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EXECUTIVE SUMMARY

ECONOMY NEWS

- Food inflation rises to 9%
- RBI may hike key rates 25 bps
- India asks SAFTA nations to lower trade barriers
- Price surge in May sets stage for interest rate hike
- India Inc's advance tax payout belies slowdown fears
- India adopts global labour norms for domestic workers
- Softening crude oil prices is good news for retailers; refiners wary
- Corporate advance tax payout up 19% for June 15 period
- India, Mauritius to renegotiate pact on double-tax avoidance

INVESTMENT NEWS

- Unions decry labour law exemption for investment zones
- Elder Pharma to invest Rs 130 cr in research facility
- GoAir orders 72 A320s for US\$7.2 b
- Centre plans regulatory framework for private equity investments
- FDI down 9% in Jan-April
- IndiGo inks \$16-b deal for 180 Airbus aircraft
- Ministers' group to come up with proposal to provide Rs 12bn cr to Air India

POLICY NEWS

- Cabinet lowers senior citizen pension age to 60
- Medical facilities for beedi workers
- Industry thumbs up for manufacturing policy
- TN seeks Rs 1,00,000cr debt relief from Centre
- Dumping duty imposed on Pentaerythritol from China

SECTORAL NEWS

- Automobile: Auto sales rise 13%, slowest in almost 2 years
- Auto Component: Apollo Tyres chalks out plan for three-fold expansion in West Asia
- Cement: ACC burns wastes to save Rs 47 cr
- Pharmaceuticals: Aurobindo Pharma gets USFDA nod for heart drug
- Consumer durables: Skyworth launches LED, LCD TVs

- IT: Infosys plans to enlarge European basket
- Oil and Gas: OIL, IOC to wind up Mauritius special purpose vehicle
- Telecom: MTNL ties up with Bharat Berry
- Automobile: Honda City prices slashed by up to Rs 66,000
- Steel: Subsidising green power in UK will hit energy-intensive users: Tata Steel
- Auto Component: Auto parts producers seek alternative to DEPB scheme before Sept
- Cement: Cement prices dip on weak demand, onset of monsoon
- Steel: Steel firms may have to pay more for coking coal imports
- Automobile: Tata Motors' May global sales rise 11%
- Automobile: BMW plans Tier 2 city drive
- Steel: Tata Steel exits Riversdale Mining for A\$ 1.06 b
- Power: NTPC to add 1,500 MW in South by March next
- Telecom: Qualcomm gets ready to launch 4G by year-end
- Media and entertainment: ZeeTV unveils new logo, slogan
- Telecom: GSM call-drop in May
- Aviation: Solar plane expected to make a stopover in India on its world tour
- Banking: SBI to cut down on hiring this year

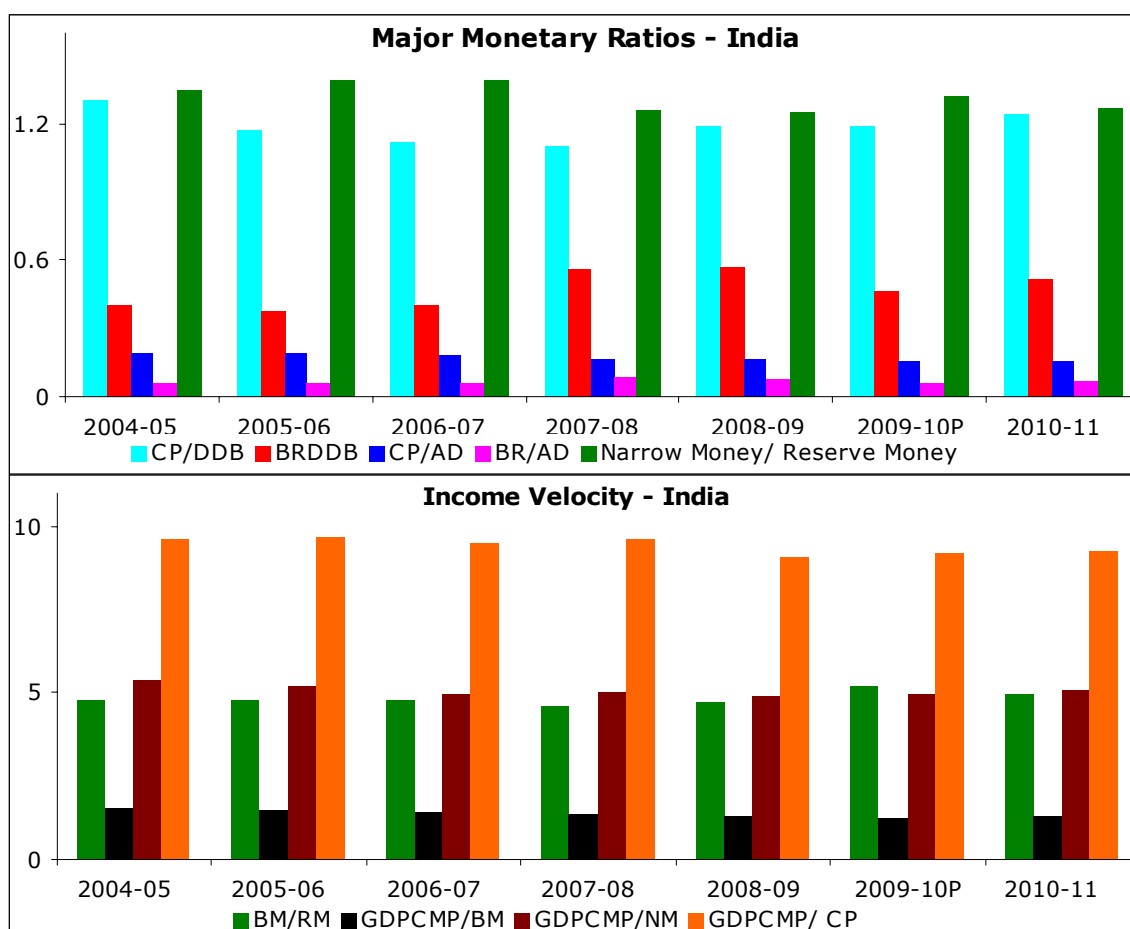
EXPORT IMPORT NEWS

- Exports in May surge 57% to \$26 b
- Sensitive items import up 9.3% in April to Feb 2010-11
- Export-led manufacturing policy doesn't help wean too many away from farming

STATISTICS

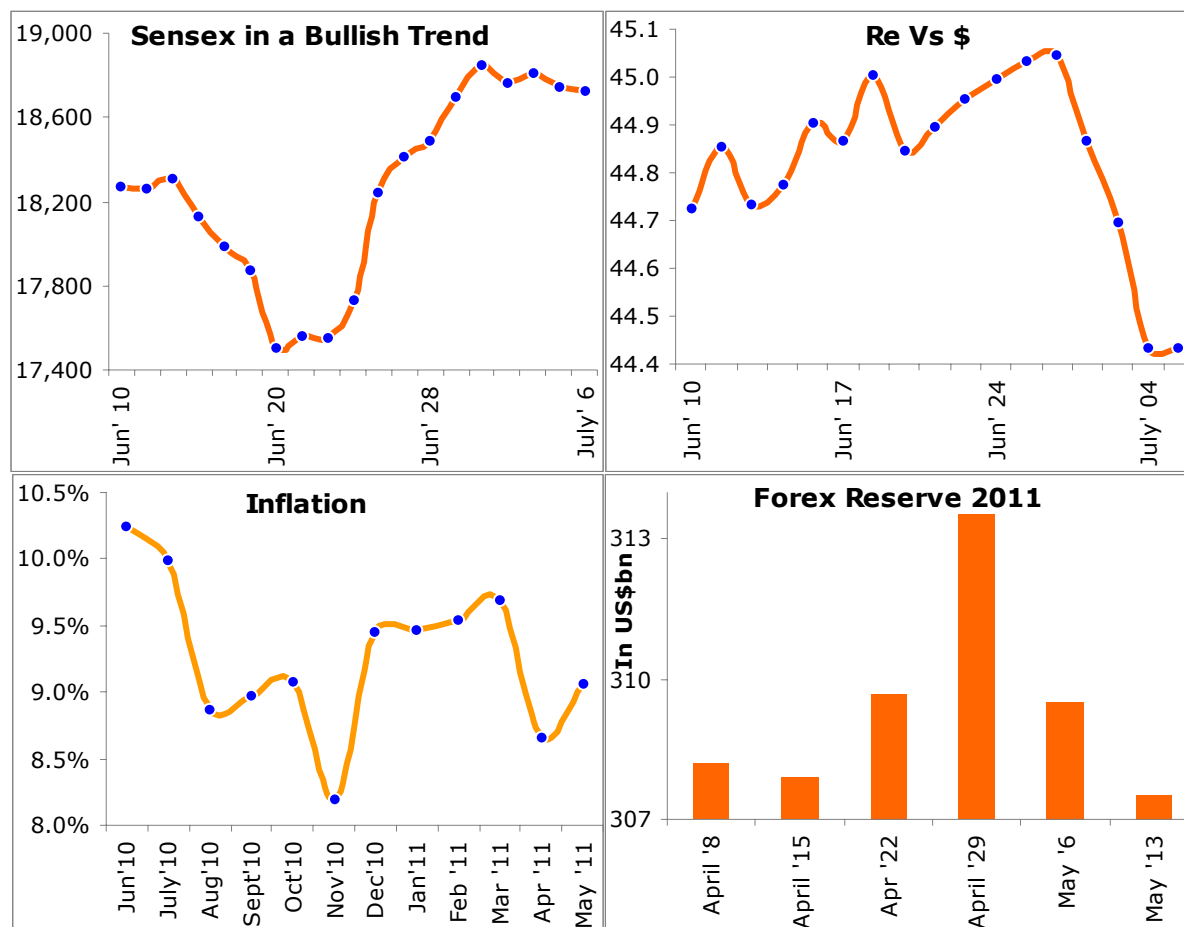
Select Monetary Ratios – India

Year	Major Monetary Ratios					Income Velocity			
	Currency with the Public/ Demand Deposits with Banks	Bank Reserves (Balances with RBI plus Cash with Banks)/ Demand Deposits with Banks	Currency with the Public/ Aggregate Deposits	Bank Reserves (Balances with RBI plus Cash with Banks)/ Aggregate Deposits	Narrow Money/ Reserve Money	Broad Money/ Reserve Money	Gross Domestic Product at Current Market Prices/ Broad Money	Gross Domestic Product at Current Market Prices/ Narrow Money	Gross Domestic Product at Current Market Prices/ Currency with the Public
2000-01	1.33	0.51	0.20	0.08	1.26	4.33	1.72	5.9	10.43
2001-02	1.36	0.5	0.19	0.07	1.27	4.52	1.6	5.73	10.03
2002-03	1.41	0.44	0.19	0.06	1.3	4.8	1.49	5.51	9.49
2003-04	1.36	0.43	0.19	0.06	1.32	4.76	1.48	5.35	9.34
2004-05	1.30	0.4	0.19	0.06	1.35	4.77	1.53	5.40	9.63
2005-06	1.17	0.38	0.19	0.06	1.39	4.78	1.51	5.19	9.68
2006-07	1.12	0.4	0.18	0.06	1.39	4.78	1.46	4.99	9.51
2007-08	1.10	0.56	0.17	0.09	1.26	4.58	1.38	5.01	9.64
2008-09	1.19	0.57	0.17	0.08	1.25	4.75	1.29	4.90	9.08
2009-10P	1.19	0.46	0.16	0.06	1.32	5.18	1.27	4.97	9.18
2010-11	1.24	0.52	0.16	0.07	1.27	4.97	1.31	5.11	9.26
Note: 1)Data is based on an average monetary aggregates and annual GDP, Source: RBI, Cygnus Research									



