

Lunawat & Co.

Chartered Accountants



UNION BUDGET 2023

Decoded with
Ready Reckoner



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INCOME TAX PROPOSALS – BUDGET 2023

I. CHANGE IN RATES OF TAX

➤ There is no change in tax rates for any person.

➤ New Tax Regime u/s 115BAC

1. There has been change in Tax slabs for new tax Regime u/s 115BAC as follows: -

Tax Rate	Total Income
0%	Up to 3,00,000
5%	3,00,001 to 6,00,000
10%	6,00,001 to 9,00,000
15%	9,00,001 to 12,00,000
20%	12,00,001 to 15,00,000
30%	Above 15,00,000

2. This would be available to AOP (other than co-operative society), BOI, AJP also apart from individual and HUF, which was allowed earlier too.

3. Highest Rate of surcharge u/s 115BAC has been reduced/restricted to 25% of income-tax from earlier rate of surcharge at 37%.

4. In case of AOPs that consist of only companies as their members, the maximum surcharge is restricted to 15%.

5. Standard deduction of Rs. 50000/- for salaried employees and standard deduction for family pension u/s 57 (iia) of lower 1/3rd % or Rs. 15000/- is allowed, which was not allowed earlier.

6. Apart from deduction u/s 80CCD(2) and 80JJAA, now deduction under new section 80CCH(2) (Agniveer corpus fund) only would be allowed under chapter VI-A in new scheme.

7. Adjustments in case of unabsorbed additional depreciation allowance w.r.t. block of assets which has not been given full effect prior to AY 2024 shall be made to the WDV of such block of assets as on 1st April 2023.

8. Relief u/s 87A allowed to only resident individual upto Rs. 25000/- i.e., income till Rs. 7 Lakhs.

9. This regime would be the default option and any specified person wanted to go to old regime has to opt for the same.

➤ New Tax Regime for co-operative society introduced which is engaged in manufacturing @15% u/s 115BAE in lines with section 115BAB for manufacturing companies. Surcharge would be 10% of such tax.

II. INCOME FROM SALARY

- The limit of Rs. 3 lakh for tax exemption on leave encashment on retirement of non-government salaried employees has been increased to Rs. 25 lakhs.
- Salary – Contribution made to "Agniveer Corpus Fund" under the "Agnipath Scheme" referred in section 80CCH shall be considered as salary of that individual.
- Perquisites – The method of computation for the value of rent free accommodation shall be computed in the manner as per rules. Also, the accommodation shall be deemed to be at a concessional rate if value of accommodation provided by rules exceeds the rent recoverable or payable by the assessee.

III. PROFIT AND GAINS FROM BUSINESS OR PROFESSION

- Clause (iv) of section 28 providing the value of any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession shall be chargeable to income-tax under the head "Profits and gains of business or profession", to be amended to apply to cases where benefit or perquisite provided is in cash or in kind or partly in cash and partly in kind.

(w.e.f. from 1st April 2024)

- Section 35D(2)(a) relating to amortization of certain preliminary expenses including:
 1. Preparation of feasibility report
 2. Preparation of project report
 3. Conducting marketing survey or any other survey necessary for the business of the assessee
 4. Engineering services related to the business of the assessee

within the scope of preliminary expense are to be carried by assessee or by a concern authorized by assessee and provide that assessee to furnish a statement containing the particulars of expenditure instead to be approved by the Board.

(w.e.f. from 1st April 2024)

- Section 43B amendments:
 1. Clause (h) inserted stating that any amount payable to MSME beyond the period specified in section 15 of MSME Act 2006 (i.e., 15/45 Days) shall be allowed to be deducted on actual payment only. Further, deduction is not allowed on accrual basis if the payment is made before filing of the return/s 139(1), but in the year of payment only.
 2. Clause (da) is amended to substitute the expression "a deposit taking non-banking financial company or systemically important non-deposit taking non-banking financial company" with "such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf and deals with interest payable to such NBFC on any loan or borrowing.
- Presumptive Taxation:

1. Section 44AD presumptive taxation for business the turnover or gross receipts limit increased to Rs. 3 crores (increased from Rs. 2 Crore) only where the amount or aggregate of the amounts received by the eligible assessee during the previous year, in cash, does not exceed 5% of the total turnover or gross receipts of such previous year.

(w.e.f. from 1st April 2024)

2. Section 44ADA presumptive taxation for specified profession the gross receipts limit increased to Rs. 75 Lakhs (increased from Rs. 50 Lakhs) only where the amount or aggregate of the amounts received by the eligible assessee during the previous year, in cash, does not exceed 5% of gross receipts.

(w.e.f. from 1st April 2024)

3. Section 44BB providing for presumptive taxation for business of exploration, etc., of mineral oils for non-residents, sub-section 4 has been inserted in the said section stating that no set off of unabsorbed depreciation and brought forward loss shall be allowed to an assessee where eligible assessee claims presumptive taxation u/s 44BB(1).

(w.e.f. from 1st April 2024)

4. Section 44BBB providing for presumptive taxation for business of civil construction, etc., in certain turnkey power projects for non-residents, sub-section 3 has been inserted in the said stating that no set off of unabsorbed depreciation and brought forward loss shall be allowed to an assessee where eligible assessee claims presumptive taxation u/s 44BBB(1).

(w.e.f. from 1st April 2024)

- 1st Proviso to sections 44AB dealing with audit of accounts of certain persons amended to exempt audit for a person, who declares profits and gains for the previous year in accordance with the provisions of section 44AD(1) or section 44ADA(1), as the case may be.

(w.e.f. from 1st April 2024)

- Section 43D with income of public financial institution, public companies, etc. and it is proposed to amend the said section to substitute the expression "a deposit taking nonbanking financial company or a systemically important non-deposit taking non-banking financial company" with "such class of non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf".

(w.e.f. from 1st April 2024)

IV. CAPITAL GAINS

- Section 45(5A) provides for computing income tax on capital gain on transfer of building or land or both for joint development agreements. For computing capital gain full value of consideration shall be taken as the stamp duty value of his share as increased by consideration received by cash or by a cheque or draft or by any other mode, as earlier only amount received in cash was there.

