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ASSOCHAM India Monitor

· (AIM Weekly) ·

----- Vol. 1/Issue 2 -----

A comprehensive weekly tracker of India's
macroeconomic indicators ↗



GDP GROWTH



INFLATION



INDUSTRIAL OUTPUT



Top Economic Developments



State Developments



Top Statistics



Weekly Market Mood



ASSOCHAM Analysis

RBI Maintains Status Quo with Neutral Stance Amid Global Uncertainties

In its April 2026 monetary policy review, the RBI's Monetary Policy Committee unanimously chose to keep the repo rate unchanged at 5.25%, maintaining a neutral stance to balance inflation control and growth support. The Standing Deposit Facility rate remains at 5%, while the Marginal Standing Facility and Bank Rate are held at 5.50%. The central bank projects real GDP growth at 6.9% for FY27, indicating a moderation from 7.6% in the previous year, while CPI inflation is estimated at 4.6%. The RBI acknowledged that domestic economic fundamentals remain stable and supportive of growth.

India's Economic Activity Remains Resilient as PMI Signals Gradual Moderation

India's services sector showed moderation in March 2026, with the Services PMI dropping to a 14-month low due to softer demand and rising input costs, which affected business sentiment. Despite the decline, the index remains in expansion territory, indicating continued growth at a slower pace. The Manufacturing PMI also reflects a similar trend, maintaining expansion but with signs of easing momentum amid cost pressures and external uncertainties. Compared to major economies such as the United States and the Eurozone, where PMI readings have been more volatile and at times contractionary, India's PMI indicators remain relatively stable.

Balancing Growth and Stability: India's Macroeconomic Outlook

India's economic outlook remains resilient, though not without challenges. The World Bank projects growth at around 6.6% for FY27, slightly below domestic expectations, highlighting risks from global inflation, tighter financial conditions, and geopolitical uncertainties. Similarly, agencies such as S&P, Fitch, and ICRA emphasize external vulnerabilities and the need for fiscal prudence, while noting strong domestic demand and structural reforms as key supports. Morgan Stanley also underscores India's relative macroeconomic stability amid global volatility. Collectively, these assessments suggest that while India remains among the fastest-growing major economies, sustaining momentum will require careful policy calibration and continued focus on macroeconomic stability.

India GDP Growth (%)	S&P	ASSOCHAM	RBI	ADB	Fitch	World Bank	ICRA	Morgan Stanley
FY 27	7.1%	7.0%	6.9%	6.9%	6.7%	6.6%	6.5%	6.2%

India's Forex Reserves Stay Strong Despite Recent Dip

India's foreign exchange reserves remained robust despite a recent decline driven by market interventions and global uncertainties. The Reserve Bank of India emphasized that reserves, estimated around \$697 billion, are sufficient to cover nearly 11 months of imports, ensuring external sector stability. Ongoing geopolitical tensions and rising oil prices have added pressure, but reserves continue to cushion volatility in the rupee and support investor confidence. Additionally, steady remittance inflows and stable capital movements have reinforced resilience. Overall, the RBI signaled readiness to use reserves prudently to manage fluctuations while maintaining macroeconomic stability and confidence.

Rajasthan Records 45% Surge in Industrial Plot Allotments

Rajasthan has recorded a 45% rise in industrial plot allotments over the past two years, reflecting strong growth in its industrial sector. This surge, driven by the Rajasthan State Industrial Development and Investment Corporation (RILICO), is largely due to investor-friendly reforms such as simplified land allocation processes, attractive pricing incentives, and the expansion of industrial zones. The state government's proactive policies and initiatives, including the Rising Rajasthan Global Investment Summit, have played a key role in boosting investor confidence and attracting private investments. These efforts demonstrate Rajasthan's commitment to strengthening its industrial infrastructure, enhancing economic competitiveness, and creating long-term opportunities for sustainable growth and employment generation across the state.

Approval of Major Hydropower Projects in Arunachal Pradesh

The Cabinet Committee on Economic Affairs, chaired by Shri Narendra Modi, has approved investments for the Kamala (1720 MW) and Kalai-II (1200 MW) Hydro Electric Projects in Arunachal Pradesh, with a combined outlay exceeding ₹40,000 crore. These projects aim to enhance power generation, strengthen grid stability, and support peak demand management. Implemented through joint ventures with state participation, they include provisions for infrastructure development, financial assistance, and local area benefits. The initiatives are expected to promote regional socio-economic growth, improve connectivity, and ensure sustainable energy supply while providing free power.

