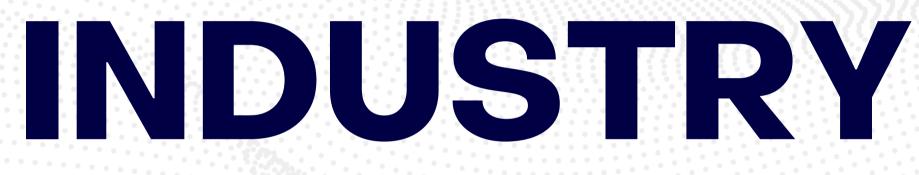
# **SHRI RAM CONSULTING AND RESEARCH CENTRE**

~where innovation meets collaboration~







# 2024-25



# ACKNOWLEDGEMENT

We extend our sincere appreciation to all who contributed to the development of the Industry Primer - a critical resource aimed at empowering both current and future participants in their preparation journey. Your commitment, expertise, and steadfast support have been instrumental in the successful realization of this initiative.

We extend our special thanks to our Head, **Sarang V**, along with **Aryan Nanda** and **Apratim Tiwari**, for their exemplary leadership and vision. We also gratefully acknowledge the contributions of the entire team- **Ada Abrol**, **Ayush Maurya**, **Archit Singh, Krish Bhola, Bhavya Jindal, Pavni Safaya, Rohansh Mahajan, Siddhant Jain, Dhruv Upadhyay**, **Parampartap Singh Bindra and Taranpreet Singh** whose, comprehensive analysis and meticulous research have enriched this primer with a well-rounded perspective across various industries. Their unwavering commitment to excellence and exceptional ability to distill complex information into clear, insightful content have been pivotal in shaping this valuable resource.

We would also like to acknowledge the unwavering support and dedication of our Core Cabinet — **Bhavik Raina, Khushi Kumari, and Naimish Dadheech**. Their guidance, patience, and tireless effort, even in the face of missed deadlines and unforeseen challenges, were truly remarkable. Their steady leadership and commitment ensured we stayed on track, and this project would not have been possible without their invaluable support.

We are profoundly grateful to the **Shri Ram Consulting and Research Centre** for entrusting us with the opportunity to create this Industry Primer. This initiative has not only allowed us to grow professionally and intellectually but has also been a truly transformative experience. The trust and platform provided by the Centre have played a pivotal role in shaping this endeavor, and we are sincerely thankful for the continued encouragement and belief in our potential. It has been an honor to contribute to a legacy of excellence, and we remain deeply appreciative of this remarkable opportunity.



# **ABOUT THE PRIMER**

The SRCRC Industry Primer is a meticulously curated resource designed to provide a deep, structured understanding of diverse industries. Created by the **Shri Ram Consulting and Research Centre**, the primer aims to serve as a one-stop reference for professionals, students, and researchers looking to navigate complex market environments with clarity and confidence.

In today's fast-paced and ever-evolving business landscape, industry-specific knowledge is crucial for making informed strategic decisions. This primer breaks down critical aspects of various sectors—from market size and growth forecasts to regulatory frameworks, innovation trends, and sustainability practices. Each section is crafted to highlight the most relevant and up-to-date insights, ensuring a holistic perspective of the business ecosystem.

Each industry deep dive is organized into key thematic areas, including market size and growth potential, competitive landscape, government policies, technological innovation, consumer behavior, sustainability & ESG, and industry-specific risks. From venture capital trends to regulatory frameworks, and from emerging tech adoption to environmental concerns, the primer ensures a 360-degree view of the business environment. Whether you're preparing for a case interview, exploring a new sector, or building strategic acumen, this primer empowers you with critical insights that form the bedrock of impactful consulting. While it does not claim to have all the answers, it lays out the right questions encouraging structured thinking, strategic curiosity, and informed decisionmaking.

In a world where industries evolve rapidly, the SRCRC Industry Primer is your guide to staying ahead.



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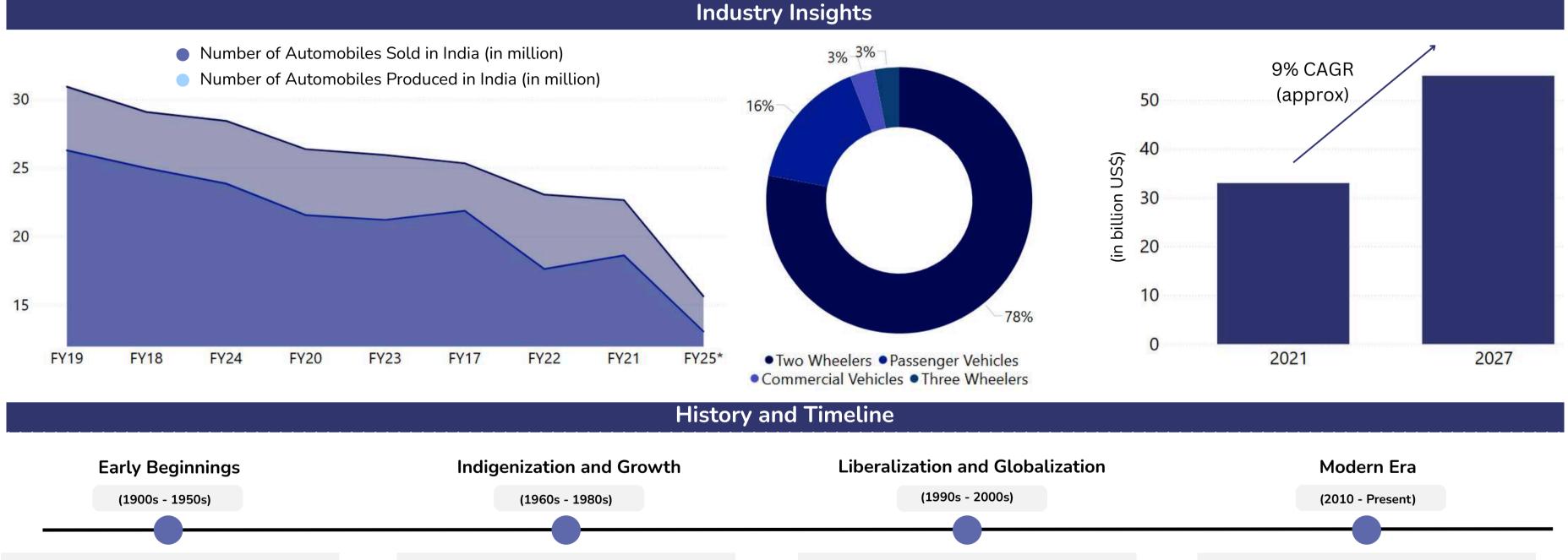
# UNVEILED

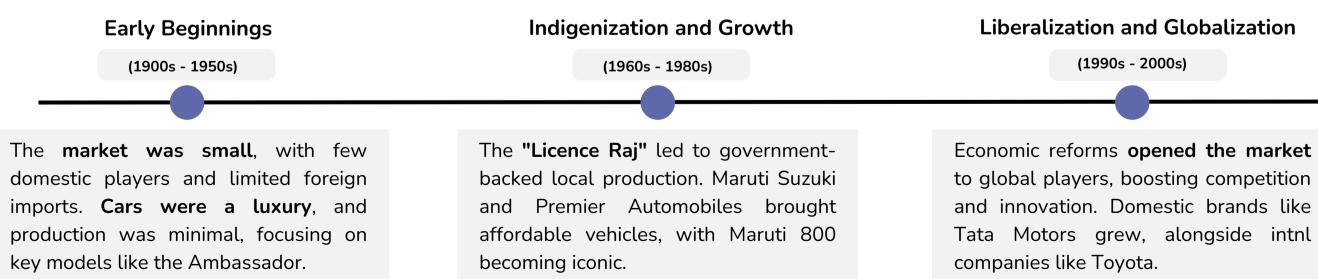
Your Comprehensive Guide from Tracks to Trends



# MARKET TRENDS AND **HISTORICAL GROWTH RATES**

India's automobile industry has transformed from a small, domestically focused market to a global manufacturing hub. Despite recent slowdowns, strong innovation, rising EV adoption, and global investments are driving future growth. With a projected 9% CAGR by 2027, the sector continues to strengthen its global position, emphasizing sustainability, smart technologies, and green manufacturing.





Focus shifted to electric and hybrid vehicles. India became a key player in global market, emphasizing the sustainability, smart technologies, and green manufacturing.

# **KEY PLAYERS & COMPETITIVE LANDSCAPE**

India's auto market is shifting toward SUVs, EVs, and sustainability, driven by evolving consumer preferences and safety initiatives like Bharat NCAP. In 2024, strong growth and government support boosted EV adoption, with a 30% sales target set for 2030. Affordability, range, and infrastructure remain key factors, while brands focus on innovation across both mass and premium segments.

# **Key Players**

PV OEM	September 2024	September 2023	Market Share Sep'24
	1,13,560	1,41,318	41.19%
	37,973	50,633	13.77%
mahindra	34,607	34,471	12.55%
TATA MOTORS	31,947	39,514	11.59%
ΑΤΟΥΟΤ	19,660	18,845	7.13%

# **Recent Major News**

# Maruti Suzuki India Production Facility (January 2024)

- Maruti Suzuki India plans to establish a car production facility in Gujarat, India.
- The facility will have a production capacity of 1 million vehicles annually.
- The estimated investment is around INR 35,000 crore (USD 4.2 billion).

# Mahindra & Mahindra's Investment in Electric Vehicle Brands (January 2025)

- Mahindra announced an INR 4,500 crore (USD 540 million) investment for developing two electric vehicle brands: BE 6e and XEV 9e.
- The Chakan plant will have an initial capacity of 90,000 units annually, scalable to 1.2 lakh units.
- This is part of its INR 16,000 crore EV capex planned for FY22-27.

# Porter's Five Forces Analysis

### **Threat of New Entrants**

# **Bargaining Power of Buyers**

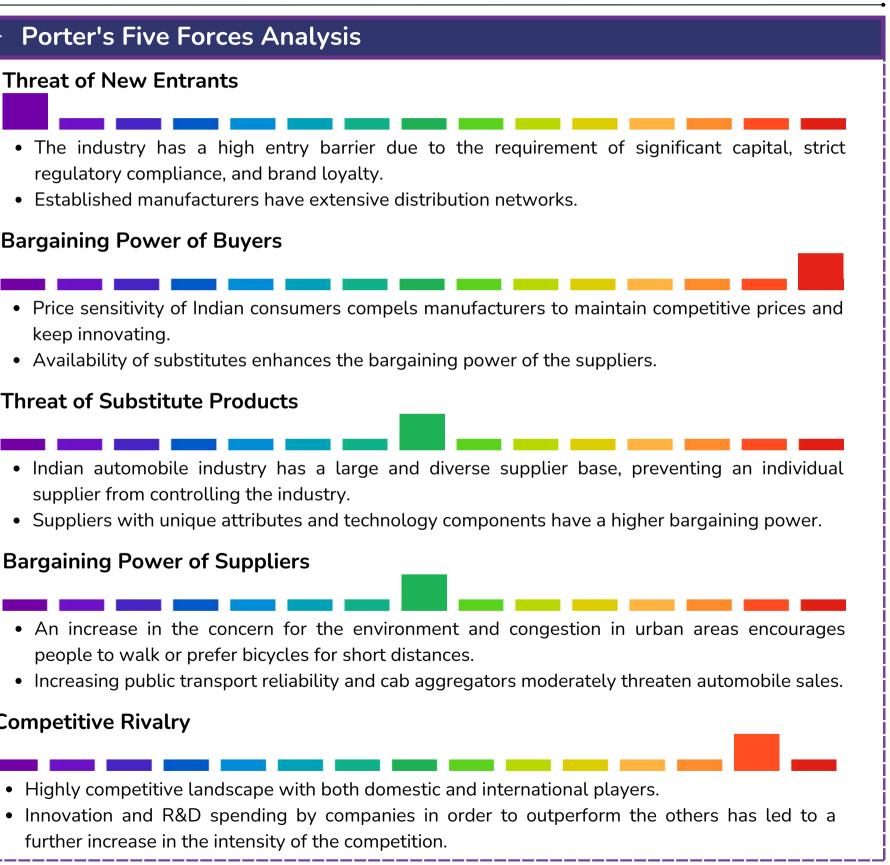
keep innovating.

# **Threat of Substitute Products**

- supplier from controlling the industry.

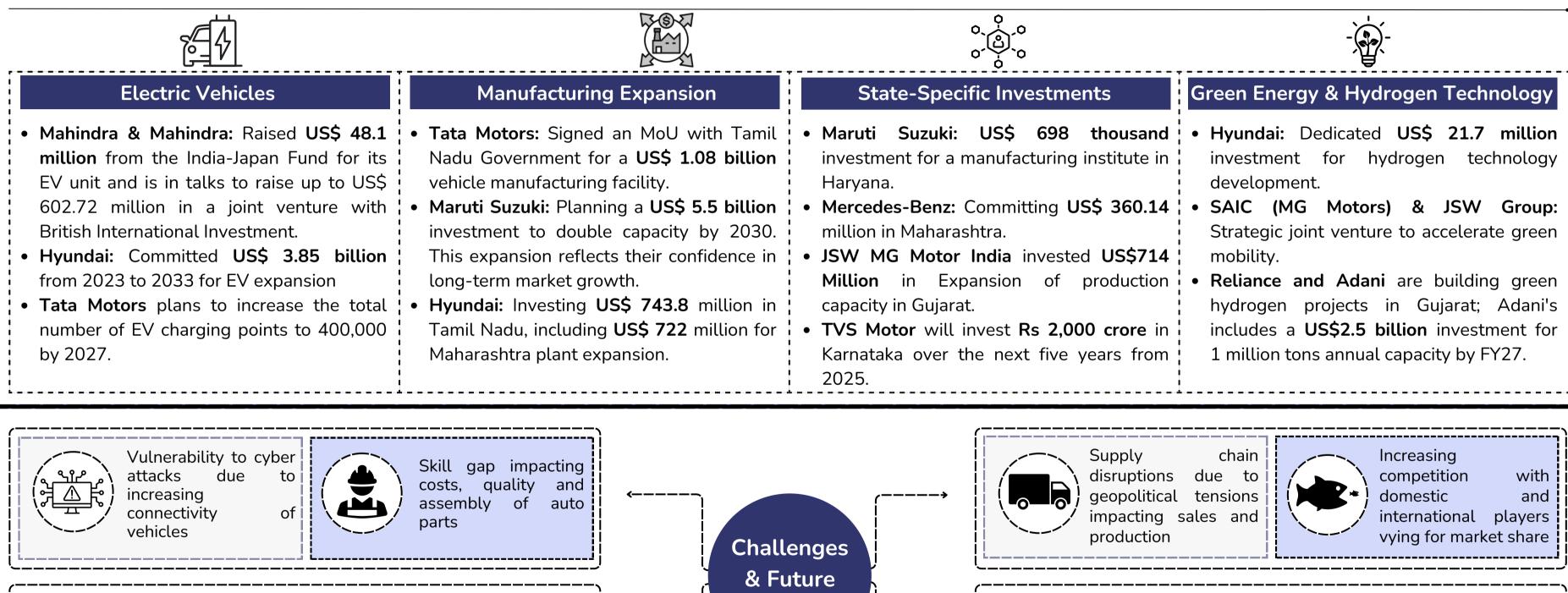
# **Bargaining Power of Suppliers**

### **Competitive Rivalry**



# **INVESTMENT TRENDS AND FUTURE RISKS**

India's automobile industry is witnessing transformative growth, fueled by strategic investments in EV technology, increasing market penetration, premiumization in passenger vehicles and a strong push towards green energy and hydrogen technology.



Risks

(Sources: Indian Brand Equity Foundation Report Feb'25 , KPMG)

conditions leading to

decline

and vehicle buying

and

in

weather

footfall

Efficient

analysis

management

technology and data

in connected vehicles

and

of

Overcapacity

extreme

showroom



Increasing Tax rates for certain players due to complex Indian tax system



Increasing pressure maintaining for sustainability standards impacting product lines

# **GOVERNMENT POLICIES**, **REGULATIONS AND TECHNOLOGY TRENDS**

The Indian automotive sector is evolving through strong government initiatives like the PM E-Drive, PLI Scheme, and AMP 2026, promoting EV adoption, domestic manufacturing, and technological advancements. Key innovation trends include autonomous vehicles, hybrid cars, flex-fuel technology, and startups like Minus Zero transforming mobility. These policies and trends aim to drive sustainable growth, enhance safety, and boost India's global competitiveness.

# **PM-EDRIVE**

The PM E-Drive scheme, launched in 2024 with a ₹10,900 crore budget, replaces FAME II to accelerate EV adoption in India. It provides subsidies for electric two-wheelers, threewheelers, buses, ambulances, and trucks but excludes cars and hybrids. Key allocations include ₹4,391 crore for 14,028 e-buses and ₹2,000 crore for 88,500 charging sites.

An Aadhaar-based e-voucher system streamlines subsidies. The scheme promotes green mobility and domestic EV manufacturing through phased programs. The scheme introduces an Aadhaar-based e-voucher system to streamline subsidies.

# **Production-linked Incentive (PLI) Scheme**

Launched in 2021, the PLI Scheme for Automobiles & Auto Components has a ₹25,938 crore outlay to boost domestic manufacturing and attract ₹42,500 crore in investments by 2026. In January 2024, its tenure was extended by a year to FY 2028. The scheme covers over 100 advanced technologies, including flex-fuel engines, CNG systems, ECUs, ADAS, and equadricycles. Additionally, a ₹18,100 crore PLI scheme for Advanced Chemistry Cells supports battery manufacturing to strengthen India's EV ecosystem.

# **AUTOMOTIVE MISSION PLAN**

The AMP 2026 is aimed at bringing the Indian Automotive Industry among the top three of the world in engineering, manufacture and exports of vehicles & components; growing in value to over 12% of India GDP and generating an additional 65 million jobs.

# NATRIP

Under the National Automotive Testing and R&D Infrastructure Project (NATRIP), five testing and research centres have been established since 2015, with a total investment of US\$ 388.5 million to help the industry meet global standards.

# 🚓 Autonomous Vehicles

Autonomous vehicles, also known as selfdriving cars, use advanced artificial intelligence (AI), machine learning, and sensors to navigate and operate without human intervention. By 2030, experts predict a stunning milestone: Autonomous vehicles could account for 40% of personal mileage in Europe. This shift is expected to enhance road safety. reduce traffic congestion, and transform personal mobility.

# 🗯 Minus Zero

Minus Zero is transforming autonomous driving in India with its zPod-a fully electric, self-driving car powered by Nature-Inspired AI. Unlike traditional systems that rely on costly LIDAR, it uses an Al-driven camera setup to handle complex Indian traffic. Strategic partners like Ashok Leyland and IIIT Hyderabad are helping push toward scalable Level 5 autonomy.

# **Innovation & Technology Trends**

# Hybrid Cars 🚆

Hybrid cars use a combination of an internal combustion engine (ICE) and one or more electric motors to enhance fuel efficiency and reduce emissions. Depending on the hybrid system, they can run on either or both power sources. In India, hybrid car sales grew by 27% between January and July 2024, reaching



51,897 units-up from 40,811 during the same period in 2023.

# Flex Fuel 💋

India has advanced ethanol blending from 1.5% in 2014 to nearly 20% today. From April 2025, all new vehicles must be E20-compatible under the flex-fuel policy, aiming to reduce oil imports, lower emissions, and boost domestic biofuel use. Automakers are adapting with E20 and E85 engine technologies, while the initiative also creates new opportunities for farmers by increasing demand for ethanol.

