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Union Budget 2022
Enabling India's big leap

February 2022



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Economic Indicators

The economy is expected to grow at 9.2 percent in FY21-22, followed by 8-8.5 percent growth in FY22-23.

Higher vaccine coverage and improved mobility support a positive growth outlook for FY22-23.

Risks of severe infection, supply-side disruptions, weak labour market, and inflation remain the key concerns.



Economy: A quick snapshot of the current status

● Weak outlook ● Strong outlook ● Neutral outlook

GDP growth

Growth is estimated at 9.2 percent for FY22. Gross value add in agriculture and industry is estimated to grow by 3.9 percent and 11.8 percent, respectively. Gross investment and exports will be the bigger growth drivers.

What to expect in FY23

Growth may increase between 8.0 percent and 8.5 percent. Rapid pace of vaccination and long-term benefits of supply-side reforms in the pipeline will aid growth.

Inflation

In Dec 2021, the CPI inflation increased to a five-month high of 5.6 percent with core inflation remaining high at 6.1 percent.

What to expect in FY23

India does need to be wary of imported inflation, especially from elevated global energy prices and supply-chain disruptions.

Credit growth**

Domestic credit growth was 9.8 percent in Q3 FY22 against 8.5 percent in FY21. Credit growth to the industry sector improved but yet to recover in the services sector.

What to expect in FY23

Demand for credit growth may pick up gradually as economic activity returns to normalcy. Banks are well capitalised; reduced NPAs may improve their willingness to lend.

Fiscal deficit

The fiscal deficit reached 46.2 percent of the full year target during April–Nov 2021, amidst a rise in tax collections. The deficit for FY22 is expected to be -6.9 percent.

What to expect in FY23

The government finances to witness consolidation in FY22, after uptick in deficit and debt indicators in FY2021. The deficit is expected to be -6.4 percent in FY23.

Government's 10-year security yields

Yields have risen to 6.4 percent in Dec 2021, due to inflation and rising government borrowings. The tapering of assets by the US Federal Reserve has also led to an increase in yields.

What to expect in FY23

Yields may remain volatile with downside risks amidst a rising fiscal deficit and uncertainty around global liquidity.

Rupee

Indian rupee depreciated by 3.4 percent in December 2021 over March 2021. However, the rupee exhibited movements in both directions against US dollar during this period.

What to expect in FY23

The rupee may remain volatile amidst pandemic-related uncertainties, inflation, a rising fiscal deficit, and US Federal Reserve's tapering of asset purchases.

Current account deficit

Current account recorded a deficit of 0.2 percent of GDP in H1 FY22, led by a rising trade deficit.

What to expect in FY23

The current account may remain in deficit as imports rise with the economic recovery. Stronger exports may keep the deficit in check.

FDI

Net FDI inflows amounted to US\$ 24.7 billion for April–November 2021, 29.5 percent lower than April–November 2020.

What to expect in FY23

FDI is expected to remain volatile due to global uncertainties associated with the spread of the infection and the pace of monetary policy tightening in advanced countries.

Note: **Domestic credit is summation of net bank credit to government and bank credit to commercial sector. Growth is measured on year-on-year basis on real values, wherever applicable.

Sources: CMIE, RBI

Economy is projected to grow by 9.2 percent in FY22; 8.0-8.5 percent in FY23

India's recovery is getting a boost from rising infra spend, robust exports, strong capital flows, and an impressive vaccination rate.

Growth drivers

India's economic fundamentals have improved substantially. A rapid economic recovery in key industrial nations with strong trade ties have aided in strong export growth. India was amongst the few nations that witnessed strong FDI in 2020, and the momentum continued in 2021. Net FDI inflows amounted to US\$ 24.7 billion from April-November 2021.

Robust foreign investment inflows also resulted in a strong growth of the capital market. The current account balance is healthy and **adequate foreign exchange reserves** provide a cushion against unforeseen external shocks.

Accelerated rates of vaccination and substantially reduced mobility restrictions have improved consumer and business confidence. Consumers' pent-up demand is expected to rebound strongly, signaling businesses to ramp up spending.

Gains from supply-side reforms and easing of regulations may also boost growth. The government's **emphasis on infrastructure spending, reforms, various supportive schemes** (such as PLI,) and digitalisation are expected to boost investment and kickstart the virtuous cycle of investment, employment, income, and demand.

Availability of fiscal space to ramp up capital spending, easing supply-chain constraints, and synchronised global growth (resulting in strong exports) will further boost the growth momentum.

Deloitte expects the economy to grow between 8.7 percent and 9.4 percent in FY22, followed by equally strong growth of 9 percent and 7.5 percent in FY23 and FY24, respectively.

Downside economic risks

One of the biggest downside risks to the outlook is the **possible surge in infections** and the consequent return of mobility restrictions.

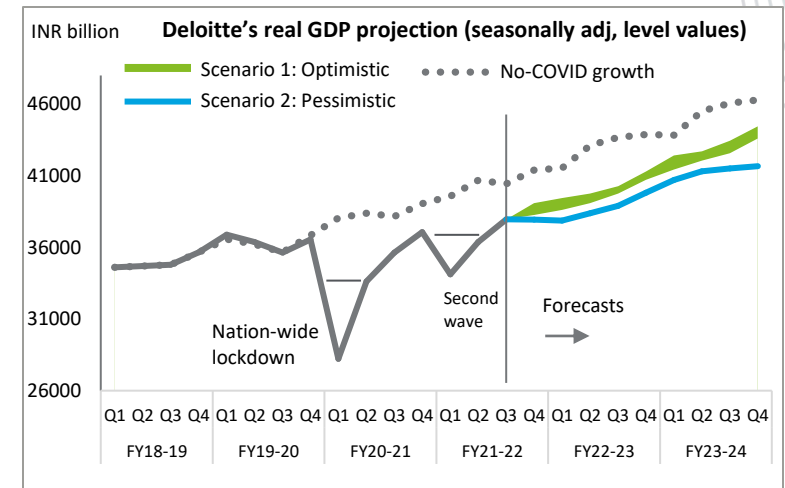
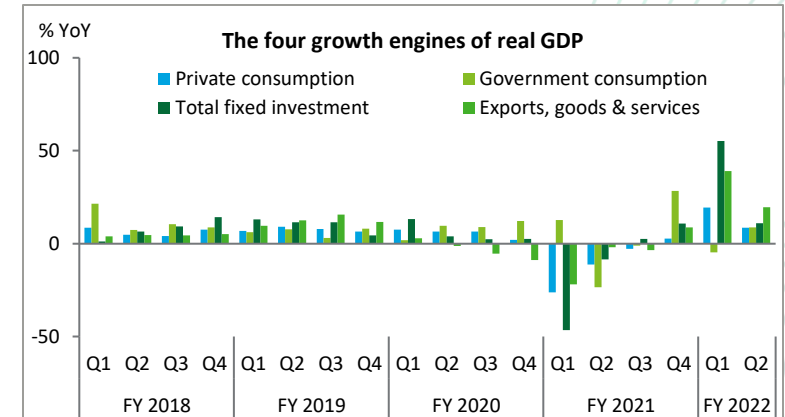
Rising inflation on account of global supply chain disruptions, travel restrictions, concerns around higher oil prices, and potential inability of businesses to ramp up to meet the surge in demand are other potential risks.

Higher fiscal deficit and borrowing are likely to affect public debt, which can erode investors' confidence and raise borrowing costs for India.

Despite policy support, **bank credit growth has remained subdued.** The service industry's gross non-performing assets (GNPAs) have increased and lending to MSMEs remains low. That said, banks are well-capitalised and overall GNPAs have declined this year.

Poor employment growth has affected household demand and poses a long-term risk to the effective use of demographic dividend.

Tapering of balance sheets and a possible **policy rate hikes by central banks in advanced countries** can trigger capital outflows, thereby leading to currency depreciation and imbalance in the capital account balance. It may also result in a tighter monetary policy stance in India.



Note: Economic projections were done in early Dec 2021. Projections don't account for the latest GDP revision of the past year

Source: CMIE, RBI, [Deloitte Insights](#)

A well-coordinated monetary and fiscal policy will ensure a sustained recovery

The RBI will monitor the inflation trend to calibrate monetary policy.

Monetary policy

The RBI has continued with the accommodative stance. The repo and reverse repo rates were left unchanged at 4.0 percent and 3.35 percent, respectively, in the last policy meeting. Both MSF and bank rates stand at 4.25 percent.

In response to the US Fed's tapering announcement, the RBI has been draining excess liquidity by increasing the volume of variable-rate reverse repo operations since October 2021. This is the first indication towards a tightening monetary policy.

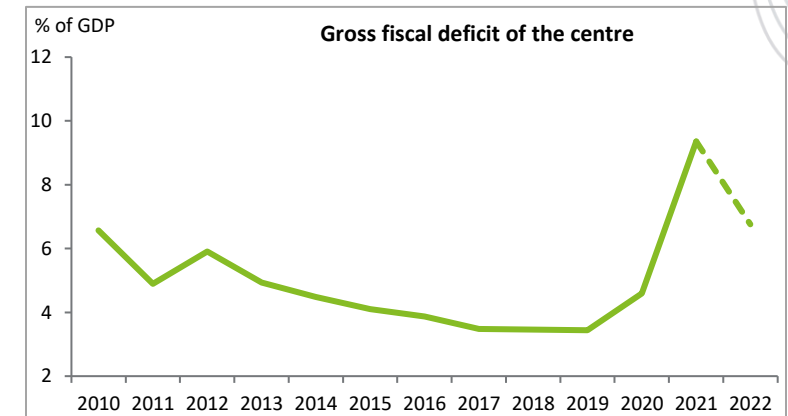
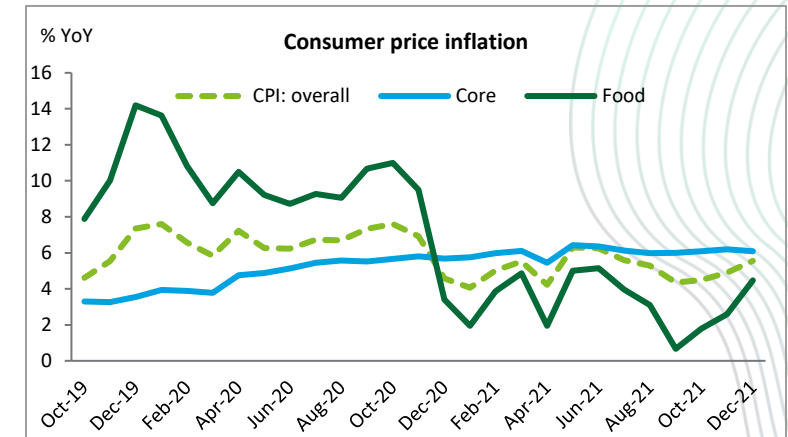
The next step will likely be the narrowing of the repo and reverse repo rate differentials by first raising the reverse repo rate and then finally the repo rate. The RBI is likely to monitor credit growth and inflation, and calibrate rate hikes, while maintaining easy credit and debt restructuring facilities for the economy's vulnerable sectors in the interim.

