Deals at a glance: Q2 CY26

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India's deal market entered Q2 CY26 with a clear shift towards value over volume. While overall activity moderated to 545 transactions, disclosed deal value rose to $39.6 billion, supported by several large strategic transactions. Mergers and acquisitions (M&A) accounted for $29.7 billion across 263 deals, while private equity contributed $9.9 billion across 282 deals. Technology and retail and consumer led deal volumes, while pharmaceuticals and financial services emerged among the largest sectors by value.

Capital markets remained broadly constructive, with key equity indices closing above their March levels. Primary market activity, however, moderated during the quarter. India recorded 54 IPOs in Q2 CY26, compared with 60 in the preceding quarter. While IPO activity moderated, sustained SME listings reflected the expanding depth of India's primary markets and investor appetite for emerging businesses.

The broader economic environment remains supportive. India recorded GDP growth of 7.8% and gross value added (GVA) growth of 7.9% in Q4 FY26, led by investment, services, and urban demand.

Globally, M&A is becoming increasingly K-shaped, with megadeals supporting aggregate value even as overall volumes remain subdued. AI is also beginning to reshape both investment priorities and deal execution, helping organisations identify resilient business models and accelerate diligence and decision-making. Yet, as technology plays a greater role, human judgement, strategic clarity, and disciplined execution will remain critical.

Looking ahead, we expect capital to remain selective, with investors prioritising resilient businesses, clear profitability pathways, and credible value-creation opportunities. Strategic consolidation, technology-led transformation, outbound expansion, and portfolio rebalancing are likely to remain central to India's dealmaking landscape.

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  Exclusive financial advisor to Wipro Hydraulics for their acquisition of Indeco Ind SpA.

- **IncNut Digital Pvt Ltd**
  Exclusive financial advisor to IncNut Digital and its shareholders for sale of 60% stake to Emami

- **Tru Native F&B Pvt Ltd (TruNativ)**
  Exclusive financial advisor to TruNativ on Series B fundraise led by OrbiMed

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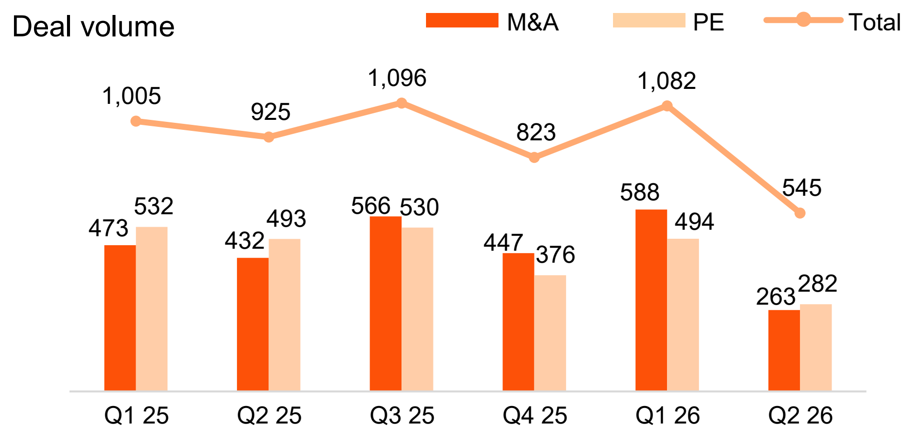
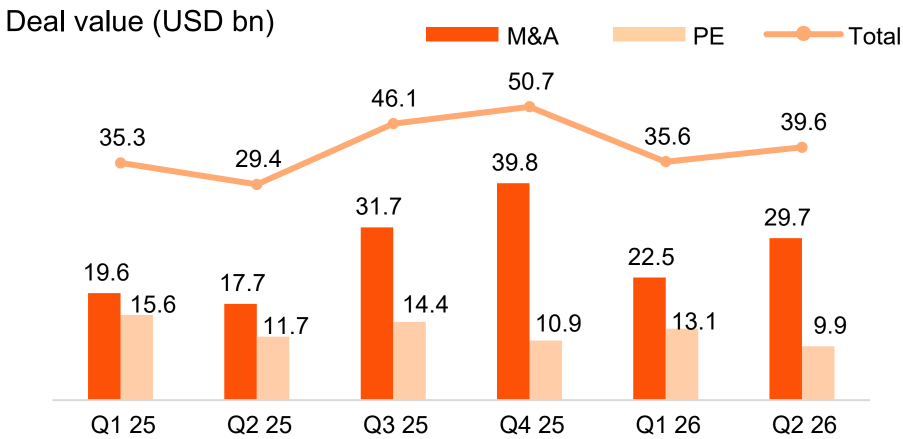
Market snapshot





Deal activity moderated sharply in Q2 CY26, with steep declines in both M&A and PE volumes. Total deal volume stood at 545, nearly half the 1,082 deals recorded in Q1 CY26 and substantially below the 925 deals completed in Q2 CY25, a 41% (YoY) fall in overall deal volume. Q2 CY26 also recorded the lowest M&A and PE deal volumes across the last six quarters, making the rise in overall deal value particularly notable.

