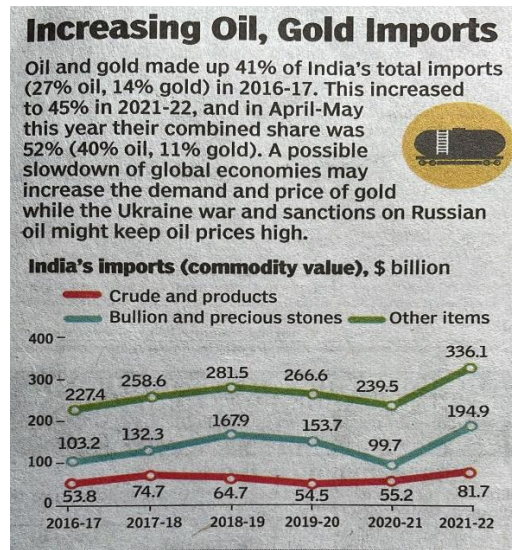


## Indians should give tutorials on “How to destroy savings”

July 31, 2022

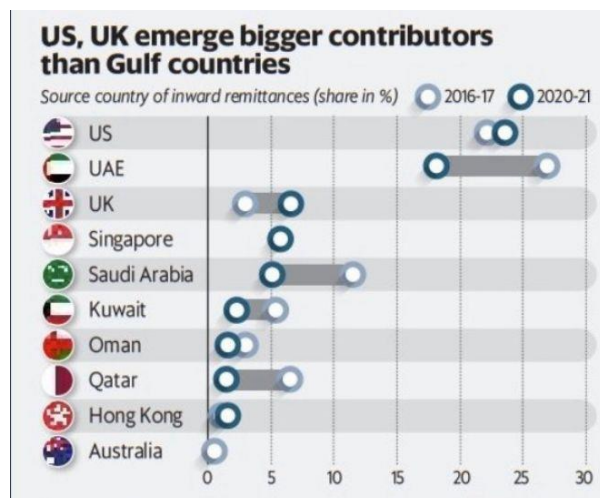


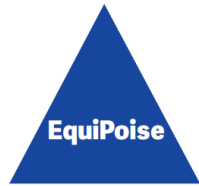
Source: Times of India.

We Indians buy USD194.9bn or more than Rs.15,00,000 crores (Rupees Fifteen Lakh Crores) worth of gold, silver, gems, precious stones, jewellery etc every year.

Precious earnings and savings which we could and should have invested in building our country is being wasted on useless pieces of luxury. (Gold has ZERO industrial applications)

We end up buying dollars to pay for this sense gratification and ego enhancing rubbish. The dollars which our Indian brothers and sisters earn by working hard in far off foreign lands, staying for years away from near and dear ones, and send to India. *(Pl see chart copied below)*





# FAITH & PATIENCE

In the bargain the Rupee collapses to 79 versus the dollar and along with gold we import INFLATION and then blame the Government for “mismanagement.” Amazing!

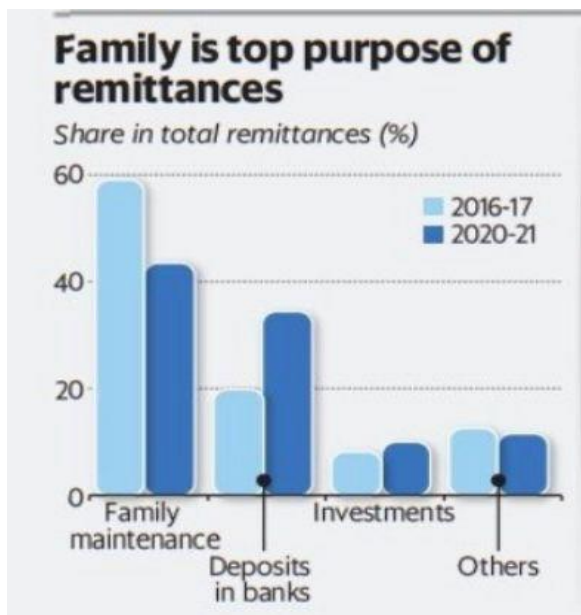
Time for some serious introspection.

And before someone tells you “Gold is perfect hedge”, have copied two charts...one by McKinsey showing performance of gold over long term i.e. 200 years and the other showing in the short term.

