Table of Content

- Executive Summary ........................................ 3
- Advantage India ............................................. 4
- Market Overview ............................................. 6
- Recent Trends and Strategies ......................... 15
- Growth Drivers ............................................... 18
- Opportunities ............................................... 23
- Case Studies .................................................. 24
- Industry Associations ..................................... 30
- Useful Information .......................................... 32
EXECUTIVE SUMMARY

- Indian appliance and consumer electronics (ACE) market reached Rs 2.05 trillion (US$ 31.48 billion) in 2017.
- It is expected to increase at a 9 per cent CAGR to reach Rs 3.15 trillion (US$ 48.37 billion) in 2022.

- India is one of the largest growing electronics market in the world. Indian electronics market is expected to grow at 41 per cent CAGR between 2017-20 to reach US$ 400 billion.
- Consumer electronics exports from India reached US$ 362.12 million in FY18**.

- Television industry in India is estimated to have reached Rs 660 billion (US$ 10.19 billion) in CY2017 and projected to reach Rs 862 billion (US$ 13.31 billion) in CY2020.

Notes: F – Forecast; CY – Calendar Year, E – Estimate, F – forecast, **Provisional
Source: Makeinindia, DeitY, Edelweiss research, FICCI-EY Re-imagining India’s M&E sector, PWC - Championing change in the Indian appliance and consumer electronics industry
ADVANTAGE INDIA
Demand growth is likely to accelerate with rising disposable incomes and easy access to credit.

- Increasing electrification of rural areas and wide usability of online sales would also aid growth in demand.
- Rise in working age population also to stimulate demand.

Huge untapped market; As of 2016, only 29 per cent of households in India own a refrigerator, 11 per cent own a washing machine and 6 per cent own a computer or a laptop.

- Emerging rural areas have a great potential for appliances like microwaves and refrigerators.

Sector has attracted significant investments over the years (even during the global downturn of 2009-10).

- In October 2017, Flipkart launched its private consumer appliances label called ‘Marq’.
- In May 2017 Havells completed acquisition of Lloyd consumer durables business.

100 per cent FDI allowed in the electronics hardware-manufacturing sector under the automatic route; Approval of 51 per cent in multi-brand would further fuel the growth in this sector.

- National Electronic Policy to boost investment in the sector.
- Modified special incentive package scheme (M-SIPS) has been introduced for growth of consumer durable industry.

Notes: FDI - Foreign Direct Investment, FY - Indian Financial Year (April - May), CAGR - Compound Annual Growth Rate, EPCG - Export Promotion Capital Goods Scheme, EHTP - Electronic Hardware Technology Park
Source: DIPP, Aranca Research, ICE 360 Survey 2016
MARKET OVERVIEW
THE CONSUMER DURABLES MARKET IS SPLIT INTO TWO KEY SEGMENTS

Source: Electronic Industries Association of India, Aranca Research
EVOLUTION OF THE INDIAN CONSUMER DURABLES SECTOR

- Closed market
- Increased product availability, increased media penetration and advertising
- Increasing availability and affordability of consumer finance provides impetus to growth
- Low penetration of high-end products such as air conditioners (<1 per cent)
- Peak basic custom duty rate of 10 per cent is applicable on goods such as microwave ovens, air conditioners, televisions, washing machines and refrigerators. They can be now imported as completely built units from SAFTA and ASEAN countries like Japan and Thailand at concessional rates of BCD ranging from 0-6 per cent.
- Goods and Services Tax introduced from July 2017, with most electronics goods taxed at 18 per cent.

1980s and early 1990s Pre Liberalisation
- Liberalisation of markets
- Influx of global players such as LG and Samsung
- Shift in focus from promotion to product innovation

Mid and late 1990s Liberalisation
- Liberalisation of markets
- Influx of global players such as LG and Samsung
- Shift in focus from promotion to product innovation

Early 2000s Growth
- Companies look to consolidate market share
- Indian companies such as Videocon gaining global identity
- Increasing penetration of high-end products such as air conditioners (>3 per cent)
- Introduction of new aspirational products such as High Definition TVs (HDTVs)
- Companies targeting high growth in rural market

Late 2000s Consolidation
- Liberalisation of markets
- Influx of global players such as LG and Samsung
- Shift in focus from promotion to product innovation

