

Budget Expectations of leading players from various industries

Budget Expectations of leading players from various industries-IT, Telecom and Hospitality

Hyderabad, Andhra Pradesh, June 30, 2009 /[India PRwire](#)/ -- **Hospitality Industry Expectations** –

Mr. Jaideep Anand, GM, Ista Hyderabad says -

The budget 08 had not been very rewarding for the tourism/hospitality sector so expectations from Budget 2009 are indeed very high. Since the sector is anyways going through a bad phase with the ripple effect of global slowdown and 26/11 attacks, we are looking at receiving tax rationalization and recognition as an industry which will make it easier for the sector receive funding and thus grow at a higher rate. Hospitality industry is key growth driver for the economy as it brings highest forex to the country and through its multiplier affect it supports business and infrastructure, generates employment and also boosts tourism. Though there are tax benefits for the star hotels which are provided by various state governments at their level, there is no policy of tax exemption or tax holidays for the hotels from the center.

Telecom Industry Expectations –

Mr. Debasis Chatterji, CEO, Netxcell Limited says -

Mobile industry pays around 20-25% direct and indirect taxes the load for which is ultimately passed on to the subscriber but if this tax is reduced, it would form a catalytic factor for the industry which currently is growing at the rate of 40-45% . If we want to achieve another 10% growth the government should cut the taxes for the industry which will help in increasing the subscriber base and eventually generating more revenues. We would also expect the government to distinguish profitable PSUs to generate additional cash which will reduce the fiscal deficit.

The Indian telecom market has emerged as one of the fastest growing telecom markets in the world. The telecom industry has also fortunately not been adversely impacted by the global meltdown however to keep the momentum going strong for this sector, we do hope for the new budget to liberate the telecom industry in India from being subjected to multifarious taxes / levies.

The telecom success story is essentially due to the much emphasized mantra of affordability with quality. The telecom industry in India is now looking forward to a greater success story which could definitely happen with prudent fiscal legislation and administration

IT Industry Expectations –

Mr. Ramesh Lognathan, MD and VP (Products), Progress Software India says –

IT industry would expect the government to extend the STPI scheme for a few more years to help tide over the current crunch the industry is facing. The tax relief will help take some pressure off the companies that are already facing reduced business, severe pricing pressures and both driving profitability concerns. This becomes very critical specifically for SME organizations.

From a medium term standpoint, I would like to see the budget also encouraging domestic software companies to target more of the domestic market. Not so much as a protectionist measure, but more as a measure to encourage more active participation. I would also expect government to encourage (and stimulate) IP creation. Pushing the industry beyond the present outsourced services focus to create packaged software and products would also help.

Mr. M Narsimha Rao, President HYSEA (Hyderabad Software Export Association) says-

As an Industry we are positive about the budget which will be presented in July. We are looking for policy interventions to help regain the momentum and bring back the high growth rates we have seen in the industry. We need the Government to enable higher investments into Infrastructure development, Primary & Higher education, in strengthening security and to encourage Innovation, R&D and Intellectual Property creation. We need a healthy

eco-system of SMEs in this sector and some specific policy interventions to help the smaller companies would immensely benefit the industry. In the current environment we are also looking for schemes which encourage higher job creation and we in the IT/ITES industry have tremendous job creation potential. Specifically for the short term, we need the Government to extend the Tax benefits under the STPI scheme for a further period of 10 years & allow greater freedom in movement of existing business into SEZs for IT/ITES companies.

Mr. V Laxmikanth, MD, Broadridge Financial Solutions India Pvt Ltd says -

From a macro level, I would look at the Union Budget focusing on allocation of appropriate resources and initiation of policy changes wherever required that should make it possible for India to get back to its GDP growth of 8% to 9%. Containing the fiscal deficit should be another important priority for the government at this stage. This budget should also consider increasing spend on infrastructure – primarily power and transport. For export oriented industries, while stimulus packages have been provided for, keeping in mind the global meltdown appropriate benefits need to extend to enable the Indian exports become profitable. This will in turn generate domestic employment opportunities which were lost due to the sharp decline in exports in last 1 year. For the IT / ITES industry the STPI tax exemption status should be continued for a few more years.

This budget will really be very crucial for the “aam aadmi” especially the middle class who have been impacted by the galloping consumer prices, relief should be provided to them by lowering excise duty on essential items of mass consumption. For senior citizens who have been impacted by the low interest rates in recent years, there should be either higher IT relief or increase in interest on savings instruments.

For more information, please contact:

Simi Santosh
Image Executive

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