



PIONEER ONE

JUST A MINUTE (JAM)

February 2022

BUDGET 2022

HIGHLIGHTS – DIRECT & INDIRECT TAX

S. No	Head	Sub head	Type	What is new
1	Income Tax	Income Tax returns	Newly introduced	<ul style="list-style-type: none"> A new provision is introduced to file an updated return to correct the errors within 2 years from the end of the relevant AY on payment of additional tax of 25% or 50% as the case maybe.
2	Income Tax	Co-operative societies	Amendment	<ul style="list-style-type: none"> Alternate Minimum Tax (AMT) to be reduced from 18.5% to 15%. Surcharge to be reduced from 12% to 7% for those having total income of more than 1 crore and up to 10 crore.
3	Income Tax	Deduction (S. 80 CCD)	Amendment	<ul style="list-style-type: none"> To provide equal treatment to both central and state government employees, the tax deduction limit for state government employees have been increased from 10% to 14% on employers contribution to the NPS account. This amendment will take effect retrospectively from 1st April, 2020.
4	Income Tax	Startup (S.80IAC)	Amendment	<ul style="list-style-type: none"> The period of incorporation of eligible startup have been increased up to 31.03.2023 for the purpose of claiming exemption under section 80 IAC.
5	Income Tax	Concessional tax scheme (S.115BAB)	Amendment	<ul style="list-style-type: none"> Extension of last date for commencement of manufacturing or production, under section 115BAB (offering a low tax rate of 15%), from 31.03.2023 to 31.03.2024.
6	Income Tax	Virtual Digital Asset (Crypto Currency)	Newly introduced	<ul style="list-style-type: none"> Income from transfer of virtual digital assets will be taxed at the rate of 30% No deduction in respect of any expenditure will be allowed other than the cost of acquisition. No set off of loss allowed against income from transfer of virtual digital asset. TDS of 1% on such consideration above the prescribed threshold limit. Loss from virtual digital asset cannot be set off against any other income. It cannot be carried forward to subsequent assessment years. Gift of virtual digital asset is also taxed in the hands of recipient.

7	Income Tax	Deduction (S.80DD)	Amendment	<ul style="list-style-type: none"> The individual or member of the HUF who is a parent/guardian of the differently-abled can now get a tax deduction on payment of annuity or lump sum during their lifetime itself (provided they have attained 60 years of age), even if the disabled dependent predeceases the individual or member of the HUF. Before the amendment, the section gave deduction only if the payment of annuity or lump sum amount is made to the benefit of the dependent, in the event of death of individual or the member of HUF in whose name the subscription to scheme was made.
8	Income Tax	Surcharge	Amendment	<ul style="list-style-type: none"> Surcharge on income of AOP's consisting of only companies as its members are capped at 15%. Surcharge on the long term capital gain on transfer of any kind of asset is capped at 15%.
9	Income Tax	Cess	Clarification issued	<ul style="list-style-type: none"> Surcharge and cess (including health and education cess), if any will not be considered as a business expenditure, hence will not be allowed as expenditure in computing business income of the assessee.
10	Income Tax	Set off of loss	Newly introduced	<ul style="list-style-type: none"> No set off of any loss or unabsorbed depreciation shall be allowed to the assessee while computing his total income which includes any undisclosed income.
11	GST	ITC – Conditions for availing ITC	Amendment	<ul style="list-style-type: none"> ITC can be availed only if such credit has not been restricted in the details communicated to the taxpayer under section 38.
12	GST	ITC – Time limit for availment	Amendment	<ul style="list-style-type: none"> ITC in respect of invoices or debit notes pertaining to a FY can be claimed upto 30th November of the following FY. <i>(before this budget it was 30th September)</i>
13	GST	Cancellation of registration	Amendment	<ul style="list-style-type: none"> Registration of a taxpayer is liable to cancellation where, <ul style="list-style-type: none"> Composition dealer has not furnished the return for the FY beyond 3 months from the due date of furnishing such return. Registered person other than composition dealer has not furnished returns for such continuous period as maybe prescribed.
14	GST	Issue of credit notes	Amendment	<ul style="list-style-type: none"> Credit notes can now be issued upto 30th November of the following FY<i>(before this budget it was 30th September)</i>
15	GST	GSTR-1/GSTR-3B	Amendment	<ul style="list-style-type: none"> Rectification of errors can be made upto 30th November of the following FY <i>(before this budget it was 30th September)</i>

HIGHLIGHTS - OTHER ITEMS:

Post office and Banking

- All the post offices will be integrated under the core banking system enabling financial inclusion and access to accounts through net banking, mobile banking & ATMs.
- It is intended to facilitate online transfer of funds between post office accounts and bank accounts.

Accelerated Corporate Exit

- Centre for Processing Accelerated Corporate Exit (C-PACE) to be established **for speedy winding-up of companies** by reducing the time limit from **2 years to 6 months**.

Excise duty on Petrol

- An additional Basic Excise Duty of **Rs. 2 / litre** will be levied on retail sales of **unblended petrol or diesel** intended to be sold to retail customers, **w.e.f. 01-10-2022**.

Special Economic Zones

- Customs Administration of SEZs to be fully IT driven - shall be implemented by **30.09.2022**.
- Special Economic Zones Act to be replaced with a new legislation.

Digital Currency

- RBI will launch a Digital rupee using block chain technology starting **from F.Y.2022-23**.

MSME

- Emergency credit line guarantee scheme (ECLGS) - Scheme providing loans to MSME's during the pandemic to be extended **till March 2023**.

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Chamber of Commerce – Affiliation

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