

TOP 1

India's growth forecast by 20 bps to 7.2% for FY25

As Reported, the numbers raised its growth estimates for India by 20 basis points to 7.2 per cent — same as that of the Reserve Bank of India (RBI) — citing positive economic outlook driven by recovering consumer confidence and increased investment. “Investment will continue to rise but more slowly than in recent quarters, while consumer spending will recover with elevated consumer confidence. Purchasing managers survey data point to continued growth at the start of the current financial year. Signs of the coming monsoon season being more normal should support growth and make inflation less volatile, though the recent heatwave poses a risk,” the rating agency said in its latest report. The Indian economy grew at an impressive rate of 8.2 per cent in FY24, driven by a stronger-than-expected expansion of 7.8 per cent in the fourth quarter. Fitch said growth in later years may slow and approach its medium-term trend estimate. “We forecast real GDP growth of 6.5 per cent in FY25/26.

TOP 2

India's Current Account Deficit Seen Below 1% For FY24

India's current account deficit for the year ended is likely to remain below 1% of the gross domestic product, Reserve Bank of India Governor Shaktikanta Das said on Tuesday. "Our current account deficit has remained very low, compared to very high numbers from past years," Das said Leadership Dialogues 2024. He said the current account deficit from April-December 2023 has narrowed to 1.2% of GDP. This is on account of robust demand for India's services from across the world, especially information technology, accountancy, legal services and more, Das added. As per RBI's provisional figures, India's services exports grew by 4.2% in the March quarter, while services imports contracted by 0.1% during the same period. Net services exports grew by 9.3%. "Notwithstanding the fact that global growth (of 3.2% projected by IMF for FY25) is below historical trends, it means external demand will continue to be strong and give lot of support to services exports," he said.

DIGITALISATION

India Sees Fastest Jump in Digital Payments In APAC.

India has emerged as a frontrunner in digital payments within the Asia-Pacific (APAC) region, experiencing the fastest growth alongside China, according to a recent report. The shift from traditional cash and bank transfers to digital payment methods has been significant, fueled by increased smartphone penetration and internet accessibility across the country. The report highlights India's remarkable progress, where digital payments' share surged from 20.4% in 2018 to an impressive 58.1% by 2023. This rapid adoption places India second in the region for growth in digital payment usage, closely following China. The preference for digital wallets in e-commerce transactions has been a key driver, catering to the convenience and security demands of consumers amidst a burgeoning online retail landscape. Across the broader APAC region, including countries like Philippines, Malaysia, and Indonesia, there has been a notable uptick in alternative payment methods, underscoring a regional trend towards digital financial solutions. China maintains a dominant position with over 65% of e-commerce transaction values attributed to digital payments, reflecting its advanced digital economy infrastructure. The findings are based on a survey conducted in Q2 2023, encompassing insights from over 50,000 respondents across 40 countries. The data underscores a clear shift towards digital payments across Asia-Pacific, driven by technological advancements, changing consumer behaviors, and the increasing adoption of online commerce platforms. As India continues to embrace digital transformation in financial services, the trajectory suggests ongoing momentum and opportunities for further innovation and growth in the digital payments

landscape, positioning the country prominently within the evolving global digital economy.

Economy

"India's Economic Opportunities from 1991 Reform to Today's Potential"

In 1991, India embarked on a transformative journey with economic liberalization that opened doors to unprecedented growth and development. This pivotal moment marked the country's shift towards a market-oriented economy, dismantling bureaucratic barriers and embracing global integration. The reforms unleashed entrepreneurial spirit, spurred innovation, and attracted foreign investments, propelling India onto the global economic stage. Today, India stands at another significant juncture. With a burgeoning population, a dynamic startup ecosystem, and advancements in technology, the country presents unparalleled opportunities for investors and businesses alike. The economic landscape is shaped by robust sectors such as information technology, pharmaceuticals, renewable energy, and consumer goods, offering diverse avenues for growth and profitability. Moreover, recent policy initiatives aimed at enhancing ease of doing business and infrastructure development further bolster India's attractiveness as an investment destination. As the world navigates through evolving geopolitical dynamics and economic uncertainties, India remains a beacon of stability and resilience in the global economy. The legacy of 1991 continues to inspire confidence in India's ability to adapt, innovate, and thrive in an increasingly interconnected world. For investors seeking long-term prospects and sustainable growth, today's India presents not just an opportunity, but a strategic imperative to capitalize on its vast potential and promising future.

BANKING

India's NBFC sector now world's 3rd largest

India's non-banking financial sector has grown to become the third largest in the world, next only to the United States and the United Kingdom, according to reports that highlights the growing strength of the country's financial sector. Non-banking financial institutions do not possess a full banking licence and thus, cannot accept public deposits. These entities focus on giving loans to consumers and businesses which play a key role in driving up economic growth. Over the past decade, the Indian banking system has demonstrated remarkable resilience, overcoming numerous challenges posed by both domestic and international economic environments, the report states. It said that the improvement in asset quality and the strong macroeconomic fundamentals have played a crucial role in improving the Indian banking sector. It highlighted that the Indian government and regulatory bodies have focused on creating a level playing field for financial institutions. This has involved initiatives such as the creation of strong banks through mergers and capital infusion, improving governance practices.

TAXATION

Centre's net direct tax collection grows 21% in FY25.

The Central Board of Direct Taxes (CBDT) has reported significant growth in India's net direct tax collections for the fiscal year 2024-25, reflecting robust economic activity and improved compliance. As of the current period, the government has accumulated ₹4.62 trillion in direct taxes after adjusting for refunds, marking a substantial 20.99% increase compared to the previous year. This total comprises ₹1.8 trillion from corporate taxes and ₹2.81 trillion from personal income taxes, which also includes revenue from securities transaction tax (STT). The strong performance in direct tax collections underscores the resilience of India's fiscal framework amid global economic challenges and domestic reforms. The rise in corporate tax revenue indicates enhanced profitability and operational growth among businesses, bolstered by economic recovery and supportive policy measures. Similarly, the increase in personal income tax collections reflects higher earnings and improved compliance among individual taxpayers. The provisional figures released by the CBDT highlight the effectiveness of tax administration reforms and digital initiatives aimed at broadening the tax base and minimizing evasion. This achievement not only supports the government's fiscal targets but also signifies a positive outlook for sustained revenue generation, essential for funding developmental initiatives and infrastructure projects. Looking ahead, the momentum in direct tax collections is expected to contribute positively to India's economic trajectory, providing a stable revenue base amidst evolving global dynamics and domestic priorities. Continued efforts towards tax efficiency and transparency will be crucial in sustaining this growth trajectory and supporting inclusive economic growth across sectors.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.382	0.018	NIFTY 50	23,626.75	68.85
EURINR	89.5	-0.0065	BSE Sensex	77,727.85	426.71
GBPINR	105.954	0.025			
JPYINR	52.8423	0.0684			