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India retains fastest-growing major economy tag despite GDP forecast trim to 6.2%: Govt Economic Review

Key economic indicators such as tax collections, purchasing managers' indexes, and digital freight tracking all reached historic or near-record highs, reflecting sustained industrial and commercial momentum. The economy is projected to grow steadily in the upcoming fiscal year, despite a slight downward revision from earlier forecasts. Nonetheless, the nation continues to hold its position as the fastest-growing major economy globally, demonstrating the smallest adjustment compared to others amid heightened global uncertainty and trade challenges. Recent data highlights strong economic resilience, with private investment activity showing clear signs of revival. A recent survey indicated a significant rise in aggregate capital expenditure over the last few years. Additionally, new private investment announcements surged to a record level in the most recent quarter. These developments underscore growing investor confidence, improved consumption, and robust infrastructure activity. The overall outlook remains positive, supported by proactive policies and a dynamic domestic market that continues to attract long-term investment.

<https://www.businesstoday.in/latest/economy/story/india-retains-fastest-growing-major-economy-tag-despite-gdp-forecast-trim-to-62-govt-economic-review-478004-2025-05-27>

Top Story

India poised for growth amid global uncertainty

India's economy remains resilient despite global uncertainty, reinforcing its position as a prime investment destination. According to a recent economic review, structural reforms and skill-based policies are boosting investor confidence and supporting sustained growth. Indicators such as rising tax collections, higher logistics activity, strong services sector performance, and improved consumer sentiment point to strengthening economic momentum. Rural demand also remains stable, backed by increased household consumption. Government-led capital expenditure continues to play a vital role in maintaining economic activity and cushioning against global headwinds. However, the report highlights emerging challenges, particularly on the trade front, with rising external risks. A major concern is the increased uncertainty surrounding exports due to the imposition of reciprocal tariffs on Indian goods by a major global partner. While temporary suspensions are in place, potential trade barriers remain a critical risk factor. Despite these challenges, India's macroeconomic fundamentals and proactive policy measures reflect a positive outlook for medium-term economic growth.

<https://www.livemint.com/economy/india-finance-ministry-economic-growth-report-us-india-trade-agreement-tariff-investment-11748355118226.html>

Economy

With India set to be world's No 4 economy, calls for deeper reforms get louder

India is on track to become the world's fourth-largest economy, a development seen as a reflection of the nation's rising global influence and economic strength. Industry leaders view this forecast as a milestone, indicating progress while emphasizing the need for further reforms to enhance competitiveness. The country's nominal GDP is expected to surpass that of a major developed economy, placing it just behind the top three global economic powers. Experts attribute this growth to favorable global conditions, strong domestic fundamentals, and an expanding role in global supply chains aligned with evolving trade dynamics. While global tariffs have created uncertainty, the nation may face relatively less impact compared to others, offering a potential advantage. This ascent underscores the importance of continuing reforms to strengthen economic fundamentals and increase per capita income. The outlook reflects both growing confidence in the country's economic trajectory and the need to capitalize on its momentum for long-term sustainable growth.

<https://www.scmp.com/week-asia/economics/article/3312005/india-set-be-worlds-no-4-economy-calls-deeper-reforms-get-louder>

Finance

India's rise to 4th largest economy will boost manufacturing

India's rise to become the fourth-largest economy is set to significantly boost the manufacturing and technology sectors. This milestone reflects a rapidly growing economy that enables increased investments in research, development, and innovation. Economic recognition on a global scale enhances investor confidence, fosters international partnerships, and positions domestic manufacturers to lead not only in output but also in innovation and quality. With nominal GDP projected to slightly surpass that of a major global competitor, the development signals strong economic momentum and maturity. It also marks a shift in global economic influence, driven by a young, dynamic population and untapped potential. Beyond the figures, this progress underscores broader structural strengths—demographic advantage, expanding consumer base, and strategic policy support. The economic transition opens up new opportunities for scaling operations, improving technological capabilities, and reinforcing the position in global supply chains. This growth phase is not just about scale but also about long-term sustainable competitiveness.

<https://manufacturing.economictimes.indiatimes.com/news/life-sciences/indias-rise-to-4th-largest-economy-will-boost-manufacturing-medtech-aimed/121453206>

Market

RBI authorizes Worldline ePayments India as cross-border payment aggregator

A digital payments entity has received regulatory approval to operate as a cross-border payment aggregator for export and import transactions. The authorization, granted under the Payment and Settlement Systems Act, enables the company to process online payments related to global trade in goods and services. This move allows it to function as a digital intermediary, simplifying international payment flows while ensuring full compliance with regulatory guidelines. With this new role, the organization can further support businesses involved in cross-border commerce, enhancing the ease and speed of global transactions. Operating in the payments space for many years, the entity has offered solutions such as acquiring services, payment gateways, in-store payments, and bill collections. The latest authorization reflects the broader push to strengthen digital payment infrastructure and formalize international digital transaction channels. Regulatory norms for such entities require adherence to strict compliance, due diligence, and settlement timelines, helping maintain transparency and trust in global payment flows.

<https://www.cnbc18.com/business/finance/rbi-authorises-worldline-epayments-india-as-cross-border-payment-aggregator-19611322.htm>

Taxation

Faceless Assessment: A Digital Transformation in Tax Administration

The Income Tax Act has undergone continuous reforms to improve clarity, efficiency, and taxpayer compliance. However, ambiguities in certain provisions have sometimes led to misuse, such as wrongful claims of deductions, underreporting of income, or non-disclosure, resulting in scrutiny by tax authorities. To modernize the assessment process and address these challenges, an Electronic Assessment system was introduced. This initiative shifts from the traditional manual system to a technology-driven, faceless, and jurisdiction-free model, promoting greater transparency, accountability, and efficiency. The system automates case allocation to designated units, allowing anonymous and fully digital reviews of tax returns. It also eliminates the need for taxpayers to be physically present for verification, simplifying compliance. This approach aligns with broader goals of digital governance and ease of doing business, streamlining the assessment process while minimizing direct interactions between taxpayers and tax authorities.

<https://www.caclubindia.com/articles/faceless-assessment-a-digital-transformation-in-tax-administration-53562.asp>

| Currenc | Rate (₹) | Change from May 2 | Index | Value | Chang |
|---------|----------|-------------------|------------|-----------|---------|
| USDINR | 85.599 | 0.441 | NIFTY 50 | 24,792.00 | -34.15 |
| EURINR | 97.145 | 0.329 | BSE Sensex | 81,319.26 | -232.37 |
| GBPINR | 115.7972 | 0.2752 | | | |
| JPYINR | 0.5968 | 0 | | | |