



Industry cursor

Strictly for Private Circulation

Issue 36 | August 2011

CONTENTS

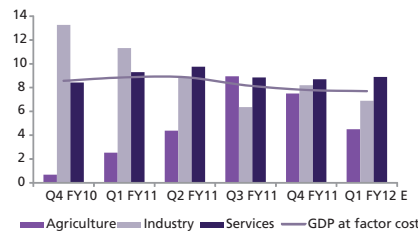
Macroeconomic Update	
Auto Components	2
Banking	3
Cement	4
Commercial Vehicle	5
Gems & Jewellery	6
Hi-Tech	7
Hospitality	8
IT-Hardware	9
Passenger Vehicle	10
Pharmaceutical	11
Retail	12
Steel	13
Textile & Garment	14
Two and Three-Wheeler	15

MACROECONOMIC UPDATE

Highlights

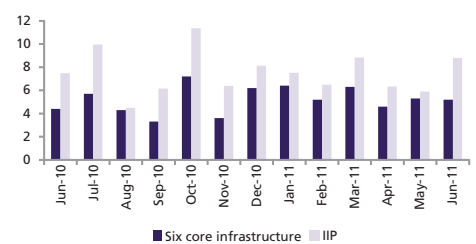
- The Reserve Bank of India increased the repo rate under the Liquidity Adjustment Facility (LAF) by 50 basis points to 8.0%.
- While the reverse repo rate stands at 7.0%, the Marginal Standing Facility (MSF) rate, determined with a spread of 100 basis points above the repo rate, stands recalibrated at 9.0%.
- The Index of Industrial Production (IIP) recorded a robust growth of 8.8% (y-o-y) during June 2011 as against 5.9% in May 2011. While the manufacturing and the electricity sectors grew by 10.0% and 7.9% respectively, growth in the mining sector moderated to 0.6% during June 2011.
- The capital goods sector witnessed a sharp growth of 37.7% in June 2011 against 6.1% in May 2011.
- WPI inflation moderated to 9.2% (y-o-y) during July 2011 as compared to 9.4% during June 2011.
- India's exports rose by 46.5% (y-o-y) to US\$ 29.2 billion during June 2011; while imports rose by 42.5% (y-o-y) to US\$ 36.9 billion, leading to a trade deficit of US\$ 7.7 billion.
- Gross Direct Tax collections registered a growth of 23.9% (y-o-y) to ₹ 1,041.36 billion during Q1FY12.

GDP: Growth (%)



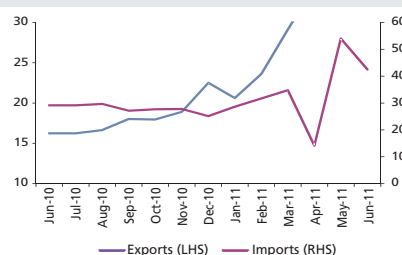
E: D&B estimate
Source: CSO, D&B Industry Research Service

IIP and core infrastructure: Growth (%)



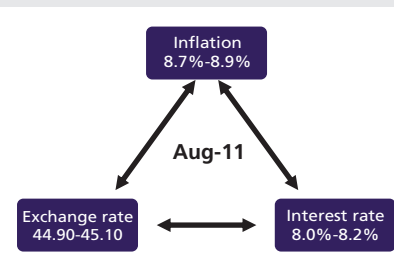
Source: Ministry of Commerce and Industry, CSO

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



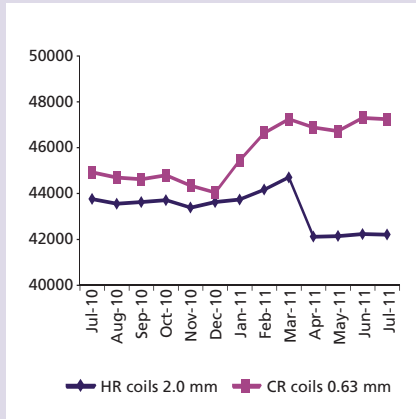
Source: Ministry of Commerce

Macroeconomic triad (forecast)



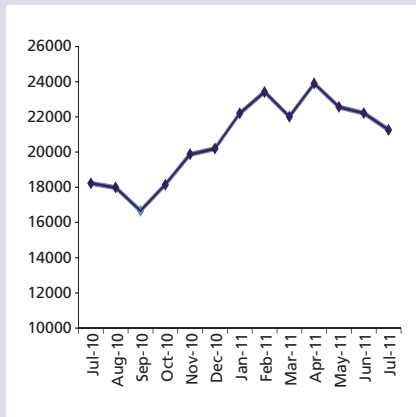
Note: Exchange rate: INR/US\$
Interest rate corresponds to yield on T-Bills 15-91 days
Source: D&B Industry Research Service

Steel prices (Mumbai) (₹/tonne)



Source: CMIE

Rubber prices* (Kottayam) (₹/quintal)



*Rss-4

Source: CMIE

AUTO COMPONENTS INDUSTRY

Highlights

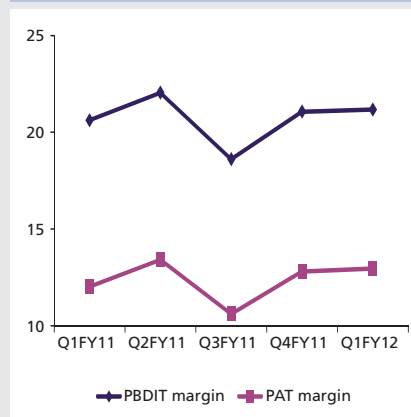
- Early results for the quarter ended June 2011 indicate a substantial 88% of the auto component companies reporting higher net sales as compared to the quarter ended June 2010. On the profit front, while 72% of the companies earned higher operating profits, 58% reported higher net profits during April-June 2011.
- Premium Transmission Ltd, a Karan Thapar Group company, acquired Rexnord Stephan GmbH & Co KG, Germany, a Euro 21 million manufacturer of geared motors and industrial gearboxes, etc. The acquisition was done through a Netherlands-based SPV and is expected to increase Premium Transmission's turnover, besides aiding the global ambitions of the industrial gear maker.
- Premium Transmission Ltd recently divested its automotive gear manufacturing division to Indsur Global Ltd, a manufacturer of insulator castings. Indsur makes castings for the automobile sector.
- Automotive steel wheel manufacturer Steel Strips Wheels Ltd bagged a contract worth US\$ 33 million from German car maker BMW for supply of wheels for the latter's new car launches. The steel wheels will be delivered to BMW's Oxford, Leipzig and Regensburg plants in Germany.