(w.e.f. from 1st April 2024)

- Section 47 provides transactions not regarded as transfers. It is proposed to extend the period for transfer of assets from original fund or of its wholly owned special purpose vehicle, to a resultant fund in case of relocation to IFSC u/s 80LA(1A) from 31st March, 2023 to 31st March, 2025.
(w.e.f. from 1st April 2023)
- A new clause (viid) is inserted in section 47 so as to include conversion of gold into Electronic Gold Receipt or Electronic Gold Receipt into gold to not to be regarded as transfer.
(w.e.f. from 1st April 2024)
- Section 48 provides for mode of computing of income tax on capital gain i.e., deducting cost of acquisition of the asset and the cost of any improvement thereto from the full value of the consideration received or accruing as a result of the transfer of such capital asset. Clause (ii) has been inserted stating that cost of acquisition of the asset or the cost of improvement thereto shall not include the deductions claimed on the amount of home loan interest under section 24 (b) or under the provisions of Chapter VIA of the Act.
(w.e.f. from 1st April 2024)
- Section 49 provides for cost with reference to certain mode of acquisition, sub-section (10) has been inserted stating the cost of acquisition of gold for the purpose of computing capital gain shall be deemed to be the cost of Electronic Gold Receipt in the hands of such person.
(w.e.f. from 1st April 2024)
- Section 50AA relates to special provision for taxation of Market Linked Debentures. Full value of the consideration received or accruing as a result of the transfer or redemption or maturity of the "Market Linked Debentures" less cost of acquisition of the debenture and the expenditure incurred wholly or exclusively for transfer or redemption of such debenture shall be treated as short term capital gains.
(w.e.f. from 1st April 2024)
- Section 54 and 54F amended to provide that if the cost of the new asset purchased is more than Rs.10 crores, the cost of such asset shall be deemed to be Rs. 10 crores. Further, it has been provided that for the purpose of deposit in the Capital Gains Account Scheme, the limit of such deposit shall also be Rs.10 Crores.
- Section 55 has been amended which defines the term 'cost of acquisition' and 'cost of improvement' of a capital asset, the amendment provides that cost of acquisition and cost of improvement of such capital asset being any intangible asset or any other right shall be 'Nil'.

V. INCOME FROM OTHER SOURCES

- Section 56(2)(viib) which taxes the excess amount received by a company on issue of share over the fair market value brings the non-resident and RNOR investors of a company, not being a company in which the public are substantially interested, within the ambit of this section which will make the provision applicable for receipt of consideration for issue of shares by such company from any person irrespective of his residency status. Earlier this section included the consideration received from a resident only.

- Section 56(2)(xii) inserted to tax any sum received by unit holder from Infrastructure Investment Trust or REIT for repayment of debt which is not covered u/s 10(23FC) or 10(23FCA) or taxable u/s 115UA. However, the sum received by a unit holder from a business trust is for redemption of unit or units held by him, the sum received shall be reduced by the cost of acquisition of the unit or units to the extent such cost does not exceed the sum received.
(w.e.f. 1st April, 2023)
- Section 56(2)(xiii) inserted to tax any sum received including bonus exceeding the premium paid other than amount received under ULIP or keyman insurance.
- Taxation on winnings from Online Gaming
 1. Section 115BB relating to the taxation of winnings from various forms of gambling or betting to be amended to exclude income from online games from the purview of this section for the assessment year beginning on or after April 1, 2024.
(w.e.f. 1st April, 2024)
 2. Section 115BBJ inserted for winnings from online games to be taxed at 30% on the net winnings from such online games, calculated in a manner as specified by rules. The total tax payable will be a combination of the tax on winnings withdrawn and the tax on the remaining income of the assessee at the end of the year.
(w.e.f. 1st April, 2024)

VI. EXEMPTIONS AND DEDUCTIONS

- Section 10(4E) amended to provide that distribution of income on offshore derivative instruments entered with offshore banking unit of IFSC shall also be exempted but only to the extent of amount which is chargeable to tax in the hands of offshore banking unit u/s 115AD.
(w.e.f. from AY 2024-25)
- Exemption u/s 10(10D) for sum received as Life Insurance Policy shall not be exempt (other than Unit Linked insurance policy) which having premium payable more than 5 lacs for policy issued on or after 1.4.2023.
- Section 10(12C) inserted to exempt any payment from 'Agniveer Corpus Fund' under the "Agnipath Scheme" provided in Sec 80CCH to a person enrolled in this scheme or his nominee.
- Exemption available to news agency under clause (22B) of Section 10 has been withdrawn from AY 2024-25.
- Tax exemption to any income of North-Eastern Development Finance Corp Ltd has been withdrawn by omitting section 10(23BBF).
- Tax exemption to any income of Credit Guarantee Fund Trust for small industries (Clause 23EB), income accruing or arising to any person from any source in district of Ladakh or outside India (Clause 26A) and income arising from transfer of capital asset, being an asset of an undertaking engaged in the business of generation or transmission or distribution of power (Clause 41) withdrawn.

- Clause (46A) inserted in section 10 to exempt the total income of a body or authority or Board or trust not being a company but established under Central or State Act for the purposes of:
 1. Dealing with and satisfying the need for housing accommodation
 2. Planning, development or improvement of cities, towns and villages
 3. Regulating or developing any activity for the benefit of general public; or
 4. Regulating any matter, for the benefit of general public
 5. And is notified by CG in the official gazette
- SEZ units can claim deduction u/s 10AA from AY 2024-25 and onwards only if they furnish their return of income within the prescribed due date as per section 139. Also, the said deduction shall be available if proceeds from sale of good or provision of services is received in India within a period of 6 months from end of the previous year or such further period as may be allowed by the RBI or the proceeds are credited to a bank account maintained outside India with approval from the RBI. Additionally, it is proposed to make a consequential amendment to S. 155(11A). This amendment will insert section 10AA, which will allow the Assessing Officer to amend the assessment order later if the export earnings are realized in India after the permitted period.
- Following Sections omitted with effect from the 1st day of April, 2023.
 1. Section 80C of the Income-tax Act, sub-section (7)
 2. Section 80CCC of the Income-tax Act, in sub-section (3), clause (a)
 3. Section 80CCD of the Income-tax Act, in sub-section (4), clause (a)
 4. Section 54EA of the Income-tax Act, sub-section (3)
 5. Section 54EB of the Income-tax Act, sub-section (3)
 6. Section 54EC of the Income-tax Act, in sub-section (3), clause (a)
 7. Section 54ED of the Income-tax Act, in sub-section (3), clause (a)
 8. Sub-section (1), the figures and letters “, 88, 88A, 88B, 88C, 88D”
 9. In sub-section (2), the words, figures and letters “or section 88 or section 88A or section 88B or section 88C or section 88D”
- Section 80CCH inserted for an individual enrolled in the Agnipath Scheme and subscribing to the Agniveer Corpus Fund on or after the 1st day of November, 2022, to allow deduction of the whole of the amount deposited by him and also the amount contributed by the Central Government to his account in the Agniveer Corpus Fund, from his total income.
- Section 80G (2) provides the list of funds to which any sum paid by the assessee in the previous year is allowed as deduction. Out of total available funds mentioned under this sub section, 3 funds have been omitted:
 1. The Jawaharlal Nehru Memorial Fund
 2. The Indira Gandhi Memorial Trust
 3. The Rajiv Gandhi Foundation

Further, another amendment to Section 80G provides for the procedure for granting approval to certain institutions and funds receiving donation and the allowable deductions in respect of such donations to the assessee making such donations.

- Section 80-IAC of the Act provides for a deduction of an amount equal to 100 % of the profits and gains derived from an eligible business by an eligible start-up for 3 consecutive assessment years out of 10 years which is incorporated on or after 1st day of April, 2016 but before 1st day of April 2023. Now it is proposed to extend the period of incorporation of eligible start-ups to 1st day of April 2024.
- From AY 2024-25 onwards, an assessee, being an individual resident in India whose income is chargeable to tax under the New Tax Regime shall now be entitled to a rebate of 100% of income-tax payable on a total income not exceeding Rs 7 lakh. This rebate is allowed to assesses opting for Old Tax Regime on total income not exceeding Rs. 5 lacs only.
- Section 88 deals with rebate on life insurance premia, contribution to provident fund, etc. This clause proposes to omit this section as it was terminated by, Finance Act 2005 & Section 80C was incorporated. Further section 111A & 112 has also been amended to omit clauses related to section 88.