Despite the decline in activity, aggregate deal value increased meaningfully. Total deal value rose to $39.6 billion, compared with $35.6 billion in Q1 CY26 and $29.4 billion in Q2 CY25, reflecting a 11% QoQ increase and a 35% YoY increase. The quarter reflected a clear divergence between transaction volume and value.

M&A remained the primary driver of this trend. M&A deal volume declined to 263 deals. However, M&A deal value rose to $29.7 billion, compared with $22.5 billion in Q1 CY26 and $17.7 billion in Q2 CY25. This was a 32% sequential increase and an 68% YoY increase in M&A value. The highlight of the quarter was the sharp rise in M&A average

*PE includes investment deals from all kinds of financial investors including ptrivate equity, venture capital, family offices, investment arms, holding companies etc.

Q2 CY26 wrap up

545

Announced deals

$39.6 billion

Disclosed deal value

168

Domestic deals

$12 billion

Largest deal

ticket size, which increased to approximately $176 million in Q2 CY26, compared with $62 million in Q1 CY26 and $63 million in Q2 CY25. The quarter was not driven by broad-based deal momentum, but by a smaller number of larger transactions that lifted overall M&A value. M&A accounted for 75% of total deal value in Q2 CY26 despite representing only 48% of total deal volume.

Within M&A, domestic transactions remained the largest component, accounting for 168 deals, or 64% of total M&A volume in Q2 CY26. However, domestic M&A also recorded the steepest decline, falling 59% from 412 deals in Q1 CY26. Outbound transactions, starting from late 2024, have consistently garnered a greater share of India's activity compared to inbound deals. Outbound transactions represented 17.6% of total M&A deals in H1 2026, compared with 15.0% in H1 2025. The relatively smaller decline in outbound activity meant that outbound transactions account for a larger share of M&A activity in Q2 CY26 as many Indian companies are looking to expand.

PE activity showed a more conventional slowdown. PE deal volume declined to 282 deals, down 43% both QoQ and YoY from 494 deals in Q1 CY26 and 493 deals in Q2 CY25. PE deal value also declined to $9.9 billion, compared with $13.1 billion in Q1 CY26 and $11.7 billion in Q2 CY25. Even so, the average PE ticket size rose to $41.13 million, compared with $30.81 million in Q1 CY26 and $27.66 million in Q2 CY25, suggesting that larger PE transactions continued to close despite weaker overall activity.

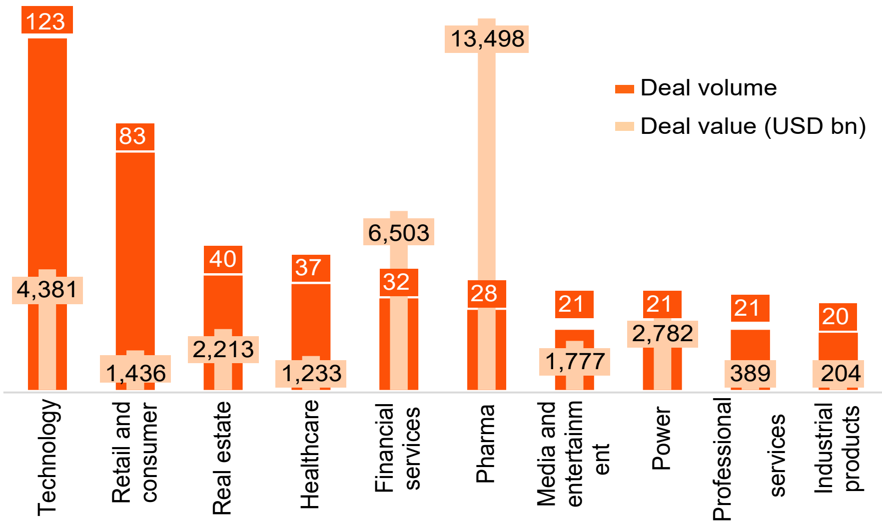
Overall, Q2 CY26 reflected a more selective deal environment. The quarter's defining feature was a shift away from broad-based deal activity towards fewer, larger, and higher-value transactions.

*PE includes investment deals from all kinds of financial investors including private equity, venture capital, family offices, investment arms, holding companies etc.

Q2 CY26 Top deals

Target	Seller(s)	Buyer(s)	Deal type	Deal nature	Deal value (USD million)
Organon & Co		Sun Pharmaceutical Industries Ltd	Outbound M&A	Strategic acquisition	12,015
REC Ltd		Power Finance Corp Ltd	Domestic M&A	Merger by absorption	5,033
Royal Multisport Pvt Ltd (Rajasthan Royals)	Emerging Media Ventures, RedBird Capital Partners	Adar Poonawalla (Pvt Investor); Lakshmi N Mittal & Family	Investment	Strategic, consortium acquisition	1,535
Nagarro SE	Lantano Beteiligungen GmbH & Co KG	Persistent Systems Ltd; Galaxy Germany Holding SE	Outbound M&A	Strategic, voluntary public takeover	1,446
Dreamplug Technologies Pvt Ltd (CRED)		Meta Platforms Inc	Investment	Minority equity investment	904

Sector watch



Sectoral deal activity in Q2 CY26 was led by technology, which emerged as the largest sector by deal volume with 123 transactions while retail and consumer recorded 83 deals. Together, technology and retail and consumer accounted for almost 38% of all transactions in Q2 CY26, indicating that deal activity remained concentrated in sectors linked to digital adoption, consumer markets, and scalable business models. Real estate, healthcare, and financial services were the next largest sectors by volume, with 40, 37, and 32 deals, respectively.

