

# Budget 2024 reactions from Business Leaders | #2

109 views · 6 minute read

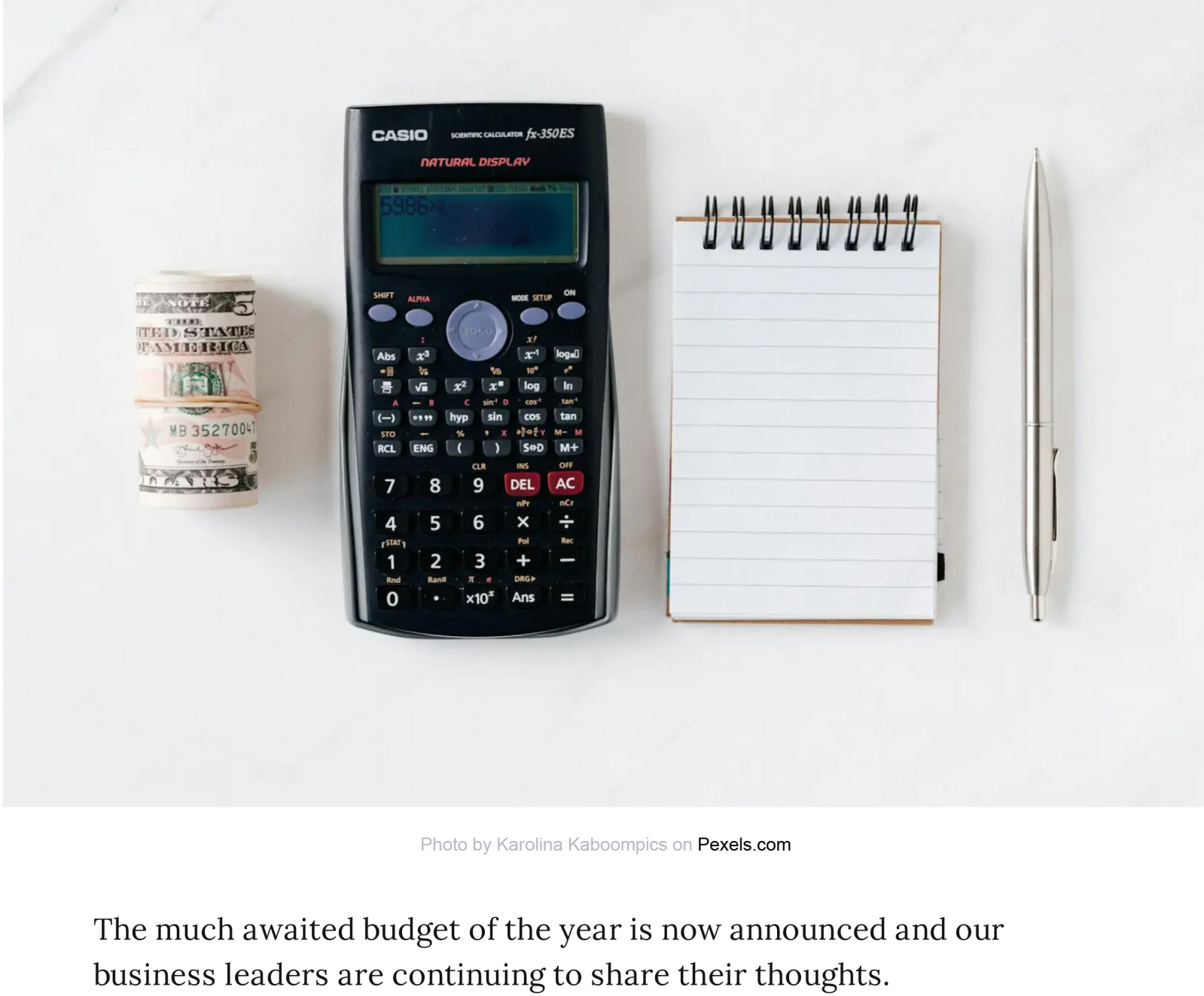


Photo by Karolina Kaboocomps on Pexels.com

The much awaited budget of the year is now announced and our business leaders are continuing to share their thoughts.

