

# INDIA'S GROWTH PULSE

Tracking India's Economic Momentum



**CENTRE FOR ACCELERATING INDIA'S GROWTH**

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# HIGHLIGHTS

India's macro position in November 2025 remained constructive despite a challenging external environment. Growth stayed firm, price pressures eased materially, and the external balance improved, creating a supportive setting for near-term demand while widening the reform window for medium-term competitiveness and inclusion.

## ECONOMIC HIGHLIGHTS

### **GROWTH REMAINS STRONG**

Real GDP expanded 8.2% YoY in Q2 FY2025-26 (Jul-Sep), led by the secondary sector (+8.1%) and services (+9.2%), indicating breadth beyond a single driver.

### **INDUSTRIAL ACTIVITY RE-ACCELERATED**

IIP grew 6.7% YoY (index 158.0), with manufacturing up 8.0%, supported by infrastructure-linked segments and higher output in metals, pharmaceuticals, and automobiles.

### **DISINFLATION CREATES POLICY SPACE**

CPI eased to 0.71%, with food prices in deflation (-3.91%), improving real incomes and enabling a more growth-supportive policy stance if sustained.

### **EXTERNAL BUFFERS STRENGTHEN**

Exports (goods + services) reached \$ 73.99 bn and the trade deficit narrowed to \$ 6.64 bn, signalling improved resilience as import pressures moderated.

### **FINANCIAL CONDITIONS REMAIN SUPPORTIVE**

Credit growth at 11.5% YoY and forex reserves at \$688.1 bn indicate adequate liquidity and external insurance; the 25 bps repo cut to 5.25% (Dec 2025) is consistent with the disinflation trend.

### **REVENUE BUOYANCY WITH CAPEX PUSH**

GST collections at ₹ 1.70 lakh crore (+8.9% YoY) provide fiscal headroom; capex growth (~10.1%) continues to anchor infrastructure-led demand while consolidation remains feasible.

### **LABOUR INDICATORS IMPROVE**

Unemployment at 4.7%, with LFPR 55.8% and WPR 53.2%, suggests expanding participation and incremental broad-basing of employment, including rural and female gains.

# SECTORAL HIGHLIGHTS

## **SERVICES CONTINUE TO ANCHOR MOMENTUM**

HSBC Services PMI at 59.8 points to accelerating activity, with exports and new business reinforcing the sector's lead role.

## **MANUFACTURING MODERATES BUT STAYS EXPANSIONARY**

HSBC Manufacturing PMI at 56.6 reflects softer post-festival order flows, but continued expansion supported by easing input costs and investment demand.

## **CORE INDUSTRY PERFORMANCE TURNS POSITIVE**

Eight Core Industries growth at 1.8% YoY marks a recovery from contraction, with non-energy components providing the lift.

## **CONSTRUCTION CYCLE STRENGTHENS**

Cement output up 14.5% YoY (38.74 mn tonnes) and steel up 6.1% YoY are consistent with sustained public capex and urban/housing works.

## **ENERGY DEMAND NORMALISES**

Electricity generation down 2.2% YoY likely reflects seasonal moderation rather than structural weakness; capacity additions, especially renewables, remain the key forward variable.

## **AGRICULTURE SHOWS STEADY GROWTH**

Agri GVA at 3.5% YoY in Q2 indicates resilience, but sowing and weather-linked variability remain key near-term risks.

## **TRADE COMPOSITION IMPROVES**

Strength in electronics/engineering and services exports supports diversification and reduces vulnerability to demand shocks in specific markets.

# POLICY SPOTLIGHT

## THE SMR SHIFT WITH SHANTI: HOW THE NUCLEAR BILL ENABLES INDIA'S NEXT ENERGY LEAP

*By - Yash Khandelwal*

India's energy transition is entering a new phase. Whilst the expansion of renewable capacity has been substantial and widely recognised, the evolving structure of the nation's growth demands a sharper focus on non-fossil technologies that deliver reliability at scale. High-technology sectors, including AI-driven data centres, semiconductor fabrication, and advanced manufacturing, do not merely require clean energy. They depend on power that is consistent, high-quality, and available round the clock.

This reality has begun to shape long-term energy planning. Alongside its international decarbonisation commitments, India has set a target of adding 100 GW of nuclear baseload capacity by 2047. In this context, nuclear power is being positioned as a complement to solar and wind, strengthening energy security and supporting industrial competitiveness.

### WHY SMALL MODULAR REACTORS MATTER

Small Modular Reactors (SMRs) are central to this strategy. Unlike conventional large-scale nuclear plants, SMRs are factory-manufactured and modular by design. Their smaller footprint allows them to be deployed closer to demand centres, making them particularly relevant for industrial clusters and technology hubs where land availability and grid stability are paramount.

To advance this approach, the Government launched the National Nuclear Mission with an initial outlay of ₹ 20,000 crore for the research and development of Bharat SMRs. The objective is to commission at least five of these reactors by 2033. At present, most SMR technologies globally remain at technology readiness levels 5 or 6, indicating they are in the nascent stages of application. Scaling them will require applied research, international collaboration, and sustained private sector participation. However, technology ambition alone is not sufficient, as delivery depends equally on robust policy and legislation.

### FROM POLICY INTENT TO MARKET REALITY

Early attempts to operationalise SMRs highlighted significant structural constraints. Requests for Proposals issued by the Nuclear Power Corporation of India Limited for 220 MW Bharat Small Reactors in Tamil Nadu attracted interest from major domestic conglomerates, yet the process encountered repeated delays.

Industry participants raised concerns regarding ownership structures, liability allocation, and regulatory clarity. The historical requirement that projects be operated solely by the state limited the incentives for private participation. These experiences reinforced a broader lesson that meaningful scale-up requires private players to participate as genuine partners rather than merely acting as financiers or contractors.

The Sustainable Harnessing of Advancement of Nuclear Energy for Transforming India (SHANTI) Bill, 2025, addresses these issues directly. This landmark legislation dismantles decades of state monopoly by allowing private sector participation in building, owning, and operating nuclear

plants. It also covers fuel fabrication, transport, and the trade of nuclear materials under licence, with only highly sensitive activities reserved for the Central Government.

## A RECALIBRATED REGULATORY FRAMEWORK

The SHANTI Bill modernises India's nuclear governance by replacing the Atomic Energy Act 1962 and the Civil Nuclear Liability Act 2010 with a unified framework. It confers statutory status on the Atomic Energy Regulatory Board, transforming it from an executive body into an independent regulator with defined tenures and accountability. This shift brings India's regulatory architecture closer to international norms, which is a prerequisite for global collaboration.

Equally significant is the recalibration of civil liability. The Bill introduces a tiered liability structure linked to plant size, reaffirming the operator as the primary bearer of responsibility. Crucially, it removes the open-ended exposure that equipment suppliers previously faced, narrowing the right of recourse to clearly defined circumstances. This balance makes SMR projects insurable and financially viable for the first time.

To ensure disputes do not derail deployment, the legislation establishes a Nuclear Damage Claims Commission. In parallel, administrative decisions are subject to review through an Atomic Energy Redressal Advisory Council. This layered framework reduces uncertainty and shortens resolution timelines, which is critical for large-scale infrastructure investment.



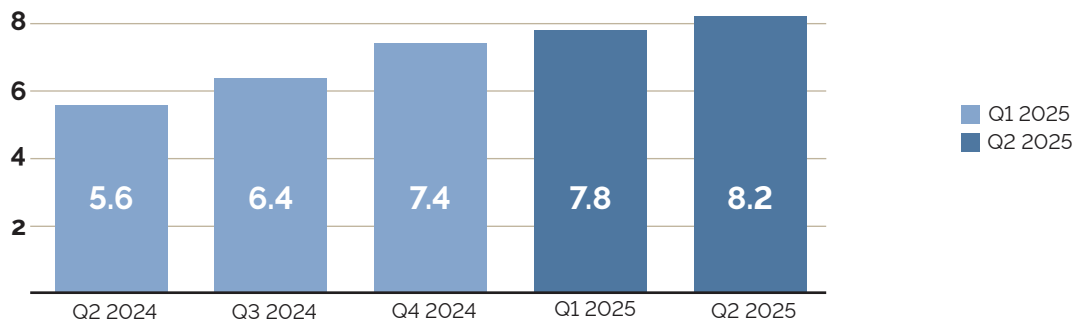
# ECONOMIC SNAPSHOT

This section presents an overview of our economic performance as of November 2025, based on the latest data from the Ministry of Statistics and Programme Implementation (MoSPI), the Reserve Bank of India (RBI), the Ministry of Finance, the Ministry of Commerce and Industry and other relevant Ministries.