While technology led the quarter by deal volume, pharma was the dominant sector by deal value. Pharma recorded $13.5 billion in deal value across 28 transactions, accounting for 32% of total Q2 CY26 announced deal value. This made pharma the most prominent value driver on the back of the largest of deal of the quarter. Financial services was the second-largest sector by value, with $6.5 billion across 32 deals. Technology followed closely with $4.38 billion. Together, pharma, financial services, and technology accounted for 60% of total announced deal value.

Beyond the top three, power recorded $2.78 billion in deal value with 21 deals, followed by real estate at $2.2 billion across 40 deals, and media and entertainment at $1.78 billion across 21 deals. The quarter also showed a clear distinction between high-volume and high-value sectors. Technology stood out as a sector with both strong deal count and meaningful value contribution. Overall, Q2 CY26 sectoral activity was characterised by technology's leadership in deal volume and pharma's dominance in deal value. The quarter reflected broad activity across digital, consumer, real estate, healthcare, and financial sectors, while aggregate value was concentrated in a smaller set of large-ticket sectors led by pharma, financial services, and technology.

PwC insights

India's industry leaders continue to navigate an opportunity-rich environment, supported by policy reforms, technological advancement, and strategic capital deployment. As markets evolve, priorities are increasingly centred on sustainability, global expansion, and innovation. This is strengthening the foundation for sustained deal activity, supporting steady growth and reinforcing India's competitiveness in the global economy.

The **technology, media, and telecommunications (TMT)** sector is witnessing a corporate-led wave of dealmaking, with strategic buyers using M&A, partnerships, and investments to build capabilities, expand digital offerings, and unlock new revenue streams. AI is emerging as a key investment driver, shaping how companies position themselves for long-term growth. Deal activity is also being seen in the areas of gaming, data centres, fibre players, and digital infrastructure ecosystems to meet rising demand for connectivity and digital services. Meanwhile, software assets are being re-evaluated as investors increasingly favour AI-native and AI-resilient platforms, reshaping valuation, and investment priorities.

India **retail and consumer** sector deal activity is expected to remain vibrant over the next 6–12 months. Interest is likely to remain focused on businesses with clear profitability pathways, differentiated brands and strong execution, particularly across quick commerce, beauty and personal care, packaged foods, omnichannel retail and premium consumption. Category leaders, scalable growth businesses and consolidation opportunities are expected to attract attention as digital adoption, tier-II and tier-III demand, and premiumisation continue to deepen, alongside sustained valuation discipline.

Real estate sector in India is expected to sustain investment momentum, led by a continued investor preference for high-quality office and retail assets, supported by Global Capability Center (GCC) demand and institutional capital. Industrial and logistics could see consolidation and platform exits through potential InvITs and IPOs. Capital is also shifting towards data centres, flex workspaces, hospitality and co-living, aided by improving exit visibility. REITs are gaining relevance as equity-linked instruments, while private credit and structured capital should remain important as liquidity and bank competition drive more flexible deal structures.

India is emerging as a key market for **healthcare and pharma** sector, underpinned by strong domestic demand, scalable clinical and manufacturing capabilities, and the rapid rise of platform-led, technology-enabled care models. Private equity and strategic investors are driving consolidation across healthcare services, increasingly building integrated platforms spanning hospitals, diagnostics, and digital health. Pharmaceutical and life sciences assets continue to attract interest as global supply chains diversify under 'China + 1' strategies. Concurrently, Indian companies are stepping up as outbound acquirers, using M&A to expand capabilities, brands, and global reach, reinforcing India's position as both a strategic investment destination and an emerging cross-border player.

India's **financial services** sector is expected to remain constructive over the next 6–12 months, but with sharper selectivity around scale, resilience, and technology-led transformation. In line with global trends, capital is expected to favour businesses using M&A to enhance efficiency, strengthen competitive positioning and accelerate digital capabilities. In India, consolidation is likely across (NBFCs), FinTech, insurance, wealth and asset management, secured lending and embedded finance, with investors increasingly focused on profitability, governance, regulatory readiness, and sustainable growth. In insurance, strategic activity is expected to centre on expanding distribution reach, building specialised capabilities, and leveraging technology to improve customer experience and operating efficiency, while continued interest from global insurers and long-term domestic growth prospects should underpin deal activity.

The **infrastructure** sector players continue to make investments in greenfield, brownfield projects requiring significant capital supported by favourable Government policies and schemes. Renewables and roads sectors continue to add assets requiring capital which is resulting in recycling of capital for future investments by private players. While platforms continue to acquire and add capacities, platform divestments also continue to support deal activity. Recycling of capital by way of setting up of InvITs and attracting new investor categories is also gaining pace resulting from attractive returns for the original investors. Other sectors in the value chain, especially in the renewable sector such as solar modules, cells, battery storage, EV charging, continue to attract investments to support growth in the ecosystem, driving deals of increasing scale. Over time, investments in digital infrastructure such as data centres, fibre networks, and digital connectivity will drive significant deal activity. New fund raising by the infrastructure funds has been strong and will likely result in higher deal activity in the near to medium term.

