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Update on Indian Economy

May 2008

Economic Snapshot

Item	Units	April	March	April	(% Change	
		2008	2008	2007	[1] / [2]	[1]/[3]
		[1]	[2]	[3]	[4]	[5]
Contents						
- Editorial						
- Capital Market						
- Country : France						
- Other Markets						
- Important Policy						
Pronouncements						
WPI -Index*	1993-94=100	226.6	220.0	211.5	3.00	7.1
WPI -Inflation**	Per cent	7.1	5.1	6.1		
	Week ended	(05.04.08)	(01.03.08)	(07.04.07)		
IIP (93-94=100)	2 months lag	273.9	279.7	252.4	(2.07)	8.52
		(Feb 08)	(Jan.08)	(Feb 07)		
INR / US\$	Month End	40.46	39.97	41.29	1.23	(2.01)
M3	Rs. '000 Cr.	4019.47	3865.64	3321.49	3.98	21.01
[i] Agg.Deposits	Rs. '000 Cr.	3435.65	3311.76	2822.03	3.74	21.74
[ii] Currency	Rs. '000 Cr.	583.82	553.88	499.46	5.41	16.89
	(Outstanding as on)	(11.04.08)	(29.02.08)	(13.04.07)		
Call Money	% Range	1.00-6.50	5.00-8.25	1.50-7.50	-	-
(Lendings)	Week ended	(11.04.08)	(07.03.08)	13.04.07		

Source: RBI Weekly Statistical Supplement April 25, 2008 & Economic & Political Weekly April 19, 2008

*All Commodities. **Over the year.

Editorial

A) Domestic

The headline inflation as measured by the wholesale price index stood at 7.14 per cent for the week ending April 05, 2008; though this rate of inflation was slightly lower than 7.41 a week earlier as also on the year to year rate of 7.7 per cent in end-March 2008. It is expected to remain high in the next few months due to continuation of the global slow down and relatively high food and oil prices worldwide.

Firstly, with increase in the rate of inflation, from week to week, the Government took policy measures on the supply side urging the manufacturers of cement and steel not to increase the prices to which the steel firms like Tata Steel, respecting the wishes of the Prime Minister, agreed not to hike the prices of steel during the next two-three months in a bid to help the Government to fight inflation. It may be mentioned that SAIL and Tata Steel together accounts for over 40 per cent of the local steel market and this positive response to hold the prices of steel products for the next two-three months is indeed welcome and praiseworthy.

Secondly, on the supply side Government introduced inflation control measures and these are:

- Customs on pig iron and mild steel items as well as steel inputs abolished
- Export duty on steel items reduced from 15 per cent to 5 per cent.

- Customs on skimmed milk cut to 5 per cent.
- Import duty on butter oil lowered to 30 per cent.
- Export duty of Rs.8,000 per tonne on basmati, but MEP cut by US\$200 to US\$ 1000 per tonne.

Thirdly, on the monetary side Reserve Bank Governor concentrated more on managing the liquidity in the economy and intentionally avoided increasing the key interest rate so that the economic growth is not jeopardized. The Reserve Bank has estimated that GDP growth could be in the range of 8.0-8.50 points during the year 2008-09.

B) International

A former French Finance Minister, Strauss-Kahn who is now the Managing Director of the IMF indicated in the Conference organized by the Research Department that the current financial market crisis can have some lessons for Europe in pursuing structural reforms. He mentioned that structural reforms tend to reduce economic bottlenecks, liberalise financial and product markets, and reduce barriers to trade which play an important role in promoting growth. He mentioned that countries like **Denmark** and **Netherland** which have adopted comprehensive approaches, - a mix of labour market, fiscal and product market reforms complementing each other have led to increased employment. Relatively free product and labour markets allow labour supply reforms to translate into more jobs rather than higher rents. In turn, the job growth generates more revenue, which can lead to further tax cuts and wage moderation and thereby create a **virtuous cycle**. (*IMF Survey: March 17, 2008*)

