



UNION ₹ BUDGET 2026-27

(Covers Income Tax, GST, Finance, MSME, Startups and other highlights)

A P P S AND COMPANY

Chartered Accountant/Virtual CFO Services

CA PANKAJ MITTAL

FCA, B.COM (HONS.)- SRCC NEW DELHI, L.L.B

Address: 1st Floor, 148/187, T Point to Sati Mandir Park,
Bus Stand Road, Samana, Distt. Patiala, 147101, PB

Mobile: [+918882340070](tel:+918882340070)

Email: info@caapps.in

Website: www.caapps.in



CA A P P S AND COMPANY
Chartered Accountants
IN DTA
Audit & Assurance | Tax | Advisory | Accounting

(Note: For Private Circulation Only)

Union Budget 2026–27 Bulletin

A consolidated summary of key proposals relating to Income Tax, GST, Finance, MSMEs, Startups, and other highlights.

This bulletin presents a consolidated summary of the key proposals announced in the Union Budget 2026–27. It covers important amendments and announcements relating to Income Tax, GST, Finance, MSMEs, Startups, and other relevant areas, as proposed in the Finance Bill, 2026 and supported by official Budget documents.

The contents are compiled on the basis of the Budget Speech, Finance Bill, Memorandum explaining provisions, and Government-issued FAQs, and are arranged in a section-wise manner for ease of reading and reference.

Overview of Union Budget 2026–27

The Union Budget 2026–27 outlines the Government's priorities across economic growth, infrastructure development, fiscal consolidation, and sectoral capacity building. The Budget places emphasis on manufacturing, services, and employment generation through initiatives such as scaling up strategic and frontier manufacturing sectors, creation of Champion MSMEs, infrastructure expansion, City Economic Regions, and targeted support for Tier-II and Tier-III cities.

The Budget includes sector-specific announcements covering MSMEs, startups, financial markets, education, healthcare, tourism, agriculture, women-led enterprises, and emerging technologies. Key initiatives include the SME Growth Fund, liquidity support measures through TReDS, SHE-Marts for rural women-led enterprises, Bharat-VISTAAR, Carbon Capture Utilisation and Storage (CCUS), and High-Speed Rail corridors.

On the financial sector front, the Budget proposes the setting up of a High Level Committee on Banking for Viksit Bharat, and a review of the Foreign Exchange Management (Non-debt Instruments) Rules for foreign investments. The Budget documents also include the FAST disclosure scheme for specified taxpayers in relation to foreign assets, along with other changes impacting businesses, taxpayers, MSMEs, startups, and financial institutions.

Index of Contents

Sr. no.	Particulars
1	Union Budget 2026 Highlights
2	Income Tax proposals
3	GST proposals
4	Finance proposals and highlights
5	MSME proposals
6	Startups proposals
7	Other highlights and proposals
8	About Us and Our Services
9	Contact Us



Income Tax Highlights

- **Income Tax Act, 2025 to come into effect from 1 April 2026**

The Budget states that a comprehensive review of the Income-tax Act, 1961 has been completed, and the Income Tax Act, 2025 will come into effect from 1st April, 2026. It is also stated that simplified Income Tax Rules and Forms will be notified shortly, giving adequate time to taxpayers to acquaint themselves with the requirements. The forms are stated to be redesigned so that ordinary citizens can comply without difficulty.

- **Foreign Assets of Small Taxpayers – Disclosure Scheme, 2026 (FAST-DS 2026)**

The Finance Bill, 2026 proposes FAST-DS 2026, a time-bound scheme for voluntary disclosure of undisclosed foreign assets and foreign-sourced income by small taxpayers. The scheme provides for payment of tax or fee based on the nature and source of acquisition and grants limited immunity from penalty and prosecution under the Black Money Act for matters covered by the declaration. Cases involving prosecution or proceeds of crime are proposed to be excluded. The scheme shall come into force from a date to be notified.

