

# Union Budget 2026



KNM MANAGEMENT ADVISORY SERVICES PVT LTD  
presents

## UNION BUDGET SYNOPSIS-2026

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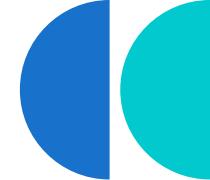


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# Yuva Shakti-Driven Budget



## **First Kartavya**

Accelerate and sustain economic growth

Enhancing productivity and competitiveness

Building resilience to volatile global dynamics

## **Second Kartavya**

Fulfil aspirations of our people

Build people's capacity

Making them strong partners in India's path to prosperity

## **Third Kartavya**

Vision of Sabka Sath, Sabka Vikas

Ensure that every family, community, region and sector has access to resources, amenities and opportunities for meaningful participation

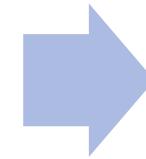
# Yuva Shakti-Driven Budget



Sustaining the momentum of structural reforms



Continuous, adaptive, and forward looking



Robust & resilient financial sector



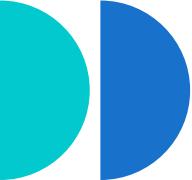
Force multipliers for better governance



Cutting-edge technologies, including ai applications



Mobilizing savings, allocating capital efficiently and managing risks



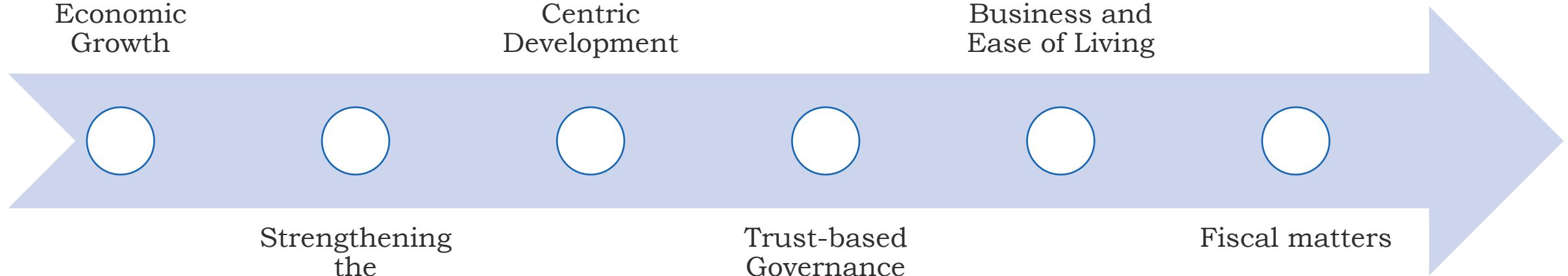
# Pillars of Growth & Development



Sustaining  
Economic  
Growth

People-  
Centric  
Development

Ease of Doing  
Business and  
Ease of Living



Strengthening  
the  
Foundations  
of Growth

Trust-based  
Governance

Fiscal matters

# **KEY SECTORAL IMPACT – ECONOMIC SURVEY**

## **Yuva Shakti Driven Budget**

- ❖ Agriculture & Allied Sectors
- ❖ Rural Development
- ❖ Empowering Divyangjan
- ❖ Infrastructure
- ❖ Education Sector
- ❖ MSME Sector
- ❖ Tourism Sector
- ❖ Sports Sector



