

Top Story 1

India's Economy To Outpace Asia, IMF Projects 6.6% Growth

India's economic outlook remains strong, with growth projected at **6.6%** for the current fiscal year, up from 6.5% previously. The improvement reflects robust second-quarter performance and the positive impact of GST reforms, which are expected to outweigh the effects of higher external tariffs on exports. Growth is anticipated to moderate slightly to **6.2%** in the following year, maintaining India's position as one of the fastest-growing major economies. The broader region continues to show resilience despite global headwinds, though rising tariffs and protectionist measures could weigh on trade in the near term. To sustain momentum, policies focusing on deeper regional integration, productivity enhancement, and financial efficiency are recommended. Additionally, strengthening the services sector, addressing demographic challenges, and improving policy frameworks will be crucial for long-term stability. Inflation is expected to remain moderate, supporting a balanced environment for continued growth and investment confidence.

<https://news.abplive.com/business/indian-economy-growth-asia-imf-gdp-estimate-1807773>

Top Story 2

RBI draft circular: Banks' capital market exposure to be limited to 20% of tier 1 capital

RBI draft circular: Banks' capital market exposure to be limited to 20% of tier 1 capital. The Reserve Bank of India (RBI) on Friday released a draft circular proposing limits on banks' exposure to capital markets and acquisition finance, aimed at strengthening financial stability and promoting prudent lending practices. Additionally, the RBI proposed that the aggregate capital market exposure of banks should not exceed 40% of their tier 1 capital. Tier 1 capital, considered the highest-quality capital of a bank, includes equity, retained earnings, and certain instruments capable of absorbing losses, ensuring that banks have a strong financial foundation. **Proposed Rules for Acquisition Finance: Limits and Conditions** The RBI also outlined detailed rules for acquisition finance. Key proposals include. **Aggregate exposure limit:** A bank's total exposure towards acquisition finance must not exceed 10% of its tier 1 capital. **Financing structure:** Banks may finance up to 70% of the deal value, while the acquiring company must fund at least 30%. **Eligibility criteria:** Acquisition finance can be offered only to listed companies with satisfactory net worth that have been profitable for the last three years.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-draft-circular-banks-capital-market-exposure-to-be-limited-to-20-of-tier-1-capital/articleshow/124787360.cms?from=mdr>

Economy

India's demographic dividend is powering growth,' says Piyush Goyal, after asserting that India won't rush into trade pacts

The Union Minister highlighted that India does not enter into trade agreements hastily or under external pressure. He emphasized that all trade negotiations are approached with a long-term perspective, guided solely by national interest. Speaking at an international dialogue, he noted that India engages in active discussions with multiple global partners but refuses to finalize deals based on deadlines or coercion. The Minister stressed that India's decisions on trade and partnerships are made independently, free from external influence, and that no nation can dictate who India should or should not collaborate with. He reiterated that India's approach to global trade is rooted in fairness, mutual respect, and strategic foresight. The Minister further added that the choice of sourcing or purchasing from any country is India's sovereign decision—one that must be respected globally—reflecting the nation's confidence in shaping its economic and trade policies.

https://x.com/ETNOWlive/status/1981675654782525480?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1981675654782525480%7Ctwgr%5E46a542044d209ae527b0efecf9fe9115fbd28981%7Ctwcon%5Es1_&ref_url=https%3A%2F%2Fwww.etnownews.com%2Feconomy%2Findias-demographic-dividend-is-powering-growth-says-piyush-goyal-after-asserting-that-india-wont-rush-into-trade-pacts-article-153046618

Market

India's Forex Reserves jump \$4.5 billion to record \$702.28 billion on gold value surge

India's foreign exchange reserves rose by \$4.5 billion to reach \$702.28 billion, driven primarily by an increase in the value of gold holdings. In the previous week, the reserves had risen by \$2.17 billion. During the latest period, foreign currency assets, which form the largest component of the reserves, declined by \$1.69 billion to \$570.41 billion. These assets reflect the impact of movements in major global currencies such as the euro, pound, and yen against the dollar. Meanwhile, Special Drawing Rights (SDRs) recorded an increase of \$38 million to \$18.72 billion, while the reserve position with the International Monetary Fund saw a minor dip of \$30 million to \$4.60 billion. The overall rise in reserves indicates continued external strength, supported by higher gold valuations and a stable macroeconomic environment, reinforcing the country's financial resilience and its capacity to manage global market volatility effectively.

<https://www.financialexpress.com/policy/economy-indias-forex-reserves-jump-4-5-billion-to-record-70228-billion-on-gold-value-surge-4020577/>

Finance

India's financial sector sees \$8 billion in deals, M&As jump 127% in 2025

India's financial sector witnessed a sharp rise in major transactions this year, with total mergers and acquisitions reaching nearly \$8 billion — a 127% increase from the previous year. The surge was driven by several large-scale deals, including rare instances of international investors acquiring substantial stakes in Indian financial institutions. These transactions highlight growing global confidence in India's financial ecosystem and its expanding market opportunities. The influx of foreign capital is expected to enhance competition, strengthen governance, and support innovation within the sector. Private investors also participated actively through significant equity infusions in leading institutions, while domestic groups focused on consolidating ownership in key ventures to reinforce strategic control. Overall, the momentum in deal-making underscores India's position as one of the most attractive destinations for cross-border investments, reflecting resilience, regulatory confidence, and long-term growth potential in its dynamic financial landscape.

<https://ibef.org/news/india-s-financial-sector-sees-us-8-billion-in-deals-m-as-jump-127-in-2025#:~:text=Indian%20Economy%20News-,India's%20financial%20sector%20sees%20US%24%208%20billion%20in%20deals,M%26As%20jump%20127%25%20in%202025&text=India's%20financial%20sector%20witnessed%20robust,increase%2C%20according%20to%20Grant%20Thornton>.

Taxation

[Indian Oil gets ₹1,103 crore relief in AY 2016-17 tax dispute](#)

The Commissioner of Income-tax (Appeals) has partly allowed the company's appeal, granting relief of ₹1,102.91 crore against the contested tax and interest demand of ₹1,194.07 crore.

IOCL said the balance disputed amount of ₹91.16 crore will now be taken up before the Income-tax Appellate Tribunal. The company disclosed the development under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, noting that the case involved multiple disallowances raised during assessment. The relief is expected to ease a portion of IOC's contingent liabilities at a time when the sector faces volatile crude prices and refining margins. IOCL said the balance disputed amount of ₹91.16 crore will now be taken up before the Income-tax Appellate Tribunal. The company disclosed the development under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, noting that the case involved multiple disallowances raised during assessment. The relief is expected to ease a portion of IOC's contingent liabilities at a time when the sector faces volatile crude prices and refining margins.

