



INDIA REPORT

Celebrating 31 years (1995-2026)

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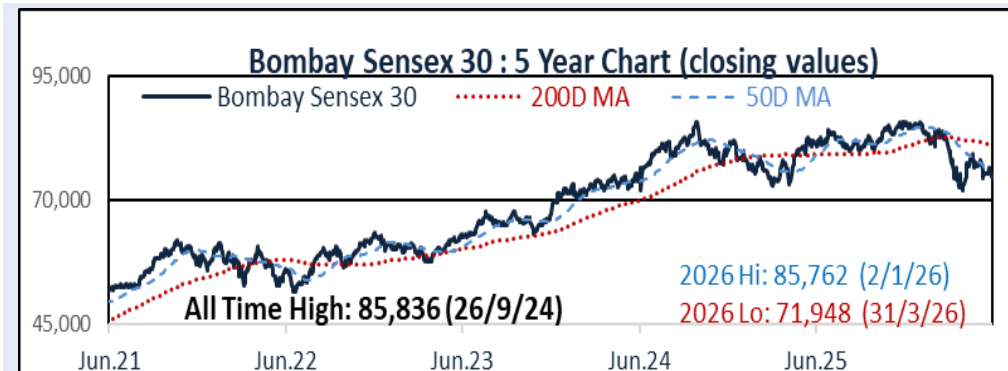


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Close: 5 June 2026	Index Level	Index Pts Chg- Day	% Chg YTD
SENSEX 30	74,242	-116	-12.8%
NIFTY 50	23,667	- 50	- 10.6%

Other Markets: Level & YTD

ASIA: CHINA Shanghai: 4,027 (+2%)
JAPAN Nikkei 225: 66,588 (+32%)
EUROPE: UK FTSE: 10,368 (+4%)
GERMANY DAX: 24,579 (+1%)
USA: Dow Jones: 50,867 (+6%)
NASDAQ Comp: 25,709 (+11%)
GOLD: \$4,328.82 (n/c)
SILVER: \$675.81 (+6%)
BRENT OIL: 93.09 (+53%)

Indian Currency:

INR ₹ / USD	\$1=	Rs94.95 (-5.6%)
INR ₹ / GBP	£1=	Rs126.67 (-4.7%)
INR ₹ / EUR	€1=	Rs109.39 (-3.5%)

⇒ **India's economy closed FY26 (y/e 31/3/2026) on a firm footing, with GDP expanding 7.8% in the March quarter, comfortably ahead of expectations and reinforcing its position as the world's fastest-growing major economy.** Full-year growth reached 7.7%, a reminder of the country's resilience amid a fragile global backdrop.

Technology remains the dominant force, but growth is increasingly supported by advanced manufacturing, pharmaceuticals, clean energy and life sciences. **While London continues to attract the largest share of investment, there is spreading and deepening regional economic presence across the South, Midlands and North.**

⇒ **The story behind the numbers is investment.** Gross fixed capital formation surged 10.8%, its strongest pace in three years, signalling renewed corporate confidence and sustained capacity expansion. Construction remained a powerhouse, buoyed by infrastructure spending and housing activity, while manufacturing growth of 7.3% pointed to a broader industrial revival. Agriculture also played its part, lifting rural incomes and reviving rural consumption. **Private consumption, which accounts for about 57% of GDP, rose 7.1%, providing a steady domestic anchor as external demand softened.**

⇒ **The recently agreed UK-India trade pact adds further impetus.** With bilateral trade (trade and services) already at £47.4 billion, the UK is increasingly serving as a platform for Indian firms' global ambitions. Regulatory complexity, talent mobility and geopolitical risks persist, but the trajectory remains clear that the relationship is strengthening. **The overall conclusion is highly positive: Indian investment in the UK is at its strongest level since the Tracker began, with both countries positioning the relationship as a long-term strategic partnership rather than simply a trade link.**

⇒ **Yet the picture has risks.** Weak global trade, volatile energy prices and the Iran conflict continue to cloud the outlook. India is the world's third-largest crude importer and consumer, and it is heavily dependent on supplies from the Middle East. The Middle East war is seen pulling down growth in the Indian economy to 6.6% this fiscal year, the central bank said. **For now, India's growth drivers remain largely domestic - investment, infrastructure and resilient demand.**

⇒ **Under the UK-India trade agreement, India committed to reducing tariffs on Scotch whisky imports from 150% to 75% immediately, followed by a further cut to 40% over the next decade.** This was regarded as one of the most valuable gains for British exporters and the Scotch whisky industry. **However, the provision now faces uncertainty, not because of disputes over whisky itself, but because it has become entangled in a broader trade disagreement.**