Fiscal policy

The revenue receipts of the central government during April–November 2021 have gone up by 67.2 percent (YoY), against an estimated growth of 9.6 percent in 2021–22 budget estimates. Tax collections have been buoyant for both direct and indirect taxes. Gross monthly GST collections have crossed INR 1 lakh crore consistently since July 2021.

The fiscal deficit for April–November 2021 has been contained at 46.2 percent of budget estimates, which are nearly one-third of the proportion reached during the same period of the previous two years. The primary deficit during April–November 2021 turned up at nearly half of the level it had reached during April–November 2019.

This implies that the government has the fiscal capacity to maintain the support and increase capital expenditure when required.



Source: CMIE, [RBI](#), [PIB](#), Deloitte analysis

Note: Data for 2020–21 are Revised Estimates and data for 2021–22 are Budget Estimates

The FM unveils the Bahi-Khata: A blueprint from India @75 to India @100

Focus on four priorities: PM Gati Shakti; inclusive development; productivity enhancement and investment, sunrise opportunities, energy transition and climate action; and financing of investments

1. Infrastructure investment

Deloitte's views: Revenue buoyance and fiscal space allowed the government to focus on public investment. The major emphasis was on the seven engines of PM's Gati Shakti as well as on social infrastructure, education, and digitisation. Efficient and timely execution will be key.

Social infrastructure

- Allocating INR 600 billion for 38 million households to get piped water
- Upgrading 200,000 anganwadis to focus on child health
- Covering villages with optical fibre under the BharatNet project through a PPP model by 2025

Education

- Resilient mechanism for education delivery
- Quality content for education through digital means

Physical infrastructure

- The national highway network will be expanded by 25,000 km in 2022-23.
- Four multi-modal logistics park contracts will be awarded in FY23.
- About 100 new cargo terminals will be developed in three years.
- Initiatives to provide boost to railways, affordable housing under PM Awas Yojana, urban sector development, and a vibrant-village programme were announced.
- A data centre and energy storage system will be given infrastructure status; it will be moved to provide easy financing.

Digitisation and technology

Deloitte's views: From the digital rupee to a digital university, Budget 2022 saw an unprecedented push for digitisation.

For the citizens

- E-passports
- National digital health, including tele-mental health centres

For education

- Digital ecosystem (e-Vidya and digital university) for skilling and livelihood to be launched; aiming at reskilling and upskilling through online training
- A digital ecosystem for skilling and a livelihood portal, DESH-stack, to be launched

For agriculture

- Use of Kisan drones for crop assessment, digitisation of land records, and spraying of insecticides

Banking

- RBI-led digital rupee using blockchain to be launched in FY23
- About 75 digital banking units in 75 districts by SCBs

For ministries

- Launch paperless e-bills for procurements

For MSMEs

- MSMEs portals, such as Udyam, e-shram, NCS, and ASEEM to be inter-linked

2. Demand generation and employment

Deloitte's views: Direct payments and higher capital expenditure allocations in public schemes are likely to create income and job opportunities.

Demand generation measures

- INR 2.37 trillion worth of MSP direct payments through farm procurement to farmers can boost rural demand.

Employment

- PLI schemes in 14 sectors with potential to create 6 million new jobs, and additional new production of INR 30 trillion
- Financial support to the MSME sector, infrastructure, energy transition strategies; public capital expenditure and sunrise opportunities will create jobs.
- National capital goods policy, 2016 (launched with the intention of doubling the production of capital goods by 2025) can create employment opportunities.

The FM unveils the Bahi-Khata: A blueprint from India @75 to India @100

3. Business environment and ecosystem

Deloitte's views: Measures such as swift payments, resolution of disputes and arbitration, and improved logistical efficiencies are likely to enhance the ease of doing business and boost investors' confidence.

- One nation-one registration to ensure uniform process of registration
- Amendment to the bankruptcy code for faster dispute resolution
- Centre for processing accelerated voluntary corporate exits and reduce winding up of companies from 2 years to 6 months
- Faster processing of government payment for various procurements through a paperless and end-to-end e-bill system
- SEZ act to go, new law to allow states to collaborate to enhance export performance
- Unified logistics interface platform
 - Reduce logistics costs and time
 - Eliminate tedious documentation
 - Ensure just-in-time management and efficient movement of goods
- International arbitration centre at GIFT City
- Use of surety bonds (instead of bank guarantees) to reduce indirect costs for suppliers

4. Climate change and sustainability

Deloitte's views: The government's thrust on mindful and deliberate use of resources was visible as the FM proposed long-term and short-term actions towards a sustainable development.

- Focus on renewable power
 - Facilitating domestic manufacturing for solar PV modules manufacturing through additional allocation of INR 195 billion as part of the PLI
 - INR 14 billion allocated for 27 MW solar power generation and 123 MW hydro projects in FY23
- Four pilot projects for coal gasification and conversion into industrial chemicals to be set up
- Sovereign green bonds for green infrastructure
- A push for electric vehicles:
 - A battery-swapping policy to be brought out with interoperability standards to boost the EV ecosystem
 - Encouraging the private sector to promote an efficient EV ecosystem
 - Use of clean tech and governance solutions to promote a shift to use public transport in urban areas
- GIFT City to facilitate services for global capital for sustainable and climate finance
- Focus on cross-cutting issues for 10 sectors with the support of public policies to promote a circular economy

The FM unveils the Bahi-Khata: A blueprint from India @75 to India @100

5. Central deficit and state finances

Deloitte's views: The fiscal deficit for the year is expected to be 6.9 percent of the GDP, close to the budgeted estimate of 6.8 percent announced last year. The deficit is expected to fall to 6.4 percent in FY23, which is consistent with the broad path of fiscal consolidation announced last year to reach a fiscal deficit level below 4.5 percent by FY26.

Centre

The RE for revenue receipts has been upped to INR 20.8 trillion from the budget estimate of INR 17.9 trillion in FY22. Higher revenues have helped the government expand the capex target by 35.4 percent from INR 5.54 trillion to INR 7.50 trillion. For FY23, effective capex will be INR 10.7 trillion.

Total expenditure in FY23 is estimated at INR 39.45 trillion; total resources mobilisation will be at INR 22.84 trillion other than borrowings.

State

- In FY23, states will be allowed a fiscal deficit of up to 4 percent of GSDP.
- INR 1 trillion financial assistance will be provided to states in FY23 to catalyse investments.
- The outlay of the 'Scheme for Financial Assistance to States for Capital Investment' will be enhanced from INR 100 billion to INR 150 billion.

6. Sector-specific announcements

Deloitte's views: The FM announced targeted policies for specific sectors to support their recovery and boost growth in sectors with opportunities. This will help improve productivity, reduce fragmented growth, and create job opportunities.

MSMEs

- ECLGS to be extended up to March 2023
- Guarantee cover to be increased by INR 500 billion to INR 5 trillion
- Interlinking and expanding the scope of MSME portals for facilitating credit and enhancing entrepreneurial opportunities

Hospitality sector

- Additional ECLGS amount earmarked for the hospitality sector

Sunrise sectors

- The government to back thematic funds for blended finance, along with private funds

Start-ups

- Support in agriculture and rural enterprises for farm produce value chain
- Tax exemption extended to March 2023
- Facilitate "drone shakti" through varied applications and for Drone-As-A-Service (DrAAS)

Banking sector

- 100 percent of 1.5 lakh post offices to come under the core banking system, enabling financial inclusion and interoperability

Manufacturing sector

- A concessional tax regime of 15 percent provided to manufacturing companies to commence production has been extended to 31 March 2024

Telecom

- Spectrum auctions to roll out 5G services in FY23
- Inclusion of design-led initiatives for 5G and other technologies in the PLI scheme

Direct Tax

- Individual taxation
- Corporate tax rate card
- Taxation of virtual digital assets
- Tax incentives to IFSCs and start-ups
- Other key proposals
- M&A
- Transfer pricing
- Procedural and miscellaneous



Individual taxation

Exemption of COVID-19-related medical expenditure and ex-gratia

- Exemption for:
 - Any sum of money received by an individual, from any person (including the employer) towards COVID-19 medical treatment for self and/or family subject to certain conditions (as may be notified)
 - Any sum of money received by a member of the family of the deceased employee from the employer (without any limit) on account of COVID-19-related illness within 12 months from the date of death, subject to certain conditions (as may be notified)
 - Any sum of money received by a member of the family of the deceased individual from other persons up to INR 1 million on account of COVID-19-related illness within 12 months from the date of death, subject to certain conditions (as may be notified)
- Amendment is proposed to be effective retrospectively from FY19-20

Other proposals

- Allow the deduction for amount paid to an insurance company in respect of scheme for disabled dependent, if it allows for the payment of annuity or lumpsum amount to the disabled dependent, during the life-time of the parent/guardian on attaining 60 years of age. At present, the deduction is allowed only if the receipt is after the death of the parent/guardian
 - Amendment is proposed to be effective from FY22-23
- Repeal of exemptions available to consultants for income arising out of certain co-operative technical assistance programmes in India based on the agreement between central government and foreign government or an international agency
 - Amendment is proposed to be effective from FY22-23
- The tax rates for individuals remain unchanged except, surcharge on all LTCG to be capped at 15 percent.



