

03 JULY 2026

# ASSOCHAM India Monitor

(AIM Weekly)

Vol. 4/Issue 1

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

## **VB-G RAM G Replaces MGNREGA from July 1, Largest Rural Employment Reform in 21 Years**

The Centre has rolled out the Viksit Bharat–Guarantee for Rozgar and Aajeevika Mission, or VB-G RAM G, replacing the nearly two-decade-old Mahatma Gandhi National Rural Employment Guarantee Act from July 1. One of the biggest changes under the new law is the increase in the guaranteed employment period from 100 days to 125 days per rural household each financial year. The government has also notified revised wage rates, ensuring that workers receive at least ₹300 per day.

## **UPI clocks 22.72 Bn transactions worth Rs 28.92 lakh Cr in June**

UPI processed 22.72 billion transactions worth Rs 28.92 lakh crore in June 2026, as India's real time payments network continued to maintain monthly transaction volumes above the 22 billion mark. According to data released by the National Payments Corporation of India (NPCI), UPI handled around 757 million transactions a day during the month.

## **NITI Aayog & Ministry of Tourism Launch "Unlocking Growth in Tourism" Report — Calls for Regulatory Overhaul**

Despite strong fundamentals, India's tourism outcomes remain below potential, a NITI Aayog report released on June 30 said, highlighting the need to improve ease of doing business to accelerate investments, while also emphasising the importance of visa facilitation in converting tourism interest into actual arrivals. In FY 2023–24, the sector contributed ₹15.73 lakh crore (\$170 billion) to India's GDP, accounting for 5.22 per cent of the total economy, and supported an estimated 84.6 million jobs.

## **Cabinet Decisions**

### **Cabinet approves the construction of 4/6 lane Access-Controlled Kanpur-Kabrai section of NH-34 in Uttar Pradesh**

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, today has approved the construction of 117.7 km Kanpur–Kabrai Access-Controlled Greenfield Highway, a four-lane access-controlled corridor with structures designed for future six-laning, forming a key segment of the Bhopal–Kanpur Economic Corridor under the National Highways (O) Programme. With an estimated total capital cost of Rs.7145.14 crore, the project will be implemented by the National Highways Authority of India (NHAI) on BOT (Toll) mode, together with the operation and maintenance of the existing Kanpur-Kabrai section of NH-34s.

### **Cabinet approves Construction of 6 Lane Road Tunnel For NH-148AE connecting Dwarka Expressway (NH 248 BB) with Nelson Mandela Marg, in Delhi**

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, today has approved the construction of 6 Lane Road Tunnel For NH-148AE connecting Dwarka Expressway (NH 248 BB) with Nelson Mandela Marg, Vasant Kunj in Delhi with a total project length of 8.1 Km and total capital cost of Rs.6969.67 crore on Hybrid Annuity Mode (HAM) under NH (O) scheme.

### **Maharashtra Government Announces Artificial Intelligence Policy 2026 to Boost Investment and Jobs**

The Maharashtra government today announced Artificial Intelligence Policy 2026, aimed at boosting investment, innovation and employment in the state. The decision was taken at a cabinet meeting chaired by Chief Minister Devendra Fadnavis in Mumbai. Under the policy, the state expects investments exceeding ₹10,000 crore and the creation of over 1.5 lakh jobs. The cabinet also approved the establishment of six AI centres of excellence across Maharashtra and the development of five AI innovation cities to promote research and industry collaboration.

### **Maharashtra Govt. approves ₹27,132 Crore for 2,857 km of State Roads**

The Government of Maharashtra approved funds worth ₹27,132 crore for upgradation of 2,857 km of roads across the state on June 23, 2026. This is among the largest single road infrastructure approvals by any state this year, aimed at strengthening intra-state connectivity, reducing logistics costs, and improving market access for farmers and MSMEs across Maharashtra's districts.

### **UP CM Yogi Launches Project GANGA, High-Speed Internet in 21 Districts**

The Uttar Pradesh government launched Project Ganga, which will ensure last-mile digital connectivity in rural areas while expanding opportunities in digital education, telemedicine, e-governance, skill development, and technology-based employment. Under Project Ganga, a comprehensive network of Digital Service Providers will be developed across the state. Through this initiative, the government aims to provide high-speed internet connectivity to approximately 20 lakh families.

### **Delhi Government Approves Building and Construction Workers Health Scheme**

The Delhi Govt. approved the Delhi Building and Construction Workers Health Scheme, providing registered workers cashless medical treatment of up to ₹2 lakh. The scheme directly benefits the construction workforce, which is a large and largely informal segment of Delhi's labour market, and aligns with the Union government's push to extend social security coverage to unorganised sector workers.

