

THE COMSOC GAZETTE



MARCH 2025

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FINANCE AND INVESTMENT

STOCK MARKET

STARTUPS

ECONOMY

GEO POLITICS

SCIENCE AND TECH

COMSOG GENIE



THE COMMERCE SOCIETY, SRCC



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FINANCIAL FORESIGHTS

01

01 INDIA'S GROWTH PATH: 6.5% IN FY26 AMID FISCAL REFORMS AND INVESTMENT PUSH

According to EY Economy Watch, India's GDP is projected to grow at 6.5% in FY26, necessitating an even-handed fiscal policy. In the upcoming reports, the NSO revised the GDP estimates for FY23, FY24, and FY25 to 7.6%, 9.2%, and 6.5%, respectively. Given that FY25 marks a growth estimate of 6.5%, it implies that 7.6% growth will be required in Q4, which can be fueled by a rise in private consumption of 9.9%, or just higher investment. The report calls for education and healthcare spending to be increased to 6.5% and 3.8% of GDP, respectively, and for the overall revenue-to-GDP ratio to be increased from 21% to 29%. Fiscal equalization transfers could assuage the obvious regional inequality and move toward inclusive growth. Improving infrastructure and digital connectivity are also important for long-term growth. Finally, responsibly managing the fiscal balance while generating smart public capital spending will remain key to sustaining economic momentum in India.



02 GOVERNMENT RETAINS LTCG TAX: MARKETS CONTINUE TO FAVOR LONG-TERM INVESTORS

The government has no plans to abolish the long-term capital gains (LTCG) tax, as stated by MoS for Finance, Pankaj Chaudhary, in the Rajya Sabha. He emphasized that Indian stock markets have historically rewarded long-term investors despite recent declines. The 2024-25 Budget introduced key changes to simplify the LTCG tax regime, including rationalizing holding periods and tax rates. Chaudhary noted that the NIFTY-50 index has delivered an 11.13% annual return since 1996. However, since October 2024, markets have moderated, with Sensex dropping from 84,266 to 78,017 points, and market capitalization falling by ₹74 lakh crore. He attributed stock market fluctuations to investor sentiment, global economic factors, geopolitical uncertainties, foreign capital flows, and corporate performance. Despite volatility, long-term investments remain beneficial, reinforcing the importance of stable fiscal policies.



MARCH
2025

01 BYD SET TO ENTER INDIA TO OUTMANEUVER GLOBAL TARIFFS

BYD, a Chinese Electric Vehicle (EV) manufacturer is all set to establish its first manufacturing plant in India, which marks a strategic shift in its efforts to expand globally. As per a Business Standard report, the company plans to set up the plant in Rangareddy district in Telangana for EV and battery production.

The reason for this shift is said to be the escalating trade barriers and tariffs, imposed mainly by the European Union (EU) and the United States. The EU has imposed an effective duty of 27% on the manufacturing of Chinese EVs, whereas the US has also announced steep tariffs, raising the duties to as high as 100% from 25%.

At the same time, India offers relatively low tariffs as well as EV-friendly incentives, thus presenting a favorable alternative for BYD to expand its shores. It is reported that BYD has obtained informal approval from the Indian government, provided it partners with Hyderabad-based Megha Engineering.



02 ELON MUSK SELLS X TO HIS OWN AI STARTUP XAI FOR \$33 BILLION

Elon Musk recently announced that his social media platform X has merged in an all-stock deal with his own Artificial Intelligence (AI) based startup- xAI valued at \$45 billion, out of which \$12 billion is in debt. Musk believes that the future of both businesses are intertwined and thus, he has decided to go ahead with this merger.

The data, models, compute, distribution and talent of both businesses have been merged together. Since its founding 2 years ago, xAI has grown at an unprecedented scale and has become one of the leading AI labs in the world and thus, Musk feels that this move will unlock immense potential by blending xAI's advanced AI expertise with X's massive reach.

Since both companies are privately held and under Musk's control, it is speculated that a stock swap was conducted, involving a compensation for X investors by xAI shares.



