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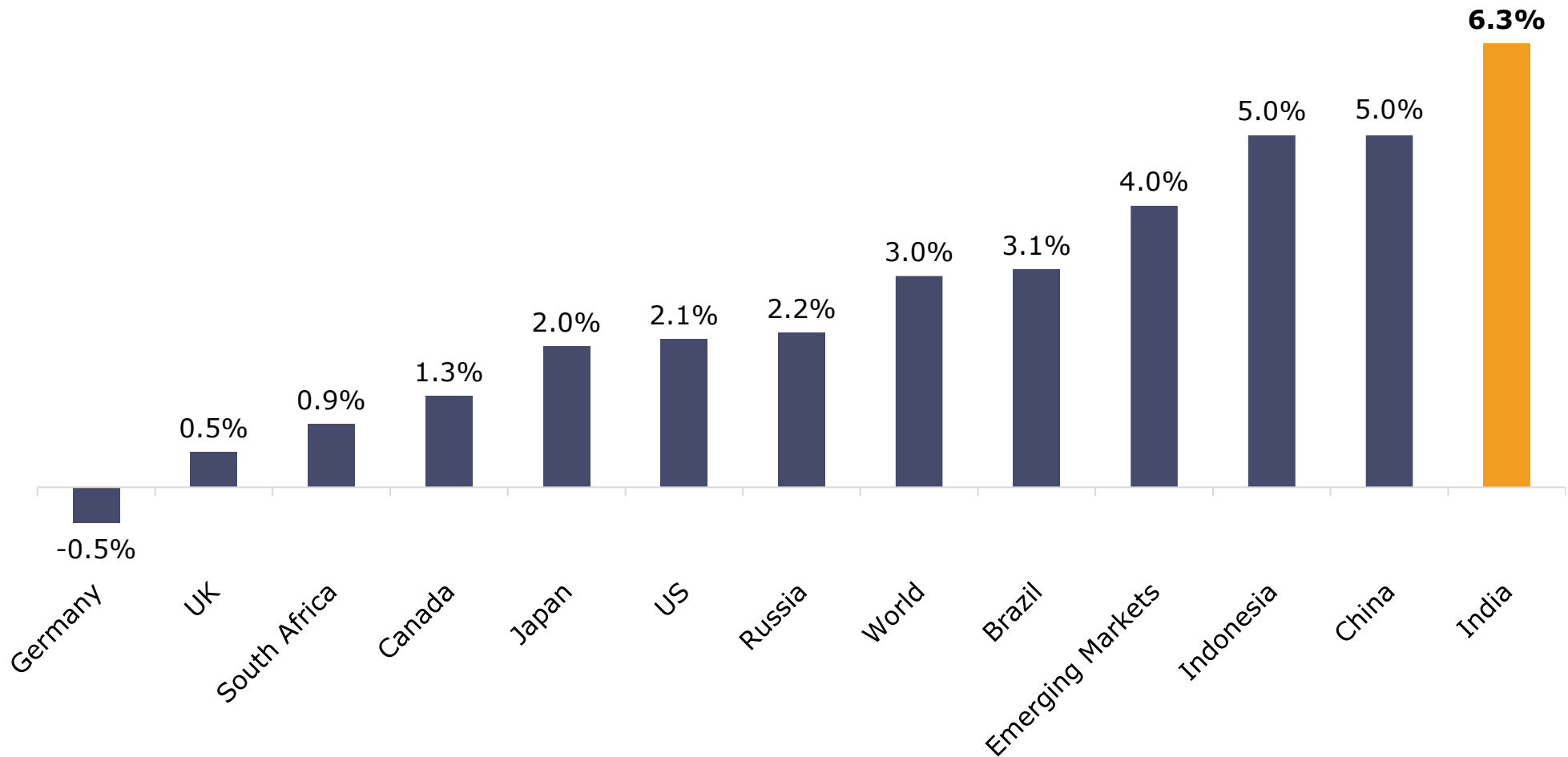


India's Decade *Why Growth Matters To Investors*

October 2023

India Is The World's Fastest Growing Major Economy

2023 GDP Growth Projections



Source: IMF



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Propelling It To 5th Largest In The World, Prospectively On Its Way To 3rd

GDP Ranking	2000	2010	2020	2022	2027P
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

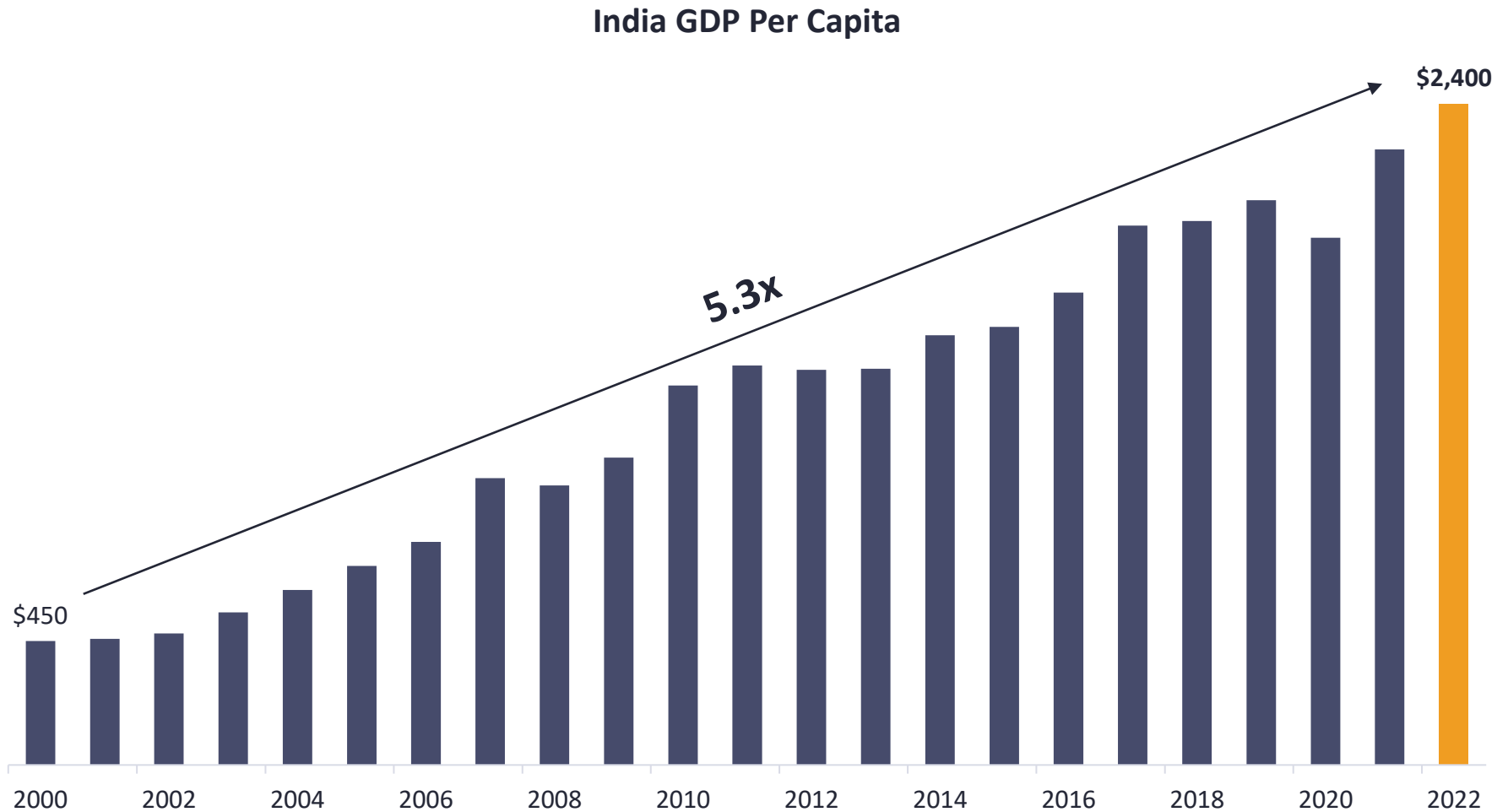
Source: IMF



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Even On Per Capita Basis, India Has Made Huge Strides In The Last 20 Years



