Build India – Invest in Development
A Shared Responsibility

Confederation of Indian Industry

# ASCON Industry Survey

July 2015

# Contents

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# EXECUTIVE SUMMARY

The CII ASCON Industry Survey for the April – June FY16 quarter reveals a reversal from the earlier trend of slowing growth, with indications of a recovery taking shape in the economy, albeit a slow one.

The latest Survey, which tracks the growth of the industrial sector through responses collected from sectoral industry associations reveals a slight improvement in growth trends in terms of production over the corresponding quarter a year ago. This is borne out by the fact that **out of the 93 sectors surveyed, the share of sectors that have recorded excellent growth of >20 percent in the April – June FY16 quarter has surged up to 16.1 percent (15 out of 93 respondents) as against 7.1 percent (8 out of 112) recorded in the year ago period.** This is a clear indication of improvement over the last year.

While the share of sectors witnessing a high growth rate of 10 to 20 percent has reduced significantly to 9.7 percent (7 out of 93) in April-June FY16 from 14.3 percent (16 out of 93) during the corresponding period a year ago, the share of sectors reporting moderate growth has declined marginally to 51.7 percent (47 out of 93) as compared to 51.8 percent in the year ago period. At the same time, the number of sectors recording negative growth has fallen from 26.9 percent (30 out of 112) in the first quarter last year to 23.6 percent (21 out of 93) in the first quarter this year.

A further analysis of the use-based classification of sectors reveals that a majority of sectors in the producer goods segment (basic, intermediate and capital goods sectors) are still to show some definitive signs of recovery. In the basic and intermediate goods category, a large number of sectors have reported growth numbers falling in the moderate and excellent categories. This reflects some improvement in activity levels especially on the back of the recent steps taken by the Government towards expeditious project clearances, simplification of procedures, new investment announcements as well as initiatives towards Make in India and ease of doing business.

However, while core industrial growth should be largely coming from the capital goods sector, the subsectors in the capital and engineering goods sectors have reported either moderate or negative outlook signaling a delay in recovery. Moderate / negative growth of capital goods suggests a sluggish investment scenario and indicates weak investment activity in the current quarter.

The performance of the consumer durables and non-durables goods sectors, which is an indicator of consumer spending, is also not very encouraging as a majority of the

sectors, especially in the consumer durables segment, have estimated growth at moderate levels. While growth in the capital goods and consumer durables would indicate a turnaround in the economy, the trend, as revealed in the present Survey, points towards continuing weak consumption and investment led demand in the economy.

On the services front, most of the sectors have reported moderate growth, further indicating a slow recovery on the back of subdued consumption and investment demand. A host of indicators such as rail freight and traffic at ports, foreign tourist arrivals point to a gradual pickup in economic activity, which is likely to gain momentum with the revival in consumer spending.

A further analysis on a sequential quarter-on-quarter (q-o-q) basis also reveals a modest improvement in the performance from the previous quarter. On q-o-q basis, the percentage of sectors reporting 'excellent' performance in April-June FY16 has marched up significantly recording an increase in share of 16.1 percent (15 out of 93) as compared to a share of 9.8 percent (11 out of 112) in the previous quarter. On the other hand, the share of high growth sectors have plunged to 9.6 percent (9 out of 93) in Q1 (April-June) FY16 from 15.1 percent (17 out of 112) in Q4 (Jan – March) FY15.

While, the number of sectors recording moderate growth has marginally improved with 50.5 percent (47 out of 93 sectors) falling in moderate growth category as compared to 54.4 percent (61 out of 112 sectors) in Q4 FY15, however, the number of sectors recording a negative growth have marginally increased to 23.6 percent (22 out of 93 sectors) in Q1 FY16 from 20.5 percent (23 out of 93 sectors) in Q4 FY15.

A break-up of the industrial sectors in two broad categories i.e. >10 percent (excellent and high) and <10 percent i.e. (moderate and negative), reveals that the situation more or less remains the same as witnessed in the previous quarter. While the sectors falling in the excellent and high category have marginally improved with around 25.7 percent observed in Q1 FY16 as compared to 24.9 percent reported in Q4 FY15 reflecting that around 75 percent of the sectors under the survey registered a growth of less than 10 percent, i.e. 74.1 percent in Q1 FY16 and 74.9 percent in Q4 FY15.

Significantly, the Survey's respondents have expressed their optimism in a further improvement in the near-term growth outlook helped by continued policy actions, implementation and enhanced business and consumer confidence. However, a sustainable recovery would be conditional on improvement in domestic demand and investment revival. While monetary easing would be beneficial, weak global demand, limited ability of the corporate sector to support revival in capex on account of overleveraged balance sheets, moderation in rural demand along with stress due to impaired loans on bank balance sheets, will have a bearing on any upside.

