



Industry cursor

Strictly for Private Circulation

Issue 37 | September 2011

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Macroeconomic Update

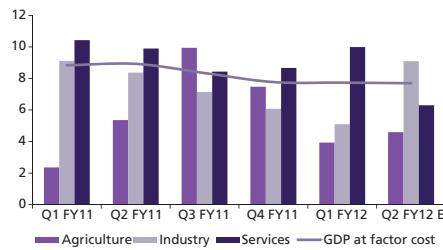
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MACROECONOMIC UPDATE

Highlights

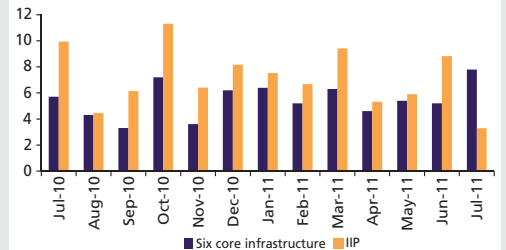
- India's GDP growth moderated to 7.7% during Q1 FY12 as against 8.8% during Q1 FY11. The agriculture, industrial and the services sectors grew by 3.9%, 5.1% and 10.0% respectively during Q1 FY12.
- IIP growth moderated to 3.3% (y-o-y) in Jul-11 as compared to 8.8% in Jun-11. The capital goods and the intermediate goods sectors recorded a decline of 15.2% and 1.1% respectively during Jul-11. The basic and the consumer goods sectors grew by 10.1% and 6.2% respectively.
- The WPI headline inflation increased to 9.8% (y-o-y) during Aug-11 as compared to 9.2% in Jul-11. Primary articles grew by 12.6% (y-o-y) in Aug-11 as compared to 11.3% in Jul-11 on account of higher food and non-food prices.
- Food credit rose by 55.6% (y-o-y) as on August 26, 2011 as compared to a decline of 3.7% in the previous year, while non-food credit increased by 20.2% as against 19.8% during the same period of the previous year.

GDP: Growth (%)



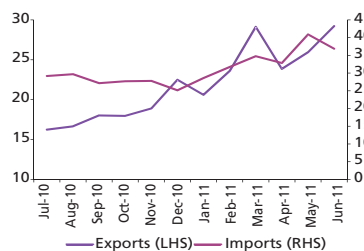
E: D&B estimate
Source: CSO, D&B Industry Research Service

IIP and core infrastructure: Growth (%)



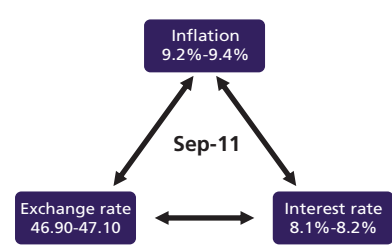
Source: Ministry of Commerce and Industry, CSO

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



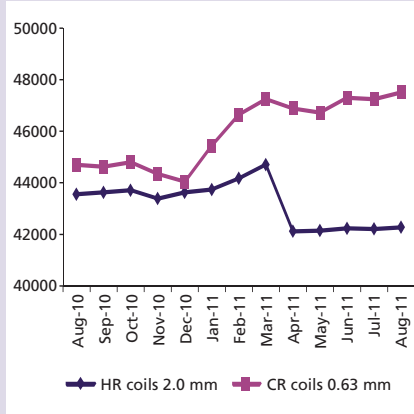
Source: Ministry of Commerce

Macroeconomic triad (forecast)



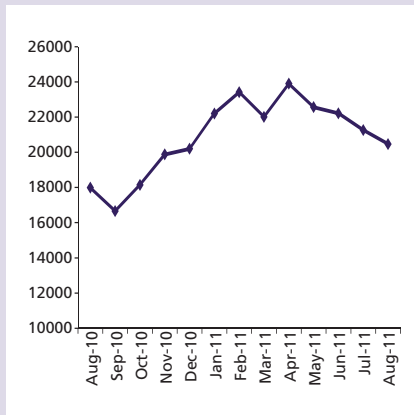
Note: Exchange rate: INR/US\$
Interest rate corresponds to yield on T-Bills 15-91 days
Source: D&B Industry Research Service

Steel prices (Mumbai) (₹/tonne)



Source: CMIE

Rubber prices* (Kottayam) (₹/quintal)



*Rss-4

Source: CMIE

AUTO COMPONENTS INDUSTRY

Highlights

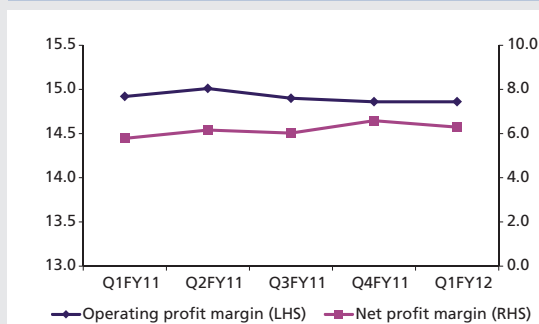
- The Automotive Component Manufacturers' Association (ACMA) expects growth in the Indian auto component industry to slow down to 12-15% during FY12 from over 34% last year. The ACMA expects growth in exports also to weaken to 20-25% as compared to growth of 54% recorded last year.
- In view of the current slowdown in the auto industry, Subros Ltd has deferred investing ₹ 800 million in FY12 by 3-4 months. The company had planned to hike its automotive air conditioner capacity to 2 million units from 1.5 million with the investment.
- Nevertheless, several companies are optimistic on the industry's growth prospects and continue to announce expansion plans. Some recent announcements are elucidated below:
 - Lumax Industries, manufacturer of automobile lighting systems, is investing ₹ 1.5 billion to set up three greenfield facilities (in Haryana, Karnataka and Gujarat) and expand one existing unit (in Maharashtra) by next year. With the expansion, the company's production capacity is expected to increase from 4 million units to 6.5 million units.
 - German auto component maker Continental AG plans to invest over Euro 50 million in India in the next two years, mainly to enter the radial tyre segment and to ramp up its existing production facilities.
 - Sona Koyo Steering Systems will invest ₹ 1 billion during the current fiscal year on expansion of its production capacity, including the establishment of a new unit as it explores opportunities to enter the commercial vehicles segment.
 - Tenneco RC India Pvt Ltd, part of the US-based Tenneco Inc, manufacturers of emission control and ride control systems, plans to invest US\$ 20 million to expand in the Indian market in three to five years.

