DEUTSCHE BÖRSE GROUP

MNI India Business Report
September 2014

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). More than 300 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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MNI India Business Report - September 2014

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Welcome to Our New Look

We've redesigned the report to incorporate new sector information and to provide a richer analysis of the data.

We've redesigned the MNI India Business Report this month to incorporate new sector information and to provide a richer analysis of the data.

Since the India Business Survey was started in November 2012, we've surveyed hundreds of companies each month on the Bombay Stock Exchange to gauge their opinion on a range of key business metrics. In order to provide readers with more granular data, we're currently in the process of increasing the sample size, which will allow us to publish data on broad economic sectors such as services and manufacturing. We'll also be able to provide a more detailed breakdown by equity sectors to give users insight into how different industries are performing every month.

As a first step towards sharing the new sector data, from September we're publishing some limited data on the services and manufacturing sectors. Users will be able to see whether each sector is in expansion or contraction and which direction they've moved compared with the previous month.

In order to present the data and our analysis better we've also grouped the indicators together into sections. Our aim is to provide a more rounded, concise and insightful analysis of the data each month.

We hope you enjoy the new format and look forward to receiving your feedback.

Philip Uglow
Chief Economist
MNI Indicators

Happy Work Anniversary

This September marks the end of Raghuram Rajan's first year as the Reserve Bank of India's governor where he has introduced many initiatives that have had a positive impact on the Indian economy.

This September marks the end of Raghuram Rajan's first year as the Reserve Bank of India's governor. Heading any country's central bank is no easy task, let alone for a large emerging economy, although the expectations placed upon his shoulders were perhaps the heaviest burden of all. Having predicted the 2008 financial crisis as the Chief Economist of the IMF, Raghuram Rajan was cheered into office as the saviour of India which was in economic turmoil.

Governor Rajan has not been afraid to take bold steps and try novel and innovative ideas to reinvigorate the economy and has been ultimately successful in stabilising the weak monetary situation. His hawkish stance, indicated by three rate increases in just six months, ensured that spiralling retail inflation was brought under control. Moreover, he has revised the monetary policy framework and transitioned the inflation target to the consumer prices index, thereby further reinforcing the reformist agenda of the central bank.

These bold measures were successful in driving down consumer price inflation from double digit growth to the near-term target of 8% and he remains confident that he will achieve the 6% target set for January 2016. Moreover, the moderation in inflation has recently been accompanied by a rebound in economic growth, with the economy expanding by 5.7% in the March-June quarter over the previous year, the fastest rate in two years. As price pressures ease, he has also shown consideration to the automobile and consumer durable sectors by lowering the statutory liquidity ratio and encouraging greater credit availability by providing additional capital to banks.

India is now better prepared to withstand the impact of external shocks, such as a hike in US interest rates, as foreign funds are less likely to abandon the country following signs of an upturn in economic growth and the improved external position. Curbs on gold imports have helped dramatically narrow the current account deficit to $32.4 billion in the fiscal year that ended in March from $87.8 billion a year earlier. India has also built up its foreign exchange reserves, partly due to a new facility encouraging commercial banks to ramp up their overseas deposits to a magnitude of $34 billion, while strengthening global demand has boosted Indian exports.

In his first year, governor Rajan has brought in several other key changes, such as granting additional freedom to banks when setting up new branches, and has paved the way for differentiated bank licences. The governor's next big challenge is to restore the health of public sector banks, which have suffered from a sharp rise in bad asset quality. The second is the Pradhan Mantri Jan Dhan Yojana, which aims to open 75 million accounts in five months.

In his short time at the RBI, Raghuram Rajan has introduced many initiatives that have had a positive impact on the economy and has received a great deal of support from capital markets. Although governor Rajan still has a long way to go in achieving a complete economic turnaround and securing financial stability, his first year has been nothing short of a timely miracle desperately needed by India. Happy first anniversary Mr Rajan!

Shaily Mittal
Economist
MNI Indicators

Executive Summary

Confidence at India's largest companies hit a record high in September, as firms reported an easing in inflationary pressures and improved credit availability.

Confidence at India's largest companies hit a record high in September, as firms reported an easing in inflationary pressures and improved credit availability.

The MNI India Business Indicator, calculated from responses from BSE listed companies, rose by 2.8 points to 71.2 in September from 68.4 in August. Part of the latest increase was due to the upcoming festival period, although the government's plans to invest more in infrastructure were behind a pick-up in sentiment at construction firms.

Recent Indian economic data has been mixed. Car sales rose by the highest in a year in August as sentiment built up towards festival season and an extension of tax breaks on cars. But disappointingly, industrial production growth slowed to a four month low in July and manufacturing contracted following three months of growth. This raises questions about whether the heathier GDP growth of 5.7% seen in the April-June quarter will be maintained. Consumer price inflation in August remained below the RBI's target for the third month and wholesale price inflation eased to a five year low. In spite of the further easing in prices pressures the current stance of monetary policy is likely to remain unchanged at the next monetary policy meeting on September 30.

Production increased to the highest in a year, driven by greater demand during the festival season which starts next month. New Orders eased slightly, though, and both measures have not mirrored the near 20% improvement seen in overall sentiment over the past year. With companies facing fewer new orders, they used the opportunity to focus on reducing their backlogs in September.

An increasing number of companies reported that they were running down their existing level of stocks to meet increased demand over the festival period, while shorter delivery times potentially point to weaker demand this year compared with last.

In spite of the pick-up in output and the wider rise in sentiment, this has not yet translated through to an improvement in the labour market, with the Employment Indicator falling to a 10-month low in September. Moreover, companies did not foresee any improvement in the job market in the coming three months.

Even though construction companies reported a greater increase in production levels than both manufacturing and services sector companies, they were the most pessimistic about the labour market. Companies across the three sectors were generally less optimistic about employment in the next three months as well, with only a small proportion reporting that they would need more workers to meet future demand.

The disinflationary trend evident in the survey over the past year continued in September and is likely to have supported the overall improvement in business sentiment this month. The latest fall suggests we'll see further easing in the official inflation data.

Many companies reported that banks were lending at increasingly competitive rates and that credit was easier to come by. The Availability of Credit indicator rose to a series high, helped by the recent cuts in the statutory liquidity ratio by the RBI.

For the first time since the start of the survey, companies reported that the rate of interest paid by them fell, with the decline in the Interest Rates Paid Indicator tallying well with the Treasury Bill's yield which has fallen by 342 basis points in August compared with a year earlier.

Overview

	Jul-14	Aug-14	Sep-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI India Business Indicator								
Current Conditions	70.0	68.4	71.2	series high	-	69.9	2.8	4.1%
Future Expectations	78.6	80.3	82.4	series high	-	80.4	2.1	2.6%
Production								
Current Conditions	61.8	62.7	65.7	Sep-13	-	63.4	3.0	4.8%
Future Expectations	72.9	75.5	75.8	Sep-13	-	74.7	0.3	0.4%
New Orders								
Current Conditions	63.4	65.3	64.3	-	Jul-14	64.3	-1.0	-1.5%
Future Expectations	75.7	75.6	76.4	Jun-14	-	75.9	0.8	1.1%
Export Orders								
Current Conditions	61.7	64.3	63.8	-	Jul-14	63.3	-0.5	-0.8%
Future Expectations	73.6	76.1	70.5	-	May-14	73.4	-5.6	-7.4%
Productive Capacity								
Current Conditions	59.9	60.9	62.8	Sep-13	-	61.2	1.9	3.1%
Future Expectations	68.9	71.4	71.3	-	Jul-14	70.5	-0.1	-0.1%
Order Backlogs								
Current Conditions	47.4	54.0	50.0	-	Jul-14	50.5	-4.0	-7.4%
Future Expectations	52.0	55.2	51.5	-	Feb-14	52.9	-3.7	-6.7%
Employment								
Current Conditions	50.5	50.3	49.9	-	Nov-13	50.2	-0.4	-0.8%
Future Expectations	52.4	53.9	51.5	-	Nov-13	52.6	-2.4	-4.5%
Inventories								
Current Conditions	55.9	54.5	51.8	-	May-14	54.1	-2.7	-5.0%
Future Expectations	54.8	50.0	48.8	-	Jul-13	51.2	-1.2	-2.4%
Input Prices								
Current Conditions	60.4	62.2	60.4	-	series low	61.0	-1.8	-2.9%
Future Expectations	59.8	62.4	56.7	-	Jun-14	59.6	-5.7	-9.1%
Prices Received								
Current Conditions	54.9	57.3	53.6	-	Mar-14	55.3	-3.7	-6.5%
Future Expectations	55.5	59.6	58.6	-	Jul-14	57.9	-1.0	-1.7%
Financial Position								
Current Conditions	70.3	69.8	69.2	-	May-14	69.8	-0.6	-0.9%
Future Expectations	76.9	78.8	80.2	Sep-13	-	78.6	1.4	1.8%
Interest Rates Paid								
Current Conditions	51.8	50.8	48.5	-	series low	50.4	-2.3	-4.5%
Future Expectations	46.4	48.9	44.2	-	series low	46.5	-4.7	-9.6%
Effect of Rupee Exchange Rate								
Current Conditions	51.1	51.2	53.0	Jun-13	-	51.8	1.8	3.5%
Future Expectations	55.1	53.3	56.8	Jun-14	-	55.1	3.5	6.6%
Supplier Delivery Times								
Current Conditions	53.5	53.1	50.2	-	series low	52.3	-2.9	-5.5%
Future Expectations	53.3	54.5	54.3	-	Jul-14	54.0	-0.2	-0.4%
Availability of Credit								
Current Conditions	61.7	62.1	64.6	series high	-	62.8	2.5	4.0%
Future Expectations	65.8	64.5	64.8	Jul-14	-	65.0	0.3	0.5%

Industrial production growth slowed to a four month low in July...

