



Industry Report on Organized Retail Sector in India

For Jay Ambe Supermarket Limited

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Global Macroeconomic Scenario

The global economy, which grew by 3.3% in 2023, is expected to record a sluggish growth of 3.2% in 2024 before rising modestly to 3.3% in 2025. Between 2021 – 2022, global banks were carrying a historically high debt burden after COVID-19. Central banks took tight monetary measures to control inflation and spike in commodity prices. Russia's war with Ukraine further affected the global supply chains and inflated the prices of energy and other food items. These factors coupled with war-related economic sanctions impacted the economic activities in Europe. Any further escalation in the war may further affect the rebound of the economy in Europe.

While China, the largest manufacturing hub of world, was facing a crisis in the real estate sector and prices of properties were declining between 2020 - 2023, with the reopening of the economy, consumer demand is picking up again. The Chinese authorities have taken a variety of measures, including additional monetary easing, tax relief for corporates, and new vaccination targets for the elderly. The Chinese Government took several steps to help the real estate sector including cracking down on debt-ridden developers, announcing stimulus for the sector and measures to encourage the completion and delivery of unfinished real estate projects. The sector is now witnessing investments from developers and demand from buyers.

Global headline inflation is set to fall from an estimated 6.8% in CY 2023 to 5.8% in CY 2024 and to 4.4% in CY 2025. This fall is swifter than anticipated across various areas, amid the resolution of supply-related problems and tight monetary policies. Reduced inflation mirrors the diminishing impact of price shocks, particularly in energy, and their subsequent influence on core inflation. This decrease also stems from a relaxation in labour market pressure, characterized by fewer job openings, a slight uptick in unemployment, and increased labour availability, occasionally due to a significant influx of immigrants.

Global GDP Growth Scenario

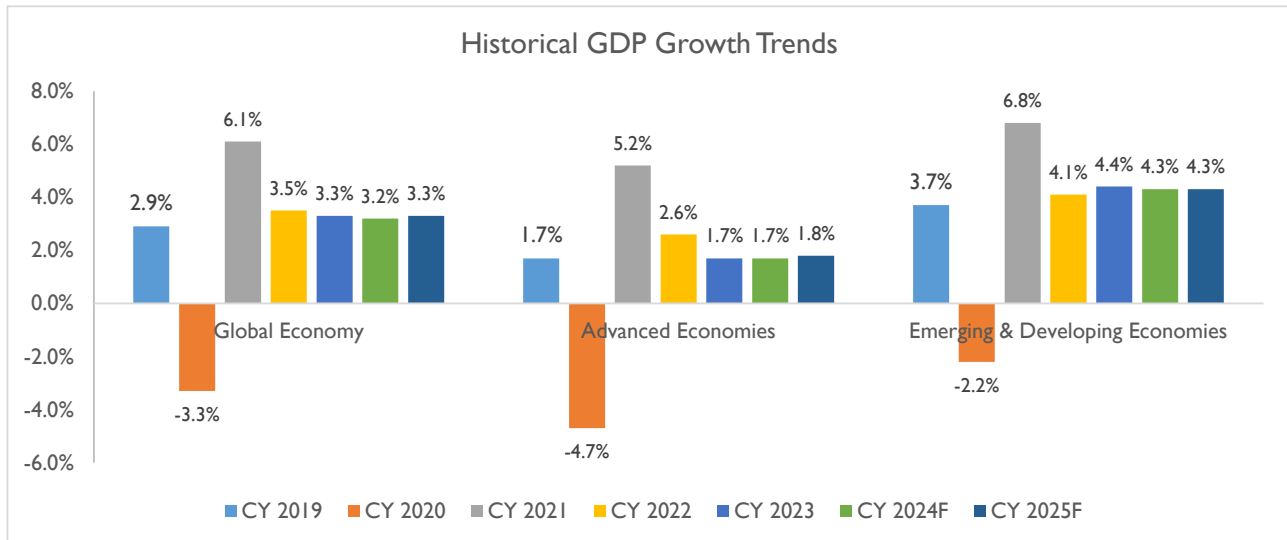
The global economy started to rise from its lowest levels after countries started to lift the lockdown in 2020 and 2021. The pandemic lockdown was a key factor as it affected economic activities resulting in a recession in the year CY 2020, as the GDP growth touched -3.3%.

In CY 2021 disruption in the supply chain affected most of the advanced economies as well as low-income developing economies. The rapid spread of Delta and the threat of new variants in mid of CY 2021 further increased uncertainty in the global economic environment.

Global economic activities experienced a sharper-than-expected slowdown in CY 2022. One of the highest inflations in decades, seen in 2022, forced most of the central banks to tighten their fiscal policies. Russia's invasion of Ukraine affected the global food supply resulting in a further increment in the cost of living.

Further, despite initial resilience earlier in 2023, marked by a rebound in reopening and progress in curbing inflation from the previous year's highs, the situation remained precarious. Economic activity lagged behind its pre-pandemic trajectory, particularly in emerging markets and developing economies, leading to widening

disparities among regions. Numerous factors are impeding the recovery, including the lasting impacts of the pandemic and geopolitical tensions, as well as cyclically driven factors such as tightening monetary policies to combat inflation, the reduction of fiscal support amidst high debt levels, and the occurrence of extreme weather events. As a result, global growth declined from 3.5% in CY 2022 to 3.3% in CY 2023.

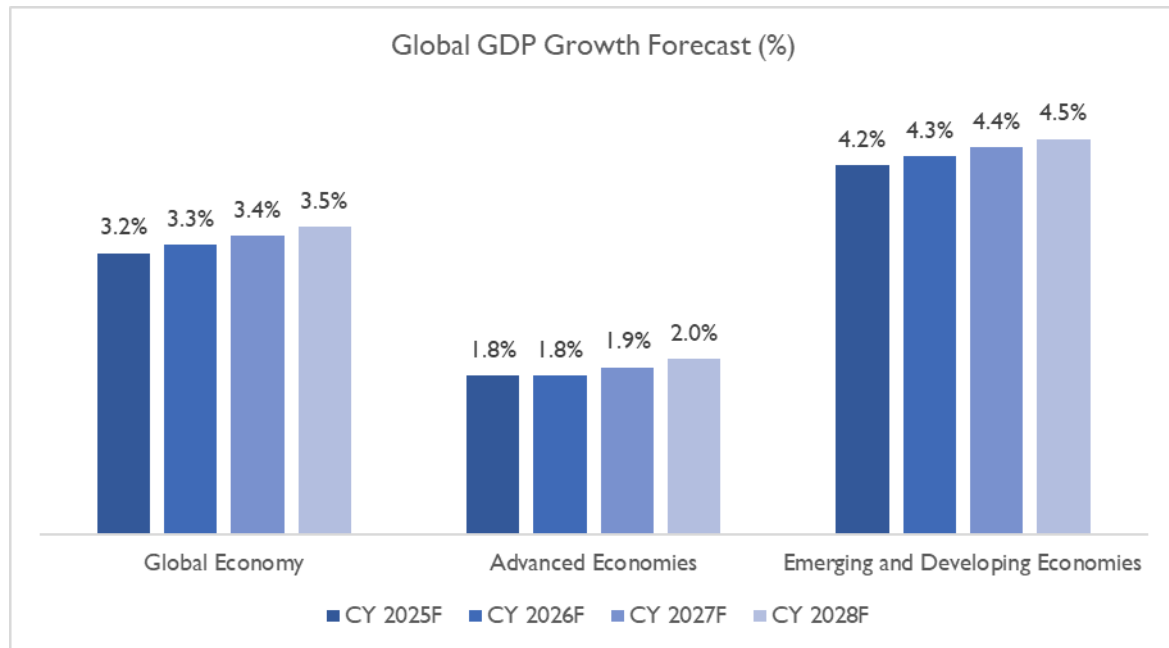


Source – IMF Global GDP Forecast Release July 2024

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.)

In the current scenario, global GDP growth is estimated to have recorded a moderate growth of 3.3% in CY 2023 as compared to 3.5% growth in CY 2022. While high inflation and rising borrowing costs are affecting private consumption, on the other hand, fiscal consolidation is affecting government consumption.

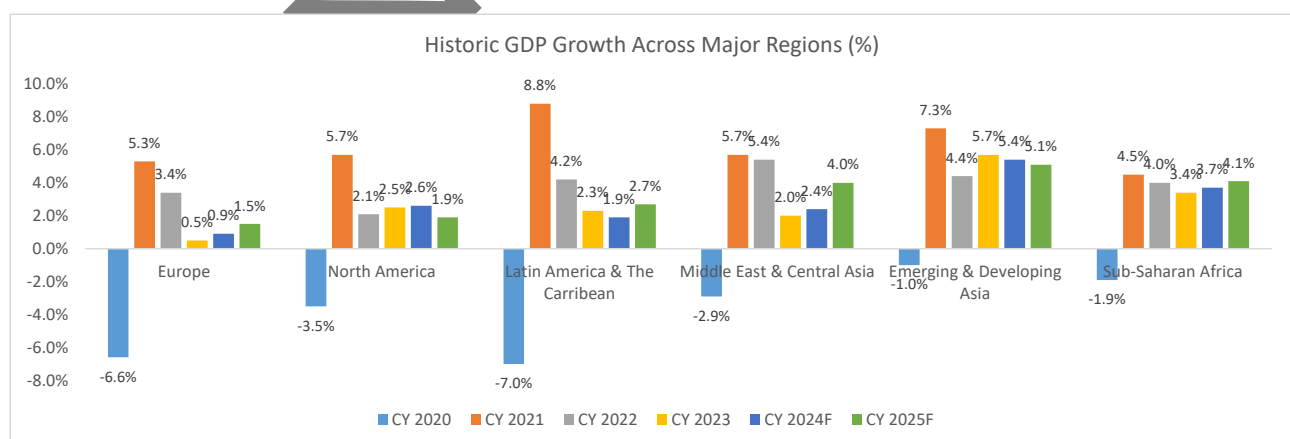
Slowed growth in developed economies will affect the GDP growth in CY 2024 and global GDP is expected to record a flat growth of 3.2% in CY 2024. The crisis in the housing sector, bank lending, and industrial sectors are affecting the growth of global GDP. Inflation forced central banks to adopt tight monetary policies. After touching the peak in 2022, inflationary pressures slowly eased out in 2023. This environment weighs in for interest rate cuts by many monetary authorities.



Source – IMF Global GDP Forecast Release 2024, D&B Estimates

GDP Growth Across Major Regions

GDP growth of major regions including Europe, Latin America & The Caribbean, Middle East & Central Asia, and Sub-Saharan Africa, were showing signs of slow growth and recession between 2020 – 2023, but leaving Latin America & The Caribbean, 2024 is expected to show resilience and growth. Meanwhile, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia etc.) is expected to decrease from 5.4% in CY 2023 to 5.2% in CY 2024, while in the United States, it is expected to decrease from 2.5% in CY 2023 to 2.1% in CY 2024.

