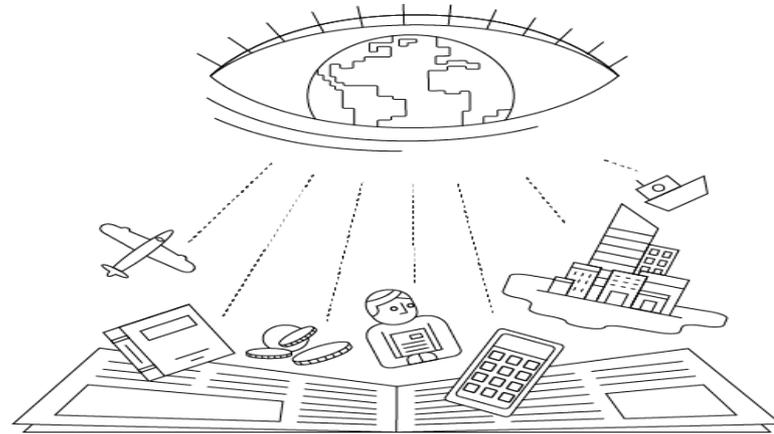


INDIA BUDGET 2023



Key Aspects in a
Nutshell

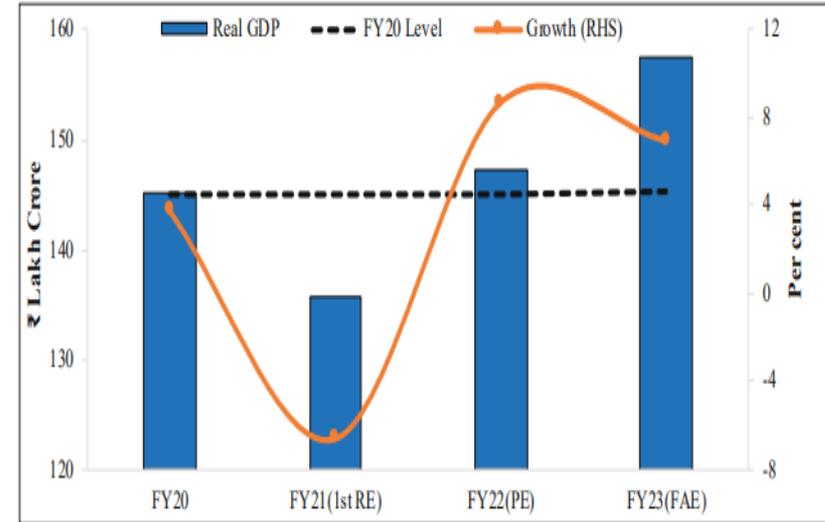


Macro Economic Analysis – Economic Survey 2022-23

Hon'ble Finance & Corporate Affairs Minister Mrs. Nirmala Sitharaman presented the India Economic Survey 2022-23 on 31 January 2023. The key highlights of the same are:

GDP GROWTH

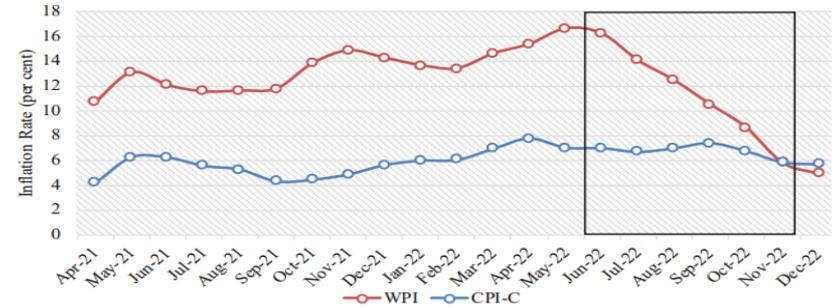
- IMF estimates India to be one of the top two fast-growing significant economies in the year 2022.
- India has become the fifth largest economy in the world. The nominal GDP will be around US\$ 3.5 trillion by the end of March 2023.
- India's real GDP is estimated to grow at 6.8% for FY 2022-23 as per IMF. It is projected to record a growth of 6.0% to 6.8% in FY 2023-24.



