

VOICE OF INDIAN SMALL BUSINESS, SINCE 2008

The background of the entire page is a photograph of the Indian Parliament building in Chandigarh, India. The building is a large, classical-style structure with a prominent central dome and a tall clock tower on the right side. The sky is a clear, pale blue. In the foreground, there are some green bushes and a paved area.

**PRE-BUDGET EXPECTATIONS SURVEY REPORT
FOR
FRANCHISE & RETAIL INDUSTRY**

January 2025

Indian Small Business & Franchise Association

Chairman's Message

We are pleased to present the report on the results of our recent survey on the pre-budget expectations for the Franchise and Retail Industry. This initiative has provided us with invaluable insights into the pressing challenges and opportunities faced by small businesses and franchise owners across the country.

The survey reflects a strong desire for supportive policies that will help foster growth and sustainability in the sector. Some of the key areas identified by our members include:



GAURAV MARYA,
Chairman, Indian Small Business & Franchise Association (ISFA)

Access to Financial Support: Many respondents emphasized the need for more accessible and affordable financing options. There is a clear demand for better loan products, lower interest rates, and tailored financial solutions that can help small businesses expand and innovate.

Incentives for Franchise Expansion: The need for financial incentives to support franchise growth, especially in non-metropolitan areas, was highlighted. Tax incentives, subsidies, or grants for new franchise establishments can significantly boost regional development and create employment opportunities.

Emphasis on Digital Transformation: As businesses move toward digital platforms, the survey respondents expressed the need for tax relief or subsidies aimed at supporting the adoption of digital tools and e-commerce solutions, helping businesses remain competitive in a rapidly changing market.

Support for Women Entrepreneurs: There is also a strong call for targeted initiatives to support women in the franchise sector, including access to training, mentorship, and funding. These measures will help drive gender equality and empowerment within the industry.

Simplification of Tax Processes: Small businesses are looking for greater clarity and ease in tax compliance, particularly regarding GST and filing procedures. Simplified tax frameworks will reduce the administrative burden on entrepreneurs and enable them to focus on their core operations.

The findings from this survey will serve as a basis for our ongoing advocacy with government bodies, aiming to ensure that the upcoming budget addresses the real needs of the franchise and retail community. We look forward to working together to implement these suggestions and create a more conducive business environment for all our members and industry.

Thank you for your continued support and active participation



Introduction

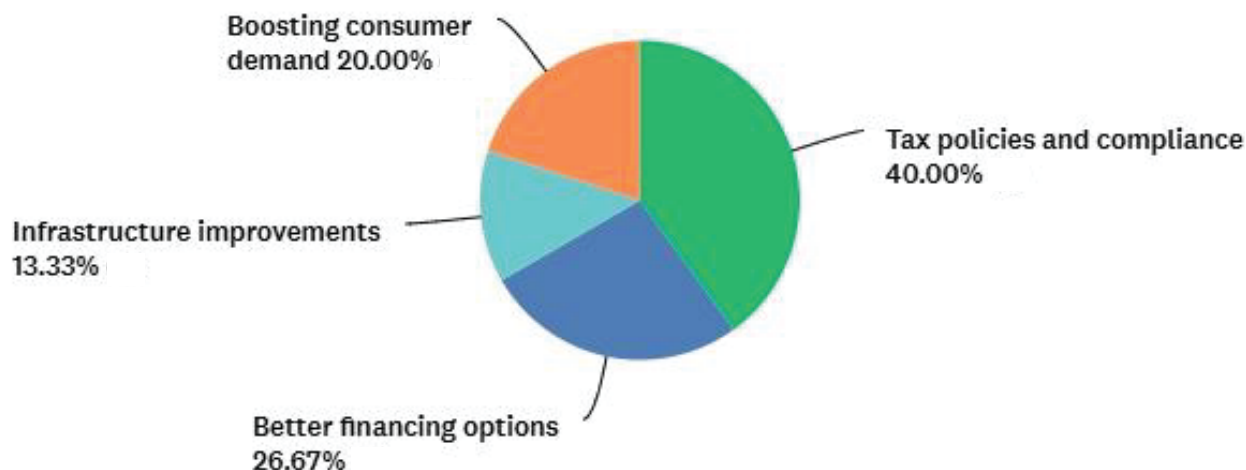
The Indian Small Business & Franchise Association (ISFA) is a leading advocate for the interests of small businesses and franchise models across India. Established with the goal of supporting and promoting the growth of small businesses and franchises, ISFA has become a pivotal platform for stakeholders in the franchise and retail sectors to voice their concerns, share insights, and engage in constructive dialogue with policymakers.