As India's manufacturing agenda moves from capacity creation to capability building, **industrials** deal activity over the next 6–12 months is likely to be shaped by technology depth, supply-chain control resilience in addition to energy-transition-linked demand. Capital is expected to focus on advanced manufacturing, automation, industrial technology, semiconductors, precision engineering , electronics, and the aerospace and defense and EV/EV component ecosystems. PE buy and build themes are expected to continue even as Indian corporates are expected to pursue outbound acquisitions for technology and customer access and global customers, while MNCs operating in India continue to evaluate partnerships, exits, and value unlocking of their Indian operations with a view to address portfolio rebalancing.

What to expect: The year ahead

- Selective capital deployment focused on profitability, resilience, and clear value-creation potential, meaning investors are prioritising opportunities that can deliver sustainable returns even in uncertain conditions
- Platform-led consolidation and scale-building, where companies are combining smaller assets or businesses to create larger, more competitive entities
- Technology-led transformation shaping investment and operating models, with digital tools and data analytics playing a central role in improving efficiency and decision-making
- Greater focus on supply-chain resilience and capability building, as businesses aim to reduce disruptions and strengthen operational reliability
- Capital recycling through exits, listings, and asset monetisation, allowing investors to free up funds from mature investments and redeploy them into new opportunities
- Increasing use of flexible and structured financing solutions, such as hybrid instruments or customised debt arrangements, to better manage risk and returns
- Strategic portfolio rebalancing through acquisitions, partnerships, and divestments, helping organisations align their holdings with long-term goals
- Growing outbound activity to access capabilities, customers, and new markets, as companies expand beyond domestic boundaries to drive growth

Q2 CY26 IPO wrap up

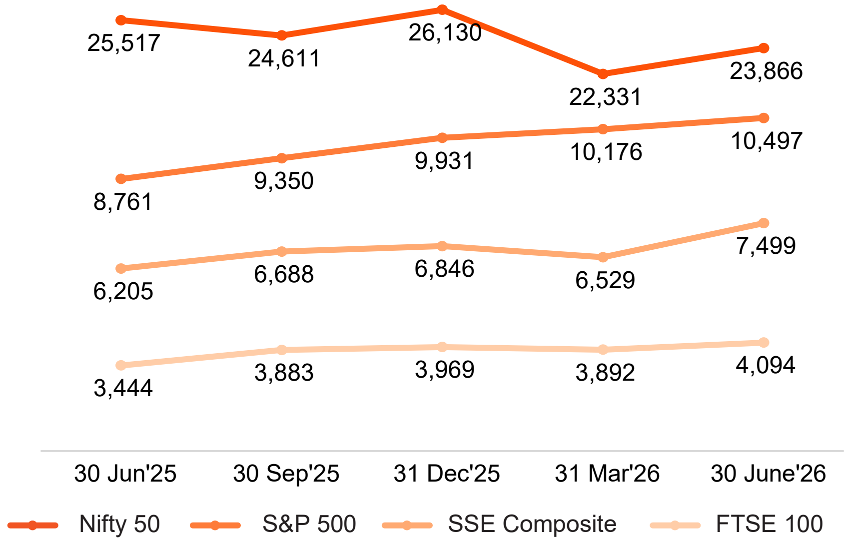
9

Mainboard IPOs

45

SME IPOs

Capital markets snapshot



Data qualifications:

