

Union Budget 2020: Industry Reactions

BW businessworld.in/article/Union-Budget-2020-Industry-Reactions/01-02-2020-183236

This budget packs a wallop. To understand the excitement, here are the industry reactions from different sectors.

Photo Credit : Himanshu Kumar

1580545152_IVFHoU_HIM_4489.jpg



01 February, 2020

by Poonam Singh

Finance Minister Nirmala Sitharaman on Saturday presented the most crucial budget of the decade. In her second spree, which proposes to give the Indian economy an impetus to emerge as more vibrant and stronger.

With an emphasis on capacity building and empowerment of marginalised sections of society including farmers, the Union Budget intends to ensure, as said by Sitharaman, that "our people should be gainfully employed. Our businesses should be healthy. For all minorities, women and people from SCs and STs, this Budget aims to fulfil their aspirations."

This budget packs a wallop. To understand the excitement, here are the industry reactions from different sectors.

Pradeep Aggarwal, Founder & Chairman, Signature Global and Chairman, National Council on Affordable Housing, ASSOCHAM

Extension of additional tax deduction of Rs 1.5 lac on affordable housing worth upto Rs 45 lac by one year is a step in right direction. Similarly, extension of capital gains on affordable housing by one year is also a welcome step. Also, Government's increased focus on infrastructure sector and connecting Mumbai-Delhi corridor is the need of the hour, which Hon'ble Finance Minister has tried to address. This will benefit peripheral towns like Sohna (near Gurugram) immensely.

Uddhav Poddar, MD, Bhumika Group

Simplifying the tax slab is a good move by the Govt. This would encourage investments. Infrastructure push provided in the budget will also help the development in the country. Real estate across Delhi-Mumbai Industrial Corridor will gain momentum as the government has announced to complete it by 2023. Tier II cities specially Udaipur & Alwar markets where our projects are will see an appreciation in the short term. Govt. has pressed all the right buttons to improve the economy.

Parveen Aggarwal, Founder & Chairman Signature Sattva

Today Budget 2020 announcement is focused on the nation's growth and brings a positive sentiment to the overall economy. The budget seems for all categories and industries, India's real estate sector appreciate the announcements made for real estate developers as well as homebuyers, as it has touched upon the aspects that are going to boost the GDP.

FM announced a tax holiday on loan sanction for affordable housing. Developers and buyers will be benefited from the ease in tax from 5% to 10%. The tax rebate for interest on home loans is capped at Rs 0.2 million per annum. Enhancing that limit is expected to bring back investor-led demand.

Going forward, we expect continued momentum for Indian realty to attract new investments into the sector and hope that the government brings positive measures for the holistic growth of the Indian real estate sector.

Manoj Gaur, MD, Gaur's Group and Chairman, Affordable Housing Committee, CREDAI

The budget announcements made by Hon'ble FM seems to be mixed bag from real estate perspective. While, simplification of income tax regime with reduced rates and no exemptions, extension of measures announced for affordable housing by one more year are some of the positives for the sector.

At the same time, long pending demand of the real estate sector has not been met. We have been asking for industry status for the whole sector and single window clearance for smooth functioning, the government did not comment on these requirements.

Mohit Goel, CEO, Omaxe

Liquidity and availability of finance is the biggest issue confronting the real sector today. In this context, the assurance given by Hon'ble Finance Minister that NBFCs and HFCs will not face any liquidity crunch will help calm the nerves for sure. Simplification of tax structure and continuation of some measures announced for affordable housing in the last budget are some other positives. Meanwhile, the government's proposal for 5 new smart cities in collaboration with states via PPP model is a great move to leverage not just the funding potential of private players but also their experience of making cities livable and sustainable. We hope to participate as and when the details are out.

Abhishek Bansal, Executive Director, Pacific Group

Government's announcement of Rs 100 lakh crore for infrastructural development will boost real estate in tier II and tier III cities. There were many measures that we would have loved the government to address but announcement of infrastructure development is the step in right direction. Apart from that impetus of the government on boosting the MSME and SMEs will create employment in these cities leading to the increased demand.

Rajesh Uttamchandani, Director, Syska and Mr. Bishan Jain, Director, Goldmedal Electricals

We welcome the steps taken by the Government in the Union Budget towards boosting electronic manufacturing in the country. The electronic industry has huge potential both in terms of manufacturing in India and job creation and will provide a major impetus for growth. This will further enhance the exports of networked products. Another important step taken is the further push provided by the Government for its smart cities mission. It aims to create 100 cities with state-of-the-art infrastructure that includes intelligent lighting, Wi-Fi access points, leading to enhancement of the quality of life of every citizen while building efficient living spaces for future generations. As a company, Syska has been striving towards developing technology-driven, energy-efficient and affordable solutions that positively impact the lives of our customers. With India heading towards mass urbanization, we are aligned towards promoting sustainability, enhancing social development and creating new employment opportunities through rapid digital innovations.

The Union Budget 2020 has provided enormous opportunities for companies looking to set up manufacturing facilities in the country. The steps taken by the Government towards making India a manufacturing hub by providing impetus on electronics manufacturing in India will give a further fillip to the Government's flagship Make in India initiative. Additionally, the budget also provides emphasis on making every district of the country an export hub, with the Government allocating Rs 27,300 crore for the development and promotion of industry and commerce in 2020-21. This initiative will enable Indian companies to develop the infrastructure and manufacturing capabilities required to build products that can be exported. We also welcome the Government's

commitment towards boosting emerging technologies such as internet of things, (IoT), artificial intelligence (AI), machine learning (ML), Analytics and the creation of a sustainable environment to combat climate change.

