



# भारत का राजपत्र The Gazette of India

सी.जी.-डी.एल.-अ.-28032021-226208  
CG-DL-E-28032021-226208

असाधारण

EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 15] नई दिल्ली, रविवार, मार्च 28, 2021/चैत्र 7, 1943 (शक)  
No. 15] NEW DELHI, SUNDAY, MARCH 28, 2021/CHAITRA 7, 1943 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## MINISTRY OF LAW AND JUSTICE (Legislative Department)

*New Delhi, the 28th March, 2021/Chaitra 7, 1943 (Saka)*

The following Act of Parliament received the assent of the President on the 28th March, 2021, and is hereby published for general information:—

### THE FINANCE ACT, 2021

No. 13 OF 2021

[28th March, 2021.]

An Act to give effect to the financial proposals of the Central Government for the financial year 2021-2022.

BE it enacted by Parliament in the Seventy-second Year of the Republic of India as follows:—

#### CHAPTER I

##### PRELIMINARY

1. (1) This Act may be called the Finance Act, 2021.

Short title and commencement.

(2) Save as otherwise provided in this Act,—

(a) sections 2 to 88 shall come into force on the 1st day of April, 2021;

(b) sections 108 to 123 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

#### CHAPTER II

##### RATES OF INCOME-TAX

2. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 2021, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax

Income-tax.

Insurance Act, 1938 and the Insurance Regulatory and Development Authority Act, 1999;’;

4 of 1938.  
41 of 1999.

(d) with effect from the 1st day of April, 2022,—

(i) in clause (11), the following provisos shall be inserted, namely:—

‘Provided that the provisions of this clause shall not apply to the income by way of interest accrued during the previous year in the account of a person to the extent it relates to the amount or the aggregate of amounts of contribution made by that person exceeding two lakh and fifty thousand rupees in any previous year in that fund, on or after the 1st day of April, 2021 and computed in such manner as may be prescribed:

Provided further that if the contribution by such person is in a fund in which there is no contribution by the employer of such person, the provisions of the first proviso shall have the effect as if for the words “two lakh and fifty thousand rupees”, the words “five lakh rupees” had been substituted;’;

(ii) in clause (12), the following provisos shall be inserted, namely:—

‘Provided that the provisions of this clause shall not apply to the income by way of interest accrued during the previous year in the account of a person to the extent it relates to the amount or the aggregate of amounts of contribution made by that person exceeding two lakh and fifty thousand rupees in any previous year in that fund, on or after the 1st day of April, 2021 and computed in such manner as may be prescribed:

Provided further that if the contribution by such person is in a fund in which there is no contribution by the employer of such person, the provisions of the first proviso shall have the effect as if for the words “two lakh and fifty thousand rupees”, the words “five lakh rupees” had been substituted;’;

(iii) in clause (23C),—

(I) in sub-clause (iiid), for the words “receipts of such university or educational institution do not exceed the amount of annual receipts as may be prescribed”, the words “receipts of the person from such university or universities or educational institution or educational institutions do not exceed five crore rupees” shall be substituted;

(II) in sub-clause (iiiae),—

(A) for the words “receipts of such hospital or institution do not exceed the amount of annual receipts as may be prescribed; or”, the words “receipts of the person from such hospital or hospitals or institution or institutions do not exceed five crore rupees.” shall be substituted;

(B) after sub-clause (iiiae), the following *Explanation* shall be inserted, namely:—

(ii) application for charitable or religious purposes, from any loan or borrowing, shall not be treated as application of income for charitable or religious purposes:

Provided that the amount not so treated as application, or part thereof, shall be treated as application for charitable or religious purposes in the previous year in which the loan or borrowing, or part thereof, is repaid from the income of that year and to the extent of such repayment.

