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India's economic growth to exceed 6.5% in FY26, says Moody's Ratings

Moody's Ratings recently said India's economic growth will exceed 6.5 per cent in the next fiscal, up from 6.3 per cent this year, on higher government capex and consumption boost from tax cuts and interest rate reduction. Projecting a stable outlook for the banking sector, Moody's said although the operating environment of Indian banks will remain favourable in the next fiscal, their asset quality will deteriorate moderately after substantial improvements in recent years, with some stress in unsecured retail loans, microfinance loans and small business loans. Banks' profitability will remain adequate as declines in net interest margins (NIMs) are likely to be marginal amid modest rate cuts, it said.

Top Story 2

India's best days are unfolding now

At the World Economic Forum in Davos this January, one of the big topics of conversation was India. The presence of India's largest ever delegation was noticed, as was the activity of Team India's dealmakers, who returned home with investment commitments to the tune of ₹20 lakh crore (\$ 230bn). Like these deals at Davos, this year's Union Budget is a strong statement of confidence in India's future as a global economic force. Today, India ranks fifth in terms of world's nominal Gross Domestic Product (GDP) and is set to overtake Japan and Germany and become the third largest global economy before 2030.

Finance: -

India, Qatar sign MoU for economic, financial cooperation

India and Qatar have signed an agreement to promote and develop mutual collaboration in public-private partnership framework and investment, use of financing tools, as well as economic policies, the finance ministry said recently. The Memorandum of Understanding (MoU) on financial and economic cooperation was signed between the two countries on February 18 during the visit of Amir of Qatar Sheikh Tamim Bin Hamad Al-Thani to India. "The MoU aims to promote and develop mutual collaboration in the areas of economic policies, use of financing tools, public-private partnership framework and investment. The MoU is expected to explore new and emerging sectors and avenues for investments in both countries," the ministry said in a statement.

Banking: -

Empowering the transition: key institutions in India's climate finance landscape in 2025

The RBI is responsible for formulating and implementing monetary policy to ensure price stability and supervising the financial system. Under its management, the outstanding credit of scheduled commercial banks grew from INR 31 trillion in March 2010 to INR 164 trillion in March 2024 – a 5.3-times increase – without there being significant setbacks to the health of the banking system. Additionally, the credit exposure of non-bank financial companies (NBFCs) surpassed INR 36 trillion in December 2023. The banking system is well-capitalised and positioned for growth, despite some challenges. Transition financing and the eventual need for regulated entities to undertake transition planning were among the key issues for the Indian banking and financial sector identified by the former governor of the RBI in an address at a summit last July.

Investment: -

India to attract \$600 bn in alternative investments in next 3 years to boost startups

India can expect over USD 600 billion in alternative investments in next three years to fuel the startup ecosystem, according to experts. This influx of capital is anticipated to foster innovation, support entrepreneurship, and create an enabling environment for new ventures to thrive, they said at the launch of Centre for Financial Markets (CFM) by IMT in Mumbai last week. India's startup ecosystem is poised for significant growth, with projections indicating that over USD 600 billion in private equity and venture capital (PE/VC) investments will flow into the country over the next three years, Atish Chattopadhyay, Director of IMT Ghaziabad said in a statement. This figure represents 13 per cent of the estimated USD 4.7 trillion required (including government investments, corporate retention, PE/VC funding, corporate debt, initial public offerings (IPOs), and other sources) to achieve a USD 5 trillion economy by FY2027, he added.

Market : -

India, US to increase mkt access, cut tariff, non-tariff barriers: Govt

India and the US are planning to negotiate a trade agreement and both countries will focus on increasing market access, reducing import duty and non-tariff barriers, and enhancing supply chain integration, Parliament was informed on Tuesday. In a written reply to the Lok Sabha, Minister of State for Commerce and Industry Jitin Prasada said that as on date, reciprocal tariffs have not been imposed by the US on India. Both countries plan to negotiate a mutually beneficial, multi-sector Bilateral Trade Agreement. Both countries would focus on increasing market access, reducing tariff and non-tariff barriers, and enhancing supply chain integration, he said.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	87.23	0.054	NIFTY 50	22,487.35	-10.55
EURINR	95	0.06	BSE Sensex	74,098.19	-4.13
GBPINR	112.858	0			
JPYINR	0.587	0.0031			