Top Story 1

India's economy: General govt capex-to-GDP might stay around 5%; lower that FY25 and FY24

India's general government capital expenditure (capex) is projected to remain around 5% of GDP in FY26, slightly below the 5.1% recorded in FY25 and well under the FY24 peak of 5.4%. This moderate decline follows a period of historically high public investment, reflecting a more balanced approach to fiscal management. Data from the first five months of the fiscal year indicates that public capital expenditure has remained strong, with the central government spending approximately 39% of its budgeted capital outlay, marking a growth of over 43% compared to the same period last year. If this trend continues, the FY26 capex-to-GDP ratio is likely to stabilize near 5%, demonstrating sustained government focus on infrastructure development and public investment, despite a slight reduction from previous peaks. The ongoing capital spending supports economic growth, enhances infrastructure, creates employment, and strengthens the country's development trajectory.

https://timesofindia.indiatimes.com/business/india-business/indias-economy-general-govt-capex-to-gdp-might-stay-around-5-lower-that-fy25-and-fy24/articleshow/124520835.cms

Top Story 2

World Bank ups India's FY26 growth forecast, but cuts FY27 hopes on US tariffs

India is projected to remain the fastest-growing major economy, driven by strong consumption and resilient domestic conditions such as improved agricultural output and rising rural wages. Economic growth is forecast to stay robust, supported by government reforms that simplify taxation and enhance business efficiency. Investment activity continues to be strong, aided by infrastructure spending, healthy credit growth, and supportive monetary policies. While growth estimates have been slightly adjusted due to external trade challenges, including higher export tariffs imposed by a key trading partner, India's overall momentum remains positive. Private consumption and investment continue to be the primary drivers of growth, reflecting the strength of domestic demand. Despite some external pressures on exports, the economy's underlying fundamentals, including steady policy reforms and financial stability, are expected to sustain a healthy growth trajectory, reaffirming India's position as a global growth leader.

https://indianexpress.com/article/business/economy/world-bank-cuts-indias-fy27-gdp-forecast-to-6-3-sees-reform-urgency-10293862/

Economy

India's economy to sustain robust growth trajectory, household spending to show continued strength

India’s economy is expected to maintain a strong growth trajectory, supported by steady household spending and resilient domestic demand. Consumption remains a key driver of economic activity, fueled by rising incomes, improving employment conditions, and stable inflation. Investment momentum also continues, backed by infrastructure development and supportive fiscal and monetary policies. While external challenges persist, including global trade uncertainties and fluctuating commodity prices, India’s economic fundamentals remain sound. The balance between public and private sector investments is expected to sustain overall growth. Additionally, policy reforms aimed at improving ease of doing business and simplifying regulations are likely to enhance productivity and long-term competitiveness. Overall, the outlook reflects a stable and confident economic environment, with household spending providing a strong foundation for sustained expansion and continued progress toward inclusive development and long-term resilience.

https://www.business-standard.com/markets/capital-market-news/india-s-economy-to-sustain-robust-growth-trajectory-household-spending-to-show-continued-strength-125101400483_1.html

Market

India Inflation Below RBI Target Again, Boosts Rate Cut Bets

Inflation in India eased below the central bank’s target range for the second time this year, strengthening expectations of a possible interest rate cut as growth faces external pressures. The consumer price index rose modestly from a year earlier, marking the slowest pace of price gains in eight years. This decline, falling below the central bank’s comfort zone, signals easing price pressures across essential goods and services. The moderation in inflation follows recent tax adjustments that reduced the cost of everyday items, improving consumer sentiment. Financial markets responded positively, with bond yields softening on expectations of monetary easing. The sustained drop in inflation provides room for the central bank to consider lowering policy rates in upcoming meetings to support economic momentum amid global headwinds. Overall, the easing inflation trend highlights price stability and may create favorable conditions for stimulating growth through accommodative monetary policy.

https://www.bloomberg.com/news/articles/2025-10-13/india-inflation-below-rbi-s-target-again-boosting-rate-cut-bets

Finance

India's CPI inflation may remain at 2.2% in FY26, below RBI's forecast of 2.6%

India's Consumer Price Index (CPI) inflation is expected to remain at 2.2% in FY26, significantly below the central bank's forecast of 2.6%. The sharp moderation in inflation is largely driven by a decline in food and beverage prices, with overall inflation easing to a multi-year low due to favorable base effects and stable price trends. Although a slight seasonal rise in food prices was observed, it was offset by these base effects, keeping inflation on a downward path. Core inflation, excluding gold, stands at 3.28%, reflecting overall price stability. The report noted that inflation could fall further in the coming months, strengthening the case for potential monetary easing to support economic activity. Looking ahead, inflation is projected to remain around 3.7% in FY27, suggesting a sustained period of stability and providing policymakers greater flexibility to balance growth and inflation management effectively.

https://www.chinimandi.com/indias-cpi-inflation-may-remain-at-2-2-in-fy26-below-rbis-forecast-of-2-6-sbi-research/

Taxation

India's direct tax collections jump 6%: Why has net revenue crossed Rs 11.89 lakh crore

India's net direct tax collection rose by 6.33%, crossing ₹11.89 lakh crore, indicating robust revenue performance driven by higher corporate tax receipts and reduced refund issuance. Corporate tax collections reached ₹5.02 lakh crore, while non-corporate taxes, including those from individuals, increased to ₹6.56 lakh crore. The Securities Transaction Tax (STT) also recorded a marginal rise to ₹30,878 crore. On the other hand, tax refunds declined by 16% to ₹2.03 lakh crore during the same period, contributing to the higher net collection. Gross direct tax collection, before adjusting for refunds, stood at ₹13.92 lakh crore, marking a 2.36% increase over the previous fiscal. The steady rise in both corporate and individual tax revenues highlights stronger economic activity and improved compliance, while the moderation in refunds reflects tighter scrutiny and efficient tax administration. Overall, the trend signifies fiscal resilience and healthy revenue generation for the economy.

https://english.mathrubhumi.com/news/money/net-direct-tax-revenue-till-october-gqc41txx

Metric	10-Oct-2025 Rate	13-Oct-2025 Rate	Change
USDINR	₹88.752	₹88.7797	+0.0277 ₹
EURINR	Data NA	Data NA	—
GBPINR	₹118.0136	₹118.6434	+0.6298 ₹
JPYINR	Data NA	Data NA	—
NIFTY 50	25,285.35	25,227.35	-58.00 pts
BSE Sensex	82,599.82	82,426.05	-173.77 pts