Source: IMF

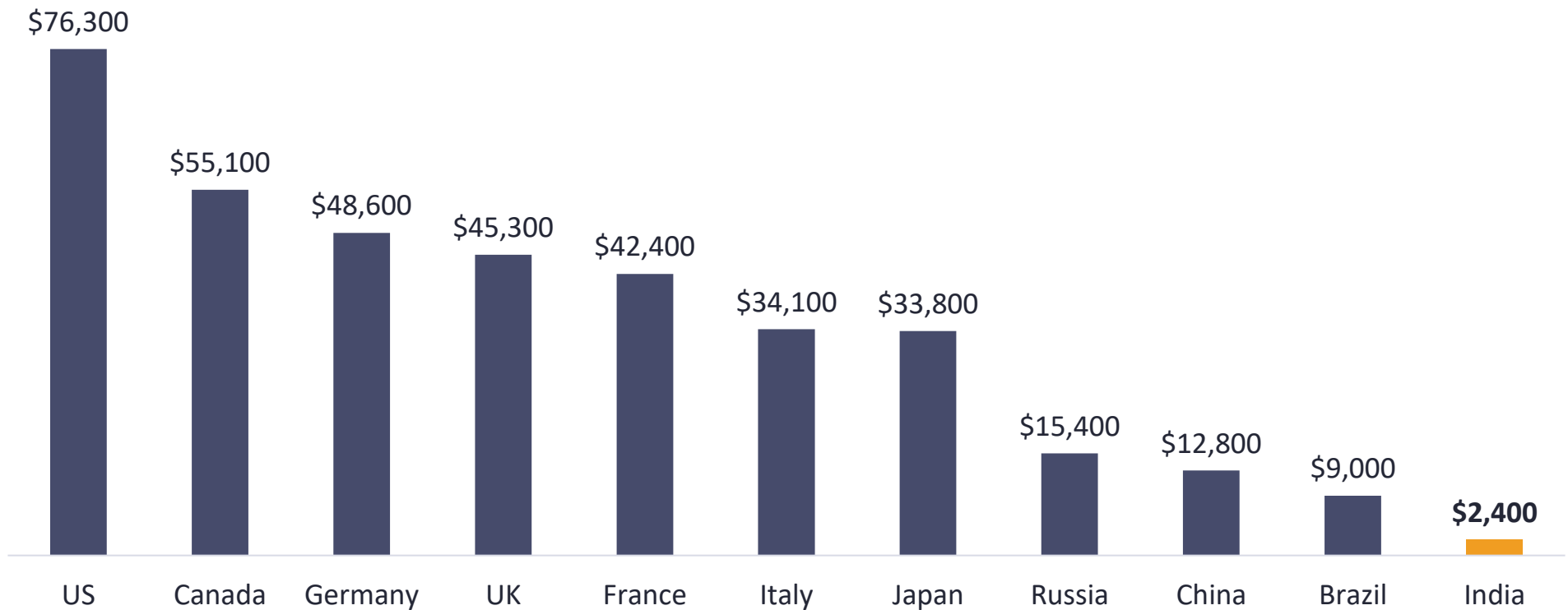


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But It Remains A Low-Income Country

2022 GDP Per Capita



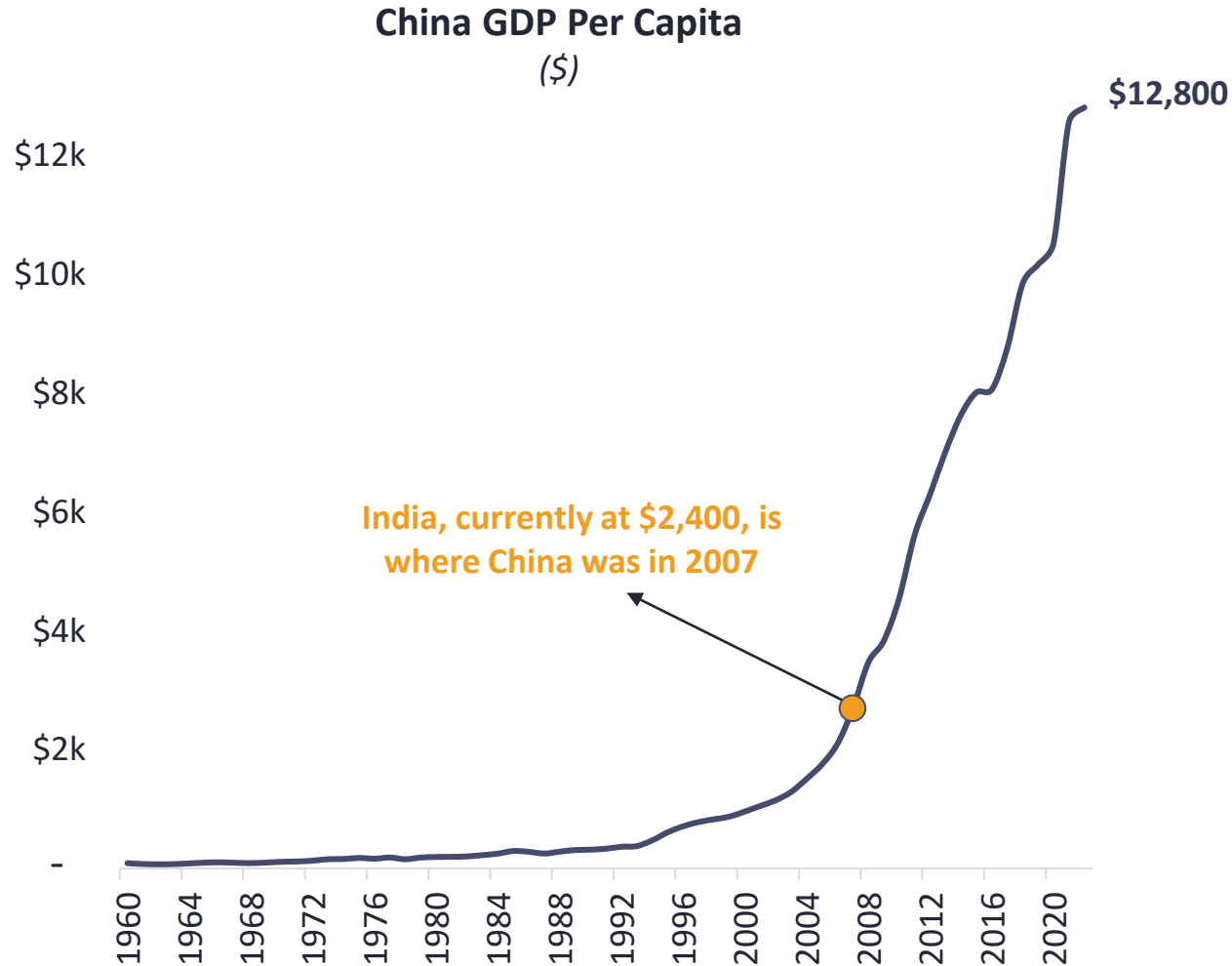
Source: IMF



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However, We Are At An Inflection Point – Today India Is Where China Stood In 2007



