

Together

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Union Budget 2025-26

Special Issue

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THIS ISSUE

Editor-in-Chief:

DR. USHA KAMILLA

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**Institute of Management
& Information Science**

Swagat Vihar, Bankuala
Bhubaneswar-751002

Odisha, India

Tel.: +91-674-6542256/ 57

E-mail: usha@imis.ac.in

Contributing Editors:

Sai Jyoti (24DM011)
Priyajit Sarangi (24DM072)
Kiran Kumar Pradhan(24DM044)
Monalisa Das (24DM037)
P. Vennala (24DM069)
Bhargabi Pasayat (24DM012)

Layout Design:

Mr. Sibananda Bhuyan

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UNION BUDGET 2025-26

**An Aspirational Framework for
Vikshit Bharat**

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Union Budget 2025-26, the Modi government's first full budget in its third term had to balance two conflicting objectives: ensuring macroeconomic stability amid global challenges while fostering domestic growth. The Budget is a continuation of the government's efforts to accelerate growth, secure inclusive development, boost private sector investments, uplift household sentiments & enhance the spending power of India's rising middle class. For this journey of development: Four powerful engines: Agriculture, MSME, Investment & Exports, Fuel: Reforms, Guiding spirit: Inclusivity & Destination: Viksit Bharat. As an aspirational framework for Vikshit Bharat, Budget 2025 encompasses development measures focusing on Garib, Youth, Annadata & Nari. The Budget aims to initiate transformative reforms across six domains: Taxation, Power Sector, Urban Development, Mining, Financial Sector & Regulatory Reforms.

The Economic Survey 2024-25 advocates deregulation, liberalization & enhanced global competitiveness. Employment-focused reforms are needed, particularly in labour-intensive sectors. Investing in health, education & skilling is essential to boost labour-intensive growth & increase consumption demand. Industrial policy to prioritize on labour-intensive industries & rationalize labour laws.

Growth in India has slowed down. The ongoing economic condition suggests a delayed recovery. A global slowdown could further impact domestic growth, making fiscal support essential. With respect to Fiscal Consolidation, the government opted for setting the fiscal deficit at 4.8% of GDP, lower than expected. The budget outlines a further reduction to 4.4% of GDP next year, continuing a trend of fiscal consolidation. A buffer against external shocks should be provided by a healthy current account deficit, foreign exchange reserve & inflation that is expected to return to 4%. Strong fiscal discipline is expected to enhance macroeconomic stability. Moreover, a reduction in government spending may negatively impact economic growth, shifting the responsibility to monetary policy.

Looking at the global economic backdrop, the global financial environment is tightening due to rising dollar value & persistently high US interest rates. A new trade war, with the US imposing tariffs on Mexico, Canada & China, likely to destabilize emerging markets. Given this backdrop, a conservative fiscal approach was needed to ensure India's resilience. The budget signals that India lacks space for further fiscal stimulus. The solution lies in a reform stimulus to attract private investment for sustained long-term growth. Balancing macroeconomic stability with growth requires structural changes, especially in a volatile global economic environment.

usha@imis.ac.in



MANAGEMENT QUIZ- 63



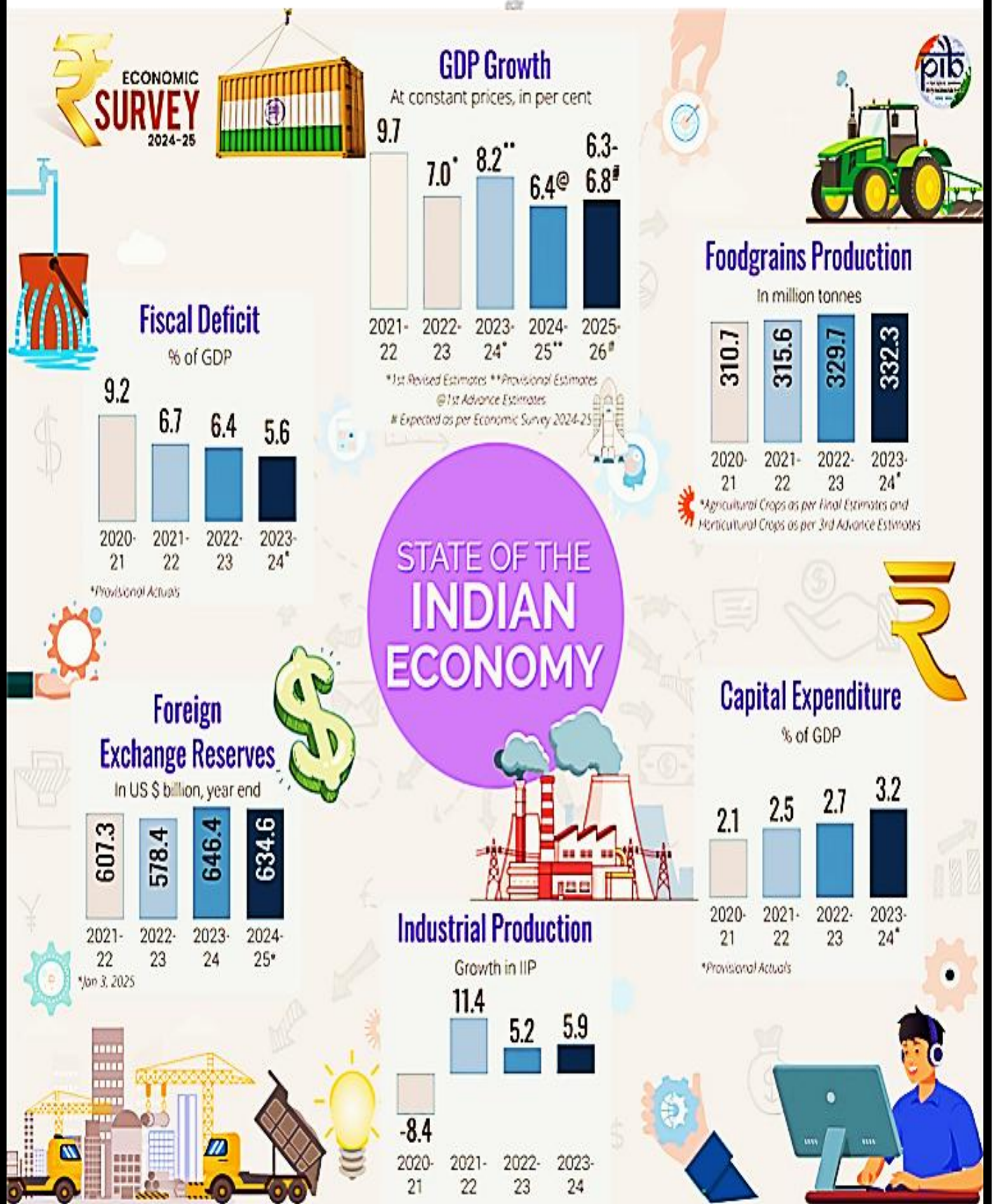
1. Which co as a part of its sustainability initiatives has devised a calculator for calculating the carbon footprint of every package?
2. Which brand took advertising into outer space in the year 2001 when a Russian rocket had its big logo painted on it?
3. Which brand of water filter provided water to all the visitors of the Kumbh Mela?
4. As per the recent sales numbers of luxury cars in India what is the pecking order from highest to lowest of MERC, BMW, AUDI & Jaguar?
5. Sachin Bansal of Flipkart says success in E-Commerce comes from taking care of 3 factors. Name them.
6. Which company is to India, what Coca Cola is to US. Name India's no 1 FMCG brand in terms of sales value.
7. Under what brand name has Coca Cola India launched its first alcoholic beverage in India by piloting in Goa and Maharashtra?
8. Name the tech company that had become a favourite app after the pandemic and its share price zoomed 400 % in 2020 but has now fallen out of favour and has been removed out of the NASDAQ 100 index too.
9. Amazon has a private label for washing machines, air conditioners, and other white goods. What is it?
10. Most logos carry one icon, but which co logo has as many as 25 icons with symbols such as sun, DNA, bee, flower and heart?

