

# DAIS

DUBAI ALTERNATIVE INVESTMENT SUMMIT | FEB 2023

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**SUNDARAM ALTERNATES**  
UNEARTHING OPPORTUNITIES



**SUNDARAM**  
Emerging Leadership Fund



### Investment Objective

To seek long-term capital appreciation with investments in mid and small cap companies.



### Target Investors

Ideal for long-term investors seeking returns through investments predominantly in small and midcap stocks and are comfortable with short-term volatility.



**Differentiated, yet concentrated multi-sector portfolio** of around 25 stocks



Invests in businesses that are **Emerging Leaders, Asset Light with High ROCE, Scalable and have Excellent Cash Conversion from Operations** ("EASE" Portfolio)



Long-term orientation towards portfolio building: **> 3 years**



Long track record of performance: **12 years**



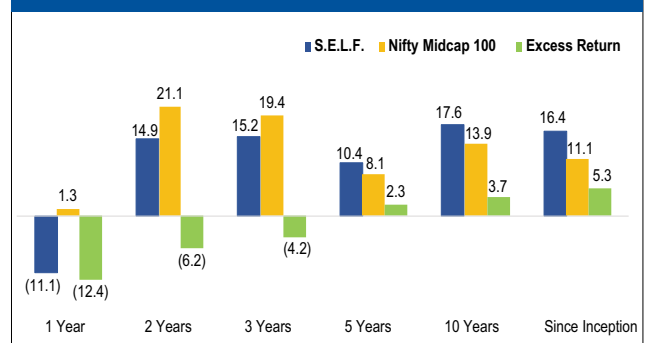
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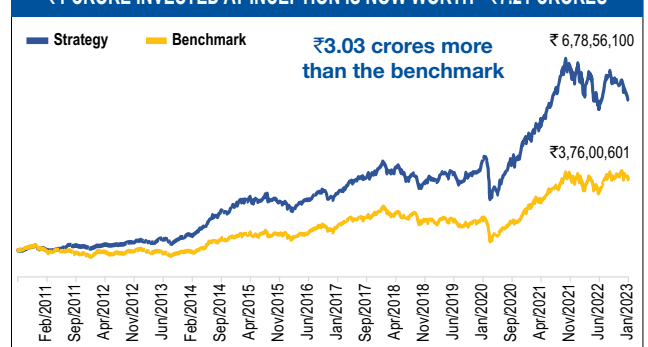


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### CONSISTENT PERFORMER: 16.4% TWRR SINCE INCEPTION!



### ₹1 CRORE INVESTED AT INCEPTION IS NOW WORTH ~₹7.21 CRORES



Data as of December 31, 2022



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# INDEX

01

WELCOME NOTE

INDIA AS AN EMERGING  
ECONOMIC SUPERPOWER

02

03

HOW INDIA'S SMART PORTFOLIO  
MANAGERS CREATE INVESTOR'S  
WEALTH

INDIA'S MANUFACTURING  
RENAISSANCE

06

08

UNLOCKING INDIA'S ECONOMIC  
GROWTH AND POTENTIAL  
WEALTH CREATION

THE INDIA STORY- A DIFFERENT  
CYCLE – CHANGE IS CONSTANT

11

13

THE UNUSUAL RISE  
OF MODERN INDIA

OPPORTUNITIES IN FIXED-INCOME  
AND DOLLAR DENOMINATED FUNDS

14

# MESSAGE FROM PMS BAZAAR TEAM

## GREETINGS FROM PMS BAZAAR!!!

On 25th February, we organized our first International Summit – **Dubai Alternative Investment Summit (DAIS 2023)**, where we convened Top Fund Indian Managers to help Dubai-based Investors identify investment opportunities in India. Exceeding our expectations, our summit venue - Zabeel Ballroom in Marriott Hotel Al Jaddaf - Dubai, got tightly filled with more than 250 participants. Also, our Exclusive Virtual Portal, which streamed the summit LIVE from Dubai, recorded a digital footfall of over 1000. We are overwhelmed by the positive responses we received, which increased our confidence in expanding further & reach out to more investors in the upcoming years.

Last year, when we interacted with our Dubai clients, they all expressed an interest in exploring options outside of localized traditional investment options. From our observation, we found that most Dubai-based investors are interested in Indian Alternatives, but they lacked a proper platform to gain exposure & identify the right products. With this feedback, we

decided to address this demand by bringing India's Top Fund Managers to Dubai & helping investors to get introduced to the flourishing Indian Alternative Investment Industry. Thus began our DAIS 2023 Journey!

