

17 APRIL 2026

# ASSOCHAM India Monitor

· (AIM Weekly) ·

----- Vol. 1/Issue 3 -----

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**

## Labour Force Participation Remains Steady in March 2026

The Periodic Labour Force Survey indicates that the Labour Force Participation Rate for persons aged 15 years and above stood at 55.4% in March 2026, reflecting stable workforce engagement. Rural areas recorded a higher participation rate of 58.0%, while urban areas lagged at 50.3%, highlighting a clear rural-urban divide. In rural areas, male participation was relatively high at 78.5%, while female participation stood at 38.9%, indicating a significant gender gap. In urban areas, a similar pattern is observed, with male LFPR at 75.3% compared to a considerably lower 25.2% for females. Overall, the data highlights persistently higher workforce participation among males, alongside comparatively lower engagement of females, particularly in urban settings.

## Below-Normal Monsoon Forecast for 2026

The India Meteorological Department (IMD) projected the 2026 southwest monsoon rainfall at 92% of the Long Period Average (LPA), marking its weakest initial forecast in nearly 26 years. Such below-normal rainfall may pose risks to agricultural sowing, crop yields, and rural demand, while potentially exerting upward pressure on food inflation. States heavily dependent on monsoon rainfall are expected to face greater challenges. An updated forecast is scheduled for release in the last week of May 2026.

## Centre Considers Credit Support for MSMEs Amid Crisis

The government is exploring a Credit Line Guarantee Scheme-style mechanism to support MSMEs affected by the West Asia crisis. Recent credit guarantees exceeded Rs 93,000 crore in February and March, reflecting intensified support efforts. A proposed scheme of around Rs 2.5-lakh-crore is under consideration to expand assistance. Outstanding MSME credit stands at Rs 36.7 lakh crore, with credit flow growing 23.5 percent between January and March. Raw material supply rose 12.5 percent year-on-year, with over 37,000 tonnes distributed in March. However, disruptions remain significant, as 50 percent of oil and 90 percent of LPG imports come from the affected region.

## India's Export Estimated at US\$ 860.09 Billion for FY26

India's cumulative exports of merchandise and services during FY 2025-26 reached US\$ 860.09 billion, reflecting a moderate growth of 4.22% over the previous fiscal year. Merchandise exports stood at US\$ 441.78 billion, registering a marginal increase of 0.93%. Non-petroleum exports demonstrated relatively stronger performance, rising 3.62% to US\$ 387.88 billion. In March 2026, key contributors to export growth included petroleum products, engineering goods, minerals, other cereals, and handicrafts. Notably, other cereals recorded significant expansion, while petroleum products and engineering goods showed steady gains. Overall, export trends indicate gradual and diversified growth across select sectors. This reflects stable external trade performance.

## **Karnataka Launches Quantum Ecosystem Map to Drive Deep-Tech Growth**

Karnataka has unveiled India's first Quantum Ecosystem Map, marking a strategic move to position itself at the forefront of the deep-tech decade. Developed by the Indian Institute of Science, the initiative outlines capabilities across research, startups, and industry, beginning with Phase-1 of its roadmap. A major highlight is the proposed "Q-City," aimed at integrating stakeholders into a unified ecosystem. To support innovation and talent development, the government has announced a grant of ₹10 crore. Additionally, a ₹400 crore fund has been allocated to strengthen deep-tech initiatives, reinforcing Karnataka's commitment to advancing quantum technologies and fostering sustained growth beyond Bengaluru.

## **Centre Issues Model State CBG Policy to Promote Bioenergy & Circular Economy**

The Government of India has introduced a model draft State CBG Policy to encourage states to develop a structured bioenergy ecosystem and attract waste-to-energy investments. The policy serves as a flexible framework to support investor-friendly implementation of compressed biogas initiatives. States adopting the policy will receive priority in the next tranche of additional commercial LPG allocation, creating a policy-linked incentive mechanism. The initiative complements ongoing energy measures, including 100% supply of LPG, PNG, and CNG, and expanded PNG adoption, with about 4.32 lakh connections already gasified since March 2026. The policy is expected to support rural income diversification, reduce import dependence, and strengthen the circular economy.

## **India's First Chip Fabrication Plant at SEZ Dholera, Gujarat**

Government has notified that an SEZ to be set up exclusively for Electronic Hardware and Software including IT/ITES at Dholera, Gujarat. The SEZ will be spread over 66.166 hectares of land and is poised to provide employment to 21000 persons. It is designed to support electronic hardware, software, and IT-enabled services, and includes enabling infrastructure and a dedicated approval mechanism to streamline operations and logistics. In line with the Government's focus, these reforms are aimed at promoting high-value, capital-intensive investments, fostering innovation, and enhancing ease of doing business on developing a globally competitive semiconductor ecosystem.

