NFPRC FOUNDATION
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INDIA'S GROWTH PULSE

Tracking India's Economic Momentum

CAIG CENTRE FOR ACCELERATING INDIA'S GROWTH
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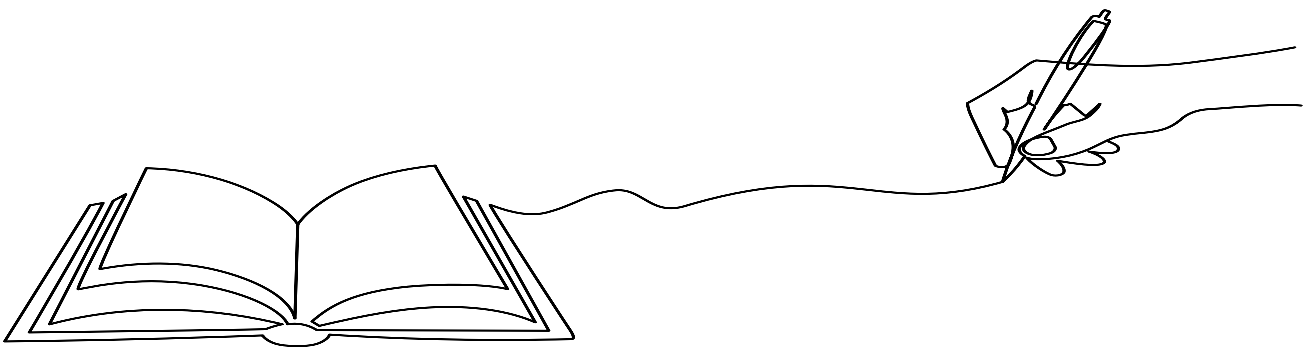

EDITOR'S NOTE

April 2026 captures an economy that is expanding with confidence, but not without pressure points. India's real GDP growth is estimated to rise to 7.7% in 2025–26, up from 7.1% in 2024–25, supported by manufacturing, construction, services, public investment, and resilient domestic demand. Industrial output expanded by 4.9% year-on-year, Manufacturing PMI improved to 54.7, Services PMI rose to 58.8, and gross GST collections reached a record ₹2.43 lakh crore, growing 8.7% year-on-year. These numbers suggest that India's growth momentum is not incidental; it is being supported by production, services activity, tax formalisation, and domestic demand moving together.

The external sector added further strength. Total exports rose by 13.6% year-on-year to US$80.80 billion, while the trade deficit narrowed to US$7.81 billion from US$11.16 billion a year earlier. Foreign exchange reserves strengthened to US$703.3 billion, providing an important buffer against global volatility. This is particularly significant at a time when geopolitical tensions in West Asia continue to affect energy markets, shipping routes, freight costs, and risk premiums. India's ability to maintain export momentum and reserve strength in such an environment points to improving external resilience.

However, resilience is not the same as insulation, and the coming months merit continued monitoring of a few external pressure points. The rupee's depreciation to ₹95.01 per US dollar can raise the cost of energy and industrial imports. Retail inflation remains contained at 3.48%, but food inflation at 4.20% and uneven commodity price movements show that price pressures can re-emerge quickly. Bond yields near 7% indicate that financing conditions remain important for both government borrowing and private investment. Labour market indicators also require attention, with unemployment at 5.2% and mild moderation in labour force participation. The next phase of this momentum offers the opportunity to deepen its employment intensity, translating output growth into broader-based economic strength.

The opportunity, therefore, lies in converting this macroeconomic momentum into strategic capacity. The approval of two new semiconductor projects worth nearly ₹3,936 crore under the India Semiconductor Mission is important in this context. With proposed capacity in Mini/Micro-LED display manufacturing and semiconductor packaging, and expected employment for around 2,230 skilled professionals, these projects represent India's effort to move from consumption scale to manufacturing depth. The real test will be timely execution, supplier ecosystem development, technology absorption, and workforce readiness.

Energy and infrastructure trends reflect a similar transition. India added 4,567 MW of renewable and non-fossil capacity in April 2026, led by 3,975 MW of solar additions, taking total non-fossil installed capacity to 288 GW. Yet coal continued to account for 70.72% of electricity generation. This underlines the need for a pragmatic transition: expanding clean energy while preserving affordability, reliability, and industrial competitiveness. Steel production at 14.09 million tonnes, finished steel consumption growth of 8.1%, and cement output growth of 9.4% also indicate continued demand from infrastructure, construction, and manufacturing.

Overall, April 2026 shows India in a position of strength, but also at a point where policy discipline matters. The task ahead is not only to sustain high growth, but to deepen manufacturing capability, protect macroeconomic stability, manage external risks, strengthen energy security, and create productive employment. India's opportunity is clear: to convert resilience into self-reliance, self-reliance into competitiveness, and competitiveness into durable national prosperity.

Manasa Sriram,
Editor, India Growth Pulse
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HIGHLIGHTS

In April 2026, India's macroeconomic indicators reflected continued resilience, supported by improving industrial activity, strengthening business sentiment, robust export growth, strong tax collections, and sustained momentum in infrastructure and manufacturing sectors. Despite ongoing global uncertainties and geopolitical tensions, the economy maintained a stable growth trajectory with broad-based support from domestic demand and external sector performance.

ECONOMIC HIGHLIGHTS

GROWTH MOMENTUM STRENGTHENS

India's GDP growth is estimated at 7.7% in 2025–26, compared to 7.1% in 2024–25, indicating stronger economic momentum. Growth was supported by continued expansion in manufacturing, construction, and services, alongside resilient domestic demand and sustained infrastructure investment.

INDUSTRIAL ACTIVITY MODERATES BUT SUSTAINS EXPANSION

Business sentiment improved during April 2026. Manufacturing PMI increased to 54.7 from 53.9, while Services PMI rose sharply to 58.8 from 57.5, reflecting stronger domestic demand, rising new business activity, and continued expansion across both sectors despite elevated input cost pressures.

INFLATION REMAINS MODERATE DESPITE FOOD PRICE PRESSURES

Retail inflation increased marginally to 3.48%, while food inflation rose to 4.20%, reflecting continued food price pressures. However, wholesale inflation moderated slightly to 3.86% and core inflation remained broadly stable, indicating that underlying inflationary pressures continue to remain contained and within manageable levels.

EXTERNAL SECTOR SHOWS STRONG IMPROVEMENT

India's external sector recorded strong performance in April 2026, with total exports rising 13.6% year-on-year to US $ 80.80 billion. Merchandise exports were supported by strong growth in petroleum products, electronics, engineering goods, and pharmaceuticals. Import growth remained lower than export growth, resulting in the trade deficit narrowing significantly to US$7.81 billion. Foreign exchange reserves increased further to US$703.3 billion, strengthening India's external resilience.

FISCAL POSITION REMAINS ROBUST

Fiscal indicators remained strong, with gross GST collections reaching a record ₹2.43 lakh crore in April 2026, registering 8.7% year-on-year growth. Net GST revenue also recorded healthy growth despite higher refund disbursements, reflecting continued economic activity and strong tax compliance.

LABOUR MARKET CONDITIONS SHOW MILD MODERATION

Labour market indicators recorded slight moderation during April 2026. Labour force participation and worker population ratios eased marginally, while unemployment increased slightly to 5.2%. Despite this moderation, overall labour market conditions remained broadly stable, with urban employment conditions showing resilience.

SECTORAL HIGHLIGHTS

AGRICULTURAL ACTIVITY EXPANDS WITH DIVERSIFIED CROPPING PATTERNS

Summer sowing activity increased to 81.60 lakh hectares compared to 79.00 lakh hectares a year earlier. Growth was driven by higher acreage under pulses, oilseeds, and coarse cereals, while rice acreage moderated, indicating continued diversification in cropping patterns.

COAL PRODUCTION MODERATES AFTER STRONG MARCH PERFORMANCE

Coal production stood at 74.31 million tonnes in April 2026, reflecting moderation following elevated year-end output levels in March. Despite lower production, coal dispatch remained broadly stable, ensuring continued fuel availability and supporting energy security.

ELECTRICITY GENERATION STRENGTHENS WITH GROWING RENEWABLE SHARE

Total electricity generation increased by 5.3% year-on-year to 167,612 MU. Coal remained the dominant source of generation, while renewable energy recorded strong growth of 22.3%, increasing its share to 16.45% of total electricity generation and supporting continued diversification of the energy mix.

RENEWABLE ENERGY CAPACITY CONTINUES TO EXPAND

India added 4,567 MW of renewable and non-fossil capacity during April 2026, led by 3,975 MW of solar additions. Total renewable capacity increased to 279,255 MW, while total non-fossil capacity reached 288,035 MW, reinforcing progress toward long-term clean energy targets.

STEEL SECTOR MAINTAINS GROWTH MOMENTUM

India's steel sector continued to expand during April 2026, with crude steel production reaching 14.09 million tonnes and finished steel consumption increasing by 8.1% year-on-year. Higher domestic demand from infrastructure, construction, and manufacturing sectors continued to support production and capacity utilisation.

CEMENT OUTPUT GROWTH ACCELERATES

Cement production recorded a strong 9.4% year-on-year increase in April 2026, compared to 6.3% in the corresponding period last year. The acceleration reflects robust demand from infrastructure, construction, and real estate activity, indicating continued momentum in core industrial sectors.

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

BACKGROUND AND CONTEXT

The US/Israel-Iran conflict continued to influence global energy markets and international trade routes during April 2026. Concerns regarding the security of maritime shipping through the Strait of Hormuz, elevated freight costs, and higher war-risk insurance premiums persisted during the month. The conflict continued to create uncertainty across global energy supply chains and trade networks, particularly for economies dependent on imported energy resources and Gulf-region trade.

IMPACT ON KEY DOMESTIC INDICATORS

Despite the continuation of geopolitical tensions, India's economic indicators in April 2026 reflected a notable degree of resilience. While the rupee remained under pressure, depreciating to ₹ 95.01 per US dollar, broader macroeconomic conditions remained stable. Retail inflation increased only marginally to 3.48%, remaining comfortably within the Reserve Bank of India's tolerance band, while wholesale inflation moderated slightly to 3.86%, indicating that external cost pressures had not translated into broad-based inflationary instability.

India's external sector performed strongly during the month. Total exports increased by 13.6% year-on-year to US $ 80.80 billion, supported by robust growth in petroleum products, electronics, engineering goods, and pharmaceutical exports. Import growth remained lower than export growth, resulting in the trade deficit narrowing significantly to US $ 7.81 billion from US $ 11.16 billion a year earlier. Foreign exchange reserves strengthened further to US $ 703.3 billion, providing a substantial buffer against global financial and commodity market volatility.

Domestic economic activity also remained resilient. Gross GST collections reached a record ₹ 2.43 lakh crore, reflecting continued economic momentum and strong tax compliance. Manufacturing and services activity improved during the month, with Manufacturing PMI rising to 54.7 and Services PMI increasing to 58.8, indicating continued expansion despite ongoing global uncertainties. Industrial output also strengthened, supported by growth in manufacturing and capital goods production.

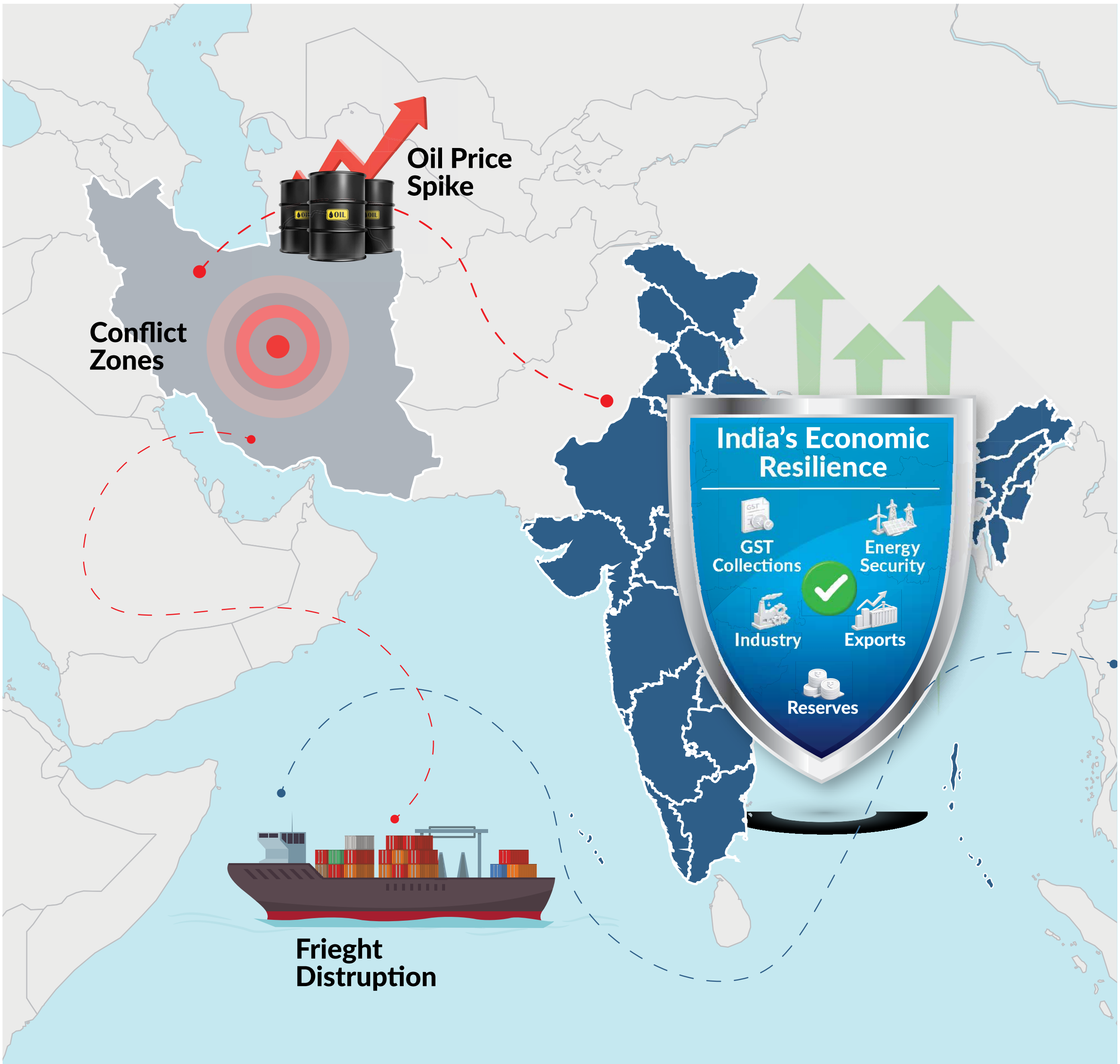
POLICY/INSTITUTIONAL RESPONSE

A. To strengthen long-term energy security and reduce vulnerability to external supply disruptions, the Union Cabinet approved a ₹ 37,500 crore Scheme for Promotion of Surface Coal/Lignite Gasification Projects. The scheme aims to reduce dependence on imports of LNG, ammonia, methanol, urea, and other critical industrial inputs by promoting domestic production, while also supporting the broader objective of energy self-reliance.[1]

B. The Government also introduced stricter monitoring of gold imports under the Advance Authorisation Scheme, including enhanced compliance requirements, physical verification of manufacturing facilities, and tighter tracking of import-export obligations. These measures are intended to strengthen transparency in import management, support export-linked manufacturing, and enhance external sector stability during a period of elevated global uncertainty.[2]

CONCLUDING NOTE

The developments during April 2026 illustrate the continued impact of geopolitical tensions in West Asia on global energy markets and trade routes. While external uncertainties persisted through higher freight costs, exchange rate pressures, and supply-chain risks, India's key macroeconomic indicators remained resilient. Strong export growth, robust GST collections, expanding industrial activity, improving business sentiment, and rising foreign exchange reserves suggest that the domestic economy was able to absorb external shocks without significant disruption. Concurrent policy measures aimed at strengthening energy security, reducing import dependence, and enhancing trade oversight further indicate a proactive institutional response focused on preserving economic stability and improving resilience against future external disruptions.




