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INNOVATING LOCALLY, IMPACTING GLOBALLY

From back office to boss mode, Global Capability Centres in India now power global innovation, exports, and enterprise strategy

Beyond Market
it's simplified...
NIRMAL BANG
a relationship beyond broking
a financial magazine crossing horizons

Trump's Tariff Circus
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GCCs – INDIA'S STRATEGIC NERVE

Tushita Nigam
Editor

India has recently solidified its position as a prominent hub for Global Capability Centres (GCCs). Both global banks and major tech companies are now vying for the country's extensive talent pool. As a result, cities across the nation - including those in Tier-II and Tier-III regions - are emerging as satellite GCC hubs.

The country is increasingly being recognized as a strategic operations centre for global businesses, transitioning from its traditional role as an outsourcing support provider. Our cover story in this issue details the evolution of Indian capability centres and their growing impact on global business efficiency.

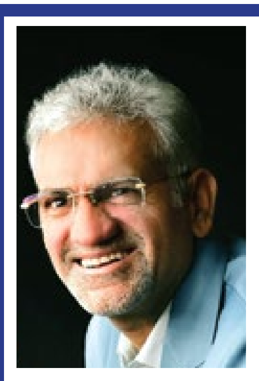
Next, explore other compelling articles featured in this issue. We examine the evolving impact of US tariff deals on other countries and their implications for India as well. This edition also covers how paint companies are navigating heightened competition, developments in India's carbon credit market alongside the upcoming Carbon Credit Trading Scheme set to launch next year, the revival of the hotel industry, growth in the consumer electronics market, the state of Indian wine production amidst dwindling demand, and the changing Indian consumption story shaped by Gen Z's distinct buying habits.

The Beyond Basics section explores investment options for children's futures - ideal for parents, grandparents, or legal guardians - along with promising opportunities within Gujarat's GIFT City. Be sure to read both articles to broaden your perspective on valuable investment options.

Also, browse through the Beyond Numbers section, which features tabulated mutual fund schemes for easy performance reference. In addition to this, there's also a technical outlook to help you make informed decisionS.

"In the coming days, the Indian stock markets are likely to be range-bound."

Nifty Futures: 24,844
(Last Traded Price As On 29th July, 2025)



US President Donald Trump finalized a framework trade agreement with the European Union and reached trade deals with Japan and the UK. Trade talks are, however, still in process between the US and China, and between the US and India. Once these are concluded, a major portion of US trade agreements will be in place.

Quarterly earnings results of India Inc for Q1 FY26 were rather subdued, falling below expectations, leading to a correction in the markets.

In the coming days, the Indian stock markets are likely to be range-bound. Nifty Futures has support at the 24,600 level. On the upper side, it is likely to touch 25,000 and 25,300, thereafter.

Market participants should focus on the RBI's announcements on interest rates, even though it's quite likely rates will stay unchanged. It's equally important to monitor the progress of trade negotiations between India and the US, and what comes out of the upcoming FOMC meeting, although US rate cuts are not really expecteD.

Dilip Bang

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An interim trade deal may ease tariff tensions between India and the US, but deeper disagreements over market access and strategic priorities remain unresolved

B

arely two months after coming to power, US President Donald Trump shocked the world when he announced reciprocal tariffs on several countries, including India, on 2nd Apr '25. However, after a big stock market pushback, he paused the increase for 90 days to allow space for trade negotiations. During this pause, a 10% base tariff remained applicable on all countries, including India.

This pause began on 9th April after global market turbulence and was set to expire on 9th July, when the higher rates would automatically resume.

Playing a high-stakes game, Trump postponed the deadline to 1st August, giving negotiators extra time to finalize trade agreements - including one with India.

The Indian policymakers were hoping to conclude a mini trade deal before wrapping up an overarching India-US bilateral trade agreement (BTA) later in the year, which is likely to reduce India's merchandise trade surplus with the United States, while opening new avenues for imports and exports.

With goods exports from India to the US rising sharply in the first quarter of the fiscal year, the trade relationship continues to gain significance. India's exports to the US rose by nearly 23% year-on-year to $25.5 billion during April to June, while imports grew by over 11% to $12.9 billion, underlining the economic stakes involved in ensuring smoother trade flows between the two countries.

THE CURRENT STATUS

As things stand, India and the United States are intensifying efforts to finalize an interim trade agreement ahead of the 1st August deadline set by Washington. While negotiations remain ongoing, an American delegation is expected to visit India in the second half of August for what would be the sixth round of discussions, likely focused on the outstanding sticking points.

The fifth round of talks concluded recently in Washington, where both countries discussed key issues including tariff reductions on agricultural products and automobiles, approaches to dealing with non-market economies, and matters related to SCOMET (Special Chemicals, Organisms, Materials, Equipment, and Technologies).

The negotiations zeroed in on longstanding contentious issues, including market access for agricultural goods, duties on industrial products like steel and aluminium, and tariff reductions in the automotive sector. India has resisted US pressure to open up its dairy and agricultural markets, citing domestic sensitivities. At the same time, New Delhi has been pushing for the rollback of supplementary tariffs on its exports, particularly steel and aluminium, which have been a sore point since their imposition in 2018 under Section 232 of the US Trade Expansion Act.

HOW WILL A TRADE DEAL WITH THE US PLAY OUT?

India accounts for a small portion of US imports despite the US being India's largest export destination. In 2024, India's share in US global imports stood at just 2.7%. However, given that the US imported goods worth $3.36 trillion in 2024, compared to $2.59 trillion for China and $1.43 trillion for Germany, there is ample scope for Indian exporters to grow their presence.

If implemented, the agreement would narrow India's substantial goods trade surplus - India shipped goods worth $91.2 billion to the US in 2024 while importing just $41.7 billion from America, the latter comprising only 2% of US global merchandise exports of $2.1 trillion.

India's higher tariff structure - an average most-favoured-nation rate of 40.6% on agricultural products and 11.6% on non-agricultural goods - has long hampered American exporters, who face tariffs of just 6.6% and 3.4% respectively. Reducing those barriers would grant US exporters better access to India's market, especially in sectors such as energy, defence, and niche agriculture.

Indian crude oil imports from the US stood at $6.5 billion in 2024 but accounted for only 3.7% of India's total crude oil imports, held back by transport costs. Liquefied Natural Gas, however, shows promise: the US supplied 17% of India's LNG in 2024, supported by stable prices and long-term contracts. Defence trade could also benefit as India seeks to reduce reliance on Russian arms and deepen ties via the INDUS X initiative launched in 2023.

On the other side, India's export potential under the deal, though positive, is more modest. Nearly all top Indian exports to the US - smartphones, pharma, diamonds - already entered duty-free, with just two of the top 25 items subject to MFN duties in 2024. Nevertheless, India accounted for only 2.7% of US goods imports in 2024, a share disproportionately small for a country of its size.

Growth could come from smartphones, which comprised 7.7% of Indian exports to America in 2024 yet represented just 13.7% of US smartphone imports. Enhanced local manufacturing and component integration may lift that share.

In pharmaceuticals - which already comprise 38% of India's pharma exports - firms could expand into higher-value niches such as antineoplastics or central nervous system therapies sold in measured doses and transdermal formats.

Labour-intensive goods may also win from reduced tariffs. Indian textiles like bed linen and kitchen linen are already present in the US market, but readymade garments such as men's T-shirts have only limited penetration.

Access to American cotton could boost competitiveness against rivals in Bangladesh, China, and Vietnam, especially as India's domestic cotton output declines. In gems and jewellery, polished diamonds - a duty-free item - already represent a strong export segment, while gold and silver jewellery, currently taxed at 5%–5.5%, could gain with tariff cuts.

Agriculture remains the most contentious area. India's high protection, with a simple average MFN tariff of 40.6%, mirrors that of many countries and is aimed at safeguarding farmers. It has resisted lowering barriers on genetically modified soy, maize and certain dairy products, citing health, safety, cultural and religious concerns.

Still, the deal could open limited opportunities for US walnuts, pistachios and cranberries, where India currently takes only 19.4%, 5% and 3.1% of American exports, respectively. India already accounts for 70.5% of US almond exports.

INDIA'S POSITION

New Delhi has adopted a firm stance on some of the US demands, particularly regarding duty concessions on agricultural and dairy products. India continues to maintain that it will not offer any such concessions to trading partners under free trade agreements, reflecting long-standing concerns over the potential impact on domestic farmers.

Several farmers' organizations have already urged the government to keep agriculture-related matters entirely out of the trade pact.

On its part, India has been pressing the US to remove the supplementary tariff of 26% imposed on certain goods, while also seeking significant reductions in duties on steel, aluminium, and automotive products, currently taxed at 50% and 25%, respectively. These demands reflect India's efforts to achieve a more balanced and reciprocal trading relationship.

The US has also expressed concerns about India's approach towards non-market economies and has sought alignment on sensitive technologies, including items under the SCOMET list. India, for its part, has underscored its World Trade Organization-sanctioned rights to implement retaliatory duties and has used this leverage to negotiate more favourable terms.

GLOBAL IMPACT OF TARIFFS

Donald Trump's aggressive trade and tariff policies have drawn criticism for their potentially self-defeating consequences, especially as global exporters begin to push back. His threats of sweeping tariffs, ranging from 20% to 100%, on nearly all imports into the US are being viewed by many experts as a gamble that could backfire not only on America's trading partners, but on the US economy itself.

The logic behind Trump's strategy relies on using the threat of tariffs to coerce countries like China, Canada, Mexico, the EU, Japan, and India into accepting trade terms more favourable to the US. However, if all major exporters to the US refused to yield to Trump's "tariff blackmail," the US would be left with few levers to pull, forced instead to absorb the economic fallout of its own making.

Trump's tariff threats have already created a distorted level playing field. By imposing similar high tariffs across the board, he neutralizes the competitive advantage of any one exporter over another. This undermines the traditional fear countries have about losing market share to rivals if they resist American pressure. With everyone facing the same steep tariffs, American importers bear the brunt through higher costs and ultimately, higher prices for US consumers. This inflationary pressure, in turn, threatens to shrink demand, especially for non-essential goods.

THE RUSSIAN ANGLE

India is caught in a particularly difficult position due to its energy ties with Russia. Trump has threatened secondary sanctions - namely 100% duties - on countries that continue to import Russian oil and gas. India currently imports about 1.8 million barrels per day of Russian oil, while China brings in about 2 million.

European NATO members also rely heavily on Russian gas. If these imports are cut off, global energy markets could be severely disrupted. Non-Russian suppliers, such as those in OPEC, would not likely have the capacity or the willingness to replace the lost Russian supply. This would lead to a sharp spike in global oil and gas prices, hitting not just India and China, but the US economy as well.

Such a spike would further stoke inflation at a time when Trump is pressuring the Fed to cut interest rates to boost economic growth. But rising inflation, especially driven by energy prices, would make it nearly impossible for the Fed to lower rates.

Compounding matters, investor confidence in US debt has been shaken. When Moody's downgraded US government bonds in May, the dollar weakened instead of strengthening - breaking the historic trend of investors flocking to US Treasuries during periods of uncertainty. This shows how jittery global markets have become under Trump's economic policies.

THE WAY AHEAD

The agreement's benefits, however, would not be immediate. As with the India-UK trade deal signed on 6th May '25, ratification and implementation could stretch into 2026. A successful BTA may narrow India's trade surplus with the United States while simultaneously diversifying export sectors and deepening energy, defence and agricultural trade. The result would mark a significant recalibration of what has long been an asymmetrical economic relationship.

The ongoing talks are being positioned as a stepping stone toward a broader trade partnership, but progress remains slow due to the complex nature of the issues involved and the political sensitivities on both sides.

As negotiations progress, both sides appear committed to avoiding disruptive measures and focusing instead on incremental progress. While challenges remain, the current diplomatic energy suggests that an interim agreement could be within reach in the coming months, laying the groundwork for more ambitious trade integration ahead.

The BTA has the potential to bring mutual benefits by improving access, reducing tariffs, and enhancing competitiveness, but it will require careful calibration to balance domestic priorities with global trade goalS.

PAINT TOWN TURNS BATTLEGROUND

In India, as margins peel and competition splashes chaos, the paint sector battles short-term blues while eyeing a colourful long-term future

India's approximately ₹80,000 crore paints sector is warming up to some consolidation. Recently, JSW Paints (a part of the USD 23 billion JSW Group) entered into definitive agreements to acquire up to 74.76% stake in Akzo Nobel India (part of global paints leader Akzo Nobel of the Netherlands) for a maximum consideration of up to ₹8,986 crore. Although the proposed transaction is subject to regulatory approvals, competition in the paints industry seems to be moving to a new level.

Coincidently, the hyper-competitiveness in the paints sector is accompanied by suppressed demand conditions across regions. Sales volumes of the organized sector (which accounts for around 80% of the overall paints industry) have been impacted due to lower discretionary spending and downtrading by customers - a practice where customers settle for similar products at lower costs often compromising on quality.

For the first time in two decades, established players like Asian Paints, Berger Paints, Kansai Nerolac, Akzo Nobel India and Indigo Paints have posted negative revenue growth in fiscal 2024-25. Revenue growth of over 15% was once normal for these companies. The competitive flux in the sector, coupled with weak demand, is painting a gloomy picture for the industry in the near term.

HYPER COMPETITION

In recent years, lured by the sector's high growth rates, several business conglomerates like Grasim Industries, Pidilite, Astral, JK Cement Group, and JSW Group have entered the paint industry. These new entrants, with announcements of both organic and inorganic expansion, have challenged established players, eating into their market share. Experts believe the sector faces a huge supply overhang in the near to medium term.

According to data from CareEdge Ratings, the existing and new players have planned a massive capital expenditure of around ₹25,000 crore, entailing capacity addition of about 70% over the next three to four years – most of which is expected to become operational in fiscal year 2024-25 and fiscal year 2025-26.

The current capacity of established players was pegged at around 4.3 billion litres per annum as of the end of fiscal year 2023-24. Nearly 1 billion litres of additional annual capacity was added in fiscal year 2024-25, mostly by new players.

SUPPRESSED DEMAND

The investment plans of new entrants are based on the historically high growth rates in the sector. Key drivers of paint demand include shortening of the re-painting cycle, rising demand from smaller cities, towns and rural areas, a push for affordable housing projects, and large-scale infrastructure spending by the government.

