



Industry cursor

Strictly for Private Circulation

Issue 41 | January 2012

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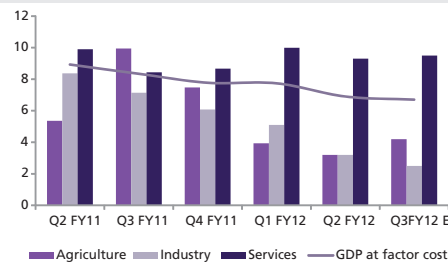
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MACROECONOMIC UPDATE

Highlights

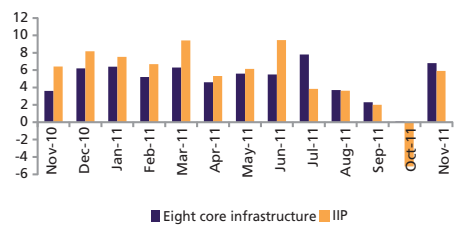
- The Reserve Bank of India (RBI) kept the policy repo rate under the Liquidity Adjustment Facility unchanged at 8.50%. Consequently, the reverse repo stands at 7.50% and the marginal standing facility rate stands at 9.0%.
- The Index of Industrial Production (IIP) grew by 5.9% (y-o-y) during Nov-11 as against a decline of 4.7% during Oct-11.
- The manufacturing sector grew by 6.6% (y-o-y) during Nov-11 after declining by 5.7% during Oct-11. However, the mining sector contracted for the fourth consecutive month by 4.4% (y-o-y) during Nov-11.
- Capital goods declined for the third consecutive month by 4.6% (y-o-y) during Nov-11 after recording a decline of 26.5% during Oct-11.
- Consumer goods sector grew by 13.1% (y-o-y) in Nov-11, led by an 11.2% growth in consumer durables and 14.8% growth in consumer non-durables, partly owing to base effect.
- Bank credit decreased by 16.0% (y-o-y) as on 30-Dec-11 as against a growth of 24.6% in the same period of the previous year.
- The current account deficit stood at US\$ 16.9 billion in Q2 FY12 as compared to US\$ 15.8 billion in Q1 FY12 and US\$ 16.9 billion in Q2 of FY11.
- The net inflows under the financial account during Q2 FY12 stood at US\$ 17.9 billion lower than Q2 FY11 mainly on account of FII outflows.

GDP: Growth (%)



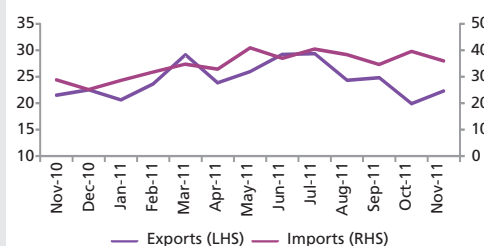
E: D&B estimate
Source: CSO, D&B Industry Research Service

IIP and core infrastructure: Growth (%)



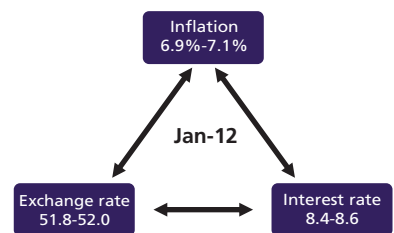
Source: Ministry of Commerce and Industry, CSO

India's exports & imports (US\$ bn)



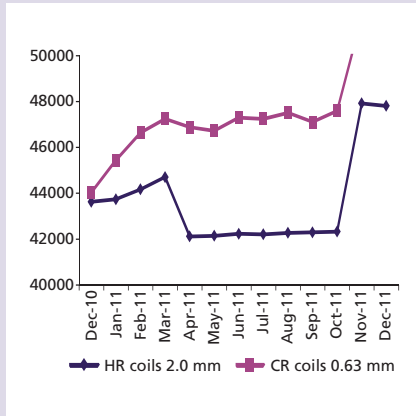
Source: Ministry of Commerce

Macroeconomic triad (forecast)



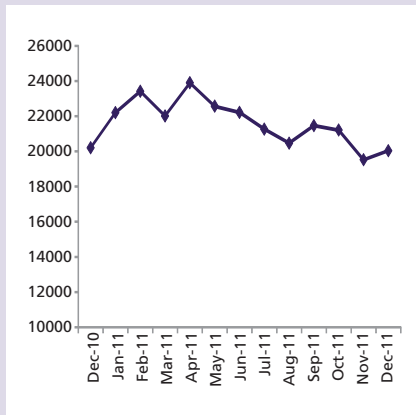
Note: Exchange rate: INR/US\$
Interest rate corresponds to yield on T-Bills 15-91 days
Source: D&B Industry Research Service

Steel prices (Mumbai) (₹/tonne)



Source: CMIE

Rubber prices* (Kottayam) (₹/quintal)



*RSS-4

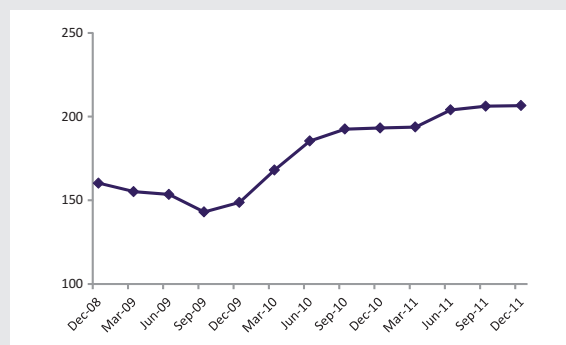
Source: CMIE

AUTO COMPONENTS INDUSTRY

Highlights

- Foreign auto component manufacturers are announcing expansion plans in India, notwithstanding the current demand slowdown. The details of the recent announcements made are elucidated below:
 - German auto component manufacturer Bosch recently announced that it will invest ₹ 30 billion in India over the next three years, mainly on expanding capacity and developing technologies to maintain its 20% growth rate in India every year.
 - German auto parts maker Continental AG plans to invest Rs eight billion in India over the next two years to strengthen its Indian operations as well as to make a foray into the radial tyres segment.
 - Japanese auto component major Denso Corporation plans to invest ₹ three billion to set up a new manufacturing facility in Gurgaon (Haryana), where it plans to produce air-conditioning components such as heat exchangers and various kinds of motors.
- Auto component maker JBM Group acquired 51% stake in UK-based Tesco GO as part of its plans to strengthen its business in India as well as the overseas markets.
- Auto component maker Varroc Group acquired 80% stake in TriOM SPA, one of Europe's leading manufacturer of two-wheeler headlights and tail lights. The company expects the acquisition to help it to strengthen its technology and widen its product portfolio, as also allow a bigger global reach.