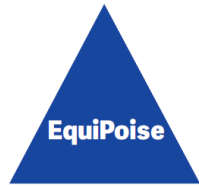
Have also copied one more chart showing how the smart foreign investors are behaving and benefiting. MNCs or multinational companies are remitting USD37bn or Rs.2,92,000crores (Rupees Two lakh Ninety-Two Thousand Crores) every year back home. And this is over and above the stock market gains which foreign funds take home.

So we sell off our productive assets, our fast growing and one of world’s largest consumer markets, and in return buy non-productive GOLD.

Are we inviting East India Company Ltd 2 by our behaviour?

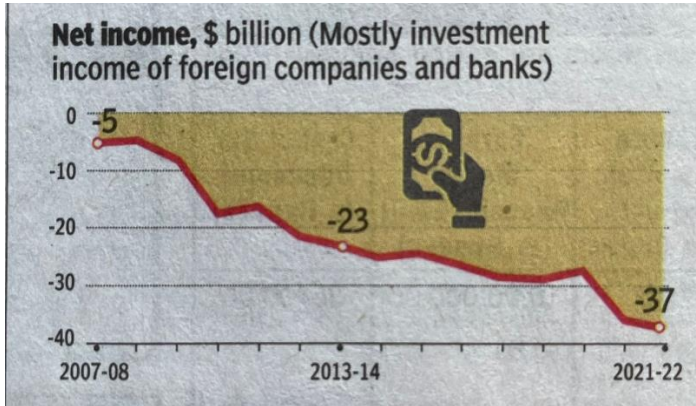


Source: Times of India



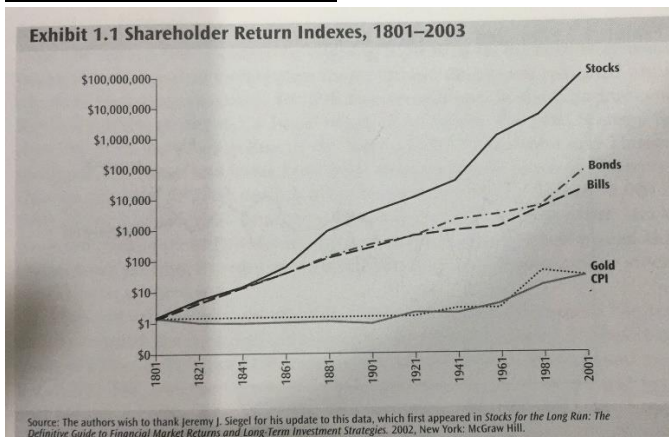
# FAITH & PATIENCE

## MNCs sending profits home



Source: Times of India

## McKinsey 200years chart



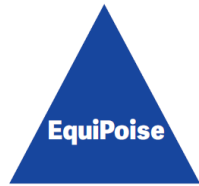
Source: Mckinsey

Commodity price changes over the last year...

- Heating Oil: +68%
- Natural Gas: +67%
- Gasoline: +35%
- Coffee: +35%
- Brent Crude +30%
- Wheat: +28%
- WTI Crude: +27%
- Nickel: +13%
- US CPI: +9.1%
- Sugar: +9%
- Corn: +8%
- Lumber: +5%
- Cotton: +3%
- Soybeans: -1%
- Gold: -5%
- Copper: -24%
- Silver: -27%

Source: @charliebillelo

# FAITH & PATIENCE



**ET ROUNDTABLE** **DHARMENDRA PRADHAN**  
EDUCATION & SKILL  
DEVELOPMENT MINISTER

## 'India Open to Capital from Everywhere for Education'



New rules for foreign players in education sector 'very soon', primary work completed

**Our Political Bureau**

**UGC's primary work is completed and consultations are on with stakeholders to deregulate... We must also ensure that market forces don't overpower the institutions and there is no commercialisation**

**FULL REPORT ►► 4**

**New Delhi:** India is open to "invite capital from everywhere" to provide quality education infrastructure that can educate and skill over 255 million youth in the 15-25 age group and improve the Gross Enrolment Ratio (GER) for higher education from 27% to 50% by 2030, Union Education & Skill Development Minister Dharmendra Pradhan told ET Roundtable on Monday, adding that government will "very soon" release new guidelines for foreign players in education sector.

"UGC's primary work is completed and consultations are on with stakeholders to deregulate. We are also talking to various prestigious institutions," he said.

Pradhan added that India is working with a 2030 timeline in mind, keeping in sight its demographic advantage, to augment quality, capacity and infrastructure in the sector.

