KEY HIGHLIGHTS OF UNION BUDGET 2021-22

Presenting the first ever digital Union Budget, Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman stated that India’s fight against COVID-19 continues into 2021 and that this moment in history, when the political, economic, and strategic relations in the post-COVID world are changing, is the dawn of a new era – one in which India is well-poised to truly be the land of promise and hope.

The key highlights of the Union Budget 2021-22 are as follows:

6 pillars of the Union Budget 2021-22:

1. Health and Wellbeing
2. Physical & Financial Capital, and Infrastructure
3. Inclusive Development for Aspirational India
4. Reinvigorating Human Capital
5. Innovation and R&D
6. Minimum Government and Maximum Governance

1. Health and Wellbeing
- Rs. 2,23,846 crore outlay for Health and Wellbeing in BE 2021-22 as against Rs. 94,452 crore in BE 2020-21 – an increase of 137%
- Focus on strengthening three areas: Preventive, Curative, and Wellbeing
- Steps being taken for improving health and wellbeing:
  - Vaccines
    - Rs. 35,000 crore for COVID-19 vaccine in BE 2021-22
    - The Made-in-India Pneumococcal Vaccine to be rolled out across the country, from present 5 states – to avert 50,000 child deaths annually
  - Health Systems
    - Rs. 64,180 crore outlay over 6 years for PM AatmaNirbhar Swasth Bharat Yojana – a new centrally sponsored scheme to be launched, in addition to NHM

Main interventions under PM AatmaNirbhar Swasth Bharat Yojana:
- National Institution for One Health
- 17,788 rural and 11,024 urban Health and Wellness Centers
- 4 regional National Institutes for Virology
15 Health Emergency Operation Centers and 2 mobile hospitals

Integrated public health labs in all districts and 3382 block public health units in 11 states

Critical care hospital blocks in 602 districts and 12 central institutions

Strengthening of the National Centre for Disease Control (NCDC), its 5 regional branches and 20 metropolitan health surveillance units

Expansion of the Integrated Health Information Portal to all States/UTs to connect all public health labs

17 new Public Health Units and strengthening of 33 existing Public Health Units

Regional Research Platform for WHO South-East Asia Region

9 Bio-Safety Level III laboratories

Nutrition

Mission Poshan 2.0 to be launched:

To strengthen nutritional content, delivery, outreach, and outcome

Merging the Supplementary Nutrition Programme and the Poshan Abhiyan

Intensified strategy to be adopted to improve nutritional outcomes across 112 Aspirational Districts

Universal Coverage of Water Supply

Rs. 2,87,000 crore over 5 years for Jal Jeevan Mission (Urban) – to be launched with an aim to provide:

2.86 crore household tap connections

Universal water supply in all 4,378 Urban Local Bodies

Liquid waste management in 500 AMRUT cities

Swachh Bharat, Swasth Bharat

Rs. 1,41,678 crore over 5 years for Urban Swachh Bharat Mission 2.0

Main interventions under Swachh Bharat Mission (Urban) 2.0:

Complete faecal sludge management and waste water treatment

Source segregation of garbage

Reduction in single-use plastic

Reduction in air pollution by effectively managing waste from construction-and-demolition activities

Bio-remediation of all legacy dump sites

Clean Air

Rs. 2,217 crore to tackle air pollution, for 42 urban centers with a million-plus population

Scraping Policy

Voluntary vehicle scrapping policy to phase out old and unfit vehicles

1’ Fitness tests in automated fitness centres:

After 20 years in case of personal vehicles

After 15 years in case of commercial vehicles

2. Physical and Financial Capital and Infrastructure
♦ Production Linked Incentive scheme (PLI)

- **Rs. 1.97 lakh crore** in next 5 years for PLI schemes in 13 Sectors
- To create and nurture manufacturing global champions for an AatmaNirbhar Bharat
- To help manufacturing companies become an integral part of global supply chains, possess core competence and cutting-edge technology
- To bring scale and size in key sectors
- To provide jobs to the youth

