Weekly Economic Bulletin

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<u>Contents</u>

News Feature

Indian economy poised to achieve 9-10 per cent growth rate: PM

Prime Minister Manmohan Singh said India was poised to achieve 9-10 per cent economic growth but for this it required protection-free international climate.

During the meeting with President Barack Obama, Singh said, there was a need to "rewrite" the architecture of global economic system in which the G-20 could play an important role.
Singh and Obama discussed a broad range of issues, including global economic crisis, follow up of G-20 meetings and food security and energy security.

The Prime Minister said he was convinced that the two countries could begin a new chapter in their relations, Foreign Secretary Nirupama Rao reporters while briefing on the meeting.

Referring to the global economic crisis, Singh referred to role of US in strengthening growth impulses in world economy particularly in developing countries in period after World War II and stressed that that experience should be repeated.

Talking about India's context, he said the country was poised to achieve high economic growth of 9-10 per cent, given the savings rate of 35 per cent and investment rate of 37 per cent. For this to happen, there was need for peace in the region, he said.

He also said that countries like India needed international environment that does not allow protectionist forces to gain ascendancy, Rao said.

Singh told Obama that "we should rewrite the architecture of the global economic system. In this context, G-20 could play an important role in ensuring that global economic recovery is sustainable."

He said the US was uniquely placed to work out a plan for sustainable recovery in a globally integrated financial system. There is synergy of interests between India and the US, Singh told Obama.

In response, Obama said the US would welcome suggestions of India as preparations for the next G-20 were underway. He mentioned common interest of both countries in seeing early conclusion of Doha Round of WTO talks.

Singh said, food security, energy security were other areas for cooperation especially since experience of India in these fields was very valuable and of relevance.

http://economictimes.indiatimes.com/news/economy/indicators/Indian-economy-poised-to-achieve-9-10-per-cent-growth-rate-PM/articleshow/5786602.cms

Credit growth zooms in last fortnight of 2009-10

A record growth in loan disbursals in the last reporting fortnight of financial year ended March 31 helped banks sail past the Reserve Bank of India's (RBI's) estimate of 16 per cent credit growth for the year.

Banks disbursed an additional Rs 1,15,548 crore in 15 days up to March 26, 2010, almost 25 per cent of the Rs 4,64,849 crore disbursed in the entire financial year.

The unusually high disbursals pushed year-on-year growth in credit to 16.74 per cent at the end of the financial year.

Banks typically step up disbursals in the last weeks of a quarter, even more so towards the end of the year, to meet targets. However, disbursals in the fortnight up to March 26, 2010, are high even by year-end standards, dwarfing the Rs 79,500 crore disbursed in the last fortnight of financial year ended March 31, 2009.

Bankers are sanguine about the spurt in credit growth. They say the pick-up is broad-based but it is early to say that credit growth is on a strong wicket. "Steps aimed at providing stability to the business environment will help the pace of lending to support the estimated 8.5 per cent GDP (gross domestic product) growth in 2010-11," said a senior executive of a public sector bank.

A senior State Bank of India official said the year-end spurt was because of a combination of pent-up demand as well as a push to meet targets. India's largest lender expanded its loan book by 17 per cent in 2009-10.

http://www.business-standard.com/india/news/credit-growth-zooms-in-last-fortnight2009-10/391178/

India Inc boasts highest ever order inflow

India Inc's order book doubled in the fourth quarter (January-March) of the last financial year compared, to the year-ago period.

At Rs 92,290 crore, it was also the biggest ever order inflow in any quarter, beating the earlier high of Rs 74,775 crore recorded during the quarter ended September 2009.

Data, culled by Business Standard Research Bureau from announcements made to the stock exchanges, showed that the engineering and construction sector accounted for the highest position (35.5 per cent) of the total inflow. Power followed closely with 34.4 per cent.

The order- from private sector and central and state governments — are for building power plants, roads, and factories and houses, in addition to capital equipment and engineering.

