



# Industry cursor

Strictly for Private Circulation

Issue 35 | July 2011

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### Macroeconomic Update

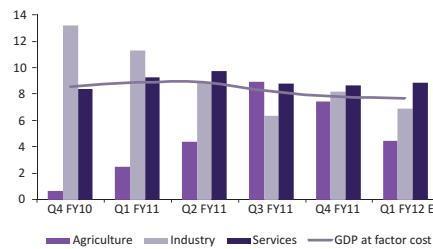
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## MACROECONOMIC UPDATE

### Highlights

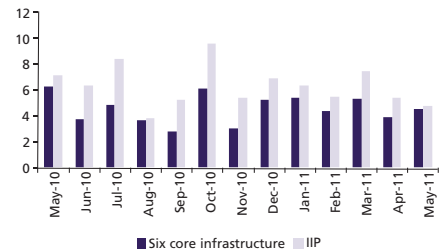
- IIP growth slowed down to 5.6% during May 2011 from 5.8% in April 2011. While growth in the manufacturing and mining sectors moderated to 5.6% and 1.4%, respectively, the electricity sector posted a robust growth of 10.3% during May 2011.
- WPI inflation edged up to 9.4% during June 2011 as compared to 9.1% during May 2011.
- Indian exports rose by 56.9% (y-o-y) to US\$ 25.9 billion during May 2011; while imports rose by 54% (y-o-y) to US\$ 40.9 billion, leading to a trade deficit of US\$ 15 billion.
- The current account deficit moderated to US\$ 5.4 billion in the fourth quarter ended March 2011, against a deficit of US\$ 12.8 billion in the year-ago period, owing to growth in invisible surplus and reduced merchandise deficit.
- The capital account surplus reduced to US\$ 8.2 billion in the fourth quarter ended March 2011 against US\$ 15.8 billion in the year-ago period, owing to lower FDI and portfolio investment.

### GDP: Growth (%)



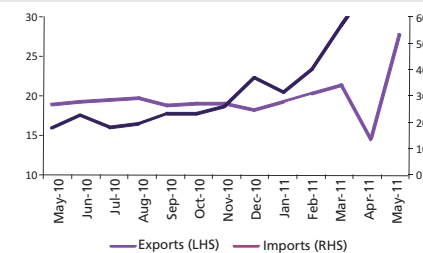
E: D&B estimate  
Source: CSO, D&B Industry Research Service

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



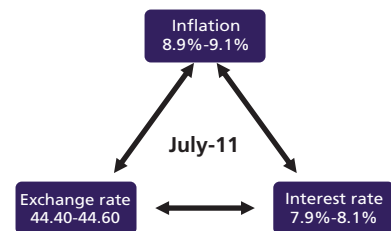
Source: Ministry of Commerce and Industry, CSO

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



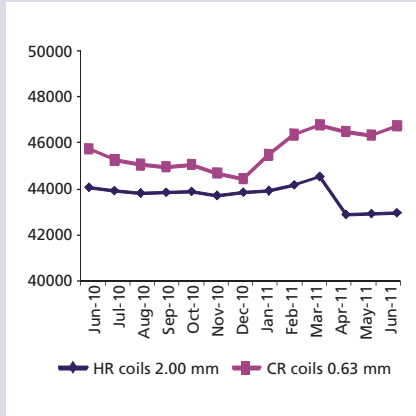
Source: Ministry of Commerce

### Macroeconomic triad (forecast)



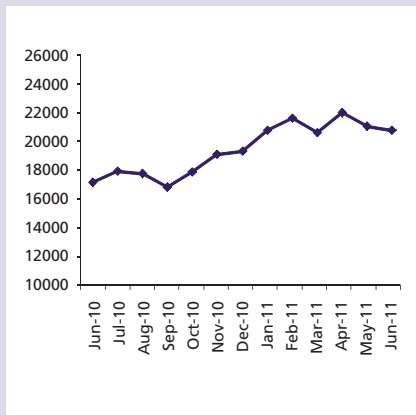
Note: Exchange rate: INR/US\$  
Interest rate corresponds to yield on T-Bills 15-91 days  
Source: D&B Industry Research Service

### Steel prices (Mumbai) (₹/tonne)



Source: CMIE

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



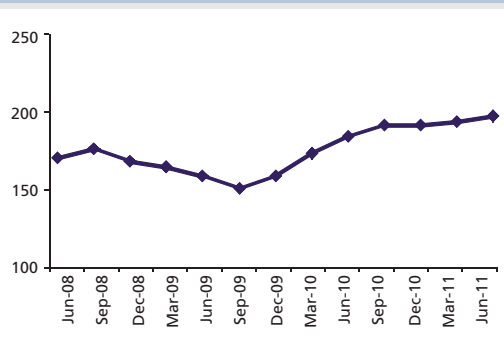
\*Rss-4  
Source: CMIE

## AUTO COMPONENTS INDUSTRY

### Highlights

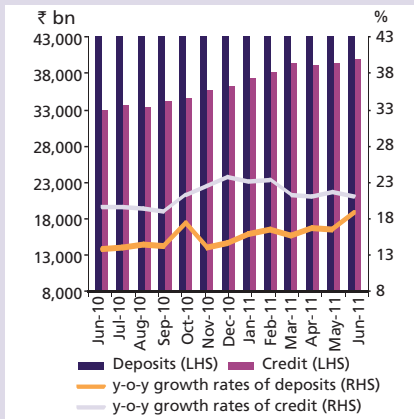
- The Board of Motherson Sumi Systems Ltd approved a proposal to acquire 80% of the shareholding of Peguform Group, Germany from Cross Industries AG. The acquisition would also include 50% holding in Wethje Carbon Composite which is a part of Cross Industries. Peguform is a leading full service supplier of differentiated high quality interior and exterior products for the automotive and related industries. The company is engaged in the development, manufacture and distribution of bumper systems, plastic components for vehicle exteriors, vehicle cockpits, dashboards and vehicle interior trims and its clientele includes Volkswagen Group, BMW, Porsche, PSA Peugeot Citroen, Renault-Nissan, Daimler and GM.
- Wabco-TVS (India) Ltd, a manufacture of air-assisted and air brake systems for commercial vehicles, plans to undertake a capital expenditure of ₹ 0.6 billion in 2011-12. The company also plans to set up a greenfield facility in Uttar Pradesh.

