

Top story 1

India's GDP likely to grow 6.4% in 2024-25, show first advance estimates

The Ministry of Statistics has projected India's GDP growth for the financial year 2024-25 (FY25) at a robust 6.4%. While this follows an exceptional 8.2% growth witnessed in FY24, the projection highlights India's continued strength as a leading global economy. The ministry remains optimistic about the nation's economic prospects, emphasizing expectations of a strong rebound in the second half of FY25. Key drivers of this growth include a boost in agricultural and industrial activities, along with resilient rural demand, which are set to bolster economic performance. Nominal GDP growth is also on a steady trajectory, with an estimated 9.7% increase in FY25 compared to 9.6% in FY24, showcasing the stability and adaptability of India's economy despite global uncertainties. This steady growth outlook reflects India's economic resilience and positions the nation on a promising path toward achieving its long-term development goals.

Top Story 2

Budget 2025: How new tax regime evolved over the years and what's next?

As the Union Budget 2025 approaches, there is increasing anticipation regarding potential incentives aimed at encouraging taxpayers to opt for the new tax regime. With the government's continued focus on simplifying the tax system, the upcoming budget could bring further modifications to make this framework even more appealing. The new tax regime, introduced by the finance minister in Budget 2020, was designed to simplify the taxation process by reducing tax rates and eliminating most exemptions and deductions. As the Budget 2025 is set to address the financial concerns of the middle class, taxpayers expect more favorable changes to the new tax regime. With increased participation and evolving benefits, it seems that this system will continue to be a focal point for future tax reforms. With each passing year, the new tax regime evolves to provide more relief to taxpayers.

Digitalization

India: UPI enabled for prepaid payment via third-party apps

The Reserve Bank of India (RBI) has permitted prepaid payment instruments (PPI) users to conduct Unified Payments Interface (UPI) transactions through third-party mobile apps, thereby enhancing the scope of digital payment services in India. Now, users can transfer or receive funds through UPI in their PPI wallet using third-party apps, making it interoperable. Previously, transactions could only occur if both the sender and receiver used the same third-party application providers. A prepaid payment instrument is a financial tool that enables users to load funds onto a card or digital wallet for future transactions. UPI payments from / to a bank account can be carried out using the UPI application of that bank or of any third-party application provider. However, UPI payments from / to a PPI can only be carried out using the mobile application provided by the PPI issuer. It has been decided to enable UPI payments from / to full-KYC PPIs through third-party UPI applications. This will enable PPI holders to make / receive UPI payments through the mobile application of third-party UPI applications.

Banking

Indian Banking Sector Remains Resilient Amid Evolving Credit Landscape

Indian banks continue to demonstrate resilience and adaptability, with stable financial metrics and promising growth opportunities, even as the sector approaches a natural inflection point in FY25, analysts at India Ratings noted. Over the past few years, banks have achieved rapid improvements in profitability and financial metrics, and this progress is expected to stabilize in the coming years. While profitability may moderate slightly in FY26, this reflects a healthy normalization after a period of exceptional growth. The gross non-performing asset (GNPA) ratio for retail loans remains at a remarkably low 1.2% in H1 FY25, highlighting the overall stability of loan quality. Furthermore, the special mention account (SMA) ratio in retail loans has shown improvement, declining to 2.5% in H1 FY25 from 3% in the previous year, indicating enhanced risk management by banks. As the Indian banking sector adapts to these shifts, it remains well-positioned to sustain its role as a cornerstone of economic growth and financial inclusion.

Economic

US-India Relations: Strengthening Bonds for Shared Success

The United States National Security Advisor, during his visit to India, delivered an inspiring address at the prestigious Indian Institute of Technology (IIT) Delhi, celebrating the growing strategic and economic partnership between the two nations. He highlighted the long-standing collaboration in technology, proudly noting that the United States was the first foreign nation to partner with India in this field. Expressing optimism and commitment, he stated, "We are deeply invested in India's success," reflecting America's unwavering support for India's growth. The advisor also emphasized the thriving economic relationship, showcasing the positive impact of Indian investments in the United States, which have contributed to the creation of an estimated 400,000 jobs. This highlights the mutually beneficial and forward-looking nature of US-India ties, paving the way for a brighter future of collaboration and shared prosperity.

Investment

India's Alternative Investment Funds: A Thriving Sector Poised for Remarkable Growth

India's alternative investment sector is on a remarkable growth trajectory, with projections indicating it will exceed \$2,000 billion by 2027. This dynamic expansion is fueled by a shift among high-net-worth individuals (HNIs) and ultra-high-net-worth individuals (UHNIs) from traditional assets like real estate and gold to innovative alternative investments offering higher return potential. This evolving investment landscape reflects a growing appetite for opportunities that generate superior returns, especially as public equity markets face challenges. The increasing wealth of India's HNIs and UHNIs is driving strong demand for sophisticated financial products such as Alternative Investment Funds (AIFs). This surge in interest is not only enhancing wealth creation but also positioning India as a significant player in the global alternative investment market. The sector's growth is paving the way for a vibrant ecosystem that supports innovation, economic development, and financial prosperity, reinforcing India's reputation as a hub for forward-looking investment opportunities.

Currency	Rate (Rs)	Change	Index	Change
USDINR	85.833	0.025	NIFTY 50	23,548.50
EURINR	88.884	0.157	BSE Sensex	77,638.50
GBPINR	107.199	0.137		
JPYINR	0.5431	0.0002		