

UNION BUDGET

2022

CONTENTS

No.	Particular	Page No.
	Direct Tax Proposal	
1	Individual	1
2	Corporate	5
3	All Assessee	7
4	Transfer Pricing	24
	Indirect Tax Proposal	
5	Goods and Service Tax	25
	Others	
6	Other Policy announcements	28

UNION BUDGET 2022 - FOREWORD

As the nation is passing through a wave of a new but milder variant of the Covid-SARs virus, Omicron, the Government, particularly the Finance Ministry was tasked with the responsibility of delivering a Budget which can provide further impetus for strengthening and expansion of the economy.

The Budget 2022 continued to build upon the vision of 'Atma Nirbhar Bharat' of 2021 and laid down the blueprint to steer the economy over the Amrit Kaal of the next 25 years, as India transitions from Azadi ka Amrit Mahotsav, and enters into the Amrit Kaal, the 25-year-long leadup to India@100. The Budget continues to provide a push for growth and lays down priorities on PM Gatishakti, inclusive development and investments etc.

In order boost the infrastructure activities, the proposed capital expenditure outlay is further stepped up by impressive 35.4% from Rs.5.54 lakh crores to Rs.7.50 lakh crores. The economic growth for 2021-22 has been pegged at 9.2%, while the fiscal deficit is estimated at 6.9% of GDP, which the Government aims to reduce to 4.5% by 2025-26. Therefore, the Government has not laid down its guards on fiscal discipline inspite of the Covid environment.

As the economy is moving towards Stabilization, the Corporate Tax rates remained untouched, as expected, however, the concessional tax rates could have been extended to the services sector, which remains a hope. Further, the extension of sunset clauses for claiming tax benefit by newly established eligible manufacturing domestic companies and eligible start-ups by one more year is a welcome move and much appreciated.



It is disheartening that this year also, no tax relief, no increase in basic exemption limits or enhancement of tax deductible expenditures for individuals was announced. Anyway, it is a breather for many that no new taxes have been proposed in this Budget.

In the recent times, the 'Cryptocurrency' has been a buzz word and a cause of concern for the government. The government struggled to keep its formal recognition at bay. Finally, as expected, in addition to the introduction of the 'Digital Rupee', taxation on cryptocurrency etc. has been proposed in this Budget. The gain from transfer of virtual digital assets [which includes cryptos and Non-fungible tokens (NFTs)] is proposed to be taxed at 30% [plus applicable surcharge and cess]. Further, no set-off of any allowance, expenditure or losses etc. except cost of acquisition would be available against such gains. While, the tax seems a little harsh on a new asset category, but as with all new regimes, rationalisation will come with time.

I am bit surprised, on the removal of the concessional rate of tax @ 15% on dividends received by an Indian company from its foreign subsidiaries or associates - this provision often incentivised Corporate India to repatriates profits to India.

UNION BUDGET 2022 - FORWARD

Further, in garb of clarifications, the Government has continued its tradition of quietly making retrospective amendments and overruling Hon'ble Supreme Court and Hon'ble High Courts decisions. This is visible from the amendment in respect of affirming disallowance of 'education cess' and disallowance of expenditure in respect of 'exempt income' u/s 14A of the Income-tax Act, even where there is no exempt income.

The new provision for enabling filing of updated returns in certain circumstances within three years from the relevant financial year is encouraging, however this facility would not be available in respect of loss returns or where tax liability is proposed to be reduced or refund is to be enhanced by way of such updated return. Further such returns can be filed only on payment of additional tax of 25% or 50% of tax due, which seems to be on higher side.

On the litigation management front, the government continues to rationalise and simplify the procedures and avoid repetitive appeals on questions of law. The time limits for issuing guidelines for faceless transfer pricing assessment, faceless Dispute resolution panel proceedings and face less 'Income-tax Appellate Tribunal' proceedings stand extended by upto 2 more years. However, I still feel that proceedings before 'Income-tax Appellate Tribunal' being the final fact finding authority should be kept outside the faceless scheme. This Appellate Authority continues to be the last frontier and last resort for dispute resolution for most taxpayers.

The Budget 2022 overall provides the much needed focus on the key areas of the economy including strengthening the economic impulses and providing further expansion framework for inclusive development, productivity enhancement, health, infrastructure, AI, genomics, drones technology, clean energy and public investments. A Booster Budget for Growth!



UNION BUDGET 2022



DIRECT TAX PROPOSALS

Income Tax Rates for Individuals, HUF, AOP/BOI or artificial juridical person remains unchanged

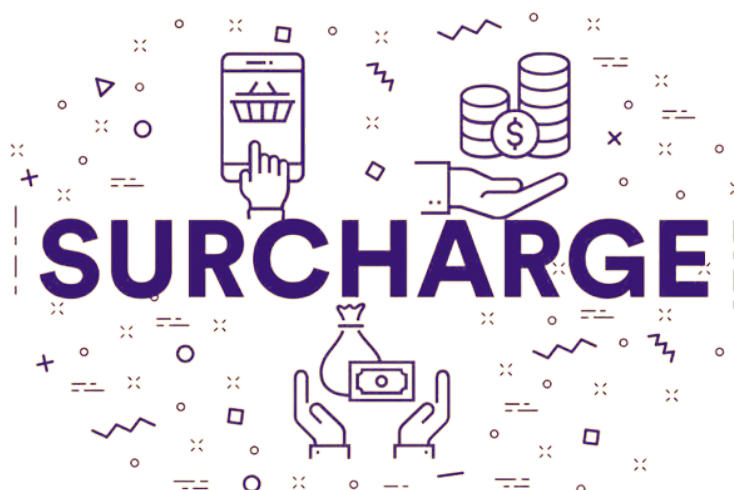
There is no change in the Tax rates of the Individual, HUF, AOP/BOI or artificial juridical person in old regime and in new regime as well.

The only change proposed by the Finance Bill, 2022 is the change in surcharge rate applicable on Individual, HUF, AOP/BOI or artificial juridical person in case where the assessee has earned any Long Term Capital Gains ("LTCG") other than LTCG referred u/s 112A of the Act.

