



## Update on Indian Economy

December 2006

### Economic Snapshot

Contents	Item	Units	November	October	November	(% ) Change	
			2006	2006	2005	[1] / [2]	[1]/[3]
			[1]	[2]	[3]	[4]	[5]
- Editorial	WPI -Index*	1993-94=100	208.9	207.9	198.4	0.48	5.3
- Capital Market	WPI -Inflation**	Per cent	5.3	5.2	4.2	-	-
- Industry :Gems & Jewellery		Week ended	11.11.06	07.10.06	12.11.05		
- Other Markets	IIP (93-94=100)	2 months lag	242.2	233.5	217.6	3.73	11.31
- Important Policy Pronouncements			(Sep.06)	(Aug.06)	(Sep.05)		
	INR / US\$	Month End	44.76	45.02	45.94	-0.58	-2.57
	M3	Rs. '000 Cr.	2965.79	2943.43	2501.12	0.76	18.58
	[i] Agg. Deposits	Rs. '000 Cr.	2510.85	2499.33	2109.63	0.46	19.02
	[ii] Currency	Rs. '000 Cr.	454.94	444.10	391.49	2.44	16.21
		(Outstanding as on)	10.11.06	13.10.06	11/11/05		
	Call Money (Lendings)	% Range	5.75-7.70	5.25-6.95	3.25-7.00	-	-
		Week ended	17.11.06	13.10.06	18.11.05		

Source: RBI Weekly Statistical Supplement Dec.01, 2006/Dec.02, 2005 & Economic & Political Weekly, Nov.18, 2006, \*All Commodities. \*\*Over the year.

### Editorial

#### A) Domestic

According to the data the index of industrial production growth during the first half (April-September) of 2006-07 registered an all time high rate of 10.9% as compared to 8.5% in the corresponding period of 2005-06. This is because the manufacturing sector which has weight of nearly four-fifths recorded a growth of 12.1% as compared to 9.5% in the first half of preceding year. The growth rate of electricity generation which generally lags behind other sectors grew as much as 11.3% in September 2006 in contrast to a negative rate of 0.8% in September 2005. As a result the growth rate in electricity generation during first half was 6.6% which was higher by 1.8 percentage point than the rate of 4.8% in first half of the preceding year. The growth rate of mining also accelerated from 1.1% during first half of 2005-06 to 3.1% during 2006-07, that is, by 2 percentage points.

The growth in manufacturing has been broad based mainly as a result of growth in demand both from home and abroad. Heavy consumer spending on purchase of cars, phone, TV has kept the momentum in the sector along with the production of capital goods and intermediaries which are generally the result of heavy investment demand. Because of the heavy investment demand it is very likely that the companies may resort to heavy borrowing and thereby put pressure on the interest rates.

## Index of Industrial Production

Sector (weight)		April-June		April-September	
		2005-06	2006-07	2005-06	2006-07
1.	Mining (104.73)	4.3	3.5	1.1	3.1
2.	Manufacturing (793.58)	11.2	11.2	9.5	12.1
3.	Electricity (101.69)	7.7	5.1	4.8	6.6
4.	IIP (General) (1993-94=100)	10.4	10.1	8.5	10.9

*All figures in%*

In October 2006, Reserve Bank of India raised the repo rate by 25 basis points to 7.25%, and the repo rate is the one at which RBI lends to banks. This is a signal to the banks to slow down the credit growth and rely mainly on meeting the loan demand from their deposits.

### **B) International**

#### **India-China Relationship**

Two of the world's fastest developing economies, i.e. India and China – have signed no less than 13 Agreements in the area of agriculture, tourism, co-operation in science and technology, energy, space and above all civilian nuclear energy including two that encourage two-way investment flows and streamlining of iron ore exports. While two-way trade between the two neighbours is projected to reach \$20 billion by 2006-2007, both the countries indicated that they would work hard to double this figure to \$40 billion by 2010.

India and China will work towards a Regional Trade Pact (RTA) though the Free Trade Agreement appeared to be not too distant dream; both the leaders promised to push towards a regional trade pact as early as possible.

