



## thegreatexpectation

**Gurmeet Singh Kular, 48**  
 BUSINESSMAN

# ‘Centre should simplify taxes, support MSMEs’

The pandemic gutted India's economy and hurt millions of workers, artists, professionals, and homemakers. Ahead of the Union budget, HT speaks to a cross-section of people to document their hopes and wishes from the exercise

**Aneesha Sareen Kumar**

letters@hindustantimes.com

**LUDHIANA:** Gurmeet Singh Kular's family managed to keep their cycle parts manufacturing business running for 65 years, through decades of slow growth, pre-liberalisation problems, vagaries in government policies and a global economic downturn. But the 48-year-old Ludhiana resident says 2020 was the worst year for Micro, Small and Medium Enterprises (MSME) like his unit, and that the ripple effect of the Covid-19 pandemic will be felt for many years to come.

At Kular International, workers manufacture bicycle rims and mudguards in a factory located in Phase 8 of Focal Point, the city's industrial sector. His troubles began shortly after the nationwide lockdown in March last year, when demand plunged and labourers started to flee. "In pre-Covid times, I worked with a full strength of 240 workers on any given day. As many as 140 of these left and still not returned. I am managing work with only 100 workers," he said.

Restrictions on transport, and pile up of trucks at interstate borders – despite repeated interventions by the Centre – further hampered his business. "In Punjab, the market is 7 percent while 93 percent of the consumption is in rest of the country. With shortage of raw material, we are still not able to fully meet the demand," he added.

In August, Kular contracted Covid. "I was fortunate to have come out of it and thankfully did not have many side effects," he said.

Then, in September, protests against three farm laws broke out across Punjab. Agitating farmers blocked roads and railway tracks, and goods trains did not run for around two months. "I could not honour export commitments. I lost the trust of my clients. There were shipments that remained stuck at dry ports for days altogether. This never happened before; the times we saw in 2020 were unprecedented."

At Kular International now, the usual hustle and bustle is missing as many workers have still not



In pre-Covid times, I worked with 240 workers. 140 of these left and didn't return. I am managing with only 100 workers

**GURMEET SINGH KULAR**

returned. Ask him if business has picked and he says both yes and no. "The market has grown but for MSMEs viability is not there, especially with prices of steel rising 40 to 50 percent since August. This sudden spike has made it impossible to meet confirmed orders and exports are in serious danger. The future looks grim."

India has 63.4 million MSMEs that accounts for 45% of manufacturing output, 40% of exports and employs about 120 million people. The central government earmarked Rs 7,572.20 crores for MSMEs in the 2020-21 budget. In May, the government announced a slew of measures, including collateral-free loans worth Rs 3 lakh crore for the sector. But Kular says that's not enough. "There is a never-ending struggle and last year got worse with both the state and central government not taking any concrete steps for smooth revival," he said.

In the budget, Kular said the Credit Link Cash Subsidy Scheme, under which industrialists got a capital subsidy of Rs 15 lakh for purchasing new machinery, needs to be restarted. He also wanted a technology upgrading fund for the sector and hoped that income tax rates on MSMEs will be reduced.

"Rationalisation of steel prices is a must.... MSMEs are on the verge of closure. The government is requested that unless the availability of steel is sufficient, export should be banned." He added that diesel and other petroleum products should be brought under the Good and Services Tax regime at the earliest, so that the industry can benefit from input tax credit on petroleum products.



Gurmeet Singh Kular at his cycle parts unit in Ludhiana

GURPREET SINGH/HT PHOTO