Tax exemption on COVID-19-related medical expenditure as well as on financial assistance provided in case of death caused by COVID-19

Corporate tax rate card (No changes in tax rate)

Type of company*	Income up to INR 10 million		Income above INR 10 million and up to INR 100 million		Income above INR 100 million	
	Normal provisions	MAT	Normal provisions	MAT	Normal provisions	MAT
Domestic company: Normal rate	31.2%	15.6%	33.38%	16.69%	34.94%	17.47%
Domestic company: Turnover up to INR 4 billion in FY20-21	26%	15.6%	27.82%	16.69%	29.12%	17.47%
Domestic company: Does not avail tax incentives or exemptions	25.17%	Not applicable	25.17%	Not applicable	25.17%	Not applicable
Domestic company: New manufacturing company (set up on or after 1 March 2016) - Does not avail tax incentives/exemptions	26%	15.6%	27.82%	16.69%	29.12%	17.47%
Domestic company: New manufacturing company (set up on or after 1 Oct 2019) - Does not avail tax incentives/exemptions	17.16%	Not applicable	17.16%	Not applicable	17.16%	Not applicable
Foreign company	41.6%	15.6%	42.43%	15.91%	43.68%	16.38%

Note: Surcharge is capped at 15% in the case of an Association of Persons where the members are only companies.

*Tax rates have been rounded off to two decimals and are subject to prescribed conditions to be met by the company

Taxation of virtual digital assets

Virtual digital assets

- Income from the transfer of any **virtual digital asset to be taxed** at 30 percent, with effect from FY22-23
- No deduction allowed on any expenditure (other than cost of acquisition) or allowance or in setting off-of any loss
- Set-off of losses incurred on transfer of virtual digital asset against any other income is not permitted. Carry forward of such losses to subsequent years is also not permitted

Taxation on gift

- A gift of virtual digital assets is taxable.

TDS

- Payment of consideration to a resident on the transfer of virtual digital assets shall be subject to TDS at one percent from 1 July 2022.
- Certain exceptions have been provided



Virtual digital assets have been defined to include cryptocurrency, non-fungible tokens. Other digital assets to be notified by the central government

Tax incentives to IFSCs and start-ups

Incentives for units in IFSC

- To exempt income of a non-resident from the transfer of offshore derivative instruments or over-the-counter derivatives entered into with an OBU of an IFSC
- To exempt royalty/interest income of non-resident on account of lease of ship (ship or ocean vessel or engine of ship or ocean vessel or any part thereof) to an IFSC unit, subject to conditions
- To exempt income received by a non-resident from a portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such non-resident, in an account maintained with an OBU in IFSC, to the extent that such income accrues or arises outside India and is not deemed to accrue or arise in India
- To extend the tax holiday for income arising from the transfer of a ship that is leased by a unit of IFSC, subject to conditions
- These amendments are proposed to be effective from FY22-23
- To extend the exclusion of specified funds from taxation of excess share premium over fair value to Category I or a Category II AIF, regulated under the IFSC Act

Extending the sunset clause for eligible start-ups/new manufacturing companies

- The period of incorporation of start-ups (eligible for tax holiday) extended by a year to 31 March 2023
- Period of commencement of manufacturing or production by eligible new manufacturing domestic companies extended by a year to 31 March 2024



Measures introduced to incentivise units in IFSCs

Extension of sunset clause for eligible start-ups and new domestic manufacturing companies by a year

Other key proposals

Corporate tax – Deductions

- It is clarified that provisions for disallowance of expenditure related to exempt income will apply, even in cases where no exempt income has accrued or arisen or been received during a year
- To provide that conversion of interest payable into debenture or any other instrument shall not be construed as actual payment and thus, will not be considered as eligible for deduction
- It is clarified that deduction will not be allowed for expenditure incurred for a purpose that is an offence under any law; or for compounding of an offence under any law; or for providing any benefit or perquisite to a person where acceptance of such benefit or perquisite violates any law

Treatment of cess and surcharge

- It is clarified with retrospective effect from FY 2004-05 that “tax” includes surcharge or cess and is not an allowable business expenditure

Withdrawal of concessional tax rate on dividend from specified foreign companies

- With effect from FY 22-23, concessional tax rate of 15 percent on dividend received by Indian companies from specified foreign companies has been withdrawn

Onus to prove unexplained cash credits

- Explanation by taxpayer of the nature and source of loan or borrowing or other liability would be considered satisfactory, only if the source of such fund is explained in the hands of the creditor (exception provided for a few SEBI-regulated entities)



Other key proposals

Rationalisation of provisions relating to taxation of charitable trusts and approved educational institutions/hospitals, etc.

- Mandating certain charitable trusts and-approved educational institutions/hospitals, etc., to maintain prescribed books of accounts
- Extension of the tax on accreted income regime to approved educational institutions/hospitals, etc.
- Provision (and procedure) for cancellation of registration/approval of charitable trusts and approved-educational institutions/hospitals etc., in case of specified violations
- Various procedural and administrative aspects around taxation of charitable trusts and approved educational institutions/hospitals etc., have been streamlined

Penal provisions

- Levy of penalty where income of charitable trusts and approved educational institutions/hospitals, etc., is applied for the benefit of the trustees or other specified persons
- CIT(A) enabled to levy penalty in relation to undisclosed income, unexplained credits or expenditures, or deliberate falsification or omission in the books of accounts

Extending the scope of anti-avoidance measures

- Proposal to extend the bonus and dividend stripping provisions to units of InvIT, REIT, and AIF with effect from FY22-23
- Bonus stripping provision also extended to securities



Other key proposals

TDS on benefit or perquisite

- Provision of benefits or a perquisite exceeding INR 20,000 to a resident during a financial year (in the course of business or profession) to be subjected to TDS at the rate of 10 percent.
- Where cash part is inadequate to cover TDS liability, the provider of the benefit or perquisite needs to ensure that the tax has been paid by the recipient of the benefit or perquisite.
- The provisions do not apply to certain individuals or HUF.
- This amendment will take effect from 1 July 2022.

Refund of tax withholding under net of tax contracts

- Application for refund of tax withheld on payment to non-residents (in case of net of tax contracts where tax is borne by the payer) and paid to the government on or after 1 April 2022, to be made to the AO instead of an appeal to CIT (appeals).
- An order passed by the AO, pursuant to the above, can be appealed to CIT (appeals).

Amendment in penalty/prosecution provisions

- Effective 1 April 2022, the penalty for failure to answer questions, sign statements, furnish information, returns or statements, allow inspections, etc., has been enhanced from INR 100 per day to INR 500 per day.
- The prosecution provisions for second and subsequent offences for failure to pay TDS has been proposed to be extended for TCS provisions.



Procedure to claim refund of tax withheld and borne by a payer on certain payments to non-residents rationalised

Amendment made to penalty/prosecution provisions

Other key proposals

Amendments related to DRC

- FA 2021 had introduced provisions on constituting a DRC for specified persons who may opt for dispute resolution, subject to fulfilling specified conditions.
- The existing provisions do not contain any provision that enables the AO to pass an order, giving effect to the order or directions of the DRC.
- An amendment has been proposed to enable the AO to pass the final order in conformity with the order of the DRC (as in the case of DRP).
- This amendment is proposed to be effective from FY21-22.

Reporting requirement from producers of cinematographic films expanded to persons engaged in specified activities

- Currently, producers of cinematographic films are required to furnish Form 52A for reporting payments over INR 50,000.
- It has been proposed to expand the reporting requirement under Form 52A to persons engaged in specified activities.
- “Specified activities” include event management, documentary production, production of programmes for broadcast over television, over the top platforms, or similar platforms, sports event management, other performing arts, or any other activity as the central government may specify.



Provisions enabling the AO to pass the order pursuant to directions of the DRC

Reporting requirement from producers of cinematographic films expanded to persons engaged in specified activity

M&A

Carry forward of losses in case of divestment of public sector companies

- Change in shareholding pursuant to strategic divestment to not impact the carry forward of losses, provided the ultimate holding company continues to hold at least 51 percent of voting power, directly or through its subsidiary
- The amendment is proposed to be effective from FY21–22

Business re-organisation

- Successor entity to be enabled to file modified return within six months from the end of the month of issuance of the order
- Any proceedings made on predecessor during pendency of business re-organisation to be deemed to be made on the successor
- The amendments are proposed to be effective from FY21–22

Clarificatory amendments

- Reduction of goodwill from block of assets to be treated as transfer for purpose of capital gains
- Definition of 'slump sale' amended to substitute the word 'sales' with 'transfer'
- The amendments are proposed to be effective from FY20–21



Losses allowed to be carried forward in case of divestment of public sector companies

Transfer pricing

Key amendments

Faceless assessment

The timelines to issue direction for the application of the faceless assessment scheme to TP assessments and DRP proceedings have been extended to 31 March 2024

Revision of TP orders

The revision of orders under section 263 has been expanded to cover TP order specifically

Fresh TP order, pursuant to the setting aside or cancelling of the assessment by the ITAT or by the revision under section 263, shall be issued within nine months from the end of the financial year in which the ITAT order is received or revision order under section 263 is passed

The AO shall give effect to the fresh TP order within two months from the end of the month in which such fresh TP order is received

The amendments are proposed to be effective from FY21–22



Coverage of faceless assessment scheme for TP assessments and DRP has been extended to 31 March 2024

Revision proceedings under Section 263 have been amended to specifically include TP order under section 92CA

The timeline for modification of the assessment order is two months from the receipt of the revised TP order

Procedural and miscellaneous

Rationalisation of re-assessment provisions

Amendments to re-assessment provisions

- The requirement to seek fresh approval from a “specified authority” before issuing a notice for the return of income or providing the opportunity to be heard has been proposed for certain scenarios.
- The scope of information suggesting that income chargeable to tax has escaped assessment has been enhanced to include the following:
 - Any audit objection, or
 - Any information received from a foreign jurisdiction under an agreement
 - Information collected under faceless scheme notified for specified provisions
 - Information that requires action in consequence of an order of a tribunal or court
- Restrictions on re-opening assessments in search, survey, and requisition cases for three years, immediately preceding the year of search or survey, have been removed retrospectively from 1 April 2021.
- Reassessment scope after three years up to 10 years has been expanded to cases where AO has books and documents that reveal income escaping assessment is represented in the form of:
 1. An asset; or
 2. Expenditure with respect to a transaction/event or occasion, or
 3. An entry in books amounting to INR 5 million or more



Reassessment provisions rationalised

Procedural and miscellaneous

TDS/TCS on non-filers at higher rates

- FA 2021 introduced provisions for higher rate of TDS/TCS for a specified person, i.e., non filers of tax returns for two years.
- The definition of specified person has been amended to provide that a “specified person” means a person (excluding non-residents who do not have a PE in India) who has not **furnished** income-tax return in the **previous year (as against the earlier requirement of two years) preceding the financial year** in which tax is required to be deducted/collected, for which, the time limit for furnishing of original return has expired and the aggregate of TDS and TCS is INR 50,000 or more.
- Some exclusions such as TDS on transfer of certain immovable property and rent by individual or HUF have been introduced.

