



February 2, 2023

## Union Budget Proposals, 2023

### Introduction

The "first Budget in Amrit Kaal", as stated by Hon'ble Finance Minister when she rose to table the last Union Budget before the general elections next year, aims to tick as many boxes as it could, without derailing Government finances. With fiscal deficit at 6.4% of GDP for FY 2022-2023, the Finance Minister has set the target fiscal deficit for FY 2024 at 5.9% and reaffirmed the commitment to sub 4.5% fiscal deficit by FY 2026.

The proposals focus on a broad range of reforms with building an Atmanirbhar Bharat at its core. From announcements on data architecture & use of modern technology, urban infrastructure development, agri-tech fund for budding rural entrepreneurs, employment generation, upskilling the ordinary Indian, ease of doing business, green energy, and supporting micro, small and medium enterprises ("MSMEs"), this budget had laid out the first course of action that the government aims to take for a prosperous and inclusive India.

The focus on building infrastructure (including urban infrastructure) has been unprecedented with the Budget providing for INR 10 lakh crore (Indian Rupees ten lakh crore) allocation for development of the infrastructure; railways received an allocation of INR 2.40 lakh crore (Indian Rupees two hundred forty lakh crore), 100 (one hundred) critical transport infrastructure projects with capital expenditure of INR 75,000,00,00,000 (Indian Rupees seventy five thousand crore) identified for last and first mile connectivity and other announcements for improving regional air connectivity.

This budget continues to keep momentum on India's digital agenda in various spears. Setting up of Centre of Excellence for Artificial Intelligence, Skill India digital platform to enable demand based formal skilling, digital library for children to facilitate availability of quality books and Setting up of National Financial Information Registry to enable efficient lending, promote financial inclusion and enhance financial stability are a few notable proposals this year.

These along with tax sops extended to the salaried class are expected to increase the disposable income in the hands a larger segment of population which may spur consumption and drive growth at a time when most of the world is looking at a bleak growth forecast. It is anticipated that India, which is one of the few bright spots amid the global gloom, will further cement its position as a stable and growing economy in near future.

The tax proposals contained in the budget aim at continuing the government's efforts towards rationalization and simplification of the tax rates, reduce the compliance burden, promote exports, and boost domestic manufacturing. There are some forward-looking proposals such as statutory recognition for tax residency certificates to be considered sufficient proof for availing the beneficial provisions of tax treaties. Though proposed for a restrictive purpose, it will help codify Government's repeated assurances to foreign investors on sufficiency of tax residency certificates to avail treaty benefits.

This budget has its fair share of hits and misses particularly for the start-ups which did expect the scheme of ESOP taxation, relaxing the turnover threshold to qualify as a start-up, relaxation in gift tax provisions to ease down-round investments, etc. Having said this, one hopes the union budget helps to further India as an attractive investment destination for the years to come.

In the above backdrop, please find below a snapshot of some of the key tax proposals contained in the budget.

## DIRECT TAX

### Personal Taxation

- Individual tax rates are proposed to be rationalized for taxpayers opting in for the new taxation regime as follows:

<b>Total Income (INR)</b>	<b>Rate</b>
– Up to 3,00,000	Nil
– From 3,00,001 to 6,00,000	5%
– From 6,00,001 to 9,00,000	10%
– From 9,00,001 to 12,00,000	15%
– From 12,00,001 to 15,00,000	20%
– Above 15,00,000	30%