A joint declaration, issued after the talks between Indian Prime Minister Dr. Manmohan Singh and Chinese President, Mr. Hu Jintao said, "India and China shall make joint efforts to diversify their trade basket, remove existing impediments, and utilize the present and potential complementarities to sustain and strengthen bilateral commercial and economic co-operation."

Both the countries have also agreed to strengthen their co-operation in the World Trade Organization. Besides they also adopted a "ten-pronged strategy" to intensify ties and bridge the gap.

### Capital Market Review

The BSE Sensex which closed at 12,961.90 on October 31, 2006 steadily moved up during the month and closed at 13696.31 on November 30<sup>th</sup>, 2006 registering thereby a rise of 734.41 points.

	November	October	November	October	(% ) Change		
	2006	2006	2005	2005	[1] / [2]	[1] / [3]	[2] / [4]
	[1]	[2]	[3]	[4]	[5]	[6]	[7]
<b>Major Indices</b>							
BSE Sensex – Close	13696.31 (30.11.06)	12961.9 (31.10.06)	8788.81	7798.49	5.67	55.84	66.21
Monthly High	13773.59 (27.11.06)	13,024.26 (30.10.06)	9033.99	8724.47	5.75	52.46	49.28
Monthly Low	13033.04 (01.11.06)	12,204.01 (04.10.06)	8768.80	7798.49	6.79	48.63	56.49
S&P CNX Nifty –Close	3954.50	3744.1	2652.25	2352.90	5.62	49.10	59.13
P/E Ratio : BSE – 30	22.69	21.25	17.23	15.35	6.78	31.69	38.44
FII Investments (Equity+ Debt)							
Inflows – Rs. Cr.	54858.80	39573.9	23499.90	22514.3	38.62	133.44	75.77
Outflows – Rs. Cr.	44672.60	30903.9	21625.90	25788.6	44.55	106.57	19.84
Net – Rs. Cr.	10186.5	8669.6	1874.20	(3274.4)	17.50	443.51	(364.77)
Cum. Net Inv–US\$ Mn. (Month End)	51019.7	48806.8	39714.30	39602.6	4.53	28.47	23.24

There were mainly three factors which propelled this growth. **First**, was the pumping in of funds by the Financial Institutional Investors (FIIs) to the extent of net US\$ 2.2 billion and **secondly** the announcement that the GDP growth of 9.1 per cent during the first half of the Financial Year (April-September) of 2006-07 was perhaps the strongest growth in the last 15 years with the result some of the institutions like JM Morgan Chase and DBS Group Holdings forecast the continuation of strong economic growth during the remaining part of the year and bullish undertone. **Thirdly**, the strong manufacturing growth which impacted positively of the companies in capital goods and infrastructure sectors aided the bullish sentiments. In addition banking sector on the wave of emerging credit cycle growth attracted considerable attention at the market place, and stocks of banks like **SBI, Bank of Baroda, Bank of India** moved up. There was a selective buying in pharmaceutical stocks such as **Aurobindo Pharma, Dr. Reddy’s Laboratories** and **Ranbaxy**. The stocks affected by the strong manufacturing growth were **ABB, Thermax, Alstom Projects** and **Siemens**.

SEBI issued a second interim order on November 21, 2006 to recover the notional loss suffered by small investors in the IPO scam. The order pertains to what is now popularly known as IPO / demat scam which was noticed by SEBI in October 2006 shortly after the Yes Bank IPO. In the scam it was found that small number of investors created thousands of fictitious demat accounts and made applications in the new issues of shares. By doing this, these cornered a large portion of shares meant to be allotted to small retail investors. Upon listing of the shares on the stock market the shares were sold realising thereby windfall gains. Investigations revealed that unscrupulous investors were circumventing the system beginning as early as June 2003.

