



INDIA GROWTH PULSE



CAIG CENTRE FOR
ACCELERATING INDIA'S GROWTH
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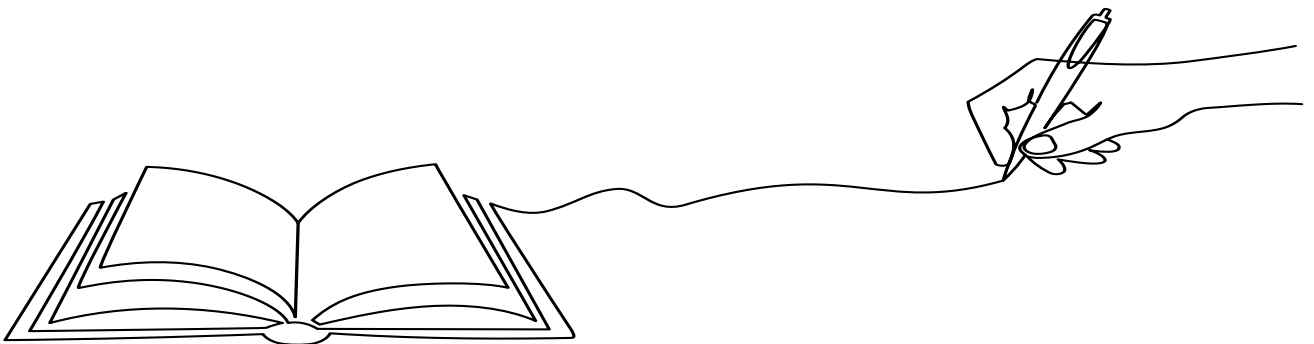
India's Growth Pulse

Tracking India's Economic Momentum

April 2026

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EDITOR'S NOTE

India's macroeconomic picture in March 2026 is one of broad stability holding firm under external pressure. Real GDP growth for FY2025-26 is estimated at 7.6%, an acceleration from 7.1% in the previous year, with services remaining the primary driver at 9.1% and manufacturing and construction sustaining momentum at 7.0%. Domestically, private consumption grew 7.0% and gross fixed capital formation rose 7.8%, reflecting continued investment-led expansion. GST collections for March crossed 2 lakh crore, registering 8.8% year-on-year growth, while credit growth strengthened to 16%. The headline numbers reflect an economy maintaining its growth trajectory.

The month's external environment was shaped by the escalation of the US/Israel-Iran war, which introduced freight and insurance cost pressures and contributed to a broader tightening of global trade conditions. Wholesale inflation rose sharply to 3.88% from 2.13% in February, and the rupee stood at 94.85 per US dollar as of 1st April, 2026, reflecting global dollar strength. Merchandise exports came in at \$ 38.92 billion against \$ 42.05 billion in March 2025. Against these pressures, foreign exchange reserves rose to \$ 688.05 billion, the trade deficit narrowed to \$ 2.44 billion from \$ 3.55 billion a year earlier, and retail inflation at 3.40% remained within the RBI's tolerance band of 4% ± 2%. The government's swift institutional response, including the establishment of monitoring mechanisms across energy, logistics, and financial stability, a tiered natural gas allocation framework, and the launch of the RELIEF scheme for exporters, reflected structured and proactive risk management through a period of global uncertainty.

On the policy front, the government approved the BHAVYA scheme with an outlay of 33,660 crore to develop 100 plug-and-play industrial parks across the country. The scheme addresses longstanding structural constraints around land, approvals, and infrastructure availability for manufacturers, and is projected to generate approximately 15 lakh direct jobs. It sits alongside the broader architecture of Make in India, PLI schemes, and the PM Gati Shakti framework, reinforcing India's positioning as an investment-ready manufacturing destination. This edition's Policy Spotlight examines the scheme's design, features, and intended impact in detail.

Sectorally, the data for March reflects the kind of mixed but broadly positive picture that characterises a large and diversifying economy. Renewable energy capacity additions reached 8,000 MW in March, led by solar at 6,656 MW, bringing total non-fossil installed capacity to 283,468 MW and demonstrating continued progress toward India's clean energy targets. Steel production expanded strongly to 168.42 million tonnes for the full year, with finished steel exports rising to 6.60 million tonnes while imports declined to 6.52 million tonnes, reflecting improved trade dynamics. Coal production recorded a marginal full-year contraction of 0.5%, even as March output remained elevated at 113.67 million tonnes, ensuring adequate fuel supply ahead of peak summer demand. Labour market indicators showed mild softening, with the unemployment rate edging up to 5.1% from 4.9% in February, primarily in urban areas, against a backdrop of broadly stable overall participation levels.

This edition covers economic and sectoral data for March 2026 and, where available, full-year FY2025-26 figures. Detailed indicators, data tables, and sectoral breakdowns are available in the Annexures.

Manasa Sriram,
Editor, India Growth Pulse
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HIGHLIGHTS

In March 2026, India's macroeconomic indicators reflected continued stability, supported by steady core sector growth, resilient tax collections, moderate inflation, stable financial conditions, and sustained external engagement, reinforcing the economy's capacity to maintain growth momentum amid evolving global uncertainties.

ECONOMIC HIGHLIGHTS

GROWTH MOMENTUM REMAINS FIRM

India's growth trajectory remained stable in FY2025–26, with GDP projected at 7.6%, supported by resilient services activity and steady industrial performance. Manufacturing and construction continued to benefit from infrastructure-led demand, while services maintained strong momentum, reinforcing the investment-driven nature of the ongoing economic expansion.

INDUSTRIAL ACTIVITY MODERATES BUT SUSTAINS EXPANSION

Industrial performance showed some moderation in March 2026, with core sector growth showing moderation. However, key sectors such as steel and cement recorded positive growth, indicating continued support from infrastructure and construction activity despite short-term fluctuations.

BUSINESS ACTIVITY SOFTENS BUT REMAINS IN EXPANSIONARY ZONE

Business sentiment moderated, with the Manufacturing PMI declining to 53.9 from 56.9 and Services PMI easing to 57.5 from 58.1. While both indices remained above the 50 threshold, the moderation reflects softer growth in new orders and output amid rising cost pressures and global uncertainty.

INFLATION SHOWS SEQUENTIAL FIRING BUT REMAINS CONTAINED

Retail inflation showed a mild uptick on a sequential basis, while wholesale inflation rose to 3.88% from 2.13%, reflecting higher input costs. Food inflation also increased, while core inflation eased slightly to 3.36%, indicating that underlying price pressures remain broadly contained within manageable levels.

EXTERNAL SECTOR REFLECTS ADJUSTMENT WITH CONTINUED STABILITY

The external sector showed mixed trends, with exports declining to \$ 74.11 billion from \$ 77.67 billion, while imports also moderated to \$ 76.55 billion from \$ 81.22 billion, leading to a narrowing of the trade deficit to \$ 2.44 billion. The rupee depreciated to 94.85 per US dollar, reflecting external pressures, while foreign exchange reserves rose to \$ 688.05 billion, providing a strong buffer against global volatility.

FISCAL POSITION REMAINS STABLE WITH CONTINUED REVENUE GROWTH

Fiscal indicators remained stable, with gross GST collections rising to 200.1 thousand crore, registering 8.8% year-on-year growth, while net GST revenue grew by 8.2%. The continued buoyancy in tax collections reflects steady economic activity and supports the government's fiscal consolidation strategy.

LABOUR MARKET CONDITIONS SHOW MILD SOFTENING BUT REMAIN STABLE

Labour market indicators showed slight moderation, with the Labour Force Participation Rate declining to 55.4% from 55.9% and the Worker Population Ratio easing to 52.6% from 53.2%. The unemployment rate increased marginally to 5.1% from 4.9%, indicating some softening, though overall labour market conditions remain broadly stable.

SECTORAL HIGHLIGHTS

AGRICULTURAL ACTIVITY SHOWS MIXED TRENDS WITH CROP DIVERSIFICATION

Summer sowing patterns indicated a slight moderation in total sown area to 42.68 lakh hectares from 43.69 lakh hectares, reflecting marginal contraction. However, crop-wise trends remained mixed, with higher acreage under pulses (4.09 vs 3.47 lakh hectares) offsetting declines in rice and coarse cereals, indicating continued diversification toward pulses and non-rice crops.

COAL PRODUCTION REMAINS HIGH DESPITE GROWTH MODERATION

Coal production rose sequentially to 113.67 million tonnes in March 2026, though it recorded a year-on-year decline of around 4%, indicating moderation in growth. Despite this, output levels remained elevated, ensuring adequate fuel supply for power generation and industrial use.

ELECTRICITY GENERATION SHOWS MODERATE GROWTH WITH CHANGING MIX

Total electricity generation reached 163,073 MnT in March 2026, registering a 1.35% year-on-year increase. Coal continued to dominate with a 72.68% share, while renewables recorded strong growth of 14.52%, increasing their share to 15.33%. Hydro and nuclear also registered positive growth, reflecting gradual diversification in the energy mix.

RENEWABLE ENERGY CAPACITY EXPANSION ACCELERATES

Renewable energy capacity additions strengthened in March, with 8,000 MW of new capacity added, driven primarily by solar (6,656 MW) and supported by wind additions. Total renewable capacity (including large hydro) reached 274,688 MW, while total non-fossil capacity rose to 283,468 MW, reinforcing progress toward clean energy targets.

STEEL SECTOR RECORDS STRONG ANNUAL EXPANSION WITH IMPROVED TRADE BALANCE

India's steel sector recorded strong growth in FY 2025–26, with crude steel production rising to 168.42 MnT and finished steel production to 160.94 MnT. Exports increased to 6.60 MnT while imports declined to 6.52 MnT, indicating improved trade dynamics and reduced import dependence.

CEMENT OUTPUT GROWTH MODERATES

Cement production recorded a 4.0% year-on-year increase in March 2026, compared to 12.2% in the previous year, indicating moderation in growth momentum. Despite this, output continued to expand, reflecting stable demand from construction and infrastructure activity.

IMPACT OF US/ISRAEL-IRAN WAR CONFLICT ON INDIA'S ECONOMY

BACKGROUND AND CONTEXT

In March 2026, the escalation of the US/Israel-Iran war conflict led to disruptions in global energy markets and key maritime trade routes, particularly the Strait of Hormuz, a critical corridor for global oil shipments. The conflict contributed to increased freight costs, elevated war-risk insurance premiums, and uncertainty in global supply chains, particularly affecting energy and petrochemical-linked trade flows.¹

IMPACT ON KEY DOMESTIC INDICATORS

The transmission of these global shocks became visible in domestic indicators, with wholesale inflation rising to 3.88% and food-driven pressures contributing to a sequential uptick in retail inflation. At the same time, the rupee depreciated to 94.85 per US dollar, reflecting global dollar strength and increased demand for foreign currency amid uncertain trade conditions. However, despite these external pressures, India's economic performance in March reflects a notable degree of resilience. The impact of higher input costs and disrupted trade flows has remained contained rather than destabilising, with inflation still within the policy tolerance band and no signs of broad-based demand compression. The trade deficit narrowed to \$ 2.44 billion, indicating some adjustment in external balances, even as global trade conditions softened. Importantly, foreign exchange reserves increased to \$ 688.05 billion, providing a strong buffer against external volatility and enabling effective management of exchange rate pressures. These movements in prices, trade balances, and currency indicators are consistent with the patterns reported in Sections I and II of this tracker.

POLICY/INSTITUTIONAL RESPONSE

- A. The Government of India constituted seven empowered groups to monitor sectoral impacts across energy, logistics, and financial systems.²
- B. The Ministry of Commerce launched the RELIEF scheme (March 19, 2026) to address elevated freight costs, war-risk premiums, and Gulf export exposure.³
- C. The government undertook multi-ministerial coordination measures across aviation, petroleum, and shipping sectors to maintain operational continuity amid disruptions caused by airspace restrictions and supply chain pressures.⁴
- D. Port operations were maintained without congestion, and the government's coordinated administrative measures and proactive monitoring effectively managed pressures on domestic LPG and fuel supply, ensuring uninterrupted availability despite external disruptions.⁵
- E. The government facilitated repatriation of over 1,600 Indian seafarers and ensured continued passenger movement (over 7.6 lakh travellers) from the affected region, indicating institutional response to mobility disruptions.⁶

SUPPLEMENTARY CONTEXT

A Forbes article reports additional developments in India's response to geopolitical disruptions. These include investments of around \$ 120 million in the Chabahar Port, renewed traction in the

India–Middle East–Europe Economic Corridor (IMEC), and plans to expand Strategic Petroleum Reserves to cover up to 90 days of consumption.

The article also notes that Indian refiners diversified sourcing across over 40 countries, including the procurement of 30 million barrels in a single week in March for stockpiling. Imports expanded to new geographies such as Canada, Brazil, and Guyana, while flows from Russian Urals (~155,000 barrels per day) resumed. Additional volumes of Venezuelan crude (~4 million barrels each by Reliance, IOC, and HPCL) were also reported. Firms are described as shifting from “just-in-time” to “just-in-case” supply chain models.⁷

CONCLUDING NOTE

Overall, the developments in March 2026 illustrate the interaction between a significant external shock and India’s domestic economic indicators, with observable adjustments in inflation, exchange rate movements, and trade balances. While global disruptions were reflected in higher input cost pressures and moderated trade flows, key macroeconomic indicators remained within manageable ranges. Concurrent policy actions and operational measures indicate an institutional response aimed at maintaining continuity in critical sectors and mitigating immediate disruptions, while supplementary evidence points to ongoing adjustments in supply chain and sourcing strategies.



