

# Moving the Needle

October 2026 Edition



# Table Of Contents...

01

**Benchmarking the  
Investment Climate:**  
The Case for  
Institutionalising the  
Investment Friendliness  
Index

02

**The Evolving  
Landscape of  
Counterfeiting in the  
FMCG sector**

03

**Covered on Paper, Still  
Paying at the Counter**

04

**Primus Outreach**  
Grounding the Frontier: A  
Global South AI  
Framework

Happy Dussehra, and welcome to the October edition of *Moving the Needle*!

Dussehra is the festival of victory, of good prevailing and of fresh starts. The effigies are down, the sweets are out, and Diwali is just around the corner. It feels like the right moment to celebrate, because the stories in this issue share one thread: India is making real progress, and the next steps are in sight.

Start with NITI Aayog's new Investment Friendliness Index. Covering 28 States and 8 Union Territories across 84 indicators. It brings together infrastructure, regulation, finances and even what investors themselves say, through a survey of 1,850 respondents. Gujarat, Maharashtra and Tamil Nadu lead among the large States, with Uttarakhand, Assam, Himachal Pradesh, Goa, Delhi and Chandigarh doing well in their peer groups. Every State now has a clear picture of where it stands and a reason to compete on reform.

Next article is on FMCG. The sector accounts for nearly 3 per cent of GDP and employs around 3 million people. The fight against counterfeits is gathering pace, with QR-code verification, track-and-trace technology, tighter seller checks on e-commerce platforms and growing consumer awareness all working together.

Household coverage under a health scheme has climbed from 15 per cent to 38 per cent, one of the fastest-moving numbers on the country's public health scorecard. This article sets lists out four practical steps to turn that coverage into lower bills at the counter: easier enrolment, regularly updated package rates, smarter fraud checks and firm settlement timelines.

In Primus Outreach segment, at the sidelines of the 81st UN General Assembly, Primus Partners, Meridian International Center and the Consulate General of India, New York brought together leaders from government, industry and multilateral institutions for *Grounding the Frontier: A Global South AI Framework*. The event also saw the launch of the compendium, *Built Lean, Built to Scale*, which looks at compute, data and skilling as the foundations of AI capability.

Taken together, these stories tell a hopeful tale. States now have a benchmark to compete on. So as the festive season gets going, let's celebrate these wins, big and small, and keep that momentum.

Wishing you and your families a joyous Dussehra and a very happy, sparkling Diwali ahead!

Warm regards,  
The *Moving the Needle* Editorial Team

# 01

## Benchmarking the Investment Climate:

The Case for Institutionalising the Investment Friendliness Index



The Union Budget for 2025-26 stated, at paragraph 105 of the Budget Speech, that “An Investment Friendliness Index of States will be launched in 2025 to further the spirit of competitive cooperative federalism.”<sup>1</sup> The instrument was placed in the public domain by NITI Aayog on 17 July 2026.<sup>2</sup> It assesses 28 States and 8 Union Territories across eight pillars of infrastructure, business climate, resources, government policy, regulatory ease, institutional environment, financial health and environmental resilience measured through 84 indicators, of which 62 are derived from secondary sources and 22 from an investor perception survey covering 1,850 respondents.<sup>3</sup> Jurisdictions are placed in four performance bands and are additionally compared within peer groups; Gujarat (56.6), Maharashtra (53.7) and Tamil Nadu (53.3) lead among large States, Uttarakhand, Assam and Himachal Pradesh among hilly and north-eastern States, and Goa, Delhi and Chandigarh among Union Territories and city States.<sup>4</sup>

The exercise merits acknowledgement on several counts. Sub-national assessment of the investment climate in India had become irregular in its cadence: the principal antecedent, the Business Reforms Action Plan administered by the Department for Promotion of Industry and Internal Trade, saw the results of its 2022 edition announced only in September 2024.<sup>5</sup> The Index also departs from the compliance-checklist tradition by incorporating structural determinants of infrastructure endowment, resource availability, fiscal health and environmental resilience, which the investors weigh alongside regulatory procedure. Its peer-group classification appropriately recognises that hilly, north-eastern and city-State jurisdictions cannot be assessed on the same scale as large industrialised States. The incorporation of a perception survey, further, introduces the operating experience of the enterprise into what would otherwise remain an exercise in administrative self-reporting.