- No change in tax slab is proposed under the old taxation regime.
- The peak rate of surcharge is proposed to be capped at 25% for taxpayers under the new taxation regime whose income exceeds INR 5,00,00,000 (Indian Rupees five crore) from the current peak surcharge rate of 37%. Consequent to such proposal, the effective tax rate will be decreased from 42.744% to 39%.
- In case of the new taxation regime, the income limit to avail the benefit of the rebate is proposed to be increased from INR 5,00,000 (Indian Rupees five lakh) to INR 7,00,000 (Indian Rupees seven lakh), as a consequence the effective tax outflow would stand reduced by INR 25,000 (Indian Rupees twenty five thousand).
- The leave encashment limit on the retirement of non-government salaried employees is proposed to be increased from the existing INR 3,00,000 (Indian Rupees three lakh) to INR 25,00,000 (Indian Rupees twenty five lakh).
- Any sum received under a life insurance policy other than unit linked insurance policy is proposed to be taxable where the annual premium payable exceeds INR 5,00,000 (Indian Rupees five lakh) in the case where the policies are issued on or after April 1, 2023. Such income upon receipt is proposed to be taxable as income from other sources with the prescribed computation mechanism.
- The maximum deduction that can be claimed from eligible capital gains upon purchase of residential property is proposed to be limited to a purchase value of INR 10,00,00,000 (Indian Rupees ten crore).
- Interest on borrowed capital (for acquiring a house property), once claimed as a deduction against income from house property is proposed to be restricted in addition to the cost of acquisition for the purpose of computing capital gains at the time of disposal.
- A new computation mechanism is proposed to be prescribed for the purposes of computing the value of taxable perquisite in the form of accommodation provided by the employer.

10. Tax collection at source rate is proposed to be increased to 20% from 5% with effect from July 1, 2023 on remittances under Liberalised Remittance Schemes (including overseas tour packages) other than for medical and educational purposes.

## Corporate Taxation

1. The value of any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession is subject to income tax. The scope of benefit or perquisite subject to income tax is proposed to be expanded to include such benefit or perquisite provided in cash, or in kind, or partly in cash and partly in kind.
2. To guard against permanent deferral of taxes through undervaluation of inventory, it is proposed to include an enabling provision for Income Tax Authorities to direct taxpayers to undertake a valuation of the inventory by a cost accountant and furnish a valuation report as prescribed. The time period taken for undertaking such inventory valuation is proposed to be excluded in the computation of time limitation.
3. Cooperative societies are proposed to be eligible to claim a lower tax rate of 15% where a new manufacturing facility is set up on or after April 1, 2023 and manufacturing or production is commenced on or before March 31, 2024 subject to fulfilment of certain conditions.
4. The threshold limits for presumptive taxation for income from profession are proposed to be increased from INR 50,00,000 (Indian Rupees fifty lakh) to INR 75,00,000 (Indian Rupees seventy five lakh) where the amount or aggregate of the amounts received during the previous year, in cash, does not exceed 5% of the total turnover or gross receipts. Similarly, threshold limits for presumptive taxation for income from businesses are proposed to be increased from INR 2,00,00,000 (Indian Rupees two crore) to INR 3,00,00,000 (Indian Rupees three crore) where the amount or aggregate of the amounts received during the previous year, in cash, does not exceed 5% of the total turnover or gross receipts.
5. Any sum payable by a taxpayer to MSMEs beyond the time limit specified in the applicable law is proposed to be allowed as a deduction only upon its actual payment.
6. With the objective to ease the process of claiming amortization of the preliminary expenses, it is proposed to remove the condition that activity in connection with the preparation of a feasibility report or conducting market survey is to be carried out by a concern approved by the Board. It is proposed that the taxpayer would be required to furnish a statement containing the particulars of this expenditure within the prescribed period to the prescribed income-tax authority in the prescribed form and manner.

## Capital gains

1. For the transfer of capital assets under the joint development agreement, it is proposed to be clarified that the full value of consideration will be considered as the stamp duty value of the taxpayer's (Seller's) share as increased by consideration received in cash or by cheque or draft or any other payment mode.
2. With the objective to promote the concept of electronic gold, it is proposed to exclude the conversion of physical gold into electronic gold receipt ("**EGR**") issued by the Securities and Exchange Board of India ("**SEBI**") registered vault manager and vice-versa from the purview of capital gains tax. For this purpose, the cost of acquisition of the EGRs is proposed to be considered as the cost of gold in the hands of the person in whose name EGRs are issued and the holding period is proposed to include the period for which gold was held by the taxpayer prior to its conversion.