Capital Market Review

During the month of April 2008, the Sensex exhibited high volatility and resistance around the level of 17000. The reasons were both domestic and international. Internationally there was a debate whether there was a recession in the US or it was a slow down; the economist's view was that the US economy is passing through a recessionary phase because of the sub-prime crisis while officially it was termed as a slow down. Also the fall of the US dollar against the Euro and major currencies exerted a moderate influence in the Asian bourses as also in the capital market in India. On the domestic front the slump in the industrial growth was registered and it is because of this reason that the confidence in the Indian capital market among the retail investors remained low. In fact, even the FIIs took advantage of the slow down in the Sensex and sold equity worth US\$ 0.1 billion. In sharp contrast, to the earlier month when the bull phase was strong and FIIs were net sellers during January 2008 and even February 2008. The month ended with a weak global markets and widening trade deficit. According to the World Economic Outlook prepared by IMF for its spring meetings on April 12-13, 2008, the forecast for global economy was reduced, by 0.5 percentage points made in January 2008 to 3.7 per cent for 2008, and by 0.6 per cent for 2009. In contrast the Indian economic growth still continues to be robust; it is expected to clock a growth rate of 8.7 per cent in 2008-09 estimated by the Dr. C. Rangarajan Chairman of the Economic Advisory Council.

	April	March	April	March	(%) Change		
	2008	2008	2007	2007	[1] / [2]	[1] / [3]	[2] / [4]
Major Indices	[1]	[2]	[3]	[4]	[5]	[6]	[7]
BSE Sensex – Close	17287.31 (30.04.08)	15644.44 (31.03.08)	13872.37 (30.04.07)	13072.1 (30.03.07)	10.50	24.62	19.68
Monthly High	17378.46 (29.04.08)	16,677.88 (03.03.08)	14228.88 (26.04.07)	13308.03 (22.03.07)	4.20	22.14	25.32
Monthly Low	15343.12 (04.04.08)	14809.49 (17.03.08)	12455.37 (02.04.07)	12415.04 (05.03.07)	3.60	23.18	19.29
S&P CNX Nifty –Close	5165.90	4734.50	4087.90	3821.55	9.11	26.37	23.89
P/E Ratio : BSE – 30	21.50	20.10	20.71	20.33	6.97	3.81	(1.13)
FII Investments (Equity+ Debt)							
Inflows – Rs. Cr.	62329.1	71159.4	50633.3	54042.8	(12.41)	23.10	31.67
Outflows – Rs. Cr.	62955.8	72169.6	42911.8	53681.9	(12.77)	46.71	34.44
Net – Rs. Cr.	(626.9)	1010.1	7721.5	360.6	(162.06)	(108.12)	180.12
Cum. Net Inv–US\$ Mn. (Month End)	67850.1	68005.4	53717.7	51965.7	(0.23)	26.31	30.87

The BSE Sensex which closed at 15,644.44 on March 31, 2008 rose to 17,287.31 and thereby registered an increase of 1642.87 points or 10.5 per cent. The companies in IT, reality, healthcare, consumer durables, oil and gas and the banks remained in limelight and the quarterly results reinforced the growth of the companies in these sectors.

Country : France

I Introduction

Demographically, the population of France is estimated at 62.7 million, and out of this 60.9 million is located in metropolitan France. The dependant population in the age group of 0-14 years is estimated at 18.3% while the aged population of 65 years and above is estimated at 16.4%. Remaining nearly 2/3rd of the population (65.3%) is working and is in the age group of 15-65 years. The gross domestic product (GDP) at official exchange rate is estimated at US\$ 2154 billion, and on purchasing power parity basis at US\$ 1871 billion. Per capita GDP on purchasing power parity basis is estimated at US\$ 30,100. Contribution to GDP comes largely from the services which accounts for 77.2% and from industry 20.6% while the contribution from agriculture is extremely low at 2.2%.

II French Economy

The French economy stands out among the economies of the European countries. According to IMF's World Economic Outlook of April 2008, the annual rate of output growth which was low at 1.7% in 2005 rose to 2% each in 2006 and nominally declined to 1.9% in 2007, real GDP is projected to decline further 1.4% in 2008 and 1.2% in 2009 measured by consumer price. The rate of inflation continues to be below 2% which is a bench mark for effecting changes in the economic policy of individual countries in the Euro area. The rate of inflation which averaged 1.9% each in 2005 and 2006 is set to decline to 1.5% in 2007 with a projection of nominally higher rate of 1.8% in 2008. Annual rate of unemployment which averaged 9% during 2000-2004 rose to 9.7% in 2005 and thereafter declined to 9.0% in 2006. It is projected to decline further to 8.3% in 2007 and 7.8% in 2008. Thus, low rate of inflation, declining rate of unemployment and relatively high rate of output growth represent the strength of French economy. Gross national savings as percentage of GDP was 19.7% each in 2003 and 2004; it declined to 19.1% in 2005 to rebound to 19.8% in 2006 and 19.9% in 2007.

