

The Associated Chambers of Commerce and Industry of India

# MONTHLY ROUNDUP

**ASSOCHAM** VOICE



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# State of the Indian Economy

## Monthly Review of Accounts of Government of India Up to June 2025

The key highlights of the monthly accounts of the Government of India up to June 2025 state the Government has received INR 9,41,395 crore (26.9% of corresponding BE 2025-26 of Total Receipts). This amount consists of INR 5,40,316 crore Tax Revenue (Net to Centre), INR 3,73,061 crore of Non-Tax Revenue and INR 28,018 crore of Non-Debt Capital Receipts. Total Expenditure incurred by Government of India is INR 12,22,127 crore (24.1% of corresponding BE 2025-26).

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## India's IIP Growth Rate Stands at 1.5% for June 2025

The IIP growth rate for the month of June 2025 is 1.5% which was 1.2% (Quick Estimate) in the month of May 2025. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of June 2025 are (-)8.7%, 3.9% and (-)2.6% respectively. Within the manufacturing sector, 15 out of 23 industry groups at NIC 2 digit-level have recorded a positive growth in June 2025 over June 2024. The top three positive contributors for the month of June 2025 are – “Manufacture of basic metals” (9.6%), “Manufacture of coke and refined petroleum products” (4.2%) and “Manufacture of fabricated metal products, except machinery and equipment” (15.2%).

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## The Index of Eight Core Industries (ICI) Grew in 1.7% June 2025

The combined Index of Eight Core Industries (ICI) increased by 1.7% (provisional) in June 2025 as compared to the Index in June 2024. The production of Steel, Cement and Refinery Products recorded positive growth in June 2025. The cumulative growth rate of ICI during April to June, 2025-26 is 1.3% (provisional) as compared to the corresponding period of last year. Coal production declined by 6.8%, Crude Oil production declined by 1.2%, Natural Gas production declined by 2.8%, Petroleum Refinery production increased by 3.4%, Fertilizer production declined by 1.2%, Steel production increased by 9.3%, Cement production increased by 9.2%, and Electricity generation declined by 2.8%.

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## **Retail Inflation Slows to 2.10% in June 2025, Lowest Y-O-Y after January 2019**

The year-on-year inflation rate based on All India Consumer Price Index (CPI) for the month of June 2025, over June 2024, is 2.10% (Provisional). There is a decline of 72 basis points in headline inflation of June 2025 in comparison to May 2025. It is the lowest year-on-year inflation after January 2019. The significant decline in headline inflation and food inflation during the month of June 2025 is mainly attributed to favourable base effect and decline in inflation of Vegetables, Pulses and Products, Meat and Fish, Cereals and products, Sugar and confectionery, Milk and products and Spices.

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**Wholesale Inflation for June 2025 Stands at (-)0.13%:** The annual rate of inflation based on All India Wholesale Price Index (WPI) number is (-) 0.13% (provisional) for the month of June 2025 (over June 2024). Negative rate of inflation in June 2025 is primarily due to decrease in prices of food articles, mineral oils, manufacture of basic metals, crude petroleum & natural gas etc. The month over month change in WPI for the month of June 2025 stood at (-) 0.19% as compared to May 2025.

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## **GST Collection for June 2025 Stood at INR 1.85 Lakh Crore, up 6.2% Y-O-Y**

Goods and Services Tax (GST) collections for the month of June 2025 stood at INR 1.85 lakh crore, an increase of 6.2% year-on-year basis. Central GST collection stood at INR 34,558 crore while State GST collection was INR 43,268 crore. Additionally, for June 2025, Integrated Domestic GST collection was INR 48,680 crore. Furthermore, GST Domestic Cess collection was reported at INR 12,400 crore. The Gross Import Revenue for June 2025 was INR 45,690 crore, out of which IGST was INR 44,600 crore.

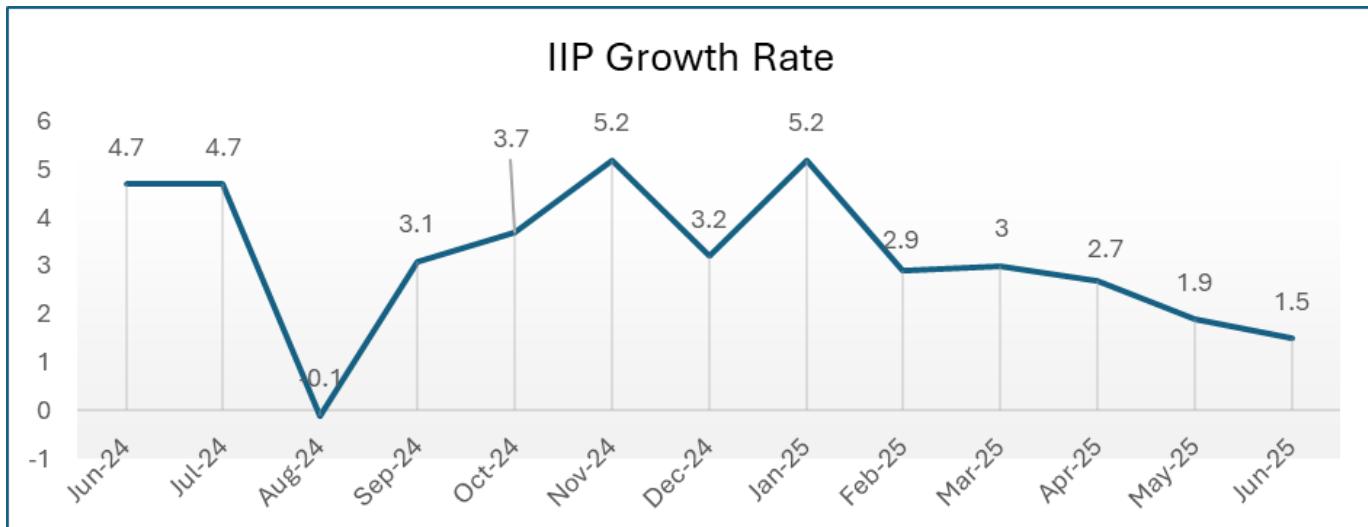
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## **Labour Force Participation Rate (LPRD) in Current Weekly Status (CWS) was 54.2% During June 2025**

Labour Force Participation Rate (LFPR) in Current Weekly Status (CWS) among persons of age 15 years and above was 54.2% during June 2025 compared to 54.8% during May 2025. LFPR in rural areas was 56.1% and LFPR in urban areas was 50.4% during June 2025 for persons of the same age group. Unemployment Rate (UR) in CWS among persons of age 15 years and above has remained same as 5.6% in May 2025 and June 2025.