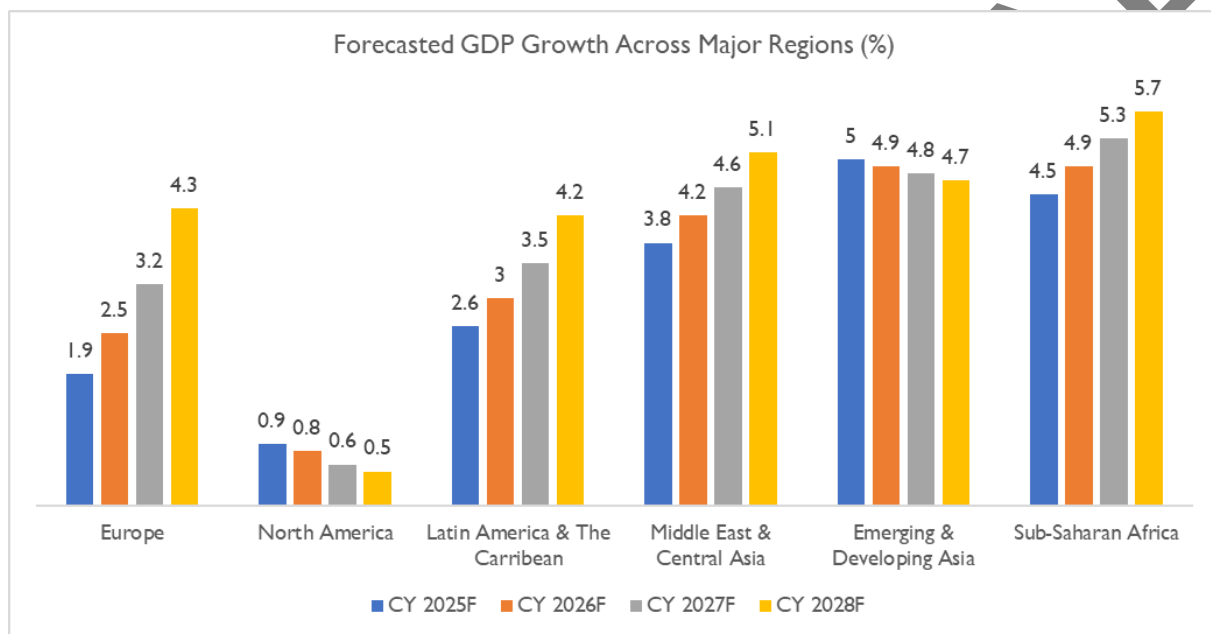


Source-IMF World Economic Outlook July 2024 update

Except for Emerging and Developing Asia, Latin America & The Caribbean and the United States, all other regions are expected to record an increase in GDP growth rate in CY 2024 as compared to CY 2023. GDP growth in Latin America & The Caribbean is expected to decline due to negative growth in Argentina. Further,

growth in the United States is expected to come down at 2.1% in CY 2024 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand.

Although Europe experienced a less robust performance in 2023, the recovery in 2024 is expected to be driven by increased household consumption as the impact of energy price shocks diminishes and inflation decreases, thereby bolstering real income growth. Meanwhile, India and China saw greater-than-anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues.



Source-IMF, OECD, and World Bank, D&B Estimates

Global Economic Outlook

At the midpoint of the year, so far in 2024 we have seen divergence in outcomes and prospects around the world in terms of economic growth, inflation, and policy responses. On balance, global short-term economic prospects have improved over the course of the year. We expect this momentum to continue through the second half of 2024 and into 2025 as inflation eases further and monetary policy continues to loosen, supporting steady growth. Macroeconomic risks, in our view, have become more balanced.

The U.S. has performed better than other developed economies, particularly those in Europe where the consumer sentiment has been relatively weak – though the picture in Europe has been varied. A sustained recovery in tourism this year has boosted the economies of Greece and Spain, whereas Germany, France, and Italy have been held back by the slower recovery of manufacturing. Nonetheless, the European Central Bank (ECB) lowered the three key interest rates in June – for the first time since September 2019 – which will support stronger regional growth.

Growth in the Chinese Mainland has held up well so far this year despite challenges from the property market amid ongoing rebalancing, and the export cycle is supporting growth in the rest of Asia. In Latin America, larger economies, such as Brazil and Mexico, tend to be performing more moderately than smaller economies, such as Chile and Peru, indicating slower regional growth overall.

Globally, industrial production has been relatively sluggish because of restrictive trade policies, persistent supply chain disruptions, high interest rates, and anemic growth. We expect industrial production to gather steam later this year and into 2025 on the back of a gradual recovery in global trade, stimulated by stronger domestic demand for goods.

Policy responses have diverged so far this year and are set to remain so in the near term. Central banks have begun rate cutting cycles in several developed economies, including the Eurozone, Canada, Sweden, and Switzerland. However not every economy has followed suit. Disinflation has not been as predictable as it was in 2023, and underlying price pressures mean inflation is likely to remain bumpy this year – hence, policy will remain more restrictive than was anticipated at the start of the year. With relatively stronger economic growth and stickier inflation, the timing of the first interest rate cut by the U.S. Federal Reserve (the Fed) and the onward path of interest rates remains ambiguous.

The global economy is showing signs of stabilizing, yet growth will remain subdued this year before picking up pace in 2025. We forecast global growth of around 2.5% in 2024, half a percentage point softer than in the decade following the financial crisis. The weaker outlook reflects fiscal consolidation, lagged tight monetary policy, restrictive trade policies, and elevated levels of geopolitical uncertainty. Looking ahead to 2025, global growth is likely to pick up slightly to 2.8% as the impact of these factors declines and stronger growth becomes more entrenched.

Emerging economies look set for softer growth in general this year. On a regional basis, growth is likely to be markedly slower in Eastern Europe, but only slightly softer in Asia Pacific and Latin America, with growth only moderately slower in key economies such as the Chinese Mainland, India, and Brazil. Outcomes in developed economies are also mixed but largely remain subdued because of tight policy settings.

India Macroeconomic Analysis

GDP Growth Scenario

India's economy showed resilience with GDP growing at 8.2% in CY 2023. The GDP growth in CY 2023 represents a return to pre pandemic era growth path. Even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world.

Country	Real Growth (CY 2023)	Projected Growth (CY 2024)	Projected Growth (CY 2025)
India	8.20%	7.00%	6.50%
China	5.20%	5.00%	4.50%
Russia	3.60%	3.20%	1.50%
Brazil	2.90%	2.10%	2.40%
United States	2.50%	2.60%	1.90%
Japan	1.90%	0.70%	1.00%
Canada	1.20%	1.30%	2.40%
Italy	0.90%	0.70%	0.90%
France	1.10%	0.90%	1.30%
South Africa	0.70%	0.90%	1.20%
United Kingdom	0.10%	0.70%	1.50%
Germany	-0.20%	0.20%	1.30%

Source: World Economic Outlook, July 2024

Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)

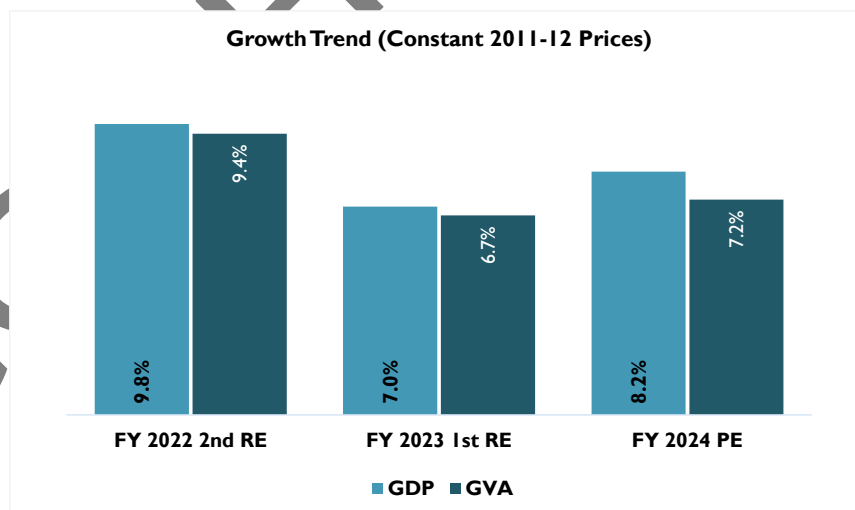
Countries have been arranged in descending order of GDP growth in 2023).

There are few factors aiding India's economic recovery – notably its resilience to external shocks and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex (capital expenditure) cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helped to revive private consumption.

Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of the central government increased by 37.4% increase in capital expenditure (budget estimates), to the tune of INR 10 trillion in the Union Budget 2023-2024. The announcement also included a 30% increase in financial assistance to states at INR 1.3 trillion for capex. The improvement was accentuated further as the Budget 2024-2025 announced an 11.1% increase in the capital expenditure outlay at INR 11.1 trillion, constituting 3.4% of the GDP. This has provided much-needed confidence to the private sector, and in turn, attracted private investment.

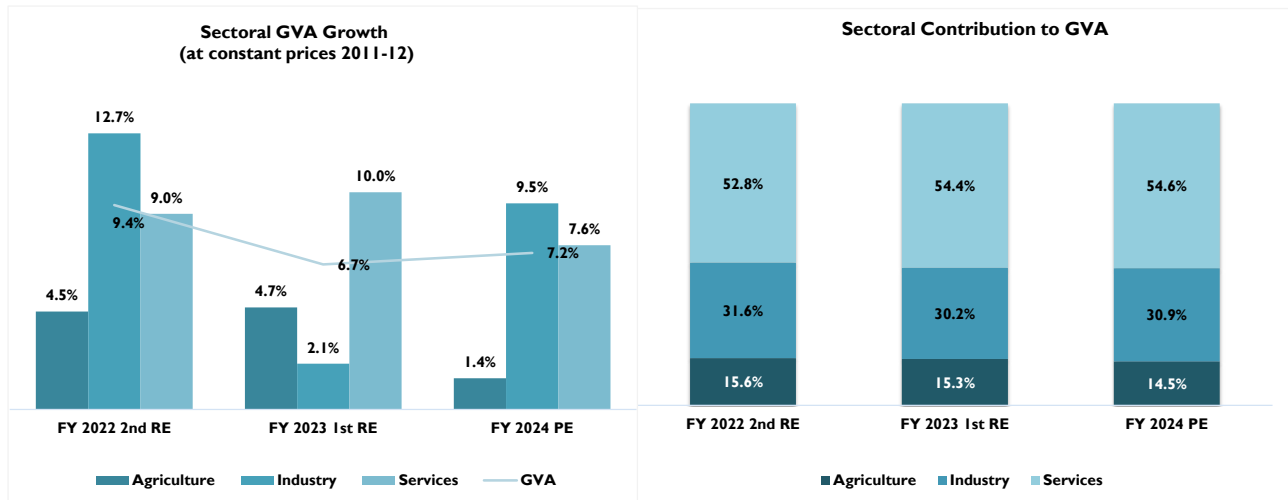
On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from the corporate sector to fund the next round of expansion plans. The banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to the micro, small, and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the fiscal year 2024 grew by 14% to INR 10.31 trillion compared to INR 9.02 trillion as on 24 March 2023. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

As per the provisional estimates 2023-24, India's GDP in FY 2024 grew by 8.2% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24
RE stands for Revised Estimates, SAE stands for Second Advance Estimates

Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

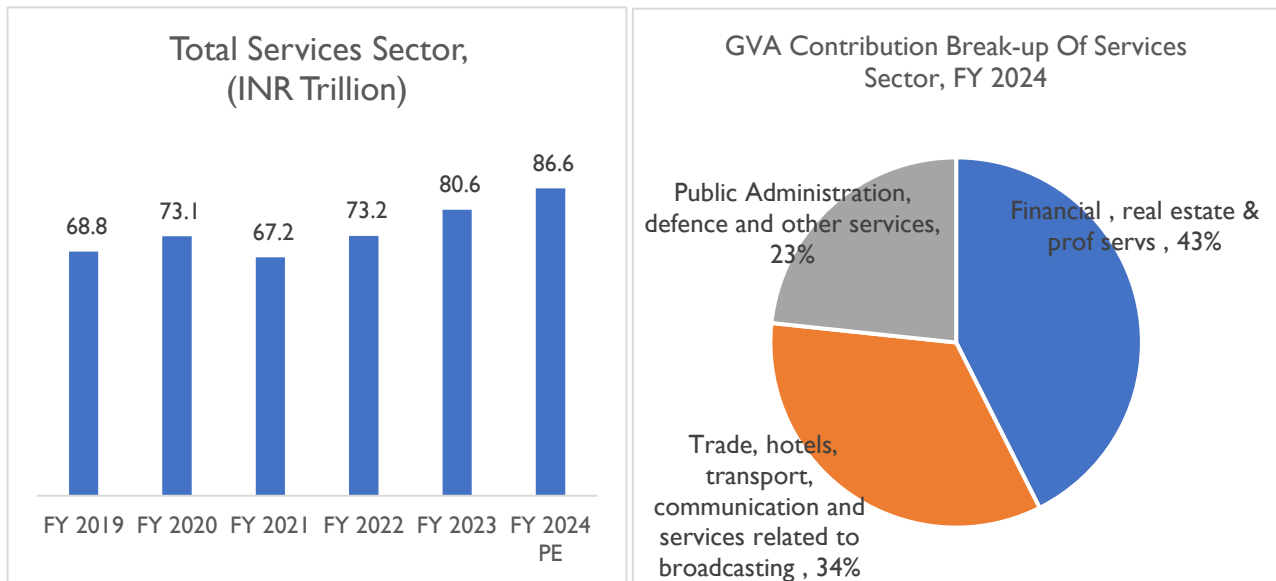
Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9.5% y-o-y increase in FY 2024 against 2.1% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing and construction sector rose significantly and it registered a growth of 7.1%, 9.9% and 9.9% in FY 2024 against a y-o-y change of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in y-o-y growth to 7.5% against 9.44% in the previous years.

