

Corporate Chronicles

Merger & Acquisition Activity
Tata Electronics Acquires 60% Stake in Pegatron Technology India

- Deal Overview:** Tata Electronics has acquired a 60% stake in Pegatron Technology India, a significant player in electronics manufacturing, particularly for iPhones.
- Strategic Intent:** This acquisition strengthens Tata's foothold in the electronics manufacturing sector, positioning it as a key player in iPhone production. The move aligns with Tata's broader strategy to expand its presence in the tech sector, especially in light of the growing demand for mobile devices and electronics manufacturing in India.

Hindustan Unilever Limited (HUL) Acquires 90.5% Stake in Minimalist

- Deal Overview:** HUL has acquired a 90.5% stake in Minimalist, a popular skincare brand, for ₹2,995 crore.
- Funding:** The deal was financed through a combination of secondary buyouts and primary capital infusion.
- Strategic Intent:** The acquisition bolsters HUL's Beauty & Wellbeing portfolio, tapping into the growing demand for premium skincare and clean beauty products. Minimalist, known for its minimalist approach and transparency, fits well into HUL's strategy of expanding in the fast-growing health and wellness segment.

Pidilite Industries Seeks Partnerships/Acquisitions, Interested in Akzo Nobel India:

- Strategic Expansion:** Pidilite Industries, known for its diverse product range, including adhesives and paints, is actively seeking partnerships and acquisitions to expand its business.
- Potential Acquisition:** The company has shown interest in acquiring Akzo Nobel India, which would further enhance its paints business and complement its existing portfolio, particularly its Haisha paints venture.
- Strategic Intent:** This move aligns with Pidilite's focus on growing its presence in the paints and coatings sector, capitalizing on synergies to strengthen its market position.

Corporate Earnings Updates

ICICI Prudential (January 21, 2025):
Net Profit Increase: 43% growth driven by significant growth in new insurance policies and improved investment income.

HDFC Bank (January 22, 2025):
Net Profit Increase: 5% rise attributed to robust loan growth and improved asset quality.

Tata Motors (January 25, 2025):
Revenue Increase: 8% rise, mainly due to strong sales in premium vehicles and robust international market demand.

Adani Green Energy (January 24, 2025):
Net Profit Increase: 12% growth driven by the expansion of renewable energy projects.

ICICI Bank (January 25, 2025):
Net Profit Rise: 6% growth, supported by strong loan growth and improved asset quality.

Leadership Appointments

- Infosys (January 23, 2025):**
Ms. Priya Sharma assumed the COO role to drive operational efficiencies and enhance business performance.
- Tata Motors (January 22, 2025):**
Mr. Raghavendra Rao was appointed CEO to lead the company's future growth and strategic direction.

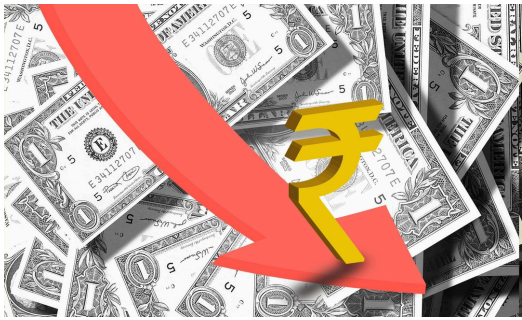
- Wipro (January 20, 2025):**
Mr. Rajesh Gupta was appointed CHRO to strengthen Wipro's HR strategy and talent management initiatives.