The party is expected to be a long-drawn one, with analysts saying the growth could even improve in the next few quarters. "In the first half of calendar year 2011, we expect to see lot of action in the roads and power sector," Shailesh Kanani, analyst, Angel Broking said.

http://www.business-standard.com/india/news/india-inc-boasts-highest-ever-order-inflow/391227/

Overseas Investment

Govt bans fresh FDI in cigarette manufacturing

The Government banned FDI in manufacturing of cigarettes, effectively stubbing-out the future investment plans of foreign tobacco players that have been eyeing a greater slice of the Indian market.

The decision by Cabinet Committee on Economic Affairs would hit a proposed move by Japan Tobacco International (owner of brands - Camel and Salem) to hike its stake in the local operations to 74 per cent from the existing 50 per cent. It will also thwart any plans of foreign tobacco giants such as British American Tobacco (BAT) to increase their holding in either ITC or VST, or any other cigarette manufacturing entity in India.

A senior DIPP official said that the move would not affect existing FDI investments in the country nor the franchisee operations.

Asked about the status of FII investments in the sector, the official said, "FIIs will have to be cautious as foreign investors should know the regulation of the country that they invest in. It is their responsibility to adhere to the rules."

An official statement said that the decision was expected to enhance public accountability by way of the Government's commitment towards proliferation of anti-smoking regime. "This would bring the policy in line with the administrative decision not to grant industrial licence for cigarette manufacturing," it said.

So far, FDI up to 100 per cent was allowed in cigar and cigarettes manufacture on a case-to-case basis, but there has been growing opposition against encouraging investments including FDI into the sector. In the past, the Health Ministry had taken a clear stance that no FDI be permitted in the tobacco sector. The CCEA decision now puts cigarette manufacturing activity in the list of activities prohibited for FDI.

http://www.blonnet.com/2010/04/09/stories/2010040954110700.htm

Forex reserves jump $2 bn to $279 bn

The foreign exchange reserves rose by $2 billion to $279.096 billion for the week ended April 2 as against $277.042 billion in the previous week.

Foreign currency assets, during the week, marginally went up to $254.730 billion from $252.755 billion in the previous week, the RBI said in its weekly report.

Foreign currency assets expressed in the US dollar terms include the effect of appreciation or depreciation of non-US currencies, such as the euro, sterling and yen held in the reserves, the apex bank said.

During the week, the gold reserves also marked a marginal rise to $17.986 billion as against the previous week's $17.920 billion, while a similar increase was seen in the special drawing rights too, which rose to $5 billion from $4.991 billion, the apex bank said.

The reserve position in the International Monetary Fund also jumped slightly to $1.379 billion from $1.376 billion, the RBI said.

During the 2009-10 fiscal, banks' total credit disbursement stood at Rs 4,64,849 crore, registering a year-on-year growth of 16.7 per cent as against a growth of 17.5 per cent in the previous fiscal, the RBI data showed.

During the fortnight ending March 26, banks disbursed a total of Rs 1,15,548 crore to meet the 16 per cent credit growth target set by the Reserve Bank for 2009-10.

As on March 26, banks' total loan outstanding stood at Rs 32,40,399 crore and the aggregate deposits at Rs 44,86,574 crore, the data showed.

Recently, at the pre-policy consultation meet with the Reserve Bank governor, Indian Banks Association had pegged the credit growth for banks in FY11 at 20-22 per cent.

http://economictimes.indiatimes.com/news/economy/indicators/Forex-reserves-jump-2-bn-to-279-bn/articleshow/5779314.cms

FIIs pump in $5 bn in corp bonds in 2010

Foreign portfolio investors or FIIs have invested a record $5 billion in Indian corporate paper in the first four months of this year as high bond yields and a strong local currency ensure that such investments pay off handsomely.

This is the first time that overseas portfolio investors have poured money on such a scale in corporate debt offerings issued by Indian firms. The bulk of such investments have been in top-rated bond offerings of an average tenure of 18 to 24 months and in commercial paper. Foreign portfolio investors prefer shorter duration paper as it is far more liquid, making exit easier.