(w.e.f. 1st April,2023)

VII. AMENDMENTS RELATED TO TRUST AND OTHER SUCH INSTITUTIONS

- Depositing back of corpus / loan / borrowing – not allowed if claimed as application prior to 1.4.2021.
- Corpus or the loan or borrowing amount repaid shall not be considered as application for charitable or religious purposes unless repayment is made within 5 years from the end of PY in which application was made from loan or borrowing.
- It is proposed to consider only 85% of the eligible donations made by a trust or institution to another trust or institution as application of such donation for charitable or religious purposes.
- Following trust or institution shall apply for registration, where the activities:
 1. Have not commenced at least 1 month prior to the PY relevant to AY from which the said registration is sought.
 2. Commenced but no income or part thereof has been excluded from total income.
- 2nd,3rd and 4th proviso to be omitted under section 12A.
- Benefit of s, 10(23C) / 11 / 12 not to be given if ITR not filed by the due date u/s 139(1) or 139(4).
- Form 9A / 10 to be filed at least 2 months prior to due date u/s 139(1).
- Procedure for fresh registration:
 1. When the Principal Commissioner or Commissioner is not satisfied with the objects or genuineness of trust or institution's activities then he shall pass the order to reject the application and cancelling its registration after affording a reasonable opportunity of being heard.
 2. A new clause is inserted to provide specified violation when the application is incomplete or contains false or incorrect information.

- Benefit of section 10(23C) / 11 / 12 not to be given if ITR not filed by the due date u/s 139(1) or 139(4), due to updated return.
- Non-renewal of registration after defined period to be covered u/s 115TD to be taxed as accreted income at maximum marginal rate. (w.e.f. 1st April,2023)

VIII. PROVISIONS RELATED TO UPDATED RETURN OF INCOME

- The Finance Act of 2022 has inserted a new section 139(8A), which allows taxpayers to file updated returns within 2 years of the end of the relevant assessment year, subject to conditions and payment of additional tax. The amount of additional tax is determined through section 140B. Section 140B(4), provides for the computation of interest under section 234B on the updated return, which is calculated on the difference between the assessed tax and the advance tax. The proposed amendment clarifies that the interest is computed on the assessed tax after deducting the advance tax claimed in an earlier return, if any.

IX. INTERNATIONAL TAXATION

- Section 92D is about the requirement for assessee who have entered into international or certain domestic transactions to keep information and documents related to such transactions (e.g. Transfer Pricing Study). If the tax authorities need these records, they can ask for the same and the assessee has 30 days to submit these documents. Now this time limit has been reduced to 10 days, however the authorities can still extend the deadline by another 30 days if needed.

(w.e.f. 1st April,2023)

- Section 94B provides for disallowance of interest if they owe more than 1 crore rupees in interest to a non-resident associated enterprise, the amount they can deduct is limited to 30% of their earnings before interest, taxes, depreciation and amortisation or interest paid or payable to associated enterprise. Interest to banks and insurance entities were already excluded, now interest payable specified NBFCs is also to be excluded.

(w.e.f. 1st April,2024)

X. AMENDMENTS RELATED TO ASSESSMENT PROCEEDINGS

- To reduce the burden of Commissioner of Income Tax (Appeals) having powers to confirm, reduce, enhance or annul/ cancel an order of assessment or an order of penalty, a new authority for appeals is being proposed to be created at Joint Commissioner/ Additional Commissioner level to handle certain class of cases having small amount of disputed demand and giving them powers under the following sections:

1. U/s 131 Powers regarding discovery, production of evidences etc.
2. U/s 133 Power to call information from
3. U/s 134 Power to inspect register of companies
4. U/s 154 Rectification of Mistakes
5. U/s 158A Procedure when assessee claims identical question of law is pending before High Court or Supreme Court.

6. U/s 158AB Procedure where an identical question of law is pending before High Court or Supreme Court.
 7. U/s 270A Penalty for under-reporting and misreporting of income
 8. U/s 271 Failure to furnish returns, comply with notices, concealment of income, etc
 9. U/s 271A Failure to keep, maintain or retain of books of account, documents etc.
 10. U/s 271AAC Penalty in respect of certain income
 11. U/s 271AAD Penalty for false entry etc. in books of accounts
 12. U/s 271J Penalty for furnishing incorrect information in reports or certificates
 13. U/s 275 bar of limitation for imposing penalties
- The proposed amendment to the section 132 of the Act allows the authorized officer to requisition the services of any person or entity approved by the Principal Chief Commissioner or the Chief Commissioner, or the Principal Director General or the Director General, in accordance with the procedure prescribed by the Board. Additionally, the authorized officer may also make reference to any person or entity or any valuer registered under any law to estimate the fair market value of the property during and post search enquiries. The valuer must submit the report of the estimated fair market value to the authorized officer or the Assessing Officer within 60 days from the receipt of the reference.
(w.e.f. from 1st April 2023)
 - Timeline for completing the assessment or reassessment in search cases is linked to the execution of the last authorisation during the search procedure. To provide clarity, it is proposed to provide the meaning of execution of last authorisation under section 132 itself, since the provisions of section 153B are no longer applicable. (w.e.f. from 1st April 2022)
 - New proviso introduces to section 135A for faceless collection of information that central government may amend any direction, issued on or before 31st March, 2022 by notification in official gazette.
 - Section 142(2A) to be amended to prevent permanent deferral of taxes through undervaluation of inventory. The Assessing Officer will be able to direct the assessee to get the inventory valued by a cost accountant in practice nominated by the tax authority. The assessee will be given the opportunity to be heard in case the assessment is based on the material gathered from the inventory valuation. (w.e.f. from 1st April 2023)
 - Section 148 to be amended to streamline the process of conducting reassessment proceedings under the Act. The amendment proposes to shorten the time frame for furnishing a return in response to a notice under section 148 of the Act to three months or as allowed by the Assessing Officer and if returns furnished after this time frame the same will not be considered as a return u/s 139 of the Act and accordingly assessing officer will not mandatorily require to issue notice u/s 143(2).
 - A proviso in section 149 to be inserted to provide additional time for the Assessing Officer to issue a notice under section 148 in cases where a search under section 132 or requisition under section 132A is conducted after 15th March of a financial year. The provision will exclude a period of 15 days for computing the period of limitation for the issuance of

notice, and the notice will be deemed to have been issued on 31st March of the financial year.