Earlier LTCG other than 112A (i.e. LTCG u/s 112 of the Act) was covered by higher rate of surcharge applicable on the assessee i.e. (25% or 37%) subject to the threshold limits. Now as per the Finance Bill, 2022 such gain was also restricted to maximum surcharge rate of 15% only with no change in threshold limit. Summarized table is given below:

- The surcharge rate on Normal Income [excluding dividend & income u/s 111A, 112 & 112A (i.e. Short Term Capital Gain ("STCG") & LTCG)] has laid down in Part III of First Schedule to the Finance Act 2021 remains same for Financial Year ("FY") 2022-2023 (AY 2023-24):-

Total Income Slab	Rate of Surcharge	Effective Tax Rate (MMR)
Exceeding Rs. 50 Lacs but less than Rs.1 Crore	10%	34.32%
Exceeding Rs. 1 Crore but less than Rs.2 Crore	15%	35.88%
Exceeding Rs. 2 Crore but less than Rs.5 Crore	25%	39.00%
Exceeding Rs. 5 Crore	37%	42.74%



UNION BUDGET 2022

Surcharge rates applicable on dividend income, Short term capital gains and Long term capital gain

The surcharge Rate and Maximum Marginal Tax rate ('MMR') on Dividend, STCG u/s 111A, LTCG u/s 112 & LTCG u/s 112A is given below:

Total Income Slab and Nature of Income	Tax Rate on Income	Rate of Surcharge	Effective Tax Rate (MMR)
<u>Exceeding Rs. 50 Lacs but less than Rs.1 Crore.</u>			
Dividend Income	30%	10%	34.32%
Short term capital Gain on Listed Securities on which STT is paid (Listed Equity Share, Equity Oriented Mutual Funds etc.) u/s 111A	15%	10%	17.16%
Long term capital Gain on Listed Securities on which STT is paid (Listed Equity Share, Equity Oriented Mutual Funds etc.) u/s 112A	10%	10%	11.44%
Long term capital Gain other than 112A (Unlisted Equity Share, Debt Oriented Mutual Funds, Sale of Land & Building etc.) u/s 112A	20%	10%	22.88%
<u>Total Income Slab Exceeding Rs.1 Crore.</u>			
Dividend Income	30%	15%	35.88%
Short term capital Gain on Listed Securities on which STT is paid (Listed Equity Share, Equity Oriented Mutual Funds etc.) u/s 111A	15%	15%	17.94%
Long term capital Gain on Listed Securities on which STT is paid (Listed Equity Share, Equity Oriented Mutual Funds etc.) u/s 112A	10%	15%	11.96%
Long term capital Gain other than 112A (Unlisted Equity Share, Debt Oriented Mutual Funds, Sale of Land & Building etc.) u/s 112A	20%	15%	23.92%

The present levy of "Health and Education Cess" @ 4% remains same for AY 2023-24.

UNION BUDGET 2022

Rationalisation of Surcharge rate of 15% in case of AOP which consist of only companies as its member

Earlier the applicable rate of surcharge on AOP was same as applicable on individuals. No specific separate surcharge rate was provided for AOP. Now as per the Finance Bill, 2022, a proviso is proposed to be added which provides that in case of an AOP consisting only companies as members, the rate of surcharge on the income of such AOP shall not exceed 15% giving a MMR of 35.88% (assuming highest tax rate of domestic companies).

Reduction of Surcharge rate in case of Co-Operative Societies

Earlier the surcharge rate applicable on co-operative society was 12% on the tax amount of the total income earned by such society with a single threshold of total income exceed 1 Cr. Now as per the Finance Bill, 2022 it is proposed to amend the provision and reduction of rate from 12% to 7% in case where the total income exceeds 1 Cr. but not exceeds 10Cr. rupees otherwise the surcharge rate will be 12% if total income exceed 10 Cr. The amendment is effective from AY 2023-24.

Reduction of AMT rate in case of Co-Operative Societies

Finance Bill, 2022 is proposed to substitute the provision of section 115JC(4) which provides the rate of AMT applicable on specific entities and & section 115JF(b) which provides meaning of AMT. The proposed substitution is done to provide the benefit of lower AMT rate of 15% to co-operative society. The amendment is proposed to provide the parity between co-operative societies and companies and applicable from AY 2023-24 and subsequent years.



Relief to Employees on reimbursement of medical expenditure incurred for COVID-19

Any sum paid by employer in respect of expenditure actually incurred by employee on his or any member of his family for any illness relating to COVID-19 shall not be treated as perquisite as per the definition provided under section 17(2) of IT Act subject to conditions as may be notified by CG. This amendment is effective from 1st April 2020.

Parity in NPS Contribution

Under 80CCD(2) the words “Central Government” wherever they occur, the words “Central Government or the State Government” has been substituted which increases tax deduction limit from 10 % to 14% on employer’s contribution to the NPS account of State Government employees. This amendment is effective from 1st April 2020.

UNION BUDGET 2022

Tax Relief to person with disability

Deduction u/s 80DD (2) shall also be allowed if payment of annuity or lump sum amount under insurance scheme made to the benefit of a dependant, being a person with disability on attaining the age of sixty years or more by such individual or the member of the Hindu undivided family, and the payment or deposit to such scheme has been discontinued.

Sub-Sec 3A of section 80DD is further inserted which provided that sub-section (3) of section 80DD shall not apply to the amount received by the dependant, before his death, by way of annuity or lump sum by application of the condition referred to in the proposed amendment.

This amendment is effective from 1st April 2023.



Extension of the last date for commencement of manufacturing or production for availing benefit of lower tax regime

In order to provide relief to newly incorporated manufacturing companies, it is proposed to amend section 115BAB so as to extend the date of commencement of manufacturing or production of an article or thing, from 31st March, 2023 to 31st March, 2024.

Amendment to sub-section (1A) of section 35

The government proposed to amend sub-section (1A) of section 35 of the Act to provide that the deduction claimed by the donor with respect to the donation given to any research association, university, college or other institution referred to in clause (ii) or clause (iii) or the company referred to in clause (iia) of sub-section (1) of section 35 of the Act shall be disallowed unless such research association, university, college or other institution or company files the statement of donations.

The provision is amended due to the fact that an inadvertent drafting error has crept in the sub-section which defeats the intention of the law.

This amendment will take effect retrospectively from 1st April, 2021.

Modified returns in respect of Business Re-organisation

Due to the indefinite timeline involved in issuing orders by High Court, or Tribunal or Adjudicating Authority under IBC Code 2016 consequent to the business reorganization, there is a gap between the effectivity of such order and the date on which such order is issued by the competent authority.

This also affects the final accounts of such entities as they are unable to modify their already filed returns in accordance with the reorganization. Hence, in order to remove this anomaly, it is proposed to insert a new section 170A to the Act, to enable for the entities going through such business reorganization, for filing of modified returns within 6 months from the end of the month in which the said order was passed.

Amendment will take effect from 01.04.2022



UNION BUDGET 2022

Carry forward of losses for companies under strategic disinvestment

In case of a company in which public are not substantially interested, no loss shall be carried forward and set off against the income of the previous year, unless at least 51% of the voting power of the company are beneficially held (on the last day of the previous year in which the loss is sought to be set off) by the same person(s) who held at least 51% of the shares on the last day of the financial year in which the loss was incurred.

