

A decorative graphic in the top left corner consisting of a solid green square followed by several vertical bars of varying heights and widths, all in shades of green.

India Economic Monitor

April | 2026

Copyright © 2026 by Boston Consulting Group. All rights reserved.



Executive summary



High-frequency indicators showed mixed trends in Feb–Mar'26, amid softer industrial momentum and persistent external uncertainty. IIP declined in Feb'26, though steel consumption rebounded sharply and daily average power consumption held broadly stable in Mar'26. The auto sector saw a broad-based recovery in Mar'26, with PVs, 2Ws and tractors rising, while 3W registrations dipped marginally. On the logistics front, e-way bill generation and JNPA traffic posted strong gains in Mar'26, with air freight rising steadily amid high domestic cargo traffic.



Merchandise trade dynamics improved in Mar'26, with the deficit narrowing to \$20.7 Bn as imports declined faster than exports, aided by lower gold and silver imports and stronger petroleum product exports. The services trade surplus held broadly stable at \$18.2 Bn, with exports and imports largely unchanged sequentially. Forex reserves declined sharply in Mar'26, driven by falls in foreign currency assets and gold holdings. FDI inflows, however, surged to \$7.2 Bn in Feb'26, led by higher gross inflows and reduced repatriations.



BFSI indicators were mixed in Feb–Mar'26. Aggregate credit and deposit growth continued in Feb'26, while UPI transaction volumes and values hit fresh highs in Mar'26, reflecting strong spending activity and digital adoption. Mutual fund AUM declined in Mar'26, weighed down by debt-scheme outflows and weaker equity valuations. Insurance premiums surged, driven by the non-life health segment. Market activity softened in Mar'26 as NSE and BSE transactions declined and India VIX spiked amid heightened geopolitical tensions and uncertainty.



On the macro side, GST collections strengthened in Mar'26, supported by higher import-led collections. Fiscal deficit widened in Feb'26 as receipts fell sharply despite rising expenditure. Inflation edged up in Mar'26, with WPI at 3.9% and CPI at 3.4%. The nominal exchange rate weakened in Mar'26, even as the reference rate strengthened. Employment conditions softened, with overall employment and MGNREGA work demand both declining. Economic sentiment moderated, with manufacturing and services PMIs easing and consumer expectations weakening across urban and rural segments. Analysts project FY27 GDP growth of 6.0–7.5%.

High-frequency indicators reflected resilient demand and activity in Mar'26, while select sectors softened amid external uncertainties (1/2)



Industry

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
IIP (Index) *	159	5%	-6%	-
Daily Avg Power Consumption ('000 MUs)	4.8	1%	1%	2%
Petroleum Consumption (MMT)	21.4	3%	6%	3%
Steel Consumption (MMT)	15.7	10%	17%	9%
Cement Production (MT) *	43.5	9%	-4%	11%



Logistics

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
E-way Bills (Mn)	140.6	13%	6%	16%
JNPA Traffic ('000 TEUs)	747.1	11%	12%	12%
Air Passenger Bookings (Mn) *	34.5	-4%	-2%	0%
Air Freight (K Tons) *	343.4	0%	5%	8%



Trade & Investment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
Merchandise Exports (\$ Bn)	38.9	-7%	6%	-3%
Merchandise Imports (\$ Bn)	59.6	-7%	-6%	12%
Services Exports (\$ Bn)	35.2	-1%	1%	6%
Services Imports (\$ Bn)	17.0	-3%	1%	4%



Auto

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
PV Sales ('000 Units)	442.5	16%	6%	13%
2W Sales ('000 Units)	1976.1	19%	6%	26%
3W Registrations ('000 Units) <small>(does not include e-rickshaws)</small>	72.6	29%	-3%	28%
EV Registrations ('000 Units) <small>(does not include e-rickshaws and commercial vehicles)</small>	242.7	52%	61%	45%

* Data available only up to Feb'26 as on 24th Apr'26 – hence growth comparisons are for February and not March. Feb'26 data has been compared against Feb'25 & Jan'26 data for the YoY & MoM growth comparisons.
YTD Growth compares the year-to-date performance of the mentioned indicator in the current year vs. the same time period of the previous year (i.e. Jan-Mar and Jan-Feb for the * marked indicators).

High-frequency indicators reflected resilient demand and activity in Mar'26, while select sectors softened amid external uncertainties (2/2)



Banking, Financial Services & Insurance

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
UPI Value (INR Tn)	29.5	19%	10%	21%
Aggregate Deposits (INR Tn) *	257.2	11%	1.2%	-
Aggregate Credit (INR Tn) *	212.5	14%	1.3%	-
NSE & BSE Txns. (INR K Cr)	2,556.3	29%	-1%	23%
Insurance Premium (INR K Cr)	104.8	19%	77%	18%



Macroeconomic

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
GST Collections (INR Tn)	2.0	2%	6%	2%
WPI (%)	-	3.9%	-	-
CPI (%)	-	3.4%	-	-
Jan Dhan Deposits (INR Tn)	3.1	19%	4%	18%
MGNREGA Emp. Provided (HH)	9.8	-36%	-33%	-28%



Sentiment

GROWTH →

	Latest month	Vs. Last year	Vs. Last month	YTD Growth#
Manufacturing PMI (Index)	53.9	-7%	-5%	-
Services PMI (Index)	57.5	-2%	-1%	-
Current Situation Index (Urban)	95.7	-2%	0%	-
Future Expectations Index (Urban)	120.2	-2%	-3%	-

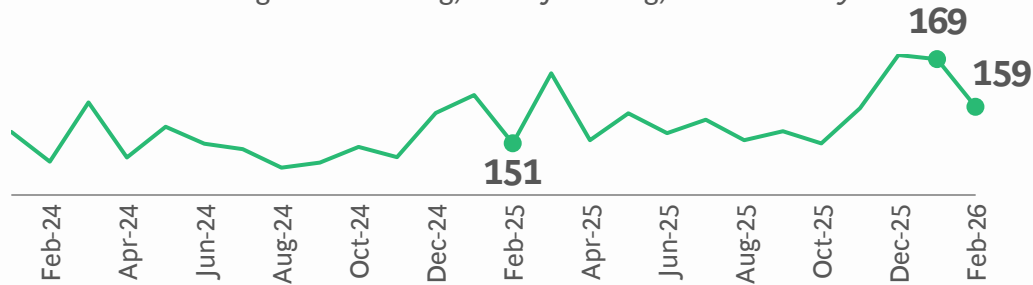
* Data available only up to Feb'26 as on 24th Apr'26 – hence growth comparisons are for February and not March. Feb'26 data has been compared with Feb'25 & Jan'26 data for the YoY & MoM growth comparisons.
 # YTD Growth compares the year-to-date performance of the mentioned indicator in the current year vs. the same time period of the previous year (i.e. Jan-Mar and Jan-Feb for the * marked indicators).

Industrial activity softened in Feb'26; steel consumption rebounded in Mar'26 while power demand remained broadly stable



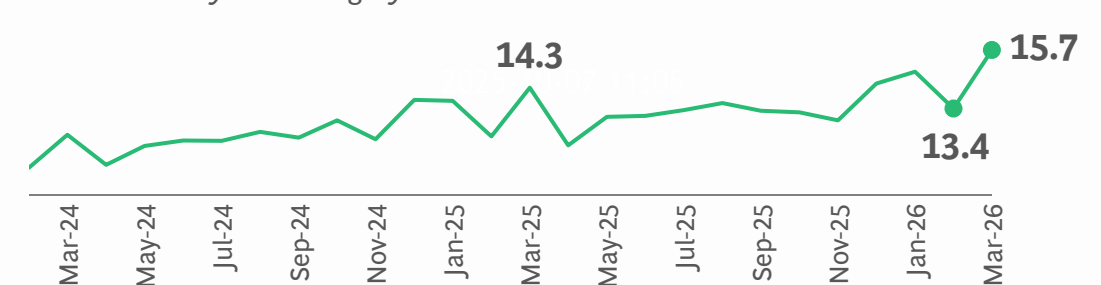
Index of Industrial Production (IIP)¹

IIP declined sharply in Feb'26, with output falling across all three major sub-categories—mining, manufacturing, and electricity