Nilesh Shah, MD & CEO, Kotak Mahindra Asset Management Company

The budget is good on intent. However, the key is an efficient execution in a time-bound manner. There are many positives to simplify things and encourage entrepreneurs but again, the key will be executed in a time-bound manner. Intent needs to be converted into implementation.

FRANK D'SOUZA, Partner and leader, Corporate & International Tax, PwC India

“Abolishment of DDT will make equity investment more attractive and is overall a very welcome move.”

“Continuing with the theme of simplification with reduced tax rates, the Budget has proposed the phasing out of several provisions of deduction/exemptions. E-interface has been extended to appeal matters and the abolition of DDT has aligned policy with legislation in so much as it removes the hardship on small taxpayers. Also the dispute resolution scheme that has been proposed, prima facie, appears to be a mixed bag, and the window of availment seems a bit tight.”

Rohit Kapoor, CEO, OYO, India South Asia

“It is heartening to see a budget that focuses on improving standards of living as well as economic development. A grant of INR 2500 crores for tourism promotion and the development of 5 iconic archeological sites and museums in the country are bright indicators of the renewed focus of the government on the travel and tourism industry. Apart from these initiatives, the overall focus on increased disposable income, better infrastructure, better connectivity and the digital push will help boost demand for the hospitality industry in India. It is also heartening that the government acknowledges and understands the role of entrepreneurs in both capital and job creation in the country. Government's efforts towards creating more opportunities for startups will spur entrepreneurship.”

Dhirendra Mahyavanshi, Co-Founder, Turtlemint

The new budget offers tremendous tax benefits to the average taxpayer helping him lower his tax liability considerably. Moreover, with the different social welfare schemes promised by the Finance Minister, the outlook looks positive. The insurance sector is also expected to see major impacts with the disinvestment in LIC. It would bring in fresh capital for the company helping it to make strategic future plans. The emphasis on digitization, tax benefits promised to companies, MSMEs and start-ups and the lowering of the tax rates would result in higher disposable incomes in the hands of tax-payers thereby promoting insurance investment. Thus, the insurance segment is poised to grow with the changes announced in the Budget and the economy might also recover from the slowdown.

Amit Modi, Director ABA CORP and President (Elect) CREDAI Western UP

One of major welcome steps in this Budget was that earlier any taxing income from capital gains in respect of transactions in Real Estate if the consideration value is less than the circle rate by more than 5% the difference was counted as income, both in the hands of purchase and seller. Increasing the limit to 10% now will definitely minimize hardship in the sector and provide relief for both the developer and buyers. Also extending the date of approval of affordable housing projects for availing tax holiday on profit earned by developers extended by 1 year will encourage more and more developers to build affordable housing projects across the country, and contributes towards Prime Ministers Housing for All 2022 mission. And while we appreciate the government extending additional Rs 1.5 lakh tax benefit on interest paid on affordable housing loans to March 2021, we still feel that this incentive should also be provided to non-affordable housing segment where by millions of middle class buyers, especially living in the metros like Delhi, Mumbai and Bangalore, can take plunge, since here the cost of even a 2 bedroom apartment can cost up to ₹1 crore and above. Lastly we welcome the overall emphasis on the infrastructure across the country with Rs100 lakh crore dedicated for infrastructure in next 5 years along with special thrust for infrastructure focused skills is truly an appreciable approach, especially the Project Preparation Facility for preparation of infrastructure projects, actively involving young engineers and management graduates as this will only increase the pool of skilled Infrastructure professionals in the future, and make them job worthy for the coming challenges.

Harinder Singh, Chairman and Founder Realistic Realtors

In the budget, Hon'ble FM has undertaken a right balancing act by giving some tax benefits to individuals by lowering tax rates amid simplification, incurring higher capital expenditure and yet containing fiscal deficit at 3.8% is commendable. From real estate perspective the sector specially Residential segment, industry had high expectation and nothing at all has been announced is a bit of disappointment and I believe getting demand back for homes will boost the entire economy, when you buy home there is consumption of cement, steel, wood, paint, furniture, fabric etc almost entire eco system of products

and services , just simplification of tax regime will enthuse more individuals to buy homes. The announcement of developing 5 new smart cities under PPP mode should agave some positive impact and help the cause of real estate sector in long term.

Nevil Patel, Managing Director, Orpat Group

"The Union Budget 2020 is out and there are some useful propositions of new schemes to generate and boost employment in the country. Make In India is the need of the hour and import of cheap Chinese goods in India has brought downturn in the economy. Government's move to increase customs duty on 300 items and the proposition of a new scheme for promoting the manufacturing of electronic item in the country are the steps in right direction. These schemes will not only invigorate the 'Make In India' move of Government by generating employment opportunities but will also help India dream bigger. Nevertheless, I am of the view that more items should have been included in the customs duty list which would cover almost all the sectors in order to increase the revenue of the domestic industries considerably."

Manish Sharma (Partner & Leader - Transport & Logistics), PwC India

The FM's announcement on the National Infrastructure Pipeline, NSDC program to help skill development in the infrastructure sector, PPP in passenger trains and making MSMEs competitive have been in discussion for some time and happy to note that the Budget has formalised this. Also, the project preparation facility is a good initiative and should focus on projects across central, state and local body projects. Additionally, Krishi UDAAN and Kisan Rail are good initiatives which can help plug gaps from farm to market for agri produce.

Satish Gupta, Executive Director, JK Technosoft

“In the era of globalization, the Union Budget 2020 focused deeply on ‘Aspirational India’ and ‘Digital Revolution’ with emphasis on evolving the economy digitally by skilling India and increasing job opportunities in the budding as well as cross-cutting fields of Data Analytics, Artificial Intelligence (AI) Robotics and Machine Learning (ML). The Government also announced building of data centre parks throughout the country along with allocation of INR 8,000 crore to set up for the National Mission on Quantum Computing and Technology. Furthermore, the use of AI in 'Ayushman Bharat' Yojana, will help in developing the healthcare industry using advanced technology such as AI and other enterprise solutions, thereby achieving seamless delivery of services. We also applaud the Government’s move to empower Rural India by helping 20 lakh farmers set up standalone solar pumps and 15 lakh solarise grid-connected pump sets.”