Is 90 hours a week legal? Here's what Indian labour laws say about working overtime
The debate over working hours in India reflects a deeper cultural issue within the workforce, often magnified by large corporations' demands and societal expectations. Despite existing labor laws, employees find themselves working beyond official hours, which affects their work-life balance and, in many cases, leads to burnout. The findings from Indeed's survey show how pervasive the culture of overwork has become,

India's forex reserves decline by \$1.88 billion to \$623.983 billion

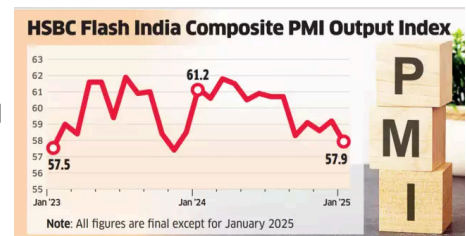
India's forex reserves have seen notable fluctuations recently, as detailed by the Reserve Bank of India (RBI) data:

- Current Reserves Status:**
 - As of January 17, 2025: Forex reserves stand at \$623.983 billion, marking a decline of \$1.88 billion compared to the previous week.
 - This follows a larger dip of \$8.714 billion in the prior week (ended January 10, 2025).
- Historical Context:**
 - The reserves reached an all-time high of \$704.885 billion at the end of September 2024 but have since been on a downward trend.
- Breakdown of Changes (January 17 Week):**
 - Foreign Currency Assets: Decreased by \$2.878 billion, totaling \$533.133 billion.
 - Gold Reserves: Increased marginally by \$1.063 million to \$68.947 billion.
- Special Drawing Rights (SDRs):** Rose slightly by \$1 million \$17.782 billion.
- IMF Reserve Position:** Dropped by \$74 million, now at \$4.122 billion.
- Reasons for Decline:**
 - Revaluation Effects: Changes in the valuation of non-U.S. currencies such as the euro, pound, and yen held in reserves.
 - Forex Market Interventions: RBI's measures to stabilize the rupee amid volatile market conditions.



India's Private Sector Growth Hits 14-Month Low in January Amid Service Sector Slowdown

Private sector activity in India declined to a 14-month low in January 2025, as reflected in the HSBC Flash India Composite PMI Output Index, which dropped to 57.9 due to weaker performance in the service sector despite a 6-month high in manufacturing activity (58.1).



Key factors include slow growth in new business in services, robust

manufacturing exports supported by easing inflation, and the fastest job creation rate since 2005. Inflation eased to a 10-month low, boosting input cost stability, but weak service demand and competitive pressures impacted overall confidence.

The Indian economy needs a growth boost, can the Budget help?



The Indian economy, despite its robust recovery post-pandemic, faces new challenges requiring a balanced approach in Budget 2025. Slowing urban consumption, driven by the tapering of pandemic-driven demand, calls for measures like tax cuts to boost disposable incomes and restore consumer confidence. Private investments, despite high capacity utilization and cash reserves, need a push through sector-specific incentives, innovation-driven policies, and reduced financing costs. Export growth, hindered by global trade slowdown, can benefit from streamlined customs, enhanced trade credit, and FTAs, with a focus on emerging markets. While rural spending remains steady due to schemes like MGNREGA, urban demand requires targeted measures, such as housing incentives, urban employment programs, and increased public-private partnerships. The government must maintain fiscal discipline, sticking to its fiscal consolidation path, with a deficit target of 4.9% this fiscal year and 4.5% next. The budget must prioritize high-impact investments, tax reforms, export-focused policies, and structural reforms to revitalize economic growth and ensure long-term stability. Enhanced support for MSMEs and infrastructure development can further drive domestic consumption and job creation. Additionally, policy support for sustainable growth, including green energy and digital transformation, will be crucial for India to remain competitive in the global economy. Long-term investments in education and skill development are necessary to foster a future-ready workforce, ensuring that growth is inclusive and broad-based. Targeted interventions for sectors like healthcare and technology could also unlock new growth opportunities, boosting both domestic consumption and export capabilities.

Reader Engagement



where workers are under pressure to be constantly available, even during personal or sick leave. The lack of adequate compensation for overtime further aggravates the situation, leading to dissatisfaction among workers.

Global Financial News

Bond Market Nervousness Impacts Fixed-Income Investors

Bond Market The global market for fixed-income investments, such as bonds, has been experiencing significant volatility. Rising interest rates have impacted long-duration bonds, with the 10-year US Treasury yield surging due to robust economic growth, inflation concerns, and hawkish signals from the Federal Reserve. This has created challenges for fixed-income active managers who previously benefited from long-duration issuance. The CBOE 20+ Year Treasury Bond ETF Volatility Index (VXTLT), which functions as a “fear index” for bond markets, has risen since early December 2024 to 17.51 as of January 8, 2025.