### **MP Launched Khet Bachao Abhiyan for Sustainable Farming**

The nationwide Khet Bachao Abhiyan was launched from Ramsia village in Madhya Pradesh to promote balanced fertiliser use and sustainable farming. The launch from a Madhya Pradesh village reflects the state's role as India's agricultural heartland. Coming at a time when El Niño threatens kharif production, the campaign's focus on fertiliser optimisation and soil health for FY27 agricultural resilience.

### **Maharashtra Approves High-Energy Medical Cyclotron Project in Nagpur**

The Maharashtra Cabinet approved the establishment of the High-Energy Medical Cyclotron Project in Nagpur for advanced medical research. The project positions Nagpur as a hub for high-value healthcare infrastructure in central India, supporting cancer diagnostics and nuclear medicine — a segment where India is currently highly import-dependent.

### **GST Completes 9 Years, Taxpayer Base Reaches 1.65 Crore, Collections Hit ₹22.27 Lakh Crore**

The number of GST taxpayers has increased from 66.5 lakh in 2017 to 1.65 crore as of May 2026, reflecting greater formalisation of the economy. Gross GST collections have also risen steadily, from ₹7.4 lakh crore in 2017–18 to ₹22.27 lakh crore in 2025–26, with ₹4.37 lakh crore collected during April–May 2026 alone. Under GST 2.0, the tax structure has been largely streamlined into 5% and 18% slabs, while a 40% rate applies to luxury and sin goods.

### **IIP May 2026: Industrial Output at 5-Month High of 5.1%; New PPI-Based Measurement Introduced**

India's industrial sector continued its growth trajectory in May 2026, with industrial production expanding by 5.1 per cent year-on-year, according to the latest Index of Industrial Production data released by the Ministry of Statistics and Programme Implementation. The growth was largely driven by robust activity in manufacturing, electricity generation and capital goods production, pointing towards healthy domestic demand, ongoing infrastructure development and sustained investment activity in the economy.

### **DEA Monthly Economic Review (June 2026): Easing Oil Prices Provide Relief; Monsoon & West Asia Remain Risks**

India's Finance Ministry flagged that easing oil prices and strong foodgrain stocks offer relief, but an erratic monsoon and lingering tensions in West Asia pose risks for growth and inflation. The southwest monsoon was so far well below the long-period average, with kharif sowing running 22.7 per cent behind last year's pace.

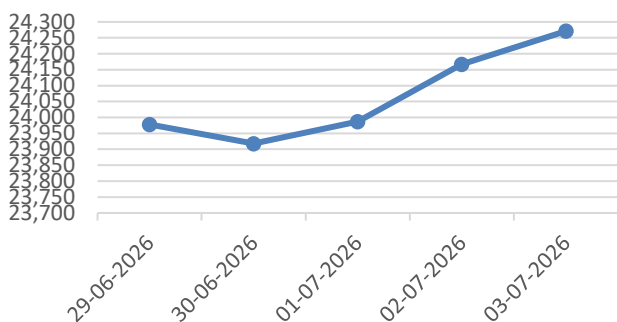
### **India's Remittances Hit Record \$155.1 Billion in FY26, DEA Review Highlights Structural Resilience**

In FY26, remittances rose to a record \$155.1 billion, up from \$135.4 billion in FY25, registering a 14.5% year-on-year increase. As a share of GDP, remittances increased to 4.0% in FY26 from 3.6% in the previous year. As per the Monthly Economic Review by the Department of Economic Affairs, despite the West Asia crisis, net remittances from the region to India rose to \$16 billion in April 2026, up 70% over the same period of last year.

### **GST Appellate Tribunal Deadline Extended to 31 July — 30 June**

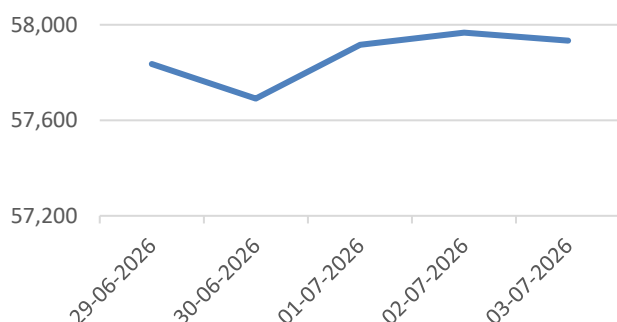
The Centre extended the deadline for filing appeals before the Goods and Services Tax Appellate Tribunal to July 31, 2026, after persistent technical problems on the GSTAT portal and a surge in filings. Nearly 30,000 appeals were lodged in the last 15 days alone, with the portal processing 5,500 appeals per day at its peak. The GSTAT was launched in September 2025, and with more than 4.80 lakh pending cases before existing appellate authorities eventually set to migrate to the tribunal, it is expected to become a key institution in India's GST dispute resolution system.