Industry: Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	117.8	128.3	136.0	148.7	146.2
y-o-y growth	%	42.0	37.6	32.9	33.0	24.4
Operating profit	₹ bn	17.8	19.6	20.6	22.6	22.1
y-o-y growth	%	36.6	30.3	28.5	24.2	24.2
Net profit	₹ bn	6.9	8.0	8.3	9.9	9.3
y-o-y growth	%	74.5	44.5	48.5	56.3	35.6
Operating profit margin	%	14.9	15.0	14.9	14.9	14.9
Net profit margin	%	5.8	6.2	6.0	6.6	6.3

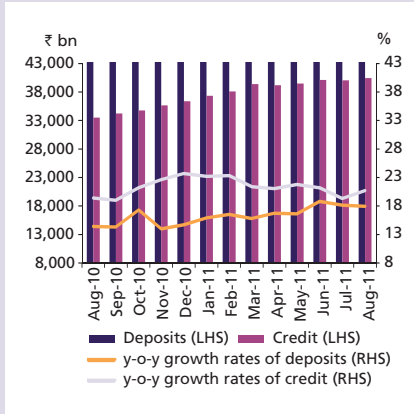
Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

Industry: Profit margins (%)



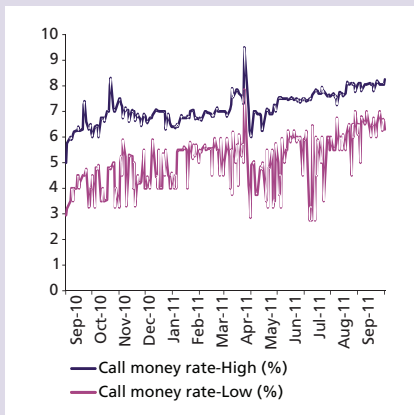
Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

Deposits, credit and growth rates



Note: Data for Aug 11 is up to Aug 26, 2011

Movement in call money rates (%)



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

Source for all above charts: RBI

BANKING INDUSTRY

Highlights

- The Reserve Bank of India has permitted Industrial and Commercial Bank of China (ICBC) to start operations in India. Further, two other banks including Rabobank International (The Netherlands) and Woori Bank (South Korea) have been permitted to expand their operations in India.
- The Government of India plans to sanction ₹ 20 billion to some public sector banks as part of its recapitalisation drive and enhancing the government's stake in these banks by FY12.
- The Unique Identification Authority of India (UIDAI) along with the Indian Banks Association plans to set up a network of 1.4 million micro ATMs across India. The UIDAI further plans to give the unbanked citizens the option to receive a pre-paid payment card issued by banks for channelling payments from Government schemes including the National Rural Employment Guarantee Act.
- HDFC Bank signed a memorandum of understanding with TVS Motors for inventory funding to the dealers of TVS Motors.
- South Indian Bank launched the sale of gold coins and gold bars under the brand name SIB Pure Gold with 999.9 purity and gold bars minted at the leading refinery PAMP in Switzerland.
- Federal Bank along with Oriental Insurance Company Ltd launched an insurance scheme named 'Fed Oriental Pravasi Insurance' for its new NRI customers which covers hospitalisation expenses by providing cashless treatment facility at more than 3,000 hospitals pan India.
- Standard Chartered Bank increased its minimum rate of lending by 25 basis points to 9.75%.
- Indian Bank Ltd launched e-Treasury service combining the domestic and foreign exchange trading on a common software package which analyses profitability, risk and costing aspects from different markets.
- IndusInd Bank Ltd launched mobile banking application, IndusMobile to provide its customers greater ease of use and convenience.
- ICICI Bank opened its second retail branch in Singapore to provide various products and services including money transfers to India.
- State Bank of India Ltd plans to open new branches and offices in around 10 countries including China, Britain and South Africa.
- With an aim to increase its international footprint, Allahabad Bank plans to open overseas branches in four Asian cities including Singapore, Dhaka, Shanghai and Kowloon (Hong Kong).
- With an aim to expand its foreign operations, Bank of India Ltd plans to raise a loan of US\$ 200 million.

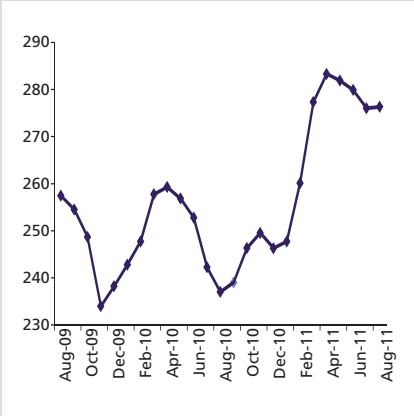
Industry: Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	1,033.0	1,095.7	1,192.0	1,283.7	1,399.0
y-o-y growth	%	10.0	16.6	23.7	30.0	35.4
Net profit	₹ bn	152.9	150.9	172.2	143.1	148.6
y-o-y growth	%	29.3	18.9	24.5	12.5	-2.8
Net profit margin	%	12.8	12.0	12.8	9.6	9.5

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

Source: CMIE

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



Source: CMIE

CEMENT INDUSTRY

Highlights

- Ambuja Cements Ltd signed an MoU with Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) to lay a 7 km railway siding from the company's cement plant at Rabriyawas in Pali district and Ras railway station in Ajmer Marwar section of North Western Railway. The siding will facilitate the transport of raw as well as finished material from the cement plant. The total cost of the project will be around ₹ 1.5 billion that will include cost of land, laying of tracks and developing other infrastructure.
- French cement major Lafarge plans to set up a research and development (R&D) facility in India. The R&D facility will be used for developing solutions and products to suit the growing demand of 'green' infrastructure and affordable housing in India.
- UltraTech Cement Ltd plans an overseas acquisition with an aim to expand its cement manufacturing capacity by 50% to 75 million tonnes. The company plans to invest in the Indian Ocean Region for the proposed expansion.
- Tamil Nadu Newsprint and Papers Limited plans to diversify into the cement manufacturing business during the current fiscal. It intends to set up a 600 tonnes per day cement plant at a capital outlay of ₹ 690 million. The company plans to manufacture high grade cement by utilising the waste material such as lime sludge and fly ash that is generated during the manufacture of paper.
- Anjani Portland Cement Ltd plans to set up a cement unit in Bijapur district of Karnataka. The company will invest around ₹ three billion in the cement plant which will have a capacity of around a million tonnes per annum.