## CHAPTER 1

## GROWTH AND OUTPUT

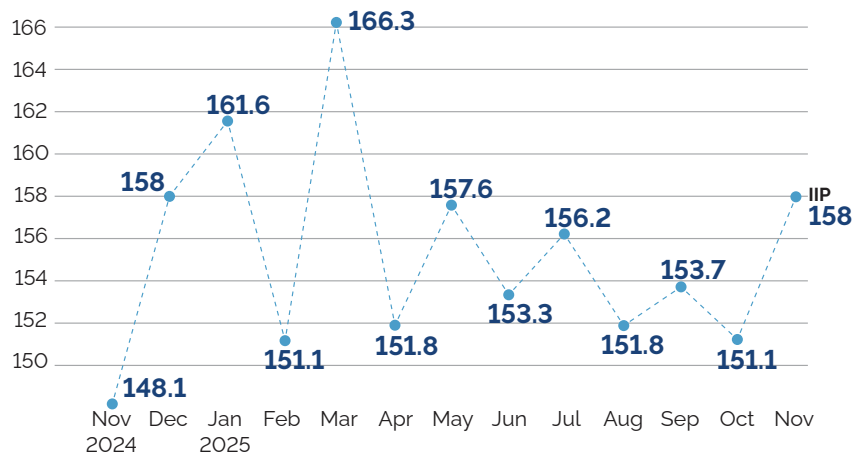
## INDIA REGISTERS ROBUST ECONOMIC ACCELERATION IN Q2 FY 2025-26



**Graph 1: GDP Growth Rate From Q2 (July - September) 2024 to Q2 2025**

Real GDP grew by 8.2% in Q2 (July-September) of FY 2025-26, marking a significant acceleration over the growth rate of 5.6% during Q2 of FY 2024-25. This strong performance underscores resilient domestic demand, buoyant manufacturing activity, and continued policy impetus supporting investment and consumption. For the first half (April-September) of FY 2025-26, real GDP recorded a 8.0% growth, compared to 6.1% in the corresponding period of the previous year.

### INDIA'S INDEX OF INDUSTRIAL PRODUCTION SURGES TO 6.7% GROWTH IN NOVEMBER 2025, DRIVEN BY ROBUST MANUFACTURING AND INFRASTRUCTURE SECTORS

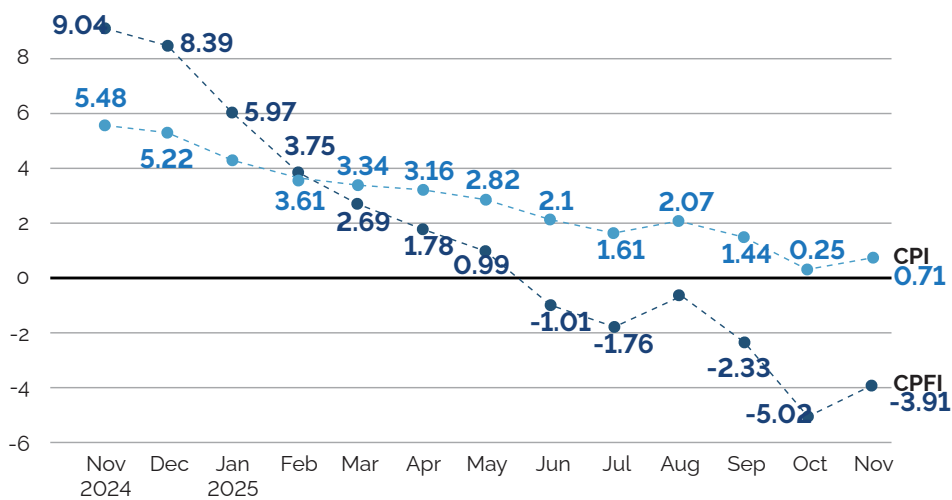


**Graph 2: IIP From November 2024 to November 2025**

## CHAPTER 2

## INFLATION AND PRICE

RETAIL INFLATION REMAINS BENIGN IN NOVEMBER, WELL BELOW RBI COMFORT BAND AT 0.71% Y-O-Y



Graph 3: Inflation Comparison From November 2024 to November 2025

### 1. RETAIL INFLATION EDGES HIGHER IN NOVEMBER

The all-India Consumer Price Index (CPI) inflation rate for November 2025 rose to 0.71% year-on-year, up from a subdued 0.25% in October. This uptick in headline inflation, was still well below the Reserve Bank of India's target band. It was driven by price increases in key food items such as vegetables, egg, meat and fish, as well as in fuel and light categories.

### 2. FOOD PRICES STILL IN DEFLATION, BUT LESS SO

Food inflation, measured by the Consumer Food Price Index (CFPI), remained negative at -3.91% Y-o-Y, though it narrowed sharply from prior months, signaling easing downward pressure on food costs. Rural food inflation was slightly more negative than urban, reflecting continuing but moderating, deflation in staples and perishables.

### 3. SECTORAL PRICE PRESSURES SOFT

Other components of the CPI basket showed modest price pressures: housing inflation hovered just under 3%, while transport & communication and fuel & light recorded moderate positive inflation, underscoring a generally benign price environment outside core food deflation.

## CHAPTER 3

## TRADE AND EXTERNAL SECTOR

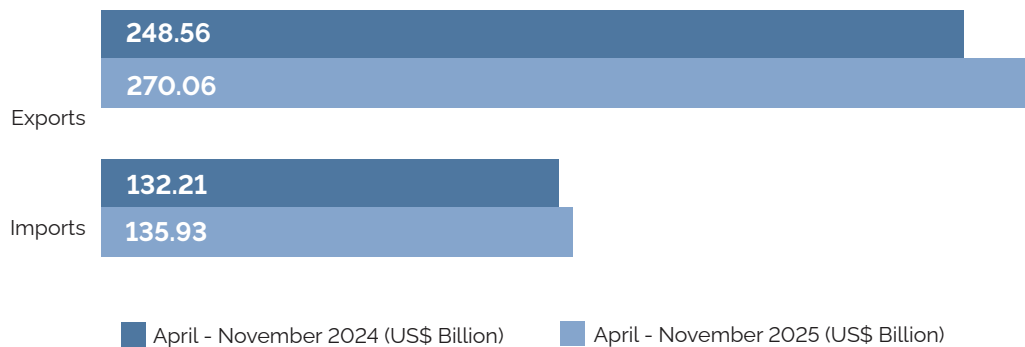
MERCHANDISE EXPORTS REACH \$ 292.07 BILLION DURING APRIL–NOVEMBER 2025, RECORDING 2.62% GROWTH OVER LAST YEAR



**Graph 4: India's Merchandise Trade For April - November 2024 & 2025 Value (US\$ Billion)**

SERVICES EXPORTS RISE TO \$ 270.06 BILLION DURING APRIL–NOVEMBER 2025, SUPPORTING OVERALL TRADE GROWTH

India's trade position improved in November 2025, supported by a sharp rise in exports and stable imports. Total exports increased to \$ 73.99 billion, up 15.52% year on year, led by merchandise exports of \$ 38.13 billion. Imports eased to \$ 80.63 billion, narrowing the trade deficit to \$ 6.64 billion from \$ 17.06 billion last year, with strong performance in engineering, electronics, gems and pharmaceuticals and steady services exports.



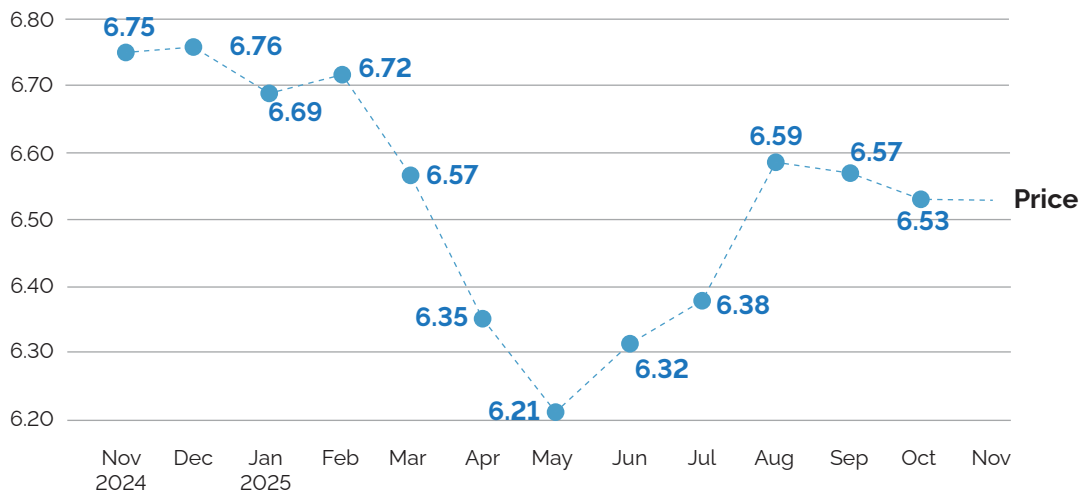
■ April - November 2024 (US\$ Billion)    ■ April - November 2025 (US\$ Billion)

