MNI India Business Report
April 2015

Insight and data for better decisions

MNI India Business Report

MNI India Business Sentiment is a monthly poll of Indian business executives at companies listed on the BSE (formerly known as the Bombay Stock Exchange) which has been available since November 2012. More than 400 companies are surveyed each month and are a mix of manufacturing, service, construction and agricultural firms.

The survey provides the first monthly snapshot of economic and business conditions, ahead of official data and other business confidence data in India.

Respondents are asked their opinion on whether a particular business activity has increased, decreased or remained the same compared with the previous month as well as their expectations for three months ahead, e.g. Is Production Higher/Same/Lower compared with a month ago?

A diffusion indicator is then calculated by adding the percentage share of positive responses to half the percentage of those respondents reporting no change. An indicator reading above 50 shows expansion, below 50 indicates contraction and a result of 50 means no change.

The survey looks at key business metrics including orders, production, pricing, inventories, credit availability and exchange rate impact. Sentiment on both current and future expectations allows users to comprehensively monitor business and economic trends.

Whether you are forecasting the Indian economy, analysing where to invest in India or want to know how other companies in your sector are performing, our monthly intelligence offers an unrivalled insight into exactly what India's largest companies are thinking.

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Even the harshest critiques of the incumbent government would agree that India has a new sense of vigour in engagement with its neighbours and the world after Narendra Modi became Prime Minister. It is now playing an important and engaging role on the global stage, showcasing itself as a market with huge potential and doing well at attracting much needed investment.

On his recent visit to France, Germany and Canada, Modi announced key foreign investment plans. “Make in India” was the key theme. India and France signed 20 agreements covering areas like civil nuclear energy, urban development, railways, and space. France also pledged to invest €2billion to develop three smart cities in India. In addition, France's Airbus, a leading aircraft manufacturer, gave its stamp of approval to Modi’s vision by announcing plans to outsource building contracts worth €2 billion to India over the next five years.

In Germany, Modi made a strong pitch seeking to emulate Germany's leading role as the manufacturing hub of Europe and the world. No formal pacts were signed between the governments but they announced a strengthening in cooperation across sectors like science, skill development and energy.

Modi became the first Prime Minister to visit Canada in 42 years - a country home to a large Indian diaspora. The most significant announcement was an agreement with Cameco, Canada’s biggest uranium producer for a five year supply of uranium to Indian nuclear reactors, a huge initiative to solve energy and power generation problems in India. The nuclear component of India’s energy production is currently under 3% at 6000 MW and it expects to have 45,000 MW of nuclear capacity by 2032, provided it has assured uranium fuel supplies. Further cooperation agreements were signed in areas of railways, civil aviation, cyber security cooperation and skills development.

So far Prime Minister Modi’s ability to woo foreign governments appears to be proving a success at winning vital investment for India. His continuing success, though, relies on his ability to also change and modernise India’s domestic economy and most notably make the environment for business far easier.

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MNI Indicators

Executive Summary

The MNI India Business Sentiment Indicator, a gauge of current business conditions among large Indian companies, rose by 1.4% to 63.9 in April, from an 11-month low of 63.0 in March.

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The increase in sentiment came after the RBI's March interest rate cut and was led by increased confidence among manufacturing and construction companies. However, fewer service companies reported that the business environment had improved amid a seasonal slump in sales which precedes the beginning of the holiday period in May.

Aside from overall business sentiment, key activity metrics including Production, New Orders and Productive Capacity all pointed to an improvement at the start of India's financial new year.

The Production Indicator rose for the first time in five months to 62.6 in April, slightly above the outturn of 62.0 in the same month a year earlier. New Orders, a key signal of business demand rose to 61.4 in April from 59.2 in March, the highest since November 2014. On the downside, Export Orders remained relatively weaker, held back by the stronger rupee.

The recent central bank rate cuts have started to come through with businesses reporting both a lower cost and greater availability of credit. The Interest Rates Paid Indicator fell to 43.6 in April, the lowest on record while credit availability picked up to the highest since January. Firms were the most optimistic about the financial position since December 2014.

The long trend decline in inflationary pressures appears to have come to an end. Input Prices increased for the second consecutive month and firms reported an increase in the prices they charged to the highest since November.

Companies continued to get rid of their existing stock although at a slower pace than the previous month as production picked up in April. Meanwhile, suppliers of key inputs took less time to fulfil orders compared with the previous month, with our panel reporting that delivery times had shortened in April.

According to our panel, the volatility of the rupee had an adverse impact on business conditions in April, but anticipated that the exchange rate would be helpful to their operations in the coming three months.

The Financial Position indicator rose for the first time in five months at the start of the new financial year as companies have benefitted from better sales and higher orders this month, although remained below last year's average in spite of hopes that companies would see an improvement in their balance sheets following the election of the pro-business BJP party.

In April, 10 out of the 15 current conditions indicators included in the survey increased. Fewer businesses were optimistic about the future, with seven of the 15 future expectations indicators declining this month.

Overview

	Feb-15	Mar-15	Apr-15	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI India Business Indicator								
Current Conditions	66.2	63.0	63.9	Feb-15	-	64.4	0.9	1.4%
Future Expectations	75.3	74.9	72.6	-	Mar-14	74.3	-2.3	-3.1%
Production								
Current Conditions	61.0	59.3	62.6	Dec-14	-	61.0	3.3	5.6%
Future Expectations	70.3	69.9	67.9	-	Mar-14	69.4	-2.0	-2.9%
New Orders								
Current Conditions	60.2	59.2	61.4	Nov-14	-	60.3	2.2	3.7%
Future Expectations	69.9	69.4	71.2	Jan-15	-	70.2	1.8	2.6%
Export Orders								
Current Conditions	56.5	57.3	56.8	-	Feb-15	56.9	-0.5	-0.9%
Future Expectations	64.6	68.2	61.1	-	Nov-13	64.6	-7.1	-10.4%
Productive Capacity								
Current Conditions	56.3	54.4	59.0	Nov-14	-	56.6	4.6	8.5%
Future Expectations	67.0	62.4	66.2	Feb-15	-	65.2	3.8	6.1%
Order Backlogs								
Current Conditions	47.3	48.5	45.9	-	Feb-14	47.2	-2.6	-5.4%
Future Expectations	50.2	47.8	49.2	Feb-15	-	49.1	1.4	2.9%
Employment								
Current Conditions	50.3	50.4	50.6	Jan-15	-	50.4	0.2	0.4%
Future Expectations	51.3	52.0	52.6	Oct-14	-	52.0	0.6	1.2%
Inventories								
Current Conditions	47.1	46.9	48.6	Jan-15	-	47.5	1.7	3.6%
Future Expectations	48.8	45.1	47.2	Feb-15	-	47.0	2.1	4.7%
Input Prices								
Current Conditions	51.4	53.2	55.9	Oct-14	-	53.5	2.7	5.1%
Future Expectations	53.4	53.6	55.7	Oct-14	-	54.2	2.1	3.9%
Prices Received								
Current Conditions	51.1	50.1	52.1	Nov-14	-	51.1	2.0	4.0%
Future Expectations	53.6	53.2	55.6	Oct-14	-	54.1	2.4	4.5%
Financial Position								
Current Conditions	66.4	65.4	67.0	Dec-14	-	66.3	1.6	2.4%
Future Expectations	73.7	73.2	72.4	-	Jan-14	73.1	-0.8	-1.1%
Interest Rates Paid								
Current Conditions	45.8	45.9	43.6	-	series low	45.1	-2.3	-5.0%
Future Expectations	41.4	37.7	38.5	Feb-15	-	39.2	0.8	2.1%
Effect of Rupee Exchange Rate								
Current Conditions	50.9	49.2	48.8	-	Jan-15	49.6	-0.4	-0.8%
Future Expectations	54.1	51.4	51.1	-	Mar-14	52.2	-0.3	-0.6%
Supplier Delivery Times								
Current Conditions	49.8	50.8	48.9	-	series low	49.8	-1.9	-3.7%
Future Expectations	52.9	50.0	49.6	-	Jun-13	50.8	-0.4	-0.8%
Availability of Credit								
Current Conditions	56.9	56.8	59.9	Jan-15	-	57.9	3.1	5.5%
Future Expectations	61.1	59.8	59.7	-	Mar-14	60.2	-0.1	-0.2%

The MNI India Business Sentiment Indicator rose to 63.9 in April from 63.0 in March.

A cut in the key interest rate underpinned sentiment among large Indian companies in April following a decline to an 11-month low in March.

Economic Landscape

While the Reserve Bank of India chose to leave the key repo rate unchanged at its monetary policy review on April 7, it vowed to keep monetary policy accommodative and left the door open for additional easing should conditions warrant it.

While the Reserve Bank of India chose to leave the key repo rate unchanged at its monetary policy review on April 7, it vowed to keep monetary policy accommodative and left the door open for additional easing should conditions warrant it. Governor Raghuram Rajan stated that the RBI was vigilant to the current disinflationary trend and was still waiting for commercial banks to lower their own lending rates following the previous two cuts to the RBI's key rate earlier this year. Subsequently a few more large banks have decided to pass on the benefit of previous rate cuts by lowering their lending rates.

In the RBI's economic outlook, which was released in tandem with the rate decision, the central bank said that it expected GDP to expand by 7.8% in the 2015-16 fiscal year compared with 7.5% in the previous year. Inflation, meanwhile, was forecast to increase to around 5.8% by the end of the year, in line with the 6% target. Thereafter the RBI will be targeting 4% inflation by the end of the 2017-18 fiscal year.

Latest economic data has been reasonably positive. The pace of industrial production growth expanded to a three-month high in February while consumer price inflation eased in March against expectations of a further pick-up due to unseasonal rains. The RBI's quarterly measures for business and consumer confidence showed greater optimism in the first three months of the year mainly due to reduced cost pressures. Consumers remained optimistic in their outlook due to greater confidence on spending and economic conditions but businesses outlook remained more or less the same.

Moody's ratings revised India's sovereign rating outlook to "positive" from "stable", a step closer to an upgrade of its credit rating. It warned, however, that that a rating upgrade would be possible only if in the coming months efforts made to enhance growth and institutional reforms were realised. A downgrade was possible if economic, fiscal and institutional strengthening appeared unlikely, or banking system metrics remained weak or balance of payments risks rose.