Note: 1) Data is based on an average monetary aggregates and annual GDP, Source: RBI, Cygnus Research

MACRO ECONOMIC UPDATES



Source: BSE, RBI; Cyanus research

	February 2011	March 2011	April 2011	May 2011
IN- FLATIONS	India's wholesale price index (WPI) rose an annual 9.54% in February on higher fuel and manufactured product prices.	India's wholesale price index (WPI) down to an annual 9.02% in March 2011 as compared to 10.36% on March 2010 on higher fuel and manufactured product prices. This was down due to monetary policy rate hike by RBI.	India's Wholesale price index down to 8.66% in April, a downward movement mainly due to increase in Repo and Reverse repo rate increment by RBI brings down inflation.	India's Wholesale price index gone up to 9.06% in May, an upward movement mainly due to increase in Oil prices. Other than that rising food and raw material prices also take the inflation to a new high.

	Apr '8 – Apr '15	Apr '15 – Apr '22	Apr '22 – Apr '29	Apr '29 – May '6
FOREX	During this week, the foreign exchange reserve decreased by 0.09% with a decrease of US\$286m. This week reserve was almost flat.	During this week, the foreign exchange reserve increased by 0.58% with an increase of US\$1788m. The increase is mainly due to more foreign inflow and as well as increase in foreign currency assets.	During this week, the foreign exchange reserve increased by 1.23% with an increase of US\$3806m. The increase is mainly due to more demand for dollar.	During this period, the foreign exchange reserve decreased by 1.27% with a decrease of US\$3976m. The decrease is mainly due to less foreign inflow and stock market has shown a bearish trend.

	Jun'10 – Jun '15	Jun '16 – Jun'21	Jun '22 – Jun'27	Jun '28 – July '06
Rs Vs US\$	During this week, the rupee depreciated against the dollar by 0.11% from Rs44.725 to Rs44.775 mainly because of slowdown in trade and there is less rupee demand from Exporters.	During this week, the rupee appreciated against the dollar by 0.13% from Rs44.905 to Rs44.845 mainly due to decrease demand from importers for the US currency and downward pressure on the rupee.	During this week, the rupee depreciated against the dollar by 0.31% from Rs44.895 to Rs45.035 mainly due to lower foreign currency inflow, increase demand from importers for the US currency and downward pressure on rupee.	During this week, the rupee appreciated against the dollar by 0.96% from Rs45.045 to Rs44.435 due to fluctuation in Interbank exchange. The decreased demand for rupee has put pressure during the week.
SENSEX	During this week, Sensex has fall 0.75% from 18268.54 points to 18132.24 points. There was speculation and markets have not performed well.	During this week, Sensex has lost 2.37% from 17985.88 points to 17560 points. The Sensex staged a sharp gain as IT, energy and metal stocks rallied. Banking too rebounded into the green territory	During this week, Sensex has gained 4.91% from 17550.63 points to 18412.41 points. A robust market expectation of company results has boosted the confidence among investors.	During this week, Sensex gone down marginally from 18492.45 to 18726.97. After continuous rise for the past two weeks some profit booking has been seen during the week which drags down Sensex by 0.19%.

COUNTRY FOCUS

Srilanka

Sri Lanka, officially the Democratic Socialist Republic of Sri Lanka, known as Ceylon before 1972, is an island nation in South Asia, located about 31 kilometres (19.3 mi) off the southern coast of India. It is home to around 20 million people. Because of its location in the path of major sea routes, Sri Lanka is a strategic naval link between West Asia and South East Asia, and has been a centre of Buddhist religion and culture from ancient times. The country is a multi-religious and multi-ethnic nation, with more than a quarter of the population following faiths other than Buddhism, notably Hinduism, Christianity and Islam.



Famous for the production and export of tea, coffee, coconuts and rubber, Sri Lanka boasts a progressive and modern industrial economy and the highest per capita income in South Asia. The natural beauty of Sri Lanka's tropical forests, beaches and landscape, as well as its rich cultural heritage, make it a world famous tourist destination.

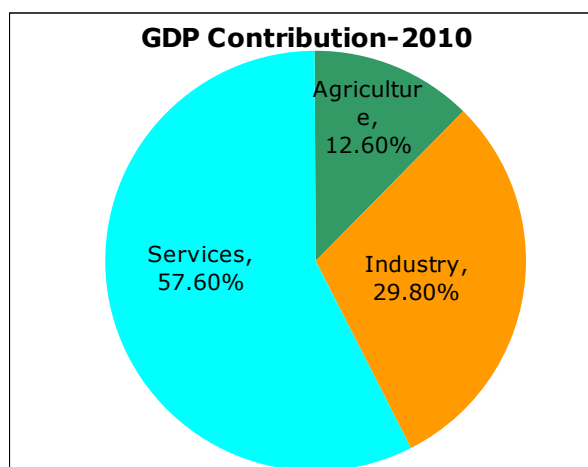
Srilanka Snapshot – 2010	
Capital	Colombo
Official Languages	Sinhala, Tamil
Currency	Srilankan Rupee
GDP	US\$106.5 billion(est)
Fiscal Year	1st January-31st December
Major Trading Partners	US, UK, India, Germany, Singapore, Hong Kong, China, Iran, Japan, Malaysia.

Source: Infoplease; Cygnus Research

Economy

In the nineteenth and twentieth centuries, Sri Lanka became a plantation economy, famous for its production and export of cinnamon, rubber and Ceylon tea, which remains a trademark national export. While the production and export of tea, rubber, coffee, sugar and other agricultural commodities remains important, the nation has moved steadily towards an industrialised economy with the development of food processing, textiles, telecommunications and finance. Service sector contributes most in Srilanka's GDP. In 2010 country's GDP has grown 3.5% as compared to 6% of the previous year. It is estimated that in 2011 Srilanka will see a GDP growth of 6.9% as per 2010 estimate. Country's unemployment rate stood at 5.4%.

Srilanka has seen an inflation of 5.6% in 2010. Major agricultural product for the country is rice, sugarcane, grains, pulses, oilseed, spices, vegetables, fruit, tea, rubber, coconuts; milk, eggs, hides, beef, fish. Industry which contributes 29.80% of overall GDP is contributing processing of rubber, tea, coconuts, tobacco and other agricultural commodities; telecommunications, insurance, banking; tourism, shipping; clothing, textiles; cement, petroleum refining, information technology services, construction and others. Country has seen an Industrial growth of 6.9% in 2010.



Source: CIA; Cygnus Research

Trade with Other Countries

The major export destinations for the country are USA, UK, India and Australia. The major importing countries are India, China, Singapore and Australia. The country's major products for exports form apparel and accessories and tea. The other major exporting products of the country are rubber, precious stones, electrical machinery and parts, fish.

India – Sri Lanka Relations

Trade is a vital component of the Sri Lankan economy the conditions and vicissitudes of the country's trade bear heavily on the economy and welfare of the people. Several issues relating to the country's trade have discussed recently. The discussions have ranged over a number of trade related issues such as the Indo-Lanka Free Trade Agreement (ILFTA), the proposed Comprehensive Economic Partnership Agreement (CEPA), the reduction in import duties and trade liberalization, the emerging deterioration in the terms of trade and the likely large trade deficit this year.

Exports from Srilanka (in US\$ m)	
2005	5,306
2006	6,442
2007	7,076
2008	8,135
2009	7,899
2010	7,085
2011	7,908
Source: INDEXMUND	

Particulars	2006-2007	2007-2008	2008-2009	2009-10
EXPORT	2,258.30	2,830.43	2,425.92	2,188.01
%Growth	11.54	25.33	-14.29	-9.81
IMPORT	470.33	634.96	356.57	392.19
%Growth	-18.59	35	-43.84	9.99
TOTAL TRADE	2,728.63	3,465.39	2,782.49	2,580.20
%Growth	4.85	27	-19.71	-7.27
TRADE BALANCE	-1,787.97	-2,195.47	-2,069.35	-1,795.81
Source: Ministry of Commerce; Cygnus Research				

Bilateral trade deficit

There is a false notion that bilateral trade deficits are bad. As pointed out trade deficits arise out of the composition of export and import possibilities of countries and competitiveness of countries in their exports. The fact that Sri Lankan trade with India has a deficit is indicative of this. Similarly, Sri Lanka has a trade surplus with the US for the same reasons. This does not mean that Sri Lanka should not aim to reduce the trade deficit bilaterally. Increasing exports is certainly beneficial for the country. Improving the trade balance bilaterally is beneficial if the exports of the country could be increased. Mere diversion of exports from one market to another would not be beneficial unless there is some price advantage. However, the fact that Sri Lanka has a trade deficit with India is not necessarily bad by itself for the reasons pointed out earlier.

Commercial Relations

India accounts for almost 15% of total Sri Lankan imports (biggest source of Sri Lankan imports) and is the 3rd largest export destination for Sri Lanka. Over the years, the pattern of India's exports to Sri Lanka has undergone a change. While sugar was the largest item of export to Sri Lanka, exports in the 1990s diversified into industrial goods and chemical products apart from wheat, rice, chillies, potatoes, vegetables, yarn and fabrics. Sri Lanka's major exports to India are copper, cloves, pepper, naphthalene, apparel, alloy steel scrap, magnetic and optical readers, craft paper and corrugated paper board.