- It is proposed to clarify that the approving authority under clause (ii) of s. 151 would be the Principal Chief Commissioner, Principal Director General, Chief Commissioner, or Director General. Additionally, a proviso has been proposed to be added to s. 151 to make it clear that while computing the three-year period for determining the approving authority, any time excluded or extended as per the provisions in section 149 of the Act for issuing a notice under section 148 of the Act must be taken into account.
- Time period to complete assessment provided in section 153 again increased from 9 months from the end of the financial year in which the return was furnished to 12 months from the end of the assessment year or financial year in which the return was furnished.
- The provisions of sub-section (3), (5) and (6) of section 153 of the Act shall also be applicable to order under section 263 or section 264 passed by the Principal Chief Commissioner or Chief Commissioner. (w.e.f. from 1st April 2023)
- It is proposed to insert sub section (19) to s. 155 in order to provide the relief u/s 36(1) clause (xvii), where deduction for expenditure incurred for the purchase of sugarcane has been claimed by the assessee and disallowed in whole or in part. The Assessing Officer shall recompute the assessee's total income for that previous year based on an application made by the assessee, and the Assessing Officer will allow the deduction to the extent that the expenditure was incurred at a price equal to or less than the price fixed or approved by the government for that previous year.

(w.e.f. from 1st April 2023)

- To resolve the issue of taxpayers not being able to claim TDS credit for income already disclosed in previous year's return, an amendment has been proposed to streamline the process and facilitate the TDS credit in such cases by inserting clause (20) to s. 155 in order to allow the assessee to make an application to the Assessing Officer for such TDS credit in a subsequent financial year when the income was already disclosed in the return of income in a previous year. The application must be made within two years from the end of the financial year in which TDS was deducted.

Interest on refund would be given from date of application u/s 244A. The provisions of section 154 of the Act will apply, and the four-year period will be counted from the end of the financial year in which TDS was deducted.

(w.e.f. from 1st October 2023)

- S. 270AA(6) to be amended by giving reference to the appeal filed under section 246 before the Joint Commissioner (Appeals) to make it applicable under the provisions of the said sub-section.
- New proviso introduces to section 274 related to the procedure for imposing a penalty that central government may amend any direction, issued on or before 31st March, 2022 by notification in official gazette.
- Section 241A has been made ineffective from 1st April 2023. This section provided power of withholding refunds in case, a notice of assessment has been issued under section 143 (2). The power of such withholding shall now be available to AOs by virtue of section 245.

(w.e.f. 1st April 2023)

- Section 244 provides for interest to be paid to assesses on refund of income tax. The section is being amended to provide that additional interest on such refunds which has been on hold due to any assessment/reassessment proceedings shall not be given at additional rate for the period of such hold of refunds.

(w.e.f. 1st April 2023)

- Section 245 amended to adjust any refund with any tax dues and withhold of a refund against any expected tax dues pending assessment or reassessment under any section has now been conferred upon the AO or Commissioner or Principal Commissioner or Chief Commissioner or Principal Chief Commissioner. S. 241A submerged in this section now.

(w.e.f. 1st April 2023)

- Section 245D to be amended to provide that where the time limit for amending an order or for making an application for rectification under sub section 6B expired on or after 01.02.2021 but before 01.02.2022, such time limit has been extended to 30.09.2023.

(W.r.e.f. 1st February 2021)

- Section 245MA (e-Dispute Resolution Scheme) & 245R (e-Advance Ruling Scheme, 2022) has been amended to give power to central government to amend such directions which was issued for the purpose of giving effect to the scheme under these section before the expiry of its limitation i.e. 31.03.2023 at any time by notification in the official gazette.

(w.e.f. 1st April 2023)

XI. AMENDMENTS RELATED TO TDS / TCS

- TCS under section 206C(1G).

S. No.	Type of remittance	Present rate	Proposed rate
1.	Overseas tour package	5% without any threshold limit.	20% without any threshold limit.
2.	LRS	5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh.	20% without any threshold limit.
3.	LRS for education by taking education loan u/s 80E	0.5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh.	0.5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh.
4	LRS for education (other than (3) above) or medical treatment	5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh.	5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh.

- Section 192A provides for TDS on withdrawal of PF when employee fails to furnish its PAN in relation to receive any amount on which tax is deductible, was done at the maximum marginal rate, now it is proposed to deduct at @ 20% instead of at the maximum marginal rate.

(w.e.f 1st day of April, 2023)

- TDS is proposed to be applicable on payment of interest on listed debentures to a resident under Section 193, which was earlier exempt from deduction.
(w.e.f 1st day of April, 2023)
- Section 194B to provide for TDS on winnings from lottery etc. on the amount or aggregate of the amounts exceeding Rs.10,000 during the financial year and to exclude online games from the purview of the said section from the 1st day of July, 2023, since a new section 194BA is proposed to be introduced for the same.
(w.e.f 1st day of April, 2023)
- Insertion of new section 194BA to provide for TDS on net winnings at the end of the financial year from Online Games. However, in case there is withdrawal from such account during the financial year, the income-tax shall be deducted at the time of such withdrawal on net winnings comprised in such withdrawal. In a case where the net winnings are wholly/ Partly in kind or cash, the person responsible for paying shall ensure that tax has been paid in respect of the net winnings.
(w.e.f 1st day of July, 2023)
- Section 194BB to provide for TDS on winnings from horse race on the amount or aggregate of the amounts exceeding Rs.10,000 during the financial year. Earlier it was not aggregate.
(w.e.f 1st day of April, 2023)
- Section 194N which provides for TDS from an amount equal to 2% of sum withdrawn from bank, only when the payment of amount or aggregate of amount in cash during the year exceeds one crore rupees. It is proposed that where the recipient is a co-operative society the amount is increased to "three crore rupees".
(w.e.f 1st day of April, 2023)
- Section 194R to be amended to clarify by way of insertion of an Explanation to provide that provision of 10% TDS shall apply to benefit or perquisite whether in cash or in kind or partly in cash and partly in kind.
(w.e.f 1st day of April, 2023)
- Section 196A provides for TDS on payment of certain income to a non-resident (not being a company) or to a foreign company, at the rate of 20% in respect of income from units of a Mutual Fund as specified. It is proposed to provide that the TDS would be at the rate which is lower of the rate of 20% or the rate provided in section 90/90A of the Act, in case of a payee has furnished the tax residency certificate.
(w.e.f 1st day of April, 2023)
- Section 197 amended to allow for grant of a certificate of tax deduction at lower or nil rate under section 194LBA too.
(w.e.f 1st day of April, 2023)
- Section 206AB and section 206CCA providing for special provision for higher TDS/TCS for non-filers of income-tax returns amended to exclude a person who is not required to furnish

the return of income for the assessment year relevant to the said previous year and who is notified by the Central Government in the Official Gazette.

(w.e.f 1st day of April, 2023)

XII. SET OFF AND CARRY FORWARD OF LOSSES

- Section 72AA to be amended to allow carry forward of accumulated losses and unabsorbed depreciation allowance in the case of amalgamation of one or more banking company with any other banking institution or a company subsequent to a strategic disinvestment, if such amalgamation takes place within 5 years of strategic disinvestment.

(w.e.f. 1st April, 2023)

- The time period for loss of eligible start-ups for the purpose of carry forward and set off has been increased from 7 years to 10 years from the date of incorporation u/s 72A

(w.e.f. 1st April, 2023)

XIII. PENALTIES & PROSECUTION

- Currently, there is no clear requirement for a penalty or prosecution for a person who does not pay or ensure payment of tax in situations where the benefit or perquisite is passed in kind. The proposal suggests adding two new subclauses to section 271C and similar amendments to section 276B to clarify that a penalty and prosecution are applicable in such situations. The proposal also includes drafting changes to align the language with related provisions.