INDIA
SEMICONDUCTOR
MISSION

POLICY SPOTLIGHT

Semiconductor Manufacturing Expansion: Cabinet Approves Two New Projects under India Semiconductor Mission[3]

By: Ashish

What the scheme is about

The Union Cabinet approved two new semiconductor manufacturing projects under the India Semiconductor Mission (ISM) in May 2026, with a cumulative investment of approximately ₹ 3,936 crore. The approved projects include India's first commercial Mini/Micro-LED display manufacturing facility based on Gallium Nitride (GaN) technology and a semiconductor packaging facility. Both projects will be established in Gujarat and are expected to generate employment for around 2,230 skilled professionals.

Why It Matters

Semiconductors are critical inputs for electronics, telecommunications, automotive systems, industrial automation, and emerging digital technologies. India's dependence on imported semiconductor components has long been identified as a strategic vulnerability. The latest approvals strengthen domestic manufacturing capabilities, support technological self-reliance, and contribute to building a comprehensive semiconductor ecosystem spanning design, fabrication, assembly, testing, and packaging.

Key Features

The first project, led by Crystal Matrix Limited (CML) in Dholera, Gujarat, will establish an integrated compound semiconductor fabrication and ATMP facility focused on Mini/Micro-LED display manufacturing. The facility will also provide GaN foundry services and is expected to produce 72,000 square metres of Mini/Micro-LED display panels annually along with 24,000 sets of RGB GaN epitaxy wafers. The products will serve applications across televisions, commercial displays, smartphones, tablets, automotive displays, smart watches, and extended reality (XR) devices.

The second project, promoted by Suchi Semicon Private Limited (SSPL) in Surat, Gujarat, will establish an Outsourced Semiconductor Assembly and Test (OSAT) facility with an annual production capacity of over 1 billion semiconductor chips. The facility will cater to power electronics, analog integrated circuits, and industrial semiconductor applications serving automotive, industrial automation, and consumer electronics sectors.

Expected Impact

The approval of these two projects is expected to deepen India's semiconductor manufacturing ecosystem by adding capabilities in both advanced display technology and chip packaging. With a cumulative investment of around ₹ 3,936 crore, the projects will create employment for about 2,230 skilled professionals, supporting high-value jobs in fabrication, assembly, testing, and advanced electronics manufacturing.

The Crystal Matrix facility in Dholera will help India enter commercial GaN-based Mini/Micro-LED display manufacturing, with a proposed annual capacity of 72,000 square metres of display panels and 24,000 sets of RGB GaN epitaxy wafers. This can support domestic production for high-growth applications such as TVs, commercial displays, smartphones, tablets, in-car displays, XR glasses, and smart watches.

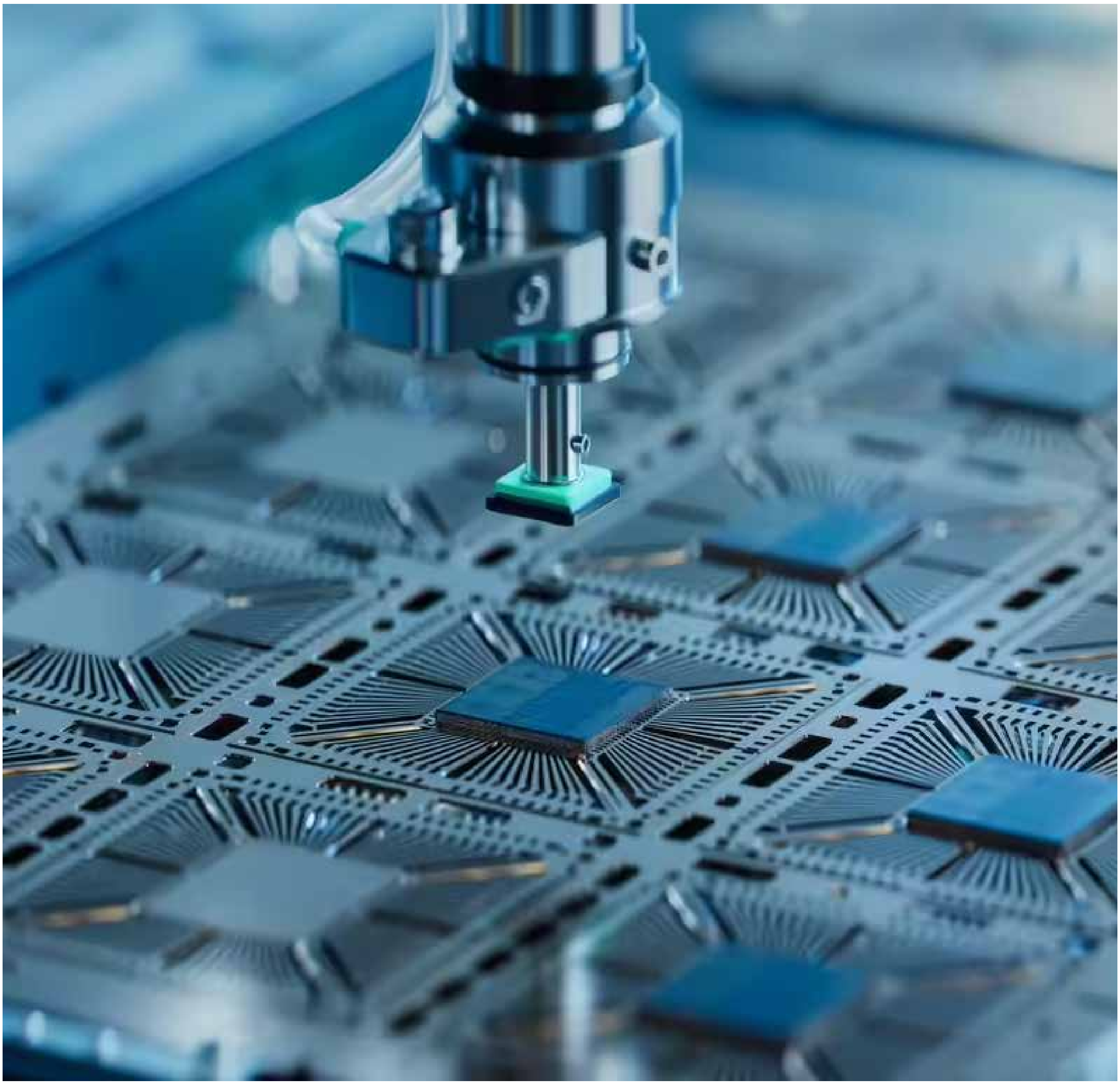
The Suchi Semicon OSAT facility in Surat will add packaging capacity of 1,033.20 million chips per year, strengthening India's ability to serve sectors such as automotive electronics, industrial automation, power electronics, analog ICs, and consumer electronics. Together, these projects will help reduce import dependence, strengthen domestic value chains, and support India's transition from chip design capability toward end-to-end semiconductor manufacturing.

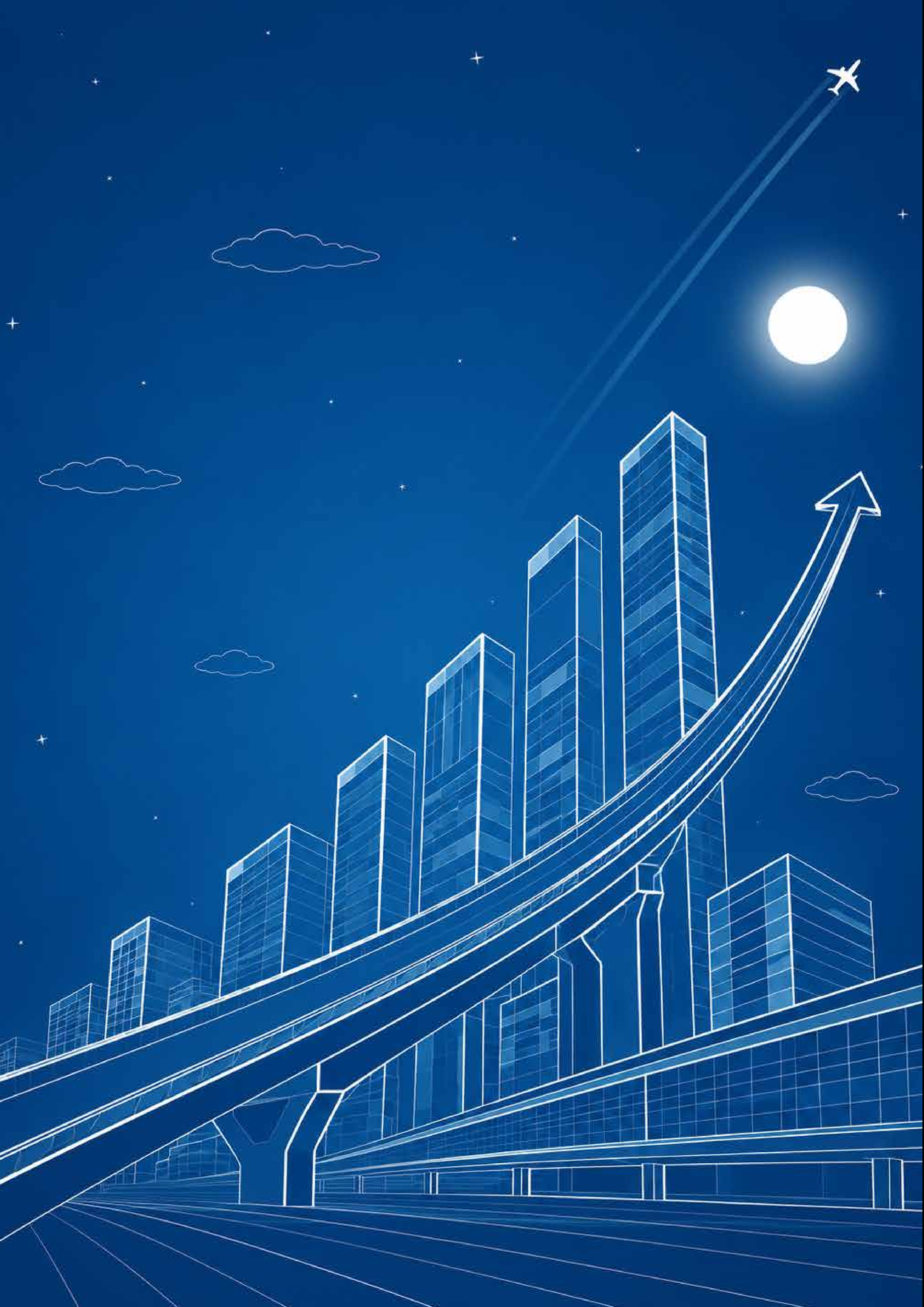
Policy Rationale

The approvals align with India's broader objective of developing a globally competitive semiconductor ecosystem under the India Semiconductor Mission. As global supply chains continue to diversify, India is positioning itself as an alternative destination for semiconductor manufacturing and advanced electronics production. The projects complement ongoing government support for semiconductor design, research, and manufacturing infrastructure while strengthening India's role in strategically important technology sectors.

Way Forward

With these approvals, the total number of projects sanctioned under the India Semiconductor Mission has reached twelve, with cumulative investments of approximately ₹1.64 lakh crore. The focus going forward will be on timely project execution, technology development, ecosystem integration, and workforce creation. Successful implementation can accelerate India's emergence as a significant player in global semiconductor manufacturing while supporting long-term growth in electronics production, innovation, and digital infrastructure.