The much awaited budget of the year is now announced and our business leaders are continuing to share their thoughts. Here are some thoughts shared by business leaders from different sectors. While some are applauding, some tend to criticize too. Read further to know more.

## Dr. Neerja Aggarwal, Psychologist and Co-Founder of Emoneeds

For startups the budget has covered multiple facets and not just the angel tax abolition. The Hon'ble FM has also extended the definition of "eligible startup" to include the ones incorporated between April 1, 2016, and March 31, 2025 which means more startups will be able to benefit from the tax holiday under the Startup India scheme. Apart from this proposal for simplification of tax structure under GST would help with the compliance. Certainly, we expected a little more stress on the health sector which was a miss in the Budget announcement, and the reason for this is beyond comprehension.

## Akhil Mittal, Senior Fund Manager – Fixed Income, Tata Asset Management

Budget looks to consolidate fiscal with lower deficit at 4.9% as compared to interim budget deficit target of 5.1%. This is a very encouraging macro development which shows intent of government to move towards lower deficit in medium term on sustainable basis. While deficit is lower, the dated securities (g-sec) borrowing is lower by only 12k cr but short term borrowings (t-bills) has reduced considerably. This will likely bode well for shorter end of curve, while longer end of yield curve is expected to largely remain same.

## Subash Vasudevan, CBO and Co-founder, iBUS Networks

Increased infrastructure investment is a welcome sign. Allocating ₹11,11,111 crore for capex, which is 3.4% of GDP, is a strong start. Every rupee invested in infrastructure can provide opportunities to further digitize it. This creates a ripple effect, attracting more investments and paving the way for a smart economy. It has the potential to generate three times the benefit and will also provide opportunities and benefits to startup ecosystems. Credit guarantee schemes are great for MSMEs. They unlock a massive pool of capital that can fuel business growth and create a wave of new jobs. It will boost the entire economy, with the potential to increase employment opportunities by a good margin.

## Neeraj Tyagi, Co-Founder & CEO of We Founder Circle

We Founder Circle (WFC) welcomes the 2024-25 Budget, particularly the decision to abolish the angel tax across all investor classes. This groundbreaking move is set to revitalize the startup ecosystem, especially for the over 1,41,000 DPIIT-registered startups in India. By removing this barrier, the government is addressing a critical challenge that has deterred angel investors and hindered the growth of early-stage companies. For We Founder Circle, which has been deeply involved in nurturing startups from tier 2, 3, and 4 cities, this policy change will notably enhance our ability to attract investment and support these innovative ventures. We are also excited about the allocation of ₹1,000 crore for space startups, which will catalyze advancements in this high-potential sector. This move aligns with our vision of fostering innovation across diverse fields and will help position India as a leader in the space industry.

## Rahul Garg, CEO & Founder, Moglix

The removal of angel tax is a welcome move for India's startup ecosystem. This, coupled with the establishment of a ₹1,000 crore VC fund for the space economy, will foster innovation. The budget's focus on manufacturing, with the introduction of plug-and-play industrial parks, is progressive. MSMEs will benefit significantly from the credit guarantee scheme, new assessment models by PSU banks, and increased Mudra loan limits. The substantial allocation of ₹11 lakh crore for infrastructure especially nature resilient is crucial for building a Viksit Bharat. The strategic shift towards nuclear energy as a major power source is visionary. Finally, the emphasis on cultural heritage through the development of the Vishnupad, Mahabodhi temple corridors, Rajgir, and Nalanda is a welcome addition.

## Dr. Malini Saba, Founder & Chairman, Anannke Foundation

India's startup ecosystem, the third largest globally, stands to benefit from the introduction of the Startup India Seed Fund Scheme with an allocation of ₹1,000 crores. This initiative will provide essential capital at early stages, promoting innovation and entrepreneurship. Additionally, the emphasis on women entrepreneurs through the allocation of ₹500 crores for women-led startups is commendable.