Respondents have stressed on the need for reviving investments in the economy to boost demand. The Survey has recommended an array of policy measures to boost growth. Some such steps include reduction in interest rates, speedy implementation

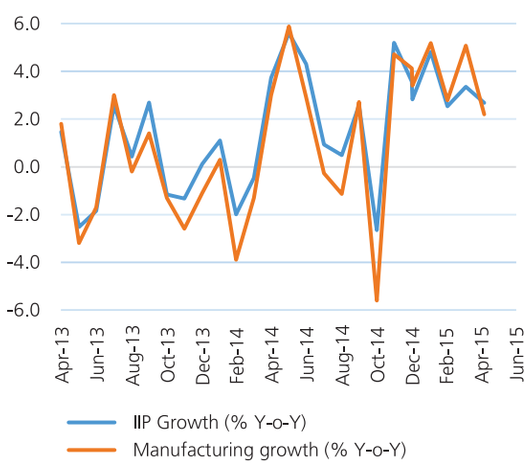
of infrastructural projects and addressing supply-side constraints on a variety of fronts including infrastructure, energy, agriculture and labour.

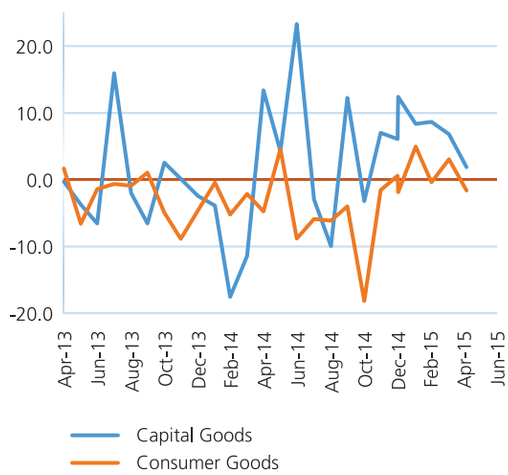
Progress on reforms such as the GST Bill and LARR (Amendment) Bill, 2015 will impart greater certainty to investors on the policy front. Further, a proactive role by the Government towards creation of employment opportunities in the non-farm segment of the rural sector through food processing, construction etc. enhancing of capital spending by the states, given that they are now recipients of higher resources from the Centre, would support in the creation of demand. Such a mix of policies, if implemented, would go a long way to revive investor sentiment which in turn would reignite growth in the industry and the economy.

# ECONOMY OVERVIEW

Over the past one year, the Indian economy has seen an improvement in its domestic macroeconomic fundamentals. The Indian economy exited 2014 on a relatively strong footing with macroeconomic risks easing significantly. At a time when concerns have been raised about global growth prospects, the Indian economy has marched forward. Gross Domestic Product (GDP) growth seems to have picked up on the back of a cyclical rebound and some improvement on the ground. According to the new series, GDP growth accelerated from 5.1 percent in 2012-13 to 6.9 percent in 2013-14 and according to the GDP (Provisional Estimates), the Indian economy has expanded at 7.3 percent in FY15 in line with the initial forecast and is marginally higher than the last year.

This improvement has come on the back of stable growth in the services sector and improved performance in both the industrial and agriculture sectors. On the industrial production front, the Index of Industrial Production (IIP) data, grew at 2.8 percent in FY15 as against a deceleration of -0.1 percent in FY14. On a month-on-month basis also, IIP has been reflecting a recovery in industrial activity. Since April 2014, IIP growth was negative only once, compared to six times in FY14. This signals a move towards a healing within the Indian economy.



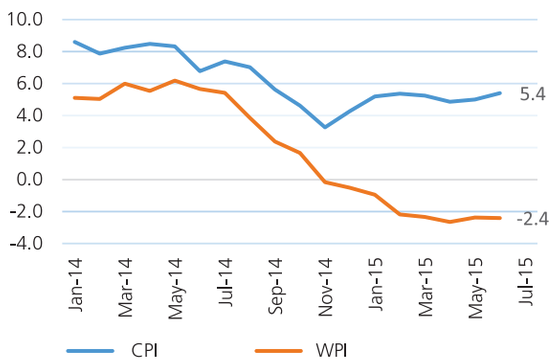




**Source:** *MOSPI*

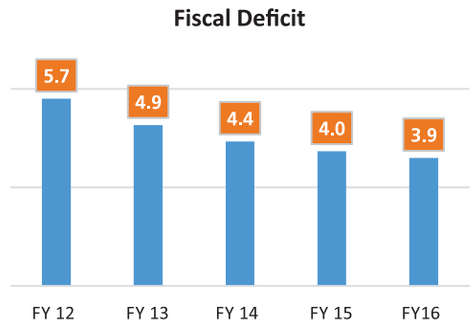
The inflation story also turned around successfully in FY15. Inflation levels have continued to surprise on the downside and have been under the Reserve Bank's comfort zone for the past few months. CPI inflation has ebbed from 9.5 percent in FY14 to 6 percent in

FY15 and WPI inflation has receded from 12.7 percent in FY 14 to 2.0 percent in FY15. The moderation in inflation has also had an impact on interest rates as the Reserve Bank of India (RBI) has finally started its rate cutting cycle and has lowered the interest rates by a cumulative 75 basis points since January 2015.