01 CABINET APPROVES 2% DA HIKE FOR CENTRAL GOVERNMENT EMPLOYEES

In a significant move ahead of the 8th Pay Commission, the Union Cabinet, chaired by PM Narendra Modi, has approved a 2% increase in Dearness Allowance for central government employees and Dearness Relief (DR) for pensioners. The revised rates will take effect from January 1, 2025, raising DA from 53% to 55% of the basic pay. This decision is expected to benefit approximately 1.15 crore individuals, including 48.66 lakh central government employees and 66.55 lakh pensioners.

Announcing the hike, Information and Broadcasting Minister Ashwini Vaishnaw stated, "The Cabinet has approved the release of an additional instalment of DA to central government employees and DR to pensioners, representing an increase of two per cent over the existing rate of 53 per cent, to compensate against price rise."

The latest hike will impose an additional financial burden of ₹6,614.04 crore per annum on the exchequer. DA and DR are revised periodically to offset the impact of inflation and ensure that employees and pensioners maintain their purchasing power. With the 8th Pay Commission on the horizon, this revision comes as a relief to central government employees and pensioners, offering a timely boost to their income.

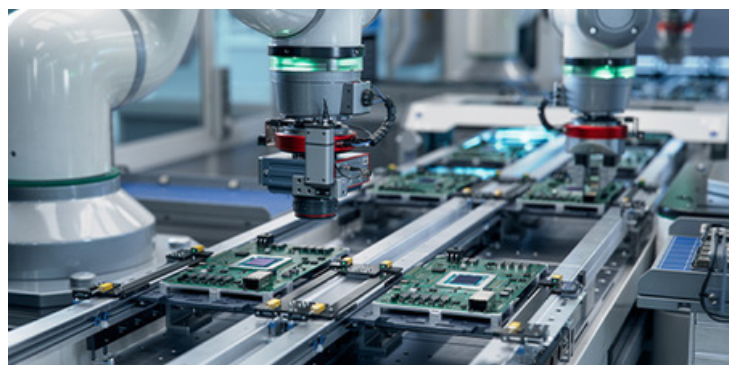
The government remains committed to adjusting wages and allowances in response to economic conditions, ensuring financial stability for its workforce and retirees.

02 GOVERNMENT LAUNCHES ₹22,919 CRORE INITIATIVE TO STRENGTHEN ELECTRONICS MANUFACTURING

The Union Cabinet has approved a ₹22,919 crore scheme to promote domestic manufacturing of electronic components, including display and camera modules, printed circuit boards, and lithium-ion cells. The initiative is expected to generate ₹4.56 trillion in production with an investment of ₹59,350 crore.

The scheme will provide incentives for manufacturing key components used in battery packs, mobile phones, laptops, and tablets. It is expected to create 91,600 direct jobs, Union Electronics and IT Minister Ashwini Vaishnaw stated. "We are expanding support to passive component manufacturing under the India Semiconductor Mission and PLI scheme," he added.

Unlike previous models, incentives will be disbursed based on job creation, capital expenditure, and company turnover. Applicants must specify their projected employment numbers to qualify for job-based incentives.



01 BANOFI TURNS BANANA WASTE INTO SUSTAINABLE VEGAN LEATHER

An inventive firm known as Banofi Leather offers a sustainable and eco-friendly substitute for conventional animal leather by upcycling trash from banana crops into 80–90% biobased vegan leather. The company, which was founded in 2022 by Jinali Mody, uses agricultural waste products from India's enormous banana sector to address both economic and environmental issues effectively and efficiently. Banofi contributes to the mission of lowering the 120 million tons of garbage generated by India's yearly production of 30 million tonnes of bananas. Banofi's method increases the revenues of farmers by nearly 30% while consuming 90% less water than animal leather. The company received the coveted \$1 million Hult Prize in recognition of its dedication to sustainability as well as for its unwavering commitment towards women-led innovation. Banofi Leather is looking to change the future of the fashion industry by introducing environmentally friendly materials onto the scene and upholding the concepts of sustainability, innovation, and social impact with great resolve.



