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Consumer Electronics Industry

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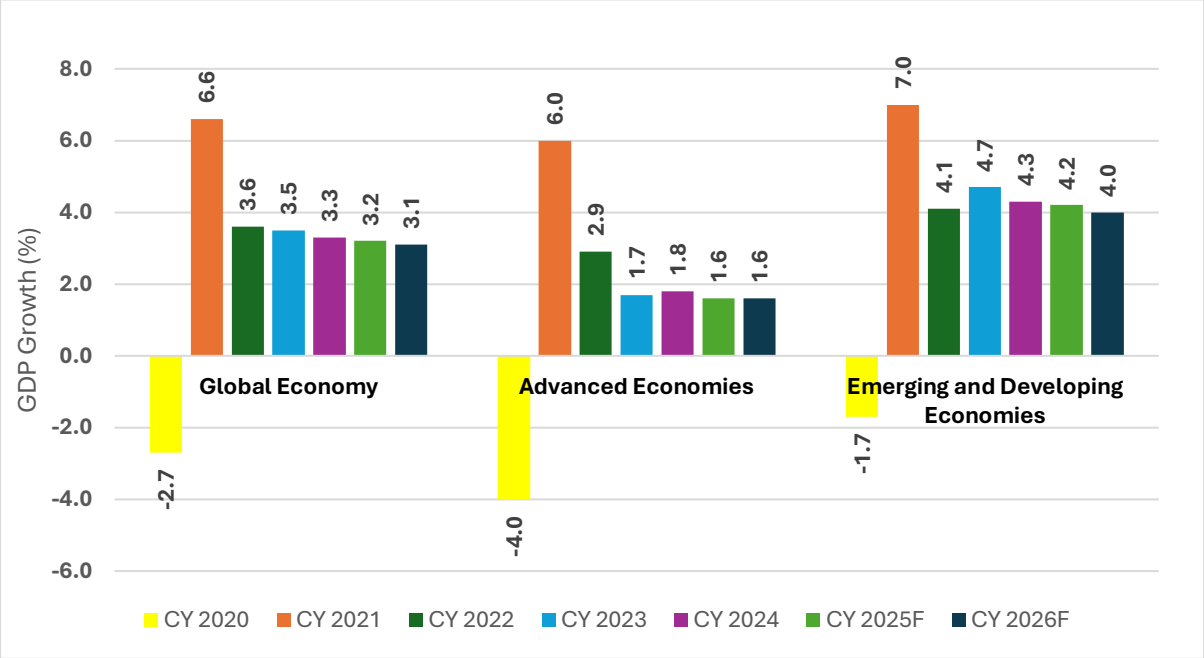
1. Global Economic Outlook

The global output is expected to grow by 3.2% in CY 2025, down from 3.3% in CY 2024, and moderating to 3.1% in CY 2026. This deceleration reflects a combination of lingering trade tensions, policy uncertainties, and region-specific structural challenges.

Global inflation is expected to ease, with headline inflation forecast at 4.2% in CY 2025 and 3.7% in CY 2026, supported by tighter monetary policies in advanced economies, improving labour market conditions, and the gradual resolution of supply-side disruptions. Global trade growth is set to moderate to 3.6% in CY 2025 and further to 2.3% in CY 2026, reflecting the impact of elevated trade barriers and geopolitical instability.



F – Forecast, Source – IMF World Economic Outlook October 2025

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

Advanced Economies are projected to slow, with GDP growth at 1.6% in CY 2025 and CY 2026. The United States is expected to expand by 2.0% in CY 2025 and 2.1% in CY 2026, supported by resilient consumer spending despite fiscal and trade pressures. The Euro Area faces

subdued growth at 1.2% in CY 2025, with Germany at 0.2% and France at 0.7%, amid lingering trade disruptions and domestic challenges. Japan's growth is forecast at 1.1% in CY 2025, reflecting weak domestic demand, while the United Kingdom is projected to grow at 1.3%.

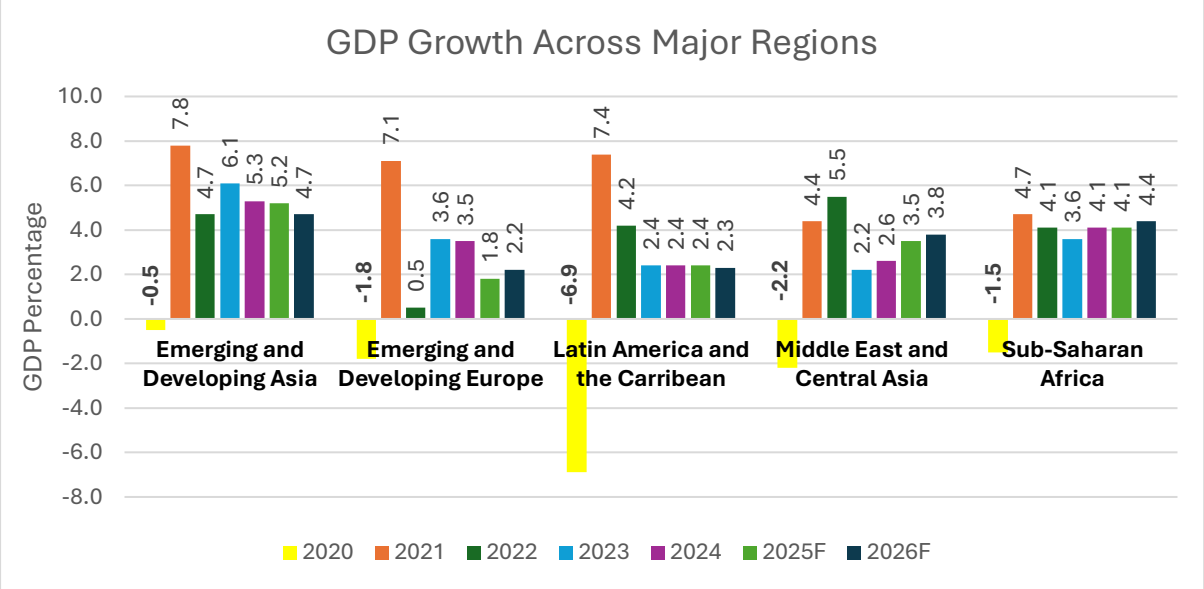
Emerging Markets and Developing Economies are expected to maintain moderate expansion, with GDP growth of 4.2% in CY 2025 and 4.0% in CY 2026. China's growth is projected at 4.8% in CY 2025, slightly higher than previously expected, constrained by real estate sector weakness and soft consumer demand. India is projected to grow at 6.6% in CY 2025 and 6.2% in CY 2026, driven by robust rural consumption, infrastructure investment, favourable demographics, and digitalisation. Other key economies, including Brazil (2.4%) and Russia (0.6%) in CY 2025, are expected to grow more slowly amid structural and geopolitical challenges.

Global commodity prices are anticipated to remain volatile. Oil prices are projected to decline by 12.9% in CY 2025, following a 1.8% decline in CY 2024, before recovering moderately in CY 2026. Non-fuel commodities are expected to increase by 7.4% in CY 2025, driven by agricultural and industrial demand.

Overall, the global economic outlook indicates slowing growth, easing inflation, and continued uncertainty due to geopolitical tensions and trade fragmentation. Nevertheless, India stands out as a relative growth leader among major economies, supported by macroeconomic stability, demographic advantages, and continued investment-led expansion.

1.1 GDP Growth across Major Regions

GDP growth across major global regions—including Europe, Latin America & the Caribbean, Middle East & Central Asia, and Sub-Saharan Africa—continues to display varied trajectories. While some regions are stabilizing post-pandemic, others remain challenged by structural and cyclical issues. The global outlook presents a mixed scenario, with emerging economies continuing to outperform advanced economies.



Source-IMF World Economic Outlook October 2025 update

In Emerging and Developing Asia, growth is projected to moderate from 5.3% in CY 2024 to 5.2% in CY 2025, before slightly declining to 4.7% in CY 2026. India is expected to grow at 6.6% in CY 2025, supported by resilient rural consumption and sustained infrastructure investments, up from 6.5% in CY2024. In contrast, China's growth is anticipated to decelerate to 4.8% in CY2025, amid persistent real estate concerns and subdued domestic demand.

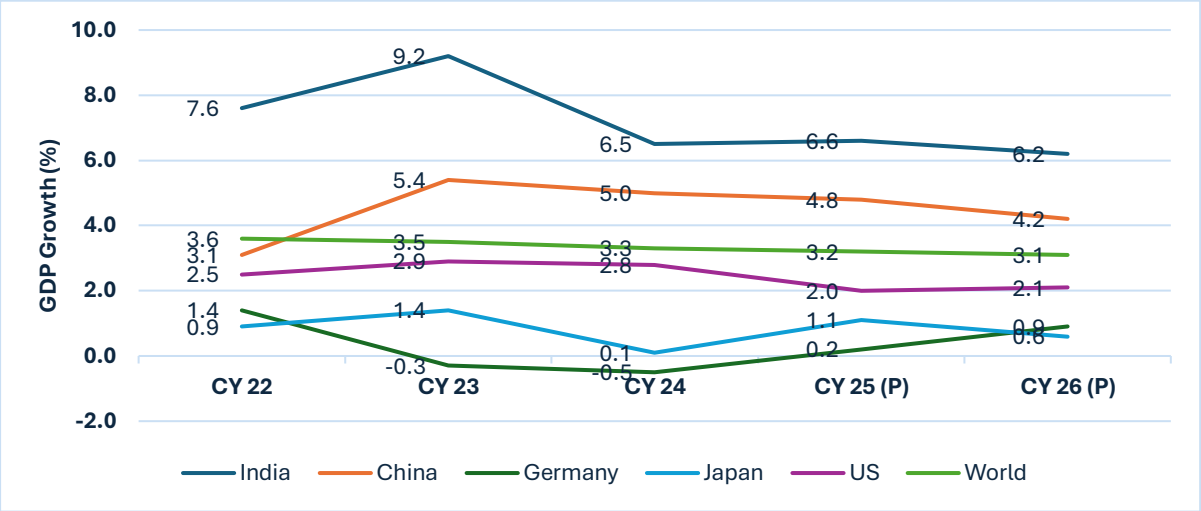
Sub-Saharan Africa is projected to grow at 4.1% in CY 2025, maintaining the same pace as CY 2024, with growth expected to accelerate slightly to 4.4% in CY 2026. This gradual improvement is being supported by better weather conditions and more efficient supply chain operations.

In the Middle East and Central Asia, the economy is forecasted to expand at 3.5% in CY 2025, up from 2.6% in CY 2024, and further strengthen to 3.8% in CY 2026, driven by stabilization in oil production and ongoing economic reforms.

For Latin America and the Caribbean, modest growth of 2.4% is forecast for CY 2025, unchanged from 2.4% in CY2024, with a slight moderation to 2.3% in CY2026, reflecting stable yet subdued economic momentum supported by stronger macroeconomic management across key economies.

Emerging and Developing Europe remains subdued, with growth estimated at 1.8% in CY 2025, down from 3.5% in CY 2024, expected to rise modestly to 2.2% in CY 2026. The region continues to face structural manufacturing challenges, particularly in major economies like Germany.

India and Top 4 Global Economies GDP Growth Forecast



Note: P = Projections, Source: IMF World Economic Outlook October 2025 update

Overall, while global growth is expected to remain steady at 3.2% in CY 2025, regional disparities persist, influenced by a combination of domestic challenges, external geopolitical tensions, and fluctuating commodity prices.

2. *India's Macroeconomic Scenario*

2.1 Gross Domestic Product (GDP)

India's real GDP has shown a glittering growth at 8.2% in the second quarter (Q2) of FY26 compared to the growth rate of 5.6% during Q2 of FY25, whereas nominal GDP has witnessed a growth rate of 8.7% in Q2 of FY 2025-26.

In its latest Economic Outlook, the OECD noted that India remains one of the fastest-growing major economies, supported by strong investment activity and resilient services. OECD highlighted that India's GDP is projected to grow by 6.7% in fiscal year 2025-26, 6.2% in 2026-27 and 6.4% in 2027-28. Despite some likely impact of the US tariff on Indian exports, private consumption will be supported by rising real incomes as inflation remains soft and low consumption/indirect taxes (GST). Going forward, investment will be sustained by declining borrowing costs and strong public capital expenditure. Current low headline inflation is projected to gradually converge towards the 4% target. Notably, India's Headline Inflation drops to 0.25 % in October 2025.

India's Economic Growth Momentum Remains Strong - Surpassed USD 4 Trillion.

In June 2025, India became the fourth-largest economy in the world and retained its position as the fastest-growing major economy. The country is projected to become the world's third largest economy by 2030, with an estimated GDP of USD 7.3 trillion.
Source: PIB, Press Release - India Becoming an Economic Powerhouse posted on June 16, 2025

India achieved a significant milestone by overtaking Japan to become the *third most powerful nation in the Asia-Pacific region*, as per the Asia Power Index 2024. India's overall score rose to 39.1, reflecting a 2.8-point increase from the previous year, driven by growing influence across economic, military, and diplomatic dimensions.
Source: PIB, Press Release - India becomes 3rd Most Powerful Nation in Asia, Surpasses Japan in Asia Power Index posted on September 24, 2024

Key factors behind India's rise include its strong economic performance, expanding and youthful workforce, and increasing strategic engagement across the region. India's Economic Capability improved significantly, supported by its position as the world's third-largest economy in terms of purchasing power parity (PPP). Additionally, a notable increase in its Future Resources score highlights the demographic advantage that is expected to sustain its growth trajectory in the coming years.

2.2 Gross Value Added (GVA)

Real GVA in Q2 of FY 2025-26 is estimated at ₹44.77 lakh crore, against ₹41.41 lakh crore in Q2 of FY 2024-25, registering a growth rate of 8.1%. Nominal GVA in Q2 of FY 2025-26 is estimated at ₹77.69 lakh crore, against ₹71.45 lakh crore in Q2 of FY 202425, showing a growth rate of 8.7%.

Quarterly Estimates of GVA at Basic Prices for Q2 (July-September) 2025-26 (at 2011-12 Prices) (₹ Crore)

Sector	GVA at Basic Price									
	2023-24		2024-25		2025-26		Percentage Change Over Previous Year			
							2024-25		2025-26	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
1. Primary Sector	**6,24,534**	**5,22,188**	**6,38,065**	**5,40,666**	**6,55,701**	**5,57,501**	**2.2**	**3.5**	**2.8**	**3.1**
1.1 Agriculture, Livestock, Forestry & Fishing	5,40,008	4,56,998	5,47,919	4,75,765	5,68,374	4,92,623	1.5	4.1	3.7	3.5
1.2. Mining & Quarrying	84,526	65,190	90,146	64,901	87,327	64,878	6.6	-0.4	-3.1	-0.04
2. Secondary Sector	**10,89,237**	**11,27,299**	**11,82,833**	**11,72,416**	**12,65,896**	**12,67,823**	**8.6**	**4.0**	**7.0**	**8.1**
2.1. Manufacturing	6,56,922	7,05,592	7,06,798	7,20,846	7,61,394	7,86,670	7.6	2.2	7.7	9.1
2.2. Electricity, Gas, Water Supply & Other Utility Services	96,203	1,00,019	1,05,981	1,02,970	1,06,470	1,07,519	10.2	3.0	0.5	4.4
2.3. Construction	3,36,112	3,21,688	3,70,054	3,48,601	3,98,032	3,73,634	10.1	8.4	7.6	7.2
3. Tertiary Sector	**21,78,681**	**22,63,703**	**23,26,433**	**24,27,523**	**25,42,237**	**26,51,589**	**6.8**	**7.2**	**9.3**	**9.2**
3.1 Trade, Hotels, Transport, Communication & Services related to Broadcasting	6,53,847	7,13,765	6,89,172	7,57,326	7,48,348	8,13,369	5.4	6.1	8.6	7.4
3.2 Financial, Real Estate & Professional Services	10,55,657	10,47,187	11,25,793	11,22,890	12,32,476	12,37,877	6.6	7.2	9.5	10.2
3.3 Public Administration, Defence & Other Services*	4,69,176	5,02,752	5,11,468	5,47,308	5,61,413	6,00,343	9.0	8.9	9.8	9.7
GVA at Basic Prices	**38,92,452**	**39,13,191**	**41,47,331**	**41,40,606**	**44,63,834**	**44,76,914**	**6.5**	**5.8**	**7.6**	**8.1**
Net Taxes	**2,77,663**	**3,41,615**	**2,94,333**	**3,52,981**	**3,24,789**	**3,86,426**	**6.0**	**3.3**	**10.3**	**9.5**
GDP@	**41,70,114**	**42,54,806**	**44,41,664**	**44,93,587**	**47,88,623**	**48,63,340**	**6.5**	**5.6**	**7.8**	**8.2**

*Public Administration, Defence & Other Services category includes the Other Services sector i.e. Education, Health, Recreation, and other personal services @GDP (Production/Income Approach) = GVA at Basic Price + Net Taxes on Products

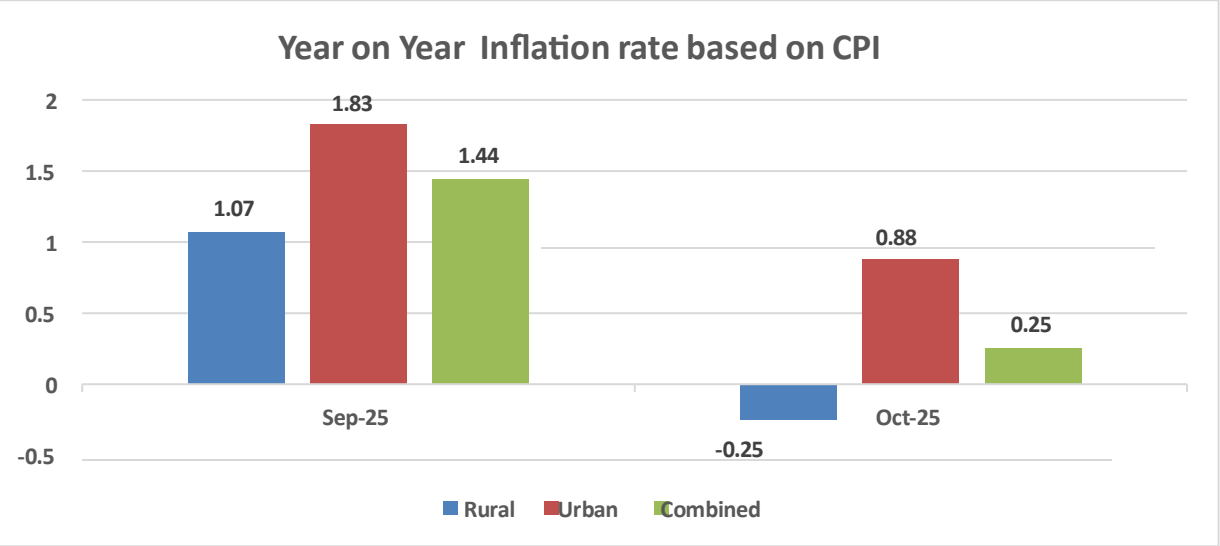
Major Highlights:

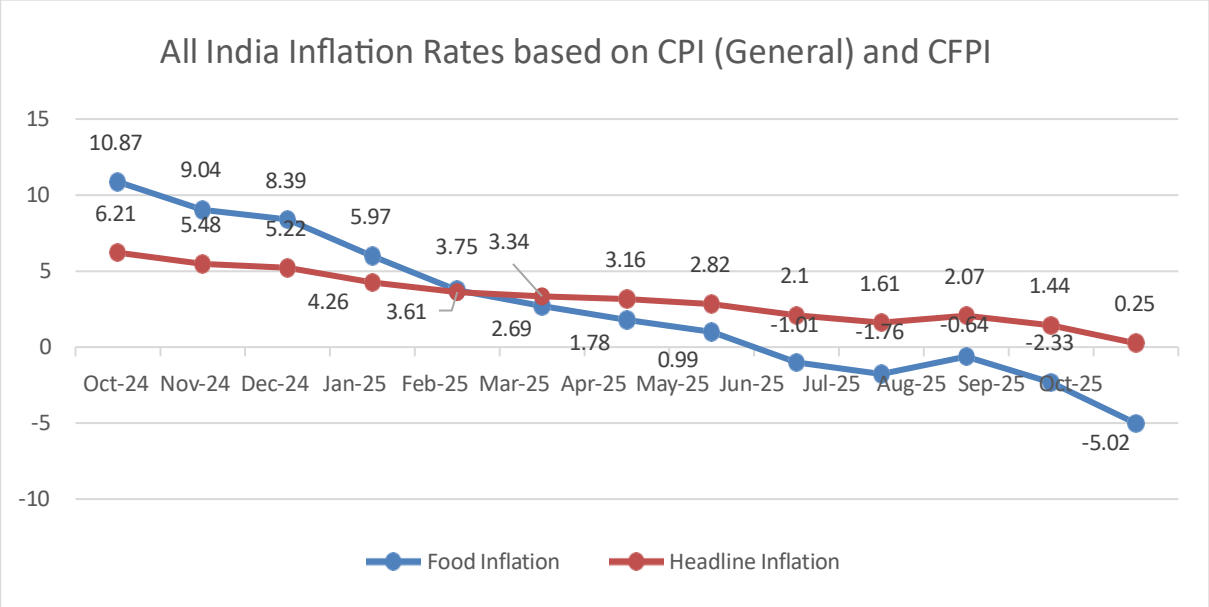
- Real GDP has been estimated to grow by 8.2% in Q2 of FY 2025-26 against the growth rate of 5.6% during Q2 of FY 2024-25.
- Nominal GDP has witnessed a growth rate of 8.7% in Q2 of FY 2025-26.
- The Secondary (8.1%) and Tertiary Sector (9.2%) has boosted the Real GDP growth rate in Q2 of FY 2025-26 to rise above 8.0%.
- Manufacturing (9.1%) and Construction (7.2%) in the Secondary Sector, has registered above 7.0% growth rate at Constant Prices in this quarter.
- Financial, Real Estate & Professional Services (10.2%) in the Tertiary Sector has sustained a substantial growth rate at Constant Prices in Q2 of FY 2025-26.
- Agriculture and Allied (3.5%) and Electricity, Gas, Water Supply and Other Utility Services Sector (4.4%) has seen moderated Real growth rate during Q2 of FY 2025- 26.
- Real Private Final Consumption Expenditure (PFCE) has reported 7.9% growth rate during Q2 of FY 2025-26 as compared to the 6.4% growth rate in the corresponding period of previous financial year.

2.3 Consumer Price Index (CPI)

CPI is at its lowest level

Year-on-year (YOY) inflation rate based on All India Consumer Price Index (CPI) for the month of October 2025 over October 2024 is 0.25% (Provisional). There is decrease of 119 basis points in headline inflation of October 2025 in comparison to September 2025. It is the lowest year-on-year inflation of the current CPI series.



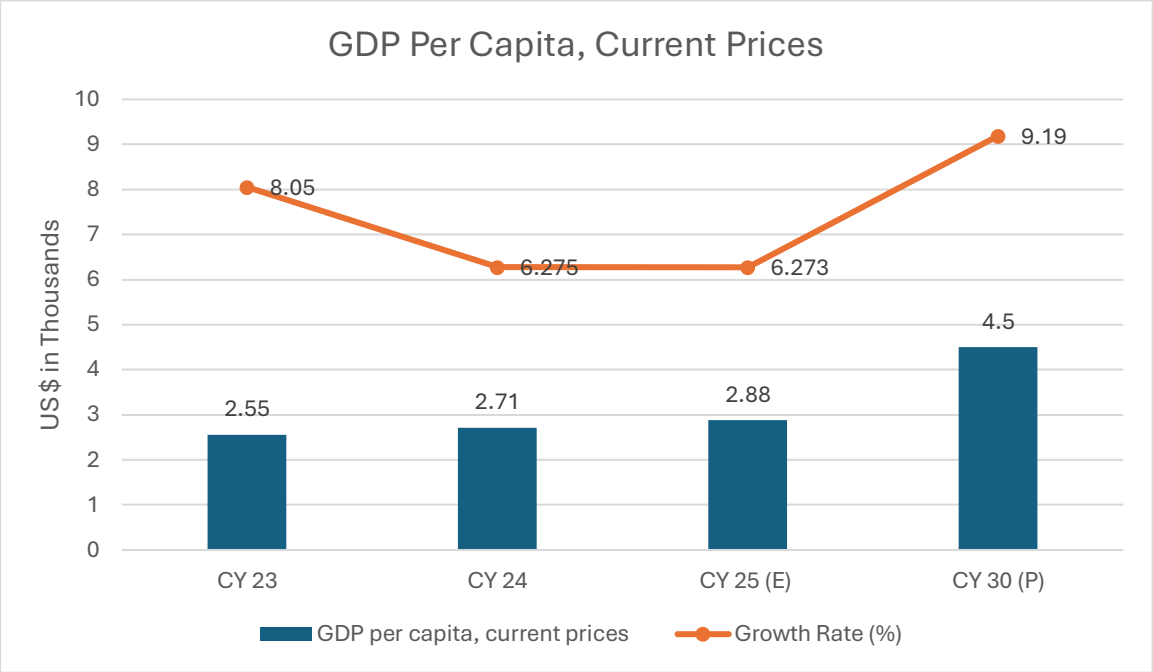


Source: MOSPI, GOI

The decline in headline inflation and food inflation during the month of October 2025 is mainly attributed to full month's impact of decline in GST, favorable base effect and to drop in inflation of Oils and fats, Vegetables, Fruits, Egg, Footwear, Cereals and products, Transport and Communication etc.

2.4 India Per Capita GDP Forecast

Per capita GDP growth for India is estimated at 9.19 % CAGR between CY2025-CY2030. Increased individual incomes are expected to create additional discretionary spending, which may be beneficial for the sector.



Note: E = Estimated, P = Projected

Source: IMF Data Mapper, World Economic Outlook April 2025, India, GDP Per Capita

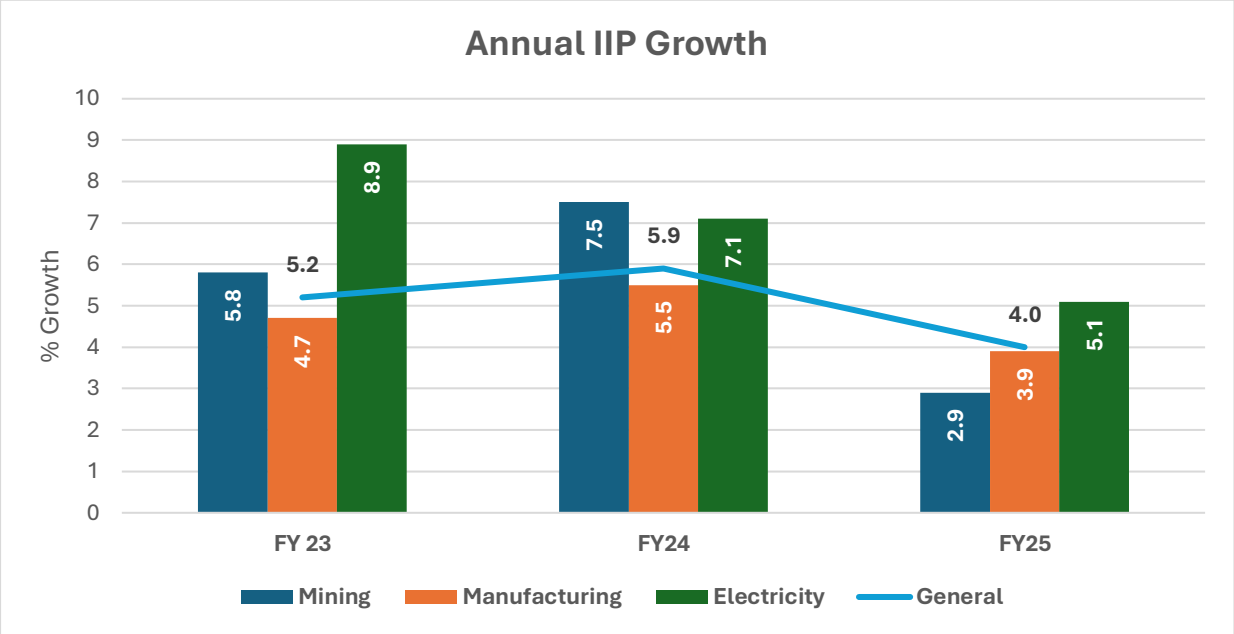
2.5 Index of Industrial Production (IIP) Growth Trends:

As per the Index of Industrial Production (IIP), the industrial sector grew by 4.0% in FY 2025, moderating from 5.9% in FY 2024 and 5.2% in FY 2023. This deceleration in overall IIP growth in FY 2025 reflects a softening of industrial momentum amidst global headwinds and tighter financial conditions.

Among key components:

- **Manufacturing** (which holds a 77.6% weight in IIP) registered a slower growth of 3.9% in FY 2025, compared to 5.5% in FY 2024 and 4.7% in FY 2023.
- **Mining** growth also moderated sharply to 2.9% in FY 2025 from 7.5% in FY 2024 and 5.8% in FY 2023.
- **Electricity** growth remained relatively stable at 5.1% in FY 2025, slightly down from 7.1% in FY 2024 and significantly lower than 8.9% in FY 2023.

This slowdown indicates tightening domestic demand and spillover effects from a weaker global industrial cycle.



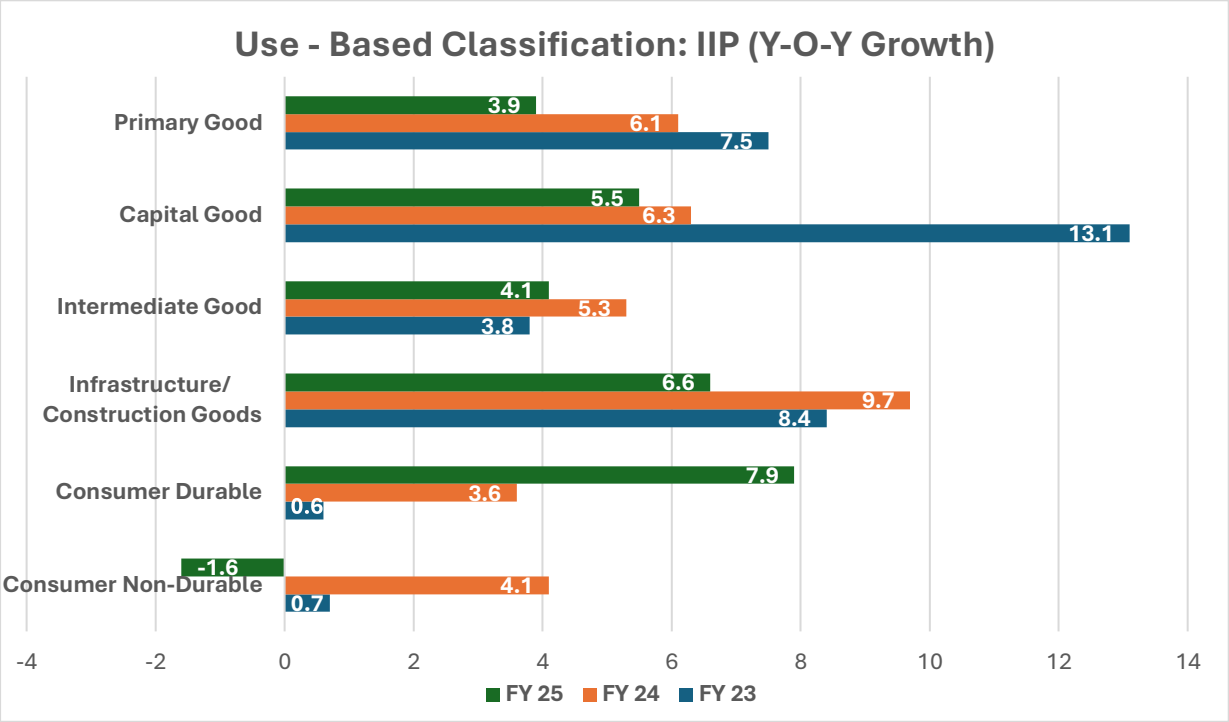
Source: Ministry of Statistics & Programme Implementation (MOSPI)

Latest IIP data in Oct'25 remains a tad low amid less activity during festival times

The Index of Industrial Production (IIP) slows a tad at 0.4% during Oct'25 due to less working days available amid festivals. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of October 2025 are (-) 1.8 percent, 1.8 percent and (-) 6.9 percent respectively. Lower demand in October 2025 and subsequent decline in electricity generation was driven by extended rainfall season and comfortable ambient temperature across multiple States/UTs.

Source: Quick Estimate of Index of Industrial Production and Use-Based Index for the Month of October 2025, MOSPI, December 01, 2025 Release

Use-Based Classification Trends:



Source: Ministry of Statistics & Programme Implementation (MOSPI)

According to the use-based classification:

- Capital Goods segment growth slowed to 5.5% in FY 2025, down from a high of 13.1% in FY 2023 and 6.3% in FY 2024, indicating a reduction in investment momentum.
- Primary Goods also witnessed slower growth at 3.9%, compared to 6.1% in FY 2024 and 7.5% in FY 2023.
- Intermediate Goods rebounded modestly to 4.1% in FY 2025, up from 3.8% in FY 2023, although still lower than 5.3% in FY 2024.
- Infrastructure/Construction Goods slowed to 6.6% in FY 2025 from 9.7% in FY 2024 and 8.4% in FY 2023, pointing to softening construction and infrastructure activity.
- Consumer Durables grew significantly by 7.9%, rebounding from 3.6% in FY 2024 and 0.6% in FY 2023, indicating improved demand in consumer electronics and appliances.
- In contrast, Consumer Non-Durables contracted by 1.6% in FY 2025, reversing the 4.1% growth in FY 2024, likely reflecting subdued rural and essential goods demand.

  The divergence in growth across segments suggests an uneven industrial recovery in FY 2025. While certain consumer categories have rebounded, investment-related and primary sectors remain under pressure.

The latest growth rates of IIP as per Use-based classification in October 2025 over October 2024 are (-)0.6 percent in Primary goods, 2.4 percent in Capital goods, 0.9 percent in Intermediate goods, 7.1 percent in Infrastructure/ Construction Goods, (-) 0.5 percent in Consumer durables and (-)4.4 percent in Consumer non-durables. Based on use-based classification, top three positive contributors to the growth of IIP for the month of October 2025 are Infrastructure/ construction goods, Intermediate goods and Capital goods.

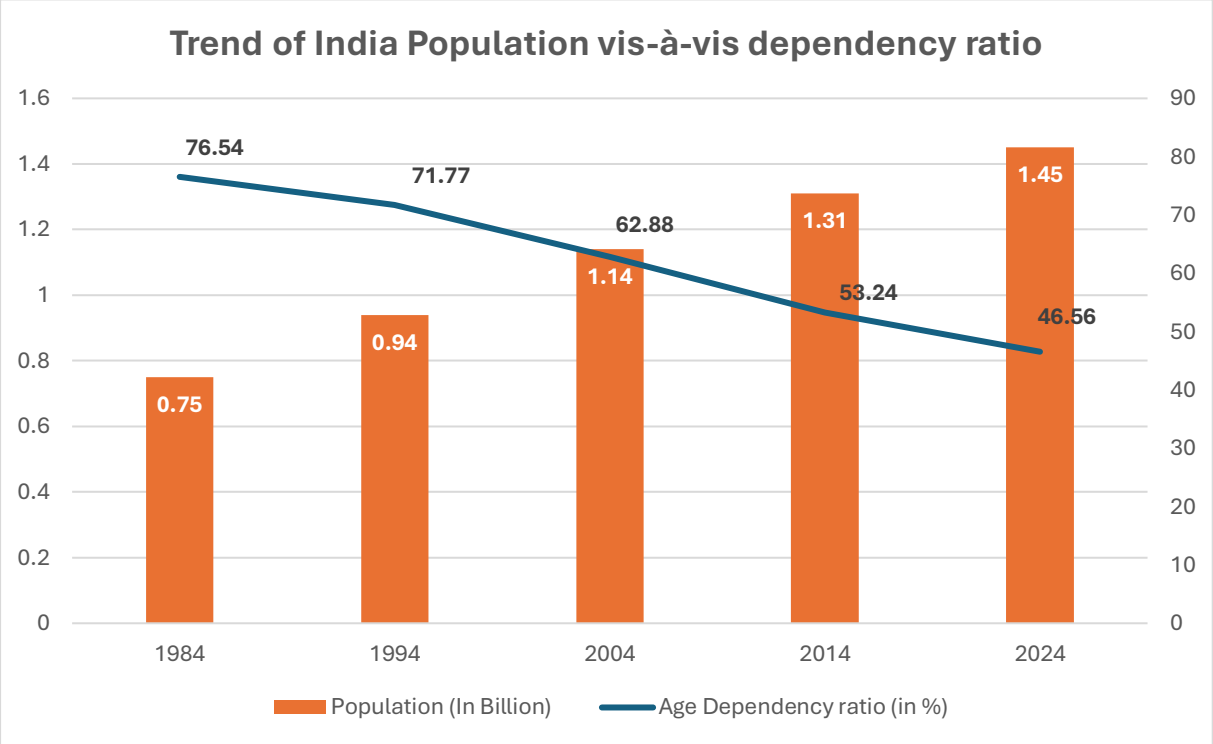
2.6 Overview on Key Demographic Parameters

2.6.1 Population growth and Urbanization

India's economic trajectory and consumption dynamics are closely tied to its demographic shifts. According to the World Bank, India's population expanded from approximately 0.75 billion in 1984 to 1.45 billion in 2024, consolidating its position as the world's most populous nation. This growth underlines the emergence of a vast labour force and consumer base, essential for driving sustained economic progress.