# **SUSTAINABILITY &** THE RISE OF EV

The automotive sector is rapidly embracing sustainability, with growing EV adoption, renewable energy initiatives, and recycling efforts. India's EV market is expanding significantly, backed by supportive policies, improved charging infrastructure, and major investments. Battery electric vehicle production is set to triple by 2025, marking a transformative shift toward greener mobility.

# **Environmental Impact and Carbon Footprint**

14%

Global CO<sub>2</sub> Emissions

Indian CO<sub>2</sub> Emissions

of total Emissions

of total Emissions

Vehicle penetration expected to rise from 33 to 72 per **1,000 people** by 2025, the sector's environmental impact will grow unless urgent measures are taken.

# Key Sustainable Initiatives

# **Circular Economy**



24%

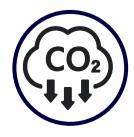
- In 2021, a vehicle scrappage policy was launched:
- Old vehicles are pulled from the market.
- Higher green tax levied on such vehicles
- Consumers with scrapping certificate receive discounts

# **Carbon Neutral Initiatives**

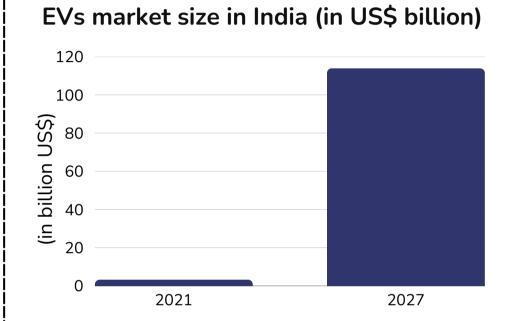


BS-VI norms, effective from April 2020, impose strict regulations on particulate matter and encourage manufacturers to use diesel particulate filters in their vehicles to reduce carbon emissions due to manufacturing.

# **Recycling & Resource Efficiency**



Corporate Average Fuel Efficiency (CAFÉ) norms were notified by the Government in 2017, under the Energy Conservation Act, 2001 to mitigate fuel consumption by lowering CO2 emissions, aiming to reduce oil dependency and air pollution.



# **EV Infrastructure in India**



India had 12,146 operational public EV charging stations as of February 2024, with Maharashtra leading, followed by Delhi.



The GST on EVs and charging stations has been 5% promote adoption and reduced to to infrastructure growth.



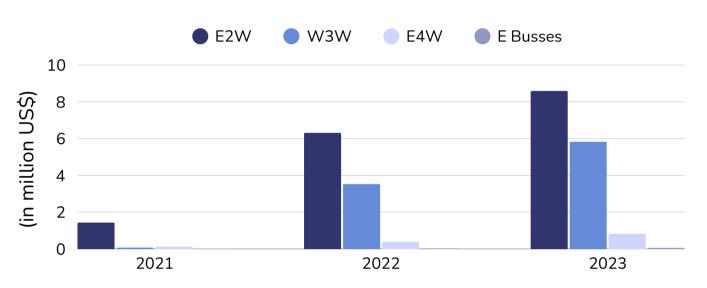
The CII report highlights the need for at least **1.32** million charging stations by 2030, requiring over 400,000 new installations annually.



Major players like Hyundai and TATA.ev are expanding charging networks, with TATA.ev aiming for over 400,000 charging points in two years and introducing new mega chargers.

# EV: The future of Automobile

# Number of electric vehicles sold by category (in millions)



# **Major EV Trends**



Battery electric vehicle production in India is set to nearly triple to 377,000 units in 2025 from 130,000 in 2024, driven by major launches from Maruti Suzuki, Hyundai, Mahindra & Mahindra, Tata Motors, and JSW MG Motor, capturing a 6.6% market share.

ୖୢୄୖୄ

In 2024, notable EV investment commitments include Tata Motors-JLR Rs. 9,000 crore (US\$ 1.07 billion), VinFast up to Rs. 16,600 crore (US\$ 2 billion), Royal Enfield Rs. 3,000 crore (US\$ 358.1 million), and Stellantis Rs. 2,000 crore (US\$ 238.7 million).

# UNVEILED

Unveiling Growth, Risks & Innovation

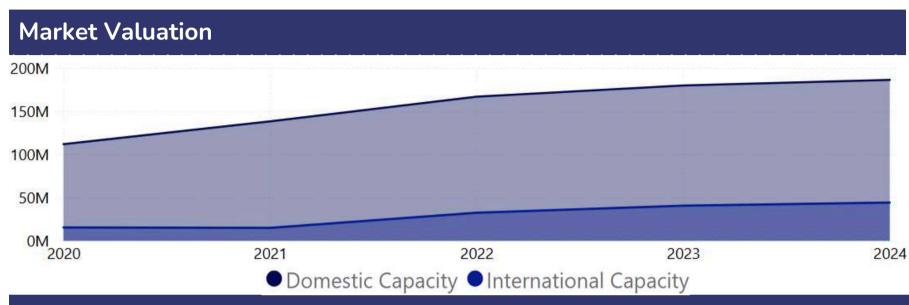






# MARKET VALUATION AND **GROWTH RATE**

Indian aviation is booming! Valued at \$14.47B in 2024, expected to hit \$40.81B by 2033 (12.21% CAGR). More passengers, rising incomes, better airports, and government support like UDAN are driving this high growth. Expect India to be a top global aviation market soon, with increasing connectivity to smaller cities and significant fleet expansions underway. The government is also pushing for infrastructure development and sustainable practices in the sector



# Historical growth analysis

# Pre-2000s: Early Growth and Liberalization

#### Liberalization

The 1991 deregulation was pivotal, enabling private airlines to commence operations and significantly intensify market competition and drive innovation. Consequently, by the mid-1990s, new entrants such as Jet Airways and Air Sahara had established scheduled services, collectively capturing over 10% of the total domestic air traffic by 1995.

# 2000–2010: Low-Cost Revolution and Infrastructure Expansion

#### Airport Modernization

The government's approval of private Greenfield airport projects in Hyderabad and Bangalore, coupled with the modernization of major metropolitan airports via public-private partnerships, occurred during a period marked by significant expansion in both passenger traffic and the overall number of operational airports across the nation.

# 2010–2019: Rapid Expansion and Market Maturity

- Market Size US and China.
- LCC Dominance 13.9%.
- Airport Expansion

# 2020–2022: Pandemic Disruption and Recovery

• Government Support Initiatives like the National Aviation Policy 2016 and UDAN (Ude Desh Ka Aam Nagrik) scheme boosted regional connectivity and affordability, aiding recovery.

# 2023–2025: Record Growth and Modernization

• Passenger Traffic Domestic air passenger traffic surpassed pre-pandemic levels in 2023–24, increasing 13% year-on-year and reaching 376 million passengers.

India became the world's **third-largest** domestic aviation market, trailing only the

By 2024, LCCs accounted for 78.4% of domestic airline capacity. IndiGo's market share grew from 32% in 2014 to 62% in 2024, with a domestic capacity CAGR of

The number of airports doubled from 74 in 2014 to 149 by 2023, supporting a surge in both domestic and international connectivity.

# **KEY PLAYERS & COMPETITIVE LANDSCAPE**

IndiGo leads the Indian aviation market with a dominant 63-65% share, followed by the Air India Group at 25-27%. Strategic alliances, like codesharing and interline agreements, are crucial for expanding networks and improving efficiency. Partnerships for ground handling and MRO, along with international collaborations, further enhance the sector's growth and competitiveness. These strategic moves are key as the market rapidly expands.

# **Key Players**

Market Leader	a IndiGo		Akasa Air
Characteristics	Expanding international network	Undergoing major transformation	Fastest-growing domestic airline
Key Figures	10 million passengers in November	Merged with Vistara	Record 6.74 lakh passengers in November

#### Indigo

- InterGlobe Aviation Limited (IndiGo) has grounded over 40 aircraft due to issues with their Pratt & Whitney (P&W) engines.
- IndiGo has also announced that an additional number of aircraft, in the mid-thirties, will be incrementally grounded in Q4 FY2024 due to a powder metal contamination issue affecting parts in its P&W engine fleet. This is expected to increase the total grounded fleet from the current estimate of 20-22% to 22-24% by March 2024.

### Air India

- Air India expands global reach with a new codeshare partnership with Kenya Airways, offering smoother travel options between Nairobi and Mumbai.
- Air India Express enhances connectivity with a new daily direct flight between Mangaluru and Delhi and aims to boost ancillary revenue to 20%.

# Akasa Air

• Akasa Air captures 6.06% market share in India as of 1Q24, ferrying 23.40 lakh passengers in the guarter and 108.93 lakh passengers in 2023.

# Porter's Five Forces Analysis

### **Threat of New Entrants**

# **Bargaining Power of Buyers**

- price comparison.

# **Threat of Substitute Products**

distances with few alternatives.

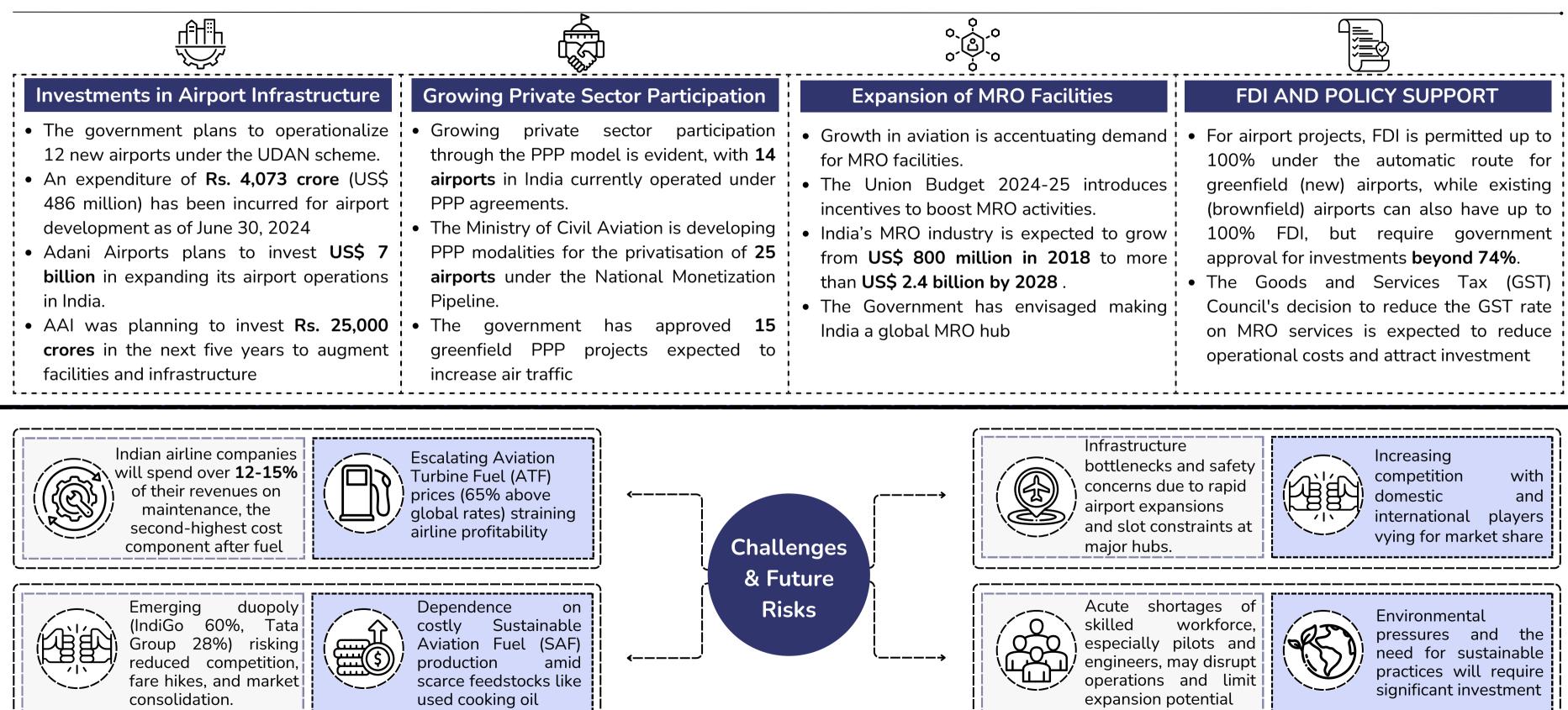
### **Bargaining Power of Suppliers**

### **Competitive Rivalry**



# **INVESTMENT TRENDS AND FUTURE RISKS**

The Indian aviation sector operates under a stringent regulatory framework overseen by the Directorate General of Civil Aviation (DGCA) and the Ministry of Civil Aviation. Key policies and regulations, including the Aircraft Act 1934 and subsequent rules, govern safety, security, and operational standards. Recent policies focus on enhancing regional connectivity (UDAN scheme), promoting airport infrastructure development, and streamlining processes.



(Sources: Economic Times, icao.net, civilaviation.gov.in, ibef)

# **GOVERNMENT POLICIES**, **REGULATIONS AND TECHNOLOGY TRENDS**

The Public-Private Partnership (PPP) model has played a transformative role in the development of India's aviation sector. By leveraging private sector investment, expertise, and efficiency. PPPs have enabled the modernization and expansion of airports while maintaining public oversight. This approach has been pivotal in meeting the growing demands of air travel and improving service quality across major Indian airports.

# Bharatiya Vayuyan Adhiniyam,

Effective January 1, 2025, the Bharatiya Vayuyan Adhiniyam, 2024 replaces the outdated Aircraft Act of 1934. It modernizes regulations, aligns them with global standards, streamlines licensing, and promotes indigenous manufacturing in India's aviation sector.

# **Airport Infrastructure Expansion**

India plans **50** airport development projects in five years, focusing on new airports, upgrades, Public-Private Partnerships (PPP), and streamlined land acquisition to expand aviation infrastructure. This will add to the current trend of expansion and acquisition.

# **PIAOB**, 2025

The Protection of Interest in Aircraft Objects Bill, 2025 aligns India's aircraft leasing with international norms, providing legal certainty, lowering leasing costs, and designating DGCA as the registry authority for easier repossession.

# **RCS Udaan**



RCS (Regional Connectivity Scheme) is to facilitate air connectivity by supporting airline operators through:

(1) concessions by Central Government, State Governments, and airport operators to reduce the cost of airline operations on regional routes / other support measures and

(2) financial (viability gap funding/VGF) support to meet the gap, between the cost of operations and expected revenues on such routes.

UDAN (Ude Desh Ka Aam Naagrik) scheme aims to connect small and medium cities with big cities through air service. Under the UDAN scheme, the airfare for aone-hour journey by 'fixed wing aircraft' or half an hour's journey by a helicopter for about 500 km, has been fixed at Rs.2500/-

- 72.3 million passengers.
- the PPP model.

# **KEY PPP MODELS**

• Build-Operate-Transfer (BOT): The private entity designs, finances, constructs, operates, and maintains the airport for a set period before transferring it back to the government (e.g., Delhi International Airport Limited - DIAL).

• **Design-Build-Finance-Operate-Transfer (DBFOT):** Similar to **BOT**, but includes design responsibility (e.g., Bengaluru International Airport Limited- BIAL)

• Operate-Maintain-Transfer (OMT): The private partner operates and maintains the airport, often receiving a management fee based on performance (e.g., Mumbai International Airport Limited - MIAL).

• Joint Venture (JV): Government partners with private entities, sharing ownership and responsibilities (e.g., Cochin International Airport Limited - CIAL).

# **KEY TRENDS AND DEVELOPMENTS**

• Currently, **14 airports** are operating under Private public partnership in India, and also **25 AAI airports** are earmarked for leasing between **2022 and 2025** as per the National Monetisation Pipeline

• PPP airports handle about **57.7%** of the total passenger handled which is about

• According to the civil aviation ministry, AI is saving around **Rs 515 crore** annually in terms of running cost of these airports that have been on lease under

• The government is rapidly expanding airport infrastructure, with plans to operationalize new airports like Noida and Navi Mumbai under the PPP model. Over **100 additional airports** are targeted for opening, significantly enhancing regional connectivity and capacity.

# UNVEILED

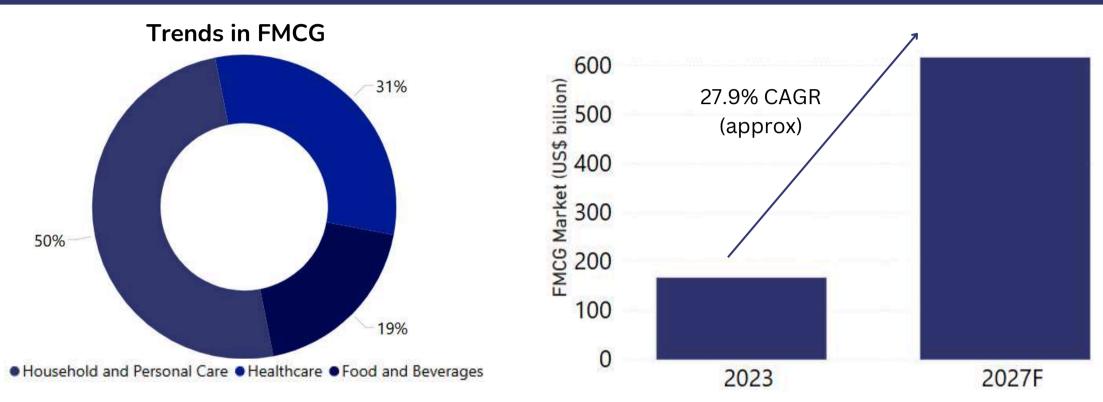
From Supply Chain Tracks to Consumer Trends





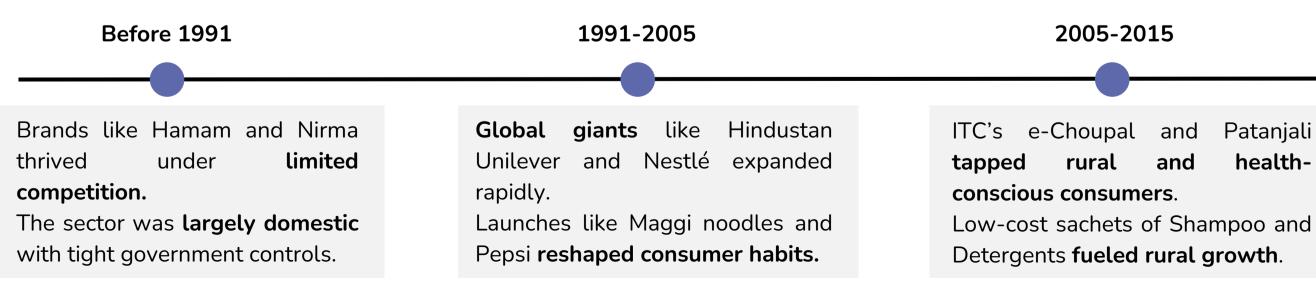
# MARKET TRENDS AND **HISTORICAL GROWTH RATES**

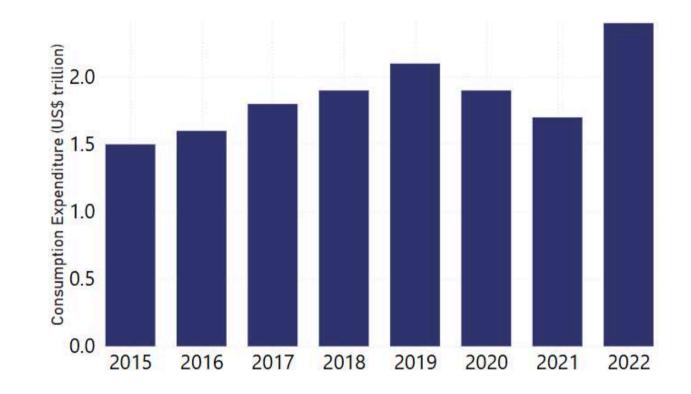
The Indian Fast-Moving Consumer Goods (FMCG) sector represents one of the most vital components of the Indian economy, ranking as the fourth largest sector. The Indian FMCG market reached a significant milestone with a valuation of USD 245.39 billion in the financial year 2024.



