MNI India Business Report
April 2016

Insight and data for better decisions

MNI India Business Report
Methodology

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.

Written and researched by
Philip Uglow, Chief Economist
Shaily Mittal, Economist
Nelson Aston, Economist

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MNI Indicators | Deutsche Börse Group
Westferry House
11 Westferry Circus
London
E14 4HE
Tel: +44 (0)20 7862 7400
Email: info@mni-indicators.com

www.mni-indicators.com
@MNIIndicators
MNI Indicators

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With China's growth rate ebbing, a prime minister seen by many as having god-like status and a rock star central banker, it's not difficult to see why many view India as the next China.

India has a lot of potential over the long-term. Notably its young population should prove to be a significant positive with a youth boom forecast to hit a peak in 2035. I say should - in order to capitalise it's critical that improvements are made to educational attainment, and that more women are empowered to join the workforce. As the pace of industrial automation quickens yet further, there is a clear danger an uneducated, unskilled workforce will not bring the same benefits to India it did to China.

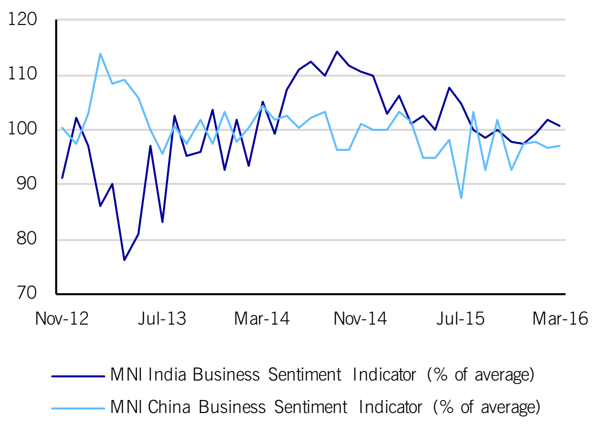
All that expectation for India lies in the future, so what's happening now? Official data shows that the pace of economic growth is now outstripping that in China with the latest data showing GDP increased 7.3% on the year in Q4 compared with 6.8% for China (the latter slipping further to 6.7% in the first quarter). India appears to be in the ascendancy, although whether the country can keep up this stellar pace, or whether GDP growth is somewhat exaggerated, are important questions.

Our own survey data on businesses and consumers shows a mixed picture. The MNI China Business Sentiment Indicator is currently running 3.1% below the average since November 2012 (chosen because this is the start date for our India survey). India fares better with the MNI India Business Sentiment Indicator running 0.6% above the average. India's business confidence had been trending down last year and may well have now turned a corner, while China's has been choppy, but the trend has remained broadly flat over the second half of 2015.

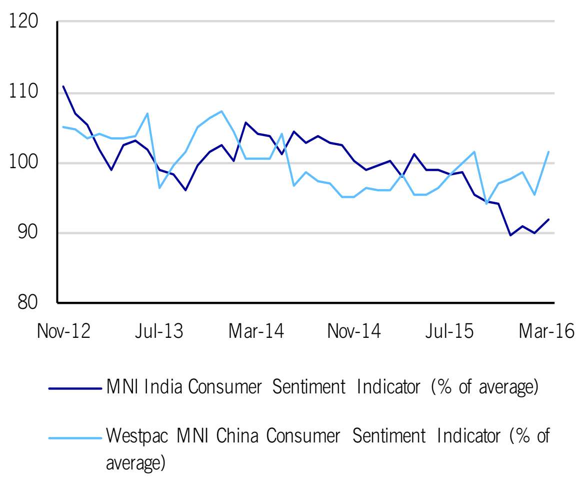
While India scores a marginal win on the business front, it is by far the loser on the consumer front. Confidence in India outstripped China's throughout most of 2014 and the first half of 2015, but it has subsequently fallen sharply. Indian consumer sentiment stood nearly 8% below its average in March, while the Westpac MNI China Consumer Sentiment Indicator was 1.3% above its respective average. Buoyant March data in China flatter the comparison somewhat but the result may surprise many given the current gloomy stories emanating from China and the positive news flow from India.

Philip Uglow
@philip_uglow1
Chief Economist
MNI Indicators

Business Sentiment



Consumer Sentiment



Executive Summary

The MNI India Business Sentiment Indicator, a gauge of current sentiment among BSE-listed companies, fell to 62.4 in April from 62.7 in March.

The MNI India Business Sentiment Survey for April showed that business confidence fell for the second consecutive month, albeit marginally, as firms' financial position deteriorated.

The MNI India Business Sentiment Indicator, a gauge of current sentiment among BSE-listed companies, fell to 62.4 in April from 62.7 in March. The decrease in sentiment this month was led by construction and service sector firms while sentiment among manufacturing companies increased.

Confidence was down 2.3% compared with the same month a year ago and now stands at the same level as the series average. More positively, sentiment is up from the recent trough seen in December which had left it at the lowest for more than a year and a half.

The Reserve Bank of India cut the key policy rate by 25 basis points during the survey period. While it hasn't impacted business sentiment yet, we expect to see some of its effect in next month's survey. Note though that monetary easing has tended to provide only a short-term boost to business confidence, and has failed to cause a sustained increase.

In line with April's rate cut, firms reported that they faced lower debt service costs and found credit more readily available. However, company balance sheets worsened as firms continued to feel the pressure of the high debt and low sales environment which has persisted for more than a year now.

The Financial Position Indicator fell 3.6% to 61.0 in April from 63.3 in March with sentiment falling across board. The last year has been a tug-of-war between relatively loose credit conditions thanks to an easing bias from the RBI, and waning sales and output. The result has been a range-bound Financial Position Indicator and even though the last few months have been volatile, the latest outturn was below the series average of 64.6.

The decline in overall business confidence between March and April came against a set of mixed results in the survey. Production was down, employment unchanged, while orders increased slightly on the month. The pace of inventory building picked up and firms expected stock levels to expand over the next three months given expectations of strong demand. Sentiment towards the rupee remained unchanged but companies faced lower inflationary pressures.

Previously we'd speculated that a trough may have been reached in demand. This may well be the case, although the recovery is weak. This is consistent with many other indicators in the report that suggest that the long-run trend decline in activity levels has at least been arrested, and growth is expected to be gradual.

Overview

	Feb-16	Mar-16	Apr-16	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI India Business Indicator								
Current Conditions	63.5	62.7	62.4	-	Jan-16	62.9	-0.3	-0.5%
Future Expectations	73.8	71.9	69.6	-	Feb-14	71.8	-2.3	-3.2%
Production								
Current Conditions	57.9	59.1	57.0	-	Jan-16	58.0	-2.1	-3.6%
Future Expectations	67.2	67.8	65.0	-	Jan-16	66.7	-2.8	-4.1%
New Orders								
Current Conditions	60.7	58.4	58.8	Feb-16	-	59.3	0.4	0.7%
Future Expectations	69.3	68.2	65.8	-	Dec-15	67.8	-2.4	-3.5%
Export Orders								
Current Conditions	56.9	55.5	55.6	Feb-16	-	56.0	0.1	0.2%
Future Expectations	65.5	65.2	64.8	-	Dec-15	65.2	-0.4	-0.6%
Productive Capacity								
Current Conditions	56.1	56.6	53.8	-	Dec-13	55.5	-2.8	-4.9%
Future Expectations	63.3	63.6	60.9	-	Feb-14	62.6	-2.7	-4.2%
Order Backlogs								
Current Conditions	47.7	47.2	49.1	Dec-15	-	48.0	1.9	4.0%
Future Expectations	47.4	47.8	48.2	Jan-16	-	47.8	0.4	0.8%
Employment								
Current Conditions	51.5	50.5	50.5	Mar-16	-	50.8	0.0	0.0%
Future Expectations	54.0	52.0	51.5	-	Feb-15	52.5	-0.5	-1.0%
Inventories								
Current Conditions	51.1	51.1	51.7	Dec-15	-	51.3	0.6	1.2%
Future Expectations	48.7	49.8	50.2	Jan-16	-	49.6	0.4	0.8%
Input Prices								
Current Conditions	53.0	56.0	55.5	-	Feb-16	54.8	-0.5	-0.9%
Future Expectations	54.7	55.4	54.9	-	Feb-16	55.0	-0.5	-0.9%
Prices Received								
Current Conditions	50.7	52.0	51.5	-	Feb-16	51.4	-0.5	-1.0%
Future Expectations	51.8	53.9	52.7	-	Feb-16	52.8	-1.2	-2.2%
Financial Position								
Current Conditions	65.1	63.3	61.0	-	Oct-13	63.1	-2.3	-3.6%
Future Expectations	72.3	70.1	67.1	-	Jun-13	69.8	-3.0	-4.3%
Interest Rates Paid								
Current Conditions	46.5	46.4	44.7	-	Jan-16	45.9	-1.7	-3.7%
Future Expectations	43.8	46.3	42.1	-	Jan-16	44.1	-4.2	-9.1%
Effect of Rupee Exchange Rate								
Current Conditions	48.4	46.3	46.3	Mar-16	-	47.0	0.0	0.0%
Future Expectations	49.6	49.4	47.8	-	Mar-14	48.9	-1.6	-3.2%
Supplier Delivery Times								
Current Conditions	50.4	51.5	50.8	-	Feb-16	50.9	-0.7	-1.4%
Future Expectations	49.6	49.8	49.6	-	Jan-16	49.7	-0.2	-0.4%
Availability of Credit								
Current Conditions	60.6	55.7	56.2	Feb-16	-	57.5	0.5	0.9%
Future Expectations	59.0	57.4	57.5	Feb-16	-	58.0	0.1	0.2%

Consumer price inflation fell to 4.8% in March from 5.3% in February...

