

October 07, 2025 – Tuesday

Economy

Slightly slower but India's GDP growth likely stayed strong in Q2

Growth in the Indian economy is expected to have maintained its momentum through the September quarter of 2025-26 (Q2FY26), even as the headline number may have slipped below the five-quarter high of 7.8 per cent recorded in the June quarter, according to economists. A favourable base effect and subdued deflator growth, which lifted the Q1 figure, are thought to have persisted into Q2, though to a lesser extent. The impact of steep 50 per cent American tariffs did not fully materialise in the quarter, while front-loading of exports continued. An above-normal monsoon is also expected to have supported agricultural output and rural demand.
https://www.business-standard.com/economy/news/slightly-slower-but-india-s-gdp-growth-likely-stayed-strong-in-q2-125100500359_1.html

Softening in demand slows services sector in September, PMI falls to 60.9

Growth in India's dominant services sector lost momentum in September, as demand softened along with exports and business activity, showed a private survey released on Monday. The headline HSBC purchasing managers index (PMI) figure, compiled by S&P Global, fell to 60.9 in September from a 15-year high of 62.9 in August. However, this marks the fourth straight month the index has held above 60, underscoring resilient demand in the world's fastest-growing major economy.
https://www.business-standard.com/economy/news/india-services-pmi-september-demand-softens-growth-slows-125100600508_1.html

Finance

Gross NPAs of banks likely to be 2.3-2.5% by March 2026, says Crisil

Rating agency CRISIL on Monday said that gross non-performing assets (NPAs) of banks are likely to have bottomed out and are expected to remain in the 2.3–2.5 per cent range by March 31, 2026. Bad loans had reached a historic low of 2.3 per cent as of March 31, 2025. The asset quality of corporate credit, the largest segment, is expected to remain stable. However, NPAs in the micro, small and medium enterprises (MSME) segment may inch up, primarily in export-oriented sectors. The impact of loan seasoning following high growth in recent years could be another contributing factor.
https://www.business-standard.com/industry/banking/bank-gross-npas-to-stay-at-2-3-2-5-percent-by-mar-2026-crisil-report-125100601237_1.html

Private sector banks see dip in market cap in Jul-Sep: S&P Global

Private sector banks slipped in market capitalisation (mcap) during the July–September quarter, underperforming their government-owned peers as trade uncertainties dragged market sentiment, said S&P Global Market Intelligence. According to its analysis, HDFC Bank shed 4.8 per cent in mcap during the third quarter, while ICICI Bank's dropped 6.7 per cent. Other private sector lenders, such as Kotak Mahindra Bank and Axis Bank, also posted declines in mcap in the third quarter compared to the previous three months, the data shows.

https://www.business-standard.com/industry/banking/private-banks-market-cap-decline-q3-2025-sp-global-report-125100601119_1.html

RBI move on M&A funding likely to revive corporate credit demand

Domestic banks are hopeful that the Reserve Bank of India's (RBI's) decision to allow them to fund acquisitions by Indian companies will not only boost credit demand from the corporate sector, but will also enable them to capture a sizeable share of the acquisition fina-ncing market, which so far has been dominated by non-banks, pr-i-vate credit funds, and foreign ba-n-ks, as banks have a lower cost of funds. It also comes at a time when the share of bank credit to corporates has declined significantly.
https://www.business-standard.com/economy/news/corporate-credit-to-revive-as-rbi-allows-banks-to-fund-india-inc-deals-125100500360_1.html

RBI's Basel III norms to lower banks' capital requirement from 2027

The implementation of the Reserve Bank of India's (RBI's) proposed Basel III capital norms is expected to reduce the capital adequacy requirement of banks. This would lead to lower risk weights on residential real estate (including housing) and MSME segments, which could bring 10–50 basis points (bps) Common Equity Tier 1 (CET1) improvement across banks, according to analysts. During the monetary policy last week, the RBI announced plans to implement revised Basel III capital adequacy norms for commercial banks from April 1, 2027. A draft on the standardised approach for credit risk will also be issued soon.
https://www.business-standard.com/economy/news/rbi-basel-iii-norms-to-reduce-bank-capital-requirements-2027-125100601110_1.html