Earlier SEBI, passed an interim order on April 27, 2006 and directed 24 key operators and 82 financiers not to buy or sell or deal in the securities market until further directions. This order was not implemented by all and subsequently, SEBI was forced to make changes in its order favouring certain participants. Now SEBI is trying to recover the amount from the market players as ‘disgorgement’. Against the funds received through illegal or unethical business transactions, the funds should be disgorged or paid back with interest to those effected by the action. SEBI contends that the actions of these 10 market players caused a notional loss of Rs.115.81 crore to the retail investors and hence this amount is subject to disgorgement. The loss of the market players involved in disgorgement and the amount subject to disgorgement is indicated below. However, a final decision is yet to be taken.

<b>(Rs. crore)</b>					
1.	NSDL	45.01	6.	IDBI Bank	0.86
2.	CDSL	12.90	7.	Pravin Ratilal	0.69
3.	Karvy Consultants	51.52	8.	ING Vysya Bank	0.55
4.	Pratik Stock Vision	1.93	9.	Jhaveri Securities	0.44
5.	HDFC Bank	1.64	10.	Khandwala Sec	0.29

According to SEBI’s new guidelines on corporatisation of stock exchanges, the exchanges will have to ensure that at least 51 per cent of their equity is continuously held by the public. SEBI has cleared the decks for the stock exchanges to go public. The exchanges are now allowed to divest through a public offer, strategic investment, private placement or preferential allotment. Individual investment, direct or indirect, has however, been capped at 5 per cent. Additionally, persons (or persons acting in concert) must meet eligibility requirements to acquire more than one per cent of the paid-up equity capital of a recognised stock exchange, satisfying the SEBI requirements. However, the Government has still not decided on the equity stake by foreign institutions as strategic investors in the stock exchanges.

### **Industry – Gems & Jewellery**

#### **I. Introduction :**

Indian Gems & Jewellery industry is now matured and has been getting support from the Government. The strategies are being devised to achieve higher level of exports from the exports of just US\$ 2.9 billion in 1990-91. The value of exports doubled to US\$ 5.3 billion in 1995-96 and in 2004-05 the exports touched US\$ 13.8 billion and further to US\$ 15.5 billion in 2005-06. The exports in 2005-06 is nearly three times that in 1995-96. In relation to total exports, share of Gems & Jewellery declined from 16.1% in 1990-91 that is. almost 1/6<sup>th</sup> of total exports to 15.13% in 2005-06; this is due to the faster growth in exports of other commodities.

## Exports of Gems & Jewellery and Imports of Precious Stones

Year	Exports			Imports		
	Total Exports (US\$ mn)	Of which Gems & Jewellery (US\$ mn)	Col 2 over Col 1 (Per Cent)	Total Imports (US\$ mn)	Of which Pearls, precious and semi precious stones (US\$ mn)	Col 5 over Col 4 (Per Cent)
	1	2	3	4	5	6
1990-91	18,145	2,924	16.11	24,073	2,083	8.65
1995-96	31,795	5,275	16.59	36,675	2,106	5.74
2000-01	44,560	7,384	16.57	50,537	4,808	9.51
2001-02	43,827	7,306	16.67	51,413	4,623	8.99
2002-03	52,719	9,030	17.13	61,412	6,063	9.87
2003-04	63,843	10,573	16.56	78,149	7,129	9.12
2004-05	83,536	13,762	16.47	111,517	9,423	8.44
2005-06	102,725	15,547	15.13	142,416	9,141	6.42

*Source : RBI Handbook of Statistics on the Indian economy 2005-06*

According to the Gem and Jewellery Export Promotion Council (GJEPC) presently, diamonds account for 71 per cent of the exports followed by gold jeweler (23 per cent) and coloured gemstones (1 per cent). USA, Hong Kong and UAE are major diamond buyers and Belgium is a major supplier. Other gems and jewellery export markets include Japan, Israel, Thailand, UK, Switzerland, Germany and Australia.

On the import front, total imports grew by 27.7% with imports increasing from US\$ 111.5 billion in the FY 2004-05 to US\$ 142.4 billion in the FY 2005-06. Of which pearls, precious and semi-precious stones were imported to the tune of US\$ 9.1 billion.