Send answers of Management Quiz No. 63
latest by **8th March 2025**, to the Email id: **usha@imis.ac.in**.

ANSWERS TO MANAGEMENT QUIZ No. 62

(Together, Nov. – Dec. 2024, Vol.12, No. 123)

- 1. Virat Kohli 2. HeroMotocorp TV 3. 7Up & Nimbooz 4. HUL from Godrej Sara Lee
5. Android 10 6. Puma 7. Italic 8. Pepsi 9. Dary Queen 10. Leprino**





UNION BUDGET 2025-26

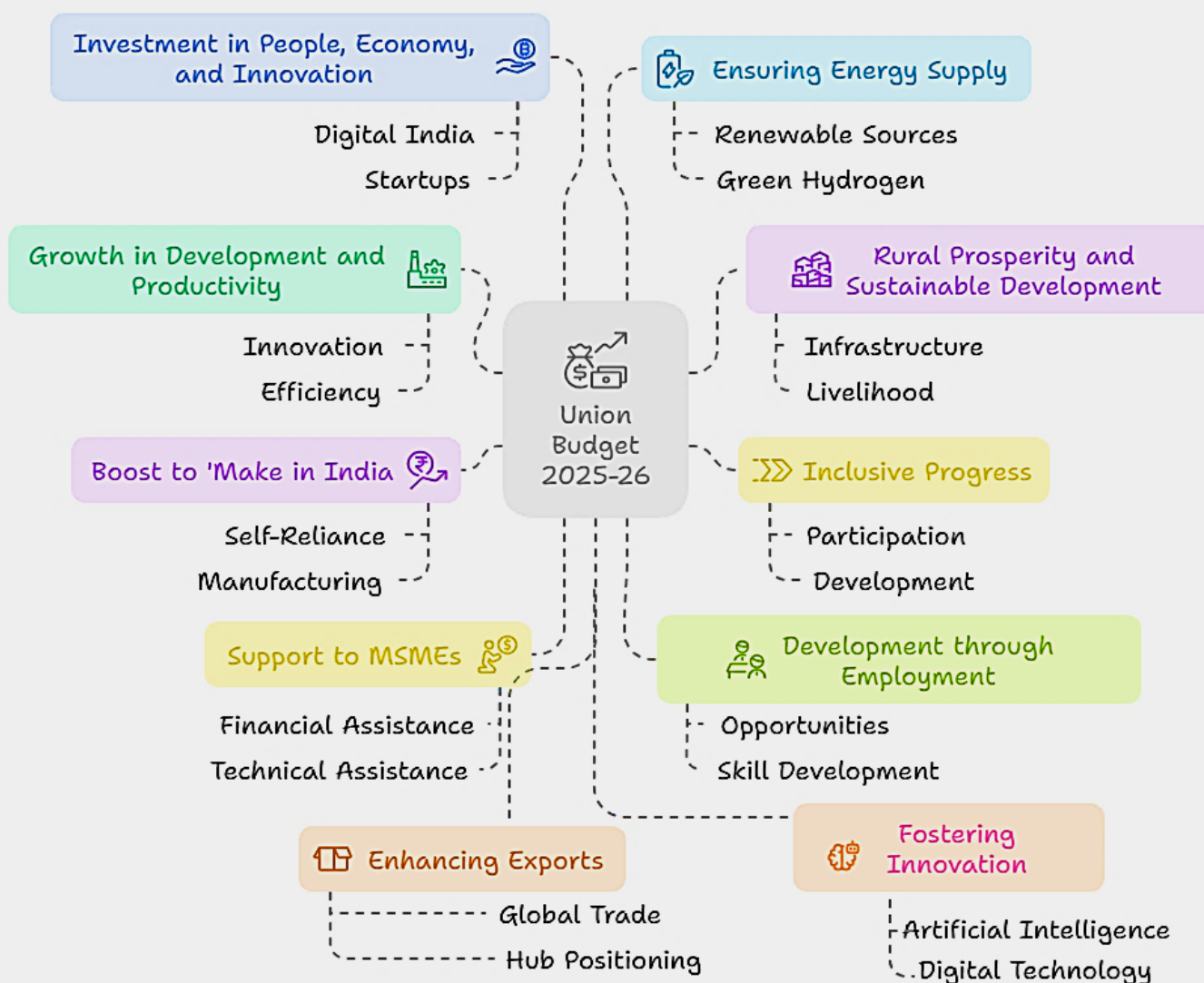
HIGHLIGHTS

The Finance Minister outlined the broad Principles of “**Viksit Bharat**” to encompass the following:

- Zero-poverty;
- Hundred per cent good quality school education
- Access to high-quality, affordable, and comprehensive healthcare
- Hundred per cent skilled labour with meaningful employment
- Seventy per cent women in economic activities; and
- Farmers making our country the ‘food basket of the world’.

The budget aims to initiate transformative reforms in the Taxation, Power Sector, Urban development, Mining, Financial sector, and regulatory Reforms to augment India’s growth potential and global competitiveness. Union budget highlights that Agriculture, MSME, Investment and Exports are the engines in the journey to Viksit Bharat using reforms as fuel, guided by the spirit of inclusivity.

Union Budget 2025-26 Focus Development Areas



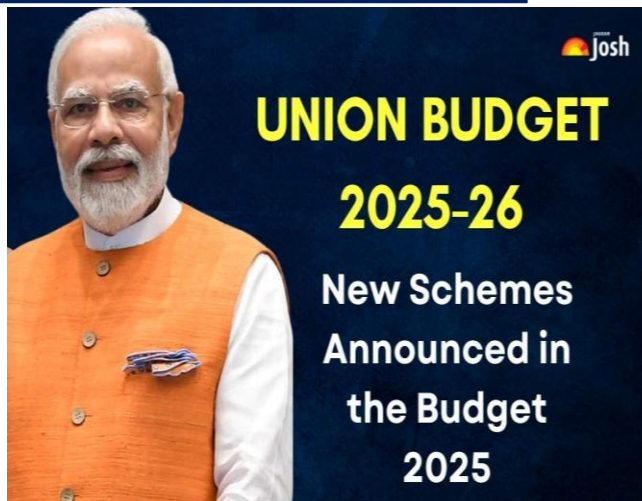
BUDGET

UNION 2025-26
केंद्रीय बजट



CENTRALLY SPONSORED & CENTRAL SECTOR SCHEMES

1. Prime Minister Dhan-Dhaanya Krishi Yojana
2. Rural Prosperity and Resilience Programme
3. Aatmanirbharta in Pulses
4. Scheme for First-time Entrepreneurs
5. Saksham Anganwadi and Poshan 2.0
6. Bharatiya Bhasha Pustak Scheme



- Social Security Scheme for Welfare of Online Platform Workers
- SWAMIH Fund 2
- Kisan Credit Cards (KCC)
- Credit Guarantee Fund

- Fund of Funds for Startups
- Atal Tinkering Labs
- PM SVANidhi
- Jal Jeevan Mission
- UDAN - Regional Connectivity Scheme
- PM Gati Shakti
- PM Research Fellowship

Budget Expenditure on Sectors (In Lakh Cr)

Defence	₹4.91
Rural Development	₹2.66
Home Affairs	₹2.33
Agriculture & Allied Activities	₹1.71
Education	₹1.28
Health	₹0.98
Urban Development	₹0.96
IT & Telecom	₹0.95
Energy	₹0.81
Commerce & Industry	₹0.65
Social Welfare	₹0.60
Scientific Departments	₹0.55





1st ENGINE: AGRICULTURE (Strengthening Farmers and Rural Economy)

The Indian agricultural sector has shown steady growth, averaging 5% annually from FY17 to FY23, contributing 16% to GDP in FY24 and supporting 46.1% of the population. Growth is driven by improved productivity, crop diversification, and government initiatives, despite climate challenges.

