



**Deloitte Touche Tohmatsu  
India LLP**

7 Floor, Building 10, Tower B  
DLF Cyber City Complex  
DLF City Phase-II  
Gurgaon-122 002,  
Haryana, India  
Tel: +91 (124) 679 2000  
Fax: +91 (124) 679 2012

**News Release**

***About 75% India Inc. surveyed are positive about economic growth and expansion: Deloitte's pre-budget survey***

- *90% respondents see potential in the Atmanirbhar Bharat mission to boost economic activities, compared with 58% last year.*
- *80% respondents favour group taxation, with 70% wanting it to be implemented within a year.*
- *59% respondents acknowledge the rising relevance of technology and digitisation, to enhance the ease of doing business.*

**National, 14 January 2022** – Optimism and confidence are ruling high amongst Indian businesses as more than 75% respondents (compared with 68% last year) were positive about India's economic growth and expansion, despite the surge seen in the third wave of COVID-19. Business leaders were responding to a pre-budget [survey](#) by Deloitte Touche Tohmatsu India LLP (DTTILLP). About 91% respondents (compared with 58% last year) believe that the 'Atmanirbhar Bharat' initiative, coupled with monetary policy actions by RBI (including extending EMI reliefs, and reducing repo and reverse repo rates), did contribute to bringing the economy back on track. They expect the Union Budget FY'23 to build on to this momentum.

Investments in infrastructure were another significant ask. About 55% business leaders believe that providing extra tax incentives to long-term investors for infrastructure investment can help promote growth in the country. Adding to this, 45% respondents believe that the budget should focus on announcing incentives for increased R&D spending. This would be beneficial for sectors such as life sciences, automobile, capital goods, technology, and telecommunication.

The survey results also highlight that the industry perception towards group taxation has significantly changed, wherein 70% respondents now feel that this idea should be implemented within the next year. About 48% respondents feel that boosting demand by adding employment and lowering personal taxes may provide the needed push to industries and expect the Union Budget FY'23 to address this.

Enhancing export competitiveness, putting in place competitive import tariffs, and reducing administrative inefficiencies are some other expectations that industry leaders conveyed through the Deloitte survey. Nearly 35% leaders want the budget to address the issue of extending higher credit support to MSMEs, and an accelerated divestment and asset monetisation programme.

About 56% respondents also believe that the PLI scheme was a game-changer especially for the telecommunication and technology industry, followed by the electronics, and life sciences and healthcare industries. More than 60% business leaders feel that the PLI scheme will attract investors and increase manufacturing and exports, which will boost the growth of different sectors and the economy.

About 59% respondents believe that India provides a favourable atmosphere to run a business. Encouraging digitalisation, simplifying tax regimes, and improving land and labour laws would help enhance the ease of doing business in India. The global pandemic has accelerated the development of many large-scale digital innovations at an unprecedented speed. More than half of the respondents agree that the recent technological push has been beneficial.

Sharing his views on the survey findings, **Sanjay Kumar, Partner, Deloitte Touche Tohmatsu India LLP, said,** *“The economy has witnessed a steady recovery during FY’22. The Indian economy will continue to witness the growth momentum if the government is able to sustain the efforts on implementation of reforms such as asset monetisation for the infrastructure growth, and PLI schemes. Moreover, most of the business leaders anticipate that the increasing start-up activity, coupled with the government's stimulus packages and policies, will push the ease of doing business in India, resulting in a quick economic revival.”*

## **Key highlights**

### **Economic growth outlook**

- About 75% industry leaders are confident about the economy's recovery and expansion. More than 50% are still optimistic about the budget's ability to revitalise their industry and the economy.

### **Effectiveness of stimulus packages during the pandemic**

- The government recently unveiled special economic stimulus initiatives worth INR 6.28 lakh crore (US\$ 83.73 billion). About 60% respondents feel that these packages will be beneficial in recovering the economy.
- Industries appreciated the Atmanirbhar Bharat package and the policy measures under the plan were considered most effective by automotive and electronics leaders.

- Nearly 54% respondents think that healthcare facilities have become more accessible, while more than 50% believe that the recent technology drive has been advantageous.

### **Enhancing the ease of doing business**

- India provides a conducive environment to set up and run a business, as evident from the improvement in the ease of doing business in the past six years.
- The budget should focus on a simpler tax regime and regulations to improve compliance.
- About 59% respondents also highlighted the role of technology and digitisation in this aspect, in addition to implementing an online single-window system.
- Improving land and labour laws, and easier compliance for cross-border trade could be other enablers.

### **Capital investment**

- Close to 53% respondents cited that building new and innovative frameworks to attract private finance into the infrastructure sector will enhance project financing.
- Further, 52% respondents believe that the better use of the National Pension System (NPS) and other long-term reserves may be used to pump money into the economy for project financing.

### **Global In-house Centres (GICs)**

- Nearly 36% respondents said they anticipate income-linked incentives with a sunset period for tax adjustments.
- However, electronics, oil and gas, and textiles industry leaders would prefer expenditure-linked incentives instead.

### **Expectations from the taxation perspective**

- More than half of the respondents felt that lowering indirect taxes for businesses and speeding up the deduction of expenses will assist growth in priority sectors.

### **About Budget FY'22 expectation survey**

The survey aimed to analyse the industry's expectations from the upcoming budget, with the standpoint of economic growth, the ease of doing business, and self-reliance. Online surveys with senior professionals across different industries and categories of companies were conducted. A total of 163 responses were collated from the survey conducted across 10 industries. The survey contained a set of 20 questions pertaining to the economic outlook, the ease of doing business, self-reliance, taxation challenges and changes, and effectiveness of various government stimulus packages offered last year.

**Notes to the editor for reference purposes only:**

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**Contacts**

Pallavi Das

Deloitte Shared Services India LLP

Mobile: +91 9910982782

[paldas@deloitte.com](mailto:paldas@deloitte.com)