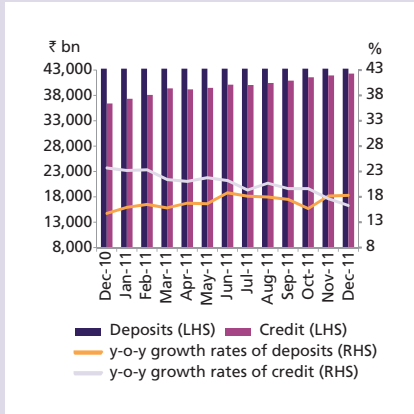
Auto components: Investment scenario* (₹ bn)



*Outstanding investments

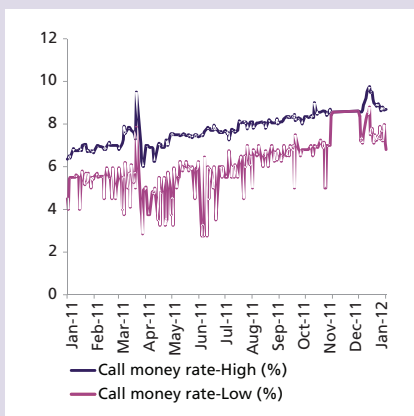
Source: CMIE

Deposits, credit and growth rates



Note: Data for Dec 11 is up to Dec 23, 2011

Movement in call money rates (%)



Note: Call Rates for Jan12 are up to Jan 11, 2012

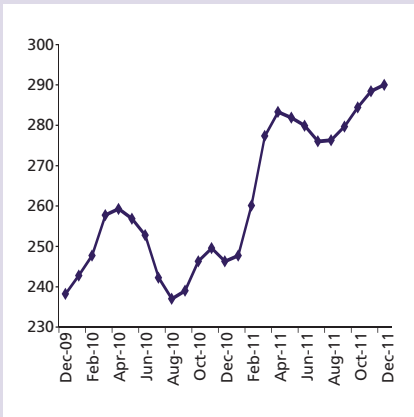
Source for all above charts: RBI

BANKING INDUSTRY

Highlights

- The Reserve Bank of India issued the final guidelines for banks wishing to migrate to internal rating based approach for calculating their capital charge for credit risks across asset classes, applicable from April 1, 2012.
- In an attempt to end speculation on the rupee, the Reserve Bank of India reduced banks' net open position limits in currency trading by as much as 75% for some, and at least by half for most of the top traders.
- The Government of India plans to tap the Indian postal system to reach the unbanked population by utilising 155,000 post offices across India.
- With an aim to widen the financial inclusion plan of the Government of India, the Ministry of Finance plans to treat a bank representative offering basic services in villages using a net-enabled laptop as a branch.
- With an aim to fetch better returns for depositors, the Reserve Bank of India deregulated interest rates on savings accounts in all State and Central Co-operative Banks.
- The Government agreed to infuse fresh capital into State Bank of India through a preferential issue where the bank will get a sum of up to ₹ 60 billion by FY12.
- With an aim to attract NRI deposits, many banks increased their non-resident external term deposit; Dhanlaxmi Bank - 9.25% for 15 months, Federal Bank - 9.50%, and Yes Bank - 9.60%.
- ICICI Bank launched a platinum credit card, ICICI Bank Rubyx with dual benefits, where the cardholders will receive two cards - ICICI Bank Rubyx American Express platinum credit card and ICICI Bank Rubyx Mastercard platinum credit card.
- With an aim to update its technology, Tamilnad Mercantile Bank launched mobile banking service for its customers.
- Dhanlaxmi Bank entered into silver retailing business with the launch of 'Dhan' silver bars available in a tamper proof laminated pack in two denominations of 50 gm and 100 gm across all its branches.
- In order to help small businesses with growth capital and equity, the Small Industries Development Bank of India (SIDBI) plans to extend ₹ one billion line of credit to the state-run lender Indian Overseas Bank (IOB) for the MSME sector for seven years. The SIDBI signed a memorandum of understanding with IOB to provide ₹ one billion growth capital to MSMEs.
- Allahabad Bank plans to add 155 branches and 500 ATMs across the country by FY12, including three branches at Namakakal, Tirunelveli and Thanjavur in Tamil Nadu.

Average wholesale cement prices – Mumbai (₹/50 kg bag)



Source: CMIE

CEMENT INDUSTRY

Highlights

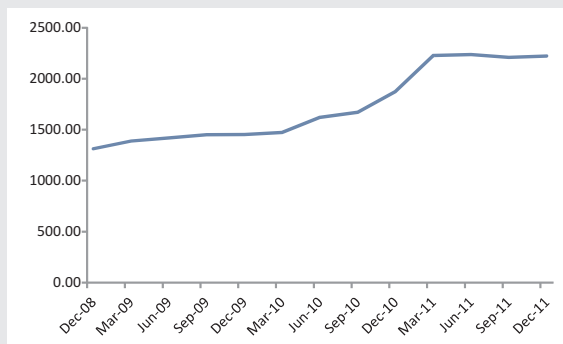
- Bharathi Cement plans to double its turnover to ₹ 20 billion by 2013 after its plant at Gulbarga in Karnataka gets completed. The company plans to invest around ₹ 14 billion in the Gulbarga unit and double the capacity to 10.5 million tonnes by 2016. Further, the company plans to increase its cement exports to Sri Lanka from close to 1,300 tonnes in the last two months to 10,000 tonnes a month in the near future.
- Cement Corporation of India plans to set up a cement grinding unit in Assam with an investment of ₹ 396 million. The unit would have an installed capacity of 82,500 tonnes per annum on a single shift basis.
- JK Cement plans to more than double its output to 17 million tonnes by FY17 from 7.5 million tonnes currently. The company plans to invest around ₹ 50 billion for the proposed investment plan.
- ACC Ltd plans to increase its exports with an aim to take benefit from depreciation in the rupee till the domestic conditions improve. The company plans to sell its cement to the South Asian markets and mainly target Maldives, Mauritius and Bangladesh.
- UltraTech Cement, an Aditya Birla Group company plans to enhance its cement manufacturing capacity. The company is looking at both organic and inorganic growth and is looking out for value adding opportunities. The company plans to increase its cement manufacturing capacity by 50% to 75 million tonnes through greenfield projects and overseas acquisitions.

Cement production and despatches

Parameters	Dec-11		Apr11-Dec11	
	mn tonnes	y-o-y growth (%)	mn tonnes	y-o-y growth (%)
Production	19.7	13.7	160.6	5.6
Despatches	19.8	14.0	160.0	5.9

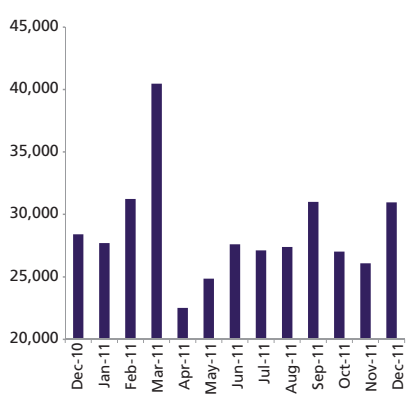
Source: CMIE

Cement: Investment scenario* (₹ bn)

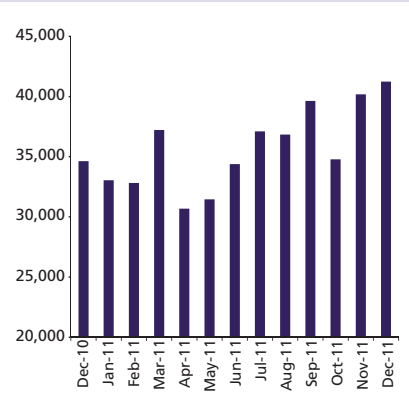


*Outstanding investments
Source: CMIE

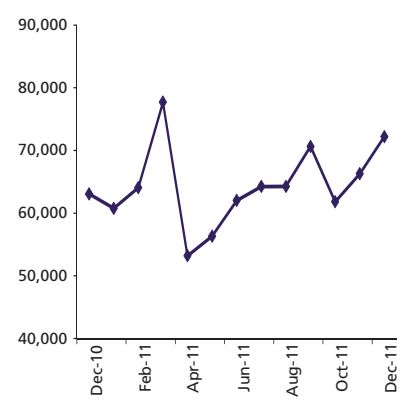
M&HCV: Domestic sales (Nos.)



