



The Institute of Chartered Accountants of India
Thrissur Branch

INDIA@ 2047

Golden Opportunity for SMEs and
Role of CAs in Nation Building

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The 100 Trillion World Economy



U.S.A

GDP:
\$30.51 Tn

GDP per capita:
\$89,110

Growth Rate: 1.8%

Inward Looking
Policies
Trade Wars - Tariffs
Inflationary Pressure
Political Instability
Imminent layoffs



China

GDP:
\$19.23 Tn

GDP per capita:
\$13,690

Growth Rate: 4%

Real-estate Crisis
Trade Wars
Global monetary tightening
Strained supply chains
China +1 Policy
US/EU vs China



Germany

GDP:
\$4.74 Tn

GDP per capita:
\$57,910

Growth Rate: 0%

Energy Crisis
Sluggish productivity
growth
Aging Population



India

GDP:
\$4.19 Tn

GDP per capita:
\$2,880

Growth Rate: 6.2%

Demographic Dividend
Fast growing economy
Rising incomes
Booming service &
manufacturing sector
Increasing workforce
participation



Japan

GDP:
\$4.19 Tn

GDP per capita:
\$33,960

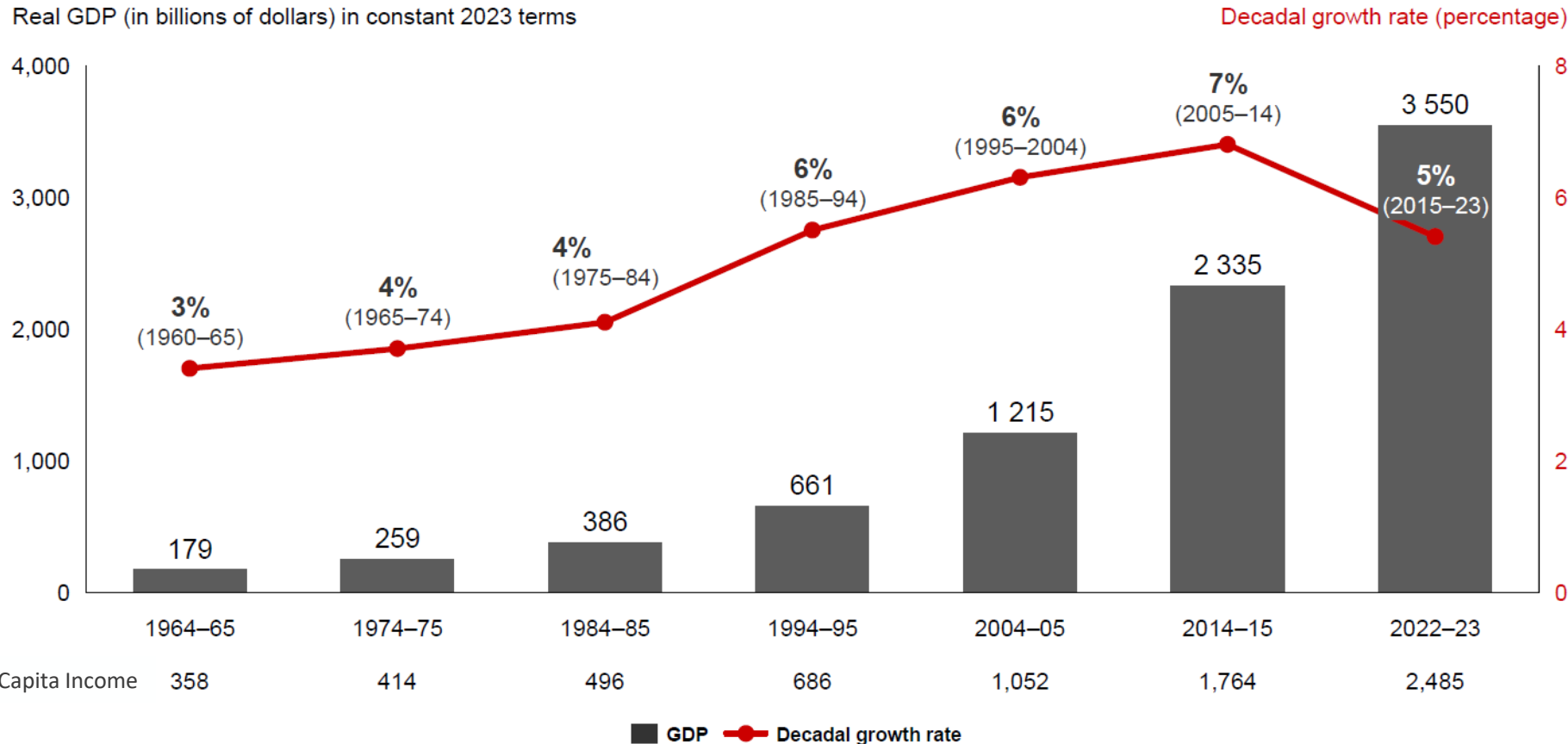
Growth Rate: 0.6%

Slowing economic growth
Aging population
Labor Deficit

India's Decadal Growth

GDP of \$4.19 trillion and per capita income of ~\$2800 at growth rate of 6.2%.