Computation of interest on failure to deduct/collect or pay TDS/TCS

- Where an order is passed by the AO for a default in the deduction/collection or in payment of TDS/TCS, interest for such default is to be paid in accordance with the AO’s order.

Other key proposals

- TDS at 1 percent on transfer of specified immovable property is to be applicable on higher of “consideration for transfer” or “stamp duty value of such property”.



Only preceding year’s return filing relevant for applicability of higher TDS/TCS rates in case of non-filers

Computation of interest on failure to deduct/collect or pay TDS/TCS per AO’s order

TDS on transfer of specified immovable property on higher of “consideration” or “stamp duty value”

Procedural and miscellaneous

Promoting voluntary tax compliance and reducing litigation

Procedure where an identical question of law is pending before the jurisdictional High Court or the Supreme Court

- Effective 1 April 2022, the litigation management measures are introduced to reduce litigation/appeal on identical question of law
- Applicable when an appeal by the revenue is pending on any identical question of law in case of the same taxpayer or another taxpayer before the jurisdictional High Court or the Supreme Court or in a special leave petition
- Collegium of two or more CCIT or PCIT or CIT to decide if filing an appeal needs to be deferred
- Tax authorities to file an application with the relevant appellate authority for deferral of appeal filing until the identical question of law becomes final in the other case
- Acceptance of taxpayer that question of law pending is identical is a prerequisite

Provisions enabling procedure for filing of updated return of income

- Effective 1 April 2022, an updated return of income can be furnished within two years from the end of the relevant AY regardless of whether a return of income was filed previously or not
- Additional income tax payable of 25 percent of 'aggregate tax and interest', if updated return is filed after the expiry of time limit to file belated/revised return but within one year from the end of the relevant AY and 50 percent thereafter. The payment must be made before filing of the updated return.
- The updated return is not permissible in specified cases, such as loss return or case of decrease of tax liability/refund or cases where assessment/reassessment is pending
- Assessment in case of the updated return to be completed within nine months from end of FY in which the updated return is furnished



Revenue's appeal deferred until identical question of law is decided by the jurisdictional High Court or the Supreme Court

Provisions introduced to enable filing of the updated return of income upon payment of 'additional income tax'

Procedural and miscellaneous

Scheme for faceless proceedings

- The date for issuing direction for faceless proceedings before DRP and the tribunal has been deferred to 31 March 2024
- The Faceless Assessment scheme is proposed to be revamped, owing to challenges faced by the administration and taxpayers. Key changes to the scheme include the following:
 - Regional Faceless Assessment Centre removed
 - Re-assessments included within the scope of faceless proceedings
 - Functions of the technical unit to include determination of arm's-length price, valuation of property, technical assistance relating to double tax treaty provisions, etc.
 - Addition of the review of income determination proposal specifically to the functions of review units

Scheme for faceless proceedings

- Erstwhile provision, which operated to vitiate assessments in case the prescribed procedure under the scheme was not followed, has been proposed to be omitted.

This amendment is to take effect retrospectively from 1 April 2021.



Indirect Taxes

- Customs
- Goods and Services Tax
- Central Excise Act



Customs

Changes in Customs Act, 1962

Legislative changes

- Definition of 'proper officer' amended retrospectively to include the officers of DRI, audit, and preventive formation in the class of officers of customs to perform various functions under the Customs Act and the rules made thereunder
- Past actions taken validated through amendment of Section 5 read with Clause 96 of the Finance Bill 2022, effectively nullifying the Supreme Court's decision in the case of **Canon India**
- The board empowered to make rules specifying additional obligations of importers, in respect of imported goods whose value is not being declared correctly
- Unauthorised publication of import or export data made a punishable offence

- Advance rulings obtained valid for a period of:
 - three years; or
 - until there is a change in law/facts;

whichever is earlier. Existing advance rulings as on date when Finance Bill 2022 receives assent of the president would be valid for three years starting from the date of such assent.

Changes in IGCR 2017

- IGCR 2017 amended to:
 - Allow electronic submission of data through the customs portal
 - Simplify by standardising various forms and doing away with the need of transaction-based permissions/intimations
 - Prescribe submission of monthly statements (earlier quarterly statement) by the importer



Changes have been made in definitions of proper officer, officer of customs, and power of such officers, to include officers of DRI, customs (preventive), and customs (audit) with retrospective effect.

Changes have been made under IGCR 2017 to bring automation and remove the need of transaction-based permissions for claiming exemption under the rules.

Customs

Changes in customs tariff from a specified date

Tariffication from 1 May 2022

BCD rates of a number of goods in sectors such as chemicals and textiles are proposed to be changed from 1 May 2022 on the basis of an exercise carried out to simplify tariff structure.

Corresponding entries in the relevant notification(s) providing tariff concessions/ exemptions would be omitted from 1 May 2022.

The existing effective BCD rate will continue after 1 May 2022 as even though the tariff rate changes on 1 May 2022, the corresponding exemption notification gets omitted, thus the effective BCD rate remains unchanged.

Project imports

Concessional BCD rate on project imports would continue to be levied at applicable rates for the projects registered until 30 September 2022 under project imports until 30 September 2023.

New projects registered after 30 September 2022 under project imports will attract a BCD rate of 7.5 percent.

The projects registered under project imports would attract a BCD rate at 7.5 percent from 1 October 2023.



Customs

Increase in customs duty rates to encourage domestic manufacturing

Description of goods	Up to 1 February 2022	From 2 February 2022
Imitation jewellery	20%	20% or INR 400/kg, whichever is higher
Artificial kidney	Nil	Applicable rate
Raw materials, parts or accessories for manufacturing artificial kidney	Nil	Applicable rate
Goods used in manufacturing static converters of automatic data processing machines: PCBA, transformer, battery, and copper enameled wires	Nil	Applicable rate
Specified goods for public mobile radio trunked service and its parts	Nil	Applicable rate
C-block compressors and crankshafts used in manufacturing refrigerator compressors	5%	7.5%
Over-load protector and positive thermal coefficient used in manufacturing refrigerator compressors	5%	10%
Sodium cyanide	7.5%	10%
Parts of electronic toys for manufacturing electronic toys	15%	25%

Customs

Increase in customs duty rates to encourage domestic manufacturing

Description of goods	Up to 31 March 2022	From 1 April 2022
Single or multiple loudspeakers, whether or not mounted in their enclosures	15%	20%
Headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers	15%	20%
Solar cell (other than those exclusively used with specified goods)	Nil	25%
Solar module (other than those exclusively used with specified goods)	Nil	40%
Capital goods for synthetic fibre/yarn, such as spindles, yarn guides, ballon control rings, and travellers	5%	Applicable rate
Effluent treatment unit with a biopaq reactor, activated sludge process, activated carbon, ultra filtration osonisation facilities	5%	Applicable rate

Customs

Increase in customs duty rates to encourage domestic manufacturing

Description of goods	Up to 31 March 2022	From 1 April 2022
Transformers, reactors, circuit breakers, etc.	7.5%	Applicable rate
Goods imported by a manufacturer-supplier for manufacturing and supplying machinery and equipment to a power generation plant (other than a captive power generation plant)	5%	Applicable rate
Specified goods for setting up crude petroleum refinery, such as utility systems, water treatment systems, air handling systems, and boilers.	5%	Applicable rate
Kits and their parts required for the conversion of motor-spirit or diesel driven vehicles into those driven on compressed natural gas or propane or liquefied petroleum gas	5%	Applicable rate
X-ray machines	7.5%	10%

Customs

Reduction in customs duty rates on inputs required for domestic manufacturing

Description of goods	Up to 1 February 2022	From 2 February 2022
Fuel oil	5%	2.5%
Camera lens for use in manufacturing a camera module for cellular mobile phone	10%/15%	2.5%
Specified parts for use in manufacturing transformers for chargers/adapters	10%/15%	5%
Copper/aluminium-based copper clad laminate for use in manufacturing PCB/MCPCB	5%/7.5%	Nil
S. G. ingot castings used in manufacturing plastic processing machinery	10%	7.5%
Ball screw and linear motion guide used in manufacturing plastic processing machinery	7.5%	5%

Customs

Validity of customs duty concessions

Sunset of customs duty concessions rate on 31 March 2023

- Equipment, instruments, raw materials, components, pilot plants, and computer software used in R&D projects
- Machinery/components for initial setting up of power generation project machinery, equipment, apparatus, components, and appliances for initial setting up of a fuel cell-based system for power generation
- Specified drugs and medicines supplied free of cost to patients
- Goods relating to defence and internal security forces
- Machinery for the garment sector, technical textiles, woolen machinery items, non-woven textiles, denim fabrics, shuttle-less looms, etc.
- Singeing, yarn drying, and knitting machines
- Permanent magnets for manufacturing PM synchronous generators above 500kw for use in wind-operated electricity generators