Talking about the services sector's performance, with major relaxation in covid restriction, progress on COVID-19 vaccination and living with virus attitude, business in the service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to the pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen in FY 2023 and grow in FY 2024, although the growth hasn't shown substantial increases. In FY 2024, services sector grew by 7.6% against 10% y-o-y growth in the previous year.

Expansion in Service Sector

Services sector is a major contributor to the country's overall economic growth. In absolute terms, services sector GVA has increased from INR 68.78 trillion in FY 2019 to INR 86.6 trillion in FY 2024 (as per the provisional estimated), registering a CAGR of nearly 5%. Within Services sector, the GVA by financial, real estate and professional services-the largest contributing segment observed 6.3% CAGR while Public Administration, defence and other services¹ observed 4.5% CAGR and Trade, hotels, transport, communication, and services related to broadcasting witnessed 3.1% CAGR between FY 2019-24.

¹ Other services include Education, Health, Recreation, and other personal services.



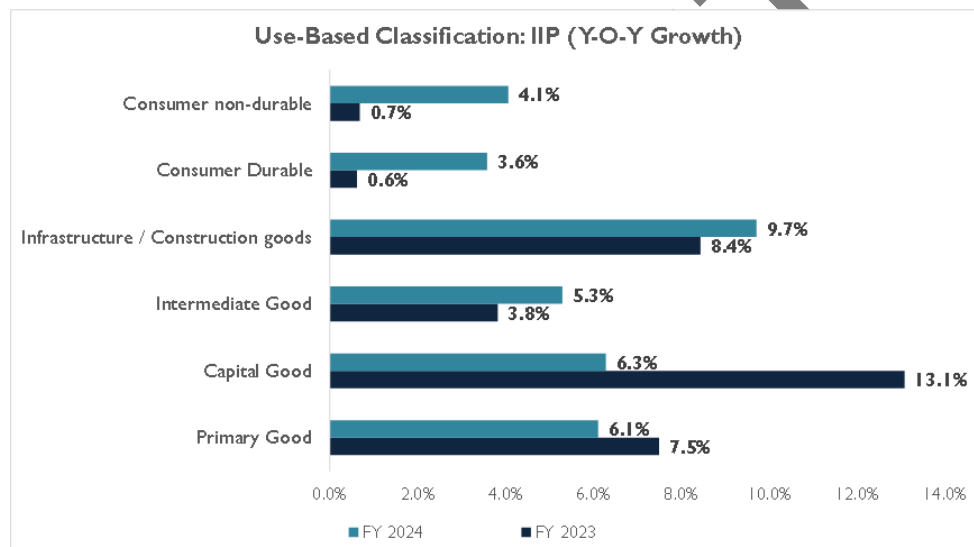
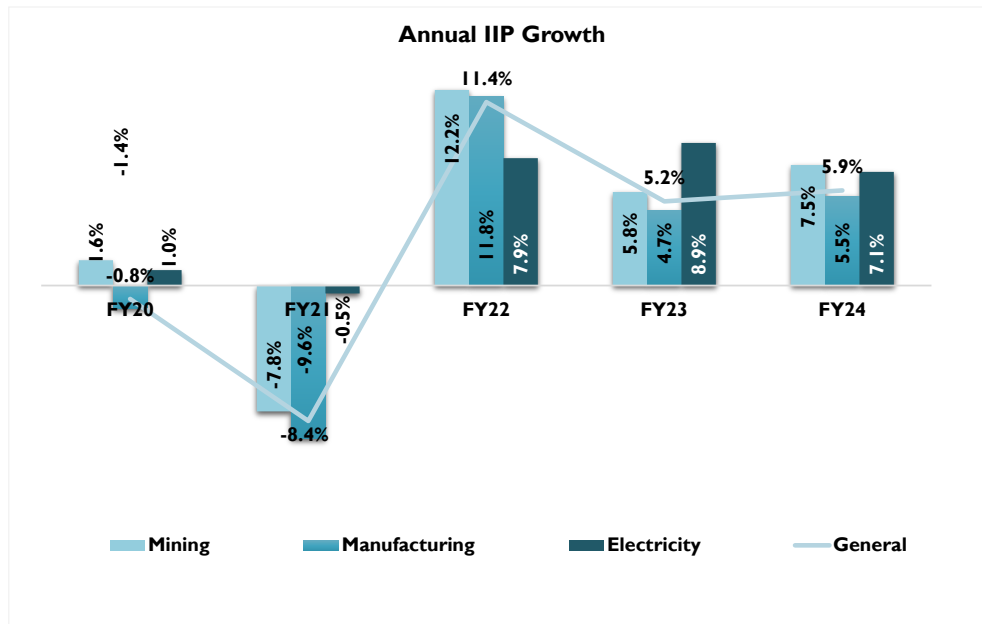
Sources: MOSPI, CMIE Economic Outlook and Dun & Bradstreet Research Estimates²

India's HSBC Services Purchasing Managers' Index, an important indicator to track service sector performance, measured 60.3 in July 2024 against 60.5 in the previous month. Since August 2021, the services sector has consistently remained above the threshold of 50, which distinguishes growth from contraction.

IIP Growth

Industrial sector performance as measured by IIP index; in FY 2024 it is growing at 5.9% (against 5.2% in FY 2023). Previously IIP index exhibited temporary recovery in FY 2022 from the low of Covid induced slowdown in industrial growth during FY 2020 and FY 2021. Manufacturing index, with 77.6% weightage in overall index, grew by 5.5% in FY 2023 against 4.7% y-o-y growth in FY 2022 while mining sector index too grew by 7.5% against 5.8% in the previous years. Mining & manufacturing both shown improvement according to previous except the Electricity sector Index, witnessed an improvement of 7.1% against 8.9% in the previous year.

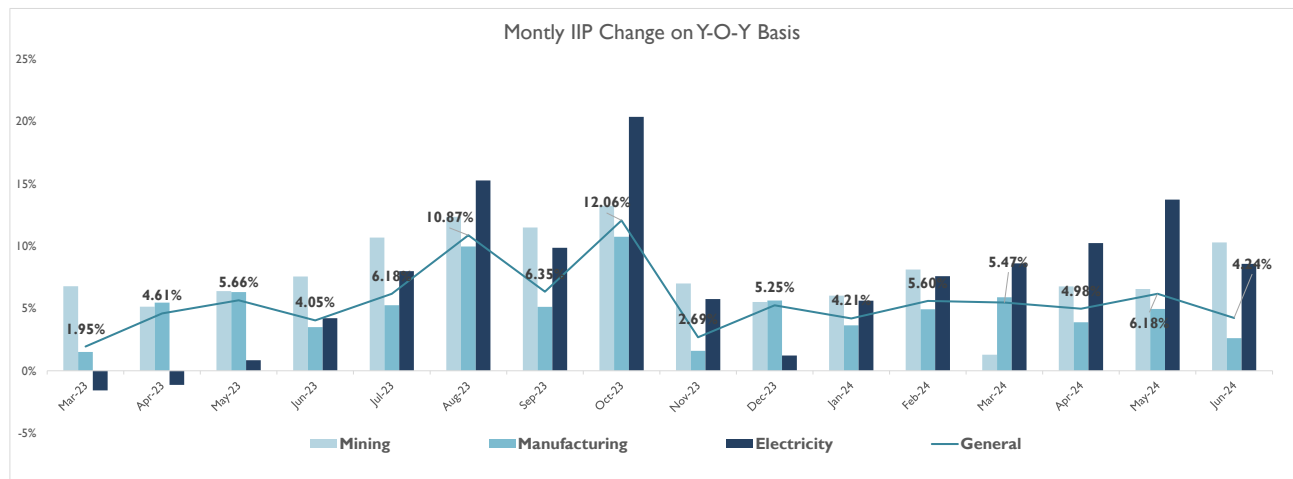
² Projection as Based on CMIE Growth rate till FY 2029 and FY 2030 is based on Dun & Bradstreet assumption.



Source: Ministry of Statistics & Programme Implementation (MOSPI)

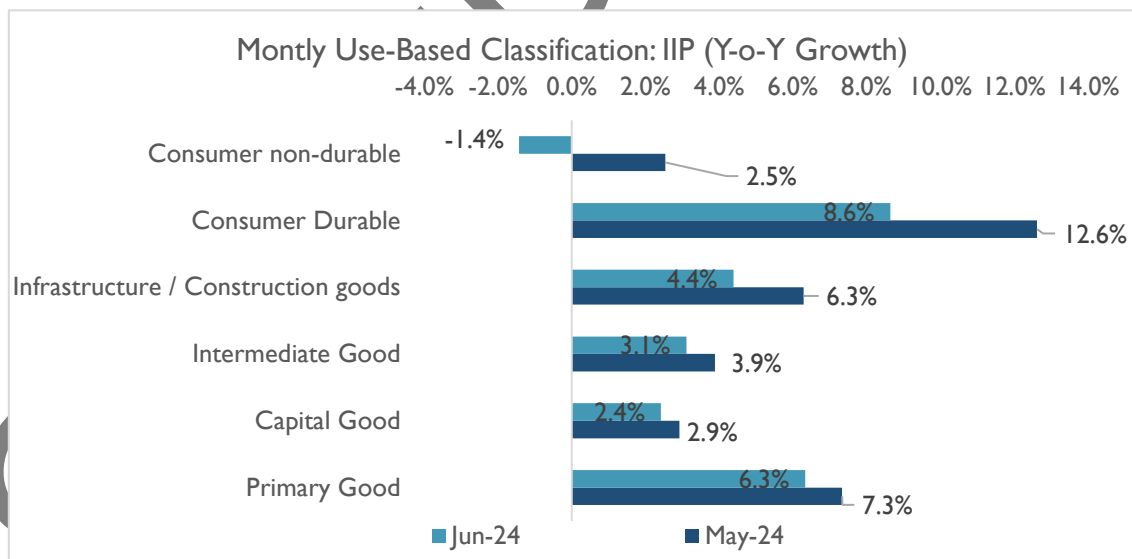
As per the use-based classification, most of the segments has shown growth for FY 2024 as compared to FY 2023. Capital good and primary goods were segments which faced less growth as compared to previous year. The contracting IIP data points towards adverse operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance. In contrast all the segments except the above two have shown growth.

Monthly IIP Growth Trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

In the current fiscal FY 2025, the monthly IIP measured index has reported steady improvement over the last fiscal. However, the IIP index slowed to a 5-month low and just grew by 4.24% y-o-y in June against 6.18% in the previous month on the back of slowing growth in the manufacturing section. In June 2024, the manufacturing index growth slowed to 2.6% against 6.3% y-o-y growth in June 2023 and 5% in May 2023 while the electricity sector index and mining index exhibited substantial improvement and they grew by 8.6% and 10.3% in June 2024 against 0.9% and 6.4% growth in April 2023, respectively.