Macro Economic Analysis – Economic Survey 2022-23

INFLATION

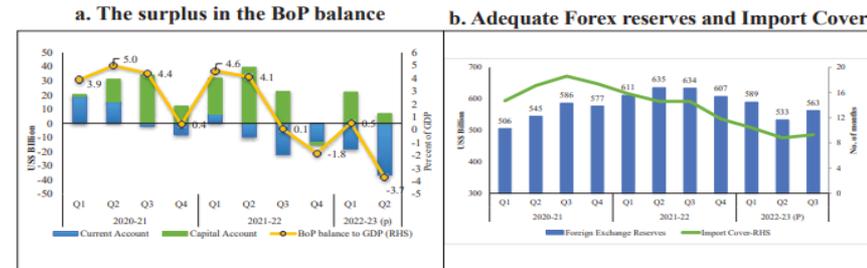
- RBI projects CPI inflation at 5% in FY 2023-24 (April-June) and at 5.4% in FY 2023-24 (July-September) on the assumption of a normal monsoon.
- India's inflation management has been particularly noteworthy and can be contrasted with advanced economies that are still grappling with sticky inflation rates.



EXTERNAL SECTOR

- India's net capital flows have declined to US\$ 29.0 billion in the first half of FY 2022-23 from US\$ 65.0 billion of the same period in FY 2021-22. The same is primarily driven by the FPI outflow of US\$ 14.6 billion in the first quarter of FY 2022-23.
- Net FDI inflows stood at US\$ 20.0 billion in first half of FY 2022-23 as compared to US\$ 20.3 billion of the same period in FY 2021-22.
- India's foreign exchange reserve position stood at US\$ 532.7 billion in first half of FY 2022-23 and touched US\$ 562.7 billion as on 31 December 2022.

14: Overall BoP Balance and Forex Reserves



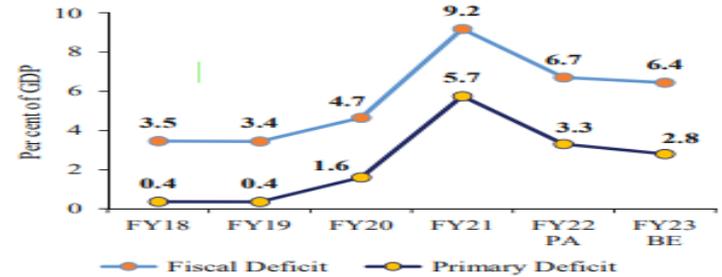
Source: RBI P: Provisional



Macro Economic Analysis – Economic Survey 2022-23

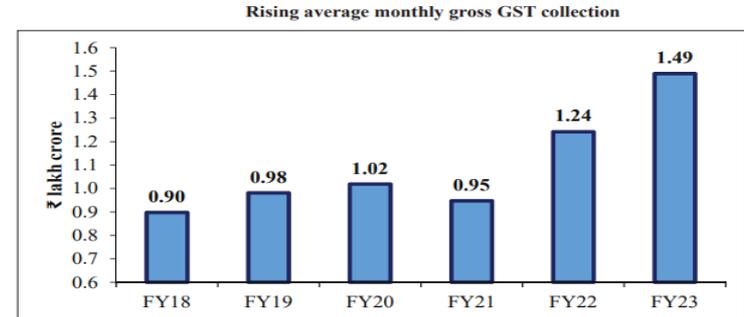
FISCAL DEFICIT

- The fiscal deficit for FY 2022-23 is estimated at 6.4% of GDP as against 6.7% actual for FY 2021-22.
- The fiscal deficit for FY 2023-24 is projected at 5.9% of GDP.



GROSS TAX REVENUE

- The Gross Tax Revenue registered a YoY growth of 15.5% from April to November 2022, driven by robust growth in the direct taxes and GST.
- GST has been a vital revenue source for central and state governments with gross GST collections increasing at 24.8% on YoY basis during April to December 2022.
- Monthly gross GST collections have increased from Rs. 0.9 Lakh Crores in FY 2018-19 to Rs. 1.49 Lakh Crores in FY 2022-23.