Source: IMF, World Bank



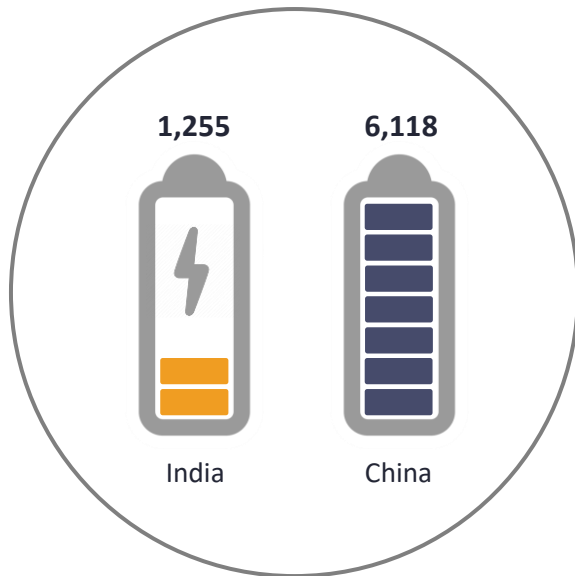
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This Is The Stage At Which China Took Off

Electricity Consumption

(kwh/capita)



China was at India's current level in

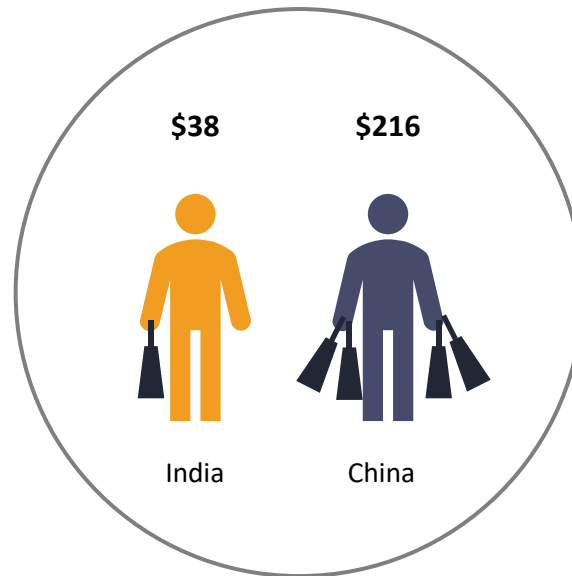
2002

Growth since then

5x

Apparel Spend

(\$/capita)



China was at India's current level in

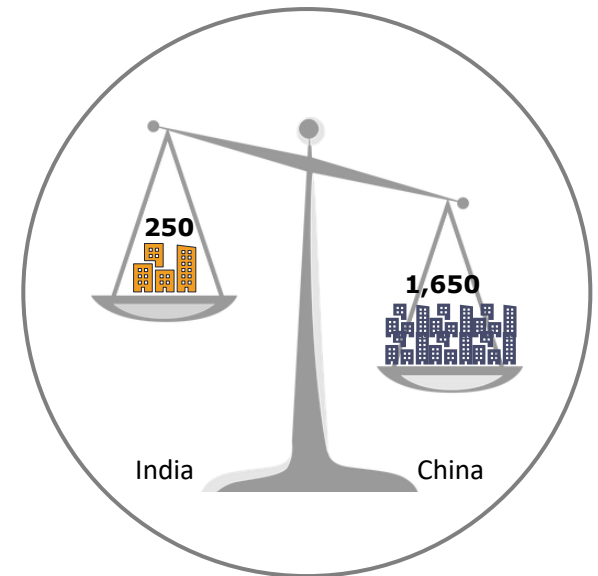
2004

Growth since then

6x

Cement Consumption

(kg/capita)



China was at India's current level in

1990

Growth since then

6x

Source: World Bank, Goldman Sachs, Morgan Stanley, McKinsey, ICR



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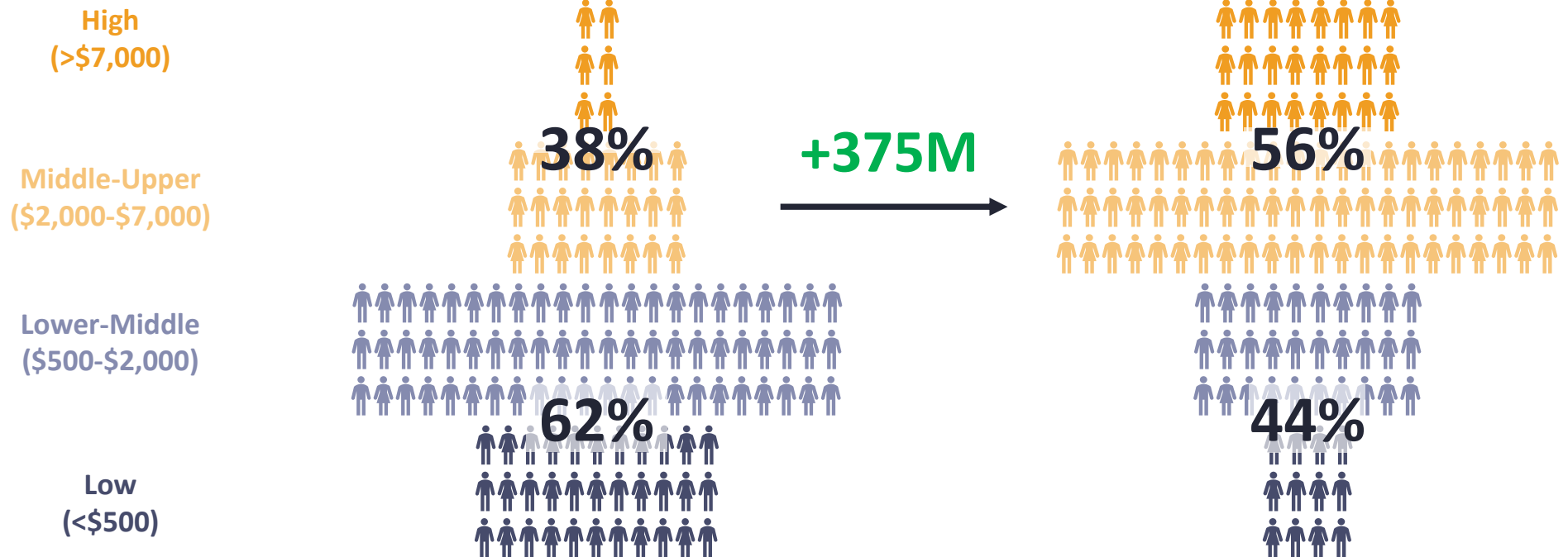
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Within This Decade, ~375M Indians Are Expected To Move From Low-Middle Income To Upper-Middle And High Income

