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RNI No. KARENG/2023/85271

BENGALURU
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MONDAY - AUGUST 3 - 2026

AgniKul eyes reusable rocket mission

BIG LEAGUE. Space tech firm seeks to revolutionise launch economics; aims for early 2027 timeline for SpaceX-style cosmic venture

Sindhu Hariharan
Rohan Das
Chennai

Space tech start-up AgniKul Cosmos is aiming for an early 2027 timeline for its Mission 2, which will not only place a commercial payload in orbit but also attempt to recover the rocket's lower stage for reuse.

The architecture for the reusable launch vehicle is almost finalised, Srinath Ravichandran, Co-founder and CEO of AgniKul Cosmos, told *businessline*. "All the pieces of the tech needed for reusability are in place; we will now have to sequence them exactly," he said.

After lift-off, AgniKul's lower-stage rocket will function as an independent vehicle once separated from the rest of the rocket, and it will attempt a vertical landing on a barge in the Bay of Bengal after lifting off from Sriharikota. "It has come to a point where we are thinking of that [lower stage] alone as its own separate rocket with its own brain and its own hardware to return," Ravichandran said.

The plan is to start taking the hardware to the launch location as it becomes ready, probably by this year. The launch itself will depend on the monsoon and a few pending approvals, he adds.

Success in this attempt will put the Indian start-up in the same league as SpaceX and mark a breakthrough for launch economics in the Indian space tech sector. Notably, both stages are being designed for multi-use — the upper stage is envisaged to remain in orbit as a reusable satellite bus.

ECONOMICS OF REUSE

Moin SPM, Co-founder and COO of AgniKul Cosmos, says that 3D printing enables automated, repeatable, error-free production while improving the reliability of their launch. Most importantly, recovery now decouples engine production from launch cadence, he notes.

SEEKING BREAKTHROUGH. Srinath Ravichandran (left), Co-founder and CEO, Agnikul Cosmos and Moin SPM, Co-founder and COO, at their office at IIT Research Park, Chennai BIJOY GHOSH

"Conservatively speaking, we could make around five rockets but potentially do about 25 launches through refurbishment and reuse," he said.

The founders say customer visibility is strong, driven by growth in Indian satellite companies and global launch demand.

The company also considers Skyroot's commercial launch as a policy win for the sector. "Every single nuance of what it means to do an orbit is being proven now... we have gotten so much inbound interest generally with that launch happening," Ravichandran says.

INSIDE THE FACILITIES

At the centre of these ambitions are AgniKul's two facilities in Chennai, toured recently by *businessline*.

The 'rocket factory' at the IIT-Madras Research Park, through the company's partnership with EOS as its official 3D-printing technology partner, churns out Agnilet, the company's fully integrated, single-piece semi-cryogenic engine, made from Inconel, from scratch.

Electrical discharge machines slice the engine off its build plate once printed, and an in-house-built de-powdering machine — a point of pride for the team — completes the process. Together, these can produce one fully 3D-printed rocket engine every 72 hours.

The engine then travels 30 km to AgniKul's test facilities in Thaiyur, where test rigs put every component — engines, thermal control systems, electrical systems, liquid oxygen propellant, and more — through repeated tests before final integration.

A young team runs the operation, supported by retired ISRO engineers as advisors.

Uma Maheswari, the Project Director for Mission 1, also spearheads multiple rounds of testing needed for Mission 2. Saraniya Periaswamy, the Launch Vehicle Director, will now have to ensure that the booster is able to land vertically after stage separation.

LOOKING AHEAD

"You'll start seeing us regularly fly the rockets that we've already flown, so that will be a big win for us," say the founders.

"Our upcoming unit near Thoothukudi should also be operational by then and help us scale production to meet demand," they add.

"There is a lot of demand; many people want to go to space, and there is a shortage of launch vehicles," says Moin.

bl. video
Watch the full interview here
https://tinyurl.com/AgniKulCosmosMission2

Commerce Dept moves to amend SEZ rules to allow payment in rupees

Amiti Sen
New Delhi

The Commerce Department is preparing a Cabinet note to amend the Special Economic Zones (SEZ) Act to allow these units to receive payments in rupees, instead of foreign exchange, for services provided to clients in the domestic market, a move expected to remove a long-standing "anomaly" and unlock significant business opportunities for firms such as GMR and Larsen & Toubro.

"A range of sectors, particularly maintenance, repair and overhaul (MRO), engineering, defence manufacturing and information technology, where SEZ units have been unable to fully participate in the domestic market because of the foreign exchange payment requirement, are set to benefit from the proposed amendment," an official tracking the development told *businessline*.

The proposal is to amend Section 2(z) of the SEZ Act, which defines 'services', by removing the requirement that services supplied by SEZ units to the DTA (domestic tariff area or domestic market outside the zones) must earn foreign exchange — a condition that does not apply to goods, the official said

FOREIGN CURRENCY

"This requirement for payment in foreign currency has created many problems in the provision of services by SEZ units to DTA entities. It increases transaction costs as the DTA entity has to buy foreign currency on payment of commission to AD bank, and then again the SEZ unit has to convert this foreign currency into rupee on commission to AD bank. It discourages DTA entities from buying services from SEZ entities because they have to make payment in foreign currency," according to the Export Promotion Council for EOUs and SEZs.

For instance, SEZ units situated in MIHAN, Nagpur, SEZ or GMR Aero SEZ in Hyderabad are unable to provide MRO services to airlines in the DTA, while L&T MBDA Missile Systems, a SEZ unit in Coimbatore, is unable to provide MRO services to the Indian Air Force, EPCES highlighted.

SEZ IT units, too, are unable to provide software development services to PSUs/government offices. This forces these DTA units to import these services, the council argued. The matter has been extensively discussed between the Commerce Department, the SEZs, the RBI and the Finance Ministry on dropping the foreign exchange earning condition to boost the performance of SEZ units, the official added.

CABINET APPROVAL

"The Commerce Department is working on the Cabinet note based on the discussions. After approval by the Cabinet, the matter has to be cleared in Parliament," the official said.

In a communication to the Commerce Department, L&T MBDA Missiles System Ltd noted that defence companies, such as itself, could not expect their customers, i.e., the Ministry of Defence, to make payments in foreign currency to get maintenance and overhaul services from domestic companies. This significantly restricts the ability of SEZ-based defence firms to support the operational requirements of the IAF from within the country, which went against the government's 'Make in India' initiative.

New UG institution with IIMB a major milestone: Noel Tata

Our Bureau
Bengaluru

Calling the proposed undergraduate institution being established in partnership with IIM Bangalore a significant milestone, Noel Tata, Chairman of Tata Trusts, said on Sunday that India urgently needs many more world-class educational institutions as he outlined the Trusts' renewed focus on building institutions in education and healthcare.

Speaking at the IIM Bangalore Alumni Association's flagship leadership conclave, IIMBue 2026, Tata said the country's higher education ecosystem has not kept pace with demand, leaving many students with little choice but to study abroad.

The fireside chat was moderated by Sonjoy Chatterjee, Chairman & CEO, Goldman Sachs India, who serves on IIMB's board of governors.

WAKE-UP CALL

"The country needs a wake-up call on education. We spend an atrocious amount of money every year on sending kids to the US and Europe because there aren't enough quality institutions here. There is no reason why India cannot provide enough institutions so that everybody who wants to get an education can find an institution which they believe adds value to their children's lives and will give their children a good career going forward. The problem is enormous," he emphasised.

Noel Tata, Chairman of Tata Trusts REUTERS

REVIVING LEGACY

Beyond education, he said Tata Trusts is moving beyond its traditional role of funding NGOs and individual development projects towards creating institutions that can serve generations, reviving a legacy that produced institutions such as the Indian Institute of Science, Tata Institute of Fundamental Research and Tata Memorial Hospital.

As part of this strategy, Tata announced plans to expand affordable healthcare by developing 40-50 not-for-profit general hospitals across India after partnering with the Assam government to establish 17 cancer care hospitals in the state.

The proposed hospitals will operate on a cross-subsidy model, with premium-paying patients helping finance treatment for economically-weaker sections without compromising the quality of doctors, medicines or medical facilities.

He reiterated his long-held management philosophy, "Try to be the best in everything that you do. Size will follow. Trying to be the biggest without being the best can end up in a disaster. But if you are the best, there's a good chance you may end up being one of the biggest in whatever you're doing."

GROWTH NEEDS

Reflecting on the Tata Group's history, Tata said many of its iconic businesses were established not merely as commercial ventures but to address India's developmental needs.

Ashok Leyland to invest ₹1,000 cr in FY27 to scale EV, battery and alternative-fuels

Amit Vijay Mohile
Mumbai

Ashok Leyland plans to invest ₹800-1,000 crore in FY27 in battery manufacturing, electric mobility and alternative-fuel technologies, broadly maintaining its last year's ₹1,050 crore investment pace while shifting focus from asset creation to commercial deployment.

"We are expanding our footprint across the entire EV ecosystem to better serve this fast-emerging market, and will invest around ₹1,000 crore in FY27," a top company official told *businessline*.

BATTERY PRIORITY

The company's immediate priority is its battery-pack manufacturing facility in Tamil Nadu, which is expected to reduce dependence on

imported battery systems, strengthen supply-chain resilience and improve the economics of commercial vehicles as volumes increase.

Ashok Leyland is also exploring new operating models to accelerate EV adoption.

Through its wholly-owned subsidiary, Ohm Mobility, it is already active in mobility-as-a-service and is evaluating battery-as-a-service solutions that would shift battery costs from upfront capital expenditure to operating expenses linked to vehicle utilisation. The firm is also assessing battery swapping for trucks operating in ports and mining locations, where fixed routes make rapid battery replacement practical.

COMMERCIALLY VIABLE

The company believes electric trucks are becoming commercially viable in specific applications.

According to Ashok Leyland, electric tractor-trailers have achieved total-cost-of-ownership parity in select cement, steel and mineral transport operations.

Wider adoption, however, will depend on charging infrastructure, financing availability and overall fleet economics. The company has already deployed over 20 electric trucks on the Chennai-Bengaluru corridor, where they have collectively covered 1.8 lakh km across e-commerce, pharmaceutical, automotive and retail logistics operations. Switch Mobility India, Ashok Leyland's electric mobility subsidiary, has emerged as a key growth driver.

It reported revenue of ₹1,807 crore and profit after tax of ₹104 crore in FY26, achieving profitability in a segment where many EV businesses are still focused on expanding volumes.

During the year, e-bus volumes rose 238 per cent, while electric light commercial vehicle sales increased 56 per cent.

Alongside battery-electric vehicles, the company is expanding LNG and CNG platforms, including long-haul applications using lightweight composite cylinders. Hydrogen remains a long-term focus, with hydrogen buses already operating in Leh-Ladakh and over 20 hydrogen internal combustion engine vehicles deployed with Reliance.

FISTS OF GLORY

CHAMPION SQUAD. (From left) Indian women's boxing silver medallist Lovlina Borgohain (75kg) and gold medallists Jaismine Lamboria (57kg), Priya Ghanghas (60kg), Preeti Pawar (54kg), Sakshi Chaudhary (51kg) and Arundhati Choudhary (70kg) after the boxing events at the 23rd Commonwealth Games (CWG), in Glasgow, Scotland PTI

FMCG firms report robust growth on q-comm channel

Meenakshi Verma Ambwani
New Delhi

Leading FMCG companies reported robust growth on the quick commerce channel in the June quarter.

Players said they witnessed strong double-digit growth on the quick commerce channel in the June quarter, which has emerged as a key growth lever in the past few quarters. Firms are rapidly tailoring their assortment as well as packs for the quick commerce platforms.

AWL Agri Business (formerly known as Adani Wilmar) recorded 56 per cent volume growth and 65 per cent value growth on the quick commerce channel.

The packaged food company also noted that the quick commerce channel accounted for 33 per cent of alternate channel volumes, which includes modern trade and e-commerce, reflecting its growing importance in the company's mix.

STRATEGY SHIFT. Firms are rapidly tailoring their assortment as well as packs for the quick commerce platforms

"Quick commerce continues to be particularly exciting for us, recording a growth of 56 per cent year-on-year. We increasingly see quick commerce not merely as another sales channel, but a structural shift in consumer buying behaviour. It enables faster product discovery, higher purchase frequency and quicker scale-up for innovations," said Shrikant Kanhere, MD & CEO, AWL Agri Business Ltd.

PRODUCT DISCOVERY

Hindustan Unilever too reported strong double-digit growth on the quick commerce channel in the June quarter.

Niranjan Gupta, CFO, Hindustan Unilever Ltd, in the quarterly earnings call, said, "Quick commerce as a segment is seeing entry of new players. Therefore, it's a segment that's evolving rapidly. Our growth has been very strong double digit... 40 per cent, 50 per cent on quick commerce. Therefore, moving forward, we also see opportunities as far as quick commerce is concerned."

TECH SOLUTIONS

"We are focusing on winning in quick commerce through improving availability... through curated tech solutions, tailored assortments across our portfolio. Also price pack architecture, which is being built specifically for quick commerce. Along with that, sharper execution in partnership with these platform players, because there's a lot of exchange of knowledge and how to operate happens. Finally, as we scale, we are also looking at how to leverage data and insights to improve conversion and repeat usage," Gupta noted.

