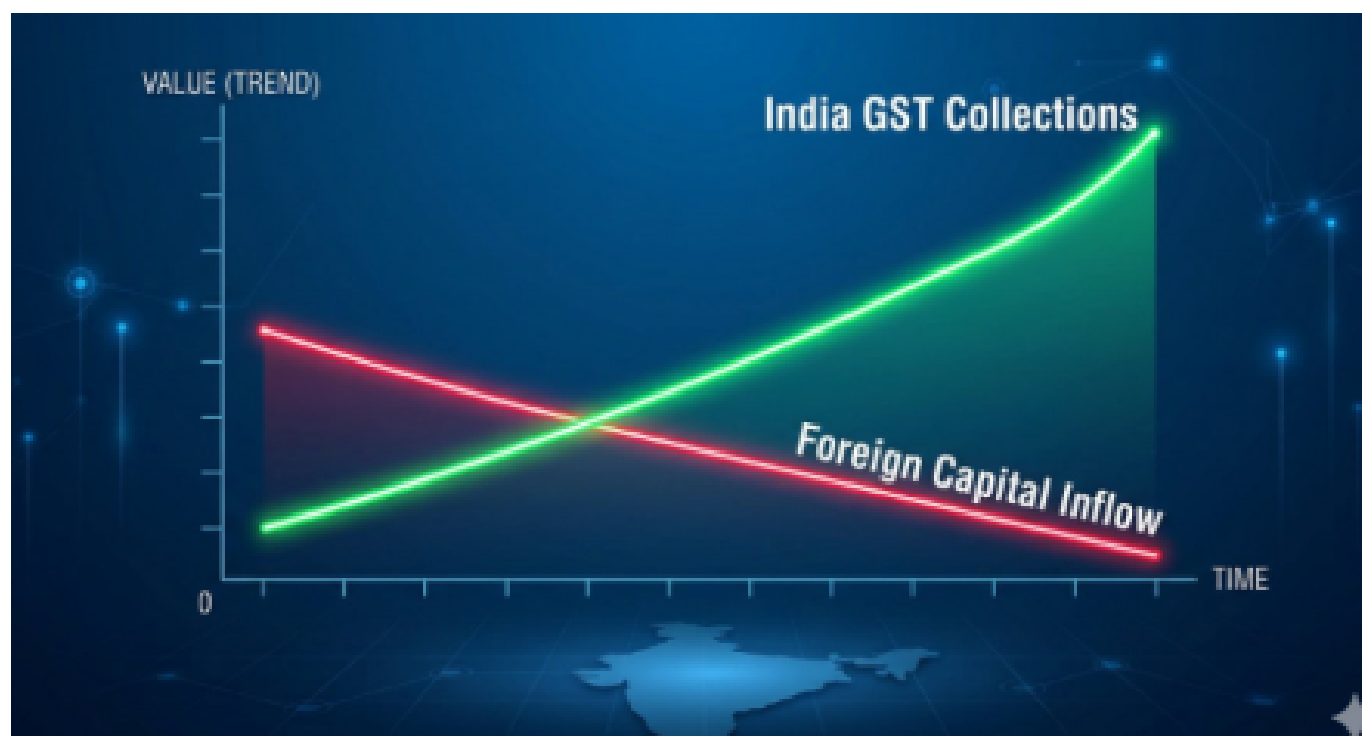


MARKET SIGNALS | GLOBAL TRADE

India's Two-Speed Story:

Tax Collections Boom, Foreign Money Flees

By **Manasee Kurlekar** | October 2, 2026



Summary: India's tax revenue is growing at its fastest pace in six months, and the government still sees growth above 7%. Yet foreign investors are dumping Indian stocks, and markets are on course for an eighth straight losing week. The domestic economy and global capital are reading India very differently.

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for an eighth straight losing week. The domestic economy and global capital are reading India very differently.

India's Net GST revenue rose 18.1% to ₹1.77 trillion in September 2026, the fastest growth in six months. The Finance Ministry projects Q2 FY27 (July–September 2026) growth at 7.3%, while flagging geopolitical risks.

Simultaneously, Foreign portfolio investors sold a fresh ₹9,484 crore in one session, taking four-day outflows to nearly ₹35,000 crore. Domestic institutions are buying to offset it. The Sensex fell more than 1,100 points intraday and the Nifty 50 slipped below 22,500, putting markets on track for an eighth straight weekly loss.

Traders expect the RBI to raise rates at next week's policy meeting, with US 10-year yields at a 24-year high pulling capital away from emerging markets.

Cracks underneath: new project announcements and completions slowed in Q2, and household demand for rural job-scheme work rose 34% to 15.64 million in September 2026 amid a weak monsoon in the south and west.

WBW angle: Strong tax receipts show activity at home, but global money is pricing *rates, oil and war risk*, not GST collections.

Read online: <https://worldbusinesswatch.com/market-signals/36/204/indias-two-speed-story-.html>

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