

Top Story 1

IMF Raises India's Growth Forecast to 6.4% for 2025 and 2026, Retains Status as Fastest-Growing Major Economy

The International Monetary Fund has revised its economic growth forecast for India to 6.4% for both 2025 and 2026, up from earlier projections of 6.2% and 6.3%. This upgrade reaffirms India's position as the fastest-growing major economy, supported by a more favourable external environment than previously expected. Based on the financial year, India's growth is projected at 6.7% for 2025 and 6.4% for 2026. The improved outlook reflects factors such as reduced impact from global tariffs, a weaker dollar, and better financial conditions. The IMF has also slightly raised its global growth forecast to 3.0% in 2025 and 3.1% in 2026, indicating resilience in the world economy. While other large economies are projected to grow at slower rates, India's robust domestic demand, structural reforms, and macroeconomic stability continue to drive momentum, further solidifying its role as a leading driver of global economic expansion in the coming years.

<https://www.newsonair.gov.in/imf-raises-indias-growth-forecast-to-6-4-for-2025-and-2026-retains-status-as-fastest-growing-major-economy/>

Top Story 2

India's Economy Is Alive And Kicking

India's economy has emerged as a beacon of resilience in a global environment marked by uncertainty, geopolitical tensions, and fluctuating trade patterns. It recorded strong real GDP growth, supported by robust domestic demand and stable macroeconomic policies. Nominal GDP growth also reflected healthy expansion, underscoring the strength of the economy. While several advanced economies face slow growth projections, India's expected growth rate for the upcoming fiscal year positions it as the fastest-growing major economy in the world. This performance highlights the success of its domestic-driven economic model, effective governance, and policy consistency. Despite global headwinds, India's economic momentum remains intact, driven by structural reforms, infrastructure development, and rising investor confidence. With strong fundamentals, steady growth, and an expanding role in global trade, the country continues to demonstrate that its economy is dynamic, competitive, and well-positioned for sustained progress in the years ahead.

<https://www.news18.com/amp/opinion/opinion-indias-economy-is-alive-and-kicking-ws-l-9477847.html>

Economy

What's fueling India's 57% scientific-spend surge? Inside the R&D bet changing the game in 2025

The government has significantly increased funding for scientific research, allocating ₹65,307 crore to six major research agencies in FY26, marking a 57% year-on-year rise. These agencies are responsible for conducting research and supporting other institutions across domains such as science, technology, space, atomic energy, biotechnology, and earth sciences. Central government spending on scientific research and development has hovered around 0.64–0.66% of GDP in recent years, while state governments collectively contributed ₹8,476 crore in FY23. Uttar Pradesh, Gujarat, and Punjab ranked as the top three states in R&D spending. Multiple deep tech initiatives are underway in areas like AI, robotics, automation, biotechnology, renewable energy, climate technology, drones, and small nuclear reactors. A key programme, the National Mission on Interdisciplinary Cyber-Physical Systems, with a budget of ₹3,660 crore, is being implemented in collaboration with 25 leading institutions to develop advanced generative AI technologies, strengthening India's innovation ecosystem.

<https://www.financialexpress.com/policy/economy-whats-fueling-indias-57-scientific-spend-surge-inside-the-rampd-bet-changing-the-game-in-2025-3933774/>

Finance

Top financial changes in August: New UPI rules, RBI repo rate decision and revision in bank credit cards terms

India has introduced significant updates to the unified payments interface (UPI) rules aimed at improving security, efficiency, and user experience. A new limit caps balance inquiries at 50 per app per day, and background balance checks by apps will no longer be permitted. Recurring autopay transactions, such as utility bills and subscriptions, will now be processed only during designated off-peak hours to optimise system load. To enhance account safety, UPI IDs linked to mobile numbers inactive for over 12 months will be automatically disabled, preventing misuse after number reassignment. Newly linked bank accounts will undergo enhanced verification with stronger authentication measures. Meanwhile, expectations are that the monetary policy committee will keep the repo rate steady, though a minor cut is possible. Regulatory proposals also aim to bring more clarity and innovation in financial products, alongside the requirement for taxpayers to verify returns within 30 days of acknowledgement.

<https://www.moneycontrol.com/news/business/personal-finance/top-financial-changes-in-august-new-upi-rules-rbi-repo-rate-decision-and-revision-in-bank-credit-cards-terms-13361738.html>

Market

RBI approves merger of New India Co-operative Bank with Saraswat Co-operative Bank

The central bank has approved the voluntary amalgamation of a cooperative bank with a larger, financially stronger cooperative bank under provisions of the Banking Regulation Act. The merger will take effect soon, after which all branches of the smaller bank will operate under the name and management of the acquiring institution. The move follows regulatory scrutiny over financial irregularities and governance concerns at the smaller bank, which led to the appointment of an administrator and restrictions on withdrawals to safeguard depositor interests. The bank had significant assets and an extensive branch network, with a majority located in a major city. The amalgamation aims to protect depositors, restore confidence, and ensure operational stability. By absorbing the smaller bank's assets, liabilities, and customer accounts, the larger institution is expected to strengthen financial resilience while maintaining uninterrupted banking services for all customers. This step also supports stability within the cooperative banking sector.

<https://www.cnbctv18.com/business/companies/rbi-approves-merger-of-new-india-co-operative-bank-with-saraswat-co-operative-bank-19647503.htm>

Taxation

India proposes to widen institutional investment in REITs and InvITs

The markets regulator has proposed expanding the scope of eligible strategic investors in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) to boost capital inflows. Strategic investors, who receive allocations before an issue opens, must invest between 5% and 25% of the total offer size. Currently, the definition excludes key institutional players such as public financial institutions, insurance funds, provident funds, and pension funds, despite their active investments in these instruments. This limitation has restricted REITs and InvITs from attracting significant capital from such sources. The proposal suggests allowing a broader range of institutional investors, including foreign entities (excluding individuals, body corporates, and family offices), to participate as strategic investors. By widening the eligibility criteria, the move aims to deepen market participation, enhance funding access for real estate and infrastructure projects, and strengthen the overall investment ecosystem. Public feedback has been invited before finalising the framework.

<https://economictimes.indiatimes.com/markets/digital-real-estate/realty-news/india-proposes-to-widen-institutional-investment-in-reits-and-invits/articleshow/123043184.cms?from=mdr>

Metric	31st July 2025	01st Aug 2025	Change	Metric	31st July 2025	01st Aug 2025	Change
USDINR	87.82	87.79	-0.03	NIFTY 50	27310	27295	-15
EURINR	102.72	102.65	-0.07	BSE Sense	88040.25	88010.5	-29.75
GBPINR	122.14	122.09	-0.05				
JPYINR	61.09	61.06	-0.03				