Auto components: Key financial indicators (April-June 2011)

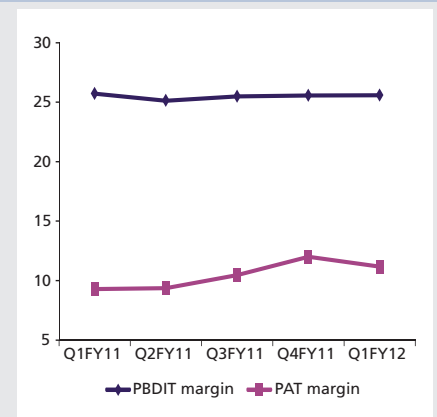
Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Bosch Ltd	20,592.8	4,512.9	2,763.0	21.2	13.0
Bharat Forge Ltd	8,576.7	2,231.4	974.2	25.6	11.2
Motherson Sumi Systems Ltd	7,515.2	1,247.4	655.0	16.0	8.4
Sundram Fasteners Ltd	5,218.5	724.4	349.3	13.9	6.7
Amtek Auto Ltd	4,903.4	1,650.3	769.7	31.1	14.5

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

Bosch: Profit margins (%)

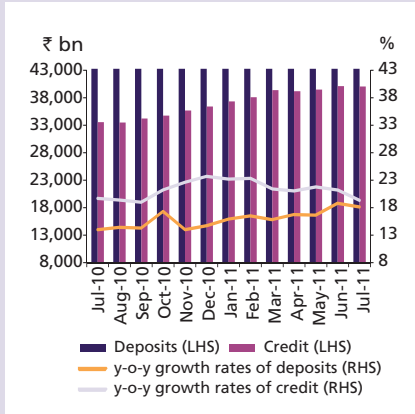


Bharat Forge: Profit margins (%)



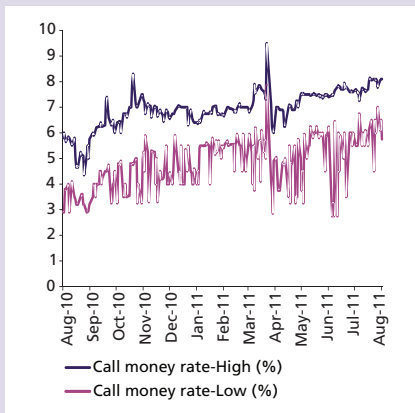
Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

Deposits, credit and growth rates



Note: Data for Jul 11 is up to Jul 29, 2011

Movement in call money rates (%)



Note: Call rates for Aug 11 are up to Aug 10, 2011

Source for all above charts: RBI

BANKING INDUSTRY

Highlights

- With the aim to curb inflation, the Reserve Bank of India raised the repo and reverse repo rate under the Liquidity Adjustment Facility (LAF) by 50 basis points to 8.0 % and 7.0% respectively. Further, many banks including State Bank of Bikaner & Jaipur, State Bank of Travancore, Union Bank, State Bank of India, State Bank of Mysore, and Housing Development Finance Corp increased their interest rate by 0.50%.
- With an aim to pave the way for cashless settlements of perquisites and reimbursements, the Reserve Bank of India has allowed the banks to issue pre-paid payment instruments to corporates for onward issuance to their employees. The pre-paid card can be loaded with a maximum value outstanding of ₹ 50,000.
- With an aim to minimise the risk for banks and disputes between banks and companies, the Reserve Bank of India has ordered that the banks offering derivative products to companies should obtain resolutions from the Board of the corporates.
- The Government approved the merger of State Bank of India Commercial and International Bank Ltd (SBICI) with its parent bank State Bank of India.
- State Bank of Bikaner & Jaipur launched an online business centre in Jaipur. This is a centralised call centre for all prospective customers for any banking requirements.
- IDBI Bank plans to expand its equity base in FY13 from 13.6% to 15-16% through a follow on offer, rights issue or qualified institutional placement.
- In a bid to improve its CASA ratio to 24% from 20%, IDBI Bank launched a Magic Card - a debit card with in-built credit for salary account holders.
- ICICI Bank acquired 29.3% stake in telecom tower company, GTL Ltd under GTL's corporate debt restructuring plan.
- Punjab National Bank acquired a significant stake of 30% in MetLife Ltd.
- YES Bank plans to raise US\$ 300-400 million in Tier-I capital in 2012.
- Indian Overseas Bank plans to raise up to ₹ 35 billion in core tier-I capital over the next three years to fund expansion.
- The Export-Import Bank of India (EXIM Bank) entered into an agreement with Swaziland for extending a US\$ 20 million soft loan to finance exports and consultancy services for setting up an Information Technology Park in the African nation.
- Bank of Baroda, Andhra Bank and Indian Overseas Bank plan to open a new joint venture commercial bank in Malaysia under which Bank of Baroda will be a major stakeholder. These banks plan to open the first bank in Kuala Lumpur before November 2011.

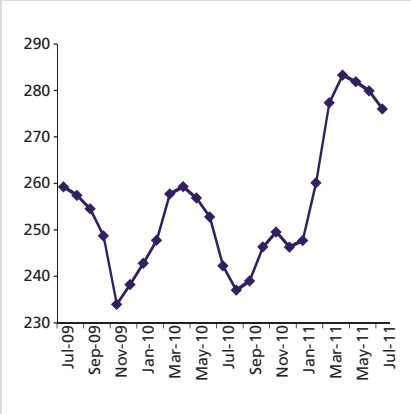
Banking: Key financial indicators (April-June 2011)

Company	Net sales (₹ bn)	Net profit (₹ bn)	Net profit margin (%)
State Bank of India Ltd	241.9	15.8	5.7
Punjab National Bank Ltd	83.1	11.1	11.8
I C I C I Bank Ltd	76.2	13.3	14.4
Canara Bank Ltd	71.8	7.3	9.4
Bank of India Ltd	66.3	5.2	7.1

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

- The cement industry is on an expansion mode, as indicated by the several fresh capex plans announced by manufacturers. These are elucidated below:
 - Jammu and Kashmir Cements Limited plans to double its cement production capacity from 600 tonnes per day. Through this capacity expansion, the company aims to bridge the huge gap between demand and supply of cement in the state of Jammu and Kashmir. The estimated cost of this expansion project is ₹ 270 million.
 - Madras Cements plans to expand its three cement plants in Tamil Nadu with an aim to expand production capacity. The company is in the process of establishing a second unit at its Ariyalur plant with a capacity of two million tonnes per annum (mtpa). Further, the company plans to install roll press to increase its cement grinding capacity from 90 tonnes per hour (TPH) to 230 TPH at its Salem grinding unit and from 210 TPH to 260 TPH at R R Nagar unit.
 - My Home Industries Ltd, Andhra Pradesh, plans to double its cement capacity from 4.9 mtpa to 10 mtpa by 2015. The total investment in the expansion project which the company plans to undertake in phases will be around ₹ 25 billion.
 - Chettinad Cement Corporation plans to set up a cement grinding unit in Solapur district in Maharashtra. The company plans to set up a plant with a capacity of around two mtpa.
- Anjani Portland Cement Ltd plans to diversify by setting up a ceramic wall tile factory at Kaikalur, Andhra Pradesh. The total investment for this diversification is estimated to be around ₹ 0.5 billion. In phase I of the project, the company will set up a manufacturing unit for wall tiles with a capacity of 7,500 square meters a day. In the second phase, it plans to start manufacturing of floor tiles.