In our DAIS 2023 summit, we organized several presentations & panel discussions where our expert speakers shared quality insights on the Indian Market and Indian Alternative Investment Products. Most participants, both at the venue and at the virtual portal, shared positive reviews & comments on the sessions. We even started getting requests for the presentations & session video recordings at the end of our summit, reflecting on the impact it created.

On this occasion, we thank all our 250+ physical participants & 1000+ virtual participants for supporting us with active participation & positive feedback. We also thank our sponsors – Event Sponsor: Sundaram Alternates and Co-sponsors: Karma Capital & ValueQuest, for believing in our vision and supporting us throughout. Special

thanks to our partners - Media Partner: Money Control, Event & Travel Partner: Dessert Wings, and Radio Partner: 98.4 Tamil FM & 92.2 Radio Kushi, for helping us to pull off this grand summit.

In the last few years, unprecedented events like COVID, the Ukraine war, etc., have changed the market dynamics, and Investors across the globe are now actively looking for investment options outside the traditional venues to explore & expand their wealth. In this scenario, Indian Alternative Investments are the right solution for Investors, especially for the HNI & UHNI segment, as they help them to invest in India's growth story & access attractive asset classes in India. We, PMS Bazaar, have taken our first step with DAIS 2023 to help global investors explore Indian Alternatives. With all your support, we will explore more places in the upcoming years, reach out to more investors and help everyone access the Indian Alternates hassle-free.



Mr. R Pallavarajan  
Founder - Director



Mr. Daniel GM  
Founder - Director



Mr. Rajesh Kumar D  
Founder - Director



Mr. Hameed Rahman  
Founder - Director

## WELCOME NOTE



Mr. R. Pallavarajan, founder - director of PMS Bazaar, started his welcome note with a quote by Walt Disney - "If you dream it, you can do it". With this quote, he said PMS Bazaar has a dream to extend itself beyond boundaries to reach as many investors, intermediates, and institutions, to make them participate in India's growth story. He expressed his happiness about hosting PMS Bazaar's first international event - Dubai Alternative Investment Summit (DAIS), at Marriott Hotel Al Jaddaf, Dubai. Before starting his presentation, he thanked all the speakers, sponsors (Sundaram Alternates, Karma Capital, ValueQuest), and partners for extending their full support in organizing the summit.

Then, Mr. Pallavarajan presented PMS Bazaar's journey from 2017 and how it is adding value to the Indian Alternative Investment Industry in the last 5 years. He then expressed his pride in bridging the gap between the investor community and Alternative Investment Industry with the PMS Bazaar Platform, trusted by more than 48000 subscribers.

While counting the achievements made, he mentioned PMS Bazaar's association with CRISIL to create India's First ranking for PMS - PMS Bazaar PMS Ranking with computation powered by CRISIL. He

also mentioned the latest initiative to educate the investors and opened up about the tie-up with AAFM (American Academy of financial management).

After briefing about PMS Bazaar to the audience, Mr. Pallavarajan introduced - Finalyca, India's first All in One Analytics Platform. Trusted by Top institutions like Tata Capital, HDFC Securities, Julius Baer, etc., Finalyca is the only product in India to present AIF, PMS, MF, and ULIP in one platform and help investors analyze & cross compare the products to make informed investment decisions, Mr. Pallavarajan explained.

Later he spoke about the distribution arm of PMS Bazaar - Myalternates, India's leading platform for Alternative Investments, and briefed how Myalternates acts as a one-stop destination for all Alternative Investment needs.

Finally, Mr. Pallavarajan announced the unveiling of the special edition magazine. Mr. Daniel, Founder - Director of PMS Bazaar, presented the first copy of the magazine to Mr. Vikaas M Sachdeva of Sundaram Alternates, Mr. Rushabh Sheth of Karma Capital, and Mr. Ravi Dharamshi of ValueQuest Investment Advisors.

Watch Video 

## INDIA AS AN EMERGING ECONOMIC SUPERPOWER



In DAIS 2023, Mr. Vikaas M Sachdeva, Managing Director of Sundaram Alternates, delivered the Keynote address with an insightful presentation on the topic – “India as an emerging superpower”.

First, Mr. Vikaas explained India’s thought leadership leading to economic leadership, explaining how India offers thought leadership to the world by exporting and creating effective innovative solutions through leveraging talent, data, and tech (like UPI Payment). He then explained why India is the best place for investment from an NRI’s perspective and supported the point with factors like infrastructure and manufacturing. In India, Manufacturing is not only about exports but also about how India is replacing China in thought leadership. India is turning out to be the largest start-up ecosystem, he added.

