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On February 1st 2020, India's Hon'ble Minister of Finance, Smt. Nirmala Sitharaman, will present the union budget 2020. Union budget plays an important role in determining the country's future economic activities and growth. The effects of a government's budget on society and the political economy are of considerable concern to economists as well as to consumers and taxpayers.

Various Industry leaders and entrepreneurs have their own opinion and expectations from this year's union budget.

Startup Terminal presents budget expectations from various industry leaders and entrepreneurs (Part IV).

K. G. Prabhu, Group Chief Financial Officer, Smartlink Holdings Ltd

"As India is gradually moving forward on the path of digitization, for Union Budget 2020, government should focus on giving a strong push to the initiatives that will drive the process of digital adoption across various sectors. We are expecting that the upcoming budget will have measures to encourage domestic manufacturing by introducing policies that will allow global companies to collaborate with Indian companies and manufacture in India."

Pushkar Mukewar, Co-Founder and Co-CEO, Drip Capital

"Budget 2020 is eagerly awaited by the industry and financiers alike. According to the December trade data India's merchandise exports slipped to 1.8% in December, falling for the fifth straight month. This coupled with the slowdown in the economy has a dampened the mood in the market. With the Budget 2020, we expect certain policy interventions to energize the export sector, overcome anticipated flat growth, ease liquidity problems, and resolve persistent problems faced by SMEs in the sector. With the new Foreign Trade Policy (FTP) around the corner, expectations are that the Budget will allocate appropriate funds and resources for its implementation and pave a way for boosting exports from the country. We hope that the government revisits its export promotion policies and fine tune them to support the SMEs. Key expectations from the FTP also include more schemes especially for tech upgradation for small manufacturers & exporters – this would help them get integrated within the global value chains. The government could also look at focused schemes for helping SMEs research and develop/improve the quality of products to become more competitive globally. Additionally, we expect dedicated investments in logistics and warehousing infrastructure for seamless movement of goods along with assistance for easier access to credit as well as laws pertaining to IPRs."

Dr Malini Saba, Founder & Chairman, Saba Group Holdings

"The agriculture sector employs 50% of the Indian workforce and contributes 17–18% of the country's GDP. It means that any government is required to pay heed to the well-being of this sector and make it sustainable – not through doles, but through policies that make this sector healthy. I expect the FM to remove GST from all farm and agriculture inputs (which is 12% on Machinery & 28% on fertilizers), reintroduce crop insurance and policies that focus on farmer welfare along with structural reforms.

Agritech policies with proven capability of using less water and increasing productivity from the same land usage, while also limiting the use of pesticides and harmful chemicals should be incentivized for research and development, and adoption. This will also help generate employment and increase productivity, efficiency, and output across the agriculture business value chain, and thus help farmers grow better and healthier produce.

Last year, the government had shown trust in women entrepreneurs and this year too the spirits are high. The government should introduce new ideas to empower women, provide them with a violence-free and similar socioeconomic environment to encourage their hard work which is not only going to benefit the government but also the country's economy at large. The Nirbhaya Fund created for the protection of women in the budget should be properly utilized. Along with this, the income of housewives should be kept outside the purview of tax.

In order to ensure gender justice, all policies should be allocated adequate budget and strict implementation should be undertaken. The union budget should have the highest focus upon girl's education, healthcare, anti-bullying, discrimination, and violence as well as investment in job-oriented skills for women—all pointing towards gender disparity, which is known to hamper economic growth."

Deva Jyotula, Retail Head, Kalpataru Limited

"With the budget 2020 being around the corner, the government is expected to come up with fresh policies and amendments to existing schemes. Post the Budget 2019 the retail sector has defiantly witnessed an upward trend.

The Indian retail industry has emerged as one of the most dynamic industry due to the entry of several new players. Some major expectations by the retailers from the budget 2020 would be; Income support schemes to boost overall consumption, tax benefits to middle class to swing consumers, reduction of corporate tax to 25 percent and GST slab to be simplified. There is a gaping need for a special start-up growth fund to support start-ups."