Cement production and despatches

Parameters	Jun-11		Apr11-Jun11	
	mn tonnes	y-o-y growth (%)	mn tonnes	y-o-y growth (%)
Production	17.4	1.9	53.6	-0.2
Despatches	17.6	2.5	53.5	0.8

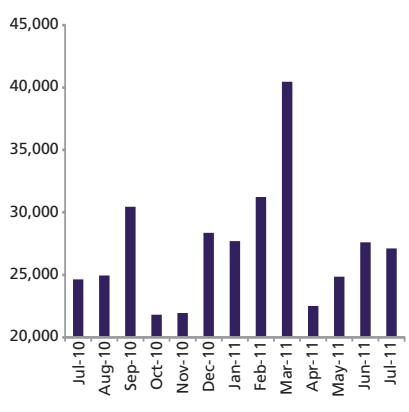
Source: CMIE

Cement: Key financial indicators (April-June 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Ultratech Cement Ltd.	44,043.9	12,538.9	6,831.1	28.3	15.4
A C C Ltd.	24,328.8	6,273.7	3,365.8	25.3	13.6
Ambuja Cements Ltd.	21,890.7	6,545.8	3,475.0	29.2	15.5
Shree Cement Ltd.	10,340.8	2,666.4	550.1	25.4	5.2
Prism Cement Ltd.	9,891.2	581.9	-143.5	5.9	-1.5

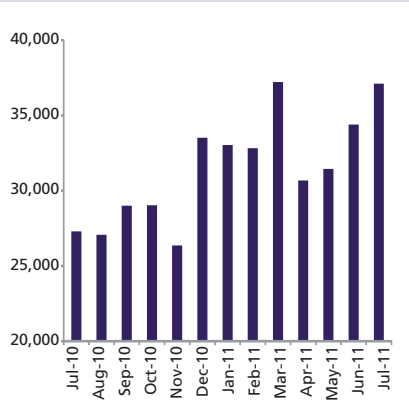
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

M&HCV: Domestic sales (Nos.)



Source: CMIE

LCV: Domestic sales (Nos.)



Source: CMIE

COMMERCIAL VEHICLE INDUSTRY

Highlights

- In July, domestic sales of commercial vehicles grew by 23.7% (y-o-y) to 64,241 units. Cumulative CV sales for the April-July 2011 period were 16.6% higher, as compared to sales in the corresponding period of 2010.
- During April-July 2011, domestic sales of medium & heavy commercial vehicles posted growth of 6.4%. Sales of light commercial vehicles registered growth of 25.6% during this period.
- Exports of commercial vehicles rose sharply by 37.0% to 27,306 units during April-July 2011.
- In July, Eicher Motors raised prices of its range of commercial vehicles by 1-2%.
- In a bid to increase its turnover, Hindustan Motors plans to launch a slew of commercial vehicles during the current fiscal year.

Commercial vehicle sales (Nos.)

Segments	Jul-10	Jul-11	y-o-y growth (%)	Apr-Jul FY11	Apr-Jul FY12	y-o-y growth (%)
M&HCV	24,637	27,130	10.1	95,985	102,130	6.4
LCV	27,297	37,111	36.0	107,360	134,889	25.6
Total domestic sales	51,934	64,241	23.7	203,345	237,019	16.6
Exports	5,740	7,499	30.6	19,936	27,306	37.0
Total sales	57,674	71,740	24.4	223,281	264,325	18.4

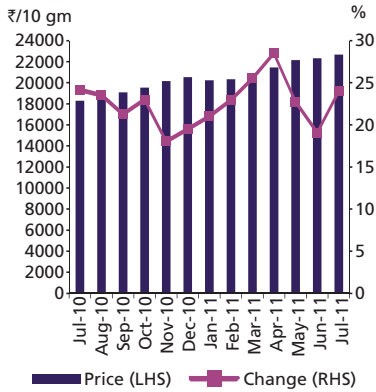
Source: CMIE

Commercial vehicles: Key financial indicators (April-June 2011)

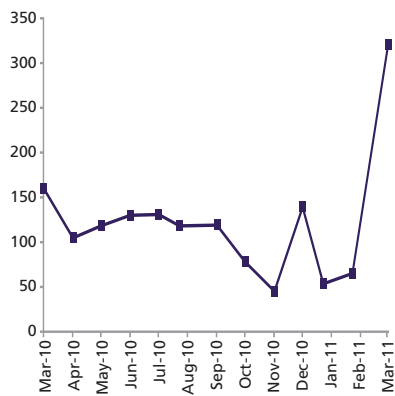
Parameters	Units	Tata Motors Ltd	Ashok Leyland Ltd	Force Motors Ltd	S M L Isuzu Ltd
Net sales	₹ million	118,978.9	24,955.1	4,314.4	2,390.0
y-o-y growth	%	14.2	6.3	37.2	21.1
Operating profit	₹ million	10,845.5	2,487.4	429.6	189.6
y-o-y growth	%	-6.4	3.6	24.3	62.8
Net profit	₹ million	4,012.8	862.5	193.0	99.0
y-o-y growth	%	-13.2	-30.0	77.8	84.3
PBDIT margin	%	9.0	10.0	10.0	7.9
PAT margin	%	3.3	3.5	4.5	4.1

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

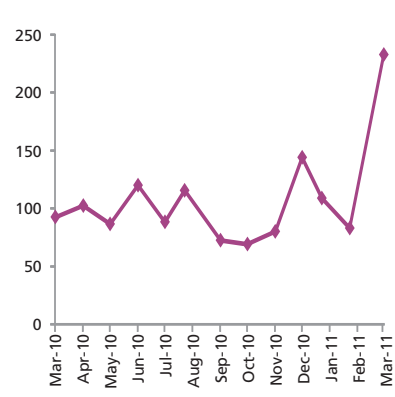
Gold prices in Mumbai market



Gems & jewellery exports (₹ bn)



Gems & jewellery imports (₹ bn)



Source for all above charts: CMIE

GEMS AND JEWELLERY INDUSTRY

Highlights

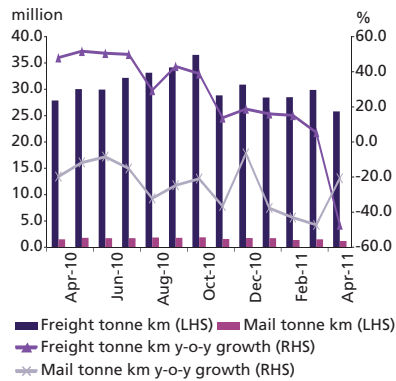
- With an aim to expand its global presence, Gitanjali Gems Ltd plans to acquire a Chinese manufacturing unit and jewellery retail firm by the end of 2011. The company also plans to open additional stores in the Middle East in the current fiscal (FY12). Further, it plans to open around 350-400 stores across different retail formats in India with an investment of around ₹ 2 billion during the current fiscal year.
- The All India Gems & Jewellery Trade Federation (GJF) launched a new scheme called Jewellers Identification Card (JID). The card is expected to become operational soon and will provide the jewellers a respite from constantly establishing their credentials to different government and security agencies when they are travelling.
- The Gem & Jewellery Export Promotion Council (GJEPC) introduced two new programs - 'Indian Diamond & Colourstone Show (IDCS)' and the 'India Diamond Jewellery Promotion' campaign. These campaigns have been launched in association with local retailers and diamond jewellery manufacturers, with an objective to strengthen India's share in the International market as well as to promote the domestic sector.
- Forevermark, a De Beers' brand plans to expand its presence in India by the end of 2011. Launched in January 2011 in Bengaluru, the brand expanded its presence to cities like Mumbai and Delhi in the first phase. De Beers plans to launch the brand in Chennai, Hyderabad and Kolkata in its second phase of expansion by the end of 2011.