III France and the EU

Among the European countries, France is at the forefront of the efforts contributing to development of not only the EU military capabilities but also to push forward and supplement the growth momentum of the EU region. The French economy which is well integrated with Europe is showing momentum which indicates bright prospects in the next two years. The factors which are responsible are continuing job creation, declining rate of unemployment and well behaved inflation and strong private consumption. The economies in Europe are now converging because of the business investment which is boosting production including increased export capacity, and strong private consumption aided by residential investment. While the overall Euro area is expected to remain broadly in external balance capital inflows are sustaining current account deficit in some countries.

IV Indo-French Trade

Indian exports to France which till 2002-03 was close to US\$ 1 billion and steadily rose and doubled to US\$ 2.0 billion in 2005-06. However, imports from France have remained around 1.8 billion each both in 2004-05 and 2005-06. Thus, the Indo-French bilateral trade which was about US\$ 2.4 billion in 2003-04 reached US\$ 6.2 billion in 2005-06, and US\$ 6.3 billion in 2006-07; the trade continues to be in favour of France. After UK, Germany, Belgium and Italy, France continues to be India's 5th largest trading partners in the EU.

India's Trade with France : Exports & Imports

Year (April- March)	Exports to France (US\$ mn)	Total India Exports (US\$ mn)	Imports from France (US\$ mn)	Total Indian Imports (US\$ mn)	Share (percent) of total Indian		Total Indian Trade with France (1+3) (US\$ mn)
					Exports to France	Imports from France	
	1	2	3	4	5	6	7
1999-00	897	36822	718	49671	2.44	1.45	1615
2000-01	1020	44560	641	50537	2.29	1.27	1661
2001-02	945	43827	844	51413	2.16	1.64	1789
2002-03	1074	52719	1094	61412	2.04	1.78	2168
2003-04	1281	63843	1090	78149	2.01	1.39	2371
2004-05	1681	83536	1894	111517	2.01	1.70	3575
2005-06	2080	103091	4113	149166	2.02	2.76	6193
2006-07	2115	126331	4156	190566	1.67	2.18	6271

Source: RBI: Handbook of Statistics on the Indian Economy, 2006-07

Indian exports to France consist of wide range of goods such as garments, leather, textiles, raw cotton and yarn in traditional category and automotive components, electronic and rubber components, pharmaceuticals, etc. in non-traditional category.

France exports to India comprised mainly electrical equipment, organic chemical products, aeronautical and space construction products, mechanical equipments, etc.

Given this relatively low share of trade with France, there is a likelihood of growing demand for luxury goods like perfumes, fashion and art products.

Four-fifths of the GDP of France is derived from the service sector. Consequently, future trade between the two countries, given the comfort level of foreign exchange reserves of India, and rising income of both middle income groups and high net-worth individuals, would take place in the luxury items. The products which were considered to be luxury by Indians a few years ago are no longer so now. Recently in the Luxury Conference held in New Delhi towards the close of April 2007, the French Trade Minister Christine Lagarde sought to promote the French luxury goods for the Indian market.

V Economic relations between India and France

Since liberalisation in 1990, India's trade relations with other countries especially France have considerably strengthened. In order to access the French market, India tends to acquire healthy and successful companies. Indian investment in France has targeted the high tech sector such as software, IT services, Research centre and commercial unit because Indian companies thereby get access not only to the French and European markets but other distribution networks, brands and technologies as also expertise. Bulk of Indian investment is targeted at the industrial, pharmaceutical, technology, finance and automotive sectors and the level of these investments has gradually increased and these are largely in the form of mergers and acquisitions. The Mittal-Acelor merger is a good example of this. Wipro Technologies investment in 2003 helped to create a base for consulting and installation of IT structures within the French companies. It is estimated that since 2001 Indian investment has resulted in approximately creating 1000 jobs in France.

