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The Indian economy has been witnessing positive sentiments during the past few months. The real GDP growth was estimated at 5.7% in Q1 of 2014-15 as against 4.7% in the corresponding period of last year. IMF in October 2014 World Economic Outlook (WEO) has raised India's growth projections to 5.6% in 2014 from 5.4% projected in July 2014 WEO while the World Bank in its World Bank's bi-annual report expects India's growth to accelerate from 5.6% in FY2015 to 6.4% in FY2016.

RBI in its fourth Bi-monthly Monetary Policy Statement, 2014-15 has kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8% and the cash reserve ratio (CRR) of scheduled banks unchanged at 4% of net demand and time liabilities (NDTL). However, it reduced the liquidity provided under the export credit refinance (ECR) facility from 32% of eligible export credit outstanding to 15% with effect from October 10, 2014.

The macro economic indicators have displayed an encouraging trend in the recent times. IIP was registered at 0.4% in the month of August 2014. The cumulative growth for the period Apr-Aug 2014-15 stands at 2.8% as compared to 0.0% in the corresponding period of the previous year. Further, there has been a significant decline in WPI from 3.7% in August to 2.4% in the month of September, 2014. The CPI also declined from 7.7% in August 2014 to 6.5% in September 2014.

However, the trade deficit increased significantly by 132.7% mainly due to rise in imports without adequate rise in exports. The FDI equity inflows in the month of August 2014 are estimated at around US$1.27 bn as against about US$1.41bn in August 2013, posting a growth (Y-o-Y) of (-) 9.2%. Core infrastructure industries, in cumulative terms registered a growth of 4.0% during April-September 2014-15 as against 5.0% during the corresponding period of the previous year.

Going forward, the recently launched labour schemes at Shramev Jayate event, to boost ease of business like a unified 'Shram Suvidha' web portal where employers can submit a single compliance report for 16 labour laws, a new labour inspection scheme, Unique Account Number facility for EPFO members, a new skill development and apprenticeship scheme, will make 'Make in India' initiative of the government successful.

The recent initiatives of the government would not only facilitate ease of doing business in India but would also create millions of job opportunities and would facilitate reaping the demographic dividend which will place India better in comparison to other countries in the global economic order in the period ahead.

1. Indian economy so far

1.1 Growth

Real GDP grows at 5.7% in Q1 FY2015-India's real GDP growth increased to 5.7% in Q1 of 2014-15 from 4.7% in Q1 of 2013-14. The GDP at factor cost at constant (2004-2005) prices for Q1 of 2014-15 is estimated at Rs. 14.38 lakh crore, as against Rs.13.61 lakh crore in Q1 of 2013-14. Whereas, GDP at factor cost at current prices in Q1 of 2014-15, is estimated at Rs. 26.97 lakh crore, as against Rs. 24.11 lakh crore in Q1 of 2013-14, showing an increase of 11.9%.The economic activities which registered significant growth in Q1 of 2014-15 over Q1 of 2013-14 are electricity, gas & water supply at 10.2%, financing, insurance, real estate and business services at 10.4% and community, social and personal services at 9.1%. The estimated growth rates in other economic activities are 4.8% in construction, 3.5% in manufacturing, 2.8% in trade, hotels, transport and communication, 3.8% in agriculture, forestry & fishing, and 2.1% in mining & quarrying during this period.

August 2014 IIP grows at 0.4% -Growth in industry output, as measured in terms of IIP, for the month of August 2014 and July 2014 is estimated at 0.4% The cumulative growth for the period Apr-Aug 2014-15 stands at 2.8% as compared to 0.0% in the corresponding period of the previous year. The growth in the three sectors mining, manufacturing and electricity in Aug 2014 stands at 2.6%, (-) 1.4% and 12.9% respectively as compared to 1.2%, (-) 1.0% and 11.7% respectively in July 2014.

September core infra grows at 1.9%-The core infrastructure grows to 1.9% (Y-O-Y) in September 2014 as compared to 5.8% (Y-O-Y) in August 2014. The combined index of Eight Core Industries stands at 160.6 in September 2014 with a growth rate of 1.9% in September 2014 as compared to 9.0% in September 2013. Crude oil and Natural gas registered a growth rate of (-) 1.1% and (-) 6.2% respectively in the month of September 2014.

1.2 Inflation

September 2014 WPI inflation declines to 2.4% -The WPI inflation for the month of Sep 2014 declined to 2.4% from 3.7% in Aug 2014, 5.4% in July 2014, 5.6% in June 2014 and 6.2% in May 2014. The decline in WPI inflation in the month of Sep 2014 is attributed to decline in the prices of primary articles (2.18%), food articles (3.5%), non-food articles (0.52%), fuel and power (1.33%) and manufactured goods (2.84%). The recent measures taken by the government such as check on hoarding and bringing onions and potatoes in essential commodities list has helped to ease inflation in general and food inflation in particular.

