



# The Indian Silk Export Promotion Council

(Supported by Ministry of Commerce & Sponsored by Ministry of Textiles Govt. of India)  
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ISEPC Cir NO 202/UB22-23 /2021-22

1<sup>st</sup> February 2022

## OUT ATOINCE / IMPORTANT

To:

**All Members of the Council**

**Subject: Announcement of Union Budget for the Fiscal Year 2022-23:**

Dear Member,

The Council is pleased to inform you that the Government has announced the Union Budget for 2022-23 on 1<sup>st</sup> February, 2021 in the paperless form. **The Key Features of the Union Budget 2022-23 are as follows:**

- **Lakh new jobs** to be created under the Productivity Linked Incentive (PLI) scheme in 14 sectors;
- PLI Schemes have the potential to create an **additional production of Rs 30 lakh crore;**

### GOALS OF AMRIT KAAL

- ❖ Focus on growth and all inclusive welfare
- ❖ Promoting technology enabled development, energy transition and climate action
- ❖ Virtuous cycle starting from private investment, crowded in by public capital investment

### PM GatiShakti

- ✚ Driven by seven engines: Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure.
- ✚ National Master Plan aimed at world class modern infrastructure and logistics synergy
- ✚ 4 Multimodal Logistics parks through PPP to be awarded in 2022-23
- ✚ Integration of Postal and Railways Network facilitating parcel movement.
- ✚ National Ropeways Development Plan as sustainable alternative to conventional roads.

### Skill Development

- Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal) will be launched to promote online training
- Startups will be promoted to facilitate Drone Shakti for Drone-As-A-Service

### MSMEs & startups

- ⇒ **Raising and Accelerating MSME performance (RAMP) programme** with outlay of Rs 6000 Crore to be rolled out;
- ⇒ MSMEs such as Udyam, e-shram, NCS & Aseem portals will be inter-linked, their scope will be widened;

- ⇒ They will now perform as portals with live organic databases providing G2C, B2C and B2B services such as credit facilitation, enhancing entrepreneurial opportunities;
- ⇒ Startups will be promoted for Drone Shakti;
- ⇒ 130 lakh MSMEs provided additional credit under Emergency Credit Linked Guarantee Scheme (ECLGS);
- ⇒ ECLGS to be extended up to March 2023;
- ⇒ Guarantee cover under ECLGS to be expanded by **Rs 50000 Crore to total cover of Rs 5 Lakh Crore**;
- ⇒ **Rs 2 lakh Crore** additional credit for Micro and Small Enterprises to be facilitated under the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE);

### Export Promotion

- **Special Economic Zones Act to be replaced with a new legislation** to enable States to become partners in ‘**Development of Enterprise and Service Hubs**’.

### Digital Rupee

- Introduction of Digital Rupee by RBI starting 2022-23

### Exports

- To incentivize exports, exemptions are being provided on items such as embellishment, trimming, fasteners, buttons, zipper, lining material, specified leather, furniture fittings and packaging boxes that may be needed by bonafide exporters of handicrafts, textiles and leather garments, leather footwear and other goods (Refer [Notification No. 2/2022-Customs dated 1st February, 2022](#)).

### Incentives for Start-ups

- Period of incorporation extended by **one year, up to 31.03.2023** for eligible start-ups to avail tax benefit;
- Previously the period of incorporation valid up to 31.03.2022;

### Incentives under concessional tax regime

- Last date for commencement of manufacturing or production under section 115BAB extended by **one year i.e. from 31st March, 2023 to 31st March, 2024**.

### Health and Education Cess

- Any surcharge or cess on income and profits **not allowable** as business expenditure.

### Project imports and capital goods

- ⇒ Gradually phasing out of the concessional rates in capital goods and project imports; and applying a moderate tariff of **7.5 percent** – conducive to the growth of domestic sector and ‘Make in India’.
- ⇒ Certain exemptions for advanced machineries that are not manufactured within the country shall continue.