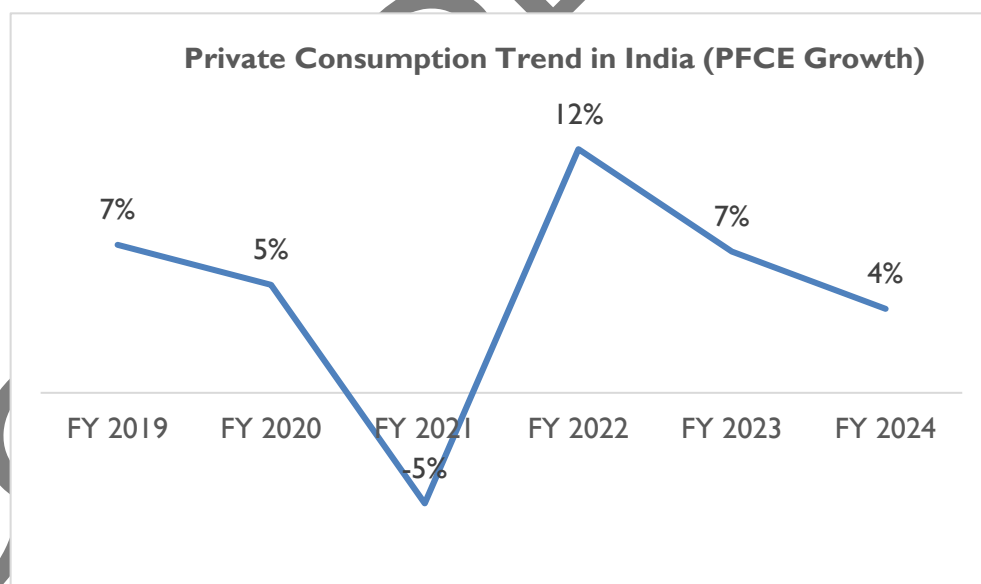
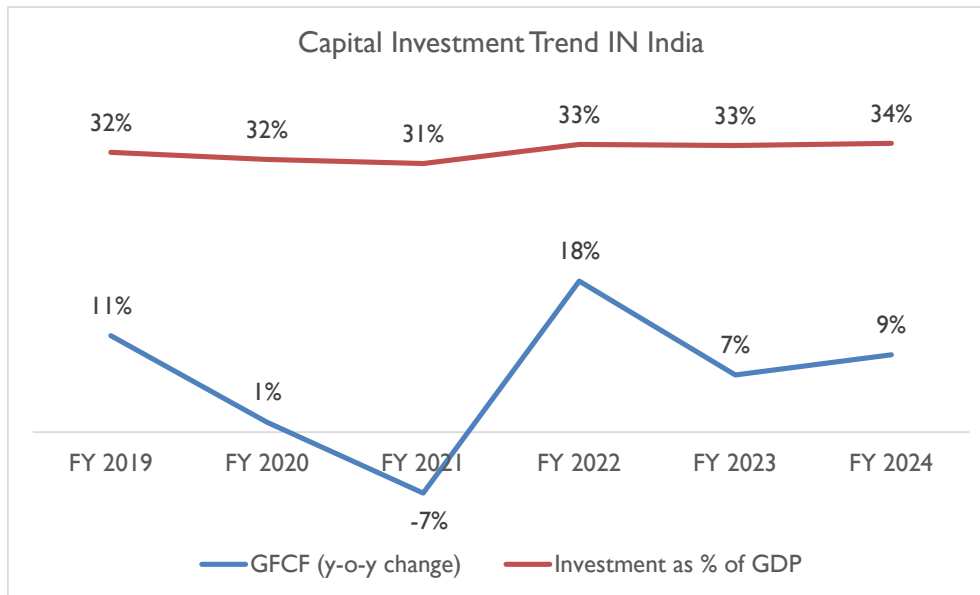


Sources: MOSPI

As per the use-based classification, growth in all segments slowed in June 2024 as compared to the previous month. Consumer non-durable declined by 1.4% in June 2024 against 2.5% increase in the previous month. In May 2024, all segments showed a substantial increase in growth.

Investment & Consumption Scenario

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, gained strength during FY 2024 as it grew by 9% on a y-o-y basis against 7% yearly growth in the previous fiscal, while GFCF to GDP ratio measured an all-time high settled higher at 34%.

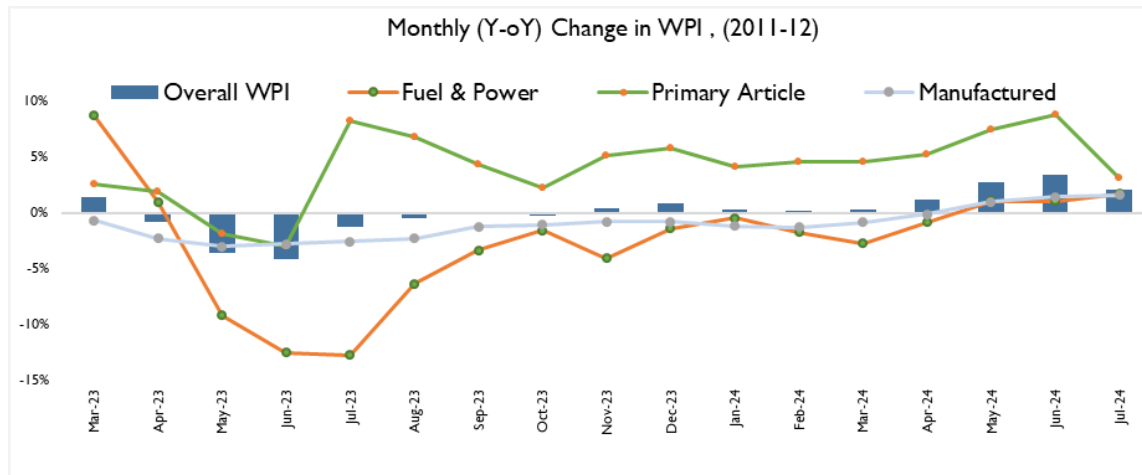


Private Final Expenditure (PFCE) a realistic proxy to gauge household spending, observed decelerated and registered 4% y-o-y growth in FY 2024 against 7% in FY 2023.

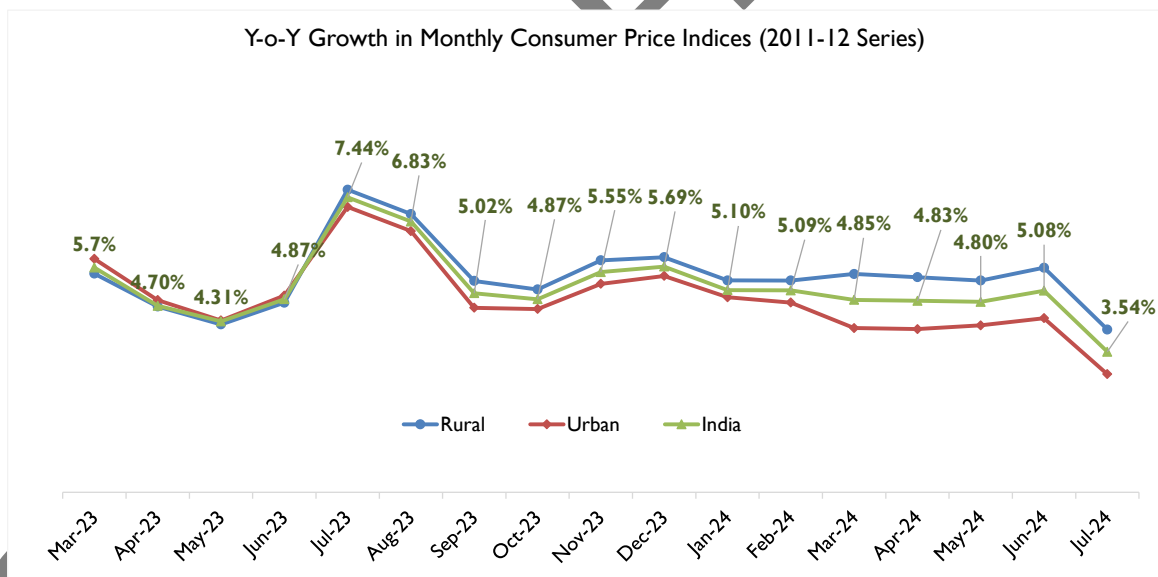
Inflation Scenario

The inflation rate based on India's Wholesale Price Index (WPI) exhibited significant fluctuations across different sectors from March 2023 to July 2024. Overall WPI saw a sharp decline to -1.2% in July 2023,

primarily driven by steep drops in Fuel & Power and Manufactured Products, reflecting reduced global demand and falling input costs. However, a recovery was noted by June 2024, with WPI reaching 3.4%, supported by a strong rise in Primary Articles and a rebound in Fuel & Power prices. By July 2024, while Primary Articles growth moderated to 3.1%, the WPI remained positive at 2.0%, indicating stabilization in the market after earlier volatility.



Source: MOSPI, Office of Economic Advisor.



Source: CMIE Economic Outlook

Retail inflation rate (as measured by the Consumer Price Index) in India showed notable fluctuations between March 2023 and July 2024. Rural CPI inflation peaked at 7.63% in July 2023, before declining to 4.10% in July 2024. Urban CPI inflation followed a similar trend, rising to 7.20% in July 2023 and then dropping to 2.98% in July 2024. Overall, the national CPI inflation rate increased to 7.44% in July 2023 but moderated to 3.54% by July 2024, indicating a gradual easing of inflationary pressures across both rural and urban areas over the period. CPI measured below 6% tolerance limit of the central bank since September

2023. As a part of an anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 to the current 6.5% while it has been holding the rate at 6.5% since 8 Feb 2023.

India's Growth Outlook

India's economy has exceeded expectations, registering an 8.2% growth in FY24. High-frequency indicators such as automobile sales, e-way bills, cargo traffic, and exports signal sustained growth momentum into Q2 FY25. However, the rural demand outlook is tied to the monsoon, where inconsistent rainfall could impact the agriculture sector and inflation. The government is proactively boosting grain storage capacity to mitigate these risks. On the credit front, the Reserve Bank of India (RBI) has kept the policy rate unchanged, with inflation expected to average around 5% in FY25. Despite stable policy rates, lending rates may rise due to the incomplete transmission of earlier hikes, while strong credit growth in the private sector suggests potential capacity expansion. Supply-side challenges persist, particularly in food storage infrastructure. The government has launched a massive initiative to enhance grain storage capacity by 70 million tonnes over the next five years. The recent long-term agreement for operating Iran's Chabahar Port is also set to bolster trade and supply chain resilience.

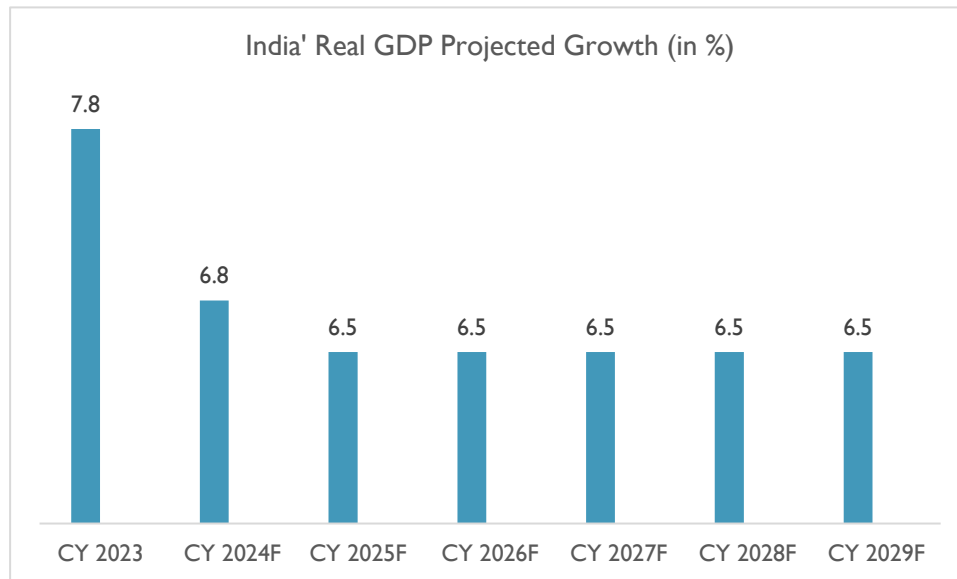
In terms of trade, India's recent agreements, particularly with the European Free Trade Association (EFTA) and Oman, are opening new markets and opportunities for exports. The proposed mega-distribution hub in the UAE by 2025 will further support India's global trade ambitions, particularly in Africa, Europe, and the US.

Politically, the continuation of the National Democratic Alliance (NDA) government signals sustained reforms, with optimism around labour and land reforms. The government is also taking steps to control retail inflation by managing food prices and import duties. The external environment remains cautious, with geopolitical tensions, particularly in Gaza, posing potential risks to global stability.

Overall, India's short-term growth outlook remains positive, underpinned by strong domestic demand, proactive government measures, and expanding global trade relationships, despite some challenges in the rural economy and supply chain infrastructure.