# **Industry Insights**

# **History and Timeline**





### 2015 Onwards

Patanjali healthand

Nykaa, Mamaearth, and Dabur embraced D2C and eco-friendly products. E-commerce and social media became key brand-building tools.

# **KEY PLAYERS & COMPETITIVE LANDSCAPE**

India's FMCG sector is evolving rapidly, driven by rising disposable incomes, urbanization, and digital penetration. In 2024, growth was fueled by rural demand recovery, D2C brands, and increasing health-conscious consumption. Affordability, innovation, and sustainability are shaping strategies as companies expand across both mass and premium categories.

# **Key Players**

Segment	HUL	ITC	Dabur
Market Leader			Dabur
Market Share	35.7%	17.6%	8.8%

# **Recent Major News**

# **Urban Demand Surge for FMCG Products**

Urban FMCG demand has risen by 11.5% in the January-March quarter, driven by an increase in stocking of summer products like ice creams and beverages. The rise in demand also includes staples such as packaged foods and oils, showing strong consumer confidence despite the ongoing retail inflation.

# Reactions to India's 2025-26 Budget

India's 2025-26 budget has introduced measures aimed at stimulating economic growth, including personal income tax cuts and increased capital expenditure. They are optimistic that these initiatives will improve consumer spending and create a favorable environment for growth in the FMCG sector.

# Haldiram's Global Expansion Supported by Investment

Haldiram Snacks Foods secured investments from Alpha Wave Global and International Holding Company (IHC), both backed by UAE's Sheikh Tahnoon bin Zayed. The funds will help Haldiram expand its footprint in global markets, particularly in the US and Middle East, boosting its position in the competitive snack industry.

# Porter's Five Forces Analysis

### **Threat of New Entrants**

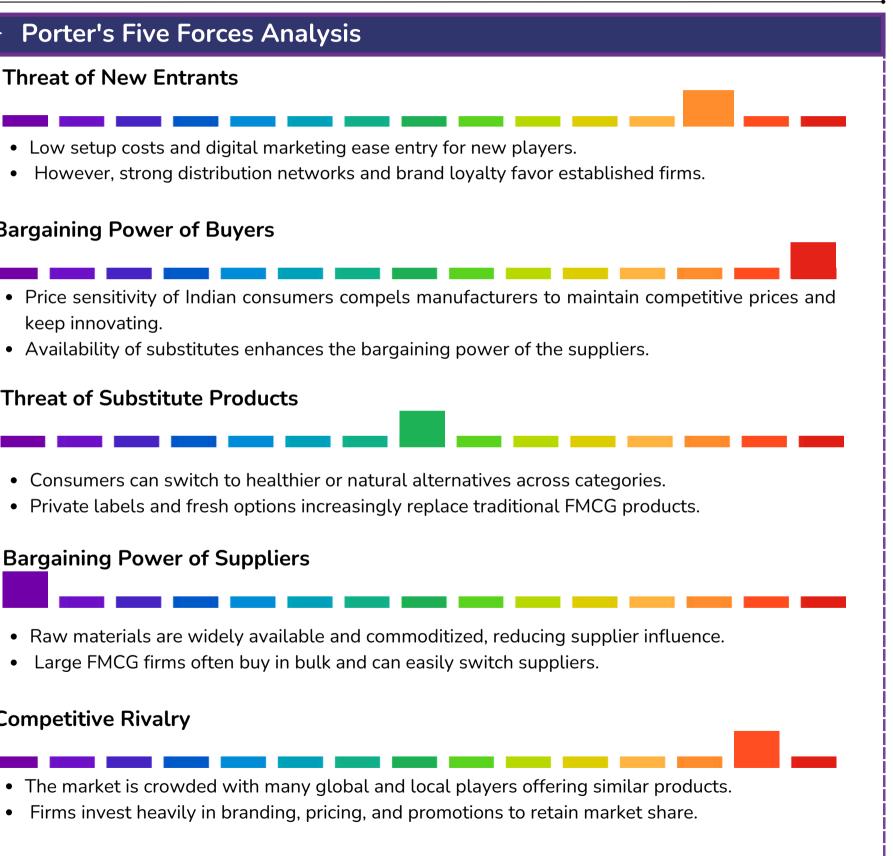
### **Bargaining Power of Buyers**

- keep innovating.

# **Threat of Substitute Products**

### **Bargaining Power of Suppliers**

### **Competitive Rivalry**



# GOVERNMENT POLICIES, REGULATIONS AND TECHNOLOGY TRENDS

The Indian automotive sector is evolving through strong government initiatives like the PM E-Drive, PLI Scheme, and AMP 2026, promoting EV adoption, domestic manufacturing, and technological advancements. Key innovation trends include autonomous vehicles, hybrid cars, flex-fuel technology, and startups like Minus Zero transforming mobility. These policies and trends aim to drive sustainable growth, enhance safety, and boost India's global competitiveness.

# **Production-Linked Incentive (PLI) Scheme**

In **2022**, a total of 112 food processing projects were completed and operationalized, leveraging the private investment of **Rs. 706.04 crore (US\$85.4million)** and generating direct and indirect employment for **25,293 people**.

Sectors	Ministry/Department	Approved financial outlay over a five- year period
Food Products	Ministry of Food Processing Industries	Rs. 10,900 crore (US\$ 1.3billion

# Reduction in excise duty

- In order to boost the food processing sector, the Centre has permitted under the Income Tax Act a deduction of **100%** of profit for five years and **25%** of profit in the next five years in case of new agro processing industries set up to package and preserve fruits and vegetables.
- Excise Duty of **16%** on dairy machinery has been fully waived off and excise duty on meat, poultry and fish products has been reduced from **16% to 8%**.

# FDI in Organised Retail

To boost growth, the Government of India has approved 100% Foreign Direct Investment (FDI) in the FMCG sector for single-brand retail under the automatic route, and permitted 51% FDI in multibrand retail, creating new opportunities for expansion.

# SETU Scheme

An amount of Rs. 1,000 crore (US\$ 120.7 million) is being set up initially in NITI Aayog for SETU for setting up of incubation centres and enhance skill development to facilitate the startup ecosystem in the country while improving the ease of doing business.

Average MPCE (Rs.) over different periods					
Sector	1999-'00 NSS (55th round)	2004-05 NSS (61st round)	2009-10 NSS (66th round)	2011-12 NSS (68th round)	2022-23
Rural	486	579	1,054	1,430	3,773
Urban	855	1,105	1,984	2,630	6,459
Difference as % of Rural MPCE	75.9	90.8	88.2	83.9	71.2







Covid-19 pandemic has driven Indian consumers to focus their spending priorities on healthcare. The Indian health-tech market is expected to grow at a **CAGR of 39% and touch US\$ 50 billion** by 2033.

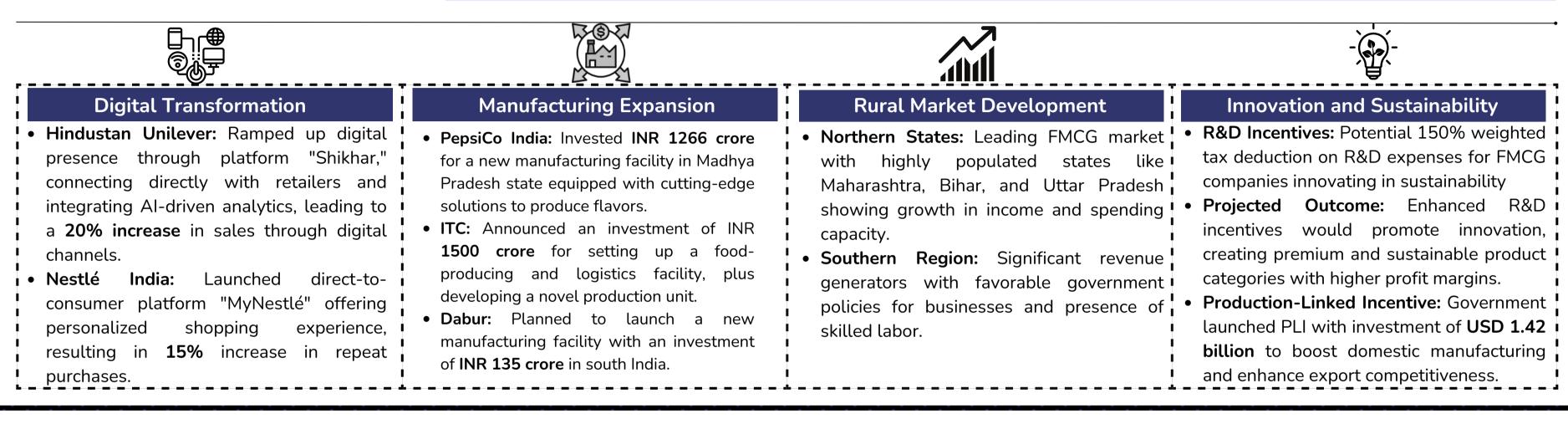
# **Consumer Behaviour**

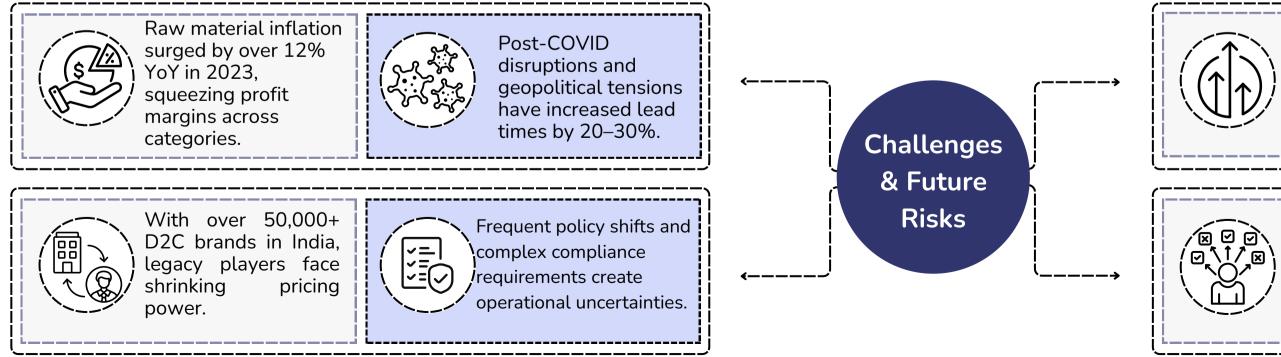
Rural consumers have experienced nearly a **60% increase in their average FMCG basket size**, rising from 5.8 in 2022 to 9.3 in 2024, indicating a higher demand for FMCG products in rural areas.

In the Oct-Dec'24, the urban market contributed **62% of the volume**, while the rural market contributed the remaining 38%. Urban volume growth peaked at 6.2% in Jan-Mar'24, while rural peaked at 9.9% in Oct-Dec'24.

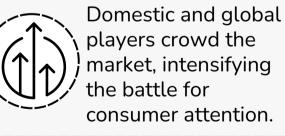
# GROWTH DRIVERS AND FUTURE RISKS

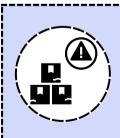
India's FMCG industry is experiencing transformative growth, fueled by strategic investments in manufacturing facilities, digital transformation, premiumization of products, and rural market expansion, with projections to reach USD 665.63 billion by 2032.





(Sources: Economic Times, ibef)





Fake counterfeited and substandard products dilute brand trust and erode genuine sales

Shifting demand for healthier and sustainable products increases innovation costs and market risks.



FMCG firms face growing scrutiny over plastic usage and carbon footprints.

# EGOMERCE UNVEILED

From Infrastructure Tracks to Consumer Trends

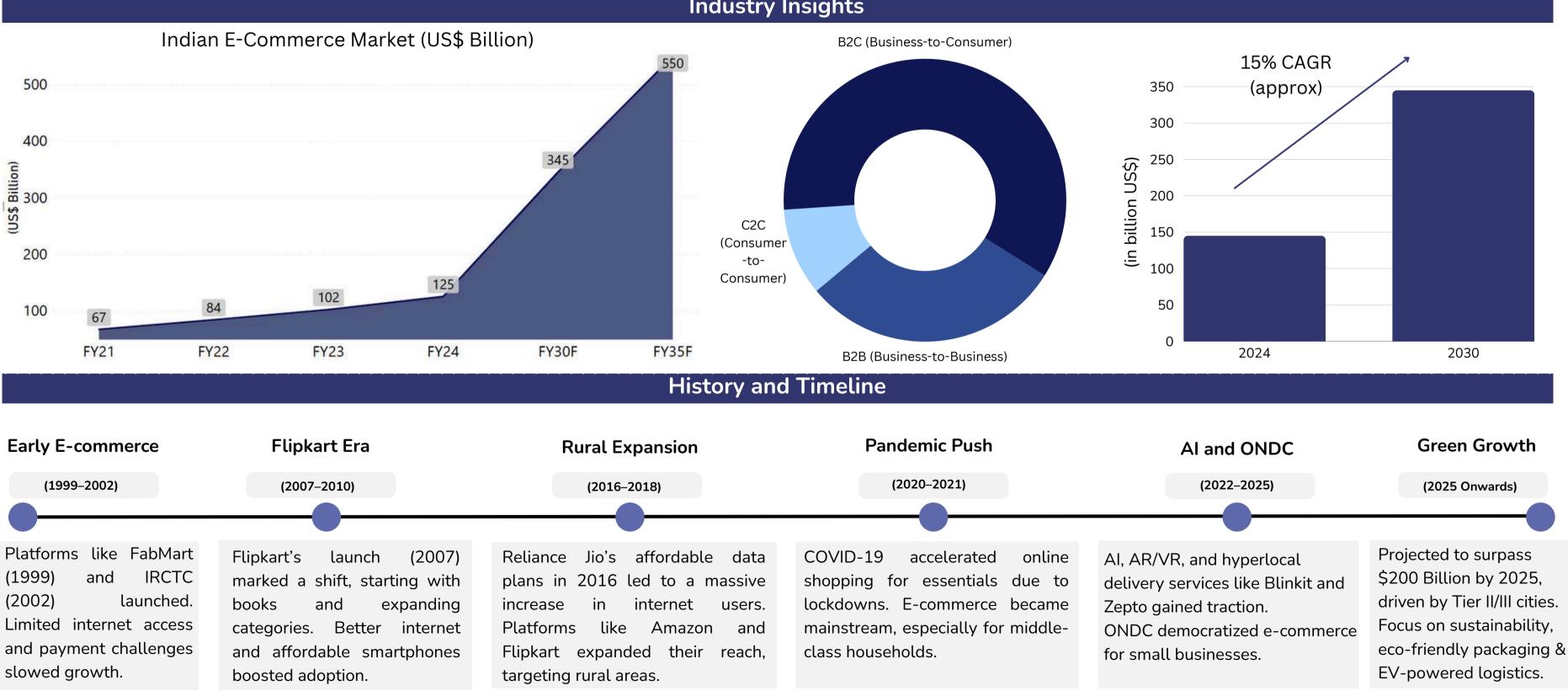




# MARKET TRENDS AND **HISTORICAL GROWTH RATES**

India's e-commerce industry has grown into a global powerhouse since the early 2000s. Fueled by increasing internet penetration, smartphone adoption, and government initiatives like Digital India, the sector continues to thrive. Innovations in technology, logistics, and payment systems ensure long-term strength. India's e-commerce market reached approximately \$147.3 billion in 2024

**Industry Insights** 



(Sources: IMARC, Indian Retailer, IBEF)

# **KEY PLAYERS & COMPETITIVE LANDSCAPE**

India's e-commerce market is highly competitive, with Flipkart and Amazon leading the industry. New entrants face moderate to high barriers due to established players, while buyers hold significant power due to price sensitivity and alternatives. Suppliers have moderate bargaining power, influenced by logistics and technology dependencies. Substitutes like offline retail pose a high threat due to low switching costs. Competitive rivalry is intense, driven by frequent promotions and discounts among key players.

# **Key Players**

Market Leader	Flipkart 🙀	amazon.in	meesho
Characterstics	Strong presence in mobile and apparels	Second in terms of market share	Fastest growing in terms of user base
Key Figures	48% Market Share	<b>\$15B</b> to be invested over next 7 years	32% YoY growth

# **Recent Major News**

#### Amazon

- Amazon Prime subscribers reached 60 million as of February 2024.
- Amazon committed to further digitizing **10 million businesses**, enabling US\$ 20 billion in exports, and creating 2 million jobs by 2025, while also signing an MoU with DGFT for MSME capacity-building initiatives
- Amazon aims to create 20 lakh jobs by 2025, building upon its track record of generating over 13 lakh direct and indirect employment opportunities in the country.

### Blinkit

- Zomato infused ₹1,500 crore into Blinkit to fuel its expansion.
- The platform plans to open 2,000 dark stores by 2026 and diversify its offerings.
- The investment comes after Zomato raised **₹8,500 crore** via QIP in November 2024.

# IKEA

• On May 17, 2024, IKEA announced a partnership with Rhenus to enhance its ecommerce expansion in the Delhi NCR region by establishing a 150,000 sq ft warehouse in Gurgaon, designed to store and fulfill over 7,000 products

# Porter's Five Forces Analysis

### **Threat of New Entrants**

- players like Flipkart and Amazon.

# **Bargaining Power of Buyers**

- switch platforms.

# **Threat of Substitute Products**

# **Bargaining Power of Suppliers**

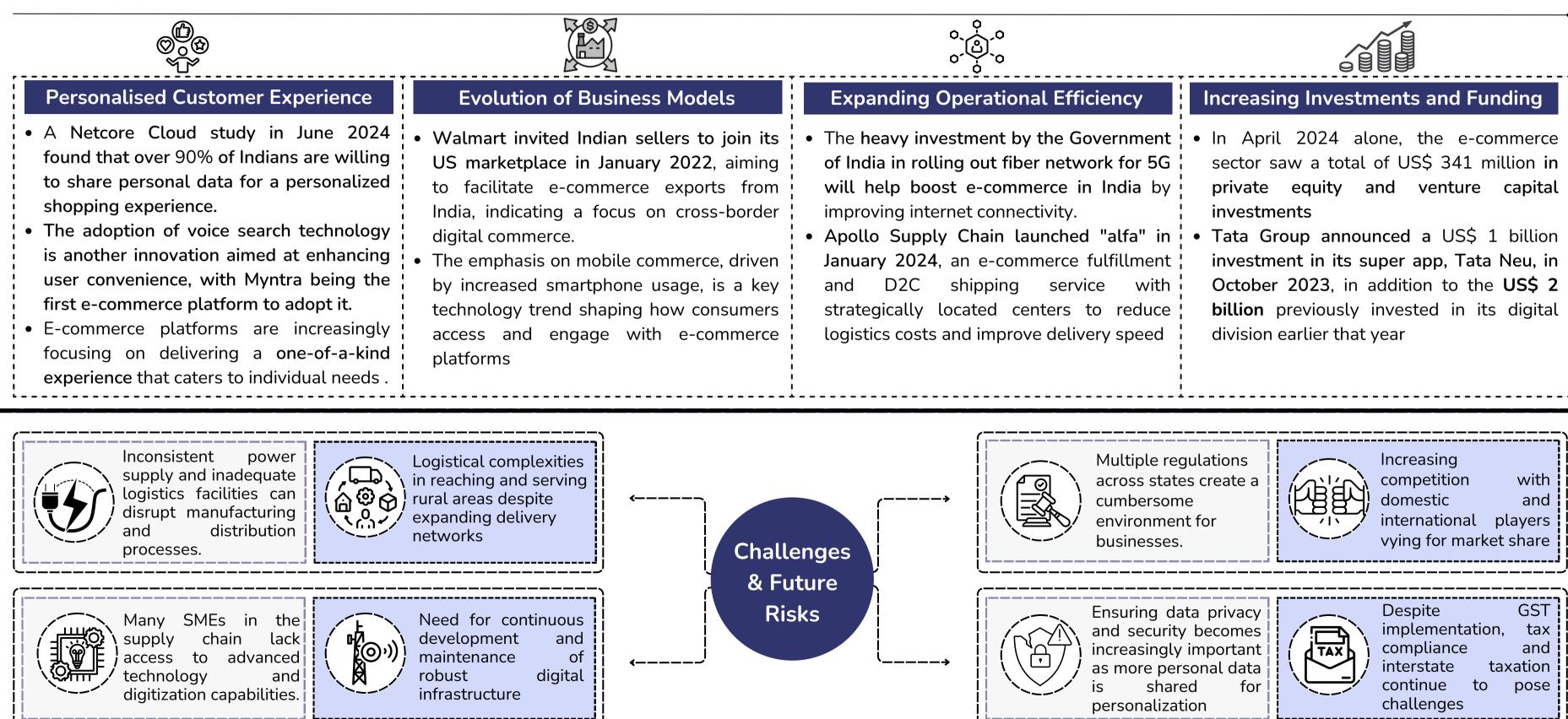
### **Competitive Rivalry**

- Meesho and JioMart.