Cement production and despatches

Parameters	Jul-11		Apr11-Jul11	
	mn tonnes	y-o-y growth (%)	mn tonnes	y-o-y growth (%)
Production	18.1	12.0	71.5	2.3
Despatches	18.0	10.5	71.5	3.1

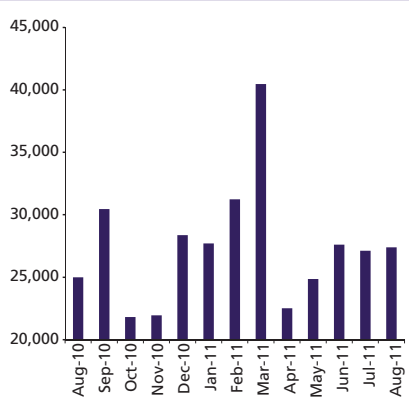
Source: CMIE

Industry: Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	173.0	145.1	158.8	202.2	188.7
y-o-y growth	%	13.2	3.0	13.9	25.7	12.2
Operating profit	₹ bn	44.1	20.5	27.8	45.9	46.1
y-o-y growth	%	-14.6	-55.0	-14.7	13.1	7.1
Net profit	₹ bn	20.8	3.5	8.3	21.1	21.0
y-o-y growth	%	-27.6	-85.6	-37.6	19.2	3.1
Operating profit margin	%	25.2	13.8	17.0	22.2	24.2
Net profit margin	%	11.9	2.4	5.2	10.3	11.0

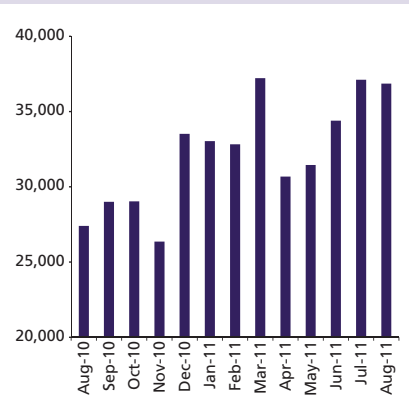
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

M&HCV: Domestic sales (Nos.)



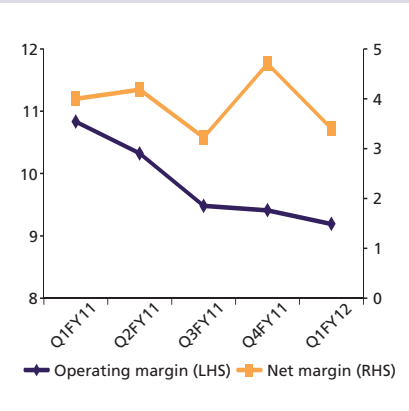
Source: CMIE

LCV: Domestic sales (Nos.)



Source: CMIE

Industry: Profit margins (%)



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

Source: CMIE

COMMERCIAL VEHICLE INDUSTRY

Highlights

- In August, domestic sales of commercial vehicles posted growth of 22.6% (y-o-y). Cumulative sales during the April-August 2011 period were 17.8% higher at 301,267 units, as compared to sales in the same period of 2010.
- Domestic sales of medium & heavy commercial vehicles recorded growth of 7.1% during April-August 2011. Sales of light commercial vehicles grew at a much higher rate at 27.4% during this period.
- Exports of commercial vehicles registered sharp increase of 30% at 34,011 units during April-August 2011.
- Volvo Buses India intends to invest over ₹ two billion in India over the next two years to develop new products, including medium segment buses. The company expects to increase sales of buses to 800 units this year, as compared to 560 buses it sold last year.
- In a bid to expand its product portfolio, Defence Land Systems India, a joint venture between Mahindra & Mahindra and BAE Systems Plc, plans to develop infantry combat vehicles and artillery systems.
- The JBM Group, manufacturers of auto components, plans to make a foray into the vehicle manufacturing business through a tie-up with a foreign partner for the launch of buses in India by next fiscal year.
- Ashok Leyland announced the commercial launch of Dost – its entry vehicle into the light commercial vehicle segment, priced at ₹ 0.37-0.43 million (ex-showroom, Chennai). Dost is the first vehicle from the Ashok Leyland-Nissan joint venture and has a payload capacity of 1.25 tonnes.
- With an aim to treble its sales volumes during this fiscal year, Asia Motor Works intends to launch up to five models by December 2011. The company is also looking to expand its export market, eying an entry into the Middle East and Africa by the second half of the next fiscal year.

Commercial vehicle sales (Nos.)

Segments	Aug-10	Aug-11	y-o-y growth (%)	Apr-Aug FY11	Apr-Aug FY12	y-o-y growth (%)
M&HCV	24,992	27,401	9.6	120,977	129,531	7.1
LCV	27,402	36,847	34.5	134,762	171,736	27.4
Total domestic sales	52,394	64,248	22.6	255,739	301,267	17.8
Exports	6,219	6,705	7.8	26,155	34,011	30.0
Total sales	58,613	70,953	21.1	281,894	335,278	18.9

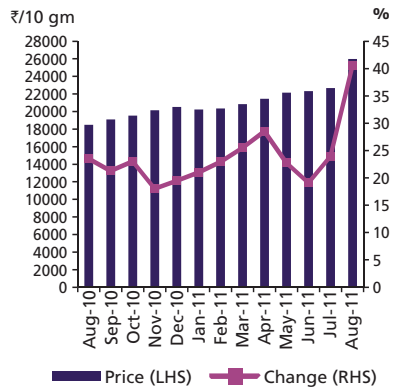
Source: CMIE

Industry: Key financial indicators

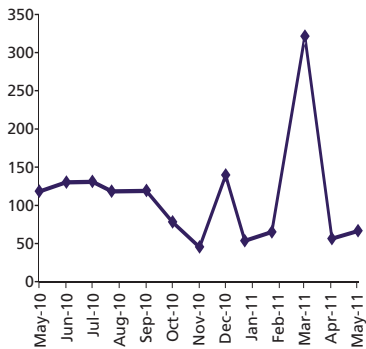
Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	132.8	147.9	143.5	192.1	150.6
y-o-y growth	%	72.9	48.6	28.0	22.0	13.5
Operating profit	₹ bn	14.5	15.3	13.6	18.1	14.0
y-o-y growth	%	29.0	-7.7	1.2	-31.9	-3.5
Net profit	₹ bn	5.3	6.2	4.6	9.0	5.2
y-o-y growth	%	3.5	-25.0	-5.8	-46.7	-3.3
Operating margin	%	10.8	10.3	9.5	9.4	9.2
Net profit margin	%	4.0	4.2	3.2	4.7	3.4

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

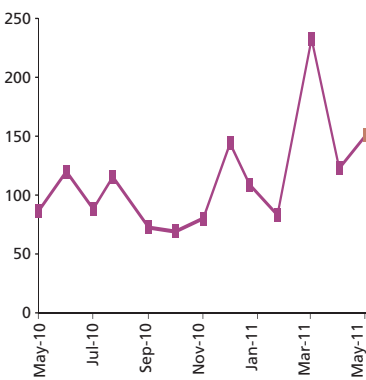
Gold prices in Mumbai market



Gems & jewellery exports (₹ bn)



Gems & jewellery imports (₹ bn)



