



# CANBANK MUTUAL FUND

## NRI NEWSLETTER

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### Economy

- Cabinet approves passing of an ordinance for SBI stake:** The government is all set to acquire Reserve Bank of India's (RBI) stake in State Bank of India, with the union cabinet today, 15 June 2007, approving an ordinance to the effect. The ordinance route was taken as the State Bank of India Amendment Bill, which allows the government to take control of the RBI's 59.7% stake in SBI is still pending in Parliament. The government wants to complete the process by 30 June 2007, the end of RBI's financial year. In his 2007-08 Budget speech, Finance Minister P Chidambaram had announced that the government would buy the 59.7% stake from RBI at an estimated market value of Rs 40000 crore to separate ownership and regulatory functions of the central bank.
- 'Indian' workers end strike:** The flash strike by the Air Corporation Employees Union (ACEU) of state-run carrier Indian has been called-off, following assurance by Civil Aviation Minister Praful Patel to resolve the issue regarding payment of arrears and career progression of employees, which were pending since 1997. The airline employees have resumed work. The Delhi High Court had last night held the strike by Indian employees as "prime facie illegal" and asked them to resume duty at the earliest in the interest of air travelers. The workers went on strike late Tuesday night.
- Government to moderate expansion in certain sectors:** Finance Minister Palaniappan Chidambaram explained that the government did not want to reduce overall demand but favoured moderating the expansion in some sectors. The intention is not to constrain demand in every sector.
- Industrial output up 13.6% in April 2007:** According to the latest data of Index of Industrial Production (IIP), industrial output was up 13.6% in April 2007 compared with 9.9% in April 2006. Manufacturing output climbed up 15.1% in April 2007 against 11% in April 2006. Industrial output of March 2007 has been revised and stands at 14.5%.
- Government to review retail prices of petrol, diesel:** The centre is likely to review retail prices of petrol and diesel in mid-July 2007 to bring them in line with the recent rise in global oil prices, a senior oil ministry official said on Monday, 11 June 2007.

### Exchange Rate

- The rupee rose 0.7% to 40.9675 against the dollar this week in Mumbai. The currency's 8.3% gain this year is the second-best performance among the 16 most-traded Asia-Pacific currencies.

### Inflation drops to 4.8 per cent

- The wholesale price index-based inflation rose 4.8% in the 12 months to the week ended 2 June 2007, lower than the previous week's increase of 4.85%, due to a decline in food and energy prices, data released by the government today, 15 June 2007, showed.

### Bullion

- In Mumbai, standard gold (99.5 purity) advanced by Rs.10 per ten grams to Rs.8,655 from Rs.8,645 previously. Puregold (99.9 purity) also moved up to Rs.8,705 from Rs.8,695.
- In silver ready (.999 fineness) eased to Rs.18,220 from Rs.18,230.

### Bullion Price

UNIT	15-JUN-07	01-JUN-07	VAR(%)
Gold Rs/10 gm)*	8,655	8,745	-1.0
Silver Rs/Kg)**	18,018	18,312	-1.6

\* Mumbai \*\* Delhi

### Currency Exchange

DATE	US\$	GBP	EURO	YEN
01-06-07	40.54	80.21	54.51	33.24
15-06-07	40.97	80.73	54.56	33.30

### INDEX SUMMARY

COMPANY	15-JUN-07	01-JUN-07	VARIATION
SENSEX	14162.71	14570.75	-2.8
NIFTY	4171.45	4297.05	-2.9

### INDIA SECTOR INDEX

	15-JUN-07	01-JUN-07	VAR(%)
BSE - PSU	6500.28	6773.01	-4.0
BSE AUTO	4674.80	5030.20	-7.1
BSE BANKEX	7461.59	7682.64	-2.9
BSE CAP. GOODS	11156.78	11241.76	-0.8
BSE FMCG	1788.73	1890.53	-5.4
BSE HEALTHCARE	3795.20	3852.43	-1.5
BSE IT	4996.12	4908.38	1.8

### The annual wholesale price index

	PER CENT	WEEK-ENDED
Inflation	4.80	Jun-02
Inflation	4.85	May-26
Inflation	5.06	May-19
Inflation	5.27	May-12