- Parts of wind-operated electricity generators that include special bearings, gear boxes, yaw components, and wind turbine controllers
- Specified goods for setting up a crude petroleum refinery, including refinery process units, all types of hydrogen generation, recovery and purification plants, and effluent solids/liquids/gaseous processing
- Specified goods, such as air blast dust removing and automatic drying machines, designed for use in the leather or footwear industry
- Machinery for the industrial preparation or manufacturing of food or drink

Sunset of customs duty concessions rate on 31 March 2024

- Capital goods used by IT/electronics industry (subject to conditions)
- Raw materials and parts for use in manufacturing electronic items



Customs

PMP for wrist wearable devices (commonly known as smart watches) to promote indigenous manufacturing

S. No.	CTH	Commodity	From	To			
				2022-23	2023-24	2024-25	April 2025 onwards
The following parts (s. no. 1 to 7) used for manufacturing wearable devices fall under tariff item 8517 62 90 of the customs tariff:							
1.	8517 79 10	Printed circuit board assembly	NIL	NIL	10%	15%	15%
2.	8544	Charging cable	10%	NIL	5%	10%	15%
3.	39, 73, 85	Specified parts of wearable devices	Per CTH	NIL	5%	10%	15%
4.	8507 60 00/ 8507 80 00	Battery	15%	NIL	5%	10%	15%
5.	8517 79 90	Display assembly	NIL	NIL	NIL	5%	10%
6.	8501	Vibrator motor	10%	10%	10%	10%	10%
7.	Any chapter	Parts, sub-parts, and raw materials for use in manufacturing the s. no. 1 to 6 above	Per CTH	NIL	NIL	NIL	NIL
8.	8517 62 90	Wrist wearable devices	20%	20%	20%	20%	20%

Note: IGCR conditions shall apply for the items in s. no. 1 to 7 above.

Customs

PMP for hearable devices to promote indigenous manufacturing

S. No.	CTH	Commodity	From	To			
				2022-23	2023-24	2024-25	April 2025 onwards
The following parts (s. no. 1 to 6) used for manufacturing hearable devices fall under sub-headings 8518 21, 8518 22, 8518 29, or 8518 30 of the customs tariff:							
1.	8518 90 00	PCBA for hearable devices	10%	NIL	10%	15%	15%
2.	8544	USB cable	10%	15%	15%	15%	15%
3.	73, 74, 85	Specified parts of hearable devices	Per CTH	NIL	5%	10%	15%
4.	8507 60 00/ 8507 80 00	Battery	15%	NIL	5%	10%	15%
5.	8518 90 00	Speaker assembly (pre-assembled speaker driver with protective mesh, but not including PCBA or battery)	10%	NIL	NIL	5%	10%
6.	Any chapter	Parts, sub-parts, and raw materials used in manufacturing s. no. 1, 3, 4, and 5 above	Per CTH	NIL	NIL	NIL	NIL
7.	8518 21, 8518 22, 8518 29 and 8518 30	Hearable devices	15%	20%	20%	20%	20%

Note: IGCR conditions shall apply for the items in s. no. 1 to 6 above.

Customs

PMP for smart meters to promote indigenous manufacturing

S. No.	CTH	Commodity	From	To			
				2022-23	2023-24	2024-25	April 2025 onwards
The following parts (s. no. 1 to 6) used for manufacturing smart meters fall under tariff item 9028 30 10 of the customs tariff:							
1.	9028 90 10	Assembled/populated PCB for smart meters	7.5%	20%	20%	20%	20%
2.	8517 69 90	Communication module	10%	NIL	NIL	5%	10%
3.	8536 49 00	Relay	10%	5%	10%	10%	15%
4.	8517 71 00	Antenna	NIL	NIL	NIL	5%	10%
5.	8524 11 00/ 8524 91 00	LCD and backlight for LCD	15%	NIL	5%	10%	10%
6.	8506 50 00	Battery	10%	NIL	5%	10%	10%
7.	Any chapter	Parts, sub-parts, and raw materials used in manufacturing s. no. 1 to 6 above	Per CTH	NIL	NIL	NIL	NIL
8.	9028 30 10	Smart meters	15%	25%	25%	25%	25%

Note: IGCR conditions shall apply for the items in s. no. 1 to 7 above.

Customs

Tariff changes

SWS levy rationalisation and clarification

- Levy of social welfare surcharge has been rationalised on a few textile and fabric products
- Social welfare surcharge payable would be nil in cases where the aggregate of customs duties (which form the base for computation of SWS) is zero even though SWS has not been exempted. This has been done to overcome the judgement pronounced by the Supreme Court in the matter of Unicorn Industries vs. Union of India

Revocation of anti-dumping duty on specified steel products

- Anti-dumping levy has been revoked on import of the following goods:
 - Straight length bars and rods of alloy steel originating in or exported from China
 - High-speed steel of non-cobalt grade originating in, or exported from Brazil, China, and Germany.
 - Flat rolled product of steel, plated or coated with alloy of aluminum and zinc originating in, or exported from China, Vietnam, and Korea Republic

AIDC and health cess levy rationalisation

- Various notifications have been amended to provide exemption of AIDC and health cess, besides the applicable BCD, to remove ambiguity.

Tariff changes to align with HSN 2022 complementary changes

- Amendments have been proposed to align the Indian tariff with the complementary amendments to the HS 2022 published by WCO. These complementary amendments include minor changes across chapters in the tariff, with an aim to bring greater clarity. Further, new tariff entries are introduced by accommodating requests from different ministries and departments.

Customs

Other changes

Rescission of obsolete notifications

About 17 notifications have been rescinded; some of these have become obsolete or redundant; for some, their validity had expired.

Clarification

It has been clarified that for an EV kit to be eligible for duty benefits available to a CKD form of an EV (including commercial, passenger, and two-wheeled electric vehicles), each individual component in the kit need not be in a disassembled form.

Further, it has been clarified that even if some components are missing in the EV kit, the benefit of a concessional rate of duty available to CKD/SKD kits would still be available (provided that the kit as presented has the essential character of an EV).



Goods and Services Tax

The Finance Bill, 2022

Legislative changes

- **Input tax credit**
 - ITC shall not be eligible unless the outward supply details are auto-generated (in GSTR-2B).
 - Increased restrictions on availment of credit (on the basis of auto-generated GSTR-2B) in case of:
 - Newly registered persons for a period as may be specified
 - Persistent default in payment of tax by a vendor
 - Liability disclosed in GSTR 1 exceeds GSTR 3B
 - Credit availed in excess of the prescribed limit
 - Credit beyond the maximum proportion of output tax liability, which may be discharged through the ECL
 - Any other prescribed class of persons
- **Time limit for ITC availment:** Statutory time limit for availing ITC extended to 30 November from the current time limit of due date of September return
- **Time limit for issuance of credit notes:** Statutory time limit for issuing credit notes extended to 30 November
- **Payment of tax by vendor:** Self-assessed ITC availed in return to be reversed, along with interest where tax is not paid by the supplier; re-availment permissible in cases where a supplier is paying tax



With the substitution of section 38 and scrapping of sections 42, 43, and 43A of the CGST Act, the two-way communication process in return filing shall no longer prevail; no credit availment on a provisional basis

ITC availment to be solely based on GSTR-2B

Goods and Services Tax

The Finance Bill, 2022

Procedural changes

- **Cancellation of GST registration on non-filing of returns**
 - **For composition dealers:** Where the return required to be filed annually is delayed beyond three months from the due date of furnishing of the said return
 - **For others:** When there is a delay for a “continuous tax period” as maybe prescribed; earlier it was six months
- **Electronic cash ledger**
 - Enabling provisions for transferring cash ledger balance under the CGST Act of a registered person to the electronic cash ledger under the said Act or the IGST Act of a distinct person
 - Amendment to provision to Section 54(1) to prescribe a form for claiming any balance in the electronic credit ledger
- **Late fee:** It has been prescribed for delayed filing of TCS returns.

Procedural changes

- **GST refunds**
 - Relevant date for filing a refund claim of ITC now includes supplies made to a SEZ developer/unit – due date of filing of return in GSTR-3B for the period in which supplies is made
- **GST returns**
 - GSTR-1 not allowed to be filed where returns of any past tax period has not been furnished
 - Rectification of already filed GSTR-1/3B extended to 30 November
 - Filing of GSTR-1 pre-condition to file GSTR-3B



Enabling provisions for the cancellation of registrations due to non-filing of returns

Central Excise Act

The Finance Bill, 2022

Amendment made to fourth schedule

The fourth schedule in chapter 27 shall have the entries captured in the adjacent table.

Tariff item	Description of goods	Unit	Rate of duty
2710 12 39	Solvent 145/205 Motor gasoline conforming to standard IS 2796, IS 17021, IS 17586, or IS 17076	kg.	...
2710 12 41	Motor gasoline conforming to standard IS 2796	kg.	14%+INR 15.00 per litre
2710 12 42	E 20 fuel conforming to standard IS 17021	kg.	14%+INR 15.00 per litre
2710 12 43	E 12 fuel conforming to standard IS 17586	kg.	14%+INR 15.00 per litre
2710 12 44	E 15 fuel conforming to standard IS 17586	kg.	14%+INR 15.00 per litre
2710 12 49	M 15 fuel conforming to standard IS 17076	kg.	14%+ INR 15.00 per litre

Policy Updates

- Ease of Doing Business (EODB) 2.0
- Impetus to infrastructure
- Digital push to financial services
- Other policy updates



Ease of Doing Business (EODB) 2.0

EODB

- EODB 2.0 to be launched to improve productive efficiency of capital and human resources
- Trust-based governance to be introduced
- The new phase of EODB will entail:
 - Active involvement of the states,
 - Digitisation of manual processes and interventions,
 - Integration of the central and state-level systems through IT bridges,
 - Single-point access for all citizen-centric services, and
 - Reduced overlap in compliances.

