Asset Management

GROWTH PULSE SERIES

November 2025

DIGITAL HOUSEHOLD:
THE ELECTRIFYING CHANGE IN INDIA'S CONSUMPTION

India's electronics journey feels like watching a sunrise spread across the country, touching one home after another with new possibilities. In big cities, families are upgrading the way they live and work, discovering devices that make life smoother and more connected. In smaller towns, young people are exploring the digital world with curiosity and ambition, using technology to learn, earn, and express themselves. Behind the scenes, global brands and homegrown innovators are rolling up their sleeves and building a stronger manufacturing base, drawn by India's talent and its sense of purpose. What was once a market defined mostly by imports is slowly turning into a hub of creation and capability. Together, these threads are weaving a story of progress where electronics are not just machines but symbols of aspiration, access, and a nation rising with quiet determination.

1. Overview of consumer durables industry

Digital economy, online shoppers, and internet penetration

According to the World Bank's "Digital Progress and Trends Report 2023," the number of global internet users grew by 1.5 billion between 2018 and 2022, reaching 5.3 billion, or about two-thirds of the world's population. In low-income countries, however, only one in four people was online. As internet access expands, more people are combining online and in-store shopping for greater convenience and wider market access.

Exhibit 1 - Individuals using the Internet (% of population) and digital transactions (% of population) in key economies

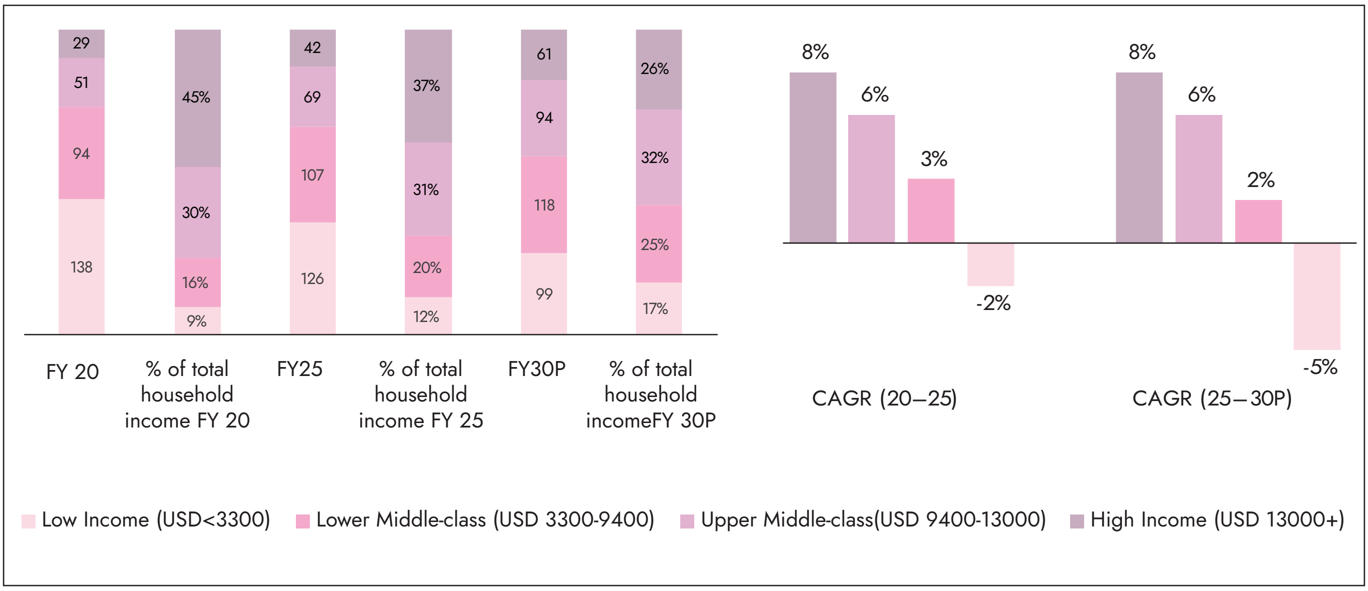
Country	Made or received a digital payment (% of population ages 15+), **CY 2021**	Individuals using the internet (% of population), **CY 2023**	Online shoppers (In Mn), **CY 2024**
USA	93%	92%	~273
China	86%	76%	~904
Japan	96%	83%	~94
Germany	99%	92%	~62
India	35%	46%	~280
UK	99%	97%	~55
France	98%	85%	~48
Brazil	77%	81%	~125
Australia	99%	96%	~9.8

Source: Individuals using the internet and Digital transactions data from the World Bank report titled "Digital Progress and Trends Report 2023" and Online Shoppers data through Secondary Research, Ambit Asset Management

A rising number of middle and high-income households, which boosts the purchasing power of consumers

Rising disposable incomes are prompting households to spend more on comfort and lifestyle products rather than just essentials. As more families move into middle- and higher-income brackets, they create stronger demand for discretionary goods and services, which in turn supports faster adoption of new technologies.

Exhibit 2 - Share of households by annual income across India (No of households in Mn)