Gems & jewellery: Key financial indicators (April-June 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Shree Ganesh Jewellery House Ltd.	24,063.4	976.9	691.6	4.1	2.9
Titan Industries Ltd.	20,206.0	2,075.7	1,433.6	10.2	7.0
M D Overseas Ltd.	17,276.1	162.1	24.0	0.9	0.1
Su-Raj Diamonds & Jewellery Ltd.	11,340.3	384.3	258.1	3.4	2.3
Asian Star Co. Ltd.	4,236.0	187.3	91.0	4.4	2.2

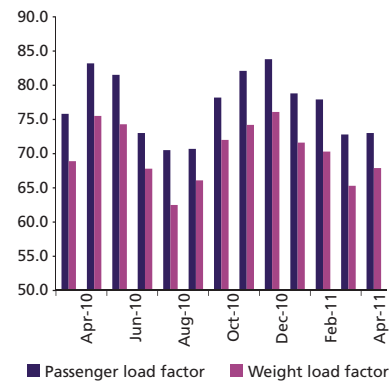
Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

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



Source: CMIE

Civil aviation: Load factor (%)



Source: CMIE

HI-TECH INDUSTRY

Highlights

- Panasonic India plans to start production of washing machines, air-conditioners and welding equipment from its upcoming manufacturing facility at Jhajjar, Haryana by November 2012. The company further plans to invest US\$ 200 million over a five-year period on the Panasonic Techno Park.
- Philips India plans to make India an innovation hub and develop more locally relevant products, particularly for its domestic appliances segment. The company further plans to leverage on local technology and expects emerging markets to contribute 40% of global revenues by 2015, up from the present level of 34%.
- Voltas Material Handling Ltd, a joint venture company of Voltas Ltd and KION Group of Germany plans to set up a new plant in Pune for manufacturing diesel and electric forklift trucks with an investment of ₹ 120 million.
- Toshiba India introduced a 32-inch LCD television for ₹ 20,990 and a 19-inch LCD TV for ₹ 10,000.
- Mahindra Powerol, a division of Mahindra and Mahindra Ltd plans to venture into the home UPS segment with initial plans to enter Bihar, West Bengal and Orissa before December 2011. The company also plans for a pan-India expansion in 4-5 years.
- Haier India expects to double the revenue from its refrigerator business to around ₹ 6.5 billion in 2011 through the introduction of more products.
- BPL India plans to revamp its electronic product portfolio and expects a turnover to ₹ 10 billion in the next three years.

Civil aviation: Airport traffic statistics (May 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	102,113	11.1	10,851,886	15.9	65,915	-3.8
International traffic	25,125	1.0	3,370,236	7.6	132,781	2.4
Total airport traffic	127,238	9.0	14,222,122	13.9	198,696	0.2

Source: CMIE

Consumer electronics: Key financial indicators (April-June 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Videocon Industries Ltd	33,245.9	6,294.1	1,756.3	18.9	5.3
Trend Electronics Ltd	4,658.7	233.3	31.1	5.0	0.7
Mirc Electronics Ltd	4,604.8	181.2	57.3	3.9	1.2
Sharp India Ltd	245.0	-30.2	-37.8	-12.3	-15.4

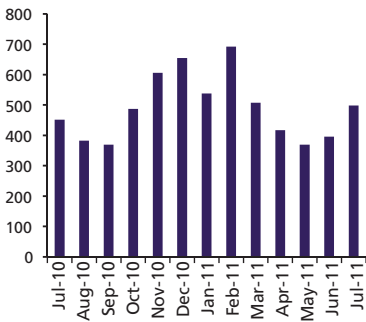
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

Air transport service: Key financial indicators (April-June 2011)

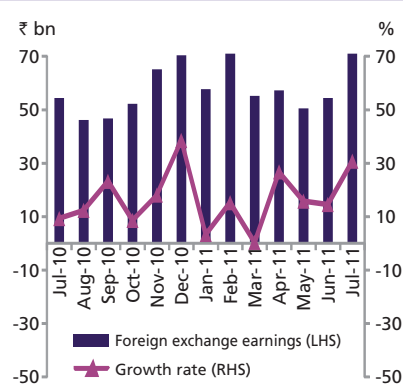
Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Jet Airways (India) Ltd	35,416.0	1,622.7	-2,418.2	4.5	-6.8
Kingfisher Airlines Ltd	18,816.4	69.1	-2,588.7	0.4	-13.5
Spicejet Ltd	9,456.4	-634.3	-719.6	-6.7	-7.6
Global Vectra Helicorp Ltd	687.5	140.4	15.9	20.2	2.3

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



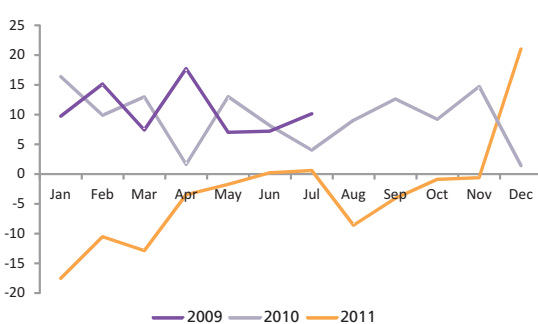
Source for all above charts: Ministry of Tourism

HOSPITALITY INDUSTRY

Highlights

- Hotel companies, both Indian and foreign, are on an expansion spree in India, buoyed by the bright long term prospects of the industry. The expansion plans announced recently are elucidated below:
 - Bahrain-based R P Group of companies plans to invest ₹ 10 billion in the hospitality sector in India during 2011. The company further plans to open a five-star hotel in Kollam district (Kerala) by the end of August and also set up an international standard 16-storey mall in Kollam, the first multiplex theatre in the Malabar region.
 - ST Larn Hotels and Resorts Group plans to invest ₹ 30 billion in opening 15 new hotels by 2015, of which one-third of the new hotels will be in Gujarat. The group further plans to develop a 50-room designer spa hotel on SG Highway, Ahmadabad, Gujarat.
 - Zinc InVision Hospitality Ltd plans to invest up to US\$ 90 million (nearly ₹ 4 billion) in India in the next 3-5 years to own and operate hotel properties. The company further plans to launch its first 220-room property in India under the 'Glow Studios' brand at Greater Noida by September and operate up to 15 hotels in the next three years through a mix of ownership and management contracts.
 - Berggruen Hotels, a hospitality chain funded by a US-based private equity firm, plans to invest over ₹ 6 billion in creating 30 new properties across India by 2015.
 - East India Hotels Ltd, in partnership with Reliance Industries Ltd plans to develop hotel properties in Bengaluru and Goa.
 - Hotel Leelaventure Ltd and Prestige Estates Projects Ltd entered into a 40:60 joint venture to develop luxury apartments in Bengaluru.
- With the aim to reduce its debt burden, Hotel Leelaventure Ltd plans to sell Leela Resorts Kovalam, its property in Kovalam, Kerala to a non-resident Indian industrialist Ravi Pillai for ₹ 5 billion.