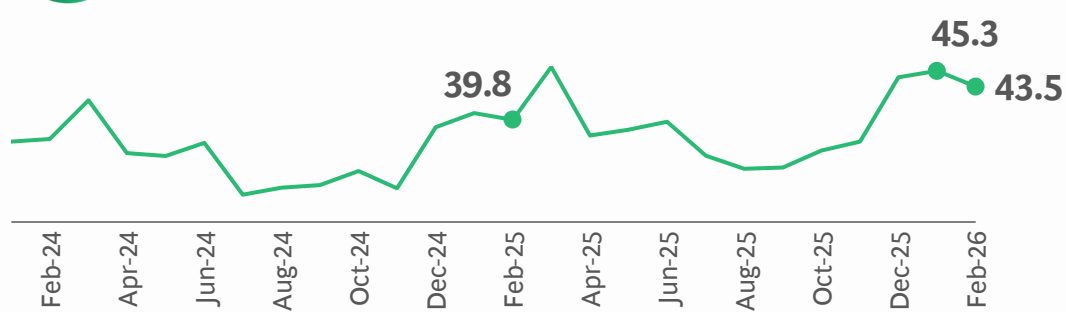
Steel Consumption (MMT)²

Steel consumption rose sharply in Mar'26, driven majorly by the non-alloy steel category



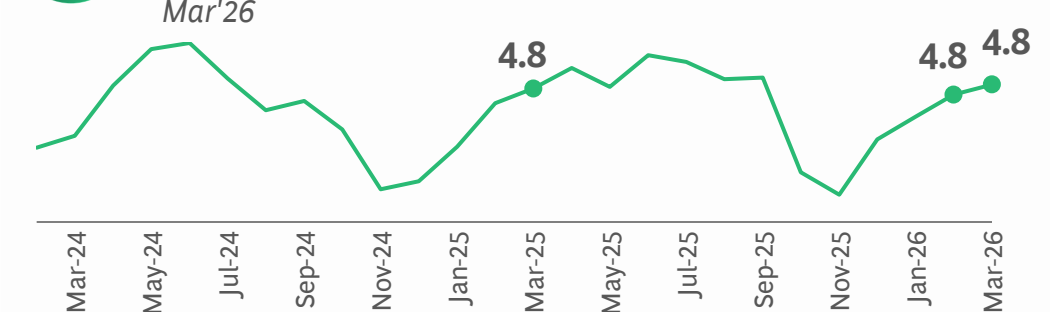
Cement Production (MT)

Cement production fell cyclically in Feb'26, mainly due to a shorter month



Daily Average Power Consumption ('000 MUs)

Daily average power consumption witnessed a seasonal uptick in Mar'26



1. Index of Industrial Production (IIP) shows the growth rates in different industry groups (comprises of Mfg. (78% weightage), Mining (14%), Electricity (8%))

2. Steel consumption incl. long & flat steel, provisional figures for Mar'26

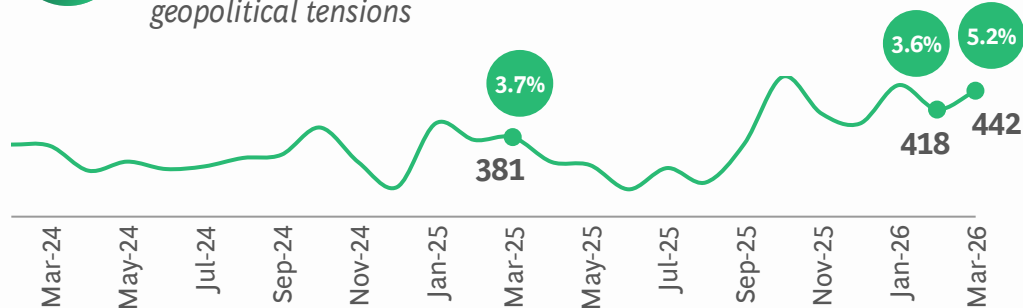
Source: Power System Operation Corporation, Ministry of Statistics & Programme Implementation, Dept. for Promotion of Industry & Internal Trade, Joint Plant Committee, Ministry of Commerce and Industry, CMIE, BCG analysis

Auto demand rebounded in Mar'26 across most categories, while 3W registrations dipped marginally



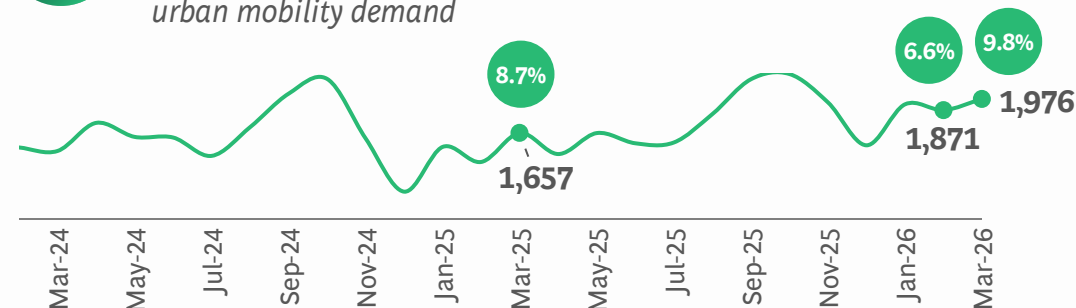
Passenger vehicles sales ('000 units)

PV sales increased in Mar'26, led by strong domestic demand amid geopolitical tensions



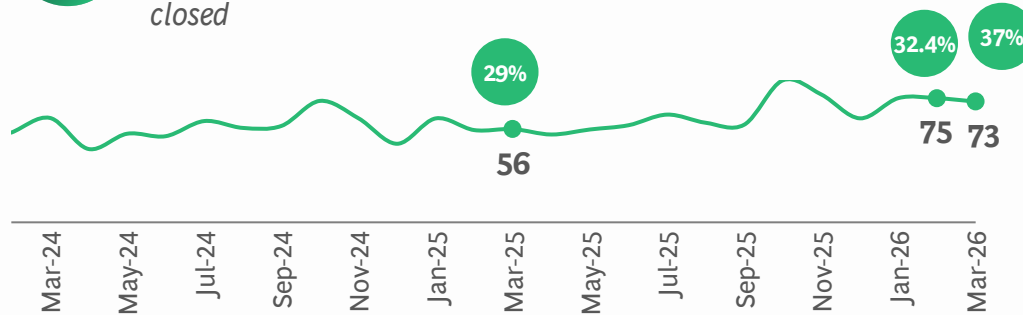
Two-wheeler sales ('000 units)

2W sales rose in Mar'26 due to rural-demand recovery and higher semi-urban mobility demand



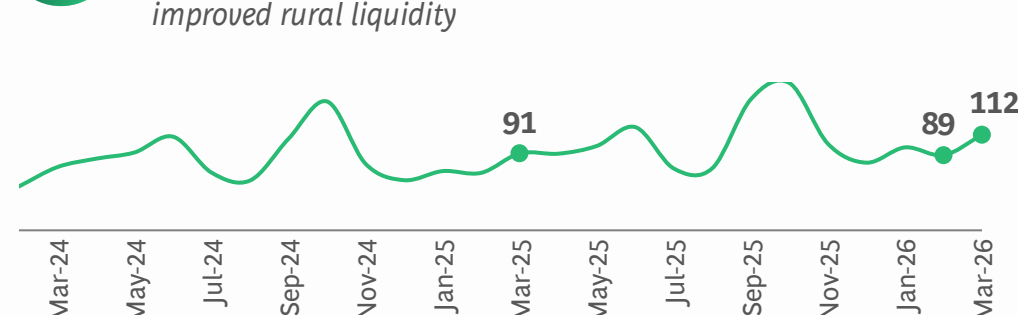
Three-wheeler Registrations¹ ('000 units)

3W registrations declined marginally by 3% MoM in Mar'26 as the FY closed



Tractor sales ('000 units)

Tractor sales rebounded in Mar'26, supported by festive buying and improved rural liquidity



Figures represent wholesale numbers (including exports); * BMW, Mercedes and Volvo Auto data are not available

1. 3W registrations does not include e-rickshaws

2. EV Penetration is calculated basis the Vahan (Registration Data). EV Registrations does not include e-rickshaws and commercial vehicles

Source: SIAM, CMIE, TMA, Vahan, Press search, BCG analysis

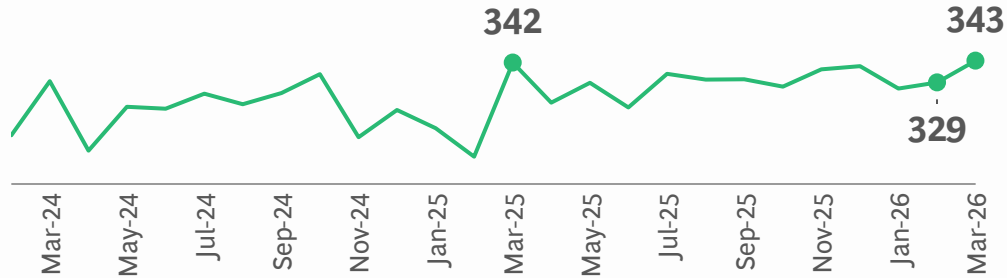
XX% = %EV Registrations²

JNPA traffic and e-way bills generation surged in Mar'26; Air freight traffic inched up while passenger bookings dipped marginally