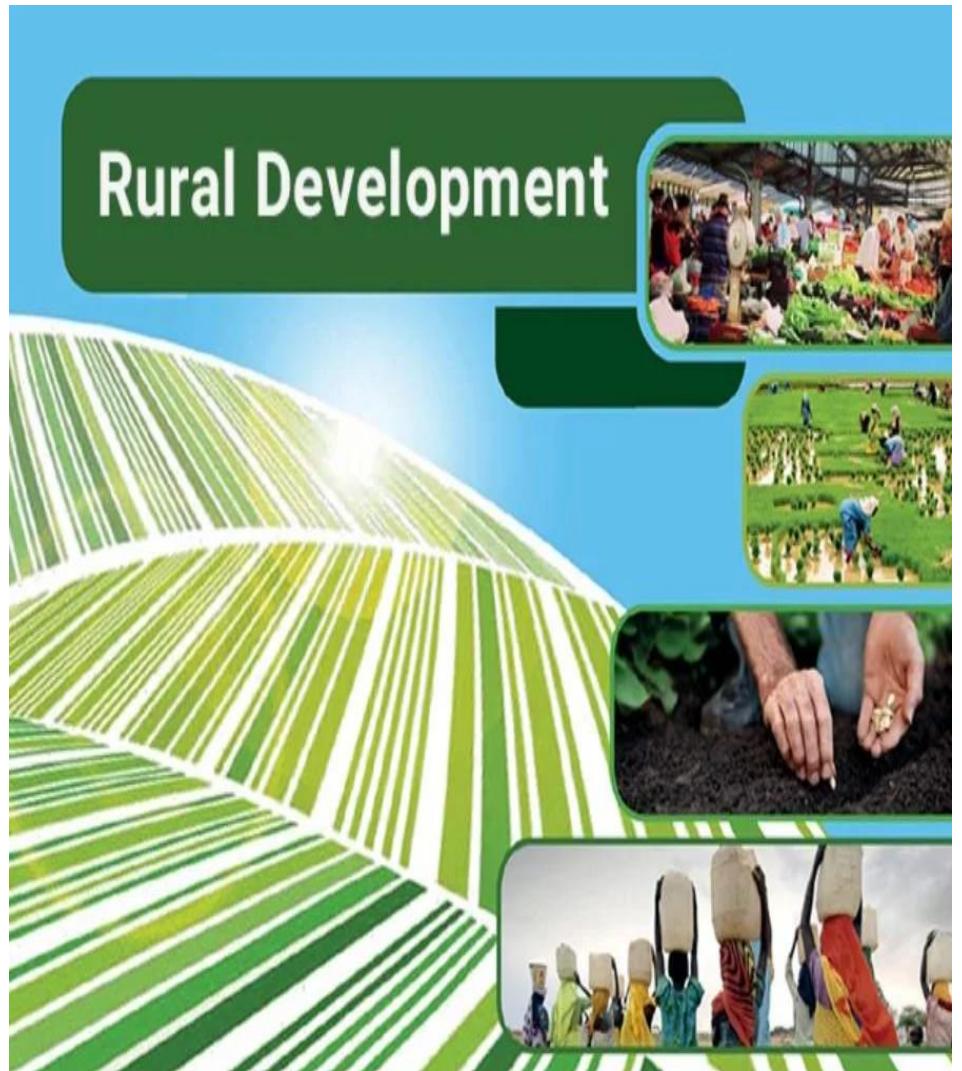
# Agriculture & Allied Sector

- ❖ The Pradhan Mantri Fasal Bima Yojana provides farmers with essential protection against crop losses resulting from natural calamities, pests, diseases, and adverse weather conditions throughout the crop cycle.
- ❖ The government's emphasis extends beyond food security to ensuring nutritional adequacy. By reducing the cost of essential staples, food subsidies increase disposable incomes among the covered population, enabling them to diversify their consumption basket with proteins, dairy, and horticulture products



# Rural Development

- ❖ The **Viksit Bharat** Guarantee for Rozgar and Ajeevika Mission (Gramin) Act, 2025, is a comprehensive legislative reset that aims to modernise rural employment guarantees, strengthen accountability, and align employment creation with long-term infrastructure and climate resilience goals.
- ❖ By expanding guaranteed employment, prioritising high-impact works, strengthening administrative capacity, and embedding strong digital governance, VB GRAM G positions rural employment as a strategic instrument for sustainable development.
- ❖ It aligns local livelihoods with national priorities, strengthens institutional capacity at all levels, enhances accountability and transparency, and supports the creation of climate-resilient infrastructure.



- ❖ Within the livestock sector, growth has been supported by measures that include indigenous technological capabilities to accelerate genetic improvement, reduce costs for farmers, and enhance herd quality. In addition, significant progress has been made in strengthening animal health systems.
- ❖ Integrated development of 500 **reservoirs and Amrit Sarovars**, Strengthening fisheries value chain in coastal areas and enabling market linkages for start-ups and women-ledgroups together with Fish FPOs.
- ❖ Govt. to support high value crops such :
  - a. coconut, sandalwood, cocoa and cashew in coastal areas
  - b. **Coconut Promotion Scheme** to be launched to increase production and enhance productivity.
- ❖ The “Anna Chakra” tool has been introduced to improve logistics, enhance efficiency, and reduce carbon emissions, while serving 81 crore vulnerable beneficiaries.
- ❖ Government to launch **Bharat-VISTAAR**, a multilingual AI tool to integrate the AgriStack portals and the ICAR package on agricultural practices with AI systems.

# Empowering Divyangjan

**Divyangjan Kaushal Yojana:** IT, AVGC sectors, Hospitality and Food and Beverages sectors offer task-oriented and process-driven roles, which are suitable for Divyangjans. We will ensure dignified livelihood opportunities through industry-relevant and customized training specific to each divyang group.

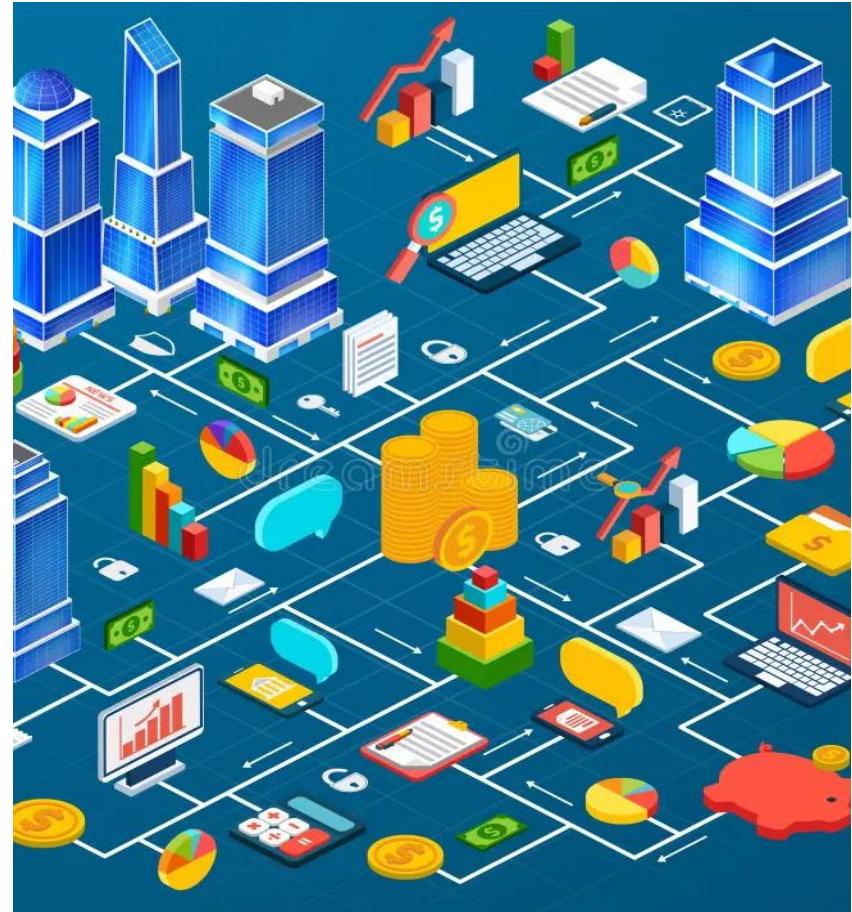
There are no national institutes for mental healthcare in north India. We will therefore set up a NIMHANS-2 and also upgrade National Mental Health Institutes in Ranchi and Tezpur as Regional Apex Institutions.