# **INVESTMENT TRENDS AND FUTURE RISKS**

E-commerce faces infrastructure gaps (roads, warehousing), regulatory hurdles (tax complexities), and uneven tech adoption impacting SMEs. Logistics struggles with rapid delivery, rural connectivity, and complex sourcing. Digital transformation offers solutions via AI, IoT. and expanded fulfillment.



# **GOVERNMENT POLICIES**, **REGULATIONS AND TECHNOLOGY TRENDS**

India's e-commerce sector is evolving rapidly, supported by government policies that promote transparency, fair competition, and consumer protection. Initiatives like self-governance guidelines, tax incentives for startups, and stricter regulations on flash sales aim to create a sustainable and inclusive digital marketplace while balancing domestic business protection with foreign investments.

# **National E-Commerce Policy**

The National E-Commerce Policy was first drafted in 2019 by the Ministry of Commerce and Industry to create a supportive regulatory environment for e-commerce growth. It focuses on addressing data privacy concerns, enhancing consumer protection, and promoting fair **competition**. Key features include **data localization mandates** for security, support for SMEs to ensure equitable access, and measures to prevent anti-competitive practices by large platforms.

# Draft Guidelines for E-commerce Self-Governance

The Bureau of Indian Standards (BIS) introduced voluntary guidelines for e-commerce selfgovernance on January 16, 2025. These guidelines aim to regulate marketplace e-commerce platforms, excluding inventory-based models. The purpose is to enhance consumer trust, ensure fair business practices, and promote transparency in the digital marketplace. Key features include seller KYC verification, detailed product information, clear transaction details, and transparent return, refund, and cancellation policies.

# **KEY CHANGES IN UNION BUDGET 2025**

# **BHARAT TRADENET**

The budget introduces BharatTradeNet, a unified digital platform to streamline export documentation and logistics. This is expected to boost cross-border e-commerce by making international trade faster and more accessible for Indian sellers.

# **GST REDUCTION**

Budget 2025 has reduced the GST rate on warehousing and logistics services from 18% to 12%. This move is set to lower operational costs, making deliveries faster and more affordable for both businesses and consumers.

#### **Sourcing and Procurement**



Sourcing involves acquiring raw materials or finished goods from suppliers. Effective procurement strategies ensure timely and **cost-efficient supply** of products, which is crucial for maintaining inventory levels and meeting customer demand.

### **Order Management**



When an order is received, it is processed, and products are picked and packed from inventory. Fulfillment centers play a key role in ensuring that orders are shipped quickly and accurately to customers.

# SUPPLY CHAIN ANALYSIS

#### **Inventory Management**



Inventory management ensures that products are stored efficiently in warehouses, ready for shipment. This stage requires careful planning to **balance stock** levels with demand fluctuations.

#### **Transportation and Delivery**



Products are transported via air, road, or rail to reach customers. The last-mile delivery is critical as it directly **impacts customer** satisfaction. Companies often use innovative strategies like crowdsourcing or hyperlocal models to enhance delivery efficiency.

### **Post-Delivery Support**



Handling returns efficiently is vital for maintaining customer satisfaction and reducing operational costs. Post-delivery support ensures that customers have a positive experience. Collecting feedback helps in identifying areas for improvement and optimizing the supply chain.

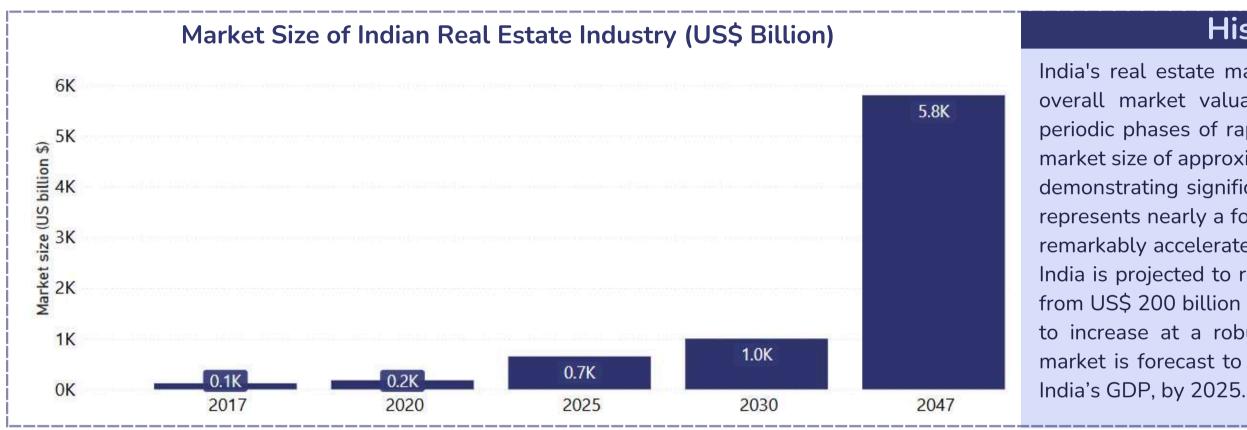
# UNVEILED

From Foundation Tracks to Market Trends



# MARKET TRENDS AND HISTORICAL GROWTH RATES

India's real estate industry has emerged as a key economic driver since liberalisation in 1991. Despite periodic slowdowns, urbanisation, infrastructure growth, and rising demand for housing continue to fuel its expansion. The sector's future is shaped by sustainable development, digital integration, and strong investor interest. In FY2025, the real estate market is projected to be valued at approximately \$650 billion, reflecting its growing scale and potential.



# Projected Market Trends

The **demand for residential space** is expected to rise The demand for luxury homes in India, particularly those priced Increasing Investments: Demand for residential sharply due to rapid urbanisation, population growth, at Rs. 4 crore (US\$ 0.5 million) and above, saw a remarkable space is set to grow rapidly, driven by **urbanisation**. increasing nuclear families, easy access to finance, rising surge in 2024, with sales rising by 53% across seven major population growth, more nuclear families, easier disposable incomes, growing infrastructure development, cities, driven by rising wealth, lifestyle aspirations, and investor financing, higher incomes, infrastructure expansion, and repatriation of NRIs and HNIs. In 2024, housing sales confidence. According to data from real estate consultancy firm and returning NRIs and HNIs. In 2024, housing sales in in 15 top tier-II cities grew by **20% in value**, reaching **Rs.** CBRE, the total number of **luxury housing units sold in 2024** the 15 major tier-II cities rose 20% in value to Rs. 1.52 lakh crore (US\$ 17.56 billion), boosted by increased **1.52 lakh crore** (US\$ 17.56 billion), driven by higher stood at 19,700, reflecting growing momentum in the premium volumes, competitive pricing, and increased consumer residential segment. sales, prices, and growing investor interest. confidence.

# Historical Market Growth Rates

India's real estate market has exhibited substantial and sustained expansion in overall market valuation, with consistent growth patterns interspersed with periodic phases of rapid acceleration. The sector has grown impressively from a market size of approximately **US\$ 120 billion in 2017 to US\$ 477 billion in 2022**, demonstrating significant and dynamic scaling within a five-year timeframe. This represents nearly a four-fold increase over half a decade, highlighting the sector's remarkably accelerated growth trajectory in recent years. The real estate sector in India is projected to reach US\$ 1 trillion in market size by 2030, up substantially from US\$ 200 billion in 2021. Furthermore, India's real estate market is estimated to increase at a robust **CAGR of 19.5% during the period 2017–2028**. The market is forecast to reach US\$ 650 billion, representing approximately 13% of India's GDP, by 2025.

# **KEY PLAYERS & COMPETITIVE LANDSCAPE**

The Indian real estate sector's key players like Godrej Properties, DLF, and Prestige Estates are expanding through significant acquisitions, including Godrej's recent land purchases worth ₹9,650 crore. The market is marked by high competition, strong buyer power, and significant supplier influence, presenting both opportunities and challenges.

# ► Major Companies and Market Concentration:

Market Leader	DLF	Goore   PROPERTIES	BUILDING A BETTER LIFE
Domain	Residential, commercial, retail, integrated townships	Residential, commercial, sustainable development	Premium/luxury residential, commercial, townships
Key Figures	Market Cap: ₹130,198 Cr, Quarterly Sales: ₹4,224.3 Cr	Market Cap: ₹62,806 Cr Quarterly Sales: ₹968.8 Cr	Market Cap: ₹161,774 Cr, Quarterly Sales: ₹1,528.7 Cr

# ► Recent Mergers, Acquisitions, and Partnerships:

### Godrej Properties (October 2024)

In the financial year 2024-25, Godrej Properties acquired 6 land parcels to develop housing projects worth ₹9,650 crore, driven by strong demand. In the first half of the fiscal year, the company added a total of 8 parcels, with an estimated saleable area of 11 million square feet and a potential booking value of ₹12,650 crore.

### DLF (September 2024)

DLF, a prominent real estate developer, is expanding its **retail portfolio** by constructing three new malls in Moti Nagar (Delhi), DLF Phase-5 (Gurugram), and Panjim (Goa). Currently, DLF's retail portfolio is about 5 million square feet, and with these additions, it is expected to grow to approx. 6.3 million square feet once operational.

### K Raheja Corp (January 2025)

K Raheja Corp, through its subsidiary has agreed to purchase a 5.75-acre land parcel in Kandivali East, Mumbai, for around **₹466 crore**. The land includes an existing structure known as Vinod House, which was previously owned by Global e-Service.

# ► Porter's Five Forces Analysis

**Competitive Rivalry:** 

### **Threat of New Entrants:**

### Threat of Substitutes:

# **Bargaining Power of Buyers:**

### **Bargaining Power of Suppliers:**



# **REGIONAL AND SEGMENT ANALYSIS**

India's real estate sector is evolving regionally. Premium markets in Mumbai, Delhi-NCR, and Bengaluru dominate, but rising prices shift demand to peripheral areas. Tier II/III cities like Pune, Jaipur, and Coimbatore are emerging growth hubs due to affordable land and infrastructure, while smaller cities and rural fringes grow with returning migrants and hybrid work trends.

# **Regional Analysis**

# **Tier 1 Cities**

- Mumbai, Delhi-NCR, and Bengaluru together account for nearly 65% of India's total premium residential sales.
- Severe land scarcity and soaring **property prices** (₹25,000–₹40,000 per sq. ft. in prime urban areas) have significantly shifted demand to emerging peripheral regions.
- Hyderabad outperformed Bengaluru by recording the greatest new office supply in FY23, adding nearly 14.94 million square feet of space, or about **31%** of the total new supply across the top seven cities.

# **Tier 2-Tier 3 Cities**

- like Pune, Jaipur, Cities and Coimbatore are witnessing a 15–18% annual increase in residential launches. driven by:
- Affordable land prices (₹4,500-₹7,000 per sq. ft.).
- Industrial corridor developments, such as the Delhi-Mumbai Industrial Corridor (DMIC), spurring commercial and logistics hubs.
- Government incentives under the Smart Cities Mission, which has allocated ₹32,000 crore (\$4 billion) for 100 cities since 2016.

# **Tier 4 Cities**

- Emerging Growth in Smaller Cities: Smaller cities like Bhilai and Gandhinagar are experiencing 8–10% annual growth in plotted developments, driven by returning migrants, hybrid work models, and growing demand for low-density, customizable housing.
- Role of the Rurban Mission: Since 2022, the Rurban Mission has facilitated over **300** integrated township projects, combining urban amenities and rural affordability to support residential preferences in semi-urban areas.

# **Residential Space**

Developers across major urban centers are expected to complete approximately 5.58 lakh new homes in 2024, indicating a robust and growing supply pipeline across key housing markets. In tandem, the residential market witnessed strong momentum in Q1 2024, with 74,486 units sold, driven by ample supply, growing economic stability, and sustained positive buyer sentiment

# **Hospitality Space**

周 India's hotel industry is on a steady and promising growth path, with projections indicating a healthy CAGR of 3.3 to 4 % in the coming years. In 2023 alone, around 12,000 new rooms were strategically added across key markets, supported by a strong post-COVID rebound. which saw investments exceed US\$ 400 million and a robust future pipeline of over US\$ 2,300 million

# Segment Analysis

# Commercial Space

India's office space demand surged in 2023, reaching a historic high of 63 million sq ft in leasing activity, fueled largely by Global Capability Centres and flexible workspaces, which together accounted for 55% of the market. Continuing this momentum, Q1 2024 saw GCCs maintain their lead, moreover



contributing 37% of all leasing across metropolitan areas.

# Retail Space 🚇

Foreign direct investment in the

multi brand retail is expected to further significantly stimulate demand in the growing retail sector. In the first half of 2024, retail leasing activity hit a remarkable five year high at 3.1 million sq ft, while luxury brands expanded aggressively in 2023, leasing over 600,000 sq ft, a 170 % surge from the previous year.

# **GOVERNMENT POLICIES** AND REGULATIONS

The Real Estate (Regulation and Development) Act, 2016 is the foundational legal framework for the real estate sector in India. It has been amended, with the law introducing greater transparency and accountability for developers. State-specific RERA rules provide detailed guidelines that complement the central legislation.

# Stamp Duty



The Ministry of Housing and Urban Affairs has recommended all the states to consider reducing stamp duty of property transactions in a bid to push real estate activity, generate more revenue and aid economic growth.

# Land Acquisition Bill

In December 2014, the Government amended the Land Acquisition Bill intended to speed up the process for industrial corridors, social infrastructure, rural infrastructure, housing for the poor and defence capabilities.



# The Real Estate (Regulation and Development) Act

Enacted on May 1, 2016, RERA revolutionized India's real estate sector by institutionalizing transparency and accountability.

Mandatory Project Registration: Developers must register projects exceeding 500 sq. meters or eight units with state RERA authorities, disclosing project timelines, approvals, and financial plans.

Escrow Account Management: Developers must deposit 70% of buyer funds into dedicated accounts to prevent fund diversion, ensuring project completion.

Carpet Area Standardization: Pricing must reflect carpet area (actual usable space), eliminating ambiguity from super-built-up measurements.

# **Reliefs and Welfare Policies**

# **PMAY Yojana**

- the Pradhan Mantri Awas Yojana (PMAY), launched in 2015, has delivered 86.6 lakh affordable homes across Indian cities.
- The government has provided subsidies of up to ₹2.67 lakh in the program till date.
- The aim is to provide housing for all in urban areas. By targeting **Economically** Weaker Sections (EWS), Low-Income Groups (LIG), and Middle-Income Groups (MIG), promoting inclusive urban development.
- properties (earlier one).
- driving property ownership demand.
- attracting any tax penalties.

# **Smart Cities Mission**

Launched in 2015, the Smart Cities Mission allocated ₹32,000 crore (\$4 billion) to 100 cities for infrastructure modernization, including GISbased land records and integrated townships. Pune's Lohegaon Smart City project reduced property title disputes by 40% through digitized land registries.

# Foreign Direct Investment (FDI)

Under the Automatic Route. 100% FDI is permitted in townships and cities without prior government approval. The developers must strictly comply with RERA regulations and meet minimum capitalization thresholds (over \$10 million for wholly-owned subsidiaries).

# **Tax Relief Policies**

• The Union Budget 2025-26 boosts homeowners with nil tax on two self-occupied

• Raises TDS threshold on rent from Rs. 2.4 lakh (US\$ 2,769) to Rs. 6 lakh (US\$ 6,924),

• Buyers have been allowed to purchase homes at 20% below the circle rate without

# **INNOVATION &** TECHNOLOGY TRENDS

India's real estate sector is transforming through emerging technologies like BIM, 3D printing, and IoT, enhancing efficiency and customer experiences. Innovations in AI, virtual reality, and blockchain are reshaping property management and transactions. Companies investing in R&D can secure valuable patents, differentiating themselves in a competitive market.

# Emerging Technologies and R&D Developments:

India's real estate sector is transforming through **technological advancements**, enhancing efficiency, transparency, and customer-centricity in property design, construction, marketing, and management.

### **Building Information Model** BIM is a **3D modeling process** that enhances building planning, design, and management. It improves collaboration reduces errors, with growing and adoption in India, particularly for large projects, driven by government mandates.

Internet of Things (IoT) in Real Estate IoT enables smart homes with enhanced comfort and energy efficiency. It facilitates real-time monitoring and predictive maintenance in property management, improving overall building performance.

# **Artificial Intelligence and Machine** Learning

AI and machine learning provide predictive analytics for market trends, automate property valuations, and enhance customer service through Alpowered chatbots.

**3D** Printing in Construction 3D printing is used for **rapid prototyping** and on-site component printing, with potential for entire small structures. It offers cost and time savings. but high initial costs and regulatory hurdles pose challenges to broader adoption.

# Virtual and Augmented Reality

These technologies enhance marketing through virtual tours and help visualize properties and designs. They also improve customer experiences and facilitate collaboration in architectural planning.

**Blockchain in Real Estate Transactions** Blockchain technology improves real estate sector through secure transactions and smart contracts. While challenges exist, adopting these innovations can enhance efficiency & transparency, providing a **competitive edge**.

# ► E-Auction

Property e-auction is a transformative tool that is emerging as a convenient and progressive alternative to traditional auctions.

- and condition of the auction
- housing and other related plots
- discounted price.
- from.

# > Patents and Intellectual Property Landscape

Investing in R&D allows real estate companies to secure valuable intellectual property through patents, setting them apart in a competitive market.

- Smart Home Technologies: Automated devices to enhance comfort and security.
- Property Management Innovations: Patentable software and analytics tools for investment technologies.
- as virtual reality tours.

• Service Charges : Some auction platforms or banks may levy a service fee from the **winning bidder** depending on their respective rates and the **terms** 

• Delhi Development Authority (DDA) launched an e-auction of 453 properties till October 2023, including commercial estate plots, group

• Lower Initial Prices: Properties sold at e-auctions often have lower starting bids, providing buyers with the opportunity to purchase real estate at a

• Wide Selection: E-auctions offer a wide range of properties, including residential, commercial, and industrial, giving buyers more options to choose

• Sustainable Building Technologies: Innovations in energy-efficient materials & systems.

