually paid.</p>	<p>credited or debited to the profit and loss account; (c) any provision for diminution in investment value debited to the profit and loss account, shall be added back; and (d) such amount carried over to a reserve for unexpired risks as may be prescribed shall be allowed as a deduction.</p> <p>(2) The amount payable under section 37, which is added under sub-paragraph (1)(a) shall be allowed as deduction in the tax year in which it is actually paid.</p> <p>(3) The amount not deductible under sub-clause (i) or (ii) of section 35(b), which is added under sub-paragraph (1)(a), shall be allowed subsequently as a deduction in a tax year in accordance with the provisions of the said sub-clause, as the case may be.</p>	<p>from tax year 2026-27 onwards.</p>
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The Foreign Assets of Small Taxpayers Disclosure Scheme, 2026.

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Sec No	Amendment Effective from AY	Provision	New provision	Bizsol Remarks
114	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Short title and commencement	This Scheme may be called the Foreign Assets of Small Taxpayers Disclosure Scheme, 2026.	The Foreign Assets of Small Taxpayers – Disclosure Scheme, 2026 (FAST-DS 2026) is a one-time, voluntary disclosure opportunity introduced in the Union Budget 2026–27 to help certain small taxpayers regularize past non-disclosure of foreign income and assets and obtain immunity from prosecution and penalties if they comply within a specified window.
115	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Definitions	<p>➤ Assessee means a person</p> <p>I. being a resident in India within the meaning of section 6 of the Income-tax Act, 1961 in the previous year; or</p> <p>II. being a non-resident or not ordinarily resident in India within the meaning of clause (6) of section 6 of the said Act in the previous year, who was resident in India either— (A) in the previous year to which the income referred to in section 4</p>	<p>Definitions for the below mentioned are as per Income tax act,1961</p> <ul style="list-style-type: none"> • Assessment year • Board • Previous year

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			<p>of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 relates; or (B) in the previous year in which the undisclosed asset located outside India was acquired</p> <ul style="list-style-type: none">➤ Undisclosed asset located outside India means an asset (including financial interest in any entity) located outside India, held by the assessee in his name or in respect of which he is a beneficial owner, and he has no explanation about the source of investment in such asset or the explanation given by him, is in the opinion of the Assessing Officer, unsatisfactory➤ Undisclosed foreign income means the total amount of income of an assessee from a source located outside India which was chargeable to tax in India but has not been offered to tax under the Income-tax Act, 1961	
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			<ul style="list-style-type: none"> ➤ value of the asset means the fair market value of the asset determined in such manner as may be prescribed ➤ Last date means such date as may be notified by the Central Government in the Official Gazette 	
116	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Declaration by the declarant	<p>Subject to the provisions of this Scheme, any person may make, on or after the date of commencement of this Scheme but on or before the last date, a declaration, for any previous year, in respect of any income or asset referred to in section 117, where -</p> <ul style="list-style-type: none"> a) he has failed to furnish a return under section 139 of the Income-tax Act, 1961; or b) he has failed to disclose such assets or income, in return of income furnished by him under the Income-tax Act, 1961 before the date of commencement of this Scheme; or c) such assets or income has escaped assessment within the meaning of section 147 of the Income-tax Act, 1961. 	<p>Section 116 of the Scheme, 2026 lays down the enabling provision for voluntary disclosure of undisclosed foreign income or assets. It permits any person to make a declaration within the prescribed time window of the Scheme, thereby initiating the compliance process.</p> <p>The provision is broad in scope, allowing disclosure for any previous year, and is not restricted to a particular assessment year. This reflects the Scheme’s objective of comprehensive regularisation of past non-compliance.</p>