A consideration bearing materially on the Index's utility concerns the currency of the underlying data. Several of the series employed pertain to FY 2024 or earlier: State fiscal deficit and outstanding liabilities are cited as of FY 2024, transmission and distribution losses for FY 2023, and the growth of government and public sector investment is measured between FY 2022 and 2024, described in the report as the "latest data available".<sup>6</sup> A publication issued in July 2026 therefore conveys, to a considerable extent, the position obtaining two to three years earlier. This is properly understood as a constraint of the official statistical calendar rather than a failing of the compiling agency, since audited State finance accounts and comparable administrative series are themselves released with a substantial lag. The consequence, nonetheless, requires recognition. Investment decisions are taken on contemporaneous conditions. A State which has undertaken material reform after FY 2024 like digitisation of land records, reconstitution of a single-window clearance mechanism, or rationalisation of industrial power tariffs, etc. does not get registered by the Index, and the signal transmitted to prospective investors is to that extent is dated. The interval between the announced launch year of 2025 and the eventual release in July 2026 accentuates this consideration.

Three observations on methodology may be recorded. First, the weight distribution is concentrated: infrastructure (25 per cent) and resources (15 per cent) together account for 40 per cent of the composite, which privileges accumulated structural endowment over recent governance effort, and from which coastal and resource-endowed States derive an advantage not wholly attributable to reform performance.<sup>7</sup> Second, the adoption of min-max normalisation yields relative rather than absolute scores, with the consequence that a high score denotes position within the distribution of States rather than attainment of an independent standard.<sup>8</sup> Third, the perception component rests on a respondent base of which 88 per cent are micro, small and medium enterprises, unevenly distributed across jurisdictions, which affects the precision of the estimate for less-represented States.<sup>9</sup> It may also be noted that for Ladakh, Lakshadweep and Puducherry the absence of data on certain indicators was addressed by taking the average of available scores.<sup>10</sup>



The Investment Friendliness Index is, on balance, a substantive contribution to the architecture of competitive cooperative federalism, and the first edition of any composite index is properly assessed as a foundation rather than a finished instrument. Its consolidation would be assisted by three measures. The periodicity should be fixed in advance and adhered to, so that States may observe the effect of reform within a predictable cycle. The methodology should be documented in a standing handbook capable of revision, on the model adopted by the World Bank for its Business Ready assessment.<sup>11</sup> Most importantly, the indicator-level data underlying the scores should be released for independent examination, in the manner of the Sixteenth Finance Commission, which accompanied its report for 2026-31 with a separate volume of annexures setting out State-wise fiscal series and its record of consultation.<sup>12</sup> Disclosure of this character would permit States, researchers and investors to interrogate the results, and would convert a creditable assessment into a durable public statistical instrument.

<sup>11</sup> World Bank, *B-READY Methodology Handbook, Second Edition*, December 2025.

<https://thedocs.worldbank.org/en/doc/bc6351803cb0cd5ad4aba96b7e4aed8c-0540012024/original/B-Ready-Methodology-Handbook-Edition-2.pdf>

<sup>12</sup> Sixteenth Finance Commission, *Report for 2026-31, Volume II – Annexures*. <https://fincomindia.nic.in/asset/doc/commission-reports/16th-FC/reports/Vol2-Annexures.pdf>



## Author:

Abhay Menon

Vice President, Primus Partners

# 02

## The Evolving Landscape of Counterfeiting in the FMCG sector



India's FMCG sector is the fourth largest in the Indian economy and accounts for nearly 3% of GDP. It employs around 3 million people, accounting for approximately 5% of the country's total factory employment. However, the FMCG sector's continued growth is increasingly affected by the rise of counterfeit products. This not only undermines consumer trust and erodes business revenues but also poses significant public health risks. According to the ASPA-CRISIL State of Counterfeiting in India 2025 report, consumers perceive that 25% of FMCG products in the market may be counterfeit.<sup>13</sup> FICCI CASCADE further estimates that legitimate FMCG companies lose 21.7% of their market share to counterfeit products.<sup>14</sup>

The nature of counterfeiting in India's FMCG sector is evolving. As digital commerce expands and distribution channels become more fragmented, it is becoming difficult to detect these products using traditional enforcement mechanisms alone. The current counterfeiting ecosystem needs to combine technology, greater supply chain visibility, and cross-stakeholder collaboration between consumers, manufacturers, law enforcement agencies, regulators, and digital commerce platforms.

