



# Industry cursor

Strictly for Private Circulation

Issue 39 | November 2011

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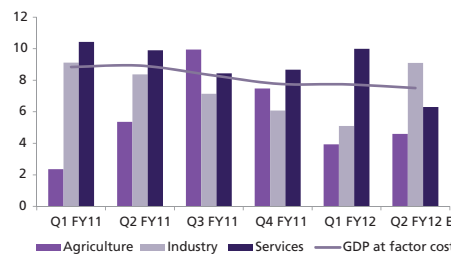
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## MACROECONOMIC UPDATE

### Highlights

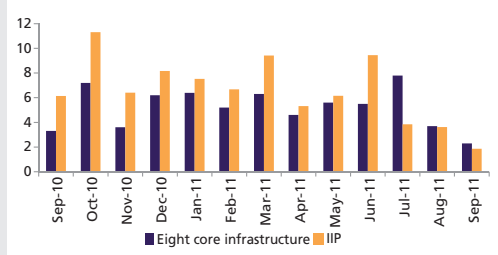
- The Reserve Bank of India (RBI), under the liquidity adjustment facility (LAF) increased the repo rate by 25 basis points to 8.50%.
- The RBI decided to deregulate the savings bank deposit interest rate with immediate effect.
- The Index of Industrial Production (IIP) moderated to a two-year low of 1.9% (y-o-y) during Sep-11 as against a growth of 3.6% during Aug-11.
- While the electricity sector grew by 9.0% (y-o-y), growth in the manufacturing sector moderated to 2.1%. The mining sector posted a decline of 5.6% (y-o-y) during Sep-11 after declining by 4.1% during Aug-11.
- The capital goods sector posted a decline of 6.8% (y-o-y) during Sep-11 as against a growth of 4.0% during the previous month.
- The consumer goods sector grew by 3.5% (y-o-y) in Sept-11 as against 2.2% in Aug-11. Within this, while consumer durables grew by 8.7%, consumer non-durables fell by 1.3%.
- Aggregate deposits grew by 15.3% as on October 23, 2011 as compared to a growth of 17.4% during the same period of the previous year.
- Bank credit grew by 19.4% as on October 23, 2011 as against a growth of 21.2% in the previous year.
- Gross direct tax during April-October FY12 stood at ₹ 2,840.8 billion as compared to ₹ 2,361.8 billion during the same period of the previous year.

### GDP: Growth (%)



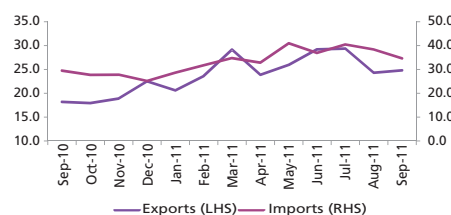
E: D&B estimate  
Source: CSO, D&B Industry Research Service

### IIP and core infrastructure: Growth (%)



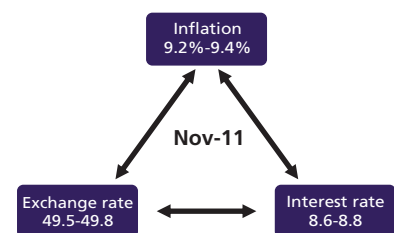
Source: Ministry of Commerce and Industry, CSO

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



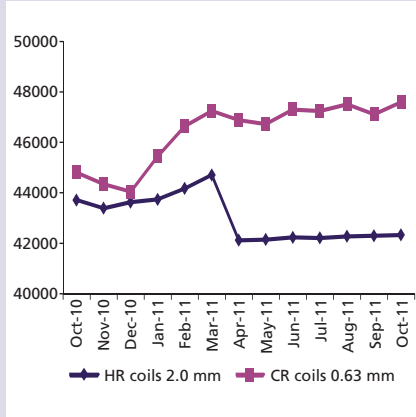
Source: Ministry of Commerce

### Macroeconomic triad (forecast)



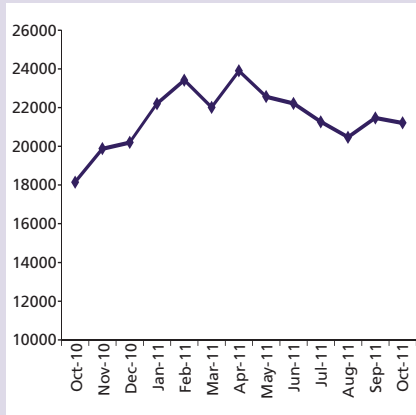
Note: Exchange rate: INR/US\$  
Interest rate corresponds to yield on T-Bills 15-91 days  
Source: D&B Industry Research Service

### Steel prices (Mumbai) (₹/tonne)



Source: CMIE

### Rubber prices\* (Kottayam) (₹/quintal)



\*RSS-4

Source: CMIE

## AUTO COMPONENTS INDUSTRY

### Highlights

- TVS Group firm Wheels India, a manufacturer of steel wheels, plans to enter into manufacturing of air-suspension for truck and trailers. The company intends to increase the capacity of its five plants to 15 million wheels by next year from the present 13 million wheels at an investment of ₹ 0.7 billion.
- Wheels India entered into an arrangement with Japanese steel wheel manufacturer Topy Industries to design and develop steel passenger car wheels for global customers. The company expects the tie-up to help it to attain quality standards of the Japanese partner and to add new customers in the global market.
- MM Forgings plans to invest ₹ 0.6 billion this year on capacity building at its manufacturing plants and wind farm. About ₹ 0.4 billion would be invested in expanding capacity and debottle necking at its forging plants in Chennai, Tiruchi and Madurai. The company also intends to invest ₹ 0.2 billion in its wind power business, which currently contributes about 4% of total revenues.
- Pilz GmbH, manufacturer of safety systems and services for industrial automation, through its Indian subsidiary Pilz India, plans to open technical and sales centres across the country targeting mainly the automotive and wind energy sectors.

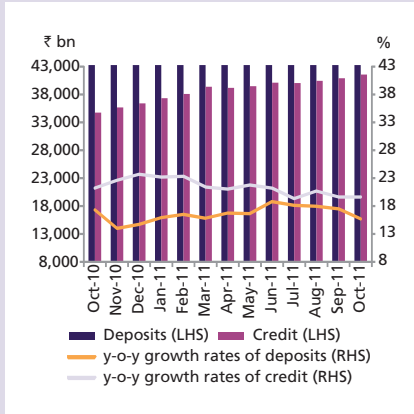
### Auto Components: Key financial indicators (Jul-Sep 2011)

Company	Net sales (₹ mn)	PBDIT (₹ mn)	Net profit (₹ mn)	PBDIT margin (%)	Net margin (%)
Bosch Ltd	19,913.1	4,698.2	2,877.2	22.6	13.9
Bharat Forge Ltd	9,099.9	2,360.7	1,064.0	25.4	11.4
Motherson Sumi Systems Ltd	7,849.3	838.6	315.8	10.6	4.0
Amtek Auto Ltd	5,697.0	1,737.5	526.9	30.5	9.3
Sundram Fasteners Ltd	5,455.7	509.4	184.3	9.3	3.4

Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E

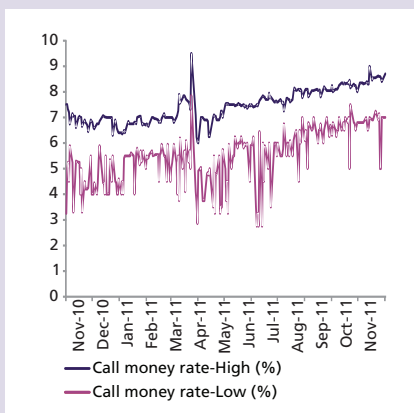
Source: CMIE

**Deposits, credit and growth rates**



Note: Data for Oct 11 is up to Oct 28, 2011

**Movement in call money rates (%)**



Note: Call Rates for Nov 11 are up to Nov 8, 2011

Source for all above charts: RBI

**BANKING INDUSTRY**

**Highlights**

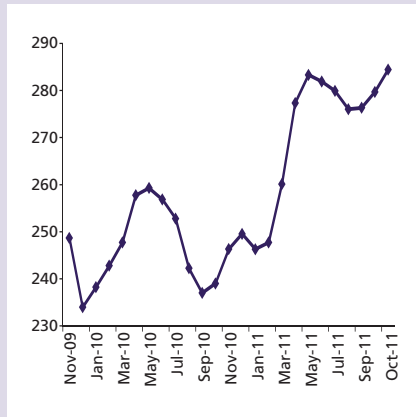
- With an aim to provide more flexibility to authorised persons to decide the location of their branches, the Reserve Bank of India (RBI) has allowed authorised money changers (AMCs) including banks, to open additional branches in metros without adhering to the old criterion of maintaining a ratio in number of branches in metro and non-metros cities.
- The RBI has ordered the banks not to make payment of cheques, drafts, pay orders or banker's cheques presented beyond a period of three months from the date of issue, as compared with six months currently, effective from April 2012.
- With an aim to freeze promotions in public sector banks at senior levels for at least one year, the Government plans to limit the number of senior executives in these banks as per the size of their business. The Government further plans to limit the number of general managers for the banks with business upto ₹ 1,500 billion to 10 from existing 20 for ₹ 1,000 billion.
- As part of its green initiative, the Reserve Bank of India has asked all non-banking financial companies (NBFCs) to gradually phase out the use of cheques and shift to electronic payment system.
- The Ministry of Finance, Government of India has asked all the banks including private sector lenders to open branches in locations with population of more than 5,000 in the under-banked districts by September 2012.
- With the RBI freeing interest rate on saving deposits, many banks increased their interest rate on savings deposit (IndusInd Bank by up to 200 basis points and Kotak Mahindra Bank and Yes Bank to 6% p.a.)
- With an aim to help the Spanish companies interested to invest in India, Caixa Bank announced to set up a representative office in India.
- HCBL Co-operative Bank Ltd adopted a village Chota Bharwara in Chinhat, Lucknow as a part of its financial inclusion policy. The bank plans to offer a multitude of modern banking services to the residents of the village as well as surrounding areas.
- Axis Bank targets a growth of 25% in its books in lending to small and medium enterprises over the next two years.
- With an aim to meet the Basel-III norms and de-risk its ₹ 300 billion export credit portfolio, State Bank of India entered into a tie-up with Export Credit Guarantee Corporation (ECGC).
- Kotak Mahindra Bank entered into a joint venture with US-based boutique advisory firm Evercore Partners to boost its revenues from investment banking and increase income through cross-border advisory from 40% to 60%.
- Allahabad Bank entered into a strategic alliance with the broking, wealth management and retail distribution arm of Aditya Birla Financial Services Group, Aditya Birla Money to provide 27 million Allahabad Bank customers to invest in financial products online.

**Banking: Key financial indicators (Jul-Sep 2011)**

Company	Net sales (₹ bn)	Net profit (₹ bn)	Net profit margin (%)
State Bank of India Ltd	259.6	28.1	9.6
Punjab National Bank Ltd	89.5	12.1	12.3
I C I C I Bank Ltd	81.6	15.0	15.2
Canara Bank Ltd	76.1	8.5	10.1
Bank Of Baroda Ltd	72.5	11.8	14.8

Net profit: PAT net of prior period and extraordinary items  
Source: CMIE

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



Source: CMIE

**CEMENT INDUSTRY**

**Highlights**

- JK Cement plans to invest over ₹ 7.5 billion to set up a white cement plant in the United Arab Emirates (UAE), through a subsidiary. The plant will have a capacity to produce 0.6 million tonne per annum (mtpa). The Board has approved setting up of this plant, along with a provision to change over to 1.01 mtpa of grey cement at a cost of US\$ 150 million.
- The Jaypee Group plans to sell a part of its cement business with an aim to reduce its debt of over US\$ 8 billion.
- The Andhra Pradesh Government approved the allotment of 1,000 acres for Prism Cement in Kurnool district to set up a cement manufacturing unit and related infrastructure. The land will be allotted to the company at a cost of ₹ 100,000 per acre. The company plans to set up a two million tonne capacity cement plant with an investment of ₹ five billion.
- With an aim to ensure availability of power, KCP Ltd plans to set up a 36 MW coal-based captive power project at its cement plant. The power plant will be set up with an investment of ₹ 1.6 billion. KCP also plans to expand its cement plant to three million tonnes in the next two years. Further, the company is exploring options to export cement and also tap new markets locally including Orissa and Maharashtra.
- Hundung Cement Factory, the defunct public sector enterprise in Ukhrul district in Manipur will be revived as the state government plans to lease it to a private firm. The government has given permission to Super Ores Factory to re-establish and run the Hundung Cement Factory.
- Tamil Nadu Cement Corporation Ltd (TANCEM) plans to sell at least 25% of its total production in the open market at competitive price. The company has an installed capacity of around eight lakh tonnes per annum and usually supplies cement to state government departments like PWD, Electricity Board and DRDA.
- Associated Cement Company (ACC) released its specialised cement targeted at niche markets, Coastal Plus in Visakhapatnam. The specialised cement is designed to fight the corrosive effects of coastal climates in cities like Visakhapatnam.
- Trinetra Cement Ltd plans to allocate shares worth around ₹ 6.1 billion to India Cements which had acquired Trinetra through its subsidiary ICL Financial Services Ltd in March last year.