*Explanation 5.*—For the purposes of this sub-section, it is hereby clarified that the calculation of income required to be applied or accumulated during the previous year shall be made without any set off or deduction or allowance of any excess application of any of the year preceding the previous year.”;

(b) in sub-section (2), in the *Explanation*, after the figures and letters “12AA”, the words, figures and letters “or section 12AB” shall be inserted;

(c) in sub-section (3), in clause (d), after the figures and letters “12AA”, the words, figures and letters “or section 12AB” shall be inserted.

Amendment of section 32.

**8.** In section 32 of the Income-tax Act, in sub-section (1),—

(a) in clause (ii), after the words, figures and letters, “after the 1st day of April, 1998,”, the words “not being goodwill of a business or profession,” shall be inserted;

(b) in *Explanation 3*, in clause (b), after the words “or commercial rights of similar nature”, the words “, not being goodwill of a business or profession” shall be inserted.

Amendment of section 36.

**9.** In section 36 of the Income-tax Act, in sub-section (1), in clause (va), the *Explanation* shall be numbered as *Explanation 1* thereof and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted, namely:—

*Explanation 2.*—For the removal of doubts, it is hereby clarified that the provisions of section 43B shall not apply and shall be deemed never to have been applied for the purposes of determining the “due date” under this clause;’

Amendment of section 43.

**10.** In section 43 of the Income-tax Act, in clause (6), in sub-clause (c), in item (ii), for the words, brackets and figure “as further adjusted by the increase or the reduction referred to in item (i)”, the following words, brackets, figures and letters shall be substituted, namely:—

“as further adjusted by,—

(A) the increase or the reduction referred to in item (i), not being increase on account of acquisition of goodwill of a business or profession;

(B) the reduction by an amount which is equal to the actual cost of the goodwill falling within that block as decreased by—

(a) the amount of depreciation actually allowed to the assessee under this Act or under the corresponding provisions of the Indian Income-tax Act, 1922 for such goodwill in

respect of any previous year relevant to the assessment year commencing before the 1st day of April, 1988; and

(b) the amount of depreciation that would have been allowable to the assessee for such goodwill for any assessment year commencing on or after the 1st day of April, 1988 as if the goodwill was the only asset in the relevant block of assets,

in respect of the previous year relevant to the assessment year commencing on the 1st day of April 2021, in a case where the goodwill of a business or profession was part of the block of assets on which depreciation was obtained by the assessee for the immediate preceding previous year, so, however, that the amount of such reduction does not exceed the written down value.”.

**11.** In section 43B of the Income-tax Act, after *Explanation 4*, the following *Explanation* shall be inserted, namely:—

Amendment of section 43B.

“*Explanation 5.*—For the removal of doubts, it is hereby clarified that the provisions of this section shall not apply and shall be deemed never to have been applied to a sum received by the assessee from any of his employees to which the provisions of sub-clause (x) of clause (24) of section 2 applies.”.

**12.** In section 43CA of the Income-tax Act,—

Amendment of section 43CA.

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

‘Provided further that in case of transfer of an asset, being a residential unit, the provisions of this proviso shall have the effect as if for the words “one hundred and ten per cent.”, the words “one hundred and twenty per cent.” had been substituted, if the following conditions are satisfied, namely:—

(i) the transfer of such residential unit takes place during the period beginning from the 12th day of November, 2020 and ending on the 30th day of June, 2021;

(ii) such transfer is by way of first time allotment of the residential unit to any person; and

(iii) the consideration received or accruing as a result of such transfer does not exceed two crore rupees.’;

(b) after sub-section (4), the following *Explanation* shall be inserted, namely:—

‘*Explanation.*—For the purposes of this section, “residential unit” means an independent housing unit with separate facilities for living, cooking and sanitary requirement, distinctly separated from other residential units within the building, which is directly accessible from an outer door or through an interior door in a shared hallway and not by walking through the living space of another household.’.

**13.** In section 44AB of the Income-tax Act, in clause (a),—

Amendment of section 44AB.

(i) in the proviso, in long line, for the words “five crore rupees”, the words “ten crore rupees” shall be substituted;