Over the past few years, investment by FIIs in the Indian debt market has been primarily directed at government securities or G-Secs. Investment in G-Secs has been capped at $ 5 billion by the government and the Reserve Bank of India (RBI).

Last year, the investment limit for FIIs in corporate bonds was raised to $15 billion, which means that there is plenty of headroom still for them to subscribe to bond offerings. Indian policy makers are bound to be happy at this development, as more investment in corporate debt will help ease the pressure on local interest rates and also help develop the corporate bond market in the medium term.

The bulk of the investments in 2010 came in March ($2.1 billion) when liquidity shrinks due to advance tax outflows and other quarter-end transactions — leading to a spike in yields.

http://economictimes.indiatimes.com/markets/stocks/market-news/Foreign-venture-capitalist-funds-bet-big-on-Rising-India/articleshow/5775908.cms

PE firms invest $2 billion in Q4

Private equity (PE) firms invested about $2 billion (around Rs 8,890 crore), the highest in the last six quarters, across 56 deals during the March quarter, according to a study by Venture Intelligence, a research service focused on private equity and M&A transaction activity in India.

While the corresponding quarter in the previous year saw investments worth $620 million across 58 deals, the preceding quarter witnessed investments worth $1,681 million across 102 deals.

The largest investment during the March quarter was the $425 million (around Rs 1,900 crore) investment into power generation firm Asian Genco by General Atlantic, Morgan Stanley, Norwest, Goldman Sachs and Everstone.

Other top investments reported during the quarter included Quadrangle Capital Partners' $300 million (around Rs 1,350 crore) investment into telecom tower infrastructure company TowerVision India; StanChart PE, KKR and New Silk Route's $217 million (around Rs 976 crore) investment into Coffee Day Resorts and TPG Growth's $115 million (around Rs 517 crore) investment into Clean Tech firm Greenko Group.

"The key trend on the PE investments front during the first quarter of 2010 was the re-emergence of appetite for large ticket deals. For the first time since the third quarter of 2008, the latest quarter witnessed as may as five investments over $100 million," said Arun Natarajan, MD & CEO of Venture Intelligence.

http://www.business-standard.com/india/news/pe-firms-invest-2-billion-in-q4/390935/

Trade News

Geithner, India Inc talk economic cooperation

The US would closely work with India to promote greater and more balanced economic cooperation between the two nations, visiting US Treasury Secretary Timothy Geithner told Indian business leaders at a lunch meeting in Mumbai today.

He also discussed ways to increase financial collaboration between the countries.

Geithner, who is on a two-day visit to India, had met Prime Minister Manmohan Singh and Finance Minister Pranab Mukherjee in New Delhi.

"The entire focus (of the meeting) was to find ways to enhance economic cooperation between the two countries and growth opportunities here," said ICICI Bank Managing Director and Chief Executive Chanda Kochhar.

The lunch was co-hosted by Reliance Industries Chairman and MD Mukesh Ambani and Mahindra & Mahindra Vice-Chairman & MD Anand Mahindra. Among others present were State Bank of India Chairman OP Bhatt and TCS Vice-Chairman S Ramadorai.

Kochhar said the Indian participants shared their views on infrastructure development and microfinance with Geithner.

In a separate interaction at the University of Mumbai, Geithner told a gathering of bankers and financial entrepreneurs that the task is to make sure the two countries continue to support and encourage advances in expanding financial inclusion.

“India has been remarkably effective at extending the reach of the financial sector to people living without access to traditional forms of banking,” Geithner said.

Participants discussed how both countries can work together to advance financial inclusion using new technology, such as mobile or card-based ‘branchless banking’ pilots in India that have attracted more than 10 million customers over the last five years.

The US and Indian governments’ policy of promoting financial inclusion drew praise from the participants. In the case of India, policies such as priority sector lending, interest deregulation for NBFCs and business correspondent regulations that promote mobile banking for the poor were appreciated by the participants.

http://www.business-standard.com/india/news/geithner-india-inc-talk-economic-cooperation/391167/

India, EU to seal free trade pact by year-end

A Free Trade Agreement (FTA) between India and the European Union (EU) is likely to be signed before the end of this year, according to Mr Marten van den Berg, Deputy Director-General for Foreign Economic Relations of the Netherlands.