India remains a major global cereal producer, though yields lag behind top producers, highlighting the need for efficiency improvements. Floriculture, horticulture, livestock, and fisheries have gained momentum, offering higher returns.

Key government programs like **PM-KISAN** have benefited 11 crore farmers, while 23.61 lakh farmers have enrolled in **PM-KMY** (as of October 2024). Sustainable practices and digital agriculture further support growth and income enhancement.

A six-year Mission for **Aatmanirbharta in Pulses** will focus on Tur, Urad, and Masoor dal, ensuring self-sufficiency in domestic production.

- Reduced dependence on imports will stabilize domestic prices and improve farmer incomes.

The loan limit under the **Kisan Credit Card (KCC)** has been raised from ₹3 lakh to ₹5 lakh under the **Modified Interest Subvention Scheme**.

- Analysis:** This will increase financial inclusion for farmers, fishermen, and dairy producers, ensuring better investment in agricultural inputs.



Higher Credit through Kisan Credit Cards

Loan limit under Modified Interest Subvention Scheme to be raised from
₹ 3 lakh to ₹ 5 lakh

Kisan Credit Cards facilitate short term loans for 7.7 crore farmers, fishermen, and dairy farmers



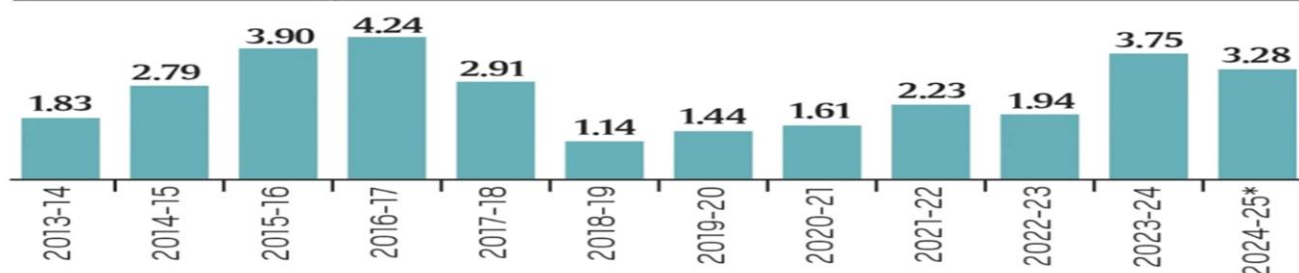
A five-year Mission for **Cotton Productivity** will enhance scientific farming techniques and technological interventions for improved yields.

- Strengthening cotton farming will boost India's textile sector and enhance global trade competitiveness.

India Post will be transformed into a public logistics organization, facilitating rural economic growth and improving agriculture-based trade and supply chains.

- This will connect rural producers with national markets, reducing wastage and increasing farmer profitability.

IMPORTS OF PULSES (IN \$ BILLION)



*April-November.

Source: Department of Commerce.



2nd ENGINE: MSME (Boosting Manufacturing and Employment)

Finance Minister described MSMEs as the second power engine for development as they constitute for 45% of our exports. To help MSMEs achieve higher efficiencies of scale, technological upgradation and better access to capital, the investment and turnover limits for classification of all MSMEs enhanced to 2.5 and 2 times, respectively. Further, steps to enhance credit availability with guarantee cover have also been announced.

The finance minister also announced the launch of a new scheme for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs. This will provide term loans up to Rs. 2 crores during the next 5 years.

New Classification of MSME	INVESTMENT		TURNOVER	
	Current	Revised	Current	Revised
MicroEnterprise	Rs 1cr	Rs 2.5cr	Rs 5cr	Rs 10cr
Small Enterprise	Rs 10cr	Rs 25cr	Rs 50cr	Rs 100cr
Medium Enterprise	Rs 50cr	Rs 125cr	Rs 250cr	Rs 500cr

Source: Budget 2025-2026, Speech of Nirmala Sitharama, Union Minister of Finance February 1, 2025.

The classification limit for MSMEs has been increased to 2.5 times investment and 2 times turnover to help businesses expand and scale operations.

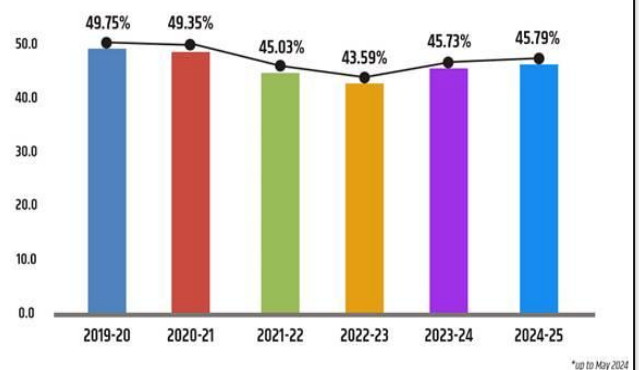
The MSME Credit Guarantee Scheme has been expanded, offering additional credit support of ₹1.5 lakh crore over five years.

- Increased credit availability will improve liquidity, enabling MSMEs to invest in innovation and infrastructure.

A new scheme for first-time SC/ST and women entrepreneurs will provide loans up to ₹2 crore for 5 lakh beneficiaries over the next five years.

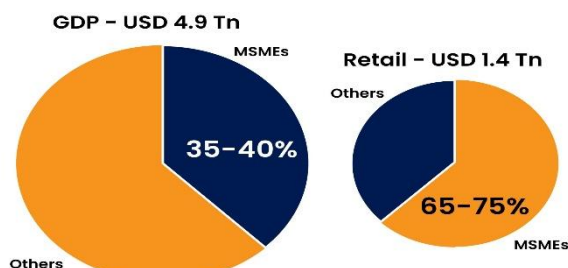
- This initiative will enhance financial inclusion, empowering marginalized communities and fostering entrepreneurship.

Share of Export of MSME related products in All India Export



The MSME Sector is Poised to Steer Indian Economic Growth

MSME Opportunity
FY 2027P, USD, Share of GDP and Retail



MSME opportunity ~USD 1.8 Tn ~US\$ 900 Bn

Source: www.Consultancy.in

A National Manufacturing Mission will be launched to support MSMEs, including clusters for toy manufacturing and non-leather footwear production.

The government will support electronic equipment manufacturing, boosting Industry 4.0 capabilities and domestic industrial development. This initiative will reduce reliance on imports and position India as a leader in advanced manufacturing.



3rd ENGINE: INVESTMENT (Strengthening Infrastructure and Innovation)

Defining Investment as the third engine of growth, the Union Minister prioritized investment in people, economy and innovation. Under the **investment in people**, she announced that 50,000 Atal Tinkering Labs will be set up in Government schools in next 5 years.

Smt. Nirmala Sitharaman announced that broadband connectivity will be provided to all Government secondary schools and primary health centers in rural areas under the Bharat-net project.

A 50-year interest-free loan of ₹1.5 lakh crore will be provided to states for **capital expenditure and reforms**.

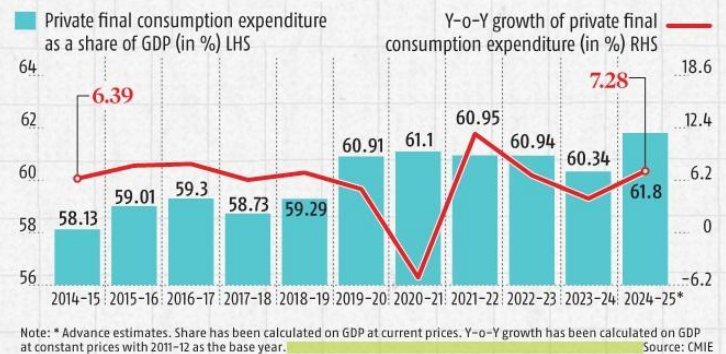
- This investment will spur economic growth, creating jobs and improving public infrastructure.