Growth in foreign tourist arrivals (%)



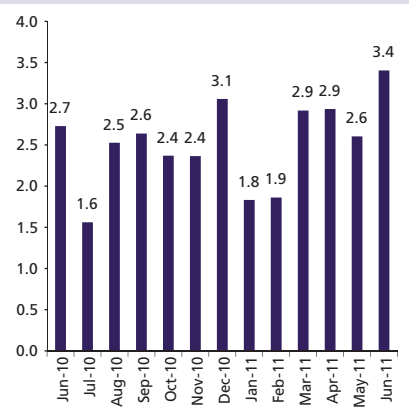
Source: CMIE

Hospitality: Key financial indicators (April-June 2011)

Company	Net sales (₹ mn)	Net profit (₹ mn)	Net profit margin (%)
Indian Hotels Co. Ltd	3,695.4	203.1	5.3
E I H Ltd	2,465.6	149.5	5.8
Mahindra Holidays & Resorts India Ltd	1,260.4	168.9	12.9
Hotel Leelaventure Ltd	1,247.2	-264.9	-21.2
India Tourism Devpn. Corpn. Ltd	824.5	76.7	8.3

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

Domestic computer hardware & peripheral production (₹ bn)



Source: CMIE

IT HARDWARE INDUSTRY

Highlights

- Samsung India launched its new Android-based tablet computer by the name Galaxy Tab 730 and Galaxy Tab 750 at a price of ₹ 33,990 and ₹ 36,200 respectively.
- Reliance Communications Ltd (RCom) launched its first tablet computer with Android operating system, the Reliance 3G Tab for ₹ 12,999.
- With an aim to tap the Small and Medium Businesses (SMB), Lenovo India unveiled ten new products including laptops and personal computers equipped with Lenovo Enhanced Experience 2.0 for Window 7. The company further plans to create a reach of close to 500 retail points by FY13, which includes 300 retail outlets and close to 200 resellers.
- Taiwanese firm MSI plans to launch low cost tablets starting from ₹13,999 in the Indian market by the end of August 2011.
- Lenovo India launched one of India's first desktop personal computer with the rupee symbol on its keyboard, compatible with Microsoft software. The company further plans to incorporate the rupee symbol in all its products in the next few months.
- With an aim to drive innovation and development of solutions for the company's new platform, Freescale Semiconductor India Pvt Ltd established its India research and development centre in Hyderabad.

Global News

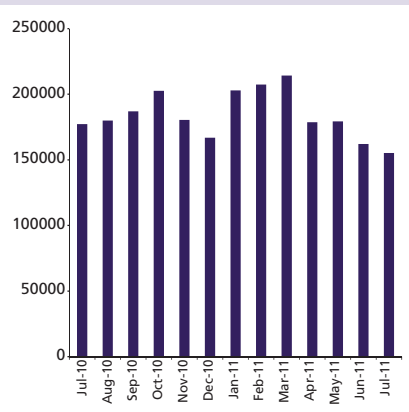
- With an aim to move beyond its core hardware manufacturing business, Acer Inc plans to buy US-based cloud computing firm iGware Inc for US\$ 320 million.

IT hardware: Key financial indicators (April-June 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Moser Baer India Ltd	5454.0	537.6	-922.1	9.7	-16.7
Compuage Infocom Ltd	3232.1	63.0	26.4	2.0	0.8
T V S Electronics Ltd	415.8	12.1	-7.9	2.9	-1.9
P C S Technology Ltd	407.4	34.9	5.9	8.2	1.4
Zenith Computers Ltd	374.9	54.4	8.2	14.5	2.2

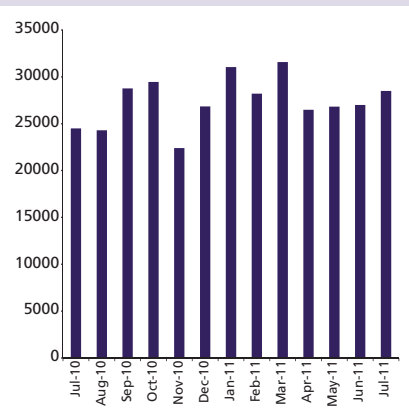
Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

Passenger cars: Domestic sales (Nos.)



Source: CMIE

Multi-utility vehicles: Domestic sales (Nos.)



Source: CMIE

PASSENGER VEHICLE INDUSTRY

Highlights

- After 29 consecutive months of growth, in July, domestic sales of passenger cars recorded a decline of 12.4% (y-o-y). Sales of multi-utility vehicles recorded healthy growth of 16.3%.
- Cumulative domestic sales of passenger cars and multi-utility vehicles during the April-July FY12 period were higher by 3.5% and 7.8%, respectively, over sales in the same period of FY11.
- Exports of passenger vehicles recorded impressive growth of 19.2% during April-July FY12.
- Maruti Suzuki India expects to record low single digit sales growth during FY12 on account of the rising interest rates and high fuel prices.
- Undeterred by the slowdown in sales in the recent months, carmakers continue to launch new models. Buoyed by the bright long term prospects, carmakers are also announcing fresh capex plans for India. The recent announcements made include the following:
 - In August, German luxury carmaker Mercedes Benz launched SLK 350 at a price of ₹ 6.2 million (ex-showroom, New Delhi). It plans to unveil its compact range in the Indian market by the end of 2012.
 - US auto major Ford Motors would be investing US\$ 1 billion to build a vehicle assembly and engine plant in India. The proposed new plant, to be set up in Gujarat, is expected to have an initial annual production capacity of 0.24 million units and is likely to come up by 2014.
 - Japanese car giant Toyota announced an investment of ₹ 16.5 billion to increase the production capacity of its Indian operations by 0.1 million units and for increasing localisation of components by 2014.
 - Maruti Suzuki India plans to invest ₹ 30 billion during FY13 towards expanding production capacities, launching new models, and for marketing activities and R&D.
 - Force Motors plans to enter the passenger vehicle segment with the launch of a multi-purpose vehicle by 2012. The company plans to set up a new facility in Madhya Pradesh with an initial capacity of 24,000 units per annum.

Passenger vehicle sales (Nos.)