**Graph 5: India's Services Trade For April - November 2024 & 2025**

## CHAPTER 4

# FINANCIAL HEALTH

### INDIAN BOND YIELDS RISE AS MARKET FLOWS AND RBI SUPPORT DRIVE VOLATILITY



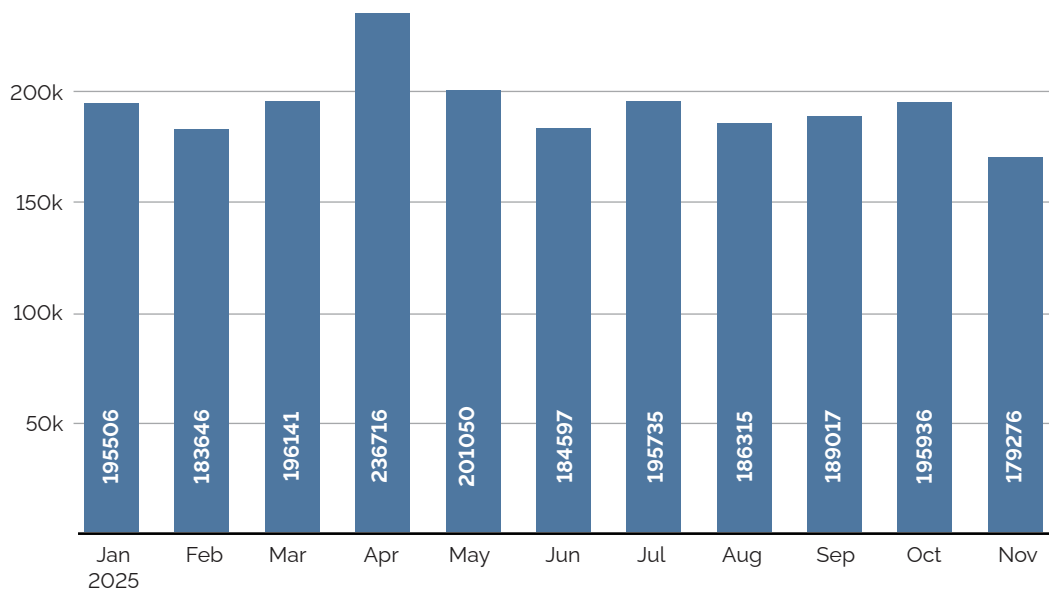
**Graph 6: Indian's Bond Yields From November 2024 to November 2025**

The Government bond markets have shown notable volatility in December 2025. The 10-year benchmark yield rose towards the mid 6% area amid shifting investor behaviour and policy action. Recent trading saw the 10-year yield around 6.59%, marking one of the larger weekly increases in several months as foreign investors reduced holdings and offshore swap rates climbed. This upward pressure came even as the Reserve Bank of India stepped in with substantial bond purchases, buying ₹50,000 crore of Government securities to support liquidity and temper yields.

## CHAPTER 5

## FISCAL HEALTH

GST COLLECTIONS HOLD FIRM IN NOVEMBER DESPITE POST-FESTIVE NORMALISATION EVEN WITH YEAR LOW AT ₹ 1.7 LAKH CRORE



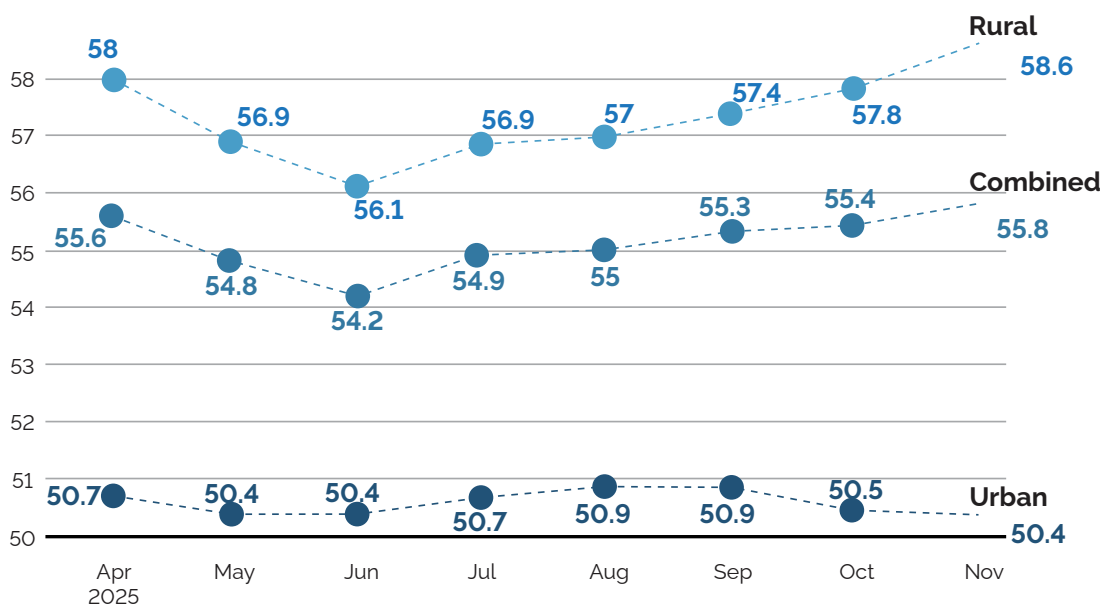
**Graph 7: GST Collection Monthly For 2025 till November 6 (in thousand crore)**

Gross GST collections stood at ₹ 1.70 lakh crore in November 2025, reflecting stable tax buoyancy even as revenues moderated after the festive surge in October. Year-on-year growth remained modest, with domestic GST at ₹ 1.24 lakh crore showing slight softness due to post-Diwali destocking and GST 2.0 rate rationalisation. In contrast, import-based GST rose sharply to ₹ 45,976 crore, signalling continued strength in import-intensive sectors such as electronics and capital goods. Net GST revenue of ₹ 1.52 lakh crore underscores steady accruals to the Centre and States, while lower refunds helped contain volatility. Overall, the November outcome points to a resilient and broad-based GST system, anchored by compliance gains and formalisation, even amid near-term consumption normalisation.