## **Ambitious Economic Master Plans For Maharashtra's Major Cities**

The state government has directed cities with a population exceeding 10 lakh to prepare an Economic Master Plan, focusing on promoting tourism, improving the ease of doing business, attracting investment, and developing business hubs. Currently, five of the 10 cities with the specified population are in the Mumbai Metropolitan Region (MMR): Mumbai, Navi Mumbai, Thane, Kalyan-Dombivli, and Vasai-Virar. The others are Pune, Nashik, Nagpur, Chhatrapati Sambhajnagar, and Pimpri-Chinchwad. According to a recent order issued by the Urban Development Department (UDD), provisions outlined in the Economic Master Plans will be incorporated into the Development Plans of these cities. The initiative is based on recommendations by NITI Aayog to develop cities as growth hubs (G-HUBs).

### Currency in Circulation Rose 11.9% in FY26

Currency in circulation (CIC) surged 11.9 per cent year-on-year by the end of the financial year 2025-26 (FY26) to ₹41.68 trillion, due to revival of the cash-driven rural economy and persistent precautionary demand. In absolute terms, CIC grew by ₹4.44 trillion in FY26, the highest since the post-demonetisation year of 2017-18. According to the latest data published by the Reserve Bank of India, 'currency with public' has grown to Rs 40.52 trillion as of March 15, 2026, rising by Rs 4.2 trillion in FY26. As per the economists, rising CIC along with surging UPI reflects persistent precautionary demand and informal sector dynamics.

### March 2026 GST: ₹2,00,064 Cr Collection, Haryana Leads Growth at 20%

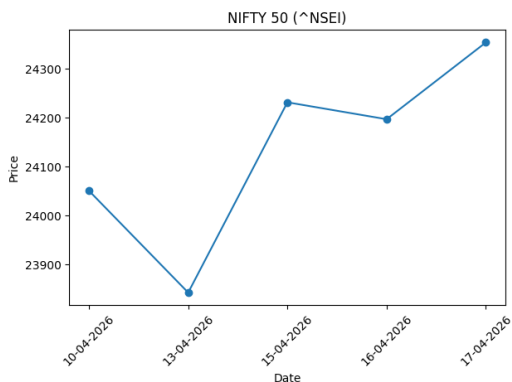
March 2026 GST collections reached ₹2,00,064 crore, registering 8.8% YoY growth, while net collections stood at ₹1.78 lakh crore, up 8.2%. Domestic revenue grew 5.9%, while import GST surged 17.8%, driving overall momentum. Maharashtra led with ₹18,001 crore post-settlement SGST, rising 14%, and ₹12,752 crore pre-settlement, up 17%. Karnataka followed as a top contributor with ₹7,565 crore post-settlement collections. Haryana recorded the highest major-state growth at 20% post-settlement SGST, driven by logistics and auto manufacturing expansion. Regional divergence persisted, with Jharkhand and Chhattisgarh declining 40%.

### Vande Bharat trains outpace flights

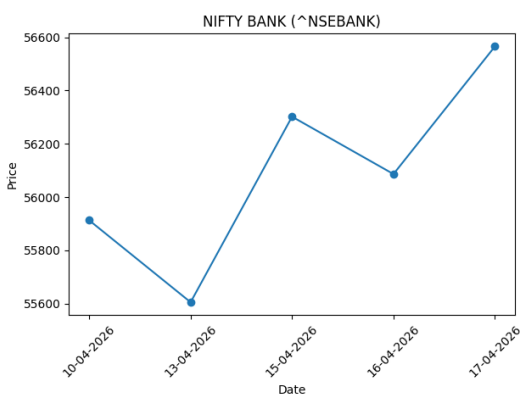
Passenger growth on Vande Bharat trains rose nearly 34% in FY26, sharply outpacing domestic aviation growth of 0-3% under the UDAN scheme, highlighting stronger momentum in India's rail sector. Vande Bharat recorded a year-on-year passenger growth of nearly 34%, with total passengers increasing from 2.97 crore in FY25 to 3.98 crore in FY26. The Vande Bharat Sleeper service, introduced in January 2026, carried 1.21 lakh passengers across 119 trips in its first three months, indicating early adoption of the new segment. In an official release, the Ministry of Railways stated that the Vande Bharat Express, since its launch in February 2019, has carried over 9.1 crore passengers through one lakh trips. In comparison, domestic aviation growth remained limited during the same period. For the first 11 months of FY26, air passenger traffic rose 1.6% year-on-year, indicating a slowdown.