Segments	Jul-10	Jul-11	y-o-y growth (%)	Apr-Jul FY11	Apr-Jul FY12	y-o-y growth (%)
Micro	10,680	4,906	-54.1	32,365	33,498	3.5
Mini & Compact	118,044	97,009	-17.8	447,121	434,225	-2.9
Super Compact and Mid Size	24,444	27,207	11.3	91,275	110,478	21.0
Executive	4,132	3,547	-14.2	16,790	15,640	-6.8
Premium	1,334	984	-26.2	4,194	4,476	6.7
Luxury, Coupe Roadster & Exotics	133	94	-29.3	395	442	11.9
Multi-purpose vehicle	18,436	21,408	16.1	62,929	78,927	25.4
Passenger cars	177,203	155,155	-12.4	655,069	677,686	3.5
Multi-utility vehicle	24,501	28,502	16.3	99,705	107,518	7.8
Domestic sales	201,704	183,657	-8.9	754,774	785,204	4.0
Exports	34,629	48,841	41.0	143,081	170,614	19.2
Total sales	236,333	232,498	-1.6	897,855	955,818	6.5

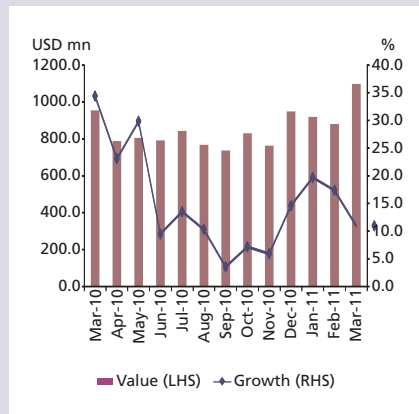
Source: CMIE

Passenger vehicles: Key financial indicators (April-June 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	PBDIT margin (%)	PAT margin (%)
Maruti Suzuki India Ltd	85,293.0	9,944.7	5,492.3	11.4	6.3
Mahindra & Mahindra Ltd	67,335.4	9,495.8	6,048.8	14.0	8.9
Hindustan Motors Ltd	1,223.5	-153.3	-304.3	-12.4	-24.6

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

Trend in drugs and pharmaceuticals exports



Source: CMIE

PHARMACEUTICAL INDUSTRY

Highlights

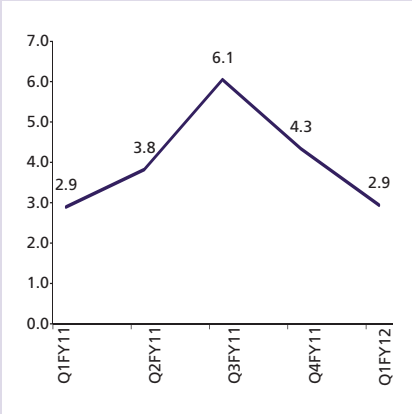
- Cadila Healthcare Ltd, through its subsidiary Zydus Animal Health Ltd acquired 100% stake in Germany based Bremer Pharma GmbH, a global animal health company. Cadila Healthcare signed a share purchase agreement with ICICI Venture to acquire 100% stake in Finest Procuring Solutions Limited that in turn holds 100% in Bremer.
- France-based Danone, one of the fastest growing food companies in the world, entered into an agreement to acquire the nutrition business of Wockhardt Ltd, for around €250 million. The deal includes Wockhardt's brands like Farex and Protinex, besides its related industrial operations located in Punjab.
- US-based Aetna International, a global health care benefits company, acquired 100% stake in the Indian Health Organisation Pvt Ltd (IHO). IHO will operate as a separate business within Aetna International, under its existing leadership structure.
- Karnataka-based Shilpa Medicare Ltd, engaged in the manufacturing of API, fine chemicals, intermediates, herbal products and specialty chemical products, acquired a controlling stake in Hyderabad-based Nu Therapeutics Pvt Ltd. Last year, Shilpa had initially invested around ₹17.5 million in Nu Therapeutics.
- Dr. Reddy's Laboratories entered into an agreement with JB Chemicals & Pharmaceuticals to acquire their pharmaceutical prescription portfolio in Russia and other CIS regions for a consideration of US\$ 34.8 million. The agreement involves acquisition of 20 brands, including Metrogyl and Jocet.
- Jubilant Life Sciences Ltd signed a long term supply agreement in proprietary products business with a leading international life sciences company. The total contract is valued at over US\$ 80 million and is to be supplied in three years from Q1 FY12. The product under this contract is based on an in-house developed technology and integrated with captively produced raw material.
- Lupin Ltd entered into a research and development agreement with US-based Medicis Pharmaceutical Corporation to develop multiple therapeutic compounds using Lupin's formulation technologies. Under the terms of the agreement, Lupin will receive a US\$ 20 million upfront payment from Medicis, will be primarily responsible for formulating certain novel therapeutic products and will receive single-digit royalty on sales achieved by Medicis and also hold marketing rights in India, while Medicis will have global exclusive rights (excluding India) for the products developed.
- Dr. Reddy's Laboratories signed a memorandum of understanding with Fujifilm Corporation to enter into an exclusive partnership in the generic drugs business for the Japanese market and to establish a joint venture in Japan. A definitive agreement is likely to be signed in 2011. The joint venture will have 51% stake owned by Fujifilm and 49% stake owned by Dr. Reddy's.

Pharmaceutical: Key financial indicators (April-June 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	PBDIT margin (%)	PAT 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

Shoppers Stop - PAT margin (%)



Source: CMIE

RETAIL INDUSTRY

Highlights

- Homeshop18.com, an e-commerce company acquired online books retailer coinjoos.com in an all-cash deal. A niche player in the books, music and movies segment, Coinjoos has a library of over 10 million books. The Coinjoos.com brand will be completely absorbed by HomeShop18.
- Shoppers Stop plans to open new stores with an investment of around ₹ 4 billion in the next three years. The stores will be opened in various formats across india. Around ₹ 2 billion from the total planned investment will be used to open 25 new Shoppers Stop departmental stores in existing as well as new cities. The company also plans to use a part of the investment amount for setting up 16 new hypercity formats.
- Kimaya Fashions Pvt Ltd, a luxury fashion house that operates high-end designer stores received an investment of ₹ 600 million for a 20% stake from private equity player Franklin Templeton Private Equity Strategy. The store that primarily focuses on Indian ethnic women's wear will use the funds for its expansion.
- Trent Hypermarket, a Tata enterprise, plans to increase its Star Bazaar stores to more than 50 across western and southern regions. The company will invest around ₹ 5 billion in the next three to four years for the proposed expansion plan.

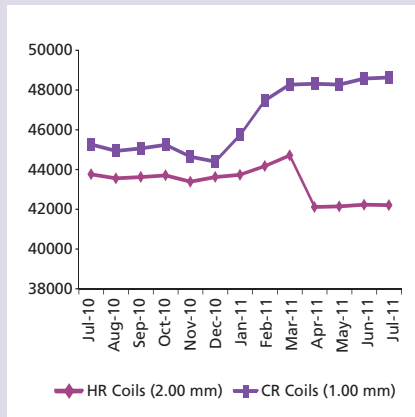
Retail trading: Key financial indicators (April-June 2011)

Company	Net sales (₹ mn)	Operating profit (₹ mn)	Net profit (₹ mn)	Operating profit margin (%)	Net profit margin (%)
Shoppers Stop Ltd	3,930.3	300.8	116.8	7.6	2.9
Trent Ltd	1,890.1	198.9	102.4	9.7	5.0
Rei Six Ten Retail Ltd	1,576.2	38.1	12.5	2.4	0.8
Brandhouse Retails Ltd	1,526.0	122.8	21.1	8.1	1.4
Robinson Worldwide Trade Ltd	87.0	0.3	0.3	0.3	0.3