Source: Department of Revenue



Introduction to Budget 2023

In the backdrop of the Economic Survey, the Hon'ble Finance & Corporate Affairs Minister Mrs. Nirmala Sitharaman presented the Union Budget on 1 February 2023.

We present the tax proposals for amendments under the Finance Bill, 2023 under the following heads:

A. Direct Tax Proposals

1. Rates of Income-tax – Individual & HUF, Corporate Entities and Other Entities
2. Significant tax announcements
 - a) Business Entities
 - b) Personal Taxation
 - c) Charitable Trust and Institutions
 - d) General

B. Indirect Tax Proposals

C. Other Significant Proposals

The said proposals will be effective after the Finance Bill, 2023 (as finally approved by the legislature) receives assent of the Hon'ble President of India.



Direct Tax Proposals

RATES OF INCOME-TAX – Individuals & HUFs

FY 2022-23 - New tax regime v. Old tax regime

Total Income (Rs.)	New Regime - Rate*	Old Regime - Rate
Upto 2,50,000	Nil	Nil
2,50,001 to 5,00,000	5%	5%
5,00,001 to 7,50,000	10%	20%
7,50,001 to 10,00,000	15%	20%
10,00,001 to 12,50,000	20%	30%
12,50,001 to 15,00,000	25%	30%
Above 15,00,000	30%	30%

*Subject to fulfillment of conditions

FY 2023-24 (proposed) - New tax regime v. Old tax regime

Proposed New Tax Regime*		Old Tax Regime	
Total Income (Rs.)	Rate	Total Income (Rs.)	Rate
Upto 3,00,000	Nil	Upto 2,50,000	Nil
3,00,001 to 6,00,000	5%	2,50,001 to 5,00,000	5%
6,00,001 to 9,00,000	10%	5,00,001 to 10,00,000	20%
9,00,001 to 12,00,000	15%	Above 10,00,000	30%
12,00,001 to 15,00,000	20%		
Above 15,00,000	30%		

Maximum rate of surcharge capped at 25% as against earlier 37% in case of New Tax Regime.

Other rate of surcharge and health & education cess unchanged.

Direct Tax – Page 1 of 11



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[Other Proposals](#)



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Direct Tax Proposals

RATES OF INCOME-TAX – Individuals, HUFs and Co-operative Societies

- **Increase in limit for tax rebate** - Rebate of 100% of the amount of income-tax payable on a total income not exceeding Rs 7 lakh granted under new tax regime.
- **New Tax Regime set as default tax regime**
 - As per section 115BAC, individuals or HUFs have option to pay tax at reduced slab rates, subject to foregoing of certain exemptions / deductions and satisfaction of certain conditions. **The new tax regime has now been made as the default tax regime.**
 - **Taxpayers with no business income** - Such taxpayers will have an option to opt for the old tax regime for every financial year.
 - **Taxpayers with business income** - The option of shifting out of new tax regime shall be exercised only once and shall be valid for that financial year and all subsequent years. Once the option is exercised, such person shall be able to exercise the option of opting back to the new regime only once.
- **Deductions available under the new tax regime** - The following deduction shall be allowed under the new tax regime:
 - a) Standard deduction to salaried taxpayer of Rs. 50,000
 - b) Deduction from income in the nature of family pension (1/3rd of income or Rs. 15,000, whichever is less)
 - c) Amount paid or deposited in Agniveer Corpus Fund under newly proposed section 80CCH of the Act.
- **Tax incentive for new manufacturing co-operative society (Section 115BAE)** - A new manufacturing co-operative society set up on or after 1 April 2023, which commences manufacturing or production on or before 31 March 2024 and does not avail any specified incentive or deductions, may opt to pay tax at a concessional rate of 15%. Surcharge would be levied at 10% on such tax.



