



Industry Report on IT BPM Solutions Outdoor Digital Kiosks

March 2026

Prepared for Addsoft Technologies Private Limited

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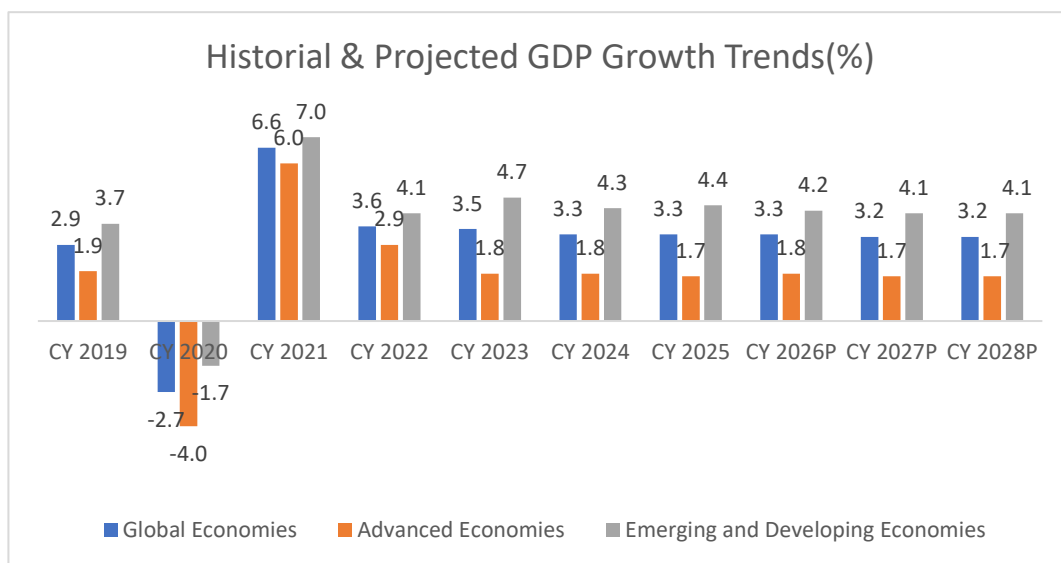
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Global Macroeconomic Scenario

Global Economic Overview

Global growth is projected to remain resilient at 3.3 percent in 2026 and at 3.2 percent in 2027. The forecast reflects a slight upward revision for 2026 and no change for 2027 compared with that in the October 2025 World Economic Outlook (WEO)¹. This steady performance on the surface results from the balancing of divergent forces. Headwinds arising from shifting trade policies are offset by tailwinds from rapidly expanding technology-related investment—particularly in artificial intelligence (AI)—with the impact more pronounced in North America and Asia than in other regions. Additionally, fiscal and monetary support, broadly accommodative financial conditions, and strong private-sector adaptability continue to underpin global economic resilience.



Source – IMF Global GDP Forecast Release January 2026

*Note CY 2028 projection is taken from October 2025(World Economic Outlook)

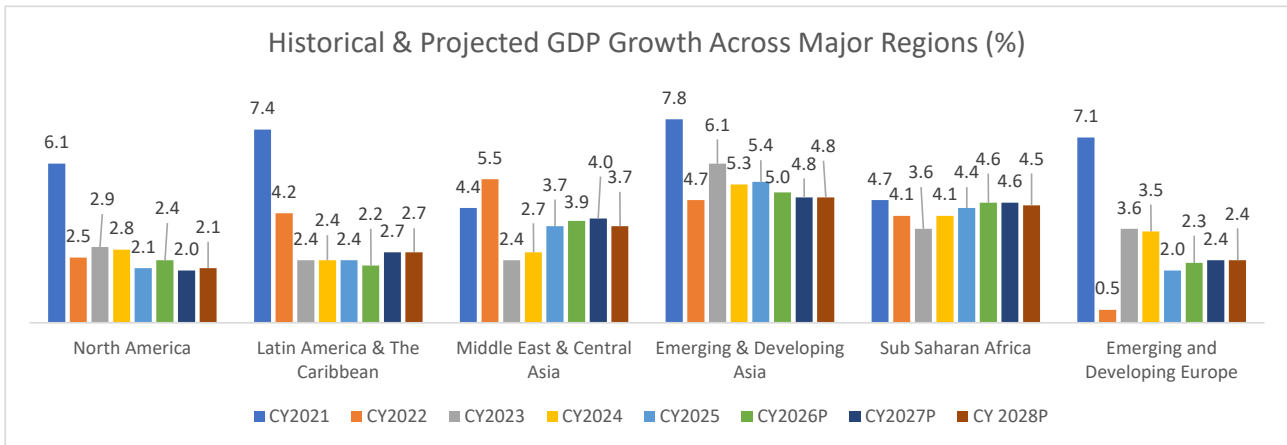
Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict economic criteria and has evolved over time. It comprises 40 countries in the Advanced Economies category, including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected Eurozone members (Germany, Italy, France, etc.). The group of emerging and developing economies (156) comprises all economies not classified as Advanced Economies (e.g., India, China, Brazil, Malaysia).

Historical and Projected GDP Growth

GDP growth across major regions was mixed trend during 2024–25. While growth in several regions—including Emerging and Developing Asia as well as Latin America and the Caribbean—is expected to slow further in 2026, performance remains uneven across geographies. In Emerging and Developing Asia (comprising economies such as India, China, Indonesia, and Malaysia), GDP growth is projected to moderate

¹ <https://www.imf.org/-/media/files/publications/weo/2026/january/english/text.pdf>

to 5.4% in 2026, compared with 5.3% in the previous year. Similarly, in Latin America and the Caribbean, growth is expected to ease to 2.2% in 2026, before rebounding to 2.7% in 2027 as countries in the region approach potential output from differing cyclical positions.



Source-IMF World Economic Outlook January 2026 update.

*Note CY 2028 projection is taken from October 2025(World Economic Outlook)

By contrast, growth in the Middle East and Central Asia is projected to accelerate, rising from 3.7% in 2025 to 3.9% in 2026 and further to 4.0% in 2027. This acceleration is supported by higher oil output, resilient domestic demand, and ongoing structural reforms. Likewise, growth in Sub-Saharan Africa is expected to strengthen, rising from 4.4% in 2025 to 4.6% in both 2026 and 2027. However, according to the IMF World Economic Outlook, growth is projected to moderate slightly to 4.5% in 2028, driven by ongoing macroeconomic stabilization and reform efforts in several key economies. Meanwhile, in Emerging and Developing Europe, the sharp slowdown to 2.0% in 2025 is expected to reverse, with the region’s economies projected to expand at an average rate of 2.3% in 2026 and 2.4% in both 2027 and 2028. Across most regions, this recovery also reflects the diminishing effects of recent shifts in global trade policies.

Global Economic Outlook

Since the October 2025 World Economic Outlook (WEO), trade tensions have continued to ease, although they remain subject to occasional flare-ups. A dispute between China and the United States over exports controls of semiconductors and rare earth minerals was followed by a truce that reduced bilateral tariffs until November 2026 and introduced a pause on export controls.

In addition, US authorities removed tariffs on some agricultural products for all countries, offsetting the higher tariffs on certain sectors that were previously announced and are now in effect. As a result, the overall US effective tariff rate remains broadly unchanged from the level assumed in the October 2025 WEO although changes for specific countries are significant. The US Supreme Court is widely expected to deliver a decision in early 2026 regarding the president’s use of the International Emergency Economic Powers Act. At the same time, newly signed bilateral trade and other agreements, often including substantial investment

and purchase commitments with limited public disclosure, have added further complexity. Although policy uncertainty has declined since October, it remains considerably higher than in January 2025.

Global growth in the third quarter of 2025 decelerated to 2.4 percent on an annualized basis, exceeding expectations; however, upside surprises in some countries were offset by downside surprises in others. In France, a boost from aerospace exports lifted growth to 2.2 percent, whereas in Germany, falling exports continued to weigh on activity, thereby leaving real GDP unchanged between the second and third quarters. Meanwhile, Japan's economy contracted by 2.3 percent, as private and government consumption partially offset the contraction driven by declines in private residential investment and exports. At the same time, China's growth decelerated to 2.4 percent (according to staff estimates), with weak domestic demand—particularly in the housing sector—only partly offset by resilient exports.

In contrast, growth in the United States accelerated to 4.3 percent, supported by a pickup in technology investment and expenditure, which is estimated to have added approximately 0.3 percentage point to average annualized GDP growth during the first three quarters of 2025, thereby offsetting the drag from the federal government shutdown in the final quarter of the year. In addition, there are indications that technology-related investment also contributed to economic activity in Spain and the United Kingdom, although the scale of this contribution was smaller than that observed in the United States.

India–European Union Free Trade Agreement:

India and the EU concluded a landmark Free Trade Agreement (FTA) on 27 January 2026 during the 16th India–EU Summit, which aims to deepen and stabilise trade between India—the world's fourth-largest economy—and the EU, the second-largest economic bloc. The agreement expands market access, reduces trade frictions, and enhances predictability for cross-border commerce, thereby building on an already strong economic relationship reflected in USD 136.54 billion of goods trade in FY25. It supports India's export-led growth by granting preferential access to over 99% of its exports and by integrating Indian industries more deeply into European value chains, while simultaneously providing the EU with a reliable long-term partner and a diversified supply base. Beyond tariff reductions, the FTA strengthens trade conditions by establishing clearer rules, streamlining procedures, and reinforcing compliance and dispute-resolution mechanisms. These measures collectively reduce administrative uncertainty, encourage long-term investment and sourcing decisions, and enable MSMEs and labour-intensive sectors to expand their presence in the EU's large and diverse market.

Against a backdrop of rising commercial engagement, the agreement delivers immediate gains for the EU by improving tariff treatment and clarifying market-entry conditions in India.

- India will eliminate or reduce tariffs on 96.6% of EU goods exports, potentially doubling EU exports to India and saving up to USD 4.79 billion annually in duties.

- Tariffs on cars will drop from 110% to 10%, with a quota of 250,000 vehicles per year, while most car-part tariffs will be phased out over 5–10 years.
- High Indian tariffs on machinery (up to 44%), chemicals (22%), and pharmaceuticals (11%) will largely be eliminated.
- Agri-food tariffs on selected EU priority products—such as confectionery, pastries, pasta, chocolates, and pet food—will be sharply reduced or eliminated over agreed timelines.
- Sheep meat (33%) and olive oil (up to 45%) tariffs will be phased down to zero after the staging period.
- Tariffs on alcoholic beverages will see major cuts: wine from 150% to 30%, spirits from up to 150% to 40%, and beer from 110% to 50%.

These reductions give EU exporters a strong competitive advantage by lowering some of India's highest tariff barriers and improving predictability for market entry. Lower duties across autos, industrial goods, and agri-food products expand market opportunities, strengthen EU price competitiveness, and support deeper distribution and after-sales networks in India. Indian consumers benefit through lower prices, better quality, and wider product choice, while Indian firms face increased competitive pressure—rewarding those that innovate and challenging those dependent on high tariff protection. Overall, the agreement positions the EU to scale exports and gain market share in sectors previously constrained by high border costs.

The U.S.–India Trade Deal:

The U.S.–India Trade Deal 2026 marks a major restructuring of bilateral economic relations by establishing an interim framework that resets tariffs, expands market access, and lays the groundwork for a full Bilateral Trade Agreement (BTA). Under this framework, the United States reduces effective tariffs on Indian goods from 50% to 18%, with plans to eventually eliminate duties on pharmaceuticals, gems and diamonds, and aircraft parts.

- Even after the deal, Section 232 tariffs on steel, aluminum, copper, and related products remain at 50%, while select auto components continue at 25%. At the same time, zero tariffs on certain pharmaceuticals, aircraft and parts, and some mechanical and electronic components continue.
- India, in turn, agrees to eliminate or reduce tariffs on all U.S. industrial goods and a wide range of agricultural products, including dried distillers' grains, sorghum for feed, tree nuts, fruits, soybean oil, wine, and spirits.
- In addition to tariff changes, the framework incorporates commitments on non-tariff barriers (NTBs) by simplifying certification, reducing procedural delays, and aligning standards in sectors such as medical devices and ICT goods, where regulatory friction has long affected trade.
- Both sides also pledge cooperation on digital trade rules, investment reviews, and supply-chain resilience, reflecting the broader strategic dimension of the agreement.

- India further commits to aggregate purchases of up to USD 500 billion in U.S. goods over five years—covering energy and technology products—partly contingent on significantly reducing imports of Russian crude.

Given India's strong presence in U.S. supply chains—with about 112,000 Indian suppliers out of 1.1 million foreign suppliers supporting U.S. businesses—the tariff rollback is expected to produce rapid economic effects across multiple sectors. Overall, the deal improves bilateral trade flows while deepening regulatory, technological, and strategic cooperation, enabling more predictable and resilient economic engagement.

Global Growth Projection

At a broader level, the global growth is expected to remain steady, as momentum in high-tech sectors is projected to slow, yet still continue to partly offset the drag elsewhere. While tariffs and elevated uncertainty are expected to weigh on the level of activity, their impact on growth is projected to fade during 2026, 2027 and 2028. At 3.3 percent in 2026 and 3.2 percent in 2027 and 2028, global growth is therefore expected to decelerate slightly from the estimated 3.3 percent recorded in 2025. Compared with the October 2025 World Economic Outlook (WEO), the forecast for 2026 has been revised upward by 0.2 percentage point, whereas the forecast for 2027 remains unchanged. Nevertheless, there are significant revisions for some countries, with changes occurring in different directions.

Growth in advanced economies is projected at 1.8 percent in 2026 and 1.7 percent in 2027 and 2028. In the United States, economic activity is expected to expand by 2.4 percent in 2026, supported by fiscal policy and a lower policy rate, while the impact of higher trade barriers gradually wanes. This 0.3 percentage point upward revision relative to October reflects a stronger-than-expected GDP outturn in the third quarter of 2025, a rebound in activity in the first quarter of 2026 compared with the fourth quarter of 2025 following the end of the federal government shutdown, and the associated carryover effects. Looking ahead, growth in the United States is projected to remain solid at 2.0 percent in 2027, supported by a near-term fiscal boost from tax incentives for corporate investment under the One Big Beautiful Bill Act of 2025. Although technology-driven momentum is expected to moderate, it is still projected to provide a partial offset to lower immigration and moderating consumption.

In the euro area, growth is expected to remain steady at 1.3 percent in 2026 and to increase modestly to 1.4 percent in 2027. The slightly faster growth in 2027 reflects projected increases in public spending, particularly in Germany, alongside continued strong performance in Ireland and Spain. Overall, the forecast remains broadly unchanged from October, with the subdued growth outlook reflecting unresolved structural headwinds. The impact of the planned increase in defense spending is expected to materialize only in subsequent years, as commitments to reach target levels are phased in gradually through 2035. Compared with other regions, the euro area benefits less from the recent technology-driven investment boost. In addition, the lingering effects of persistently higher energy prices following Russia's invasion of Ukraine are

expected to continue weighing on manufacturing, with additional pressure stemming from the real appreciation of the euro relative to the currencies of countries exporting similar products. In Japan, growth is projected to moderate from 1.1 percent in 2025 to 0.7 percent in 2026 and to 0.6 percent in 2027 and 2028. This marks a small upward revision relative to the October figure, reflecting in part the fiscal stimulus package announced by the new government.

In emerging market and developing economies, growth is projected to hover just above 4.0 percent in 2026, 2027, and 2028. Relative to the October forecast, China's growth in 2025 has been revised upward by 0.2 percentage point to 5.0 percent, reflecting the implementation of stimulus measures and additional policy bank lending for investment. Growth in China for 2026 has also been revised upward by 0.3 percentage point to 4.5 percent, as a result of lower effective US tariff rates on Chinese goods following the yearlong trade truce agreed in November, alongside stimulus measures assumed to be implemented over a two-year period. However, the economy's growth rate is expected to decelerate to 4.0 percent in 2027, as structural headwinds increasingly weigh on activity.

Key factors impacting Global Macroeconomic landscape

- Geopolitics remains a defining global risk factor. Ongoing conflict between Russia and Ukraine, heightened tensions in the Middle East, and increasing U.S. geopolitical actions involving countries such as Venezuela, Nigeria, and even regions like Greenland are amplifying systemic uncertainty. These developments are disrupting energy markets and reshaping global supply chains. At the same time, resource nationalism and strategic competition for rare earth minerals have moved from abstract concerns to day-to-day operations.
- The period of frictionless trade shaped by free trade agreements has given way to a stronger push toward regionalization and nearshoring. Geopolitical fragmentation and tariff uncertainty continue to challenge global trade flows.
- Technology adoption and sustainability have become core strategic priorities. Organizations are advancing digital transformation by embedding AI, automation, and cybersecurity into their operations to enhance productivity and safeguard critical assets. AI adoption is emerging as a visible driver of optimism, particularly within the information and communications sectors.

India Macroeconomic Analysis

The International Monetary Fund (IMF) has revised upward India’s economic growth for 2025 by 0.7 percentage point to 7.3%. In its World Economic Outlook update, the IMF stated that the upward revision reflects strong growth momentum in the fourth quarter of the current fiscal year. At the same time, the IMF projects India’s growth at 6.4 percent in CY 2026, noting that despite the expected moderation, India is expected to remain a key driver of growth among emerging market and developing economies. In addition, the IMF expects inflation in India to return to near-target levels following a marked decline in 2025, driven by subdued food prices, which is expected to provide further support to domestic demand. However, the IMF cautioned that AI-driven productivity gains could lead to a pullback in investment and tighter global financial conditions, resulting in spillover effects for emerging economies.