02 HUL TO BUY MINORITY STAKE IN SUSTAINABLE PACKAGING FIRM LUCRO

The largest consumer goods corporation in India, Hindustan Unilever Ltd. (HUL), has authorized a strategic investment to purchase a 14.3% equity position in Lucro Plastecycle, a company that specializes in recycling scrap flexible plastic. The financial information has not been made public. This action is in line with HUL's overarching sustainability objectives, which include lowering the usage of plastic, encouraging reuse, and raising the amount of post-consumer recycled material in packaging. HUL hopes to improve the circular economy in plastic packaging and bolster its supply of recycled flexible plastics by collaborating with Lucro.



Lucro is renowned for manufacturing premium recycled flexible plastics for use in packaging. HUL's dedication to sustainable business practices will be strengthened by this partnership, which will help it increase the recyclability of plastic across its product line while lowering its dependency on virgin plastic. The action is a component of HUL's broader environmental objectives, which also include pledges to boost post-consumer recycled content in its packaging, encourage reuse, and decrease the usage of plastic.

01 THE RISE OF DIGITAL CURRENCIES IN GLOBAL TRADE

Digital currencies are reshaping global commerce by offering faster, cheaper, and more transparent cross-border transactions. Cryptocurrencies like Bitcoin and Ethereum and government-backed Central Bank Digital Currencies (CBDCs) are transforming the financial ecosystem. Businesses now benefit from instant settlements and lower transaction fees, bypassing traditional banking systems that often cause delays.

Moreover, digital currencies promote financial inclusion, enabling small businesses in emerging markets to engage in global trade without needing traditional banking services. However, challenges persist—regulatory uncertainty, price volatility, and security risks have slowed adoption. Governments worldwide are developing frameworks to integrate digital assets into mainstream finance.

China's Digital Yuan, the EU's Digital Euro, and India's UPI-linked digital payments indicate a future where digital currencies play a pivotal role in trade. As adoption grows, businesses must adapt to remain competitive in this fast-evolving digital economy.



02 GLOBAL SUPPLY CHAINS: A SHIFT TOWARD REGIONALIZATION

The COVID-19 pandemic, geopolitical tensions, and trade wars have disrupted global supply chains, prompting businesses to rethink their sourcing strategies. Many companies are adopting regional supply chains to reduce risks associated with over-reliance on a single country like China.



The China +1 strategy, where firms diversify production to other Asian nations like Vietnam, India, and Indonesia, is gaining traction. Additionally, reshoring and nearshoring—bringing production closer to home—are becoming viable due to automation and AI-driven manufacturing. Protectionist policies, such as the U.S.-China trade war and EU's carbon border tax, further push companies to establish localized manufacturing hubs. This shift enhances supply chain resilience, reduces carbon footprints, and mitigates global shipping disruptions.

While regionalization may increase short-term costs, it ensures long-term stability and sustainable trade practices, making it a growing trend in global commerce.

01 WATER IN THE UNIVERSE: A NEW COSMIC TIMELINE

A new study suggests that water molecules may have formed just 100–200 million years after the Big Bang—far earlier than previously thought and before galaxies existed. The research, led by astrophysicist Daniel Whalen and published in *Nature Astronomy*, used simulations to model the formation of water following supernova explosions of the universe's first stars. These massive stars produced oxygen through fusion, which, when dispersed in explosions, combined with hydrogen to form water vapor.

Simulations showed that water could form within 3–90 million years post-supernova, with some vapor clouds as massive as Jupiter. This early water, clustering with heavy elements, may have influenced the birth of second-generation stars and planets. The discovery challenges traditional ideas about when life-supporting conditions first appeared, suggesting that the chemistry essential for life might have existed in the universe's infancy. Researchers now aim to determine if any ancient water molecules still survive today.



02 NEW MARS DISCOVERY REVIVES HOPE FOR ANCIENT LIFE

NASA's Curiosity rover has detected the largest organic molecules ever found on Mars, reviving hopes for ancient life. Since 2018, Curiosity has uncovered various organic compounds in Gale Crater, including thiophenes, benzene, and organic salts. In its latest discovery, the rover identified decane, undecane, and dodecane—possible fragments of fatty acids, which on Earth are crucial for life.



