The ECL Story:

Eight Critical Questions for ECL Implementation

Learnings from Global Best Practices, Attuned to Indian Realities

August 2026

By Abhinav Bansal, Hardik Shah, Nisha Bachani, Deep Narayan Mukherjee, and Subhajit Basu

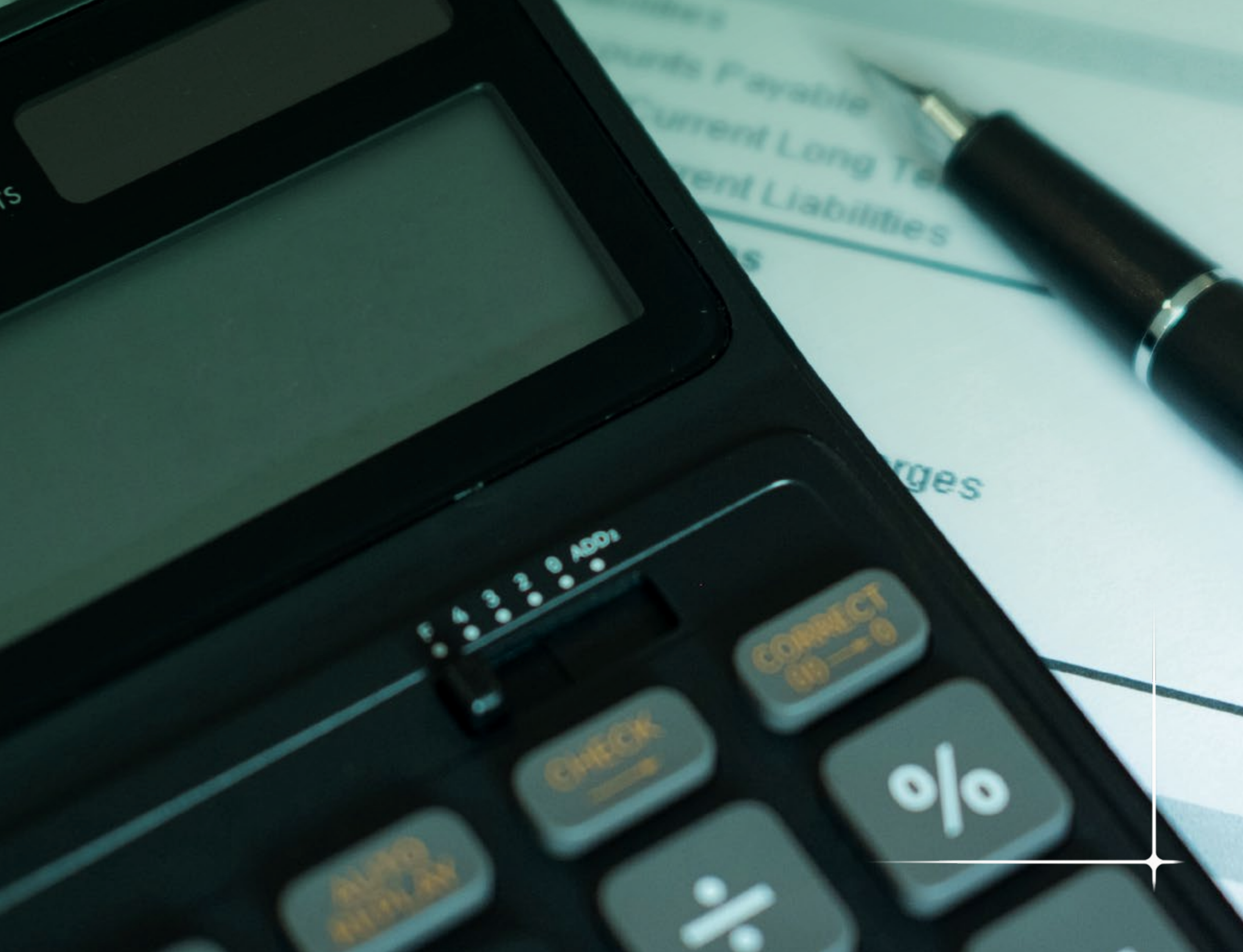


Table of Contents

Executive Summary

30–35%	50–200 bps	8
of banks could not replicate their own ECL numbers after IFRS 9 go-live	CET1 capital decline at transition for banks without an approved capital plan	structural questions Indian banks must answer for impactful ECL implementation