Note: Net profit: PAT net of prior period and extra-ordinary items

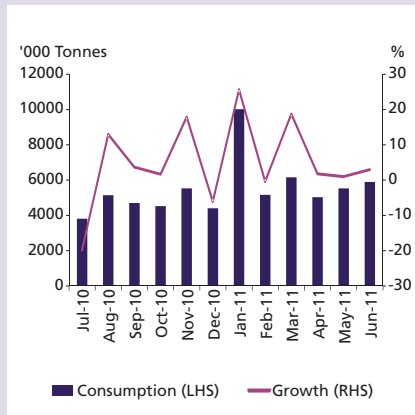
Source: CMIE

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



Source: CMIE

Finished steel consumption



Source: CMIE

STEEL INDUSTRY

Highlights

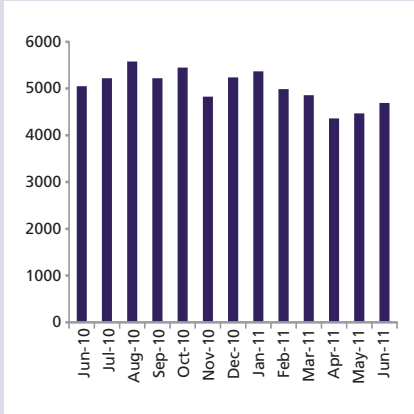
- The Ministry of Steel expects India to be the second largest steel producer in the world by 2013, with an installed annual production capacity of 120 million tonnes. India's production capacity currently stands at 80 million tonnes, making it the fourth largest producer of steel.
- In view of the current low cement-to-steel ratio at 0.3%, the Steel Authority of India Ltd (SAIL) called for an industry initiative to improve usage of steel in proportion to cement.
- The ban on coal mining in the Bellary-Hospet region has created a shortage of iron ore for steel and allied industries in the southern states. JSW Steel announced that its steel units in Karnataka's Vijaynagar district and Tamil Nadu's Salem district would operate at 80% of its capacity of 11 million tonnes per annum (mtpa).
- SAIL has been nominated by the Cabinet Committee of Economic Affairs to revive the Sindri unit of Fertiliser Corporation of India at an investment of nearly ₹ 350 billion. The proposed revival plan envisages setting up of a 5.6 mtpa greenfield steel making plant at an investment of ₹ 260 billion.
- Tata Steel plans to invest ₹ 80 billion in the Jamshedpur plant in the current fiscal. Capacity at the Jamshedpur plant is being expanded to 3 mtpa at a cost of ₹ 200 billion. Post expansion by March 2012, the total capacity would increase to 10 mtpa. The company also plans to invest £ 7 million in Hartlepool mill in UK to enhance its welding and material handling capability.
- The Essar Group agreed to invest US\$ 750 million in Zimbabwe Iron and Steel Company (ZISCO) in East Africa to revive it. As per the agreement, Essar will hold 60% stake in NewZim Steel Private Limited and 80% stake in NewZim Minerals Private Limited.

Steel: Key financial indicators (April – June 2011)

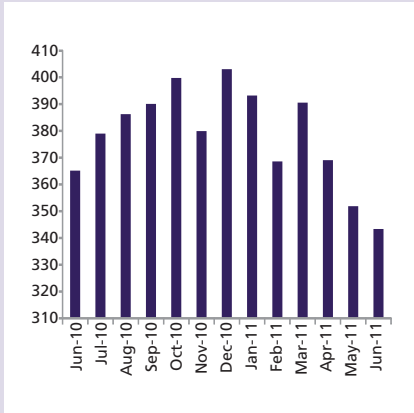
Company	Net sales (₹ bn)	Operating profit (₹ bn)	Net profit (₹ bn)	Operating profit margin (%)	Net profit margin (%)
Steel Authority of India Ltd	109.3	17.7	8.4	15.6	7.4
J S W Steel Ltd	70.7	14.1	5.8	19.9	8.2
Jindal Steel & Power Ltd	25.3	9.8	4.7	38.5	18.5
Bhushan Steel Ltd	22.3	6.7	2.1	29.9	9.4
Uttam Galva Steels Ltd	15.3	1.1	0.1	7.1	0.6

Note: Operating profit: PBDIT net of prior period and extra-ordinary 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

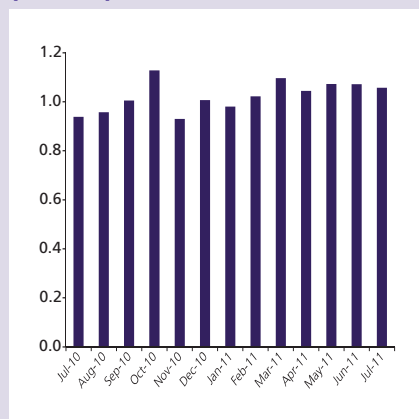
- National Textiles Corporation generated ₹ 59.9 billion from the sale of surplus land under its revival plan. The company has closed down 77 unviable units and launched revival of 24 mills on the recommendation of the Board for Industrial and Financial Reconstruction.
- The Punjab state government offered incentive package in the form of 50% exemption of market fee, rural development fund and infrastructure cess to set up textile parks in the state. This special package is expected to attract investments in the textile sector while ensuring good returns for the cotton growers.
- Globus Stores, the R Raheja Group-owned apparel retail arm plans to roll out a specialty retail format for casual and club wear for its private label brand F21. It also intends to venture into kids wear to shore up margins in the highly-competitive apparel retail market.
- L Capital Asia and Genesis Luxury Fashion plan to form a 50:50 joint venture to showcase ethnic haute couture with an investment of ₹ 800 million. While L Capital Asia will create a multi-brand system, Genesis will work on retail distribution and infrastructure.
- Speedo International, the Australia-based swimwear brand tied up with Page Industries to manufacture, market and distribute its products in India. The products are expected to reach the markets by 2012.
- With an aim to promote and participate in innovative and emerging business ventures, Future Ventures India Ltd (FVIL), the Future Group's investment and business management arm, acquired additional 5.14% stake in Indus-League Clothing Ltd (ILCL). ILCL has apparel brands like Indigo Nation, John Miller, Scullers and Urban Yoga with a market presence in India, Sri Lanka and the Middle Eastern countries.
- Ludhiana-based textile major The Trident Group plans to invest ₹ 23 billion for setting up a new home furnishing products facility (comprising table cloth, curtains, pillow cover and bed sheets) and for expanding its terry towel capacity in Punjab.