♦ Textiles

**Mega Investment Textiles Parks (MITRA) scheme, in addition to PLI:**

- 7 Textile Parks to be established over 3 years
- Textile industry to become globally competitive, attract large investments and boost employment generation & exports

♦ Infrastructure

- National Infrastructure Pipeline (NIP) expanded to 7,400 projects:
  - Around 217 projects worth **1.10 lakh crore** completed

**Measures in three thrust areas to increase funding for NIP:**

1. Creation of institutional structures
2. Big thrust on monetizing assets
3. Enhancing the share of capital expenditure

**i. Creation of institutional structures: Infrastructure Financing**

- **Rs. 20,000 crore** to set up and capitalise a Development Financial Institution (DFI) – to act as a provider, enabler and catalyst for infrastructure financing
- **5 lakh crore** lending portfolio to be created under the proposed DFI in 3 years
- **Debt Financing** by Foreign Portfolio Investors to be enabled by amending InvITs’ and REITs’ legislations

**ii. Big thrust on monetizing assets**

- National Monetization Pipeline to be launched

**Important asset monetization measures:**

- 5 operational toll roads worth **Rs. 5,000 crore** being transferred to the NHAIInvIT
- Transmission assets worth **Rs. 7,000 crore** to be transferred to the PGCILInvIT
- **Dedicated Freight Corridor** assets to be monetized by Railways, for operations and maintenance, after commissioning
- Next lot of **Airports** to be monetized for operations and management concession

**Other core infrastructure assets to be rolled out under the Asset Monetization Programme:**

- **Oil and Gas Pipelines** of GAIL, IOCL and HPCL
AAI Airports in Tier II and III cities

Other Railway Infrastructure Assets

Warehousing Assets of CPSEs such as Central Warehousing Corporation and NAFED

Sports Stadiums

iii. Sharp Increase in Capital Budget

Rs. 5.54 lakh crore capital expenditure in BE 2021-22 – sharp increase of 34.5% over Rs. 4.12 lakh crore allocated in BE 2020-21:

- Over Rs. 2 lakh crore to States and Autonomous Bodies for their Capital Expenditure.
- Over Rs. 44,000 crore for the Department of Economic Affairs to provide for projects/programmes/departments exhibiting good progress on Capital Expenditure

♦ Roads and Highways Infrastructure

- Rs. 1,18,101 lakh crore, highest ever outlay, for Ministry of Road Transport and Highways – of which Rs. 1,08,230 crore is for capital

Under the Rs. 5.35 lakh crore Bharatmala Pariyojana, more than 13,000 km length of roads worth Rs. 3.3 lakh crore awarded for construction:

- 3,800 km have already been constructed
- Another 8,500 km to be awarded for construction by March 2022
- Additional 11,000 km of national highway corridors to be completed by March 2022

Economic corridors being planned:

- Rs. 1.03 lakh crore outlay for 3,500 km of NHs in Tamil Nadu
- Rs. 65,000 crore investment for 1,100 km of NHs in Kerala
- Rs. 25,000 crore for 675 km of NHs in West Bengal
- Over Rs. 34,000 crore to be allocated for 1300 km of NHs to be undertaken in next 3 years in Assam, in addition to Rs. 19,000 crore works of NHs currently in progress in the State

Flagship Corridors/Expressways:

- Delhi-Mumbai Expressway – Remaining 260 km to be awarded before 31.3.2021
- Bengaluru-Chennai Expressway – 278 km to be initiated in the current FY; construction to begin in 2021-22
- Kanpur-Lucknow Expressway – 63 km expressway providing an alternate route to NH 27 to be initiated in 2021-22
- Delhi-Dehradun economic corridor – 210 km to be initiated in the current FY; construction to begin in 2021-22
- Raipur-Vishakhapatnam – 464 km passing through Chhattisgarh, Odisha and North Andhra Pradesh, to be awarded in the current year; construction to start in 2021-22
- Chennai-Salem corridor – 277 km expressway to be awarded and construction to start in 2021-22
- Amritsar-Jamnagar – Construction to commence in 2021-22
- Delhi-Katra – Construction will commence in 2021-22
Advanced Traffic management system in all new 4 and 6-lane highways:

- Speed radars
- Variable message sign boards
- GPS enabled recovery vans will be installed

♦ Railway Infrastructure

- **Rs. 1,10,055 crore** for Railways of which Rs. 1,07,100 crore is for capital expenditure
- **National Rail Plan for India (2030):** to create a future ready Railway system by 2030
- **100% electrification** of Broad-Gauge routes to be completed by December, 2023
- Broad Gauge Route Kilometers (RKM) electrification to reach 46,000 RKM, i.e. 72% by end of 2021
- Western Dedicated Freight Corridor (DFC) and Eastern DFC to be commissioned by June 2022, to bring down the logistic costs – enabling **Make in India strategy**

Additional initiatives proposed:

- The Sonnagar-Gomoh Section (263.7 km) of Eastern DFC to be taken up in PPP mode in 2021-22
- Future dedicated freight corridor projects –
  - East Coast corridor from Kharagpur to Vijayawada
  - East-West Corridor from Bhusaval to Kharagpur to Dankuni
  - North-South corridor from Itarsi to Vijayawada

Measures for passenger convenience and safety:

- Aesthetically designed **Vista Dome LHB coach on tourist routes** for better travel
- High density network and highly utilized network routes to have an **indigenously developed automatic train protection system**, eliminating train collision due to human error

♦ Urban Infrastructure

- Raising the share of public transport in urban areas by expansion of metro rail network and augmentation of city bus service

**Rs. 18,000 crore for a new scheme, to augment public bus transport:**

- Innovative **PPP models** to run more than **Rs. 20,000 buses**
- To boost automobile sector, provide fillip to economic growth, create employment opportunities for our youth
- A total of 702 km of conventional metro is operational and another 1,016 km of metro and RRTS is under construction in 27 cities
- **‘MetroLite’ and ‘MetroNeo’ technologies** to provide metro rail systems at much lesser cost with similar experience in Tier-2 cities and peripheral areas of Tier-1 cities.

Central counterpart funding to:

- **Kochi Metro Railway Phase-II** of 11.5 km at a cost of Rs. 1957.05 crore
- **Chennai Metro Railway Phase –II** of 118.9 km at a cost of Rs. 63,246 crore
Union Budget 2021

- **Bengaluru Metro Railway Project Phase 2A and 2B** of 58.19 km at a cost of Rs. 14,788 crore
- **Nagpur Metro Rail Project Phase-II and Nashik Metro** at a cost of Rs. 5,976 crore and Rs. 2,092 crore respectively.

**Power Infrastructure**
- 139 Giga Watts of installed capacity and Rs. 1.41 lakh circuit km of transmission lines added, and additional 2.8 crore households connected in past 6 years
- Consumers to have alternatives to choose the Distribution Company for enhancing competitiveness
- Rs. 3,05,984 crore over 5 years for a revamped, reforms-based and result-linked new **power distribution sector scheme**
- A comprehensive National Hydrogen Energy Mission 2021-22 to be launched

**Ports, Shipping, Waterways**
- Rs. 2,000 crore worth 7 projects to be offered in PPP-mode in FY 21-22 for operation of major ports
- Indian shipping companies to get Rs. 1624 crore worth subsidy support over 5 years in global tenders of Ministries and CPSEs
- To **double the recycling capacity** of around 4.5 Million Light Displacement Tonnage (LDT) by 2024; to generate an additional 1.5 lakh jobs

**Petroleum & Natural Gas**
- Extension of Ujjwala Scheme to cover 1 crore more beneficiaries
- To add **100 more districts** to the City Gas Distribution network in next 3 years
- A new gas pipeline project in J&K
- An independent **Gas Transport System Operator** to be set up for facilitation and coordination of booking of common carrier capacity in all-natural gas pipelines on a non-discriminatory open access basis

**Financial Capital**
- A single Securities Markets Code to be evolved
- Support for development of a world class Fin-Tech hub at the GIFT-IFSC
- A new permanent institutional framework to help in development of Bond market by purchasing investment grade debt securities both in stressed and normal times
- Setting up a system of **Regulated Gold Exchanges**: SEBI to be notified as a regulator and Warehousing Development and Regulatory Authority to be strengthened
- To develop an **investor charter** as a right of all financial investors
- **Capital infusion** of Rs. 1,000 crore to Solar Energy Corporation of India and Rs. 1,500 crore to Indian Renewable Energy Development Agency