...and manufacturing contracted following three months of growth.

Economic Landscape

After courting most of India in the elections, it seems Narendra Modi is now out to charm the rest of the world by securing deals worth billions of dollars to the Indian economy.

After courting most of India in the elections, it seems Narendra Modi is now out to charm the rest of the world by securing deals worth billions of dollars to the Indian economy. First, he secured deals worth $33.8 billion over the next five years with the Japanese Prime Minister Shinzō Abe following a trade visit to Japan. Included in the commitments are funding for infrastructure projects, smart cities, rejuvenation of the Ganges river and the introduction of bullet trains. A few days later Modi managed to convince Australian Prime Minister Tony Abbott to overturn a uranium exports ban to India after signing a nuclear safeguards agreement that it will only be used to produce energy and not nuclear weapons. If that wasn't enough, Chinese Premier Xi Jinping's visit to India this week has already attracted over $20 billion worth of investment to the Indian economy.

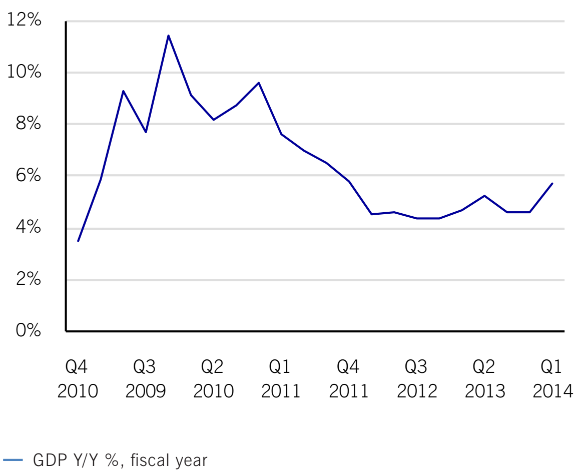
Recent Indian economic data has been mixed. Car sales rose by the most in a year in August as sentiment built up towards the festival season and an extension of tax breaks on cars. But disappointingly, industrial production growth slowed to a four month low in July and manufacturing contracted following three months of growth. This raises questions about whether the heathier GDP performance seen in the April-June quarter will be maintained. Consumer price inflation in August remained below the RBI's target for the third month and wholesale price inflation eased to a five year low. In spite of the further easing in price pressures the current stance of monetary policy is likely to remain unchanged at the next monetary policy meeting on September 30.

Economy grows at fastest pace in two years

The first GDP figures released since the election of Modi's pro-business BJP revealed that the economy expanded at the quickest rate in two years. Nevertheless, the government cannot take all of the credit for the buoyant figures having only been elected towards the end of May. The economy grew by 5.7% on the year in the three months to June, up from 4.6% in the previous quarter. Moreover, it was significantly above the 4.4% recorded a year earlier, which at the time was the worst growth in four years.

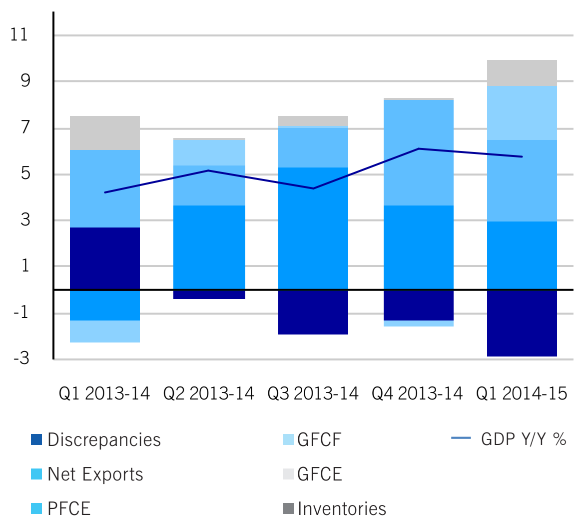
Data on an output basis showed that growth in the three months to June was boosted by a rebound in industrial production following two consecutive quarters of negative growth. The bounce back was primarily due to favourable base effects in manufacturing which grew by 3.5% on the year compared with a contraction of 1.4% in the previous quarter and mining which grew by 2.1% on the year compared with a contraction of 0.4% previously. In contrast, growth in agriculture slowed to 3.8% on the year, compared with 6.3% in the previous quarter and 4% in the same quarter a year earlier. Output in the service sector rose by 6.8% on the year,

Economic Growth



Source: Central Statistical Organisation, India

Contribution to Economic Growth

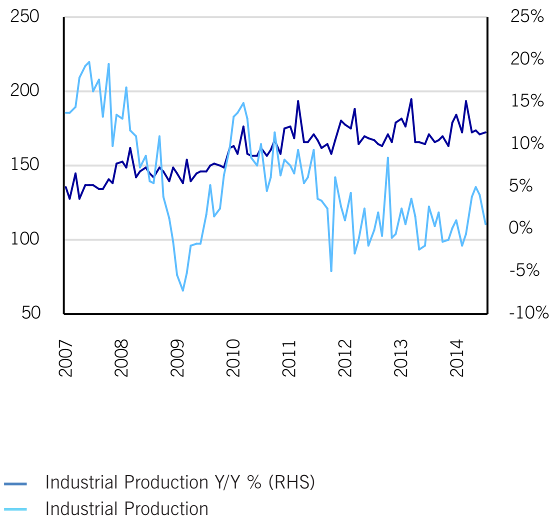


Source: Central Statistical Organisation, India slightly up from 6.4% although down from the 7.2% increase seen in the April-June quarter a year ago.

On an expenditure basis, investment spending contributed 2.3 percentage points to GDP growth in the latest quarter, the highest addition since the Jan-Mar quarter of 2013. Personal consumption added 3.5 percentage points, down from 4.6 in the previous quarter, while net exports contributed 3.0 points down from 3.7 previously.

The Ministry of Statistics recently announced that it will recalibrate the way it measures India's GDP to reflect informal and under-represented economic sectors. GDP data is presently based at 2003-04 prices and it will be rebased to 2011-12 prices and is expected to be released by early 2015, which could potentially result in an upward revision of historical growth estimates.

Industrial Production



Source: Central Statistical Organisation, India

RBI Industrial Outlook improves

The RBI's Industrial Outlook Survey showed that the Business Expectation Index (BEI), a gauge of manufacturing business sentiment, improved in the quarter ending June to 114.7 from 111.1 in the quarter ending March and 112.7 in the quarter ending June a year earlier, the highest since the quarter ending December 2012.

The improvement in the BEI was due to improved optimism in the overall business situation, production, order books, capacity utilisation, imports, exports, coupled with the reduced pessimism on cost of finance, cost of raw materials and the profit margin.

RBI Consumer Confidence improves

The RBI's Consumer Confidence survey showed that consumers were a little more optimistic, with the Current Situation Index increasing slightly to just above the 100 threshold that separates optimists from pessimists. In the quarter ending June, the Current Situation Index improved to 100.4 from 99.9 in the quarter ending March, although it was below the 101.7 recorded in the quarter ending June a year earlier.

Consumers were significantly more optimistic about the future with the Future Expectations Index rising to a series high of 122.9 from 114.9 in the previous quarter. There were successive improvements in income expectations over the last four quarters as more than 60% of the respondents expected increased income 12 months ahead and showed a greater willingness to spend on big ticket items.