India's Projected Economic Growth

Looking ahead to 2024, India's projected GDP growth of 6.8% in 2024 stands out as the fastest among major emerging markets, significantly outpacing China's 4.6%, and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2029, reflecting strong economic fundamentals and continued momentum.



Source: IMF

This decent growth momentum in near term (CY 2024) is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilization and rising credit flow. Additionally, there are positive signs of improvement in net external demand, as reflected in the narrowing merchandise trade deficit. Despite the supply disruptions, exports clocked positive y-o-y growth in December 2023 and January 2024.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on 1st Feb 2024. Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY2024 and setting a lower-than expected fiscal deficit target for FY2025, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up R&D (Research & Development) in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY2024 and projecting a lower than-anticipated fiscal deficit of 4.9% as announced in the interim budget in July 2024 for the current fiscal year (FY 2025) are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at 3.4% of GDP (INR 11.1 trillion/USD 134

billion) for fiscal year 2024-25 – is at a 21-year high (3.3% of GDP in fiscal year 2023-24). The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and reduce logistics costs.

India's optimistic economic outlook is underpinned by its demographic dividend, which brings a substantial workforce that boosts labor participation and productivity. The burgeoning middle class and urbanization contribute to increased domestic consumption, driven by rising incomes and purchasing power. Extensive investments in infrastructure, encompassing roads, railways, ports, and digital connectivity, are enhancing productivity and efficiency, with government initiatives like the Smart Cities Mission and PM Gati Shakti creating a conducive growth environment. This digital transformation, catalyzed by initiatives such as Digital India, is fostering a tech-driven economy marked by enhanced internet penetration, digital payments, and e-governance, thereby fueling growth in sectors like fintech, e-commerce, and digital services. The push to position India as a global manufacturing hub through Make in India and PLI (Production Linked Incentive) schemes is further boosting industrial output, exports, and domestic production capabilities. Compared to other major emerging markets facing demographic and economic challenges, India's combination of demographic strengths, policy reforms, and strategic initiatives positions it as a standout performer and a significant driver of global economic growth in the foreseeable future.

Some of the key factors that would propel India's economic growth.

Strong Domestic Demand

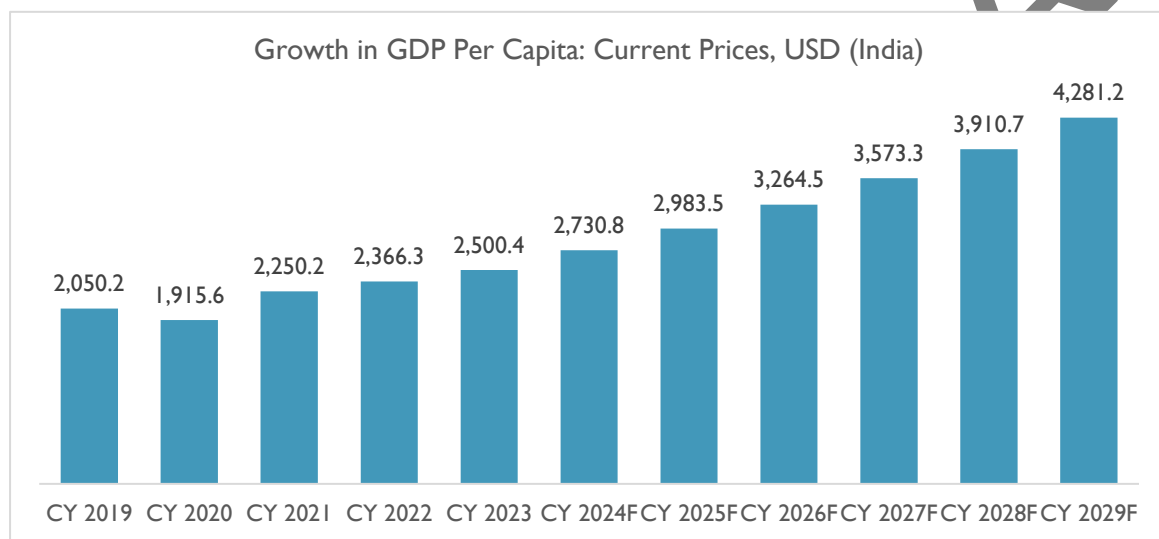
Domestic demand has traditionally been one of the strong drivers of Indian economy. After a brief lull caused by Covid-19 pandemic, the domestic demand is recovering. Consumer confidence surveys by Reserve Bank / other institutions points to an improvement in consumer confidence index, which is a precursor of improving demand. India has a strong middle-class segment which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. PFCE as a percentage of GDP increased to 58% during FY 2022 and FY 2023 while in FY 2024 it settled at 56%. There are two factors that are driving this domestic demand: One the large pool of consumers and second the improvement in purchasing power. As per National Statistics Office (NSO), India's per capita net national income (at constant prices) stood at INR 1.06 lakhs in FY 2024 against 99,404 in FY 2023 and 87,623 in FY 2018. This increase in per capita income has impacted the purchasing pattern as well as disposable spending pattern in the country. Consumer driven domestic demand is majorly fueled by this growth in per capita income.

India's Per capita GDP trends

India is poised to become the world's third-largest economy with a projected GDP of USD 5 trillion within the next three years, driven by ongoing reforms. As one of the fastest-growing major economies, India

currently holds the position of the fifth-largest economy globally, following the US, China, Japan, and Germany. By 2027-28, it is anticipated that India will surpass both Germany and Japan, reaching the third-largest spot. This growth is bolstered by a surge in foreign investments and a wave of new trade agreements with India's burgeoning market of 1.4 billion people. The aviation industry is witnessing unprecedented orders, global electronics manufacturers are expanding their production capabilities, and suppliers traditionally concentrated in southern China's manufacturing hubs are now shifting towards India.

To achieve its vision of becoming the world's third-largest economy by 2027-28, India will need to implement transformative industrial and governmental policies. These policies will be crucial for sustaining the consistent growth of the nation's per capita GDP over the long term.



Source: IMF

From CY 2024-29, India's per capita GDP is projected to grow at a compound annual growth rate of 9.4%. This growth will be driven by the service sector, which now accounts for over 50% of India's GDP, marking a significant shift from agriculture to services.

Digitization Reforms

Ongoing digitization reforms and the resultant efficiency gains accrued would be a key economic growth driver in India in the medium to long term. Development of digital platforms has helped in the seamless roll out of initiatives like UPI (Unified Payments Interface), Aadhaar based benefit transfer programs, and streamlining of GST (Goods and Services Tax) collections. All of these have contributed to improving the economic output in the country. Some of the key factors that have supported the digitization reforms include – the growth in internet penetration in India together with drop in data tariffs, growth in smartphone penetration, favorable demographic pattern (with higher percentage of tech savvy youth population) and India's strong IT (Information Technology) sector which was leveraged to put in place the digital ecosystem. All these factors are expected to remain supportive and continue to propel the digitization reforms in India.

Increased adoption of digital technology and innovation, inclusive and sustainable practices, business-friendly and transparent regulations, and heightened corporate research and development (R&D) investments will further bolster the country's growth. These factors will collectively support employment growth across both private and public sectors, including micro, small, and medium enterprises (MSMEs).

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Organized Retail Industry in India

Market Scenario & Comparison with Global Market

The Indian retail sector is experiencing a significant transformation owing to a range of shifting socio-economic factors, increasing digital and new age technology influence along with a rapidly transforming consumer landscape. Over the year, India has evolved as a thriving consumer-driven economy, making it the 4th largest retail market globally after US, China, and Japan and has thus become one of the most attractive markets for global retailer to expand their footprints in India. The country ranked 1st in Kearney's Global Retail Development Index (GRDI) in 2023 which features 44 key retail markets while in the **FDI Confidence Index 2023**, it ranked 16th and 2nd amongst the emerging countries after China.

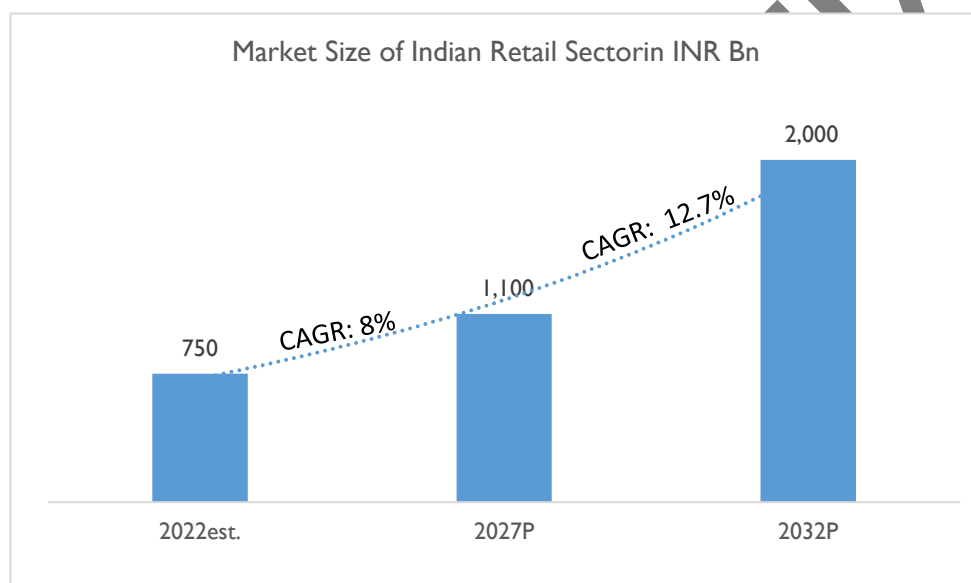
Retail Sector Contribution and Major Highlight⁴:

- At present the retail sector in India accounts for over 10% of the country's GDP⁵.
- The sector contributes 8% of the workforce (35+ Mn). The sector is expected to create 25 Mn new jobs by 2030.
- The market size of the Indian retail sector was estimated at USD 750 Bn in the year 2022 and it is expected to reach USD 1.1 Tn by 2027 and USD 2 Tn by 2032 growing at 25% CAGR.
- Food & Grocery, Apparel & footwear, and consumer electronics are the largest retail segments, constituting 63%, 9% and 7% respectively of the retail market.
- The share of organized retail in the total retail industry is currently estimated 12%-15%.
- The Indian e-commerce industry was estimated to be worth over USD 70 Bn in Gross Merchandise Value in 2022 and is expected to cross USD 350 Bn mark by 2030, growing at a CAGR of 32% between 2022-30.

For analysis purposes, the Indian retail industry is primarily segmented in *organized* and *unorganized*; based on key product segment it is segmented into FMCG ([Fast-moving consumer goods](#)) & grocery and *consumer durable goods* such as Clothing & Footwear, Personal Care products, and Consumer Electronics etc. The industry is also segmented based on distribution channel that include *brick and mortar* (B&M) and online (e-commerce). The B&M segment include many formats such as independent convenience store, drug stores, and health & beauty stores, in the unorganized segment as well as hypermarkets, supermarkets etc. and specialized independent store that operate in shopping Centre or mall space under the modern retail format in the organized retail.

Historical Growth Trend

The Indian retail industry is a key driver of the Indian economy, and its contribution is significant in terms of value and its share in country's total workforce. It contributed around 10% to the country's total GDP and employs around 8% of the total workforce⁶. The sector is growing at a brisk pace fuelled by the rapid urbanization, a growing middle class, steady increase in national wages and disposable incomes, and expanding consumer spending. Furthermore, the government steady efforts to improve India's ease of doing business and to strengthen the overall digital ecosystem have facilitated the entry of foreign investors in India which today have better access to the connected rural consumers than before. The sector is thus poised to grow at projected rate of 8% between 2022-2027 to USD 1.1 trillion by 2027 and further at 13% CAGR between 2027-2032 to USD 2 trillion, from estimated market size of USD 750 Bn in 2022.



Sources: Dun & Bradstreet Desk Research

However, India experienced a serious setback in 2020 as spread of Covid-19 pandemic impacted normal life and resulted in 10% y-o-y growth between 2020-22. The retail sector was severely impacted as consumer demand shifted away from discretionary spending. Even demand for essential goods remained constrained as consumer footfalls decreased during the lockdown period in April 2020. The lower disposable income, subdued sentiment and economic uncertainty led to a constrained consumption expenditure, both for essential and non-essential goods.

