

# India's Decade Opportunity and Challenges



National Conference on Capital Markets  
Institute of Chartered Accountants of India  
Pune Branch of WIRC

CA Bharat Phatak, Wealth Managers(India) Private Limited

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# Study of History



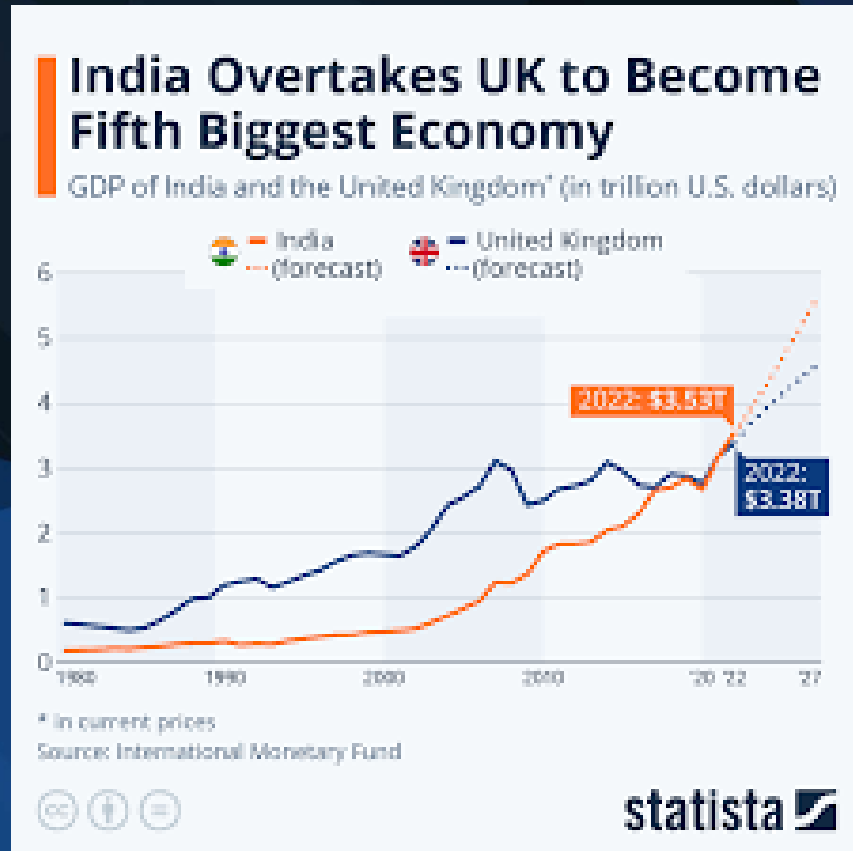
- History does not repeat
- But it rhymes
- Rise and Fall of Civilizations
  
- It helps you to adapt to the present
- And respect the perspectives of others

# An investor has to be an Optimist



- Conserving today
- To consume in future
  
- Flexible
- Belief in Entrepreneurship
- Belief in Innovation

# 5....4....3?



- India likely to grow at 6%
- No.4 – Germany at
- No.3 – Japan at
- Over the next decade.....

# Demographics



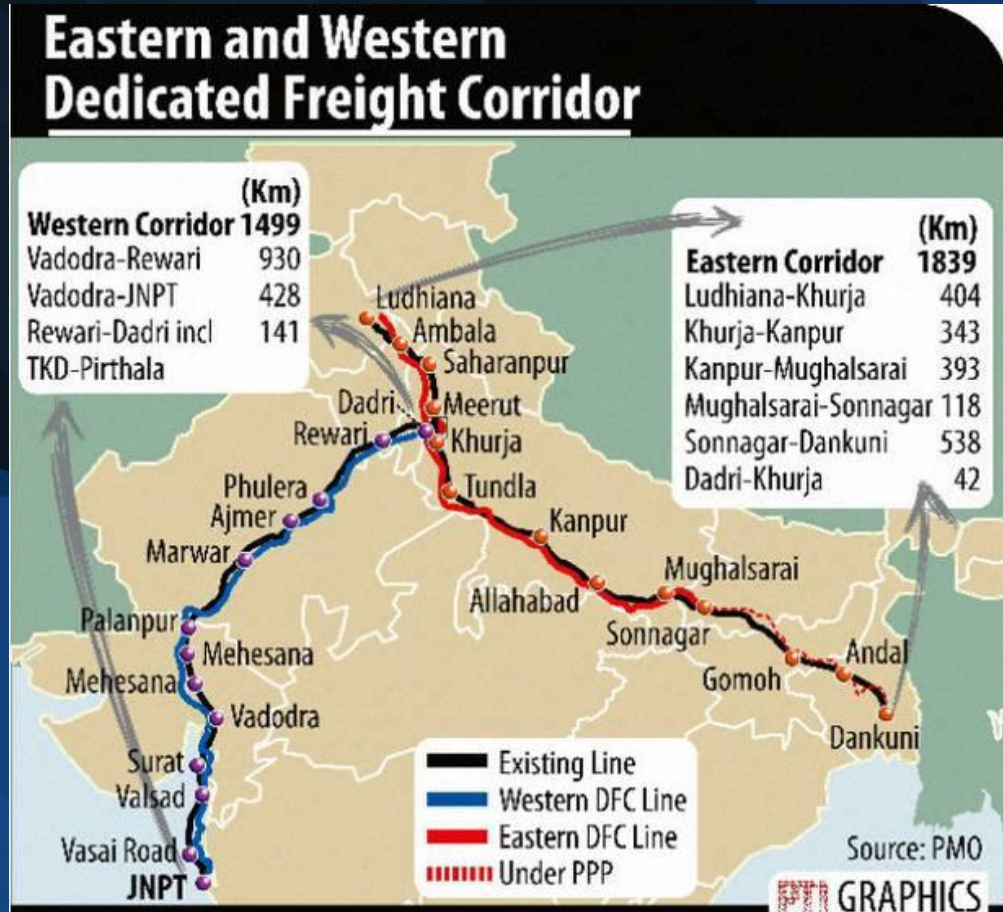
- Working Age 15-64
- India only large country with working age population growth
- Japan peaked 1990, Europe 2005
- China peaked in 2015
- India to grow next 10 to 15 years