Now, in order to facilitate strategic disinvestment of public sector companies, Finance Bill, 2022 proposes for non-applicability of section 79(1) to a public company where the ultimate holding company immediately after the completion of strategic disinvestment continues to hold at least fifty one per cent of the voting power of the public sector company.

This amendment will take effect from 1st day April, 2022 and will accordingly apply in relation to the assessment year 2022-23 and subsequent assessment years.

Extension of date of incorporation for eligible start up for exemption

- In order to incentivize start-ups in the country, FM announced extension in the eligibility for claiming tax holiday for start-ups by one more year till 31st March, 2023.
- This amendment will take effect from 1st April, 2022 and will accordingly apply in relation to the assessment year 2022-23 and subsequent assessment years.

Parity restored for tax on dividend earned from foreign companies

Section 115BBD of the Act provides for concessional tax rate on dividend income received by Indian companies from specified foreign companies (a foreign company in which Indian company holds 26% or more in equity share capital) @ 15%.

It is proposed to abolish the entire section by inserting sub-section (3) to section w.e.f. A.Y. 2023-24 i.e. w.e.f. 01st April, 2022. This has been proposed to provide parity in the tax treatment (from erstwhile 15% to applicable tax rates plus surcharge & cess) in case of dividends received by Indian companies from specified foreign companies and from domestic companies.



IT Returns can now be updated for omissions and Mistakes

Following the “nudge approach”, the government in order to motivate the taxpayer towards voluntary tax compliance starting with filing of correct tax returns introduces new subsection 139(8A) by allowing filing of an updated return whether he has filed a return of income previously for the relevant year or not. Currently, an individual gets time till December 31 (unless extended by the government) to update their ITR to provide a correct picture of the income earned by the taxpayer from various sources during the financial year. The newly proposed sub section (8A) u/s 139 will give taxpayers two years from the end of the relevant assessment year (AY) to file their correct ITR after taking into account all the taxes deducted and paid (if not claimed in the original return). To opt for this provision, an amount equal to 25% (before expiry of 12 months from end of relevant AY) or 50% (after expiry of 12 months from end of relevant AY) as additional tax on the tax and interest due on the additional income furnished would be required to be paid



The said provision will not be applied in case of:

- A return of a loss; or
- has the effect of decreasing the tax liability or results in refund or increasing the refund; or
- Search has been initiated (u/s 132) (for AY relevant to PY & 2 AY preceding such AY) ; or
- Asset or Books of accounts requisitioned (u/s 132) (for AY relevant to PY & 2 AY preceding such AY) ; or
- Survey (u/s 133A) (for AY relevant to PY & 2 AY preceding such AY) ; or
- Updated return has already been furnished; or
- Assessment/ Reassessment has been pending or completed; or
- In cases where Assessing Officer has information in respect of taxpayer under the Prevention of Money Laundering Act, 2002 or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 or the Prohibition of Benami Property Transactions Act, 1988 or The Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 and the same has been communicated to the taxpayer, prior to the date of his filing of updated return; or
- Any information received under an agreement referred u/s 90/90A; or
- Any other person prescribed by the Board

UNION BUDGET 2022

It is also been proposed to amend subsection (9) of section 139 to provide that the return shall be treated as defective if it is not accompanied by the proof of the payments of tax.

The consequential amendment is also inserted in section 234A, 234B and 234C for interest payable that shall be computed on the amount of the tax on the total income as declared in the return under sub-section (8A) of section 139 where an earlier return has not been furnished.

Where the earlier return has already been furnished, interest payable shall be interest chargeable under any provision of the Income-tax Act, on the income as per return furnished under sub-section (8A) of section 139, as reduced by interest paid in the earlier return, if any.

These amendments will take effect from 1st April, 2022.

No set off of losses consequent to search, requisition and survey

Finance Bill, 2022 proposes no set off of losses with undisclosed income consequent to any search conducted under section 132 or requisition made under section 132A or a survey conducted under section 133A.

This amendment will take effect from 1st April, 2022 and will accordingly apply in relation to the assessment year 2022-23 and subsequent assessment years

No Fees for delayed return

In order to provide relief to taxpayer, FM has increased authority of Income Tax Authorities by allowing them to give the relaxation of fees charged for default in furnishing of income tax return under 234F if all the specified conditions are fulfilled by the taxpayer. This amendment will take effect from 1st April, 2022

Computation of interest for failure to deduct TDS

In the case where assessee has not deducted the tax as per the relevant provision then the assessee will be liable to pay the interest as specified in the order issued by the AO.

These amendments will take effect from 1st April, 2022.



UNION BUDGET 2022

TDS on benefits or perquisite in respect of business or profession

As per Finance Bill 2022, it is proposed to insert a new section 194-R to provide tax deduction on any benefit or perquisite provided by any person (other than individual or HUF) to a resident from carrying out any business or profession. Tax has to be deducted at a rate of 10% of the aggregate value of benefit or perquisite. However, such section will not be applicable where aggregate value of the benefit or perquisite during the Financial Year does not exceed INR 20,000.

This amendment will take effect from 1st July,2022

Rationalization of provisions of TDS on sale of immovable property

Earlier, in case of transfer of the certain immovable property tax has to be deducted at a rate of 1% on the amount of consideration paid by the transferee to transferor. Now as per Finance Bill, 2022 tax has to be deducted on consideration paid or stamp value adopted for such property whichever is higher.

This amendment will take effect from 1st April,2022

Clarifications on allowability of expenditure under section 37

As per the existing provisions of section 37 :

- It is seen that certain taxpayers are claiming deductions on expenditure incurred in offering certain benefits or perquisite to a person which are not intended to be allowed under this section, like meeting his expenditure related to travel, hospitality, conference etc specially large pharma companies. In these cases acceptance of such benefit or perquisite by such person is in violation of a law or rule
- Further, some taxpayers are seen to be claiming deduction on expenses incurred for a purpose which is an offence under foreign law or for compounding of an offence for violation of foreign law.



Clarification regarding deduction on payment of interest only on actual payment

- As per existing provision the conversion of interest payable on an existing loan into a debenture or any other instrument were claimed as deduction by certain taxpayers which is against the intent of legislation and further which has been upheld by several courts.
- In order to curb the mischief of claiming deduction by the assessee, without paying actual interest to financial institutions/NBFC/scheduled bank or a co-operative bank and converting the interest payable into the debenture or any other instrument by which liability to pay is deferred to a future date.
- Amendment has been inserted in the Explanation 3C, 3CA and 3D of section 43B by inserting new words “or debenture or any other instrument” after the word-“ loan or borrowing”
- This amendment will take effect from 1st April, 2023 i.e. financial year 1/04/2022 to 31/03/2023 and will accordingly apply in relation to the assessment year 2023-24 and subsequent assessment years.