**Divyang Sahara Yojana:** Timely access to high-quality assistive devices for all eligible Divyangjans is a fundamental need. I propose to (i) support the Artificial Limbs Manufacturing Corporation of India (ALIMCO) to scale up production of assistive devices, invest in R&D and AI integration, (ii) strengthen PM Divyasha Kendras and support setting up of Assistive Technology Marts as modern retail-style centres where Divyangjans and senior citizens can see, try and purchase assistive products.



# Infrastructure

- ❖ Government to set up an **Infrastructure Risk Guarantee Fund** to strengthen the confidence of private developers regarding risks during infrastructure development and construction phase.
- ❖ **20 new National Waterways** (NW) to be operationalised over next 5 years, starting with NW-5 in Odisha to connect mineral rich areas of Talcher and Angul and industrial centres like Kalinga Nagar to the Ports of Paradeep and Dhamra.
- ❖ A **Coastal Cargo Promotion Scheme to be launched** for incentivising a modal shift from rail and road, to increase the share of inland waterways and coastal shipping from 6% to 12 % by 2047.
- ❖ New **Dedicated Freight Corridors** to be established connecting Dankuni in the East, to Surat in the West.



- ❖ Government to develop **Seven High-Speed Rail corridors between cities as 'growth connectors'** to promote environmentally sustainable passenger systems. These include:
  - ❖ -Mumbai-Pune
  - ❖ -Pune-Hyderabad,
  - ❖ -Hyderabad-Bengaluru,
  - ❖ -Hyderabad-Chennai
  - ❖ -Chennai-Bengaluru,
  - ❖ -Delhi-Varanasi,
  - ❖ -Varanasi-Siliguri
- ❖ Setting up of a NIMHANS-2 & upgrading National Mental Health Institutes in Ranchi and Tezpur.
- ❖ **Government to restructure the Power Finance Corporation and Rural Electrification Corporation** to achieve scale and improve efficiency in the Public Sector NBFCs.
- ❖ Establishing Emergency and Trauma Care Centres in district hospitals.
- ❖ Self-Help Entrepreneur (SHE) Marts to be set up as community-owned retail outlets within the cluster level federations.

## Strengthening Capital goods Capability

- ❖ **Hi-Tech Tool Rooms** to be established by CPSEs at 2 locations as digitally enabled automated service bureaus that locally design, test, and manufacture high-precision components at scale and at lower cost.
- ❖ A **Scheme for Enhancement of Construction and Infrastructure Equipment (CIE)** to be introduced, to strengthen domestic manufacturing of high-value and technologically-advanced CIE.
- ❖ A **Scheme for Container Manufacturing announced**, to create a globally competitive container manufacturing ecosystem, with a budgetary allocation of over ₹10,000 crore over 5-year period.

# Education Sector

- ❖ Government to set up a High-Powered '**Education to Employment and Enterprise**' Standing Committee to recommend measures that focus on the Services Sector as a core driver of Viksit Bharat.
- ❖ **3 new All India Institutes of Ayurveda**, upgrading AYUSH pharmacies and Drug Testing Labs for higher standards of certification ecosystem, & upgrading the **WHO Global Traditional Medicine Centre**.
- ❖ Indian Institute of Creative Technologies, Mumbai to be provided support in setting up , Visual Effects, Gaming and Comics (AVGC) Content Creator Labs in 15,000 secondary schools and 500 colleges.
- ❖ **A girls' hostel** in Higher Education STEM institutions in **every district**.
- ❖ **5 University Townships** to be created in the vicinity of major industrial and logistic corridors through challenge route.
- ❖ Existing institutions for Allied Health Professionals (AHPs) to be upgraded and new AHP Institutions to be established in private and Government sectors



# MSME Sector

Three-pronged approach to help MSMEs grow as “Champions”

## Equity Support

- ❖ A dedicated ₹10,000 crore SME Growth Fund, to be introduced, to create future Champions, incentivizing enterprises based on select criteria.
- ❖ Self-Reliant India Fund to be allocated with additional ₹2,000 crore, to continue support to micro enterprises and maintain their access to risk capital.