But later, revival of e-commerce activities since Unlock Phase -I since June 2020 contributed some pick up in the pent-up demand for both essential and non-essential goods facilitated by digital payments. Also, the swift government action including widespread vaccination and other containment measures helped in restoring economy back to normalcy in the subsequent years. As per Retailers Association of India (RAI), the

⁶ This data is sourced from multiple industry reports, articles such as Retailers Association of India, Invest India as retail segment has contributed around 10% to country's total GDP consistently over past 2-3 years.

organized retail sector witnessed a significant growth of 34% in FY 2022-23, surpassing pre-pandemic sales figures of FY2020.

Major Market Segmentation

Overall, the retail industry is constantly evolving, influenced by changing consumer behaviours, technological advancements, and economic trends, making it a dynamic and essential part of the Indian economy.

The segments of FMCG (Fast-Moving Consumer Goods) and Groceries, General Merchandise, Consumer Durables, Fruits and Vegetables, and Garments and Footwear are among the most significant drivers of India's retail industry. The transition to modern retail formats, increasing urbanization, and growing internet penetration are reshaping consumer behavior in these sectors, making them essential components of India's retail landscape.

FMCG and Grocery: The FMCG and Grocery retail sector is one of the largest and most vital segments of the Indian retail industry, including products such as packaged food, beverages, household goods, personal care items, and fresh groceries.

General Merchandise: In the retail segment a wide array of non-grocery products are sold through retail channels. This includes categories such as home goods, electronics, toys, stationery, automotive accessories, and more. It also covers retail formats that are not specialized in one category but offer a diverse variety of products for consumers to choose from.

Fruits and Vegetables segment is a crucial part of India's food retail sector, major dealing with fresh produce sold through traditional markets, supermarkets, hypermarkets, and increasingly, online platforms. The demand for fresh fruits and vegetables is driven by the country's large population and rising health consciousness.

Garments and Footwear: Garments and Footwear sector plays a significant role in the Indian retail industry, driven by the growing consumer demand for fashion and comfort. This segment encompasses clothing, fashion apparel, footwear, and accessories, catering to a wide range of consumer needs from everyday wear to luxury items.

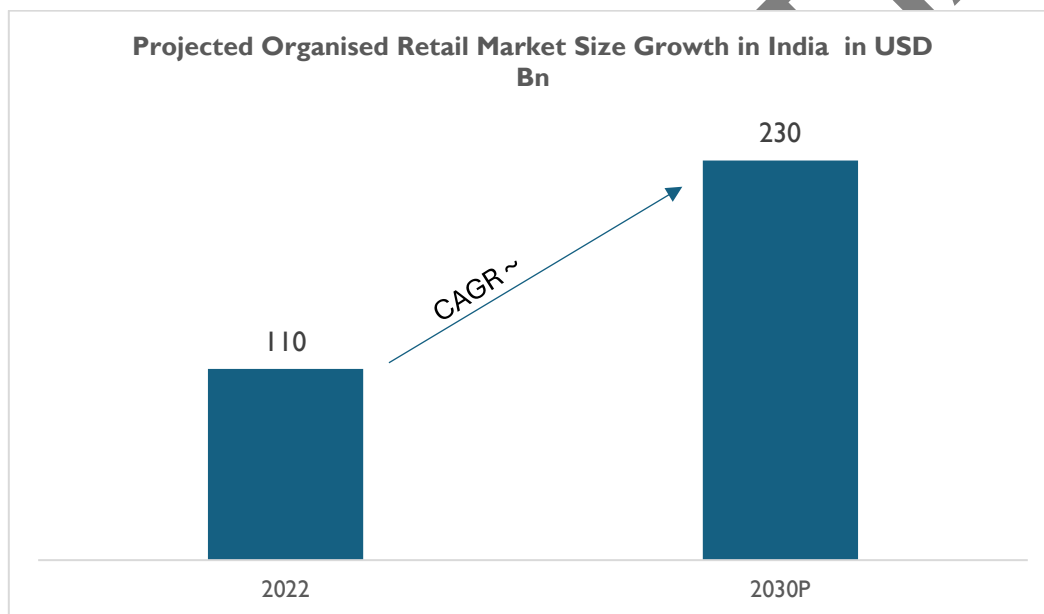
Organized Vs Unorganised retail in India and Growth trend in organized retail in India

Currently⁷, the traditional and unorganized retail segment is still the dominant one in the country accounting for nearly 85-88% share while organized retail account for the balance share. The unorganized retail sector includes local Kirana stores, owner-operated general stores, convenience stores etc. The unorganized retailing is a highly fragmented segment with per unit space relatively low. However, this segment is too experiencing a significant transformation after the digitization push.

⁷ Referring to FY24

On the other hand, the organized retailers includes corporate backed hyper markets / super markets and privately owned large retail businesses which operate with modern retailing format both in offline and online mode. The major factors supporting and accelerating the growth of the organized sector are increasing levels of internet penetration, digital maturity, and developing infrastructure to back online transactions.

The organized retail is gaining ground at a brisk pace in India where a balance is emerging across shopping format that include hypermarkets, supermarket, and other large retail format like specialty store. Major retail chains are expanding their presence beyond metros and Tier-I cities to tier-2, tier-3 cities and even in tier-4 cities owing to lower rental rates and operating costs. This is translating in to overall increase in nation's consumer power and benefitting the growth of organised retail in India. As per AT Kearney report, the organised retailing segment was estimated to value at USD 110 Bn in 2022 and is projected to grow to USD 230 Bn by 2030,



Source:⁸ Dun & Bradstreet Desk Research

Malls are the largest format of organized retail available today. Since it is equipped with presence of dedicated multi-level parking, multi-brand retail outlet and exclusive retail outlet, hypermarket/supermarket, large food courts, restaurants, entertainment zone and many more, it precisely offers multiple convenience to consumer all under common roof. Beyond their retail offerings, malls and high streets provide safe and secure environments for social interaction and quality time with loved ones.

On demand side, today's consumers seek a more engaging retail experience, prioritizing personalized service, interactive displays, and innovative approaches that go beyond the simple product transaction. Thus, the evolving customer preferences for a safe, contactless, and sophisticated technology enable shopping experience is driving the growth of experiential retail, where the shopping experience is equally important

⁸ Market Size number based on report published by AT Kearney a global competitive intelligence company tracking retail sector.

to product sale. Beside above, underlying factor such as rapid urbanization, increasing disposable income, transforming lifestyle, increasing consumerism and supportive regulatory environment are few additional prominent factors that are propelling the growth of organized retail in India. As per, Deloitte India and the Shopping Centre Association of India (SCAI), malls and shopping centres play is projected to grow at 17% CAGR from 2022 to 2028, outpacing the overall growth of the retail industry.

On supply side, the retailers are paying greater attention to this noticeable shift in consumer preferences and thus making increasing investment to offer a wide range of services and improved shopping experiences to them. Owning or renting a space in a shopping mall may help retailer with better positioning and reach amongst a diversified consumer segment. Access to Hi-tech surveillance and security; elevators, parking, and other common areas; and lesser maintenance fees, are other added advantage that may help businesses with reduced operational cost and improved operational efficiency.

Organized Retail Leasing Space Growth in India

India ranks among one of the best countries to invest in the retail space. Since 2020, retail demand has increased regularly across investment grade malls, well-known high streets, and independent developments. With 275 to 300 million square feet already operational in the country, the retail sector witnessed all time high leasing activity taking total leased space to 7.1 million square feet⁹ during 2023, registering a year-on-year rise of 47%¹⁰. The report further highlighted that recently completed mall contributed towards 30% share in total lease space absorption in 2023. On supply side, the sector witnessed a peak retail supply of 6 Mn sq. feet, witnessing 316% y-o-y growth on the back of commencement of supply of 12 investment grade mall across the 8 cities.

Fashion and retail segment with 36% share in total leasing space during 2023 accounted for the highest share followed by Food & beverage, luxury retail and consumer electronic which accounted for 12%, 9% and 6% share in 2023, respectively.

As per industry sources, India is projected to witness the opening of approximately 60 shopping malls, totalling 23.25 million square feet during FY 2023-24.

Key Demand Driver

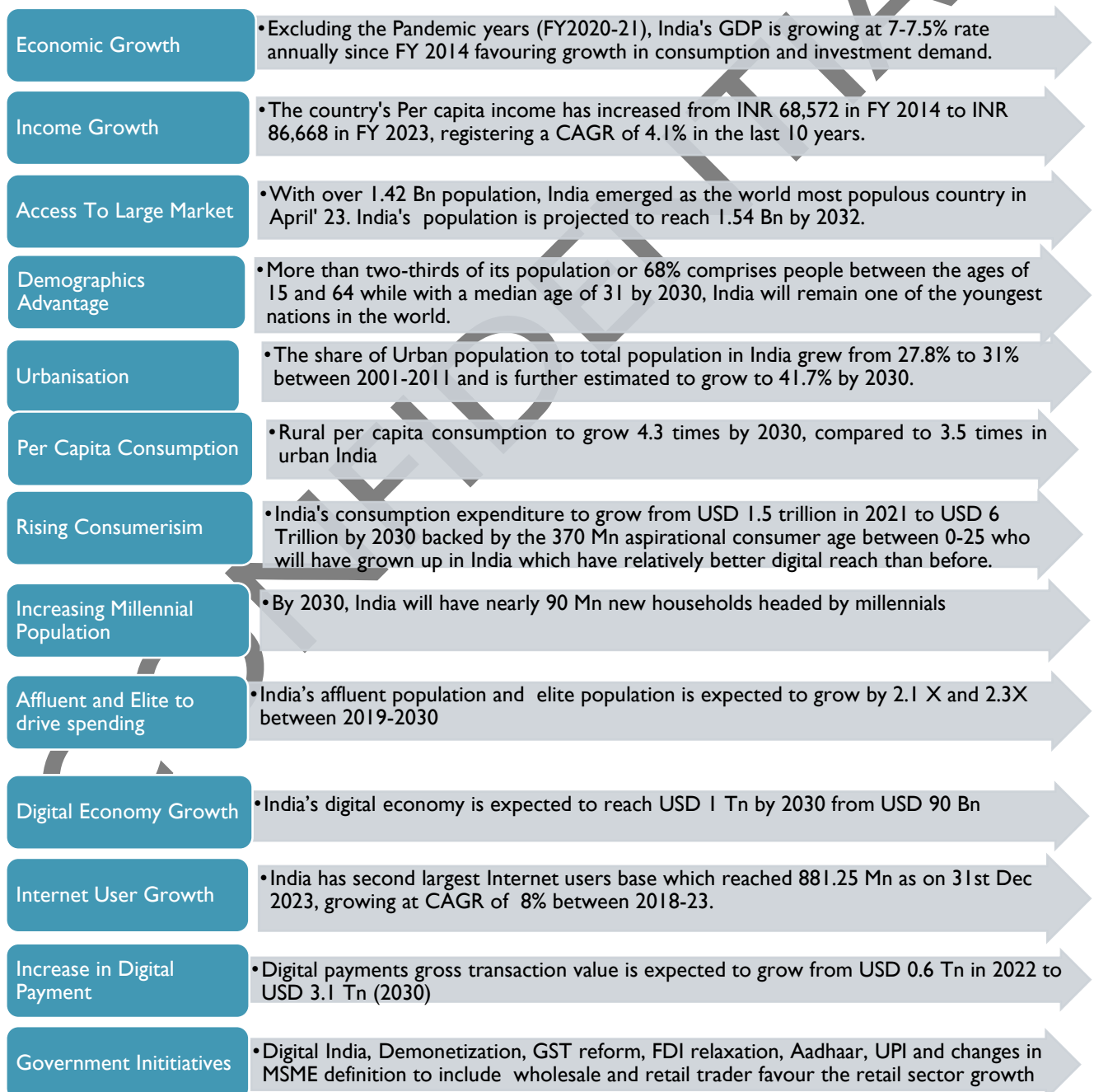
Below mentioned are the major underling factor that are likely to propel the growth of Organized and e-retailing and overall Retail Sector in India:

Urbanization

⁹ Based CBRE India Market Monitor Q4 2023 report assessment in top 8 cities that include Bangalore, Mumbai, Pune, Delhi-NCR, Chennai, Kolkata, Hyderabad and Ahmedabad

India, boasting a staggering population exceeding 1.428 billion in 2023, represents about 17.2% of the world's total inhabitants, with a consistent 1.39% annual growth rate over the past 25 years. Furthermore, according to the Handbook of Urban Statistics 2022, India's urban population has been steadily rising, reaching over 469 million in 2021 and is projected to exceed 558 million by 2031, with estimates soaring to over 600 million by 2036.