Per Capita
Income Level

2022

2030P



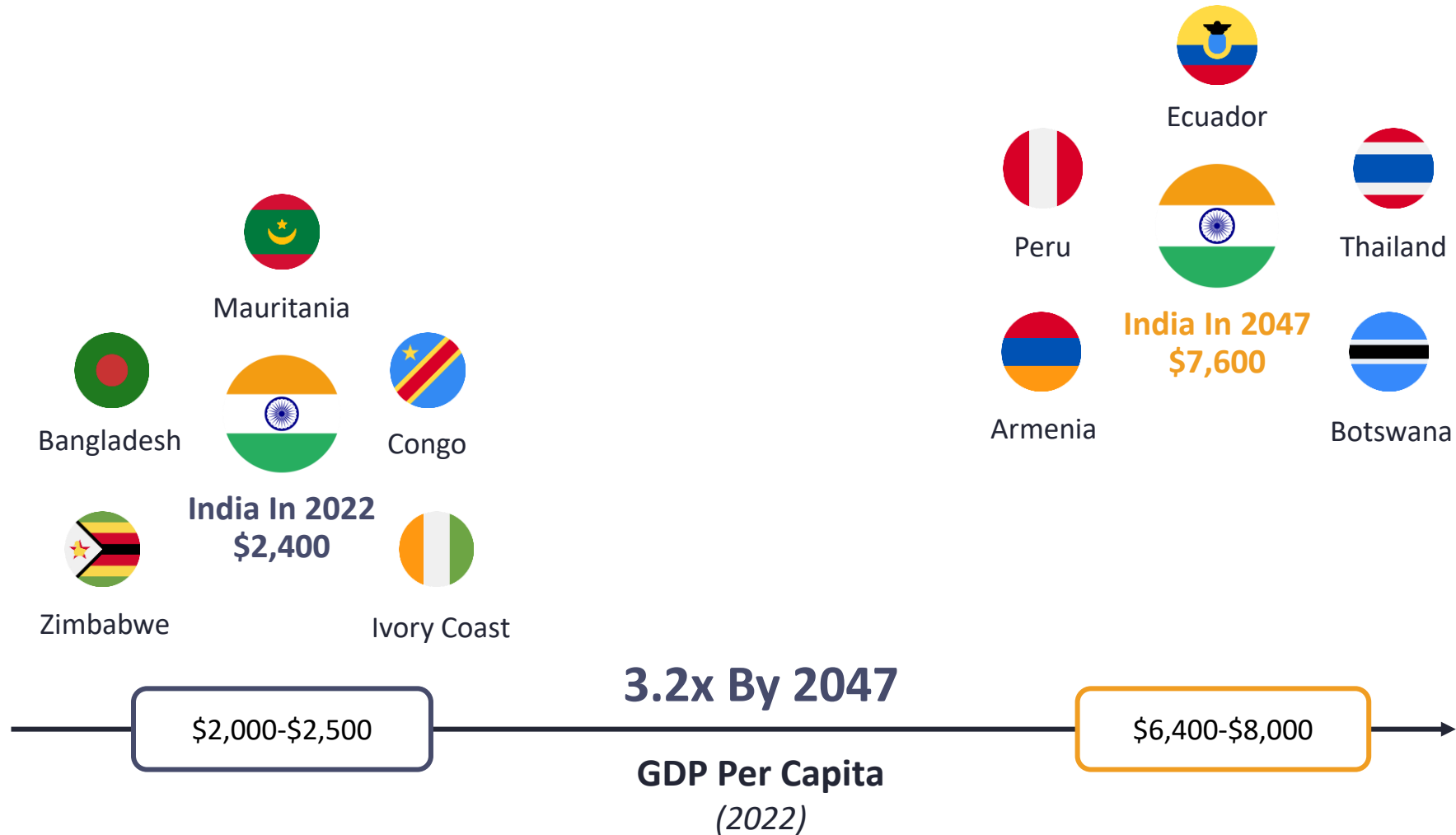
Source: Google, Bain & Company, Temasek



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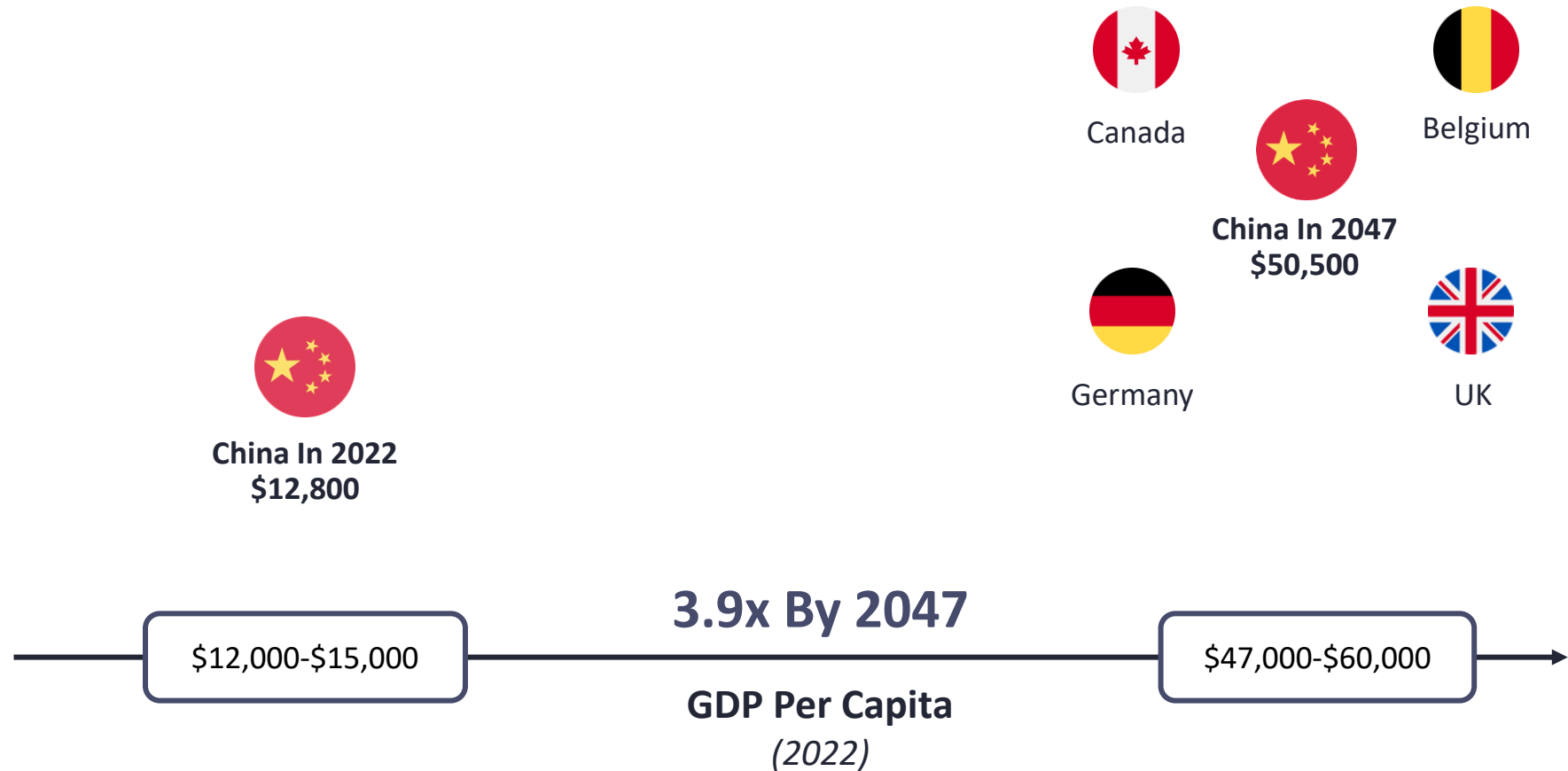
To Maintain That Growth In the Longer Term, India Only Needs To Become A Middle-Income Country Over The Next Quarter Century, On Par With *Today's* Per Capita Earning In Parts Of Emerging LATAM, Africa And Central Asia