### II. Policy Initiatives :

Commerce Minister of India, Mr. Kamal Nath announced on April 7, 2006 in the Annual Supplement of Foreign Trade Policy that industries like gems and jewellery, textiles, toys, leather, sports goods etc are employment generating industries and therefore the Board of Trade should suggest measures to boost exports that include exemptions of all taxes and levies. The foreign trade policy has been export centric.

The new measures included allowing import of precious metal scrap and used jewellery for melting, refining and re-export. The Minister also proposed a reduction in the value-addition norm on exports of gold and silver jewellery from 7% to 4.5% in view of the increase of gold and silver prices in the international market. The sharp rise, in recent times, had made the present value-addition norms unrealistic.

The Minister announced incentives for the gems and jewellery trade, auto components and aviation to enable India to win market share from other countries. When the country is witnessing a buoyancy in the manufacturing sector it is imperative that the Gems & Jewellery segment should achieve export growth at the rate of 15-25% annually. If it does not do so it will be over taken not only by other sectors but also by other countries which will result in pushing out the small and medium enterprises. Efforts needed would be significantly large and competition is likely to be much tough because of the slow down in the economic growth in the countries such as USA and Europe which are major buyers of Indian Gems & Jewellery.

The sustained buoyancy in the exports of gems and jewellery so far reflects the effects of continuing policy initiatives which have been:

- Import of gold of 18 carat and above allowed under the replenishment scheme subject to the import being accompanied by an Assay Certificate specifying the purity, weight and alloy content
- Duty free import entitlement of consumables for metals other than gold and platinum at 2 per cent of the FOB value of exports during the previous financial year
- Duty free import entitlement of commercial samples at Rs 3 lakh (US\$ 6,762).
- Duty free re-import entitlement for rejected jewellery at 2 per cent of the FOB value of exports
- Cutting and polishing of gems and jewellery treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act

### III. Foreign Brands :

Of late, some of the world's biggest names in the jewellery and luxury items such as watches and cuff links are making inquiries to set up shop in India. Multi-national jewellery brands such as Tiffany, Cartier, Zales and Harry Winston are all said to be interested in coming here following the government's decision to allow foreign direct investment of up to 51 per cent in single brand retail stores. Most of these stores have been sourcing cut and polished diamond and gold items from Indian firms. Now they are making inquiries for a possible tie-up for India operations.

### IV Special Economic Zones for Gems and Jewellery production :

#### a. Jaipur

The Companies from Mumbai have sought the allotment of plots in Gem & Jewellery SEZ Phase II, Sitapura in Jaipur. The location is 6 kms. South from Airport where Sitapura Industrial Area is located, the Phase I of SEZ which is also Gem & Jewellery SEZ.

b. Kerala

Kerala Industrial Infrastructure Development Corporation (KINFRA) proposes to lease out land to developers for developing an industrial park and Special Economic Zone. (SEZ) for gem and jewellery in Kochi. It has invited expression of interest from prospective developers. The project will be conceived, designed, implemented, operated and maintained by a private developer, through a Special Purpose Vehicle (SPV) incorporated under the Indian Companies Act, 1956. KINFRA will contribute land and basic infrastructure facilities. The private sector parties will contribute equity funds to the SPV that will be utilized to fund the development of specific infrastructure facilities. The gem and jewellery park and the SEZ would be a one-stop destination where bulk orders could be placed on more than one manufacturer at the same location where the producers can avail of the services offered by the park.

Aerens Goldsok International Ltd. Haryana, has expressed interest to participate in the development of the proposed Gem and Jewellery Park and SEZ. Gitanjali Gems Limited has also expressed their keenness in developing the SEZ.

c. Mumbai

The 2,500 crore Gitanjali Gems, India's leading gems and jewellery retail company has received an approval for a Special Economic Zone (SEZ) for the gems and jewellery sector at Panvel. To be spread over 25.23 acres, this will be Gitanjali's second SEZ, after the 200-acre Rajiv Gems Park at Shamshabad, Hyderabad.