Women constitute around 14% of total entrepreneurs in India, and this support is crucial for bridging the gender gap in entrepreneurship. Single working mothers and youth are pivotal to our demographic dividend. The extension of maternity benefits under the Pradhan Mantri Matru Vandana Yojana to ₹7,000 from ₹5,000 will significantly support single working mothers. The establishment of 100 new Sainik Schools and 750 Eklavya Model Residential Schools is a strategic investment in our youth, ensuring they receive quality education and holistic development.

## Mahankali Srinivas Rao, CEO, T-Hub

Budget 2024 marks a significant milestone for the Indian startup ecosystem, with initiatives that will undeniably foster innovation and growth. The abolition of the Angel Tax for all classes of investors is a pivotal move that will create a more supportive environment for angel investments, ultimately benefiting startups and paving the way for India to become a global innovation hub. The establishment of a ₹1,000 crore venture capital fund dedicated to boosting the space sector is another forward-thinking initiative. This substantial investment will propel growth in the space economy by supporting innovative startups and groundbreaking research, positioning India at the forefront of space technology and exploration.

Moreover, the introduction of the Anusandhan National Research Fund and a financing pool of ₹1 lakh crore to spur private sector-driven research and innovation is a game-changer. This fund will power basic research and prototype development, driving commercial-scale innovation and enabling startups to bring cutting-edge solutions to the market.

At T-Hub, we are excited about these developments and the positive impact they will have on our vibrant startup ecosystem. These initiatives will provide startups with the necessary resources and support to thrive, innovate, and contribute significantly to India's economic growth and technological advancement.

## Udit Garg, CEO & Director, Kundan Green Energy

In my view the union budget bodes well for the green energy and renewables sector in India. The initial broad-strokes of policy will foster demand while encouraging the industry to increase capacities. This is complemented by steps to augment energy security. The Government's rooftop solar policy is of latitudinal importance and will not only be a boon for power to every home, it will have exponential impact on the country's renewable agenda helping us leapfrog to goals. Similarly, pumped storage will be a ground resilience for hydropower.

## Karan Aggarwal, Co-Founder & Chief Investment Officer, Elever

Political setbacks have forced the government to shift focus from capex to job creation with the allocation of nearly 2 lakh crores over the next 5 years towards job creation with massive incentives for youths entering their first jobs in formal sectors. However, despite changed priorities, infra has remained in focus with Capex allocation retained at INR 11.11 Lakh crore while an additional INR 10 Lakh crore has been earmarked for affordable housing.

Despite shrill demands from the core political base, FM has refrained from indulging in any reckless populist measures while passing marginal tax relief to the middle class in the form of higher standard deduction which can extract cheers from credit rating agencies and global institutions for delivering a 7% economic growth model coming with fiscal consolidation (fiscal deficit at 4.9%) and controlled borrowings. Though the budget seems to be in line with the long-term economic blueprint, the lack of any major manufacturing sops and unexpected hike in LTCG, STCG, and STT is a massive dampener for the market in the short term and has soured the mood of equity and derivative investors.

## Subburathinam P, Chief Strategy Officer, TeamLease Services Limited

By introducing a scheme that incentivises job creation in the manufacturing sector through the employment of first-time employees, the sector is poised to significantly boost job opportunities. This initiative, which provides incentives to both employees and employers based on their EPFO contributions for the first four years of employment, will encourage formal hiring and foster a more stable and productive workforce. As more manufacturing plants are being set up around Tier 2 and 3 cities, the youth in these regions are more likely to benefit from such initiatives. This approach will not only enhance job security but also drive growth and innovation within the manufacturing sector, ultimately contributing to a stronger economy.

## Ragupathi Selvaraj, Co Founder, Workfolio

In the Union Budget 2024, We believe that the abolition of the angel tax is a significant relief for investors, startup founders, and the startup ecosystem as a whole. This move will not only enhance funding sentiments but also bolster the 'Make in India' initiative, driving innovation and growth across the nation. The removal of the angel investment tax is a commendable step that will undoubtedly foster a more supportive environment for emerging businesses.