Direct Tax Proposals

RATES OF INCOME-TAX –Corporate Entities

Tax Rates for Domestic Companies unchanged for FY 2023-24

Particulars	Maximum Effective Tax Rate	Effective MAT Rates
Opting for Concessional Tax Regime		
Domestic companies opting for concessional corporate tax regime -Tax under section 115BAA - Irrespective of the level of total income	25.17%	Not Applicable under the concessional corporate tax regime
New domestic companies with manufacturing activity opting for concessional corporate tax regime - Tax under section 115BAB - Irrespective of the level of total income	17.16%	
Not Opting for Concessional Tax Regime		
Having total turnover / gross receipt in FY 2021-22 up to Rs. 400 crore	29.12%	17.472%
Having total turnover / gross receipt in FY 2021-22 exceeding Rs. 400 crore	34.944%	17.472%



Direct Tax Proposals

SIGNIFICANT TAX ANNOUNCEMENTS – Business Entities

- **Expenditure relating to Micro and Small Enterprises allowed only on payment basis** - In order to promote timely payments to micro and small enterprises, it is proposed to include payments made to such enterprises within the ambit of section 43B of the Act. As such, any sum payable by the assessee to a micro or small enterprise shall be allowed as deduction only on actual payment basis.
- **Power to assessing officer to get the inventory valuation done** - It is proposed to amend section 142 of the Act to enable the assessing officer to direct the assessee to get the inventory valued by a Cost Accountant as nominated by PCCIT / CCIT / PCIT / CIT and furnish the report of inventory valuation.
- **Reducing the time provided for furnishing transfer pricing (TP) report – Time** limit for providing TP report during the course of TP proceedings, reduced from 30 days to 10 days.
- **Extension of date of incorporation for eligible start-ups for exemption –** The sunset date for incorporation of start-up entities for eligibility for deduction under section 80-IAC of the Act extended from 1 April 2023 to 1 April 2024.
- **Relief to start-ups in carrying forward and setting-off of losses upon change in shareholding –** Relaxation has been provided to eligible start-up entities under section 79 of the Act for carry forward of losses incurred during initial 7 years. The said period of 7 years has been extended to 10 years.
- **Excluding NBFC from restriction on interest deductibility –** Section 94B which provides for restriction in deduction of interest paid to non-resident associated enterprises amended to exclude certain class of NBFCs from its scope.



Direct Tax Proposals

SIGNIFICANT TAX ANNOUNCEMENTS – Personal Taxation

➤ Increasing threshold limits for presumptive taxation schemes –

- It is proposed to amend section 44AD of the Act to increase the threshold limit of turnover / gross receipts in case of resident individuals, HUF, firm (other than LLP) carrying on eligible businesses from Rs. 2 Crores to Rs. 3 Crores provided that the turnover / gross receipts received in cash does not exceed 5% of the total turnover / gross receipts.
- Section 44ADA of the Act is also proposed to be amended to increase the threshold limit of gross receipts in case of eligible professionals from Rs. 50 Lakhs to Rs. 75 Lakhs provided the gross receipts received in cash does not exceed 5% of the total gross receipts.
- The provisions of tax audit shall not apply in case where income is offered under the presumptive taxation scheme.

➤ **Limiting the capital gain exemption claimed under section 54 and section 54F of the Act** – It has been proposed to restrict the limit of claiming capital gain exemption on transfer of long-term capital asset to Rs. 10 crores under section 54 and 54F of the Act respectively.

➤ **TCS rate on certain remittances increased** – The TCS rate on overseas tour package and foreign remittances under LRS scheme increased as under (w.e.f 1 July 2023):

Type of remittance	Present Rate	Proposed Rate
Overseas Tour Package	5%	20%
Remittance under LRS except for the purpose of education or medical treatment	5% on excess over Rs. 7 lakhs	20% without any threshold limit



Direct Tax Proposals

SIGNIFICANT TAX ANNOUNCEMENTS – Personal Taxation

➤ **Rationalization of exempt income under life insurance policies –**

- Maturity proceeds of life insurance policy (other than ULIP) net of premiums paid on such policy, shall be taxable as income from other sources in cases where the insurance premium paid on such policy exceeds Rs. 5,00,000 in a financial year.
- The premium shall not be reduced from the maturity proceeds in case where the same is already claimed as deduction under other provisions of Act.
- Maturity proceeds received on death of insured person is not taxable.

