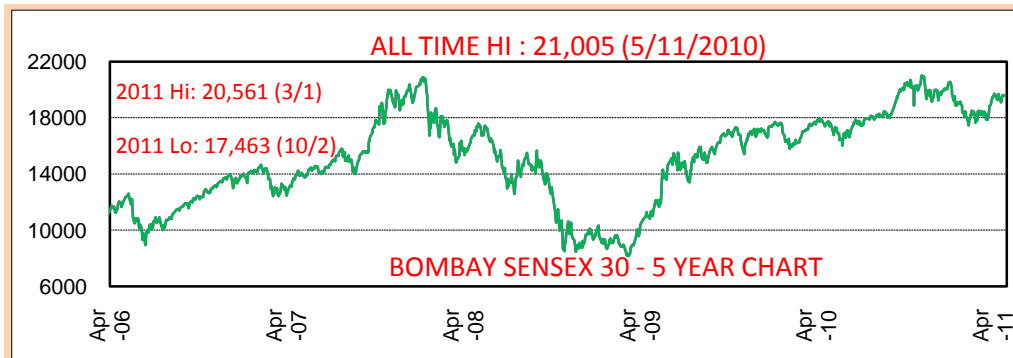




Deepak N. Lalwani OBE, FCSI, FCCA: Director- India E: dl@lalcap.com

27 April 2011



Source: chart & following table: Bloomberg

		Pts Chg	% Chg	2010/11	5 Yr	5 Yr	5 Yr
CLOSE: 27 Apr 2011	Index	Day	YTD	PER	PER Hi	PER Lo	Avg
SENSEX 30	19,449	- 97	- 4.7%	18.4x	25.0x	8.1x	18.7x
NIFTY 50	5,834	- 35	- 4.3%	18.7x	N/A	N/A	17.2x

ECONOMIC NEWS

⇒ The nuclear disaster caused by the recent tsunami at Japan's Fukushima atomic reactors has prompted India to draw up plans to tighten safety systems and invite International Atomic Energy Agency (IAEA) teams to carry out safety audits. Jaitapur (about 200 miles south of Bombay in Western India) is to site a proposed 9900 megawatt (MW) \$10 bn nuclear plant with 6 reactors, potentially the world's largest. This has drawn violent protests and clashes from locals concerned about land acquisition and worries over safety issues following Japan's recent nuclear disaster. However the Indian Government stands committed, despite Japan's sad nuclear disaster, to increase nuclear capacity to help alleviate the chronic energy deficit in the country. India suffers from peak-hour power deficit of about 13% which holds back economic growth, especially in the manufacturing sector. Nearly 500m Indians or 40% of the 1.2 bn population (mainly in rural areas) lack electricity.

⇒ Currently India has 20 mainly small nuclear reactors at six sites with a capacity of 4,780 MW or only 3% of total power generated. Coal provides about 60% of energy supply, oil about 30% and other alternatives (wind/hydro) the balance. Presently India imports about 75% of its oil needs. Oil accounts for about 70% of energy requirements in India. With fossil fuel being a finite resource and having climate change implications, a growing economy like India aims to increase nuclear capacity to 20,000 MW by 2020 and over 60,000 MW by 2032. In order to address safety concerns of locals, the Indian Government has decided that each nuclear reactor in Jaitapur will have a stand-alone safety system. The proposed dedicated operating and maintenance system, it is hoped, will overcome Japan's experience at Fukushima of the domino effect caused by the failure of the first reactor.

⇒ Following French President Sarkozy's visit to India last December Areva (French state-owned firm) signed an agreement worth \$10 bn to build in Jaitapur two of its next generation 1,650 MW reactors and supply reactor fuel for 25 years. Indian PM Dr Singh staked his political career on a nuclear deal that was finally signed with the U.S. in 2008 after much political footwork in India to convince opponents of the deal. The Indo-US deal ended India's nuclear isolation following its 1974 nuclear tests and official testing of an atomic device in the late 1990s. A \$150 bn civilian nuclear market has now opened up in India. Foreign investors are keen to benefit from such a large new market.

