India Inc has sought more measures for ease of doing business and export promotion coupled with simplification of labour laws. Industry chambers also advocated for expansionary fiscal policy to arrest the slowdown.

At a pre-Budget meeting with representatives of Indian industry, export business and services industry called by Finance Minister Nirmala Sitharaman, the industry bodies made this pitch.

Discussions were also held on the regulatory environment impacting private investment, measures for promotion of exports amidst rising protectionist tendencies, industrial production, logistics, media and entertainment services, and IT and IT-enabled services among others.

CII President Vikram Kirloskar said that the current economic situation calls for an expansionary fiscal policy, with a range of around 0.5-0.75 per cent deviation from the target (3.3 per cent of GDP) of fiscal deficit. The proceeds should be spent on asset creation, especially in rural infrastructure.

"In the subsequent years, there can be a glide path to converge with the FRBM trajectory over a 2-years' timeframe," he said.

Further he added that ministers and government officials understood the headwinds in the economy and they have looked at all the possible suggestions including fiscal easing, improving tax collection and demand.

PHD Chamber of Commerce and Industry President DK Aggarwal suggested creating complementarities in reforms such as making land available for industry, time-bound single window clearances, full transmission of policy rate cuts, a dedicated fund for MSMEs, tax reliefs for exports, and review/upgradation of India's FTAs.

To boost exports, sectors such as agro and food processing, dairy products and sea food, automobiles and automotive components, defence including arms and ammunition, parts and accessories, electrical machinery and equipment, gems and jewellery, oil and gas, pharmaceuticals, sports goods, textile garments, handlooms and handicrafts and IT & IFS must be given concessional duties to import raw materials, facilitation in production processes etc. ASSOCHAM Secretary-General Deepak Sood said several suggestions were made to increase demand in the economy and inject liquidity into the system. FIEO President Ajay Sahai said the exporters' body highlighted the liquidity concerns of exporters and sought rollout of e-wallet recommended by the GST Council to ease liquidity to exporters.
Simplification of labour laws in focus at pre-Budget talks

Press Trust of India

NEW DELHI: Union finance minister Nirmala Sitharaman on Tuesday held discussions on regulatory environment impacting private investment and measures for promoting exports in a pre-budget consultation with stakeholder groups from industry, trade and services sectors.

The representatives submitted suggestions concerning reduction of compliance burden and tax litigation, allowing self-certification in low risk industry, decriminalisation of tax and company laws.

Besides, they demanded reduction of cost of equity capital, simplification and rationalisation of duties and labour laws, adoption of international standards of alternative dispute resolution, export development funds for helping micro, small and medium enterprises (MSME) exporters and ease of investment flow into manufacturing sector.

"The main areas of discussion during the aforesaid meeting included regulatory environment impacting private investment, measures for promotion of exports amidst rising protectionist tendencies, industrial production, logistics, media and entertainment services and IT (information technology) and IT-enabled services among others," an official statement said.

Speaking to reporters after the meeting, Confederation of Indian Industry (CII) president Vikram Kirloskar said: "They (ministers and government officials) have understood the situation, the headwinds in the economy and they have looked at all the possible suggestions whether it is to have fiscal easing which is what we have suggested, various ways to improve tax collection, improve demand".

Federal Chamber of Commerce and Industry (FICCI) president Sandip Somany said the meeting delved into infrastructure bottlenecks in terms of the rules, regulations which can help freeup business.

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) secretary general Deepak Sood said a common suggestion was how to increase the demand side of the economy and inject liquidity into the system.

PHD Chamber of Commerce and Industry President DK Aggarwal said the chamber has sought creation of a ₹25,000 crore fund for stressed MSME sector which faces difficulty in availing funds from banks and non-banking financial companies (NBFCs).

Federation of Indian Exports (FIEO) president Ajay Sahai said the exporters' body has highlighted the liquidity concerns of exporters and sought rollout of e-wallet recommended by the Goods and Services Tax Council to ease liquidity of exporters.

The meeting was also attended by minister of state for finance and corporate affairs Anurag Thakur, finance secretary Rajeev Kumar, economic affairs secretary Atanu Chakrabarty, revenue secretary Ajay Bhushan Pandey, among others.
NEFT round the clock set to boost digital payments

BY NILANJANA CHAKRABORTY

National electronic funds transfer (NEFT), a retail payment system operated by the Reserve Bank of India (RBI), became a 24x7 facility on 16 December. The facility will be available on all days of the year, including bank holidays. Mint takes a look at its likely impact.

Payments made easy

With no upper limit on fund transfers, coupled with no transaction cost or time barrier, NEFT is likely to become the most favoured payment method.