VI Indo-French Co-operation

a) Indian companies in France

The investments made by Indian companies in France are largely in technology, electronics and healthcare sectors. Some of the Indian companies which have their presence in France are:

- Wipro Ltd., electrical, electronic, IT, Medical equipment sector.
- Ranbaxy Laboratories Ltd., Ranbaxy RPG, pharmaceuticals, cosmetics sector.
- Polaris Software Lab Limited, software and IT services sector.
- Tata Consultancy Services, software and IT services sector.
- Satyam Computer Services, software and IT services sector.
- Wockhardt Ltd. the largest Indian pharmaceutical group.

b) French companies in India

There are more than 380 French companies which have their presence in India, and among them the few major players are:

- | | |
|------------------------------|---|
| ➤ Air France | ➤ Institut Francais Du Textile Et De L'habillement (Ifth) |
| ➤ BNP Paribas | ➤ Pierre Fabre Group |
| ➤ Calyon Bank | ➤ Saint-Gobain Sekurit India Ltd. |
| ➤ Chanel India Pvt. Ltd. | ➤ Suez Group |
| ➤ Ernst & Young Pvt Ltd. | ➤ Thales |
| ➤ Francis Wacziarg Pvt. Ltd. | ➤ Veolia Water (India) Pvt Ltd |

French presence in the Luxury Products sector in India

The French presence in this sector covers a diverse range of activities such as perfumes & cosmetics, tableware & home decoration products as well as fashion accessories. Brands such as Verrerie Cristallerie d'Arques, Baccarat, Lalique and Daum, which are ranked amongst the top crystal ware companies in the world, today adorn Indian homes. A large number of world-famous perfume & cosmetic brands such as L'Oréal, Clarins, Vichy, Christian Dior, Nina Ricci etc. are also available in the Indian market. As for the fashion accessories sector, ST Dupont, Cartier and more recently, Louis Vuitton, are already very popular with the Indian consumer.

c) Visits of French Dignitaries to India

Some prominent Ministers and high level dignitaries have visited India earlier, and very recently the President of the French Republic Mr. Nicolas Sarkozy paid a State visit during January 25-26, 2008.

d) Visits of Indian Dignitaries to France

Ministers like Mr. P. Chidambaram, Mr. Pranab Mukherjee, Mr. Kapil Sibal have paid official visit to cement relationships between the two countries.

VII French Market Reforms

Many French leaders now remain committed to capitalism in which maintenance of social equity by means of laws, tax policies and social spending are to be achieved, and these measures in turn would tend to reduce income disparity and allow free markets to function efficiently. These changes require labour reforms but there is a built-in resistance. Till today, a large proportion of the population still continues to remain opposed to labour reforms; the votaries of market economy believe that absence of labour reform hampers the Government ability to revitalise the economy. Because of the socialist nature of the economic system tax burdens continue to remain one of the highest in Europe and it is nearly 50% of GDP.

Macro-Economic Indicators : France

		2005	2006	2007
I	Output growth (percent)	1.7	2.0	1.9
II	Saving and Investment (percent of GDP)			
	Gross national saving	19.1	19.8	19.9
	Gross domestic investment	19.8	20.5	20.8
III	Public Finance (Percent of GDP)			
	Central government balance	-3.0	-2.6	-2.0
	General government balance	-2.9	-2.5	-2.4
IV	General government gross debt	66.7	64.2	64.0

Source: IMF, Public Information Notice (PIN) & World Economic Outlook April 2008

Recently, during the live TV interview by the French President Nicolas Sarkozy, it was indicated that he was still committed to significant reforms though he admitted he had made some mistake during the first year. Since his election, the sub-prime mortgage crisis has emerged along with the rising oil prices which has taken the euro at an extraordinary high level. This has resulted in the global economic conditions which will emerge as a problem for France but he promised to kick start the economy. There are economic difficulties including high inflation which has led to disappointment among the public. However the countries growth target of 1.9 per cent for 2008 is perfectly (attainable) and the president reiterated that his aim is to balance the France budget by 2012.

