

Success mantra from The Guru himself

- Chartered Accountancy
A good Knowledge base
- There is no shortcut to learning.
We gain Domain knowledge over a period of time
- Our stakeholders are a part of an extended Hiranandani family
- Leadership quality is more in the sense of being fair, just, proper and ethical



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NEWSLETTER FEBRUARY 2023



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The members of the firm provide a perfect blend of consistent high quality expertise derived from immense transactional experience and innovative thought in providing solutions in domains covering multidisciplinary fields working closely with Chartered Accountants, Company Secretaries, Lawyers and professionals from other discipline.

Please feel free to reach us at info@asquareadvisors.in / arjitagarwal@gmail.com for your valuable views/suggestions/ feedback for improvement of this Newsletter.

We believe that

“If you want to go fast – Go Alone . If you want to go far – Go Together”

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From the Desk of Honorary Chief Editor



Dear Readers



The World has recognised the Indian economy as a 'bright star'. Indian economy is now 5th largest in the world, unique world class digital public infrastructure, e.g., Aadhaar, Co-Win and UPI is next step towards leading the world. Honorable Finance Minister of India introduces Finance Bill before Parliament focusing this Amrit Kaal includes technology-driven and knowledge-based economy with strong public finances, and a robust financial sector, implemented through Sabka Prayas resulting in Jan Bhagidari and targeted support to those in need, helped us perform well in trying times. She covers 'Saptarishi' guiding us through the Amrit Kaal i.e. Inclusive Development, Reaching the Last Mile, Infrastructure and Investment, Unleashing the Potential, Green Growth, Youth Power & Financial Sector.



I got the opportunity to Interview Stalwart CA Niranjan Hiranandani (Co Founder & MD Hiranandani Group). During his video Interview, he briefly shared his professional journey, how he joined CA course despite of the fact that everyone in his family is Doctor, how CA qualification means to him, what is his expectations & demand from Honorable FM in regards to budget, what leadership is, how he owes trust of several real estate customers, what is the importance of money after certain wealth etc. He is the perfect mentor for young professionals who want to do business and dreamed to be India's most influential leader. I am also feel honored interviewing him as he ranked among top 100 richest Indians as per Forbes.

Knowledge is Power, Power provides Information; Information leads to Education, Education breeds Wisdom; Wisdom is Liberation. People are not liberated because of a lack of knowledge.

Like previous editions, in this newsletter, readers will be able to find all relevant circulars, notifications, press releases, and miscellaneous communications related to Direct Taxes and Indirect Taxes for January 2022 & a brief look at the budget.

Quote for the month

"Dream big and work hard to accomplish them"

Moradabad
02nd February 2022

With regards,

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Interview of CA Dr. Niranjan Hiranandani

Co - Founder and Managing Director - Hiranandani Group



CA Dr. Niranjan Hiranandani is a Co-Founder and Managing Director, Hiranandani Group of Companies. He also heads a distinct Business Unit Hiranandani Communities.

Dr. Hiranandani, is the son of the Padmabhushan honored ENT specialist Dr. L H Hiranandani. He completed his schooling from Campion School, Mumbai and graduated with a Bachelor of Commerce Degree (Hons.) with a distinction of standing Second in Mumbai University. Adding to his professional qualification, he completed his C.A. and his Doctorate in Philosophy - "Housing Revolution in India Challenges and Prospects".

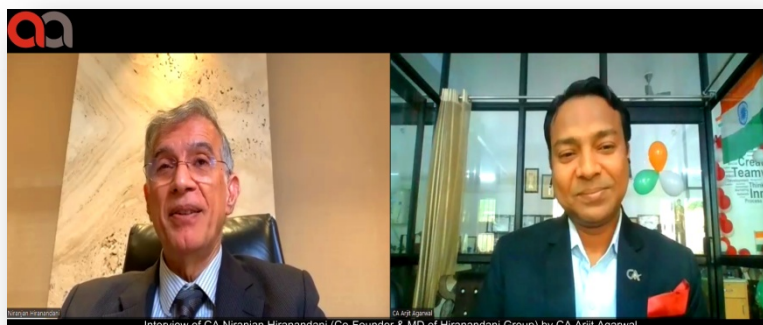
He is known as "Builder Extraordinaire" and as the Man responsible for changing the skyline of Mumbai with the delivery of landmark project "Hiranandani Gardens" Powai. The Hiranandani Group pioneered the concept of developing mixed-used integrated townships model with vibrant community living its reason of existence.

With his profound knowledge, sharp business acumen and an ambitious attitude, he has been conferred with the leadership role across various prominent business organisation and chambers by Industry pundits. Currently, he spearheads as the Vice Chairman of National Real Estate Development Council (NAREDCO), which works under the aegis of Ministry of Housing & Urban Affairs, Government of India; Past President of ASSOCHAM (Associated Chambers of Commerce and Industry); Member - RERA Conciliation Cell formed by Maharashtra Real Estate Regulatory Authority (MahaRERA) India.

He is trustee of 14 colleges and 6 schools under Hyderabad Sind National Collegiate (HSNC) Board and runs vocational skill development centres & Provost of HSNC University, Mumbai. He is also trustee for 2 hospitals and 2 Temples as part of his charity initiatives. He is also on a NEP 2020 Taskforce Committee on Education.

"Sincerity and Commitment with consistent efforts is the recipe to achieve success and scale great heights," is the quote which very aptly sums up Dr. Niranjan Hiranandani's Magic mantra.

He is an inspiration/role model to young professionals who dream of doing business and among 100 richest Indian with balance of social service towards humanity.



Interview of CA Niranjan Hiranandani (Co-Founder & MD of Hiranandani Group) by CA Arjit Agarwal



Video Interview

1. **CA Arjit Agarwal** - I am thankful to you on behalf of AASquare Advisors LLP for sparing your valuable time and **Inspiring today's professionals by sharing your illustrious professional journey** .