Note: For India, GDP per capita in 2047 is calculated using real GDP growth rate projections by EY, and Goldman Sachs and population growth rate projections by the United Nations
Source: IMF, ICR, EY, Goldman Sachs, United Nations



To Achieve The Same Rate Of Growth, China Will Need To Surpass The Current Per Capita Income Of Many Of The Wealthiest Nations, A Less Likely Outcome



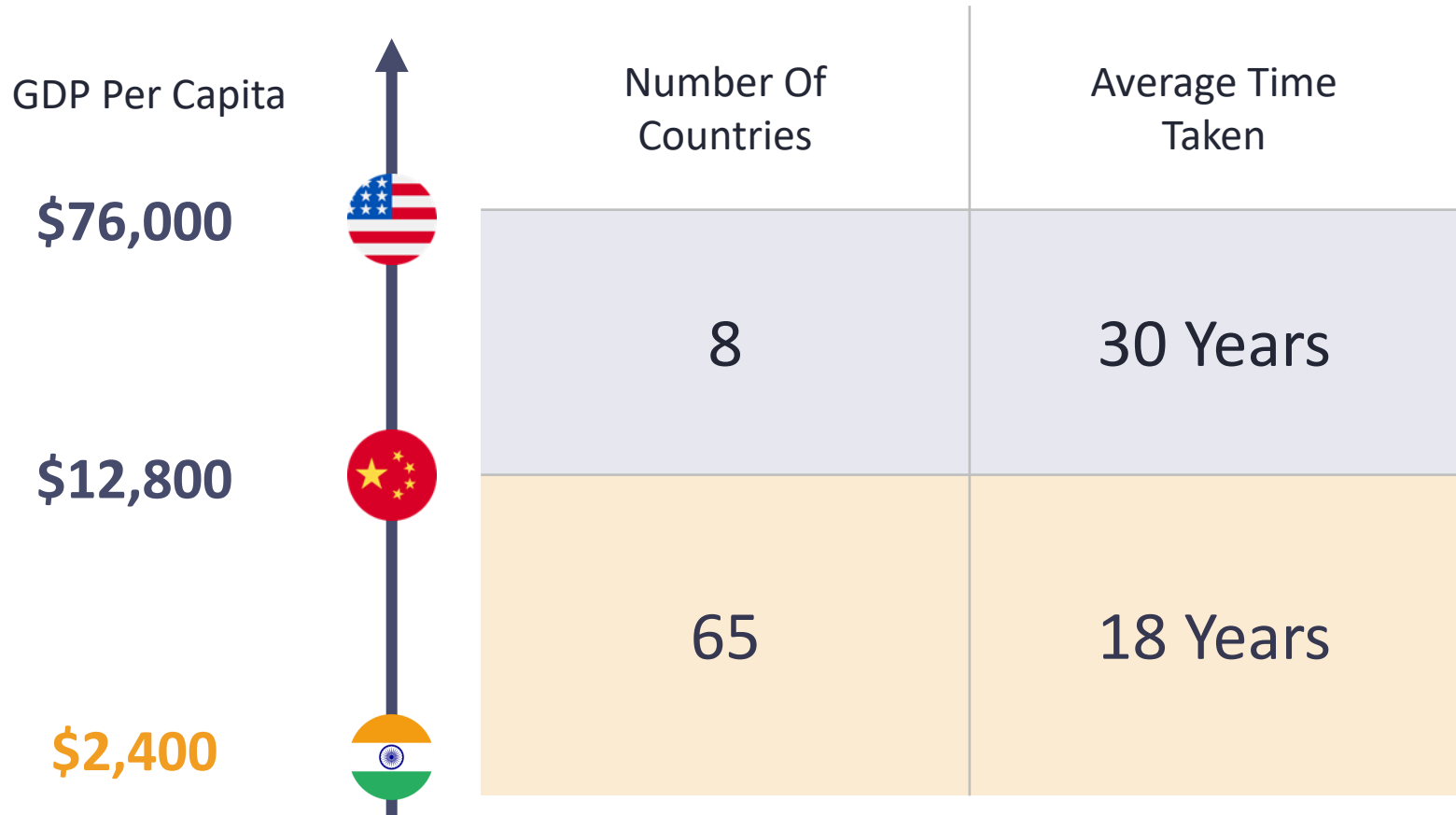
Note: For China, GDP per capita in 2047 is calculated assuming the same real GDP growth rate projections for India and population growth rate projections by the United Nations. **China requires higher growth in GDP/Capita than India to achieve the same GDP growth due to China's lower population growth.**

Source: IMF, ICR, EY, Goldman Sachs, United Nations



India's Path To Become A Middle-Income Country Seems Well-Travelled And Achievable

Wealth Progression Over Last 60 Years



Source: World Bank, IMF



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Rising Incomes Will Trigger More Than \$4.5 Trillion In New Consumption