Belying concerns related to unseasonal rains and a weak rabi harvest, inflation - food in particular - remains under comfort level, and is a positive harbinger. The monsoon deficit will now be the key factor for determining any rate action by RBI.




**Source:** *MOSPI*

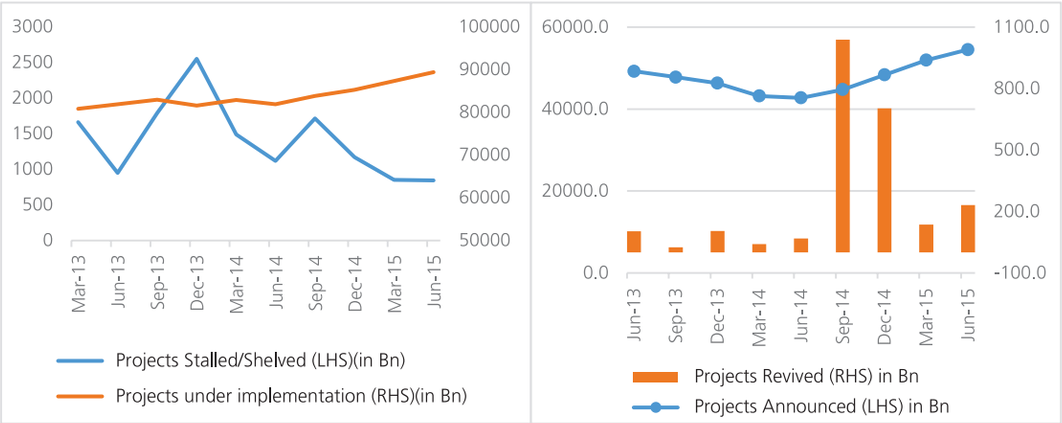



**Source:** *Ministry of Finance*

A drastic decline in crude oil prices has helped to partially offset the major stress points in the economy, namely inflation and twin deficits, and paved the way for growth. With falling oil prices, India took the opportunity to de-regulate fuel prices and undertake fuel subsidy reforms. The fiscal deficit for FY16 is expected to fall below 4 percent of GDP for the first time since the Global Financial Crisis. The Central Government's fiscal deficit improved during April-May 2015 as compared to same period last year on the back of robust non-tax revenues. While total expenditure showed some moderation, the Government's Plan spending picked up on account of higher disbursals to key infrastructure ministries.

The situation is further being buttressed by a perceptible improvement in the external account metrics with the current account deficit (CAD) coming under control despite the Government lifting most of the import restrictions from the previous year. The CAD has narrowed considerably and is expected to remain contained and comfortably financed. Capital flows in FY15 exceeded expectations with both FII and FDI coming in at record highs. FII inflows have picked up massively after the elections responding to an improvement across most macroeconomic parameters.

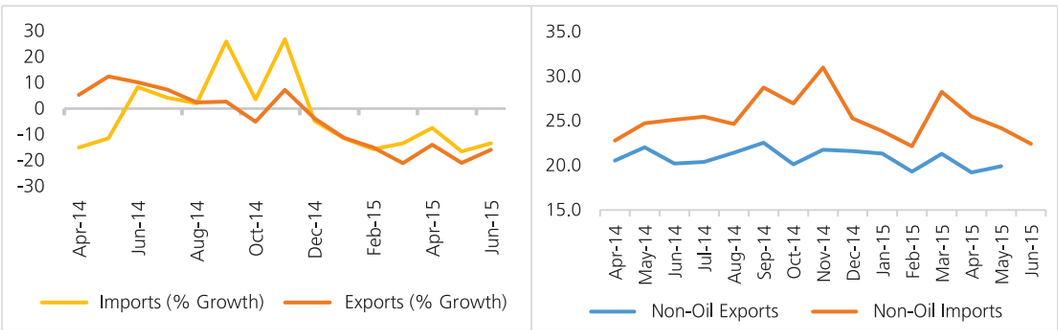
On the investment front, there are encouraging indications that new investment project announcements have started to pick up, specifically in the power and transport sectors, which should help broaden the recovery as projects are implemented.




**Source:** *CMIE*

As vulnerabilities have receded and sentiment have revived, however, some concerns remain. On the domestic side, a further weakening of bank and corporate balance sheets could pose risks to economic recovery and weigh on financial soundness. There is also a limit on the capacity of the banking sector to step up provision of credit to industry. The high NPAs in the banking system are adversely impacting lendable resources of banks. In fact, the gross NPAs as a percentage of total advances has gone up from 4.1 percent in March 2014 to 4.45 percent in March 2015.

Global growth is yet to turn into a meaningful pillar of support. The growth of India's merchandise exports has decelerated significantly. For 2014-15, India's exports dipped by 1.23 per cent standing at $310.5 billion, significantly falling short of the yearly target of $340 billion. While India's exports has certainly been impacted by global factors, so has it been with the appreciation of the real effective exchange rate. Moreover, supply-side bottlenecks have been another constraining factor.