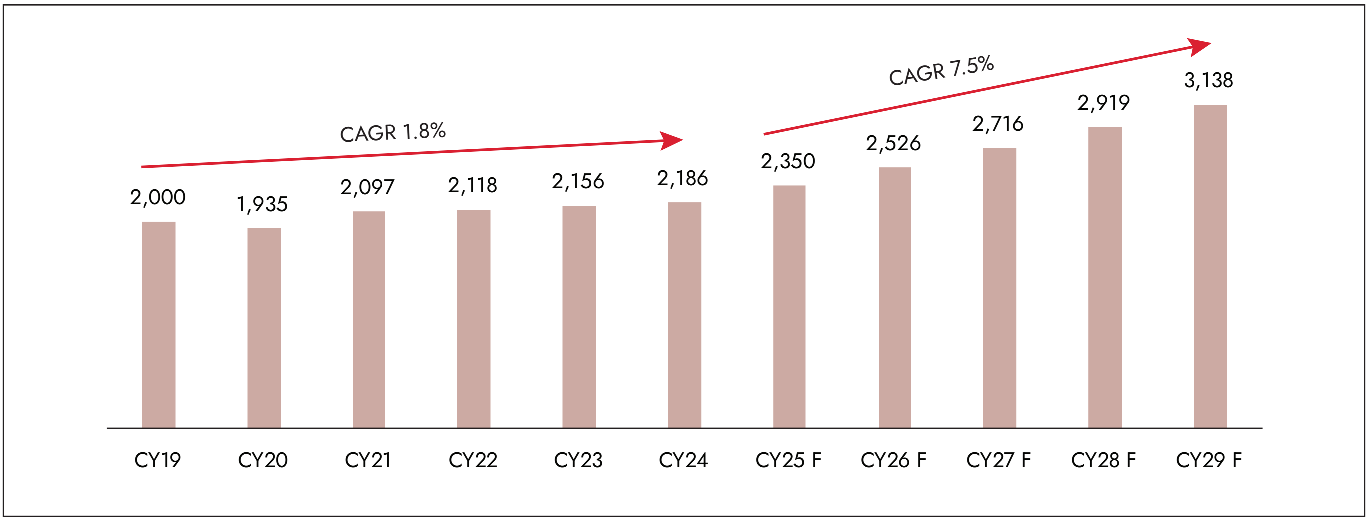
Note - Income is calculated based on real wage growth, accounting for wage inflation (1 US$ = ₹85)
Source: Redseer Research and Analysis, Ambit Asset Management

Overview of the Electronics Industry

Electronics market size & segmentation

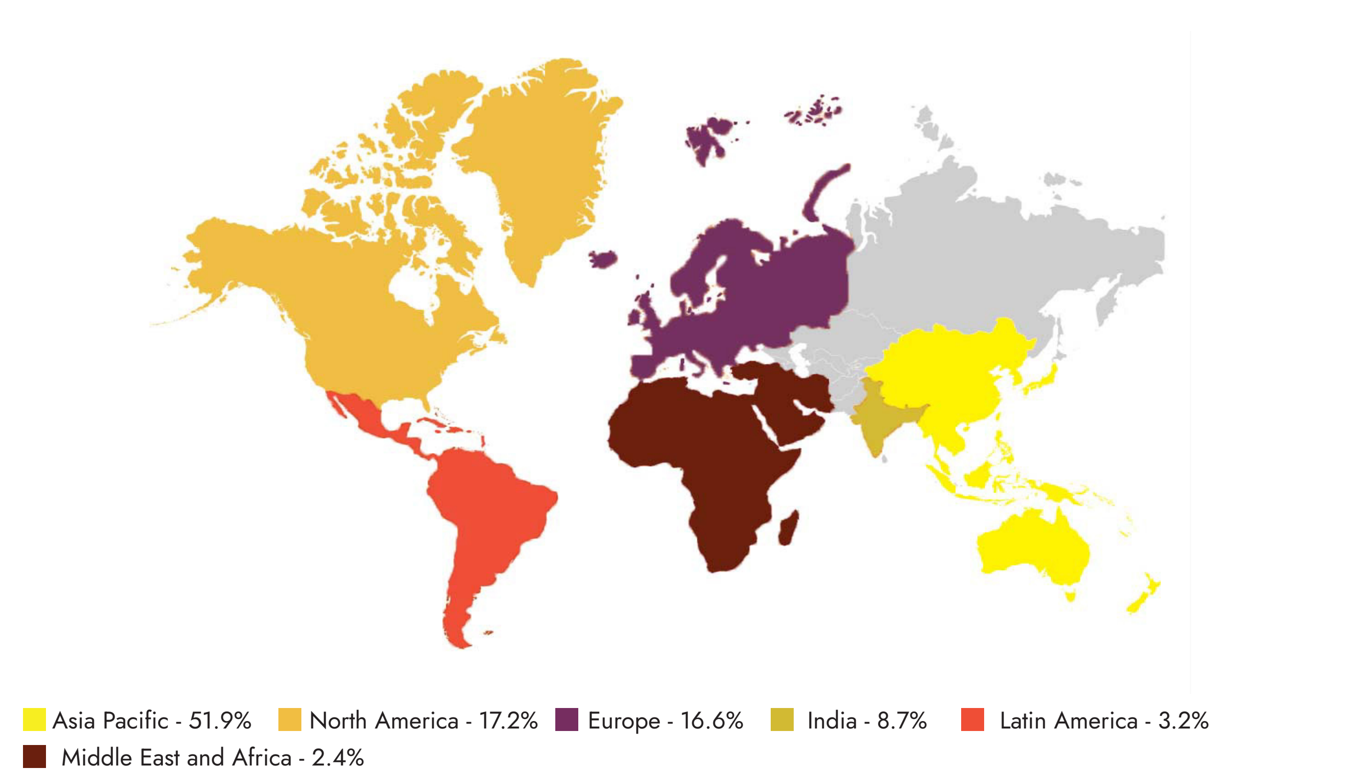
The electronics industry spans the design, production, and sale of electronic devices and components, supporting major sectors like consumer electronics, automotive, telecom, healthcare, aerospace, and industrial automation. The global market is rapidly evolving due to technological innovation, rising use of AI and smart devices, and a stronger push toward sustainability. Although the industry offers significant growth opportunities, it also faces challenges such as supply chain constraints and changing regulations. Overall, it remains one of the world's most dynamic and resilient sectors.