Outlook

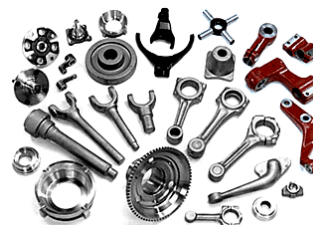
The 2008-09 global financial crisis and recession exposed Sri Lanka's economic vulnerabilities and nearly caused a balance of payments crisis, which was alleviated by a US\$2.6 billion IMF standby agreement in July 2009. The end of the civil war and the IMF loan, however, have largely restored investors' confidence, reflected in part by the Sri Lankan stock market's recognition as one of the best performing markets in the world. Sri Lankan growth rates averaged nearly 5% in during the war, but increased government spending on development and fighting the LTTE in the final years spurred GDP growth to around 6-7% per year in 2006-08. After experiencing 3.5% growth in 2009, Sri Lanka's economy is poised to achieve high growth rates in the post-war period. By May 2009, the government announced that its military had defeated the remnants of the LTTE. Since the end of the conflict, the government has resettled tens of thousands of internally displaced persons and has undertaken a number of massive infrastructure projects to reconstruct its economy.

INDUSTRY FOCUS

Auto-Component Industry

Overview

The Indian auto component industry has been navigating through a period of rapid changes with great élan. Driven by global competition and the recent shift in focus of global automobile manufacturers had sweeping ramifications for the industry. Surge in the automobile industry has led to robust growth of the auto component sector in the country. In tandem with the industry trends, the Indian component sector has shown great advances in recent years in terms of growth, spread, absorption of new technologies and flexibility. The Auto Component industry is considered as the sunrise industry with huge growth prospects and is now becoming a major hub for sourcing auto components to global automobile makers. India constitutes only 0.9% of the global auto component industry, expected to increase by 2.5% by 2015. This industry is one of the core industries of the Indian economy, whose prospect is reflective of the economic resilience of the country. The automotive sector in India contributes to 5% of the nation's GDP and 17% of the indirect taxes.



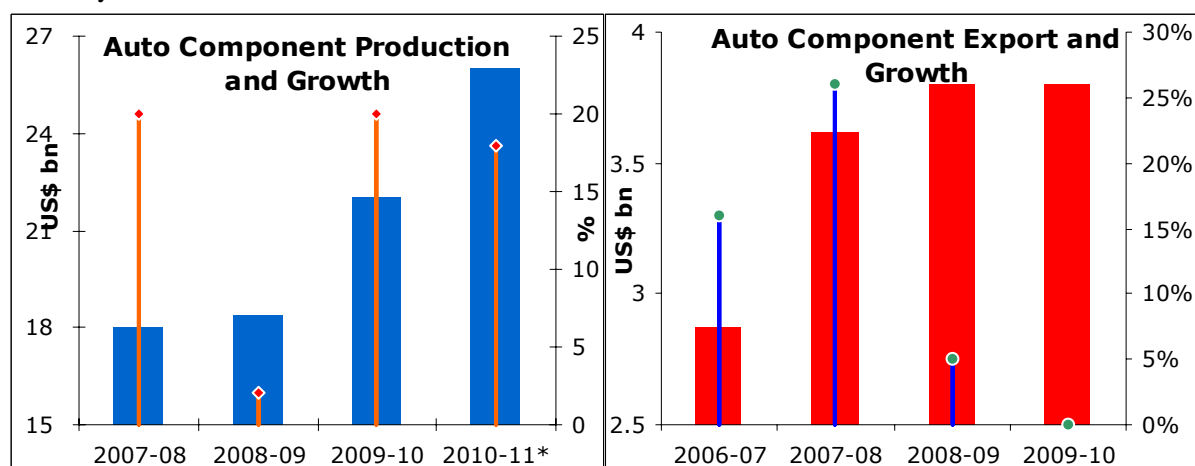
Industry segments and their contribution

The following table lists the industry segmentation on the basis of components, their contribution to the overall industry revenues and some of the leading players in those segments.

Sub-groups	Products	Leading companies
Engine Parts	Pistons, piston rings, fuel injection, Pumps	Ucal Fuel, MICO, Lucas
Transmission & Steering Parts	Transmission gears, axles and wheels	Sona Koya, ZF, Steering
Suspension & Braking parts	Leaf springs, shock absorbers	Gabriel, Munjal showa
Electrical	Spark plugs, batteries, starter motors	Exide, MICO
Equipment	Dashboard instruments	Motherson, Sumi, Lumax
Others	Fan belts, sheet metal parts	Rico Auto, Sundram

Source: Market source; Cygnus Research

Industry Performance



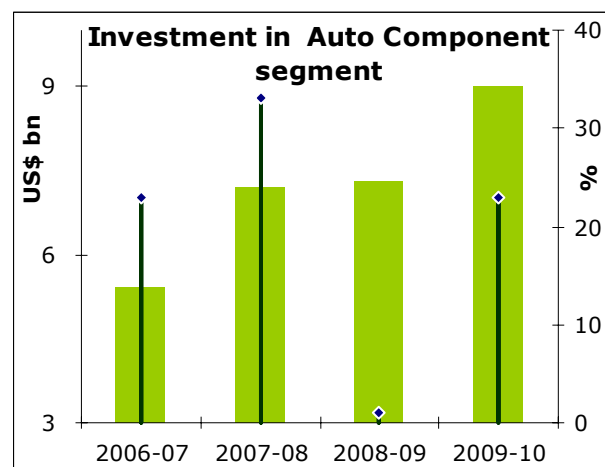
Source: ACMA; Cygnus Research

The Automotive Component Industry's output amounted for the financial year 2009-10 is US\$22 billion with a growth rate of 20% against financial year 2008-09. However export of the sector is more or less steady during 2009-10 at US\$38 billion against 5% growth in 2008-09. The Indian auto components industry is expected to grow beyond US\$110 billion by 2020. The domestic turnover is estimated to grow up to US\$80 billion, and exports are projected to touch US\$29 billion. High growth and possibility of even more made the auto component manufacturers strategically rigid and a touch complacent to managing operations and they were unprepared when the downturn hit. In most cases companies allowed inventory to build up. FDI inflow in 2009–2010 for the auto components sector was recorded at US\$1.2 billion. This is expected to create more than a million employment opportunities for skilled labour. India's share in the global auto components market is expected to rise from 0.9% in 2008–09 to 2.5% in 2015. Auto component production in the range of US\$20 to US\$25 billion is expected to be outsourced to India by 2015. Among the 6,400 players present in the Indian market, about 600 constitute the organised sector and contribute more than 77% of the country's total production of auto components.

Investments

Historically, India's strength in exports lies in forgings, castings and plastics. But this is changing with more component manufactures investing in up gradation of technology in recent years. The auto component industry has recorded a total investment of US\$9 billion in 2009–2010 with a growth of 23%. Investment in the industry is expected to cross US\$35 billion by 2020.

Foreign Investments: India enjoys a cost advantage with respect to casting and forging as manufacturing costs in India are 25-30% lower than their western counterparts. Seeing the growing popularity of India in the automotive component sector, the Investment Commission has set a target of attracting foreign investment worth US\$6-7 billion for the next seven years to increase India's share in the global auto components market from the existing 0.9-2.5% by 2015.



Source: ACMA; Cygnus Research

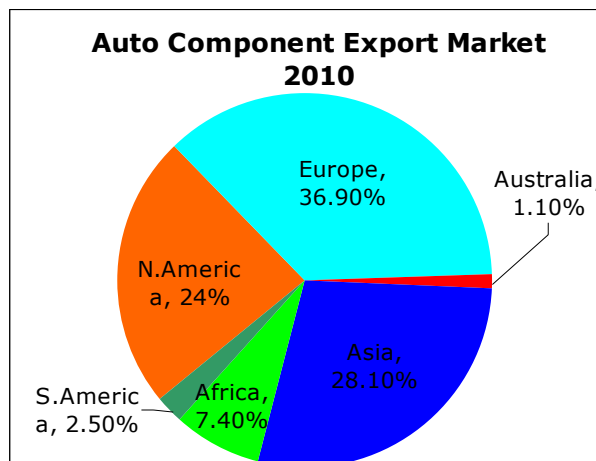
Domestic Investments: The market is so large and diverse that a large number of players can be absorbed to accommodate buyer needs. The sector not only has global players looking to invest and expand but leading domestic component companies are also pumping in huge sums into expanding operations. Indian tyre makers are rolling out investment plans worth US\$1.24 billion, due to the rising popularity of radial tyres in the commercial vehicles segment. Investment in the industry is expected to cross US\$35 billion by 2020.

Government Policies

- Reduction in excise duties in selected segment of automobiles
- Scheme to provide enhanced Export Credit and Guarantee Corporation (ECGC) cover at 95% has been extended up to March 2010. This scheme will assist players to mitigate risk of payment defaults in the export market.
- Automatic approval for foreign equity investment up to 100% of manufacture of automobiles and components is permitted.
- The automobile industry has been de-licensed.
- There are no restraints on import of components.

Exports

The industry has been exporting around 13% of its output. Principal export items include replacement parts, tractor parts, motorcycle parts, piston rings, gaskets, engine valves, fuel pump nozzles, fuel injection parts, filter and filter elements, radiators, gears, leaf springs, brake assemblies and bearings, clutch facings, head lamps, auto bulbs and halogen bulbs, spark plugs and body parts. Europe and North America cumulatively account for nearly 63% of total exports from India, followed by Asia with 24%. Auto component exports from India were estimated at US\$3.8 billion for 2009–2010, witnessing a CAGR of 17.5% over the last five years. Exports are expected to grow to US\$30 billion by 2020.



