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Helping People to run Profitable & Cash Rich Business

E-Pistle (Monthly Newsletter)

February 2023

BUDGET HIGHLIGHTS

01

**DIRECT
TAXATION**

02

**AGRICULTURE
SECTOR**

03

**INDIRECT
TAXATION**

04

OTHERS

1.

PROPOSED CHANGES IN TAX RATES

The proposals suggests that the maximum reliefs and benefits will be to the middle class and lower taxpayers under the proposed tax regime i.e. u/s 115BAC.

Old / Existing Tax Regime under normal Provision of the Income tax Act		Proposed Regime u/s 115BAC of the Act	
Income Slab (in INR)	Tax Rate (%)	Income Slab (in INR)	Tax Rate (%)
Up to 2,50,000	Nil	Up to. 3,00,000	Nil
From 2,50,001 to 5,00,000	5%	From INR 3,00,001 to INR 6,00,000	5%
From 5,00,001 to 10,00,000	20%	From INR 6,00,001 to INR 9,00,000	10%
Above 10,00,000	30%	From INR 9,00,001 to INR 12,00,000	15%
		From INR 12,00,001 to INR15,00,000	20%
		Above INR 15,00,000	30%

Total income up to INR 5 lakhs are entitled to

rebate u/s 87A

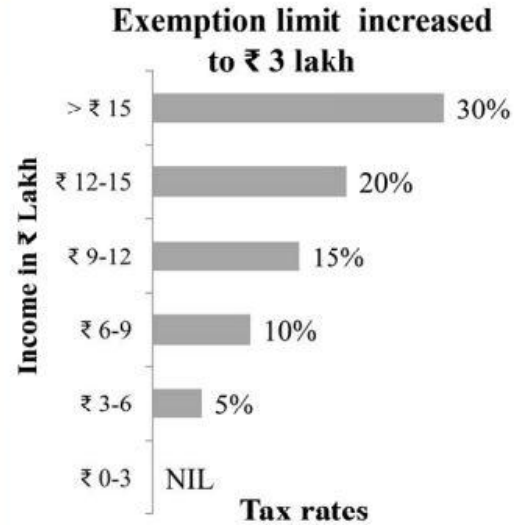
Total income up to INR 7 lakhs are entitled to

rebate u/s 87A



Income limit for
rebate of income tax
increased from ₹5 lakh
to ₹7 lakh in the new
regime

New Income tax regime



1. Highest surcharge rate on income above ₹ 5 crore/- to be reduced from 37% to 25% under new Regime.
2. Extending Benefits of Standard Deduction to new tax regime for salaried class & pensioners.
3. Increase tax exemption Limit to ₹ 25 Lakh on leave encashment on retirement for non -Government Employees.

“If you don't be updated & upgraded you will be outdated”

- Proposal to extend the benefit of deduction from family pension up to Rs. 15,000, in the new tax regime.
- The maximum personal income tax rate is 39 per cent according to New regime.
- Deduction for expenditure incurred on payments made to MSMEs to be allowed only when payment is actually made in order to support MSMEs in timely receipt of payments.
- TDS rate to be reduced from 30% to 20% on taxable portion of EPF withdrawal in non-PAN cases.
- To encourage electronic gold buying, the budget laid down that there would be no capital gains tax if physical gold is converted to an Electronic Gold Receipt (EGR).
- The budget increased the threshold limits for presumptive schemes of taxation for specified professions from a turnover of Rs 50 lakh, now up to Rs 75 lakh. It has been done to promote non-cash transactions.



Date of incorporation for income tax benefits to start-ups to be extended from 31st March, 2023 to 31st March, 2024.



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For businesses eligible for this scheme (under Section 44AD), the Budget has hiked the turnover or gross receipt limit from Rs 2 crore to Rs 3 crore. The change will apply provided cash receipts during the financial year don't exceed 5 percent of total turnover or gross receipts

Proposal to provide the benefit of carry forward of losses on change of shareholding of start-ups from 7 Years of incorporation to 10 Years.

Higher Limit of ₹3 Crore for TDS on cash withdrawal for Co-operative Societies.

Net winnings from online gaming will be taxed at 30%. From 1 July 2023, TDS will be withheld on such net winnings (currently the rate is 30%).



PAN will be used as the common identifier for all digital systems of specified government agencies to bring in Ease of Doing Business.