**Cement production and despatches**

Parameters	Oct-11		Apr11-Oct11	
	mn tonnes	y-o-y growth (%)	mn tonnes	y-o-y growth (%)
Production	18.6	0.7	123.3	2.9
Despatches	18.1	-0.5	122.5	2.9

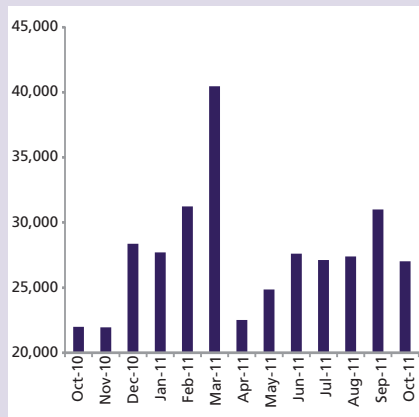
Source: CMIE

**Cement: Key financial indicators (Jul-Sep 2011)**

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Ultratech Cement Ltd	39,806.2	6,850.1	2,789.0	17.1	7.0
A C C Ltd	21,869.7	3,148.1	1,058.8	14.0	4.7
Ambuja Cements Ltd	18,336.7	3,971.3	1,921.1	21.0	10.2
Century Textiles & Inds. Ltd	10,989.5	599.7	-321.6	5.4	-2.9
India Cements Ltd	10,915.7	2,548.2	697.1	23.3	6.4

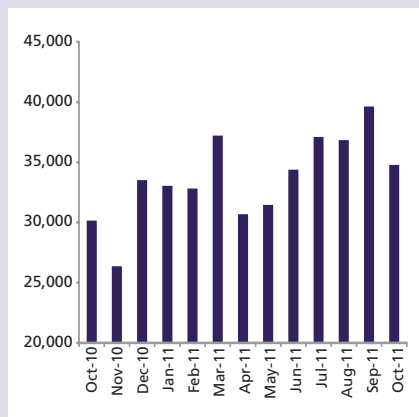
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

### M&HCV: Domestic sales (Nos.)



Source: CMIE

### LCV: Domestic sales (Nos.)



Source: CMIE

## COMMERCIAL VEHICLE INDUSTRY

### Highlights

- In October, domestic sales of commercial vehicles recorded growth of 18.5% (y-o-y) at 61,800 units, reflecting healthy growth in sales of both medium & heavy commercial vehicles (M&HCVs) and light commercial vehicles (LCVs). Cumulative domestic sales of CVs during April-October FY12 at 433,701 units were 17.9% higher as compared to sales in the corresponding period of FY11.
- Domestic sales of M&HCVs recorded growth of 8.2% during April-October FY12. Sales of LCVs recorded strong growth of 26.6% during this period.
- Exports of commercial vehicles registered a robust 27% growth at 49,321 units April-October FY12.
- Volvo Buses Corp plans to invest ₹ 4.0 billion over the next five years in India to meet its goal of manufacturing 5,000 buses in the country by 2015. Volvo's India facility will utilise the funds to increase capacity at its plant in Hoskote, near Bengaluru to 2,500 units from 1,000 today, and set up another plant with the same capacity.
- Ashok Leyland targets to sell 55,000 units of the recently launched LCV 'Dost' by 2012. The company is expanding the production capacity at the plant where this LCV is being manufactured to 55,000 units by next year.
- Tata Motors plans to set up factories for trucks and buses in South East Asia and Latin America. The company has already started assembling trucks at its facility in South Africa.
- Daimler India Commercial Vehicles entered into a tie up with HDFC Bank for financing its commercial vehicles – the Bharat Benz range of trucks. Daimler India, a fully-owned subsidiary of Daimler AG, plans to roll out the trucks in 2012 from its manufacturing facility at Oragadam, near Chennai (Tamil Nadu).

### Commercial vehicle sales (Nos.)

Segments	Oct-10	Oct-11	y-o-y growth (%)	Apr-Oct FY11	Apr-Oct FY12	y-o-y growth (%)
M&HCV	21,987	27,024	22.9	173,357	187,559	8.2
LCV	30,151	34,776	15.3	194,356	246,142	26.6
Total domestic sales	52,138	61,800	18.5	367,713	433,701	17.9
Exports	6,856	5,793	-15.5	38,851	49,321	26.9
Total sales	58,994	67,593	14.6	406,564	483,022	18.8

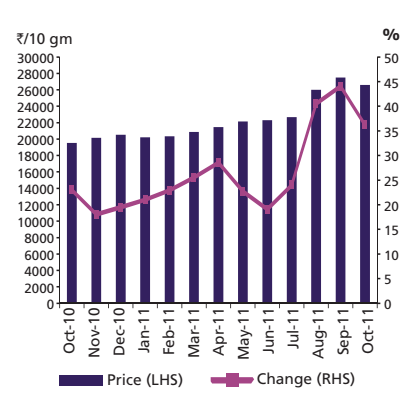
Source: CMIE

### Company: Key financial indicators (Jul-Sep 2011)

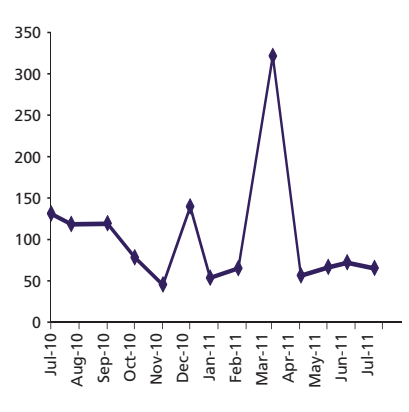
Parameter	Units	Ashok Leyland Ltd	Force Motors Ltd	S M L Isuzu Ltd
Net sales	₹ million	30,945.7	5,286.5	2,486.2
y-o-y growth	%	14.0	41.1	24.3
Operating profit	₹ million	3,414.8	277.3	223.0
y-o-y growth	%	9.8	-10.0	32.2
Net profit	₹ million	1,540.8	42.5	118.7
y-o-y growth	%	9.8	-10.0	32.2
PBDIT margin	%	11.0	5.3	8.9
PAT margin	%	5.0	0.8	4.8

Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

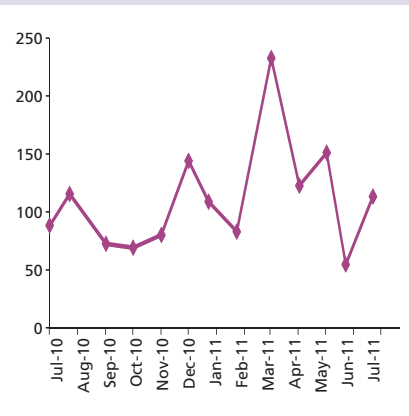
### Gold prices in Mumbai market



### Gems & jewellery exports (₹ bn)



### Gems & jewellery imports (₹ bn)



Source for all above charts: CMIE

## GEMS AND JEWELLERY INDUSTRY

### Highlights

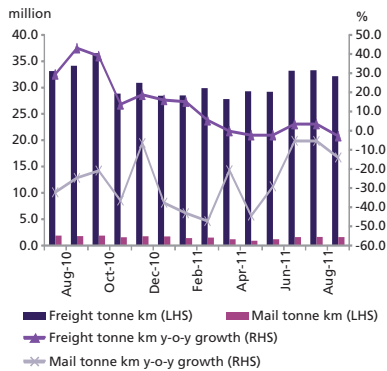
- Gitanjali Gems launched the world's first jewellery vending machine. The machines will dispense gold and silver coins, medallions and jewellery of customers' choice. Targeted towards customers seeking their last minute purchases, the machines will sell products in the price range of ₹ 1,000-30,000. The company has launched its first machine in Mumbai and plans to launch 75 such machines in the next three years.
- M Suresh Group, a leading diamond firm from Surat, made a foray into the international market and acquired Australia's The Jewellery Group (TJG) for approximately US\$ 30 million. TJG owns two brands Zamel's and Mazzuchelli's and operates 129 retail outlets across Australian Capital Region and western and southern Australia.
- Rajesh Exports Ltd, a Bengaluru-based gold jewellery manufacturer and exporter is on an expansion drive. The company plans to expand its domestic retail presence aggressively and set up around 400 outlets of its retail venture Shubh Jewellers.
- Gitanjali Gems plans to leverage the huge potential in small towns and set up around 60 to 65 stores in such tier II and III towns in the second half of FY12. The company plans to incur a capital expenditure of ₹ 3.5-4.0 billion in FY12 for meeting working capital needs for the new stores and for cost of inventory.
- Forever Precious Jewellery and Diamonds Private Limited, the retail brand of Su-Raj Group launched its first store in Noida. With this launch, the company's store count has gone up to 142.
- Shree Ganesh Jewellery House Limited (SGJHL), entered into a 50:50 joint venture with Italian company Societa Aretina Lavorazione Preziosi S.P.A. (SALP SPA) to set up a gold jewellery manufacturing unit in West Bengal with an investment of Rs one billion. The joint venture will also retail lightweight gold jewellery under the brand Oroitalia for which a joint venture company Oroitalia Sales Ltd has been set up. It will retail the Oroitalia brand across the country and for the company's export market base in Singapore, West Asia and Hong Kong, said Mr Nilesh Parekh, Chairman, Shree Ganesh.
- Joyalukkas, one of the leading jewellery groups in India, has diversified into the business of malls. The company has formed a new business entity 'Mall of Joy' which will start operations in eight locations with a total investment of Rs 10 billion over the next 30 months. The first mall is expected to be opened in Kozhikode (Kerala) in March 2012.

### Gems & Jewellery: Key financial indicators (Jul-Sep 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Rajesh Exports Ltd.	57,670.3	1,571.9	1,070.8	2.7	1.9
Gitanjali Gems Ltd.	21,057.8	1,268.2	853.0	6.0	4.0
Titan Industries Ltd.	20,965.0	2,203.7	1,528.8	10.4	7.2
Su-Raj Diamonds & Jewellery Ltd.	11,819.8	429.1	278.2	3.6	2.4
Shrenuj & Co. Ltd.	5,327.9	319.2	82.0	6.0	1.5

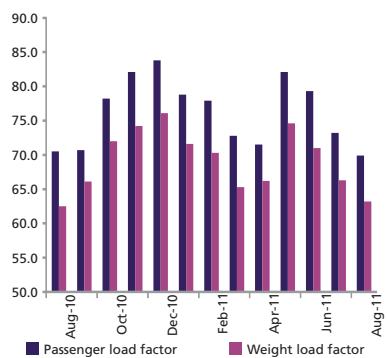
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

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



Source: CMIE

### Civil aviation: Load factor (%)



Source: CMIE

## HI-TECH INDUSTRY

### Highlights

- The Department of Information Technology, Government of India plans to launch a brand building initiative to promote India as a preferred destination for investment in the electronics industry. The Government has identified growth of electronics hardware manufacturing sector as a thrust area as it sees huge business opportunity in the electronics sector.
- The rechargeable battery maker Samsung SDI entered into a 50:50 joint venture with Germany's Robert Bosch to supply lithium-ion batteries for Mahindra & Mahindra's electric cars. The joint venture SB LiMotive will supply batteries for Mahindra's first hybrid SUV model from 2013.
- The NDS Group Ltd, which creates technologies and applications for digital pay TV, plans to invest US\$ 440 million in the next five years in India on product development and enhancing customer base. The planned investment will be made to develop new products and applications for future such as set-top-boxes that can be used for cable, satellite and broadband TV connections and portable devices.
- Siemens Ltd launched a 1200 Kilovolt SF6 circuit-breaker with an evacuation capacity of 8,000 Megawatt to help the distribution companies to reduce transmission losses.

### Civil aviation: Airport traffic statistics (August 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

### Consumer Electronics: Key financial indicators (Jul-Sep 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Videocon Industries Ltd	33,389.3	5,872.0	1,168.2	17.5	3.5
Mirc Electronics Ltd	4,240.3	22.4	-110.0	0.5	-2.6
Sharp India Ltd	193.7	22.3	14.2	11.5	7.3
Onida Saka Ltd	0.0	-0.1	-0.1	N.A	N.A

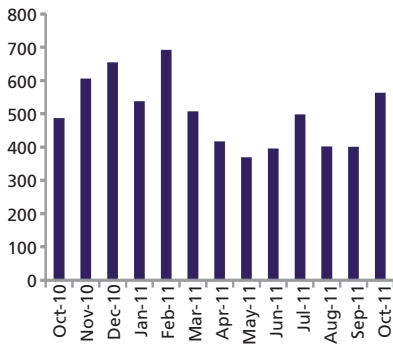
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

### Air Transport Services: Key financial indicators (Jul-Sep 2011)

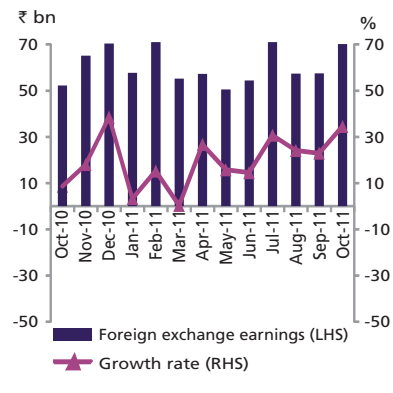
Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Jet Airways (India) Ltd	32,935.4	-2715.7	-7136.0	-8.2	-21.4
Spicejet Ltd	7,665.0	-2275.0	-2400.7	-29.5	-31.2

Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

### Foreign tourist arrivals in India ('000 nos.)



### Foreign exchange earnings



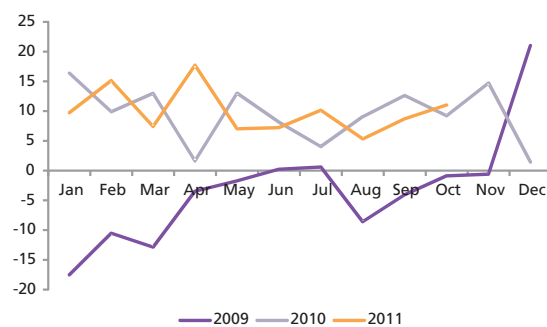
Source for all charts: Ministry of Tourism

## HOSPITALITY INDUSTRY

### Highlights

- Hero Motors Ltd announced its entry into restaurant business through the launch of a multi-cuisine restaurant 'AUMA' in Delhi.
- Equity International Inc, US-based investor firm plans to invest US\$ 75 million (about ₹ 3.7 billion) in the developer and Marriot hotels partner Samhi Hotels Pvt Ltd.
- Sant Chatwal, an Indian-American hotelier plans to expand his luxurious New York 'Dream Hotel' chain in India, with a new project in Goa set to be opened by 2013. Chatwal further plans to set up Dream Hotel chain in Jaipur, Mumbai and New Delhi.
- Sterling Holiday Resorts Ltd renovateed its 17 existing resorts for a sum of around ₹ 1.5 billion and plans to add five more properties over the next six months.
- Gujarat-based Neesa Leisure Ltd launched a new line of budget class hotels under the Coral brand in Gandhinagar (Gujarat). The company further plans to launch another five budget class properties in Dahej (Gujarat), Abu Road, Nasik, Lucknow and Raipur.
- HRH Group of Hotels owned by the royal family of Udaipur plans for management tie-ups with international and domestic hospitality brands for its heritage properties in Rajasthan. The group further plans to invest up to ₹ 1.5 billion on renovation and expansion of its assets.
- With an aim to target the growing corporate sector in India, The Ascott International Ltd plans to double its presence by 2015 with an investment of about US\$ 250 million.