**Source:** *Ministry of Commerce and Industry*

# CII ASCON INDUSTRY SURVEY RESULTS

## 2.1 Methodology

Against this backdrop, the Confederation of Indian Industry (CII) conducted the CII ASCON Industry Survey to ascertain the performance of industry during April-June (estimated) FY 2016 against the year ago period and against the previous quarter, January – March (Q4) FY15. The Survey was conducted from mid-June till end of July 2015.

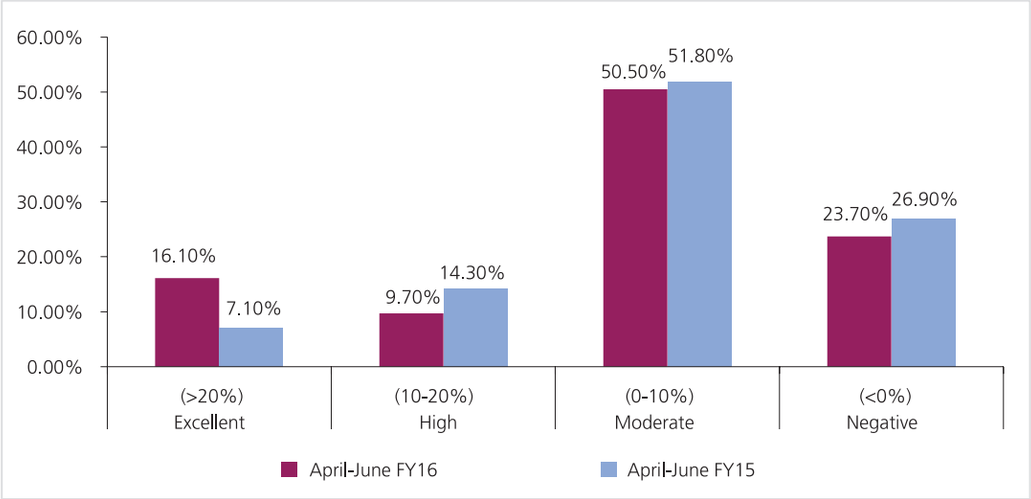
The Survey is based on the feedback collected from industry associations and various manufacturing related companies numbering more than 35,000. The companies covered in the Survey represent a wide spectrum of sectors including basic goods, intermediate goods, capital goods, consumer durables and non-durables and services. While the analysis for April-June FY16 is based on 93 sectoral responses that of January – March FY15 of is based on 112 responses.

Based on varying rates of growth of industrial production at the sectoral level, the responses have been segregated in the following four broad categories: (i) 'Excellent' (growth in excess of 20%), (ii) 'High' (growth in the range of 10-20%), (iii) 'Moderate' (growth in the range of 0-10%) and (iv) 'Negative' (growth less than 0%).

## 2.2 Industry growth performance during April-June FY16 over April-June FY15

The results of the latest CII ASCON Industry Survey for April-June FY16 reveals a slight improvement in the growth trends in terms of production in this quarter over the corresponding quarter a year ago. This is borne out of the fact that out of the 93 sectors surveyed, the share of the sectors that have recorded excellent growth of >20 percent in April –June FY16 quarter has surged up to 16.1 percent (15 out of 93) as against 7.1 percent (8 out of 112) recorded in the same quarter previous year. This is a clear indication of improvement over last year.