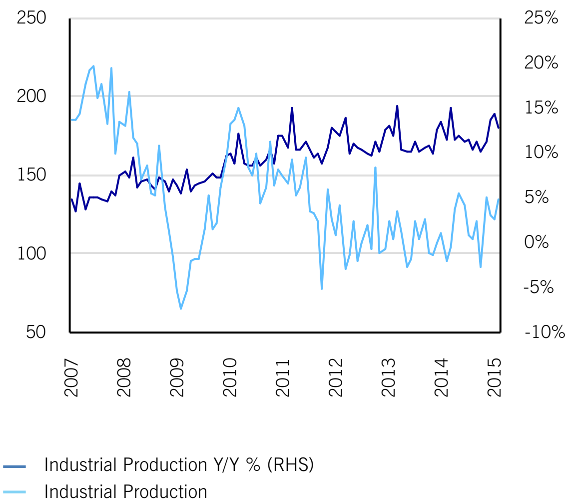
Output expands by the fastest pace in three months

Industrial production expanded by 5% on the year in February following an increase of 2.8% (revised up from 2.6% previously) in January, partly owing to base effects. Accordingly, cumulative growth for the April-February period of the 2014-15 fiscal year compared with 2013-14 stood at 2.8%, up from a contraction of 0.1% a year ago.

The small rise in industrial production was led by manufacturing, which comprises around 75% of overall output. Manufacturing output grew by 5.2% on the year after increasing by 3.4% (revised from 3.3%) in the previous month. In February, 15 out of the 22 industry groups within the manufacturing sector expanded with 'Wearing apparel, dressing and dyeing of fur' witnessing the largest growth of 62% followed by a 35.8% expansion in 'Electrical machinery and apparatus'.

Mining output grew for the first time in three months by 2.5% on the year in January compared with a contraction of 2% (revised from -2.8%) in January. Output of consumer durables, a measure of consumer demand, continued to be a drag on industrial output as it contracted for the ninth consecutive month by 3.4% on the year, although the pace of contraction has started to ease. Capital goods output, a proxy for investment, rose by 8.8% on the year compared with 12.5% (revised from 12.8% previously) in January. This was the fourth consecutive rise, although on a monthly basis it contracted for the first time in four months.

Industrial Production



Source: Central Statistical Organisation, India

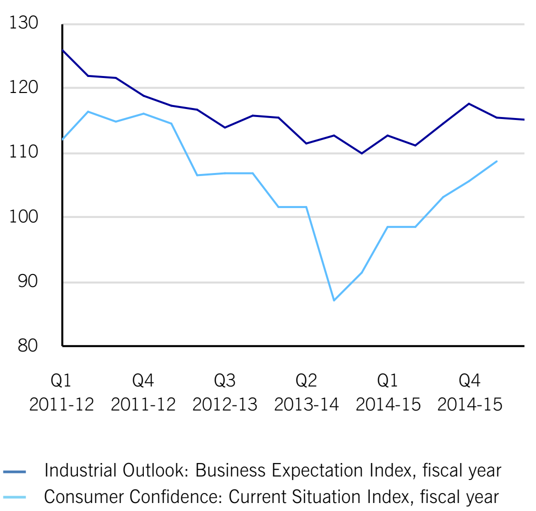
RBI Industrial Outlook remains broadly unchanged

The RBI's Industrial Outlook Survey showed that the Business Expectation Index (BEI), a gauge of manufacturing business sentiment, remained broadly stable at 115.2 in the quarter ending June 2015 compared with 115.6 in the quarter ending March although it was above 111.1 recorded a year earlier. While there was reduced pessimism in the cost of raw materials, cost of finance and profit margin, optimism in production, order books, imports, exports and employment eased slightly.

Manufacturing companies witnessed an improvement in demand during the January-March quarter to 106.7 from 104.6 in the previous quarter, the highest since June 2012. The improvement for the assessment quarter was mainly due to improved optimism in production, order books, capacity utilisation, employment, financial situation, availability of finance coupled with reduced pessimism in cost of finance, cost of raw material and profit margin.

More up-to-date monthly data from the MNI India Business Sentiment Survey has shown the pace of growth in business confidence has eased in recent months. In March, the MNI India Business Sentiment Indicator fell to an 11-month low before rising slightly in April.

RBI Business and Consumer Sentiment



Source: Reserve Bank of India

RBI Consumer Confidence improves

The RBI's Consumer Confidence survey showed that the Current Situation Index (CSI), an assessment of consumer sentiment, remained buoyant in the quarter ending March at 108.6, up from 105.5 in the quarter ending December. This was markedly above the 98.6 recorded in the quarter ending March a year earlier.

The Future Expectations Index which gives responses for a year ahead accelerated to 126.7 in March from 118.3 in the quarter ending December due to an improvement in positive perceptions on future economic conditions and future spending.

Current economic conditions compared to one year ago have shown an improvement in the last four rounds of the survey with the net response rising from 1.6 to 15.8 in the quarter ending March. Also, positive perceptions on future economic conditions which were declining in the last three rounds, has shown a turnaround in this quarter with the net response rising to 40.4 from 34.1 in the previous quarter.

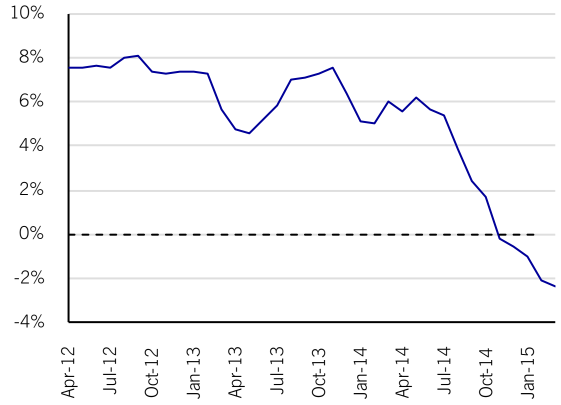
The employment outlook worsened in this round as compared with previous round of survey but still more than 50% of respondents expect an improvement in the employment situation one year ahead. Regarding price levels and inflation, current sentiments showed improvement while perceptions on future price levels as well as inflation deteriorated.

More up-to-date monthly data from the MNI India Consumer Sentiment Survey has shown confidence failing to pick-up at a fast rate. In March, the MNI India Consumer Sentiment Indicator fell to the lowest since September 2013, wiping the gains seen in first two months of the year.

Inflation eases in March

Consumer price inflation eased slightly to 5.2% in March from 5.4% in February. Food inflation was 6.1% on the year compared with 6.9% in the previous month in spite of crop damage due to unseasonal rainfall. Core inflation stood at 4.1%, helped by a contraction in transport and communication prices.

Inflation



— Wholesale Price Inflation Y/Y%

Source: Office of the Economic Advisor, India

The RBI expects consumer inflation to stay at current levels in the April-June quarter, helped by weak oil and food prices, but to rise to 5.8% by the end of the year.

The Central Statistics Office has recently revised the base year from 2010 to 2012 for the consumer price index. They also changed the composition and weights of various components in the basket based on the consumption pattern in 2011-12 (shown in the table below). The revamped index carries a higher weight for education and health services, and a lower weight for food and fuel items, which better reflects changing consumption patterns. The index is also calculated using a geometric mean which brings it in line with international practice. This, along with the lower weight of food and fuel, should help to moderate volatility in inflation.

Consumer Price Index Composition

	Old	New	Change
Food and beverages	47.58	45.86	↓
Pan, tobacco and intoxicants	2.13	2.38	↑
Clothing and footwear	4.73	6.53	↑
Housing	9.77	10.07	↑
Fuel and light	9.49	6.84	↓
Miscellaneous	26.31	28.32	↑
Total	100	100	

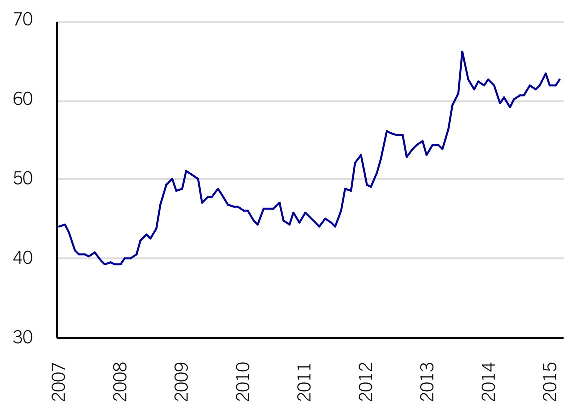
The previously targeted measure of inflation, based on the Wholesale Price Index, fell to a record low of -2.3% in March from -2.1% in February. The slowdown mainly reflects significant global commodity disinflation in fuel, food and manufactured goods. Food inflation eased to a three month low of 6.3% while fuel inflation continued to decelerate.

Repo rate retained at 7.5%

In line with consensus expectations, the RBI chose to keep the repo rate unchanged at 7.5% on April 7 following an inter-meeting cut of 25 basis points just over a month ago. Inflation was forecast to increase to around 5.8% by the end of the year, in line with the 6% target. Thereafter the RBI will be targeting 4% inflation by the end of 2017-18. While issues on the supply side meant there were some upward risks to inflation, these were more than offset by global disinflationary tendencies, soft commodity prices and slack in the domestic economy.

The RBI said it would keep monetary policy accommodative and left the door for additional easing should conditions warrant it. Critically the RBI wanted to see the transmission of the January and February rate cuts which the banks had not yet passed on before

Rupee Exchange Rate



— Indian rupee versus US dollar, end of period

Source: Reuters

adjusting policy further. It also said that if would be vigilant to any threats to the current disinflationary trend from developments in the food sector and also weather disturbances, although added that it would look through seasonal and base effects. The RBI would also be watchful in terms of the normalisation of US monetary policy, although added that it felt India was "better buffered" against likely volatility than in the past.

The central bank expects GDP to expand by 7.8% in the 2015-16 fiscal year compared with 7.5% in the previous year. Given the downside risks to the inflation and growth forecasts we expect to see the RBI ease policy further over the coming months.