For the organized sector, additional drivers include the rise of nuclear families, higher disposal incomes, premiumization, digitization, and India's young demographic profile. Even exports held promise for organized players. For the long term, the organized segment is expected to benefit from these secular trends.

However, in recent quarters – mirroring other consumption-dependent sectors - discretionary spending in the paints sector has taken a hit. This is due to higher inflation in areas like education, healthcare and food items; higher general indebtedness and slower salary growth.

INDUSTRIAL SEGMENT – A SAVING GRACE

Encouragingly, the demand for paints in the industrial segment is holding up. Broadly, the sector is divided into decorative paints (which

A New Normal?

As competition heats up, it remains to be seen if established players in the sector will be able to maintain their dominance in the industry. Will they lose their market share or will they continue to hold onto it at the expense of margins?

There is some evidence of higher supply impacting older players. For instance, reports suggest that due to rising competition, India's top paint maker, Asian Paints has seen its market share drop from around 60% to about 50% in the past one year. This decline is attributed to rival Birla Opus (a part of Grasim Industries), which launched operations in February '24 and has announced investment plans of up to ₹10,000 crore for the sector.

The key to success in this industry lies in a strong marketing (brand promotion and advertisement spends) and distribution (dealer and retail outlet) network. Existing players already possess a substantial pan-India dealer network. However, it's worth highlighting that new entrants are equally capable of making the necessary investments to build distribution channels and promote their brands.

Achieving parity with incumbents on this front is likely only a matter of time. New entrants are expected to disrupt the market over the long term. Therefore, unless the market expands massively, existing players will either have to sacrifice market share or increase marketing spend to protect their turf – potentially putting pressure on their margins.

It will be interesting to see whether new players can gain both margin and market share. Equally important is whether lower margins will become the new norm for the sector. Will competition lead to more mergers and acquisitions? As the competitive landscape intensifies, the extent of disruption remains to be seen.

contribute about 70% of the market), and industrial paints (accounting for the remaining 30%). Decorative paint demand is primarily driven by new construction (20%) and repainting (80%). Industrial paints represent 25% to 30% of total demand, mainly coming from the automotive industry, as well as from sectors like oil and gas, aerospace, marine, and electronics.

The traction in industrial paints is currently being sustained by increased government spending in areas such as roads, airports, and ports, and by policy support for domestic manufacturing. This bodes well for protective coatings in the coming years.

ADJUSTING TO A NEW NORMAL

With heightened competition and lower demand, how is the sector preparing itself for the long term? Both established players and new entrants are aggressively expanding capacities, building sales networks, and upping marketing spends to counter competition and safeguard market share.

Companies are also focusing on scale, backward integration, and entry into newer but allied market segments that can leverage their existing sales networks. Spending on advertising and marketing has notably increased.

It is clear that cost of selling paint to the end consumer is rising due to heightened competition. CareEdge Ratings expects a structural shift in the cost base for the paint industry, with advertising and sales promotion expenses likely to rise by 100 to 200 basis points (bps) (as a percentage of revenue) in the medium term.

Operating margins, which averaged around 18% from fiscal 2018–19 to 2022–23, are expected to decline in the medium term for established players in the sector. Furthermore, sector revenue, which registered a robust Compound Annual Growth Rate (CAGR) of 14%-15% over five years, has now dipped into negative territory.

OUTLOOK - IS THE WORST BEHIND US?

Experts believe the industry will revert to the mean over the medium term, once the excess supply overhang clears. Recent declines in crude oil prices augur well for industry margins. On the demand side, green shoots are emerging - particularly in Tier-II and Tier-III cities – suggesting an improvement in conditions. A good monsoon and government measures to boost consumption will likely support stable demand in the medium to long term.

The industry has grown by 12%-18% annually over the past 15 years. India's per capita consumption of paints, at around 3 kilograms, remains much lower than many other countries. With India on the cusp of tremendous economic growth in the medium- to long-term, both experts and industry players expect the total market size to expand to ₹1 lakh crore over the next 4-5 years.

Despite a robust demand outlook, intensifying competition in the sector raises more questions than answers. It remains to be seen whether lower margins and lower revenue growth will become the new normal for the sector.

Still, even with recent corrections, margins remain healthy relative to other sectors – continuing to attract investor attentioN.

INDIA'S BILLION-DOLLAR CARBON BET

India is turning emissions into commissions, and climate into capital

ndia's transition to a green economy is no longer just a moral imperative - it is a structural economic shift, unlocking new asset classes, investment opportunities, and regulatory paradigms. At the centre of this transformation lies the Carbon Credit Trading Scheme (CCTS), a landmark policy framework notified in June '23 and expected to go live in 2026.

As climate compliance becomes non-negotiable globally and domestic regulators align with international standards, the carbon credit market could emerge as one of the most critical financial and environmental policy instruments even seen in the span of a decade.

With an expected size of US $20 billion – US $25 billion by 2030, this market could provide fundamental investors with new long-duration plays across green infrastructure, ESG-linked businesses, and clean tech innovation.

Expanding Market Opportunity: From Policy To Portfolio

India's carbon market is on the brink of an exponential growth, largely driven by sectoral participation from steel, cement, power, aluminium, refining, and transport sectors - each of which accounts for massive carbon emissions and global supply chain exposure.

According to projections, the market could touch US $25 billion by 2030, making it one of the largest emerging carbon exchanges in Asia, second only to China. The Bureau of Energy Efficiency (BEE) has already outlined sectors for initial inclusion under the CCTS framework.

As compliance becomes mandatory, industries will need to either reduce emissions or purchase credits - effectively creating a trade-able commodity out of emission efficiency.

For investors, this implies that companies with superior energy intensity metrics, green certifications, or captive renewable capacity will have embedded value. These companies can monetize their surplus credits, opening new revenue streams and reducing future compliance costs.

This market-based mechanism provides not only regulatory arbitrage but also performance-linked value unlock, rewarding clean technologies and penalizing emission inefficiencies - thereby influencing investment selection and valuation.

Policy Backbone: Legally-Binding Targets And Strong Institutional Push

The government of India, through the Ministry of Environment, has signalled a clear intent to make carbon trading a compliance-based mechanism rather than a voluntary one.

Draft notifications for 2025-27 emission intensity targets have already been floated, applicable to over 460 industrial units.

The CCTS will enforce compliance across nine energy-intensive sectors: aluminium, chlor-alkali, cement, fertilizer, iron and steel, pulp and paper, petrochemicals, petroleum refining, and textiles.

These sectors collectively represent a substantial portion of India's industrial emissions, accounting for 93% of all direct emissions from Indian industries, excluding the power sector.

Specific emission intensity targets have been drafted for these carbon emitting industries. For instance, the petroleum refining sector, comprising India's 21 major refineries, has received draft Greenhouse-gas Emission Intensity (GEI) targets for 2025-26 and 2026-27 by the regulatory body.

Similarly, the Ministry of Environment has issued draft rules for the steel sector, establishing specific emission benchmarks for 253 obligated entities.

Under these rules, metal products with CO_2 emissions below 2.2 tons per ton of rolled steel are designated as "green." While precise numerical targets for all sectors are not yet publicly detailed, the government has announced GHG emission intensity targets for sectors such as cement, aluminium, paper and pulp, chlor-alkali, textile, and petrochemicals, signalling a broad-based regulatory push.

Investors tracking businesses in energy-intensive sectors like petrochemicals, iron and steel, or aluminium must assess the preparedness of these firms in meeting upcoming carbon targets.

Companies lagging in decarbonization efforts could see margins under pressure due to rising carbon costs, while energy-efficient players could monetize their green compliance through credit sales.

Transparency And MRV: Tech-Driven Trust In Carbon Credits

A credible carbon market requires robust infrastructure, particularly in Monitoring, Reporting, and Verification (MRV).

India is likely to build a digital-first MRV system backed by blockchain and AI-enabled tracking, ensuring traceability, fraud prevention, and real-time updates on emissions data.

Such digital registries will enhance investor confidence, particularly for global institutions looking to deploy ESG funds in India.

Investors often cite lack of transparency and verifiability as reasons to hesitate in emerging market ESG allocations. A tech-powered, government-verified carbon trading system addresses this directly.

Moreover, as Carbon Border Adjustment Mechanisms (CBAM) like those proposed by the EU come into effect, Indian exporters will need certified, verified emission data to avoid punitive tariffs.

This turns MRV not just into a compliance tool but a trade facilitation mechanism, critical for sectors like steel and cement that depend on exports.

For investors, MRV quality becomes a key due diligence metric. Companies that integrate emissions data into their ERPs and offer auditable carbon performance reports will command higher governance scores and better capital access from ESG-linked funds.

Compliance And Global Standardization: Aligning With Article 6

India's carbon market is also being designed to comply with Article 6 of the Paris Agreement, which enables countries to trade emissions reductions and avoid double counting. This opens up the potential for international carbon credit trading, allowing Indian companies to export surplus credits or offset their emissions using global mechanisms.

By integrating with the Paris Agreement Crediting Mechanism (PACM), India ensures that its carbon credits will be recognized and bankable globally, enhancing their credibility and trade potential.

For long-term investors, this means that India is not just building a domestic market but embedding itself into a global carbon economy, unlocking access to climate finance, sovereign carbon deals, and global institutional flows.

Already, precedents such as Norway's climate fund investing in African carbon markets signal the kind of capital that could be mobilized if India aligns its frameworks to global standards. This is critical for businesses that rely on global capital or trade in ESG-sensitive geographies.

Capital Magnet: ESG Funds, Green Bonds And Climate Finance

Carbon markets, by design, create monetizable environmental outcomes. This, in turn, helps governments and businesses issue green bonds, attract ESG-linked capital, and build climate-aligned portfolios. India, as one of the fastest-growing green economies, is already attracting interest from institutional ESG funds, but a functioning carbon market could significantly amplify inflows.

With a regulated market in place, investors can directly back climate-positive projects - from renewable energy to hydrogen infrastructure - and generate carbon credits with measurable returns.

Moreover, credit revenue can be securitized into green instruments or linked with sovereign green bonds, thus expanding financing options for clean technology start-ups as well as infrastructure developers.

As ESG evolves from ethical investing to return-aligned investing, a carbon market offers investors traceable, quantifiable climate outcomes. This, in turn, would provide the missing financial infrastructure for ESG performance measurement.

Green Innovation Flywheel: Carbon Revenues Powering Clean Technologies

Beyond market mechanics, the CCTS will catalyze a domestic ecosystem for green innovation. Revenue generated from credit trading can be recycled into:

• Renewable energy capacity (e.g., solar parks, wind clusters)

• Electric vehicle ecosystems (e.g., charging infrastructure, fleet subsidies)

• Hydrogen technologies (e.g., green hydrogen plants, electrolysers)

• Carbon capture solutions (e.g., CCUS pilots in refineries and cement plants)

Start-ups and mid-cap companies in these areas stand to benefit from not just fiscal incentives but also a credit-generating business model, creating a new form of operating leverage - where emission reductions translate to revenue.

Moreover, policy tools like green bonds, tax incentives, and public procurement mandates can deepen capital availability for innovation.

Geopolitical Carbon Leverage: India's Export Play & Outcomes In Global Climate Markets

Lastly, India has a unique opportunity to use its carbon surplus for geopolitical influence.

Having met key Nationally Determined Contributions (NDCs) ahead of schedule - including 40% non-fossil capacity and 33%–35% emission intensity reduction - India is well-placed to export verified carbon credits to developed nations and reap its benefits.

This "Geopolitical Carbon Leverage" can be wielded to secure trade deals, climate finance, or technology transfers.

Much like how countries used oil or grain diplomacy in the past, carbon credit could soon become a strategic resource in India's foreign policy playbook and see numerous developmental announcements in this crucial area.

For investors, this geopolitical layer adds a new dimension to sectoral bets - companies aligned with India's carbon diplomacy goals could gain preferential policy support, better global access, and early-mover advantage in exportable carbon-intensive products.

Final Thoughts: Why Investors Must Pay Attention To Developments In The Carbon Credit Segment

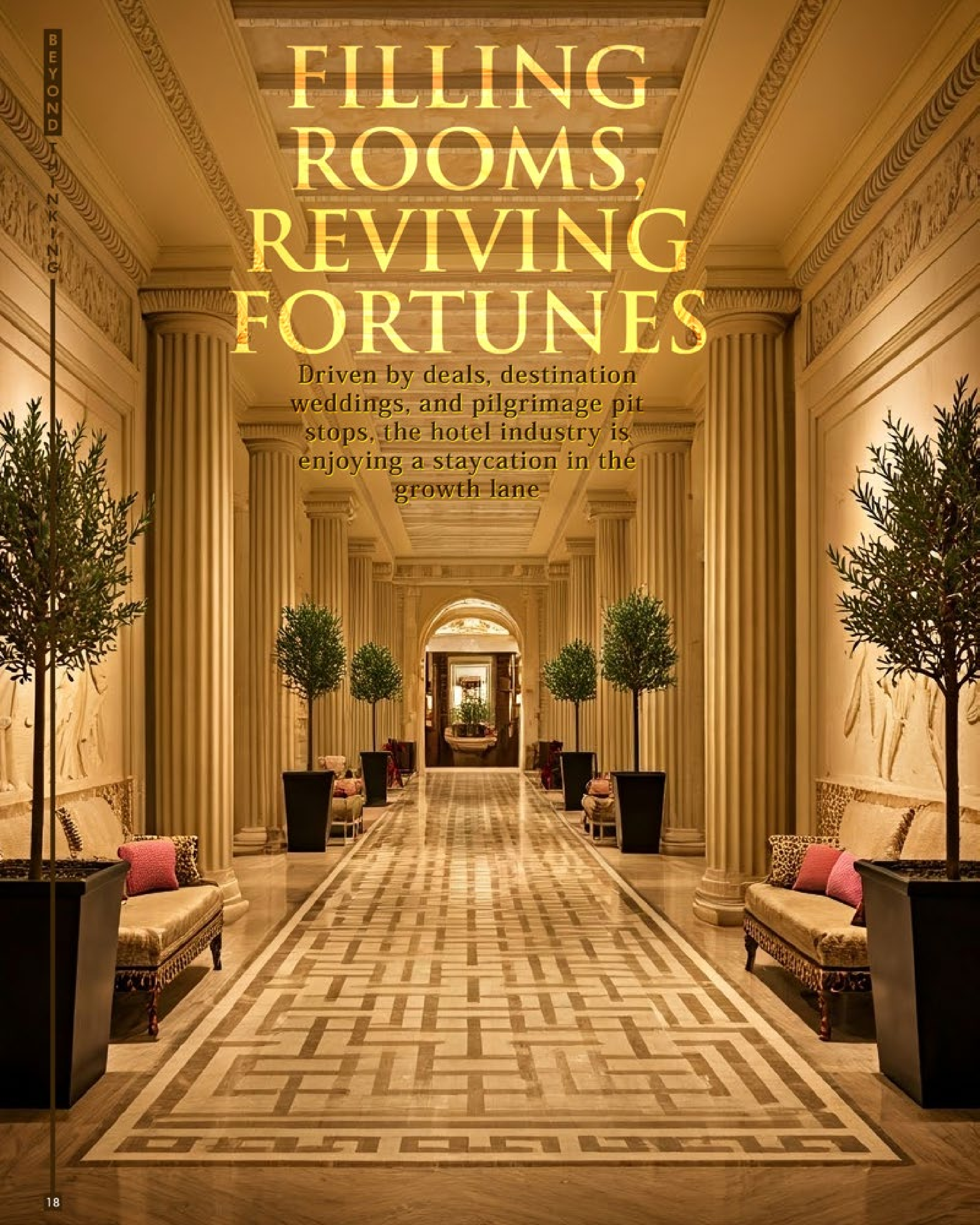
India's carbon credit market is not just a climate initiative - it is an economic, financial, and geopolitical recalibration of great significance.