CA Niranjan Hiranandani - It's been my pleasure to definitely be with you today. And of course, being a first generation business person started by teaching at The Institute of Chartered Accountants of India, got into textiles, gave up textiles then straight away into the real estate field, didn't have anything. Over a period of time, got into education, hospitals & skilling, all not-for-profit. Worked on policy issues, worked with the Maharashtra Chamber of Housing Industry, worked



with the Indian Merchants, ASSOCHAM, NAREDCO, worked on the first national housing policy during Vajpayee's Ji time, worked on the slum policy with Mr. Balasaheb Thackeray. I was a co-signator on the policy and so many other things have gone



on.

2. CA Arjit Agarwal - Coming from a family of Doctors, what motivated you to pursue CA. And after completing your CA, for a while you taught in CA Institute and then you moved to textile manufacturing and finally landed up as a real estate mogul. Can you share little bit about your professional journey and key take-aways?

CA Niranjan Hiranandani - Well, I came from a doctor's family, my father, my brother, my sister-in-law, all were doctors. Before me, there was nobody in the business, but I looked up to the idea of business and I always believed that I should get into it. But coming from a professional family, I was very handicapped because ultimately the professionals think differently in terms of the risk-taking appetite. So there was a huge difference between a professional outlook to things and a real estate developer's outlook to projects. So I think that was the major leap that I had to do in terms of what work we are doing. As far as the other aspects were concerned, I think we learned over a period of time the domain knowledge in each field and then got into different types of projects including doing townships with the first township in India of the size and scale that we did, quality in terms of infrastructure, creating a holistic township which meant schools, colleges, hospitals, retail, IT, commercial, all these aspects of it made gardens, 25% of the project area are gardens, did recycling plants, recycled 100% of the water that comes out of the projects. And this was done 35 years ago, before recycling was really a fashion or a requirement in terms of the environment clearance. So we did a lot of these aspects of it differently. So it was possible for me to create a policy. I was able to get into projects where nobody had, there were no good examples in India of the type of townships that I created. But I always dream that India should have what it is. And fortunately, I was able to make these dreams into action, action into reality. And after doing one project in Powai, we did the second one in Thane, also successful, we are now on a third one in Punvale, we have done in Chennai. So various multiple projects have come to be, all took long processes and times because policies for townships were not very clear in those days. Money was not easily available in the sense that banks didn't give much to developers. Also the fact that there were lots of other issues, even individuals got home loans at very high rates of interest. HDFC rate of interest 25 years ago was 16 to 17%. And so lots of things was an uphill task in those days. But nevertheless, we were able to overcome that and be where we are today.

CA Arjit Agarwal - That is the reason you are now favorite of our honorable CM of UP also and he had invited you UP Investors Summit.

CA Niranjan Hiranandani - My son has built a data center over there and probably the first in UP and one of the largest in the world. So it's been one of the very big examples of good work that was done. Thanks to UP government's proactiveness in terms of activity. We were able to do it in record time.



3. CA Arjit Agarwal - Hiranandani Group being one of the India's Most Influential Real Estate Brands, having trust of Thousands of families who are owners in your properties. What is the secret that people trust the projects you undertake?

CA Niranjan Hiranandani - Well, I think we are customer centric and we do believe that all the stakeholders should be given equal importance. So whether it's the landowner from whom we purchased or it's the customer whom we are committing to or it's the contractors who have been working with us since so many years, suppliers, dealers, intermediates like channel partners and others, all would be happy to deal with us because we would be transparent, we would have honesty in terms of it. The second part of it is the fact that we would believe that the quality of the infrastructure, the quality of the buildings should be second to none. So all our buildings, all our facilities are very good quality, the highest that you can think of and people appreciate the kind of products that we have created and people are very happy. And the third is that we have created value for money. So something which we sold at the beginning of the project in Powai for 1000 rupees a foot is now being resold after 30 years at 42,000. So people have made a lot of money out of



investing in the whole thing. We have created a lifestyle which is different. A lot of Bollywood movies have been shot in our townships so you can see it on so many of the films that are done and what things and we do believe that giving back to the community is very important. So these are methods by which we run our business but at the same time it's giving back to society and the people and all our stakeholders are a part of an extended Hiranandani family.



CA Arjit Agarwal - I remember one of your SIDCUL project which you have mentioned in some of your interviews that many landowners have returned the money to the buyers but you are the only one who have completed the project even then it's a loss.

CA Niranjan Hiranandani - Yeah, so we had bought in many years ago, maybe 25 years ago from SIDCUL. We had bought a plot and we had sold the plots and about 10 other developers bought it. They were sold it and they were making losses. They were able to return back the plots. We completed the project, made a loss but we delivered the goods to the customers. So I think all this is part of our commitment to all the partners, stakeholders that work with us and that creates the brand or the goodwill that is associated with when we come into the picture.



4. **CA Arjit Agarwal** - Leadership is managing the things in the right way and also handling situations with calmness when things go wrong or not in ones favour. What are the leadership qualities one must have to become a successful entrepreneur or rather I would say what a person should do to become Niranjan Hiranandani ?