LCV: Domestic sales (Nos.)



Commercial vehicles: Domestic sales (Nos.)



Source for all above charts: CMIE.

COMMERCIAL VEHICLE INDUSTRY

Highlights

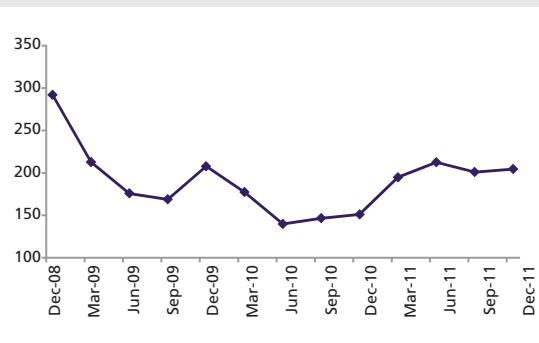
- In December, domestic sales of commercial vehicles recorded growth of 14.5% (y-o-y) at 72,192 units, as compared to growth of 29.7% in December 2010. Sales of medium & heavy commercial vehicles (M&HCVs) grew by 8.9% in December 2011, while sales of light commercial vehicles (LCVs) recorded higher growth of 19.1%. Domestic sales of CVs during the first nine months of FY12 were 19.3% higher from sales in the corresponding period of FY11.
- Domestic sales of M&HCVs recorded growth of 9.3% during April-December FY12, while sales of LCVs grew by 28.0% during this period.
- Exports of commercial vehicles posted sharp growth of 24.7% at 65,743 units during April-December FY12.
- Asia Motor Works plans to launch two new truck models in India in the next six months. The proposed models will be priced at ₹ 15-30 lakhs and would be targeted at the construction and mining industries.
- Daimler India Commercial Vehicles plans to roll out its new range of trucks under the 'BharatBenz' brand from the third quarter of 2012. The company also plans to start exporting them by the end of this year. Maharashtra-based engine maker Cooper Corporation plans to launch light commercial vehicles under its own brand by the middle of next year.
- Ashok Leyland has decided to increase its stake in the British bus maker Optare plc to 75.1%. The Board of Ashok Leyland has approved a proposal for making additional investment upto GBP 4.0 million in Optare plc. In 2010, it had acquired 26% stake in Optare, as part of a long-term strategic partnership.

Commercial vehicle sales (Nos.)

Segments	Dec-10	Dec-11	y-o-y growth (%)	Apr-Dec FY11	Apr-Dec FY12	y-o-y growth (%)
M&HCV	28,417	30,958	8.9	223,716	244,603	9.3
LCV	34,631	41,234	19.1	256,132	327,764	28.0
Total domestic sales	63,048	72,192	14.5	479,848	572,367	19.3
Exports	7,763	9,099	17.2	52,737	65,743	24.7
Total sales	70,811	81,291	14.8	532,585	638,110	19.8

Source: CMIE

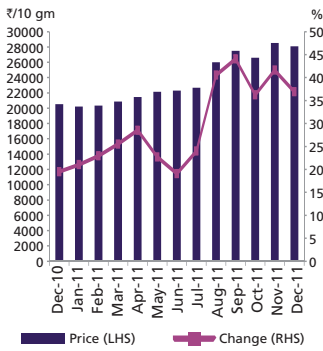
Commercial vehicles: Investment scenario* (₹ bn)



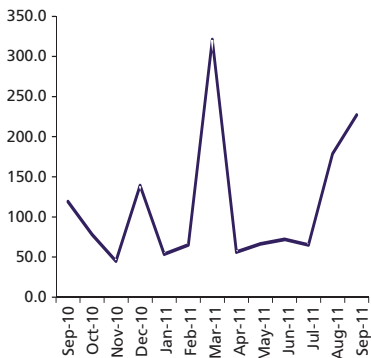
*Outstanding investments

Source: CMIE

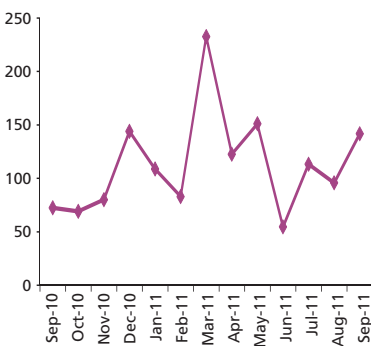
Gold prices in Mumbai market



Gems & jewellery exports (₹ bn)



Gems & jewellery imports (₹ bn)



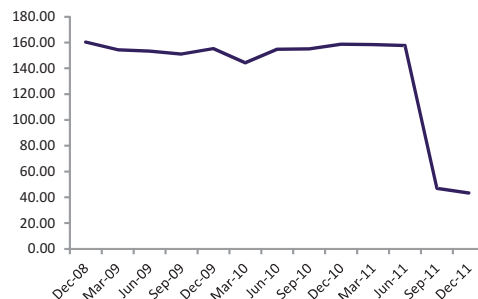
Source for all above charts: CMIE

GEMS AND JEWELLERY INDUSTRY

Highlights

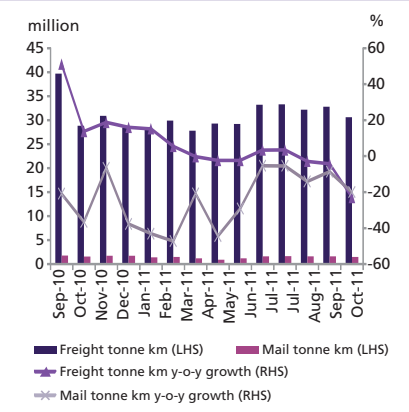
- According to the Gems and Jewellery Export Promotion Council (GJEPC), exports of gems and jewellery from India declined by 5-6% in 2011 (volume terms). In value terms, exports registered a growth of around 15%, due to the increase in the prices of diamonds and precious metals.
- The GJEPC signed a memorandum of understanding with the Ministry of Tourism to boost the country's reputation as a jewellery design hub. The council will try to tap the untapped markets through the ministry's "Incredible India" campaign.
- The Union Cabinet approved a proposal to make hallmarking of gold compulsory. The consent was the result of the Cabinet's approval to amendments in the Bureau of Indian Standards (BIS) Act, 1986. Under these amendments, the BIS plans to expand the scope of mandatory hallmarking towards more products, and gold is one of them.
- Manappuram Jewellery Limited plans to raise more than ₹ one billion to fund its growth plans. The company plans to expand its stores from 18 to 100 in the next two years.
- Tara Jewels Limited has filed the Draft Red Herring Prospectus to raise around ₹ 2.2 billion which will comprise of a fresh issue of ₹ 1.5 billion and an offer for sale of ₹ 700 million. The company plans to use the fresh issue to set up retail stores and repay or prepay its loans.
- Tata Group's jewellery brand, Tanishq, plans to set up 25 to 30 large format retail stores every year across India. The company plans to adopt the franchise route for around 80% of these stores. The average area for the store in big cities would be over 10,000 sq ft and in the smaller towns, it would be almost 4,000 sq ft.
- Rajesh Exports Limited (REL) plans to aggressively expand its retail network. The company plans to open 550 retail stores of 'SHUBH Jewellers' across the four southern states of India by 2014-15.
- With an aim to strengthen its presence in India, ORRA plans to open 12 outlets in the next year. The company will adopt a combination of franchise and self-operated model to open these stores.