## CHAPTER 6

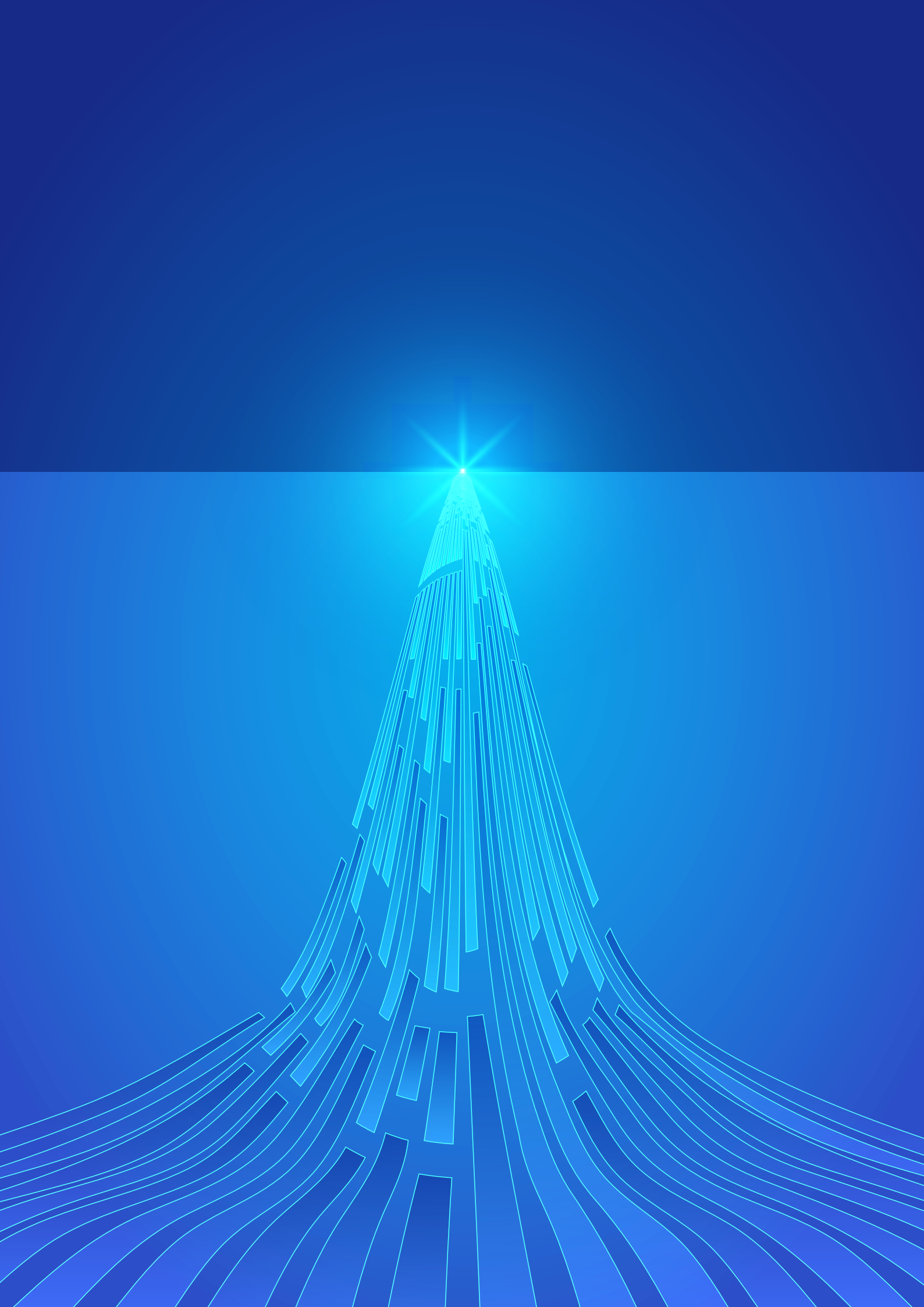
# LABOUR AND EMPLOYMENT

LABOUR FORCE PARTICIPATION HITS SEVEN-MONTH HIGH AS UNEMPLOYMENT FALLS TO MULTI-MONTH LOW IN NOVEMBER 2025



**Graph 8: Monthly Labour Force Participation Rate till November 2025**

India's labour market strengthened notably in November 2025, with the overall Labour Force Participation Rate (LFPR) rising to 55.8%. This is the highest since April 2025, driven largely by increased rural engagement. The Worker Population Ratio (WPR) also climbed to 53.2%, indicating more people were employed or actively seeking work. Importantly, the Unemployment Rate fell to 4.7%, its lowest level in the period, reflecting strong gains. This has been more visible in rural areas and continued improvement in female labour force participation.



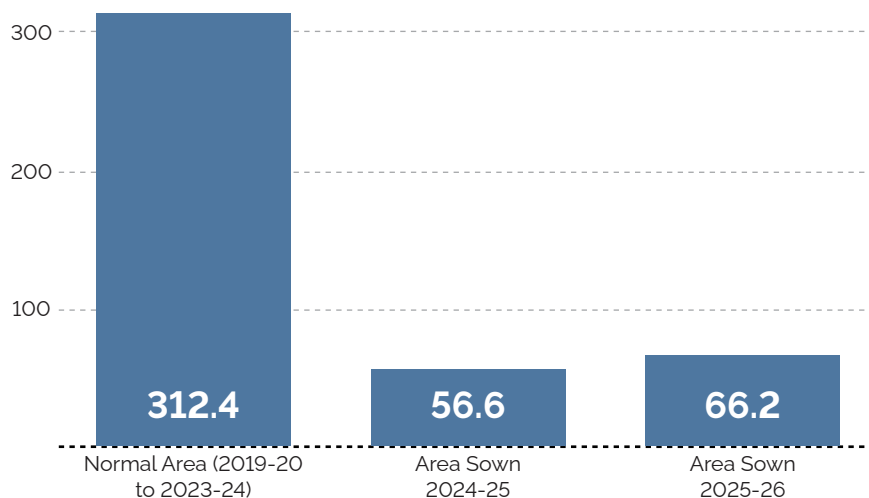
# SECTORAL SNAPSHOT

This section presents an overview of our performance in key sectors as of November 2025, based on the latest data from the Ministry of Commerce And Industries, Ministry of Health, Ministry of Road, Transport and Highways, Ministry of New and Renewable Energy.

## CHAPTER 1

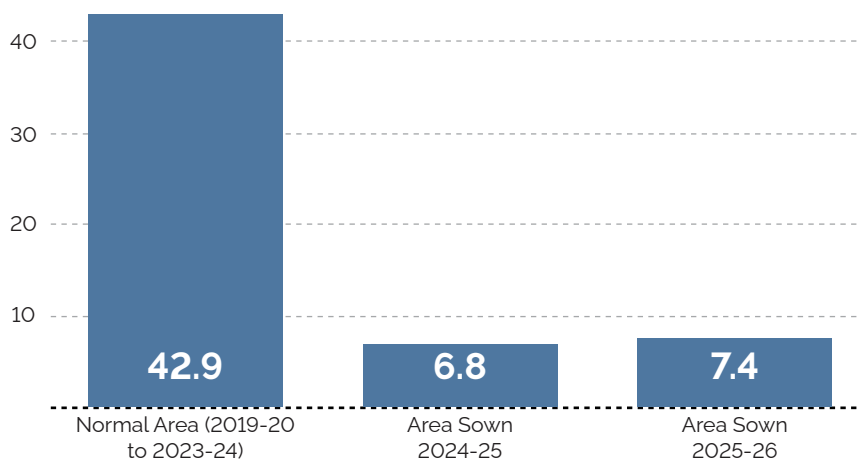
## AGRICULTURE

## AREA UNDER CULTIVATION FOR THE RABI SEASON



**Graph 9: Net Sown Area Under Wheat Cultivation For 2024 And 2025 during Rabi Season**

The sowing data for 2025-26 shows a mixed picture across major crops. Rice has witnessed a rise compared to last year, with an increase of nearly 29 lakh hectares. Pulses also gained modestly, though the growth is uneven. The sown area in 2025-26 rose by 31.73 lakh hectares compared to last year.

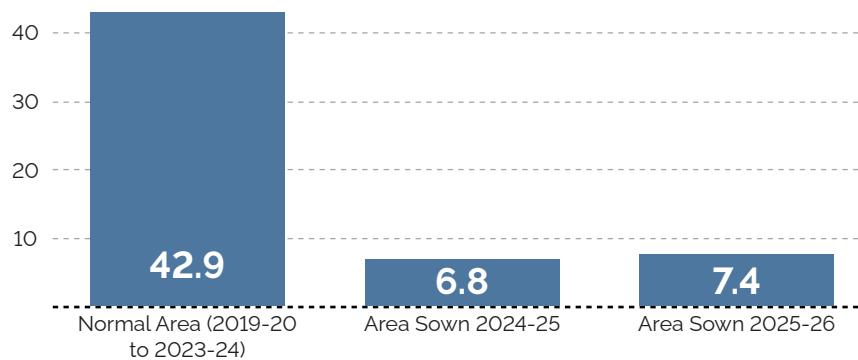


**Graph 10: Area Under Paddy Cultivation From 2019 to 2025 During Rabi Season**

## CHAPTER 2

# ANIMAL HUSBANDRY

MILK PRODUCTION REMAINS RESILIENT, SUPPORTING RURAL INCOMES AND FOOD SECURITY



**Graph 11: Milk Production and Per Capita Availability from 2014 to 2025**

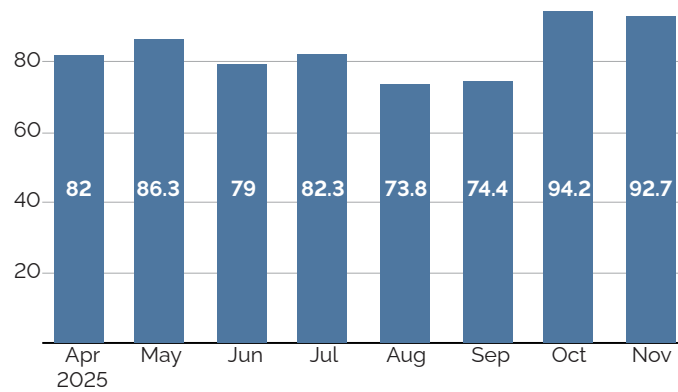
India's milk production has increased consistently over the past decade, rising from 146.3 million tonnes in 2014–15 to 247.9 million tonnes in 2024–25. Per capita milk availability has also improved, from 319 grams per day to 485 grams per day over the same period. This steady expansion reflects gains in animal productivity and the growing reach of organised dairy networks, helping stabilise milk prices and reinforce dairy's role as a key source of rural income and nutritional security.