- **Minimum Alternate Tax (MAT) – Reforms**

The Budget proposes reforms in the MAT framework to facilitate transition to the new tax regime. From 1 April 2026, MAT shall become a final tax, and the MAT rate shall be reduced from 15% to 14%. Set-off of brought-forward MAT credit shall be allowed only under the new tax regime, limited to one-fourth of the tax liability. MAT credit accumulated up to 31 March 2026 shall continue to be available for such limited set-off.

- **Increase in Securities Transaction Tax (STT) on Futures and Options**

The Budget proposes an increase in Securities Transaction Tax (STT) on derivatives transactions. The STT rate on futures contracts is proposed to be increased from 0.02% to 0.05%. This amendment shall apply in accordance with the provisions specified in the Finance Bill, 2026.

- **Reduction in TCS rates under Liberalised Remittance Scheme (LRS)**

The Budget proposes to reduce the TCS rate to 2% on the sale of overseas tour programme packages, replacing the existing rates of 5% and 20%, without any threshold limit. Further, the TCS rate for remittances for education and medical purposes under the Liberalised Remittance Scheme (LRS) is proposed to be reduced from 5% to 2%.

- **Staggered timelines for filing of Income-tax Returns**

The Budget proposes to stagger the due dates for filing of Income-tax Returns. Individuals filing ITR-1 and ITR-2 shall continue to have the due date of 31st July. In case of non-audit business cases and trusts, the due date for filing returns is proposed to be extended to 31st August.

- **Taxation of buy-back of shares rationalised**

The Finance Bill, 2026 proposes to tax consideration received on buy-back of shares under the head "Capital gains", instead of treating it as dividend income. In case of promoters, the effective tax liability on gains arising from buy-back is proposed at 30%, including applicable tax and additional tax. In case of promoter companies, the effective tax liability is proposed at 22%. These amendments shall take effect from 1 April 2026 and apply from tax year 2026-27 onwards.

- **Rule-based automated process for small taxpayers**

The Budget proposes a rule-based automated system to enable small taxpayers to obtain lower or nil TDS certificates without approaching the Assessing Officer. The certificates shall be issued through an electronic and automated process, as prescribed under the provisions of the Income-tax Act, with effect from 1 April 2026.

- **Extended timeline for filing revised Income-tax Returns**

The Budget proposes to allow taxpayers to file a revised Income-tax Return up to 31st March, subject to payment of a nominal fee, as prescribed. This measure is intended to facilitate voluntary compliance within the extended timeframe.

- **Interest deduction on dividend and mutual fund income disallowed**

The Finance Bill, 2026 proposes to disallow deduction of interest expenditure against dividend income and income from units of mutual funds. Accordingly, no interest expense shall be allowed to be set off against such income, withdrawing the earlier limited deduction available. This amendment shall be effective from 1 April 2026.

- **Tax Audit Report – Late filing to attract fixed fee**

Under the Income-tax Act, 2025, failure to file the Tax Audit Report within the prescribed time shall attract a fixed late fee instead of a penalty. A fee of Rs. 75,000 shall be levied for a delay of up to one month, and Rs. 1,50,000 for a delay exceeding one month. This amendment replaces the earlier penalty-based regime and shall be effective from 1 April 2026.

- **Relief from TAN Requirement for Property Purchasers**

Resident individuals or HUFs purchasing immovable property from a non-resident will not be required to obtain a TAN for deducting TDS. Eases compliance for one-time property transactions Effective from 1 October 2026

- **ITR-U Permitted for Loss Returns**

Taxpayers will be allowed to file an Updated Return (ITR-U) even where the original return was a loss return, provided the updated return results in a reduction of the loss earlier claimed.

- **Employee Contribution to PF / ESI - Deduction Allowed**

The Union Budget 2026 proposes that employee contribution to PF, ESI and other welfare funds shall be allowed as a deduction if deposited on or before the due date of filing the Income-tax Return. 1. Aligns the treatment of employee contribution with employer contribution 2. Applicable from AY 2026-27, as provided in the Finance Bill, 2026

- **Sovereign Gold Bonds (SGBs) – Capital Gains Exemption Restricted**

The Union Budget 2026 proposes that capital gains exemption on redemption of Sovereign Gold Bonds (SGBs) shall be available only to the original subscriber, provided the bond is held continuously till maturity. Subsequent transferees will not be eligible for the exemption. Applicable from Tax Year 2026–27, as per the Finance Bill, 2026.