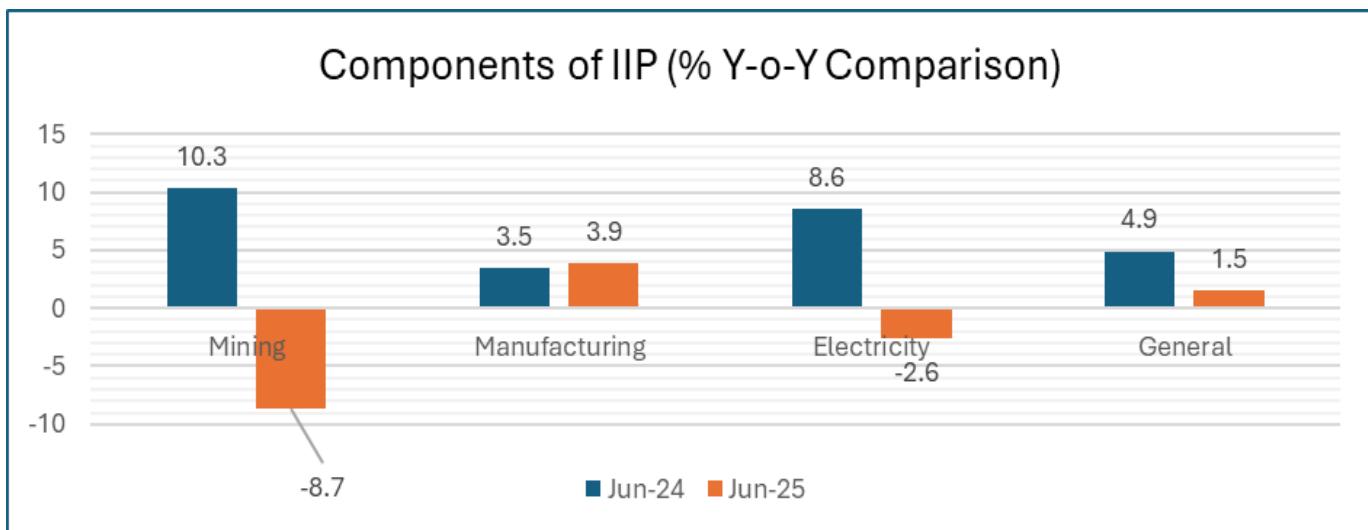
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## Production Scenario (IIP Growth)



(Source: Ministry of Statistics & Programme Implementation (MOSPI), GOI)

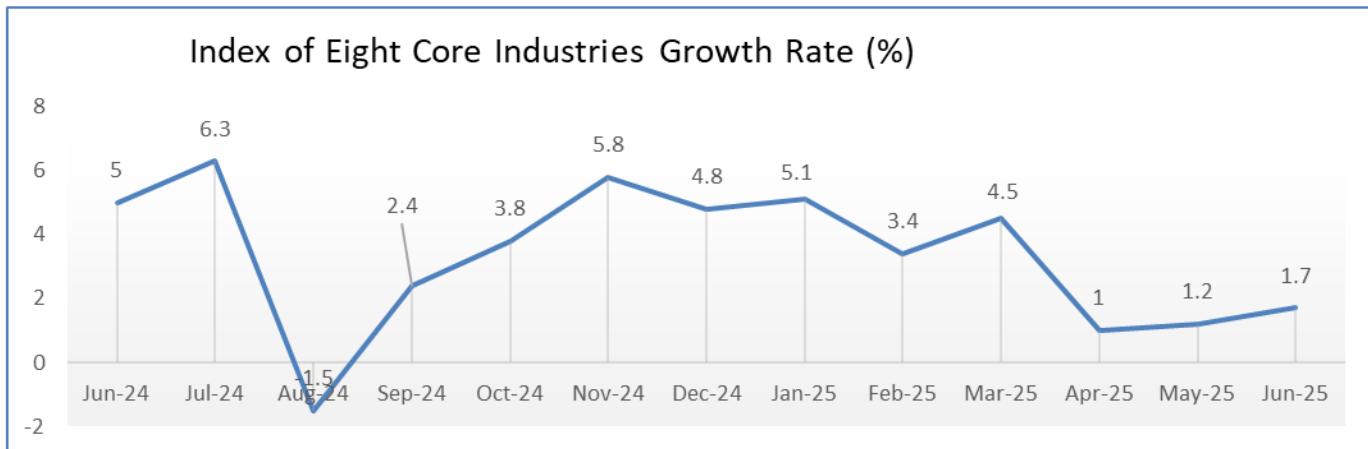
The Index of Industrial Production (IIP) has seen a slight decline to 1.5% in June 2025 from 1.9% in May 2025. Growth fell significantly short of the 4.7% expansion recorded in the same month the previous year. Manufacturing, the sector with the largest weight in the index, grew by 3.9%. 15 out of 23 industry groups witnessed a positive growth in June 2025 compared to June 2024. Despite a slowdown in some sectors, capital goods, intermediate goods, and infrastructure/construction goods carried the industrial output.



(Source: Ministry of Statistics & Programme Implementation (MOSPI), GOI)

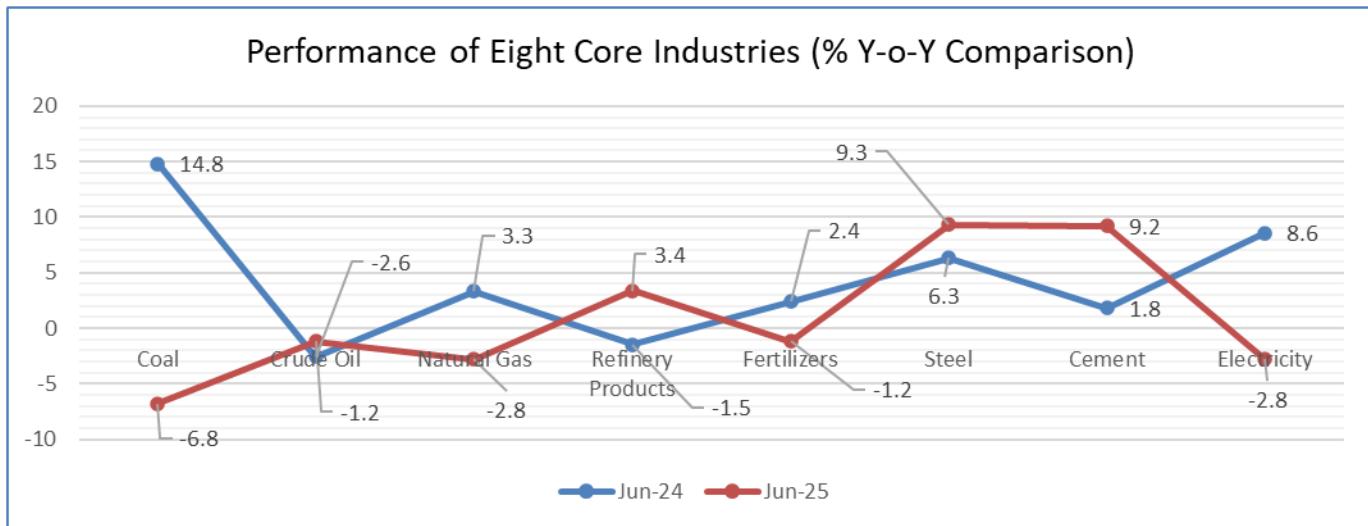
The mining sector's growth plummeted from 10.3% to (-)8.7%, manufacturing growth improved from 3.5% to 3.9%, and electricity production saw a decline to 1.5% compared to 4.9% in the same month last year, highlighting a dampened industrial environment and an uncertain global economic scenario.

