

TOP 1

India remains world's fastest growing major economy globally.

India, the largest economy in South Asia, has significantly contributed to regional growth, particularly through its manufacturing and services sectors, the World Bank report noted. The country's growth rate for FY24 is estimated at 8.2 per cent, a notable increase of 1.9 percentage points from earlier projections, the report said. India's economic growth has been driven by its industrial and services sectors, which have offset a slowdown in agricultural production caused by monsoon disruptions. Domestic demand remains strong, buoyed by infrastructure investments, even as post-pandemic pent-up consumption demand eases, the World Bank report noted. Inflation in India has remained within the Reserve Bank's target range of 2-6 per cent since September 2023, contributing to a stable economic environment, the report added. The fiscal health of South Asian countries is gradually improving, the report said. In India, the fiscal deficit relative to GDP is projected to decrease due to increased revenues from a broadened tax base. While regional fiscal imbalances are expected to improve, the scale of improvement is smaller outside India. Trade deficits are narrowing, particularly in India, contributing to overall economic stability in SAR.

TOP 2

India's 500 GW renewable energy target to require investment of up to \$215 billion in 7 years.

India's aspiration to achieve a 500 gigawatt (GW) renewable energy capacity represents a monumental leap towards sustainability and energy self-sufficiency. To realize this vision, the nation aims to secure investments totaling up to \$215 billion within the next seven years. This substantial investment is not merely a financial commitment but a strategic move towards driving economic growth, creating employment opportunities, and mitigating climate change impacts. By harnessing renewable energy sources like solar, wind, hydro, and bioenergy, India is poised to reduce its carbon emissions significantly. The progress made in renewable energy deployment, coupled with advancements in technology and supportive policy frameworks, sets a strong foundation for India's renewable energy journey. This ambitious target reaffirms India's commitment to the global community's efforts in combating climate change, aligning with the objectives of the Paris Agreement. Through innovation, collaboration, and sustainable investment, India is not only revolutionizing its energy landscape but also setting a precedent for other nations to follow suit. This commitment underscores India's role as a responsible global citizen, dedicated to building a cleaner, greener, and more resilient future for generations to come.

Banking

Commercial banks credit growth to moderate to 12-14% in FY25.

The pace of credit growth in India's commercial banks is projected to moderate to 12-14% in FY25, owing to challenges in resource mobilization and regulatory scrutiny on unsecured credit. This trend is expected to extend to non-banking finance companies, as noted by global rating agency Moody's and its Indian counterpart ICRA. While certain segments of the loan portfolio may experience stress, there are positive indicators within the financial system. Record-high profitability, low delinquencies, and domestic-focused funding are bolstering stable credit ratings. A vice-president and senior analyst anticipates a 12-14% growth in bank loans over the next year, aligning with deposit growth. However, Reserve Bank of India has urged banks to recalibrate their business plans to address the persistent gap between credit and deposit growth rates, which poses challenges in liquidity management and risk mitigation. Despite expectations of selective softening in net interest margins (NIMs) due to deposit repricing, the overall return on assets (ROAs) is predicted to remain robust, supported by low loan-loss provisions and stable bank capitalization. In essence, while there are challenges ahead, the financial system in India appears resilient and poised for stable growth.

TAXATION

SOGI advocates for fair taxation to support Indian gaming industry's growth.

The Indian online gaming industry, with its robust \$3.5 billion valuation, is a burgeoning sector poised for significant growth. Advocating for fair taxation policies to support this flourishing industry, the Skill Online Games Institute (SOGI) has urged the government to reconsider the 28 percent Goods and Services Tax (GST) on Contest Entry Amounts (CEA). Founder and President of SOGI, underscores the detrimental impact of the high tax rate on local businesses, which inadvertently aids illegal offshore betting and gambling operations. Emphasizes the need for a comprehensive review of GST rates post-election, echoing Finance Minister assurance. Highlighting the industry's potential for job creation and economic prosperity, SOGI points out that the sector currently employs over 200,000 individuals and has maintained an impressive 35 percent Compound Annual Growth Rate (CAGR) over the last five years. With the right regulatory framework and tax structure, SOGI believes the industry can experience exponential growth, potentially expanding five to six times in the near future. Moreover, SOGI's collaboration with esteemed institutions such as the University of Oxford and Indian Institutes of Technology (IITs), Indian Institutes of Management (IIMs), and National University of Juridical Sciences (NUJS) underscores its commitment to addressing technical and legal challenges within the industry.

DIGITALISATION

The digitalisation trends solving the energy sector's biggest challenges .

Climate change and modern technologies are revolutionizing the global electricity sector, particularly in Asia-Pacific economies like China and India, which are experiencing significant growth. Furthermore, in the US and Europe, the imperative to upgrade aging grid infrastructure is driving investments in transmission, storage, and management of renewable energy, crucial elements of the energy transition. Following the recent COP28 in Dubai, a survey by the World Energy Council captured the perspectives of 1,800 energy leaders from 100 countries, providing insights into the global energy landscape. The survey underscores the urgent need for resilient grids to meet rising energy demands and integrate renewable energy, highlighting that "there is no transition without transmission. Encouragingly, the survey reveals a 40% increase in clean energy investment since 2020, with notable progress in electric vehicle (EV) manufacturing and key components of clean energy systems like PV modules and EV batteries. While challenges remain, including insufficient grid infrastructure and the need for extensive installation and refurbishment, the momentum towards renewable energy transition is promising. Both private and state power companies are heavily investing in new technologies to achieve net-zero emission targets and mitigate global warming, marking a crucial phase in the renewable energy journey.

Economy

India certainly to be a top beneficiary

Indian elections may have sprung a surprise, denying an outright majority, but the likelihood of policy continuity and prospects of strong growth through Narendra Modi's third premiership provide sufficient comfort to international businesses to commit funds here, Jose Vinals, chairman, Standard Chartered, tells Bhaskar Dutta and MC Govardhana Rangan. Yes, that may lead to a bit more currency volatility, a little more foreign exchange volatility. But I would expect that sooner or later, all interest rates in the advanced economies will come down and this is something which will be a relief for several emerging markets, particularly those that have borrowed more in foreign currency, or those with relatively less developed local currency markets. An important thing is that even after these interest rates have come down, they will remain higher than what they have been in the past. Economies with good fundamentals and good prospects like India will be able to claim an increasing share of that global capital pool.

Currency	Rate (Rs)	Change	Index	Change
USDINR	83.539	0.05	NIFTY 50	23,401.50 79.05
EURINR	90	0.042	BSE Sensex	76,886.93 280.36
GBPINR	106.802	-0.077		
JPYINR	53.14	-0.083		