## CHAPTER 3

# COAL

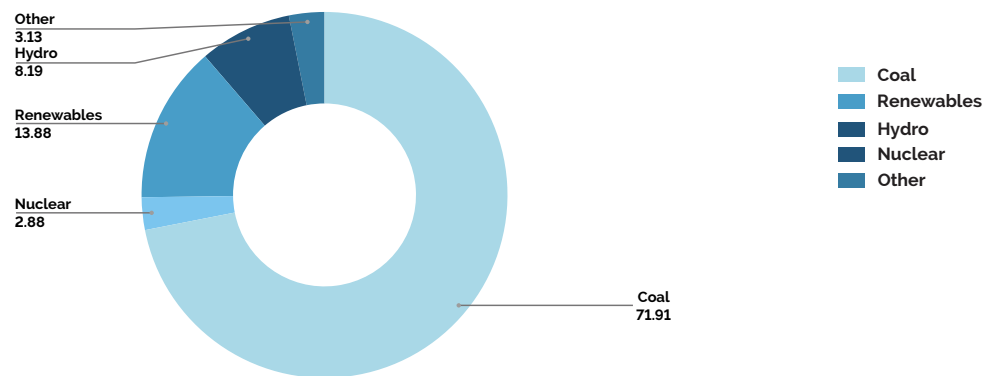
### COAL OUTPUT COOLS AT 92.7 MT IN NOVEMBER AS POST-MONSOON RECOVERY STRENGTHENS



**Graph 12: Coal Production from April to November 2025**

Coal production slightly decreased after the monsoon, reaching 92.68 MT in November 2025, down from 94.21 MT in October and slightly higher than the 90.81 MT levels seen during November 2024. This reflects cooling mining operations by power plants ahead of winter demand, and slowed production from Coal India and captive mines.

### COAL REMAINS INDIA'S PRIMARY SOURCE OF ENERGY FOR NOVEMBER WITH OVER 70% SHARE



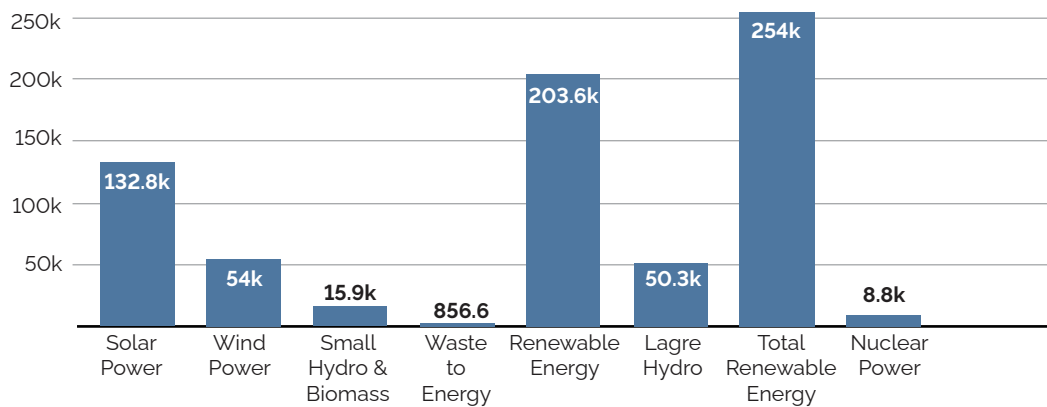
**Graph 13: India's Share of Energy Source as of November 2025**

Coal-based power generation moderated in November 2025, with output at 96,545 GWh, accounting for 71.9% of total electricity generation, lower than 1,02,684 GWh recorded a year earlier. The nearly 6% year-on-year decline reflects a combination of subdued post-festive demand, improved availability of renewable power, and higher hydro generation during the month. Despite coal remaining the backbone of India's power system, its relative share continues to edge down as solar and wind output scale up rapidly.

## CHAPTER 4

# RENEWABLE ENERGY

RENEWABLE CAPACITY ADDS OVER 3.3 GW IN NOVEMBER,  
LED BY SOLAR POWER



**Graph 14: Total Renewable Capacity as of November 2025  
(in thousand MW)**

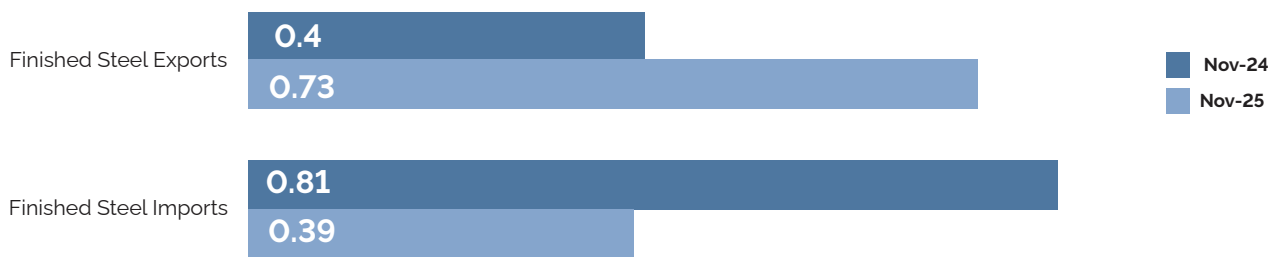
India's renewable energy transition remained strong through November 2025, with cumulative installed non-fossil fuel capacity reaching 253.95 GW, driven largely by solar and wind power. Solar capacity alone accounts for over 132.8 GW of this total, underscoring its central role in India's clean energy expansion. India added approximately 27 GW of solar capacity in FY26 (April–November), more than double the additions in the same period last year, reflecting a sharp acceleration in project execution and rooftop installations.



## CHAPTER 5

# STEEL

### STEEL EXPORTS SURGE IN NOVEMBER AS IMPORTS RETREAT AND PRODUCTION STAYS STRONG



**Graph 15: Steel Trade of November 2024 and 2025**

Finished steel exports increased to 0.73 million tonnes in November 2025, rising 14.5% month-on-month and 83.3% year-on-year. In contrast, finished steel imports declined to about 0.39 million tonnes, down 15.7% over the previous month and 52.5% compared to November 2024. Crude steel production remained robust at around 13.84 million tonnes, registering an 11.8% year-on-year increase, while finished steel output rose 13.5% to 13.24 million tonnes.



# **ANNEXURE I**

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## **ECONOMIC UPDATES IN DETAIL**

## CHAPTER 1

## GROWTH AND OUTPUT

## INDUSTRIAL GROWTH AND OUTPUT

INDICATOR	Latest Value	Previous Value	Trend
GDP Growth	8.2% (July-September 2025)	7.8% (April-June 2025)	+40 basis points (bps) quarter on quarter (Q-o-Q), +260 bps Y-o-Y; festive consumption, GST cuts, and front-loaded capex driving momentum
IIP Growth (Y-o-Y)	158 points (November 2025)	148.1 points (November 2024)	+6.7% expansion but momentum weakening; Oct IIP growth decelerated to 0.4% from 4.6% in September
Manufacturing PMI	56.6 points (November 2025)	59.2 points (October 2025)	-260 bps decline to 9-month low; still in expansion (>50) but losing steam amid external headwinds
Services PMI	59.8 points (November 2025)	58.9 points (October 2025)	-260 bps decline to 9-month low; still in expansion (>50) but losing steam amid external headwinds

Table 1: Key Growth and Output Indicators

**HIGHER GDP GROWTH RATE**

At 8.2%, India recorded robust growth in Q2 (July-September) 2025-26, accelerating from 7.8% in Q1 and 5.6% in the corresponding quarter last year. This positions India as the fastest-growing major economy, driven by strong performance in the secondary (8.1%) and tertiary (9.2%) sectors, alongside resilient domestic demand.

**PMI**

India's manufacturing sector moderated in November, with the HSBC India Manufacturing Purchasing Managers' Index (PMI) easing to 56.6, down from 59.2 in October. The slowdown reflected softer rises in new orders, output, and export orders amid challenging conditions. In contrast, the services PMI rose to 59.8 in November from 58.9 in October, supported by stronger new business growth and international sales.

**RISE IN IIP**

The Index of Industrial Production (IIP) surged by 6.7% in November 2025, a sharp rebound from 0.4% in October 2025. The overall index reached 158.0 from 148.1 a year ago. While electricity contracted by 1.5%, manufacturing expanded strongly at 8.0% and mining grew 5.4%. Within manufacturing, key contributions came from basic metals (10.2%), pharmaceuticals (10.5%), motor vehicles (11.9%), and infrastructure/construction goods (12.1%).

