

Budget News



BUDGET 2022 HIGHLIGHTS

By RAKSHA AGARWAL AND ASSOCIATES

Direct Tax

- Long term capital gains on listed equity share units subject to maximum surcharge at 15%.
- Recipient to be taxed in case of gift of virtual digital asset.
- Income from transfer of digital assets to be taxed at 30%. No deduction other than cost of acquisition.
- Tax incentives for startups to be incorporated until March 31, 2023.
- Propose to increase tax deduction limit to 14% on employers contribution to NPS account of state govt employees.
- Alternate minimum tax to be reduced to 15% for cooperative societies. Reduced surcharge on cooperative societies to 7%, for those whose income is between Rs 1 crore and Rs 10 crore.
- A new provision to allow taxpayers to file an updated return. Updated return can be filed within 2 years from the end of the relevant assessment year.
- Deduction for employer contribution to NPS increased to 14% from 10% earlier for State govt employees on par with central govt employees
- Corporate surcharge to be reduced from 12% to 7%.
- Annuity and lumpsum received to parents or guardians attaining 60 years during lifetime of the disabled person will be eligible for tax relief.

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Financial Inclusion

- 100% of 1.5 lakh post offices will come on the core banking system, enabling financial inclusion and access to accounts through net banking, mobile banking, ATMs, and also provide online transfer of funds between post office accounts and bank accounts.

Small Entrepreneur boost

- MSMEs such as Udyam, e-shram, NCS & Aseem portals will be inter-linked, their scope will be widened.
- They will now perform as portals with live organic databases providing G-C, B-C & B-B services such as credit facilitation, enhancing entrepreneurial opportunities.

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Other Highlights

- Duty concessions on parts of phone chargers, transformers, etc to enable domestic manufacturing.
- Custom duty on methanol to be reduced.
- Custom duty imitation jewellery raised to discourage their imports.
- Customs duty on cut & polished diamonds, gems to be reduced to 5%.
- Custom duty exemption on steel scrap is being extended by a year to help MSMEs.
- Govt to introduce digital rupee using blockchain and other tech. Tax rate on same 30%.
- 5G spectrum auction in 2022-23.
- Use of Kisan Drones to be promoted for crop assessment, digitization of land records, spraying of insecticides and nutrients.
- A battery-swapping policy to be brought out with interoperability standards to boost EV ecosystem.
- Issuance of e-passports with futuristic tech to be introduced in 2022-23.
- Extension of ECLGS (emergency credit line) till March 2023.
- MSP for farmers to be transferred directly in bank accounts

Raksha Agarwal and Associates

A photograph of a black calculator and several stacks of Indian coins. The calculator is on the left, and the coins are on the right. The text is overlaid on the image.

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