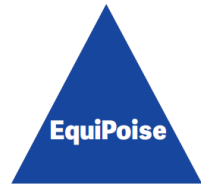
"Our overall GER is 27%." **'Need to Focus on 255m Youth' ►► 6**

This must be increased up to 50% by 2030 for us to achieve productivity as a nation. For this, we need to augment the existing strength, capacity and infrastructure in the education system. How do we do that? We must invite capital from everywhere. We must also ensure that market forces don't overpower the institutions and there is no commercialisation. So, anyone is welcome to our system with one expectation—that it should not be exploited," he said.

Source: The Economic Times (August 3, 2022)

India's foreign exchange outflow per annum due to fees paid by Indian students to foreign universities per year is USD28bn or ~INR2.21lakh crores (more than Rupees Two lakh Twenty Thousand Crores Only)

# FAITH & *PATIENCE*



This is Indian household savings, hard earned tax paid money of educated professional Indian parents i.e. assets being transferred for good to foreign countries.

How many world class colleges and universities could we have built just with this one year of outgo?

So, we have money, always had, yet did little to invest wisely and build our infrastructure. Earlier mentioned about Indians buying a non-productive asset called gold and sending USD194bn or INR15lakh crores out of India and that too every year.

Let us assume half of this gold import is genuine consumption and other half investment. Now imagine if this money, invested in gold say USD97bn or INR7.66lakh crores, would have been invested in building colleges and universities. The return on investment would be 29% and payback period would have been under 3.5years.

## **Workings:**

USD194bn gold imports  
50% consumption demand  
50% investment demand  
So, USD97bn invested in gold.

Instead of investing in gold had this money been invested in building universities.  
USD28bn fees paid by students for foreign education.  
Instead of this fee going outside the country it would be earnings for these newly built Indian universities.

Return on investment =  $28/97 = 29\%$

Let us assume that 50% students would still go abroad.

Even then return on investment would be 14.5%

And this will keep recurring like an annuity.

But here we are buying gold and now seeking investment from abroad “India Open to Capital from Everywhere for Education.”

Smart foreign investors sell gold to India and wisely invest/own productive assets in India.

Let me clarify before someone feels this is meant to be critical of the Government of the day or previous ones. Not at all. It is simply an effort to bring out facts about the way we Indians invest our money.

# FAITH & *PATIENCE*



**Disclaimer:** Nothing contained herein constitutes nor is intended to constitute an offer, inducement, promise, or contract of any kind. Notwithstanding any language to the contrary, these materials are for informational purposes only and are not intended to be, and should not be construed as, an offer to sell or a solicitation of an offer to purchase securities of EquiPoise Capital Management Pvt Ltd or of any entity or other investment vehicle managed by EquiPoise Capital Management Pvt Ltd or its affiliates. Offers to sell or solicitations of offers to purchase securities of a Fund will be made only by means of a confidential private placement memorandum and in accordance with applicable securities laws and will be subject to the completion of a subscription agreement and related documentation. This document/presentation contains confidential information and is being delivered to a limited number of sophisticated prospective investors. EquiPoise Capital Management Pvt Ltd, its affiliates/- sponsors/employees, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this document/publication from time to time. Recipients of the information contained herein should exercise due care and caution and read the offer document (including if necessary, obtaining the advice of tax /legal/ accounting/ financial/ other professionals) prior to taking of any decision, acting or omitting to act, on the basis of the information contained herein. This document/presentation may not be reproduced, distributed or otherwise used except with our written consent. Each person, by accepting these materials, is deemed to agree to the foregoing, and to agree to return these materials to us promptly upon request. This document/presentation contains certain statements, estimates and forecasts with respect to future performance and events. These statements, estimates and forecasts are “forward-looking statements”. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “might”, “will”, “should”, “expect”, “plan”, “intend”, “estimate”, “anticipate”, “believe”, “predict”, “potential” or “continue” or the negatives thereof or variations thereon or similar terminology. All statements other than statements of historical fact included in this document/presentation are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks, uncertainties and assumptions, may include projections of future financial performance based on model portfolios and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance, or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied in the forward-looking statements. As a result, there can be no assurance that the forward-looking statements included in this newsletter will prove to be accurate or correct. In-light of these risks, uncertainties and assumptions, the future performance or events described in the forward-looking statements in this presentation might not occur. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements that may be made from time to time. We are under no obligation (and expressly disclaim any such obligation) to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. The data contained herein is for informational purposes only and is not represented to be error free.

## **EquiPoise Capital Management Pvt. Ltd.**

505 Keshava, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, INDIA | +91 22 40221203 | [www.equipoise.in](http://www.equipoise.in)