Insolvency Law

- IBC to be amended to facilitate cross-border insolvency cases
- Center for Processing Accelerated Corporate Exit (C-PACE) to be set up to reduce voluntary winding-up timeline from two years to six months

PARIVESH – A step towards single window green clearance

- The scope of the PARIVESH portal to be expanded to provide information to the applicants based on location of units and other specific approvals
- This will enable application for the following approvals through a single form and tracking of the process through a Centralised Processing Centre-Green (CPC-Green):
 - Environment
 - Forest
 - Wildlife
 - Coastal Regulation Zone

Impetus to infrastructure

Widening the gamut of the infrastructure sector

- Following sectors to be included in the harmonised list of infrastructure to facilitate credit availability:
 - Data centres and energy storage systems including dense charging infrastructure and grid-scale battery systems

Special Economic Zone

- Special Economic Zone Act, 2005 to be replaced with a new legislation to enable states to become partners in "Development of Enterprise and Service Hubs".

PM Gati Shakti

- Transformative approach driven under Gati Shakti national master plan for creating world-class modern infrastructure and logistics for movement of goods and people
- Approach driven by seven engines—roadways, railways, airports, ports, mass transport, waterways, and logistic infrastructure—with road transport to expand by 25,000 km in FY22-23 using innovative financing
- Engines supported by – energy transmission, IT communication, bulk water and sewerage, and social infrastructure
- Approach powered by – clean energy and Sabka Prayas, the coordinated efforts by state governments, central government, and the private sector.
- Data exchange will be driven under a Unified Logistics Interface Platform to increase efficiency



Digital push to financial services

Financial Services

- Central government to work with the financial sector regulators to expand access to capital along with reduction in cost of intermediation

GIFT-IFSC

- To facilitate availability of high-end human resources for financial services and technology, foreign universities and institutions in the GIFT City to be allowed to offer the following courses, which will be free from domestic regulations except those prescribed by IFSCA:
 - Financial Management
 - FinTech
 - Science
 - Technology
 - Engineering
 - Mathematics
- International Arbitration Centre to be set up in the GIFT City for timely settlement of disputes under international jurisprudence

Introduction of Central Bank Digital Currency (CBDC)

- RBI to introduce Digital Rupee in the form of CBDC
- RBI Act to be amended to include definition of “bank notes” which will comprise physical as well as digital form of currency. This is to facilitate issuance of digital rupee in the form of CBDC in FY22-23

Setting-up of Digital Banking Units (DBUs)

- Seventy-five DBUs to be set-up in 75 districts of the country by Scheduled Commercial Banks

Venture Capital (VC) and Private Equity (PE) funds

- An expert committee to be set-up to scale up investments from VC and PE funds

Post offices to follow core banking system

- 100 percent of 0.15 million post offices to come under the core banking system enabling financial inclusion and access to accounts through net banking, mobile banking, ATMs, and providing online transfer of funds between post office accounts and bank accounts

Other policy updates

Credit and performance schemes for MSMEs

- ECLGS to be extended till March 2023 to benefit business growth for MSME-focused banks and NBFCs
- ECLGS guarantee cover is proposed to be expanded by INR 500 billion to a total cover of INR 5 trillion with the additional amount being earmarked exclusively for the hospitality and related enterprises
- CGTMSE scheme enhanced to facilitate additional credit of INR 2 trillion for MSMEs and expand employment opportunities
- Raising and Accelerating MSME Performance (RAMP) programme with an outlay of INR 60 billion over five years to be rolled out to help the MSME sector become more resilient, competitive, and efficient

Various MSME portals to be linked

- MSME portals such as Udyam, e-Shram, NCS, and Aseem portals to be interlinked with the aim to enable credit facilitation, skilling, and recruitment and further formalise the economy and enhance entrepreneurial opportunities for all

Green bonds to be issued

- To mobilise resources for green infrastructure and reduce the carbon intensity of the economy, green bonds to be issued

Affordable housing

- Collaboration between the central and state governments for reduction of time required for all land and construction-related approvals, for promoting affordable housing for middle class and economically weaker sections in urban areas

Startup for Drone

- Start-ups to be promoted to facilitate 'Drone Shakti' through varied applications and for DrAAS
- Required courses for skilling to be started in select industrial training institutes in all states

Health care - Ayushman Bharat Digital Mission

- National Digital Health Ecosystem to be rolled out which will be an open platform consisting of digital registries of health providers, health facilities, unique health identity, consent framework, and universal access to health facilities

e-Passport

- Issuance of e-passports using embedded chip and futuristic technology to be rolled out to enhance convenience for the citizens in their overseas travel

Industry Impact

- Automotive
- Banking and capital markets
- Consumer
- Industrial products and Mining
- Investment management
- Life sciences and health care
- Oil and Gas
- Power, Utilities, and Renewables
- Real estate
- Technology
- Telecom



Automotive

Budget proposals

A battery swapping policy and inter-operability standards were announced to address the space constraint in setting up electronic vehicle (EV) charging stations. The specifics of the policy will be announced in due course.

To continue to provide momentum to “Make in India”, a one-year extension to the due date (extended to 31 March 2024) for commencing commercial production by new manufacturing units has been proposed under Section 115BAB. This should provide new manufacturing projects, such as those that have opted for the PLI scheme, an additional window of time for income tax concession.

Clarification has been provided on the customs duty rate applicable on the import of knocked down electric vehicle kits. This would address the question of the extent of disassembly required for a concessional customs duty rate.

Consistent with the PLI thrust, 5 percent basic customs on the import of batteries for electrically operated vehicles is proposed to be withdrawn, effective April 2023.



The policy measures announced for EVs are set to further promote their adoption. The overall capex push through PLIs and extension of the window for concessional corporate tax rate for new manufacturing entities, are likely to have a positive impact.

Banking and capital markets

Virtual digital assets

- **A special taxing regime prescribed for VDAs:** This is a welcome move, as it provides clarity on how the government would like to tax the income earned through transactions in VDAs. The taxing framework appears to be a tad harsh, as it denies the right to claim loss, set-off benefits, and carry forward benefits on transfer of VDAs; it is understandably so, given the volatile nature of such assets. The taxing framework (coupled with the volatility associated with such assets) might discourage small investors from transacting in such assets.

Digital banking and digital payments to benefit from the focus provided by the Union Budget.

IFSC-GIFT City

- **The talent issue**, which has been a concern for players looking to set up operations in the IFSC-GIFT City ought to be addressed (in the medium term) with foreign universities now being permitted to offer courses.

- **ODI business:** The income-tax exemption has been granted to foreign investors who transact in ODIs and OTC derivatives, written by an OBU located in IFSC-GIFT City. It will bring such businesses on-shore to India. However, the way the tax law is proposed to be amended might benefit only those ODI and OTC derivative structures that involve direct issuances of such financial products from an OBU located in the IFSC-GIFT City. One will need to see the appetite of international investors for such structures and financial products.
- **Ship leasing:** The measures taken by the government to extend the income-tax exemption benefits that were granted last year to the aircraft leasing industry in IFSC-GIFT City, will now be extended to the ship leasing industry, and should help foreign leasing companies, which are looking to set-up operations in IFSC-GIFT City.



The measure to provide tax clarity for VDAs is a welcome move.

The digital banking and digital payments businesses to benefit from the government's support.

The government continues to promote IFSC-GIFT City to attract more international businesses in that area.

Consumer products

Budget proposals

Textile is one of the 14 sectors for which the Production Linked Incentives (PLI) scheme was announced by the government in 2020. The last Union Budget saw the rationalisation of customs duty rates for input and raw materials used in textile and leather production. Continuing with the focus on this sector, further changes have been proposed in customs tariff for textile and leather products.

Apart from this, proposals have been made to amend the effective customs duty rate on some inputs and raw material used by this sector and introduce a sunset clause for exemptions on the capital goods used by the industry. The exemptions are also proposed for the duty-free import of specified goods by bonafide exporters of handicrafts, apparel, leather garments and footwear, etc.

To continue to provide momentum to “Make in India”, a one-year extension to the due date (extended to 31 March 2024) for commencing commercial production by new manufacturing units has been proposed under Section 115BAB. This should provide new manufacturing projects, such as those that have opted for the PLI scheme, an additional window of time for income tax concession.

For the gems and jewellery sector, a simplified regulatory framework has been proposed to be implemented by June this year for the export of jewellery by e-commerce. A reduction in customs duty rate has been proposed on cut and polished diamonds/gemstones. An increase in customs duty rate has been proposed for imitation jewellery.

Customs duty on parts of electronic toys has been proposed to increase from the present 15 to 25 percent. A proposal has also been made to amend customs duty on certain food products, such as cocoa and fresh fish.



No specific tax concessions or increases for the consumer products sector have been announced. However, the overall capex push through PLIs and extension of window for concessional corporate tax rate for new manufacturing entities are likely to create a positive impact.

Industrial products and Mining

Policy measures

Boost to MSMEs

- The emergency credit line guarantee scheme will be extended up to March 2023 and the guaranteed cover will be expanded by INR 500 billion to cover an amount of INR 5,000 billion.
- The Credit Guarantee Trust for Micro and Small Enterprises scheme will be revamped with required infusion of funds to facilitate additional credit of INR 2,000 billion for MSMEs and expand employment opportunities.
- Raising and accelerating the MSME performance programme with an outlay of INR 60 billion over a period of five years, will help the MSME sector become more resilient, competitive, and efficient.

Cement, steel, and mining

- The following measures are likely to drive the demand for the cement and steel industries:
 - 35.4 percent increase in capital expenditure
 - National highway expansion by 25,000 kms
 - INR 480 billion outlay under PM Awas Yojana
 - Policy support to energy transition likely to trigger a capital expenditure wave
- Policies around energy transition and climate action likely to trigger (brown/greenfield projects) investments in the metal, cement, and mining sectors with an objective to reduce pollution

Other measures

- PM Gati Shakti, a transformative approach for economic growth and sustainable development, is introduced. This is expected to provide impetus to job and entrepreneurial opportunities for all.
- Four hundred new-generation Vande Bharat trains with better energy efficiency and passenger riding experience will be developed and manufactured during the next three years.
- The PLI scheme is launched to create 6 million new jobs and additional production of INR 3 million in the next five years.
- Four pilot projects for coal gasification and the conversion of coal into chemicals required for the industry will be set up.