CA Niranjan Hiranandani - Very, very difficult question. It's not easy to say what leadership is meaning to be. What we can say is that what we bring to the front, we maintain our commitment, we believe in walking the talk, we believe that circumstances will change but our commitments will not. We do believe that we must keep on upskilling, training, upgrading our projects and products, whatever it is therefore. We must have a human approach to people because after all ultimately all the people are human and many times the letters of the agreement or the law may be tough but in reality we have much more human relationships in terms with it. We believe that all the stakeholders as I've said earlier are part of an extended family so we work together. Of course we have differences, there are problems and differences are bound to take place but we sit across the table and we sort them out and we try to be fair so we have long term relationships with everybody. So whether it's our customers, our customers are our repeat buyers or their references come to us, maybe 30% of our current projects residential is sold through the references of people who are already dealt with us and that is important. Our banks, which we are dealing with from 30 years, we keep on dealing with them, we take money, we return it back, all those things happen and still go on. So basically the leadership quality is more in the sense of being fair, just, proper and ethical. And I think if you have the humanity in you, all these things happen. Of course, we have to be particular when some of our stakeholders try to do wrong things. Like for instance, if they don't produce proper quality of goods, we are very tough on those people who are our co-stakeholders. But having said that, we work quite fairly with most of them. So it's like a win-win situation with all our co-stakeholders.

CA Arjit Agarwal - What a person should do to become Niranjan Hiranandani.

CA Niranjan Hiranandani - You shouldn't be like me. You should learn how to be better than me. I always learn from all the good people. A week ago, I met Ratan Tata Ji, he was talking to me about the ethical values, I also learn from the construction companies how they work. When we go to other countries like Dubai, Singapore, China, we learn from their townships & other infrastructure. So one thing you have to do is you have to learn all the time. We can't say that I know everything.





Because nowadays, every day something new comes up, we learn from it. So while watching all this, we should understand how to improve ourselves. We should improve 1% of it, that's also a good thing. We should improve ourselves. There is no need to fight with others. We should think about how I improve, how we can learn from the mentorship of others. We should learn from the younger people, from the older people, from everyone. So I want to understand this. There is a continuous process. You can't go down until you learn. You will always go up. Learning is a continuous process.



5. **CA Arjit Agarwal** - From December 22, the baton of Presidency of G20 has been handed over to India. How do you think India will benefit from this and how can we being world largest democracy & one of the fastest growing economy can contribute to the world as a whole ?

CA Niranjan Hiranandani - Narendra Modi Ji has taught us how to lead. In today's time, western hemisphere, eastern hemisphere is looking at different directions. We understand east versus west. But in geopolitics, Modi Ji has balanced both. Our policies are now Indian centric. We deal with western countries; we do it in IT, in materials, in education. And with eastern countries, take the case of Russia and Ukraine war, we are buying petroleum products from Russia. We would be saving about 35,000 crores in the next 6 months. By playing proper geopolitics in the world we have manage to save 35,000 crores. G20 is one step in that direction. G20 countries contribute almost 60-70% of the GDP of the world. How we deal with these countries, how we associate with them, how we can improve our GDP by trading with these countries will show our leadership in the world. That is why G20 is very important. Narendra Modi Ji is promoting Atma Nirbhar Bharat, introduced PLI scheme for manufacturer, for real estate he introduced "Pradhan Mantri Awas Yojana" wherein almost 1 crore subsidized homes have been handed over. We are working on every area, whether its defense, agriculture, infrastructure, we are making approx 35 km of roads every day. We are making highways, ports, airports. In respect to G20, under the able leadership of Narendra Modi Ji we have to balance all these geopolitics issues and see how it benefit our country.

6. **CA Arjit Agarwal** - Budget is just around the corner. As Vice Chairman of National Real Estate Development Council & leading Real estate Group, what are your expectation & demand from Honorable Finance Minister?

CA Niranjan Hiranandani - Real estate is very important. Why is it important? Because we invest Rs.100 in this, the employment generation is the highest. If you invest Rs.100 in manufacturing, then your employment potential is 1. If you invest Rs.100 in real estate, then 100 people have direct employment because they are labor-oriented. 500 people have indirect employment. So, the more you focus on real estate, the higher the employment. Our 5-6 main items are, the standard deduction on housing loan, which was made 2 lakhs 12 years ago. The houses have increased, the prices have increased, 6 - 8.5% has increased. So, we want to take that 2 lakhs and make it 5 lakhs. Actually, there should be full deduction because if you do commercial, then there should be 100% deduction. So, why not give 100% to the individuals? But it is fine, we have agreed to 2.5 lakhs earlier. The second thing is affordable housing. We get more loans in affordable housing. Loan to value is about 90%. But its cost, they have made it 45 lakhs. In Mumbai, Delhi, and other metro cities, there is nothing in 45 lakhs. We don't get a good house. So, I think if we increase the figure, then the average people can get more loans. So, we can buy a house in this area. The second thing is long term capital gain. If you invest in the share market, then you get 1 year long term capital gain. In real estate, it takes 3 years. This is a different thing.



The second thing is, if you invest in shares, then 10% capital gain is of long term. So, we don't say, don't invest in shares. We are saying, you should invest in real estate as much as possible. Because people need to be given this opportunity to buy a house. So, there are things like this where we can. And the last thing is in real estate, that in today's time, we make townships. They need to give long term infrastructure status. Because they will get long term funding. And you will get a larger amount of money for the same equity value. So, we want to make townships like ours, that take 20 years, 30 years. So, we will give you infrastructure status. So, you will get a 30, 15, 20 years loan. And loan to



value is also different. So, these are all the needs of changes. And the demand for this is done by the NAREDCO. And let's see what the ministry will do.



CA Arjit Agarwal - If you look at the business loans, then the companies claims full expense off such interest were as in case of Salary class, who are the largest borrowers of home loans, get a maximum deduction of 2 Lakhs. And they are the highest tax paying class & are not getting any benefit. A limit of 5 lakhs, should also be modified. Because if we come to 6 lakhs, then we have to pay 30,000-40,000 tax on 1 lakh. So, on differential income tax level will be 30-40%.