⇒ **Indian investment in Britain has reached a watershed moment.** The 13th edition of the Grant Thornton and CII "India Meets UK Tracker 2026" identifies a record 1,912 Indian-owned companies in the UK, a near 60% surge from last year. Indian companies are investing in the UK at unprecedented scale, creating jobs and revenue across the country, with the UK-India trade agreement expected to accelerate growth further in technology, manufacturing, clean energy and innovation. **Revenues of Indian owned companies climbed to £105.7 billion vs £72.1 bn, while employment created expanded to 203,549, a 60.6% increase from 126,720 in 2025, highlighting the growing economic weight of Indian businesses in the UK.**

⇒ **Tensions arose after the UK proposed stronger safeguards on steel imports, including lower quotas and higher tariffs designed to protect domestic producers.** India argues these measures could damage its steel exports and contradict the spirit of the free trade deal. **In response, Indian officials have warned that concessions on products such as Scotch whisky could be reviewed unless London addresses New Delhi's concerns.**

⇒ **The momentum remains broad-based.** More than a quarter of tracked firms are new entrants, while high-growth companies posted average annual revenue expansion of 61%, messaging continued confidence in the UK market despite a challenging global backdrop.

⇒ **Three risks now stand out:** 1. India's linkage of Scotch access to steel trade; 2. Potential implementation delays if relations worsen; and 3. Domestic pressure from Indian liquor producers concerned about increased competition. **For now, the whisky provisions remain part of the agreement and have not been withdrawn. However, recent statements from Indian officials suggest that Scotch has become leverage in a broader negotiation over steel, making it one of the most closely watched provisions of the UK-India trade deal.**



Whisky in India : The Lasting Charm of Scotch

And the Global Recognition of Indian Single Malts

1. India drinks more whisky than any country on earth. Yet for many years the world's largest whisky market has remained only partially open to the world's most famous whisky.
2. Scotch occupies a curious place in India's drinking culture. It is both aspiration and benchmark. A symbol of success, imported sophistication and, increasingly, connoisseurship. Yet it sits atop a market that has changed dramatically. The rise of premium Indian whiskies has challenged old assumptions about quality, provenance and value. The question facing the industry is no longer whether India can make world-class whisky. It already does. The question is whether Scotch can retain its aura as India matures into a whisky nation in its own right.
3. Demand suggests it can. India has become the largest export market for Scotch whisky by volume, overtaking France. Exports reached around 192 million bottles in 2024, up sharply from 167 million a year earlier. The growth reflects a decade-long shift in Indian drinking habits away from mass-market spirits and towards premium and luxury brands.
4. The trend has been remarkably consistent. Over the past ten years India's affluent middle class has expanded rapidly. Disposable incomes have risen. Urban consumers have become more globally connected. International travel, social media and a growing culture of food and drink appreciation have all fuelled demand for premium spirits. Online platforms have expanded access to a diverse range of whiskies, while social media has played a crucial role in shaping consumer perceptions and preferences.
5. Apart from Scotch, American bourbon/whiskey, Irish, Japanese whiskies etc. are available and may serve as alternatives for premium imports. Younger consumers are drinking less in volume than previous generations but are spending more on what they drink. A bottle of single malt has become a statement of taste as much as wealth.
6. Scotch has benefited from this premiumisation wave. Brands such as Johnnie Walker, Chivas Regal, Glenlivet, Glenfiddich and The Macallan have become fixtures in upscale bars, restaurants and homes. Meanwhile, Indian consumers who once knew only blended whisky are increasingly exploring regional Scottish styles, from Speyside elegance to Islay peat.
7. Yet Scotch's success has occurred despite formidable barriers. India has long imposed some of the highest import duties in the world on spirits. Imported Scotch has faced customs duties of 150 per cent before additional state taxes, distribution charges and retail margins. By the time a bottle reaches the shelf, taxation often exceeds the original value of the whisky itself.
8. The result is a distorted market. A bottle selling for £30 in Britain may retail at several times that amount in India. Scotch remains aspirational partly because policymakers have made it expensive.
9. This protection has not merely shielded domestic producers. It has helped create an entire whisky industry. Indian distillers learned to blend imported Scotch malts with local spirits (Indian Made Foreign Liquor). Some moved steadily upmarket. Others invested heavily in single malt production. The tariff wall gave them time to develop.
- 10. Now that wall is beginning to crack.**
11. The UK-India free trade agreement, signed in 2025 and expected to take effect once ratified, represents the biggest change to India's whisky market in decades. Under the agreement, import duties on British whisky and gin will fall from 150 per cent to 75 per cent initially and then decline gradually to 40 per cent over ten years.