POLICY SPOTLIGHT

**BHAVYA Scheme: Strengthening Industrial Infrastructure
to Accelerate Manufacturing-Led Growth⁸**

By: Khushi Mahajan

WHAT THE SCHEME IS ABOUT

The Government of India approved the Bharat Audyogik Vikas Yojana (BHAVYA) in March 2026 with an outlay of 33,660 crore to develop 100 plug-and-play industrial parks across the country. The scheme aims to create ready-to-use industrial ecosystems with pre-approved land, integrated infrastructure, and streamlined approvals, enabling firms to transition from investment intent to production with minimal delays.

WHY IT MATTERS

Industrial growth in India has historically been constrained by land acquisition challenges, regulatory delays, and infrastructure gaps. BHAVYA addresses these structural bottlenecks by creating investment-ready industrial zones, reducing entry barriers and improving ease of doing business. In the context of global supply chain realignment and rising geopolitical uncertainty, the scheme strengthens India's position as a competitive manufacturing hub capable of attracting both domestic and global investment.

KEY FEATURES

The scheme introduces a plug-and-play industrial ecosystem through the development of industrial parks spanning 100 to 1000 acres, supported by financial assistance of up to 1 crore per acre for core infrastructure such as internal roads, utilities, drainage systems, and digital infrastructure. In addition, BHAVYA provides value-added facilities including ready-built factory sheds, testing laboratories, warehousing, and logistics support, along with social infrastructure such as worker housing and associated amenities. The scheme also supports external infrastructure (up to 25% of project cost) to ensure seamless connectivity with existing transport networks. A strong emphasis is placed on ease of doing business, with single-window clearance systems, pre-approved land, and streamlined regulatory processes. Further, alignment with the PM Gati Shakti framework ensures integrated, multimodal connectivity, while the design of these parks incorporates sustainable and future-ready infrastructure, including efficient utility management and green energy integration.

EXPECTED IMPACT

BHAVYA is expected to have a broad-based economic impact by accelerating industrialisation, investment, and employment. The scheme is projected to generate around 15 lakh direct jobs, along with significant indirect employment across manufacturing, logistics, and services sectors. By enabling cluster-based development and co-location of industries, suppliers, and service providers, it will strengthen domestic supply chains and improve operational efficiency.⁹

The creation of ready industrial ecosystems is expected to reduce time-to-market for investors, enhance productivity, and support export-oriented manufacturing. In addition, the scale of infrastructure development is likely to drive demand across core sectors such as steel, cement, construction, capital goods, and electrical equipment, supporting broader industrial growth and corporate investment cycles. The scheme will benefit a wide range of stakeholders including MSMEs, startups, global investors, workers, and local economies, while promoting balanced regional industrialisation across states and union territories.

POLICY RATIONALE

BHAVYA reflects a strategic shift toward manufacturing-led growth and infrastructure-driven competitiveness, aligned with initiatives such as Make in India, Production Linked Incentive (PLI)

schemes, and industrial corridor development. In a global environment marked by supply chain diversification, the scheme aims to position India as a reliable, investment-ready, and scalable manufacturing destination.

WAY FORWARD

The success of BHAVYA will depend on effective coordination between the Centre, states, and private sector, along with timely execution and infrastructure delivery. Ensuring high-quality industrial ecosystems, seamless connectivity, and investor-ready governance will be critical. If implemented efficiently, the scheme has the potential to boost exports, deepen manufacturing capabilities, generate large-scale employment, and strengthen India's integration into global value chains over the medium term.



ECONOMIC SNAPSHOT

This section presents an overview of our economic performance as of March 2026, 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.

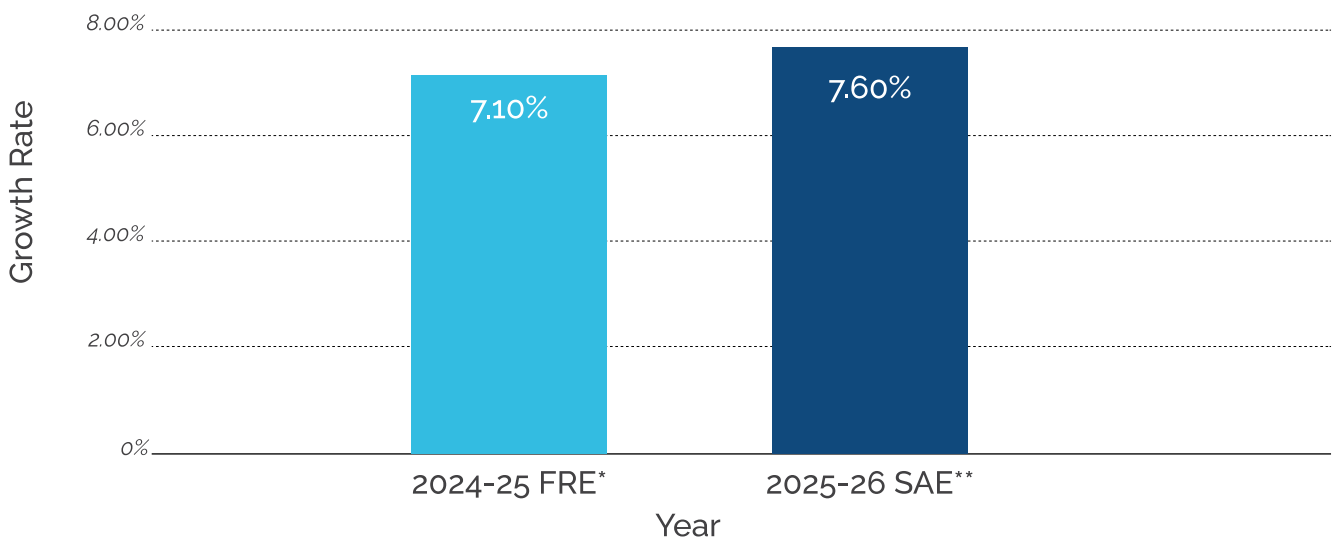
(Refer To Annexure I For Detailed Analysis)

CHAPTER 1

GROWTH AND OUTPUT

India's GDP Growth estimated to accelerate to 7.6% in FY 2025-26

Annual GDP Growth Rate (%) at Constant Prices (Base Year = 2022-23)



Graph 1: GDP Growth Rate From 2024-25 to 2025-26

India's GDP growth is estimated at 7.6% in FY 2025–26, marking an acceleration from 7.1% in FY 2024–25,¹⁰ as per the latest revised estimates released by the Government of India. The expansion remains broad-based, with manufacturing and construction sectors maintaining strong momentum, while the services sector continues to be the primary driver of growth. The agriculture sector is estimated to grow at a relatively moderate pace, reflecting sectoral normalisation.

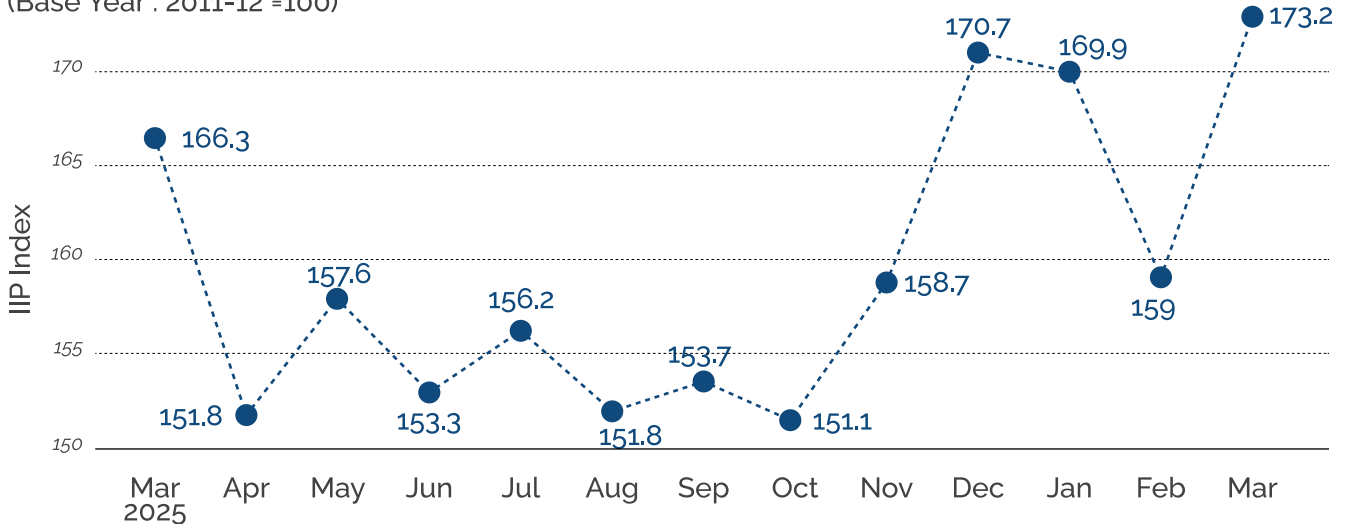
On a quarterly basis, growth trends indicate robust performance in the initial quarters with some moderation in the latter part of the fiscal year, consistent with base effects and evolving demand conditions, while sustaining overall annual growth momentum.



Industrial Output Growth Moderates to 4.1% in March 2026

Index of Industrial Production (IIP) from March 2025 to March 2026

(Base Year : 2011-12 =100)



Graph 2: Index of Industrial Production (IIP) from March 2025 to March 2026ⁱⁱ

India's Index of Industrial Production (IIP) recorded a year-on-year growth of 4.1% in March 2026, moderating from 5.1% in February, indicating a slowdown in the pace of industrial expansion. At the same time, the index level rose to 173.2 in March 2026 from 166.3 in March 2025, reflecting that overall industrial output remained higher than a year ago despite the softer growth rate.

On a sequential basis, industrial output increased significantly from 158.8 in February to 173.2 in March, indicating a strong month-on-month rise, likely reflecting seasonal factors and end-of-year production activity.

Sectoral performance remained mixed. Manufacturing grew by 4.3%, while mining expanded by 5.5%, indicating continued support from industrial and extraction activities. In contrast, electricity generation increased marginally by 0.8%, reflecting relatively weaker growth in the power segment.

Within manufacturing, 14 out of 23 industry groups recorded positive growth, with key contributions from sectors such as basic metals,

motor vehicles, and machinery and equipment. Notably, capital goods registered strong growth of 14.6%, indicating sustained strength in investment activity and capacity expansion within the industrial sector.

Overall, while industrial output continued to expand on a year-on-year basis, the moderation in growth compared to February suggests a softening in momentum, with sectoral trends indicating uneven performance across components of industrial production.