With its 2026 launch timeline and full compliance by 2027, this market offers early-entry opportunities across the ecosystem.

As fundamental investors, the carbon market demands a rethinking of valuation models, risk metrics, and portfolio strategies.

It's no longer enough for stakeholders to analyze EBITDA and cash flows - emission profiles, credit monetization potential, and ESG compliance trajectories will now be the new alpha drivers.

In short, the carbon credit market is the next big theme that straddles climate urgency and capital opportunity for companies from various sectorS.



FILLING ROOMS, REVIVING FORTUNES

Driven by deals, destination weddings, and pilgrimage pit stops, the hotel industry is enjoying a staycation in the growth lane

India's hotel industry, after a brief period of uncertainty, is now charting a promising path forward. Despite transient challenges - including geopolitical tensions and aviation mishaps - the sector has demonstrated resilience and a strong capacity for recovery.

Market intelligence and financial projections point toward sustained momentum, supported by robust demand dynamics, pricing power, and rising domestic travel. With solid groundwork laid in FY25, pace is expected to accelerate into FY26 and beyond.

APRIL 2025 SHOWCASES SECTOR RESILIENCE

April '25 highlighted the sector's potential, with year-on-year average room rate (ARR) growth of 11%–13% and an improvement in occupancy rates by 4–6 percentage points, reaching 66%–68%, according to HVS Anarock.

Despite a soft May and a minor dip in June, room rates held firm, indicating strong pricing power. Even with slight moderation in occupancy, the underlying strength of the market suggests temporary disruptions will not derail the long-term growth trajectory.

FY25 WRAPS UP STRONG

India's hotel industry closed FY25 on an extremely strong note. Revenue per available room (RevPAR) grew approximately 12% for the year, with Q4 alone witnessing a 17% year-on-year rise. The consistent double-digit improvement across key profitability and efficiency metrics signals the beginning of a new growth cycle.

ICRA projects RevPAR to grow by 7%–9% in the current financial year (FY26), with EBITDA expected to register a compound annual growth rate (CAGR) of 14%–19% between FY25 and FY27.

This acceleration is led by surging domestic travel, strong business activity, and sustained demand in the MICE (Meetings, Incentives, Conferences, and Exhibitions) and wedding segments.

DEMAND OUTSTRIPPING SUPPLY: A LONG-TERM UPCYCLE

The current phase is marked by a favourable demand-supply imbalance. Pan-India room inventory is expected to grow at a subdued CAGR of only 4.5%–5% over the next three years. This limited supply pipeline, combined with accelerating demand, sets the stage for a prolonged upcycle.

As a result, pricing power is expected to improve further. ICRA forecasts revenue growth of 7%–9% in FY25 and 6%–8% in FY26 - on top of a high FY24 base - underscoring the strength and sustainability of the demand surge.

Premium segment ARRs are projected to reach ₹8,400 by FY26. RevPAR is expected to rise from ₹5,000 - ₹5,300 in FY24 to ₹5,500 - ₹5,800 in FY25 and further to ₹5,800 - ₹6,200 in FY26. This pricing momentum, along with modest supply additions, will likely support sustained margin expansion and higher earnings visibility for hotel operators.

ARR EXPANSION AND CITY-LEVEL INSIGHTS

As of February '25, 11 out of 13 key cities recorded double-digit ARR growth. Bengaluru led with a remarkable 37%–39% year-on-year increase, followed by New Delhi (25%–27%) and Gurugram (22%–24%). Tier-II cities also performed strongly, reinforcing the pan-India nature of demand revival.

Goa was an outlier, witnessing a 5%–7% decline in ARR, likely due to seasonality or oversupply in select micro-markets.

However, this appears to be an exception rather than a broader trend, as most leisure and business hubs maintained pricing resilience.

OCCUPANCY METRICS: RECOVERY TO PEAK LEVELS

Financial year 2024 saw India's branded hotel sector post its highest occupancy rate in over a decade at 67.5% with an average daily rate of ₹8,055.

This marks a strong recovery from pandemic lows and reflects both increased footfall and greater consumer willingness to pay for quality hospitality experiences.

Premium hotel occupancy across the country is expected to shoot up further to 70% – 72% in FY25, and 72%–74% in FY26.

This upward trend reflects structural demand drivers such as rising affluence, a growing preference for premium stays, and enhanced air and road connectivity to leisure and business destinations.

TIER-II CITIES AND SPIRITUAL TOURISM: NEW GROWTH FRONTIERS

Tier-II cities are increasingly driving the growth trajectory of India's hospitality sector. These emerging markets are witnessing a surge in travel demand, backed by infrastructure upgrades and burgeoning interest in spiritual tourism.

Pilgrimage destinations like Ayodhya, Shirdi, Puri, Varanasi, Dwarka, and Tirupati are fast evolving into major hospitality hubs, aided by new hotel developments and government policy support.

This geographical diversification is a key trend, as hotel chains expand into non-metros and emerging leisure destinations to meet evolving traveller preferences and leverage improving infrastructure.

LEISURE AND MICE SEGMENTS SUSTAIN GROWTH MOMENTUM

Leisure travel remains the primary demand driver, driven by increasing disposable incomes, improved regional air connectivity, and more frequent vacations among the middle and upper-middle classes owing to aspirational spending habits.

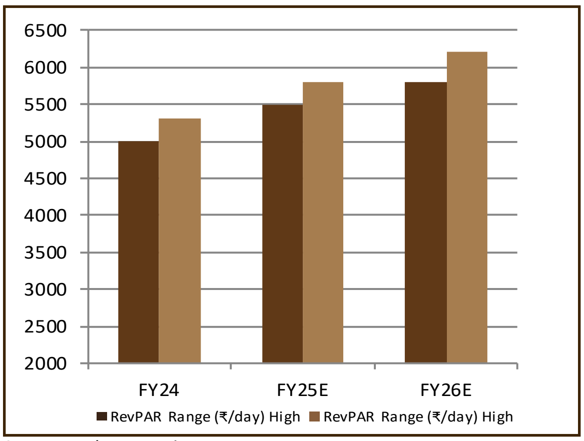
Simultaneously, the government's 'Meet in India' initiative is boosting MICE activity, particularly in emerging non-metro locations. Corporate off-sites, training programmes, and destination weddings are also gaining significant traction.

According to ratings agency, Crisil Ratings, hospitality chains are increasingly targeting niche destinations with strong growth potential, aligning with shifting traveller behaviours.

FOREIGN TOURIST ARRIVALS ADD TO THE UPSIDE

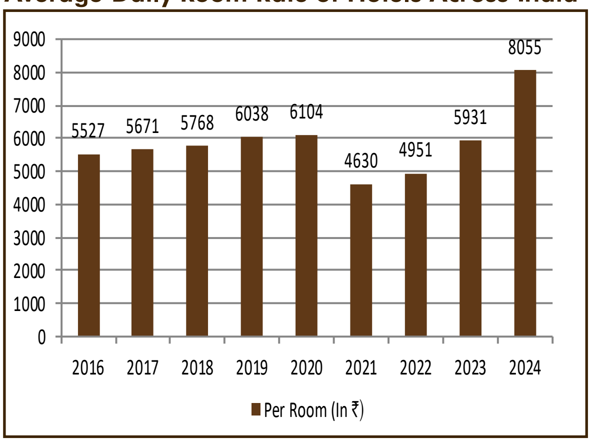
While domestic tourism

Revenue Per Available Room



Source: Industry Estimates

Average Daily Room Rate of Hotels Across India



Source: Industry Data, Indian Hotels

Air Passenger Traffic

Month	Air Passenger Traffic (mn)	YoY (%)
24-Jan	13.1	4.8
24-Feb	12.6	4.8
24-Mar	13.4	3.7
24-Apr	13.2	2.3
24-May	13.9	5.8
24-Jun	13.2	6.5
24-Jul	13.0	7.3
24-Aug	13.1	5.7
24-Sep	13.0	5.7
24-Oct	13.7	8.1
24-Nov	14.5	14.0
24-Dec	14.9	9.0
25-Jan	14.6	11.5
25-Feb	14.0	11.0

Source: Industry Estimates

remains the backbone of India's hospitality industry, the revival in foreign tourist arrivals (FTAs) is becoming a powerful growth catalyst, especially for premium and heritage hotel segments in the country.

Better air connectivity, liberal visa policies, and government support for niche tourism - such as wellness, eco, and spiritual travel - are driving this trend in the hotel industry in India.

CEIC data shows India welcomed over 1 million foreign visitors in December '24 alone.

For the full year, international visitor spending hit a record ₹3.1 trillion (USD 36.8 billion), 9% above the 2019 pre-pandemic peak. The World Travel and Tourism Council (WTTC) projects this to rise to ₹3.2 trillion (USD 38.8 billion) in 2025.

India aims to double FTAs to 25 million in five years, with a long-term goal of reaching 100 million by 2047. The focus is on maximizing revenue per visitor and building a sustainable tourism ecosystem simultaneously.

Over ₹12,000 crore has been allocated to schemes like Swadesh Darshan, PRASAD, and CBDD to promote alternative destinations and niche tourism products that align with responsible and high-value travel.

BRANDED PLAYERS TO LEAD THE GROWTH

Branded hotel operators are expected to benefit disproportionately from the ongoing upcycle. In FY24, India's branded hotel sector posted a nationwide occupancy rate of 67.5% - the highest in a decade - alongside an average daily rate of ₹8,055.

Pan-India premium hotel occupancy is projected to improve to 70%–72% in FY25 and 72%–74% in FY26, indicating continued healthy demand absorption.

CRISIL Ratings expects branded hotels to grow revenue by 13%–14% in FY25 and 11%–12% in FY26. These players are well-positioned due to their distributed portfolios, brand equity, and ability to attract both business and leisure travellers.

FINANCIAL PERFORMANCE AND MARGIN EXPANSION OF THE HOTEL INDUSTRY

Operating margins remain a bright spot. The sector reported EBITDA margins of 31%–33% in FY24 and FY25, up significantly from the pre-Covid average of 20%–22%. Strong operating leverage, efficient cost control, and rising ARRs are contributing to this improvement.

ICRA estimates EBITDA margin expansion of 100–150 basis points in FY26 for branded hotels, even after accounting for higher wages and energy costs.

Larger hotel chains, with economies of scale and leaner cost structures, are especially well-positioned to capitalize on this trend.

IN A NUTSHELL: A STRUCTURAL TRANSFORMATION UNDERWAY

India's hospitality industry is undergoing a structural transformation - from a cyclical, metro-centric model to a geographically diversified, demand-resilient growth engine. With supply growth trailing demand, pricing power remains strong.

A renewed focus on tier-II cities, premium experiences, MICE, and leisure travel is broadening the industry's revenue base.

Far from merely recovering, India's hospitality sector is reinventing itself.

With a favourable economic backdrop, changing traveller behaviour, and prudent capacity expansion, the hotel sector is poised for strong, sustained, profitable, and inclusive growth in the years aheaD.

WIRED FOR GROWTH

Fast-charging toward $150 billion, the consumer electronics market is getting smarter, sleeker, and proudly self-made

India's consumer electronics market is surging towards the $100 billion mark. According to International Market Analysis Research & Consulting Group (IMARC), the market reached $83.7 billion in 2024, and is projected to expand to $152.6 billion by 2033, growing at a robust CAGR of 6.9%.

Despite global economic headwinds, industry bodies estimate a 10%–15% growth in value for appliances and consumer electronics in 2025 - driven by rising incomes, rapid urbanization, and increasing demand for premium products. This growth is broad-based across categories such as smartphones, home appliances, wearables, TVs, and more.

According to the IMARC report, the sector's momentum is driven by rising disposable incomes, growing internet penetration, a tech-savvy youth population, and an expanding middle class. Additionally, increasing demand for smartphones, wearables, and smart home appliances, along with supportive government initiatives, the rise of e-commerce, and advancements in technologies such as 5G and AI, are further propelling the market forward.

INDIA CONSUMER ELECTRONICS MARKET TRENDS

India's hiring activity rose 31% in December '24, driven by the consumer electronics, manufacturing, and construction and engineering sectors, according to a recent report.

Smart Home Device Adoption

Smart home devices are witnessing a strong demand in India, led by rising awareness around smart living and the growing adoption of Internet-of-Things (IoT) technology. This trend is particularly prominent in urban, while rural regions are also catching up.

The smart home environment is expanding with increasing demand for products such as smart speakers, thermostats, security cameras, lighting systems, and voice assistants. Key factors driving this trend include remote-control convenience, energy efficiency, and enhanced security.

Urbanization and tech-savvy younger population have made smart home appliances not just convenient, but also a symbol of modern lifestyles. According to reports, smart fans and smart air conditioners have emerged as top purchases by Alexa users in India, showing a 37% year-on-year (y-o-y) increase in recent years.

Wearable Technology Growth

Wearable technology, particularly smartwatches and fitness trackers, is experiencing strong growth in India. Increasing health awareness and a rising focus on personal well-being are key drivers.