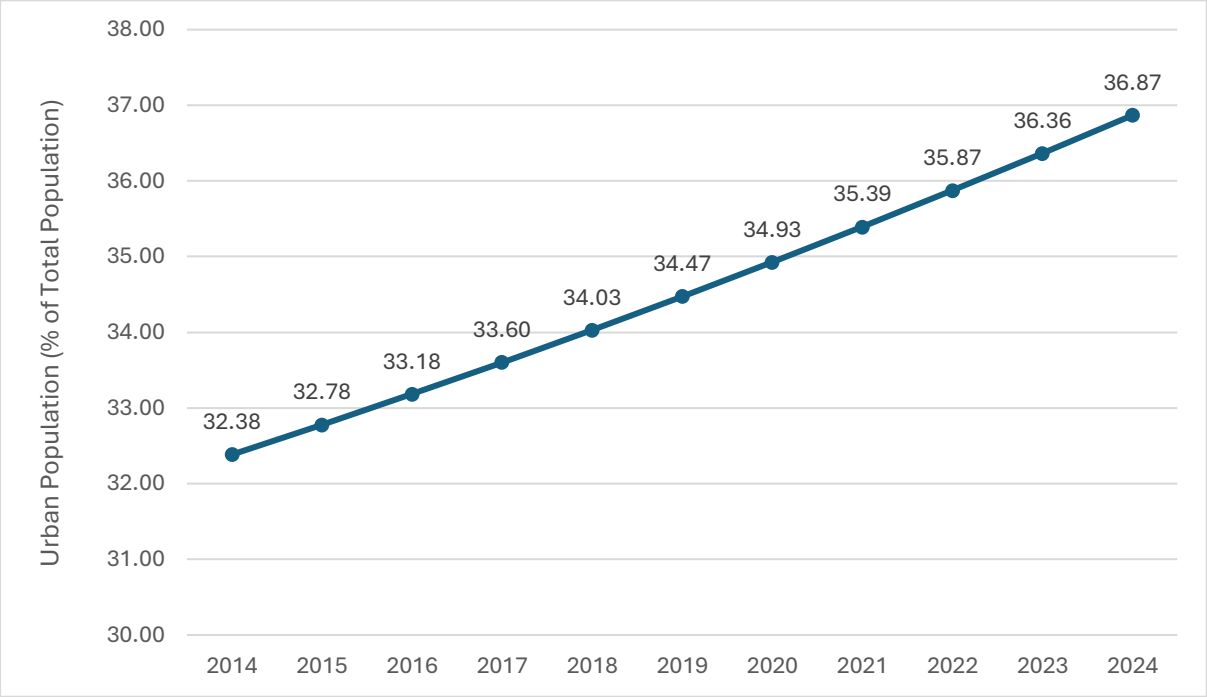
A key demographic indicator—the age dependency ratio—has witnessed a steady decline over the last four decades. From a high of 76.54% in 1984, it reduced to 71.77% in 1994, 62.88% in 2004, and 53.24% in 2014, before reaching a low of 46.56% in 2024. This downward trend signifies that for every 100 working-age individuals, there are now fewer than 47 dependents, compared to over 76 dependents in the mid-1980s. Such a shift reflects a growing share of the working-age population, unlocking India's demographic dividend—a critical driver of productivity, savings, and investment.

Together, the rising total population and declining dependency ratio provide a dual advantage: a larger workforce capable of supporting economic activity and a lower demographic burden, which allows for higher disposable incomes and consumption growth. These demographic fundamentals form a strong backbone for India's long-term economic and private consumption expansion.



Source: World Bank Database, Infomerics Analytics & Research

Urbanization Trend in India



Source: World Bank Database

Urbanization, too, is transforming India's socio-economic fabric. The urban population rose from 424.96 million in 2014 (32.38% of total population) to 522.93 million in 2023 (36.36%), and further to approximately 534.91 million in 2024 (36.87%), according to World Bank estimates. This rapid growth in urban areas underscores the need for sustainable urban planning, investment in infrastructure, and development of smart cities to accommodate and benefit from the shifting population dynamics.

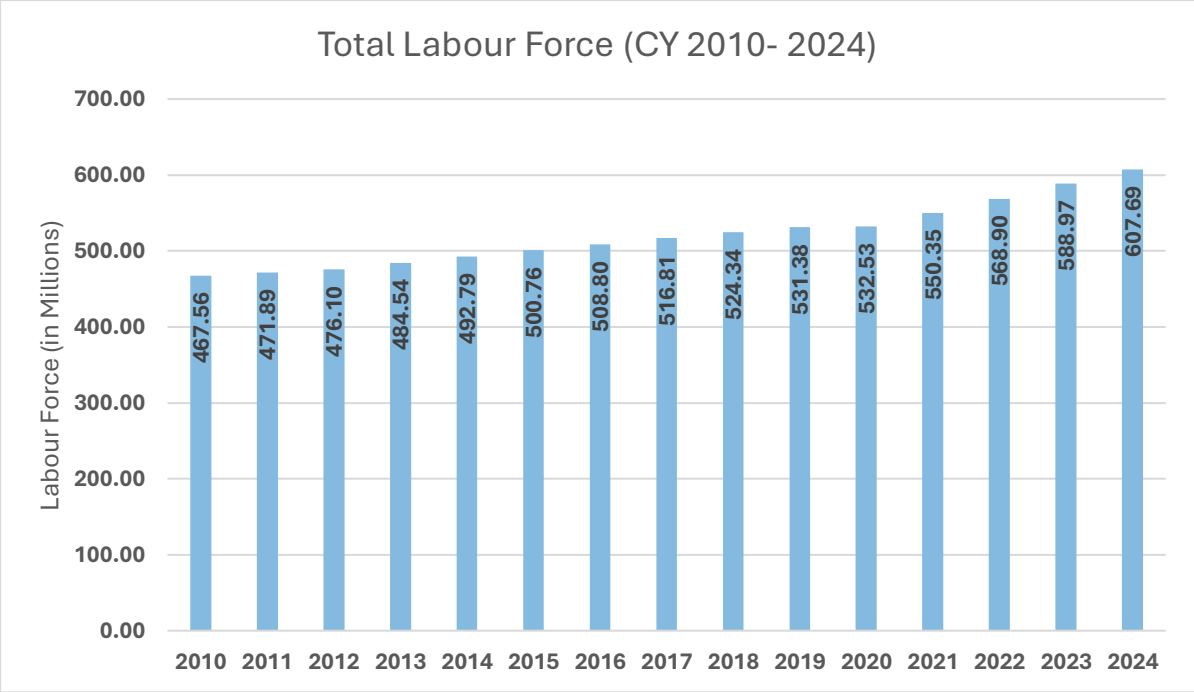
2.6.2 Labour Force in India

India's labour force has experienced significant growth over the past decade. In 2010, the total labour force was approximately 467.56 million. By 2024, this number had increased to 607.69 million, reflecting a Compound Annual Growth Rate (CAGR) of 1.89% over the 14-year period.

This upward trend underscores the expanding working-age population and the country's ongoing economic development. However, it also highlights the need for effective employment policies to ensure that the growing labour force is adequately absorbed into productive sectors.

The labour force participation rate (LFPR) has also seen fluctuations, influenced by various socio-economic factors. As of 2024, the LFPR stood at 45.1%, indicating the percentage of the working-age population that is either employed or actively seeking employment.

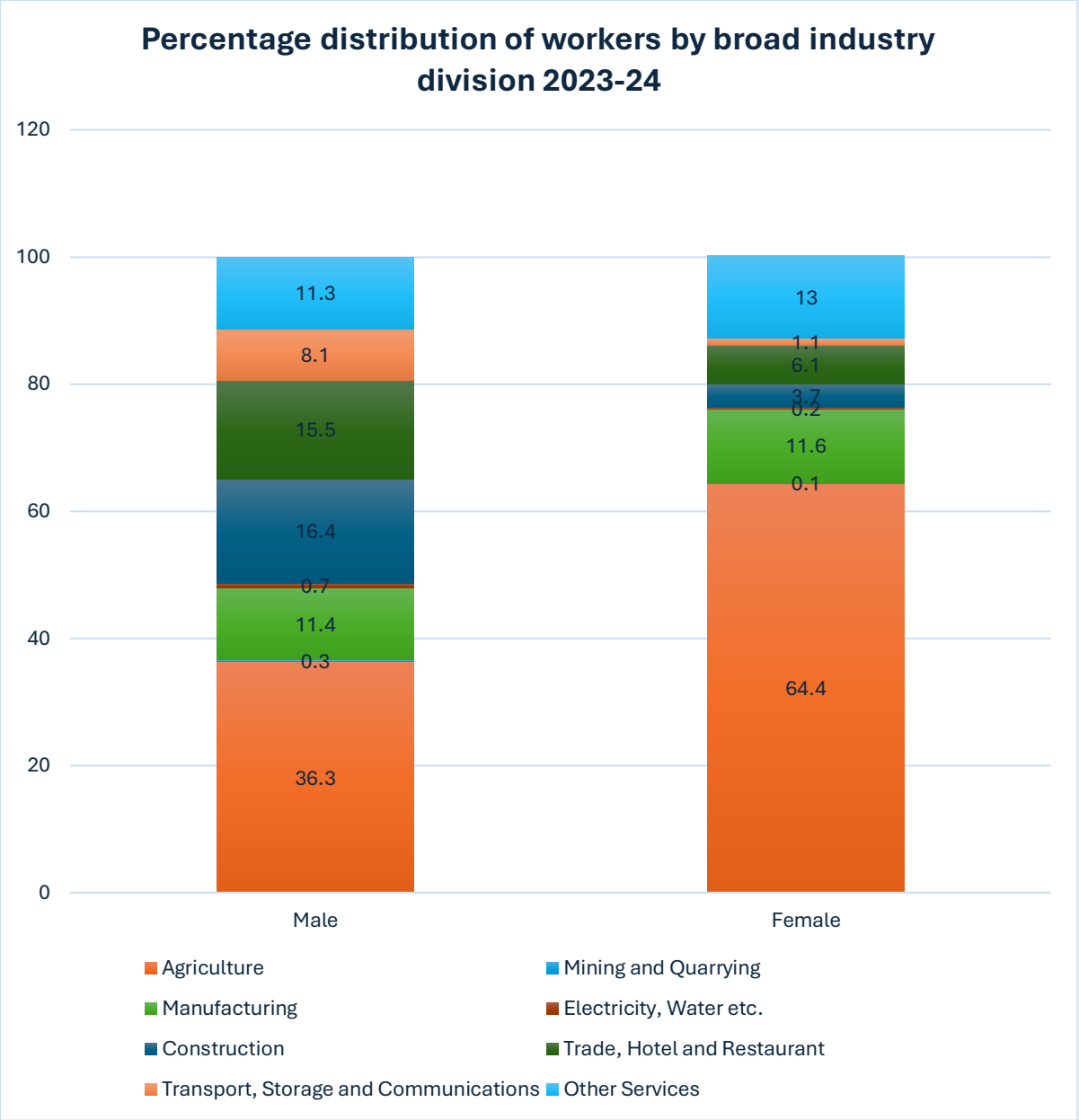
These statistics emphasize the importance of implementing strategies that not only create employment opportunities but also enhance the quality and inclusivity of jobs across different sectors of the economy.



Source: World Bank Database

2.6.3 Breakdown of Employment by Sector

According to the Periodic Labour Force Survey (PLFS) 2023–24, the employment distribution across various sectors exhibits distinct gender-based patterns. A significant portion of male workers are engaged in agriculture, followed by notable participation in construction, manufacturing, and trade-related activities. In contrast, female workers are predominantly employed in agriculture, with considerable involvement in manufacturing and other services sectors. While female representation in trade and construction is lower compared to males, Additionally, a substantial proportion of employed women are self-employed, often contributing as unpaid helpers in household enterprises or operating small businesses, indicating a reliance on informal employment avenues.

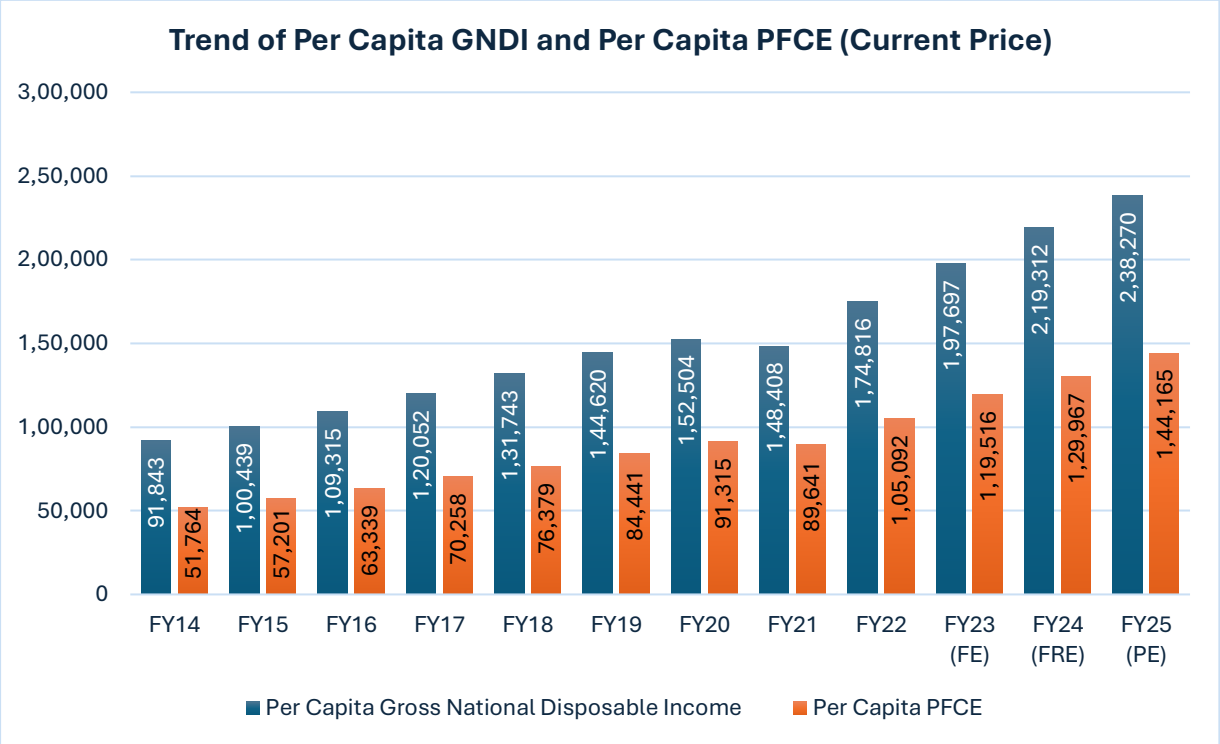


Source: Annual Report 2023-24, Periodic Labour Force Survey

2.6.4 Disposable Income and Consumer Spending

Gross National Disposable Income (GNDI) represents the total income available to a nation's residents for consumption and saving after accounting for income transfers with the rest of the world. In FY24, Per capita GNDI grew by 10.9%, followed by a moderate growth of 8.6% in FY25. This steady increase indicates that households and businesses had more income at their disposal, which is critical for supporting both consumption and savings—key components of economic resilience and expansion.

The rise in GNDI has translated into higher consumer spending, as reflected in the growth of Private Final Consumption Expenditure (PFCE), which measures the total value of goods and services consumed by households. Per Capita PFCE grew by 8.7% in FY24 and further accelerated to 10.9% in FY25, highlighting strong consumer confidence and robust domestic demand.



Note: Data mentioned is in INR, FE – Final Estimates, FRE – First Revised Estimates, PE – Provisional Estimate; Source: PIB, *Provisional estimates of GDP 2024-25 released on May 30th, 2025*

2.7 Union Budget FY25-26 Highlights

The Union Budget FY 2025–26, presented by Finance Minister Nirmala Sitharaman, introduces a comprehensive set of measures aimed at stimulating economic growth, enhancing infrastructure, and fostering inclusive development. With a focus on sectors such as agriculture, MSMEs, infrastructure, innovation, and exports, the budget seeks to create a conducive environment for sustained economic expansion.

- **Capital Expenditure and Infrastructure Development**
  The government has earmarked a substantial ₹11.21 lakh crore (3.1% of GDP) for capital expenditure in FY 2025–26. This allocation is directed towards infrastructure projects, including rural development, manufacturing, and skill-building initiatives. Notably, the Urban Challenge Fund has been established with a corpus of ₹1 lakh crore, aimed at financing 25% of the cost of bankable urban infrastructure projects, thereby promoting sustainable urban development.
- **Support for MSMEs**
  Recognizing the pivotal role of Micro, Small, and Medium Enterprises (MSMEs) in India's economic landscape, the budget introduces several measures to bolster this sector. The Credit Guarantee cover has been enhanced to ₹10 crore, unlocking ₹1.5 lakh crore in additional funding for MSMEs over the next five years. Additionally, the establishment of a Fund of Funds with a ₹10,000 crore corpus aims to provide equity support to startups and potential MSMEs, focusing on high-growth sectors such as electronics and renewable energy.
- **Tax Reforms and Disposable Income**
  To stimulate consumption and investment, the budget introduces significant tax reforms. The tax-free income threshold has been raised to ₹12 lakh, and the new tax regime offers reduced rates for higher income brackets. These changes are expected to increase disposable income, thereby encouraging higher savings and investment among the middle class.
- **Focus on Agriculture and Exports**
  The budget prioritizes agriculture as a key engine of development, with increased allocations for agricultural credit and initiatives aimed at enhancing productivity. Furthermore, measures to promote exports include the reduction of customs duties on select goods and the introduction of policies to facilitate easier market access for Indian products.
- **Urban Development Initiatives**
  A significant increase in the budget allocation for the Ministry of Housing and Urban Affairs to ₹96,777 crore reflects the government's commitment to urban development. Key initiatives include the establishment of the Urban Challenge Fund, enhanced loans under the PM SVANidhi scheme, and substantial provisions for the Pradhan Mantri Awas Yojana

and Urban Rejuvenation Mission, all aimed at improving urban infrastructure and living standards.