The Reserve Bank of India's Final Circular of April 2026 mandates a shift to Expected Credit Loss (ECL) provisioning, moving Indian banks from a backward-looking incurred-loss model to a forward-looking, lifetime-loss framework aligned with IFRS 9.

What This Report Covers

- A six-act narrative of an ECL implementation that met the deadline but not the standard, followed by three years of remediation.
- A structured mapping of where global banks failed during IFRS 9 transitions, with specific implications for Indian banks.
- The four interlocked capabilities that distinguish a credible ECL regime from a compliant one.
- Eight questions spanning board governance, data, models, technology, overlay governance, business impact, and capital planning.
- Specific requirements the RBI circular mandates that most Indian banks have to operationalise.
- A practical framework for the October 2026 parallel run and the April 2027 go-live.

India's context adds further urgency. The RBI's circular is explicit and detailed: MEV inputs must be structural model parameters, staging criteria must be validated independently, and ECL figures in financial statements must trace to system-generated outputs. These are not aspirational standards; they are the basis on which examiners will conduct supervisory reviews from April 2027 onwards.

Short Story:

The Euphoria of Meeting Deadline

The six acts below are a composite drawn from real implementation experiences across global and Indian banks. The characters are fictional. The failures are not.

ACT I: The Night The Numbers Flowed (March 2027)

At 11:47 PM on March 20, 2027, the Chief Risk Officer (CRO) and Chief Finance Officer (CFO) sat in the bank's ECL war room as the ECL engine completed its first production run and the numbers flowed from the Core Banking System through to the General Ledger. Provisions could now be closed by March 31, six months later than the original September 30, 2026 plan. What the screens did not show was that three sub-ledgers had not fully reconciled, and the audit committee had been told the variance was "within tolerance." The CTO rushed in with the excitement of a rocket scientist after a successful launch. The CRO smiled and nodded, though something in her expression stopped just short of celebration. They had moved fast, perhaps faster than the foundations could support. The bank filed its go-live confirmation the next morning, the board was told the implementation was a success, and at the investor meeting that followed, the CFO spoke with measured confidence about the bank's techno-analytical readiness. The market received it well. The stock ticked up.

ACT II: Three People and a Spreadsheet (April to September 2027)

The bank had estimated that a quarterly ECL refresh would take five to ten days, but the first post-go-live refresh took twenty days. By September, twenty days had become the norm rather than the exception. When the CFO finally pressed for an explanation, the uncomfortable truth emerged: the ECL engine was not truly automated. Analysts were still extracting critical data elements manually, and the "automation" showcased at go-live was, in reality, a workaround held together by three people who knew exactly which buttons to press and in what order. The regulator's minimum standard was clear: the ECL figure in the financial statements had to trace back to a system-generated output, not a risk analyst's spreadsheet. That October, the Risk Committee met with a forty-page pre-read. When the chair asked whether the overlay process was working as intended, the CRO replied that it was, though it would benefit from tightening. The minutes recorded the discussion simply as “noted.”