### Auto components: Investment scenario\* (₹ bn)



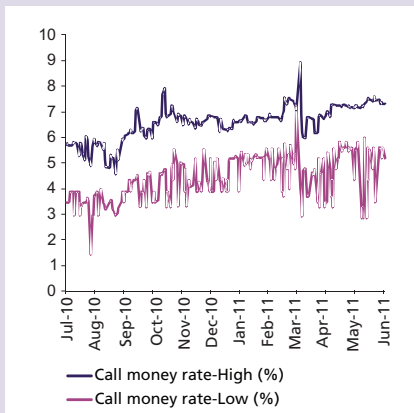
\*Outstanding investments  
Source: CMIE

### Deposits, credit and growth rates



Note: Data for Jun 11 is upto June 24, 2011

### Movement in call money rates (%)



Note: Call Rates for July 11 are up to July 11, 2011

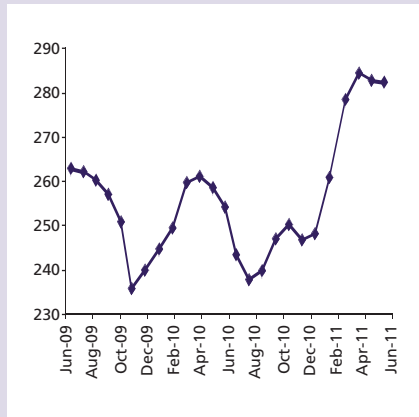
Source for all above charts: RBI

## BANKING INDUSTRY

### Highlights

- As per an RBI directive, starting July 1, 2011, banks are required to credit the wrongly debited amount to the customer's account due to failed ATM transactions within seven days of the complaint against the earlier norm of 12 days. Further, RBI has allowed the banks to charge the customers with respect to the number of free transactions permitted per month at other bank ATMs financial or non-financial.
- Bank of Baroda plans to open around 10-12 overseas branches including Kenya, Uganda, Tanzania, Botswana, etc in FY12.
- With an aim to meet its capital adequacy norms, IndusInd Bank plans to raise around ₹ 4-5 billion via tier-2 capital by October 2011.
- State Bank of India plans to raise US\$ 5 billion by the means of foreign debt through medium-term notes (MTN) by December 2011.
- Dhanlaxmi Bank launched 24-carat 'Dhan' gold coins and entered into the gold retailing business. The 99.99% pure gold coins will be imported from Switzerland-based refiner PAMP S.A. Geneva (Produits Artistiques Metaux Precieux).
- Standard Chartered's private equity arm acquired 12% stake in Redington India from Synnex Technology International Corp, a promoter and a strategic investor in Redington for about US\$ 98 million.
- Banks are on an expansion mode, with several of them announcing plans to set up new branches. These are elucidated below:
  - IndusInd Bank plans to open about 400 branches over a period of three years. The bank further plans to add over 100 branches during FY12.
  - ICICI Bank plans to add about 1,500 branches over a period of four years against the existing strength of about 2,500.
  - Kotak Mahindra Bank plans to open its maiden overseas branch in Singapore and has applied for a licence to the Indian central bank. The bank further plans to have more than 500 branches by April 2013.

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



Source: CMIE

**CEMENT INDUSTRY**

**Highlights**

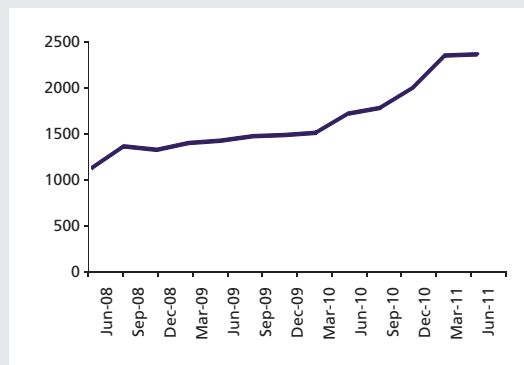
- Birla Corporation, an MP Birla Group flagship company plans to expand its cement and power capacity by investing ₹ 10.25 billion over the next one-and-a-half years. Out of the proposed investment, the company will invest around ₹ 10.25 billion in this financial year to increase its capacity from 7.5 million tonne to 9.3 million tonne by March 2012.
- Century Plyboards India Ltd (CPII) plans to expand its cement capacity in its subsidiary Cement Manufacturing Co Ltd (CMCL) with an investment of ₹ 11 billion. The company plans to add 1.75 million tonnes (mt) of fresh clinker capacity at Lumshnong in Meghalaya. It is also setting up a 1.6 mt clinker grinding unit at Guwahati in Assam.

**Cement production and despatches**

| Parameters | May-11    |                  | Apr11-May11 |                  |
|------------|-----------|------------------|-------------|------------------|
|            | Mn tonnes | y-o-y growth (%) | Mn tonnes   | y-o-y growth (%) |
| Production | 17.8      | -2.1             | 36.2        | -1.1             |
| Despatches | 17.8      | -0.3             | 36.0        | 0.03             |

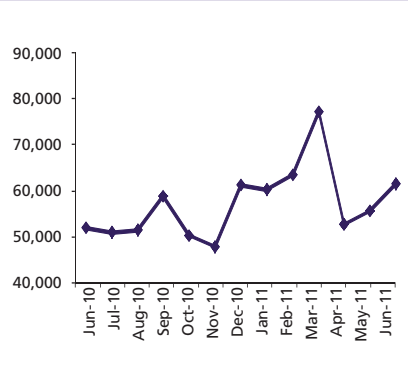
Source: CMIE

**Cement: Investment scenario\* (₹ bn)**



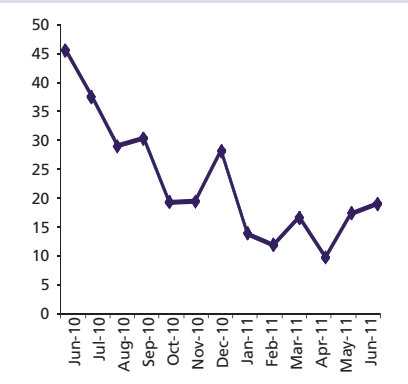
\*Outstanding investments  
Source: CMIE

