

India Inc Won't Receive Calls for More Advance Tax: Revenue Secy

Bajaj asks industry to revive 'animal spirits', increase pvt investment aggressively

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New Delhi: India Inc will not receive any calls from the tax department asking to pay more advance tax, revenue secretary Tarun Bajaj said, assuring the industry of a "stable and predictable" tax regime. He asked the corporates to revive their 'animal spirits' and increase private investment aggressively to help the economy in the long term.

Bajaj said the Goods and Services Tax Council would look at solutions to bring down rates, take out certain items from the tax exempt category and correct the inverted duty structure. "We would not call you up to ask you to pay extra taxes in the month of March," Bajaj said at the CII annual session Wednesday.

He said there may be calls to understand the advance taxes that the industry was planning to pay, but only for understanding and planning the government's revenue position.

He said the government is expecting a "very, very robust" tax revenue in the current fiscal on the back of better-than-expected corporate sector performance.

"It is not that we have increased the taxes, or we have become more intrusive and we are coming to



REVIVING ANIMAL SPIRITS

TARUN BAJAJ ASSURES INDUSTRY:

- Govt won't ring up corporates for higher advance tax payments
- Businesses to be assured of tax regime stability and predictability
- RS asks India Inc to revive animal spirits, increase pvt sector investments
- GST Council to look at reduce high tax rates, correct inverted duty structure
- Govt may propose to tax some items presently exempted
- Govt to look at ways to increase tax base to garner higher revenue

you asking to pay more taxes... the happy thing behind this is, perhaps the corporate sector is doing better than what we had anticipated it to. So, it is a very good thing for the economy," Bajaj said.

The net direct tax collection in the April-June quarter of the current fiscal stood at over Rs 2.46 lakh crore, as against over Rs 1.17 lakh crore collected during the same period last fiscal (2020-21).

Bajaj also sought to know from the industry the steps of support that the government can provide.

"I want to understand from you one thing, which I still see missing from the corporate sector, is the animal spirits, I don't see the private investment happening as much. I want to understand as to what you expect from us, to do, so that we can also start," he said.

"For a sustained growth of the economy, we want you people to come forward, to invest in manufacturing, to start services," he said, pointing that government-backed capital expenditure can only help to a certain extent.

He further said that the government policy now was aimed at giving a stable and predictable tax regime to investors and businesses, which began from lowering tax rates for the corporate sector and new units.

"The whole idea is to give the corporate sector time to plan itself, and give it a stable tax regime," he said.

To a question on higher taxes faced by automobile sector under goods and services tax (GST), Bajaj acknowledged that high rates were impacting the industry and said the GST Council would look at solutions to bring down rates which are very high, take out certain items from the tax-exempt category and correct the inverted duty structure. "I am sure in the coming GST Council meetings, when we give this agenda, we will be able to get those things," he said.

To a question on ways to improve the tax to GDP ratio, Bajaj said that raising tax rates as a solution would not be the correct approach, rather the government would look at increasing the tax base.

"There are a large number of informal sector, or the non-corporate and the non-salaried structure sector, that we are trying to rope in by bringing in some of their transactions or some of their businesses into focus and trying to capture that," Bajaj said.