

Union Budget 2017: Industry Outlook

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A BUDGET FOR THE MASSES

Union Budget 2017-18 is a big relief for the common masses – from reduction in personal income tax to sops for affordable housing- the Finance Minister has announced various measures to benefit farmers and weaker sections of the society. On the corporate side, abolishing of FIPB is a bold step and further liberalization of FDI policy will cheer foreign investors. While last year's auctions removed spectrum scarcity in the country, expansion of Bharat Net project will ensure high-speed broadband to 1.5 lk gram panchayats via Wifi. With increasing

smartphone penetration and push for high-speed broadband connectivity in rural areas, a massive digital revolution is imminent in India. Lastly, reduction of corporate tax for MSMEs is a welcome step but larger Indian conglomerates looking to compete with global peers will continue to find the tax rate challenging.

Ajay Laddha**Co-Founder****YMS Mobitech Pvt. Ltd.**

The Union Budget has outlined all the rights steps for the government's central agenda of Transform, Energise, and Clean India. The lower corporate tax announced will help small businesses become more competitive in the global market while reduction in personal income tax is a step in the right direction to boost the consumption cycle. Increasing number of years from 5 to 7 for tax holiday for startups is also a welcome step. Preempting spate of cashless transactions in the days ahead, announcement of a new payment regulatory board will help in realizing Govt's dream of a Digital Economy. Also, curb on cash transactions of over 3 lk will help in pushback of the parallel economy.

**Tomas Pavel****CMO****Home Credit India Pvt. Ltd.**

The Finance Minister presented a carefully detailed plan to improve people's spending power and also focused on the need of small traders and farmers. It is heartening to note that the Finance Minister has offered the biggest tax break to the lowest salaried bracket giving them more money in hand. The push towards digitalization of payments and formalizing the credit market is a welcome step which will lead to more people coming under the legitimate financial system.

Piyush Jain**CEO and Co-founder****Impact Guru**

The Union Budget announcements made yesterday reflect a very positive change for the crowd funding industry as a whole.

Not only does the cap on political funding cut down the anonymity of large donations which has increasing importance since the black money

crack down, it also echoes demonetizations' shift towards a digital economy. Similarly, the govt. has proposed the limit of cash donation which can be received by a charitable organization to be reduced from Rs 10,000 to Rs 2,000.

These two changes means both NGOs and political parties will need to act now towards investing in channels to support the dawn of the digital economy, proving an important time for online fundraising platforms such as crowdfunding."

Captain Dharamraj Shukla

CEO

GAA SpeedJet Aviation

IT'S A RESPONSIBLE BUDGET

Apart from its agri push and impetus for rural population, Union Budget 2017-18 has announced a slew of measures to leverage India's huge demographic advantage. With jobs and skill training among top focus areas, the government's agenda to improve quality education for youth of the country is a step in the right direction. A capital outlay of 2.4 lk crore for the transportation sector along with new airports via PPP model will steer the economy in the right direction.

Amin Rozani

MD & Co-founder

The Spratan Poker

Budget 2017 brings in a relief to the start-up eco-system as the profit linked deductions have been proposed to be reduced to 3 years from 7 years, giving the sector a much-needed boost. Moreover, the 7 year tax holiday will help start-ups recover the losses that were incurred due to demonetization. In 2017, we can expect more and more start-ups entering the market, and the existing ones optimizing their growth. Focusing on the rural economy, the

Finance Minister announced that by the end of 2017-18, 1.5 lakh gram panchayats will have access to high-speed broadband connectivity, which will further the cause of digital inclusion. Overall, this Union Budget is a positive push towards ushering a new digitized economy across sectors, and promises an optimistic future for start-ups.