Source: ACMA; Cygnus research

Outlook

The Indian auto industry has the potential to emerge as one of the largest industries in the world. The fortunes of the automotive components segment are linked to the performance of the auto industry. The auto ancillary industry gives support to sectors such as metals that includes steel, aluminium, copper and also to many other machine tools, plastics, rubbers, polymers, glass, surface transport. The Indian auto component industry is expected to grow by over four-fold to US\$113 billion by 2020. The Indian automotive component makers are planning to invest US\$30 billion by 2020. The Ministry of Heavy Industries and Public Enterprises has envisaged the Automotive Mission Plan 2006-2016 to promote growth in the sector. It targets to: Increase turnover to US\$122 billion–US\$159 billion by 2016 from US\$34 billion in 2006. Increase export revenue to US\$35 billion by 2016. Provide employment to additional 25 million people by 2016. Indian auto industry has evolved around three major clusters: Mumbai-Pune-Nashik-Aurangabad (west); Chennai-Bangalore-Hosur (south); and Delhi-Gurgaon-Faridabad (north). Export-oriented companies have formed base in the west/south regions, due to proximity to port. As per Indian Suppliers' report, the automotive sector in India contributes to 5% of the nation's GDP and 17% of the indirect taxes as a result of which the government last year charted a 10-year blueprint for the sector's growth. This envisages the automotive sector "output reaching a level of US\$145 billion accounting for more than 10% of the GDP" by 2016.

SECTORAL NEWS

Automobile: Auto sales rise 13%, slowest in almost 2 years

Rising fuel costs, interest rates and vehicle prices have pulled down growth of the auto sector in May to 13% year-on-year. Such a drop was last seen almost two years ago in September 2009 (9.64%). The Society of Indian Automobile Manufacturers (SIAM) indicates that June sales may be even lower. The drop in May was after an annual 23% growth in April and a 19% increase in March. According to the data, passenger vehicle sales in May grew 8% which is the lowest overall. This includes passenger car sales growth at 7% (1.58 lakh units). This is despite a 19% increase in car production in April-May. SIAM had projected a growth of 16%-18% in passenger car sales for FY 12, while the overall industry was expected to grow 12%. Maruti Suzuki had posted its slowest growth in more than two years this May at 2%, while Hyundai followed suit with a similar growth. Two-wheeler sales were not impacted much, posting a growth of 14.5% annualised.

Auto Component: Apollo Tyres chalks out plan for three-fold expansion in West Asia

Apollo Tyres today rolled out its plan for a three-fold expansion in business in the next one year to US\$100m in West Asia, through group subsidiary Apollo Tyre Middle East (ATME) Ltd in Dubai. Sales are expected to rise up to US\$250m in three years. While ATME will also be responsible for spreading business in Turkey, in the longer run – in a span of two-odd years, Apollo plans to have its office in the country to capitalise on the strong in-country (Turkey) demand as well as make inroads in neighbouring East European markets. The entire demand in the region will be catered by Apollo's Indian operations. India currently contributes 62% of the group revenue of US\$2 billion as on March 2011. Apart from India, Apollo has operations in South Africa (Apollo Tyres South Africa) and the Netherlands (Apollo Vredestein).

Cement: ACC burns wastes to save Rs47 cr

ACC has saved close to Rs47 crore in 2010 through the increased use of alternative fuel and raw materials such as plastic waste and tyre chips for co-processing in its cement kilns. This cost saving is 15% more than the Rs40.77 crore achieved in the previous year. ACC has undertaken co-processing trials of 23 different wastes including liquids such as spent wash and acid tar sludge at its plants in Wadi and Jumi. ACC had rolled out the alternative fuel and raw material policy across the company in August last year. The company has increased the consumption of industrial wastes for co-processing by 50% in 2010 over previous year. ACC co-processed about 1.98 lakh tonnes of alternative raw materials such as fly-ash and slag and 22,092 tonnes of alternative fuels in its kilns. India produces about 6.2 million tonnes (mt) of hazardous waste including 0.41 mt of incinerable wastes. However, only 12 States have 27 hazardous treatment, storage and disposable facilities. Major waste generating States include Maharashtra, Gujarat, Andhra Pradesh, West Bengal, Madhya Pradesh, Rajasthan and Tamil Nadu.

Pharmaceuticals: Aurobindo Pharma gets USFDA nod for heart drug

Aurobindo Pharma Ltd has received final approval from the US Food and Drug Administration (USFDA) to manufacture and market Ramipril capsules. Ramipril capsules are the generic equivalent to the reference listed drug Altace capsules of King Pharmaceuticals Inc. They are for the treatment of hypertension and falls under the cardiovascular therapeutic segment. The product has a market size of approximately US\$95m for the twelve months ending September 2010, according to IMS. The product would be launched soon.

Consumer durables: Skyworth launches LED, LCD TVs

Skyworth, the US\$4 billion diversified Hong Kong stock exchange-listed electronics and white goods company and a leading brand in China, on Saturday announced the roll-out of a wide range of LCD and LED TVs in the Indian market beginning Hyderabad. It plans to reach out to cover all the southern States by December. The company, which supplies set top boxes to some cable operators and DTH players and flat panels to some of the Indian brands, is operating through a fully owned subsidiary Skyworth India. It has outlined its plan to gradually roll out other products such as refrigerators and washing machines.

IT: Infosys plans to enlarge European basket

Infosys Ltd is looking beyond the IT landscape to fast-forward its growth as the company wants to impact the complete footprint of the clients. It also plans to increase share of its European operations to nearly one-third of its revenues to reduce dependence on the US. The company wants to increase revenues from Europe, currently at about 22% to 30%, though he did not share a timeline to achieve the target. It also plans to hire 500 people more in Europe, taking the number of employees, including those who come on deputation, to about 5,000 there. The North American market contributes nearly 65% to the revenues of Infosys.

Oil and Gas: OIL, IOC to wind up Mauritius special purpose vehicle

Oil India Ltd and Indian Oil Corporation are likely to close their Mauritius-based special entity floated for acquiring oil and gas acreages overseas. Ind-Oil Overseas Ltd, the special entity jointly floated by IOC and OIL, was to look at prospects in CIS and African countries. The 50:50 venture was set up in 2008. The decision to set up the entity in Mauritius was prompted by the tax benefits the country offered. Till date the entity has not acquired any acreage. The companies had kept the capital base in the SPV at the minimum. Both IOC and OIL preferred to adopt a two-model approach to acquire oil and gas assets. By keeping the consortium option open, OIL could also consider roping in other partners in assets that do not interest IOC. While under the SPV route the burden would not be on the parent companies' balance sheet, the advantage of a consortium approach would be that the companies would enjoy tax benefits extended to exploration activities.

Telecom: MTNL ties up with Bharat Berry

Mahanagar Telephone Nigam Ltd (MTNL) has tied up with Bharat Berry Technologies to provide push-email services for all its mobile subscribers. The service, starting at Rs50 a month (for individual services), will be available to both pre-paid and post-paid Dolphin subscribers, covering all major mobile handsets. As mobile data connectivity is improving and data usage is growing, more and more customers are looking for push e-mail solution on their mobile handsets as a productivity tool and as a means to remain connected. A free trial offer for one month will be available for all MTNL Mumbai mobile customers.

Automobile: Honda City prices slashed by up to Rs66,000

Honda Sael Cars India on Tuesday reduced the price of its sedan, Honda City, by up to Rs66,000. The new price structure, with cuts ranging from 4%-8%, will be effective from June 14. The car will now be available between Rs7.49 lakh and Rs9.89 lakh. The company's R&D division had started working on localisation and cost-reduction activities for its volume models from 2009. Honda City has been among the leaders in the petrol mid-size sedan segment. The lack of a diesel model and competition from new models such as the Volkswagen Vento, the Hyundai Verna and the SX4 has intensified competition in the segment. This may have prompted Honda to cut prices of its most popular model.

Steel: Subsidising green power in UK will hit energy-intensive users: Tata Steel

Tata Steel has warned that the cost of levies supporting the UK Government's low carbon energy policy – for energy-intensive users here in the UK – could soar in the next 10 years. The company employs 20,000 people directly in the UK as one of the biggest energy consumers in the UK. The burden on industry here in the UK remained high even by European standards – with costs of energy use in the UK being significantly higher and more volatile – than in Germany or in France. Tata Steel has been outspoken about some of the recent reforms to the energy market brought in by the British coalition government – in particular the introduction of the world's first carbon floor price earlier this year. Back in March, Tata Steel warned that the scheme could cost the company £20 million a year.

Auto Component: Auto parts producers seek alternative to DEPB scheme before Sept

The Automotive Component Manufacturers Association of India (ACMA) wants the alternative scheme in place of the DEPB to be put in place at the earliest and not wait till September. ACMA, the nodal agency for the auto component industry, feels it will help maintain the export competitiveness. Auto

components, engineering and chemicals will be impacted as they form 60% of the benefit from this scheme. Auto components exports reported a growth of 18%-20% growth in the last two years. In 2010-11 auto components export moved up to US\$5 billion compared with US\$3.8 billion the previous year.

Cement: Cement prices dip on weak demand, onset of monsoon

Hopes of revival in cement prices ahead of monsoon were washed out with top dealers reporting a decline of Rs5-10 for a 50kg bag across regions during the last fortnight, as there was no turnaround in demand either from infrastructure or real-estate sectors. The western region, including Maharashtra, Gujarat and Goa which were holding strong till recently, have started cracking. Prices in Mumbai were down Rs5 a bag while Gujarat witnessed a drop of Rs10-15 a bag due to weak demand ahead of monsoon. Though the average price in the western region at Rs265 a bag in the June quarter may work out to lower by about Rs11 a bag sequentially, they may still end up about Rs17 year-on-year. The average cement prices in the northern region were down Rs14 a bag to Rs275 owing to sharp fall in demand. The June quarter prices in the region are still up Rs10 a bag compared to last fiscal.

Steel: Steel firms may have to pay more for coking coal imports

The Indian steel makers may have to pay more for the imported coking coal in the next quarter beginning July 1. Indian steel companies largely source coking coal from Australia, where the strikes by the BHP Billiton coal miners provided a fresh trigger for a potential coking coal supply disruption and hardening of prices. About 3,500 mine workers were participating in a rolling six-hour work stoppage as also on June 18 at different sites of BHP Billiton Mitsubishi Alliance (BMA) in Bowen Basin of Queensland, known for its prime hard coking coal. The current quarterly contracts price of US\$330 a tonne has been overtaken by the spot price around US\$334 a tonne. Some Indian importers will have to fall back upon the spot market for want of supplies of contracted deliveries.