...the lowest since September last year.

Economic Landscape

The latest monthly economic data for India has been positive. CPI inflation softened to a six-month low of 4.8% in March, led by an easing in inflation for food & beverages, fuel & light as well as core inflation.

The latest monthly economic data for India has been positive. CPI inflation softened to a six-month low of 4.8% in March, led by an easing in inflation for food & beverages, fuel & light as well as core inflation. The monthly trade deficit narrowed to a five-year low of $5.1 billion in March from $6.5 billion in February, helped by the seasonal narrowing and encouraging trends in both exports and imports. After three successive disappointing months, industrial production grew by 2% on the year in February. The pickup was broad-based with capital goods, consumer durables, basic and intermediate goods all showing healthy increases. Only consumer non-durables underperformed, likely reflecting the woes of the rural economy. With the Met's first forecast indicating a healthy monsoon, the outlook for non-durables could improve later in the year.

In line with expectations, the RBI reduced the policy repo rate by 25 basis points to 6.5% in April. The RBI noted that inflation had eased along its expected trajectory, the Central government had stuck to its fiscal deficit target, interest rates on small savings had been reduced and there were expectations of a favourable monsoon.

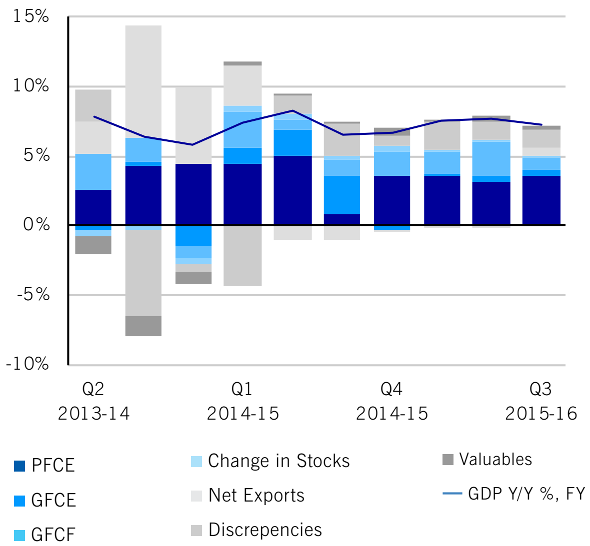
Growth in GDP eases in Q3

Latest GDP data showed that India's economy grew by 7.3% on the year in the October-December quarter, down from 7.7% in the previous quarter (revised up from 7.4% previously), although higher than the 6.6% growth recorded in the October-December quarter last year.

Growth of GVA at basic prices eased to 7.1% on the year in Q3FY16 from 7.5% in Q2 (revised up from 7.4%), although this was up from 6.7% in Q3FY15. The slowdown in GVA growth was primarily led by agricultural production which has suffered due to two consecutive monsoon failures. The contribution of agriculture turned negative for the first time in three quarters. However, growth of the services sector remained steady at 9.4% with financial, real estate and professional services growing at 9.9% and public administration, defence and other services rising by 7.5% versus 7.1% in the previous quarter. Industrial growth rose to a robust 9% in Q3FY16 from the revised 6.4% in Q2FY16, led by double-digit growth in manufacturing. Manufacturing growth rose to a seven-quarter high of 12.6% in Q3FY16 from 9% in Q2FY16, contradicting the trend of the Index of Industrial Production for October-November 2015, which averaged just 3.1% growth in that quarter. Moreover, construction growth improved to 4% in Q3FY16 from a low of 1.2% in Q2FY16, in line with the five-quarter high growth of cement output and rise in execution of road sector projects.

On an expenditure basis, GDP growth in the October-December quarter was led by a 6.4% year-on-year increase in private final consumption expenditure (PFCE). Growth of PFCE has improved from 5.6% in Q2, supported by the decline in fuel prices and sub-5% urban CPI inflation. Personal consumption added 3.6 percentage points to growth, having contributed 3.1 percentage points in the previous quarter and 0.9 percentage point in the same quarter a year ago. Despite the robust expansion in the Union Government's capital expenditure, the growth of GFCF eased to 2.8% from 7.6% in Q2, highlighting the muted trend in private sector investments. It contributed 0.9 percentage point, down from 2.4 percentage points in the previous quarter and 1.2 percentage points in the same quarter a year ago. Net exports which had been a drag on growth for the previous two quarters, contributed

Contribution to GDP Growth



Source: Central Statistics Office

positively. Although the pace of contraction of imports and exports accelerated, the fall in imports outweighed the decline in exports in Q3 (-10.8% and -9.4%, respectively) compared with the previous quarter (-3.4% and -4.3%, respectively).

GDP and GVA growth for the first two quarters of this fiscal have been revised upwards. GDP growth for Q1FY16 (to 7.6% from 7%) and Q2FY16 (to 7.7% from 7.4%) has undergone considerable revisions, whereas the extent of uptick in GVA growth has been relatively modest for both Q1FY16 (to 7.2% from 7.1%) and Q2FY16 (to 7.5% from 7.4%). The revisions appear dubious because they are largely driven by large increases to net indirect taxes growth, rather than to gross-value added (GVA), which appears more reliable and was only marked up by 10 bps for each quarter.

Going forward, we expect urban demand to stay upbeat, however rural demand is likely to remain sluggish in Q4 due to the unfavourable trends for the rabi (winter) crop. Weak global growth and a strong rupee on an REER basis would continue to curtail exports. Government spending will play a critical role in terms of infrastructure investment and easing rules for foreign direct investment.

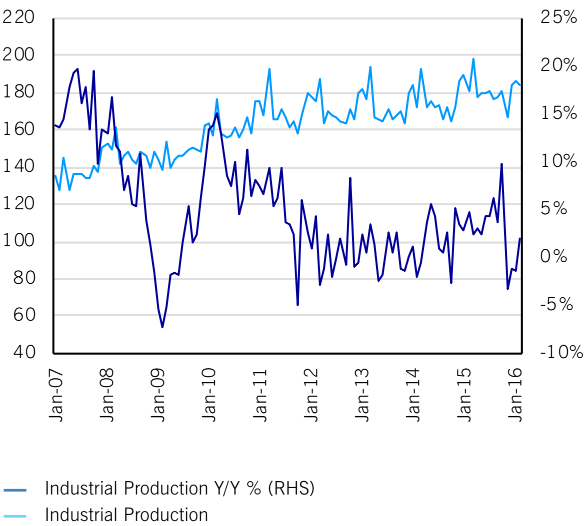
Output grows for the first time in four months

Industrial production grew 2% on the year in February following a contraction of 1.5% in the previous month. This was the highest growth since October last year following three months of contraction due to floods in South India and lower number of working days on account of Diwali.

The growth in industrial production was broad-based. Manufacturing output, which forms three quarters of industrial production, increased 0.7% on the year after three months of contraction. On a three month-on-month basis, although production growth was negative, the pace of decline eased. Electricity production grew by 9.6% on the year, the highest in five months while mining output rose 5%, the highest in four months.

According to use-based classification, basic goods production increased 5.4% on the year in February from 2.1% in January (revised up from 1.8% previously), while production of consumer goods grew marginally when compared with the previous year. Output of consumer durables grew by 9.7% on the year while non-durables continued to contract. The weakness in consumer non-durables is reflective of depressed conditions in the rural economy due to successive droughts. With the Met's first forecast indicating a healthy monsoon, the outlook for non-durables could improve later in the year.

Industrial Production



Source: Central Statistics Office

On the investment side, capital goods production contracted 9.8% on the year in February, making it the fourth month of contraction, tempering the momentum seen last year, which saw average growth of 3.8%, the highest since 2010. On a three month on three month basis though, production expanded 6.3%, the highest growth since March 2015.

Production averaged 1.7% in Q3, significantly lower than the 4.8% growth recorded in the previous quarter and also below the 2% growth witnessed in the same period last year. With the average of January and February at just 0.3%, a significantly lower platform for Q4 growth has been set.

The more frequently updated data for the core sector, which is comprised of eight industries and forms 38% of industrial production, rose 5.7% on the year in

February from 2.9% growth in January, the fastest rate of growth since November 2014. However much of this was due to favourable base effects. During the April-February period of the current fiscal year, infrastructure output has more than halved to 2.3% from 5% growth in the corresponding period last year. This month, production of fertiliser was the front-runner, rising 16.3% on the year, the fastest growth in five months. Cement, coal and electricity production also increased at thealthy rates.

RBI Consumer Confidence improves in March

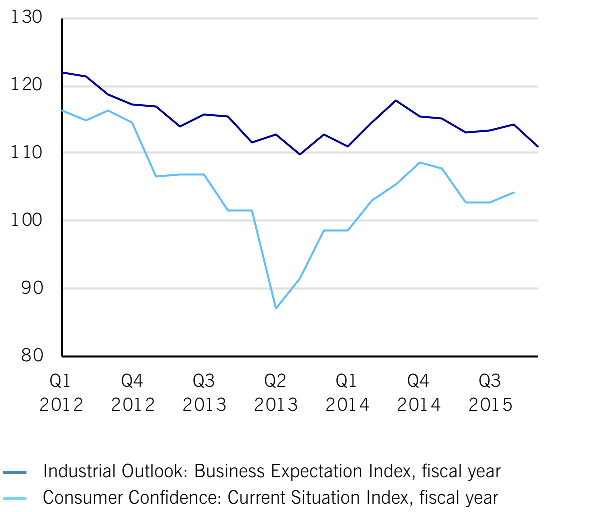
The RBI's Consumer Confidence survey showed that the Current Situation Index (CSI), an assessment of consumer sentiment, rose to 104.1 in the quarter ending March 2016 from 102.9 in the quarter ending December. This was below the 108.6 value recorded in March 2015.