CA Niranjan Hiranandani - I have one more point in my mind. I will mention that. Individuals have the highest rate of tax, 42%. Partnerships have 35%. And companies have 25%. I don't think that companies should give less rate to individuals. I am not saying that you should not give them. But individuals should also give. If you do business, then they have a maximum rate of 42%. And if you make that partnership, then they will fill 35%. And if we make a limited company in that business, then 25%. And if we make a manufacturing company, then 15%. So, we are thinking that at least you should do 25% of this business. For individual loans. So, this will be a new approach.

7. **CA Arjit Agarwal** - How CA as a qualification helped you in running business effectively and what advice would you like to give to young CA professionals who looks up to you as a role model?

CA Niranjan Hiranandani - I think CA is a very good knowledge base that you can do and it helps you to understand macroeconomics finances, macro picture of international transactions. Second thing is micro detailing of project, its details, its financial details, its financial leveraging. We can do all this because of Chartered Accountancy. And the third that we manage efficiently what taxes we pay. There is definitely a negative because Chartered Accountant is conservative in nature. So while the entrepreneur requires to take a leap in the dark, there are instances wherein I keep my Chartered Accountant mind aside. Developers take a leap in projects, especially on big projects, and the Chartered Accountant hesitates to do such a big project. So sometimes negative but mostly it's a positive.

8. **CA Arjit Agarwal** - Lastly, Money is not everything but to say this you must have enough money in hand. What are your thoughts on this?

CA Niranjan Hiranandani - Of course, Food, Shelter, clothes are bare necessities. There is no difference if we do service or profession or business. Once we get's that much, then there is surplus. That surplus is for luxury and there is no limit to it. Even if you buy a small house or build an Antilla, people are not happy because Mukesh Ambani has just bought a house in London, one in New York and now in Dubai, so it will never give peace and happiness to anyone. If the person reaches beyond a certain limit, then they cannot get satisfaction level in asset acquisition. After that satisfaction has to be found in doing something. We do a lot of work for not for profit. I run fourteen colleges, two hospitals, six schools, do skill development and now a university too, all these are not for profit. So there is a pleasure in doing all this and at the same time I also do business but business is not important now, it is not that I do not want to earn more, this thing will be wrong, but it does not have any importance at the same time.

So that's why I think once you have that minimum amount of money and minimum shelter and enough for yourself after that importance of money comes less and less and you have to look at other things like purpose in life give you satisfaction.



9. **CA Arjit Agarwal** - Thank you so much for giving your precious time and answering all questions so well. I enjoyed it a lot and strongly believe that your interview will inspire many professionals.

CA Niranjan Hiranandani - Thank you



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1. In Brief :-

India has been experiencing a startup boom in recent years, with the number of new startups growing rapidly and the country being recognized as one of the world's leading startup hubs. The entrepreneurial spirit is strong in India, with many young and ambitious individuals seeking to create new businesses and bring innovative products and services to the market.

2. Pros :-

- a. **Strong Entrepreneurial Spirit:** The entrepreneurial spirit is one of the key strengths of the startup culture in India. Young and ambitious individuals are eager to start their own businesses and bring new ideas to the market. This energy and drive is a key factor in the success of startups in India.
- b. **Growing Venture Capital and Angel Investment Scene:** The venture capital and angel investment scene in India is growing and becoming more active, providing startups with the funding they need to grow and succeed. This is a key factor in the success of startups in India, as access to capital is critical to the success of any business.
- c. **Large Pool of Talented Engineers and Technology Professionals:** India is home to a large pool of talented engineers and technology professionals, many of whom are eager to join startups and help bring new ideas to life. This talented workforce is a key factor in the success of startups in India, as startups need talented individuals to build and grow their businesses.
- d. **Positive Government Initiatives Supporting Startups:** The government of India has been taking positive steps to support startups in the country, with initiatives such as the Startup India program aimed at fostering the growth of startups and helping them succeed. This support from the government is a key factor in the success of startups in India, as it helps startups overcome some of the challenges they face.
- e. **Growing Market and Increasing Demand for New Products and Services:** The Indian market is growing and there is an increasing demand for new products and services. This presents a huge opportunity for startups, as they can tap into this growing market and bring new and innovative products and services to customers.

3. Cons :-

- a. **Limited Access to Funding and Capital:** Despite the growing venture capital and angel investment scene in India, access to funding and capital is still limited for many startups. This can be a major challenge for startups, as they need funding to grow and succeed.
- b. **Bureaucratic Red Tape and Regulatory Hurdles:** Bureaucratic red tape and regulatory hurdles can be a major challenge for startups in India. The regulatory environment can be complex and difficult to navigate, which can slow down the growth of startups and make it harder for them to succeed.
- c. **Lack of Mentorship and Experienced Entrepreneurial Leadership:** The startup culture in India is still young and there is a lack of experienced entrepreneurial leadership. This can make it challenging for startups to find the mentorship and guidance they need to succeed.
- d. **Limited Exit Options for Investors:** The exit options for investors in startups in India can be limited, making it harder for investors to realize a return on their investment. This can make it more challenging for startups to attract investment and grow their businesses.
- e. **High Competition and Saturation in Certain Markets:** The startup culture in India is highly competitive, with many startups vying for the same customers and markets. This can make it challenging for startups to stand out and succeed in crowded markets.

4. Conclusion:-

Despite these challenges, the startup culture in India is still thriving and continues to grow. The strong entrepreneurial spirit, growing venture capital and angel investment scene, large pool of talented engineers and technology professionals, positive government initiatives, and growing market and increasing demand for new products and services are all key factors that contribute to the success of startups in India.