ECONOMIC SNAPSHOT

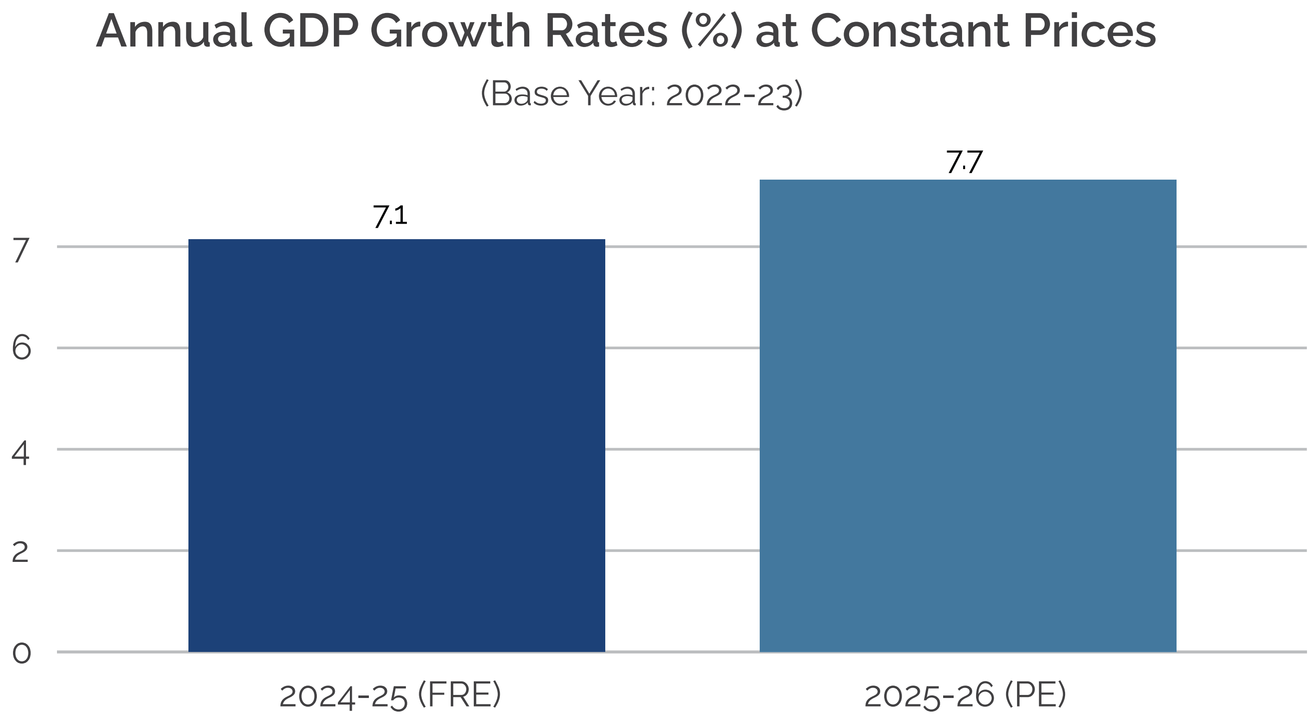
This section presents an overview of our economic performance as of April 2026, based on the latest data from the Ministry of Statistics and Programme Implementation (MoSPI), the Reserve Bank of India (RBI), the Ministry of Finance, the Ministry of Commerce and Industry, and other relevant Ministries.

(Refer To Annexure I For Detailed Analysis)

CHAPTER 1

GROWTH AND OUTPUT

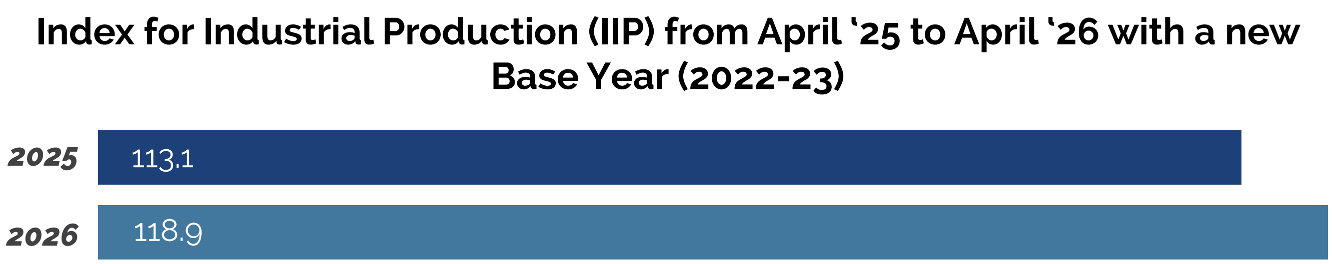
India's GDP Growth estimated to accelerate to 7.7% in 2025-26[4]



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

India's GDP growth is estimated at 7.7% in 2025–26, up from 7.1% in 2024–25, reflecting continued strength in domestic economic activity. Growth was supported by robust performance in manufacturing, construction, and services, alongside sustained public investment and resilient demand conditions. Overall, the data indicates a broad-based expansion, reinforcing India's position among the fastest-growing major economies.

Industrial Output Expands by 4.9% in April 2026



Graph 2: Index of Industrial Production (IIP) from April 2025 to April 2026[5]

India's Index of Industrial Production (IIP) increased to 118.9 in April 2026 from 113.4 in April 2025, reflecting a 4.9% year-on-year growth in industrial output. On a month-on-month basis, the index moderated from 130.1 in March 2026 to 118.9 in April 2026, reflecting seasonal normalization following the end of the financial year and a high production base in March.

Sectoral performance remained positive across most major segments. Manufacturing grew by 6.2%, electricity and gas supply by 4.9%, and water supply, sewerage and waste management by 6.6%, while mining and quarrying contracted by 5.1%. The growth pattern indicates continued strength in industrial and infrastructure-related activities despite weakness in the extractive sector.

Within manufacturing, 17 out of 23 industry groups registered positive growth during April 2026. Key contributors included manufacture of electrical equipment (19.2%), manufacture of motor vehicles, trailers and semi-trailers (12.7%), and manufacture of machinery and equipment n.e.c. (12.9%), reflecting sustained demand from industrial, infrastructure, and transportation sectors.

Use-based classification indicates that capital goods recorded strong growth of 16.0%, while infrastructure and construction goods increased by 7.1% and intermediate goods by 7.7%. Consumer durables expanded by 4.3%, whereas consumer non-durables recorded a marginal decline of 2.8%. The strong performance of capital goods and infrastructure-related categories suggests continued investment activity and capacity expansion within the economy.

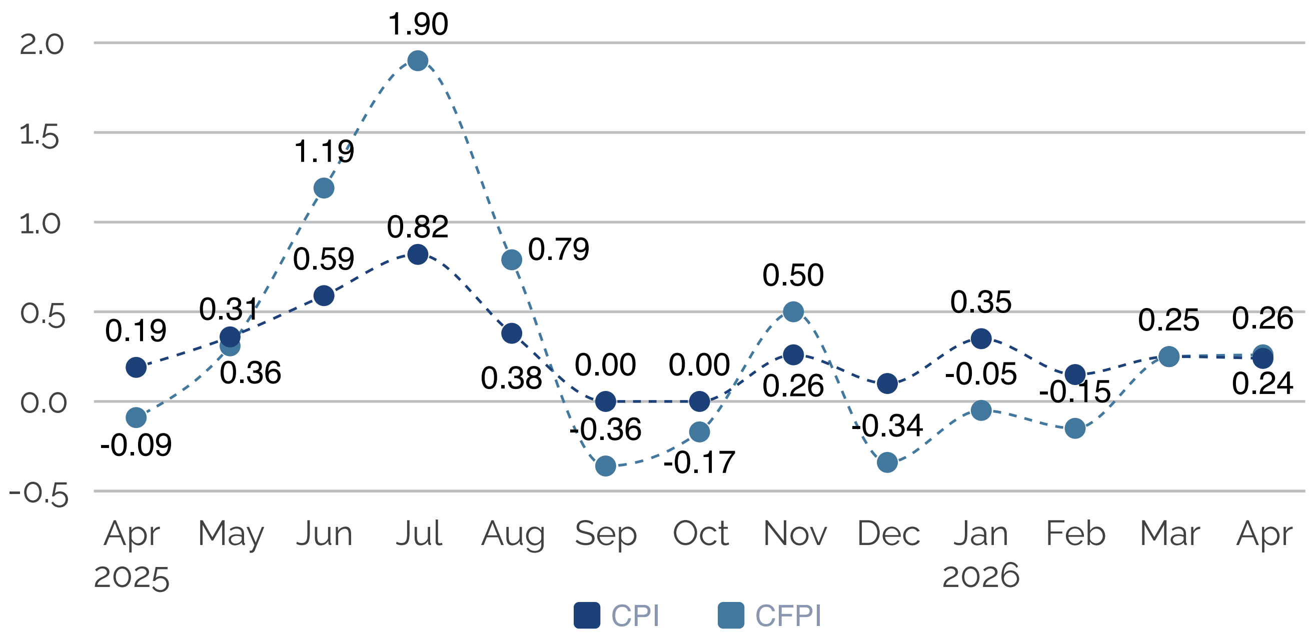
Overall, industrial output maintained a healthy growth trajectory in April 2026, supported by manufacturing, capital goods, and infrastructure-linked sectors. The data points to continued industrial expansion at the start of the new financial year, with investment-oriented segments remaining key drivers of growth.

CHAPTER 2

INFLATION AND PRICE[6]

Food and Retail Inflation Show Mild Sequential Increase in April 2026

CPI and CFPI from April 2025 to April 2026



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

1. **Retail Inflation Moderately Higher:** Headline CPI inflation increased to 3.48% year-on-year in April 2026 (provisional), up from 3.40% in March. Rural inflation remained higher at 3.74%, while urban inflation stood lower at 3.16%, indicating the continuation of rural–urban inflation divergence, though overall retail inflation remained within a moderate and manageable range.

2. **Food Inflation Accelerates:** Food inflation, measured by CFPI, increased to 4.20% year-on-year in April 2026, up from 3.87% in March, indicating a further pickup in food price pressures. Rural food inflation remained higher at 4.26%, while urban food inflation stood at 4.10%, suggesting that food inflation continued to affect rural consumption baskets slightly more strongly, even as both rural and urban areas witnessed rising food prices.

3. **Index Levels Indicate Gradual Price Build-up:** The all-India CPI index increased to 105.12 in April 2026 from 104.84 in March, while the CFPI index rose to 104.39 from 104.14, indicating a continued sequential increase in overall and food price levels during the month.

4. **Non-Food Inflation Remains Contained:** Housing inflation was recorded at 2.15% year-on-

year in April 2026, with rural housing inflation higher at 2.65% compared to urban housing inflation at 1.96%. This indicates that while food prices continued to push inflation upward, broader non-food price pressures remained moderate and largely contained.

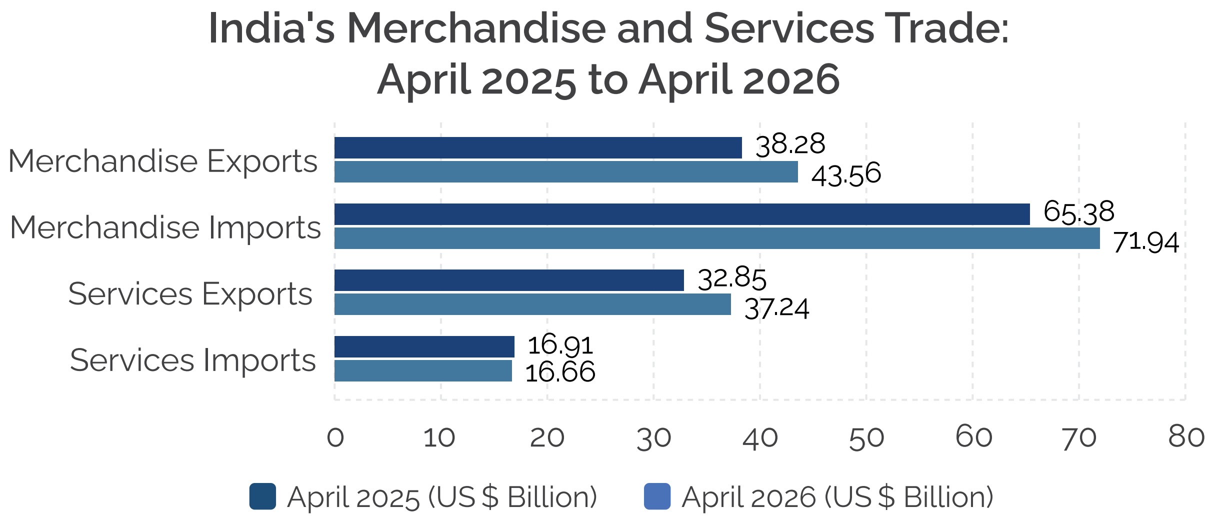
5. **Food Price Movements Show Divergence:** Significant price declines continued in key food items during April 2026, particularly in potatoes (-23.69%) and onions (-17.67%), contributing to moderation in specific components of food inflation despite the continued increase in the overall food price index. At the same time, declines were also observed in items such as peas and chickpeas (-6.75%), indicating uneven price movements across food categories.

6. **Commodity Linked Components Reflect Upward Pressure:** High inflation persisted in commodity linked items such as silver jewellery (144.34%), coconut copra (44.55%), and gold/diamond/platinum jewellery (40.72%). Tomato (35.28%) and cauliflower (25.58%) also recorded elevated inflation, showing uneven price pressures across select items.

CHAPTER 3

TRADE AND EXTERNAL SECTOR[7]

External Trade Performance Strengthened in April 2026



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

India's external trade performance strengthened in April 2026, with both exports and imports registering positive growth compared to the corresponding month of the previous year. Total exports (merchandise and services combined) increased to US $ 80.80 billion from US $ 71.13 billion in April 2025, reflecting a year-on-year growth of 13.59%. Merchandise exports stood at US $ 43.56 billion, up from US $ 38.28 billion in April 2025, registering a growth of 13.78%. The increase in exports indicates improved external demand conditions and continued momentum in key export-oriented sectors.

On the merchandise front, export growth was supported by a broad range of sectors. Non-petroleum exports increased to US$ 33.97 billion from US $ 31.16 billion, recording a growth of 9.01%, suggesting that export expansion was not solely driven by petroleum products. Key contributors to export growth included petroleum products, electronic goods, engineering goods, meat, dairy and poultry products, and drugs and pharmaceuticals. Electronic goods exports recorded particularly strong growth of 40.31%, while petroleum products exports increased by 34.66%, reflecting robust performance in both manufacturing and commodity-linked sectors.