Trade deficit at a four month high in March

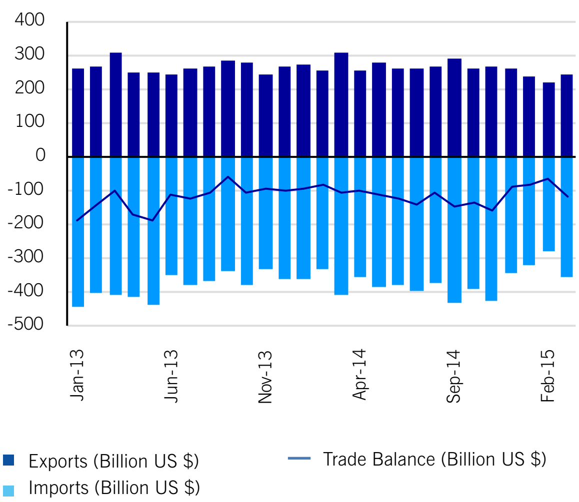
India's trade deficit rose to a four month high of $11.8 billion in March from $6.8 billion in February, 7.7% above the $11 billion shortfall recorded in March a year earlier. Over the past year, India's trade balance has improved significantly, making it less vulnerable to the turmoil unleashed in 2013 as expectations of an imminent US rate hike increased. Lower oil prices have mainly contributed to the strengthening in India's trade balance although exports are on a downward trend.

Exports were down by 21.1% on the year to $24 billion in March from $21.5 billion in February, mainly due to volatility in the rupee and weak global demand. Imports declined by 13.4% on the year to $35.7 billion in March due to lower commodity prices but were higher from $28.4 billion in February mainly due to gold and silver imports which surged from an average of $1.8 billion in the three months to March to $5.5 billion in March.

The fiscal year ended with total exports of $310 billion, missing the $340 billion target, while imports contracted by a modest 0.6% during the year, leaving a trade deficit of $137 billion, slightly higher than the previous year's $135 billion. With exports growth slowing, the government recently announced a five year plan to raise exports to $900 billion by 2020 and raise India's share in world exports from 2% to 3.5%.

Excluding crude oil and gold imports, core imports remained strong at a growth rate of 10% on the year for March, compared with 9% in February. This might be a sign of recovery in domestic consumption. But core exports (excluding crude oil exports) contracted for the third straight month signalling weak recovery in demand from key export markets like Europe and the US. Although there was a slight pick-up in oil imports on a month-on-month basis to $7.4 billion, it was less than half of the imports recorded in March 2014 ($15.7 billion), as oil prices continued to remain at benign levels.

Trade Balance



Source: Ministry of Commerce and Industry

Telecom auctions help raise government revenue

In the April 2014-February 2015 period, the government budget deficit stood at Rs. 6.02 trillion against the targeted Rs. 5.13 trillion in the first 11 months of the year. Government receipts totalled Rs. 8.5 trillion, higher than Rs. 8 trillion a year earlier. Out of this, net tax receipts were Rs. 6.5 trillion, above Rs. 6.3 trillion last year. Total expenditure was Rs. 14.6 trillion compared with Rs. 14 trillion a year earlier.

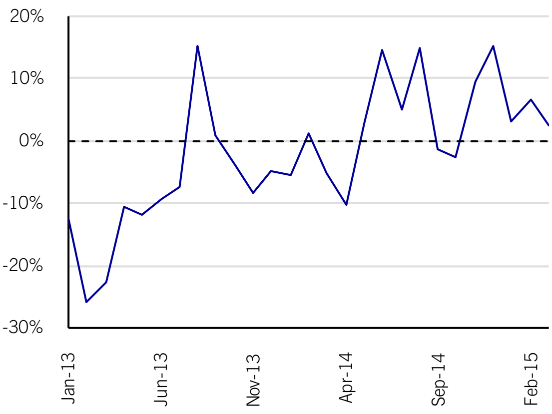
Finance Minister Arun Jaitley believes that the fiscal deficit target of 4.1% of GDP for 2014-15 will be met after revenue is raised from the telecom auctions. In addition to divestments in public ownership, a slew of government austerity measures, such as curbs on foreign travel, conferences, purchase of vehicles and the creation of new posts have helped to contain the budget deficit.

However, he has eased the fiscal consolidation roadmap with the deficit now expected to be 3.9% of GDP, above the 3.6% target inherited from the last government for 2015-16. Although telecom companies have time until April 8 to pay Rs. 288.72 billion of the spectrum winning bid, the government has requested that they make the payments by April 30 so that it falls within the 2014-15 fiscal year which ended on March 2015.

Foreign exchange reserves fall from record highs

India's foreign exchange reserves fell by $2.59 billion to $340.4 billion in the week to April 10. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of foreign exchange reserves, fell by $1.4 billion to $341.4 billion while the value of India's gold reserves remained unchanged at $19 billion in the week ending April 10. The RBI has been building reserves to absorb any future global financial shock when the US raises interest rates.

Car Sales



Source: Society of Indian Automobile Manufacturers

Foreign investors have poured money into the Indian economy amid expectations of an economic recovery, falling interest rates and improving earnings outlook. They have already brought nearly $13.4 billion in Indian capital markets so far in 2015 amid hopes of a turnaround in activity.

Car sales ease in March

Car sales in India rose by 2.6% on the year in March following almost 7% growth on the year in February. Over the past year, sales have trended up with 2014 witnessing growth of 2.5% to 1.85 million units compared with a contraction of almost 10% a year earlier as the government had temporarily lowered excise taxes. In addition, sales also benefited from a reduction in fuel prices in 2014.

Sales of commercial vehicles grew by 2.1% on the year in March, down from 10.1% on the year in February, mainly due to a large base effect. On the month, sales were up by almost 24%, the highest in 12 months helped by a seasonal boost. The industry though remained cautious due to a weakening in rural sales which saw a contraction of 0.8% in two wheeler sales on the year in March following a contraction of 1% in February. Within two-wheelers, sales of scooters were up by 11.1% on the year, the slowest growth in five months, while sales of motorcycles contracted for the sixth consecutive month by 5.2% on the year.

The two cuts in interest rates might help the car industry recover but since financing rates are still high and broader industrial activity has been slow to pick-up, automobile demand is still sluggish

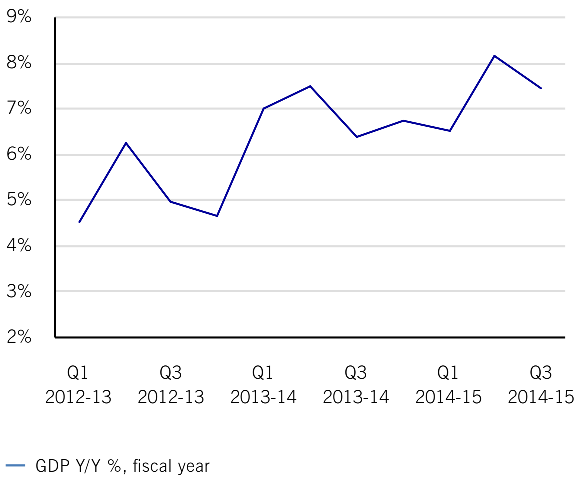
The Budget announced the rationalisation of duties, which saw the basic excise rate on smaller vehicles go up from 12.36% to 12.5%. The additional burden brought on by this is likely to be marginal and many car manufacturers indicated that they may absorb this and not pass it on to consumers immediately. In addition, there is an effective excise reduction on larger vehicles which will lead to a small price benefit which may be passed on to customers.

Rewriting history

Following the release of revisions up to fiscal year 2013-14, the Central Statistics Office released data for the Oct-Dec quarter and revisions to the previous two quarters. GDP growth is estimated to have eased to 7.5% in the Oct-Dec quarter from a revised 8.2% in Jul-Sep (up from 6% previously). Growth in Apr-Jun was also revised higher, to 6.5% from 5.9%. Under the new methodology, the government's advance estimate pegged fiscal year 2014-15 growth at 7.4%, 100 basis points lower than the central bank's growth estimates. Imputing the last quarter of the fiscal year from the advance estimate, implies a growth rate of at least 7.3% which looks optimistic given the weakness seen in both the MNI business and consumer surveys.

Changes to the way that the GDP data is compiled suggest that India's economic performance was much better than previously estimated. There were three key changes to the calculation method. Firstly, the base year was updated to 2011-12 from 2004-05 previously. Secondly, India will now follow international norms by calculating GDP at market prices rather than factor cost. The latter method, which was the convention until now, included production subsidies and excluded taxes on production. Finally, GDP will now include under-represented and informal sectors and items such as smart phones and LED television sets.

Economic Growth



Source: Central Statistical Organisation, India

The revisions to growth are quite staggering and unsurprisingly raise questions about the credibility of the data. We are now told that growth in real GDP at market prices was revised up from 4.7% to 5.1% in 2012-13 and from 5% to 6.9% in 2013-14. The previous value added measure was revised up to 4.9% in 2012-13 from 4.5% previously, and in 2013-14 was revised up to 6.6% from 4.7%.