⇒ India and Pakistan opened two-day trade talks today to further commercial ties. This is the first in three-and-a-half years. In August 2007 the two sides added 136 items to increase their trade basket to 1,946 items and set an ambitious target for bilateral trade of \$10 bn by 2010. It is estimated to stand at about only \$ 2bn currently. Trade talks are part of a 7-year old peace process the two sides agreed to resume in February this year, after the November 2008 terrorist attacks on Bombay killed over 160 people and brought trade talks to a grinding halt. Expectations are low and realistic from both sides for no major boost in trade this time. Diplomacy normalising after November 2008 is seen as being more urgent now. Political differences and mutual distrust do not help either nation. Trade ties between the two countries were cut off after the 1965 war, the second of three wars since Independence in 1947 when the two countries were created out of undivided India by Britain when colonial rule ended. Trade relations recovered since 1965, but haltingly. India granted a Most-Favoured Nation status to Pakistan in 1996, which has yet to be reciprocated by the latter.

⇒ In all of the year 2000 only 3 m new mobile connections were added in India. In February this year 20.2 m were added for the month, bringing the cumulative total to 791 m mobile lines. Mobile tele-density is 66.36% for the country, the world's fastest growing mobile market.

BOMBAY

INR ₹ /US\$ Rs44.45

INR ₹ /GB£ Rs73.30

INR ₹ /EUR Rs65.21

The SENSEX closed -0.5% as selling pressure in the afternoon left the index in the red. Top 3 gainers: ONGC (Rs 311.55 +2.5%), M&M (768.50 + 1.6%), Maruti (1315.50 +0.8%). Top 3 losers: WIPRO (450.75 -2.9%), JP Ass. (97.10 -2.7%), BHEL (2019.95 - 2.3%).

LONDON / NEW YORK

Banks lead (SBI, HDFC) in GDRs/ADRs in our table. On AIM, Trinity leads the pack with a 50% YTD gain.

**SELECTED SHARE PRICES****GDR OFFER PRICES (US\$) LONDON – 27 Apr 2011 : 1530 GMT**

Company	Day's Price	YTD % Change	Company	Day's Price	YTD % Change
L&T	\$38.27	-13%	SBI	\$139.00	+ 7%
M&M	\$17.50	- 1%	Suzlon Energy	\$ 5.24	+ 1%
Ranbaxy	\$11.15	-22%	Tata Power	\$ 27.60	- 7%
Rel. Inds	\$44.55	- 5%	Tata Steel	\$ 14.25	- 6%

Source : Thomson Reuters

ADR OFFER PRICES (US\$) NEW YORK – 27 Apr 2011 : 1915 GMT

Company	Day's Price	YTD % Change	Company	Day's Price	YTD % Change
Dr.Reddy	\$ 38.00	+ 4%	Patni	\$19.73	- 6%
HDFC Bank	\$176.33	+ 6%	Sterlite	\$16.20	- 3%
ICICI Bank	\$ 49.63	- 1%	Tata Com (ex VSNL)	\$11.40	+ 2%
Infosys	\$ 65.74	- 13%	Tata Motor	\$27.81	- 4%
MTNL	\$ 2.27	- 8%	WIPRO	\$14.01	- 5%

Source : Thomson Reuters

AIM (LONDON): in GB p unless stated otherwise – 27 Apr 2011 : 1630 GMT

Company	Day's Price	YTD % Change	Company	Day's Price	YTD % Change
Caparo Energy	107	- 9%	Ishaan	59	- 10%
DQE	105	-15%	Jubilant Energy	67	+ 2%
Eredene	18	- 4%	OPG Power	96	+21%
Eros	237	+ 6%	Photon Kaathas	48¢	- 8%
Greenko	220	+12%	SKIL Ports	190	- 22%
HIRCO	54	-26%	Trinity Cap.	38	+50%
IEnergizer	195	+10%	Unitech	24	- 18%
Indus Gas	804	+25%	W. Pioneer	18	- 30%

Source : Thomson Reuters

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REGISTERED OFFICE: LALCAP LTD , 61 SANDRINGHAM ROAD, LONDON NW11 9DR, UK

REGISTERED IN ENGLAND NO: 7245357

LALCAP: E: info@lalcap.com

AUTHOR: Deepak N. Lalwani OBE, FCSI, FCCA

T:+44 (0)20 3519 0909

W: lalcap.com

Director - India

E: dl@lalcap.com