Cooperative banks attract investors with higher rates

Retail depositors are increasingly turning to cooperative banks as lower deposit rates at scheduled commercial banks push savers to seek better returns. For the fortnight ended September 19, 2025, term deposits with cooperative banks rose by Rs 2,866 crore or 0.7% to Rs 4.47 lakh crore, up from Rs 4.44 lakh crore on September 5. In contrast, term deposits across all scheduled commercial banks, including public, private, regional rural, small finance, and payment banks, fell by Rs 78,888 crore or 0.4% to Rs 206 lakh crore. Overall deposit growth for scheduled banks, including cooperative banks, dipped by 0.5% to Rs 240.4 lakh crore from Rs 241.6 lakh crore.
https://www.financialexpress.com/business/banking-finance-cooperative-banks-attract-investors-with-higher-ratesnbsp-4000374/

Total deposits growth higher vs gross loans in Q2

Small finance banks (SFBs) saw higher growth in their deposits as compared to gross advances on a year-on-year basis in the quarter ended September, provisional data released by six banks showed. The gross advances rose 16.8% y-o-y while the growth in total deposits was higher at 17.2%, the average of estimates of six small finance banks showed. However, on a sequential basis, the growth in loans was higher as compared to the deposits, data showed. This was largely on the back of growth in the retail and micro, small and medium enterprise segments.
https://www.financialexpress.com/business/banking-finance/growth-in-total-deposits-higher-vs-gross-loans-in-q2/3999463/

India to launch digital currency, says Piyush Goyal; discourages cryptocurrency "not backed by assets"

India is set to launch its own RBI-backed digital currency, aiming for simpler, faster, and traceable transactions while reducing paper use. Union Minister Piyush Goyal emphasized that the nation discourages cryptocurrencies lacking sovereign or asset backing, imposing heavy taxes on them due to inherent risks and lack of accountability.
https://economictimes.indiatimes.com/markets/cryptocurrency/india-to-launch-digital-currency-says-piyush-goyal-discourages-cryptocurrency-not-backed-by-assets/articleshow/124351395.cms

NBFCs, capital markets lead consents in account aggregator system

Non-banking financial companies (NBFCs), registered investment advisers (RIAs), and stockbrokers were the top categories of completed consents on the account aggregator (AA) framework in financial year 2024–25 (FY25), according to data from industry alliance Sahamati. NBFCs, with 276 financial information users (FIUs), accounted for 60.08 per cent of the total consents. Participants in the capital markets segment, which includes RIAs and

stockbrokers, together had a 35 per cent share of total consents. There are 39 RIAs and 93 stockbrokers that are FIUs.
https://www.business-standard.com/finance/news/nbfcs-lead-account-aggregator-consents-in-fy25-with-60-share-125100600872_1.html

Govt considers introducing nationwide climate-linked insurance scheme

India's government has begun early-stage talks with local insurers about designing a nationwide climate-linked insurance programme aimed at simplifying the payout process after extreme weather events such as heatwaves and floods. The scheme would adopt a parametric insurance model, where policyholders receive a pre-determined payout when specific weather thresholds such as rainfall, temperature or windspeed are breached.
https://www.business-standard.com/finance/insurance/govt-considers-introducing-nationwide-climate-linked-insurance-scheme-125100600912_1.html

GST 3.0: Govt plans automated refunds on lines of income-tax system

The government is looking at automating goods and services tax (GST) refunds, on the lines of the income-tax system, as part of the next stage of reforms being conceptualised under GST 3.0, a senior tax official said. “We are hoping that maybe like income tax, we will also make refunds automated. So, it’s there in our mind,” said Shashank Priya, member (GST), Central Board of Indirect Taxes and Customs (CBIC). He was speaking at an event organised by TIOL Knowledge Foundation (TKF). Priya, however, refused to give a deadline.
https://www.business-standard.com/economy/news/automated-refunds-on-the-cards-under-gst-3-0-says-cbic-member-125100601179_1.html