GDP Growth in Expenditure Terms (Market Prices)

2013-14	Old	New	Change
Private Consumption	4.8%	6.2%	1.4%
Government Consumption	3.8%	8.2%	4.3%
Gross Capital Formation	-	-4.0%	-
Gross Fixed Capital Formation	-0.1%	3.0%	3.1%
Exports	8.4%	7.3%	-1.2%
Imports	-2.5%	-8.4%	-5.8%
GDP at Market Prices	5.0%	6.9%	1.9%

Contribution to GDP Growth

	2013-14	2012-13
Private Final Consumption Expenditure	3.9%	2.6%
Government Final Consumption Expenditure	1.0%	0.2%
Gross Capital Formation	-1.6%	0.8%
Net Exports	4.8%	-0.2%
Discrepencies	-1.2%	1.7%

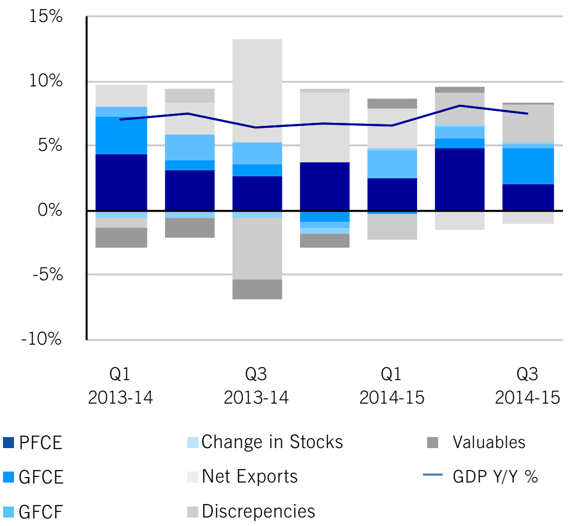
The new estimates of growth in 2013-14 don't sit well with other indicators during the period with trade data pointing to slower domestic demand and survey evidence pointing to a significant weakening. Our own business survey suggests that India bottomed out in April 2013 in line with slower growth of 4.7% in the three months to March 2013 and has subsequently picked up, although this doesn't quite justify the staggering growth rate of almost 7% in the previous year. Modi's 'Make in India' campaign received an instant boost with growth in industry revised up sharply.

Manufacturing saw massive upward revisions to growth from 1.1% to 6.2% in 2012-13 and -0.7% to 5.3% in 2013-14. The sector is now said to account for 17.3% of the economy compared with 12.9% previously. Mining, too, was revised up from -2.2% to -0.2% and -1.4% to 5.4%.

Growth in 2013-14 was still primarily due to the service sector, which contributed 4.5 percentage points to GDP growth, higher than the 3.9 percentage points reported previously. Still, as the percentage share of manufacturing in Gross Value Added was revised up, the share of services was revised down to 59.6% from 64.8% previously.

In 2013-14, on an expenditure basis, personal consumption added 3.9 percentage points to growth, having contributed 2.6 percentage points in the previous year, while net exports contributed 4.8 percentage points to GDP growth, having subtracted 0.2 percentage point previously. Investment was a drag on GDP growth, subtracting 1.6 percentage points after adding 0.8 percentage point in the previous year.

Contribution to GDP Growth



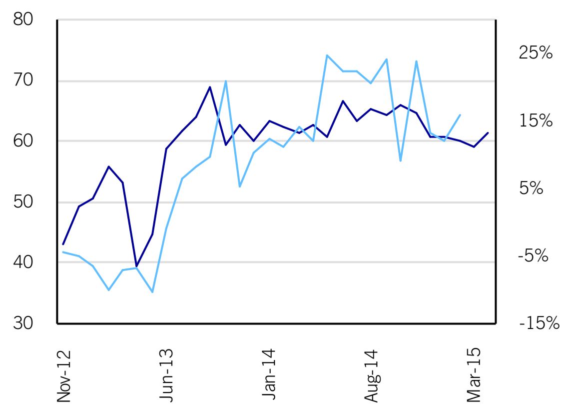
Source: Central Statistical Organisation, India

Key Monthly Economic Data

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Wholesale Price Index (Y/Y %)	1.7	-0.2	-0.5	-0.9	-2.1	-2.3	-
Industrial Production (Y/Y %)	-2.7	5.2	3.2	2.8	5.0	-	-
Car Sales (Y/Y %)	-2.6	9.5	15.3	3.1	6.9	2.6	-
Trade Balance (Billion US $)	-13.5	-16.4	-9.0	-8.4	-6.8	-11.8	-
MNI India Business Sentiment Indicator	69.7	68.9	68.4	64.2	66.2	63.0	63.9
MNI India Consumer Sentiment Indicator	123.7	120.9	119.6	120.4	121.2	118.5	-

Correlation Charts
Our Indicators Closely Track Official Data

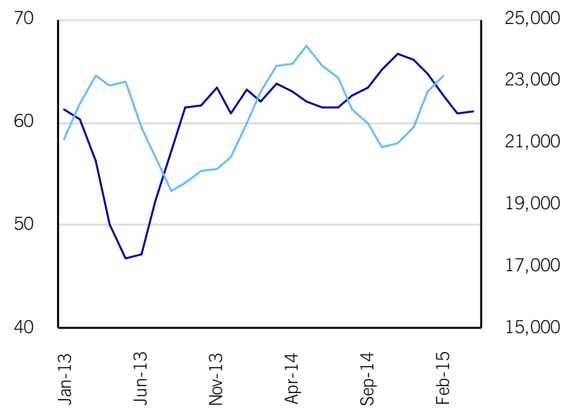
New Orders



MNI New Orders
Domestic Cargo Handled Y/Y% (RHS)*

Source: *Airports Authority of India

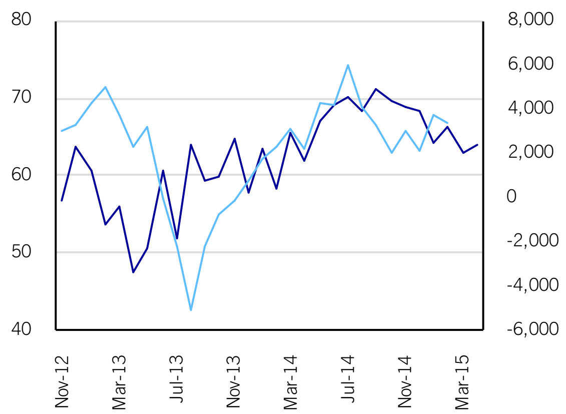
Cement Production



MNI Production 3MA
Cement Production 3MA (000s Tons) (RHS)*

Source: *Ministry of Commerce and Industry

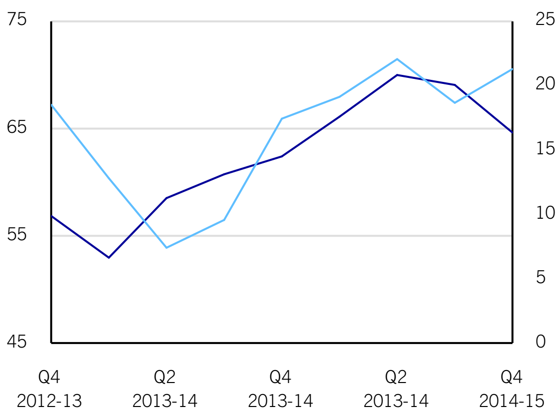
Business Sentiment and Foreign Inflows



MNI India Business Sentiment
Foreign Inward Investment 3MA (Million US $) (RHS)*

Source: *Reserve Bank of India

Business Sentiment



MNI India Business Sentiment
Assessment of Overall Business Situation (RHS)*

Source: *Reserve Bank of India

Indicators

A cut in the key interest rate underpinned sentiment among large Indian companies in April following a decline to an 11-month low in March.

MNI India Business Indicator
Rate Cut Strengthens Business Confidence

A cut in the key interest rate underpinned sentiment among large Indian companies in April following a decline to an 11-month low in March.

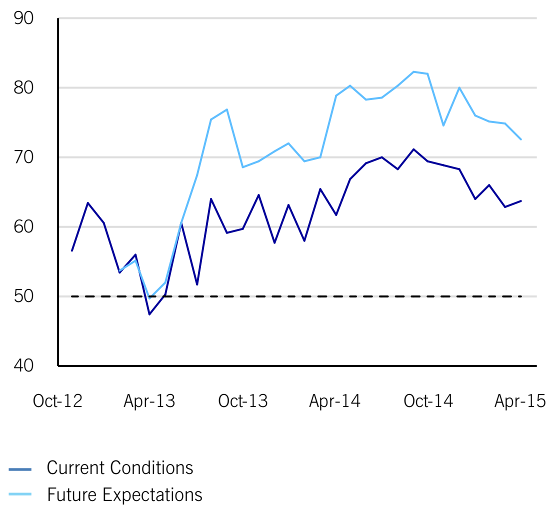
The MNI India Business Sentiment Indicator, a gauge of current business sentiment rose by 1.4% to 63.9 in April from 63.0 in March. Manufacturing and construction companies were more confident about business conditions in April, but fewer service companies reported that the business environment had improved amid a seasonal slump in sales which precedes the beginning of the holiday period in May.

Companies were, however, less optimistic about the next three months with the Expectations Indicator falling to the lowest in more than a year to 72.6 in April from 74.9 in March. Expectations were down by 8.2% on the year as optimism was running high during April 2014 when general elections took place. The ensuing "Modi magic" meant expectations climbed until September, after which it started to normalise as businesses came to the realisation that the government would take longer to enact the big-bang reforms that it had promised.

Aside from overall business sentiment, key activity metrics including Production, New Orders and Productive Capacity all pointed to an improvement. With firms receiving more total orders on the month, a greater number of them were able to raise their production following months of scaling back.

Even so, demand from abroad continued to act as a dampener with the Export Orders Indicator continuing its downward slide amid a slight appreciation in the rupee on the month. Inflationary pressures started firming up as more companies paid higher prices for their inputs and raised their prices charged to customers following a period of keeping them in check.

MNI India Business Sentiment Indicator



"Production as well as demand has increased." **Diversified industrials manufacturing company**

"The summer season is a peak season for business." **Pharmaceuticals manufacturing company**

MNI India Business Indicator

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Current Conditions	61.9	68.9	68.4	64.2	66.2	63.0	63.9

In April, 10 out of the 15 current conditions indicators included in the survey increased. Fewer businesses were optimistic about the future, with seven of the 15 future expectations indicators declining this month.

Sectors - Overall Business Conditions

	Manufacturing	Services	Construction
Current Conditions	↑ > 50	↓ > 50	↑ > 50
Future Expectations	↓ > 50	↓ > 50	↓ > 50

"We are importing coal and benefitting from price reduction." **Diversified industrials construction company**

"New orders are coming in." **Iron and steel manufacturing company**

"The performance of our company is so-so when compared to other companies in the same sector." **Speciality Finance services company**

MNI India Business Indicator

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Future Expectations	79.1	74.6	80.2	76.1	75.3	74.9	72.6

Orders
New Orders Pick-Up

Companies reported that they had received a greater number of orders in April following five months of cooling in demand, although backlogs continued to trend down and hit a 14-month low.