### Growth in foreign tourist arrivals (%)



Source: CMIE

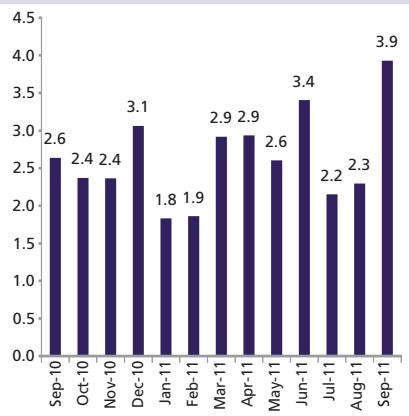
### Company: Key financial indicators (Jul-Sep 2011)

Company	Net sales (₹ mn)	Net profit (₹ mn)	Net profit margin (%)
Indian Hotels Co. Ltd	3,575.6	-25.2	-0.7
E I H Ltd	2,371.5	35.3	1.4
Mahindra Holidays & Resorts India Ltd	1,482.6	240.6	15.9
Hotel Leelaventure Ltd	1,279.4	-649.0	-50.2
Taj G V K Hotels & Resorts Ltd	592.1	43.2	7.3

Note: Net profit: PAT net of P&E

Source: CMIE

**Domestic computer hardware & peripheral production (₹ bn)**



Source: CMIE

**IT HARDWARE INDUSTRY**

**Highlights**

- Nokia and online payment service provider PayMate mutually agreed to develop a solution allowing the user to pay bills by touching NFC-technology enabled handset on a point.
- AMD India Ltd launched chips with 1GB AMD FirePro V4900 for computers requiring high data processing speed especially in case of graphical contents.
- Lenovo Group Ltd, Amazon.com Inc and HCL Infosystems Ltd plans to introduce inexpensive models priced at as low as ₹ 10,000.
- Lenovo Ltd plans to expand its manufacturing operations in India with an investment of around US\$ 10 million.
- Reliance Industries Ltd along with Reliance Communication Ltd plans to launch cheaper tablet devices for ₹ 6,000 a piece.

**Global News**

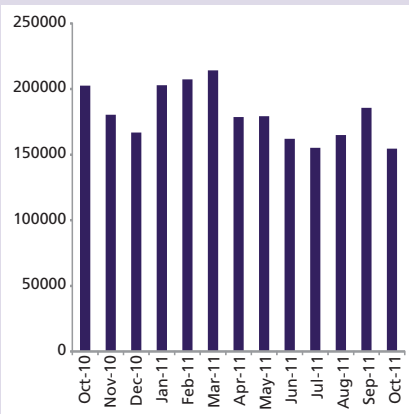
- Barnes & Noble Inc introduced its first tablet with 7-inch screen and 16 gigabytes of storage for US\$ 249 and expects to hit the market by November 2011.
- Japanese supercomputer by the name K Computer having more than 88,000 central processing units broke its record as the world's fastest machine by performing 10 quadrillion calculations per second.
- Hewlett-Packard Co introduced Slate 2 Tablet PC with an 8.9-inch screen running in Windows operating system and Intel Atom Z670 processor to target the business segment using tablet computer.
- ST-Ericsson entered into a joint venture to supply chipsets for Nokia phones based on Windows software.
- With an aim to break the monopoly of Intel Corp, Hewlett Packard Co plans to develop extremely low-energy servers, partnering with companies such as chip designers ARM Holdings Plc and Advanced Micro Devices Inc.
- Samsung Electronics Corp plans to expand its capital expenditure in semiconductors by 50% to a record 15 trillion won (US\$ 13 billion) by 2013.

**Company: Key financial indicators (Jul-Sep 2011)**

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Moser Baer India Ltd	5,319.9	837.6	-620.6	15.5	-11.5
Compuage Infocom Ltd	4,362.0	77.8	35.7	1.8	0.8
Accel Frontline Ltd	994.3	138	72.2	13.1	6.9
Gemini Communication Ltd	902.5	177.7	25.3	19.7	2.8
D-Link (India) Ltd	541.1	34.3	21.1	6.3	3.9

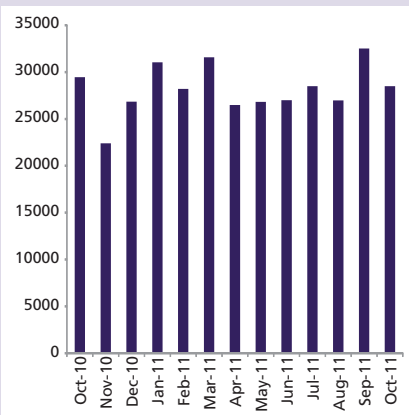
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

### Passenger cars: Domestic sales (Nos.)



Source: CMIE

### Utility vehicles: Domestic sales (Nos.)



Source: CMIE

## PASSENGER VEHICLE INDUSTRY

### Highlights

- The carmakers have announced a couple of launches this month. Czech car-maker Skoda launched its mid-sized sedan Rapid in India priced between ₹ 0.675 million and ₹ 0.92 million (ex-showroom Delhi), expecting the Rapid to become its best-selling car in the country, surpassing the sales of compact car Fabia.
- The Jaguar Land Rover owned by the Tatas launched its popular Range Rover Evoque. The premium SUV is priced upwards of ₹ 4.48 million (ex-showroom Mumbai) and will be available in four versions including three in diesel and one in petrol.
- Italian luxury sports car maker Automobili Lamborghini SpA also launched the all-new Aventador LP 700-4 model in India, priced at ₹ 36.90 million (ex-showroom, Delhi).
- Diversified business house InterGlobe Enterprises launched British sportscar maker Ariel Motor's Atom range of cars in India, priced up to ₹ 8.50 million. InterGlobe Established Pvt Ltd, the luxury lifestyle solution provider will be responsible for Ariel Motor's products in India.
- British motorsports brand Caterham Cars plans to start selling its Caterham Seven built- to-order models in India by the first half of next year which will be priced ranging from ₹ 2.8 millions up to ₹ 9.0 millions.
- South Korean car maker Hyundai has plans of 10-15 launches in India in the next four to five years, in an attempt to boost its market share that is under pressure due to increasing competition.
- Maruti Suzuki India Ltd plans to enter the sport utility vehicle segment with the showcase of a concept SUV at the auto expo in Delhi.
- Maruti Suzuki has raised prices of its diesel models by ₹ 2,000 to ₹ 10,000.