**Commercial vehicles: Trend in domestic sales volume (Nos.)**



Source: CMIE

**Commercial vehicles: Trend in domestic sales growth (%)**



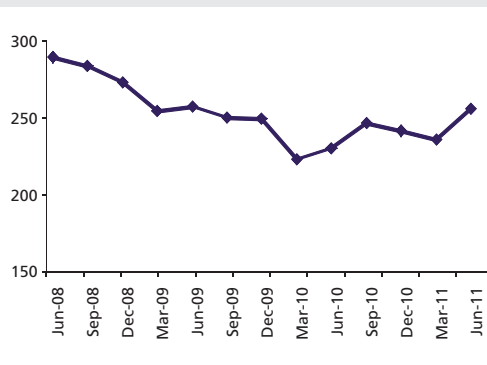
Source: CMIE

**COMMERCIAL VEHICLE INDUSTRY**

**Highlights**

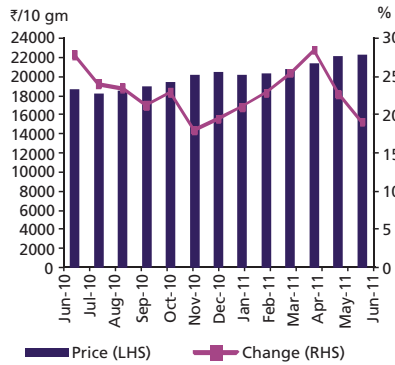
- In June, domestic sales of commercial vehicles grew by 17.8% (y-o-y) to 62,009 units. Cumulative CV sales during the first quarter of FY12 were 14.1% higher, as compared to sales in the corresponding quarter of FY11.
- During April-June 2011, domestic sales of medium & heavy commercial vehicles registered growth of 5.1%, while sales of light commercial vehicles grew at 22.1%.
- The first quarter of FY12 witnessed a sharp 39.5% increase in the exports of commercial vehicles.
- As per the revised estimates of the Society of Indian Automobile Manufacturers (SIAM), the CV segment is expected to grow at a rate of 12-14% during FY12, as compared to the SIAM's earlier projections of a growth of 14-16%.
- Tata Motors plans to start operations of an assembly plant for commercial vehicles in South Africa soon. The company currently exports both commercial vehicles and passenger vehicles to South Africa.
- Ashok Leyland signed an agreement with Krishnapatnam Port Company Ltd (KPCL), wherein Ashok Leyland will provide 85 U-Trucks to KPCL for its intercarting operations at the port. The day-to-day operations will be handled by KPCL. Ashok Leyland will own and maintain the vehicles, according to the service levels required by KPCL. This recent deal is in line with Ashok Leyland's strategy of becoming a complete transport solutions provider for its customers.

**Commercial vehicles: Investment scenario\* (₹ bn)**

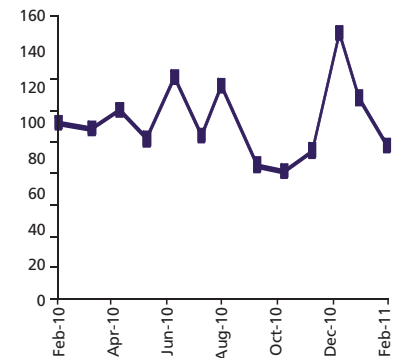


\*Outstanding investments  
Source: CMIE

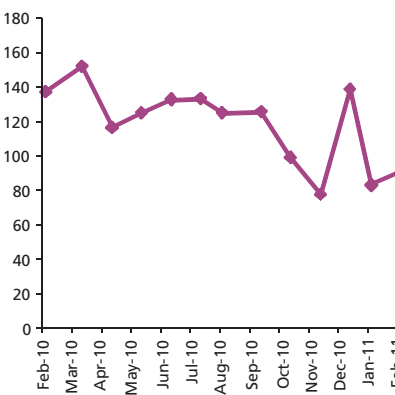
### Gold prices in Mumbai market



### Gems & jewellery exports (₹ bn)



### Gems & jewellery imports (₹ bn)



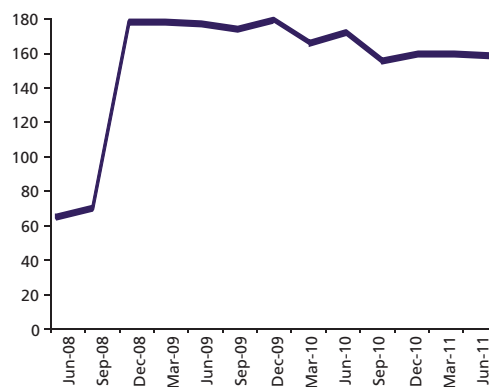
Source for all above charts: CMIE

## GEMS AND JEWELLERY INDUSTRY

### Highlights

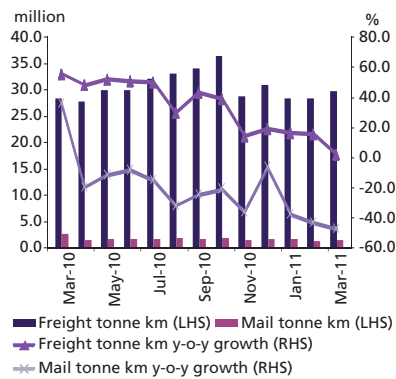
- According to the Gems and Jewellery Export Promotion Council (GJEPC), gems and jewellery exports grew by 33.5% (y-o-y) to US\$ 3.7 billion in May 2011. The growth was supported by rising demand from the UAE and the US markets.
- Tribhovandas Bhimji Zaveri (TBZ) made a foray into the men's jewellery segment under the brand name The Gentlemen's Collection. The brand will sell both gold and diamond jewellery which will be available for formal wear, club wear, festival wear and daily wear. The company also plans to open 44 new showrooms which will include 26 large and 18 small format high street showrooms by the end of the fiscal year 2014.
- Gitanjali Jewellery Retail plans to increase its outlets to 150 from the current 70 by the end of 2012. The stores will have a carpet area of 2,500-4,000 sq ft, and each store will be set up with an investment of ₹ 100-120 million.
- Shree Ganesh Jewellery plans to start its own gold refinery at Domjur, near Kolkata. The ₹ 500 million worth refinery will have a capacity of 100 tonne per annum (tpa) and the company plans to process about 20 tonnes of gold in this fiscal year and more than double its capacity to 50 tpa by 2013. The refined gold will be used for the company's own jewellery units, for trading and for third parties.
- Manappuram Jewellery, a subsidiary of the Manappuram Group, plans to expand its outlets from 12 to more than 100 by 2015 with an investment of ₹ 30 billion.
- With an aim to expand its presence in the domestic retail jewellery market, MMTC intends to launch its own jewellery brand in the next three months. The company also plans to set up another 40 retail outlets by 2012.