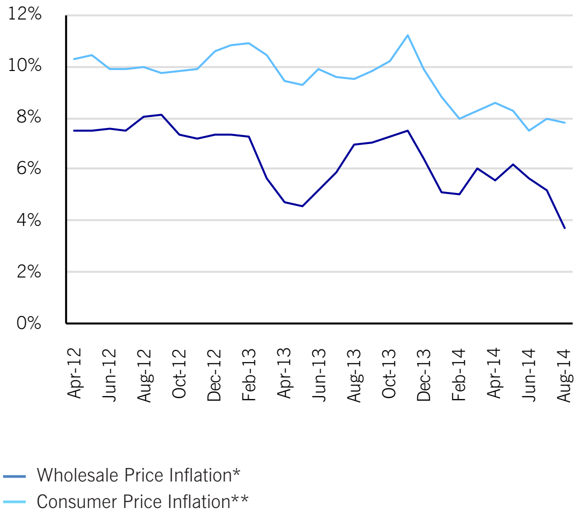
Industrial output weakens in July

Industrial production growth slowed to the weakest in four months in July to just 0.5% on the year from a revised 3.9% in June. The cumulative growth for the period April-July 2014-15 over the corresponding period of the previous year stood at 3.3%, below 4.2% growth in the April-June period.

The severity of the slowdown was a result of a 1% contraction on the year in manufacturing, which contributes about 75% to industrial output. This reversed three consecutive months of growth and was markedly below the downwardly revised 2.5% in the previous month. Twelve out of the 22 industry groups within the manufacturing sector expanded in July, led by a 17.1% rise in 'Other transport equipment'. In contrast, the industry group 'Radio, TV and communication equipment & apparatus' showed the highest negative growth for the third consecutive month of 58.3%, followed by a 26% decline in 'Office, accounting & computing machinery'.

Mining output grew for the ninth month in a row by 2.1% in July compared with an upwardly revised 4.5%

Inflation



Source: *Office of the Economic Advisor, India, **MOSPI

growth in June. Following a sudden contraction in June, output of consumer durables, a measure of consumer demand, rose slightly in July but was still down by 20.9% on the year compared with a 23.4% contraction on the year in June. Capital goods output, a proxy for investment, fell by 3.8% on the year following growth of 23.3% last month, the fastest growth in three years owing to low base effects.

Inflation eases in August

Consumer prices, which the Reserve Bank of India now targets, rose by 7.8% in August compared with 7.96% in July, marking the third month it has been below the RBI's inflation target of 8% to be achieved by January 2015.

Food price inflation, which makes up almost half of the basket, slowed slightly to 9.16% from 9.36% in the previous month with fruit and vegetable prices rising by 24% and 15% respectively on the month. Core CPI inflation, which excludes food and energy, slowed to 6.89% on the year, the first time it has been below 7% since the series began. Improved monsoon rains and a greater level of sowing should help to ease some pressure on food prices in the months ahead, although there are risks to the upside with the possibility of the RBI keeping the policy rate unchanged to hit its inflation target. The government plans to bring down inflation by tackling supply constraints and creating cold storages and warehouses to prevent food spoilage, although this will do little to tackle price pressures in the short-term.

Wholesale price inflation, which the RBI used to focus on, eased to the lowest in almost five years, to 3.7% in August from 5.2% in July.

Repo rate at 8%

Businesses hoping for a rate cut at the next monetary policy meeting on September 30 are likely to be disappointed, with Governor Rajan recently ruling out any rate cuts until inflation has fallen across the board. He did, though, note that the slight slowdown in prices was consistent with the RBI's forecast. While he welcomed the improvement in recent economic data, he urged caution stating that "we still have some way to go before we can declare that we are out of the woods".

The RBI left the key policy rate at 8% at its monetary policy meeting on August 5, unchanged since January. Governor Rajan has reiterated the bank's commitment to fighting inflation which is intended to keep the economy on a disinflationary glide path with inflation projected to 6% by January 2016.

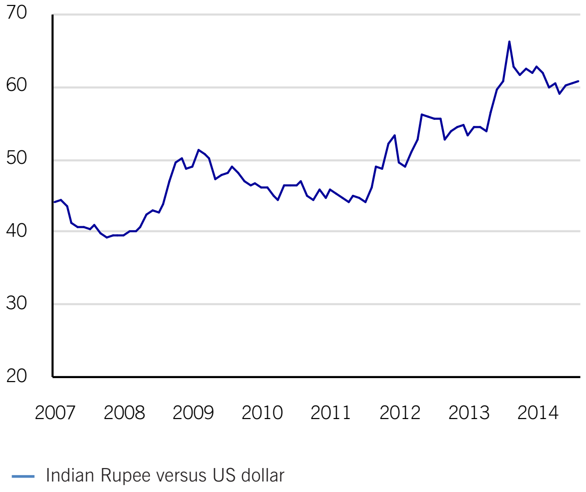
In its last meeting, the RBI took steps to boost liquidity, reducing the mandatory amount of bonds lenders must keep with the central bank - called the statutory liquidity ratio - by a further 50 basis points to 22% of deposits.

Lower fiscal budget deficit

In the April-June quarter, the government budget deficit stood at Rs. 2.98 trillion, compared with Rs. 2.63 trillion last year, 56.1% of the government's fiscal year target. Government receipts totalled Rs. 1.16 trillion, lower than Rs. 1.19 a year earlier, of which net tax receipts were Rs. 0.99 trillion, lower than Rs. 1.02 trillion last year. Total expenditure was Rs. 4.14 trillion compared with Rs. 3.82 trillion a year earlier. The government's fiscal deficit was undoubtedly weak at the start of Q2 (July-September, fiscal year) at Rs. 270 billion compared with Rs. 778 billion in July a year earlier. The fiscal deficit for the April-July period stood at Rs 3.2 trillion, 61.2% of the budget estimate of Rs 5.3 trillion.

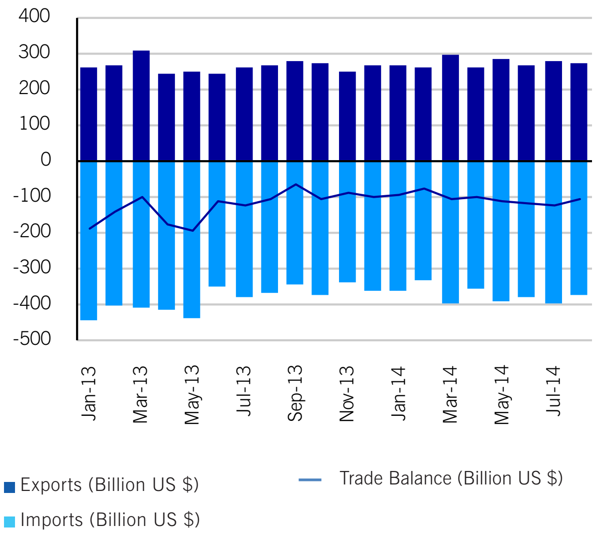
In his maiden budget on July 10, Finance minister Arun Jaitley stuck to the fiscal deficit target of 4.1% of GDP for

Rupee Exchange Rate



Source: Reuters

Trade Balance



Source: Ministry of Commerce and Industry

2014-15 set by his predecessor P. Chidambaram in the interim budget. He plans to shrink the budget shortfall subsequently to 3.6% and 3% of GDP in the following years. To encourage foreign investments, Finance Ministry officials are trying to persuade international rating agencies to raise India's debt ratings, given the government is taking steps to keep fiscal deficit in check.

Trade deficit narrows in August

India's trade deficit narrowed to $10.8 billion in August from $12.2 billion in July, but was marginally higher than the $10.7 billion shortfall recorded in August a year earlier.

Growth in exports slowed to a five-month low of 2.4% on the year to $27 billion compared with growth of 7.3% in July with many attributing the fall to the slowdown in European markets. Growth in imports slowed in August to 2.1% on the year to $37.8 billion from $40 billion in the previous month.

In order to boost trade, a new foreign trade policy for 2014-19 is being prepared by the commerce department and is expected to be ready soon, which would include strategy, goals, road maps and timeframe for increasing exports.

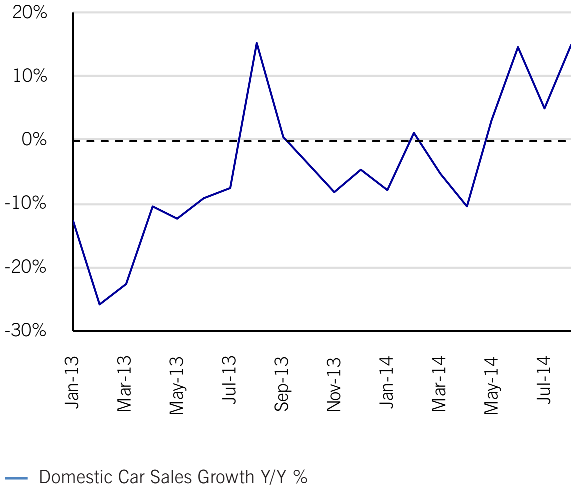
Gold imports surged by 176% on the year to $2 billion from $739 million a year ago, as the government allowed more banks and traders to buy bullion overseas, suggesting that the latent demand for gold has not diminished. Nevertheless, the high rate of growth can be attributed to a low base effect following the government's sudden clampdown on gold imports last year. To trim the current account deficit, the government had increased import duties on gold and imposed a rule that required a fifth of all bullion imports to be re-exported. The Finance Minister has left the import tax on gold unchanged at 10% as the country is about to enter the key festival period, which traditionally leads to a surge in demand for gold.