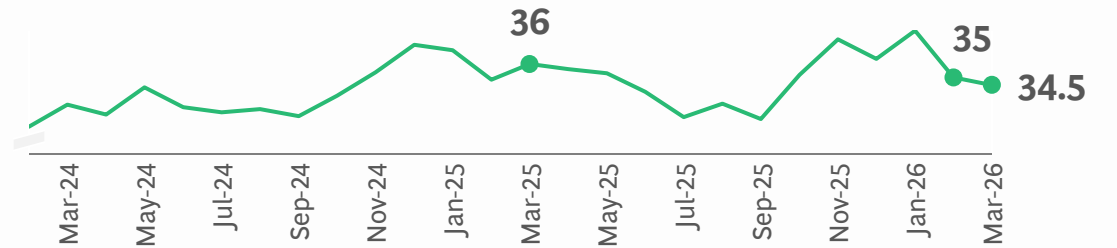
Air Freight Traffic (K tons)

India's air freight traffic edged up in Mar'26 on resilient cargo movement, driven by higher domestic cargo volumes



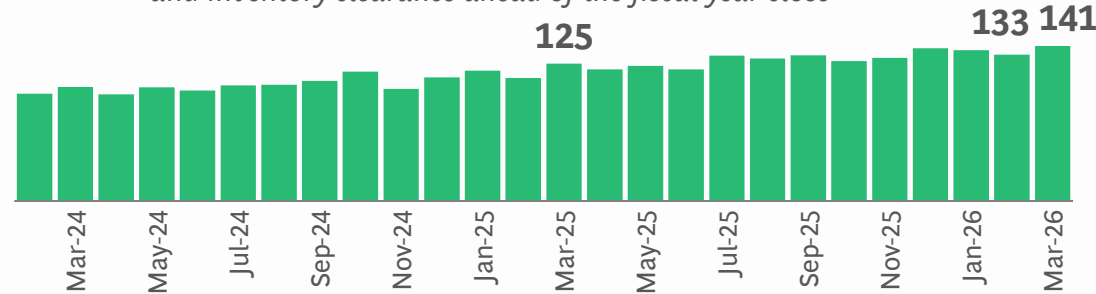
Air Passenger Bookings (Mn)

Air passenger traffic fell marginally in Mar'26 as international passenger traffic dropped sharply despite a pickup in domestic traffic



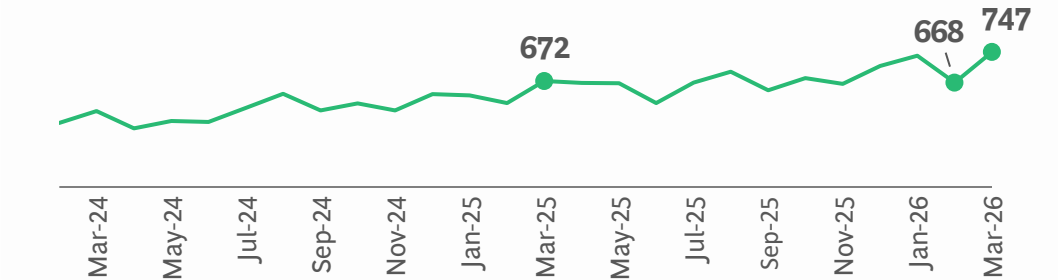
E-way Bills (Mn)¹

E-way bill generation surged in Mar'26, driven by shipment acceleration and inventory clearance ahead of the fiscal year close



JNPA Container Traffic ('000 TEUs)²

JNPA traffic rose sharply in Mar'26, led primarily by the BMCTPL and NSICT terminals



1. E-Way bills are required to be generated at the time of transport of goods by every registered person if the value of the consignment exceeds INR 50,000.; 2. TEU refers to Twenty-foot equivalent unit (Shipping containers 20 feet long, 8 feet tall)

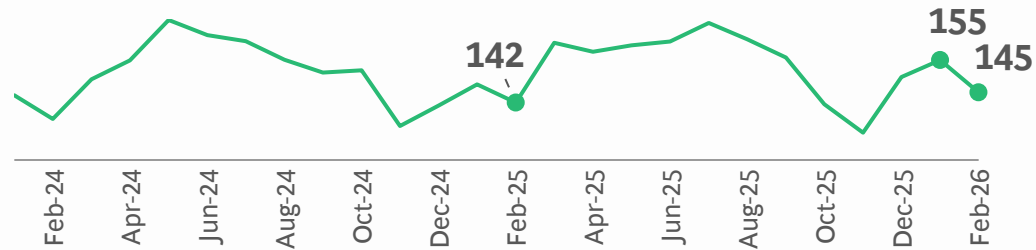
Source: Ministry of Railways, CMIE, Airports Authority of India, Jawaharlal Nehru Port Authority, GST Network, NHAI, NPCI, BCG analysis

Electricity generation and natural gas consumption declined in Feb'26, as transport fuel demand rose in Mar'26



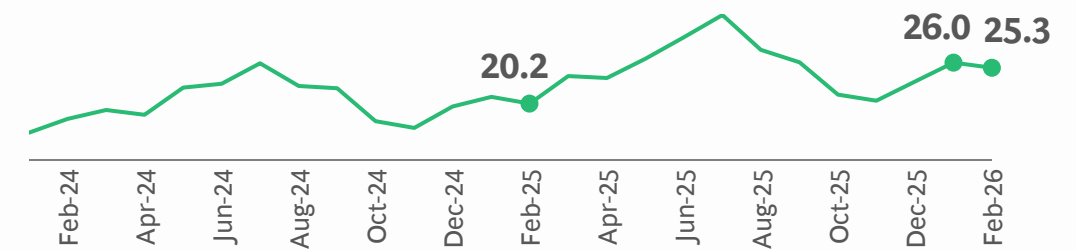
Total Electricity Generation (Billion KWh)

Electricity generation declined noticeably in Feb'26, led by thermal and nuclear sources



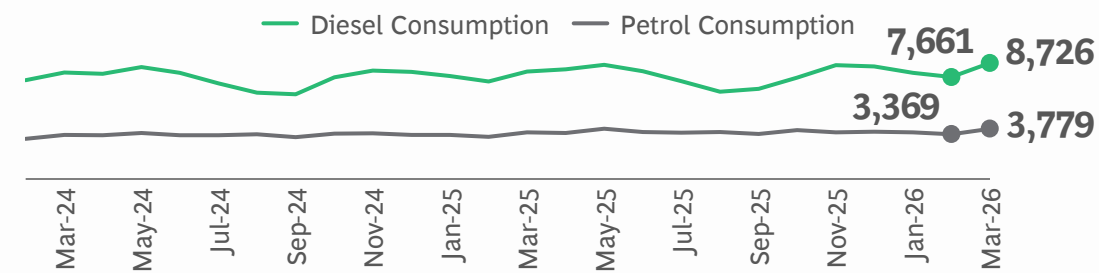
Renewable Energy Generation (Billion KWh)

Renewable energy generation declined mainly due to a slowdown in wind and bagasse-based energy generation



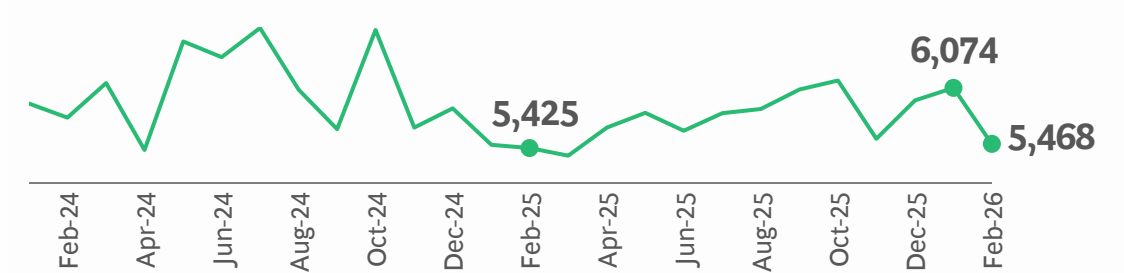
Diesel and Petrol Consumption (MMT)