The maximum deposit limit for Senior Citizen Savings Scheme to be enhanced from Rs.15 lakh to Rs.30 lakh.

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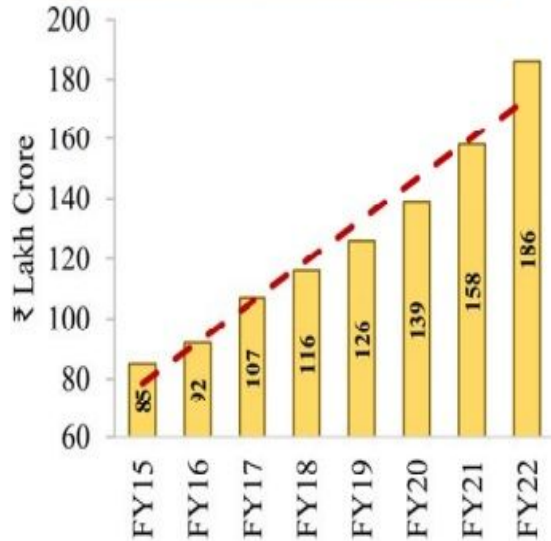
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Donations made to the following funds will not be eligible for 80G deductions:

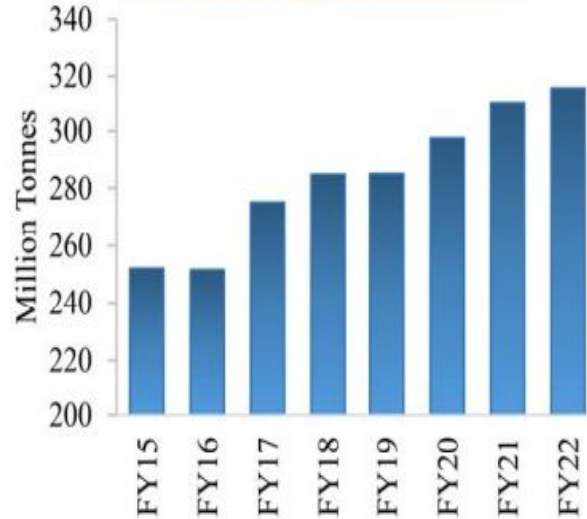
1. Jawaharlal Nehru Memorial Fund
2. Indira Gandhi Memorial Trust
3. Rajiv Gandhi Foundation

The capital gains tax exemption under Section 54 to 54F is restricted to Rs. 10 crores. Earlier, there was no threshold.

More Credit to Agriculture Sector



Record Foodgrain Production



KEY HIGHLIGHTS

1. Agri-startups by young entrepreneurs will be supported by the launch of an Agriculture Accelerator Fund.
2. The agricultural credit will be raised to Rs.20 trillion, with an emphasis on dairy, fisheries, and animal husbandry.
3. A new sub-scheme of the PM Matsya Sampada Yojana will be introduced with a targeted investment of Rs.6,000 crore to further enable the activities of fish vendors, fishermen, and micro- and small businesses, increase the efficiency of the value chain, and broaden the market.
4. The Center will empower 10 million farmers to switch to natural farming.
5. The Indian Institute of Millet Research, Hyderabad, will be supported as the Center of Excellence for Sharing Best Practices, Research, and Technologies at the International Level in order to make India a global hub for "Shree Anna" (Millets).
6. To assist farmers in storing their produce and obtaining fair prices through timely sales, a sizable decentralised storage capacity will be set up.
7. To encourage states and Union Territories to use alternative fertilisers, PM PRANAM will also be introduced.
8. A Rs.2,516 crore investment was made to start computerising 63,000 Primary Agricultural Credit Societies (PACS).



Agriculture Accelerator Fund to Encourage Startups In Rural areas



Atma Nirbhar Bharat Horticulture Clean Plant program to boost production of High value horticulture Crops



Support to making India a Global Hub for Millets: **“Shree Anna”**

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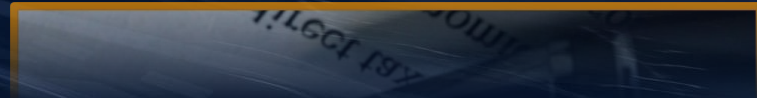


AGRICULTURE & COOPERATIVES



03

INDIRECT TAXATION



HIGHLIGHTS

Number of basic customs duty rates on goods, other than textiles and agriculture, reduced to 13 from 21.