The perceptions of respondents about the general economic situation improved, both for the current and a-year ahead period. Both were at a three quarter high. In contrast, both the outlook as well as the current perception of employment conditions deteriorated during March, with the latter entering negative territory.

With regards to price levels, current as well as one-year ahead sentiment showed an improvement in this round of the survey. Despite this, the perception of respondents on spending (both current and future) has been persistently declining since June 2015. However, it continues to be strong, with more than 75% of respondents reporting an increase in spending for the current and one year ahead period.

More up-to-date monthly data from the MNI India Consumer Sentiment Survey has shown confidence falling to a new record low level among households in Q1 2016. The MNI India Consumer Sentiment Indicator averaged 110.0 in the three months to March, down from 112.1 in the quarter ending December. Among the five components, three plummeted to series lows. Confidence in current household finances was the weakest and respondents had low expectations of a turnaround in the next 12 months. Despite this, consumers showed greater willingness to purchase large household items. Sentiment towards the current business environment has remained resoundingly weak

RBI Business and Consumer Sentiment



Source: Reserve Bank of India

with lower optimism towards business conditions in the short-term.

RBI Industrial Outlook falls in June

The RBI's Industrial Outlook Survey showed that the Business Expectation Index (BEI), a gauge of manufacturing business sentiment, eased to 110.9 in the quarter ending June from 114.2 in the quarter ending March and was below the outturn of 115.2 recorded in the June quarter a year earlier. Companies expected lower orders and hence planned on reducing production in the quarter ending June. Moderation was seen in all business indicators barring pending orders, salary and the overall financial situation.

There was a marginal fall in sentiment among manufacturing companies during the Jan-March quarter, with sentiment falling to 103.0 from 103.6 in the previous quarter. The fall in sentiment was mainly led by weaker confidence in exports, imports, employments, profit margin and overall business situation. However, there was a moderate increase in optimism for production, order books and financial situation.

More up-to-date monthly data from the MNI India Business Sentiment Survey shows that business confidence has eased significantly in 2015. In the quarter ending March 2016, the MNI India Business Sentiment Indicator picked up to 62.7 from 61.3, which was the lowest since the quarter ending December 2013. Companies were less optimistic about the next three months though, with the Expectations Indicator falling to 72.4 from 73.9 in the quarter ending December mainly due to cost concerns with firms expecting the rupee to turn unfavourable for their business operations along with higher input prices.

Inflation falls to a six-month low in March

Consumer price inflation eased to 4.8% in March from 5.3% in February, the lowest since September last year. Price inflation has come down significantly since last summer with inflation considerably below March 2015's outturn of 5.3%.

Food price inflation, which makes up 47.25% of the CPI basket, fell for the second consecutive month to 5.2% on the year in March from 5.3% in February, led by several items including milk, fruits, pulses and eggs. Food prices remained the same after declining for the previous three months. While prices of vegetables were up 0.5% on the year, they have been falling over the past six months. Inflation in pulses which has been burning a hole in Indian households' pockets eased to a six-month low of 34.2% in March, making it the third consecutive month of contraction. Fuel inflation eased to 3.4% on the year in March from 4.6% in February. On a three month on three month basis, it has been falling since the start of the year. With global commodity prices still relatively weak, we expect fuel price inflation to remain muted. After stripping out the more volatile components (food and beverages and fuel and light), core inflation eased to 4.7% from 5% in the previous month, making it the first decline in seven months.

Rural CPI inflation eased to 5.7% in March from 6.1% in February, led by a decline in food inflation to 5.8% from 6% in February. Urban CPI inflation fell to 3.9% in March from 4.3% in the previous month, with food price inflation falling to 4% from 4.2% in February.

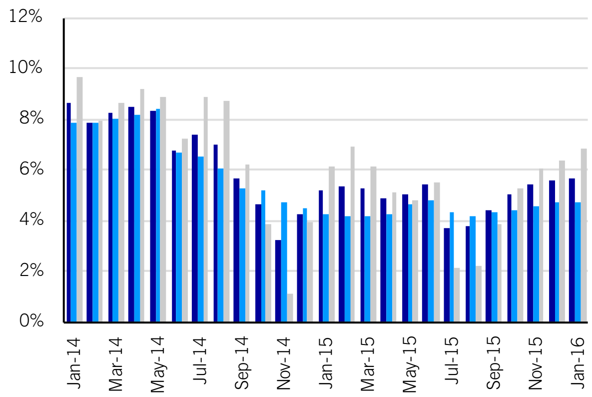
Going forward, the RBI expects inflation to be around 5% by the end of 2016-17 under the assumption of a normal monsoon, following two years of deficient rains and subdued crude oil prices. This is compounded with further good news from the India Meteorological Department (IMD) having forecast an above normal monsoon this year. However, there are risks emanating from the implementation of the seventh Central Pay Commission, which will raise salaries of Central Government employees and pensioners by almost 25% as well as any further upward push from commodity prices.

Repo rate cut by 25 basis points to 6.5%

In line with expectations, the Reserve Bank of India reduced the policy repo rate by 25 basis points to 6.5%. Inflation easing along its expected trajectory, the Central Government sticking to its fiscal deficit target as announced in the Union Budget for 2016-17, reduction in interest rates on small savings and expectations of a favourable monsoon were some of the factors that prompted the Central Bank to go in for the policy rate cut.

The RBI substantially loosened its liquidity framework, such that the impact on money markets and short term bonds was more than a 25 bps policy cut would have warranted. The stance on liquidity was modified from maintaining a systemic deficit to moving towards a neutral position. Supply of durable liquidity is to be smoothed over the year though asset purchases and sales; an open market operation to purchase Rs. 150 billion of bonds has already been announced in light of

Consumer Price Inflation



Consumer Price Index Y/Y % | Consumer Price Index: Food Y/Y % | Core Consumer Price Index Y/Y %

Source: Central Statistics Office

the continuing sharp daily liquidity injection by the RBI. In addition, the RBI narrowed the policy corridor from +/- 100 bps to +/- 50 bps with a view to ensuring a better alignment of the weighted average call rate and the policy rate. It also eased liquidity management for banks by reducing the minimum daily maintenance of CRR from 95% of the requirement to 90% with effect from the fortnight beginning April 16, 2016.

While the RBI's primary focus will still be to ensure that the call rate remains close to the policy rate, these measures are expected to remove some of the liquidity uncertainty faced by banks leading to better transmission of policy rates to lending and deposit rates.

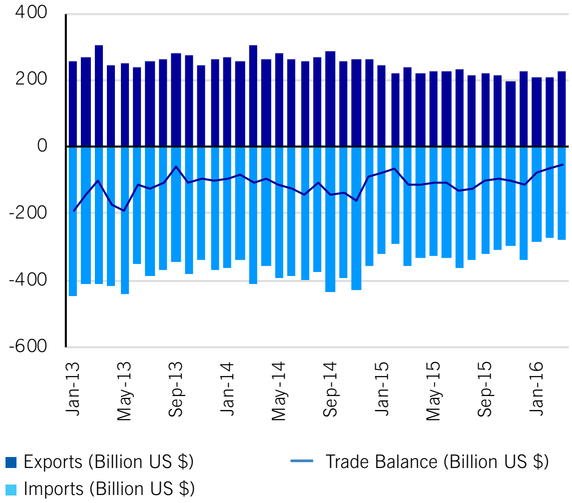
Given its accommodative stance, the RBI will monitor the inflation situation more closely before it considers a further rate cut. The RBI expects inflation to remain at around 5% during 2016-17 with some fluctuations during the interim quarters. As the impact of El-Nino weakens, the Southwest monsoon season is likely to be normal after two successive years of a rainfall deficit. Consumer spending is expected to rise due to higher salaries and allowances on account of recommendations of the Seventh Pay Commission and One Rank One Pension payout. However, weaker global growth reflected in lower trade growth, weak performance of the corporate sector and risk aversion in the banking system is expected to act as dampeners. Amid weak global growth prospects, the RBI maintained its projection for growth of gross value added at basic prices for FY2017 at 7.6%, describing risks as evenly balanced.

Trade deficit narrows to a five-year low

The trade deficit fell in March to $5.1 billion from $6.5 billion in February and was 55.5% below the $11.4 billion shortfall recorded in March last year.

Exports contracted 5.5% on the year to $22.7 billion, the 16th consecutive fall but the smallest decline since December 2014. There were signs of stabilisation, captured in the three-month year-on-year measure for exports, which suggest that the slowdown in exports has eased. Imports were down 21.6% on the year but were 1.9% above last month's level at $27.8 billion. Gold imports declined sharply in March to $1.1 billion

Trade Balance



Source: Ministry of Commerce and Industry

from $1.5 billion in February and $3.2 billion in January as demand collapsed on the back of the jeweller's strike against excise duty hike, leading to a slowdown in demand for gold. Oil imports remained broadly stable at $4.8 billion in March and with prices firming materially over the last three months, the oil import bill is expected to begin to rise in the following months.