Proposed capital expenditure under various proposed measures is likely to drive demand in the cement, steel, and mining sectors

PM Gati Shakti, a transformative approach for economic growth and sustainable development, is launched. It is expected to provide impetus to job and entrepreneurial opportunities for all.

Industrial products and Mining

Tax measures

Last date for the commencement of manufacturing or production (for the concessional tax regime of 15 percent tax) has been extended from 31 March 2023 to 31 March 2024.

The changes in effective rate of customs duty under this sector have been done for two dominant reasons – simplifying the tariff structure to minimise disputes and providing concessions to raw material used in manufacturing intermediate goods to promote the “Make in India” and “Aatmanirbhar Bharat” programmes.

Changes in effective rate of BCD

- BCD exemption on scrap of iron and steel, including stainless steel is extended until 31 March 2023; after which a tariff rate of 2.5 percent will apply.
- BCD exemption is introduced for “Simply Sawn Natural Diamonds” imported under KPCS, with effect from 2 February 2022.
- BCD of 7.5 percent is reduced to 5 percent on “cut and polished diamonds” and “cut and polished natural gemstones” from 2 February 2022.
- BCD of 10 percent is reduced to 7.5 percent on cost of exchange of bushing from 2 February 2022.

- Composite BCD of 20 percent or INR 400 rupees/kg, whichever is higher, is imposed on “imitation jewellery” from 2 February 2022.

Anti-dumping duty and countervailing duty

- These duties have been revoked on imports of certain steel products and alloy steel made from China PR, Brazil, Vietnam, Germany, and Korea.

Rationalisation of BCD rate

- Exemptions available on certain metal products/scrap are withdrawn and tariff rates have been rationalised.

Obsolete/expired notification in relation to

- (i) manufacturing of iron and steel intermediaries and
- (ii) gold and silver contained in such copper concentrate has been rescinded.

Concessional rate of duty on various products falling under chapter 84 will be revoked in a phased manner. These products include the following:

- Marine seawater pumps with fibre impellers and automatic fish/prawn feeders
- Machinery or equipment used in an effluent treatment plant for the leather industry
- Parts and raw materials used for manufacturing goods required for offshore oil exploration
- Machinery for making gems and jewellery
- Machinery for filling, closing, sealing, or labelling bottles or cans
- Machinery for the industrial preparation of food or drink
- Machinery such as knitting and weaving machines
- Linear motion guides and ball screws used in manufacturing plastic processing machinery

Investment management

IFSC-GIFT City

- **Fund management:** The tax exemptions granted to foreign investors who appoint a fund manager based in IFSC-GIFT City to manage their global investments should help promote India as a global fund manager jurisdiction.
- **AIFs Cat I and Cat II** located in IFSC-GIFT City to benefit from the safe harbour provided to Indian portfolio companies that raise funding from them, as it provides such investment funds with a level playing field vis-à-vis similarly placed SEBI registered domestic AIFs.

AIFs/REITs/InVITs

- Bonus stripping provisions have now been extended to units of AIFs/REITs/InVITs. This should discourage investors in such securities from wallowing in investment practices that previously provided them with unintended tax benefits.

VCFs and private equity funds

- The proposal to set up an expert committee to examine and address regulatory and other challenges faced by VCFs and private equity funds likely to give a boost to the industry, and project India as an attractive investment destination for such financial investors.

NPS

- To grant an additional deduction of 4 percent of salary to the state government employees, for their employer's contribution towards NPS would enhance the social security benefits of the state government employees and bring them at par with the central government employees. However, private sector employees must wait further as the deduction for them remains unchanged at 10 percent of salary, for their employer's contribution to NPS.



Policy measures introduced to increase the flow of private investment in India

A majority of the wishlist of the investment management industry not addressed in the Union Budget

Life sciences and health care

Outlook for the industry

The contributions of the pharmaceuticals and health care industry have been well acknowledged, especially the speed and coverage of vaccination and improvement in the health care infrastructure.

The key announcements include creating a robust national digital health ecosystem through extensive use of technology and launching the National Tele Mental Health programme. Mission Shakti, Mission Vatsalya, Saksham Anganwadi, and Poshan 2.0 were recently launched to provide integrated benefits to women and children.

Genomics and pharmaceuticals have been noted as sectors contributing to sustainable development. With this, the sector should benefit from the future government policies.

Direct tax proposals

Deductibility of expenses incurred by pharmaceutical companies towards travel, hospitality, etc., of doctors has been a litigious issue. Tribunal orders have generally favoured taxpayers. The tax proposals seek to disallow some of these expenses to the extent they are considered to be in violation of any law/ regulations governing the conduct of the recipient.

Extension of timelines for commencing activity should support start-ups and domestic manufacturing companies to avail the benefit of a favourable tax regime.

Indirect tax proposals

The proposed amendments under customs promote domestic capacity creation and a level-playing field for domestic manufacturers.

BCD rate on following goods is increased:

- X-ray machines/specified parts of X-ray machines – 7.5 percent/ 5 percent (until 31 March 2022); 10 percent (from 1 April 2022)
- Artificial kidney and disposable sterilised dialyser and related raw materials, parts, or accessories – NIL (until 1 February 2022); per tariff (from 2 February 2022)

Concessional BCD/Nil BCD on various items covered under drugs (including lifesaving drugs), medicines, diagnostic kits or equipment, and bulk drugs used in the manufacturing of drugs or medicines has been rationalised. Revised BCD rate per tariff will be applicable from 2 February 2022 (1 October 2023 for influenza vaccine)

Oil and Gas

Policy

- Four pilot projects for coal gasification and the conversion of coal into chemicals required for the industry, proposed to be set up to evolve technical and financial viability.
- The budget proposes to focus on addressing important cross-cutting issues of infrastructure, reverse logistics, technology upgrading, and integration with informal sector. For 10 sectors, such as electronic waste, end-of-life vehicles, used oil waste, and toxic and hazardous industrial waste, the action plans are ready. This will be supported by active public policies covering regulations, an extended framework of producers' responsibilities, and innovation facilitation.

Direct tax proposals

- The strategic disinvestment of PSUs is facilitated by allowing them to carry forward business losses after a change in control, subject to conditions.

Indirect tax proposals

Change in BCD rates

- BCD rate on coal, lignite, and peat is reduced from 10 percent to 5 percent (no change in concessional rate).
- BCD rate on motor spirit, HSD, ATF, LNG, and natural gas has been rationalised by withdrawing exemption and making necessary changes in tariff. The effective BCD rate has not changed.
- BCD @ 2.5 percent is introduced on E12 and E15 fuel blends conforming to standard IS 17586.
- Tariff rates are reduced for certain chemical products falling under chapters 28 and 29.
- BCD rate on fuel oil, straight run fuel oil, low sulphur wax residue, vacuum residue, slurry and vacuum gas oil, has been reduced from 5 percent to 2.5 percent.
- BCD rate on base oil has been increased to 5 percent.
- Kerosene imported by IOCL, HPCL, BPCL, and IBP company Ltd. for ultimate sale through the PDS will now attract a BCD of 5 percent.
- The list of goods that are in connection with petroleum operations and on which a concessional rate of BCD was applicable has been pruned.



Four pilot projects will be set up. PSUs are allowed to carry forward business losses.

Oil and Gas

Withdrawal in the following concessional BCD rates from

2 February 2022

- 5 percent on import of kerosene by a manufacturer of linear alkyl benzene for extracting N-paraffin
- 5 percent on import of bis-phenol A, epichlorohydrin for manufacturing of goods, and phenol and acetone for manufacturing bis-phenol A

Phase out certain exemptions for petroleum projects

- BCD exemption is phased out in a gradual manner on capital goods/project imports:
 - Exemption to be withdrawn for 11 items from 1 April 2022 (in respect of goods used in setting up crude petroleum refinery). For the remaining items, exemption to be withdrawn from 1 April 2023
 - Exemption to be withdrawn on parts and raw materials needed for manufacturing goods used for off-shore oil exploration and exploitation from 1 April 2023
 - Exemption to be withdrawn on kits and parts required to convert motor spirit and diesel driven vehicles into those driven on compressed natural gas or propane or liquefied petroleum gas from 1 April 2022

Project imports benefit available for LNG regassification plant

- New projects registered after 30 September 2022 under project import will attract 7.5 percent BCD.
- Existing projects will be grandfathered the benefit of an old BCD rate of 5 percent until 30 September 2023. After 30 September 2023, a BCD rate of 7.5 percent will be applicable.

Validity of certain BCD exemption benefits

Exemptions/concessional rates available for the following entries to be valid only up to 31 March 2023:

- Bunker fuel (IFO 180 CST and IFO 260 CST) for use in ships or vessels
- LPG per entry no. 155 of NN 50/2017
- Anthraquinone or 2-Ethyl Anthraquinone for use in manufacturing hydrogen peroxide

Exemptions/concessional rates available for the following entries to be valid only up to 31 March 2024:

- Maltol that is used in manufacturing deferiprone
- Parts and components for manufacturing tunnel boring machines

Excise

- Introduction of excise duty at 14 percent plus INR 15 per litre on E12 and E15 fuel blends conforming to standard IS 17586
- Basic excise duty has been increased by INR 2 per litre from 1 October 2022 on motor spirit and HSD intended for retail sale

Power, Utilities, and Renewables

Policy

- Additional allocation for PLI for manufacturing high-efficiency modules will facilitate integrated manufacturing from polysilicon to solar PV modules.
- Nearly 5-7 percent biomass pellets will be co-fired in thermal power plants to reduce carbon emission.
- Large commercial buildings will follow the ESCO model for energy management.
- Sovereign green bonds will be issued for deployment of funds towards green infrastructure projects.
- Energy storage systems will be included in a harmonised list of infrastructure. This will attract foreign investments/borrowings in the sector.
- A policy to facilitate EV charging infrastructure and battery swapping will be introduced.
- A pilot project for coal gasification and conversion of coal into chemicals will be set up.
- Fiscal deficit of 4 percent of GSDP to states will be allowed; of which, 0.5 percent will be tied to power sector reforms.
- Decentralised RE generation will be promoted under the VVP programme for border villages to northern India.