## Production Scenario (Core Infra)



(Source: Ministry of Commerce and Industry, GOI)

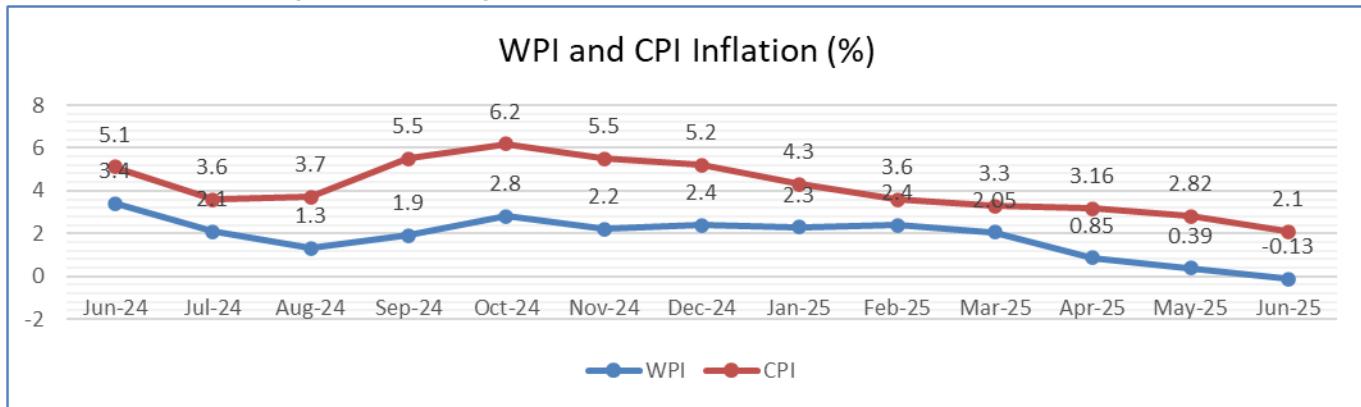
In June 2025, the Eight Core Industries registered a growth rate of only 1.7%, a slight increase from 1.2% in May 2025 and much lower than 5% in June 2024. This indicates a mild increase in the industrial activity compared to the previous month, May 2025, but a significant slowdown compared to the same period last year, June 2024. June 2025 reflects a broad-based moderation compared to the previous year, June 2024; however, Refinery Products at 3.4%, Steel at 9.3%, and Cement at 9.2% helped the index in improving compared to May 2025.



(Source: Ministry of Commerce and Industry, GOI)

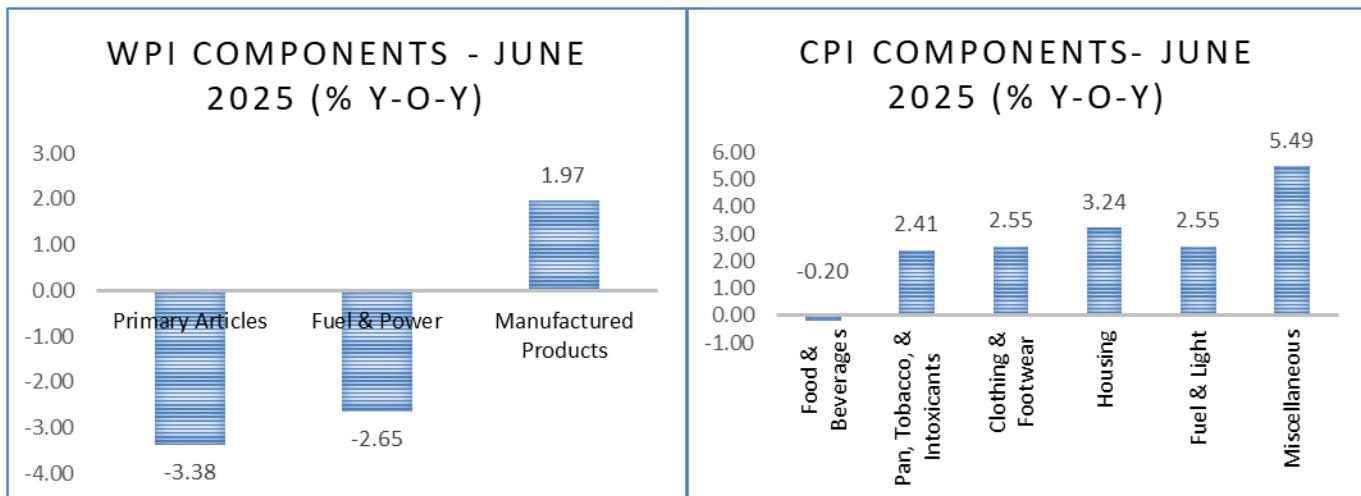
In June 2025, three of the eight core industries – Refinery Products, Steel, and Cement - registered growth, with Steel showing the highest increase (9.3%). Yearly comparison of the Eight Core Industries shows majorly a downward trend in June 2025 compared to June 2024. Refinery Products (up from -1.5% to 3.4%) showed improvement, while Coal and Electricity saw a significant moderation from last year's high growth. The change in momentum across sectors may reflect changing economic dynamics.