Automobile: Tata Motors' May global sales rise 11%

Tata Motors announced an 11% growth in total global sales for the month of May at 88,251 vehicles. This includes sales of the Tata-owned British brand Jaguar Land Rover (JLR), besides Tata branded commercial and passenger vehicles. Global sales of all commercial vehicles, Tata, Tata Daewoo and the Tata Hispano Carrocera range, rose 20% to 44,070 units in the month, while total passenger vehicle sales were up two per cent at 44,181 units. Of the total passenger vehicles, sales of Tata branded models and the distribution offtake in India for Fiat cars totalled at 21,885 units in May. This was lower by nine per cent over the same month last year. Meanwhile, global sales of JLR rose 17% to 22,296 units, with Jaguar sales dropping 18% even as Land Rover sales increased 30%.

Automobile: BMW plans Tier 2 city drive

Luxury car-maker BMW has prepared a blueprint for the third wave of its India strategy, and plans to treble its dealership network to 60 across the country by 2015, including touch points in Tier II, III and IV cities. At present BMW has embarked upon the second wave of its India strategy under which it will expand its 24-strong dealer network to 40 by the end of 2012. BMW India sales had grown 92% over those in the same period last year. One of the major drivers of the growth was the X1 introduced late last year that has sold 700 units so far.

Steel: Tata Steel exits Riversdale Mining for A\$ 1.06 b

Tata Steel on Thursday said it would divest its entire stake of 26.27% in Riversdale Mining to Anglo-Australian mining group Rio Tinto for A\$ 1.06 billion (US\$1.12 billion; or about Rs5,000 crore). The move follows Rio Tinto's plans to delist Riversdale after taking over control of the company this April. Rio Tinto holds a 73.20% stake in the Australian mining firm which has significant interests in South Africa. The sale consideration of about A\$ 1.060 billion represents around 100% appreciation of value in less than four years since the first investment. Tata Steel continues to focus on its current holding of 35% in Riversdale Energy (Mauritius), which owns coal assets in Mozambique. Tata Steel would look forward to work with Rio Tinto and discuss in good faith ways to enhance its participation in the Benga Joint Venture based on the framework captured in the agreement between Tata Steel and Riversdale Mining.

Power: NTPC to add 1,500MW in South by March next

Power major NTPC Ltd is set to add 1500MW more in the Southern region during the current fiscal, even as it is gearing up to take up a mega project at Kudgi in Karnataka. The corporation now has an installed capacity of 4,450MW in the South at Ramagundam, Simhadri, Kayamkulam in addition to 2,000MW it receives from the Talcher plant located in Orissa. With the fresh capacity addition, the installed capacity is poised to go up to 6,000MW by March next. The addition will come through a second unit of 500MW at Simhadri, which will make it a super-thermal power plant with capacity of 2,000MW, and two units of 500MW at Vallur in Tamil Nadu, which is being implemented through a joint venture with TN Electricity Board.

Telecom: Qualcomm gets ready to launch 4G by year-end

US chipmaker Qualcomm is looking to launch its fourth generation (4G) technology-based broadband services by the end of the year. The company, which had won broadband spectrum a year ago in four circles, is also close to finalising its strategic partner in the venture. Qualcomm is betting on the TDD-LTE (Time Division Duplex Long Term Evolution) technology for rolling out broadband services in Delhi, Mumbai, Haryana and Kerala. The company owns 74% stake in the venture while the balance is held jointly by Tulip Telecom GTL. The chip-maker's bid for the broadband spectrum in 2010 had taken many by surprised but the move dealt a blow to companies which wanted to bring in WiMax technology, a rival to the LTE platform. After winning broadband spectrum, Qualcomm and equipment vendors including Ericsson hastened the development of the LTE ecosystem.

Media and entertainment: ZeeTV unveils new logo, slogan

In a bid to ring a new outlook for the channel, ZeeTV announced a new brand identity featuring a new logo and a slogan *Umeed Se Saje Zindagi*. The new logo has been developed by Zee TV's in-house team and the launch will also coincide with the premiere of two new shows on the channel, *Shobha Somnath Ki* and *Mrs Kaushik Ki Paanch Babuein*. As part of channel's new line up of shows is also *India Ke Jaanbaaz*, a reality show. The channel has also collaborated with its creative agency Draft FCB-Ulka to develop the new corporate brand television commercial. The TVC is produced by Equinox. In order to make the viewers a part of the new brand identity exercise, the network undertook a large-scale BTL (below the line) activity.

Telecom: GSM call-drop in May

In May GSM operators together added 9.5 million new users taking the total subscriber base to over 590 million. While this addition in number is still good compared to other global markets, it is much lower than what the operators were adding over the past few months. According to the Cellular Operator's Association of India (COAI), the dip in numbers is due to lack of competition among operators on tariffs, which has cut down the number of dual SIM users. The growth in mobile subscription has been coming from the rural areas but as operators move deeper into the hinterland issues such as subscriber verification and high cost of providing connection are coming in the way.

Aviation: Solar plane expected to make a stopover in India on its world tour

The world's first solar plane hopes to make a stop over in India when it completes its first round-the-world tour three years from now. The plane would fly south of the Himalayas and hoped to make a stop over in India, if invited to do so. Solar Impulse, which unveiled the world's first plane powered by solar energy last year, will complete construction of a second updated plane in 2013 and take it on a three-day, three-night round-the-world journey the following year. Weighing 1,600 kg, similar to a small sports car and with the power of a small scooter (four 10 HP electric engines), Solar Impulse's founders insist that its not using any new revolutionary technology to power the plane but simply what is out there readily available. However, the biggest challenge when it comes to the round-the-world tour at least will be integrating into the busy air traffic routes. The plane needs 3,000 feet of separation from other crafts nearly three times what regular aircrafts need, which poses major challenges to air traffic control operations.

Banking: SBI to cut down on hiring this year

State Bank of India (SBI) has scaled down its recruitment for the current financial year. The banking behemoth will hire about 11,000 officers and clerks this year. This is significantly lower compared to the last few years. For instance, in 2009-10, SBI hired over 25,000 officers, clerks and specialist officers for various roles in rural banking, marketing, advisory services, technical and legal operations. While the exact figures on recruitment during 2010-11 are not immediately available, SBI sources put the number at around 20,000, besides 15,000 business correspondents in rural areas. But other banks would continue their hiring spree though not in large numbers, he added. Some banks, including Indian Overseas Bank, Allahabad Bank and Indian Bank have started the process to fill 5,000 positions of officers and clerks. The Reserve bank of India is also on hiring mode.

EXPORT IMPORT NEWS**Exports in May surge 57% to US\$26 billion**

Merchandise exports registered a record 57% growth to US\$26 billion in May thanks to a spectacular performance by engineering, oil and electronics sectors. But imports jumped to a four-year-high at US\$41 billion at an equally scorching pace of 54% mainly due to rising oil prices and a surge in gold imports. This resulted in the gap between imports and exports widening to US\$15 billion (a 67% increase), the largest since August 2008 – prompting the authorities to caution that the trade deficit for 2011-12 could touch a record US\$145-150 billion. Exports in the first two months of this fiscal (April and May) grew by 45.3% to US\$49.8 billion, while imports rose by 33.3% to US\$73.7 billion. This took the trade deficit to US\$23.9 billion. The high export growth in May was mainly due to engineering exports registering a whopping 120% rise to US\$8 billion. Exports of iron, steel, copper, aluminium, automobiles and auto-components are doing relatively better than industrial machinery.

Sensitive items import up by 9.3% in April to Feb 2010-11

Import of sensitive items during April 2010-February 2011 was at Rs655.96 billion, up 9.3% from Rs600.11 billion during the corresponding period of the previous year. Imports of sensitive items such as edible oil, automobiles, fruits and vegetables (including nuts), rubber, products of small scale industries, milk and milk products, alcoholic beverages, marble and granite as well as foodgrains increased during the period under reference. Edible oil imports were up by 13.7% to Rs273.14 billion. In this, import of crude oil rose 16.6%, while that of refined oil fell by 1.5%. The increase in edible oil import is mainly due to substantial increase in import of crude palm oil and its fractions. Import of foodgrains jumped to Rs2.50 billion, while import of milk and dairy products rose to Rs 7.53 billion. Imports of automobiles increased to Rs23.15 billion.

Export-led manufacturing policy doesn't help wean too many away from farming

A policy of manufacturing for export markets doesn't help to wean too many people away from farming to the shop-floor. That might well be the lesson from the data compiled by the RBI in its research on productivity, efficiency and competitiveness trends of the Indian manufacturing sector. India and China had in 1980, roughly 68% of their respective populations engaged in agriculture. By 2007, India managed to bring it down to a little over 50%. In contrast, China brought it down to a little over 44%. That China had managed to reduce its farm dependent population compared with India is not surprising.

INVESTMENT NEWS**Unions decry labour law exemption for investment zones**

Exempting new manufacturing investment zones (NMIZs) from some labour laws, despite certain objections by the Labour Ministry, has evoked a strong reaction from some trade unions. The draft national manufacturing policy, which got in-principle approval from the Government, has now been forwarded to a CoS to iron out labour and environment-related issues. Government was bent on ensuring land loot, fabulous tax concessions and exemptions from labour laws to corporates, both domestic and foreign and fly-by-night operators through these zones.

Elder Pharma to invest Rs130 cr in research facility

As the 'on sale' tag gets affixed to every prospective drug-maker in the country by match-makers in the industry, the over Rs800-crore. Last year, the research facility was upgraded to focus on developing new drug delivery systems. In the second year, the team has been increased and will work on developing products to be marketed by the company and its in-licensing partners. The company has about 25 licensing partners, whose products Elder Pharma sells in India. Elder Pharma's area of focus includes prescription products in women's health, nutraceuticals and pain management. At present, wound care and pain management contribute about 16% to Elder's turnover and is anticipated to grow at over 15% every year. Elder's products include its Rs200-crore Shelcal, now set to be taken to Sri Lanka and Bangladesh, among other markets.

GoAir orders 72 A320s for US\$7.2 billion

Low-cost carrier GoAir is set to purchase 72 Airbus A320 aircraft for US\$7.2 billion (Rs32,400 crore). This is the second largest aircraft order in the domestic industry after IndiGo. These new aircraft will be delivered over 5-7 years. Company will receive about 15 aircraft every year. The purchase will be financed in a combination of equity and debt. The A320 NEO offers 15% savings on fuel burn and 11% reduction on operating cost per seat, which will enable the airline reduce fares. The latest order supplements an ongoing expansion plan, under which 10 A320s will be delivered over two years.