Encouragingly, non-oil, non-gold imports, which reflect domestic demand, were up 4.3% from last month, although when compared with last year they were down by the same magnitude. Given the monthly volatility, we will have to assess in the following months whether the downturn in demand is truly a thing of the past.

According to the provisional aggregate monthly data on India's international trade in services released by the RBI, receipts from India's service exports fell to $12.3 billion from $12.6 billion in January. Payments for India's service imports were up 5.1% on the month to $7.2 billion in February.

Overall, the implications for domestic demand are mixed, whereas those for exports are consistent with a stabilisation story.

Government sticks to fiscal consolidation

In the latest budget, the government remained committed to the previously announced fiscal deficit target of 3.5% of GDP to be achieved in 2016-17 and was confident of achieving the fiscal deficit target of 3.9% of GDP for the current year. This is laudable as the government provided enhanced allocations in the key areas such as infrastructure, social sector schemes and the recapitalisation of banks, on the back of constraints imposed by the higher outgoings on pay and pensions following the recommendations of the Seventh Central Pay Commission and the One Rank One Pension scheme for the defence services.

To create fiscal space, the government resorted to various measures, including raising the surcharge on personal income tax on those with incomes in excess of Rs. 10 million and the imposition of an additional tax (10%) on recipients with a gross amount of dividend in excess of Rs. 1 million per year. Moreover, some new cesses have been introduced, such as the Krishi Kalyan cess and infrastructure cess. Specifically, disinvestment and strategic sales expected outturn is 0.2% of GDP in FY16 and is budgeted to rise to 0.4% of GDP in FY17, which is identical to the 0.4% of GDP planned consolidation.

There has been an emphasis on increasing allocation towards the agriculture, rural and social sectors as well as infrastructure sectors like roads and railways. The focus on the agriculture and rural sector, especially irrigation, as well as on affordable housing, is likely to have some beneficial impact in terms of reviving demand. Additionally, the step up in NREGA allocation (to Rs. 385.0 billion in 2016-17 from Rs. 357.5 billion in 2015-16) would support farmers in the event of weather-related and other disruptions in rural areas.

Other reform measures proposed include improving the transportation sector, the setting up of a specialised resolution mechanism to deal with bankruptcy situations in the financial sector and expanding the coverage of direct transfer benefits to products like fertilisers. Improving the targeting of beneficiaries for various subsidies and schemes through the planned greater use of Aaadhar is also expected to result in fiscal savings over the medium term.

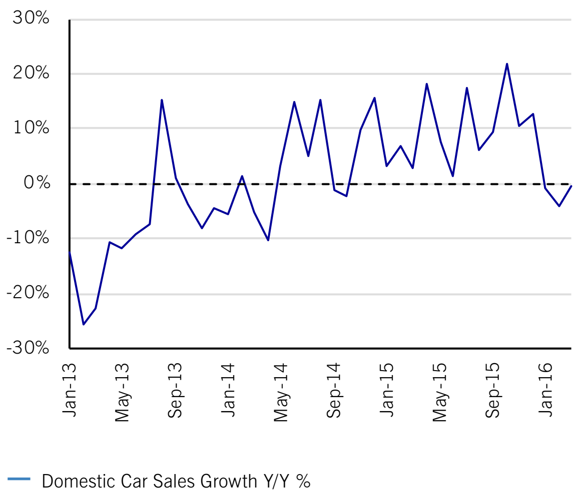
However, the limited progress on the intention stated in the Union Budget for 2015-16 to reduce the corporate tax rate is a disappointment. Although the Government's commitment to the PSU Banks was reiterated in the Budget Speech, the Budget has restricted the allocation for Bank recapitalisation at Rs.250 billion that was announced in the Indradhanush policy, despite the stress in the balance sheets of public sector banks. In addition, there remains a lack of any major incremental measures in terms of governance and management reforms for these banks.

Strongest growth in car sales since October 2015

Car sales in India fell 0.3% in March, following a decline of 4.2% on the year in February. However, on a month-on-month, sales were up 6.8% from last month following a decline in the past four months.

Sales of commercial vehicles grew by 22% on the year in March, up from 19.9% in February, and 17.5% in January, making it the fourth consecutive double-digit increase. On a three month year-on-year basis, sales have grown by double-digits for the past six consecutive months and have grown by 12.7% on a three month month-on-month basis, suggesting that the pace of growth in the industrial sector is set to accelerate.

Car Sales



Source: Society of Indian Automobile Manufacturers

Sales of two-wheelers were up 10.9% on the year in March from 12.8% in February. On a monthly basis as well, sales were up 7.7% after remaining flat in the previous month. Sales of scooters grew by 13.7% on the year and sales of motorcycles were up 10.1% on the year. With the rural sector stressed from two consecutive droughts and unseasonal rainfalls, demand for two-wheelers plummeted in 2015 but it looks like that the severity of the downfall may have eased. Sales of scooters more than halved in 2015 compared with the previous year while those for motorcycles was hit even harder, with demand contracting on a year-on-year basis.

Key Monthly Economic Data

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Consumer Price Index (Y/Y %)	5.0	5.4	5.6	5.7	5.3	4.8	-
Wholesale Price Index (Y/Y %)	-3.7	-2.0	-1.1	-1.1	-0.9	-0.9	-
Industrial Production (Y/Y %)	9.9	-3.4	-1.2	-1.5	2.0	-	-
Car Sales (Y/Y %)	21.8	10.4	12.9	-0.7	-4.2	-0.3	-
Trade Balance (Billion US $)	-9.5	-10.2	-11.6	-7.7	-6.5	-5.1	-
Exports (Billion US $)	21.4	19.5	22.5	20.9	20.7	22.7	-
Imports (Billion US $)	30.9	29.7	34.1	28.6	27.3	27.8	-
MNI India Business Sentiment Indicator	62.3	60.9	60.7	61.8	63.5	62.7	62.4
MNI India Consumer Sentiment Indicator	114.1	113.7	108.5	109.8	108.9	111.2	-

The fall in sentiment was observed across both construction and service companies...

...while sentiment among manufacturing sector companies increased.

Indicators

The MNI India Business Sentiment Survey for April showed that business confidence fell for the second consecutive month, albeit marginally, as firms' financial position deteriorated.

MNI India Business Indicator
Lowest Since January

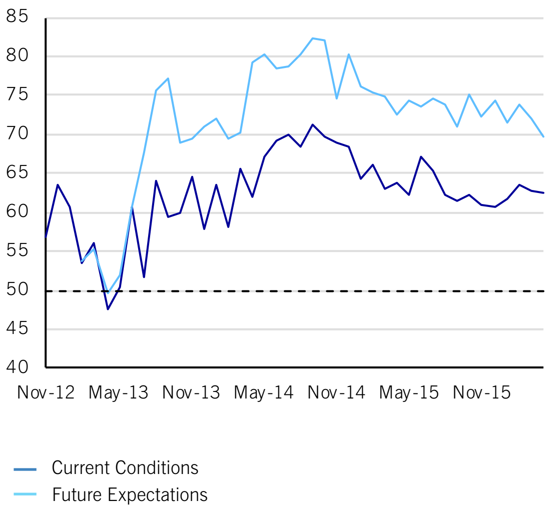
The latest rate cut by the RBI failed to halt the decline, albeit moderate, in business sentiment among firms listed on the BSE.

The MNI India Business Sentiment Indicator, a gauge of current sentiment among BSE-listed companies, eased to 62.4 in April from 62.7 in March. Sentiment was down 2.3% compared with the same month a year ago, leaving it back at the same level as the series average. More positively, sentiment is up from the recent trough seen in December which had left it at the lowest for more than a year and half. The decrease in sentiment this month was led by construction and service sector firms while sentiment among manufacturing companies increased.

Although the RBI's recent monetary policy meeting, where the key interest rate was cut by 25 basis points, was during our survey period in April, it failed to boost business sentiment. We expect to see some of its impact in next month's survey. Note, though, that while previously monetary easing has boosted business confidence, it has failed to provide a sustained increase.

The decline in overall business confidence between March and April came against a set of mixed results for other series in the survey. Production was down, employment unchanged, while orders increased slightly on the month. Sentiment towards the rupee remained unchanged but companies faced lower inflationary pressures.

MNI India Business Sentiment Indicator



"In this quarter orders are lower." **Software services company**

"There is slow down in the general economy." **Speciality Finance Services Company**

"Overall business condition is down because orders are not coming." **Industrial machinery manufacturing company**

MNI India Business Indicator

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Current Conditions	63.9	60.9	60.7	61.8	63.5	62.7	62.4

Previously we'd speculated that a trough may have been reached in demand. This may well be the case, although the recovery is weak. This is consistent with many other indicators in the report that suggest that the long-run trend decline in activity levels has at least been arrested, and growth is expected to be gradual.

Firms were less upbeat about the next three months, with the Future Expectations Indicator easing to 69.6 in April from 71.9 previously. Expectations were running 4.1% lower than April 2015 and 5.9% below the average seen in 2015.