## CHAPTER 2

# INFLATION AND PRICE

INDICATOR	NOVEMBER 2025	OCTOBER 2025	NOVEMBER 2024	YEAR ON YEAR (Y-O-Y) TREND
CPI Inflation	0.71%	0.25%	5.48%	Sharp disinflation driven by base effects and food deflation
Food Inflation	-3.91%	-5.02%	9.04%	Deflationary reversal; potential supply glut or demand weakness
Core Inflation	4.30%	4.40%	3.64%	Persistent upward drift; underlying price pressures remain sticky
WPI Inflation	0.32%	-0.13%	1.89%	Moderate deceleration; input cost pressures easing at producer level

**Table 2: Key Inflation and Price Indicators**

### SHARP DISINFLATION IN HEADLINE CPI

Inflation has cooled in November 2025 where prices rose by just 0.71% compared to the previous year of 5.48% in November 2024. It ticked up slightly from 0.25% in October 2025, but remains extremely low, close to deflation. Food prices are actually falling (-3.91%), which helps keep overall costs down and leaves more money in people's pockets.

### DEEP FOOD PRICE DEFLATION

Food inflation plunged to -3.91%, marking a dramatic decline from 9.04% a year ago. While food deflation eased from -5.02% in October 2025, prices remained significantly lower on a Y-o-Y basis, reflecting ample supply conditions and a favourable base effect.

### CORE INFLATION REMAINS STICKY

Core inflation stayed elevated at 4.30%, slightly easing from 4.40% in October 2025 but still 0.66% higher than 3.64% in November 2024, indicating persistent underlying price pressures outside food and fuel.

### MODERATION IN WHOLESALE PRICES

WPI inflation rose to 0.32% in November 2025 from -0.13% in October, but remained lower than 1.89% in November 2024, pointing to easing cost pressures at the wholesale level despite a mild sequential uptick.

## CHAPTER 3

## TRADE AND EXTERNAL SECTOR

INDICATOR	NOVEMBER 2025	NOVEMBER 2024	YEAR ON YEAR (Y-O-Y) TREND
Exports	\$ 73.99 billion	\$ 64.05 billion	+15.5% Y-o-Y growth; strong external demand in engineering & electronics
Imports	\$ 80.66 billion	\$ 81.11 billion	-0.6% decline; reflects lower commodity shipments and moderated demand
Trade Deficit	\$ 6.64 billion	\$ 17.06 billion	61% narrowing; significant improvement in external balance
Exc (\$ 1 to INR)	₹ 88.44	₹ 84.36	4.8% depreciation; currency pressures persist despite improved trade balance
Forex Reserves	\$ 688.1 billion	\$ 656.5 billion	+\$ 31.6 billion buildup; strengthens buffer against global financial volatility

Table 3: Key Trade Indicators

**STRONG EXPORT GROWTH NARROWS TRADE GAP**

India's total exports (merchandise and services combined) surged to \$ 73.99 billion in November 2025, rising 15.5% Y-o-Y from \$ 64.05 billion in November 2024, driven by robust performance across engineering goods, electronics, gems & jewellery, pharmaceuticals and petroleum products. This helped narrow the trade deficit to \$ 6.64 billion, a 61.1% decline from \$ 17.06 billion a year ago, underscoring an improved external balance amid softening imports.

**IMPORTS SHOW MILD CONTRACTION**

Total imports in November 2025 were estimated at \$ 80.66 billion, slightly down 0.6% Y-o-Y from \$ 81.11 billion in November 2024, reflecting lower shipments of key commodities and moderated demand pressures.

**CURRENCY AND RESERVES PROVIDE BUFFER**

The Indian rupee weakened to ₹ 88.44 per \$ in November 2025, a depreciation of \*4.8% compared with ₹ 84.36 a year earlier. Meanwhile, foreign exchange reserves rose to \$ 688.1 billion, up 4.8% Y-o-Y, strengthening the external buffer against global volatility.

**CUMULATIVE TRADE MOMENTUM**

For April-November 2025, cumulative exports totaled \$ 562.13 billion, up 5.43% Y-o-Y from \$ 533.16 billion a year earlier, with both merchandise and services exports contributing to sustained export resilience.

## CHAPTER 4

## FINANCIAL HEALTH

INDICATOR	NOVEMBER 2025 (CRORE)	PREVIOUS VALUE	TREND
Bank Credit Growth	11.5%	8.1% (November 2024)	+340 bps acceleration; improving credit demand signals economic recovery
Deposit Growth	10.2%	10.6% (November 2024)	-40 bps decline; credit-deposit gap widening to 130 bps indicating a liquidity pressure
Forex Reserve	\$ 688.1 billion	\$ 656.5 billion (November 2024)	+\$ 31.6 billion accretion; 10-month import cover strengthens external buffers
10-Year G-Sec Yield	6.53%	6.53% (October 2025)	Stable; markets pricing in extended pause given sticky core inflation
RBI Policy Stance	Neutral	Neutral	Neutral maintained; balancing growth support vs inflation vigilance

Table 4: Key Financial Health Indicators

**CREDIT GROWTH REMAINS ROBUST AMID STABLE MONETARY SETTINGS**

Bank credit growth strengthened to 11.5% in November 2025, up 3.4% from 8.1% a year ago, signalling sustained demand for loans from industry, services and retail segments. This acceleration comes despite unchanged policy rates, indicating that credit momentum is being driven more by economic activity than monetary accommodation.

**DEPOSIT GROWTH MODERATES SLIGHTLY**

Deposit growth eased marginally to 10.2%, compared with 10.6% in November 2024, reflecting a mild slowdown in deposit mobilisation relative to credit expansion. The narrowing gap between credit and deposit growth underscores emerging liquidity tightness, which banks have been managing through higher deposit rates and diversified funding sources.

## EXTERNAL BUFFER STRENGTHENS FURTHER

India's foreign exchange reserves rose to \$ 688.1 billion, a 4.8% Y-o-Y increase from \$ 656.5 billion, providing a strong cushion against global financial volatility and supporting macroeconomic stability amid currency pressures.

## POLICY AND BOND MARKETS REMAIN STEADY

The RBI repo rate was reduced to 5.25%, and the 10-year G-Sec yield remained stable at 6.53%, reflecting policy continuity and well-anchored inflation expectations. The RBI's neutral policy stance signals a calibrated approach, balancing growth support with vigilance on inflation and financial stability risks.

## GOODS AND SERVICE TAX DATA FOR NOVEMBER 2025

INDICATOR	LATEST VALUE (NOVEMBER 2025)	NOVEMBER 2024 ( CRORE)	GROWTH (MONTHLY IN %)
Gross GST Revenue	1,70,276	1,69,016	0.7%
Gross Domestic Revenue	1,24,300	1,27,281	-2.3%
Gross Import Revenue	45,976	41,736	10.2%
Total Refunds	18,196	18,954	-4%
Net GST Revenue	1,52,079	1,50,062	1.3%

*Table 5: GST Collections for November 2025*

## STABLE COLLECTIONS

Gross GST collections in November 2025 stood at ₹ 1.70 lakh crore, underscoring the stability of India's indirect tax base even as festive demand normalised after October. The modest year-on-year expansion reflects steady formal-sector consumption and sustained compliance, indicating that GST revenues are adjusting smoothly to recent rate rationalisation under GST 2.0 without a sharp erosion in collections.

## ALIGNMENT AFTER FESTIVAL SEASON

The composition of GST receipts reveals a clear divergence in demand patterns. Domestic GST revenues declined to ₹ 1.24 lakh crore, mirroring post-festive destocking and softer discretionary consumption, while import-related GST surged to ₹ 45,976 crore, registering 10.2% Y-o-Y growth. This trend points to continued strength in import-heavy segments such as electronics, capital goods and intermediate inputs, aligning with investment-linked demand rather than pure consumption-led growth.

## RISE IN REFUNDS

After adjusting for refunds, net GST revenue stood at ₹ 1.52 lakh crore, up 1.3% Y-o-Y, providing a more accurate picture of accruals to the Centre and States. Refunds moderated to ₹ 18,196 crore, suggesting fewer backlog clearances compared to earlier months, which helped contain volatility between gross and net collections.

## CHAPTER 5

## FISCAL HEALTH

INDICATOR	CURRENT PERIOD (FY 2025-26; IN CRORE)	PREVIOUS PERIOD (FY 2024-25; IN CRORE)	TREND
Net Direct Tax	12,92,492.51 (As of 10th November 2025)	12,07,939.11 (As of 10th November 2024)	+7.0% YoY growth; modest buoyancy despite 11.5% credit growth suggests tax base challenges
Effective Capital Expenditure	15,48,282 (Budgeted Estimate)	13,18,320 (Revised Estimate)	+17.4% surge; aggressive infrastructure push exceeds revenue growth, signals growth prioritisation
Fiscal Deficit Target	15,68,936 (Budgeted Estimate)	15,69,527 (Revised Estimate)	-0.04% marginal revision; tight consolidation maintained

Table 6: Key Fiscal Indicators

**CONSTANT RISE IN DIRECT TAXES**

India's fiscal position in November 2025 remained consistent with medium-term consolidation objectives. Net direct tax collections rose 7.0% to ₹ 12.92 lakh crore, supported by stable personal income tax inflows and resilient corporate profitability, even as advance tax growth moderated. This indicates that revenue buoyancy is being sustained despite a softer global growth environment.