In order to make the intention of the legislation clear and to make it free from any misinterpretation, it is proposed to insert new Explanation 3 to sub-section (1) of section 37 to further clarify that the expression “expenditure incurred by an assessee for any purpose which is an offence or which is prohibited by law”, under Explanation 1, shall include and shall be deemed to have always included the expenditure incurred by an assessee, —

- for any purpose which is an offence under, or which is prohibited by, any law for the time being in force, in India or outside India; or
- to provide any benefit or perquisite, in whatever form, to a person, whether or not carrying on a business or exercising a profession, and acceptance of such benefit or perquisite by such person is in violation of any law or rule or regulation or guidelines, as the case may be, for the time being in force, governing the conduct of such person; or
- to compound an offence under any law for the time being in force, in India or outside India.

This amendment will take effect from 1st April, 2022.

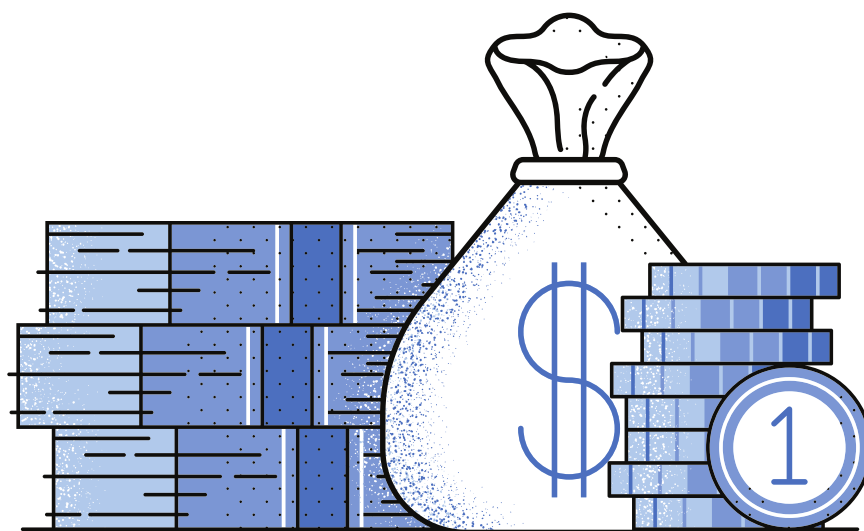
Exemption of amount received for medical treatment and on account of death due to COVID-19

Provisions of the proviso of clause (x) of sub-section (2) of section 56 of the Act has been amended to provide the relief & exemption from any tax treatment in the hands of recipients on account of any sum of money or property received-

- by individual from any person w.r.t. expenditure actually incurred by him on his medical treatment or treatment of any member of his family on account of illness related to COVID-19;
- by a member of family of a deceased person from employer of deceased person or from any other person/(s) to extent that such sum or aggregate of such sums does not exceed ten lakh rupees, on account of death of such person due to illness related to COVID-19 and payment is received within twelve months from date of death of such person

by adding clause (XII) and (XIII) respectively w.e.f. financial year 2019-20 relevant to assessment year 2020-21 and subsequent assessment years.

The finance ministry has given effect by proposing to amend the provisions of the Act w.r.t. the amendments made vide press release dated 25th June, 2021.



UNION BUDGET 2022

Clarification regarding tax treatment of cess and surcharge

- Sub-clause (ii) of clause (a) of section 40 of the Act provides that any sum paid on account of any rate or tax levied on the profits or gains of any business or professions shall not be deducted in computing the income chargeable under the head “Profits and gains of business or profession
- In the view of above certain taxpayers are claiming deduction on account of ‘cess’ or ‘surcharge’ under section 40 of the Act as claiming that ‘cess’ has not been specifically mentioned in the aforesaid provisions and there are long controversy among various courts regarding the allowability of above expenditure.
- Hence ,in order to make the intention of the legislation clear and to make it free from any misinterpretation, it is proposed to include an Explanation retrospectively in the Act itself to clarify that for the purposes of this sub-clause, the term “tax” includes and shall be deemed to have always included any surcharge or cess, by whatever name called, on such tax.
- Amendment is made retrospectively w.e.f 01.04.2005 and subsequent Assessment years.

Provisions pertaining to bonus stripping and dividend stripping to be made applicable to securities and units

It is proposed to amend sub-section (8) of section 94, pertaining to the prevention of tax evasion through bonus stripping, so as to make the said provision applicable to securities as well.

It is also proposed to amend the Explanation to the said section to modify the definition of unit, so as to include units of business trusts such as InvIT, REIT and AIF, within the definition of units.

Amendment will take effect from 01.04.2023 and apply from AY 2023-24.

Rationalization of provisions relating to assessment and reassessment

In order to align the scheme of search assessments with the intent of the Act, it is proposed to amend sub-section (8) of section 132 to make the provisions of that section also applicable to assessment or reassessment or recomputation under subsection (3) of 143 or section 144 or section 147. Also amend clause (i) of sub-section (1) and sub-section (4) of section 132B to provide that these provisions shall also apply to assessment or reassessment or recomputation. Amendment will take effect from 01.04.2022

UNION BUDGET 2022

The Central Government in order to make tax administration more transparent and efficient, notified faceless schemes for the following provision of IT which were inserted through Finance Act, 2021, and direction for the same supposed to be issued before 31st March, 2022.

The limitation for issuance of direction has been proposed to extend from 31st March, 2022 to 31st March, 2024 in Finance Bill, 2022, revised limitation are given below

Faceless Schemes under the Act

S. No.	Section	Scheme	Date of existing limitation	Date for revised limitation
1.	92CA	Faceless determination of arm's length price	31 st March, 2022	31 st March, 2024
2.	144C	Faceless Dispute Resolution Panel	31 st March, 2022	31 st March, 2024
3.	253	Faceless appeal to Appellate Tribunal	31 st March, 2022	31 st March, 2024
4.	255	Faceless procedure of Appellate Tribunal	31 st March, 2023	31 st March, 2024

Sunset for period of limitation for search cases

Sub-section (4) inserted in section 153B to provide that nothing contained in the said section shall apply to any search initiated under section 132 or requisition made under section 132A on or after the 1st day of April, 2021.

Also inserted new clause (xi) in Explanation to Sec 153B for providing exclusions in computing the period of limitation.

Assesment/Re-assessment of Income Escaping Assessment

Section 148:

Earlier, No notice u/s 148 shall be issued unless there is information with the AO which suggests that the income chargeable to tax has escaped assessment in the case of the assessee for the relevant assessment year and the AO has obtained prior approval of the specified authority to issue such notice. [1st proviso to Section 148]

In order to achieve simplification of the procedures, w.e.f. 01.04.2022, the requirement for approval to issue notice under section 148 shall not be required to be taken by the AO if he has passed an order under 148A(d).