Exhibit 3.1 - Global electronics market (US$ Bn)



Note: Market size: production + import – export of finished goods. Asia Pacific excludes India
Source: IMARC Group, CareEdge Research, Ambit Asset Management

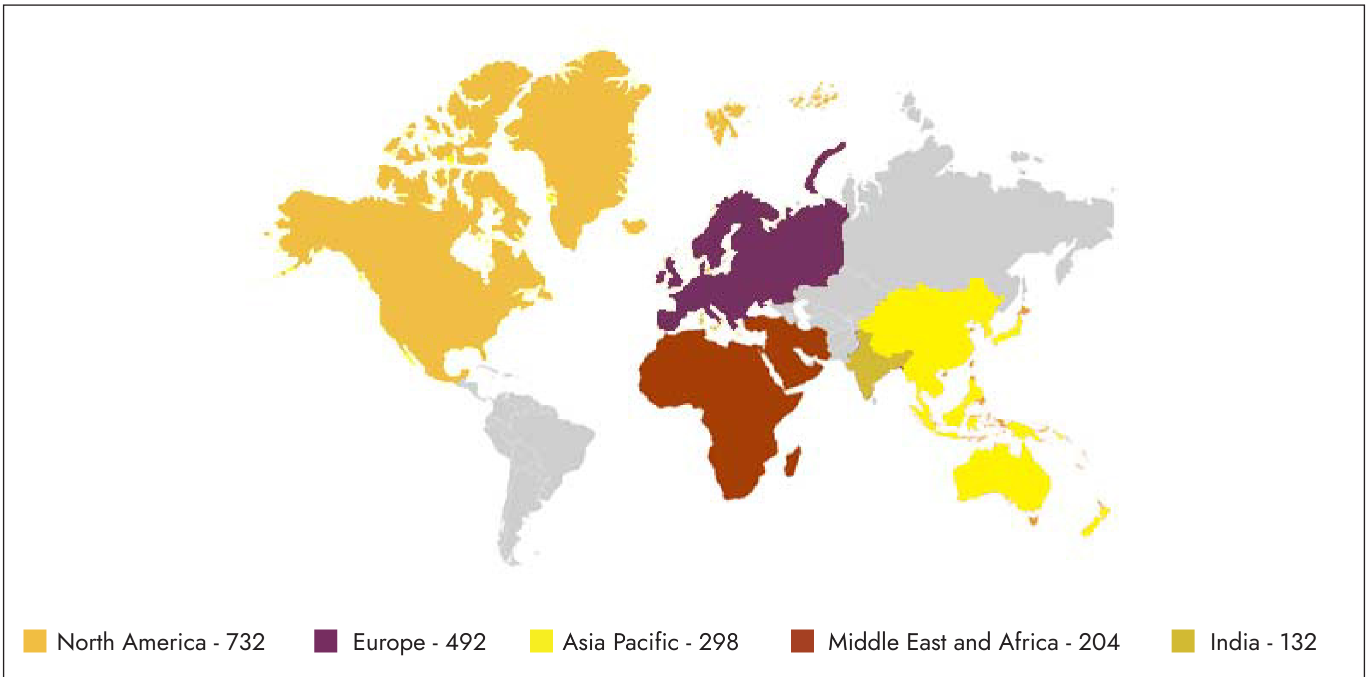
Exhibit 3.2 - Electronics market: Breakup by region (Market share)



Note: Market size: production + import – export of finished goods. Asia Pacific excludes India
Source: IMARC Group, CareEdge Research, Ambit Asset Management

India's per capita electronics consumption is low compared to global levels, but it is growing quickly and is projected to rise from US$132 in CY24 to US$179 by CY29 at a CAGR of 6.3%. This gap indicates strong future potential, supported by rising digital adoption, a young tech-oriented population, improving affordability, and increasing demand across both urban and non-urban regions.

Exhibit 3.3 - Per capita consumption of electronics in major economies (CY24)

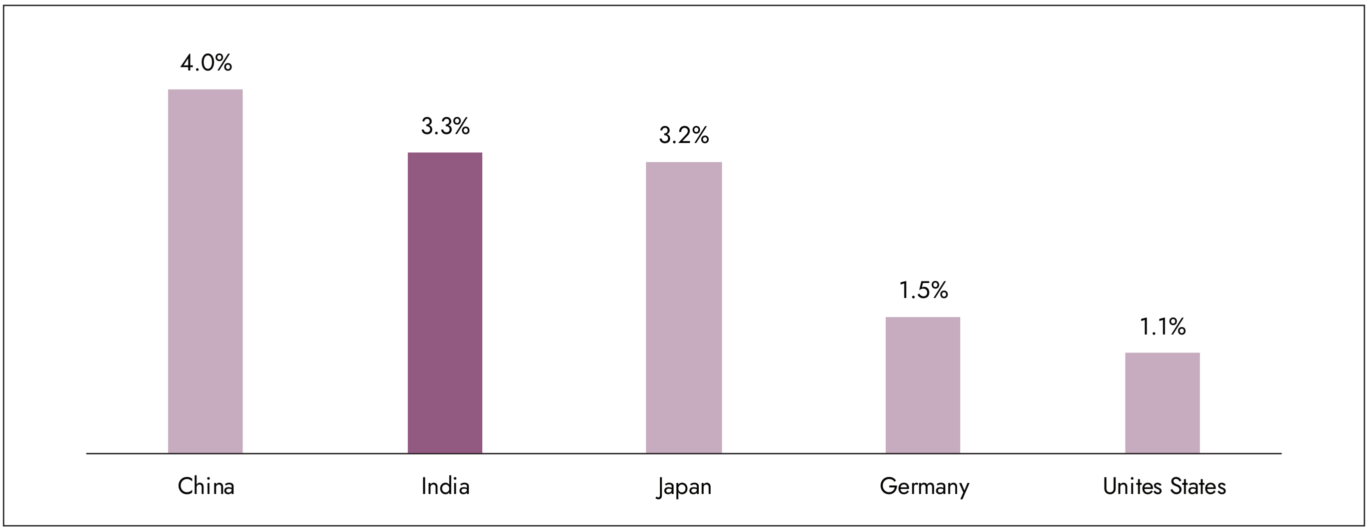


Note: Market size: production + import – export of finished goods. Asia Pacific excludes India
Source: IMARC Group, CareEdge Research, Ambit Asset Management

Electronics manufacturing contribution to GDP for major countries

India is gaining momentum in the global shift toward diversified electronics manufacturing, supported by government programs that promote local production and attract multinational companies. Major players like Apple and Foxconn are scaling their investments as they find value in India's skilled workforce, improving infrastructure, and stable policy environment. These factors are helping the country build a stronger role in the international electronics supply chain.