(w.e.f. 01st April, 2023)

- As a result of a proposal to insert section 194BA into the legal act, it is proposed to add a new sub-clause under sections 271C and 276B. This new sub-clause would refer to section 194BA(2), indicating that provisions related to penalty and prosecution would apply in relation to that section as well.

(w.e.f. 1st July, 2023)

- A new sub-section (2) is proposed to be inserted in section 285BA which will impose a penalty of Rs. 5000 on reporting financial institutions for any inaccuracies in the financial transactions statement due to false or inaccurate information submitted by the account holder. The reporting financial institution can recover the penalty from the account holder. The prescribed authority to levy the penalty is the under section 285BA(1).
- Section 276B providing rigorous imprisonment from 3 months to 7 years extended for violations to pay tax u/s 194R, 194S & 194BA.
- No proceedings to be initiated under section 276A which punishes liquidators (people who handle the closing of a company) for not following a specific rule (Section 178) on or after 1.4.2023.
- Prosecution to be at instance of Commissioner

1. A person shall not be proceeded against for an offence under section-276 or section-277 or section-278 except at the instance of the Commissioner.

2. The Commissioner may either before or after the institution of proceedings compound any such offence.

XIV. MISCELLANEOUS PROVISIONS

- Section 269SS to be amended to raise the limit of loan taken or deposit accepted by a primary agricultural credit society (PACS) or a primary co-operative agricultural and rural development bank (PCARDB) from its members from Rs.20 thousands to Rs.2 Lakhs.

(w.e.f. 1st April 2023)

- Section 269T to be amended to raise the limit of loan or deposit repaid by a primary agricultural credit society (PACS) or a primary co-operative agricultural and rural development bank (PCARDB) to its member from Rs.20 thousands to Rs.2 Lakhs.

(w.e.f. 1st April 2023)

- Substitution of new section for section 170A which provides:

1. Procedural amendment is made for processing modified tax returns in case of business reorganization issued by tribunal or court or an Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016.
2. The successor entity shall furnish, within a period of six months from the end of the month in which the said order was issued, a modified return and will enable modification of the returns filed by the predecessor wherever required.
3. Further, it is proposed that the Assessing Officer shall pass an order modifying the total income of the relevant assessment year in accordance with the order of the business reorganisation and taking into account the modified return so furnished.

(w.e.f 1st day of April, 2023)

- The following persons are being excluded from the purview of section 115JC & section 115JD of the Income Tax Act relating to the tax credit of Minimum Alternate Tax & alternate minimum tax respectively:

1. the person has exercised the option referred to in sub-section (5) of section 115BAC, sub-section (5) of section 115BAD, or sub-section (5) of section 115BAE, or
2. the income tax payable in respect of the person's total income is computed under sub-section (1A) of section 115BAC.

(w.e.f. 1st April,2024)

GOODS AND SERVICE TAX PROPOSALS - BUDGET 2023

AMENDMENTS RELATED TO REGISTRATION

- Clause (d) of sub-section (2) and Clause (c) of sub-section (2A) in section 10 is being amended to remove the restriction imposed on registered persons engaged in supplying goods through electronic commerce operators from opting to pay tax under the Composition Levy
- Sub-section (1) and sub-section (2) of section 23 of the CGST Act are being amended, with retrospective effect from 01st July, 2017, so as to provide that persons for compulsory registration in terms of sub section (1) of section and section 22 of the Act need not register if exempt under sub section (1) of section 23 or section 24

AMENDMENTS RELATED TO RETURNS

Various sections is being amended to provide a time limit of 3 years in furnishing the transaction and returns of a particular tax period

- Sub-section (5) in section 37 of the CGST Act- is being inserted so as to provide a time limit of 3 years from the due date of furnishing the said details, upto which the details of outward supplies for a tax period can be furnished by a registered person.
- Sub-section (11) in section 39 of the CGST Act is being inserted so as to provide a time limit 3 years from the due date of furnishing the said return, upto which the return for a tax period can be furnished by a registered person.
- Sub-section (2) in section 44 of the CGST Act is being inserted so as to provide a time limit of 3 years from the due date of furnishing the said annual return, upto which the annual return under sub-section (1) of the said section for a financial year can be furnished by a registered person
- Sub-section (15) in section 52 of the CGST Act is being inserted so as to provide a time limit of 3 years from the due date of furnishing the said statement, upto which the statement under sub-section (4) of the said section for a month can be furnished by an electronic commerce operator

Further, it also seeks to provide an enabling provision for extension of the said time limit, subject to certain conditions and restrictions, for a registered person or a class of registered persons.

AMENDMENTS RELATED TO REFUND

- Sub-section (6) of section 54 of the CGST Act is being amended so as to remove the reference to the provisionally accepted input tax credit to align the same with the present scheme of availment of self-assessed input tax credit as per sub-section (1) of section 41 of the said Act
- Section 56 of the CGST Act is being amended so as to provide for an enabling provision to prescribe manner of computation of period of delay for calculation of interest on delayed refunds.

AMENDMENTS RELATED TO PENAL PROVISION

- Sub-section (1B) in section 122 of the CGST Act is being inserted so as to provide for penal provisions applicable to Electronic Commerce Operators in case of contravention of provisions relating to supplies of goods made through them by unregistered persons or composition taxpayers.
- Following clauses from sub-section (1) of section 132 of the CGST Act is being omitted to decriminalize offences
 - Clause (g)- obstructs or prevents any officer in the discharge of his duties under this Act
 - Clause (j)- tampers with or destroys any material evidence or documents;
 - Clause (k)- fails to supply any information which he is required to supply under this Act or the rules made thereunder or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) supplies false information;
- First proviso to sub-section (1) of section 138 of the CGST Act is being amended so as to simplify the language of clause (a), to omit clause (b) and to substitute the clause (c) of said proviso so as to exclude the persons involved in offences relating to issuance of invoices without supply of goods or services or both from the option of compounding of the offences under the said Act.

It further seeks to amend sub-section (2) so as to rationalize the amount for compounding of various offences by reducing the minimum as well as maximum amount for compounding.

OTHER AMENDMENTS

- A new section 158A in the CGST Act is being inserted so as to provide for prescribing manner and conditions for sharing of the information furnished by the registered person in his return or in his application of registration or in his statement of outward supplies, or the details uploaded by him for generation of electronic invoice or E-way bill or any other details, as may be prescribed, on the common portal with such other systems, as may be notified
- Schedule III of the CGST Act is being amended to give retrospective applicability to Para 7, 8 (a) and 8 (b) of the said Schedule, with effect from 01st July, 2017, so as to treat the activities/ transactions mentioned in the said paragraphs as neither supply of goods nor supply of services. The supplies covered under the said paragraphs is:
 - Para 7- Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
 - Para 8- (a) Supply of warehoused goods to any person before clearance for home consumption;
 - (b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.]