Amit Jain, Founder, Rising Star Tours & Travels

"Market demand growth, friendly policies, and a rise in credit flow are the basic needs of MSMEs and they expect that the finance minister will give her due consideration on all these three factors in the Union Budget 2020. Moreover, many industry insiders have put forth their demands to address their woes concerning GST filing, as the rationalization of GST will provide an impetus to domestic trade and fuel the growth of MSMEs and Small Businesses. Furthermore, the extension of interest subvention scheme in Incremental credit and enactment of a broad-based approach for the loan disbursement criteria can bridge gaps in the current MSMEs financing scenario, result in other companies fold into the formal economy."

Aditya Kale, Founder and CEO, Airtattx Storage Pvt. Ltd.

Start-ups in most cases are bound by constraints like cash crunch, shortage of working capital / turnaround time of debtors and lack of flexibility in repayment terms for loans among others. Budget provisions may help the start-up community by the allowability of higher depreciation, beyond the maximum permissible limit of 40% for start-up's operating in the areas which are trying to resolve the common man issues to increase the livability index. Also, areas like energy conservation, reduction of pollution, and use of renewable resources among others.

Relaxation in the terms of payment of advance tax, where start-ups are earning profits, beyond a certain point of time with be a great provision to have this budget. Threshold may be prescribed for relaxation from payment of advance tax currently which is 3 months to 6 months.

Enhancement of years allowed to carry forward of business losses (presently at 08 years) will be an important step in encouraging the start-up community. Some businesses may not be able to generate enough profits to ensure absorption of losses incurred in the initial years. Relaxation may help them to focus on their core business activities, thereby generating profits in the long run, rather than resorting to unethical / unfair means and / or business practices to ensure that losses are absorbed within the prescribed time limit.

Rashie Jain, CEO & CO-founder, Onco.com

"India is a country of over a billion people and has many key areas to focus on including healthcare, education, agriculture and employment amongst others. Currently, India spends less than \$100 average per person on healthcare, which is amongst the lowest across the world. While the government has taken positive steps over the last few years in ensuring universal healthcare for its citizens. Ayushman Bharat is a good step in the right direction, however, inclusion of tertiary care is critical to making it beneficial overall. We also expect more clarity on the policy front for healthcare to benefit the patients and hospitals alike in order to ensure quality treatment and clinical excellence.

Cancer is a heavy burden on our society and thereby the economy. We anticipate the government take cognizance and increase taxes on tobacco and related products to curb their consumption.

Overall, we are optimistic about the government proposing tax cuts for both capital gains as well as income tax. This should help revive the economy and improve consumer spending which is good for businesses especially startups."

Sanjay Bhatia, Co-Founder and CEO, Freightwalla

"Globally, growth in logistics has been via a healthy Multi-Modal mix and interconnectedness between Rail, Road, Inland and Coastal Waterways. But, in India, the modal mix has been biased towards roads, which we believe will change for the better, as we look forward to increased clarity on the progress of schemes such as the Sagarmala project in this budget. Out of the 574 projects that have been identified for implementation under this programme, during 2015-2035, a total of 121 projects have been completed and 201 projects are under implementation worth over 20K Cr. Yet, so far merely 1820 Cr has been sanctioned for this project. Likewise, Jal Marg Vikas Project such as the Sahibganj, Haldia & Varanasi Terminal will tap into the development of inland waterways which we believe would increase the movement of cargo volume on Ganga by nearly four times in the next four years. We look forward to Union Budget 2020 allocating more funds to such programmes to catalyse completion of more projects. Ultimately, these projects will lead to a fall in the logistics costs for exports that has brought undue pressure on the competitiveness of Indian exports and has been slowing down the growth of the Make in India campaign."

Rajan Sharma, Founder & CEO, excess2sell.com

"At the outset, we would like to commend the Government for the several initiatives it has so far taken to encourage and develop the Start-up ecosystem. As a three-year-old start-up, Excess2sell.com's phenomenal growth can be attributed to the Govt.'s efforts in consolidating GST with technology, ease of doing business, taxation on start-ups and various policy initiatives. It has allowed and encouraged first-generation entrepreneurs like us to take risks and be part of a developing ecosystem for Indians who always wanted to do something on their own. We look forward to Union Budget 2020 with more focus on reforms, ease of doing business, system cleansing and easing up liquidity for honest tax-payers to spend. With the kind of thrust on technology build-up, easy tax policies and over-all opportunities, our enterprise which focuses on the B2B segment is poised to grow at an even faster rate."