In short, Mr. Sarkozy promised to “carry out all the reforms head on” and not to let up. The mighty civil service is to be trimmed and streamlined, to cut the government’s groaning budget deficit. Hospitals are to be reorganized. Ports, currently in the grip of unions, are to be deregulated. Union representation on company works councils is to be more democratic. The rules for unemployment benefits are to be tightened. The contributions period for public pensions is to be lengthened.”(The Economist, May 3rd-9th, 2008, p32)

Other Markets

Debt Market

A fair amount of activity in primary issuances market was noticed in March 2008; the banks being the most active participants. However, the largest bond issues worth Rs.1,000 crore each were made by other entities - Rural Electrification Corporation Ltd. and Power Grid Corporation of India Ltd. Power Finance Corporation Ltd. stepped in with a combined issue totalling to Rs.600 crore. State Bank of Hyderabad with Rs.500 crore and LIC Housing Finance Ltd. with Rs.450 crore were the other major issuers in the month.

	Name of the Issuer	Rate %	Duration	Rating	Amount (Rs. Crore)	Type of Instrument
I.	Banks					
i)	State Bank of Bikaner & Jaipur	9.85 ^d	Perpetual ^c	AAA	160 ^e	Perpetual Bonds
ii)	State Bank of Hyderabad	9.95 ^d	Perpetual ^c	AAA	350	Perpetual Bonds
		9.35 ^d	15 years ^c		500	Upper Tier II Bonds
iii)	State Bank of Travancore	9.95 ^d	Perpetual ^c	AAA	100	Perpetual Bonds
iv)	Syndicate Bank	9.90 ^d	Perpetual ^c	AA+	244	Perpetual Bonds
v)	Corporation Bank	9.40	10 years	AAA	300	Lower Tier II Bonds
vi)	Karnataka Bank Ltd.	10.25	10 years	A+	29.5	Lower Tier II Bonds
vii)	Punjab National Bank	9.45	15 years ^c	AAA	500	Upper Tier II Bonds

	Name of the Issuer	Rate %	Duration	Rating	Amount (Rs. Crore)	Type of Instrument
II.	Financial Service Institutions					
i)	Infrastructure Development Finance Company Ltd.	9.35	13 mths	AAA	150 ^a	Bonds
		9.79	18 mths		300 ^b	
ii)	Power Finance Corporation Ltd	9.40	5 years	AAA	300 ^b	Bonds
iii)	Power Grid Corporation of India Ltd	9.30	10 years	AAA	1,000	Bonds
iv)	Rural Electrification Corporation Ltd	9.45	5 years	AAA	1,000	Bonds

a. With a greenshoe option of Rs.150 crore.

b. With an unspecified greenshoe option.

c. Call at the end of 10th year.

d. With an increase of 50 bps if call is not exercised.

e. With a greenshoe option of Rs.40 crore.

(Source: Credit Analysis & Research Ltd., April 2008)

Call Money Market

The call money market rate on April 11, 2008 in respect of borrowings ranged between 1.00% and 6.50% as compared to the rates of 1.50% - 7.50% on April 13, 2007 (i.e. a year ago) reflecting that there was moderate softening of the interest rates and availability of liquidity in the banking system. The average daily turnover in the call money market was Rs.6,547 crore for the week ending April 11, 2008 and this daily turnover increased to Rs.8,975 crore in the week ending April 18, 2008.

Foreign Exchange Market

The exchange rate (RBI reference rate) on April 17, 2008 was Rs.39.94 per US dollar as compared to Rs.39.96 per US dollar on April 15, 2008, that is, a week ago; this reflected a nominal appreciation of the rupee vis-a-vis US dollar. Further, the six month forward premium was 2.62% on April 17, 2008 as compared to a premium of 2.25% on April 15, 2008 (a week ago), and this reflects that supply of dollars is likely to become relatively tight in the forthcoming weeks. The foreign currency assets were US\$ 302.99 billion on April 18, 2008, and inclusive of gold and SDRs and the reserve position in the Fund, the foreign exchange reserves aggregated to US\$ 313.53 billion. From end-March 2008, the foreign exchange reserves registered a rise of US\$ 3.81 billion upto April 18, 2008. The market rate (buying) was Rs.40.55 per US dollar on April 30, 2008.

Important Policy Pronouncements

I RBI Policy Statement

Dr. Y.V. Reddy, Governor, Reserve Bank of India made the Annual Policy Statement for the year 2008-09 on April 29, 2008. Highlights of the policy are :

Highlights

- High priority to price stability, well-anchored inflation expectations and orderly conditions in financial markets while sustaining the growth momentum.
- GDP growth projection for 2008-09 in the range of 8.0- 8.5 per cent.