## NIFTY 50



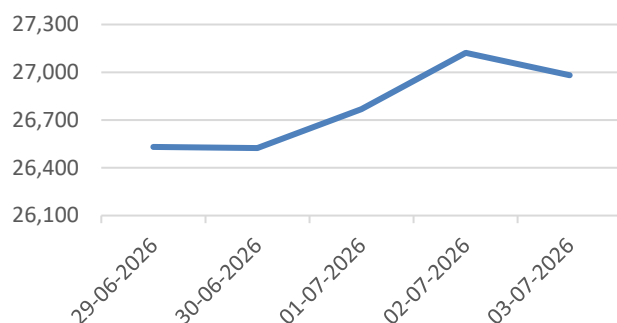
The index built momentum steadily through the week, supported by weaker-than-expected US jobs data that eased Fed rate hike fears, falling crude oil prices, sustained FII inflows, and growing optimism around an India-US trade agreement. IT, Auto, and Realty sectors led the charge, while India VIX fell to a multi-month low of 12.29, signalling significantly reduced market anxiety.

## NIFTY BANK



Nifty Bank traded in a largely consolidative phase through the week, oscillating around the 57,700–58,150 range. Private sector banking stocks provided the primary support, with ICICI Bank recording its first-ever close above ₹1,400, while PSU banking counters witnessed intermittent profit booking that capped the upside. The broader banking structure, however, remained constructive, with 57,000 holding firmly as a key support through the week.

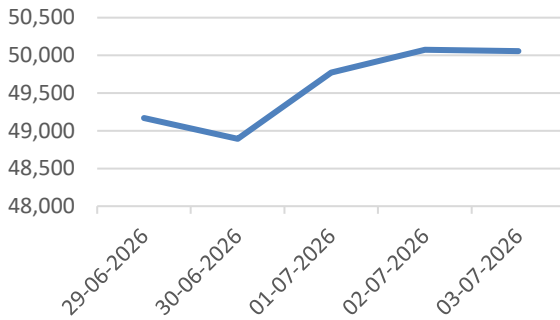
## NIFTY AUTO



The sector benefited from the sharp fall in crude oil prices, which improved input cost and margin outlook for automakers, alongside steady domestic demand signals. Buying interest remained sustained across the week as investors positioned ahead of June monthly retail volume data from major manufacturers. The positive weekly close reinforced the sector's recovery momentum and underscored improving investor confidence in domestic consumption-driven themes.

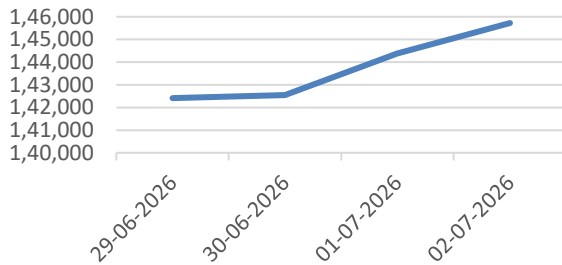
Date	USD (INR / 1 USD)	GBP (INR / 1 GBP)	EUR (INR / 1 EUR)	JPY (INR / 100 JPY)
03/07/2026	95.2408	127.4109	109.1475	59.2500
02/07/2026	95.2731	126.6637	108.4957	58.7200
01/07/2026	94.7323	125.4205	108.0267	58.2200
30/06/2026	94.5975	125.1333	107.7169	58.2700
29/06/2026	94.3519	124.7533	107.5964	58.3100

## NIFTY FMCG



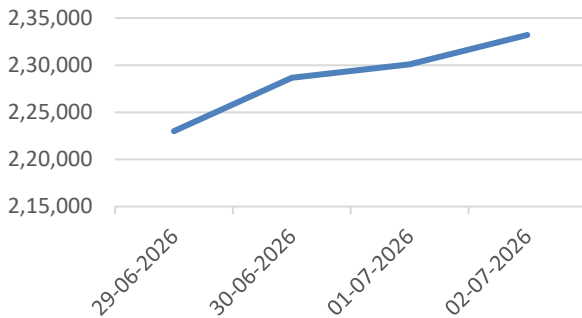
The sector benefited from a double tailwind: a sharp decline in crude oil prices eased raw material and packaging cost pressures for consumer goods companies, while defensive rotation by investors seeking stability amid global macro uncertainty channelled fresh flows into FMCG counters. With rural demand indicators showing gradual improvement and the festive season pipeline building, sentiment in the sector remained firmly positive.