### Passenger Vehicle sales (Nos.)

Segments	Oct-10	Oct-11	y-o-y growth (%)	Apr-Oct FY11	Apr-Oct FY12	y-o-y growth (%)
Micro	5,696	5,469	-4.0	55,211	46,911	-15.0
Mini & Compact	143,401	101,372	-29.3	838,010	763,732	-8.9
Super Compact and Mid Size	27,579	27,817	0.9	171,128	202,347	18.2
Executive	4,191	3,176	-24.2	30,707	26,509	-13.7
Premium	833	658	-21.0	7,749	7,554	-2.5
Luxury, Coupe Roadster & Exotics	4	29	625.0	711	751	5.6
Multi-purpose vehicle	19,561	16,124	-17.6	119,426	135,203	13.2
Passenger cars	201,265	154,645	-23.2	1,222,942	1,183,007	-3.3
Multi-utility vehicle	28,382	28,497	0.4	180,436	195,506	8.4
<b>Domestic sales</b>	<b>229,647</b>	<b>183,142</b>	<b>-20.3</b>	<b>1,403,378</b>	<b>1,378,513</b>	<b>-1.8</b>
Exports	30,715	33,524	9.1	245,501	293,426	19.5
<b>Total sales</b>	<b>260,362</b>	<b>216,666</b>	<b>-16.8</b>	<b>1,648,879</b>	<b>1,671,939</b>	<b>1.4</b>

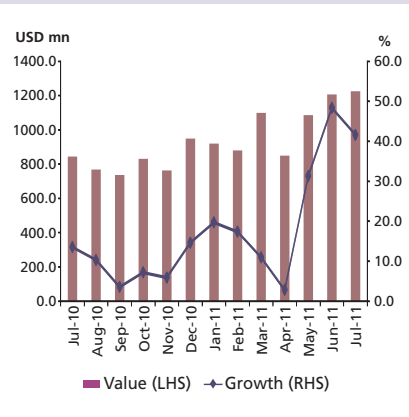
Source: CMIE

### Passenger Vehicle: Key financial indicators (Jul-Sep 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Maruti Suzuki India Ltd	7,831.6	611.9	240.4	7.7	3.0
Mahindra & Mahindra Ltd	7,360.6	1,130.5	737.4	14.8	9.7
Hindustan Motors Ltd	145.4	-28.2	-34.5	-19.3	-23.6

Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

### Trend in drugs and pharmaceuticals exports



Source: CMIE

## PHARMACEUTICAL INDUSTRY

### Highlights

- The Government of India has reviewed the extant policy on FDI in the pharmaceutical sector and decided as under:
  - FDI, up to 100%, under the automatic route, would continue to be permitted for greenfield investments in the pharmaceuticals sector.
  - FDI, up to 100%, would be permitted for brownfield investments (i.e. investments in existing companies), in the pharmaceuticals sector, under the Government approval route.
- Avesthagen Ltd entered into a partnership agreement with Pune-based Sava Medica Ltd to float a 50:50 joint venture subsidiary, Dhanvantari Botanicals, to market a range of nutraceutical products in countries like US, Brazil, Russia, India and South Africa. Under the terms of the deal, Avesthagen will receive upfront payments and a 15% royalty on product net sales.
- South Africa-based Litha Healthcare Group Ltd, with operations in the pharmaceutical, medical devices and biotechnology sectors of the healthcare industry, signed an exclusive agreement with Micro Labs Ltd, a leading Indian generic pharmaceutical manufacturer, to expand their pharma product portfolio. The agreement includes a range of quality generic pharmaceutical products developed and manufactured by Micro Labs Limited.
- Natco Pharmaceuticals Ltd entered into an agreement with Mabxience, the biosimilar division of Swiss firm Chemo Sa Lugano, to purchase four mAb drug substances from Chemo and use the same for manufacturing finished dosage pharmaceutical formulations.
- Aventis Pharma Ltd completed the acquisition of the marketing and distribution business of branded nutraceutical formulations of Universal Medicare Pvt Ltd in India for ₹ 5.67 billion.
- Singapore-based pharmaceuticals company Invida, co-owned by US-based clinical research organisation Quintiles, Temasek Holdings and Zuellig group, agreed to acquire Shalaks Pharmaceuticals for US\$ 25 million.
- Elder Pharmaceuticals plans to make a foray into the growing personal and lifestyle healthcare sector including hypertension, diabetes and cardiac care.
- Alembic Pharmaceuticals plans to invest ₹ 1.0 billion in a drugs facility which will make generic drugs for regulated markets.
- Lupin Ltd plans to invest over ₹ 2.3 billion in capital expenditure for its Indian manufacturing unit during FY12. Lupin has already spent ₹ 1.3 billion as capital expenses in the quarter ending September 30, 2011.

### Pharmaceutical: Key financial indicators (July-Sep 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Dr. Reddy's Laboratories Ltd	16,969.6	6,673.0	4,540.5	38.1	25.9
Cipla Ltd	15,914.2	3,943.9	2,533.4	24.4	15.7
Ranbaxy Laboratories Ltd	12,820.2	2,072.9	1,454.8	14.4	10.1
Lupin Ltd	11,057.8	1,139.1	727.5	10.3	6.6
Aurobindo Pharma Ltd	10,301.4	1,756.9	1,290.1	17.0	12.5

Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

## RETAIL INDUSTRY

### Highlights

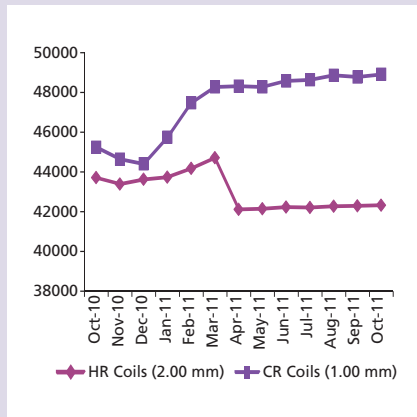
- InterGlobe, the parent company of Indigo Airlines entered into a tie up with Swiss retail chain Dufry International AG to set up retail outlets at metro stations under Dufry's brand Hudson News Café. The company will work with Delhi Metro Rail Corporation (DMRC) to set up around 48 coffee shops across all six existing lines of the Delhi Metro.
- DLF Brands entered into a ten year licensing agreement with a leading global fashion jewellery and accessories retailer Claire's Stores Inc, with an aim to launch the brand in the Indian markets. The company plans to open 75 stores over the next five years.
- Provogue India sold its retail chain business Promart to VEMB Lifestyle Pvt Ltd and Apple Group of Companies. Promart is Provogue's multi-brand household retail chain and value format brand that offers premium products at discounted rates.
- Les Petits, a multi-brand luxury store for kids' apparel and furniture launched its flagship store in Delhi. Spread across 1,500 sq.ft., the outlet will cater to kids in the age group of 0-8 years.
- The Future Group launched Aadhar Retail, its first cash and carry business in rural India. Through Aadhar, the company launched its rural wholesale and distribution business in Gujarat. The company plans to invest around ₹ one billion and open 65 stores across India by 2014.
- Mobile application and distribution company Onward Mobility, launched 'MobiWorld', India's first offline mobile application store. The store that spans across 80 sq.ft. offers applications which include MobiCop, MobiSecret, MobiCopy, MobiDND, MobiRecord and MobiProtect powered by Junos Secure and Bull Guard.
- Buck's Luxury made a foray into the Indian market by opening its first outlet in Delhi. The company is a manufacturer and retailer of luxury classic products like leather handbags, lifestyle products, and fashion accessories which are manufactured in limited numbers.
- Vedant Fashions' menswear brand Manyavar has entered the international markets. The company recently opened its international store at Dubai's Meena Bazaar. It further plans to expand to other UAE cities.