### Gems & jewellery: Investment scenario\* (₹ bn)



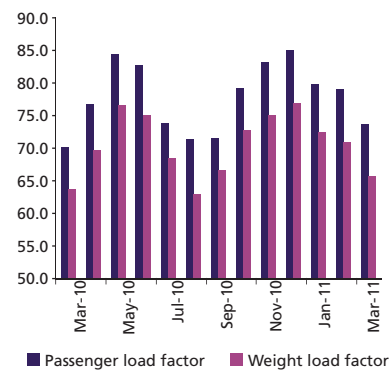
\*Outstanding investments  
Source: CMIE

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



Source: CMIE

### Civil aviation: Load factor (%)



Source: CMIE

## HI-TECH INDUSTRY

### Highlights

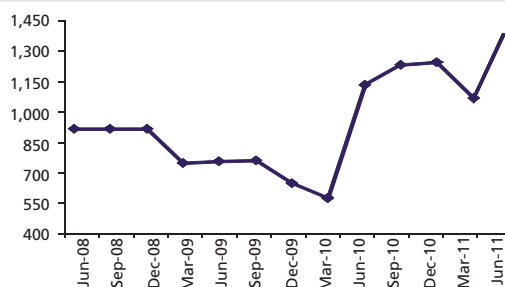
- With an aim to give a boost to India's electronics industry, the Central government proposes to give investment subsidies to the tune of ₹ 1,000 billion in the next ten years. The government expects this move to generate investments worth ₹ 4,000 billion in the sector and create 20 million jobs in the next ten years.
- With an aim to enhance its lighting business in India, Philips India plans to double the number of exclusive retail outlets to 650 by the end of 2011.
- Schneider Electric India announced its entry into the Indian retail electrical appliances market with its plans to roll out 4,000 retail outlets to sell switches, sockets and distribution systems for home and small and medium business segments. The company further plans to launch a range of switches and distribution systems in a phased manner in Maharashtra, Kerala, Andhra Pradesh and Tamil Nadu over the next few months and complete its national rollout by 2012.
- LG India plans to enter into business solutions for hospitality, banking, retail and education with the launch of 40 integrated technology solutions and expects a 25% market share by 2014.

### Civil aviation: Airport traffic statistics (April 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      | 99,809           | 10.8             | 9,350,697         | 14.1             | 64,669        | 0.4              |
| International traffic | 25,062           | 8.2              | 3,215,863         | 14.0             | 121,465       | 10.3             |
| Total airport traffic | 122,871          | 10.2             | 12,566,560        | 14.1             | 192,134       | 6.7              |

Source: CMIE

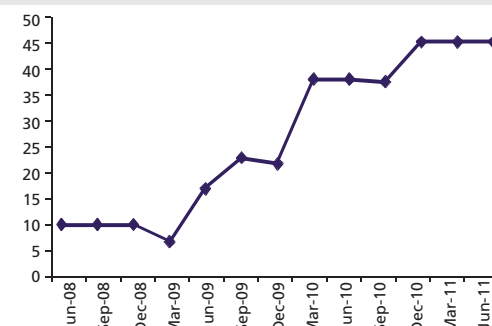
### Aviation: Investment scenario\* (₹ bn)



\*Outstanding investments

Source: CMIE

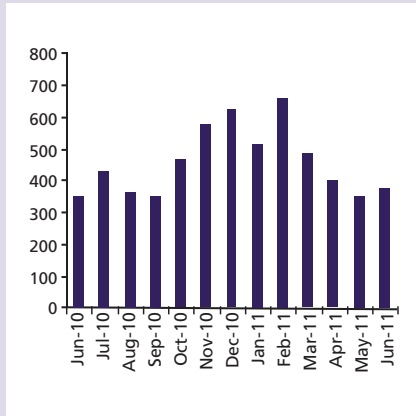
### Consumer electronics: Investment scenario\* (₹ bn)



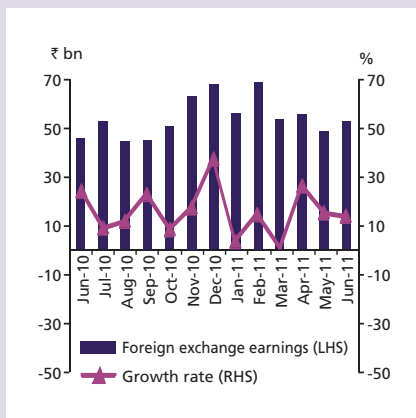
\*Outstanding investments

Source: CMIE

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



### Foreign exchange earnings



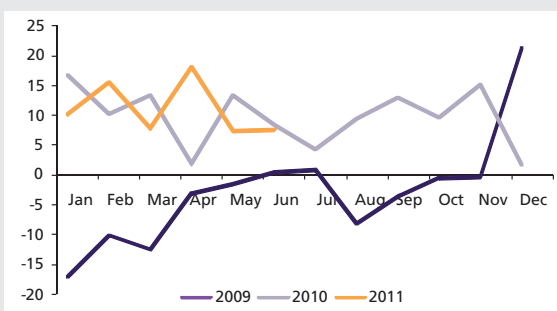
Source for all above charts: Ministry of Tourism

## HOSPITALITY INDUSTRY

### Highlights

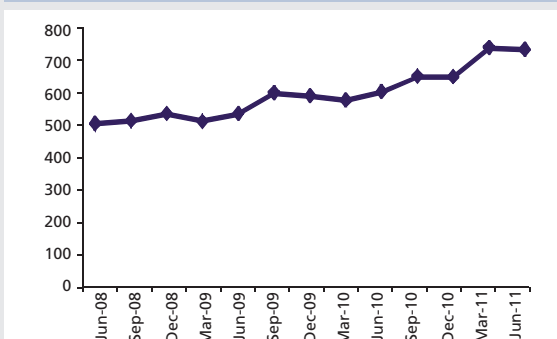
- Bistro Hospitality Pvt Ltd, owner of TGI Friday's (TGIF), plans to open a minimum of two to three outlets every year. The company further plans to open outlets in Pune, Kolkata, Chandigarh and Chennai.
- Marriott International opened a 365 room hotel in Jaipur, Rajasthan by the name Jaipur Marriott Hotel. The hotel group plans to have its presence in another 25 cities by 2015.
- ITC Hotels Ltd signed a 26:74 joint venture agreement with Espirit Hotels Ltd to build a luxury hotel in Hyderabad. The share of ITC is valued at ₹ 450 million.
- Nirula's, a quick service restaurant chain, launched a new format dining in the casual dining space in Delhi. Nirula's further plans to enter six new cities and expand presence by setting up 50 new outlets with an investment of up to ₹ 150 million.
- InterContinental Hotel Group (IHG) plans to bring its extended stay brand Staybridge Suites to India. IHG signed a joint venture agreement with Duet Hotels Ltd to build 19 hotels under the brand Holiday Inn Express with IHG's investment of US\$ 30 million.
- Starwood Hotels plans to set up a full services luxury brand 'St. Regis' from its international portfolio to its existing seven brands within 2011. The company further expects India to become its third biggest market by 2015 as the company expands faster than planned.
- Duet India plans to set up 20 hotels across the country during the next three to five years. The company expects the construction of these hotels to begin from December 2011 and the hotels to become operational by 2013.