ACT III: The Provisions That Would Not Sit Still (December 2027 to September 2028)

The second wave hit harder. ECL provisions were expected to move with the economic cycle, but management had not anticipated the degree of volatility. As the risk team investigated, the root cause became painfully clear: the macro-models had been built on annual data, sometimes only three years’ worth, and regressed against GDP, inflation, and interest rates without portfolio segmentation. Macroeconomic variables had never been structurally embedded into the PD and LGD models; instead, they had been bolted on as overlays after the models had already run. When the independent validator eventually reviewed the models, they could not replicate the outputs because the same inputs, processed through the same models, did not produce the same results unless the reviewer knew exactly which overlays had been applied and why. A second, less visible factor compounded the problem: SICR triggers that had been calibrated too tightly meant that a single interest-rate spike pushed roughly 14% of the corporate portfolio from Stage 1 to Stage 2 in one quarter, only for much of it to migrate back the next. The CFO proposed a transitional overlay to smooth the volatility, but the CRO refused, arguing that layering one overlay on top of another would sacrifice the one thing the regulator was certain to demand: a clear, auditable line from inputs to output.

ACTS IV–VI: Analyst Scrutiny, Regulatory Review, And The Reckoning (2028–2030)

By 2028, analysts had noticed that provisions were diverging from actual credit performance, and a brokerage note publicly raised the question. The share price softened, but the deeper concern was capital: cumulative ECL build-up had reduced CET1 by roughly 80 basis points beyond the glide path the bank had communicated. The underlying cause was structural. The bank’s PD models were point-in-time models designed for origination decisions rather than through-the-cycle models suited for lifetime ECL estimation. In 2029, a regulatory supervisory letter arrived with fourteen specific questions and a thirty-day response deadline after examiners traced provisions through the system and found multiple breaks in the documentation chain, including one quarter in which a single overlay accounted for more than 18% of total provisions without documented reversal criteria. By 2030, after three years of quarterly firefighting, two regulatory reviews, and a technology overhaul that cost significantly more than the original implementation, the bank’s risk team gathered for a ‘lessons-learned’ exercise. The CRO’s conclusion was simpler than she had expected: meeting deadline had never been the same as being ready. ECL implementation had ceased to be a project and had instead become a mirror of how the bank operated.

What They Wish They Had Asked

Looking back, the CRO and CFO could identify the questions they had not asked, or had asked too late. These were not questions about technology or timelines; they were questions about business choices, capabilities, and change management.

- Had the board defined what success looked like beyond go-live, in terms of credibility, auditability, and capital resilience?
- Had the data infrastructure been objectively verified, or just assumed to be adequate?
- Were the staging rules debated product by product, with independent validation and board sign-off, or accepted as reasonable approximations?
- Had the risk models actually been rebuilt for lifetime ECL economics, or had weakly designed origination models simply been repurposed?
- Had overlay governance been made operational, with triggers, limits, and reversal criteria that were actually used, rather than merely documented?
- Had the technology been tested for true end-to-end automation, or only for its ability to produce a number?
- Had the three lines of defence been formally, verifiably activated before the first parallel run?

Each of these questions had a corresponding answer somewhere in the documents the bank had already received. The RBI circular had been explicit. The IFRS 9 guidance had been clear. What the bank had not done was building each capability properly before declaring it complete. Their ECL implementation had not failed because the technology broke or the models were rogue. It had failed in the gap between compliance and credibility, and closing that gap after the fact costs more than closing it earlier.

> Their ECL implementation had not failed because the technology broke or the models were rogue. It had failed in the gap between compliance and credibility.

> The report that follows sets out the eight questions they wish they had answered, in full, before April 1, 2027.

Eight Questions to Ensure Strategic Success of ECL Implementation

The following eight questions cover the most critical dimensions of ECL readiness. They span board governance, data, models, technology, capital planning, and business strategy. Each question is explored in detail below.

Q1: What is the Board's Definition of Successful ECL Implementation?

Most boards ask whether they will be ready by the go-live date. That's the wrong question. The right question is what the bank expects ECL to look like in year two and year three, when the regulator scrutinises, analysts ask pointed questions, and provisions need to be explained quarter after quarter. A compliance-only definition of success tends to produce a system that passes the first audit and fails the second.