Exhibit 4 - Electronics manufacturing contribution to GDP for major countries (CY 24)

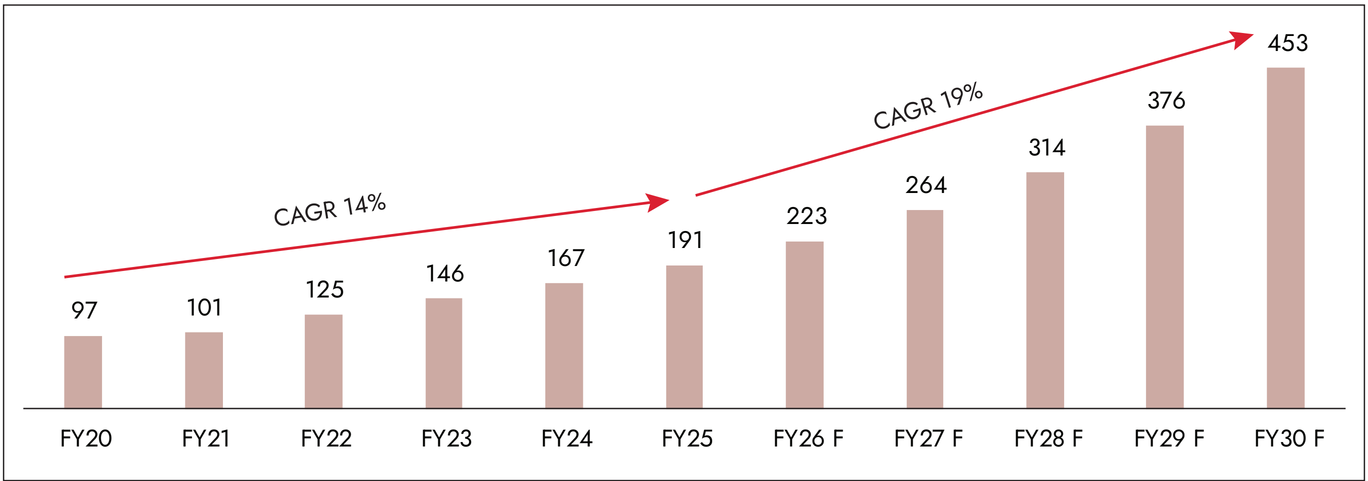


Source: IMARC Group, CareEdge Research, Ambit Asset Management

India's electronics market size & segmentation

India's electronics sector is expanding quickly as rising domestic demand and favorable policies encourage more global companies to establish manufacturing in the country. Electronics exports, particularly mobile phones, are increasing as India becomes a more important part of international supply chains.

Exhibit 5 - Indian electronics market (US$ Bn)

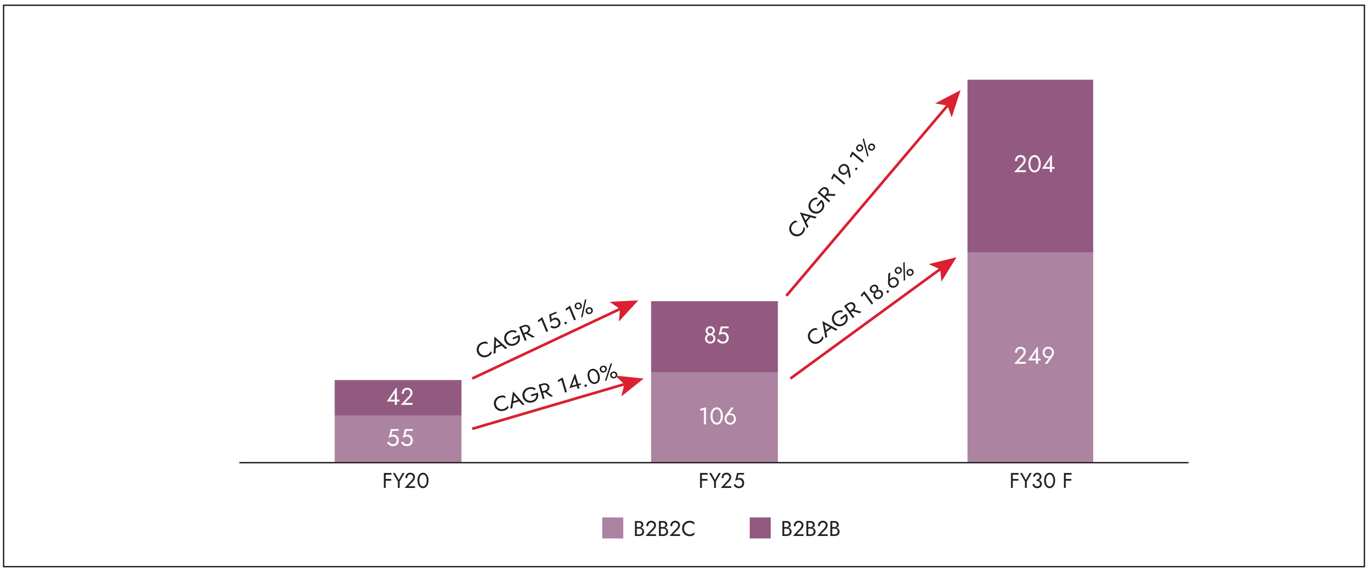


Note: Market size: production + import – export of finished goods
Source: IMARC Group, CareEdge Research, Ambit Asset Management

Indian electronics market by segments

The B2B2C segment led the market, supported by a growing middle class and rising consumer spending. Demand increased for affordable, feature-rich devices like smartphones, laptops, and home appliances, helped by the rise of online shopping and digital entertainment. Expanding mobile internet access and low-cost data further encouraged the use of digital services, which lifted overall electronics consumption.