Diesel and petrol consumption rose in Mar'26, driven by precautionary fuel stocking amid supply concerns



Natural Gas Consumption¹ ('00 MMSCM²)

Natural gas consumption witnessed a sharp decline in Feb'26, due to lower net production and imports



1. Natural Gas Consumption= Net Production +LNG Imports

2. MMSCM: Million Standard Cubic Meter

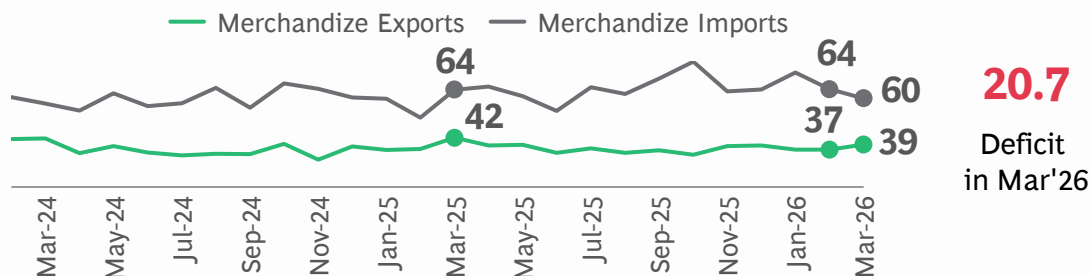
Source: Petroleum Planning and Analysis Cell, CEA, Power System Operation Corporation, CMIE, BCG analysis

Merchandise trade deficit narrowed further while services surplus inched up in Mar'26; Forex reserves declined sharply as FDI spiked



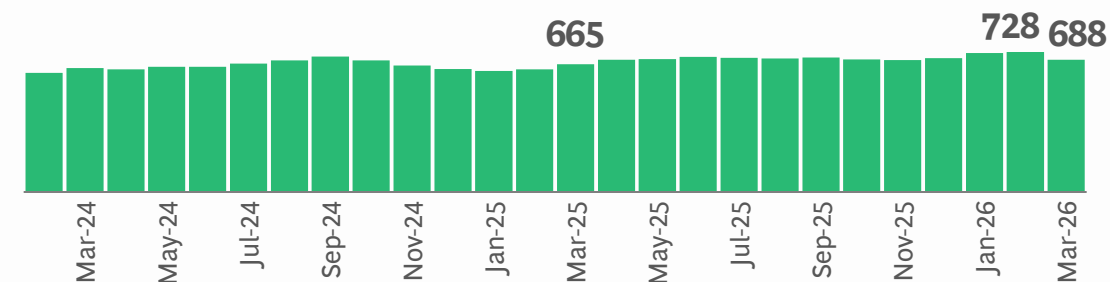
Merchandise Trade (\$ Bn)

Merchandise trade deficit narrowed further in Mar'26, due to a sharp decline in gold & silver imports and rising exports of petroleum products



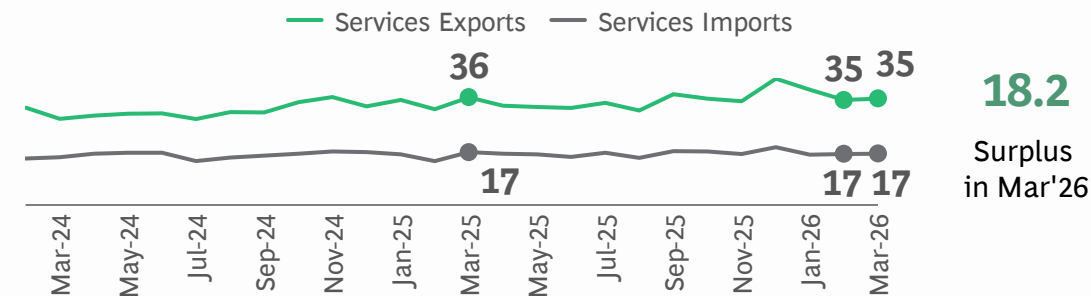
Forex Reserves (\$ Bn)

Forex reserves declined in Mar'26, driven primarily by a decrease in foreign currency assets and gold



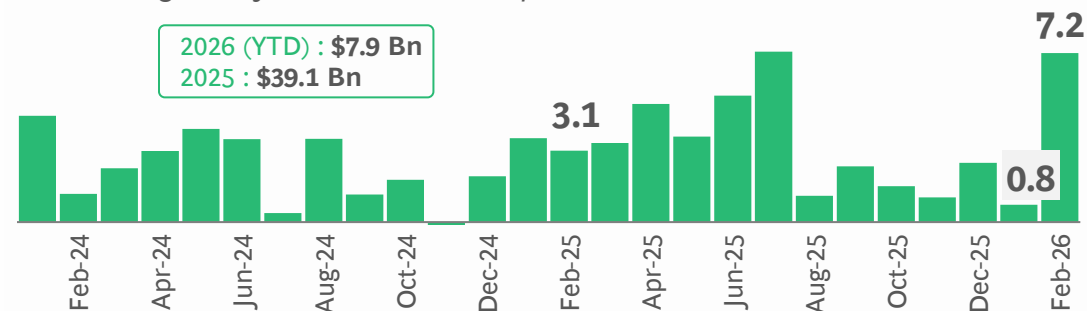
Services Trade (\$ Bn)

Services trade surplus expanded marginally in Mar'26, due to a slightly higher increase in exports than imports



FDI (\$ Bn)¹

FDI inflows rose sharply to a near 5-year high in Feb'26, led by a rise in gross inflows and reduced repatriations



Note: Mar'26 Merchandise Import and Export numbers & Service Import and Export numbers are provisional as provided by the Ministry of Commerce and Industry

Note: Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies

1. Denotes total inward FDI to India; Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies; Calendar year considered for FDI 2025 & 2026 values.

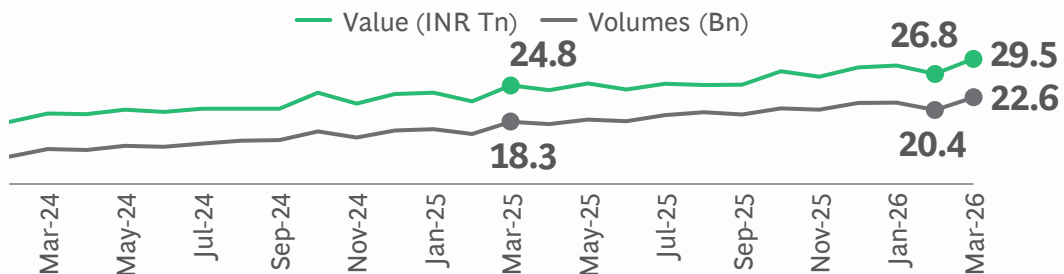
Source: Ministry of Commerce & Industry, CMIE, RBI, PIB

UPI transactions scaled record highs in Mar'26, while mutual fund AUMs declined; Aggregate deposits & credit increased in Feb'26



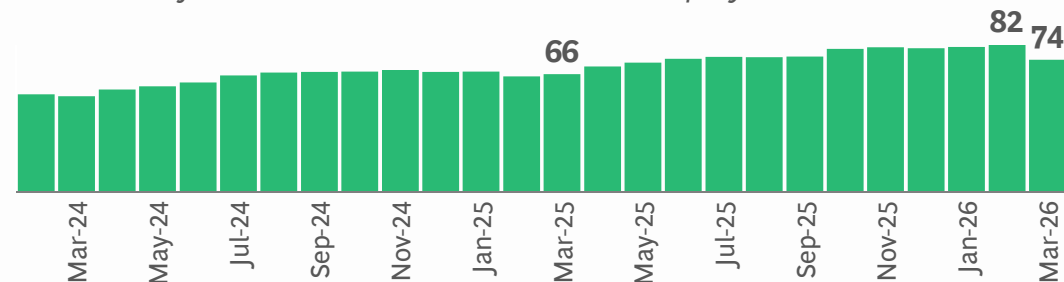
UPI Transactions

UPI transactions reached an all-time high in Mar'26, buoyed by festive demand and year-end financial activity



