



# INDIA REPORT

Celebrating 28 years

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Over 1,000 issues in 28 years

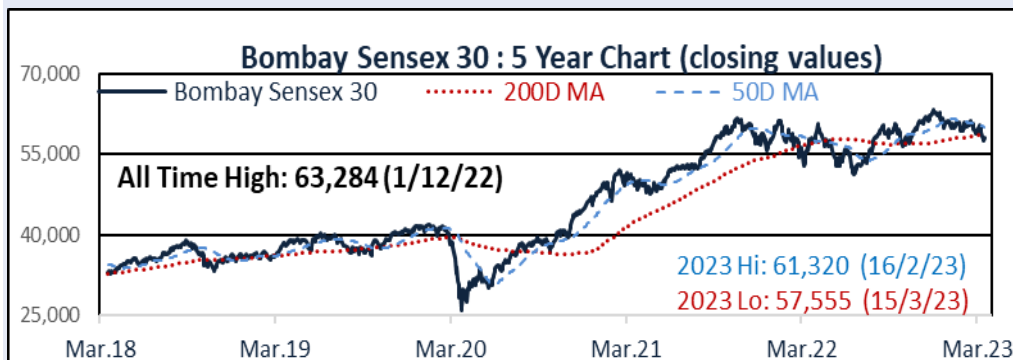


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Deepak N. Lalwani OBE, FCSI, FCCA

E: dl@lalcap.com

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Close:	Level	Index Pts Chg-Day	% Chg YTD
17 Mar 2023			
<b>SENSEX 30</b>	57,990	+355	-4.7%
<b>NIFTY 50</b>	17,100	+115	-5.6%

### Other Markets: Level & % YTD

<b>ASIA:</b> CHINA Shanghai: 3,251 (+5%)
JAPAN Nikkei 225: 27,334 (+5%)
<b>EUROPE:</b> UK FTSE: 7,335 (-2%)
GERMANY DAX: 14,768 (+6%)
<b>USA:</b> Dow Jones: 31,862 (-4%)
NASDAQ Composite: 11,631 (+11%)
<b>GOLD:</b> \$1,987.96 (+4%)
<b>SILVER:</b> \$22.59 (-6%)
<b>BRENT OIL:</b> 72.97 (-15%)

### Indian Currency; Level & YTD

INR ₹ / USD	\$1=	Rs82.52 (+0.2%)
INR ₹ / GBP	£1=	Rs100.54 (-0.4%)
INR ₹ / EUR	€1=	Rs88.05 (+0.5%)

The India Report completed 28 years on 6 March 2023. The journey began when the first report was written at the request of The Indian High Commission (Indian Embassy) in London for an investor meeting there on 6 March 1995. Over 1,000 reports have been written since. This probably makes it the longest and most consistent independent analysis in the UK and the West on the unfolding India economic story. Also, the report has readership across five continents now.

⇒ **Bank shares across the world have tumbled amid fears of a global banking crisis, triggered by the collapse of two mid-size U.S. banks.** Although authorities have swiftly rescued depositors, the turmoil has triggered anxieties about a wider contagion in the global financial system. India's banking system continues to be stable and resilient, and lenders have built appropriate buffers to safeguard themselves from any surprise stress, the governor of the Reserve Bank of India said on 17 March. "We continuously do stress tests. We identify any potential build-up of risk in any institution and we constantly engage with the management of banks through supervisors," RBI Governor Shaktikanta Das said. **The banking system is "well-supervised and well-regulated" and the RBI has constantly encouraged lenders to adopt robust risk management practices, conduct periodic stress tests and build sufficient capital buffers, Das added.**

⇒ **The entry of foreign law firms into India has been a prickly issue and the Bar Council of India (BCI) for over 15 years opposed the move so as to protect local lawyers.** After many years of persistent and intensive lobbying to open up the Indian legal system to foreign lawyers, this week the BCI finally allowed the opening up of law practice in India to foreign lawyers and firms. It issued the 'Registration and Regulation of Foreign Lawyers and Foreign Law Firms in India, 2022' notification. **The BCI, which is a statutory body governing law practice in the country, defined the scope of work foreign lawyers would be permitted to do in India.**