Exhibit 6 - India's electronics market: Breakup by segments (US$ Bn)

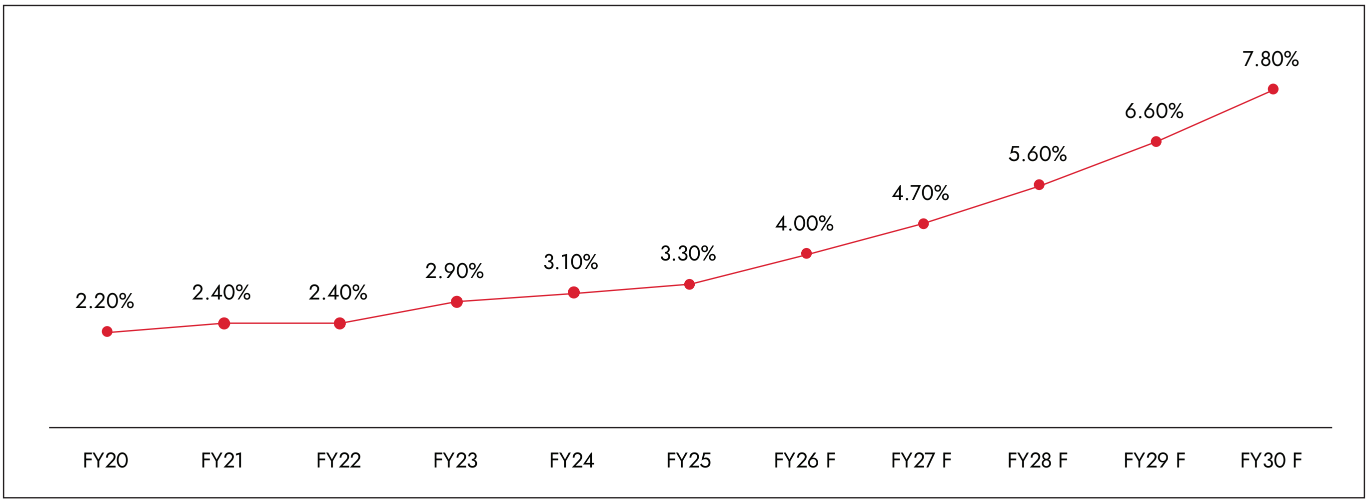


Source: IMARC Group, CareEdge Research, Ambit Asset Management

Indian electronics production as a % of GDP

India's electronics sector is becoming a larger part of the economy as its output grows steadily. Trade agreements are opening new global markets and improving the industry's competitiveness. At the same time, rising adoption of sustainable manufacturing is helping India align with global standards and attract responsible investors.

Exhibit 7 - Indian electronics production as a % of GDP

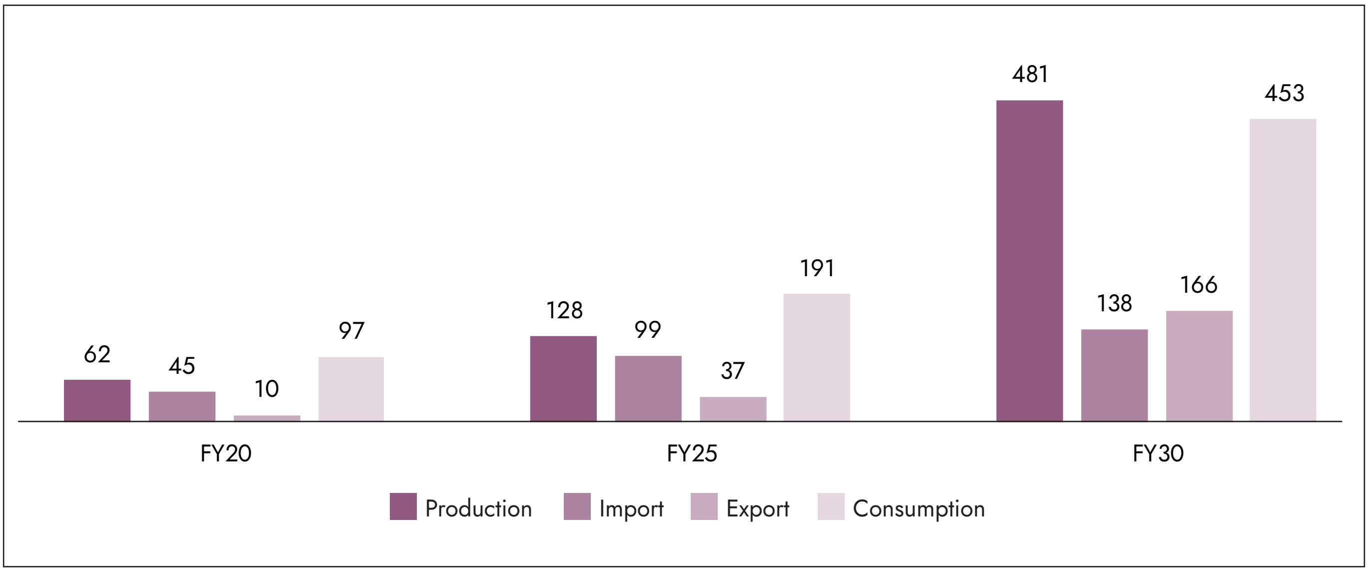


Source: IMARC Group, CareEdge Research, Ambit Asset Management

Comparison of Indian domestic electronics - production, exports, and imports

India's electronics industry is accelerating as policy support, export-focused incentives, and large-scale manufacturing investments strengthen its global competitiveness. Rising output and faster export growth point to a sector that is steadily reducing its dependence on imports. The expansion of modern facilities and broader integration into worldwide supply chains is positioning India as a more influential manufacturing destination.

Exhibit 8 - Comparison of Indian domestic electronics production Vs. consumption Vs exports Vs. imports (US$ Bn)