September 2014 CPI inflation at 6.5%- The all India general CPI (Combined) for September 2014 stands at 6.5% as compared to 7.7% in August 2014. The inflation rates for rural and urban areas for September 2014 are 6.7% and 6.3% as compared to 8.3% and 7% respectively, for August 2014. Rate of inflation during September 2014 is high in fruits at 22.40%, Milk and products at 11.08%, vegetables at 8.59%, Condiments and spices at 8.58% and Clothing, bedding and footwear at 7.59%. Consumer

Price Index for the month of September 2014 for rural, urban and combined stood at 147.0, 142.5 and 145.0, respectively.

1.3 External sector

CAD narrows sharply in Q1 2014-15 - India's current account deficit (CAD) narrowed sharply to US$ 7.8 billion (1.7% of GDP) in Q1 of 2014-15 from US$ 21.8 billion (4.8% of GDP) in Q1 of 2013-14. However, it was higher than US$ 1.2 billion (0.2% of GDP) in Q4 of 2013-14. The lower CAD was primarily on account of a contraction in the trade deficit contributed by both a rise in exports and a decline in imports. On a BoP basis, merchandise exports at US$ 81.7 billion increased by 10.6% in Q1 of 2014-15 as against a decline of 1.5% in Q1 of 2013-14. On the other hand, merchandise imports (on BoP basis) at US$ 116.4 billion moderated by 6.5% in Q1 of 2014-15 as against an increase of 4.7% in Q1 of 2013-14. Decline in imports was primarily led by a steep decline of 57.2% in gold imports, which amounted to US$ 7 billion, significantly lower than US$ 16.5 billion in Q1 of 2013-14.

September merchandise exports grows at 2.7%- India's exports for the month of September 2014 stand at around USD 28.9 billion with a (Y-O-Y) growth of 2.73% as compared to USD 26.9 billion in August 2014 with a (Y-O-Y) growth of 2.35%. During September 2014, the imports were USD 43.2 billion with a (Y-O-Y) growth of around 25.96% as compared to USD 37.7 billion in August 2014. The balance of trade stands at around USD (-) 14.3 billion during September 2014 as compared to USD (-) 10.8 billion during August 2014.

August services exports estimates at US$ 12.2 bn- India's services exports stands at around USD 12.2 billion and services imports stands at USD 6.7 billion for the month of August 2014. The trade balance in services stands at USD 5.5 billion during August 2014

August FDI grows at (-) 9.2%- The FDI equity inflows in the month of August 2014 are estimated at around US$1.27bn as against about US$1.41bn in August 2013, posting a negative growth (Y-o-Y) of (-) 9.23%. The growth in FDI equity inflows stands at around 111% in July 2014, 33% in June 2014, 121% in May 2014, and (-) 26% in April 2014. The total FDI equity inflows, in the period April-August 2014-15 are estimated at around US$12bn; representing an increase of around 42% over the FDI equity inflows of about US$8.5bn for the corresponding period last year.

1.4 Fiscal scenario

Sept 2014 fiscal deficit at around 83% of actuals to BEs-The gross fiscal deficit of the Central government stands at 82.6% of the actuals to budget estimates at the end of Sep 2014 as compared to 76% of the actuals to budget estimates in the corresponding period of the previous year. The primary deficit significantly increased to 243% of the actuals to budget estimates at the end of Sep 2014 as compared to 146.7% of the actuals to budget estimates during corresponding period of the previous year.

Net direct tax collection rises by 7.1% in Apr-Sep FY2015- Net Direct Tax collections have increased to Rs. 2,68,836 crore during April-September FY2015 as compared to Rs. 2,51,028 crore during the same period in the last fiscal with a growth of 7.09%. While Gross Direct Taxes collections during April-

September FY2015 have increased to Rs.3,46,144 crore as against Rs. 3,01,063 crore collected during the same period last year with a growth of 15%. The gross collections of Corporate Tax has also scaled up to Rs.2,22,616 crore as against Rs. 1,93,054 crore collected during the same period last year with a growth of 15.31%. Gross collection of Personal Income Tax, including STT and Wealth Tax, is up by about 14% and stands at Rs. 1,23,528 crore as against Rs. 1,08,009 crore collected during the same period last year.

Indirect Tax Revenue rises 5.8% during Apr-Sep 2014-15-The overall growth in indirect tax revenue collections has increased from Rs 2,28,619 crore in April-Sep 2013-14 to Rs. 2,41,811 crore during April-Sep 2014-15 registering an increase of 5.8%. It is an achievement of 38.8% of the Budget Estimates for 2014-15. Service Tax collections have also increased from Rs. 68,506 crore in April-Sep 2013-14 to Rs. 77,466 crore during April-Sep 2014-15 registering an increase of 13%. There was a decline of (-)0.6% in collections of Central Excise from Rs. 75,470 crore in April-Sep 2013-14 to Rs 75,021 crore during April-Sep 2014-15 and customs from Rs. 84,643 crore in April-Sep 2013-14 to Rs. 89,324 crore during April-Sep 2014-15 registering an increase of 5.5% over the corresponding period in the previous year.