## Inflation Trends (WPI & CPI)



(Source: MOSPI and Office of Economic Advisor, GOI)

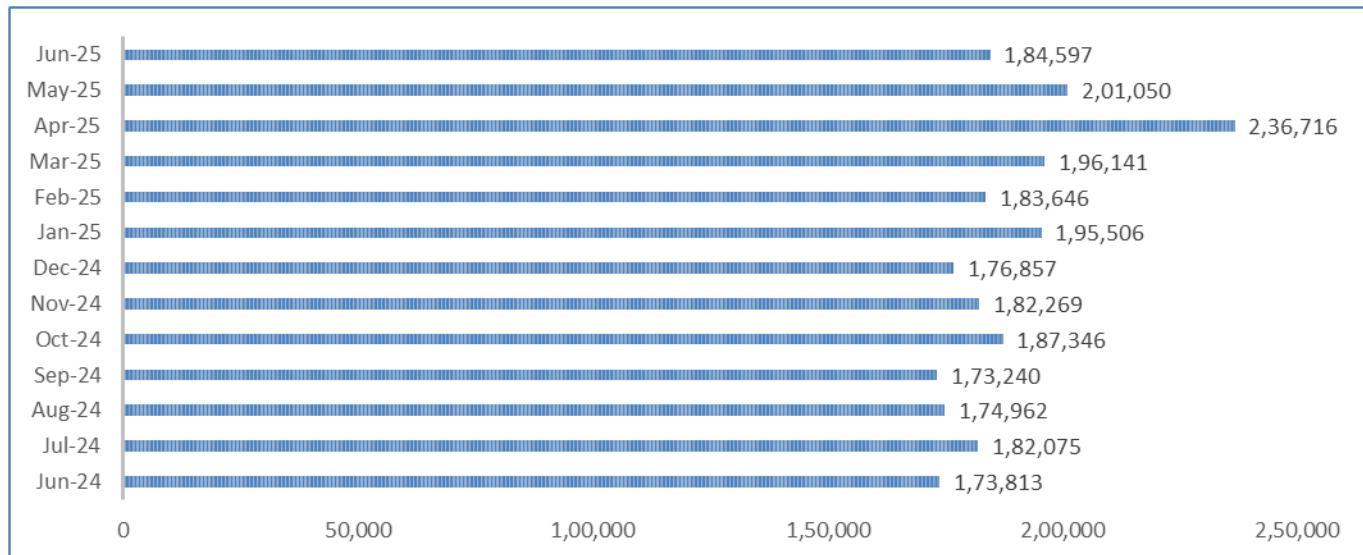
The WPI and CPI inflation trends between June 2024 and June 2025 reveal divergence, followed by convergence and finally a parallel movement. CPI peaked at 6.2% in October 2024, while WPI peaked at 3.4% in June 2024. From November 2024 onwards, both indices steadily decline, indicating cooling inflationary pressures in the economy. By June 2025, CPI eased to 2.1% and WPI fell sharply to (-)0.13%. This suggests reduced cost-push inflation at the wholesale level. However, the CPI's relatively slower decline implies demand-side pressures. The sharp fall in WPI with moderate CPI decline could indicate margin expansion opportunities for producers.



(Source: MOSPI and Office of Economic Advisor, GOI)

In June 2025, WPI inflation was driven solely by a 1.97% rise in Manufactured Products, while Primary Articles and Fuel & Power dragged the overall WPI down. This explains the sharp fall in overall WPI to (-)0.13%. In contrast, CPI inflation remained moderately elevated due to broad-based increases, especially in the Miscellaneous and Housing categories. The divergence suggests that while input costs have softened, consumer prices are adjusting gradually, reflecting a stable but cautious inflation environment.

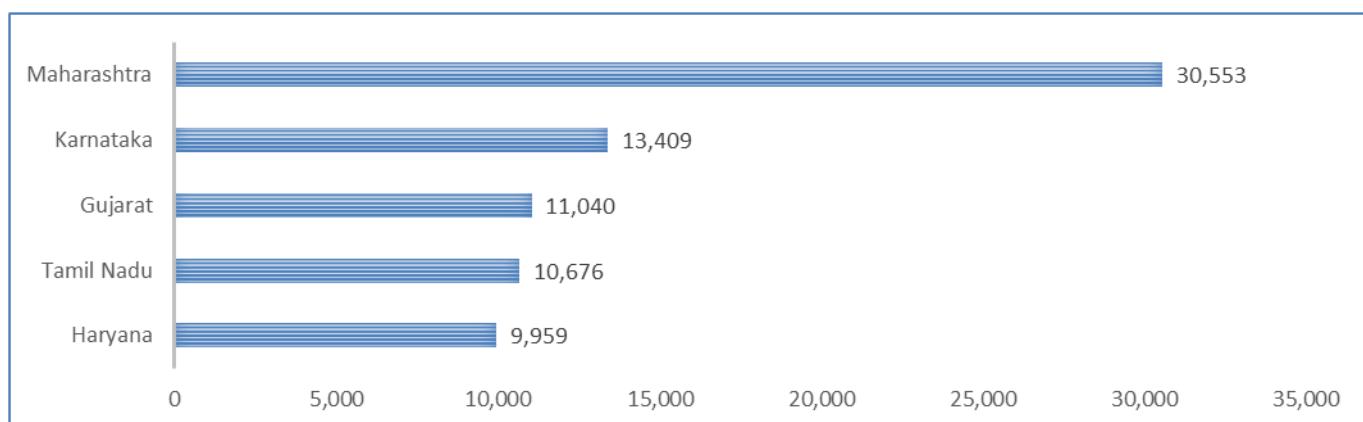
## GST Revenue Collection (in INR crores)



(Source: Ministry of Finance, GOI)

India's Goods and Services Tax (GST) collections clocked nearly at INR 1.85 lakh crore in June 2025, registering a Y-O-Y growth of 6.2% compared to June 2024 but a decline of 8% compared to May 2025 collections. Gross collections in June 2025 saw a year-over-year growth of 6.2%, marking the slowest pace since June 2021. This moderated growth may be attributed to ongoing geopolitical uncertainties. Nonetheless, GST collections continue to be supported by improved compliance, an expanding tax base, and sustained economic momentum.

## Top 5 States with High GST Revenue Collection in May 2025 (in INR crores)



(Source: Ministry of Finance, GOI)

Maharashtra led the country with the highest GST revenue collections, totalling INR 30,553 crores, followed by Karnataka and Gujarat. Tamil Nadu and Haryana rounded out the top five. These states have emerged as the largest contributors to GST revenues, reflecting their strong economic activities and business environments. Total State GST collection stood almost at INR 1.4 lakh crore.