The Union Budget FY 2025–26 presents a balanced approach to economic growth by addressing immediate consumption needs and laying the foundation for long-term sustainability. Through targeted investments in infrastructure, support for MSMEs, tax reforms, and sector-specific initiatives, the budget aims to foster an inclusive and resilient economy. These measures are expected to create new opportunities for financial institutions, as the growing demand for investment products will provide avenues for expansion and innovation in the financial services sector.

2.8 Concluding Remarks about Macroeconomic Scenario

FED has softened the benchmark interest rate by 25bps to the range of 3.50%-3.75% as expected by majority of the market in Dec'25. The RBI has also reduced its policy rate, namely repo rate by 25 bps to bring it down from 5.50 to 5.25 bps, amid robust Q2FY26, 8.2% real GDP growth and lowest retail inflation at 0.25 in India. A Fed rate cut is expected to channelise FII inflows to India and help in easing the ongoing pressure on INR. In fact, the Real Effective Exchange Rate (REER) for which INR was thought to have been overvalued previously, has softened in recent periods, thus INR is moving in the right direction to correct its fundamentals though possibly at a slight stretch as RBI is struggling a lot to maintain the "volatility in the INR movement" as the Governor tried to clarify the market. Nonetheless, many other emerging market economies (EMs) are also facing pressure on their currencies. Notably, Central Banks (CBs) of many countries have accumulated their gold holdings amid this turbulent time, after the "Trump Tariff "factor and geopolitical tensions have injected heightened uncertainties in the global economy.

IMF recently reclassified India's "de facto" exchange rate regime as a "crawl-like arrangement", two years after branding it "stabilised", indicating that RBI is allowing a measured flexibility, a managed float, where RBI primarily intervene to check excessive volatility in the INR and/or to manage the liquidity situation.

India's strategic position as a manufacturing hub is further strengthened by government initiatives, a skilled labour force, and a dynamic startup ecosystem, all of which bolster the country's economic outlook. The ongoing reforms and focus on innovation are enabling India to seize emerging opportunities, making it a growing player in the global manufacturing landscape. In addition, several high-frequency growth indicators—such as the Purchasing Managers' Index (PMI), E-way bills, bank credit, toll collections, and GST collections—have shown a positive trajectory in FY25. These factors are expected to further support the investment cycle and strengthen India's economic resilience in the coming years.

3. Industry Overview – Global and Indian Consumer Electronics Sector

The consumer electronics industry encompasses the design, manufacturing, marketing, and distribution of electronic devices intended for everyday personal and household use. These include smartphones, laptops, televisions, audio systems, wearable technology, gaming consoles, cameras, and an expanding array of smart home appliances. Over the past two decades, the industry has evolved from producing standalone devices to creating interconnected ecosystems powered by advanced semiconductors, software integration, and cloud connectivity.

Global demand for consumer electronics is driven by rapid technological innovation, rising disposable incomes, expanding internet penetration, and shifting consumer preferences towards multifunctional, portable, and energy-efficient products. The sector operates at the intersection of hardware, software, and services, with constant innovation cycles bringing features such as artificial intelligence (AI), augmented/virtual reality (AR/VR), 5G connectivity, and the Internet of Things (IoT) into mainstream products.

Characterized by intense competition and fast-changing trends, the industry is highly sensitive to global supply chain dynamics, raw material availability, and macroeconomic conditions. E-commerce platforms, omnichannel retail strategies, and direct-to-consumer models have transformed the way products reach customers, while sustainability and circular economy initiatives are reshaping production, packaging, and end-of-life management.

As technology cycles shorten and consumer expectations heighten, companies are redefining strategies to remain relevant—integrating cross-device connectivity, cloud services, and personalized user interfaces into their product ecosystems. The industry's trajectory is increasingly shaped by megatrends like artificial intelligence, augmented and virtual reality, voice-driven interfaces, and the convergence of entertainment, work, and wellness into unified digital experiences.

As digital lifestyles become more embedded in everyday life, the consumer electronics industry plays a pivotal role in shaping how people communicate, work, learn, and entertain themselves—making it one of the most influential and rapidly evolving sectors in the global economy.

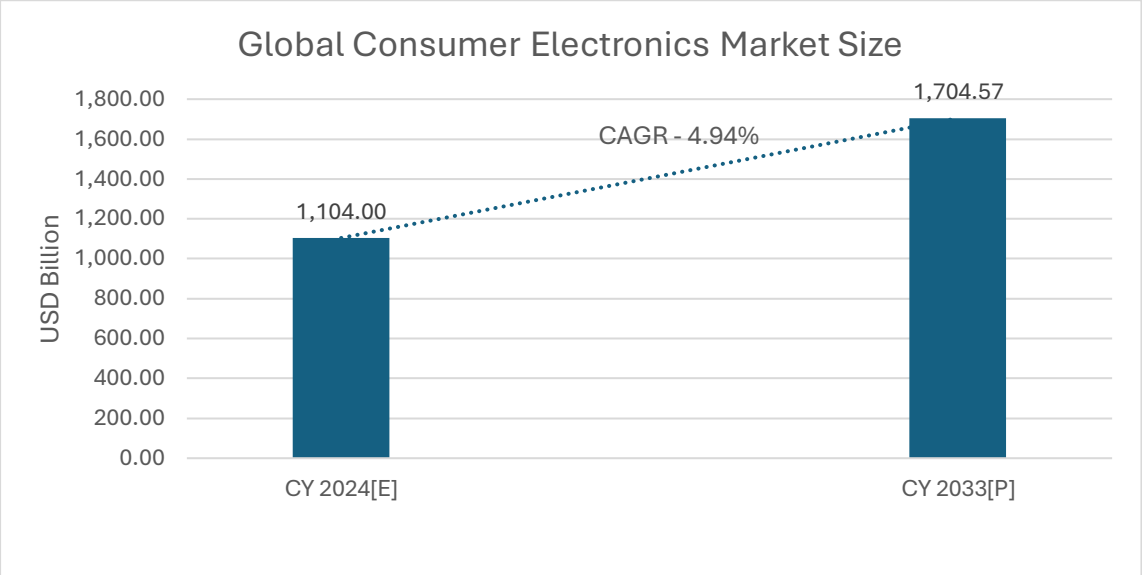
3.1 Market Segmentation

Segmentation Basis	Category	Sub-Category / Region / Examples
By Product Type	Electronic Devices	• Television • Mobile & Smartphones • Laptops & Computers • Audio and Video Players • Cameras • Speakers • Others
	Home Appliances	• Refrigerator • Washing Machine • Air Conditioner • Microwave Ovens • Electric fans • Vacuum Cleaners • Others
	Strategic & Industrial Electronics	• Defence Electronics • Radars • Automation Equipment • Sensors • Weapon System
	Auto Electronics	• Navigation System • Vehicle Sensors • Infotainment Systems
	Lighting & Components	• LED Lighting (Bulbs) • Electronics Components (Semiconductors, Resistors) • Telecom Equipment
	Personal Care & Grooming	• Smart Watches • Headphones • Earphones and Ear Buds • Hair Straightener • Hair Curler
By Distribution Channel	Online Retail	• Third Party marketplaces (Amazon, Flipkart etc.)

		• Company owned E- commerce Platforms
	Offline Retail	• Multi-Brand Outlets • Exclusive Brand Stores • Large – format retail stores
	Direct Sales	• Corporate/Bulk Sales • Government & institutional contracts

3.2 Global Market Size

The global consumer electronics market is estimated at USD 1,104.45 billion in CY 2024 and the market is projected to reach USD 1,704.57 billion by CY 2033, growing at a Compound Annual Growth Rate (CAGR) of 4.94% during the forecast period. The growth is primarily driven by increasing disposable incomes, technological advancements, rising adoption of smart and connected devices, and growing demand from emerging economies.



Source – Infomerics Analytics & Research

Regional Insights:

- **Asia-Pacific (APAC):** The APAC region dominates the global consumer electronics market, accounting for the largest share in 2023, driven by rapid urbanization, rising disposable incomes, and expanding middle-class populations across China, India, Japan, and Southeast Asia. The presence of leading manufacturing hubs, particularly in China, South Korea, and Taiwan, supports large-scale production and export capabilities. Increasing adoption of smartphones, smart home devices, and connected appliances, coupled with government initiatives for digitalization, continues to fuel regional growth.
- **North America:** North America represents a mature but innovation-led market, with strong demand for premium consumer electronics such as high-end smartphones, gaming consoles, and wearable devices. The U.S. and Canada lead in early adoption of emerging technologies including AR/VR, 5G-enabled devices, and AI-powered home assistants. Growth is further supported by high consumer spending power, brand loyalty, and integration of advanced electronics in automotive, health, and lifestyle segments.
- **Europe:** Europe's consumer electronics market is characterized by a strong focus on sustainability, energy efficiency, and compliance with stringent regulations such as the

EU's Eco-design and Circular Economy Action Plan. Countries like Germany, the UK, and France are leading adopters of smart appliances, while the Nordics are at the forefront of green and modular electronics. The region also sees robust demand for home entertainment systems and wearables, driven by remote work and fitness trends.

- **Middle East & Africa (MEA):** The MEA region is witnessing steady growth, supported by rising urban populations, increasing smartphone penetration, and expanding retail distribution networks. Countries such as the UAE, Saudi Arabia, and South Africa are seeing growing demand for premium electronics, particularly in smart TVs, high-end smartphones, and connected home devices. Government-led smart city initiatives are also boosting the adoption of IoT-enabled consumer electronics.
- **Latin America:** Latin America's consumer electronics market is emerging, with Brazil, Mexico, and Argentina as key growth drivers. Rising internet penetration, growing e-commerce adoption, and increasing affordability of smartphones and smart appliances are fuelling market expansion. While economic volatility can pose challenges, urban centres are witnessing rapid uptake of mid-range and budget-friendly consumer electronics, supported by instalments purchase models and promotional offers.

The global consumer electronics industry is poised for sustained growth, propelled by megatrends such as smart connectivity, 5G adoption, AI integration, and the convergence of electronics with lifestyle and health applications. As consumer preferences shift toward personalized, energy-efficient, and multifunctional devices, the market is expected to see greater innovation, brand competition, and cross-sector partnerships.

Market Trends

- **Smart Home Devices Adoption -** Smart home devices have a high-demand rate in India as awareness about smart homes, combined with adoption of the internet-of-things (IoT) technology, boosts demand in this area. Smart home environment enrichment is increasing through the demand for products such as smart speakers, thermostats, security cameras, light systems, and voice assistants, and convenience remote control, power saving, and security features drive these demands. With urbanization and a technologically advanced younger generation, smart home appliances have also become a status symbol and a convenient option.
- **Wearable Technology Growth -** Wearable technology, particularly smartwatches and fitness trackers, is experiencing strong growth in India. Growing health-awareness among consumers and the need for personal well-being management are fuelling this growth. Wearables offer convenience through monitoring of critical parameters like heart rate, steps, sleep, and even blood oxygen levels, appealing to consumers interested in fitness and health tracking. Also, the explosion of remote workplaces has boosted demand for

devices capable of facilitating wireless communication, which wearables now provide with benefits such as receiving notifications, controlling calls, and even controlling music.

- **Rising Demand in Emerging Markets -** Emerging economies in Asia, Africa, and Latin America are witnessing strong growth in consumer electronics consumption. Factors such as rising urbanization, expanding middle classes, improving digital infrastructure, and increasing smartphone penetration are driving demand. These markets represent significant opportunities for manufacturers and brands aiming to expand their global footprint.
- **Supply Chain Resilience & Localization -** The COVID-19 pandemic exposed vulnerabilities in global supply chains, prompting companies to rethink sourcing and manufacturing strategies. There is a growing emphasis on diversifying supplier bases, nearshoring production, and investing in advanced inventory management systems. Localization efforts help mitigate risks from geopolitical tensions and logistical disruptions, ensuring steadier product availability and responsiveness to local market demands.

3.3 Indian Consumer Electronics Industry

The consumer electronics industry in India represents a rapidly growing and strategically important segment within the country's broader electronics and digital economy. It caters to a wide range of products including mobile phones, computing devices, audio-visual equipment, wearables, smart home appliances, and gaming consoles, which are integral to the digital lifestyles of millions of consumers. The industry is characterized by a mix of global multinational brands and strong domestic players, serving diverse market needs across urban and rural regions.

India's consumer electronics market is driven by increasing internet penetration, rising disposable incomes, rapid urbanization, and the growing adoption of smartphones and smart devices. The sector spans entry-level affordable products to premium, feature-rich offerings, addressing a broad spectrum of consumer preferences. Mobile phones alone account for a substantial portion of the market, supported by a robust manufacturing ecosystem backed by government initiatives such as Make in India and Production Linked Incentive (PLI) schemes. This has enhanced domestic production capacities and export potential.

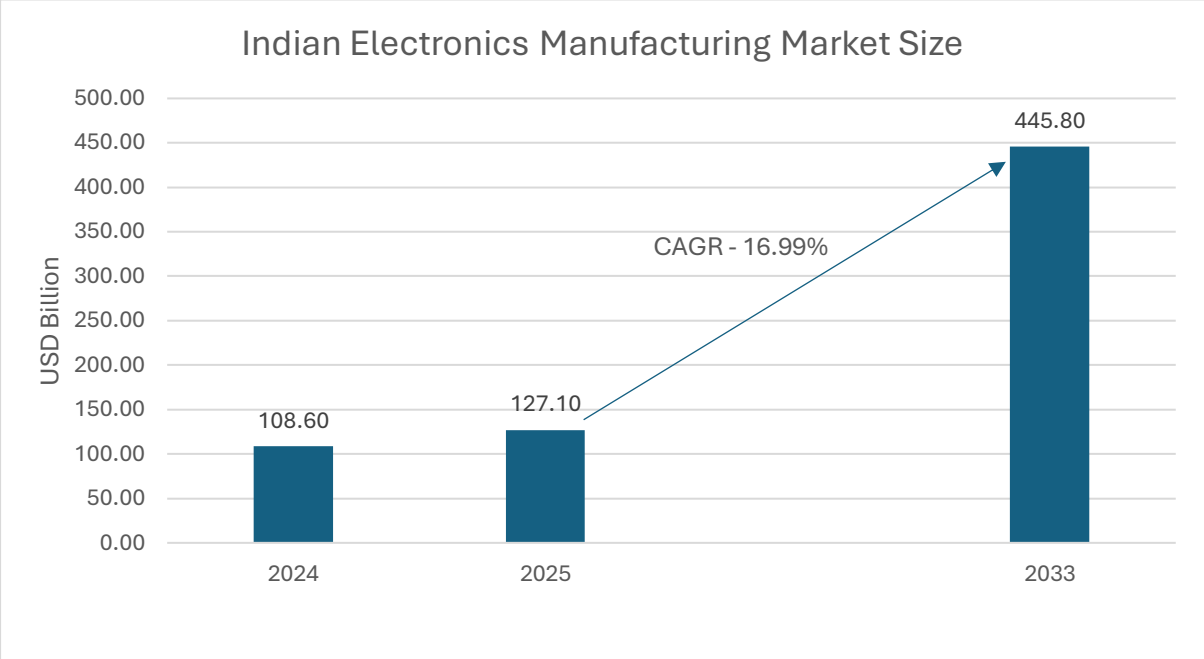
Over the past decade, the Indian consumer electronics industry has seen a significant transformation from predominantly unorganized retail and import reliance to an increasingly organized, technologically advanced, and locally manufactured ecosystem. The expansion of e-commerce platforms alongside traditional brick-and-mortar retail has reshaped distribution dynamics, enabling wider product accessibility and enhanced after-sales support. The proliferation of omnichannel sales models has further elevated consumer convenience and engagement.

Regulatory frameworks and government policies promoting digital inclusion, indigenous manufacturing, and sustainable practices are key growth enablers. Sustainability is becoming central to product development, with brands focusing on energy-efficient devices, recyclable components, and extended producer responsibility (EPR) compliance. Consumer awareness around environmental impact is also influencing preferences towards greener electronics and responsible disposal methods.

As technology adoption deepens and digital lifestyles evolve, the Indian consumer electronics industry is poised for sustained growth. Innovation, organized retail expansion, and government supports are expected to drive the sector's emergence as a pivotal player in India's vision to become a global electronics manufacturing hub and a digitally empowered economy.

3.3.1 Indian Electronics Manufacturing Market Size

The Indian electronics manufacturing market was valued at USD 108.60 billion in FY 2024 and is estimated to grow at USD 127.10 Billion in FY 2025 and is projected to reach USD 445.80 billion by FY 2033, expanding at a compound annual growth rate (CAGR) of 16.99% during the forecast period. This robust growth is driven by rising disposable incomes, increasing urbanization, growing digital penetration, and a shift in consumer preference towards smart and connected devices across segments such as televisions, air conditioners, washing machines, refrigerators, and mobile phones.