India Consumer Expenditure Growth Expectations

2012

\$1.0T



2022

\$1.9T



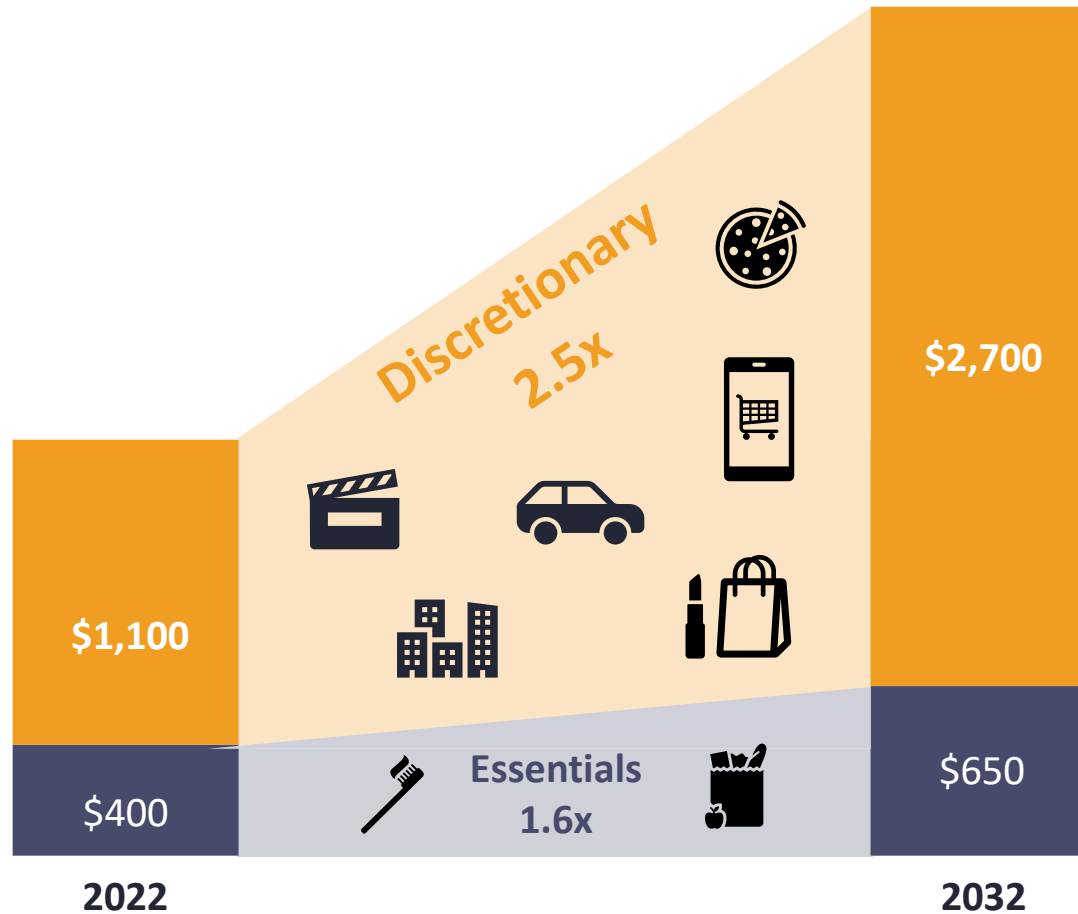
2032P

\$4.5T+

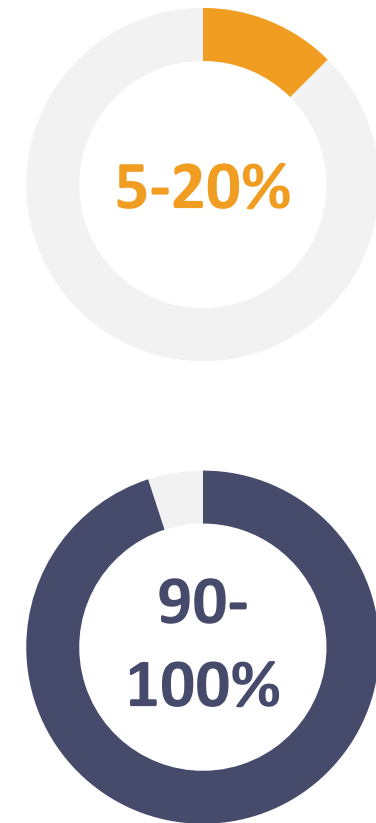


But Consumption Will Move From Sustenance To Discretionary

Consumption Per Capita Breakup



Current Penetration



Source: Morgan Stanley, ICR

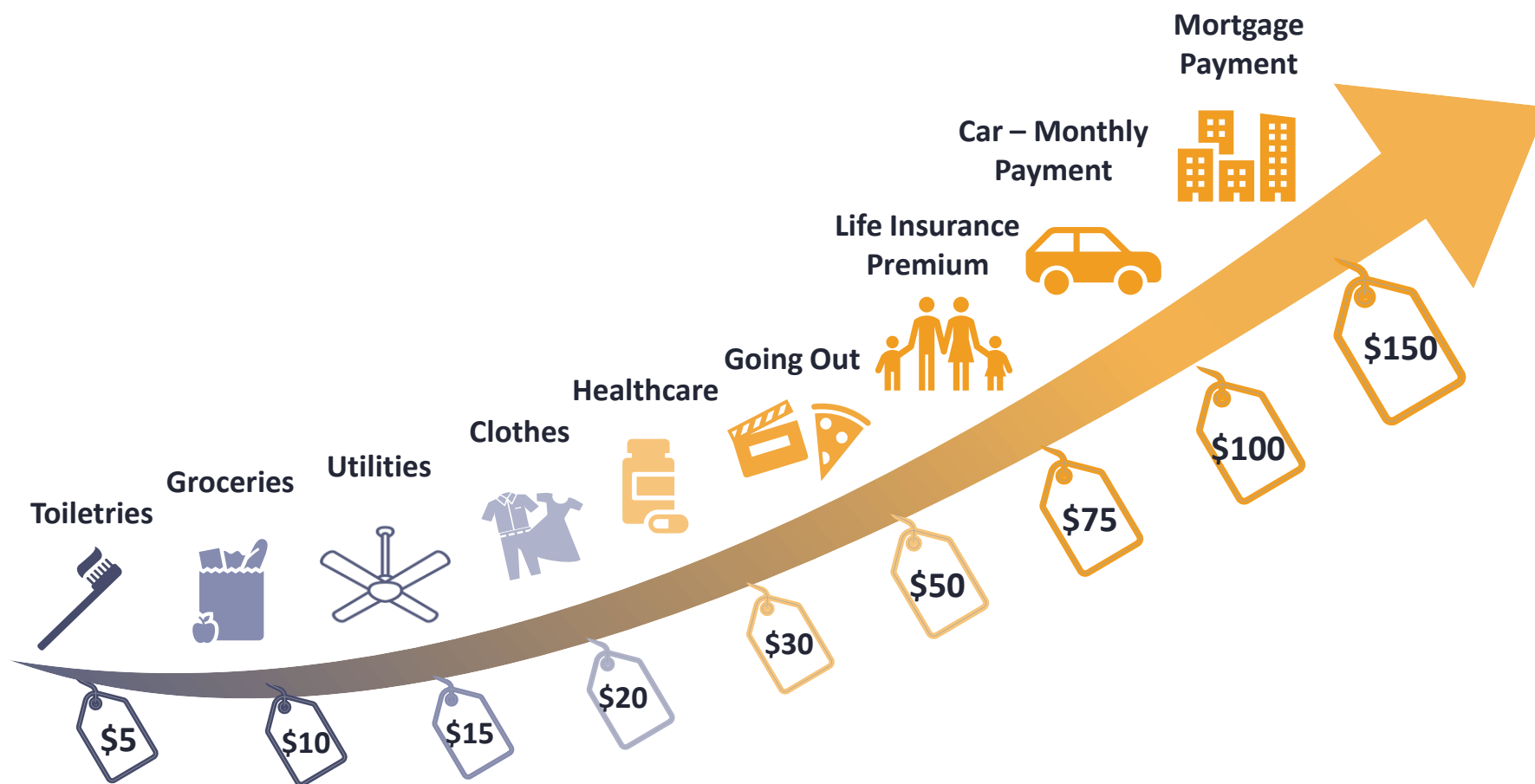


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Big Ticket Discretionary Spends Will Be The Key Beneficiaries

Monthly Spends As Per Capita Income Rises



Source: ICR, Company filings, Morgan Stanley, CLSA










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Those Are Among The Industries Where The India Capital Fund Is Concentrated