➤ **Deduction for interest on borrowed capital for acquiring, renewing or reconstructing a property –** It is proposed to provide that the cost of acquisition or the cost of improvement for computing capital gains shall not include the amount of

interest claimed under ‘income from house property’ or claimed as deduction under Chapter VIA of the Act.

➤ **Alignment of provisions of section 45(5A) of the Act with the TDS provisions of section 194-IC of the Act –** It is proposed to amend section 45(5A) of the Act to provide that the full value of consideration for the purpose of computing capital gains shall be taken as the stamp duty value of share in the joint development agreement as increased by any consideration received in cash or by a cheque or draft or by any other mode.



Direct Tax Proposals

SIGNIFICANT TAX ANNOUNCEMENTS – Personal Taxation

- **Deeming provision under section 9 made applicable on gift to RNOR** – It is proposed to amend section 9(1)(viii) of the Act to extend the deeming provision for accrual of income in respect of any sum of money received as gift exceeding Rs. 50,000 to RNOR by a resident in India.
- **Amendment in TDS under section 194B and 194BB of the Act** - Section 194B and 194BB of the Act is proposed to be amended to provide tax withholding on payments at Rs. 10,000 per FY as against Rs. 10,000 per transaction earlier.
- **Taxability on net winnings from online games** – Income from online winnings is proposed to be taxed @ 30% under section 115BBJ of the Act.
- **Conversion of Gold to Electronic Gold Receipt and vice-versa, not regarded as transfer for the purpose of capital gains** –
 - Conversion of physical form of gold into Electronic Gold Receipt ('EGR') and vice-versa, not regarded as transfer for the purpose of computing capital gains under section 45 of the Act.
 - Cost of acquisition of the EGR / gold for the purpose of computing capital gains shall be deemed to be the cost of gold / EGR.
 - The holding period for the purpose of capital gains would include the period for which gold / EGR was held by the person prior to its conversion into EGR / gold.



Direct Tax Proposals

SIGNIFICANT TAX ANNOUNCEMENTS – Personal Taxation

- **Exemption limit for leave encashment increased** - The monetary limit for exemption on encashment of earned leave at the time of retirement in case of a non-government employee, is proposed to be enhanced to Rs. 25,00,000 from the present limit of Rs. 3,00,000 vide notification.
- **Rationalization of provisions related to the valuation of residential accommodation provided to employees** – It is proposed to amend section 17(2) in relation to valuation of residential accommodation for the purpose of calculation of perquisite and specify the method of computation through amendment in the Income-tax Rules, 1962.
- **Clarification on Benefits & Perquisites in cash** –
 - It is proposed to amend clause (iv) of Section 28 of the Act to clarify that provisions of section 28 of the Act shall apply to benefit or perquisites in cash or in kind or partly in cash and partly in kind.
 - Similar amendment has been made in section 194R of the Act to provide that the withholding tax provision shall be applicable to payment of benefit or perquisite whether in cash or in kind or partly in cash and partly in kind.



Direct Tax Proposals

SIGNIFICANT TAX ANNOUNCEMENTS – Charitable Trusts and Institutions

➤ Rationalisation of the provisions of Charitable Trust and Institutions –

- Form No. 9A / Form No. 10 are to be filed at least 2 months prior to the due date of filing return of income under section 139(1) of the IT Act.
- Eligible donations made by a trust or institution to another trust shall be treated as application only to the extent of 85% of such donation.
- New trusts or institutions shall be allowed to make application for the provisional registration/approval only before the commencement of activities.
- Trust or institution which have already commenced their activities are required to apply for regular registration / approval which is valid for a period of 5 years, instead of provisional registration/approval.
- Application out of corpus or loans or borrowings before 1 April 2021 should not be allowed as application for charitable or religious purposes when such amount is deposited back or invested into corpus or when the loan or borrowing is repaid.
- If the trust or institution invests or deposits back the amount into corpus or repays the loan within 5 years of application from the corpus or loan, only then such investment/depositing back into corpus or repayment of loan will be allowed as application for charitable or religious purposes.
- Provisions of section 115TD of the IT Act relating to tax on accreted income shall be applicable to trust or institution if the same fails to make an application for re-registration / approval or for regular registration / approval.