Source for all above charts: CMIE

GEMS AND JEWELLERY INDUSTRY

Highlights

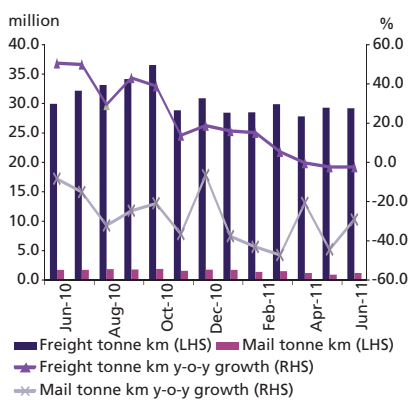
- As a result of strong and growing demand for gold jewellery in tier-II and tier-III towns, branded gold jewellery retailers are shifting their focus to marketing their products to rural and semi-urban areas in India. Jewellery retailers like HK Jewels, Tanishq, Gitanjali, Adora, Orra and Shree Ganesh Jewellery House have plans to launch operations in tier-II and III cities to reach out to the rural rich.
- According to the World Gold Council (WGC), retail sales of gold jewellery are expected to see a 10-15% growth during the current festive season in India.
- Shree Ganesh Jewellery launched 'Gaja Lites' range of jewellery to cater to the growing fashionable, light weight gold and diamond jewellery market in India. The company has tied up with Bharti Retail's 'Easy Day' market format to market Gaja Lites. With an aim to build the capacity to manufacture light weight jewellery, the company has invested ₹ 300 million in advanced Italian machinery. The launch of Gaja Lites brand is a part of Shree Ganesh's brand extension and retail expansion strategy.
- Manappuram Jewellery Ltd (MJL) is on an expansion mode. The company plans to increase the number of retail showrooms to 50 by the end of this financial year and double the store count in two to three years with an investment of ₹ 30 billion.
- Chemmanur International Jewelers is diversifying into the gold loan business. The company, which currently has 26 jewellery stores across Kerala and the Middle East, launched a new non-banking financial services (NBFC) company, Chemmanur Credits & Investments Ltd, for this purpose. The new entity plans to open 5,000 branches across the country by 2020.

Industry: Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	103.3	151.1	127.1	143.2	178.7
y-o-y growth	%	31.0	32.3	24.9	16.7	32.3
Operating profit	₹ bn	5.1	6.6	6.5	5.9	7.4
y-o-y growth	%	44.0	52.1	42.1	13.5	44.4
Net profit	₹ bn	3.2	4.4	4.2	3.3	4.6
y-o-y growth	%	81.9	62.4	51.5	9.0	44.3
Operating profit margin	%	4.9	4.4	5.1	4.1	4.1
Net profit margin	%	3.1	2.9	3.3	2.3	2.5

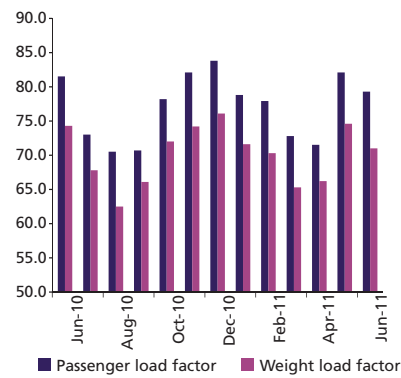
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

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



Source: CMIE

Civil aviation: Load factor (%)



Source: CMIE

HI-TECH INDUSTRY

Highlights

- Samsung Electronics plans to achieve a strong 40% growth in turnover during FY12 to US\$ 5 billion in India. The company invested about ₹ 3.5 billion in its Chennai plant to upgrade capacity.
- Driven by the increasing demand for its electric rice cookers and premium mixer-grinders, Panasonic Home Appliances Company Ltd plans to double its production capacity at an outlay of around US\$ 3 million. The company further plans to increase its electric rice cooker capacity to two million units per annum and the capacity for mixer-grinders to 600,000 units.
- Nikon India plans to set up an electronic appliances manufacturing facility in India and ramp up India's contribution to its global sales by around six-fold over the next three years.
- Hitachi Ltd plans to double its revenues in India from ₹ 54 billion (US\$ 1.2 billion) and acquire firms to gain a bigger market share in a short span of time. The company further plans to open a new research and development centre for information and telecommunication system business in Bengaluru by March 2012.
- BSH Bosch, through its subsidiary BSH Household Appliances Manufacturing Pvt Ltd, along with Siemens Group plans to invest ₹ 4.79 billion for setting up a plant to manufacture air-conditioners, refrigerators and washing machines in Tamil Nadu.
- LG Electronics plans to invest ₹ 10 billion in the next two years for capacity building and to build a third manufacturing unit. The company further aims to increase the contribution of LG India to LG global turnover from the current 6% to 10-12% by 2015.
- With the rise in demand for residential air conditioners in India, Blue Star India plans to grow by 5-6% in the next four years. The company further expects the air conditioner market in India to touch 6.5 million units by 2015.

Civil aviation: Airport traffic statistics (June 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	100,820	14.2	10,416,238	19.0	63,048	-8.2
International traffic	24,921	2.6	3,229,723	6.8	125,706	2.4
Total airport traffic	125,741	11.7	13,645,961	15.9	188,754	-1.4

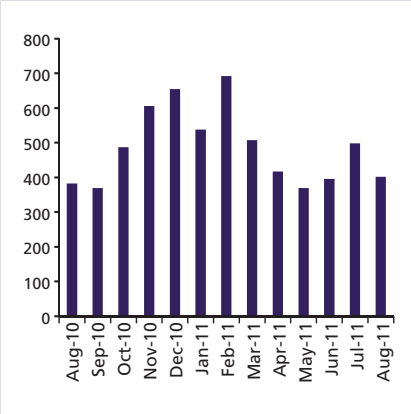
Source: CMIE

Consumer electronics: Key financial indicators

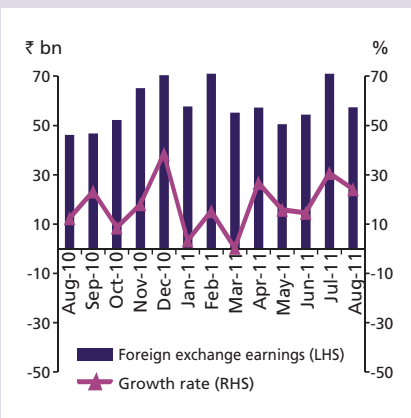
Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	38.7	39.0	40.9	42.4	42.8
y-o-y growth	%	25.3	18.3	18.7	18.5	10.5
Operating profit	₹ bn	33.4	33.5	35.2	36.0	36.3
y-o-y growth	%	27.8	19.3	20.8	19.0	8.6
Net profit	₹ bn	1.7	1.7	1.7	1.8	1.8
y-o-y growth	%	29.2	9.7	24.4	12.8	8.8
Operating profit margin	%	14.5	15.0	15.0	14.9	15.6
Net profit margin	%	4.3	4.4	4.2	4.2	4.2

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



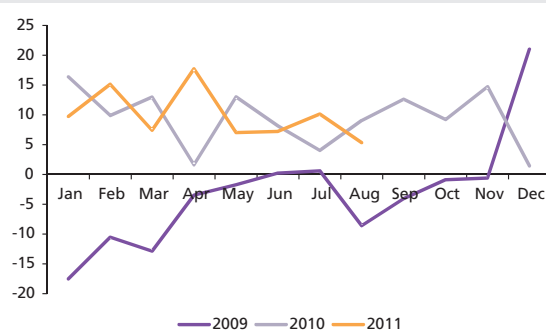
Source for all above charts: Ministry of Tourism

HOSPITALITY INDUSTRY

Highlights

- With an aim to enter the hospitality business, the Hero Group plans to build a 280-room 5-star deluxe hotel in Gurgaon.
- Citrus Hotels and Resorts Ltd plans to invest around ₹ 6 billion in the next two to three years to double its number of properties to 15 and increase the number of hotel rooms to 1,500.
- The Accor Group plans to launch three hotel brands in India by the end of 2011, taking the total number of Accor hotels in the country to six. The Group further plans to open 90 hotels in the country by 2015.
- Mirah Hospitality, owner of the Rajdhani chain of restaurants, plans to open 24 new outlets across India by the end of FY12 with an estimated cost of nearly ₹ 0.3 billion. Out of the 24 proposed new outlets, the company plans to open seven outlets in North India.