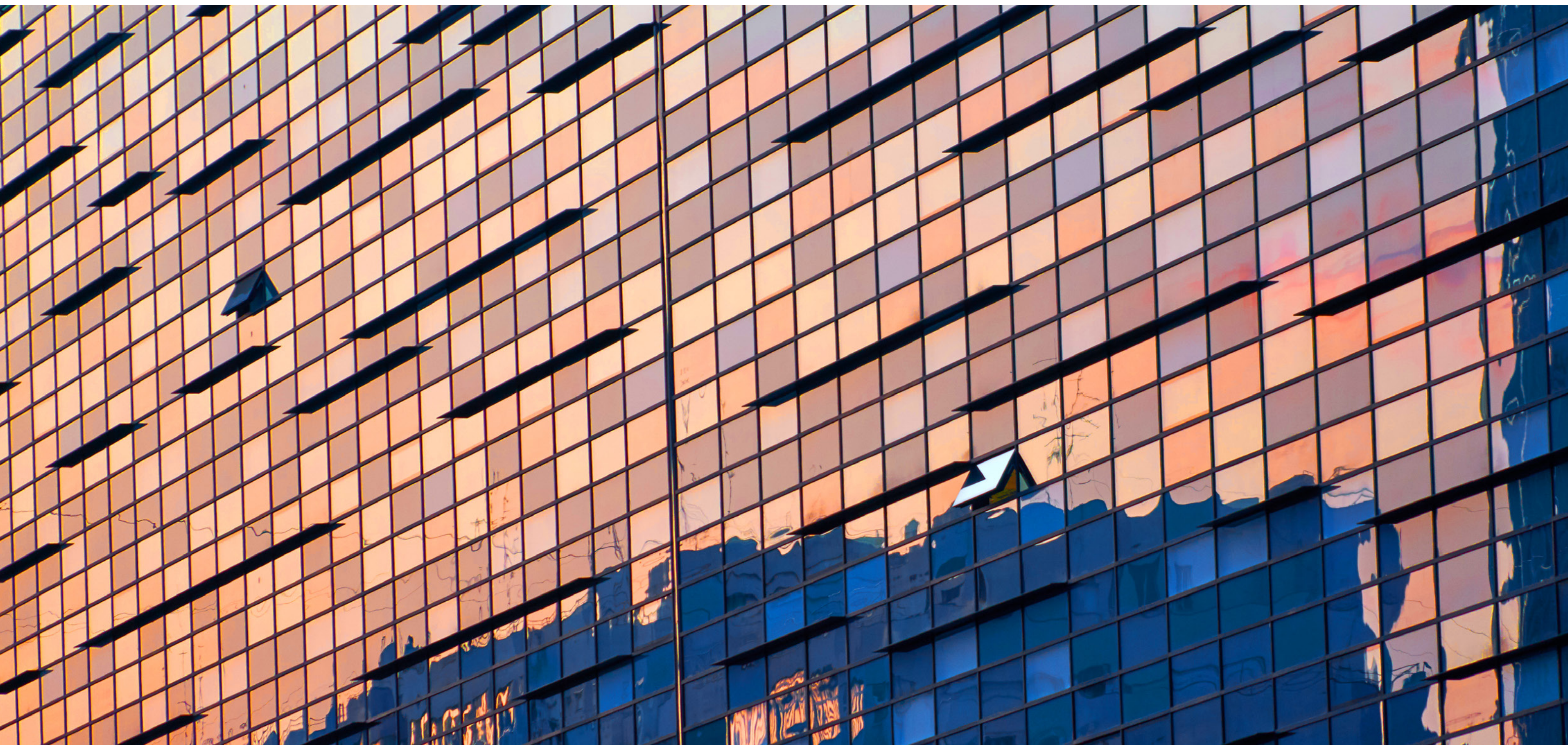
The data used for analysis is as of 30 June 2026. All deal values refer to the announced/disclosed deal values.
*PE includes investment deals from all kinds of financial investors including private equity, venture capital, family offices, investment arms, holding companies etc.

This analysis does not include the following deals:

- Individual and undisclosed bidders with deal value < $10 million
- Buybacks/delisting
- Parent entity investing in non-significant stake
- Divestment to employees
- Open market and off-market deals
- Group deals without exit/entry of any party or changes

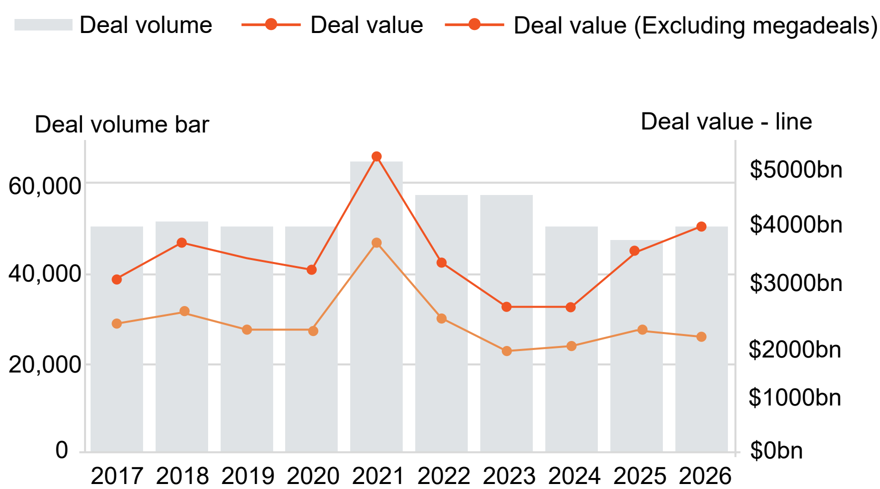
Sources:

- PwC analysis through S&P Global Market Intelligence, Venture Intelligence and publicly available sources



Supersizing M&A for the AI era

Global M&A industry trends: 2026 mid-year outlook



Note: 2026e is a PwC estimate based on deal activity for the five months through May 2026, adjusted for a reporting lag and extrapolated to a full-year estimate to improve year-on-year comparability.
Sources: LSEG and PwC analysis

Global deal trends

- Global M&A value is on track to reach approximately $4 trillion in 2026, up 13% from 2025 and the second-highest level outside the pandemic-driven spike of 2021. But the headline number masks a narrower recovery. Deal volume is moving in the opposite direction, with approximately 42,000 deals projected for the full year, down 13% from 2025.
- Technology continues to generate the largest number of megadeals, with 15 announced deals in the first five months of 2026. However, the megadeal market is no longer just a technology story, with large transactions in pharmaceuticals, banking, energy, consumer markets, and industrials. Scale and resilience are becoming more important strategic priorities.
- Global PE deal volume was broadly flat YoY, with 5,174 deals in Q1 2026 compared with 5,176 in Q1 2025. Deal value fell 14% YoY to $482 billion and activity slowed meaningfully from the end of 2025, when Q4 2025 deal value reached $627 billion across 5,529 deals.
- That points to a more selective market, with sponsors still transacting but deploying capital with greater caution as macroeconomic uncertainty, financing conditions, and exit constraints weigh on confidence.
- As of March 2026, PE funds globally held 32,979 portfolio companies. The bigger issue is aging: 34% of those companies had been held for more than five years, up from 25% in 2025. If liquidity tightens, those hold periods could become harder to extend.

