

## Tax World reacts to Indirect Tax/GST proposals in Budget 2025

Feb 01, 2025

*"While the object of Budget is to fill Government's treasury, this budget will fill the pockets of Aam Admi" - This is what the Hon. Prime Minister remarked while describing the Budget 2025 presented by the Finance Minister today. But the story doesn't end there. The Budget also lays down a roadmap for significant measures in the Customs pertaining to trade facilitation and rate rationalization. The tariff rate changes align with Govt.'s motto of making the country 'Viksit' and 'Aatmanirbhar' with clear focus to promote 'Make in India'. On the GST front, FM addressed the pending matters recommended by the GST Council [during its last meeting](#), the major one being the retrospective amendment to Section 17(5)(d) reversing the favourable outcome of SC judgment in [Safari Retreats](#).*

Taxsutra is pleased to bring the first-cut reactions and comments on FM's Budget proposals from eminent Tax experts.



**Abhishek Jain (Indirect Tax Partner & Head, KPMG)**

*"The 2025 Budget maintained its emphasis on the "Make in India, Make for the World" initiative, with various schemes including enhancing infrastructure, tariff rationalization, etc. for industries specifically, toys, leather, food processing, emerging and sustainable sectors like electric vehicles and electronics, etc. On the indirect tax front, most proposed GST amendments are aligned to those approved by the GST Council with no big surprises. The key proposals include a retrospective change to tighten legal provisions by explicitly changing "plant or machinery" to "plant and machinery," which aligns with the government's intent to not allow input tax credit on construction of immovable property. However, given that retrospective amendments in some cases have been deemed unconstitutional, it will be interesting to see how this fares. The proposal to not treat vouchers as goods or services and hence not liable to GST is a welcome relief for industry. Proposed enabling provisions in the law for Invoice Management System suggests this optional compliance becoming mandatory soon. Business should focus on preparing their systems and processes in advance, ensuring thorough testing to prevent potential disruptions during implementation. Proposal requiring a pre-deposit before the Tribunal, even in cases involving only penalties, could impose additional financial burden on businesses. On the customs duty front, proposal for setting clear timelines for finalizing provisional assessments and allowing voluntary rectification of mistakes without penalties are significant steps to enhance tax certainty and boost ease of doing business. "*



**Pratik Jain (Partner, Price Waterhouse & Co LLP)**

### GST

The budget proposals from a GST standpoint are primarily aimed at implementing the recommendations of the 55th GST Council meeting.

## Welcome proposals

The proposal to insert specific exclusions for supplies made prior to the clearance of goods by Special Economic Zones (SEZs) and Free Trade and Warehousing Zones (FTWZs), from levy of GST, is a positive step. The removal of provisions related to the time of supply for vouchers is another welcome change. The reduction in the pre-deposit requirement for Section 129 penalty matters is also step towards affording ease of doing business.

## Changes in compliance landscape

Starting April 1, 2025, the mandatory Input Service Distributor (ISD) mechanism and the introduction of Input Management System (IMS) provisions are two significant changes that could greatly affect GST compliance for businesses. To adapt to these amendments, the industry must prepare by upgrading IT infrastructure and providing adequate training to employees.

Two amendments, in particular, may pose significant challenges for the industry:

### Amendment to overcome Supreme Court Judgement in Safari Retreats' Case

This amendment aims to counter the Supreme Court's decision in the Safari Retreat case, which could adversely affect industry players with blocked credits related to buildings, civil structures, etc. This change was anticipated following the proposals made during the 55th GST Council meeting in December 2024. Businesses would need to promptly conduct a detailed, fact-specific examination of their properties to determine if they qualify as 'plant and machinery' under GST law, thereby making them eligible for credit.

### Amendment in credit note provisions

The amendment stipulates that tax adjustments via credit notes will require corresponding credit reversals by the recipient in the case of supplies to registered persons. For other cases, the tax incidence on supply must not be passed on. This change necessitates careful monitoring and documentation to ensure compliance.

## Customs

The budget's alignment with Govt's Make in India agenda is clearly reflected through 3 broad themes, - (i) Incentivizing manufacturing through customs duty reduction on inputs and capital goods in critical sectors such as those with MSME presence (textile, leather, footwear), export push (Mobile phone manufacturing), and sectors with green push (EV battery); (ii) Simplification of tariff structure, wherein, the number of customs tariff rates have been reduced from more than a dozen prevailing rates to only 7 (iii) and Increasing certainty through procedural ease, with measures such as defined timelines to close provisional assessment and allowing extended time period for utilization of duty free products for manufacturing purposes.