Minor changes in the basic custom duties, cesses and surcharges on some items including toys, bicycles, automobiles.

Customs Duty on specified capital goods/machinery for manufacture of lithium-ion cell for use in battery of electrically operated vehicle (EVs) extended to 31st March, 2024.

National Calamity Contingent Duty (NCCD) on specified cigarettes revised upwards by about 16%.

Basic customs duty rate on compounded rubber increased to 25% from 10% OR 30 per kg whichever is lower.

Basic customs duty reduced on parts of open cells of TV panels to 2.5%.

Changes to custom duty on

Benefits

Import of capital goods for Li-ion battery manufacturing



For Greener mobility

Import of mobile camera lens



Deepening Value Addition

Denatured ethyl alcohol



For chemical industry

Key inputs for producing shrimp feed



More marine exports

Seeds for manufacturing lab grown diamonds



Export Promotion

Continuing concessional basic custom duty on copper scrap



Augmenting raw material availability for MSMEs

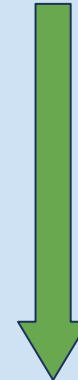
Compounded rubber, to bring it at par with natural rubber



To curb duty circumvention



1. Cigarettes
2. Electric Kitchen Chimney
3. Industrial rubber
4. Jewellery
5. Travel By Flights



1. Gold
2. Television
3. Smartphones
4. Compressed gas for EV's.
5. Lithium-ion batteries for mobile phones

Incentive to boost investment in
Infrastructure & production capacity



Rise In growth & Employment



Increased Capital Investment Outlay by 33.4% to ₹10 Lakh crore.



Continuation of 50 Year interest free loan to state Govt. For infrastructure



Highest Ever capital Outlay of ₹2.4 Lakh crore for Railways.



100 transport infrastructure projects identified for end to end connectivity for ports , coal, steel, fertilizers etc.



Creating Urban Infrastructure in Tier 1 & Tier 2 Cities via; Urban infrastructure Development Fund.



More Teachers to be recruited for 740 Eklavya Model Residential Schools.

FINANCIAL SECTOR

Financial Sector

Setting up of National Financial Information registry

To enable efficient lending, promote financial inclusion and enhance financial stability

Setting up of a Central Data processing Centre

For faster handling of administrative work under the Companies Act

Credit Guarantee scheme for MSMEs

Expanded corpus under a revamped scheme to enable additional collateral free guaranteed credit of ₹2 lakh crore



Mahila Samman Bachat Patra

One-time new small savings scheme for a 2-year period with a deposit facility of up to ₹2 lakh for women

Benefits for Senior Citizens

Enhanced maximum deposit limit for senior citizens savings scheme from ₹15 lakh to ₹30 lakh

Other Initiatives

- Initiatives to promote business activities in GIFT IFSC
- Create more trained professionals in Securities Markets via award of educational certificates

INCOME TAX NOTIFICATIONS

- The Income tax department has published the finance bill 2023 highlights. [Highlights](#)
- The Income-tax department has shared the corrigendum via circular no.23 related to explanatory notes to the finance act 2022 for dated 03-11-22. [PDF](#)
- The Income tax department official now provides access to a specialized tax calculator that enables individuals, HUFs, AOPs, BOIs, Artificial Juridical Persons (AJPs) to compare the old tax regime and new tax regime, in accordance with Section 115 BAC. [View More](#)
- Direct Tax Collections for FY=2022-23 up to 10/02/2023. [View](#)
- The Income tax department has notified e-filing ITR forms for AY 2023-24 well in advance. [View](#)



GST NOTIFICATIONS

- For Financial Year 2023-24, regular taxpayers can opt for the composition scheme by navigating to the 'Services-> Registration-> Composition Scheme Application Form'. It will be available on GST Portal until 31st March 2023.
- The GST portal has introduced negative values in Table 4 which comes under form GSTR 3B return. [View More](#)

Advisory on Geocoding of Address of Principal Place of Business

In cases where the system-generated geocoded address is unavailable, a blank will be displayed, and taxpayers can directly update the geocoded address. They can be viewed under **My profile>>Place of Business** tab under the heading "**Principal Geocoded**" after logging into the portal. It will not change your existing addresses.

