



Entrepreneurs' Perception Towards Union Budget 2021 with respect to Satpur Industrial Area of Nashik District

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Abstract:

The Budget aim is to increasing capital expenditure, raising allocation for healthcare capacity building and development of agriculture infrastructure etc. , which are expected to have a multiplier effect on the economy. One of the most distressing years by far, 2020 marked the year of a deadly pandemic that drastically impacted health, businesses, and communities across the globe. On the direct tax landscape, various proposals such as setting up the Dispute Resolution Committee, relief to senior citizens, further measures to facilitate faceless tax processes, pre-filling of returns, etc., have been added to simplify the tax administration, ease compliance, and reduce litigation. Furthermore, in line with the overall objectives as envisioned in the pillars, measures for attracting foreign investment to the infrastructure sector, affordable housing/rental housing, tax incentives to IFSC, and start-ups have been announced. As far as perception of entrepreneurs are concerned, following factors are taken into consideration viz, Growing Foreign Investments, moving towards Developed economy, employment generation, infrastructural reforms, manufacturing growth etc. Thus, Entrepreneurs' Perception towards Union Budget 2021 is having very hopeful and stepping towards the future for becoming 'developed' economy instead of 'developing'

Keywords- Entrepreneurs, Union Budget

Introduction

Nirmala Sitharaman's third Budget doubled spending on healthcare, made space for infrastructure and divestment and lifted caps on foreigners investing in its insurance market to help revive an economy bludgeoned by the coronavirus pandemic. Belying expectations, Sitharaman's Budget did not give any income tax relief or made any changes in tax slabs or rates. There was no Covid tax as well. Senior citizens above 75 years of age with only pension and interest income would not be required to file income tax returns. Dalal Street lauded the Budget with the BSE Sensex gaining over 2,000 points. The Budget has laid emphasis on increasing capital expenditure, raising allocation for healthcare capacity building and development of agriculture infrastructure, among others, which are expected



to have a multiplier effect on the economy. One of the most distressing years by far, 2020 marked the year of a deadly pandemic that drastically impacted health, businesses, and communities across the globe. But as it is said, 'There is hope after despair and many suns after darkness', similarly, the Indian economy has started showing signs of recovery. Faced with the daunting twin tasks of pulling back the economy from the clutches of de-growth, a slew of fiscal and non-fiscal measures were taken during the year to rebound the economy from the aftermath of the pandemic. This is evidenced by the pre-budget Economic Survey's projection of 11% growth in real GDP for 2021.

On the direct tax landscape, various proposals such as setting up the Dispute Resolution Committee, relief to senior citizens, further measures to facilitate faceless tax processes, pre-filing of returns, etc., have been added to simplify the tax administration, ease compliance, and reduce litigation. The indirect tax front has proposals for rationalizing the customs duty provisions by revising its structure, sector-specific changes in the customs duty rates, and rationalizing certain procedures and easing compliances. Overall, against the backdrop of the fiscal constraints within which the Finance Minister had to operate, the measures announced seem to be in the right direction. These measures may accelerate overall growth along with healthcare development, consumption surge, and provide support to infrastructure developments, if implemented in the time to come.

GDP Growth

In FY 2019-20, India registered GDP growth of 4%. However, in FY 2020-21, the COVID-19 pandemic led many international organizations to revise their growth predictions. Global GDP growth was projected to grow negatively at 4.9% for FY 2020-21. The Economic Survey 2020-21 has estimated negative GDP growth at nearly 23.9% for Q1. However, a V-shaped recovery can be seen as Q2 of FY 2020-21 registered a negative growth rate of 7.5%. While there has been negative GDP growth in the first two quarters of the financial year, a full economic recovery is expected once the pandemic is over. The manufacturing and distribution of the vaccines made in India are likely to boost GDP growth while re-opening employment opportunities.

Index of Industrial Production (IIP)

The IIP is estimated to have significantly reduced for FY 2020-21. In comparison, IIP for the three preceding financial years has been steady around the 4% mark. The stark fall is primarily due to the nation-wide lockdown imposed in the latter half of March, extending to the end of May 2020. Many organizations continued to limit the number of people attending workplaces even after the lockdown came to an end, to curtail the viral



outbreak and safeguard their employees. The index of eight core industries, which make up approximately 40% of the index, registered a negative growth of 2.6% in November 2020 as compared to a growth of 0.7% in November 2019 and negative growth of 0.9% in October 2020.

Inflation

Headline inflation, based on Consumer Price Index – Combined (CPIC), averaged 6.6% during April -December in FY 2020-21 mainly due to a rise in food inflation and a build-up in vegetable prices. This increase in inflation is greater than the same period in the previous year, which registered a rise of 4.1%. Wholesale Price Index (WPI) inflation has been following a downward trend over the past two years. This year continues to follow the trend with WPI for FY 2020-21 estimated to be negative 0.1%. CPIC inflation was caused primarily due to a rise in food inflation, whereas the decrease in WPI inflation was mainly caused due to the volatility in global crude oil prices. While demand was subdued by minimal economic activity, supply chain disruptions added to the rise in prices.