Strategic Pillars Of ECL Excellence

- Board-owned governance: define who owns ECL judgments, model overlays, approvals, escalations, and challenge forums
- Auditable data and model controls: traceable loan-level data, validated models, documented assumptions, and repeatable control processes
- Capital resilience: quantify provision volatility, stress impacts, and capital buffers before go-live
- Explainable investor reporting: provisions and overlays clearly explained to investors, auditors, and rating agencies

Board Approvals Required Before Execution

- Governance and accountability framework
- Model validation and overlay policy
- Data lineage and control standards
- Capital impact and stress-testing plan

Success Metrics

- Higher assurance to regulators on numbers
- Reduced adverse surprise to investors
- Greater sustainability and predictability of performance through the cycle
- Higher price multiples on book value and earnings

Indian context: Board composition at many Indian banks, particularly public sector banks, rotates independent directors every few years and rarely selects for deep credit-risk modelling expertise. RBI's corporate governance norms require a Board Risk Management Committee, but reviewing ECL judgments in substance, rather than just at the pre-read stage, demands a level of technical fluency that most board inductions do not yet build.

Q2: Will Your Data Infrastructure Support All ECL Requirements?

Data problems are where most ECL implementations quietly begin to go wrong. The systems exist. The data nominally exists. The question is whether it's traceable, loan-level, linked across CBS and LMS, and deep enough to support through-the-cycle modelling. For most Indian banks, the honest answer to at least some of those is no.

Regulatory Trace-Back

ECL is a regulated financial statement figure. RBI examiners will trace every provision back to its source data. Banks need complete, documented data lineage from CBS and LMS inputs through to the ECL number in the P&L.

Collateral Variable Capture

LGD models require loan-level collateral data: type, coverage, forced-sale value, enforcement timeline, and recovery history by collateral class. Most banks currently hold only summary-level data; more granular inputs will be needed going forward.

Macro Scenario Assumptions

MEV inputs must be structural model parameters, not post-model overlays. Banks that apply macroeconomic scenarios as management adjustments after the model runs will fail independent validation.

Portfolio-Level Sensitivity Analysis

ECL requires granular, portfolio-wise sensitivity showing provision movement under each scenario for each segment. Aggregate-level static stress tests do not meet the IFRS 9 forward-looking information standard.

Indian context: The 2019–2020 round of PSU bank mergers left several banks running merged portfolios across stitched-together core banking platforms, each carrying its own legacy customer identifiers. Harmonising a single UCID across merged entities, and digitising collateral records for priority-sector and agricultural loans still tracked on paper in rural branches, remains unfinished work across much of the sector.

Q3: How Closely Are You Debating the Staging Rule by Product?

Staging rules are where ECL gets contentious inside the bank. The choices made here, such as what triggers Stage 2, how tightly SICR is calibrated, and whether the 30 DPD floor is treated as a ceiling or a baseline, directly determine provision volatility. Banks that accept these as reasonable defaults rather than product-level decisions tend to discover the problem when provisions swing unexpectedly.

Default Definition

- Single borrower-level definition across regulatory capital, IFRS 9, and internal risk
- 90 DPD backstop mandatory; earlier triggers required for restructured and watch-list accounts
- Validate consistency across all portfolios and products before model development begins

SICR: Stage 1 To Stage 2 Transition Rules

- 30 DPD is the regulatory floor; banks must formalise richer qualitative triggers beyond DPD alone
- Internal rating downgrades, covenant breaches, forbearance, and sector-level stress must be formalised
- SICR thresholds require independent validation and board sign-off before the parallel run begins

Forward-Looking Macroeconomic Variables

- Macroeconomic factors (GDP, unemployment, credit cycle) should be structurally embedded in PD and LGD models, not overlaid post-model
- Base, pessimistic, and optimistic scenarios with explicit, board-approved probability weights
- MEV sensitivity analysis is a regulatory requirement in submitted model documentation

Indian context: This distinction matters for auditability: a structurally embedded MEV can be traced, replicated, and defended, while a bolted-on adjustment often cannot. Banks applying macroeconomic scenarios as post-model adjustments should expect examiner findings from day one of supervisory review, since tracing provisions back through the system is exactly what examiners are trained to check.