Country	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026 P	CY 2027 P	CY 2028 P
India ²	-5.8%	9.7%	7.6%	9.2%	6.5%	7.3%	6.4%	6.4%	6.5%
China	2.3%	8.6%	3.1%	5.4%	5.0%	5.0%	4.5%	4.0%	4.0%
United States	-2.2%	6.1%	2.5%	2.9%	2.8%	2.1%	2.4%	2.0%	2.1%
Japan	-4.2%	2.7%	0.9%	1.4%	-0.2%	1.1%	0.7%	0.6%	0.6%
United Kingdom	-10.3%	8.6%	4.8%	0.4%	1.1%	1.4%	1.3%	1.5%	1.4%
Russia	-2.7%	5.9%	-1.4%	4.1%	4.3%	0.6%	0.8%	1.0%	1.1%
Germany	-4.1%	3.9%	1.8%	-0.9%	-0.5%	0.2%	1.1%	1.5%	1.2%

Source: World Economic Outlook, January 2026

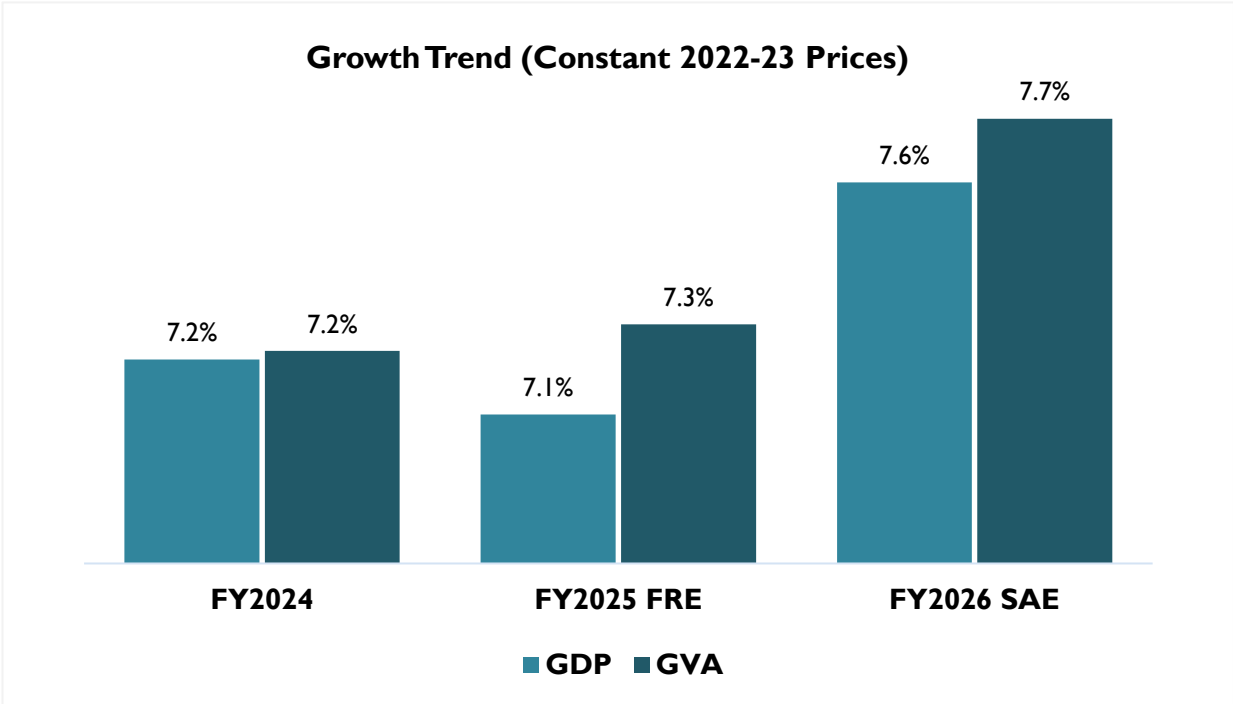
*Note CY 2028 projection is taken from October 2025(World Economic Outlook)

Historical GDP and GVA Growth trend

India Real GDP (GDP at constant prices) for FY 2025–26 is estimated to reach INR 322.58 lakh crore, compared to the First Revised Estimate (FRE) of INR 299.89 lakh crore for FY 2024–25. This represents a growth rate of 7.6% in 2025–26, higher than the 7.1% growth recorded in 2024–25.

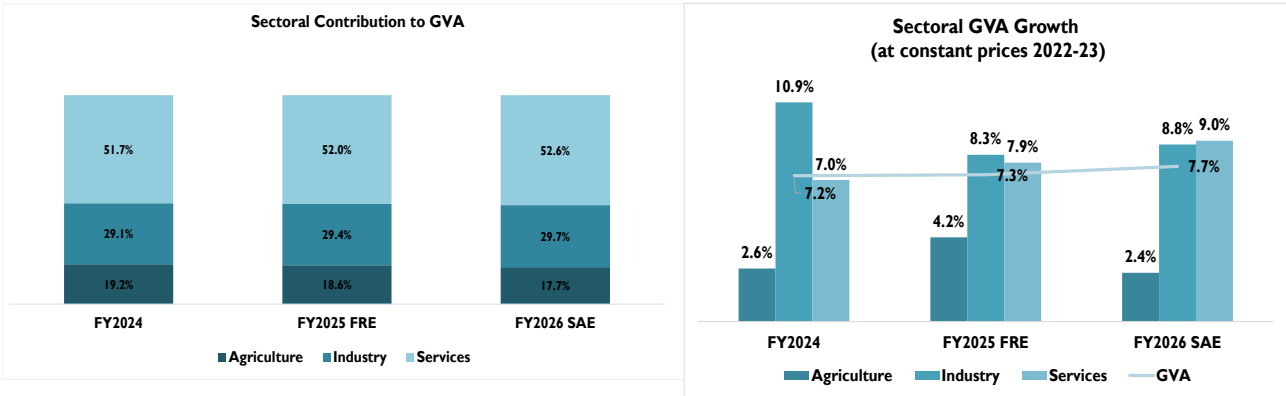
Similarly, Real GVA for FY 2025–26 is projected at INR 294.40 lakh crore, up from INR 273.36 lakh crore in FY 2024–25. This indicates a growth rate of 7.7%, compared with the 7.3% growth achieved in the previous year.

² For India, data and projections are presented on a fiscal year (FY) basis, with FY 2024/25 (starting in April 2024) shown in the 2024 column. India’s growth projections are 6.4 percent for 2026, 6.4 percent for 2027 and 6.5% for 2028 based on calendar year



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics: FY2025, FRE is First Revised Estimate, SAE is Second Advance Estimate

Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI), CMIE Economics Outlook
FRE is First Revised Estimate, SAE is Second Advance Estimate

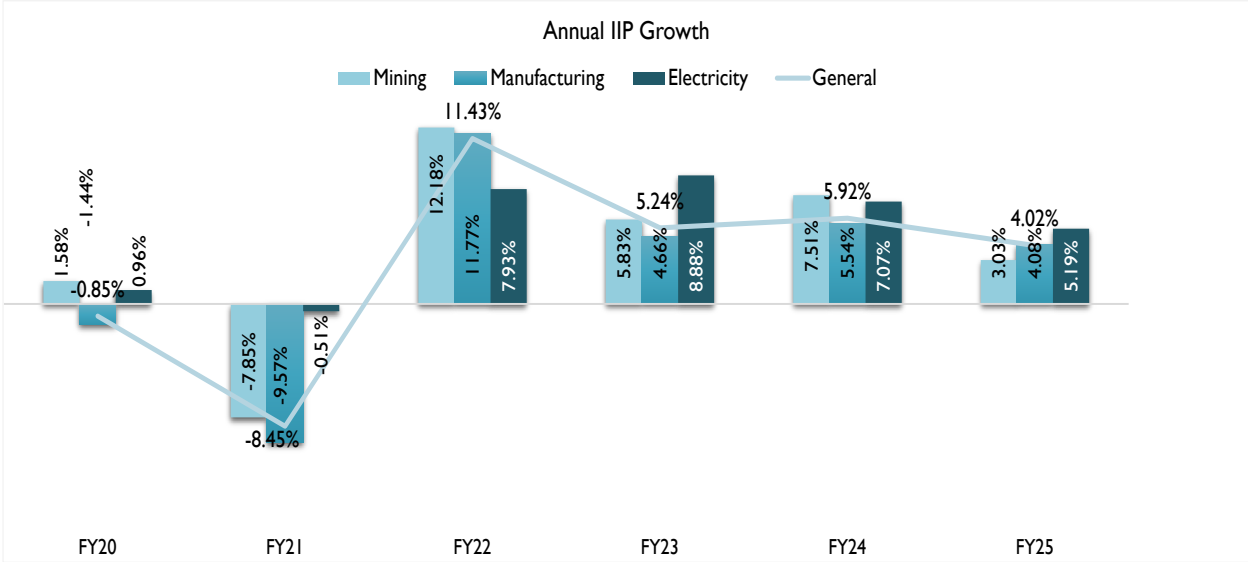
Sectoral analysis of GVA reveals that the industrial sector experienced steady growth momentum in FY 2026, recording a 7.7% y-o-y growth against 7.3% year-on-year growth in FY 2025. Within the industrial sector, growth moderated across sub sector with mining, and construction activities growing by 4.08%, and 7.08% respectively in FY 2026, compared to 11.69%, and 7.30% in FY 2025. Growth in the utilities sector too moderated to 1.52% in FY 2026 from 2.87% in the previous year. The industrial sector’s contribution to GVA moderated marginally from 29.4% in FY 2025 to 29.7% in FY 2026.

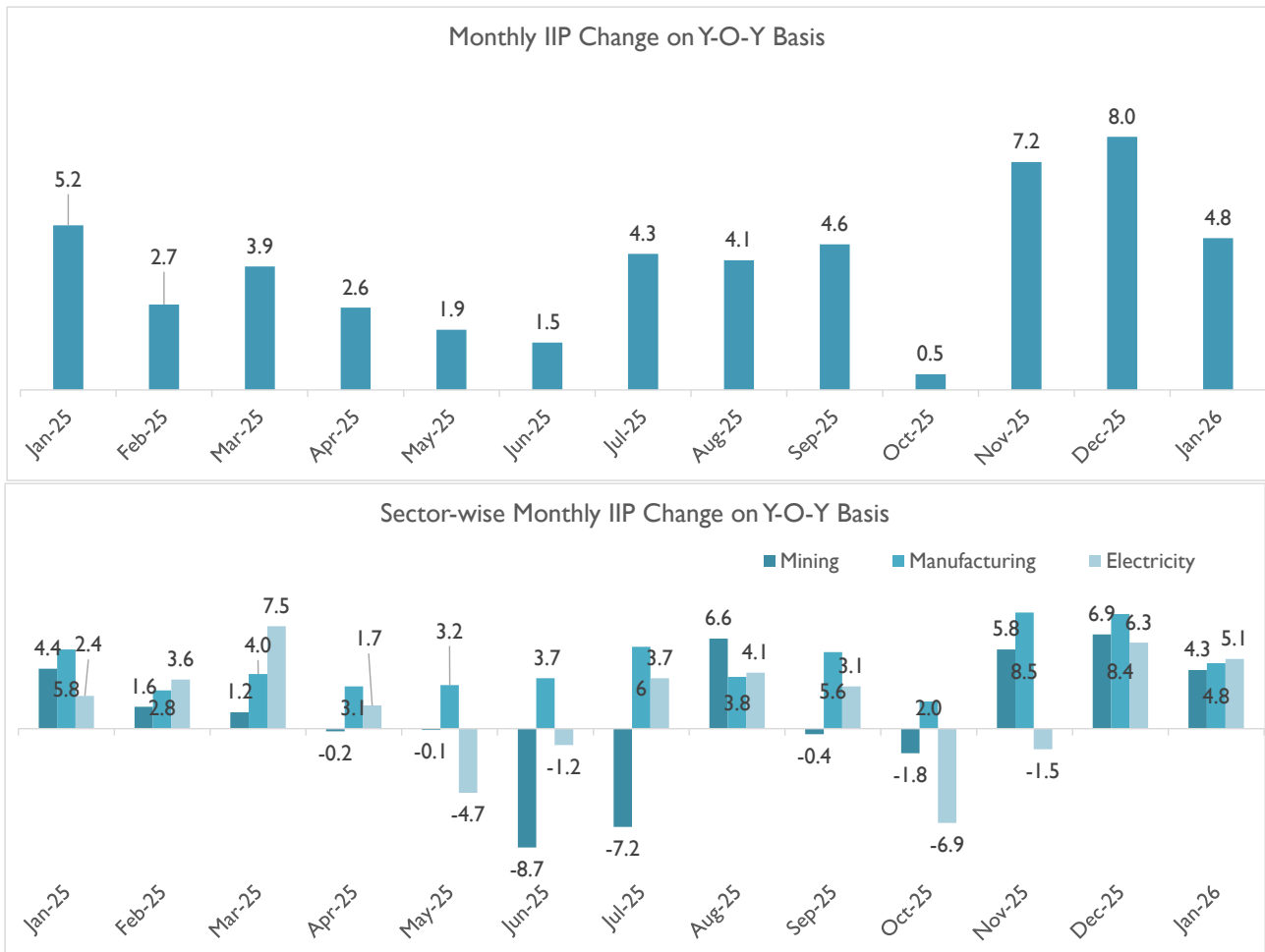
The services sector continued to be the main driver of economic growth. It expanded by 9.0% in FY 2026 from 7.9% in FY 2025. The services sector retained its position as the largest contributor to GVA, rising from 51.7% in FY 2024 to 52% in FY 2025, with a further increase to 52.6% in FY 2026.

The agriculture sector saw an acceleration in growth, increasing from 2.66% in FY 2024 to 4.18% in FY 2025, before moderating to 2.42% in FY 2026. However, its contribution to GVA declined marginally from 19.2% in FY 2024 to 17.7% in FY 2026. Overall, Gross Value Added (GVA) growth rose to 7.7% in FY 2026 from 7.3% in FY 2025.

Annual & Monthly IIP Growth

Industrial sector performance as measured by the IIP index exhibited moderation in FY 2025, recording a 4.02% y-o-y growth against 5.92% increase in the previous year. The manufacturing index showed moderation, increasing by 4.08% in FY 2025 compared with 5.54% in FY 2024. The mining sector index also moderated, growing 3.03% in FY 2025 compared with 7.51% in previous years, while the Electricity sector index moderated by 5.19% in FY 2025 compared with 7.07% in the previous year.



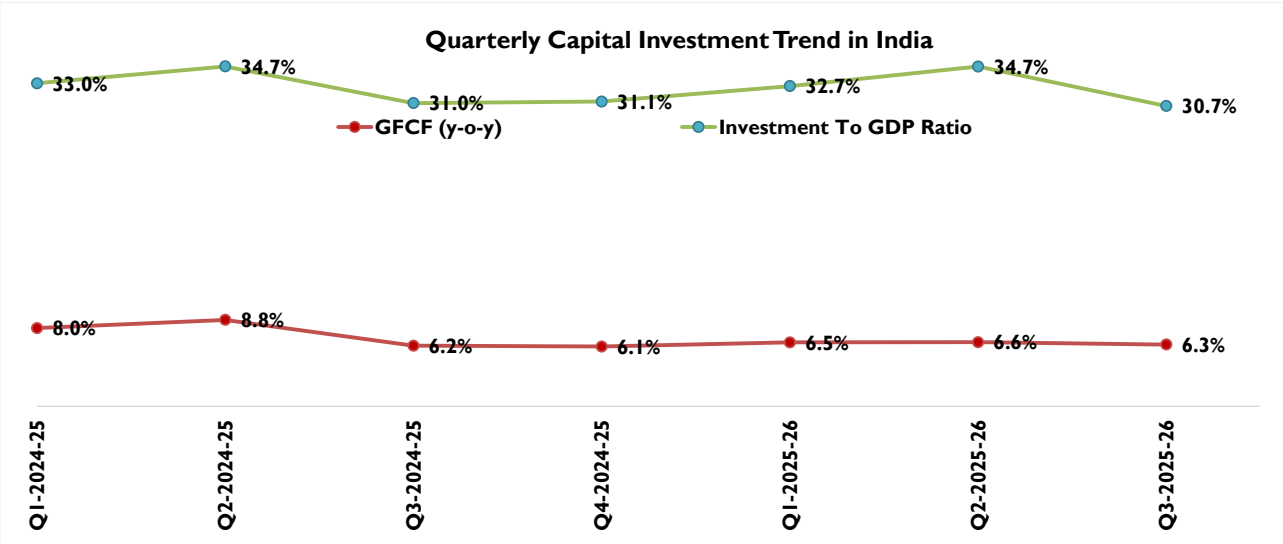
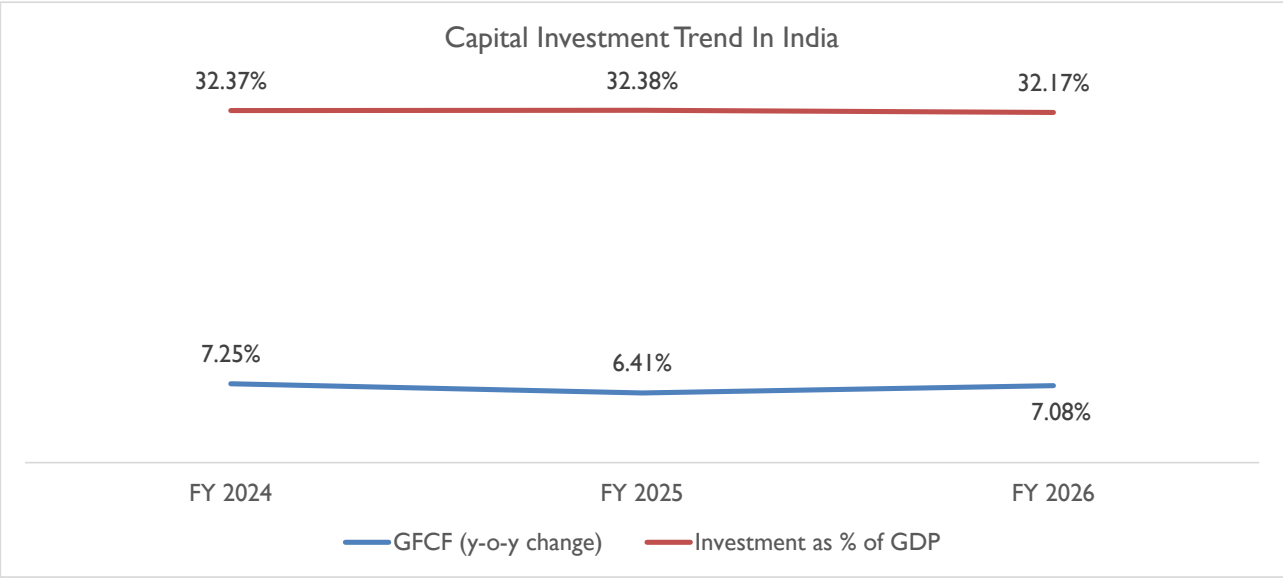


Source: Ministry of Statistics & Programme Implementation (MOSPI)

The IIP growth rate for the month January 2026 is 4.8% which was 8.0% in the month of December 2025. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of January 2026 were 4.3%, 4.8% and 5.1% respectively.

