

UNION BUDGET 2021

- Finance Minister Nirmala Sitharaman presented her third Union Budget in Parliament.
- The FM announced capital expenditure of Rs 5.54 trillion for FY22 as against Rs 4.39 trillion for FY21. Further, she announced the Fy22 disinvestment target at Rs 1.75 trillion while the FY21 fiscal deficit was pegged at 9.5% of the GDP.
- Sitharaman has also announced a total spend of around Rs 2 trillion on healthcare and mega national highway projects in election-bound states of Tamil Nadu, West Bengal, Assam and Kerala.



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TAX ANNOUNCEMENTS

- ITR filers increased to 6.48 crore in 2020 from 3.31 crore in 2014
- Senior citizens above 75 years exempted from filing income tax returns. The paying bank will deduct the tax on their behalf
- Serious tax offences of concealment of income over Rs 50 lakh can be reopened after 10 years
- Tax forms to come pre-filled with details of capital gains, dividend income and interest income
- Notified infrastructure debt funds to be eligible to raise tax-efficient zero coupon bonds
- GST to be smoother by removing anomalies



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TAX ANNOUNCEMENTS

- Tax exemptions available for purchase of affordable houses to be extended by a year
- Tax exemptions for affordable rental housings project also proposed
- FPIs to get deduction on tax on dividend at a lower treaty rate
- Tax audit limit raised from Rs 5 crore to Rs 10 crore uncertain cases
- Advance tax rules eased on dividend receipts
- Dividend payment on REIT & InVIT exempted from tax
- Re-opening time limit for direct tax assessment reduced to 3 years



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ECONOMY

- Fiscal deficit to be contained under 4.5% of GDP by 2026
- Gross borrowing target for FY22 set at Rs 12 trillion
- FY21 expenditure target revised to Rs 34.50 trillion
- Govt to approach market for additional Rs 80,000 crore to fund FY21 fiscal deficit



AGRICULTURE

- Farmers were paid Rs 75,100 crore on wheat MSP in FY21
- Agriculture credit target raised to Rs 16.50 trillion in 2021-22
- 4.3 million wheat growing farmers benefitted from govt procurement under MSP as against 3.55 million



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OTHER KEY ANNOUNCEMENTS

- One nation, one ration card scheme in across the country
- Woman to be allowed to work in all shifts with adequate protection
- Government proposed Rs 1,500 crore-scheme to promote
- Allocated Rs 3,726 cr for forthcoming Census which will be the first digital census
- Two PSBs and one general insurance company to be divested
- FDI in insurance increased to 74% from 49%
- A record sum of Rs 1,10,055 crore to be provided for Indian Railways
- New centrally sponsored scheme PM Aatmanirbhar Swasth Bharat Yojana to be launched with an outlay of Rs 64,180 crore over 6 years
- Announced voluntary vehicle scrapping policy to phase out old vehicles. The vehicles would be required to undergo fitness test in automated fitness centres after 20 years (personal vehicles) and 15 years (commercial vehicles)



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