Real GDP (in billions of dollars) in constant 2023 terms



Note: All values in constant 2023 US\$ terms

India's fast ascent to
HIGH-INCOME
STATUS

Up to 2008:
Low-Income Country



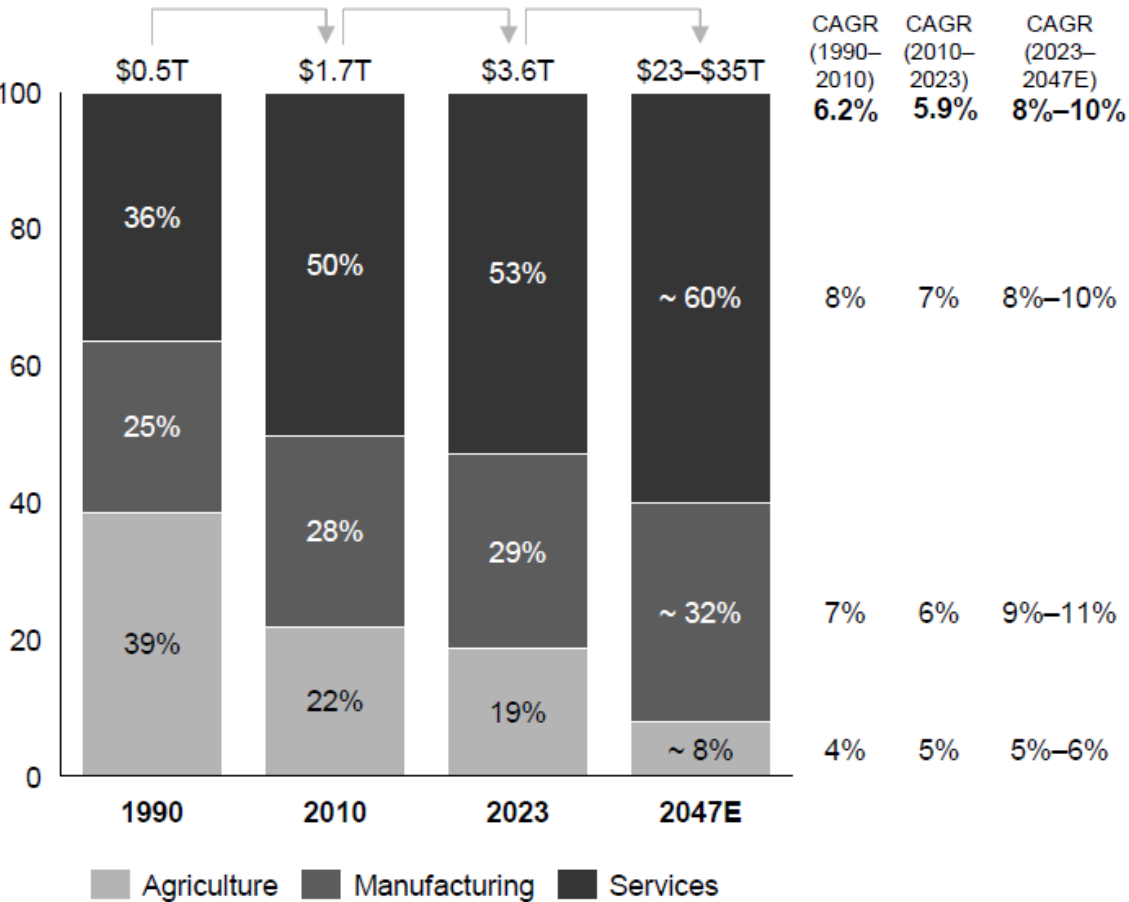
2008-2025:
Middle-Income
Country



2032 (E):
Upper Middle-Income
Country

India@2047

Sector-wise contribution to India GDP (percentage)



Metric	2023 Value	2047 Target
GDP (nominal)	\$4.19 trillion	~\$30 trillion
GDP Rank (global)	4th	3rd
GDP per capita	\$2,880	\$18,000–\$20,000
Share of Global GDP	~3.5	~10–12%
Manufacturing Share of GDP	~29%	~32%
Services Share of GDP	~53%	~60%

Source: Bain & Company Inc, 2025

India@2047

Current Vs. Targets

Sector	Current Value	2047 Target
Infrastructure		
National Highways	145,000 km	>250,000 km
Smart Cities	100	200+ smart cities
Renewable Energy	~178 GW	500+ GW
Metro Rail Systems	20+ cities	100+ cities