2017 onwards
- Liberalisation of markets
- Influx of global players such as LG and Samsung
- Shift in focus from promotion to product innovation

Source: Aranca Research
CONSUMER DURABLES REVENUES HAVE BEEN GROWING AT A HEALTHY PACE

- Appliance and consumer electronics (ACE) industry in expected to grow at 9 per cent CAGR during 2017-22 to reach Rs 3.15 trillion (US$ 48.37 billion) in 2022 from Rs 2.05 trillion (US$ 31.48 billion) in 2017.
- The consumer durables sector in India is expected to grow 8.5 per cent in 2018-19.
- Godrej group, Mirc Electronics, Blue Star and Videocon Industries are few of the major domestic players operating in India consumer durable market.
- India was the world’s third largest smartphone market in 2017 with smartphone shipments growing 14 per cent year-on-year to 124 million units.
- Consumer durables index under the Index of Industrial Production grew 7.9 per cent in February 2018.

---

**Indian Appliance and Consumer Electronics Industry (US$ billion)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Refrigerators</th>
<th>Air Conditioners</th>
<th>Washing &amp; Laundry Machines</th>
<th>Other Appliances</th>
<th>Smartphones</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17*</td>
<td>3,048</td>
<td>5,515</td>
<td>3,197</td>
<td>11,538</td>
<td>17,66</td>
</tr>
<tr>
<td>2017-18*</td>
<td>11,882</td>
<td>5,794</td>
<td>5,515</td>
<td>11,882</td>
<td>26.87</td>
</tr>
</tbody>
</table>

---

**Note:** (F) Forecast, E – estimated, CY – Calendar Year, FY – Financial Year, F-forecast

**Source:** Electronic Industries Association of India, Canalys, The Hindu, Edelweiss research, CMIE, PWC - Championing change in the Indian appliance and consumer electronics industry
### CONSUMER ELECTRONICS – KEY PRODUCTS

#### Colour TVs (CTVs)
- CTVs are the largest contributors to this segment
- Television industry in India is estimated to have reached Rs 660 billion (US$ 10.19 billion) in CY2017 and projected to reach Rs 862 billion (US$ 13.31 billion) in CY2020.
- Number of TV households in India is expected to reach 200 million by 2020.

#### Flat Panel Display
- India’s first LCD manufacturing unit is set to start in 2018. Currently all the displays used are imported to India.
- The price decline due to relatively low import duty on LCD panels, higher penetration levels and the introduction of small entry-size models are key growth drivers in the segment.

#### Direct-To-Home (DTH)
- The Set-Top Box (STB) market is growing rapidly, due to the expansion of DTH and introduction of the Conditional Access System (CAS) in metros
- Active DTH subscribers in the country increased from 62.65 million in December 2017 to 67.56 million in December 2017.

**Notes:** LCD – Liquid Crystal Display, Information is as per latest available data  
**Source:** CEAMA, Electronic Industries Association of India, Aranca Research, Economic Times, TV Veopar Journal
## CONSUMER APPLICATIONS – KEY PRODUCTS

### Refrigerators
- This segment made up 27 per cent of the consumer appliances market in 2017.
- The market share of direct cool and frost free segment in FY18 is estimated at 70 per cent and 30 per cent respectively.
- The estimated market size in value for refrigerators in India is estimated to be Rs 195 billion (US$ 3.02 billion in 2017 and is expected to reach Rs 344 trillion (US$ 5.34 billion) by 2022. Production of refrigerators in India increased 3 per cent year-on-year in 2017-18* to 11.88 million units.

### Air Conditioners (ACs)
- During FY17, market size for air conditioning in India was estimated at Rs 18,500 crore (US$ 2.76 billion), while the market for room air conditioners was estimated at around Rs 12,000 crore (US$ 1.79 billion). During 2017-18* production of air conditioners in India increased 4.9 per cent year-on-year to 3.19 million units.
- Air conditioner market in India is expected to reach 7 million units by 2020 from 5.5 million units 2018.
- High income growth and rising demand for split ACs are the key growth drivers

### Washing appliances
- Production of washing appliances in India increased 5.1 per cent year-on-year in 2017-18* to 5.79 million units.
- Fully automatic washing machines are garnering an increasing share of the market due to reduction in prices and higher disposable incomes

### Electric fans
- Domestic electric fan market in India increased at 13 per cent CAGR between FY08-17 to reach Rs 70 billion (US$ 1.1 billion). 22.6 million fans were produced in the country in 2017-18*
- Penetration of electric fans in rural areas is expected to reach 76-78 per cent in 2019-20 from 65 per cent in 2017.