India's external debt stands at US$ 450 billion at the end of June 2014- With a modest level of current account deficit (CAD) and sharp rise in non-debt creating flows in Q1 of 2014-15, India's external debt stands at US$ 450 billion at the end of June 2014, which has increased marginally by 1.8% over end-March 2014. Of the total absolute increase of US$ 7.9 billion in total external debt, a marginal increase of about US$ 0.4 billion during the quarter was on account of valuation change, reflecting a marginal depreciation of the US dollar against the Indian rupee and other major currencies. The increase in total external debt was primarily on account of rise in commercial borrowings by US$ 6.3 billion over end-March 2014. Outstanding NRI deposits with a rise of US$ 2.4 billion over end-March 2014 were the second largest source of increase in India's external debt.

Government's total public debt increase by 3.7% at end-June 2014- The gross fiscal deficit of the Central Government in budget estimates (BE) 2014-15 (FY15) was placed at Rs. 5,31,177 crore (4.1% of GDP) as against Rs. 5,24,539 crore (4.6% of GDP) in the revised estimates (RE) for 2013-14. The gross and net market borrowing of the Government in FY15 BE at Rs.6,00,000 crore and Rs.4,61,205 crore shows an increase of 6.4% and 1.6%, respectively over the levels of Rs. 5,63,911 crore (gross) and Rs. 4,53,902 crore (net) in FY14RE. Gross tax collections during the Q1 of FY15 were Rs.1, 83,028 crore which was 13.4% of BE showing a growth of 3.4% over Q1 of previous year.

1.5 Monetary scenario

Fourth Bi-monthly Monetary Policy Statement, 2014-15: RBI maintains status quo-RBI in its fourth Bi-monthly Monetary Policy Statement, 2014-15 has kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8% and the cash reserve ratio (CRR) of scheduled banks unchanged at 4% of net demand and time liabilities (NDTL). The RBI, however, reduced the liquidity provided under the export credit refinance (ECR) facility from 32% of eligible export credit outstanding to 15% with effect from October 10, 2014.

August 2014 Gross Bank Credit grows at 10.2%-On a year-on-year basis, gross bank credit stands at 10.2% in Aug 2014 as compared to 12.6% in July 2014. The growth of food credit stands at 9.5% in Aug 2014 as against 14.8% in July 2014 and the non-food bank credit increased by 10.2% in Aug 2014 as compared to 12.6% in July 2014.The credit to NBFCs increased by 4.1% in Aug 2014 as compared with 11.5% in July 2014. The credit to agriculture increased by 18.8% in Aug 2014 as compared with 19.5% in July 2014.The gross bank credit stands at Rs. 57,293 billion as on Aug 2014 as compared to Rs. 51,991 billion as on Aug 2013, posting a growth of about 10.2%.

ECBs stand at US$ 3.2 bn during Sep 2014-Indian firms have raised US$ 3.2 bn through external commercial borrowings (ECBs) in the month of September 2014 as against US$ 5.1 bn during August 2014 by automatic and approval route. The borrowings stood at US$ 3.2bn in Sep 2014 as compared to US$ 3.4 bn in Sep 2013. India has received gross ECBs worth around US$261.6 bn between FY2001 and FY2015 (till Sep 2014).

2. Major policy pronouncements

Minimum Support Price for Rabi Crops of 2014-15 season to be marketed in 2015-16-The Cabinet Committee on Economic Affairs, chaired by the hon'ble Prime Minister, Shri Narendra Modi, has approved Minimum Support Prices (MSPs) for some Rabi Crops of 2014-15 season to be marketed in 2015-16. The approved MSPs are Rs. 1450 for wheat, Rs. 1150 for Barley, Rs. 3175 for Gram and Rs. 3075 for Masur per quintal.

PM Narendra Modi announces labour schemes to boost ease of business- Hon'ble Prime Minister, Mr. Narendra Modi at the Pandit Deen Dayal Upadhyay Shramev Jayate event, organised by the Ministry of Labor and Employment stated that ease of doing business is the biggest requirement to make 'Make in India' a success. Stressing the need for labour reforms and skill development for the success of the 'Make in India' campaign, Hon'ble Prime Minister launched various labour schemes at the event. A unified 'Shram Suvidha' web portal where employers can submit a single compliance report for 16 labour laws, a new labour inspection scheme, Unique Account Number facility for EPFO members, a new skill development and apprenticeship scheme are the various initiatives launched under Shramev Jayete. Common market for inter-state free trade on the cards - The Union government is planning to set up a constitutional body to dismantle taxation barriers and create a 'Common National Market' for the entire country to ensure free movement of goods across the state borders. The proposed constitutional body, will work to ensure "freedom of trade and commerce" by tackling intra-state and interstate barriers caused due to taxation and bureaucratic problems.

Make in India to transform investment climate in India-With an objective to boost India's manufacturing sector and to make India as a manufacturing destination, hon'ble Prime minister launched "Make in India" program on 25th September. The programme focuses on some new ideas like First Develop India and then Foreign Direct Investment, Look-East on one side and Link-West on the other, highways and 'I-ways. Besides this, programme also focused on skill development, Digital India to improve the ease of doing business, new initiatives intended to facilitate investment, foster innovation, protect intellectual property, and infrastructure to spur manufacturing growth.

Government changes Economic Advisor and Finance Secretary in their Budget team: Government has announced two high-level appointments in the Finance Ministry, to give shape to his new budget. Mr. Arvind Subramanian has been brought in as the new Chief Economic Advisor in the Ministry of Finance and Mr. Rajiv Mehrishi, Chief Secretary of Rajasthan has been appointed as the new Secretary in Department of Economic Affairs.