Amarsh Chaturvedi, Co-Founder & Director, Transerve Technologies

“The Government’s vision of ‘Vibrant India’ brought in immense focus on ‘Digital Governance’ that is likely to bring in a paradigm shift in the overall economy. We are delighted to hear that the Government ULB’s (Urban Local Bodies) internship opportunities for civic-welfare programs will help in increasing job opportunities and in turn Skilling the Indian Youth.”

Ashwani Rawat, Co-Founder & Director, Transerve Technologies

“We commend the Government’s announcement of proposed budget allocation in setting up 5 new Smart Cities under PPP model and further extend our support to this initiative. While the Government proposed to expand the horizon of ongoing ‘Swachh Bharat Mission’ in order to undertake sustainable solid waste management harnessing latest technology in every village, we further hope that this initiative highlighted by the FM would be extended to urban areas as well.”

Rajat Goel, JMD MRG World

The Union Budget 2020-2021 has predominantly focussed on revitalizing the rural economy which is a good move. As per last year measures surrounding “affordable Housing” was the mainstay from the perspective of the real estate industry. Extension of additional tax deduction of Rs 1.5 lac on affordable housing worth up to Rs 45 lac by one year is a step in the right direction. However, considering the overall health of the real estate sector, it would have helped if the Government would have given little more incentive to both home buyers and developers.

Yash Miglani, MD Migsun Group

We are happy that the focus of the government is the overall development of the economy. Budget has touched upon the aspects that are going to boost the GDP including infrastructure spend, rural economy, income tax relief, Rs. 4,400 crore allocated for cities to ensure clean air, and tax holiday on loan sanction for affordable housing. We are confident that these steps will improve the sales figure as people are getting a complete package from the government as they will good and infrastructure which will improve their lifestyle. Developers and buyers will benefit from the extension of withholding tax, which will mean that in some cases a property can be sold at rates lower than the circle rate prevalent in the area.

Manish Aggarwal, Partner and Head, 'Infrastructure M&A, and Special Situations Group, KPMG in India

Budget 2020 reiterates Government's commitment to infrastructure investments. Limited fiscal space of Government meant muted allocation growth from budget, however, focus is on mobilizing third party capital - equity infusion of INR 22,000 Crore in IIFCL and a proposed NIIF floated NBFC, exemption to sovereign wealth funds from capital gains from infra investments, removal of Dividend Distribution Tax and a lower tax scheme for power generation companies. Creation of 'Project Preparation Facility' may address concerns around quality of project reports & involvement of young professionals around this aspect a welcome step.

However, Budget side-steps controversial yet critical investment enablers for infrastructure

Long pending arbitration claims against GOI bodies - creating high level stress in EPC and Infra players & institutionalizing a time-bound dispute resolution framework.

A revitalized and balanced PPP architecture;

Creation of long term development financial institution for Infra financing.

Power sector hoped to see a privatization focused distribution reform scheme which is a miss, but hopefully

KE Ranganathan, Managing Director, Roca Bathroom Products

A well thought out Budget giving due importance to all 3 focus themes - aspirational India, economic development and caring society. As a right step the 'Spending' by the Government has been stepped up substantially to boost demand for various sectors.

Making more money available to people at home by reducing income tax rates is a welcomed and should spur more consumption. A lot of focus has been given to agriculture with a simple aim to double earnings of farmer is laudable. Farmers are the backbone of our economy and this intention shows the real care for them. To sum up - a good budget - with clear focus areas to revive the GDP growth and make people of India live a happy life in 2020-21 and beyond. Hats off to PM and FM and the experts for their great work and setting the direction. Like a true mother, Nirmalaji has distributed adequate money to all her children - the various sectors of the economy - to get a strong demand pull.

Gaurav Bahl, Co-Founder & CEO, KOOLCHAS, a QSR chain

"India has one of the strongest startup ecosystems in which entrepreneurship takes the core position. Hence, one of the measures taken in the new Union 2020 budget to increase the turnover limits for startups from 25 crore to 100 crore shall be instrumental to create employment opportunities. The cold storage initiative taken by the Government is another great move which will reduce the cost of manufacturing food, and will further boost the overall income for us. The new taxpayer charter is great relief as it would ensure harassment-free taxes, and will mark a breakthrough in the startup ecosystem with more

transparency and efficiency. The Government's firm agenda of stable business, building of advisory cells and investment clearance will add to the advantage of expanding new businesses with the budget."

Vinay Jain, Founder and CEO, Grafdoer

"We appreciate the Government's focus on sanitation industry under Swachh Bharat Abhiyan campaign committing to Open Defecation Free Country by allocating INR 12,300 crore. This is an exceptional move towards the development of our nation. The Government's emphasis on supporting the MSME sector by providing employment opportunities and providing a subordinate debt by banks is a much appreciated move. We are positive about the Government's focus on boosting the domestic manufacturing sector, as that will further boost Made In India. Also, the reduction in the Income Tax Slab has given a relief to the middle class sector of our Society, as it will increase their buying power and boost the market."

Dinanath Dubhashi, Managing Director & CEO, L&T Finance Holdings Ltd

"Despite tight fiscal constraints, the Budget has done a great job of supporting growth by tweaking taxes and facilitating the development of core sectors like agriculture and allied activities, renewables, exports and social sectors with thrust on digitisation. This is strongly positive for the business model of cutting edge NBFCs like LTFS. If implemented judiciously, this Budget has the potential for transforming India."