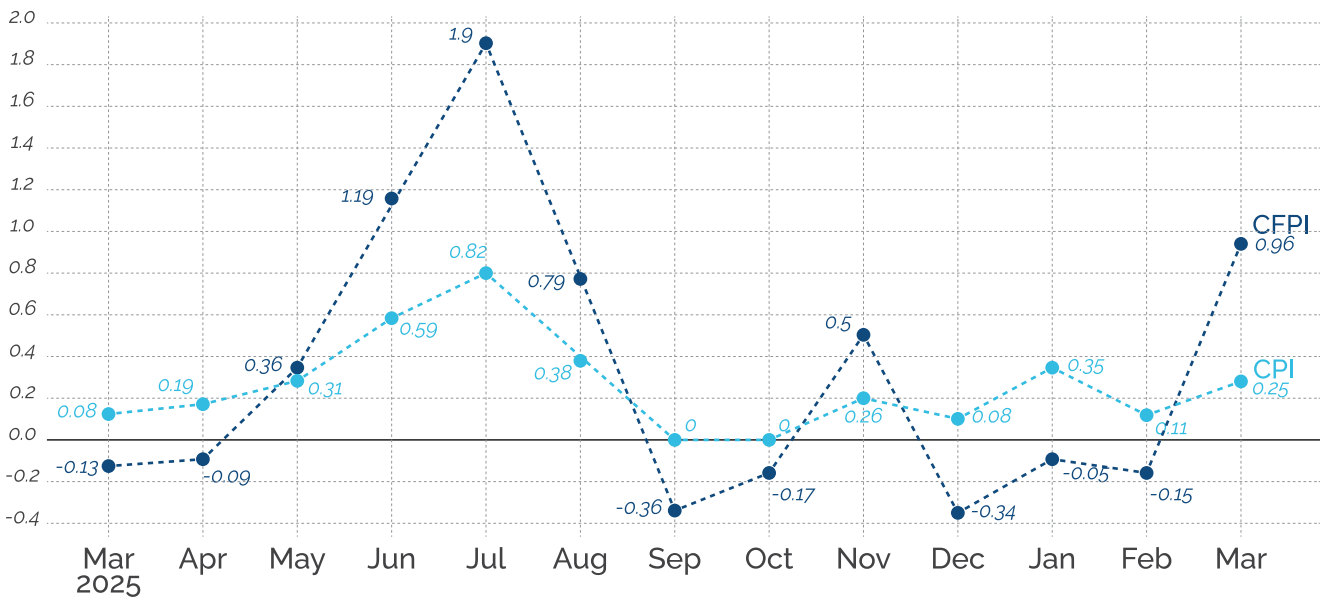


CHAPTER 2

INFLATION AND PRICE¹²

Food-Driven Uptick Pushes Retail Inflation to 3.40% Y-o-Y in March 2026

CPI & CFPI from March 2025-March 2026



Graph 3: MoM Percentage Change in Index Values From March 2025 to March 2026

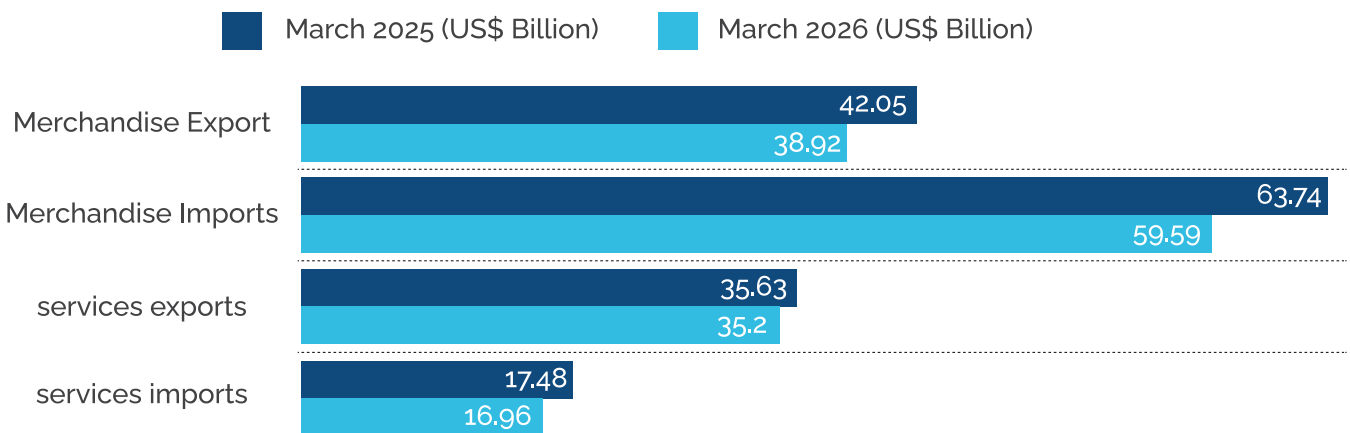
- A. Retail Inflation Moderately Higher: Headline CPI inflation increased to 3.40% year-on-year in March 2026 (provisional), up from 3.21% in February. Rural inflation stood higher at 3.63%, while urban inflation was lower at 3.11%, indicating a continued rural-urban divergence, albeit within a moderate range.
- B. Food Inflation Accelerates: Food inflation (CFPI) rose to 3.87% year-on-year, compared to 3.47% in February, reflecting a pickup in food price pressures. Rural food inflation (3.96%) remained above urban (3.71%), suggesting relatively stronger price increases in rural consumption baskets.
- C. Index Levels Indicate Gradual Price Build-up: The all-India CPI index increased to 104.84 in March 2026 from 104.57 in February, while CFPI rose to 104.14 from 103.88, indicating a sequential uptick in price levels.
- D. Non-Food Inflation Remains Contained: Housing inflation was recorded at 2.11% year-on-year, with rural housing inflation (2.54%) higher than urban (1.95%). This suggests that while food prices are contributing to the uptick, broader non-food price pressures remain moderate.
- E. Food Price Movements Show Divergence: Significant price declines persisted in key food items such as onions (-27.76%) and potatoes (-18.98%), contributing to moderation in specific components of food inflation despite an overall uptick in the food price index.
- F. Non-Food Components Reflect Upward Pressure: At the same time, sharp increases were observed in precious metals such as silver and gold jewellery, indicating rising price pressures within non-food components and contributing to broader divergence in inflation trends.

CHAPTER 3

TRADE AND EXTERNAL SECTOR¹³

External Trade Moderates with Narrowing Trade Deficit in March 2026

India's Merchandise and Services Trade: March 2025 vs March 2026



Graph 4: India's Trade Comparison From March 2025 to March 2026

India's external trade position in March 2026 reflects a moderation in both exports and imports, with a contraction in overall trade volumes leading to a narrowing of the trade deficit compared to the previous year. Merchandise exports stood at \$ 38.92 billion, down from \$ 42.05 billion in March 2025, registering a year-on-year decline of 7.4%. Merchandise imports also declined to \$ 59.59 billion from \$ 63.74 billion, reflecting a 6.5% contraction. While both exports and imports softened, the continued gap between the two indicates a persistent merchandise trade deficit, albeit lower in absolute terms.

On the services front, performance remained relatively stable but showed mild moderation. Services exports were estimated at \$ 35.20 billion, slightly lower than \$ 35.63 billion a year earlier, indicating a marginal decline of 1.2%. Services imports also eased to \$ 16.96 billion from

\$ 17.48 billion, reflecting a 3.0% decrease, suggesting a parallel slowdown in external demand for services as well as imports of such services.

Overall, total exports (merchandise and services combined) declined to \$ 74.11 billion, while total imports fell to \$ 76.55 billion, resulting in a trade deficit of \$ 2.44 billion, narrower than \$ 3.55 billion in March 2025. This indicates that the improvement in the trade balance was driven primarily by a sharper reduction in imports relative to exports rather than an expansion in export performance.

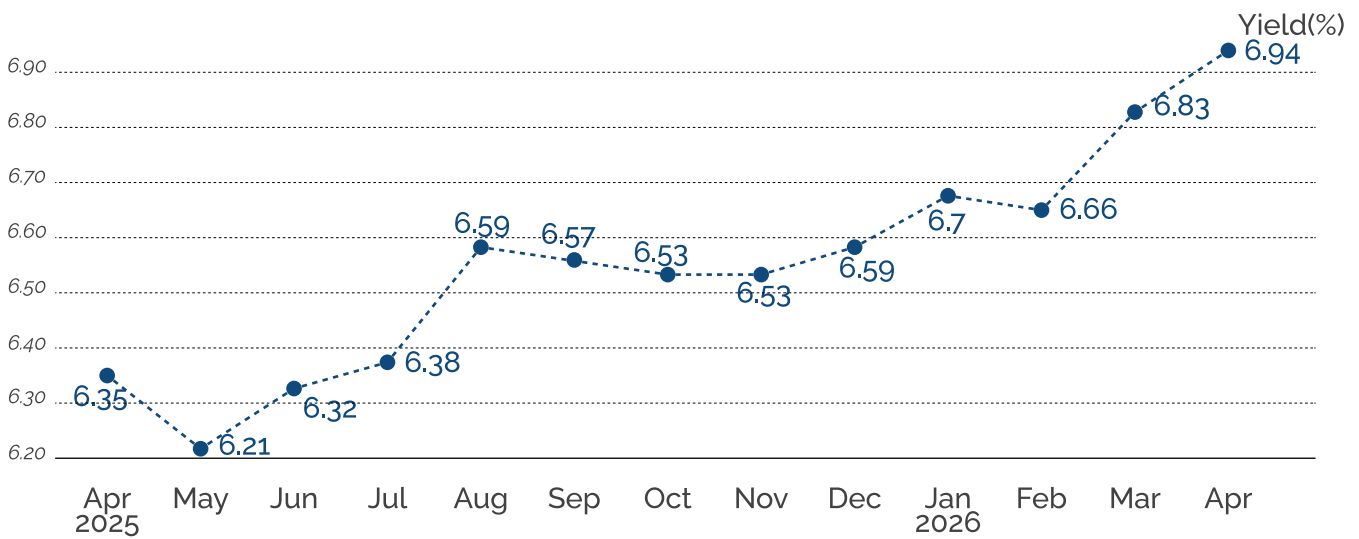
The data reflects a shift from earlier import-driven pressures to a more synchronised moderation in both exports and imports, with the external balance improving in absolute terms despite softer trade activity.

CHAPTER 4

FINANCIAL HEALTH

Bond Yields Firm Up in March¹⁴

India Bond Yields: April 2025-April 2026



Graph 5: India's Bond Yield From 1st April 2025 to 1st April 2026

Government bond yields in India remained elevated in March 2026, with the benchmark 10-year government bond yield rising to around 6.94% as on April 1, 2026, indicating a firming compared to February levels. The increase in yields reflects continued adjustment in market conditions, including expectations around government borrowing and liquidity dynamics. Compared to February, the movement suggests a gradual upward shift rather than a sharp spike, pointing to sustained pressure in the bond market.

Despite the presence of liquidity support measures, yields did not ease materially during the month, indicating that market participants continued to price in prevailing macroeconomic factors. Overall, the March trend suggests relatively firm financial conditions, with borrowing costs remaining elevated.

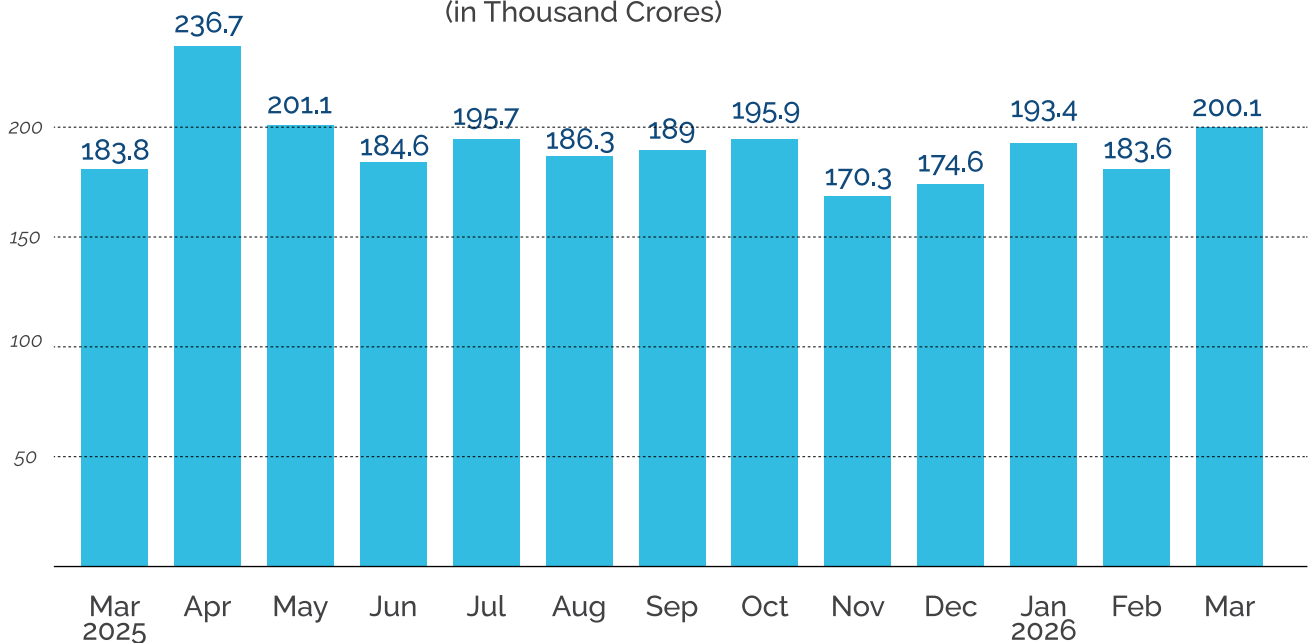


CHAPTER 5

FISCAL HEALTH¹⁵

GST Collections Rise in March 2026 Amid Year-End Adjustments

GST Collection: March 2025 to March 2026
(in Thousand Crores)



Graph 6: GST Monthly Collection From March 2025 to March 2026

Gross Goods and Services Tax (GST) collections for March 2026 stood at 200.1 thousand crore, rising from 183.6 thousand crore in February 2026. On a year-on-year basis, collections increased from 183.8 thousand crore in March 2025 (~8.8% growth). After accounting for refunds, net collections were around 178 thousand crore, indicating that part of the gross increase was offset by higher refund outflows.

On a month-on-month basis, collections rose by about 16–17 thousand crore (~9%), consistent with typical year-end patterns as March reflects higher compliance and settlement activity. Elevated refunds during the month suggest that a portion of the increase reflects timing effects rather than a full expansion in underlying tax accruals.

In terms of composition, domestic revenues recorded moderate growth, while revenues from imports expanded at a relatively faster pace, contributing to the overall increase in collections. This indicates continued support from trade-related tax components alongside stable domestic activity.

Overall, GST collections remain within the 170–200 thousand crore range, indicating broadly stable revenue trends despite seasonal fluctuations.

