

06 February 2025

## Business News Update

“Challenges are what make life interesting, and Overcoming them is what makes life meaningful.”

### **Hind Rectifiers to set arm for AI, Web3 solutions, expand Nashik facility**

Hind Rectifiers expands its manufacturing capacities in Nashik, while planning a subsidiary for advanced tech in AI and Web3. The company's net profit for Q3 FY25 rose nearly six-fold driven by substantial order flows. Hind Rectifiers secured orders worth Rs 229 crore, including a Rs 73 crore contract from Indian Railways. Power and railway equipment producer Hind Rectifiers is expanding its manufacturing facilities in Nashik and has also decided to set up a subsidiary for developing high-tech products and solutions in AI, Web3 and others, according to a top official. The company board has also approved the incorporation of a wholly owned subsidiary focused on developing cutting-edge products and solutions in Information Technology (IT), Artificial Intelligence (AI), Web3, and various software, he said.

Source: [Economic Times, February 05, 2025](#)

### **JSW Energy secures 1,600 MW thermal project in West Bengal**

JSW Energy Ltd on Wednesday said it has received a letter of award from West Bengal State Electricity Distribution Company Ltd (WBSEDCL) for a 1,600 MW thermal power plant. The announcement came just ahead of the inauguration of Bengal Global Business Summit, the state's annual business conclave. The plant, to be developed and operated by JSW Energy, will be a greenfield 2x800 MW super/ultra super critical domestic coal-based thermal power plant, the company said in a statement. The project was awarded under a competitive bidding process invited by WBSEDCL and will utilise domestic linkage coal allocated to West Bengal under the SHAKTI B (iv) policy. With this, JSW Energy's total locked-in generation capacity reaches 30 GW, with thermal capacity at 9 GW, it said.

Source: [Economic Times, February 05, 2025](#)

### **MSCI rejig next week: Paytm eyeing inclusion, IndusInd Bank weight may double**

Paytm is among the top candidates for index inclusion, with expected inflows of around \$169 million, as per JM Financial. This potential inclusion could significantly boost investor confidence, increase trading volumes, and positively impact the stock price, reinforcing Paytm's position in the digital payments sector. Market sentiment may further strengthen as institutional investors adjust their portfolios accordingly. The MSCI India Standard Index rebalancing, scheduled for announcement on February 11, has several stocks in focus, with One97 Communication-operated Paytm being a probable inclusion. Private lender IndusInd Bank's weight may double. The announcement will be made after market hours and will be effective from March 3. JM Financial expects IndusInd Bank's index weight to double, driving an estimated \$145 million inflow (12.2 million shares), tripling its average trading volume.

Source: [Economic Times, February 05, 2025](#)

### **ETMarkets Smart Talk: FMCG, Auto, and BFSI sectors set to gain big from Budget 2025, says Ajay Garg**

MCG and automobile sectors are some of the major beneficiaries of the Budget 2025 as the higher tax rebates can increase spending by the middle-class population,” says Ajay Garg, Director and CEO, SMC Global Securities Ltd. In an interview with ETMarkets, Garg said: “With a 5% to 7% rise in disposable income for middle-income households, it is expected that there might be a 6% rise in consumer spending on essential goods which can contribute approximately 0.7% to GDP growth,” While it may seem that the Budget did not have a large capex push, it actually rose by 10.1% from the RE 2024-25 capex of ₹10.18 lakh crores to BE 2025-26 capex of ₹11.21

Source: [Economic Times, February 05, 2025](#)

# Business News Update

## **Euro zone business activity returns to growth in Jan, PMI shows**

Euro zone business activity returned to growth at the start of the year as demand stabilized, indicated by HCOB's final composite PMI rising to 50.2 in January from 49.6. Modest expansion in the services sector helped offset the manufacturing downturn, although optimism about future growth slightly waned. Euro zone business activity returned to growth at the start of the year after two months of contraction as demand stabilized, a survey showed on Wednesday. HCOB's final composite Purchasing Managers' Index for the bloc, compiled by S&P Global and seen as a good gauge of overall economic health, rose to 50.2 in January from December's 49.6. That matched a preliminary estimate and was just above the 50 mark separating contraction from growth. "Growth at service companies played a crucial role in keeping the euro zone economy in expansion over the past year," said Cyrus de la Rubia, chief economist at Hamburg Commercial Bank.

Source: [Economic Times, February 05, 2025](#)

## **Google lifts ban on using AI for weapons**

Google's parent company has lifted a ban on artificial intelligence (AI) being used for developing weapons and surveillance tools after changing its long-standing principles. Alphabet has rewritten its guidelines on how it will use AI, dropping a section which previously ruled out applications that were "likely to cause harm". In a blog post Google defended the change, arguing that businesses and democratic governments needed to work together on AI that "supports national security". It said: "We believe democracies should lead in AI development, guided by core values like freedom, equality and respect for human rights. There is debate among AI experts and professionals over how the powerful new technology should be governed in broad terms, how far commercial gains should be allowed to determine its direction, and how best to guard against risks for humanity in general. There is also controversy around the use of AI on the battlefield and in surveillance technologies.

Source: [BBC, February 05, 2025](#)

## **How bad is the trade war with China going to get?**

The first punches have been thrown between the United States and China in what could amount to a short-lived trade dispute with limited economic fallout or the start of yet another lengthy and painful trade war reminiscent of President Donald Trump's first term. Immediately after a new 10% tariff on all Chinese goods shipped to the US went into effect on Tuesday at 12:01 a.m. ET, China responded by announcing a 15% tariff on some goods it imports from the US: certain types of coal and liquefied natural gas and a 10% tariff on crude oil, agricultural machinery, large-displacement cars and pickup trucks. Those tariffs are set to take effect on Monday. China's Commerce Ministry also added two American firms — biotech company Illumina and fashion retailer PVH Group, owner of Calvin Klein and Tommy Hilfiger — to its unreliable entities list, saying they "violated normal market trading principles." The move significantly hampers the companies' ability to do business in China.

Source: [CNN, February 05, 2025](#)

## **'Budget Non-Inflationary, Focuses On Fiscal Prudence': Finance secretary Tuhin Kanta Pandey**

Finance secretary Tuhin Kanta Pandey on Tuesday said govt has taken measures to lower fiscal deficit and delivered a non-inflationary Budget, and hoped that the RBI's monetary policy will work in tandem with fiscal policy to support growth. He also said that although rupee depreciation increases inflation on imported inputs, it also adds to export competitiveness. Pandey said that govt has bettered its fiscal deficit projections for the current fiscal as well as the next. The fiscal deficit for FY25 has been pegged lower at 4.8% of GDP, lower than budgeted 4.9%, while for FY26 the deficit is projected to be 4.4%, lower than what was given in the consolidation road map. "It is very important to be very clear that we (govt) have to that extent, aided the monetary authorities to say that if they (RBI) have to do what they have to do, we are supportive. The fiscal policy and monetary policy need to work in tandem not at cross purposes," Pandey said.

Source: [Times of India, February 05, 2025](#)