UNION BUDGET 2022

The scope of section 148 has been enhanced by including the following in definition of income [Explanation 1 to section 148]

- Any audit objection.
- Any information received from a foreign jurisdiction under an agreement (Section 90 or 90A)
- Information received under a scheme notified under section 135A
- Any information which requires action in consequence of the order of a Tribunal or a Court

Further, the word flagged has been removed in case of information received from risk management strategy.

In Explanation 2 to Section 148, which provides that the AO is deemed to have information that income of the assessee has escaped assessment, has now included the information received in a survey conducted under section 133A (5) in case of the assessee. (w.e.f. 01.04.2022).

Further, the reference to three assessment years has been omitted in which the search is initiated or books of account, other documents or any assets are requisitioned or survey is conducted in the case of the assessee or money, bullion, jewellery or other valuable article or thing or books of account or documents are seized or requisitioned in case of any other person. (w.e.f. 01.04.2021)

Section 148A:

In order to achieve simplification of the procedures, w.e.f. 01.04.2022 no prior approval of specified authority is required to provide an opportunity of being heard to the assessee.

The scope of the section has been widened, by inserting sub section (d) to the proviso to this section that this section shall not apply in case where, the AO has received any information under the scheme notified under section 135A in the case of the assessee.

Section 148B of the Act:

In order to avoid inaccuracies, with effect from 01.04.2022, a new section is inserted to provide that no order of assessment or reassessment or recomputation under the Act shall be passed by an Assessing Officer below the rank of Joint Commissioner, except with the prior approval of the Additional Commissioner or Additional Director or Joint Commissioner or Joint Director, in respect of assessments consequent to search, survey and requisition. to reduce avoidable inaccuracies.

Section 149 of the Act:

Earlier, notice u/s 148 of the Act shall be issued after three years and prior to ten years from the end of relevant assessment year where the AO has in his possession books of account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of asset which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more for that year.

UNION BUDGET 2022

With effect from 01.04.2022 in addition to income represented in the form of asset, the following is also included:

- (ii) expenditure in respect of a transaction or in relation to an event or occasion; or
- (iii) an entry or entries in the books of account,

The limit of the condition of more than 50Lakhs would still apply.

Section 153 of the Act:

Where return u/s 139(8A) [viz updated return] has been filed, then an order of assessment u/s 143 or 144 may be made at any time before the expiry of nine months from the end of the financial year in which such return was furnished. [New Sub section 1A has been inserted]

Where TPO gives effect to an order/direction u/s 263 by an order u/s 92CA, the AO shall modify the order of assessment or reassessment or recomputation in conformity of such order within two months of month in which TPO's order is received by him. [New Sub Section 5A has been inserted]

245MA of the Act

A new sub-section 2A is inserted wherein the AO shall pass an order in conformity with the directions contained in the order of the Dispute Resolution Committee within a period of one month from the end of the month in which such order is received

Clarification in respect of disallowance of expenses in absence of any exempt income during an assessment year

An explanation has been added to provide that overruling anything contrary contained in the Act, the provision of Sec 14A shall apply and shall be deemed to always applied, whether or not exempt income earned, accrued or received during the year or not. The intent of the law has been reiterated through this clarification and the validity CBDT Circular No. 5/2014, dated 11/02/2014 has been re-validated.

This amendment has been brought to overrule the various court's rulings wherein courts have taken a view that if there is no exempt income during a year, no disallowance under section 14A of the Act can be made for that year. Amendment will take effect from 01.04.2022.

UNION BUDGET 2022

Reduction of Goodwill from block of assets to be considered as ‘transfer’

From the assessment year 2021-2022, goodwill of a business or profession is not considered as a depreciable asset for the purpose of Sec 50. In case where goodwill is purchased by an assessee, the purchase price of the goodwill will continue to be considered as cost of acquisition for the purpose of computation of capital gains under section 48 of the Act, subject to adjustment for the cost to the extent of depreciation claimed earlier. A consequential amendment was made in Sec 50 through insertion of proviso.

It is now further clarified through Explanation that reduction of the amount of goodwill of a business or profession, from the block of asset in accordance sub-clause (c) of clause (6) of section 43, shall be deemed to be transfer.

This amendment shall take retrospective effect from AY 2021-22 i.e. FY 2020-21.

Source of source rule to extend to the loan or borrowings

Section 68 of the Act provides that where any sum is found to be credited in the books of an assessee maintained for any previous year, and the assessee offers no explanation about the nature and source thereof or the explanation offered by him is not, in the opinion of the Assessing Officer, satisfactory, the sum so credited may be charged to income-tax as the income of the assessee of that previous year.

Certain judicial pronouncements have created doubts about the onus of proof and the requirements of this section, particularly, in cases where the sum which is credited as loan or borrowing.

Amendment was made vide Finance Act 2012 to explain the source of source for the amount credited in the books of assessee in the form of share application, share capital, share premium etc.

Such source of source rule has been extended to the loan or borrowing credited in the books of the assessee. i.e. source of source or the source of funds is also to be explained in the hands of the creditor or entry provider. This shall not apply to SEBI regulated entity VCF, VCC. Applicable from AY 2023-24 relevant to FY 2022-23

New course of appeal in case of tax deduction disputed under Section 195

Section 248 of the Act provides that in a case where, under an agreement or other arrangement, a person who has deducted tax on any income paid to a non-resident, other than interest, under section 195 of the Act, he may appeal to the Commissioner (Appeals) for a declaration that no tax was deductible on such income, if he claims that such tax is to be borne by him since no tax was required to be deducted on such income.

Further, section 249 of the Act lays down that an appeal under section 248 of the Act should be filed within 30 days of making payment of such tax to the Government account.

As per the provisions of section 248 of the Act, a taxpayer has no recourse to approach the Assessing Officer with such request. He has to necessarily enter the appellate process by filing an appeal before the Commissioner (Appeals). At the same time, the agreement or arrangement, under which the tax has been deducted and paid, is not brought on the record of the Assessing Officer or examined by him.

It is proposed to insert new section 239A in the Act to provide that such a person, who has made the deduction of tax under such an agreement or arrangement and borne the tax liability, when no tax deduction was required, may file an application for refund of such tax deducted before the Assessing Officer.

Such person if not satisfied by the order of AO can file appeal before CIT(A) u/s 246A.

Modification and revision of notice in certain cases

It has been noted that in the cases of business reorganisation, instances have been found where the Court or Tribunal or an Adjudicating Authority, as defined in clause (1) of section (5) of the Insolvency and Bankruptcy Code, 2016, as the case may be, as a part of the restructuring process, recast the entire liability to ensure future viability of such sick entities and in the process, modify the demand created vide various proceedings in the past, by the Income Tax department as well, amongst other things.