Internet Penetration Rate	~55%	95–100%
Education & Skilling		
Literacy Rate	~77.7%	100%
Gross Enrollment Ratio	~28%	>50%
Female Literacy Rate	~70.3%	100%
Skill India Certification	10M/year	50M/year
R&D Spend (% of GDP)	~0.7%	≥2.5%

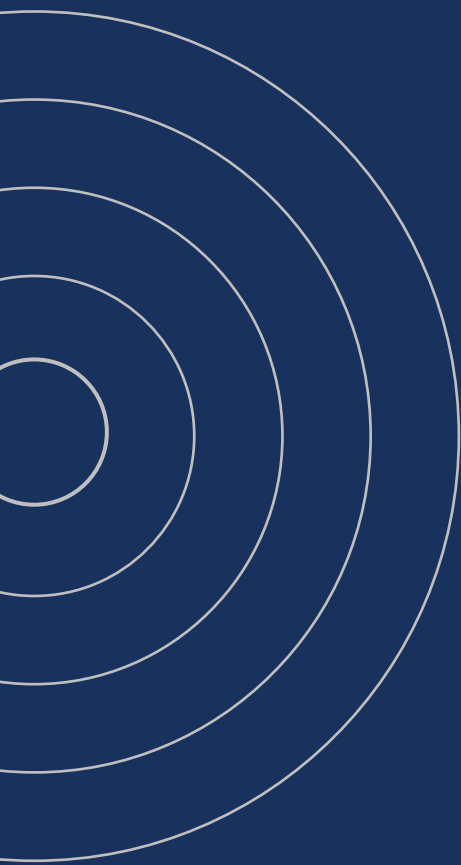
Sector	Current Value	2047 Target
Health Care		
Life Expectancy	~70 years	80+ years
Infant Mortality Rate	25/1,000	<5
Health Expenditure (% GDP)	~2.1%	≥5%
Doctor: Population Ratio	1:834	1:500
Defence and Security		
Defense Budget	\$73 billion	Top 3 globally
Indigenous Production	~65%	>90%
Defense Exports	\$2.6 billion	\$25–30 billion
Cybersecurity	Growing	Global leader
Climate and Environment		
CO ₂ Emissions	2,959 mn tonnes	Net Zero
Forest Cover	~256%	>33%
Renewable Share	~46%	≥75%
EV Penetration	<5%	30–40%
Water Stress	High	Universal water security

Can India Become High-income Country in One Generation?