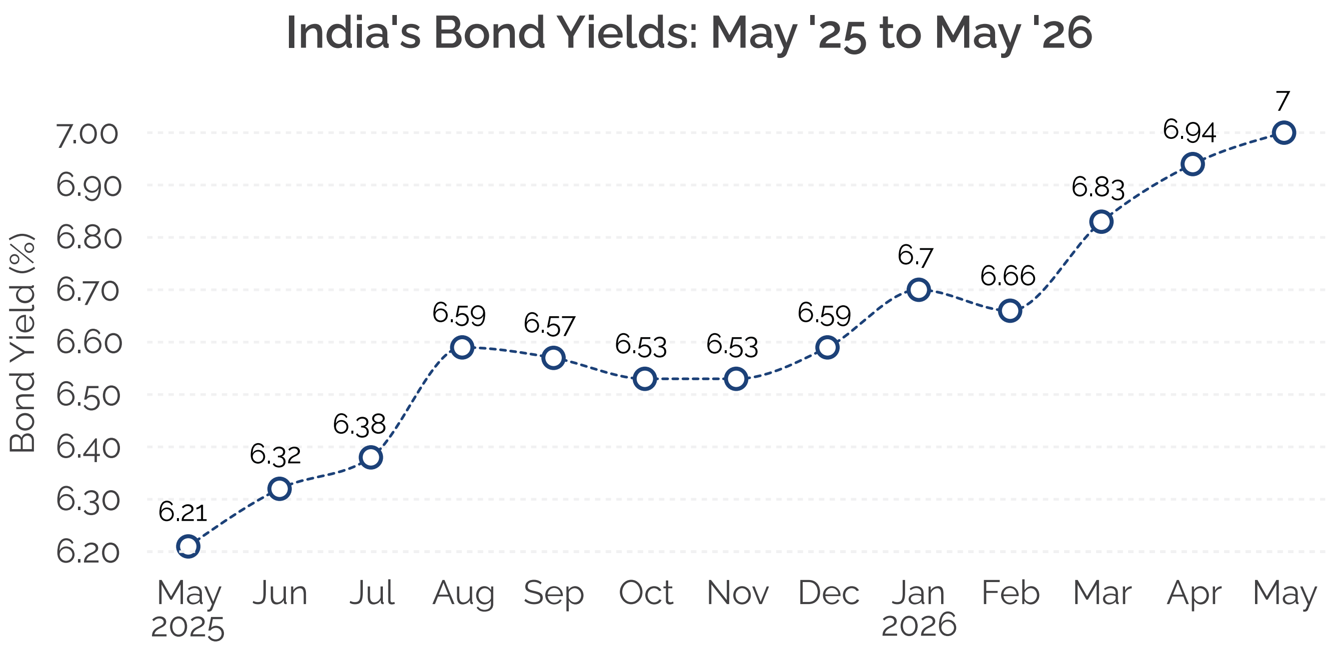
Imports also increased during the month, with total imports (merchandise and services combined) rising to US$ 88.61 billion from US$ 82.29 billion in April 2025, registering a growth of 7.67%. Despite the increase in imports, export growth outpaced import growth, contributing to an improvement in the overall trade balance compared to the corresponding period last year.

Overall, the April 2026 trade data reflects continued strength in India's external sector, supported by broad-based export growth across merchandise categories and a notable expansion in non-petroleum exports. The stronger growth in exports relative to imports indicates an improvement in external trade dynamics while maintaining momentum across key manufacturing and value-added sectors.

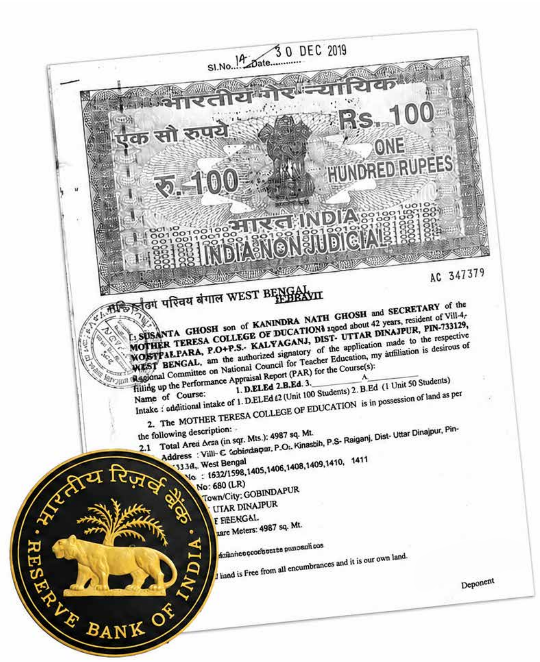
CHAPTER 4

FINANCIAL HEALTH

Bond Yields Firm Up in May 2026[8]



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

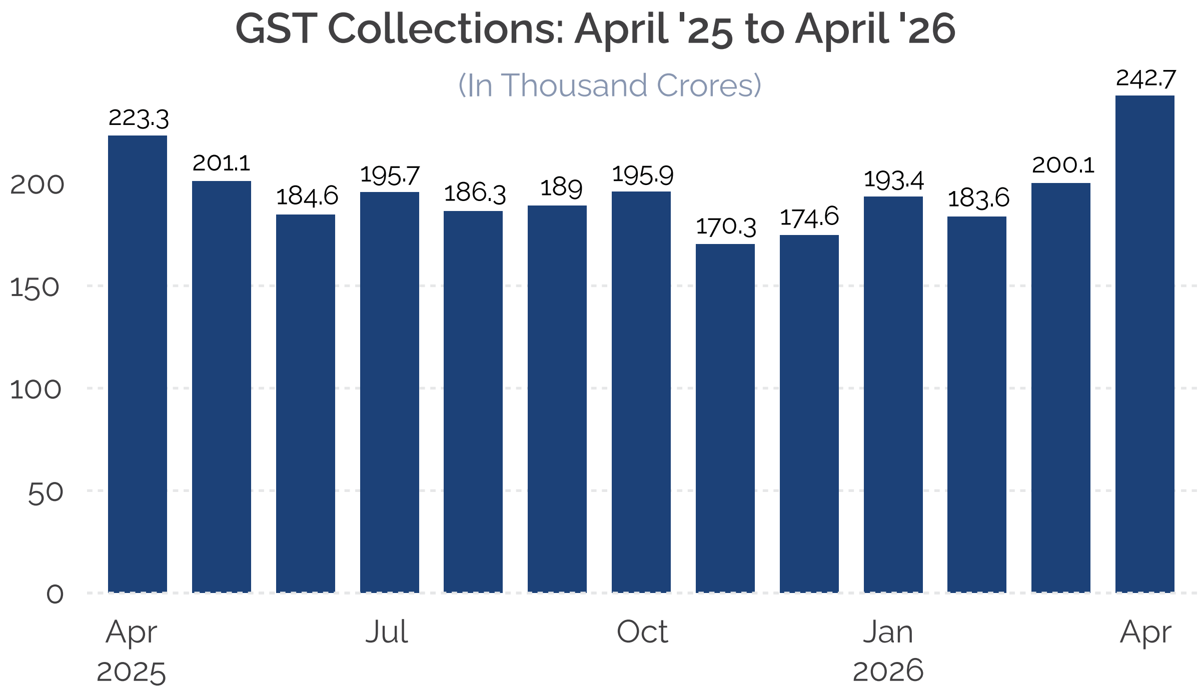


Government bond yields in India remained elevated in May 2026, with the benchmark 10-year government bond yield standing at around 7.00%, slightly higher than 6.94% in April . The marginal firming suggests a modest increase in market yields, reflecting prevailing expectations around government borrowing requirements, liquidity conditions, and broader macroeconomic developments. Overall, the movement indicates stable bond market conditions, with investors continuing to assess evolving fiscal and monetary trends.

CHAPTER 5

FISCAL HEALTH[9]

GST Collections Rise in April 2026 Amid Year-End Adjustments



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

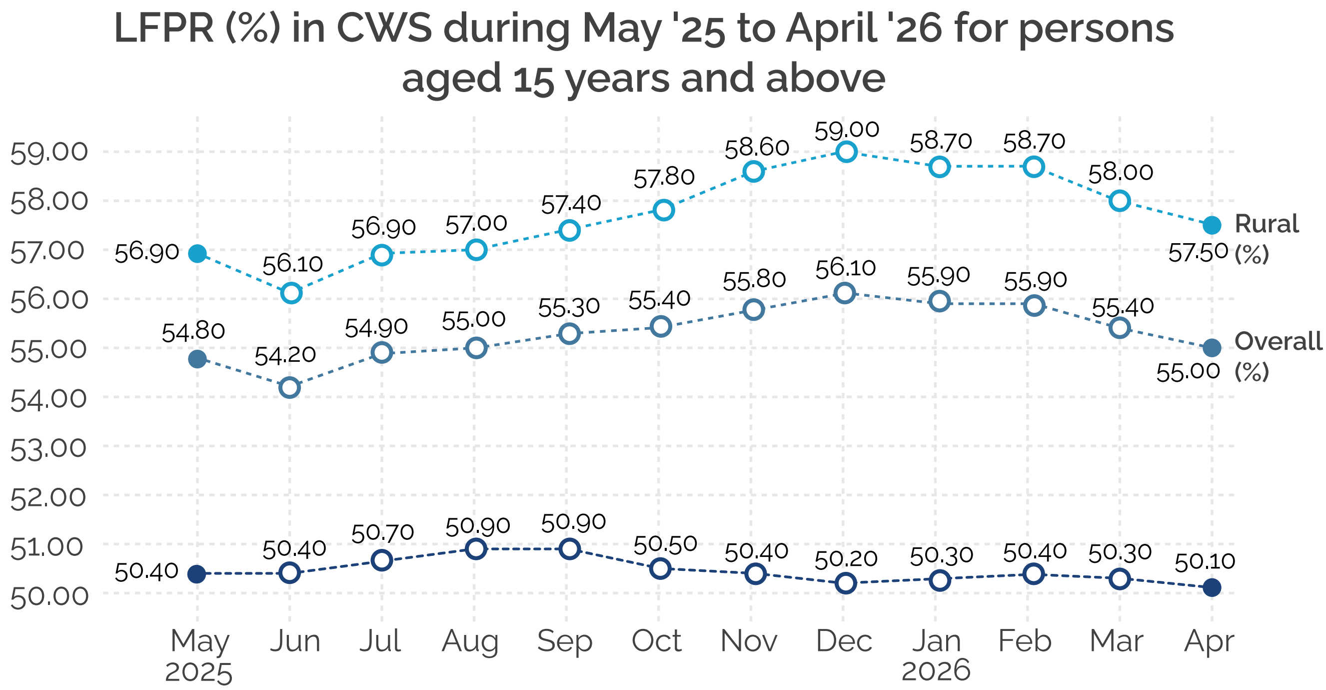
Gross GST collections for April 2026 stood at ₹242.7 thousand crore, rising from ₹200.1 thousand crore in March 2026 and ₹223.3 thousand crore in April 2025, registering around 8.7% year-on-year growth. After accounting for refunds, net GST revenue stood at around ₹210.9 thousand crore, indicating continued strength in overall tax collections despite higher refund disbursements.

The sharp month-on-month increase reflects the typical beginning-of-financial-year surge in tax collections and continued compliance momentum. Import-linked GST revenues recorded significantly stronger growth than domestic revenues, contributing substantially to the overall increase in collections. Overall, GST collections remained robust, indicating sustained revenue buoyancy supported by both domestic economic activity and trade-related tax receipts.

CHAPTER 6

LABOUR AND EMPLOYMENT[10]

Labour Indicators Show Mild Moderation in April 2026



Graph 7: Monthly Labour Force Participation Rate till April 2026

Labour market conditions in April 2026 indicate a slight moderation in participation and employment indicators. The Labour Force Participation Rate (LFPR) for persons aged 15 years and above stood at 55.0%, compared to 55.4% in March 2026.

At the disaggregated level, rural LFPR declined to 57.5% from 58.0% in the previous month, while urban LFPR eased marginally to 50.1% from 50.3%, indicating a broad softening in participation across both rural and urban areas.

The Worker Population Ratio (WPR) also showed a similar pattern. Overall WPR stood at 52.2% in April 2026, compared to 52.6% in March. Rural WPR declined to 54.9% from 55.5%, while urban WPR remained unchanged at 46.8%, indicating continued stability in urban employment conditions.

The moderation in participation and employment indicators may reflect normal month-to-month adjustments following relatively stronger labour market conditions observed earlier. While rural indicators softened modestly, urban labour market conditions remained broadly stable, suggesting continued resilience in non-agricultural employment. Overall, the data points to a phase of mild moderation rather than a significant shift in labour market conditions.

Additionally, the unemployment rate remained broadly stable at 5.2% in April 2026, compared to 5.1% in March. Urban unemployment eased marginally to 6.6% from 6.8%, while rural unemployment increased slightly to 4.6% from 4.3%, indicating broadly balanced labour market conditions during the month.

SECTORAL SNAPSHOT

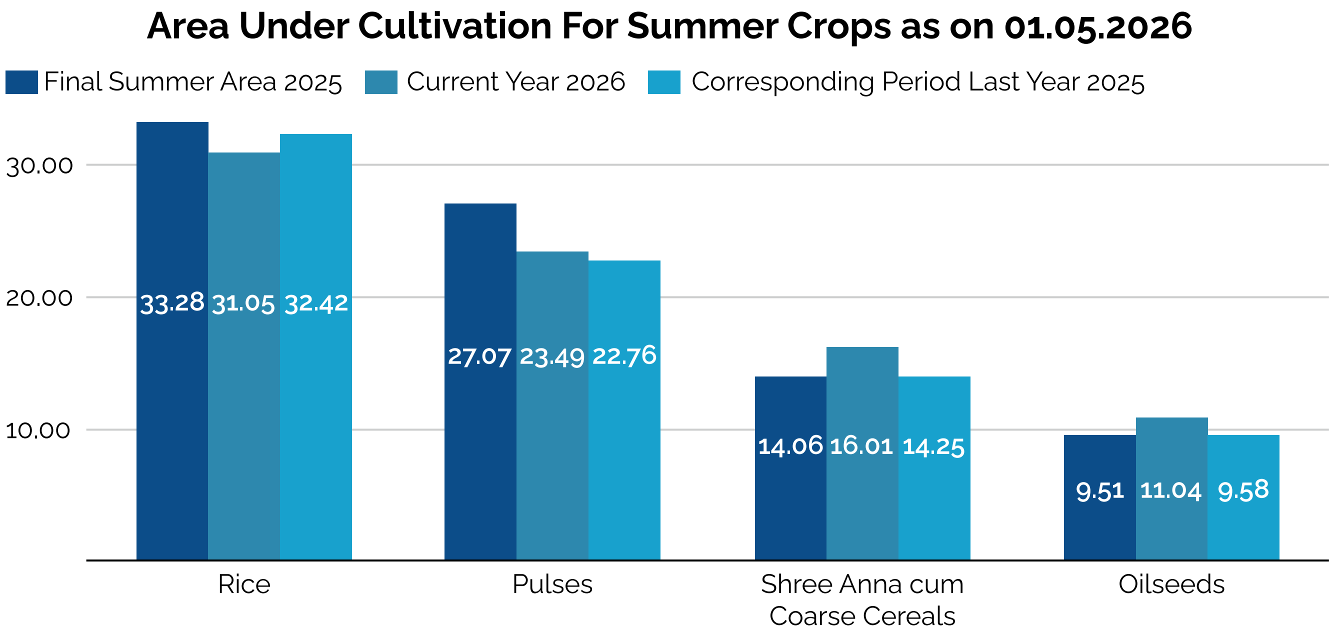
This section presents an overview of India's performance in key sectors as of April 2026, based on the latest data from the Ministry of Commerce and Industries, the Ministry of Health, the Ministry of Road, Transport, and Highways, and the Ministry of New and Renewable Energy.