These complex molecules suggest that biosignatures may be preserved on Mars despite harsh radiation. The discovery was made while analyzing a sample from Cumberland, a 3.7-billion-year-old mudstone rich in clay and sulfur—ideal for preserving organic matter. Scientists confirmed that Gale Crater once held liquid water for millions of years, offering conditions suitable for prebiotic chemistry.

Though their biological origin is uncertain, this breakthrough strengthens the case for Mars Sample Return missions to determine if life once existed on the Red Planet. Scientists now aim to uncover more complex organic structures hidden in Martian samples.

MOVIE RECOMMENDATION

TAMASHA (2015)

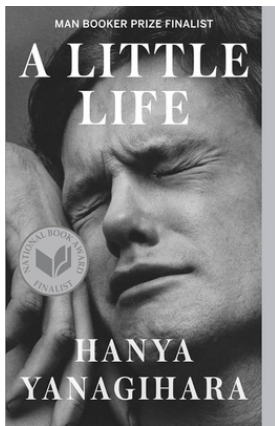
Tamasha, directed by Imtiaz Ali, explores the pressures of life's rat race through the character of Ved (Ranbir Kapoor). Once full of dreams, he becomes trapped in a monotonous job that stifles his creativity. Meeting Tara (Deepika Padukone) reignites his passion for life, illuminating the loneliness that comes from living for others. Their connection serves as a powerful reminder that breaking free from societal norms is essential to rediscovering one's true self. Ultimately, Tamasha highlights the importance of truly living, not just surviving.



BOOK RECOMMENDATION

A LITTLE LIFE BY HANYA YANAGIHARA

A Little Life by Hanya Yanagihara is a deeply emotional story about four friends—Jude, Willem, JB, and Malcolm—living in New York City. At its core is Jude, whose haunting past and struggles with trauma and self-acceptance slowly unfold. Yanagihara captures intimate moments of their friendships, showcasing the power of love, vulnerability, and the importance of connection in healing, while exploring themes of identity and survival.



PODCAST RECOMMENDATION

"HOW TO BE A BETTER HUMAN"

It is a TED podcast that feels like a warm conversation with friends about what it means to truly live and connect with others. Each episode features heartfelt discussions with a variety of guests who share their personal stories and insights on topics like empathy, resilience, and the little things that make life meaningful. The podcast invites listeners to reflect on their own experiences and encourages them to embrace vulnerability and growth, reminding us that we're all navigating this journey of being human together. It's an uplifting reminder that we can all strive to be a little better every day.

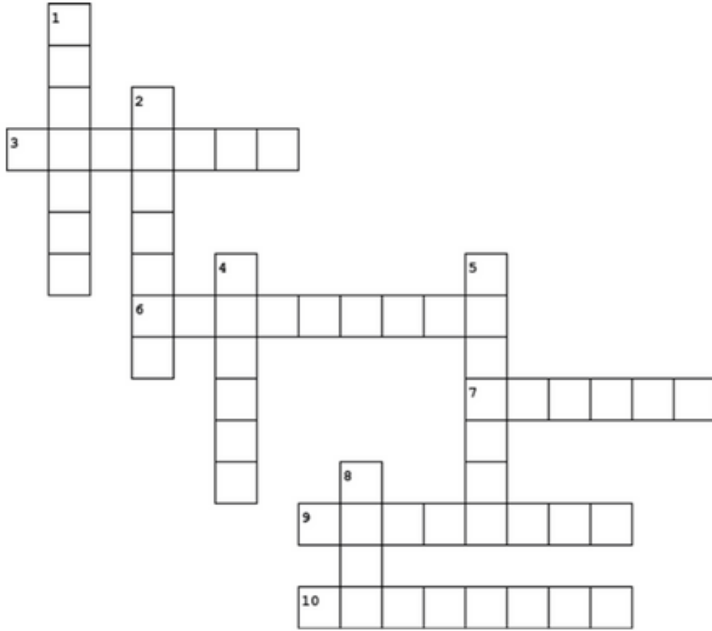


MUSIC RECOMMENDATIONS

1. Din Raat - Lifafa
2. Sanctuary - Joji
3. Death with dignity - sufjan stevens
4. Small Worlds - mac miller
5. Suck it and see - Arctic Monkeys



CROSSWORD



ACROSS

3. A pricing strategy offering basic services for free while charging for premium features.
4. Additional benefits derived from increasing production.
6. Taking advantage of price differences in different markets for profit.
7. The ease of converting assets into cash.
9. An economic system characterized by private ownership and free markets.
10. The systematic reduction of asset value over time.