Growth in foreign tourist arrivals (%)



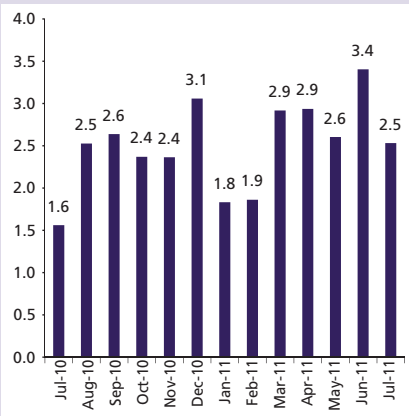
Source: CMIE

Industry: Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	13.4	13.3	18.8	20.2	15.2
y-o-y growth	%	16.7	13.5	11.9	15.9	13.4
Net profit	₹ bn	0.3	-0.4	2.1	3.3	0.7
y-o-y growth	%	N.A.	N.A.	-13.3	13.5	125.8
Net profit margin	%	2.2	-2.8	11.2	14.9	4.3

Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E
N.A.: Not applicable (Losses incurred)
Source: CMIE

Domestic computer hardware & peripheral production (₹ bn)



Source: CMIE

IT HARDWARE INDUSTRY

Highlights

- Ricoh India expects a three-fold growth in its revenue to ₹ 9 billion by FY13 through expanding its product base and improving sales and service structure. The company further plans to expand its dealer base to 800 by FY13 from the existing 300.
- Microsoft Corp signed a patent license agreement with Acer Inc to cover tablet computers and smart phones powered by Google's Android platform.
- With an aim to address data management requirement of virtualised data centres, Dell India launched a new generation storage solutions and supporting software EqualLogic PS6100 and PS4100 family of virtualised, IP-based storage offerings.
- Tata Teleservices Ltd along with Sistema Shyam TeleServices (SSTL) launched Tata Photon on Rev.B in CDMA platform to provide a broadband speed of up to 14.7 MBPS to its users.
- LG Electronics re-entered the laptop segment with the launch of 13 notebooks in India at a price range of ₹ 26,000-66,780.

Global News

- Dell Inc plans to partner China's Baidu Inc to develop tablet computers and mobile phones, targeting the Chinese market by the end of 2011.
- LG Electronics along with Philips Corp and Japan based Sharp Corp agreed to manufacture applications and create software development kits for Internet-powered televisions which are to be distributed to third-party developers to write TV applications.

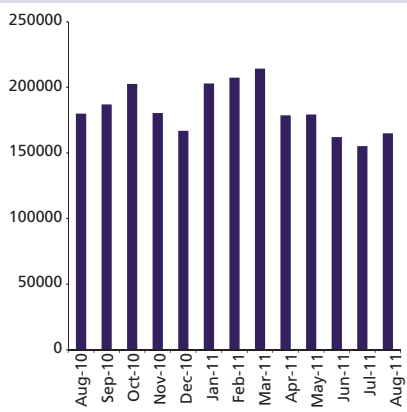
Industry: Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	11.0	13.4	12.6	13.9	12.2
y-o-y growth	%	1.1	4.9	1.6	-3.0	13.4
Operating profit	₹ bn	10.7	12.5	12.0	13.3	11.2
y-o-y growth	%	16.3	8.9	15.1	10.3	7.8
Net profit	₹ bn	-0.8	-0.6	-1.1	-1.2	-1.9
y-o-y growth	%	N.A	N.A	N.A	N.A	N.A
Operating profit margin	%	9.1	9.3	6.0	3.8	5.3
Net profit margin	%	-6.8	-4.3	-8.3	-8.6	-15.3

Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E
N.A.: Not applicable (Losses incurred)

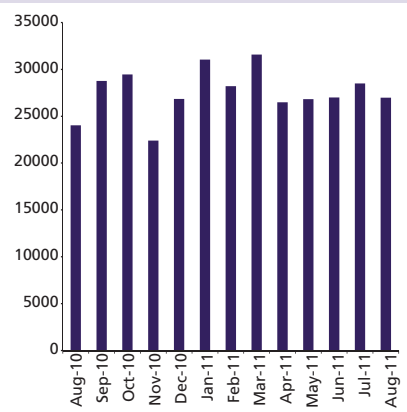
Source: CMIE

Passenger cars: Domestic sales (Nos.)



Source: CMIE

Utility vehicles: Domestic sales (Nos.)



Source: CMIE

PASSENGER VEHICLE INDUSTRY

Highlights

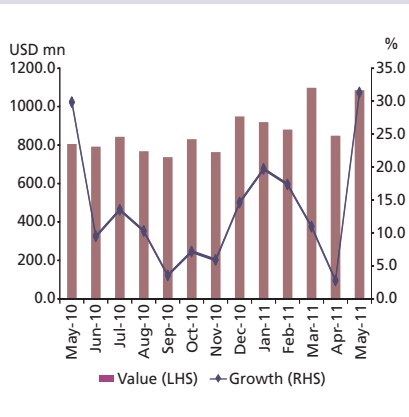
- August was the second consecutive month, after 29 months of growth, when domestic sales of passenger cars declined; sales fell by 8.3% (y-o-y). Sales of multi-utility vehicles (MUVs) continued to increase; sales recorded y-o-y growth of 12.3% in August.
- During April-August 2011, while domestic sales of passenger cars posted near flat growth of 0.9%, sales of multi-utility vehicles posted growth of 8.7%.
- Exports of passenger vehicles (cars and MUVs) grew by 22.4% at 220,256 units for the April-August 2011 period.
- Although carmakers continue to offer huge discounts to attract customers, they expect the festive season to witness the same level of sales as last year.
- In a bid to counter the slowdown in the domestic market, Hyundai Motor India plans to put greater thrust on exports.
- Despite the slow offtake in vehicle sales, carmakers are hiking vehicle prices. While Mahindra & Mahindra raised prices by up to 2%, Toyota Kirloskar Motors announced a 1.5-2% increase, effective October, in view of the rising costs of raw materials and Yen appreciation. General Motors India is also contemplating on revising prices upwards in September.
- With rising consumer preference for diesel vehicles on account of growing price differential between petrol and diesel, carmakers are launching diesel variants of their vehicles. In September, Toyota launched the diesel versions of its entry-level Etios sedan and Etios Liva hatchback. The Etios sedan diesel will be ₹ 90,000 costlier than its petrol version (priced at ₹ 0.64-0.78 million, ex-showroom Delhi), while the Etios Liva diesel will cost ₹ 95,000 more than the petrol variant (priced at ₹ 0.55-0.58 million, ex-showroom, Delhi).
- Mahindra & Mahindra plans to enter the premium SUV segment this year, with the launch of XUV-500 in the ₹ 1.1-2.0 million price range. The company plans to launch the Rexton and Korando premium SUVs from the stable of Korean auto maker Ssangyong Motor Corporation next year.