## Gold (INR/10 GM)



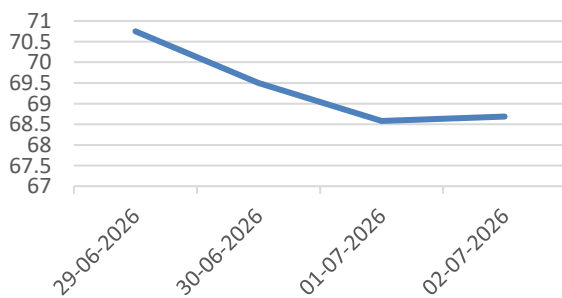
Weaker-than-expected US employment data drove the recovery, with the dollar index coming under pressure and gold set for its first weekly gain since mid-May, rising approximately 2.3 per cent. The likelihood of a Fed rate hike eased from 66 per cent to around 54 per cent following the jobs data, supporting bullion sentiment. Bulls focused on securing control of the \$4,000 per ounce level, with an upward bounce targeting \$4,250 as the next key resistance.

## Silver (INR/KG)



Silver rose from ₹2,20,940 per kg on 25 June to ₹2,33,200 by 2 July, recovering nearly ₹12,000 over the week. Silver outperformed gold through the week, rising around 2 per cent on a single session as industrial demand expectations improved and bargain buying emerged after a sharp correction in recent weeks. Selling volume was absorbed near recent lows, with the market stabilising and immediate recovery targets set at the \$64 and \$70 per ounce resistance zones on international markets.

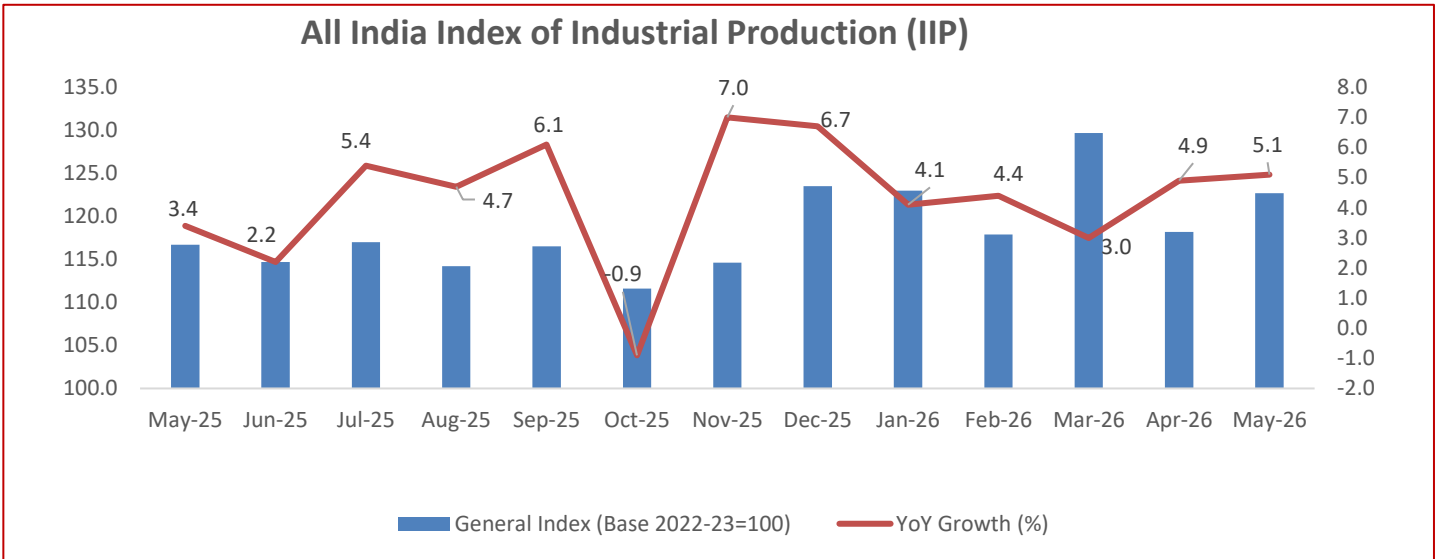
## Crude (\$/BL) Price



Crude prices continued their downward trajectory through the week, slipping from \$71.92 per barrel on 25 June to \$68.69 by 2 July. Brent fell below \$71 per barrel as oil shipments through the Strait of Hormuz exceeded 10 million barrels per day with US military support, while UAE exports recovered to pre-war levels and Iranian crude exports surged above 40 million barrels following the lifting of the US naval blockade. Saudi Arabia also ramped up exports to Asia, creating a market surplus and pushing prices to their lowest levels since before the Middle East conflict.