### Growth in foreign tourist arrivals (%)



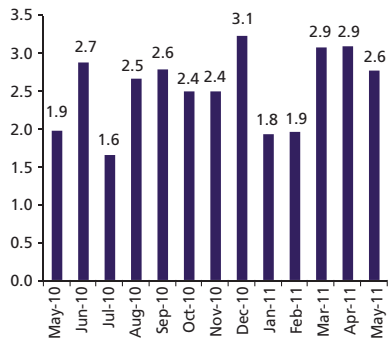
Source: CMIE

### Hospitality: Investment scenario\* (₹ bn)



\*Outstanding investments  
Source: CMIE

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



Source: CMIE

## IT HARDWARE INDUSTRY

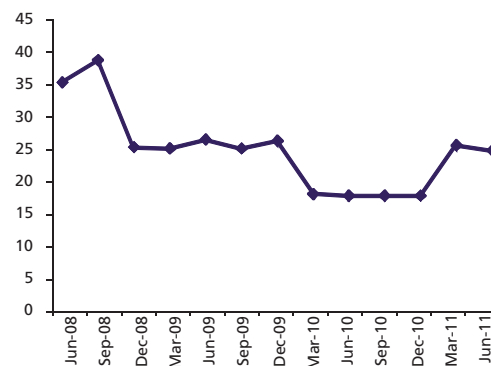
### Highlights

- Motorola Mobility India Pvt Ltd launched the Xoom tablet in 3G and Wi-Fi versions priced at ₹ 32,990 and ₹ 39,990, respectively.
- EAFT Technologies Ltd launched a tablet device by the name 'Magic Tile Marathon' weighing less than a kilogram and running on Google's Android operating system, priced at ₹ 29,990.
- Sandisk India plans to set up an assembly and test plant in India by 2013.
- HTC India launched its first tablet PC in India by the name 'Flyer' priced at ₹ 39,890.
- Research in Motion entered the tablet PC market with the launch of 'Blackberry Play Book' priced at ₹ 27,990 for 16 GB, ₹ 32,990 for 32GB and ₹ 37,990 for 64 GB.
- Huawei Devices India plans to launch 10 to 12 new products, including tablet computers and 3G-based phones by 2011.

### Global News

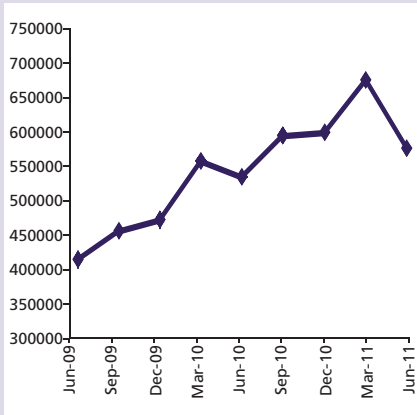
- Dell Inc plans to invest US\$ 1 billion for acquisitions in mid-market opportunities, including small and medium businesses in the public sector, education and the healthcare industry.
- Korea-based SK Telecom plans to launch its super-fast 4G wireless services to meet growing demand from users of smart phones and tablet computers. The company further plans to provide the wireless service based on Long-Term Evolution (LTE) technology, in Seoul and would secure national coverage by 2013.

### Computers, peripherals & storage devices: Investment scenario\* (₹ bn)



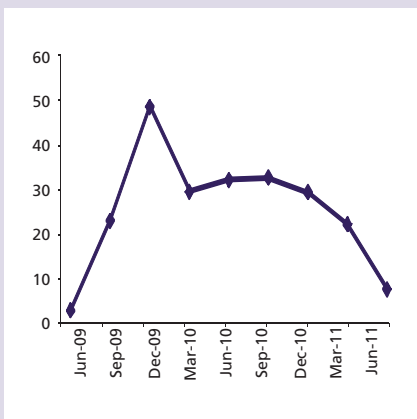
\*Outstanding investments  
Source: CMIE