Since the consequences of counterfeiting extend far beyond infringement of trademarks, it is essential to understand the nature of counterfeiting. The International Trademark Association defines counterfeiting as the manufacture, import, export, distribution, and sale of consumer goods that are not genuine but are designed and branded in such a way that they look identical to the original products to deceive consumers into believing that they are authentic.<sup>15</sup> Although the terms are often used interchangeably, counterfeiting, adulteration, and duplication are legally distinct concepts. Counterfeiting occurs when an illegal copy is made to look exactly like the original product. It primarily constitutes intellectual property infringement under the Trademarks Act, 1999, and the Copyright Act, 1957. Adulteration, on the other hand, refers to the addition of inferior or unsafe substances to food or consumer products and is regulated under the Food Safety and Standards Act, 2006. Duplication occupies an intermediate space, involving deceptively similar packaging, color schemes, or product names designed to exploit consumer familiarity without directly copying a registered trademark. In practice, enforcement agencies frequently encounter all three forms simultaneously within the same illegal manufacturing operation.

# The cost to consumers, businesses and economy

Counterfeiting is not merely an infringement of intellectual property rights and a legal issue; rather, it affects the health of consumers, erodes consumer trust, and creates financial losses to businesses and the state. Counterfeit FMCG products pose significant health and safety risks. They are often manufactured using substandard raw materials and may be contaminated, expired, or produced under unhygienic conditions. Since consumers pay for original products but get counterfeited products, this way they end up paying for originals and suffer a financial loss. The lack of ability to differentiate between the original and the counterfeited one results in loss of trust in the brand. Studies by FICCI CASCADE indicate that nearly 80% of consumers believe they are purchasing genuine products, highlighting the difficulty of identifying counterfeits at the point of purchase.

The second party that suffers because of counterfeited products is the companies that manufacture the original products. These counterfeited products not only lead to revenue and market share loss but also damage the brand of the company. When these counterfeited products enter the market, they disrupt the supply chain and distribution network, leading to inconsistencies in pricing mechanisms. Even though established companies take measures to tackle these counterfeited products by resorting to anti-counterfeiting technologies, monitoring the supply chain, and awareness campaigns. Since more resources are diverted toward these anti-counterfeiting measures, this reduces funds that can be used for research, development of more efficient products, and expansion.

The illicit markets for FMCG (Packaged foods) and FMCG (Personal and Household Care Goods) are estimated at Rs 2,23,875 crore and Rs 73,813 crore, respectively. This causes revenue erosion to businesses but also loss of tax revenue to the state, as counterfeit manufacturers evade GST, income tax, and customs duties, thereby overall reducing public tax revenue. As these products affect the health of consumers, it indirectly increases the burden on the state as more funds need to be allocated for the healthcare sector. Counterfeit goods may discourage investment by reducing expected returns for legitimate manufacturers, reducing incentives to enter the manufacturing business, therefore affecting employment, and undermining initiatives such as Make in India.



## Building a robust supply chain

Given the ramifications of counterfeiting, it requires a coordinated effort on the part of consumers, businesses, and the government. Businesses need to strengthen product authentication mechanisms using QR code verification, barcodes and end to end track and trace technologies, which can help consumers verify product authenticity. This will help them to coordinate with governments in an efficient manner by monitoring markets where these products are sold, tracing their production and supply chain, and establishing authorized distribution channels. There is also a need to formalise the parallel cylinder industry, bring it within an appropriate regulatory framework, and establish a transparent and traceable supply chain. This process is time-consuming and slow, and steady collaboration is the only way to tackle counterfeiting networks. These efforts need to be supported by promoting consumer awareness by helping them understand how they can recognize counterfeit products and report them. A more robust regulatory framework, like having enhanced seller verification requirements for products that are being sold online, can also be implemented to eliminate counterfeit products from the market. Future expansion of the FMCG sector will inadvertently give more space to counterfeit products. Such products don't just pose an intellectual property issue but have huge economic costs as well. Businesses need to integrate anti-counterfeit mechanisms into their strategy to ensure the trust of consumers and long-term competitiveness.