# Manufacturing



- Overdependence on China
- Chinese industrial wages 3x
- India lower than competitors
- Manufacturing ecosystem
- Global trade share 2.5% to 7.5%

# Infrastructure



- Dedicated Freight Corridor
- Travel time down 60%
- Double stacking
- Throughput can increase 6x
- Connecting North to Ports

# Infrastructure



- 50,000 km in 2000
- 100,000 km in 2016
- 146,000 km in 2023
- 200,000 km in 2025
- Arteries of internal trade



# Infrastructure

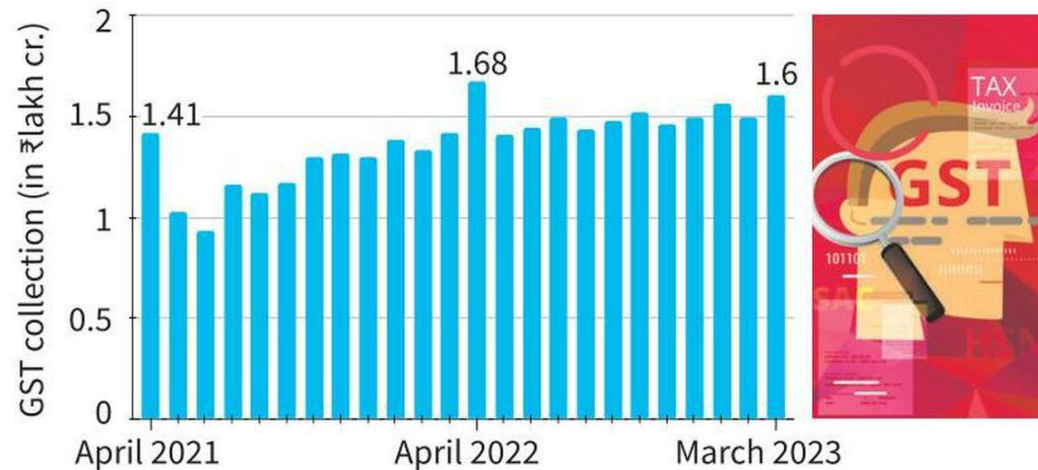


- Solar Capacity 2020 – 34 GW
- 2023 – 66 GW
- 60% of Thermal + Nuclear
- 100% by 2030
- Ethanol, Green Hydrogen

# One Nation, One Market

## Revenue check

India's Goods and Services Tax collections rose to ₹1.6 lakh crore in March 2023. The revenues were 13% higher than March 2022



- GST has removed barriers
- Possible to address Pan-India
- Better compliance
- Boost to Direct Taxes
- Informal to Formal

# Digital



- Giant leap in digital payments
- India > (US+UK+China)!
- Frictionless
- High rate of adaption
- Velocity of Money

# India Stack



- TC/PIP and WWW
- GPS
- JAM platform potential
  
- Thousand businesses bloom
- Availability of Risk Capital

# Challenge 1



- Capacity limited
- ESG – no new investments
- China opening up
- Supply disruption
- High impact on India

# Challenge 2



- Russia Ukraine drags on
- Middle East issues
- New multi-polar world
- New alignments
- Countries face economic stress
- Unpredictable form

# Challenge 3



- 50 years of money printing
- Inflation Genie out of the bottle
- Nationalism and misallocation
- Rate hikes, QT + Slow down
- Global liquidity & Risk sentiment

# De-Dollarization???



- Currency war?
- Reserve Currency
- Historical changes
- Is there an alternative
- Non-Sovereign Currency?



# The CA's world



- **V**ision
- **U**nderstanding
- **C**ompliance
- **A**gility

# Thank you!

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