

"Education is what remains after one has forgotten what one has learned in school."

- Albert Einstein

# वित्त वाणी

Your Weekly Window to Key Financial Headlines

Nifty 50	24,968.40	-143.05
Sensex	81,757.73	-501.81
Dow Jones	44,363.18	-142.32
Dollar	86.1900	+0.0600
Gold	98,015.00	+542.00

\*As on 20/07/2025 on Money Control\*

Market Lens Economic Insights Corporate News 21/07/2025, MONDAY Global News Reader Engagements Government Updates

## Corporate Chronicles

### M&A Activity

#### Cappgemini (July 17, 2025)

- Details:** French consulting giant Cappgemini is acquiring WNS (India's BPS leader) for \$3.3 billion to advance its AI-driven business process services
- Implications:** This bolsters India's BPM sector, signals increasing foreign interest in AI-first service consolidation, and could pressure competitors like Infosys and TCS to respond.

#### EQT (July 17, 2025)

- Details:** Swedish private equity firm EQT completed its purchase of Niwas Housing Finance (formerly Indostar Home Finance).
- Implications:** Another sign of PE firms entering India's housing finance sector, potentially raising competitive and regulatory attention in NBFC financing.

#### JSW Paints (July 20, 2025)

- Details:** JSW has filed with the Competition Commission of India (CCI) to acquire a 74.76% stake in Akzo Nobel India, valued at over ₹12,915 crore (~\$1.6 billion). This would make JSW Paints the 4th-largest paint producer in India.
- Implications:** A game-changer in the paints industry, potentially triggering share volatility for JSW and Akzo Nobel India, and may prompt further consolidation or regulatory scrutiny.

### Leadership Appointments

#### LIC (July 14, 2025)

- R. Doraiswamy** took charge as CEO & Managing director of LIC.
- He succeeds interim head Sat Pal Bhanoo and pledges to steer India's largest insurer through its next growth phase.

#### Axis Bank

- Neeraj Gambhir will join Axis Bank as Executive Director (whole-time) effective August 4, 2025, following board approval.
- Meanwhile, senior executive Arjun Chowdhry has resigned, marking ongoing senior management changes at the bank.

#### Hindustan Unilever (HUL)

- Priya Nair has been named the new CEO of Hindustan Unilever Ltd, replacing Rohit Jawa, who departs at July-end. Nair assumes the role from August 1, 2025.
- The announcement triggered a 4-5% share rally, reflecting strong investor confidence.

## Trump Wants Lower Rates—But Firing the Fed Chair Could Backfire



### Why? Long-Term Rates Don't Follow Orders

The Fed directly controls short-term rates. But the rates most Americans care about—like those for mortgages, car loans, and business credit—are tied to long-term government bond yields, especially 10-year and 30-year bonds.

And who controls those yields? Not the Fed—but investors. If they sense political interference in the central bank, they might lose confidence and demand higher returns, sending long-term rates soaring.

President Donald Trump is on a mission to lower U.S. interest rates—but his strategy might end up doing the exact opposite.

In recent days, Trump has reignited his long-running feud with Federal Reserve Chair Jerome Powell, criticizing him for keeping rates "too high" despite cooling inflation and slowing economic growth. At a private meeting with House Republicans, the President even showed off a draft letter suggesting Powell's removal.

While Trump has said he has no immediate plans to fire Powell, he hasn't ruled it out either—leaving markets and policy experts uneasy.

But here's the twist: firing the Fed Chair might actually push borrowing costs up, not down.

### The Bigger Risk: Undermining the Fed's Independence

The Federal Reserve's independence has been a cornerstone of global economic stability. By threatening to fire Powell, Trump may be signaling to investors that political agendas could overtake monetary discipline.

## India to Host 2025 India-Russia Summit: Putin Returns to Delhi After 4 Yrs



India will host the India-Russia Summit 2025, marking President Vladimir Putin's first visit to New Delhi since 2021. The summit aims to strengthen bilateral ties in defence (S-400 missile system), energy cooperation amid EU sanctions, civil nuclear projects and Arctic research. High-tech sector collaboration, food security and fertilizer trade will also be discussed.

PM Narendra Modi and Putin will review strategic, trade and regional security matters, including counter-terrorism, Pakistan-related concerns and the Ukraine conflict. This follows the last summit held in Moscow and reaffirms both countries' commitment to deepening economic and strategic cooperation.

## Government Updates

### India, US Race to Finalize Trade Deal Ahead of August Tariff Deadline

India and US wrapped up the fifth round of bilateral trade agreement (BTA) talks in Washington (July 14-17), aiming to prevent looming US tariff hikes of up to 26% in August. Key discussions focused on agriculture, automobiles and dual-use SCOMET exports. India is seeking tariff cuts on steel, aluminum and automobiles, as well as better access for its textiles, electronics and other labor-intensive exports.

The US, in turn, is pushing for more access to India's agricultural and dairy markets, though India has firmly opposed opening those sectors. Both sides are working toward an interim trade deal to resolve disputes and strengthen economic and strategic ties before the new tariffs are imposed.

### PM Modi to Sign Historic India-UK FTA During July 23-24 UK Visit

PM Narendra Modi will visit United Kingdom on July 23-24 to sign the long-awaited India-UK Free Trade Agreement (FTA) and discuss bilateral security issues. In negotiation for over three years, the FTA is expected to benefit 99% of Indian exports, boosting textiles, agriculture and job creation, while easing market entry for British goods like whisky and cars.

Both countries see the deal as a historic milestone in trade and strategic ties. Following the UK visit, Modi will travel to the Maldives on July 25-26 as Chief Guest for the country's National Day celebrations.