**RISE IN CAPITAL EXPENDITURE**

On the expenditure side, the Government maintained its investment-led growth strategy, with capital expenditure increasing 10.1% to ₹ 11.21 lakh crore. The continued prioritisation of capex signals confidence in crowding-in private investment and supporting medium-term growth, while also improving the quality of expenditure.

**CONSISTENT FISCAL DISCIPLINE**

Importantly, fiscal discipline remained intact. The fiscal deficit target improved marginally by 0.04%, suggesting that higher spending was largely offset by revenue gains rather than additional borrowing. Taken together, the November fiscal data reflects a balanced approach, supporting growth through public investment while keeping consolidation firmly on track.

## MONETARY HEALTH

INDICATOR	CURRENT RATE (AS OF DECEMBER 2025)	PREVIOUS RATE (AS OF NOVEMBER 2025)	TREND
Policy Repo Rate	5.25%	5.50%	-25 bps cut; first reduction to spur growth following detailed macro assessment
Standing Deposit Facility (SDF) Rate	5.00%	5.25%	Floor adjusted downwards; maintains symmetric corridor (-25 bps below repo)
Marginal Standing Facility (MSF) Rate	5.5%	5.75%	Ceiling adjusted downwards; aligned with repo cut (+25 bps above repo)

**Table 7: Key Monetary Policy Rates**

### REPO RATE CUT

The Reserve Bank of India reduced its key policy repo rate by 25 basis points to 5.25% in December 2025. This marks the first rate cut after a brief pause and aims to spur economic growth while inflation remains benign. The decision reflects the MPC's assessment that low inflation provides space to support robust growth momentum amid favourable domestic conditions.

### ADJUSTED CORRIDOR RATES

The Standing Deposit Facility (SDF) rate has been lowered to 5.00% and the Marginal Standing Facility (MSF) rate to 5.50%. These downward adjustments maintain the symmetric corridor around the repo rate (-25 bps for SDF and +25 bps for MSF), ensuring stable liquidity conditions and effective monetary policy transmission while signalling an easing bias.



## CHAPTER 6

# LABOUR AND EMPLOYMENT

INDICATOR	NOVEMBER 2025	OCTOBER 2025	TREND
Labour Force Participation Rate	55.8%	55.4%	+40 bps improvement; rising workforce engagement signals confidence in job market
Worker Population Ratio (WPR)	53.2%	52.5%	+70 bps gain; higher employment-to-population ratio indicates job creation momentum
Unemployment Rate	4.7%	5.2%	-50 bps decline; improving labour market absorption amid economic expansion

**Table 8: Key Labour and Employment Indicators**

### CONTINUED IMPROVEMENT

Labour market conditions continued to improve in November 2025, with participation and employment indicators showing steady gains. The Labour Force Participation Rate (LFPR) rose to 55.8% in November from 55.4% in October and 55.3% in September, indicating a sustained increase in workforce engagement. The gradual rise suggests improved confidence in job availability.

### RISE IN ENGAGEMENT

Employment absorption strengthened alongside higher participation. The Worker Population Ratio (WPR) increased to 53.2% in November, up from 52.5% in October and 52.4% in September, reflecting broader job creation and improved capacity of the economy to absorb new entrants into employment. This trend points to steady formal and informal sector hiring momentum.

### DECLINE IN UNEMPLOYMENT

Unemployment eased further, reinforcing the positive labour market narrative. The Unemployment Rate declined to 4.7% in November from 5.2% in both October and September 2025. The simultaneous rise in LFPR and WPR, coupled with falling unemployment, indicates a healthy improvement in labour market dynamics rather than a statistical decline driven by workforce exit.

# **ANNEXURE II**

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## **SECTORAL UPDATES IN DETAIL**

# AGRICULTURE AND ALLIED

INDICATOR	LATEST VALUE	PREVIOUS VALUE	GROWTH (IN %)
Sown Area Under Rabi Crops (Lakh Hectares)	208.19 (as of November 2025)	188.73 (2024-2025)	5.48%
Egg Production (in billions)	149.11 (2024-2025)	142.77 (2023-2024)	9.04%
Meat Production (in million tonnes)	10.50 (2024-2025)	10.25 (2023-2024)	3.64%

**Table 9: Key Performance Indicators- Agriculture and Allied Sectors**

## RABI CROP SOWING PROGRESS

As per the latest data from the Ministry of Agriculture & Farmers Welfare, rabi sowing for the 2025-26 season has reached 208.19 lakh hectares as of 11 November 2025. This marks an increase of 19.46 lakh hectares compared to 188.73 lakh hectares sown during the corresponding period last year. The higher early-season coverage reflects strong progress in key crops, particularly wheat (up by 9.68 lakh hectares), pulses, oilseeds, and coarse cereals. Sowing is expected to continue and expand further in the coming weeks across irrigated and rain-fed areas.

## CONTINUED GROWTH IN ALLIED SECTOR

In contrast, allied activities continued to provide stability to the rural economy. Egg production rose to 149.11 billion units in 2024-25, recording a solid 4.4% year-on-year growth, driven by expanding poultry capacity and steady urban demand. Meat production increased to 10.50 million tonnes, up 2.4% from last year, supported by improved productivity and organised processing. The divergence between crop sowing and livestock output highlights the growing role of allied sectors in cushioning farm incomes even when crop-side momentum softens.



# ENERGY AND POWER

## ELECTRICITY GENERATION & SUPPLY

INDICATOR	LATEST VALUE	PREVIOUS VALUE	YOY INCREASE (%)
Total Installed Capacity (MW)	5,09,743 MW (November 2025)	4,56,757.49 MW (November 2024)	11.6%
Electricity Generation (BU)	1,235.619 billion units (as of November 2025)	1064.08 billion units (As of November 2024)	16.1%
Peak Power Demand (MW)	2,42,773 MW (FY 2025-26; provisional)	2,49,856 MW (FY 2024-25)	-2.83%
Peak Power Demand Met (MW)	2,42,493 MW (FY 2025-26; provisional)	2,49,854 MW (FY 2024-25)	-2.95%

**Table 10: Key Performance Indicators- Electricity Generation & Supply**

### ROBUST CAPACITY EXPANSION

India's total installed electricity capacity reached 5,09,743 MW as of November 2025, marking a strong 11.60% increase from 4,56,757.49 MW in November 2024. This growth underscores ongoing investments in renewable and thermal infrastructure to support rising energy needs.

### STEADY GENERATION PACE

Electricity generation stood at 1,235.619 billion units upto November 2025 (first 8 months of FY 2025-26), on track toward the annual target of 2,000.4 BU. This positions the sector for potential mild growth over the previous full year (1,829.698 BU in FY 2024-25), driven by enhanced supply reliability and demand management.

### PEAK DEMAND MODERATES

Peak power demand up to November 2025 reached up to 242.77 GW, while the previous year's levels of the demand met were at 242.49 GW. This reflects seasonal relief during milder weather conditions and improved grid efficiency. It also indicates that the expected target for the FY will be met.

## COAL

INDICATOR	LATEST VALUE	PREVIOUS VALUE	GROWTH (IN %)
Coal Production (Million Tonnes)	92.68 (November 2025)	90.81 (November 2024)	2.1%
Coal Offtake/Dispatch (Million Tonnes)	85.62 (November 2025-26)	85.78 (November 2024-25)	-0.2%
Lignite Production (Million Tonnes)	3.05 (November 2025-26)	3.22 (November 2024-25)	-5.3%

**Table 11: Key Performance Indicators - Coal**

### STEADY COAL OUTPUT

Coal production in India edged up to 92.68 million tonnes in November 2025, registering a 2.1% year-on-year increase from 90.81 million tonnes in November 2024. The rise reflects improved mining activity after the monsoon period and sustained output from major coal-producing subsidiaries. Higher production helped rebuild buffers ahead of peak winter power demand.

### STABLE OFFTAKE CONTINUES

Coal offtake remained stable at 85.62 million tonnes, marginally lower by 0.2% compared to October. This suggests steady demand from the power and industrial sectors, even as generation requirements moderated in some regions. Lignite production, however, declined to 3.05 million tonnes, down 5.3% month-on-month, pointing to softer utilisation in plants. Overall, the November



# NEW AND RENEWABLE ENERGY

CAPACITY TYPE	ADDED IN NOVEMBER 2025 (MW)	CUMULATIVE (MW)
Solar Power	2,924.42	1,32,848.25
Wind Power	386.10	53,986.02
Small Hydro & Biomass	0	15,915.92
Waste to Energy	1	856.62
Sub Total Renewable Energy (Excluding Large Hydro)	3,311.52	2,03,606.81
Large Hydro	0	50,348.17
Total Renewable Energy (Including Large Hydro)	3,311.52	2,53,954.98
Nuclear Power	0	8,780.00
Total Non-Fossil Capacity	3,311.52	2,62,734.98

**Table 12: Installed Capacity (As of 30 November 2025)**

## CLEAN ENERGY MOMENTUM STRENGTHENS

As of 30 November 2025, India's total installed non-fossil fuel capacity has climbed to 262.73 GW. Solar power continues to anchor growth, with 2.9 GW added in November, pushing cumulative solar capacity to 132.85 GW, while wind installations crossed 53.98 GW. With total renewable energy capacity (including large hydro) now nearing 254 GW, the steady month-on-month expansion reflects the impact of policy support.