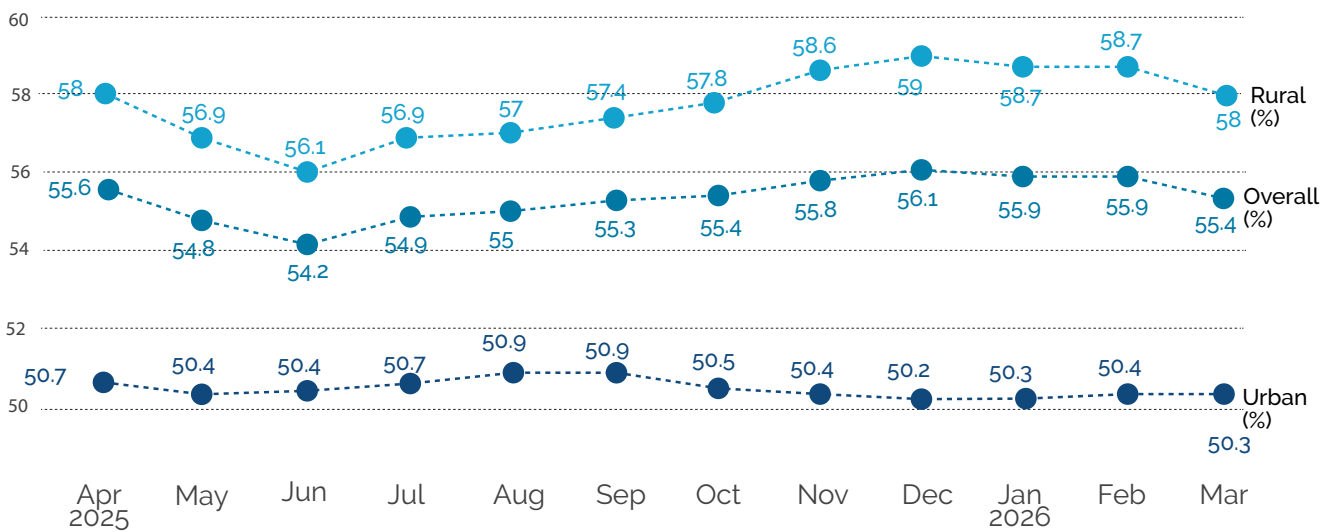


CHAPTER 6

LABOUR AND EMPLOYMENT¹⁶

Labour Indicators Show Mild Moderation in March 2026

LFPR (%) in CWS during April 2025 to March 2026 for persons of age 15 years and above



Graph 7: Monthly Labour Force Participation Rate till March 2026

Labour market conditions in March 2026 indicates a slight moderation in participation levels. The Labour Force Participation Rate (LFPR) for persons aged 15 years and above stood at 55.4%, compared to 55.9% in February 2026.

At the disaggregated level, rural LFPR declined to 58.0% from 58.7% in the previous month, while urban LFPR remained largely unchanged at 50.3%, indicating stability in urban participation alongside a marginal easing in rural areas.

The Worker Population Ratio (WPR) also showed a similar pattern. Overall WPR stood at 52.6% in March 2026, with rural WPR declining to 55.5% from 56.3% in February, while urban WPR remained relatively stable at 46.8%.

The moderation in rural participation may

reflect seasonal adjustments following earlier peaks in labour engagement, while the stability in urban indicators suggests continued steady conditions in non-agricultural sectors. Overall, the data points to a phase of marginal softening rather than a significant shift in labour market conditions.

Additionally, the unemployment rate increased slightly to 5.1% from 4.9% in February, primarily driven by a rise in urban unemployment, indicating some easing in labour absorption during the month.

SECTORAL SNAPSHOT

This section presents an overview of India's performance in key sectors as of March 2026, based on the latest data from the Ministry of Commerce and Industries, the Ministry of Health, the Ministry of Road, Transport, and Highways, and the Ministry of New and Renewable Energy.

(Refer to Annexure II for Detailed Analysis)

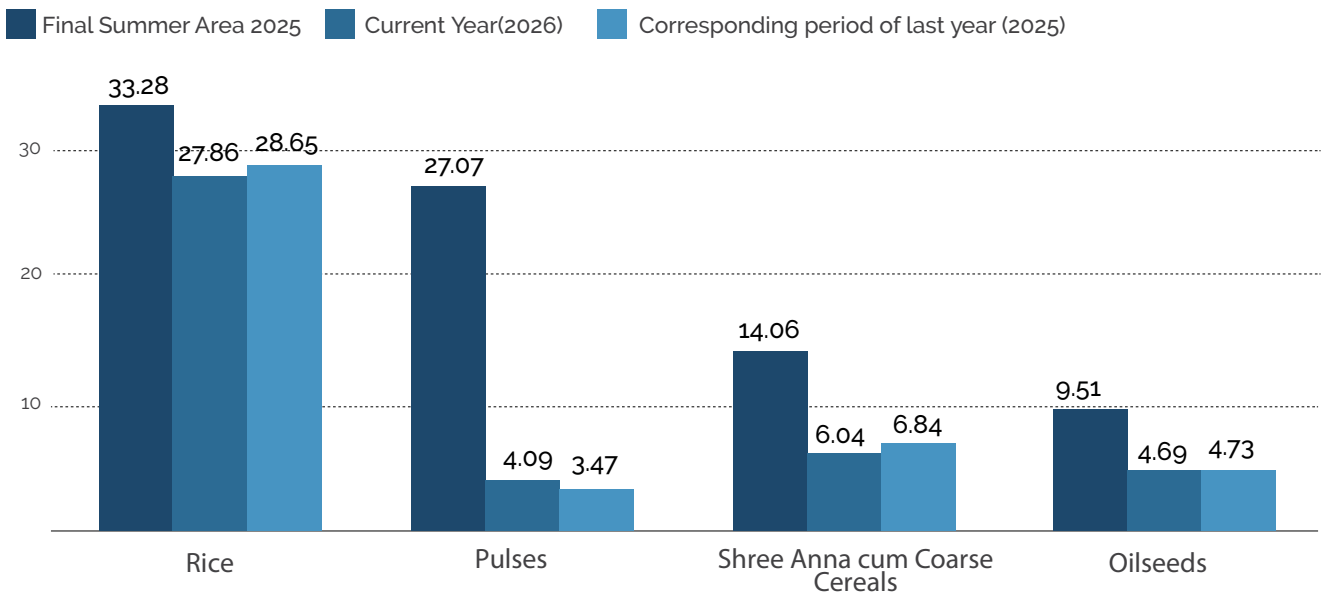
CHAPTER 7

AGRICULTURE

Summer Sowing Shows Mixed Trends Across Crop Categories¹⁷

Area Under Cultivation for Summer Crops as on 20.03.2026

(Area: in Lakh Hectare)



Graph 8: Net Sown Area for FY25 and FY26 during Summer Season

Cropping activity in the current summer season shows a mixed pattern across major crop categories. Total sown area stood at 42.68 lakh hectares, compared to 43.69 lakh hectares during the corresponding period last year, indicating a marginal decline of 1.02 lakh hectares.

At the crop level, pulses recorded an increase, with sown area rising to 4.09 lakh hectares from 3.47 lakh hectares in the previous year. This increase was supported by higher acreage under green gram and black gram. In contrast, rice acreage declined to 27.86 lakh hectares from 28.65 lakh hectares, indicating lower sowing compared to the same period last year. Shree Anna cum coarse cereals also showed a reduction, with area decreasing to 6.04 lakh hectares from 6.84 lakh hectares, driven primarily by lower maize cultivation. Oilseeds

remained broadly stable, with sown area at 4.69 lakh hectares, compared to 4.73 lakh hectares last year, indicating limited variation in acreage.

Overall, the sowing pattern reflects divergent movements across crops, with increases in pulses offset by moderation in rice and coarse cereals. The data indicates variation in cropping trends rather than a uniform expansion in area.

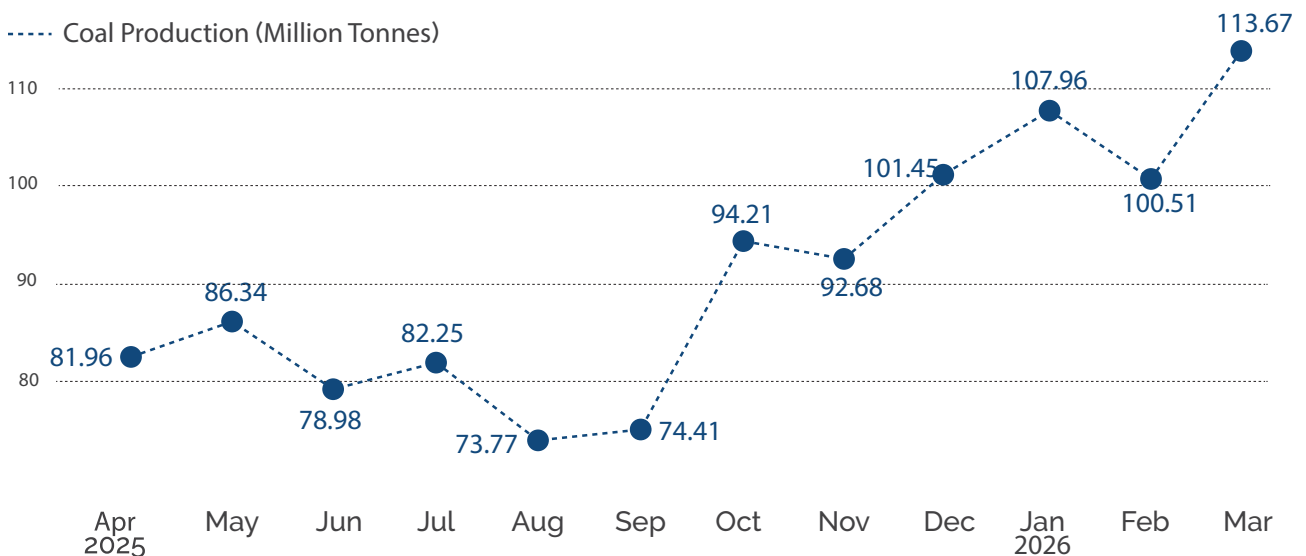


CHAPTER 8

COAL

Coal Production Rises to 113.67 MnT in March 2026 Amid Underlying YoY Contraction¹⁸

Coal Production: April 2025 to March 2026



Graph 9: Coal Production From April 2025 to March 2026

Coal production increased to 113.67 million tonnes (MnT) in March 2026, up from 100.51 MnT in February, indicating a strong sequential rise at the close of the financial year. The increase reflects higher dispatch and output typically observed in March due to year-end production targets and supply requirements.

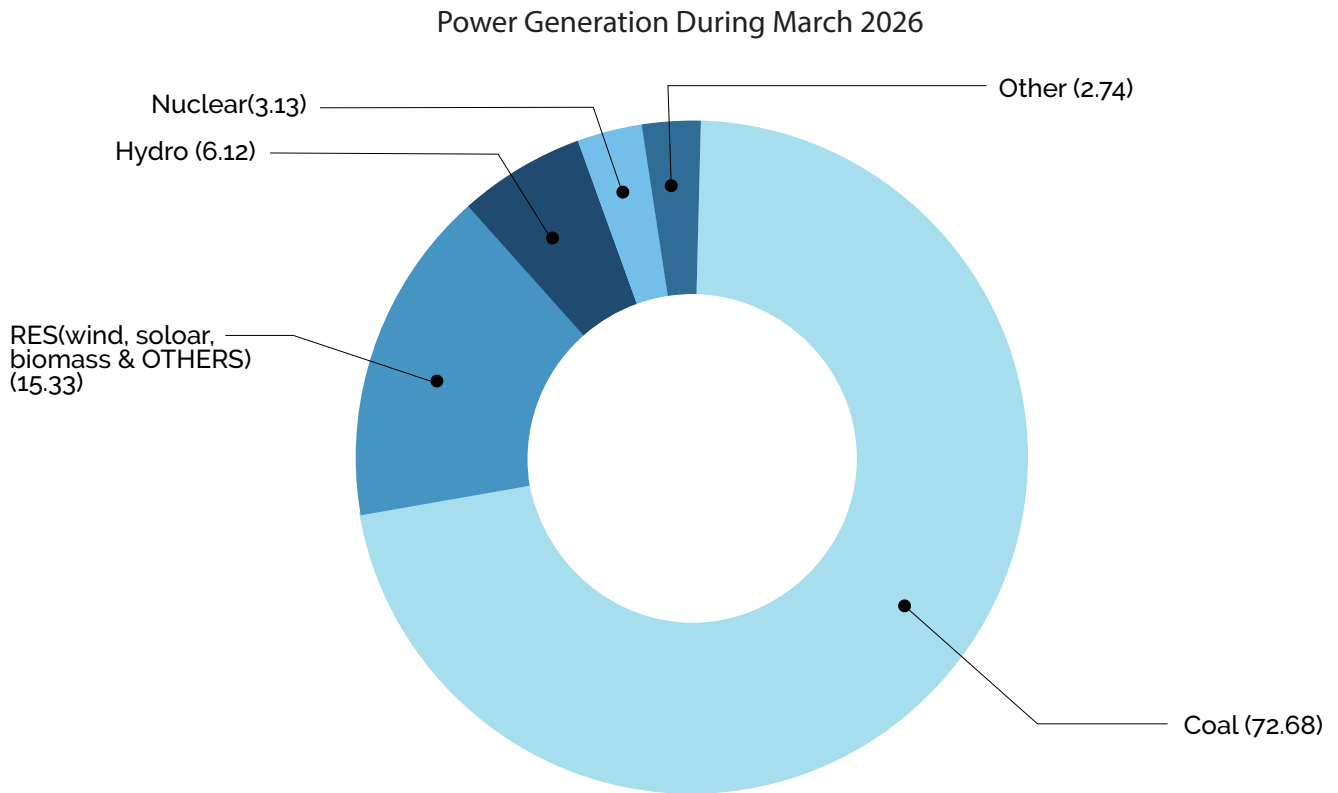
However, on a year-on-year basis, coal output recorded a decline of around 4%, marking a rare contraction for the month and the first such decline in March in over a decade.¹⁹ This suggests that despite the high absolute production level, growth momentum has weakened compared to the previous year.