Wearables offer real-time monitoring of health metrics such as heart rate, steps, sleep, and blood oxygen levels, making them attractive to fitness-conscious consumers. The rise of remote and hybrid work environments has further boosted demand for wearables that support wireless communication, offering features like notification alerts, call control, and music playback.

Advancements in battery life, sensor technology, and smartphone integration continue to enhance the value proposition of wearables. While budget-friendly models are expanding access to a wider population, premium variants cater to tech enthusiasts with advanced features.

WHAT'S DRIVING THE SURGE

Rising Incomes & Expanding Middle Class

India's rapid GDP growth has translated into rising per-capita disposable income - up 18% over the past couple of years, enabling consumers to upgrade to smarter, premium electronic devices.

Smart Tech Revolution & Premiumization

The sector's key thrust now lies in AI- and IoT–enabled smart devices. From refrigerators and air-conditioners to voice assistants and premium TVs, these innovations command higher price tags and growing consumer interest. Experts note that the ongoing "wave of premiumization" is driving average selling prices up by 12%–15% annually.

E Commerce & Digital Penetration

Online channels now account for 40% of consumer electronics sales, supported by a booming e-commerce ecosystem (valued at $147 billion in 2024, and growing at a CAGR of 18.7%). Lower data costs, widespread smartphone usage, and secure digital payments via UPI have enabled deep penetration into Tier-2 and Tier-3 cities.

Government Push: Make In India And PLI

Incentives such as the Production Linked Incentive (PLI) scheme, the Phased Manufacturing Programme, and the Make in India initiative have been instrumental in boosting local electronics production - from 25% in 2014–15 to 97% in 2023–24. India is now the world's second-largest smartphone manufacturer and the sixth-largest phone exporter, with exports rising over 40% y-o-y as per reports.

Contract Manufacturers Ignite Growth

Tapping into government incentives and global supply chain realignments, companies like Dixon Technologies and Optiemus are partnering with international brands such as Xiaomi, Realme, and OnePlus to manufacture locally. Apple's move to produce up to 15% of iPhones in India - targeting 25% by 2027 - further reflects this manufacturing momentum.

CATEGORY HIGHLIGHTS

Home Appliances (Refrigerators, ACs, Washing Machines)

• Refrigerator sales grew at a CAGR of 9.5% between FY21 and FY26, reaching $6.7 billion.

• Air conditioners experienced a sharp rise, with a 20.8% CAGR, reaching $9.8 billion.

• Dixon Technologies' new Electronics Manufacturing Cluster (EMC) hub in Noida reflects increased focus on local manufacturing.

• Sales of premium and energy-efficient ACs skyrocketed by 30% in 2024, driven by intense heatwaves and increased adoption in Tier-1 and Tier-2 markets.

Televisions & Entertainment Units

• Television market in India is expected to reach $2.6 billion in 2025, according to industry reports.

• However, the market is projected to decline slightly with a CAGR of -0.37% from 2025 to 2029.

• In comparison, the US will generate the highest global revenue at $18.3 billion in 2025.

• On a per capita basis, India is expected to generate $1.81 in revenue in 2025.

• By 2029, television market volume in India is projected to reach 21.9 million units.

• Demand for smart TVs is rising rapidly, led by increasing access to high-speed internet and the popularity of streaming platforms.

Wearables & Smart Tech

• In FY23, smartwatch shipments rose 50% y-o-y. However, Q1 FY25 saw a 33% y-o-y drop, indicating a shift toward premium segment upgrades.

• Smart home gadgets, security systems, smart rings, and AR/XR wearables are gaining popularity, driven by demand for personalization and convenience.

SUPPLY CHAIN & ECOSYSTEM TRANSFORMATION

Shrinking Import Dependency

India's dependency on Chinese components, particularly semiconductors and display panels, remains high, accounting for approximately 80% of imports. However, recent national budget initiatives are aiming to reduce this reliance.

A total of ₹13,104 crore is being allocated to boost chip and electronics manufacturing, with multiple fabrication (Fab) plants and OSAT (Outsourced

Semiconductor Assembly and Test) facilities currently under development.

Expanding Manufacturing Hubs
The EMC 2.0 scheme, under the Make in India initiative, is drawing attractive investments into states such as Noida, Gujarat, Uttar Pradesh, and Tamil Nadu. New manufacturing facilities by companies like Dixon Technologies and Aurionpro reflect the deepening of local supply chains.

Foxconn has also begun producing iPhone enclosures in Tamil Nadu and Karnataka, signalling a broader shift toward domestic production.

Geopolitical Pressures & Supply Chain Diversification
Geopolitical dynamics – such as US–China tariffs and China's restrictions on rare-earth exports highlight the importance of resilient supply chains.

Apple's "China Plus One" strategy and increased global interest in reducing overreliance on China have turned the spotlight on India as a viable alternative manufacturing hub.

SPOTLIGHT ON CHALLENGES

Price Sensitivity & Margin Pressure
While rising incomes are driving demand for premium products, a huge portion of the Indian population remains highly price-sensitive - only about 25% are open to purchasing high-end electronics.

Supply Chain Disruptions & Import Reliance
Pandemic-era shortages and ongoing volatility in semiconductor supplies led to a 15% spike in electronics prices in 2023. India's continued dependence on imports for critical components such as chips, glass panels, and rare earth materials keeps the sector vulnerable to global supply chain disruptions.

Regulatory and Compliance Hurdles
Efforts to curb substandard imports, particularly from China, have resulted in increasingly stringent safety regulations. In addition to this, new e-waste pricing rules have pushed compliance costs up by 3–4 times, prompting legal challenges from major players such as Samsung, Daikin, Hitachi, and LG.

Fragmented Regulatory Landscape
Companies face a complex regulatory environment involving BIS certifications, environmental clearances, GST compliance, and tariff regulations. Navigating these overlapping requirements adds heavy time and cost burdens to operations.

LOOKING AHEAD: OPPORTUNITIES AND STRATEGIC FOCUS

Rural & Semi-Urban Frontier
With smartphone and internet usage surging in non-metro areas, vast untapped markets are emerging for consumer electronics.

Semiconductor Onshoring
India is laying the groundwork to reduce chip dependency and move up the electronics value chain. Fabrication plants under development in Karnataka, Gujarat, and Uttar Pradesh - supported by the SPECS (Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors) initiative - signal a strategic push toward semiconductor self-reliance.

Premiumization and Feature Leap
In Tier-1 cities and other emerging markets, consumers are increasingly gravitating toward premium, durable, and feature-rich electronic devices.

Circular Economy Through E-Waste Policy
Despite resistance from some manufacturers, evolving e-waste regulations aim to institutionalize recycling and promote environmental responsibility.

IN A NUTSHELL

India's consumer electronics ecosystem is ascending toward global relevance. Spurred by urbanization, income rises, and tech enthusiasm, the sector is undergoing structural transformation. This is evident from mounting production scale, premium trajectory, and retail evolution.

However, success will hinge on navigating tightrope conditions: balancing cost-led affordability with high-end innovation, negotiating regulatory landscapes (from BIS to e-waste), securing supply chain resilience, and mastering after sales and consumer education, particularly in smart tech adoptio**N.**

INNOVATING LOCALLY, IMPACTING GLOBALLY

From back office to boss mode, Global Capability Centres in India now power global innovation, exports, and enterprise strategy

India's emergence as a hub for Global Capability Centres (GCCs) marks one of the most important structural shifts in global business operations over the last two decades. Once seen primarily as low-cost service delivery arms, these centres have evolved into strategic units delivering core business value. Today, India stands as the undisputed global leader in this space.

It currently hosts nearly 2,000 GCCs, more than any other country. These centres employ approximately 1.9 million professionals and contribute greatly to the economy through revenue generation and employment. In FY24–25, GCCs in India generated around US $76 billion in direct output. When supply chain and consumption effects are included, their total economic contribution rises to nearly US $241 billion. This means GCCs now account for roughly 2% of India's GDP and nearly 4% of the GDP from the services sector.

This scale of impact did not happen overnight. In the early 2000s, multinational companies began experimenting with offshore service delivery in India to reduce costs. The country's English-speaking workforce, favourable time zone, and improving digital infrastructure made it an obvious choice. Over time, the role of these centres expanded from cost arbitrage to high-value functions such as data analytics, product development, cybersecurity, and enterprise architecture.

Today, more than 65% of Fortune 500 companies have GCCs in India. These include major global banks like JPMorgan Chase, Citibank, and HSBC; technology giants such as Microsoft, Google, IBM, and Intel; automotive leaders like Mercedes-Benz and Ford; pharmaceutical firms including Pfizer and Novartis; retail majors like Walmart and Target; and energy players such as Shell and BP. These companies now rely on their India-based centres not just for operational support but also for driving global innovation, managing risk, and developing next-generation digital solutions.

Indian GCCs have moved far beyond backend support functions and are now deeply integrated into business-critical operations, including global compliance, artificial intelligence, cloud migration, and digital strategy.

A major driver of this transformation is India's talent base. The country produces over 1.5 million engineers annually, alongside hundreds of thousands of graduates in commerce, economics, and data science. These professionals offer a strong technical foundation, coupled with growing fluency in global business practices. As a result, companies are increasingly entrusting their India-based teams with end-to-end delivery of strategic initiatives.

Operationally, India's time zone offers another clear advantage. Global firms benefit from a "follow-the-sun" model, where US-based teams hand off work at the end of their day and receive outputs by the next morning from their India teams. This seamless time zone integration has helped companies accelerate delivery timelines and improve customer experience and responsiveness.

In recent years, GCCs have become more innovation-driven. Many centres now file patents, develop products for global markets, and run experimental technology pilots — all of which enhance their strategic value. For instance, in FY24 alone, 24 GCCs in India generated over US $1 billion each in revenue.

Collectively, these contributed more than US $43 billion in exports, demonstrating that GCCs are not just internal engines but globally competitive business contributors.

Recognizing this potential, both central and state governments have stepped in to support the sector. Policy frameworks around data security, taxation, and labour laws are being streamlined.

Meanwhile, states like Uttar Pradesh, Andhra Pradesh, and Telangana have introduced dedicated GCC policies offering lease subsidies, power and cloud usage rebates, payroll support, and capital incentives to attract more GCCs into their cities. Uttar Pradesh, for instance, has set a target of creating 2,00,000 new jobs in the GCC space through these measures.

Historically, most GCCs have been concentrated in six metropolitan areas: Bengaluru, Hyderabad, Pune, Chennai, Mumbai, and the National Capital Region — which together account for about 95% of GCC activity.

However, rising costs and infrastructure challenges in these cities are pushing companies to explore Tier-II and Tier-III locations like Coimbatore, Visakhapatnam, Indore, and Lucknow as alternative emerging hubs.

This shift into smaller cities aligns with the government's broader agenda of inclusive growth. It allows for high-quality employment opportunities and job creation in underserved regions, reduces migration pressure on urban centres, and promotes balanced regional development.

In cities like Visakhapatnam, large-scale projects are already underway. A major GCC innovation campus is being developed in partnership with the private sector, aiming to create around 10,000 jobs initially, and up to 25,000 over time. In Hyderabad, Dutch brewing giant Heineken is investing up to ₹3,000 crore in its Asia-Pacific GCC, which will employ around 3,000 people. These examples reflect growing commitment from both international firms and Indian authorities to scale the GCC model further.

While the overall outlook is strong, challenges remain. Talent availability is a concern in niche areas such as artificial intelligence, blockchain, and advanced analytics.

Employee attrition, especially among mid-career professionals, puts pressure on companies to continually invest in upskilling, engagement, and retention strategies. Firms must also stay agile in navigating evolving global compliance and data protection laws and regulations.

Nonetheless, the momentum is undeniably strong. Industry estimates suggest that by 2030, India could host between 2,400 and 3,000 active GCCs, employing more than 2.8 million professionals.

Revenue from these centres is projected to reach US $105 billion, nearly double from current levels. This growth will play a huge role in India's ambition to become a US $10 trillion economy by the next decade.

More importantly, this growth reflects a shift in how global businesses perceive their Indian operations. Once seen as supplementary, these centres are now central to enterprise strategy. Indian teams are increasingly taking leadership roles, own budgets, and drive business results across continents. The knowledge, systems, and leadership built within these centres not only influence India's corporate landscape but are also shaping global business standards.

GCCs are also helping diversify India's export profile. While merchandise exports remain an important focus, services exports — largely driven by GCCs, are growing even faster. In an era where intellectual capital and digital capabilities define competitive advantage, India's ability to deliver high-quality services at scale gives it a distinct edge.

At their core, GCCs represent a powerful intersection of foreign investment, domestic capability, and global relevance. They generate employment, promote innovation, contribute to foreign exchange earnings, and play a vital role in upskilling India's workforce.

Their evolution from support centres to strategic innovation hubs reflects the maturity of India's talent ecosystem, and the deep trust that global companies now place in India's long-term growth story.

As India continues to invest in infrastructure, policy reform, and digital capability, GCCs are set to become even more integral to the country's economic futur**E.**

WINE ON THE WANE

GLOBAL WINE SALES ARE DRYING UP AS DRINKERS SWAP DAILY POURS FOR MINDFUL SIPS, TRENDY ALTERNATIVES, AND TOP-SHELF INDULGENCES

The global wine industry is undergoing a new shift. According to official statistics, both the consumption and production of wine have declined across all major markets. Data from the International Organisation of Vine and Wine (OIV) shows that global wine sales in 2024 dropped by 3.3% compared to 2023's total of 214.2 million hectolitres. This marks the lowest level since 1961, when sales stood at 213.6 million hectolitres.

Given these figures, a natural question arises: What factors are driving this decline in wine sales? Here's a closer look.

THE INDUSTRY

According to the website of market research firm Fortune Business Insights, the global wine market was valued at US $339.53 billion in 2020. It was estimated to reach US $340.23 billion in 2021 and grow to US $456.76 billion by 2028, representing a compound annual growth rate (CAGR) of 4.3% between 2021 and 2028. The analysis also notes that Europe dominated the global wine market in 2020, accounting for a market share of 60.36%.

Like many other industries, the global wine market was severely impacted by the Covid-19 pandemic. Consumption fell sharply across all regions. According to the analysis, the value of the global wine market declined by 6.79% in 2020, largely due to disruptions in distribution channels caused by widespread closures and restrictions on public movement.