It is also being clarified that where the tax has already been paid in respect of such transactions/ activities during the period from 01st July, 2017 to 31st January, 2019, no refund of such tax paid shall be available

- Clause (16) of section 2 of the IGST Act is being amended so as to revise the definition of "non-taxable online recipient" by removing the condition of receipt of online information and database access or retrieval services (OIDAR) for purposes other than commerce, industry or any other business or profession so as to provide for taxability of OIDAR service provided by any person located in nontaxable territory to an unregistered person receiving the said services and located in the taxable territory.

Further, it also seeks to clarify that the persons registered solely in terms of clause (vi) of Section 24 of CGST Act shall be treated as unregistered person for the purpose of the said clause.

Also, clause (17) of the said section is being amended to revise the definition of "online information and database access or retrieval services" to remove the condition of rendering of the said supply being essentially automated and involving minimal human intervention.

- Proviso to sub-section (8) of section 12 of the IGST Act is being omitted so as to specify the place of supply, irrespective of destination of the goods, in cases where the supplier of services and recipient of services are located in India.

CUSTOM PROPOSALS

AMENDMENTS

- Proviso under sub-section 4A of Section 25 is being inserted to benefit certain transactions on which condition of two year in case of any exemption provided by the government is not applicable. The exemptions will be valid to this transaction even after expiry of two years from the date of such grant or variation
- Sub-section (8A) is being inserted under Section 127C to provide a time limit of 9 months to the settlement officer to pass the order against the application of settlement filed by the applicants which can be extended for a further period not exceeding three months

For any pending application the said period of nine months shall be reckoned from the date on which the said Finance Bill receives the assent of the President."

PROPOSALS INVOLVING CHANGES IN RATES OF DUTY

A. TARIFF RATE CHANGES FOR BASIC CUSTOMS DUTY

APPLICABLE WITH EFFECT FROM 02.02.2023

Chemicals

Particulars/Items	Rate of Duty
Styrene	From 2% to 2.5%
Vinyl Chloride Monomer	From 2% to 2.5%

Rubber

Particulars/Items	Rate of Duty
Compounded Rubber	From 10% to 25% or Rs. 30 per kg., whichever is lower

Gems and Jewellery Sector

Particulars/Items	Rate of Duty
Articles of precious metals	From 20% to 25%
Intimation Jewellery	From 20% or Rs. 400 per kg., whichever is higher to 25% or Rs. 600 per kg., whichever is higher

Electrical Goods

Particulars/Items	Rate of Duty
Electrical Kitchen Chimney	From 7.5% to 15%

Automobiles and Toys

Particulars/Items	Rate of Duty
Bicycles	From 30% to 35%
Toys and part of toys (other than parts of electronic toys)	From 60% to 70%

B. TARIFF RATE CHANGES (WITHOUT ANY CHANGE TO THE EFFECTIVE RATES OF BASIC CUSTOMS DUTY)**Commodity**

Particulars/Items	Rate of Duty
New or retreaded pneumatic tyres, of rubber, of a kind used on aircraft of heading 8802	From 3% to 2.5%
Base metals clad with silver, not further worked than semi-manufactured	From 12.5% to 10%
Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form	From 12.5% to 10%
Base metals or silver, clad with gold, not further worked than semi-manufactured	From 12.5% to 10%
Platinum, unwrought or in semi-manufactured form, or in powder form	From 12.5% to 10%
Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal other than goods of heading 8549	From 12.5% to 10%
Coin	From 12.5% to 10%
Aero planes and other aircrafts	From 3% to 2.5%

C. TARIFF RATE CHANGES (WITH CHANGE TO THE EFFECTIVE RATES OF BASIC CUSTOMS DUTY)**Commodity**

Particulars/Items	Rate of Duty
Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	From 12.5% to 10%

D. CHANGE IN BASIC CUSTOM DUTY

Particulars/Items	Rate of Duty
Pecan nuts	From 100% to 30%
Fish lipid oil for use in manufacture of aquatic feed	From 30% to 15%
Crude glycerin for use in manufacture of Epichlorohydrin	From 7.5% to 2.5%
Algal Prime (flour) for use in manufacture of aquatic feed	From 30% to 15%
Denatured ethyl alcohol for use in manufacture of industrial chemicals	From 5% to NIL
Fish meal for use in manufacture of aquatic feed	From 15% to 5%
Krill meal for use in manufacture of aquatic feed	From 15% to 5%
Mineral and Vitamin Premixes for use in manufacture of aquatic feed	From 15% to 5%

Minerals

Particulars/Items	Rate of Duty
Acid grade fluorspar (containing by weight more than 97% of calcium fluoride)	From 5% to 2.5%

Petrochemicals

Particulars/Items	Rate of Duty
Naphtha	From 1% to 2.5%

Gems and Jewellery Sector

Particulars/Items	Rate of Duty
Seeds for use in manufacturing of rough lab-grown diamonds	From 5% to NIL
Silver (including silver plated with gold or platinum), unwrought or in semimanufactured forms, or in powder form	From 7.5% to 10%
Silver Dore	From 6.1% to 10%

IT, Electronics

Particulars/Items	Rate of Duty
Specified chemicals/items for manufacture of Pre-calcined Ferrite Powder	From 7.5% to NIL

Palladium Tetra Amine Sulphate for manufacture of parts of connectors	From 7.5% to NIL
Camera lens and its inputs/parts for use in manufacture of camera module of cellular mobile phone	From 2.5% to NIL
Specified parts for manufacture of open cell of TV panel	From 5% to 2.5%

Electronic appliances

Particulars/Items	Rate of Duty
Heat Coil for use in the manufacture of Electric Kitchen Chimneys	From 20% to 15%

Automobiles

Particulars/Items	Rate of Duty
Vehicle (including electric vehicles) in Semi-Knocked Down (SKD) form.	From 30% to 35%
Vehicle in Completely Built Unit (CBU) form, other than with CIF more than USD 40,000 or with engine capacity more than 3000 cc for petrolrun vehicle and more than 2500 cc for diesel-run vehicles, or with both	From 60% to 70%
Electrically operated Vehicle in Completely Built Unit (CBU) form, other than with CIF value more than USD 40,000	From 60% to 70%
Vehicles, specified automobile parts/components, sub-systems and tyres when imported by notified testing agencies for the purpose of testing and/or certification, subject to conditions	From As applicable to NIL

Capital goods

Particulars/Items	Rate of Duty
Specific capital goods/machinery for manufacture of Lithium ion cell for use in battery of electrically operated vehicle (EVs)	From As applicable to NIL

E. CHANGE IN BASIC CUSTOMS DUTY (WITHOUT ANY CHANGE IN THE EFFECTIVE RATE OF CUSTOMS DUTIES I.E., BCD+AIDC+SWS)

Commodity

Particulars/Items	Rate of Duty
Coal, peat, lignite	From 1% to 2.5%
Gold (including gold plated with platinum) unwrought or in semimanufactured forms, or in powder form	From 12.5% to 10%

Particulars/Items	Rate of Duty
Gold Dore	From 11.85% to 10%
Platinum, unwrought or in semimanufactured form, or in powder form other than those used in manufacture of noble metal compounds, noble metal solutions and catalytic converters	From 12.5% to 10%