Textile and garments: Key financial indicators (April – June 2011)

Company	Net sales (₹ bn)	Operating profit (₹ bn)	Net profit (₹ bn)	Operating profit margin (%)	Net profit margin (%)
Alok Industries Ltd	16.4	4.5	0.6	27.5	3.5
Grasim Industries Ltd	10.4	4.5	3.1	40.4	27.9
Vardhman Textiles Ltd	9.7	0.4	-0.4	4.5	-4.4
J B F Industries Ltd	9.2	0.4	0.1	4.9	1.1
S R F Ltd	8.4	1.7	0.8	20.4	9.7

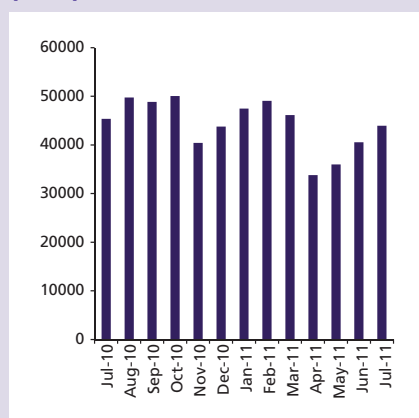
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

Two-wheeler: Domestic sales (Million)



Source: CMIE

Three-wheeler: Domestic sales (Nos.)



Source: CMIE

TWO-WHEELER AND THREE-WHEELER INDUSTRY

Highlights

- In July, domestic sales of two-wheelers posted growth of 12.6% (y-o-y) at 1.1 million units.
- Cumulative domestic sales of two-wheelers during April-July FY12 grew at a healthy rate of 15.8% at 4.2 million units. Sales of motorcycles recorded growth of 15.6% during this period. Sales of scooters and mopeds also posted strong growth of 15.8% and 17.6%, respectively.
- Exports of two-wheelers grew by 28.8% at 0.6 million units during April-July FY12.
- Piaggio Vehicles India Ltd intends to double its scooter production capacity from 0.15 million units to 0.3 million units per annum by the first half of 2013.
- Harley-Davidson announced the launch of 'Fat Boy Special' model in India priced at ₹ 1.9 million (ex-showroom Delhi). The model will be imported as a completely built unit.
- Domestic sales of three-wheelers declined by 3.1% (y-o-y) in July. This reflects the 6.8% decline in sales of passenger carriers.
- Cumulative domestic sales of three-wheelers grew by 2.5% during April-July FY12, over sales in the same period of FY11. While sales of passenger carriers posted a decline of 1% during this period, sales of goods carriers grew by 17.1%.
- Exports of three-wheelers posted strong growth of 50.0% during April-July FY12.

Two-wheeler sales

Segments	Jul-11		April-July 2011	
	Vol (Nos)	y-o-y growth (%)	Vol (Nos)	y-o-y growth (%)
Motorcycles	785,278	10.5	3,249,421	15.6
Mopeds	65,933	8.6	256,605	17.6
Scooters	205,695	23.0	738,562	15.8
Total domestic	1,056,906	12.6	4,244,588	15.8
Exports	175,970	29.4	680,946	28.8
Total	1,232,876	14.7	4,925,534	17.4

Source: CMIE

Three-wheeler sales

Segments	Jul-11		April-July 2011	
	Vol (Nos)	y-o-y growth (%)	Vol (Nos)	y-o-y growth (%)
Passenger carriers	35,357	-6.8	120,019	-1.0
Goods carriers	8592	15.8	34,259	17.1
Total domestic	43,949	-3.1	154,278	2.5
Exports	32,176	46.3	134,492	50.0
Total	76,125	13.0	288,770	20.2

Company: Key financial indicators (April-June 2011)

Company	Net sales (₹ bn)	Operating profit (₹ bn)	Net profit (₹ bn)	Operating profit margin (%)	Net profit margin (%)
Hero Motocorp Ltd	56,833.3	9,093.6	5,578.9	15.8	9.7
Bajaj Auto Ltd	47,772.9	9,839.3	7,110.6	20.3	14.7
T V S Motor Co Ltd	17,460.3	1,171.3	588.0	6.7	3.4
Eicher Motors Ltd	1,678.3	381.6	289.1	20.8	15.7
L M L Ltd	715.3	20.5	-95.1	2.9	-13.3

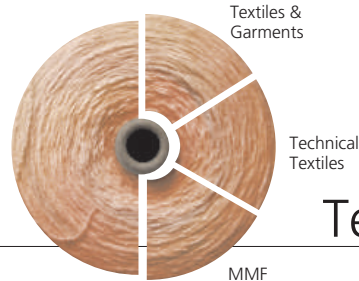
Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

D&B's Industry Research Service (IRS) provides comprehensive industry analyses with focus on the strategic considerations. D&B's IRS employs an integrated framework to analyse industry attractiveness in terms of its future growth potential, competitive intensity and risk assessment.

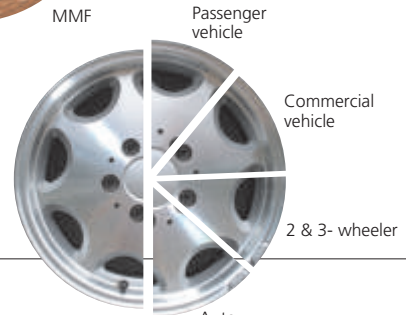
The reports' in-depth analytical content would provide valuable insights to financial institutions, banks, equity broking houses, and corporates towards accurate & informed decision making. The reports would also be useful to the industry practitioners, academicians & scholars.

D&B's IRS also provides independent business environment analysis with focus on macroeconomic and business forecasting, and works closely with the clients towards meeting their strategic & business requirements.

D&B's IRS offers the following sector/ industry reports either as a bundled suite or individual reports:



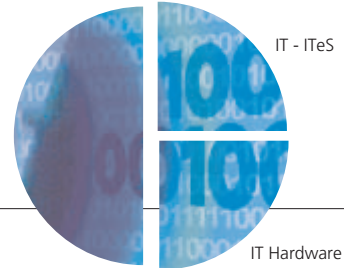
Textiles



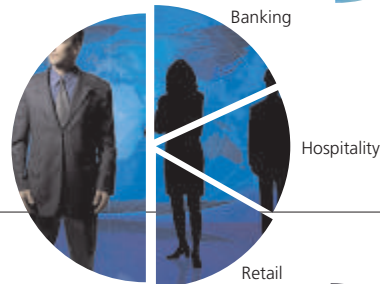
Auto



Core Sector



Infotech



Services



Chemical



For more information, please contact - Nadeem Kazi: 022 6680 1373

Dun & Bradstreet Information Services India Pvt. Ltd.,

ICC Chambers, Saki Vihar Road, Powai, Mumbai 400 072

Tel: 91-22-28574190 / 92 / 94 Fax: 91-22-28572060 Email: d&birs@mail.dnb.co.in www.dnb.com

Contact FedEx:

1800 209 6161

1800 22 6161

fedex.com/in

DISCLAIMER:

This Newsletter is strictly for private circulation to the addressees only and not for re-circulation. Any form of circulation, replication, reproduction, dissemination, copying, disclosure, modification, distribution and/or publication of this Newsletter or contents hereof, including by caching, framing or similar means, is strictly prohibited without the prior written consent of Dun & Bradstreet Information Services India Pvt. Ltd. (D&B).

The contents of this Newsletter are solely meant to inform. The information contained in this Newsletter should be independently verified before placing reliance or taking any decision on the basis of the information. D&B and FedEx expressly disclaim all responsibility and accept no liability for the consequences of any person acting, or refraining from acting, on such information. **Copyright © 2009, D&B, All rights reserved.**