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117	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Amount Payable by the declarant	<p>1) Undisclosed asset or foreign income</p> <p>1.1. Type of asset or income- Undisclosed asset located outside India or undisclosed foreign income.</p> <p>1.2. Amount Payable: Aggregate of,-</p> <p>(i) tax at the rate of thirty per cent. of the value of the undisclosed asset located outside India as on the 31st of March, 2026</p> <p>(ii) tax at the rate of thirty per cent. of the undisclosed foreign income; and</p> <p>(iii) an amount equal to one hundred per cent. of tax determined in clauses (i) and (ii).</p> <p>1.3. Conditions: The aggregate value of the undisclosed asset located outside India and the undisclosed foreign income does not exceed one crore rupees.</p> <p>2. Non declaration</p> <p>2.1. Type of Asset or income :</p> <p>(a) Asset located outside India acquired from income accruing or arising outside</p>	<p>The Scheme distinguishes between two categories:</p> <ol style="list-style-type: none"> 1. Undisclosed foreign income/assets within ₹1 crore → full tax @ 30% + 100% penalty at a flat rate on tax, incentivizing small taxpayers to disclose. 2. Non-declared older assets of value Less than or equal to Rs. 5 crore → flat compliance fee Rs.1 Lakhs <p>This ensures progressive compliance: smaller taxpayers face proportionate taxation, while larger but previously taxed assets pay a fixed fee.</p>
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			<p>India, by an assessee, during the period in which such assessee was a non-resident, but such assets were not declared by him in the relevant Schedule in the return of income on becoming a resident; or</p> <p>(b) asset located outside India acquired from income which has been offered to tax under the Income-tax Act, 1961 (43 of 1961) by the assessee, but such assets were not declared by him in the relevant Schedule in the income.</p> <p>2.2. Amount Payable: A fee of one lakh rupees.</p> <p>2.3. Conditions: The value of the asset located outside India does not exceed five crore rupees.</p>	
118	It shall come into force on such date as the Central Government may, by notification in the Official	Manner of making declaration	<p>➤ A declaration under section 116 shall be made complete in all respects to the prescribed income-tax authority, in such form and shall be verified in such manner, as may be prescribed.</p>	<p>➤ Form and Verification:</p> <p>Declarations must be submitted in the prescribed form and verified in the prescribed manner to the income-tax authority.</p>

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	Gazette appoint		<ul style="list-style-type: none"> ➤ The declaration shall be made electronically so as to verify that : <ul style="list-style-type: none"> a) The assessee making the declaration is an eligible assessee; and b) The declaration of income or assets is in accordance with the provisions of this Scheme. ➤ The declaration made under sub-section (1) shall be deemed to be invalid, if <ul style="list-style-type: none"> (1) Any material particular furnished in the declaration is found to be false at any stage; or (2) The declarant violates any of the conditions referred to in this Scheme 	<p>Completeness and accuracy are essential for the declaration to be accepted.</p> <ul style="list-style-type: none"> ➤ Electronic Submission and Verification: <p>The declaration must be made electronically.</p> <p>Verification ensures that:</p> <ul style="list-style-type: none"> i. The declarant is an eligible assessee under the Scheme. ii. The income or assets declared comply with Scheme provisions. <ul style="list-style-type: none"> ➤ Invalidation of Declaration: <p>A declaration is deemed invalid if:</p> <ul style="list-style-type: none"> i. Any material particulars are false at any stage. ii. The declarant violates any Scheme conditions.
119	It shall come into force on such date as the Central Government may, by notification	Procedure relating to manner of payment	<ul style="list-style-type: none"> ➤ After electronic verification of the declaration as specified in sub section (2) of section 118, the amount payable by the assessee shall be communicated electronically, 	<ul style="list-style-type: none"> ➤ Communication of Amount Payable: <p>After electronic verification of the declaration under Section 118, the prescribed income-tax authority</p>