Megadeals are supersizing M&A

- Global deal value is on track to reach $4 trillion in 2026, the strongest year since 2021.
- Megadeals over $5 billion are now nearly half of total global deal value.

AI is intensifying the K-shaped market

- Deal values are up, but volumes are down.
- Buyers are assessing which sectors are AI-native, AI-resilient, or AI-exposed.

The deal of the future is closer than you think

- AI is upending how deals get done, accelerating diligence and other deal processes.
- Human judgement drives M&A decisions; people execute the value creation plan.

Source: Global M&A industry trends: 2026 Mid-year outlook, PwC

Economic snapshot

GDP and expenditure components (at constant prices)

Key components	Share (%)	Growth (%)				
		FY26 Q1	FY26 Q2	FY26 Q3	FY26 Q4	FY26 PE
Private final consumption expenditure (PFCE)	55.7	8.7	7.2	8.2	7.1	7.7
Government FCE (GFCE)	10.1	5.8	6.6	4.6	4.9	5.5
Gross fixed capital formation (GFCF)	32.3	4.9	8.4	8.2	10.8	8.2
Change in stocks	1.3	5.7	11.0	14.7	10.3	10.4
Exports	-1.5	6.6	9.7	5.8	3.7	6.3
Imports		7.0	6.0	7.2	1.9	5.6
GDP		**6.8**	**8.3**	**8.0**	**7.8**	**7.7**

Source: Ministry of Statistics and Programme Implementation (MoSPI)

- **7.8% GDP growth** in Q4 FY26 on YoY basis, driven by strong growth in investment, robust services exports, and resilience in urban demand.
- **7.1% growth in private consumption** in Q4 FY26, lowest in the last four quarters, mainly due to slowdown in rural demand, sluggish income growth, especially in rural areas and affordability concerns amid rising commodity prices.
- **Government consumption grew modestly by 4.9%** in Q4 FY26 (13.4% nominal). Despite strong growth in central and state expenditure, it was driven by subsidies, transfers, and interest payments, not included in GFCE, keeping growth muted.
- **Strong 10.8% growth in investment** in Q4 FY26, driven by private investment, continued government-led infrastructure creation and real estate/construction momentum.
- **Exports grew by 3.7%** in Q4, a six-quarter low driven by services exports amid a decline in merchandise exports. **Imports grew by 1.9%** in Q4 an eight-quarter low due to conflict-led shipping disruptions, high freight, insurance costs, domestic substitution, and targeted policy curbs on key items.

GVA by economic activity (at constant prices)						
Key components	**Share (%)**	**Growth (%)**				
		FY26 Q1	**FY26 Q2**	**FY26 Q3**	**FY26 Q4**	**FY26 PE**
Agriculture, livestock, forestry, and fishing	18	4.4	2.7	1.7	3.6	3.0
Mining and quarrying	2	4.5	6.1	4.7	5.4	5.2
Manufacturing	16	10.4	12.7	12.8	7.3	10.7
Electricity, gas, water supply, and other utility services	2	-2.0	3.6	1.5	4.1	1.7
Construction	9	5.3	8.9	6.7	8.4	7.4
Trade, hotels, transport, communication, and services related to broadcasting	14	9.7	10.5	11.2	12.5	11.0
Financial, real estate, and professional services	26	9.2	10.3	11.6	10.4	10.4
Public administration, defence, and other services	12	4.0	5.4	4.9	5.8	5.0
GVA	**100**	**7.1**	**8.6**	**8.0**	**7.9**	**7.9**

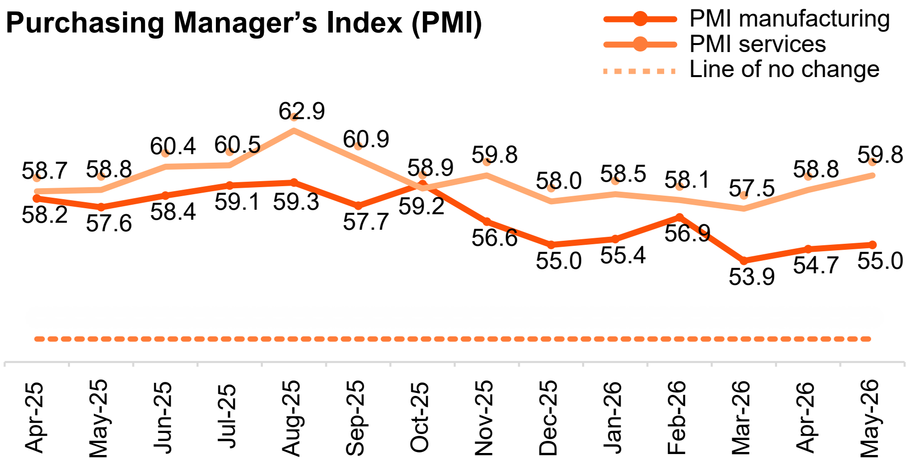
Source: Ministry of Statistics and Programme Implementation (MoSPI)

- **7.9% GVA** growth in Q4 FY26 YoY, due to strong performance of the services sector and continuing momentum in construction activity
- **Agriculture & allied sector grew by 3.6%** in Q4, above FY26 average growth of 3%. However, sectoral growth at current prices was only 1.4% in FY26 compared to 3% at constant prices.
- **Mining growth was modest at 5.4%** in Q4, due to high base (12.9% growth in Q4 FY25) and rise in production due to demand for steel and cement, and strong activity in construction and automotive sectors. **Manufacturing grew by 7.3% in Q4,** lowest in last six quarters, due to weakness in several consumption and energy-intensive sectors driven by slowdown in demand, affordability concerns, high input cost, supply disruption, and regulatory constraints.