Discussing Agriculture in India, Mr. Vikaas remarked that India seems to be the food basket of the world. He also briefed how India is outpacing the world, in terms of growth rate, displacing the UK, Vietnam, Korea, etc. Then, he mentioned the rising importance of India among emerging markets where India is climbing through the ladders according to the MSCI index.

Mr. Vikaas then presented the driving factors of India’s Golden era, mentioning the three megatrends - global offshoring, digitization, and energy transition, which are making India a new protagonist for investments. He also pointed out that financial inclusiveness, consumption czars, phygital blue chips, and Export voyagers are the key structural themes for wealth multipliers.

Mr. Vikaas then moved on to present Leveraging India’s growth story through alternates. He said, “We have just crossed 2000-dollar GDP, and we are exporting this vision to the world”. Adding to that, he said, to make it grow bigger, one of the prudent ways is by investing in alternatives. He later addressed the need for alternative assets and manifested it to be a mainstream investment down the lane.

Finally, Mr. Vikaas talked about the USP of Sundaram Alternates and Sundaram’s investment philosophy. He explained how strong is his team on the ground and the achievements of their PMS and AIF products. On concluding his presentation, Mr. Vikaas quoted, “history is a bad motorist. It rarely ever signals its intentions when it takes a turn. This is that rarely ever movement history is turning a page”.

Watch Video 



## HOW INDIA'S SMART PORTFOLIO MANAGERS CREATE INVESTOR'S WEALTH



The first panel discussion on how fund managers actually go about the task of generating superior returns for investors threw up valuable insights on their working methodology. Mr. Arun Malhotra of CapGrow Capital Advisers, Mr. Abhisar Jain of Monarch AIF, Mr. Aman Chowhan of Abakus Asset Manager, and Mr. Madanagopal Ramu of Sundaram Alternates were the participants. Mr. Krishnan Ramachandran Barjeel Geojit Financial Services moderated the session.

At the outset, Mr. Ramachandran acknowledged the fact that generating alpha was an onerous task in the Indian context, where there are roughly 2000 fund managers overseeing mutual funds, PMS schemes, AIFs, and the like. He asked the participants on how they took on this serious day-to-day challenge in a cut-throat investment industry.

Mr. Ramu said that his firm does not look at indices or benchmarks, but goes more stock-specific to see if themes such as consumption, manufacturing, and digitization can be played via such stocks. In his opinion, the Nifty had very few companies that could ride the discretionary spending, barring say a Titan or a few auto companies. Mr. Ramu was of the opinion that mid and small-caps gave many options to gain from potentially rewarding themes.

Mr. Malhotra then put forward his take on why his firm has stuck to choosing companies based on balance sheet strength. He emphasized the importance of finding the catalysts or triggers even in deep-value stocks so that their potential could be unlocked.

Next, Mr. Chowhan waded into the discussion and said that Indian fund managers now have to be more outward looking in terms of sensing global trends and macros. It wasn't enough to just focus on quality or value styles blindly going by just local factors. He observed that investing for 50% EPS and 50% PE multiple. Mr. Chowhan went on to add that the PE multiple is now dependent on global money.

Mr. Jain acknowledged the pressure on fund managers when their returns are compared to benchmarks. He said there are as many as 50 sub-sectors within larger segments where a great portfolio of 15-20 stocks can be built. The broader listed space outside the standard large-cap benchmark provided ample opportunities to play emerging themes.

Then, Mr. Ramachandran sought to understand the finer aspects of the strategies adopted by fund managers.



Mr. Ramu stated that his firm takes an outlook based on a 4-5-year timeframe with the idea of at least doubling a stock's price by playing the cycle well. Most of our investments are companies whose target addressable market is at least 10 times their company size.

Mr. Malhotra then elaborated on his firm's special situations strategy. He said mergers, demergers, buybacks, spin-offs, and delisting are some such corporate events that can create value for investors. Mr. Malhotra said on top of these events, a layer of 'buffetology' filter is applied for a sanity check. He added that these stocks are uncorrelated to market movements.

The discussion then veered to Mr. Chowhan, who said he believes in having a diversified portfolio of 30-35 stocks. Since his firm does mid-cap investing, where liquidity is not high, it may be better to have more stocks in the portfolio, he said. Mr. Chowhan added that a recent fund launch will have large, mid, small, and microcaps in the portfolio.

Mr. Jain spoke of filtering stocks based on accounting, quality, and corporate governance. Stocks are filtered based on 14 factors. Cash Flows are analyzed to arrive at the final portfolio, he added.

Mr. Ramachandran then concluded the discussion with an optimistic picture of the PMS-AIF industry.