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	<p>in the Official Gazette appoint</p>		<p>within a period of one month from the end of the month in which the declaration is made, by way of an order in such form and manner, as may be prescribed.</p> <ul style="list-style-type: none"> ➤ The assessee shall pay the amount determined under sub-section (1) within a period of two months from the end of the month in which the order referred to in the said sub-section was received by him and the payment shall be made in such manner, as may be prescribed. ➤ Where the assessee fails to pay the amount determined under sub section (1) or any part thereof within the period specified in sub-section (2), the assessee may pay such amount within a further period not exceeding two months, along with simple interest at the rate of one per 	<p>communicates the amount payable electronically.</p> <p>This communication must occur within one month from the end of the month in which the declaration was made.</p> <ul style="list-style-type: none"> ➤ Payment Timeline: <p>The assessee must pay the amount within two months from the end of the month on which the order was received.</p> <p>Payment must follow the prescribed mode (e.g., electronic transfer or other approved means).</p> <ul style="list-style-type: none"> ➤ Extended Payment Period with Interest: <p>If the assessee fails to pay within the initial two months, a further extension of up to two months is allowed.</p> <p>Simple interest of 1% per month or part of a month applies on the unpaid amount during this extension.</p> <ul style="list-style-type: none"> ➤ Intimation of Payment:
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			<p>cent. for every month or part of a month on such amount.</p> <ul style="list-style-type: none"> ➤ The assessee shall, upon making the payment under sub-section (2) or sub-section (3), as the case may be, intimate the details of such payment to the prescribed income-tax authority, in such form and manner, as may be prescribed, within the extended period specified in sub-section (3). ➤ Upon receipt of the intimation referred to in sub-section (4), where the intimation is in accordance with the order under sub-section (1), an order certifying the payment of the amount as per the declaration, shall be communicated electronically to the assessee, in such form and manner, as may be prescribed, within one month from the end of the month of receipt of such intimation. 	<p>Once payment is made (within either period), the assessee must intimate the prescribed income-tax authority in the prescribed form within the extended period.</p> <p>This step is crucial for official recording and confirmation of compliance.</p> <ul style="list-style-type: none"> ➤ Certification of Payment: <p>Upon receipt of proper intimation, the authority issues an electronic order certifying payment within one month from the end of the month of receipt.</p> <p>This order is conclusive, providing finality regarding the declared and paid amounts.</p>
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			➤ Every order made under sub-section (5) shall be conclusive as to the matters stated therein.	
120	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Any income or asset declared not to be included in total income	The income or the amount of investment in an asset, which has been declared in the manner provided in section 118 shall not be included in the total income of the declarant for any assessment year under the Income-tax Act, 1961 or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, if the declarant makes the payment of amount referred to in section 119 within the extended period specified in sub-section (3) of the said section.	The provision effectively ensures that the declared income or asset is treated as settled and separate from regular taxable income, providing a safe harbour against further taxation for the disclosed amounts. It encourages voluntary compliance by offering certainty and closure to declarants without impacting their normal tax computations.
121	It shall come into force on such date as the Central Government may, by notification in the	Any income or asset declared not to affect finality of completed assessments	In respect of income or asset declared or any amount paid thereon, the declarant shall not be entitled to claim for rectification or revision of any assessment made under the Income-tax Act, 1961 or the Black Money (Undisclosed	This ensures that the Scheme operates as a one-way settlement mechanism, conferring immunity and closure without disturbing concluded proceedings or altering tax positions already finalised.

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	Official Gazette appoint		Foreign Income and Assets) and Imposition of Tax Act, 2015 or claim any set off or relief in any appeal, reference or other proceeding in relation to any such assessment.	
122	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Amount paid in pursuance of declaration non refundable	No amount paid under section 119 in pursuance of a declaration made in the manner provided in section 118 shall be refundable.	By linking non-refundability specifically to payments made in pursuance of a declaration, Section 122 underscores that opting into the Scheme is a conscious and irrevocable choice.
123	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Grant of immunity from penalty and	Notwithstanding anything contained in the Black Money and Imposition of Tax Act, 2015, a declarant who makes a valid declaration under this Scheme and pays any amount, whether as tax, fee or otherwise, as the case may be, in accordance with the provisions of this Scheme, shall be granted immunity from the levy of any further tax or penalty and also from	The immunity applies to income or assets relating to the previous year ending on 31 March 2026 or any earlier previous year, thereby providing comprehensive protection for past non-compliance within the temporal scope of the Scheme.