While the demand for a customs amnesty scheme to settle past disputes has not been met, the industry would welcome the customs and trade related proposals in the budget.

Importantly, from policy direction perspective, the Government has clearly chosen not to use tariff as a protectionist tool despite the increasing geopolitical headwinds to this effect. India thus remains keen to be a more integral part of global supply chains, as highlighted in the budget speech.



**Harpreet Singh (Partner, Indirect Tax, Deloitte)**

Union Budget 2025 carried forward the vision of driving the nation toward a *Viksit Bharat* and *Aatmanirbhar Bharat*. The Budget follows a comprehensive approach to empower various sectors through budgetary supports, structural reforms, stabilising the Indian economy against global market volatility. Tax reforms have been recognized amongst the six domains listed for transformative reforms which includes announcement for upcoming new Income tax bill, reducing non-tariff challenges to promote exports and critical changes in Goods and Services Tax (GST) to streamline compliances.

This Budget has introduced necessary legislative changes for implementing the Invoice Management System (IMS). IMS brings us one step closer to the original vision of e-matching the recipient's input tax credit (ITC) with the supplier's tax liability. Though, this may add compliance burden to the taxpayers to avail ITC. At the same, it is also likely to minimize litigations on reconciliation issues under GST. Further, reduction of tax liability due to credit note is allowed only when corresponding GST credit reversal by the recipients. This would require real time coordination with recipients to accept credit note in IMS.

The Track and Trace Mechanism introduced under Section 148A of the GST laws, is a new age mechanism to avoid tax leakages by affixing a unique identification marking on specified goods, to ensure appropriate tracking and consequent tax payments at each stage of the supply chain. This is likely to be used for products like cigarette and tobacco, which are prone to tax evasion. This is in line the international best practices which has successfully been adopted by European Union, countries in Latin America, Africa (like Kenya) to curb tax evasion in the tobacco sector.

The Budget has also proposed a retrospective amendment to Section 17(5), nullifying the impact of the Hon'ble Supreme Court's decision in the Safari Retreat case last year, which allowed GST credit on construction activities for leasing and warehousing businesses based on the functionality test. However, the relief enjoyed by taxpayers following the Supreme Court's decision was short-lived, as it has been overturned by this amendment. This retrospective amendment may have a negative impact on the real estate leasing business and also goes against the Government's stated objective of a predictable and stable tax regime. Despite repeated taxpayer appeals, this change reinforces policymakers' strict stance on denying GST credit for construction activities.

Stakeholders wished for a customs amnesty scheme, similar to such schemes in other tax legislations, to settle prolonged litigation. While the Budget turned down this expectation, it introduced a facility for voluntary revision of entry post clearance to declare material facts and pay duties with interest but without penalties or claim refund (excluding cases where audit/investigation is ongoing).

Another key customs amendment includes introducing a sunset clause for provisional assessments, limiting them to 2 years (extendable by 1 year). This will provide certainty regarding the financial liability on account of customs duties for the trade.

Custom tariff adjustments include removing 7 tariff rates and thus, only 8 tariff rates to remain including zero-duty. Eliminating 7 tariff rates would reduce the classification disputes as currently prevalent, however, the simultaneous efforts are expected to align such reforms with the exemption notifications.

The Budget has also exempted Social Welfare Surcharge (10%) on 82 tariff line items. Another sigh of relief from this Budget is that Cess and surcharge will not be applicable simultaneously on any goods.

Reduction in various sectoral tariff rates has been also announced. Sectors benefitting from such exemptions include critical minerals, textiles, electronic goods, lithium-ion batteries, shipping, and telecommunications.

**In conclusion, the Union Budget 2025 aims to boost domestic manufacturing, promoting ease of doing business, encouraging voluntary compliance, and streamlining procedures.**

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**Prashant Deshpande (Senior Advisor, India Law Alliance)**

Providing Clarity in a single direction

Finance Bill 2025

The Finance Bill 2025 provisions pertaining to Goods and Services Tax will be remembered for bringing in greater clarity in the provisions of the Act but in a single direction i.e. revenue biased. Having said that, the attempt of the Government in avoiding continuing disputes is laudable. The trend of making retrospective amendments to overcome Supreme Court decisions unfortunately continues.