Direct tax proposals

- Commencement of power generation before 31 March 2024 (instead of 31 March 2023) for availing a concessional rate of 15 percent

Indirect tax proposals

- Change in customs tariff rates (other than those exclusively used with ITA-1 items) will be effective from 1 April 2022.
 - Solar cells: BCD rate increased to 25 percent from 20 percent
 - Solar modules: BCD rate increased to 40 percent from 20 percent
- Project imports: Concessional BCD rates extended to project imports, including power and water supply projects under chapter 98, are being phased out in a gradual manner.
 - New projects registered after 30 September 2022 under project imports will get a BCD rate of 7.5 percent.
 - The projects registered until 30 September 2022 under project imports will continue to get lower rates of duty until 30 September 2023. However, with effect from 30 September 2023, these will attract a BCD rate of 7.5 percent.
- The conditional exemptions for the following entries shall have validity only up to 31 March 2023:
 - Machinery/components for initial setting up of a power generation project
 - Machinery, equipment, apparatus, components, and appliances for initial setting up of a fuel cell-based system for generating power
- Phase out of the following exemptions in a gradual manner:
 - BCD rate of 7.5 percent on the goods required in high-voltage power transmission projects

- BCD rate of 5 percent on wind-operated electricity generators, etc.
- Concessional BCD rate of 5 percent on the following will be withdrawn in a gradual manner:
 - Permanent magnets for manufacturing wind-operated electricity generators
 - Goods used for renovation or modernisation of a power generation plant (other than a captive power generation plant)
 - Goods imported by a manufacturer-supplier for manufacturing and supplying machinery and equipment to a power generation plant (other than a captive power generation plant).

Real estate

TDS on transfer of immovable property

- The proposal to also consider the stamp duty value of the property at the time of withholding 1 percent TDS and do the withholding on the higher of the actual consideration paid and stamp duty value can lead to an anomaly where the transaction is below the stamp duty value but within the safe harbour limits. Such a transaction might attract a higher withholding tax.

Fifteen percent surcharge on all LTCGs

- Capping of surcharge at 15 percent for all LTCGs for individual, HUF, AOP, BOI, or any artificial juridical person, will result in a lower effective tax on transfer of real estate classified as long term in nature.

REITs/InVITs

- In addition to bonus stripping, dividend stripping provisions are extended to units of REITs/InVITs, where the REITs/InVITs have invested in SPVs that have not opted for the lower corporate tax rate regime.



Restricted the surcharge on LTCGs to 15 percent.

No extension has been provided for obtaining project approval for tax holiday on affordable housing projects, which ends on 31 March 2022.

Technology

Outlook for the industry:

The digitalisation theme will be the backbone for new investments in education, health care, agriculture, banking, payments and will also streamline government payments and procurements. Key policy announcements include the following:

- Sunrise sectors: To encourage important sunrise sectors such as deep-tech, agri-tech, and climate action, the government will promote a thematic fund with its stake being limited to 20 percent
- Agri-tech start-ups:
 - Promoted to start drone-as-a-service for crop assessments, insecticide spraying, and nutrients
 - To enable start-ups access tech-based IT solutions for farms, funds, through NABARD
- Digital banking: Seventy-five digital banking units in 75 districts proposed to be set up by scheduled commercial banks; digital Rupee proposed to be introduced by 2022-23 using blockchain and other methods
- Digital education: Digital universities proposed to be established and e-content to be made available via internet, mobile phones, TV, etc.

- Supply chain: Data exchange amongst operators will be brought on the Unified Logistics Interface Platform, designed for API to enable efficiency in logistics
- Health facility:
 - The National Digital Health Ecosystem to be rolled out, which will consist of details of health registries, health providers, hospitals, etc.
 - Considering mental health-related issues arising due to COVID-19, 23 tele-mental health centres to be launched in collaboration with the International Institute of Information Technology
- Ease of doing business 2.0 and ease of living: Manual processes to be digitalised for productive efficiency
- Tourism: E-passports to be issued with embedded chips

Direct tax proposals:

- Tax proposals for income from digital virtual assets applicable from FY22-23:
 - 30 percent tax on income from transfer of any virtual digital asset, without any deduction/allowance, except for the acquisition cost

- A gift of a virtual digital asset is also to be taxed for the recipient
- TDS at the rate of 1 percent on such transfers to be applicable from 1 July 2022
- For incentives to eligible start-ups under section 80-IAC, the period of incorporation has been extended to 31 March 2023 (from 31 March 2022)
- For incentives related to domestic manufacturing under section 115BAB, the last date for commencement of manufacturing to avail the beneficial rate of 15 percent has been extended to 31 March 2024 (from 31 March 2023)

Indirect tax proposals:

- Special Economic Zones Act will be replaced with a new legislation from 20 September 2022 to facilitate States to become partners in the “Development of Enterprise and Service Hubs”, optimally utilise available infrastructure, enhance competitiveness of exports, and be tech-driven with a focus on higher facilitation, with only risk-based checks
- Customs duty to be rationalised to promote domestic manufacturing in specified electronic items and measures proposed to address under-valuation on the import of goods

Telecom

Outlook for the industry:

- To build a strong ecosystem for 5G, a design-led manufacturing scheme to be launched as a part of the Production Linked Incentive (PLI) scheme
- 5G spectrum auctions to be conducted in 2022 for the rollout of 5G services during FY2022-23
- Five percent of annual collections under the Universal Service Obligation fund to be allocated to promote R&D and commercialisation of technologies and ensure affordable broadband and technology proliferation in rural India
- Indigenous niche players building up technologies around O-RAN, private networks, small cells, amongst others, could benefit with the 5 percent USO layout
- Contracts for laying optical fibre in rural areas to be awarded under the BharatNet project through a Public-Private Partnership

Indirect tax proposals:

- BCD rates on lenses for the manufacturing of cellular phones' camera modules have been lowered from 15 percent/10 percent to 2.5 percent, w.e.f. 2 February 2022



Introduction of a design-led manufacturing PLI for 5G to build a strong ecosystem

Telecommunication and 5G technology to enable growth, affordable broadband, and employment opportunities

Parity to be given for access to e-services, communication facilities, and digital resources to rural areas, vis-à-vis urban areas

Rationalisation of customs duty rate on certain goods

Glossary



Glossary

AIDC	Agriculture Infrastructure and Development Cess
AIF	Alternative Investment Fund
AO	Assessing Officer
AO	Assessing Officer
AOP	Association of Persons
ATMs	Automated Teller Machine
BCD	Basic Customs duty
BOI	Body of Individuals
CBDC	Central Bank Digital Currency
CGST Act	Central Goods and Services Tax Act, 2017
CGTMSE	Credit Guarantee Trust for Micro and Small Enterprises
CKD	Complete knock-down
C-PACE	Center for Processing Accelerated Corporate Exit
CPI	Consumer Price Index
CTH	Customs Tariff Heading
DBU	Digital Banking Units
DrAAS	Drone-As-A-Service

DRC	Dispute Resolution Committee
DRI	Directorate of Revenue Intelligence
DRP	Dispute Resolution Panel
DRP	Dispute Resolution Panel
ECL	Electronic credit ledger
ECLGS	Emergency Credit Line Guarantee Scheme
ECLGS	Emergency Credit Line Guarantee Scheme
EODB	Ease of Doing Business
ESCO	Energy Service Company
EV	Electric Vehicle
FinTech	Financial Technology
FY	Financial Year
GIFT City	Gujarat International Finance Tec-City
GIFT-IFSC	Gujarat International Finance Tec-City - International Financial Services Centre
GNPA	Gross Non-Performing Asset
GST	Goods and Service Tax

Glossary

HSN	Harmonized System of Nomenclature
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
IFSC	International Financial Services Centre
IFSCA	International Financial Services Centres Authority
IGCR	Import of goods at concessional rate
IGCR, 2017	Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2017
IGST Act	Integrated Goods and Services Tax Act, 2017
INR	Indian Rupee
InVIT	Infrastructure Investment Trust
IT	Information Technology
ITAT	Income-tax Appellate Tribunal
ITC	Input tax credit
LCD	Liquid Crystal Display
LTCG	Long term capital gains
MSME	Micro Small and Medium Enterprises

NaBFID	National Bank for Financing Infrastructure and Development
NBFC	Non-Banking Financial Company
NCS	National Career Services
NPS	National Pension Scheme
OBU	Offshore Banking Unit
ODI	Offshore derivative instruments
O-RAN	Open Radio Access Network
OTC	Over-the-counter
PCBA	Printed Circuit Board Assembly
PE	Private Equity
PLI	Production-Linked Incentive
PMP	Phased manufacturing programme
PPP	Public–Private Partnership
PSUs	Public Sector Undertaking
R&D	Research and development
RAMP	Raising and Accelerating MSME Performance
RBI	Reserve Bank of India

Glossary

RBI Act	Reserve Bank of India Act, 1934
REIT	Real Estate Investment Trust
SCBs	Scheduled Commercial Banks
SEZ	Special Economic Zone
SKD	Semi knocked Down
SPV	Special Purpose Vehicle
SWF	Sovereign Wealth Fund
SWS	Social Welfare Surcharge
TCS	Tax collection at source
TCS	Tax Collected at Source
TDS	Tax Deducted at Source
TP	Transfer Pricing
USB	Universal Serial Bus
USO	Universal Service Obligation
VC	Venture Capital
VCF	Venture Capital Fund
VDA	Virtual Digital Asset
WCO	World Customs Organisation





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