Gems and Jewellery: Investment scenario* (₹ bn)



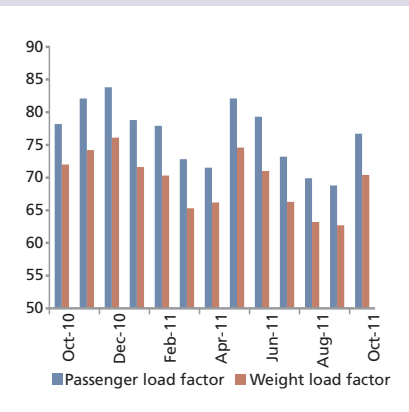
*Outstanding investments
Source: CMIE

Civil aviation: Cargo statistics (freight tonne km and mail tonne km)



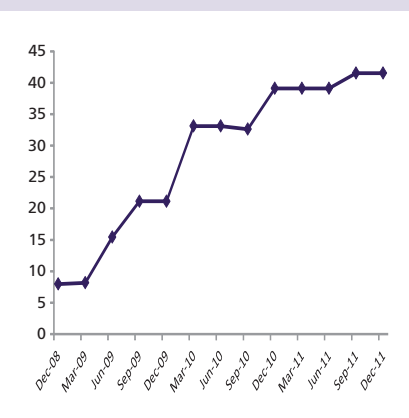
Source: CMIE

Civil aviation: Load factor (%)



Source: CMIE

Consumer electronics: Investment scenario* (₹ bn)



*Outstanding investments
Source: CMIE

HI-TECH INDUSTRY

Highlights

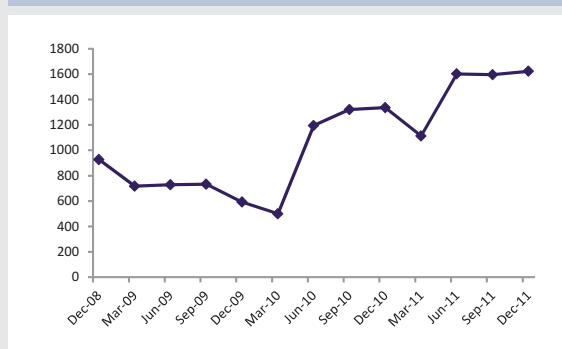
- Godrej Security Solutions, a division of Godrej & Boyce Manufacturing Company Ltd plans to invest ₹ 200-250 million on research and development (R&D) during FY13.
- Panasonic India Ltd plans to invest ₹ 1.2 billion in marketing of its air conditioners during 2012. The company further plans to introduce 65 new models of air conditioners priced between ₹ 17,000 and ₹ 60,000 to capture 25% share in the split AC market during 2012.
- Arise India Ltd plans to invest ₹ one billion to set up a handset manufacturing plant with an initial capacity of 100,000 handsets per month at Kala Ambala in Himachal Pradesh by FY13. The company further expects a sales turnover of ₹ one billion during FY12 and targets to achieve a turnover of ₹ 10 billion by FY14 for its mobile division.
- Blue Star Ltd plans to set up a new plant in Ahmedabad to manufacture refrigeration products such as deep freezers, bottle coolers, milk coolers and water coolers at an initial investment of ₹ 150 million.
- With an aim to enhance its manufacturing capacities and marketing activities, LG India Ltd plans to increase its investments by 20% (y-o-y) to around ₹ 18 billion in 2012. The company further plans to bring more innovative products, intensify focus on premium range and has lined up marketing initiatives for 3D flat panel TVs.
- Havells India formed an equal joint venture with Shanghai Yaming Lighting Co in China to sell energy-efficient lighting products in China as well as India, Europe and Latin America with a total investment of US\$ 50 million.
- Carrier India signed an agreement with China-based G D Midea Holding to form a joint venture for manufacturing and distributing air-conditioning systems in India with an investment of up to ₹ five billion in the next 5-6 years on new product development and setting up a new manufacturing facility in India.
- Fujifilm India Ltd plans to double its marketing budget to ₹ 1.2 billion during 2012 to double its sales in the domestic market and enhance its market share.

Civil aviation: Airport traffic statistics (October 2011)

Parameters	Aircraft traffic		Passenger traffic		Cargo traffic	
	Nos.	y-o-y growth (%)	Nos.	y-o-y growth (%)	Tonnes	y-o-y growth (%)
Domestic traffic	102,137	14.0	9,441,154	21.1	69,967	-4.4
International traffic	25,772	6.5	3,190,682	3.7	124,301	-4.6
Total airport traffic	127,909	12.4	12,631,836	16.2	194,268	-4.5

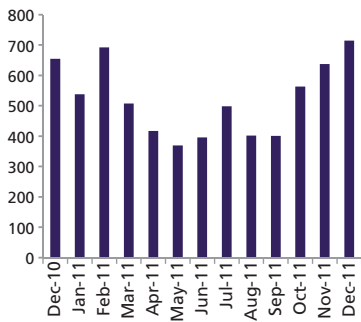
Source: CMIE

Air transport services: Investment scenario* (₹ bn)

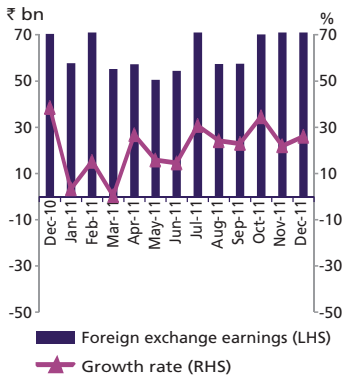


*Outstanding investments
Source: CMIE

Foreign tourist arrivals in India ('000 nos.)

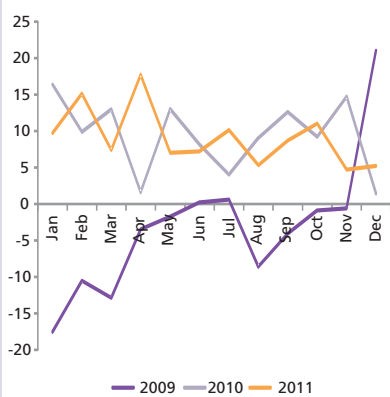


Foreign exchange earnings



Source for all charts: Ministry of Tourism

Growth in foreign tourist arrivals (%)