Nestle India said that quick commerce is emerging as a key growth lever.

"Performance was supported by improved product availability, a more tailored platform-specific pack portfolio across relevant categories, focused on- and off-platform media investments, and strong participation during key festive occasions," the company stated in its Q1 earnings statement.

Meanwhile, ITC said that 'NewGen channels' including e-commerce, quick commerce and modern trade witnessed "robust growth" in June quarter on the back of sharp execution of channel-specific joint business plans, collaborations, format-based assortments and category-specific sell-out strategies.

WHO warns of widening Ebola outbreak in Congo; toll tops 1,589

Ankita Upadhyay
New Delhi

The World Health Organization (WHO) has warned that the ongoing Ebola outbreak in the Democratic Republic of the Congo (DRC) is spreading at an "exceptional pace", with the number of infections and deaths continuing to rise despite an intensified international response.

In its latest Disease Outbreak News released on Friday, the WHO stated the outbreak, which was initially confined to the Mongbwalu health zone in Ituri Province, has spread over the past two months to 49 health zones across five provinces: Ituri, North Kivu, South Kivu, Haut-Uele and Tshopo.

As of July 30, the DRC had reported 3,605 confirmed cases and 1,587 deaths, with another two cases diagnosed in the DRC but treated in Germany. Including cases reported in Uganda and France, the cumulative total stands at 3,626 confirmed cases and 1,589 deaths. WHO said at least 651 people in the DRC and 18 in Uganda have recovered.

LARGEST WAVE

This outbreak is now the largest recorded Ebola virus disease outbreak in the country, surpassing the previous largest outbreak, which occurred from 2018 to 2020 and resulted in 3,317 confirmed cases.

WHO noted that since its previous Disease Outbreak News on July 17, the DRC has recorded 1,481 additional confirmed cases and 759 confirmed deaths.

While part of the increase reflects expanded surveillance, enhanced laboratory testing and improved diagnostic capacity, the agency said.

"Most of the increase reflects the expansion of the outbreak."

WHO said a regional preparedness framework remains in place to support countries across Africa at risk of cross-border transmission.

In its latest risk assessment, WHO said the risk remains very high within the DRC because of the continued expansion of the outbreak into new health zones.

It assessed the risk as high for Uganda and other countries sharing land borders with affected areas, citing sustained cross-border movement linked to trade and mining activities. The risk for the rest of Africa and globally remains low.

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SENSEX 78094.64 (+2034.87)

IN FOCUS

	Week's close	Week's change
Nifty 50	24383.60	+616.15
P/E Ratio (Sensex)	20.82	+0.34
US Dollar (in ₹)	95.38	-1.18
Gold Std 10 gm (in ₹)	142288.00	-917
Silver 1 kg (in ₹)	218295.00	-4426

CURRENT ACCOUNT. **Gold loan** portfolio will expand from ₹3,000 cr to ₹40,000 cr by 2031, says Sudipta Roy, MD & CEO of L&T Finance **p8**

SPARK. **India's pet economy** shifts from grooming to preventive healthcare, insurance and lifelong wellness **p9**

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MONDAY SPECIALS.

CLEANTECH

Time to R&D a way out of solar imports

Despite major policy support, India continues to be dependent on China for solar manufacture. Since June, ALMM-II is in force, mandating locally-produced cells for government and government-aided solar plants. Indian manufacturers have to go a step deeper into the value chain and import wafers to make the cells. **p7**

CORPORATE FILE

The golden touch of Joy Alukkas

From a large window at his office in Thrissur, the view that greets Joy Alukkas, Chairman of Joyalukkas Group, is his latest passion project — the under-construction Gold Tower, which he says will change the skyline of Kerala's cultural capital dramatically. When ready by 2029, the 190-m, 50-storey tower will be the tallest in the State. He says it will be a gold standard in luxurious living, with Italian marble and plush facilities. **p6**

RBI funding restrictions hit derivatives trading volumes

STEEP FALL. NSE index futures and options activity slumps sharply in July

Suresh P Iyengar
Mumbai

The RBI's tighter funding norms for capital market intermediaries have started reflecting in derivatives trading volumes, with turnover in NSE's index futures and options segment declining sharply in July.

Market participants, however, believe the full impact is yet to play out as a portion of bank funding sanctioned before the new rules kicked in on July 1 continued to support trading activity during the month.

Data from NSE showed that index futures turnover fell 17 per cent month-on-month to ₹3.96 lakh crore in July from ₹4.75 lakh crore in June, while index options premium turnover declined 16 per cent to ₹9.70 lakh crore from ₹11.5 lakh crore.

Overall NSE derivatives turnover was down 2 per cent at ₹42.7 lakh crore against ₹43.4 lakh crore in June. Stock futures and stock options premium turnover, however, rose 6 per cent and 27 per cent respectively.

Industry players said the decline in index derivatives volumes could have been steeper had previously committed bank funding been fully exhausted. They expect the impact of reduced bank support for proprietary traders to become more evident in the coming months as existing facilities are renewed under the revised framework.

FUNDING FRAMEWORK

The RBI's revised funding framework has raised cash collateral requirements for bank guarantees and limited some intraday credit facilities, which has reduced the leverage available to proprietary traders and brokers.

Roop Bhootra, Whole-Time Director, Anand Rathi Share and Stock Brokers, said the impact of the revised framework is expected to unfold gradually as existing facilities are replaced under the new norms.

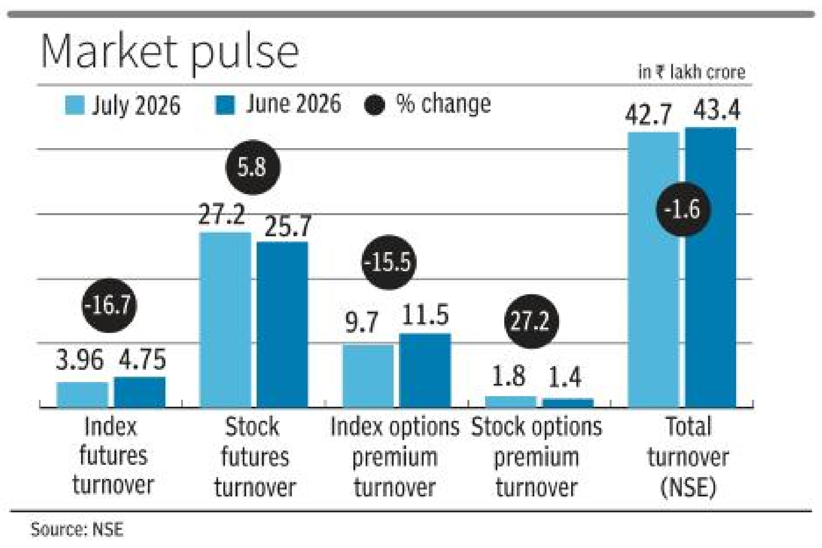
"Derivatives turnover could witness further moderation over the coming months, especially in the options segment where proprietary traders contribute significantly to market volumes," he said. Several market participants expressed disappointment with the regulatory tightening, arguing that proprietary trading firms have historically maintained strong credit discipline and have rarely been a source of defaults for banks.

At the same time, they acknowledged that the industry is likely to adapt given the attractive returns still available in the derivatives market. Traders are expected to explore alternative funding arrangements, although the transition could alter the competitive landscape.

Market participants believe that if domestic prop desks reduce their activity due to lower leverage, foreign portfolio investors, global trading firms, and other players with stronger funding capabilities could take advantage of the resulting opportunity. "The market never leaves a profitable opportunity vacant. If one set of participants pulls back, another typically steps in," said a senior broker.

MOST ATTRACTIVE

Amit Majumdar, Group Chief Strategy Officer, Angel One, said domestic proprietary trading desks are adjusting to the evolving regulatory environment. "Returns for prop traders in the Indian derivatives market remain among the most attractive globally, even without leverage, which keeps them incentivised to stay engaged," he said.



MPC likely to hold rates amid inflation risks, global uncertainty

K Ram Kumar
Mumbai

The Reserve Bank of India's Monetary Policy Committee (MPC) is expected to keep the benchmark repo rate unchanged at 5.25 per cent and retain its "neutral" stance at its August 3-5 meeting, despite rising inflationary pressures stemming from higher crude oil prices, a weakening rupee, the West Asia conflict and concerns over the impact of El Nino.

The MPC has left the repo rate unchanged in its last three meetings while maintaining a neutral policy stance for six consecutive meetings.

INFLATION SPIKE

Headline retail inflation accelerated to 4.4 per cent in June from 3.9 per cent in May, breaching the RBI's 4 per cent target for the first time since January 2025 and touching an 18-month high.

In June, the RBI raised its FY27 inflation forecast to 5.1 per cent from 4.6 per cent and lowered its GDP growth projection to 6.6 per cent from 6.9 per cent, reflecting emerging inflation concerns and global uncertainties.

RBI Governor Sanjay Malhotra has underscored that price stability remains the central bank's primary mandate amid a challenging global backdrop.

"Our primary mandate is price stability. Although generalised inflation pressures continue to remain modest so far, the risk of higher food, fuel, and other input prices translating into a broad-based inflation environment is real. However, our team is assessing the growth-inflation dynamics," Malhotra told *businessline* in an interview on July 26.

DATA FOCUS

He added that the MPC would take an appropriate decision based on incoming data and the evolving outlook, noting that the current policy rate was assessed as appropriate in June amid heightened global uncertainties.

The Governor also indicated that while some signs of inflation pressures becoming broader-based are emerging, they remain modest. "We are seeing some signs, but they are modest. Let's wait for more data," he said.

NEUTRAL PAUSE

Barclays Securities (India) economists Aastha Gudwani and Amruta Ghare expect the MPC to continue with a "neutral pause", highlighting that the recent rise in inflation is largely supply-driven and that premature policy tightening could hurt growth.

Bank of Baroda Economist Sonal Badhan expects no change in rates or stance but believes the RBI could use the policy review to prepare markets for a future hike. She cited risks from shipping costs through the Strait of Hormuz and Red Sea, along with food prices, and expects at least one rate hike in H2FY27.

CARE Ratings Chief Economist Rajani Sinha said the policy outlook will depend on how growth and inflation evolve.

While a stable external environment could allow the MPC to look through the near-term inflation spike, any escalation in geopolitical tensions and energy prices may increase the likelihood of a rate hike later in the fiscal year.

Govt to introduce Bill to replace 125-year-old law on presenting bank records as evidence in courts

Shishir Sinha
New Delhi

The government is replacing a colonial-era law with one that seeks to preserve access to banking evidence while protecting banks from unnecessary legal proceedings.

The new law shifts the emphasis to better-targeted judicial oversight rather than unrestricted access to banking records.

To this end, Finance Minister Nirmala Sitharaman will introduce the Bankers' Books Evidence Bill, 2026, in Parliament today, replacing the Bankers' Books Evidence Act of 1891, which has governed the production of banking records in courts for over 125 years.

According to the 'List of Businesses for August 3', the proposed legislation seeks to provide "law relating to evidence with respect to bankers' books and to align it with contemporary digital banking practices".

The Bill comes against the backdrop of the rapid expansion of digital banking and the sharp rise in cyber-enabled financial fraud

The Bill comes against the backdrop of the rapid expansion of digital banking and the sharp rise in cyber-enabled financial fraud, including online scams and so-called 'digital arrest' cases.

It seeks to modernise the legal framework governing banking evidence to reflect the realities of electronic record-keeping and digital financial transactions.

SPECIAL CAUSE

A key feature of the proposed law is the introduction of the concept of 'special cause', under which a court may, by a written order, compel a bank officer to produce bankers' books or appear as a witness in proceedings where the bank itself is not a party.

The provision raises the threshold for summoning bank officials, ensuring they are not routinely drawn into litigation merely because they hold customer records.

LEGAL ORDER

The Bill defines 'special cause' to include circumstances where the accuracy or authenticity of an entry in the bankers' books is in doubt, where an event suggests that the bank's normal record-keeping process has been disrupted, or where the bank has failed to comply with a legal order. In other words, courts will continue to have access to banking records in genuine cases, but only after recording specific reasons for doing so.

The legislation also expands the definition of 'bankers' books' to include records maintained in physical, electronic, digital, virtual, cloud-based or any other form, creating a technology-neutral legal framework that can accommodate future advances in banking.

To facilitate the use of electronic evidence, the Bill provides standardised certification formats, allows authentication through manual, digital or electronic signatures, and expressly recognises the admissibility of electronic banking records.

Such records may be produced before courts in either physical or electronic form.

Another enabling provision empowers the Central government to extend the applicability of the legislation to other entities or classes of entities operating in the financial sector, subject to prescribed conditions.

The existing Act was enacted in 1891 to allow certified copies of bank records to be admitted as evidence without requiring production of original ledgers.

Trump holds off Iran strikes on hopes of Hormuz deal

Bloomberg

US President Donald Trump said he is holding off from new strikes on Iran, after Tehran and other West Asian powers told him they are working on a pact that might quickly reopen the Strait of Hormuz.

Trump said he'd agreed to cancel the attack, "subject to being able to rapidly make a deal," according to a post on Truth Social. "Get to work, everybody, and get it done."