(Refer to Annexure II for Detailed Analysis)

CHAPTER 7

AGRICULTURE

Summer Sowing Shows Mixed Trends Across Crop Categories[11]



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

Cropping activity during the current summer season indicates an expansion in cultivated area across major crop categories. Total sown area stood at 81.60 lakh hectares, compared to 79.00 lakh hectares during the corresponding period last year, reflecting an increase of 2.60 lakh hectares.

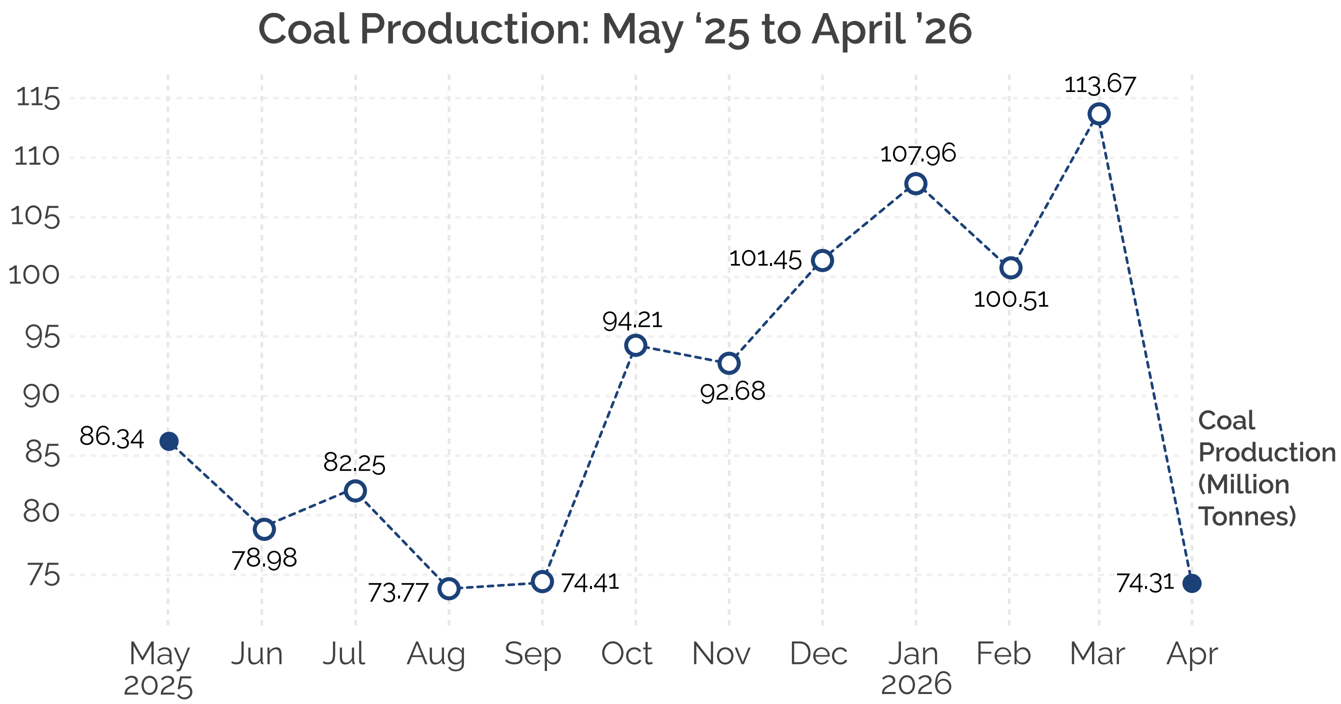
At the crop level, pulses recorded an increase in acreage, with sown area rising to 23.49 lakh hectares from 22.76 lakh hectares in the previous year, supported primarily by higher cultivation of black gram. Shree Anna cum coarse cereals also registered a notable increase, with area expanding to 16.01 lakh hectares from 14.25 lakh hectares, driven largely by higher maize cultivation. Oilseeds showed a similar upward trend, with acreage increasing to 11.04 lakh hectares from 9.58 lakh hectares, supported by higher groundnut cultivation. In contrast, rice acreage declined to 31.05 lakh hectares from 32.42 lakh hectares, indicating lower sowing compared to the corresponding period last year.

Overall, the sowing pattern reflects a broad expansion in summer cropping activity, with increases in pulses, coarse cereals, and oilseeds more than offsetting the moderation in rice acreage. The data indicates a positive increase in cultivated area, driven by diversified growth across multiple crop categories.

CHAPTER 8

COAL

Coal Production decreases to 74.31 MnT in April 2026 Amid Underlying YoY Contraction[12]

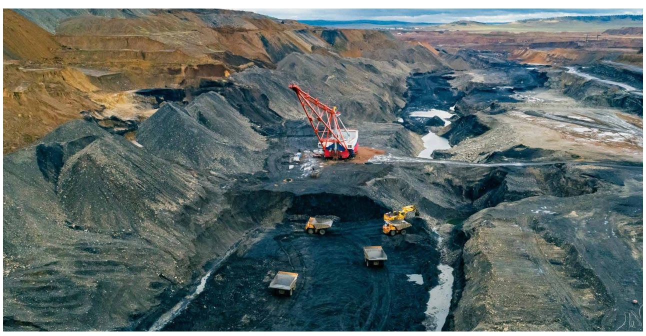


Graph 9: Coal Production From May 2025 to April 2026

Coal production stood at 74.31 million tonnes (MnT) in April 2026, down from 113.67 MnT in March 2026, indicating a moderation following the strong year-end production surge recorded in the previous month. The decline reflects the transition into the new financial year after the elevated output levels typically associated with March-end production targets and dispatch requirements.

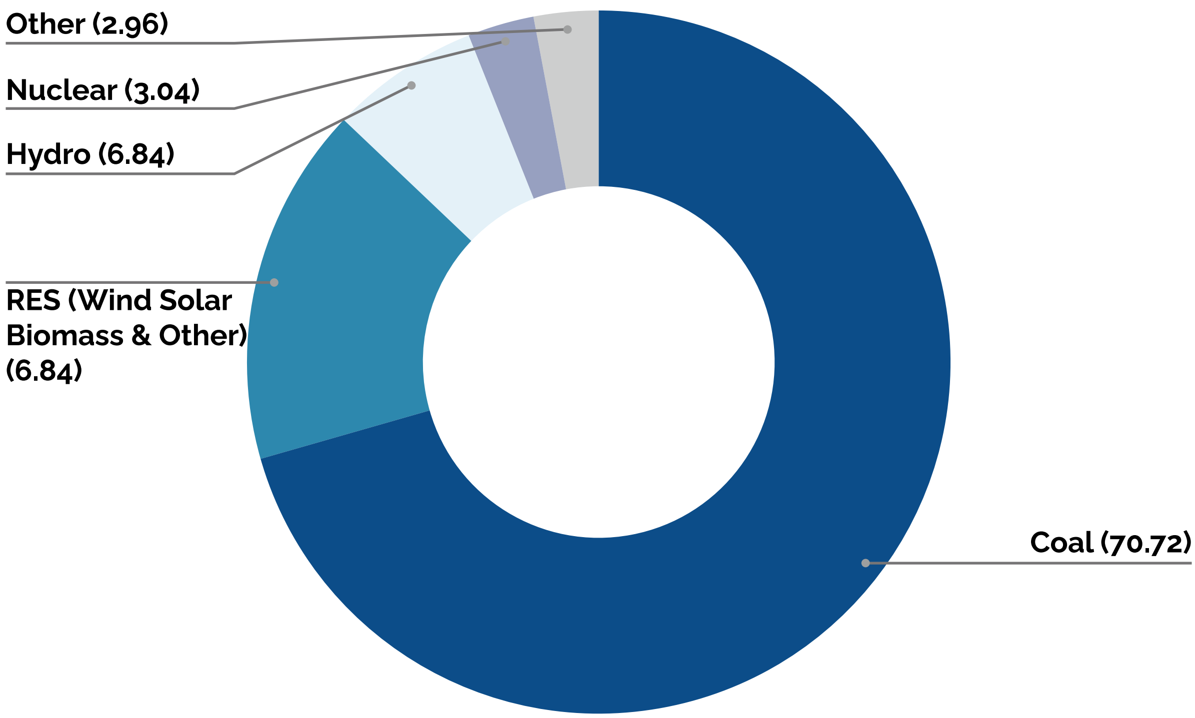
At the aggregate level, coal production registered a 9.0% year-on-year decline, falling from 81.66 MnT in April 2025 to 74.31 MnT in April 2026. The moderation was driven by lower production across several major producers, including Coal India and a number of its subsidiaries. While some entities such as SECL and CCL recorded positive growth, these gains were insufficient to offset broader declines across the sector.

Overall, the data reflects a moderation in production following the exceptionally strong March performance, while highlighting mixed production trends across major coal-producing entities.



Coal Continues to Dominate India's Power Mix with 70.72 % Share in April 2026[13]

Power Generation during April '26



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

Coal remained the dominant source of electricity generation in April 2026, accounting for 118,529 MU, or 70.72% of total power generation. While coal continued to provide the bulk of electricity supply, its share was marginally lower than in the previous month, reflecting a modest diversification in the generation mix.

Renewable Energy Sources (RES), including wind, solar and biomass, contributed 27,579 MU, accounting for 16.45% of total generation, up from 15.33% in March. Hydro and nuclear power contributed 11,459 MU (6.84%) and 5,092 MU (3.04%), respectively, while generation from gas, naphtha and diesel stood at 2,144 MU (1.28%). Lignite contributed 2,809 MU, accounting for 1.68% of total generation.

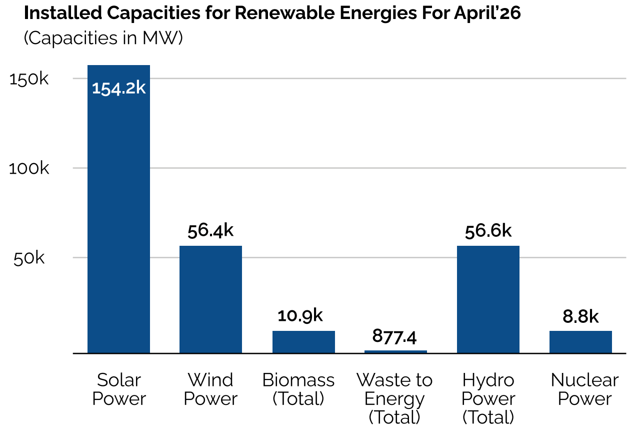
On a month-on-month basis, total power generation increased to 167,612 MU from 163,073 MU in March 2026, reflecting a moderate rise in electricity demand. Renewable generation recorded stronger growth than coal-based generation during the month, contributing to a gradual increase in the share of non-fossil fuel sources in the overall energy mix.

Overall, the power generation mix continues to reflect a strong reliance on coal alongside a gradual expansion in renewable energy sources, indicating continued diversification of India's electricity generation portfolio while maintaining supply stability.

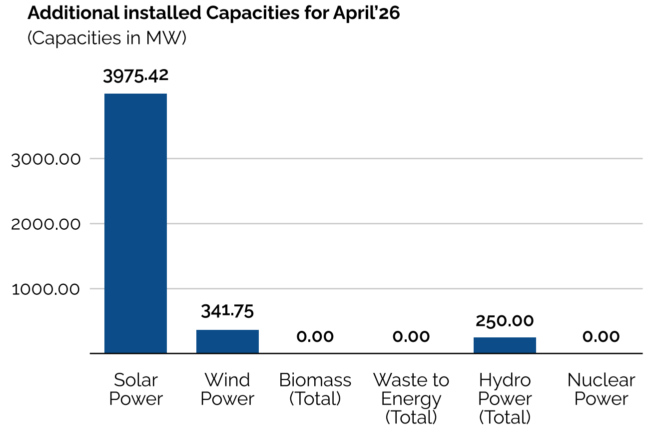
CHAPTER 10

RENEWABLE ENERGY[14]

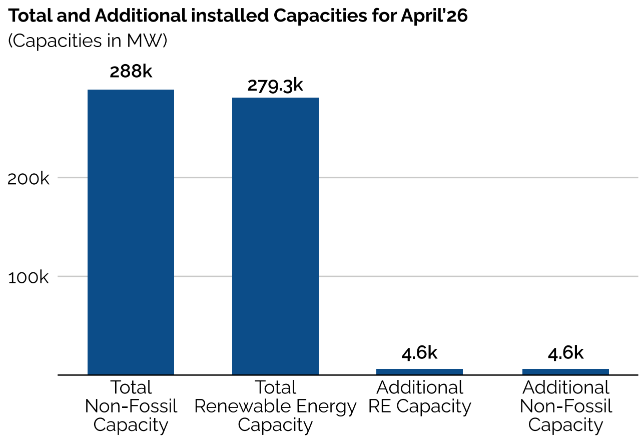
Solar-Led Expansion Drives 4,567 MW Renewable Capacity Addition in April 2026



Graph 11: Installed Capacities as of April 2026



Graph 12: Renewable Capacity Additions During April 2026



Graph 13: Total and Additional Installed Capacities for April '26

India's non-fossil fuel installed capacity continued to expand in April 2026, reaching 288,035 MW, including renewable energy and nuclear power. Renewable energy capacity (including large hydro) stood at 279,255 MW, reflecting continued growth across major clean energy sources.