At the aggregate level, coal production for FY2025–26 showed a marginal contraction of 0.5%, reversing the expansion trend seen in recent years. The moderation has been

attributed to production shortfalls among major producers, including Coal India, which accounts for a significant share of domestic output. The moderation in year-on-year growth may also be linked to changing consumption patterns within the industry, with sectors such as cement increasingly shifting away from captive thermal power and sourcing electricity from the grid, which has a growing share of renewable energy, thereby moderating incremental coal demand.²⁰

Despite the year-on-year decline, the sharp increase in March output indicates continued supply responsiveness, particularly in preparation for peak summer demand. Overall, the data reflects a combination of strong month-end production push alongside emerging moderation in annual growth trends.

Coal Continues to Dominate India's Power Mix with 72.68% Share in March 2026+



Graph 10: India's Share of Energy Source as of March 2026

In line with the increase in overall power generation and coal output during the month, coal remained the dominant source of electricity generation in March 2026, accounting for 118,527 MW, or 72.68% of total generation. Despite a marginal moderation in share on a year-on-year basis, coal continues to contribute the bulk of power supply.

Renewable energy sources (RES), including wind, solar, and biomass, accounted for 24,997 MW (15.33%), reflecting a higher contribution relative to the previous year. Hydro and nuclear sources contributed 9,973 MW (6.12%) and 5109 MW (3.13%), respectively, while generation from gas, naphtha, and diesel stood at 1571 MW (0.96%), with lignite contributing 2896 MW (1.78%).

On a month-on-month basis, total power

generation increased, with coal-based generation rising by around 12%, indicating higher output in line with seasonal demand conditions. At the same time, the increase in the share of renewable sources supports diversification of the energy mix and enhances the sustainability of power generation over time.

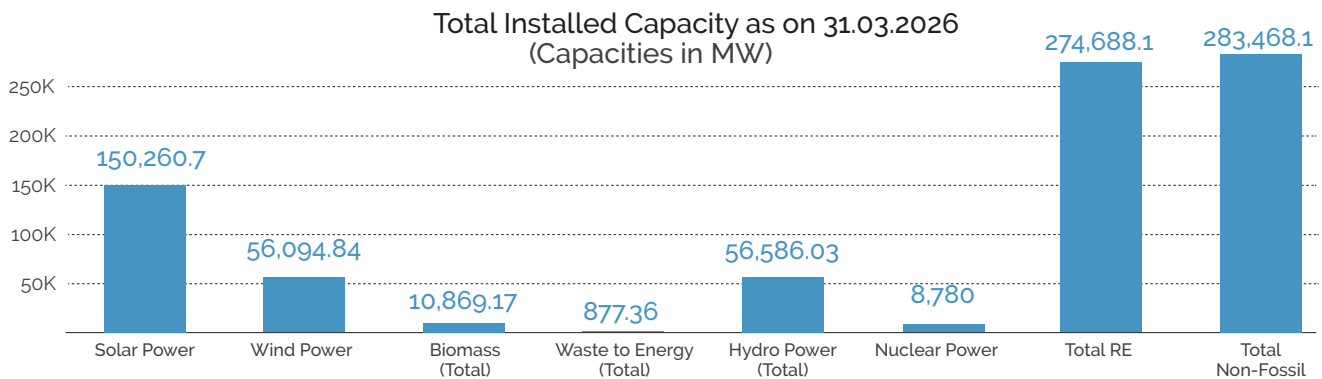
Overall, the energy mix reflects continued reliance on coal alongside a gradual expansion in renewable sources, indicating a balanced transition within the power sector.



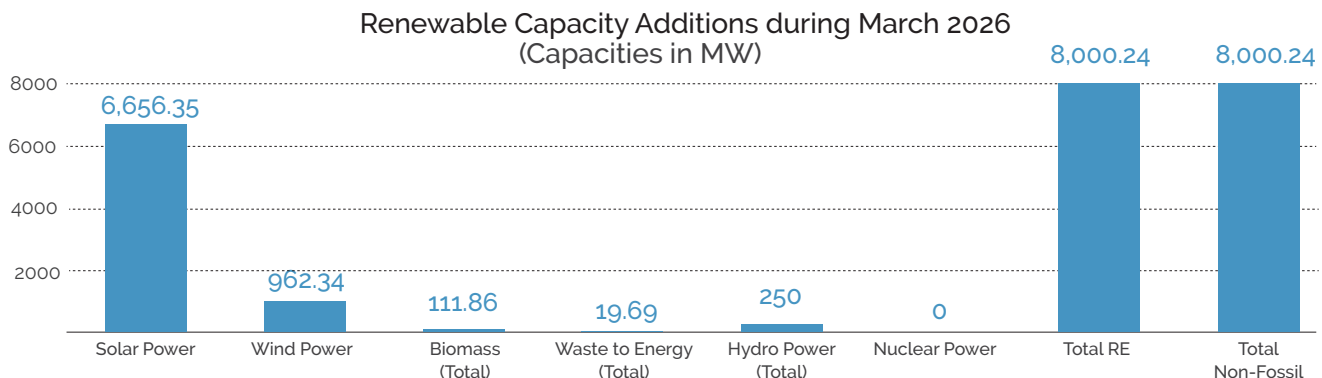
CHAPTER 9

RENEWABLE ENERGY²²

Solar-Led Expansion Drives 6,656.35 MW Renewable Capacity Addition in March 2026



Graph 11: Total Installed Capacity as of March 2026



Graph 12: Renewable Capacity Additions During March 2026

India's non-fossil fuel installed capacity continued to expand in March 2026, reaching 283,468 MW, including renewable energy and nuclear power. Renewable energy capacity (including large hydro) stood at 274,688 MW, reflecting continued growth across major sources.

Solar power remained the largest contributor, with cumulative installed capacity at 150,260 MW, followed by wind (56,094 MW) and hydro (56,586 MW). Biomass and waste-to-energy sources together contributed a smaller share of the total capacity.

During the month, India added 8,000 MW of non-fossil capacity, driven primarily by solar additions of 6,656 MW, alongside wind (962 MW) and smaller contributions from biomass, waste-to-energy, and hydro sources. Over the financial year (April 2025–March 2026), total renewable capacity additions reached 54,592 MW, indicating sustained expansion in clean energy infrastructure.

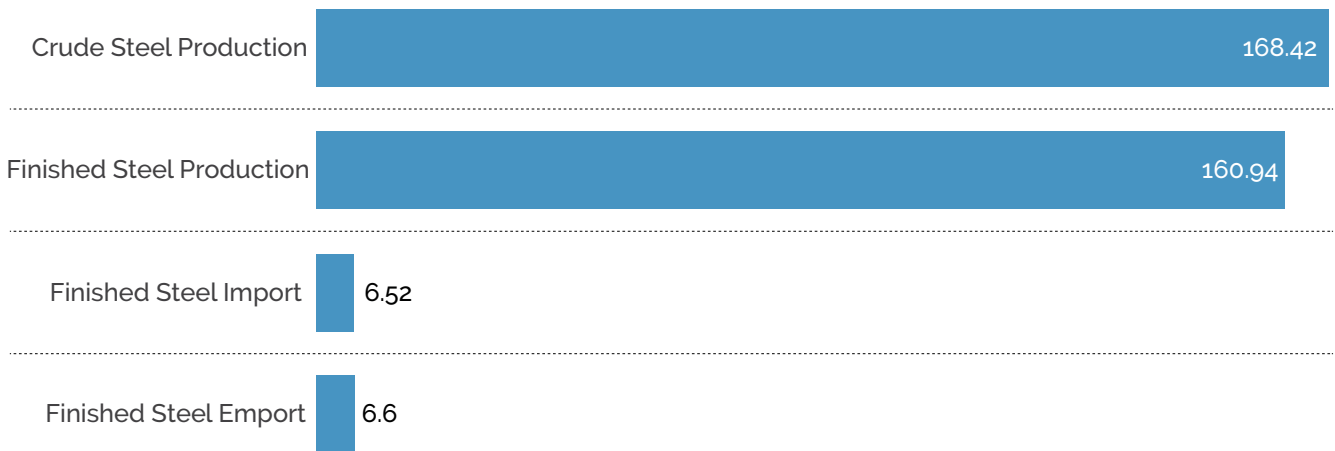
Overall, the data indicates continued growth in renewable capacity, led by solar, with incremental additions across other sources contributing to the expansion of the non-fossil energy mix.

CHAPTER 10

MANUFACTURING²³

Steel Production Expands While Trade Remains Balanced in FY 2025-26

Steel Production and Trade Overview, FY 2025-26 (Provisional)
(in Million Tonnes)

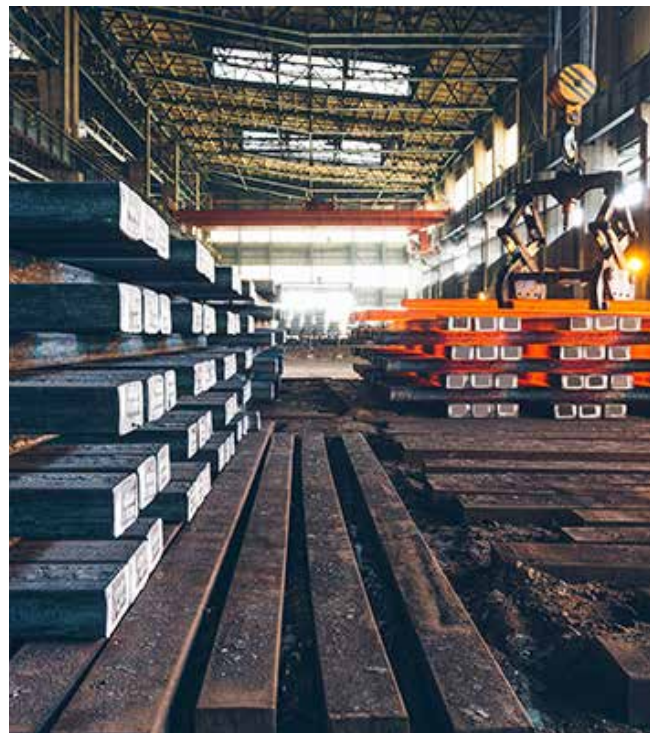


Graph 13: Steel Trade in March 2026

India’s steel sector recorded an expansion in FY 2025-26, with crude steel production reaching 168.42 million tonnes (MnT), up from the previous year. Finished steel production stood at 160.94 MnT, indicating continued growth in output.

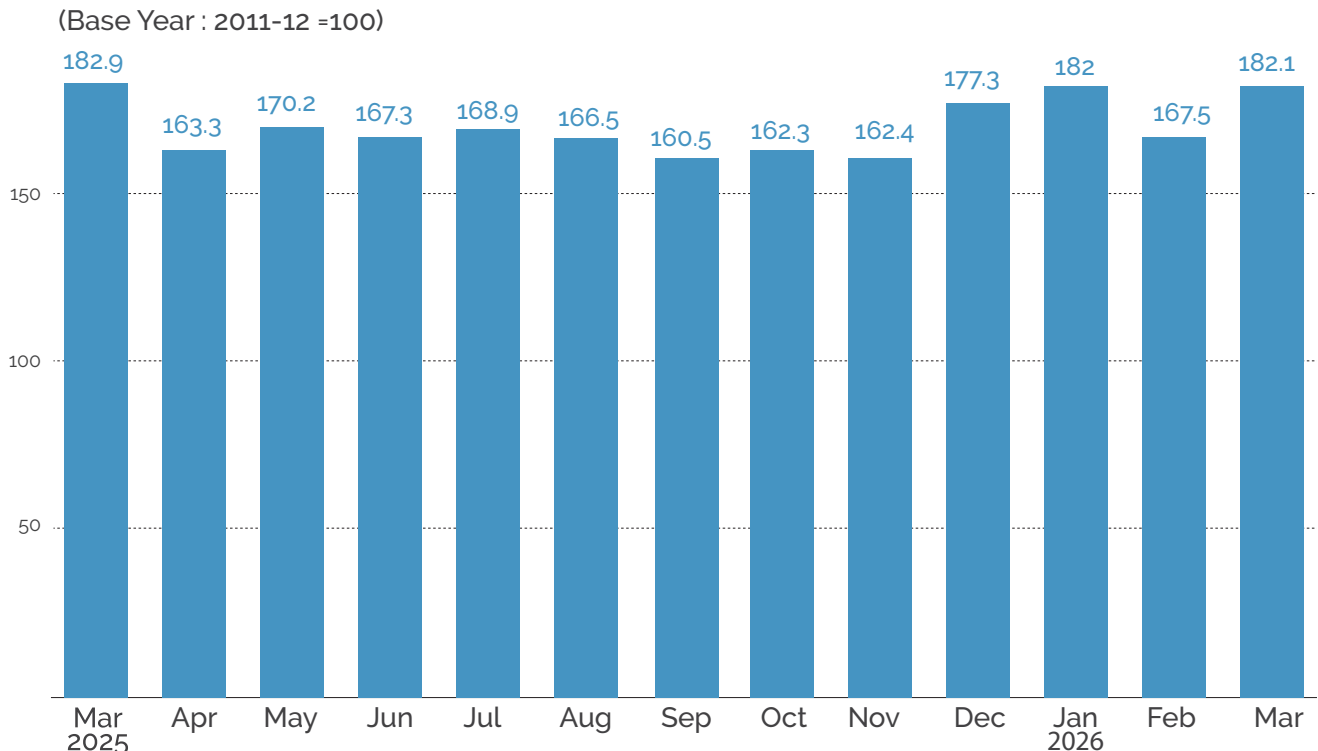
Trade flows remained relatively balanced during the year. Finished steel exports were recorded at 6.60 MnT, while imports stood at 6.52 MnT, indicating a near-neutral trade position with a marginal net export balance. Compared to the previous year, imports declined from 9.55 MnT to 6.52 MnT, while exports increased from 4.86 MnT to 6.60 MnT, reflecting an improvement in trade dynamics.

