

Business

Industry Reactions to Union Budget 2020-21

The Budget was presented by the Finance Minister on February 1, 2021

cityairnews Feb 2, 2021 11:19



Publication: cityairnews.com
Date: 2nd February 2021
PR Tool: Industry Story
Daily Visitors: 25,564

Tushar Choudhary, Founder Director, Motovolt Mobility Pvt Ltd

Government has proposed to rationalize the inverted GST structure. We await the final print for the EV sector. We welcome the tax holiday extended for start-ups and exemption on capital gains, both for one more year as it would encourage the budding segment.

Shachindra Nath, Executive Chairman & Managing Director, U GRO Capital

"Broadly evaluating, the Union Budget 2021 is a significant attempt by the government, to accept a higher fiscal deficit and enhance expenditure towards economic revival. It is appreciative of the government to put a special emphasis towards providing relief to the tax payers and reducing the burden posed by COVID-19. One of the key highlights of the budget is setting-up of the development finance institution (DFI) towards infrastructure financing and institutional framework to purchase corporate bond, which would solve the issue of liquidity for the infrastructure sector and corporate bond market. Also, with the path-breaking initiative of instituting Asset Reconstruction Company (ARC) and asset management company (AMC) for NPA consolidation, banks have been allowed to streamline their focus on the much needed growth. The government has reduced the threshold for NBFCs to initiate recovery under the SARFAESI Act, 2002. This is an effective step towards ushering credit discipline and in the long-term will increase the penetration of credit to small businesses. The government has also doubled its allocation towards MSMEs, which would greatly support their revival and the eventual growth. Holistically, the Union Budget 2021 is an encouraging event, yet we optimistically look forward to a distinctive support for NBFCs, with a framework to provide them sufficient liquidity, while also furthering the credit guarantee scheme support to the MSMEs."

Dr. Malini Saba, Founder & Chairman, Saba Group

"The expansion of PM's 'SWAMITVA Scheme' will help farmers a long way in settling their property rights, tax regimes and for taking bank loans. The increase in the agricultural credit target will enhance their confidence to sow crop and realisation of income after production. The enhancement of 'Rural Infrastructure Development Fund' & 'Operation Green Scheme' will boost economically backward districts in India, with stronger impacts in electricity, road-intensive industries and to increase value addition in agriculture and allied products and their exports.

The setting up of 1,000 mandis integrated with e-NAM and the change in MSP regime will ensure increased credit flows, increase farmer's sustainability and help agriculture business value chain in a big way."

Dr. Malini Saba, founder & Chairman, Saba Group & Ananke Foundation

"Great announcements in these unprecedented times to provide relief to the pandemic-hit common man as well as to focus more on driving the economic recovery.

Rs 35,000 crore for Covid-19 vaccination is a comforting step forward to save lives amidst the century's biggest pandemic. This Healthcare budget has got a healing touch, Rs 64,180 for the Pradhan Mantri Atma Nirbhar Swasthya Bharat Yojana, which is going to be operated in addition to the existing National Health Mission, will strengthen the country's healthcare infrastructure over the next six years. The scheme will definitely develop capacities of primary, secondary and tertiary healthcare systems as well as existing national institutions and ensure patient education and wellness. The FM's plan towards creating new institutions for the detection and cure of new and emerging diseases will push us towards a future that will be rooted in faster adaptation and enhanced resilience and strengthening preventive care, curative and well-being of the population."

George Alexander Muthoot, MD, Muthoot Finance

"The 2021-22 budget has laid clear emphasis on economic growth and the financial services sector will play a crucial role in achieving the development goals of the government. Among the several business friendly announcements, some that stood out for us include net rationalisation of customs duty on gold by 2.5% which should bring more gold into the country through official channels and incentivising purchase of affordable homes by extending eligibility period for claiming additional deduction of interest paid of Rs. 1.5 lakh to 31st March 2022. Increasing FDI limit in insurance to 74% from 49% is another progressive announcement that will bring more investments and activity in this sector. Lastly, reflective of the importance of the MSME sector, the government has provided Rs. 15,700 cr for it, double of last year's budgeted estimate and we stand steadfast with the MSMEs, individuals and entrepreneurs of India in financing and enabling their Atmanirbhar Bharat ambitions."

