

News Release

Embargoed until 1030 IST (0500 UTC) 24 March 2026

HSBC Flash India PMI[®]

Indian economic growth lowest since late-2022 as cost inflation climbs to near four-year high

Key findings

HSBC Flash India Composite PMI Output Index: 56.5 (February final: 58.9)

HSBC Flash India Services PMI Business Activity Index: 57.2 (February final: 58.1)

HSBC Flash India Manufacturing PMI Output Index: 55.1 (February final: 60.7)

HSBC Flash India Manufacturing PMI: 53.8 (February final: 56.9)

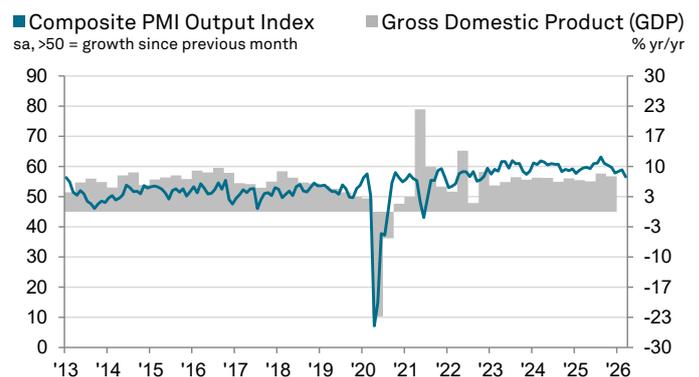
March data highlighted the weakest expansion in Indian private sector output since October 2022. The slowdown primarily reflected a softer upturn in domestic demand for goods and services as international orders rose to the greatest extent in the series history. Companies indicated that the Middle East war, unstable market conditions and inflationary pressures all dampened growth. Input costs and selling charges increased at the fastest rates in 45 and seven months respectively.

The **HSBC Flash India PMI[®] Composite* Output Index** – a seasonally adjusted index that measures the month-on-month change in the combined output of India's manufacturing and service sectors – fell from a final reading of 58.9 in February to 56.5 in March, highlighting the weakest pace of growth in close to three-and-a-half years.

The largest slowdown was seen at goods producers, who reported that the war in the Middle East weighed on production growth by exacerbating market instability, driving inflationary pressures higher and restricting demand through heightened future uncertainty among clients and end consumers. March's increase in factory output was the softest since August 2021.

Service providers also indicated a weaker upturn in business activity, and one that was the least marked since January 2025. Anecdotal evidence particularly pointed to disruptions to international travel and the negative impact of the joint strikes by the US and Israel and Iran's counterattacks.

There were softer increases in new orders placed with manufacturing companies and their services counterparts. Collectively, sales rose at the slowest pace since November 2022.



Sources: HSBC, S&P Global PMI, CSO via S&P Global Market Intelligence.

*Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.

Data were collected 11-19 March 2026.

Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

"Output growth eased across both manufacturing and services as the energy shock unfolds. Softer domestic demand weighed on new orders, which rose at the slowest pace in more than three years, despite a record surge in new export orders. Cost pressures intensified, but companies are absorbing part of the increase by squeezing margins."

Contrasting with the trend for total new orders, international sales rose at a series-record pace in March. Service providers led the expansion, although manufacturers also saw a pick-up in growth. Monitored companies signalled new business gains from clients in Asia, Australia, Canada, Europe, Latin America, the Middle East and the US.

Price gauges highlighted an intensification of inflationary pressures across India's private sector. Input costs rose to the greatest extent in close to four years, with a range of items reported as up in price including aluminium, chemicals, electronic components, energy, food, iron ore, leather, oil, rubber and steel.

Firms absorbed a large part of their additional cost burdens, as indicated by a rise in selling prices that trailed that of input costs by a considerable margin. Nonetheless, the rate of charge inflation was marked and the strongest in seven months.

Price pressures were more intense in the service economy than in the manufacturing industry during March. This was the case for both input costs and output charges.

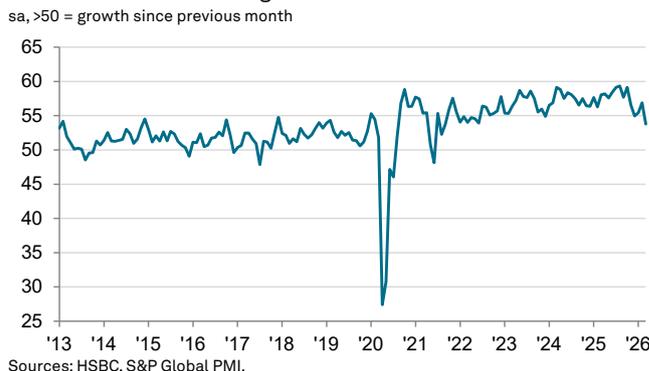
Despite seeing growth of new orders recede in March, private sector companies continued to expand their capacities through staff recruitment. Employment rose at a moderate pace that was nevertheless the quickest since last August. Qualitative data showed that confidence in the outlook for business activity, pending orders and pipelines of new work underpinned hiring.