### Retail trading: Key financial indicators (Jul-Sep 2011)

Company	Net sales (₹ mn)	Net profit (₹ mn)	Net profit margin (%)
Pantaloon Retail (India) Ltd	10,784.1	124.3	1.1
Shoppers Stop Ltd	4,973.3	195.4	3.9
Store One Retail India Ltd	164.3	51.7	30.2
Trent Ltd	2,277.2	34.0	1.4

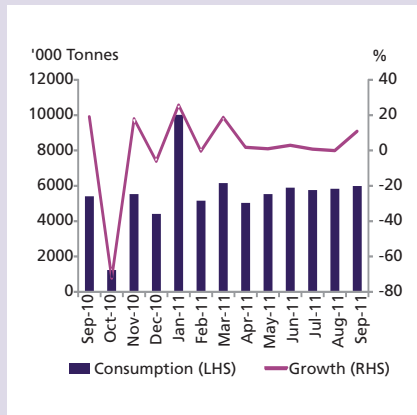
Note: Net profit: PAT net of prior period and extraordinary items  
Source: CMIE

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



Source: CMIE

### Finished steel consumption



Source: CMIE

## STEEL INDUSTRY

### Highlights

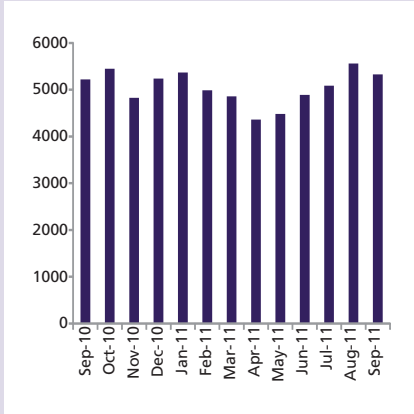
- According to the World Steel Association, global annualised production of steel increased to 1,503 million tonnes during Sep-11 from 1,467 million tonnes in Aug-11.
- According to the Ministry of Steel, India's steel production is expected to reach 113 million tonnes by the end of the 12th Five Year Plan due to growing manufacturing sector and government aid towards the infrastructural sector.
- The Ministry of Steel intends to set up steel processing units at Barabanki, Lakhimpur Kheri, Gonda and Mirzapur in order to boost industrial activity and increase consumption of steel in rural areas.
- Domestic secondary steel producers proposed for 'deemed credit facility' against selling of scrap steel sourced from local units to curb duty evasion and increase Government revenue.
- Tata Steel Ltd proposed to cease operations in South Wales, UK due to weak activity in construction and public procurement. The construction industry and public procurement activity in UK has been affected by the global financial crisis.
- Tata Steel Ltd aims to target the European aerospace steel market with 30% increase in production towards technically demanding and safety critical steel equipment.
- Steel Authority of India Ltd in a joint venture with the railway authorities plans to set up a coach manufacturing unit at the Kanchrapara district of West Bengal. The unit will have an annual production capacity of 1,200 wagons and is expected to commence production in 2013-14.
- Mahindra Ugine Steel Co Ltd sold 49% of its stake to form a joint venture with Sanyo Special Steel Co Ltd and Mitsui & Co Ltd. The joint venture is expected to help Mahindra Ugine Steel to increase productivity, enhance cost and quality to international standards.

### Steel: Key financial indicators (July– Sep 2011)

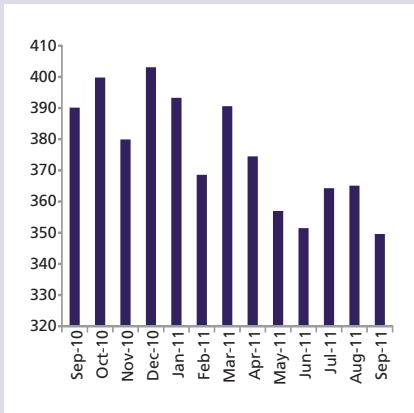
Company	Net Sales (₹ bn)	Operating profit (₹ bn)	Net profit (₹ bn)	Operating profit margin (%)	Net profit margin (%)
Steel Authority Of India Ltd	109.8	13.1	4.9	11.4	4.3
Tata Steel Ltd	82.1	27.9	15.0	33.9	18.2
J S W Steel Ltd	76.3	8.2	1.3	10.7	1.7
Jindal Steel & Power Ltd	33.3	10.9	5.4	32.8	16.3
J S W Ispat Steel Ltd	26.4	-0.1	-4.4	-0.3	-16.5

Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

### Fabrics production (Million sq.metres)



### Spun yarn production (’000 tonnes)



Source for all above charts: CMIE

## TEXTILE & GARMENT INDUSTRY

### Highlights

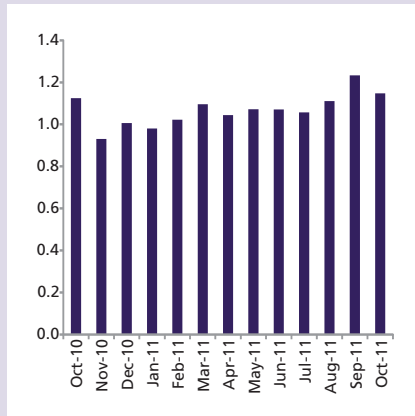
- The government sanctioned setting up of 21 integrated textile industrial parks across India with a total development cost of ₹ 21 billion. The textile parks are expected to attract industry investment of approximately ₹ 90 billion along with generation of employment for four lakh workers.
- The Jammu and Kashmir government allotted barren land towards mulberry tree plantation in order to revive Indian silk industry along with generation of employment to the youth in the state.
- The State Government of West Bengal intends to form a textile policy which shall benefit the MSME sector with setting up of the Institute of Handloom Technology and various textile hubs in the State.
- Indian garment makers Pantaloons Ltd, Globus Stores Pvt Ltd and Turtle Ltd opened new units in Bangladesh to take advantage of low labour cost and duty concessions on exports to the US and European markets.
- Kenneth Cole Productions Inc and Reliance Textile brands signed a license agreement for retail and premium wholesale distribution of men and women’s apparel and accessories in 25 planned stores across India over the next five years.
- Ahmedabad-based apparel maker Arvind Ltd exited its joint venture with VF Corporation by selling its 40% stake for ₹ 2.6 billion. Arvind Ltd intends to use the funds to repay debt.
- TCNS Clothing Company Pvt Ltd received institutional funding worth ₹ 600 million from private equity firm Matrix Partners which shall be utilised towards launching its brand in international markets and expanding retail outlets in India.
- Apparel brand Monte Carlo Fashions Ltd plans to raise ₹ 3.8 billion through private equity and initial public offer to set up new garment facilities and establish pan India presence. It also plans to set up a woollen garment manufacturing facility at Ludhiana.