The New Orders Indicator rose to 61.4 in April from 59.2 in March, the highest since November 2014. More companies in the manufacturing and construction sector received a higher number of orders this month, whilst the indicator for the service sector remained unchanged.

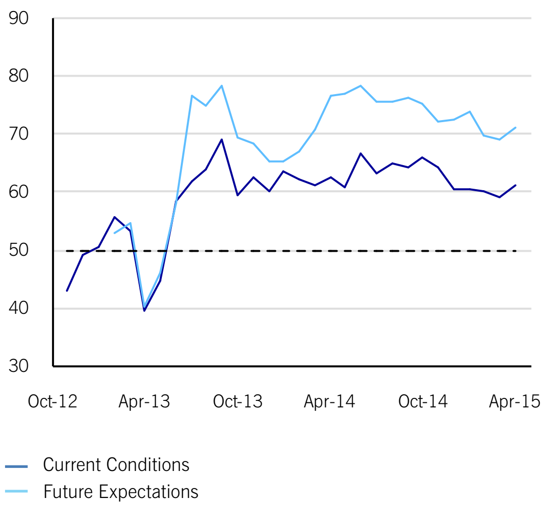
The improvement in current conditions also translated into more bullish expectations about future orders. The Expectations Indicator for New Orders rose to 71.2 in April after remaining broadly stable in the previous month at 69.4.

In contrast, overseas demand for Indian goods and services continued on its downward trend amid a slight appreciation in the rupee on the month, reflected by the fall in the Export Orders Indicator to 56.8 in April from 57.3 in March.

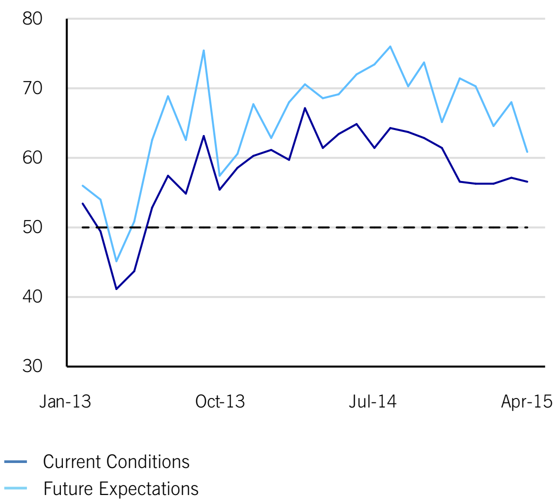
Over the past six months, the relative strength of the rupee and the ongoing weakness in European economies, a pivotal market for Indian exports, has had a detrimental impact on the Export Orders Indicator which was down by 8% on the year in April. Consequently, companies became even less optimistic in their outlook for overseas demand in the coming three months, with the Expectations Indicator falling to 61.1in April from 68.2 in March.

Following months of slowdown in the number of orders placed, there has been an easing in pressure on companies' order books as reflected by a continuous decline in the Order Backlogs Indicator. In April, the

New Orders



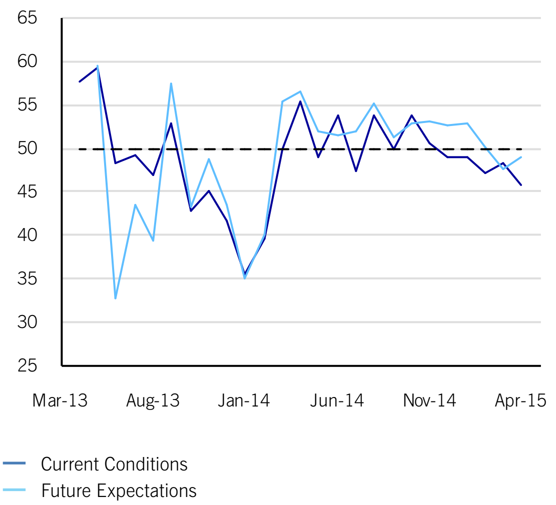
Export Orders



Orders - Current Conditions

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
New Orders	62.9	64.6	60.8	60.7	60.2	59.2	61.4
Export Orders	61.7	61.6	56.8	56.5	56.5	57.3	56.8
Order Backlogs	55.4	50.8	49.0	49.0	47.3	48.5	45.9

Order Backlogs



Sectors - Current Conditions

	New Orders	Export Orders	Order Backlogs
Manufacturing	↑ > 50	↓ > 50	↓ < 50
Services	↔ > 50	↑ > 50	↓ < 50
Construction	↑ > 50	↓ > 50	↓ < 50

Sectors - Future Expectations

	New Orders	Export Orders	Order Backlogs
Manufacturing	↑ > 50	↓ > 50	↑ < 50
Services	↑ > 50	↑ > 50	↓ < 50
Construction	↑ > 50	↓ > 50	↓ > 50

"Business is growing." **Asset management company**

"We are expecting some big orders from our clients." **Software services company**

"We expect our sector to grow further." Investment services company

"Market conditions are good." **Asset management company**

"Launching of e-commerce platform will help our business." **Surface transportation services company**

indicator fell to 45.9 from 48.5 in March, the fifth month it has been in contraction. Nevertheless, with companies expecting to receive more orders in the coming three months, they anticipated their backlogs to decline by a slower rate. The Expectations Indicator rose to 49.2 in April from 47.8 in March.

Orders - Future Expectations

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
New Orders	76.9	72.4	72.6	74.1	69.9	69.4	71.2
Export Orders	68.8	65.3	71.6	70.4	64.6	68.2	61.1
Order Backlogs	56.7	53.2	52.8	52.9	50.2	47.8	49.2

Output and Employment
Up-Tick in Production

Amid a pick-up in the number of orders received, a greater number of firms chose to boost production following months of scaling back.

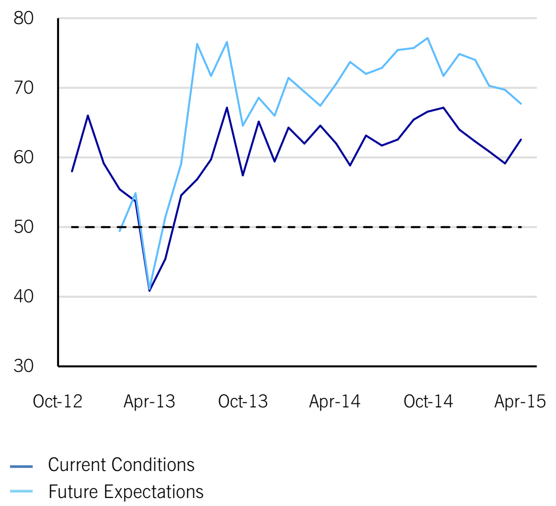
The Production Indicator rose for the first time in five months to 62.6 in April from 59.3 in March, slightly above the outturn of 62.0 in the same month a year earlier. Since April is the start of India's financial year, this likely accounted for the rise in production and business activity observed across all sectors.

However, companies continued to be a little less optimistic in their outlook for future production, extending a trend which began after the conclusion of the festival season towards the end of 2014. The Expectations Indicator fell to 67.9 in April from 69.9 in March, the lowest since March 2014.

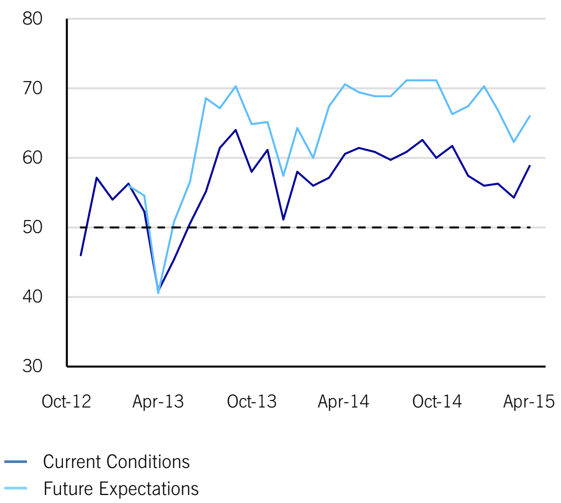
Following the busy festival period towards the end of 2014, some companies had started to scale back their productive capacity in a likely effort to cut costs amid the cooling in demand. April saw some reversal in this trend with the Productive Capacity Indicator rising to 59.0 in April from 54.4 in March, the highest since November 2014. Companies were also more optimistic about their productive capacity in the next three months with the Expectations Indicator rising by 6.1% to 66.2 in April from 62.4 in March.

Companies continued to view the size of their workforce as about right, a trend seen since last year. In April, the Employment Indicator rose slightly to 50.6 from 50.4 in March. Much of the increase was led by service sector companies whose indicator rose above the 50 breakeven level. Companies across the three sectors were also slightly more optimistic about employment in the next

Production



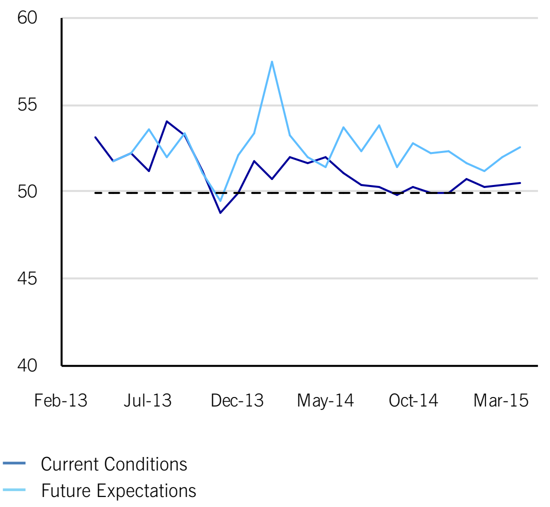
Productive Capacity



Output and Employment - Current Conditions

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Production	62.0	67.3	64.2	62.5	61.0	59.3	62.6
Productive Capacity	60.7	61.8	57.7	56.0	56.3	54.4	59.0
Employment	51.7	50.0	50.0	50.8	50.3	50.4	50.6

Employment



Sectors - Current Conditions

	Production	Productive Capacity	Employment
Manufacturing	↑ > 50	↑ > 50	↓ = 50
Services	↑ > 50	↑ > 50	↑ > 50
Construction	↑ > 50	↑ > 50	↓ > 50

Sectors - Future Expectations

	Production	Productive Capacity	Employment
Manufacturing	↓ > 50	↑ > 50	↓ > 50
Services	↓ > 50	↑ > 50	↑ > 50
Construction	↑ > 50	↑ > 50	↓ > 50

"Our company has undertaken new projects." **Consumer finance services company**

"As we would be expanding, we will have to hire more employees." **Investment services company**

"This is a busy season for business and demand for our products." **Diversified industrials construction company**

"We have installed new imported machinery." **Food retailer and wholesaler services company**

"Staff is not enough." **Speciality finance services company**

three months, causing the Expectations Indicator to rise to a six-month high of 52.6 in April from 52.0 in March.