- Inflation to be brought down to around 5.5 per cent in 2008-09 with a preference for bringing it close to 5.0 per cent as soon as possible. Going forward, the resolve is to condition policy and perceptions for inflation in the range of 4.0-4.5 per cent so that an inflation rate of around 3.0 per cent becomes a medium-term objective.
- M3 expansion to be moderated in the range of 16.5-17.0 per cent during 2008-09.
- Currency futures to be introduced in eligible exchanges in consultation with the SEBI; broad framework to be finalised by May 2008.
- Indian companies to be allowed to invest overseas in energy and natural resources sectors.
- The limit of bank loans to individuals for housing having lower risk weight of 50 per cent enhanced from Rs.20 lakh to Rs.30 lakh.
- All transactions of Rs. one crore and above made mandatory for being routed through the electronic payment mechanism.

Stance of Monetary Policy

- For policy purposes, real GDP growth in 2008-09 may be placed in the range of 8.0-8.5 per cent, assuming that :
 - (a) global financial and commodity markets and real economy will be broadly aligned with the central scenario as currently assessed and
 - (b) domestically, normal monsoon conditions prevail.
- In view of the lagged and cumulative effects of monetary policy on aggregate demand and assuming that supply management would be conducive, the policy endeavour would be to bring down inflation from the current high level of above 7.0 per cent to around 5.5 per cent in 2008-09 with a preference for bringing it as close to 5.0 per cent as soon as possible.
- In view of the monetary overhang, it is necessary to moderate monetary expansion and plan for a rate of money supply in the range of 16.5-17.0 per cent in 2008-09 in consonance with the outlook on growth and inflation so as to ensure macroeconomic and financial stability in the period ahead.

Monetary Measures

- Bank Rate kept unchanged at 6.0 per cent.
- Reverse Repo Rate and Repo Rate kept unchanged at 6.00 per cent and 7.75 per cent, respectively.
- The Reserve Bank retains the option to conduct overnight repo or longer term repo under the LAF depending on market conditions and other relevant factors. The Reserve Bank will continue to use this flexibility including the right to accept or reject tender(s) under the LAF, wholly or partially, if deemed fit, so as to make efficient use of the LAF in daily liquidity management.
- Cash reserve ratio (CRR) of scheduled banks increased to 8.25 per cent with effect from the fortnight beginning May 24, 2008. Earlier, on April 17, 2008 the Reserve Bank raised the Cash Reserve Ratio (CRR) by 50 basis points in two stages from 7.50 per cent to 7.75 per cent with effect from April 26, 2008 and further by 25 basis points from 7.75 to 8.0 per cent with effect from May 10, 2008.

II Foreign Trade Policy Supplement

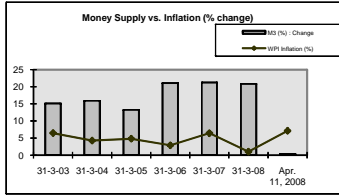
The Annual Supplement to Foreign Trade Policy (FTP) was announced by the Government on April 11, 2008 whereunder an export target of US\$ 200 billion for the year 2008-09 was fixed even when the incentive for export of cement and primary steel to contain inflation was withdrawn.

Further, to help the exporters hit by appreciation of the Indian rupee and slow down of the Global economy the custom duties on import of capital goods was reduced from 5 per cent to 3 per cent under the Export Promotion Capital Goods (EPCG) scheme.

The interest subvention which impacted exporters due to rupee appreciation was extended by one more year while the average export obligation under EPCG scheme was reduced. The incentives for exports of cement and primary steel products were withdrawn to contain inflation which touched 7.41 per cent. The other export promotion measures included extension of income tax exemption to the 100 per cent Export Oriented Units (EOUs) were extended till 2010 because the tax incentives were expiring on March 31, 2009.

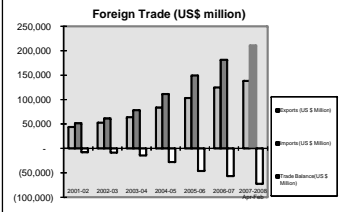
III US Federal Reserve Rate

On April 30, 2008, the US Federal Reserve announced a further rate cut. The US Federal Reserve lowered its main interest rate by a quarter of a percentage point to 2 per cent, the seventh cut since the beginning of a global credit squeeze which has stunted economic growth. The Federal Open Market Committee (FOMC) said in a statement in Washington, that “The substantial easing of monetary policy to date, combined with ongoing measures to foster market liquidity, should help to promote moderate growth over time.”. It said it would “continue to monitor economic and financial developments and will act as needed to promote sustainable economic growth and price stability.” Perhaps this may be the last rate cut.