Passenger vehicle sales (Nos)

Segments	Aug-10	Aug-11	y-o-y growth (%)	Apr-Aug FY11	Apr-Aug FY12	y-o-y growth (%)
Micro	10,022	3,015	-69.9	42,387	36,513	-13.9
Mini & Compact	116,558	101,127	-13.2	563,679	535,352	-5.0
Super Compact and Mid Size	28,160	35,387	25.7	119,435	145,948	22.2
Executive	4,553	3,706	-18.6	21,343	19,346	-9.4
Premium	1,293	1,164	-10.0	5,487	5,640	2.8
Luxury, Coupe Roadster & Exotics	127	117	-7.9	522	559	7.1
Multi-purpose vehicle	19,140	20,423	6.7	82,069	99,350	21.1
Passenger cars	179,853	164,939	-8.3	834,922	842,708	0.9
Multi-utility vehicle	24,019	26,975	12.3	123,724	134,493	8.7
Domestic sales	203,872	191,914	-5.9	958,646	977,201	1.9
Exports	36,810	49,642	34.9	179,891	220,256	22.4
Total sales	240,682	241,556	0.4	1,138,537	1,197,457	5.2

Source: CMIE

Trend in drugs and pharmaceuticals exports



Source: CMIE

PHARMACEUTICAL INDUSTRY

Highlights

- Ipca Laboratories Ltd bought 100% stake in Onyx Research Chemicals Ltd, the holding company of UK-based Onyx Scientific Ltd, through its wholly-owned subsidiary Ipca Laboratories UK Ltd for about Pounds 4.6 million.
- Aurobindo Pharma Ltd set up a joint venture - Auropharma Company, with Ojsc Diod, a Russian manufacturer of ecological healthcare equipment and nutrition supplements on a parity basis (50:50) to manufacture and sell drugs in the markets of Russia, Belarus and Kazakhstan.
- GE Healthcare, a unit of General Electric Company, entered into an agreement to acquire PAA Laboratories that develops and supplies cell culture media for biomedical research, to expand its product offerings into the developing bi-pharma and vaccine industry in India.
- DMV-Fonterra Excipients (DFE), a global leader in dairy nutrition, entered into an agreement to acquire Cuddalore-based Brahmar Cellulose Private Limited, a manufacturer of ingredients used by the pharmaceutical industry to make tablets and pills.
- Aventis Pharma Ltd entered into a definitive agreement to acquire Universal Medicare Private Limited's business of marketing and distribution of branded nutraceutical formulations in India.
- Jubilant Life Sciences Ltd, an integrated pharmaceutical industry player, signed a long term supply agreement in proprietary products business with a leading international life sciences company. The product under this contract is based on an in-house developed technology, integrated with captively produced raw material resulting in competitive advantage both in terms of cost of production and capital investment. The total contract is valued at over US\$ 80 million, to be supplied in three years from Q1 FY12.
- Clinigene International, a subsidiary of Bengaluru-head quartered pharmaceutical company Biocon Ltd, entered into a strategic partnership with US-based Spaulding Clinical Research for providing comprehensive early clinical solutions to pharmaceutical and biotech clients.
- Lupin Ltd's Philippines unit, Multicare Pharmaceuticals entered into an agreement with Sanofi-Aventis Philippines Inc for marketing and distribution of the latter's global brands Solian and Stilnox, used for treating central nervous system disorders, in the Philippines.

Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	184.7	197.7	201.4	199.6	199.9
y-o-y growth	%	13.4	14.1	15.1	8.4	9.2
Operating profit	₹ bn	40.9	49.6	51.4	39.8	47.9
y-o-y growth	%	-13.3	20.3	4.6	-19.0	17.4
Net profit	₹ bn	24.8	-4.0	33.6	21.1	28.7
y-o-y growth	%	-10.7	N.A.	15.0	-24.9	15.8
Operating profit margin	%	21.4	13.5	24.4	19.0	22.7
Net profit margin	%	13.0	-1.9	16.1	10.2	13.7

Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E
N.A.: Not applicable (Losses incurred)

Source: CMIE

RETAIL INDUSTRY

Highlights

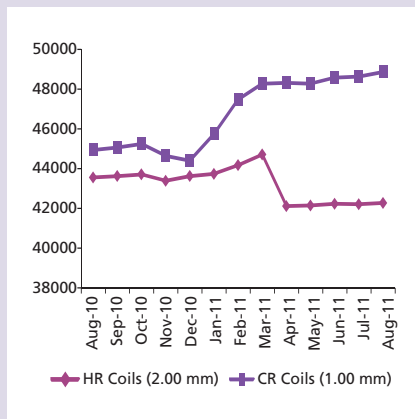
- Pantaloon Retail India Ltd (PRIL) has earmarked ₹ 9 billion for expansion across India. The company plans to invest in 9 million square feet of retail space over the next three years. Out of the total retail space, the company plans to use around 60% to set up Big Bazaar stores.
- Da Milano, a leather fashion brand, launched five flagship stores in Maharashtra. The stores have been opened in Mumbai and Pune. The company plans to open 10 new outlets across India in this financial year.
- Premium apparel and accessories brand, Guess, brought in India by the Planet Retail Group, launched its first exclusive 'Women's Only' showroom in Pune, Maharashtra. The 1,519 sq ft store is the brand's sixteenth exclusive store in the country.
- Pavers England Limited, a UK-based footwear company, opened its exclusive franchise outlets in Chandigarh, Pune and Bengaluru. The company further plans to launch an additional 20 new exclusive franchise outlets in Tier I & II cities by the end of 2011 in order to expand its retail presence in India.
- The Tommy Hilfiger Group, the global apparel leader, bought the Murjani Group's licence for the Tommy Hilfiger trademarks in India and acquired 50% stake in Arvind Murjani Brands Pvt Ltd. The move is expected to allow the company to integrate India into its global platform for design and sourcing.
- The Mukesh Ambani-owned Reliance Retail is on an expansion mode. The company plans to open a mix of retail and wholesale cash-and-carry trade, housed in single mega stores averaging 150,000 sq ft each. Reliance will set up 14 such stores which will be branded under Reliance Market in cities including Ahmedabad, Amritsar, Bhatinda, Ludhiana, Jalandhar, Patiala, Rai, Hissar and Panipat among others during the first phase of the expansion plan.
- Landmark Book and Music Store, a subsidiary of the Tata Group-owned Trent plans to launch eight new medium and large format stores in the country in the next two years. The company plans to open stores in Bengaluru, Mumbai, Chennai and Chandigarh with an investment of around ₹ 45-50 million in each store.
- Reliance Retail's speciality footwear store, Reliance Footprint plans to double its number of stores in the next six months. The company currently has 53 stores and has taken the franchisee route to expansion. It plans to expand its business to Tier II cities in the coming years.