Oil imports fell by 15% to $12.8 billion in August from $14.4 billion in July and this trend is likely to continue after Brent crude prices dropped below $100 a barrel in September, giving some relief to India, which imports three-fourths of its requirement. The fall in oil prices should also ease current account deficit and have a soothing effect on inflation in the next quarter.

Foreign reserves fall

India's foreign exchange reserves fell by $1.32 billion to $317.31 billion in the week to September 5. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of the forex reserves, fell by $1.03 billion to $290.36 billion.

Car Sales



Source: Society of Indian Automobile Manufacturers (SIAM)

India's foreign exchange reserves have risen substantially since September last year, leaving the country less vulnerable to another run on the currency. The value of India's gold reserves, having remained stable for many weeks, fell by $240.7 million to $20.93 billion in the week ending September 5.

There was some pressure on the Indian rupee as the US dollar has been buoyed by raised expectations of an early interest rate hike in the US. However, the RBI has been building a sufficient level of reserves to help curb volatility in the foreign exchange market. Since the beginning of this year, the rupee has gained 1.21%, while foreign institutional investors have bought $14.14 billion during the period from local equity markets.

Car sales jump in August

Car sales in India increased by 15.2% in August, following growth of 5% in July, the highest growth in a year. Heavy discounting by car manufacturers has aided volume growth as companies have gone the extra mile to attract price sensitive buyers. Consumer sentiment has played a big role in car sales growth as interest rates are still high. The government has also given large positive impetus to consumer sentiment on car buying by extending tax breaks on automobiles by six months to the end of December. The excise tax has been reduced on small cars, motorcycles, trucks and buses from 12% to 8% and on SUVs to 24% from 30%.

In the April-August period, car sales have grown by 5.24% to 735,873 units as against 699,263 units in the same period a year ago.

Car manufacturers are unveiling launches ahead of the festival season to push sales. This revival of sales has prompted the Society of Indian Automobile Manufacturers (SIAM) to forecast 5-10% growth in car sales in the 2014-15 fiscal year. The industry is, however, cautious about the demand for two-wheelers and small cars.

Business confidence improved across all sectors...

...particularly in the construction sector.

Indicators

Business confidence rose to a record high in September, adding to the generally more positive mood in India since Narendra Modi was elected Prime Minister.

MNI India Business Indicator
Hits Record High

Business confidence rose to a record high in September and was up 20% on the year, adding to the generally more positive mood in India since Narendra Modi was elected Prime Minister.

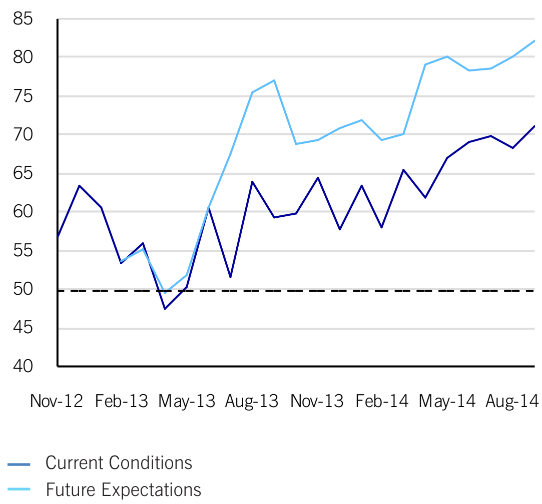
The MNI India Business Indicator rose by 2.8 points to 71.2 in September from 68.4 in August helped by the upcoming festival period. Business confidence improved across all sectors, particularly in the construction sector. Construction companies were also the most confident about current business conditions, not least because infrastructure is a key focus area in the new government's plan for turning the economy around.

The three month trend in sentiment also hit the highest on record, and comes as the Modi-led government has started introducing key reforms and encouraging businesses to invest more in India.

The first GDP figures released since the election of Modi's pro-business BJP revealed that the economy expanded at the quickest rate in two years. Nevertheless, the government cannot take all of the credit for the buoyant figures having only been elected at the end of May. The economy grew by 5.7% on the year in the three months to June, up from 4.6% in the previous quarter and was significantly above the 4.4% recorded in the same period a year earlier, which at the time was the worst growth in four years.

Our panellists see the "Modi" boost continuing, with Future Expectations for business conditions also hitting a record high of 82.4 in September from 80.3 in the previous month. Across the three sectors, construction companies were the most optimistic while manufacturing and service sector companies also anticipated an improvement.

MNI India Business Indicator



"There has been a lot of improvement in the infrastructure sector and we manufacture some of the products used in this sector, so our business will improve." Diversified Industrial manufacturing company

"Telangana state issue will be resolved in the coming months, so the overall business situation will be better." Heavy construction company

"Our industry is growing." Consumer Electronics manufacturing company

MNI India Business Indicator

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Current Conditions	59.4	61.9	67.0	69.2	70.0	68.4	71.2

While overall sentiment has increased and the economy has shown signs of a pick-up, some of the key indicators in the report have not improved much. New Orders, did not strengthen in spite of the approaching festival season. Moreover, labour market conditions deteriorated slightly with a number of companies reporting that they had more workers than they needed to meet demand. There was, though, good news with fewer firms citing higher prices and the cost of credit easing.

In September, 12 out of the 15 current conditions indicators included in the survey were above the 50 threshold that separates expansion from contraction, while 13 future expectations indicators were above the 50 level.

Sectors - Overall Business Conditions

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

"Overall business conditions are better due to new government's policies." Electrical components and Equipment Company

"Business is expanding." Food products manufacturing company

"Overall market is good and stabilising for the food industry." Food retailer and wholesaling company

"We expect to receive approvals for construction projects from the government in the coming months." Speciality Finance services company

"Our company is doing good in business as the sales volume has increased and we expect it to be better in the next quarter." Food retailer and wholesaling company

"The upcoming festivals like Dussera and Diwali will attract more sales so business will be good." Real Estate Holding & Development company

MNI India Business Indicator

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Future Expectations	77.1	79.1	80.3	78.5	78.6	80.3	82.4

Orders
Down Slightly

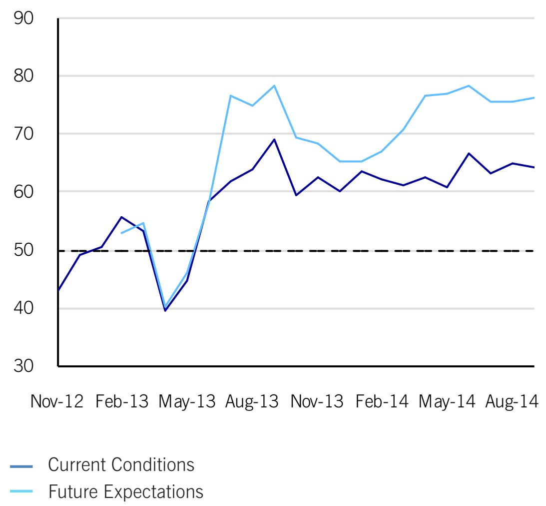
In contrast to the higher level of business sentiment, both domestic and export orders slipped slightly in September, although remained a little above the average seen over the past year.

The New Orders Indicator eased to 64.3 from 65.3 in August, led by a fall in orders at manufacturing companies. Orders were down nearly 7% from September 2013. This seems surprising given the sharp rise in sentiment over the period, and serves as a reminder that the economy still has a long way to travel to regain its previous strength. Given that the data are currently not seasonally adjusted, the year-on-year comparison is a useful reference to gauge demand trends.

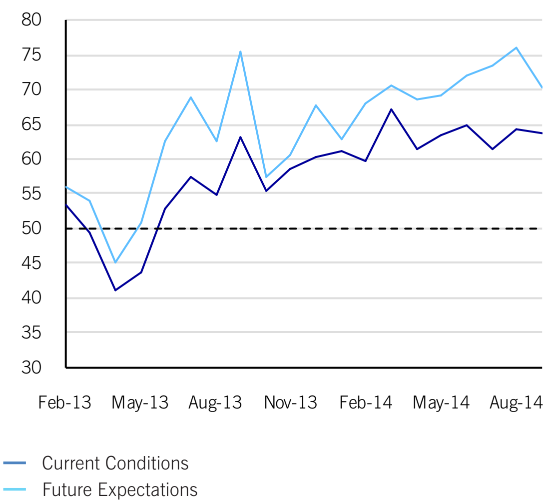
Companies, though, still expected higher demand in the coming three months with the Expectations Indicator rising slightly to 76.4 compared from 75.6 in August, the highest since June. Expectations about higher New Orders remained elevated across manufacturing, services and construction, although an improvement was only seen among companies in the service sector, with the upcoming festival period attracting higher activity in areas such as real estate, entertainment, retail and investment.