**Passenger vehicles: Domestic sales volume (Nos)**



Source: CMIE

**Passenger vehicles: Domestic sales growth (%)**



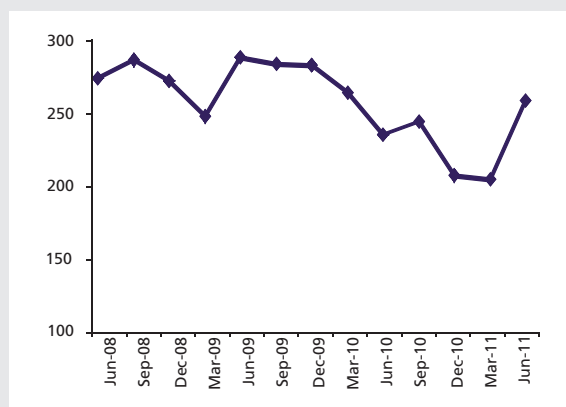
Source: CMIE

**PASSENGER VEHICLE INDUSTRY**

**Highlights**

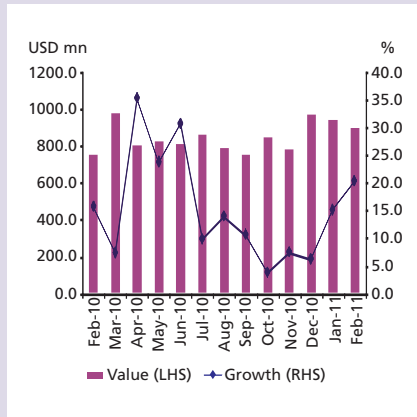
- In June, domestic sales of passenger cars recorded a mere 1.6% growth (y-o-y). Sales of multi-utility vehicles also grew at a marginal rate of 4.4% in June. In a bid to woo customers into the showrooms, car companies are offering substantial discounts and freebies.
- Cumulative domestic sales of passenger cars and multi-utility vehicles during the first quarter of FY12 were higher by 7.3% and 5.1%, respectively, over sales in the corresponding quarter of FY11.
- Exports of passenger vehicles rose by 12.3% during April-June 2011.
- As per the revised estimates of the Society of Indian Automobile Manufacturers (SIAM), the passenger vehicle segment is expected to grow at a lower rate of 10-12% during FY12, as compared to the SIAM's earlier projections of a growth of 16-18%.
- French car manufacturer PSA Peugeot Citroen plans to set up a ₹ 40 billion car manufacturing plant in Tamil Nadu. The proposed plant would have an annual production capacity of 0.3 million cars.
- Toyota Kirloskar Motor Pvt Ltd plans to expand the capacity of its second plant in Bengaluru at an estimated cost of ₹ 27.5 million. The company plans to expand the production capacity at this plant from 70,000 units to 120,000 units per annum, by the second quarter of 2012. The company recently launched the Etios, its first small car in India, marking its entry in the premium hatchback segment. The Etios Liva is available in the price range of ₹ 0.39-0.59 million (ex-showroom, Delhi). The car is pitted against the Maruti Swift and Ritz models, the Hyundai i10 and i20, Ford Figo and the Chevrolet Beat.
- In a bid to optimise utilisation of its existing infrastructure, Tata Motors plans to use its commercial vehicle network to sell its select passenger vehicle (PV) models, particularly in smaller towns and cities currently not covered by PV dealerships.
- In view of the rising petrol prices, several car manufacturers such as General Motors India, Ford India, etc are increasing their thrust on diesel cars. Even luxury carmakers such as Mercedes-Benz are betting on the success of their diesel variants to fuel growth in India.

**Passenger vehicles: Investment scenario\* (₹ bn)**



\*Outstanding investments  
Source: CMIE

### Trend in drugs and pharmaceuticals exports



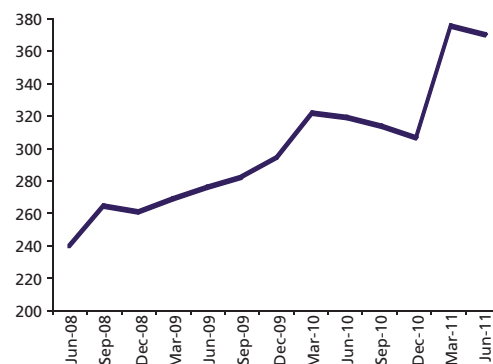
Source: CMIE

## PHARMACEUTICAL INDUSTRY

### Highlights

- Eye care firm Bausch & Lomb signed a memorandum of understanding with Bengaluru-based Micro Labs for drugs supply in India. The firm plans to leverage the low-cost facilities of Micro Labs to manufacture its pharmaceutical products in India.
- Lupin Ltd and Natco Pharma entered into an alliance to jointly market generic Lapatinib Ditosylate tablets, used for treating breast cancer, in the American market.
- Zydus Cadila, through its subsidiary Zyneshier Pharmaceuticals USA LLC, entered into an agreement to acquire the assets of the US-based Neshier Pharmaceuticals Inc, a generic arm of KV Pharmaceutical, for US\$ 60 million in cash.
- Lupin entered into an agreement to acquire the worldwide rights for Australian brand Goanna from Aspen Pharmacare Holdings through its Australian subsidiary, Generic Health Pty Ltd.
- Strides Arcolab plans to set up its first manufacturing facility for biotech drugs in Malaysia's year-old biotechnology park. Its subsidiary Agila Specialties (Malaysia) SDN BHD, has signed an MoU with Malaysian State-promoted Bio-XCell to start a biopharma and injectables plant in the biotech zone.
- US-based bio-pharmaceutical company Gilead Sciences entered into new licensing pacts with four Indian firms, including Ranbaxy Laboratories, for three anti-HIV/AIDS drugs which are currently in late-stage clinical development, as part of its plan to expand access of affordable medicines to treat HIV/AIDS in the developing world. The other firms with which it signed the new licensing terms are Hetero Drugs, Matric Laboratorie, and Strides Arcolab.
- Rakshit Phytopharma announced its plans of setting up an ayurvedic herbs and medicinal plants unit in West Bengal at an investment of ₹ 300 million. The company will be involved in cultivation, processing and extraction of these herbs and medicinal plants and will supply the extracts to pharmaceutical and FMCG firms in India and abroad.
- Granules India Ltd plans to set up a manufacturing facility for Active Pharmaceutical Ingredients (APIs) at Visakhapatnam to increase APIs capacity from existing 20,000 tonnes to 40,000 tonnes over the next two years.

### Drugs & pharmaceuticals: Investment scenario\* (₹ bn)



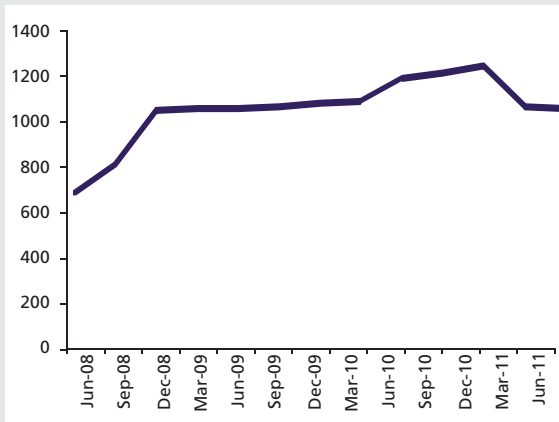
\*Outstanding investments  
Source: CMIE

## RETAIL INDUSTRY

### Highlights

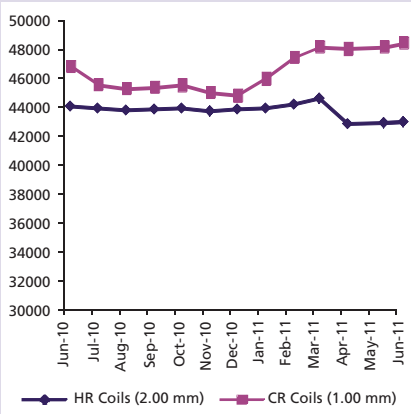
- According to a recent survey by the ASSOCHAM, the online retail industry will reach the ₹ 70 billion-mark by 2015. The survey also revealed that around 40% of the respondents prefer to shop online, thereby giving a boost to the online retail sector.
- Schneider Electric India made a foray into the retail electrical goods market by launching switches, sockets and distribution systems for home and small and medium business consumers. The company plans to set up 4,000 retail outlets by 2012.
- Arvind Ltd, an Indian textile manufacturer, plans to open 120 retail format stores in five states across the country during this fiscal year. The company plans to invest ₹ 5-7 million in each of the store.
- Woodland, a leading footwear and apparel brand, plans to set up around 60 additional exclusive stores in the country during this fiscal year with an investment of ₹ 400 million.
- The Future Group plans to set up around 25-30 Big Bazaar stores by June 2012 with an investment of ₹ 3 billion.
- Next Retail India, Videocon Industries' electronics, appliances and IT products retail division, aims for over 65% jump in sales to touch ₹ 25 billion. The company plans to take its store count to 1,000 from the current 609 by the end of 2011-12.
- William Penn, a multi-brand retail store chain that deals in premium writing instruments, desktop and lifestyle accessories aims to become a ₹ 1 billion company and achieve a growth rate of 20% (y-o-y) by FY15.