Scenarios for India's 2047 growth journey				Countries emulating similar growth during their boom period		
	GDP CAGR ² (2023–47)	Real GDP \$ (2047)	PCI \$ (2047)	Number of countries ³	Illustrative	
\$4.19T (GDP 2025)	10%	35T	20.8k	5–7	China 10.1% (1980–2010)	South Korea 9.8% (1965–95) Singapore 9.3% (1965–85)
	9%	28T	16.7k		Qatar 11.1% (1995–2015)	Saudi Arabia 11.8% (1960–80)
\$2.8k (PCI 2025)	8%	23T	13.4k	8–10	Malaysia 7.5% (1975–95) Vietnam 7.1% (1990–2010)	Brazil 7.4% (1960–80) Thailand 8.0% (1975–95) Japan 7.0% (1960–80)
	6%	16T	9.6k	~15	Ireland 6.0% (1985–2005)	Chile 5.9% (1985–2005)
	5%	13T	7.6k	~15	Türkiye 5.0% (1995–2015)	Argentina 4.0% (1990–2010)

India needs grow at ~10% to avoid the middle income trap!

Note: Brazil, Malaysia, Mexico, South Africa and Türkiye have spent more than 20 years in UMIC.



Growth Levers



#1 Booming Startup Ecosystem

3rd
largest startup ecosystem in
the world.

1,60,000
startups.

\$550 Bn
value created.

\$111 Bn
market cap of the 31 listed
startups

118
total unicorns.

250+
unicorns by 2026

Source: Inc 42, 2024



Top 25 Manufacturing Countries by Value Added (Current US\$)

Most recent value (millions)

1	 China	4,658,781.67	16	 Spain	181,591.50
2	 USA	2,497,131.58	17	 Switzerland	160,231.45
3	 Germany	844,926.01	18	 Saudi Arabia	157,875.47
4	 Japan	818,397.88	19	 Canada	149,267.87
5	 India	455,766.63	20	 Poland	131,711.67
6	 South Korea	416,389.23	21	 Netherlands	130,225.83
7	 Mexico	360,728.19	22	 Thailand	128,271.44
8	 Italy	354,721.74	23	 Argentina	104,385.88
9	 France	294,465.13	24	 Vietnam	102,628.31
10	 Brazil	289,790.45	25	 Bangladesh	97,727.42
11	 UK	284,063.33			
12	 Indonesia	255,961.88			
13	 Russia	251,577.18			
14	 Turkiye	215,037.54			
15	 Ireland	186,524.55			



#2 Strong Manufacturing Base

2nd
largest steel, cement, textile
producer

3rd
largest four-wheeler
producer

Industry 4.0
revolutionizing the sector

69%
growth in FDI equity inflow in
manufacturing sector
(2014-2024)

China+1
benefits

Policy Reforms
Make In India, PLI, EoDB

#3 World Class Digital Infra

<p>1.14 billion mobile subscriptions, second only to China</p>	<p>16.9 GB average monthly data usage - 3rd largest globally</p>
<p>1.3 billion Aadhaar issued</p>	<p>164.4 billion digital transactions—the highest volume for any country</p>
<p>23% GitHub AI project contributions - ahead of the US (14%).</p>	<p>2nd largest 5G smartphone market</p>

Digital economy projected to contribute over **1/5th of overall economy by 2030.**