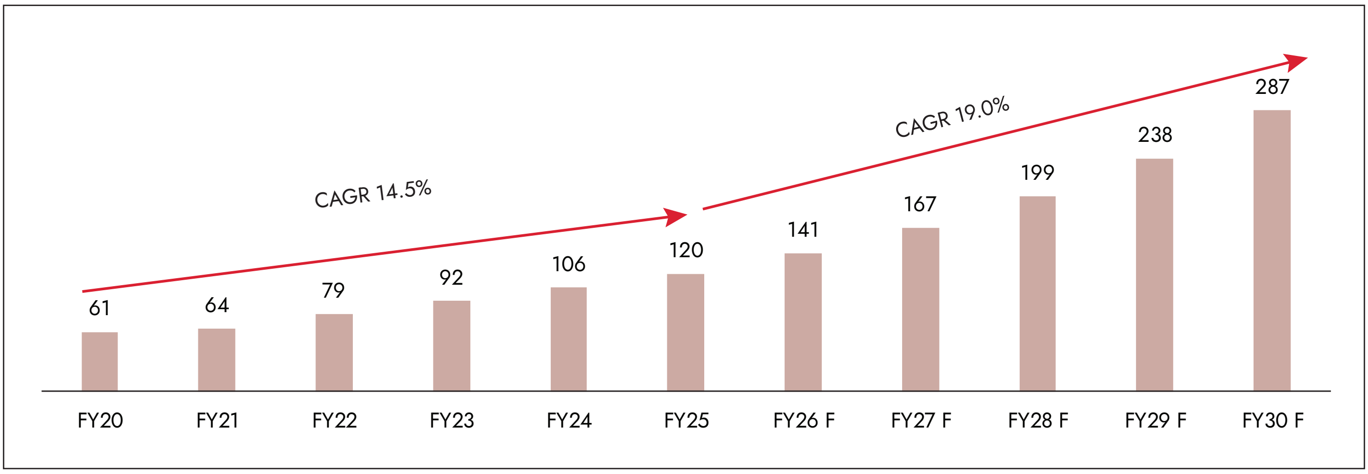


Source: IMARC Group, CareEdge Research, Ambit Asset Management

Overview of the consumer electronics industry in India

Global brands are increasing production in India, while local manufacturers are scaling up to meet expanding needs. These trends are strengthening India's position in the global consumer electronics space.

Exhibit 9 - India's consumer electronics market (Sales value – US$ Bn)



Note: Market size: production + import – export of finished goods
Source: IMARC Group, CareEdge Research, Ambit Asset Management

India's consumer electronics - by-products

India's consumer electronics market is growing steadily as higher incomes and new technologies increase demand for a wide range of products. Different categories are expanding at varying speeds, reflecting shifting preferences and a broadening interest in lifestyle-focused devices.

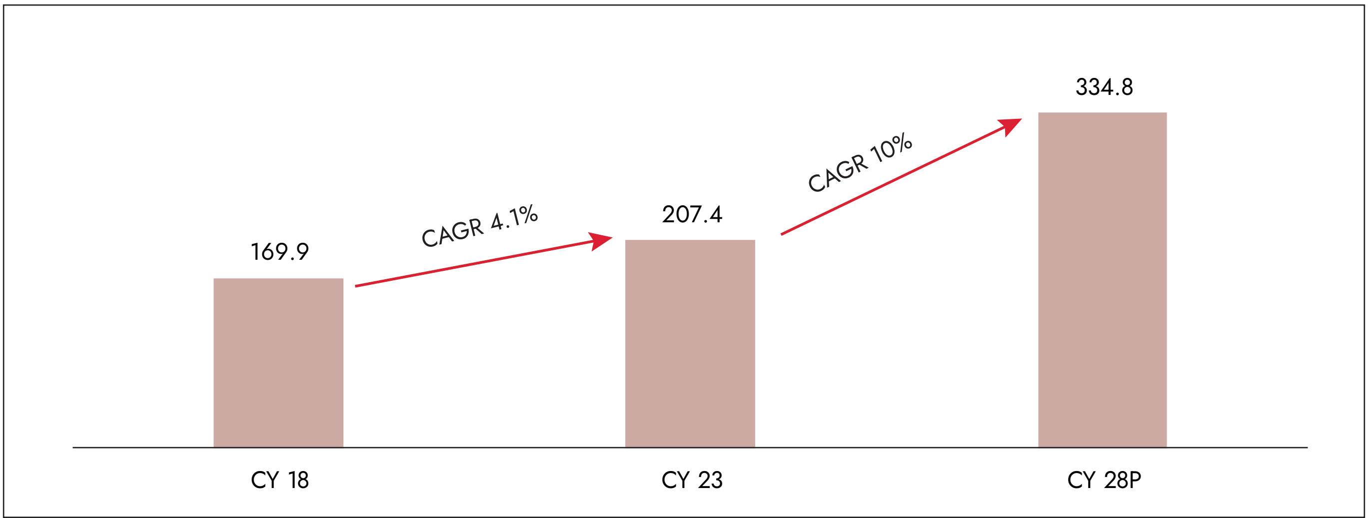
Exhibit 10 - India's consumer electronics: Breakup by products (US$ Bn)

Product	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	CAGR FY 20-25	CAGR FY 20-25E
Mobile Phones	40	41	51	59	67	76	89	105	124	148	177	13.9%	18.3%
LED TVs	7	7	8	10	11	13	15	18	22	26	31	14.7%	19.2%
Laptops	3	3	4	5	5	6	7	8	10	12	15	15.2%	19.6%
Refrigerators	2	2	3	3	4	5	5	6	8	9	11	15.6%	20.1%
Air Conditioners	2	2	2	3	3	4	5	6	7	8	10	16.3%	20.7%
Washing Machines	1	1	2	2	2	3	3	4	5	7	9	16.6%	21.0%
Kitchen Appliances	1	1	2	2	2	2	3	3	4	5	7	17.1%	21.4%
Home Appliances	1	1	1	1	1	2	2	4	5	5	7	17.6%	21.8%

Source – 1Lattice analysis, Ambit Asset Management

The global used & refurbished electronics market grew at a CAGR of 4.1% during CY18-23, reaching a value of US$207.4Bn in CY23.

Exhibit 11 - Global used & refurbished electronics market (US$ Bn)