Indian Railways Strengthens Digital Communication Infrastructure in Gujarat & MP

Indian Railways has approved a ₹398.36 crore project to establish a 4×48 Optical Fibre Cable backbone across Ahmedabad and Ratlam Divisions of Western Railway. Covering 1929 route kilometres, the project includes 1456 RKm in Ahmedabad and 473 RKm in Ratlam. Undertaken under the broader Kavach and LTE-based communication initiative, it aims to enhance network capacity, reliability, and efficiency. The upgraded infrastructure will support advanced signalling systems, including Kavach, ensuring seamless data transmission. This initiative reflects continued efforts towards modernisation, improved safety, and digital transformation of railway operations.

Telangana to Strengthen School Innovation

The Atal Innovation Mission has introduced ATL Sarthi and Mentor India Academy in Telangana to enhance school-level innovation. Supporting 379 Atal Tinkering Labs, the initiative emphasizes structured mentorship, teacher training, and collaboration among institutions. With Vardhaman College of Engineering serving as the nodal center, it aims to strengthen the regional innovation ecosystem. The program encourages students to transform ideas into practical solutions while fostering creativity, critical thinking, and entrepreneurial skills. Overall, it seeks to nurture a future-ready generation equipped to address real-world challenges through innovation and problem-solving.

March contraction hits FMCG amid Iran crisis

FMCG sector saw a sharp deceleration in growth in the March quarter of FY26, as weak urban demand and geopolitical tensions in West Asia weighed on consumer sentiment. Value growth in the January-March quarter of FY26 fell to 3.6%, nearly a fourth of the 12.4% recorded in the year-ago period, indicating a broad-based slowdown in consumption. The deceleration was more pronounced in March, which saw a contraction of 0.4% in value terms, compared with growth of 5.7% and 5.5% in January and February, respectively.

55.29 GW non-fossil capacity added in FY26

India added a record 55.29 GW of non-fossil fuel-based power capacity in 2025-26, taking the total installed capacity to 283.46 GW, as the country expanded renewable energy deployment and moved to third position globally. Solar power accounted for the bulk additions at 44.61 GW, followed by 6.5 GW of wind capacity during the year. Out of the total, 274.68 GW of renewable energy and 8.78 GW of nuclear power. Renewable comprises of 150.26 GW of Solar, 56.09 GW of wind, 11.75 GW of bioenergy, 5.17 GW of small hydro and 51.41 GW of large hydro.

Clean Mobility Vehicles Capture Nearly 30% of India's Auto Market in FY2025-26

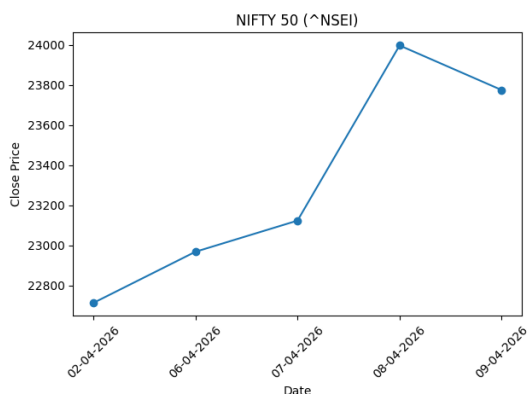
India's passenger vehicle market grew to around 4.67 million units in FY2025-26, with electric, hybrid, and CNG vehicles together accounting for nearly 30% (~1.34 million units). These cleaner segments expanded by about 31%, significantly outpacing the overall market growth of 13%. CNG vehicles alone contributed nearly 22% of total sales, while electric and hybrid vehicles continued gaining traction. This growth reflects rising consumer preference for cost-efficient alternatives, supported by favorable policies, improving infrastructure, and increasing environmental awareness across the country.