Output and Employment - Future Expectations

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Production	70.6	71.9	75.1	74.1	70.3	69.9	67.9
Productive Capacity	70.7	66.3	67.6	70.4	67.0	62.4	66.2
Employment	52.0	52.3	52.4	51.7	51.3	52.0	52.6

Prices
Cost Burden Rises

Inflationary pressures continued to pick-up in April as a greater number of companies paid higher prices for their inputs, prompting more of them to raise their own prices after a period of keeping prices in check.

After peaking in July 2013, the Input Prices Indicator has trended down in line with the decline in general inflation and subsequent fall in crude prices. In 2015, however, the trend has begun to reverse with many of our panel reporting that their input prices had risen due to higher employee expenses in April.

The Input Prices Indicator rose to 55.9 in April from 53.2 in March, the highest since October 2014, although remained 15.4% down on the year.

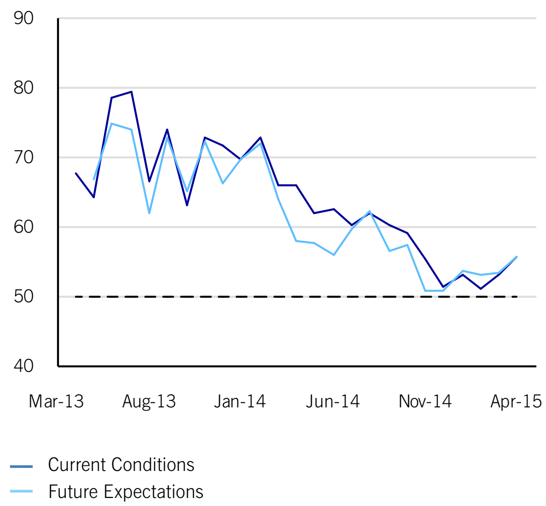
Intense competition and subdued consumer sentiment had prevented many companies from raising the prices of their goods and services for a considerable time. However, the continuing rise in raw material costs meant that companies began to raise their final prices in April, causing the Prices Received Indicator to increase to a five-month high of 52.1 from 50.1 in March.

More companies anticipated that they would charge higher prices in three months' time as well, although the majority of companies' expectations were broadly the same as they were in the previous month. The Future Expectations Indicator rose to 55.6 from 53.2 in March.

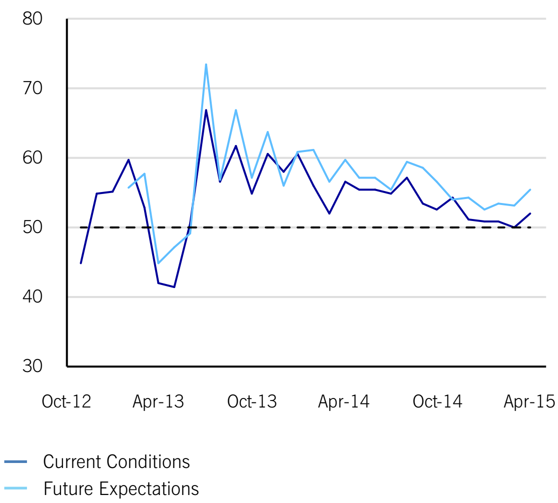
According to our panel, the volatility of the rupee had an adverse impact on business conditions in April. The indicator which measures the Effect of the Rupee Exchange Rate fell to 48.8 in April from 49.2 in March.

Even so, our panel anticipated that the exchange rate would be helpful to their operations in the coming three

Input Prices



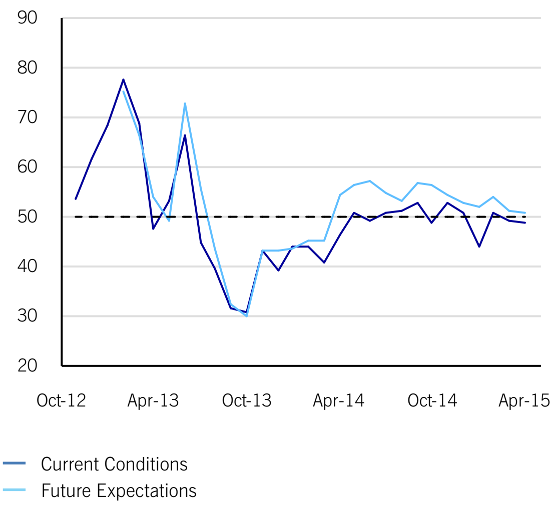
Prices Received



Prices - Current Conditions

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Input Prices	66.1	55.6	51.5	53.2	51.4	53.2	55.9
Prices Received	56.8	54.3	51.3	51.1	51.1	50.1	52.1
Exchange Rate	46.4	52.8	50.8	44.3	50.9	49.2	48.8

Effect of Rupee Exchange Rate



Sectors - Current Conditions

	Input Prices	Prices Received	Effect of Rupee Exchange Rate
Manufacturing	↑ > 50	↑ > 50	↓ < 50
Services	↓ > 50	↑ > 50	↔ > 50
Construction	↑ > 50	↑ > 50	↓ < 50

Sectors - Future Expectations

	Input Prices	Prices Received	Effect of Rupee Exchange Rate
Manufacturing	↑ > 50	↑ > 50	↓ < 50
Services	↑ > 50	↑ > 50	↑ > 50
Construction	↑ > 50	↑ > 50	↑ > 50

"Higher prices are being charged by the suppliers." **Food retailer and wholesaler services company**

"Employee expense has increased." **Speciality Finances service company**

"Input price for fertilizers, pesticides has increased." **Farming and fishing company**

"Service tax has increased." **Speciality retailer services company**

"Raw material prices have gone up." Food products manufacturing company

months but were slightly less optimistic than they had been previously due to the recent volatility in the exchange rate. This was reflected by the fall in the Expectations Indicator to 51.1 in April from 51.4 in March. Both construction and service companies continued to anticipate the rupee exchange rate to be beneficial, although companies in the manufacturing sector didn't expect so for the first time in more than a year.

Prices - Future Expectations

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Input Prices	58.0	50.9	51.1	53.7	53.4	53.6	55.7
Prices Received	59.8	54.1	54.4	52.8	53.6	53.2	55.6
Exchange Rate	54.4	54.7	52.8	52.2	54.1	51.4	51.1

Money and Credit

Interest Rates Paid Lowest on Record

The initiation of an easing cycle by the Reserve Bank of India in early 2015 has begun to ease credit conditions and bolster firms' financial position after having been on a downward trajectory.

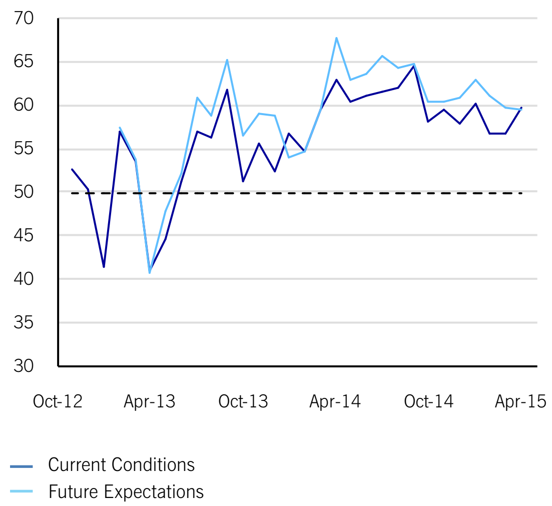
The Reserve Bank of India left the key policy rate unchanged at 7.5% at its last monetary policy meeting on April 7, having cut it by 25 basis points on two separate occasions outside the meetings schedule since early 2015, most recently on March 4. After the January rate cut helped to boost overall business sentiment in February, the March cut similarly bolstered sentiment this month.

More companies paid lower interest rates this month as banks started to pass on the rate cuts by lowering their own lending rates after previously exhibiting reluctance to do so. The Interest Rates Paid Indicator fell to 43.6 in April from 45.9 in March, the lowest on record since the start of the survey.

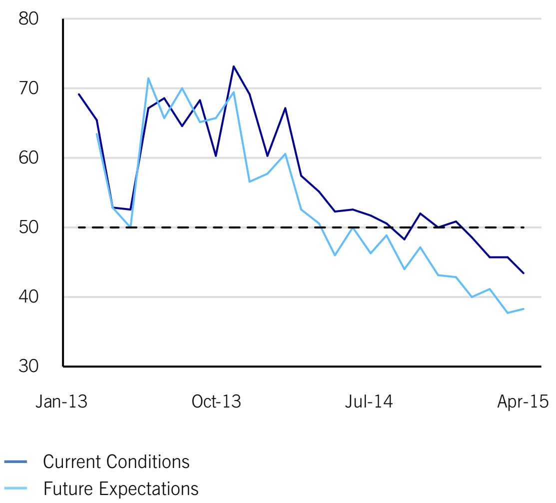
Meanwhile, a greater number of companies anticipated that interest rates would fall in the coming three months, with the Expectations Indicator broadly unchanged at 38.5 in April from the series low of 37.7 in March. Both our business and consumer surveys point to lower inflation and inflationary expectations, which we believe has created some room for the RBI to cut interest rates further in the short-term.

Credit availability rose for the first time in three months as more companies reported an improvement in liquidity and credit conditions. In general, a rise in bad loans had made banks more cautious and reluctant to provide credit recently. The Availability of Credit indicator rose to 59.9 in April from 56.8 in March, above the series average of 56.1.