## Professional Support

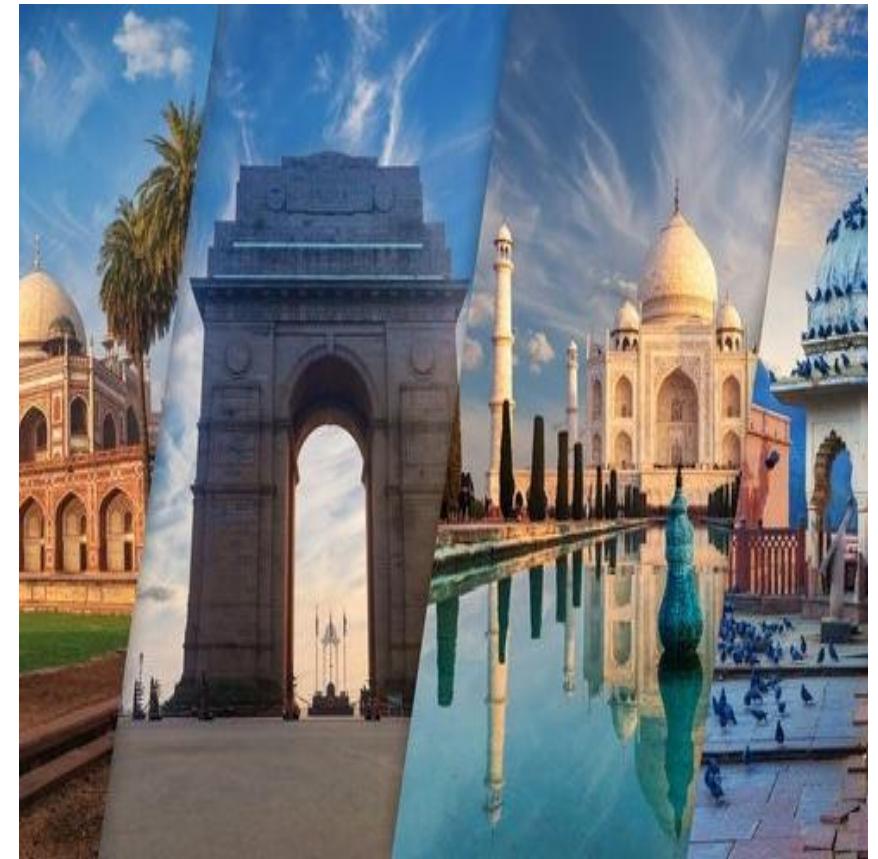
- ❖ Government to facilitate Professional Institutions to develop ‘Corporate Mitras’ especially in Tier-II and Tier-III towns, to help MSMEs meet compliance requirements at affordable costs.

## Liquidity Support through TReDS

- ❖ Mandate TReDS as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporates
- ❖ Introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on the TReDS platform.

# Tourism Sector

- ❖ 15 archaeological sites including Lothal, Dholavira, Rakhigarhi, Adichanallur, Sarnath, Hastinapur, and Leh Palace to be developed into vibrant, experiential cultural destinations.
- ❖ A pilot scheme for upskilling 10,000 guides in 20 tourist sites announced through a standardized, high-quality 12-week training course in hybrid mode In collaboration with an IIM.
- ❖ A **National Destination Digital Knowledge Grid** to be established to digitally document all places of significance—cultural, spiritual and heritage.