Industry: Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	27.8	22.6	23.9	22.2	19.5
y-o-y growth	%	5.5	-23.2	-23.9	8.4	-29.7
Net profit	₹ bn	0.5	0.1	0.4	-0.2	0.3
y-o-y growth	%	N.A	N.A	N.A	N.A	-37.5
Net profit margin	%	1.7	0.5	1.7	-0.8	1.6

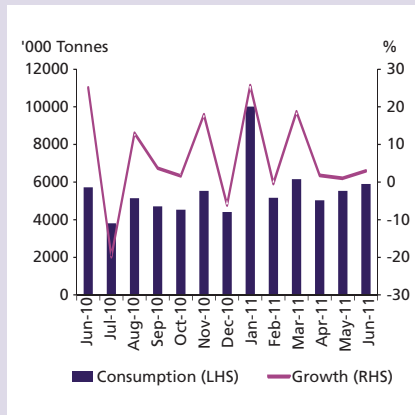
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E
 N.A: Not applicable (Losses incurred)
 Source: CMIE

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



Source: CMIE

Finished steel consumption



Source: CMIE

STEEL INDUSTRY

Highlights

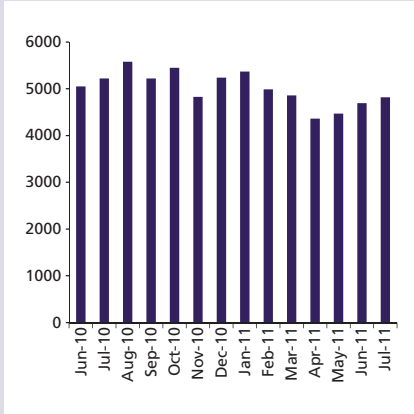
- The Orissa Government sought for imposition of Mineral Resource Tax on iron ore at 50% of surplus rent in mineral bearing states for having improved social and physical infrastructure on rising export demand. It pointed that profits from rising export demand for the state owned resource should benefit fair returns to all and not only the mining community.
- As per the Ministry of Steel, India's finished steel imports were worth ₹ 263.9 billion or 6.8 million tonnes in 2010-11 as compared to ₹ 256.2 billion or 7.4 million tonnes in 2009-10. India exported 3.4 million tonnes of steel in 2010-11 as compared to 3.2 million tonnes exported in the previous year.
- Primary steel makers SAIL, JSW Steel Ltd, Tata Steel Ltd and Essar Steel Ltd plan to raise steel prices due to rising input costs of iron ore and coking coal. While iron ore prices have increased on supply restrictions due to clampdown on illegal mining in Karnataka and growing demand from China, the rising price of coking coke led to production cuts. Also, stainless steel producers including JSL Stainless Ltd and Visa Steel Ltd are considering a cut in production due to high prices of the main raw material, chrome ore.
- The US-based Blackstone Group acquired 7.1% equity through its private equity arm Blackstone Capital Partners in Monnet Ispat Energy Ltd for US\$ 50 million. With the purchase, Blackstone's investment in the Monnet Group increased to US\$ 110 million.
- Bhilai Steel Plant rolled out three special grades of steel in the current fiscal year for use by the Indian Railways, namely the end-forged thick web asymmetric rail, corrosion-resistant grade of plate for manufacture of bogey frames and a new grade of plates for use in the manufacture of pressure vessel in petrochemical projects.
- SAIL aims to make a foray into passenger railway coach manufacturing with a wagon factory project at Kulti at a cost of ₹ 2 billion jointly with the Railways. The construction work is expected to commence soon.
- SAIL is expected to sign a joint venture agreement with Japan's Kobe Steel within 3-4 months in order to acquire the Japanese company's patented technology to set up a 0.5 million tonne greenfield steel plant.

Industry: Key financial indicators

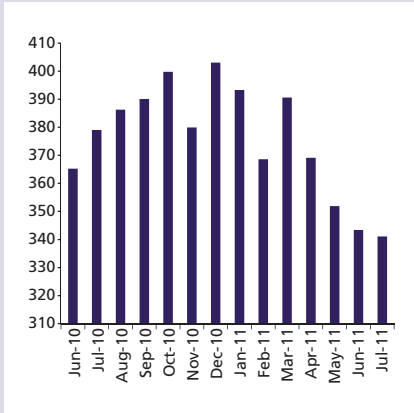
Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	391.7	435.0	440.1	511.8	487.9
y-o-y growth	%	16.0	17.9	13.8	15.0	25.7
Operating profit	₹ bn	92.7	93.7	88.4	112.4	96.7
y-o-y growth	%	22.6	7.1	-8.7	-5.7	4.5
Net profit	₹ bn	39.8	43.0	37.8	53.1	37.6
y-o-y growth	%	31.7	15.7	-14.0	-13.0	-6.6
Operating margin	%	23.3	20.8	19.9	21.6	19.3
Net profit margin	%	10.0	9.6	8.5	10.2	7.5

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

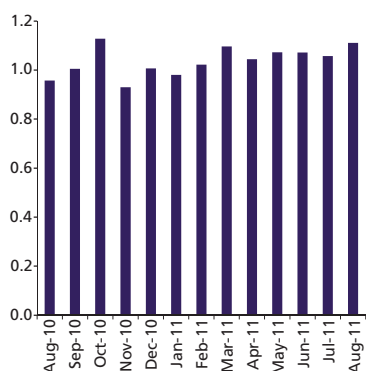
- The Ministry of Textiles granted ₹ 245 million to the Institute of Chemical Technology, Mumbai to set up a research centre to develop sports related textile technologies.
- The Khadi and Village Industries Commission has proposed an inflow of ₹ 550 million during the 12th Five Year Plan to set up 450 khadi and 475 village industry clusters across India and provide employment opportunities to 5.7 million people.
- The Wadia Group sold its spring division BCL Springs to Japanese technology partner NHK Spring for ₹ 1.8 billion, in line with the Group's policy to move out of non-core business areas and focus on core activities.
- Prime Comfort Products Pvt Ltd, manufacturer of specialty polyurethane foam announced the launch of its 'Refresh' brand of mattresses and pillow with innovations like mattresses layer that reduce pressure points and massages bodies along with combination of varying firmness. The brand will initially be available in North India with an aim of becoming an all-India brand in two years.
- Pradip Overseas Ltd, an export player, launched the MYCK brand of home furnishing for the domestic market to create a niche for itself in this category.
- The Trident Group plans to invest ₹ 23 billion in home furnishing product facility and to expand its terry towel capacity in Punjab.
- Rajasthan Spinning & Weaving Mills Ltd plans to invest ₹ 15 billion to enhance its production capacities with sophisticated spinning equipment, introduction of five new yarns and setting up a denim manufacturing facility.