Digital Economy accounted for **14.67 million workers.**

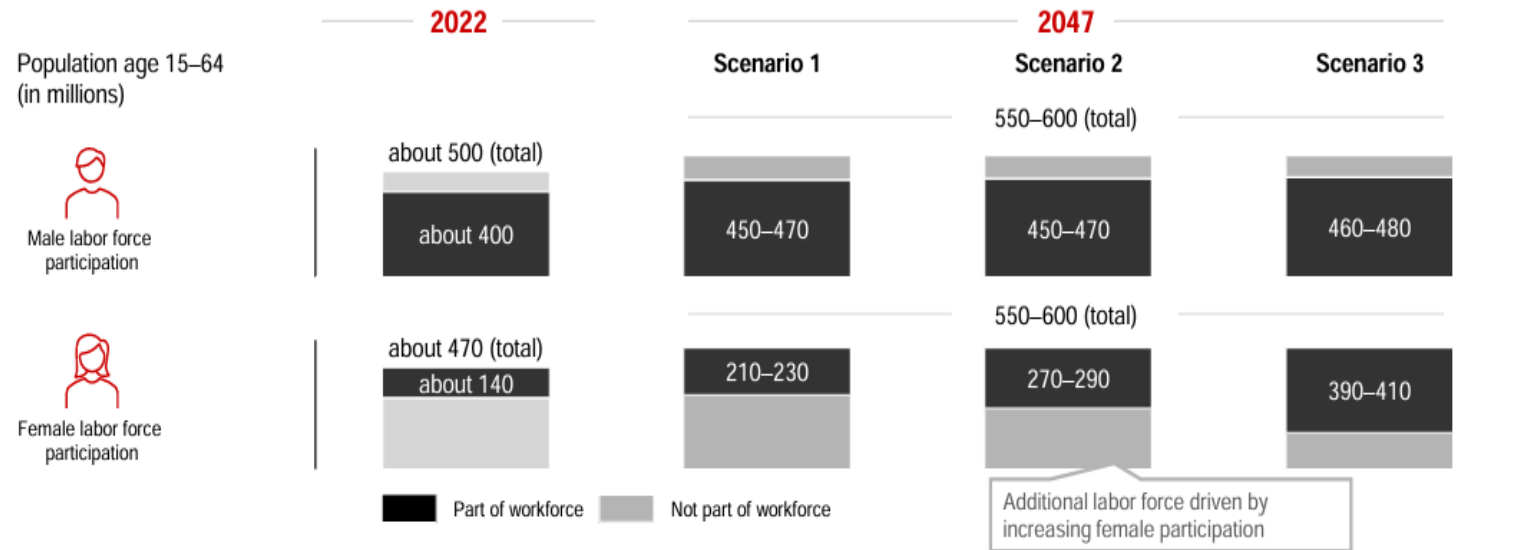
#4 Demographic Dividend and Growing Labor Force

India has lowest median age among top 20 economies.



India is expected to add about **200 million** to labor force by 2047.