“Discussions between India and the EU are in the final stages and a deal is a few months away,” Mr van den Berg, who headed a Netherlands Economic Mission team on a five-day visit to India told.

The FTA was also part of the talks he had with Indian officials earlier this week, he said.

In New Delhi, the Netherlands team signed a joint declaration with the Ministry of Heavy Industries for cooperation. The team also met the Union Minister for Corporate Affairs, Mr Salman Khurshid.

Last month, the EU trade chief, Mr Karel de Gucht, said in New Delhi that he was aiming to sign the FTA in October. The agreement, according to Mr de Gucht, could open up new export opportunities worth $9 billion to India.

The negotiations on the FTA have been on since 2007. The talks with the EU, the country's largest trading partner, has run into problems over market access and issues such as child labour in India. Bilateral trade between the two countries is estimated at $107 billion.

Issues such as lower tariff on agricultural products and phyto-sanitary norms have to be sorted out before the agreement can be signed.

Mr Gopal Ramanathan, Partner-Chairman of KPMG High Growth Markets, said the Netherlands was trying to convince Indian companies to list on the Amsterdam stock exchange. "We have talked to some companies listed on the Bombay Stock Exchange and are hopeful they will list on the Amsterdam bourse," he said.

http://www.blonnet.com/2010/04/11/stories/2010041151590500.htm

Tatarstan, AP Govt sign MoU

The Republic of Tatarstan of the Russian Federation and the Andhra Pradesh Government signed a MoU for promotion of joint ventures between business houses of Tatarstan and the State.

The areas identified for bilateral cooperation included pharmaceuticals, chemicals, gas-based industries, power plant equipment, bio-technology and IT.

The agreement was signed between Ms Valeeva Zilya, Deputy Prime Minister, Republic of Tatarstan, and Ms Geeta Reddy, AP Minister for Tourism and Information, in the presence of the Chief Minister Mr K. Rosaiah.

"As AP has huge expansion plants in the power sector, Tatarstan is welcome to put up industries in the State for manufacture of power plant equipment," Mr Rosaiah said.

Earlier, at a CII meeting, Ms Zilya said the Republic was developing a cluster of petrochemical units, with around $8 billion having been invested over the last four years.

Foreign trade between India and the Republic in 2009 was about $15.1 million, she said.

In order to promote tourism, a cultural information centre would be opened in Hyderabad by September.

Tatarstan was the first in the Russian Federation to establish a SEZ and launch several e-governance initiatives, Ms Zilya said.

http://www.blonnet.com/2010/04/12/stories/2010041252431300.htm

Sectoral News

Life insurers see 18% growth in total premium income in '09-10

The Life Insurance Council has projected 18% growth in total premium income for the life insurance industry in the financial year 2009-10.

Although final figures, released by the Insurance Regulatory Development Authority (Irda), are being compiled, Life Insurance Council secretary general SB Mathur told ET: "During 2008-09, the life insurance segment had mopped up a first premium income of Rs 88,000 crore while in 2009-10, there was an approximately 10-12% growth, which means that first premium income in the year just gone by is expected to be around Rs 1 lakh crore."

Mr Mathur also said the industry is estimated to have garnered a total premium income of Rs 2.6 lakh crore at the end of 2009-10, against Rs 2.2 lakh crore in the previous fiscal, which means an 18% growth. Life Insurance Corporation (LIC) is expected to have earned total premium income of Rs 1.76 lakh crore in the year under review, against Rs 1.53 lakh crore in the previous financial year.

http://economictimes.indiatimes.com/Insurance-news/Life-insurers-see-18-growth-in-total-premium-income-in-09-10/articleshow/5776191.cms

Steel consumption up 8% on high infra, auto demand

Steel consumption grew 8% in the fiscal year ended March 2010 after shrinking a little a year ago, due to strong demand from automobile,infrastructure and housing sectors, as per the steel ministry. Demand for the metal is a key indicator of industrial activity and steel consumption had shrunk 0.5% in the year ended March 2009 as economic slowdown hit domestic demand.