**Akshay Munjal,
President
BML Munjal University**

This year's budget sees welcome initiatives that will bolster the education industry in India. We welcome the efforts towards providing quality education in STEM across primary and secondary schools in India. The launch of the Swayam platform, the upliftment of 3,479 educationally backward blocks, the setting up of the National Testing Agency and 100 skill centres across India will make quality education accessible and available to the masses and will help empower a generation of future leaders. This will lead to an overall improvement of educational facilities throughout the country, particularly in Tier-2 and Tier-3 cities. Though these are significant steps in the right direction, we would have also welcomed further constructive investment towards R&D infrastructure.

**Abhishek Bansal,
Executive Director
Pacific India**

I would like to congratulate the FM for presenting a positive and pro-growth budget this year. The government's initiatives towards digital payments will benefit retail growth in the long term. Affordable housing has been given a huge impetus with Initiatives like "Housing for all by 2022", DDT exemption in REIT, increased allocation towards the infrastructure sector including roads and highways and the NHB allocation to affordable Housing Finance Companies.

Reduction in time to 2 years for long term capital gains tax benefits will aid the real estate investors as they can book profits by paying a bare minimum income tax at the end of two years only on profits earned from sale of property. This along with other initiatives like impetus towards skill development, Tax regime, jobs creation and will act as a big push towards the government's make in India and smart city initiatives.

**P S Choudhary
Head – Sales & Marketing
LML Limited**

The Finance Minister has announced a prudent Budget with focus on



infrastructure, employment and digitization. While reduction in interest rates has already given an impetus to the consumption cycle, lower personal income tax for income up to ' 5 lk will put more money in the hands of the common man. Also, airports and air connectivity in smaller towns will further boost economic activities. With measures to stimulate growth, promote the digital economy and provide relief to middle class through affordable housing, this Budget ticks all the right boxes.

Anuj Goel
Co-Founder
Cyware

Post cyber attacks on our banks in the month of October 2016, it was expected of the government to undertake a slew of measures for protecting financial sector. The Union Budget 2017-18 has provided for a dedicated CERT for Finance Sector. This will go a long way in securing the vulnerabilities at the ends of the banks and financial institutions. However, given the change in cyber climate of India after demonetisation, the Budget should have addressed the vulnerabilities at the end of citizens, majority of whom lack cyber literacy and are easily conned by cyber criminals.

It would have been a very good initiative, had the government allocated funds for a Cyber Suraksha Programme that would work towards inculcating cyber awareness in the common man. In addition, the domestic security industry also had hopes of support from the budget. But that hasn't happened and common man and the security start-ups are still vulnerable and the issue of cybersecurity has been once again not addressed completely.

Hamid Farooqui
CEO
SoGoSurvey

The Budget presented by FM is quite in line with the policy of the government of India has been following with reference to startups and technology. FM's latest announcement providing incentives to startups and relaxation on taxes for 7 years would surely add Phillip to a large number of startups in the country; however, the FM should have announced more incentives for seeding and providing a backup for startups to take off, which is left desired.



One major announcement, which FM has made, is the allocation of Rs.10 crore, For Bharat Net Project aimed at providing suitable connectivity rate for rural areas. This Step is in the right direction and likely to facilitate digitization at grass root level provided with the supplement in a robust telecom Industry.

Harshil Gala

Director

eSense Learning Pvt. Ltd.

“Digital learning and education gets boost in the budget”

It's possibly for the 1st time in many years that a clear-cut road map for digital learning, online education, and technology advancement has been laid out in the budget. Hence, the full credit goes to the FM.

One of the biggest announcements which is likely to have an impact on youth and education would be 'National testing agency' for entrance exam. It would not only boost greater participation from all strata but would simplify the process and make it more transparent. Enhancement of skill India mission, establishment of 100 international skill centers, creation of 5 thousand PG seats per year, courses in foreign languages and upliftment of around 3 thousand 500 educationally backward blocks in the country are the highlights of this year budget and if implemented with due sincerity, I hope this steps would go long way in bringing about the change in the world of digital and online learning.

The announcement of 'Bharat net project' which would take connectively to deeper area should help in promoting e-learning and we should get ready for that.