Q4: How Will ECL Change Underwriting, Portfolio Management, Collections, and Capital Allocation?

ECL puts a number on risk that origination models never had to compute: lifetime expected loss, incorporating how the borrower and the economy might move over the full tenor of the loan. For many banks, that number will diverge materially from the risk view embedded in current pricing and underwriting. When it does, the question is not just accounting. It's whether the business model still works.

Pricing Divergence

- If ECL PD diverges from underwriting PD, loans are either mispriced or provisions are wrong
- Management must align RAROC, pricing, and ECL on a single consistent PD view before go-live

Capital Allocation

- ECL-implied economic capital can diverge significantly from Basel risk weights for certain segments
- Boards must understand this divergence and its impact on capital allocation, ICAAP, and dividend policy
- Segments that were marginal under underwriting economics show negative RAROC under ECL

Underwriting Impact

- Through-the-cycle ECL PD is typically higher than origination PD for the same borrower
- Underwriting criteria must be reviewed; some approved segments may not be viable under ECL economics
- Management must decide pre-go-live whether to adjust underwriting standards or absorb the higher provision
- RBI's five-year glide path absorbs CET1 impact, but only if the capital plan is modelled and filed at go-live

Indian context: RBI's five-year glide path is designed to absorb the CET1 impact, but only for banks that have filed a modelled transition plan with the regulator. Within most Indian loan books, the ECL-to-Basel divergence is likely to be largest in priority-sector, MSME, and unsecured retail portfolios, where collateral data and credit bureau history are thinnest, and boards should expect the sharpest capital conversations in these segments.

Q5: How Will You Govern Overlays Without Distorting Provisions?

Overlays are necessary. Every ECL model has blind spots: emerging sector stress not yet in the data, model weaknesses management knows about, specific large exposures where the model simply isn't granular enough. The problem is not overlays; it's overlays without governance. When there are no documented triggers, no size limits, and no reversal criteria, overlays become a tool for managing the P&L to a target, and regulators know exactly what that looks like.

What Overlays Are For

- Capturing emerging sector shocks or post-calibration events not yet in the model
- Correcting known model weaknesses during a transition period with documented evidence
- Reflecting management knowledge of specific large exposures where the model is insufficient
- Providing a prudent buffer when macroeconomic uncertainty is unusually high

What Goes Wrong Without Governance

Ungoverned overlays turn ECL into earnings management, creating audit findings, regulatory risk, and board-level credibility concerns. Specifically:

- Overlays become a mechanism for managing reported provisions to a target P&L outcome
- No trigger criteria: overlays applied and reversed at senior management discretion
- No size limits: a single overlay can represent a material percentage of total provisions
- No reversal criteria: overlays accumulate and become a permanent provision buffer

Indian context: Indian provisioning has historically been anchored to RBI's standard asset and NPA provisioning norms, with fixed percentages applied uniformly rather than model-driven judgment. This history matters because it shapes instinct: for decades, provisioning was a matter of applying a prescribed rate to an asset classification, not defending a modelled estimate. Overlay governance asks banks to build a different muscle entirely: documenting why a judgment was made and by whom, what evidence supported it, and under what conditions it should be reversed, not just what number resulted. For a supervisory culture still adapting to model-based discretion, this shift from rule-following to judgment-defending is likely to be one of the harder transitions in the entire ECL journey.

Q6: Are Your Risk Models Aligned Closely to ECL?