Direct Tax Proposals

SIGNIFICANT TAX ANNOUNCEMENTS – General

- **Scope of taxation under section 56(2)(viib) extended to non-residents** – Section 56(2)(viib) of the Act relating to taxability of consideration for issue of shares (as exceeding the fair market value) extended to apply to non-residents as well.
- **TDS on payment of interest on listed debentures** – Exemption from TDS withdrawn in respect of interest income earned by a resident from listed securities which is in dematerialized form.
- **Cost of acquisition and cost of improvement in case of intangible assets and other rights for the purpose of computing capital gains** – It is proposed to amend section 55 of the Act to define the cost of acquisition and cost of improvement as Nil in case of intangible assets or any other sort of rights for which no consideration is paid for acquisition.
- **Introduction of Joint Commissioner (Appeals)** – It is proposed to introduce Joint Commissioner (Appeals) as the authority to reduce burden of appeals pending before CIT(A) and to handle certain class of cases involving small amount of disputed demand.
- **Rationalisation of appeals before ITAT** – It is proposed to amend section 253 of the Act to allow appeal before ITAT against penalty orders passed under section 271AAB, 271AAC and 271AAD of the Act by the CIT(A); and revision orders passed under section 263 of the Act by the Pr. CCIT and CCIT. Further, it is proposed to enable filing of memorandum of cross objections by respondent in case of all appeals before ITAT.
- **Extension of period of tax benefits to funds relocation to IFSC / GIFT City till 31 March 2025.**



Direct Tax Proposals

SIGNIFICANT TAX ANNOUNCEMENTS – General

- **Short term capital gains on market linked debentures** – It is proposed to insert section 50AA of the Act to deem capital gains on transfer or redemption or maturity of market linked debenture as capital gains arising from transfer of a short-term capital asset and taxable at applicable rates.
- **Facilitating TDS credit for income already disclosed in ITR of past year** – It is proposed to insert section 155(20) of the Act to allow rectification in case where income has been included in ITR of any assessment year and tax has been deducted by deductor in subsequent year. The assessee is required to file application in prescribed form within 2 years from the end of the financial year in which TDS has been deducted. Further, interest on refund under section 244A of the Act in such cases is proposed to be from date of application to the date when refund is granted. These amendments will take effect from 1 October 2023.
- **Set-off and withholding of refund due** – It is proposed to amend section 245 of the Act that where refund becomes due to a person, then the AO having regard to the fact that assessment or reassessment proceedings are pending in such case and grant of refund is likely to adversely affect the revenue, may withhold the refund till the date on which such assessment or reassessment is made.
- **Timeline for completion of assessment, re-assessment proceedings under section 153** has been rationalized.
- To make compliance easy and smooth, it is proposed to roll out a Common IT Return Form for taxpayer convenience.
- **Distribution of Income by Business Trust to Unit Holders** – In case of any income distributed by the business trust is not taxed either in the hands of the business trust or the unitholder, it is now proposed to tax such distributed income in the hands of the unit holder.



Indirect Tax Proposals

CGST ACT AMENDMENTS

- Composition scheme benefits to be made available to the supplier of goods, supplying inter-state or supplying goods through an electronic commerce operator by way of amendments in section 10(2)(d) and 10(2A)(c).
- Amendment of Explanation to section 17(3) to consider transaction at para 8(a) of schedule III i.e. supply of warehoused goods before clearances as an exempt supply for purpose of computation of reversals under rule 42 of CGST Rules.
- Insertion of clause (fa) in section 17(5) thereby blocking the availment of input tax credit in relation to inward supplies for discharging Corporate Social Responsibility (CSR) obligations mandated under the Companies Act, 2013.
- Time-limit to file monthly, quarterly, annual and other specified returns restricted to 3 years from the due-date of filing.
- Removal of certain offences specified in section 132.

