

Top Story 1

GDP growth at 6.5%: US tariffs to weigh down India's economic growth? Here is what ADB says

India's economy is projected to grow at a moderate pace of 6.5% for the current financial year, revised down from the earlier estimate of 7%. The adjustment reflects emerging concerns over the impact of higher import tariffs, which are expected to weigh on exports and overall trade performance. Despite a strong 7.8% growth in the first quarter—driven by robust consumption and government expenditure—the momentum is anticipated to slow in the later part of the fiscal year due to external trade pressures. The economic outlook report highlighted that while domestic demand remains a key growth driver, global market uncertainties and increased tariff measures could dampen export competitiveness and economic expansion in the coming quarters. Continued focus on fiscal discipline, infrastructure investment, and trade diversification is seen as crucial for maintaining resilience and sustaining growth momentum amid evolving global challenges.

<https://timesofindia.indiatimes.com/business/india-business/gdp-growth-at-6-5-us-tariffs-to-weigh-down-indias-economic-growth-here-is-what-adb-says/articleshow/124232395.cms>

Top Story 2

RBI Raises India's GDP Growth Forecast To 6.8% For 2025-26

India's GDP recorded robust growth of 7.8% in Q1, driven by strong private consumption and fixed investment. On the supply side, growth in gross value added (GVA) at 7.6% was supported by a revival in manufacturing and steady expansion in services. High-frequency indicators suggest that economic activity continues to remain resilient, with strong rural demand fueled by favorable agricultural conditions and gradual revival in urban demand. The GDP growth projection for 2025-26 has been raised to 6.8% from 6.5%, reflecting the positive impact of structural reforms, including streamlining of the GST, which are expected to offset some external headwinds. Quarterly growth is projected at 7.0% in Q2, 6.4% in Q3, and 6.2% in Q4. Investment activity, supported by construction indicators, remains healthy despite some moderation in capital goods production and imports. Overall, economic activity shows resilience, with manufacturing recovering and services sustaining momentum.

https://www.cnbctv18.com/market/tata-motors-share-price-jlr-phased-resumption-of-production-uk-midlands-new-payment-reaction-19705204.htm?utm_source=push-notification&utm_medium=edit-push&utm_campaign=editorial

Economy

India's fiscal deficit for April–August at ₹5.98 lakh crore, widens to 38.1% of FY26 target

India's fiscal deficit for the April–August period stood at ₹5.98 lakh crore, representing 38.1% of the full-year target for FY26, up from 27% during the same period last year. The increase was largely driven by higher capital spending, even as net tax receipts slipped to ₹8.1 lakh crore from ₹8.7 lakh crore, partly due to income tax rebates. Non-tax revenue rose sharply to ₹4.4 lakh crore from ₹3.3 lakh crore, bringing total revenue receipts to ₹12.8 lakh crore, up from ₹12.2 lakh crore. On the expenditure side, total spending rose to ₹18.8 lakh crore from ₹16.5 lakh crore, with capital expenditure surging to ₹4.3 lakh crore, 38.5% of the annual target. Revenue expenditure climbed to ₹14.5 lakh crore from ₹13.5 lakh crore. The government projects a full-year fiscal deficit of ₹15.7 lakh crore, or 4.4% of GDP, signaling a path toward fiscal consolidation while supporting growth.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/indias-heart-risk-score-in-diabetes-why-every-indian-must-pay-attention-a-world-heart-month-special/articleshow/123898240.cms>

Market

India holds rates steady at 5.5% in line with forecast as central bank assesses earlier cuts

India's central bank kept its policy rate unchanged at 5.5%, reflecting a cautious approach to assess the effects of earlier rate cuts. Inflation moderated significantly in the first quarter, while growth is expected to slow in the second half due to global trade uncertainties. The central bank highlighted that the impact of the recent 50-basis-point rate cut has yet to fully filter through the economy, and future cuts may be delivered gradually. The economy is projected to grow by 6.8% in FY26, with quarterly growth at 7% in Q2, moderating to 6.4% and 6.2% in the following quarters. Headline inflation is forecasted at 2.6% for the fiscal year. The government's recent goods and services tax cuts aim to boost domestic demand, particularly ahead of the festive season, mitigating external trade pressures. Strong domestic consumption, which accounts for over 60% of GDP, is expected to support economic resilience despite global headwinds.

<https://www.cnbc.com/2025/10/01/india-rbi-holds-rates-steady-at-5-5percent-in-line-with-forecast-as-inflation-cools.html>

Finance

RBI holds rates and hikes growth forecast as it unveils biggest regulatory reform in a decade

India's central bank unveiled the largest regulatory overhaul in nearly a decade, aimed at strengthening banks, expanding credit flow, enhancing consumer protection, and advancing the internationalization of the rupee. The reforms are expected to support the economy in achieving a 6.8% growth forecast while maintaining the policy repo rate at 5.5%. The package includes 22 measures designed to boost the resilience and competitiveness of the banking sector, improve credit availability, promote ease of doing business, simplify foreign exchange regulations, and enhance consumer satisfaction. Key initiatives include risk-based deposit insurance, a new provisioning framework, and incentives for lenders to fund businesses. At the core of the reforms is the Expected Credit Loss (ECL) framework, applicable to all scheduled commercial banks and financial institutions from 2027, with a glide path till 2031. The measures align guidelines with international standards while addressing national priorities, preparing the financial system to manage risks from global headwinds.

<https://timesofindia.indiatimes.com/business/india-business/rbi-holds-rates-and-hikes-growth-forecast-as-it-unveils-biggest-regulatory-reform-in-a-decade/articleshow/124249191.cms>

Investment

Investment banks queuing up at GIFT: IFSCA chief

The central bank unveiled the largest regulatory overhaul in nearly a decade, aimed at strengthening banks, expanding credit flow to corporates—including for acquisitions—enhancing consumer protection, and advancing the internationalization of the national currency. The reforms are expected to support the economy in achieving a higher growth forecast, even as the monetary policy committee kept key interest rates unchanged at 5.5%. A total of 22 measures were announced to enhance the resilience and competitiveness of the banking sector. These include steps to improve credit availability for businesses, promote ease of doing business, simplify foreign exchange management, and strengthen consumer satisfaction. Additionally, the reforms focus on advancing the international use of the national currency, positioning it more prominently in global trade and finance.

<https://www.financialexpress.com/market/investment-banks-queuing-up-at-gift-ifsca-chief-3994958/>

Metric	29-Sep-2025 Rate	30-Sep-2025 Rate	Change
USDINR	₹88.7558	₹88.7923	+0.0365 ₹
EURINR	₹104.0455	₹104.2220	+0.1765 ₹
GBPINR	₹119.2777	₹119.3540	+0.0763 ₹
JPYINR	₹59.64	₹59.91	+0.27 ₹
NIFTY 50	24,634.90	24,611.10	-23.80 pts
BSE Sensex	80,364.94	80,267.62	-97.32 pts