The International Organisation of Vine and Wine (OIV) estimated global wine consumption in 2020 at 234 million hectolitres, reflecting a 3% decrease from 2019. This was attributed to irregular consumption patterns across different countries. The OIV also noted that sparkling wine was particularly affected in countries like the UK and China, as it is typically consumed in social settings such as restaurants, bars, weddings, and special events or occasions.

However, as consumer behaviour adapted, demand for wine grew through e-commerce platforms. Online sales rose due to benefits such as a convenient shopping experience, timely home delivery, and attractive offers. In key markets like the UK, Italy, and Spain, online wine purchases increased majorly, driven by the widespread adoption of e-commerce.

According to the Ministry of Foreign Affairs of the Netherlands, online wine sales in developed regions such as Europe and North America are projected to grow by approximately 15% annually.

Within the wine industry, there are two major categories: Still wine and Sparkling wine. As per Fortune Business Insights, Still wine is the oldest and more popular variety, widely consumed and readily available. It is considered a premium wine and enjoys higher sales than Sparkling wine. Meanwhile, Sparkling wine consumption is on the rise in developing countries, notably China and India.

WHY DID WINE CONSUMPTION FALL GLOBALLY?

Let us now understand why wine consumption has declined across the globe.

In 2024, the data research company International Wine and Spirits Record (IWSR) conducted a study on the global decline in wine consumption. IWSR identified four key reasons behind the trend: lifestyle focus, experimentation, less alcohol, and a shift beyond popular choices.

Lifestyle Focus

Post-pandemic, consumers have become increasingly health-conscious. The IWSR study reveals that many are embracing healthier lifestyles and showing a growing preference for socializing without alcohol. According to Meininger's International, a leading global wine, trade, and business publication, in 2023, half of the wine drinkers in select markets reported actively moderating their alcohol intake. One-third of them abstain from alcohol on certain occasions, while around 20% opt for no- or low-alcohol alternatives. Although this trend spans generations, it is being driven mostly by Gen Z.

Experimentation

The second reason for the decline in wine consumption is the evolving beverage preferences of millennials and Gen Z consumers. As Meininger's International, citing Bevtrac consumer data, explains, these consumers – millennials and Gen Z - show less loyalty to specific beverage categories and are more inclined to experiment. Richard Halstead, COO of Consumer Research at IWSR, noted that this trend is unsurprising, given the major transformations in the beverage market over the past 15 years. With a growing array of specialty drinks and rising interest in cocktails, wine is now facing stiff competition from a new wave of adventurous drinkers.

Less Alcohol

IWSR's research also shows that younger adults consume wine less frequently. Meininger's International reports that long-term data indicates a downward trend in consumption frequency across various markets. For example, in Australia, monthly wine consumption among 18- to 24-year-olds dropped by 50% between 2010 and 2023.

Beyond The Popular Choices

Consumer preferences have evolved drastically. Many are moving away from mainstream wine options in search of a more refined drinking experience. According to Meininger's International, today's wine drinkers are opting for more sophisticated brands and categories. While overall consumption frequency has decreased, the quality of wine consumed has improved. This trend is visible in the rising popularity of premium rosé, organic wines, and sparkling wines.

IN A NUTSHELL

These reasons - lifestyle changes, experimentation, reduced alcohol consumption, and shifting preferences - explain the global decline in wine consumption. As Meininger's International observes, a clear divide has emerged across price segments. Lower-priced wines are losing volume, whereas wines in the super-premium and above segments are still seeing growth, although at a slower rate. This shift reflects broader lifestyle trends, like the move away from drinking wine daily with mealS.

REWRITING THE RULES

GEN Z'S BUYING HABITS ARE RESCRIPTING INDIA'S CONSUMPTION STORY

Long-term trends in expanding economies often present substantial wealth-creation opportunities for investors. One such trend in India is consumption. Over the past few decades, investors who identified and stayed with this theme have witnessed great gains, as consumption-oriented companies grew their earnings multiple times. Looking ahead, the entry of Generation Z into the workforce is expected to drive a new wave of consumption, opening up fresh avenues for investment.

GEN Z: THE EMERGING CONSUMER POWERHOUSE

Generation Z, comprising individuals born between 1997 and 2012, represents a consequential and growing portion of India's population. Currently, they make up around 25% of the working population, a figure projected to rise to nearly 50% by 2035. As the largest demographic group in the country followed by Millennials, Gen Z is poised to become a dominant consumer pool in shaping consumption trends in the Indian economy.

With the rise in per capita income, consumption patterns are expected to evolve. As income grows, households tend to spend proportionately less on necessities like food and clothing, and more on discretionary items and experiences. This shift bodes well for sectors catering to lifestyle, entertainment, healthcare, and travel - areas where Gen Z is likely to direct a larger share of their income.

STRUCTURAL DRIVERS SUPPORTING CONSUMPTION GROWTH

After the Indian economy opened up to global trade in 1991, the country witnessed a surge in the availability of new goods and services. These were introduced at various price points, reflecting a differentiated value proposition that catered to all segments of the population - the rich and affluent, the rising middle class, and those at the bottom of the pyramid. Over time, Indian consumers have gradually evolved in both preferences and purchasing power.

Today, India is the fifth-largest consumption market in the world. It has grown at a compound annual growth rate (CAGR) of 7.2% over the past decade, making it the fastest-growing consumer market among major economies. Yet, despite this impressive growth, the Indian consumption market remains under-penetrated compared to its developed global counterparts - indicating a long runway for future expansion.

PREMIUMIZATION: THE SHIFT TO QUALITY AND EXPERIENCE

One of the key drivers of this growth is premiumization - the growing tendency among consumers to choose premium offerings over basic alternatives. Increasingly, consumers prefer branded products over generic commodities and are willing to pay a premium for quality and differentiation. Gen Z, in particular, is known for its deep familiarity with brands and a strong desire to explore new ones, even more so than Millennials.

Premium offerings are not limited to brand names; they also include superior goods or services that deliver higher perceived value. For example, instead of upgrading from a non-air-conditioned to an air-conditioned coach on a train, many Gen Z individuals opt directly for air travel, which is faster, safer, and more comfortable - albeit at a higher cost.

CHANGING FAMILY STRUCTURES AND THEIR IMPACT ON CONSUMPTION

Another factor driving explosive growth in consumption is the shift towards nuclear family structures. Nuclear families tend to have higher individual consumption compared to joint families, where resources are often shared. For instance, joint families are more likely to cook at home, whereas nuclear families increasingly prefer food delivery and dining out. As Gen Z leans toward the nuclear family model, this shift further accelerates the demand for convenience-based goods and services.

DIGITAL TRANSFORMATION: DEMOCRATIZING ACCESS AND ENABLING CREDIT

The emergence of the digital ecosystem has provided a strong boost to consumption. It has not only made it easier for consumers to explore a wide range of options but also democratized access to goods and services.

In the physical world, many products and services were traditionally available only to a select few, often at the discretion of the provider. In contrast, the digital world allows open access - anyone can browse, compare, and choose freely. Gen Z has quickly embraced this shift, having grown up using smartphones and digital platforms. They are exposed to more choices online than would be available in a typical brick-and-mortar setting.

Digital outreach by manufacturers has also improved access to credit. Consumers can now borrow easily through online platforms, enabling them to purchase goods and services that may have previously been out of reach. This access to credit allows Gen Z to participate in consumption trends more rapidly - often by leveraging buy-now-pay-later models and small-ticket financing options.

THE SHIFT FROM UNORGANIZED TO ORGANIZED RETAIL

An additional trend among Gen Z is the growing preference for organized retail over the unorganized sector. Neighbourhood jewellers are increasingly being replaced by corporate jewellery chains, and supermarkets and e-commerce platforms have started to displace traditional Kirana stores.

Organized players, with their digital infrastructure, enjoy advantages in compliance, scalability, and customer trust. Their ability to adhere to best practices gives them a competitive edge - one that resonates with Gen Z consumers who value transparency, consistency, and convenience.

ROUGH WEATHER AND ATTRACTIVE VALUATIONS

While Gen Z is expected to expand the consumption pool over the next decade, the recent environment for consumption-driven businesses has been challenging.

Many of these companies have faced pressure from subdued demand, largely due to high inflation and elevated interest rates. Inflation has eroded consumers' purchasing power, while higher interest rates have discouraged borrowing for discretionary spending. Adding to the strain, the rural economy has remained under pressure, further dampening overall demand.

At the same time, the government's focus on investment-led growth shifted investor attention toward capital expenditure, manufacturing, and infrastructure-related sectors. As a result, consumption stocks were largely overlooked and began trading at relatively attractive valuations.

A MACRO TURNAROUND

Against a previously weak backdrop, considerable changes have taken place over the past year. The Union Budget 2025 has reduced the income tax burden on households, which is expected to leave more disposable income in the hands of individuals, thereby boosting consumption.

The government has shifted its focus from capex-led growth to a more balanced approach, where both consumption and capacity creation co-exist. As consumption demand returns, corporate India is likely to ramp up investments in capacity expansion. These new capacities will, in turn, generate employment opportunities for Gen Z, fuelling a fresh wave of consumer spending.

The rural economy is also showing signs of improvement, and a good monsoon is expected to further strengthen it. The government's continued emphasis on welfare schemes should benefit rural India and the urban and rural populations at the bottom of the economic pyramid. These developments could usher in a renewed phase of high consumption growth.

BALANCING OPPORTUNITY WITH RISK

While there are opportunities to make money, investors must remain mindful of the risks. Overpaying for anticipated growth remains a huge concern. It is also essential for investors to evaluate whether the companies they invest in are delivering in line with their guidance.

Emerging risks - such as shifts in supply chains and changing distribution models - must not be overlooked. For example, the rise of digital-first, direct-to-consumer (D2C) brands presents a serious challenge to established players relying on traditional, distribution-led growth.

POSITIONING PORTFOLIOS FOR THE GEN Z-LED GROWTH WAVE

Investors must carefully assess the risk–reward balance while staying focused on the long-term trends. Gen Z, poised to replace an ageing workforce, is expected to drive consumption. With ongoing industrialization and increasing adoption of technology, this generation is well-positioned to take advantage of emerging economic opportunities. Compared to their predecessors, they are likely to demand a broader range of goods and services, paving the way for sustained earnings growth across Indian companies.

A supportive policy environment and favourable macroeconomic conditions further enhance the investment landscape. Investors can benefit from this growth phase by building diversified portfolios comprising companies that either offer high-demand goods and services or provide solutions that facilitate consumption. Monitoring and managing such consumption-themed portfolios over the next decade could prove rewarding for equity investor**S.**

GRANDPARENTS CAN BUILD LASTING LEGACIES WITH SMART, BALANCED INVESTMENTS LIKE SUKANYA SAMRIDDHI YOJANA (SSY), ULIPS, AND MUTUAL FUNDS

GIFTING A FUTURE, NOT JUST A PRESENT

Investments are largely driven by two crucial variables: knowledge and discipline. If either of these is missing, the likelihood of an investment portfolio not yielding effective returns increases manifold.

Interestingly, an investor's approach to investment is often influenced by age. A young individual is typically more aggressive and willing to take risks in his/her portfolio. In contrast, a mature adult may adopt a relatively cautious stance. Then there is a segment of highly conservative investors - usually older individuals - who have begun thinking seriously about the financial future of their children and grandchildren.

Increasingly, many elderly investors are considering long-term financial planning for their grandchildren. However, not everyone is well-versed in the nuances of how to go about it. Let us explore some of the effective investment avenues available in the market for this purpose.

SUKANYA SAMRIDDHI YOJANA (SSY)

Sukanya Samriddhi Yojana (SSY) is a government-backed savings scheme in India designed to encourage parents or legal guardians to save for the education and future needs of their girl child.

Let us understand a few key features of this scheme:

- **Who Can Open A Sukanya Samriddhi Yojana Account?**
Parents or legal guardians can open an SSY account in the name of their girl child

- **What Is The Age Criterion?**
The account can be opened anytime from the birth of the girl child up to the age of 10 years

- **When Does The Account Mature?**
The account matures 21 years after the account is opened by the parent or the legal guardian

- **How Much Amount Can A Person Deposit?**
Annual deposits can be made with a minimum amount of ₹250 and a maximum of ₹1.50 lakh per financial year

- **What Is The Interest Rate?**
The scheme currently offers an interest rate of 8.2% per annum, compounded annually. (Interest rates are subject to periodic revisions by the government)

- **How Much Withdrawals Are Allowed?**
Partial withdrawal (up to 50%) is allowed once the girl child attains 18 years of age, typically for higher education purposes. Full withdrawal is permitted after maturity (21 years).

- **How Many Accounts Can A Family Open?**
A family can open a maximum of two SSY accounts, one for each girl child.

- **What Documentation Is Required To Open An SSY Account?**
To open an SSY account, one will need the girl child's birth certificate and the identity and address proofs of the parent or her guardian.

Benefits Of Sukanya Samriddhi Yojana

There are multiple benefits of investing in a Sukanya Samriddhi Yojana (SSY). Let us understand the key benefits:

- **Attractive Interest Rate:**
Currently, SSY offers a competitive interest rate of 8.2% per annum, which is revised quarterly by the government

- **Tax Benefits:** Investments in SSY qualify for tax deductions under Section 80C of the Income-tax Act. Both, the interest earned and the maturity amount, are completely tax-free under Section 10(10D).

• **Premature / Partial Withdrawal:** Partial withdrawal of up to 50% of the account balance is allowed after the girl turns 18 years, specifically towards expenses for higher education.

• **Long-Term Growth:** The 21-year maturity period ensures compounded growth, making it ideal for future educational purposes or personal milestones.

• **Premature Closure:** The account can be closed early in the event of the account holder's or girl child's death, or if the girl marries before 18. Premature closure is also allowed after 5 years under certain conditions.

• **Government Guarantee:** SSY is fully backed by the government, ensuring safety and reliability of the invested funds.

• **Flexible Deposit Methods:** Deposits can be made via online transfer, net banking, demand draft, cash, or cheque.

• **Support For Education:** The scheme facilitates financial support for higher education by allowing partial withdrawals for this purpose.

UNIT LINKED INVESTMENT PLAN (ULIP)

Unit-Linked Insurance Plans (ULIPs) combine the benefits of life insurance and market-linked investments, making them a versatile tool for long-term financial planning. These plans not only offer financial protection for your family through life insurance but also enable wealth accumulation by investing a portion of your premium in equity, debt, or balanced funds.