The geocoding link will not be visible on the portal once the geocoding details are submitted by the taxpayer. This is a one-time activity, and once submitted, revision in the address is not allowed and the functionality will not be visible to the taxpayers who have already geocoded their address through new registration or core amendment. GSTN emphasizes once again that the address appearing on the registration certificate can be changed only through core amendment process. This geocoding functionality would not impact the previously saved address record.

GSTN would like to also inform you that this functionality is currently being made available for **taxpayers registered in Delhi and Haryana only**. [View](#)



- The GSTN department has published a new advisory for reporting e-Invoice. [VIEW](#)
- **The Advisory shared by the GST department for a report on tax-paying by Goods Transport Agencies (GTAs) under the forward charge mechanism**

an option is being provided on the portal to all the existing taxpayers providing Goods Transport Agencies Services, desirous of opting to pay tax under the forward charge mechanism to exercise their option. They can navigate Services > User Services > Opting Forward Charge Payment by GTA (Annexure V), after login, to submit their option on the portal.

Option in Annexure V FORM is required to be submitted on the portal by the Goods Transport Agencies every year before the commencement of the Financial Year. The Option once filed cannot be withdrawn during the year and the cut-off date for filing the Annexure V FORM is 15th March of the preceding financial year.

Annexure V has been made available on the portal for GTA's to exercise their option for the Financial Year 2023-24, which would be available till 15TH March, 2023.

[VIEW](#).



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- **Extension of Time for filing of 45 company e-Forms and PAS-03 in MCA 21 Version 3.0 without additional fee -reg.**

Due to change in way of filing in Version-3, including fresh process of registration of users on MCA-21 and process of stabilization of 45 forms launched with effect from 23.01.2023, and after considering various representations, in continuation of General Circular 1/2023 dated 09.01.2023, it has been decided to allow further additional time of 15 days for filing of these forms, without additional fees, to the stakeholders.

Further, Form PAS-03 which was closed for filing in Version-2 on 20.01.2023 and launched in Version-3 on 23.01.2023, and whose due dates for filing fall between 20.01.2023 and 06.02.2023, can also be filed without payment of additional fees for a period of 15 days.

- **Extension for the filing of 45 company e-forms, PAS-03 and SPICE + PartA without an additional fee.**

Form PAS-03 which was closed for filing in Version-2 on 20.01.2023 and launched in Version-3 on 23.01.2023, and whose due dates for filing fall between 20.01.2023 and 28.02.2023, can also be filed without payment of additional fees till 31.03.2023.

Further, reservation period for the names which are reserved under sub-section (5) of section 4 of the CA 2013 is extended by a further period of 20 days. The resubmission period under rule 9 of Companies (Incorporation) Rules, 2014 falling between 23.01.2023 and 28.02.2023, also is extended by 15 days.



- Filing of Forms GNL-2 (filing of prospectus related documents and private placement), MGT-14 (filing of Resolutions relating to prospectus related documents and private placement), PAS-3 (Allotment of Shares), SH-8 (letter of offer for buyback of own shares or other securities), SH-9 (Declaration of Solvency) and SH-IIQreturn in respect of buy-back of securities) due to migration from V2 Version to V3 Version in MCA 21 Portal from 22.02.2023 to 31.03.2023-reg. [View More](#)
- Filing up Various posts in National Company Law Tribunal Benches on Deputation basis. [View](#)
- APPLICATIONS FOR FILLING UP THE POST OF CHAIRPERSON IN THE COMPETITION COMMISSION OF INDIA. [Form Available](#)



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Ministry of Corporate Affairs

Website;-

<https://www.mca.gov.in/content/mca/global/en/home.html>

About Us



Helping People to run Profitable & Cash Rich Business

Jagmohan Singh & Associates was established in the year 1997. It is a leading Chartered Accountancy firm rendering comprehensive professional services which include Audit, Management consultancy, Tax consultancy, Accounting services, Manpower management, Secretarial services etc.

Jagmohan Singh & Associates is a professional managed firm. The team consists of distinguished chartered accountant, corporate finance advisors and tax consultants. The firm represents a combination of specialized skills, which are geared to offer sound financial advice and personalized proactive services. Those associated with the firm have regular interaction with the industry and other professional which enables the firm to keep pace with contemporary development and to meet the needs of its clients.

Contact Us



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