However, it is observed that there is no procedure or mechanism provided in the Act to reduce such demands from the outstanding demand register. Hence, in order to remove this anomaly, it is proposed to insert a new section 156A to the Act to give effect to the orders of the competent authority and to modify such demands in accordance with such directions. Amendment will take effect from 01.04.2022.

UNION BUDGET 2022

Tax deduction in case of non-filers of ITR

Provision of this section not to apply on TDS to be deducted u/s 194IA, 194IB, 194LBC and 194M as well.

The definition of “specified person” amended and relaxed to mean a person who has not filed ITR for assessment year relevant to previous year immediately preceding the previous year in which tax to be deducted, for which time limit has expired u/s 139(1) and aggregate of TDS and TCS is Rs.50,000 or more.

Similar amendment made in the definition of “specified person” in Section 206CCA which is applicable for collection of TCS at higher rates.

Amendment will take effect from 01.04.2022

Tax Incentives to International Financial Services Centre (IFSC)

It is proposed to provide the following additional incentives w.r.t. operations from IFSC w.e.f. A.Y. 2023-24.

- The definition of ‘specified fund’ shall also include the category I or II AIF which is regulated under the International Financial Services Centres Authority Act, 2019. [clause (aa) of explanation to clause (viib) of section 56(2)(viib)]
- The exemption has also been provided to income accrued or arises or receives by a non-resident as a result of transfer of offshore derivative instruments / over-the-counter derivatives entered into with an Offshore Banking Unit of an IFSC. [clause (4E) of section 10]
- The exemption has also been provided to income viz. royalty or interest, lease of a ship received by a non-resident from IFSC, if the unit has commenced its operations on or before 31st March, 2024. Further, ‘ship’ also includes a ship or an ocean vessel, an engine of a ship or an ocean vessel, or any part thereof. [clause (4F) of section 10]
- The exemption has also been provided to income which accrues or arises outside India and is not deemed to accrue or arise in India, received by a non-resident from portfolio of securities or financial products or fund, in an account maintained with an Offshore Banking Unit, in any IFSC. [inserted clause (4G) of section 10]
- The exemption has also been provided to income arising from transfer of an asset being a ship which was leased by a unit of IFSC to any person by way of deduction u/s 80LA(1A) subject to condition that unit has commenced operation on or before 31st March, 2024. [clause (d) of sub-section (2) of section 80LA]

Rationalisation of provision of Charitable Trusts and Institutions defined u/s 10(23C)

In order to bring consistency and providing clarity on taxation of charitable trust u/s 12AA/12AB and Institutions defined u/s 10(23C), Finance Act 2022, proposes to rationalise the provisions of both the exemptions above and referred the First Regime for the institution defined u/s 10(23C) and Second Regime for the Charitable Trust registered u/s 12AA/12AB and make the following amendments under both the regimes:-

- **Maintenance of Books of Accounts:-** Finance Act 2022, provides for mandatorily provisions to maintain the books of accounts and other documents in the prescribed manner under both the regimes where the total income of the trust/institutions without giving the effect of section 10(23C), 11 & 12 exceeds Rs. 2,50,000/-, earlier there is no such requirements. However, the rules are yet to be prescribed. (Amendment in clause (b) of Section 12A(1) and tenth proviso of Section 10(23C)) – This amendment will effective from AY 2023-24.
- **Penalty for passing an unreasonable benefit to trustee or specified person (Sec 271AAE):-** In order to discourage the misuse of funds of the trust/institutions, Finance Act 2022, inserted a new provision of penalty u/s 271AAE levied in the cases where income of the trust/institutions applied for the benefit of the any person specified u/s 13(5) of the Act and provides the following penalty:-
 - 100% of amount of income applied where the violation is noticed for the first time in the previous year.
 - 200% of amount of income applied where the violation is noticed for the subsequent time in any subsequent year. - This amendment will effective from AY 2023-24

Cancellation of Registration or Approval:- Since with effect from Finance Act 2021, the Registration or approval of charitable trust and institutions are granted in an automatic manner. In order to ensure that non-genuine trusts or institutions do not get exemption provided by these provisions and amendment have been made in both the regimes.

Now, the Finance Act 2022, rationalizing the provisions related of cancellation of trusts/institutions under the both the regimes and the Principle Commission of Income Tax /Commissioner of Income Tax (PCIT/CIT) after due verification of the documents or inquiry from a person may or may not pass an order of cancellation of registration in case of 'specified violation'. (Amendment in Sub Section (4) of section 12AB and fifteenth proviso to clause (23AC) of sec 10 the Act)

Correspondingly, the term 'Specified Violation' introduced under sub section (4) of section 12A and under explanation 2 to the fifteenth proviso to clause (23AC) of sec 10 the Act).

UNION BUDGET 2022

'Specified Violation' is proposed to be defined by inserting an explanation as:-

- Where income is applied not in accordance with objects;
- Earned business income of the trust which is not from objects incidental to main objects or separate books of accounts are not maintained for such business income;
- Any activities of the trust which is not genuine or activities are not in accordance with notified or approved objects;
- If there is non-compliance of any other law for the time being in force and order holding such non-compliance has become final by no further disputes etc.

Finance Act 2020, provides the time period of passing an order of cancellation of registration of charitable trust or institutions within 6 months from the end of quarter in which the first notice is issued by PCIT/CIT on or after 1st April 2022 calling for document/information. Earlier there is no time period of cancellation of registration. (Amendment in Sub Section (5) of Section 12AB and inserted an explanation 1 to the fifteenth proviso to clause (23C) of section 10 of the Act) – These Amendment will effective from 1st April, 2022

Clarification on taxation of Accumulated Income:- Finance Act 2022, proposes a clarificatory amendment and provides that if the income accumulates for the period of 5 years in case of non-application of income of 85% in any relevant year u/s 11(2) or 3rd proviso to clause (23C) of section 10 of the Act then it is deemed to be taxed as income in the 5th year if it is not utilised for the specified purpose till 5th year.

Earlier, the assessee has offered such accumulation in the 6th year now the Finance Act 2022 clarifies that if such accumulation has not been utilised for the specified purpose till 5th year then such accumulation is deemed to be taxed as income in the 5th year instead of 6th year.

Similar conditions of accumulation of income of 5 years and deeming an income in case of violation of conditions of accumulation as specified in section 11(2) of the Act has been introduced for the institutions defined u/s 10(23C) of the Act. (Inserted explanation 3 and 4 in clause 23C of sec 10 of the Act.) – These amendment will effective from AY 2023-24

- Provision of Section 115TD (Tax on Accreted Income) is now extended to the trust or institution for the first regime also (i.e. institutions registered u/s 10(23C)), earlier it was only for charitable institutions.
- The condition of filing of return u/s 139(4A) within time allowed which is mandatorily for claiming the exemption u/s 11 & 12 is now extended for the first regime institutions also (i.e. institutions registered u/s 10(23C)), earlier it was only for charitable institutions. (Inserted twentieth proviso to clause (23C) of section 10) - These amendment will effective from AY 2023-24
- The provisions of sub-clause (ia) of clause (a) of section 40 and sub-sections (3) and (3A) of section 40A and restricting of set off of losses in subsequent years, mutatis mutandis, apply to the institution's defined u/s 10(23C) of the Act. Earlier it was applicable for charitable institutions only.