Gitanjali will invest Rs.1,500 crore on these two projects in Hyderabad and Panvel – the former is under development and a diamond and jewellery training center has already been commissioned. The Hyderabad SEZ will be operational in three years and will be developed in a phased manner.

- Gitanjali Gems Ltd. (GGL), a diamond and jewellery making company, has raised \$ 110 million (approximately Rs.495 crore) through the issue of foreign Currency Convertible Bonds (FCCBs).

The FCCBs that mature on November 25, 2011, will be converted into equity shares at a conversion price of Rs.275 per share, which is a premium of approximately 28 per cent.

The FCCBs will be listed on the Singapore Stock Exchange. On conversion, the underlying equity shares of the company will be listed on the Bombay Stock Exchange and the National Stock Exchange.

The funds raised are to be utilized for the company's capital expenditure requirements and towards identified acquisitions plans.

## V. Future Planning :

According to the Newsletter released by The Gem and Jewellery Export Promotion Council (GJEPC) on November 26, 2006, GJEPC is planning to boost the exports of gems and jewellery to US\$ 26 billion by 2009. The Council has lined up the visits of its members to CIS countries mainly to develop the markets in those countries. It is also planning to send a delegation to Japan in 2007. While eight companies would visit different sites in Japan to explore the markets for gems and jewellery.

As for developing coloured gems stones efforts are being made to provide in the heat treatment project from Bangkok.

As Jaipur is emerging as a hub for gems and jewellery, the GJEPC is planning to set up training institute for artisans one each in Jaipur and Kolkata. As India is reckoned as one of the world's largest manufacturers of cut and polished diamonds, the idea is to develop the country as an international trading center in the form of one stop shop for gems and jewellery one hand and create a pool of artisans on the other, supported by designers to provide the products at the level of international standards.

## Other Markets

### **Debt Market**

October saw new issues from banking and financial institutions. The largest issue was from LIC Housing Finance Ltd. for Rs.400 crore, followed by Rs.300 crore from Bank of Maharashtra. State Bank of Travancore and Union Bank of India both raised perpetual bonds, the latter with a call option at the end of ten years.

Name of the Issuer	Rate %	Duration	Rating	Amount Rs. Crore	Type of Instrument
Bank of Maharashtra	9.10a	15 years b	AA-	300c	Upper Tier 2
LIC Housing Finance Ltd.	8.4	3 years			
	8.55	5 years	n.a.	400	Debentures
National Bank for Agriculture and Rural Development	8.05- 8.20d	3 years e	n.a.	200 c	Unsecured debentures
State Bank of Travancore	9.35a	Perpetual	AA	200	Perpetual bonds
Union Bank of India	9.45	Perpetual f	AA+	300	Perpetual bonds
Yes Bank Ltd	9.10	114 months	AA-	100g	Lower Tier 2

a With a 50 basis points increase after the 10<sup>th</sup> year

b With a call option after 10 years

c With an unspecified greenshoe option

d Book-building range

e With put/call option at end of the second year.

f With a call option in the 10th year

g With a greenshoe option for Rs.80 crore

(Source : Credit Analysis & Research Ltd. November 2006)

Though major economies like Japan and US kept their key policy rates unchanged, the European Central bank raised the benchmark refinancing rate by a quarter percentage to 3.25% in October 2006. On October 5, European Central Bank announced its fifth interest rate hike in 10 months, while hinting at further rate increases in order to curb inflation.

### **Call Money Market**

The call money market rate on November 10, 2006 in respect of borrowings ranged between 5.75% and 7.30% as compared to the rates of 4.50% - 7.25% on November 11, 2005 (i.e. a year ago) reflecting that there was a hardening of the interest rate during the year. The average daily turnover in the call money market was Rs.12,054 crore for the week ending November 10, 2006 and this daily turnover declined to Rs.11,943 crore in the week ending November 17, 2006.