- Insertion of section 122(1B) to levy penalty (higher of Rs. 10,000 or the amount of tax involved) on e-commerce operators for certain non-compliances.
- In the memorandum to the Finance Bill, it is proposed to raise the monetary threshold for initiating prosecution of offences under section 132(1) from existing Rs. 1 crore to Rs. 2 crores for offences other than in cases of issuance of false invoices.
- Substitution of section 138(1)(c) to restrict the person who has committed an offence of issuance of invoices without any actual supply of goods or services to opt for compounding of offences.

IGST ACT AMENDMENTS

- Amendment of section 2(16) to amend the definition of 'non-taxable online recipient' to include any unregistered person in receipt of OIDAR services even for purposes other than commerce, industry, business or profession. Also, 'unregistered person' to include e-commerce operators registered under the Act.



Indirect Tax Proposals

IGST ACT AMENDMENTS [CONTINUED]

- Revision of definition of OIDAR by way of amendment to section 2(17) thereby eliminating the condition of being 'essentially automated and involving minimal human intervention' to get classified under OIDAR.
- Omission of proviso to section 12(8) that specifies the Place of Supply to be the place of destination of goods where the goods are transported outside India, both the supplier and recipient being located in India.

CUSTOMS ACT AMENDMENTS

- Additional proviso to section 25(4A) of the Customs Act has been inserted to provide exemption beyond 2 years to the specified agreements, agencies, organisations, Foreign Trade Policy Schemes, re-imports and others which have been exempted from payment of custom duty leviable under section 25(1).

- In section 127C of the Customs Act, sub-section (6) is being inserted specifying time-limit of 9 months from the date of application, for disposal of applications filed before the Settlement Commission.

CUSTOMS TARRIF ACT AMENDMENTS

- Sections 9, 9A and 9C of the Custom Tariff Act, 1975 are amended retrospectively w.e.f. 1 January 1995 to remove ambiguity and provide clarify that the determination and review for Countervailing Duty (CVD) is to be carried out as per the rules under the Act..

CHANGES IN CUSTOM DUTY RATES AND EXEMPTIONS

- BCD rate on compounded rubber has been amended to 10% to 25% or Rs. 30/kg whichever is higher.
- Increase in BCD rate for Electric Kitchen Chimney but decrease in BCD rate on Heat Coil for use in the manufacture of Electric Kitchen Chimneys.



Indirect Tax Proposals

CHANGES IN CUSTOM DUTY RATES AND EXEMPTIONS [CONTINUED]

- NIL BCD on seeds for use in manufacturing of rough lab-grown diamonds (Gems and Jewellery Sector), camera lens and its inputs/parts for use in manufacture of camera module (IT, Electronics) and capital goods and machinery for manufacture of lithium ion cell for use in battery of EVs.
- Surge in BCD rate on silver, unwrought or in semi-manufactured forms, or in powder form and silver dore to 10% from 7.5% and 6.1% respectively.
- Increase in Import duty on Articles of precious metals (Chapter Gems and Jewellery) from 20% to 25%.
- The import duty on imitation jewellery classified under the heading 7117 is been increased from 22% or Rs. 400/kg whichever is higher to 25% or Rs. 600/kg whichever is higher.
- Effective BCD rate on Bicycles (8712 00 10) and Toys and parts of toys (9503) has been increased to 35% and 70% respectively from the existing BCD rate of 30% and 60%.
- Increase in BCD on Vehicle in Semi-Knocked Down (SKD) Form, Vehicle in Completely Built Unit (CBU) Form and electrically operated vehicle in CBU Form.
- Reduction in BCD on parts of open cells of TV panels to 2.5%
- BCD exemption in respect of denatured ethyl alcohol used for energy transition purposes
- BCD reduction on key inputs for domestic manufacture of shrimp feed.
- BCD exemption on raw materials for manufacture of CRGO Steel, ferrous scrap and nickel cathode is being continued.
- Concessional BCD of 2.5% on copper scrap is also being continued to ensure the availability of raw materials for secondary copper producers who are mainly in the MSME sector.



