

FII

The strong post-budget rally has seen the net inflow from Foreign Institutional Investors (FIIs) crossing the **USD 2 billion** mark so far this year. An analysis of the net FII fund flow into domestic equities shows that overseas investors have parked a hefty USD 2 billion (INR 9,189 crore) in the domestic stocks as on March 9, 2010. According to the latest data, FIIs have been gross purchasers of equities worth **INR 1,20,128 crore** so far this year, while they sold stocks valued at INR 1,10,938.7 crore, resulting in a net inflow of INR 9,189.6 crore.

Economy to grow at 8.5 per cent next year, says survey

A survey conducted by the Confederation of Indian Industries (CII) indicates that the Indian economy will grow at around **8-8.5 per cent** in the next fiscal.

According to the CII study, 60 per cent of the respondents said they expected GDP to grow at 8-8.5 per cent for the year ending March 2011, while another 20 per cent said growth would be in the 7.5-8 per cent range. As a part of the survey, around 100 CEOs and industrialists who were part of the CII National Council were interviewed.

Direct tax

Direct tax collections in the first 11 months (April-February) of the current financial year rose by **7.5 per cent** to touch **INR 2,78,373 crore**, compared to INR 2,58,902 crore in the corresponding period of 2008-09. Corporate tax collections grew by **10.9 per cent** to reach **INR 1,80,318 crore**, as against INR 1,62,617 crore in the same period of the previous financial year. Receipts from personal income tax including Securities Transaction Tax (STT), residual Fringe Benefit Tax (FBT) and Banking Cash Transaction Tax (BCTT) – grew **1.8 per cent** to **INR 97,692 crore**, as against INR 95,930 crore a year before.

Wages

India Inc. will see the highest rise in salaries among Asia Pacific countries this year, led by sectors like engineering, procurement

and construction, banking, finance and insurance, retail and IT, according to a study by Hewitt Associates. Indian wages will rise by **10.6 per cent**, compared to 6.6 per cent in 2009, said the Hewitt India Salary Increase Survey 2009-10. The salary hike will be across all the levels. The survey covered 465 companies across 20 primary industries. The findings say domestic companies are expected to outperform MNCs with a projected average salary increase of **11.4 per cent** as against a 10.2 per cent by the latter.

Exports

India's exports grew at a rate of **11.5 per cent** on a year-on-year basis in January 2010. Global trade in goods recovered in the recent months, recording growth of nearly **5 per cent** in December 2009, signaling an increase in demand for India's exports. India's exports stood at USD 14.34 billion in January 2010 compared to USD 12.86 billion in the same month a year ago. India's trade data shows that import growth is in tandem with the performance of the manufacturing sector, which is growing at 15-16 per cent.

As a major chunk of imports are used for exports. The import growth seems to be healthy as it is likely to get translated into higher exports in the next quarter.

PE & M&A

PE funds closed 29 deals in January 2010 compared to only 16 during the same period last year. The value of such deals saw a significant jump of **303 per cent**, from USD 309 million (INR 1,425 crore) in January 2009 to **USD 1,246 million** (INR 5,750 crore) this year.

The value of deals (including PE and M&A) had fallen to a low of USD 24,017 million (INR 1.1 lakh crore) in 2009, mainly due to uncertain market conditions and a gloomy economic outlook. A number of companies had to defer fund-raising due to subdued valuations. M&A deal saw a sharp recovery in 2010, with deals worth **USD 2,544 million** (INR 11,735 crore) in January alone, as compared to USD 1,781 million (INR 8,215 crore) in 2009. Domestic deals contributed the most, with 32 accounting for **USD 2,167 million** (nearly INR 10,000 crore).