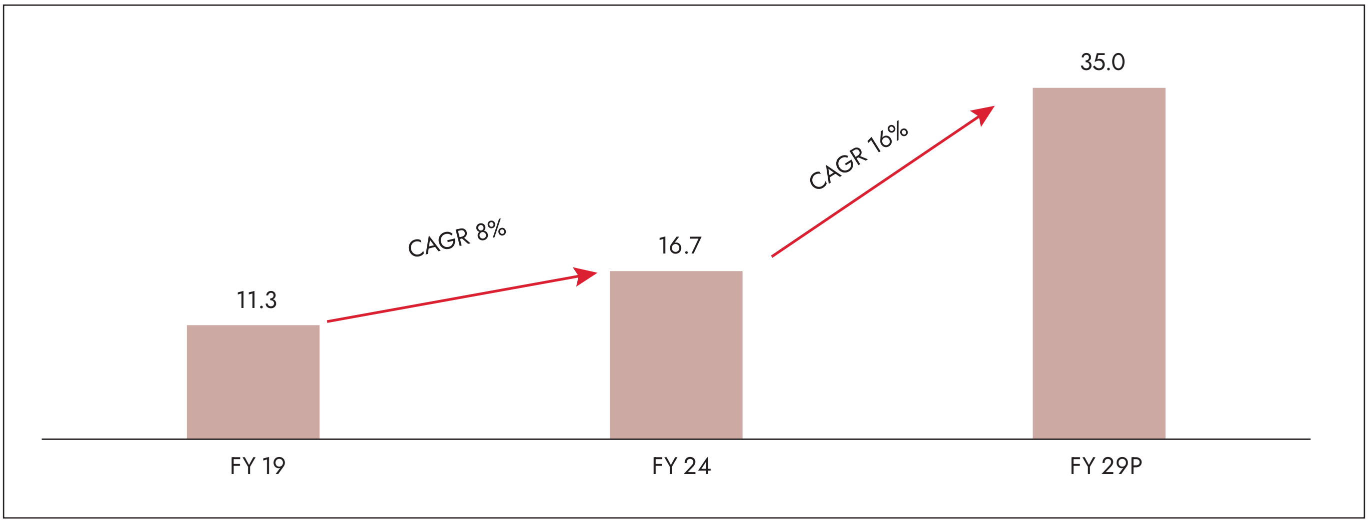
Source – 1Lattice analysis, Ambit Asset Management

Used & refurbished electronics market in India

India's secondary electronics market includes devices sold in used condition and those refurbished after inspection and repair to meet manufacturer standards. It covers products ranging from smartphones and laptops to appliances and gaming consoles.

Refurbished devices offer added value through warranties, reliable performance, and extended usability, making them a strong alternative to new products.

Exhibit 12 - Used & refurbished electronics market in India (US$ Bn)

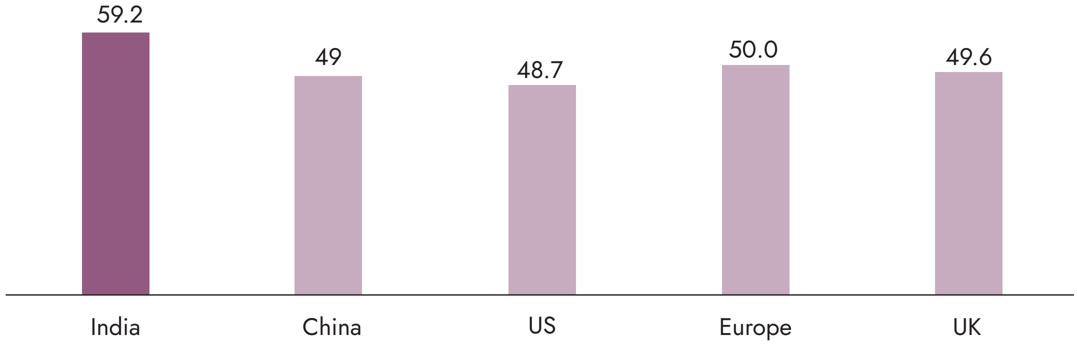


Source – 1Lattice analysis, Ambit Asset Management

2. Key Macro Indicators

2.1 PMI

Exhibit 13: Manufacturing PMI - India v/s other countries for October 2025



Source: Trading Economics, Ambit Asset Management

2.2 INFLATION

Exhibit 14: All India Inflation rates – September 2025

Identifier		September, 2025 (Final)		
		Rural	Urban	Combined
Inflation	**CPI (General)**	1.07	1.83	1.44
	CFPI	-2.22	-2.47	-2.33
Index	**CPI (General)**	198.8	194.9	197.0
	CFPI	198.5	205.7	201.0

Source: Ministry of Statistics and Programme Implementation, Ambit Asset Management

2.3 EIGHT CORE INDUSTRIES

Sector	Coal	Crude oil	Natural Gas	Refinery Products	Fertilizers	Steel	Cement	Electricity	Overall Index
Sept-24	151.8	72.0	75.8	134.1	134.8	202.0	178.8	206.9	155.4
Sept-25*	150.0	71.1	72.9	129.2	137.0	230.5	188.3	211.3	160.1
YOY % Change	-1.2%	-1.3%	-3.8%	-3.7%	1.6%	14.1%	5.3%	2.1%	3.0%

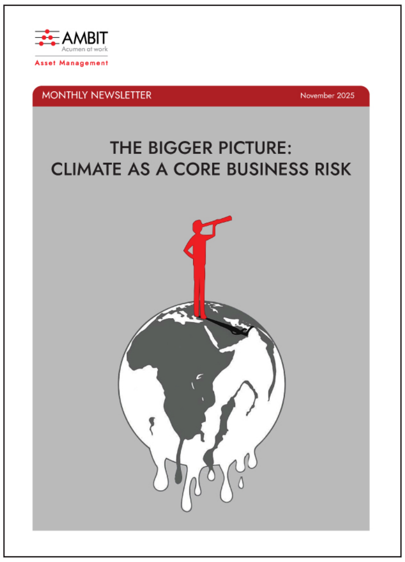
Note: *Provisional numbers for the month
Source: Ministry of Commerce & Industry, Ambit Asset Management

2.4 GST COLLECTIONS

Revenue (USD Bn)	Sept-24	Sept-25	Growth (YOY%)
Gross Domestic Revenue	14.45	15.44	6.8%
Gross Import Revenue	5.13	5.93	15.6%
Total Gross GST Revenue	19.59	21.37	9.1%

Source: GST.gov, Ambit Asset Management (1$ = INR 88.45)

3. Readings



November Newsletter: THE BIGGER PICTURE: CLIMATE AS A CORE BUSINESS RISK

As we enter November, large parts of India — including Mumbai — continue to experience unseasonal and persistent rainfall, a phenomenon that would have been difficult to imagine even a year ago. The shifts in climate patterns have become increasingly pronounced in recent years, and the year 2025 stands out as a case in point. This year witnessed one of the shortest summers in recent history, leading to subdued demand across several consumer categories such as air conditioners, coolers, fans, ice creams, and cold beverages. In contrast, the prolonged monsoon season — among the longest in recent decades — has driven higher sales of rain-related products such as umbrellas and protective gear. However, these extended rains have also disrupted the seasonal business cycle for products that typically see higher demand post-monsoon, including decorative paints, agrochemicals, and other weather-dependent categories. In this edition, we highlight the growing impact of climate change on consumption patterns, business performance, and investment dynamics. As climate variability becomes a defining factor for economic activity, incorporating its implications into investment and strategic decision-making is becoming increasingly imperative.