Industry: Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	239.4	261.6	283.5	313.9	274.3
y-o-y growth	%	12.1	13.5	28.7	28.5	17.1
Operating profit	₹ bn	35.8	43.0	45.4	49.0	33.1
y-o-y growth	%	1.6	7.2	36.6	28.0	-6.3
Net profit	₹ bn	8.2	12.3	12.4	13.2	2.3
y-o-y growth	%	13.2	11.4	82.6	27.3	-72.0
Operating margin	%	14.8	16.1	15.8	15.2	11.8
Net profit margin	%	3.4	4.7	4.3	4.2	0.8

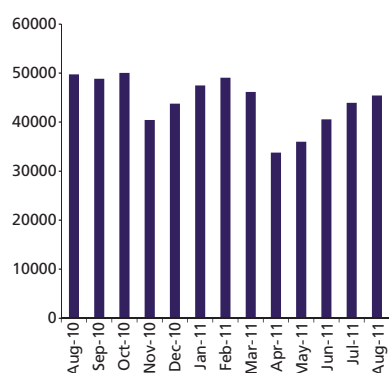
Note: Operating profit: PBDIT net of prior period and extraordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

Two-wheeler: Domestic sales (Million)



Source: CMIE

Three-wheeler: Domestic sales (Nos.)



Source: CMIE

TWO-WHEELER AND THREE-WHEELER INDUSTRY

Highlights

- Demand for two-wheelers continues to remain robust. In August, domestic sales of two-wheelers grew by 16.1% (y-o-y) at 1.11 million units.
- Domestic sales of two-wheelers registered growth of 15.9% for the April-August 2011 period. All the three segments posted growth: motorcycle sales grew by 15.7%, scooters by 17.7% and mopeds sales rose by 13.6% during this period.
- Exports of two-wheelers registered growth of 30% at 0.8 million units during April-August 2011.
- Piaggio Vehicles plans to re-enter the Indian scooter market by introducing its Vespa model by March 2012. The new Vespa will be a 125cc gearless scooter. Piaggio is setting up a new facility with a capacity of 0.15 million units per annum to launch the Vespa.
- Honda Motorcycle & Scooter India launched three new variants of its scooter model Aviator motorcycle CBF Stunner, priced between ₹ 45,300 and ₹ 54,500 (ex-showroom, Delhi). The company plans to launch a 100cc motorbike in India during early FY13.
- Sales of three-wheelers remained weak in August. Domestic sales posted y-o-y decline of 8.6% in August, mirroring the sharp 13.2% decline in sales of passenger carriers.
- During April-August 2011, domestic sales of three-wheelers declined by 0.3%. Sales of passenger carriers posted a decline of 4.2% during this period. On the other hand, sales of goods carriers registered growth of 17.0%.
- Three-wheeler exports continue to grow strongly. For the April-August 2011 period, exports were as much as 50.1% higher as compared to exports in the corresponding period of 2010.
- TVS Motor Co intends to increase its three-wheeler production capacity from 6,000 units per month currently to 8,000 units per month by April 2012.

Two-wheeler sales

Three-wheeler sales

Segments	Aug-11		April-August 2011		Segments	Aug-11		April-August 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	839,772	15.4	4,091,116	15.7	Passenger carriers	36,482	-13.2	156,501	-4.2
Mopeds	58,818	-0.8	315,423	13.6	Goods carriers	8961	16.5	43,220	17.0
Scooters	212,750	24.8	951,312	17.7	Total domestic	45,443	-8.6	199,721	-0.3
Total domestic	1,111,340	16.1	5,357,851	15.9	Exports	32,329	50.4	166,821	50.1
Exports	169,395	35.5	850,273	30.0	Total	77,772	9.2	366,542	17.7
Total	1,280,735	18.3	6,208,124	17.7					

Source: CMIE

Industry: Key financial indicators

Parameters	Units	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12
Net sales	₹ bn	98.2	107.7	112.8	115.5	125.5
y-o-y growth	%	33.1	29.7	33.6	28.6	27.8
Operating profit	₹ bn	16.5	18.2	17.4	19.8	20.5
y-o-y growth	%	31.3	19.1	14.3	19.3	24.6
Net profit	₹ bn	11.3	12.6	12.5	12.1	13.4
y-o-y growth	%	36.3	21.9	20.8	4.3	18.5
Operating margin	%	16.5	16.6	15.2	15.8	16.1
Net margin	%	11.3	11.5	10.9	10.4	10.5

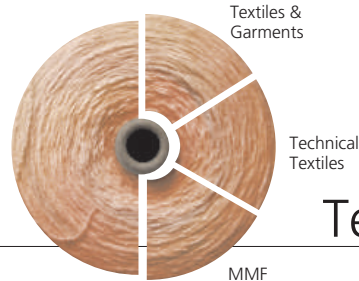
Note: Operating profit: PBDIT net of prior period and extra-ordinary items (P&E); Net profit: PAT net of P&E
Source: CMIE

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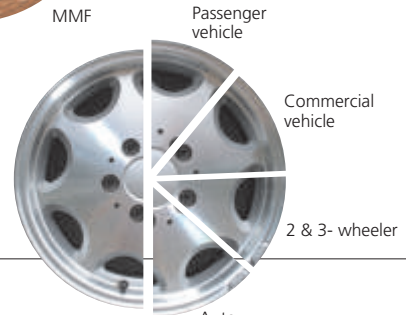
The reports' in-depth analytical content would provide valuable insights to financial institutions, banks, equity broking houses, and corporates towards accurate & informed decision making. The reports would also be useful to the industry practitioners, academicians & scholars.

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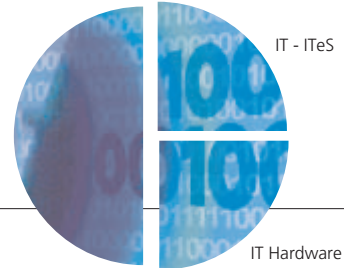
Textiles



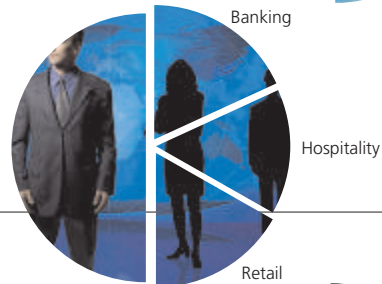
Auto



Core Sector



Infotech



Services



Chemical



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