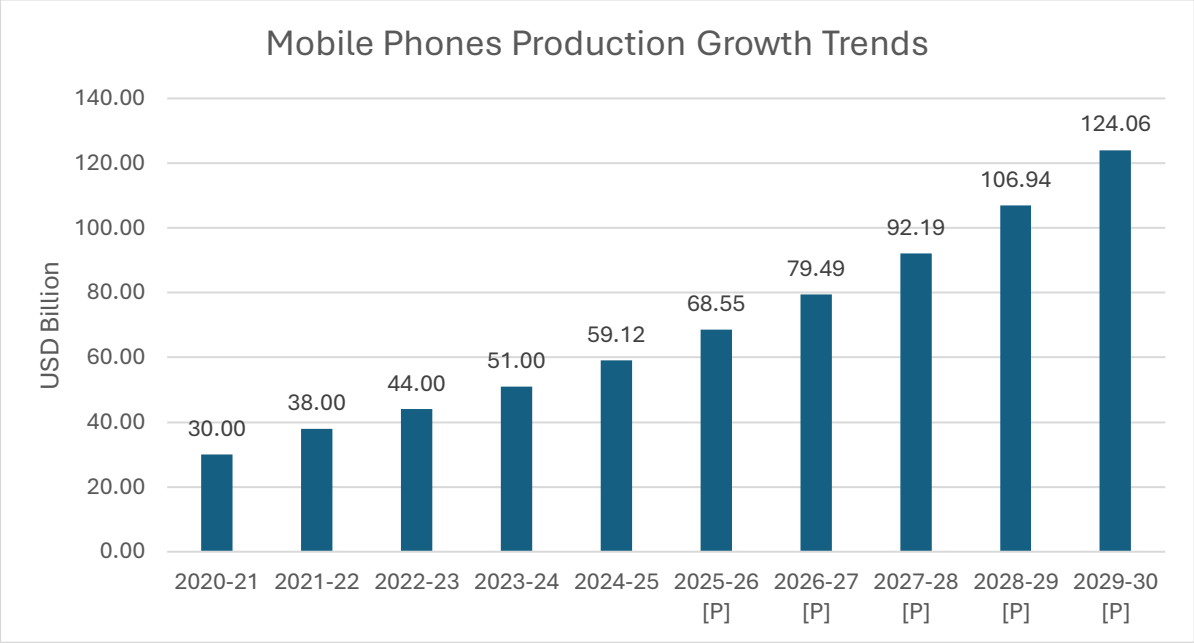


Source – MEITY Annual report, Infomerics Analytics & Research

3.3.2 Mobile Phones & Accessories

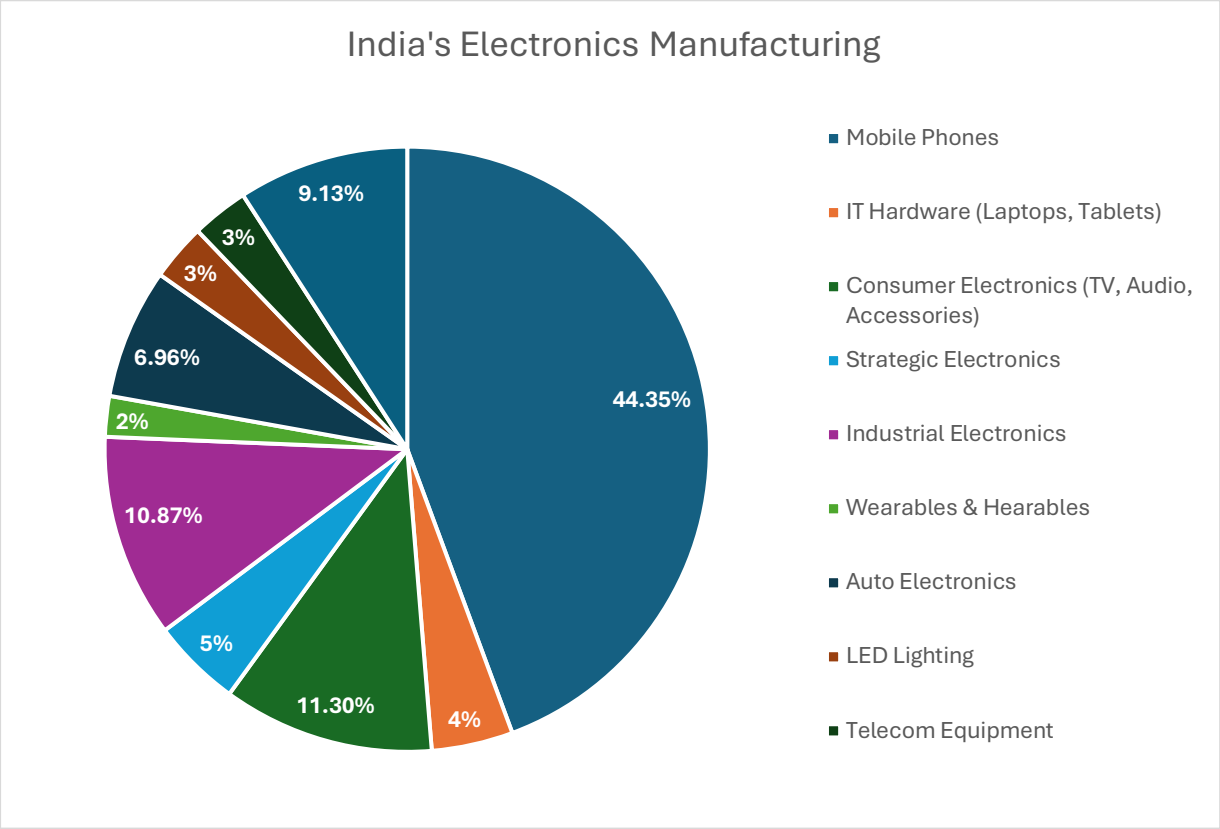
Second Largest Mobile Phones Producer in the World

India's rise to the world's 2nd-largest mobile phone manufacturer. The claim rests on large increases in annual production (about 325–330 million phones a year), a jump in manufacturing value, exports rising into the ₹1-1.3 lakh crore range, and the emergence of 300+ manufacturing units across the country. These gains were driven primarily by policy incentives (PLI / Make-in-India), large investments by global OEMs and contract assemblers, and rapid localization of several sub-assemblies — but India still faces gaps in high-value component production (chips, advanced displays), which it is now trying to address.



Note: P – Projections, Source: MEITY Annual report 2024-25, Infomerics Analytics & Research

India's mobile phone production has shown strong and sustained growth over the past few years, increasing from USD 30.00 billion in 2020-21 to USD 59.12 billion in 2024-25. This growth is expected to accelerate sharply, with production projected to reach USD 124.06 billion by 2029-30, more than doubling in five years growing at a CAGR of 15.97%. The expansion is driven by rising domestic demand, increasing exports, supportive government policies such as the Production Linked Incentive (PLI) scheme, and India's emergence as a major global manufacturing hub. The trend also reflects improvements in technology adoption, local component manufacturing, and investments in production infrastructure, positioning India as a key player in the global mobile phone industry.



Source – MEITY Annual report 2024-25

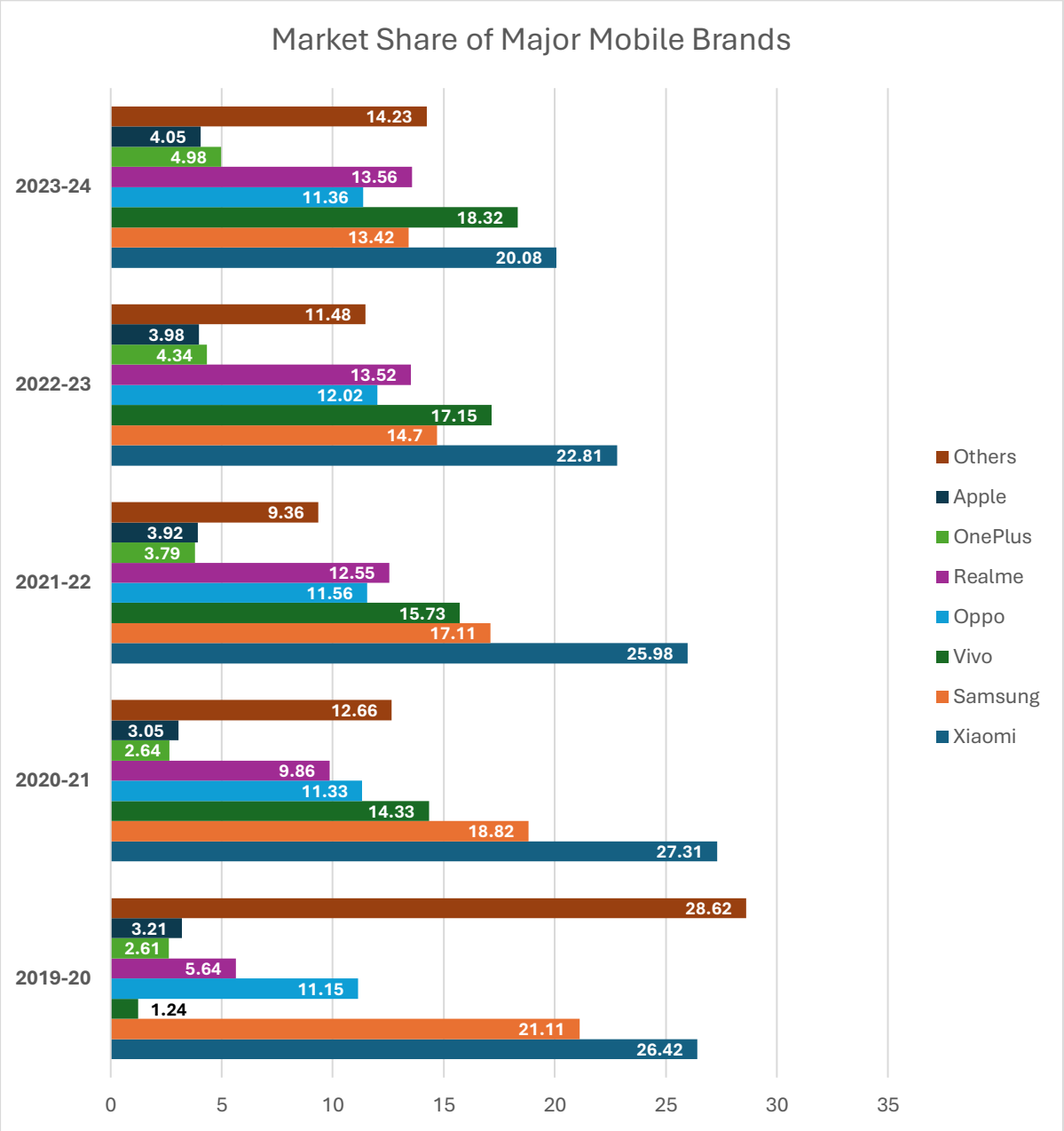
India's electronics manufacturing sector is heavily dominated by **mobile phones**, which contribute nearly half of the industry's total output value. In FY 2023–24, the segment generated about USD 51.00 billion, a significant increase from the previous year, underscoring India's rise as the second-largest mobile phone producer globally. This growth is largely driven by robust domestic demand, a thriving export market, and strong government support through initiatives such as the Production Linked Incentive (PLI) scheme.

Consumer electronics, including televisions, audio systems, and related accessories, form the second-largest segment, benefiting from rising household incomes, urbanization, and lifestyle upgrades. Industrial electronics and electronic components have also emerged as key pillars, indicating that India's manufacturing capabilities are diversifying beyond consumer-focused products into areas like automation, infrastructure, and component localization.

Other segments such as automotive electronics and strategic electronics are witnessing accelerating demand, propelled by the expansion of electric mobility and defense manufacturing. Niche areas like IT hardware, wearables and hearables, LED lighting, and telecom equipment, though smaller in share, are fast-growing due to technological innovation and evolving consumer preferences.

Overall, the sector's composition reflects a balanced growth trajectory—anchored by mobile phone dominance but steadily expanding into a wide range of high-value and specialized electronics segments, strengthening India's position as a global manufacturing hub.

3.3.3 Top Mobile Brands Share in India



Source – Stat counter Global Stats

The Indian mobile market has shifted from Xiaomi–Samsung dominance to a more fragmented landscape. Xiaomi and Samsung have steadily lost share, while Vivo and Realme have gained strongly, driven by aggressive pricing, offline penetration, and youth-focused positioning.

Oppo has remained stable, while OnePlus and Apple are gradually expanding in the premium segment, reflecting rising consumer upgrading. The 'Others' segment is rebounding, suggesting space for niche and new entrants. Overall, the market is now multi-polar and highly competitive, with mid-range and premium growth reshaping dynamics.

Seasonal vs Non-Seasonal Sales Patterns

Parameter	Seasonal Sales Pattern	Non-Seasonal Sales Pattern
Sales Trend	• Significant spikes in sales during festive seasons, new launches, and online mega-sales. Example: Apple sells 40–50% of its iPhones in India during the October–December quarter due to Diwali and global launch timing.	• Steady sales throughout the year, especially in entry-level and budget segments. Example: Itel and Lava maintain consistent volumes due to demand from rural and Tier II/III cities.
Peak Months & Events	• September–November: Diwali sales (Flipkart Big Billion Days, Amazon Great Indian Festival) benefit brands like Xiaomi, Samsung, and Realme. • December–January: Year-end clearances and Republic Day offers push OnePlus and Vivo sales.	• Demand evenly distributed across the year, with purchases triggered by necessity or replacement cycles, e.g., Micromax and Tecno see consistent but modest sales volumes.
Demand Drivers	• Festive gifting and bonus payouts. Flash sales with deep discounts by Amazon and Flipkart. • New flagship launches like iPhone 16 Pro or Samsung Galaxy S series.	• Device damage, battery failure, or urgent replacement. • Entry-level buyers purchasing basic 4G models. • Steady bulk orders from corporates and institutions.
Consumer Behaviour	• Customers are more willing to upgrade to premium models during sales (e.g., Apple, Samsung foldables) if offers are attractive. Experimentation with new brands like iQOO or Infinix is common.	• Customers focus on budget and utility, often buying under ₹10,000 phones without waiting for sales.

Pricing Strategy	• Aggressive discounts and bundled offers OnePlus Nord series often sees ₹3,000–₹5,000 cuts during Diwali sales.	• Stable pricing — brands like Itel and Tecno maintain prices year-round to target price-conscious segments.
Marketing Strategy	• High-intensity campaigns — Apple India runs premium store launches around the festive season; Xiaomi leverages influencer marketing heavily.	• Steady low-cost marketing local retail promotions, shop signage, and regional outreach programs.
Inventory Management	• Stock buildup months before festive sales — Xiaomi increases production in Q2 to meet Q3 surge.	• Just-in-time replenishment, e.g., Lava and Itel avoid overstocking to reduce warehousing costs.
Operational Challenges	• Sudden logistics and supply chain pressure during October–November. Online platforms face server loads during flash sales.	• Fewer operational disruptions; predictable delivery schedules.
Risk Factors	• Over-dependence on festive periods — if consumer sentiment dips, brands like Realme can miss quarterly targets.	• Slower annual growth; risk of losing visibility during high-decibel seasonal campaigns.

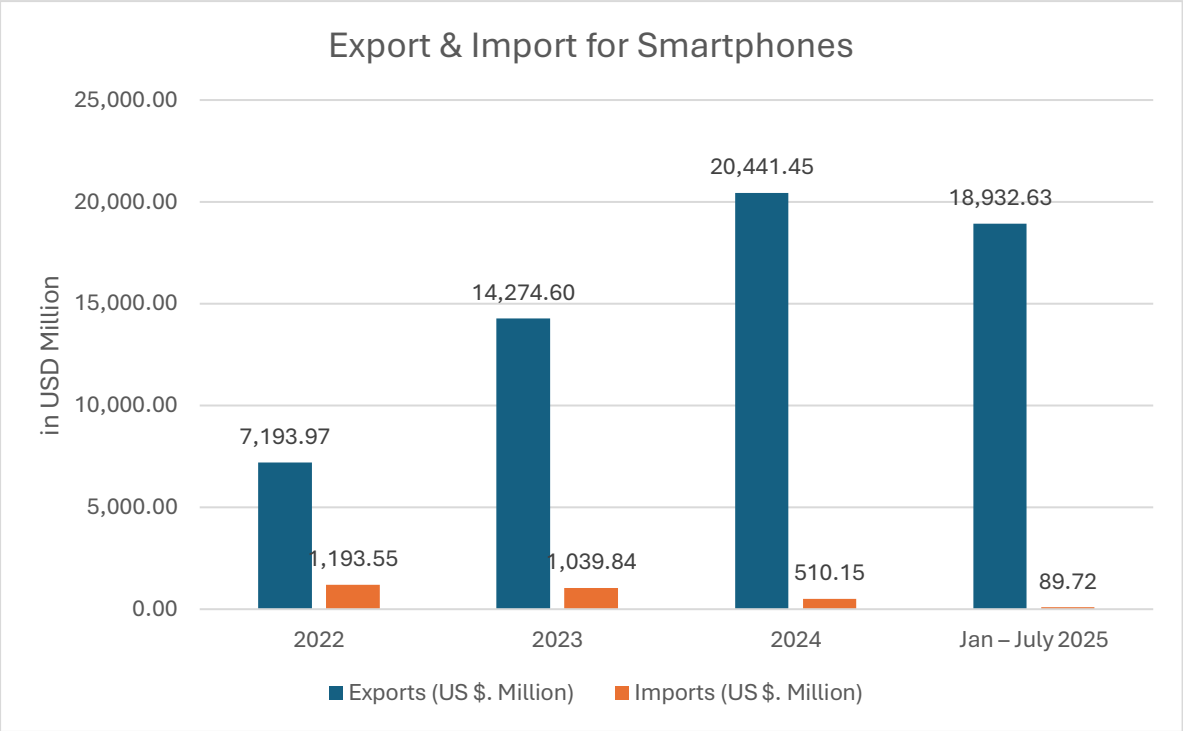
Price Range Analysis and Top Brands

Price Segment	Price Range (INR)	Target Audience	Key Features	Top Brands / Series
Entry-Level	Below ₹12,000	▪ Budget-conscious ▪ First-time users.	Basic performance, limited cameras, low storage	▪ Transsion Group (Tecno, Infinix, Itel) ▪ Xiaomi (Redmi), ▪ Realme, ▪ Motorola
Mid-Range	₹12,000-₹40,000	▪ Value seekers wanting good balance.	Decent processors, multiple cameras, good storage	▪ Samsung (Galaxy A series). ▪ Xiaomi (Redmi Note, Poco), ▪ Realme ▪ Motorola
Premium	₹40,000 – ₹80,000	▪ Tech enthusiasts ▪ Professionals.	Flagship processors, high-res displays, superior cameras	▪ Apple (iPhone 15) ▪ Samsung (Galaxy S series) ▪ Xiaomi (Xiaomi 15) ▪ OnePlus
Ultra-Premium	Above ₹80,000	▪ Users wanting top-tier tech and luxury.	Cutting-edge tech, premium materials, exclusive features	▪ Apple (iPhone 16 Pro Max) ▪ Samsung (Galaxy Z Fold) ▪ Google (Pixel Fold)

3.3.4 Trade Dynamics

The sector's trade performance demonstrates its strong international presence and export competitiveness. India's exports of Smartphones witnessed a substantial increase during 2025 driven by rising demand in key global markets and strengthened supply chain capabilities. Concurrently, imports declined sharply, reflecting reduced dependency on foreign inputs and enhanced domestic production efficiency. The resulting net trade surplus underscores the sector's robust export orientation and its significant contribution to the country's overall trade balance, highlighting its growing relevance in global trade.