GST Highlights

- **Post-Sale Discounts - Valuation Simplified**

Requirement of a pre-existing agreement for post-sale discounts is removed. Discounts can be excluded from value of supply if: Credit note is issued by supplier, and Corresponding ITC is reversed by the recipient. Reduces valuation disputes and litigation.

- **Intermediary Services – Place of Supply Rationalised**

Section 13(8)(b) omitted. Place of supply for intermediary services will be determined as per general rule (location of recipient). Services provided to foreign clients qualify as exports / zero-rated.

- **Refund Provisions Streamlined**

Provisional refunds extended to inverted duty structure cases. Removal of threshold limit for sanction of certain refunds. Faster refunds and improved working capital flow.

UNION BUDGET 2026-27

FINANCE



Finance Highlights

- **Portfolio Investment Scheme announced**

The Budget announces a Portfolio Investment Scheme to facilitate and streamline portfolio investments, with detailed operational framework and conditions to be notified separately.

- **High-Level Committee on Banking for Viksit Bharat**

The Budget proposes the setting up of a High-Level Committee on Banking for Viksit Bharat to review and recommend measures for strengthening the banking sector, improving financial inclusion, and supporting long-term economic growth. The committee's scope and terms of reference will be notified separately.



MSME Highlights

- **Rs 10,000 crore MSME Growth Fund proposed**

The Budget proposes the creation of a Rs 10,000 crore MSME Growth Fund to provide growth capital and equity support to eligible MSMEs, with the objective of facilitating expansion, innovation, and access to long-term funding.

- **Corporate Mitras Cadre for MSMEs**

The Union Budget 2026–27 proposes the creation of a ‘Corporate Mitras’ cadre to assist MSMEs in compliance, governance, and regulatory handholding. 1. Aimed at improving ease of doing business for MSMEs 2. Support across incorporation, compliance, and growth stages



Startups Highlights

- **SHE-MARTS for Women Entrepreneurs**

The Union Budget 2026–27 proposes the setting up of SHE-MARTS, under which self-help group and women entrepreneurs will operate community-owned retail outlets. These outlets are intended to provide market access and visibility to products made by women-led enterprises.

- **Support for Startups and Innovation**

The Union Budget 2026–27 reiterates the Government's focus on strengthening the startup and innovation ecosystem, with emphasis on ease of doing business, access to capital, and technology-led growth. The Budget highlights continued support for innovation-driven enterprises as part of India's long-term economic strategy.



Other highlights

• **India's Reform Express**

The Finance Minister stated that over 350 structural and regulatory reforms have been implemented, including GST reforms, labour law simplification, and rationalisation of quality control requirements.

The Government is also working with State Governments to further ease deregulation and reduce compliance burden.

• **Capital Expenditure (Capex) increased for FY 2026–27**

The Union Budget 2026–27 proposes to increase capital expenditure to Rs. 12.2 trillion in FY 2026–27, reinforcing the Government's focus on infrastructure development, asset creation, and long-term economic growth.

• **India records strong economic growth**

The Finance Minister stated that India has witnessed a high economic growth rate of around 7%, reflecting the resilience and momentum of the Indian economy amid global challenges.

• **Yuva Shakti-driven Budget**

The Union Budget 2026–27 is positioned as a Yuva Shakti-driven Budget, with emphasis on employment generation, skill development, entrepreneurship, and opportunities for youth. The Budget highlights measures aimed at leveraging India's demographic dividend to support long-term economic growth.

• **Semiconductor ecosystem development**

The Union Budget 2026–27 reiterates the Government's commitment to strengthening India's semiconductor and electronics manufacturing ecosystem, with continued focus on domestic manufacturing, supply-chain resilience, and strategic technology capacity building.

• **Content Laboratory proposed**

The Union Budget 2026–27 proposes the setting up of Content Laboratories to support creative content creation and innovation, as part of initiatives to strengthen India's creative and digital economy.