The franchise and retail sectors are integral to the Indian economy, contributing significantly to employment generation, GDP growth, and regional development. However, these industries face unique challenges, including regulatory hurdles, tax compliance complexities, access to finance, and the need for policies that can stimulate expansion, innovation, and sustainability.

The Pre-Budget Expectations Survey for Franchise & Retail Industry conducted by the Indian Small Business & Franchise Association (ISFA) aimed to gather insights from stakeholders within the franchise and retail sectors ahead of the Union Budget. The survey received valuable inputs from franchisors, franchisees, small business owners, and industry professionals, highlighting key challenges and expectations related to taxation, finance, regulatory reforms, and government support.

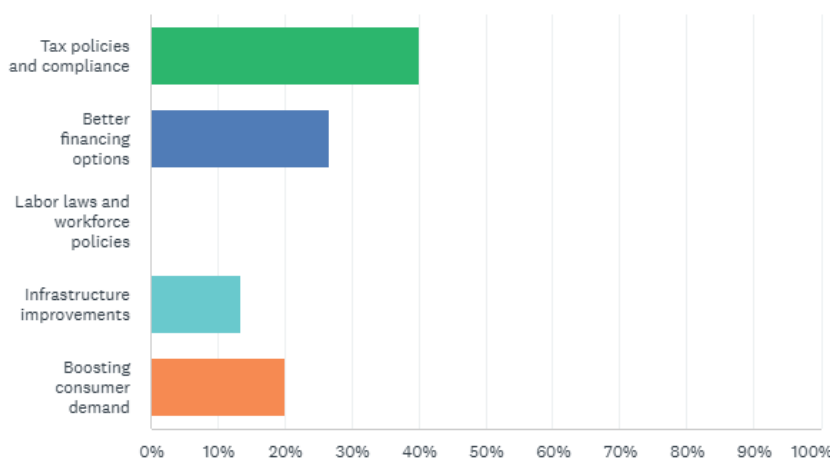
This report summarizes the key findings from the survey, reflecting the industry's priorities and offering actionable recommendations for policymakers. The results will serve as a foundation for ISFA's advocacy efforts to ensure that the upcoming budget addresses the needs of the franchise and retail sectors, fostering growth, innovation, and a conducive business environment for small businesses across India.

Q. 1 What is your top concern for the upcoming Union Budget?



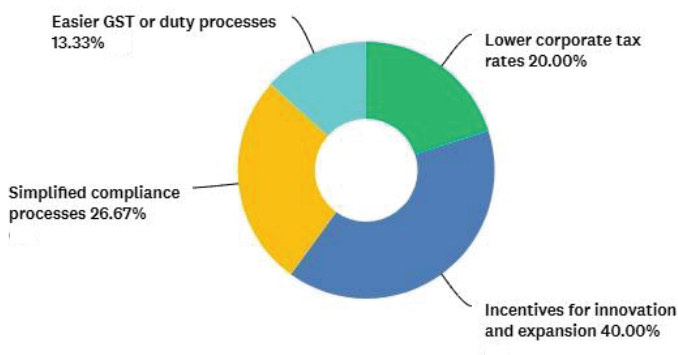
The survey revealed that tax policies and compliance emerged as the top concern for 40% of respondents, followed by better financing options (26.67%). This underscores the need for targeted reforms in tax structures and financial accessibility to address the expectations of stakeholders.

