



# CANBANK MUTUAL FUND

## NRI NEWSLETTER

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### Economy

- **Govt to pump in Rs 18.5 billion to help RRBs:** The government on Monday (16 July 2007) announced a Rs 18.5 billion (\$458 million) rescue package to help ailing regional rural banks (RRB) to write off their losses by March 2010. The World Bank is lending \$600 million for this programme.
- **PM's Economic Advisory Council estimates 9% GDP growth:** According to the Prime Minister's Economic Advisory Council, headed by former RBI governor C Rangarajan, economic growth is expected to moderate to 9% in 2007-08 from 9.4% in 2006-07.
- **RBI asks banks to cut interest rate on loans to exporters:** The Reserve Bank of India (RBI) has asked banks to cut interest rate on loans given to exporters in sectors like textiles, leather and handicrafts. Pre-shipment credit up to 180 days, and post-shipment credit up to 90 days, should be 4.5% below prime lending rate (PLR) against 2.5%earlier.
- **Indian economy expected to face a downward pull:** Indian economy is expected to show a marginal decline in gross domestic product (GDP) growth to 9.2% in 2007-08 from 9.4% in 2006-07, according to the 'state of the economy' report by the Confederation of Indian Industry (CII). The slowdown is expected due to surging interest rates, appreciating rupee and poor infrastructure.
- **Government hikes duty drawback on most products:** The government today, 12 July 2007, announced increased rates of duty drawback with effect from 1 April 2007 as part of a package to exporters who have been hit by rupee's surge against the US dollar. The increased rate of duty drawback on nearly all products would cost the exchequer Rs 800 crore in FY 2008.

### Exchange Rate

- The rupee on Monday appreciated further against the US currency to close at 40.3700/3750 on the back of sustained rally in equity markets amid weak dollar overseas.

### Inflation up to 4.27%

- The annual inflation stood at 4.27% in the week ending 30 June 2007 compared with 4.13% in the week ending 23 June 2007. The rise in wholesale price index (WPI) is due to an increase in prices of food articles and manufactured items.

### Bullion

- Standard gold (99.5 purity) shed Rs.10 at Rs.8,880 per 10 gm in Delhi followed by a drop of Rs.5 in Kolkata and Mumbai t Rs.8,760, respectively.
- Spot silver (.999) added Rs.20 at Rs.17,650 per kg in Chennai and Rs.5 to Rs.17,935 per kg in Mumbai.

### Capital Market

- The 30-share BSE Sensex rose 660.71 points or 4.5% to settle at 15,311.22 in the fortnight ended 16 July 2007. This is a record clos-

### Bullion Price

	UNIT	16-JUL-07	02-JUL-07	VAR(%)
Gold	Rs/10 gm)*	8,760	8,610	1.7
Silver	Rs/Kg)**	17,533	17,051	2.8

\* Mumbai \*\* Delhi

### Currency Exchange

DATE	US\$	GBP	EURO	YEN
02-07-07	40.66	81.70	55.05	33.07
16-07-07	40.37	82.18	55.67	33.13

### INDEX SUMMARY

COMPANY	16-JUL-07	02-JUL-07	VARIATION
SENSEX	15311.22	14664.26	4.4
NIFTY	4512.15	4313.75	4.6

### INDIA SECTOR INDEX

	16-JUL-07	02-JUL-07	VAR(%)
BSE - PSU	7192.03	6795.10	5.8
BSE AUTO	5080.79	4791.06	6.0
BSE BANKEX	8386.65	7990.48	5.0
BSE CAP. GOODS	13007.01	12429.15	4.6
BSE CONS DURA	4216.75	4264.90	-1.1
BSE FMCG	1846.03	1824.00	1.2
BSE HEALTHCARE	3814.80	3849.59	-0.9

### The annual wholesale price index

	PER CENT	WEEK-ENDED
Inflation	4.27	Jun-30
Inflation	4.13	Jun-23
Inflation	4.03	Jun-16
Inflation	4.28	Jun-09



ing high for the barometer index. The S&P CNX Nifty rose 193.85 points or 4.48% to a record closing high of 4,512.15 in the fortnight. Tractor and utility vehicle maker Mahindra & Mahindra replaced Hero Honda in BSE Sensex from 9 July 2007.

- **India Motor Parts & Accessories recommends final dividend:** The board of India Motor Parts & Accessories has recommended final dividend at 20% for the financial year 2006-07. This was recommended at the board meeting held on 16 July 2007.
- **Ramco Systems to grant stock options:** The compensation committee of Ramco Systems had approved a grant of 4,01,600 equity stock options under ESOP 2004 to the eligible employees of the company and its subsidiaries. The stock options are convertible into equivalent equity shares of Rs 10 each at the time of exercise of the options.
- **Jubilant Organosys allots shares & grants options:** The compensation committee of Jubilant Organosys has allotted 7,375 equity shares of Re 1 each at a price of Rs 201.33 per share, has been made pursuant to exercise of 1475 options earlier granted under ESOP 2005.
- **Prudential Pharmaceuticals to change the company name:** The board of Prudential Pharmaceuticals has decided to change the name of the company to Gennex Laboratories to reflect the nature of the business to be carried on by the company.
- **Reliance Petroleum achieves overall project progress of 65%:** Reliance Petroleum continues to make rapid progress in implementation of its large, complex refinery, coming up in a SEZ at Jamnagar. Reflecting rapid strides made on all implementation fronts, the company has achieved overall project progress of 65% - in just 19 months since commencement of the Project. With engineering and procurement activities nearing completion and required site infrastructure mobilised to sustain the fast pace of construction, the company refinery is well on track for completion by December 2008.
- **Surya Roshni forfeits warrants:** The warrant holders of Surya Roshni have not exercised the option for conversion of 38 lakh warrants on or before 15 July 2007 (last date for exercise of options). Consequently, 10% option amount i.e. Rs 6.40 per warrant of 38,00,000 warrants has been forfeited.

#### Real Estate

- **ING eyes property investments in India:** Dutch property manager ING Real Estate plans to invest in India and Turkey and infrastructure in Europe and the Americas to meet demand and benefit from relatively high returns, its chief executive said.
- **DLF, Parsvnath shortlisted for MCD skyscraper:** DLF and Parsvnath Developers have been shortlisted for the 30-year lease rights for maintenance and operations of Delhi's tallest building, the proposed civic centre of Municipal Corporation of Delhi (MCD). DLF's bid at around Rs 400 crore is supposed to be higher than Parsvnath's.
- **Realty cos make beeline for H'bad SE:** Nagarjuna construction, Bhagyanagar Industries, GS Realtors and a group of overseas investors are in the race to pick up a slice of Hyderabad Stock Exchange (HSE), which has kick-started its demutualisation process. DLF and Reliance Retail may also look at a stake in HSE, according to stock exchange sources.
- **Indian cos in fray for Nepal airport:** Two Indian construction companies are in the fray for a project to improve Nepal's lone international airport in Kathmandu. New Delhi's IRCON International Limited and an Indo-Nepal joint venture between Mumbai's Valecha Engineering Ltd and local partner Y P Construction are among the six companies that have qualified to bid for the runway and taxiway overlay work at Tribhuvan International Airport.
- **Unitech to borrow up to \$ 743 mn:** Real estate firm Unitech Ltd plans to borrow Rs 20-30 billion (\$495 million-\$743 million) to fund projects during the current financial year, a senior official said on Thursday. Managing Director Sanjay Chandra said that the company expects 50-60 per cent revenue growth during 2007/2008.

#### 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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