

# External uncertainties may trigger outflows, Fx rate volatility: RBI

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The Reserve Bank of India (RBI) has cautioned that the country's economy faces near-term risks largely from external uncertainties, including the possibility of a sharp correction in US equities that could trigger foreign portfolio outflows, heighten exchange rate volatility and tighten domestic financial conditions.

In its Financial Stability Report, December 2025, released on Wednesday, the central bank said that despite these risks, the Indian economy and its financial system have adequate buffers to withstand adverse shocks.

While global financial stability risks remain elevated even as the world economy displays a mix of resilience and fragility, the RBI said India continues to grow at a robust pace, underpinned by strong domestic demand. A sharp moderation in inflation, a commitment to fiscal consolidation and prudent mac-



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**STRONG DOMESTIC GROWTH DRIVERS, SIZEABLE FOREIGN EXCHANGE RESERVES, AND ADEQUATE CAPITAL AND LIQUIDITY BUFFERS ACROSS THE FINANCIAL SYSTEM AND CORPORATE SECTOR SHOULD HELP THE ECONOMY WITHSTAND ADVERSE SHOCKS, THE RBI SAID**

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- Up to 4 banks may have to tap buffers in adverse scenarios
- Household debt rises to 41.3% of GDP
- RBI red flags bank-NBFC interlink risks

roeconomic policies are, it added, strengthening the economy's resilience.

"There are, however, a few near-term risks to the Indian economy despite sound macroeconomic fundamentals and robust growth-inflation dynamics," the report said.

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# Weakness in ₹, broader equity market shrinks India's billionaire club in 2025

## Top IPO promoters

Rank	Promoters	Company	Current networkworth (\$ bn)
1	Lalit Khesre, Harsh Jain, Ishan Bansal & Neeraj Singh	Billionbrains Garage Ventures	3.09
2	Alakh Pandey & Prateek Boob	Physicswallah	3.00
3	Ajay Bhardwaj , Ganesh Sambasivam , K Ravindra Chandrappa & Ishaan Bhardwaj	Anthem Bioscience	2.99
4	Vidit Aatrey and Sanjeev Kumar	Meesho	1.62
5	Peyush Bansal & Neha Bansal	Lenskart Solutions	1.53
6	Hari Shanker Khemka	Aditya Infotech	1.51
7	Shrikant Shankar Badve	Belrise Industries	1.32
8	Dhonti Venkatrathnaiah Manjunatha	Emmvee Photovoltaic Power	1.13
9	Kamlesh Jain	Jain Resource	1.11

Business Standard calculations are based on the company's market capitalisation as of December 29, 2025, and promoters' shareholding at the end of the September 2025 quarter.

The relative resilience of largecap stocks benefited promoters of the country's biggest companies and business groups, while those controlling mid and smallcap firms saw sharp erosion in wealth. A majority of billionaire promoters recorded declines in net worth during 2025, reflecting broader equity market weakness. In all, 101 of 167 promoters — net of IPO-led entrants during the year — saw their net worth fall, with declines ranging from 1.2 per cent to 57.4 per cent. The contraction came despite an unprecedented boom in initial public offerings (IPOs). A record 128 companies went public and were listed last year, creating nine new billionaire promoters. These were led by the four founders and promoters of Billionbrains Garage Ventures, who together now command a combined net worth of \$3.1 billion. Other IPOs that minted billionaires during the year included Physicswallah, Anthem Bioscience, Meesho and Lenskart Solutions.

Reliance Industries Chairman and Managing Director Mukesh Ambani retained the top spot, with a net worth of \$123.4 billion as December 29, 2025, up 17.3 per cent from \$105.2 billion at the end of December 2024. Adani group founder Gautam Adani ranked second with a net worth of \$102.8 billion, up 2.3 per cent from \$100.5 billion a year earlier. Bharti Airtel's Sunil Bharti Mittal moved to third place,

with his net worth rising 15.6 per cent to \$30.6 billion from \$26.4 billion at the end of 2024; he had been ranked sixth that year. Asian Paints promoters Malav Dani, Amrita Vakil and Manish Choksi were among the other notable gainers in 2025. Their combined net worth rose 14.7 per cent to \$15.6 billion, lifting them to 10th place from 13th in the previous year.

JSW group's Sajjan Jindal climbed one position to sixth place, from seventh in 2024, although his net worth slipped 3.8 per cent to \$23.9 billion from \$24.8 billion at the end of December 2024.

HCL Technologies' Shiv Nadar, Wipro's Azim Premji and Sun Pharmaceutical Industries' Dilip Shanghvi all lost ranks amid declines in their flagship companies' market capitalisations, though each remained in the top 10. Nadar fell to fourth place in 2025 from third in the previous year, with his net worth down 19.8 per cent to \$29.8 billion from \$37.3 billion at the end of 2024. Shanghvi's wealth declined 14.4 per cent to \$25.3 billion, while Premji's fell 17.5 per cent to \$22.4 billion. Avenue Supermarts promoter Radhakishan Damani and Bajaj group's Sanjiv and Rajiv Bajaj held on to their respective positions at eighth and ninth place, unchanged from the previous year. Damani's net worth edged up 0.3 per cent to \$20.4 billion, while the Bajaj family's combined wealth slipped 2.4 per cent to \$18.9 billion.

## THE FINANCIAL STABILITY REPORT

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Among the most prominent of these risks are external uncertainties, further escalation in geopolitical and trade tensions, and widening geoeconomic fragmentation.

These risks could lead to greater exchange rate volatility, weaker trade, lower corporate earnings and subdued foreign direct investment, the report said.

"From a financial stability perspective, a sudden and sharp correction in the United States (US) equity market could cause a correction in domestic equities, affect investor confidence and wealth, trigger foreign portfolio outflows and tighten domestic financial conditions," it said.

At the same time, the RBI noted that strong domestic growth drivers, sizeable foreign exchange

reserves, and adequate capital and liquidity buffers across the financial system and corporate sector should help the economy withstand adverse shocks.

The report struck an optimistic tone on India's growth outlook, which it said remains positive, supported by low inflation, easy financial conditions, an above-normal monsoon, direct and indirect tax reforms, and the continued expansion of digital public infrastructure.

"External sector stability has been a key pillar of India's overall macroeconomic stability. Despite a sequence of formidable external headwinds, the external sector has remained resilient," the report said. Even though the current account deficit widened to 1.3 per cent of GDP in the second quarter of FY26 from 0.3 per cent in the previous quarter, it

remains eminently manageable, with buoyant services exports and inward remittances expected to offset a widening merchandise trade deficit. Foreign exchange reserves of \$693.3 billion as on December 19, 2025, are sufficient to cover around 11 months of actual merchandise imports on a balance-of-payments basis.

The rupee, which depreciated by 4.75 per cent in 2025, reflected a deterioration in terms of trade due to the impact of tariffs and a slowdown in capital flows.

"With the effective US tariff rate on India being the highest compared to its trading partners, the INR depreciated despite the broad weakening of the USD against other major and Asian currencies. The exchange market pressure index indicates rising depreciation pressure on the INR," the report noted.

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