Indirect Tax Proposals

CHANGES IN SOCIAL WELFARE SURCHARGE (SWS)

- Exemption from SWS is being provided to silver, gold and imitation jewellery, platinum other than rhodium, bicycles, motor vehicles, toys and part of toys and all other goods falling under HSN 7113 & 7114

CHANGES IN AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC)

- AIDC rates changes with changes to effective rate of custom duty from 2.5% to 5% on Silver Bar and 2.5% to 4.35% on Silver Dore.
- AIDC rates changes without any change to the effective rate of custom duty from 2.5% to 5% on Gold Bar and 2.5% to 4.35% Gold Dore.

CHANGES IN NATIONAL CALAMITY CONTINGENT DUTY (NCCD)

- NCCD on specified cigarettes was last revised 3 years ago. This is proposed to be revised upwards by about 16%.



Other Significant Proposals

- **Common Business Identifier** - PAN will be used as the common identifier for all digital systems of specified government agencies.
- **Unified Filing Process** - A system of 'Unified Filing Process' will be set-up. Such filing of information or return in simplified forms on a common portal, will be shared with other agencies as per filer's choice.
- **Entity DigiLocker** - An Entity DigiLocker will be set up for use by MSMEs, large business and charitable trusts. This will be towards storing and sharing documents online securely, whenever needed, with various authorities, regulators, banks and other business entities.
- **GIFT IFSC measures** - A number of measures will be undertaken to enhance business activities in the GIFT IFSC:
 - Delegating powers under the SEZ Act to International Financial Services Centres Authority ('IFSCA') to avoid dual regulation,
 - Setting up a single window IT system for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI,
 - Permitting acquisition financing by IFSC Banking Units of foreign banks,
 - Establishing a subsidiary of EXIM Bank for trade re-financing,
 - Amending IFSCA Act for statutory provisions for arbitration, ancillary services, and avoiding dual regulation under SEZ Act, and
 - Recognizing offshore derivative instruments as valid contracts.

Other Significant Proposals

- **Credit Guarantee scheme for MSMEs** - It has been proposed to revamp the credit guarantee scheme for MSMEs. The revamped scheme will be effective from 1 April 2023 through infusion of corpus of Rs. 9,000 crore. This will enable additional collateral-free guaranteed credit of Rs. 2 lakh crore. Further, the cost of credit will be reduced by about 1%.
- **Improving Governance and Investor Protection in Banking Sector** - To improve bank governance and enhance investors' protection, certain amendments to the Banking Regulation Act, the Banking Companies Act and the Reserve Bank of India Act are proposed.
- **Vivad se Vishwas**
 - **Relief for MSMEs (Vivad se Vishwas I)** - 95% of forfeited amount related to the bid or performance security will be returned by the government / government undertakings in case of failure by MSME to execute contracts during Covid period.
 - **Settling Contractual Disputes (Vivad se Vishwas II)** - To settle disputes of government / government undertakings wherein arbitral award is under challenge in the court, a voluntary settlement scheme with standardized terms will be introduced. This will be done by graded settlement terms depending on pendency of the dispute.



Other Significant Proposals

- **Reclaiming of shares and dividends** - For investors to reclaim unclaimed shares and unpaid dividends from the Investor Education and Protection Fund Authority, an integrated IT portal will be established.
- **Azadi Ka Amrit Mahotsav Mahila Samman Bachat Patra** - A one-time new small savings scheme, Mahila Samman Savings Certificate, will be made available for a 2 year period upto March 2025. This will offer deposit facility up to Rs. 2,00,000 in the name of women or girls for a tenure of 2 years at fixed interest rate of 7.5% with partial withdrawal option.
- **Senior Citizens** - The maximum deposit limit for Senior Citizen Savings Scheme will be enhanced from Rs. 15,00,000 to Rs. 30,00,000. The maximum deposit limit for Monthly Income Account Scheme will be enhanced from Rs. 4,50,000 to Rs. 9,00,000 for single account and from Rs. 9,00,000 to Rs. 15,00,000 for joint account.
- **Setting up of Central Data Processing Centre** - A Central Processing Centre will be set-up for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act, 2013.



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1 February 2023

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Introduction



Direct Tax



Indirect Tax



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