Govt okays Rs.930-crore scheme to boost capital goods sector - The government approved Rs. 930 crore scheme to enhance the competitiveness of the capital goods sector. The scheme would also include sub secors like machine tools, textile machinery, construction and mining machinery, and process plant machinery. The motive behind the scheme is to boost manufacturing activity in the country and to turn India into a manufacturing hub.

First set of defence sector FDI proposals gets FIPB nod- The Foreign Investment Promotion Board (FIPB) cleared FDI in 21 out of 35 proposals brought for its consideration. The approved proposals are worth Rs. 988 crore.

PM Narendra Modi fixes April 2016 deadline for GST launch- The Hon'ble Prime Minister Mr. Narendra Modi has given directions that Goods and Services Tax should be rolled out by April 2016. The biggest challenge to roll out GST is setting up of a national IT framework that can act as a clearing house for the taxation of inter-state movement of goods. It is expected that the required IT framework would be ready by 2016.

RBI eases norms for issuance of equity shares under FDI – Reserve Bank of India has permitted issue of equity shares against any fund payable by the investee company, remittance of which does not require prior permission of the government or RBI, so as to ease foreign direct investment (FDI) norms.

Union labour ministry gives nod to four Rajasthan Bills-The Union labour ministry has given approval to four labour reform Bills passed by the Rajasthan Assembly in the month of July- Factories Act, Industrial Disputes Act, Apprenticeship Act and Contract Labour (Regulation and Abolition) Act .Now the bills will be presented to the hon'ble President for his assent.

Cabinet clears five agreements with US- The Union Cabinet has cleared five agreements with United States. These are for a global telescope project, on education, gas hydrates, clean energy and climate change.

SC cancels 214 of 218 coal block allocations- The Supreme Court has cancelled all coal block allocations since 1993 except for government-run coal blocks.

Supreme Court cancels National Tax Tribunal Act- The Apex court has struck down the National Tax Tribunal Act, on the grounds that it encroached upon the powers of the judiciary and the principle of separation of powers. The National Tax Tribunal Act was passed in 2005 and was stuck in litigation in high courts.

3. Other key developments

India ranks 142 on Doing Business Index: World Bank-The World Bank in its recent report '***Doing Business 2015: Going Beyond Efficiency***' ranked India at 142nd position down from 140th position (revised) in the previous year. While, its DTF (Distance to Frontier) score rose to 53.97 from 52.78 reported in the last years' Doing Business 2014 report. The Doing Business report measures business regulations in 11 areas across 189 economies including starting a business, dealing with construction permits, getting electricity, registering property etc.

Federal Reserve concludes the Asset Purchase Program-The Federal Open Market Committee (FOMC) has directed the Open Market Trading Desk (the Desk) at the Federal Reserve Bank of New York to conclude the current asset purchase program by the end of October on account of substantial improvement in the outlook for the labor market and sufficient underlying strength in the broader economy to support ongoing progress toward maximum employment in a context of price stability.

IMF raises India's growth projections to 5.6% in 2014- IMF in the October 2014 WEO (World Economic Outlook) has raised India's growth projections to 5.6% in 2014 from 5.4% projected in July 2014 WEO. While the growth projections for 2015 remains unchanged at 6.4%. WEO reports that growth in India is expected to increase, as exports and investment continue to pick up and more than offset the effect of an unfavorable monsoon on agricultural growth earlier in the year.

Indian economy to grow by 6.4% in 2015-16: World Bank- According to World Bank, India is benefiting from a "Modi dividend" and is set to grow by 6.4% in 2015-16 as against 5.6% in 2014-15. Over the next year or so economic growth should be supported by the recovering US economy that would provide a market for Indian merchandise and service exports.

ADB increases 2015 forecasts for India to 6.3%- Asian Development Bank (ADB) in its latest report has revised India's GDP growth projections upwards by 0.3% to 6.3% in 2015. The report says that post election stable government shows a new promise of turnaround.

WTO slashes world trade growth forecast to 3.1%- WTO revised its forecast for world trade growth in 2014 to 3.1% down from the 4.7% forecast made in April and cut estimate for 2015 to 4.0% from 5.3% previously. The downgrade is in response to weaker-than-expected GDP growth and muted import demand in the first half of 2014, particularly in natural resource exporting regions such as South and Central America.

India could become fastest growing exporter by 2030: HSBC-According to a study by HSBC on the trade Forecast, India is likely to become the world's fastest growing exporter and UAE's top export and import destination by 2030. Besides India and UAE's, the other fastest growing export markets will be China, Malaysia andTurkey, each of which will see the fastest growth rates between 2017 and 2030.

India's rank improves to 55th position on global hunger index: IFPRI - The number of hungry people in India has declined with its score on the Global Hunger Index improving from 63rd position to 55th position in 2014 due to progress made in addressing underweight in children. As far as india's rank on underweight in children is concerned, It has moved to 120th spot among 128 countries, with the prevalence of underweight in children declining by almost 13 percentage points between 2005-2006 and 2013-2014. India was able to improve its score following the roll-out and expansion of several programmes like the Integrated Child Development Services programme and the National Rural Health Mission.

