INDIA:

Ramesh S. Damani
Member, BSE
Chairman, Avenue Supermarts
India – Land of Stupefying Contrasts
India – Land of Stupefying Contrasts

Silicon Valley Eyesore  Mughal Splendour
India:
A Third world country or
The Third largest economy?

GDP $2.6 TLN
POPULATION - 1.3 BLN
BILLIONAIRES - 119
SENSEX CAGR 39 years =
16.52% w/o dividends
## Canada v/s India

<table>
<thead>
<tr>
<th></th>
<th>Canada</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP</strong></td>
<td>$1.53 trillion</td>
<td>$2.6 trillion</td>
</tr>
<tr>
<td><strong>Per capital</strong></td>
<td>$36,138</td>
<td>$1800</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>36 million</td>
<td>1300 Million</td>
</tr>
<tr>
<td><strong>Mutual Exports 92/2016</strong></td>
<td>C$ 529mn/ C$ 4.03</td>
<td>C$ 280mn/C$3.93 BN</td>
</tr>
<tr>
<td><strong>Beloved brand</strong></td>
<td>MEC</td>
<td>Himalayas</td>
</tr>
<tr>
<td><strong>Index in 1980/ April 2018</strong></td>
<td>2027 – 15484 (TSX)</td>
<td>100 – 34427 (Sensex)</td>
</tr>
<tr>
<td><strong>Index CAGR</strong></td>
<td>5.5%</td>
<td>16.5%</td>
</tr>
<tr>
<td><strong>Billionaires/Millionaires</strong></td>
<td>46/1,000,000</td>
<td>119/245,000</td>
</tr>
<tr>
<td><strong>Richest/Co/Ind/Wealth</strong></td>
<td>David Thomson/Reuters/Data USD $25 BN</td>
<td>Mukesh Ambani/Reliance/Petrochem/ USD 40.0 BN</td>
</tr>
</tbody>
</table>
India – Understanding its Middle Class
Five Questions?

• How Big is it?
• How does it stack up compared to China?
• What is its purchasing power?
• What is holding it back?
• How does the future look?
The MNC Experience in India
Can Zara have 500 stores?

• 2Bn USD revenue from India = 40Bn USD revenue from China – Apple
• 241 Mn users, only $51 Mn in rev – Facebook
• 450 Mc Donald's in India = Poland/Taiwan
• 100 Starbucks in India = UAE
• 20 Zara Stores = Ireland
• 117 Mn air passengers = 119 Mn for Ryan Air
• 25% growth in e commerce = Global average of 20%

Source: Economist
India - The Promised Land - 1

• 1977 -- The Law of unintended consequence
• 1989 – We all fall down
• 1992 -- The BC/AD moment for independent India
• 1998 -- Rise and Rise of Technology
• 2008 – A more confident India
India - The Promised Land 2

• Buying stocks as a Business the Warren Buffett way
• Selected examples of Opportunities Post 1992
• Headiness of 7% growth
• Then and Now
INDIA: THEN & NOW

<table>
<thead>
<tr>
<th>THEN</th>
<th>NOW</th>
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</thead>
<tbody>
<tr>
<td>VISITORS WERE</td>
<td>SPIRITUALLY HUNGRY</td>
</tr>
<tr>
<td>MANTRA</td>
<td>SELF-RELIANCE</td>
</tr>
<tr>
<td>TV STATIONS</td>
<td>1</td>
</tr>
<tr>
<td>SOFTWARE EXPORTS</td>
<td>$100 MN</td>
</tr>
<tr>
<td>SHARE OF GLOBAL EXPORTS</td>
<td>3.7%</td>
</tr>
<tr>
<td>FOREX RESERVES</td>
<td>1.1 BN</td>
</tr>
<tr>
<td>TELECOM CONNECTIONS</td>
<td>5.2 MN</td>
</tr>
<tr>
<td>AFFINITY</td>
<td>NON-ALIGNED</td>
</tr>
<tr>
<td>ROLE MODEL</td>
<td>MAHATMA GANDHI</td>
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India – The Promised Land 3

• Does India have great Value Investors?
• India’s Best and Brightest
• India’s Best and Brightest in Financial Services
• Potential Opportunities for the next 25 years
India’s Best and Brightest

R. K. DAMANI
Age : 63
Wealth: $10 BN (Forbes)
Fortune: Investments, Retail
Philanthropy : Education

NEMISH SHAH
Age : 63
Wealth $5 BN (Guess)
Fortune: Investing - Cement,Auto
Philanthropy : Flame U, Religion

RAKESH JHUNJHUNWALA
Age: 57
Wealth :$3 BN (Forbes)
Fortune: Investing – Titan
Philanthropy : 50% of Div Income to Education, Needy
India’s Blue Chips – Financial Services

MOTILAL OSWAL & RAAMDEO AGARWAL
Age: 60
Firm: Motilal Oswal
Wealth: Broking, Asset Mgmt

NIRMAL JAIN
Age: 50
Firm: IIFL
Wealth: Broking, Wealth Mgmt

UDAY KOTAK
Age: 60
Firm: Kotak Bank
Wealth: Banking
India – Let a 1000 flowers bloom

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<tbody>
<tr>
<td>Pvt Sector Banks</td>
<td></td>
<td>$3.98 BN</td>
<td>$51 BN</td>
<td>$206 BN</td>
<td></td>
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<tr>
<td>Public Sector</td>
<td>$6.5 BN</td>
<td></td>
<td>$54.67 BN</td>
<td>$61.44 BN</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td></td>
<td>$55.00 BN</td>
<td></td>
<td>$21.84 BN</td>
<td></td>
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<tr>
<td>Airlines</td>
<td>$1.82 BN</td>
<td></td>
<td>$81.16 BN</td>
<td>$34.02 BN</td>
<td></td>
</tr>
<tr>
<td>Auto</td>
<td>0.36 BN</td>
<td>$1.45 BN</td>
<td>$2.5 BN</td>
<td>$19.76 BN</td>
<td>$104.74 BN</td>
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<tr>
<td>Telecom</td>
<td>$3.0 BN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media</td>
<td></td>
<td>$5.0 BN</td>
<td></td>
<td>$30 BN</td>
<td></td>
</tr>
<tr>
<td>Consumer Dis</td>
<td>$5.75 BN</td>
<td>$17.37 BN</td>
<td>$14.11 BN</td>
<td>$62.13 BN</td>
<td>$203 BN</td>
</tr>
<tr>
<td>Liquor</td>
<td>$0.14 BN</td>
<td></td>
<td>$7.28 BN</td>
<td>$12 BN</td>
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Source: Bloomberg data, converted at USD-INR rate in the concerned year
India – Sharpen your pencils
Turning Potential to Profits

• Indianize their Business
• Pricing matters
• Enabling services (electricity, data, roads, net)
• Easier Financing
• Lower end of the pyramid
India – 2013-18 A plethora of Reforms

• Demonetization
• Goods and Services Tax (GST)
• Real Estate Reform Act (RERA)
• Re introduction of Long Term Capital Gains (LTCG)
• Liquid and Safe Capital Markets (SEBI)
• Improving, but still sub-par standards in Corporate Governance
• 2019 General Election year
But we are developing a sense of humour
Is that Jagmeet Singh coming? 😊

PM Trudeau has more Sikhs in his cabinet than PM Modi!
Thank you Canada for teaching us how to build a more inclusive society, respecting differences.
Our Time Has Come

Thank you

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