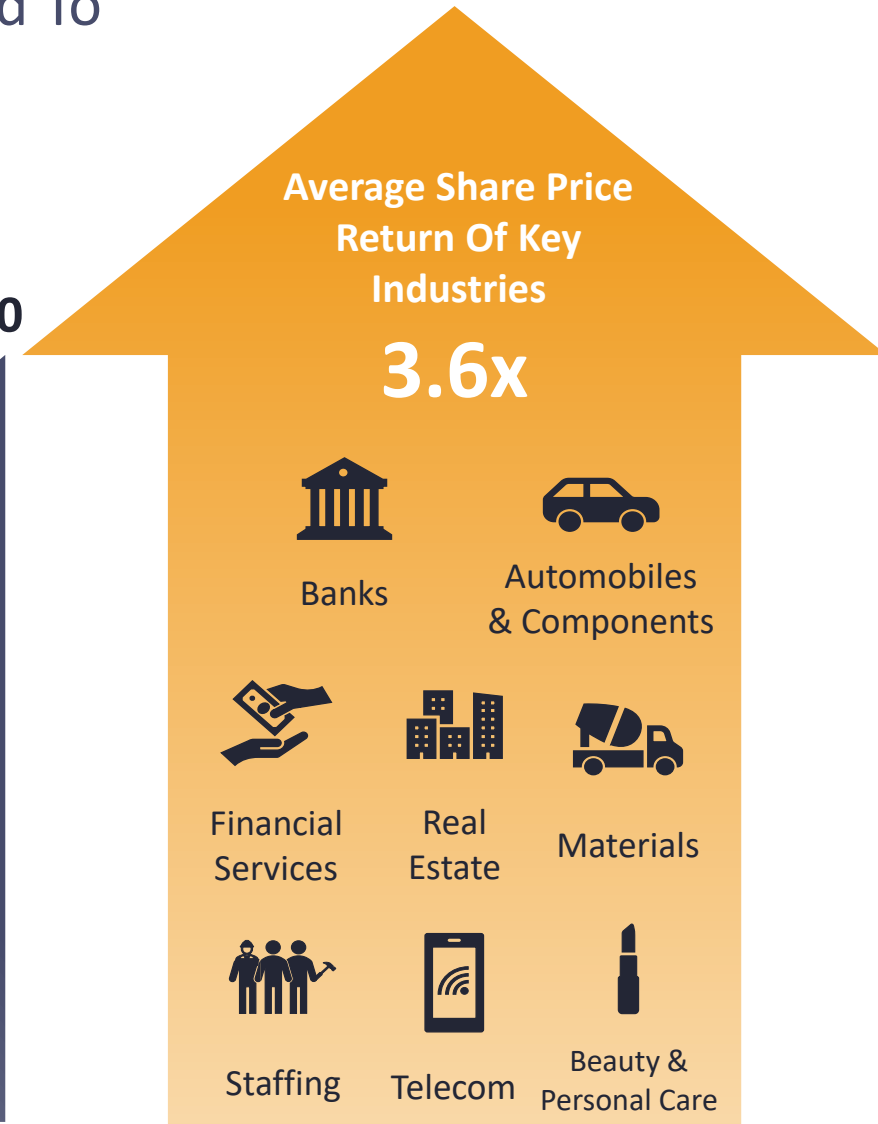
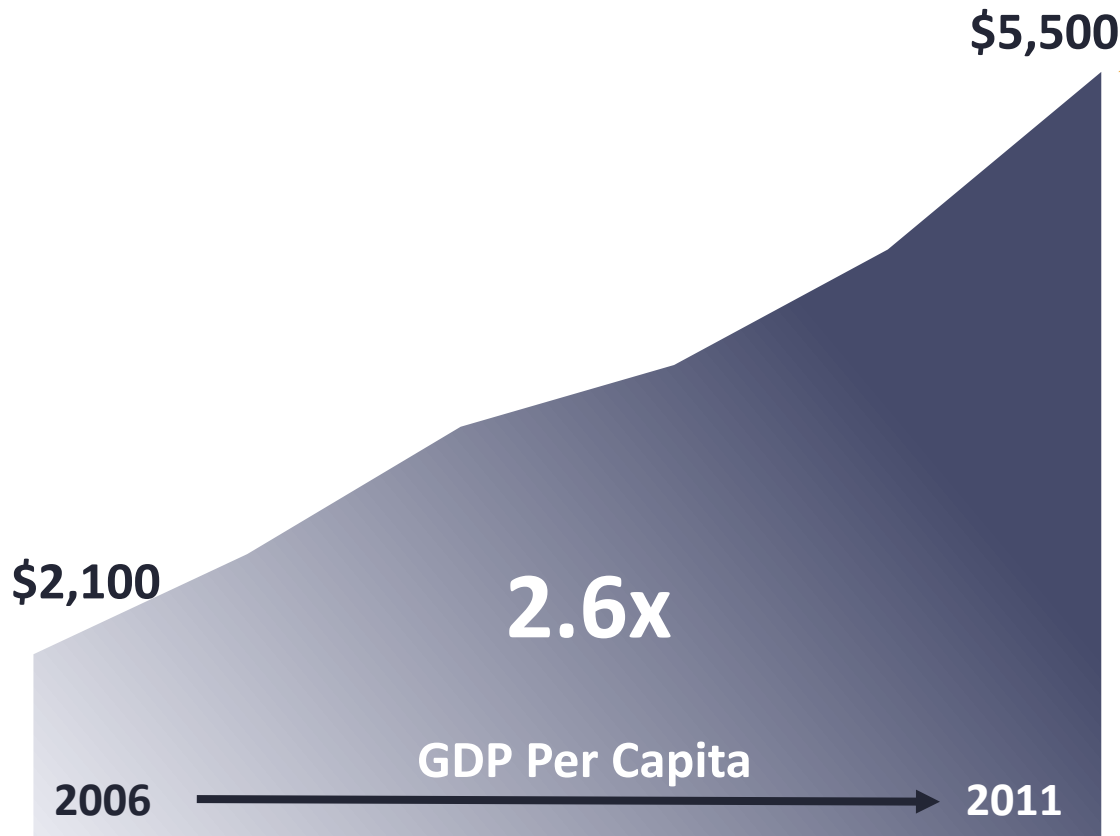
ICF Portfolio By Sector

	Banks	25%		Materials	9%
	Diversified Financials	21%		Insurance	8%
	Real Estate	13%		Telecommunication	7%
	Automobiles & Components	9%		Staffing	4%
				High-end Retail	4%

Note: The above mix of ICF portfolio by sector is as of Sept 30, 2023
Source: ICR