ULIPs come with a transparent structure, helping investors clearly understand how their money is allocated and how the plan works.

One of the standout features of ULIPs is their flexibility - you can switch between funds, make partial withdrawals after a lock-in period, and align investments with your evolving financial goals.

Here are some key benefits of investing in an ULIP:

• **Insurance And Investment In One Plan**

ULIPs (Unit Linked Insurance Plans) combine life insurance coverage with market-linked investment options in a single plan. Your premium is divided between providing life cover and investing in funds such as equity, debt, or balanced options.

While the insurance component secures your family's financial future, the investment portion helps build wealth over time - addressing both protection and growth needs together.

• **Flexibility To Adjust Investments**

ULIPs offer the flexibility to switch between various fund options as your goals or market conditions change. Most plans allow multiple free switches each year, enabling you to modify your investment strategy without incurring extra costs. You can rebalance your portfolio based on market trends, making ULIPs adaptable and dynamic compared to traditional investment products.

• **Transparent And Regulated Structure**

ULIPs are regulated by the Insurance Regulatory and Development Authority of India (IRDAI), ensuring transparency in all charges such as premium allocation and fund management fees.

Regular updates about fund performance and clear documentation help you track your investments easily. This clarity builds confidence and allows for easier comparison across different ULIP plans.

• **Tax Benefits**

ULIPs offer tax advantages under several provisions of the Income-tax Act. Premiums paid are eligible for deductions under Section 80C, and the maturity proceeds may be exempt under Section 10(10D), subject to conditions. These benefits enhance the overall value of ULIPs in long-term financial planning. Since tax laws may change, consulting a professional can help you optimize these benefits.

• **Goal-Based Investment Planning**

ULIPs allow you to align investments with specific life goals such as your child's education, marriage, or retirement. You can choose fund combinations that match your time horizon and risk appetite. Using an ULIP calculator can help you in planning and estimating future returns. The flexibility to adapt your strategy makes ULIPs a powerful tool for achieving financial goals.

• Partial Withdrawals For Emergencies

After a five-year lock-in period, ULIPs permit partial withdrawals from the accumulated fund without terminating the policy. Your life cover continues even after the withdrawal.

This feature ensures liquidity during emergencies while keeping your long-term investment intact - helping balance present needs with future planning.

• Professionally Managed Funds

ULIP funds are handled by qualified fund managers who monitor the markets and adjust portfolios as needed. This professional oversight is included in your policy charges, offering the benefit of expert management without additional fees. Active fund management may enhance returns while managing risks more effectively than self-directed investments.

• Building Long-Term Wealth

ULIPs encourage disciplined, long-term investing with a minimum five-year lock-in. Over time, the effects of compounding and reduced impact of short-term market volatility can significantly enhance wealth creation.

Though there are initial charges, staying invested longer allows the investment component to potentially outperform and support major life goals.

MUTUAL FUNDS & SIPS

On the whole, a key point grandparents must bear in mind is the importance of creating a diversified portfolio for their grandchildren. In this context, investing in mutual funds is an effective solution with long-term benefits.

Grandparents should avoid putting all their money into a single scheme. With a time horizon of 15 to 17 years, they can afford to take calculated risks through exposure to equity schemes.

Equity investments have historically delivered inflation-beating returns. The best way to invest in equities is through mutual funds, especially via Systematic Investment Plans (SIPs). SIPs promote disciplined investing and help mitigate market volatility.

Mutual fund Child Plans, which often have a high allocation to equities, can also build a substantial corpus by the time the child turns 18. These plans also ensure that the money is earmarked for the child, similar to SSY or child insurance policies.

If grandparents want to retain control over funds, they can consider investing in diversified equity funds or hybrid aggressive funds in their own names. Joint holdings (e.g., grandfather and grandmother as co-investors) can reduce operational issues. There are three important goals grandparents can achieve through these investment avenues. They are:

1. Make payouts to grandchildren as needed
2. Nominate grandchildren in their investments
3. Draft a will to ensure assets are transferred smoothly and protected from disputes.

WHAT TO AVOID: REAL ESTATE & GOLD JEWELLERY

Experts recommend avoiding investments in physical assets like real estate and gold jewellery. Given the increasing trend of young individuals settling or studying abroad, such assets may become burdensome or irrelevant for the next generation.

IN A NUTSHELL

Investing for your grandchildren requires careful, thoughtful planning. A balanced portfolio - combining assured-return instruments like SSY and market-linked options such as ULIPs and mutual funds - offers the best chance of creating a meaningful, inflation-beating corpus over time.

With the right mix of safety, growth, and flexibility, grandparents or legal guardians can leave behind a lasting financial legacy that empowers their grandchildren's futurE.

NO FUSS, JUST FUNDS

GIFT City is where India opens the door to global money with less friction and more flair

In the heart of Gujarat, far from the volumes of traders in Mumbai's Dalal Street, a quiet financial revolution is underway. Gujarat International Finance Tec-City - better known as GIFT City - is not just another smart city.

It is India's most ambitious attempt to establish an international financial services centre, positioned to compete with global financial hubs like Singapore, Dubai, and London.

GIFT City serves a dual purpose. On one hand, it enables Indian investors and institutions to access global markets through outward investment structures. On the other, it offers foreign investors a simplified and tax-efficient route into India's capital markets.

This is where the local meets the global, supported by a forward-looking regulatory regime under the International Financial Services Centres Authority (IFSCA).

Created to address and overcome the friction points of India's onshore regulatory systems, including restrictive laws around capital flows, complicated tax codes, and layered compliance, GIFT City offers a clean, efficient, and globally aligned alternative.

Here, Indian fund managers can launch offshore funds for international investments, while global investors can enter India's equity and debt markets with ease.

As India deepens its connections with global financial flows, GIFT City is set to play a defining role in both inbound and outbound capital flows. At the heart of this evolution lies an ecosystem that supports investors, both Indian and international, with liberal rules, world-class infrastructure, and attractive tax incentives.

Outward Investment: GIFT City Empowers Indian Mutual Funds To Go Global

For Indian mutual funds aiming to offer global investment opportunities, Gujarat International Finance Tec-City has opened a critical new avenue, even though the underlying route for investors remains the same under the Liberalised Remittance Scheme (LRS).

While LRS continues to govern how much money a resident Indian can remit abroad (currently up to $2,50,000 annually), GIFT City gives Indian mutual fund houses the infrastructure and flexibility to launch their own offshore funds – all within Indian jurisdiction.

Previously, global investing was mainly done through feeder funds linked to offshore partners, often restricted by regulatory limitations and dependency on foreign entities.

With GIFT City, Indian mutual funds can create funds to set up their own foreign currency issues intended for international stocks, bonds and Exchange-traded Funds (ETFs).

Although LRS remains the mechanism for individual investors, many now prefer India-managed global strategies operated out of GIFT City.

This shift gives asset management companies (AMCs) greater control over portfolio design, pricing, and compliance, while offering investors a host of benefits such as global diversification, improved transparency, and India-based fund management.

Thematic global products such as international technology or healthcare funds can now be built and distributed from GIFT City with ease.

The model empowers Indian

fund managers to scale international products more efficiently and with greater autonomy, thus offering a unique investment opportunity to investors.

While Liberalised Remittance Scheme is still the gateway for Indian individuals, GIFT City shifts the control back to Indian fund managers, making it easier to build, scale, and distribute global investment products from India, for Indians.

Inward Investment: A Streamlined Gateway to India's Growth

While India's outward investment story highlights its ambition to tap into global markets, the growing inflow into GIFT City reflects increasing global confidence in India's long-term economic potential.

Traditionally, foreign investors seeking exposure to Indian markets had to register as Foreign Portfolio Investors (FPIs), a process that involved multiple layers of compliance, custodial arrangements, and adherence to detailed SEBI regulations.

GIFT City enables easy access to the Indian markets, with very less compliance for the foreign investor.

Global institutions, hedge funds, and even Non-Resident Indians (NRIs) can now access Indian markets through GIFT IFSC structures, such as Alternative Investment Funds (AIFs), with fewer regulatory hurdles and smoother operations.

These vehicles allow direct exposure to equity, debt, and private investments in India without the complications and difficulties involved in FPI registration.

What makes GIFT City appealing is its regulatory transparency, efficient dispute resolution framework, and alignment with international standards - all within the Indian jurisdiction.

Investors now have a credible, tax-efficient alternative to traditional offshore routes for investments like Singapore or Mauritius.

Beyond traditional asset classes known to investors, GIFT City facilitates trading in derivatives, issuance of masala bonds, and even enables Indian companies to list on international exchanges directly from GIFT City.

The tax advantages for foreign investors are aplenty: no capital gains tax is levied on trades executed by non-residents, no dividend distribution tax, and no withholding tax (within specific fund structures).

IN A NUTSHELL

GIFT City is more than just an emblem of India's ambition; it's a functional and evolving model of the country's entry into the realm of global finance.

In a fast-globalizing economy, GIFT City bridges two different worlds: the outward ambitions of Indian investors and the inbound interest of global capital - a unique dual value proposition.

The model is compelling. Indian mutual funds can now launch global products from a secure, tax-friendly environment, while foreign investors - including NRIs, family offices, and global institutions - enjoy a simplified, transparent, and regulated route into Indian markets.

Add to this the appeal of zero capital gains tax, no GST, full repatriation of capital, and up to a 10-year tax holiday for fund managers, GIFT City offers a highly attractive value proposition as an investment platform.

Ultimately, GIFT City's long-term success will depend on building critical mass in liquidity, ensuring regulatory consistency, and keeping market participants actively engaged.

As more fund houses, fintech companies, insurers, and global corporates set up operations in GIFT City, it could trigger a seismic shift in India's financial ecosystem.

Gujarat International Finance Tec-City is not only poised to be India's financial innovation cluster, but also a globally recognized locale of financial innovation.

No wonder GIFT City is projected to become an independent hub of financial activity. It is a place where capital is set to move freely, ideas are exchanged, and India secures its seat at the global financial tablE.

TECHNICAL OUTLOOK

Indian equity indices slipped after an initial uptick, owing to rising geopolitical tensions, which led to caution among investors. July was not a good month for the Nifty, as it traded in a pattern of lower tops and lower bottoms, eventually breaking below its 50- DMA. Additionally, volume bars showed a gradual decline, especially over the last few sessions.

Technically, as per Retracement Theory (H-26,277.35, I-21,743.65) Nifty has immediate support near the 61.8% retracement level, i.e., around 24,545, where we may witness a likely pause in the sell-off and a bounce-back rally towards the 50-DMA level of 25,050.

Moreover, the momentum indicator RSI (14) is oscillating near the oversold zone, suggesting rising demand interest due to extreme descent. However, caution is advised as the index approaches short-term exhaustion.

On the downside, major support levels are placed at 24,545 and 24,470, aligning with previous consolidation zones. A move below these levels may trigger a short-term decline towards 24,400.

Conversely, a bounce from this range could reinforce the long-term bullish structure. On the upside, resistance lies at 25,050. A significant breakout above this level on a closing basis could signal a continuation of the rally, with potential upside targets at 25,240 - 25,340. Overall, the technical set-up for Nifty remains positive as long as it sustains above key support levels of 24,545 - 24,470.

Bank Nifty has also been trading in a steady consolidation pattern on the weekly chart, mirroring Nifty's movement. Immediate resistance is seen near 56,350. A breakout above this level may resume upward momentum towards the 57,000/57,600 levels. Support for Bank Nifty is placed at 55,600. A close below this level may lead to a sell-off towards the 55,000/54,600 zones.

In Nifty Options for the June series, the highest Open Interest (OI) build-up is seen near the 25,000 and 25,500 Call strikes, while on the Put side, it is observed at the 24,500 and 24,000 levels.

The trend in the July series remained sideways, with some selling pressure emerging in the latter half of the month. With just a couple of days left until the July expiry, OI remains high. If this continues, the index could face selling pressure in August.

India VIX, which measures the immediate 30-day volatility in the market, has stayed within the 10–15 range and is expected to remain between 10 and 16 during the August series.

The Put-Call Ratio - Open Interest (PCR-OI) for Nifty Options has ranged between 0.6 and 1.2 in July and is expected to stay within the 0.6 - 1.40 range in August.

Markets are likely to witness some selling pressure, with supports placed at 24,500 and 24,000 levels, and resistance near 25,000 and 25,500.

OPTIONS STRATEGY

Long Straddle

A Long Straddle can be initiated by buying 1 lot of 28AUG 24800 CE (₹325) and buying 1 lot of 28AUG 24800 PE (₹325). The total outflow of premium comes to around 650 points, which also marks the maximum loss in this strategy. A stop-loss can be set at 500 points (that is, a 150-point loss from the total premium). The maximum gain is unlimited.

A Target of 950 points (that is, a 300-point gain from the total premium) could be considered. Given the current OI positions in Nifty Options, momentum is expected to persist, making this strategy potentially profitablE.