India's current labor force participation rates (LFPR) and scenarios for 2047



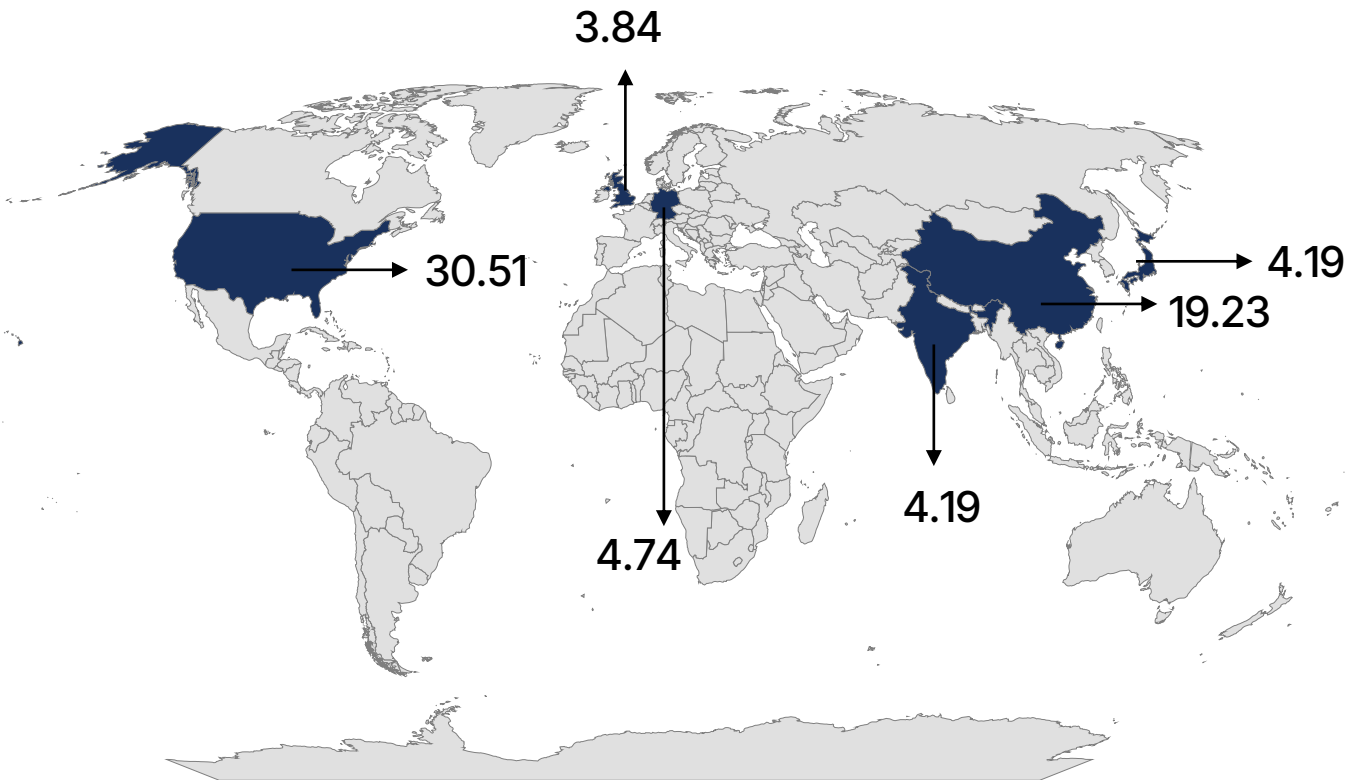
#5

MSMEs

An important lever for India's growth!

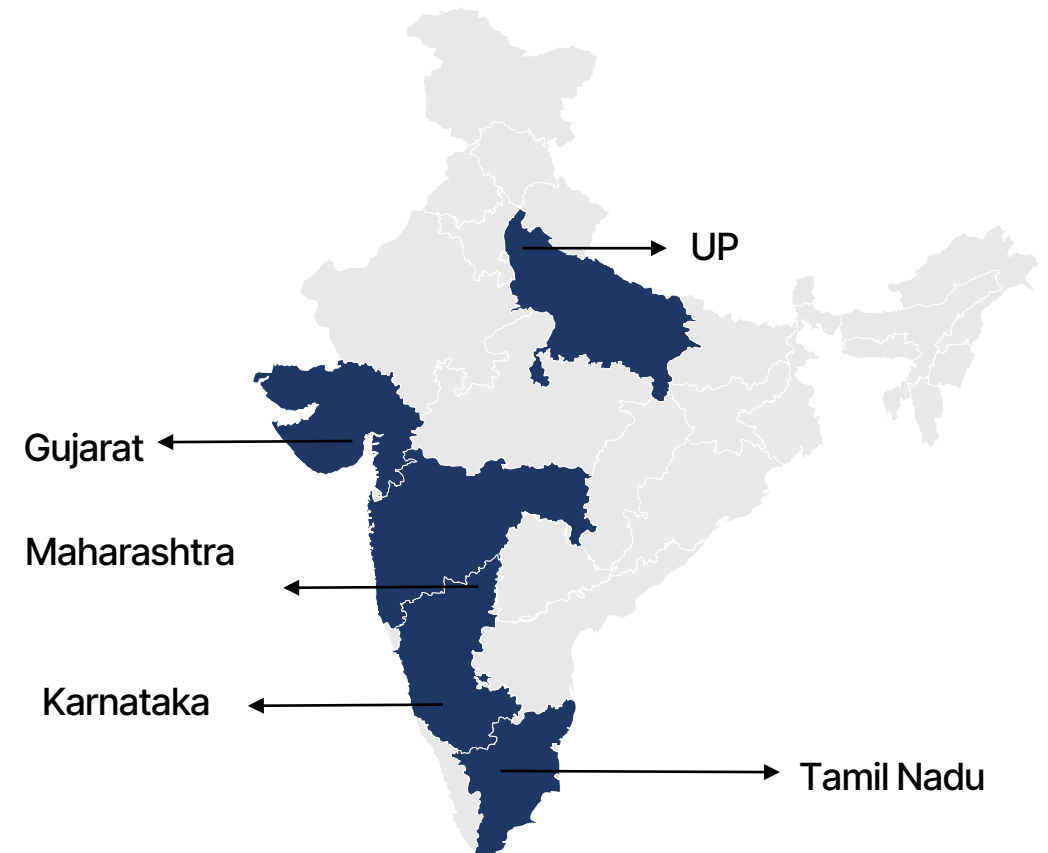
1. 6.3 crore+ MSMEs → That's one MSME for every 20 Indians.
2. 30.1% contribution to GDP → One out of every ₹3 in India's economy is powered by an MSME.
3. 23 crore+ jobs → More jobs than the population of Germany.
4. 45% exports → Powering nearly half of India's global trade.
5. ₹22 lakh crore in MUDRA loans since 2015 → Fueling dreams with micro-credit might.
6. Exports – 45-48% of total merchandise exports → Every second Indian product sold abroad has MSME fingerprints.