Annual and Quarterly: Investment & Consumption Scenario

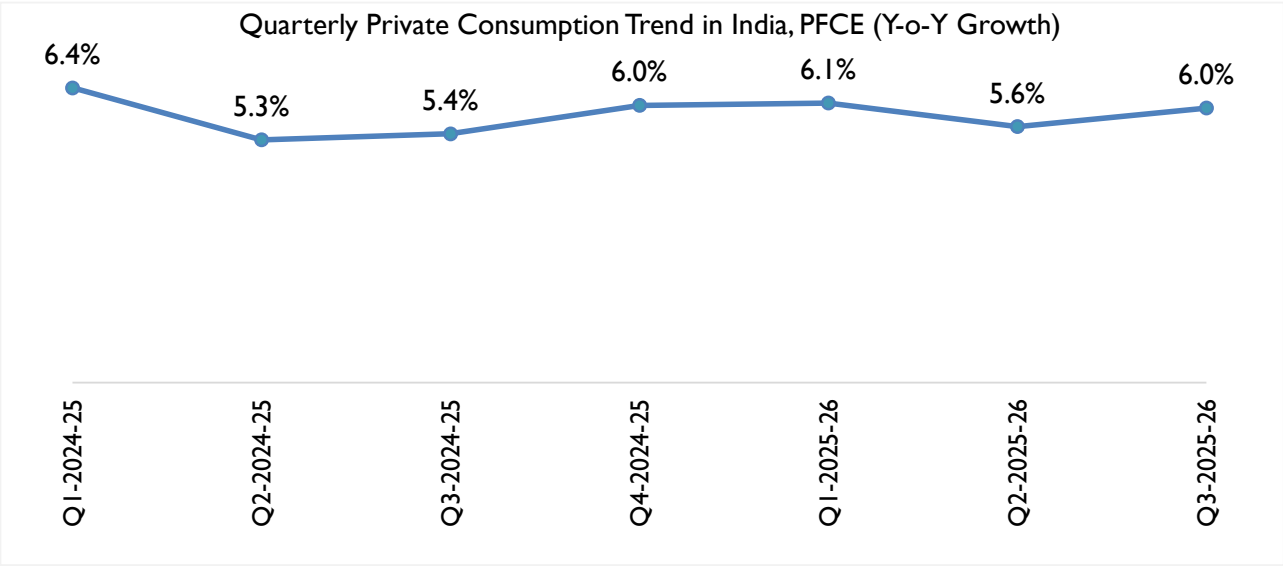
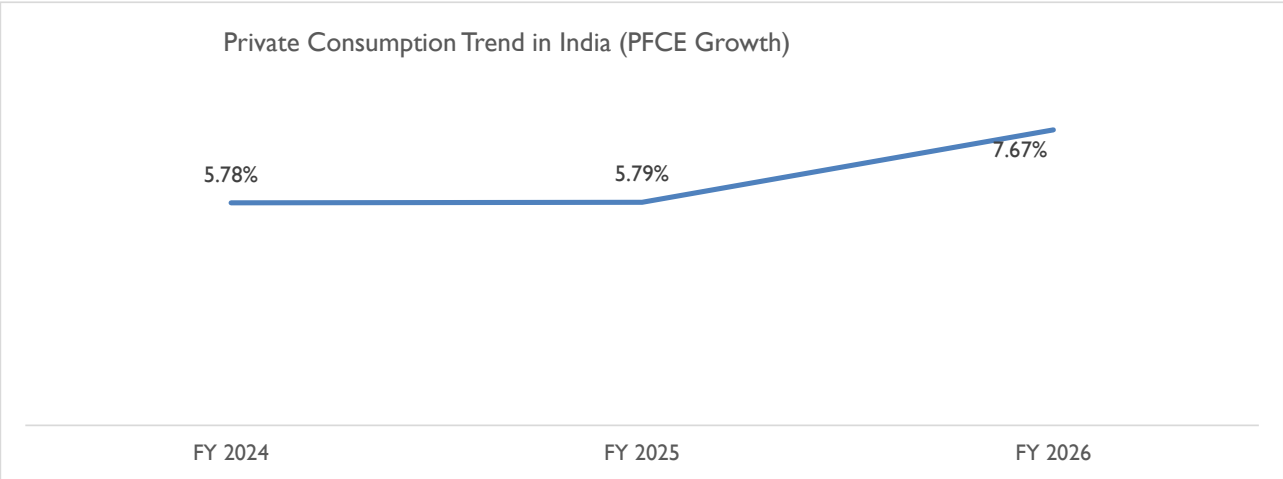
Other major indicators, such as Gross Fixed Capital Formation (GFCF), a measure of investment, increased during FY 2026, registering 7.08% year-on-year growth compared with 6.41% in FY 2025, bringing the GFCF-to-GDP ratio to 32.17%.



Source: Ministry of Statistics & Programme Implementation (MOSPI), CMIE Economics Outlook

On a quarterly basis, India’s capital investment indicators display a pattern of moderate but uneven momentum. The Investment-to-GDP ratio remained above 30% throughout the period but shifted within a narrow and cyclical band—rising from 33.0% in Q1 FY 2024-25 to 34.7% in Q2, before softening to 31.0% and 31.1% in Q3 and Q4, respectively. The ratio recovered to 32.7% in Q1 FY 2025-26 and 34.7% in Q2, before easing to 30.7% in Q3, indicating fluctuating capital deployment across quarters. Meanwhile, GFCF (y-o-y) growth also exhibited volatility. After rising to 8.8% in Q2 FY 2024-25, growth moderated to 6.2% in Q3 and 6.1% in Q4, reflecting a deceleration in both government and private investment activity. Growth improved marginally to 6.5% in Q1 FY 2025-26 and 6.6% in Q2, but eased to 6.3% in Q3, signalling a plateauing in investment momentum. Overall, the data suggests that while investment levels remain healthy, quarterly volatility persists, underscoring the dependence on fiscal spending patterns and the still-gradual recovery of private capital expenditure.

Private Consumption Scenario



Sources: MOSPI, CMIE Economics Outlook

Private Final Consumption Expenditure (PFCE) is a practical proxy for household spending, observed growth in FY 2026 relative to FY 2025. Quarterly Private Final Consumption Expenditure (PFCE) has reported 6.0% growth rate during Q3 of FY 2025-26 as compared to the 5.6% growth rate in the corresponding period of the previous financial year.

Inflation Scenario

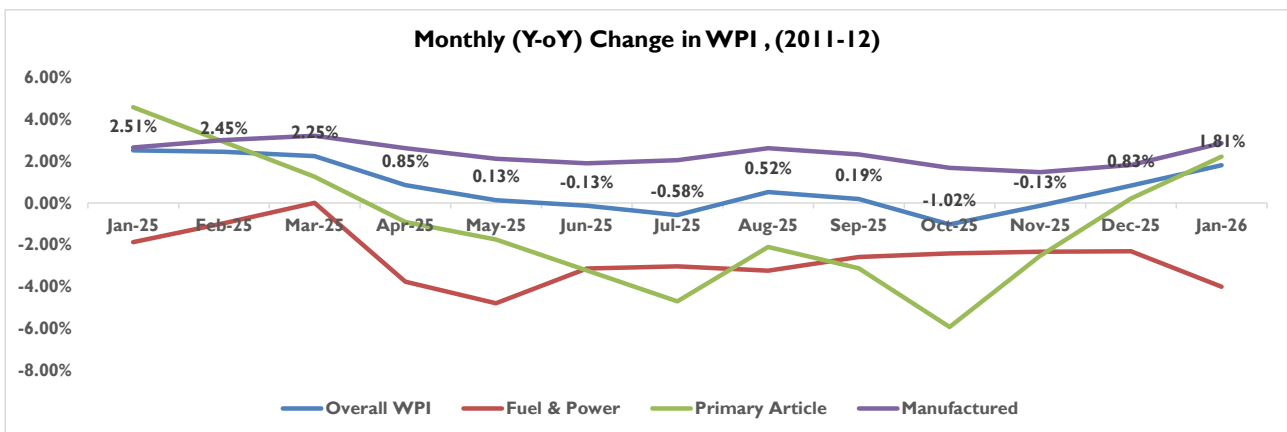
The annual rate of inflation based on All India Wholesale Price Index (WPI) number is 1.81% (provisional) for the month of January, 2026 (over January, 2025). Positive rate of inflation in January, 2026 is primarily due to increase in prices of manufacture of basic metals, other manufacturing, non-food articles, food articles and textiles etc.

Primary Articles (Weight 22.62%): - The index for this major group decreased by 0.15 % from 194.2 (provisional) for the month of December, 2025 to 193.9 (provisional) in January, 2026. The Price of food

articles (-1.79%) and minerals (-0.47%) decreased in January, 2026 as compared to December, 2025. The Price of non-food articles (5.32%) and Crude Petroleum & Natural Gas (4.27%) increased in January, 2026 as compared to December, 2025.

Fuel & Power (Weight 13.15%): - The index for this major group decreased by 1.62% from 148.3 (provisional) for the month of December, 2025 to 145.9 (provisional) in January, 2026. The Price of electricity (-2.91%) and mineral oils (-1.68%) decreased in January, 2026 as compared to December, 2025. The Price of coal (0.73%) increased in January, 2026 as compared to December, 2025.

Manufactured Products (Weight 64.23%): - The index for this major group increased by 1.30% from 145.6 (provisional) for the month of December, 2025 to 147.5 (provisional) in January, 2026. Out of the 22 NIC two-digit groups for manufactured products, 19 groups witnessed an increase in prices and 3 groups witnessed a decrease in prices. Some of the important groups that showed month-over-month increase in prices were manufacture of basic metals; food products; textiles; other manufacturing and electrical equipment etc. some of the groups that witnessed a decrease in prices were manufacture of pharmaceuticals, medicinal chemical and botanical products; machinery and equipment and furniture in January, 2026 as compared to December, 2025.



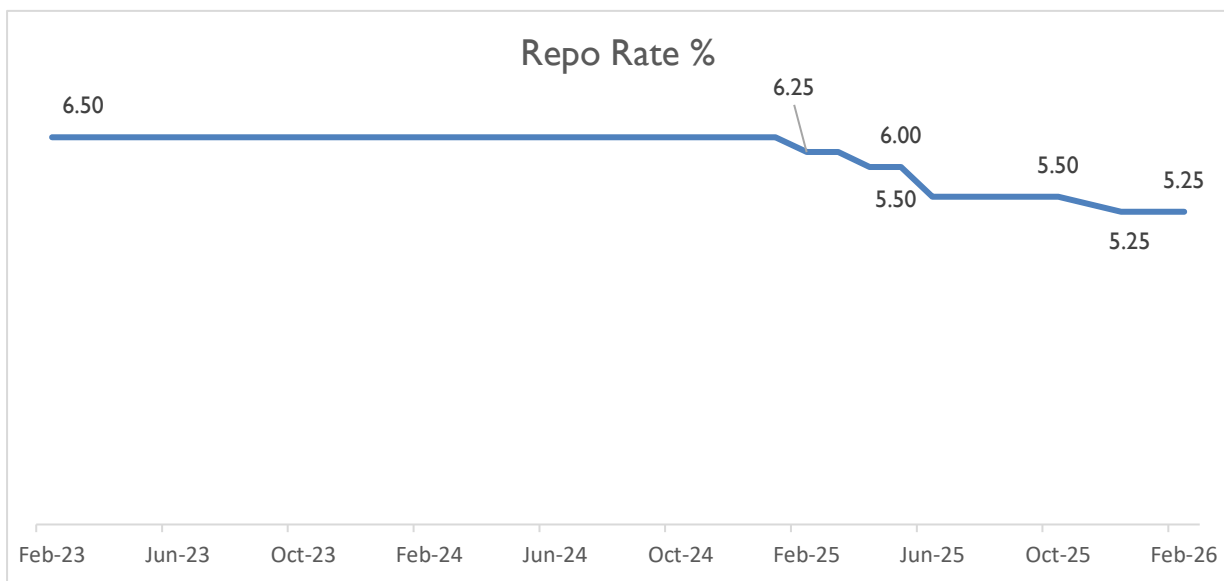
Monthly Consumer Price Index (Base year 2024)													
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Rural	101.81	101.33	101.34	101.81	101.78	102.39	103.34	103.84	103.8	103.85	104.16	104.19	104.59
Urban	101.49	101.3	101.47	101.49	102.06	102.66	103.36	103.6	103.66	103.61	103.83	103.98	104.3
India	101.67	101.32	101.39	101.67	101.9	102.51	103.35	103.74	103.74	103.74	104.01	104.1	104.46

Source: MOSPI, Office of Economic Advisor

With effect from January 2026, the National Statistics Office (NSO) introduced a revised CPI series with base year 2024=100, drawing revised item weights from the Household Consumption Expenditure Survey (HCES) 2023-24. Under the new series, the weight of food and beverages has been reduced from 45.86% to 36.75%, while housing (including water, electricity, gas, and other fuels) has been expanded to 17.67%. CPI inflation

under the new series stood at 2.75% (provisional) for January 2026, with rural inflation at 2.73% and urban inflation at 2.77%, well within the RBI's target band of 2–6%.

On the monetary policy front, the RBI had cumulatively raised the repo rate by 250 basis points between May 2022 and February 2023, bringing it to 6.50%, where it was held steady through January 2025 to anchor inflationary expectations. With inflation moderating below target and growth requiring support, the RBI's Monetary Policy Committee (MPC) commenced an easing cycle in February 2025, delivering a cumulative 125 basis points of rate cuts through four reductions — 25 bps each in February 2025, April 2025, and December 2025, and a larger 50 bps cut in June 2025 — interspersed with pauses in August and October 2025. The repo rate currently stands at 5.25%, following the MPC's decision to hold rates unchanged at its February 2026 meeting, the most aggressive easing cycle since 2019.



Sources: CMIE Economic Outlook

Growth Outlook

The Union Budget 2026–27 sets out a quantitatively strong push to build resilient supply chains and develop next-generation industrial capacity. The record ₹12.2 trillion capital expenditure outlay is aimed at easing logistics bottlenecks and enhancing India's cost competitiveness. Employment measures extend across both urban and rural India in one sweep. In cities and large towns, capex is channelled into “connectors” such as the seven proposed high-speed rail corridors and upgraded Tier-2 and Tier-3 infrastructure, thereby creating construction, logistics, and service jobs while cutting commute times. In smaller towns and villages, jobs creation is expected to be supported by mega textile parks, the Mahatma Gandhi Gram Swaraj Initiative's push for khadi and handloom, training for tourist guides, and new waterways and coastal shipping. Together, these steps broaden the wage base instead of providing a short-term bump.

Strategic supply chains also receive a significant push. Dedicated rare earth corridors in Odisha, Kerala, Andhra Pradesh, and Tamil Nadu; customs exemptions for capital goods used in critical mineral processing

and battery cells; and the India Semiconductor Mission 2.0 aim to pull manufacturing deeper into components and materials. If executed well, these measures could reduce import dependence in magnets, batteries, and chip inputs and lift the share of higher-productivity manufacturing jobs — thereby raising household incomes durably.

The conclusion of the India–EU FTA negotiations mark a major strategic milestone, as it offers near-universal market access for 99.5% of India’s exports by value and integrates India more deeply into a USD 24 trillion economic bloc. By providing duty-free entry for key labour-intensive sectors, expanding services access, and establishing a mobility framework for Indian professionals, the agreement strengthens India’s export competitiveness, supports high-value job creation, and ensures a predictable, rules-based environment for long-term trade and investment flows.

Similarly, the India–Oman CEPA creates a comprehensive framework covering goods, services, investment, and regulatory cooperation. With bilateral trade at USD 10.61 billion in FY 2024–25, the CEPA grants India 100% duty-free access across 98.08% of Oman’s tariff lines (99.38% of export value) from Day One. This access expands opportunities across engineering goods, pharmaceuticals, agriculture, chemicals, electronics, textiles, marine products, and gems & jewellery, while a calibrated exclusion list helps protect sensitive domestic and MSME-linked sectors.

Indian IT-BPM Landscape

Industry Profile

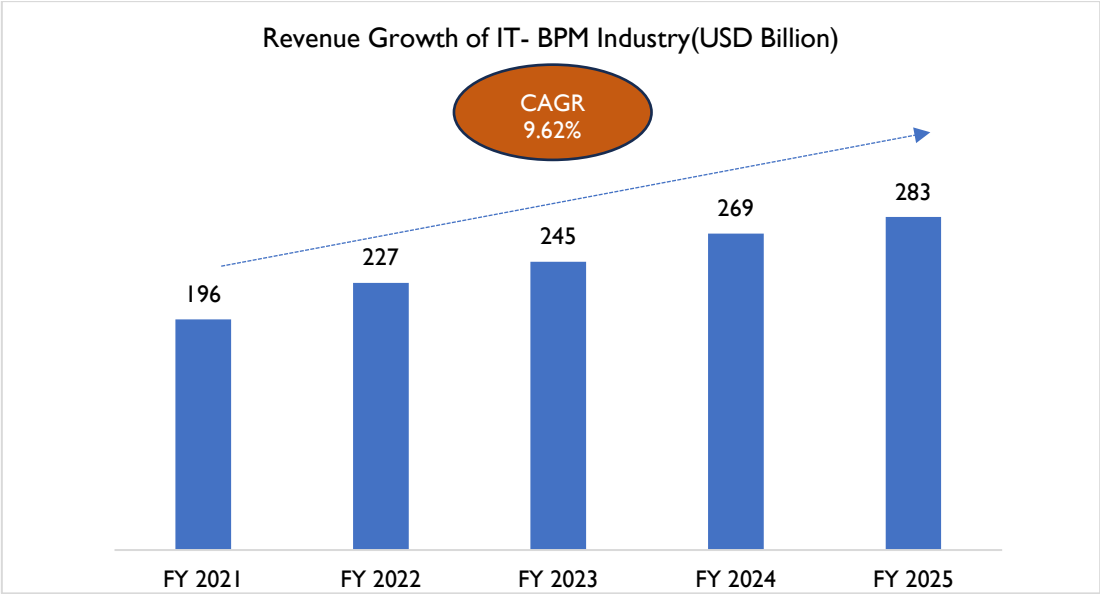
At the forefront of India's economic landscape stands the Information Technology and Business Process Management (IT&BPM) sector, a dynamic force that has emerged as a cornerstone of the nation's digital transformation. Bolstered by a convergence of factors, this sector has garnered significant attention for its pivotal role in driving innovation, fostering economic growth, and generating employment opportunities. Reports from the Ministry of Electronics and Information Technology (MeitY) and Nasscom underscore the sector's robust growth trajectory, underpinned by advancements in disruptive technologies such as artificial intelligence, cloud computing, and blockchain.

