

HIGHLIGHTS

MANUFACTURING PMI:

- The index **fell to 53.9 in March 2026** from 56.9 in February, slightly above the preliminary estimate of 53.8.

EMPLOYMENT:

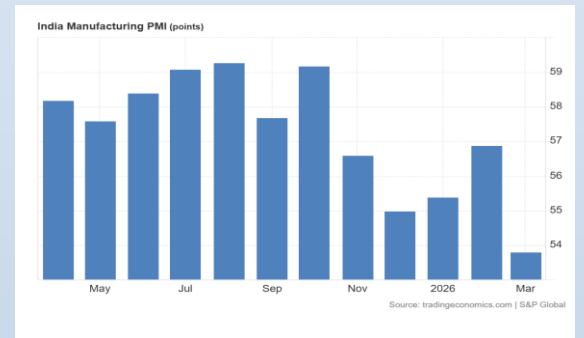
- **Employment increased at the fastest rate in seven months**, as firms expanded their workforce despite slower growth.

PRODUCTION & DEMAND:

- **Factory output and new orders grew at the slowest pace since mid-2022**, impacted by cost pressures, intense competition, and uncertainty linked to the **Middle East conflict**.

INFLATION:

- **Input cost inflation surged to a 43-month high**, driven by rising expenses.
- **Output price inflation remained modest**, indicating firms absorbed part of the cost pressures.



"Even with growth momentum easing, India's manufacturing industry wrapped up 2025 in good shape. The sharp rise in new business intakes should keep companies busy as we head into the final fiscal quarter, and the lack of major inflationary pressures could continue to support demand," said **Pollyanna De Lima**,
(Economics Associate Director at S&P Global Market Intelligence.)

Note:

1. PMI stands for Purchasing Managers' Index.
2. PMI is one of the closely watched indicators of business activity across the world.
3. The magic number is 50. A reading of 50 or higher generally indicates that the industry is expanding.
4. Share of the manufacturing sector in GDP in India is nearly 17%.
5. The PMI is prepared by IHS Market.
6. PMI was first prepared by ISM USA in 1948.

Highlights

Services PMI:

- The index was **revised higher to 57.5 in March 2026**, above the preliminary estimate of 57.2 and market expectations of 57.4.

Employment:

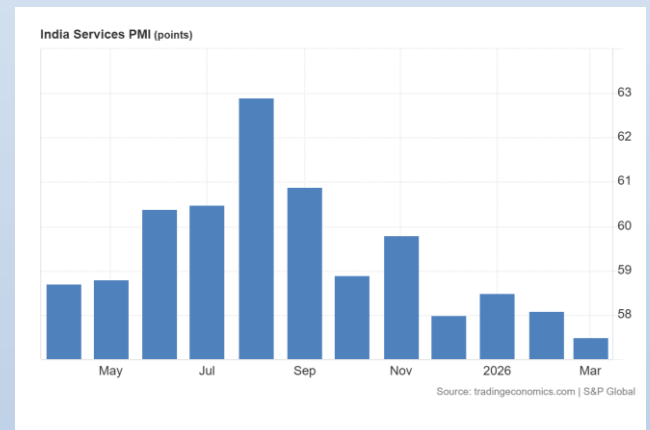
- **Employment increased**, with the **fastest pace of job creation since mid-2025**.

Business Sentiment:

- **Business confidence strengthened**, supported by continued demand and ongoing employment growth.

Inflation:

- **Input price inflation accelerated sharply**, nearing a **four-year high**, driven by higher food, fuel, energy, and labour costs.
- **Output price inflation also rose to a seven-month high**, reflecting pass-through of rising costs.



Source - S&P Global India Services PMI®

“March proved challenging for Brazilian service providers, as the war in the Middle East drove up fuel prices and brought renewed inflationary pressures to the economy. With operating expenses rising sharply, companies hiked selling prices at the fastest rate since last October,” said Pollyanna De Lima, economics associate director at S&P Global Market Intelligence.

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2. PMI is one of the closely watched indicators of business activity across the world.
3. The magic number is 50. A reading of 50 or higher generally indicates that the industry is expanding.
4. Share of the Service sector in GDP in India is nearly 50%.
5. The PMI is prepared by IHS Markit.
6. PMI was first prepared by ISM USA in 1948.