**Figure 2.1: Comparison of Industry Performance (Q1 FY16 over Q1 FY15)**



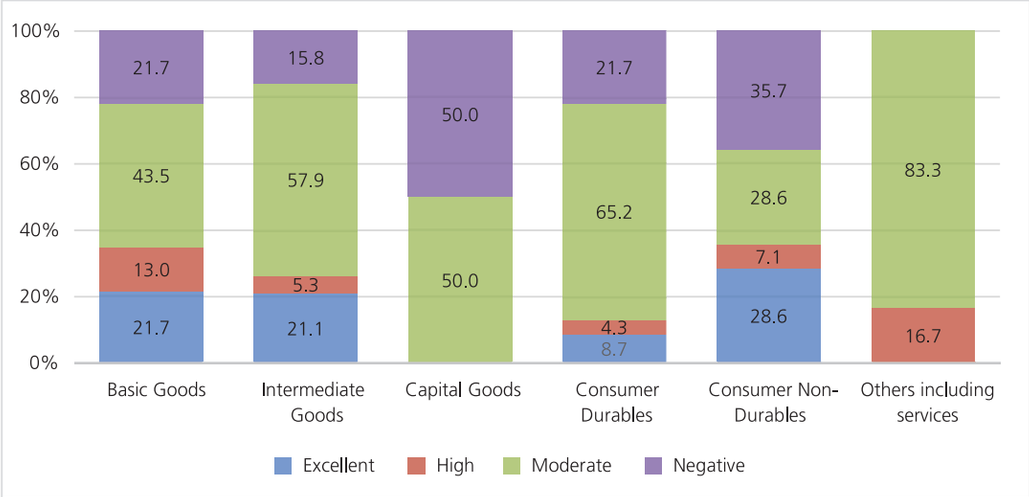

While the share of sectors witnessing high growth rate of 10 to 20 percent has reduced significantly to 9.7 percent (7 out of 93) in the April-June FY16 from 14.3 percent (16 out of 93) during the corresponding period a year ago, the share of sectors reporting moderate growth has declined marginally to 51.7 percent (47 out of 93) for the first quarter FY16 as compared to 51.8 percent recorded in the same quarter last year. At the same time, the number of sectors recording negative growth has fallen from 26.9 percent (30 out of 112) in the first quarter last year to 23.6 percent (21 out of 93) in the first quarter this year.

A further analysis of the sectors at the aggregated level with industry being broadly classified into broad segments in terms of performance of production viz excellent and high (above 10 percent ) on one hand and moderate or negative (below 10 percent) on the other, reaffirms our perception that there are some improvements on the ground.

This is evident from the fact that the number of sectors showing excellent and high growth has shown some improvement in the Q1 FY16 registering 25.7 percent, marginally up from 21.4 percent in April –June FY15. This means that only about 25 percent of the sectors surveyed have reported the output growth of above 10 percent and around three fourth of the sectors (75.3 percent) still are reported to have grown at less than 10 percent as compared to 78.6 percent in the corresponding quarter in the previous year.

A further analysis of the use-based classification of sectors reveals that a majority of sectors in the producer goods segment (basic, intermediate and capital goods sectors) are still to show some definitive signs of recovery. In the basic and intermediate goods categories, a large number of sectors have reported growth numbers falling in the moderate and excellent categories. This reflects some improvement in activity levels, especially on the back of the recent steps taken by the government towards expeditious project clearances, simplification of procedures, new investment announcements as well as the 'Make in India' initiative.

**Figure 2.2: Percentage Distribution of growth across Use-based Classification of sectors (April – June FY16)**




While the core growth should be coming from the capital goods sector, which is an indicator of the actual implementation of the announcements on ground, the subsectors in the capital and engineering goods sectors have reported either moderate or negative outlook signaling a delay in recovery. Moderate/negative growth of capital goods suggests a sluggish investment scenario and indicates weak investment activity in the surveyed quarter.

The performance of the consumer durables and non-durables sectors, an indicator of consumer spending, is also not very encouraging as a majority of the sectors, especially in the consumer durables segment, have estimated growth in the moderate category.

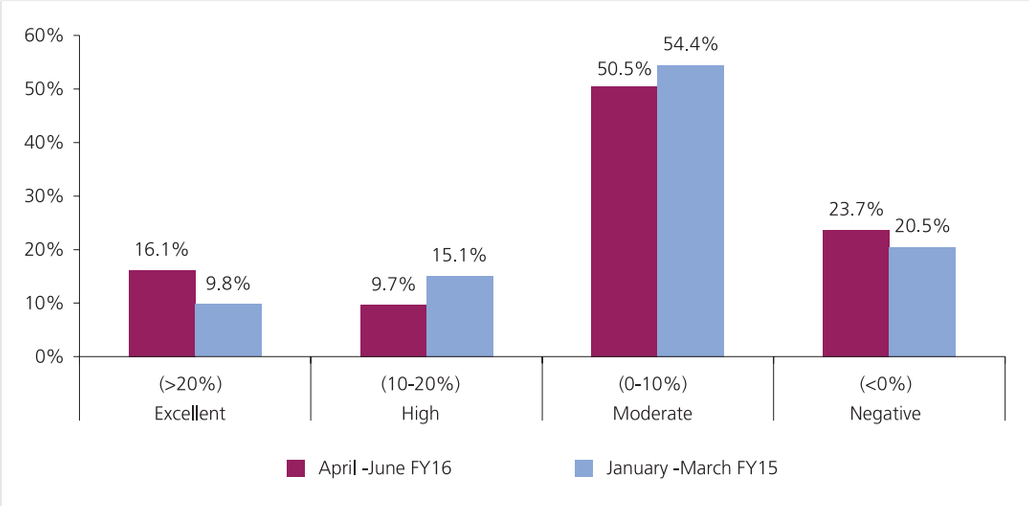
While growth in capital goods and consumer durables would indicate a turnaround in the economy, the current trends, as revealed in the present survey, point towards continuing weak consumption and investment-led demand in the economy.

On the services front, most of the sectors have reported moderate growth, further indicating a slow recovery on the back of subdued consumption and investment demand. A host of indicators such as rail freight and traffic at ports, foreign tourist arrivals point to a gradual pickup in economic activity, which is likely to gain momentum, with the revival in consumer spending.