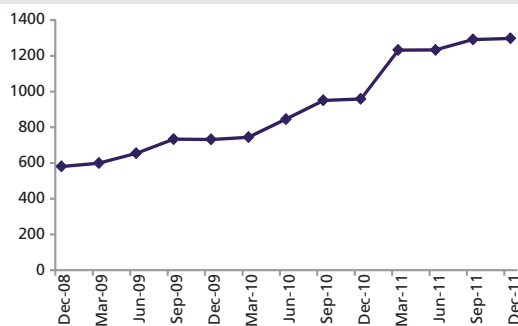
Source: CMIE

HOSPITALITY INDUSTRY

Highlights

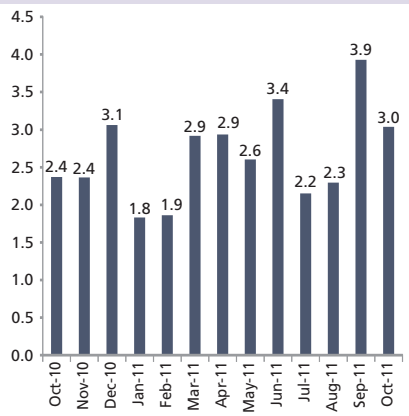
- Billionsmiles Hospitality Pvt Ltd plans to introduce two segments of hotels - fine dining and quick service restaurants with a vegetarian and a non-vegetarian cuisine, both serving wines and liquor, by the end of 2012.
- With the rise in demand for Indian cuisine, Under One Roof Hotel Consultants plans to set up more than three restaurants in the Middle East and another two in the United States.
- With an aim to expand its business in popular holiday destinations in India, Mahindra Holidays & Resorts acquired a 106-room property in Goa.
- Landmark Group, operator of Max hypermarkets and Lifestyle departmental stores in India, plans to open two American restaurant chains, Krispy Kreme Doughnuts and PF Chang's China Bistro in India by 2012.
- Hospitality firm Hilton Worldwide plans to operate 50 hotels in the next five years in India and launch new brands 'Conrad' and 'Waldorf Astoria' from its global portfolio.
- With an aim to expand its business operations to cater to smaller cities, Kentucky Fried Chicken (KFC) plans to expand its outlets to 500 by 2015.
- Choice Hotels India, the wholly-owned subsidiary of Choice Hotels International, opened a 50 room comfort Inn by the name Saffron Kiran promoted by the Saffron Group, in Faridabad.
- With an aim to be the leader in the lifestyle hotel segment in the next five years, New York-based hotelier, Sant Chatwal plans to open 18 hotels across India including two in Bengaluru. The company further plans to open 52 hotels across New Delhi, Mumbai, Bengaluru, Hyderabad, Kolkata, Jaipur and Udaipur with a total investment of ₹ 20 billion.
- Wyndham Hotels plans to launch its brand in India under an agreement with Unique Global. Further, Unique Global plans to invest ₹ 10 billion in the next few years to develop 30-35 hotels, some of which will be under partnership with other developers.

Hospitality: Investment scenario* (₹ bn)



*Outstanding investments
Source: CMIE

Domestic computer hardware & peripheral production (₹ bn)



Source: CMIE

IT HARDWARE INDUSTRY

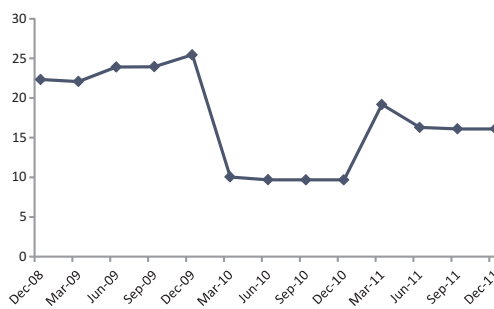
Highlights

- With an aim to target small offices and small and medium businesses in tier-II & III cities, Hewlett-Packard India Ltd introduced a new range of energy efficient laser jet printers in Gujarat.
- Cubit Computers Ltd launched assembled all-in-one desktop personal computer with a combination of central processing unit containing the hard drive, processor, CD drive and speakers into the same case as the monitor.
- Huawei Technologies Ltd plans to sell its own branded dongles or data cards and personal routers in India from 2012 with the dongles priced at ₹ 1,750-1,800 and the wireless routers at ₹ 4,500- 5,000.

Global News

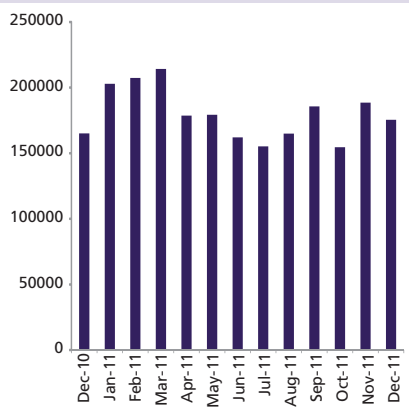
- Motorola Mobility and Lenovo Inc plan to use Intel processors in smart phones and other devices, giving the chipmaker its first entry into this market.
- With an aim to enter the tablet market, Dell Inc plans to launch its first consumer tablet computer in 2012.
- Apple Inc acquired Israel's Anobit, a maker of flash storage technology, for around US\$ 500 million.
- Hewlett-Packard Co unveiled a new glass-encased laptop computer by the name HP Envy 14 Spectre - a slim, ultrabook category of personal computers and first to use glass on the lid, display and palm rest.
- Acer Inc introduced the world's thinnest laptop computer Acer Aspire 5 and plans to sell it by the second quarter of 2012.

IT Hardware: Investment scenario* (₹ bn)



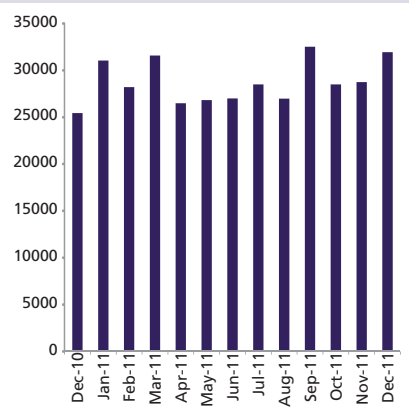
*Outstanding investments
Source: CMIE

Passenger cars: Domestic sales (Nos.)



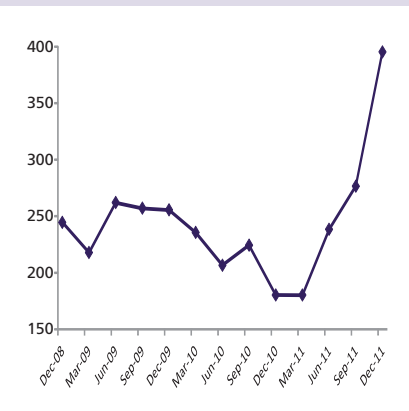
Source: CMIE

Utility vehicles: Domestic sales (Nos.)



Source: CMIE

Passenger vehicles: Investment scenario* (₹ bn)