CHANGE IN END DATE OF EXEMPTION (NO CHANGE IN EFFECTIVE RATE OF DUTY)

Commodity

Particulars/Items	Rate of Duty
Ferrous waste and scrap	From Nil to Nil (up to 31.03.2024)
Raw materials for use in manufacture of CRGO steel	From Nil to Nil (up to 31.03.2024)
Lithium-ion cell for use in the manufacture of battery or battery pack of cellular mobile phone	From 5% to 5% (up to 31.03.2024)
Lithium-ion cell for use in the manufacture of battery or battery pack of electrically operated vehicle (EVs) or hybrid motor vehicle	From 5% to 5% (up to 31.03.2024)
Specified inputs and sub-parts for use in manufacture of telecommunication grade optical fibre or optical fibre cables	From Nil to Nil (up to 31.03.2025)
Preform of silica for use in the manufacture of telecommunication grade optical fibres or optical fibre cables	From 5% to 5% (up to 31.03.2025)
Inputs for manufacture of Preform of silica	From Nil to Nil (up to 31.03.2025)
Specified inputs for use in the manufacture of EVA sheet or back sheets which are used in the manufacture of solar cell or modules	From Nil to Nil (up to 31.03.2024)
Solar tempered glass for use in the manufacture of solar cell or solar Module	From Nil to Nil (up to 31.03.2024)
Raw materials and parts for manufacture of wind operated electricity generators, including permanent magnets for manufacture of PM synchronous generators above 500KW for use in wind operated electricity operators	From 5% to 5% (up to 31.03.2025)
Raw material and parts (including Dredger) for use in the manufacture of ships/vessels	From Nil to Nil (up to 31.03.2025)
Specified Drugs, medicines, diagnostics kits or equipment, bulk drugs used in manufacture of drugs or medicines	From 5% to 5% (up to 31.03.2025)
Lifesaving drugs/ medicines and diagnostic test kits, bulk drugs used in manufacture of life-saving drugs or medicines	From Nil to Nil (up to 31.03.2025)

REVIEW OF CONDITIONAL EXEMPTION RATES

The BCD exemption for certain goods as notified is being extended for a period of one year i.e. upto 31st March 2024

BCD EXEMPTIONS IS BEING WITHDRAWN W.E.F 31.03.2023

S. No. of Notification	Description
S. No. 16 of 50/2017- Customs	This exemption entry pertaining to 'Human Embryo'
S. No. 325 of 50/2017	This exemption entry pertaining to 'Monofilament Yarn'
48/2017- Customs	Exemption to catering cabin equipment, food and drinks on reimportation by aircrafts of the Indian Airlines Corporation from foreign flights

REVISION OF AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC)

AIDC rate changes (with changes to the effective rate of Customs Duty)

Commodity	Rate of Duty
Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	2.5% to 5%
Silver Dore	2.5% to 4.35%

Changes to AIDC (without any change to the effective rate of Customs Duty)

Commodity	Rate of Duty
Coal, peat, lignite	1.5% to Nil
New pneumatic tyres, of rubber, of a kind used on aircraft	Nil to 0.5%
Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form	2.5% to 5%
Gold Dore	2.5% to 4.35%
Platinum other than rhodium and goods	1.5% to 5.4%
Aero planes and other aircraft	Nil to 0.5%

SOCIAL WELFARE SURCHARGE (SWS)

Some notified goods are being exempted from levy of Social Welfare Surcharge in order to maintain the total effective duty owing to rationalization of basic customs duty rate structure.

EXCISE PROPOSALS

AMENDMENT TO SEVENTH SCHEDULE TO THE FINANCE ACT, 2001

The Seventh Schedule to the Finance Act, 2001 is being amended w.e.f. 02.02.2023* to revise the NCCD rates on specified cigarettes under HS 2402 as detailed below: [Clause 153 read with Sixth Schedule of the Finance Bill, 2023] Tariff item Description Unit

Particulars/Items	Rate of NCCD (in Rs. Per thousand)
Other than filter cigarettes, of length not exceeding 65 millimetres	From 200 to 230
Other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 70 millimetres	From 250 to 290
Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 65 millimetres	From 440 to 510
Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 65 millimetres but not exceeding 70 millimetres	From 440 to 510
Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres	From 545 to 630
Others	From 735 to 850
Cigarettes of tobacco substitutes	From 600 to 690

*Will come into effect immediately through a declaration under the Provisional Collection of Taxes act, 1931.

Note:

- "Basic Excise Duty" means the excise duty set forth in the Fourth Schedule to the Central Excise Act, 1944.
- "NCCD" means National Calamity Contingent Duty levied under Finance Act, 2001, as a duty of excise on specified goods at rates specified in Seventh Schedule to Finance Act, 2001
- Clause Nos. in square brackets [] indicate the relevant clause of the Finance Bill, 2023.
- Amendments carried out through the Finance Bill, 2023 come into effect on the date of its enactment, unless otherwise specified.

NOTIFICATION NO. 05/2023-CENTRAL EXCISE, DATED 01.02.2023 W.E.F 2ND FEBRUARY, 2023**Amendment**

Notification No. 05/2023-Central Excise dated 01.02.2023 is being issued to exempt excise duty on lended Compressed Natural Gas (CNG) from so much of the amount as is equal to GST paid on biogas /compressed bio gas contained in such blended CNG subject to the specified conditions.

OTHER ACTS PROPOSALS

GOVERNMENT SAVINGS PROMOTION ACT, 1873

- Sub section (4) of Section 4A is being substituted to, If a depositor dies and no nomination is in force at the time of his death, and the probate of his will or letters of administration of estate or a succession certificate granted under the Indian Succession Act, 1925, or legal heir certificate issued by the revenue authority not below the rank of Tahsildar having jurisdiction, is not produced within six months from the date of death of the depositor to the Authorised Officer, then, where the eligible balance does not exceed such limit as may be prescribed, the Authorised Officer may, for reasons to be recorded in writing, pay the eligible balance to the person legally entitled to receive it or to administer the estate of the deceased in accordance with such procedure and manner as may be prescribed,

Earlier the secretary may pay the same to any person appearing to him to be entitled to receive it or to administer the estate of the deceased and any officer employed in the management of a Government Savings Bank who is empowered in this behalf by a general or special order of the Central Government may, to the extent to which he is empowered by such order and subject to any general or special orders of the Secretary in this behalf, pay the deposit to any person appearing to him to be entitled to receive it or to administer the estate.

- Section 18A contract on derivatives shall also be legal and valid if such contract are regulated by the International Financial Services Centres Authority, in an International Financial Services Centre and issued by a Foreign Portfolio Investor.

PROHIBITION OF BENAMI PROPERTY TRANSACTIONS ACT, 1988

- Section 46 is being amended to provide that the period of 45 days to file the appeal against order of the Adjudicating Authority starts from the date such order is received by the Initiating Officer or received by such person. Earlier, the period of days starts from the date of order

OTHER GENERAL PROPOSALS

OVERVIEW OF INDIAN ECONOMY

- Gross Domestic Product (GDP) growth is projected to contract by 7 % in 2022-23 as compared to a growth of 9.2 % in 2021-22.
- The fiscal deficit in 2022-23 is pegged at 6.4% of GDP and the same in 2023-24 is estimated at 5.9% of GDP.
- Indian economy has increased in size from being 10th to 5th largest in the world in the past nine years.