## 2.3 Industry growth performance during Q1 FY16 over Q4 FY15

A further analysis on a sequential quarter-on-quarter basis also reveals a modest improvement in the performance from the previous quarter. The percentage of sectors reporting 'excellent' performance in April-June FY15 has marched up significantly recording an increase in share to the tune of 16.1 percent (15 out of 93) as compared to a share of 9.8 percent (11 out of 112) in the previous quarter. On the other hand, the share of high growth sectors have reduced significantly to 9.6 percent (9 out of 93) in Q1 (April-June) FY16 from 15.1 percent (17 out of 112) in Q4 (Jan – March) 2015.

**Figure 2.3: Comparison of industry performance Q1 FY16 over Q4 FY15**




The number of sectors recording moderate growth has marginally improved with 50.5 percent (47 out of 93 sectors) falling in moderate growth category as compared to 54.4 percent (61 out of 112 sectors) in Q4 FY15 . However, the number of sectors recording a negative growth have marginally increased to 23.6 percent (22 out of 93 sectors) in Q1 FY16 from 20.5 percent (23 out of 93 sectors) in Q4 FY15.

A break up of the industrial sectors in two broad categories i.e. >10 percent (excellent and high) and <10 percent i.e. (moderate and negative) on the other hand reveals that the situation more or less remains the same as witnessed in the previous quarter. While the sectors falling in the excellent and high category have marginally improved with around 25.7 percent observed in Q1 FY16 as compared to 24.9 percent reported in Q4 FY15 reflecting that around 75 percent of the sectors under the survey registered a growth of less than 10 percent, i.e. 74.1 percent in Q1 FY16 and 74.9 percent in Q4 FY15.

## Conclusion

The CII ASCON Industry Survey for the April – June FY16 quarter reveals a reversal from the earlier trend of slowing growth, with indications of a recovery taking shape in the economy, albeit a slow one. There is a steady but diminutive increase in the sectors in the moderate as well as excellent growth categories. However, there still remains a tilt in overall growth towards moderate and negative growth, from a number of sectors.

The outlook for recovery remains positive amid a benign inflation forecast, accommodative monetary policy stance and the initiatives taken by the Government in terms of thrust on expeditious project clearances, simplification of procedures, etc. Further, a progress on new investment announcements as well as the 'Make in India' and ease of doing business initiatives would improve the order book position, revive demand and help effect a turnaround in the investment cycle going forward.

# INDUSTRY SUGGESTIONS

On the back of several measures taken over the past year, India's near-term growth outlook has improved and the balance of risks is now more favorable, helped by increased political certainty, several policy actions, improved business confidence, lower commodity prices, and reduced external vulnerabilities. However certain challenges still remain. To further push the pace of recovery in economic and industrial growth, the respondents to CII ASCON Industry Survey have suggested the following broad measures:

## ✓ Revival of Stalled Projects

The revival of economic growth critically hinges on the Government's measures towards higher capital expenditure and revival of projects. Given that the Central Government has limited resources for capex, especially after taking into account the 14th Finance Commission's recommendations for tax sharing with States and the need to prune the fiscal deficit, untangling of stalled projects swiftly will be crucial to bring down the capital output ratio and trigger higher growth from less capital.

Due to the Government's continued policy efforts and debottlenecking of previously stalled projects which is underway in India, it is hoped that industrial activity will pick up in the next quarter. However, the country needs continuous new investment to create strong foundation for sustainable growth, revealed the Survey. Industry recommends fast tracking top 100 such stalled projects.

## ✓ De-bottlenecking of supply side linkages through speedy reforms

While the new Government has taken a number of initiatives to revive the economy, the pace of economic recovery in 2014/FY15 has remained modest. Progress on reforms is important for a sustainable upswing. In particular a quicker progress on reforms like passing of the GST Bill and LARR (Amendment) Bill, 2015 both of which are pending in the Rajya Sabha, will impart greater certainty to the investors on policy front. Further, steps in relaxing long standing supply bottlenecks, especially in energy, mining and power sectors, as well as labor market reforms, will be crucial for achieving faster and more inclusive growth.

## ✓ Easing of Interest rates

Along with the continued progress on the reform agenda, the easing of the interest rate cycle would be instrumental for paving the way for a sustainable revival in manufacturing activity.

RBI has lowered the interest rates by a cumulative 75 basis points since January 2015. Such monetary easing measures should be continued especially keeping in view the recovery in industry is slow and patchy. Going ahead, Industry hopes that RBI should cut repo rate by 150 basis points (bps) in the current fiscal.

## ✓ Boost Exports

Exports have evidenced a deceleration in growth since the start of this fiscal owing primarily to severe demand slowdown in the traditional markets of US and Europe. To revive exports, industry has stressed on the need for immediate measures like reducing interest rates along with easing constraints before supply of inputs such as power, raw material, land and infrastructure so that the borrowed capital is able to create value in the system as well as reintroduction of interest subvention scheme to make exports more competitive.