Upma Kapoor, Founder Teal & Terra

"As an upcoming business venture in the beauty and skincare segment, we are looking forward to some big reforms in the Union Budget this year. As an entrepreneur, I hope that the government will give greater concessions for startups in the form of tax concessions and interest-free loans. Also, amid a global slowdown and in the face of stiff competition from countries like China, Indonesia, Vietnam, and others, the government must make some provisions to promote and encourage exports to the growing markets of Central/South America and Africa. Startups are still facing several issues with regards to taxation and funding and the government can make an announcement to make the filing and compliance easier. Reforms in labor laws, especially for overtime provisions, would be a welcome move in this budget."

Ruchi Garg, CEO and Co-founder, Venuelook

"The government should allocate funds explicitly for the benefit of MSMEs, including hotels, in order to facilitate development and create job opportunities. An important action point is to introduce uniformity in the taxes applicable to hotel rooms. There are actually two tax slabs on hotel rooms-18% and 28%. If this is reduced to over 10 percent, both guests and hoteliers would receive considerable relief. There must be no delay in GST reimbursement as its postponement blocks working capital and causes industry imbalance."

Ashwani Rawat and Amarsh Chaturvedi, Co-Founder & Director, Transerve Technologies Pvt. Ltd.

"The ongoing disruption in the technological sphere has been a prime factor complementing India's digital growth journey. With India undergoing a complete digital transformation, we hope that the upcoming Union Budget 2020 should essentially focus on designing policy frameworks to incentivize large scale businesses to invest in the country's tryst to technological advancement. The Government must encourage investment in the technology hubs to promote new-age startups and at the same time help in setting up new innovation incubators. We also hope that the new budget will provide respite in tax in the service sector. No industry can experience development without a skilled workforce and more opportunities. We expect the Government to increase employment opportunities and at the same time initiating new centers for skill development."

Dr. Arvind Singhatiya, LegalKart

"We feel that in 2020 the focus will be on the consumer market—the supply of legal services directly to individuals and businesses will be stronger and the concept of 'Marketplaces' will grow. Artificial intelligence in finding and engaging a lawyer or legal firm will evolve to solve the difficulty of consumers often."

Sachin Mittal, CEO & Founder, Loanwalle.com

"We expect significant measures towards incentivization, sustainability, and consolidation, which will give some impetus to measures in the economy. There is a need to drive growth by boosting private consumption with spending like policy rate cuts and direct tax sops. The industry is looking forward to measures ensuring that policy rate cuts benefits are passed on through NBFCs to its end-consumers. There must be a structured and process-driven framework for NBFCs in order to get them access to credits from banks. There should possibly be a comprehensive checklist or a scorecard with parameters such as customer segment, business model, cash flows, ALM position, Ratings and so on to automatically calculate the quantum & costs for the credit."

Saagar Panchal, Founder & CEO, Hireavilla Hospitality Pvt. Ltd

"One of the biggest challenges before the Modi government is to rescue the Indian economy from a slump. The statistics ministry expects the economy to grow at 5% in the current fiscal, the slowest pace of annual growth since 2012-13. I am still optimistic about a recovery and foresee the economy quickly picking pace. The travel and hospitality industry has a huge potential to create a number of employment opportunities, increase services and enhance tourism. This year, I hope that our government focuses on steps to provide capital to the industry players. This could be in the form of incentivizing banks and other financial institutions to lend money to industry participants especially start-ups in the sector. Furthermore, I have high hopes on the government to lower tax rates and remove exemptions, revisit tax regulations especially for start-ups like that of mine. This will not only provide tax reforms but also enhance the efficiency of tax collections."

(Views expressed are of different industry leaders. Email us your feedback at startupterminal@gmail.com)

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