MUTUAL FUND BLACKBOARD

Large Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Aditya Birla Sun Life Frontline Equity Fund -	527.9	2.4	18.2	20.6	13.7	12.0	30927.4
Baroda BNP Paribas Large Cap Fund - Growth	220.9	-1.6	18.8	19.3	14.7	12.0	2719.2
Canara Robeco Bluechip Equity Fund - Growth	63.0	3.2	17.9	19.0	14.9	13.1	16617.3
Kotak Bluechip Fund - Reg - Growth	571.0	1.2	17.7	19.7	14.3	12.3	10515.8
Nippon India Large Cap Fund - Reg - Growth	90.5	2.4	22.8	25.3	16.2	13.7	43828.6
Nifty 100 TRI	35087.4	0.5	16.9	19.6	13.9	12.7	--

Mid Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Edelweiss Mid Cap Fund - Growth	101.6	7.8	28.3	32.2	20.6	17.5	10988.2
Kotak Emerging Equity Fund - Reg - Growth	136.5	5.1	25.2	30.0	20.2	17.5	57102.0
Mahindra Manulife Mid Cap Fund - Reg - Growth	33.8	0.4	27.5	29.5	20.1	--	3990.5
Nippon India Growth Fund - Reg - Growth	4173.2	5.0	28.4	32.0	21.7	17.3	39065.6
Tata Mid Cap Growth Fund - Reg - Growth	438.1	-0.6	23.7	27.1	19.3	15.2	4985.2
Nifty Midcap 150 TRI	27730.3	3.4	27.5	31.3	20.2	18.1	--

Small Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Small Cap Fund - Reg - Growth	48.2	12.2	34.0	36.1	--	--	12981.6
Edelweiss Small Cap Fund - Reg - Growth	45.3	4.4	25.4	33.9	--	--	4929.8
HDFC Small Cap Fund - Growth	143.9	5.2	27.6	34.1	18.9	18.4	35780.6
ITI Small Cap Fund - Reg - Growth	29.2	3.2	31.2	28.1	--	--	2640.8
Tata Small Cap Fund - Reg - Growth	42.0	4.9	26.8	33.7	--	--	11163.8
TRUSTMF Small Cap Fund - Reg - Growth	10.4	--	--	--	--	--	1030.3
Nifty Smallcap 250 TRI	22692.7	2.5	29.0	34.4	18.9	15.8	--

Large & Mid Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Core Equity Fund - Reg - Growth	134.1	3.2	27.0	27.4	17.2	15.1	9735.4
DSP Equity Opportunities Fund - Reg - Growth	620.4	0.8	23.1	23.9	16.8	14.9	15663.4
Edelweiss Large & Mid Cap Fund - Growth	86.9	2.1	20.7	23.5	15.8	13.9	4139.5
Kotak Equity Opportunities Fund - Reg - Growth	341.3	1.0	22.0	23.4	17.1	14.8	28294.2
Tata Large & Mid Cap Fund - Reg - Growth	536.1	2.1	19.2	22.0	16.2	13.1	8886.9
UTI Large & Mid Cap Fund - Growth	181.4	2.8	24.4	27.2	17.0	13.5	4866.1
NIFTY Large Midcap 250 TRI	21156.2	2.1	22.3	25.5	17.1	15.5	--

Multicap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Groww Multicap Fund - Reg - Growth	10.3	--	--	--	--	--	120.5
HDFC Multi Cap Fund - Reg - Growth	19.2	0.4	25.6	--	--	--	18512.7
ICICI Prudential Multicap Fund - Growth	803.7	3.3	23.5	25.9	16.7	14.4	15532.5
Mahindra Manulife Multi Cap Fund - Reg - Growth	36.3	3.2	24.0	27.1	19.4	--	5761.8
Nippon India Multi Cap Fund - Reg - Growth	301.4	3.2	27.1	31.8	19.4	14.7	45366.1
NIFTY 500 Multicap 50:25:25 TRI	21283.0	2.0	22.7	26.3	16.9	15.0	--

FlexiCap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bajaj Finserv Flexi Cap Fund - Reg - Growth	14.8	5.6	--	--	--	--	5179.8
Helios Flexi Cap Fund - Reg - Growth	14.4	4.9	--	--	--	--	3470.6
Mirae Asset Flexi Cap Fund - Reg - Growth	15.8	4.0	--	--	--	--	2981.7
Parag Parikh Flexi Cap Fund - Reg - Growth	84.4	8.7	23.0	24.2	19.2	17.2	110392.3
WhiteOak Capital Flexi Cap Fund - Reg - Growth	17.3	6.4	--	--	--	--	5446.1
BSE 500 TRI	46842.0	0.8	19.4	22.4	15.3	13.9	--

Focused Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Focused 30 Fund - Growth	229.1	7.2	25.5	28.3	17.4	14.0	20868.3
Nippon India Focused Equity Fund - Reg - Growth	121.7	1.2	17.3	23.5	15.2	13.5	8787.6
BSE 500 TRI	46842.0	0.8	19.4	22.4	15.3	13.9	--

Dividend Yield Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
ICICI Prudential Dividend Yield Equity Fund	52.4	2.1	26.6	29.3	17.8	15.4	5644.8
UTI Dividend Yield Fund - Growth	177.6	0.3	22.3	22.7	16.2	13.7	4127.1
Nifty 500 TRI	37010.3	1.3	19.6	22.4	15.3	13.8	--

Contra/Value Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Sterling Value Fund - Reg - Growth	148.0	-1.6	20.5	30.3	16.1	14.8	10229.1
SBI Contra Fund - Growth	386.9	-0.3	24.2	32.0	20.1	15.8	47389.6
BSE 500 TRI	46842.0	0.8	19.4	22.4	15.3	13.9	--

ELSS Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bajaj Finserv ELSS Tax Saver Fund - Reg - Growth	11.3	--	--	--	--	--	60.6
Bandhan ELSS Tax saver Fund - Reg - Growth	152.2	-1.2	18.3	25.3	15.7	13.9	7151.2
Groww ELSS Tax Savings Fund - Reg - Growth	20.1	-1.4	17.0	17.7	11.4	--	52.7
Parag Parikh ELSS Tax Saver Fund - Reg - Growth	31.9	6.5	21.2	24.0	--	--	5557.4
Nifty 500 TRI	37010.3	1.3	19.6	22.4	15.3	13.8	--

Thematic / Sector Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Canara Robeco Consumer Trends Fund - Reg - Growth	110.4	2.9	19.2	22.4	16.7	15.1	1925.2
ICICI Prudential Business Cycle Fund - Reg - Growth	24.4	6.4	24.5	--	--	--	13469.8
Mirae Asset Great Consumer Fund - Growth	92.9	0.2	19.5	22.5	15.9	15.2	4386.3
Nippon India Pharma Fund - Reg - Growth	522.9	12.3	24.2	21.4	20.6	13.9	8569.2
Tata Digital India Fund - Reg - Growth	47.1	-3.8	16.1	24.0	18.4	--	12216.3
Nifty 500 TRI	37010.3	1.3	19.6	22.4	15.3	13.8	--

Arbitrage Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	2 Years	3 Years	
Bandhan Arbitrage Fund - Reg - Growth	32.5	5.4	6.6	6.7	7.2	6.9	8986.0
Edelweiss Arbitrage Fund - Reg - Growth	19.4	5.6	6.7	6.7	7.3	7.0	15045.0
Invesco India Arbitrage Fund - Growth	32.0	5.7	6.7	6.8	7.3	7.1	23900.0
Kotak Equity Arbitrage Fund - Reg - Growth	37.6	5.6	6.8	6.8	7.5	7.1	69924.0
Tata Arbitrage Fund - Reg - Growth	14.4	5.7	6.8	6.7	7.2	6.9	15922.0
Nifty 50 Arbitrage Index	26.6	5.9	7.5	7.3	7.1	7.3	14348.2

Equity Savings Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
DSP Equity Savings Fund - Reg - Growth	21.9	7.1	10.8	11.6	8.6	--	3192.0
HDFC Equity Savings Fund - Growth	65.8	4.4	11.4	12.7	9.5	9.6	5662.6
Kotak Equity Savings Fund - Reg - Growth	26.2	4.9	12.3	11.8	9.7	9.2	8444.4
NIFTY 50 Hybrid Composite Debt 65:35 Index	20712.2	4.6	13.9	14.9	12.2	11.3	--

Fund Of Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Asset Allocator Fund Of Funds	18.3	8.4	17.4	--	--	--	4211.4
ICICI Prudential Asset Allocator Fund (FOF)	121.2	8.9	15.3	16.0	13.1	12.2	26858.1
ICICI Prudential Thematic Advantage Fund (FOF)	227.4	11.7	22.5	26.8	17.9	16.2	4158.0
Kotak Income Plus Arbitrage FOF - Reg - Growth	12.4	12.4	12.4	12.4	12.4	12.4	12.4
Nippon India Asset Allocator FoF - Reg - Growth	21.7	9.9	21.7	--	--	--	744.3
Nifty 500 TRI	37010.3	1.3	19.6	22.4	15.3	13.8	--

Balanced Advantage Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Edelweiss Balanced Advantage Fund - Growth	50.7	1.9	13.9	14.7	11.9	10.0	13047.0
Mirae Asset Balanced Advantage Fund - Reg	14.2	5.5	--	--	--	--	1899.1
Nippon India Balanced Advantage Fund - Reg	176.5	3.9	13.7	14.4	10.9	9.6	9390.9
Tata Balanced Advantage Fund - Reg - Growth	20.6	2.5	12.5	13.4	--	--	10353.1
NIFTY 50 Hybrid Composite Debt 65:35 Index	20712.2	4.6	13.9	14.9	12.2	11.3	--

Hybrid Aggressive Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Baroda BNP Paribas Aggresive Hybrid Fund	28.0	2.2	16.9	17.1	14.1	--	1245.2
Edelweiss Aggressive Hybrid Fund - Growth	63.6	4.7	19.9	20.6	14.5	12.1	2925.6
Kotak Equity Hybrid Fund - Growth	62.4	3.7	17.4	20.5	14.7	12.6	7808.2
UTI Aggressive Hybrid Fund - Growth	407.8	3.8	18.8	21.1	13.8	12.1	6467.7
NIFTY 50 Hybrid Composite Debt 65:35 Index	20712.2	4.6	13.9	14.9	12.2	11.3	--

Multi Asset Allocation Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Nippon India Multi Asset Allocation Fund	21.8	8.8	19.5	--	--	--	6367.9
Tata Multi Asset Opportunities Fund - Reg - Growth	23.7	5.0	16.5	17.7	--	--	3956.1
UTI Multi Asset Allocation Fund - Growth	74.4	5.2	21.0	16.4	12.3	10.1	5890.2
WhiteOak Capital Multi Asset Allocation Fund	14.2	13.3	--	--	--	--	2585.5
NIFTY 50 Hybrid Composite Debt 65:35 Index	20712.2	4.6	13.9	14.9	12.2	11.3	--

Gold Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Gold ETF Fund of Fund - Growth	29.5	29.4	23.0	13.4	17.1	12.7	4271.6
Kotak Gold Fund - Reg - Growth	37.9	29.0	22.7	13.3	17.3	13.0	3155.5
Nippon India Gold Savings Fund - Reg - Growth	37.7	29.5	22.9	13.3	17.0	12.6	3125.6
Prices of Gold	98462.0	32.3	24.6	14.8	18.5	14.3	--

Overnight Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		2 Weeks	1 Month	3 Months	1 Year	YTM	
Kotak Overnight Fund - Reg - Growth	1377.2	5.2	5.2	5.5	6.3	5.5	8535.7
Tata Overnight Fund - Reg - Growth	1361.0	5.2	5.1	5.4	6.2	5.5	3941.5

Liquid Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		2 Weeks	1 Month	3 Months	1 Year	YTM	
ICICI Prudential Liquid Fund - Reg - Growth	387.8	5.4	5.9	6.2	7.1	6.0	49517.3
Mahindra Manulife Liquid Fund - Reg - Growth	1704.7	5.4	5.9	6.2	7.1	6.0	1017.8
Nippon India Liquid Fund - Reg - Growth	6393.9	5.4	5.9	6.3	7.1	6.0	34489.7

Ultra Short Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Aditya Birla Sun Life Savings Fund - Reg - Growth	551.2	8.0	8.5	8.1	7.4	6.7	19189.4
Kotak Savings Fund - Reg - Growth	43.1	7.1	7.8	7.4	6.9	6.5	15526.6

Money Market Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Aditya Birla Sun Life Money Manager Fund	372.3	7.8	8.6	8.1	7.5	6.4	25693.0
UTI Money Market Fund - Reg - Growth	3103.1	7.8	8.8	8.2	7.5	6.3	18353.7

Low Duration Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Bandhan Low Duration Fund - Reg - Growth	38.8	7.8	8.7	7.9	7.1	6.4	6931.4
ICICI Prudential Savings Fund - Reg - Growth	547.1	8.1	9.0	8.4	8.0	6.9	25546.7
UTI Low Duration Fund - Reg - Growth	3569.8	8.0	9.0	8.3	7.4	6.6	3001.6

Short Term Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
HDFC Short Term Debt Fund - Growth	32.3	8.2	10.3	9.2	7.9	6.9	17402.3
ICICI Prudential Short Term Fund - Growth	60.7	8.2	10.3	9.0	8.0	7.2	21490.8
Nippon India Short Term Fund - Reg - Growth	53.3	8.5	10.6	9.4	7.6	7.0	8330.0

Corporate Bond Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Aditya Birla Sun Life Corporate Bond Fund	113.9	7.1	10.3	9.3	8.1	6.9	28629.9
HDFC Corporate Bond Fund - Growth	32.8	7.4	10.3	9.3	8.1	6.9	35686.0

Dynamic Bond Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential All Seasons Bond Fund - Growth	37.3	7.0	10.6	9.5	8.4	7.3	14952.4
Nippon India Dynamic Bond Fund - Reg - Growth	37.7	7.1	11.5	10.0	8.5	6.5	4637.5

Medium Duration Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Axis Strategic Bond Fund - Growth	28.2	8.2	10.9	9.6	8.2	7.7	1941.7
ICICI Prudential Medium Term Bond Fund - Growth	45.2	8.9	10.8	9.6	8.0	7.7	5700.7
SBI Magnum Medium Duration Fund - Growth	51.5	6.8	9.9	9.0	7.9	7.2	6505.9

Gilt Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Bandhan Government Securities Fund Investment Plan	35.5	0.7	8.6	7.0	7.9	7.2	3124.0
ICICI Prudential Constant Maturity Gilt Fund	25.0	6.3	12.6	10.9	9.1	6.5	2462.8
Kotak Gilt Fund - Growth	96.8	0.1	8.1	7.2	7.7	7.0	3809.8
Nippon India Nivesh Lakshya Fund - Reg - Growth	18.0	1.1	9.7	8.4	9.7	7.0	9841.2

Credit Risk Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential Credit Risk Fund - Growth	32.0	10.4	10.5	9.5	8.1	8.0	6091.4
Nippon India Credit Risk Fund - Reg - Growth	35.3	10.5	11.4	9.9	8.3	8.4	1018.0

FINANCIAL CLARITY: A CATALYST FOR PROSPERITY

If you don't mind your money, your money won't mind you. Financial literacy is the real currency of freedom

Money is at the heart of nearly everything we do - the reason many of us go to work, launch businesses, or take up side hustles. It's so deeply ingrained in our daily lives that we rarely step out without our wallets or phones loaded with payment apps.

Yet, ironically, when it comes to managing money or understanding basic financial concepts, many treat it like a foreign language. We often assume that it's too complex, thus leaving it in the hands of a more 'money-savvy' spouse, parent, or trusted advisor.

This disconnect can have serious consequences. Too often, we compartmentalize financial responsibility, finding comfort in the belief that someone else in the household is taking care of it. But what happens when that assumption is abruptly shattered?