Overseas demand for Indian goods and services has been on a gently rising trend, although this has levelled off somewhat in recent months. Export Orders slipped to 63.8 in September compared with 64.3 in August, although the average for Q3 was almost equal to the series high recorded in Q2, pointing to a continued recovery in India's exports, something mirrored by the official trade statistics. Latest data revealed that Indian

New Orders



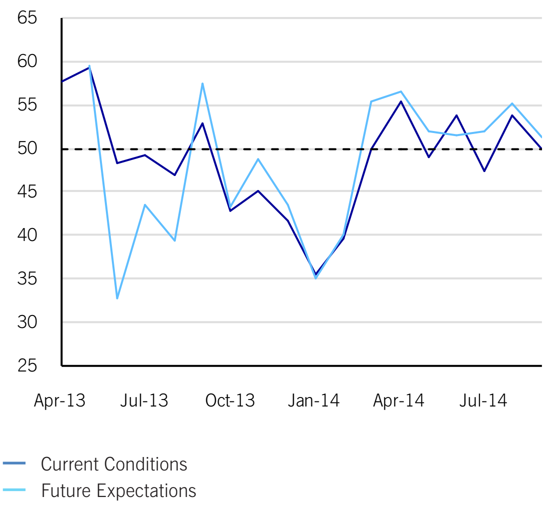
Export Orders



Orders - Current Conditions

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
New Orders	69.1	62.9	60.9	66.7	63.4	65.3	64.3
Export Orders	63.2	61.7	63.5	65.0	61.7	64.3	63.8
Order Backlogs	52.9	55.4	49.0	53.9	47.4	54.0	50.0

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

"Export demand is weak due to stiff competition from China." Personal Products manufacturing company

"Since we had fewer orders in the last few months, there are no order backlogs." Paper manufacturing company

exports rose by 2.4% on the year in August, down from growth of 7.3% in July, although export momentum remains reasonably firm.

Having hit a record high in August, expectations for export orders in the coming three months fell back, with the Future Expectations indicator declining to a four month low of 70.5 compared with 76.1 in the previous month. Despite this, the indicator hit a record high in Q3 with sentiment remaining generally buoyant.

Facing fewer new orders, companies used the opportunity to focus on reducing their backlogs in September. The Order Backlogs Indicator declined by 7.4% to 50.0 from 54.0 in August. With the festival period ending in October, companies expected fewer backlogs in the coming three months. The Future Expectations indicator declined to 51.5 from 55.2 in August, the lowest since February.

Orders - Future Expectations

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
New Orders	78.5	76.9	77.0	78.6	75.7	75.6	76.4
Export Orders	75.5	68.8	69.4	72.0	73.6	76.1	70.5
Order Backlogs	57.5	56.7	52.1	51.7	52.0	55.2	51.5

Output and Employment
Production Highest Since September 2013

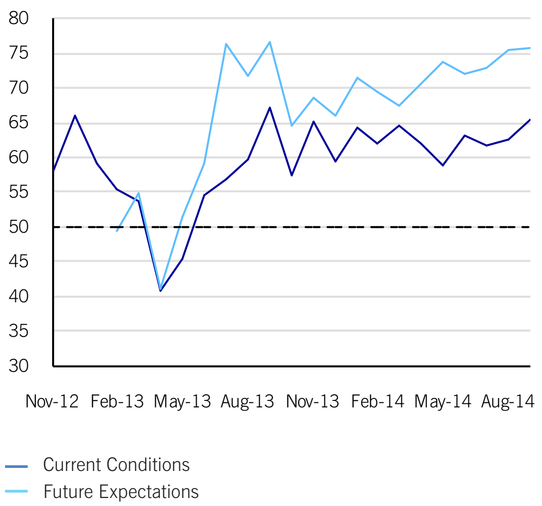
Following the recent strength in New Orders, the Production Indicator rose by 3 points to 65.7 in September from 62.7 in August. At least part of this rise likely reflected a seasonal pattern, as companies typically raise their output in anticipation of greater demand during the festival season which starts next month.

Companies' expectations about production in the coming three months also remained elevated, with the Future Expectations indicator standing at 75.8 compared with 75.5 in the previous month. While both measures rose to the highest in 12 months, they were actually down slightly from September 2013. While general business sentiment has trended up over the same period, the trend in output has actually been relatively flat. Official data has showed that industrial production, which had been rising in recent months, suffered a sudden slowdown in July to 0.5% on the year from 3.9% previously, as manufacturing weakened.

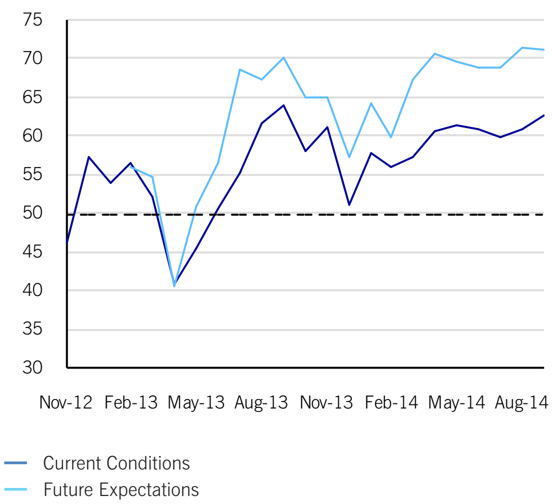
In order to meet heightened demand during the festival season, a growing proportion of companies reported an expansion in their productive capacity. The Productive Capacity Indicator rose to a 12-month high of 62.8 in September from 60.9 in the previous month. Around 45% of companies expected capacity to improve in the coming three months with the Future Expectations Indicator remaining broadly unchanged at 71.3 in September, close to last month's series high of 71.4.

In spite of the pick-up in output and the wider rise in sentiment, this has not yet translated through to an improvement in the labour market. The Employment Indicator, which measures whether companies have an adequate number of employees, declined to a 10-month

Production



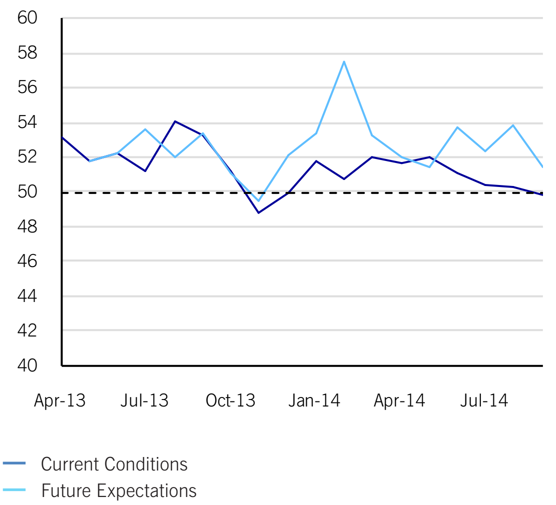
Productive Capacity



Output and Employment - Current Conditions

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Production	67.3	62.0	59.0	63.2	61.8	62.7	65.7
Productive Capacity	64.0	60.7	61.5	60.9	59.9	60.9	62.8
Employment	53.3	51.7	52.1	51.1	50.5	50.3	49.9

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

"This is a peak season for our business, so we have increased production." Clothing and accessories manufacturing company

"To reduce our costs, we are reducing workforce." Furnishings manufacturing company

low of 49.9 in September, just below the 50 line which separates expansion from contraction. While many other key activity series in the survey have risen or at least remained stable in recent months, the Employment Indicator has trended downwards and adds a cautionary note to the general wave of Modi optimism. Moreover, companies did not foresee any improvement in the job market in the coming three months, with the Future Expectations indicator declining 2.4 points to 51.5, below the outturn of 53.4 in September 2013.

Even though construction companies reported a greater increase in production levels than both manufacturing and services sector companies, they were the most pessimistic about the labour market. Companies across the three sectors were generally less optimistic about employment in the next three months, with only a small proportion reporting that they would need more workers to meet future demand.

Output and Employment - Future Expectations

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Production	76.8	70.6	73.9	72.1	72.9	75.5	75.8
Productive Capacity	70.3	70.7	69.6	68.9	68.9	71.4	71.3
Employment	53.4	52.0	51.5	53.8	52.4	53.9	51.5

Prices
Inflation Pressures Ease

The disinflationary trend evident in the survey over the past year continued in September and is likely to have supported the overall improvement in business sentiment this month. Moreover, an increasing number of companies reported that the exchange rate was helping rather than hurting business in September.

