

"It's not your salary that makes you rich; it's your spending habits."

- Charles A. Jaffe



Your Weekly Window to Key Financial Headlines

Nifty 50 Sensex **Dow Jones** Dollar Gold

22124.70 73198.10 43,840.91 87.4900

-1414.33 +601.41 +0.2800 -994.00

-420.35

84,202.00 \*As on 01/03/2025 on Money Control\*

Market Lens

**Economic Insights** 

Corporate News

03/03/2025, MONDAY

Global News

Reader Engagement Government Updates

# Corporate Chronicles

### Merger & Acquisitions

- Indorama Ventures (Feb 24, 2025)
- Deal Value: \$220 million Funding: By Indorama Ventures Europe
- Significance: Strengthens EPL's growth & performance in beauty, cosmetics, and pharmaceutical industries
- Acquisition Details: 24.9% stake acquired from Blackstone, enhancing EPL's market position, especially in markets like Thailand and Nigeria

### Hornbill Capital (Feb 24, 2025)

- Deal Value: \$200 million
- Funding: By Hornbill Capital, backed by Orchid Asia
- Significance: Marks the largest bid in ongoing funding talks; Dhan could become India's first unicorn of 2025
- **Investment Details:** Bid submitted at a \$1.25 billion pre-money valuation; investment round expected to finalize in 30-40 days

### Bharti Airtel and Tata Group to Merge DTH Businesses (Feb 25, 2025)

- Deal Structure: Share swap merger
- Stake Distribution: Airtel to hold 52-55%, Tata Play's shareholders to retain 45-48%
- Significance: Strengthens position in the evolving DTH industry amid rising digital streaming competition
- Merger Impact: Combined subscriber base of 35 million, creating a stronger market presence

### Akzo Nobel India (Feb 25, 2025)

- **Deal Value:** ₹2,073 crore for powder coatings business, ₹70 crore for R&D Centre, ₹1,152 crore for intellectual property rights
- Buyer: Akzo Nobel N.V. (Parent
- Significance: Restructures Akzo Nobel India into a focused liquid paints and coatings business, enhancing brand and technology independence

# **Leadership Changes**

### Unilever (Feb 25, 2025)

- Leadership Change: Hein Schumacher to step down as CEO on March 1, 2025, and leave Unilever on May 31, 2025
- Successor: Fernando Fernandez (Current
- Significance: Aims to accelerate Unilever's Growth Action Plan and strengthen its global industry position

## Next SEBI Chief

- Appointment: Finance & Revenue Secretary, Tuhin Kanta Pandey
- Predecessor: Madhabi Puri Buch, whose 3 year term as SEBI Chief ends on Friday
- **Tenure:** Initial term of three years, as per the Department of Personnel & Training

# Modi govt seeking to cut states' share of Central taxes from 2026?



Modi government considering a proposal to reduce the share of central tax revenues allocated to states from 41% to at least 40%, starting in fiscal year 2026-27. This proposal, which will be reviewed by the Finance Commission of India, aims to address the increasing spending needs of the central government, particularly during

economic slowdowns. The potentially reduction could raise about ₹35,000 crore annually for the federal government. States, which rely heavily on these revenues for social infrastructure like health and education, may have to adjust their spending priorities due to limited revenue-raising flexibility, especially since the introduction GST. the federal Additionally, government's share of cesses and surcharges has increased to over 15% of gross tax revenue, further restricting

state finances. The proposal also includes linking federal grants to states to discourage political freebies handouts, with grants only being available if states meet certain conditions. Moreover, revenue-deficit grants have significantly declined in recent years, from ₹1.18 lakh crore in 2021/22 to an estimated ₹13,700 crore for 2025/26. If implemented, this shift could lead to significant changes in India's federal fiscal structure, affecting both the central and state governments.

## Market Lens

### India's Forex Reserves Climb \$5B to \$640.5B, Highest in 2 Months

- Forex reserves rose by \$5 billion in a week, reaching \$640.5 billion.
- Foreign currency assets, the largest
- component, increased \$4.25 billion. Reserves had peaked at \$704.9 billion in Sept before declining due to RBI
- interventions. The Indian rupee fell to 87.4950 per USD marking its 5th straight monthly decline

# amid foreign outflows & hedging activity.

### Bitcoin Sinks 27% as Trump's Tariff Threats Shake Markets

- Bitcoin plunged 7.2% on Friday, extending its losses to 27% from its record high six weeks ago.
- The broader crypto market also tumbled with Ether, Polkadot, and XRP dropping over 7%. The selloff was driven by investor fears over Trump's new tariff threats, echoing the 2022 "crypto winter."
- Experts warn that regulatory uncertainty and a shift toward safe-haven assets could prolong crypto volatility.

### RBI Buys ₹40,000 Cr Bonds to Boost Liquidity

RBI purchased ₹40,000 crore in bonds via

- OMO in the week ending Feb 21. Total OMO purchases in Feb reached
- ₹80,000 crore, excluding ₹240,000 crore bought in auctions.
- January OMO purchases stood at ₹59,000
- More liquidity measures like OMOs, repo auctions, and forex swaps expected to ease the liquidity crunch.

