

Experts demand cuts in individual tax rates

Raheja QBE General Insurance CEO and MD Pankaj Arora said that as India is grossly underinsured in terms of health insurance, the Budget can increase the tax incentives for this segment. "Increasing the Foreign Direct Investment (FDI) from the current 49 per cent to 74 per cent for the insurance industry would help bring foreign investment to India and go a long way in increasing the insurance penetration. Some tax incentives for home insurance will also be welcome," he added.

Policybazaar.com Co-Founder and CBO Tarun Mathur said only 8 per cent of the population was covered by insurance including term, health and the percentage of pure protection-led insurance is abysmally low. "We do not have a social security system like the one in Europe where the gov-

ernment takes care of all the end-to-end requirements of the citizen post-retirement. In fact, the only available instrument of social security for citizens is insurance. Thus, it is important for the government to adopt a sandbox approach towards insurance in the Union Budget 2020 and incentivise people to make the nation socially secure," he said.

Harbinger Group Founder and CEO Vikas Joshi said the Budget should provide fiscal policy support for the IT industry. "A key priority in this Budget should be to bring back growth and employment. The IT industry is one of the bright spots in an otherwise slowing Indian economy. The industry could be at the cusp of another leap due to strong growth drivers such as digital disruption, AI, blockchain, cybersecurity and IoT. As the IT industry reinvents itself, it needs

pro-growth policy support. Extended SEZ tax benefits, growth-friendly lending norms and elimination of delays in tax refunds will attract investment and improve liquidity," said Joshi.

Deccan Chamber of Commerce Industries and Agriculture (DCCIA) Vice Chairman HP Srivastava said the cut in personal income tax rates for individuals will help in uplifting the demand by putting more money in their hands. He said there is a need to remove bottlenecks in implementation of Goods and Service Tax (GST) and Insolvency and Bankruptcy Code (IBC) and simplify the calculation of Minimum Alternative Tax (MAT).

Nippon Paint India President (Automotive Refinishes and Wood Coatings) Sharad Malhotra said there is a need to push forward reforms and revive demand.

"With the auto industry facing slowdown, we are looking forward to demand-side measures that will pull the economy out of a slump, provide relief to the sector and revive consumption. The auto industry is gearing up for implementation of BS-VI norms in 2020 and we are hopeful that demand will crawl back up from the second half of the year. We are hopeful of a lower GST rate for vehicles that will improve consumer sentiment and stimulate demand," added Malhotra.

PNG Jewellers Chairman and Managing Director Saurabh Gadgil said there is a need for a reduction in import duty on gold. "A cut in income tax for a common man will augment disposable income and contribute to enhancing spending on items like gold and jewellery and other consumable sectors. The government had set up

the Domestic Gold Council to upgrade growth of the sector and boost exports of jewellery which is still awaiting," said Gadgil.

Praj Industries India Executive Chairman Pramod Chaudhari said the Union Budget should renew its focus on strengthening agriculture, manufacturing and infrastructure, which will also generate employment. "The Budget should have strategic policy interventions to boost exports by increasing competitiveness. Fast-tracking reforms to strengthen the BFSI sector will improve consumer sentiment and create demand. The Budget should mainstream climate risk and prepare the financial ground for risk assessment and mitigation. A thrust on propagating biofuels in the country's energy consumption will help mitigate climate and economy risks," added Chaudhari.