### Authors:

Ananya Seth

Assistant Vice President, Primus Partners



Himanshi Upadhyay

Senior Consultant, Primus Partners

# 03

## Covered on Paper, Still Paying at the Counter



*India's flagship health scheme has pushed nominal coverage from 15% to 38% of households in a few years. Out-of-pocket spending has barely moved. This is the story of the gap between the two - and a working template for closing it.*

**15% to 38%**

Households covered by a health scheme, 2020–21 to latest

**14.5%**

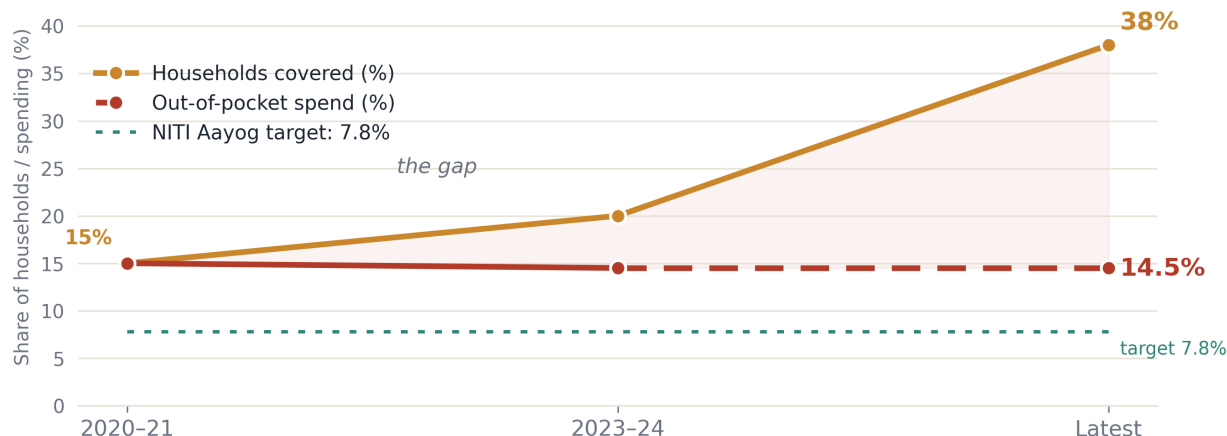
Out-of-pocket spend on health, latest reading - target is 7.8%

**43.4%**

OOPE share of total health spending, 2022–23 - up from 39.4%

## Coverage climbed. Out-of-pocket spending barely moved.

*SDG India Index. NITI Aayog*



India runs the world's largest government health assurance scheme, and by the government's own index, the share of households it actually covers has climbed from 15 percent to 38 percent in a few years. Out-of-pocket spending has barely moved. The gap between those two lines is where this story lives - and there is a working template, a few thousand kilometres away, for closing it.

## THE ISSUE

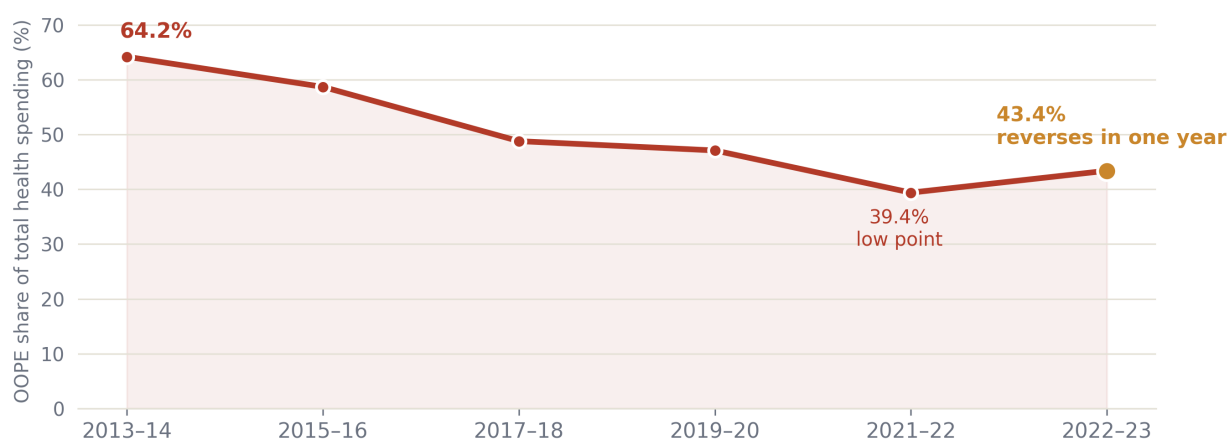
# Enrollment and protection have stopped moving together

The government's own SDG India Index tracks the indicator most directly tied to this scheme: the share of households covered by a health scheme or insurance. Against a NITI Aayog target of 100 percent, that figure stood at just 15 percent in the 2020–21 edition of the index, edged up to 20 percent by 2023–24, and has since jumped to 38 percent in the latest reading. On paper, that is the fastest-moving line in the country's public health scorecard, and it lines up with the scale-up of Ayushman Bharat–PM-JAY, the flagship scheme for the poorest 40 percent of the population.