### **Foreign Exchange Market**

The exchange rate (RBI reference rate) on November 17, 2006 was Rs.45.01 per US dollar as compared to Rs.44.90 per US dollar on November 13, 2006, that is, a week ago; this reflected an depreciation of the rupee vis-a-vis US dollar. Further, the six month forward premia was 1.98% on November 17, 2006 as compared to a premium of 1.76% on November 13, 2006 (a week ago), and this reflects that supply of dollars is likely to remain relatively tight in the forthcoming weeks. The foreign currency asset were US \$ 163.64 billion on November 17, 2006, and inclusive of gold and SDRs and the reserve position in the Fund, the foreign exchange reserves aggregated to US\$ 170.36 billion. From end-March 2006, the foreign exchange reserves registered a rise of US\$ 18.73 billion. The market rate (buying) was Rs.44.77 per US dollar on November 30, 2006.

### **Important Policy Pronouncements**

#### **(1) Report on Trend and Progress of Banking in India :**

According to the Report on Trend and Progress of Banking in India for the year 2005-06 released by the Reserve Bank in November 2006, the Gross Non- Performing Assets (NPAs) of the Scheduled Commercial Banks declined from Rs.68,717 crore in 2002-03 to Rs.51,816 crore in 2005-06. Among the categories of the banks, the performance of the New Private Sector Banks improved considerably from 7.6 per cent to 1.7 per cent. Not only their NPAs came down but their profitability distinctly improved. However, the Basel II norms which were supposed to be completed by March 2007 have now been allowed two more years with the result banks would be fulfilling their requirement of Basel II norms by March 2009 though some of the banks are still in a position to complete the norms. It may be recalled that quite a number of banks during the year resorted to borrowing in the debt market to meet the Basel II norms. With steady progress in the reduction of NPAs and with completion of the Basel II norms the Indian banking is now more effective than ever to take up the challenges of finance for economic growth.

### Gross and Net NPAs of Schedule Commercial Banks

	Banks Category	2003 (As end March)			2006 (As end March)		
		Amount (Rs. crore)	Per cent to Gross Advances	Per cent to total assets	Amount (Rs. crore)	Per cent to Gross Advances	Per cent to total assets
1.	Scheduled Commercial Banks	68,717	8.8	4.1	51,816	3.3	1.9
a)	Public Sector Banks	54,090	9.4	4.2	42,106	3.7	2.1
b)	Old Private Sector Banks	4,550	8.9	4.3	3,740	4.3	2.5
c)	New Private Sector Banks	7,232	7.6	3.8	4,042	1.7	1.0
d)	Foreign Banks	2,845	5.3	2.4	1,927	1.9	1.0

#### (2) Bank Guarantee on behalf of Service Importers :

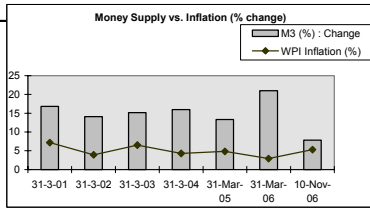
With a view to further liberalise the procedure for import of services, AD Category-I banks have now been permitted to issue guarantee on behalf of their customers importing services, provided :

- The guarantee amount does not exceed USD 100,000;
- The bonafides of the transaction are found to be satisfactory;
- The documentary evidence for import of services is submitted in normal course; and
- The guarantee is to secure a direct contractual liability arising out of a contract between a resident and a non-resident.

#### (3) Purchase of Constructed / Built up Property :

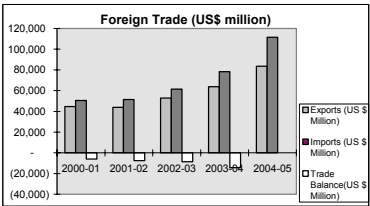
- i. In cases where an applicant approaches a bank / FI for a credit facility to purchase a built-up house / flat, it would be mandatory for him to declare by way of an affidavit-cum-undertaking that the built up property has been constructed as per the sanctioned plan and / or building bye-laws and as far as possible has a completion certificate also.
- ii. An architect appointed by the bank must also certify before disbursement of the housing loan that the built up property is strictly as per the sanctioned plan and / or building bye-laws.