### Retail trading: Investment scenario\* (₹ bn)



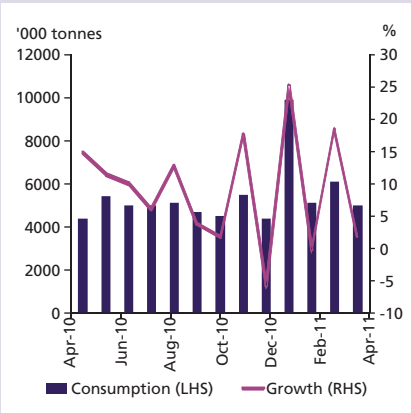
\*Outstanding investments  
Source: CMIE

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



Source: CMIE

### Finished steel consumption



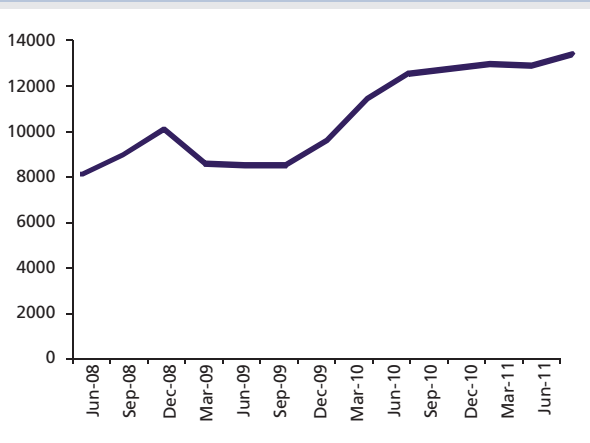
Source: CMIE

## STEEL INDUSTRY

### Highlights

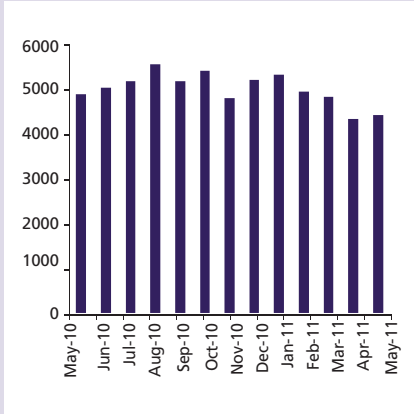
- Tata Steel Ltd plans to increase production of auto-grade steel by 20% to 1.2 mt during the current fiscal year.
- Tata Steel Ltd plans to divest and sell its entire 26.27% stake in Riversdale Mining Limited to Rio Tinto for a sale consideration of around Australian \$ 1.06 billion. The company currently holds the investment in Riversdale through its wholly-owned subsidiary Tata Steel Global Minerals Holding Pte Ltd.
- As a part of its expansion strategy, ReadyMade Steel India Ltd is setting up new units in New Delhi and Raipur with a capacity of 50,000 mtpa each.
- Steel manufacturer Surana Industries plans to raise US\$ 100 million to fund its expansion plans. The company will issue equity shares or such other security of the company in order to raise funds.
- Ahmedabad-based Varia Engineering Works, a rolling mills manufacturing company, plans to set up India's first 6-stand continuous cold rolling mill for stainless steel. Post the set up, the company's stainless steel manufacturing capacity will increase to two lakh tonnes from the present 18,000 tonnes per annum. The company plans to invest around ₹ 1.50 billion in the project.

### Steel: Investment scenario\* (₹ bn)

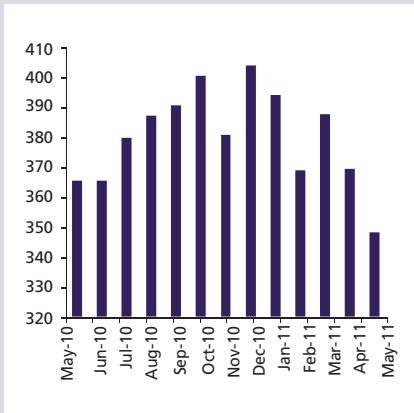


\*Outstanding investments  
Source: CMIE

### Fabrics production (Million sq.metres)



### Spun yarn production ('000 tonnes)



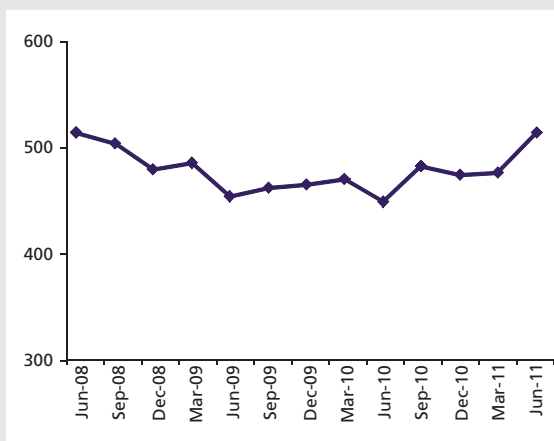
Source for all above charts: CMIE

## TEXTILE & GARMENT INDUSTRY

### Highlights

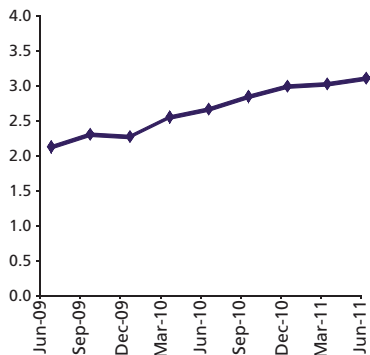
- Marks and Spencer Retail India, a 51:49 joint venture between Reliance Retail and the UK-based retailer Marks and Spencer, plans to increase its sourcing of local merchandise to 70% in the next two years for its Indian operations. It also plans to extend its business to Tier 2 cities to meet buoyant demand. The JV sells products such as women's, men's and children's clothing as well as beauty and homeware products.
- As part of its strategy to enter the lifestyle segment, Hosiery major Dollar Industries ventured into the jeanswear segment. The company will sell its products under the brand name Force.
- The ITC Group plans to transform its flagship Wills Lifestyle apparel chain into a luxury brand. The brand has been facing competition from several international brands which have entered into India. Wills Lifestyle will revamp its product portfolio with more of designer wear and international designs and explore newer retail formats like boutique stores and specialised luxury stores to reach out to luxury buyers. This move is expected to increase the average price of products at Wills Lifestyle to around ₹ 3,000 from ₹ 2,500 currently.
- In view of the rise in demand in the western markets, the Government has set a target of US\$ 14 billion for garment exports from India for FY12. During FY11, garment exports from India grew by 4.2% to US\$ 11.1 billion.