**Increasing FDI in Insurance Sector**
- To increase the permissible **FDI limit from 49% to 74%** and allow foreign ownership and control with safeguards

**Stressed Asset Resolution**
Union Budget 2021

- Asset Reconstruction Company Limited and Asset Management Company to be set up

♦ Recapitalization of PSBs
- Rs. 20,000 crore in 2021-22 to further consolidate the financial capacity of PSBs

♦ Deposit Insurance
- Amendments to the DICGC Act, 1961, to help depositors get an easy and time-bound access to their deposits to the extent of the deposit insurance cover
- Minimum loan size eligible for debt recovery under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 proposed to be reduced from Rs. 50 lakh to Rs. 20 lakh for NBFCs with minimum asset size of Rs. 100 crore

♦ Company Matters
- To decriminalize the Limited Liability Partnership (LLP) Act, 2008
- Easing Compliance requirement of Small companies by revising their definition under Companies Act, 2013 by increasing their thresholds for Paid up capital from “not exceeding Rs. 50 Lakh” to “not exceeding Rs. 2 Crore” and turnover from “not exceeding Rs. 2 Crore” to “not exceeding Rs. 20 Cr”.

Promoting start-ups and innovators by incentivizing the incorporation of One Person Companies (OPCs):
- Allowing their growth without any restrictions on paid up capital and turnover
- Allowing their conversion into any other type of company at any time,
- Reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days and
- Allowing Non Resident Indians (NRIs) to incorporate OPCs in India.

To ensure faster resolution of cases by:
- Strengthening NCLT framework
- Implementation of e-Courts system
- Introduction of alternate methods of debt resolution and special framework for MSMEs
- Launch of data analytics, artificial intelligence, machine learning driven MCA21 Version 3.0 in 2021-22

♦ Disinvestment and Strategic Sale
- Rs. 1,75,000 crore estimated receipts from disinvestment in BE 2020-21
- Strategic disinvestment of BPCL, Air India, Shipping Corporation of India, Container Corporation of India, IDBI Bank, BEML, Pawan Hans, Neelachal Ispat Nigam limited etc. to be completed in 2021-22.
- Other than IDBI Bank, two Public Sector Banks and one General Insurance company to be privatized
- IPO of LIC in 2021-22
- New policy for Strategic Disinvestment approved; CPSEs except in four strategic areas to be privatized
- NITI Aayog to work out on the next list of CPSEs to be taken up for strategic disinvestment
- Incentivizing States for disinvestment of their Public Sector Companies, using central funds
- Special Purpose Vehicle in the form of a company to monetize idle land
- Introducing a revised mechanism for ensuring *timely closure of sick or loss making CPSEs*

**Government Financial Reforms**
- *Treasury Single Account* (TSA) System for Autonomous Bodies to be extended for universal application
- *Separate Administrative Structure* to streamline the "Ease of Doing Business" for Cooperatives
- Inclusive Development for Aspirational India

**Agriculture**
- **Ensured** *MSP at minimum 1.5 times* the cost of production across all commodities.

With steady increase in the procurement, payment to farmers increased as under:

<table>
<thead>
<tr>
<th>(in Rs. crore)</th>
<th>2013-14</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>Rs. 33,874</td>
<td>Rs. 62,802</td>
<td>Rs. 75,060</td>
</tr>
<tr>
<td>Rice</td>
<td>Rs. 63,928</td>
<td>Rs. 1,41,930</td>
<td>Rs. 172,752</td>
</tr>
<tr>
<td>Pulses</td>
<td>Rs. 236</td>
<td>Rs. 8,285</td>
<td>Rs. 10,530</td>
</tr>
</tbody>
</table>

