

## **KEY HIGHLIGHTS OF THE UNION BUDGET 2021-2022**

### **Direct Taxes**

- Vivad Se Viswas Scheme Last date of filing extended to 28<sup>th</sup> February, 2021.
- Senior citizens age 75 years and above who have only pension and interest income exempted from filing tax returns.
- Re-opening of Assessment to reduced to 3 years from 6 years. Only where evidence of concealment of Income of Rs. 50 lakhs or more-re-opening can be made upto 10 years & only with approval of Pr. CCIT.
- Reducing Litigation for small tax payers-Constitution of Faceless Dispute Resolution Panel for people with total income of Rs. 50 lakh and disputed income of Rs. 10 lakh.
- Relaxation to NRIs-Rules to remove hardship of Double Taxation.
- Tax Audit Limit to be increased to Rs. 10 crores from Rs. 5 Crores for those having less than 5% cash transactions.
- Dividend Tax-Dividend will be exempt from TDS, Advance tax liability on dividend income will arise only after declaration or payment of dividend. For Foreign Investors-lower treaty rate benefit will be given.
- Affordable Housing -Additional Interest deduction (Sec 80EEA) of Rs. 1.5 lakhs to be extended for loans taken till 31.03.2022.
- Affordable Housing Projects-Tax Holiday extended till 31.03.2022.
- Tax holiday for capital gains for Aircraft Leasing Companies and Tax Exemption to Lease paid to Foreign Persons
- Pre-filing of Returns-Details of Capital Gains, Dividend Income and Interest Income will be pre-filled in the returns.
- Relief to Trusts-Charitable trust running Hospitals and Educational Institutions relief increased from Rs. 1 crore to Rs. 5 crore.
- Employee contribution not paid by employer will not be allowed as a deduction.

### **Others**

- A National Faceless Income tax Appellate Tribunal Centre shall be established and all the communication between the Tribunal and the appellant shall be made electronically.
- A new Centre-sponsored scheme Prime Minister Aatmanirbhar Swasthya Bharat Yojana with an outlay of Rs. 64,180 crores to boost healthcare infrastructure across the country amid ongoing COVID-19 pandemic.
- National Infrastructure Pipeline (NIP) expanded to 7400 projects.
- For reducing litigation and to give an impetus to the dispute resolution for small taxpayers, a Dispute Resolution Committee is proposed to be constituted.

- Rs.1000 crore to be provided for welfare scheme for tea workers of Assam & West Bengal especially women and children.
- Rs.223846 crore outlay for Health and wellbeing in budget estimates (BE) 2021-22 as against Rs.94452 crore in BE 2020-21 -an increase of 137%
- Rs.35000 crore for COVID-19 vaccine in Budget Estimates 2021-22
- Rs.287000 crore over 5 years for Jal Jeevan Mission (Urban) to be launched.
- Rs.141678 crore over 5 years for Urban Swachh Bharat Mission 2.0
- Rs.2217 crore to tackle air pollution, for 42 urban centres with a million-plus population.
- Voluntary vehicle scrapping policy to phase out old and unfit vehicles (After 20 years in case of personal vehicles and 15years in case of commercial vehicles)
- Rs 1.97 lakh crore in the next 5 years for PLI schemes in 13 Sectors
- Rs 20000 crore to set up and capitalise a Development Financial Institution-to act as a provided, enabler and catalyst for infrastructure financing.
- Capital infusion of Rs.1000 crore to Solar Energy Corporation of India and Rs.1500 crore to Indian Renewable Energy Development Agency.
- Rs.5.54 lakh crore capital expenditure in BE 2021-22- a sharp increase of 34.5% over Rs.4.12 lakh crore allocated in BE 2020-21
- Rs 110055 crore for Railways of which Rs.107100 crore is for capital expenditure.
- Rs.118101 lakh crore, highest ever outlay, for Ministry of Road Transport and Highways-of which Rs.108230 crore is for capital.
- Rs.305984 crore over 5years for a revamped, reforms-based and result-linked new power distribution sector scheme.
- 100 percent Agriculture Infrastructure and Development Cess on Alcoholic beverages.
- FDI limit in Insurance Sector increased from 49% to 74%
- Rs.15700 crore budget allocation to MSME Sector, more than double of this year's BE
- An agriculture Infrastructure and Development Cess of Rs 2.5 per litre has been imposed on petrol and Rs.4 per litre on diesel. Unbranded petrol and diesel will attract basic excise duty of Rs 1.4 and Rs 1.8 per litre respectively.
- Rural Infrastructure Development Fund to be enhanced to Rs 40000 crore from Rs.30000 crore

### **MCA, LLP Act, Companies Act**

- Allow One Person Companies (OPC) to grow without any restriction in Share Capital or Turnover, NRIs will be allowed to set-up OPCs. Presence in India of 120 days in a year enough to start an OPC.
- Launching MCA Version 3.0-E-scrutiny, E-Adjudication and Compliance management to be simplified.
- Decriminalisation of LLP Act,2008
- Easing Compliance requirements of Small Companies-Threshold increased to share capital up-to Rs.2crore and Turnover up-to Rs.20 crore will be Small Companies