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VALUEQUEST

**5-STAR**

Crisil PMS Bazaar rating

Consistently  
outperforming  
**BSE 500**

**₹5,000+**  
cr AUM

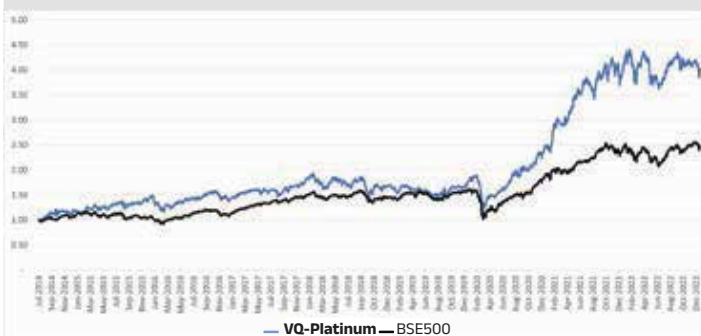
**17%+**  
TWRR

**12+**  
year track record

It can only be  
**ValueQuest!**

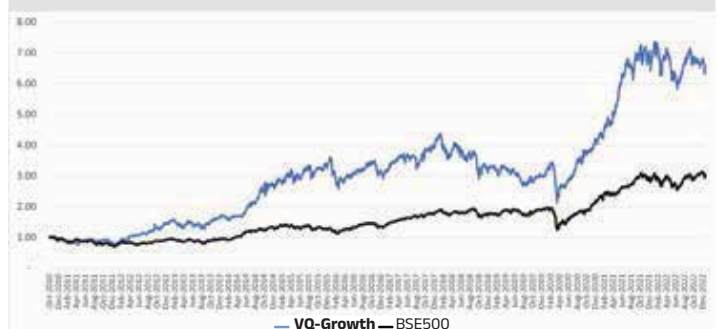
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Value of ₹1 cr invested in VQ Platinum on inception date\* is  
**₹4.02\*\* cr v/s ₹2.47 cr for BSE 500**



\*Inception Date: July 24, 2014 | \*\*As on December 31, 2022

Value of ₹1 cr invested in VQ Growth on inception date\* is  
**₹6.55\*\* cr v/s ₹3.02 cr for BSE 500**



\*Inception Date: October 7, 2010 | \*\*As on December 31, 2022

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## INDIA'S MANUFACTURING RENAISSANCE



**Mr. Ravi Dharamshi**

Founder & CIO - ValueQuest Investment Advisors

Mr. Ravi Dharamshi, CIO of Value Quest, gave an insightful presentation on the topic - "India's Manufacturing Renaissance". The following are the excerpts from the presentation.

Mr. Ravi Dharamshi started the presentation by comparing India's manufacturing sector's contribution to the GDP with other Asian economies. Post-independence, the manufacturing sector's contribution to GDP has pretty much remained stagnant, whereas the service sector contribution has gone up from 16% to 40%. Most Asian economies have a higher contribution of manufacturing to the GDP. India has a large trade deficit (around 190 billion dollars), and the import of electronic goods contributes almost 60 billion dollars to the trade deficit. India has nearly 50-60% fewer mid-sized companies per trillion dollars than its peers (Korea, Vietnam, Thailand, etc.). Also, there is a wide variation among states in manufacturing prowess. Only three Indian states - Maharashtra, Gujarat, and Tamil Nadu have a manufacturing sector compared to global standards.

Hence, Mr. Ravi Dharamshi asserts that India needs to manufacture to reduce import dependence, generate employment, transition from an agricultural economy into a manufacturing-led economy, have self-dependence in key areas like - defense, pharma & KSM, reduce trade balance, and boost the economy. The key imperatives for the government are to build

a globally competitive supply chain and design ecosystem, create economies of scale and mitigate disabilities to create scale, build Indian champions for long-term technological and financial independence, and become "Atma Nirbhar" (self-dependent). For this, some of the government's initiatives are the 2014-Make in India program, 2017- Phase Manufacturing Program, 2019 - National Policy on Electronics, 2020-PLI Scheme, 2021- Manufacturing Cluster 2.0, and 2018-22 - Gradual increase in BCD. Mr. Dharamshi discussed these initiatives and how they have helped the Indian manufacturing sector so far.

India needs to focus on manufacturing, and likewise, the government is taking initiatives to boost the manufacturing sectors, yet there are many gaps. India's manufacturing sector has several obstacles, such as poor roads, unreliable power supplies, burdensome regulations, limited access to land and credit, and a lack of workers skilled in high-end manufacturing. Hence, India must focus on roadblocks and consider other factors to boost the manufacturing sector. While discussing the roadblocks, Mr. Ravi spoke about China's one plus and India's benefits. He concluded the presentation by saying that the China-plus-one strategy can become the Indian strategy over the next decade. The world is looking to India to become the second support to them in manufacturing. But to do this, we need to increase manufacturing, he concluded.