### Wholesale Price in India for the Month of March 2026

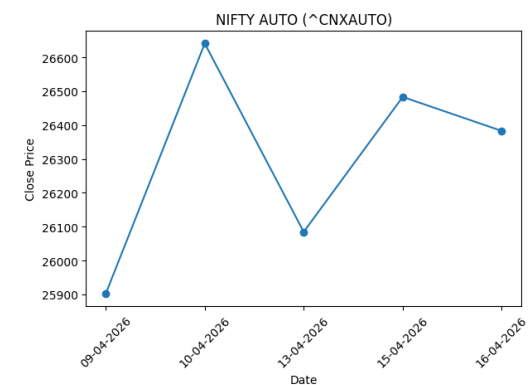
The annual rate of inflation based on All India Wholesale Price Index (WPI) number is 3.88% (provisional) for the month of March 2026 (over March 2025). Positive rate of inflation in March 2026 is primarily due to increase in prices of crude petroleum & natural gas, other manufacturing, non-food articles, manufacture of basic metals and food articles etc. The month over month change in WPI for the month of March 2026 stood at 1.64 % as compared to February 2026. The WPI for March 2026 has been compiled at a weighted response rate of 77.8% , while the final figure for January 2026 is based on the weighted response rate of 92.7%. WPI for the month of April 2026 would be released on 14/05/2026.



The NIFTY 50 index shows moderate fluctuations during the week. The index movement during the week reflected development with respect to Iran-US Peace Talks. Overall, the trend indicates short-term volatility with a mild upward bias, reflecting resilient sentiment alongside cautious investor behavior near the end.



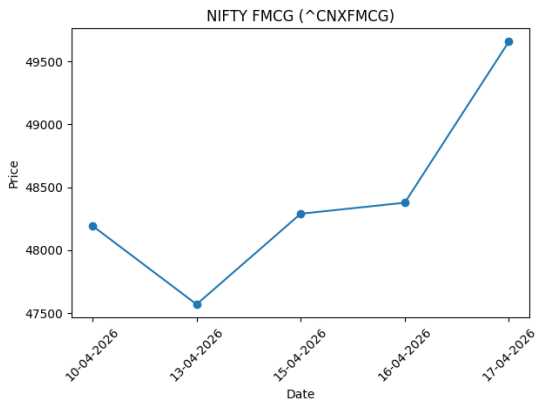
The banking index recorded gradual gains with intermittent fluctuations. The movement was supported by expectations of stable policy rates and improved credit growth outlook. Additionally, easing global tensions such as Iran-US developments enhanced investor confidence, resulting in a mildly positive trend with cautious participation.



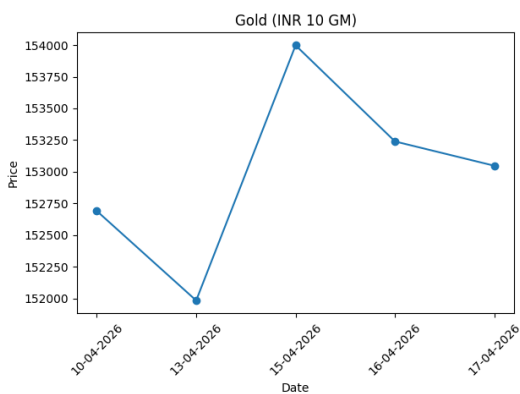
The auto index showed mixed movement with a slight downward inclination. This was largely influenced by concerns over demand moderation and cost pressures. However, supportive macroeconomic signals and improving global sentiment helped prevent sharper declines, reflecting a balanced yet cautious market stance.

## CURRENCY (FOREX)

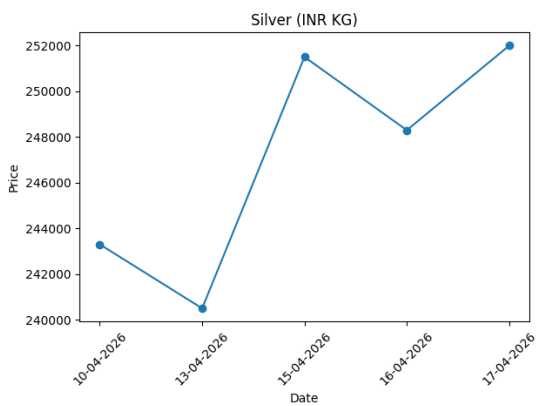
Date	USD (INR/1 USD)	GBP (INR/1 GBP)	EUR (INR/1 EUR)	JPY (INR/100 JPY)
17 April 2026	92.72	125.27	109.20	58.14
16 April 2026	93.34	126.63	110.10	58.74
15 April 2026	93.39	126.69	110.12	58.76
13 April 2026	93.37	125.22	109.15	58.49
10 April 2026	92.65	124.31	108.28	58.16