The amendments which are proposed to bring greater clarity include:

- Amending definition of input credit distributor and manner of distribution of input tax credit in respect of inter-state supplies on which tax has to be paid on reverse charge basis
- Inserting explanation to provide for definition of terms 'Local Fund' and 'Municipal Fund' used in the definition of 'local authority'
- Explicitly providing for requirement of reversal of input tax credit in respect of a credit note, if availed by a registered recipient for the purpose of reduction of tax liability of supplier in respect of the said credit note
- A welcome amendment in Schedule III of the CGST Act in respect of supply of goods warehoused in SEZ or in FTWZ to any person before clearance for exports or to DTA specifying that it shall neither be treated as supply of goods or supply of services

The amendments which seek to reverse beneficial judicial rulings include:

- A widely expected retrospective amendment to substitute the words 'plant or machinery' with the words 'plant and machinery' in Section 17(5)(d) of the CGST Act that provides restrictions on input tax credit.
- Providing for 10 percent mandatory pre-deposit of penalty amount for appeals before Appellate Authority and Appellate Tribunal in cases involving only demand of penalty without any demand for tax.

A new system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein is being introduced for specified commodities.

To sum up this budget is an honest attempt to bring in more clarity and greater simplicity in the much-maligned provisions of the Goods and Services law.



**L. Badri Narayanan, Executive Partner, Lakshmikumaran and Sridharan Attorneys.**

The Budget aims at inclusive growth and simplification of laws for achieving ease of doing business. The tax benefits to the middle class will have a butterfly effect on consumption. The concession extended for clean tech and EV sector will help in development of a self-reliant ecosystem. The budget sets a right step for increasing manufacturing of goods in India in alignment with the Viksit Bharat 2047 mission. With the simplification and expansion of the fast-track merger route under the company law regime, companies will be benefited through this faster and tax efficient restructuring method. The proposal to

provide social security benefit to gig workers is also a welcoming labour welfare measure which is a step towards formalising the gig-economy.



**Rajat Mohan (Senior Partner, AMRG & Associates)**

## **Union Budget 2025**

The **Union Budget 2025** brings key reforms in **GST and Customs**, focusing on **simplified compliance, dispute reduction, and ease of doing business** to enhance tax efficiency and transparency.

### **GST Reforms:**

The **Finance Bill, 2025**, introduces amendments to the **CGST Act** aimed at **streamlining GST laws and improving compliance**. Key changes include the **expansion of the Input Service Distributor (ISD) mechanism** for **inter-State reverse charge supplies** and **rationalization of Input Tax Credit (ITC) provisions**, ensuring greater clarity for businesses.

New **penalties under Sections 122B and 148A** reinforce **Track and Trace mechanisms, pushing for digitization and improved supply chain monitoring**. However, stricter ITC eligibility criteria and retrospective amendments raise concerns about increased disputes and financial liabilities for businesses.

### **Retrospective Amendments - A Concern for Businesses:**

The **retrospective reversal of judicial decisions**, such as the **Safari Retreats Pvt. Ltd. Supreme Court ruling on ITC for immovable property**, undermines legal certainty and business confidence. This shift impacts not just **real estate**, but also insurance, e-commerce, and online gaming, discouraging investment and increasing tax unpredictability. A prospective approach would help restore **trust and stability** in the tax system.

### **Track and Trace with Unique Identification Mark (UIM):**

The **introduction of UIM and Track and Trace Mechanism** strengthens **supply chain transparency and tax compliance**. Similar to **global best practices**, these measures target **counterfeit goods, tax evasion, and illicit trade**. While beneficial for pharmaceuticals, tobacco, and electronics, businesses—especially SMEs—may face **initial implementation challenges in upgrading IT systems** and adopting tracking technology.

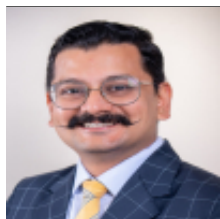
### **Customs Reforms:**

The Budget continues **duty rationalization to support domestic manufacturing and exports**, eliminating seven more tariff rates, leaving only eight slabs, including a zero rate. Minor **duty reductions on selected goods** aim to minimize impact on revenue, while limiting cess and surcharge to one per product and **exempting social welfare surcharge on 82 tariff lines** seeks to ease import costs.