- *SWAMITVA Scheme* to be extended to all States/UTs, 1.80 lakh property-owners in 1,241 villages have already been provided cards
- *Agricultural credit* target enhanced to *Rs. 16.5 lakh crore* in FY22 – animal husbandry, dairy, and fisheries to be the focus areas
- Rural Infrastructure Development Fund to be enhanced to Rs. 40,000 crore from Rs. 30,000 crore
- To double the Micro Irrigation Fund to Rs. 10,000 crore
- ‘*Operation Green Scheme*’ to be extended to *22 perishable products*, to boost value addition in agriculture and allied products
- Around *1.68 crore farmers* registered and *Rs. 1.14 lakh crore* of trade value carried out through *e-NAMs*: *1,000 more mandis* to be integrated with e-NAM to bring transparency and competitiveness.
- APMCs to get access to the *Agriculture Infrastructure Funds* for augmenting infrastructure facilities

**Fisheries**
- Investments to develop modern fishing harbours and fish landing centres – both marine and inland
- *5 major fishing harbours* – Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat to be developed as hubs of economic activity
- *Multipurpose Seaweed Park* in Tamil Nadu to promote seaweed cultivation

**Migrant Workers and Labourers**
- *One Nation One Ration Card* scheme for beneficiaries to claim rations anywhere in the country – *migrant workers* to benefit the most
- Scheme implementation so far covered 86% of beneficiaries across 32 States and UTs
- Remaining 4 states to be integrated in next few months
Portal to collect information on unorganized labour force, migrant workers especially, to help formulate schemes for them
- Implementation of 4 labour codes underway
- Social security benefits for gig and platform workers too
- Minimum wages and coverage under the Employees State Insurance Corporation applicable for all categories of workers
- Women workers allowed in all categories, including night-shifts with adequate protection
- Compliance burden on employers reduced with single registration and licensing, and online returns

Financial Inclusion
- Under Stand Up India Scheme for SCs, STs and women,
- Margin money requirement reduced to 15%
- To also include loans for allied agricultural activities
- Rs. 15,700 crore budget allocation to MSME Sector, more than double of this year’s BE

4. Reinvigorating Human Capital

School Education
- 15,000 schools to be strengthened by implementing all NEP components. Shall act as exemplar schools in their regions for mentoring others
- 100 new Sainik Schools to be set up in partnership with NGOs/private schools/states

Higher Education
- Legislation to be introduced to setup Higher Education Commission of India as an umbrella body with 4 separate vehicles for standard-setting, accreditation, regulation, and funding
- Creation of formal umbrella structure to cover all Govt. colleges, universities, research institutions in a city for greater synergy.
- Glue grant to implement the same across 9 cities
- Central University to come up in Leh for accessibility of higher education in Ladakh

Scheduled Castes and Scheduled Tribes Welfare
750 Eklavya model residential schools in tribal areas:
- Unit cost of each school to be increased to 38 crore
- For hilly and difficult areas, to 48 crore
- Focus on creation of robust infrastructure facilities for tribal students
- Revamped Post Matric Scholarship Scheme for welfare of SCs
- Rs. 35,219 crore enhanced Central Assistance for 6 years till 20252026
- 4 crore SC students to benefit

Skilling
• Proposed amendment to Apprenticeship Act to enhance opportunities for youth
• Rs. 3000 crore for realignment of existing National Apprenticeship Training Scheme (NATS) towards post-education apprenticeship, training of graduates and diploma holders in Engineering
• Initiatives for partnership with other countries in skilling to be taken forward, similar to partnership:
  • With UAE to benchmark skill qualifications, assessment, certification, and deployment of certified workforce
  • With Japan for a collaborative Training Inter Training Programme (TITP) to transfer of skills, technique and knowledge

5. Innovation and R&D
• Modalities of National Research Foundation announced in July 2019 – Rs. 50,000 crore outlay over 5 years
• To strengthen overall research ecosystem with focus on national-priority thrust areas
• Rs. 1,500 crore for proposed scheme to promote digital modes of payment
• National Language Translation Mission (NTLM) to make governance-and-policy related knowledge available in major Indian languages
• PSLV-CS51 to be launched by New Space India Limited (NSIL) carrying Brazil’s Amazonia Satellite and some Indian satellites
• As part of the Gaganyaan mission activities:
  • 4 Indian astronauts being trained on Generic Space Flight aspects, in Russia
  • First unmanned launch is slated for December 2021
• 4,000 crore over five years for Deep Ocean Mission survey exploration and conservation of deep sea biodiversity