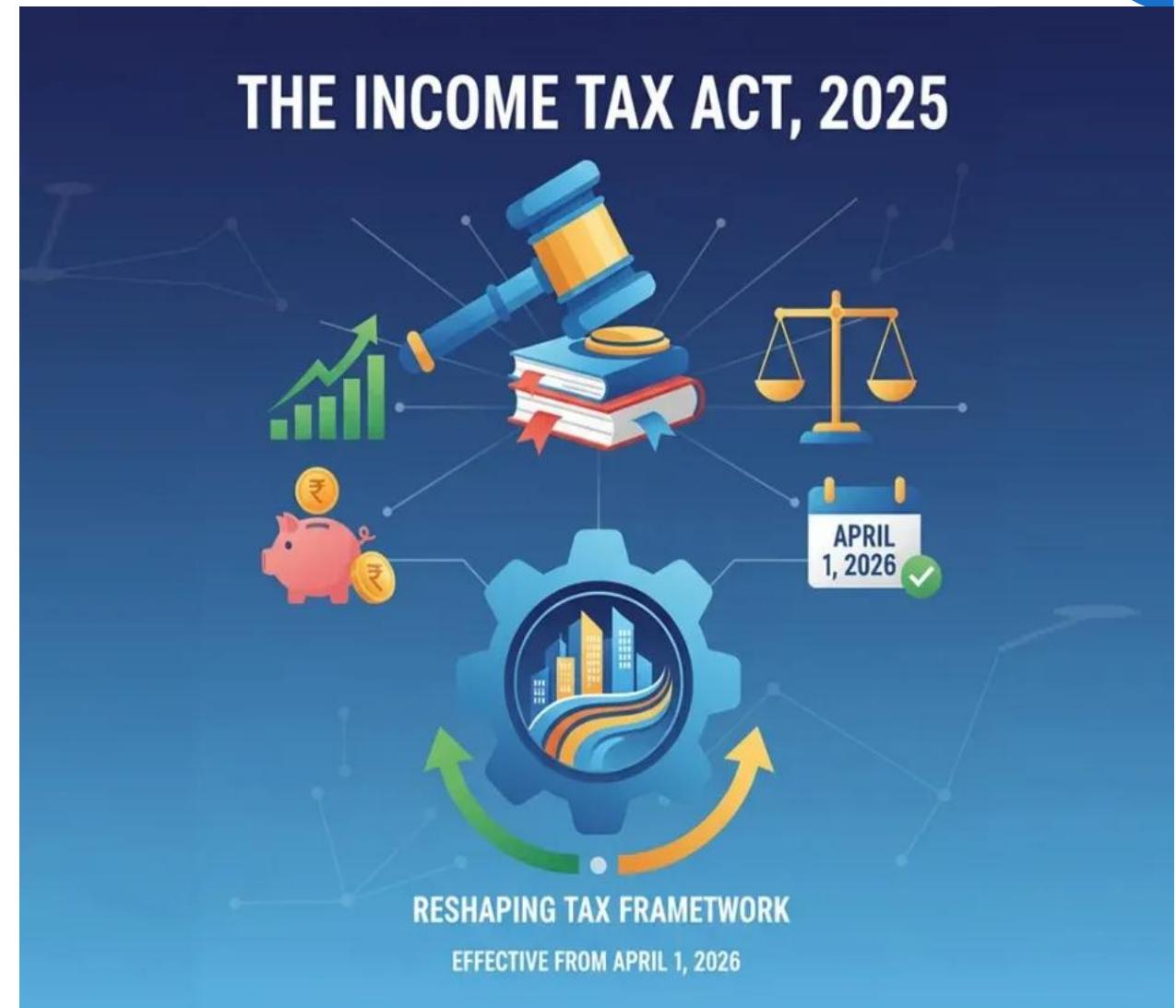
# Sports Sector

- ❖ The Sports Sector provides multiple means of employment, skilling and job opportunities. Taking forward the systematic nurturing of sports talent which is set in motion through the Khelo India programme.
- ❖ **Khelo India Mission** to be launched to transform the Sports sector over the next decade to fulfil aspirations of our people and build their capacity, making them strong partners in India's path to prosperity.
- ❖ Integrated talent development pathway, systematic development of coaches and support staff, integration of sports science and technology , competitions and leagues to promote sports culture and provide platforms and development of sports infrastructure For training and Competition.



# Amendments in Income-Tax

The Income Tax Act, 2025  
shall come into force with  
effect from **1<sup>st</sup> April 2026**



# Personal Income Tax : Tax Year 2026-27



Income Tax-rates as per Default Tax Regime

Section 115BAC (I.T. Act,1961)/ Section 202 (I.T. Act,2025)-No Change

Annual Taxable Income	Income Tax Rate	Health & Education Cess
Up to INR 4,00,000	NIL	4%
INR 4,00,001 to INR 8,00,000	5%	
INR 8,00,001 to INR 12,00,000	10%	
INR 12,00,001 to INR 16,00,000	15%	
INR 16,00,001 to INR 20,00,000	20%	
INR 20,00,001 to INR 24,00,000	25%	
Above INR 24,00,000	30%	



# Personal Income Tax : Tax Year 2026-27

**Surcharge Rates – The maximum surcharge leviable is capped at 25%**

<b>Annual Taxable Income</b>	<b>Income Components</b>	<b>Surcharge Rate</b>
Income up to INR 5 million	Including dividend income or capital gains	Nil
Between INR 5 Million to INR 10 Million	Including dividend income or capital gains	10%
Between INR 10 Million to INR 20 Million	Including dividend income or capital gains but not covered under 4 <sup>th</sup> clause	15%
Above INR 20 Million	Excluding dividend income or capital gains	25%
Above INR 20 Million (Not covered above)	Including dividend income or capital gains	15%

# **Personal Income Tax : Tax Year 2026-27**



## **Income Tax-rates as per Old Tax Regime – No Change**

<b>Annual Taxable Income</b>	<b>Income Tax Rate</b>	<b>Health &amp; Education Cess</b>
Up to INR 2,50,000	Nil	4%
Between INR 2,50,001 to INR 5,00,000	5%	
Between INR 5,00,001 to INR 10,00,000	20%	
Above INR 10,00,000	30%	

# Corporate Tax: Tax Year 2026-27

## Domestic Companies – No Change in Income Tax-rates

Taxable Income range	Taxation u/s 115BA (Section 199 as per I.T. Act,2025)				Taxation u/s 115BAA (Section 200)		Taxation u/s 115BAB (Section 201)	
Particulars	Basic Rate	Surcharge	Health & Education Cess	Effective Rate	Basic Rate	Effective Rate	Basic Rate	Effective Rate
Income Up to INR 10 Million	25%/ 30%	Nil	4%	26% 31.20%	22%	25.17% (Surcharge 10% H & E. cess 4%)	15%	17.16% (Surcharge 10% H & E. cess 4%)
Income between INR 10 Million to INR 100 Million	25%/ 30%	7%	4%	27.82% 33.38%				
Income above INR 100 Million	25%/ 30%	12%	4%	29.12% 34.94%				
<b>Basic Tax 25%: Turnover &lt; INR 4000 Million in the Tax Year 2024-24</b> <b>Basic Tax 30%: Turnover &gt;INR 4000 Million in the Tax Year 2024-25</b> <b>MAT @15%</b>					<b>MAT Provision not applicable</b>			

# Corporate Tax: Tax Year 2026-27



**Tax on Foreign Companies– No change in Income Tax -rates**

<b>Particulars</b>	<b>Basic Rate</b>	<b>Surcharge</b>	<b>Health &amp; Education Cess</b>	<b>Effective Rate</b>
Income Up to INR 10 Million		Nil	4%	36.40%
Income between INR 10 Million to INR 100 Million	35%	2%	4%	37.128%
Income above INR 100 Million		5%	4%	38.22%

# Corporate Tax: Tax Year 2026-27

**Tax on Firms – No change in Income Tax -rates**

<b>Particulars</b>	<b>Basic Rate</b>	<b>Surcharge</b>	<b>Health &amp; Education Cess</b>	<b>Effective Rate</b>
Income Up to INR 10 Million	30%	Nil	4%	31.2%
Income above INR 10 Million	30%	12%	4%	34.944%

# Tax Collected at Source

The new TCS rate has been proposed for the following section w.e.f. 1<sup>st</sup> April, 2026:

I.T. Act, 1961	I.T. Act, 2025	Nature of Receipt	Existing TDS Rate	Proposed TDS Rate
<b>Section 206C(1):</b>	<b>Section 394:</b>	Sale of alcoholic liquor for human consumption	1%	2%
		Sale of tendu leaves	5%	2%
		Sale of scrap	1%	2%
		Sale of minerals (coal, lignite or iron ore)	1%	2%
<b>Section 206C(1G):</b>	<b>Section 394:</b>	Remittance under Liberalized Remittance Scheme (LRS) exceeding ₹10 lakh	(a) 5% for education or medical treatment (b) 20% for purposes other than education or medical treatment	(a) <b>2%</b> for education or medical treatment (b) <b>20%</b> for purposes other than education or medical treatment
		Sale of overseas tour programme package (including travel, hotel stay, boarding or lodging, or related expenditure)	(a) 5% up to ₹10 lakh (b) 20% exceeding ₹10 lakh	2%

# Tax Deducted at Source



## ❖ **Automated lower / nil TDS certificates**

A new rule-based automated system will allow eligible small taxpayers to obtain lower or nil TDS certificates without filing manual applications to assessing officers, reducing paperwork and delays

## ❖ **Centralized Form 15G / 15H submission**

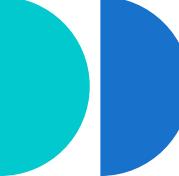
Depositories (CDSL/NSDL) can now accept Forms 15G/15H centrally and share them with relevant companies, preventing unnecessary TDS deduction across multiple investments.

## ❖ **Explicit TDS clarity on manpower services**

Manpower supply payments are now categorized explicitly under payments to contractors for TDS purposes, with applicable rates generally at 1% or 2% depending on the nature of service

## ❖ **Simplified TDS on NRI property sales**

For sale of immovable property by NRIs, TDS can be deducted and paid using the buyer's PAN-based challan instead of requiring a TAN, easing compliance for resident buyers

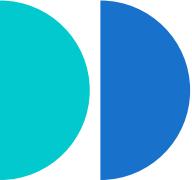




# Amendments in ITR Filing Timeline

The ITR filing timeline will be staggered to ease compliance:

- ❖ Individuals filing ITR-1 and ITR-2 will continue to file returns up to 31<sup>st</sup> July.
- ❖ Non-audit business cases and trusts will be allowed time up to **31<sup>st</sup> August** to file returns.
- ❖ Revise Return can now be filed till **31<sup>st</sup> March** with the payment of a nominal fee.



# Foreign Asset Disclosure Scheme

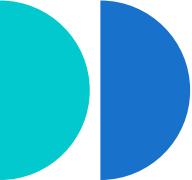
A **one-time 6-month foreign asset disclosure scheme** is proposed to help small taxpayers like students, young professionals, and relocated NRIs address past non-disclosure of overseas income or assets. It allows **voluntary disclosure of eligible foreign income or assets below prescribed limits**, with compliance relief.

Category	Nature of Default	Monetary Limit	Amount Payable	Relief Granted
Category A	Overseas income / asset not disclosed at all	Up to ₹1 crore	<ul style="list-style-type: none"><li>❖ 30% of FMV of asset or undisclosed income (as tax)</li><li>❖ 30% additional tax in lieu of penalty</li></ul>	Immunity from prosecution
Category B	Overseas income disclosed / tax paid, but asset not declared	Asset value up to ₹5 crore	<ul style="list-style-type: none"><li>❖ Fee of ₹1 lakh</li></ul>	Immunity from penalty and prosecution

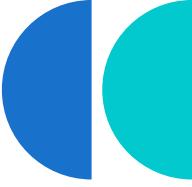
# Rationalizing Penalty & Prosecution



- ❖ Assessment and penalty proceedings will be integrated into a single common order, with pre-deposit reduced **from 20% to 10% (on core tax demand only)** and no interest on penalty during pendency of first appeal.
- ❖ Taxpayers will be allowed to **update returns even after reassessment proceedings** have begun, by paying an additional 10% tax, and such updated return will be the basis for assessment.
- ❖ The existing immunity framework for **underreporting will be extended to misreporting, subject to payment of 100% additional tax** over and above tax and interest.
- ❖ Penalties for technical defaults (failure to get accounts audited, non-furnishing of TP audit report, delay in SFT filing) will be converted into fees, reducing litigation.
- ❖ The prosecution framework is rationalized by decriminalizing minor offences, grading prosecutions based on severity, limiting punishment to simple imprisonment up to two years or fine, and granting retrospective immunity from prosecution (from 1.10.2024) for non-disclosure of **non-immovable foreign assets up to ₹20 lakh**.



# IT Sector – Key Proposals



## ❖ **Unified IT Services Category:**

Software development, ITES, KPO and contract R&D are consolidated under **“IT Services”** with a **single Safe Harbour margin of 15.5%**, eliminating classification disputes.

## ❖ **Expanded Safe Harbour Threshold:**

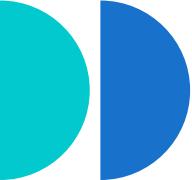
Eligibility limit significantly enhanced from **₹300 crore to ₹2,000 crore**, bringing large IT service providers within the safe harbour framework.

## ❖ **Automated & Long-Term Certainty:**

Safe Harbour approvals to be fully automated and rule-driven, with no tax officer discretion. Once opted, companies may **continue the same Safe Harbour for 5 consecutive years**.

## ❖ **Fast-Track APA for IT Services:**

**Unilateral APA** process to be concluded within **2 years** (extendable by 6 months). The modified return facility is extended to associated enterprises, easing group-level compliance.



# MAT Regime for Companies

## **MAT Regime – Transition to Final Tax**

- ❖ MAT credit **set-off allowed** only in the new tax regime.
- ❖ Set-off limited to **1/4<sup>th</sup>** of tax liability in the new regime
- ❖ MAT to become final tax from 1<sup>st</sup> April 2026:
- ❖ MAT rate reduced from 15% → **14%**.
- ❖ No new MAT credit accumulation post 31<sup>st</sup> March 2026.
- ❖ Existing MAT credit (up to 31<sup>st</sup> March 2026) continues to be available for limited set-off.