Solar power remained the largest contributor, with cumulative installed capacity reaching 154,236 MW, followed by hydro (56,586 MW) and wind (56,437 MW). Biomass and waste-to-energy sources together accounted for a smaller share of total installed capacity, while nuclear capacity remained unchanged at 8,780 MW.

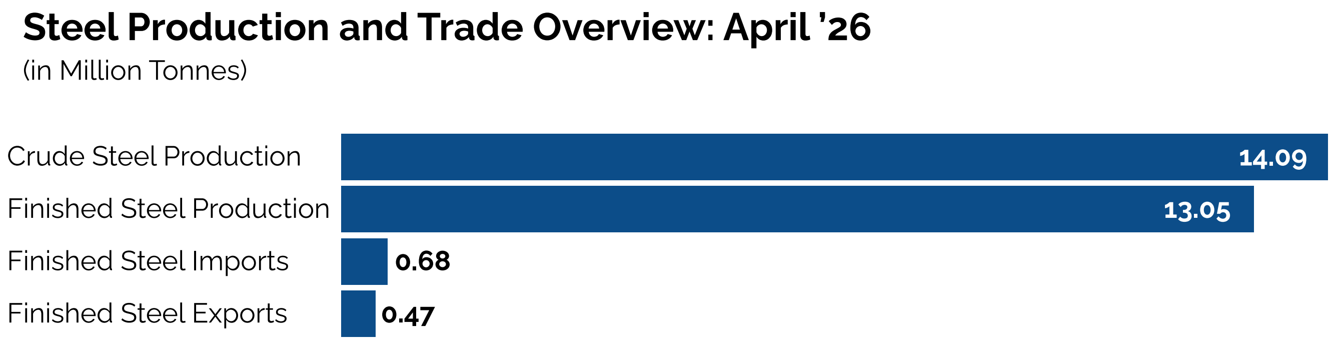
During April 2026, India added 4,567 MW of renewable and non-fossil capacity. The expansion was driven primarily by solar capacity additions of 3,975 MW, alongside wind additions of 342 MW and hydro additions of 250 MW. No significant additions were recorded in biomass, waste-to-energy, or nuclear power during the month.

Overall, the data indicates continued growth in India's renewable energy capacity, led by solar power, with incremental additions across other sources contributing to the expansion of the non-fossil energy mix. While capacity additions were lower than the previous month, the overall installed base continued to strengthen, supporting the country's long-term clean energy transition objectives.

CHAPTER 11

MANUFACTURING[15]

Steel Production Expands in April 2026



Graph 14: Steel Trade in April 2026

India's steel sector continued to record growth in April 2026, with crude steel production reaching 14.09 million tonnes (MnT), representing a 5.8% increase over the corresponding period last year. Finished steel production stood at 13.05 MnT, registering a 3.4% year-on-year increase, while finished steel consumption rose to 12.99 MnT, reflecting a stronger 8.1% growth and indicating continued demand from end-use sectors.

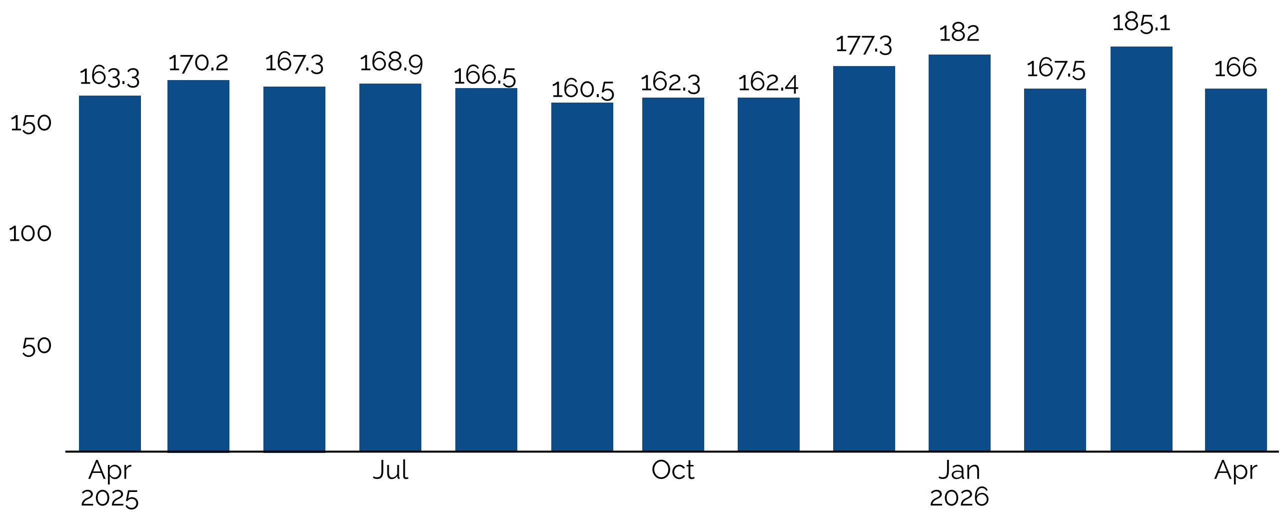
Trade activity remained broadly balanced during the month. Finished steel exports stood at 0.47 MnT, compared to 0.38 MnT in April 2025, registering a 25% increase. At the same time, finished steel imports rose to 0.68 MnT from 0.52 MnT, reflecting a 31% increase over the previous year. The increase in both exports and imports points to higher trade activity during the month, with imports exceeding exports by a modest margin.

Overall, the data indicates continued expansion in domestic steel production and consumption alongside increased trade flows. The stronger growth in steel consumption compared to production suggests sustained domestic demand, while higher export levels indicate continued participation of Indian steel producers in international markets.

Index of Eight Core Industries (ICI) Moderates to 166 in April'26 from 185.1 in March'26[16]

Performance of Eight Core Industries: April 2025 to April 2026

(Base Year: 2011-12 = 100)



Graph 15: Eight core industries index From April 2025 to April 2026

The Index of Eight Core Industries (ICI), which carries a weight of 40.27% in the Index of Industrial Production, stood at 166.0 in April 2026, compared to 163.3 in April 2025, indicating a modest year-on-year improvement in core sector output. However, on a month-on-month basis, the index moderated sharply from 185.1 in March 2026, reflecting a normalisation following the strong year-end performance recorded in the previous month.

Sector-wise trends showed a mixed pattern across industries. Electricity generation increased to 224.6 from 215.7 in April 2025, while steel production rose to 232.8 and cement output increased to 223.7, indicating continued strength in industrial and infrastructure-related activity. Coal production moderated to 163.7 from the elevated levels recorded in March, while fertiliser output improved to 103.2 compared to 95.7 in the previous month, indicating a partial recovery. Crude oil, natural gas and refinery products remained broadly stable, reflecting limited variation in output levels.

Overall, the April data reflects moderation from the exceptionally strong March performance while maintaining broadly stable year-on-year growth. Strength in electricity, steel and cement continued to support core sector activity, offsetting softer performance in some other industries and contributing to a relatively stable industrial outlook.

ANNEXURE I
ECONOMIC UPDATES IN DETAIL

CHAPTER 1

GROWTH AND OUTPUT

INDUSTRIAL GROWTH AND OUTPUT

INDICATOR	LATEST VALUE	PREVIOUS VALUE	TREND
GDP Growth (%)	7.7[17] (2025-26 PE)	7.1% (2024-25 FRE)	GDP growth is estimated at 7.7% in 2025–26, up from 7.1% in 2024–25, reflecting continued strength in domestic economic activity and broad-based growth.
IIP Growth (Y-o-Y) (Index points, Base year: 2022-23 = 100)[18]	118.9 (April 2026)	113.4 (April 2026)	IIP growth rose to 118.9 in April 2026 from 113.4 in April 2025, indicating a solid expansion in industrial output under the new 2022–23 base-year series, with capital goods and manufacturing driving the improvement. .
Manufacturing[19] PMI (Index: 0-100)	54.7 (April 2026)	53.9 (April 2026)	Manufacturing PMI rose to 54.7 in April 2026 from 53.9 in March 2026, indicating a mild recovery in growth momentum and the second-slowest improvement in business conditions in close to four years, despite a bright spot in exports and continued pressure from rising input costs and output charges.
Services PMI[20] (Index: 0-100)	58.8 (April 2026)	57.5 (April 2026)	Services PMI rose to 58.8 in April 2026 from 57.5 in March 2026, indicating a strong rebound in services activity and the fastest expansion since November 2025, driven by stronger domestic demand and new orders, even as export growth weakened amid Middle East-related disruptions and cost pressures remained elevated.

Table 1: Key Growth and Output Indicators

KEY HIGHLIGHTS

Growth Momentum Strengthens with Broad-Based Sectoral Expansion

- As per the Provisional Estimates released by the National Statistics Office (MoSPI), India's real GDP is estimated to grow by 7.7% in 2025–26, up from 7.1% in 2024–25, while nominal GDP is estimated to grow by 8.9%. Growth remained broad-based across sectors, with the services sector expanding by 9.3% and the industrial sector by 8.8%, supported by strong performance in manufacturing and construction activities. The agriculture and allied sector grew by 3.2%, contributing to overall economic expansion. The data reflects continued strength in domestic economic activity, supported by resilient demand conditions, investment activity, and sustained infrastructure development.

Industrial activity gains momentum (Base Year: 2022–23=100)

- Industrial output strengthened in April 2026, with the Index of Industrial Production (IIP) growing 4.9% year-on-year and the quick estimate rising to 118.9 from 113.4 in April 2025, indicating a solid expansion in industrial activity under the new 2022–23 base-year series. Growth was driven by manufacturing, which expanded by 6.2%, while electricity and gas supply grew by 4.9% and water supply, sewerage and waste management increased by 6.6%. Use-based indicators showed strong investment momentum, with capital goods surging 16.0%, supported by intermediate goods (7.7%) and infrastructure/construction goods (7.1%). In contrast, mining and quarrying contracted by 5.1%, indicating that overall industrial growth was primarily supported by manufacturing and investment-linked sectors rather than extractive activities.

Manufacturing Regains Momentum Amid Cost Pressures

- Manufacturing PMI rose to 54.7 in April 2026 from 53.9 in March 2026, indicating a mild recovery in growth momentum but still only the second-slowest improvement in operating conditions in nearly four years. New business and output improved, yet both remained among the weaker readings seen in the past three-and-a-half years, suggesting that the recovery was gradual rather than broad-based. Exports were a relative bright spot, with new export orders rising at a seven-month high, but firms continued to face strong cost pressures, with input prices climbing at the fastest pace since August 2022 and output charges rising at a six-month high.

Services Expansion Firms Up in April 2026

- Services PMI rose to 58.8 in April 2026 from 57.5 in March 2026, indicating a stronger pace of expansion in the services sector and the fastest improvement since November 2025.The rebound was driven by strong domestic demand, rising new business, and higher e-commerce activity, while export growth slowed to a five-month low amid weaker external demand and ongoing conflict-related disruptions.Even though cost pressures remained elevated, firms passed on only part of the increase, and employment continued to rise across service segments, supporting the overall expansion.

CHAPTER 2

INFLATION AND PRICE

INDICATOR	APRIL 2026	MARCH 2026	TREND
CPI Inflation[21] (%) (Base Year 2024=100) (MoM Trend)	0.26	0.25	CPI inflation increased to 0.26% in April 2026 from 0.25% in March 2026, indicating a slight strengthening in month-on-month price momentum, driven primarily by higher food prices while overall inflation remained moderate.
Food Inflation[22] (%) (Base Year 2024=100) (MoM Trend)	0.24	0.25	Food inflation (CFPI) eased marginally to 0.24% in April 2026 from 0.25% in March 2026, indicating a slight moderation in month-on-month food price momentum, though food prices continued to rise overall.
Core Inflation[23] (%) (MoM Trend)	3.37	3.36	Core inflation is expected to stay almost flat at 3.37% in April 2026, marginally up from 3.36% in March 2026, indicating that underlying price pressures remain contained even as food and fuel inflation harden; core ex-gold ex-silver also edged up to 2.04% from 1.93%, reflecting some broad-based cost pressure.
WPI Inflation (%)[24] (Base Year 2011-12=100) (MoM Trend)	3.86	3.88	WPI inflation edged down to 3.86% in April 2026 from 3.88% in March 2026, suggesting a marginal easing in wholesale price momentum while remaining at elevated levels.

Table 2: Key Inflation and Price Indicators

KEY HIGHLIGHTS

Retail Inflation Edges Up While Remaining Within Target Range

- Retail inflation remained broadly stable in April 2026, with headline CPI inflation rising marginally to 3.48% (YoY) from 3.40% in March 2026. On a month-on-month basis, CPI inflation increased slightly to 0.26% from 0.25%, indicating a modest strengthening in price momentum. Despite the uptick, inflation remains comfortably within the Reserve Bank of India's tolerance band, suggesting that overall consumer price pressures continue to be contained.

Food Inflation Remains Elevated Despite Slight Easing in Price Momentum

- Food inflation (CFPI) increased to 4.20% (YoY) in April 2026 from 3.87% in March 2026, indicating continued food price pressures at the annual level. However, on a month-on-month basis, food inflation eased slightly to 0.24% from 0.25%, suggesting a moderation in near-term food price momentum. While food prices continue to contribute to headline inflation, the pace of monthly increases softened marginally during the month.

Core Inflation Remains Stable with Marginal Uptick

- Core inflation edged up marginally to 3.37% in April 2026 from 3.36% in March 2026, indicating that underlying inflationary pressures remained largely unchanged. The movement suggests that inflation excluding food and fuel continues to be contained, with limited pass-through from broader price movements. Overall, core inflation remains stable, pointing to relatively balanced demand conditions and anchored inflation expectations.