The **second Asset Monetization Plan (2025-30)** will raise ₹10 lakh crore, reinvesting in **new infrastructure projects**.

- Recycling public assets will generate funds for future development, ensuring sustainable economic growth.

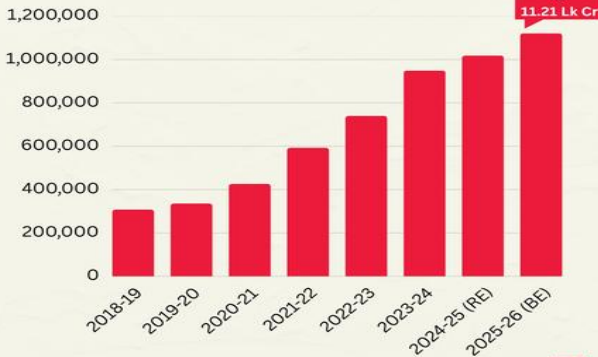
Demand rises, concerns persist

Private consumption reviving



CAPEX

Capital Expenditure (Rs Cr)



50,000 Atal Tinkering Labs (ATLs) will be set up in government schools over five years, fostering **STEM learning and innovation**.

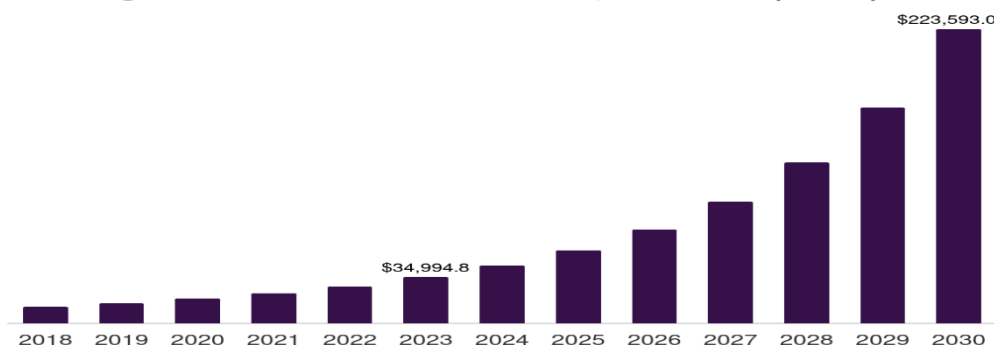
- Investment in education will equip students with future-ready skills, promoting technological advancement.

A ₹20,000 crore fund for **Research, Development, and Innovation** will encourage private-sector-driven technological progress.

- This initiative will **strengthen India's global competitiveness** in emerging technologies.

The **Bharat-Net Project** will provide broadband connectivity to all government schools and rural healthcare centers. Digital expansion will help in bridging the rural-urban digital divide, improving e-governance, education and telemedicine services.

India digital transformation market size, 2018-2030 (US\$M)



Investment in Digital Infrastructure

30.3%

India Market CAGR, 2024-2030



4th ENGINE: EXPORTS (Expanding Global Trade Prospects)

Smt. Sitharaman defined Exports as the fourth engine of growth and said that jointly driven by the Ministries of Commerce, MSME, and Finance; Export Promotion Mission will help MSMEs tap into the export market. She added that a digital public infrastructure, **'BharatTradeNet' (BTN)** for international trade was proposed as a unified platform for trade documentation and financing solutions.

The Export Promotion Mission will support MSMEs in accessing global markets, ensuring seamless trade facilitation.

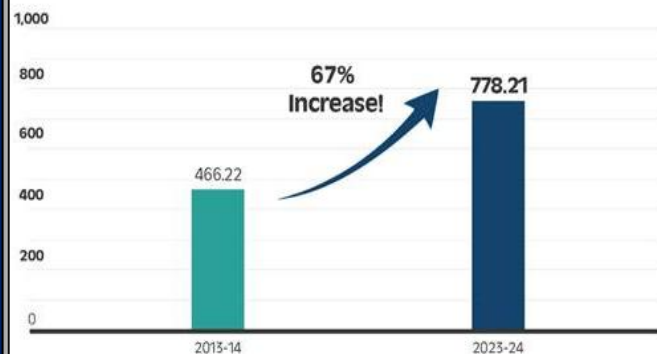
- Strengthening exports will diversify India's trade portfolio and enhance foreign exchange reserves.

Bharat-Trade-Net (BTN), a digital public infrastructure for international trade, will streamline documentation and financing.

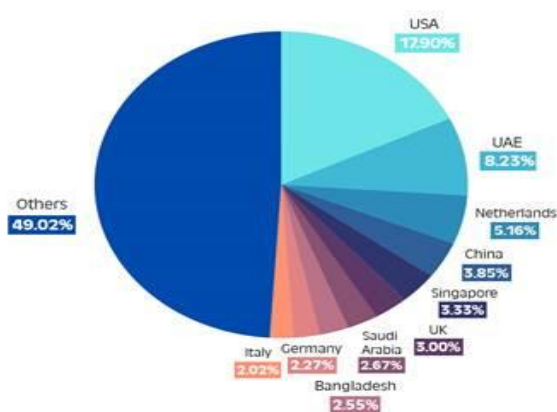
- Digitalizing trade processes will enhance efficiency, reduce costs, and boost investor confidence.

India's Export Growth Over the Years

(In USD Billion)



India's Top Merchandise Export Destinations



Infrastructure and warehousing for air cargo, including perishable goods, will be upgraded.

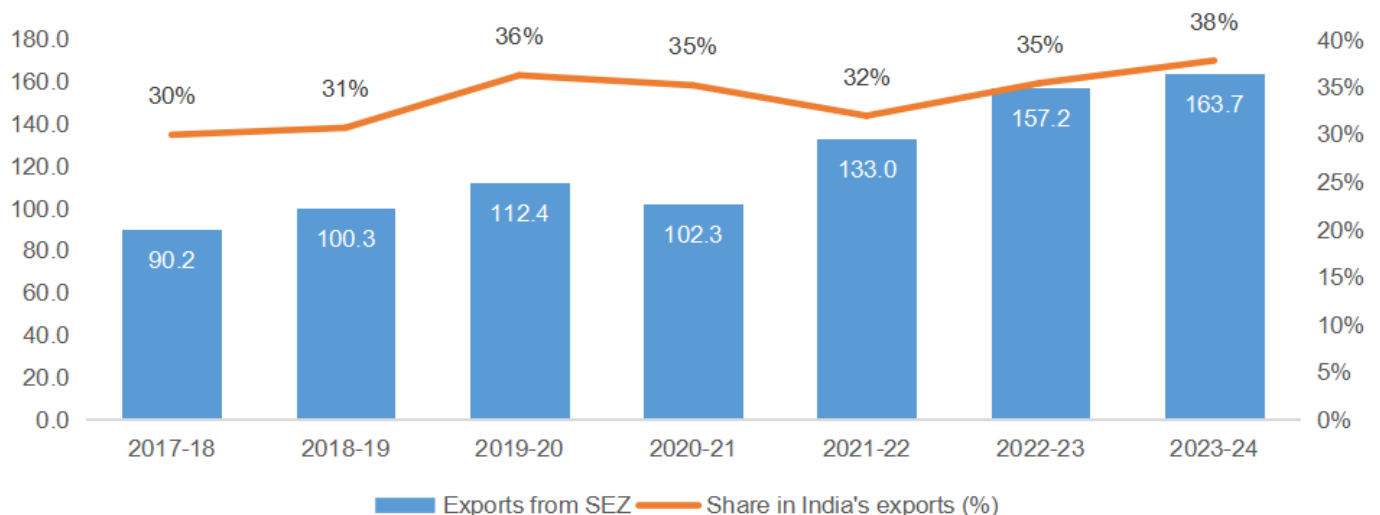
- Strengthening logistics networks will help to improve agricultural and industrial export competitiveness.