# Buyback tax and STT Tax Rates

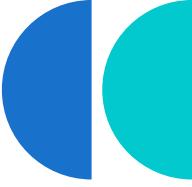
- ❖ **Buyback Tax Reform:** Buyback for all types of shareholders shall be taxed as **Capital Gains**
- ❖ Additional buyback tax on promoters to prevent tax arbitrage:

<b>Tax on</b>	<b>Effective tax rate</b>
Corporate Promoters	22%
Non- Corporate Promoters	30%

- ❖ **Increase in Securities Transaction Tax (STT)**

<b>Securities</b>	<b>Existing rate</b>	<b>Proposed New rate</b>
Futures	0.02%	0.05%
Options Premium	0.10%	0.15%
Exercise of options	0.125%	0.15%

# Tax Relief



## Interest Income from Motor Accident Compensation

### ❖ **Exemption on interest income under the Motor Vehicles Act, 1988.**

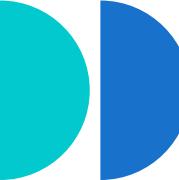
Section 11 of the Income-tax Act, 2025 is proposed to be amended to exempt interest income received under the Motor Vehicles Act, 1988 by an individual or their legal heir. The amendment will be effective from 1<sup>st</sup> April 2026 and applicable from tax year 2026-27 onwards.

### ❖ **TDS Exemption on Interest Received from Motor Accidents Claims Tribunal**

No tax shall be deducted at source on interest received on compensation awarded by the Motor Accidents Claims Tribunal to an individual, without any monetary threshold. This amendment shall come into force with effect from 1<sup>st</sup> April 2026.

## Tax on SGB

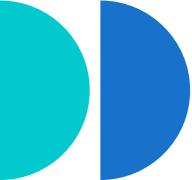
### ❖ **Tax-free maturity benefits** on SGBs will now apply only if bought directly from RBI at original issue and hold till maturity.



# Tax relief for Global Business & Investment



- ❖ **Tax holiday till 2047** for foreign companies providing global cloud services using Indian data centre.
- ❖ **Safe Harbour of 15% on cost** where Indian data centre service provider is a related party
- ❖ **Safe Harbour for component warehousing by non-residents in bonded warehouses**
  - ❖ Profit margin: 2% of invoice value
  - ❖ Effective tax incidence: ~0.7%
- ❖ **5-year income-tax exemption** for non-residents supplying capital goods, equipment or tooling.
- ❖ **Exemption of global (non-India sourced) income** for non-resident experts (Valid for **up to 5 years** under notified schemes)
- ❖ **Exemption from MAT** for non-residents opting for **presumptive taxation**



# Tax Incentives for Cooperative Sector

- ❖ **Expanded deduction for primary cooperative societies** by including **cattle feed and cotton seed**, in addition to milk, oilseeds, fruits and vegetables produced by members.
- ❖ **Inter-cooperative dividend income** to be allowed as a **deduction under the new tax regime**, to the extent it is further distributed to members, preventing double taxation.
- ❖ **3-year tax exemption on dividend income** for a notified national cooperative federation on investments made in companies **up to 31<sup>st</sup> January 2026**, subject to onward distribution to member cooperatives.

# Amendments in Indirect-Tax

- ❖ Goods & Service Tax
- ❖ Excise Tax
- ❖ Custom Act 1972



# Amendments in Goods and Services Tax

Section	Proposed Amendment
Section 13 (IGST Act)	Amendment is proposed to remove the special GST rule for <b>intermediary services</b> . The place of supply will now be the location of the recipient, not the service provider. This allows intermediary services provided to foreign clients to be treated as exports and zero-rated under GST, bringing significant relief to service exporters.
Section 15 & 34 (CGST Act)	Amendment has been proposed to omit the requirement of establishing the <b>discount</b> in terms of an agreement entered into before or at the time of such supply and specifically linking of the same with relevant invoices. If a credit note is issued under Section 34 and the recipient reverses the related ITC, the discount can be excluded from the taxable value.
Section 54 (CGST Act)	<ul style="list-style-type: none"><li>Amendment proposed to permit Provisional <b>refunds</b> for inverted duty structure claims.</li><li>The minimum threshold (INR 1000/-) for sanctioning <b>refund</b> claims is proposed to be removed for exports made with payment of GST, allowing refunds to be processed regardless of amount.</li></ul>
Section 101A (CGST Act)	Until the National Appellate Authority (NAA) is constituted, the government can authorize an existing authority or tribunal to hear <b>appeals</b> under Section 101B. This change takes effect from 1 April 2026 and ensures there is no gap in the appellate process.