"The growing demand as well as the low-base factor made it a staggering year for steel companies," said a steel ministry official.

The country's steel consumption increased to 56.3 mt in the twelve months to March 2010 from 52.3 mt in the previous year. Production in the world's fifth-largest steel producing nation rose 4.2% to 60 mt.

Domestic demand fuelled 23% growth in steel imports to 7.2 mt for the fiscal even as exports declined by almost a third as global demand is yet to see a strong recovery. The government's planned investments for the infrastructure sector will continue to boost domestic steel demand this year, steel analysts said.

Navin Vohra partner at advisory firm Ernst & Young said demand is robust and India's steel production is expected to post 8-10% growth in the current year, partly due to new capacities which will become operational.

Global steel prices have started moving up on the back of improving demand. Top Indian steelmakers including SAIL, Tata Steel, JSW and Essar hiked prices by up to Rs 3,000/tonne effective April 1.

http://economictimes.indiatimes.com/Steel/Steel-consumption-up-8-on-high-infra-auto-demand/articleshow/5764918.cms

Internet traffic rides the mobile wave

The 40 million mobile-internet users in India have taken the mobile-web traffic to new heights, according to AdMob, a leading mobile advertising network. According to the latest data from AdMob, web traffic from mobile phones touched the 1.2-billion mark in March 2010, making India's mobile-web traffic the second highest globally next to the US.

Mobile-web traffic reported a growth of over a 100 per cent in less than a year on the back of cheaper data plans and increased number of smartphones.

Mahesh Narayanan, country manager India, AdMob concurs, "Mobile ownership and usage far outstrips ownership of PCs with internet access in India. In the near future mobile internet usage is going to overtake fixed line internet usage in India."

Advertisers, say experts, are waking up to the unique opportunity to drive consumer acquisition and brand engagement on the mobile web using this platform. AdMob, which serves billions of mobile banner and text ads a month across a wide range of leading mobile websites and applications, has roped in around 100 advertisers in India which include names like Nokia, Vodafone, ICICI Bank, Travelocity, Toyota and Warner Brothers. "We have seen an incremental rise in the time spent browsing web over mobile phones and that presents a great opportunity for advertisers to engage with their customers," reasons Narayanan.

The mobile ecosystem, which consists of the advertiser, the agency, the mobile ad network, the ad server and the content provider, besides the consumer has begun to attract advertisers who are eager to reach out to rural masses, claims AdMob. "Every advertiser today considers mobile and TV as mass-mediums. With 3G auctions due this week, we are hoping that with efficient data speeds in 3G regime will boost the mobile ecosystem exponentially," added Narayanan.

A recent report by Google had indicated that mobile internet users have grown nearly five times in the last five years with close to 64 per cent of the web traffic coming from smartphone-like devices. The internet giant, too, recently acquired digital broadcast specialist, Episodic, that delivers live and on-demand video and is expected to enhance Google YouTube services, especially on mobiles.

http://www.business-standard.com/india/news/internet-traffic-ridesmobile-wave/391136/

Auto industry sales set to rise 10-14% this year

The buoyant automobile industry in India is set to slow down, relatively, and register a growth rate in the low double-digits in 2010-11, primarily due to the high base effect of 2009-10.

"Sustainable economic growth and higher disposable income will be the main growth drivers in the ongoing financial year and we expect to register a growth of 10-14 per cent this year vis-à-vis the 26.4 per cent growth of the total industry last year," said Pawan

Goenka, president, Society of Indian Automobile Manufacturers (Siam), while releasing the data.

Agrees Ankush Arora, vice president (sales and marketing), GM India, “The increasing demand from Tier-I and Tier-II towns and several launches in the compact car category will result in 15 per cent growth in 2010-11.”