*Outstanding investments
Source: CMIE

PASSENGER VEHICLE INDUSTRY

Highlights

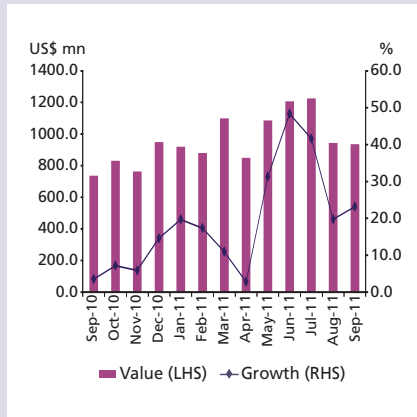
- In December, domestic sales of passenger cars recorded growth of 6.3%. Sales of multi-utility vehicles also grew by 25.5% (y-o-y).
- During April-December 2011, while domestic sales of passenger cars declined by 1.3% at 1.5 million units, sales of multi-utility vehicles grew by 12.7% at 0.2 million units during this period.
- Exports of passenger vehicles recorded healthy growth of 18.1% at 373,956 units during April-December 2011.
- The Society of Indian Automobile Manufacturers (SIAM) estimates passenger car sales to post meagre growth of 0-2% during FY12, due to unfavourable macro economic conditions. For FY13, the SIAM has forecasted higher growth of 11-13% for passenger car sales.
- Notwithstanding the current slowdown in the Indian automobile market, foreign carmakers continue to announce investment plans for India. The Volkswagen Group recently announced its plans to invest ₹ 20 billion on its Indian operations by 2013 to ramp up capacity, launch new models and strengthen research activities. The German auto major recently announced its entry into the Indian used cars market under the brand name of Das WeltAuto.
- German carmaker BMW launched its M5 luxury sedan in the Indian market, at an ex-showroom price of ₹ 95.9 lakh. French auto manufacturer Renault made a foray into the mass segment with the launch of the Pulse, priced between ₹ 5.77 lakh and ₹ 6.25 lakh (ex-showroom, Delhi).
- Market leader Maruti Suzuki India plans to introduce at least four cars in 2012 across different segments. Toyota Kirloskar Motor intends to launch the Lexus in India in 2013. Meanwhile, French car maker Peugeot plans to roll out locally assembled cars for the Indian market by 2014.

Passenger vehicle sales (Nos.)

Segments	Dec-10	Dec-11	y-o-y growth (%)	Apr-Dec FY11	Apr-Dec FY12	y-o-y growth (%)
Micro	7,582	9,087	19.8	65,742	63,772	-3.0
Mini & Compact	111,327	117,978	6.0	1,077,585	1,011,290	-6.2
Super Compact and Mid Size	24,509	29,536	20.5	220,747	262,790	19.0
Executive	2,941	2,061	-29.9	36,963	31,268	-15.4
Premium	493	663	34.5	9,174	8,931	-2.6
Luxury, Coupe Roadster & Exotics	4	0	-100.0	787	783	-0.5
Multi-purpose vehicle	18,176	16,064	-11.6	156,591	168,681	7.7
Passenger cars	165,032	175,389	6.3	1,567,589	1,547,515	-1.3
Multi-utility vehicle	25,432	31,927	25.5	227,640	256,485	12.7
Domestic sales	190,464	207,316	8.8	1,795,229	1,804,000	0.5
Exports	39,927	38,864	-2.7	316,527	373,956	18.1
Total sales	230,391	246,180	6.9	2,111,756	2,177,956	3.1

Source: CMIE

Trend in drugs and pharmaceuticals exports



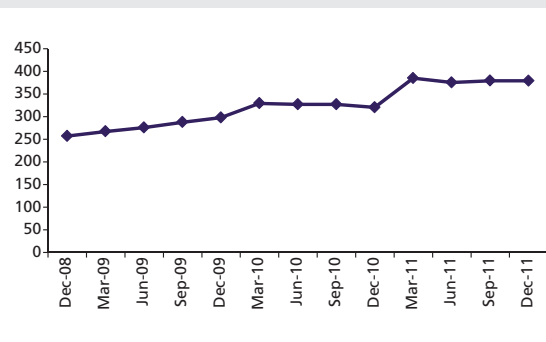
Source: CMIE

PHARMACEUTICAL INDUSTRY

Highlights

- The Indian Drug Manufacturers Association (IDMA) has urged the government to impose anti-dumping duties to counter unhealthy competition from China and also sought issuing of stringent inspection norms.
- Ahmedabad-based Zydus Cadila acquired 100% stake in Mumbai-based Biochem Pharmaceuticals to strengthen its presence in the formulations business in India. Moreover, the products of Biochem are expected to add value to the product offerings of Zydus in key growth segments.
- Serum Institute of India, a biotech company, consolidated its stake in Orchid Chemicals & Pharmaceuticals Ltd by acquiring five lakh shares for ₹ 660 million through open market transactions.
- Ozone Pharmaceuticals Limited entered into a collaboration with Japan-based Koboyashi Pharmaceutical Company Limited to launch a series of air activated heat packs for therapeutic relief in India.
- Six pharma companies including Lupin Pharmaceuticals, Aurobindo Pharma, Zydus Cadila, Orchid Chemicals and Pharmaceuticals, Ranbaxy Laboratories and Dr Reddy's Laboratories formed an alliance which aims to improve productivity and address operational challenges by using the best practices. The alliance will help to bring assured quality by the domestic manufacturers.
- Orchid Chemicals & Pharmaceuticals entered into a scheme of amalgamation for the merger of the company's wholly-owned subsidiary, Orchid Research Laboratories Ltd, with itself.
- Ranbaxy Laboratories will market its parent company Japan's Daiichi Sankyo's products in Malaysia as part of their initiative to harness synergies between the two firms.
- Clinigene International, a subsidiary of Biocon, and Washington-based Pacific Biomarkers, entered into a collaborative agreement to address the speciality biomarker and high-end clinical trial laboratory needs of the global pharmaceutical and biotech industry.

Drugs & pharmaceuticals: Investment scenario* (₹ bn)



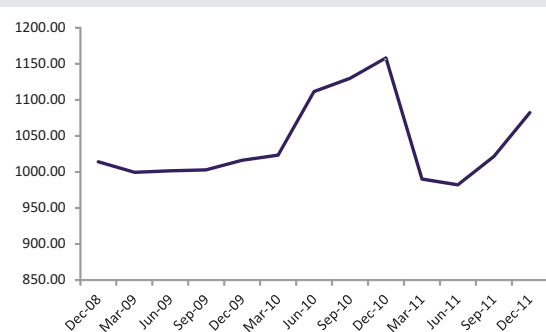
*Outstanding investments
Source: CMIE

RETAIL INDUSTRY

Highlights

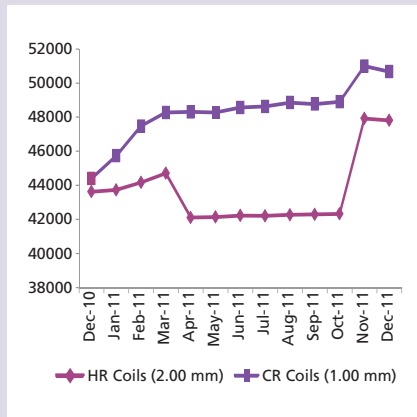
- The Government of India has opened up single brand retail business in India by allowing 100% FDI, subject to certain conditions. Foreign retailers investing beyond 51% will have to follow mandatory sourcing of 30% of their goods from small industries / village and cottage industries. Small industries will be defined as industries with a total investment in plant & machinery not exceeding US\$ one million.
- Fabindia opened its 146th retail store in India in Bareilly. The chain store that retails garments, furnishings, fabrics and ethnic products, will offer garments for men, women and kids, as also jewellery, home linen, personal care products and organic foods.
- Madura Fashion & Lifestyle Retail, an Aditya Birla Group company launched a new retail format, Planet Fashion Grande, targeting style-conscious consumers. The company launched the first store in Bengaluru and plans to launch 15 such stores by the end of next fiscal.
- Prestige Estates Projects Ltd, a Bengaluru-based realty firm plans to diversify its business and make a foray into the retail segment by launching a department store brand. The company plans to initially invest ₹ three billion in the retail venture and set up outlets in its own malls in Bengaluru.
- Reliance Trends, the fashion apparel arm of Reliance Retail plans to increase its store count to more than 100 from the current 75 by the end of this fiscal year. As a part of the expansion plan in the eastern region of the country, the company plans to take its store count to 25 from the current 11 by the end of the next fiscal year.
- Pantaloons, a Future Group company launched its first concept store in Visakhapatnam (Andhra Pradesh). The store is spread across 27,703 sq. ft.
- McDonald's India plans to double the number of outlets from 250 to 500 over the next three years. Mcdonald's'd will invest around ₹ 10 billion for the expansion. Out of the total new outlets, a significant number will be drive-throughs encouraging take-away orders.
- Footwear retailer Bata India plans to open 70 large format flagship stores this year which would be built as per the company's global format. The company has opened two such stores in Kolkata and now plans to target tier II and III cities across India. The company also plans to expand its online presence through its virtual retail channel and triple its online sales to 3,000 pairs per week from 1,000 pairs per week within a year.