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1. In Brief :-

Cities are the drivers of economic growth of a nation. The budget of 2023 stresses the importance of sustainable cities as cities of the future. Sustainable cities are not only green, but also resource efficient both in terms of infrastructure as well as finance. Urban Planning will play a key role in development of physical and social infrastructure for building the cities of tomorrow. States as well as cities have been encouraged to take up urban planning and development reforms to capture the value of land resource. These range from planning of mobility corridors, transit-oriented development, commercial hubs, as well as industrial corridors and estates that act as magnets of settlement. Land value is enhanced when a city is properly planned and this benefit is acquired by Value Capture Finance, Property Tax, Sale of development rights, ring-fencing user charges on urban infrastructure, etc. Inclusivity and affordability will be encouraged to provide equal opportunities to all.

2. Government Plans :-

In 2023-24, the government plans to spend Rs 23,175.01 crore on Metro and mass rapid transit system projects, including the National Capital Region Transport Corporation, which is constructing the Delhi-Meerut fast transit project. On the other hand, funding for urban housing saw a decrease as the Pradhan Mantri Awas Yojana (Urban) will be coming to an end in 2024.



The new budget encourages cities to be reformed for credit worthiness for municipal bonds. Municipal Bonds are a good way for city corporations to fund development projects while at the same time provide investors a stable opportunity to earn interest over their investments. Recently, Vadodra Municipal Corporation listed a five-year Rs 100 crore bond at the Bombay Stock Exchange for funding 14 AMRUT Projects in the city, and received several bids almost 10 times the issue size. Central Govt agencies often issue such bonds from time to time and have been very well received

All cities and villages will be able to switch their sewers and septic tanks completely from manhole to machine hole mode. The government would establish a Rs 10,000 crore per annum Urban Infrastructure Development Fund (UIDF) to build infrastructure in Tier 2 and Tier 3 cities. States will be urged to use resources from the 15th Finance Commission's funding, as well as existing programs, to implement appropriate user fees when using the UIDF.

3. Conclusion :-

As we move towards Azadi ka Amrit kaal, we must reflect upon the independence of cities and their sustenance as well as governance models. While the old belief of modernization in India lay in the strength of rural development, the new India demands the progress of its cities.



Disclaimer: - This Article is just brief and is not to be construed as any form of legal opinion whatsoever. Readers are requested to go through the concerned Topic in detailed for more/better understanding.

1. In Brief :-

Budget 2023, focused on Amrit Kaal includes technology-driven and knowledge-based economy with strong public finances, and a robust financial sector, implemented through Sabka Prayas resulting in Jan Bhagidari and targeted support to those in need, helped us perform well in trying times.

The Budget adopts the following seven priorities. They complement each other and act as the 'Saptarishi' guiding us through the Amrit Kaal.

- 1) Inclusive Development
- 2) Reaching the Last Mile
- 3) Infrastructure and Investment
- 4) Unleashing the Potential
- 5) Green Growth
- 6) Youth Power
- 7) Financial Sector



A LOOK at the BUDGET

BUDGET



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Inclusive Development	Reaching the Last Mile	Infrastructure & Investment	Unleashing the Potential	Green Growth	Youth Power	Financial Sector
Agriculture & Cooperation	Aspirational Districts and Blocks Programme	Capital Investment as driver of growth and jobs	Mission Karmayogi	Green Hydrogen Mission	Pradhan Mantri Kaushal Vikas Yojana 4.0	Credit Guarantee for MSMEs
Digital Public Infrastructure for Agriculture	Pradhan Mantri PVTG Development Mission	Effective Capital Expenditure	Centres Excellence Artificial Intelligence	Energy Transition	Skill India Digital Platform	National Financial Information Registry
Agriculture Accelerator Fund	Eklavya Model Residential Schools	Support to State Governments for Capital Investment	National Data Governance Policy	Energy Storage Projects	National Apprenticeship Promotion Scheme	Financial Sector Regulations
Enhancing productivity of cotton crop	Water for Drought Prone Region	Enhancing opportunities for private investment in Infrastructure	Simplification of Know Your Customer (KYC) process	Renewable Energy Evacuation	Tourism	GIFT IFSC
Atmanirbhar Horticulture Clean Plant Program	PM Awas Yojana	Harmonized Master List Infrastructure	One stop solution for identity and address updating	Green Credit Programme	Unity Mall	Data Embassy
Global Hub for Millets: 'Shree	Bharat Shared	Railways	Common Business	PM-PRANAM		Improving Governance

Anna'	Repository of Inscriptions (BharatSHR I)		Identifier			and Investor Protection in Banking Sector	
Agriculture Credit	Support for poor prisoners	Logistics	Unified Filing Process	GOBARdhan scheme		Capacity Building Securities Market	
Cooperation		Regional Connectivity	Vivad se Vishwas I – Relief for MSMEs	Bhartiya Prakritik Kheti Bio-Input Resource Centres		Central Data Processing Centre	
Health, Education and Skilling	Sickle Cell Anaemia Elimination Mission	Sustainable Cities of Tomorrow	Vivad se Vishwas II – Settling Contractual Disputes	MISHTI		Reclaiming of shares and dividends	
Medical & Nursing Colleges		Making Cities ready for Municipal Bonds	State Support Mission	Amrit Dharohar		Digital Payments	
Sickle Cell Anaemia Elimination Mission		Urban Infrastructure Development Fund	Result Based Financing	Coastal Shipping		Azadi Ka Amrit Mahotsav Mahila Samman Bachat Patra	
Medical Research		Urban Sanitation	E-Courts	Vehicle Replacement		Senior Citizens	
Pharma Innovation					Fintech Services		Fiscal Management
Multidisciplinary courses for medical devices					Entity DigiLocker		Fifty-year interest free loan to States
Teachers' Training					5G Services		Fiscal Deficit of States
National Digital Library for Children and Adolescents					Lab Grown Diamonds		Revised Estimates 2022-23
				Budget Estimates 2023-24			

2. Proposals regarding Direct Taxes :-

- 1) Changes in slab rates for Individuals who are under New Regime with a change in surcharge rate for higher slabs from 37% to 25%.
- 2) TDS and taxability on net winnings from online games.
- 3) Introduction of the authority of Joint Commissioner (Appeals)
- 4) Reducing the time provided for furnishing TP report
- 5) Rationalisation of Appeals to the Appellate Tribunal



6) Increasing rate of TCS of certain remittances.