⇒ **"Foreign lawyers or foreign law firms shall not be permitted to appear before any courts, tribunals or other statutory or regulatory authorities.** They shall be allowed to practice on transactional work/corporate work such as joint ventures, mergers and acquisitions, intellectual property matters, drafting of contracts and other related matters on a reciprocal basis," the BCI notification said. Reciprocal basis means that lawyers from those countries which allow similar opportunities to Indian lawyers can practice. **Despite the restrictions this is a very positive move and signals India is opening its economy more and more to foreigners as the legal system was a closed protected club. A game changer.**

⇒ **The rules have a precondition that foreign lawyers and firms have to submit an undertaking that they "shall not practice Indian law in any form or before any court of law, tribunal, board or any other authority legally entitled to record evidence on oath".** The rules stated that lawyers with a foreign degree would be allowed to practice in India conditional upon their registration with the BCI. **Thus, foreign law firms can set up offices to offer corporate law and M&A services to clients and hire local lawyers to expand.**

⇒ **Explaining the rationale for opening the doors of legal practice to outside players, the notification said that the move will make India a hub of international commercial arbitration and also help address concerns pertaining to the flow of foreign direct investment into the country.** "In case we sleep over the matter, the legal fraternity of India may be left behind in providing legal/professional expertise in accordance with the rule of law in a manner consistent with the best interests of this fast-growing class of clients in India," the Objects and Reasons of the notification stated.

⇒ **Auto sales numbers are keenly watched, as they are one of the key indicators to assess private consumption and has more than 50% weightage in calculating the country's economic growth.** Retail sales of vehicles in India jumped 16% to around 1.8 million units in February, helped in part by strong demand during the wedding season, an industry body of automobile dealers said, adding that festivals could push the sales higher in March.



## Indian States (L-Z) : Key highlights, including comparable economy in the world to that state

Source and credit: India Brand Equity Forum (<https://www.ibef.org/states.aspx>), IMF, Wikipedia

1. There are 28 states and 8 Union Territories in India. Below are listed alphabetically states L-Z.
2. Key highlights are shown, including comparing the state's economy to its nearest equivalent with a nation in the world.
3. Andhra Pradesh was divided into two states, Telangana and a residual Andhra Pradesh, on 2 June 2014. Hyderabad, located entirely within the borders of Telangana, is to serve as the capital for both states for a period of time not exceeding ten years. The Government of Andhra Pradesh and the Andhra Pradesh Legislature completed the process of relocating to temporary facilities in the envisaged new capital city Amaravati in early 2017.
4. India's \$3.4 trillion economy (3.10% of world GDP) is ranked 5<sup>th</sup> in the world according to IMF data, and overtook the United Kingdom's \$3.2 trillion economy last year.
5. India is expected to overtake Germany's economy, currently 4<sup>th</sup>, by 2027 to and Japan, currently 3<sup>rd</sup>, by 2031.
6. The combined GDP of the economically largest 6 Indian states (out of 28 states) accounts for 51.6% of India's economy. Maharashtra: \$431 billion, Tamil Nadu: \$320 billion, U.P.: \$249 billion, Gujarat: \$289 billion, Karnataka: \$242 billion and West Bengal: \$221 billion.
7. The above 6 states have GDP about the same as The Netherlands (ranked 19) and Switzerland (ranked 22) combined.

Source: Wikipedia for GSDP (Gross State Domestic Product) figures. Comparable economy and the rest from IBEF, IMF.

### L-Z states:

	State (and its capital)	Latest GSDP (US\$) billion	Comparable Economy	State languages	Literacy rate %	Key industries
1.	<b>Madhya Pradesh</b> (Bhopal)	150	Morocco	Hindi, English and Marathi	70.6%	Auto and auto components, textiles, cement, agro-based industries, forest-based industries, pharmaceuticals, mineral-based industries, manufacturing, tourism, IT and ITeS, logistics and warehousing and biotechnology
2.	Maharashtra (Mumbai)	431 (highest among all states)	Malaysia	Marathi, Konkani, Hindi and English	82.3%	Pharmaceuticals, biotechnology, IT and ITeS, electronics, engineering, auto and auto components, oil and gas, food and agro processing, gems and jewellery, banking, financial services and insurance (BFSI) and textiles
3.	<b>Manipur</b> (Imphal)	6	Maldives	Meiteilon, English and Hindi	76.9%	Handlooms, handicrafts, sericulture, food processing, bamboo processing, Information Technology, hydro power, tourism and mineral-based products
4.	<b>Meghalaya</b> (Shillong)	5	Fiji	English, Khasi, Pnar and Garo	74.4%	Agriculture and food processing, floriculture, horticulture, mining, cement, tourism, hydroelectric power, handlooms, handicrafts and sericulture
5.	<b>Mizoram</b> (Aizawl)	5	Sierra Leone	Mizo and English	91.3%	Bamboo, energy, sericulture agriculture and horticulture, tourism, food processing, IT and medicinal plants