**Note**: *As per latest available data, * April 2017 – February 2018  
*Source: CEMA, Electronic Industries Association of India, Mirc annual report, Edelweiss research , CMIE, Intex Technologies*
KEY PLAYERS(1) IN THE CONSUMER DURABLES SECTOR … (1/2)

<table>
<thead>
<tr>
<th>Company</th>
<th>Product category</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLUE STAR</td>
<td>ACs, refrigerators, specialty cooling products including mortuary chambers and cold storage</td>
</tr>
<tr>
<td>DAIKIN</td>
<td>ACs and cooling equipment</td>
</tr>
<tr>
<td>Godrej</td>
<td>Refrigerators, ACs, washing machines, microwave ovens, DVD players, digital-imaging products and audio-visual products</td>
</tr>
<tr>
<td>HITACHI</td>
<td>ACs and refrigerators</td>
</tr>
<tr>
<td>LG</td>
<td>TVs, audio-visual solutions, computers, mobile phones, refrigerators, washing machines, microwave ovens, vacuum cleaners and ACs</td>
</tr>
<tr>
<td>ONIDA</td>
<td>LCDs, washing machines, DVD players, ACs, microwave ovens, mobile phones, projectors and display products</td>
</tr>
</tbody>
</table>

(1)This list is indicative
### KEY PLAYERS(1) IN THE CONSUMER DURABLES SECTOR … (2/2)

<table>
<thead>
<tr>
<th>Company</th>
<th>Product category</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PHILIPS</strong></td>
<td>TVs, home theatre systems, DVD players, audio products, personal care products, household products, computers and phones</td>
</tr>
<tr>
<td><strong>SAMSUNG</strong></td>
<td>TVs, home theatre systems, DVD players, mobile phones, digital cameras, camcorders, refrigerators, ACs, washing machines, microwave ovens and computers</td>
</tr>
<tr>
<td><strong>SONY</strong></td>
<td>TVs, projectors, DVD players, audio systems, home theatre systems, digital cameras, camcorders, computers, video-gaming products and recording media</td>
</tr>
<tr>
<td><strong>VIDEOCON</strong></td>
<td>TVs, DVD players, microwave ovens, refrigerators, washing machines, ACs and power backup solutions</td>
</tr>
<tr>
<td><strong>Whirlpool</strong></td>
<td>Refrigerators, washing machines, microwave ovens, water purifiers and power backup solutions</td>
</tr>
</tbody>
</table>

(1) This list is indicative
### Porter’s Five Forces Framework Analysis

<table>
<thead>
<tr>
<th>Force</th>
<th>Impact</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threat of Substitutes</td>
<td>Negative Impact</td>
<td>Technology advancements, Buyers have huge propensity to substitute</td>
</tr>
<tr>
<td>Bargaining Power of Suppliers</td>
<td>Positive Impact</td>
<td>Product differentiation is very low, By changing the input, firms cannot drastically differentiate on price</td>
</tr>
<tr>
<td>Competitive Rivalry</td>
<td>Negative Impact</td>
<td>Continuous innovation leads to intense rivalry, Homogeneity in product and low switching cost</td>
</tr>
<tr>
<td>Bargaining Power of Buyers</td>
<td>Positive Impact</td>
<td>Use of Internet to get all the information enables customers to be powerful, Buyer’s switching cost is very less</td>
</tr>
<tr>
<td>Threat of New Entrants</td>
<td>Positive Impact</td>
<td>Highly capital intensive, Major players have developed brand equity, Brand loyalty is moderate</td>
</tr>
</tbody>
</table>