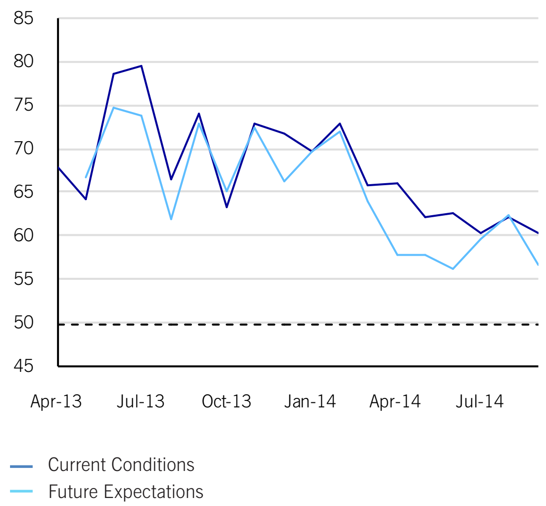
More companies, especially in both the manufacturing and construction sectors, paid lower prices for their inputs in September and many companies expected prices to ease even further in the coming three months.

The Input Prices Indicator fell to 60.4 in September from 62.2 in August and was substantially below the level seen a year ago when companies were facing intense price pressures. More companies also expected prices over the next three months to ease. Expectations for Input Prices in three months' time eased to 56.7 in September from 62.4 in August, 22.2% below the level seen a year ago.

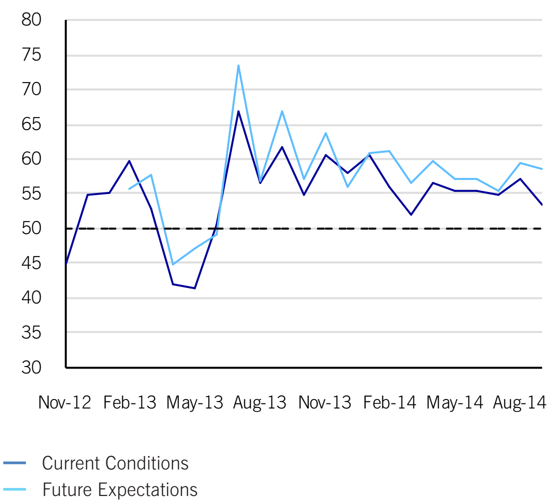
An increasing number of companies were willing to pass on the benefits of lower costs to consumers in September, with the Prices Received Indicator easing by 3.7 points to 53.6 from 57.3 in August, the lowest since March. The pace of descent in the prices charged by companies, however, has been much slower than the easing in input costs among companies in our panel.

Expectations for Prices Received in three months' time fell slightly to 58.6 from 59.6 in August. Manufacturing and services sector companies expected prices to fall more in the coming three months, in contrast to construction sector companies.

Input Prices



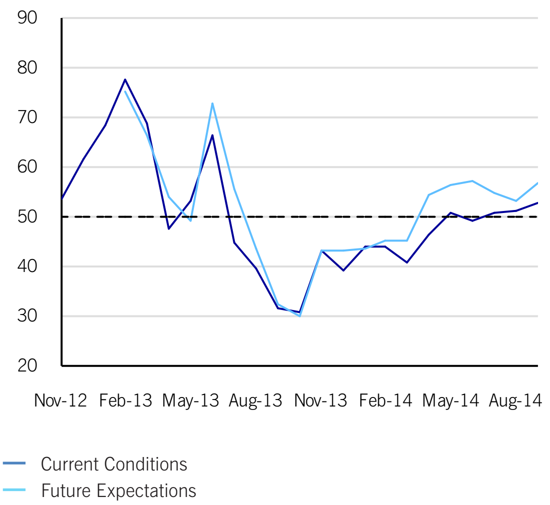
Prices Received



Prices - Current Conditions

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Input Prices	74.1	66.1	62.2	62.6	60.4	62.2	60.4
Prices Received	61.8	56.8	55.6	55.6	54.9	57.3	53.6
Exchange Rate	31.6	46.4	50.8	49.4	51.1	51.2	53.0

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

The trend in the Prices Received Indicator over the past year has been closely matched by official inflation data, which recently showed that wholesale price inflation declined to a five year low of 3.7% in August from 5.2% in July.

Companies were increasingly more optimistic about the impact of the exchange rate on their business. In September last year, the rupee depreciated significantly due to concerns that the US Federal Reserve would start tapering Quantitative Easing earlier than originally anticipated. It has since recovered, helped by India's lower current account deficit and large foreign capital inflows, not least due to the RBI's tight policy stance. The exchange rate movement is captured well by the Effect of the Rupee Exchange Rate Indicator which took a severe hit in the second half of 2013 and has subsequently recuperated to 53.0 in September, the highest since June 2013.

The appreciation in the currency over the past year has given a significant boost to the majority of Indian companies given their heavy dependence on imports of fuel and other raw materials. More companies expected the rupee to help in the coming three months, with the Expectations Indicator increasing to 56.8 in September from 53.3 in August. In particular, a higher proportion of services companies were more optimistic, while construction companies were the most optimistic about the exchange rate having a positive impact.

Prices - Future Expectations

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Input Prices	72.9	58.0	57.8	56.2	59.8	62.4	56.7
Prices Received	67.0	59.8	57.4	57.2	55.5	59.6	58.6
Exchange Rate	32.7	54.4	56.4	57.5	55.1	53.3	56.8

Money and Credit
Credit Availability Hits Record High

Firms reported improved access to credit and a continued strong financial position in September, and were further boosted by a decline in the cost of debt repayment.

The Availability of Credit Indicator rose to a series high of 64.6 in September from 62.1 in August. Credit availability has trended upwards since the summer of 2013 and sentiment averaged a record high in the three months to September as well. The recent improvement owes much to the cut in the statutory liquidity ratio (SLR), the mandatory amount of bonds lenders must keep with the central bank. The SLR has been cut by 50 basis points twice since June to 22% of deposits to boost liquidity, which has resulted in weaker inter-bank rates.

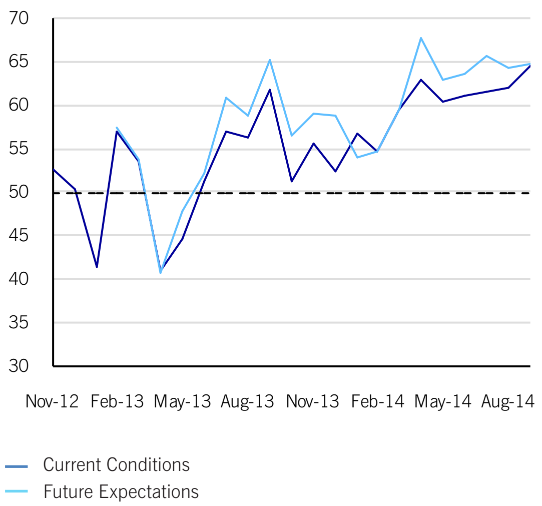
Availability of credit improved across all three sectors. The improvement was expected to continue over the coming three months as well, with the Future Expectations Indicator recording 64.8 in September compared with 64.5 in the previous month.

For the first time since the start of the survey, companies reported that the rate of interest paid by them fell, with the Interest Rates Paid Indicator falling by 4.5% to 48.5 in September from 50.8 in August, led mainly by services and construction sector companies.

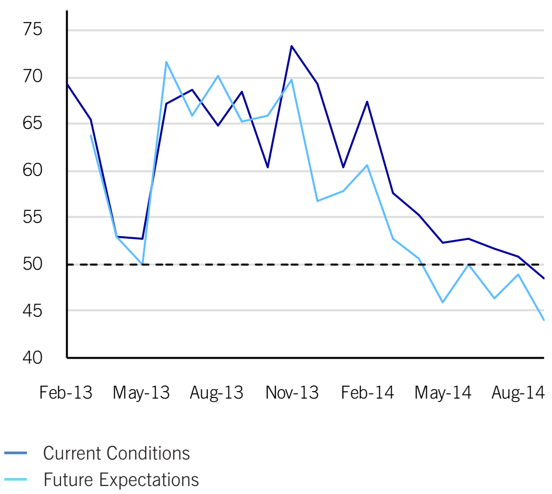
The decline in the Interest Rates Paid Indicator tallies well with Treasury bill's yield which has fallen by 342 basis points in August compared with a year earlier.

Expectations for Interest Rates Paid have also trended down since November after remaining elevated throughout most of the past year. Companies in our

Availability of Credit



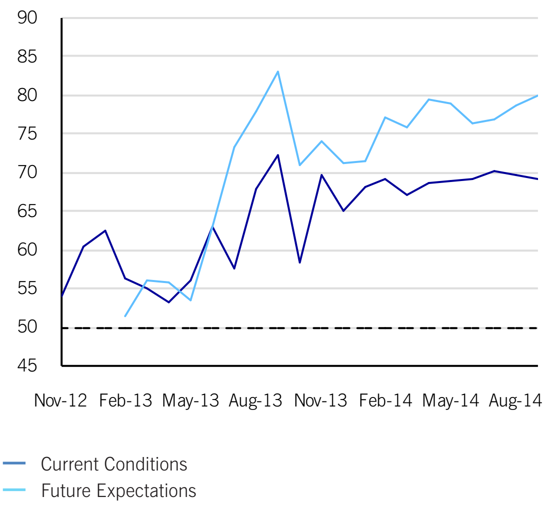
Interest Rates Paid



Money and Credit - Current Conditions

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Availability of Credit	61.9	63.1	60.4	61.1	61.7	62.1	64.6
Interest Rates Paid	68.4	55.3	52.3	52.7	51.8	50.8	48.5
Financial Position	72.3	68.9	69.1	69.3	70.3	69.8	69.2

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

panel expected interest rates to fall, with the Expectations Indicator declining to 44.2 in September from 48.9 in August.