There is also a need to look at re-working of credit costs and cost effective credit options due to steep decline of credit off-take to MSMEs and reinstating export credit refinance. Moreover, SEZs, which contribute significantly in the total exports of the country, have come under pressure due to the announcement of levy of MAT. Hence, at a time when global demand is showing a sharp slowdown, it would help if Government were to do away with the levy of MAT and Dividend Distribution Tax (DDT) and restore the SEZ policy to its original form to attract domestic and foreign investment in the SEZ.

In the medium to long term, the Government should focus on providing better infrastructure and port connectivity to lower transaction costs for exports along with efficient processes and taxation to help integrate India into global supply chains. Drastic improvement in road and railways connectivity to ports by expediting the work on the dedicated freight corridors should be a top priority for improving India's export competitiveness.

For strengthening competitiveness of products in the global market, the respondents in the survey have also suggested to focus more on standards, including the development of a strong standards regime in India as non-tariff based Technical Barriers to Trade (TBT) are increasingly defining the flow of goods and services across boundaries. Enhancing competitiveness at the firm level while creating awareness amongst manufacturers about opportunities of enhancing trade emerging from Trade Agreements with various countries will also be key.

## ✓ Revive Consumption

The sharp decline in consumer demand which indicates sluggish demand conditions in the economy is a cause for concern. A good agricultural harvest would support consumption spending but as agriculture is largely dependent on the vagaries of nature, consumption demand must be supported by schemes such as direct cash transfer, MGNREGA etc. Steps to raise rural incomes, by taking steps such as initiating reform in agriculture sector and encouraging rural industrialisation, would go a long way to boost consumption demand. In addition, lower interest rates and conducive policies to support investment climate would also encourage consumption. An improvement in consumption demand would spur investment revival and bring growth back to the economy.

## ✓ Incentivize investments

To further incentivize the investments the respondents in the survey have also suggested the following:

- Allowing 150% deduction of capital expenditure for capital-intensive, infrastructure industries like steel etc.
- Deduction u/s 32AC. Keeping in view the intention of the Government to promote investment in plant and machinery, the benefit of investment allowance should be allowed if the new Plant and Machinery has been acquired and installed during the period beginning from 1st April, 2013 and ending on 31st March, 2017.
- Rationalize mining taxes and implement DMF in a calibrated manner.
- Provide higher depreciation rate of 50 per cent in case of retrofitting technologies, which are more energy efficient and environment friendly in order to encourage companies to invest in green technology.
- Reintroduce section 80-IB(8A) of the Income Tax Act to give impetus to indigenous innovation R&D and research ecosystem in India.

## ✓ Prevent build-up of NPAs and Safeguard Financial Stability

To prevent NPAs from building up, the RBI should regularly publish the NPA numbers, sector wise, so that banks are aware of the vulnerable sectors and take remedial action.

To safeguard financial stability in the presence of rising corporate and banking sector strain, increase provisioning, strengthen monitoring of corporate vulnerabilities and debt recovery by banks to be further encouraged.

# APPENDIX A

## Sample coverage and methodology

The CII ASCON Industry Survey, which tracks the growth of different industrial and services sectors of the economy, is based on the feedback collected from industry associations affiliated to CII. The industry associations encompass wide range of sectors from the domain of small, medium and large enterprises spread over the length and breadth of the country. Further, the Survey has enumerated responses from both public and private sectors. The companies covered in the Survey represent a wide spectrum of sectors including basic goods, intermediate goods, capital goods, consumer durables and non-durables and services sector. In most of the cases, these account for approximately 70% of the total industry output in the respective sectors.

The analysis is based on two quarters: April-June FY16 and January-March FY15. The results of each quarter are compared with their corresponding values of previous year. While the analyses for January–March is based on 112 sectoral responses, that of April-June is based on 93 responses. The sample covers all sectors of the use-based classification and their summary is described in Table A.1

**Table A1: Sample Coverage: Use-based classification of sectors**

| Sectors | April – June FY 16 | January – March FY 15 |
|---|---|---|
| Basic Goods | 20 | 19 |
| Intermediate Goods | 19 | 24 |
| Capital Goods | 04 | 04 |
| Consumer Durables | 26 | 54 |
| Consumer non-durables | 18 | 09 |
| Other including services | 06 | 02 |
| **Total** | **93** | **112** |

Based on varying rates of growth of industrial production, the responses have been classified in the following four broad categories: (i) 'Excellent' (growth in excess of 20%), (ii) 'High' (growth in the range of 10-20%), (iii) 'Moderate' (growth in the range of 0-10%, and (iv) 'Negative' (growth less than 0%).