30% of global extreme poor lives in India: World Bank & IMF- According to the Global Monitoring Report 2014/2015: Ending Poverty and Sharing Prosperity, released by the World Bank and International Monetary Fund (IMF), as per the new poverty estimates for 2010 and 2011, India's poverty headcount fell by 10% within 2 years. However, India accounted for 30% share of the global extreme poor in 2011, placing the country amongst the top 10 countries with largest share of global extreme poor in 2011. While, China had only 8% share in the global extreme population, despite of carrying a large share in world population.

India home to 1 in 3 of the world's poor in 2011- According to a latest progress report on various social indicators from the World Bank and the International Monetary Fund (IMF), India was home to about a third of the world's poor in 2011. This means that in 2011, the highest number of the poor lived in India. The data in Global Monitoring Report 2014-15, also states that China, whose population is more than our country's population, had only 8% of world's poor in 2011.

India's D&B Business Optimism Index rises over 2% for Q4 of 2014- According to report by Dun & Bradstreet, India Inc's optimism index for the fourth quarter of this year has registered an increase of 2% over last year, showing resilient business sentiment. The Business Optimism Index (BOI), which measures the pulse of the business community, stood at 137.6 for Q4 of 2014, an increase of 2 per cent as compared to Q4 of 2013.

India to top global remittances with US $71 billion this year: **World Bank**- According to World Bank, India will retain its top spot with USD 71 billion in remittances this year as remittances to developing countries are expected to reach USD 435 billion which is an increase of 5% over 2013. India will remain world's largest emigrant stock of 14 million people. Other large recipients are China (USD 64 billion), the Philippines (USD 28 bn), Mexico (USD 24 bn), Nigeria (USD 21 bn), Egypt (USD 18 bn), Pakistan (USD 17 bn), Bangladesh (USD 15 bn), Vietnam (USD 11 bn) and Ukraine (USD 9 bn).

Standard & Poor's raises India's outlook from 'negative' to 'stable'- Standard & Poor's (S&P) raised the outlook for India's "BBB-minus" rating back to "stable" from "negative," due to the positive fiscal and economic reforms scenario and clearing of many growth impediments such as energy supply bottlenecks and administrative obstacles.

HSBC sees several positives for market; overweight on India- Global brokerage HSBC said that it is "overweight" on India and the government's reform momentum is likely to drive positive news flow for the market that would help in sustaining the current market momentum. HSBC sees several positives for the market, including structural reforms, supportive monetary policy, a decline in the cost of equity and a favourable corporate earnings outlook.

Corporate ratings upgrades hint early signs of recovery- According to Crisil and Care, India's economy is showing early signs of recovery and is reflected in a sharp rise in corporate rating upgrades in the current fiscal. The two domestic agencies said their respective ratios of rating movements are pointing towards early signs of recovery.

Two-wheeler industry to grow 8-9% in FY-15: ICRA- According to the rating agency ICRA, the domestic two-wheeler industry is expected to grow 8-9% in FY-15 as replacement demand will support volumes in the short-term. Over the medium term, the two-wheeler industry is expected to report a volume CAGR of 8-9% to reach a size of 22-23 million units (domestic plus exports) by 2016-17.

FMCG market: India picks up but Bharat lags- According to research from IMRB, household consumption of FMCG products have increased in the urban areas as it rose 7% n the May-July period this year, compared with a decline of 12% in the same period last year. However, in the rural areas, FMCG volume consumption declined 7% from May to July, against a fall of 1% in the year-ago period. In value terms, consumption rose just 1%, compared with 2% last year.

India Inc's foreign investment doubles to $3.02 bn in Sept: -According to the data from RBI, India Inc's overseas direct investment more than doubled to $3.02 billion last month. Total investment abroad by Indian firms stood at $1.43 billion in September 2013. During August, the Indian companies had undertaken investments worth $1.25 billion in overseas markets.

World population may hit 11 billion by 2100: According to a UN-led analysis, the world population may reach 11 billion people by this century's end. This would mean two billion more people on Earth than expected by 2100, largely due to high birth rates in the continent of Africa.

India's plastics exports set to touch $ 15 billion by FY 19 - According to Plastics Export Promotion Council , India's plastics exports are expected to touch $ 15 billion by FY 2019 from the present level of $ 8 billion in FY 2014 . India also hopes to export $ 9.5 billion worth of plastics in FY 2015.

Major ports record 12% jump in imported coal cargo- According to Indian Ports' Association, rising coal demand led to the country's major ports logging 12% jump in handling imported dry-fuel in August to 9.41 million tonnes. Increased demand for imported dry-fuel has led to top 12 major ports handling 9.41 MT of imported coal during August as compared to 8.41 MT in a year-ago period.

Natural gas production falls 8.3% in August- Domestic natural gas production fell 8.3% in August, primarily due to lower production from onshore fields. During the month of August, natural gas production was 2.729 billion cubic meters, against 2.977 billion cubic meters in the same month last year.