Even though business confidence has risen sharply since the start of the year, companies' Financial Position has remained broadly stable although they have been more bullish about their expectations for the future. The Financial Position Indicator stood at 69.2 in September compared with 69.8 in August.

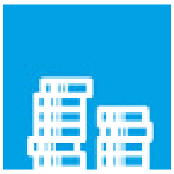
The S&P BSE Sensex, a stock market index of 30 well-established and financially sound companies listed on the Bombay Stock Exchange, that are representative of the Indian economy's industrial sectors, had been on a record breaking spree over the last few months among strong expectations that the new government would improve business conditions. However, it has eased slightly recently with investors more anxious after China's factory output slowed, India's industrial activity data was below market expectations and amid concerns over earlier than expected Fed tightening.

The majority of companies were more positive about their future Financial Position with the indicator rising to a year high of 80.2 from 78.8 in August. Construction companies outshone other sectors with double digit gains in both current and future expectations.

Money and Credit - Future Expectations

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Availability of Credit	65.3	67.8	63.0	63.7	65.8	64.5	64.8
Interest Rates Paid	65.2	50.7	46.1	50.0	46.4	48.9	44.2
Financial Position	83.3	79.6	79.0	76.5	76.9	78.8	80.2

Logistics
Inventories Lowest Since May



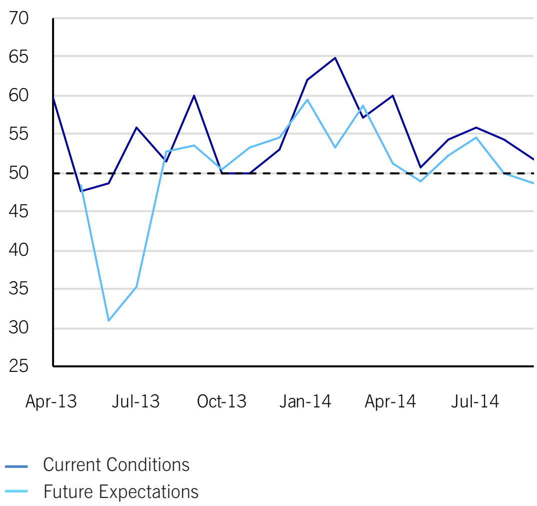
An increasing number of companies reported that they were running down their existing level of stocks to meet increased demand over the festival period, while shorter delivery times potentially point to weaker demand this year compared with last.

The Indicator for the Inventory level of Finished Goods declined for the second month in a row to 51.8 in September from 54.5 in August. Companies usually build up stocks at the beginning of the financial year and then allow them to deplete as demand builds up prior to the beginning of festivities in October. Heightened business confidence among construction companies and greater demand led to a contraction in the Inventories of Finished Goods Indicator.

Higher demand also looks set to further reduce companies' stocks of goods in the next three months, with the Expectations Indicator contracting for the first time in four months to 48.8 in September compared with 50.0 in the previous month. Across the three sectors, the weakening expectations was led by both manufacturing and construction companies.

Suppliers of key inputs reported faster delivery times in September, with the Supplier Delivery Times indicator declining by 5.5% to 50.2 compared with 53.1 in August. Delivery times are down sharply from 58.4 in September a year ago and like New Orders suggest demand in September, just ahead of the key festival season could actually be weaker this year. Delivery times at manufacturing companies were slower compared with August, while construction companies, which were the most optimistic about overall business conditions in the next three months, reported an expansion in their suppliers' delivery times.

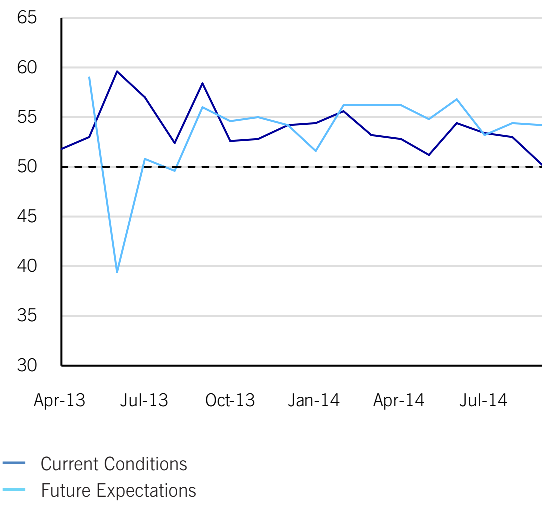
Inventories



Logistics - Current Conditions

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Inventories	60.1	60.0	50.9	54.5	55.9	54.5	51.8
Supplier Deliveries	58.4	52.9	51.2	54.5	53.5	53.1	50.2

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

"Due to high demand, inventories have reduced." Commodity chemicals manufacturing company

"Stocks are going down quickly due to more orders." Industrial machinery manufacturing company

"We will be clearing more goods in the coming three months." Clothing & Accessories manufacturing company

Logistics - Future Expectations

	Sep-13	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Inventories	53.7	51.3	49.0	52.5	54.8	50.0	48.8
Supplier Deliveries	56.1	56.2	54.9	56.8	53.3	54.5	54.3

What the Panel Said

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

“There has been a lot of improvement in the infrastructure sector and we manufacture some of the products used in this sector, so our business will improve.” **Diversified Industrial manufacturing company**

“The company is downsizing.” **Consumer Finance services company**

“Overall market is good and stabilising for the food industry.” **Food retailer and wholesaling company**

“Demand from customers is increasing for real estate.” **Real estate services**

“Overall business conditions are better due to new government’s policies.” **Electrical components and Equipment Company**

“Due to the increase in orders, our turnover and profitability will increase.” **Auto parts manufacturing company**

“This is a peak season for our business, so we have increased production.” **Clothing and accessories manufacturing company**

“We are diversifying our product range and also introducing them in other countries.” **Pharmaceuticals company**

“Export demand is weak due to stiff competition from China.” **Personal Products manufacturing company**

“We are doing well so banks are offering good loans.” **Speciality Chemicals manufacturing company**

“The reputation of our company is good and therefore there is no issue with availability of credit.” **Speciality Finance company**

“Since we had fewer orders in the last few months, there are no order backlogs.” **Paper manufacturing company**

“We don’t have any difficulties in availing credit from banks.” **Diversified Industrial manufacturing company**

“Since the economy is improving, banks are providing greater credit.” **Automobile manufacturing company**

“To reduce our costs, we are reducing workforce.” **Furnishings manufacturing company**

“Since raw material prices are going down, we have lowered prices of our final goods.” **Tyre manufacturing company.**

“Due to heavy competition in the market, we have lowered prices of our services.” **Software services company**

“Cotton prices are lower.” **Textiles manufacturing company**

“The rupee is appreciating now so my import bill is more beneficial.” **Commodity chemicals manufacturing company**

“Business is expanding.” **Food products manufacturing company**

"Due to high demand, inventories have reduced." **Commodity chemicals manufacturing company**

"Stocks are going down quickly due to more orders." **Industrial machinery manufacturing company**

"We will be clearing more goods in the coming three months." **Clothing & Accessories manufacturing company**