Steady Rise in Equity Inflows Reflects Investor Confidence Amid Decline in AUM

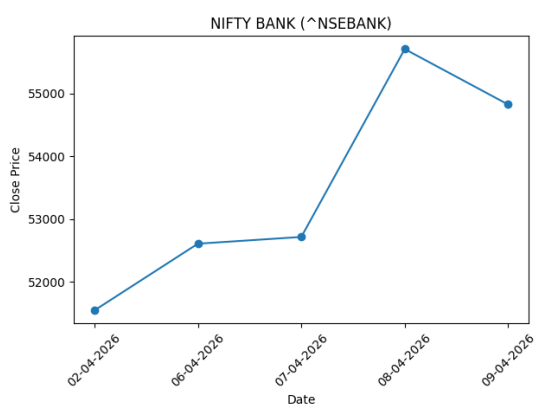
Equity mutual fund inflows in March 2026 rose sharply by about 55% month-on-month to nearly ₹40,366 crore, indicating renewed investor confidence despite market volatility. The surge was largely driven by strong participation in equity-oriented schemes, particularly flexi-cap funds. However, the overall assets under management (AUM) of the mutual fund industry declined, reflecting valuation losses amid market corrections. SIP contributions remained resilient, highlighting sustained retail interest. The data suggests a positive long-term outlook for equities, even as short-term market fluctuations continue to impact total asset values.

Indian Steel Industry Records 10.7% Growth, Reaches 168.4 MnT in FY2025-26

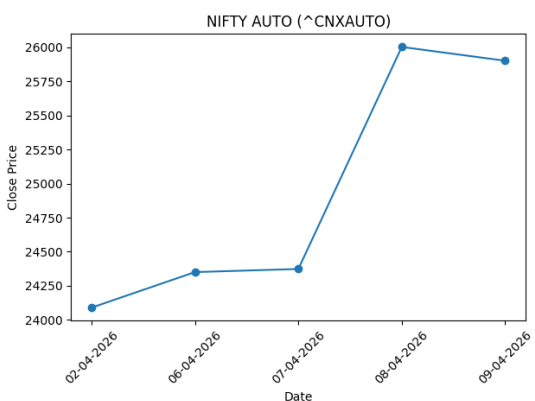
India's steel industry demonstrated strong performance in FY2025-26, with crude steel production rising by over 10.7% to 168.4 million tonnes. Finished steel consumption reached 164 MnT, growing by 7-8%, while exports surged by 35.9% to 6.6 MnT and imports declined by 31.7%, restoring net exporter status. Installed capacity stood at 220 MnT, with a target of 300 MnT by 2030. Despite growth, the sector faced margin pressures from rising input and logistics costs and energy-related supply disruptions.



The **NIFTY 50** index demonstrates a consistent upward trajectory from April 2 to April 8, 2026, reflecting strengthening investor confidence and sustained buying momentum. The sharp rise on April 8 indicates heightened market optimism. A modest decline on April 9 suggests profit-booking at elevated levels, yet the overall trend remains positive and indicative of short-term bullish sentiment.



The **NIFTY BANK** index reflects a steady upward progression from April 2 to April 8, 2026, indicating strengthening sentiment within the banking sector. The sharp increase on April 8 highlights significant buying interest. A slight decline on April 9 suggests cautious profit-booking, yet the broader trend remains positive, supporting a near-term optimistic market outlook.

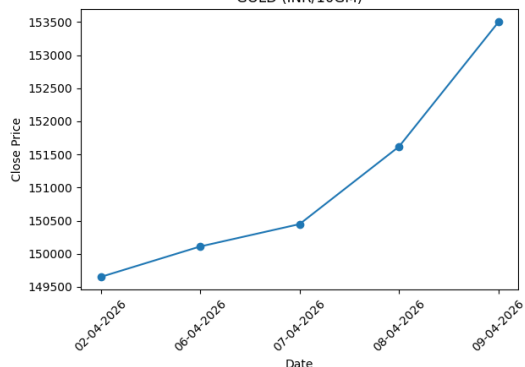


The **NIFTY AUTO** index shows a gradual upward movement from April 2 to April 7, 2026, indicating stable sectoral growth. A sharp rise on April 8 reflects strong buying momentum and improved sentiment. The slight dip on April 9 suggests mild profit-booking, while the overall trend remains positive, signaling continued investor confidence in the automobile sector.

