

NewsLetter

November Recap

FINANCE FORWARD: WHERE FINANCE MEETS INNOVATION



New Income-Tax Act 2025: Simplifying Direct Taxes



The New Income Tax Act 2025 aims to make India's tax system simpler, more transparent, and easier for people to understand. It removes many old and confusing rules and replaces them with straightforward provisions that encourage digital filing and build trust between taxpayers and the government. The Act uses technology like pre-filled returns, faceless assessments, and real-time data checks to reduce mistakes and limit unnecessary interference, helping honest taxpayers and improving the fight against evasion. It also simplifies deductions and exemptions so individuals and small businesses can plan their finances better. To reduce long-pending tax disputes, the Act introduces quicker appeals and options like mediation. Overall, the Act marks a shift toward a smoother, more efficient tax system.

Key takeaway: The Act is a major step toward a fair, efficient, and modern tax system.





Trump's Argentina Bailout

In October 2025, Argentina's President Javier Milei was struggling to keep his economy afloat when Donald Trump unexpectedly stepped in with a \$20 billion lifeline. Instead of the usual IMF austerity terms, the funds were quietly authorized by Treasury Secretary Scott Bessent through the Exchange Stabilization Fund—an instrument normally used for major financial emergencies, not foreign political boosts. Just twelve days before Argentina's midterms, Trump delivered a blunt warning in the White House: "If he loses, we are not going to be generous with Argentina." Milei went on to secure a decisive legislative victory, raising concerns about the ESF being used less as an economic tool and more as a means for Trump to support political allies abroad.

Key takeaway: The episode highlights how powerful financial tools can be reshaped into instruments of geopolitical influence.



The Luhn Algorithm

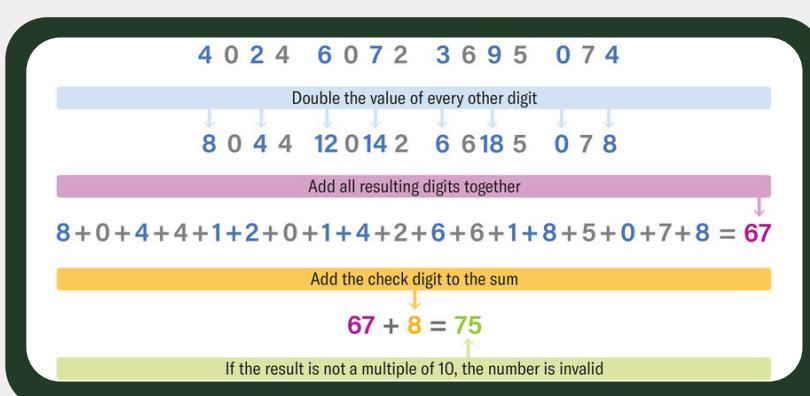


Think of the Luhn Algorithm as the spell-check for your wallet. Before your credit card transaction even reaches the bank, this simple mathematical formula, cooked up by IBM scientist, Hans Peter Luhn, in the 1950s, performs a quick sanity check on your input.

This is not security, it is a filter. While CVVs and encryption handle the heavy lifting of preventing fraud, Luhn simply ensures that a typo doesn't waste the banking system's time. It ensures that a typo results in an "Invalid Number" error message on your screen.

The logic is elegantly simple. Starting from the right, you double every second digit, subtracting nine if the product hits double digit, and sum the results. If the final total ends in a zero, you pass. It's the invisible gatekeeper for everything, from credit cards to IMEI numbers.

The Luhn Algorithm proves that the most effective tool against human error isn't advanced AI, but simple addition.



Fractional Reserve Banking



Long ago, people trusted smiths to keep their gold safe and received paper receipts, the first banknotes. The clever smiths realized they didn't need to keep all the gold just a fraction while lending out the rest. As loans were spent and redeposited, banks kept a small part and lent the rest, creating more money in circulation and fueling economic growth. This system powers modern credit and investment, but it comes with a risk: if everyone suddenly demanded their deposits back, the bank couldn't cover it, leading to a bank run.