Watch Video 





VALUEQUEST

# WEALTH GENERATION THROUGH EQUITIES NEEDS

**VISION**  
to see



**COURAGE**  
to capitalize



**FORTITUDE**  
to hold



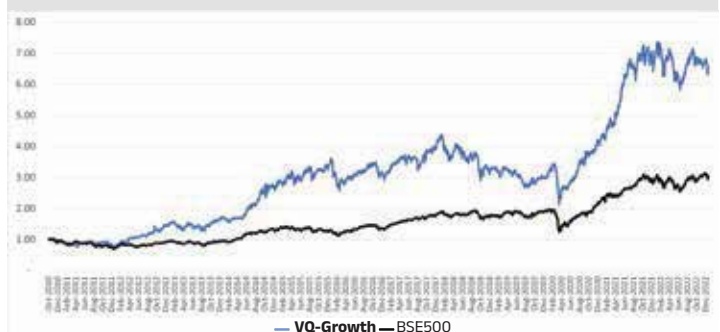
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## UNLOCKING INDIA'S ECONOMIC GROWTH AND POTENTIAL WEALTH CREATION



In the panel on the road to the \$5 trillion economy, we had Mr. Shankar Sharma of First Global, Mr. Bharat Shah from ASK Investment Managers, and Richard Pattle of True Beacon. Mr. Akhil Chaturvedi of Motilal Oswal was the moderator.

Mr. Chaturvedi started by observing how Indian markets were outperformers during and after COVID-19 but fell behind over the past few months. He wanted to know how fund managers should approach allocations now.

Mr. Shah said he generally did not believe in short-term timing. He believed in taking a 10-15 years approach and added that India's structural reforms will help it be a durable large economy in the world. All these would result in quality companies that would create excellent value.

Mr. Sharma then waded in saying he has been bullish on India since 1989. He said the argument that Indian companies are costly was flawed as their return on equity was higher than those in the US and most other emerging markets.

Mr. Pattle then chipped in to say that not much should be made of India's underperformance in the last couple of months. He said India has continuity of policy, is more assertive globally, and that the world needed the country now more than ever. Mr. Pattle observed

that India's well-qualified human talent will be its key strength in the future.

Mr. Chaturvedi then wanted to know why even though anecdotally there were examples of full bookings in hotels, airlines, tourism spots, etc and consumption was on an upswing, was there a slowdown in GDP growth.

Mr. Sharma said much of the consumption of the past 18 months was pent-up demand post-COVID. He said for India 5-6% growth was not good enough, and we needed at least 8-9% GDP growth for a serious per capita increase. With exports set to be weak due to slowing US and European economies, he added that domestic consumption will have to lead the growth trajectory.

Mr. Shah stepped in to say that leadership mattered in steering the economy through challenges. He added that India is filling up the leadership vacuum globally in many arenas and observed that India is primed to grow at 8%, though near-term growth may be slower.

Mr. Pattle then elaborated on the benefits of GIFT city. He said though the special economic zone was based in India, the jurisdiction was foreign. Apart from superior infrastructure and access to resources, he said there were two game changers. One was having a unified regulator and the second was the clarity on tax.

Moving on, Mr. Chaturvedi wanted to know about the impact of the Adani group episode.

Mr. Sharma said investors should not mix the fortunes of one group as representative of the whole country. It was just a problem afflicting one group, he added. Mr. Sharma was of the opinion that the group had to answer its stakeholders to remove all misconceptions. He cited the examples of how Sun Pharmaceuticals and even Infosys had governance issues a few years ago and dealt with them well. Ultimately valuations also matter, he said. One interesting point he made was infrastructure should be built only by the government as that alone would be viable.

Mr. Shah disagreed with the point that the government alone should be in the infrastructure space. He said smart entrepreneurs who can borrow at an optimal cost of capital and have excellent execution capability will have an opportunity to make returns.

Mr Pattle then spoke on a concluding note that Indian companies are at a stage where they must look to solve global problems and that they are well-placed to do that.

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## Unlocking Indian Equities



Managing assets of  
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**16+ years** of  
track record



**1.7% alpha** net of fees  
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Complete **In-house**  
**research**



**Patient and Disciplined**  
approach



**Bottom-up** benchmark  
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Leading to **concentrated**  
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## “THE INDIA STORY- A DIFFERENT CYCLE – CHANGE IS CONSTANT”



**Mr. Rushabh Sheth**

**Co-Founder, Director & Co- CIO of Karma Capital Advisors Pvt Ltd**

Mr. Rushabh Sheth, Co-Founder, Director & Co- CIO of Karma Capital Advisors Pvt Ltd, presented on the topic – “The India Story- A Different Cycle – Change is Constant” and gave valuable insights. The following are excerpts from the presentation.