Centre plans regulatory framework for private equity investments

The Centre is working on a new regulatory framework for private equity investments into the country. Private equity investments are expected to be buoyant this year. Volatile stock markets are forcing companies to look at avenues other than public markets for their capital raising. However, sluggish stock markets are affecting exits for many private equity investors. India could see private equity investments of about US\$10 billion in 2011, higher than the US\$6 billion levels seen last year. The sectors where private equity activity has remained strong include retail, infrastructure and technology. The private equity environment in India had fundamentally changed after the global financial crisis in September 2008. Deal volumes and investment size have been severely impacted. But now more investors are returning to the market, indicating that things may not be all that bad this year.

FDI down 9% in Jan-April

Foreign direct investment (FDI) into the country declined 9% to US\$6.51 billion during January-April 2011 compared with US\$7.14 billion in the same period a year ago. However, FDI flows into India bounced back in the month of April, on an investment surge in services, construction and auto sectors, reversing a steep drop recorded in the previous fiscal year. In April, FDI rose an annual 43% to US\$3.1 billion, with analysts expecting the year to show an improvement in such flows owing to previously announced big-ticket projects. The sectors that attracted FDI include services (financial and non-financial), telecommunications, housing and real estate, construction activities and power. The service sector, which saw investments rise an annual 21% to US\$658m in April, was the top recipient of FDI inflows. FDI in the construction sector, including into roads, were up by 7% to US\$311m in April. The automobile sector attracted US\$266m, up 5%, while flows into the power sector also grew 5% to US\$256m.

IndiGo inks US6 billion deal for 180 Airbus aircraft

IndiGo finalised its agreement to acquire 180 planes from Airbus at the Paris Air show. The low-cost carrier confirmed that it would purchase 150 A320 NEOs and 30 A320s, following a memorandum of understanding that was signed in January, in a deal valued at around US\$16 billion. The airline is yet to select the engine provider. The A320 NEO – new engine option – will be available from 2015. IndiGo has already ordered 100 A320s, of which 44 have been delivered. The deal came as Airbus announced a string of orders for the plane including a US\$7 billion deal with Indiana-based Republic Airways, while JetBlue placed an order for 40 aircraft. The airline expects to complete the induction of all 180 aircraft by 2024. It is also examining the option of taking delivery of some of the A321 in place of the A320. The A321 aircraft carries about 190 passengers in a 2-class configuration and an A320 carries about 145.

Ministers' group to come up with proposal to provide Rs12 billion to Air India

The Group of Ministers has been directed to bring a proposal for providing Rs12 billion to Air India. The proposed induction of funds will have to be cleared by the Cabinet Committee on Economic Affairs before the money is released to the airline. This is part of a more than Rs2,000 crore additional fund support that the Government plans to provide Air India. Committee headed by the Cabinet Secretary would be set up to settle Air India's pending bill for VVIP and evacuation flight. The outstanding was Rs973 crore. A committee will also be set up to examine the turnaround and financial restructuring plan. It will submit its reports within the next six weeks.

POLICY NEWS**Cabinet lowers senior citizen pension age to 60**

More poor senior citizens will now be able to receive old age pension. This is because the Centre has lowered the eligible age for availing pension from 65 to 60 years under the Indira Gandhi National Old Age Pension (IGNOAP) scheme. The Government had in 2007 launched IGNOAP to provide assistance to senior citizens falling in the below poverty line (BPL) category to sustain themselves. The lowering of the age limit, which is effective from April 1, will benefit an additional 72.32 lakh persons in the age-group of 60-64 years. This would lead to an additional outgo of Rs1,736 crore for the Centre for providing old age pension of Rs 200 per month per beneficiary in the age group of 60-64 years. Currently, about 169 lakh persons above the age group of 65 years and living below the poverty line are availing themselves of the benefits under IGNOAPS.

Medical facilities for beedi workers

The Union Cabinet approved extension of medical facilities to beedi workers under the Rashtriya Swasthya Bima Yojana (RSBY). The beedi worker and his family (unit of five) will be covered and the total sum insured would be Rs30,000. The other benefits and procedures under the scheme will be the same as under RSBY. Any claims beyond Rs30,000 will be reimbursed directly by the related Welfare Commissioner to the concerned empanelled hospital through the existing procedure. The estimated expenditure to be borne by the Central Government is approximately Rs311.25 crore (this includes 75% of the premium and the cost of the smart cards). The annual premium is estimated at Rs750 a year per annum of which 75% would be as Central share and the State Government's share would be 25%.

Industry thumbs up for manufacturing policy

The new draft manufacturing policy, which got an in-principle nod from a high-level committee headed by Prime Minister, Dr Manmohan Singh has got thumbs up from various industry bodies. Strategic, medical, and consumer electronics are estimated to grow to US\$400 billion by 2020. The Government has been worried about growing import dependence. A clear guideline on manufacturing will help grow clusters, boost employment generation and skill upgradation. Manufacturing had been stagnating around 15%-16% of GDP for the last two decades coupled with a recent high unemployment rate of 10.8%. Tax concessions suggested must be in line with the stipulations of the direct taxes code to be implemented in April 2012 and may be investment centric.

TN seeks Rs1000 billion debt relief from Centre

The Tamil Nadu Government has asked the Central Government for a grant of Rs1000 billion as special debt relief assistance. The Tamil Nadu Government has asked the Central Government for a grant of Rs1000 billion as special debt relief assistance. The Chief Minister has also asked for two-and-a-half times hike in Normal Central Assistance (NCA) over that of last year with 50% in the form of grant. The norm in NCA is 30% grant and 70% loan. Due to the slow economic recovery and high cost of implementation of the Sixth Pay Commission recommendations, the State has been under fiscal pressure over the last three years. The revenue deficit for 2010-11 has gone up to Rs39.42 billion from Rs35.31 billion in 2009-10. The fiscal deficit has increased five times to Rs178.88 billion since 2007-08. In the last five years, the State's outstanding debt has doubled to Rs1015.41 billion from Rs574.75 billion in 2005-06.

Dumping duty imposed on Pentaerythritol from China

The Finance Ministry has imposed a definitive anti-dumping duty on all imports of Pentaerythritol from China. Pentaerythritol, an organic compound, is principally used in the surface coating industries. It finds application in the manufacture of alkyl resin, plasticisers, printing inks, synthetic rubber, stabilisers for plastics, detonators, explosives, pharmaceuticals and synthetic lubricants. An anti-dumping duty of US\$515 per tonne has been imposed on Pentaerythritol imports from China. Kanoria Chemicals and Industries Ltd had requested continuation of investigation for review and enhancement of anti-dumping duty in force concerning imports of Pentaerythritol from China and Sweden. Asian Paints Ltd is another manufacturer of Pentaerythritol, but largely a captive consumer.

Corporate advance tax payout up 19% for June 15 period

Corporate India's advance tax payout for the June 15 installment has seen a healthy 19% rise despite apprehensions of wafer-thin margins caused by higher input costs and escalating interest rates. Although there is no direct correlation between tax paid and corporate earnings, the robustness in advance tax payments are a pointer to expectations of strong financial performance for the entire financial year. For the June 15 installment, advance tax payments stood at Rs312.62 billion, registering a 19% increase over Rs262.93 billion collected for the same installment last financial year, according to the latest data available with the revenue department. The 20% plus growth that we see in corporate advance tax is reasonably good growth. Our overall gross tax collections till date this quarter has increased by 24%. The TDS (tax deduction at source) growth this year is also higher at 29%, from 20% level last year.

ECONOMY NEWS

Food inflation rises to 9%

The annual food inflation rate has increased to 9.01% for the week ended May 28, from the previous week's 8.06%. This is the highest year-on-year increase registered by the wholesale price index for 'food articles' since the 10.95% of April 2, which fell to a low of 7.47% for the week ended May 7, before resuming its upward climb. The food inflation rate continues to exhibit volatility despite a bumper rabi crop this time. In absolute terms, however, the latest recorded 'food articles' index of 187.5 (base 2004-05=100) is below the 196.5 at the start of 2011 and the peak 196.6 touched on December 25. The 9.01% food inflation for the week under review was mainly led by fruits (30.78% year-on-year price increase), followed by onion (14.02%), milk (8.49%), and egg, meat and fish (6.99%).

RBI may hike key rates by 25 bps

Faced with the unenviable task of balancing inflation and growth, the Reserve Bank of India is likely to hike key policy rates (reverse repo and repo) by 25 basis points. According to some bankers, the slowdown in industrial production to 6.3% in April (from 7.3% in March) may prompt the central bank to take a pause from its rate hikes and maintain status quo. The slowdown is also why the RBI will revert to its 'calibrated approach' of a 25 bps hike, instead of persisting with a 50 bps hike as it did in the April policy. There is also an expectation that rate hikes by the RBI will not help much in reducing the current inflation which is predominantly led by rise in food prices. For this, the RBI will have to work jointly with the Central government.

India asks SAFTA nations to lower trade barriers

The Commerce and Industry Minister, Mr Anand Sharma, urged the South Asian Free Trade Area (SAFTA) member states to bring down all the protectionist trade barriers to achieve regional economies of scale at a much greater pace. India has earmarked US\$100m each for its neighbouring countries to undertake developmental work in basic infrastructure projects. India's engagement with its neighbourhood has always been imbued with a spirit of development partnership. India had issued the quota for export of essential commodities for three years instead of one year to help improve the supply situation in Maldives.

Price surge in May sets stage for interest rate hike

Headline inflation climbed sharply in May, topping market estimates and bolstering expectations of a 25 basis point rate hike. The annual Wholesale Price Index rose 9.06% during the latest reported month, well above April's provisional estimate of 8.66%. Manufacturing goods were mainly responsible, even as both food items and fuels eased a bit. In May, manufactured goods accelerated 7.27% on an annual basis from 6.18% in April, with items such as edible oils, sugar and cotton textiles largely causing the flare-up. Fuel inflation continued in the double-digit, despite easing to 12.32% in May from the 13.32% rise in April. Food inflation in May slowed to 8.37% from 8.71% in the previous month, with pulses, vegetables and cereals contributing to the downward trend, even though fruits edged up sharply.

India Inc's advance tax payout belies slowdown fears

The rising cost of funds and the possible slowdown in economy are yet to bite India Inc going by the higher advance tax remittance major corporate houses have made for the first quarter of 2011-12. Advance tax payments by top 100 Delhi-based companies were up 14% at Rs3,698 crore in the June quarter against Rs3,245 crore in the same period last year. It was a mixed bag in the case of Mumbai-based companies. The country's largest bank State Bank of India paid 28% more at Rs1,100 crore against Rs850 crore remitted during the same period last year. Oil and gas major Reliance Industries, which recently unveiled its diversification into the financial sector, was ranked second among the top advance taxpayers. The company's payment of Rs900 crore was 38% more compared to the June quarter last fiscal.