Further, banks / FIs have been advised not to give loans in respect of those properties which fall in the category of unauthorized colonies unless and until they have been regularized, and the development and other charges have been paid. Loans should also not be given in respect of properties meant for residential use but which the applicant intends to use for commercial purposes and declares so while applying for loan.



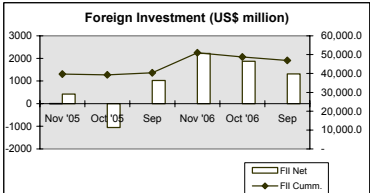
	31-3-01	31-3-02	31-3-03	31-3-04	31-Mar-05	31-Mar-06	10-Nov-06
<b>M3 (Rs. Crore)</b>	13,13,220	14,98,355	17,25,222	20,03,102	22,53,938	27,29,535	29,65,786
<b>M3 (%) : Change</b>	16.82	14.1	15.14	15.95	13.30	21.00	7.84
<b>WPI (Index) All Commodities#</b>	155.7	161.8	172.30	180.30	189	198.3*	208.8*
<b>WPI Inflation (%)</b>	7.16	3.92	6.49	4.29	4.83	2.91	5.30

Source: RBI Bulletin, November 2006; WSS: November 24, 2006 #1993-94+100@year/month-end; \*November 05,2005; \*November 04, 2006



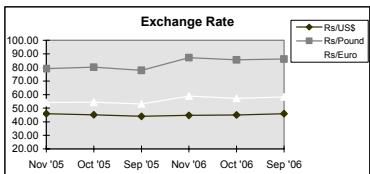
During the Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	April-Oct 2006*
<b>Exports (US \$ Million)</b>	44,560	43,827	52,719	63,843	83,536	103,091	69,526
<b>Imports (US \$ Million)</b>	50,537	51,413	61,412	78,149	111,517	149,166	99,756
<b>Trade Balance(US \$ Million)</b>	(5,977)	(7,586)	(8,693)	(14,306)	(27,981)	(46,075)	(30,230)

Source: RBI Bulletin, November 2006; \* Revised figures for 2000-01 to 2005-06 (April-March)  
\*DGCI&S data for April to October 2006



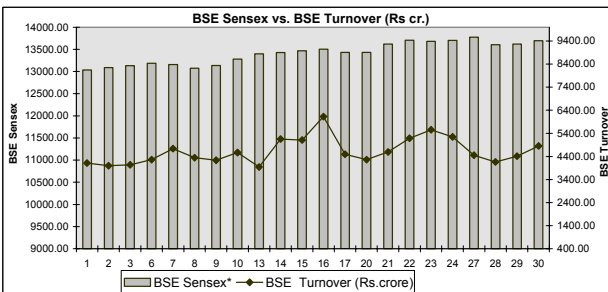
	2005-06 ( US\$ million)			2006-07 ( US\$ million)		
	Nov '05	Oct '05	Sep '05	Nov '06	Oct '06	Sep '06
<b>FI Net</b>	419.8	(1,053.8)	1,022.2	2,213.1	1,878.5	1,318.2
<b>FI Cum.</b>	39,714.3	39,294.6	40,348.1	51,019.7	48,806.8	46,928.5

Source: SEBI - Diff. in total figures are due to rounding off.



	2005-06			2006-07		
	Nov '05	Oct '05	Sep '05	Nov '06	Oct '06	Sep '06
<b>Rs/US\$</b>	45.64	45.11	43.99	44.76	45.02	45.96
<b>Rs/Pound</b>	79.07	80.09	77.78	87.21	85.56	86.09
<b>Rs/Euro</b>	54.16	54.43	53.09	58.93	57.24	58.33