• Unique Architectural Designs: Innovative designs and digital marketing platforms, such

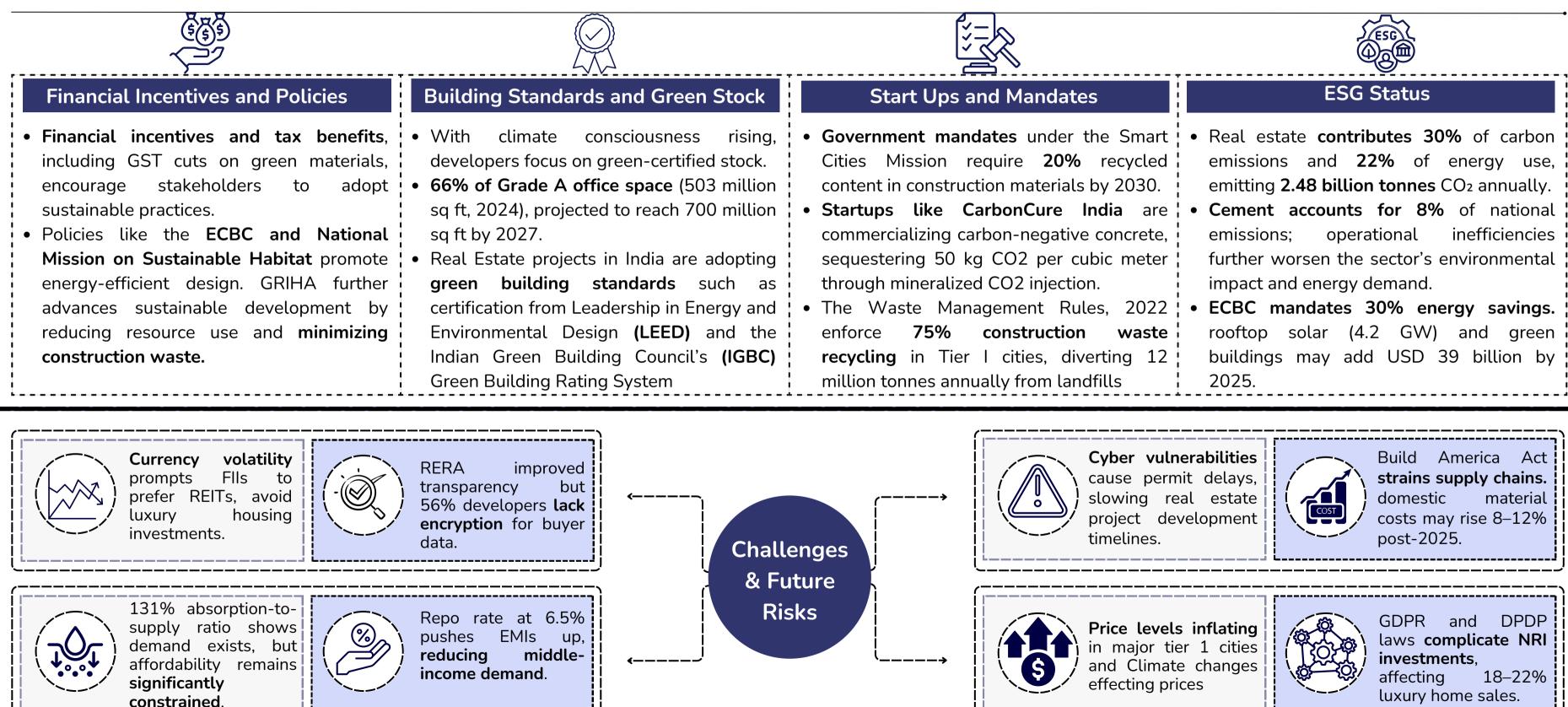






# ESG TRENDS AND FUTURE **RISKS**

The Indian real estate industry faces regulatory delays, rising costs, land acquisition issues, and uncertainties. It evolves by embracing ESG, digital innovation, and shifting consumer needs. Developers must adapt urban norms, adopt sustainability, bridge infrastructure gaps, and ensure responsible growth through green norms, energy efficiency, smart tech, inclusive housing, and better governance.



(Sources: Economic Times, Insights, Financial Express, Times Of India, 99acres)

luxury home sales.

# UNVEI ED

From Foundations to Future Trends in the Healthcare Industry



# MARKET TRENDS, HISTORICAL GROWTH RATES & TIMELINE

India's healthcare sector is projected to grow at a **CAGR of around 22.5%**, reaching **\$638 billion** by 2025. Key drivers include an aging population, expanding infrastructure, rising health insurance coverage, rapid digital adoption, growing medical tourism, and increased private investment, all fueling robust industry growth.

### 600 500 400 400 300 200 100 110 0 FY16 FY17 FY20 FY23 FY25 Year

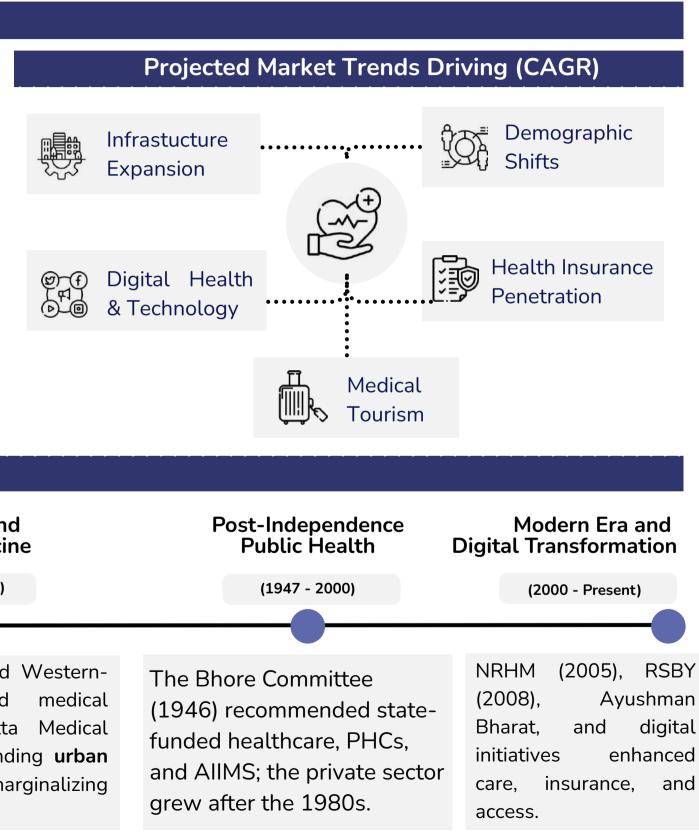
**Industry Insights** 

# **History and Timeline**

Vedic and Ancient Era	Buddhist Era and Early Institutions	Medieval Period and Unani Medicine	Colonial Era and Western Medicin
(1500 BC – 500 BC)	(500 BC – 1200 AD)	(1200 AD – 1700 AD)	(1700 AD – 1947)
Vedic Ayurveda balances Vata, Pitta, Kapha doshas for holistic health using herbs, diet, spirituality.	Early hospitals included Buddhist monasteries. Emperor Ashoka founded state hospitals; Buddhist influence spread Ayurveda across Asia.	Unani medicine arrived with Persian and Arab traders and flourished under Mughal patronage, with hospitals supporting Unani and Ayurveda.	The British established style hospitals and colleges, like Calcutta College (1835), expandi <b>healthcare</b> and man indigenous systems.

# • The Indian healthcare market is projected to reach **\$638 billion by 2025**, up from \$372 billion in 2023, reflecting a CAGR of around 22.5% over recent years.

- **Hospitals dominate** the sector, accounting for approximately **80%** of total healthcare spending, driven by rising demand and infrastructure gaps.
- The **pharmaceutical** sector is expected to grow to **\$130 billion by 2030**, with India recognized as a global vaccine manufacturing hub.
- Medical tourism is a significant growth area, valued at \$7.7 billion in 2024 and expected to nearly double by 2029.



# **KEY PLAYERS & COMPETITIVE LANDSCAPE**

India's healthcare sector is rapidly growing, led by key healthtech firms and expanding hospitals. The 2025 Union Budget boosted funding for infrastructure, medical education, and cancer care. Adoption of AI and digital health is accelerating, with the market projected to reach \$638 billion by 2025.

**Key Players** 

Players		Revenue	No. of hospitals
Apollo	Apollo Hospitals	16,202	73
<b>1</b> Fortis	Fortis Healthcare	19,500	36
Healthcare	Max Healthcare	2,381	19
G L 🕢 B A L H E A L T H	Global Health Limited	3,278	6

# **Recent Major News**

Union Budget 2025–26 Healthcare Allocation: The government allocated ₹99,858 crore (US\$11.5 billion) for healthcare in FY26, representing 1.9% of GDP and a 9.8% increase from FY25, to support the development and enhancement of the national healthcare system.

Expansion of Tele Mental Health Services: As of January 20, 2025, 53 Tele Manas cells have been established in 36 States/UTs, providing tele-mental health services and handling over **1.76 million calls** on the national helpline.

\_\_\_\_\_

DNA Wellness Cancer Labs: In FY24, DNA Wellness began a ₹200 crore rollout of 100+ cervical cancer screening labs using the CERViSure test, starting in Ahmedabad and expanding across Gujarat by October 2024.

# ► Porter's Five Forces Analysis

### **Threat of New Entrants**

- are required.

# **Bargaining Power of Buyers**

- telemedicine, increasing price sensitivity.
- affordable care.

# Threat of Substitute Products

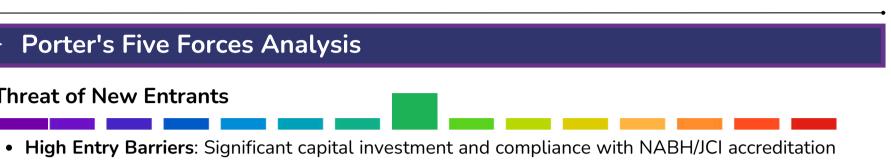
- surgical care.

# **Bargaining Power of Suppliers**

- power due to limited alternatives.
- term contracts.

### **Competitive Rivalry**

- expansion.



• Rural Market Opportunity: Urban markets are saturated, but rural areas offer growth due to government schemes like Ayushman Bharat.

• Multiple Options: Patients can choose from government hospitals, private chains, clinics, and

• Insurance Impact: Health insurance and government schemes raise expectations for quality and

• Alternative Providers: Specialty clinics and AYUSH practitioners serve non-emergency needs. • Telemedicine Growth: Online consultations are rising, but hospitals are essential for critical and

• Specialized Technology: Suppliers of advanced equipment (e.g., robotic systems) have notable

• Bulk Negotiation: Large hospital chains secure better terms through bulk purchasing and long-

• Urban Competition: Intense rivalry among major chains like Apollo, Fortis, and Max in cities. • Differentiation: Competition focuses on advanced technology, digital health, and rural

# GOVERNMENT REGULATIONS & POLICIES

India's healthcare regulations in 2025 focus on strengthening **digital health privacy**, **expanding health insurance coverage**, and **improving pharmaceutical** and **medical device standards**. Key policies include data protection laws, IRDAI insurance reforms, enhanced telemedicine guidelines, and increased funding for infrastructure and medical education under the Union Budget.

# Digital Health Laws

- India has strengthened its regulatory framework around digital health with the Digital Personal Data Protection Act, 2023, and the draft Digital Personal Data Protection Rules, 2025. These laws govern the collection, storage, and sharing of patient data, emphasizing privacy, security, and consent.
- Healthcare providers and startups must implement robust data encryption, secure storage, and obtain informed consent from patients to comply with these regulations.
- Liability frameworks are being developed for AI and machine learning applications in diagnostics and treatment, ensuring accountability and patient safety.

# **Data Protection and Compliance**

- Healthcare startups and providers must comply with data protection laws to safeguard sensitive health information.
- Non-compliance can lead to penalties under the **Digital Personal Data Protection Act.**
- Emphasis is placed on transparency, patient consent, and secure handling of electronic health records.

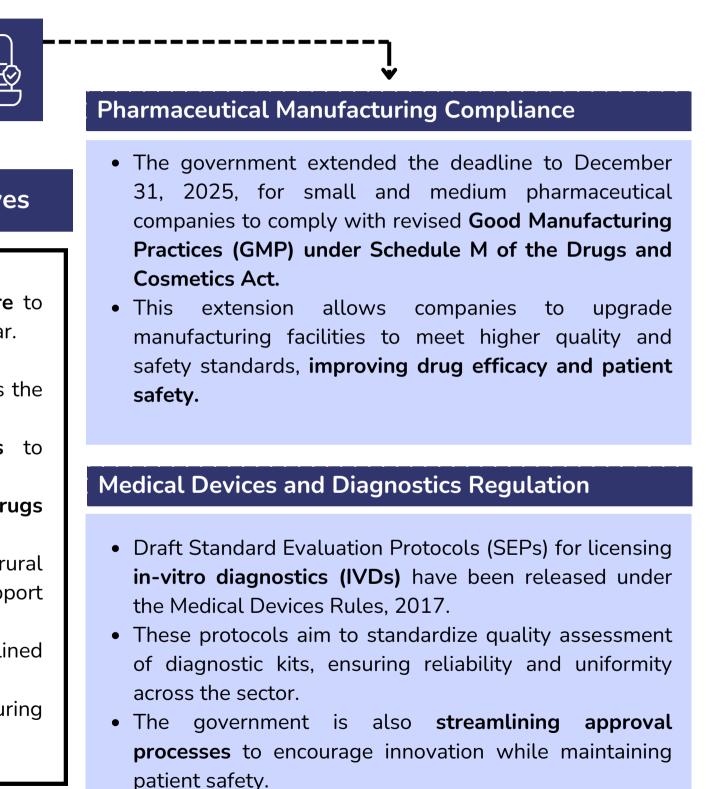
# Union Budget 2025 Healthcare Initiatives

- The 2025 Union Budget allocated **₹98,311 crore** to healthcare, an **11% increase** from the previous year.
- Key initiatives include:
  - Adding **10,000 new medical seats** to address the shortage of healthcare professionals.
  - Establishing **200 daycare cancer centers** to improve oncology care.
  - Customs duty exemptions on **36 lifesaving drugs** to make medicines more affordable.
  - Expanding broadband connectivity to rural
     Primary Health Centres (PHCs) to support telemedicine and digital health services.
  - Promoting medical tourism through streamlined visa policies and infrastructure support.
  - Boosting domestic pharmaceutical manufacturing under the 'Make in India' initiative.



GOVERNMENT REGULATIONS

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# INNOVATION AND TECHNOLOGY TRENDS

The Indian government's **digital health initiatives**, along with advances in AI, telemedicine, and robotic-assisted surgery, are rapidly modernizing healthcare delivery. These technologies are improving access, efficiency, and quality of care across the country. **Public-private partnerships** and **indigenous innovations** are making advanced treatments more affordable and widespread.



### Artificial Intelligence

Al is transforming India's healthcare sector by easing staff shortages, streamlining diagnostics, and expanding access to quality care. Automation and virtual assistants are improving efficiency, with **92% of healthcare leaders** (Philips Future Health Index 2024) highlighting automation's importance. Al-powered diagnostics help less experienced professionals deliver better care, especially in underserved areas. Public-private initiatives, like the **NHA-IIT Kanpur** partnership, are advancing Al research and innovation under the **Ayushman Bharat Digital Mission**.

### Telemedicine

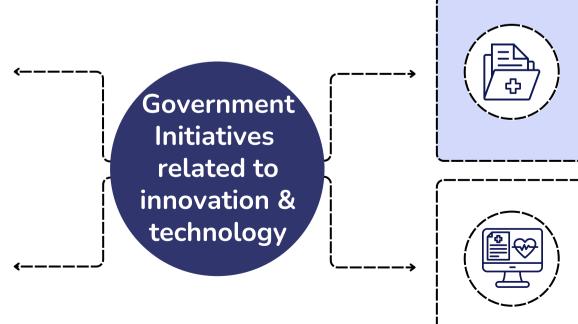
Virtual doctor visits have moved from emergency solution Once limited to a few elite hospitals, robotic-assisted during COVID to everyday healthcare option. About 15% of surgery is now available in over 200 Indian medical all outpatient consultations now happen online, with centers. These systems allow surgeons to perform platforms handling over a million virtual visits daily. This is complex operations with **greater precision** through tiny particularly valuable for follow-up appointments and incisions, leading to **faster recovery**. The technology has chronic disease management, where patients can share proven especially valuable for cancer operations and health data from home devices. The hybrid model delicate procedures, reducing complications by about (combining online and in-person care) has significantly **20%.** Indian-made robotic systems are now making this reduced waiting times in busy urban hospitals. advanced treatment more affordable.



**Digi Doctor:** This initiative involves maintaining a comprehensive database of doctors, including their qualifications, specializations, and affiliations with healthcare facilities, ensuring accurate mapping of available medical resources.



**Health Facility Register (HFR):** A nationwide centralized database of healthcare facilities, facilitating seamless data exchange between public and private healthcare providers, regularly updated to reflect infrastructure changes.





### **Robotic-assisted Surgery**

**Personal Health Records (PHR):** It entails an electronic repository of an individual's health-related information, accessible anytime, anywhere, empowering individuals to manage and update their personal health data as needed.

**Electronic Medical Records (EMR):** A web-based system containing detailed patient health records and treatment histories, aiding clinicians in patient management, health monitoring, and preventive healthcare recommendations.

# CHALLENGES & OPPORTUNITIES

India's healthcare sector faces challenges like regulatory hurdles, infrastructure gaps, and workforce shortages. Yet, opportunities lie in expanding infrastructure, digital health, research, and medical devices. With rising investments, supportive policies, and innovation, the sector is set for growth, improving access, affordability, and quality of care nationwide.

Opportunities

### Challenges

1. Regulatory Environment	2 Infractions Deficite	
<ul> <li>Complex compliance: Investors must navigate fragmented approvals (e.g., NABH/JCI accreditation) and policy shifts, such as GST reforms for medical devices. A 'single-window' regulatory system is advocated to streamline investments.</li> </ul>	<ul> <li>2. Infrastructure Deficits</li> <li>Urban-rural disparity: 65% of hospital beds are concentrated in metro/Tier-I cities, exacerbating rural accessibility gaps. Meeting global standards requires 3.6 Mn additional beds by 2034.</li> </ul>	1. Healt India 58,0 • Over FY25 CRESEARCH
3. Skilled Workforce	4. Integration of Technologies	
<ul> <li>Critical shortages: India faces a deficit of 1.54 Mn doctors and 2.4 Mn nurses,</li> </ul>	<ul> <li>Digital adoption: While the Ayushman Bharat Digital Mission</li> </ul>	heal • Data
with rural areas disproportionately affected. Upskilling programs and digital literacy for healthcare workers are prioritized.	(ABDM) enhances connectivity, cybersecurity and data management infrastructure lag, hindering telemedicine scalability.	3. Healt ۱ndia ۲۰۰۰ ۲۰۰۰ ۱ndia ۲۰۰۰ ۲۰۰۰ ۲۰۰۰ ۲۰۰۰ ۲۰۰۰ ۲۰۰۰ ۲۰۰۰ ۲۰۰
5. Health Sector Financing	6. Market Fragmentation	and
<ul> <li>High out-of-pocket expenses: Despite Ayushman Bharat, healthcare spending remains at 2.1% of GDP (vs. 3–5% in peer economies), with 500 Mn still uncovered.</li> </ul>	<ul> <li>Regional diversification: Success hinges on tailoring strategies to local needs, including targeted tier-2/3 city expansions and developing innovative PPP models for rural telemedicine, diagnostics, and community-based healthcare delivery.</li> </ul>	4. Medi • Mar poli • Star dom

### lthcare Infrastructure

lia needs 3 million more beds and 1.54 million doctors by FY25; ,000 new healthcare jobs expected.

ver US\$500 billion to be spent on medical infrastructure by 2030; 25 budget for PMABHIM nearly doubled.