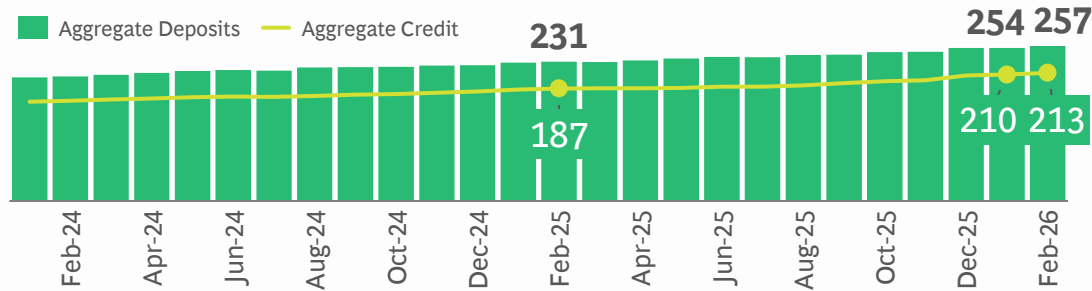
Mutual Funds AUM (INR Tn)¹

Mutual funds AUM fell in Mar'26 primarily due to heavy debt-scheme outflows and mark-to-market declines in equity-oriented schemes



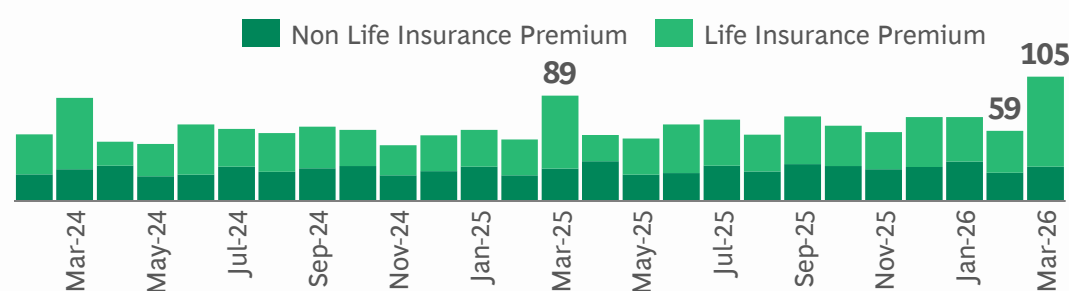
Aggregate deposits & credit (INR Tn)

Aggregate credit increased in Feb'26, led by retail & MSME lending, higher NBFC credit, and improving infrastructure financing



Insurance Premium (INR '000 Cr)²

Insurance premiums cyclically surged in Mar'26, driven by a spike in health premiums under the non-life insurance segment



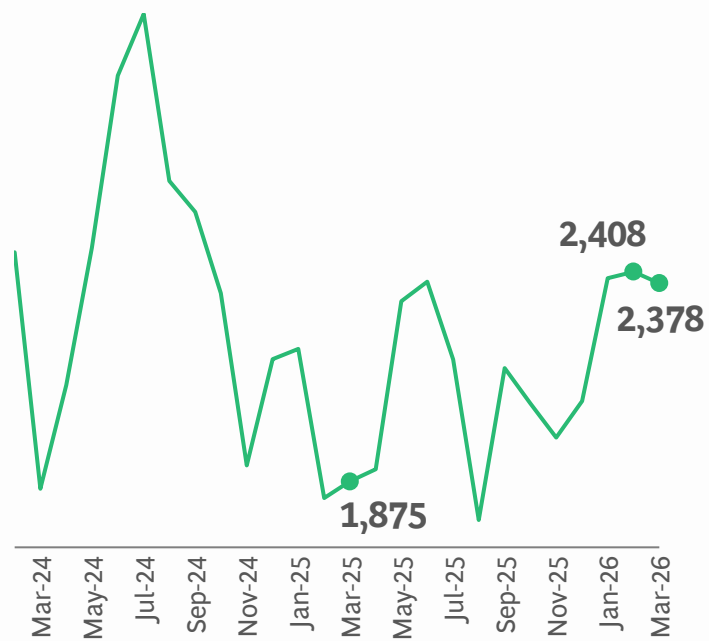
1. Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks; Provisional figures used for life & non-life insurance as on 27 Apr'26; 2. Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Crop Insurance, Credit Guarantee, Aviation, Personal accident and Miscellaneous
 Source: DBIE, NPCI, IRDAI, AMFI, GIC, Life Insurance Council of India, BCG analysis

NSE and BSE transaction volumes dipped in Mar'26, while India VIX ended the month at a 9-month high



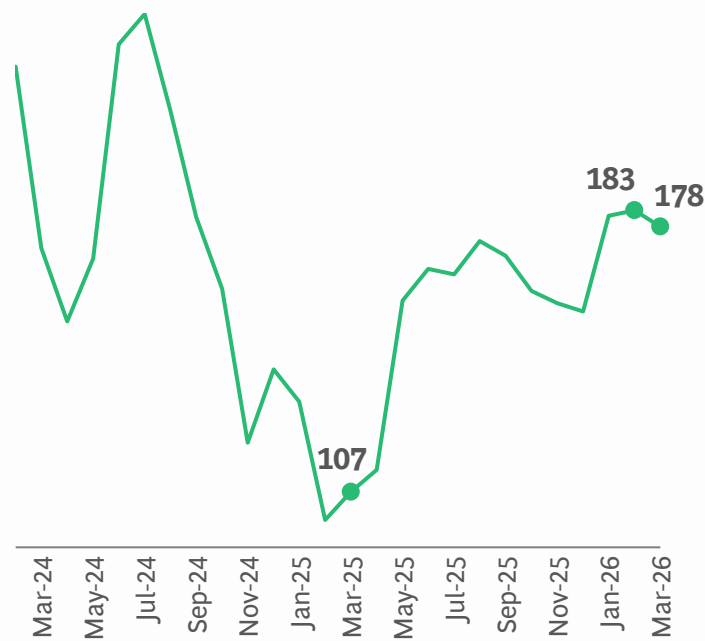
NSE transactions (INR Cr)

NSE transactions fell in Mar'26, due to increased global uncertainty and rising caution among investors



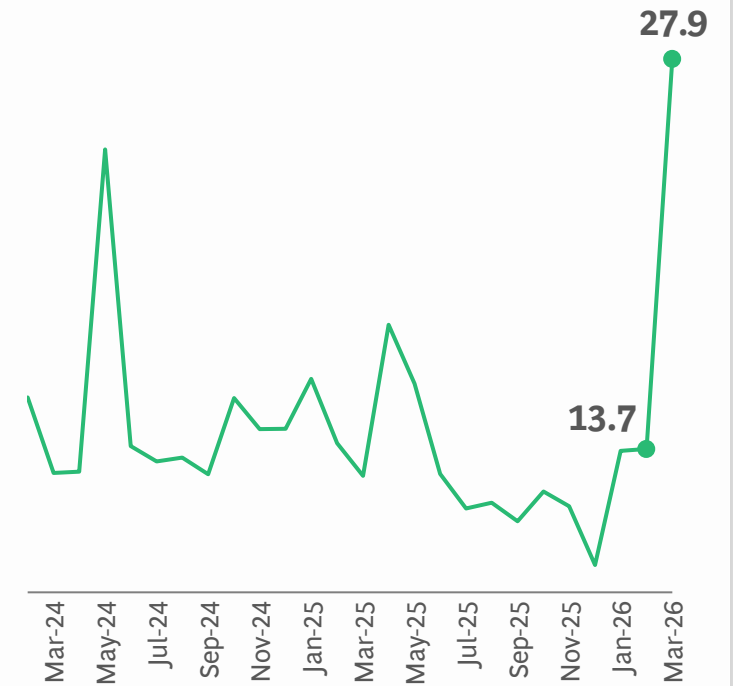
BSE transactions (INR Cr)

BSE transactions inched down in Mar'26, amid escalating geopolitical tensions and rising oil prices



India VIX (Volatility Index)¹

India VIX surged to end the month at a record high in Mar'26, amid global geopolitical tensions and market uncertainty



Source: NSE, BSE, CMIE, BCG analysis

1. India VIX (Volatility Index): NSE's measure of expected market volatility over the next 30 calendar days.

GST collections soared to a 10-month high in Mar'26, while exchange rate weakened; Fiscal deficit expanded in Feb'26



Govt. Receipts & Expenditures (INR Tn)