Sachin Mittal CEO & Founder, Loanwalle.com

"In the recently proposed Union Budget 2020, the Government's focus on entrepreneurship for startup businesses is commendable, as that will generate more job opportunities in our country. Speaking on the financial side, the Government emphasised on more liquidity flow within NBFCs which will help boost the current slopping NBFC and private lending sector. Further, it will allow increased lending opportunities with greater ease. We applaud the new announcement by the FM where NBFCs having turnover of INR 100 crore will now be eligible for SARFAESI (The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act). While earlier, only companies with a turnover of INR 500 crore were eligible to recover their debts by selling properties of the defaulters, going forward, the new Budget announcement will allow smaller companies as well to recover their debts. This will further offer more capital flow in the market."

Ayyushman Mehta, Managing Director, Mavox Helmets - Sandhar Amkin Industries (P) Ltd

“The second budget by Finance Minister, Nirmala Sitharaman catered mostly to the demand side of the economy. By putting in more money in the hands of the individuals, Hon’ble Finance Minister’s take on abolishing the Dividend Distribution Tax (DDT) is surely a tax relief for the middle class and lower middle-class segments, while on the corporate side it is highly positive for all consumption-linked Auto sector companies, and the overall market. The simplification of the tax regime is sure to improve public sentiment and boost the economy. This budget is likely to revive our country’s economic growth and create new job opportunities.”

Kuldeep Chaudhary CEO & Co-Founder, ADOHM AI-Marketing & Sales platform

“With emphasis on evolving the economy digitally, the Union Budget 2020-2021 focus on Technological Development by skilling India in cross-cutting fields such as Artificial Intelligence (AI) was a commendable move. Moreover, thanks to Finance Minister Nirmala Sitharaman's announcement on promoting entrepreneurship through startup businesses, as that will create more job opportunities in the country. Many Indian startups can now breathe a sigh of relief as the turnover limits has increased to INR 100 crore from INR 25 crore. This initiative will provide relief on the tax burden to employees eligible for employee stock options (ESOPs).”

Arvind Singhatiya, LegalKart (Founder and CEO)

"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. Being a Startup company we are also expecting a relaxation in the taxation and more funding for startup incubators."

Satyen Kothari, Founder & CEO, Cube Wealth (ex-co-founder Citrus Payments)

"The esop policy is a good acknowledgement of how incentives in private companies work. However the limitations need to be examined to understand whether these work for younger startups in a practical manner. Most employees would exercise options at time if quitting or when the actual sale happens. In the former case this new policy is still imposing taxes, it seems. The devil is in the details."

Kaustubh Sonalkar, Essar Foundation

"One of the Union Budget's highlights was the focus on 'Building a Caring Society', which is a significant step towards gender sensitivity. The laudable decision, to appoint a task force that will present its recommendations regarding the issue about the optimum age of a girl to enter into motherhood, roots for her empowerment. Higher education, better health and increased employment opportunities not only makes her a force to reckon with, but also takes gender inclusivity to rural India. The gender-responsive budget should bolster women's empowerment, and thereby lead to a more inclusive and powerful India Inc."

Bhavesh Gupta, CEO, Clix Capital

"Reduced NBFC eligibility for SARFAESI Act is a well thought move that will help the sector to grow. Allowing NBFCs to be a part of TReDS will improve MSME access to credit, coupled with reduction in personal income tax slabs should spur consumption leading to growth."

Satyen Kothari, Founder & CEO, Cube Wealth (ex-co-founder Citrus Payments)

"The esop policy is a good acknowledgement of how incentives in private companies work. However the limitations need to be examined to understand whether these work for younger startups in a practical manner. Most employees would exercise options at time if quitting or when the actual sale happens. In the former case this new policy is still imposing taxes, it seems. The devil is in the details."

KNM Rao, Founder and CEO, Quick Ride

“The Finance Minister’s commitment to kick-start the Paris Agreement Action plan from January 1st 2021 and the proposal to allocate 4400 Crore to implement the Clean Air programme is a step in the right direction. Last year the Government allocated 460 crores for pollution measures including the National Clean Air Programme but with the current allocation, we hope the State and Central government will incentivize shared mobility concepts like carpooling, which reduces the number of vehicles on the road.

Moreover, the 1.7 Lakh Crore allocated to bolster the transportation infrastructure in 2020-2021 is much needed and will help reduce travel time and increase fuel efficiency.

As a start-up, we also welcome the government’s recognition of the entrepreneurial spirit of the country and the proposal of setting up of an investment clearance cell because of which young and bright talents will be given an opportunity to flourish”.

Saumil Shah, Partner, Dhruva Advisors, on changes to DDT regime

“Dividend received from foreign subsidiaries was taxed at 15% but available as a deduction from the onward distribution of dividend. This benefit has been taken away and the dividend from foreign subsidiaries will continue to be taxed at 15%, but onward distribution will further be taxed in the hands of the recipient shareholders.

Such dividend will further be taxed at 25.17% in the hands of corporate shareholders and applicable tax slabs in case of individual shareholders.”

Amar Ambani, Senior President and Head of Research, Institutional Equities, YES Securities

“The market saw a sharp sell-off during Budget, as expectations were sky-high. The market expected an overhaul of personal income tax slabs, whereas we expected only a minor tweak, in a year that has seen flat tax revenue growth. Market participants possibly also expected more measures to revive economic growth and ignored the containment of fiscal deficit in FY21 to only 3.5%. We are quite satisfied with the budget math however. Tax receipts appear achievable, especially once some flow comes through the amnesty scheme for direct tax cases. Likewise, disinvestment proceeds will also be large with LIC IPO on the cards. On the expenditure front, 13% yoy growth budgeted for FY21 matches with our estimate. Ramp up in GST revenues is a key monitorable.”

