

**FY26 GDP GROWTH PROJECTED AT 6.3%**

# Fitch sees limited impact of Trump tariff on companies

**PRESS TRUST OF INDIA**

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Fitch Ratings on Friday cut India's GDP projections for the current financial year (FY26) to 6.3 per cent and said it expects a limited direct impact of higher US tariffs on Indian corporates.

In its Global Economic Outlook in April, Fitch had estimated India's gross domestic product (GDP) growth at 6.4 per cent for 2025-26.

"We expect India's GDP

growth of 6.3 per cent and robust infrastructure spending to underpin healthy demand for cement and building materials, electricity, petroleum products, steel, and engineering and construction (E&C) companies during FY26," Fitch said in its India Corporates Credit Trends report.

Fitch Ratings expects credit metrics to improve for its rated Indian corporates in the financial year ending March 2026, as wider EBITDA

margins offset their high capex intensity.

On the impact of US tariffs, Fitch said it expects a "limited direct impact" on its rated Indian corporates from higher US tariffs due to generally low to moderate US export exposure. However, second-order risks from excess supply could arise in some cases. An India-US trade deal could also affect the final outcome, and companies may try to mitigate the impact from tariffs by diversifying exports, Fitch said.