Industry

GST 2.0 sparks festive buying boom, leaves automakers & electronics firms scrambling for supply

GST cut has sparked a sales surge for cars and electronics. Companies now face a challenge replenishing stocks and ensuring timely deliveries. Component shortages and a lack of transport trucks are creating significant hurdles. This unexpected demand is testing the supply chains of major manufacturers as they race to meet customer needs before Diwali.
https://economictimes.indiatimes.com/industry/cons-products/electronics/gst-2-0-sparks-festive-buying-boom-leaves-automakers-electronics-firms-scrambling-for-supply/articleshow/124347194.cms

Auto players seek easier CAFE 3 norms

Auto manufacturers are planning to urge the government to ease the proposed Corporate Average Fuel Efficiency (CAFE) 3 norms for 2027–2032. They want a single, fixed target instead of the yearly reduction plan suggested in the draft proposal. The CAFE 3 norms require manufacturers to progressively reduce fuel consumption from 3.73 litres per 100 km in FY28 to 3.01 litres by FY32. Industry players say this staggered approach makes product planning difficult and raises costs. They argue that while the final target can technically be met, reaching it at one go would be steep and expensive.
https://www.financialexpress.com/business/industry-auto-players-seek-easier-cafe-3-norms-4000469/

Tier II, III cities outshine metros with 21% hiring surge in Sep: Report

India's smaller cities are driving the country's job market momentum, with tier II and III locations recording a sharp 21 per cent year-on-year surge in hiring during September, surpassing growth in metro hubs, a report said on Monday. According to the latest foundit Insights Tracker (fit), a monthly report by jobs and talent platform foundit, India's tier II and III cities led the hiring surge in September, posting a 21 per cent year-on-year growth.
https://www.business-standard.com/industry/news/tier-ii-iii-cities-outshine-metros-with-21-hiring-surge-in-sep-report-125100601377_1.html

In-store most preferred shopping format, omni-channel retail gains traction for urban India: Survey

As omni-channel retail continues to gains traction, in-store shopping remains the dominant choice for most urban shoppers. The latest Ipsos IndiaBus Festival Shopping Survey 2025 revealed that over half of the respondents that were surveyed preferred to shop in physical stores, while around one-fourth said they use a combination of in-store

and online platforms. Online-only shopping continues to attract a smaller, yet significant, proportion of consumers, it added.
https://www.thehindubusinessline.com/news/in-store-most-preferred-shopping-format-omni-channel-retail-gains-traction-for-urban-india-survey/article70132131.ece

Hotel chains serve a strong H1 show despite headwinds

India's hospitality sector demonstrated remarkable resilience in the first half of the year, overcoming geopolitical tensions and a major air crash. Branded hotels reported significant year-on-year growth in revenue per available room and average daily rates, indicating a robust recovery and strong demand across various market segments.
https://economictimes.indiatimes.com/industry/services/hotels-/-restaurants/hotel-chains-serve-a-strong-h1-show-despite-headwinds/articleshow/124347250.cms

Agriculture

Indian coffee faces increasing competition from Uganda, Ethiopia

As the premiums for Indian coffee, especially the robustas have widened over the past several months, exporters are facing increased competition from other origins such as Uganda and Ethiopia. The differentials for Indian robusta parchment AB are currently hovering in the range of $1,200-1,300 per tonne over the LIFFE (London International Financial Futures Exchange) prices. In early January, the price differential was in the range of $800-900 per tonne.
https://www.thehindubusinessline.com/economy/agri-business/indian-coffee-faces-increasing-competition-from-uganda-ethiopia/article70131749.ece