### ITR-2 Filing Simplified; Govt Tightens Foreign Income Disclosure

Income Tax Department has enabled online ITR-2 filing with pre-filled data, easing compliance for taxpayers with capital gains, crypto income and foreign assets. The form mandates detailed reporting on deductions and overseas investments, with a filing deadline of September 15.

An advisory urges accurate foreign income disclosure, as India receives global financial data under CRS and FATCA, tracking account balances, incomes, and foreign asset transactions. Non-disclosure risks penalties of ₹10 lakh per asset and up to 7 years imprisonment under the Black Money Act.

A recent compliance drive revealed ₹29,209 crore in foreign assets and ₹1,089.88 crore in undeclared income across 24,678 ITRs and 5,483 belated returns, reinforcing the government's push for tax transparency and accountability.

## Market Lens

### Retail Inflation at 6-Year Low; WPI Turns Negative

CPI (Consumer Price Index) Highlights:

- Retail inflation fell to 2.1% in June, a 6-year low, mainly due to a sharp drop in food prices.
- This is below the RBI's 4% target and just above the lower bound of the 2-6% target range.
- Fifth straight month with CPI below 4%.
- Lowest retail inflation since January 2019 (1.97%).

WPI (Wholesale Price Index) Trends:

- WPI slipped to -0.1% in June (from 0.4% in May) — marking 20-month low and entering deflation.
- Caused by falling food, fuel, and manufactured goods prices.

Implications for Monetary Policy:

Market expectations rising for an RBI rate cut in August.

- ICRA economist Aditi Nayar suggests a 25 bps cut is possible.
- Others, like Madan Sabnavis (Bank of Baroda), expect no change (status quo) in policy.

### Equity Fund Launches Slow Down in 2025

Fundraising Trends:

- Only 29 open-ended equity schemes launched in H1 2025, raising ₹12,543 crore.

In comparison:

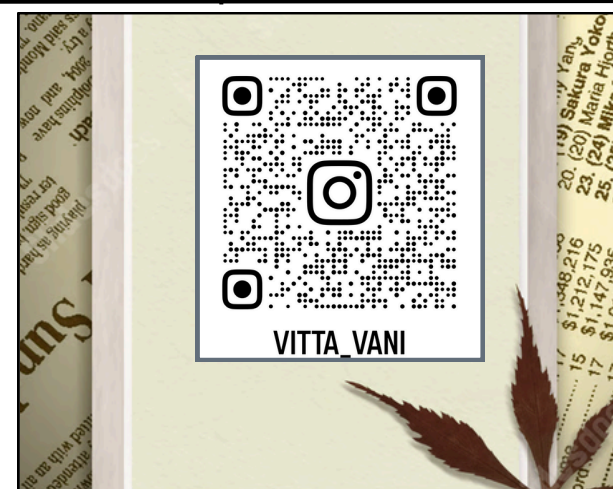
- H1 2024: 37 schemes, raised ₹38,655 crore.
- H2 2024: 44 schemes, raised nearly ₹56,000 crore.
- Significant decline in both volume and value of new fund offers (NFOs).

What Drove 2024's Boom:

- 2024 saw 81 equity NFOs, raising ₹94,548 crore.
- Driven by a bullish market until September 2024.
- Popular themes: defence, tourism, energy, innovation, logistics, automotive, and internet economy.

Why the Slowdown in 2025:

- Flat and volatile equity markets over the last 12 months.
- Investor fatigue due to poor performance of many 2024 NFOs.
- Older fund houses have already exhausted popular themes.



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## READERS ENGAGEMENT

### GIFT City Edges Closer to Its First IPO — A New Gateway for Unlisted Indian Firms

India's financial ecosystem is on the verge of a transformative leap as Gujarat's GIFT City inches toward hosting its first IPO. With multiple unlisted firms eyeing direct listings, the International Financial Services Centre (IFSC) is fast becoming a launchpad for accessing global capital.

#### Major Developments:

- India's first foreign currency IPOs may debut soon.
- Leading the race: XED Institute, a global edtech player with presence in Singapore, UAE, and the US.
- IPO sizes expected to range from \$10 million to \$100 million.
- Momentum driven by IFSCA's 2023 reforms and the direct listing framework introduced last year.

#### Key Regulatory Features:

- Direct listings permitted for unlisted Indian firms at GIFT IFSC.
- Eligibility criteria include:
  - \$20M revenue (annually or 3-year average)
  - \$1M in pre-tax profit
  - \$25M post-issue market cap
- Streamlined approvals for IPOs under \$50M.
- Mandatory credit ratings and utilization tracking of raised capital.
- 180-day lock-in for promoter holdings post-listing.



#### What It Means for Investors:

- Growing interest from mutual funds, AIFs, and global investors due to favorable tax policies and cross-border accessibility.
- GIFT Nifty's migration from Singapore has enhanced liquidity, creating a more vibrant secondary market.
- Potential relaxations for merchant bankers to deepen market participation.

#### Broader Impacts:

- The framework supports innovative listings—from SPACs and convertibles to partly paid shares.
- Represents a paradigm shift in India's capital markets, aligning them more closely with global financial standards.

#### The Takeaway:

- India's first foreign currency IPOs are set to launch from GIFT City, marking a milestone in the country's financial landscape.
- Unlisted Indian firms can now raise capital globally without going through traditional domestic exchanges.
- Simplified regulatory norms and eligibility criteria make GIFT IFSC an attractive destination for startups and growth-stage companies.
- Tax incentives and global investor access make GIFT City a competitive alternative to overseas listings like NASDAQ or SGX.
- The listing framework is future-ready, supporting innovative instruments like SPACs, convertibles, and partly paid shares.
- GIFT City is poised to become a global financial gateway, integrating India's capital markets with international norms.