The announcement marks a moment of potential respite after days of escalating tensions that saw Trump preparing to hit Iran "very hard" in a bid to bring an end to a conflict that's now in its sixth month. Neither Iranian media nor officials have indicated a deal is close. Waves of Iranian attacks on American allies have targeted countries across West Asia, while Tehran's closure of the Strait of Hormuz has driven sharp swings in energy prices.

IRDAI tightens ownership rules for insurers

Shishir Sinha
New Delhi

The Insurance Regulatory and Development Authority of India (IRDAI) has tightened rules governing ownership changes in insurance firms, moving to a regime of continuous regulatory oversight as the sector prepares for higher investor interest and greater consolidation.

The revised regulations notified on July 30, introduce mandatory regulatory approval at every significant ownership milestone and, for the first time, lay down a comprehensive framework for amalgamations involving insurance companies and eligible holding companies.

Read more on p10

FMCG ad spends rebound on improving consumer sentiment

Vallari Sanzgiri
Mumbai

Ad spends (Q1) (₹ cr)

	Q1FY27	Q4FY26	Q1FY26
Dabur India	229.47	214.51	201.96
Hindustan Unilever	1,657.00	1,509.00	1,598.00
PGHH	83.00	133.00	69.00
Colgate-Palmolive	252.00	199.00	188.00

After two quarters of cutbacks on marketing spending, India's FMCG companies are increasing ad spending, betting on a fruitful festival season as the war clouds appear to clear and customer sentiment picks up.

For the last two quarters of FY26, companies such as Dabur, Hindustan Unilever, Procter & Gamble Hygiene and Healthcare (PGHH), and Colgate-Palmolive reported sequential declines in advertising and promotional expenditure.

However, the tide has finally turned, as companies ramped up their ad spending in Q1 of FY27. Barring PGHH, all the aforementioned companies reported sequential and annual growth in advertising.

The increased spending is highlighted in the quarterly results of media and entertainment companies like Reliance's JioStar. The platform noted strong growth in overall digital advertising despite global pressures.

Many FMCG firms talked about pumping more money into ads in their latest earnings calls. Colgate-Palmolive increased its ad expenditure by 34 per cent y-o-y to 15.7 per cent of sales. This is the highest level on record, underlining Colgate's focus on strengthening brand equity and accelerating premiumisation, according to Nuvama Research. When asked about slower incremental growth, management officials cited investment returns, macroeconomic developments, and consumer sentiment as driving factors. P&G stated that it is mitigating the risks by prioritising the supply of products to consumers. "There was a lot of macroeconomic pressure, with war clouds looming since February. The mood was subdued, worsened by below-par monsoon and oil constraints. So, consumer sentiment is down. Now, with war concerns subsiding and regionally good rains, FMCG feels this is a good time to push for growth," said Lloyd Mathias, an independent brand strategist and angel investor.

MARKETING MIX

"FMCG brands continue to allocate a significant share of their budgets for precision targeting and performance marketing, but we're seeing a renewed emphasis on out-of-home and digital OOH. These channels deliver unmatched scale during periods of heightened consumer mobility. The festival season is when purchase intent is highest, and OOH plays a unique role," said Raghu Khanna, Managing Director and Chairman, CashUrDrive.

Across companies, the rationale for this was the same: better returns on ad spend. Priti Murthy, President of Client Solutions at WPP Media South Asia, had earlier told *businessline* how FMCG companies are asking for more ROI-focused media. This sentiment was echoed by Priya Nair, CEO and Managing Director at HUL, during the earnings call.

"When you look at our ad spend, you have to factor in the return on investment. We have a lot of AI-enabled return on marketing investment programmes in place. That, along with our procurement leverage, given the inflationary conditions, is allowing us to get savings on our overall media cost," said Nair.

M BG-BGE

BENGALURU
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Kharif revival lifts fertilizer demand; urea continues to lead

MONTHLY SALES. Fertilizer sales hit 41 lt by July 17, against estimated demand of 74.2 lt

Prabhudatta Mishra
New Delhi

HIGHLY SOUGHT-AFTER. Urea accounted for 25.86 lt, more than 62 per cent of its estimated monthly demand of 41.67 lt and nearly two-thirds of total fertilizer off-take.

Fertilizer demand recovered in the first half of July as kharif sowing gathered pace after a weather-induced slowdown in May and June. The latest sales data show that farmers continue to overwhelmingly prefer subsidised urea, underscoring the persistent imbalance in nutrient consumption despite the government's push for balanced input.

Against an estimated demand of 74.28 lakh tonnes (lt) for July, the peak sowing month for most kharif crops, sales touched 41.09 lt by July 17, indicating that over half the month's projected demand had already been met. Urea accounted for 25.86 lt, more than 62 per cent of its estimated monthly demand of 41.67 lt and nearly two-thirds of total fertilizer off-take. In comparison, sales of di-ammonium phosphate (DAP) stood at 5.74 lt against a projected demand of 12 lt, Muriate of Potash (MoP) at 1.07 lt against 3.54 lt, and complex fertilisers at 8.42 lt against 17.07 lt.

The sharp recovery in demand coincided with a revival in kharif sowing following improved monsoon rains in July. The sowing deficit in paddy narrowed to 2 per cent as of July 31 from 9 per cent on July 10, while the shortfall in cotton reduced to 2 per cent from 15 per cent and in maize to 7 per cent from 20 per cent.

Overall kharif sowing was less than 3 per cent below last year's level by July-end, compared with a 4.7 per cent deficit a week earlier. "There has been a significant rise in sowing of paddy, maize and cotton in July. Consequently, demand for fertilizers has increased. As the latest forecast also indicates normal to above-normal rainfall in many areas that were severely deficient in June, fertilizer demand is expected to rise further in August depending on the pace of sowing," said SK Singh, an agriculture scientist.

Reflecting expectations of sustained field activity, the Agriculture Ministry has projected August demand at 38.01 lt of urea, 9.81 lt of DAP, 3.27 lt of MoP and 15.27 lt of complex fertilizers.

Q1 SALES LAG

Fertilizer sales in the first quarter (April-June) remained lower than a year ago. Total sales of the four major fertilizers declined 5 per cent to 115 lt from 121.19 lt in the corresponding period last year. Urea sales fell to 65.06 lt from 69.99 lt, while MoP and complex fertilizers also recorded lower off-take. DAP was broadly unchanged at 16.25 lt. According to sources, the decline followed an unusually strong April, when fertilizer sales surged 25 per cent to 23.59 lt.

The government subsequently introduced measures, including linking fertilizer distribution with Agristack data in select States, to curb excess purchases. Demand was further dampened by a weak monsoon in June, when rainfall ended 35 per cent below normal and kharif sowing lagged by nearly 20 per cent.

Air freight rises 16% in June, Delhi tops with 1 lakh tonnes for third straight month

T E Raja Simhan
Chennai

Top five airports by total freight handling (in tonnes)

Airport	June 2025	June 2026	Growth (%)
Delhi	89,535	1,02,411	14
Mumbai	74,329	82,575	11
Bengaluru	43,598	51,536	18
Chennai	34,793	39,325	13
Kolkata	12,607	14,700	17

Source: Airports Authority of India

Mumbai retained the second position; followed by Bengaluru, Chennai and Kolkata, says the data.

Airports handled a record 3.64 lakh tonnes of freight during June 2026, registering a 16 per cent year-on-year increase over 3.15 lt in the same month last year, driven by robust growth in international cargo, according to Airports Authority of India data.

International freight remained the principal growth driver, accounting for 2.31 lt in June, or nearly 64 per cent of the country's total air cargo throughput.

International cargo expanded 19 per cent year-on-year, significantly outpacing the domestic freight growth, reflecting sustained strength in India's export-import trade.

Airports handled 1.32 lt (1.21 lt) of domestic freight during the month, up 9 per cent, according to the data.

DELHI DOMINATES

Delhi continued to dominate India's air cargo landscape.

It was the third consecutive month that the national capital's airport handled more than one lakh tonnes of cargo. Mumbai retained the second position; followed by Bengaluru, Chennai and Kolkata, says the data.

Bengaluru further widened its lead over Chennai, with the gap in monthly freight volumes increasing to more than 12,200 tonnes. Bengaluru's growth was driven by stronger performance in both international and domestic cargo, cementing the city's position as the leading air cargo hub in southern India.

J Krishnan of S Natesa Iyer Logistics LLP, noted that the temporary easing of tensions in West Asia and continued avoidance of the Suez route by merchant shipping saw this increase in demand for air cargo.

Depleted inventories opening of the perishable markets in the West and increased frequencies have all contributed to this surge.

On Bengaluru's increasing dominance in south, Krishnan observed that it has followed a robust policy to sustain and improve both the infrastructure and processes keeping the customer interest paramount.

The results of its leadership is a natural consequence.

Q1 GROWTH

During the first quarter of FY27 (April-June), India's airports handled 10.80 lt of freight, an increase of 12 per cent over 9.61 lt in the corresponding period of the previous fiscal. This is despite the West Asia crisis that started around March.

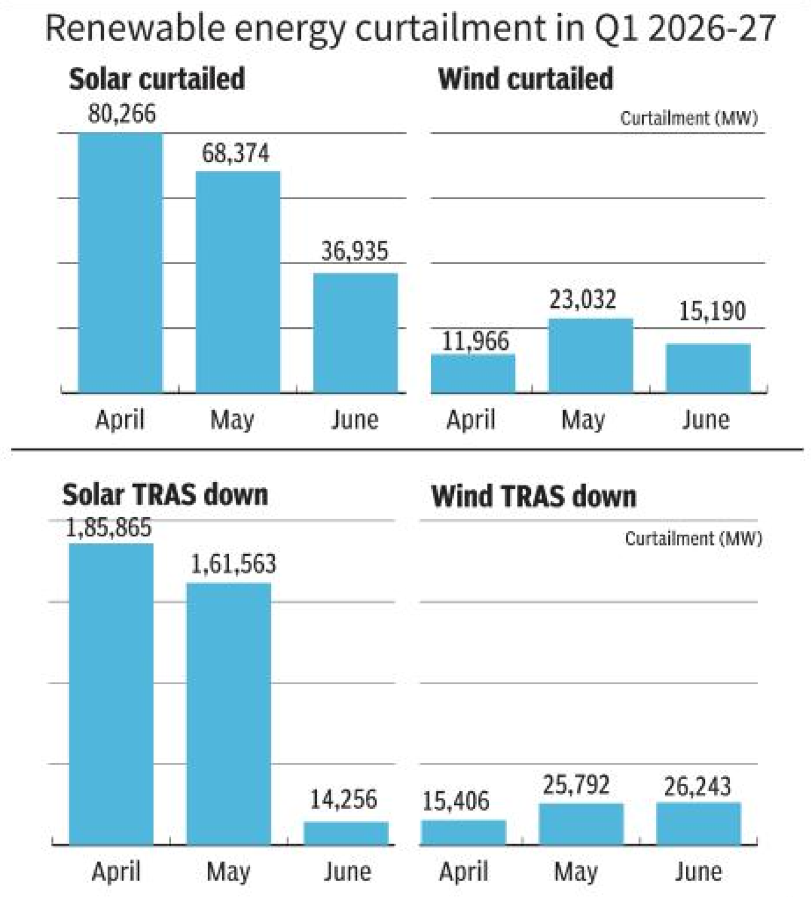
International cargo continued to outperform domestic freight during the quarter. International cargo volumes increased 14 per cent to 6.78 lt, while domestic cargo grew 9 per cent to 3.97 lt, according to the data. As cargo volumes continue to grow, the focus must now shift towards expanding terminal capacity, improving landside connectivity, simplifying regulatory procedures, and attracting more freighter operations, CK Govil, CMD of the Delhi-based Activair Airfreight India Pvt Ltd, said.

These measures will enable Delhi to consolidate its leadership and support India's ambition of becoming a global logistics and manufacturing hub, he added.

Over 235 GW RE curtailed in Q1; Gujarat records highest wastage

Rishi Ranjan Kala
New Delhi

Renewable energy curtailment in Q1 2026-27



Source: GRID-INDIA

India's renewable energy (RE) curtailment is fast reaching materially significant proportions with 235.5 GW of clean energy generation directly curtailed during Q1 FY27.

Most of the wastage of this clean energy resource is due to the growing mismatch between solar generation and transmission infrastructure lag.

Around 185.5 GW of solar and 50 GW of wind generation were directly curtailed in Q1 FY27, indicating that available renewable generation could not be fully absorbed by the grid, said Manoj Kumar, Analyst at the Finland-based Centre for Research on Energy and Clean Air (CREA).

Emergency curtailment under Tertiary Reserve Ancillary Service (TRAS) was significantly higher.

Solar recorded 421.7 GW of TRAS-related curtailment, more than twice that of direct solar curtailment, while wind saw 67.4 GW curtailed under TRAS, compared to 50 GW of direct curtailment, he added.

TRAS mechanism is a manually activated power system that balances the service used to resolve grid congestion.

Gujarat recorded the highest solar curtailment (122 GW; 276 million units) and wind curtailment (39 GW; 81 million units) during the quarter.

The highest TRAS-down events were also observed in Gujarat, particularly at the Khavda and Bhuj pooling stations, where around 79 GW (234 MU) of solar generation and 19 GW (62 MU) of wind generation were backed down.

Even during Q4 FY26 substantial RE losses were reported.

Around 26.6 GW of solar and 3.6 GW of wind generation were directly curtailed during the quarter.