Sectors - Overall Business Conditions

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

"Automobile market is improving." **Auto parts manufacturing company**

"Improved sales and new product launches." **Furnishings manufacturing company**

"There is better demand due to the onset of the festival and the marriage." **Footwear manufacturing company**

"With holidays, students are coming for recreation." **Recreational Services Company**

MNI India Business Indicator

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Future Expectations	72.6	72.2	74.3	71.6	73.8	71.9	69.6

Orders
Highest Backlogs in 2016

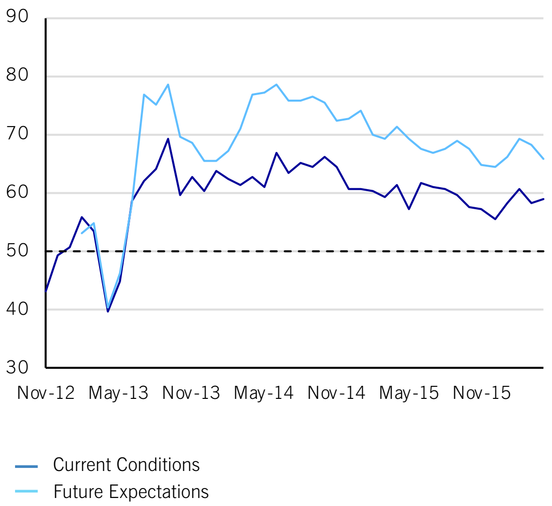
There was some respite for companies who have faced feeble demand recently. Manwhile, export-oriented firms kept a broadly stable view, with the majority of firms reporting foreign demand at the same level.

The New Orders Indicator rose slightly to 58.8 in April from 58.4 in March. While orders have picked up since last December and have maintained some ground, they were just a touch below the series average. In contrast, expectations for the coming three months eased for the second month in a row, settling at 65.8 in April, the lowest level this year.

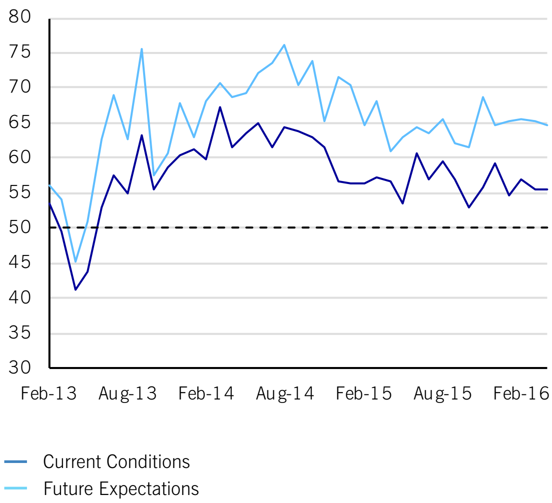
Export Orders were almost flat at 55.6 in April compared with 55.5 in March. Relative to total New Orders, which include Export Orders, the latter have performed worse over the past year and are now down 2.1% on the year. They're also 6.1% below December's outturn and 3.5% below the series average. Over the past year, the rupee has depreciated by around 6%, and was down even further at one point after hitting a record low in late February. Exporters, though, faced with weakness in the global economy have seemingly been unable to take advantage. In March though, the rupee appreciated 3% on the month, reducing the competiveness of India's goods and services.

Expectations among firms for export orders in the coming three months were slightly down, although remained elevated, with the indicator at 64.8 from 65.2 previously.

New Orders



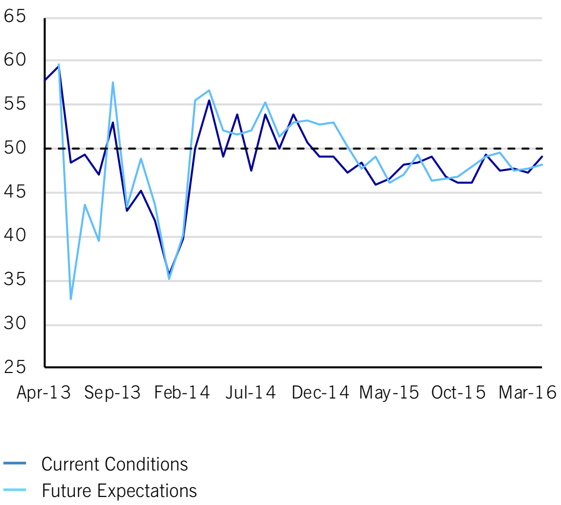
Export Orders



Orders - Current Conditions

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
New Orders	61.4	57.4	55.6	58.2	60.7	58.4	58.8
Export Orders	56.8	55.8	59.2	54.6	56.9	55.5	55.6
Order Backlogs	45.9	46.1	49.3	47.6	47.7	47.2	49.1

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

"We are entering in new markets and regions." **Pharmaceuticals manufacturing company**

"Our company's products are competitive in the international market." **Clothing and accessories manufacturing company**

"This is a peak season and we have a good number of clients." **Speciality Chemicals Manufacturing Company**

"Water scarcity in Maharashtra led to unfulfilled orders." **Real Estate Holding and Development Services Company**

With orders on an upward trend since the start of the year, companies faced higher backlogs this month. The indicator was up 4% on the month, just shy of the 50 breakeven mark at 49.1, the highest since December 2015. This was the 16th month in contraction as the last time companies reported higher backlogs, as represented by an indicator value above 50, was in November 2014. Companies expected to face higher pressure on backlogs in the next three months. This is possibly due to cutbacks in productive capacity and employment as firms lowered their expectations for new orders.

Orders - Future Expectations

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
New Orders	71.2	64.8	64.5	66.2	69.3	68.2	65.8
Export Orders	61.1	68.8	64.7	65.2	65.5	65.2	64.8
Order Backlogs	49.2	48.0	49.1	49.5	47.4	47.8	48.2

Output and Employment
Production Growth Slows

Fewer firms raised production, productive capacity or the size of their workforce given stable demand conditions and weaker prospects for domestic and overseas markets.

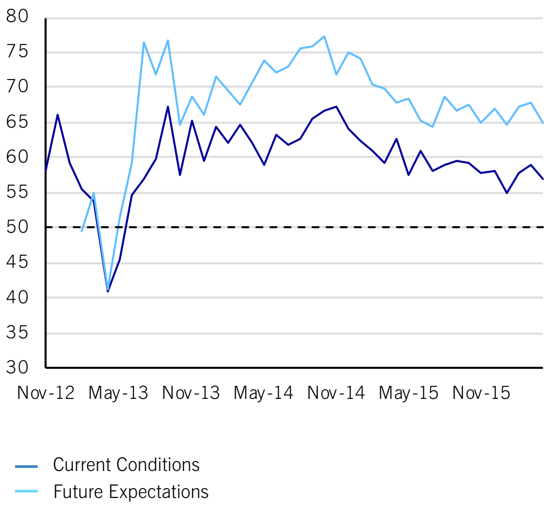
The Production Indicator fell to 57.0 in April from 59.1 in March, the lowest since January. Although the trend decline in production throughout 2015 seems to have been arrested, the Production Indicator is still 8.9% down on the year and 4.6% below the series average. The sluggishness in output has mirrored the consistently soft demand conditions over the past year, while growth of global demand for Indian goods has also been lacklustre.

This was accompanied by a less positive outlook for the coming three months as well, with the Future Expectations Indicator decreasing to 65.0 from 67.8 in March. Growth in production looks to be tempered with low expectations for demand in the coming three months.

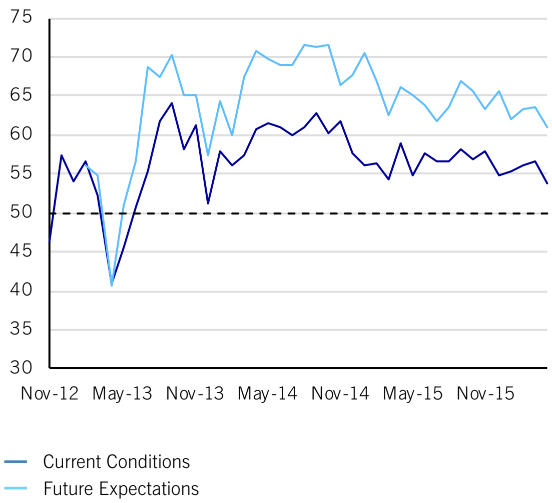
There was a sharp fall in output growth among firms in the construction sector, with sentiment falling to the lowest level on record. None of the companies raised production this month leading to a fall in the indicator below 50. Companies in the service sector, although still in the expansion phase, were less confident compared with last month. Manufacturing companies, in contrast, stepped up production.

Demand for labour remained unchanged, just hovering above the neutral level. Those who faced greater demand, added to their workforce, though there were reports of high costs of labour.

Production



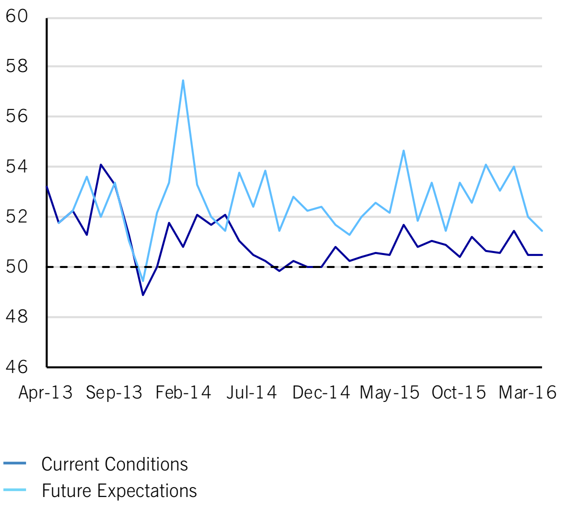
Productive Capacity



Output and Employment - Current Conditions

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Production	62.6	57.8	58.0	54.9	57.9	59.1	57.0
Productive Capacity	59.0	57.9	54.9	55.3	56.1	56.6	53.8
Employment	50.6	51.2	50.7	50.6	51.5	50.5	50.5

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

"Production is cut because there are no orders." **Industrial Machinery manufacturing company**

"One of our production plants which were shut down because of a technical error is now functioning." **Conventional Electricity Manufacturing Company**

"With higher production we need more number of employees." **Industrial Machinery manufacturing company**

"Labour cost is too high." **Speciality Finance Services Company**

Expectations for labour growth eased to the lowest since February 2015, with the indicator at 51.5.