UNION BUDGET 2022

- **Allowing certain expenditure in case of denial of exemption:-** In order to bring clarity in the computation of the income chargeable to tax, Finance Act, 2022 provides the clarity for allowability of certain expenditure in case of non-applicability of exemption due to the violation of conditions specified u/s 11/12 or under clause (23C) of sec 10 of the Act.

However, such expenses are allowed subject to the conditions as follows:-

- that is not incurred from the corpus of the trust,
- such expenses is not from any loan or borrowings,
- the depreciation is not form part of an expense where acquisition of an assets has been claimed as an application in the same or previous years &
- such expenses is not in the form of donation or contribution to any persons.

Similarly, brought forward losses will not be allowed to be set off when income is found taxable under the new provision of violations.

Taxation of certain income of the trusts or institutions under both the regimes at special rate (Sec 115BBI) :- Finance Act 2022, inserted a new section 115BBI of the Act and provide a special tax rate of 30% for taxing the income of the trust or institutions in case the trust or instruction's violated the conditions of application of income as specified in the Sec 11/12 and clause (23C) of the section 10 of the Act.

However, it has been clarified that only part of income which has been applied in violation of provisions of sec 13(3) or sec 11(5) of the Act shall be taxed. Also, such income be deemed to be income of the beneficiaries u/s 13(3) of the I.T. Act – Amendment will take effect from from AY 2023-24.



UNION BUDGET 2022

Decoding New Scheme for Tax on Virtual Digital Assets

1. Finance Bill 2022 proposes to introduce a new scheme to provide for:
 - a. Taxation of virtual digital assets (VDA) @ 30%;
 - b. Tax on gift of VDA; and
 - c. TDS @ 1% at the time of transfer of VDA to a resident.
- **Taxation of VDA @ 30%**
 - Tax @ 30%: Section 115BBH provides for levying tax @ 30% on income from transfer of any VDA.
 - No expense and set off of other losses allowed: No deduction for any expenditure (apart from deduction for cost of acquisition) or allowance or set off of any loss shall be allowed while computing income from transfer of such asset.
 - No set off and carry forward of VDA loss allowed: Further, no set off of any loss arising from transfer of VDA shall be allowed against any income and such loss shall not be allowed to be carried forward to subsequent assessment years.
 - These provisions shall apply from AY 2023-24 onwards i.e. FY 2022-23
 - Tax on gift of VDA: In order to provide for taxing the gift transfer of VDAs for free, Section 56(2)(x) is proposed to be modified to include VDA in the expression "property" w.e.f. Financial Year beginning on April 1, 2022 relevant to AY 2023-24 in the hands of the recipient.
 - TDS @ 1% at the time of transfer of VDA to a resident
 - Section 194S is proposed to be inserted to provide for TDS on payment for transfer of VDA to a resident @ 1% w.e.f July 1, 2022.
 - Payment in kind: It also provides for situations where payment is partly or wholly in kind or by way of exchange of VDAs.
 - Exemptions: It further provides for certain exemptions for "specified persons" (i.e. certain individuals and HUFs) and low value transactions (INR 50,000 in case of specified persons and INR 10,000 in other cases).

Definition of VDA: any information or code or number or token (not being Indian currency or any foreign currency), generated through cryptographic means or otherwise, by whatever name called, providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account including its use in any financial transaction or investment, but not limited to investment scheme and can be transferred, stored or traded electronically



UNION BUDGET 2022

Revenue to defer filing of repetitive appeals on Substantial Question of Law till jurisdictional HC or SC decides the issue

The government proposes to insert Section 158AB to provide a procedure when an appeal is pending on an identical question of law before the jurisdictional High Court or Supreme Court in the assessee's own case or in the case of any other assessee for an assessment year and further proposes to insert a sunset clause that no directions can be made u/s 158AA on or after Apr 1, 2022. The process is explained below through a pictorial chart.



Insertion of Section 158AB

Where any question of law in case of assessee is identical with question of law in case of assessee/other assessee for any AY

OR

Where the question of law is pending before:
(1) HC (Sec 260A) against order of ITAT*, or
(2) SC (Sect 261 and SLP u/s 136) against order of HC*
**In favor of assessee*

Collegium may decide and inform PCIT/CIT to not file appeal to
(1) ITAT against order of CIT(A)
(2) HC against order of ITAT
only after receiving acceptance from assessee that question of law is identical with other case



"Collegium" means a collegium comprising of two or more Chief Commissioners or Principal Commissioners or Commissioners, as may be specified by the Board in this behalf.

After the acceptance from Assessee is received, PCIT/CIT shall direct the AO to make application* to
(1) ITAT – within 60 days from receipt of order from CIT (A)
(2) HC – within 120 days from receipt of order of ITAT

**Declaration in a prescribed form that Appeal shall be filed when question of law becomes final.*

An appeal within **60 days** to ITAT/HC if the order is not in conformity with the final decision on question of law in any other case

This amendment will take effect from 1st April, 2022.

Transfer Pricing

TPO's order now subject to revisionary powers of CIT under Section 263

- Finance Bill 2022 proposes to grant revisionary powers under Section 263 to PCCIT or CCIT or PCIT or CIT (who is assigned the TP jurisdiction) qua transfer pricing orders passed by the TPO u/s 92CA.
- In case of any TPO order which is erroneous and prejudicial to the interests of Revenue, the PCIT/ CIT may pass an order directing revision of the TPO order in terms of Section 263.
- Consequential changes are also proposed under Section 153 inter alia to provide two months' time to the AO to give effect to the order of TPO consequent to the directions in the revision order u/s 263. These amendments will take effect from April 1, 2022 (i.e. AY 2022-23).

Faceless Assessment Scheme deferred for TP and International Tax Cases:

- Timeline for issue of Faceless Assessment Scheme for TP and International Tax Cases under section 92CA is proposed to be issued by 31st March, 2024. For now, these cases will continue to be processed physically.



UNION BUDGET 2022



INDIRECT TAX PROPOSAL

UNION BUDGET 2022

Goods and Services Tax

The Finance bill 2022 has proposed following amendments in the GST laws. These, proposals shall come into force from such date as the central Govt. may, by notification in the Official Gazette appoint except if otherwise specified.