Data tables

Historical Summary

	2013				2014								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
MNI India Business Indicator													
Current Conditions	59.4	59.8	64.6	57.8	63.4	58.2	65.5	61.9	67.0	69.2	70.0	68.4	71.2
Future Expectations	77.1	68.8	69.5	71.1	72.0	69.5	70.1	79.1	80.3	78.5	78.6	80.3	82.4
Production													
Current Conditions	67.3	57.5	65.3	59.7	64.4	62.0	64.8	62.0	59.0	63.2	61.8	62.7	65.7
Future Expectations	76.8	64.8	68.8	66.2	71.6	69.7	67.7	70.6	73.9	72.1	72.9	75.5	75.8
New Orders													
Current Conditions	69.1	59.5	62.9	60.3	63.6	62.3	61.5	62.9	60.9	66.7	63.4	65.3	64.3
Future Expectations	78.5	69.5	68.5	65.4	65.5	67.2	70.9	76.9	77.0	78.6	75.7	75.6	76.4
Export Orders													
Current Conditions	63.2	55.6	58.8	60.5	61.4	59.8	67.4	61.7	63.5	65.0	61.7	64.3	63.8
Future Expectations	75.5	57.7	60.8	67.9	62.9	68.2	70.6	68.8	69.4	72.0	73.6	76.1	70.5
Productive Capacity													
Current Conditions	64.0	58.1	61.3	51.3	58.0	56.1	57.4	60.7	61.5	60.9	59.9	60.9	62.8
Future Expectations	70.3	65.1	65.2	57.5	64.3	60.0	67.5	70.7	69.6	68.9	68.9	71.4	71.3
Order Backlogs													
Current Conditions	52.9	42.9	45.3	41.7	35.6	39.8	50.0	55.4	49.0	53.9	47.4	54.0	50.0
Future Expectations	57.5	43.4	48.8	43.7	35.2	40.1	55.4	56.7	52.1	51.7	52.0	55.2	51.5
Employment													
Current Conditions	53.3	51.3	48.9	50.0	51.8	50.8	52.1	51.7	52.1	51.1	50.5	50.3	49.9
Future Expectations	53.4	51.1	49.5	52.2	53.4	57.5	53.3	52.0	51.5	53.8	52.4	53.9	51.5
Inventories													
Current Conditions	60.1	50.0	50.0	53.1	62.1	64.9	57.2	60.0	50.9	54.5	55.9	54.5	51.8
Future Expectations	53.7	50.7	53.3	54.6	59.5	53.5	58.8	51.3	49.0	52.5	54.8	50.0	48.8
Input Prices													
Current Conditions	74.1	63.3	73.0	71.8	69.8	73.0	66.0	66.1	62.2	62.6	60.4	62.2	60.4
Future Expectations	72.9	65.3	72.5	66.4	69.9	72.0	64.0	58.0	57.8	56.2	59.8	62.4	56.7
Prices Received													
Current Conditions	61.8	54.9	60.8	58.0	60.6	56.2	52.2	56.8	55.6	55.6	54.9	57.3	53.6
Future Expectations	67.0	57.3	63.8	56.0	60.9	61.2	56.6	59.8	57.4	57.2	55.5	59.6	58.6
Financial Position													
Current Conditions	72.3	58.6	69.9	65.2	68.2	69.3	67.2	68.9	69.1	69.3	70.3	69.8	69.2
Future Expectations	83.3	71.1	74.2	71.3	71.5	77.2	76.1	79.6	79.0	76.5	76.9	78.8	80.2
Interest Rates Paid													
Current Conditions	68.4	60.3	73.2	69.2	60.5	67.3	57.6	55.3	52.3	52.7	51.8	50.8	48.5
Future Expectations	65.2	65.9	69.6	56.8	57.9	60.7	52.8	50.7	46.1	50.0	46.4	48.9	44.2
Effect of Rupee Exchange Rate													
Current Conditions	31.6	30.9	43.4	39.4	44.3	44.2	40.8	46.4	50.8	49.4	51.1	51.2	53.0
Future Expectations	32.7	30.1	43.5	43.2	43.6	45.2	45.5	54.4	56.4	57.5	55.1	53.3	56.8
Supplier Delivery Times													
Current Conditions	58.4	52.7	52.9	54.2	54.4	55.6	53.2	52.9	51.2	54.5	53.5	53.1	50.2
Future Expectations	56.1	54.6	55.0	54.2	51.7	56.2	56.3	56.2	54.9	56.8	53.3	54.5	54.3
Availability of Credit													
Current Conditions	61.9	51.3	55.7	52.6	56.8	54.9	59.6	63.1	60.4	61.1	61.7	62.1	64.6
Future Expectations	65.3	56.6	59.2	58.8	54.1	54.8	59.5	67.8	63.0	63.7	65.8	64.5	64.8

Historical Records

	2012 - Current			
	Minimum	Maximum	Mean	Median
MNI India Business Indicator				
Current Conditions	47.5	71.2	60.9	60.6
Future Expectations	49.7	82.4	69.6	70.6
Production				
Current Conditions	41.0	67.3	59.4	59.9
Future Expectations	41.3	76.8	66.6	70.2
New Orders				
Current Conditions	39.7	69.1	58.5	61.5
Future Expectations	40.4	78.6	67.5	70.2
Export Orders				
Current Conditions	41.3	67.4	58.0	60.2
Future Expectations	45.2	76.1	64.7	68.1
Productive Capacity				
Current Conditions	41.0	64.0	56.2	57.4
Future Expectations	40.7	71.4	63.3	66.3
Order Backlogs				
Current Conditions	35.6	59.3	48.9	49.2
Future Expectations	32.8	59.6	48.2	51.5
Employment				
Current Conditions	48.9	54.1	51.5	51.5
Future Expectations	49.5	57.5	52.7	52.3
Inventories				
Current Conditions	47.8	64.9	55.0	54.5
Future Expectations	31.0	59.5	50.5	52.5
Input Prices				
Current Conditions	60.4	79.6	67.9	66.4
Future Expectations	56.2	74.9	65.4	65.3
Prices Received				
Current Conditions	41.5	67.1	55.0	55.6
Future Expectations	45.1	73.7	57.8	57.4
Financial Position				
Current Conditions	53.4	72.3	64.1	67.2
Future Expectations	51.6	83.3	71.4	75.2
Interest Rates Paid				
Current Conditions	48.5	73.2	60.4	60.4
Future Expectations	44.2	71.7	57.3	56.8
Effect of Rupee Exchange Rate				
Current Conditions	30.9	77.8	50.4	49.4
Future Expectations	30.1	75.5	51.8	53.8
Supplier Delivery Times				
Current Conditions	50.2	59.6	53.9	53.2
Future Expectations	39.5	59.0	53.7	54.6
Availability of Credit				
Current Conditions	41.1	64.6	55.3	56.3
Future Expectations	40.9	67.8	58.5	59.1

Historical Records - Quarterly

	Q3 13	Q4 13	Q1 14	Q2 14	Q3 14	Quarterly Change	Quarterly % Change
MNI India Business Indicator							
Current Conditions	58.4	60.7	62.4	66.0	69.9	3.9	5.9%
Future Expectations	73.4	69.8	70.5	79.3	80.4	1.1	1.4%
Production							
Current Conditions	61.4	60.8	63.7	61.4	63.4	2.0	3.3%
Future Expectations	75.0	66.6	69.7	72.2	74.7	2.5	3.5%
New Orders							
Current Conditions	65.0	60.9	62.5	63.5	64.3	0.8	1.3%
Future Expectations	76.8	67.8	67.9	77.5	75.9	-1.6	-2.1%
Export Orders							
Current Conditions	58.6	58.3	62.9	63.4	63.3	-0.1	-0.2%
Future Expectations	69.0	62.1	67.2	70.1	73.4	3.3	4.7%
Productive Capacity							
Current Conditions	60.4	56.9	57.2	61.0	61.2	0.2	0.3%
Future Expectations	68.8	62.6	63.9	69.7	70.5	0.8	1.1%
Order Backlogs							
Current Conditions	49.8	43.3	41.8	52.8	50.5	-2.3	-4.4%
Future Expectations	46.8	45.3	43.6	53.5	52.9	-0.6	-1.1%
Employment							
Current Conditions	52.9	50.1	51.6	51.6	50.2	-1.4	-2.7%
Future Expectations	53.0	50.9	54.7	52.4	52.6	0.2	0.4%
Inventories							
Current Conditions	55.9	51.0	61.4	55.1	54.1	-1.0	-1.8%
Future Expectations	47.4	52.9	57.3	50.9	51.2	0.3	0.6%
Input Prices							
Current Conditions	73.5	69.4	69.6	63.6	61.0	-2.6	-4.1%
Future Expectations	69.7	68.1	68.6	57.3	59.6	2.3	4.0%
Prices Received							
Current Conditions	61.8	57.9	56.3	56.0	55.3	-0.7	-1.3%
Future Expectations	65.9	59.0	59.6	58.1	57.9	-0.2	-0.3%
Financial Position							
Current Conditions	66.0	64.6	68.2	69.1	69.8	0.7	1.0%
Future Expectations	78.2	72.2	74.9	78.4	78.6	0.2	0.3%
Interest Rates Paid							
Current Conditions	67.3	67.6	61.8	53.4	50.4	-3.0	-5.6%
Future Expectations	67.1	64.1	57.1	48.9	46.5	-2.4	-4.9%
Effect of Rupee Exchange Rate							
Current Conditions	38.8	37.9	43.1	48.9	51.8	2.9	5.9%
Future Expectations	44.1	38.9	44.8	56.1	55.1	-1.0	-1.8%
Supplier Delivery Times							
Current Conditions	56.0	53.3	54.4	52.9	52.3	-0.6	-1.1%
Future Expectations	52.2	54.6	54.7	56.0	54.0	-2.0	-3.6%
Availability of Credit							
Current Conditions	58.4	53.2	57.1	61.5	62.8	1.3	2.1%
Future Expectations	61.7	58.2	56.1	64.8	65.0	0.2	0.3%

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