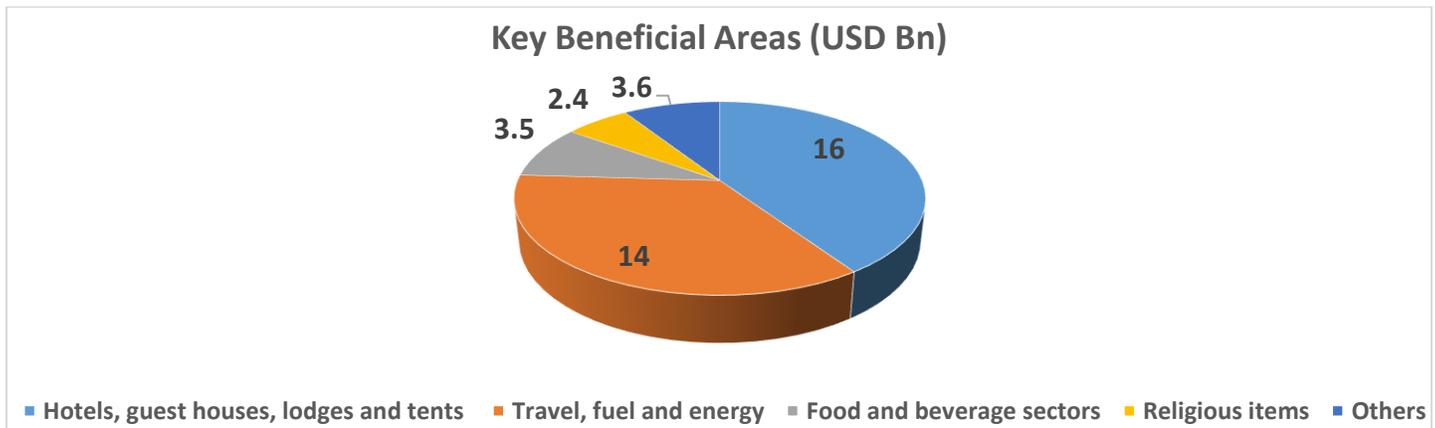


The Kumbh mela - Economic Brahmastra

The top trending # in India today is undoubtedly the Maha Kumbh. The Kumbh rooted in Indian mythology and tradition is the largest religious congregation in the world, and this time it is bigger than ever. It was initially estimated that over 450mn people will attend the event over a duration of 45 days, but as per the latest estimates the number of visitors is expected to be much higher, some estimate it be as high as 600mn. This effectively, means that every third Indian would have visited the Kumbh. This is indeed staggering, considering that only two countries in the world have more people than this. The economic impact and contribution of such a massive event cannot be undermined. We expect the Maha Kumbh to invigorate the slowing consumption engine of India, as the economic output of the Maha Kumbh is estimated at USD 35-40 bn. This is effectively 1% of the Indian GDP in 2 months, and add to this the multiplier effect that could last way beyond the geographical area as well as timelines.

Massive Economic Activity and Sectoral Impact

The sheer scale of the Kumbh Mela creates a temporary but powerful surge in consumption demand across a wide spectrum of goods and services. Millions of pilgrims, ascetics, and foreign tourists descend upon the designated area, creating a captive market for businesses of all sizes. This heightened demand manifests in several key areas:



Assuming an average expenditure of INR 8000-10000 per person, incurred by approximately 90% of the anticipated 450-500 million devotees, Kumbh mela could generate **USD 35-40 bn**, along with USD 1.3 bn government spending (The figure excludes expenditure by VIP, VVIP and Foreign tourist).

But this doesn't stop here, these businesses and individuals that have benefited from the massive spend done at the Kumbh, will create a virtuous cycle of follow-on consumption and asset creation. This re-spending will create a ripple effect, as the money circulates through the economy, generating further income and spending. This multiplier could potentially generate a total economic impact of approximately **USD 340-360 bn**. Such a monumental infusion of economic impetus not only accelerates infrastructure development, job creation and auto sales, but also represents a significant share compared to India's current **USD 4000 bn GDP**. Also bear in mind, the number of pilgrims could be at least 50% higher than the original estimate, we haven't accounted for it, so the economic impact could be potentially even more.

Conclusion

Kumbh Mela's economic impact of about USD 35-40 bn, will certainly drive earnings growth for companies, benefiting the stock market, which is struggling due to lower corporate earnings over the last 6-9 months. Its impact extends across sectors like tourism, infrastructure, real estate, gold/precious metal, financial markets, and retail, with the multiplier effect to boot. As a driver of revenue generation, job creation, and urban development, the Maha Kumbh exemplifies how cultural and religious events can fuel large-scale economic growth.

A deeper analysis reveals that the liquidity unlocked during Kumbh Mela—primarily from unaccounted savings—is comparable to India's GDP expansion over several years. When combined with the Finance Minister's recent budget boost for consumption through tax breaks, this surge in economic activity should achieve in just two months what typically takes India 9-10 years, thereby underscoring the event's unparalleled economic significance. **It is truly an economic "Brahmastra" the not so mythical bazooka which the economy desperately needed.**

Disclaimer

This report is not directed to, or intended to or use by, any person or entity who is a citizen of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Das Capital Pvt Ltd to any registration or licensing requirements within such jurisdiction. This report is provided for information purposes only. The report is based on information generally available and is deemed reliable but no assurance is given as to its accuracy or completeness. Das Capital Pvt Ltd is not accountable for any decision based on the contents of this report. Neither the information nor the opinions contained are to be construed as an offer to buy and sell securities mentioned above. This report is not to be relied upon in substitution for the exercise of independent judgment. Investors should judge the suitability of the securities to their needs. Das Capital Pvt Ltd makes no representation that the preparation or distribution of this report is in compliance with the legal requirements or regulations of any jurisdiction, and it disclaims all liability in case the preparation or distribution of this report is found to be non-compliant with any such legal requirements or regulations. Das Capital Pvt Ltd may, to the extent permitted by law, act upon or use the information or opinions presented herein, or the research or analysis on which they are based, before the material is published.