Ravindra Agrawal, MD & Founder, KisanKraft Limited

"Budget 2020 is a mixed bag for agriculture sector. While focus on farmer upliftment through 16-point action plan, increased funding for irrigation and 100 water-stressed district is a welcome step, farmers would be better served by improving electricity distribution infrastructure rather than expensive solar water-pumps. Continued support to women farmers SHG through Dhaanya Lakshmi Yojna will be good for rural economy.

In our view the most important item was the government's plan to move farmers towards the use of organic and balanced use of chemical, but this needs to be augmented with the development of new seeds and nutrient management. In our view, regulatory and financial incentivization of private silos rather than FCI and WCI would be more efficient. The FM's proposal to increase credit availability to farmers will give much-needed capital to farmers. Unfortunately, our expectation for reduction in GST on farm machinery, good quality branded seeds weren't met. Similarly, much needed reforms for exports and imports of agriculture produce to bring stability and predictability to the sector wasn't addressed. For goal of doubling the farmer's income, training farmers on best package of practice, MSP revision is necessary."

Amit Raheja, CMD Wealth Clinic

Though real estate has not got anything directly from this Budget but there are announcements that will indirectly help the sector. The direct benefit will come from the affordable housing tax holiday which has been extended to March 2021 and extension of withholding tax. By extending withholding tax, the developers and buyers will benefit if a developer sells his product at a rate lesser than the circle rate. This happens when there is a slowdown in the market and as an urgency measure someone sells it at a lower price, the transaction in these cases used to become questionable on the pretext that the rest of the amount has been paid in cash. However, real estate will also gain from the tax relief that people have got, which means that the buyer will have more disposable income at hand leading up to more decisions to buy property. Then we have measures taken by the government to boost rural economy and improve infrastructure that will indirectly lead to real estate development

Ashish Bhutani, MD Bhutani Infra

Real estate sector was expecting Single Window clearance and industry status. These two demands are very important for the smooth functioning of the sector as a whole. However, there many announcements in the Budget that are going to help the real estate sector to grow. Focus on infrastructure and economic growth in this budget will lead to more activity at the commercial segment as the demand for offices will grow.

Vikas Bhasin, CMD Saya Homes

Many fence sitting buyers are expected to take a call on real estate investment as the Budget has extended additional Rs 1.5 lakh tax benefit on interest paid on affordable housing loans to March 2021. This extension should have been provided for non-affordable housing segment also as housing prices in metros are high. However, not much was announced for the commercial segment directly. We feel that the economic measures that government has taken for the overall health of the economy will have a bearing on commercial segment. The Delhi-Mumbai Corridor announcement will also see development of commercial spaces along with residential.

Vaibhav Jain, CMD Rise

The Hon'ble Finance Minister decided to help NBFCs n HFCs that they do not face any liquidity crunch reducing the income tax burden on individuals. The multiple factors are responsible for the current state of Indian residential segment. "Demand-supply mismatch coupled with unscrupulous activities of some developers were the foremost reasons. The government focus on affordable homes took the sheen away from luxury housing. Liquidity continues to be a major pain point in the residential segment. Amidst slow sales, funding to developers from banks, non-banking finance companies as well as housing finance companies is literally is majorly frozen.

Sagar Saxena, Project Head Spectrum Metro

The major announcement government has decided to make of Rs 100 lakh crore for infrastructural development that will support real estate in small cities like Tier II and Tier III. We also welcome the thirst on the infrastructure sector outlined in this budget. Considering the Budget has also extended the additional Rs 1.5 lakh tax benefit on interest paid on affordable housing loans to March 2021, buyers have now had more reasons to invest in property. However, there has been a silence in the budget on stimulating mainstream real estate demand. The sector grappling with the reforms - driven new order has been bereft of any meaningful interventions that could have been achieved through the budget.

Pankaj Bansal, Director, M3M Group

The abolishment of the dividend distribution tax was required to protect the shareholder's interest. It provides a level playing field to Indian Companies as a dividend will now be taxed at the hand of shareholders, a taxation norm common in many countries. This will further attract foreign investment and provide a boost to the capital market in India.

Paramdeep Singh, CEO FieldAssist.

FeildAssist is India's leading SaaS-based sales automation platform and catalyzing empowerment of on-field sales teams and power smarter sales decisions with the aim of spurring growth both in the short and long term. Serving over 45,000 users along with 103,200 SKUs, the company has successfully associated with more than 350 leading FMCG brands covering 4,500,000 outlets.

Manish Rathi, CEO and Co-founder, IntraCity by RailYatri

“We welcome the focus and thrust on road transport with 1.7 trillion INR allocated towards the transport sector. The accelerated development of highways and Delhi - Mumbai expressway completion by 2023 will enable the growth of intercity bus travel. We see a wider industry focus and excitement in intercity transport due to the steps taken in Budget 2020. As a startup, it is encouraging to see the government take steps to encourage growth in the ecosystem. The removal of Direct Dividend Tax will attract more investors and in turn strengthen the ecosystem. The introduction of the Investment clearance cell at center and state level will encourage people in the remotest parts of the country to become entrepreneurs.”

Tapan Ray, MD & Group CEO, GIFT City

“We welcome the announcement in today’s Union Budget on setting up of an International Bullion Exchange at GIFT IFSC. This will lead to better price discovery of gold, create more jobs and further enhance India’s position in the bullion market.

This announcement is in line with Honourable Prime Minister Shri Narendra Modi’s vision that GIFT City would become a price setter in some of the world's largest traded instruments in the next 10 years.