Central to India's competitive advantage is its vast pool of skilled talent, supported by a thriving ecosystem of educational institutions and specialized training programs. Government initiatives aimed at enhancing digital literacy, infrastructure development, and policy reforms have further propelled the sector forward. Against the backdrop of a rapidly evolving digital landscape, the IT&BPM sector continues to serve as a catalyst for digital inclusion and socio-economic progress.

As India strives to position itself as a global technology hub, the sector's dynamism, innovation, and strategic significance have made it a focal point for investment, collaboration, and talent development. With a forward-looking approach and a commitment to harnessing digital potential, India's IT&BPM sector is poised to shape the future of the digital economy, both domestically and on the global stage.

Estimated Annual Revenue Turnover in Indian IT-BPM Industry and Historical Growth Trend (Last 3 Years)

- According to the National Association of Software and Service Companies (NASSCOM), the Indian IT-BPM industry has maintained steady revenue growth over the last five years. Revenues rose from US\$ 196 billion in FY 2021 to US\$ 227 billion in FY 2022, reflecting a 15.8% year-on-year increase. The upward trend continued with revenues reaching US\$ 245 billion in FY 2023 with 7.9% growth and US\$ 269 billion in FY 2024 with 9.8% growth.
- In FY 2025, the industry touched US\$ 283 billion, registering a more moderate growth of 5.2%. Meanwhile, IT spending in India also showed momentum, increasing from US\$ 124.7 billion in FY 2023 to US\$ 138.6 billion in FY 2024, representing a growth of 11.1%.

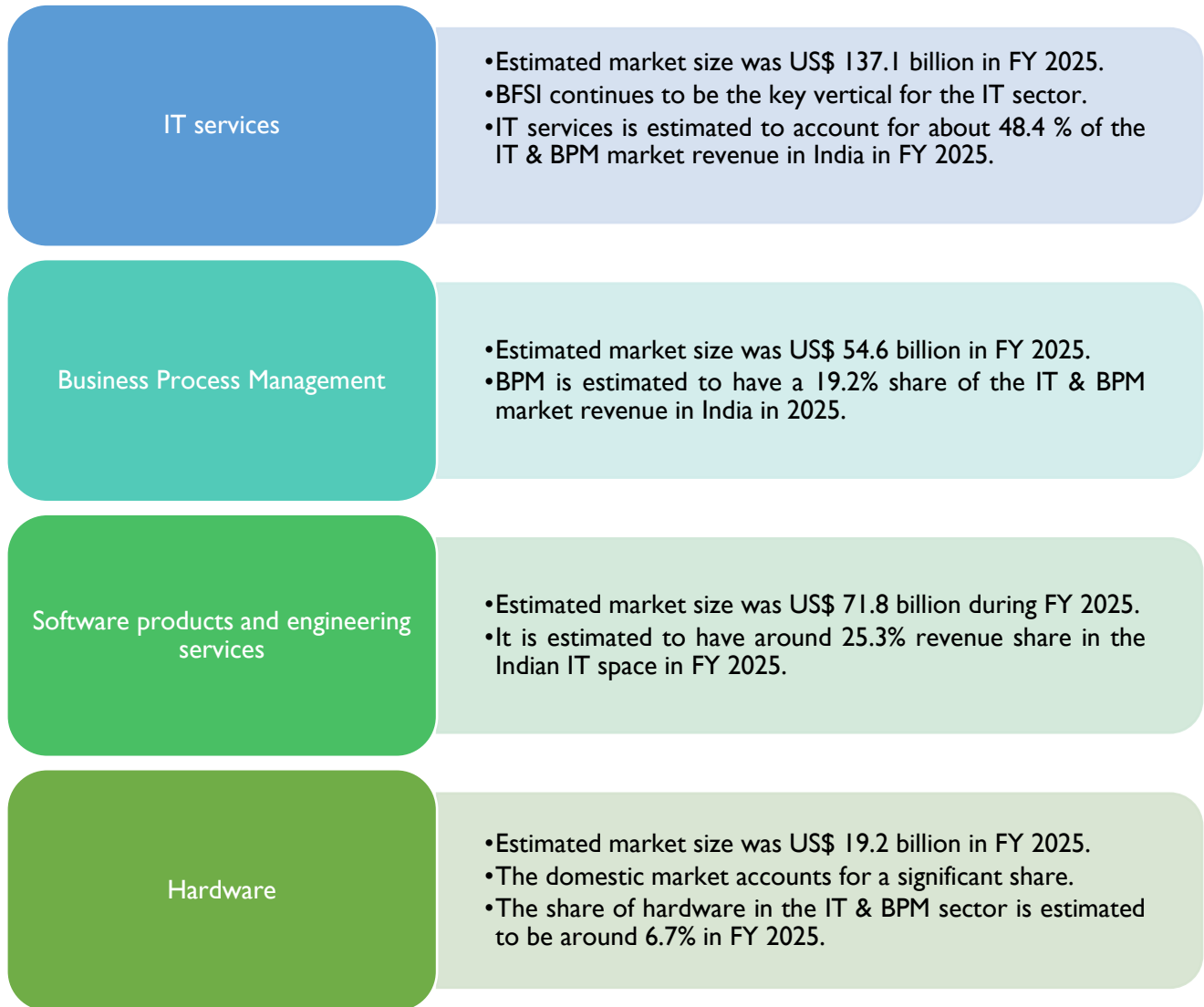


Source: National Association of Software and Service Companies (NASSCOM)

- The IT-BPM industry in India experienced a CAGR of 9.62% from FY 2021 to FY 2025. This growth reflects the sector's resilience and expansion during this period.
- The IT-BPM sector in India is a significant driver of economic growth, fuelled by digital transformation, skilled manpower, export demand, AI/ML advancements, government initiatives, and growing domestic demand. These factors contribute to its robust growth trajectory and position India as a global leader in IT services.
- According to the Ministry of Electronics and Information Technology, India's IT-BPM industry (excluding e-commerce) reached at USD 283 billion in FY 2025, marking a significant milestone in the IT industry market.

Key Market Segments and their Contribution to Industry Turnover

The IT-BPM (Information Technology-Business Process Management) industry in India is a significant contributor to the country's economy, with a diverse range of market segments driving its growth.



I. IT Services

- **Description:** IT Services form the backbone, encompassing a wide range of offerings that support the management and operation of information technology systems within organizations. These services include infrastructure management, software solutions, cybersecurity, cloud computing, and data management. IT service providers deliver expertise and resources to ensure the smooth functioning of an organization's technological framework, helping businesses enhance productivity, streamline operations, and protect against security threats. Key IT services include network management, system integration, managed IT services, cloud services, and cybersecurity solutions, which are crucial for businesses of all sizes to stay competitive and reduce operational costs.

- **Contribution:** Accounts for the majority of the IT-BPM sector's revenue, with a significant share of exports.
- **Revenue Share:** Over 48.4% of the total IT-BPM revenue comes from IT services.

2. Business Process Management (BPM)

- **Description:** Business Process Management (BPM) involves outsourcing business processes to specialized service providers, including customer service, finance and accounting, and human resource outsourcing. BPM is a substantial segment, with India being the world's largest BPM destination, benefiting from a large talent pool and cost competitiveness. This segment contributes significantly to the industry's revenue and exports, with services like customer service and finance and accounting being in high demand globally.
- **Contribution:** BPM is a substantial segment, with India being the world's largest BPM destination.
- **Revenue Share:** BPM contributes around 19% of the total IT-BPM revenue.
- **Export Contribution:** BPM exports are significant, with the sector benefiting from India's large talent pool and cost competitiveness.

3. Engineering and Research & Development (ER&D)

- **Description:** The Engineering and Research & Development (ER&D) segment focuses on product development, design, and testing services. ER&D is the fastest-growing segment, with a growth rate of over 11%, driven by the increasing need for innovative products and technologies. Indian companies have established themselves as leaders in providing ER&D services, leveraging their expertise in software and hardware integration to support global businesses.
- **Contribution:** ER&D is the fastest-growing segment, with a growth rate of over 25%.
- **Revenue Share:** Accounts for a smaller but rapidly increasing share of the total revenue.

4. Software Products

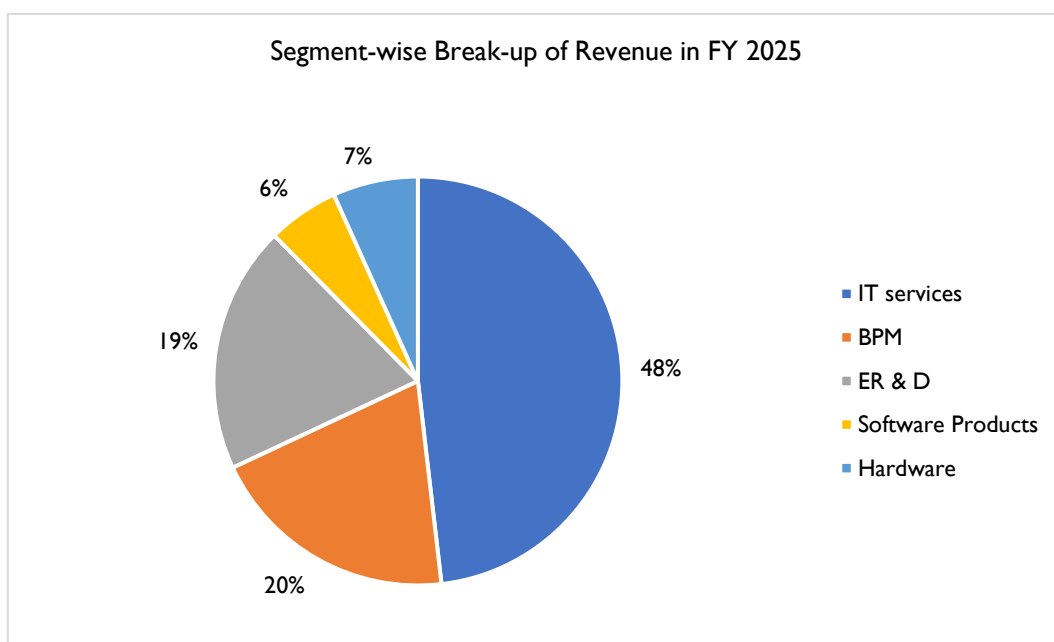
- **Description:** Software Products involve the development and sale of enterprise and consumer software, with potential for global expansion. This segment contributes a smaller share compared to IT services and BPM but is expected to grow significantly as Indian companies develop and offer their own software solutions tailored to specific industries. The rise of cloud computing has also led to the creation of new business models like Software as a Service (SaaS), which is gaining traction in India.
- **Contribution:** Growing segment with potential for global expansion.

- Revenue Share: Contributes a smaller share compared to IT services and BPM but is expected to grow significantly.

5. ITES (IT-Enabled Services)

- Description: IT-Enabled Services (ITES) include data entry, transcription, and call centre operations, playing a crucial role in supporting the broader IT-BPM ecosystem. These services are essential for businesses seeking to outsource non-core functions, allowing them to focus on their core activities while leveraging India's cost advantages and skilled workforce. Overall, these segments collectively drive the industry's growth, contributing significantly to India's GDP and exports.
- Contribution: Plays a crucial role in supporting the broader IT-BPM ecosystem.
- Revenue Share: Contributes to the overall BPM segment's revenue.

Segment-wise Break-up of Revenue of IT Industry in FY 2025



Source: National Association of Software and Service Companies (NASSCOM)

- The IT-BPM industry in India is a diverse sector with various segments contributing to its revenue. IT services dominate with a 48% share, translating to approximately USD 137.1 billion, driven by digital transformation and technological advancements.
- BPM follows with 20%, contributing around USD 56.6 billion, benefiting from outsourcing demand. ER&D is the fastest-growing segment at 19%, generating about USD 55.7 billion, driven by innovation and digital technologies.

- Software products account for 6% or USD 16.1 billion, with potential for global expansion, while hardware contributes 7% or USD 19.2 billion.
- Comparatively, IT services and BPM are the largest contributors, with ER&D showing rapid growth. While IT services lead in revenue, BPM's contribution is significant due to its role in outsourcing. ER&D's growth indicates a shift towards more complex and innovative services, while software products and hardware play smaller but crucial roles in the industry's overall performance. Overall, the sector's growth is driven by a combination of established segments like IT services and BPM, alongside emerging areas like ER&D.

Demand Drivers: Analysis of Key Factors Driving Demand in Indian IT-BPM Industry

Domestic Demand Scenario

1. Outcome-Based Pricing Models

- The BPM sector is transitioning from traditional pricing models to embrace outcome-based pricing. This shift allows for shared risk and reward, which can lead to more substantial revenue opportunities.
- Over the next three years, the revenue share from outcome-based models is projected to increase by 2-3x. BPM companies are also moving toward hybrid commercial models that blend fixed and outcome-based pricing to better align with client needs.

2. Rise of Micro-Verticals

- Another major shift is the development of micro-verticals, tailored BPM services that cater to specific processes within industries.
- The emergence of micro verticals supports industries like BFSI, healthcare, and retail, where specialized services such as loan processing, fraud detection, revenue cycle management, and e-commerce optimization are gaining prominence.
- Revenue share from vertical-specific services is expected to double within the next three years, as BPM firms hone their expertise and cater to the unique demands of each sector.
- The growth is driven by the increasing demand for specialized services that cater to specific industry needs, fuelling the rise of micro-vertical services within BPM organizations.

3. From Process Management to Process Transformation

- BPM providers are moving up the value chain from process management to process transformation, offering solutions that manage complex, strategic business challenges rather than just handling transactional tasks.
- While process management was previously the primary goal, the focus has shifted to comprehensive, end-to-end transformation.
- Finance and accounting, as well as customer service functions, are leading this shift, with BPM providers implementing advanced technology to drive transformation.

4. Emergence of Platform-Based BPM Services

- Platform-based services are reshaping the BPM sector, with a projected 2-3x growth in revenue share over the next three years.
- AI integration, cloud infrastructures, and real-time analytics have turned traditional BPM platforms into highly customized, domain-specific solutions.
- Platforms now incorporate data analytics and business intelligence capabilities, meeting the demands of clients for real-time insights and automation. This evolution allows BPM providers to

deliver highly targeted solutions, ensuring better client outcomes and improved operational efficiency.

5. Technology Leading the Way: Gen AI at the Forefront

- Technology, particularly Gen AI, is leading the next wave of transformation in BPM.
- Over 60% of BPM organizations rank Gen AI as a top investment priority for the next three years. Other emerging technologies like RPA, AI/ML, and AR/VR are also seeing increased adoption, with cloud computing platforms becoming essential as data moves to the cloud.
- BPM companies have witnessed over 50% improvement in cost savings, revenue, productivity, and customer satisfaction (CSAT) through the integration of these new technologies.

6. Rise of Global Capability Centres (GCCs)

- GCCs are often focused on cutting-edge technologies such as AI, machine learning, blockchain, and cybersecurity, and IT consulting service.
- Establishment of GCCs has significantly increased employment opportunities in India.
- Provide IT consulting service, training and development programs.
- Presence of GCCs contributes to the growth of local IT ecosystems by fostering partnerships with local vendors, startups, and service providers.
- GCCs often focus on high-value services like strategic IT consulting service, advanced analytics, and specialized research.

7. Emergence of Industry 4.0

- Automation of processes and operations
- Implementation of robotic process automation (RPA)
- Use of blockchain in supply chain and finance

Role of Export of IT Service

India's IT service exports are a cornerstone of its economy, driving growth, employment, and foreign exchange earnings. The sector's success is attributed to its strong global market presence, favourable government policies, and continuous innovation in digital technologies. India's IT service exports play a pivotal role in the country's economy, contributing significantly to its GDP and foreign exchange earnings.

1. Economic Contribution

- **Revenue Growth:** India's IT service exports have grown substantially, reaching USD 224 billion in FY2025 from USD 193 billion in FY2023.
- **GDP Share:** The IT sector contributes around 7.3% to India's GDP, making it a crucial component of the national economy.

2. Export Market Share

- **Global Positioning:** India ranks seventh globally in services exports, accounting for 4.3% of the global share.
- **Major Markets:** The US is the largest market for Indian IT exports, followed by Europe, with the UK being a significant destination.

3. Sectoral Breakdown

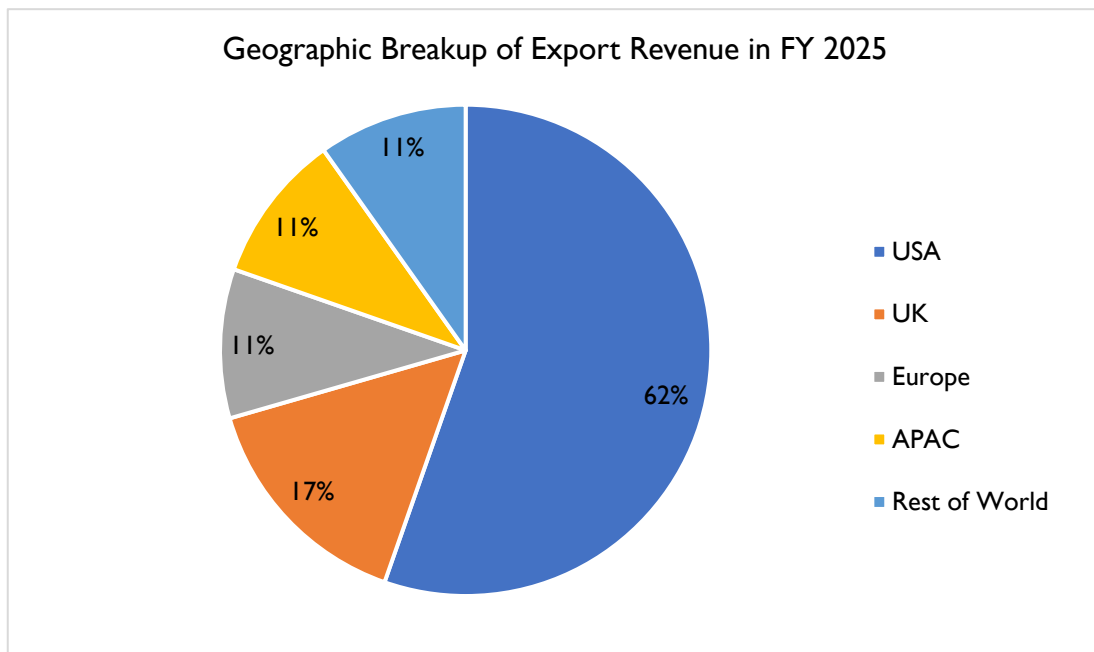
- **Growth Trends:** BPO services grew by 16.2% in FY 2025, indicating strong demand for these services globally.