6. Minimum Government, Maximum Governance
• Measures being undertaken to bring reforms in Tribunals to ensure speedy justice
• National Commission for Allied Healthcare Professionals already introduced to ensure transparent and efficient regulation of the 56 allied healthcare professions
• The National Nursing and Midwifery Commission Bill introduced for the same in nursing profession
• Proposed Conciliation Mechanism with mandate for quick resolution of contractual disputes with CPSEs
• 3,768 crore allocated for first digital census in the history of India
• 300 crore grant to the Government of Goa for the diamond jubilee celebrations of the state’s liberation from Portuguese
• 1,000 crore for the welfare of Tea workers especially women and their children in Assam and West Bengal through a special scheme

Fiscal Position

<table>
<thead>
<tr>
<th>Item</th>
<th>Original BE 2020-21</th>
<th>RE 2020-21</th>
<th>BE 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>Rs. 30.42 lakh crore</td>
<td>Rs. 34.50 lakh crore</td>
<td>Rs. 34.83 lakh crore</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>Rs. 4.12 lakh crore</td>
<td>Rs. 4.39 lakh crore</td>
<td>Rs. 5.5 lakh crore</td>
</tr>
</tbody>
</table>
Fiscal Deficit (as % of GDP) | – | 9.5% | 6.8%

- RE for Expenditure is Rs. 34.50 lakh crore as against original BE expenditure of Rs. 30.42 lakh crore
- Quality of expenditure has been maintained as Capital Expenditure estimated as per RE is 4.39 lakh crore in 2020-2021 as against Rs. 4.12 lakh crore in BE 2020-21
- Estimates of Rs. 34.83 lakh crore BE for expenditure in 2021-2022 including Rs. 5.5 lakh crore as capital expenditure, an increase of 34.5% to give required push to economy
- The fiscal deficit in BE 2021-2022 is estimated to be 8% of GDP. The fiscal deficit in RE 2020-21 is pegged at 9.5% of GDP – funded through Government borrowings, multilateral borrowings, Small Saving Funds and short term borrowings
- Gross borrowing from the market for the next year to be around 12 lakh crore.
- Plan to continue on the path of fiscal consolidation, achieving a fiscal deficit level below 4.5% of GDP by 2025-2026 with a fairly steady decline over the period
- It will be achieved by increasing the buoyancy of tax revenue through improved compliance, and secondly, by increased receipts from monetisation of assets, including Public Sector Enterprises and land
- Deviation Statement under Sections 4(5) and 7(3) (b) of the FRBM Act tabled necessitated by this year’s unforeseen and unprecedented circumstances
- Amendment to FRBM Act proposed to achieve targeted Fiscal Deficit levels
- The Contingency Fund of India is to be augmented from 500 crore to Rs. 30,000 crore through Finance Bill

Net borrowing of the States:
- Net borrowing for the states allowed at 4% of GSDP for the year 2021-2022 as per recommendation of 15- FC
- Part of this earmarked for incremental capital expenditure
- Additional borrowing ceiling of 0.5% of GSDP will be provided subject to conditions
- States expected to reach a fiscal deficit of 3% of GSDP by 2023-24, as recommended by the 15- Finance Commission

Fifteenth Finance Commission:
- The final report covering 2021-26 was submitted to the President, retaining vertical shares of states at 41%
- Funds to UTs of Jammu and Kashmir and Ladakh would be provided by Centre
- On the Commission”s recommendation, Rs. 1,18,452 crore have been provided as Revenue Deficit Grant to 17 states in 2021-22, as against Rs. 74,340 crore to 14 states in 2020-21

Tax Proposals
- Vision of a transparent, efficient tax system to promote investments and employment in the country with minimum burden on taxpayers