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			prosecution under the said Act in respect of income or asset so declared, for the previous year ending on the 31st March, 2026 or any earlier previous year.	
124	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Non application of Scheme	The provisions of this Scheme shall not apply in respect of : (a) any income or asset which represents, directly or indirectly, proceeds of crime in respect of which proceedings have been initiated, or pending under the Prevention of Money-laundering Act, 2002; or (b) any income or asset relating to an assessment year for which assessment proceedings have been completed under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.	Clause 124 reinforces the Scheme's limited and bona fide character, restricting its benefits to genuine cases of non-disclosure while upholding the integrity of anti-evasion and anti-laundering frameworks.
125	It shall come into force on such date as the Central Government may, by notification	Effect declaration of on pending assessment	Where a declaration of any income or asset is made under this Scheme and assessment proceedings under the Income-tax Act, 1961 or the Black Money (Undisclosed Foreign Income	This provision avoids parallel or contradictory proceedings relating to the same income or asset and ensures that the disclosure under the Scheme is given due recognition.

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	in the Official Gazette appoint		and Assets) and Imposition of Tax Act, 2015 are pending in respect of such income or assets, the Assessing Officer shall take such declaration into account while finalising such assessment order.	
126	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Power of Board to issue directions, etc.	<ul style="list-style-type: none"> ➤ The Board may, from time to time, issue such directions or orders to the prescribed income tax authorities, as it may deem fit. Provided that no direction or order shall be issued so as to require that a particular case be disposed of in a particular manner. ➤ Without prejudice to the generality of the foregoing power, the Board may, if it considers necessary or expedient so to do, for the purposes of this Scheme, including collection of revenue, issue from time to time, general or special orders in respect of any class of 	the provision allows the Board to issue orders relaxing any provision of the Chapter , where it considers such relaxation necessary or expedient in the public interest . This discretionary power enables the Board to address practical hardships and exceptional situations, while still operating within the broader framework of the Scheme.

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			cases, setting forth directions or instructions as to the guidelines, principles or procedures to be followed by the prescribed income-tax authorities in any work relating to this Act, including collection of revenue and issue such order, by way of relaxation of any provision of this Chapter or otherwise, if the Board is of the opinion that it is necessary in the public interest so to do.	
127	It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint	Power to make rules	<ul style="list-style-type: none"> ➤ The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Scheme. 15 of 2003. 22 of 2015. 43 of 1961. 22 of 2015. ➤ Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:— (a) the form in which a declaration may be made and the manner of its verification 	<ul style="list-style-type: none"> ➤ The Central Government may make rules by notification in the Official Gazette ➤ These rules are designed to carry out the provisions of the Scheme in practice. ➤ Every rule made must be laid before both Houses of Parliament for 30 days ➤ Both Houses may, before expiry of the next session, modify or annul the rule. ➤ Any such modification or annulment does not affect actions

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			<p>under sub-section (1) of section 118; (b) the form and manner in which order shall be passed under sub section (1) of section 119; (c) the manner of making payment under sub-section (2) of section 119; (d) the form and manner of intimation of payment under sub-section (4) of section 119; (e) the form and manner in which the order certifying the payment shall be communicated under sub-section (5) of section 119; (f) the manner of calculating the value of the asset under this Scheme; (g) the manner of calculating the amount payable under this Scheme; (h) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules for carrying out the provisions of this Scheme.</p> <p>➤ Every rule made by the Central Government under this Scheme shall be laid, as soon as may be after it is made, before each House of</p>	<p>already validly taken under the rule.</p>
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			<p>Parliament, while it is in session, for a total period of thirty days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.</p>	
128	It shall come into force on such date as the Central Government may, by notification in the	Power to remove difficulties	<p>➤ If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty.</p>	Section 128 confers a limited and time-bound power on the Central Government to address practical or procedural difficulties that may arise in the implementation of the Foreign Assets of Small Taxpayers Disclosure Scheme, 2026. The provision ensures that the Scheme can be effectively operationalised without