These Sectors Thrived As China Transitioned To Middle Income



Source: Bloomberg, IMF

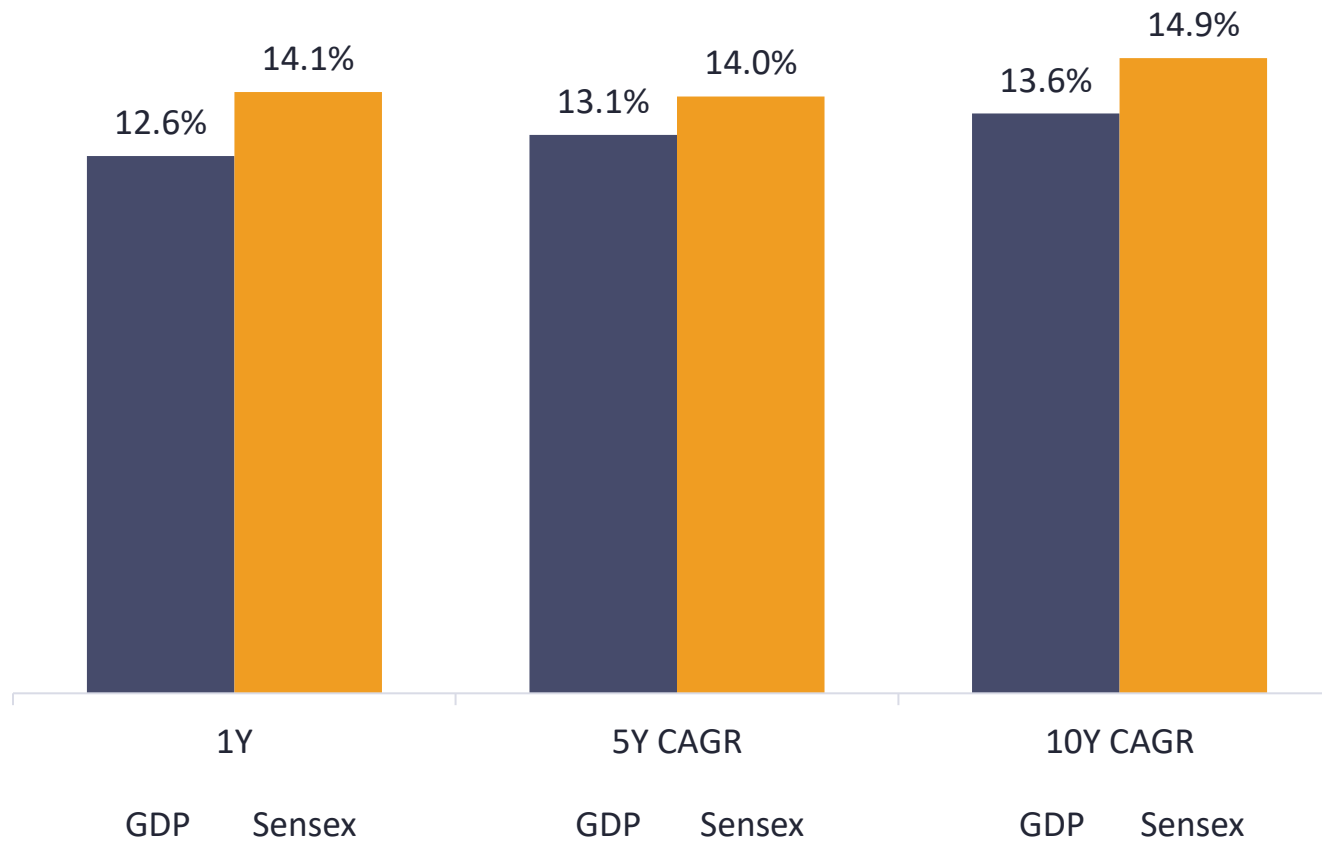


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Market Returns Have Closely Tracked GDP Growth In India...

Average Rolling Returns – GDP Vs. Sensex



Note: Calculated using average rolling returns for last 28 years

Source: Bloomberg, RBI



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... And Economic Growth Has Been A Solid Indicator Of Market Returns Across Countries Over Time

Market Returns Vs. GDP Growth
(\$)

CAGR (2000-22)	Key Index Annualized Performance	Nominal GDP Growth Rate
UK	0%	3%
China	3%	13%
US	5%	4%
Brazil	5%	5%
South Africa	6%	5%
Thailand	10%	7%
India	10%	9%
Indonesia	11%	9%

Source: Bloomberg, IMF

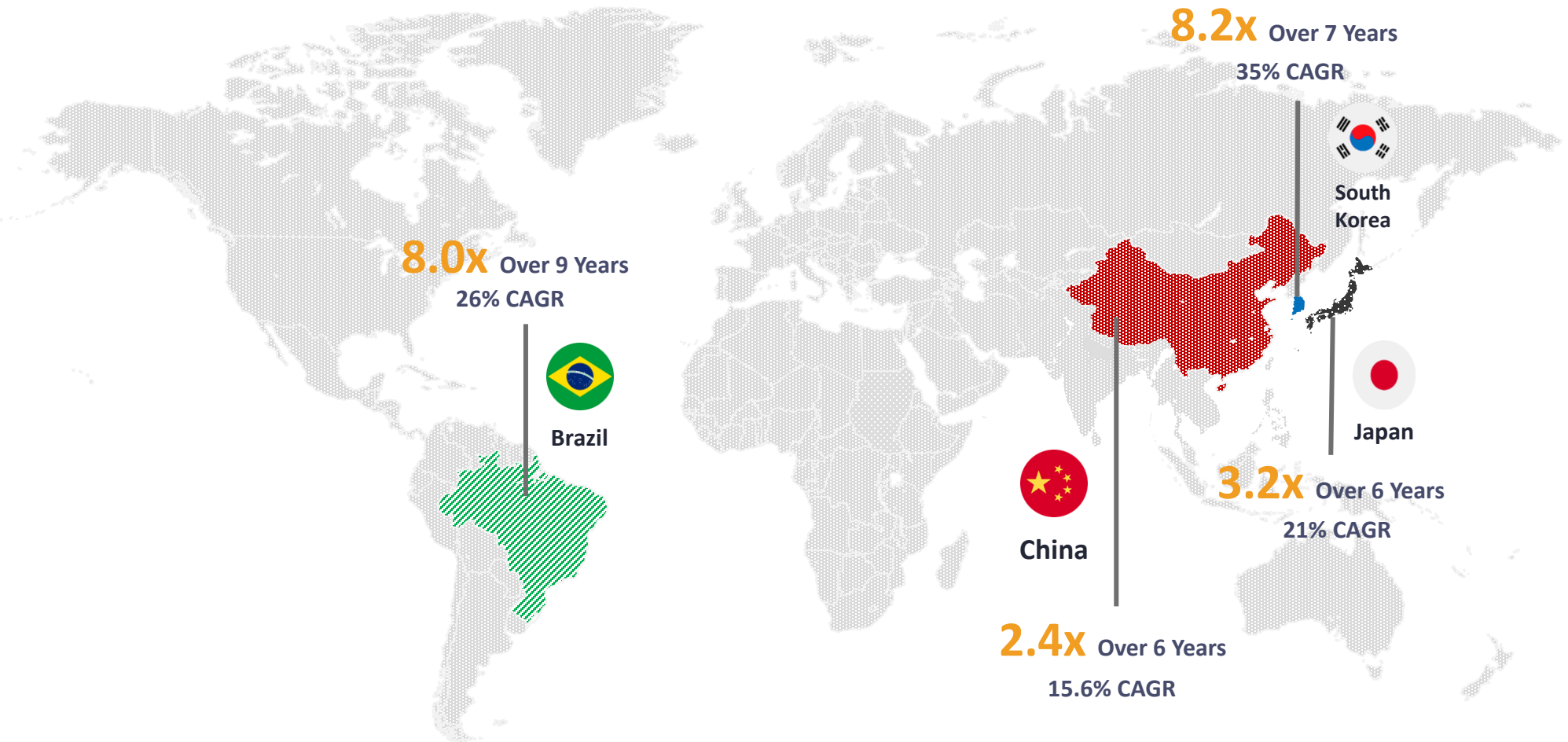


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...With Stellar Share Price Returns When Countries Transition From Low-Income To Middle-Income

Share Price Returns When GDP Per Capita Increases From \$2,000 To \$5,000



Source: Bloomberg, World Bank



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