

TOP STORY 1

India Becomes 4th Largest Economy

India has achieved a historic milestone by officially becoming the **world's fourth-largest economy**, surpassing Japan, as per **IMF data** shared by **NITI Aayog**. With the economy crossing the **\$4 trillion mark**, India now stands behind only the **U.S., China, and Germany**. This rapid ascent reflects a strong turnaround, as India had earlier overtaken the **UK** to become the fifth-largest economy. The government sees this as a significant leap toward its long-term growth vision, while the opposition stresses that GDP alone may not capture challenges like **poverty and hunger**. NITI Aayog's CEO highlighted that the data comes directly from the **IMF**, underscoring its credibility. The next target is to **surpass Germany** and become the **third-largest economy**, potentially within a few years. To achieve the broader goal of becoming a **developed nation**, India needs to sustain an average **8% growth rate**, according to insights from the **Economic Survey**.

<https://risingkashmir.com/india-is-now-fourth-largest-economy/>

TOP STORY 2

India GDP growth likely picked up in the Q4

India's economic growth likely accelerated in the recent quarter, driven primarily by strong rural spending due to improved agricultural output. GDP growth is estimated to have increased compared to the previous quarter, with forecasts showing some variation. Experts highlight that resilient agricultural activity is supporting rural consumption, while urban spending remains relatively subdued amid cautious consumer behavior. The urban demand recovery is expected to be gradual, largely supported by policy measures. Gross value added (GVA), a more stable measure of economic activity excluding indirect taxes and subsidies, showed modest growth higher than the prior period. The central bank is also expected to reduce interest rates again soon to further encourage growth in a complex economic environment.

<https://www.reuters.com/world/india/india-gdp-growth-likely-picked-up-january-march-quarter-2025-05-23/>

Economy

India's private equity (PE) and venture capital (VC) landscape experienced a significant resurgence, with investments reaching \$43 billion across approximately 1,600 deals. This 9% year-on-year growth was primarily driven by a surge in venture capital and growth investments, while private equity deals remained steady at around \$29 billion. The rebound underscores growing investor confidence in India's macroeconomic stability and long-term growth prospects. Notably, there was a marked shift towards buyout deals, which accounted for over half of the total PE activity, reflecting a maturing investment environment. India has solidified its position as the second-largest PE-VC market in the Asia-Pacific region, capturing about 20% of total investments. This trend highlights India's expanding strategic and economic influence, making it an increasingly attractive destination for global investors seeking scalable value creation opportunities.

<https://www.bain.com/insights/india-private-equity-report-2025/>

Finance

ARCs seek bigger role in RBI's new securitization framework

The RBI's draft framework permits pooling and securitization of stressed retail and corporate loans, excluding categories like farm and education loans, fraud cases, and wilful defaults. Investors must not be related to borrowers or disqualified under IBC norms. Asset Reconstruction Companies (ARCs) have sought permission to act as investors or co-investors in such pools and proposed a minimum 2.5% investment to ensure “skin in the game.” ARCs have also requested clarity on operational responsibilities, including updating CIBIL records, KYC compliance, and issuing “no due” certificates. Currently, lenders resolve stressed assets through in-house restructuring, legal routes like DRT/IBC, or sale to ARCs. The total debt acquired by ARCs reached ₹16.14 lakh crore in FY25, largely driven by a one-time ₹4.23 lakh crore transfer from the Stressed Asset Stabilization Fund. Excluding this, the acquisition was ₹1.71 lakh crore—almost flat against ₹1.73 lakh crore in FY24—indicating stable ARC activity outside the exceptional transaction.

Digitalization

Technology will play an increasingly integral role in shaping

India's strong focus on initiatives like Digital India and Viksit Bharat 2047 can be realized through advancing digital literacy. In 2022–23, nearly 12% of the nation’s GDP came from the digital economy, which is expected to grow to one-fifth by 2029–30. As the country progresses towards a developed future, acquiring digital skills becomes essential for improving employment opportunities, fostering innovation, and driving entrepreneurship and social mobility. In collaboration with a leading training partner, 196 Centers of Excellence have been established to train underprivileged women and youth in advanced technologies such as Artificial Intelligence, Machine Learning, Cybersecurity, and Robotic Process Automation. These efforts have impacted over 27,950 students across 21 states since FY21–22, building a future-ready workforce aligned with emerging industry trends. With a focus on ensuring at least 60% of trainees secure job placements, the initiative plays a crucial role in equipping communities with vital skills to thrive in India’s digital economy.

<https://www.dqindia.com/interview/technology-will-play-an-increasingly-integral-role-in-shaping>

Taxation

Budget 2025 unveils bold roadmap for transformative tax reforms

The government announced a major reform to replace the existing income tax law, aiming to simplify the system by reducing complexity and volume. This new law is designed on the principle of “trust first, scrutinize later,” reflecting a commitment to fairness and justice. Additionally, the time limit for filing updated tax returns has been extended from two to four years, enabling taxpayers to correct omissions without penalties. Millions of taxpayers have already voluntarily updated their incomes by paying additional taxes. Over the past decade, several reforms have been introduced to enhance taxpayer convenience, including faceless assessments, a taxpayer charter, faster returns processing, and schemes to resolve tax disputes amicably. Under the new tax regime, individuals earning moderate to higher incomes can expect significant tax savings, with benefits increasing alongside income levels. These measures collectively aim to foster a more transparent, efficient, and taxpayer-friendly income tax system.

https://economictimes.indiatimes.com/news/economy/policy/budget-2025-unveils-bold-roadmap-for-transformative-tax-reforms/articleshow/117824720.cms?utm_source=chatgpt.com&from=mdr

Currency	Rate (₹)	Change from May 23	Index	Value	Change
USDINR	85.05	0.23	NIFTY 50	24,965.45	112.3
EURINR	96.2	0.32	BSE Sensex	82,102.04	380.96
GBPINR	113.9	0.45			
JPYINR	0.59	0.0003			