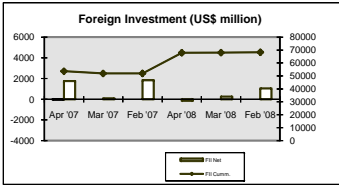
	31-3-03	31-3-04	31-3-05	31-3-06	31-3-07	31-3-08	Apr. 11, 2008
M3 (Rs. Crore)	17,25,222	20,03,102	22,53,938	27,29,535	33,10,278	40,02,189	40,19,466
M3 (%) - Change	15.14	15.95	13.30	21.10	21.27	20.90	0.43
WPI (Index) All Commodities	172.30	180.30	188	196.6	209.3	211.5	226.6
WPI Inflation (%)	6.49	4.29	4.83	2.91	6.46	1.05	7.14

Source: RBI Bulletin, April 2008; W.S.S. April 25, 2008. \$1993-94=100, yearmonth-end. ** March 03, 2007 ** April 7, 2007 *** April 05, 2008



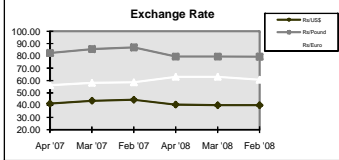
During the Year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-2008 Apr-Feb
Exports (US \$ Million)	43,827	52,719	63,843	83,536	103,091	124,629	138,428
Imports (US \$ Million)	51,413	61,412	78,149	111,517	149,166	181,368	210,895
Trade Balance (US \$ Million)	(7,586)	(8,693)	(14,306)	(27,981)	(46,075)	(56,739)	(72,467)

Source: RBI Bulletin, April 2008 : Revised figures for 2001-02 to 2006-07 (April-March)
*DGCI&S data for April 2006 to March 2007 (Provisional)



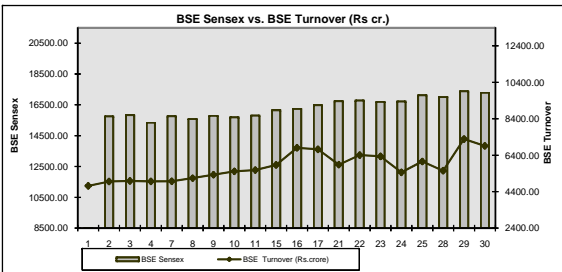
	2007-08 (US\$ million)			2008-09 (US\$ million)		
	Apr '07	Mar '07	Feb '07	Apr '08	Mar '08	Feb '08
FI Net	1,752.0	81.5	1,833.6	(155.2)	250.3	1,048.7
FI Cum.	53717.7	51965.7	51884.2	67,850.10	68,005.40	68,255.80

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



	2007-08			2008-09		
	Apr '07	Mar '07	Feb '07	Apr '08	Mar '08	Feb '08
Ru/US\$	41.29	43.59	44.31	40.46	39.97	39.92
Ru/Pound	82.30	85.53	86.86	79.50	79.53	79.31
Ru/Euro	56.20	58.14	58.59	63.09	63.09	60.63

Figures are for month-end



April 2008	BSE Sensex Close	BSE Turnover (Rs crore)
31-Mar-08	15644.41	5942.00
1	15626.62	4718.00
2	15750.46	4955.00
3	15832.55	4986.00
4	15343.12	4966.00
7	15757.08	4970.00
8	15587.62	5146.00
9	15790.51	5331.00
10	15695.10	5519.00
11	15807.64	5587.00
15	16153.66	5861.00
16	16244.19	6801.00
17	16481.20	6724.00
21	16739.33	5883.00
22	16783.87	6404.00
23	16698.04	6336.00
24	16721.08	5461.00
25	17125.98	6061.00
28	17015.96	5544.00
29	17378.46	7290.00
30	17287.31	6910.00