Most Indian banks built their PD models for credit decisions: is this borrower acceptable at origination? ECL asks a different question: what is the expected loss over the full life of this loan, across a range of economic scenarios? The answer requires through-the-cycle PDs, downturn LGDs, and macroeconomic variables structurally embedded in the model. Repurposing origination models by adding overlays does not get there. (See Figure 1)

Indian context: Most Indian banks' origination PD models are validated on a single observation window that barely spans one credit cycle, including the post-pandemic recovery, and rarely captures a downturn comparable to the 2018 NBFC stress. LGD models will also need to reflect India's actual collateral enforcement timelines, where SARFAESI and IBC recoveries routinely take longer than the workout periods most models currently assume.

FIGURE 1

From Origination Models to Lifetime ECL: Where the Gaps Show Up

GAP TYPE	CURRENT STATE	ECL REQUIREMENT
MODEL GAP: PD	Origination PD models are point-in-time, optimised for credit decisions	ECL requires through-the-cycle PD term structures to final maturity
MODEL GAP: LGD	Most LGD models use blunt collateral haircuts without capturing workout costs, time to recovery, or cycle sensitivity	ECL LGD must reflect downturn conditions and vary by collateral type, vintage, and macroeconomic scenario
BUSINESS IMPACT: PD DIVERGENCE	If ECL PD diverges from underwriting PD, the bank is either mispricing risk or misreporting provisions	Management must align RAROC, pricing, and ECL on a single consistent PD basis before go-live
BUSINESS IMPACT: CAPITAL	For certain portfolio segments, ECL-implied economic capital diverges significantly from Basel risk-weighted assets	Boards must understand this divergence and its impact on capital allocation, ICAAP, and dividend policy

Q7: Is Your Technology Ready to Automate ECL at Scale?

The technology question is not whether to buy a system. It's whether the system can run the full ECL calculation end-to-end, without analysts pulling CBS extracts into spreadsheets, without manual reconciliation at close, and in a way that an RBI examiner can trace back to source data. Many banks that thought they had answered yes discovered otherwise during their first quarterly refresh. (See Figure 2)

Indian context: Core banking and loan management systems at several Indian banks, especially those formed through PSU mergers, still reconcile in overnight batch rather than real time. This legacy architecture is what makes the timeline in Figure 2 so tight for Indian banks specifically.

FIGURE 2

The Technology Stack Indian Banks Need Before the October 2026 Parallel Run

TECHNOLOGY ISSUE	DESCRIPTION	RISK LEVEL
MANDATORY CHANGE	Spreadsheet computation is not auditable at production scale. The ECL figure in the financial statements must trace to a system-generated output, not a risk analyst's file	Critical
INTEGRATION GAP	CBS and LMS must integrate in real time. Staging and exposure data must flow automatically; manual reconciliation at period close will not satisfy RBI examiners	Critical
CAPABILITY GAP	PD term structures, lifetime EAD across cash flow paths, and LGD by collateral type must run at loan level across the full portfolio, which is not possible reliably in any spreadsheet environment	High
TIMELINE RISK	Vendor selection must begin in Q3 2026, since platform lead times are 3–4 months. Banks delaying beyond Q3 2026 will not have a tested platform for the October 2026 parallel run. UAT requires at least 2 months of parallel operation before the platform can be relied on	Urgent

Q8: Does Your Board Have an Approved ECL Governance Framework?

When European banks could not replicate their own ECL numbers (and 60–70% of them could not), the root cause was almost never the model. It was that the assumptions had not been documented, the validation had not been independent, and nobody had a clear line of accountability when the auditor asked a question that crossed three teams. The board needs to approve the governance framework before the parallel run, not as a formality, but because ECL decisions genuinely require board-level ownership.

EU banks have repeatedly shown governance gaps in their ECL frameworks. During COVID-19, manual overlays produced divergent ECL figures across institutions. The ECB's 2024 review found only half the banks examined had a documented, auditable basis for their overlays; the rest relied on unsupported judgment. The EBA flagged similar issues with inconsistent SICR triggers delaying recognition of deteriorating loans. Without documented assumptions and independent validation, ECL judgments are hard to trace and defend under audit.