As the country experiences rapid urban growth, with more people migrating from rural to urban areas, there is a fundamental shift in consumer behavior and preferences. Urban dwellers typically lead fast-paced lifestyles characterized by hectic work schedules and limited time for traditional shopping practices. This demographic segment values convenience, efficiency, and a seamless shopping experience



Organized retail stores cater precisely to these urban consumer needs by offering a modern and structured shopping environment for FMCG ([Fast-moving consumer goods](#)). These stores are strategically located in urban centers, making them easily accessible to a large population base. Additionally, organized retail outlets leverage their scale and operational efficiencies to stock a wide range of products, from FMCG daily essentials to specialty items, thereby providing consumers with a one-stop destination for their shopping needs.

Changing consumer preferences

Changing consumer preferences play a crucial role in driving the demand for organized [Fast-moving consumer goods](#) (FMCG) retail stores in India. One of the key aspects of these changing preferences is the shift towards cleanliness, hygiene, and well-organized shopping environments. Organized retail stores excel in this aspect by maintaining high standards of cleanliness, ensuring neat aisles, and providing a pleasant ambiance for shopping. This focus on cleanliness is particularly important in the current global context, where health and safety considerations have become paramount.

Additionally, Organized retail stores are designed to optimize space, display FMCG products attractively, and provide clear signage for easy navigation. This organized layout enhances the overall shopping experience, making it more convenient and enjoyable for consumers. Moreover, organized stores often categorize products logically, making it easier for shoppers to find what they need quickly.

Furthermore, the availability of a wide range of FMCG products under one roof is another aspect of changing consumer preferences driving demand for organized retail. Consumers today value convenience and efficiency in their shopping trips. Organized stores fulfill this need by offering a diverse selection of products, including branded and premium options, thus saving consumers time and effort in visiting multiple stores for their shopping needs.

Increase in disposable income.

Higher disposable incomes among consumers in India have a significant impact on the demand for organized retail shops and supermarkets. As people's incomes rise, they have more money available for discretionary spending, including on FMCG groceries and other products retail items. This increase in disposable income enables consumers to afford the convenience and premium offerings often found in organized retail outlets.

With higher incomes, consumers place greater value on time-saving benefits and convenience. Organized retail shops and supermarkets offer a wide range of products under one roof, saving customers the time and effort of visiting multiple stores. Additionally, these outlets often provide services like home delivery, online ordering, and loyalty programs, further enhancing convenience for busy consumers.

Quality Assurance

Quality assurance is a crucial factor that drives demand for organized retail shops and supermarkets in India. Consumers are increasingly concerned about the authenticity, safety, and overall quality of products they purchase. Organized retail outlets play an important role in meeting these expectations by implementing robust quality control measures throughout their supply chains.

One key aspect of quality assurance is the sourcing of products from reputable suppliers and brands. Organized retail shops and supermarkets often have partnerships with well-known manufacturers and distributors, ensuring that the FMCG products they offer are genuine, of high quality, and compliant with industry standards and regulations. This gives consumers confidence in the products they buy and reduces the risk of purchasing counterfeit or substandard items.

Furthermore, organized retailers invest in maintaining the freshness and integrity of perishable goods such as fruits, vegetables, dairy products, meats and FMCG Products. They adhere to strict storage, handling, and refrigeration standards to preserve the quality and nutritional value of these items. This focus on freshness and quality sets organized retail apart from traditional unorganized stores, attracting discerning consumers who prioritize product quality.

In addition to product quality, organized retail outlets also prioritize customer service and satisfaction. They often have well-trained staff who can provide information about products, assist with inquiries or issues, and ensure a pleasant shopping experience. This emphasis on customer-centric services enhances the overall perceived quality of the retail outlet and encourages repeat business from satisfied customers.

E-Commerce and its impact on the Indian Retail Sector

E-commerce industry has exhibited significant transformation in terms of scope of products/service delivered over the just a click of button. Indian e-Commerce industry has steadily grown riding on a booming internet subscriber base and smartphone users complimented by better connectivity and availability of cheap data services apart from the country's favourable demographics. Access to large population base particularly having young aspirational population age between 15-34 years, income growth, rising urbanization and increasing in working women segment, are few of the favourable demographic factors that have propelled the e-commerce industry growth in India.

Major Advantages of E-commerce

Disintermediation: E-commerce has reduced the role of intermediaries. Using online platforms, manufacturers can now directly sell their Fast-moving consumer goods products to end users, bypassing the traditional retail chain. Disintermediation has brought several benefits to buyers & sellers. It helps sellers in eliminating operation & infrastructure cost of selling through channels while buyers can make hassle-free purchases at comparatively lesser prices due to disintermediation.

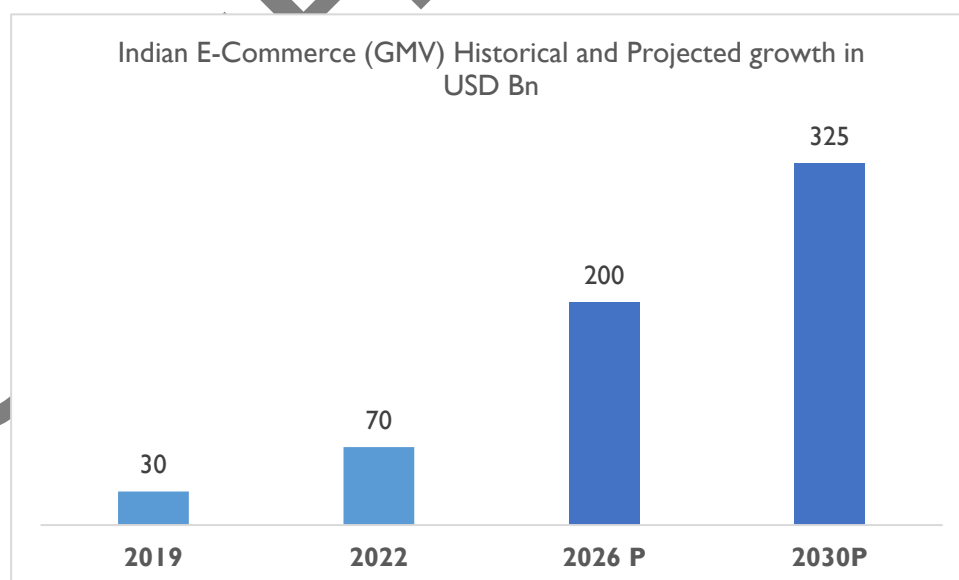
Greater Convenience & Wider Reach: Convenience is one of the most important advantages of e-commerce industry. The millennial population's changing perspective towards "Anytime / Anywhere" is

pushing the e-commerce sales in India. E-commerce's round-the-clock accessibility broadens the customer base to encompass a vast majority of internet users, geographically transcending traditional limitations. Furthermore, advertisement & promotions on online platform allows e-commerce portal to have better & wider reach from even global customers.

Access to diverse inventory & Easy Product Comparison: A wider range of choices in all categories such as electronics, apparels, footwear, books, food & groceries and FMCG, etc. is available at a single website. Moreover, better inventory management and cataloguing of product on online portal attract customer's attention and even leads to impulsive buying too. Use of e-commerce platform is not just restricted to buying or selling activities, but it also has unique business offering that provides for information gathering, product/services comparison in terms of pricing, product review, customer rating, availability etc. All these factors have transformed customer's preferences towards the e-commerce industry.

Improved Efficiency: As the orders are processed digitally, buying efficiency is improved for stakeholder in the value chain including manufacturers, distributors, wholesalers, and retailers. Large scale procurement/ sale, information sharing is possible just at a click of button which is time saving and more transparent as comparatively less human interaction is involved. Furthermore, technology advancement (e.g., mobile apps), varied facilities (i.e., payment platforms, transport options, etc.), paperless & cashless transactions, artificial intelligence and a host of other new innovations are being brought about to deal with rapidly changing business needs.

Driven by above discussed benefits, the Indian e-commerce industry growth measured in GMV terms have grown from USD 30 Bn in 2019-USD 70 Bn in 2022, registering 32% CAGR between 2019-2022.



Sources: Dun & Bradstreet Desk Research

Innovation and customization to align with changing customers expectation and dynamic operating environment has supported the growth of e-commerce in diversified business segment including *retail and multiple FMCG products*. The Indian retail sector has been evolving steadily, both in terms of *format and platform*, paving the way for modern retail format which gives unique shopping experience to the customer. The noticeable surge in internet users, conducive ICT infrastructure, increasing time poverty¹¹, convenience of online purchase and exciting discounts running throughout the year, have pushed the e-commerce penetration in the retail sector. Furthermore, efficient customer servicing policies offered by retailers such as cash on delivery, good replacement policy, etc are other factors that have boosted the trust and comfort of customers opting for online shopping. Further, the growth of logistics & reverse logistic to ensure speedy & safe delivery even for precious and delicate items is aiding growth of online retail in India.

The Covid-19 pandemic brought some long-lasting changes in consumer landscape to which retail sector is still adjusting. It has altered their preferences and transformed the purchasing behaviour of consumers such as how they consume, shop, use technology etc. Major emerging changes that have accelerated after Covid are listed below:



Before covid-19, only 3% of the overall retail sector was related to e-commerce. But its share increased significantly to 9% during 2022 and is likely to accelerate further to 17% by 2030 as most business is embracing digitization to reach out and service their customers. The total e-commerce market (GMV) is projected to grow to USD 350 Bn by 2030. The retail brands are putting conscious effort on increasing their online presence and direct sales as customers continue to shop online. Now, corporates are harnessing digital platforms not only to sell but also to promote their brand and engage with consumers.

Acknowledging, e-commerce as a major growth driver of the Indian Retail sector, today all leading brands have tied up with leading online marketplaces such as Amazon, Flipkart, Snapdeal, Myntra, amongst others to sell their product on online platforms. These marketplaces have also launched their mobile apps to increase

¹¹ Increasing Time poverty refers to the shortage of time amongst the working group segment which holds significant share in total potential customer segment.

their customer reach which is pushing M-commerce sale. Even retailers operating with store format in (Exclusive Brand outlet and multiband brand out (MBO) have launch their online shopping platforms.

To cope up with the changing market dynamics, even traditional Kirana shops are getting modernized where industry is witnessing transformation to omni-channel retailing format. The e-commerce industry is experiencing a surge in start-ups, exploring innovative business models in e-commerce retailing. Retailers in both organized and unorganized segment are collaborating up with online grocery platform such as Blinkit, BBdaily, BB now, Swiggy's Instamart, Instacart, and Dunzo etc., making their products easily available to consumer at the doorstep. Industry sources suggest that ***the Indian e-grocery market was estimated at USD2-3 Bn in 2020 and is projected to grow to USD 10-12 Bn by 2025, witnessing annual average growth of about 50%.***

Growing Demand from Tier 2 and Tier 3 cities

The growing demand from tier 2 and tier 3 cities is a significant driver of the increased popularity and demand for organized retail shops and supermarkets in India. Tier 2 and tier 3 cities are experiencing rapid urbanization, economic growth, and infrastructure improvements, leading to changes in consumer behavior and preferences.

One key factor contributing to the demand from these cities is the rising middle-class population with increasing disposable incomes. As incomes rise in tier 2 and tier 3 cities, consumers have more purchasing power and a growing appetite for FMCG products convenience, and a modern shopping experience. Organized retail outlets are well-positioned to meet these evolving consumer needs by offering a wide range of branded products, superior quality, and convenient services under one roof.

Moreover, the expansion of organized retail chains into tier 2 and tier 3 cities has bridged the gap between urban and rural shopping experiences. Consumers in these cities now have access to a diverse range of products, including FMCG goods, electronics, apparel, and household items, which were previously limited to larger cities or urban areas. This accessibility and availability of products contribute significantly to the growing demand for organized retail in tier 2 and tier 3 cities.