### Textile and garments: Key financial indicators (Jul – Sep 2011)

Company	Net Sales (₹ bn)	Operating profit (₹ bn)	Net profit (₹ bn)	Operating profit margin (%)	Net profit margin (%)
Alok Industries Ltd	21.4	5.4	0.8	25.1	3.8
Grasim Industries Ltd	12.5	5.1	3.4	35.7	24.3
Garden Silk Mills Ltd	10.7	0.7	0.1	6.9	0.9
Vardhman Textiles Ltd	10.4	1.5	0.4	14.8	3.4
S R F Ltd	9.1	2.2	1.1	24.2	11.7

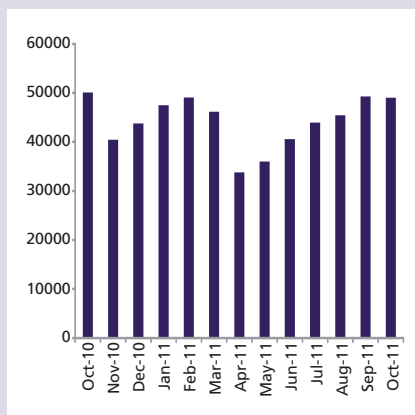
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

### Two-wheeler: Domestic sales (Million)



Source: CMIE

### Three-wheeler: Domestic sales (Nos.)



Source: CMIE

## TWO-WHEELER AND THREE-WHEELER INDUSTRY

### Highlights

- In October, growth in domestic sales of two-wheelers slowed down to a marginal 2%. While sales of motorcycles grew by a meagre 0.7%, sales of scooters increased by 12.1%. Sales of mopeds, on the other hand, declined by 9.6%.
- Cumulative domestic sales of two-wheelers grew by 14.8% at 7.7 million units during April-October FY12. All the three segments recorded growth – motorcycles (13.8%), scooters (21.2%) and mopeds (9.9%).
- Exports of two-wheelers rose sharply by 30% at 1.1 million units during April-October 2011.
- Hero MotoCorp launched a new 150cc motorcycle, Impulse, at a price of ₹ 66,800 (ex-showroom Delhi).
- Hero MotoCorp aims to export a million bikes each year during the next 5-6 years in the international markets. In 5-6 years, the company expects to take the share of exports in its total sales to 10% from the current share of less than 2%.
- Bajaj Auto plans to invest ₹ five billion till FY13 for capacity expansion and development of a new variant of the flagship Pulsar bike. The new Pulsar will be based on a new technology and will be launched in January next year.
- Domestic sales of three-wheelers declined by 2.1% in October, after recording a mere 0.9% growth in the previous month.
- During April-October 2011, domestic sales of three-wheelers registered a decline of 0.4% at 0.29 million units. While sales of passenger carriers declined by 3.9%, sales of goods carriers grew by 15.8%.
- Exports of three-wheelers posted a sharp growth of 45.5% at 0.22 million units during April-October FY12.

### Two-wheeler sales

### Three-wheeler sales

Segments	Oct-11		April-October 2011		Segments	Oct-11		April-October 2011	
	Vol (Nos)	y-o-y growth (%)	Vol (Nos)	y-o-y growth (%)		Vol (Nos)	y-o-y growth (%)	Vol (Nos)	y-o-y growth (%)
Motorcycles	879,883	0.7	5,904,464	13.8	Passenger carriers	39,087	-5.1	235,528	-3.9
Mopeds	56,378	-9.6	439,909	9.9	Goods carriers	9944	12.3	62,479	15.8
Scooters	211,360	12.1	1,394,382	21.2	Total domestic	49,031	-2.1	298,007	-0.4
Total domestic	1,147,621	2.0	7,738,755	14.8	Exports	29,633	23.0	228,035	45.5
Exports	158,302	15.8	1,183,792	29.9	Total	78,664	6.1	526,042	15.4
Total	1,305,923	3.5	8,922,547	16.6					

Source: CMIE

### Company: Key financial indicators (Jul-Sep 2011)

Company	Net Sales (₹ bn)	Operating profit (₹ bn)	Net profit (₹ bn)	Operating profit margin (%)	Net profit margin (%)
Hero Motocorp Ltd	58,293.2	10,029.5	6,036.2	17.0	10.2
Bajaj Auto Ltd	52,672.6	10,364.4	7,258.0	19.4	13.6
T V S Motor Co Ltd	19,917.9	1,406.0	765.1	7.1	3.8
Eicher Motors Ltd	1,811.6	245.2	182.4	13.4	10.0
L M L Ltd	877.7	27.8	-96.1	3.2	-10.9

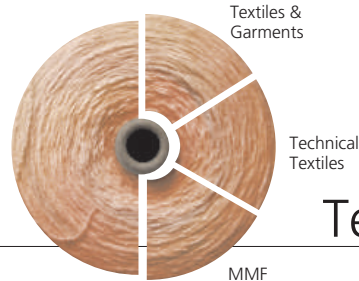
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E  
Source: CMIE

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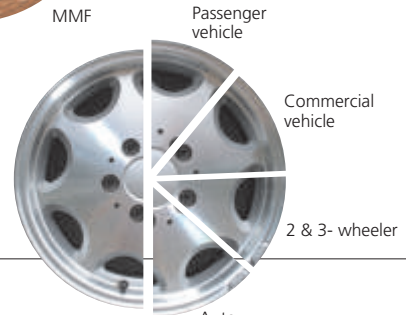
The reports' in-depth analytical content would provide valuable insights to financial institutions, banks, equity broking houses, and corporates towards accurate & informed decision making. The reports would also be useful to the industry practitioners, academicians & scholars.

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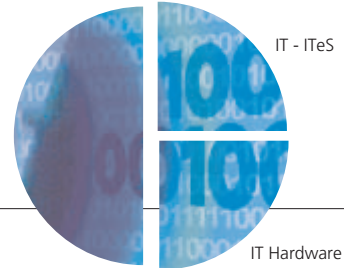
## Textiles



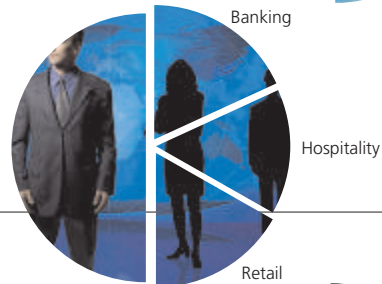
## Auto



## Core Sector



## Infotech



## Services



## Chemical



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