1. Direct Taxes

Achievements:
• **Corporate tax rate** slashed to make it among the lowest in the world
• Burden of taxation on **small taxpayers** eased by increasing rebates
• Return filers almost **doubled to 6.48 crore** in 2020 from **31 crore** in 2014
• Faceless Assessment and Faceless Appeal introduced

**Relief to Senior Citizens:**

• **Exemption from filing tax returns** for senior citizens over 75 years of age and having only pension and interest income; tax to be deducted by paying bank
• Reducing Disputes, Simplifying Settlement:
• Time limit for reopening cases reduced to 3 years from 6 years
• **Serious tax evasion cases**, with evidence of concealment of income of Rs. 50 lakh or more in a year, to be re-opened only up to 10 years, with approval of the Principal Chief Commissioner
• **Dispute Resolution Committee** to be set up for taxpayers with taxable income up to Rs. 50 lakh and disputed income up to Rs. 10 lakh
• National Faceless Income Tax Appellate Tribunal Centre to be established
• Over **1 lakh taxpayers** opted to settle tax disputes of over Rs. 85,000 crore through **Vivad Se Vishwas Scheme** until 30th January 2021

**Relaxation to NRIs:**

Rules to be notified for removing hardships faced by NRIs regarding their foreign retirement accounts

**Incentivising Digital Economy:**

• **Limit of turnover for tax audit** increased to **10 crore** from Rs. 5 crore for entities carrying out 95% transactions digitally

**Relief for Dividend:**

• Dividend payment to REIT/ InvIT exempt from TDS
• Advance tax liability on dividend income only after declaration/ payment of dividend
• Deduction of tax on dividend income at lower treaty rate for Foreign Portfolio Investors
• Attracting Foreign Investment for Infrastructure:
• Infrastructure Debt Funds made eligible to raise funds by issuing Zero Coupon Bonds
• Relaxation of some conditions relating to prohibition on private funding, restriction on commercial activities, and direct investment

**Supporting ‘Housing for All’:**

• Additional deduction of interest, up to Rs. 1.5 lakh, for loan taken to buy an affordable house extended for loans taken till March 2022
• **Tax holiday** for Affordable Housing projects extended **till March 2022**
• Tax exemption allowed for notified Affordable Rental Housing Projects

**Tax incentives to IFSC in GIFT City:**
• **Tax holiday for capital gains** from incomes of aircraft leasing companies
• Tax exemptions for aircraft lease rentals paid to foreign lessors
• Tax incentive for relocating foreign funds in the IFSC
• Tax exemption to investment division of foreign banks located in IFSC

**Ease of Filing Taxes:**
• Details of capital gains from listed securities, dividend income, interest from banks, etc. to be pre-filled in returns

**Relief to Small Trusts:**
• Exemption limit of annual receipt revised from ₹1 crore to ₹5 crore for small charitable trusts running schools and hospitals

**Labour Welfare:**
• Late deposit of employee’s contribution by the employer not to be allowed as deduction to the employer
• Eligibility for tax holiday claim for start-ups extended by one more year
• Capital gains exemption for investment in start-ups extended till 31st March, 2022

2. **Indirect Taxes**

**GST:**

**Measures taken till date:**
• Nil return through SMS
• Quarterly return and monthly payment for small taxpayers
• Electronic invoice system
• Validated input tax statement
• Pre-filled editable GST return
• Staggering of returns filing
• Enhancement of capacity of GSTN system
• Use of deep analytics and AI to identify tax evaders

**Custom Duty Rationalization:**
• **Twin objectives**: Promoting domestic manufacturing and helping India get onto global value chain and export better
• 80 outdated exemptions already eliminated
• Revised, distortion-free customs duty structure to be put in place from 1st October 2021 by reviewing more than 400 old exemptions
• **New customs duty exemptions** to have validity up to the 31st March following two years from its issue date

**Electronic and Mobile Phone Industry:**
• Some exemptions on parts of chargers and sub-parts of mobiles withdrawn 16
• Duty on some parts of mobiles revised to 2.5% from ‘nil’ rate