# India's International Trade

## Trade Performance June 2025

### Highlights

- India's total trade clocked a strong growth of 5.12 per cent in FY 2025-26 (April-June), estimated to reach USD 441 billion (approx.) in April-June 2025 as against USD 419 billion in April-June 2024.
- Total exports grew by 5.93 per cent and imports grew by 4.38 per cent during April-June 2025 over April-June 2024.
- In the month of June, merchandise exports remained flat whereas merchandise imports fell by around 3.7 per cent during the month of June 2025.
- Consequently, Merchandise trade deficit, reached USD 18.78 billion, improving by around 10 per cent in June 2025 over June 2024.
- Trade in Services outperformed this month as well. Services exports grew by 15 per cent, reaching USD 33 billion and imports rose by 16 per cent, reaching USD 18 billion in June 2025.
- Trade surplus in services sector financed deficit in merchandise trade by 81 per cent.
- Forex reserves rose from USD 654 billion in June 2024 to USD 695 billion in June 2025.
- Rupee appreciated to 85.90 against USD in June 2025, after plunging to lowest levels in February 2025.
- India's rank as an exporter (merchandise) in the world has fallen from 17th to 18th in 2025, with share in world exports remaining the same.
- India remained 8th largest exporter of commercial services in 2025.

### Overall June 2025

India's total trade (Merchandise and Services combined) for June 2025 is estimated at USD 139.48 billion, registering a marginal growth of 3.34 percent as compared to June 2024. The growth in total exports was much more profound at 6.50 per cent than that of imports, which grew marginally at 0.50 for June 2025 over June 2024.

India's Trade (US\$ Bn)		
	Jun-24	Jun-25
<b>Total exports</b>	63.83	67.98
<b>Total Imports</b>	71.14	71.50
<b>Total Trade</b>	134.97	139.48
<b>Trade Balance</b>	-7.31	-3.52

Source: Press Release, July 2025, Ministry of Commerce and Industry

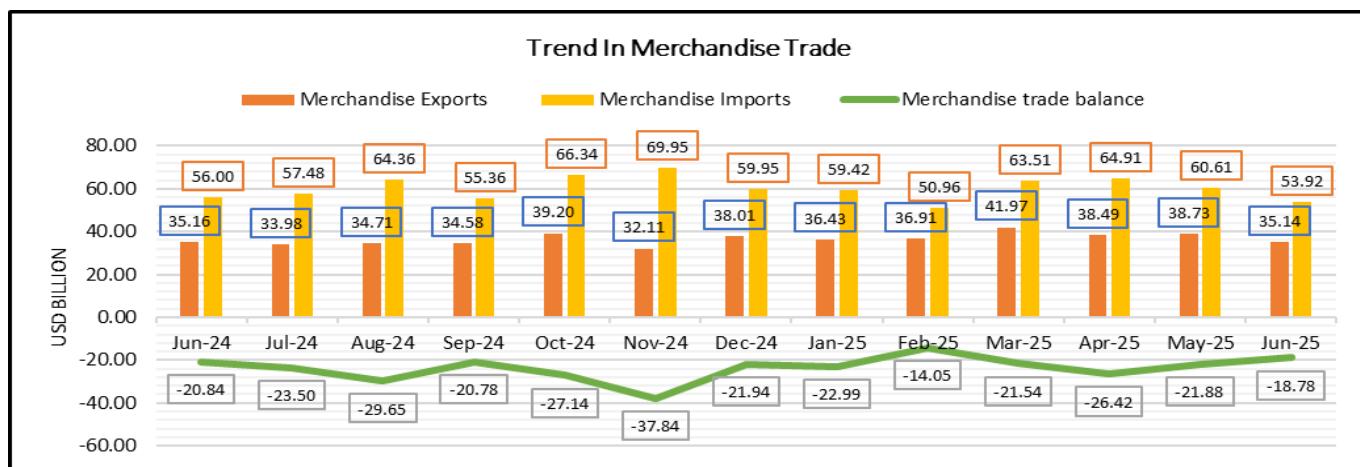
## Merchandise Trade June 2025

Merchandise exports, at USD 35.14 Billion dipped marginally by 0.06% in June 2025 over June 2024. The fall of exports is contributed majorly to the significant fall in exports of gems and jewelry (20%) and of petroleum products (16%).

This fall is moderated by a remarkable growth of non-petroleum exports at around 5% over June 2024. This resilient growth is driven by considerable growth in exports of products like Electronic Goods (47%) and Drugs and Pharmaceuticals (6%).

Total merchandise imports contracted in June 2025 by 3.71%. This fall is attributed to a significant decline in imports of Gold (26%), Transport equipment (20%), Coal, Coke & Briquettes, etc. (19%), Pearls, precious & Semiprecious stones (18%) and Iron & Steel (12%).

Subsequently, **trade deficit narrowed to USD 18.78 Billion, down nearly 10% over its level in June last year.**

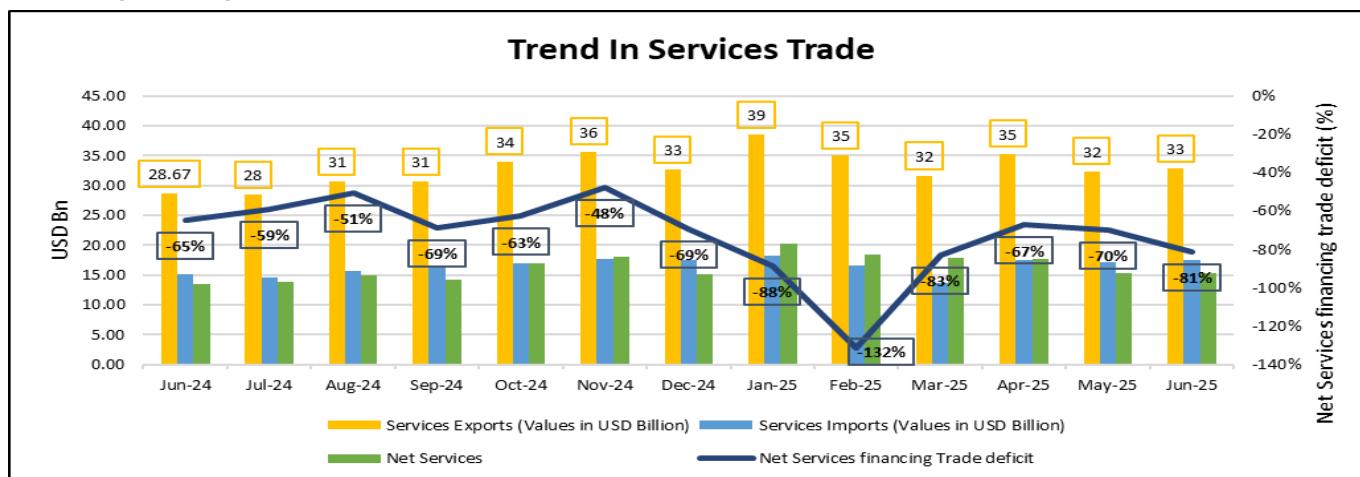


(Source: Ministry of Commerce and Industry)

## Services Trade June 2025

India's service exports shot up by 15 per cent (approx.) in June 2025 over June 2024 and services imports rose more profoundly by 16 per cent during the same period. Consequently, Services trade surplus grew up by around 13 per cent during the same period, touching a level of USD 15 billion.