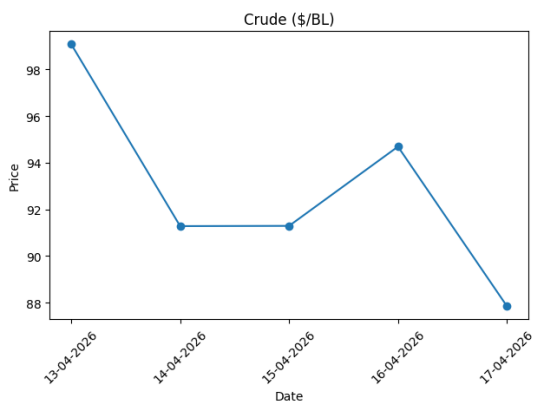
The FMCG index demonstrated a steady upward movement with limited volatility. The rise was supported by consistent consumption demand and defensive sector buying. Improved global sentiment and easing geopolitical uncertainties further strengthened investor confidence, indicating a stable and resilient trend.



Gold prices displayed mild volatility with a slightly declining trend during the week. The movement reflects reduced safe-haven demand amid improving geopolitical outlook, particularly Iran-US developments, alongside a relatively firm currency environment, leading to cautious investor positioning.



Silver prices exhibited noticeable volatility with an overall upward bias. The gains were driven by industrial demand expectations and improving global sentiment. Easing geopolitical concerns and broader commodity market strength supported investor interest, resulting in a resilient yet fluctuating trend.



Crude oil prices showed a declining trend with moderate fluctuations throughout the week. The movement was influenced by easing geopolitical tensions, including Iran-US developments, and concerns over demand outlook, leading to a softer price trajectory despite intermittent rebounds.

## Golden Household Reserves -A Hidden Support to Indian Economy

As per World Gold Council, India currently holds the world's eighth highest gold reserves. At 880 tonnes, it is just over one-tenth of the gold reserves with America but the stock of Indian household gold places ahead of all globally.

Recent spike in gold prices in 2025 and early 2026 has placed the value of India's household gold reserves at the top of all the major gold reserve holder economies. Gold accumulation by the Indian households over the years stands much larger than the reserves held by the US at present.

According to the ASSOCHAM, the estimated value of gold held by Indian household is ~\$5 trillion. This stock of privately held gold represents one of the largest pools of household financial wealth. Such a huge amount of gold can provide great strength to the Indian economy.

The channelization of physical gold to the formal economic system can be considered for the development of various segments of economy such as infrastructure, agriculture etc. There is macroeconomic significance of even a gradual shift of a portion of this gold into financialised channels such as monetisation schemes, collateralised lending, or gold linked savings instruments.

**Table 1: Countrywise Gold Reserves**

S. No.	Gold Reserves as of Feb 2026	Tonnes
1	United States	8,133.5
2	Germany	3,350.3
3	Italy	2,451.8
4	France	2,437.0
5	Russian Federation	2,311.0
6	China, P.R.: Mainland	2,308.5
7	Switzerland	1,039.9
8	India	880.3
9	Japan	846.0
10	Netherlands	612.5

**Source:** World Gold Council

In recent years, some of the gold has been put to productive use with the growth of gold loans. Gold loans have potential to expand beyond traditional strongholds and attracting more diverse credit profile consumers, positioning the product as a mainstream retail lending category.

India remains the world's second-largest gold consumer, accounting for about 26 per cent of global demand, according to the World Gold Council. While jewellery dominates usage, investment demand through bars and coins has risen sharply over the past five years.

The estimated valuation of Indian household gold is greater than the GDP of almost all economies in the world except top four (US, China, Germany, Japan). Recent upside in the gold prices increased the value of the stock holdings of gold which provided a positive wealth effect for the household balance sheet. Such golden appreciation in wealth will provide a boost for the consumption trajectory.

Given the quantum of gold and the multiplier effect it can create for the economy, surely there is a need to enhance the economic productivity of gold. Moving the golden asset into the economic channel can deliver significant results for the Indian economy.

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