Additionally, the presence of organized retail outlets brings modern retail practices, such as digital payments, loyalty programs, and online shopping options, to tier 2 and tier 3 cities, enhancing the overall shopping experience for consumers. This adoption of modern retail practices aligns with the preferences of younger demographics in these cities, who are tech-savvy and value convenience and efficiency in their shopping journeys.

Regulatory Scenario

Key Initiatives & Policy Changes

- **Reforms to attract Foreign Direct Investment (FDI):** The Government of India has introduced reforms to attract Foreign Direct Investment (FDI) in the retail industry. Recent policy changes allow.
 - 100% FDI under the automatic route for:
 - Cash & carry wholesale trading.
 - E-commerce (B2B & marketplace for B2C)
- **Cashless Payments:** The government's efforts to promote cashless payments are expected to facilitate modern/online retail.
- **Priority Sector Status:** Retail has been accorded the status of a priority sector by the government in the National Skill Development Mission. Retailers Association of India is the nodal agency for training the manpower. This would make available the required trained manpower for the growth of the sector.
- **Model Shops and Establishments Bill 2016:** Introduced by the Centre, one of the provisions of this bill allows retailers to operate 24-hour which is expected to provide a boost to the retail market, especially in the metros.
- **Abolishment of the Foreign Investment Promotion Board:** Following the abolishment of the Foreign Investment Promotion Board in 2017, the FDI clearance process has become convenient for investors. The move removes an extra layer of procedures, making the overall process more efficient. FDI proposals are now transferred to concerned individual ministries, which decide on their clearance.
- **Open Network for Digital Commerce (ONDC):** This government initiative aims to create an open e-commerce ecosystem, promoting a level playing field for all sellers and reducing dependence on large online marketplaces. The ONDC is expected to empower small and medium businesses (SMBs) to participate effectively in online retail, fostering greater competition and consumer choice.
- **Government Initiatives:** Schemes like "Pradhan Mantri Gramin Digital Stores" are being launched to establish rural e-commerce points facilitated by local kirana shops. These initiatives aim to bridge the digital divide and provide rural consumers with access to a wider range of products and services.

Competitive Landscape

The Indian retail sector is diverse, spanning formats from traditional unorganized markets to modern organized retail spaces, including malls, hypermarkets, specialty stores, and e-commerce platforms (aggregators & D2C brands). The Indian retail sector is dominated by the unorganized segment, which constitutes nearly 85–88% of the market and includes local Kirana stores, owner-operated general stores,

and convenience stores. This highly fragmented segment, characterized by small retail spaces, is now transforming. In contrast, the organized retail sector, comprising corporate-backed hypermarkets, supermarkets, and large privately-owned businesses, operates in modern formats across both offline and online channels.

Key factors shaping competition in the sector include price sensitivity, convenience, product variety, and customer experience. While unorganized players compete on proximity and personal relationships, retailers organized leverage technology, loyalty programs, and immersive shopping experiences to attract consumers. The rise in e-commerce and omni-channel strategies has further intensified competition, with retailers adopting innovative approaches to cater to diverse consumer demands. Malls, hypermarkets, and specialty stores are emerging as preferred destinations, offering integrated retail and leisure experiences, while the proliferation of online marketplaces continues to redefine the competitive landscape.

Key Players:

Company	Description
Osia Hyper Retail Limited	Osia Hyper Retail Limited was founded in 2013 and is headquartered in Ahmedabad, Gujarat. Osia Hypersmart has retail chains in Gujarat, operating through innovative offerings, quality products, and affordable prices. Osia Hypersmart boasts a diverse selection of over 300,000 products, including apparel and general merchandise such as fast-moving consumer goods (FMCG), plastics, home décor, handloom and handicrafts, crockery, cutlery, home appliances, kitchenware, innerwear and lingerie, toys, stationery, bags, luggage, furniture, and much more. The chain operates over 29 stores, covering more than 711,000 square feet of retail space.
Subham K Mart	Subham K Mart was incorporated in 2013, and the retail chain was officially founded in 2019 in Raipur, Chhattisgarh, India. Subham K Mart offers a wide range of daily essential items and focuses on tier 2 & tier 3 cities. Their product selection includes groceries, FMCG products, general merchandise, household items, and fashion.

	To date, Subham K Mart has launched 33 stores across India, with store sizes ranging from 5,000 square feet to 100000 square feet. The company operates across Chhattisgarh, Gujrat & Rajasthan. Out of the total location, 20 stores are present in the Central Indian State of Chhattisgarh. The total retail space occupied by the company is 324,000 square feet.
Ushodaya Supermarkets Pvt. Ltd.	Ushodaya Supermarket Chain was established in 2005. The company operates around 25 locations and has more than 10 stores in Hyderabad and Secunderabad with a dedicated team of over 500 employees. Serving across 19 locations in Telangana and 6+ locations in Andhra Pradesh, Ushodaya Supermarket offers a wide variety of products, including drinks and food items such as snacks, fruits, vegetables, staples, fruit juices, and flavoured drinks. Additionally, the company provides daily and home essentials, including bulbs, batteries, stationery, baby care products, deodorants, perfumes, crockery, and more.

Growth Forecast

The resumption in retail activity – as the spread of pandemic was brought under control – have helped in reviving the sale of various consumer product. With restrictions being lifting, demand for all consumer products witnessed revival as pent-up demand kicked. However, inflationary pressures impacted post-pandemic spending recovery in FY 2023 but the same is expected to bounce back as inflation exhibited some moderation in FY 2024 and support the overall retail industry growth in FY 2024.

In long term, harnessing the advantage of a large and diverse population base, India is steadily evolving as a consumer driven economy where such large population base of 1.43 Bn is hard to ignore by global and domestic retailers. As the country socio-economic transformation continues, India is witnessing an expanding presence of leading international and consumer retail brand making their way in organized retail segment. These brands are continuously striving for innovations, supported by data-driven insights of consumer preference analysis.

Traditionally, the Indian retail basket has been dominated by essentials like [Fast-moving consumer goods](#) (FMCG). Future growth in this segment hinges on personalization, with retailers leveraging data analytics and prescriptive algorithms to enhance customer experiences. Tailored services such as personalized cart preparation, streamlined checkout processes, and direct delivery of out-of-stock items are crucial for customer retention. Moreover, agility, adaptability, and investment in omnichannel capabilities are imperative for success in the rapidly evolving grocery retail landscape. Retailers must prioritize upskilling, digital infrastructure development, and building robust supply chain networks to thrive, remain competitive, and ensure long-term profitability in the dynamic retail environment.

Additionally, supportive regulatory landscape and several schemes launched by the government to enhance the farm income have made consumer retail product especially FMCG products more affordable and finding increasing penetration in rural sector. In the FMCG sector, Government's initiatives to improve supply chain for transportation of perishable commodities, reduce wastages and increase processing level of food products will also help the Food and retail sector to grow.

Going forward, a shift towards discretionary spending on categories like apparel, electronics, and personal care products will be observed. The retail basket will see an increase in discretionary spending categories. This presents an opportunity for retailers to cater to evolving consumer preferences and introduce new product lines. India's young population (over 65% under 35) is driving a rise in disposable incomes. According to industry report, household spending in India is expected to reach USD 3.6 trillion by 2025. This growing disposable income will translate into increased consumer spending, creating a larger market for the retail sector. Additionally, the expanding middle class will fuel demand for a wider variety of products beyond basic necessities.

In the light of abovementioned factor, India's retail market overall retail industry is expected to grow to USD 2 trillion by 2032, growing at 10.3% CAGR between 2022-32.

Threat & Challenges

- **Unorganized Markets:** The predominance of unorganized retail in India, lacking standard processes and scalability, poses a significant challenge to large retailers. Small and medium-sized outlets continue to attract customers due to their accessibility and personalized services.
- **High Supply Chain Costs:** A fragmented supply chain, compounded by the involvement of middlemen, escalates costs for organized retailers. This affects their pricing competitiveness, especially when local stores offer similar products at lower prices.
- **Maintenance Expenses:** Organized retail incurs high operational costs, including rent, utilities, and salaries for large teams, which smaller retailers manage more efficiently. This cost disparity can impact profitability.

- **Consumer Mindset:** Indian consumers exhibit strong loyalty toward neighbourhood stores, which offer a sense of trust and familiarity. Changing these ingrained preferences requires sustained engagement and superior value delivery.
- **Lack of Personalization:** While small retailers excel in offering personalized recommendations, larger retail formats often lack this human touch, diminishing their appeal to customers who value customized shopping experiences.
- **Technological Adaptation:** The rise of e-commerce has transformed retail, and brands need to adopt a strong digital presence to remain competitive. Integrating technology in production processes, inventory management, and digital marketing is essential, but smaller brands may lack the resources for such investments. Moreover, the fast-evolving tech landscape requires ongoing innovation, pushing companies to continuously invest in new tools, from customer analytics to augmented reality experiences, to keep up with consumer expectations.

Despite these challenges, the Indian retail sector holds immense potential for growth, driven by technological adoption, evolving consumer behaviour, and government support. Addressing these hurdles will be key to sustaining growth and fostering a balanced ecosystem that benefits both organized and unorganized retail players.

Company Profile: Jay Ambe Supermarket Limited¹²

Jay Ambe Supermarket Limited, founded in August 2018 by Mr. Jignesh Patel, is an expanding retail chain headquartered in Kudasán, Gandhinagar, Gujarat. With a focus on transforming the shopping experience across Gujarat, the company currently operates 14 stores, covering over 100,000 square feet of retail space. Offering a wide array of high-quality products at competitive prices. The company is poised for further expansion, with plans to grow to 40-50 stores by 2029 and a turnover of INR 50 Crores.

Mr. Jignesh Patel, the founder of Jay Ambe Supermarket Limited, boasts over 20 years of experience in the retail industry. His career includes significant roles at international and Indian brands such as TESCO PLC, Sainsbury's, Hindustan Unilever Limited (HUL), Star Bazaar (TATA), and OSIA. His expertise and strategic vision have played a crucial role in driving the company's expansion.

The mission of Jay Ambe Supermarket Limited is to offer the best shopping experience for essential daily needs, ensuring fair pricing without compromising on product quality. The company is committed to providing

¹² As per the information provided by the company.

a high level of service, supported by a team of skilled professionals. Jay Ambe Supermarket Limited's vision is to be the most trusted retail brand in the region, recognized for its commitment to quality, integrity, and customer-focused approach.

Key Differentiators:

The company has built strong relationships with over 2,000 suppliers across India, ensuring a consistent supply of quality products at competitive prices. It also focuses on competitive pricing, making quality products accessible to a wide customer base. The company's highly trained staff provide outstanding customer service. Additionally, the company's commitment to continuous research and development ensures that it remains at the forefront of retail trends, constantly improving both the shopping experience and operational efficiency .

Growth Trajectory & Milestones

In just six years, Jay Ambe Supermarket Limited has achieved significant growth, with over 6 million customer visits. Despite challenges like the COVID-19 pandemic, the company has expanded its presence, now operating 14 stores, including five franchised locations. The company has set an ambitious growth target, aiming for a 50% increase in turnover year over year for the next five years, with plans to expand its store network to 40-50 locations by 2029. Strategic collaborations with major industry players like HPCL and IIT underscore the company's commitment to innovation and continued growth.

Product Offerings

Jay Ambe Supermarket Limited offers a wide variety of products, meeting the diverse needs of its customers. The product range includes essential FMCG goods, both food and non-food items, as well as groceries in both packed and loose formats. The store also carries a selection of household goods and consumer durables. In addition, customers can find a variety of apparel for men, women, and children, as well as a broad range of footwear. Other product categories include home textiles, toys, stationery, and imitation jewelry, all maintained with a focus on quality and customer satisfaction.

Future Expansion

Jay Ambe Supermarket Limited has seen significant expansion, reaching over 6 million customers in just six years. This rapid growth highlights the strong customer engagement and trust in the brand. The company's ambitious growth plan, aiming for 40-50 stores by 2029, reflects its strategic vision for future expansion. Partnerships with prominent organizations like HPCL and IIT further enhance the company's ability to innovate and adapt to market changes.