Similarly, emergency curtailment under TRAS was significantly higher than direct curtailment. Solar recorded 83.1 GW of TRAS-related curtailment, more than three times the direct solar curtailment, while wind saw 10.9 GW curtailed under TRAS compared to 3.6 GW of direct curtailment.

TRANSMISSION DELAYS

The Institute for Energy Economics and Financial Analysis (IEEFA) also points out that transmission delays and renewable energy curtailment are emerging as significant barriers to renewable energy expansion in India.

"Grid India data show solar curtailment in April (2026) was 74 per cent higher than the combined total for January–March, highlighting growing grid constraints amid rising daytime electricity demand. This makes investment in grid infrastructure and battery storage just as critical to the energy transition as adding new renewable capacity," it emphasised.

EXECUTION RISKS

Similarly, Ankit Jain, VP & Co-Group Head at ICRA, recently explained that power transmission projects continue to face significant execution risks owing to challenges in acquiring land, right of way (RoW) related issues and regulatory approvals, leading to delays in timely implementation.

Jain pointed out that of the recently commissioned total RE capacity of 54.8 GW, around 33 per cent is being evacuated under T-GNA (Temporary-General Network Access) route at an all-India level as of May 2026.

Curtailment under T-GNA is the highest during solar hours and has remained in the range of 50-60 per cent during the same period.

These instances are more prominent in Rajasthan and Gujarat than in the South, he explained.

About 107 GW of RE projects granted connectivity, are to be integrated into the ISTS network during FY27-31.

AP, Australia ink 4 MoUs across edu, tech sectors

Our Bureau
Hyderabad

Andhra Pradesh and Australia have signed four Memoranda of Understanding covering clean energy, advanced manufacturing, inclusive education, student mental health and skill development.

Andhra Pradesh's Centre of Excellence for Energy Transition, Visakhapatnam, IIT-Tirupati and the University of New South Wales (UNSW), Sydney will establish a CoE for Solar Manufacturing at IIT Tirupati.

A second MoU between UNSW, Sri Padmavati Mahila Visvavidyalayam (SPMVV) and Samagra Shiksha, AP will strengthen inclusive education.

The AP State Council of Higher Education and Australia's Rebound will jointly implement a technology-enabled pilot project to support student mental health and overall well-being across selected higher education institutions. The fourth MoU was signed between the State Skill Development Corporation and Australia's Dynamic Learning Services to collaborate in vocational education and workforce development.

ITC: Partnering India in its Defining Decade

Excerpts from the Address by Shri Sanjiv Puri, Chairman & Managing Director, ITC Limited

115th Annual General Meeting, ITC Limited | 23 July 2026

Enduring Value

We meet today at a time of deep significance — for the world, for India, and for enterprises that aspire to create enduring value. The prolonged uncertainty arising from the West Asia crisis has severely impacted the global economy, threatening energy security and trade. Indeed, the multitude of events in the recent past only reinforce the fact that **global volatility is no more sporadic; it is now systemic.** Last year, in my address, I had described this as an era of **TURN** — a world constantly confronted by **Turbulence, Uncertainty** and **Rapid change,** calling for **Novel strategies** to reimagine our tomorrows. Today, that reality stands even more pronounced, as a deeper structural shift reshapes the future of nations, societies and enterprises.

What makes this juncture a perfect storm of exceptional complexity and consequence is the confluence of multiple forces at scale. On the one hand, global progress is challenged by the catastrophic climate emergency, widening inequality and advances in disruptive technologies like AI. On the other hand, decades of hyper-globalisation have given way to fragmented multi-polarisation — creating a world that is still deeply connected, but less trusting; still trading yet marred by weaponisation of supply chains; still global, but increasingly nationalistic. These tectonic shifts are being felt across everyday lives — through volatile commodity prices, inflationary pressures, disruptions in trade and the rising vulnerability of food, energy and supply chains.

"India's resolute fortitude in accelerating the journey to a competitive, resilient and inclusive nation has earned it widespread trust, respect and admiration."

It is said that crisis challenges the status quo like no other and spurs innovation to forge new pathways for growth, competitiveness and resilience. We stand today at such an inflection point with an unparalleled opportunity to make a meaningful difference to all our shared tomorrows.

It gives us immense pride, therefore, that India's resolute fortitude in accelerating the journey to a competitive, resilient and inclusive nation has earned it widespread trust, respect and admiration.

India's Ascent: A Beacon of Hope and Progress

Against this backdrop, the Hon'ble Prime Minister's powerful clarion call for an **Aatmanirbhar** and a **Viksit Bharat** assumes even greater significance. It has inspired multidimensional interventions enabling India to emerge as the fastest-growing major economy in the world. The far-reaching measures announced in successive Budgets have provided strong foundations to unleash growth. India's ascent is not merely about outpacing other large economies. **It has demonstrated that a nation of continental scale, democratic depth and extraordinary diversity can drive momentum with stability, pursue reform with inclusion, and convert aspiration into resilient growth.**

The India story is indeed an inspiring example of how the Government is creating an all-pervasive Bharat Capability Stack through exemplary foresight and foundational action to reinforce competitiveness for today, resilience for tomorrow and strategic readiness for the decades ahead.

Role of Business: Responsible Competitiveness

It is my deep conviction that businesses, as a crucial organ of society, serve a larger transformational purpose by contributing meaningfully to **national competitiveness, sustainable and inclusive development.**

This philosophy is reflected in your Company's ethos of **Responsible Competitiveness**, which has guided our thought, strategy and action over the years and inspires our commitment to be **a national value multiplier.** To my mind, businesses make a lasting contribution to the nation when they frame their growth agenda around three imperatives.

First, as engines of national competitiveness, it is mission critical for Indian enterprises to be **future-ready and globally competitive.** This calls for trusted Indian brands that anchor domestic ecosystems and retain value in the country; investments in state-of-the-art national assets that support India's ambition to become a global hub for manufacturing, services and exports; a deeper focus on cutting-edge innovation and R&D as well as capabilities for AI-led transformation. **The Hon'ble Prime Minister's vision of Build More, Produce More and Export More raises our collective aspirations to even bolder heights to craft products and services of world-class quality and trust, that earn their rightful place in households and markets across the world.**

"When enterprises embed resilience and embrace anti-fragility, they fortify the nation's foundation and position it to rise stronger with every adversity."

Taking this tenet further, the **second imperative** is for businesses to evolve as architects of **national resilience and anti-fragility.** While resilience sharpens the capacity to bounce back amidst adversity, anti-fragility goes beyond, to convert adversity into future opportunities. Strengthening resilience calls for locally anchored value chains, stronger MSME partnerships, diversified and trusted sourcing, import substitution, climate stewardship and robust digital adoption. However, the winners of tomorrow must also thrive amidst adversity, nurture new competencies, accelerate innovation and spur new engines of growth. Resilience is no longer the dividend of efficiency nor is anti-fragility a distant objective, they are the very foundation of our right to grow. **When enterprises embed resilience and embrace anti-fragility, they fortify the nation's foundation and position it to rise stronger with every adversity.**

Third, businesses must advance a paradigm of Compassionate Capitalism. Competitiveness gives enterprises the power to win, anti-fragility the right to win the future and purpose the legitimacy to win. Businesses exist to serve both an economic and social purpose. The enormous climate risks, livelihood challenges, inequality and regulations **make it a crucial responsibility of businesses to embed sustainability and inclusion as an integral component of strategy.** This belief lies at the core of your Company's approach.

A few years ago, your Company laid the foundations of the **ITC Next strategy** to drive scale, accelerated growth and profitability and make the enterprise even more future-ready. Guided by the Company's credo of **"Nation First, *Sab Saath Badhein*"**, **our north-star is to create growing value for all our stakeholders — by building national competitiveness that is globally benchmarked, resilience that is locally anchored, and growth that is anti-fragile, inclusive and sustainable.**

ITC: Ushering in NextGen Agri, Strengthening Rural India

I begin with agriculture — the lifeline of our economy and the foundation of rural India. India possesses vast arable land, diverse agro-climatic zones and leadership in several commodities. Yet, low productivity, fragmented holdings, limited value addition, climate vulnerability and inefficient market access continue to constrain its potential. This points to a defining opportunity to **transform Indian agriculture from volume-led production to value-led competitiveness,** not only to fortify food security but to raise farmer incomes, deepen rural capability and enhance exports.

The Government has spearheaded several commendable measures to support growth of the agri-food sector. Higher farmer incomes can trigger a virtuous cycle of consumption, investment, employment and rural prosperity. This requires a structural shift to shape **NextGeneration Agriculture** — from fragmented productivity to integrated competitiveness, from undifferentiated commodities to high-value agriculture, and from vulnerable farming systems to climate-smart, technology-enabled rural ecosystems.

With over a century of engagement with agriculture, 94% of your Company's businesses are linked to agri-crops or plantations, generating substantial livelihoods. ITC nurtures **21 value chains across 23 States to source nearly 6 million tonnes of agri-produce.** In this address, I will focus on ITC's Agri Business, which is now the country's largest private sector agri-enterprise, **doubling segment revenue in just over 5 years to nearly ₹20,300 crore** in FY26. The **ITC Next strategy** is today transforming the Agri Business, while ushering in NextGeneration farming and rural empowerment.

At the core of this transformation is the **ITCMAARS** phygital ecosystem, designed to empower FPOs with digital technologies, hyper-personalised advisories, quality inputs, market linkages, scientific agronomy and climate-smart practices to improve farm competitiveness and resilience. In a short span, ITCMAARS has onboarded **over 2.6 million farmers** across 11 States, with the ambition to benefit 10 million farmers by 2030. Initial estimates indicate **crop yield gains of 15-20% and improvement in net returns by 25-30%.**

Building on a recent horticulture pilot, anchored by FPOs, for the supply of high-quality fruits and vegetables, ITC plans to develop 4 additional hybrid Open-to-Sky and Controlled Environment Agriculture clusters to create a reliable, traceable supply chain for fresh produce. Progressively, **ITCMAARS is introducing precision-led agriculture and advanced agri-tech solutions, like IoT-enabled weather tracking, remote-sensing, drone-based services, to promote smart farming.**

A vital component of your Company's agri strategy is to promote **Value-Added Agriculture** to enable farmers scale the next horizon of profitable growth. This portfolio, which has grown at a CAGR of 33% over five years, today encompasses **certified organic crops, processed agri-products, such as food-safe spices, horticulture, premium coffee, aquaculture and attribute-specific commodities, like high-starch maize and high-gluten wheat.**

Taking this further, ITCMAARS will drive a Farming as a Service (FaaS) ecosystem to 'Grow the Buy', where crop value chains are customised to meet specific buyer needs. Certifications, traceability and responsible sourcing establish **trust systems at scale,** linking Indian farmers to domestic and global export markets. ITC's Spices Business, for example, is today the country's leading exporter of organic spices, supported by certified cultivation, backward integration and **one of Asia's largest spices processing facilities at Guntur.**

In an era of climate stress and rising food security imperatives, production of **high-quality, resilient seeds and hybrids** is vital to enhancing productivity, improving quality, increasing climate resilience, strengthening nutritional security and raising farmer incomes. Your Company's wholly owned subsidiary **Technico, a global leader in pre-basic potato seeds, is investing in the world's largest state-of-the-art aeroponic facility** with 60 hi-tech controlled-environment greenhouses, taking the combined capacity to 100 million TECHNITUBER's.

"There is a defining opportunity to transform Indian agriculture from volume-led production to value-led competitiveness.... ITCMAARS has onboarded over 2.6 million farmers across 11 States, with the ambition to benefit 10 million farmers by 2030."

Fostering an effective **science-to-farm ecosystem,** ITC's LSTC is leveraging advanced breeding technologies, molecular genetics and digital tools to develop higher-yielding, climate-resilient, hybrid and disease-resistant varieties across crops such as tobacco, wheat, potato, eucalyptus and subabul. **These have led to yields improving by 15-50%.**

Your Company is making appreciable progress in high-value, future-facing categories, such as **Biological Extracts,** with the commencement of a US FDA-compliant, export-oriented, pharmacopoeia-standard **nicotine derivative** processing facility, serving customers in Europe, USA and South Korea. In addition, ITC's **medicinal and aromatic plant ecosystem** is developing high-active varieties and proprietary formulations, besides manufacturing high-purity extracts for domestic and global markets together with farmer training in best practices.

As we look ahead, ITC will continue to work towards shaping a more competitive, resilient and inclusive Agri Business, which is not only **creating new growth drivers but also contributing to enriching rural India, raising farmer incomes, fortifying food and livelihood security, and establishing globally trusted value chains.**

ITC: Proudly Indian Brands — Creating and Retaining Value in India

In a growing consumption-led economy, strong domestic brands assume strategic importance because they channel consumer aspiration into national value. Brands are vital **repositories of trust, quality, innovation and intellectual property.** When successful Indian brands win consumer preference at scale, they **retain larger value within the country.**

That is why **'Vocal for Local'** is not merely a sentiment; **it is a strategy to reinforce domestic capability, create and nurture brands that are born in India but made for the world** with impeccable quality and trust that can delight consumers globally.

Your Company's aspiration to be India's No. 1 FMCG player is anchored on this larger vision. Today, ITC's portfolio of over 30 world-class FMCG brands represents annual consumer spends of **nearly ₹37,000 crore** and reaches around **280 million households** while being exported to over **70 countries.** It is indeed difficult to find parallels globally of an enterprise that has launched so many large, successful and trusted home-grown brands in a relatively short period.