<table>
<thead>
<tr>
<th>NEFT</th>
<th>RTGS</th>
<th>IMPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum transfer amount</td>
<td>₹1</td>
<td>₹2 lakh</td>
</tr>
<tr>
<td>Maximum transfer amount</td>
<td>No limit</td>
<td>₹10 lakh*</td>
</tr>
<tr>
<td>Timings</td>
<td>24x7</td>
<td>7am-6pm</td>
</tr>
<tr>
<td>Charges</td>
<td>Nil from Jan 2020</td>
<td>Nil from Jan 2020</td>
</tr>
<tr>
<td>Volume of transactions</td>
<td>2.32 (in billion)</td>
<td>0.14</td>
</tr>
<tr>
<td>Value of transactions</td>
<td>227.94 (in ₹ trillion)</td>
<td>1,356.88</td>
</tr>
</tbody>
</table>

*limit for retail transactions, no transaction limit for corporates.

1. **How did NEFT function before 16 December?**

Before 16 December, NEFT was available for customers from 8am to 7pm on all working days, except the second and fourth Saturdays of the month and other bank holidays. NEFT transactions do not happen in real-time. They were settled in half-hourly batches through 25 settlements. Despite the time restrictions, NEFT handled 2.5 billion transactions valued at around ₹258 trillion in 2018-19, up from 1.9 billion transactions valued at ₹172 trillion in the previous year—a growth of 10% in terms of volume and 32.3% in terms of value. At the end of March, it was available through 141,627 branches of 209 banks.

2. **What has changed now in the system?**

RBI has now made the facility available 24 hours a day and 365 days a year. "It has been decided that NEFT shall be made available from December 16, 2019, with the first settlement taking place after 00:30 hours on December 16, 2019," the banking regulator said. This is the second of two major changes implemented by RBI in the context of NEFT. In its July monetary policy review, the regulator decided to do away with processing charges levied by it for NEFT and real-time gross settlement (RTGS). RBI specified in November that this would come into effect for banks from January next year.

3. **What other modes of fund transfer are available?**

Two other systems of fund transfer are RTGS and immediate payment service (IMPS). Under RTGS, the minimum transfer amount is ₹2 lakh and the facility is available only during working hours of banks. IMPS is a real-time payment service available even on holidays with an upper limit on transactions of ₹2 lakh, but no lower limit.

4. **What impact will this have on users?**

The change is part of RBI's push to drive digital fund movement and increase usage by offering more convenience to users. RBI's mandate to do away with charges on retail transactions through NEFT, RTGS and IMPS was also aimed at encouraging bank customers to adopt these digital facilities. Making NEFT available round the clock will further this cause. With no lower limit on the amount of fund transfer, this change will be well received by users.

5. **What does this mean for digital payments?**

RBI joined an elite club of nations having payment systems that enable round-the-clock fund transfer and settlement of any value, the regulator tweeted after announcing the change. The club includes Hong Kong, the UK, South Korea, Singapore and China. RBI's digital push may reduce the use of cash and cheque for fund transfer. It will also add to the innovation driving the rise in India's digital payments.
REVERSE PITCH

Reverse Pitch is like a normal investors pitch, but with the roles reversed. That means the startup doesn’t present its business to investors but investors and companies pitch their business concepts, challenges and the like to startups.

"Today’s digital-first economy is creating B2C brands almost overnight”

RISHABH MEHTA
Member at Indian Angel Network.

India’s burgeoning startup ecosystem is teeming with innovative consumer-facing businesses across sectors, proliferating at an unimaginable pace. Despite being a relatively new entrant to the digital field, India has already emerged as the fastest-growing e-commerce market across the globe. The consumer-driven market ecosystem has grown on the back of growing consumer awareness, enhanced standards of living, and an ever-expanding class of families with more disposable income. The past few years have seen double-income, no-kids families entering the mainstream. In a bid to tap this lucrative customer base, new-age customer-focused enterprises are emerging in the market faster than we can think. Their objective? To enhance the lifestyle of the modern-aged Indian consumers by providing them with best-in-class products.

Unsurprisingly, as per ASSOCHAM, India’s luxury market grew from $2.238 billion in 2017 to $3.50 billion in 2018. This growth can be attributed to factors such as the growing purchasing power of the Indian upper class beyond the metropolitan regions and the increasing exposure of the new-age consumer base to international brands. On the back of these developments, various sectors, including food and beverages, consumer packaged goods, personal care items, branded apparel and fashion have become the barycentre for enthusiastic investor activities. With traditional as well as digitization-led sales and distribution technologies making consumer sales more efficient, investors are getting more flexible in terms of funding and accepting innovations. Indian retail, for instance, attracted investments worth ₹1,500 crore in 2018 and witnessed the inflow of ₹1.68 billion FDI equity from April 2000–March 2019, as per data by DIPP.

With today’s increasingly digital-first economy and genzennial consumer base, B2C brands are being created almost overnight. Solving pertinent pain-points experienced by Indian consumers, young innovators carrying high-impact and disruptive ideas are fast rising to illuminate the country’s entrepreneurial firmament. The best part? We are just getting started.