CURRENCY (FOREX)

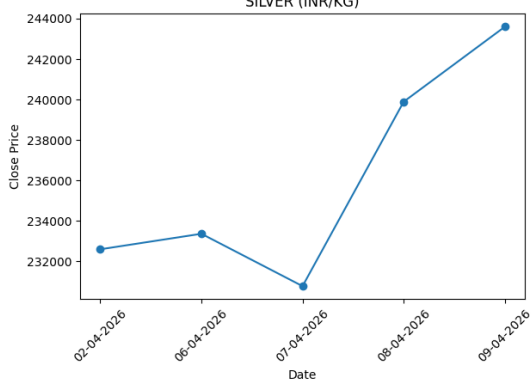
Date	USD (INR/1 USD)	GBP (INR/1 GBP)	EUR (INR/1 EUR)	JPY (INR/100 JPY)
09-04-2026	92.71	124.14	108.09	58.36
08-04-2026	92.56	124.30	108.20	58.49
07-04-2026	92.96	123.08	107.26	58.18
06-04-2026	93.06	122.99	107.26	58.32
02-04-2026	93.21	123.19	107.48	58.49

GOLD (INR/10GM)



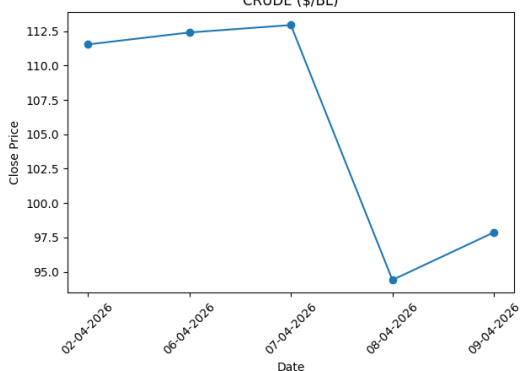
Gold prices exhibit a steady and consistent upward trend from April 2 to April 9, 2026, reflecting sustained demand and supportive market conditions. The gradual rise indicates stable investor interest, while the sharper increase toward April 9 suggests strengthening bullish sentiment. Overall, the trend underscores gold's role as a reliable asset amid evolving economic expectations.

SILVER (INR/KG)



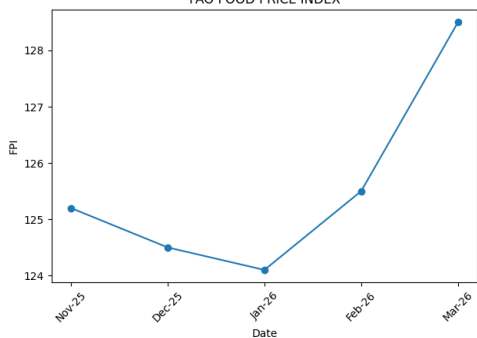
Silver prices display moderate volatility during the observed period, with a slight rise followed by a dip on April 7, 2026. Subsequently, a strong upward movement is evident through April 9, indicating renewed buying interest. Overall, the trend reflects improving sentiment, with late-period gains suggesting strengthening momentum and positive short-term outlook for the metal.

CRUDE (\$/BL)



Crude oil prices remained relatively stable from April 2 to April 7, 2026, indicating balanced market conditions. A sharp decline on April 8 reflects significant selling pressure or external influences. A slight recovery on April 9 suggests partial stabilization; however, the overall trend signals short-term weakness and cautious sentiment prevailing in the crude oil market.

FAO FOOD PRICE INDEX



The FAO Food Price Index shows a slight decline from November 2025 to January 2026, indicating easing price pressures. This is followed by a steady recovery through February and a notable increase in March 2026. The overall movement suggests improving demand conditions and gradual strengthening of global food prices after a brief period of softening.

Direction of India's Trade amid Uncertainty and Disruptions

India's merchandise exports as well as imports registered an increase in Apr-Feb'26 as compared to corresponding period last year; however, the top destination and source countries did not reflect significant change even during the heightened geopolitical disruptions in FY 2025-26.

USA, the top export destination for India scored a share of 19.68% in Apr-Feb'26 exports compared to 19.77% for FY 2024-25, indicating a minor difference even with India facing a greater uncertain US tariff and trade policy throughout the year. The consistent exports to the USA reflect India's competitiveness on the global stage and its ability to deliver high-value products to a dynamic market. This shows India's preparedness in the situation of additional tariffs imposed by USA on Indian imports.

