

BUDGET BOOST FOR SCIENCE, TECH AND INNOVATION

**CHANDRAJIT
BANERJEE**



Director General
Confederation of Indian Industry

Science, technology and innovation are the bedrock of a knowledge economy. The strides we have taken in these areas thus far have largely contributed to the success of the healthcare management during the Covid-19 pandemic. Taking cognizance of this, the Union Budget 2021-22 emphasised on strengthening the R&D and innovation, technologies and start-up ecosystem for opening new vistas for the post-Covid economy. This will contribute significantly towards a strong and sustained economic revival.

In order to give an impetus to innovation and R&D, Budget 2021 lays out the modalities of the National Research Foundation, providing an outlay of ₹50,000 crore over the next five

years. This will ensure the overall research ecosystem in the country is strengthened. Further, it will provide stimulus to research and innovation through the creation, development and deployment of knowledge in all fields of science and technology, including indigenous knowledge.

The Budget also proposes the launch of various new technology-led initiatives, including a National Language Translation Mission, execution of PSLV-CS51 launch by NewSpace India Limited, Deep Ocean Mission with an outlay of more than ₹4,000 crore over five years and Gaganyaan Mission activities. Focus on such unique technology-driven programmes will give a further boost to Atmanir-

bhar Bharat.

The Budget proposes to deploy a scheme of ₹1,500 to promote digital payments. This will take India towards establishing a digital economy.

The setting up of a national institution for One Health, a Regional Research Platform for WHO South East Asia Region, nine Bio-Safety Level III laboratories and four regional National Institutes for Virology will contribute greatly to the healthcare research.

The Budget proposes to launch a portal that will collect relevant information on gig,



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building, and construction-workers among others. This will help formulate health, housing, skill, insurance, credit, and food schemes for migrant workers. This will aid around 15 million gig workers in India, in addition to online platform providers across sectors such as transportation, food delivery, and the contract workers in IT firms.

The government proposes to incentivise the incorporation of One Person Companies (OPC) by allowing them to grow without any restrictions on paid-up capital and turnover, allowing their conversion into any other type of company at any time, reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days and also allow NRIs to incorporate OPCs in India. This will give a boost to start-ups and entrepreneurship.

To create more opportunities and to incentivise start-ups in the country, the Budget extends the eligibility for claiming tax

holiday for start-ups by one more year till 31st March 2022. Further, to incentivise funding of start-ups, it also proposes to extend the capital gains exemption for investments in start-ups by one more year till March 31, 2022.

There is also an announcement to revise the definition for small companies under the Companies Act, 2013 by increasing their thresholds for paid-up capital from 'not exceeding ₹50 lakh' to 'not exceeding ₹2 crore' and turnover from 'not exceeding ₹2 crore' to 'not exceeding ₹20 crore'. This revision of definition will benefit small firms in easing the compliance procedures.

Industry would have liked to see encouragement to private sector R&D in the Budget as well. The complete value chain of private interventions needs to be boosted by including pilots and trial products as well as marketing under the umbrella of R&Ds.

(cb@cii.in)