According to Goenka, rising commodity prices are the biggest worry for the sector, as the cumulative increase in vehicle prices because of several factors could be 7-9 per cent, thereby impacting consumer sentiment. “There has been a two per cent increase in vehicle prices in February due to partial roll back of (the earlier concession on) excise duty and another one-two per cent after the new emission norms came into force. Going forward, it is estimated that commodity prices, already on an upswing, will result in two to four per cent price increase, along with an estimated two per cent increase in interest rates this year,” he said.

Siam car sales data released show India gained the most in six years in the last financial year, at 1.53 million units as compared to 1.2 million units in 2008-09, growth of 25 per cent.

“That is the biggest percentage gain since a 29 per cent growth in the year through March 2004,” said Sugato Sen, senior director.

Total automobile sales, including passenger vehicles, commercial vehicles, two-wheelers and three-wheelers, jumped up by 26.4 per cent at 12.3 million units, as compared to 9.7 million units in 2009-10. This is the highest-ever sales in Indian automobile history, surpassing the 10.1 million units in 2006-07.

“Typically, if we look at the auto industry in India over a 10-year period, we have grown 10-14 per cent,” Goenka said, adding that last year (ended March 31, 2010) was exceptionally high because of a poor performance in 2008-09, when there was no growth.

A series of stimulus steps by the Union government helped to revive domestic consumption for cars in the world’s second-fastest-growing major economy. Annual sales of Maruti Suzuki India jumped by 20.6 per cent last year at 8,70,783 units, while that of Hyundai Motor India went up by 29 per cent at 3,14,981 units. Tata Motors registered growth of 23.4 per cent in 2009-10, at 2,85,846 units.

http://www.business-standard.com/india/news/auto-industry-sales-set-to-rise-10-14-this-year/391434/

Cement industry hits 10.5% growth in FY10

Buoyant demand from the infrastructure space and individual home builders in rural and semi-urban regions of the country has made the cement industry hit double-digit growth in 2009-10, after a gap of three years.

The industry with over 50 players despatched 199.98 million tonne of the building material compared with 181.01 million tonne in the previous year - a rise of 10.48 per cent.

However, the year-ending month witnessed lower than expected demand as industry could clock only a growth of 8.33 per cent. The despatches for the month stood at 19.63 million tonnes against industry's experts' anticipation of over 20 million tonnes.

Hari Mohan Bangur, chairman and managing director of the north-based Shree Cement, said, "Overall the industry managed to remain on the double-digit growth trajectory. As far as March performance is concerned, it is not a matter of concern as numbers keep fluctuating."

http://www.business-standard.com/india/news/cement-industry-hits-105-growth-in-fy10/391437/

PPT posts highest growth among all major ports

Paradeep Port Trust (PPT) has achieved the highest growth among all the major ports in the country in terms of traffic handling in 2009-10.

PPT has handled 57.01 million tonnes (mt) in 2009-10, registering a growth of over 22.84 per cent over 46.41 mt handled in 2008-09, thereby catapulting it to the fifth position among all the major ports from the eighth position which it held earlier.

The port has succeeded in clocking an impressive growth despite the global economic meltdown which had slackened the export and import business.

Addressing media persons here, PPT chairman K Raghuramaiah said, "The traffic handled at the Paradeep Port has more than doubled in the last six years. From 25.31 mt in 2003-04, it has reached 57.01 mt in 2009-10. A record quantity of 6.83 mt of iron ore was handled in the iron ore handling plant during 2009-10, surpassing the previous record of 5.84 mt in 2008-09."

Of the 57.01 mt of cargo throughput of PPT, 11.65 mt was POL (petroleum, oil and lube), 16.16 mt iron ore, 14.82 mt thermal coal, 5 mt coking coal and the remaining 9.38 mt constituted other cargo.