Availability of Credit



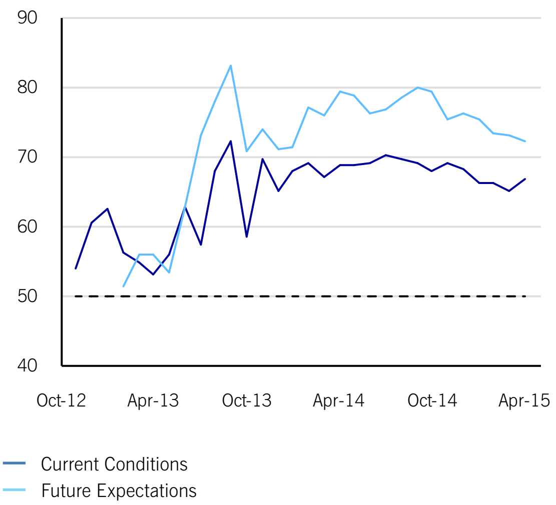
Interest Rates Paid



Money and Credit - Current Conditions

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Availability of Credit	68.9	69.4	68.3	66.4	66.4	65.4	67.0
Interest Rates Paid	55.3	50.0	51.1	48.6	45.8	45.9	43.6
Financial Position	63.1	59.5	58.1	60.3	56.9	56.8	59.9

Financial Position



Sectors - Current Conditions

	Availability of Credit	Interest Rates Paid	Financial Position
Manufacturing	↑ > 50	↓ < 50	↑ > 50
Services	↑ > 50	↓ < 50	↔ > 50
Construction	↑ > 50	↓ < 50	↓ > 50

Sectors - Future Expectations

	Availability of Credit	Interest Rates Paid	Financial Position
Manufacturing	↑ > 50	↑ < 50	↔ > 50
Services	↓ > 50	↓ < 50	↓ > 50
Construction	↓ > 50	↓ < 50	↓ > 50

"There were good returns on our investments." **Exploration and production manufacturing company**

"We are getting offers from banks for taking credit." **Industrial machinery manufacturing company**

Subsequently, companies remained optimistic in their outlook for credit availability over the coming three months. The Expectations Indicator stood at 59.7 in April compared with 59.8 in March, although below the outturn of 67.8 seen in April 2014.

Whilst there were hopes that companies would see an improvement in their balance sheets following the election of the pro-business BJP party, instead their financial positions have gradually weakened to a level lower than last year's average of 68.9. In April, however, the Financial Position indicator rose for the first time in five months to 67.0 at the start of the new financial year as companies have benefitted from better sales and higher orders this month.

Companies' expectations for their future financial position have followed a similar trend to their current financial position but have remained higher in level terms. Although in April the Expectations Indicator moved in the opposite direction, declining to 72.4 from 73.2 in March. This decline was led by construction companies and service companies also expected a small downturn while the indicator for manufacturing companies remained flat.

Money and Credit - Future Expectations

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Availability of Credit	79.6	75.6	76.5	75.6	73.7	73.2	72.4
Interest Rates Paid	50.7	43.2	43.0	40.2	41.4	37.7	38.5
Financial Position	67.8	60.4	61.0	63.1	61.1	59.8	59.7

Logistics
Supplier Delivery Times Shrink

Companies continued to get rid of their existing stock although at a slower pace than the previous month as production picked up in April.

The Inventories Indicator increased to 48.6 in April after contracting to a record low of 46.9 in March. This was the fourth month that companies have reduced their inventories after a heavy build-up last year as realised demand turned out to be weaker than expectations.

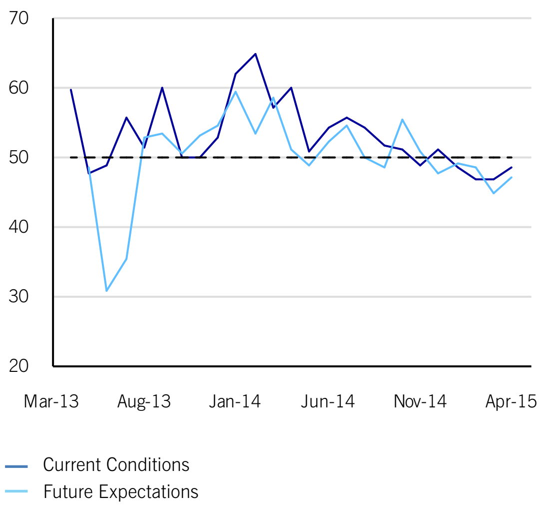
Companies in the manufacturing sector continued to destock for the third consecutive month albeit at a slower rate while construction firms reported that they were building their stock levels at a faster pace in April.

Companies expected to run down their existing inventories at a slower pace over the coming months. Expectations for Inventories in three months' time remained in contraction, but rose to 47.2 in April from 45.1 in March.

Construction companies became pessimistic about the future following a sharp rise last month with the indicator plummeting by almost 30%. For the manufacturing sector, the indicator remained below 50 but a lower proportion of them anticipated stock levels to decline.

Suppliers of key inputs took less time to fulfil orders compared with the previous month, with our panel reporting that delivery times had shortened to 48.9 from 50.8 in March. Note that the last few months have been a bit volatile in terms of delivery times with some attributing quicker response time to a lack of orders in general compared with historical standards while others said there was abundance of raw materials in the market.

Inventories



"Suppliers are quicker as availability of raw material is good." **Agriculture company**

"Since there is a lack of orders in the market, suppliers are taking lesser time." **Heavy construction company**

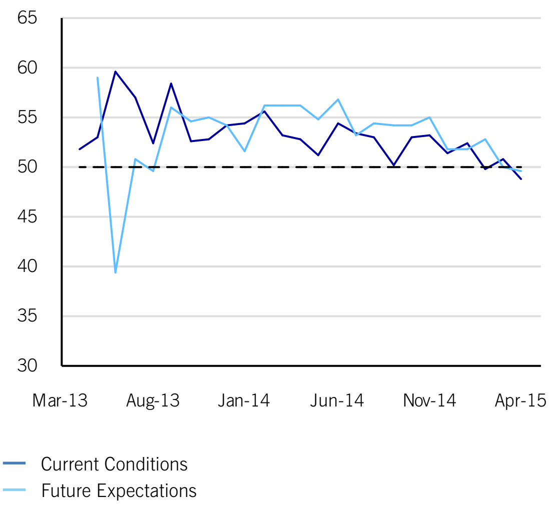
"Inventory is lower due to better utilization and higher demand." **Automobile manufacturing company**

"There is an increase in sales." **Clothing and accessories manufacturing company**

Logistics - Current Conditions

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Inventories	60.0	48.9	51.3	48.6	47.1	46.9	48.6
Supplier Deliveries	52.9	53.2	51.4	52.5	49.8	50.8	48.9

Supplier Delivery Times



Sectors - Current Conditions

	Inventories of Finished Goods	Supplier Delivery Times
Manufacturing	↑ < 50	↓ < 50
Construction	↑ > 50	⇔ = 50

Sectors - Future Expectations

	Inventories of Finished Goods	Supplier Delivery Times
Manufacturing	↑ < 50	↓ < 50
Construction	↓ < 50	↓ < 50

"We are not increasing production but selling our existing stock." **Electrical components and equipment manufacturing company**

"Inventories are rising as there is a ban on imports from Iraq." **Food products manufacturing company**

"Since we expect more orders in future, we are building inventories." **Auto-parts manufacturing company**

"Due to lower sales in this season, stock levels are higher." **Food products manufacturing company**

With sufficient capacity on board, our panel of companies expected delivery times to shorten to meet demand in the coming three months. The Expectations Indicator fell to 49.6 in April from 50.0 in March, the first time it has been below the 50 mark since August 2013.

Logistics - Future Expectations

	Apr-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Inventories	51.3	50.9	47.9	49.2	48.8	45.1	47.2
Supplier Deliveries	56.2	55.1	51.9	51.8	52.9	50.0	49.6

What the Panel Said

A selection of comments from the panel of businesses surveyed over the past month.

“Banks have reduced the base rate so interest rates are marginally lower.” **Paper manufacturing company**

“Sales and revenue is increasing steadily.” **Clothing and accessories manufacturing company**

“We are getting offers from banks for taking credit.” **Industrial machinery manufacturing company**

“We have changed our bank to the one which is charging lower interest rate.” **Industrial supplies services company**

“RBI has reduced interest rate.” **Heavy construction company**

“Financial position is better due to reduction in the cost of raw materials.” **Pharmaceuticals company**

“Higher prices are being charged by the suppliers.” **Food retailer and wholesaler services company**

“Employee expense has increased.” **Speciality finance services company**

“Input price for fertilizers, pesticides has increased.” **Farming and fishing company**

“Service tax has increased.” **Speciality retailer services company**

“Production as well as demand has increased.” **Diversified industrials manufacturing company**

“The summer season is a peak season for business.” **Pharmaceuticals manufacturing company**

“We are importing coal and benefitting from price reduction.” **Diversified industrials construction company**

“New orders are coming in.” **Iron and steel manufacturing company**

“Raw material prices have gone up.” **Food products manufacturing company**

“We have increased prices according to the increase in raw material prices.” **Iron and steel manufacturing company**

“We have revised the prices as they were kept low for a very long time.” **Diversified industrials construction company**

“Availability of credit is higher due to increased liquidity in the market.” **Diversified industrials manufacturing company**

“Suppliers are quicker as availability of raw material is good.” **Agriculture company**

“Since there is a lack of orders in the market, suppliers are taking lesser time.” **Heavy construction company**

“Inventory is lower due to better utilization and higher demand.” **Automobile manufacturing company**

“There is an increase in sales.” **Clothing and accessories manufacturing company**

“We are not increasing production but selling our existing stock.” **Electrical components and equipment manufacturing company**

“Inventories are rising as there is a ban on imports from Iraq.” **Food products manufacturing company**

“Since we expect more orders in future, we are building inventories.” **Auto-parts manufacturing company**

“Due to lower sales in this season, stock levels are higher.” **Food products manufacturing company**

“Our company has undertaken new projects.” **Consumer finance services company**

“We are a blue chip company and banks are in favour of giving us credit.” **Auto-parts manufacturing company**