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	Official Gazette appoint		<ul style="list-style-type: none">➤ No order under sub-section (1) shall be made after the expiry of period of two years from the date on which provisions of this Scheme come into force.➤ Every order made under sub-section (1) shall, as soon as may be after it is made, be laid before each House of Parliament.	being hindered by unforeseen administrative issues. The power is strictly time-limited . No such order can be made after the expiry of two years from the date the Scheme comes into force , ensuring that the provision is used only during the initial implementation phase and not as a continuing source of executive law-making.
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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
49 Addition of Proviso	01.10.2024	Punishment for failure to furnish return in relation to foreign income and asset.	If a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who at any time during the previous year, held any asset (including financial interest in any entity) located outside India as a beneficial owner or otherwise, or was a beneficiary of such asset or had income from a source outside India and wilfully fails to furnish in due time the return of income which he is required to furnish under sub-section (1) of section 139 of that Act, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine: Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of income under sub-section (1) of section	If a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who at any time during the previous year, held any asset (including financial interest in any entity) located outside India as a beneficial owner or otherwise, or was a beneficiary of such asset or had income from a source outside India and wilfully fails to furnish in due time the return of income which he is required to furnish under sub-section (1) of section 139 of that Act, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine: Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of income under sub-section (1) of section 139 of the Income-tax Act if the return is furnished by him	The amendment to section 49 provides relief from prosecution in cases of minor and inadvertent non-disclosure of foreign assets, by excluding such cases where the aggregate value of foreign assets (other than immovable property) does not exceed ₹20 lakh.

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			139 of the Income-tax Act if the return is furnished by him before the expiry of the assessment year.	before the expiry of the assessment year. Provided further that this section shall not apply in respect of an asset or assets (other than immovable property), where the aggregate value of such asset or assets does not exceed twenty lakh rupees	
50 Addition of Proviso	01.10.2024	Punishment for failure to furnish in return of income, any information about an asset (including financial interest in any entity) located outside India	If any person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who has furnished the return of income for any previous year under sub-section (1) or sub-section (4) or sub-section (5) of section 139 of that Act, wilfully fails to furnish in such return any information relating to an asset (including financial interest in any entity) located outside India, held by him, as a beneficial owner or otherwise or in which he was a beneficiary, at any time during such previous year, or disclose any income from a source outside India, he shall be punishable with rigorous imprisonment for a term which shall not be less than six	If any person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who has furnished the return of income for any previous year under sub-section (1) or sub-section (4) or sub-section (5) of section 139 of that Act, wilfully fails to furnish in such return any information relating to an asset (including financial interest in any entity) located outside India, held by him, as a beneficial owner or otherwise or in which he was a beneficiary, at any time during such previous year, or disclose any income from a source outside India, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months and with fine.	The amendment to section 50 grants relief from prosecution for minor and inadvertent non-disclosure of foreign assets, by excluding cases where the aggregate value of foreign assets (other than immovable property) does not exceed ₹20 lakh.

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			months but which may extend to seven years and with fine.	Provided that this section shall not apply in respect of an asset or assets (other than immovable property), where the aggregate value of such asset or assets does not exceed twenty lakh rupees.					
Amedme nt in Section 98 of the Finance Act 2004	1st April 2026		Sl. No.	Taxable Securities Transaction	Existing STT Rate	Sl. No.	Taxable Securities Transaction	Proposed STT Rate	Clause 143 of the Finance Bill proposes to increase STT rates on derivatives , specifically options and futures traded on recognised stock exchanges. Options STT increased by 50% and Futures STT increased by 150% .
			1	Sale of an option in securities	0.10% of option premium	1	Sale of an option in securities	0.15% of option premium	
			2	Sale of an option in securities, where option is exercised	0.125% of intrinsic value	2	Sale of an option in securities, where option is exercised	0.15% of intrinsic value	
			3	Sale of a futures in securities	0.02% of traded price	3	Sale of a futures in securities	0.05% of traded price	

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