- **4.1% growth in electricity, gas, water supply, and other utility services,** seven-quarter high, due to increase in renewable generation capacity and gas supply/output. **Construction grew by 8.4%** in Q4 FY26, over a strong base (8.0% in Q4 FY25) supported by healthy housing and commercial real estate activity.

- **Services grew by 9.9%** in Q4 FY26, highest quarterly growth in 2022-23 GDP series for the segment: Trade, hotels, transport, and related services grew by 12.5% in Q4 FY26, financial, real estate and professional services grew by 10.4%; and public administration, defence, and other services grew by 5.8%, highest in the last six quarters.

Purchasing Manager's Index (PMI)



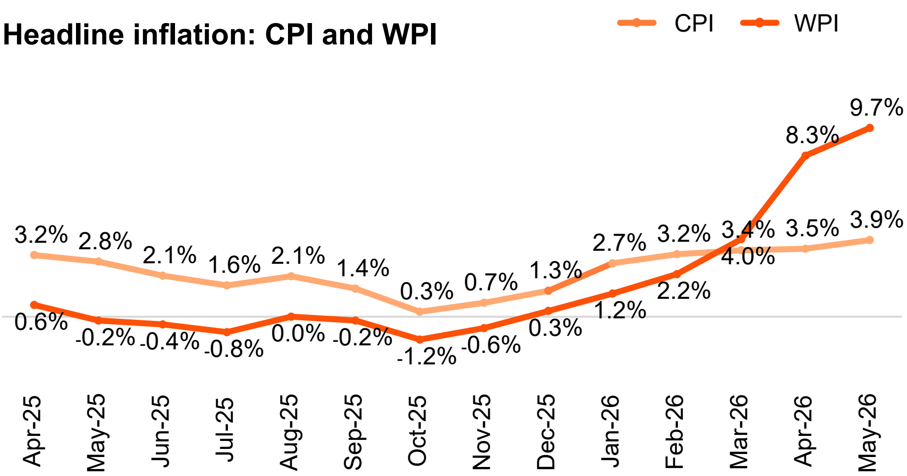
Index of Industrial Production (IIP) growth

IIP	Annual growth (%)		
	Feb'26	Mar'26	Apr'26
Mining	-2.4	-2.5	-5.1
Manufacturing	5.9	3.9	6.2
Electricity	8.6	4.4	4.9
IIP (General)	**5.3**	**3.2**	**4.9**
Primary goods	2.2	1.3	0.4
Capital goods	19.1	11.2	16.0
Intermediate goods	4.2	4.1	7.7
Infrastructure/construction goods	10.9	5.8	7.1
Consumer durables	4.7	2.4	4.3
Consumer non-durables	1.0	-0.9	2.8

Source: Ministry of Statistics and Programme Implementation (MoSPI)

- **Manufacturing Purchasing Manager's Index (PMI) rose to 55** in May from 54.7 in April 2026. Demand resilience supported growth, with firms reporting strong domestic demand, infrastructure-related activity, and new business gains.
- **Services PMI rose to 59.8 in May from 58.8** in April, strongest expansion since November 2025. Strong demand for services boosted new business growth in May. External demand for Indian services also improved in May.
- In the first data release under new series, **IIP grew by 4.9%** in April 2026 from 3.2% in March.
- **New IIP series was released on 1 June 2026** with base year updated to 2022–23. Coverage expanded to include gas supply, water supply, sewerage, and waste management. Detailed tracking of mining and electricity, inclusion of 120 new products (e.g. CCTV cameras, smart cards, aircraft parts, stents, vaccines), removal of 64 legacy items (e.g. kerosene, CFLs, printing/sewing machinery) and revised sectoral weights aligned to current industrial economy.