3. Capital gains on market linked debentures (“**MLDs**”) are proposed to be taxable as short-term gains irrespective of the period of holding and the same is to be treated as akin to equity. MLDs are proposed to be defined as securities which have an underlying principle component in the form of debt security and where the returns are linked to market returns on other underlying securities or indices and include any securities classified or regulated as MLDs by SEBI.
4. To remove the ambiguity on what would be considered as the cost of acquisition or cost of improvement vis-à-vis intangibles, it is clarified that the cost of acquisition or cost of improvement of a capital asset (for the purpose of computing capital gains) of an intangible asset or any other right (other than those specifically provided for under existing law) is proposed to be taken as nil.
5. The definition of the term ‘strategic disinvestment’ is proposed to be amended to include the sale of shareholding by the central government, the state government or public sector company in a public sector company or a company which results in the reduction of its shareholding below 51%, and transfer of control to the buyer.

### **Taxation of institutions and charitable organizations**

1. The income of trusts or institutions does not include voluntary contributions made with a direction that they should form a part of the corpus of the fund subject to such voluntary contributions being invested or deposited in modes specified under the law. Application out of such corpus is not treated as an application of income. Such amount is, however, treated as an application in the previous year when the amount is deposited back into the corpus to the extent of the deposit. Similarly, application out of loans or borrowings is not regarded as an application of income. However, it is considered an application in the year of repayment or loans.
2. It is proposed that any application of donations out of corpus or repayment of loans or borrowings made before March 31, 2021 is proposed to be not allowed as an application of income. This amendment will take effect from April 1, 2023. Further, where the corpus is refunded back, or borrowings are repaid back within 5 (five) years then such deposit back to corpus or loan repayment will qualify as an application of income. These will be subject to meeting other conditions.
3. Presently, trusts or institutions are required to apply 85% of their income for charitable or religious purposes and 15% of their income can be accumulated each year. Such application can be made by making donations to trusts with similar objectives. On account of multiple trusts being formed resulting in the accumulation of income of 15% at each level, there is a reduction in the effective application of funds. It is proposed to limit the application to 85% of the eligible donation made to other trusts or institutions.
4. Exit tax-like provisions are proposed to be introduced to levy tax on trusts or institutions which have not applied for regular registration after taking provisional registration where the trust or institution converts into a form not eligible for registration or upon merger into an entity not having similar objects or on the distribution of assets to an unregistered charitable organization.
5. Exemption to a trust or institution is proposed to be denied in case the original return of income is not filed by such trust or institution within the due date prescribed under the income tax law even if an updated return is filed.

## Taxation of Start-Ups

1. Eligible start-ups were hitherto allowed to carry forward and set off losses provided all the shareholders of the company as on the last day of the year in which loss was incurred continue to hold shares in the company on the last day of the previous year in which loss is sought to be set off. Additionally, only losses incurred during the first 7 (seven) years beginning from the year of incorporation. It is proposed to extend the same to 10 (ten) years.
2. The tax holiday benefit available to eligible start-ups is proposed to be extended to eligible start-ups incorporated up to April 1, 2024, as against the previous outer limit of April 1, 2023, for the availability of such benefit.