Coverage growth of that speed should show up in what families actually pay out of pocket. It hasn't, at least not proportionately. The same index tracks monthly per capita out-of-pocket expenditure on health as a share of spending, against a NITI Aayog target of 7.8 percent. That figure was 15 percent in 2020–21 and had eased only slightly, to 14.5 percent, by 2023–24 - nearly double the target even as coverage more than doubled. The latest reading for this indicator has not yet been published, but the pattern already on record is the crux of the problem: **enrollment and financial protection are not moving together.**

## A decade of decline, reversed in a single year

*National Health Accounts Estimates, India*



Part of the explanation sits in the space between an insurance card and a functioning claim. Independent national surveys measuring health insurance coverage and government scheme enrollment records don't always tell the same story about how many households are actually covered - a mismatch researchers partly attribute to a simple pattern: a family with an unused card, one that has never been through a hospital admission, often doesn't think of itself as "insured" when a survey enumerator asks. The card exists in a database; it hasn't yet been tested against a real bill.

Two structural frictions widen that gap further. The first is **empanelment**. Reimbursement rates under government schemes are frequently below what private facilities calculate the actual cost of treatment to be, particularly in high-cost specialties such as oncology and cardiac care. Where empanelment is thin, the insurance card is real but functionally unusable - coverage rises on the index while the bill at the counter doesn't fall.

The second friction sits inside the **claims process** itself. Fraud-detection systems built to catch abuse of a subsidised scheme routinely flag legitimate treatment as suspicious - a repeat chemotherapy cycle that looks like a repeat-admission scam, a documented procedure that trips a rule written for a different kind of fraud. Combined with claim settlement that can take months, this friction quietly pushes hospitals toward treating insured patients as a lower priority than self-paying ones.

~2,000

super-speciality hospitals  
estimated to have declined  
PM-JAY empanelment

64.2% → 39.4%

OOPE share of health  
spending, 2013–14 to 2021–  
22 - before the reversal

+4 pts

jump in OOPE share in a  
single year, 2021–22 to  
2022–23



## THE FIX

# Four mechanical fixes, not a reason to abandon the model

This is not an argument for abandoning the scheme; the decade of falling OOPe before 2022–23, and the coverage jump from 15 to 38 percent on the SDG Index itself, show the model works when the pieces line up. What needs fixing is more mechanical than political - and it should be judged against both numbers moving together, not just the coverage figure moving alone.

### ● Close the enrollment gap without repeating KYC

Reuse verified identity and financial data government already holds through other welfare programmes, under the Digital Personal Data Protection Act, to auto-issue or verify health scheme cards.

### ● Re-price high-cost specialties on a rolling basis

Review oncology, cardiology and similar package rates against actual cost data at set intervals, instead of leaving them static while care costs move on.

### ● Separate genuine fraud from noisy false positives

Audit which fraud triggers actually catch fraud and retire the ones that don't - a claims system that treats every anomaly as fraud deters honest providers fastest.

### ● Enforce turnaround times with teeth

Pre-authorization and claim settlement windows only change hospital behaviour if they're binding, monitored, and carry consequences for the payer as well as the provider.