### **Conclusion: A Middle-Class Friendly Budget**

The Budget supports the **middle class** by **simplifying tax compliance, reducing price burdens through lower customs duties, and boosting employment** via domestic manufacturing incentives. However, **retrospective tax changes create uncertainty**, potentially affecting long-term business

confidence. Overall, the Budget attempts to balance economic growth with middle-class welfare, ensuring **stability and affordability** in the tax framework



**Jigar Doshi (Founding Partner at TMSL)**

Identifying taxation as a key area for transformative reforms over the next five years, the Hon'ble Finance Minister (FM) commenced Part B of her Budget speech with a verse from Thirukkural – *“vaanokki vaalum ulakellaam mannavan koalnokki vaalung kuti”* translating to: *"Just as living beings thrive expecting rains, citizens thrive expecting good governance."* With governance as the foundation, the FM presented her tax proposals.

As seen in recent years, the Finance Bill offered no major surprises regarding GST and Customs. Many GST proposals addressed pending matters previously recommended by the GST Council. Notable amendments include:

1. Track and Trace mechanism – Section 148A has been inserted to formalise a 'Track and Trace' mechanism which was recommended by 55th GST Council Meeting. The mechanism which seems to be taken from the EU and Turkey may aim to curb tax evasion on goods like Cigarettes, Pan Masala, and other goods prone to tax evasion. One would have to wait for the Notification to understand the Goods or specified taxpayers getting covered in the said system.
2. Pre-deposit on penalty only notices: Till date, pre-deposit was only required to be paid on disputed tax amount in other than Section 129 cases. However, post this amendment, if a taxpayer has to litigate only penalty notices, a pre-deposit will be required to be paid. Essentially what the Government has done is it has brought the pre-deposit provisions in line with the previous regime (S. 35F of Central Excise Act). Having said so, one needs to understand that under Central Excise the pre-deposit was only 10% for appeals upto Tribunal. However, under GST, the same has been increased to 20% (10% at the time of first appeal and another 10% at the time of appeal before Tribunal).
3. Legal backing to the IMS has been provided in the Finance Bill, 2025 to make the procedure water-tight. The same has already been implemented basis the advisories issued by GSTN. However, once the law is amended, the taxpayers may expect notices coming in if the procedure is not followed.
4. Transactions in vouchers – As discussed in the last Council meeting, S. 12 and 13 have been modified to exclude transaction vouchers as a supply. This is another inspiration taken from the EU VAT Directives 2019 wherein the EU had clarified that vouchers should only be taxed once i.e., when they are redeemed against any specific good or service. Settling a long-standing debate, this is a relief to the retail sector where Vouchers are commonly used.
5. Retrospective amendment to S.17(5)(d) to nullify the Safari retreats judgment pronounced by Hon'ble Supreme Court has been on the cards. Therefore, taxpayers who might have availed credit post the judgment would have to reverse the same. Interest implications may arise, if the credit was utilised.
6. To put to rest the ambiguity of whether a FTWZ and SEZ shall be considered as a Customs Bonded Warehouse given in Entry 8 of Schedule III, an amendment has been proposed making transactions occurring within FTWZs prior to clearance to the DTA shall be neither a supply of goods, nor a supply of service. The same has been amended with effect from 1 July 2017. Interestingly, the Bill also proposes that if any tax has been collected, the same will not be refunded on such transactions, closing all doors for refund applications.
7. From a Customs perspective, an important amendment that has come in is the prescription of time limit to conclude provisional assessment by the Customs officer as two years, extendable by another one year. This is a huge relief for the assesses where the provisional assessment has been ongoing for long time periods. However, it needs to be seen on how will the old cases be resolved. Other than this, there has been rate rationalisation on multiple goods including healthcare, lithium batteries, shipping sector etc.



While largely predictable, these reforms reflect a continued effort toward fostering a transparent, robust, and globally aligned tax framework, laying the groundwork for sustained growth and improved governance.

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**Amitabh Khemka (Partner, C B V & Associates LLP)**

As a result of the proposals, direct tax revenue of INR 1 lakh crore will be foregone. A good portion of this should be used by taxpayers for consumption/spending (apart from investments). Further, recognising nearly one crore gig-workers by arranging their identity cards and registration on the e-Shram portal will also bring them under the tax-net.

However, for GST, the growth in budget estimates for 2025-26 is same as that in revised estimates for 2024-25 at 10.9%.

Under customs, number of new tariff entries have been added as well as substituted/deleted to align tariff entries with World Customs Organization classification and better identification of goods.