ITC's brands enrich everyday moments in Indian homes — from **Sunfeast** biscuits in the morning, to breakfast choices of **Aashirvaad Besan** *chillas* and **Yoga Bar** cereals, to **Fiama** bathing experiences, **Mangaldeep** devotional moments and **Classmate's** joy of learning, from baby and pet-safe clean homes with **Nimyle** to meals with **24 Mantra Organic, Aashirvaad** staples and **Sunrise** spices, to fun times with **Bingo!, ITC Master Chef** and **Prasuma** snacks, mini meals with **YiPPee!** and ending the day with **Fabelle** for luxurious indulgence and **Pranah** for relaxation.

The Indian FMCG market is poised for significant expansion, with your Company's addressable market estimated at around ₹8 trillion by 2035, pointing to the immense headroom to grow. The consumer landscape in India is also evolving rapidly. The rise of Aspirational Bharat, premiumisation, Gen Z and Gen Alpha consumers, expanding digital access and the growth of quick commerce are reshaping categories, channels and expectations. Today's **'maximiser consumer'** simultaneously seeks taste and nutrition, convenience and trust, indulgence and wellness, value as well as premium experiences.

"ITC's portfolio of over 30 world-class FMCG brands represents annual consumer spends of nearly ₹37,000 crore and reaches around 280 million households while being exported to over 70 countries."

In line with the **ITC Next strategy,** your Company is making rapid progress in not only scaling its core power brands but developing a future-ready portfolio that is constantly alive to evolving consumer needs. A critical foundation is ITC's **AI-led consumer insight ecosystem,** that drives **targeted micro-segmentation** to help craft a pipeline of differentiated offerings — be it by life stages, lifestyle, channel, occasion, shelf-life requirement and health need, among others. This vibrant portfolio has been enriched with new acquisitions in areas of promise that are already clocking an ARR of around ₹1,350 crore, effectively synergising the entrepreneurial energy of start-ups with ITC's scale and institutional strengths. These differentiated products reach millions of homes through your Company's smart omni-channel network with unique multidimensional capabilities across ambient, chilled, frozen and perishable supply chains.

India today faces the twin challenges of adequate nutrition and rising lifestyle-related health concerns. Aligned to ITC's **'Help India Eat Better'** Mission, a **Good-for-You** portfolio is being built to address **deficiencies in protein, fibre, micronutrients and gut health.** These include the **Yoga Bar protein range** for Gen Z, **Sunfeast Breakfast protein-rich shakes** for early jobbers and **Aashirvaad Protein Atta** for the entire family. The **Right Shift** range for the **40-plus cohort** is fortified with fibre, protein and micronutrients. **24 Mantra Organic** provides trusted organic products, while **Aashirvaad Millet Flour, Multigrain Flour, Sunfeast Farmlite biscuits,** and **Yoga Bar** high-fibre breakfast cereals serve the growing need for better fibre intake and gut health.

Leveraging emerging spaces such as wellness and naturals, your Company's Personal Care portfolio reflects the convergence of nature, and science. **Nimyle** brings the goodness of Neem into homecare, while **Savlon** continues to expand its trusted hygiene equity across personal wash, germ protection, surface disinfection and medicated skincare. The acquisition of **Mother Sparsh** marks ITC's strategic presence in premium natural baby care, rooted in traditional Indian knowledge for new-age mothers seeking specialised solutions. Building on **Fiama's industry-first gel bar technology, the new Japanese Hokkaido Milk range,** which is being patented, reflects sensorial innovation that promises non-sticky moisturised skin.

"In the true spirit of Make in India, nearly 90% of ITC's value addition takes place within the country.... ITC's Bharat Built Manufacturing endeavour is to build globally competitive domestic manufacturing assets, substitute imports, enrich the environment and support sustainable livelihoods."

Innovation is at the heart of your Company's future-ready portfolio, which is powered by **ITC's Life Sciences and Technology Centre,** with over 400 world-class scientists. **What sets the Centre apart is not just its deep research capabilities and future-ready platforms, but its focus on end-to-end value chains, from seed to fork and tree to paper, enabling your Company to craft winning products of impeccable quality.**

We recognise that **business innovation is as crucial as product innovation.** Consumers increasingly seek fresh cooked food solutions where freshness, speed, quality and trust converge. Responding to this, your Company launched the **Fresh Food Business,** leveraging ITC's institutional strengths in trusted brands, food sciences, cuisine expertise and digital capabilities. With over 70 cloud kitchens across five cities, the business has grown over 100% in the last three years through a delectable portfolio comprising **Aashirvaad Soul Creations, ITC Master Chef Creations, Sunfeast Baked Creations and Sansho from ITC Master Chef,** which have consistently received top consumer rankings.

Your Company's growing standing in FMCG, powered by the trust of millions of consumers, gives us the confidence to dream boldly — of a future where an ITC product adorns every household in India and makes its mark across continents. ITC's world-class Indian brands will continue to be a significant enduring strength, creating larger value for the enterprise and its stakeholders.

ITC: Powering Make in India for a Viksit Bharat

Your Company's **Bharat Built Manufacturing architecture** has created world-class national assets across **FMCG, Paperboards & Packaging and export-oriented value-added Agri Processing.** Today, ITC's manufacturing ecosystem spans **over 300 factories,** including 45 owned plants, engaging with more than **9,500 MSMEs.** These large investments in modern facilities provide strong levers of competitiveness, resilience and local value-chain development.

In the true spirit of Make in India, nearly 90% of ITC's value addition takes place within the country. The agri and food processing industry has high employment-to-capital intensity. Therefore, your Company's 170 factories in this sector **are a powerful economic multiplier, deepening inclusive farm-to-consumer value chains and linking farmers to domestic and global markets.**

"What differentiates ITC's sustainability journey is a triad of achievements. First, Longevity, that is reflected in decades of sustained environmental impact. Second, Scale, which is demonstrated through the massive creation of ecological capital and support to millions of livelihoods. Third, Integration, through a distinctive model where sustainability and inclusivity are core pillars of strategy, governance and programmes."

Your Company's confidence in the India story is reflected in its proposed medium-term capex of ₹20,000 crore for the Group in areas that have a multiplier impact. Close on the heels of 8 recently commissioned facilities, 6 new projects are in the pipeline. Your Company's leadership as **India's largest integrated paperboards and paper business** will be reinforced by the forthcoming acquisition of Century Pulp & Paper, raising capacity by over 50% to 1.5 million metric tonnes. The newly established **state-of-the-art Moulded Fibre Products** facility is pioneering complex engineered compostable solutions for single-use plastic substitution for both domestic and global markets. As each of your Company's businesses scales up in line with the ITC Next strategy, its manufacturing ecosystem is poised to expand further, contributing to India's aspiration to be a global manufacturing powerhouse.

Your Company's distributed manufacturing network is also a **vibrant hub of innovation, quality, sustainability and safety besides providing structural competitiveness.** An AI-first digital backbone in ITC's manufacturing facilities enhances efficiency, cost optimisation and responsiveness. Several units now meet nearly 100% of their electricity needs from renewable sources, are Platinum-rated green buildings or have achieved global AWS standards.

In line with ITC's deep commitment to an **Aatmanirbhar Bharat,** your Company is also placing sharper thrust on indigenisation and import substitution **to build structural competitiveness.** Your Company pioneered the **Bharat Fibre chain for its Paperboards business through massive afforestation, substituting imports and saving foreign exchange while creating a green cover, substantial rural livelihoods and larger value in India.** Today, this initiative has greened **nearly 1.5 million acres, generating over 270 million person-days of employment.**

ITC also established the **first-of-its-kind Bleached Chemi-Thermo Mechanical Pulp** Plant at Bhadrachalam, creating domestic capability in specialised pulp, and is now investing in a second BCTMP mill. Additionally, investments have also been made in domestic capsule manufacturing capacity and a Décor Paper plant to substitute imports. These interventions will significantly enhance cost competitiveness while also enabling foreign exchange savings exceeding **₹17,500 crore over the next decade.**

For us at ITC, this is the larger meaning of **Bharat Built Manufacturing** in action — **to build globally competitive domestic manufacturing assets,** substitute imports, enrich the environment and support sustainable livelihoods.

ITC: Supporting Climate Action & Inclusive Growth

I now turn to two defining imperatives of our times — **climate resilience and livelihood generation** — both vital for a sustainable, inclusive and competitive future. For India, climate risks are acute, severely impacting agri-food security, livelihoods, productivity and infrastructure.

While the Government has spearheaded world-leading efforts, the consequences of the climate crisis demand far more urgent, collective and sustained action at scale — globally, nationally and locally.

To my mind, enterprises can take transformational measures to combat climate change and also foster inclusive development. ITC's comprehensive approach addresses climate risks through large-scale programmes aimed at decarbonisation, adaptation, nature-based solutions and circularity, while also implementing a mosaic of solutions for rural empowerment.

What differentiates ITC's sustainability journey is a triad of achievements. First, **Longevity,** that is reflected in decades of sustained environmental impact. Second, **Scale,** which is demonstrated through the massive creation of ecological capital and support to millions of livelihoods. Third, **Integration,** through a distinctive model where sustainability and inclusivity are core pillars of strategy, governance and programmes.

ITC is the only company in the world to be carbon positive, water positive and solid waste recycling positive for around 2 decades now. ITC's businesses support nearly 9 million sustainable livelihoods.

Decarbonisation remains an important element of our climate action. Over the years, your Company has made significant investments in areas like renewable energy, green infrastructure and mobility. It is a matter of immense satisfaction that ITC has **surpassed several of its ambitious 2030 Sustainability 2.0 targets,** even as our businesses have expanded considerably. We are now committed to achieving **Net Zero Operations by 2050,** entailing a reduction in GHG by over 85% in the next 25 years.

While Decarbonisation has gained significant traction globally, **Adaptation** measures have not drawn the attention they deserve. The world, after breaching the 1.5°C threshold last year, is headed towards 2.8°C warming in this century if stronger pathways are not pursued. This is clearly alarming and calls for decisive and urgent action.

Recognising this, ITC has implemented impactful **Adaptation** and **Nature-based Solutions** for ecosystem restoration that strengthens climate resilience, enhances farm productivity, water availability, green cover and biodiversity while supporting rural livelihoods. ITC's **Climate Smart Agriculture,** which now spans nearly **32 lakh acres** across 17 States, benefits over **12 lakh farmers.** It is premised on focused programmes that **build strong capabilities through skilling, technology adoption and development of institutional linkages.** We propose to cover **40 lakh acres under this initiative by 2030.** Impact studies have shown that CSA practices in rice and wheat have reduced costs **by over 20%, improved yields by around 10% and enhanced net returns by over 23%** compared to conventional practices.

Your Company has built deep capabilities in water stewardship, afforestation and biodiversity conservation. ITC's **large-scale water management interventions** follow a three-pronged approach — community-led watershed programmes, demand-side agricultural water management and revival of river sub-basins. Demand-side initiatives, focussing on **"more crop per drop",** cover over 20 lakh acres, creating annual water-saving potential of **up to 50% across 15 crops, aggregating to 1.5 billion cubic metres.**

Supply-side watershed projects cumulatively span nearly **20 lakh acres,** helping around **90% of farmers** in catchments to cultivate through the year. Four river sub-basins have been made water positive, with work under way on the fifth. Such water stewardship interventions have improved gross cropped area by as much as 12%, cropping intensity and groundwater levels by up to 14 and 15% whilst delivering larger benefits for communities.

Biodiversity conservation is a key priority area for sustaining natural ecosystems, strengthening agri-food security, supporting rural livelihoods and building long-term resilience. Your Company's programme focuses on restoring ecosystem services that support agriculture. This is expected to cover **nearly 10 lakh acres by 2030.**

Your Company's **Social Investments Programme spans 275 districts in 20 States,** cumulatively benefiting over **10 million people,** including **6 million women** while amplifying impact with 98 public-private-people partnerships. While the scale and outcomes are deeply satisfying, what inspires us to do more are the human stories behind the numbers.

It is heartening to **witness farmers with better incomes, women with greater economic agency, children with stronger learning foundations and youth with improved employability.** This larger purpose to make a meaningful difference defines the core of our social endeavours.

India's ancient wisdom enshrined in ***Vasudhaiva Kutumbakam*** reminds us that the world is one family, and the responsibility to protect our only home — the planet as well as its people — rests on all of us. We believe that our **'dharma' of Responsible Competitiveness** and the spirit of **'Aparigraha' to mindfully use resources** as well as **'Abhyudaya' which is premised on simultaneous economic and societal progress,** are timeless principles that will continue to inspire us in creating enduring value for all stakeholders.

In Conclusion

As India advances towards becoming a developed nation, ITC will remain steadfast in its commitment to serve with purpose, innovate with responsibility, grow with the nation and multiply value for our country. **Our heart and soul have always belonged to India. This has been our legacy. It will remain our promise.**

It is a privilege for ITC to be part of this momentous journey — powered by an inspiring Vision, guided by unshakeable Values, and energised by renewed Vitality.