Hon’ble Finance Minister has re-emphasised the importance of GIFT IFSC as an emerging Global financial services hub. The policy pronouncement regarding GIFT IFSC gives a tremendous boost to investor confidence both in India and abroad.

We thank Ministry of Finance, Government of Gujarat and all related institutions for their support in creating a Vibrant Global Financial Hub.”

Chander Shekhar Sibal, Senior Vice President, Fujifilm Indi

“We congratulate the government on presenting the Union Budget 2020 for the common man and it’s encouraging to see that the government has taken the lead to deliver on its promise of excellence in healthcare. The government’s “TB Harega, Desh Jeetega” initiative to eradicate tuberculosis by 2025 is a significant step towards building a healthy Society. India being the highest recorder of TB cases in the world makes it imperative for us to understand the high risk of catching the disease. The government’s vision aligns with our mission to raise consciousness and promote advanced diagnosis and treatment of tuberculosis among patients. Additionally, the government’s impetus on boosting the domestic manufacturing of electronics and medical devices in the country will reinforce the commitment towards raising awareness for early detection in India. Apart from this, the announcement to boost Artificial Intelligence is a great step to strengthen the usage of technology in the field of healthcare while intensifying the quality with accessibility and affordability. We believe that the government has put forward a progressive budget with a strong vision to take India’s social, economic and overall well-being to greater heights.”

Gururaj Bhat, CFO, Karle Group

“We welcome the Budget 2020’s proposed tax relief for buyers and sellers of property by allowing it to be valued at up to 10% which is presently at 5% below guidance value/circle rates for calculation of notional capital gains and tax on it. A further positive can be seen in extension of the deadline by one year for obtaining the approval by the developers in the affordable housing segment for Tax holiday benefits. Similarly to get the exemption of interest of 1.50 lakhs on the borrowed loan by the home buyer ,the deadline for loan sanction has been extended until 31.3.2021 which will in turn help the industry significantly.

However, the non extension of the sunset clause for SEZ units will discourage SEZ development. These SEZ developments are occupied by export units which contribute to major earnings by way of foreign exchange and employment generation. This non-extension of sunset clause will have a direct impact on the SEZ projects under development which would otherwise have attracted more export units to set up their establishment. The much expected removal of cap on interest on borrowed capital which is presently pegged at Rs.2 lakhs for self occupied property and the cap on loss from house property to be set off against other income also remained unaddressed.”

Ashok Mohanani, Chairman EKTA World and Vice President NAREDCO Maharashtra

The budget focused more on Infrastructure upgrade of Chennai-Bengaluru and Delhi-Mumbai Expressway estimated to be completed by 2023. This will not only raise the skill development in the infrastructure sector but will also open new markets for builders along with residents. Proposing the development of 100 new airports to be built by 2024 under Uddan scheme will bring in NRIs to India and increase the investment in the country. To bring in indirect relief to the real estate sector proposal of spending Rs 100 lakh cr on infrastructure development in the span of five years is the biggest news for the sector keeping in mind the current state of huge crash crunch in the economy. With this, the sector will be impacted towards expansion but the benefits will be observed in the later years. Support to the developers with the infusion of 22,000 crore to the Infrastructure Pipeline, on the other hand, setting a liquidity constraint on NBFCs and HFCs will be added in the future which will result in actions being limited and under the government jurisdiction. The new personal income tax regime for middle-class taxpayers by slashing the percentage to 10% from 20% is a big move and will eventually strengthen their buying power for investment in the real estate. The deduction of Rs 1.5 lakh for loan sanction with regards to affordable housing has been extended by one year which will minimally benefit both buyers and developers and give them some more time to pay back. The budget sentiment is positive and the funding has been spread across other sectors keeping a balance of inflation of the country.

Dinesh Kanabar, CEO, Dhruva Advisors LLP

Having a Charter for Tax Payers is welcome and having it enshrined in the Act, even more welcome. That said, it needs to be implemented in spirit and for that changes in mind-set need to be made at the ground level.

Parag Satpute, Managing Director at Bridgestone India

The Union Budget is a forward-looking budget and the government's commitment to boost income, increase purchasing power and towards accelerated development of highways is a welcome step for the automotive industry. I am pleased with the thrust on sustainability, an area dear to Bridgestone, the focus on climate change and Rs 4,400 crore allocation for clean air.

Rajesh Ramakrishnan, Managing Director, Perfetti Van Melle India

The income tax reduction could be seen as an indirect measure to increase the purchasing power of the lower and middle-income groups. The trickle downflow of the same into the FMCG sector is something to be hoped for. The Union Budget, however, leaves the entire sector wanting more in terms of the revival of consumption.

Supriya Paul, Co-founder, Josh Talks

The Union Budget 2020 presented initiatives that would give both the startup sector and the skilling ecosystem a boost. The government's push to infuse INR 3000 crores for skill development and mainstreaming industry level skill training in the areas of big data, AI and Virtual reality would bring the Indian skill competencies up to the league of training in countries like China and the USA. Online degree programmes for the underprivileged students would also extend the reach of formal education to the far-flung corners of the country. A deeper understanding of the direct implications of the various initiatives can be ascertained once the new Education Policy is unveiled.

For the start-up space – the tax reliefs promised by the government is a welcome directive. The investment clearance cell proposed, if instituted effectively, will help streamline pre-investment advisory and surely boost entrepreneurship in the country.

While the deferred payment of taxes on ESOPs by 5 years helps ease cash flow issues, capital gains on startup investments should have been reduced to give greater impetus to investment to startups.

