

## Altamount Capital UK's Inaugural Event at Leighton House Museum "100 Days of the Modi – Emerging Investment Trends and Opportunities!"



(L to R): HC Shri Ranjan Mathai, Richa Karpe (ACUK), Sonia Singh (ACUK), Vizay Vasanta (First Secretary, HCI)

Guests were received at the exclusive and captivatingly beautiful Leighton House museum in Kensington, London, during our inaugural session on "Hundred Days of Modi". It was a lively evening replete with conversations, networking opportunities and sharing of ideas for the attendees amidst drinks and Canapés.

The event kicked off with a keynote address by The High Commissioner of India to the UK, Shri Ranjan Mathai. The high commissioner focused on the important legislative reforms and procedural improvements that the Modi government has already begun to introduce that will have a profound impact on the quality and structure of India's future economic growth. Shri Mathai highlighted two important initiatives - the "Jan Dhan Yojna initiative" for financial inclusion and the "Make in India initiative" that could alter the dynamics of India's manufacturing competitiveness and employment. He also shared the enthusiasm and

commitment within the bureaucracy to support the new Government in achieving its projections and promises.

The keynote address was followed by a panel discussion on the key topic. The discussion was moderated by Mr. Zed Cama, Ex-Group General Manager of HSBC Holdings Plc and Non-Executive Director of HSBC subsidiaries & other companies. Panelists included Sir Mark Tully, former Bureau Chief, BBC India, Mr. Rahul Dhir, CEO, Delonex Energy (former CEO, Cairn India), Mr. Suresh Rangarajan, CEO of Artha Group (Times Group Co), & Mr. Prakash Diwan – CEO, Altamount Financial Services, India.

The panel deliberated on some of the key challenges and policy decisions facing the Modi government and what it meant in terms of opportunities for investors in India.

### Key observations:

► **India is a country with a history of unfinished agendas'** – India has a history of launching initiatives that do not get followed up to completion i.e. implementation is weak and incomplete at times. The Modi Government has to be careful not to fall in the trap of 'overpromising' and 'under delivering' where initiatives are being announced with a lot of fanfare and noise but clear deliverables are not set or met.

► **Reinvigorating the Bureaucracy** – Bureaucracy is the back bone that delivers the government agenda and their sentiment has been severely impacted due to CAG (Comptroller & Auditor General of India) coming down heavily on some of the past decisions made by them. The government's reassurance will improve the morale of the bureaucrats.

► **Key Reforms need to be tackled head on** – The reforms that are critical for the success revolve around diesel price de-regulation, gas repricing, improving Public Sector Units efficiency, unifying taxes through GST (Goods & Services Tax), simplifying land acquisition process & fixing the faulty PDS (Public Distribution System). Since the panel discussion on 15th October, 2 key initiatives have been announced by the Prime Minister recently – Labour Reforms and Diesel price deregulation.

► **Clarity on taxation and laws** – The panelists felt that it was critical for the government to have clarity on taxation, company law and other pertinent laws. The Vodafone case has had a severe impact on the sentiment of the international business community and government has to be mindful of certain moves that may have a positive fiscal impact in the short term but can lead to long term damage to investor sentiment.

► **Risk/ Rewards of doing business in India** – The panelists highlighted that while conducting business in India may be tougher than a lot of other countries, the rewards for doing business could be much greater, given the consumption story driven by the burgeoning middle class. Improved policy making and consistent implementation of policy could cut the red tape and improve the ease of doing business in India leading to sustained economic growth.

► **Equities and Real Estate Opportunities** – The panelists felt that Indian capital markets now offer interesting opportunities especially within the mid-market segment. Despite the recent run up in the markets, the mid-market companies seem to have significant growth potential especially with improved credit availability and could offer substantial returns. Real Estate may offer better returns in smaller cities like the southern corridor (Bangalore, Chennai, Mysore) as opposed to big cities like Mumbai, Delhi etc. where supply seems to be excessive.



Guests in the downstairs Museum Reception Hall

### Conclusion:

Mr Zed Cama concluded the discussion by pointing out that while it is too early for any meaningful changes to be brought about, the Modi Government's initial actions seem to indicate an agenda focused on change, progress and growth! While we need to be mindful that this is not the case of starting with

a bang and dying out with a whimper, the feeling is that the India investment story is very clearly alive and kicking and the story could find stronger legs if the "government's bite proves to be as good as its bark" in the coming months!



Speakers, (L to R): HC Shri Ranjan Mathai, Suresh Rangarajan, Sir Mark Tully, Zed Cama, Rahul Dhir and Prakash Diwan



Guests in the upstairs Painting Studio Hall



Arab Hall