With merchandise trade deficit of USD 18.78 billion in June 2025, the country ended up with a cumulative trade deficit (or net exports) of USD 3.52 billion. Consequently, the net services trade deficit financing ratio again reached 81% in June 2025.



(Source: Reserve Bank of India)

# Trade Performance April-June 2025

## Overall April-June 2025

Cumulative trade for April-June 2025 was recorded at USD 441 billion, registering a growth of 5.12 percent (approx.) as compared to April-June 2024. The total exports and imports (merchandise plus services) for April-June 2025 experienced a strong growth of 5.93 per cent and 4.38 per cent over April-June 2024. Consequently, trade balance fell by around 9.37 per cent during the same period.

India's Trade (US\$ Bn)		
	Apr-June 2024	Apr-June 2025
<b>Total exports</b>	198.52	210.30
<b>Total Imports</b>	220.94	230.62
<b>Total Trade</b>	419.46	440.92
<b>Trade Balance</b>	-22.42	-20.32

Source: Press Release, July 2025, Ministry of Commerce and Industry

## Merchandise Trade April-June 2025

The trade figures for FY 2024-25 rose by around 2%, with cumulative merchandise exports rising by around USD 2.1 billion in April-June 2025 over April-June 2024.

The growth in merchandise imports was much more profound with imports rising by around 4% during April-June 2025 over April-June 2024.

This led to widening of cumulative trade deficit to USD 67.27 billion, a growth of over 8% in April-June 2025 over the corresponding period last year.

## Services Trade April-June 2025

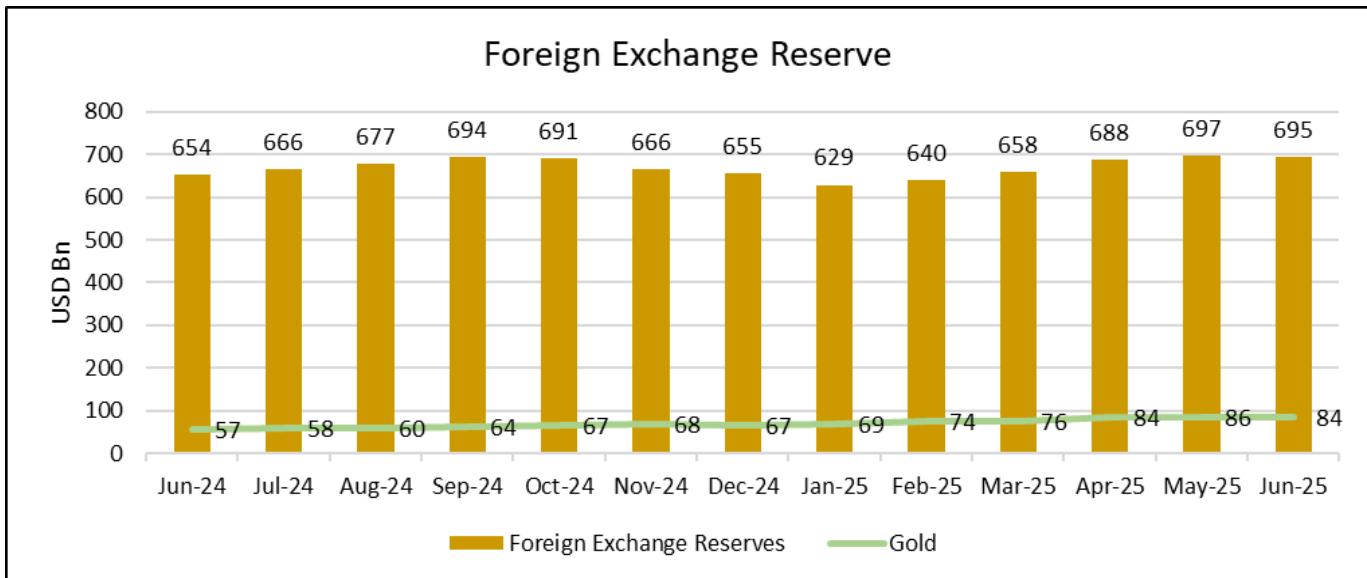
Services exports for the period April-June 2025 grew by around 11 per cent reaching USD 98 billion (approx.) from USD 88 billion during corresponding period last year.

The growth in imports was also strong with imports registering a growth of around 5 per cent during April-June 2025 over April-June 2024.

This led to widening of cumulative trade surplus to USD 46.95 billion in April-June 2025 from USD 39.68 billion in April-June 2024, representing a growth of around 18.3%

## Foreign Exchange Reserves

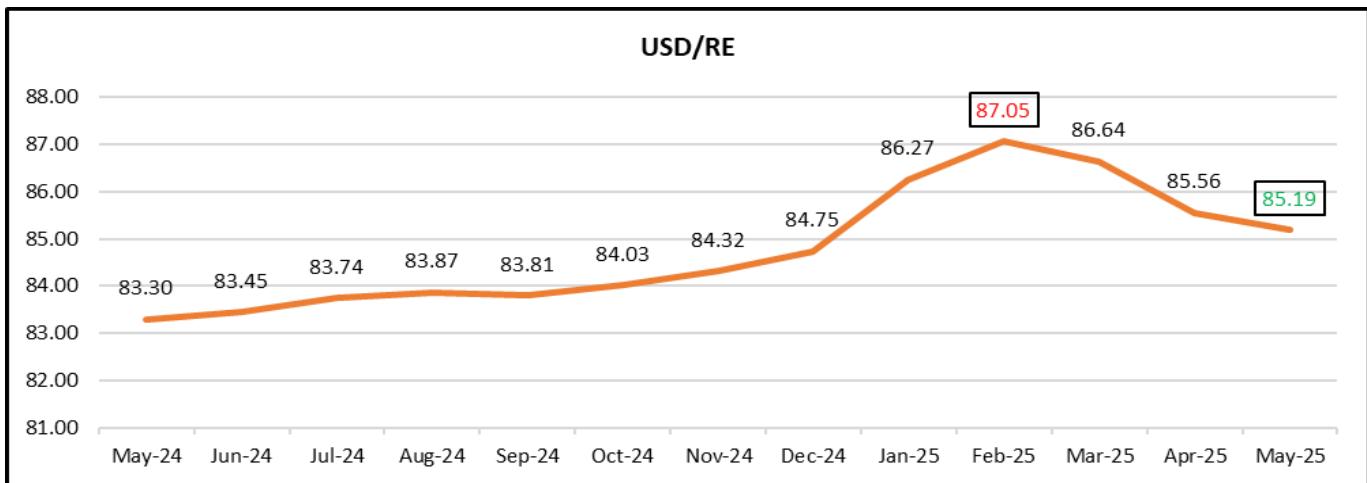
India's forex reserves has fallen again in June 2025 by almost 2 per cent, reaching closer to September 2024 level of USD 694 billion. However, in comparison to previous year, the figure has seen a rise of more than 6 per cent from the levels of June 2024.