S.No.	Type of remittance	Present rate*	Proposed rate*
1	For the purpose of any education, if the amount being remitted out is a loan obtained from any financial institutions defined in section 80E.	0.5% of the amount or the aggregate of the amounts in excess of Rs.7 lakh.	No change.
2	For the purpose of education, other than (i) or for the purpose of medical treatment.	5% of the amount or the aggregate of the amounts in excess of Rs.7 lakh.	No change.
3	Overseas tour package	5% without any threshold limit.	20% without any threshold limit.
4	Any other case	5% of the amount or the aggregate of the amounts in excess of Rs.7 lakh.	20% without any threshold limit.

- 7) Special provision for taxation of capital gains in case of Market Linked Debentures.
- 8) Preventing permanent deferral of taxes through undervaluation of inventory.
- 9) Assistance to authorised officer during search and seizure
- 10) Provisions related to business reorganization
- 11) The filing of appeal against the order under Prohibition of Benami Property Transactions Act, 1988 of the Adjudicating authority within a period of 45 days from the date when such order is received in the office of the Initiating Officer or the aggrieved person as the case may be.
- 12) Alignment of timeline provisions under section 153 of the Act
- 13) Modification of directions related to faceless schemes and e-proceedings
- 14) Provisions relating to reassessment proceedings
- 15) Penalty for furnishing inaccurate statement of financial transaction or reportable account
- 16) Excluding non-banking financial companies (NBFC) from restriction on interest deductibility
- 17) That the TDS would be at the rate which is lower of the rate of 20% and the rate or rates provided in agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A of the Act, in case of a payee to whom such agreement applies and such payee has furnished the tax residency certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A of the Act
- 18) TDS on payment of accumulated balance due to an employee
- 19) Facilitating TDS credit for income already disclosed in the return of income of past year
- 20) Relief from special provision for higher rate of TDS/TCS for non-filers of income-tax returns
- 21) Clarification regarding advance tax while filing Updated Return
- 22) Bringing the non-resident investors within the ambit of section 56(2)(viib) to eliminate the possibility of tax avoidance
- 23) Rationalization of provisions related to the valuation of residential accommodation provided to employees
- 24) Specifying time limit for bringing consideration against export proceeds into India
- 25) Providing clarity on benefits and perquisites in cash
- 26) Rationalisation of the provisions of Charitable Trust and Institutions
- 27) Removal of certain funds from section 80G
- 28) Set off and withholding of refunds in certain cases
- 29) Decriminalisation of section 276A of the Act

S.No	Section	Particulars	Previously	Proposed
30	43B	Certain deductions to only on actual payment	Allowed with paid before due date of filling return	Allowed on accrual basis only if the payment is within the time mandated under section 15 of the MSMED Act
31	10(12C)	Agniveer Corpus Fund	-	payment received by person or nominee is exempt
32	80CCH	Agnipath Scheme	-	Deduction of amount deposited by by him or contributed by CG

33	17(1)	Meaning of Salary	-	Contribution by CG be considered as Salary												
34	36(1)(xvii)	Other deductions - amount paid for purchase of sugarcane	-	Extended to co-operative factories.												
35	194N	TDS on Payment of certain amounts in cash	Co-operative Societies	Co-operative Societies												
			<table border="1"> <thead> <tr> <th>Limit</th> <th>TDS Rate</th> </tr> </thead> <tbody> <tr> <td>>20L<1 Cr</td> <td>2%</td> </tr> <tr> <td>>1Cr</td> <td>5%</td> </tr> </tbody> </table>	Limit	TDS Rate	>20L<1 Cr	2%	>1Cr	5%	<table border="1"> <thead> <tr> <th>Limit</th> <th>TDS Rate</th> </tr> </thead> <tbody> <tr> <td>>20L<3 Cr</td> <td>2%</td> </tr> <tr> <td>>3Cr</td> <td>5%</td> </tr> </tbody> </table>	Limit	TDS Rate	>20L<3 Cr	2%	>3Cr	5%
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36	269SS & 269T	Penalty for cash loan/ transactions against primary co-operatives	Primary Agricultural Credit Societies("PACS") and Primary Co-Operative Agricultural and Rural Development Bank("PCARD")for limits Rs 20,000/-	Now Limit for PACS & PCARD Rs 2 Lakhs												
37	79	The time period for loss of eligible start-ups	7 Years	10 Years												
38	80-IAC	Deduction in respect of Startup business	Incorporated before 1 st April 2023	Incorporated before 1 st April 2024												
39	47	Transfer for purpose of Capital Gains	-	Conversion of Gold into Electronic form. No Transfer												
40	49	Cost of Acquisition	-	Cost of gold in the hands of the person in whose name Electronic Gold Receipt is issued												
41	2(42A)	Period of Holding for Electronic Gold	-	Period of Holding includes period prior of conversion of Gold												
42	115BAE	Concessional tax to promote new manufacturing co-operative society	-	15% to new manufacturing co-operative societies												
43	35D	Preliminary Expenditure	expenses to be carried out by a concern approved by the Board	furnish a statement containing the particulars of this expenditure within prescribed period to the prescribed income-tax authority in the prescribed form and manner												
44	44AD	Presumptive Income for Business	2 Crores	3 Crores												
45	44ADA	Presumptive Income for professional	50 Lakhs	75 Lakhs												
46	194LBA	Certain income from units of a business trust	197 Lower TDS Certificate not available	197 Lower TDS Certificate now available												
47	9(1)(viii)	Income deemed to accrue or arise in India	-	sum of money exceeding fifty thousand rupees, received by a not ordinarily resident, without consideration from a person resident in India												
48	10(22B)	any income of a notified news agency which is set up in India	Exempt subject to certain conditions	Now Taxable												
49	193	TDS on interest on	No TDS on Securities in	Now TDS												