Padmaja Ruparel, Founding Partner, IAN Fund

The budget 2020 represents a big win for the country's startup ecosystem. We are pleased to see that the Government has paid heed to our concerns and rolled out the reforms like 5 year tax holiday for ESOP, Tax exemption for startups with turnover

Saurabh Srivastava, Chairman, Indian Angel Network

The FM has delivered a fantastic budget for startups. The measures announced on ESOPs, taxation and seed fund will infuse tremendous energy in the ecosystem. The clear message on no-undue harassment will provide renewed confidence to entrepreneurs to create new innovative startups which create jobs and wealth in India and strive to take over the world. The startup ecosystem is extremely grateful to the PM and the FM who have taken the trouble to listen to startups and address some of their very serious concerns. And to DPIIT for piloting our cause so well.

Asutosh Mishra - Head of Institutional Equity, Ashika Group

Govt proposed to expand Natural gas grid infrastructure from current 16,200km to 27,000km.

It is also planning to take steps for transparent price discovery for natural gas. A step is beneficial for IGL, GGL, GAIL, AGL, MGL.

Shakti Pumps and Roto pumps can be a good beneficiary of governments initiative to fund 20L farmers for installing solar pumps.

Tax on the Medical devices tax as well funds sourced through PPP mode, the government would be building more affordable hospitals under the Ayushman Bharat scheme in 112 inspirational districts to target more diseases, more hospitals would also be empanelled in this scheme – positive for diagnostics companies. About 2000 medicines to be included in the Jan Aushadhi Kendra by 2024 – negative for the pharma sector.

Target for Agriculture credit increased by a whopping 25% to Rs15 Lakh cr vs Rs12 Lakh cr YOY. This is the highest growth target for Agriculture loans. Such a sharp increase in agriculture credit target is negative for the sector as different state government continue to announce loan waiver for the segments.

Ameve Sharma, Founder, Kapiva

The budget has rightly emphasised on addressing the issue of growing non-communicable diseases which are essentially lifestyle diseases. In addition, as a part of the holistic vision of healthcare, the capital push through PM Jan Arogya Yojana will create awareness on health and wellness across India which will have a positive rub-off on healthcare products and service providers. A proposal like investment clearance cell will create a vibrant start-up eco-system in the country and make India a global entrepreneurial hub.

Deepak Ananth, CEO & Co Founder ScoutMyTrip

The setting up of an investment cell is very interesting. Getting access to the Fund of Funds has been something most startups are looking forward to. With the investment cell, this is further augmented by getting advice on setting up your business and also investment options available to startups.

The FM also talked about how the travel and tourism industry is being infused with 2500 Cr this year. As a travel startup, this is great news as much as it is for increasing earnings at a local level for individuals.

MSME's stand to benefit from a single platform e market place for the exchange of goods. We are excited to see what this entails and how it pans out.

Vivek Chandy, Joint Managing Partner, J. Sagar Associates

Regarding the sop for affordable housing, I do not believe that extending the period by one year will give the RE industry the stimulus that it was seeking or that it probably deserved.

The residential real estate developers were hoping for much more than merely extending existing benefits for affordable housing. Consumption across cities is low and many developers are facing insolvency. Had there been moves to directly help developers or lenders in the sector it would have been welcome.

S.R. Patnaik, Partner, Cyril Amarchand Mangaldas

The announcement to have a legal framework to prevent tax-related harassment is truly welcome and shows the government's commitment. It will go a long way in enforcing will business and investor trust and confidence.

Shrey Kumar, Co-founder, Aadvik Foods

The focus of Government on entrepreneurship and agriculture sector in this year's budget will boost the confidence of a lot of entrepreneurs in the agriculture segment. The setting up of cold chain infrastructure in the country is much needed and it is good to hear that govt is planning to improve the same. FM's focus on easing out the investment-related problems to start-ups such as pre-investment advisory will also be really helpful to young entrepreneurs. Overall the budget looks positive towards start-ups and improving the logistics and infrastructure of the agriculture segment. Also, we appreciate the government's move and it would be great to see the milk production capacity doubling from 53.5 MT to 108 MT by 2025.

Shubham Maheshwari, CEO and MD at Being Chef

Union Finance Minister Nirmala Sitharaman in her Budget 2020-2021 speech addressed the startup ecosystem as the "strength of India," and "job creators", and announced a bunch of measures to ensure ease of doing business for Indian startups. We are glad that this budget has included a seed fund to support early-stage startups and an investment clearance and advisory cell for entrepreneurs. ESOP tax relaxation will help a lot in team building. Allocation of Rs 6,000 crore under the Bharat Net Programme with a focus on digital connectivity across India is also an appreciable move. We hope that these steps will take Indian startup ecosystem to new heights.

Mr Akshay Singhal, Founder, Log 9 Materials

At the outset, budget looks to balance aspirations and shortcomings. For Deeptech entrepreneurs like us, budget presents a clear national intent towards greener environment and renewable energy which is commendable and much appreciated.

Mr. Shachindra Nath, Executive Chairman at UGRO Capital

"The proposal to allow deposit insurance and credit guarantee corporation to increase deposit insurance coverage to Rs. 5 lakh per depositor compared to the present Rs. 1 lakh is extremely significant, as it will increase trust in banking. The reduction in the NBFC Eligibility for SARFAESI Act to Rs 100 crore from Rs 500 crore AUM will boost the confidence among small NBFCs and reduce the cost of borrowing for MSMEs. The proposal to allow NBFCs to extend invoice financing to MSMEs will boost productivity in the sector."

Abhishek Ganguly, Managing Director, Puma

"India currently does not have the infrastructure, capability, skillset and technology to manufacture higher end footwear. Therefore, increasing customs duty of footwear from 25-35% may not have a significant impact on imports. Presently, at the entry price, we anyway manufacture 30% of our footwear in India, and we will continue to do so. The government should proactively promote and enable footwear factories which can handle more technical manufacturing. This is a huge opportunity as India can definitely take share from China and far East – not only for domestic, but also international consumption."