Wholesale Price Inflation Eases Marginally but Remains Elevated

- Wholesale price inflation moderated slightly to 3.86% (YoY) in April 2026 from 3.88% in March 2026, indicating a marginal easing in producer-level price pressures. While wholesale inflation remained elevated, the slight moderation suggests some softening in input cost pressures compared to the previous month. Overall, the data points to continued price pressures at the wholesale level, albeit with a more gradual pace of increase.

CHAPTER 3

TRADE AND EXTERNAL SECTOR[25]

INDICATOR	APRIL 2026	APRIL 2025	YEAR ON YEAR (Y-O-Y) TREND
Exports ($ bn)	80.80	71.13	Exports rose to $80.80 billion in April 2026 from $71.13 billion in April 2025, indicating a strong improvement in external demand conditions and healthy export momentum.
Imports ($ bn)	88.61	82.29	Total imports rose to $88.61 billion in April 2026 from $82.29 billion in April 2025, indicating higher import demand and stronger domestic economic activity.
Trade Deficit ($ bn)	7.81	11.16	Trade deficit narrowed to $7.81 billion in April 2026 from $11.16 billion in April 2025, indicating an improvement in India's external trade balance as export growth outpaced import growth.
Exchange Rate[26] ($ 1 to ₹)	₹ 95.01 (As on 1st May 2026)	₹ 85.53 (As on 1st May 2025)	The USD/INR exchange rate depreciated to ₹95.01 per US dollar on 1 May 2026 from ₹85.53 on 1 May 2025, indicating a weakening of the rupee against the dollar amid evolving global financial conditions and external sector pressures.
Forex Reserves ($ bn)	703.30[27]	688.13[28]	Forex reserves rose to $703.30 billion in April 2026 from $688.13 billion in April 2025, indicating a modest strengthening of India's external buffer and improved reserve adequacy over the year. The increase was about $15.17 billion, or roughly 2.2%.

Table 3: Key Trade Indicators

KEY HIGHLIGHTS

Exports Strengthen on Improved External Demand

- Exports increased to US$ 80.80 billion in April 2026 from US$ 71.13 billion in April 2025, registering a strong year-on-year growth of around 13.6%. The increase indicates improved external demand conditions and healthy export momentum across key sectors. The sustained expansion in exports highlights the resilience of India's external sector despite continuing global economic and geopolitical uncertainties.

Imports Rise Alongside Strong Domestic Economic Activity

- Imports increased to $88.61 billion in April 2026 from $82.29 billion in April 2025, registering a growth of around 7.7%. The increase suggests higher demand for intermediate goods, capital goods, and energy imports, indicating continued strength in domestic economic activity and industrial demand.

Trade Deficit Narrows Despite Higher Imports

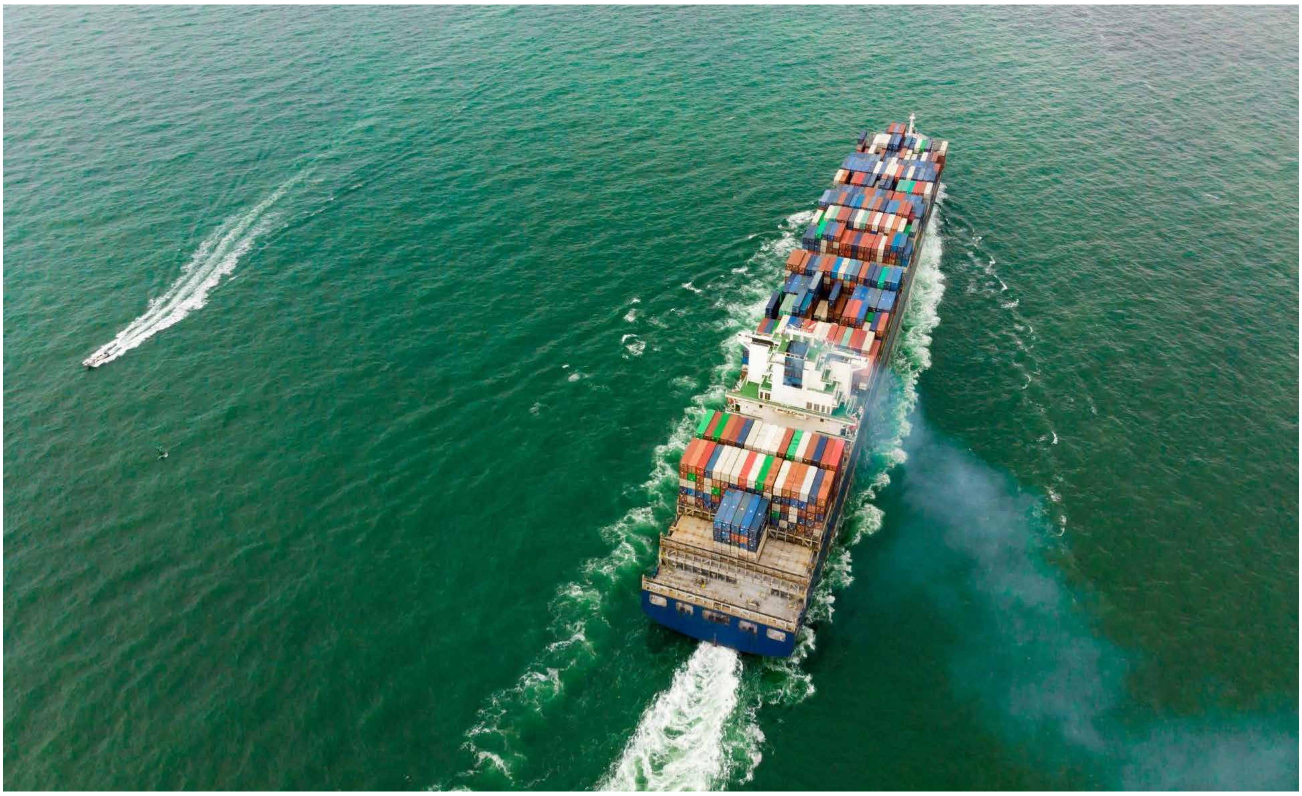
- The trade deficit narrowed to US$ 7.81 billion in April 2026 from US$ 11.16 billion in April 2025, reflecting an improvement of approximately 30%. The narrowing was driven by stronger export growth relative to import growth, indicating an improvement in India's external trade balance and a more favourable merchandise trade position.

Rupee Remains Under Pressure Amid Global Dollar Strength

- The exchange rate depreciated to ₹95.01 per US dollar (as on 1 May 2026) from ₹85.53 per US dollar a year earlier, reflecting continued pressure from global dollar strength, evolving international financial conditions, and external sector uncertainties. Despite the depreciation, external sector fundamentals remained supported by strong export growth and adequate foreign exchange reserves.

Forex Reserves Rise, Strengthening External Stability

- Foreign exchange reserves increased to $703.30 billion in April 2026 from $688.13 billion a year earlier, reflecting a year-on-year rise of around 2.2%. The accumulation of reserves enhances India's external resilience by providing a stronger buffer against global financial volatility and external shocks. Higher reserve levels also support exchange rate management and overall external sector stability.



CHAPTER 4

FINANCIAL HEALTH

INDICATOR	LATEST VALUE	PREVIOUS VALUE	TREND
Credit Growth	15.1%[29]	7%[30]	Credit growth to industry accelerated to 15.1% in April 2026 from 7.0% in April 2025, indicating a strong revival in industrial lending, supported by higher credit flow to infrastructure, metals, engineering, petroleum, and chemical sectors.
Bank Deposit Growth	12.3%[31] (April, 2026)	10.1%[32] (April, 2026)	Deposit growth rose to 12.3% in April 2026 from 10.1% in April 2025, indicating an expansion in deposit mobilisation, supporting banking system liquidity.
10-Year G-Sec Yield	7.00 (As on 1st May'26)	6.21 (As on 1st May'26)	India's 10-year G-Sec yield rose to 7.00% on 1 May 2026 from 6.21% on 1 May 2025, indicating a firming in bond yields and somewhat higher government borrowing costs over the year.
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 Growth Accelerates on Strong Industrial Lending

- Credit growth to industry accelerated to 15.1% in April 2026, compared to 7.0% in April 2025, indicating a significant strengthening in industrial lending activity. The increase was supported by higher credit flows to infrastructure, metals, engineering, petroleum, and chemical sectors, reflecting continued momentum in investment and production-linked activities.

Deposit Growth Remains Healthy, Supporting Banking System Liquidity

- Bank deposit growth stood at 12.3% in April 2026, compared to 10.1% in April 2025, indicating continued expansion in deposit mobilisation. The sustained growth in deposits provides support to banking system liquidity and helps accommodate rising credit demand across sectors.

Bond Yields Firm Up Amid Evolving Market Conditions

- The 10-year G-Sec yield increased to 7.00% as on 1 May 2026, up from 6.21% a year earlier, indicating a firming in long-term borrowing costs. The rise reflects evolving market expectations, government borrowing requirements, and broader financial market conditions.

RBI Maintains Neutral Policy Stance

- The RBI retained its 'Neutral' policy stance, signalling continuity in its balanced approach towards supporting growth while maintaining vigilance over inflation and financial stability. The unchanged stance continues to provide stability and predictability to financial markets.

CHAPTER 5

FISCAL HEALTH

GOODS AND SERVICE TAX DATA FOR APRIL 2026[34]

INDICATOR	APRIL 2026 (₹ CRORE)	APRIL 2025 (₹ CRORE)	YOY GROWTH (%)
Gross GST Revenue	2,42,702	2,23,265	8.7%
Gross Domestic Revenue	1,85,122	1,77,511	4.3%
Gross Import Revenue	57,580	45,754	25.8%
Total Refunds	31,793	26,647	19.3%
Net GST Revenue	2,10,909	1,96,618	7.3%

Table 5: GST Collections for April 2026

KEY HIGHLIGHTS

GST Collections Maintain Steady Growth

- Gross GST revenue for April 2026 stood at ₹2,42,702 crore, registering an 8.7% year-on-year increase over ₹2,23,265 crore in April 2025. The sustained rise in collections indicates continued strength in tax mobilisation and underlying economic activity at the start of the financial year.

Import-Linked Revenues Outpace Domestic Growth

- Gross domestic GST revenue increased to ₹1,85,122 crore, reflecting a 4.3% YoY increase, while gross import revenue rose sharply by 25.8% to ₹57,580 crore. The significantly higher growth in import-linked collections suggests stronger trade-related tax receipts during the month.

Refund Outgo Remains Elevated

- Total GST refunds increased to ₹31,793 crore from ₹26,647 crore in April 2025, recording a 19.3% year-on-year rise. The higher refund disbursement reflects continued processing of tax credit and export-related claims, supporting liquidity within the business sector.

Net GST Revenue Records Healthy Growth

- After accounting for refunds, net GST revenue stood at ₹2,10,909 crore, registering a 7.3% YoY increase over ₹1,96,618 crore in April 2025. The continued growth in net collections indicates stable fiscal accruals despite higher refund outflows during the month.

FISCAL HEALTH

INDICATOR	FY 2026 - 27	FY 2025 - 26	TREND
Effective Capital Expenditure[35]	17,14,523 (Budgeted Estimate)	14,03,906 (Revised Estimate)	Strong expansion reflects continued infrastructure push.
Fiscal Deficit as a % of GDP	4.3[36] (Budgeted Estimate)	4.4[37] (Revised Estimate)	Marginal reduction reflects continued fiscal consolidation efforts.
Debt to GDP ratio (%)	55.6[38] (Budget Estimate)	56.1[39] (Revised Estimate)	Debt-to-GDP ratio is projected to moderate to 55.6% from 56.1%, indicating gradual fiscal consolidation.

Table 6: Key Fiscal Indicators[40]

KEY HIGHLIGHTS

Capital Expenditure Expansion Reinforces Infrastructure-Led Growth

- Effective capital expenditure is budgeted at ₹17.15 lakh crore in FY 2026–27, compared to ₹14.04 lakh crore (RE) in FY 2025–26, reflecting a substantial increase in public investment. The continued expansion underscores the Government's focus on infrastructure development, asset creation, and supporting long-term economic growth through higher capital spending.

Fiscal Consolidation Path Remains Intact

- The fiscal deficit is budgeted at 4.3% of GDP in FY 2026–27, marginally lower than the 4.4% revised estimate for FY 2025–26. The gradual reduction indicates continued efforts to balance growth-oriented expenditure with fiscal prudence, while maintaining adherence to the medium-term consolidation roadmap.

Debt Sustainability Continues to Improve

- The debt-to-GDP ratio is budgeted to decline to 55.6% in FY 2026–27 from 56.1% in FY 2025–26 (RE). The moderation in the debt burden reflects ongoing fiscal consolidation efforts and suggests a gradual improvement in the sustainability of public finances while preserving fiscal space for development priorities.

CHAPTER 6

MONETARY HEALTH[41]

INDICATOR	CURRENT RATE (AS OF APRIL 2026)	PREVIOUS RATE (AS OF APRIL 2025)	TREND
Policy Repo Rate	5.25%	6.00%	Lower than previous year, indicating a more accommodative monetary policy stance.
Standing Deposit Facility (SDF) Rate	5.00%	5.75%	Reduced in line with monetary easing, supporting liquidity conditions.
Marginal Standing Facility (MSF) Rate	5.5%	6.25%	Lower than the previous year, reflecting a softer upper bound of the policy corridor and supportive financial conditions.

Table 7: Key Monetary Policy Rates

KEY HIGHLIGHTS

Policy Repo Rate Lower Than Previous Year

- The policy repo rate stood at 5.25% in April 2026, compared to 6.00% in April 2025, reflecting a cumulative easing of 75 basis points over the year. The lower policy rate indicates a more supportive monetary environment aimed at sustaining growth while keeping inflation within the target range.

Liquidity Absorption Rate Moderates

- The Standing Deposit Facility (SDF) rate stood at 5.00%, compared to 5.75% in April 2025, reflecting a reduction in the liquidity absorption rate in line with the broader monetary easing cycle. The lower rate supports liquidity conditions within the banking system.

Upper Policy Corridor Softens

- The Marginal Standing Facility (MSF) rate stood at 5.50% in April 2026, down from 6.25% a year earlier. The reduction reflects a lower upper bound of the policy corridor, supporting financial conditions and monetary transmission.

The overall policy rate structure remains lower than the corresponding period last year, indicating a relatively accommodative monetary environment aimed at supporting economic activity while maintaining price and financial stability.