SOURCE WISE	NOVEMBER 2025	% SHARE	NOVEMBER 2024	GROWTH (IN %)
Coal	96,545 MW	71.91%	1,02,684 MW	-5.98%
Lignite	2,514 MW	1.87%	2,716 MW	-7.43%
Hydro	11,001 MW	8.19%	9,490 MW	15.92%
Nuclear	3,862 MW	2.88%	4,797 MW	-19.49%
Gas, Naphtha & Diesel	1,696 MW	1.26%	1,422 MW	19.30%
Renewables	18,639 MW	13.88%	14,587 MW	27.78%
Total	1,34,258 MW	100%	1,35,696 MW	-1.06%

**Table 13: Key Performance Indicators - Share of Different Energy Sources as of November 25**

## OVERALL GENERATION MODERATES

All-India electricity generation in November 2025 stood at 1,34,258 GWh, marking a 1.06% year-on-year decline compared to November 2024. The marginal contraction reflects a sharp moderation in coal and nuclear output, even as renewable and hydro generation remained strong.

## COAL-LED SOFTENING

Coal-based generation declined by 5.98% Y-o-Y to 96,545 GWh, though it continued to dominate the mix with a 71.9% share. Lignite generation also fell by 7.43%, indicating reduced reliance on fossil-based baseload generation during the month.

## RENEWABLES DRIVE GROWTH

Renewable Energy Sources (wind, solar, biomass and others) recorded a robust 27.78% Y-o-Y increase, rising to 18,639 GWh and accounting for 13.9% of total generation. This sharp expansion underscores the growing role of renewables in meeting incremental power demand and offsetting fossil fuel volatility.

## HYDRO SUPPORT CONTINUES

Hydro generation rose strongly by 15.92% Y-o-Y to 11,001 GWh, contributing over 8% of total generation. Improved reservoir levels and favourable monsoon carryover supported higher hydro output during the month.

## NUCLEAR DECLINE PERSISTS

Nuclear power generation contracted sharply by 19.49% Y-o-Y, falling to 3,862 GWh, reflecting outages and maintenance-related capacity constraints. Its share in the overall generation mix remained below 3%.

## GAS-BASED GENERATION PICKS UP

Generation from gas, naphtha and diesel increased by 19.30% Y-o-Y to 1,696 GWh, albeit from a low base, indicating selective dispatch to meet peak demand and regional balancing requirements.

## STRUCTURAL SHIFT EVIDENT

Overall, the November 2025 generation mix highlights a structural shift toward non-fossil sources, with strong growth in renewables and hydro increasingly compensating for declines in coal and nuclear output, reinforcing the gradual transition underway in India's power sector.



# MANUFACTURING

## STEEL

INDICATOR	LATEST VALUE	PREVIOUS VALUE	GROWTH (IN %)
Crude Steel Production (Million Tonnes)	82.31 (April -September 2025-26)	73.23 (April -September 2024-25)	12.4%
Finished Steel Production (Million Tonnes)	78.56 (April -September 2025-26)	70.72 (April -September 2024-25)	11.1%
Finished Steel Consumption (Million Tonnes)	78.88 (April -September 2025-26)	72.80 (April -September 2024-25)	8.4%
Steel Exports (Million Tonnes)	0.58 (April -September 2025-26)	0.40 (April -September 2024-25)	45%

**Table 14: Key Performance Indicators - Steel**

### STRONG OUTPUT GROWTH

India's steel sector sustained robust expansion through the first half of FY26, with crude steel production rising to 82.31 MT during April-September 2025. It marks a 12.4% year-on-year increase over the corresponding period last year (73.23 MT). This growth reflects continued capacity utilisation across major producers and strong feedstock flow amid improving industrial activity. Finished steel production also kept pace, reaching 78.56 MT, up 11.1% Y-o-Y, underlining resilient manufacturing and construction demand.

### HEALTHY CONSUMPTION AND EXPORT MOMENTUM

Finished steel consumption climbed to 78.88 MT between April and September 2025. It was an 8.4% rise from 72.80 MT in the year-ago period. There are high domestic demand conditions supported by infrastructure projects and increased investments. On the external front, steel exports in September 2025 were 0.58 MT, up sharply from 0.40 MT a year earlier, underscoring improved global competitiveness and market access even as global demand conditions remain mixed.

### SECTOR OUTLOOK

The cumulative performance through the first two quarters suggests that India's steel industry is managing to leverage both domestic demand and export opportunities. Policy support, infrastructure spending, and improving capacity utilisation are likely underpinning this growth trajectory, even as global headwinds persist in certain segments of international steel trade.

## CEMENT

INDICATOR	LATEST VALUE	PREVIOUS VALUE	TREND
Cement Production (MMT)	38.74 (November 2025)	33.84 (November 2024)	Increased by 14.5%

**Table 15: Cement Production Capacity as of November 2025**

MONTH/YEAR	CEMENT INDEX (2011-12 BASE YEAR)	GROWTH ( IN %)
November 2024	128.6	13%
November 2025	130.2	1.24%

**Table 16: Cement Production Capacity as of November 2025**

### SHARP REBOUND

Cement production surged with a robust 14.5% year-on-year increase in November 2025, reaching approximately 38.74 Million Tonnes. This strong performance highlights a significant rebound driven by post-monsoon construction activity and accelerated infrastructure projects.

### MONTH-ON-MONTH MOMENTUM

Following moderate growth in recent months, November's sharp acceleration reflects producers effectively ramping up output to meet rising seasonal demand in housing and public works.

### SUSTAINED EXPANSION

During April-November 2025-26, cumulative cement production grew by 8.2% compared to the same period last year. This consistent upward trend underscores the sector's resilience and its key role in supporting India's core industrial growth.

### DEMAND MOMENTUM

The impressive output is fueled by ongoing Government infrastructure initiatives, recovering real estate activity, and strong rural housing demand. With installed capacity around 680-690 MT per annum and improving utilisation rates, the sector remains well-positioned to absorb heightened demand and drive further economic momentum.

# **ANNEXURE III**

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## **GLOSSARY OF TERMS**

TERM	EXPLANATION
SMR (Small Modular Reactors)	SMRs are modular nuclear reactors that can be deployed in off-grid conditions such as remote and rural locations, industrial hubs, IT parks etc. Principally, they function like large nuclear reactors but are smaller in capacity, modular by design and easier to deploy and safer to operate.
IIP (Index of Industrial Production)	The all India IIP is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period.
Index of Eight Core Industries (ICI)	A monthly measure of output in eight key industries (coal, crude oil, natural gas, refinery products, fertilisers, steel, cement, and electricity) that reflect India's industrial health.
Consumer Price Index	An index that tracks the changes in the average price of a basket of goods and services consumed by households, used to measure inflation.
Consumer Food Price Index	The Consumer Food Price Index is a measure of inflation that tracks price changes specifically in food and beverages within the consumer basket in India. It serves as a sub-index of the broader Consumer Price Index (CPI), highlighting food inflation trends.
Core Inflation	Core inflation is an inflationary measure that excludes food and fuel components. It is used to identify the underlying trend in inflation by filtering out transitory price movements, and is considered a useful indicator for monetary policy.
LFPR In CWS	Labour Force Participation Rate in Current Weekly Status. It is the % age of people who are either working or looking for work during a reference week, based on survey data.
Rabi Season	The Rabi season is the winter cropping period in India and neighbouring countries, where crops are sown in October-November (after the monsoon) and harvested in March-April (spring).
PMI (Purchasing Managers Index)	PMI are factual indicators of economic health based on monthly surveys of business executives covering 45 economies and 30 sectors. PMI gives a number between 0 and 100 indicating the overall health of an economy. A PMI reading over 50 represents economic expansion of the particular sector, and below 50 represents contraction compared to the month prior.
Neutral Stance of RBI	A neutral stance means the RBI is neither inclined towards raising nor cutting interest rates and will act based on evolving economic data. It allows flexibility to respond to changing inflation or growth conditions.

**Table 17: Glossary of Terms**