## APPENDIX B

### Distribution of total sample sectors over different growth ranges

**Table B1: Production Q1 (April-June) FY16 over Q1 FY15**

| Excellent | High | Moderate | Negative |
|---|---|---|---|
| Diesel<br>Energy Meters<br>Imported Oils<br>Lubes<br>M&HCV-GC<br>NP/NPK<br>Nuclear<br>Nylon Filament Yarn<br>Petrol<br>Polyester Staple Fiber<br>Power Cables (PVC & XLPE)<br>Soya<br>Sugar<br>Tea<br>Total M&HCVs | 3 Wheeler – Public Carriage<br>Ball & Roller Bearings<br>Construction<br>Paints<br>Polyutherene<br>Seed<br>Software (IT-BPO) | Air Cargo Transportation; Auto Components; Cigarettes & Tobacco; Circuit Breakers (HT); Circuit Breakers (LT); Coal; Commercial Vehicles (all); Crude Oil; Dist. Transformer; Domestic Cargo; Drugs & Pharma; Electricity; Flat / Sheet Glass; Float Glass; Foreign Tourist Arrivals; Glass Container &Ware; Glass Table Ware; Hydro Electric; Industrial Gases; International Cargo; LCV- PC; LPG; M&HCV- PC; Machine Tools; Motor Starters; Motors (HT); Nylon Tyre Yarn; Oils; Paper; Passenger cars; Public Transportation Vehicles; Petroleum; Polyester Filament Yarn; Power Transformer; Railways ; Relay/Control; Panels; Steel; Steel re rollers; Thermal; Two Wheelers (all); Two Wheelers (Scooter); Urea; Utility Vehicles; Vans | ATF<br>Capacitors (LT & HT)<br>DAP<br>Edible Oils<br>Groundnut Oil<br>Kerosene<br>LCV- GC<br>Mopeds<br>Motorcycles<br>Motors (LT)<br>Naphta<br>Newsprint<br>Rape/Mustard<br>SSP<br>Sunflower<br>Textile Machinery<br>Total LCVs<br>Tractors<br>Transmission Line |

**Table B2: Sales Q1 (April-June) FY16 over Q1 FY15**

| Excellent | High | Moderate | Negative |
|---|---|---|---|
| DAP<br>NKP/NP<br>Construction Equipment<br>Machinery<br>M&HCV-GC<br>M&HCVs | Ball & Roller Bearings<br>M&HCV- PC<br>Exhaust Fan<br>Fans Wall (Cabin)<br>Polyutherene<br>Tourism (SEE) | Auto Components; Ceiling Fans; Drugs & Pharmaceuticals; Glass Products Industrial Gases; Light Commercial Vehicles; Machine Tools; MOP; Mopeds; Nylon Filament Yarn; Nylon Tyre Yarn; Passenger Car; Polyester Filament Yarn; Polyester Staple Fiber; SSP; Steel re rollers; Total Commercial Vehicles; Total Passenger Vehicles; Total Two wheelers; Two Wheelers (Scooter); Urea; Vans | Light Commercial Vehicles<br>Light Commercial Vehicles – Goods Carrier<br>Motor Cycles<br>Newsprint<br>Sugar<br>Table fan<br>Three Wheelers(Al)<br>Three Wheelers – Goods carriers<br>Three Wheelers – Passenger carriers<br>Tractors<br>Utility Vehicles |

**Table B3: Exports Q1 (April-June) FY16 over Q1 FY15**

| Excellent | High | Moderate | Negative |
|---|---|---|---|
| Commercial Vehicles; Exhaust Fan; Ground Nut Meal; Light Commercial Vehicles; Light Commercial Vehicles –Goods Carrier; Mopeds; Multi & Heavy Commercial Vehicles - Goods Carrier; Multi & Heavy Commercial Vehicles - Public carriers; Ricebran Extract; Scooter/ Scooterettes; Three Wheelers (Al); Three Wheelers - Goods carriers; Three Wheelers – Public carriers; Vans | Light Commercial Vehicles – Public Carrier<br>Castor Seed Meal<br>Software<br>Tractors | Auto Components<br>Ceiling Fans<br>Cigarettes & Tobacco<br>Glass Products<br>Industrial Gas Plant<br>Machine Tools<br>Motor Cycles<br>Passenger car<br>Passenger Vehicles<br>Scooter (Two Wheelers)<br>Total Two wheelers | Fans Wall (Cabin)<br>Oilmeal<br>Newsprint<br>Rapeseed Meal<br>Soybean Meal<br>Sugar<br>Table fan<br>Textile Machinery<br>Utility Vehicles |

**Confederation of Indian Industry**

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, India's premier business association has over 7600 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 100,000 enterprises from around 250 national and regional sectoral industry bodies.

CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, healthcare, education, livelihood, diversity management, skill development, empowerment of women, and water, to name a few.

In its 120th year of service to the nation, the CII theme of **'Build India – Invest in Development, A Shared Responsibility,'** reiterates Industry's role as a partner in national development. The focus is on four key enablers: Facilitating Growth & Competitiveness, Promoting Infrastructure Investments, Developing Human Capital, and Encouraging Social Development.

With 66 offices, including 9 Centres of Excellence, in India, and 7 overseas offices in Australia, China, Egypt, France, Singapore, UK, and USA, as well as institutional partnerships with 300 counterpart organizations in 106 countries, CII serves as a reference point for Indian industry and the international business community.

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