Ray Dalio Warns of Imminent Global Debt Crisis, Urges Immediate Action

Ray Dalio, the founder of Bridgewater Associates, has issued a stark warning about a looming debt crisis, with a particular focus on the heavily indebted nations like the U.S. and China. He points out that global debt has surged to an estimated \$102 trillion, which

Space Technology Advancements

Space-Docking Milestone: India recently became the fourth country to complete a space-docking experiment with two national spacecraft, marking significant progress in its space ambitions. The government, led by the Indian Space Research Organisation (ISRO), has been pushing for advancements in the space sector, including plans for missions to Venus and placing an Indian astronaut on the moon.

Defense and Technology Collaboration

Indo-U.S. Defense Program: Seven Indian startups have been selected for a pioneering India-U.S. space and defense collaboration program. This initiative aims to foster partnerships with U.S. agencies and provides startups with access to valuable resources, mentorship, and potential collaborations with industry giants.

The comment from SN Subrahmanyan, advocating for longer work hours, stirred controversy due to its dismissive tone toward personal life and well-being. While it's common for leaders to call for increased productivity, such remarks raise critical questions about the balance between work demands and personal health. The reality is that long work hours, especially in a country like India, can have serious health consequences, as highlighted by the ILO and WHO study linking overtime to death rates. This issue underscores the gap between legal frameworks and real-world working conditions. With outdated labor laws and weak enforcement, it remains a challenge to ensure workers are fairly compensated for their time and protected from the harmful effects of overwork. As discussions around the country's economic future intensify, particularly during significant events like National Youth Day and the Union Budget, these concerns should be part of a larger conversation about modernizing labor laws to ensure the well-being of India's workforce while balancing economic growth.

Market Lens

FPI Exodus: Capital Flight from India

- January Outflow:** In January 2025 alone, FPIs have withdrawn a substantial ₹64,156 crore from Indian markets.
- Primary Reasons for Outflows:**
 - U.S. Political Stability:** The return of Donald Trump to the political stage has increased confidence in the U.S. economy, encouraging global investors to favor American markets.
 - Rising U.S. Treasury Yields:** Higher interest rates on U.S. treasury bonds offer more attractive returns compared to riskier emerging markets.
 - Strengthening U.S. Dollar:** The dollar's appreciation makes investments in the U.S. more lucrative, further drawing funds away from emerging markets like India.

Gold Glitters Beyond ₹80,000: A Safe Haven Amid Market Turmoil

Gold prices have surpassed Rs 80,000 per 10 grams, driven by heightened investor demand for safe-haven assets amid fears of market instability linked to Donald Trump's expected turbulent presidency. A global decline in the dollar index, which recently peaked at 110.17 before falling in five of the last six sessions, has further contributed to the surge. As the dollar weakens, international investors have shifted from dollar-based investments to gold, highlighting its appeal as a stable and reliable asset during times of economic and political uncertainty.

Upcoming IPOs

I. Denta Water and Infra Solutions Limited
Offer Dates: January 22 - January 24, 2025.
Offer Price Range: ₹279 - ₹294 per share.
Lot Size: 50 shares per lot.
Issue Size: ₹220.50 crore.
Sector: Water and Infrastructure Solutions.

poses significant risks to both economic growth and financial stability. Dalio draws a comparison between the mounting debt and a "heart attack" for the global economy, underscoring the urgency of addressing this issue before it leads to a severe economic contraction.

Global Stock Market

Stock Market Highlights Key stock market movements included Intel Corp shares gaining 8% on Nasdaq over potential takeover speculations, despite a 60% drop in 2024. Additionally, ICICI Lombard General Insurance reported a 68% rise in net profit for Q3, reaching ₹724 crore, while its gross premium dropped marginally. Ashapura Minechem's shares hit a 52-week high after signing a long-term MoU with China Railway.

Startup & Innovation