DOWN

1. Pertaining to the authority of a state to govern itself or another state.
2. A risk management strategy used to offset potential losses.
5. Gradual reduction of debt or intangible asset value over time.

DOWN

8. The global market for trading national currencies against one another.

ANSWERS IN THE NEXT EDITION

Answers of the previous edition

Across

2. Creditworthiness
4. Arbitrage
6. Profitability
8. Fiduciary

Down

1. Amortization
3. Underwriting
5. Hedge Fund
7. Inflation

VOCABULARY

1. **Execrable** - Unequivocally detestable.
2. **Cornucopia** - A horn filled with fruit and grain symbolizing prosperity.
3. **Discombobulated** - Having self-possession upset; thrown into confusion.
4. **Protuberance** - Something that bulges out or projects from its surroundings.
5. **Palimpsest** - A manuscript on which more than one text has been written.
6. **Verisimilitude** - The appearance of truth; the quality of seeming to be true.
7. **Gaudy** - Tastelessly showy.
8. **Extemporaneous** - With little or no preparation or forethought.
9. **Beseech** - Ask for or request earnestly.
10. **Ominous** - Threatening or foreshadowing evil or tragic developments.

JARGONS DECODED

Quantitative Tightening (QT)

Quantitative Tightening is a monetary policy where central banks reduce the money supply by selling government bonds or letting them mature without reinvestment. This action aims to decrease liquidity, increase interest rates, and cool down inflation. By removing excess money from circulation, QT makes borrowing costlier, which can slow economic growth. QT is the opposite of Quantitative Easing (QE), where central banks add liquidity to stimulate the economy.

Credit Default Swap (CDS)

A Credit Default Swap is a financial derivative that acts as insurance against the risk of a bond issuer defaulting. The CDS buyer pays a periodic fee to the seller, who compensates the buyer if the issuer defaults. Originally designed for managing credit risk, CDS can also be traded for profit. However, they add complexity and risk to financial markets, as seen during the 2008 financial crisis.

MYTH BUSTERS

“All Debt is Bad”

It's a common belief that debt harms businesses, but strategic debt can actually be beneficial. Debt financing allows companies to invest in growth opportunities, such as expanding operations, without diluting ownership. Additionally, interest on debt is often tax-deductible, lowering taxable income. While excessive debt poses risks, managing it carefully can help businesses accelerate growth and gain a competitive edge without relying solely on their own capital.

“Only Big Businesses Benefit from Branding”

Many think branding is reserved for large companies, but branding is essential for small businesses, too. A strong brand builds trust, creates customer loyalty, and differentiates a business from competitors, making it easier to attract and retain customers. Even with limited budgets, small businesses can create impactful branding through consistent messaging, quality service, and a clear identity that resonates with their target audience.

FORTUNE'S FABLES

SavorPack was created because it was discovered that eating on the run frequently meant compromising on taste and quality due to hectic schedules. SavorPack was founded by Maya and Raj, two foodies, with the goal of incorporating gourmet flavor with everyday convenience. The pair observed that the majority of single-serve condiments were plain and wasteful, leaving consumers with uninspired and unhealthy options. In order to address this, Maya and Raj decided to create a line of high-quality condiments using sustainable, fresh ingredients. SavorPack provides single-serve packets of gourmet dressings, dips, and sauces that enhance any dish, including salads and sandwiches, in environmentally friendly packaging. Travelers and health-conscious professionals took a quick liking to their items. By emphasizing sustainability and quality, SavorPack transformed the condiment experience, demonstrating that even the smallest details could make meals memorable while being kind to the planet.

Courage doesn't always roar.
Sometimes courage is a quiet voice at
the end of the day saying, 'I will try
again tomorrow.'

—Mary Anne Radmacher

Thank you for reading!

Hope you enjoyed the content.
Stay tuned for the next edition!