		securities	dematerialized form and is listed on a recognized stock exchange in India	
50	44BB , 44BBB read with 72	Presumptive Income and Brought Forward losses	-	No set off of unabsorbed depreciation and brought forward loss shall be allowed to the assessee for such previous year
51	54 & 54F	Deduction of Capital Gains by purchase of House	No Limit	Deduction under the two sections to ten crore rupees
52	10 (10D)	Rationalisation of exempt income under Life Insurance Policies	Exempt on maturity	Taxable on maturity if premium or aggregate of premium above Rs 5,00,000 in a year
53	24 read with 48 & Chapter VIA	Prevention of double deduction claimed on interest on borrowed capital for acquiring, renewing or reconstructing a property	-	The cost of acquisition or the cost of improvement shall not include the amount of interest claimed under section 24 or Chapter VIA
54	55	Defining the cost of acquisition in case of certain assets for computing capital gains	-	Intangible assets or any sort of right for which no consideration has been paid for acquisition shall be 'Nil'
55	245D	Extension of time for disposing pending rectification applications by Interim Board for Settlement	-	time-limit for amending an order or for making an application under sub-section (6B) expires on or after 01.02.2021 but before 01.02.2022, such time-limit shall stand extended to 30.09.2023





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This is Gist of all important updates during **January 2023** relating to circulars, notifications, miscellaneous communications & press releases from Income Tax Department and advisory communications to the best of our Knowledge and sources* in brief. However readers are advised to read the relevant in details for better understanding.



1. Income Tax Act 1961 – Notifications :-

Notification No.	Dated	Heading	In Brief	Link to Read Full
Notification No.1/2023	05th January	Addendum to Notification 2 of 2021 : Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Interest income (Abolishing of limit of Rs 5000/-)	<p>The Remarks column point 1 at Annexure A-- Guidelines for Preparation of Statement of Financial Transactions (SFT) mentioned "The information is to be reported for all account/deposit holders where cumulative interest exceeds Rs 5,000/- per person in the financial year.</p> <p>The Remarks column at Annexure A is hereby being modified and may be read as ~ The information is to be reported for all account/deposit holders where any interest exceeds zero per account in the financial year excluding Jan Dhan Accounts".</p>	Click here to Read
F. No. 203/02/2022 /ITA-II	16th January	Section 118 of the Income-tax Act, 1961	In exercise of the powers conferred by clause (ii) of sub-Section (1) of Section 35 of the Income-tax Act, 1961 (43 of 1961) read with Rules 5C and 5E of the Income-tax Rules, 1962, the Central Government hereby approves 'Indian Institute of Science Education and Research, Tirupati (PAN: AAAAI9820P)' under the category of 'University, College or Other Institution' for 'Scientific Research' for the purposes of clause (ii) of sub Section (1) of Section 35 of the Income-tax Act, 1961 read with Rules 5C and 5E of the Income-tax Rules, 1962	Click here to Read
Notification No. 2/2023 F.No. 500/PF5/S10(25th January	Section 10 of the Income-tax Act, 1961	In exercise of powers conferred by sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter	Click here to Read

23FE)/FT&TR -II-Part(1)			referred to as the –Act), the Central Government hereby specifies the pension fund, namely, the California Public Employees Retirement System (PAN: AAATC6038J), (hereinafter referred to as –the assessee) as the specified person for the purposes of the said clause in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as the - the said investments) subject to the fulfillment of the certain condition	
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2. Income Tax Act 1961 – Circulars :-

Dated	Heading	In Brief	Link to Read Full
F. No. 2251 4912021-ITA-11 Circular No. 1/2023	Extension of time limit for compliance to be made for claiming any exemption under Section 54 to 54GB of the Income-tax Act, 1961 (' Act') in view of the then-Covid-19 pandemic -reg.	In view of the representations received and on further consideration of the then prevailing COVID-19 pandemic and resultant restrictions imposed, causing genuine hardship faced by taxpayers in making the aforementioned compliances under the Act, the CBDT, in exercise of its power under Section 119 of the Act, hereby provides that the compliances to be made by the taxpayers such as investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purpose of claiming any exemption under the provisions contained in Section 54 to 54 OB of the Act, for which the last date of such compliance falls between 01" April, 2021 to 28th February, 2022 (both days inclusive), may be completed on or before 31 51 March 2023.	Click here to Read

3. CBDT Press Releases :-

Dated	Heading	In Brief	Link to Read Full
11th January	Direct Tax Collections for F.Y. 2022-23 up to 10.01.2023	The provisional figures of Direct Tax collections up to 10th January, 2023 continue to register steady growth. Direct Tax collections up to 10th January, 2023 show that gross collections are at Rs. 14.71 lakh crore which is 24.58% higher than the gross collections for the corresponding period of last year. Direct Tax collection, net of refunds, stands at Rs. 12.31 lakh crore which is 19.55 % higher than the net collections for the corresponding period of last year.	Click here to Read

Sources * <http://www.incometaxindia.gov.in> as on date 02nd Feb 23

1. In Brief :-

This is Gist of all important updates during **January 2023** relating to circulars, notifications, from GST Department to the best of our Knowledge and sources* in brief. However readers are advised to read the relevant in details for better understanding.