Retail: Investment scenario* (₹ bn)



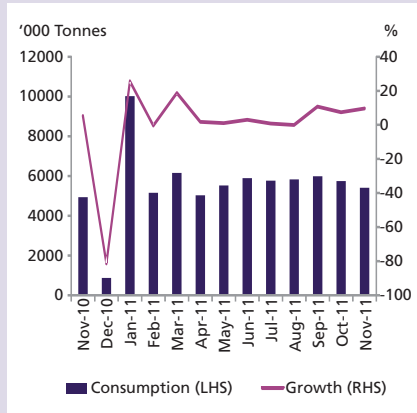
*Outstanding investments
Source: CMIE

Trend in HRC and CRC prices-Mumbai (₹/tonne)



Source: CMIE

Finished steel consumption



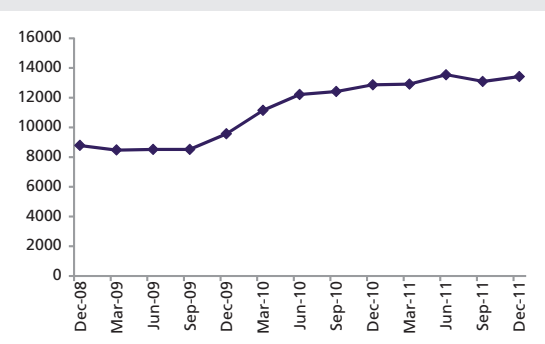
Source: CMIE

STEEL INDUSTRY

Highlights

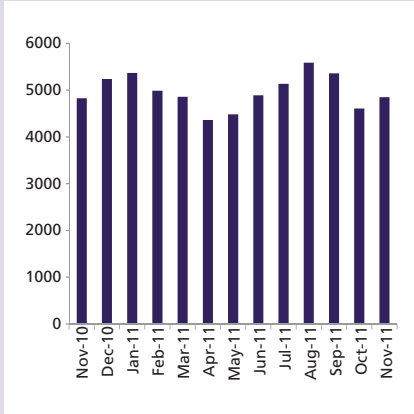
- According to the World Steel Association, global steel output during Jan-Nov 11 stood at 1,373 million tonnes, representing an increase of 7.4% over the same period in 2010. India's steel production stood at 66 million tonnes during Jan-Nov 11 as against 62.5 million tonnes during Jan-Nov 10.
- The Competition Commission of India approved the proposed merger between Japan-based Nippon Steel Corporation and Sumitomo Metal Industries Ltd as the Commission views that the merger is unlikely to have adverse effect on competition in India.
- Kobe Steel Ltd and Steel Authority of India Ltd (SAIL) entered into an equal stake joint venture to set up a commercial plant to make iron ore nuggets with a capacity of 0.5 million tonnes of iron nuggets per year.
- Rashtriya Ispat Nigam Ltd plans to spend ₹ 190 billion on the expansion, modernisation and upgradation of the Visakhapatnam Steel Plant over the next three years.
- Essar Steel Ltd increased the capacity of its Hazira steel plant to 10 million tonnes per annum (mtpa) from 4.6 mtpa at an investment of US\$ 7.5 billion.
- Jindal Steel and Power Ltd plans to sign an MoU with the Odisha Government to set up a ₹ 450 billion coal to liquid plant in Angul district.
- Essar Americas, a unit of Essar Steel Ltd plans to invest US\$ 1.6 billion to set up a pellet plant in the US.
- Mahalaxmi Group, manufacturers of TMT bars and stainless steel products, plans to set up a rolling mill in Howrah to manufacture one lakh tonne of TMT bars annually.
- Rashmi Metaliks Ltd plans to invest ₹ 10 billion to set up an iron beneficiation plant and a pellet plant in Odisha and a ferro alloy and power plant in Madhya Pradesh.

Steel: Investment scenario* (₹ bn)

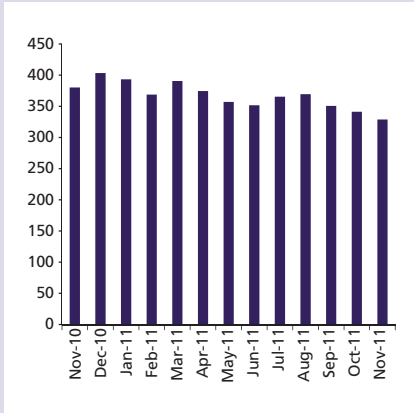


*Outstanding investments
Source: CMIE

**Fabrics production
(Million sq.metres)**



**Spun yarn production
(’000 tonnes)**



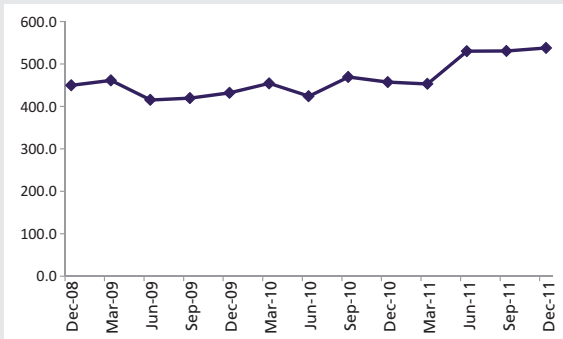
Source for all above charts: CMIE

TEXTILE & GARMENT INDUSTRY

Highlights

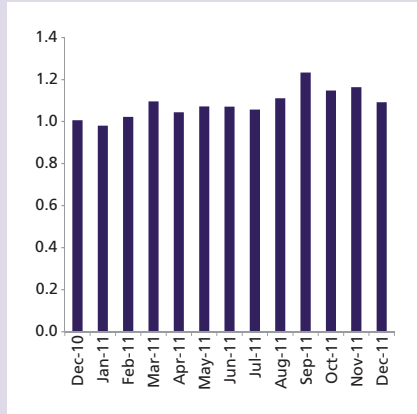
- The Government of India approved a ₹ 23.5 billion package for the handloom weavers to meet their needs of cheap credit and ensure availability of yarn at subsidised rate.
- According to the Apparel Export Promotion Council, Indian exports of apparels grew by 23% (y-o-y) to US\$ 913 million during Oct 2011 driven by growing demand from Japan, Latin America and newly explored markets.
- The Aditya Birla Group plans to set up a viscose staple fibre plant in Turkey with an investment of US\$ 500 million. The plant will be set up at Adana Organised Industrial Zone and will have a capacity of 0.18 million tonnes a year.
- OCM India Ltd plans to invest ₹ 150 million annually for the next three years towards increasing its fibre manufacturing capacity and towards advertising activities.
- Megamart, a branded apparel manufacturer and retail chain, launched a fashion store in Hyderabad which shall offer Indian and international brands.