A National Framework for Global Capability Centers (GCCs) will promote Tier-2 cities as global IT and R&D hubs.

- Encouraging technology investment will create high-skilled jobs and boost India's digital economy.

The government will support domestic electronic equipment manufacturing to integrate with global supply chains.

Exports from SEZs in India (US\$ billion)



Direct Tax Proposals

The Union Budget 2025-26, presented by Finance Minister Nirmala Sitharaman, introduces several direct tax proposals aimed at benefiting the middle class, simplifying tax compliance, and encouraging economic growth. Key highlights include:

Personal Taxation

1. Increased Tax Exemption Limit:

- Under the new tax regime, individuals with an annual income up to ₹12 lakh are exempt from income tax. For salaried taxpayers, the exemption extends to ₹12.75 lakh, accounting for a standard deduction of ₹75,000.
- The amount withdrawn from National Savings Scheme (NSS) on or after 29 August 2024 to be exempt from tax.

2. Rationalization of TDS/TCS:

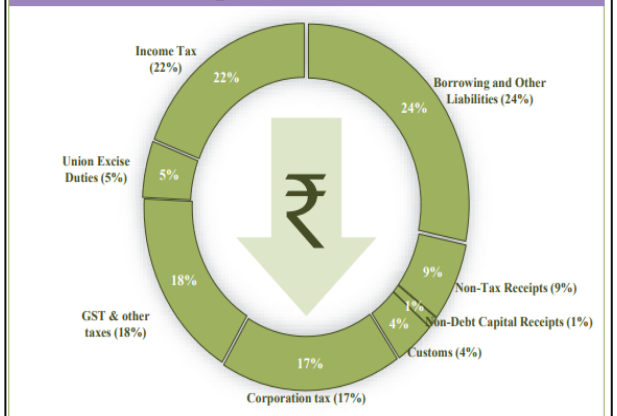
- Higher TDS Exemption for Seniors:** Limit on interest income raised from ₹50,000 to ₹1 lakh.
- Increased TDS Threshold on Rent:** Raised from ₹2.4 lakh to ₹6 lakh annually, easing compliance.
- TCS on Foreign Remittances:** Threshold increased from ₹7 lakh to ₹10 lakh under Liberalized Remittance Scheme.

3. **Encouraging Voluntary Compliance:** Filing period increased from 2 years to 4 years, allowing easier tax corrections.

Revised Tax Slabs for Union Budget 2025-26 under New Tax Regime Applicable from FY 25-26

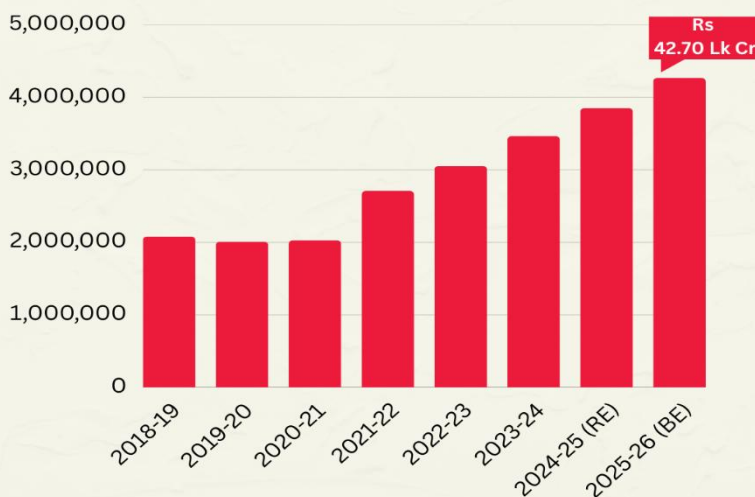
Tax Slabs	Tax Rate
0 - Rs. 4,00,000	NIL
Rs. 4,00,001 - Rs. 8,00,000	5%
Rs. 8,00,001 - Rs. 12,00,000	10%
Rs. 12,00,001 - Rs. 16,00,000	15%
Rs. 16,00,001 - Rs. 20,00,000	20%
Rs. 20,00,001 - Rs. 24,00,000	25%
Above Rs. 24,00,001	30%

Rupee Comes From



TAX REVENUE

Gross Tax Revenue (Rs Cr)



Source: Budget Document | Data Infographic: Ritesh Presswala

Corporate Tax

1. **No changes have been made to the applicable corporate tax rates for companies, ensuring stability in the tax framework.**

2. Taxation of Non-Residents- Presumptive Taxation Scheme

- Introduced for non-residents providing services or technology to resident companies establishing or operating electronics manufacturing facilities in India.
- 25% of the aggregate amount received or receivable by the non-resident will be deemed as taxable profits and gains.
- Covers the provision of technical personnel by non-residents.

Indirect Tax Proposals

The Union Budget for 2025-26 introduces several significant proposals concerning indirect taxes, focusing on customs duty rationalization, support for domestic manufacturing, and trade facilitation. Key highlights include:

Rationalization of the Customs Tariff

Structure: The government has aimed to simplify the customs tariff system by reducing the number of tariff rates and introducing cesses where necessary.

Key Changes:

- Reduction of Tariff Rates
- Application of Cess
- Social Welfare Surcharge Exemptions
- Extended Export Period
- Duty-Free Raw Materials for Leather
- Lower Costs for Seafood Exports

TYPES OF INDIRECT TAXES



Sector-Specific Customs

A. Pharmaceuticals: Life-Saving Drugs & Medicines:

- 36 essential life-saving drugs and medicines have been fully exempted from Basic Customs Duty (BCD).
- 6 additional medicines will now be taxed at a concessional 5% BCD, ensuring affordability.



B. Critical Minerals: Boost for Electric Vehicles Industry

- Customs duty exemption on critical minerals like Cobalt powder, Lithium-ion battery waste, and 12 others to lower costs for EVs and electronics manufacturing in India.



C. Higher Tax on Imports to Promote Local Production:

- Basic Customs Duty on Interactive Flat Panel Displays raised from 10% to 20% to boost domestic manufacturing.
- Tax exemptions on Open Cell TV parts to lower TV production costs in India.

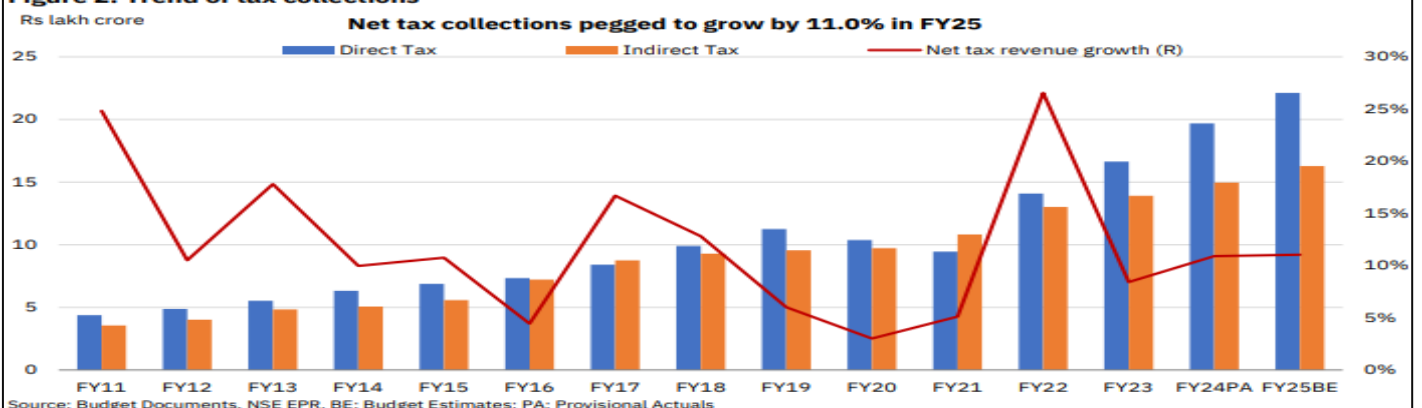


D. Textiles:

- Shuttle-less looms fully exempted from Basic Custom Duty, reducing costs. Knitted fabrics duty set at 20% or ₹115/kg, supporting local manufacturers.