IMF Urges GST Reform: Simplify Tax Structure for Better Growth

sustained growth.

IMF's Harald Finger has called for simplifying India's GST system, citing multiple tax slabs and exemptions as key inefficiencies. He suggests reducing exemptions and non-zero rates to enhance compliance and boost revenue. Currently, India's revenue-neutral rate is 11.6%, lower than the expected 15.5%, mainly due to excessive exemptions. Beyond GST, Finger highlights the need for broader economic

reforms, including stricter regulations for NBFCs, stronger public sector banks, and improved fiscal discipline. He warns of risks from NBFCs' concentrated exposures and suggests refining RBI's inflation-targeting policies. With global uncertainties ahead, he urges India to focus on financial stability and smart tax reforms for

# Government Updates

### Modi Govt Plans to Cut States' Tax Share, May **Link Grants to Spending Rules**

- share of federal tax revenues from 41% to 40%.
- A 1% cut could provide the central government
- The government may link federal grants to political freebies.
- Since GST limits states' revenue-raising powers, the move could impact state spending priorities.

### Boosting Pharma: India's Drug Makers Push for Faster Approvals & Policy Overhaul

- India's contract drug manufacturing sector could grow to \$22-\$25 billion by 2035.
- Regulatory delays and slow raw material import approvals hinder growth.
- Indian firms take 8-15 days for project initiation, while Chinese firms take only 3 days.
- Industry leaders urge for faster approvals, centralized digital clearance, and better logistics.

Readers Engagement

Calls for CRDMO parks with streamlined exportimport policies to boost competitiveness.

# The Modi government plans to reduce states'

- Proposal to be submitted to the Finance Commission, with implementation from 2026-27.
- with ₹350 billion (\$4.03 billion). conditions to discourage states from offering

## Loan Growth Dips as RBI's Lending **Curbs Take Effect**

- Indian banks' loan growth slowed for the 7th consecutive month in January to 12.5% year-on-year, down from 16.1% in
- The decline was driven by RBI's stricter capital requirements on unsecured loans & NBFC credit, along with banks reducing their credit-deposit ratio. Personal loan growth halved to 9.2%, while credit card debt growth fell to 13%.
- However, RBI recently eased capital rules, with the impact expected in the coming months.

### Nifty Logs Longest Losing Streak Since 1996, Falls 14% in 5 Months Nifty declined for five straight months, its

- longest fall since 1996. Dropped 14% since October, including a
- 6% fall in February. Past major declines: 25% in 1996 (five
- months) and 22% in 2001 (four months). Global concerns, rate uncertainty, and foreign outflows weigh on market

sentiment.

**Loud Screams** 

# Startup & Innovation

## **Teleperformance:**

 The global call center operator introduced AI-powered software developed by Sanas to neutralize Indian accents, aiming to enhance clarity in customer interactions.

# Religare:

• The Burman family completed an takeover of financial services company Religare, leading to a nearly 19% rise in its shares.

### Vertical Take-Off Air Ambulances:

 India plans to introduce on-road vertical take-off and landing air ambulance services, joining a select group of nations with such capabilities.

# Gold Monetisation Scheme (GMS)

The Gold Monetisation Scheme (GMS), launched in September 2015, allows individuals and institutions to earn money by depositing idle gold. The scheme aims to mobilize gold reserves and reduce India's reliance on gold imports.

# **How It Works:**

- Deposit raw gold (jewellery, coins, or bars) in a bank.
- Earn interest on gold, paid either in gold or cash.
- Repayment can be in gold or its equivalent value in cash at maturity.

### **Features:**

- Minimum deposit: 10 grams of gold.
- Three types of deposits: short-term (1-3 years), medium-term (3-5 years), and long-term (12-15 years).
- **Eligibility:**
- Interest rates: 2.25% for medium-term and 2.50% for long-term.
- Individuals, institutions, companies, and trusts can participate.

# **Process:**

- Fill an application form and submit gold for purity testing.
- Receive a deposit certificate.

## **Benefits:**

- Earn interest on idle gold.
- Tax-free capital gains. Flexible deposit options.

• No locker fees.

Major banks offering GMS: SBI, ICICI, HDFC, and more.

# **Example:**

- Rajesh has 100 grams of gold (coins) and decides to invest it in the GMS.
- He deposits the gold at a bank and gets a deposit receipt after purity
- Rajesh opts for a Medium-Term Gold Deposit (MTGD) with a 5-year tenure and 2.25% annual interest.
- At the end of 5 years, Rajesh receives his 100 grams of gold back (or its equivalent cash value) plus the interest earned.

# **Did You Know?**

The Library of Congress in Washington D.C. is the largest library in the world with more than 170 million items, including books, maps, photographs, and manuscripts.

**Walmart holds the title of the** world's largest employer, with over 2.3 million employees worldwide. It operates over 10,000 stores in 19 countries.

The most expensive domain

name ever sold was business.com, which sold for \$345 million in 2007. This highlights how valuable domain names have become in the digital world