Figures are for month-end



Nov 2006	BSE Sensex* Close	BSE Turnover (Rs.crore)
31 Oct	12961.90	4414.00
1	13033.04	4114.00
2	13091.12	3995.00
3	13130.79	4034.00
6	13186.89	4265.00
7	13156.66	4738.00
8	13072.51	4340.00
9	13137.49	4236.00
10	13282.91	4568.00
13	13399.00	3943.00
14	13425.50	5151.00
15	13469.37	5115.00
16	13505.89	6126.00
17	13429.48	4495.00
20	13430.71	4260.00
21	13616.77	4595.00
22	13706.53	5184.00
23	13680.83	5556.00
24	13703.33	5250.00
27	13773.59	4451.00
28	13601.95	4161.00
29	13616.73	4409.00
30	13696.31	4854.00



**Annexure 1 : Select International Economic Indicators for Developed Industrialised Countries And India**

Country	3-Month Money Mkt		CPI		Currency unit per US \$		Union Budget (+) / (-) % of GDP 2005	Real Rate (Short-term) (1-3)	Currency unit per Euro 22.11.06
	As on 22.11.06	A Year ago	3- Month	A Year ago	As on 22.11.06	A Year ago			
	1	2	3	4	5	6	7	8	9
Euro-11	3.61	2.44	1.60	2.50	0.77	0.85	-2.30	2.01	1.00
U. S. A.	5.25	4.06	1.30	4.30	1.00	1.00	-3.60	3.95	1.28
Britain	5.14	4.56	2.40	2.30	0.52	0.58	-3.40	2.74	0.67
Japan	0.40	0.02	0.60	-0.30	117.00	119.00	-5.20	-0.20	149.00
Sweden	2.88	1.51	1.30	0.50	7.02	8.07	1.70	1.58	8.99
Switzerland	1.92	0.97	0.30	1.30	1.23	1.32	-0.20	1.62	1.57
India*	6.65 <sup>^^</sup>	5.74 <sup>^^^</sup>	#6.55	#4.59	45.01	44.90	-3.80	0.10	57.35

Source: The Economist London: November 25th - December 1st, 2006 For India, RBI Bulletin, November 2006; \* CPI - (IUNW) For India, RBI Weekly Statistical Supplement, (WSS), November 24, 2006 and Union Budget 2006-07

For India, RBI Bulletin, November 2006; \* CPI - (IUNW)  
<sup>^^</sup> Implicit yield 91 day 7 BS on date of issue (November 17, 2006)  
<sup>^^^</sup> Implicit yield 91 day 7 BS on date of issue (November 25, 2005)

**Annexure 2 : Important Indicators for Select Emerging Market Countries**

Country	GDP	Industrial Production	Consumer Prices	Short-term Interest Rates	Foreign Exchange Reserves*	Exchange Rate			Trade Balance	Current Account
	% change on earlier year			% p. a.	US \$ Billion	per US\$		per Euro	Latest 12 Months \$ Billion	
	1	2	3	4	5	22.11.06	a year ago	22.11.06	9	10
China	10.4	14.7	1.4	3.50	987.9	7.86	8.08	10.21	155.2	160.8
Hongkong	6.8	5.3	2.0	4.00	131.2	7.79	7.75	10.12	-15.9	18.6
India	8.9	11.4	6.8	6.63	160.2	44.80	45.70	58.18	-42.0	-13.2
Indonesia	5.5	6.2	6.3	10.85	38.4	9134.0	10053.0	11862.34	37.0	4.1
Malaysia	5.9	3.6	3.1	3.73	79.3	3.65	3.78	4.74	28.6	20.0
Singapore	7.2	7.6	0.4	3.42	131.9	1.55	1.69	2.01	35.0	39.0
South Korea	4.6	16.3	2.1	4.62	229.5	934.0	1036.0	1212.99	14.9	6.9
Taiwan	5.0	1.1	-1.2	1.84	281.8	32.80	33.50	42.60	21.7	26.3
Thailand	4.9	5.0	2.8	5.25	60.0	36.60	41.20	47.53	-1.2	3.7

Source: The Economist London: November 25th - December 1st, 2006  
 \*Excluding Gold and SDRs

@For India, RBI WSS, November 24, 2006

Note: Quotes for currency units per Euro in Col 8 are derived one.

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