(Source: Reserve Bank of India)

## Exchange Rate

Rupee depreciated in June 2025 to 85.90 per USD as against May 2025. However, the rupee has depreciated by almost 2.9 per cent in June 2025 over June 2024.



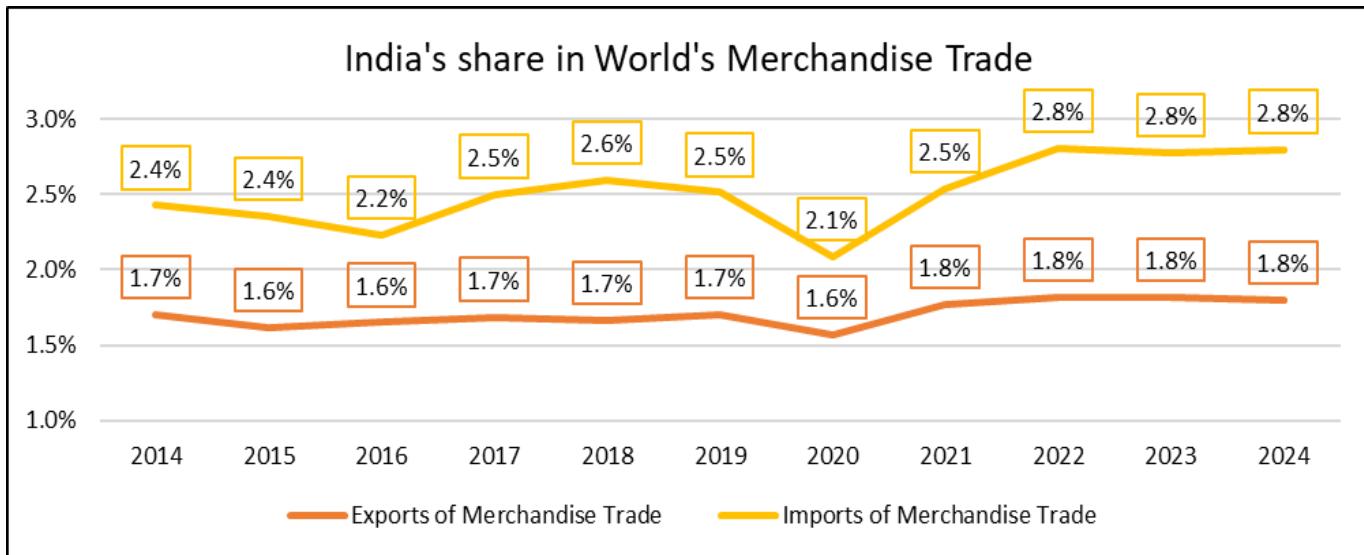
(Source: Reserve Bank of India)

(Note: Exchange Rate for December 2025 is the average of daily exchange rate available at <https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>)

## Global Rankings 2024

India is the 18th largest exporter and 9th largest importer of goods.

India's share in world's exports and imports of goods has remained stable over the years

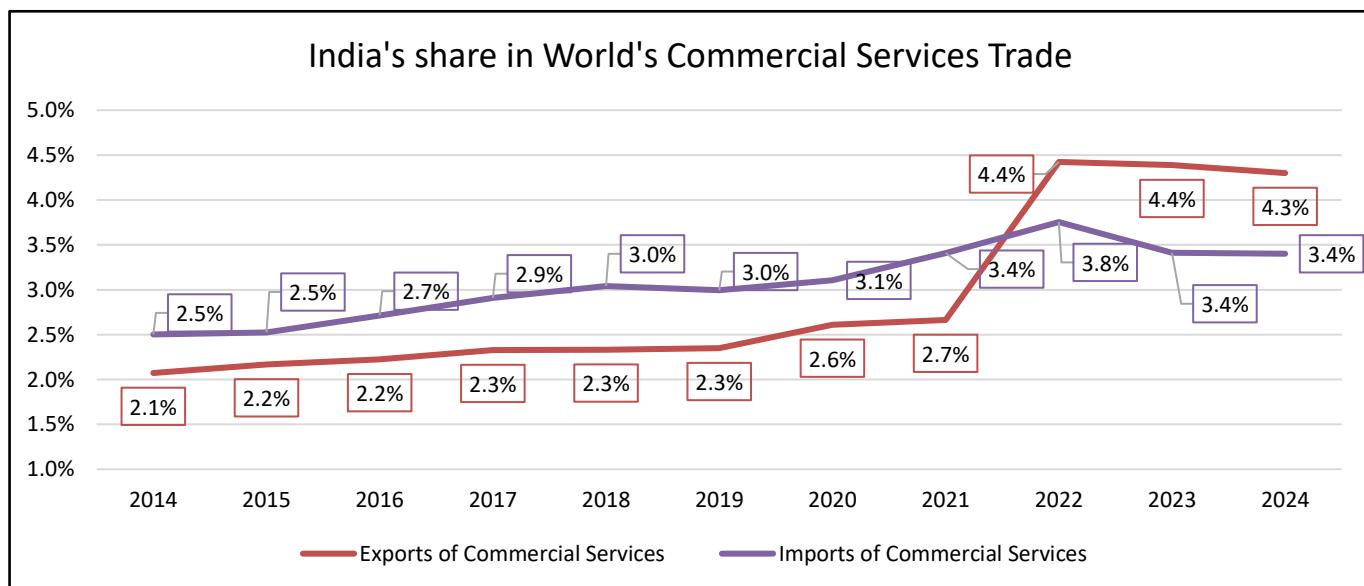


(Source: Global Trade Outlook and Statistics, April 2025, World Trade Organisation (WTO))

India is the 8th largest exporter and 9th largest importer of commercial services

India's share in world's exports of commercial services has risen sharply post 2021. Services exports correlate with various factors such as global demand, economic conditions, infrastructure quality, and human capital, among others. However, it has remained more or less stable since past 3 years.

The country's share in world imports of commercial services has fallen recently after reaching a decadal high in 2022 and remained stable since then.