Levy of not more than one cess or surcharge in customs, will simplify computation of duties; even though the effective duty incidence is to be broadly maintained. Reduction in the number of tariff rates is also equally welcome. Providing time limit to finalize provisional assessments under customs and to allow importers to voluntarily declare material facts, after clearance of goods, to pay duty with interest and without penalty is a good step.

Provisions in GST law for the time of supply of goods / services, where payment is made using vouchers are proposed to be omitted. These provisions were never intended to specify the time of supply of vouchers itself. Omission of this well-established principle (which was picked from European Union / UK VAT laws) is not a welcome step. The purpose and intent of this provision was required to be clarified, rather than omitting the same.

Apex Court's decision in Safari Retreats Pvt. Ltd., under GST law, is being overcome with substitution of the words 'plant or machinery' with the words 'plant and machinery' with effect from July 1, 2017.

Implementation of track and trace mechanism for ensuring effective monitoring and control of supply of specified commodities is proposed under GST law. It would apply to goods, to be specified, and persons or class of persons, to be specified, who are in possession or deal with such goods. For this, 'unique identification marking' is to mean a mark that is unique, secure and non-removable.

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**Rajat Chhabra (Founding Partner, Taxcraft Advisors LLP)**

The Union Budget proposals announced today come at the backdrop of India's sustained growth and inclusive development. A comprehensive roadmap for the pursuit of its vision covers four powerful engines viz., agriculture, MSME, Investment and Exports. The Budget aims to initiate transformative reforms across six domains viz., taxation, power sector, urban development, mining, financial sector and regulatory reforms. During next five years, these are expected to augment India's growth potential and global competitiveness.

A key highlight of the Budget is its emphasis on job creation and skill development to harness the potential of India's youth. Another key highlight to set-up a high-level committee for regulatory reforms

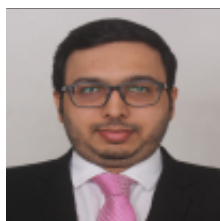
to strengthen trust-based economic governance and take transformational measures to enhance 'ease of doing business' is indeed a welcome measure.

On the direct tax side, the FM announced that a new income-tax bill shall soon be tabled in the parliament – said bill is expected to have tenets of simplicity for both taxpayers and administration, leading to tax certainty and reduction in litigation. The biggest bonanza for the individuals, HUFs and others is announcement of INR 12 Lakhs to be the tax-free income – a measure which has long been pending. In order to further incentive operations from IFSC, few key relaxations and exemptions have been proposed. Proposal to insert Section 44BBD to provide a presumptive taxation regime for non-residents engaged in business of providing services of technology for setting-up an electronic manufacturing facility is an encouraging one. Harmonization of 'significant economic presence' with business connection under Section 9 would lead to better trust building with the non-resident business community. Proposal to omit TCS on sale of goods and extension of incorporation period for start-ups are indeed industry friendly measures.

The customs duty rates on specified goods have been carefully recalibrated in line with the needs of the economy ostensibly to boost domestic manufacture. Relief from BCD on importation of lifesaving drugs/medicines is a welcome proposal. Proposal of fixing time-limit of 2 years, extendable by 1 more year for finalization of the provisional assessment should provide certainty. A new provision to enable importers or exporters, post clearance of goods, to voluntarily declare material facts and pay duty with interest but without penalty, has been proposed. Certain trade facilitation measures in the form of relaxations in IGCR conditions are proposed.

From a GST standpoint, the Budget has followed up on the 55th GST Council meeting and proposed to amend Section 17(5)(d) to substitute the words "plant or machinery" with the words "plant and machinery" wef July 1, 2017 – effectively, negating the judgment of the Hon'ble Apex Court in Safari Retreat. Also, proposed amendment in Section 34 to explicitly provide for requirement of reversal of ITC qua credit notes, if availed, by the registered recipient, for reduction of tax liability of the supplier is an important one – however, implementation thereof especially in case of disgruntled parties would pose a huge challenge. Few other noteworthy changes relate to time of supply in case of vouchers, mandatory pre-deposits in case of penalty alone, and additions in Schedule III etc.

Collectively, proposed changes enhance the ease of doing business, reduce litigations, and support a robust tax framework.