### earch

SI Wave-1 surveyed 72,250 people aged 45+ to inform elderly althcare policy.

ita supports expansion of the National Elderly Health Care network.

### lth-Tech

dia attracted US\$4.4 billion in health-tech VC funding (2016–21); S\$1.9 billion in 2021.

artups like BeatO and DocPlix are innovating in diabetes management d digital health records.

### dical Devices

arket projected to reach US\$50 billion by FY31, driven by demand and olicy support.

artups foster innovation and reduce costs; new policies encourage mestic manufacturing.

# UNVEILED

INFORMATION TECHNOLOGY

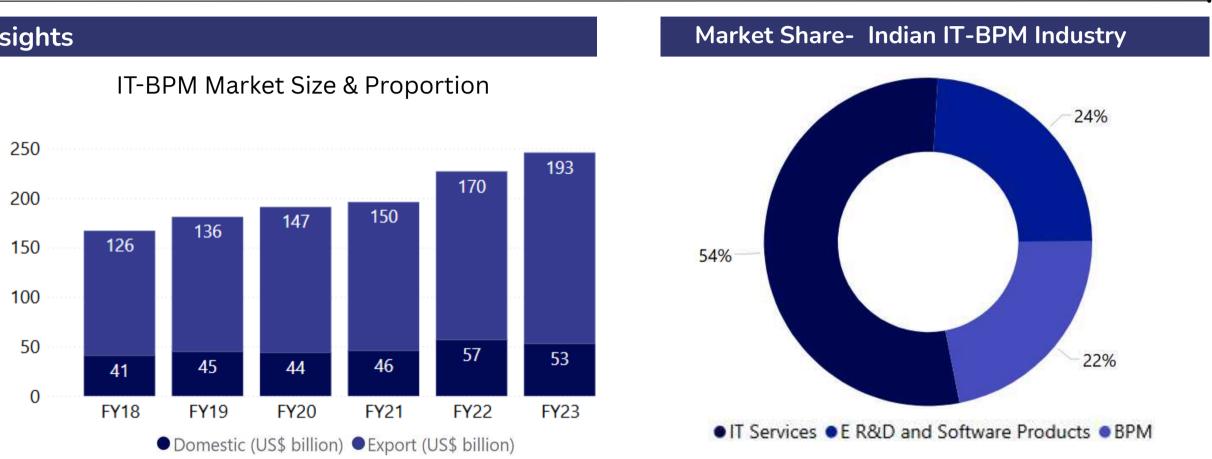
Mapping the Future of Tech and Infrastructure

# MARKET TRENDS, HISTORICAL **GROWTH RATES & TIMELINE**

The Indian IT-BPM industry is set to exceed \$300 billion by FY2026, driven by AI, cloud, 5G, and cybersecurity, with a projected CAGR of 5–7%. Backed by strong global demand, digital initiatives, and rising domestic consumption, the sector is expected to add 126,000+ jobs in FY2025. With a 58% share in global IT sourcing. India remains a global leader in innovation and tech services.

### **Industry Insights**

- India's IT-BPM sector is projected to grow at a CAGR of **5–7%**, reaching **\$300 billion** by FY2026, up from ~\$245 billion in FY2024.
- Growth is driven by strong global demand, rising digital transformation, and increasing enterprise IT spending across BFSI, healthcare, and manufacturing.
- India's early adoption of AI, Cloud, 5G, and **Cybersecurity**, along with robust government support, is fueling innovation and sector-wide expansion.
- With a **58% share** in global IT sourcing, India remains a dominant global technology hub, backed by a skilled workforce of over **5.4 million** professionals.



### **History and Timeline**



### 36

# **KEY PLAYERS & COMPETITIVE** LANDSCAPE

The Indian IT industry is led by giants like TCS, Infosys, and Wipro, with a strong global presence and diverse service offerings. Rising SaaS startups such as Zoho and Freshworks are gaining international traction. Companies focus on innovation, talent, and global expansion to maintain competitiveness and capture market share.

### Key Players

Company	Market Cap (₹ Cr)	Revenue (USD)
CONSULTANCY Tata Consultancy Services (TCS)	₹14,59,464	~\$30.18B
Infosys Infosys	₹7,81,395	~\$19.28B
HCLTech HCL Technologies	₹4,68,067	~\$13.84B
wipro	₹3,33,926	~\$10.7B
Tech Mahindra Tech Mahindra	₹1,65,160	~\$5B

### **Recent Major News**

HCLTech projects a **2–5% growth** in constant currency revenue for FY26, driven by strong \$3 billion deal wins and resilient client demand, despite global economic challenges

The Government of India launched the IndiaAI Mission, allocating ₹10,300 crore (~\$1.25) **billion**) to strengthen AI infrastructure, including a supercomputing system with 18,693 GPUs to promote innovation and AI-driven skilling initiatives.

Infosys reported a net profit of **₹7,033 crore** for Q4FY25, down **12% year-on-year**, with revenues rising 7.9%. The company also issued a weak growth outlook for FY26, signaling cautious client spending.

### **Porter's Five Forces Analysis**

### **Threat of New Entrants**

- competitive pressure.

### **Bargaining Power of Buyers**

- suppliers leverage.

### Threat of Substitute Products

- higher value propositions.

### **Bargaining Power of Suppliers**

- service models.
- risks.

### **Competitive Rivalry**

- innovation, pricing, and customer service.



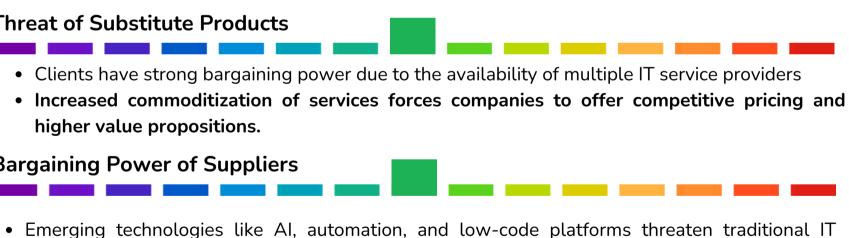
High capital investment, established client trust, and brand loyalty act as barriers.

• However, tech-driven startups and niche players continue to emerge, creating moderate



• A vast pool of skilled IT professionals reduces the influence of suppliers over companies.

• Yet, the demand for specialized skills like AI, cybersecurity, and cloud expertise gives certain



• Cloud computing and SaaS (Software as a Service) solutions further intensify substitution



High fixed costs and slow industry growth rates amplify the battle for market share.

# **GOVERNMENT POLICIES**, **REGULATIONS AND TECHNOLOGY TRENDS**

India's IT sector is rapidly advancing through initiatives like Digital India, stronger data protection laws, and supportive government policies. With rising cloud adoption, AI/ML integration, and 5G deployment, the sector is driving innovation and job creation. Investments and policy frameworks are boosting startups, cybersecurity, and digital infrastructure nationwide.

### Digital India Initiative

Launched in July 2015, Digital India is a transformative strategy to build a digitally empowered society. It emphasizes universal infrastructure, on-demand governance, and digital literacy to drive economic growth and inclusion.

Key highlights of the initiative include:

- **₹1.4 trillion** mobilized through public-private partnerships.
- UPI processed **134.6 billion** transactions worth **\$2.8 trillion** in 2024, capturing **40%** of global real-time payments.
- BharatNet achieved **75% broadband penetration** across 250,000 gram panchayats.

### Information Technology Act & Data Protection Framework

The IT Act, 2000 laid the legal foundation for electronic contracts and cybersecurity in India, while the **DPDP Act**, 2023 introduced a consent-driven data protection regime, enhancing transparency and accountability across enterprises.

Key features of the framework include:

- ₹500 crore penalties introduced for personal data breaches.
- 81% of enterprises adopted zero-trust cybersecurity architectures post-DPDP.
- **57%** of companies increased cybersecurity budgets after the DPDP Act enforcement.

### 

### **GOVERNMENT POLICIES**

### **STARTUP INDIA INITIATIVE**

### Startup India has nurtured **112 unicorns and** 2.7 million jobs, with 45% from tier-2/3 cities. It mobilized **₹1.1 lakh crore** VC funding through the ₹10,000 crore Fund of Funds, driving fintech success with players like PhonePe (\$12B valuation).

### **STPI/SEZ FRAMEWORK**

SEZs and STPI units drive 60% of IT exports with tax holidays & infrastructure support. 75 STPI centers aided 1,200 startups in AI/ML, while Bengaluru's Global Innovation District contributed 38% of India's AI patent filings.

Cloud technologies have redefined enterprise IT in India, with 84% of organizations adopting them for scalability and cost efficiency. The government's MeghRaj initiative has boosted public sector cloud adoption, driving a **\$4.1 billion domestic** market, projected to grow at 23% CAGR through 2030. Security features like Cloud Security Posture Management (CSPM) and Zero-Trust Network Access (ZTNA) are enabling safer hybrid work environments.

India's AI market is expanding rapidly, with **\$475 million** invested in generative AI between 2021–2023. Enterprises are increasingly leveraging AI/ML for threat detection (74% adoption in cybersecurity), predictive maintenance, and personalized services. Bengaluru has emerged as a global AI innovation hub, hosting centers of excellence from leading firms like Microsoft and Google, alongside startups like AiDash.

The rollout of 5G services has accelerated adoption of latency-sensitive applications across healthcare (tele-robotic surgery), manufacturing (predictive quality control), and smart cities. Edge computing adoption has grown 34.4% yearover-year, supporting real-time data processing. Telecom-IT collaborations are also facilitating the development of network function virtualization solutions.

### **Innovation and Technology Trends**

### **Cloud Computing Adoption**

### Al and ML Integration

### **5G Network Deployment**

### **CHALLENGES & FUTURE RISKS**

India's IT sector navigates a complex risk landscape—from talent shortages and global market reliance to cybersecurity threats and economic headwinds. As the industry expands its global footprint, addressing these structural challenges is key to sustaining long-term growth and resilience.

### Attrition and Talent Gaps

- Attrition in critical roles remains high at 15–20% annually, risking ₹713 trillion (\$8.6T) in lost revenue by 2030.
- Despite 96% of employers planning to hire in H1 2025, 42% face retention issues in cybersecurity, AI, and cloud.
- Of 82,000 freshers hired in FY25, only 35% had AI/ML skills needed for nextgen projects.
- GCCs allocate 18-22% of budgets to upskilling, collaborating with 450+ institutes to bridge the skills gap.
- 72% of GCC leaders say talent management is their top challenge, with 2.5 million AI/ML specialists needed by 2027.

### Dependence on Global Markets

India's IT exports remain closely tied to Western markets, with 68% of \$210 billion FY2025 export revenue coming from North America and Europe. This dependency brings risks amid global tech spending slowdowns:

- US IT budgets shrank 1.2% YoY in Q1 2025, stalling \$4.5 billion worth of Indian outsourcing deals.
- The EU's Carbon Border Tax may add 7-9% compliance costs for firms working with industrial clients.
- The sector's reliance on legacy outsourcing (55% of revenue) is under threat as GenAl may automate 35% of routine coding by 2026.

challenges:

- stress.

Morgan Stanley revised FY2026 growth forecasts downward by 200 bps to 4.5%, citing reduced discretionary tech spending in banking (-9% YoY) and retail (-7% YoY) verticals.





Cyberattacks on Indian IT firms surged 63% YoY in 2024, with ransomware demands averaging **\$12.7 million** per incident. New rules under the DPDP Act 2023 have driven up compliance costs:

• 57% of enterprises now spend 18–22% of IT budgets on data localization and breach reporting.

restrictions.

The landscape now mandates quarterly security audits and AI transparency reports, burdening SMEs. Talent gaps persist, with 350,000 roles unfilled despite 85% pay hikes for certified ethical hackers.

### **Economic Slowdowns and Sectoral Headwinds**

India's GDP growth moderation to 6.5% in FY2025 has cascaded into IT sector

• Client payment cycles extended from 60 to 90 days, increasing working capital

• 14% of mid-tier IT firms face liquidity crises due to delayed project clearances.

### Cybersecurity Threats and Regulatory Complexity

• Digital India Act 2025 may raise cloud costs by 30% due to cross-border data

# BANKE UNVEILED

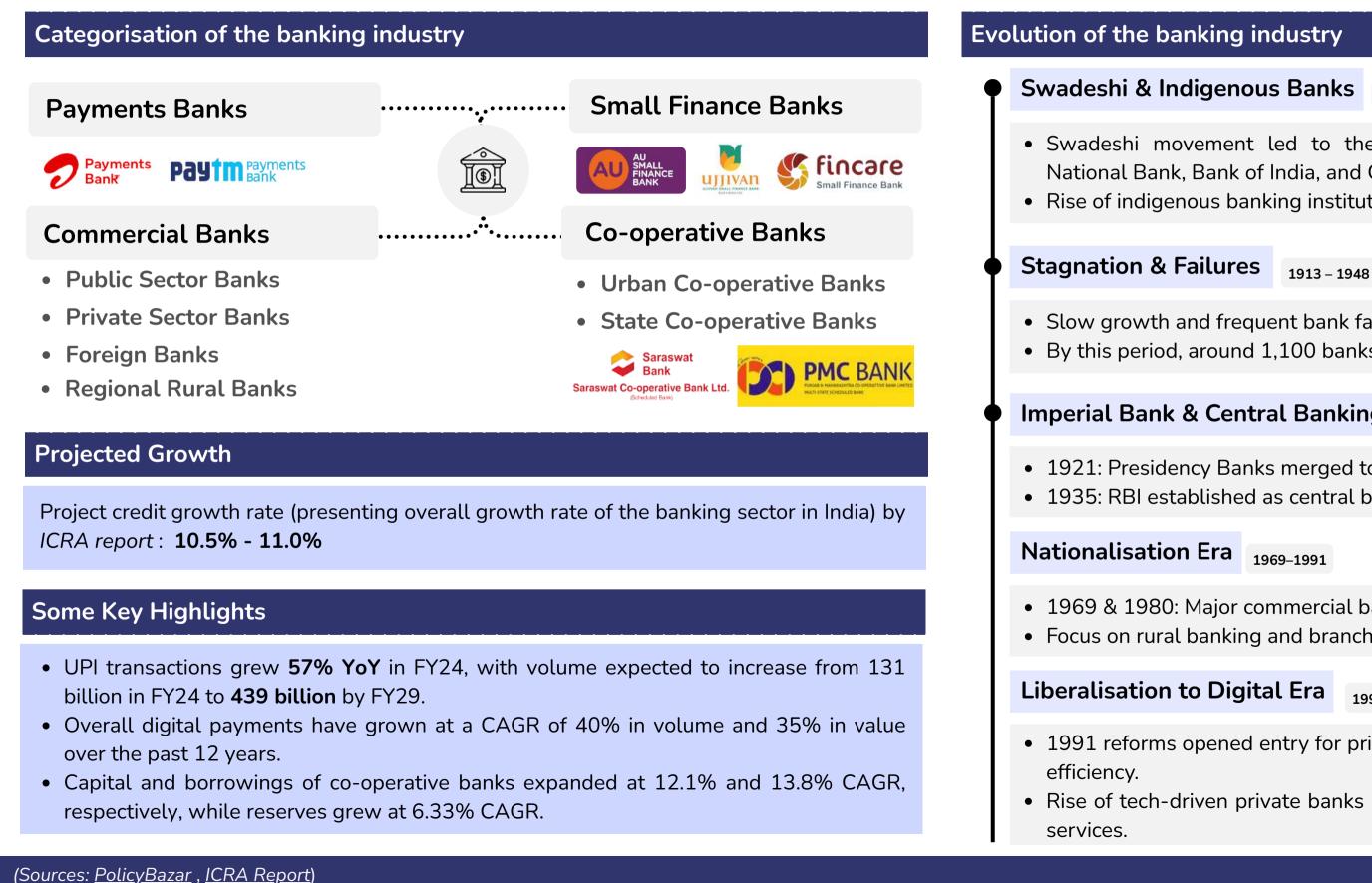
Unveiling Growth, Risks & Innovation





# INDUSTRY UNDERSTANDING **& MARKET GROWTH**

The Indian banking industry is a key driver of economic growth, comprising commercial banks, co-operative banks, small finance banks, and payments banks. With increasing digital adoption and financial inclusion, the sector is projected to grow at 10.5% - 11.0%, as per the ICRA report, reflecting steady credit expansion and evolving banking services.



Swadeshi & Indigenous Banks 1906 - 1913

• Swadeshi movement led to the creation of Indian-owned banks like Punjab National Bank, Bank of India, and Central Bank of India.

• Rise of indigenous banking institutions to counter colonial dominance.

• Slow growth and frequent bank failures undermined public confidence. • By this period, around 1,100 banks existed, but many were unstable

Imperial Bank & Central Banking 1921 - 1949

• 1921: Presidency Banks merged to form Imperial Bank of India. • 1935: RBI established as central bank.



 1969 & 1980: Major commercial banks nationalized. • Focus on rural banking and branch expansion.

### 1991–Present

• 1991 reforms opened entry for private and foreign banks, boosting competition and

• Rise of tech-driven private banks and rapid adoption of digital banking and mobile

# **POLICY FRAMEWORKS & GOVERNMENT POLICIES**

The policy frameworks in India are evolving to support economic growth and social welfare, with a focus on streamlining regulations and enhancing transparency. Government policies are increasingly promoting digitization, sustainability, and financial inclusion while balancing fiscal prudence and public welfare. These policies aim to create a robust environment for innovation, business growth, and inclusive development.

### **Central Bank Digital Currency**

A Central Bank Digital Currency (CBDC) is essentially the digital version of a country's physical cash (like dollars, euros, or rupees). Think of it as official digital money issued and backed directly by the nation's central bank, just like paper bills and coins are, but it only exists electronically.

### 🔛 API-driven data sharing

Within the banking industry, API-driven data sharing refers to the strategic use of Application Programming Interfaces (APIs) to enable secure, standardized, and controlled exchange of financial data and functionalities between banks, authorized third-party providers (TPPs) such as FinTech companies, and potentially other financial institutions.

### 

As ONDC enables seamless discovery and transactions between diverse participants, banks play a crucial role in providing the underlying payment infrastructure (like UPI, cards, net banking, and potentially CBDC in the future) to ensure secure and efficient settlement of these transactions.

### is Indian Financial Technology and Allied Services

IFTAS is a wholly-owned subsidiary of the Reserve Bank of India (RBI) established to design, deploy, and support critical IT infrastructure and services for the Indian banking and financial sector.



The primary goal is to improve financial inclusion in rural areas by tasking Public Sector Banks with developing a 'Grameen Credit Score' framework . This framework is intended to better serve the credit needs of Self-Help Group (SHG) members and the broader rural population, who may not have traditional credit histories.



Union Budget 2014-15 August 28, 2014

The primary goal is to improve financial inclusion in rural areas by tasking Public Sector Banks with developing a 'Grameen Credit Score' framework. This framework is intended to better serve the credit needs of Self-Help Group (SHG) members and the broader rural population, who may not have traditional credit histories.

### Updates by RBI (April 2025)

- (0.25%).
- 2024-25).

• The Monetary Policy Committee (MPC) unanimously cut the policy reported by 25 basis points

• These rate actions aim to align Consumer Price Index (CPI) inflation with the 4% target (within the +/- 2% band) while supporting economic growth.

• Real GDP growth is projected at 6.5% for the financial year 2025-26 (same as the estimate for

• CPI inflation is projected at 4.0% for the financial year 2025-26.