Click here to read more

4. Ambit Asset Management Overview

Ambit Investment Advisors Private Limited (AIAPL) is a SEBI registered Portfolio Manager. AIAPL is a subsidiary of Ambit Private Limited (APL). Ambit is one of India's premier providers of financial advice and capital. The Ambit group provides financial advice and capital to enable clients across Institutions, Corporates, High Net Worth Individuals, Self-employed Individuals and Small & Medium Enterprises, to achieve their goals. Currently, AIA offers Discretionary, Non-Discretionary Portfolio Management Services and Advisory Services to its clients.

Long Only PMS Offerings

AMBIT COFFEE CAN PORTFOLIO

Since June 2017

- Aims to deliver steady returns with minimal risk to create wealth over long term

Large-cap oriented portfolio

Great companies with a long proven track record of consistent growth and high RoE

AMBIT GOOD & CLEAN MIDCAP PORTFOLIO

Since March 2015

- Focuses to deliver steady risk adjusted returns by identifying the large caps of tomorrow

Mid-cap oriented portfolio

Proven track record of efficient capital allocation and sustainable growth

AMBIT MICRO MARVELS PORTFOLIO

Since July 2024

- Our investment strategy centers on micro-cap companies within niche markets, emphasizing high earnings growth, low leverage, and strong corporate governance.

Micro-cap oriented portfolio

Based on our proprietary 'Good' and 'Clean' framework with extensive use of the Scuttlebutt approach.

Gift-City Offerings

AMBIT ATULYA INDIA FUND*

Since August 2025

- A dollar-denominated fund offering a gateway to growth opportunities in India and targeting to invest in businesses with the potential to multiply earnings over the next 12-13 years

Equity-oriented GIFT City AIF

Meticulously researched opportunities with dynamic toggling across the credit and tenor curve.

AIF

AMBIT PRICING PROWESS FUND

Since July 2025

- Targets high-quality, dominant franchises that possess and can sustain long-term compounding through inherent and robust pricing prowess.

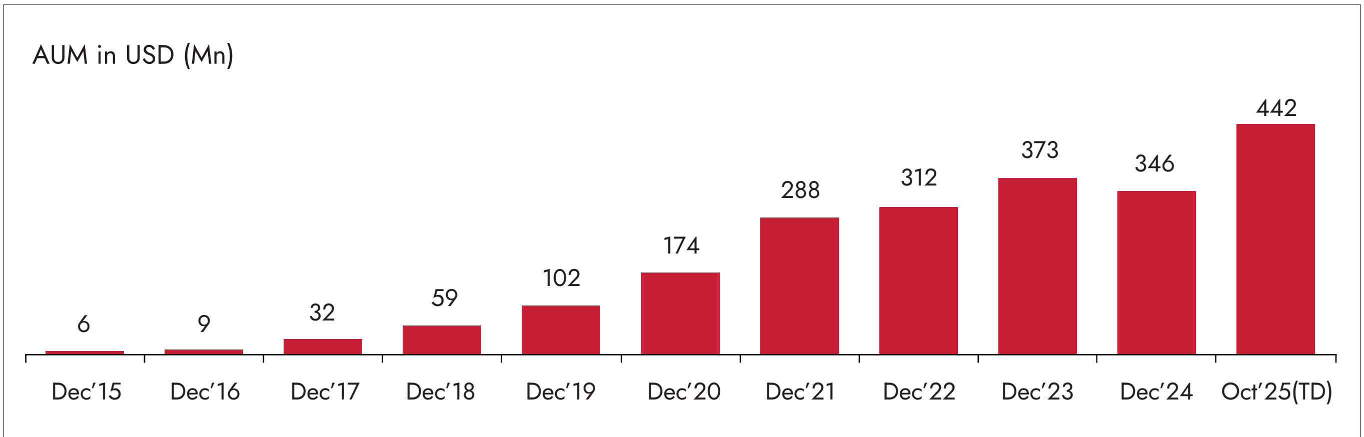
Long-only, Category III, flexi-cap AIF with a quality bias driven by strong pricing power.

Our endeavor is to invest in dominant franchises — not necessarily duopolies or oligopolies — but those with superior market share in their respective segments, coupled with multiple and expanding moats. We seek allocations in both established and emerging pricing power companies.

Ambit Portfolio	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25 YTD	Since Inception
Ambit Coffee CanPortfolio US ($)			12.9%	4.7%	15.5%	18.5%	20.2%	-13.9%	15.7%	12.6%	3.2%	10.2%
MSCI India US ($)			12.8%	-8.4%	5.7%	14.1%	24.8%	-8.5%	19.6%	11.2%	2.6%	8.2%
Ambit Good & Clean Midcap Portfolio US ($)	-7.4%	2.8%	37.7%	-6.2%	10.7%	13.5%	26.6%	-10.3%	31.2%	19.6%	-10.9%	8.8%
MSCI Midcap US ($)	-11.0%	4.3%	54.3%	-20.0%	-11.3%	16.33%	30.0%	-15.9%	35.1%	21.3%	-3.0%	7.0%
Ambit Micro Marvels US ($)										-2.8%	-15.9%	-14.9%
MSCI Smallcap US ($)										-1.3%	-4.4%	-4.5%
Ambit Pricing Prowess Fund (US $)											0.3%	0.3%
MSCI India (US $)											1.7%	1.7%

*USD Returns as on 31ST October 2025

*Nifty 50 TRI is the selected benchmark for the Ambit Coffee Can Portfolio, while BSE 500 TRI is the selected benchmark for the Ambit Good & Clean Midcap and Ambit Micro Marvels Portfolios. The same is reported to SEBI. We have indicated MSCI India, MSCI India Midcap, and MSCI India Smallcap indices for information purposes only. The same should not be relied upon for performance benchmarking in any manner.



Source: Ambit Asset Management

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Acumen at work

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