Overall, the data indicates expansion in domestic steel production alongside a strengthening of the trade balance, with reduced import dependence and higher export levels during FY 2025-26.



Index of Eight Core Industries (ICI) rose to 182.1 in March 2026 from 167.5 in Feb 2026²⁴

Performance of Eight Core Industries: March 2025 to March 2026



Graph 14: Eight core industries index From March 2025 to March 2026

The Index of Eight Core Industries (ICI), which carries a weight of 40.27% in the Index of Industrial Production, stood at 182.1 in March 2026, compared to 182.9 in March 2025, indicating a marginal year-on-year moderation in core sector output.

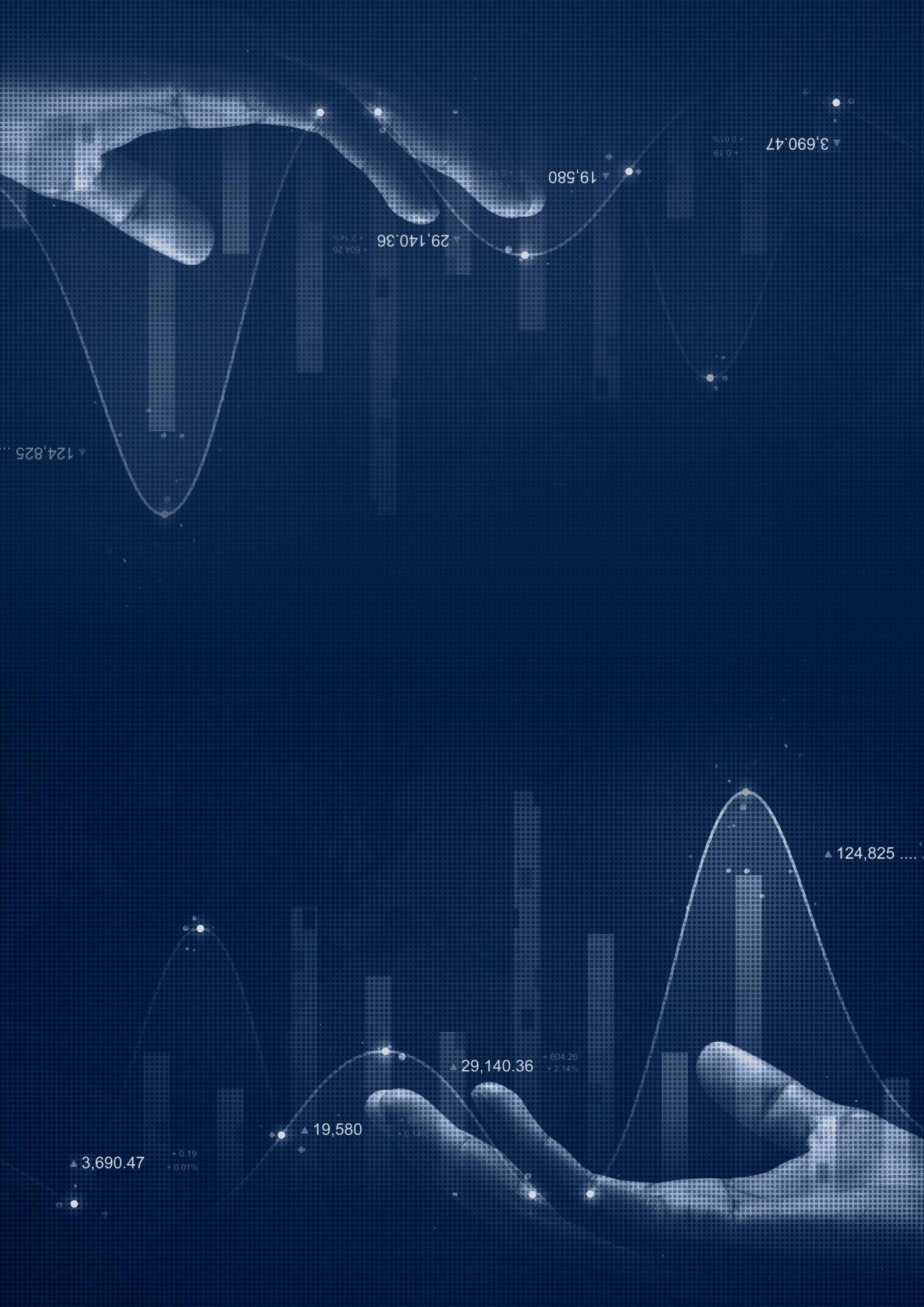
Sector-wise trends show a mixed pattern across industries. Coal output increased to 249.7 from 220.5 in February, while steel production rose to 244.1 and cement output increased to 256.0, indicating improved activity in industrial and construction-related sectors. Electricity generation also recovered to 218.5, reflecting higher demand conditions.

In contrast, fertilizer production declined sharply to 95.7, compared to 129.2 in February, indicating a significant contraction during the month. Crude oil and natural gas output remained relatively stable at 73.0 and 73.6, respectively, while refinery products increased to 147.4, indicating improved refining activity.

On a month-on-month basis, the index shows a sharp recovery from February (167.5 to 182.1), reversing the earlier moderation. However, compared to the same period last year, the index remains broadly unchanged, indicating stable overall output levels.

Overall, the March data reflects divergent sectoral movements, with strength in coal, steel, cement, and electricity offsetting weakness in fertilizers, resulting in a largely stable core sector performance.





ANNEXURE I

ECONOMIC UPDATES IN DETAIL

CHAPTER 1

GROWTH AND OUTPUT

INDUSTRIAL GROWTH AND OUTPUT

INDICATOR	LATEST VALUE	PREVIOUS VALUE	TREND
GDP Growth (%)	7.6 ²⁵ (FY 2025-26)	7.1% (FY 2024-25)	Real GDP growth for 2025-26 is estimated at 7.6%, higher than the 7.1% recorded in 2024-25
IIP Growth (Y-o-Y) (Index points, Base year: 2011-12 = 100) ²⁶	173.2 (March 2026)	158.8 (February 2026)	IIP increased to 173.2 in March 2026 from 158.8 in February 2026, indicating a sharp sequential recovery in industrial activity following the moderation observed in the previous month.
Manufacturing PMI ²⁷ (Index: 0-100)	53.9 (March 2026)	56.9 (February 2026)	Manufacturing PMI declined to 53.9 in March 2026 from 56.9 in February 2026, indicating a moderation in growth momentum and the slowest improvement in business conditions in recent months amid rising cost pressures and softer demand.
Services PMI ²⁸ (Index: 0-100)	57.5 (March 2026)	58.1 (February 2026)	Services PMI declined to 57.5 in March 2026 from 58.1 in February 2026, indicating a moderation in expansion with the slowest growth in business activity in over a year, amid rising cost pressures and softer demand conditions.

Table 1: Key Growth and Output Indicators

KEY HIGHLIGHTS

Strong Growth Momentum Sustained

- As per the First Advance Estimates released by the National Statistics Office (MoSPI), India's real GDP is estimated to grow by 7.6% in FY2025-26, with nominal GDP growth at 8.6%. The services sector remains the primary driver, expanding by 9.1%, while manufacturing and construction grew by 7.0% and agriculture by 3.1%. Domestic demand continues to anchor growth. Private consumption is projected to grow by 7.0%, accounting for 61.5% of GDP, while GFCF increased by 7.8%, with its share remaining around 30% of GDP.

Industrial Output Recovers Following February Moderation:

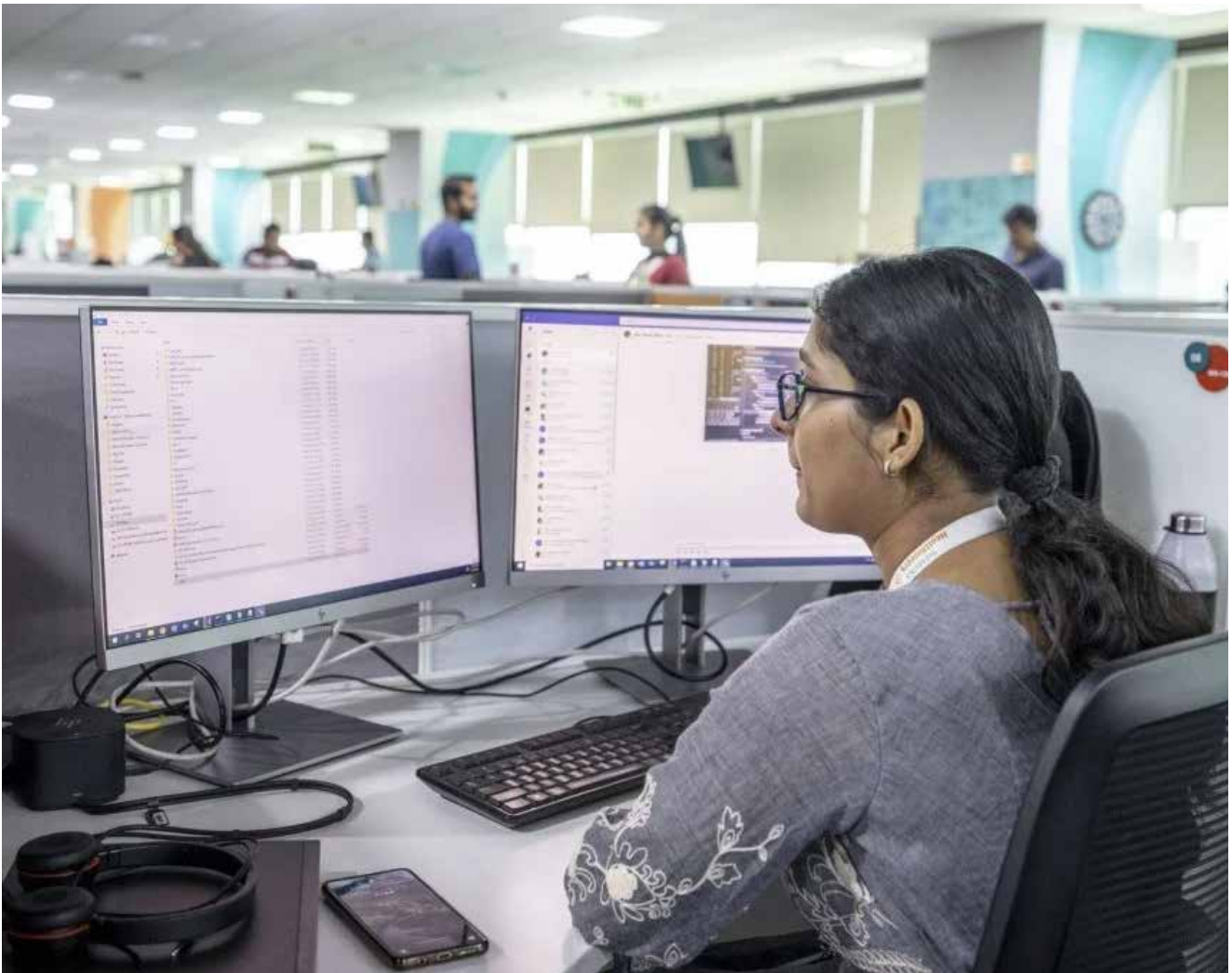
- Industrial activity strengthened in March 2026, with the Index of Industrial Production (IIP) growing 4.1% year-on-year. The index rose to 173.2 from 158.8 in February, indicating a sharp sequential recovery in output following the moderation observed in the previous month. Growth remained supported by manufacturing (4.3%) and mining (5.5%), while electricity (0.8%) showed relatively slower expansion.

Manufacturing Activity Moderates but Remains in Expansion

- The Manufacturing PMI declined to 53.9 in March 2026 from 56.9 in February, indicating a moderation in growth momentum. The slowdown reflects softer increases in new orders and output amid rising cost pressures, though the index remained above the 50 threshold, signalling continued expansion in manufacturing activity.

Services Sector Shows Continued but Slower Expansion

- The Services PMI eased to 57.5 in March 2026 from 58.1 in February, indicating a moderation in the pace of expansion. While business activity continued to grow, the increase was slower compared to previous months, reflecting softer demand conditions and higher cost pressures, even as the sector remained in expansion territory.



CHAPTER 2

INFLATION AND PRICE

INDICATOR	MARCH 2026	FEBRUARY 2026	TREND
CPI Inflation (%) ²⁹ (Base Year 2024=100) (MoM Trend)	0.25	0.11	CPI inflation increased to 0.25% in March 2026 from 0.11% in February, indicating a slight pickup in price momentum, though overall inflation remains moderate.
Food Inflation ³⁰ (%) (Base Year 2024=100) (MoM Trend)	0.96	-0.15	Food inflation rose to 0.96% in March 2026 from -0.15% in February, indicating a reversal from contraction to positive price growth.
Core Inflation ³¹ (%) (MoM Trend)	3.36	3.41	Core inflation eased to 3.36% in March 2026 from 3.41% in February, indicating a slight moderation in underlying price pressures, suggesting that non-food and non-fuel inflation remains contained despite broader inflationary movements.
WPI Inflation (%) ³² (Base Year 2011-12=100) (MoM Trend)	3.88	2.13	WPI inflation rose to 3.88% in March 2026 from 2.13% in February, indicating a sharper increase in wholesale price pressures.