**Iron and Steel:**
• **Customs duty reduced** uniformly to 7.5% on semis, flat, and long products of non-alloy, alloy, and stainless steels
• Duty on steel scrap exempted up to 31- March, 2022
• Anti-Dumping Duty (ADD) and Countervailing Duty (CVD) revoked on certain steel products
• Duty on copper scrap reduced from 5% to 2.5%

**Textiles:**
• Basic Customs Duty (BCD) on caprolactam, nylon chips and nylon fiber & yarn reduced to 5%

**Chemicals:**
• Calibrated customs duty rates on chemicals to encourage domestic value addition and to remove inversions
• Duty on Naphtha reduced to 2.5%

**Gold and Silver:**

Custom duty on gold and silver to be rationalized

**Renewable Energy:**
• **Phased manufacturing plan** for solar cells and solar panels to be notified
• **Duty on solar inverters raised** from 5% to 20%, and on solar lanterns from 5% to 15% to encourage domestic production

**Capital Equipment:**
• Tunnel boring machine to now attract a customs duty of 7.5%; and its parts a duty of 2.5%
• Duty on certain auto parts increased to general rate of 15%

**MSME Products:**
• Duty on steel screws and plastic builder wares increased to 15%
• Prawn feed to attract customs duty of 15% from earlier rate of 5%
• Exemption on import of duty-free items rationalized to incentivize exporters of garments, leather, and handicraft items
• Exemption on imports of certain kind of leathers withdrawn
• Customs duty on finished synthetic gemstones raised to encourage domestic processing

**Agriculture Products:**
• Customs duty on cotton increased from nil to 10% and on raw silk and silk yarn from 10% to 15%
• Withdrawal of end-use based concession on denatured ethyl alcohol
• Agriculture Infrastructure and Development Cess (AIDC) on a small number of items

**Rationalization of Procedures and Easing of Compliance:**
• Turant Customs initiative, a Faceless, Paperless, and Contactless Customs measures
• New procedure for administration of Rules of Origin
• Achievements and Milestones during the COVID-19 pandemic

**Pradhan Mantri Garib Kalyan Yojana (PMGY):**
• Valued at 2.76 lakh crore
- Free food grain to **80 crore people**
- Free cooking gas for **8 crore families**
- Direct cash to over 40 crore farmers, women, elderly, the poor and the needy

**Atma Nirbhar Bharat package (ANB 1.0):**
- Estimated at **23 lakh crore** – more than **10% of GDP**
- PMGKY, three ANB packages (ANB 1.0, 2.0, and 3.0), and announcements made later were like **5 mini-budgets** in themselves
- **27.1 lakh crore** worth of financial impact of all three ANB packages including RBI”s measures – amounting to more than **13% of GDP**

**Structural reforms:**
- One Nation One Ration Card
- Agriculture and Labour Reforms
- Redefinition of MSMEs
- Commercialisation of the Mineral Sector
- Privatisation of Public Sector Undertakings
- Production Linked Incentive Schemes

**Status of India’s fight against COVID-19:**
- **2 Made-in-India vaccines** – medically safeguarding citizens of India and those of 100-plus countries against COVID-19
- 2 or more new vaccines expected soon
- Lowest death rate per million and the lowest active cases
- 2021 – Year of milestones for Indian history
- 75th year of India’s independence
- 60 years of Goa’s accession to India
- 50 years of the 1971 India-Pakistan War
- Year of the **8th Census** of Independent India
- India’s turn at the **BRICS Presidency**
- Year for Chandrayaan-3 Mission
- Haridwar MahaKumbh
- Vision for Atma Nirbhar Bharat
- **Atma Nirdhart**a – not a new idea – ancient India was self-reliant and a business epicentre of the world
- AtmaNirbhar Bharat – an expression of 130 crore Indians who have full confidence in their capabilities and skills

**Strengthening the Sankalp of:**
- Nation First
• Doubling Farmers Income
• Strong Infrastructure
• Healthy India
• Good Governance
• Opportunities for Youth
• Education for All
• Women Empowerment
• Inclusive Development

13 promises made in the Union Budget 2015-16, and resonating with the vision of Atma Nirbharta, to materialise during the **AmrutMahotsav of 2022** – on the 75th year of our independence