“Business is growing.” **Asset management company**

Data tables

Historical Summary

	2014									2015			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
MNI India Business Indicator													
Current Conditions	61.9	67.0	69.2	70.0	68.4	71.2	69.7	68.9	68.4	64.2	66.2	63.0	63.9
Future Expectations	79.1	80.3	78.5	78.6	80.3	82.4	82.0	74.6	80.2	76.1	75.3	74.9	72.6
Production													
Current Conditions	62.0	59.0	63.2	61.8	62.7	65.7	66.7	67.3	64.2	62.5	61.0	59.3	62.6
Future Expectations	70.6	73.9	72.1	72.9	75.5	75.8	77.3	71.9	75.1	74.1	70.3	69.9	67.9
New Orders													
Current Conditions	62.9	60.9	66.7	63.4	65.3	64.3	66.2	64.6	60.8	60.7	60.2	59.2	61.4
Future Expectations	76.9	77.0	78.6	75.7	75.6	76.4	75.3	72.4	72.6	74.1	69.9	69.4	71.2
Export Orders													
Current Conditions	61.7	63.5	65.0	61.7	64.3	63.8	63.0	61.6	56.8	56.5	56.5	57.3	56.8
Future Expectations	68.8	69.4	72.0	73.6	76.1	70.5	73.9	65.3	71.6	70.4	64.6	68.2	61.1
Productive Capacity													
Current Conditions	60.7	61.5	60.9	59.9	60.9	62.8	60.1	61.8	57.7	56.0	56.3	54.4	59.0
Future Expectations	70.7	69.6	68.9	68.9	71.4	71.3	71.4	66.3	67.6	70.4	67.0	62.4	66.2
Order Backlogs													
Current Conditions	55.4	49.0	53.9	47.4	54.0	50.0	53.8	50.8	49.0	49.0	47.3	48.5	45.9
Future Expectations	56.7	52.1	51.7	52.0	55.2	51.5	52.9	53.2	52.8	52.9	50.2	47.8	49.2
Employment													
Current Conditions	51.7	52.1	51.1	50.5	50.3	49.9	50.3	50.0	50.0	50.8	50.3	50.4	50.6
Future Expectations	52.0	51.5	53.8	52.4	53.9	51.5	52.8	52.3	52.4	51.7	51.3	52.0	52.6
Inventories													
Current Conditions	60.0	50.9	54.5	55.9	54.5	51.8	51.2	48.9	51.3	48.6	47.1	46.9	48.6
Future Expectations	51.3	49.0	52.5	54.8	50.0	48.8	55.6	50.9	47.9	49.2	48.8	45.1	47.2
Input Prices													
Current Conditions	66.1	62.2	62.6	60.4	62.2	60.4	59.4	55.6	51.5	53.2	51.4	53.2	55.9
Future Expectations	58.0	57.8	56.2	59.8	62.4	56.7	57.6	50.9	51.1	53.7	53.4	53.6	55.7
Prices Received													
Current Conditions	56.8	55.6	55.6	54.9	57.3	53.6	52.6	54.3	51.3	51.1	51.1	50.1	52.1
Future Expectations	59.8	57.4	57.2	55.5	59.6	58.6	56.6	54.1	54.4	52.8	53.6	53.2	55.6
Financial Position													
Current Conditions	68.9	69.1	69.3	70.3	69.8	69.2	68.0	69.4	68.3	66.4	66.4	65.4	67.0
Future Expectations	79.6	79.0	76.5	76.9	78.8	80.2	79.5	75.6	76.5	75.6	73.7	73.2	72.4
Interest Rates Paid													
Current Conditions	55.3	52.3	52.7	51.8	50.8	48.5	52.0	50.0	51.1	48.6	45.8	45.9	43.6
Future Expectations	50.7	46.1	50.0	46.4	48.9	44.2	47.3	43.2	43.0	40.2	41.4	37.7	38.5
Effect of Rupee Exchange Rate													
Current Conditions	46.4	50.8	49.4	51.1	51.2	53.0	48.8	52.8	50.8	44.3	50.9	49.2	48.8
Future Expectations	54.4	56.4	57.5	55.1	53.3	56.8	56.5	54.7	52.8	52.2	54.1	51.4	51.1
Supplier Delivery Times													
Current Conditions	52.9	51.2	54.5	53.5	53.1	50.2	53.0	53.2	51.4	52.5	49.8	50.8	48.9
Future Expectations	56.2	54.9	56.8	53.3	54.5	54.3	54.3	55.1	51.9	51.8	52.9	50.0	49.6
Availability of Credit													
Current Conditions	63.1	60.4	61.1	61.7	62.1	64.6	58.3	59.5	58.1	60.3	56.9	56.8	59.9
Future Expectations	67.8	63.0	63.7	65.8	64.5	64.8	60.6	60.4	61.0	63.1	61.1	59.8	59.7

Historical Records

	2012 - Current			
	Minimum	Maximum	Mean	Median
MNI India Business Indicator				
Current Conditions	47.5	71.2	62.2	63.5
Future Expectations	49.7	82.4	71.4	74.6
Production				
Current Conditions	41.0	67.3	60.3	61.9
Future Expectations	41.3	77.3	68.1	70.6
New Orders				
Current Conditions	39.7	69.1	59.3	61.2
Future Expectations	40.4	78.6	68.7	71.2
Export Orders				
Current Conditions	41.3	67.4	58.1	58.8
Future Expectations	45.2	76.1	65.5	68.2
Productive Capacity				
Current Conditions	41.0	64.0	56.6	57.6
Future Expectations	40.7	71.4	64.3	67.0
Order Backlogs				
Current Conditions	35.6	59.3	49.0	49.0
Future Expectations	32.8	59.6	49.1	51.6
Employment				
Current Conditions	48.9	54.1	51.2	50.8
Future Expectations	49.5	57.5	52.5	52.3
Inventories				
Current Conditions	46.9	64.9	53.3	51.6
Future Expectations	31.0	59.5	50.1	50.8
Input Prices				
Current Conditions	51.4	79.6	64.1	63.3
Future Expectations	50.9	74.9	62.0	61.0
Prices Received				
Current Conditions	41.5	67.1	54.2	54.9
Future Expectations	45.1	73.7	56.9	56.6
Financial Position				
Current Conditions	53.4	72.3	64.8	67.1
Future Expectations	51.6	83.3	72.4	75.6
Interest Rates Paid				
Current Conditions	43.6	73.2	57.3	52.9
Future Expectations	37.7	71.7	53.1	50.4
Effect of Rupee Exchange Rate				
Current Conditions	30.9	77.8	50.2	49.3
Future Expectations	30.1	75.5	52.2	53.3
Supplier Delivery Times				
Current Conditions	48.9	59.6	53.2	53.0
Future Expectations	39.5	59.0	53.3	54.3
Availability of Credit				
Current Conditions	41.1	64.6	56.1	57.0
Future Expectations	40.9	67.8	59.1	59.8

Historical Records - Quarterly

	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15	Quarterly Change	Quarterly % Change
MNI India Business Indicator							
Current Conditions	62.4	66.0	69.9	69.0	64.5	-4.5	-6.5%
Future Expectations	70.5	79.3	80.4	78.9	75.4	-3.5	-4.4%
Production							
Current Conditions	63.7	61.4	63.4	66.1	60.9	-5.2	-7.9%
Future Expectations	69.7	72.2	74.7	74.8	71.4	-3.4	-4.5%
New Orders							
Current Conditions	62.5	63.5	64.3	63.9	60.0	-3.9	-6.1%
Future Expectations	67.9	77.5	75.9	73.4	71.1	-2.3	-3.1%
Export Orders							
Current Conditions	62.9	63.4	63.3	60.5	56.8	-3.7	-6.1%
Future Expectations	67.2	70.1	73.4	70.3	67.7	-2.6	-3.7%
Productive Capacity							
Current Conditions	57.2	61.0	61.2	59.9	55.6	-4.3	-7.2%
Future Expectations	63.9	69.7	70.5	68.4	66.6	-1.8	-2.6%
Order Backlogs							
Current Conditions	41.8	52.8	50.5	51.2	48.3	-2.9	-5.7%
Future Expectations	43.6	53.5	52.9	53.0	50.3	-2.7	-5.1%
Employment							
Current Conditions	51.6	51.6	50.2	50.1	50.5	0.4	0.8%
Future Expectations	54.7	52.4	52.6	52.5	51.7	-0.8	-1.5%
Inventories							
Current Conditions	61.4	55.1	54.1	50.5	47.5	-3.0	-5.9%
Future Expectations	57.3	50.9	51.2	51.5	47.7	-3.8	-7.4%
Input Prices							
Current Conditions	69.6	63.6	61.0	55.5	52.6	-2.9	-5.2%
Future Expectations	68.6	57.3	59.6	53.2	53.6	0.4	0.8%
Prices Received							
Current Conditions	56.3	56.0	55.3	52.7	50.8	-1.9	-3.6%
Future Expectations	59.6	58.1	57.9	55.0	53.2	-1.8	-3.3%
Financial Position							
Current Conditions	68.2	69.1	69.8	68.6	66.1	-2.5	-3.6%
Future Expectations	74.9	78.4	78.6	77.2	74.2	-3.0	-3.9%
Interest Rates Paid							
Current Conditions	61.8	53.4	50.4	51.0	46.8	-4.2	-8.2%
Future Expectations	57.1	48.9	46.5	44.5	39.8	-4.7	-10.6%
Effect of Rupee Exchange Rate							
Current Conditions	43.1	48.9	51.8	50.8	48.1	-2.7	-5.3%
Future Expectations	44.8	56.1	55.1	54.7	52.6	-2.1	-3.8%
Supplier Delivery Times							
Current Conditions	54.4	52.9	52.3	52.5	51.0	-1.5	-2.9%
Future Expectations	54.7	56.0	54.0	53.8	51.6	-2.2	-4.1%
Availability of Credit							
Current Conditions	57.1	61.5	62.8	58.6	58.0	-0.6	-1.0%
Future Expectations	56.1	64.8	65.0	60.7	61.3	0.6	1.0%

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