Table 2: Key Inflation and Price Indicators

KEY HIGHLIGHTS

Retail Inflation Edges Up While Remaining Within Target Range

- Retail inflation increased to 3.40% (YoY) in March 2026, up from 3.21% in February, indicating a moderate pickup in price pressures. The revised base year continues to better reflect current consumption patterns and price structures, though it limits direct comparability with the earlier series. On a month-on-month basis, CPI inflation also showed a slight increase, suggesting some sequential firming. Despite the uptick, inflation remains within the Reserve Bank of India's tolerance band of 4% ± 2%, indicating that overall price pressures continue to be contained.

Food Inflation Picks Up with Emerging Price Pressures

- Food inflation (CFPI) rose to 3.87% (YoY) in March 2026, up from 3.47% in February, indicating a strengthening in food price momentum. The increase reflects a broad-based pickup in food prices, although some key items continue to exhibit price corrections. The movement suggests a shift from the earlier phase of subdued food inflation toward moderate price pressures, contributing to the overall rise in headline inflation.

Core Inflation Shows Marginal Moderation in Underlying Price Pressures

- Core inflation eased to 3.36% in March 2026 from 3.41% in February, indicating a slight moderation in underlying price pressures. The movement suggests that inflation excluding food and fuel remains broadly stable, with limited pass-through from recent increases in food and wholesale prices. Overall, core inflation continues to remain contained, pointing to stable demand conditions and anchored inflation expectations.

Wholesale Price Inflation Accelerates on Rising Input Costs

- Wholesale price inflation increased to 3.88% (YoY) in March 2026 from 2.13% in February, indicating a sharp acceleration in producer-level price pressures, driven primarily by higher prices of crude petroleum, natural gas, manufactured products, and basic metals.



CHAPTER 3

TRADE AND EXTERNAL SECTOR³³

INDICATOR	MARCH 2026	MARCH 2025	YEAR ON YEAR (Y-O-Y) TREND
Exports (\$ bn)	74.11	77.67	Exports declined to \$ 74.11 billion in March 2026 from \$ 77.67 billion in March 2025, indicating a moderation in external demand conditions, likely reflecting softer global trade momentum.
Imports (\$ bn)	76.55	81.22	Imports decreased to \$ 76.55 billion in March 2026 from \$ 81.22 billion in March 2025, indicating a contraction in import demand, possibly due to lower commodity prices and some moderation in domestic demand.
Trade Deficit (\$ bn)	2.44	3.55	The trade deficit narrowed to \$ 2.44 billion in March 2026 from \$ 3.55 billion in March 2025, indicating an improvement in the trade balance, driven primarily by a sharper decline in imports relative to exports.
Exchange Rate ³⁴ (\$ 1 to ₹)	₹ 94.85 (As on 1st April 2026)	₹ 84.60 (As on 1st April 2025)	The exchange rate depreciated from ₹ 84.60 per dollar to ₹ 94.85 per dollar, marking a YoY depreciation of around 12.1% in the Indian rupee. This points to continued external sector pressures and a strong dollar environment.
Forex Reserves (\$ bn)	688.05 ³⁵	654.27 ³⁶	Forex reserves increased to \$ 688.05 billion from \$ 654.27 billion, indicating a strengthening of external sector buffers, providing greater resilience against external shocks and currency volatility.

Table 3: Key Trade Indicators

KEY HIGHLIGHTS

Exports Moderate Amid Softer Global Demand

- Total exports declined to \$ 74.11 billion in March 2026, compared to \$ 77.67 billion a year earlier, reflecting a YoY contraction of around 4.6%. The decline indicates some moderation in external demand conditions, likely influenced by evolving global trade dynamics. Despite the dip, export levels remain relatively stable, suggesting continued resilience in key sectors.

Imports Decline, Indicating Easing Demand Pressures

- Imports decreased to \$ 76.55 billion, marking a YoY decline of about 5.8% from \$ 81.22 billion in March 2025. The contraction reflects a moderation in import demand, potentially due to softer commodity prices and some easing in domestic consumption and investment-related demand.

Trade Deficit Narrows with Sharper Import Contraction

- The trade deficit narrowed to \$ 2.44 billion in March 2026, compared to \$ 3.55 billion a year earlier, indicating an improvement of around \$ 1.1 billion. The narrowing was primarily driven by a sharper decline in imports relative to exports. While the merchandise trade balance improved, services exports continue to provide structural support to the overall external balance.

Rupee Depreciation Continues Amid External Pressures

- The exchange rate moved from 84.60 per US dollar to 94.85, implying a year-on-year depreciation of around 12.1%. The movement reflects continued external pressures, including global dollar strength and trade-related demand for foreign currency, contributing to a weaker rupee.

Forex Reserves Rise, Strengthening External Stability

- Foreign exchange reserves increased to \$ 688.05 billion, up from \$ 654.27 billion, reflecting a year-on-year rise of about 5.2%. The accumulation of reserves provides a buffer against external shocks, supports exchange rate management, and enhances overall external sector stability.



CHAPTER 4

FINANCIAL HEALTH

INDICATOR	MARCH 2026	MARCH 2025	TREND
Credit Growth	16% ³⁷	11.1% ³⁸	Credit growth increased to 16% in March 2026 from 11.1% in March 2025, indicating a strengthening in lending activity and improved credit demand.
Deposit Growth	13.4 ³⁹	10.6% ⁴⁰	Deposit growth rose to 13.4% in March 2026 from 10.6% in March 2025, indicating an expansion in deposit mobilisation, supporting banking system liquidity.
10-Year G-Sec Yield ⁴¹	6.94 (As on 1st April'26)	6.35 (As on 1st April'25)	The 10-year G-Sec yield increased to 6.94% from 6.35% a year earlier, indicating a firming of yields, reflecting higher borrowing requirements and evolving interest rate conditions.
RBI Policy Stance	Neutral	Neutral	The policy stance remained unchanged at 'Neutral', indicating continuity in monetary policy positioning and a balanced approach toward inflation and growth dynamics

Table 4: Key Financial Health Indicators

KEY HIGHLIGHTS

Credit and Deposit Growth Strengthen Further

- Credit growth increased to 16% in March 2026 from 11.1% a year earlier, indicating a continued strengthening in lending activity and sustained demand for bank credit across sectors. Deposit growth also rose to 13.4% from 10.6%, reflecting improved deposit mobilisation and supportive liquidity conditions within the banking system.

Interest Rates Firm Up Amid Evolving Market Conditions

- The 10-year G-Sec yield increased to 6.94% from 6.35% a year earlier, indicating a firming in long-term borrowing costs. The rise reflects evolving interest rate expectations, higher government borrowing requirements, and broader financial market conditions.

Policy Stance Maintained

- The RBI retained its neutral policy stance, signalling continuity in its balanced approach of supporting growth while remaining attentive to inflation and financial stability risks. The unchanged stance provides stability and predictability to financial markets.

CHAPTER 5

FISCAL HEALTH

GOODS AND SERVICE TAX DATA FOR MARCH 2026⁴²

INDICATOR	MARCH 2026 (₹ CRORE)	MARCH 2025 (₹ CRORE)	YOY GROWTH (%)
Gross GST Revenue	2,00,064	1,83,845	8.8%
Gross Domestic Revenue	1,46,202	1,38,106	5.9%
Gross Import Revenue	53,861	45,739	17.8%
Total Refunds	22,074	19,400	13.8%
Net GST Revenue	1,77,990	1,64,445	8.2%

Table 5: GST Collections for March 2026

KEY HIGHLIGHTS

GST Collections Maintain Steady Growth

- Gross GST revenue for March 2026 stood at 2,00,064 crore, registering an 8.8% year-on-year increase over 1,83,845 crore in March 2025. The continued expansion indicates stable tax mobilisation and sustained formal sector activity.

Import-Linked Revenues Outpace Domestic Growth

- Gross domestic GST revenue rose to 1,46,202 crore, reflecting a 5.9% YoY increase, while gross import revenue grew at a faster pace of 17.8% to 53,861 crore. The stronger growth in import-related collections remains consistent with higher import-linked tax receipts.

Refund Outgo Remains Elevated

- Total GST refunds increased to 22,074 crore from 19,400 crore in March 2025, marking a 13.8% rise. The higher refund outgo indicates continued processing of claims, including those linked to export activity.

Net GST Revenue Records Healthy Growth

- After adjusting for refunds, net GST revenue stood at 1,77,990 crore, registering an 8.2% year-on-year increase over 1,64,445 crore. The steady rise in net collections indicates improving fiscal accruals for both the Centre and the States.

FISCAL HEALTH⁴³

INDICATOR	FY 2025 - 26	FY 2024 - 25	TREND
Effective Capital Expenditure ⁴⁴	1548282 (Budgeted Estimate)	1318320 (Revised Estimate)	Strong expansion reflects continued infrastructure push.
Fiscal Deficit as a % of GDP	4.4 ⁴⁵ (Budgeted Estimate)	4.8 ⁴⁶	Marginal improvement signals adherence to the consolidation path.
Debt to GDP ratio (%)	56.1 ⁴⁷ (Budget Estimate)	57.1 ⁴⁸	Debt-to-GDP ratio is projected to moderate to 56.1% from 57.1%, indicating gradual fiscal consolidation.

Table 6: Key Fiscal Indicators⁴⁹

KEY HIGHLIGHTS

Strong Push in Capital Expenditure

- The Government has significantly scaled up its investment-led growth strategy, with effective capital expenditure budgeted at 15.48 lakh crore in FY 2025–26, compared to 13.18 lakh crore (RE) in FY 2024–25. This sharp expansion highlights the continued emphasis on infrastructure development, asset creation, and crowding in of private investment, reinforcing medium-term growth prospects.

Adherence to Fiscal Consolidation Path

- Fiscal discipline remains intact, with the fiscal deficit as a % of GDP for FY 2025–26 marginally lower at 4.4% compared to 4.8% in FY 2024–25. The slight improvement indicates that higher capital spending is being financed through revenue gains rather than excessive borrowing, reaffirming the Government's commitment to fiscal consolidation while supporting growth.

Gradual Improvement in Debt Sustainability

- The marginal decline in the debt-to-GDP ratio reflects continued adherence to the fiscal consolidation path, supported by stable revenue growth and calibrated borrowing.



CHAPTER 6

MONETARY HEALTH⁵⁰

INDICATOR	CURRENT RATE (AS OF MARCH 2026)	PREVIOUS RATE (AS OF MARCH 2025)	TREND
Policy Repo Rate	5.25%	5.25%	Unchanged, indicating policy continuity and stable monetary conditions.
Standing Deposit Facility (SDF) Rate	5.00%	5.00%	Unchanged, reflecting a stable liquidity absorption framework.
Marginal Standing Facility (MSF) Rate	5.5%	5.5%	Unchanged, signalling no adjustment in the upper bound of the policy corridor.

Table 7: Key Monetary Policy Rates

KEY HIGHLIGHTS

Repo Rate Held Steady

- The Reserve Bank of India kept the policy repo rate unchanged at 5.25% in March 2026, following the rate cut implemented in the previous month. The pause signals a wait-and-watch approach as the Monetary Policy Committee assesses evolving growth and inflation conditions while maintaining supportive monetary settings.

Corridor Rates Maintained

- The Standing Deposit Facility (SDF) rate remained at 5.00% and the Marginal Standing Facility (MSF) rate at 5.50%, preserving the symmetric corridor of -25 bps and +25 bps around the repo rate. The unchanged corridor structure indicates continuity in liquidity management and policy transmission.



CHAPTER 7

LABOUR AND EMPLOYMENT⁵¹

INDICATOR	MARCH 2026	FEBRUARY 2025	TREND
Labour Force Participation Rate	55.4%	55.9%	Marginal decline, indicating slightly lower labour force engagement.
Worker Population Ratio (WPR)	52.6%	53.2%	Moderated slightly, reflecting a small dip in employment participation.
Unemployment Rate	5.1%	4.9%	Increased modestly, suggesting a mild uptick in joblessness.

Table 8: Key Labour and Employment Indicators

KEY HIGHLIGHTS

Labour Force Participation Shows Mild Moderation

- The Labour Force Participation Rate (LFPR) stood at 55.4% in March 2026, slightly lower than 55.9% in February, indicating a marginal moderation in participation levels. The decline was primarily driven by rural areas, where LFPR eased to 58.0% from 58.7%, while urban LFPR remained broadly stable at 50.3%. Female LFPR declined to 34.4% from 35.3%, reflecting a modest reduction in participation, particularly in rural areas.

Workforce Participation Eases Slightly

- The Worker Population Ratio (WPR) stood at 52.6% in March 2026, compared to 53.2% in February, indicating a slight decline in employment levels. Rural WPR moderated to 55.5% from 56.3%, while urban WPR remained largely stable at 46.8%, suggesting that the overall easing was concentrated in rural employment conditions.