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

Country	Interest rates, (%)		CPI (percentage change)		Currency unit per US \$		Union Budget (+) / (-) % of GDP 2008	Real Rate (Short-term) (1-3)	Currency unit per Euro 23.04.08	Balance Latest :12 months		Col 11 as Percentage of GDP 2008
	3-month latest	10-year gov't bonds latest	Latest	A Year ago	As on 23.04.08	A Year ago				Trade Account (US\$ bn)	Current Account (US\$ bn)	
	1	2	3	4	5	6	7	8	9	10	11	12
Euro-11	4.83	4.14	3.60	1.90	0.63	0.73	-0.90	1.23	1.00	27.3	-1.2	0.1
			Mar								Feb	
U. S. A.	1.97	3.73	4.00	2.80	1.00	1.00	-2.40	-2.03	1.59	-82.7	-738.5	-4.7
			Mar								Feb	Q4
Britain	5.86	4.66	2.50	3.10	0.50	0.50	-3.30	3.36	0.79	-178.9	-115.4	-4.2
			Mar								Feb	Q4
Japan	0.75	1.45	1.00	-0.20	104.00	118.00	-2.90	-0.25	165.08	105.4	216.0	4.7
			Feb								Feb	
Sweden	4.03	4.15	3.40	1.90	5.88	6.72	2.00	0.63	9.33	19.1	38.1	6.9
			Mar								Feb	Q4
Switzerland	2.86	3.11	2.60	0.20	1.02	1.20	0.90	0.26	1.62	12.5	71.1	15.1
			Mar								Feb	Q4
India	7.21	8.57	5.50	7.60	40.10	40.90	-3.10	1.71	63.65	-75.0	-12.8	-2.4
			Feb								Feb	Q4

Source: The Economist London: April 26th-May 2nd, 2008
 **RPI Inflation rate 3.8% in Mar

Figures in Column 9 are derived.

Annexure 2 : Important Economic Indicators for Select Emerging Market Countries

Country	Interest rates, (%)		CPI (percentage change)		Currency unit per US \$		Union Budget (+) / (-) % of GDP 2008	Real Rate (Short-term) (1-3)	Currency unit per Euro 23.04.08	Balance Latest :12 months		Col 11 as Percentage of GDP 2008
	3-month latest	10-year gov't bonds latest	Latest	A Year ago	As on 23.04.08	A Year ago				Trade Account (US\$ bn)	Current Account (US\$ bn)	
	1	2	3	4	5	6	7	8	9	10	11	12
China	4.49	4.36	8.3	3.3	6.98	7.72	0.5	-3.81	11.06	256.6	249.9	10.6
			Mar								Mar	2006
Hongkong	2.08	2.51	4.2	2.4	7.79	7.82	3.0	-2.12	12.37	-24.9	27.4	9.5
			Mar								Feb	Q4
Indonesia	8.19	6.96	8.2	6.5	9210.00	9082.00	-1.8	-0.01	14619.05	39.2	11.0	2.1
			Mar								Feb	Q4
Malaysia	3.62	3.87	2.8	1.5	3.13	3.42	-3.2	0.82	4.97	31.0	28.9	13.8
			Mar								Feb	Q4
Singapore	1.25	2.29	6.5	0.6	1.35	1.51	1.00	-5.25	2.14	32.0	39.1	24.3
			Feb								Mar	Q4
South Korea	5.35	5.09	3.9	2.2	991.00	927.00	0.2	1.45	1573.02	6.5	0.9	0.5
			Mar								Mar	Feb
Taiwan	2.70	2.34	4.0	0.9	30.30	33.20	-1.8	-1.30	48.10	13.5	31.7	5.3
			Mar								Mar	Q4
Thailand	3.26	4.23	5.3	2.0	31.50	34.80	-3.0	-2.04	50.00	10.5	14.3	2.1
			Mar								Feb	Feb
Brazil	11.64	6.16	4.7	3.0	1.66	2.03	-1.8	6.94	2.63	34.1	-4.9	-0.4
			Mar								Mar	Feb
Venezuela	14.14	6.55	29.1	18.5	3.33	4.23	nil	-14.96	5.29	23.7	20.0	7.0
			Mar								Q4	Q4
India	7.21	8.57	5.50	7.60	40.10	40.90	-3.10	1.71	63.65	-75.0	-12.8	-2.4
			Feb								Feb	Q4

Source: The Economist London: April 26th-May 2nd, 2008

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