Q. 2 Which government priority would most benefit your business?



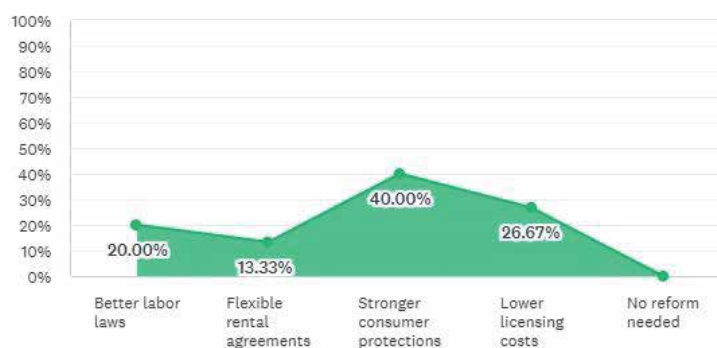
Tax relief for small businesses was identified as the most impactful government priority (40%), with easier access to loans (20%) and upgraded logistics (20%) following closely. These results highlight the demand for fiscal support and infrastructure improvements to foster growth.

Q. 3 What tax change could be a game-changer for your business?



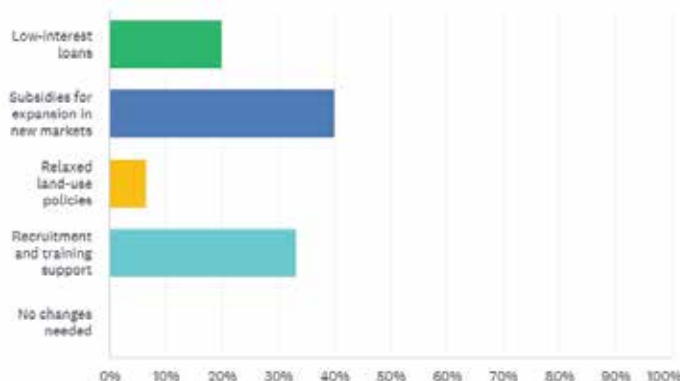
Incentives for innovation and expansion were rated as the most transformative tax change (40%). Simplified compliance processes (26.67%) also ranked high, indicating that businesses are seeking both growth-oriented policies and easier regulatory frameworks

Q. 4 Which sector reform would create the biggest impact for franchises?



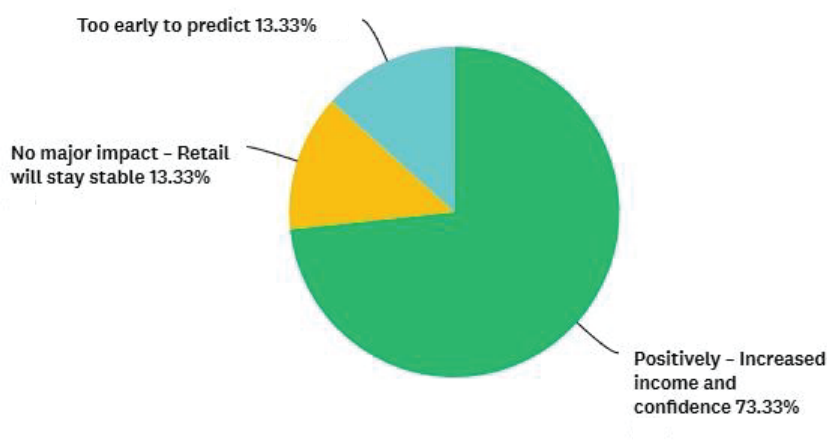
Stronger consumer protections were cited as the most impactful reform (40%), with lower licensing costs (26.67%) and better labor laws (20%) also being significant. This suggests a need for consumer-focused policies alongside cost reduction measures to empower franchises.

Q. 5 What policy change would encourage you to expand your franchise?



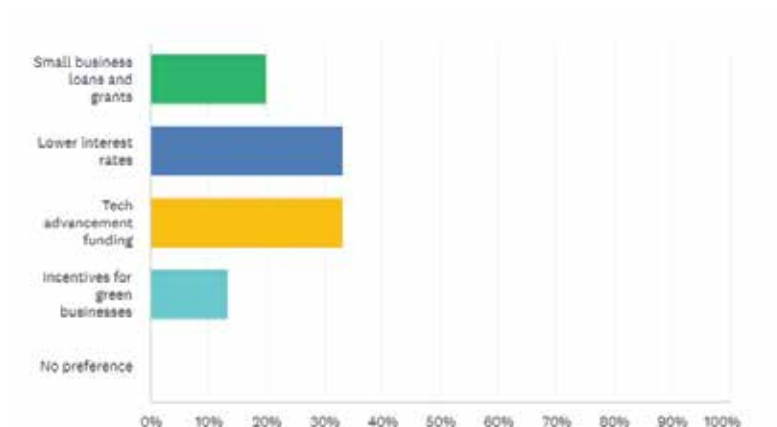
Subsidies for expansion into new markets received the highest preference (40%), followed by recruitment and training support (33.33%). This indicates a clear requirement for financial incentives and workforce development to drive franchise growth.