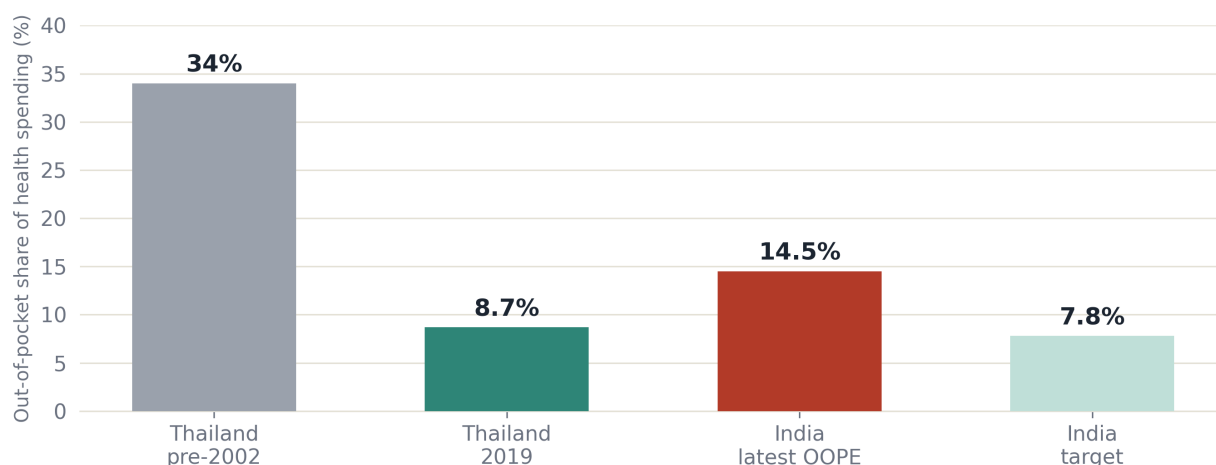
## THE COMPARISON

# Thailand solved the same problem within a generation

Before Thailand's Universal Coverage Scheme launched in 2002, out-of-pocket spending accounted for roughly 34 percent of the country's health expenditure. By 2019, that figure had fallen to under 9 percent - closer, proportionally, to India's 7.8 percent target than India's own out-of-pocket indicator is today.

### Thailand's trajectory vs. India's today

Thailand UHC evaluations · NITI Aayog SDG Index



Thailand got there through general taxation rather than household contributions, a defined network of contracted hospitals paid on a capitation basis rather than per claim, and a gatekeeping structure that routes patients through primary and district-level care before they reach a specialist. Because providers are paid a predictable amount per registered patient rather than per procedure, the incentive to game claims - and the corresponding need for aggressive fraud filters - is structurally lower than in a fee-for-service, claims-driven model. The scheme also survived, largely unchanged, through six elections, two coups and thirteen health ministers.

India doesn't need to import Thailand's financing model wholesale. But the underlying principle - that a scheme's usefulness is decided less by how many people are enrolled than by how few frictions stand between an enrolled patient and treatment - is directly transferable.

The coverage line on the SDG India Index will keep climbing; it already has, from 15 to 20 to 38 percent. The number that matters - the share of a hospital bill still paid out of pocket - will keep moving in the wrong direction until the three gaps above close, no matter how good the enrollment figures look.

## Authors:



Kiran Chougule

Manager, Primus Partners



Vaishali Shelar

Manager, Primus Partners

# 04

## Primus Outreach

Grounding the Frontier: Primus Partners Brings Global Leaders Together to Advance a Global South AI Framework at the 81<sup>st</sup> UNGA Week



As artificial intelligence reshapes economies and public services, critical questions emerge: **who gets to shape the technology, whose problems does it solve, and who benefits?** For the Global South, the challenge is not merely to adopt AI developed elsewhere, but to build the capabilities and institutions needed to influence its future.

This question anchored *Grounding the Frontier: A Global South AI Framework*, convened by Primus Partners, Meridian International Center and the Consulate General of India, New York, on **21 September 2026**, on the sidelines of the **81st United Nations General Assembly**. The dialogue brought together leaders from government, industry, multilateral institutions and technology to explore how the Global South can become an active participant in AI development and governance.

The opening fireside conversation, *Positioning the Global South as Co-Architect of Global AI Governance*, featured **Punya Salila Srivastava**, Secretary, Ministry of Health & Family Welfare, and **Rohit Kansal**, Secretary, Ministry of Rural Development, Government of India, moderated by **Nilaya Varma**, Group CEO & Co-Founder, Primus Partners. Following welcome remarks by **Amb. Binaya Srikanta Pradhan**, Consul General of India, New York, the discussion highlighted a central lesson from India's experience with population-scale digital systems: technology must be judged by the outcomes it delivers, not simply its sophistication.

Achieving impact requires solutions designed around local needs, languages and representative data, supported by institutions and delivery mechanisms that enable scale. Technology alone cannot bridge the gap between innovation and implementation.

A key milestone was the launch of Primus Partners' compendium, *Built Lean, Built to Scale: An Artificial Intelligence Compendium from the Global South*, by **Richard A. Gephardt**, former Member of the U.S. Congress and House Majority Leader. Examining the three pillars of **compute, data and skilling**, the compendium underscores the foundations required for countries to build meaningful AI capabilities.