**Source:** Aranca Research
RECENT TRENDS AND STRATEGIES
### NOTABLE TRENDS IN THE CONSUMER DURABLES SECTOR

<table>
<thead>
<tr>
<th>Expansion into new segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Micromax plans to invest US$ 89.25 million by 2020 for transforming itself into a consumer electronics company.</td>
</tr>
<tr>
<td>▪ Voltas, company of Tata Group, will launch its ‘Beko’ brand of consumer durables in the second half of 2018 through a joint venture with Ardutech, a subsidiary of Arcelik.</td>
</tr>
<tr>
<td>▪ Whirlpool India will launch one new product every two months in 2018 to tap the entry and premium segments in the country.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Premium Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ As a result of increased exposure to global lifestyle and newer technologies, consumer perception in India has been shifting in favour of premium consumer durables. These are no more viewed as only utility products.</td>
</tr>
<tr>
<td>▪ The trend of premiumisation is visible across various categories like air conditioners, microwaves, refrigerators and washing machines.</td>
</tr>
<tr>
<td>▪ Easy finance schemes have been a major enabler for people to opt for premium products in the market.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growing luxury market</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Growing number of HNI’s and women in workforce is boosting demand for luxury products</td>
</tr>
<tr>
<td>▪ Luxury brands like Porsche, Jimmy Choo are increasing their store presence</td>
</tr>
<tr>
<td>▪ Luxury brands are launching their own websites to cater to Indian luxury brand market</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increased affordability of products</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Advancement in technology and higher competition are driving price reductions across various consumer durable product segments such as computers, mobile phones, refrigerators and TVs. With the initiative of “Make in India” campaign, many domestic and Chinese manufactures are investing in India to set up their manufacturing plants which would produce more affordable products</td>
</tr>
</tbody>
</table>

*Source: CEAMA, India Retail Report, Aranca Research, Business Line*
STRATEGIES ADOPTED

Powerful competitive strategy
- To reduce the price of their products, Xiaomi followed a totally different approach. Rather than using traditional advertising it has used inexpensive social media campaigns which helped the company in producing mobile phones at competitive prices in the market
- Samsung has acquired JBL and Harman Kardon for US$ 8 billion, other brands to come under Samsung are Mark Levinson, AKG, Lexicon, Infinity and Revel, Bowers and Wilkins and Bang and Olufsen brands.

Marketing strategies
- The firms are now partnering with e-retailers to promote sales and increase penetration in the Indian market.
- In February 2017, Microsoft Corp announced a strategic partnership with Flipkart, by virtue of which, Flipkart will adopt Microsoft Azure as its exclusive public cloud computing platform and help customers in shopping online.
- Birla Cellulose, a part of Aditya Birla Group’s Grasim Industries, is taking its Liva brand of viscose fabric abroad. The company has already established a Liva Accredited Partners’ Forum (LAPF) in Bangladesh and Indonesia, and is looking to set up a similar forum in China as well.

Occasion based marketing
- India is the land of occasions and festivals, therefore, customers are offered great deals
- For instance the prices of products during Diwali, New Year, etc go down and customers are offered with great deals. Such strategies are adopted so as to enhance revenues plus to maintain the goodwill amongst buyers.

Focus on energy efficiency
- Companies also plan to increase the use of environment-friendly components and reduce e-waste by promoting product recycling
- India has made it mandatory for manufacturing companies to control emissions from climate-damaging refrigerants.
- In March 2018, Blue Star launched 40 new models of highly energy efficient air conditioners.

Notes: ISEER - Indian Seasonal Energy Efficiency Ratio
Source: Aranca Research
GROWTH DRIVERS
STRONG DEMAND AND POLICY SUPPORT DRIVING INVESTMENTS

Growing demand

- Higher real disposable incomes
- Easy consumer credit
- Growing working population

Policy support

- Setting up of EHTPs
- Increasing liberalisation, favourable FDI climate
- Policies like National Electronics Mission and Digitisation of television
- Reforms like simplified labor laws and Technology Upgradation Fund Scheme

Increasing investments

- Expanding production and distribution facilities in India
- Increased R&D activity Govt to spend Rs 60,000 cr more on rural jobs
- Providing support to global projects from India

Notes: EHTP - Electronic Hardware Technology Park, R&D - Research and Development
Source: Aranca Research
INCOME GROWTH WILL BE THE KEY DRIVER OF DEMAND FOR CONSUMER DURABLES

- Demand for consumer durables in India has been growing on the back of rising incomes; this trend is set to continue even as other factors like rising rural incomes, increasing urbanisation, a growing middle class and changing lifestyles aid demand growth in the sector.
- Significant increase in discretionary income and easy financing schemes have led to shortened product replacement cycles and evolving life styles where consumer durables, like ACs and LCD TVs, are perceived as utility items rather than luxury possessions.
- Growth in demand from rural and semi-urban markets to outpace demand from urban markets.
- Growth in online retailing is a key factor to reach out as a newer channel for buyers, with increase in demand.
- Per capita GDP of India is expected to reach US$ 3,273.85 in 2023 from US$ 1,481.56 in 2012.
- Non metro markets namely Vishakhapatnam, Bhopal, Vadodara, Chandigarh etc. have grown rapidly in regard to consumption, becoming the main target markets, posing a huge potential transforming themselves into new business centers as compared to metro cities.