Following growth over the last three consecutive months, Productive Capacity eased in April to 53.8 from 56.6 in March, the lowest December 2013. Expectations in the coming three months were no different with the indicator down 4.2% on the month to 60.9.

Output and Employment - Future Expectations

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Production	67.9	65.1	66.9	64.8	67.2	67.8	65.0
Productive Capacity	66.2	63.3	65.6	62.1	63.3	63.6	60.9
Employment	52.6	52.6	54.1	53.1	54.0	52.0	51.5

Prices
Price Pressures Ease

The impact of the recovery in global commodity prices, especially crude oil, on input prices was partly offset by the strength of the rupee in April.

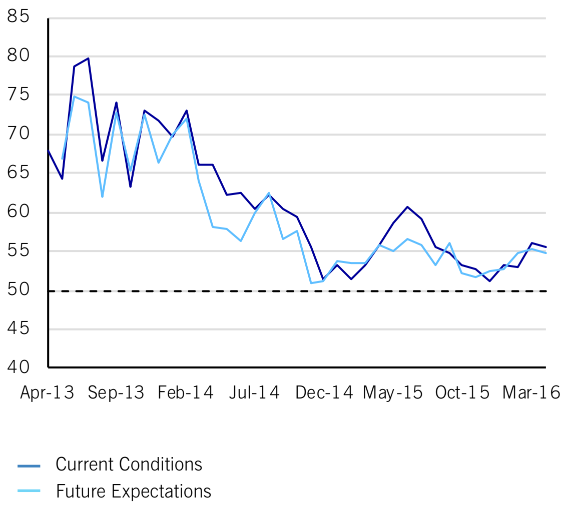
The Input Prices Indicator eased to 55.5 from 56.0 in March. With the indicator above the 50 level, more firms reported that they paid higher prices for inputs than those who paid lower. Since December, the indicator has grown 8.6% and was 1% above last year's average.

Fewer companies anticipated that input prices would rise in the coming three months, evidenced by a small fall in the Future Expectations Indicator. The indicator stood at 54.9 compared with 55.4 in March. While this was 7.6% below the series average, it was slightly above last year's average. The gradual rise in price expectations could add to the RBI's worries about meeting the inflation target of 5% in 2017.

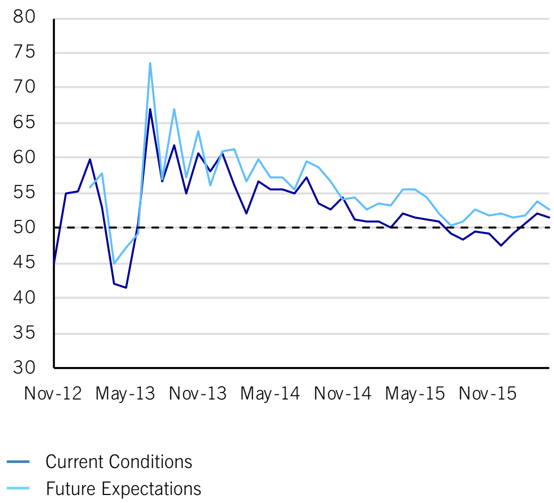
While official data shows that consumer price inflation has come down significantly since last summer, it eased to 4.8% in March from 5.3% in February, the lowest since September last year. Fuel inflation eased to 3.4% in March from 4.6% in February. On a three-month-on-three-month basis, it has been falling since the start of the year.

For the most part, firms have passed on any savings in input prices to consumers over the last year, evidenced by the tandem downward path of the Prices Received and Input Prices Indicators over 2015 and official data showing both consumer and producer price inflation in check during the same period. A new narrative has emerged in the early stages of 2016 though, with Prices Received

Input Prices



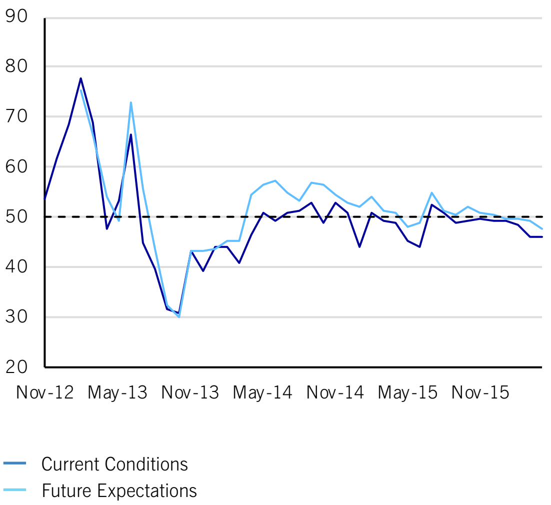
Prices Received



Prices - Current Conditions

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Input Prices	55.9	52.6	51.1	53.3	53.0	56.0	55.5
Prices Received	52.1	49.3	47.7	49.4	50.7	52.0	51.5
Exchange Rate	48.8	49.6	49.3	49.2	48.4	46.3	46.3

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

"Market is competitive; we have to lower our prices to get orders." **Aluminium manufacturing company**

"Steel prices have come down in the domestic and international market." **Auto parts manufacturing company**

entering expansionary territory in February. In April, though, with a slight fall in input prices, firms lowered prices charged as well for the first time in four months with the indicator falling to 51.5 from 52.0 in the previous month.

The Effect of the Rupee Exchange Rate Indicator was unchanged at 46.3 in April. The indicator has now been below the 50 breakeven level for eight months in a row, meaning that a greater portion of firms have reported that the exchange rate has hurt their operations compared with those it has helped. An examination of the performance of the rupee over this same period highlights the positive relationship between the rupee and business conditions. Throughout the survey's history, companies on our panel have consistently indicated that the upward effect on prices due to a fall in the value of the rupee outweighs any boost in export competiveness. The explanation here lies with the high dependence of Indian firms on foreign sources of raw materials, particularly oil. Complying with this, manufacturing firms have been the most pessimistic about the impact of the exchange rate in recent times compared with firms in the construction and service sectors.

Prices - Future Expectations

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Input Prices	55.7	51.8	52.5	52.6	54.7	55.4	54.9
Prices Received	55.6	51.9	52.2	51.6	51.8	53.9	52.7
Exchange Rate	51.1	51.1	50.5	49.7	49.6	49.4	47.8

Money and Credit
Credit Costs Decline

With cut in interest rates in April, firms faced lower costs of debt service and found credit more readily available. However, company balance sheets worsened in April as firms continued to reel under the pressure of high debt and low sales which has persisted for more than a year now.

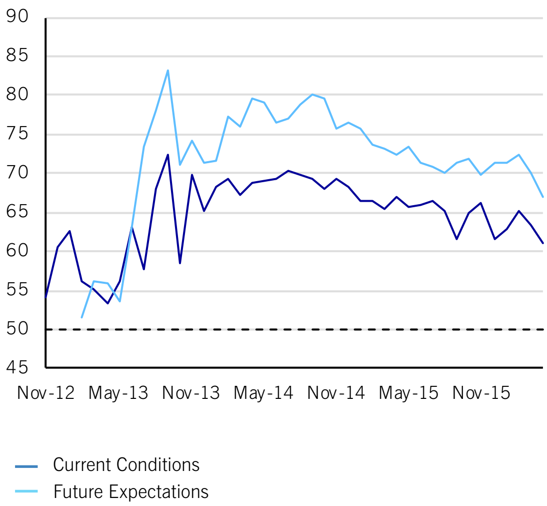
The cost of credit fell to the lowest level since January, with the Interest Rates Paid Indicator down 3.7% to 44.7 from 46.4 in March, its 16th consecutive month in contraction. In line with expectations, the RBI reduced the policy repo rate by 25 basis points to 6.5% in April. Inflation easing along its expected trajectory, the Central Government sticking to its fiscal deficit target as announced in the Union Budget for 2016-17, a reduction in commercial interest rates on small savings and expectations of a favourable monsoon, were some of the factors that prompted the Central Bank to ease rates. Policy has been loosened by 150 basis points over the last year.

Firms on our panel expected credit costs to ease further, with the Expectations Indicator for Interest Rates Paid down 9.1% on the month to 42.1.

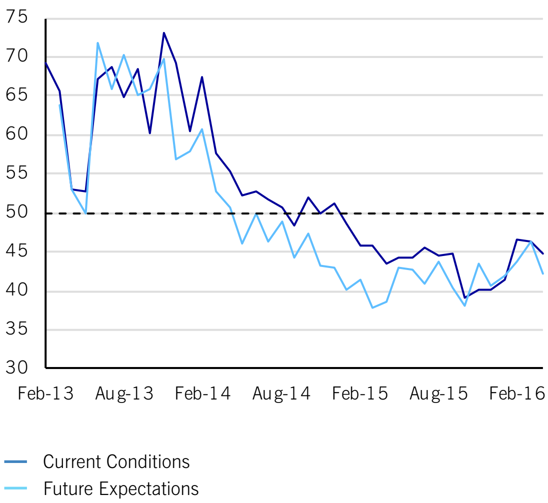
While interest rates were reported to be lower, the availability of credit improved in April. The Availability of Credit Indicator rose slightly to 56.2 from 55.7 in the previous month. Expectations for the future were however broadly stable, with Future Expectations for the Availability of Credit at 57.5 compared with 57.4 in March.