India adopts global labour norms for domestic workers

India has adopted a set of international standards aimed at improving the working conditions of millions of domestic workers worldwide. Around 83% of these workers are women or girls and many are migrant workers. According to the new standards, domestic workers who care for families and households, must have the same basic labour rights as those available to other workers — reasonable hours of work, weekly rest of at least 24 consecutive hours, a limit on in-kind payment, clear information on terms and conditions of employment, as well as respect for fundamental principles and rights at work including among others freedom of association and the right to collective bargaining.

Softening crude oil prices is good news for retailers; refiners wary

With the fall in international crude oil price, the rate at which Indian refiners buy their crude has also dropped sharply. But, the domestic refining-cum-marketing companies are keeping their fingers crossed hoping this trend sustains for sometime. The prices could go down further if global crude rates continue to soften. The country's oil basket comprises Oman-Dubai sour grade and dated Brent sweet crude in a 67.6:32.4 ratio. The price of the country's oil basket has averaged to US\$112.56 a barrel so far this month compared with US\$110.65 in May. The country's crude oil imports rose 5.9% in April year-on-year to 15.84 million tonne or 3.87 million barrels per day (bpd). Imports would rise this fiscal given that a 120,000-bpd refinery at Bina, Madhya Pradesh, has been commissioned and another 180,000-bpd plant at Bathinda, is expected to be commissioned this year.

Corporate advance tax payout up 19% for June 15 period

Corporate India's advance tax payout for the June 15 installment has seen a healthy 19% rise despite apprehensions of wafer-thin margins caused by higher input costs and escalating interest rates. Although there is no direct correlation between tax paid and corporate earnings, the robustness in advance tax payments are a pointer to expectations of strong financial performance for the entire financial year. For the June 15 installment, advance tax payments stood at Rs31,262 crore, registering a 19% increase over Rs26,293 crore collected for the same installment last financial year, according to the latest data available with the revenue department. The 20% plus growth that we see in corporate advance tax is reasonably good growth. The overall gross tax collections till date this quarter has increased by 24%. The TDS (tax deduction at source) growth this year is also higher at 29%, from 20% level last year.

India, Mauritius to renegotiate pact on double-tax avoidance

India will soon restart discussions with Mauritius for revising the double-tax avoidance pact between the two countries. The move to renew discussions comes after a gap of three years. Both sides had met in 2008 under the aegis of a joint working group, but could not take the process forward as Mauritius was not agreeable to certain requests from India. As part of efforts to take care of its interests, India plans to push for a change in the basis of taxation of capital gains to be 'situs' based rather than 'residency' based. This would help bring capital gains to taxation in India. If the basis of capital gains taxation were to get changed, then such gains would be subject to tax in the country where the income arises and not where the investor resides. Simply put, Mauritius may lose its sheen for attracting investments to be routed into India. The Indo-Mauritius Double Tax Avoidance Agreement came into force in 1984 and has been extensively used by businesses and portfolio investors to claim exemption on capital gains tax. Currently, capital gains are fully exempted from taxation in Mauritius.

UPCOMING EVENTS

1.	Event	India International Travel Mart Bangalore
	Date	Jul 29-31, 2011
	Venue	Palace Grounds Bengaluru, Karnataka, India
	Highlights	It brings people together to promote Inbound, Outbound and Domestic Tourism in unique style. IITM offer unlimited opportunities for everyone to Explore, Market and Publicize their destination product at one place.
	Contact Details	Sphere Travelmedia & Exhibitions Pvt. Ltd.; 473, 2nd Floor, 2nd cross, 9th Main, HAL 2nd Stage, Indira Nagar; Bengaluru - 560 008, India. Tel: +(91)-(80)-41152215; Fax: +(91)-(80)-25290708
2.	Event	INDIA INTERNATIONAL JEWELLERY SHOW
	Date	Aug 04-08, 2011
	Venue	Bombay Exhibition Centre(BEC)
	Highlights	It will provide a wonderful platform to the exhibitors to promote their products and brands, as well as to interact directly with influential buyers and key decision makers in the jewellery industry.
	Contact Details	The Gem & Jewellery Export Promotion Council, 5th Floor, Diamond Plaza, 391 A Dr. Dadasaheb Bhadkamkar Marg, Mumbai, India Tel:+(91)-(22)-2382180; Fax:+(91)-(22)-23808752
3.	Event	Healthex
	Date	Aug 05-07, 2011
	Venue	Bangalore International Exhibition Centre (BIEC), Bengaluru, India
	Highlights	The show presents a complete range of equipment, materials, services, processes, systems, components, consumables which find wide use in medical surgeries, hospitals, clinics, and diagnostic centres from across the world.
	Contact Details	Confederation of Indian Industry, Plot No. 249-F, Sector-18, Udyog Vihar, Phase-IV, Gurgaon, India; Tel:+(91)-(124)-4014060; Fax:+(91)-(124)-4014088
4.	Event	Indian Fashion Exhibition
	Date	Aug 09-11, 2011
	Venue	Kolkata Ice Skating Rink Kolkata, India
	Highlights	A fair that promises a perfect blend of palettes that would leave the exhibitors and visitors thirsting for more. Karnival Fiesta cordially invites all Boutiques owners, dress merchants, costume, jewellers, rakhi products, terracotta, traders dealing in fashion & lifestyle products, handicrafts, etc to taste these delectable delights and join in this celebration.
	Contact Details	Karnival Fiesta, No. 681, Block- O, New Alipore, Landmark, Near Hindustan Sweets, Kolkata, India; Tel:+(91)-(33)-32023644
5.	Event	India International Events Fair
	Date	Aug 19-21, 2011
	Venue	Bombay Exhibition Centre(BEC) Mumbai, India
	Highlights	The show represents entire Trade Fair, Entertainment and Event fraternity who are integral part to plan, host, create, market, develop, manage, supply or service event of any scale; MICE, corporate events, private parties, public events.
	Contact Details	Exhicon Outsource, 196/1962/9, Chikkuwadi, Malvani Church, Marve Road, Malad West, Mumbai, India; Tel:+(91)-(22)-28440439

6.	Event	India MART HITEX International Machine Tool Expo
	Date	Sep 01 – 03, 2011
	Venue	Hyderabad International Trade Exposition Centre(HITEX) Hyderabad, India
	Highlights	The show is directed towards unveiling various aspects about hardware, instrumentation and control on other hardware tools and equipment.
	Contact Details	Hyderabad International Trade Expositions Limited, First Floor, Trade Fair Office Building, Hitex Exhibition Centre, Izzat Nagar, Hyderabad, India Tel:+(91)-(40)-23112121; Fax: +(91)-(40)-23112124
7.	Event	Mining Exploration Convention & Trade Show
	Date	Sep 05-07, 2011
	Venue	Bangalore International Exhibition Centre (BIEC) Bengaluru, India
	Highlights	It will welcome all the prominent companies and business experts who are seeking platform to converse on various industry issues, promote latest machineries and mining technologies, discuss market research and all other issues that will help in development of Indian mining industries at international level. The Mining - Exploration Convention & Trade Show will open doors for the new opportunities in mining industries and will bring boost by bringing all professionals and dominating companies of mining industry under the same roof. Moreover, it will also feature on the progress of Indian mining industry.
	Contact Details	Federation of Indian Mineral Industries, FIMI House, B-311, Okhla Industrial Area, Phase-I New Delhi 110 020 India, Delhi, India. Tel: 91-11-26814596
8.	Event	GrainTech India
	Date	Sep 09-11, 2011
	Venue	Palace Grounds Bengaluru, India
	Highlights	It is an International exhibition on Grain cereals, spices, oil seeds, products and technology. It will attract many visitors from India and abroad.
	Contact Details	Media Today Pvt Ltd T-30, First Floor, Khirki Extension, Malviya Nagar, New Delhi, India; Tel:+(91)-(11)-26682045; Fax:+(91)-(11)-26680153
9.	Event	India Build
	Date	Sep 15-17, 2011
	Venue	Pragati Maidan New Delhi, Delhi, India
	Highlights	ITE Group has a successful history of organizing this number of specialized events on construction and allied industries like MosBuild, ConMac Ukraine, Interstroy Expo, BishkekBuild, AnkoMak, KazBuild and others.
	Contact Details	International Trade and Exhibitions Events Pvt. Ltd, 1106-07, Kailash Building, 26, KG Marg, New Delhi - 110 001, India. Tel: +(91)-(11)-40828282; Fax: +(91)-(11)-40828283
10.	Event	Pharmac India
	Date	Sep 17-19, 2011
	Venue	Gujarat University Exhibition Hall Ahmedabad, India
	Highlights	It is aiming towards highlighting varied related medical products. It will prove to be a large hub of reputed professionals from pharmaceutical formulation, herbal products, veterinary drug, medical and disposal, pharmaceutical machinery and many other sectors.
	Contact Details	Orbitz Exhibitions Private Limited, 202, Navyug Industrial Estate, T. J. Road, Sewree, Mumbai, India. Tel:+(91)-(22)-24102801; Fax:+(91)-(22)-24102805
11.	Event	Waste2Energy
	Date	Sep 28-30, 2011
	Venue	Gujarat University Exhibition Hall
	Highlights	It features all about waste as a resource, biofuels, economical plant operation, and the reduction of greenhouse gas emissions.
	Contact Details	Exhiference Media Private Limited, B- 2 Basement, Kalyan Tower, Near Vastrapur Lake, Ahmedabad, India; Tel:+(91)-(79)-40039444