Rising poultry demand could push India to import US soybean meal, despite self-sufficiency

India may need to import soybean meal from the US in the future to meet rising demand from its rapidly expanding poultry sector, despite being currently self-sufficient, according to the livestock feed manufacturers' association. Speaking at a curtain raiser event for the 17th Poultry India Expo, to be held in Hyderabad from November 25-28, Divya Kumar Gulati, chairman of the Compound Livestock Feed Manufacturers Association (CLFMA), said trade negotiations between India and the US could pave the way for imports of the protein-rich animal feed ingredient.
https://www.thehindubusinessline.com/economy/agri-business/rising-poultry-demand-could-push-india-to-import-us-soybean-meal-despite-self-sufficiency/article70131180.ece

Import of pulses seen to fall 40% in FY26 on robust stocks, crop

India’s pulses imports in the current fiscal are likely to decline by 39% to around 4.5 million tonne (MT) in FY26, from a record 7.34 MT in 2024-25, trade sources said citing adequate carry forward stocks and robust crop prospects. According to provisional data, the pulse imports during April-August 2025-26 have declined by 47% to 1.21 MT from a shipment of 2.27 MT during the same period in FY25.
https://www.financialexpress.com/policy/economy-import-of-pulses-seen-to-fall-40-in-fy26-on-robust-stocks-crop-4000488/

Infrastructure

Sonowal welcomes India's first very large gas carrier 'Shivalik' at Visakhapatnam Port

India's first Very Large Gas Carrier (VLGC), 'Shivalik', made its maiden call at Visakhapatnam Port, receiving a ceremonial welcome from Union Minister Sarbananda Sonowal. This induction under the Indian flag signifies a major step towards self-reliance in maritime and energy logistics, aligning with the Atmanirbhar Bharat and Maritime India Vision 2030.
https://economictimes.indiatimes.com/industry/transportation/shipping-/-transport/sonowal-welcomes-indias-first-very-large-gas-carrier-shivalik-at-visakhapatnam-port/articleshow/124342959.cms

Commercial real estate resilient in 2025 as housing sales slow down

India’s commercial real estate sector, encompassing office and industrial & logistics (I&L), has maintained strong leasing momentum through the first nine months of 2025 (9M 2025), even as residential sales showed a decline. According to CBRE, the office segment recorded 59.6 million square feet (msf) of leasing across the top nine cities

during January–September 2025, up 2 per cent year-on-year (Y-o-Y). Meanwhile, data from Savills India showed the I&L segment clocking 23.4 per cent growth, with leasing rising to 55.3 msf.
https://www.business-standard.com/industry/news/commercial-real-estate-india-office-leasing-2025-housing-sales-decline-125100600915_1.html

Energy

India to account for 12% of global energy demand by 2050: BP Chief Economist

India's oil demand is expected to grow more than any other nation and will account for over 12% of the world's energy demand by 2050, up from 7% in 2023, BP's chief economist Spencer Dale said on Monday while presenting the bp energy outlook for 2025. Dale projects the country's oil demand to grow to 9.1 million barrels per day by 2050 from 5.4 mbd in 2023 and that of natural gas to more than double to 153 billion cubic meters from 63 bcm in 2023. Industrial demand for gas is the key growth driver, he noted.
https://www.financialexpress.com/policy/economy-india-to-account-for-12-of-global-energy-demand-by-2050-bp-chief-economist-4000362/

India's oil demand to hit 9 mn bpd by 2050; coal to stay dominant: BP

Renewables are set to grow strongly in India, driven by solar and wind, but coal will remain the dominant source of energy in the "current trajectory" scenario, said global energy giant BP. India's oil demand is expected to grow to nine million barrels per day (bpd) in 2050, accounting for 10 per cent of total global consumption, up from five million bpd in 2023, said Spencer Dole, chief economist at BP.
https://www.business-standard.com/economy/news/india-oil-demand-to-hit-9-million-bpd-by-2050-coal-to-remain-dominant-bp-125100601206_1.html