Only **19** countries have crossed \$1T GDP



Figures in USD Trillion

5 states in India projected to cross \$1T by 2032



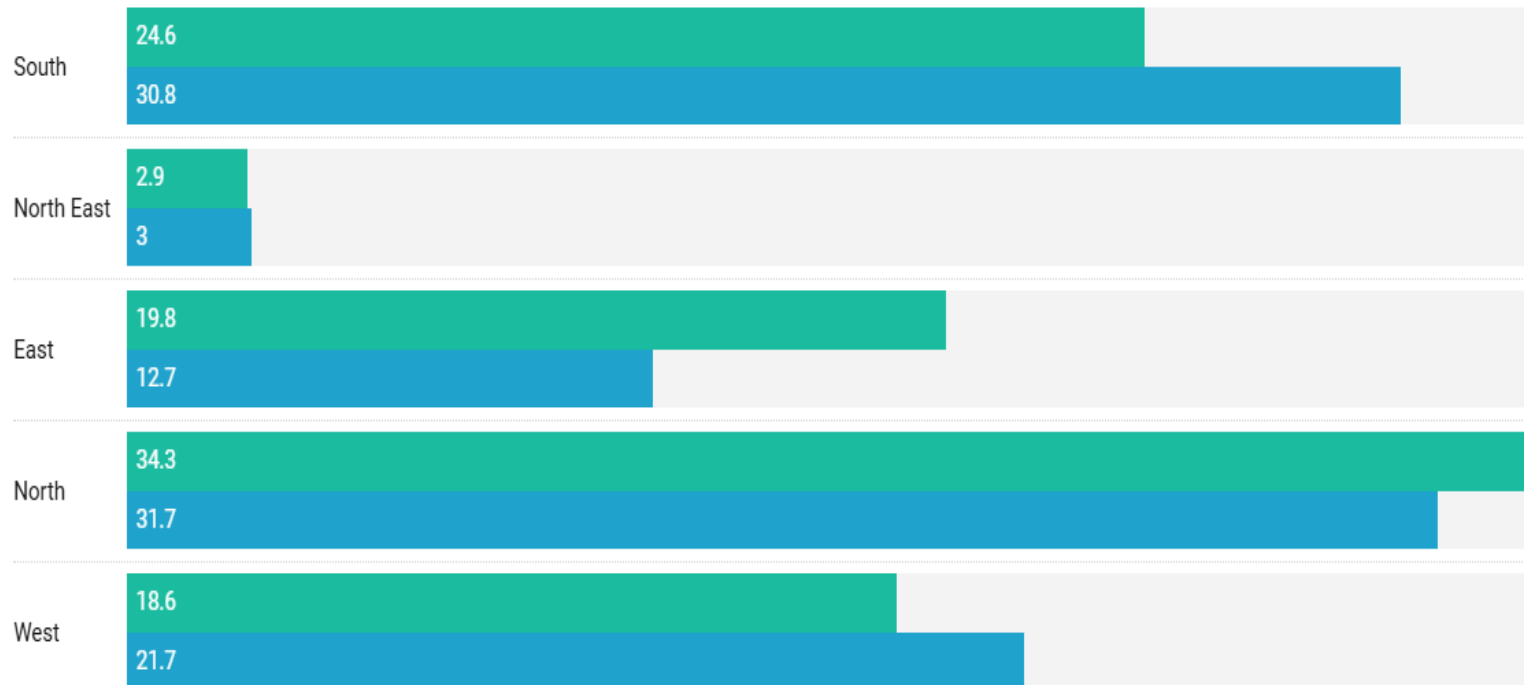
Southern States as Growth Drivers

The southern states contribute 31%+ to India's GDP with only 20% of the population.

South has caught up in 5 decades

(% share of Indian economy)

1970-71 2023-24



State	FY25 GSDP (USD Bn)	Growth Drivers
Tamil Nadu	372.82	Manufacturing, Auto, Textiles
Karnataka	336.81	IT, Aerospace, Startups
Telangana	198.27	Pharma, IT, Real Estate
Andhra Pradesh	192.09	Ports, Agri, Energy
Kerala	157.30	Services, Tourism, Remittances

Despite being in high-growth states, many business here are underperforming. Why?

Most business/your clients are either of the three:

Family-Owned, Family-Managed

Key Challenges:

- Emotion-driven decisions
- Internal conflicts
- Resistance to change
- Lack of formal governance
- Lack of succession planning

Family-Owned, Mixed Family & Professional Management

Key Challenges:

- Misalignment between family and professionals
- Governance gaps
- Lack of succession planning
- Uncertain career path for professionals

Family-Owned, Professionally Managed

Outcome:

- Minimal challenges
- Accountability, Transparency
- Higher chances of continued success
- Measurable value creation – ready for PE/IPO

Target Growth Rate for Businesses

India's GDP Growth Rate + 5% is the minimum target.

- 📈 India's Real GDP Growth: Approximately 6-7% annually.
- 📊 Inflation: Currently around 4-6% annually.

📌 Businesses growing below ~10% are essentially flat or shrinking in real terms.

Are your clients' keeping up?

What can CAs do?

Post Event Analysts ▷ **Long-term Planners**

Family



Separate Ownership from Management

Majority ownership can stay with the family, while day-to-day management is led by professionals or qualified family members to ensure objectivity and efficiency.



Separate Personal & Business Assets

Assets should be clearly separated, with full clarity for all stakeholders to avoid confusion and potential disputes.



Engage External Experts & Advisory Boards

CAs can guide family businesses to seek external advisors in key areas, bringing in expertise and professional perspectives.



Establish a Family Council

Set up family constitution/council to promote communication, resolve conflicts, and align all the family members on key business decisions.



Differentiate Will & Succession Planning

A will addresses asset distribution post demise of owner; succession planning ensures leadership continuity post retirement of incumbent leader.

Business



Financial planning

Align financial decisions with long-term business goals for sustainable growth.



Organic + Inorganic Growth

Growth to be achieved through growing existing businesses + acquisition of businesses for accelerated scaling.



Advice to raise capital appropriately

Funding strategies that align with business vision and risk appetite.



One family member-one business

Avoid overlap by giving each member responsibility over a separate businesses.



Help in value creation – get them IPO ready

Support growth, compliance, and governance to prepare businesses for long-term value creation and IPO.

Management



Professionalize

Introduce systems and structure to ensure efficiency, accountability, and objective decision-making.



Define Family vs. Non-Family Roles

Clarify roles to maintain fairness, build trust, and drive performance.



Merit based hiring

Recruit and promote based on talent, not ties, to attract top performers and build credibility.



Long-term ESOPs

Incentivize key employees with equity plans to ensure retention and align interests.



Formal Governance

Implement structures like boards and policies to guide the business with clarity and accountability.



Transforming Family Businesses

THANK YOU

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