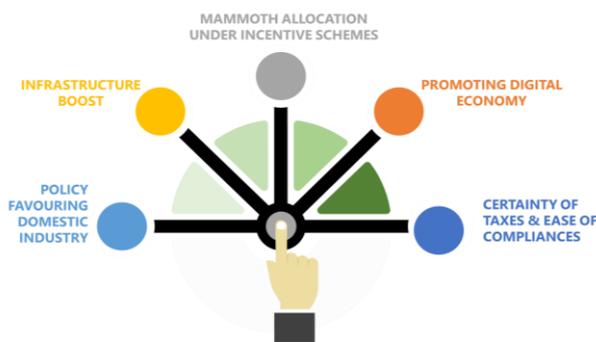


# MORE REASONS TO MAKE IN INDIA

## BUDGET BUZZ 2021

### Walk The Talk!

With the Finance Minister holding a **Made in India** Tablet in a red case instead of the conventional briefcase or the traditional 'bahi-khata', the message across spectrum is loud and clear i.e. Be Vocal for Local. And the budget, if at all, has only given more reasons to businesses for making more and more in India.



### Making a Direct Case

The Union Budget 2021 is garnering great amount of attention for its focus on government's flagship 'Make in India' program. The Finance Minister did make good inroads in that direction and some of the key announcements towards 'Make in India' and 'Atmanirbhar' Bharat needs specific mention.

- **REGIME STABILITY:** Not tinkering with rates of taxation establishes stability and credentials of the tax regime. Businesses do not have to be on their toes to track related developments.
- **FOREIGN INVESTOR'S INTEREST:** With abolition of DDT last year, the withholding on dividend for foreign investors was a vexed issue without there being clarity on what happens when the rate under treaty is less than the withholding rate itself. This has now been rationalized.
- **CERTAINTY:** Revisiting tariff barriers and customs rate as well as exemption policy implies that domestic businesses have got the government's backing. Also, investigations to be closed in a time bound manner is a welcome departure from past policy.

**DISPUTE RESOLUTION:** The grind of dispute resolution, in India, is getting easier with several reforms and proposals made towards early and swift resolution of disputes. Constitution of Board for Advance Rulings (DT), a National Authority for (GST), more benches of

Tribunals, embedding faceless processes at higher appellate forums, etc.

### Worth Your Attention

- **OPPORTUNITY:** Boosting the coverage under National Infrastructure Pipeline, proposals on Development Financial Institution and conciliation mechanism for businesses dealing with CPSEs are the measures that would ensure generation of business and employment.
- **INFRASTRUCTURE:** Impetus to roads, transportation and power sectors, in particular and proposals such as added economic corridors, reduced logistics costs would go a long way in aiding businesses to operate efficiently and seamlessly.
- **EMPHASIS:** Financial incentive of INR 15 billion to promote digital modes of payment and a higher threshold of audits i.e. INR 100 million for business thriving 95% or more on digital economy.
- **INCENTIVE:** Reinforcing that the Production Linked Incentive scheme would be full-fledged available to 13 champion sectors, the FM announced an allocation of INR 1970 billion over five years. This reflects government's confidence in how the scheme attracting manufacturing investments from within India and across the world.
- **EASE:** Digitization of compliances, promulgating transparency in return data as well as filing and thrust on dispute resolution made the budget announcements well received. An additional fillip is advancement of faceless processes in assessment and dispute resolution – this picks efficiency over corruption.
- **TRUST:** Proposals like reduction in period for re-opening assessments from 6 to 3 years, approval matrix for investigating cases of tax evasion, certainty about tariffs, etc. are features that would make India a standout destination.

### Thought Leadership

- The Union Budget 2021 announcements pinned confidence for Health, Hope and Growth, a recipe perfect to build businesses on.
- Various on ground schemes and engagements further ensure that cost of setting up, running and growing business in India is following a downward trajectory. The Union and the State governments assist and support businesses alike helping them shape their future and in turn that of India.