Our Profile



Founded in 2014, A P P S AND COMPANY, a team of young and enthusiastic professionals, which includes Chartered Accountants, GST and Income Tax Experts, Company Secretaries, Consultants, Advocates, and Senior Accountants which have extensive knowledge spanning across various sectors of the Indian Industry. We are ~10-year-old CA firm providing all kinds of services to support finance function including Audit & Assurance, Tax, Accounting and Advisory.

Specialized in managing entire finance function for early-stage startups acting as Virtual CFO providing all services in Finance, Secretarial and Legal area including Accounting, Compliances, Due Diligence support, services in relation to SHA/Transaction Documents.

Pankaj Mittal is a Commerce Graduate from **Shri Ram College of Commerce**, Delhi University and **All India Rank Holder in CA &**

CS, A reputed Tax Consultant & Chartered Accountant with a great Academic and Professional Excellence. Having worked as a CFO and other senior positions in Investor Funded Startups, he has built a special expertise in rendering **Virtual CFO services to the Startups, MSMEs and new Age Companies.**

Why us

Startup Specific Experience - Having on ground specialised knowledge and connects in Startup Ecosystem which helps managing Investors an easy task. Specialized in managing entire finance function for early-stage startups acting as Virtual CFO providing all services in Finance, Secretarial and Legal area including Accounting, Compliances, Due Diligence support, services in relation to SHA/Transaction Documents

Expert Team - Our professionals, including Tax Experts, Advocates, Consultants, and Senior Accountants, stay ahead of industry trends to provide the best financial solutions.

Client-Centric Approach - We build long-term relationships with our clients, ensuring personalized attention and tailored financial strategies.

Accuracy & Compliance - We provide timely and precise financial reports, handling all statutory compliance with diligence and expertise.

One-Stop Financial Solution - From accounting and taxation to financial planning, we offer comprehensive business solutions under one roof.

24x7 Support - We are always available to assist you, ensuring seamless financial management and compliance.



Nature	Service
Virtual CFO Services	Virtual CFO (vCFO) Services that provide CFO-level strategic expertise, financial discipline, and decision-making support — without the overhead of a full-time hire. We act as your strategic finance partner, helping you manage today’s challenges and plan for tomorrow’s growth. Specialized in managing entire finance function for early-stage startups acting as Virtual CFO providing all services in Finance, Secretarial and Legal area including Accounting, Compliances, Due Diligence support, services in relation to SHA/Transaction Documents
Auditing Services	Our meticulous auditing practices help you maintain transparency and adhere to financial standards. Our meticulous auditing practices help you maintain transparency and adhere to financial standards.
GST Compliance	From registration to return filing, we handle all your GST needs, ensuring full compliance with laws.
Income Tax Return	Personal ITR Filing for individuals.
Business Valuation	Whether it is for mergers or acquisitions, we offer accurate and reliable business valuation services.
Tax Planning	Tax planning for businesses efficiently.
Income Tax Consultancy	We offer expert advice on income tax planning and filing, helping you optimize your tax liabilities.
Financial Planning	We provide personalized financial planning services aimed at achieving your long-term financial goals.
Payroll Management	Outsource your payroll to us and focus on your core business activities, while we handle the complexities.
Statutory Compliance	From labor laws to industry-specific regulations, we ensure that your business remains compliant.
Mergers and Acquisitions:	We offer end-to-end solutions for mergers and acquisitions, including due diligence and legal compliance.
Accounting	Monthly Outsourcing of your accounts

We hope you found this Union Budget 2026 bulletin ebook informative and valuable. If you have any further questions or inquiries, please don't hesitate to reach out to us at the following contact details. Your feedback and inquiries are always welcome. Thank you for trusting us to be your source of knowledge and insights.



Address: 1st Floor, 148/187, T Point to Sati Mandir Park, Bus Stand Road, Samana, Distt. Patiala, 147101, PB

Mobile: [+918882340070](tel:+918882340070)

Email: info@caapps.in

Website: www.caapps.in



A P P S AND COMPANY

Disclaimer: We are not responsible for any action taken based on the above information. This is only for knowledge purposes; kindly call us for any further discussion before taking any action.