INCLUSIVE DEVELOPMENT

- Inclusive development covers in specific, farmers, women, youth, OBCs, Scheduled Castes, Scheduled Tribes, divyangjan and economically weaker sections, and overall priority for the underprivileged. There has also been a sustained focus on Jammu & Kashmir, Ladakh and the North-East.
- For Farmer centric solutions, digital public infrastructure for agriculture will be built as an open source
- An Agriculture Accelerator Fund will be set-up to encourage agri-startups by young entrepreneurs in rural areas.
- A cluster-based and value chain approach through Public Private Partnerships (PPP) will be adopted to enhance the productivity of extra-long staple cotton
- Atmanirbhar Clean Plant Program will be launched to boost availability of disease-free, quality planting material for high value horticultural crops.
- The Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level to make India a global hub for 'Shree Anna'.
- Launching a new sub-scheme of PM Matsya Sampada Yojana to further enable activities of fishermen, fish vendors, and micro & small enterprises.
- To promote cooperative-based economic development model for farmers, a new Ministry of Cooperation was formed with a mandate to realise the vision of 'Sahakar Se Samridhi'.
- Massive decentralised storage capacity will be setup to help farmers store their produce and realize remunerative prices through sale at appropriate times.
- 157 new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014.
- Sickle Cell Anaemia Elimination Mission will be launched to entail awareness creation, universal screening of 7 crore people in the age group of 0-40 years in affected tribal areas, and counselling through collaborative efforts of central ministries and state governments.
- Dedicated multidisciplinary courses for medical devices will be supported in existing institutions to ensure availability of skilled manpower for futuristic medical technologies, high-end manufacturing and research.

- District Institutes of Education and Training will be developed to re-envisioned teachers' training
- A National Digital Library for children and adolescents will be set-up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility.
- To build a culture of reading, the National Book Trust, Children's Book Trust and other sources will be encouraged

REACHING THE LAST MILE (INFRASTRUCTURE GROWTH)

- Capex outlay to increase by 33% to 10 lakh crore being 3.3% of GDP
- Railway outlay at record of 2.40 lakh crore
- To provide a sharper focus to the objective of 'reaching the last mile, new ministries like the ministries of AYUSH, Fisheries, Animal Husbandry and Dairying, Skill Development, Jal Shakti and Cooperation has formed.
- To improve socio-economic conditions of the particularly vulnerable tribal groups (PVTGs), Pradhan Mantri PVTG Development Mission will be launched.
- Centre to recruit 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students over the next three years.
- The outlay for PM Awas Yojana is being enhanced by 66 per cent to over Rs. 79,000 crores
- 'Bharat Shared Repository of Inscriptions' will be set up in a digital epigraphy museum.
- One hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified.
- Fifty additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.
- An Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall which will be managed by the national Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.
- All cities and towns will be enabled for 100 per cent mechanical desludging of septic tanks and sewers to transition from manhole to machine-hole mode.
- Capital outlay of Rs. 2.40 lakh crore has been provided for the Railways, which is the highest ever outlay and about nine times the outlay made in 2013-14.

UNLEASHING THE POTENTIAL

- The government has also launched an integrated online training platform, *iGOT Karmayogi*, to provide continuous learning opportunities for lakhs of government employees to upgrade their skills and facilitate people-centric approach.
- For enhancing ease of doing business, more than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalized.
- For realizing the vision of "Make AI in India and Make AI work for India", three centres of excellence for Artificial Intelligence will be set-up in top educational institutions.

- To unleash innovation and research by start-ups and academia, a National Data Governance Policy will be brought out.
- The KYC process will be simplified adopting a 'risk-based' instead of 'one size fits all' approach
- DigiLocker service and Aadhaar as foundational identity will be established as One stop solution for identity and address updating
- For obviating the need for separate submission of same information to different government agencies, a system of 'Unified Filing Process' will be set-up
- For efficient administration of justice, Phase-3 of the E-Courts project will be launched
- To enable more Fintech innovative services, the scope of documents available in DigiLocker for individuals will be expanded
- Entity DigiLocker to be setup for use by MSMEs, large business and charitable trusts to store and share documents online securely.
- 100 labs to be setup for 5G services based application development to realize a new range of opportunities, business models, and employment potential.

GREEN GROWTH

- National Green Hydrogen Mission was launched recently which will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports
- To steer the economy on the sustainable development path, Battery Energy Storage Systems with capacity of 4,000 MWH will be supported with Viability Gap Funding
- For encouraging behavioural change, a Green Credit Programme will be notified under the Environment (Protection) Act.
- "PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth" will be launched to promote alternative fertilizers and balanced use of chemical fertilizers
- 500 new 'waste to wealth' plants under GOBARDhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme will be established for promoting circular economy.
- 1 crore farmers will be facilitated to adopt natural farming on over 3 years
- Coastal shipping will be promoted as the energy efficient and lower cost mode of transport, both for passengers and freight

YOUTH POWER

- National Education Policy was formulated to empower our youth, focused on skilling, adopted economic policies that facilitate job creation at scale, and have supported business opportunities
- Pradhan Mantri Kaushal Vikas Yojana 4.0 will be launched to skill lakhs of youth within the next three years
- The digital ecosystem for skilling will be further expanded with the launch of a unified Skill India Digital platform

- Skill India International Centres to be set up across different States to skill youth for international opportunities.
- To provide stipend support to 47 lakh youth in three years, Direct Benefit Transfer under a pan-India National Apprenticeship Promotion Scheme will be rolled out
- Sector specific skilling and entrepreneurship development will be dovetailed to achieve the objectives of the 'Dekho Apna Desh' initiative
- For integrated development of theme-based tourist circuits, the 'Swadesh Darshan Scheme' was also launched
- Encouraging state to set up a Unity Mall in their state capital or most prominent tourism centre or the financial capital for promotion and sale of their own ODOPs

FINANCIAL SECTOR

- National financial information registry will be set up to facilitate efficient flow of credit, promote financial inclusion, and foster financial
- Revamped credit guarantee scheme for MSMEs to take effect from 1st April 2023 to enable additional collateral-free guaranteed credit of Rs 2 lakh crore and also reduce the cost of the credit by about 1 per cent.
- For countries looking for digital continuity solutions, facilitate setting up of their Data Embassies in GIFT IFSC
- A Central Processing Centre will be setup for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act
- For investors to reclaim unclaimed shares and unpaid dividends from the Investor Education and Protection Fund Authority with ease, an integrated IT portal will be established.
- A one-time new small savings scheme, Mahila Samman Savings Certificate, will be made available for upto Rs. 2 lakhs per female at rate of interest @7.5% for a two-year period up to March 2025.

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WE ALSO HAVE ASSOCIATES AT MAJOR CITIES IN INDIA & OVERSEAS

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UNION BUDGET **2023**

Lunawat & Co.
Chartered Accountants