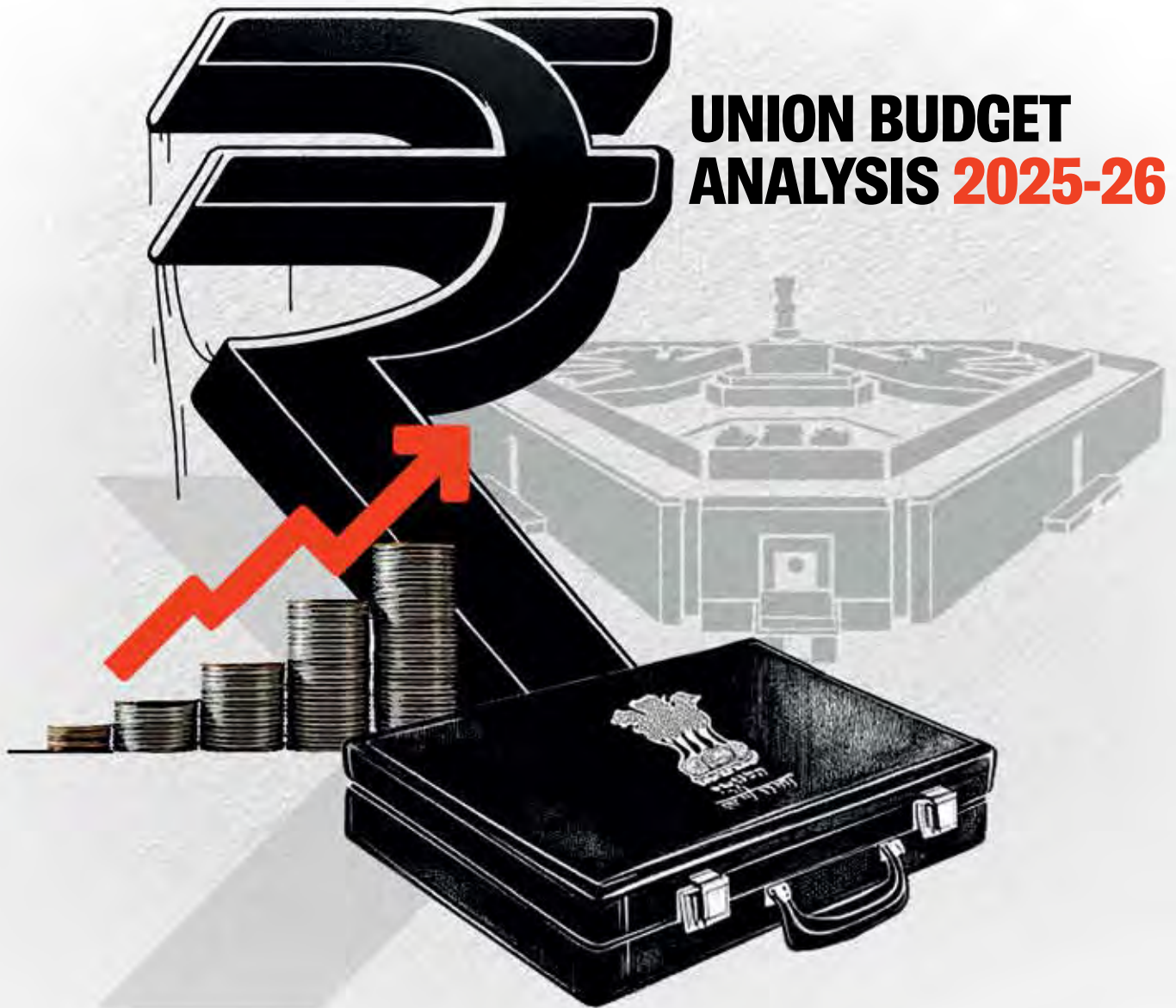


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Future-focused Budget – How India can position itself as a leader in efficient tech regulation



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The 2025-26 Union Budget presented by the finance minister last month saw the Indian Government doubling down on its commitment to boosting growth and identifying agriculture, MSMEs, investments and exports as four key engines of development going forward. From providing some much-needed relief to the common taxpaying citizens and easier credit access for MSMEs and first-time entrepreneurs, to further liberalisation of foreign direct investment (FDI) norms and speedier merger approvals – the Budget encompassed a wide range of announcements aimed at uplifting India's taxpayers and improving ease of doing business.