Textiles & garments: Investment scenario* (₹ bn)



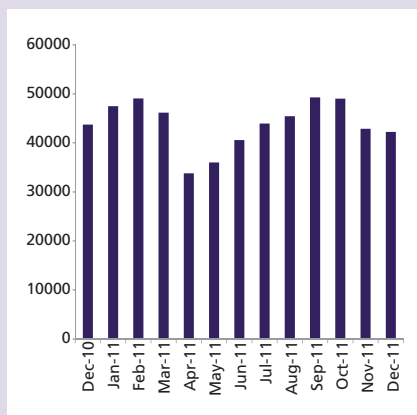
*Outstanding investments
Source: CMIE

Two-wheeler: Domestic sales (Million)



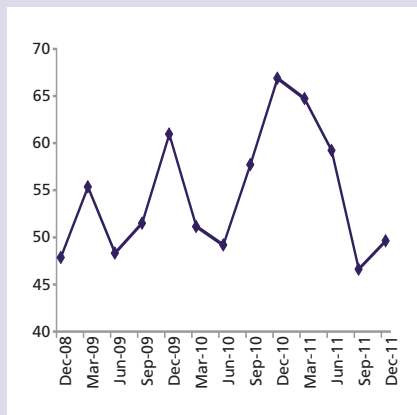
Source: CMIE

Three-wheeler: Domestic sales (Nos.)



Source: CMIE

Two & three wheelers: Investment scenario* (₹ bn)



*Outstanding investments
Source: CMIE

TWO-WHEELER AND THREE-WHEELER INDUSTRY

Highlights

- After recording sharp growth of 25.3% in November, growth in domestic sales of two-wheelers slowed down to 8.5% in December. Sales of motorcycles grew by 7.3%, while sales of scooters and mopeds recorded growth of 16.2% and 0.6%, respectively.
- Domestic sales of two-wheelers recorded respectable growth of 15.2% at 9.9 million units during April-December 2011. Growth was recorded in each of the three segments, namely - motorcycles (14.0%), scooters (22.5%) and mopeds (9.7%).
- Exports of two-wheelers continue to grow strongly, recording buoyant growth of 29.8% at 1.5 million units during the April-December 2011 period.
- TVS Motor Company plans to re-launch one of its best-selling motorcycles, the Victor, by December. The company has earmarked a capital expenditure of ₹ 1.25 billion for FY13. It intends to increase overall production capacity to about 32 lakh units per annum by FY14, for which it may invest an additional amount of upto ₹ 1.6 billion. Japanese two-wheeler manufacturer Yamaha also announced its capex plans of ₹ eight billion in India over the next two years on capacity expansion, network expansion and new product development.
- Hero Eco Pvt Ltd acquired UK-based electric vehicle manufacturer Ultra Motors with an aim to strengthen its presence globally in the electric vehicle segment. Hero Eco, part of the Munjal Group, is a newly formed entity which includes Hero Electric, Hero Exports, Hero Cycles, Mediva, Winn and Hero Ecotech. The company plans to invest ₹ 4.5 billion in the next five years across businesses.
- British bike maker Triumph announced its entry into the Indian market with the launch of seven models priced between ₹ 5.5 lakh and ₹ 22 lakh, ex-showroom, Delhi. The company plans to initially establish 3-4 dealerships in major cities and sales are likely to commence by the festive season, beginning October.
- After the 5.9% growth recorded in November, in December domestic sales of three-wheelers declined by 3.4%, reflecting lower sales of both passenger carriers and goods carriers.
- Domestic sales of three-wheelers registered a decline, though marginal, of 0.1% at 0.3 million units during April-December 2011. While sales of passenger carriers declined by 2.9%, sales of goods carriers grew by 12.5%.
- Exports of three-wheelers continue to grow sharply. During April-December 2011, exports of three-wheelers grew by as much as 42.6% at 0.2 million units.

Two-wheeler sales

Three-wheeler sales

Segments	Dec-11		April-December 2011		Segments	Dec-11		April-December 2011	
	Vol (Nos)	y-o-y growth (%)	Vol (Nos)	y-o-y growth (%)		Vol (Nos)	y-o-y growth (%)		
Motorcycles	807,829	7.3	7,581,363	14.0	Passenger carriers	33,654	-2.6	303,514	-2.9
Mopeds	65,179	0.6	570,003	9.7					
Scooters	2,18,974	16.2	1,842,665	22.5	Goods carriers	8565	-6.4	79,587	12.5
Total domestic	1,091,982	8.5	9,994,031	15.2					
Exports	153,030	19.0	1,500,326	29.8	Total domestic	42,219	-3.4	383,101	-0.1
					Exports	28,554	29.8	286,344	42.6
Total	1,245,012	9.7	11,494,357	16.9	Total	70,773	7.7	669,445	14.6

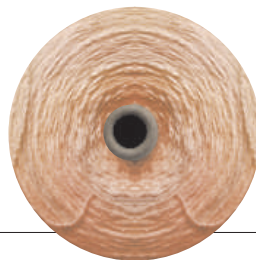
Source: CMIE

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The reports' in-depth analytical content would provide valuable insights to financial institutions, banks, equity broking houses, and corporates towards accurate & informed decision making. The reports would also be useful to the industry practitioners, academicians & scholars.

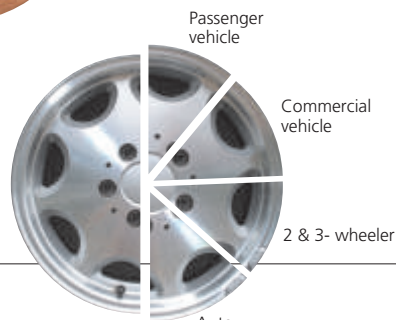
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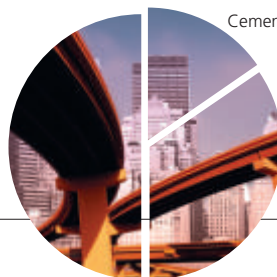


Textiles & Garments

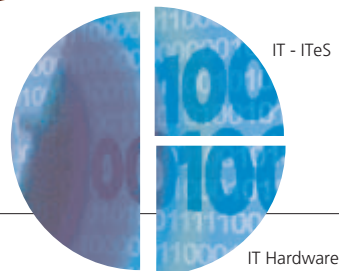
Textiles



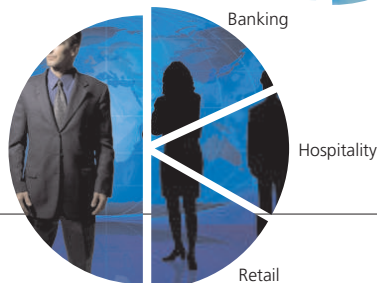
Auto



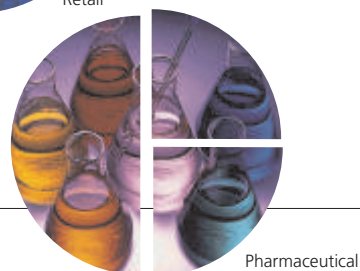
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