India's first private-sector nuclear tender plagued by cost, funding issues

India's first tender calling for private sector participation in small nuclear reactors — a bellwether for long-awaited reforms in the nuclear power industry — is facing repeated delays. This comes after bidders like Tata Power, Reliance Industries and Adani Energy raised several queries relating to ownership, charges and operations, which threaten to make the projects unviable, Nuclear Power Corporation of India Limited (NPCIL) documents show and senior industry officials said.
https://www.business-standard.com/industry/news/india-s-first-private-sector-nuclear-tender-plagued-by-cost-funding-issues-125100601036_1.html

CERC admits solar firms' plea over losses from transmission delays

India's federal power regulator has admitted petitions filed by two renewable energy developers seeking compensation for financial losses incurred due to delays in setting up transmission infrastructure, according to regulatory filings. The outcome could set a precedent for renewable energy developers facing transmission bottlenecks, as India accelerates its clean energy rollout. In the filing posted over the weekend, the Central Electricity Regulatory Commission (CERC) is examining whether the Power Grid Corporation of India and the Central Transmission Utility of India, the institutions responsible for setting up transmission infrastructure, should compensate developers for losses.
https://www.business-standard.com/industry/news/cerc-admits-solar-firms-plea-over-losses-from-transmission-delays-125100600749_1.html

Telecom

Telcos may log modest revenue growth in Q2 on subscriber upgrades

Telecom operators are poised for sequential revenue growth of 0.8%-2.4% in the September quarter, driven by subscriber upgrades and an additional working day. Average revenue per user (ARPU) is also projected to rise 1.1-1.6% as entry-level plans are discontinued.
https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-may-log-modest-revenue-growth-in-q2-on-subscriber-upgrades/articleshow/124347474.cms

States

Northeast critical mineral exploration a key priority: G Kishan Reddy

Union Minister of Coal and Mines, G Kishan Reddy, on Monday said that exploration of critical minerals in Northeast India is the main agenda of the government, among other activities. Speaking to the reporters during the inauguration of the Namchik-Namphuk Coal Mine in Changlang district of Arunachal Pradesh today, the Minister said, "We want to develop the Northeast in every sector. Currently, coal-based activities are ongoing in Assam, and in the coming days, we will accelerate exploration activities in Mizoram and other states."
https://www.thehindubusinessline.com/markets/commodities/northeast-critical-mineral-exploration-a-key-priority-g-kishan-reddy/article70131903.ece

Uttar Pradesh govt shifts focus to smaller towns in industrial push

To usher in balanced development, the Uttar Pradesh government is focusing on driving industrial growth beyond its major cities, pushing Tier- II, III towns into spotlight. While industrial hubs such as Noida, Ghaziabad, Agra, Lucknow, Meerut, Kanpur already have a robust industrial and commercial ecosystem, the smaller towns still lag behind. To bridge this gap, the UP State Industrial Development Authority (UPSIDA) has taken up the task for promoting an equitable industrial growth across the state.
https://www.business-standard.com/industry/news/uttar-pradesh-govt-shifts-focus-to-smaller-towns-in-industrial-push-125100600829_1.html

Rajasthan govt gets ₹23 cr financial approval to boost religious tourism

In a bid to boost tourism, particularly religious tourism, in Rajasthan, the finance department has granted financial approval of approximately ₹23 crore to the tourism department for the renovation, beautification, and development of religious tourist destinations, according to a tourism department official. The finance department has also granted approval of over ₹4.35 crore for the conservation, restoration, and development of Nahargarh and Amer as iconic tourist destinations, for promoting heritage tourism in Jaipur, they added.
https://www.business-standard.com/industry/news/rajasthan-govt-gets-23-cr-financial-approval-to-boost-religious-tourism-125100600744_1.html