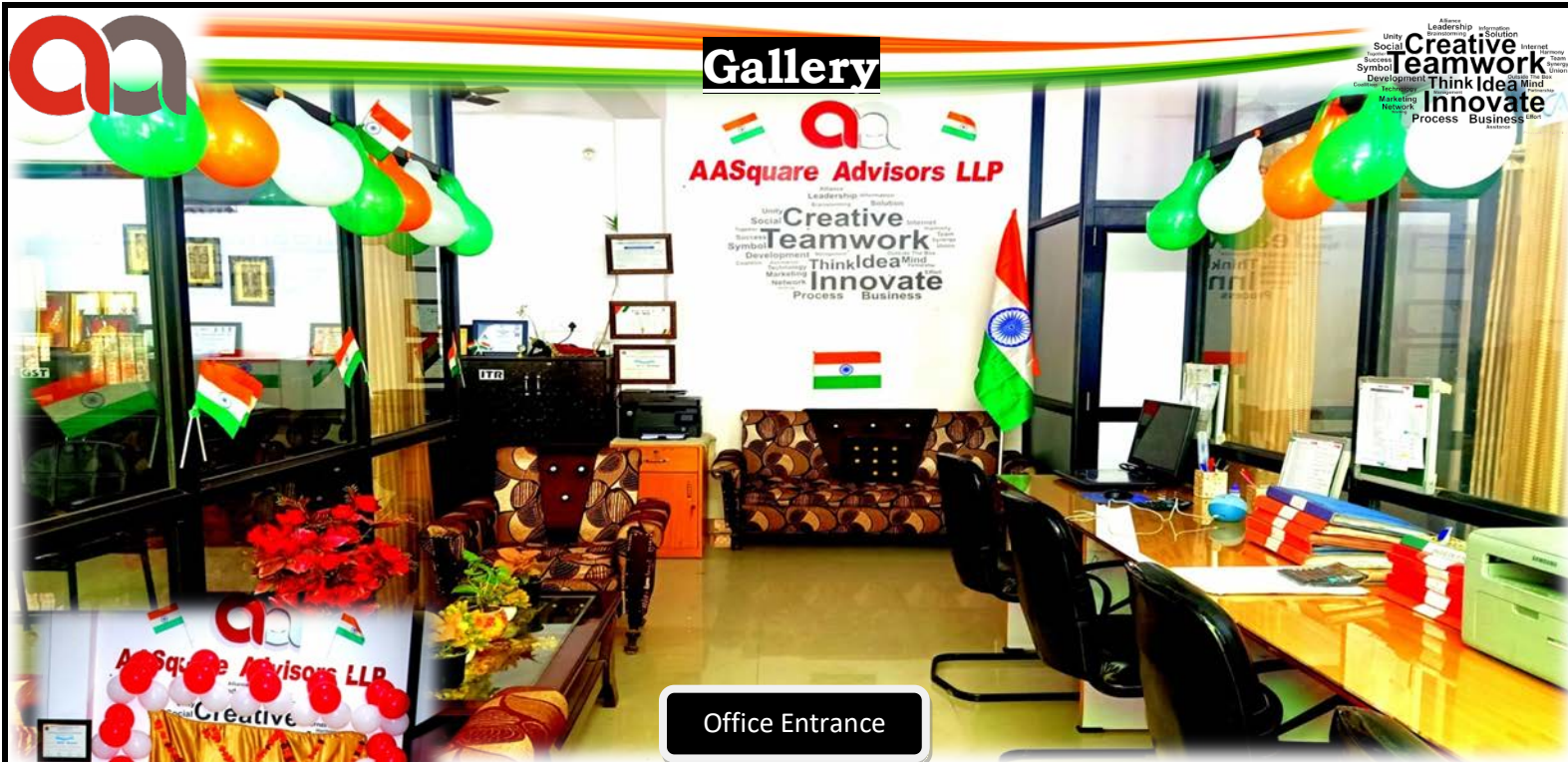
2. Central Tax - Notifications :-

Notification No.	Dated	Heading	Brief
01/2023-Central Tax	04 th January 2023	To assign powers of Superintendent of central tax to Additional Assistant Directors in DGGI, DGGST and DG Audit.	In exercise of the powers conferred under section 3 read with section 5 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and section 3 of the Integrated Goods and Services Tax Act, 2017(13 of 2017), the Central Government hereby makes the certain amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue) No. 14/2017-Central Tax, dated the 1st July, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 818(E), dated the 1st July, 2017

3. Circulars :-

Circular No.	Dated	Heading	Brief
189/01/2023-GST	13 th January 2023	Clarification regarding GST rates and classification of certain goods.	<ol style="list-style-type: none"> 1. Rab -classifiable under Tariff heading 1702. 2. Applicability of GST on by-products of milling of Dal/ Pulses such as Chilka, Khanda and Churi/Chuni. 3. Clarification regarding 'Carbonated Beverages of Fruit Drink' or 'Carbonated Beverages with Fruit Juice.' 4. Applicability of GST on Snack pellets manufactured through extrusion process (such as 'fryums') 5. Applicability of Compensation cess on Sports Utility Vehicles (SUVs) 6. Applicability of IGST rate on goods specified under notification No. 3/2017-Integrated Tax (Rate)
190/02/2023-GST	13 th January 2023	Clarification regarding GST rates and classification of certain services.	<ol style="list-style-type: none"> 1. Applicability of GST on accommodation services supplied by Air Force Mess to its personnel 2. Applicability of GST on incentive paid by MeitY to acquiring banks under Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions

Sources * <https://cbic-gst.gov.in/> as on date 02nd Feb 23



Office Entrance



Guruji Satsang

Beautiful Garden in office premises



Tree Plantation in office Garden



Guldaudi Flower



Dahlia Flower



Yellow Gulad



Bougainvillea Flower