# **KEY PLAYERS AND COMPETITIVE LANDSCAPE**

Market Share Distribution Among Public, Private, and Foreign Banks Foreign banks hold the smallest share of the Indian banking market, with 7.4% of the market share in 2024-25 Public sector banks own 72.9% of the market, while private sector banks account for 19.7%.

### **Key Players**

Market Leader	<b>kotak</b> Kotak Mahindra Bank	HDFC BANK	<b><i>PICICI Bank</i></b>	
Market Cap (in Rs., cr)	3,49,282	12,67,441	8,81,501	32,21,551
Profit CAGR (3 yrs, %)	22.2%	26.3%	34.0%	54.2%

### **Recent Mergers, Acquisitions, and Fintech Partnerships**

### Fincare-AU Small Finance Bank Merger (April 2024)

• Fincare Small Finance Bank merged with AU Small Finance Bank, with AU becoming the surviving entity. The merger created a pan-Indian retail banking franchise focused on financial inclusion, serving 1.06 Crore customers across 25 states/UTs through 2,352 touch points.

### ICICI Prudential Life - Ujjivan SFB Partnership (December 2023)

• ICICI Prudential Life Insurance partnered with Ujjivan Small Finance Bank in a bancassurance arrangement. Through Ujjivan's network of 700+ branches across 26 states and Union Territories, customers can access ICICI Prudential Life's protection, long-term savings, and retirement products.

### Google India - NPCI International Partnership (January 2024)

• Google India Digital Services and NPCI International signed an MoU to expand UPI globally, enabling foreign merchants to access Indian customers and reducing reliance on forex cards.



### **Competitive Rivalry**

(Sources: , Blinkx, Indian Brand Equity Foundation Report, Papers SSRN)

# CHALLENGES AND FUTURE **RISKS**

The Indian banking sector faces liquidity constraints, credit risks, global economic pressures, and cybersecurity threats. Rising NPAs, tight liquidity, and geopolitical instability strain profitability, while cyberattacks—over 2,500 weekly—cause major financial losses. Strong risk management, governance, and digital security are essential.

### **Credit Risk and Asset Quality Challenges**

- While the Gross Non-Performing Asset (GNPA) ratio of SCBs fell to a 12-year low of 2.8% in FY 2023-24, the share of personal loans (excluding housing loans) in overall fresh accretion to NPAs is increasing, forming 40.0% of fresh NPAs in 2023-24, even though their share in total advances is 21.3%.
- The total credit provided by SCBs to the MSMEs outstanding as of March 2023 was ₹8.51 trillion. However, there is a significant addressable credit gap for MSMEs estimated at ₹25.8 trillion
- Signs of stress have been reported in certain unsecured retail loan segments like consumption loans, microfinance loans, and credit card outstanding as of June 2024.

### **Digitalisation and Technological Challenges**

- While digital lending offers significant opportunities, it also presents risks related to data security, cyber threats, and regulatory compliance. The RBI Governor has expressed concern about the backdoor entry of unregulated players via digital routes. The value of the digital lending market in India has seen substantial growth, estimated at USD 350 billion in 2023.
- The RBI has raised serious concerns over the risks posed by unsecured loans, which surged by 25.5% as of March 2023. This rapid growth has led to higher delinguencies, prompting the RBI to implement stricter regulations, including higher risk weights for unsecured loans.



segment.

- in losses in the form of :

### Macroeconomic and Financial Stability Risks

• The global economic backdrop is uncertain, characterised by the last mile of disinflation, elevated public debt, geopolitical tensions, and economic fragmentation, which can impact the Indian financial system. The IMF has projected a decrease in global GDP growth from 6.8% in 2023 to 5.9% in 2024.

• There has been a fall in household net savings from 11.5% of GDP in 2020-21 to 5.1% in 2022-23, falling below the long-run average of 7%. Simultaneously, household financial liabilities have risen from 3.8% of GDP in 2020-21 to 5.8% in 2022-23, leading to rising delinguencies in this

### **Cybersecurity Threats to Indian Banks**

• High Attack Frequency: Indian banks face an average of over 2,500 cyberattacks weekly, exceeding the global average.

• Significant Financial Losses: These attacks have resulted in billions of dollars

1 Direct Financial Losses 2. Reputational Damage 3. Disruption of Services

• Banks must enhance cybersecurity to combat digital threats and safeguard operations amid growing tech reliance and global integration.

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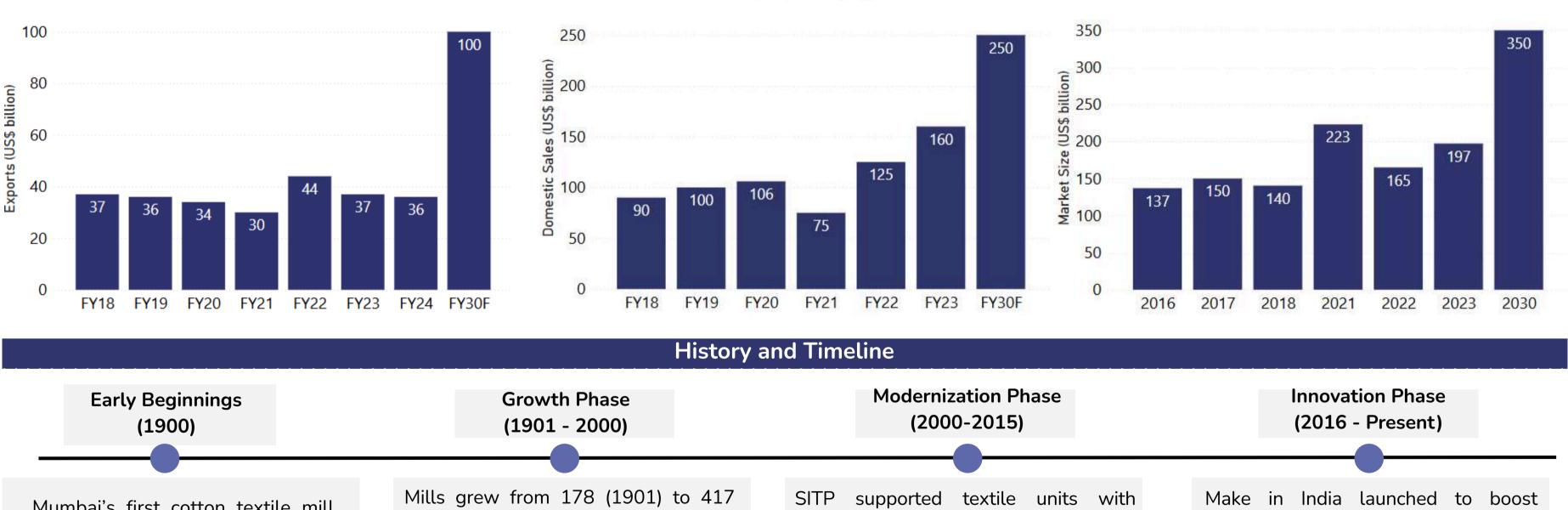
# Your Comprehensive Guide from Fibers to Fashion



# MARKET TRENDS AND **HISTORICAL GROWTH RATES**

India's textile industry has evolved from early cotton mills to a global player, driven by modernization, policy support, and rising exports. With a projected market size of \$350B by 2030 and strong domestic and export growth, the sector is poised for rapid expansion backed by initiatives like TUFS, MITRA, and Make in India.

**Industry Insights** 



Exports (US\$ billion) by Fiscal Year

Domestic Sales (US\$ billion) by Fiscal Year

Mumbai's first cotton textile mill was set up in 1854. Ahmedabad's first cotton mill came in 1861, later emerging as a rival to Mumbai.

(1945). Post-partition, India got 409 mills; Pakistan 14. TUFS (1999) eased capital for tech upgrades. TMC (2000) boosted productivity. NTP focused on textile and apparel growth.

infrastructure. Post-MFA, cotton prices aligned globally. Technical textiles opened growth. FTAs with ASEAN, EU discussed. Restructured TUFS launched with \$420.65 million subsidy cap.

### Market Size (US\$ billion) by Year

manufacturing and FDI. Technology Mission Technical for Textiles continued. MITRA scheme launched to set up seven textile parks over three years.

# **REGIONAL ANALYSIS**

India's textile sector thrives through region-specific strengths—West India leads in cotton and synthetic fabric production, South India drives exports with knitwear hubs, North India focuses on woolen and traditional textiles, while East India emerges in jute and technical textiles. Government schemes like PM MITRA and SAMARTH fuel infrastructure and innovation across these clusters.

### West India: Innovation and Scale

- Gujarat leads the country in cotton production, contributing 33% of the national supply.
- Surat processes 40 million meters of synthetic fabric daily, with the region being a key player in textile manufacturing.

### Recent developments:

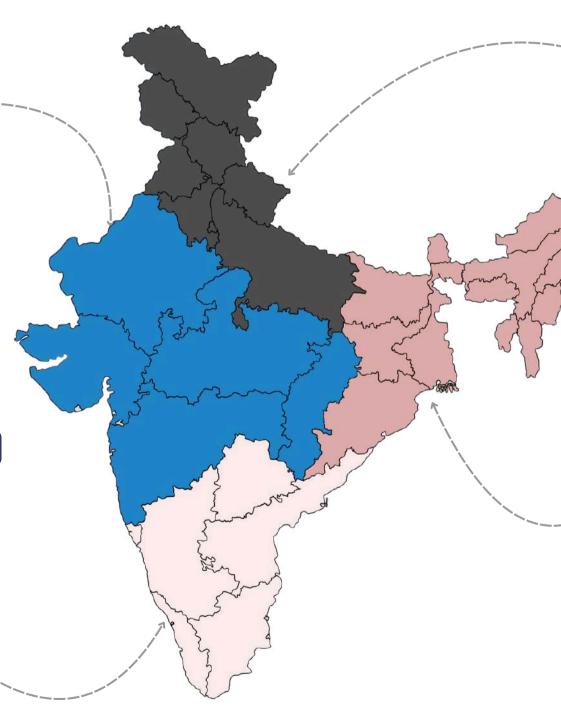
- Gujarat: The PM MITRA park is underway with a focus on integrating 50,000 spindles and 200 garment units. The state has also reduced GST on agro-textiles by 12%.
- Maharashtra: A zonal strategy divides textile development into Vidarbha, Marathwada, North Maharashtra, and Konkan, with specific initiatives like expanding cotton processing and building technical textile parks.

### South India:Textile Powerhouse

- Southern India accounts for 42% of India's textile exports, with Tamil Nadu being a leader, particularly in yarn and knitwear production.
- Coimbatore produces 34% of India's yarn.
- Tirupur, renowned for knitwear, generates \$6 billion inannual turnover.
- Karur supplies 60% of global home textiles

### **Recent developments:**

 Tamil Nadu: The state is developing a ₹4,445 crore integrated textile park under PM MITRA. This project aims to create 100,000 direct jobs.



### North India: Modernizing Traditional Hubs

Punjab and Haryana remain dominant in woolen textiles, with Ludhiana producing 60% of India's woolen hosiery. Panipat is the hub for global durrie exports, and Ambala hosts 200 crochet units transitioning to technical textiles.

### Key developments:

- Delhi-NCR: NIFT is fostering 150 startups under the SAMARTH scheme, focusing on AI-driven textile design and sustainable dyes.
- Punjab-Haryana Corridor: A major textile export corridor, particularly for woolen products, and key areas like Ludhiana have strong export figures.

### East India: Jute and Emerging Synthetic Hub

West Bengal remains the center of the jute industry, with 83 mills employing 400,000 people, whileOdisha is emerging as a hub for technical textiles, particularly in medical and geotextiles.

### Key developments:

- West Bengal: The state has enacted the Modified WBTIS 2022, offering a 100% electricity duty waiver for new units. Additionally, the jute MSP has been set at ₹6,725 per quintal to support farmers.
- Odisha: The PM MITRA park in Odisha focuses on geotextiles and medical textiles, with ₹50 lakh startup grants available for MSME units.

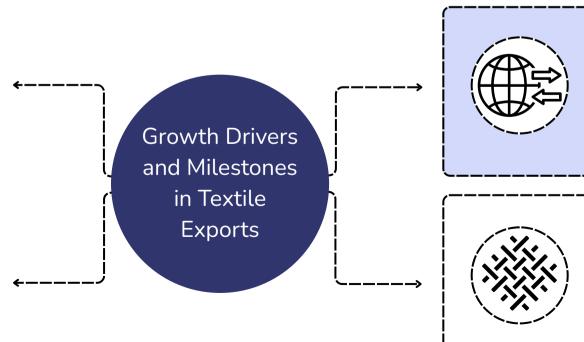
# **FOREIGN TRADE**

India's textile exports in FY24 show a strong and diversified profile. Ready-Made Garments (RMG) led with \$14.53 billion, followed by Cotton Yarn, Fabrics, and Handloom products at \$11.67 billion. Growing demand for synthetic fibers boosted Manmade Yarn/Fabric exports to \$4.68 billion. Handicrafts and carpets highlight India's cultural strengths, while niche segments like jute products add further depth. Together, these segments position India as a leading global supplier across both traditional and modern textile markets.

**Textile Exports Overview** Share of India's textile exports FY24 Textile exports from India (US\$ billion) 42.4% 40 Exports (US\$ billion) 05 05 Category RMG of all Textiles 30 Cotton Yarn/Fabs./Made-u 0.8% Manmade Yarn/Fabs./Mad 3.9% Handicrafts excl. Handmad Carpet 5.3% Jute Mfg. including Floor C 10 13.6% 0 34% FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24

According to ICRA, Indian apparel exporters are projected to achieve revenue growth of 9-11% in FY25, driven by the gradual reduction of retail inventory in key end markets and a shift in global sourcing towards India.

India is the world's second-largest textile exporter. Capacity built over years has led to low cost of production per unit in India's textile industry. This has lent a strong competitive advantage to the country's textile exporters over key global peers.



	Commodities	Value (US\$ million)	
	RMG of all Textiles	14,532	
	Cotton Yarn/Fabs./Made- ups/Handloom Products	11,667	
dloom t	Manmade Yarn/Fabs./Made- ups	4,679	
	Handicrafts excl. Handmade Carpet	1,802	
	Carpet	1,349	
	Jute Mfg. including Floor Covering	268	

India's textiles and apparel exports, including handicrafts, grew by 7% during the April-October period of FY25, reaching Rs. 1,83,098 crore (US\$ 21.35 billion), up from Rs. 1,71,520 crore (US\$ 20 billion) in the same period of FY24.

During FY24, the total exports of textiles stood at US\$ 35.9 billion. The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027.

# **GOVERNMENT POLICIES**, **REGULATIONS AND TECHNOLOGY TRENDS**

India's textile sector is being rapidly modernized through key government initiatives like A-TUFS, SCBTS, and SAATHI, aimed at boosting technology, skills, and employment. With 100% FDI permitted and inflows reaching \$4.47B in FY24, the industry is attracting major global players and strengthening its global manufacturing position.

### Amended Technology Up-gradation Fund Scheme (A-TUFS)

- US\$ 75.74 million (Rs. 621.41 crore) in subsidies distributed across 3,159 cases under the Amended TUFS, with special drives to clear backlog cases.
- Between FY16 and FY22, the government allocated Rs. 17,822 crore (US\$ 2.38 billion) under the Amended TUFS to boost the textile industry and ease business operations.

### National Textile Policy - 2000

- Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements.
- The new policy draft targets employment for 35 million people by attracting foreign investment and aims to set up a modern apparel manufacturing center in every Northeastern state, backed by a US\$ 3.27 million investment.

### Scheme for Capacity Building in Textiles Sector (SCBTS)

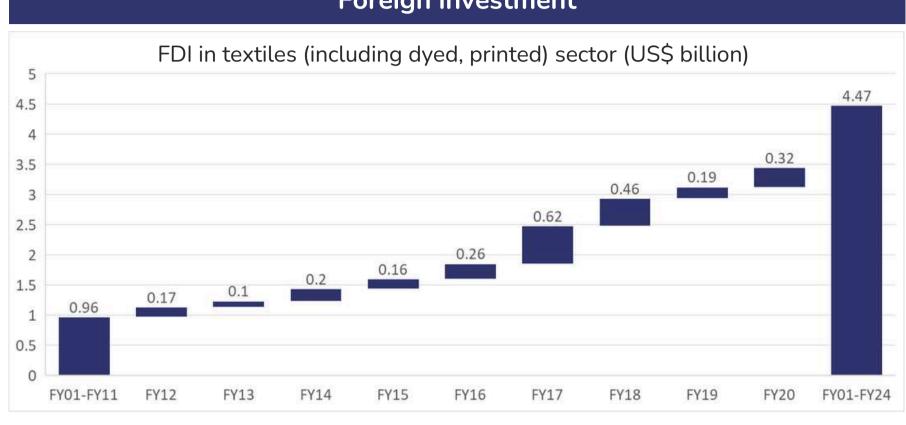
- The Cabinet Committee on Economic Affairs (CCEA) approved the Scheme for Capacity Building in Textile Sector (SCBTS) with an outlay of Rs. 1,300 crore (US\$ 202.9 million) for FY18-20.
- The scheme focuses on demand-driven, placement-oriented skilling to create jobs in the organised textile sector and promote skill upgradation in traditional sectors.

### **SAATHI Scheme**

The Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd. (EESL), has technology launched а upgradation called SAATHI scheme (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.

### **FDIs**

Foreign Direct Investment (FDI) up to 100% is permitted in the textile sector under the automatic route, allowing foreign investors to invest without prior government approval to boost capital inflow, create jobs, and strengthen India's position as a global textile manufacturing hub.





100% FDI is permitted in the sector. Cumulative FDI inflows in the textiles sector (including dyed and printed textiles) stood at Rs. 29,077 crore (US\$ 4.56 billion) between April 2000-September 2024.



The textiles industry in India is experiencing a significant increase in collaboration between global majors and domestic companies, giants like Hugo Boss, Liz Claiborne etc. have already started operations in India.



In April 2021, South Korea's textile major Youngone announced that it will start its operations within six months at Kakatiya Mega Textile Park in Warangal, providing employment to 12,000 people in the region.

### Foreign investment

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Your Comprehensive Guide from Coverage to Innovation

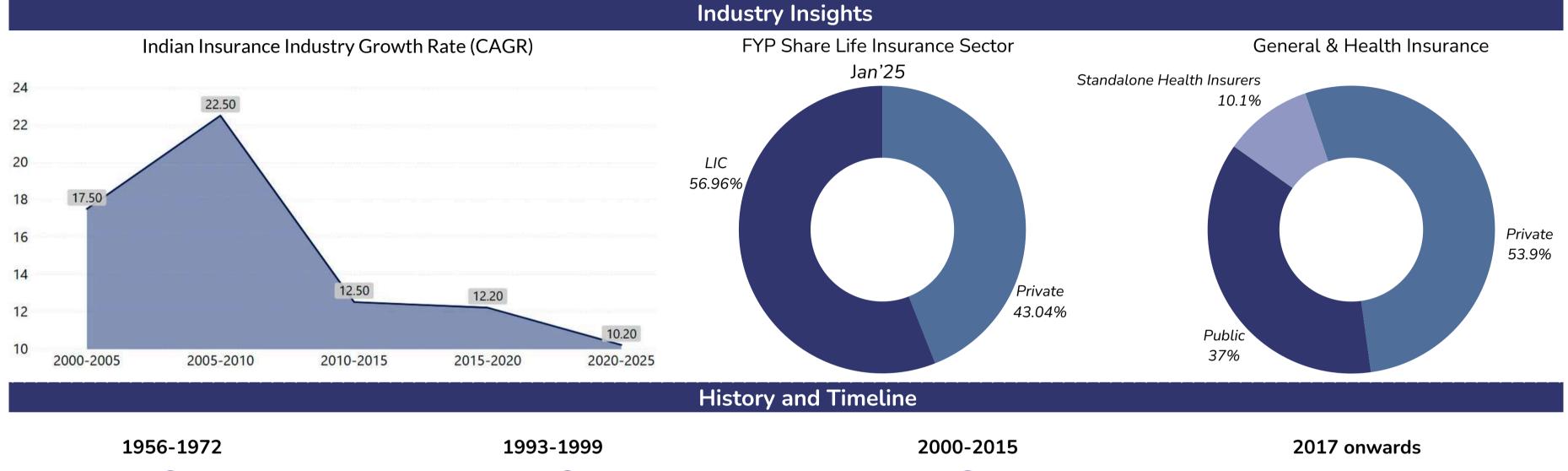






# MARKET TRENDS AND **HISTORICAL GROWTH RATES**

India's insurance industry has evolved into one of the fastest-growing sectors globally, driven by robust economic growth, rising income levels, increasing risk awareness, and strong regulatory support. The sector benefits from digital innovation, government initiatives, and a growing middle class. In 2024, India's total insurance premium volume reached approximately \$141 billion, with insurance penetration rising to 3.8% of GDP



All life insurance companies were nationalized to form LIC, and the nonlife insurance business was nationalized to form GIC, in order to increase penetration and protect policyholders from mismanagement.