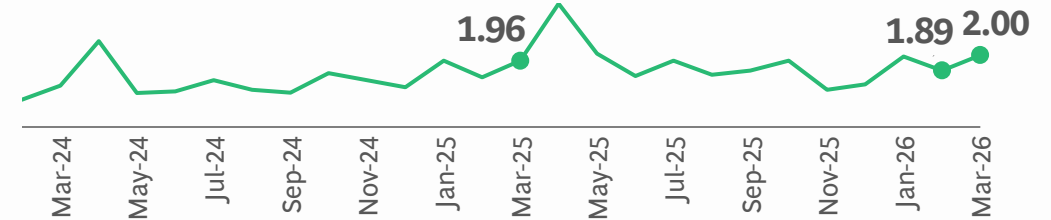
A fiscal deficit was recorded in Feb'26, due to a sharp decline in revenue and non-debt capital receipts as capital expenditure grew

	Dec'25	Jan'26	Feb'26
Govt. Expenditure (INR Tn)	4.6	3.1	3.5
Govt. Receipts (INR Tn)	5.8	1.8	0.8
Fiscal Deficit (INR Tn)	-1.2	1.3	2.7



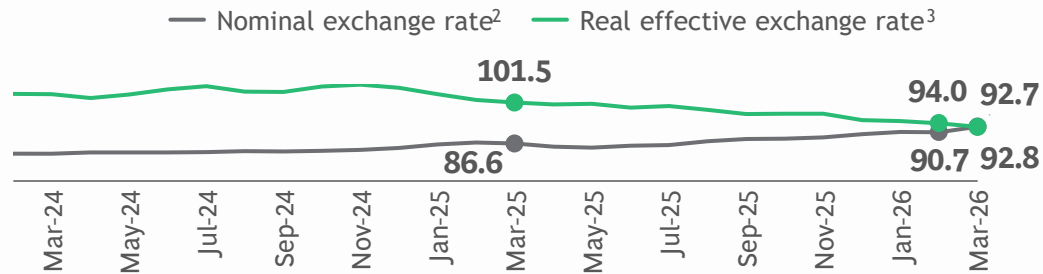
GST Collections¹ (INR Tn)

GST collections grew to a 10-month high in Mar'26 driven by a rise in both import and domestic revenues



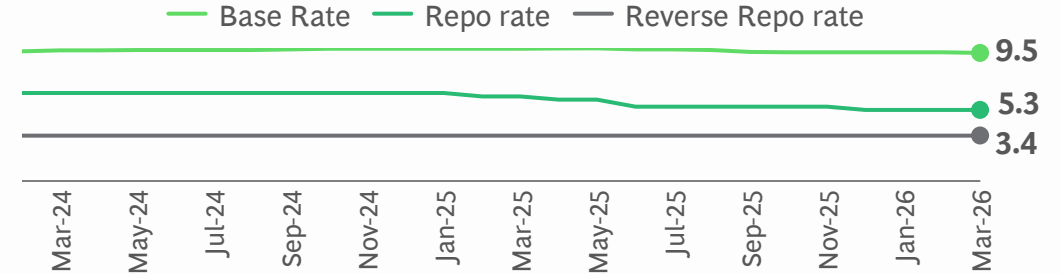
Exchange Rate (INR to USD)

The nominal exchange rate weakened significantly in Mar'26, while the REER further strengthened



RBI's policy rates (%)

The RBI maintained the repo rate in Mar'26, with a minor decline in base rate value



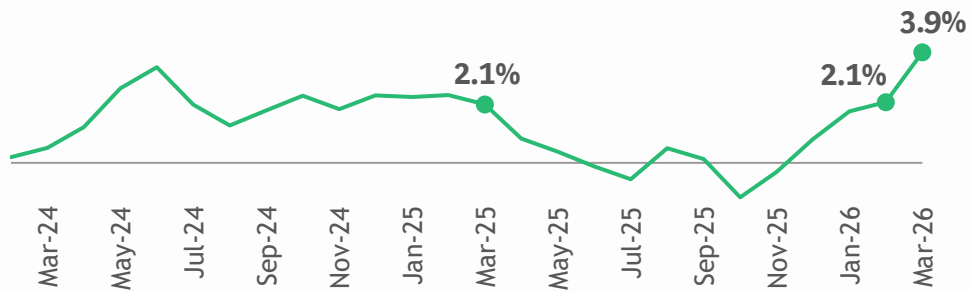
1. GST Collections include all components: CGST, SGST, IGST, Cess
 2. RBI Reference Exchange Rate of Indian Rupee against US Dollar presented as a monthly average
 3. Real Effective Exchange Rate Based On Consumer Price Index: Base year 2015-16, Trade weights, 40 currency
 Source: CMIE, Ministry of Finance, GST Council, GST Network, RBI, Jan Dhan Yojana, BCG analysis

Inflation increased further in Mar'26, with WPI soared to 3.9% and CPI rose to 3.4%

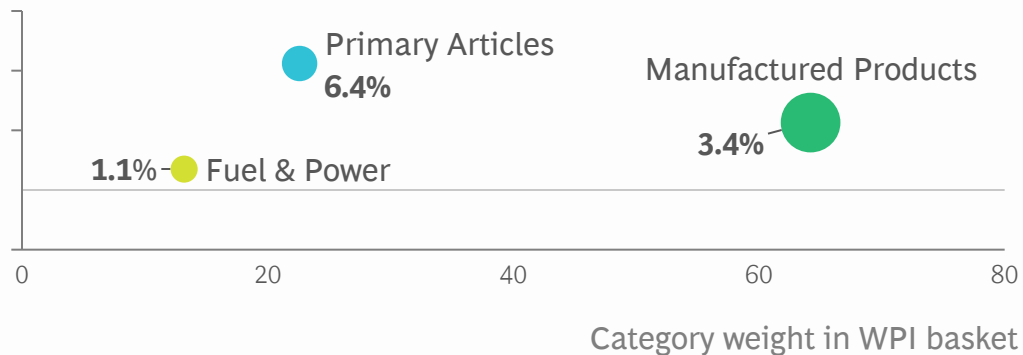


Wholesale Price Index (WPI)¹

WPI inflation rose sharply in Mar'26, with inflation across all categories, driven largely by primary articles

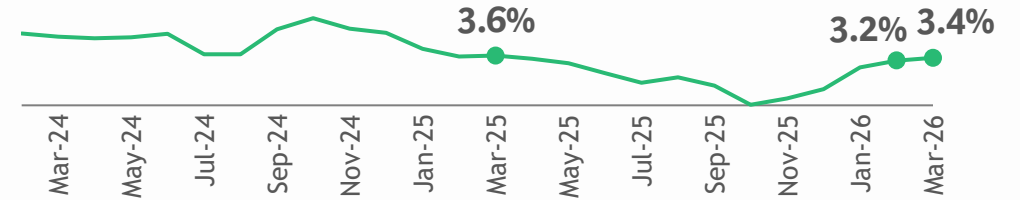


WPI inflation rate for Feb'26

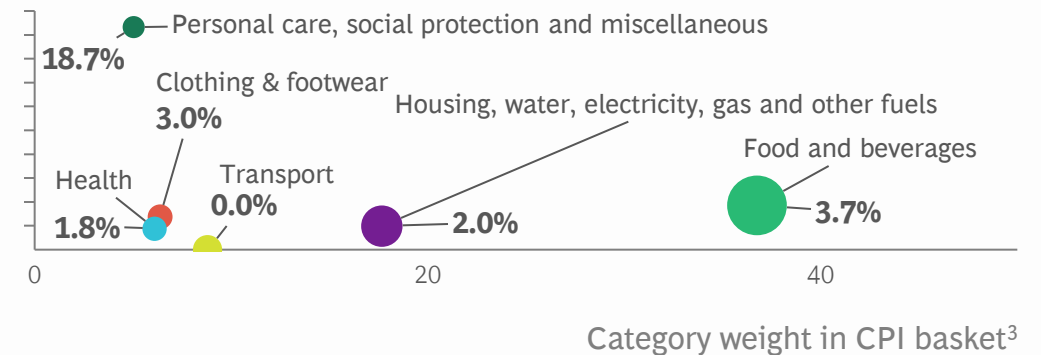


Consumer Price Index (CPI)²

CPI inflation rose further in Mar'26, led mainly by food & beverages and housing



CPI inflation rate for Feb'26



1. WPI measures and tracks the changes in the price of goods in the stages before the retail level – that is, goods that are sold in bulk and traded between entities or businesses instead of consumers. It is calculated as YoY increase in prices of the commodities; Primary articles incl. food, non-food, minerals, crude petroleum & natural gas; Fuel & power incl. coal & mineral oils; 2. CPI is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated as YoY increase in prices of the commodities. 3. Six categories with the highest weights in the CPI basket are shown. The CPI basket also includes excluded categories: 'Pan, Tobacco & intoxicants', 'Furnishings, household equipment and routine household maintenance', 'Information and communication', 'Recreation, sport and culture', 'Education services', and 'Restaurants and accommodation services'. Source: MOSPI, CMIE, BCG Analysis