As I conclude, I would like to reaffirm my belief that your Company's greatest and most enduring asset is its people. It is their dedication, ingenuity and unwavering commitment that give wings to our ambition, resilience to our efforts and purpose to our progress. Their dedication gives us the courage to dream boldly and shape ITC as an exemplary institution of a new India with **passion, performance and purpose.**

On behalf of the Board and myself, I thank all our stakeholders for their continued trust, support and encouragement.

Together, let us partner India and help build a future worthy of the aspirations of this great nation.

the hindu businessline.
MONDAY - AUGUST 3, 2026

Surprising pause

FOMC ambivalence leaves elbow room for MPC

The Federal Open Markets Committee took many by mild surprise, when it retained rates at 3.5-3.75 per cent in the face of persistent inflation (well above the 2 per cent target since 2021, and now at 3.5 per cent in June). A 25 per cent hike was expected last week; a pause now probably raises the chances of a hike in September unless the main factors driving price rise — read Iran war — recede all of a sudden. Nevertheless, the Fed chair Kevin Warsh insisted that he was dead serious about inflation.

As the Monetary Policy Committee meets this week, its members would be relieved that the FOMC did not raise rates. India has just come off a month where foreign inflows have been positive in the wake of a slew of policies to attract NRI and other investment. A hike would likely have complicated currency management at a time when oil prices are hardening all over again and pressurising the rupee. Meanwhile, Warsh is faced with a difficult task of reconciling a medley of concerns arising out of inflation, growth, currency markets and asset markets. The importance of the last factor should not be underestimated. US' equity markets (S&P 500) have risen above 9 per cent this year — with AI and technology stocks leading this run, amidst fears of these companies making huge investments on leverage. An interest rate hike could trigger a repricing of debt and assets, impacting financial stability, customer wealth and the value of the dollar. Last week's meltdown in South Korea's equity market, led by AI stocks, is instructive. Monetary policy the world over would be guided as much by financial stability as growth-inflation dynamics. India's markets are quite unaffected, because of minimal AI presence. The MPC can stick to its script. It can keep rates steady, while watching for inflation and volatility.

As for Fed's ambivalence, the dollar has already been strong this calendar year on account of war-induced safe haven demand, and perhaps expectations of higher short-term yields. A strong dollar reduces import costs, but beyond a point this appreciation can render exports uncompetitive. There is a bit of uncertainty over growth as well, with the US Bureau of Economic Analysis reporting advance estimates of Q2 growth for this calendar year at just 1.5 per cent (2.1 per cent in Q1). Meanwhile, labour data is a bit flat, with the employment rate holding up because of those who quit the job market. On the other side of the scale, July inflation is likely to exceed June's 3.5 per cent, as Brent crude prices surged 22 per cent over the month ($71 to $88 a barrel) on resumption of hostilities between US and Iran. Oil prices fell about 20 per cent in June.

When Warsh said he would refrain from forward guidance (to anchor inflation expectations), he was possibly expecting the war and its shocks to abate — and held back a hike. Bond yields have stiffened at the long end, nevertheless. Whether that leaves Fed behind the curve remains to be seen, as President Trump pushes for an easy money policy.

OTHER VOICES.

The Guardian

Centralised state: Andy Burnham must unbundle it

That England is among the rich world's most centralised countries underpins Andy Burnham's critique of the economic history of the past 40 years. Only post-communist Europe deindustrialised as rapidly as Yorkshire and the Midlands did in the 1980s. Centralisation did not close every factory or pit, but left regions without the powers, finance or institutions to cushion the shock or build a resilient, replacement economy. Hence Mr Burnham's radical and welcome plan to unbundle English government. There are three facets to his devolution programme. The first are the detailed and concrete proposals contained in a cabinet paper Mr Burnham released on Friday. This appears to be a blueprint to create a decentralised state organised around mayors as the key regional economic actors. LONDON, JULY 31

讀賣新聞
THE YOMIURI SHIMBUN

Minimum Wage: Steady Increases Must Continue

Amid prolonged high prices, it has been decided to raise the minimum wage by the second-largest amount ever. It is important to continue steadily expanding the trend of wage hikes going forward. The Central Minimum Wages Council of the Health, Labor and Welfare Ministry has decided on a guideline to raise the national average minimum wage from the current ¥1,121 to ¥1,176 for fiscal 2026. The ¥55 increase is lower than last fiscal year's hike of ¥63. The increase narrowed for the first time in six years, since fiscal 2020 during the COVID-19 pandemic. Substantial minimum wage hikes have continued in recent years, causing growing dissatisfaction among small and midsize companies that these increases would burden how they run their businesses. TOKYO, AUGUST 2

LINE& LENGTH.

TCA SRINIVASA RAGHAVAN

The economics of medical education

India should be importing doctors, which can be funded by the revenue earned from importing patients

Every now and then in India, education generally and medical education and primary education specially, generate a lot of heated discussion. After a while things go back to their original state as everyone goes off to see a good movie or an IPL match. These two topics, I ought to point out, are at the opposite ends of capital intensity.

Primary education requires a teacher, a blackboard and a good shady tree, which is where my own primary education started back in 1956. It was a ramshackle missionary school. My father was the Collector in what was a very small town then.

Medical education, on the other hand, requires, about 18 years later, a lot of capital. It takes around ₹400 crore today of initial investment to start a medical college, not to mention the operating costs.

People who have their hearts in the right place, if not their brains, are unaware of the most important aspect of all this: the economics. If medical education needs a lot of money, primary education needs a lot of time.

It's as hard to create even an average level doctor as it is to teach a six-year old to read and write, let alone to count. So we come back to the most basic of all questions in economics: time and money. Both are scarce.

SCARCE MONEY, WASTED TIME

Time is scarce because, if at the end of high school you will be doing what you were doing without that education, you can justifiably ask 'why should I go through all that trouble and boredom and angst'.

And money because, unlike time, it's simply not there to meet the demand for doctors. If we want a doctor for every 1,000 people, we need 700,000 more doctors. This means that we need, at 250 doctors per year from one college, 400 new colleges. 400X400. That means how many crores?

Economics calls this the opportunity cost, in this case of education. It's defined as what you lose when you choose option A over option B.

Here's another problem: without primary education you can't have a doctor. So where would you rather spend those lakhs of crores? This, too, is a form of opportunity cost.

Which leads to two other questions. If you have ₹100 to spend on education, how will you divide it between primary and medical education? And who will bear how much of the cost between States and Centre?

India, to its credit, has been grappling with these issues since the mid-1960s. Several reports have been written. Different governments have tried different solutions. Absolutely nothing seems to have worked because need-based demand has far outstripped resources-based supply.

Before we start beating ourselves up, remember that all countries are short of domestically trained doctors. That's why they import doctors and export patients under the misleading name of medical tourism.

All countries are short of domestically trained doctors. That's why they import doctors and export patients under the misleading name of medical tourism

IMPORT DOCTORS

Alternatively, if you want one doctor for every thousand people the world would need eight million doctors. The current stock of doctors is 14 million but unevenly distributed between rich and poor countries.

This suggests that the poor countries should be importing doctors, not exporting them. India currently does not allow the "commercial" importation of doctors. Instead, it imports patients, around 500,000 a year, as if domestic demand for medical services is low.

Here I have a confession to make. Back in 1988 I wrote a research paper for ICRIER (unpublished because it was deemed too 'journalistic') saying that India should import patients instead of exporting doctors.

Now we are doing both, which means we have got one half right. Today it's the other half, the importation of doctors, which is important. The revenue from the imported patients can pay for the cost of importing doctors.

The massive supply-demand gap, meanwhile, explains the high demand for medical education. Currently as many as 25,000 Indians are studying medicine abroad. They spend around ₹7,500 crore each year.

This is seen as worthwhile because, apart from the social status a doctor enjoys, the returns over a working life of, say, 45 years are far more than in any other occupation. The average income of a doctor is around ₹7,000 a day.

It's skewed downwards by the less experienced doctors who earn far less than the senior ones. Doctors in government service also skew earnings downwards.

If this skew is rectified even a bit, the average daily income of a doctor would be even higher. Is it any wonder that the demand for medical education is so high?

Interestingly, not many doctors want to join government service in spite of the non-monetary benefits. It's too much work for too little money.

TAILPIECE

One final observation about our cockroaches: student movements are transient *ab initio* because the students soon become mummies and daddies.

Monetary policy and persisting supply shocks

Given the resumption of hostilities in West Asia and rising crude prices, should RBI consider raising rates?

Abhiman Das
Smita Roy Trivedi

The Monetary Policy Committee (MPC) of RBI announces next policy on August 5, 2026. Between June and August policy, geo-political uncertainties have intensified.

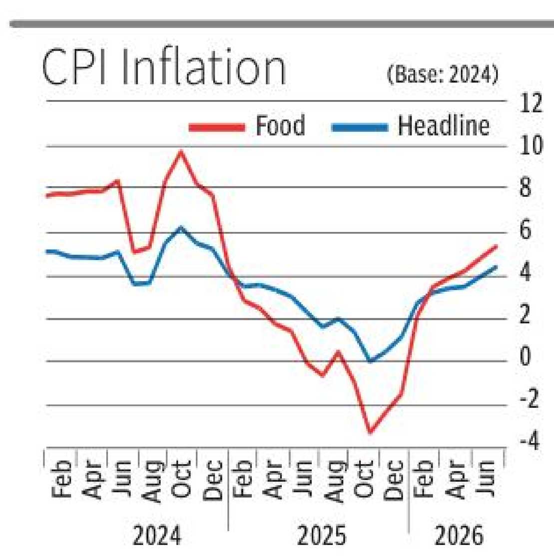
The fragile agreements of peace and ceasefire between the US and Iran did not last long. Escalating attacks and the blockade over the Strait of Hormuz pushed the brent crude price above $100 per barrel again with an upside trend.

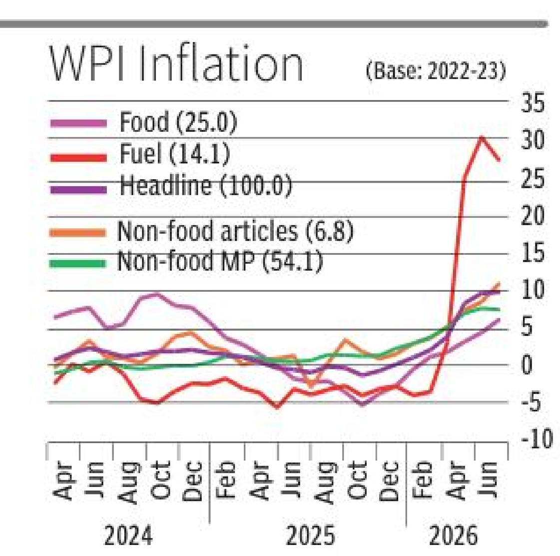
Benign inflation for the past many months provided the MPC enough headroom not to increase repo rate, even when rupee depreciated significantly. But the situation has been changing quite rapidly, with upside pressures concurrently in WPI and CPI inflation and muted growth prospects.

STORY SO FAR

CPI headline inflation breached the 4 per cent target in June. Further, the effect of low and declining base will keep inflation up for many months. RBI's own forecasts show higher probability of CPI inflation crossing the 6 per cent upper tolerance band.

At the same time, downside risks to the domestic growth continues. Nominal GDP has been declining steadily – from 11 per cent in 2023-24 to 8.9 per cent in 2025-26. Low overall inflation for the past many months primarily helped showing a reasonably high real GDP growth. High frequency indicators including IIMA's Business inflation Expectation Survey (BIES) indicate declining sales and profit margin expectations. The depreciation pressure on rupee hasn't eased either even with consistent intervention by the central bank. What would MPC do against this persisting supply shocks, slowing growth and increasing inflation scenario?





THE 'SCISSOR' EFFECT

In February 2026, the NSO revised the CPI base from 2012 to 2024. With consumption weights based on the Household Consumption Expenditure Survey 2023-24, the food weight in CPI declined from 45.86 per cent to 36.75 per cent. However, in the new series, contrary to expectation, the correlation between food inflation and CPI-headline inflation has indeed increased and stood at 0.97.

In new series CPI headline and food inflation trends show some interesting features. There are times when food inflation fall is sharper compared to headline inflation and vice versa. During past two years, this has happened twice when food and headline criss cross each other: called the 'scissor effect' (Chart 1). This dichotomy has direct policy implications particularly when food prices decline faster and becomes negative. Consequently, farmers adapt their expectations to the low prices and adjust next period production accordingly. This results in sharp increase in food inflation in the next period, surpassing that of headline inflation.

The WPI headline crossed 9 per cent in June 2026 (new series with revised base 2022-23). Will this increase in prices in wholesale market translate into higher prices in retail market? As the price index is a weighted sum of price relatives, it is likely to show up, at least in common items.

For example, the correlation between WPI and CPI food inflation is 0.97 in the new series. Ensuing CPI food inflation therefore is likely to be higher with WPI food inflation is already hovering above 6 per cent. Further, the fuel inflation has skyrocketed, touching close to 30 per cent during last quarter.

This surge in the universal intermediate will raise input costs, with expected spill-overs to other components of WPI. Expectedly, WPI non-food manufactured products (NFMP) inflation, which potentially manifests as the core inflation of the manufactured goods, has been running over 7 per cent for the past three consecutive months.

Also, WPI is closely linked with GDP deflator (correlation over 0.80). It is likely the broad-based price pressures both in CPI and WPI will push up the GDP deflator substantially, resulting in subdued real GDP growth.