Figure 2: Trend of tax collections



GST collection rises 7.3 pc to Rs 1.77 lakh crore in December

Jan 01, 2025, The Economic Times

India's gross GST collection grew 7.3% year-on-year in December, reaching 1.77 lakh crore, as per data released by the government on Wednesday. The revenue distribution for December includes 32,836 crore from Central GST, ₹40,499 crore from State GST, ₹47,783 crore from Integrated GST, and 11,471 crore from cess. GST from domestic transactions recorded an 8.4% growth, amounting to ₹1.32 lakh crore.

RBI adds 8 tons gold to its reserves in November 2024: WGC

Jan 06 2025, The Economic Times

Central banks around the world collectively, in November 2024, added 53 tonnes of gold to their reserves, of which the Reserve Bank of India's addition was 8 tonnes, the World Gold Council (WGC) said in a report on Monday. In 2024, central banks - mostly those from emerging markets - remained keen buyers of gold, driven by the need for a stable and secure asset amid global economic uncertainties.

Direct tax mopup rises 16% to Rs 16.9 lakh crore in FY25 so far

Jan 14, 2025, The Economic Times

Net direct tax collection increased 15.88% year-on-year to about ₹16.90 lakh crore till January 12 in this financial year, government data released on Monday showed. Mop-up from net non-corporate taxes, which includes mainly personal income-tax, stood at more than ₹8.74 lakh crore since April 2024. Net corporate tax collection between April 1, 2024, and January 12 this year was around ₹7.68 lakh crore.

India likely to cut disinvestment goal by 40% for FY25

Jan 17, 2025, The Economic Times

India will likely cut its disinvestment and asset monetisation target by -40% for 2024-25 in the federal budget to be presented next month, The ET newspaper reported on Saturday, as planned sales of state-run firms run into a host of setbacks. The government will likely revise the target to less than 300 billion rupees (53.47 billion) from the initial 500 billion rupees, the newspaper said, citing people aware of the deliberations.

Digital payments rise 11.1 pc at Sept-end 2024: RBI data

Jan 29, 2025, The Economic Times

Digital payments across the country registered an 11.11 per cent year-on-year rise as on September 2024, according to RBI's index that measures the adoption of online transactions. RBI's Digital Payments Index (RBI-DPI) for September 2024 stands at 465.33 as against 445.5 for March 2024, the Reserve Bank said in a statement on Wednesday.

Zero tax up to Rs 12 lakh: Big relief, more money in your pocket

Feb 02, 2025, The Economic Times

The budget proposes zero levy for taxable income up to Rs 12 lakh, while raising the basic exemption limit from Rs 3 lakh to Rs 4 lakh a year. In the new regime, those with a taxable salary of up to Rs 7 lakh a year do not pay any tax through the appropriate rebates. The government said about one million assesseees, who earlier paid Rs 20,000-80,000 tax annually, will now pay nothing. A person earning Rs 12 lakh a year would save Rs 80,000 in taxes.

Credit growth exceeds deposit growth in January, 24 fortnight

Feb 06, 2025, The Economic Times

Bank lending again outpaced deposit growth in the beginning of the fourth quarter putting pressure on resources forcing many banks to raise deposit rates. Lending increased 11.4 percent year-on-year as of January 24, 2025 compared to over 15 percent in the same period a year ago, while deposits rose 10.3 percent compared to 13.2 percent in the same in the same period a year ago, the latest Reserve Bank of India data released on Thursday shows.

Digibanks, know thy KYC-keeping

Feb 07, 2025, The Economic Times

The latest regulatory intervention by RBI over customer identification by payments banks may appear to be harsh for startups. Digital wallet providers have argued their business model does not support enhanced KYC compliance where costs spike with video and physical corroboration. There are also infrastructure challenges in onboarding customers in smaller towns. Yet, the banking regulator cannot be faulted for its concern over the qualitative degeneration of KYC databases.

Paytm crisis: RBI has sown skepticism among payment cos & it may want to reconsider its position

Feb 07, 2025, The Economic Times

Central banks are meant to ensure that regulated entities are financially sound and operationally secure. To this end, they must be as diligent in monitoring as swift in exercising punitive action; transparent with all stakeholders, including the public; and ensure they maintain market stability at all costs. In the case of PPB, RBI may have fallen a little short. RBI's January 31 notification to Paytm Payments Bank (PPB) to terminate its operations - including accepting deposits, offering banking services and maintaining nodal accounts with customers - by February 29, referred to a prior release from two years ago, whereby PPB had to 'stop onboarding new customers.

Rs 6.85 cr 'irregular' payment by Railways to foreign supplier: Parliament panel

Feb 07, 2025, The Economic Times

A Public Accounts Committee (PAC) report disclosed that Banaras Locomotive Works (BLW) of Indian Railways bought equipment for discontinued diesel locomotives, worth Rs 6.85 crore, from a foreign vendor in 2017. The report highlights the vendor's delayed delivery and BLW's decision to accept the equipment at a 36% discount, despite initially rejecting it. The purchase was questioned due to the cessation of diesel locomotive production and discrepancies in the assessment of spare parts requirement.

Sebi slaps Rs 7.4-crore fine on 5 Zee Business guest experts, 10 others

Feb 08, 2025, The Economic Times

The Securities and Exchange Board of India (Sebi) has slapped a fine of Rs 7.41 crore against 5 entities, who were part of the guest panel of Zee Business news channel, and 10 other entities on grounds of indulging in fraudulent and unfair acts while dealing in the securities market. Further, many of these entities have been restrained from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, until further orders.

Sebi may grant flexibility to FPIs to sell securities post-expiry of registration

Feb 08, 2025, The Economic Times

The Securities and Exchange Board of India (Sebi) has proposed to provide flexibility to foreign portfolio investors (FPIs), whose registrations have expired, to sell their securities. Sebi data shows, as of June 30, 2023, there were 55 such entities holding securities valued at about Rs 3,300 crore in their demat accounts. Rules require FPIs to have a valid registration as long as they hold securities. Current FPI rules do not provide for regularization of FPI registration or liquidation of securities post expiry of their registration and the securities held by such FPI remain frozen in their demat accounts.

RBI's decision on interest rate pragmatic, ensures sustainable growth: Experts

Feb 08, 2025, The Economic Times

Commenting on the monetary policy, Assocham Secretary General Deepak Sood said that while the continued focus on moderating inflation to the target of 4 per cent has to be seen in the overall context of global and domestic challenges, mainly with regard to food prices, RBI's customer-centric approach is laudable. The chamber has described the decision to keep the benchmark policy rates unchanged as pragmatic for sustainable economic-growth.

Nifty Bank manages to hold 45,000; next support seen at 44,400 levels

Feb 08, 2025, The Economic Times

The Nifty Bank led the decline in the Indian market with a sharp 800-point cut. The banking index fell 806 points to 45,012. The Nifty50 closed 212 points lower at 21,717. The fall in the index was led by losses in AU Small Finance Bank, Kotak Bank, ICICI Bank, Axis Bank, and IDFC First Bank while buying was seen in SBI and Bank of Baroda. The Nifty Bank managed to recoup some losses.

MSME Sector Growth

Over the last five decades, The Micro, Small and Medium Enterprises (MSMEs) sector has emerged as a highly attractive and growing sector of India. MSMEs not only help in providing large employment opportunities at a relatively low cost when compared to large industries but also help in industrialisation of rural and underserved areas, thereby reducing regional imbalances and ensuring equitable distribution of National income and wealth.