## Taxation of Financial Services

1. Tax incentives are provided to foreign investment funds in relocation to International Financial Services Centre ("IFSC") as an Alternative Investment Fund ("AIF"). One of the incentives is the exemption on the capital gains arising on the transfer of shares/units held by the shareholder/unit holder of such foreign fund in consideration of shares/units of the relocated AIF. The timeline to avail benefit of such incentive is proposed to be extended from March 31, 2023 to March 31, 2025.
2. An exemption is provided to non-residents for any income on transfer of offshore derivative instruments ("ODI") entered into with offshore banking unit of IFSC subject to certain conditions. This exemption is proposed to be expanded to any income received by a non-resident on the distribution of income on ODI.
3. A pass-through status is provided to Infrastructure Investment Trust ("InVIT") and Real Estate Investment Trust ("REIT") ("**Business Trust**") in respect of certain specified incomes such as interest, dividend and rental income (in case of REIT) received from special purpose vehicles (Indian companies in which trust holds controlling interest or prescribed percentage). There is a lack of clarity on the taxation of other distributions such as repayment of debt. It is proposed to tax any sum received by a unit holder (including on redemption of units to the extent receipts exceed the cost of unit) which is (a) not in the nature of exempted income in the hands of Business Trust (i.e., interest, dividends and rental income), and (b) not chargeable to tax in the hands of Business Trust.
4. At the time of distribution of income in the nature of interest and dividends to non-resident unit holders, Business Trusts are obligated to withhold income tax at 5% /10% depending on the nature of income. Presently, a certificate allowing a lower tax rate, or no deduction of tax cannot be obtained with regard to such payments. It is proposed to allow issuance of certificate withholding tax certificate permitting lower or no tax withholding on such payments.

## Significant Procedural Changes

1. A new appellate authority is proposed to be created as Joint Commissioner/ Additional Commissioner level to handle cases involving a small amount of disputed demand. Their powers are proposed to be the same as the Commissioner of Income-tax (Appeals) ("**CIT(A)**"). The Central Board of Direct Taxes may transfer certain existing appeals filed before CIT(A) to the Joint Commissioner (Appeals) and prescribe a procedure for the disposal of appeals by the Joint Commissioner.

2. Penalty orders passed by CIT(A) under certain provisions are now proposed to be appealable before the Appellate Tribunal ("**Tax Tribunal**"). Revision or rectification orders passed by Principal Chief Commissioner or Chief Commissioner are also proposed to be appealable before the Tax Tribunal.
3. It is proposed to permit the income tax authorities to file a memorandum of cross-objections for all classes of cases against which appeal can be made to the Tax Tribunal (for example, the income tax authority can file cross objections against the order passed by the Tax Officer after the directions of Dispute Resolution Panel).
4. The successor upon business reorganization (such as amalgamation, demerger etc.) is required to furnish a modified return. A procedure for completion of the assessment of such successor is proposed: (i) where the proceedings for the relevant financial year are completed on the date of furnishing of modified return, then an order modifying the total income of the financial year in accordance with the order of the business reorganization will be passed by the income tax authorities taking into account the modified return; and (ii) where the proceedings for the relevant financial year are pending on the date of furnishing of modified return, then the income tax authorities will pass an order assessing or reassessing the total income of the financial year in accordance with the order of the business reorganization taking into account the modified return.
5. The time available for completion of the assessment is proposed to be increased from 9 (nine) months to 12 (twelve) months for Assessment Year 2022-2023 onwards. A similar timeline extension is proposed to be applicable for the completion of the assessment of the updated return. This will be effective from April 1, 2023
6. It is proposed to permit income tax authorities to seek the assistance of approved professionals, such as digital forensic experts and registered valuers, during the search and seizure process.

## Strategic

1. Any money received without any consideration by a non-resident from a person resident in India is regarded as an income deemed to accrue or arise in India. This deeming provision is proposed to be expanded to include receipt of money without any consideration by a person not ordinarily resident in India.
2. Any consideration received for the subscription of shares received by a closely-held company (except eligible start-ups and venture capital undertaking) from a non-resident towards subscription of shares where the consideration is higher than the fair market value is proposed to be taxable in India to the extent of the difference between the amount received and the fair market value.
3. Deductibility of excess interest (interest in excess of 30% of earnings before interest, taxes, depreciation and amortization) paid in respect of debt issued by the non-resident 'associated enterprise' of the Indian Company/ permanent establishment of a foreign company is subject to certain restrictions while computing the taxable income of the company paying such interest and balance can be carried forward in ensuing years. However, the limitation is not applicable to companies engaged in the business of banking and insurance. It is proposed to extend the same to non-banking financial companies.