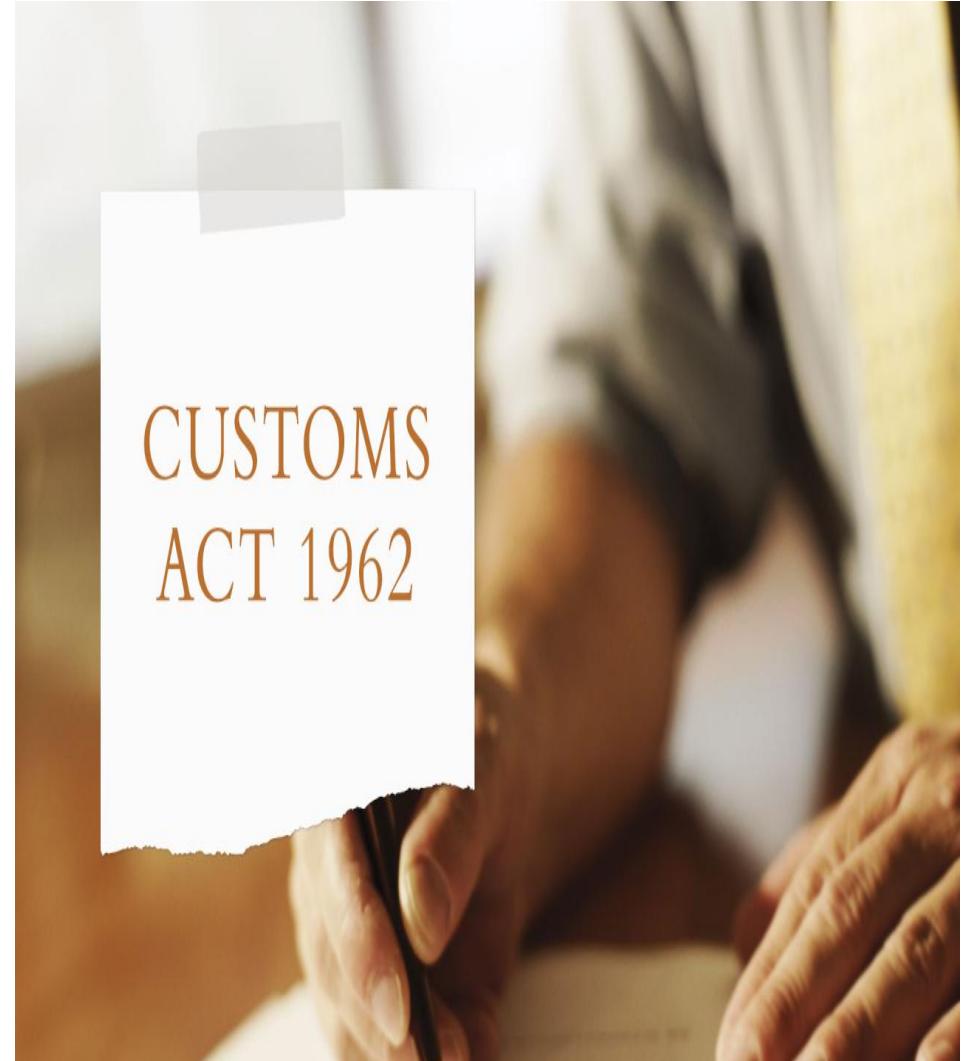
# Amendments in Excise Tax

1. **New excise duty regime on tobacco & pan masala**
  - ❖ NCCD / Excise rates increased from 25% → 60%
  - ❖ Compensation Cess replaced by Central Excise Duty
  - ❖ Duty linked to MRP / product specifications.
2. Value of **Biogas/Compressed Biogas(CBG)** contained in blended CNG is excluded from transaction value for computation of Excise duty to encourage cleaner fuel adoption.
3. Implementation of levy of additional excise duty of Rs. 2 per litre on **unblended Diesel** has been deferred till 31.03.2028.



# Amendments in Customs Act, 1962

- ❖ Customs duty on personal imports has been reduced from **20% to 10%**.
- ❖ Basic customs duty fully exempted on **17 cancer drugs** and on **medicines** for seven more rare diseases to reduce treatment costs.
- ❖ **Exemptions** extended and simplified for goods used in lithium-ion battery cells, solar glass manufacture and battery energy storage systems, supporting clean energy supply chains.
- ❖ Duty exemptions extended to **all goods imported for nuclear power projects** (now until **2035** and covering all plant sizes).
- ❖ Concessions have been introduced for **aircraft and defence components, including MRO support**.



# Amendments in Customs Act, 1962

- ❖ Duty-free imports of inputs for **seafood processing** raised to **3% of export value**, from 1% previously.
- ❖ Duty-free input benefits expanded to **shoe uppers** (not just finished footwear), helping leather and textile exporters.
- ❖ Time limits for duty-free exports of finished leather, footwear and textile garments extended from **6 months to 1 year**.
- ❖ **Duty deferral period extended** from 15 to 30 days for eligible operators
- ❖ **Advance rulings validity increased** from 3 years to 5 years, unless there is change in laws or facts.
- ❖ **Digital customs procedures** introduced for faster processing and reduced physical checks
- ❖ **Self-declaration and operator-centric warehousing** for easier compliance.
- ❖ New Baggage rules notified replacing old rules.
- ❖ International passengers arriving in India will be able to bring in goods worth up to ₹75,000 (about US \$900) without paying customs duty from 2<sup>nd</sup> February 2026

# About KNM

Our team of qualified and motivated professionals assist foreign companies in establishing their entity in India and after establishing, we act as a growth partner with the parent company as well as the Indian entity by extending our advisory and management consulting services.

We also provide assistance in timely compliance of Direct/Indirect tax, corporate Laws, commercial laws and accounting support in India.

We extend advisory and consultation services to the foreign companies in identifying a suitable business partner in India so that both the parties can take advantage of synergies.

Industry	Finance, Legal, Accounting, Research
Founded	2007
Founder(s)	Mr. Manoj Chawla Mr. Sandeep Bansal
Head Office	Gurugram, India
Area Served	All India through network of Associates
Team	40+
Main Services	Entry Strategy into India, Direct & Indirect Tax Advisory, Audit & Assurance, Partner Search, Business Valuation, Secretarial Services, Virtual CFO.

# Our Affiliations



**International Association of separate and independent accounting and advisory businesses**



**Japan Chamber of Commerce and Industry in India**

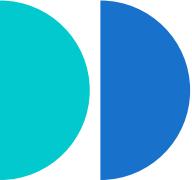


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Thank You!