4. Impact on Employment and Skills

- **Job Creation:** The IT sector is a significant job creator, employing over 5.8 million professionals directly.
- **Skill Development:** Encourages the development of digital skills, contributing to India's human capital growth.

5. Government Initiatives and Policies

- **Software Technology Parks (STP) Scheme:** Offers incentives and infrastructure support for IT companies, promoting exports.
- **Digital India Initiative:** Enhances digital infrastructure, facilitating IT service delivery and exports.



Source: Nasscom, Department of Electronics and IT Annual Report *APAC is Asia Pacific

- US has traditionally been the biggest importer of Indian IT exports, as it absorbed over 62% of Indian IT & BPM exports during FY 2025.
- UK stood second to the US, with 17% of the services being exported to it.
- Even though, US and UK were the leading customer markets with a combined share of nearly 79%, there is a growing demand from APAC, Latin America and Middle East Asia regions.
- Being the low-cost exporter of IT services, India is going to attract more markets in other regions in the same way it tapped the US market.
- USA, UK, and Europe remain the major markets for India’s IT Consulting, IT software and services exports.
- Demands from Asia Pacific (APAC), Latin America, and Middle East Asia are growing, and new opportunities are emerging for expanding in continental Europe, Japan, China, and Africa.
- India’s exports include a wide range of IT services such as software development, maintenance, system integration, IT consulting, and outsourcing services like Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO).
- Major Indian IT firms, often called “IT giants,” play a crucial role in driving these exports. Companies like TCS (Tata Consultancy Services), Infosys, Wipro, Infosys, HCL Technologies, and Tech Mahindra are among the top exporters.
- The Indian government has historically supported the growth of the IT sector, including IT consulting, through policies encouraging exports, tax incentives, and investments in infrastructure.

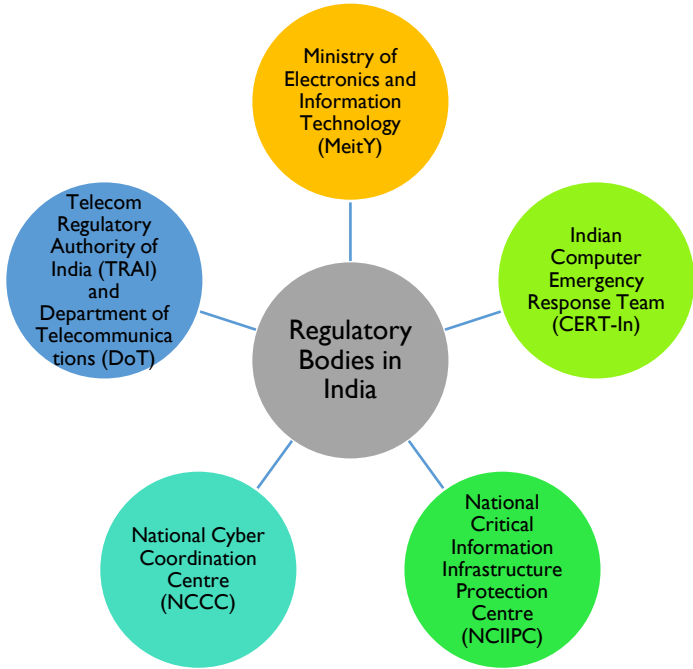
- India's IT exports are increasingly focusing on emerging technologies such as artificial intelligence (AI), machine learning (ML), blockchain, Internet of Things (IoT), and cybersecurity, contributing to its competitiveness in the global market.

Regulatory / Policy Framework Governing the Industry

The Government of India has undertaken several initiatives to encourage and promote the Information Technology-Business Process Management (IT-BPM) industry. The IT-BPM sector in India is governed by a comprehensive regulatory framework that supports its growth while ensuring compliance with global standards.

The Indian government has established various policies and regulations to support the growth of the IT-BPM sector, focusing on innovation, infrastructure development, and ease of doing business.

Regulatory Bodies³



1. Ministry of Electronics and Information Technology (MeitY)

MeitY is the apex policymaking body for the IT and BPM sector in India. It is responsible for drafting and implementing policies related to information technology, data governance, e-governance, and emerging technologies. Through initiatives like Digital India, MeitY has focused on enhancing digital infrastructure, fostering innovation, and supporting IT exports. The ministry also issues guidelines for data security and works closely with industry associations such as NASSCOM to address sectoral challenges. For IT-BPM companies, MeitY’s policies provide the framework within which they operate in terms of compliance, cybersecurity, and digital adoption.

2. Indian Computer Emergency Response Team (CERT-In)

CERT-In is the national nodal agency under MeitY for responding to cybersecurity incidents. Established under the IT Act, 2000, its mandate includes monitoring cyber threats, issuing security advisories, and providing incident response support. In 2022, CERT-In mandated companies, including IT-BPM service

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providers, to report cyber incidents within 6 hours of detection. The agency also operates the Cyber Swachhta Kendra (Botnet Cleaning and Malware Analysis Centre) to help organizations tackle malicious threats. For IT-BPM companies that process sensitive global client data, CERT-In's guidelines are critical in ensuring compliance with international data security standards.

3. National Critical Information Infrastructure Protection Centre (NCIIPC)

NCIIPC, set up under the National Technical Research Organisation (NTRO), protects the nation's critical information infrastructure. It covers sectors such as banking, financial services, telecom, power, and transport. Since IT-BPM firms often provide outsourced services to these sectors, compliance with NCIIPC's risk assessment, audits, and protection protocols is essential. The agency provides advisories, conducts vulnerability assessments, and coordinates responses in case of attacks on critical systems.

4. National Cyber Coordination Centre (NCCC)

The NCCC is a government initiative under MeitY designed to provide **real-time cyber threat intelligence**. It collects, analyses, and shares data related to cyber activities across different stakeholders, including government agencies and private enterprises. For IT-BPM companies, especially those operating in financial and healthcare outsourcing, the NCCC's monitoring function helps identify and mitigate large-scale threats before they impact service delivery.

5. Telecom Regulatory Authority of India (TRAI) and Department of Telecommunications (DoT)

The TRAI and DoT regulate India's telecom infrastructure, which forms the backbone of the IT-BPM industry. These bodies ensure the availability of secure and reliable telecom services, enforce data protection norms, and monitor cross-border data flow regulations. Their role is particularly important for BPM companies running customer support, telemarketing, and back-office operations, where uninterrupted telecom connectivity and compliance with customer data norms are essential.

Policy Initiative / Government Incentives Designed to Promote the Industry Activity

Here are the objectives of these rules and regulations:

1. RBI's New IT Outsourcing Directions

- **Objective:** To enhance data security, risk management, and compliance in IT outsourcing. This includes ensuring due diligence, data localization, and robust security measures to safeguard customer data.
- **Impact:** Encourages BPM companies to improve internal processes, ensuring safe and reliable services. This enhances trust among clients and supports the sector's growth by emphasizing privacy and security.

2. Digital India Initiative

- **Objective:** To enhance digital literacy, improve digital infrastructure, and deliver citizen-centric services electronically. This initiative aims to transform India into a digitally empowered society and knowledge economy.
- **Impact:** Promotes digital inclusion, supports infrastructure development, and fosters innovation in the IT sector. It increases demand for digital services and enhances the sector's growth by creating opportunities for IT-BPM companies to innovate and expand.

3. Software Technology Parks (STP) Scheme

- **Objective:** To promote software development and exports by providing infrastructure and single-window clearance for IT companies. This scheme supports the growth of IT exports, particularly in smaller cities and towns.
- **Impact:** Creates employment opportunities and fosters regional development. The STP scheme has been instrumental in establishing India as a major hub for software development and IT services.

4. Tax Incentives for IT Exports

- **Objective:** To encourage IT exports by offering tax benefits, reducing operational costs for IT companies. This makes Indian IT services more competitive globally.
- **Impact:** Enhances the competitiveness of Indian IT companies in the global market, leading to increased exports and revenue growth. Tax incentives have been crucial in maintaining India's position as a leading IT outsourcing destination.

5. FDI Policy

- **Objective:** To attract foreign investment by allowing up to 100% FDI under the automatic route for IT services. This policy encourages foreign companies to invest in India, fostering partnerships and collaborations that drive innovation and growth in the IT-BPM sector.
- **Impact:** Increases foreign investment, contributing to the sector's expansion and technological advancements. This policy supports the development of new technologies and enhances India's reputation as a hub for high-value IT services.

6. Skill Development Initiatives

- **Objective:** To upgrade skills in the IT sector through programs like Future Skills PRIME, focusing on emerging technologies such as AI, ML, and cybersecurity. This prepares the workforce for future demands and ensures India remains competitive in the global IT landscape.
- **Impact:** Addresses the skill gap and meets the evolving demands of the industry, enhancing employability and innovation. These initiatives have helped in maintaining India's position as a leader in IT services.

7. Special Economic Zones (SEZ) Policy

- **Objective:** To provide infrastructure and tax incentives for export-oriented industries, including IT and IT-enabled services. This policy supports the growth of IT exports by offering favourable business conditions.
- **Impact:** Enhances competitiveness, increases exports, and fosters economic growth. SEZs have been instrumental in creating employment opportunities and driving regional development.

8. Railway Modernisation Policy

- **Objective:** The Railway Modernisation Policy aims to transform Indian Railways through comprehensive digitalization, infrastructure upgrades, and enhanced passenger services. Key initiatives include the implementation of online ticketing through IRCTC, mobile apps, e-tickets, QR codes, digital payments, and Wi-Fi at stations and on trains. Real-time train tracking and passenger-centric applications have improved convenience and access to information, while these digital upgrades have also created new opportunities for IT-BPM companies to contribute to public sector transformation.
- **Impact:** In parallel, Indian Railways is advancing safety through systems like Train Protection and Warning Systems (TPWS), Automatic Train Protection (ATP), and Train Collision Avoidance Systems (TCAS). Vigilance control devices, modern track circuiting, Closed Circuit Television (CCTV) surveillance, and emergency communication systems are being widely adopted. Cybersecurity measures and disaster management protocols are also being strengthened. These developments are not only making railway travel safer and more efficient but are also fostering collaboration with technology partners, offering growth potential for IT-BPM service providers in areas such as safety technology, cybersecurity, and digital infrastructure.

9. Smart Cities Mission

- **Objective:** The **Smart Cities Mission**, launched by the Government of India, aims to transform 100 cities into technologically advanced urban centres equipped with modern infrastructure, integrated IT systems, and citizen-centric digital services. The core objective is to improve urban living standards through sustainable development, efficient resource management, and enhanced public service delivery. This initiative emphasizes the use of Information and Communication Technology (ICT) to enable smart governance, intelligent transport systems, real-time public service monitoring, efficient waste and energy management, and improved urban mobility. A key component of this mission is enhancing urban transport, including seamless integration of railway and metro networks to improve intra-city and inter-city connectivity, reduce congestion, and promote sustainable transit options.

- **Impact:** For the IT-BPM industry, the Smart Cities Mission presents a wealth of domestic business opportunities. It opens up new avenues in urban infrastructure management, data analytics, Geographic Information Systems (GIS), Internet of Things (IoT) integration, and public service automation. IT-BPM firms are increasingly involved in developing digital platforms that support smart transport, such as real-time train and metro tracking, ticketing solutions, and integrated mobility apps. By strengthening digital infrastructure and enabling multi-modal transport systems including smart railway stations and metro corridors Smart Cities not only enhance urban mobility but also boost demand for innovative IT-BPM solutions in areas like system integration, cybersecurity, and AI-driven analytics, driving growth and transformation across the sector.

10. Digital Personal Data Protection (DPDP) Act

- **Objective**

The DPDP Act, 2023 aims to protect personal data by setting rules for its collection, processing, storage, and sharing. It establishes the rights of individuals, obligations of data fiduciaries, and conditions for cross-border data transfers, ensuring responsible and secure data handling.

- **Impact**

For the IT-BPM industry, which manages large volumes of sensitive global client data, the Act increases compliance requirements around consent, purpose limitation, and data storage. It may raise operational costs due to stricter data governance and security frameworks, but it also strengthens trust with international clients, making Indian IT-BPM firms more reliable outsourcing partners.

The Indian government's policies and regulations for the IT-BPM sector are designed to foster growth, innovation, and competitiveness. These initiatives support infrastructure development, skill enhancement, and foreign investment, positioning India as a leading destination for IT services and driving economic growth.

Compliance and Certifications

BIS Certification (Bureau of Indian Standards): BIS certification ensures that products and services comply with Indian safety and quality standards, which is critical for establishing credibility particularly for IT infrastructure and electronic goods. The Bureau of Indian Standards grants manufacturers a license to use the Standard Mark, accompanied by a unique R-number, on electronics and IT products. This certification is based on a self-declaration of conformity with relevant Indian Standards, demonstrating that products meet prescribed quality benchmarks.

Furthermore, the Ministry of Electronics and Information Technology (MeitY) issued the "Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012," which mandates compulsory BIS registration for specified electronics and IT products. Under this scheme, BIS introduced a distinct 'Standard Mark' for registration, reinforcing the regulatory framework to ensure product safety, reliability, and consumer protection. Compliance with BIS certification fosters greater acceptance and trust among clients and stakeholders in the Indian market.

E-Waste Management Rules: In alignment with environmental sustainability goals, the Indian government has mandated the proper disposal and recycling of electronic waste to mitigate its ecological impact. The E-Waste (Management) Rules, 2016, along with subsequent amendments, require IT companies and electronics manufacturers to adopt responsible e-waste handling practices. These rules emphasize environmentally sound management, including collection, dismantling, recycling, and disposal of electronic waste in compliance with prescribed norms. Adhering to these regulations ensures sustainable operations and demonstrates corporate responsibility toward environmental conservation.

The Indian government's multi-faceted policy and regulatory framework not only supports the expansion and modernization of the IT-BPM sector but also enforces critical compliance to uphold quality, security, and environmental responsibility. By adhering to BIS standards, E-waste norms, and gaining approvals such as those from the Indian Railways, your brand aligns with national priorities and industry best practices, reinforcing its reputation and eligibility for major projects and partnerships.

Public Procurement

The Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII) was issued to promote the use of domestically manufactured goods and boost local industry participation in public procurement. As per the order, government departments and agencies are required to give preference to Class-I local suppliers, defined as companies whose products have at least 50%⁴ local content. The order also identifies restrictive and discriminatory practices that can unfairly disadvantage local players such as mandating foreign certifications like UL or CE without mentioning Indian alternatives like BIS, or naming specific foreign brands such as Cisco or Dell in tenders. A directive from DPIIT, following the 14th Standing Committee review, emphasized the need for all procurement processes to comply with the PPP-MII Order and eliminate such practices.

Following are some examples of Initiatives taken by Major IT companies:

- In July 2024, Natural Environment Solutions Pvt. Ltd. (NES) announced it would be entering the Indian data centre market with a 5 MW facility at Hinjewadi, Pune, Maharashtra. Additionally, the business intends to leverage India's burgeoning digital infrastructure and regulatory backing for data centre

⁴ Department of Promotion of industry and internal Trade
(Public Procurement Section)

investments by scaling up to over 100 MW of data centre capacity across the nation in the next three years.

- In June 2024, Global tech consulting company Tech Mahindra announced the launch of Project Indus, its indigenous foundational model designed to converse in various Indic languages and dialects. The initial phase of the large language model (LLM) is created for the Hindi language and its more than 37 dialects to expand globally.
- In June 2024, Persistent Systems established a long-term strategic partnership with Google Cloud for expanded reach across India and globally. The company intends to use Google Cloud's Gemini models along with other cutting-edge Google technology to produce industry-specific solutions that would promote widespread adoption of GenAI. It will produce cutting-edge solutions specifically suited for the BFSI, communications, media and telecom, healthcare and life sciences, consumer tech, and hi-tech sectors.
- In May 2024, India surpassed Singapore, Australia, South Korea, Japan, and Hong Kong to become the data centre leader in the Asia-Pacific (excluding China), with 950 MW of installed capacity and an expected addition of another 850 MW by FY 2026.
- In March 2024, The Cabinet approved an allocation of over INR 10, 300 crores for the India AI Mission, marking a significant step towards bolstering India's AI ecosystem. Additionally, the Cabinet approved the INR 17,000 crore budgeted PLI Scheme – 2.0 for IT Hardware.
- In Oct 2023, CapitalLand Investment Limited (CLI) commenced operations for phase I of International Tech Park Chennai. CLI has invested over INR 4,500–5,000 crores in Chennai and plans to invest over INR 3,000 crores over the next five years across a variety of asset classes, with a special focus on data centres, IT parks, and logistics.
- In June 2023, UK's one of the largest financial services company, Lloyds Banking Group (LBG) announced it would be setting up a technology centre in Hyderabad. Lloyds Technology Centre will hire 600 highly skilled data, technology, and cyber specialists.
- In June 2023, Bharti Airtel and Alphabet, the parent company of Google collaborated to pilot delivering high-speed internet services across India's rural and remote regions via a new laser technology that uses light beams.
- In May 2023, BAM Digital Realty, a joint venture between Brookfield Infrastructure and Digital Realty announced that it is planning to invest over INR 2,000 crore to develop a 35 MW IT load data centre in Mumbai's Chandivali locality. The joint platform has acquired 2.2 acres of land in the Mumbai suburb to build its second data centre in India.

Key Factors Driving the Adoption of Digital Display Systems in India

1. Rise of Experiential Marketing Strategies by Businessman

Experiential marketing is a strategy that focuses on creating immersive, interactive, and memorable experiences for consumers. Instead of just promoting a product or service, brands engage customers through real-world experiences, making them feel personally connected to the brand. Digital display systems play a crucial role in enhancing these experiences by providing dynamic, engaging, and interactive content.

- **Interactive Customer Engagement:** Touchscreen kiosks, augmented reality (AR), and virtual reality (VR) integrated with digital screens allow customers to interact with a brand's offerings.
- **Real-Time Personalized Advertising:** AI-powered digital displays analyse customer behaviour and demographics to show targeted ads in real time.
- **Retail and Pop-Up Stores:** Brands set up digital-enabled pop-up stores with immersive experiences to attract more customers.
- **Social Media Integration:** Digital signage can display live social media feeds, customer testimonials, and influencer-generated content, encouraging engagement.
- **Gamification and Rewards:** Brands use digital screens for interactive games that provide discounts or freebies, increasing brand engagement.
- **Live Streaming and Event-Based Marketing:** Companies use digital displays to stream live events, product launches, or influencer collaborations.