PFRDA to bring all exempt pension funds under its ambit- Pension Fund Regulatory and Development Authority of India is looking to bring all exempted pension funds, such as superannuation fund's operation, their investment policy, key management, and their assets run by some companies for their employees, under its ambit.

Switzerland to assist India in validation of bank documents- In the joint statement issued by Revenue Secretary Mr. Shaktikanta Das and State Secretary Mr. Jacques De Watteville after their meeting in Berne, Switzerland has stated that it will assist India in getting confirmation of the genuineness of bank documents operating in its country for the tax administration purposes. At the meeting, Switzerland also agreed to swiftly provide information related to non-banking matters.

Government working on tax sops for renewable energy- Hon'ble Union minister for power and coal, shri Piyush Goyal said that the government is working on a policy to provide tax breaks and cheaper loans to the renewable energy sector to attract investments worth of $100 billion within next five years and to motivate prospective investors.

Gross domestic product data all set to be updated by 2015- The ministry of statistics and programme implementation has stated that it will come up with more updated GDP data to analyse the Indian economy, with the base year of GDP revised to 2011-12. This overhaul of the GDP is expected to expand the size of the Indian economy, due to broadening of coverage of unorganised sectors, agriculture and corporate sector.

Government to facilitate investment in inland waterways- Hon'ble Minister for Road Transport, Highways and Shipping, Shri Nitin Gadkari said that in order to make inland waterways sector economically viable, government will give all facilities and concessions to this sector. Also terminals, waterports and seaports will be built to attract fresh investment in the sector.

$100 billion investment likely in renewable energy in 5 years – The hon'ble minister for power, coal and renewable energy, shri Piyush Goyal stated that India will get $100-billion investment in renewable energy in the next five years and will become a world leader in this sector. He also said that the government is keen on making electricity from clean sources like sun, wind, water and biomass, to make electricity generation more environmental friendly.

India proposes currency swap lines to limit volatility in emerging market currencies- Finance secretary Mr. Arvind Mayaram, in G20 deputies meeting has proposed that IMF could explore the idea of using currency swaps lines to protect against excessive volatility, as currency volatility undermines the goal of higher global growth.

India, China agree to resolve border dispute via 2005 pact- India and China have decided to settle their long-standing border dispute via an Agreement on the Political Parameters and Guiding Principles which was signed in April 2005.Besides this, both the countries decided to start talks on a civil nuclear agreement and also emphasized on improving military ties.

Government to re-constitute a body on accounting standards- The Ministry of Corporate Affairs has decided to re-constitute National Advisory Committee on Accounting Standards (NACAS) under the chairmanship of former president of Institute of Chartered Accountants of India (ICAI), Mr. Amarjit Chopra. NACAS is a body of experts including representatives of various regulatory bodies and Government agencies, which has been engaged in the exercise of examining Accounting Standards prepared by ICAI.

Centre, states to fast- track infra project progress via joint mechanism- Centre and states have decided to join hands to set up a mechanism to fast-track stalled infrastructure projects and to expedite the implementation of projects that have a cumulative investment potential of nearly Rs 10 lakh crore. The proposed 'joint mechanism', will be headed by Cabinet secretary, Mr. Ajit Seth and chief secretaries of concerned states as its members.

India to stick to its stance at WTO meet- India is going to stick to its demand to have a parallel agreement on public stockholding for food security purposes, as the preparatory committee on a trade facilitation agreement (TFA) is sheduled to meet on September 29 at the World Trade Organization's (WTO), headquarters in Geneva.

Finance Ministry objects to power ministry's fresh FSA proposal- The Ministry of Finance has raised objections to a Power Ministry's proposal which states that, power plants that are operational or will be operational by 2016, but are without fuel supply agreements (FSAs), will be provided with 50% of normative coal requirement by Coal India (CIL).

Government to reduce market borrowing-With chances of receiving greater revenues than estimated, the Government has cut down its market borrowing by Rs. 8,000 crore at Rs.5.92 lakh crore. This move of the government aims to keep the fiscal deficit at 4.1%in this financial year.

India's textiles, apparel exports to rise by 10% this year- India's cotton and apparel exports are set to rise by nearly 10% this year as higher wages, political instability and rising concerns about workplace conditions in other countries, are expected to steer international buyers toward Indian exports.

Govt to seek repeal of over 1,000 obsolete laws in winter session- The government is planning to introduce a fresh Bill in the winter session of Parliament to repeal over a 1,000 archaic laws in the financial, social, land and infrastructure sectors like Bengal District Act, which dates back to 1836, Bengal Bonded Warehouse Association Act (1838), Sheriffs' Fees Act (1852), Dramatic Performances Act (1876), etc, which have become obsolete in coming times.

Modi visit to give Indian green energy $1-bn push- The energy sector in India will be one of the first sectors that would benefit during hon'ble Prime Minister, shri Narendra Modi's US trip. The sector is expected to receive investments of about $1 billion from US companies.

Ministry of corporate affairs slashes estimate of companies CSR spend by half- The corporate affairs ministry has cut its estimate of corporate social responsibility spending by half in the first year, as companies are not very much enthusiastic to the idea of CSR spending. The ministry now expects that the eligible companies will spend around Rs 5,000 crore below its initial projection of more than Rs 10,000 crore.