1. Extension in time limits for corrections/omissions

In order to provide relief to the registered person, GOI proposed to extend the time limit for corrections/omissions of a financial year, till 30th November following the end of a financial year or furnishing of the relevant annual return, whichever is earlier., in respect of:-

- Availment of ITC in respect of any invoice or debit note raised, [Section 16(4)]
- Issue/amendment of the credit notes, [Section 34(2)]
- Amendment in the form GSTR 3B, GSTR 1, GSTR 4, GSTR 5, GSTR 6, and GSTR 8 (Section 37, 39 and 52) .

2. Facility for transfer of unutilized balance of Electronic Cash Ledger (ECL).

GOI has substituted the section 49(10) of CGST Act, 2017 for the registered person having no unpaid liability, to transfer the unutilized balance of tax, interest, penalty, fee or any other amount available in ECL:

- Internally with in the specific heads i.e. IGST, CGST or UTGST or Cess
- As well as externally to the integrated tax or central tax of distinct person under same PAN.

3. Introduction of additional restrictions on availment of Input Tax Credit (ITC)

It is proposed to amend section 16(2) to insert an additional restriction on availment of Input Tax Credit (ITC). As per newly inserted restriction, ITC on supplies, the details of which have been communicated to the registered person in Form GSTR-2B shall be subject to following restrictions as covered under clause(b) of Section 38(2):

- the registered person has defaulted in payment of tax and where such default continued till period as prescribed;
- the registered person has reported output tax payable in GSTR 1 more than the tax already paid in GSTR 3B, by limit prescribed.;
- the registered person has availed the ITC more than the ITC made available to him in GSTR 2B, by limit prescribed;
- the registered person has not adjusted his liability as per the prescribed limit of utilisation credit ledger u/s 49(12) or;
- the registered person is within such period of taking registration as may be prescribed;
- the registered person is falling under such class of persons as may be prescribed

4. Revision in conditions for cancellation of GST registration by the proper officer

Amendment in Section 29 to revise the condition for cancellation of GST registration by the proper officer for the following persons:

- A composition tax payer under Sec 10 who has not furnished the return for a financial year beyond three months from its due date to furnish (Previously it was three consecutive tax periods).
- Any registered person (other than those paying tax under section 10) who has not furnished the return for such continuous tax period as may be prescribed (Previously it was six months).

5. Interest on ITC wrongly availed and utilized

Section 50(3) has been substituted from retrospective effect of 1st July 2017 to provide that interest on ITC wrongly availed and utilised is chargeable at the rate not exceeding 24%.

(The above mentioned amendment is retrospectively effective from of 1st July 2017)

6. Other Changes:-

a. In order to ensure sequential filing of returns, registered person shall not be allowed to furnish GSTR 3B and GSTR 1 of current tax period unless GSTR 1 of previous tax periods has already been furnished, subject to certain class of persons as may be specified by GOI.

b. Revision in time limits for registered non-resident taxable person to furnish monthly return u/s 39 i.e GSTR 5 within 13 days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.

c. GOI has inserted section 49 (12) of CGST Act, to prescribe the maximum portion of output tax liability that can be discharged through electronic credit ledger as prescribed in Rule 86B.

d. Omission of Section 42,43,43A and Substitution of section 41 to prescribe the fresh provisions of availment and reversal of Input Tax Credit, where section 41 provides as follows:

- Self-assessed eligible ITC shall be entitled for availment by every registered person and such amount shall get credited into Electronic credit Ledger.
- If the supplier has not paid the tax on supplies furnished by him, already availed ITC by recipient on such supplies is liable to be reversed along with the applicable interest.

Further, as and when the tax will be paid by the supplier, reversed ITC can be re-availed by the recipient.

UNION BUDGET 2022

e. Amendment to Section 47 to provide that Late fee is now levied on delayed filing of TCS return under Sec 52

f. In the case of refund by the specialized agency of United Nation Organization or any Multilateral Financial Institution and Organization notified under United Nation (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries or any class of persons notified under Section 55, It is proposed to amend Section 54 (2) of CGST Act, 2017 to revise the time limit for filing of refund application from six month to two years from last day of quarter in which such supplies was received .

g. New sub-clause (ba) is inserted in Clause (2) of Explanation to section 54 to clarify the relevant date for filing of refund claim, in case of zero- rated supply of goods or services or both to SEZ developer or SEZ unit, shall be the due date for furnishing of return under section 39 in respect of such supplies.

h. Supply of unintended waste generated during production of fish meal except fish oil falling under HSN 2301 during the period 1st July, 2017 to 30th September, 2019, exempted for levy of tax under GST retrospectively from 22nd June, 2017.

However, if tax has already been collected on above supply during aforesaid period, no refund shall be allowed.

(The above mentioned amendments is retrospectively effective from of 1st July 2017)

i. It is enforced to amend the following notifications retrospectively from 01st July, 2017 that have declared the service of grant of alcoholic liquor license by the state government neither a supply of goods nor a supply of service.

- o Notification No. 25/2019- Central Tax (R) dated 30.09.2019
- o Notification No. 24/2019- Integrated Tax (R) dated 30.09.2019
- o Notification No. 25/2019- Union Territory Tax (R) dated 30.09.2019

However, if tax has already been collected had the above not been enforced, no refund shall be allowed.

(The above mentioned amendments is retrospectively effective from of 1st July 2017)

UNION BUDGET 2022

Other Policy announcements

- To give a big boost to the Indian economy, India paved the way to accept the digital rupee using block chain and other technologies. A comprehensive tax framework for virtual digital assets also been announced.
- The “PM GatiShakti Master Plan” is introduced to give a transform India’s growth and continue on the path of sustainable development.
- ‘One Nation, One Registration’ mechanism in order to ensure ease of living and doing business
- Multi Model logistics parks are to be designed at four locations under PPP model in FY 2022-23.
- In order to emphasis the infrastructure development, FM has announced the target of expanding the National Highways network in the country by 25,000 km in FY 2022-2023.
- Extension of Emergency Credit Line Guarantee Scheme (ECGLS) to March, 2023 to give a boost to the MSMEs which have taken a big hit after the pandemic.
- Battery swapping policy has been introduced to boost and strengthen the Electric vehicles in the Indian economy
- To accelerate corporate exit for voluntary winding up, timeline has been reduced to six months from 2 years
- To bring 5G in the telecom sector, 5G spectrum auctions are to be rolled out in FY 2022-23
- To encourage the industry, start-ups and academia in the Defence sector, 25% of total Defence R&D budget has been allocated to them. Defence Research & Development (R&D) are now opened up for Industry, Start-ups and Academia.
- Sovereign green bonds are to be issued to mobilize resources for green infrastructure so that the proceeds can be deployed in public sector projects to help reduce the carbon intensity of the economy.
- In order to help & scale up the investments of Venture capital and Private Equity investments in startups, an expert committee will be set up to examine and support the startup ecosystem.



UNION BUDGET 2022



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