This budget has given more importance to make 'Tech India' and this announcement would push an economy towards digitization, I welcome FM's step to emphasize on science and technology and availability of 100 skill centers across India.

Jagdishchandra Toshniwal

MD

Wonder Cement Ltd.

“Boost to infrastructure in the budget will fuel growth”



This year budget clearly shows bold initiative being taken by the finance minister to lift up the sagging sentiments and this should pay given that the housing segment has been elevated to the stature of infrastructure with a record allocation of Rs. 3,96, 135 lakh crore.

The cement industry is likely to see an increase in the demand in the wake of new policy announcements including the FM's announcement of 1 crore houses to poor by the year 2019, the aim of 133km.road per day under 'Pradhan Mantri Gram Sadak Yojana' construction of 500 rail stations and new metro policy.

Overall, I believe this budget should help us in bringing back the growth which has had the temporary effect of demonetization.

Vinay Singhal
Co-Founder & CEO
Wittyfeed

Continuing with its Digital India drive, the union budget 2017 has also announced focused initiatives for the digital industry. With a continued emphasis on its "Digital Village" project, the decision to provide wifi connectivity to rural areas is a very smart move to promote digitization all across. This is the need of the hour following demonetisation as seamless connectivity would result in end-users benefit.

Chiranjiv Patel
Regional Director
Entrepreneurs' Organization, South Asia

The overall budget, as expected is simple, straight, and a motivating one. The budget is a very pro middle class, and everyone will certainly appreciate the tax cuts in the lower income group. This budget will help our economy to grow at a decent pace with something that will boost the sentiments of the people of our country at large.

Although there is nothing major for the corporate sector that has been hit for the last few months, the overall encouragement to youth and new start-ups will boost job creations. Measures like the benefits on turnover up to 50 crores on income tax payments, on the removal of scrutiny for first timers, and a lot of such others are surely a welcome step.



It seems that the Government is also very serious to control with the steps to curb the black money. One cannot do any transaction in cash above INR 3 lacs now. There will be a better transparency in political donations as parties can longer take more than Rs 2000 as a donation.

Pranjal Prashar
Founder & CEO
Repup

This budget was a mixed bag. The 5% tax exemption for companies having turnover below 50 Cr will give companies, in its infancy, some breathing space especially in the initial years of product testing in the market. Announcements for improving infrastructure in transport and digital connectivity are welcome. However no movement on removal of angel tax or increase in the concession period for Minimum Alternate Tax was a let down for startups. Carrying forward the momentum of demonetization, this budget clearly stood up for digital financial inclusion which is an essential step towards a transparent economy.

Rekha Dubey
CEO
Aditya Birla Memorial Hospital

Budget 2017 comes as a welcome move for the healthcare industry with rules being formulated to reduce the cost of medical devices and amendments being made to ensure drugs are made available at reasonable prices. This will have a direct impact on the overall healthcare spending of the end consumer and reduce the cost of treatment for the patients. Further in order to meet the scarcity of shortage of manpower in the healthcare industry the move to start DNB courses in big district hospitals, strengthening PG training in select ESIC & Municipal Corporation hospitals and encouraging the reputed private hospitals to take up DNB courses will ensure adequate availability of specialist doctors to strengthen the secondary and tertiary level healthcare. Also the target to eliminate various diseases like Leprosy, Measles and TB and transforming 1.5L health sub-centres into health wellness centres are in line with the agenda of the finance minister i.e transform, energise and clean India.

Mr. Chander Agarwal
Managing Director
TCIEXPRESS



We welcome government's decision to allocate of Rs. 39,61,354 crore on infrastructure development and selected airports in tier 2 & 3 cities. For the road sector, Honourable Finance minister has allocated Rs 67,000 crore for the national highways in 2017-18. Additionally, an allocation of Rs 19,000 crore has been made towards the Pradhan Mantri Gram Sadak Yojana (PMGSY) to connect far flung habitats. The move will boost the growth of the logistic industry to a greater extent.

