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# What IT Channel Expects From Union Budget 2017

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Mumbai: The entire country is eagerly waiting for the Union budget 2017 with hopes that the FM will announce an increase in the limit for tax free income and some ease in the current service tax rates. Post demonetization, the country is curious about how the 50 days of gigantic exercise of curbing black money will benefit the tax payers and help to cut the inflation rate, the industries are also closely analyzing that will the budget fulfill government's promise of ease of doing business. IT channel is optimistic about the Union budget which will be presented in the house on February 1.





Channel Times speaks to some of the prominent partners to understand their expectations from the Union Budget 2017. Here's what they have to say.

### **Ease Of Doing Business To MSMEs**

MSMEs having developed new products must be given tax breaks. They should be given more Preferential treatment in government purchases, even more than startups as they have staked their own money rather than get funding from others. If these companies are held partially by corporate above a certain threshold, make them ineligible for tax breaks as corporate are known to misuse government policies and transfer business only for enjoying doles and lower taxes.

Government can also ask banks to fund for stake, equity out of large sums received from demonetization to promote such products that are in interest of the country.

- *Kshitij Kotak, Chief Product Innovator, Grecells*

### **Reduction In Duties For IT Sector**

Today our central government is pushing for cashless India or less cash transactions in India.

To have proper cashless transactions we need primary support of IT products & solutions. Considering this we expect reduction in duties for IT sector. Also once GST is introduced, IT Products should be included in 12% slab. This will give great boost for IT sector which will eventually help India to move towards Cashless economy in Digital India.

- *Sanjeev Pathare, Reseller, Computer Shoppee*

### **Extra Taxes On E Commerce**

I expect the lower tax rates this time due to curb in Black Money. Also GST should be very straight forward and business friendly. I expect Union Budget to levy extra taxes on the OLS and bringing their sales in tight scrutiny.

The government should sincerely take Digital India ahead boasting IT Sales.

- *Arvind Singh, MD, Maxnet Computers*

### **Require Boost To Local Manufacturing**

I expect government should announce policies that will encourage local manufacturing in the country. The government is talking about Make in India. but it will not succeed unless we give freedom to local manufacturers and give them an ease of doing business.

- *Champakraj Gurjar, President, FAIITA*

### **Require More Clarity On GST**

The three factors that will be in the spotlight for this year's budget presentation are – revision in taxation slabs, implementation of GST and focus on digitization post demonetization. We expect the government to announce some incentives to promote digitization as well as disincentives on cash transactions. The IT industry also hopes for reduction in corporate taxes and abolishment of TDS.

The budget presentation should also offer more clarity on GST and its implementation as that will help bring clarity on existing tax rates, dual taxation and other issues pertaining to

variable rates across states, octroi/entry tax and permits. GST will bring in the much-needed transparency in taxation by ensuring uniform rates across states facilitating smooth movement of goods across India

- *Sriram S, Co-Founder and Director at iValue InfoSolutions*

### **Incentives For Domestic Firms**

There are several key expectations from Budget 2017, pitted to be important and markedly different from the past few years. A key expectation is large-scale job creation driven by incentives to domestic industries, and allocating more funds to mega projects in government and public sectors.

We are also expecting a transition towards digital economy through incentives and tax breaks; likewise, some measures to address the slowdown caused due to demonetization. This could be in form of incentives to agriculture and FMCG sectors.

- *Anoop Pai Dhungat, MD, Galaxy Office Automation Pvt. Ltd*

Since the government is giving a lot of push to digital payments, partners demand waiving off of service charges on Online payments such as Credit & Debit card to encourage people to make online payments. Partners strongly feel that the current rate of service tax should be lower or keep unchanged to keep inflation in check.

Partners also expect a relief to middle class citizens by increasing basic income tax exception limit to Rs. 400000. Reduction in Interest rates may also boost infrastructure investments which will result in demand for IT Products. While there are a lot of speculation on the interest rates, partners are quite optimistic about the budget.

Tags : Union budget 2017, channel partners, demonetization, IT industry, service tax, digital India, IT products