2. Urbanization & Development of Smart Infrastructure

India's rapid urbanization and smart infrastructure growth are driving the widespread adoption of digital display systems. Government initiatives like the Smart Cities Mission are integrating digital signage for real-time public information, traffic updates, and safety alerts. Cities such as Pune, Indore, and Ahmedabad have implemented digital kiosks and LED boards to enhance urban communication and planning.

In commercial spaces, shopping malls and business hubs are leveraging AI-powered digital displays for advertising, promotions, and customer engagement. Malls like Phoenix Marketcity and Select Citywalk use interactive kiosks and digital billboards to improve navigation and enhance the shopping experience. Businesses benefit from targeted advertising, leading to increased consumer engagement and revenue.

Public transportation is also embracing digital signage, with metro stations, railway platforms, and airports integrating real-time travel updates and safety alerts. Delhi and Mumbai Metro stations now feature smart digital panels, while major airports use AI-driven displays for flight information and personalized ads. Highways are also adopting digital billboards for live traffic updates and road safety messages.

3. Increasing Investment in Digital Retail, Entertainment and Public Spaces

The Government of India has made significant investments in digital retail, entertainment, and public spaces, fostering a robust digital ecosystem. Key initiatives include:

- **Digital Retail Investments:**

Foreign Direct Investment (FDI) Policies: To enhance the retail sector's capabilities, the government has permitted 100% FDI under the automatic route for single-brand retail trading and e-commerce. This policy encourages international players to invest in India's retail landscape, thereby boosting consumer demand and industry growth.

The Government of India has allowed 100% FDI in single-brand retail and e-commerce, attracting global investments from companies like Amazon, Walmart (Flipkart), and Reliance Digital. This has fuelled a digital transformation in retail, with businesses adopting AI-driven recommendation engines, smart store solutions, and interactive customer experiences to enhance engagement. As a result, the demand for interactive digital displays in stores has surged. Retailers are integrating smart checkout displays for real-time pricing and promotions, digital signage for personalized advertisements, and interactive kiosks for self-service shopping and payment solutions. Additionally, Augmented Reality (AR) mirrors and screens are revolutionizing the fashion and cosmetics industry, enabling virtual try-on experiences and enhancing the shopping journey.

- **Digital Entertainment Investments:**

- **Media and Entertainment (M&E) Sector Growth:** India's M&E sector is projected to grow at a Compound Annual Growth Rate (CAGR) of 10% between FY 2023 and FY 2026. This growth is propelled by digital media adoption, particularly Over-The-Top (OTT) platforms, and supported by government incentives aimed at fostering industry expansion.

India's media and entertainment sector is experiencing significant growth, driven by the expansion of **OTT platforms, cinemas, and gaming investments**. Mergers like **PVR INOX**, which now operates **1,749 screens across 111 cities**, highlight the rising demand for **premium entertainment experiences**, including **IMAX, 4DX, and LED cinema screens**. Additionally, the growing popularity of **esports and gaming arenas** has led to increased investments in **esports tournaments and gaming hubs**, requiring **high-definition LED video walls, real-time display dashboards, and interactive gaming screens**. To enhance viewer engagement, **multiplex chains and OTT platforms** are adopting **large-format LED screens** for high-resolution cinema viewing, **digital advertising screens** inside malls and theatres for dynamic content display, and **LED backdrops** at concerts and live events for immersive experiences. Furthermore, **gaming centres and esports arenas** are integrating

high-speed digital walls to support real-time gaming visuals and leaderboards, further fuelling the demand for **advanced digital display systems**.

- **Digital Public Spaces Development:**

- **Digital India Initiative:** Launched in 2015, the Digital India program aims to transform India into a digitally empowered society. The government has expanded this initiative with an investment outlay of ₹14,903 crore (approximately \$1.79 billion) for the period 2021-2026. Key focus areas include reskilling, cybersecurity, startups, and promoting the use of Indian languages.

The Digital India initiative, launched in 2015, aims to enhance e-governance, cybersecurity, AI adoption, and digital services expansion across the country. As part of this initiative, the Smart City Mission has driven investments in digital wayfinding solutions, intelligent traffic management systems, and digital governance kiosks in urban areas. The expansion of public WiFi networks and fibre-optic connectivity is further enabling smart city solutions throughout India. These developments have significantly increased the demand for digital display systems to enhance urban infrastructure. Interactive wayfinding kiosks are helping citizens navigate metro stations, airports, and public spaces, while AI-powered LED billboards provide dynamic, location-based advertisements and real-time public information. Additionally, digital traffic signs are improving road safety with live updates, and public service kiosks integrated with AI chatbots are making government services more accessible and efficient.

- **Digital Public Infrastructure (DPI):** India's DPI, encompassing components like Aadhaar (digital identity), Unified Payments Interface (UPI), and DigiLocker, has been instrumental in transforming digital payments and service delivery. It is estimated that by 2030, the economic value added from DPIs to India's GDP could reach between 2.9% and 4.2%, up from 0.9% in 2022.

India's Digital Public Infrastructure (DPI), which includes UPI (Unified Payments Interface), Aadhaar-based authentication, and DigiLocker, is playing a crucial role in driving financial and digital inclusivity across the country. The widespread adoption of digital financial services has significantly increased the demand for digital POS (Point of Sale) systems, biometric-enabled kiosks, and self-service banking screens. Additionally, UPI-enabled smart vending machines and interactive ATMs are gradually replacing traditional banking infrastructure, making transactions more seamless and efficient. Furthermore, e-governance kiosks with touchscreen digital displays are enhancing public access to digital identity verification and essential government services, contributing to a more connected and digitally empowered society.

4. **Corporate Focus on Enhancing Communication and Collaboration Environments**

With businesses increasingly adopting **hybrid work models, digital transformation strategies, and smart workplace solutions**, the demand for **digital display systems** in corporate environments is rising

rapidly. Companies are investing in **high-resolution LED screens, interactive touch panels, and AI-powered digital signage** to improve communication, collaboration, and productivity.

➤ **Smart Meeting Rooms & Hybrid Collaboration:** As businesses move towards **remote and hybrid work models**, digital display systems are playing a crucial role in **enhancing virtual collaboration and seamless communication**.

- **Interactive whiteboards and digital screens** enable teams to brainstorm, share ideas, and collaborate in real time.
- **AI-powered video conferencing displays** enhance virtual meetings with **automated voice recognition, real-time captions, and interactive presentations**.
- **Touchscreen-enabled collaboration boards** allow employees to edit, annotate, and share content instantly, improving decision-making and workflow efficiency.

➤ **Corporate Digital Signage for Internal Communication:** Many large enterprises and co-working spaces are adopting **corporate digital signage solutions** to streamline internal communication and employee engagement.

- **Digital notice boards and LED information displays** are replacing traditional bulletin boards, allowing real-time updates on company announcements, HR policies, and employee recognition programs.
- **Live data dashboards** with AI-powered analytics display key performance indicators (KPIs), sales metrics, and business intelligence reports, helping teams stay informed and aligned with company goals.
- **Interactive kiosks** in corporate campuses provide **visitor management systems, employee directories, and wayfinding solutions**, enhancing overall workplace efficiency.

➤ **Digital Training & Development Solutions:** The rise of **digital learning and skill development programs** has fuelled the need for **high-resolution display systems** in corporate training environments.

- **Large-format touchscreens** facilitate interactive training sessions, making learning more engaging and effective.
- **AR/VR-powered training modules** displayed on advanced LED screens offer immersive experiences, especially in industries like manufacturing, healthcare, and IT.
- **On-demand video training screens** allow employees to access corporate learning materials and development programs anytime, boosting upskilling efforts.

➤ **Smart Lobby & Reception Displays:** Corporate lobbies and reception areas are increasingly incorporating **digital signage solutions** to enhance branding, visitor experience, and real-time communication.

- **Dynamic LED video walls** showcase company achievements, brand stories, and investor presentations, reinforcing corporate identity.
- **Interactive touchscreen kiosks** assist visitors with self-check-in, corporate directories, and navigation guidance, improving efficiency.
- **Live news and social media feeds** displayed on digital signage screens keep employees and visitors informed about industry updates and company milestones.

The increasing adoption of **smart workspaces and digital-first corporate infrastructure** is driving **significant demand for digital display systems** in India. From **AI-driven interactive meeting rooms** and **corporate digital signage** to **immersive training solutions and smart lobby displays**, businesses are leveraging these technologies to **enhance productivity, streamline communication, and create a more engaging workplace environment**. As organizations continue investing in **digital transformation**, the **corporate sector will remain a key driver** of growth for the **digital display industry** in India.

Key Trends in Digital Display Systems

The digital display industry in India is evolving rapidly, driven by technological advancements, sustainability initiatives, and changing consumer expectations. The following key trends are shaping the adoption and innovation in digital display systems:

➤ **Integration of Emerging Technologies**

- The increasing use of AI, IoT, and AR/VR is transforming digital display systems, making them more interactive, personalized, and efficient.
- AI-powered displays: Intelligent digital signage with AI-driven content recommendation and real-time data analytics for targeted advertising.
- IoT-enabled smart screens: Connected display systems that can sync with cloud platforms, analyze consumer behaviour, and provide real-time updates.
- Augmented Reality (AR) & Virtual Reality (VR) integration: Enhancing customer engagement in retail, education, and entertainment by offering immersive experiences.
- Holographic and 3D displays: Emerging as futuristic alternatives in retail, exhibitions, and corporate environments for a more engaging visual impact.

➤ **Shift Toward Energy-Efficient Display Solutions**

- With rising concerns about power consumption, businesses are adopting energy-efficient display technologies that reduce electricity usage while maintaining high-quality visuals.
- LED and OLED advancements: These displays consume less power while offering superior brightness and contrast, making them ideal for retail, corporate, and outdoor advertising.
- E-Paper and reflective display technology: Low-power solutions suitable for outdoor signage, e-readers, and dynamic billboards, reducing energy dependence.

➤ **Adoption of Eco-Friendly Display Technologies**

- Sustainability is becoming a major focus in digital signage, with companies adopting green initiatives to minimize their environmental impact.
- Solar-powered digital signage: Self-sustaining digital billboards use renewable energy, reducing dependence on conventional power sources.
- Recyclable display materials: The industry is shifting towards non-toxic, biodegradable, and sustainable materials for screen production to support environmental conservation efforts.

➤ **Growth of Interactive and Touchscreen Displays**

- Self-service kiosks in retail, banking, healthcare, and public spaces are becoming more common, allowing users to access information and services seamlessly.

- Smart whiteboards and collaboration screens in corporate offices and educational institutions facilitate hybrid work and digital learning.
- Gesture and voice-controlled displays enhance accessibility and user engagement, especially in public areas like malls, airports, and exhibitions.

➤ **Expansion of Large-Scale Digital Out-of-Home (DOOH) Advertising**

- AI-driven digital billboards deliver personalized, data-driven advertisements based on location and audience demographics.
- 5G-powered real-time content updates allow brands to display dynamic ads with instant changes.
- Programmatic advertising integration automates ad placements on digital display networks, optimizing ad reach and engagement.

➤ **Higher Adoption of Transparent and Flexible Displays**

- Transparent OLED and Micro LED screens are being used in retail storefronts, automotive dashboards, and exhibitions for a futuristic, high-tech look.
- Foldable and rollable display screens are emerging in digital signage and consumer electronics, offering flexibility in installation and usage.
- The digital display industry in India is evolving with technological innovations, energy-efficient solutions, and greater interactivity. With AI-driven displays, sustainable signage, 5G connectivity, and immersive AR/VR experiences, digital display systems are set to become more efficient, engaging, and eco-friendly, revolutionizing multiple sectors, including retail, corporate environments, entertainment, and public spaces.

Competitive Landscape

India's IT-BPM sector has established itself as a global leader, driven by technological innovation, a highly skilled workforce, and government-backed initiatives. The country's cost advantage makes it a preferred outsourcing destination, with numerous multinational corporations relying on Indian IT firms for scalable and efficient solutions. The integration of emerging technologies such as AI, automation, and blockchain continues to enhance the sector's competitiveness, enabling businesses to adapt to evolving global demands. Additionally, digital transformation across industries has further fuelled the sector's expansion, positioning India as a hub for advanced IT services and business process management.

The outdoor digital kiosk market in India is also experiencing substantial growth, driven by rising adoption across retail, transportation, healthcare, and smart city projects. Increasing demand for interactive self-service solutions and digital signage is pushing companies to invest in touchscreen technology, durable display materials, and AI-powered customer engagement. The expansion of public infrastructure and the retail sector has further contributed to the growing presence of digital kiosks in urban centres, enhancing consumer interactions and operational efficiency.

Both industries are witnessing intensified competition, with domestic and global players focusing on innovation to differentiate their offerings. In the IT-BPM space, companies are leveraging automation, cloud computing, and cybersecurity solutions, while in the digital kiosk sector, firms are enhancing user experience through real-time data integration and interactive features. This dynamic and competitive environment is fostering continuous technological advancements, ensuring sustained growth in both industries.

Key Factors Driving Competition

- **Technological Advancements & Innovation:**
 - The rapid evolution of **AI, automation, and cloud computing** is intensifying competition in the IT-BPM sector. Companies that integrate **AI-driven analytics, machine learning, and blockchain solutions** gain an edge in delivering efficient and scalable services.
 - **Example:** Infosys and TCS are investing heavily in AI-powered BPM solutions, enhancing automation and predictive analytics for clients.
 - In the digital kiosk space, advancements in **touchscreen technology, IoT integration, and real-time data processing** are driving product differentiation.
 - **Example:** Panasonic and LG have developed interactive kiosks with AI-driven facial recognition for personalized customer experiences.
- **Rising Demand for Digital Transformation:**
 - Businesses across sectors are investing in **IT-BPM solutions** to streamline operations, improve customer service, and enhance security, fuelling competition among major IT service providers.

- **Example:** Wipro and HCL Technologies are expanding their cloud and cybersecurity portfolios to meet growing enterprise demands.
- In the **digital kiosk market**, the push for contactless and self-service solutions is increasing adoption in **retail, banking, and public infrastructure**.
- **Example:** McDonald's and Indian Railways have deployed self-service kiosks for ordering and ticketing, improving efficiency and user convenience.
- **Government Policies & Smart City Initiatives:**
 - The Indian government's push for **Digital India, data localization, and AI adoption** is fostering competition among IT-BPM firms to develop **secure and scalable digital solutions**.
 - **Example:** Tech Mahindra and IBM are partnering with government agencies to implement AI-driven public service platforms.
 - Similarly, smart city projects and **urban digitization efforts** are propelling demand for **outdoor digital kiosks** in **transport hubs, municipal services, and public spaces**.
 - **Example:** Delhi and Mumbai municipal corporations have installed **smart kiosks for citizen services**, offering real-time information and interactive support.
- **Expansion of E-Commerce & Omnichannel Strategies:**
 - The **growth of online retail and digital payments** is boosting demand for IT-BPM solutions focused on **e-commerce management, fraud detection, and logistics optimization**.
 - **Example:** Flipkart and Amazon India use AI-driven BPM solutions to **enhance supply chain efficiency and customer support services**.
 - In the digital kiosk market, **brands are integrating kiosks into omnichannel retail strategies** to provide seamless shopping experiences.
 - **Example:** Tata Croma and Decathlon have installed **interactive kiosks in stores**, allowing customers to browse and order products online from physical outlets.
- **Cost Efficiency & Scalability:**
 - Competitive pricing and the ability to **scale services rapidly** are crucial for success in the IT-BPM sector. Indian IT firms face competition from **global service providers**, making continuous cost optimization essential.
 - **Example:** Infosys and Wipro have established **global delivery centres in Tier-2 and Tier-3 cities** to maintain cost competitiveness.
 - The affordability of **digital kiosks**, coupled with low maintenance costs and remote management capabilities, is a key differentiator in this space.
 - **Example:** Retail chains like Reliance and Big Bazaar are deploying **cost-effective self-checkout kiosks** to reduce operational costs and enhance customer experience.
- **Increasing Consumer Expectations & Personalization:**

- Businesses demand **customized IT-BPM solutions** to meet specific industry needs, driving competition among providers to offer **tailored cloud computing, automation, and big data solutions**.
- **Example:** Cognizant and Accenture are leading the way in **industry-specific BPM solutions** for healthcare, finance, and telecom.
- In **digital kiosks**, businesses seek **personalized advertising, AI-driven content recommendations, and multi-language support**, fuelling the demand for advanced kiosk solutions.
- **Example:** Airports and shopping malls in India are using **AI-powered digital kiosks** to provide targeted promotions and customer assistance in multiple languages.

Profile of Major Players

CMS Info Systems Limited

Company Overview:

Established in 2009, CMS Info Systems Limited is headquartered in Mumbai and operates as India's leading business services company, offering a unified technology-driven platform across banking, retail, logistics, and e-commerce sectors. **Headquartered in Mumbai, Maharashtra**, the company enables financial inclusion and efficient physical payment flows through a scalable platform that empowers millions of consumers and businesses across the nation.

Led by leadership under **Rajiv Kaul, Executive Vice Chairman, CEO & Whole-Time Director**, supported by a strong team including Pankaj Khandelwal (President & CFO) and Anush Raghavan (Chief Business Officer), CMS drives its operations through innovation and execution.

Products & Services:

- **Cash Logistics – ATM Cash Management:** Handles ATM replenishment, withdrawal, deposit processing, day-end reporting, and reconciliation with 24x7 uptime and comprehensive first-line maintenance. Covers over 97% of Indian districts and serves a network of more than 72,000 ATMs.
- **Cash Logistics – Retail Cash Management & Cash-in-Transit:** Manages secure physical cash movement between retail outlets, bank branches, and currency chests, optimizing liquidity and operational flows across cities. Ensures seamless and safe transit of bulk currency for various financial institutions and retail networks.
- **Managed Services – Banking Automation & Brown Label ATM:** Provides end-to-end managed services for ATM networks, including brown-label ATM deployment and banking automation with a single point of accountability. Supports systems like self-service kiosks and recyclers, enhancing branch-level automation and customer convenience.
- **Managed Services – Card Personalisation:** Operates card issuance and personalization services with state-of-the-art facilities, managing millions of financial cards annually. Addresses banks' needs for secure and efficient card production and delivery at scale.
- **Technology Solutions – ALGO Software, HAWKAI™, Retail 360™, AIoT Remote Monitoring:** Offers advanced tech platforms including ALGO (AI-powered ATM security and multivendor software), HAWKAI™, Retail 360™, and AIoT remote monitoring for real-time operations insights. These solutions enhance security, automate monitoring, improve analytics, and drive efficiency across networks.