## Tax Withholding

1. Tax deduction at source ("**TDS**") at the rate of 30% is proposed to be applicable on 'net winnings' from online games which will trigger at the end of the financial year or upon withdrawal during the year, whichever is

earlier. No de-minimis threshold is proposed to be prescribed, however, the calculation of 'net winnings' would be prescribed. Such TDS obligation is proposed to be effective from 1<sup>st</sup> July 2023 onwards.

2. TDS at the rate of 30% is applicable at the time of payment in case of winnings from lottery/crossword puzzle/card game/other game of any sort for an amount exceeding INR 10,000 (Indian Rupees ten thousand). This TDS obligation is proposed to (a) be expanded to gambling and betting of any form and (b) be made applicable on winnings, which will trigger when the amount or aggregate of amounts exceed INR 10,000 (Indian Rupees ten thousand) during the financial year.
3. The exemption available on the TDS obligation on payment of interest on listed security issued by a company to a resident is proposed to be removed.
4. A cooperative society engaged in carrying on the business of banking or a post office, which is responsible for paying any sum to any person, at the time of payment of such sum in cash, deduct an amount equal to 2% of such sum, as income-tax. The requirement to deduct tax applies only when the payment of amount or aggregate of amount in cash during the year exceeds INR 1,00,00,000 (Indian Rupees one crore), the same has been increased to 3,00,00,000 (Indian Rupees three crore),.
5. TDS at the rate of 20% is applicable on any income payable to non-residents in respect of Mutual fund units. It is proposed to provide the benefit of a lower rate available in the Tax Treaty, if any, for TDS where the non-resident payee furnishes a Tax Residency Certificate.

## INDIRECT TAX

### Goods and Services Tax

Several changes are proposed in the Central Goods and Services Tax Act, 2017 ("**CGST Act**") which will come into effect upon the Finance Bill enactment on the date of assent of Bill.

#### 1. **Changes proposed to input tax credit ("ITC") related provisions**

- a) ITC on expenditure incurred towards corporate social responsibility proposed to be restricted under Section 17(5) of the CGST Act to put to rest the ongoing debate on the matter.
- b) An amendment to Schedule III of the CGST Act was made to include, 'supply of warehoused goods to any person before clearance for home consumption', as a transaction qualifying as neither supply of goods nor supply of services. An amendment to explanation to Section 17(3) of the CGST Act is proposed to include the value of supply of warehoused goods before clearance for home consumption as 'exempt supply', thereby requiring reversal of ITC on such transaction.

#### 2. **Online information and database access or retrieval ("OIDAR") services**

- a) The definition of 'non-taxable online recipient' to be simplified to include persons not registered under the provisions of the GST law, at the same time including persons who are registered solely for the purpose of deduction of tax at source such as department or establishment of central government/ state government, local authority and government agencies.
- b) The condition of "essentially automated and involving minimal human intervention" is proposed to be removed from the definition of OIDAR services.
- c) The above amendments would widen the onus on the non-resident companies to register as OIDAR service providers and pay GST in India.

### 3. E-Commerce Operator

- a) Persons engaged in supplying goods through electronic commerce operators will be eligible for the benefit of composition scheme.
- b) Penalties of INR 10,000 (Indian Rupees ten thousand only) or amount of tax involved, prescribed for electronic commerce operators allowing supplies effected through them by unregistered persons, persons not eligible for making inter-state supplies or failure to furnish correct details of supply of goods effected through them.

### 4. Filing of Returns

Time-limit for filing of returns/ periodical statements in Forms GSTR-1, GSTR-3B, GSTR-8 and GSTR-9 proposed to be restricted to a maximum period of 3 (three) years from the due date of filing of such return/ statement.

### 5. Penal provisions under GST laws

- a) Offences such as obstructing or preventing the officer from discharging his duties, tampering or destroying any material evidence or documents and failure to supply any information which is required to be supplied under the CGST Act, are proposed to be decriminalized.
- b) Monetary limits for various offences such as supply of goods or services without issue of invoices, fraudulent availment of ITC, evading tax, etc. has been increased from INR 1,00,00,000 (Indian Rupees one crore only) to INR 200,00,000 (Indian Rupees two crore only) for launching prosecution under the CGST Act.