Sandeep Shah, Managing Partner, NA Shah Associates LLP on Ind AS for Insurance sector

"Today FM announced that Government will sell a part of its stake in Life Insurance Corporation of India through an Initial Public Offering (IPO) and would be good opportunity for investors to have stake in such institution.

To align the global accounting practices in Insurance sector, it was initially proposed to implement / adopt International Accounting Standards in India effective from 1st April 2020. However considering the intricacies of this industry, IRDA has deferred the effective date for implementation of Ind AS and has linked the date to finalization of new Insurance standard viz IFRS 17 by International Accounting Standards Board. Currently as per exposure draft of IFRS 17, the effective date of standard is 1st January 2022. This transition would result into significant change the way financial information is presented by Insurance sector.

IRDA must firm up the effective date for implementation of Ind AS if the IPO of LIC of India being one of largest Insurance company is to attract foreign investors in the upcoming MEGA IPO.”

Dr. Keshab Panda CEO&MD, L&T Technology Services

“From a perspective of the engineering and technology services industry that thrives on innovation, the government’s move to re-revitalize the IP filing and protection process is a welcome step. Additionally the thrust on quantum computing as a key focus promises to further consolidate India’s position in the global digital transformation landscape. The announcement of proposal to set-up Data Centers is also a step in the right direction in terms of acknowledging the importance of data and data analytics.

Overall, the budget puts the role of technology in limelight spanning across all the three focus areas as announced by the government namely aspirational India, economic development and a caring society.”

Vinu Cheriyan, CFO & Director Operations, Sennheiser India

For 2020-2021 Union budget, the government has made some notable announcements that are aimed towards strengthening the industry and commerce sector. It also focuses on enhancing growth of youth with skill development. The allocation of Rs 27,300 crore for development of industry and commerce will help in the overall growth of the country. Government’s plans to announced a new scheme to encourage domestic manufacturing of mobile phones, electronics and semiconductor boards, to expand rural development using modern digital technologies to generate massive employment. Furthermore, allocating Rs 3,000 crore for the Skill India programme is also set to increase the skill based jobs in India. To further improve this and provide employment, 115 higher education institutions will also start apprenticeship from March 2021 which will benefit the youth of this country. This initiative will also help people in getting the appropriate jobs basis to their skillsets.

Focus on AI, Internet-of-Things (IoT), quantum computing, a policy to build data centre parks across the country will help in channelizing the explosion of digital technology in the country. With government’s emphasis to increase digital penetration and consumption of mobile, will further strengthens India’s internet potential. This allows for immense growth possibilities for the entertainment industry, further giving a push to the audio accessories industry.

B Prasanna, Group Head - Global Markets, Sales, Trading & Research, ICICI Bank

The first Budget of the new decade appropriately focused on holistic growth objectives by resorting to the escape clause permitted by the FRBM act even as the commitment to consolidation remains in place. The budget sets out goals for boosting income in agriculture and allied sectors, boost export and commerce, concentrate on physical infrastructure and promote much needed focus on the country’s human capital through health, education and skilling. In this regard, the proposal of encouraging foreign flows

into education is encouraging. The focus on digitization to facilitate governance has been given a commendable priority and was underscored in this Budget as well. The idea of disclosing extra budgetary borrowings in the budget document is laudable as transparency would be welcomed by the investor community. The Government had introduced bold structural reforms in 2019 already through cut in corporate income tax and the spirit was continued in the restructuring of personal income tax rates and dividend distribution tax. These measures will help in reviving sentiment and boosting consumption demand especially at a juncture where the growth impetus has been receding.

Other targeted reforms undertaken such as extension of incentives for affordable housing and incentives for export credit are also welcome. The decision to divest a heavyweight such as LIC is bold and will help to augment the financing kitty significantly. The proposal to set up the Investment Clearance Cell, which will facilitate a single point support structure is a welcome move and will further ameliorate our “ease of doing business”. We are also heartened that the Government has not cut capital expenditure and has retained its focus on improving the quality of the overall spending.

In view of the fact that India requires considerable capital flows to augment our savings the move to enhance limits for FPI holding in corporate bonds and tax free incentives for sovereign wealth funds are positive measures.

Kumarmanglam Vijay, Partner, J. Sagar Associates

Finance Minister has proposed to bring in a scheme for resolution of outstanding income tax litigation by allowing taxpayers to pay only outstanding tax before March 31, 2020 to settle the same. In case demands were to be paid after March 31 2020 an additional amount may have to be paid. Exact details of the scheme are awaited. This is a very significant step to curb litigation in line with other steps introduced by the Government in recent past such as increasing threshold for filing of appeals by department. A very welcome step indeed.

Krishna Karwa, Senior Research Analyst, iFAST Financial India Pvt Ltd

"Overall, the budget fails to meet expectations in the backdrop of weakening macroeconomic conditions. There seems to be no meaningful stimulus to private sector infrastructure, manufacturing, real estate and rural spending. Issues pertaining to unemployment and weakness in the financial system have not been addressed satisfactorily either.

Revision of tax slabs was an eagerly anticipated positive, but it has been offset by the rider of forgoing exemptions/deductions. Nevertheless, individuals have the option to continue with the prevalent tax structure. Lack of relief in long term capital gains tax and taxability of dividend distribution tax in the hands of recipients may disappoint retail investors.

Measures to attract foreign capital, undertake disinvestment (especially through LIC stake sale via an IPO), facilitate consolidation of public sector banks and offer relief to MSMEs are some of the green shoots. It remains to be seen if such announcements are backed by

an equally robust execution strategy."