Key Strengths:

- **Unified Platform Leadership:** A scalable, integrated platform that delivers technology-enabled services across multiple sectors.
- **Extensive Network Reach:** Covers 97% of India’s districts, servicing over 72,000 ATMs and vast retail/logistics networks.
- **Technology Innovation:** Pioneers in AI-based ATM security (ALGO), IoT monitoring, and multivendor automation.
- **High Customer Reliability:** Offers end-to-end accountability with robust service delivery for banking and retail clients.

Publicly Listed Entity: Traded on BSE (543441) and NSE (CMSINFO), reinforcing transparency and investor confidence

Financial Analysis

CMS Info Systems Limited				
All Values in Cr.	FY 2026 HI	FY2025 ⁵	FY2024	FY2023
Revenue from Operations	1139.31	2222.90	2046.84	1703.80
EBITDA	304.61	611.07	617.26	508.36
EBITDA Margin	26.74%	27.49%	30.16%	29.84%
PAT	158.70	328.88	354.22	275.41
PAT Margin	13.93%	14.80%	17.31%	16.16%
Operating Cash Flow	-130.55	439.81	385.22	-322.67
Shareholder Equity	2223.02	2166.34	1889.13	1496.70
Net Worth (Shareholder Equity)	2223.02	2166.34	1889.13	1496.70
Debt Equity Ratio	-	-	-	-
Return on Capital Employed	9.78%	21.08%	25.14%	25.67%
Return on Equity	7.14%	15.18%	18.75%	18.40%
Return On Asset	5.38%	11.11%	13.82%	13.79%

⁵ The financial analysis presented for the peer companies is based on their standalone financial statements for the respective financial years.

Revenue & Growth:

Revenue from operations increased steadily from ₹1,703.80 Cr in FY 2023 to ₹2,046.84 Cr in FY 2024, and further to ₹2,222.90 Cr in FY 2025. This represents a 7.9% YoY growth in FY 2025 and a strong 30.0% growth in FY 2024, reflecting consistent expansion driven by higher demand for services and a growing client base.

For FY2026 H1, the company reported revenue of ₹1,139.31 Cr, indicating continued business momentum. While not directly comparable on a full-year basis, the half-year performance suggests sustained growth trajectory, subject to second-half execution.

EBITDA & Margin:

EBITDA remained healthy at ₹611.07 Cr in FY 2025 compared to ₹617.26 Cr in FY 2024 and ₹508.36 Cr in FY 2023. However, the EBITDA margin declined to 27.49% in FY 2025 from 30.16% in FY 2024 and 29.84% in FY 2023. This margin compression suggests rising operating costs or pricing pressures, which may have offset topline growth.

In FY2026 H1, EBITDA stood at ₹304.61 Cr with a margin of 26.74%, showing continued pressure on operating margins, although profitability remains stable in absolute terms.

Profitability (PAT & Margin):

PAT stood at ₹328.88 Cr in FY 2025, lower than ₹354.22 Cr in FY 2024, though higher than ₹275.41 Cr in FY 2023. The PAT margin dropped to 14.80% in FY 2025 from 17.31% in FY 2024, reflecting reduced profitability despite revenue growth. While the company remains profitable, margin erosion indicates pressure on net earnings.

For FY2026 H1, PAT was ₹158.70 Cr with a PAT margin of 13.93%, indicating continued pressure on net earnings, in line with the declining margin trend observed in FY2025.

Cash Flow & Liquidity:

Operating cash flow improved significantly to ₹439.81 Cr in FY 2025 from ₹385.22 Cr in FY 2024, a strong turnaround from negative cash flows (-₹322.67 Cr) in FY 2023, indicating better working capital management and improved liquidity.

However, in FY2026 H1, operating cash flow turned negative at -₹130.55 Cr, suggesting temporary working capital pressures or timing differences in cash flows. The company continues to maintain a strong balance

sheet with Net Worth of ₹2,223.02 Cr, and no reported debt-equity ratio, indicating low leverage and financial stability.

Returns & Efficiency:

Return ratios have moderated: ROCE declined to 21.08% in FY 2025 from 25.14% in FY 2024, while ROE also fell to 15.18% from 18.75%. Similarly, ROA dropped to 11.11% from 13.82% in the previous year. This downward trend reflects declining efficiency in generating returns from capital employed and assets despite revenue growth.

In FY2026 H1, return ratios remained subdued, with ROCE at 9.78%, ROE at 7.14%, and ROA at 5.38%, indicating continued pressure on capital efficiency and profitability in the near term.

Datamatics Global Services Limited

Company Overview:

Founded in **1975** by Dr. Lalit S. Kanodia, Datamatics Global Services Limited is a Digital Technologies, Operations, and Experiences company. **Headquartered in Mumbai, India**, Datamatics works with enterprises across automation, artificial intelligence, cloud, analytics, and digital solutions. With operations spread across multiple industries including banking & financial services, healthcare, retail, manufacturing, logistics, and government, the company provides technology-driven solutions that support productivity, agility, and customer engagement.

Datamatics delivers services in digital platforms, operations, and customer experience management, combining technology with business processes to create measurable outcomes. The company is also recognized for its corporate governance and business practices, and in 2023, it was included in **Forbes Asia's "200 Best Under a Billion Companies" list**, highlighting its consistent performance and presence in the global market.

Products & Services:

- **Digital Technologies:** Offers AI-first strategies, data & analytics, cloud & DevOps, hyper automation, CRM, digital assurance, enterprise content management, product engineering, applications, and professional services to drive digital transformation.
- **Digital Operations:** Delivers solutions in digital finance (including FINATO for finance & accounting), banking process management, insurance & healthcare operations, intelligent automation platforms (TruBot, TruCap+, TruAgent), and digital content services.

- **Digital Experiences:** Transforms customer engagement through contact centre modernization, digital proctoring, research & analytics, CX consulting, and advanced analytics solutions such as SuperCX and Mystery Audit.
- **Product Engineering:** Delivers end-to-end software product engineering from UI/UX design to development, testing, MVPs, AR/VR, mobile, web, and wearable applications using a design-led approach.
- **Big Data & Analytics:** Builds intelligence-first data analytics solutions aimed at extracting insights from structured and unstructured data covering enterprise data management, governance, migration, and advanced/predictive analytics.
- **Application Modernization & Managed Services:** Modernizes legacy systems through cloud-native, DevOps, microservices, low-code/no-code platforms, AI accelerators like KaiSDLC, KaiBRE, KaiTest, along with DevOps, testing, security, dashboards, and advisory services.
- **Industry-specific Solutions – Healthcare:** Provides end-to-end digital healthcare process management appointment scheduling, e-consultation, billing, claims, workflow, analytics, and automation to lower costs and improve patient outcomes.

Key Strengths:

- **Expertise across digital technologies, operations, and customer experiences:** Datamatics provides integrated solutions in automation, AI, cloud, analytics, and digital platforms. This helps enterprises improve both customer engagement and back-end operational processes.
- **Engineering capability and product innovation:** The company focuses on engineering-driven services, from product design to rapid MVP delivery. This enables clients to test, validate, and scale digital initiatives faster.
- **Data and analytics foundation:** With an intelligence-first approach, Datamatics builds strong data and analytics frameworks. These support informed decision-making, optimized workflows, and business insights.
- **Legacy system modernization with AI accelerators:** Datamatics helps organizations move from legacy systems to modern platforms. AI-based tools and accelerators make the transformation cost-efficient and less complex.
- **Industry-specific solutions:** Tailored offerings are available for industries such as healthcare, BFSI, logistics, and retail. These sector-focused solutions improve efficiency, reduce costs, and solve domain challenges.
- **Corporate governance and recognition:** The company maintains strong governance and ethical practices. Its inclusion in **Forbes Asia’s “200 Best Under a Billion Companies” list (2023)** reflects global recognition.

Financial Analysis

Datamatics Global Services Limited				
All Values in Cr.	FY 2026 HI	FY2025	FY2024	FY2023
Revenue from Operations	321.37	710.52	735.35	733.27
EBITDA	70.83	79.20	121.54	149.76
EBITDA Margin	22.04%	11.15%	16.53%	20.42%
PAT	57.56	55.36	86.32	103.10
PAT Margin	17.91%	7.79%	11.74%	14.06%
Operating Cash Flow	42.38	25.21	108.33	63.72
Shareholder Equity	876.16	854.27	829.90	768.90
Net Worth (Shareholder Equity)	876.16	854.27	829.90	768.90
Debt Equity Ratio	-	-	-	-
Return on Capital Employed	7.63%	8.23%	13.33%	17.84%
Return on Equity	6.57%	6.48%	10.40%	13.41%
Return On Asset	5.37%	5.22%	8.90%	11.39%

Revenue & Growth

Revenue from operations remained muted, declining slightly from ₹733.27 Cr in FY 2023 to ₹735.35 Cr in FY 2024, and further down to ₹710.52 Cr in FY 2025. This reflects a 3.4% YoY decline in FY 2025, indicating stagnation in topline growth, possibly due to subdued demand, client attrition, or slower deal conversions.

For FY2026 HI, revenue stood at ₹321.37 Cr, suggesting continued subdued performance. The half-year figure indicates that full-year recovery may remain limited unless supported by stronger demand in the second half.

EBITDA & Margin

EBITDA fell sharply from ₹149.76 Cr in FY 2023 to ₹121.54 Cr in FY 2024, and further to ₹79.20 Cr in FY 2025. The EBITDA margin contracted significantly to 11.15% in FY 2025, compared to 16.53% in FY 2024 and 20.42% in FY 2023. This steep decline highlights rising cost pressures and operational inefficiencies, eroding profitability.

In FY2026 H1, EBITDA improved to ₹70.83 Cr, with a margin of 22.04%, indicating a notable recovery in operating efficiency and cost control compared to FY2025 levels.

Profitability (PAT & Margin)

PAT declined consistently from ₹103.10 Cr in FY 2023 to ₹86.32 Cr in FY 2024, and further to ₹55.36 Cr in FY 2025. The PAT margin fell to 7.79% in FY 2025, down from 11.74% in FY 2024 and 14.06% in FY 2023. The downward trend in net earnings underscores weakening profitability and challenges in maintaining bottom-line strength.

However, in FY2026 H1, PAT rebounded to ₹57.56 Cr with a PAT margin of 17.91%, indicating a strong recovery in profitability driven by improved margins and possibly better cost optimization.

Cash Flow & Liquidity

Operating cash flow dropped sharply to ₹25.21 Cr in FY 2025 from ₹108.33 Cr in FY 2024, though it remained positive compared to ₹63.72 Cr in FY 2023, indicating pressure on cash generation and working capital management.

In FY2026 H1, operating cash flow improved to ₹42.38 Cr, suggesting better liquidity and improved working capital efficiency in the current period. The company continues to maintain a debt-free balance sheet, with net worth increasing to ₹876.16 Cr, reflecting a stable and strong equity base.

Returns & Efficiency

Return ratios have shown a consistent decline over the years. ROCE decreased to 8.23% in FY 2025 from 13.33% in FY 2024 and 17.84% in FY 2023. Similarly, ROE declined to 6.48%, and ROA to 5.22%, indicating weakening efficiency in capital utilization.

In FY2026 H1, return ratios remain subdued, with ROCE at 7.63%, ROE at 6.57%, and ROA at 5.37%. While there is slight stabilization, overall returns continue to remain under pressure.

Aurionpro Solutions Limited

Company Overview

Aurionpro Solutions Limited, established in 1997 and headquartered at Synergia IT Park, Rabale, Navi Mumbai, is a global technology solutions provider driving digital transformation. The company follows a platform-led strategy called ADAPT (Advanced & Accelerated Platform-led Transformation) to deliver scalable solutions in areas such as artificial intelligence, fintech, digital payments, lending, capital markets, and enterprise data centres. It also offers smart mobility and governance solutions for public infrastructure and digital services. With operations across 16 countries, Aurionpro serves clients in diverse industries, including over 30 Fortune 500 companies. The company focuses on modernizing legacy systems, enhancing customer

engagement through digital platforms, and developing industry-specific solutions. Combining advanced technology with domain expertise, Aurionpro helps organizations optimize operations and accelerate growth.

Products & Services:

- **Artificial Intelligence (Arya.ai, AryaXAI):** Offers AI ecosystems, generative AI, intelligent document processing, and explainability solutions.
- **Transaction Banking & Lending Platforms (iCashpro, Integro, AuroDigi):** Provides corporate banking, payments, loan origination, and credit risk management systems.
- **Fintech & Payments (Auropay, AuropayBiz):** Delivers omni-channel, cloud-native payments and aggregation platforms with value-added services.
- **Capital Markets (Murex Services):** Supports treasury, risk management, and capital market operations with end-to-end services.
- **Data Centre & Hybrid Cloud:** Designs and manages modular data centres, cloud infrastructure, DevOps automation, and security solutions.
- **Interactive & Customer Engagement Platforms (OptiQ, Insight, iServe):** Enables queue management, feedback collection, kiosks, and digital signage for improved customer experience.
- **Smart Governance, Mobility & Transit:** Implements smart city solutions, automatic fare collection, intelligent transport systems, and project management platforms.

Key Strengths:

- **Platform-led Digital Transformation:** Strong focus on converged technology through the ADAPT strategy, bringing multiple proprietary IPs under one ecosystem.
- **Global Clientele:** Trusted by over 30 Fortune 500 companies and governments, with presence across 16 countries.
- **Diversified Portfolio:** Balanced offerings spanning AI, fintech, capital markets, data centres, and smart mobility.
- **Strategic Acquisitions:** Acquisition of InfraRisk expanded its lending solutions into Australia and Europe.
- **Industry Recognition:** Secured major digital banking projects in MEA and Africa, reinforcing its position as a global digital solutions partner.

Financial Analysis

Aurionpro Solutions Limited				
All Values in Cr.	FY 2026 HI	FY2025	FY2024	FY2023
Revenue from Operations	464.25	798.04	582.49	420.10
EBITDA	84.88	132.67	76.99	69.56
EBITDA Margin	18.28%	16.62%	13.22%	16.56%
PAT	55.10	85.02	38.90	38.61
PAT Margin	11.87%	10.65%	6.68%	9.19%
Operating Cash Flow	100.00	98.14	-13.53	39.51
Shareholder Equity	1073.97	1041.70	586.72	271.53
Net Worth (Shareholder Equity)	1073.97	1041.70	586.72	271.53
Debt Equity Ratio	-	-	0.11	0.22
Return on Capital Employed	6.95%	10.83%	9.47%	17.51%
Return on Equity	5.13%	8.16%	6.63%	14.22%
Return On Asset	3.97%	6.43%	4.16%	7.36%

Revenue & Growth:

Revenue from operations showed strong growth, rising from ₹420.10 Cr in FY 2023 to ₹582.49 Cr in FY 2024, and further to ₹798.04 Cr in FY 2025. This reflects a 36.9% YoY growth in FY 2025 and a 38.7% growth in FY 2024, highlighting consistent business expansion and strong demand momentum across segments.

For FY2026 HI, revenue stood at ₹464.25 Cr, indicating continued growth momentum. The half-year performance suggests the company is on track to sustain its strong topline trajectory, subject to continued demand in the second half.

EBITDA & Margin:

EBITDA increased significantly to ₹132.67 Cr in FY 2025 from ₹76.99 Cr in FY 2024 and ₹69.56 Cr in FY 2023. The EBITDA margin improved to 16.62% in FY 2025, compared to 13.22% in FY 2024, and remained stable relative to 16.56% in FY 2023, indicating operational efficiency gains.

In FY2026 H1, EBITDA further strengthened to ₹84.88 Cr, with a margin of 18.28%, reflecting continued improvement in cost efficiency and operating leverage.

Profitability (PAT & Margin):

PAT more than doubled to ₹85.02 Cr in FY 2025, compared to ₹38.90 Cr in FY 2024 and ₹38.61 Cr in FY 2023. The PAT margin strengthened to 10.65% in FY 2025 from 6.68% in FY 2024, reflecting enhanced cost control and better operating leverage. This indicates that the company is translating topline growth into stronger bottom-line performance.

For FY2026 H1, PAT stood at ₹55.10 Cr with a PAT margin of 11.87%, indicating sustained profitability growth and further strengthening of net margins.

Cash Flow & Liquidity:

Operating cash flow turned positive at ₹98.14 Cr in FY 2025, reversing -₹13.53 Cr in FY 2024, and improving from ₹39.51 Cr in FY 2023, reflecting stronger cash generation and better working capital management.

In FY2026 H1, operating cash flow further improved to ₹100.00 Cr, indicating strong liquidity and efficient cash conversion. Shareholder equity increased to ₹1,073.97 Cr, strengthening the balance sheet. The company continues to maintain a debt-free position, reflecting minimal leverage and financial stability.

Returns & Efficiency:

Return ratios showed improvement in FY2025, with ROCE rising to 10.83% from 9.47% in FY 2024, though still below 17.51% in FY 2023. Similarly, ROE increased to 8.16% from 6.63%, while ROA improved to 6.43% from 4.16%, indicating better capital utilization.

However, in FY2026 H1, return ratios moderated, with ROCE at 6.95%, ROE at 5.13%, and ROA at 3.97%, suggesting some pressure on efficiency despite strong profitability and cash flow performance.

Panache Digital Limited

Company Overview

Panache Digilife Limited, incorporated in 2007 and headquartered in Mumbai, Maharashtra, is a listed public company engaged in the design, manufacturing, distribution, and servicing of ICT and IoT products. The company operates a manufacturing facility in Bhiwandi, certified under ISO 9001:2015 and ISO 14001:2015, and aligns its operations with Government of India's "Make in India" and PLI schemes for electronics and telecom equipment. Its portfolio spans smart computing devices, telecom equipment, retail solutions, and education technologies, catering to diverse sectors including education, telecom, retail, healthcare, and BFSI.

Products & Services

- **Smart Computing Devices:** Laptops, all-in-one PCs, desktops, mini-PCs, micro-PCs, and thin clients.
- **Smart Education Solutions:** Secure classrooms, virtualization tools, tablet-based solutions, charging solutions, interactive and pen-based display devices.
- **Telecom Equipment:** Managed switches, PoE switches, routers, and IP telephony devices.
- **Retail & POS Solutions:** Kiosks, visitor management systems, barcode scanners, thermal printers, and cash registers.
- **Peripheral Devices:** Keyboards, fingerprint readers, and other accessories.
- **Support Services:** Test and repair centres, return material authorisation (RMA) services.