Trade

Total exports during April-December in FY 2020-21 amounted to USD 200.8 billion, registering a decline and negative growth of 15.7% as compared to negative 2.4% during the same period of the previous year. India's merchandise exports fell by 21.1% in H1 of FY 2020- 21, whereas imports fell more drastically by 38.8% in the same period. Agriculture, drugs and pharmaceutical products, and ores and minerals were the only exports that registered a positive growth (within non-POL or 'Petroleum, Oil, and Lubricant' exports). However, key commodities such as organic and inorganic chemicals, electronic goods, textiles & allied products, engineering products, gems, and jewelry pulled export growth down

Review of literature

Pazhanisamy, EconStor (2021) In spite of the pandemic pressure to limit the use of the resources both internally and outside the economies policymakers all over the globe, compete each other's to recover the economic growth with a v shape through various planned activities on mission mode. Social budgeting is found as one of the most effective way to achieve these objective (United Nation 2020) which has not been effectively practiced and fully implemented widely across the economies due multifaceted and dynamic problems encountered by the public which limits the outlining of the elements of social budget within the usual budgetary framework. With a view to reflect the public



priorities in the budget information on how the policymakers collect the public opinion and how they use it rationally which is not available across the literature and leaves a considerable gap in research. In this context an attempt is made in this policy brief to fill this gap in research. During the pandemic period the demand for such above approach particularly in a democratic economy like India to implement social budget becomes inevitable as it is the government of the people, by the people for the public. Using the secondary data from the ministry of finance the trend of the public expenditure and revenue the elements of social budgeting in India is outlined and the possibility of the effective implementations of the social budget 2021 is given in simplest way that everyone can be understand.

Dr.Mamta (2013) The role of investment in promoting economic growth has received considerable attention in India since independence. But the role of foreign institutional investment or foreign direct investment in the economic development of India is a recent topic of discussion among economists and development planners. Inflow of investment from other countries is encouraged since it complements domestic investments in capital-scarce economies of developing countries, India opened up to investments from abroad gradually over the past two decades, especially since the landmark economic liberalisation of 1991. FDI and FII are equally connected to investment in a foreign country. FDI or Foreign Direct Investment is an investment that a parent company builds in a foreign nation. On the different, FII or Foreign Institutional Investor is an investment prepared by an investor in the markets of a foreign country. It is with this aim an attempt has been made in this paper to test the correlation between foreign institutional investments or foreign direct investment and the real economic growth in India over a period 2000-01 to 2009-10.

Objectives of the Study:

1. To study the Entrepreneurs' Perception towards Union Budget 2021
2. To understand the problems regarding support from government and government agencies

Hypotheses of the Study:

- H₀- The percentage of respondents whose having positive perception regarding towards Union Budget 2021 is 50%
- H₁- The percentage of respondents whose having positive perception regarding towards Union Budget 2021 is more than 50%.

**Research Methodology:**

As far as perception of entrepreneurs are concerned, following factors are taken into consideration viz, Growing Foreign Investments, moving towards Developed economy, employment generation, infrastructural reforms, manufacturing growth etc. The study is based on critical evaluation and analysis of basically Primary Data. The primary sources include entrepreneurs. A study is undertaken in the sampled regions to see its impact for which a detailed questionnaire is prepared to collect relevant information from the primary source for the guidance of the researchers. With the help of the questionnaire, detailed discussions were made with the certain sources of primary data to understand their views, thinking and attitude which would help to give the researchers useful recommendations, if any. The questionnaire is processed with the help of statistical tools like tabulations, grouping, percentages, averages, testing of hypothesis etc.

Research Area

Researchers selected entrepreneurs from Satpur Industrial estate area of Nashik district. Sample sizes of 150 entrepreneurs have been taken. Researcher collects data through Primary and Secondary sources. Researcher distributed 150 questionnaires among the respondents.

Scope of the Study:

Among the criteria that define a entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures. Entrepreneurs play a key role in any economy, using the skills and initiative necessary to anticipate needs and bring good new ideas to market. Entrepreneurs who prove to be successful in taking on the risks of a startup are rewarded with profits, fame, and continued growth opportunities. Those who fail, suffer losses and become less prevalent in the markets

Limitations of the study

1. Further variables could be added for the purposes of detail study.
2. The study is based on limited geographical area.

Data Analysis

Researcher prepared the questionnaire for respondents and distributed it among them. After receiving the questionnaire researcher analyse the questionnaire.

Table No.1 - Information of questionnaire

Sr. No	Questionnaire distributed	Questionnaire received	Questionnaire rejected (due to incomplete, wrongly filled etc)	Net Sample size for study
1	150	144	7	137

Testing of Hypothesis

H_0 : The percentage of respondents whose having positive perception regarding towards Union Budget 2021 is 50%

H_1 : The percentage of respondents whose having positive perception regarding towards Union Budget 2021 is more than 50%

Mathematically

$$H_0 : p=0.5$$

vs

$$H_1 : p \neq 0.5$$

Table No 2 - Information of Hypothesis Testing Decision

Sr No	Issue	Proportion of respondents who stated the aspects as either very important or important	S.D.	Z_cal	Z_table	p_value	Decision
1	Growing Foreign Investments	0.85	0.03	11.47	1.64	0.0000	Reject H_0
2	Moving towards Developed economy	0.81	0.03	9.25	1.64	0.0000	Reject H_0
3	Employment Generation	0.75	0.04	6.76	1.64	0.0000	Reject H_0
4	Infrastructural reforms	0.63	0.04	3.15	1.64	0.0008	Reject H_0
5	Manufacturing growth	0.59	0.04	2.14	1.64	0.0161	Reject H_0

Here level of significance is 0.05

Thus, our null hypothesis The percentage of respondents whose having positive perception regarding towards Union Budget 2021 is 50% is rejected. Alternatively we accept our alternative hypothesis The percentage of respondents whose having positive perception regarding towards Union Budget 2021 is more than 50%.

Findings

1. The most vital factor among the respondents' perception is that, "Growing Foreign Investments".
2. The more important issue is come out from this analysis in which there is an interesting results found is; the respondents are still fully convinced sure about the infrastructural reforms from existing scenario of Indian economy.



Conclusion

Thus, Entrepreneurs' Perception towards Union Budget 2021 is having very hopeful and stepping towards the future for becoming 'developed' economy instead of 'developing'

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