Mandatory Requirements

- Model validation is absent in most Indian banks. Model validation must be independent of model development and most Indian banks do not have a model risk function capable of this work. External validators must also complete validation before the October 2026 parallel run

- Three lines of defence must be formally activated: first line documents assumptions and SICR logic; second line independently validates and challenges; third line reviews end-to-end ECL governance annually and before go-live

Board Action Required

The board must approve the ECL methodology, default definition, SICR criteria, scenario framework, overlay policy, and transition plan before the parallel run; otherwise, results are ungoverned.

Indian context: Most Indian banks do not yet have a model risk management function that sits organisationally independent of model development, a gap RBI's final circular addresses directly by requiring independent validation before the parallel run. For many banks this means standing up a new second-line function, not simply naming a new committee, in the months before October 2026.

Conclusion

The eight questions in this report are not a checklist. They are the points where ECL implementations have most consistently broken down: at European banks when IFRS 9 arrived, and at the handful of global banks that went first and paid for it.

Global experience is unambiguous on this: banks that treat ECL as a compliance exercise tend to get the compliance piece done and then spend the next two years explaining provision swings, answering regulatory questions, and rebuilding models under time pressure.

The banks that got it right treated ECL as a structural change to how they run, spanning underwriting, pricing, capital allocation, and investor communication.

The RBI's framework follows IFRS 9 closely enough that the European experience is directly instructive. The October 2026 parallel run is not far away. The questions in this report are worth answering now, before go-live makes them harder.

> The gap between compliance and credibility is where ECL implementations fail. Closing it after the fact costs more than closing it earlier would have.

Sources: RBI Final Circular (April 2026); IFRS 9 (IASB 2014); ECB ECL Survey; BCG Risk Management Practice; BCG interactions with Indian and European banks.

Appendix 1

RBI's ECL framework aligns with global IFRS 9 standards. However, global experience shows that even sophisticated banks struggled significantly in five key areas during their own transitions. Indian banks need to assess their readiness across these dimensions proactively.

Where Global Banks Struggled and Indian Banks Must Check

(See Figure 3)

FIGURE 3

Global Lessons in ECL Implementation: What Indian Banks Must Check Before Go-Live

DIMENSIONS	HOW GLOBAL BANKS STRUGGLED	KEY CHECKS FOR INDIAN BANKS
DATA	70%+ lacked sufficient through-the-cycle (TTC) depth; ~60% had NO TTC LGD data; data lineage gaps across all major banks	Loan history covering at least a business cycle; Unique Customer ID (UCID) across systems; data lineage for full trace-back
MODELS	100% ignored future economic conditions; models looked backward with no Macro Economic Variables (MEVs); staging rules too rigid, missed early warning signs	TTC PD/LGD (not origination PDs); economic forecasts built into models; clear triggers for loan staging defined
GOVERNANCE	60–70% could not replicate own ECL; 55% had no overlay policy; 3 Lines of Defence not activated at most banks	Independent model validation; overlay governance policy; 3 Lines of Defence active
TECHNOLOGY	CBS/LMS feeds with 6–9 month lag; 3 of 4 banks missed automation; spreadsheet-based runs failed audits globally	Automated ECL engine; integrated CBS/LMS/GL; model details auditable and traceable
CAPITAL & PROVISIONING	Banks were surprised by profit fall post go-live; transition plans incomplete or filed after go-live; CET1 capital ratios fell 50–200bps at transition	Provision floors met (S1/S2/S3); capital impact assessed and planned; transition plan agreed with RBI

Appendix 2

Done well, ECL changes how a bank underwrites, prices risk, allocates capital, and communicates with investors.