### Textiles & garments: Investment scenario\* (₹ bn)

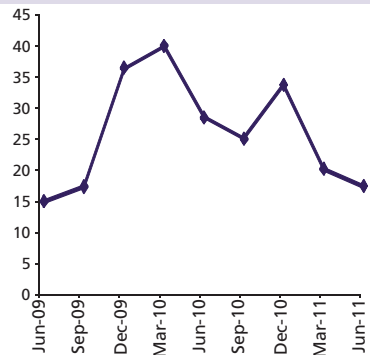


\*Outstanding investments  
Source: CMIE

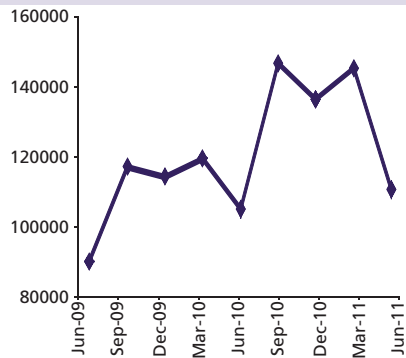
**Two-wheeler: Domestic sales volume (mn)**



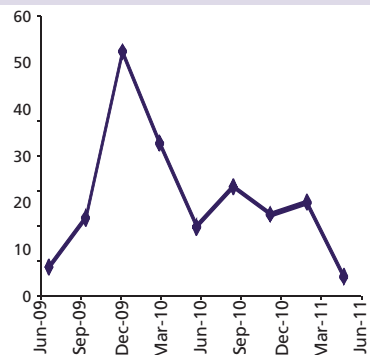
**Two-wheeler: Domestic sales growth (%)**



**Three-wheeler: Domestic sales volume (Nos)**



**Three-wheeler: Domestic sales growth (%)**



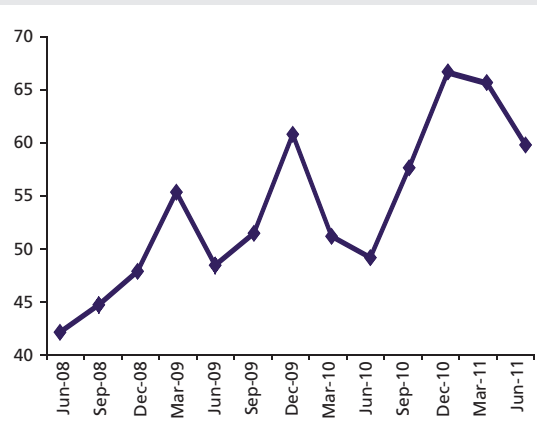
Source for above charts: CMIE

**TWO-WHEELER AND THREE-WHEELER INDUSTRY**

**Highlights**

- In June, domestic sales of two-wheelers recorded growth of 14.6% (y-o-y).
- During April-June 2011, two-wheeler sales grew by 16.9%, over sales in the corresponding period of 2010. Sales of motorcycles, mopeds and scooters grew by 17.4%, 21.0% and 13.3%, respectively, in the first quarter of FY12.
- Exports of two-wheelers posted growth of 28.6% during April-June 2011.
- British motorcycle manufacturer Triumph intends to enter the Indian market.
- Royal Enfield, the two-wheeler division of Eicher Motors, will set up a new manufacturing plant near Chennai, with an initial installed capacity of 0.15 million units per annum by March 2013.
- Mahindra Two Wheelers Ltd plans to relaunch its 110cc bike Stallio during 2011.
- In June, domestic sales of three-wheelers recorded growth of 4.3% (y-o-y).
- During April-June 2011, three-wheeler sales grew by 4.9%, over sales in the corresponding period of 2010. While sales of passenger carriers grew by a mere 1.6%, sales of goods carriers rose by 17.6% during this three-month period.
- Exports of three-wheelers posted growth of 51.2% during April-June 2011.

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



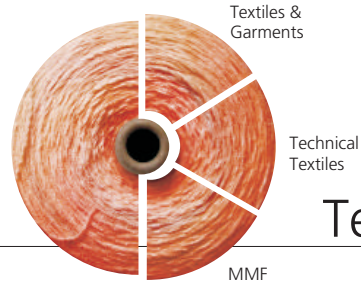
\*Outstanding investments  
Source: CMIE

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.

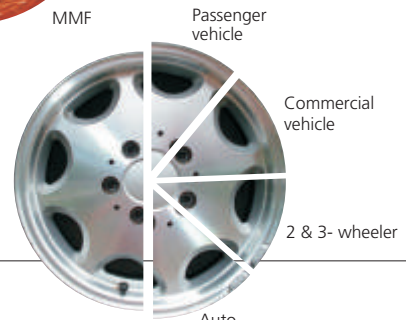
The reports' in-depth analytical content would provide valuable insights to financial institutions, banks, equity broking houses, and corporates towards accurate & informed decision making. The reports would also be useful to the industry practitioners, academicians & scholars.

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:



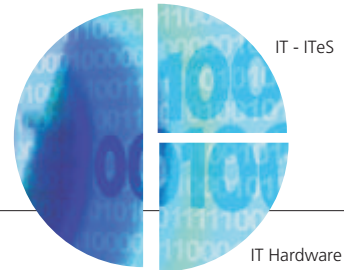
## Textiles



## Auto



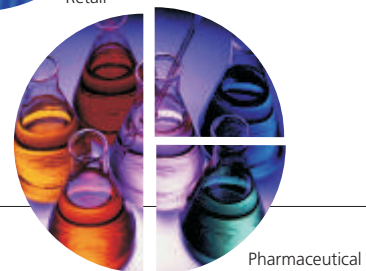
## Core Sector



## Infotech



## Services



## Chemical



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