CHAPTER 7

LABOUR AND EMPLOYMENT[42]

INDICATOR	APRIL 2026	MARCH 2026	TREND
Labour Force Participation Rate	55.0%	55.4%	Marginal decline, indicating slightly lower labour force engagement.
Worker Population Ratio (WPR)	52.2%	52.6%	Moderated slightly, reflecting a small dip in employment participation.
Unemployment Rate	5.2%	5.1%	Increased modestly, indicating a marginal rise in unemployment during the month.

Table 8: Key Labour and Employment Indicators

KEY HIGHLIGHTS

Labour Force Participation Continues to Ease

- The Labour Force Participation Rate (LFPR) stood at 55.0% in April 2026, slightly lower than 55.4% in March 2026, indicating a continued moderation in labour force engagement. The movement suggests a marginal easing in workforce participation following the gradual softening observed in the previous month.

Workforce Participation Moderates Further

- The Worker Population Ratio (WPR) declined to 52.2% in April 2026 from 52.6% in March 2026, reflecting a slight reduction in the share of the population that is employed. The moderation indicates some easing in employment participation levels during the month.

Unemployment Edges Up Marginally

- The Unemployment Rate (UR) increased to 5.2% in April 2026 from 5.1% in March 2026, indicating a modest rise in joblessness. While the increase remains limited, it suggests that labour market conditions softened slightly during the month, alongside lower participation and employment ratios.

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)[43]	81.60 (April 2026)	79.00 (April 2025)	3.29

Table 9: Performance Indicators - Agriculture and Allied Sectors

KEY HIGHLIGHTS

Summer Cropped Area Expands with Broad-Based Increase Across Major Crops

- Net sown area under summer crops increased to 81.60 lakh hectares in 2026, compared to 79.00 lakh hectares during the corresponding period last year, reflecting an expansion of 2.60 lakh hectares. The increase was driven by higher acreage under Shree Anna cum coarse cereals (16.01 vs 14.25 lakh hectares) and oilseeds (11.04 vs 9.58 lakh hectares), alongside a rise in pulses (23.49 vs 22.76 lakh hectares). Rice acreage moderated to 31.05 lakh hectares from 32.42 lakh hectares last year, partially offsetting gains in other crops. Overall, the data indicates a broad-based expansion in summer sowing, supported by stronger cultivation of pulses, coarse cereals, and oilseeds.

CHAPTER 2

ENERGY AND POWER

ELECTRICITY GENERATION & SUPPLY

INDICATOR	FY 2026-27	FY 2025-26	TREND
Total Installed Capacity (GW)[44]	537 GW (2026-27)	533 GW (2025-26)	Total installed capacity increased, indicating continued expansion in power generation infrastructure.
Electricity Generation (BU)[45]	167.61 (April)	1840	Electricity generation rose marginally, suggesting stable growth in overall power output.
Peak Power Demand (MW)[46]	260000-270000 MW	2,49,856 MW	Peak power demand is projected to increase, reflecting rising electricity requirements across sectors.
Peak Power Demand Met (MW)[47]	2,56,117 MW	2,42,493 MW	Peak demand met increased alongside rising demand, indicating continued adequacy of generation and transmission infrastructure.

Table 10: Key Performance Indicators- Electricity Generation & Supply

KEY HIGHLIGHTS

Installed Capacity Continues to Expand

- Total installed power generation capacity increased to 537 GW in FY 2026–27 from 533 GW in FY 2025–26, indicating continued expansion of generation infrastructure. The increase reflects ongoing capacity additions across renewable and conventional energy sources, strengthening long-term energy availability and supporting rising electricity demand.

Electricity Generation Remains Strong at the Start of the Fiscal Year

- Electricity generation reached 167.61 BU in April 2026, suggesting continued demand for power from economic and household activities. The data indicates stable generation levels supported by adequate supply availability and ongoing expansion in power sector infrastructure.

Peak Power Demand Projected to Increase

- Peak power demand is estimated in the range of 260,000–270,000 MW, compared to 249,856 MW in FY 2025–26. While demand remains elevated, the projected range indicates that the power system is preparing for higher seasonal requirements, particularly during periods of increased cooling demand and economic activity.

Supply–Demand Balance Remains Adequate

- Peak demand met is projected at 256,117 MW, compared to 242,493 MW in the previous year. The ability to meet rising peak demand indicates continued adequacy of generation capacity and transmission infrastructure, supporting reliable electricity supply across regions.

COAL [48]

INDICATOR	APRIL 2026	APRIL 2025	GROWTH (%)
Coal Production (Million Tonnes)	74.31	81.66	-9.00
Coal Offtake/Dispatch (Million Tonnes)	86.20	87.62	-1.62
Lignite Production (Million Tonnes)	3.12	3.13	-0.48

Table 11: Key Performance Indicators - Coal

KEY HIGHLIGHTS

Coal Production Moderates on a Year-on-Year Basis

- Coal production stood at 74.31 million tonnes in April 2026, compared to 81.66 million tonnes in April 2025, registering a 9.0% decline. The moderation reflects a lower production level relative to the high base of the previous year, following the strong year-end output recorded in March 2026.

Coal Offtake Remains Broadly Stable

- Coal offtake/disptach stood at 86.20 million tonnes in April 2026, compared to 87.62 million tonnes in April 2025, reflecting a marginal decline of 1.6%. The relatively stable dispatch levels indicate continued supply to power and industrial sectors despite lower production during the month.

Lignite Production Remains Largely Unchanged

- Lignite production stood at 3.12 million tonnes in April 2026, compared to 3.13 million tonnes in April 2025, indicating a marginal decline of 0.5%. The data suggests stable output levels with limited variation over the year.

Coal Sector Continues to Support Energy Requirements

- Despite the moderation in production and dispatch on a year-on-year basis, coal and lignite output remained at substantial levels during April 2026. The sector continues to play a critical role in supporting thermal power generation and meeting the country's energy requirements.

CHAPTER 3

NEW AND RENEWABLE ENERGY[49]

CAPACITY TYPE	ADDED IN APRIL (IN MW)	CUMULATIVE (IN MW)
Solar Power	3975.42	154236.11
Wind Power	341.75	56436.59
Small Hydro Power & Biomass	0	16040.53
Waste To Energy	0	877.36
Sub Total Renewable Energy (Excluding Large Hydro)	4317.17	227590.59
Large Hydro	250	51414.67
Total Renewable Energy (Including Large Hydro)	4567.17	279255.26
Nuclear Power	0	8780
Total Non - Fossil Capacity	4567.16	288035.26

Table 12: Installed Capacity (As of 30th April 2026)

KEY HIGHLIGHTS

Renewable Capacity Addition Remains Strong, Led by Solar Power

- A total of 4,567.17 MW of renewable energy capacity was added during April 2026, with solar power contributing 3,975.42 MW, accounting for the majority of new additions. Wind power added 341.75 MW, while large hydro contributed 250 MW. No new capacity additions were recorded in biomass, waste-to-energy, or nuclear power during the month, highlighting the continued dominance of solar energy in capacity expansion.

Cumulative Renewable Capacity Continues to Expand

- Total renewable energy capacity (including large hydro) increased to 279,255.26 MW as of April 2026. Solar remained the largest contributor with 154,236.11 MW of installed capacity, followed by wind power at 56,436.59 MW and large hydro at 51,414.67 MW. The data reflects continued growth in India's renewable energy base, supported primarily by solar and wind capacity additions.

Non-Fossil Capacity Strengthens Further

- Total non-fossil installed capacity reached 288,035.26 MW in April 2026, supported by the addition of 4,567.17 MW during the month. Nuclear capacity remained unchanged at 8,780 MW, indicating that the expansion in non-fossil capacity was driven entirely by renewable energy additions. The continued increase reinforces the ongoing diversification of India's power generation mix toward cleaner energy sources.

SOURCE	APRIL 2026 (MU)	SHARE (%)	APRIL 2025 (MU)	GROWTH (%) (APR'25-APR'26)
Coal	118529	70.72	115729	2.42
Lignite	2809	1.68	2513	11.79
Hydro	11459	6.84	10249	11.81
Nuclear	5092	3.04	4930	3.28
Gas, Naptha & Diesel	2144	1.28	3196	-32.92
RES (Wind, Solar, Biomass & Others)	27579	16.45	22554	22.28
Total	167612	100	159171	5.30

Table 13: Key Performance Indicators - Share of Different Energy Sources as of April 2026[50]

KEY HIGHLIGHTS

Electricity Generation Records Strong Growth

- All-India electricity generation stood at 167,612 MU in April 2026, registering a 5.3% year-on-year increase over 159,171 MU in April 2025. The increase indicates continued growth in power demand and sustained expansion in electricity supply across the country.

Coal Remains the Dominant Source of Power Generation

- Coal-based generation accounted for 118,529 MU, representing 70.72% of total electricity generation in April 2026. Despite a gradual decline in its share over time, coal continued to provide the bulk of India's electricity supply, with generation increasing by 2.4% year-on-year

Renewable Energy Continues to Drive Growth

- Generation from renewable energy sources (wind, solar, biomass and others) increased to 27,579 MU, recording a 22.3% year-on-year rise. The share of renewables reached 16.45% of total generation, reflecting their growing contribution to meeting incremental electricity demand.

Hydro and Nuclear Power Register Steady Expansion

- Hydropower generation increased to 11,459 MU (+11.8% YoY), while nuclear generation rose to 5,092 MU (+3.3% YoY). The growth in both segments contributed to a more diversified electricity generation mix during the month.

Gas-Based Generation Declines Despite Overall Growth

- Generation from gas, naphtha and diesel declined to 2,144 MU, registering a 32.9% year-on-year contraction, indicating lower utilisation of gas-based power capacity. In contrast, lignite-based generation increased to 2,809 MU (+11.8% YoY), though it continued to account for a relatively small share of total generation.

Energy Mix Continues to Diversify

- The power generation profile for April 2026 reflects continued dominance of coal alongside strong growth in renewables, hydro and nuclear power. The rising contribution of non-fossil sources indicates a gradual diversification of India's electricity mix while maintaining adequate supply to meet growing demand.

CHAPTER 4

MANUFACTURING

STEEL[51]

INDICATOR	2023-24	2024-25	2025-26	APRIL 2026 (P)
Crude Steel Production (in MnT)	144.30	152.18	168.42	14.09
Finished Steel Production (in MnT)	139.15	146.69	160.94	13.05
Finished Steel Import (in MnT)	8.32	9.55	6.52	0.68
Finished Steel Export (in MnT)	7.49	4.86	6.60	0.47
Finished Steel Consumption (in MnT)	136.29	152.13	163.74	12.99

Table 14: Key Performance Indicators - Steel

KEY HIGHLIGHTS

Steel Production Remains Strong in April 2026

- Crude steel production stood at 14.09 million tonnes in April 2026, while finished steel production reached 13.05 million tonnes. The sustained level of output indicates continued activity in the steel sector, supported by demand from infrastructure, construction, and manufacturing segments.

Domestic Steel Consumption Continues to Support Growth

- Finished steel consumption stood at 12.99 million tonnes during April 2026, remaining broadly in line with production levels. The strong consumption trend reflects continued domestic demand and supports capacity utilisation across the steel industry.

Trade Activity Remains Balanced

- Finished steel imports were recorded at 0.68 million tonnes, while exports stood at 0.47 million tonnes during April 2026. Imports continued to exceed exports during the month, indicating the presence of external supply alongside domestic production to meet demand requirements.

Sector Maintains Stable Operating Momentum

- The April 2026 data reflects stable production and consumption levels at the start of FY 2026–27. Continued output growth and steady domestic demand indicate that the steel sector remains an important contributor to industrial and infrastructure activity.

CEMENT INDEX UNDER THE INDEX OF EIGHT CORE INDUSTRIES[53]

INDICATOR	APRIL 2026	APRIL 2025	TREND
Growth Rates (on YoY basis)	9.4%	6.3%	Cement output growth accelerated, indicating stronger momentum in construction and infrastructure activity.

Table 15: Cement Index And Growth For April 2026

KEY HIGHLIGHTS

Cement Output Growth Accelerates

- Cement production recorded a 9.4% year-on-year increase in April 2026, compared to 6.3% in April 2025, indicating a stronger pace of expansion in output during the month.

Higher Growth Reflects Improved Activity

- The acceleration in cement production suggests increased activity in construction, infrastructure, and real estate-related sectors, which continue to support demand for building materials.

Demand Conditions Remain Favourable

- The sustained increase in cement output points to robust underlying demand conditions across core sectors of the economy. The growth trend indicates continued momentum in infrastructure development and construction activity at the start of FY 2026–27.

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.
Trade Deficit	When imports are higher than exports.
Labour Force Participation Rate (LFPR)	Percentage of working-age population that is employed or actively seeking work.

Table 16: Glossary of Terms

TERM	EXPLANATION
WPR (Worker Population Ratio)	Percentage of population that is employed.
MU	Million Units, a common unit for electricity generation or consumption.
MnT	Million Tonnes, used for coal, steel and cement production.
Non-Fossil Capacity	Installed power capacity from renewable and nuclear sources.

APPENDIX

1 PIB, 13 May 2026

2 Ministry of Commerce & Industry

3 PIB, 5 May 2026

4 PIB, 5 June 2026

5 PIB, 1 June 2026

6 PIB, 12 May 2026

7 PIB, 15 May 2026

8 Investing.com

9 GST Government Data, April 2026

10 PIB, 15 May 2026

11 PIB, 24 April 2026

12 Ministry of Coal

13 Ministry of Coal

14 Ministry of New & Renewable Energy, April 2026

15 Monthly Economic Report, April 2026

16 PIB, 20 May 2026

17 PIB, 4 June 2026

18 PIB, 1 June 2026

19 HSBC India Manufacturing PMI, 4 May 2026

20 HSBC India Services PMI, 6 May 2026

21 PIB, 12 May 2026

22 PIB, 12 May 2026

[23] Union Bank, 8 May 2026

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[49] MINISTRY OF NEW AND RENEWABLE ENERGY, April 2026

[50] Monthly Coal Statistics for April 2026

[51] Monthly Economic Report, April 2026

[52] PIB, 20 May 2026

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