- ⇒ A few exemptions introduced on inputs, like specialised castings, ball screw and linear motion guide - to encourage domestic manufacturing of capital goods.

### Special Economic Zones

- Customs Administration of SEZs to be fully IT driven and function on the **Customs National Portal** – shall be implemented by 30<sup>th</sup> September 2022.

### Review of customs exemptions and tariff simplification

- ✚ More than **350 exemption entries proposed** to be gradually phased out, like exemption on certain agricultural produce, chemicals, fabrics, medical devices, & drugs and medicines for which sufficient domestic capacity exists.
- ✚ Simplifying the Customs rate and tariff structure particularly for sectors like chemicals, textiles and metals and minimize disputes; Removal of exemption on items which are or can be manufactured in India and providing concessional duties on raw material that go into manufacturing of intermediate products – in line with the objective of ‘Make in India’ and ‘Atmanirbhar Bharat’.

### Ease of Business

- 25,000 compliances were reduced and 1486 Union laws were repealed to make it easier for businesses
- Next phase of Ease of Doing Business 2.01 and Ease of Living to be launched
- Voluntary exit for corporates to be cut down to 6 months from 2 years;

### Travel

- ❖ ePassports will be rolled out in 2022-23 for convenience in overseas travel
- ❖ E-passport with embedded chip will be rolled out;

### Customs Reforms and duty rate changes

- Faceless Customs has been fully established. During Covid-19 pandemic, Customs formations have done exceptional frontline work against all odds displaying agility and purpose;

### Tax proposals

- ¥ Allowing taxpayers to file Updated Return within 2 years for correcting errors
- ¥ Extending period of incorporation of eligible startups for providing tax incentives
- ¥ Any Surcharge or Cess on Income and Profits not allowable as business expenditure
- ¥ Customs administration to be fully IT driven in SEZs
- ¥ Phasing out concessional rates in capital goods and project imports gradually and apply a moderate tariff of 7.5%
- ¥ Review of customs exemptions and tariff simplification
- ¥ Customs duty rates are being calibrated to provide a graded rate structure to facilitate domestic electronics manufacturing
- ¥ Unblended fuel shall attract additional differential excise duty

**Members may refer the Relevant Customs Notifications for more information -**

- **Notification No. 2/2022-Customs dated 1<sup>st</sup> February, 2022** - Prescribe effective rate of Basic Customs Duty (BCD);
- “Sr. No. 257B (regarding trimmings and embellishments) has been inserted after Sr. No. 257”.
- **Notification No. 3/2022-Customs dated 1<sup>st</sup> February, 2022** - Amendments have been in **Notification No. 11/2018-Customs dated 2<sup>nd</sup> February, 2018** so as to exempt certain goods from Social Welfare Surcharge (SWS) and to withdraw SWS exemption on certain textile items
- **Notification No. 7/2022- Customs dated 1<sup>st</sup> February, 2022**- Amendments have been made in **Notification No. 82/201-Customs dated 27<sup>th</sup> October, 2017** to prescribe effective rate on certain Textile items upto 30.04.2022

**Detail of the other matter related to the Budget can be viewed by following the link <https://www.indiabudget.gov.in/>.**

1. [Budget Speech](#)
2. [Key Features of Union Budget 2022-23](#)
3. [Expenditure Budget \(Ministry of Textiles\)](#)
4. [Press Release issued by the Ministry of Finance](#)

Members are requested to kindly send us your suggestions / views on the Union Budget provisions latest by **7<sup>th</sup> February, 2021 (Monday)** to [isepcho@gmail.com](mailto:isepcho@gmail.com) so that the same can be included in the Post Budget Memorandum which the Council will be shortly forwarding to the Government;

Thanks n regards,

Sd/-  
**(Sanjeev Kr Sharma)**  
**Sr Director – ISEPC,**  
New Delhi, India