Smartphones



Source – Ministry of Commerce & Industry, Infomerics Analytics & Research

Exports have shown a remarkable surge, rising from US$ 7,193.97 million in 2022 to US$ 20,441.45 million in 2024, with Jan–July 2025 already at US$ 18,932.63 million, indicating strong momentum and likely to surpass the previous year. Imports, on the other hand, have consistently declined from US$ 1,193.55 million in 2022 to just US$ 89.72 million in Jan–July 2025, reflecting reduced external dependence. This trend highlights a sharply improving trade balance, driven by booming exports and falling imports, signalling strengthened global competitiveness and growing self-reliance.

Major Export Destinations & Market Share (FY 25)


USA
43.75%


U Arab Emts
11.46%


Netherland
9.13%


UK
6.12%

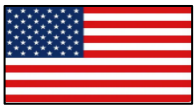

Italy
5.21%

Major Import Destinations (FY 25)


China
58.83%


Hong Kong
23.62%


U Arab Emts
11.06%


USA
2.94%


Korea
1.46%

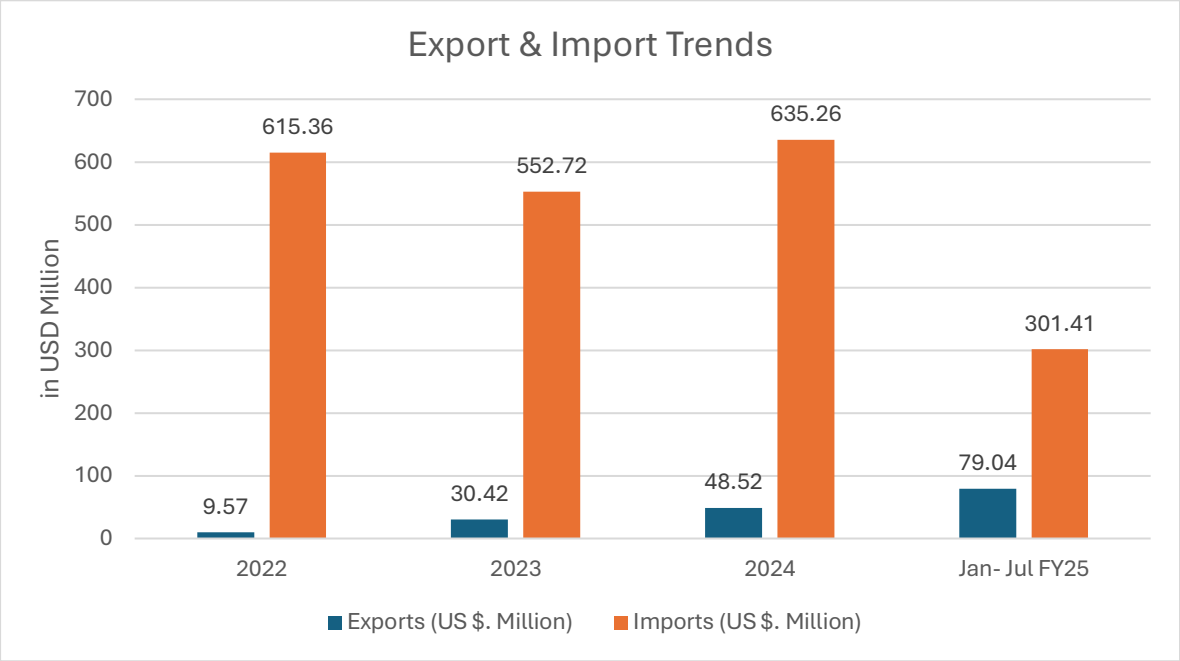
Source – Ministry of Commerce and Industry, Infomerics Analytics & Research

In FY 2025, the export landscape for Smartphones is highly diversified yet strongly tilted towards developed markets, with the USA emerging as the dominant destination, accounting for nearly 43.75% of total exports. Alongside the USA, Europe (Netherlands, UK, and Italy) collectively contributes a substantial share of over **20%**, reflecting India's strong integration into Western supply chains. The UAE also plays a significant role as a regional re-export hub, absorbing over 11% of exports.

On the import side, the structure is heavily concentrated, with China alone accounting for nearly 58.83% of total imports, followed by Hong Kong at 23.62%. Together, these two markets contribute more than four-fifths of total imports, underscoring India's reliance on East Asian supply chains for critical inputs. Imports from the UAE, USA, and Korea remain relatively modest, indicating limited diversification in sourcing.

Overall, the trade balance reveals a strategic dependence on advanced economies for export growth while simultaneously reflecting heavy import reliance on China and Hong Kong. This asymmetry highlights both opportunities for deeper market penetration in the West and risks linked to concentrated sourcing from East Asia.

Headphones Earphones and Microphone / Speaker Sets



Source - Ministry of Commerce & Industry, Infomerics Analytics & Research

Exports have grown sharply from US$ 9.57 million in 2022 to US$ 48.52 million in 2024, with Jan–Jul FY25 already reaching US$ 79.04 million, reflecting strong global demand and competitiveness. Imports, however, remain significantly higher, fluctuating between US$ 552–635 million, with FY25 (till July) at US$ 301.41 million, indicating continued dependence on external sourcing. While the trade deficit persists, the rapid export momentum signals improved market presence, though reducing import reliance through domestic capacity building remains crucial.

Major Export Destinations (FY 25)

U Arab Emts	Russia	USA	Vietnam	Netherland
63.73%	16.46%	9.03%	2.35%	1.88%

Major Import Destinations (FY 25)

China	Vietnam	Hong Kong	Thailand	U Arab Emts
48.10%	27.95%	13.41%	4.23%	2.13%

Source – Ministry of Commerce and Industry

India's FY 2025 trade profile shows a highly concentrated export base, with the UAE alone accounting for nearly two-thirds (63.73%) of exports, followed distantly by Russia (16.46%) and the USA (9.03%), reflecting strong but narrow market reliance. In contrast, imports are more diversified yet heavily Asia-centric, led by China (48.10%), Vietnam (27.95%), and Hong Kong (13.41%), underscoring significant dependence on a few regional hubs. While this structure highlights strong bilateral linkages, it also exposes trade flows to geopolitical and supply chain risks, making diversification across both export destinations and import sources essential for long-term resilience.

3.3.5 Retail & Distribution Insights

Own Stores vs. Franchised Outlets

Aspect	Own Stores	Franchised Outlets
Ownership	Fully owned and operated by the company.	Owned and operated by independent franchisees.
Investment & Cost	High initial capital expenditure, operational costs borne by company.	Lower capital requirement for the company; franchisee bears most setup costs.
Control over Operations	Full control over store operations, staff, branding, and customer experience.	Limited control: company provides guidelines, but franchisee manages daily operations.
Revenue Model	All revenue directly accrues to the company.	Company earns revenue through franchise fees, royalties, or a share of sales.
Brand Consistency	Easier to maintain consistent brand image and service standards.	Risk of inconsistent customer experience across locations.
Market Penetration	Slower expansion due to higher investment.	Faster expansion, especially in smaller towns and emerging markets.
Risk Exposure	Company bears all business risks.	Risk is shared with franchisee; lower financial exposure for the company.
Customer Engagement	Direct relationship with customers; better data collection.	Indirect relationship; depends on franchisee engagement.
Flexibility	Can quickly implement new strategies, promotions, or store layout.	Slower adaptation as franchisees must align with company directives.

Franchise trends and preferred models

- **Diversification Beyond Device Sales -** Modern mobile retail franchises are no longer limited to selling smartphones. They increasingly bundle services such as device repair,

trade-ins, financing, extended warranties, insurance, and sales of accessories like wearables and smart devices. This shift creates multiple revenue streams and helps franchisees adapt to changing customer needs.

- **Omnichannel Integration -** Customers expect a seamless experience across physical stores, websites, and apps. Many mobile franchises now combine offline retail with e-commerce, click-and-collect models, and mobile apps for payments and upgrades. This integration strengthens customer loyalty while expanding reach.
- **Customer Experience as a Differentiator -** Since pricing for smartphones is often similar across retailers, franchises compete by enhancing service quality. Personalized assistance, loyalty programs, post-purchase support, and quick turnaround times for repairs are key differentiators that boost repeat purchases.
- **Technology-Driven Operations -** Mobile retail franchises use advanced tech tools such as CRM systems, AI chatbots, and IoT-enabled inventory management to streamline operations. Real-time analytics and digital marketing campaigns also help franchises optimize store performance.
- **Shift Toward Service-Oriented Models -** With smartphone replacement cycles getting longer, franchises increasingly rely on repair, upgrade, and trade-in services to sustain profitability. Service-focused models are gaining traction over pure product-sales models.
- **Tier-2 & Tier-3 City Expansion** - Franchising is enabling mobile retail brands to expand rapidly into semi-urban and rural areas, where demand for smartphones and affordable internet services is growing. Local franchisees bring market knowledge, reducing operational risk for brands.

Brands offering highest dealer margins

Brand / Brand Group	Typical Dealer Margin
Oppo / Vivo	16-18%
Xiaomi / Realme	8%–11%, up from ~4% previously
Samsung & Apple	8-10% standard
OnePlus / Redmi / Motorola	3%–4%

Source – The Economic Times

- Oppo and vivo offer the highest offline dealer margins, especially during festivals, where margins can reach up to 16–18%, although a general range of 8-10% remains common.
- **Xiaomi and Realme** significantly upped their offline margins to **8–11%**, doubling from about **4%**, to enhance retailer engagement for their premium push.
- **OnePlus, Redmi, and Motorola** follow a similar low-margin pattern (~3–4%) and are usually less pushed by retailers.

Key Revenue Drivers in Mobile Retail Business

Mobile retail outlets operate on a diversified revenue model that allows them to capture income across multiple streams, thereby enhancing business resilience and profitability. The principal sources of income include:

- **Sale of Mobile Handsets** - The primary revenue driver in Mobile retail is the direct sale of mobile phones. Retailers typically procure handsets from authorized distributors or directly through brand partnerships. Profitability is influenced by product mix, prevailing demand trends, brand positioning, and competitive intensity.
- **Sale of Accessories and Add-ons** - Mobile accessories, such as protective cases, screen guards, chargers, earphones, and other peripheral devices, represent a high-margin category. These items are often purchased alongside new handsets, providing an incremental boost to overall revenue while enabling customers to personalize and safeguard their devices.
- **Service and Repair Offerings** - Many mobile retailers provide value-added services such as device repairs and maintenance, ranging from basic screen replacements to advanced hardware or software servicing. Given the preference of customers for accessible, local repair solutions, this segment contributes to recurring income and fosters customer loyalty.
- **Trade-ins and Refurbishment Sales** - Retailers often undertake trade-in programs wherein customers exchange older devices for credit against the purchase of new models. These pre-owned devices are refurbished and resold at competitive price points, allowing shop owners to tap into the growing demand for affordable, second-hand smartphones.
- **Financing and EMI Solutions** - Mobile shop owners frequently collaborate with banks and non-banking financial companies (NBFCs) to provide financing and instalment options to customers. Such arrangements not only enhance affordability for end-users but also generate additional revenue streams through commissions, processing charges, or interest income.

4. Market Dynamics

4.1 Key Growth Drivers

The Indian consumer electronics – mobile industry is set for robust expansion over the next decade, driven by rising digital adoption, affordable smartphones, evolving consumer lifestyles, and strong government support for local manufacturing. The following are the key growth drivers shaping the market:

Scale Category:

High = 15–20% impact	Medium = 7–14% impact	Low = 3–6% impact

Market Drivers and Impact Assessment

Driver	1-2 Years	3-4 Years	5-7 Years
Rising Smartphone Penetration Across Urban & Rural India	High	High	High
Growing Demand for Mobile Accessories (Earbuds, Chargers, Cases, Wearables)	High	High	High
E-commerce Growth and Omnichannel Retail Integration	Medium	High	High
Government Push for Local Manufacturing (PLI, Make in India)	Medium	High	High
Expansion of Tier-2 and Tier-3 Retail Networks	Medium	High	High
Shorter Smartphone Replacement Cycles	Medium	Medium	High
Increasing Financing & Credit Facilities in Distribution	Medium	Medium	High
Rising Popularity of Premium & Feature-Rich Devices	Low	Medium	High
Growing Export Opportunities for Indian-Made Devices	Low	Medium	High
Digital Transformation in Wholesale Trade (ERP, Inventory Tech)	Low	Medium	Medium

Source – Infomerics Analytics & Research

Detailed Commentary

- **Rising Smartphone Penetration Across Urban & Rural India -** The growing affordability of smartphones and wider 4G/5G network coverage are driving massive adoption in India's rural and semi-urban markets. For wholesalers, this translates into consistently rising demand for bulk supplies to local retailers.
- **Growing Demand for Mobile Accessories (Earbuds, Chargers, Cases, Wearables) -** Accessories now contribute significantly to consumer spending, as buyers look for personalization, convenience, and add-on functionalities. Wholesalers benefit from high-volume sales of these fast-moving items, boosting margins and product variety.
- **E-commerce Growth and Omnichannel Retail Integration -** With e-commerce giants expanding, wholesalers increasingly supply both online and offline retailers. This omnichannel integration expands distribution volumes, though it also requires wholesalers to adopt digital tools for inventory, pricing, and logistics.
- **Government Push for Local Manufacturing (PLI, make in India) –** Incentives under the Production Linked Incentive (PLI) scheme are boosting domestic manufacturing of smartphones and accessories. This helps wholesalers with greater product availability, lower import dependency, and competitive pricing advantages.
- **Expansion of Tier-2 and Tier-3 Retail Networks** - As smaller towns see rising incomes and digital adoption, mobile retail chains and local stores are expanding. Wholesalers act as key suppliers to these outlets, unlocking new high-growth regional markets beyond metros.
- **Shorter Smartphone Replacement Cycles -** Consumers are upgrading devices faster due to rapid technological advancements, aspirational purchasing, and trade-in schemes. This trend creates recurring wholesale demand for both devices and related accessories.
- **Increasing Financing & Credit Facilities in Distribution -** Wholesale trade is being strengthened by financing solutions from NBFCs, fintech's, and OEM-led programs, enabling retailers to buy in bulk and wholesalers to maintain liquidity. This fosters higher order volumes and faster turnover.
- **Rising Popularity of Premium & Feature-Rich Devices -** Consumers are increasingly shifting towards premium smartphones with advanced features (e.g., foldables, AI-enabled cameras). Wholesalers benefit from higher-value bulk orders, earning better margins compared to entry-level devices.
- **Growing Export Opportunities for Indian-Made Devices -** With India emerging as a global hub for mobile manufacturing, there are new wholesale opportunities in supplying devices and accessories to export markets in Africa, South Asia, and the Middle East. Smartphone exports surpassed ₹2 lakh crore, with iPhone exports alone accounting for approximately ₹1.5 lakh crore.

- **Digital Transformation in Wholesale Trade (ERP, Inventory Tech) -** Wholesalers are adopting ERP systems, digital invoicing, and inventory management tools to streamline operations, reduce costs, and enhance transparency. This enables them to stay competitive against modern retail and online marketplaces.

4.2 Market Threats & Challenges

The Consumer electronics industry in India, despite its robust growth and expanding market size, faces inherent challenges that may impact its long-term growth trajectory and operational efficiency.

Scale Category:

High = 15–20% impact	**Medium = 7–14% impact**	**Low = 3–6% impact**

Market Threats & Challenges and Impact Assessment

Restraint	1–2 Years	3–4 Years	5–7 Years
Price competition and margin pressures due to intense rivalry	High	High	Medium
Rapid technology obsolescence in mobiles and accessories	High	High	High
Dependency on OEMs and supply chain disruptions	Medium	High	High
Predominance of grey market and counterfeit products	High	High	High
Regulatory changes in import duties and GST compliance	Medium	Medium	High
High working capital requirement and credit risks from retailers	High	High	High
Uneven demand from Tier 2 and Tier 3 markets	Medium	Medium	High
E-commerce giants bypassing wholesale channels	Medium	High	High
Inventory management risks due to fast product cycles	High	High	High
Lack of skilled manpower in modern wholesale operations	Medium	Medium	Medium
Logistics inefficiencies and rising transportation costs	Medium	Medium	High
Vulnerability to global economic cycles and currency fluctuations	Low	Medium	High

Source – Infomerics Analytics & Research

Detailed Commentary

- **Price Competition and Margin Pressures -** The wholesale mobile industry operates on thin margins due to intense competition. Retailers often demand lower prices to stay competitive against e-commerce platforms. As a result, wholesalers are forced to reduce margins, which directly impacts profitability and makes long-term sustainability challenging.
- **Rapid Technology Obsolescence -** Smartphones and accessories have very short product lifecycles. New models launch every 6–12 months, making older stock less attractive. Wholesalers holding large inventories face the risk of devaluation, forcing them to liquidate stock at heavy discounts, which erodes margins.
- **Dependency on OEMs and Supply Chains -** Wholesalers are heavily dependent on Original Equipment Manufacturers (OEMs) and global supply chains. Any delay in production, shipment issues, or geopolitical disruptions (e.g., trade restrictions, component shortages) can cause inventory shortages, affecting sales cycles and customer relationships.
- **Grey Market and Counterfeit Products -** The prevalence of parallel imports (grey market goods) and counterfeit accessories creates unfair competition. These products are often sold at lower prices without proper taxes, warranties, or quality checks, making it harder for authorized wholesalers to compete while also damaging brand trust.
- **Regulatory Changes (Import Duties & GST) -** Government policies regarding electronics imports, GST structures, and compliance requirements frequently change. For example, an increase in import duties can raise procurement costs. Wholesalers must constantly adapt to these regulations, which increases administrative and operational burdens.
- **High Working Capital & Credit Risks -** Wholesalers often provide credit to retailers to maintain business relationships. This exposes them to delayed payments or even defaults, creating liquidity problems. The high cost of capital in India further aggravates cash flow constraints, especially for small and mid-sized wholesalers.
- **Uneven Demand in Tier 2 & 3 Markets -** Although mobile penetration is increasing in smaller cities, demand patterns remain inconsistent due to income disparities, seasonal purchases (festivals, sales events), and consumer preferences. Wholesalers face challenges in predicting demand accurately, leading to stock mismatches.
- **E-commerce Giants Bypassing Wholesale -** Online marketplaces like Amazon, Flipkart, and brand-exclusive e-stores are increasingly selling directly to consumers. This bypasses traditional wholesale networks, reducing the relevance of wholesalers. Some OEMs also prefer exclusive online launches, further cutting wholesale participation.
- **Inventory Management Risks -** Managing inventory is highly complex due to frequent model changes, fast-moving accessories, and varying regional preferences. Over-stocking leads to depreciation in value, while under-stocking results in missed sales opportunities. Wholesalers must balance both to avoid losses.