Healthcare

Indian pharma market grows 7.3% in September, chronic drugs gain traction

The Indian pharmaceutical market (IPM) posted steady growth in September, with total sales reaching ₹20,886 crore, marking a 7.3 per cent increase compared with the same month last year, according to data released by Pharmarack. Therapies such as antidiabetic, cardiac, and respiratory segments led the growth momentum. Cardiac medicines recorded a 13 per cent value growth reaching ₹2,762 crore, while antidiabetic drugs grew 10 per cent in volume reaching ₹1,889 crore, reflecting strong demand for chronic care therapies.
https://www.business-standard.com/economy/news/indian-pharma-market-grows-7-3-percent-in-september-2025-125100601162_1.html

Jan Aushadhi retailers ask govt to review minimum distance policy

Retailers of affordable medicines under the Jan Aushadhi Kendras (JAKs) on Monday said the government has assured them of a review of the zero distance policy, which allows two outlets to operate in close proximity. Notified in September this year, the zero distance policy removed the earlier requirement of maintaining a minimum distance of 1 kilometre (km) between two JAK outlets in cities with populations exceeding 1 million.
https://www.business-standard.com/industry/news/jan-aushadhi-retailers-seek-review-of-zero-distance-policy-125100601300_1.html

External

India, Chile aim to finalise CEPA by year-end after fast-track talks

India and Chile are trying to fast-track talks, hoping to finalise the comprehensive trade deal by the end of the year, a person aware of the matter said. “There have also been discussions on market access. The offer list has been

finalised and will be soon exchanged — before the next round of talks (in October),” the person cited above told Business Standard. India is also looking at a separate chapter on critical minerals.
https://www.business-standard.com/economy/news/india-chile-eye-year-end-deadline-to-seal-comprehensive-trade-pact-125100601043_1.html

India, Qatar likely to finalise trade pact by third quarter of 2026: Goyal

India and Qatar will soon finalise the contours to negotiate a free trade agreement and the pact is expected to be concluded by the middle or third quarter of next year, Commerce and Industry Minister Piyush Goyal said on Monday. The minister is here for a two-day visit. He is leading a business delegation to increase trade and investments between the two countries. "I would think that sometime by the middle of next year, or third quarter of next year, we will be able to finalise an FTA (free trade agreement), if not earlier," he told reporters here.
https://www.business-standard.com/economy/analysis/india-qatar-likely-to-finalise-trade-pact-by-third-quarter-of-2026-goyal-125100601187_1.html

India–EFTA TEPA explained: Growth, investment, and affordable European products for Indian consumers

India's historic TEPA with EFTA, effective October 2025, marks a new economic partnership with developed European nations. It secures a USD 100 billion investment pledge, creating one million jobs, while offering significant market access for Indian exports and making premium European goods more affordable for consumers, aiming to rebalance trade.
https://economictimes.indiatimes.com/news/economy/foreign-trade/indiaefta-tepa-explained-growth-investment-and-affordable-european-products-for-indian-consumers/articleshow/124335934.cms

Need sharper trade focus on Asia, neighbours: NITI CEO B V R Subrahmanyam

At a time when India is struggling to clinch a trade deal with the US, NITI Aayog Chief Executive Officer (CEO) B V R Subrahmanyam on Monday batted in favour of a sharper Asia focus — including China — in the country’s trade strategy, along with stronger trading arrangements with neighbouring nations. “Focus on Asia big time. There is no escaping that. If you are not able to sell much to China, it’s pointless, because it’s $18 trillion — you can’t avoid that economy. You should be able to compete and sell. Good countries have trade surpluses in China… If you are competitive, they will buy your stuff,” Subrahmanyam said during the launch of the Aayog’s Trade Watch quarterly report, which featured an analysis of India’s leather and footwear trade.
https://www.business-standard.com/economy/news/need-sharper-trade-focus-on-asia-neighbours-niti-ceo-b-v-r-subrahmanyam-125100601322_1.html