(Source: Global Trade Outlook and Statistics, April 2025, World Trade Organisation (WTO))

# Policy Updates

## Finance

### Key Provisions of the Banking Laws (Amendment) Act, 2025 to Take Effect from August 1

The Banking Laws (Amendment) Act, 2025 will partially come into force from August 1, 2025, as notified by the government. The Act, published on April 15, 2025, introduces 19 amendments spanning the RBI Act, 1934; Banking Regulation Act, 1949; SBI Act, 1955; and Banking Companies Acts of 1970 and 1980. Notably, provisions such as redefining 'substantial interest' to ₹2 crore, extending cooperative bank director tenure to 10 years, and allowing PSBs to transfer unclaimed assets to the Investor Education and Protection Fund are included. The Act also aims to improve audit quality in PSBs and strengthen governance, depositor, and investor protection.

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### RBI Issues New Directions for Investment in Alternative Investment Funds (AIFs), 2025

The Reserve Bank of India (Investment in AIF) Directions, 2025, introduce guidelines for regulated entities such as banks and NBFCs investing in Alternative Investment Funds (AIFs). Effective January 1, 2026, individual investments are capped at 10% and collective investments at 20% of an AIF's corpus. Certain provisioning requirements exclude equity instruments. Investments exceeding 5% in schemes linked to debtor companies require full provisioning. These rules replace earlier circulars, promoting prudent exposure and alignment with SEBI norms.

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### RBI updates Foreign Exchange Management Regulations for Export of Goods & Services, 2025

The Foreign Exchange Management (Export of Goods & Services) (Amendment) Regulations, 2025, introduce updates to facilitate smoother export processes and enhance compliance with foreign exchange laws. The amendments focus on easing procedural requirements, promoting transparency, and improving the regulatory framework for exporters. These changes aim to streamline export documentation, ensure timely realization of export proceeds, and align with global trade practices, thereby supporting India's export growth and foreign exchange management objectives.

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## Notification for renewal of recognition of Multi Commodity Exchange Clearing Corporation Limited (MCXCL)

The Securities and Exchange Board of India (SEBI) has renewed the recognition of Multi Commodity Exchange Clearing Corporation Limited (MCXCL) as a clearing corporation for a further period of three years, effective from July 31, 2025, to July 30, 2028. This renewal allows MCXCL to continue its critical role in clearing and settlement operations for commodity derivatives, ensuring stable and efficient market infrastructure. The extension affirms SEBI's confidence in MCXCL's regulatory compliance and risk management, promoting integrity and stability in commodity trading markets.

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## Ease of Doing Investment - Special Window for Re-lodgement of Transfer Requests of Physical Shares

The government has introduced a special window to simplify the process of re-lodgement of transfer requests for physical shares. This initiative aims to enhance ease of doing investment by providing investors with a streamlined mechanism to resolve pending share transfer issues, promoting smoother transactions and increased investor confidence in the securities market.

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## Communication

### Framework and Guidelines for Classification of Critical Services in the M2M IoT Sector

The "Framework and Guidelines for Classification of Critical Services in the M2M IoT Sector" establishes criteria to identify services within the Machine-to-Machine (M2M) and Internet of Things (IoT) domain that are vital for national security, public safety, economic stability, or essential public services. Only services meeting strict requirements—like ultra-reliable, low-latency, high-availability connectivity—will be classified as critical. Ministries, regulatory bodies, and designated committees must assess and notify such services, ensuring robust regulation, stringent quality and security benchmarks, and phased mandatory device certification to protect critical infrastructure and public interest.

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## Draft National Telecom Policy 2025 Released for Public Consultation

The Department of Telecommunications has released the Draft National Telecom Policy, 2025 for public consultation. This policy outlines the government's vision and strategic direction for the telecom sector, focusing on universal connectivity, innovation, domestic manufacturing, secure networks, and sustainability. Stakeholders and members of the public are invited to review the draft policy and provide feedback, enabling broad-based input to shape India's future telecom ecosystem and ensure inclusive, transparent, and forward-looking regulations.

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## Environment

### Notification of the Environment Protection (Management of Contaminated Sites) Rules, 2025

The Environment Protection (Management of Contaminated Sites) Rules, 2025, provide a comprehensive legal framework for identifying, assessing, and remediating contaminated sites across India. These rules mandate stepwise procedures for site assessment, define clear responsibilities for polluters under the "polluter pays" principle, and establish timelines for remediation. They aim to protect public health and the environment by ensuring that hazardous chemical contamination is effectively managed and sites are restored for safe use.

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## Mines

### Amendment to Minerals Concession Rules, 2016: New Pricing Formula for Rock Phosphate introduced

The Minerals (Other than Atomic and Hydrocarbons Minerals) Concession (Amendment) Rules, 2025, introduce a new formula for determining the average sale price of Rock Phosphate. This formula uses monthly prices published by the Department of Fertilizers, RBI reference rates, and grade-specific conversion factors. The amendment updates the 2016 rules, aiming for transparency and standardized pricing in mineral concessions.

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## Offshore Areas Atomic Mineral Operating Right Rules, 2025

The Offshore Areas Atomic Mineral Operating Right Rules, 2025, regulate the exploration and mining of atomic minerals, such as uranium and thorium, in India's offshore areas. Only government-nominated entities can be granted licenses for these operations, while foreign entities require prior government approval. The rules ensure strategic oversight, compliance with safety standards, and mandate environmental restoration after mining, supporting national security and energy objectives.

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## Renewable

### Ministry amends Wind Turbine Model inclusion procedure

The Ministry of New and Renewable Energy (MNRE) has revised the procedure for wind turbine model inclusion and updates, renaming RLMM to ALMM (Wind). Key components must now come from approved domestic manufacturers. Additionally, wind turbine data centers must be based in India, enhancing quality, supporting local manufacturing, and improving cybersecurity.

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### Ministry mandates secure communication and compliance for inverters under PM Surya Ghar: Muft Bijli Yojana

The Ministry of New and Renewable Energy has mandated that all inverters and communication devices used under the PM Surya Ghar: Muft Bijli Yojana must use machine-to-machine SIM communication for secure data transfer. These devices are required to connect to MNRE-managed servers in India to ensure reliable, tamper-proof data monitoring and system performance.

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## Roads

### Public consultation invited on proposed Amendments to Central Motor Vehicles Rules, 1989

The Central Government has proposed draft rules to amend the Central Motor Vehicles Rules, 1989, under various clauses of the Motor Vehicles Act, 1988. Stakeholders and the general public are invited to review the proposed changes and submit objections or suggestions within 30 days of publication.

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