**Shreyash Shah (Advocate Bombay High Court)**

Despite geopolitical headwinds suggesting lower global economic growth over the medium term, India continues to march towards becoming 'Viksit Bharat'. Budget 2025 plans to commence transformative reforms across six domains [(1)Taxation;(2)Power Sector; (3) Urban Development; (4)Mining; (5)Financial Sector; and (6)Regulatory Reforms.] over the next five years.

In order to encourage sustained foreign investment and in the spirit of 'first develop India', the Budget has proposed to revamp the current model BIT to make it more investor-friendly. An Investment Friendliness Index of States is also proposed to be launched to further the spirit of competitive cooperative federalism. To strengthen trust-based economic governance and take transformational measures to enhance 'ease of doing business', a High-Level Committee for Regulatory Reforms will be set up for a review of all non-financial sector regulations, certifications, licenses, and permissions.

On the indirect taxes front, Budget 2025 has proposed to fix a time-limit of two years, extendable by a year, for finalising the provisional assessment. This is a welcome move and should lead to certainty and savings of cost as opposed to the present regime where there is no limit to finalize Provisional Assessments.



On the direct taxes front, a new income-tax bill has been proposed in line with the vision of Viksit Bharat for taxation reforms to achieve good governance for the nation and economy. The proposals are broadly classified into (i) Personal Income Tax reforms with special focus on middle class by change in slabs and rates (ii) Rationalization of TDS/TCS by reducing rates and increasing thresholds (iii) Encouraging voluntary compliance by taxpayers who had omitted to report their correct income (iv) Reducing compliance burden with respect to trusts and also with respect to self-occupied properties (v) In line with global best practices to streamline the process of transfer pricing and to provide an alternative to yearly examination, Budget 2025 has proposed a scheme for determining arm's length price of international transaction for a block period of three years and (vi) Reforms for promotion of investments such as tax certainty for electronics manufacturing Schemes, Tonnage Tax Scheme for Inland Vessels, extension for incorporation of Start-Ups, extension of benefits of IFSC to ship-leasing units, insurance offices and treasury centres of global companies, certainty of taxation to AIFs Cat I and Cat II on the gains from securities.

Overall, this Budget is a holistic budget covering all fractions of the economy and nation.



**Madhukar N Hiregange (Founder Partner, H N A & Co LLP)**

The budget appears largely **populist**, with a clear focus on increasing **disposable income** to a little extent for the middle class to stimulate consumption. However, the **reduction in government spending on infrastructure** is disappointing, as it would adversely affect the MSME sector and job creation. With FDI decreasing years after year and private sector keener to invest outside India, due to no serious structural reforms and only assertions and promises which are no longer believed, we may not be able to see any great growth in India. The numbers flouted are not transparently arrived at. Most feel that the GDP as well as the inflation numbers are not realistic considering the state of affairs on the ground.

The **introduction of the revised Income Tax Act** is a welcome step. Yet, its effectiveness will depend on the **bureaucracy's commitment to genuine simplification. We know what the Good & Simple Tax**, has become. The drafting should include the specialist and not just a tick box approach of exposing to public- which is generally a sham. The result in **GST framework**, which has become unnecessarily complex due to missed reform opportunities and greed for more revenue has let all pristine principles promised and otherwise to be abandoned.

While **customs rationalization measures** aim to reduce tariff rates, the budget lacks clarity on how India plans to **counter potential US tariff threats**, with no specific action points highlighted in the budget speech. That said, the formation of an **inter-departmental coordination committee for export growth** is a positive move. Unless we see a massive increase in exports which may not happen with band aid sort of approach, India would find its future not as bright as portrayed.

On the **GST front**, the budget offers **no major surprises**. The continued **trend of retrospective amendments**, particularly in light of Supreme Court rulings on Input Tax Credit (ITC), contradicts the government's earlier commitments to tax certainty. This approach leads to **tax cascading**, undermining the GST's core objective of simplification.

The **delayed establishment of tax tribunals by 7 YEARS** is another critical concern, leading to **denial of timely justice**. It is unfair to burden taxpayers with **tax, interest, and penalties** arising from delays beyond their control.

Additionally, the industry awaits decisive government action on **GST rate rationalization** and the inclusion of **petrol, diesel, and real estate** under its ambit. This one of the areas where the credibility of the Govt. has been repeatedly lost to not keeping its promise at least 5 times. The prolonged delay in addressing these issues **undermines the goals of reduction in mean rate, uniformity and ease of**

**compliance**, making it challenging for businesses to navigate the taxation landscape effectively. One of the main reasons for FDI not being attracted.