Dr Sunita Gandhi, Founder of GETI and GCPL

"Following the schools shutting down, classroom education shifting to the online space, and introduction of NEP in 2020, there were a lot of expectations from this year's budget. Announcement about opening 100 new Sainik schools in partnership with NGOs, private schools, and states is a welcoming move that will encourage the sector. Further, allocating Rs 50,000 crore over five years to the National Research Foundation (NRF) for Innovation and Research & Development will stimulate the sector in the medium to long term. Introduction of the Apprenticeship Act that will spur employment opportunities for students post-education apprenticeship. Overall the budget has made positive developments and is moving in the right direction. As per the NEP, The percentage of GDP was supposed to go up not reduce it. Which is not a good sign in Budget. Education is not loosest point and setting back the education sector. As schools were shut during covid. Education Sector needed a bigger boost from the current Budget. It's good that knows that 15000 schools will be a part of NEP now. Also, Samagra Shiksha was not explained properly as its a good initiative by the Govt."

Jatin Ahuja, Founder and MD of Big Boy Toyz

"This year's budget has made some valuable developments in building a strong domestic market for the automobile sector. The kind of financial support that the sector has received, including approx. INR 57,000 crores for auto and auto components and 1.08 lakh crore to MoRTH for capital is remarkable. Other than this, increased expenditure on building road infrastructure to support the sale of commercial vehicles, voluntary scrappage policy, and Research & Development, look promising for the automotive sector. Also, the increase in the customs duty on some auto parts by 15% along with PLI scheme seems to be a favourable step towards building an independent nation."

Puneet Gupta, Founder of AstroTalk - Leading Astrology Application in India

"This year's budget has taken a number of steps to promote and support startups. As opposed to last year's allocation, this year's budget has allocated Rs 15,700 crore to the sector. Not just this, it has also emphasized on creating a separate framework of Data Analytics, Machine Learning (ML), and Artificial Intelligence (AI) to assist the companies. Further, to mitigate the lost months during the COVID-19 pandemic, FM Nirmala Sitharaman also proposed to incentivize incorporation of one-person companies without any limit on paid-up capital to help startups and innovators. All of it was much needed to boost entrepreneurship in India and promote Aatmanirbhar Bharat."

Dr. Malini Saba, Founder & Chairman, Saba Group

"Given that the economy is well on its path to recovery, Union Budget 2021 has focused on enhancing expenditure while keeping the fiscal targets at bay in the short term. This Budget focuses on augmenting infrastructure with a special focus on expediting urban infrastructure projects which will act as a strong catalyst in driving real estate in urban areas. The proposed easing of restrictions on leverage by InvITs/REITs will attract more REITs listings and thus higher investments into real estate. The monetisation of surplus land of government and government bodies is a welcome move; however, the implementation will need to be monitored. The continuance to promote affordable rental housing schemes by providing tax exemption for notified rental housing projects is a great effort. This will accelerate the pace of investments in this scheme and is likely to fall in line with achieving the overall objective of 'Housing for All'.

Dr. Malini Saba, founder & Chairman, Saba Group & Ananke Foundation

"By incentivising the 'One Person Companies' (OPCs) & increasing the thresholds for Paid up capital and turnover will truly help women led start-up to ease their compliances requirement and grow without any restrictions. Strengthening of NCLT framework & e-Courts system through Data Analytics, AI and Machine Learning will play a major role in facilitating case proceedings, Curb corruption, and Bring transparency in the matter. 'Minimum wages', 'Stand up India' schemes and the insurance cover under 'Employees State Insurance Corporation', is a commendable step and will increase the participation of women in all the categories and to set up new businesses. The Government's decision to boost entrepreneurship and digital payments in India is a testament to its commitment to realize its vision of an economically self-reliant nation. The household tap connections, under The Jal Jeevan Mission to provide safe and adequate drinking water will definitely help in eliminating the problem of decades old sanitation and health problems.

Tea plantation and production plays a noteworthy task in Indian economy and by providing `1,000 crores for the welfare of Tea workers especially women and their children in Assam and West Bengal will play an essential role in enhancing the health and efficiency of the plantation workers, generate livelihood and boost the economy."