Consider this real-life case: A husband who solely managed the family's finances suddenly collapses on a badminton court and passes away. The emotional trauma for his wife is devastating, but it's made worse by the realization that she knows nothing about their financial situation. She doesn't know how much money they have, where their investments are, whether there are any debts, or if there are assets overseas.

This isn't just a story about loss; but importantly, it's a cautionary tale about the dangers of financial dependence and disengagement. When one partner exclusively handles money matters, the other is left vulnerable - not just emotionally, but also financially. In times of crisis, a lack of understanding or access to financial resources can derail a family's stability for years.

But the issue goes beyond emergencies. Disengagement from personal finances increases the risk of falling into debt traps, making poor investment decisions, getting misled by individuals with vested interests, or becoming victims of fraudulent schemes. Without a basic grasp of financial principles, saving for a home, planning for retirement, or even setting a monthly budget becomes guesswork.

Financial literacy isn't just for the wealthy or the elderly; it's essential for everyone, regardless of age or income level. The earlier one develops financial awareness, the more empowered and resilient they become. In a world where financial independence is closely tied to personal freedom and security, choosing to remain unaware is no longer just impractical; it's risky.

Financial literacy is not a luxury; it is a necessity - a foundation that allows you to navigate life with confidence and control.

Despite its significance, a lot remains to be done. According to the National Centre for Financial Education, only 27% of Indian adults are financially literate. Globally, fewer than 1 in 4 young adults feel confident in their financial understanding.

WHO CAN BE CONSIDERED FINANCIALLY LITERATE?

Financial literacy goes far beyond simply knowing how to save money. A financially literate person possesses the essential knowledge and skills to manage their personal finances wisely, make informed decisions, and avoid common financial pitfalls.

At its core, financial literacy involves understanding fundamental concepts like: the difference between saving and investing, the power of compounding, how high-interest debt (such as from credit cards or personal loans) can spiral into a trap.

But this doesn't mean one must become an expert in all areas of finance; that's best left to professionals. Instead, it's about mastering basic yet crucial aspects of finance and money management, including:

• Creating and adhering to a budget
• Managing and reducing debt
• Prioritizing savings and setting financial goals
• Monitoring investments regularly
• Understanding the function and risks of financial products like insurance, mutual funds, and loans
• Staying alert to the growing number of financial scams in an increasingly digital world

WHY IS FINANCIAL LITERACY IMPORTANT?

Financial literacy empowers individuals to manage their money effectively, fostering greater financial security, stability, and long-term well-being. Without it, people are more likely to make poor decisions that can lead to excessive debt, missed investment opportunities, damaged credit scores, and financial insecurity in retirement.

In this context, financial literacy is not an add-on or a choice; it is essential for achieving financial independence and resilience.

KEY BENEFITS OF FINANCIAL LITERACY

Some of the advantages of being financially literate involve:

Better Financial Planning

Financially literate individuals are equipped to set and work towards both short- and long-term financial goals with clarity and confidence. With an understanding of budgeting, investing, and risk management, they can make informed decisions that align with their life objectives. Even when working with a financial advisor, financial literacy enables active participation, tracking performance, and making timely adjustments based on life changes or market fluctuations. In essence, it enables smarter, more adaptive, and goal-driven financial planning.

Reduced Financial Stress

Financially literate individuals recognize the importance of maintaining an emergency fund; they understand the consequences of delayed loan repayments on their credit score, and are aware of how unmanaged finances can quickly escalate into a debt spiral.

This awareness enables them to make more responsible financial choices, stay prepared for unexpected expenses, and significantly reduce financial stress in their daily lives.

Moreover, should there be an untoward incident, such as a job loss or a medical emergency, financially literate individuals will be more in control of the situation and thus less prone to a financial crisis.

Protection From Financial Frauds

In today's digital world, financial scams have become increasingly sophisticated. OTP frauds, unrealistic returns, and fake giveaways are common traps. Financially literate individuals are better at identifying red flags, questioning too-good-to-be-true offers, and safeguarding their personal information.

Better Confidence, Empowerment And Independence

Those who understand financial concepts feel more confident and in control of their future. This sense of empowerment reduces dependence on others and lowers the risk of exploitation - especially among vulnerable groups like the elderly or women - by helping them recognize and avoid manipulative or predatory financial practices and make informed and independent financial decisions.

TIPS TO ENHANCE FINANCIAL LITERACY

Becoming financially literate is both accessible and achievable. In fact, no finance degree is required. A wealth of tools and resources are available to support your journey:

• Budgeting apps, educational podcasts, online courses, and financial tools can teach you the fundamentals of money management, clearly indicating that financial literacy is within everyone's reach

• Government initiatives, like the RBI's Financial Literacy Week, conducting workshops, seminars and outreach programmes promote awareness on topics like budgeting, insurance, and digital banking

• Learn from others. Seek advice from financially savvy peers, mentors, or attend structured programmes that cover essentials such as budgeting, credit, retirement planning, and portfolio management

• Read financial books and articles. In fact, many high-quality, free resources are available online

• Work with a financial advisor, especially when aligning decisions with long-term goals

Whether you're just starting out or looking to deepen your knowledge, the key is to stay curious, seek credible information, and apply what you learn to your daily life.

IN A NUTSHELL

Finance isn't just for 'finance people', or as they are known - bankers, accountants, or investment professionals. Financial literacy is a life skill that everyone needs to lead a secure and independent life. In today's fast-paced, unpredictable world, financial literacy is vital for anyone who wants control - over their money, and over their future.

It helps individuals make informed choices, avoid debt traps, safeguard against fraud, and plan for emergencies. Beyond budgeting or saving, financial literacy offers clarity and confidence. Financially aware individuals are less vulnerable to shocks and more equipped to seize opportunities.

No matter your income, age, or background, being financially literate is no longer optional; it's essential. It is the foundation of resilience, independence, and well-being, and long-term peace of minD.

IMPORTANT JARGON

MONSOON PROGRESS, KHARIF SOWING: BETTER SO FAR

Monsoon rainfall in India has been around 10% above average so far till 16th July. Water reservoir levels in the country, too, are better. Kharif sowing has also picked up pace, with higher acreage sown compared to sowing in the same period last year. These are good signs for India's agriculture and allied sectors.

Q. Why Are Monsoon Rains Important For India?

Monsoon rains - the crucial four-month period of rains from June to September - are important for India's agricultural economy. India receives over 70% of its annual rainfall during this period. These rains fill the water reservoirs and replenish groundwater reserves in the country.

Tracking monsoons helps farmers plan their sowing accordingly. The months of June and July are particularly important for sowing the kharif crop. Monsoon progress allows sectors like fertilizers, agrochemicals, tractors, FMCG, and other allied sectors to prepare for the year.

Q. But Are Monsoons Really That Critical For India's Agriculture?

India's overall irrigation penetration is around 55%, which is an improvement over the past. Better irrigation intensity, deployment of climate-resistant crops, and other productivity-related measures have reduced kharif dependency on monsoon rainfall over the years.

Yet, the dependency on south-west monsoon for overall agriculture remains high, as rabi food grain (winter-sown) output depends on water reservoirs, which are replenished by monsoon rains. Water availability for agriculture can become an issue if multiple monsoon seasons witness lower rainfall or if rainfall distribution is uneven across the country.

Q. How Have Monsoon Rains Progressed This Season?

Monsoon rains arrived a week early this season. The southwest monsoon had covered the entire country by 29th June as against the normal date of 8th July.

Cumulatively, this season, from 1st June to 16th July, the country as a whole has received 331.9 millimetres of rain, compared to 304.2 millimetres during the same period last year.

However, while Central and Northwest India have received good monsoon rains so far, regions in the East and South have witnessed lower rainfall.

Q. What Has The India Meteorological Department (IMD) Predicted For This Season?

The IMD has predicted above-normal rainfall during the southwest monsoon season, estimating it at 106% of the Long Period Average (LPA).

The IMD has said that Central India and South Peninsular India are most likely to see above-normal rains, and Northwest India normal rains, for the overall monsoon season. Only Northeast India is expected to see below-normal rains this season.

Q. What Is The Status Of Reservoir Levels In The Country?

According to the Central Water Commission (CWC), due to over 9% above-normal rainfall till 16th July, India's 161 major reservoirs have reached over 57% of their combined capacity (total combined capacity is of 181.461 billion cubic metres (BCM)).

Water levels are up 91% year-on-year and 69% above the 10-year average.

Water levels indicate a healthy water outlook for the country. Out of the total 161 reservoirs, 61 reported more than 80% of the normal storage level.

Q. What Is The Status Of Kharif Sowing In The Country?

As per the latest data from the Agriculture Ministry, India's kharif sowing has reached 597.86 lakh hectares as of 11th July, showing a 6.6% rise over last year.

Sowing is higher in crops like rice, pulses, and millets. However, soybean sowing has declined compared to last year.

Rice, the main kharif sowing crop, has recorded a major jump in sowing, with 123.68 lakh hectares already covered, around 12 lakh hectares more than the previous year.

Q. What Do Good Monsoon And Higher Sowing Mean To The Economy?

If IMD's prediction comes true, India will witness a second consecutive year of above-normal monsoon. This, along with higher reservoir levels, is positive for the rabi (winter sowing crops) season as well.

The country can expect another year of healthy agricultural output. Higher agricultural output means a check on food inflation in the country and buoyancy in rural demand, which has been sluggish in recent times.

Q. What Is The Status Of Inflation In The Country?

A well-distributed monsoon in terms of both time and geography can help determine the overall trajectory of consumer price index-lead (CPI) inflation in the coming months.

Currently, CPI inflation is low in the country. India's CPI inflation moderated to 77-month low of 2.10% on 25th June, down from 2.82% on 25th May and 5.08% in June '24.

This lower CPI has given the Reserve Bank of India's (RBI's) Monetary Policy Committee (MPC) more room to lower key policy interest rates in recent meetings.

Going forward, with monsoons and sowing on the positive side, CPI inflation may undershoot the RBI's prediction of 3.4% for the year – potentially translating to lower interest rates in the system, and stronger economic growth.

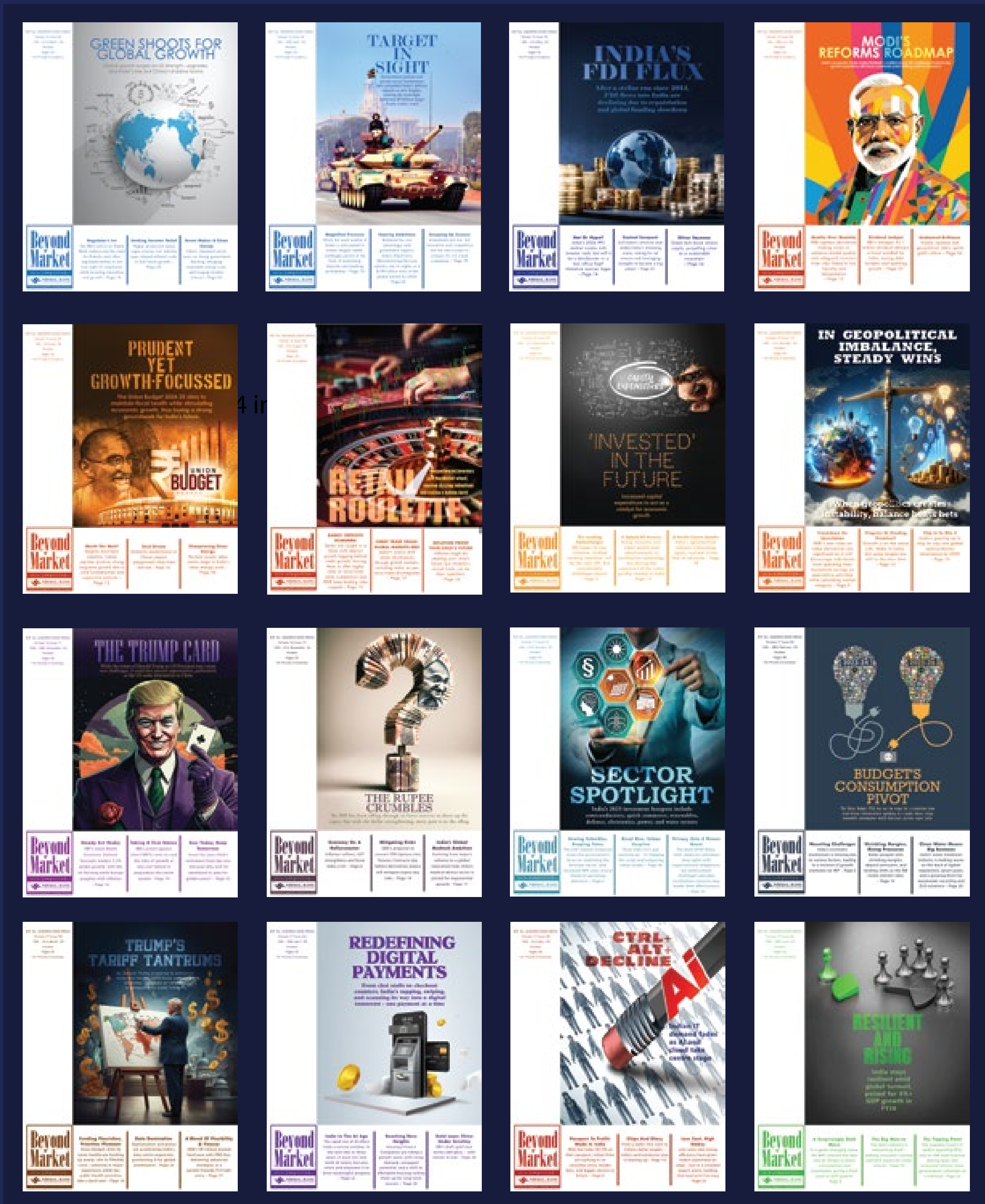
Q. Why Is Agriculture Important For The Indian Economy?

Agriculture accounts for around 16% of India's Gross Domestic Product (GDP) and supports over 46% of the country's population. A normal monsoon boosts farm output and improves rural sentiment.

It directly increases demand for fertilizers, agrochemicals, seeds, etc., and indirectly stimulates demand for consumer non-durables, finance, paints, tractors, bikes, and more in rural areas.

Q. What To Keep An Eye On From Here On?

The distribution of rainfall across key regions must be closely tracked. Adverse climate events such as very heavy rainfall, pest attacks and temperature anomalies also need close monitorinG.



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