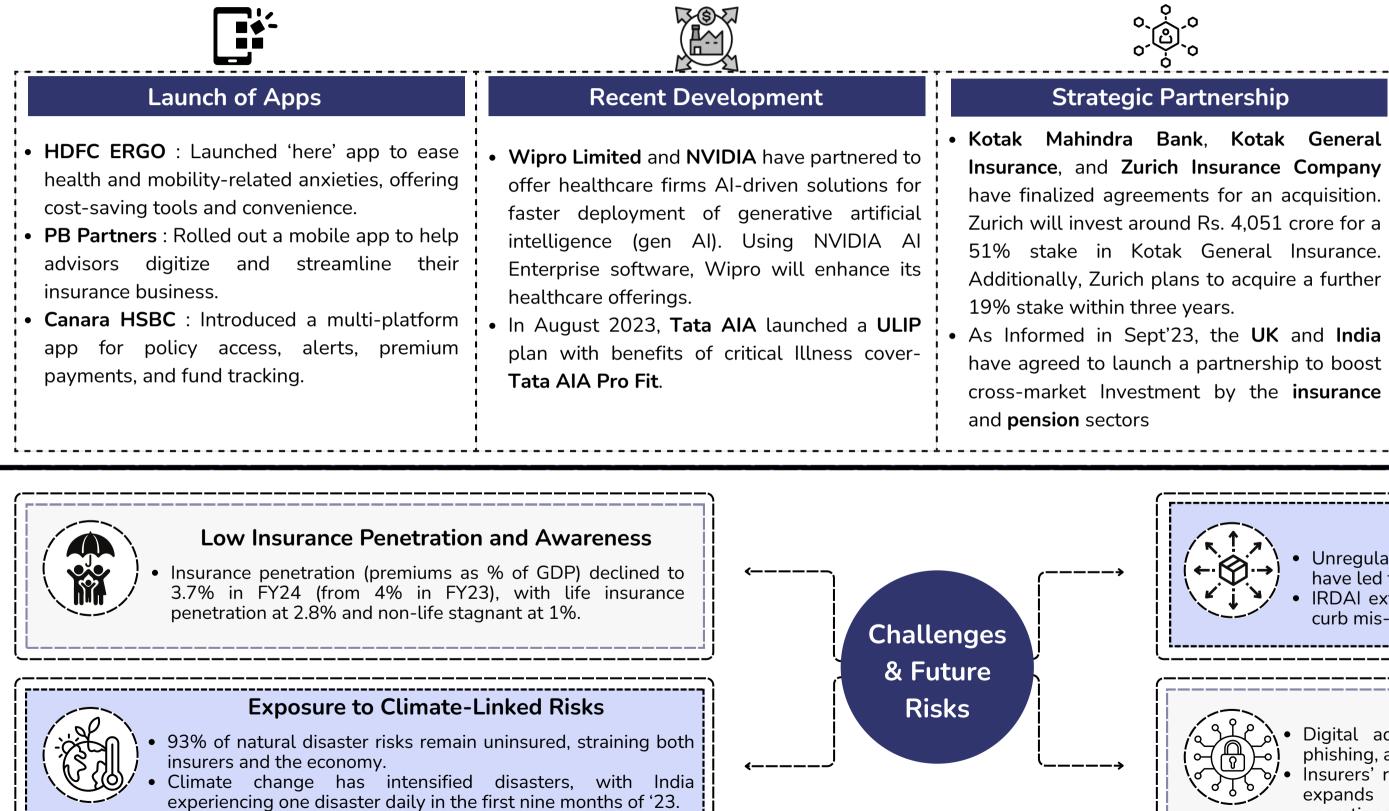
The Malhotra Committee recommended opening the insurance sector to private players. In 1999, the IRDAI, LIC, and GIC Acts were passed, making IRDAI the statutory regulator and ending the monopoly of LIC and GIC.

The government approved raising the FDI limit in the insurance sector from 26% to 49%, aiming to attract US\$ 7-8 billion in investment. In 2015. it launched Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana and Atal Pension Yojana

The government has raised the FDI limit, enabling full foreign ownership. The COVID-19 pandemic underscored the need for greater financial security, leading more consumers to invest in life insurance products for protection against uncertainties

# **INVESTMENT TRENDS AND FUTURE RISKS**

The Indian insurance sector is at a crossroads: rapid growth and digitalization are reshaping the landscape, but challenges persist across infrastructure, regulation, market operations, and technology. Increased risk awareness, evolving regulations, and heightened consumer expectations are driving transformation, yet gaps in penetration, innovation, and operational efficiency remain.



### **Insurance Price Index**

• India's first and foremost insurance price index has been launched by one of India's leading online insurance web aggregators, PolicyX.Com. By tracking changes & patterns in premium price rates, the price index would allow consumers to have a transparent and better understanding of insurance prices

### **Distribution and Mis-selling Issues**

Unregulated channels like bancassurance and call centers have led to mis-selling, biased advice, and privacy violations. IRDAI extended the free-look period to 30 days (from 15) to curb mis-selling, but legacy distribution models persist

### **Cybersecurity Threats**

- Digital adoption has heightened risks of data breaches, phishing, and ransomware attacks.
- Insurers' reliance on cloud storage and third-party platforms expands vulnerabilities, threatening customer trust and operational resilience

# **KEY PLAYERS & COMPETITIVE LANDSCAPE**

India's insurance industry stands at a pivotal stage of transformation, marked by robust growth, evolving competition, and significant opportunities for expansion. The sector is on track to become the fastest-growing insurance market among G20 nations over the next five years, driven by strong economic fundamentals, rising disposable incomes, and increasing awareness of risk and financial protection

**Key Players** 

Company	Market Cap (₹ Cr)	ROCE (%)
Life Insurance Corp.	₹5,08,023.82	72.95
<b>SBI</b> SBI Life Insurance	₹1,61,163.36	13.23
ICICI Lombard	₹1,55,025.91	7.43
HDFC Life Insurance	₹88,903.59	24.86
ICICI PRUDENTIAL	₹86,094.07	11.83

### **Recent Major News**

### **Bajaj Finserv's Landmark Acquisition (March 2025)**

• In one of the industry's most significant transactions, Bajaj Finserv acquired Allianz SE's entire 26% stake in Bajaj Allianz General Insurance and Bajaj Allianz Life Insurance for INR 24,180 crore, concluding a 24-year partnership. This acquisition increases Bajaj Group's ownership to 100% in both insurance companies, providing complete operational control and decision-making authority.

### LIC's Health Insurance Diversification (March 2025)

• Life Insurance Corporation announced plans to acquire a 50% stake in ManipalCigna Health Insurance for an estimated INR 1,750-2,000 crore, strategically expanding its presence beyond life insurance into the rapidly growing health insurance segment.

### Porter's Five Forces Analysis

### **Threat of New Entrants**

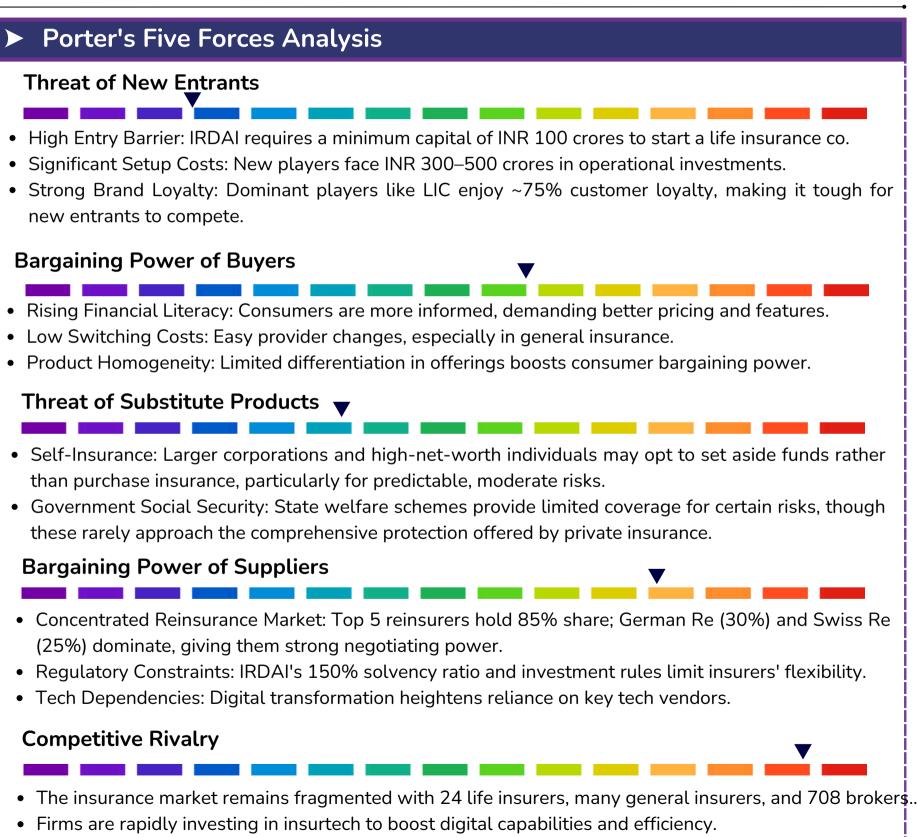
- new entrants to compete.

### **Bargaining Power of Buyers**

### Threat of Substitute Products

### **Bargaining Power of Suppliers**

### **Competitive Rivalry**



# **GOVERNMENT POLICIES**, **REGULATIONS AND TECHNOLOGY TRENDS**

The Indian insurance sector operates under a robust legal framework led by the Insurance Act of 1938, which sets the foundation for insurance operations. This is reinforced by the IRDA Act of 1999, establishing the regulatory authority, and the Marine Insurance Act of 1963, modeled on UK law, which governs marine insurance and influences non-marine contracts through judicial interpretation.

### Data Governance & FDI Policies

- The 2025 IRDAI regulations introduce stringent data governance requirements, mandating electronic record-keeping with robust security and privacy measures. Insurance entities must now adopt a comprehensive data governance framework, implement boardapproved policies for record maintenance and store all data in centers located and maintained exclusively in India.
- The Indian government has increased the Foreign Direct Investment (FDI) limit in insurance companies from 74 % to 100 %, enabling complete foreign ownership. This strategic decision is intended to attract additional capital into the long-term, capital intensive insurance sector, ensuring that insurers invest all collected premiums within the country.

### **Scheme-based Support**

- Ayushman Bharat (Pradhan Mantri Jan Arogya Yojana) (AB PMJAY) aims at providing a health cover of Rs. 5 lakh (US \$ 6,075) per family per year for secondary and tertiary care hospitalization.
- Insurance cover for 44.6 crore persons under PM Suraksha Bima and PM Jeevan Jyoti Yojana was provided during FY23.

### **KEY CHANGES IN UNION BUDGET 2025**

### **ULIP TAXATION CHANGES**

A significant development in the Union Budget 2025 affects Unit Linked Insurance Plans (ULIPs), introducing capital gains tax on ULIPs that do not qualify for exemption under Section 10(10D). This policy change effectively places ULIPs on par with equity-oriented mutual funds for taxation purposes.

### **NRI-SPECIFIC TAX INCENTIVES**

NRIs purchasing insurance policies through the International Financial Services Centre. Any policy issued through IFSC will enjoy tax exemptions even if annual premiums exceed ₹2.5 lakhs for ULIPs or ₹5 lakhs for other savings plans, provided the total premium does not exceed 10% of the plan's sum assured.

### 💰 BimaSugam

BimaSugam, launched by IRDAI, is a unified digital platform designed to streamline the entire insurance journey. From comparing and purchasing policies to managing and settling claims, it offers a seamless experience. Like UPI in banking, BimaSugam aims to enhance accessibility, reduce paperwork, and boost efficiency in the insurance sector.

### 🚋 Blockchain, IoT & Al

Al enhances underwriting, speeds claims, detects fraud, and powers chatbots. Blockchain ensures secure, transparent transactions and smart contracts. IoT enables real-time risk through wearables. assessment telematics. and smart homes. A regulatory FREE-AI framework ensures ethical, accountable AI adoption in insurance.

### **Innovation & Technology Trends**

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### **Telematics**

Telematics-based insurance is growing in India's auto sector, using real-time driving data to assess risk and set premiums. This shift from traditional demographic to behavior-based models pricina rewards safe driving with discounts, offering more personalized and fair insurance solutions. It marks a significant

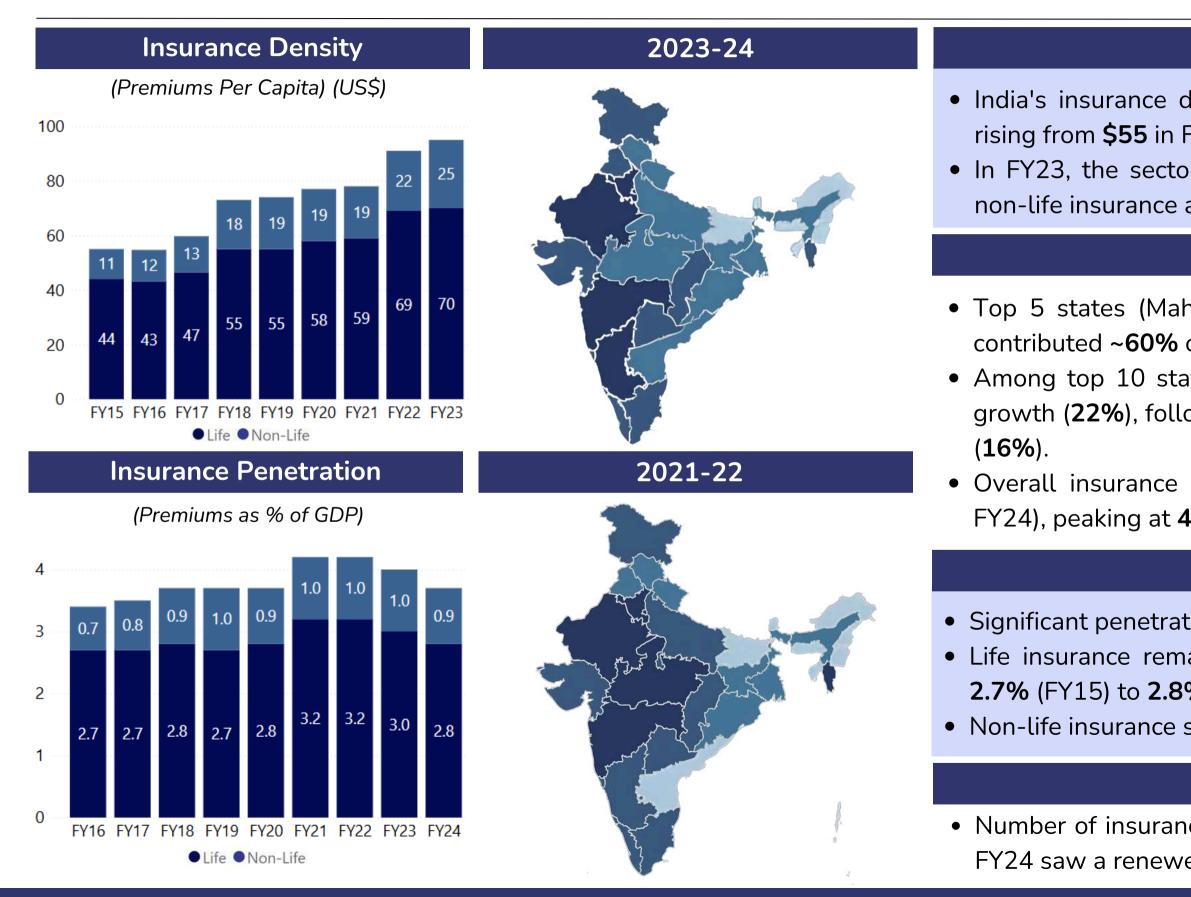
> move towards data-driven. customer-centric insurance practices.

### InsurTech Ecosystem **b**

India is now Asia-Pacific's secondlargest insurtech market, attracting over \$2.5 billion in venture capital and generating \$750 million in revenue. With 10 unicorns, 45+ minicorns, and rising soonicorns, startups are innovating across the insurance value chain, targeting underserved segments and offering specialized, tech-driven solutions.

# INSURANCE PENETRATION & DENSITY

Insurance penetration in India remains low despite a growing need for financial protection. Defined as the ratio of premiums to GDP, it reflects how deeply insurance has entered the economy. While awareness is rising and digital channels are expanding reach, major gaps persist in affordability, trust, and rural access. Regulatory efforts and tech-driven models offer promise, but broad-based adoption remains a challenge.



### <u>(Sources: GIC</u> 23, <u>IBEF</u>, <u>GIC</u> 24)

### **Insurance Density Growth**

• India's insurance density has grown significantly, with per capita premiums rising from **\$55** in FY15 to **\$95** in FY23.

• In FY23, the sectoral breakdown shows life insurance contributing **\$70** and non-life insurance accounting for **\$25** per capita.

### **Insurance Penetration Trends**

• Top 5 states (Maharashtra, Tamil Nadu, Gujarat, Karnataka, Uttar Pradesh) contributed ~60% of total premiums worth ₹1,54,000 crore in FY24.

• Among top 10 states, Gujarat and Karnataka recorded the highest premium growth (22%), followed by Delhi and Telangana (17% each), and Maharashtra

• Overall insurance penetration ranged between **3.4%-4.2%** of GDP (FY16-FY24), peaking at **4.2%** in FY21 and declining to **3.7%** by FY24.

### **Penetration Disparities**

• Significant penetration gap: Urban at **5.8%** vs. Rural at **2.3%**.

Life insurance remained dominant, with penetration slightly improving from 2.7% (FY15) to 2.8% (FY24), contributing 75.7% of total penetration in FY24.
Non-life insurance stagnated at 0.9% penetration since FY19.

### **Infrastructural Developments**

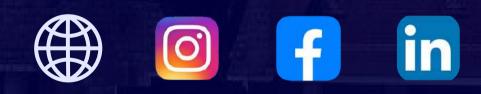
Number of insurance offices grew steadily from FY14 to FY19, then stabilized.
 FY24 saw a renewed rise with ~4.5% increase in offices.

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# THANK YOU INDUSTRY. PRIMER 2024-2025





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