## Capital Market

- The 30-share BSE Sensex lost 381.75 points or 2.6% to settle at 14162.71 in the fortnight ended 15 June 2007. Sensex hit a four-month high of 14683.36 on 4 June 2007. The S&P CNX Nifty shed 124.35 points or 2.8% to 4171.45 in the fortnight. Nifty struck a lifetime high of 4362.95 on 4 June 2007.
- **Netflir Finco to debut on BSE, NSE on 19 June 2007:** Netflir Finco (NFL) debuts on the bourses on Tuesday, 19 June 2007. The listing of the company follows a restructuring scheme at JK Tyre and Industries (JKTIL), formerly JK Industries, whereby the investment undertaking of JKTIL got demerged and vested in NFL on a going concern basis.
- **Nicholas Piramal to stay in focus:** Nicholas Piramal India is expected to be in action after reports that private equity funds have approached the pharma major for acquiring a stake in its discovery research (R&D) division. In that case, Nicholas Piramal would need to hive off its discovery R&D activity into a separate entity.
- **Gulf Oil Corporation allots equity shares:** The share allotment committee of Gulf Oil Corporation has allotted 3 lakh equity shares of Rs 10 each to Tech Consultancy & Services and 4 lakh equity shares of Rs 10 each to Esquire at a premium of Rs 495 per share.
- **Power Finance Corporation recommends final dividend:** The board of Power Finance Corporation has recommended final dividend of 10%. This was recommended at the board meeting held on 15 June 2007.
- **Classic Diamonds' equity shareholders approve scheme of amalgamation:** In accordance with the directions of the Honourable High Court of Bombay, the equity shareholders of Classic Diamonds India at its meeting held on 15 June 2007 have approved the scheme of amalgamation of Purvi Diamonds with the company.

## Real Estate

- **India's 1st Real Estate TV Channel Launch in July:** India's first 24-hour premium TV Channel dedicated completely to real estate—is all set to be launched next month. This was announced here by the channel's promoter, Mr Manoj Namburu, CMD of Alliance Group, a Rs.4400-crore enterprise. He said though the channel was promoted by the Alliance Group, it was of and for the real estate sector at large. Alliance Group is a Rs4400 crore real estate enterprise with projects in Bangalore, Chennai, Hyderabad, Coimbatore and Mysore.
- **HDFC invests Rs. 74 crores in Pune based housing company:** HDFC realty fund has purchased 10% equity of Pune based housing and construction company Paranjape Schemes (Construction) Ltd. for a total value of 74 crores.
- **Ansal Housing to develop 98-acre township in Karnal:** Ansal Housing & Construction Ltd has announced that the Director, Town & Country Planning, Haryana, Chandigarh has issued licence for development of 98 acre of Residential Project of the Company at Sector - 36, Karnal (Haryana).
- **Indiabulls Real Estate to develop SEZ in Nashik and Thane in Maharashtra:** Indiabulls Real Estate Ltd has announced that Indiabulls Industrial Infrastructure Ltd, a wholly-owned subsidiary of the Company focused on development of large scale infrastructure projects, has received a Formal Approval from the Department of Commerce (SEZ Section), Ministry of Commerce & Industry, Government of India, for development of a multi-product Special Economic Zone (SEZ) in the Nashik District of the State of Maharashtra.
- **Uppal Group - Luxor Group SPV signs MoU with Trinity Capital, to develop Gurgaon SEZ:** A special purpose vehicle (SPV) formed by Delhi based real estate Uppal Group and Luxor Group, announced the signing of MoU with Trinity Capital (PLC), a US based boutique investment banking and restructuring firm. The two companies also announced divestment of their partial shareholding in the SPV in favor of Trinity Capital for over Rs. 300 crore. The SPV was floated by the two companies to develop 10 million sq. ft. on a 67-acre plot for their upcoming notified SEZ's in Gurgaon.
- **Satra Properties signs MoU for Bandra - Turner Road Property in Mumbai:** Satra Properties India Ltd has announced that the Company has signed an MOU for development of a prime property in the Bandra — Turner Road area in Mumbai.

RESIDENTIAL REALTY RATES	
LOCATION	CAPITAL VALUES/RS./SQ.FT.
<b>SOUTH MUMBAI</b>	
Cuffe Parade	18,000-45,000
Churchgate	15,000-24,000
Marine Lines	14,000-22,000
Malabar Hill	18,000-45,000
Napeansea Road	18,000-45,000
Worli	12,000-35,000
Prabhadevi	11,000-22,000
Mahim	7,500-11,000
<b>CENTRAL SUBURBS</b>	
Byculla	5,000-11,000
Wadala	5,000-7,000
Sion	6,000-11,000
Kurla	3,000-4,500
Powai	4,500-11,000
Chembur	4,000-7,000
Ghatkopar	4,500-8,000
Bhandup	3,000-4,500
Mulund	3,750-5,000
Thane	3,500-5,000
Dombivali	1,800-3,000
Kalyan	1,100-2,500
Ambernath	900-1,400

Source: The Times of India

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