Mr. Rushabh started the presentation by giving a brief overview of Karma capital, and their working process and then started to discuss how change is constant and everything goes through a cycle. Like humans, businesses, industries, and economies go through a cycle. It is just a question of where you are in the cycle and how long it is. When a business turns around and starts doing well, the narrative at the point of time, which is the bottom of the cycle, is still negative. So, the price continues to be unfavorable, and then the narrative slowly changes as the business gains momentum. As the narrative changes, the prices tend to catch up.

If you look at the last ten years broadly, India went from 1000 to 2400 dollars per capita. As we go from 2500 to 5000 dollars over the next 7-8 years, the journey will differ greatly from the past. The businesses that are going to do well might be very different from the ones that have done well in the past. Accordingly, Mr. Rushabh Sheth stated, as an investor, the most critical thing one must do is spot companies that will do well in the future, not businesses that have done well in the past, and

extrapolate them. Although these companies will do well in the future, we will witness much change.

So, what are these changes? Many businesses (pharma, telecom, media, airlines) in India are transitioning from fragmentation to consolidation, where industries are getting consolidated very rapidly and where we can witness a huge catalyst in these industries since the consolidation is so rapid. As companies consolidate, it gives them pricing power, gives them a better ability to negotiate, and makes them far more powerful as an entity. Alternatively, a lot of other industries will go through fragmentation. Some industries that will witness fragmentation are two-wheelers, paints, Parts of FMCG, AMCs, and general insurance.

Mr. Rushabh discussed in detail the different sectors/ industries going through consolidation. He wrapped the session by talking about cognitive dissonance. He said that as investors, while we always talk about numbers, they must consider both past and future numbers. Accordingly, the path of least resistance happens when we talk of the past. People take the past and extrapolate in the future since they think this is what might continue. However, this does not necessarily mean better performance. The rate of change in India continues to accelerate, and the cycles may get shorter.

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KARMA CAPITAL

# Karma Capital India Fund Series I Cat III AIF

Delivering superior long-term returns by identifying  
small and mid-cap companies poised for growth



Complete in-house  
research



Bottom-up benchmark  
agnostic



Patient and disciplined  
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Leading to concentrated  
portfolios with high-conviction



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## THE UNUSUAL RISE OF MODERN INDIA



**Mr. Saurabh Mukherjea**

Founder & CEO - Marcellus Investment Managers

Mr. Saurabh Mukherjea, Founder & CEO of Marcellus Investment Managers, delivered an insightful presentation on the topic -The Unusual Rise of Modern India. The following are excerpts from his presentation.

Mr. Saurabh began the presentation with data on India's stock market growth compared to other world stock markets. He said that in the past 10-30 years, India has been amongst the world's leading stock markets in terms of dollars. For example, if we consider the 20-year horizon, the Nifty's dollar return was 14% dollar TSR. For the last 20 years, India has been witnessing rapid consolidation, and the result is people who have been historically skeptical about India today saying that for the next several years, India will be the fastest-growing economy in the world.

According to Mr. Saurabh, four main drivers are leading to rapid consolidation in India. In the last decade, India has built thrice as much infrastructure as it did in the first 60 years of independence. This has non-linear impacts. The country changes when you build triple the infrastructure in ten years. Secondly, India is the only large economy wherein in the space of five years, the direct and indirect tax

code has witnessed a complete revamp with huge impacts on the country – tax collection over the last few years has been growing twice as that of the GDP, and its impact on Indian businesses is huge. Thirdly, over the last eight years, the banking system has recapitalized the taxpayers' money and the stock market money, and India now has the strongest banking system among major economies measured by TIER I capital. This has huge ramifications for India for several years to come. Last, what is happening in the Indian tech field in recent years has no precedence (never seen before in other economies); it is non-linear and rapid.

Mr. Saurabh discussed the four drivers in-depth, giving various instances and real-life examples, and how these drivers will lead the Indian stock market to generate epic wealth for investors. He concluded the presentation by stating that the Indian stock market has become polarized, allowing investors to make money. In the last ten years, the Indian stock market has created 105 trillion rupees of wealth, of which 85 trillion has come from 20 large companies. This shows the kind of opportunity the Indian stock market generates and the wealth investors can create in the long run.