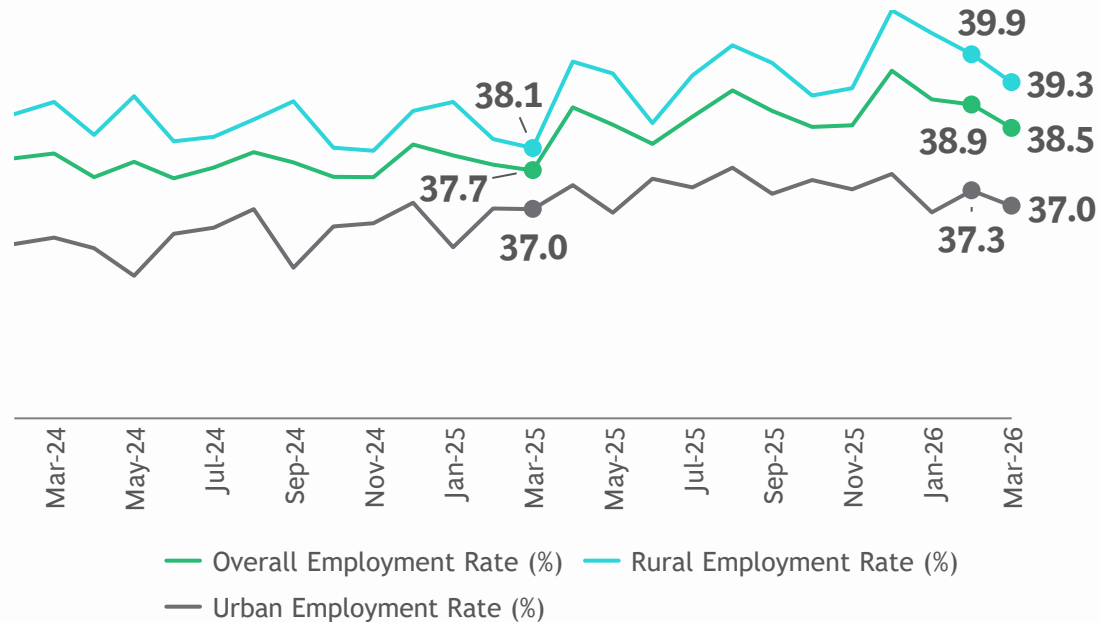
Employment softened in Mar'26 as MGNREGA work demand and overall employment both declined



CMIE Employment rate (%)¹

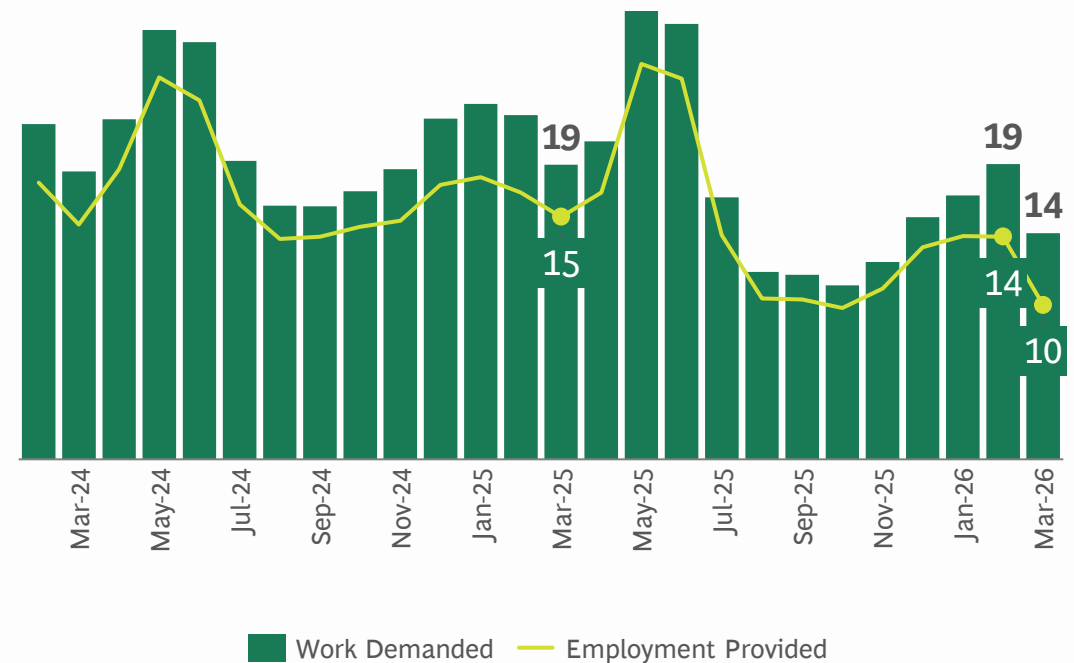
Overall employment rate fell to a 9-month low in Mar'26, as rural employment fell sharply followed by urban levels

Employment status indicates whether a member of a household who is 15 years of age or more is employed or not employed as of the date of the survey



MGNREGA Employment Progress (Households in Mn)²

MGNREGA work provided declined to a 5-month low in Mar'26, as workers preferred manufacturing and construction opportunities with higher pay



1. CMIE's national employment survey contains 40,000 households and these include an average of 1,80,000 members across all age groups.

2. MGNREGA refers to Mahatma Gandhi National Rural Employment Guarantee Act.

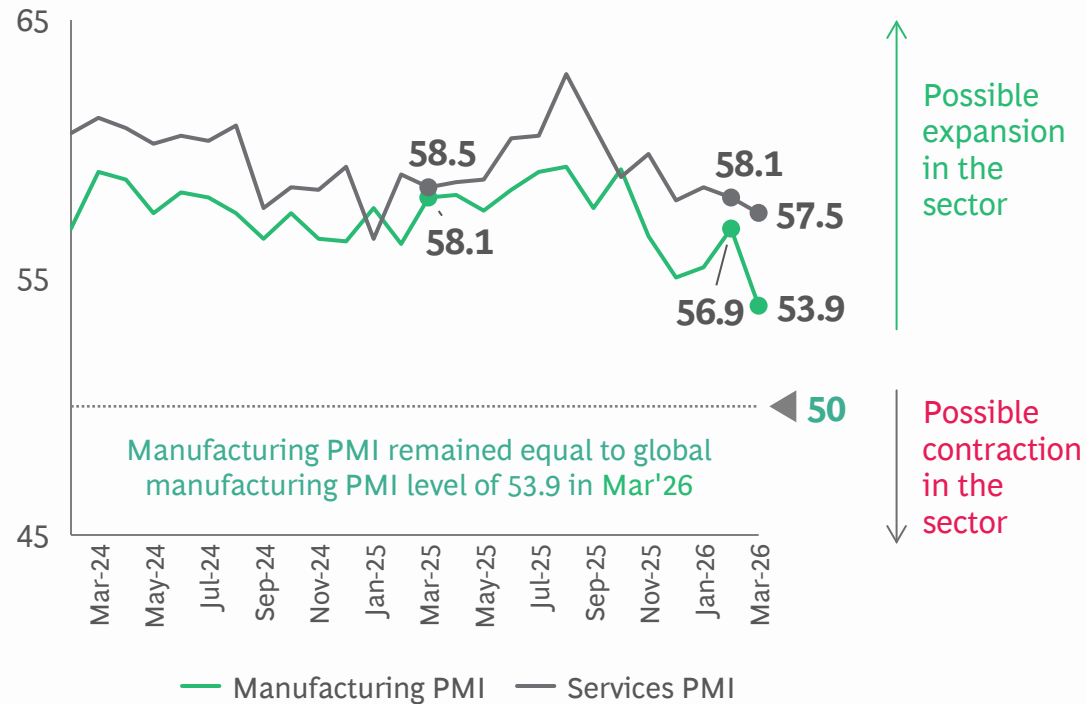
Source: CMIE Employment survey, Ministry of Labour & Employment, Ministry of Rural Development, CMIE, BCG Analysis

Manufacturing PMI declined sharply in Mar'26; Future expectations declined across both rural and urban categories