The concluding panel, *Frugal, Edge & Custom AI for the Global South*, featuring **Calista Redmond (NVIDIA)**, **Bhargava Reddy (Qure.ai)** and **Moritz Carl Fromageot (UN Office for Digital and Emerging Technologies)**, moderated by **Kellee Wicker (Meridian International Center)**, explored how specialised, resource-efficient AI can address constraints around cost, infrastructure and connectivity. The discussion emphasised the need to align technology choices with practical requirements, backed by talent, appropriate regulation and institutional capacity.

The broader takeaway is clear: **AI leadership is not defined by who builds the largest models, but by who can translate technological capability into meaningful outcomes at scale.** For the Global South, moving from adoption to leadership will require stronger domestic capabilities, effective partnerships and a greater role in shaping global AI governance, ensuring that its societies are not merely served by AI, but help shape it.

## Authors:



Mayuri Dutta

Manager, Primus Partners



Raghav Agrawal

Senior Consultant, Primus Partners

## Editorial Team



**Nilaya Varma**

Co-Founder & Group CEO



**Davinder Sandhu**

Chairperson



**Raksha Sharda**

Vice President



**Madhumita Sengupta**

Assistant Vice President



**Veda Halve**

Assistant Vice President



**Parul Kataria**

Consultant



## Disclaimer

The report is prepared using information of a general nature and is not intended to address the circumstances of any particular individual or entity. The report has been prepared from various public sources and the information received from these sources is believed to be reliable.

The information available in the report is selective and subject to updation, revision and amendment. While the information provided herein is believed to be accurate and reliable, Primus Partners Private Limited does not make any representations or warranties, expressed or implied, as to the accuracy or completeness of such information and data available in the public domain.

While due care has been taken while preparing the report, Primus Partners Private Limited does not accept any liability whatsoever, for any direct or consequential loss arising from this document or its contents. We do not claim ownership over the images used in this document.



#### PASSION

for providing solutions to help clients achieve their goals

#### RESPECT

for all and alternate viewpoints

#### INTEGRITY

of thoughts and actions

#### MASTERY

of our chosen subject to drive innovative and insightful solutions

#### US

representing the Primus collective, where each individual matters

#### STEWARDSHIP

for building a better tomorrow



## PRIMUS PARTNERS®

Solutions for Tomorrow

Primus Partners has been set up to partner with clients in 'navigating' India, by experts with decades of experience in doing so for large global firms. Set up on the principle of 'Idea Realization', it brings to bear 'experience in action'. 'Idea Realization'— a unique approach to examine futuristic ideas required for the growth of an organization or a sector or geography, from the perspective of assured on ground implementability.

Our core strength comes from our founding partners, who are goal-oriented, with extensive hands-on experience and subject-matter expertise, which is well recognized in the industry. Established by seasoned industry leaders with extensive experience in global organizations, Primus Partners boasts a team of over 250 consultants and additional advisors, showcasing some of the finest talent in the nation.

The firm has a presence across multiple cities in India, as well as Dubai, UAE. In addition, the firm has successfully executed projects across Africa, Asia Pacific and the Americas.

### India Offices



#### Bengaluru

91 Springboard  
Business Hub 175, 176  
Bannerghatta Rd,  
Dollars Colony,  
Bengaluru – 560076



#### Chandigarh

2nd Floor, Netsmartz,  
Plot No. 10, Rajiv  
Gandhi Chandigarh  
Technology Park,  
Chandigarh – 160019



#### Chennai

147, Pathari Rd, Door #3,  
WorkEz Hansa Building,  
RK Swamy Centre,  
Thousand Lights,  
Chennai, TN - 600006



#### Delhi

1 to 7, UG Floor,  
Tolstoy House,  
Tolstoy Road,  
Connaught Place  
New Delhi - 110001



#### Kolkata

Siddhartha Apartments  
4th Floor, 188/2,  
Block J,  
New Alipore,  
Kolkata - 700053



#### Mumbai

156/157, 15th Floor,  
Nariman Bhavan,  
NCPA Road,  
Nariman Point,  
Mumbai – 400021

### International Offices



#### Dubai

United Arab Emirates  
(UAE)



#### Dammam

Kingdom of Saudi Arabia  
(KSA)



#### Washington D.C

United States of America  
(USA)

 [www.primuspartners.in](http://www.primuspartners.in)

 [info@primuspartners.in](mailto:info@primuspartners.in)

 Primus Partners India

 @partners\_primus

 @primuspartners7128