RATE HIKE LIKELY?

First, with Fed keeping rates unchanged but divided house pledging to 'deliver price stability', rupee would get support from a higher interest rate. From February 2025 till date, WPI and rupee show a correlation of 0.81: pass-through of supply side shock to domestic inflation needs to be contained.

While rising crude prices almost invariably translate into rupee depreciation, periods of crude price correction do not necessarily halt rupee depreciation, as capital account outflows can outweigh the gains from an improving current account.

Second, the high credit growth (with FCNRB leading to cheaper deposits), sharper increase in inflation, and persisting adverse supply shocks indicate playing with the traditional interest rate instrument. As monetary policy is forward looking and there is a long lag in transmission, a 25-bps increase in repo is not a distant possibility.

Das is ICICI Bank Chair Professor, Indian Institute of Management Ahmedabad (IIMA), Roy Trivedi is Associate Professor, National Institute of Bank Management (NIBM). Views expressed are personal

BELOW THE LINE

NEW AIRPORT. Creating controversy REUTERS

'Credit' problem

The Alluri Sita Ramaraju International Airport at Bhogapuram may be ready for take-off, but the battle over who deserves the credit is still on!

The YSR Congress supporters claim the project gained momentum under former Chief Minister YS Jagan Mohan Reddy with land allotment and construction progressing in 2023. The ruling NDA counters that the airport was conceived and launched during the Chandrababu Naidu government (2014-19), accusing the previous regime of delaying it.

The message was reinforced from the stage by Union Civil Aviation Minister Kinjarapu Ram Mohan Naidu and other speakers.

Executive outrage

A top executive at one of India's largest business conglomerates launched a sharp attack on sections of the media during a recent investor call, dismissing reports about the group's possible diversification plans as "absolute rubbish".

"We should get into the newspaper business as so many of them make money from us," the executive remarked, suggesting that the group's name was routinely used to drive readership.

"Our name sells and so they attach our name to every story and run absolute rubbish. I cannot be more clear with these words," the executive said, before adding, "It is like watching a poor version of *Dhurandhar* again and again. These are just rumours."

Relocating CMO!

The new Tamilaga Vettri Kazhagam government under Chief Minister C Joseph Vijay in Tamil Nadu wants to bring about a change in everything. This includes the Chief Minister's chamber.

Vijay is set to relocate the Chief Minister's office from its long-standing location in the historic Fort St. George Secretariat building that houses the Assembly and ministers' offices.

The new office will be shifted to the adjoining multi-storey block, which accommodates the offices of departmental secretaries. The larger office is expected to improve coordination between the Chief Minister and the bureaucracy, while reflecting the new government's intent to introduce administrative changes and modernise governance.

Truth Social posts for a fee

Trading firms and institutional investors can now get faster access to US President Donald Trump's posts on Truth Social by paying up to $100,000 a month. Trump Media & Technology Group has launched a paid, licensed data feed that provides subscribers with the fastest access to posts from leading accounts on the platform.

The move comes as US President Trump has increasingly used Truth Social to make market-moving announcements, particularly relating to the ongoing conflict in West Asia. The launch has drawn sharp criticism, with critics raising concerns over potential conflicts of interest and the monetisation of presidential communications. Trump and members of his family are the majority shareholders of Truth Social.

Our Bureaus

Published by Nirmala Lakshman at No 19&21, Bhagwan Mahaveer Road, Bengaluru-560001 and Printed by C. Sridhar at Plot No. 13-D, Bommasandra-Jigani Link Road, KIADB Industrial Area, Bommasandra, Anekal Taluk, Bengaluru -560099 on behalf of THG PUBLISHING PVT LTD., Chennai-600002. Editor: Raghuvir Srinivasan (Editor responsible for selection of news under the PRP Act). ISSN 0971 - 7528

M BG-BGE

Feline translocation

A story of how Cheetahs came back to India

BOOK REVIEW.

Gayathri G

Some books seem fit for screen adaptation. *Bringing the Cheetah Back to India* is one of them as it has all the elements of a gripping political thriller: high-stakes diplomacy, bureaucratic hurdles, ecological ambition, international negotiations, swings between frustration and triumph, and, at its heart, one of the world's most charismatic animals.

Former diplomat Prashant Agrawal transforms Project Cheetah into an engrossing narrative that reads like a fast-paced thriller. Written from the perspective of India's former High Commissioner to Namibia, the book offers an insider's account of how diplomacy and conservation came together to bring the cheetah back to India after an absence of seven decades.

The ambition to reintroduce cheetahs to India had existed for decades but remained trapped in a maze of legal, scientific and diplomatic obstacles. Namibia had rejected earlier proposals, the Supreme Court had stalled the project since 2012, conservationists questioned the introduction of African cheetahs into India, and IUCN guidelines cautioned against translocating non-native species.

When Agrawal assumed charge in 2018, he inherited an idea that appeared almost impossible to realise. Even after the Supreme Court cleared the reintroduction framework in January 2020, negotiations came to a standstill because of the Covid-19 pandemic.

What followed was a painstaking diplomatic effort that stretched over two years. Agrawal recounts the endless meetings, shifting deadlines, legal complexities and administrative red tapes, offering a rare glimpse into the painstaking work that unfolds behind landmark conservation initiatives.

The logistical challenges alone make for compelling reading. The original target was to bring the cheetahs to India by August 15, 2022, coinciding with the country's 75th Independence Day celebrations.

Mandatory quarantine rules, the death of one shortlisted animal, the unexpected pregnancy of another, and a series of last-minute replacements repeatedly threatened to derail the timeline. Ultimately, eight cheetahs arrived in Kuno on September 17, 2022.

Agrawal is equally convincing in explaining why the cheetah matters beyond symbolism. Declared extinct in India in 1952, the species is being reintroduced not merely to restore a missing predator but to revitalise the country's grassland ecosystems. Protecting habitats suitable for cheetahs, he argues, also benefits lesser-known species such as the Indian wolf, caracal, Lesser Florican and Great Indian Bustard.

Title: Bringing the Cheetah Back to India
Author: Prashant Agrawal
Publisher: Hachette India
Price: ₹599

PAINSTAKING DIPLOMACY

One of the book's strengths is its honesty. Agrawal does not romanticise diplomacy. Instead, he candidly describes the frustration of watching weeks of negotiations become entangled in a single legal clause or bogged down by bureaucratic inertia. The book is not without its gaps. Because the story is largely told from the author's vantage point in Namibia, parallel developments in New Delhi receive relatively little attention. Similarly, negotiations with South Africa that led to the second batch of cheetahs arriving in 2023 are covered only briefly.

Yet Agrawal's vivid descriptions of Namibia, his account of the Cheetah Conservation Fund's work, and his own encounters with the animals keep the narrative engaging throughout.

Ultimately, *Bringing the Cheetah Back to India* is about far more than transporting a handful of "speed demons" across continents.

It is a story about persistence, diplomacy and the often-unseen realities of conservation, reminding readers that many environmental victories are secured in conference rooms long before they are visible in the wild.

A dispatch from AI's last sane era

This book is a perfect chronicle of the pre-2022 moment in Artificial Intelligence, when the field still had protagonists

BOOK REVIEW.

N Chandrasekhar Ramanujan

In November 2022, Sebastian Mallaby negotiated deep access to Demis Hassabis. A week later, ChatGPT launched. Mallaby began his interviews just as the world he was proposing to describe was being demolished around him. In a way, this painstakingly crafted book that came three years and hundreds of interviews later is a perfect chronicle of the pre-2022 moment in AI, when the field still had protagonists. Now, when we think of AI, we think of faceless monoliths with giant data centres grinding up capital and compute into an equilibrium presented to us as a chat box on a screen.

Demis Hassabis grew up poor in North London, made chess master at 13, shipped a bestselling video game at 17, and took a neuroscience Ph.D as a stealth route to artificial intelligence. At its core, early AI was "narrow". You wrote a program to do one specific thing with a deterministic output (the same set of inputs would always provide the same set of outputs).

Hassabis's founding thesis for DeepMind was entirely different: true intelligence is a flexible, general-purpose learning algorithm. Reverse-engineer how the human brain learns from scratch, and you can build Artificial General Intelligence. Once you have a machine that can learn universally, you point it at humanity's biggest bottlenecks.

And to a staggering extent, he did. DeepMind tackled the 50-year-old grand challenge of biology: protein folding. Rather than trying to simulate the raw physical and chemical forces of how a 1D string of amino acids crumples into a 3D shape, Hassabis and lead researcher John Jumper treated it as a data problem. By leveraging evolutionary patterns and the same "attention networks" that underlie modern chatbots, AlphaFold successfully predicted the 3D structures of almost all 200 million known proteins on Earth. They released it as a free "Google Maps for biology", instantly accelerating global research into new medicines and earning Hassabis and Jumper the 2024 Nobel Prize in Chemistry.

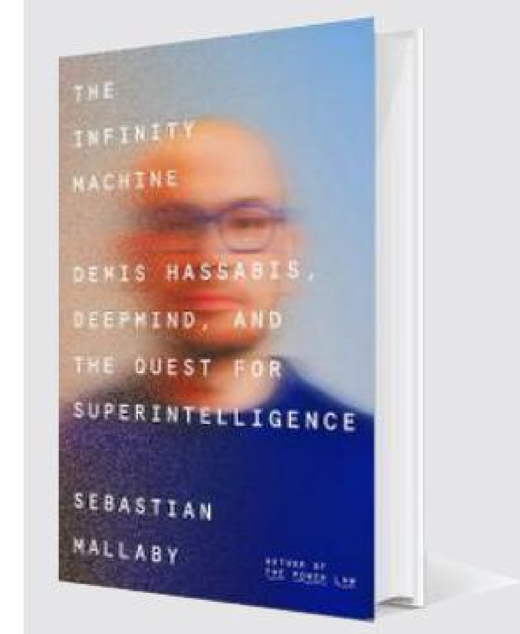
But AlphaFold required massive capital to scale, a reality Mallaby captures when documenting Hassabis steering DeepMind into Google's arms. In today's AI stack, a raw model is nothing without its harness. A model by itself is a collection of weights. The harness is everything wrapped around it — the tools, capital, and post-training that turn capability into something useful outside a chat box.

Mallaby writes Hassabis as the model: singular, irreplaceable, the source. But his own evidence reveals the harness: a builder of teams, a shepherd of compute, and above all, a narrator whose persuasion colleagues referred to as a "Jedi" mind trick.

The book's tragedy, which Mallaby documents in the whiplash of his late chapters is that Hassabis spent a decade building AI as a scientific instrument, only to spend the years since ChatGPT conscripted into a gold rush, commanding Google's efforts to catch up to OpenAI and then Anthropic, with its first doomed Bard family of models, followed by the now ubiquitous Gemini.

FAILING SAFEGUARDS

Most striking is the fate of the book's own closing doctrine. Hassabis, convinced of the danger unregulated AI would pose to the world, spent a large portion of the narrative attempting safeguard after safeguard that kept failing. Like the ethics board that never met, or the spin-out under an independent charter that Google smothered. Mallaby lets his subject conclude that AI safety rests not on governance structures but on trust between the people building the technology.



Title: The Infinity Machine: Demis Hassabis, DeepMind and the Quest for Superintelligence
Author: Sebastian Mallaby
Publisher: Penguin Press
Price: ₹1299

ABOUT THE AUTHOR

Sebastian Mallaby is the Paul A. Volcker Senior Fellow for International Economics at the Council on Foreign Relations. A former Financial Times contributing editor, he has authored several award-winning books

This reads as false with just a glance at current headlines. In just the last few months the US Department of War was blacklisting Google's rival Anthropic for refusing surveillance work, and its sister Department of Commerce was switching off Anthropic's frontier model Fable worldwide by an export-control letter.

Further, there is almost nothing on the compute-industrial base whose costs bent DeepMind toward Google in the first place, and one sentence on Google discarding its acquisition-era promise to keep the technology away from weapons and surveillance.

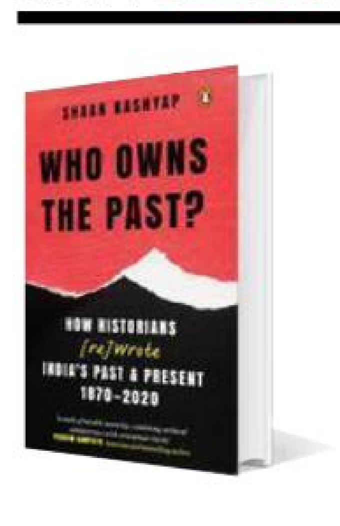
This is in line with Mallaby's previous books which take a class of financial actor the public suspects (Hedge funds, central bankers, venture capitalists) and paint rich inner accounts of these people who in positions of financial or technological power, are completely insulated from the consequences of their actions.

The speed of advancement of the field makes the book feel dated immediately in print. I'd urge curious readers to read it anyway. It is the definitive portrait of the most interesting mind in the field, and the last major document of the era when AI had protagonists rather than infrastructure.

