Envision Capital

Building India's Next Growth Engine

Envision Capital I August 2026



Strong Momentum Today. Strategic Investments for Tomorrow.

India's economic story continues to be defined by two parallel trends: resilient near-term growth and deliberate investments in industries that will shape the next decade.

The latest high-frequency indicators point to continued strength across consumption, credit, digital payments and mobility. Equally noteworthy is the continued deepening of domestic participation in India's capital markets. Foreign Institutional Investor (FII) ownership in the Nifty 500 has declined to a record low of **17%**, while Domestic Institutional Investor (DII) ownership has risen to an all-time high of **21%**.

This marks a significant structural shift. Increasing domestic ownership provides greater stability to Indian equity markets and reinforces the growing confidence of Indian households and institutions in the country's long-term growth story.

Alongside this domestic strength, the Government has taken another significant step towards building India's semiconductor ecosystem through **India Semiconductor Mission (ISM) 2.0**.

"Strong economies don't just sustain today's growth—they invest in tomorrow's competitive advantage."

High-Frequency Indicators Continue to Signal Strength

July's economic data reinforces the breadth of India's domestic growth story, with momentum visible across multiple sectors of the economy.

Consumption Continues to Remain Healthy

GST collections increased **15.4% year-on-year** to **US$22.15 billion** in July 2026, reflecting resilient domestic demand alongside continued formalization of the economy.

The buoyancy in tax collections continues to strengthen economic activity despite an uncertain global backdrop.

Credit Growth Remains Robust

India's banking sector reported **17.7% year-on-year credit growth** in mid-July, highlighting sustained demand for capital from both households and businesses.

Healthy credit growth remains one of the clearest indicators of economic confidence, supporting consumption, private investment and future earnings growth.

India's Digital Economy Continues to Scale

India's digital payments ecosystem continues to set new benchmarks.

UPI transaction value reached **US$313.4 billion** during July, representing **19.9% year-on-year growth**.

As digital payments become increasingly embedded in everyday commerce, they continue to strengthen financial inclusion, improve efficiency and accelerate the formalization of the economy.

Mobility Maintains Strong Momentum

The automobile sector delivered another strong month.

Passenger vehicle sales grew **18.4% year-on-year**, while the transition towards electric mobility continues to accelerate. EV two-wheeler registrations surged **68% year-on-year**, substantially outpacing the overall two-wheeler industry's **28% growth**.

The widening gap highlights the structural shift underway in India's mobility landscape as consumers increasingly adopt electric vehicles.

"Consumption, credit creation, digital adoption and growing domestic capital continue to point toward an economy growing from within."

India's Next Growth Engine: Building a Semiconductor Ecosystem

Beyond the encouraging economic indicators, one of the month's most significant developments was the Government's renewed commitment to the semiconductor industry.

The Union Cabinet approved the second phase of the **India Semiconductor Mission (ISM 2.0)**, allocating **₹1.27 trillion** towards expanding India's semiconductor capabilities. Alongside this, **₹62,500 crore** has been earmarked for a revamped **Mobile Phone Manufacturing Scheme (MPMS)** to further strengthen India's electronics manufacturing ecosystem.

Importantly, ISM 2.0 expands the country's focus beyond semiconductor fabrication.

The programme aims to attract semiconductor design companies while simultaneously developing the broader ecosystem of materials, manufacturing equipment and specialty chemicals—critical components required to build a globally competitive semiconductor supply chain.

The Government has also adopted a focused approach by prioritizing strategic semiconductor segments including **compute, radio frequency (RF), memory, power and sensor chips**, aligned with the requirements of different industries and national priorities. Startups operating in these segments will receive support through grants and government equity participation, helping create indigenous intellectual property and strengthen India's innovation ecosystem.

This ecosystem approach is likely to create deeper domestic capabilities while reducing dependence on global supply chains over time.

Innovation Takes Flight

India's ambitions in advanced technology are increasingly being validated through execution.

A defining moment came on **18 July 2026**, when **Skyroot Aerospace** successfully launched **Vikram-1** into orbit from Sriharikota on its maiden mission, **marking the first time an Indian private-sector company successfully placed a rocket into orbit.**

The mission validated several indigenous technologies, including carbon-composite structures and 3D-printed rocket engines, highlighting the rapid progress of India's private space ecosystem.

The achievement comes as Skyroot recently became **India's first space-tech unicorn**, crossing a valuation of **US$1.1 billion** after raising **US$60 million**. With plans to increase launch frequency to monthly missions by 2027, the company represents India's growing capability to build globally competitive technology businesses.

"The next phase of India's growth will be defined not just by manufacturing more—but by designing, engineering and innovating more."

Looking Ahead

India's growth story is steadily evolving—from one driven by scale to one increasingly powered by innovation.

The strength of today's economy, combined with sustained investments in semiconductors, advanced manufacturing and private space technology, is laying the foundation for India's next phase of value creation.

For long-term investors, these structural shifts will matter far more than short-term market movements.

India's structural growth opportunity remains firmly in place—and the next decade of value creation is likely to be driven by **formalization, digitization, financialization, innovation and rising aspirations.**

Warm regards,

Tanay Shah

Vice President, Investments & Strategy
Envision Capital

Track Record

	Envision India Opportunities Portfolio (IOP)	Benchmark BSE 500 TRI Index	Alpha
Since Inception*	16.64%	13.59%	305 bps
5 Years	15.09%	12.35%	274 bps
4 Years	18.19%	13.25%	494 bps
3 Years	14.04%	11.89%	215 bps
2 Years	4.11%	0.42%	369 bps
1 year	8.84%	2.98%	586 bps

	Envision New Frontiers Portfolio (NFP)	Benchmark BSE 500 TRI Index	Alpha
Since Inception*	14.23%	-0.85%	1508 bps
6 months	14.46%	1.99%	1247 bps
3 months	12.22%	3.78%	844 bps
1 month	3.28%	2.19%	109 bps

Source: Envision Capital & Axis Fund Accounting Team. *Since inception date 05 April 2021 (IOP) and 16 December 2025 (NFP) respectively. Performance is as on July 31, 2026 and is calculated as per TWRR method and returns more than 1 year are annualized. Returns are net of fees and expenses. Please note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of 1) the timing of inflows and outflows of funds; 2) Differences in the portfolio composition because of restrictions and other constraints. **Returns from BSE website

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