The budget was focused on strengthening the multi-modal connectivity system for logistics sector, which is imperative for competitive economy. This will bolster the network and help us operate efficiently in the space of express delivery, it will also reduce the overall logistics cost. Uplifting the infrastructure will incentivize logistics players, and help in contributing more towards the GDP. I was also delighted to see the Honourable Finance Minister speaking about the GST and its implementation that will simplify the tax structure. Lastly, introducing schemes under digitization will enable a cashless economy and will promote ethical and transparent business. Overall, it was a satisfactory budget.

Gayathri Vasudevan

Co-Founder & CEO

LabourNet Services India Pvt. Ltd.

With respect to the skilling industry, the budget 2017-18 has been in line with the expectation of the market keeping in view the demography dividend. The mention of PMKK centre coverage to 600 districts from 60 districts presently and 100 India International skill centres shows the continuity and commitment to Skill India campaign. With the raised budget allocation for the PM Awas Yojana, 5 lakh rural youth will get the benefit of getting trained and certified in masonry.

This will give boost to the construction industry. The idea of setting up online learning platform, Swayam, will also provide skilling through alternate learning means. Skill Acquisition & Knowledge Awareness, livelihood Program called SANKALP will provide market linked training which will focus on entrepreneurship. This is a welcome step. The employment potential in leather sector is bound to increase, if similar package like textiles is extended to leather and footwear segment as mentioned in the budget. Overall, the budget is a good continuity in Skilling India.



Neeraj Joshi
Founder and CEO
ThingsMeet Solutions

Budget 2017 comes as a boost to the healthcare segment given the steps being taken to reduce the cost of medical devices and medicines. This will indirectly benefit the patient by reducing the cost of treatment for them. Further Aadhar based health cards for senior citizen will be very helpful in maintaining health records of senior citizens and is a very good move towards Digitization of healthcare industry

Vidhu Goyal
Founder
WONK, Tutor Booking App

Budget announcement for setting up an innovation fund to address poor learning outcomes in secondary schools would have a significant impact on quality of education being imparted. ICT enabled transformation in schools is again the "need of the hour" however lack of technology infrastructure may come across as a major hurdle. Greater autonomy to higher education institutions would hopefully address issues around infrastructure, faculty shortage and international exposure. Efforts to reform medical education & UGC are a welcomed move.

Ashwin Suresh
Managing Director
Megamorph Marketing Pvt. Ltd.

A progressive budget giving huge relief to corporate and individual tax payers. A path breaking step to curb unethical political funding. This government means business. The future is bright.

Punit Desai
CEO and Co-founder
Welcome Cure

A 7 year tax relief is a welcomed move for the startup eco-system to help overcome any losses the industry has incurred in the last quarter of 2016 due to the demonetisation drive. An added relief is the profit-linked deductions reduced to 3 out of 7 years giving a push to the sector overall. Realising the Digital India movement, expansion and



Internet penetration in rural markets will further boost the startup eco-system while the digital transactions encouraged by the recent demonetisation drive will help push the Startup India initiative.

Mohit Gang
CEO and Co-Founder
Moneyfront.in

Budget incentives digital payments and discourages cash based transactions – overall this augurs well for most of the tech-startups as this will encourage a large section of population to embrace digital mediums of payment. Also, Profit-linked deduction period has been increased from 5yrs to 7yrs for startups. This gives an extra 2 year cushion to startups to claim deductions on profits made in first 3 years."

Devi Prasad Biswal
CEO
BookYourGame

We are absolutely motivated and optimistic by the affirmative tone of this year's budget. The big digital and SME push will lead to revolutionary transformation in India's digital payments ecosystem and Point of Sale (POS) systems will have a great impact on all e-commerce companies like BYG. Also, the announcement about exemption of tax and duties on digital payments are bound to make digital a new normal in 2017.



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