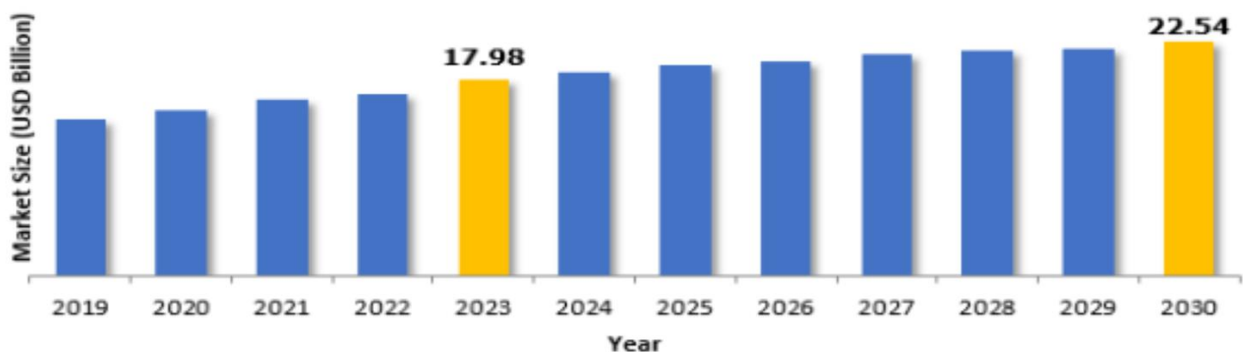
The modified definition of MSMEs is expected to facilitate the growth and expansion of these enterprises. This could enhance the productivity of MSME without losing out on government incentives such as, market support, incentives through Micro Small Enterprises-Cluster Development Programme (MSE-CDP), Prime Minister Employment Generation Programme (PMEGP) and Scheme of Fund for Regeneration of Traditional Industries (SFURTI) and enabling IT ecosystems.



The union Budget of 2025-26 has introduced various measures to enhance the MSMEs sector, which were unveiled by the finance minister Smt. Nirmala Sitharaman recognizing the role of MSMEs and startups in driving economic growth and in ensuring regional balances-

- *The Government raised the limits of investment by 2.5 times and total turnover limits by 2 times allowing MSMEs to scale up its operations and adopt better technology.*
- *The credit guarantee cover was increased from Rs 10 crores for Micro and Small enterprises providing Rs 1.5 lakh crore additional credit over a span of five years.*
- *The 2025 budget introduced MSME credit cards to boost growth and streamline loan access, by which Rs 5 lakh credit facility will be provided for micro-enterprises registered on the Udyam portal.*

**India MSME Market size,
By Value (USD Billion), 2019-2030**

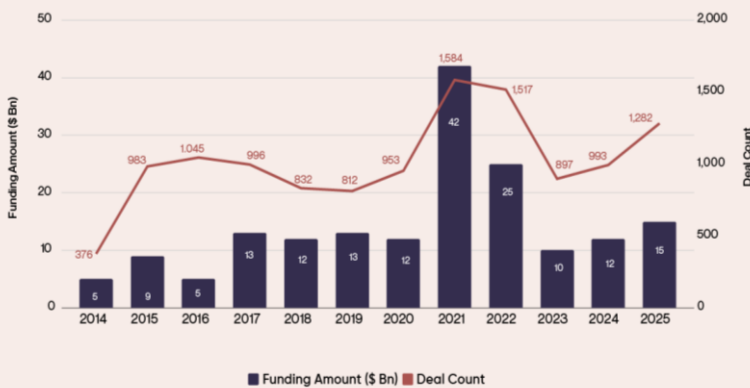


Startups in India

On 1st Feb 2025, the Finance Minister Ms. Nirmala Sitaraman unveiled the Union Budget 2025-26 with the theme "Sabka Vikas" focusing on balanced growth of every region. The Budget continues the Government's commitment to strengthening India's start-up ecosystem by boosting funding, encouraging innovation and bringing in simplification.

2025 COULD SEE INDIAN STARTUPS RAISE \$15 BN IN FUNDING

COMPARED TO 2024, THE FUNDING AMOUNT AND DEAL COUNT ARE LIKELY TO INCREASE BY 25% AND 29%



The applicability of the benefit provided under Section 80-IAC of the Income Tax Act to startups, under which startups can claim 100% exemption from taxation of profits for a period of three years, will be extended for another five years. This move allows startups that take longer to incorporate their business to get the 3-year tax exemption. For further ease of doing business, It is proposed to bring parity between the taxation of capital gains on transfer of capital assets between residents and non-residents being Foreign Institutional Investors, on their income by way of long-term capital gains on transfer of securities.

To this end, a fresh contribution to the existing Start-up Fund of Funds has been announced, along with the exploration of a Deep Tech Fund of Funds to support next-generation start-ups. Window for new startups to claim tax holiday has been proposed to be extended till 31 March 2030.

NEW PREDICTION FOR 2025

	Previous 2025 prediction	2021	New estimation for 2025
Tech startups	28,000-30,000	25,000-26,000	36,000-37,000
Number of Unicorns	95-105	70*	180-200
Cumulative Valuation	\$ 350-390 Bn	\$ 320-330Bn	\$ 600-700 Bn

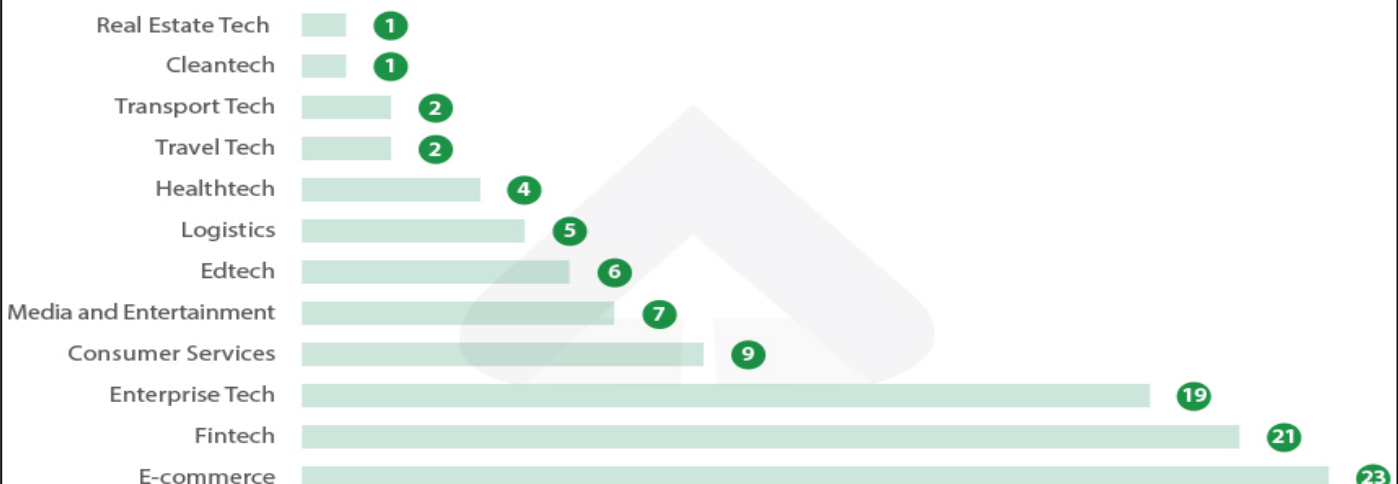
* Total does not include unicorns that have raised an IPO, are acquired, devalued or shutdown

Source: NASSCOM report

moneycontrol

The deeptech FoF could galvanise and catalyse the ecosystem where many private players will now come in and participate in areas such as semiconductors, quantum, precision manufacturing, and spacetechnology, areas that are critical for India's Atmanirbhar Bharat and Viksit Bharat ambitions.