The Financial Position Indicator fell 3.6% to 61.0 in April from 63.3 in March with sentiment falling across board. The last year has been a tug-of-war between relatively loose credit conditions thanks to an easing

Financial Position



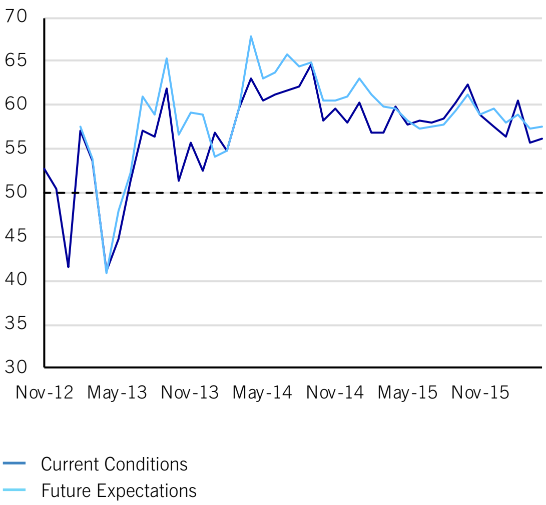
Interest Rates Paid



Money and Credit - Current Conditions

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Availability of Credit	59.9	58.8	57.6	56.3	60.6	55.7	56.2
Interest Rates Paid	43.6	40.1	40.1	41.5	46.5	46.4	44.7
Financial Position	67.0	66.1	61.5	62.9	65.1	63.3	61.0

Availability of Credit



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

"Credit is readily available." **Building Materials and Fixtures Manufacturing Company**

"We are repaying our loans on time." **Iron and steel manufacturing company**

"Banks have reduced their interest rates." **Clothing and accessories manufacturing company**

"Banks are keen to lend at lower interest rates." **Alternate electricity manufacturing company**

"We are getting loans from a foreign country at lower interest rate." **Food products manufacturing company**

bias from the RBI, and waning sales and output. The result has been a range-bound Financial Position Indicator and even though the last few months have been volatile, the latest outturn was below the series average of 64.6.

Companies' expectations for their future finances have followed a trend similar to that of their current financial position but have remained higher in level terms. In April, the Expectations Indicator fell 4.3% to 67.1 from 70.1 in the previous month, the lowest since June 2013.

Money and Credit - Future Expectations

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Availability of Credit	59.7	58.8	59.5	58.1	59.0	57.4	57.5
Interest Rates Paid	38.5	43.4	40.6	41.9	43.8	46.3	42.1
Financial Position	72.4	69.7	71.4	71.3	72.3	70.1	67.1

Logistics
Stock Building Highest in 2016

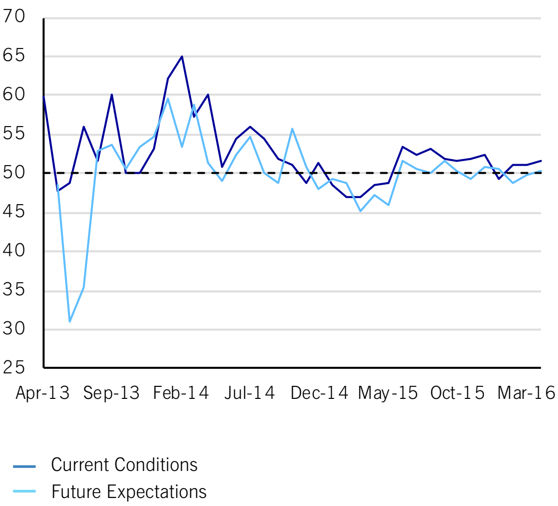
The pace of inventory building picked up from last month while suppliers took less time to deliver key inputs in April.

The Inventories Indicator climbed to 51.7 after remaining unchanged at 51.1 in the previous month. It is now 6.4% up on the year and 2.3% above the average of last year. The build-up of stockpiles came despite the outsized fall in Production compared with New Orders over the month, suggesting that demand has continued to come in below forecast.

The weak profile of expected demand, as canvassed by the 3.5% fall in the Future Expectations for New Orders Indicator, left more firms expecting that their inventory would increase in the coming three months. The Expectations Indicator for Inventories rose above the breakeven level for the first time in three months to 50.2 from 49.8 in March. In spite of the increase a significant majority of companies, at 84.8%, expected their inventory level to remain unchanged.

Suppliers of key inputs took less time to deliver orders from last month in April, leaving the Supplier Delivery Indicator at the lowest since February. Supplier Deliveries fell 1.4% to 50.8 from 51.5 in March. The indicator has hovered around the 50-level for more than a year though, suggesting that most companies are operating well within capacity. Our panel anticipated that delivery times would continue to contract in the next three months, with the Expectations Indicator at 49.6, the fifth month in contraction.

Inventories



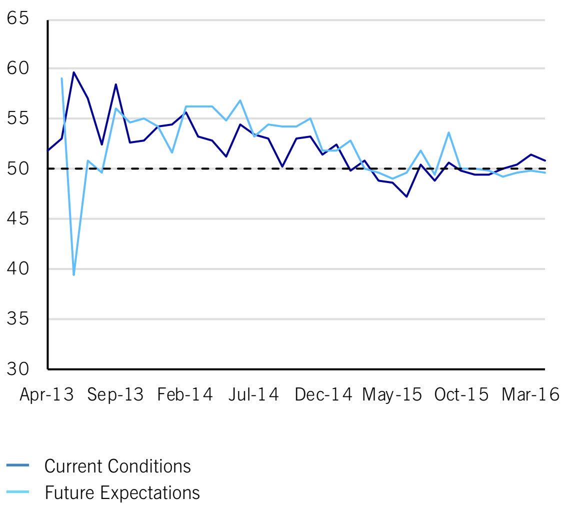
"Slack season is affecting deliveries." **General Mining Company**

"We have to deliver orders on time so we need enough stocks." **Non-durable household products manufacturing company**

Logistics - Current Conditions

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Inventories	48.6	51.9	52.5	49.3	51.1	51.1	51.7
Supplier Deliveries	48.9	49.5	49.5	50.0	50.4	51.5	50.8

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

"Lower availability of raw materials is hampering supplier's delivery times." **Food products manufacturing company**

"We are stocking products to meet market demand." **Containers and packaging manufacturing company**

"Stocks have increased as demand is less." **Clothing and accessories manufacturing company**

Logistics - Future Expectations

	Apr-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Inventories	47.2	49.2	50.8	50.7	48.7	49.8	50.2
Supplier Deliveries	49.6	50.0	49.8	49.3	49.6	49.8	49.6

What the Panel Said

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

“In this quarter orders are lower.” **Software services company**

“There is slow down in the general economy.” **Speciality Finance Services Company**

“Credit is readily available.” **Building Materials and Fixtures Manufacturing Company**

“We are repaying our loans on time.” **Iron and steel manufacturing company**

“Banks have reduced their interest rates.” **Clothing and accessories manufacturing company**

“Commodity prices have come down.” **Heavy Construction Company**

“Market is competitive; we have to lower our prices to get orders.” **Aluminium manufacturing company**

“Steel prices have come down in the domestic and international market.” **Auto parts manufacturing company**

“As we are in financial services, our cost of borrowing has come down, so input prices are also on the lower side.” **Speciality Finance Services Company**

“We are charging lower prices because this is not a peek season for us.” **Real Estate Holding and Development Services Company**

“Cement prices have decreased.” H**eavy Construction Company**

“Import cost has gone up.” **Iron and steel manufacturing company**

“Aluminium price has decreased.” **Electrical Components and equipment manufacturing company**

“Prices charged are lower due to competition and lack of demand.” **Non-ferrous metal manufacturing company**

“Competition is high; we have to offer competitive prices.” **Speciality Chemicals Manufacturing Company**

“Prices charged are lower because of both the exchange rate and poor recoveries.” **Speciality Finance Services Company**

“Banks are keen to lend at lower interest rates.” **Alternate electricity manufacturing company**

“We are getting loans from a foreign country at lower interest rate.” **Food products manufacturing company**

“We are debt free company, our balance sheet is strong.” **Pharmaceuticals manufacturing company**

“Non productive assets are increasing.” **Iron and steel manufacturing company**

“Profits are not there because of lack of orders.” **Industrial machinery manufacturing company**

“The RBI has reduced interest rates.” **Heavy Construction Company**

“We have made losses in the last quarter.” **Auto parts manufacturing company**

“Production is cut because there are no orders.” **Industrial Machinery manufacturing company**

“One of our production plants which were shut down because of a technical error is now functioning.” **Conventional Electricity Manufacturing Company**

“With higher production we need more number of employees.” **Industrial Machinery manufacturing company**

“Labour cost is too high.” **Speciality Finance Services Company**

“There is slow down in manufacturing sector.” **Industrial Machinery manufacturing company**

“We need to appoint new employees because of the increased work pressure.” **Speciality Finance Services Company**