Outstanding business volumes at the composite level rose for the fourth successive month in March, but the pace of accumulation was only marginal. Whereas backlogs or work expanded among service providers, goods producers recorded the first decline in 17 months.

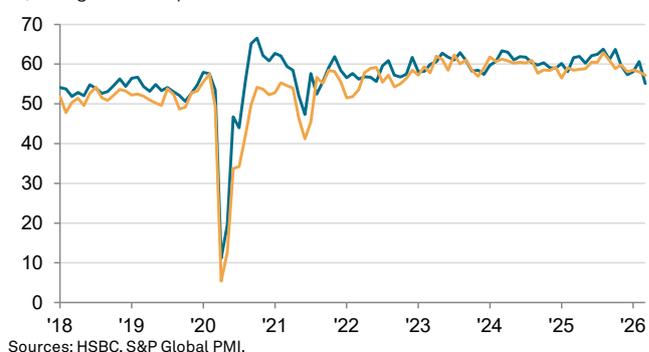
Manufacturing-specific data showed further increases in buying levels and stocks of purchases at the end of the last fiscal quarter. In both cases, however, rates of expansion eased from February. In terms of delivery times, companies reported a marked improvement in vendor performance. A slowdown in overall business conditions was evidenced through a decline in the **HSBC Flash India Manufacturing PMI**, from 56.9 in February to a four-and-a-half-year low of 53.8 in March.

Finally, Indian private sector firms were optimistic of an increase in output levels over the course of the coming 12 months. Efficiency enhancements, marketing campaigns and new client enquiries were some of the reasons companies gave for their positive assessments.

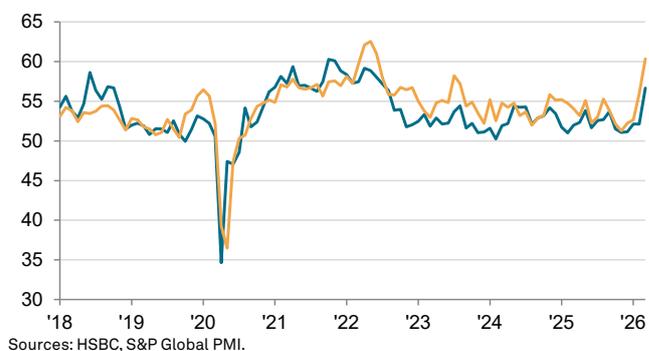
HSBC India Manufacturing PMI



■ Manufacturing PMI Output Index
 ■ Services PMI Business Activity Index
 sa, >50 = growth since previous month



■ Manufacturing PMI Input Prices Index
 ■ Services PMI Input Prices Index
 sa, >50 = inflation since previous month



Contact

HSBC India
Shalaka Kagathra
T: +91 22 22681046
shalaka.kagathra@hsbc.co.in

Snehha Madhyani
T: +91 22 22685341
snehha.madhyani@hsbc.co.in

S&P Global Market Intelligence
Pollyanna De Lima
Economics Associate Director
T: +44 1491 461 075
pollyanna.delima@spglobal.com

Eri Amano
APAC Senior Communications Manager
T: +81 (0) 80 3714 7658
eri.amano@spglobal.com
press.mi@spglobal.com

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click [here](#).

Survey methodology

The HSBC Flash India PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined by S&P Global as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

Manufacturing: Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

Services: Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing PMI.

Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = -0.2 (absolute difference = 0.5)

Services Business Activity Index = -0.2 (absolute difference = 0.7)

Manufacturing PMI = -0.1 (absolute difference = 0.4)

Underlying final survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

About HSBC

The Hongkong and Shanghai Banking Corporation Limited in India offers a full range of banking and financial services through 26 branches across 14 cities. HSBC is one of India's leading financial services groups, with around 39,000 employees in its banking, investment banking and capital markets, asset management, insurance, software development and global resourcing operations in the country. It is a leading custodian in India. The Bank is at the forefront in arranging deals for Indian companies investing overseas and foreign investments into the country. www.hsbc.co.in

About S&P Global

S&P Global (NYSE:SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com

About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates, suppliers and any sponsor (including their affiliates) of the Content ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.