That requires four capabilities working together, not sequentially and not independently. (See Figure 4)

FIGURE 4

The Four Pillars of an Audit-Ready ECL Framework

1

DATA GOVERNANCE

- 5–10 year loan-level PD/LGD history across the full credit cycle
- UCID linking CBS, LMS, and origination systems
- Collateral variables and qualitative risk flags captured at loan level
- Full data lineage for regulatory trace-back at any point

2

MODEL ARCHITECTURE

- Single default definition across regulatory capital, IFRS 9, and internal risk
- SICR triggers validated against 30 DPD backstop plus qualitative criteria
- MEVs (GDP, unemployment, credit cycle) structurally embedded in PD and LGD
- Three scenarios with board-approved probability weights, audit-ready

3

GOVERNANCE & CONTROLS

- Independent second-line model validation before first parallel run
- Overlay policy with triggers, approval limits, and reversal criteria
- Three lines of defence activated for ECL processes end-to-end
- Assumption documentation and model inventory audit-ready for RBI

4

TECHNOLOGY & OPERATIONS

- Automated ECL engine with no spreadsheet dependency at any stage
- CBS/LMS/GL integration providing real-time staging data at close
- Scenario engine for probability-weighted MEV computation built in
- RBI disclosure module producing period-close outputs automatically

Table of Acronyms

ACRONYM	FULL FORM
BCG	Boston Consulting Group
CBS	Core Banking System
CET1	Common Equity Tier 1 (capital)
CFO	Chief Finance Officer
CRO	Chief Risk Officer
CTO	Chief Technology Officer
DPD	Days Past Due
EAD	Exposure at Default
EBA	European Banking Authority
ECB	European Central Bank
ECL	Expected Credit Loss
GL	General Ledger
IASB	International Accounting Standards Board
IBC	Insolvency and Bankruptcy Code
ICAAP	Internal Capital Adequacy Assessment Process
IFRS 9	International Financial Reporting Standard 9

ACRONYM	FULL FORM
LGD	Loss Given Default
LMS	Loan Management System
MEV	Macroeconomic Variable
MSME	Micro, Small & Medium Enterprises
NPA	Non-Performing Asset
P&L	Profit and Loss
PD	Probability of Default
PIT	Point-in-Time
PSU	Public Sector Undertaking
RAROC	Risk-Adjusted Return on Capital
RBI	Reserve Bank of India
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act
SICR	Significant Increase in Credit Risk
TTC	Through-the-Cycle
UAT	User Acceptance Testing
UCID	Unique Customer Identifier

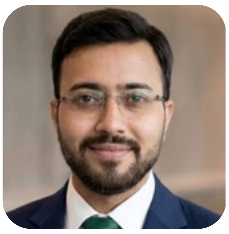
About the Authors

Abhinav Bansal
Managing Director and Senior Partner
Mumbai
bansal.abhinav@bcg.com

Hardik Shah
Managing Director and Partner
Mumbai
shah.hardik@bcg.com

Nisha Bachani
Managing Director and Partner
Mumbai
bachani.nisha@bcg.com

Deep Narayan Mukherjee
Partner and Vice President
Mumbai
mukherjee.deepnarayan@bcg.com



Subhajit Basu
Principal
Bengaluru
basu.subhajit@bcg.com

Acknowledgments

We extend our gratitude to the Bhumika Gupta from BCG India Marketing Team for managing the marketing. We would also like to thank Saroj Singh, Subhradeep Basu, and Hansha R S for their contributions to the editing, design, and production of this report.

About Boston Consulting Group

Boston Consulting Group bridges the gap between ambition and outcomes for the world's leading companies and organizations. We are built for this era of unprecedented change—bringing strategic clarity rooted in over 60 years of deep domain knowledge, combined with applied AI shaped by our practitioners. BCG works shoulder-to-shoulder with CEOs across industries and geographies to deliver transformative impact at scale: stronger returns, transferred capabilities, and change that sticks. For more information, visit bcg.com.

For information or permission to reprint, please contact BCG at permissions@bcg.com. To find the latest BCG content and register to receive e-alerts on this topic or others, please visit bcg.com. Follow Boston Consulting Group on LinkedIn, Instagram, Facebook, and X.