Data tables

Historical Summary

	2015									2016			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
MNI India Business Indicator													
Current Conditions	63.9	62.3	67.1	65.3	62.3	61.4	62.3	60.9	60.7	61.8	63.5	62.7	62.4
Future Expectations	72.6	74.2	73.6	74.5	73.7	71.1	75.1	72.2	74.3	71.6	73.8	71.9	69.6
Production													
Current Conditions	62.6	57.5	61.1	58.1	59.1	59.7	59.4	57.8	58.0	54.9	57.9	59.1	57.0
Future Expectations	67.9	68.4	65.4	64.5	68.7	66.8	67.7	65.1	66.9	64.8	67.2	67.8	65.0
New Orders													
Current Conditions	61.4	57.1	61.8	60.9	60.8	59.7	57.5	57.4	55.6	58.2	60.7	58.4	58.8
Future Expectations	71.2	69.4	67.6	66.7	67.6	68.9	67.6	64.8	64.5	66.2	69.3	68.2	65.8
Export Orders													
Current Conditions	56.8	53.6	60.7	56.9	59.7	57.1	53.0	55.8	59.2	54.6	56.9	55.5	55.6
Future Expectations	61.1	63.1	64.5	63.5	65.5	62.2	61.5	68.8	64.7	65.2	65.5	65.2	64.8
Productive Capacity													
Current Conditions	59.0	54.7	57.7	56.7	56.5	58.1	56.8	57.9	54.9	55.3	56.1	56.6	53.8
Future Expectations	66.2	65.0	63.9	61.8	63.6	67.0	65.6	63.3	65.6	62.1	63.3	63.6	60.9
Order Backlogs													
Current Conditions	45.9	46.5	48.2	48.5	49.0	46.9	46.2	46.1	49.3	47.6	47.7	47.2	49.1
Future Expectations	49.2	46.2	47.0	49.4	46.3	46.6	46.9	48.0	49.1	49.5	47.4	47.8	48.2
Employment													
Current Conditions	50.6	50.5	51.7	50.8	51.1	50.9	50.4	51.2	50.7	50.6	51.5	50.5	50.5
Future Expectations	52.6	52.2	54.7	51.9	53.4	51.5	53.4	52.6	54.1	53.1	54.0	52.0	51.5
Inventories													
Current Conditions	48.6	48.7	53.5	52.4	53.1	51.9	51.5	51.9	52.5	49.3	51.1	51.1	51.7
Future Expectations	47.2	45.9	51.7	50.7	50.0	51.7	50.2	49.2	50.8	50.7	48.7	49.8	50.2
Input Prices													
Current Conditions	55.9	58.6	60.6	59.2	55.6	54.9	53.2	52.6	51.1	53.3	53.0	56.0	55.5
Future Expectations	55.7	55.0	56.6	55.7	53.2	56.1	52.1	51.8	52.5	52.6	54.7	55.4	54.9
Prices Received													
Current Conditions	52.1	51.5	51.3	51.1	49.3	48.3	49.7	49.3	47.7	49.4	50.7	52.0	51.5
Future Expectations	55.6	55.5	54.3	52.0	50.5	51.1	52.8	51.9	52.2	51.6	51.8	53.9	52.7
Financial Position													
Current Conditions	67.0	65.8	66.0	66.4	65.2	61.7	64.8	66.1	61.5	62.9	65.1	63.3	61.0
Future Expectations	72.4	73.5	71.4	70.9	70.1	71.3	71.8	69.7	71.4	71.3	72.3	70.1	67.1
Interest Rates Paid													
Current Conditions	43.6	44.2	44.2	45.5	44.4	44.7	39.2	40.1	40.1	41.5	46.5	46.4	44.7
Future Expectations	38.5	43.1	42.7	40.8	43.8	40.5	38.1	43.4	40.6	41.9	43.8	46.3	42.1
Effect of Rupee Exchange Rate													
Current Conditions	48.8	45.2	44.3	52.4	51.1	49.0	49.3	49.6	49.3	49.2	48.4	46.3	46.3
Future Expectations	51.1	48.3	48.8	55.0	51.3	50.5	52.2	51.1	50.5	49.7	49.6	49.4	47.8
Supplier Delivery Times													
Current Conditions	48.9	48.6	47.3	50.4	48.8	50.7	49.8	49.5	49.5	50.0	50.4	51.5	50.8
Future Expectations	49.6	49.0	49.6	51.9	49.4	53.6	50.0	50.0	49.8	49.3	49.6	49.8	49.6
Availability of Credit													
Current Conditions	59.9	57.7	58.3	58.0	58.4	60.3	62.4	58.8	57.6	56.3	60.6	55.7	56.2
Future Expectations	59.7	58.2	57.2	57.6	57.8	59.4	61.2	58.8	59.5	58.1	59.0	57.4	57.5

Historical Records

	2012 - Current			
	Minimum	Maximum	Mean	Median
MNI India Business Indicator				
Current Conditions	47.5	71.2	62.3	62.6
Future Expectations	49.7	82.4	71.9	73.7
Production				
Current Conditions	41.0	67.3	59.8	59.6
Future Expectations	41.3	77.3	67.6	68.4
New Orders				
Current Conditions	39.7	69.1	59.2	60.7
Future Expectations	40.4	78.6	68.3	69.3
Export Orders				
Current Conditions	41.3	67.4	57.6	57.1
Future Expectations	45.2	76.1	65.2	65.2
Productive Capacity				
Current Conditions	41.0	64.0	56.5	56.8
Future Expectations	40.7	71.4	64.2	65.2
Order Backlogs				
Current Conditions	35.6	59.3	48.6	48.5
Future Expectations	32.8	59.6	48.6	49.0
Employment				
Current Conditions	48.9	54.1	51.1	50.8
Future Expectations	49.5	57.5	52.6	52.4
Inventories				
Current Conditions	46.9	64.9	52.7	51.7
Future Expectations	31.0	59.5	50.1	50.5
Input Prices				
Current Conditions	51.1	79.6	61.2	60.4
Future Expectations	50.9	74.9	59.4	56.4
Prices Received				
Current Conditions	41.5	67.1	53.1	52.2
Future Expectations	45.1	73.7	55.6	55.5
Financial Position				
Current Conditions	53.4	72.3	64.6	65.9
Future Expectations	51.6	83.3	71.9	72.4
Interest Rates Paid				
Current Conditions	39.2	73.2	53.0	51.1
Future Expectations	37.7	71.7	49.7	46.2
Effect of Rupee Exchange Rate				
Current Conditions	30.9	77.8	49.7	49.2
Future Expectations	30.1	75.5	51.6	51.3
Supplier Delivery Times				
Current Conditions	47.3	59.6	52.1	51.9
Future Expectations	39.5	59.0	52.2	51.9
Availability of Credit				
Current Conditions	41.1	64.6	56.7	57.7
Future Expectations	40.9	67.8	58.9	59.2

Historical Records - Quarterly

	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Quarterly Change	Quarterly % Change
MNI India Business Indicator							
Current Conditions	64.5	64.4	63.0	61.3	62.7	1.4	2.3%
Future Expectations	75.4	73.5	73.1	73.9	72.4	-1.5	-2.0%
Production							
Current Conditions	60.9	60.4	59.0	58.4	57.3	-1.1	-1.9%
Future Expectations	71.4	67.2	66.7	66.6	66.6	0.0	0.0%
New Orders							
Current Conditions	60.0	60.1	60.5	56.8	59.1	2.3	4.0%
Future Expectations	71.1	69.4	67.7	65.6	67.9	2.3	3.5%
Export Orders							
Current Conditions	56.8	57.0	57.9	56.0	55.7	-0.3	-0.5%
Future Expectations	67.7	62.9	63.7	65.0	65.3	0.3	0.5%
Productive Capacity							
Current Conditions	55.6	57.1	57.1	56.5	56.0	-0.5	-0.9%
Future Expectations	66.6	65.0	64.1	64.8	63.0	-1.8	-2.8%
Order Backlogs							
Current Conditions	48.3	46.9	48.1	47.2	47.5	0.3	0.6%
Future Expectations	50.3	47.5	47.4	48.0	48.2	0.2	0.4%
Employment							
Current Conditions	50.5	50.9	50.9	50.8	50.9	0.1	0.2%
Future Expectations	51.7	53.2	52.3	53.4	53.0	-0.4	-0.7%
Inventories							
Current Conditions	47.5	50.3	52.5	52.0	50.5	-1.5	-2.9%
Future Expectations	47.7	48.3	50.8	50.1	49.7	-0.4	-0.8%
Input Prices							
Current Conditions	52.6	58.4	56.6	52.3	54.1	1.8	3.4%
Future Expectations	53.6	55.8	55.0	52.1	54.2	2.1	4.0%
Prices Received							
Current Conditions	50.8	51.6	49.6	48.9	50.7	1.8	3.7%
Future Expectations	53.2	55.1	51.2	52.3	52.4	0.1	0.2%
Financial Position							
Current Conditions	66.1	66.3	64.4	64.1	63.8	-0.3	-0.5%
Future Expectations	74.2	72.4	70.8	71.0	71.2	0.2	0.3%
Interest Rates Paid							
Current Conditions	46.8	44.0	44.9	39.8	44.8	5.0	12.6%
Future Expectations	39.8	41.4	41.7	40.7	44.0	3.3	8.1%
Effect of Rupee Exchange Rate							
Current Conditions	48.1	46.1	50.8	49.4	48.0	-1.4	-2.8%
Future Expectations	52.6	49.4	52.3	51.3	49.6	-1.7	-3.3%
Supplier Delivery Times							
Current Conditions	51.0	48.3	50.0	49.6	50.6	1.0	2.0%
Future Expectations	51.6	49.4	51.6	49.9	49.6	-0.3	-0.6%
Availability of Credit							
Current Conditions	58.0	58.6	58.9	59.6	57.5	-2.1	-3.5%
Future Expectations	61.3	58.4	58.3	59.8	58.2	-1.6	-2.7%

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