Q. 6 How will the budget impact consumer spending in retail?



A majority of respondents (73.33%) believed the budget would positively impact consumer spending due to increased income and confidence. This optimistic outlook reflects expectations of consumer-centric fiscal policies.

Q. 7 Which financing option should the government focus on for retail growth?



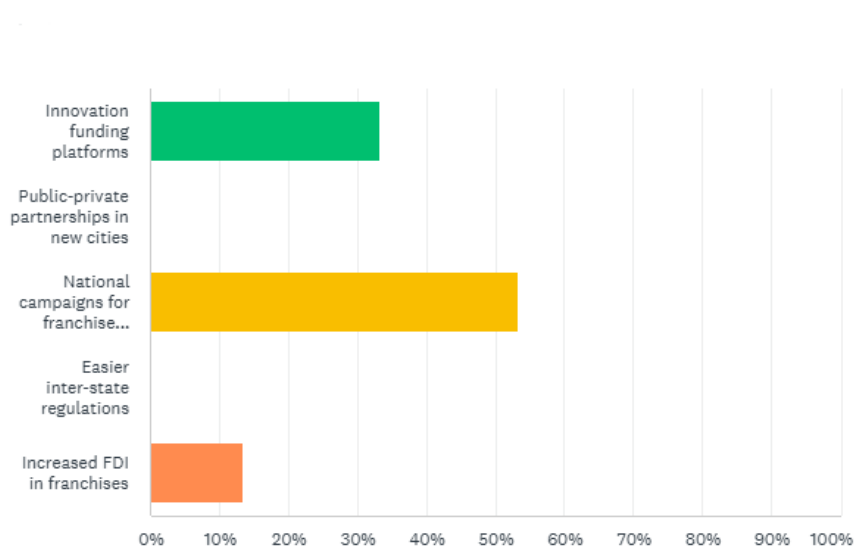
Lower interest rates and tech advancement funding tied as the most preferred options (33.33% each). This indicates that financial accessibility and support for technology adoption are key to retail sector growth.

Q. 8 What post-budget focus would help franchises and retail thrive?



Boosting consumer demand was the most recommended post-budget focus (46.67%). Strengthening public-private partnerships (20%) and promoting technology (20%) also emerged as critical areas, emphasizing the need for demand-driven and collaborative initiatives.

Q. 9 What's the one initiative that could transform franchise startups in India?

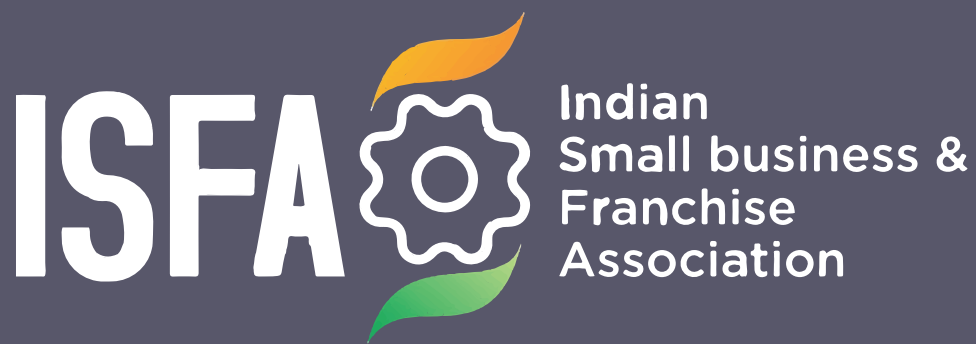


National campaigns for franchise opportunities were highlighted as the top transformative initiative (53.33%), indicating that awareness and promotion can significantly elevate the franchise sector.

Q. 10 Which policy would best support franchise startups?



Support for sustainable franchises led with 40% of the responses, followed by lower setup costs (33.33%). This underscores the importance of eco-friendly practices and cost-efficient policies to support new franchise ventures.



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