- **Shortage of Skilled Workforce -** Wholesale operations today require tech-savvy staff capable of managing digital invoicing, ERP systems, inventory tracking, and online order processing. However, the industry faces a shortage of skilled manpower, leading to inefficiencies and slower adoption of modern wholesale practices.
- **Logistics Inefficiencies & High Costs -** Rising fuel prices, poor road connectivity in remote areas, and lack of reliable warehousing increase logistics expenses. Additionally, last-mile delivery remains a challenge in rural India, making distribution slower and costlier for wholesalers.
- **Vulnerability to Global Economic Cycles & Currency Fluctuations -** Since most mobile phones and accessories are imported, fluctuations in foreign exchange rates directly affect procurement costs. Economic slowdowns or global crises (e.g., semiconductor shortages, trade restrictions) also disrupt supply, increasing risks for wholesalers dependent on imports.

5. Government Initiatives and Policy Support

The Indian consumer electronics industry is receiving strong policy and institutional support from the Government of India, as initiatives in domestic manufacturing, digital infrastructure, and regulatory frameworks drive market growth. Schemes such as the Production Linked Incentive (PLI), Electronics Manufacturing Clusters (EMC), and Phased Manufacturing Programme (PMP) are strengthening local production and reducing import dependence, while Digital India, telecom reforms, and 5G rollout are expanding device adoption across urban and rural regions.

- **Production Linked Scheme** – The Govt has significantly increase budget allocations for Electronics and IT Hardware under PLI Scheme soaring from ₹5,777 crore (revised estimate for 2024-25) to ₹9,000 crore**,** Boost domestic manufacturing of electronic goods such as mobile phones, appliances, and components. Offers financial incentives based on incremental sales, attracting global and domestic investments and reducing import dependence. (*Source – PIB*)
- **Make in India Initiative -** Promote India as a global manufacturing hub. Encourages local value addition and manufacturing across sectors including electronics, supported by ease of-doing-business reforms.
- **Scheme for Promotion of Manufacturing of Electric Components and Semiconductors (SPECS) -** India's semiconductor market to grow at 13%, reach Rs. 8,95,134 crore (US$ 103.4 billion) by 2030**,** Support manufacturing of critical electronic components. Provides capital subsidies (up to 25%) on plant, machinery, and other expenditures for eligible units in the electronics value chain. With an outlay of ₹22,919 crore, the ECMS will make India Aatmanirbhar in the electronics supply chain. The scheme envisages attracting investment worth ₹59,350 crore, producing electronic components worth ₹4,56,500 crore and generating additional direct employment of 91,600 people. (*Source – Invest India)*
- **Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme -** Allocated ₹3,762.25 crore for world-class manufacturing infrastructure. Develop world-class infrastructure for electronics manufacturing. Facilitates development of manufacturing clusters, reducing logistics costs and enabling supply chain efficiencies.
- **FDI Policy Liberalization -** Attract foreign direct investment into the consumer electronics and white goods sector. 100% FDI allowed under the automatic route for electronics and consumer durable manufacturing, encouraging global players to set up units in India.
- **The Ministry of Consumer Affairs -** Has asked top consumer durables companies (such as LG, Samsung, Havells, etc.) to share data to create a common repository of information on their service centres and repair policy to protect customers' rights to repair and maintain home appliances.

- **National Policy on Electronics -** The National Policy on Electronics 2019 is targeting production of one billion mobile handsets valued at US$ 190 billion by 2025, out of which 600 million handsets valued at US$ 110 billion are likely to be exported.
- **Phased Manufacturing Programme (PMP) -** The PMP focuses on gradually increasing local value addition in components such as chargers, batteries, and display panels. Manufacturers gain a stronger domestic supplier ecosystem, reducing import reliance and enabling cost-effective production. Wholesalers enjoy predictable pricing and access to locally produced accessories, improving margins and inventory planning. Retailers benefit from consistent availability of quality products, allowing them to meet consumer demand reliably.

6. Technology & Digital Transformation

The Consumer Electronics has experienced a rapid and multi-dimensional transformation over the last decade. Driven by intense competition, evolving consumer behaviour, and technological innovation, digital tools now underpin every aspect of the industry—from product design and manufacturing to sales, marketing, and after-sales service.

1. Digital Retailing and CRM Platforms: The mobile retail ecosystem is undergoing a profound digital shift. Mobile brands and retailers have adopted end-to-end digital retailing solutions, providing virtual showrooms, 360-degree product views, EMI calculators, and online trade-in platforms. These enable consumers to browse, compare, configure, finance, and purchase devices entirely online. Robust CRM platforms further support this transformation by capturing leads from multiple channels—social media, apps, e-commerce portals—and managing them efficiently via automated follow-ups, service scheduling, and personalized marketing campaigns. Brands like Apple, Xiaomi, and Samsung leverage these tools to enhance customer engagement and retention.

2. Connected Ecosystem and IoT Integration: The mobile sector increasingly emphasizes connected devices and IoT integration. Smartphones serve as hubs for wearables, smart home devices, and health monitoring tools. AI-enabled sensors, cloud connectivity, and mobile applications enhance user experience, enabling real-time analytics, device monitoring, and predictive maintenance. This integration creates a seamless ecosystem that strengthens customer loyalty and drives recurring revenue through services and subscriptions.

3.After Sales service and Digital support: Technology is revolutionizing mobile after-sales support. AI-powered chatbots and virtual assistants handle routine queries, troubleshoot issues, and manage warranty claims. IoT-enabled remote diagnostics allow predictive maintenance and early detection of hardware or software issues. Data analytics helps manufacturers identify recurring faults and improve service centre operations, enhancing customer satisfaction and reducing downtime.

4. **Smart Manufacturing and Industry 4.0:** Industry 4.0 technologies are reshaping mobile production, improving efficiency, flexibility, and quality. Robotics, digital twins, AI-driven quality control, and 3D printing allow faster prototyping, precise component assembly, and reduced production downtime. These smart manufacturing practices also enable mass customization, helping brands launch variants tailored to different market segments. Indian mobile manufacturers and contract assemblers, including Lava, Micromax, and Foxconn, are integrating these tools to modernize operations and compete globally.

7. PESTLE Analysis of the Industry

A comprehensive PESTLE (Political, Economic, Social, Technological, Legal and Environmental) analysis helps evaluate the external macro-environmental factors influencing the Consumer electronics (Specifically mobile) industry. These factors significantly shape industry dynamics, demand patterns, business models, and investment opportunities in the medium to long term.

Factor	Key Insights & Examples
Political	**Government policies** like PLI (Production Linked Incentive) for mobile manufacturing and make in India have boosted domestic production; the 5G rollout increases demand for compatible devices. Continued incentives may attract more global brands; expansion of smart cities can increase rural market penetration. Example**:** Apple assembling iPhones in Chennai; Samsung and Xiaomi expanding Indian factories; 5G smartphone adoption surging in Delhi & Mumbai. Smartphone exports surpassed ₹2 lakh crore, with iPhone exports alone accounting for approximately ₹1.5 lakh crore. electronics production has grown five-fold and exports have grown more than six-fold, with export CAGR exceeding 20% and production CAGR over 17%.
Economic	**Rising disposable income and easy EMI/credit options drive sales**; festival seasons spike demand; currency fluctuations affect imported component costs. Sustained economic growth may boost premium device sales; financial inclusion expands tier-2/3 markets. Example**:** Diwali sales surge on Flipkart/Amazon; rupee depreciation increasing OLED panel costs for imported phones; OnePlus premium launches targeting metro buyers.
Social	**Consumers prefer trusted brands with strong after-sales service; lifestyle changes increase demand for connected devices**. Rising expectations for omnichannel experiences; demand for gaming, content creation, and wearables grows. Example**:** Samsung and Apple preferred for warranty and service; widespread adoption of Google Pay, Paytm, and mobile-first lifestyle apps; growth in smartwatch and wireless earbuds usage.
Technological	**CRM, ERP, e-commerce platforms improve engagement**; AI/IoT features becoming standard; online marketplaces compete with offline stores. Faster adoption of AR/VR, AI-powered apps, 5G; retailers need digital analytics and omnichannel capabilities. Example: Samsung Galaxy and

	iPhone integrating AR, AI photography, and 5G; Flipkart and Amazon driving direct-to-consumer (D2C) sales; MI Smart TVs & ecosystem integration.
Environmental	**Rising demand for energy-efficient devices and eco-friendly packaging**; compliance with e-waste rules. Stronger environmental norms may increase compliance costs, opportunities for green differentiation. Example**:** Apple and Samsung recycling old phones; eco-packaging initiatives by OnePlus; LED-lit retail stores and reduced plastic use in packaging.
Legal	**Compliance with consumer protection, BIS certifications, GST, and labour laws is mandatory.** Stricter enforcement may increase operational costs; legal clarity in data privacy and mobile payments will shape device features. Example**:** BIS-certified smartphones mandatory for sale; GST impacting phone pricing; enforcement of 1-year warranty and consumer grievance redressal.

8. Competitive Landscape

The Indian consumer electronics industry, particularly the mobile segment, is characterized by a highly competitive and dynamic landscape, with numerous domestic and international players operating across multiple distribution channels, price tiers, and product categories. This segmentation reflects the market's evolving complexity, driven by rapid technological innovation, changing consumer preferences, and increasing digital adoption. Key players strategically position themselves to cater to these diverse demands, leveraging product innovation, scale, and brand equity to capture market share and maintain long-term customer loyalty.

8.1 Key factors shaping competition

1. **Technological Advancements and Digital Transformation:** Mobile manufacturers and retailers are increasingly integrating advanced technologies such as Artificial Intelligence (AI), Internet of Things (IoT), Augmented Reality (AR), and big data analytics into their operations and products. These technologies enhance user experience, optimize production and supply chains, enable predictive maintenance for smart devices, and support data-driven marketing strategies. Companies effectively leveraging these innovations gain a competitive advantage by offering cutting-edge, feature-rich devices and smarter services.

   For Example, Samsung SmartThings offers a unified smart home ecosystem through its hub, supporting Zigbee, Z-Wave, Wi-Fi, and Bluetooth. It enables seamless control of lighting, security, thermostats, and appliances via a single intuitive app. Xiaomi: data-driven supply chain optimization for Redmi Note series.

2. **Emphasis on Product Innovation and Smart Features:** Consumers are gravitating towards devices with advanced functionalities, including foldable displays, high-performance cameras, biometric security, and AI-enabled features. Brands that continuously innovate to meet these expectations differentiate themselves in the crowded market and attract tech-savvy users.

   For Example, Samsung's Galaxy Z Fold series introduced foldable smartphones to India, targeting premium early adopters. Apple iPhone 14 Pro with its cinematic video mode and AI-based photography attracts tech-savvy users seeking high-end features.

3. **Omnichannel Distribution and E-commerce Strategy:** The mobile industry is witnessing fierce competition across retail, online marketplaces, and direct-to-consumer channels. Players with strong omnichannel strategies, including mobile apps, virtual showrooms, and seamless integration between offline and online sales, are better positioned to reach a wider customer base and improve conversion rates.

For Example, Realme combines retail presence with Flipkart/Amazon listings and its own app for D2C sales. Apple India uses Apple Stores, authorized resellers, and online Apple Store to provide consistent omnichannel experiences, including online trade-ins and home delivery.

4. **Brand Trust, Customer Experience, and After-Sales Service:** Indian consumers place high importance on brand reliability, consistent product quality, and effective after-sales support. Companies investing in robust service networks, warranty programs, and responsive customer care gain trust and foster brand loyalty, which becomes a key differentiator in a saturated market.

   For Example, AppleCare extended warranty and accidental damage coverage, get easy, fast repairs for accidents like drops and spills. A replacement battery when yours drops below 80% capacity.

5. **Regulatory Compliance and Product Safety:** Compliance with safety certifications (BIS), e-waste disposal norms, and environmental regulations is crucial for market acceptance. Brands demonstrating adherence to regulatory standards build credibility and reduce legal and operational risks.

   For Example, Vivo & Oppo: BIS-certified smartphones; Apple & Samsung: device recycling programs for e-waste compliance.

6. **Pricing Strategies and Affordability:** Competitive pricing, coupled with financing options like EMIs and trade-in programs, plays a pivotal role in capturing market share. Companies offering value-for-money devices across different price segments attract both cost-conscious and premium buyers, intensifying competition across tiers.

   For Example, Xiaomi Redmi Note series: value-for-money devices; Apple iPhone SE: lower price point + EMI options for premium segment.

7. **Sustainability and Eco-Friendly Initiatives:** Increasing consumer awareness regarding environmental impact is shaping product and packaging strategies. Brands that adopt sustainable materials, energy-efficient components, and eco-friendly packaging are increasingly favoured by environmentally conscious buyers, creating a competitive edge.

   For Example, Apple: recycled aluminium and minimal plastic packaging; Samsung: LED-lit stores and eco-friendly packaging, Galaxy Upcycling program for repurposing old devices

8. **Market Consolidation and Strategic Partnerships:** Mergers, acquisitions, and strategic partnerships with technology providers, distributors, and telecom operators enable companies to expand their product offerings, strengthen distribution networks, and access new market segments. Such collaborations enhance competitiveness and operational efficiency in a fast-evolving market.

For Example, Samsung + Reliance Jio: bundled 5G smartphone offers; Xiaomi + Amazon: exclusive launches & logistics support; Oppo & OnePlus: joint R&D in India.

8.2 Competitive Strategies

The Indian consumer electronics industry particularly in mobile segment is highly competitive, with key players adopting multifaceted strategies to differentiate themselves, expand market share, and strengthen brand positioning. These strategies are designed to enhance product offerings, improve operational efficiency, and align with rapidly evolving consumer expectations. The following are the primary competitive strategies employed by leading mobile brands:

1. **Product Diversification**: Leading mobile companies offer a wide portfolio of products spanning entry-level, mid-range, and premium smartphones, along with complementary accessories such as earphones, smartwatches, chargers, and protective gear. Bundling products and services, including extended warranties and trade-in options, provides a one-stop solution for consumers, improves brand loyalty, and supports higher revenue per customer.
   For Example, Apple India: Offers accessories like AirPods, Apple Watch, MagSafe chargers.
   Samsung India: Offers Galaxy Buds, smartwatches, and protective cases.

2. **Segment-Specific Customization**: Recognizing diverse consumer needs across demographics and usage patterns, mobile brands tailor their offerings accordingly. For example, gaming-focused phones emphasize high-refresh-rate displays and advanced GPUs, photography-centric devices prioritize camera quality and AI features, while budget devices focus on durability and affordability. Such targeted customization enhances consumer satisfaction and strengthens market positioning.

   For Example, Asus ROG Phone: Gaming-focused phone with 165Hz AMOLED display, advanced GPU, and gaming-optimized cooling.
   Samsung Galaxy S23 Ultra & iPhone 14 Pro Max: Photography-centric devices with AI-powered cameras, night mode, and cinematic video features.
   Redmi 12C / Realme Narzo series: Budget-friendly devices emphasizing durability, long battery life, and affordability.

3. **Advanced Technology Adoption**: To stay competitive, mobile manufacturers integrate cutting-edge technologies such as Artificial Intelligence (AI) for camera optimization, Internet of Things (IoT) for smart device ecosystems, Augmented Reality (AR) features, and predictive analytics for demand forecasting. On the retail side, digital tools like CRM platforms, e-commerce apps, and mobile-based customer support systems enable better engagement, real-time insights, and operational efficiency.

4. **Sustainability & ESG (Environmental, Social, and Governance) Alignment**: Sustainability has become a key differentiator in the mobile industry. Leading brands implement eco-friendly packaging, energy-efficient device components, e-waste recycling programs, and responsible sourcing of materials. Aligning products and operations with ESG standards enhances brand reputation and meets the expectations of environmentally conscious consumers.

   For Example, Apple: recycled aluminium and minimal plastic packaging; Samsung: LED-lit stores and eco-friendly packaging, Galaxy Upcycling program for repurposing old devices

5. **Flexible Pricing and Financing Models**: Mobile brands adopt innovative pricing strategies, including seasonal discounts, EMI options, exchange programs, and bundled offers. Performance-linked promotional campaigns and flexible payment plans make devices more accessible to a wider audience, enhance sales conversion, and improve customer retention.

   For Example, Apple & Samsung**:** EMI options, offers cashback festive season discounts, and iPhone exchange programs through Apple Store and Flipkart.
   Xiaomi & Realme**:** Aggressive pricing strategies, flash sales, trade-in offers, and bundled accessories for budget and mid-range buyers.

6. **Geographic and Channel Expansion**: To capture emerging growth opportunities, brands are expanding their presence beyond major metropolitan cities into Tier 2 and Tier 3 markets, where smartphone adoption is rising rapidly. Additionally, companies are strengthening omnichannel distribution networks, combining physical retail outlets, online marketplaces, and direct-to-consumer platforms to maximize reach and sales efficiency.

   For Example, Apple**:** Authorized resellers in Tier 2 cities + online Apple Store for direct-to-consumer reach.
   Realme & Vivo**:** Omnichannel strategy combining offline stores, online marketplaces (Flipkart/Amazon), and brand-owned websites.

Collectively, these competitive strategies enable mobile brands to innovate continuously, enhance customer experience, expand market presence, and maintain profitability amid intense competition and rapidly evolving consumer demands**.**

8.3 Barriers to Entry

The consumer electronics industry specifically in Mobile segment, while growing rapidly, presents several significant barriers to new entrants seeking to establish themselves. These barriers protect existing players' positions and influence the competitive dynamics of the market. The key barriers to entry are detailed below:

1. **Capital & Infrastructure Requirements**

- Establishing a mobile manufacturing or retail business requires substantial upfront investment, including setting up production lines, procuring advanced machinery (for assembly, testing, and quality assurance), and developing robust warehousing and distribution infrastructure.
- New entrants must also invest in research and development for product innovation, software development, and integration of smart technologies (AI, IoT, AR/VR) to compete effectively.
- The scale of investment needed to offer a diverse product portfolio across different price segments acts as a deterrent for smaller or new players.
- For Example, The Indian government approved a ₹3,706 crore semiconductor facility by HCL-Foxconn in Jewar, UP, meant to produce display driver chips for mobiles, laptops, etc. The scale of investment, land acquisition, advanced fabrication, assembly and testing clearly requires large capital and MediaTek said it's expanding investments in India to bring premium segment chipsets, working with OEMs, which implies R&D, supply chain, design infrastructure.