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	State (and its capital)	GSDP (US\$) billion	Comparable Economy	State languages	Literacy rate %	Key industries
6.	<b>Nagaland</b> (Kohima)	5	Fiji	English and Sino-Tibetan	79.5%	Bamboo, agriculture and allied industries, horticulture, sericulture, tourism, minerals and mining
7.	<b>Odisha</b> (Bhubaneswar)	87	Bulgaria	Oriya, Hindi and English	72.8%	Iron, steel, ferroalloy, aluminium, handloom, mining, IT and ITeS, electronics and tourism. In February 2018, Odisha contributed the largest share (32.8%) of mineral production India in terms of value.
8.	<b>Punjab</b> (Chandigarh, which is also the capital of Haryana)	77	Tanzania	Punjabi, Hindi and English	76.7%	Tractors and auto components, agro-based industries, bicycles and bicycle parts, chemical products, food products, light engineering goods, pharmaceuticals and textiles.  The confluence of five rivers makes Punjab's agricultural land rich and productive. The state is known as the 'Bread Basket of India'
9.	<b>Rajasthan (area-wise, the largest state in India)</b> (Jaipur)	174	Kuwait	Hindi, Punjabi and English	66.1%	Cement, tourism, IT and ITeS, ceramics, handicrafts, chemicals, textile, marble and steel
10.	<b>Sikkim</b> (Gangtok)	4	Sierra Leone	Nepali, Bhutia, Lepcha, Limboo, Magar, Rai, Hindi and English	81.4%	Tourism, agriculture, floriculture, agro-processing, hydroelectric power, tea, large cardamom, minerals, electronics and pharmaceuticals.  Sikkim has several snow-capped peaks including Kanchenjunga, the world's third highest peak that attracts a large number of tourists from across the globe.
11.	<b>Tamil Nadu</b> (Chennai)	320	Chile	Tamil and English	80.1%	Textiles, heavy commercial vehicles, automobile and auto components, engineering, IT and ITeS, cement, banking and financial services, drugs and pharmaceuticals, agro and food processing, leather tanning industries, electronic hardware and tourism
12.	<b>Telangana</b> (Hyderabad)	167	Morocco	Telegu, Hindi, and English	65.5%	Information technology, pharmaceuticals manufacturing, tourism, textile, mines and minerals
13.	<b>Tripura</b> (Agartala)	8	Togo	Bengali, Kokborok/ Tripuri and English	87.8%	Natural gas, food processing, rubber, tea, bamboo, handloom and handicrafts, sericulture and tourism
14.	<b>Uttar Pradesh</b> (Lucknow) India's most populous state	249	New Zealand	Hindi, English and Urdu	67.7%	Information technology, agro processing, tourism, mineral-based industries, textiles, handloom and handicrafts, food processing and sports goods



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	State (and its capital)	GSDP (US\$) billion	Comparable Economy	State languages	Literacy rate %	Key industries
15.	<b>Uttarakhand</b> (Dehradun)	37	Zimbabwe	Hindi, Garhwali, Kumaoni and English	78.8%	Agro-based and food processing, information and communications technology (ICT), floriculture, horticulture, pharmaceutical and biotechnology, hydropower, tourism, engineering and allied industries and fast-moving consumer goods (FMCG)
16.	<b>West Bengal</b> (Kolkata)	221	Qatar	Bengali, English, Hindi and Nepali	77.1%	Tea, petroleum and petrochemicals, leather. Iron and steel, information technology, mineral resources, automobile and auto components, biotechnology, fisheries, jute products and textiles

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REGISTERED OFFICE: LALCAP LTD, 124 CITY ROAD, LONDON EC1V 2NX, U.K.

REGISTERED IN ENGLAND NO: 07245357

LALCAP: E: [info@lalcap.com](mailto:info@lalcap.com)  
W: [lalcap.com](http://lalcap.com)

AUTHOR: Deepak N. Lalwani OBE, FCSI, FCCA  
Chairman

T: +44 (0)20 3519 0909  
E: [dl@lalcap.com](mailto:dl@lalcap.com)