## All India Index of Industrial Production (IIP) for May 2026

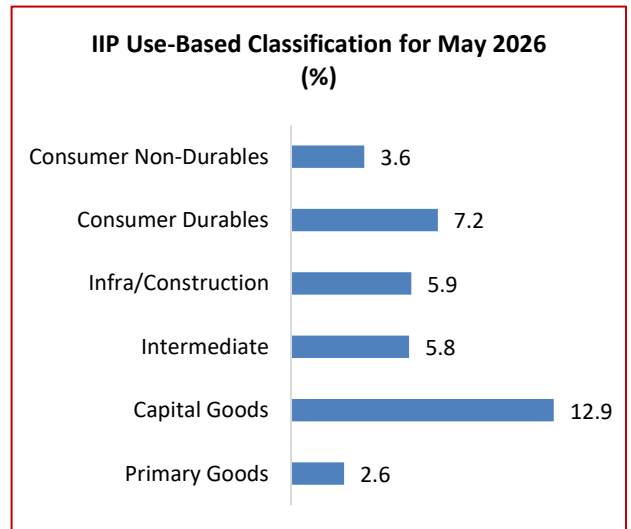
Driven by strong growth of 5.5% in Manufacturing Sector and 9.9% growth in Electricity & Gas Supply, Index of Industrial Production (IIP) records 5.1% Growth in May 2026.



(Source: MoSPI, Gov.)

### Key Highlights:

- The growth rates of the Four sectors, Mining & Quarrying, Manufacturing, Electricity & Gas Supply and Water Supply, Sewerage & Waste Management for the month of May 2026 are (-)1.6 percent, 5.5 percent, 9.9 percent and 5.5 percent respectively.
- Within the Manufacturing sector, 16 out of 23 industry groups recorded positive growth. The top three positive contributors for the month of May 2026 are – “Manufacture of motor vehicles, trailers and semi-trailers” (14.5%), “Manufacture of electrical equipment” (20.8%) and “Manufacture of basic metals” (4.6%).
- Based on Use-Based Classification, top three positive contributors to the growth of IIP for the month of May 2026 are Capital Goods, Consumer Durables and Infra/Construction Goods.
- In the industry group “Manufacture of motor vehicles, trailers and semi-trailers”, item groups “Passenger Cars”, “Auto Components, Spares and Accessories”, and “Commercial Vehicles” have shown significant contribution in growth.
- In the industry group “Manufacture of electrical equipment”, item groups “Electrical Apparatus for Switching or Protecting Electrical Circuits”, “Transformers (Small)”, and “UPS and Solid-State Drives” have shown significant contribution in growth.



## All India Index of Industrial Production (IIP) for May 2026

### Key Observations for May 2026

- **Broad-based Manufacturing Recovery:** High-growth sectors such as Electrical Equipment (+20.8%), Motor Vehicles (+14.5%), Other Transport Equipment (+14.3%), Fabricated Metal Products (+15.5%), and Computer & Electronic Products (+11.4%) collectively signal robust momentum in capital-intensive and export-oriented manufacturing segments.
- **Electricity Sector Leads Sectoral Growth:** The Electricity & Gas Supply sector recorded the highest sectoral growth of 9.9% in May 2026, driven by an 18.0% surge in Renewable Electricity Generation and 8.8% growth in Non-Renewable Electricity Generation. This reflects both rising industrial demand and the accelerating capacity additions under India's energy transition agenda. Gas Supply, however, contracted by 7.1%, tempering the overall sectoral index.
- **Capital Goods Signal Investment Revival:** The cumulative Capital Goods growth for April–May 2026 stands at 12.5%, against 11.8% in the same period of 2025-26, suggesting that the private investment cycle is gaining further traction alongside the government's continued capex push.
- **Mining Contraction Warrants Attention:** Mining & Quarrying contracted by 1.6% in May 2026, extending the (-) 3.8% decline seen in April 2026. The cumulative April–May 2026 contraction stands at (-) 2.7%. Fuel Minerals declined by 6.4% and Non-Metallic Minerals by 6.1%, partially offset by a strong 18.3% growth in Metallic Minerals. Persistent weakness in the mining sector poses upstream supply chain risks for downstream manufacturing and infrastructure activities.

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