Unemployment Edges Up with Urban Increase

- The Unemployment Rate (UR) increased to 5.1% in March 2026 from 4.9% in February, indicating a modest rise in joblessness. The increase was primarily driven by urban areas, where UR rose from 6.6% to 6.8%, while rural female unemployment remained broadly stable. Overall, the movement suggests slight softening in labour market conditions, with urban segments contributing to the increase.



ANNEXURE II

SECTORAL UPDATES IN DETAIL

CHAPTER 1

AGRICULTURE AND ALLIED SECTORS

INDICATOR	LATEST PERIOD VALUE	PREVIOUS PERIOD VALUE	GROWTH (%)
Net Sown Area Summer Season (Lakh Hectare) ⁵²	42.68 (2026)	43.69 (2025)	-2.3

Table 9: Performance Indicators - Agriculture and Allied Sectors

KEY HIGHLIGHTS

Summer Cropped Area Shows Marginal Moderation with Mixed Crop Trends

- Net sown area in the summer season stood at 42.68 lakh hectares in 2026, compared with 43.69 lakh hectares last year, indicating a slight decline. The moderation was driven by lower acreage under rice (27.86 vs 28.65 lakh hectares) and coarse cereals (6.04 vs 6.84 lakh hectares). In contrast, pulses increased to 4.09 lakh hectares from 3.47 lakh hectares, while oilseeds remained broadly stable at 4.69 lakh hectares. Overall, the data reflects mixed crop-wise trends, with gains in pulses offset by declines in other crops.



CHAPTER 2

ENERGY AND POWER

ELECTRICITY GENERATION & SUPPLY

INDICATOR	FY 2025-26	FY 2024-25	TREND
Total Installed Capacity (GW) ⁵³	533 GW (2025-26)	475 GW (2024-25)	Total installed capacity increased, indicating continued expansion in power generation infrastructure.
Electricity Generation (BU) ⁵⁴	1837	1824	Electricity generation rose marginally, suggesting stable growth in overall power output.
Peak Power Demand (MW) ⁵⁵	2,42,773 MW	2,49,856 MW	Peak power demand moderated slightly, indicating some easing in peak load requirements.
Peak Power Demand Met (MW) ⁵⁶	2,42,493 MW	2,49,854 MW	Demand met closely tracked peak demand, suggesting stable supply adequacy despite lower peak levels.

Table 10: Key Performance Indicators- Electricity Generation & Supply

KEY HIGHLIGHTS

Installed Capacity Continues to Expand

- Total installed power generation capacity increased to 533 GW from 475 GW, reflecting an addition of 58 GW (approximately 12.2%). The expansion indicates continued capacity augmentation across renewable and conventional sources, strengthening long-term supply adequacy.

Electricity Generation Shows Marginal Increase

- Electricity generation rose to 1,837 BU from 1,824 BU, indicating a modest increase of around 0.7%. The limited growth suggests that while overall power demand remains stable, the pace of expansion in generation has moderated, possibly reflecting seasonal demand patterns and efficiency gains in energy consumption. The trend indicates steady but not accelerating growth in electricity usage.

Peak Power Demand Moderates Slightly

- Peak power demand declined to 2,42,773 MW from 2,49,856 MW, registering a decrease of about 2.8%. The moderation points to a slight easing in peak load requirements, potentially influenced by milder weather conditions, improved demand-side management, and more balanced consumption patterns. This suggests that peak stress on the power system has reduced compared to the previous year.

Supply–Demand Balance Remains Stable

- Peak demand met stood at 2,42,493 MW compared to 2,49,854 MW, closely tracking peak demand levels. The narrow gap indicates continued adequacy of supply and stable grid responsiveness.

COAL⁵⁷

INDICATOR	MARCH 2026	MARCH 2025	GROWTH (%)
Coal Production (Million Tonnes)	113.67	118.52	-4.09
Coal Offtake/Dispatch (Million Tonnes)	96.78	95.38	1.47
Lignite Production (Million Tonnes)	5.27	5.18	1.87

Table 11: Key Performance Indicators - Coal

KEY HIGHLIGHTS

Coal Production Remains Elevated Despite YoY Decline

- Coal production stood at 113.67 million tonnes in March 2026, compared to a lower level in February, indicating a strong sequential increase. However, on a year-on-year basis, production recorded a decline of around 4%, reflecting moderation in growth despite high output levels. On a cumulative basis, coal production for FY 2025–26 registered a marginal contraction of around 0.5%, indicating a slowdown in annual growth.

Coal Offtake Remains Strong

- Coal offtake remained robust during March 2026, broadly in line with production levels, indicating continued supply to power plants and industrial users. The sustained dispatch levels reflect stable electricity demand and efficient logistics, supporting fuel availability across sectors.

Lignite Production Shows Strong Year-on-Year Growth

- Lignite production increased to 5.27 million tonnes in March 2026 from 5.18 million tonnes in February, indicating a modest sequential improvement in output, while remaining significantly higher than 1.87 million tonnes in March 2025, reflecting strong year-on-year growth.

Coal Supply Supports Energy Demand Despite Growth Moderation

- Overall, the coal sector in March 2026 reflects high production and steady dispatch levels, ensuring adequate fuel supply for thermal power generation. While growth has moderated on a year-on-year basis, the sector continues to support India's energy requirements effectively.

CHAPTER 3

NEW AND RENEWABLE ENERGY⁵⁸

CAPACITY TYPE	ADDED IN MARCH (IN MW)	CUMULATIVE (IN MW)
Solar Power	6656.35	150260.70
Wind Power	962.34	56094.84
Small Hydro Power & Biomass	111.86	16040.53
Waste To Energy	19.69	877.36
Sub Total Renewable Energy (Excluding Large Hydro)	7750.24	223273.43
Large Hydro	250	51414.67
Total Renewable Energy (Including Large Hydro)	8000.24	274688.10
Nuclear Power	0	8780
Total Non - Fossil Capacity	8000.24	283468.10

Table 12: Installed Capacity (As of 31st March 2026)

KEY HIGHLIGHTS

Renewable Capacity Addition Accelerates with Solar Dominance

- A total of 8,000.24 MW of renewable capacity was added in March 2026, with solar contributing 6,656.35 MW, accounting for the majority of additions. Wind power added 962.34 MW, while small hydro and biomass contributed 111.86 MW and waste-to-energy added 19.69 MW. Large hydro added 250 MW, indicating some contribution from hydro during the month. The overall pattern continues to show solar as the primary driver of capacity expansion.

Cumulative Renewable Capacity Continues to Expand

- Total renewable energy capacity (excluding large hydro) increased to 223,273.43 MW. Including large hydro, total renewable capacity reached 274,688.10 MW, reflecting sustained expansion across renewable sources. Solar remains the largest contributor at 150,260.70 MW, followed by wind at 56,094.84 MW, indicating continued concentration in these segments.

Non-Fossil Capacity Strengthens Further

- With nuclear capacity unchanged at 8,780 MW, total non-fossil capacity rose to 283,468.10 MW. The increase reflects continued additions in renewable energy, reinforcing the expansion of non-fossil capacity, while nuclear capacity remained stable during the month.

SOURCE	MARCH 2026 (MnT)	SHARE (%)	MARCH 2025 (MnT)	GROWTH (%)
Coal	118527	72.68	120374	-1.53
Lignite	2896	1.78	2886	0.35
Hydro	9973	6.12	9328	6.91
Nuclear	5109	3.13	4697	8.77
Gas, Naptha & Diesel	1571	0.96	1792	-12.33
RES (Wind, Solar, Biomass & Others)	24997	15.33	21827	14.52
Total	163073	100	160904	1.35

Table 13: Key Performance Indicators - Share of Different Energy Sources as of March 2026⁵⁹

KEY HIGHLIGHTS

Electricity Generation Shows Moderate Growth

- All-India electricity generation stood at 163,073 MnT in March 2026, registering a 1.35% year-on-year increase over 160,904 MnT in March 2025, indicating steady demand conditions.

Coal Remains the Dominant Source Despite Slight Decline

- Coal-based generation accounted for 118,527 MnT (72.68%) of total output, remaining the primary source of electricity. However, generation declined by 1.53% YoY, indicating a marginal reduction compared to last year.

Renewables Lead Incremental Growth

- Generation from renewable energy sources rose to 24,997 MnT, registering a 14.52% YoY increase, with their share rising to 15.33%, highlighting their growing role in meeting incremental demand.

Hydro and Nuclear Generation Strengthen

- Hydropower generation increased to 9,973 MnT (+6.91%), while nuclear output rose to 5,109 MnT (+8.77%), reflecting improved output and utilisation across these segments.

Gas-Based Generation Declines While Lignite Remains Stable

- Generation from gas, naphtha, and diesel declined to 1,571 MnT (-12.33%), indicating reduced utilisation, while lignite-based generation remained broadly stable at 2,896 MnT (+0.35%), with a limited share in the overall mix.

Energy Mix Reflects Gradual Diversification

- The generation pattern indicates continued dominance of coal alongside rising contributions from renewables, hydro, and nuclear power, reflecting a gradual diversification of the energy mix.

CHAPTER 4

MANUFACTURING

STEEL⁶⁰

INDICATOR	2022-23	2023-24	2024-25	2025-26 (P)
Crude Steel Production (in MnT)	127.20	144.30	152.18	168.42
Finished Steel Production (in MnT)	123.20	139.15	146.69	160.94
Finished Steel Import (in MnT)	6.02	8.32	9.55	6.52
Finished Steel Export (in MnT)	6.72	7.49	4.86	6.60
Finished Steel Consumption (in MnT)	119.89	136.29	152.13	163.74

Table 14: Key Performance Indicators - Steel

KEY HIGHLIGHTS

Steel Production Records Strong Annual Expansion

- India's steel sector recorded a notable increase in FY 2025–26, with crude steel production rising to 168.42 million tonnes, up from 152.18 million tonnes in the previous year. Finished steel production also increased to 160.94 million tonnes, indicating continued expansion in downstream output, supported by industrial and construction activity.

Domestic Consumption Remains Robust

- Finished steel consumption rose to 163.74 million tonnes, compared to 152.13 million tonnes in FY 2024–25, reflecting sustained demand across infrastructure, housing, and manufacturing sectors. The continued increase indicates stable domestic demand conditions.

Trade Balance Improves with Lower Imports and Higher Exports

- Steel trade dynamics improved during the year. Finished steel exports increased to 6.60 million tonnes from 4.86 million tonnes, while imports declined to 6.52 million tonnes from 9.55 million tonnes. This shift indicates a strengthening trade balance, with reduced import dependence and improved export performance.

Overall Sector Shows Stable Growth Momentum

- Overall, the FY 2025–26 data reflects broad-based growth in production and consumption, alongside improving trade dynamics. The trend indicates a stable expansion in the steel sector, supported by domestic demand and strengthening external positioning.

CEMENT INDEX UNDER THE INDEX OF EIGHT CORE INDUSTRIES⁶¹

INDICATOR	MARCH 2026	MARCH 2025	TREND
Growth Rates (on YoY basis)	4%	12.2%	Cement output growth moderated, indicating a slow-down in growth momentum

Table 15: Cement Index And Growth For March 2026

KEY HIGHLIGHTS

Cement Output Growth Moderates

- Cement production recorded a 4.0% year-on-year increase in March 2026, indicating continued expansion in output, though at a slower pace compared to the previous year.

Moderation Reflects Base Effects

- The lower growth relative to earlier periods reflects a high base effect, rather than a decline in underlying demand conditions.

Demand Conditions Remain Stable

- The continued increase in cement output suggests steady demand from construction and infrastructure activity, indicating stable conditions in core industrial sectors.



ANNEXURE III

GLOSSARY OF TERMS

TERM	EXPLANATION
IIP (Index of Industrial Production)	The all-India IIP is a composite indicator that measures short-term changes in the volume of production of a basket of industrial products during a given period relative to a chosen base period.
Index of Eight Core Industries (ICI)	A monthly indicator measuring output in eight key industries: coal, crude oil, natural gas, refinery products, fertilisers, steel, cement, and electricity. These sectors serve as a leading indicator of industrial activity in the economy.
Consumer Price Index (CPI)	An index that measures changes in the average price of a basket of goods and services consumed by households and is widely used to track retail inflation.
Consumer Food Price Index (CFPI)	A sub-component of the Consumer Price Index that tracks price changes specifically in food and beverage items within the consumer basket in India. It highlights trends in food inflation.
Core Inflation	A measure of inflation that excludes food and fuel components in order to capture underlying price trends by removing volatile items from the inflation basket.
Wholesale Price Index (WPI)	An index measuring changes in prices at the wholesale or producer level, reflecting price movements before goods reach the retail market.
LFPR in CWS	Labour Force Participation Rate measured under the Current Weekly Status (CWS) approach. It represents the percentage of the population that is either working or actively seeking employment during a reference week.
Rabi Season	The winter cropping season in India during which crops are typically sown between October and November after the monsoon and harvested between March and April.
PMI (Purchasing Managers' Index)	An indicator of economic activity based on monthly surveys of business executives across sectors. PMI values range from 0 to 100, where readings above 50 indicate expansion and readings below 50 indicate contraction in economic activity.
Neutral Stance of RBI	A monetary policy stance in which the Reserve Bank of India is neither inclined toward raising nor lowering policy interest rates and retains flexibility to respond to evolving inflation and growth conditions.

Table 16: Glossary of Terms

APPENDIX

1. PIB, 9 March 2026
2. PIB, 24 March 2026
3. PIB, 17 April 2026
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