Headline inflation: CPI and WPI

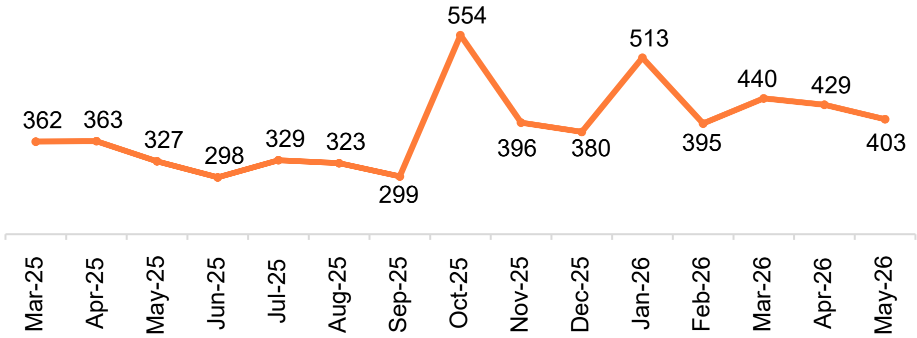


Source: MoSPI; Ministry of Commerce and Industry

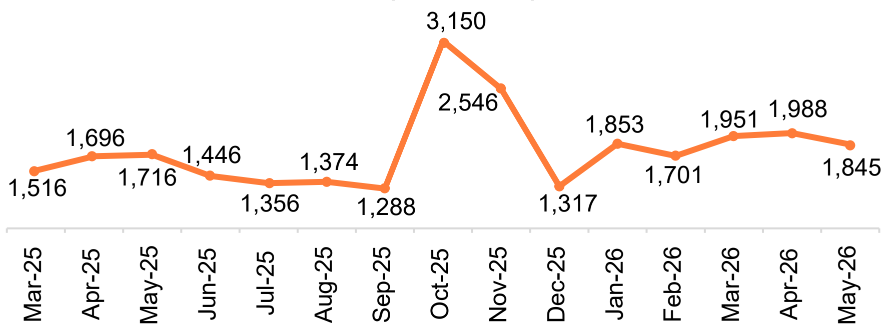
- **Consumer Price Index (CPI) inflation rose to 3.93%** in May from 3.48% in April 2026. Food inflation rose to 4.78% in May from 4.2% in April while core inflation rose to 3.9% in May from 3.71% in April (revised formula). Excluding gold/silver, core rose to 2.3% in May from 2.2% in April.
- **Wholesale Price Index (WPI) inflation rose to 9.7%** in May from 8.3% in April mainly due to a surge in energy prices. Fuel and power inflation rose to ~30% in May from 25% in April. Inflation for manufactured goods (weight 63.1%) rose to 7.5% in May from 6.7% in April.

- **Key changes in new WPI series (base year revised from 2011-12 to 2022–23):** Coverage expanded from 697 to 957 items with renewable and nuclear energy added under electricity. WPI weights now based on gross value of output (GVO), from earlier net traded value (GVO + imports – exports). Introduction of producer price index (PPI) (output, input (trial), services) to track producer-level inflation. Output PPI tracks factory-gate or farm-gate prices received by producers, excluding indirect taxes, trade margins, transport fees. Trial input PPI tracks input costs for manufacturing on an experimental basis. Services PPI tracks quarterly inflation across seven core verticals like banking, telecom, transport etc. WPI and PPI to run in parallel for five years until WPI is completely phased out by 2031.

Retail sales of passenger vehicles ('000 units)



Retail sales of two-wheelers ('000 units)



Source: Federation of Automobile Dealers Associations (FADA)

- **Passenger vehicle (PV) sales grew by 23.25%** YoY in May 2026, marking best-ever May performance. Growth drivers include strong demand, new product launches, and refreshed variants which kept booking pipelines healthy. Growth was aided by small-car revival, sustained SUV demand, and a stronger alternative fuel mix (CNG 23.3%; EV 6.6%), with rising preference for fuel-efficient options post fuel-price revisions. While rural sales grew by massive 30.35% YoY, urban markets maintained solid double-digit momentum, expanding by 18.80% YoY in May 2026.
- **Two-wheeler (2W) sales grew by 7.54%** YoY in May 2026, moderating from 17.2% growth in April. Steady commuter demand, marriage-season tailwinds, and GST-led affordability supported 2W sales growth. However, demand was moderated by heatwaves impacting footfalls, selective supply constraints, and fuel price concerns. 2W growth was led by urban markets, which grew 11.75% YoY, while rural markets remained resilient at 4.74% YoY and accounted for 58.5% of total sales.
- **Auto sector outlook for June 2026 remains measured but cautiously optimistic,** supported by onset of south-west monsoon over Kerala, early Kharif sowing activity, tail end of marriage season, and a stable financing environment. 2W demand is expected to benefit from improving rural cash flows and rising interest in fuel-efficient EVs, while PV should be supported by healthy bookings, especially in EV segment and new launches. However, heatwaves, elevated fuel prices, and geopolitical risks remain key factors to watch.
- **Other consumption indicators:**
  - Gross GST collections in May 2026 (for April sales) rose by 3.2% YoY (excluding cess), slowing from 8.7% in April 2026 and 17.3% in May 2025.
  - 3.4% (YoY) growth in petrol consumption in May 2026, lower than 6.8% growth in April 2026, mainly due to base effect (9.2% growth in May 2025), extreme heatwaves that restricted daytime travel and fuel-price pressures.
  - Overall unemployment rate (UR) rose to 5.5% in May from 5.2% in April. Labour force participation rate (LFPR) fell to 11-month low of 54.4%, likely due to extreme heatwaves in north and central India restricting mobility and job seeking. Rural UR rose to 12-month high of 5.1% in May, driven by agricultural lean season, and delayed and weak southwest monsoon. In contrast, urban UR fell to 6.4% in May from 6.6% in April, with a fall in urban LFPR and slight moderation in WPR, indicating people exiting the job search rather than creation of new jobs.

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