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## OPPORTUNITIES IN FIXED-INCOME AND DOLLAR-DENOMINATED FUNDS



After many discussions on equities, the final panel was on fixed-income opportunities & dollar-denominated funds in Indian Alternative Investments. Karthik B. Athreya from Sundaram Alternates, Vineet Sukumar from Vivriti Capital, Vishal Bajpai from Varanium Capital, and Ram Goyal from Aditya Birla Sun Life AMC Dubai, were the panel speakers, while Milan Ganatra of 1SilverBullet moderated the session.

Mr. Ganatra began by highlighting rupee depreciation against the dollar. He questioned the panelists on the kind of fixed-income opportunities that NRIs must consider.

Mr. Athreya emphasized the point that, apart from other factors, the India growth story depended a good deal on how credit plays out. India is a high-yield market, he said, and highlighted how SBI's prime lending rate was 14%. He pointed out that the US credit market was 80% non-bank financed and 20% bank financed, whereas India had the exact opposite scenario, thus giving vast scope for private credit markets to grow. Mr. Athreya alluded to 18-20% IRR being possible from asset-backed credit markets for NRIs, with a protected downside.

Mr. Sukumar then sought to dispel the confusion of NRIs on whether NRIs should invest in the country

they reside in or in India. He said these decisions are driven by liquidity, leverage, and confidence in data from India. In his opinion, on all three fronts, India has made tremendous improvement, especially in data disclosures that are among the best in Asia.

Mr. Goyal said that the rupee depreciated by more than 4% annually over the last 10 years. NRIs have split their asset allocation division into two parts, he said. One is the usual remittance they do to India for support or for owning houses. The other key part is the financial allocation – fixed income and equities, he added. In his opinion, despite 3-4% currency depreciation, if NRIs can make 15% over 10-15 years, they are fine with the erosion in currency because the overall returns would still be healthy. But with fixed income, as the returns are lower, currency depreciation could hurt, he added. This, he said, made them look for dollar-denominated assets.

Coming in on venture capital debt, Mr. Bajpai said that it was the latest offering from his firm. He said due to volatile debt markets in 2022 when even US treasury bond prices corrected 19%, the interest shifted to alternates. Given the global interest rates, inflation, and economic data, 2023 and 2024 may be more suited for debt and specifically venture debt for superior returns.

Mr. Ganatra then wanted to know how safe these fixed-income avenues were and why anyone would want to borrow from them at such high rates.

Mr. Athreya said in the Rs 100 crore to Rs 1000 crore revenue corporate space, banks haven't been lending, thus opening up a large opportunity for forms such as his, he said. He added that in areas such as acquisition financing, last mile, refinancing, and top-ups where his firm finds several opportunities as banks face regulatory restrictions. These are massively scalable opportunities with relatively low risks.

Mr. Sukumar said for such high-return opportunities, his firm first does a credit check on whether the

borrower has the return on equity from their business to service such high rates. He said that such companies had RoE of 30-40%. Other checks from fund managers would be on governance, he added.

Mr. Goyal said its risks cannot be avoided, but only managed well.

Mr. Bajpai opined that venture debt risk is mitigated first by due diligence and then by diversification. Some of the diligence tenets are similar to venture equity investments.

All the panellists concluded by highlighting the advantages and challenges of operating in India's GIFT city.