Notes: * estimates after 2013
Source: World Bank, Aranca Research, RedSeer Consulting, International Monetary Fund, World Economic Outlook Database, April 2018
### POLICY SUPPORT AIDING GROWTH IN THE SECTOR

#### Customs duty relaxation
- Reduced custom duty on certain inputs like metals, wires, cables, refrigerators compressor parts will promote the production of consumer electronics in India. Custom duty on LCD/LED TV reduced to nil from 10 per cent.

#### Encouragement to FDI
- 100 per cent FDI is permitted in electronics hardware-manufacturing under the automatic route.
- FDI into single brand retail has been increased from 51 per cent to 100 per cent; the government is planning to hike FDI limit in multi-brand retail to 51 per cent.

#### EPCG, EHTP schemes
- EPCG allows import of capital goods on paying 3.0 per cent customs duty.
- EHTP provides benefits, such as duty waivers and tax incentives, to companies which replace certain imports with local manufacturing.

#### National Electronics Policy and Government Initiatives
- A new National Electronics Policy will be finalised by Government of India in the second half of FY19.
- Aims to create an ecosystem for a globally competitive electronic manufacturing sector and to achieve a turnover of about US$ 400 billion by 2020, including investments of about US$ 100 billion, as well as to provide employment to around 28 million people.

### Notes
- Source: DIPP, Make in India, Aranca Research.

For updated information, please visit www.ibef.org
RECENT INVESTMENTS BY KEY PLAYERS

- Intex Technologies will invest around Rs 60 crore (US$ 9.27 million) in 2018 in technology software and Internet of Things (IoT) startups in India in order to create an ecosystem for its consumer appliances and mobile devices.

- Micromax plans to invest US$ 89.25 million by 2020 for transforming itself into a consumer electronics company.

- In January 2018, Panasonic started its first refrigerator plant in India with an annual production capacity of 500,000 units with an investment of Rs 115 crore (US$ 17.76 million).

- British technology company Dyson will invest around Rs 1,300 crore (US$ 200 million) in the Indian consumer durables sector by 2023.

- In August 2017, V-Guard acquired 49.43 per cent stake in GUTS Electro-Mech.

- In October 2017, Flipkart launched its private label 'Marq' for selling large appliances in India.

- In May 2017 Havells completed acquisition of Lloyd consumer durables business for an enterprise value of Rs 1,600 crore (US$ 248.2 million)

Notes: R&D - Research and Development, MSIPS - Modified Special Incentive Package Scheme, Ministry of External Affairs
Source: Company websites, Aranca Research
OPPORTUNITIES
ERA OF DIGITISATION OPENS NEW OPPORTUNITIES

- As per the rating agency ICRA, DTH players are expected to get largest share in phase IV area of digitisation market
- Digitisation may lead to complete switchover from analogue cable to Digital Addressable Systems in a phased manner
- Active DTH subscribers in the country increased from 62.65 million in December 2016 to 67.56 million in December 2017.

**Active DTH subscribers (million units)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Subscribers (million units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-15</td>
<td>55.96</td>
</tr>
<tr>
<td>Jan-16</td>
<td>62.65</td>
</tr>
<tr>
<td>Jan-17</td>
<td>67.56</td>
</tr>
</tbody>
</table>

CAGR 9.9%

Source: TRAI Annual Report 2015-16, ICRA Department of Information Technology; Make in India, Aranca Research E:Estimated
APPENDIX: BENEFITS TO CONSUMER DURABLES AND WIDER RETAIL SECTOR FROM FDI POLICY

Benefits of FDI in Indian Retail

- Increase in employment
- Infrastructure investment
- Removing middlemen
- Benefiting Indian manufacturers

Sector

- Whole sale cash and carry trading
- Single brand product retailing
- Multi brand, front end retail

Entry route

- Automatic
- DIPP
- DIPP

FDI limit

- 100%
- 100%
- 51%

Source: DIPP, Aranca Research
According to the Department of Industrial Policy and Promotion, during April 2000 – December 2017, FDI inflows into the electronics sector stood at US$ 1,836.38 million.

