

INDIA

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## Factbox: What Indian industries want from the Modi government's Feb. 1 budget

By Sethuraman N R

BENGALURU (Reuters) - Finance Minister Nirmala Sitharaman is expected to unveil plans to boost economic growth when she presents the 2021 budget on Feb. 1.

Corporates and industry lobby groups expect the government to announce greater spending on healthcare and infrastructure, as well as tax breaks for manufacturing and tourism industries, reeling from the coronavirus crisis.

Here is a wishlist from industry leaders:

### HEALTHCARE AND PHARMACEUTICALS

The drugs industry is hoping for incentives to spur more investment in research and development (R&D), via bigger tax deductions on R&D spending. Jain, secretary general of the Indian Pharmaceutical Alliance.

Kiran Mazumdar Shaw, chief of Biocon Ltd, hopes the government will raise healthcare spending to 2.5% of gross domestic product by fiscal 2022.

### REAL ESTATE AND INFRASTRUCTURE

The real estate and construction sector, a bellwether for the Indian economy, is hoping for tax reliefs for home buyers and regulations curbing ancillary costs.

### AUTOMOBILE INDUSTRY

The automobile industry hopes for a roadmap for a recently announced production-linked incentive scheme and policy on scrapping of commercial vehicles.

Toyota Kirloskar, the Indian unit of Toyota Motor Corp, said it was looking forward to support measures for the manufacture of hybrid electric vehicles.

### AVIATION

The aviation industry is looking for lower taxes on aviation turbine fuel and levies such as airport charges, parking and landing and navigation charges, unit, ICRA.

### TOURISM AND HOSPITALITY

The National Restaurant Association of India is hoping for more liquidity support, with low collateral, and a minimum moratorium of six months on loans.

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## RETAIL

Brick-and-mortar retail firms seek a national retail policy, to help combat the growing popularity of online sellers.

“Formulation of national retail policy, removing the distinction between e-commerce and physical retail under one policy has been spoken about happens in FY 21,” said Preet Dhupar, chief financial officer of Ikea India.

## BANKING

The coronavirus brought a slump in lending by banks, and despite signs the economy is improving, the central bank has warned that the industry nearly double.

Some analysts expect the setting up of a so-called “bad bank”, which the government will use to buy bad assets from state-owned banks. There are moves to recapitalise state-owned banks.

Public sector banks may need a further 430 billion rupees (\$5.9 billion) as capital requirement in the next financial year, ICRA said.

(\$1=73.1600 Indian rupees)

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