Textiles Ministry launched Programme for Value Addition of Dehaired Pashmina in Leh-The hon'ble Minister of State for Textiles, Shri Santosh Kumar Gangwar launched the Pashmina Promotion Programme (P-3) and laid the foundation stone of Pashmina Dehairing Plant at Pashmina Dehairing Plant Complex in Skalzangling,Leh. Under this Programme, latest technology and machinaryhas been imported with total financial allocation of Rs.19.35 crore. The programme aims to increase pashmina wool production up to 65 tonnes by the end of 12th Five Year Plan.

Government Seeks Cooporation of Industry in Clean Ganga Mission Dialogue on Industrial Pollution in River Ganga Held – Hon'ble Union Minister for Water Resources, River Development and Ganga Rejuvenation, Sushri Uma Bharti has sought the cooperation of various industries in clean Ganga Mission. The government has sought for self regulatory provisions to make the mission successful.

PMO to take a call on restoring tax benefits for SEZs- Principal Secretary to the Prime Minister, Mr. Nripendra Mishra in a meeting with the Commerce Ministry is likely to take a call on restoring tax benefits to Special Economic Zones (SEZs). The Commerce Ministry has been trying to convince the Finance Ministry to withdraw the Minimum Alternate Tax (MAT) of 18.5% and Dividend Distribution Tax (DDT) of 15% that were imposed on the SEZs in 2012. The motive is to boost investment in SEZs to boost manufacturing sector.

Aadhaar could help India meet its poverty alleviation target: **World Bank**-According to the latest 'Ending Poverty and Sharing Prosperity' report released by the World Bank, India's Aadhaar programme has the potential to reduce administrative costs and increase effectiveness of poverty alleviation schemes by increased reach to poor and plugging leakages in schemes.

Procurement fraud, bribery are the biggest risks facing infrastructure firms- According to a survey conducted by Deloitte on "managing fraud and dispute challenges in the infrastructure sector", procurement fraud, bribery and corruption are the biggest fraud risks that are faced by the infrastructure companies.

'Japan Plus' team set up to fast-track investments- The Government has set up a special management team, "Japan Plus", to facilitate and fast track investment proposals from Japan. The team set up by Department of Industrial Policy and Promotion (DIPP), will be responsible for providing updated information on investment opportunities in specific projects and in industrial corridors in particular.

Five Year Plan to remain operational till March 2017- Planning Commission has informed the Parliamentary Standing Committee on Finance that inspite of the the government's move to revamp the Planning Commission, 12th Five Year Plan will not be dropped and will continue till the end of its policy period, that is, till March 2017.

Centre plans 3-year compensation for states for GST-The Ministry of Finance wants to compensate states for implementation of GST for only three years. States, on the other hand, have been demanding that the Centre compensate them, for losses incurred on account of switching to the proposed indirect tax regime, for five years. This could prove to be a hurdle in the implementation of GST in the coming times. Also, the ministry has ruled out making any provision for compensation in the Constitution amendment Bill; it may be provided for in the GST law.

Pharmaceutical companies may post robust top-line growth in Q2- Driven by steady growth in the country, pharmaceutical firms are expected to post robust top-line growth and improve profitability in the second quarter of this fiscal. For the July-September period, a robust growth of 18% in revenues is expected.

Government to reduce market borrowing-With chances of receiving greater revenues than estimated, the Government has cut down its market borrowing by Rs.8,000 crore at Rs.5.92 lakh crore. This move of the government aims to keep the fiscal deficit at 4.1%in this financial year.

In a nutshell

The macro-economic outlook is stabilizing and lead economic indicators are gathering pace. Though the trade deficit increased significantly in the month of August, the industrial growth and inflation have registered a positive trend. The government has been taking various initiatives such as the launch of Make in India program and Shramev Jayate that would facilitate ease of doing business in India and would create millions of job opportunities which will place India better in comparison to other countries in the global economic order in the coming times. Going ahead, the time bound implementation of reform measures at the grass-root level would be critical for the continuation of revamp in economic sentiments.

The lead economic and financial indicators so far...

S. No	Components	July	August	September
1.	IIP Growth	3.4%(June)	0.5%(July)	0.4%(August)
2	Export Growth	7.3%	2.3%	2.7
3	WPI Inflation Y-O-Y growth	5.19%	3.74%	2.4
4	CPI inflation (combined)	7.9%	7.8%	6.5
5	Gold (10 GRMS)	28117^	26975^^	27057^^^
6	Crude Oil (1 BBL)	5944#	5614##	5251
7	BSE Sensex	26391!!	26817!!!	1441
8	Exchange rate average (INR/ 1 USD)	61.06*	60.99**	61.11***
9	Repo rate	8%	8%	8%
10	CRR	4%	4%	4%
11	10 year Bond yield	8.0907%	8.0907%	8.0907%
12	Base rate	10.00-10.25%	10.00-10.25%	10.00-10.25%

*Source: PHD Research Bureau compiled from various sources,^ Data pertains to 18th August, ^^ Data pertains to 15 September, ^^^ Data pertains to 14 October , # Data pertains to 18th August ,## Data pertains to 15th September, 2014,### Data pertains to 14 October, ! Data pertains to 18th August, !! Data pertains to 15th September, !!! Data pertains to 14 october2014, * Data pertains to 14th August, ** Data pertains to 15th September, 2014, *** Data pertains to 14 October 2014*

