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EXPECTATIONS FROM MODI 3.0



A BW Businessworld survey of business leaders on their expectations from the Modi government in its third term



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The first test for the BJP in steering these political compulsions arose when media reports stated that its two key allies, the TDP and JDU, may lobby for important cabinet portfolios such as home, finance, transport and railways. On the evening of 10 June, a day after the oath-taking ceremony of Modi's largest administration, the portfolio allocation of ministries saw the BJP retain all key portfolios. This was a strong signal of continuity by the Prime Minister on the policy reforms front as well as on the political front, asserting his authority over coalition politics dynamics.

At the time of writing, both the indices, buoyed by this sentiment, closed at their fresh all-time highs with their sights fixed on the upcoming full budget in July. After the oath-taking ceremony and the allocation of portfolios, BW Businessworld surveyed 1,200 business leaders to determine their expectations regarding various policy aspects of this government. The survey results indicated that four ministers among Team

Modi 3.0 will be crucial in propelling India's next economic surge. The survey respondents indicated their expectations of economic reforms, national defence, infrastructure development, doing business, foreign investment, and skill development.

Economic Reforms

Under economic reforms, 48 per cent of the respondents rated tax reforms as their top expectation. Tax rationalisation is keenly anticipated every year in the budget. In its previous two terms, the government acted on this by bringing in the Goods and Services Tax (GST), raising the rebate limit in income tax and reducing the corporate tax rate.

During the elections, a video clip went viral when a stock broker asked Union Finance Minister Nirmala Sitharaman about certain taxes on stock market transactions, and the masses echoed the sentiment of the broker and the burden of taxes. The expectation is to revise personal income tax slabs, the

limits for 80C and standard deduction, reclassify certain items and the tax levied on them under GST. The summer in India this year, for example, clearly made people realise that air conditioners are no longer a luxury but a necessity; hence, the 28 per cent GST on it may not be justified.

"In its previous tenure, the government aimed to enhance fairness and transparency through initiatives like faceless assessment and appeals, digital filing of various tax forms, simplified compliance procedures via pre-filled returns, and capturing taxpayer information in the Annual Information Statement (AIS), says Rakesh Nangia, Chairman, Nangia Andersen India.

"Moving forward, the government may consider lowering progressive slab rates for individuals to align them more closely with existing presumptive taxation schemes for businesses and professionals. Additionally, there may be an initiative to decriminalise certain old provisions, replacing them