### 51 per cent FDI in multi brand retail
**Status:** Approved
- Minimum investment cap is US$ 100 million
- 30 per cent procurement of manufactured or processed products must be from SMEs
- Minimum 50 per cent of the first minimum tranche of US$ 100 million must be invested in back-end infrastructure (logistics, cold storage, soil testing labs, seed farming and agro-processing units)
- Removes the middlemen and provides a better price to farmers
- 50 per cent of the jobs in the retail outlet could be reserved for rural youth and a certain amount of farm produce could be required to be procured from poor farmers
- To ensure the Public Distribution System (PDS) and Food Security System (FSS), government reserves the right to procure a certain amount of food grains
- Consumers will receive higher quality products at lower prices and better service

### 100 per cent FDI in single brand retail
**Status:** Policy passed
- Products to be sold under the same brand internationally
- In 2015, according to revised FDI regulations single brand retail companies if desire to sell on ecommerce platform would be allowed only if they have licence for setting up physical outlets
- Sale of multi brand goods is not allowed, even if produced by the same manufacturer
- For FDI above 51 per cent, 30 per cent sourcing must be from SMEs
- Any additional product categories to be sold under single brand retail must first receive additional government approval
- “Make in India” initiative to further strengthen the investments coming to India

**Source:** Aranca Research, DIPP
CASE STUDIES
Whirlpool accounts for over 25 per cent of the consumer durables market in India.

- India is currently the fifth largest market for Whirlpool.
- Whirlpool entered the Indian market in late 1980s through a joint venture with TVS group.
- Whirlpool acquired Kelvinator India Ltd in 1995 and marked an entry into Indian refrigerator market as well.
- Whirlpool brand stretches from the mass to premium segments; the company plans to launch a new brand, KitchenAid, which would operate in the super-premium appliances segment.
- As of January 2018, the company is planning to expand its annual refrigerator manufacturing capacity by 600,000 in the next two years with an investment of Rs 182 crore (US$ 28.11 million).
- Total income generated by Whirlpool of India increased from Rs 2,862.60 crore (US$ 444.16 million) in FY14 to Rs 5,072.55 crore (US$ 787.05 million) in FY18.

Source: Company website, BSE
For updated information, please visit www.ibef.org

WHIRLPOOL: EYEING MARKET LEADERSHIP … (2/2)

Product

- Refrigerators and Freezers
- Laundry appliances
- Air Conditioners
- Others (cooking appliances)

Contribution to Net Sales of the Company (FY17)

- 61%
- 22%
- 10%
- 7%

Source: Whirlpool Annual Report 2016-17
KEY INDUSTRY ASSOCIATIONS
<table>
<thead>
<tr>
<th>Agency</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Guidance Society of India</td>
<td>Block ‘J’ Mahapalika Marg, Mumbai–400 001</td>
</tr>
<tr>
<td></td>
<td>Tel: 91-22 22621612/2265 9715</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:cgsibom@mtnl.net.in">cgsibom@mtnl.net.in</a></td>
</tr>
<tr>
<td></td>
<td>Website: <a href="http://www.cgsiindia.org">www.cgsiindia.org</a></td>
</tr>
<tr>
<td>Retailers Association of India</td>
<td>111/112, Ascot Centre, Next to Hotel Le Royal Meridien, Sahar Road, Sahar, Andheri (E), Mumbai–400099.</td>
</tr>
<tr>
<td></td>
<td>Tel: 91-22-28269527—28</td>
</tr>
<tr>
<td></td>
<td>Fax: 91-22-28269536</td>
</tr>
<tr>
<td></td>
<td>Website: <a href="http://www.rai.net.in">www.rai.net.in</a></td>
</tr>
<tr>
<td>Consumers Association of India</td>
<td>3/242, Rajendra Gardens, Vettuvankeni, Chennai, Tamil Nadu–600 041</td>
</tr>
<tr>
<td></td>
<td>Tel: 91-44-2449 4576/4578</td>
</tr>
<tr>
<td></td>
<td>Fax: 91-44-2449 4577</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:consumersassnofindia@vsnl.net">consumersassnofindia@vsnl.net</a></td>
</tr>
<tr>
<td>Consumer Electronics and Appliances Manufacturers Association</td>
<td>5th Floor, PHD House</td>
</tr>
<tr>
<td></td>
<td>4/2, Siri Institutional Area, August Kranti Marg</td>
</tr>
<tr>
<td></td>
<td>New Delhi-10 016</td>
</tr>
<tr>
<td></td>
<td>Telefax: 91- 11- 46070335, 46070336</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:ceama@airtelmail.in">ceama@airtelmail.in</a></td>
</tr>
<tr>
<td></td>
<td>Website: <a href="http://www.ceama.in">www.ceama.in</a></td>
</tr>
<tr>
<td>ELCINA Electronic Industries Association of India (Formerly Electronic Component Industries Association)</td>
<td>ELCINA House, 422 Okhla Industrial Estate, Phase III New Delhi -110020</td>
</tr>
<tr>
<td></td>
<td>Tel: 91- 11- 26924597, 26928053</td>
</tr>
<tr>
<td></td>
<td>Fax: 91- 11- 26923440</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:elcina@vsnl.com">elcina@vsnl.com</a></td>
</tr>
<tr>
<td></td>
<td>Website: <a href="http://www.elcina.com">www.elcina.com</a></td>
</tr>
</tbody>
</table>
GLOSSARY