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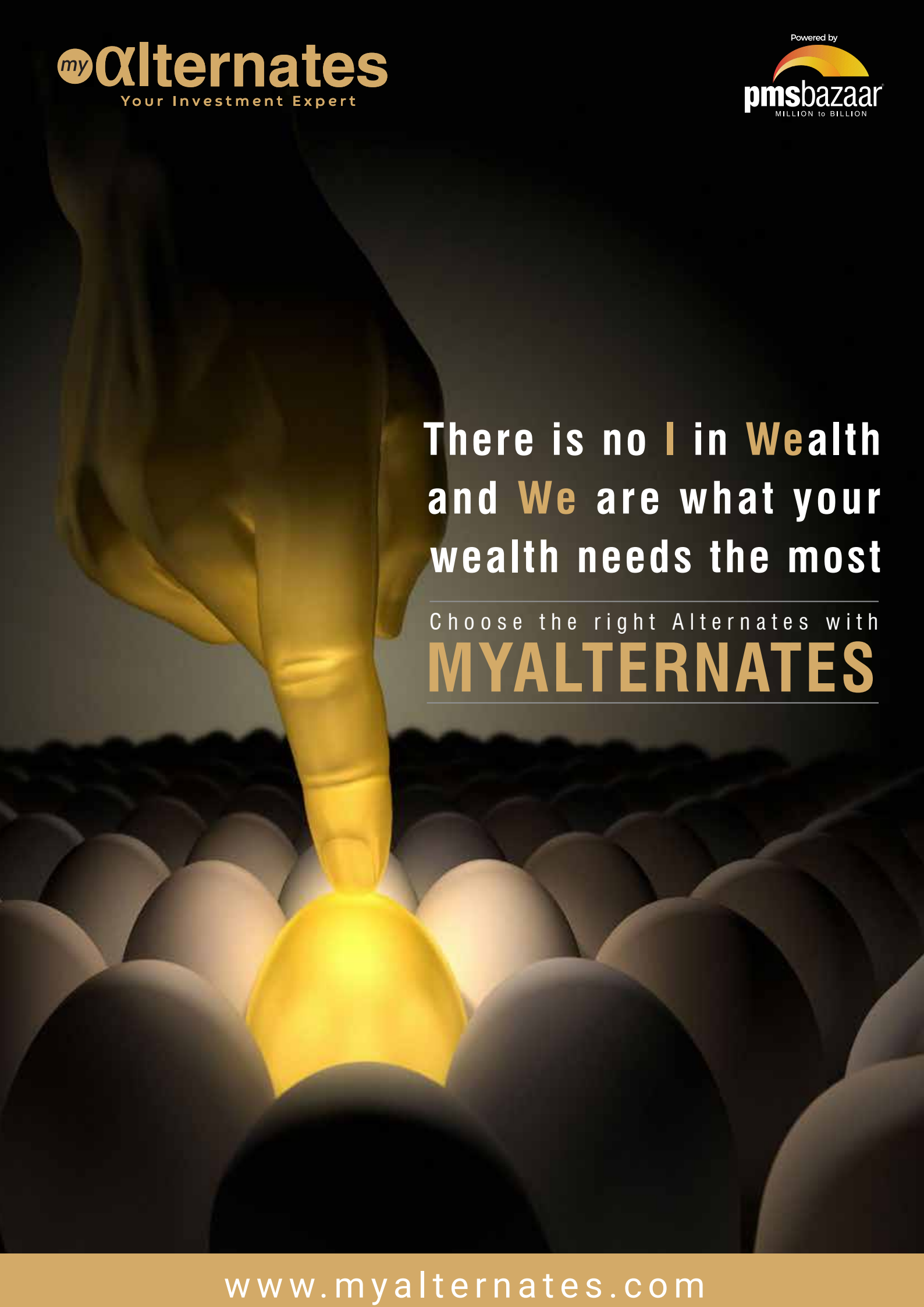
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A hand with a golden, metallic texture points its index finger down towards a single, glowing golden egg. This egg is the only one of its kind, surrounded by a vast field of dark, matte eggs. The scene is dramatically lit, with the golden elements being the primary light source, creating a strong contrast with the dark background.

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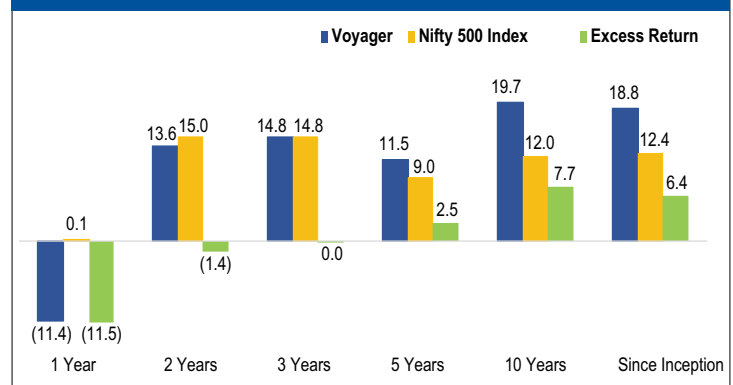
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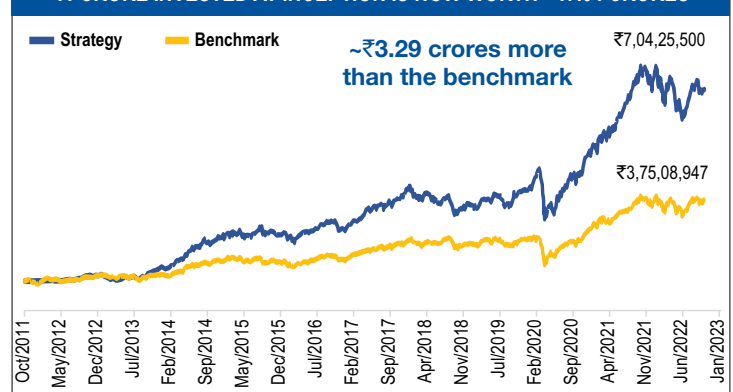
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