USA, UAE, China, Netherland and UK remained the top five export destinations constituting 40% of India's total export. Further, the trend reflects that the share of India's top 10 export destinations for Apr-Feb'26 stood at 51.77% which is not significantly different from the levels of 52.58% registered in 2024-25. Except for Hong Kong at tenth position (taking the slot of Australia), there is no other destination change in Apr-Feb 2026 exports.

Table 1: Top 10 Export Destinations for India (Value in \$ Million)

#	Country	2024-2025	Share (%)	#	Country	Apr-Feb 2026	Share (%)
1	U S A	86,514	19.8	1	U S A	79,295	19.7
2	UAE	36,638	8.4	2	UAE	36,074	9.0
3	Netherland	22,763	5.2	3	China P Rp	17,539	4.4
4	U K	14,550	3.3	4	Netherland	16,660	4.1
5	China P Rp	14,252	3.3	5	U K	12,247	3.0
6	Singapore	12,976	3.0	6	Germany	10,454	2.6
7	Saudi Arab	11,757	2.7	7	Saudi Arab	9,756	2.4
8	Bangladesh	11,485	2.6	8	Bangladesh	9,724	2.4
9	Germany	10,629	2.4	9	Singapore	9,593	2.4
10	Australia	8,581	2.0	10	HONG Kong	7,239	1.8
	Top 10 Export Destinations	2,30,146	52.6		Top 10 Export Destinations	2,08,582	51.8
11	France	7,960	1.8	11	Italy	7,119	1.8
12	Italy	7,727	1.8	12	Nepal	6,745	1.7
13	South Africa	7,462	1.7	13	Australia	6,580	1.6
14	Nepal	7,386	1.7	14	France	6,459	1.6
15	Malaysia	7,317	1.7	15	Brazil	6,439	1.6
	India's Total Export	4,37,705	100		India's Total Export	4,02,930	100

Source: Ministry of Commerce and Industry, PIB

Direction of India's Trade amid Uncertainty and Disruptions

On the import front, China, UAE and Russia continued to hold one third share in the India's total imports during Apr-Feb'26 as seen in the year 2024-25. China being the top source country of import for India has crossed the last year's import levels in the 11 months period of current fiscal. However, Russia's share in total imports have declined by 1.5% as compared to last year indicating the diversified sourcing of energy products by India.

Only two countries i.e. Indonesia and Korea are not in the top 10 source countries for imports in Apr-Feb'26 as compared to last year. However, they are placed at 11th and 12th position which is not significantly far from their 2024-25 position.

Looking at the overall composition of India's top trading partners, it is noticed that the India has remained resilient in uncertain global trade conditions reflecting its strength in international trade policy and engagements.

Table 2: Top 10 Import Countries for India (Value in \$ Million)

#	Country	2024-2025	Share (%)	#	Country	Apr-Feb 2026	Share (%)
1	China P Rp	1,13,447	15.7	1	China P Rp	1,19,557	16.8
2	Russia	63,811	8.8	2	UAE	61,301	8.6
3	UAE	63,403	8.8	3	Russia	51,172	7.2
4	U S A	45,625	6.3	4	U S A	48,410	6.8
5	Saudi Arab	30,121	4.2	5	Saudi Arab	28,731	4.0
6	Iraq	28,891	4.0	6	Iraq	23,581	3.3
7	Indonesia	22,778	3.2	7	Switzerland	23,489	3.3
8	Switzerland	21,796	3.0	8	Singapore	22,160	3.1
9	Singapore	21,282	3.0	9	Hong Kong	22,074	3.1
10	Korea Rp	21,064	2.9	10	Japan	19,595	2.7
	Top 10 Import Countries	4,32,219	59.9		Top 10 Import Countries	4,20,071	58.9
11	Hong Kong	19,729	2.7	11	Korea	19,440	2.7
12	Germany	18,948	2.6	12	Indonesia	18,609	2.6
13	Japan	18,915	2.6	13	Germany	17,504	2.5
14	Australia	15,526	2.2	14	Thailand	14,258	2.0
15	Thailand	14,267	2.0	15	Malaysia	12,820	1.8
	India's Total Import	7,21,200	100.00		India's Total Import	7,13,530	100

Source: Ministry of Commerce and Industry, PIB

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