12.	Event	International Railway Equipment Exhibition
	Date	Sep 28-30, 2011
	Venue	Pragati Maidan New Delhi, Delhi, India
	Highlights	It is the only international event in India for the Railway and its allied sectors. The Indian Railways participate in the IREE in a big way, displaying their capabilities and future requirements.
	Contact Details	Confederation of Indian Industry, Plot No. 249-F, Sector-18 Udyog Vihar, Phase-IV, Gurgaon - 122 015, India. Tel: +(91)-(124)-4014060; Fax: +(91)-(124)-4014088
13.	Event	India International Security Expo
	Date	Oct 12-15, 2011
	Venue	Pragati Maidan New Delhi, India
	Highlights	It will be like Camp Equipment/Logistic equipment, Radio Communication Systems, Traffic Monitoring Systems, Night Vision Devices, GPS & Binoculars. The event will enable the companies to elucidate visitors about the features which their products include and to persuade them to go for their products.
	Contact Details	India Trade Promotion Organization, Pragati Bhawan Pragati Maidan, New Delhi, India; Tel:+(+91)-(11)-23371540; Fax:+(+91)-(11)-23371492
14.	Event	India Chem
	Date	Oct 13-15, 2011
	Venue	Gujarat University Exhibition Hall Ahmedabad, India
	Highlights	It will showcase potential of the chemical and allied industry. The exhibition will offer a platform for discussing varied areas of the sector along with the environmental concerns.
	Contact Details	Federation of Indian Chambers of Commerce & Industry, Federation House, 1, Tansen Marg, New Delhi, India; Tel:+(91)-(11)-23738760; Fax:+(91)-(11)-23320714
15.	Event	CII Chandigarh Fair
	Date	Oct 20 – 24, 2011
	Venue	Parade Ground Chandigarh
	Highlights	The success of all the preceding exhibitions with increased exhibitor and visitor participation including high-volume business growth has made CII Chandigarh Fair one of the most sought after trade events in Northern India.
	Contact Details	Confederation of Indian Industry, Chandigarh, Northern Region Headquarters Sector 31 A, Dakshin Marg, Chandigarh, India Tel:+(91)-(172)-5080122; Fax:+(91)-(172)-2606259
16.	Event	Food Pro 2011
	Date	Oct 21-23, 2011
	Venue	Chennai Trade & Convention Centre Chennai, Tamil Nadu, India
	Highlights	The Food sector continues to rely heavily on technology and new developments. Such developments are crucial to the food processing industry, and it will be ideal place to do so, because its cross-over concept covers everything from manufacturing and processing of foods, to packaging, storage and retailing with a process orientation and cross-sector approach.
	Contact Details	Confederation of Indian Industry, Chennai, Velacherry Main Road, Guindy, Chennai – 600 032., India; Tel: +(91)-(44)-42444555; Fax: +(91)-(44)-42444 510

17.	Event	India & International Premier Schools Exhibition
	Date	Sep 03 – 04, 2011
	Venue	Epicentre, Gurgaon, Haryana, India
	Highlights	IIPSE has proved to be a strong and cost effective marketing platform for the schools to reach out to a larger number of eager parents seeking holistic education for their child in a good school.
	Contact Details	Afairs Exhibitions & Media Private Limited, No. 33, Dr. Sundari Mohan Avenue, 2nd Floor, Kolkata, India; Tel:+(91)-(33)-22865770; Fax:+(91)-(33)-22865787
18.	Event	CII Chandigarh Fair
	Date	Oct 20 - 24, 2011
	Venue	Parade Ground Chandigarh
	Highlights	The success of all the preceding exhibitions with increased exhibitor and visitor participation including high-volume business growth has made CII Chandigarh Fair one of the most sought after trade events in Northern India.
	Contact Details	Confederation of Indian Industry, Chandigarh, Northern Region Headquarters Sector 31 A, Dakshin Marg, Chandigarh, India Tel: +(91)-(172)-5080122; Fax: +(91)-(172)-2606259
19.	Event	Solarcon India
	Date	Nov 09 - 11, 2011
	Venue	Hyderabad International Convention Centre (HICC)
	Highlights	Based on the success of its 1st edition, being held in 2008, attended by more than 600 delegates, Solarcon India is beholding its 4th edition in Nov 2011 in Hyderabad. Personnel from Central & State government ministries, Public sector undertakings will be attending the conference.
	Contact Details	India Semiconductor Association Uni Building 4th Floor, Millers Tank Bund Road, Bengaluru, India; Tel:+(91)-(80)-41473250
20.	Event	World Congress on Disaster Management
	Date	Nov 15-18, 2011
	Venue	National Academy of Construction (NAC) Campus, Hyderabad, India
	Highlights	It is organising a four-day World Congress on Disaster Management in association with central and state government organisations, and NGOs.
	Contact Details	DMICS Flat No. 401, Patels Avenue, Road No. 11 Banjara Hills, Hyderabad, India; Tel:+(91)-(40)-23305263; Fax:+(91)-(40)-23305265
21.	Event	India Material Handling & Logistics Show
	Date	Nov 17-19, 2011
	Venue	University Grounds
	Highlights	It will see various ranges of latest technologies and you will have an opportunity to interact with over the worldwide leading producers of these technologies and equipments. Experience the very latest Material Handling, Storage, Racking, Containers, Packaging Equipments and ideas at IMHLS 2011.
	Contact Details	Manch Communications, E- 26, 1st Floor Lajpat Nagar- IInd, New Delhi, India Tel:+(91)-(11)-46569212; Fax:+(91)-(11)-46520734
22.	Event	Times Education Expo
	Date	Nov 19-20, 2011
	Venue	Hotel Shivalik View Chandigarh, India
	Highlights	It will have the opportunity to meet and interact on one-to-one basis, giving a clear understanding of students' requirements, their potential and interests and accordingly be able to guide them and inform them about particular field.
	Contact Details	Asian Business Exhibitions & Conferences Ltd., 530, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai, India Tel:+(91)-(22)-40504900; Fax:+(91)-(22)-26367676

23.	Event	ENGIMACH
	Date	Nov 23-27, 2011
	Venue	University Grounds Ahmedabad, Gujarat, India
	Highlights	The trade show will display the latest trends, technologies, products and services in its chosen sectors. It will also feature world class facilities for exhibit display, promotions, corporate communications, publicity, liaison with government bodies and inter and intra-business interaction. This exclusive exhibition will provide a unique opportunity to see, learn, sell, buy and tie up.
	Contact Details	K & D Communications Limited, 4th Floor, Chinubhai House, 7 B, Amrutbaug Society Hindu Colony, Navarangpura, Ahmedabad - 380 014, India; Tel: +(91)-(79)-26460453; Fax: +(91)-(79)-26403087
24.	Event	Rice Tech Expo
	Date	Nov 25-27, 2011
	Venue	Peoples Plaza Hyderabad, Andhra Pradesh, India
	Highlights	It is a foremost event which will open new avenues for rice machinery manufacturing sector and will be attended by machinery suppliers and dealers, rice market consultants, equipment dealers, rice exporters and Importers and others from different parts of the world.
	Contact Details	Shiny Trade Expositions, 59 A-15-28, 2nd Floor, Near N. T. R Circle, Pantakaluva Road Patamata, Vijayawada - 520 010., India. Tel: +(91)-(866)-2470879; Fax: +(91)-(866)-2490201
25.	Event	India Travel Mart
	Date	Dec 04, 2011
	Venue	TBA Lucknow, India
	Highlights	It is India's one of the prominent International Travel & Tourism Mart. It brings people together to promote Inbound, Outbound and Domestic Tourism in unique style. ITM offer unlimited opportunities for everyone to Explore, Market and Publicize their destination/ product/ organization at one place.
	Contact Details	I Creative Minds, Secretariat India Travel Mart (itm), e-46, 3rd Floor, Narain Naraina Vihar, New Delhi, India. Tel: +(91)-(11)-25897594; Fax: +(91)-(11)-25897597
26.	Event	Engineering Expo
	Date	Dec 08-11, 2011
	Venue	Chennai Trade & Convention Centre Chennai, Tamil Nadu, India
	Highlights	Engineering Expo has always made a big impact and the fifth edition will be even better. Engineering Expo will be spread across 1,00,000 sq ft, with 400 + participants and an estimated 65,000 footfalls including a flurry of engineers, technocrats, manufactures, traders, government officials and corporate.
	Contact Details	Infomedia 18 Limited, "A" Wing, Ruby House, J K Sawant Marg, Dadar (W), Mumbai - 400 028., India.; Tel: +(91)-(22)-40302323; Fax: +(91)-(22)-24302707
27.	Event	India & International Premier Schools Exhibition
	Date	Dec 10-11, 2011
	Venue	Ludhiana Majestic Park Plaza Ludhiana, India
	Highlights	With an objective to bring India's progressive schools and the parents community on oqane platform, to help parent's gather relevant information and choose the right school for their ward. IIPSE provided schools an opportunity to showcase their strengths and uniqueness among thousands of parents and thus recruit brilliant young minds.
	Contact Details	Afairs Exhibitions & Media Private Limited, No. 33, Dr. Sundari Mohan Avenue, 2nd Floor, Kolkata, India; Tel: +(91)-(33)-22865770; Fax: +(91)-(33)-22865787

28.	Event	India International Food & Agri Expo
	Date	Dec 11-13, 2011
	Venue	Gokulam Convention Centre Cochin, India
	Highlights	It is organized with an aim to facilitate the agri business sector and for promoting agricultural entrepreneurship and rural development. State-of-the-art technologies, new concepts and innovations, equipments and machineries related to agricultural sector will be showcased at this exhibition. There will be a special emphasis on organic agriculture sector and its vast potentials.
	Contact Details	India International Food & Agri Expo, Room No. 2 A, 3rd Floor, Kurian Towers, Banerji Road, Kochi, India; Tel: +(91)-(484)-3248735
29.	Event	Education Worldwide India-Hyderabad
	Date	Dec 13-14, 2011
	Venue	Hotel Taj Deccan; Hyderabad
	Highlights	The Unique exhibition of its kind aims at the prospective undergraduate and postgraduate students heading towards achieving education in the most renowned and reputed Institutions in INDIA & ABROAD.
	Contact Details	Global Events & Expositions, A-209- 211, Ansal Chambers- I, Wing A, Bhikaji Cama, New Delhi, India; Tel:+(91)-(11)-65661056; Fax:+(91)-(11)-41658532
30.	Event	Gujarat Jewellery Show
	Date	Dec 23-25, 2011
	Venue	Gujarat University Exhibition Hall Ahmedabad, India
	Highlights	It is very well known in the whole Jewellery Industry of India. With this mega success, the commercial equations with Gujarat have been changed. They had around 45 stalls visited by around 10,000 to 15,000 visitors in GJS - 2010. But this year, nearly 22,000 visitors visited 165 stalls in just three days making it a grand success. These 165 stalls included the wholesalers from Gujarat, Maharashtra & Rajasthan.
	Contact Details	Parker Gold & IJD Infotech, A-503, Ganesh Plaza, Navrangpura, Ahmedabad, India; Tel:+(91)-(79)-26405757