Interestingly, the Budget also included several significant announcements aimed at providing a shot in the arm for the promising technology space such as setting up labs to encourage scientific curiosity among the country's youth, increasing fellowships for technological research, leveraging artificial intelligence (AI) for education, and launching a Deep Tech fund of funds to support startups. There is a clear focus by the Government to harness the power of technological innovation in order to make the Indian economy future-ready.

Here are the key technology-focused announcements made in the 2025 Budget speech that bode well for all stakeholders looking to participate in India's growth story.

AI in the spotlight

The Government has significantly increased its allocation for the India AI Mission, under which several initiatives to develop a comprehensive AI ecosystem across the country will be implemented. Reports show that INR 2000 crores were earmarked for this mission in the 2025-26 Budget - a significant increase from the revised allocation of INR 173 crores in the previous year. Moreover, INR 500 crores have been allocated to set up an AI centre for excellence in education. One of the key goals for India is to develop a robust indigenous ecosystem where innovators and entrepreneurs can thrive – building foundational AI models and solutions that work specifically for India's unique conditions.

While these steps are surely moves towards a future-ready India, it is also prudent to take utmost care to ensure that AI adoption and use is being carried out in an ethical manner, and work towards ensuring that no biases or unfair assumptions impact AI models and disadvantage certain vulnerable communities.

Deep Tech Fund and R&D boost

The Budget announcements included the setting up of an INR 20,000 crores Deep Tech Fund of Funds, solely focused on providing financial support to the next generation of Indian startups that are working with cutting-edge technologies and fostering innovation. This fund

will spur greater private sector participation and investment into critical R&D initiatives, especially in buzzing areas such as AI, semiconductors, 5G and quantum computing. Elsewhere, the number of research fellowships offered to the Indian youth under the PM Research Fellowship scheme have been increased to 10,000 over the next five years – greatly enhancing opportunities for India's curious young minds.

Ensuring easy access to funding, while crucial, is just one part of the bigger picture wherein the goal is to foster scientific temper. Access to essential training and skilling programmes, refinancing opportunities and sector-specific incentives will go a long way in ensuring that the end goal is achieved.

Bolstering Digital Infrastructure

The Government has announced that it is creating a Bharat Trade Net (BTN) – a unified digital platform to streamline documentation for international trade and financing solutions. BTN will be developed in line with global best practices, making it easier for Indian businesses to participate in international trade by reducing paperwork, improving transparency, and facilitating access to financial services. The Budget also included an INR 100 crores outlay for the National Geospatial Mission which will develop and utilise indigenous geospatial technologies to

modernise land records and allow for better, future-proof urban planning.

Other key announcements around strengthening nuclear energy capabilities, greater renewable energy generation and usage, semiconductor development and assembly, data centres and GCCs will further accelerate India's technology prowess.

While this sharp focus on technology is a welcome step, there is one crucial factor that must be kept in mind by all stakeholders in order to make the most of this new era of tech-enabled growth. Given India's unique position as one of the fastest growing economies, with a significant demographic advantage and tremendous potential for further domestic market penetration and growth, we now find ourselves at a crucial point in our journey – one that allows India a unique opportunity to position itself as a leader when it comes to balancing the necessary regulatory oversight

while simultaneously encouraging further innovation.

A Collaborative Regulatory Approach – The Way Forward

Technologies that evolve faster than the regulatory frameworks designed to help maintain oversight tend to be a cause of concern across jurisdictions. These regulatory frameworks are still taking shape in many countries, especially emerging markets and may require regular deliberations and updates in the near future in order to incorporate new learnings on the ground. Areas such as taxation of digital assets, digital antitrust laws, IP laws in the digital age and of course, data privacy and protection laws are in sharp focus here.

With rapid strides being made on the fintech and digital transactions front and increased AI adoption, the evolution and implementation of the regulatory frameworks demand close attention. As India moves to reinforce

its position as a world leader and superpower, it is paramount that the regulations strike a necessary balance between ensuring sufficient oversight without creating additional barriers that may stifle growth, progress and innovation.

India is uniquely positioned to confer and engage with the other major players in the Asian region as well as other global trade partners in order to craft a truly coordinated regulatory approach.

In conclusion, to ensure India capitalises on rapid tech advancements and becomes future-ready, the need of the hour is a collaborative approach to regulatory evolution and implementation that safeguards citizens' rights and promotes fair business practices while also fostering innovation, improving ease of doing business and encouraging scientific spirit.

(The views expressed are personal.)

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