- CAGR: Compound Annual Growth Rate
- Capex: Capital Expenditure
- CENVAT: Central Value Added Tax
- EHTP: Electronic Hardware Technology Park
- EPCG: Export Promotion Capital Goods Scheme
- FDI: Foreign Direct Investment
- FY: Indian Financial Year (April to March)
- So FY10 implies April 2009 to March 2010
- LCD: Liquid Crystal Display
- R&D: Research and Development
- US$: US Dollar
- Wherever applicable, numbers have been rounded off to the nearest whole number
# EXCHANGE RATES

## Exchange Rates (Fiscal Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–05</td>
<td>44.81</td>
</tr>
<tr>
<td>2005–06</td>
<td>44.14</td>
</tr>
<tr>
<td>2006–07</td>
<td>45.14</td>
</tr>
<tr>
<td>2007–08</td>
<td>40.27</td>
</tr>
<tr>
<td>2008–09</td>
<td>46.14</td>
</tr>
<tr>
<td>2009–10</td>
<td>47.42</td>
</tr>
<tr>
<td>2010–11</td>
<td>45.62</td>
</tr>
<tr>
<td>2011–12</td>
<td>46.88</td>
</tr>
<tr>
<td>2012–13</td>
<td>54.31</td>
</tr>
<tr>
<td>2013–14</td>
<td>60.28</td>
</tr>
<tr>
<td>2014–15</td>
<td>61.06</td>
</tr>
<tr>
<td>2015–16</td>
<td>65.46</td>
</tr>
<tr>
<td>2016–17</td>
<td>67.09</td>
</tr>
<tr>
<td>2017–18</td>
<td>64.45</td>
</tr>
</tbody>
</table>

## Exchange Rates (Calendar Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>43.98</td>
</tr>
<tr>
<td>2006</td>
<td>45.18</td>
</tr>
<tr>
<td>2007</td>
<td>41.34</td>
</tr>
<tr>
<td>2008</td>
<td>43.62</td>
</tr>
<tr>
<td>2009</td>
<td>48.42</td>
</tr>
<tr>
<td>2010</td>
<td>45.72</td>
</tr>
<tr>
<td>2011</td>
<td>46.85</td>
</tr>
<tr>
<td>2012</td>
<td>53.46</td>
</tr>
<tr>
<td>2013</td>
<td>58.44</td>
</tr>
<tr>
<td>2014</td>
<td>61.03</td>
</tr>
<tr>
<td>2015</td>
<td>64.15</td>
</tr>
<tr>
<td>2016</td>
<td>67.21</td>
</tr>
<tr>
<td>2017</td>
<td>65.12</td>
</tr>
</tbody>
</table>

*Source: Reserve Bank of India*
India Brand Equity Foundation (IBEF) engaged Aranca to prepare this presentation and the same has been prepared by Aranca in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of Aranca and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

Aranca and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither Aranca nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.