While PPT's POL cargo shot up from 3.24 mt in 2008-09 to 11.65 mt in 2009-10, a surge of 259.57 per cent; the port posted a growth of 13.24 per cent, 0.81 per cent and 7.32 per cent in iron ore, thermal coal and other cargo respectively in the said period.

http://www.business-standard.com/india/news/ppt-posts-highest-growth-among-all-major-ports/391271/

Govt policy to boost ports' capacity: Vasan

The Centre is in the middle of formulating a comprehensive policy for ports' capacity expansion through public-private partnership (PPP). Shipping Minister G K Vasan today said the proposed policy would help raise the capacity of ports to 1.25 billion tonnes by the end of the 11th Plan.

Vasan, on a two-day visit to review the functioning of Mumbai Port and Jawaharlal Nehru Port here, told the capacity of all major ports had increased to 574.77 million tonnes in 2008-09.

“We propose to raise the capacity of the major ports to over 825 million tonnes by 2011-12. With additional capacity of 500 million tonnes at minor ports, the total capacity of all ports in the country is projected to reach 1.25 billion tonnes. The PPP policy would boost capacity expansion,” he said.

He added there was timely implementation of the National Maritime Development Programme (NMDP). It was aimed at a comprehensive development of ports, shipping and inland water transport.

“Total investment envisaged under NMDP is over Rs 1 lakh crore. Of this, Rs 55,804 crore is for the port sector and Rs 44,535 crore for shipping and inland waterways. In ports, 276 projects have been identified for implementation at an envisaged investment of Rs 55,804 crore. Till date, 50 projects have been completed under this programme at a cost of Rs 5,717.28 crore, while 69 are at various stages of implementation, at an investment of Rs 16,306.45 crore,” the minister added.

http://www.business-standard.com/india/news/govt-policy-to-boost-ports%5C-capacity-vasan/391084/

News Round-Up

Corporate India set to end '09-10 on strong note

With a good improvement in overall economic activity, Corporate India is expected to end fiscal 2010 on a strong note. The net profit of sensex companies would grow 26-32 % year-on-year (y-o-y) to Rs 36,000-Rs 37,000 crore in the fourth quarter of 2009-10 , according to estimates by leading brokerages. Net sales would also be robust and would increase 31-35 % yo-y to about Rs 2.5 lakh crore.

Companies in the 30-share sensex are estimated to post the strongest revenue growth since the first quarter of fiscal 2009, according to analysts at IIFL. Only four sectors would have a less than 10% profit after tax (PAT) growth. Telecom, pharma and utilities are likely to post a decline in profits while companies in the financial sector would record a measly 2% growth, they said. In all, 25 out of 30 sensex companies would report positive earnings growth, analysts at Motilal Oswal said.

Corporate firms, which were badly hit by the global economic meltdown, are slowly clawing their way back to the heady sales and earnings growth of over 20% after a gap of nearly two years. "Capacity utilisation is approaching pre-crisis levels in domestic demand driven sectors such as steel (96% utilisation) and cement (87% utilisation)," analysts at Angel Broking said. Profits are also getting restored in some of the worsthit sectors such as automobiles , media and infrastructure , they said.

http://economictimes.indiatimes.com/news/news-by-company/corporate-trends/Corporate-India-set-to-end-09-10-on-strong-note/articleshow/5786147.cms

Infra firms to see robust growth in FY11: Crisil

Signalling that the worst is over for the economy, Crisil Ratings said companies in sectors like infrastructure, power and finance are expected to record robust growth in the current fiscal.

Infrastructure-related industries like power equipment, steel, cement, construction, healthcare, education and financial services will see high demand growth in the medium-term, Crisil said in its Ratings Round-up report released.

On the other hand, export-dependent industries like gems and jewellery, textiles and IT, will register only moderate growth as they are linked to the revival of the global economy.

The report further said during the current fiscal more companies are expected to witness upgrades than downgrades."We believe that the worst is over for the domestic economy, and present trends indicate that upgrades will outnumber downgrades in 2010-11," said Crisil Ratings managing director and chief executive officer Roopa Kudva.

http://economictimes.indiatimes.com/news/economy/indicators/Infra-firms-to-see-robust-growth-in-FY11-Crisil/articleshow/5771584.cms