2. **Regulatory & Compliance Complexity**

- The industry operates under multiple regulations, including BIS certification, environmental norms, e-waste management rules, labour laws, and import-export guidelines for components.
- Companies must develop compliance frameworks to meet these standards across production, sales, and after-sales service. Non-compliance risks fines, product recalls, and reputational damage.
- For Example, BIS-CRS market surveillance: In 2025, An electronics importer based in Delhi faced a BIS raid in January 2025. The company was selling smartwatches under its own brand. Despite sourcing high-quality products from overseas, the firm had failed to obtain BIS Certification under the CRS.

3. **Brand Trust & Customer Loyalty**

- Mobile consumers are highly brand-sensitive and value reliability, after-sales support, and product consistency.
- Established players like Samsung, Xiaomi, and Apple enjoy strong brand equity and customer loyalty, making it challenging for new entrants to build trust quickly. New players must demonstrate consistent quality and innovative features to attract and retain customers.

4. **Technology Capability**

- Competing effectively requires investment in advanced technologies, including AI-powered features, IoT integration, high-performance chipsets, software updates, and predictive analytics for consumer behaviour.
- New entrants without technological expertise and infrastructure struggle to match the innovation, efficiency, and user experience offered by incumbents.
- For Example, Nokia built out a large R&D facility in Chennai for fixed networks, WiFi, etc.

5. **Scale & Distribution Network**

- Large mobile brands benefit from economies of scale in procurement, production, logistics, and marketing, allowing competitive pricing and wider availability.
- Their extensive retail presence, omnichannel distribution networks, and partnerships with e-commerce platforms enable them to reach both metro and Tier 2/3 markets seamlessly. New entrants face challenges in replicating such scale and reach quickly.

6. **Workforce & Talent Management**

- The industry requires skilled engineers, software developers, product designers, sales staff, and customer support teams.
- Recruiting, training, and retaining talent across design, production, marketing, and after-sales support adds operational complexity. High attrition rates or lack of expertise can severely impact a new entrant's ability to compete effectively.

8.4 Consolidation Trends

The consumer electronics industry specifically in Mobile segment is witnessing increasing consolidation, driven by the need for scale, operational efficiency, broader product portfolios, and advanced technology capabilities. Both global and domestic players are pursuing mergers, acquisitions, and strategic alliances to strengthen market position, enhance innovation, and expand into high-growth segments. The following are the key consolidation trends shaping the industry:

1. **Mergers and Acquisitions (M&A) for Market Expansion**
    - Leading mobile brands are acquiring regional smartphone companies, accessory makers, and component suppliers to expand their product portfolios and geographic presence.
    - M&A deals help consolidate fragmented operations, achieve economies of scale, and standardize production and retail processes.
    - *Example:* Samsung and Xiaomi have acquired smaller component suppliers or local tech firms to strengthen supply chains and manufacturing capabilities in India.
2. **Global Players Strengthening India Operations**
    - International brands such as Apple, Samsung, and Oppo are consolidating their Indian operations to centralize decision-making, streamline distribution, and enhance customer support networks.
    - These players bring global best practices, advanced technology platforms, and design innovations through local subsidiaries or partnerships.
    - For Example, Apple / Foxconn / Tata Electronics: Apple significantly increased its iPhone production in India. As of April 2025, iPhone assembly in India was over US$22 billion
3. **Entry of Private Equity and Institutional Investors**
    - The mobile sector's predictable revenue streams, growing consumer base, and high demand for smartphones have attracted private equity (PE) and venture capital (VC) interest.
    - Investors fund consolidation strategies, enabling platform roll-ups, acquisitions of smaller brands, and technology upgrades.
    - This trend also drives operational efficiency, corporate governance improvements, and faster market expansion.

4. **Product Line Integration and Vertical Consolidation**

   - Companies are integrating smartphones, wearables, and accessories under unified product ecosystems to enhance customer loyalty and recurring revenue.
   - Vertical consolidation includes acquiring upstream component manufacturers (chipsets, camera modules) or downstream service providers (after-sales, repair centres) to offer end-to-end solutions.

5. **Emergence of Platform-Based Retail and Service Models**

   - Consolidated entities are building digital platforms offering sales, service, and customer engagement across multiple brands and geographies.
   - Platform consolidation enables better inventory management, real-time analytics, and seamless customer experience across offline and online channels.
   - For Example, Chinese brands (OnePlus, Xiaomi, Vivo, Realme) are increasingly investing in offline retail stores and integrating them with their online presence—upgraded brand stores, experience centres.

6. **Regional Consolidation in Tier 2 and 3 Cities**

   - As smartphone adoption rises in smaller towns and cities, larger mobile brands are acquiring or partnering with local distributors and retailers.
   - This strategy helps national players access local networks, labour, and regulatory familiarity while accelerating market penetration.
   - For Example, Dixon's increase in "Made in India" smartphone production includes export growth but also rising domestic "sell-in" including beyond major metro regions.

7. **Consolidation Driven by Sustainability and ESG Standards**

   - Growing consumer awareness regarding sustainability and e-waste management is prompting smaller non-compliant players to exit or merge with larger, ESG-aligned brands.
   - Companies with certifications such as energy-efficient ratings, e-waste compliance, and eco-friendly manufacturing practices are becoming acquisition targets for integrated mobile providers.
   - For Example, Hindalco (Aditya Birla Group) has invested ~ ₹2,000 crore into an advanced facility that recycles copper scrap and e-waste into LME-grade copper and

precious metals. This includes cell phone printed circuit boards, as part of its "Waste to Wealth" circularity push.

- Celekt Mobiles, a mobile retail chain, launched "Mission E-waste" (Aug 2023) where it set up e-waste disposal bins in all its stores. Customers disposing of old electronics responsibly receive discount coupons.

8.5 Key Industry Players

The Indian Consumer Electronics and Mobile sector is populated by a diverse mix of regional and national players. Among them, company such as Umiya Mobile Ltd stand out as notable peers, each with unique strengths and positioning in the industry.

1. **Umiya Mobile Ltd** - **Umiya Mobile Limited**, incorporated in, 2012, in Rajkot, Gujarat, is a fast-growing consumer electronics and retail company engaged in the sale of mobile phones, tablets, laptops, accessories, and home appliances. Over the years, the company has built a strong presence with more than 215+ retail stores in Gujarat and Maharashtra, making it one of the leading multi-brand mobile and electronics retailers in Western India. Its portfolio covers leading global and Indian brands such as Apple, Samsung, Realme, Tecno, MI, and Motorola, along with a range of accessories and household electronics including televisions, refrigerators, washing machines, and air-conditioners.
   Products – Mobiles, Tablets, Accessories, TV, Laptop and Gadgets.

2. **Bhatia Communications & Retail (India) Ltd -** Bhatia Communications & Retail (India) Ltd, founded in 2008 and headquartered in Surat, Gujarat, is a leading multi-brand retailer and wholesaler specializing in consumer electronics and home appliances. The company operates an extensive retail network across South Gujarat, including Surat, Vapi, Valsad, Navsari, and Vyara, with 224 outlets. Its product portfolio encompasses mobile handsets and accessories from brands such as Apple, Samsung, Vivo, and Redmi, tablets, data cards, and a wide range of home appliances including smart TVs, air conditioners, refrigerators, washing machines, and microwaves from Whirlpool, Panasonic, Haier, and Voltas. Bhatia Communications & Retail has established a strong market presence both offline and online through its e-commerce platform, Bhatia Mobile, catering to the growing consumer demand for electronics in India.

3. **Fonebox retail Limited -** Fonebox Retail Limited, incorporated in 2021 and headquartered in Ahmedabad, Gujarat, is a fast-growing multi-brand retailer specializing in smartphones, consumer electronics, and home appliances. The company operates an expanding retail network across Gujarat through both company-owned and franchise-operated stores. Its product portfolio includes mobile handsets and accessories from leading brands such as Apple, Samsung, Oppo, Vivo, Realme, and Redmi, along with a diverse range of consumer durables including smart TVs, laptops, refrigerators, air conditioners, and small appliances from major brands. Fonebox Retail has built a strong presence in value-driven electronics retailing and continues to scale its footprint, supported by growing demand for branded electronics and its strategic mix of COCO and FOCO store formats.

8.6 Peer Benchmarking

Figures are in INR lakhs (Except for ratios and percentages)

Key Indicators	Vinit Mobile Limited		Bhatia Communications & Retail (India) Ltd		Umiya Mobile Limited		Fonebox Retail Limited	
	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	FY 2024	FY 2025
Revenue from operations	2856.32	5998.86	41379.39	44271.74	4240.81	56007.91	29760.52	34273.26
Total Income	2859.02	6062.65	41540.03	44468.57	4515.84	60127.52	29766.51	34274.43
EBITDA	101.97	507.98	1683.79	1988.71	-215.51	-3068.21	612.25	738.69
EBITDA Margin	3.57%	8.47%	4.07%	4.49%	-5.08%	-5.48%	2.06%	2.16%
PAT	71.99	390.20	1151.75	1381.71	23.91	550.67	343.16	454.61
PAT Margin	2.52%	6.44%	2.77%	3.11%	0.53%	0.92%	1.15%	1.33%
Current Ratio	1.16	1.46	2.39	4.15	1.56	1.66	4.14	3.91
Tangible Net worth	63.75	453.23	6561.87	8791.56	85.17	1431.84	2956.98	3413.43
Total Debt	310.49	303.67	2115.75	826.87	174.71	2335.93	18.81	331.22
Debt Equity Ratio	4.87	0.67	0.32	0.09	2.05	1.63	0.01	0.10
ROCE (%)	53.34%	87.12%	29.91%	16.41%	-104.69%	-91.90%	22.05%	19.44%
Return on Net Worth (%)	236.15%	150.95 %	35.10%	18.00%	56.15%	76.92%	23.21%	26.64%

*Source – FY2025 financials for peer comparison are based on Restated audited figures, for **Vinit Mobile Limited** (as provided by the company), **Umiya Mobile Limited** (as filed on MCA), **Bhatia Telecom** (as filed on BSE) and **Fonebox retail limited** (as filed on NSE)*

Vinit Mobile Limited ("the Company") has been benchmarked against comparable players in the mobile retail and distribution segment—namely Bhatia Communications & Retail (India) Limited, Umiya Mobile Limited, and Fonebox Retail Limited—to assess its relative performance across key financial parameters. In FY2025, the Company delivered strong topline growth, with revenue from operations increasing from ₹2,856.32 lakh in FY2024 to ₹5,998.86 lakh in FY2025, reflecting immense growth. While the Company's scale remains smaller relative to Bhatia Communications (₹44,271.74 lakh) and Umiya Mobile (₹56,007.91 lakh), the pace of expansion and improvement in profitability are notable. EBITDA increased significantly from ₹101.97 lakh in FY2024 to ₹507.98 lakh in FY2025, resulting in an expansion in EBITDA margin from 3.57% to 8.47%. This outperforms Bhatia Communications (4.49%), Umiya Mobile (–5.48%), and Fonebox Retail (2.16%), positioning the Company as the strongest margin performer in its peer group. PAT also increased sharply from ₹71.99 lakh in FY2024 to ₹390.20 lakh in FY2025, with the PAT margin rising to 6.44%, higher than Bhatia Communications (3.11%), Umiya Mobile (0.92%), and Fonebox Retail (1.33%).

From a balance-sheet perspective, the Company's capital structure and liquidity have improved materially. The debt-equity ratio reduced sharply from 4.87 times in FY2024 to 0.67 times in FY2025, reflecting lower leverage and improved financial stability. The current ratio strengthened from 1.16 times to 1.46 times, indicating stable short-term liquidity, though still lower compared to Bhatia Communications (4.15 times) and Fonebox Retail (3.91 times). The tangible net worth expanded significantly from ₹63.75 lakh in FY2024 to ₹453.23 lakh in FY2025, supported by improved profitability and internal accruals. Total debt declined marginally from ₹310.49 lakh in FY2024 to ₹303.67 lakh in FY2025, demonstrating consistent financial discipline. In comparison, Bhatia Communications reported a substantial reduction in total debt, Umiya Mobile saw a marked increase in borrowings, and Fonebox Retail maintained a low-leveraged capital structure.

In terms of returns, Vinit Mobile delivered exceptional performance. ROCE increased from 53.34% in FY2024 to 87.12% in FY2025, indicating strong capital efficiency and operational performance—significantly higher than Bhatia Communications (16.41%), Umiya Mobile (–91.90%), and Fonebox Retail (19.44%). Return on Net Worth (RONW), while moderating from 236.15% to 150.95% due to an expanding equity base, continues to remain far superior to peers (Bhatia Communications – 18.00%; Umiya Mobile – 76.92%; Fonebox Retail – 26.64%).

Overall, Vinit Mobile Limited has demonstrated the strongest year-on-year improvement among its peer set, supported by accelerated revenue growth, superior margin expansion, prudent balance-sheet management, and industry-leading return ratios. The Company's focus on expanding its retail footprint, improving working-capital efficiency, and maintaining financial discipline has enabled it to evolve into a high-growth, profitable, and financially resilient player within the mobile retail and distribution ecosystem.

8.7 Company Positioning – Vinit Mobile Limited

Vinit Mobile Ltd. is a mobile and electronics retail company based in Surat, Gujarat. With 32 stores across the city, we offer top-quality gadgets, competitive prices, and easy finance options.

The company positions itself as a one-stop mobile solutions provider, focusing on delivering competitive pricing, wide product selection, and quality customer service. Their product range spans smartphones, gadgets, and accessories from leading global and Indian brands. They also emphasize customer support through financing and EMI options, striving to ensure satisfaction and accessibility for a wide range of customers.

On the financing front, Vinit Mobile limited provides "easy finance options" and "EMI support," indicating tie-ups with NBFCs or EMI facilitators to make high-end technology more accessible—but detailed information on partner names isn't publicly available.

Vinit mobile Limited benefit not only from this retail and financial infrastructure but also from a broad offering of smartphones, accessories, and value-added services across their well-distributed store network. Vinit Mobile Limited also serves as an experiential hub for customers seeking specialized demo environments and brand-specific support, reinforcing its dual role as both a neighbourhood mobile retailer and a premium brand outlet

Products Categories

Category	Description
5G Smartphones	Latest generation mobile devices that support 5G network connectivity – Oppo, Realme, Vivo, Samsung and Apple.
4G Smartphones	Current-generation smartphones functioning over 4G networks.
Tablet	Portable, larger-screen devices for multimedia, productivity, and entertainment – Apple.
Keypad Mobile Phones	Traditional non-smart, feature phones with physical keypads.
Special Accessories	Exclusive offers on mobile-related accessories (varied products, unspecified).
Special Offers	Promotional deals across product categories (e.g., discounts, bundles).

8.8 SWOT Analysis

Strengths	Weaknesses
✔ Wide product portfolio across leading smartphone brands, accessories, and related electronics ✔ Strong distribution network and retail presence in regional markets. ✔ Competitive pricing and focus on customer service, building loyalty in Tier 2/3 cities. ✔ Experience in handling bulk orders and serving both B2C and B2B segments.	✘ Geographic concentration limits scale beyond core operating regions. ✘ Dependence on third-party brands; limited control over product innovation and margins. ✘ Moderate digital/e-commerce presence compared to online-first competitors.
Opportunities	**Threats**
Rising smartphone penetration in Tier 2/3 towns, supported by affordable 4G/5G devices. Growth of accessories and refurbished mobile market opens new revenue streams. Increasing demand for omni-channel retail, integrating offline and online sales. Partnerships with e-commerce players and fintech for buy-now-pay-later (BNPL) and EMIs.	⚠ Fierce competition from large chains (e.g., Reliance Digital, Croma) and e-commerce platforms. ⚠ Rapid product obsolescence and price erosion in the mobile industry. ⚠ Supply chain disruptions or dependency on global imports (mainly China). ⚠ Regulatory changes on electronics imports or GST may affect margins.

9. Future Outlook

India's consumer electronics industry is entering a pivotal growth phase, shaped by rising income levels, deepening digital penetration, evolving consumer preferences, and supportive government policies. As the industry transitions from traditional appliances to a smart, connected ecosystem, it is expected to play a critical role in driving India's digital economy, manufacturing expansion, and export competitiveness. Rapid urbanization, proliferation of e-commerce, and increased focus on domestic production through schemes like PLI will accelerate growth across categories such as smartphones, smart TVs, wearables, and home automation devices. The following trends and projections highlight the industry's long-term growth trajectory:

The Indian Electronics Manufacturing market was valued at USD 108.60 billion in FY 2024 and is projected to grow to USD 445.80 billion by FY 2033, expanding at a compound annual growth rate (CAGR) of 16.99% during the forecast period. This robust growth is driven by rising disposable incomes, increasing urbanization, growing digital penetration, and a shift in consumer preference towards smart and connected devices across segments such as televisions, air conditioners, washing machines, refrigerators, and mobile phones over the forecast period. This growth is driven by increasing digitization, affordability of devices, rural market expansion, and rising demand for smart and energy-efficient products.

India's consumer electronics sector is poised for sustained long-term expansion, backed by domestic manufacturing incentives, growing tech-savvy demographics, and the increasing convergence of electronics with lifestyle and home environments. Manufacturers are investing in R&D for innovation in AI, IoT, and cloud-integrated devices, while also focusing on sustainable and modular design to meet evolving consumer expectations. Global brands and domestic players alike are enhancing localization strategies to reduce dependency on imports, strengthen the supply chain, and comply with regulations on e-waste and sustainability.

Technological transformation is redefining the consumer electronics landscape. From smart TVs with voice assistants to AI-powered air conditioners and IoT-enabled kitchen appliances, the industry is witnessing the rise of hyper-connected homes. Companies are deploying digital-first strategies including online-exclusive models, AR/VR-powered shopping, and direct-to-consumer channels to engage modern customers. Integration of data analytics, subscription-based servicing, and app-based control systems is also enhancing the post-purchase experience, while platforms like India Stack and ONDC are supporting broader access and inclusivity.

With India becoming a strategic hub for global electronics manufacturing and exports, and continued investment in technology, talent, and infrastructure, the consumer electronics industry is well-positioned to become a cornerstone of India's economic growth and digital empowerment in the coming decade.

Yours Faithfully,

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