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12. The immediate impact may be less dramatic than headlines suggest. Industry executives note that customs duties account for only part of the final retail price once state excise taxes and distribution costs are added. Price reductions may therefore be modest at first. Some estimates suggest savings of only a few hundred rupees per bottle rather than a wholesale collapse in prices.
13. The longer-term implications are more significant. Greater availability of imported Scotch could accelerate premiumisation across the market. It may also intensify competition for domestic producers, particularly those targeting affluent consumers.
14. Not everyone is enthusiastic. Indian distillers argue that lowering tariffs risks undermining a domestic single malt sector that remains relatively young. Their concern is understandable. Scotch is no ordinary imported product. It is the defining global whisky category.

15. That raises a deeper question: what exactly makes Scotch so special?

16. Partly it is law. Scotch whisky must be produced and matured in Scotland according to tightly regulated standards. It must spend at least three years ageing in oak casks. Geography, climate and tradition all play crucial roles.
17. Scotland's cool weather slows maturation, allowing flavours to develop gradually over many years. Local water sources, centuries-old distilling practices and distinctive regional styles contribute to the category's identity. More important still is reputation. Scotch has spent generations building a global brand. Consumers are not merely buying liquid. They are buying history.

18. Can that quality be replicated in India? Not exactly.

19. India's climate changes the mathematics of whisky making. Higher temperatures accelerate maturation. Because of the tropical Indian climate, whisky matures faster: a 3-year-old Indian whisky can achieve a maturation equivalent to Scotch aged for 9–15 years in Scotland. The downside is evaporation. India's so-called "angel's share" can exceed 10 per cent annually, compared with roughly 2 per cent in Scotland.
20. The result is different rather than inferior. Indian whisky develops faster, often producing richer and more intense flavours at younger ages. It cannot truly replicate Scotch because it emerges from a different environment. Terroir matters in whisky as much as it does in wine.

21. Yet Indian distillers have stopped trying to imitate Scotland. Instead they are creating their own identity.

22. The breakthrough came with single malts. For years, global whisky competitions were dominated by Scottish, Irish, American and Japanese producers. Then Indian entrants began winning.

Amrut, founded in Bengaluru, changed perceptions dramatically when international critics praised its single malts in the late 2000s. Paul John, produced in Goa, followed with a string of international awards throughout the 2010s. More recently, Indri, Rampur and GianChand have established India as one of the most dynamic whisky-producing nations. Experts note that Indian whiskies (e.g., Amrut, Paul John) are "exceptionally good... comparable" to Scotch.

23. Indri - winner of major global awards and arguably the most internationally celebrated Indian whisky of the past three years - has accumulated dozens of major international awards including multiple "Best World Whisky" and "Best Indian Single Malt" titles, attracting international attention. Rampur and Paul John have collected numerous gold medals at the International Spirits Challenge, San Francisco World Spirits Competition and World Whiskies Awards over the past decade. Amrut Fusion has repeatedly appeared in rankings of the world's leading single malts and was among the first Indian whiskies to gain serious global recognition. Kamet has also garnered international accolades, solidifying India's reputation in the global whisky arena.
24. Indian whiskies have won well over 700 international awards, and likely 1,000+ when counting all expressions and producers over the last two decades. The documented totals from Amrut and Paul John alone already exceed



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650 awards. These awards matter because they changed the conversation. Indian whisky is no longer judged as a local substitute for Scotch. It is increasingly assessed on its own merits.

25. Pricing reinforces the shift. Premium Indian single malts often retail between ₹3,000 and ₹8,000, placing them below many imported Scotch competitors while offering comparable quality. At the super-premium end, some Indian expressions now command prices once reserved exclusively for imported brands. They are infusing Indian heritage into their products, resonating with national pride and attracting discerning consumers.
26. **That does not mean Scotch faces an existential threat. Far from it. Scotch retains unmatched depth, diversity and prestige. A centuries-old ecosystem of distilleries, warehouses and global brands cannot be recreated overnight. Collectability, heritage and luxury positioning remain powerful advantages.**
27. But the competitive landscape has changed fundamentally. Twenty years ago, the choice for an Indian consumer seeking quality whisky was straightforward: buy Scotch. Today the choice is more nuanced. Consumers can buy a respected Scottish single malt, an award-winning Indian alternative, or increasingly both.
28. The irony is that the UK-India trade agreement may ultimately benefit Indian producers as much as Scottish ones. Greater competition tends to raise standards. Exposure to more imported Scotch will push domestic distillers further upmarket. The strongest Indian brands are unlikely to retreat. They will innovate.
29. **The broader story is therefore not one of Scotch versus India. It is one of convergence. Scotch created the template for modern whisky. India is adapting it to local conditions and tastes. The result is a market that is becoming richer, more sophisticated and more competitive.**
30. **For Scotland, India remains the industry's greatest growth opportunity. For India, Scotch remains the gold standard against which others are measured.**
31. **Yet the distance between benchmark and challenger has never been smaller. And that may be the most remarkable development of all.**



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