India: Statistical snapshot

Indicators	FY09	FY10	FY11	FY12	FY13	FY14	FY15
GDP at FC - Constant prices Rs Bn	41,586	45,161	49,185	52,475	54,821	57,418	14385
GDP at FC - Constant prices growth YoY	6.7	8.6	8.9	6.7	4.5	4.7	5.7
GDP at MP-current prices Rs. Bn	56,300	64,778	77,841	90,097	1,011,33	1,135,50	26973
Agriculture growth	0.1	0.8	8.6	5.0	1.4	4.7	3.8
Industry growth	4.1	10.2	8.3	6.7	0.8	(-)0.1	4.2
Services growth	9.6	8.0	7.5	4.9	7.0	6.7	6.8
Consumption	7.6	8.2	8.1	8.1	3.9	4.9`	-
Private consumption	7.1	7.1	8.6	8.0	4.0	4.5`	-
Gross domestic savings as % of GDP	32.0	33.7	34.0	30.8	30.2	30.5`	-
Gross Fixed Capital Formation as % of GDP	32.3	31.7	30.9	31.8	30.4	28.3*	-
Gross fiscal deficit of the Centre as a % GDP	6.0	6.5	4.8	5.7	4.8	4.6	4.1
Gross fiscal deficit of the states as a % GDP	2.4	2.9	2.1	1.9	1.9	2.4	2.3
Gross fiscal deficit of Centre & states as a % GDP	8.3	9.3	6.9	7.6	6.8	7.0	6.4
Merchandise exports (US$Bn)	183.1	178.3	250.8	305.7	300.2	312.35^	163.7^^^
Growth in exports	12.3	-2.6	40.6	21.9	(-)1.8	3.98^	6.47^^^
Imports (US$Bn)	299.3	287.6	369.4	489.1	490.3	450.94^	234.1^^^
Growth in imports (YoY)	19.8	-3.9	28.5	32.4	0.2	(-)8.1^	(-)1.6^^^
Trade deficit (US$Bn)	116.2	109.3	118.6	183.4	190.1	138.6^	70.3^^^
Net invisibles US$Bn	91.6	80.0	79.3	111.6	107.5	115.0**	-
Current account deficit US$Bn	28.7	38.4	48.1	78.2	88.2	32.4^^	-
Current account deficit as % of GDP	2.6	3.2	2.6	4.2	4.8	1.7^^	-
Net capital account US$Bn	8.7	53.4	60	67.8	94.2	33.3^^	-
Overall balance of payments US$Bn	20.1	-13.4	-13.1	12.8	3.8	15.5^^	-
Foreign exchange reserves US$Bn	252	279.1	304.8	294.9	292.04	304.22	285.6~
External debt - Short term US$Bn	43.4	52.3	65	78.2	96.7	89.2``	-
External debt - Long term US$Bn	181.2	208.7	240.9	267.5	293.4	351.4``	-
External debt - US$Bn	224.5	260.9	305.9	345.8	392.1	441``	-
Money supply growth	19.3	16.9	16.1	13.5	13.6	13.2	12.2!!
Bank credit growth	17.5	17.1	21.2	16.8	13.5	14	10.2##
WPI inflation	8.1	3.8	9.6	8.9	7.4	5.7#	2.4@
CPI inflation	7	12.4	10.4	6.0	10.2	9.8	6.5@
Exchange rate Rs/US$ annual average	46	47.4	45.6	47.9	54.4	60.68	61.11@@

*Source: PHD Research Bureau compiled from various sources, *Data pertains to Provisional Estimate of 2013-14 from MOSPI, `Planning Commission Data Book Dec 2013, ** Projection For 2013-14 from PMEAC Economic Outlook 2013-14, ^^Data pertains to India's Balance of payment Apr-Mar 2013-14 from RBI, ^^^data pertains to April- September, 2014, ``India's external debt end Dec 2013 from RBI, ! Data compiled from RBI Bulletin May 2014, !! Data compiled form RBI Bulletin August 2014, # Data pertains to Mar 2013, ~ Data as on 3rd october, 2014 from RBI, @ Data pertains to September 2014, @@ Data as on 14 October, 2014 from RBI, ##Data pertains to August, 2014*

About the PHD Chamber

PHD Chamber is a 108 years old vibrant and proactive representative organization of business and mercantile community of northern and central India, serving their interest. This apex regional organization plays an active role in India's development and acts as a much needed link between government and industry, serving as a catalyst for rapid economic development and prosperity of the community in the region through promotion of trade, industry and services.

With its base in the National Capital, Delhi, the Chamber has Regional offices in States of Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and the Union Territory of Chandigarh.

Economic Affairs Committee

Dr. SP Sharma, Chief Economist
Ms. Megha Kaul, Senior Research Officer
Ms. Surbhi Sharma, Research Officer
Ms. Bhawana Sharma, Research Associate

Mr. Gopal S Jiwarajka, Chairman
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Mr. Akhil Bhansal, Co-Chairman
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