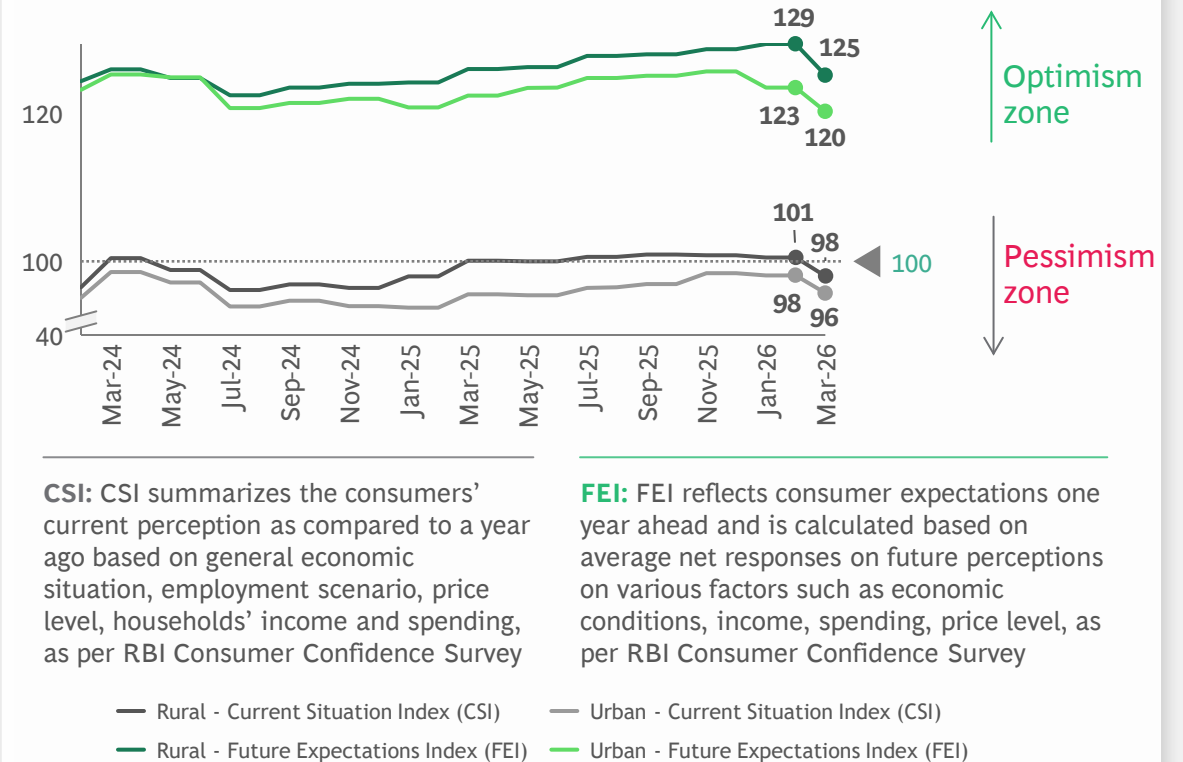
Manufacturing and services PMI¹

Manufacturing PMI declined in Mar'26 as output and new-order growth slowed amid global disruptions; Services PMI eased as output and sales growth moderated amid input-price pressures



Consumer Confidence Survey (RBI)²

Both current and future expectations declined across urban and rural regions in Mar'26, led by weaker optimism on income and spending



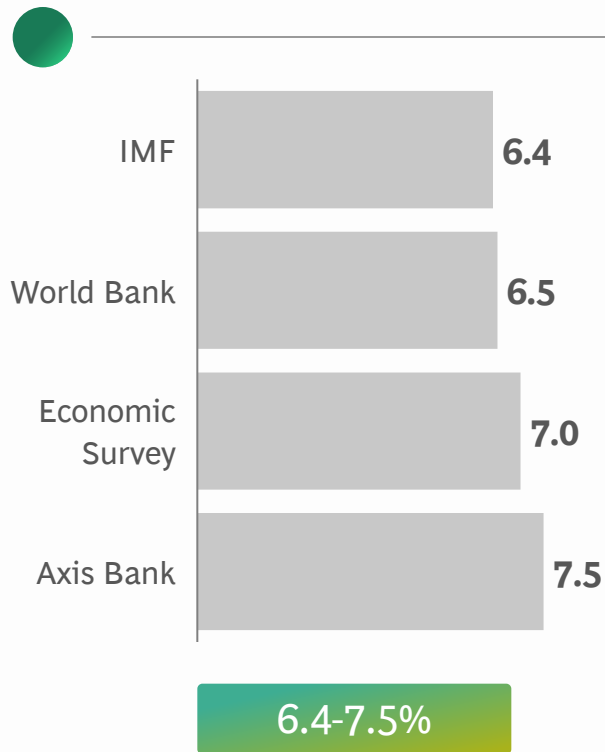
1.The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors. The PMI is based on a monthly survey of supply chain managers covering both upstream and downstream activity; 2.Sample size: 8,909 and 5,933 responses for rural & semi-urban, and urban (across 19 major cities) respectively surveyed during January 2-11, 2026; CSI/FEI = 100 + Average of Net Responses of (General Economic Situation, Employment Scenario, Price Level, Household income and Overall Spending). Data are based on web releases made in February 2026. For each survey round, the final figures as available in the latest web release covering the same have been considered.

Source: S&P Global, IHS Markit, CMIE, Analyst Reports, RBI, BCG analysis

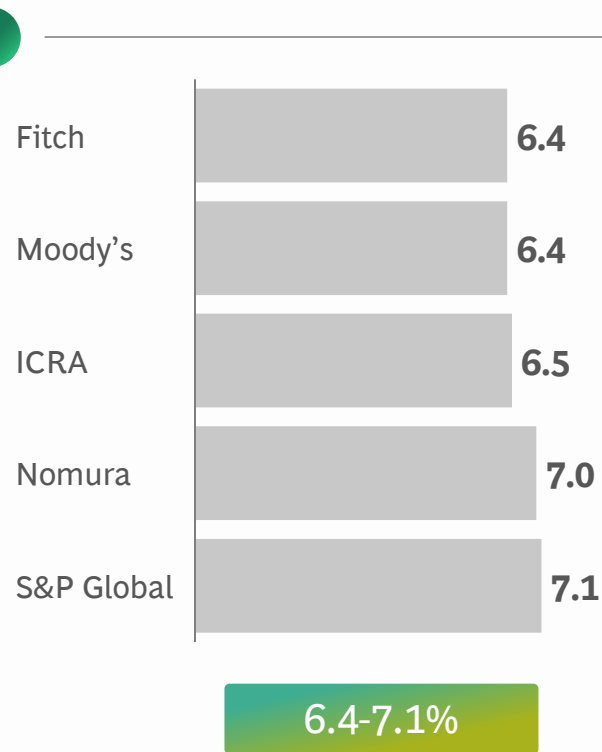
FY27 GDP projected to grow between 6.0–7.5%; IMF and World Bank revised their forecasts upward in Mar-Apr'26

India GDP growth forecast for FY27 (YoY %)

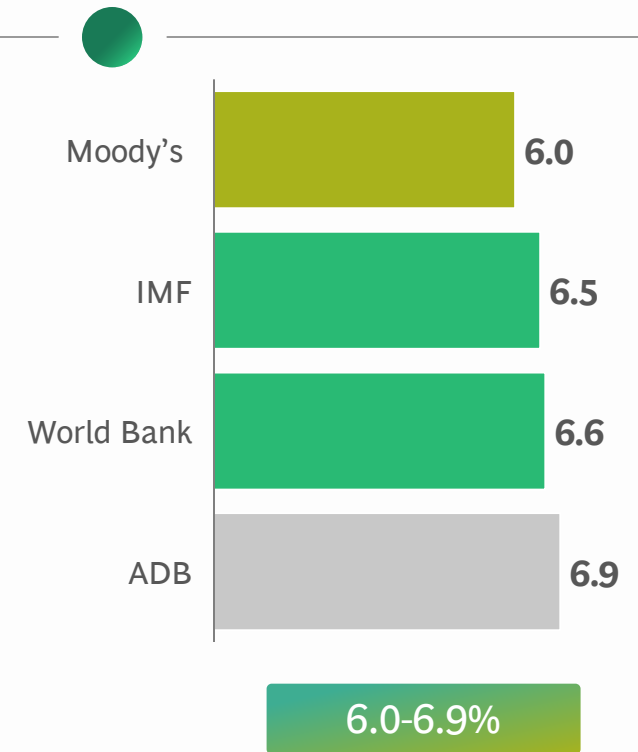
Dec'25-Jan'26



Feb-Mar'26



Apr'26



Data as of 23rd Apr'26; Estimates likely to be revised further

No change
 Downward revision
 Upward revision



BCG