Risk: What it means in investing

Risk in investing refers to the possibility that the actual returns on an investment may differ from expected returns, including the potential loss of capital. In 2025, investors increasingly focused on understanding different forms of risk market volatility, inflation risk, credit risk and liquidity constraints as global financial conditions shifted. Rising interest rates and fluctuating equity markets pushed investors toward diversified portfolios, balancing growth assets like equities with safer instruments such as government bonds.

Digital platforms also saw higher engagement as retail investors used risk analysis tools to evaluate portfolios more effectively. Overall, the year highlighted that risk is not just about loss, but about managing uncertainty to make informed investment decisions.



India Launches USD Settlement via GIFT City

India has launched onshore USD settlement through GIFT City, allowing dollar payments to be cleared locally instead of routing them through foreign banks. This makes transactions faster, cheaper, and more reliable for Indian banks, exporters, and importers while boosting GIFT City's status as a global financial hub. The move signals India's growing strength in international finance and its shift toward greater control over cross-border payments.

Key takeaway: India now clears dollars on its own soil cutting costs, saving time, and strengthening its global financial position.



FII's Return with ₹8,000 Cr Inflow in October

Foreign Institutional Investors (FIIs) made a strong comeback in October, bringing ₹8,000 crore into Indian equities after three months of heavy selling worth ₹76,619 crore. The markets reacted with a festive surge, with the Sensex up 4.57% and Nifty up 4.51%, while major stocks like Reliance and HDFC saw significant gains. The rebound was driven by easing geopolitical tensions, a cooling global rate cycle, and China's slowdown, which made India a more attractive growth destination though FIIs still see Indian markets as pricey compared to global peers.

Key takeaway: FIIs returned because global conditions shifted in India's favor, reaffirming India's position as a high-growth, high-potential market.



Auto Sector Boost: Most Car Buyers Use GST Savings to Upgrade

The introduction of GST in India made many cars slightly cheaper, and buyers treated these savings like "free money." Instead of choosing basic, entry-level models, people started upgrading to mid-range and top variants with better features like touchscreens, sunroofs, and improved safety. The tax benefit acted like a mental push, turning savings into instant upgrades.

This shift has been great for car manufacturers, as higher-variant sales bring more profit and make selling easier. Overall, GST didn't just boost car sales it increased the value and quality of cars people chose to buy.

Key takeaway: GST savings encouraged buyers to upgrade, boosting both car quality and industry profits.



India's Women in Blue Make History, Winning the ICC Women's World Cup 2025

Hosts India lifted their maiden ICC Women's Cricket World Cup title by defeating South Africa in the final at the DY Patil Stadium in Navi Mumbai. India posted a strong total of close to 300 and then bowled South Africa out to secure a memorable win in front of a roaring home crowd.

All-rounder Deepti Sharma starred with both bat and ball, while opener Shafali Verma's aggressive innings laid the platform for India's big score. The triumph capped a dominant campaign and marked a landmark moment for women's cricket in India, inspiring a new generation of young cricketers across the country.



Bank Frauds Triple to ₹36,000 Cr in FY25

In FY25, India saw reported fraud cases drop from 36,060 to 23,953, but total losses soared to ₹36,014 crore a threefold increase from last year. Fewer cases didn't mean safer banks; frauds became bigger, more sophisticated, and costlier. Private banks reported the most cases, while public sector banks suffered the largest losses.

Loan frauds alone accounted for ₹33,148 crore, making them the biggest contributor. The trend shows that fraudsters are evolving, and banks need stronger measures to detect and prevent high-value scams.

Key takeaway: Even with fewer cases, growing frauds demand stronger vigilance and preventive systems.



Want more stories and insights? Click below to visit our website



Finivesta

The finance and economics society of IGDTUW



SEE YOU NEXT MONTH!