Sector-Wise Breakdown of Unicorns in India



India in 2025 a marketer's paradise", Mukta Maheshwari, P&G India

Feb 1, 2025

Mukta Maheshwari—CMO; VP & Category Head, Fabric Care, P&G India. The FM CMO; VP & Category Head, Fabric Care, P&G India. The FMCG leader highlighting the importance of remaining focused to the core objectives of marketing- growing the category. She illustrates that battle is no longer just about the market share, its about winning customer trust in an environment where personalization, digital acceleration, and purpose-driven branding are shaping new expectations.

Budget 2025 reinforces India's strong macro positioning in a fragile world

Feb 3, 2025

The Union Budget 2025-26, presented by Finance Minister Nirmala Sitaraman on February 1, 2025, was a well-balanced budget. This being the first full-year Budget of the current government's third term, held a lot of significance as it was expected to lay the overall roadmap for India becoming 'Viksit Bharat'. The government continued to follow the fiscal consolidation path, at the same time maintained its investment-led spending growth strategy, along with providing a strong boost to consumption.

Employers added 143,000 jobs in January amid a slowdown in the labour market

Feb 7, 2025

The January employment figures show a slowdown in hiring from December, when employers added 307000 new jobs. Still the 143000 new jobs in January are not far off from the average monthly gain of 166000 in 2024 around the U.S. Employers in the health care, retail and social assistance industries added new hires last month, although employment declined in mining, quarrying and the oil and gas extraction industries, the BLS said on Friday. Although the latest data indicates the labor market remains solid albeit growing at a slower pace than in December it also means borrowing costs for consumers and businesses are likely to stay higher longer. The Federal Reserve wants to see more progress on getting inflation down to its goal of a 2% annual rate before it makes additional rate cuts

Delhivery to expand rapid commerce offering but market potential limited: CEO Sahil Barua

Feb 7, 2025

Delhivery reported an 8% year-on-year increase in its operating revenue for the October-December quarter at Rs 2,378 crore – along with a 114% rise in net profit at Rs 25 crore. New-age logistics firm Delhivery reported an 8% year-on-year increase in its operating revenue for the October-December quarter at Rs 2,378 crore. Net profit rose 114% from a year earlier and two-and-a-half times from the previous three months to Rs 25 crore. The surge in net profit was primarily on account of deferred tax. During the quarter, Delhivery accounted for a tax gain of Rs 1 crore, compared with a tax payment of Rs 12 crore in the same period last year.

IEW 2025: India opens to buying energy from all sources, gas prices expected to come down in 2026, says Hardeep Singh Puri

Feb 10, 2025

Union Oil Minister Hardeep Singh Puri on Monday said that India is open to energy imports from all sources at the lowest rates, and domestic oil marketing firms are looking for more gas which is expected to cost less in 2026. Addressing a presser on Indian Energy Week 2025 beginning on Tuesday, Puri allayed fears of an impact on energy supplies to India from Russia after US sanctions.

Smaller smartphone brands in India like Apple, OnePlus gain market share; challenge top five in 2024

Feb 10, 2025

Smartphone brands such as Apple, Nothing and OnePlus, which have comparatively smaller presence in the Indian market, gained shares from the top five handset brands in calendar 2024, backed by robust online sales, diversified portfolio, and mass appeal in the premium segment, market trackers said. They expect these so-called long-tail brands to sustain their growth momentum this year as well through greater marketing spends, retailer margins, and expansion in after-sales service.

Berger Paints exits race for Akzo India, cites high valuation

Feb 10, 2025

Kolkata-based Berger Paints is no longer in the race to buy Dutch paint manufacturer Akzo Nobel's India unit due to high valuations, the company's managing director and CEO Abhijit Roy said. This comes after reports earlier claimed that Pidilite Industries, JSW Paints, Indigo Paints and Berger Paints were in the fray to buy Akzo Nobel.

"It's very expensive. We are not there in the picture as of now," Roy said during an interview with The Economic Times. "We are doing a fairly good job on our own. I don't think there is any great need for this acquisition," he said. When asked if Berger would be interested if Akzo comes at a fairer price, Roy replied, "We are interested, but only at a reasonable price. We have asked for certain clarifications and we are waiting for that."

ChatGPT maker OpenAI is taking bold steps to send stern message to Nvidia, DeepSeek

Feb 10, 2025

OpenAI is pushing ahead on its plan to reduce its reliance on Nvidia for its chip supply by developing its first generation of in-house artificial-intelligence silicon, as per a report. The ChatGPT maker is finalizing the design for its first in-house chip in the next few months and plans to send it for fabrication at Taiwan Semiconductor Manufacturing Co, sources told Reuters. The process of sending a first design through a chip factory is called "taping out."

Euler Motors appoints Ashish Tandon as its global head for customer excellence

Feb 10, 2025

Euler Motors, a manufacturer of commercial electric vehicles, has appointed Ashish Tandon as the global head for customer excellence. He will focus on EV technology integrations for an efficient buyer experience. Tandon brings over 25 years of experience in the automobile sector, including leadership roles in both ICE and EV segments, and has worked with notable companies.

Meta's Llama AI in hot water: Alleged copyright theft leads to class action lawsuit, accused of pirating 82TB of books for AI training

Feb 11, 2025

Meta's LLaMA AI is in the spotlight after being hit with a class action lawsuit accusing the company of illegally using pirated books to train its AI models, as per a report. Meta's LLaMA AI is in the spotlight after being hit with a class action lawsuit accusing the company of illegally using pirated books to train its AI models, as per a report. According to Tom's Hardware report, internal messages reveal that even some of Meta's own employees raised concerns over using pirated materials. One senior AI researcher warned as early as October 2022 about crossing ethical lines, stating, "I don't think we should use pirated material."

We can't afford to be afraid of AI. Marketing principles will not change because of AI'

Feb 13, 2025

Lara Balsara Vajifdar, the Executive director of Madison World said that they are optimistic about the future and estimate 11% growth for 2025 in AdEx at the launch of Pitch Madison Advertising Report 2025 on Wednesday. She further explained- "We are in an era of moderate growth, growing by just 9% in 2024, but we are optimistic about the future especially with the recent Union Budget's boost of Rs 80,000-Rs 1 lakh crore for consumption and we estimate 11% growth for 2025 in AdEx,"

ET M&E Summit 2025: How Unilever leveraged addressability

Feb 14, 2025

India's manufacturing sector is at a crucial juncture, driven by rapid transformation under initiatives like Make in India. With the government aiming to increase the sector's contribution to GDP from 15.9% in 2023-24 to 25% by 2030, the adoption of cutting-edge technologies will be critical in ensuring global competitiveness. To achieve this goal, the manufacturing ecosystem must evolve-not only by scaling up production capacity and attracting investments but also by embracing cutting-edge technologies that will define the future of global manufacturing.

India Inc on the Move 2025: AI-powered innovation to drive smart and sustainable manufacturing

Feb 14, 2025

India's manufacturing sector is now placed at a crucial juncture which is driven by rapid transformation under initiatives such as Make in India. Hence, government is aiming to increase the sector's contribution to GDP from 15.9% to 25% by 2030, the adoption of cutting-edge technologies will be critical for ensuring global competitiveness.

India's advertising market set for 7% growth in 2025: GroupM report

Feb 15, 2025

India's advertising expenditure is expected to grow by 7% In 2025, taking overall ad revenue to Rs1,67,137 crore with an increment of Rs 10,730 crore compared to 2024. The 2025 growth will be led by digital which is peck to grow at 11.5%, out-of-home (OOH) and cinema advertising are expected to grow by 8% and 10% respectively. Print advertising expenditure will grow at a mere 4%. They also predict that TV ad revenue would decline by 1%.

IPL 2025: The advertising extravaganza brands can't afford to miss

Feb 15, 2025

Consumer companies in FMCG and automobile sectors are gearing up to leverage the Indian Premier League (IPL) to introduce new products and promotions to capitalize on rising consumption. The event is expected to drive higher advertising expenditures, especially for summer-centric brands and vehicles, due to new income tax changes and early summer onset.