Key Strengths

- **In-house Manufacturing:** Facility located in Bhiwandi with ISO 9001:2015 and ISO 14001:2015 certifications ensuring quality and compliance.
- **Government Incentive Participation:** Approval under the Telecom Production Linked Incentive (PLI) Scheme by the Ministry of Communications for telecom and networking products.
- **Integrated Product Design:** Focus on incorporating AI, big data and analytics, cloud connectivity, and device engineering in product development.
- **Diversified Portfolio:** Wide range of offerings across computing devices, education solutions, telecom equipment, retail technologies, and peripherals.
- **OEM and ODM Expertise:** Capability to design and manufacture products under both original equipment manufacturing (OEM) and original design manufacturing (ODM) models.

Financial Analysis

Panache Digital Limited				
All Values in Cr.	FY 2026 HI	FY2025	FY2024	FY2023
Revenue from Operations	68.56	115.03	96.50	111.80
EBITDA	5.14	11.47	5.85	7.03
EBITDA Margin	7.50%	9.97%	6.06%	6.29%
PAT	2.44	5.86	0.41	1.85
PAT Margin	3.55%	5.09%	0.42%	1.66%
Operating Cash Flow	4.27	-12.77	8.13	-3.23
Shareholder Equity	72.49	70.08	37.08	36.69

Net Worth (Shareholder Equity)	72.49	70.08	37.08	36.69
Debt Equity Ratio	0.35	0.29	0.86	0.93
Return on Capital Employed	4.65%	11.48%	7.21%	8.81%
Return on Equity	3.36%	8.36%	1.10%	5.05%
Return On Asset	1.88%	5.00%	0.42%	1.94%

Revenue & Growth

Revenue from operations increased from ₹111.80 Cr in FY2023 to ₹96.50 Cr in FY2024, and further to ₹115.03 Cr in FY2025. While FY2024 showed a decline of 13.7%, the company recovered in FY2025 with 19.2% YoY growth, indicating a rebound in demand and improved execution.

For FY2026 HI, revenue stood at ₹68.56 Cr, suggesting continued recovery momentum. The half-year performance indicates stable demand, with potential for moderate full-year growth.

EBITDA & Margin

EBITDA moved from ₹7.03 Cr in FY2023 to ₹5.85 Cr in FY2024, and improved to ₹11.47 Cr in FY2025. The EBITDA margin increased to 9.97% in FY2025 from 6.06% in FY2024 and 6.29% in FY2023, reflecting improved operational efficiency.

In FY2026 HI, EBITDA stood at ₹5.14 Cr with a margin of 7.50%, indicating some moderation in operating margins compared to FY2025 levels.

Profitability (PAT & Margin)

PAT stood at ₹1.85 Cr in FY2023, declined to ₹0.41 Cr in FY2024, and improved significantly to ₹5.86 Cr in FY2025. The PAT margin increased to 5.09% in FY2025, after dipping to 0.42% in FY2024, highlighting strong recovery in bottom-line performance.

For FY2026 HI, PAT was ₹2.44 Cr with a PAT margin of 3.55%, indicating profitability remains positive but lower than FY2025 levels.

Cash Flow & Liquidity

Operating cash flow was negative at -₹3.23 Cr in FY2023, turned positive at ₹8.13 Cr in FY2024, and again declined to -₹12.77 Cr in FY2025, indicating volatility in cash generation.

In FY2026 HI, operating cash flow improved to ₹4.27 Cr, suggesting better working capital management and improved liquidity in the current period. Shareholder equity further increased to ₹72.49 Cr, strengthening

the balance sheet. However, the debt-equity ratio increased slightly to 0.35 in FY2026 HI from 0.29 in FY2025, indicating a marginal rise in leverage.

Returns & Efficiency

Return ratios improved significantly in FY2025, with ROCE rising to 11.48%, ROE to 8.36%, and ROA to 5.00%, reflecting better capital utilization and efficiency.

However, in FY2026 HI, return ratios moderated, with ROCE at 4.65%, ROE at 3.36%, and ROA at 1.88%, indicating pressure on returns in the near term.

Sahasra Electronic Solutions Limited

Company Overview

Sahasra Electronic Solutions Limited, headquartered in Noida, Uttar Pradesh, India, is part of the Sahasra Group engaged in electronics system design and manufacturing. The company was established in 2020 as the second EMS (Electronic Manufacturing Services) facility of the group to cater to the growing domestic and export market demand. It provides end-to-end manufacturing solutions ranging from PCB fabrication to box-build integration and supports both domestic customers and international clients across more than 10 countries.

Products & Services

- **PCB Fabrication** – manufacturing printed circuit boards for diverse applications.
- **PCB Assembly (PCBA)** – assembly of electronic components on PCBs.
- **Wire Harness Manufacturing** – production of wiring and cable assemblies.
- **Box-Build Solutions** – full system integration and enclosures.
- **IT Hardware Products** – enterprise-grade hardware manufacturing.
- **ODM Services** – original design and manufacturing solutions combining design expertise with production.

Key Strengths

- **Export Capability:**
The company exports electronic manufacturing services to customers in more than 10 countries, ensuring global market access. This international presence helps diversify revenue streams and reduces reliance on domestic demand cycles.
- **Group Backing:**

Sahasra Electronic Solutions benefits from the experience of the Sahasra Group, which has been active in electronics and semiconductors for over two decades. This backing provides credibility, technical know-how, and access to established customer and supplier networks.

- **Diverse Service Portfolio:**

Its services cover PCB fabrication, PCB assembly, wiring harnesses, box-build solutions, and Original Design Manufacturing (ODM). This broad portfolio enables it to serve multiple industries, offering end-to-end solutions under one roof.

- **Focus on EMS Scale:**

The company has a dedicated EMS facility designed to cater to large-scale demand from domestic and international clients. This allows it to handle high-volume production while maintaining quality and meeting delivery commitments.

Financial Analysis

Sahasra Electronic Solutions Limited				
All Values in Cr.	FY 2026 HI	FY2025	FY2024	FY2023
Revenue from Operations	58.17	86.83	101.15	10.43
EBITDA	12.63	13.79	36.91	3.45
EBITDA Margin	21.71%	15.88%	36.49%	33.03%
PAT	9.01	8.30	33.24	2.31
PAT Margin	15.49%	9.56%	32.86%	22.10%
Operating Cash Flow	-6.47	0.18	5.17	1.76
Shareholder Equity	235.80	226.83	60.93	20.05
Net Worth (Shareholder Equity)	235.80	226.83	60.93	20.05
Debt Equity Ratio	0.05	-	0.36	-
Return on Capital Employed	4.65%	5.53%	41.99%	16.65%
Return on Equity	3.82%	3.66%	54.56%	11.50%
Return On Asset	3.24%	3.16%	30.58%	4.98%

Revenue & Growth

Revenue from operations increased from ₹10.43 Cr in FY2023 to ₹101.15 Cr in FY2024, before declining to ₹86.83 Cr in FY2025. FY2024 recorded an exceptional ~870% YoY growth, driven by rapid scaling and new business additions, while FY2025 saw a 14.1% decline, indicating a normalization after high growth.

For FY2026 H1, revenue stood at ₹58.17 Cr, suggesting stable business performance. The half-year trend indicates potential recovery, though full-year growth will depend on sustained demand.

EBITDA & Margin

EBITDA increased sharply from ₹3.45 Cr in FY2023 to ₹36.91 Cr in FY2024, before declining to ₹13.79 Cr in FY2025. The EBITDA margin rose from 33.03% in FY2023 to 36.49% in FY2024, then dropped to 15.88% in FY2025, reflecting margin compression due to higher costs.

In FY2026 H1, EBITDA improved to ₹12.63 Cr with a margin of 21.71%, indicating recovery in operating margins compared to FY2025.

Profitability (PAT & Margin)

PAT increased significantly from ₹2.31 Cr in FY2023 to ₹33.24 Cr in FY2024, before declining to ₹8.30 Cr in FY2025. The PAT margin followed a similar trend, rising to 32.86% in FY2024 and falling to 9.56% in FY2025, reflecting reduced profitability post expansion.

For FY2026 H1, PAT stood at ₹9.01 Cr with a PAT margin of 15.49%, indicating a strong recovery in profitability and improved earnings quality.

Cash Flow & Liquidity

Operating cash flow increased from ₹1.76 Cr in FY2023 to ₹5.17 Cr in FY2024 and slightly dropped to ₹0.18 Cr in FY2025, indicating tighter liquidity despite sustained operations. Shareholder equity rose significantly from ₹20.05 Cr in FY2023 to ₹60.93 Cr in FY2024, and further to ₹226.83 Cr in FY2025, reflecting strong capital infusion and retention of earnings. The debt-equity ratio decreased from 0.36 in FY2024 to nil in FY2025, indicating reduced leverage and a stronger balance sheet.

In FY2026 H1, operating cash flow turned negative at -₹6.47 Cr, suggesting working capital pressures despite profitability improvements. However, shareholder equity increased further to ₹235.80 Cr, reflecting a strong capital base. The debt-equity ratio remained low at 0.05, indicating minimal leverage and a stable balance sheet.

Returns & Efficiency

Return ratios show volatility due to rapid growth and margin swings. ROCE declined from 16.65% in FY2023 to 41.99% in FY2024, before dropping to 5.53% in FY2025, reflecting changes in operating profit relative to

capital employed. ROE similarly increased from 11.50% in FY2023 to 54.56% in FY2024, before declining to 3.66% in FY2025. ROA rose from 4.98% in FY2023 to 30.58% in FY2024, and then dropped to 3.16% in FY2025. These movements indicate that while the company achieved strong returns during rapid growth, efficiency normalized in FY2025.

In FY2026 H1, return ratios remained subdued, with ROCE at 4.65%, ROE at 3.82%, and ROA at 3.24%, indicating continued pressure on capital efficiency despite improvement in margins.

Threats and Challenges

Cybersecurity Threats

- **IT-BPM Industry:** Data breaches, ransomware attacks, and hacking incidents are increasing, leading to financial losses and reputational damage.
- **Outdoor Digital Kiosks:** Kiosks handling user data are vulnerable to hacking, posing a risk of identity theft and system manipulation.

Data Privacy and Compliance Issues

- **IT-BPM Industry:** Compliance with regulations like GDPR, HIPAA, and India's Data Protection Bill is mandatory, but evolving policies create challenges.
- **Outdoor Digital Kiosks:** Kiosks collecting user data must adhere to privacy laws, ensuring secure large amount of data storage and transmission.

Rapid Technological Changes

- **IT-BPM Industry:** Emerging technologies such as AI, blockchain, and cloud computing require continuous adaptation and heavy investments.
- **Outdoor Digital Kiosks:** Adoption of 5G and IoT-based kiosks demands regular upgrades to remain competitive.

High Initial Investment and Maintenance Costs

- **IT-BPM Industry:** Cloud infrastructure, automation tools, and software licensing add to operational costs.
- **Outdoor Digital Kiosks:** Hardware installation, connectivity, and maintenance require substantial capital investment.

Market Competition and Price Wars

- **IT-BPM Industry:** Global outsourcing and rising competition from countries like the Philippines and Vietnam impact Indian IT-BPM firms.
- **Outdoor Digital Kiosks:** Increased competition among digital advertising providers results in lower profit margins.

Infrastructure and Connectivity Issues

- **IT-BPM Industry:** Internet reliability and power supply fluctuations can disrupt operations, especially in Tier-2 and Tier-3 cities.
- **Outdoor Digital Kiosks:** Lack of 24/7 internet connectivity and power backup affects the performance of digital kiosks.

Resistance to Digital Adoption

- **IT-BPM Industry:** Traditional businesses resist adopting IT solutions due to cost concerns and lack of technical expertise.
- **Outdoor Digital Kiosks:** Some regions have low acceptance of digital kiosks due to unfamiliarity and lack of trust in technology.

SWOT Analysis



Company Profile

Addsoft Technologies Private Limited

Company Overview

AddSoft Technologies, established in 2005, provides IT & ITES solutions to various industries. The company operates through four delivery centres and has a presence in eight countries. Its workforce of over 500 professionals serves clients across 380+ cities in India. The company focuses on IT infrastructure, software development, digital transformation, and self-service kiosks, delivering tailored technology solutions to businesses and public institutions.

With a commitment to efficiency and innovation, AddSoft Technologies integrates hardware and software capabilities to meet industry requirements. The company emphasizes teamwork, quality standards, and continuous improvement in its offerings. Investments in technology and process enhancements support its goal of delivering reliable and adaptable solutions.

Product & Services: Addsoft Technologies provides a diverse range of IT and digital solutions, including:

- **Security Management:** Advanced cybersecurity, biometric access control, and surveillance solutions.
- **Dedicated Cloud Hosting:** Secure and scalable cloud hosting services for enterprises.
- **IoT/Embedded Solutions:** Smart devices, industrial automation, and real-time monitoring applications.
- **Datacentre Transformation:** Infrastructure optimization, cloud migration, and data security solutions.
- **Web Portal & E-Commerce Solutions:** Custom web applications, SaaS platforms, and online business solutions.
- **Self-Service Kiosks:** Solutions for information dissemination, ticket vending, queue management, safety training, feedback collection, mobile charging, and tourism assistance.
- **Digital Signage & LED Video Walls:** Indoor and outdoor LED displays, digital standees, environmental information screens, and corporate communication hubs.
- **End-User Computing:** Thin clients, all-in-one PCs, desktop solutions, and virtual desktop infrastructure.
- **IT & Software Services:** Enterprise software development, IT consulting, and technology integration.

Key Strengths:

- **Customer Trust & Network:** Over the years, AddSoft Technologies has built a network of satisfied customers who rely on its products and services. The company values long-term client relationships and emphasizes trust through consistent service quality and support.

- **Comprehensive Product Range:** The company offers a diverse portfolio of IT solutions, catering to different industries and requirements. Its expertise in infrastructure, software, and hardware integration ensures that clients receive solutions that align with their business needs.
- **Partner Support & Training:** AddSoft Technologies works closely with business partners, offering training programs and promotional initiatives. These efforts help partners enhance their market reach and leverage the company's technology effectively.
- **Market Presence:** With operations in multiple regions and a strong domestic footprint, the company provides solutions to businesses across different sectors, including government, finance, healthcare, and education. Its ability to adapt to market needs allows for sustainable growth and expansion.
- **Technology & R&D Investment:** Continuous investment in research and development enables AddSoft Technologies to innovate and refine its offerings. The company focuses on staying updated with technological advancements to provide relevant and efficient solutions.
- **Customer-Centric Approach:** A strong emphasis on customer satisfaction is reflected in the company's pre- and post-sales support. By addressing client needs proactively and ensuring reliable service, AddSoft Technologies maintains a high level of customer engagement and retention.

Financial Analysis:

Addsoft Technologies Private Limited.				
All Values in Cr.	As of Oct 2025	FY2025	FY2024	FY2023
Revenue from Operations	24.30	51.57	32.20	23.51
EBITDA	4.82	11.33	3.67	1.68
EBITDA Margin	19.84%	21.97%	11.39%	7.16%
PAT	2.33	7.17	1.91	0.69
PAT Margin	9.61%	13.90%	5.94%	2.93%
Operating Cash Flow	-4.12	-6.96	0.82	-3.39
Shareholder Equity	14.13	11.79	4.63	2.51
Net Worth (Shareholder Equity)	14.13	11.79	4.63	2.51
Debt Equity Ratio	1.56	1.21	1.30	2.33
Return on Capital Employed	11.59%	41.75%	31.27%	16.38%
Return on Equity	16.52%	60.78%	41.35%	27.42%

Return On Asset	4.65%	15.59%	8.72%	3.94%
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Revenue & Growth:

Addsoft Technologies has demonstrated strong top-line growth over the last three years. Revenue from operations increased from ₹23.51 Cr in FY2023 to ₹32.20 Cr in FY2024, reflecting a growth of 36.9%. The momentum accelerated in FY2025, with revenue reaching ₹51.57 Cr, marking a 60.2% YoY increase, driven by strong business expansion and growing client traction.

For FY2026 (till Oct), revenue stood at ₹24.30 Cr, indicating continued business activity. However, the partial-year performance suggests that sustaining the high growth trajectory will depend on stronger execution in the remaining months.

EBITDA & Margin

EBITDA increased significantly from ₹1.68 Cr in FY2023 to ₹3.67 Cr in FY2024, and further to ₹11.33 Cr in FY2025. The EBITDA margin improved from 7.16% in FY2023 to 11.39% in FY2024, and further to 21.97% in FY2025, reflecting strong operating leverage and cost optimization.

In FY2026 (till Oct), EBITDA stood at ₹4.82 Cr, with a margin of 19.84%, indicating sustained operating efficiency, though slightly lower than FY2025 levels.

Profitability (PAT & Margin):

PAT increased from ₹0.69 Cr in FY2023 to ₹1.91 Cr in FY2024, and further to ₹7.17 Cr in FY2025, reflecting strong bottom-line growth. The PAT margin improved from 2.93% in FY2023 to 5.94% in FY2024 and further to 13.90% in FY2025, indicating enhanced profitability.

For FY2026 (till Oct), PAT stood at ₹2.33 Cr with a PAT margin of 9.61%, showing healthy profitability, though lower than FY2025 due to partial-year performance.

Cash Flow & Liquidity:

Operating cash flow improved from -₹3.39 Cr in FY2023 to ₹0.82 Cr in FY2024, indicating better working capital management. However, in FY2025, it declined again to -₹6.96 Cr, reflecting higher working capital requirements amid rapid growth.

In FY2026 (till Oct), operating cash flow remained negative at -₹4.12 Cr, suggesting continued pressure on cash conversion. Meanwhile, shareholder equity increased significantly to ₹14.13 Cr, strengthening the company's net worth and balance sheet.

Leverage Position:

The debt-equity ratio declined from 2.33 in FY2023 to 1.30 in FY2024, and further to 1.21 in FY2025, indicating improving capital structure. However, it increased to 1.56 in FY2026 (till Oct), suggesting a rise in leverage, likely to support ongoing expansion.

Returns & Efficiency:

Return ratios improved significantly over the period. ROCE increased from 16.38% in FY2023 to 31.27% in FY2024 and further to 41.75% in FY2025, reflecting strong capital efficiency. Similarly, ROE rose sharply from 27.42% to 41.35% and further to 60.78%, while ROA improved to 15.59% in FY2025.

However, in FY2026 (till Oct), return ratios moderated, with ROCE at 11.59%, ROE at 16.52%, and ROA at 4.65%, primarily due to partial-year performance and increased capital base.