### 6. Others

1. It is proposed that the following inclusion (Para 7 and Para 8) under Schedule III to the CGST Act introduced with effect from February 1, 2019, are deemed to have given a retrospective effect from July 1, 2017:
  - a) 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.
  - b) Supply of warehoused goods to any person before clearance for home consumption;
  - c) 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.

## Central Sales tax

1. The powers vested with Central Sales Tax Appellate Authority under Section 19 of the Central Sales Tax Act, 1956 to settle disputes involving branch transfer/ inter-state sales will be vested with Customs, Excise and Service Tax Appellate Tribunal (“CESTAT”) constituted under Section 129 of the Customs Act, 1962.
2. Authority for Advance Rulings abolished, and its pending proceedings will be transferred to CESTAT constituted above.

## Customs

### 1. Non-Tariff changes

- a) Timeline for passing an order by Settlement Commission is proposed to be restricted to 9 (nine) months from the last date of the month in which such application is filed. Failure to do so by the Commission will abate the settlement proceedings resulting in the matter to be remanded to the adjudicating authority.
- b) While this is being done to ensure the time bound completion of the settlement proceedings, failure to complete the proceedings within the stipulated will result in hardships for the assesseees.

### 2. Tariff changes

- a) Several tariff changes are proposed in the budget to rationalize & simplify the Customs duty rates, to boost 'Make in India' initiative and incentivize green growth. This Budget reduces the number of basic customs duty (“**BCD**”) rates (slabs) on goods, other than textiles and agriculture, from 21 (twenty one) to 13 (thirteen), to simplify the tax structure with fewer tax rates, thereby, reducing the compliance burden and improving tax administration.
- b) *[To be effective from February 2, 2023 (to come into effect immediately through a declaration under Provisional Collection of Taxes Act, 1931), unless specified otherwise]*

### 3. Certain exemption from BCD which were expiring this year have been extended for a period of 1 (one) year (i.e., upto March 31, 2024). This inter-alia includes:

- a) Lithium-ion cell for use in manufacture of battery/ battery pack of cellular mobile phone and electrically operated vehicle or hybrid motor vehicle;
- b) Solar tempered glass used in manufacture of EVA sheets for use in manufacture of solar cell or solar module;
- c) Excess liquified petroleum gases returned by domestic tariff zone (“**DTA**”) unit to special economic zone unit
- d) Electric energy supplied to DTA by power plants;
- e) Goods required for basic telephone/ internet service and their parts;
- f) Articles and component parts supplied as replacement of defective articles imported earlier as private personal properties;
- g) Precious stones imported by posts on ‘approval or return’ basis;
- h) Specified goods imported for carrying out repairs, reconditions, testing, calibration or maintenance.

### 4. In continuation to the above, certain exemptions from BCD are proposed to be extended for a period of 2 (two) years (i.e., till March 31, 2025). This inter-alia includes:

- a) Specified drugs, medicines, diagnostic kits, equipment, bulk drugs used in manufacture of drugs, medicines, lifesaving drugs and medicines;
- b) Specified inputs and sub-parts for use in manufacture of telecommunication grade optical fibre and optical fibre cables;
- c) Raw materials and parts used in manufacture of wind operated electricity generator;
- d) Raw material and parts for use in manufacture of ships/ vessels.

5. Exemption provided to vehicles, automobiles, parts/components, sub-systems and tyres when imported by testing agencies for the purpose of testing, subject to specified condition.
6. To promote indigenous manufacturing of Electric Vehicles ("EVs") in India, exemption granted from whole of customs duty leviable on import of battery of electrically operated vehicles.
7. BCD on vehicles (including EVs) imported in semi-knocked down kits increased from 30% to 35%, whereas, BCD on vehicle (including EVs) imported in completely built unit form (with CIF (Cost, Insurance and Freight) of more than USD 40,000 (United States Dollar forty thousand)) increased from 60% to 70%. However, social welfare surcharge ("SWS") is exempted on both the categories.
8. BCD and SWS on gold, gold dore and platinum have been reduced/ removed, whereas, Agricultural and Infrastructure Development Cess on the same has been increased, thereby, maintaining the same effective rate of customs duty. However, effective import duty on silver bar and dore have increased. The effective rates of the said goods are as follows<sup>1</sup>:

Chapter Heading	Commodity	BCD		AIDC		SWS		Effective Rate of Duty
		From	To	From	To	From	To	
7108	Gold Bars	12.5%	10%	2.5%	5%	Nil	Nil	15%
7108	Gold Dore	11.85%	10%	2.5%	4.35%	Nil	Nil	14.35%
7110	Platinum	12.5%	10%	1.5%	5.4%	1.4	Nil	15.4%
7106	Silver Bar	7.5%	10%	2.5%	5%	0.75	Nil	15%
7106	Silver Dore	6.1%	10%	2.5%	4.35%	0.61	Nil	14.35%

9. BCD on articles made of precious and semi-precious metals increased from 20% to 25%. However, payment of SWS exempted on the same to maintain the effective rate of duty applicable on such products. Also, BCD on imitation jewellery increased from 20% or INR 400 (Indian Rupees four hundred)/kg, whichever is higher to 25% or INR 600 (Indian Rupees six hundred)/kg, whichever is higher.
10. BCD on waste and scrap of precious metal or containing precious metal reduced from 12.5% to 10%.
11. Exemption on BCD on import of coal, lignite, peat and naphtha reduced, resulting in increase of duty from 1% to 2.5%.
12. Inputs or sub-parts for use in manufacture of camera lens of camera module or cellular mobile phones and camera lens for the use in manufacture of camera module of cellular mobile phones have been fully exempted from BCD. These were earlier subject to BCD at the rate of 2.5%.
13. Project Imports Regulations, 1986 amended to exclude solar power plant or solar power project from its ambit.

<sup>1</sup> To be effective from the date on which the Finance Bill, 2023 will receive President's assent.

## Central Excise

1. To avoid cascading effect of taxes on blended compressed natural gas, excise duty is exempted to the extent of GST paid on biogas/ compressed bio-gas contained therein.
2. National Calamity Contingent Duty levied as a duty of excise is increased on cigarettes.

## Tax Practice

JSA offers a broad range of tax services, both direct and indirect, in which it combines insight and innovation with industry knowledge to help businesses remain compliant as well as competitive. The Tax practice offers the entire range of services to multinationals, domestic corporations, and individuals in designing, implementing and defending their overall tax strategy. Direct Tax services include (a) structuring of foreign investment in India, grant of stock options to employees, structuring of domestic and cross-border transactions, advising on off-shore structures for India focused funds and advise on contentious tax issues under domestic tax laws such as succession planning for individuals and family settlements, (b) review of transfer pricing issues in intra-group services and various agreements, risk assessment and mitigation of exposure in existing structures and compliances and review of Advance Pricing Agreements and (c) litigation and representation support before the concerned authorities and before the Income Tax Appellate Tribunal, various High Courts and Supreme Court of India. Under the Indirect Tax, JSA provides services such as (a) advisory services under the Goods and Services Tax laws and other indirect taxes laws (VAT/ CST/ Excise duty etc.), and includes review of the business model and supply chain, providing tax implications on various transactions, determination of tax benefits/exemptions, analysis of applicability of schemes under the Foreign Trade Policy (b) transaction support such as tax diligence (c) assistance in tax proceedings and investigations and (d) litigation and representation support before the concerned authorities, the Appellate Tribunals, various High Courts and Supreme Court of India. The team has the experience in handling multitude of assignments in the manufacturing, pharma, FMCG, e-commerce, banking, construction & engineering, and various other sectors and have dealt with issues pertaining to valuation, GST implementation, technology, processes and related functions, litigation, GST, DRI investigations etc. for large corporates.

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17 Practices and  
24 Ranked Lawyers



16 Practices and  
11 Ranked Lawyers



7 Practices and  
2 Ranked Lawyers



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