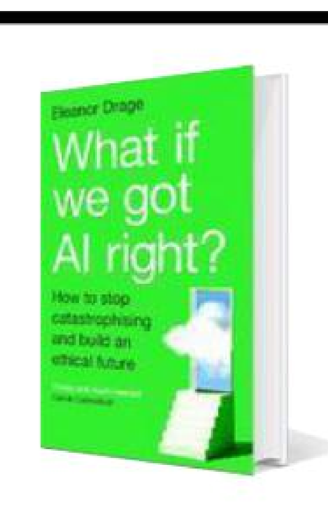
AlphaFold, however, stands as Hassabis' singular achievement and required no arms race. It required taste, conviction, and perhaps 20 stubborn people. It remains the strongest evidence that Hassabis's vision of AI as a scientific instrument was never the same project as the commercial frenzy that eventually came to eclipse it.

The reviewer is a product designer and researcher working in the tech sector. He lives and works in Bengaluru

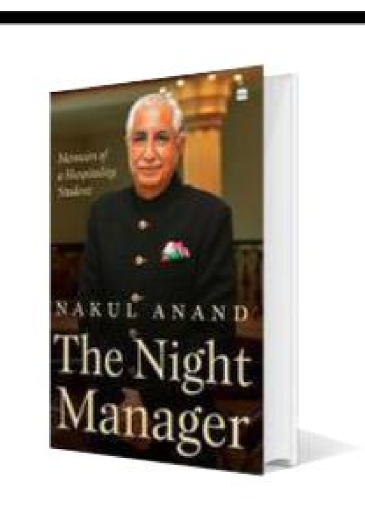
NEW READS.



Title: Who Owns the Past?
Author: Shaan Kashyap
Publisher: Vintage Books
A gripping, deeply researched account of how India's history has been written, rewritten, contested, and politicized over time



Title: What If We Got AI Right?
Author: Eleanor Drage
Publisher: Hachette India
This book unpicks the culture and ideas that drive the AI arms race, from billionaires trying to cheat death to biased police algorithms and state capture by big tech



Title: The Night Manager
Author: Nakul Anand
Publisher: HarperBusiness
This book provides a behind-the-scenes account of an industry where profit margins are rarely consistent, customers hard to please, and perfection never-ending

thehindu businessline.

TWENTY YEARS AGO TODAY.

August 3, 2006

SAP plans to invest $1 b in India over 5 years

German software major SAP to day said that it plans to invest $1 billion over the next five years to expand its presence in India. The move is part of the company's decision to make India a strategic hub in the Asia-Pacific region. The company also plans to in crease its headcount in India to 3,500 by the end of 2006 from 2,750 employees currently.

Hutch moves HC against Essar

Hutchison Telecommunications International has approached the Bombay High Court over Essar Group's decision to terminate the sale of BPL Mobile to Hutchison-Essar. While the specifics are not known, Hutchison disputed the validity of the termination and sought to restrain the sale of BPL Mobile by Essar to other parties, said sources. Hutchison-Essar officials declined to comment saying that the matter is now sub judice.

RNRL may bag 4 coal-bed methane blocks; RIL nil

A final decision on the awardees for contracts under the third round of bidding for coal-bed methane (CBM) blocks as per the CBM-III policy would be taken by the Union Cabinet based on the recommendations of the Committee of Secretaries.

Short take

Why not a have a GRE-style NEET exam?

Girish Srivastava

The National Eligibility cum Entrance Test (Undergraduate), or NEET-UG, administered by India's National Testing Agency (NTA), was the subject of a paper leak and other exam irregularities in the 2026 NEET controversy forcing more than 2.27 million students to retake the test.

The examination system has come under unprecedented scrutiny as a result of the NEET-UG paper leak, which has triggered demonstrations, legal disputes, and a Central Bureau of Investigation (CBI). The Union Education Minister Dharmendra Pradhan resigned and Prime Minister Narendra Modi's announced the setting up of fast-track courts, and a task force headed by Nandan Nilekani.

This major exam paper leak case exposes serious structural flaws, underscoring the pressing need for institutional accountability, strong technology security, and systemic educational reform.

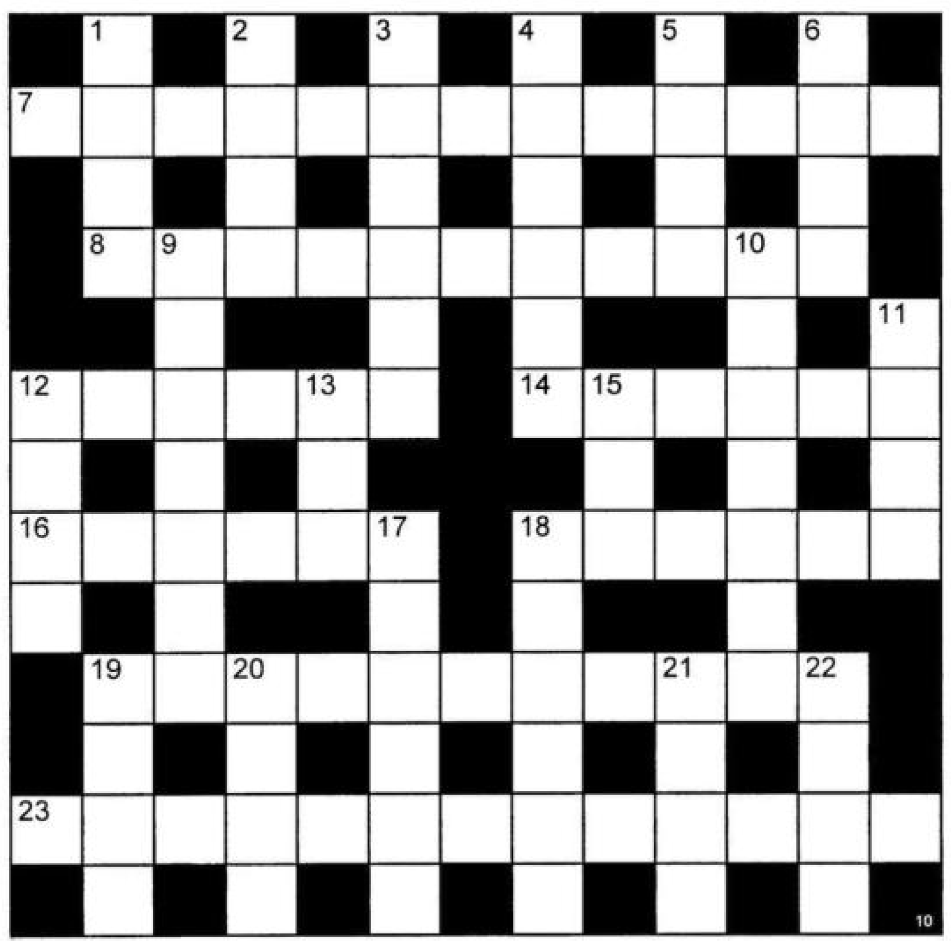
To address above concerns, an alternative approach to administering the NEET exam could be based on the lines of the Graduate Record Examinations (GRE), a globally recognized, standardized test conducted by the Educational Testing Service (ETS). Every year, a large number of students take the GRE, which is administered by ETS via POWERPREP Online, which offers timed simulations, realistic question formats, and official score conversion.

All we need to do, assuming we choose to use the ETS-GRE approach, is compile a large database of biology questions ranging in difficulty. After the database of questions is developed, AI can select questions at random and present a unique set of exam questions to the students. This score can be used to apply for admission to medical schools. One benefit of this kind of system is that, similar to the GRE exams, students can retake the test after a time gap if they are unhappy with their results. The Standard Operating Procedure, which will be applied to all Indian students, can be written by a group of specialists.

Students across the country are looking at the powerful task force that has been constituted under the chairmanship of Nandan Nilekani with a hope that it will develop an examination infrastructure for India that is transparent, technology-driven, and impervious to leaks. Restoring student trust, utilizing digital infrastructure, and revamping National Testing Agency (NTA) processes would be some of the key parameters that shall be debated during the series meetings and discussions of the taskforce.

The writer is a public policy and strategy expert and has been a member of several high profile government committees. Views expressed are personal

BL TWO-WAY CROSSWORD 2705



EASY

ACROSS

07. Sound recording instruments (4,9)
08. A vein, artery (5,6)
12. The victor (6)
14. Knocked lightly (6)
16. A brief snooze (6)
18. Arrive, reach by effort (6)
19. Tubular framework for building repair (11)
23. Drugs taken on retiring (8,5)

DOWN

01. Young sheep (4)
02. Public expression of feeling (4)
03. Metal joiner (6)
04. Strongly influential (6)
05. Poems (4)
06. By mouth (4)
09. A madman (7)
10. Say how it is (7)
11. Paradise garden (4)
12. Plaited cotton burner of lamp (4)
13. A time, age (3)
15. Emmet (3)
17. Bright-billed seabird (6)
18. Assert without proof (6)
19. Auction (4)
20. Wonder-stricken (4)
21. Coloured part of eye (4)
22. A seabird (4)

NOT SO EASY

ACROSS

07. Long ribbon judges provide for reel-to-reel machines (4,9)
08. A vein bled – so solve it a different way (5,6)
12. A successful contestant in Wren composition (6)
14. Got money from somebody one knocked (6)
16. Tom will strongly recommend a short sleep (6)
18. 15 giving it a turn to let one reach one's goal (6)
19. Steelwork for an execution place in Gateshead (11)
23. They may be boxed for those wanting to get off (8,5)

DOWN

01. Charles or Mary may have been taken with the mint sauce (4)
02. Public protest that will do me a turn (4)
03. Person who joins the West, a respected church member (6)
04. Powerful as drug used by hospital department (6)
05. Fashions haven't started with such lyrical verses (4)
06. It is of the mouth, the viva voce (4)
09. Until A/C is rendered, he's crazy (7)
10. Give a reason for axle-pin getting bent (7)
11. Paradise garden would need to be turned over (4)
12. Old village one may put a flame to (4)
13. A time when a girl lost her head (3)
15. Model of industry in Cuban tobacco-factory (3)
17. Bird is for self-advertisement, in the end (6)
18. Everyone for example will face East to cite in discussion (6)
19. A place for prospective bargains in Cheshire? (4)
20. Is stricken with wonderment at a moisture that turns up (4)
21. One will almost get to one's feet for the flag (4)
22. Bird is one that's easily taken in (4)

SOLUTION: BL TWO-WAY CROSSWORD 2704

ACROSS 1. Sickens 5. Forge 8. Dilemma 9. Naked 10. Confident 12. Sin 13. Theic 17. Hob 19. Revulsion 21. Loose 22. Garbage 24. Tempt 25. Element

DOWN 1. Seduce 2. Colonel 3. Elm 4. Stake 5. Fanatical 6. Rakes 7. Ending 11. Interment 14. Private 15. Chalet 16. Invest 18. Bloom 20. Vogue 23. Rue

◉ TABLE TALK

The golden touch of Joy Alukkas

The business, the philanthropy and the carefree mindset of India's wealthiest jewellery entrepreneur

Chitra Narayanan
V Sajeev Kumar


Gilt-edged legacy. Joy Alukkas, Chairman of Joyalukkas Group

From a large window at his office in Thrissur, the view that greets Joy Alukkas, Chairman of Joyalukkas Group, is his latest passion project — the under-construction Gold Tower, which he says will change the skyline of Kerala's cultural capital dramatically. When ready by 2029, the 190-m, 50-storey tower will be the tallest in the State. He says it will be a gold standard in luxurious living, with Italian marble and plush facilities.

Each four-bedroom unit will cost ₹6 crore, while it's ₹4 crore for a three-bedroom unit. Why the huge gap between the construction of the Gold Tower in Kochi a decade ago and the new one in Thrissur, we ask. "Because this is not my real business," responds Alukkas, whose jewellery business in FY2025-26 clocked a turnover of ₹36,321 crore.

But the 'side business' seems to be turning serious as he animatedly talks about Joyalukkas Realty's next Gold Tower project in Kozhikode. The units there will cost ₹10 crore each, says Alukkas, and will boast a very large dining area, as the Malabar region is known for its plentiful celebrations.

The man with the Midas touch — India's wealthiest jewellery entrepreneur with an estimated net worth of over $5 billion — charms us with his ready wit, shrewd insights on consumer wants, and light-hearted take on life.

His spacious office is dominated by family pictures with his wife, Jolly, his children, their spouses, and grandchildren, and large wall clocks for every country where the company's 200 stores are located. "We are in 13 countries — India, the US, the UK, Canada, Australia, Singapore, Malaysia, Bahrain, Kuwait, UAE, Qatar, Saudi Arabia, Oman," he says, describing his big international presence as his strength. Eight of the stores are in the US (three more will open shortly), 32 in the Gulf and 120 in India.

Though he is a second-generation jeweller — his father started the business in 1956, the year he was born — Alukkas' success is very much self-made, with its share of drama, as vividly narrated in his best-selling memoir, *Spreading Joy*. He says he was the underdog in his family, with his siblings tending to dismiss his abilities.

He was the 11th among the five sons and 10 daughters born to his parents. His dad, Alukka Joseph Varghese, moved from Angamally to Thrissur, where he started an umbrella shop and a few other businesses.

Alukkas has many interesting stories about Thrissur in the old days — how it was a manufacturing hub with skilled goldsmiths (*thattans*), and how several policy changes, especially the 1964 Gold Control Act, had influenced the retail business. All five brothers joined their father's jewellery business and they expanded to Kozhikode. The timing was right as Kozhikode was the centre of Malayali migration to the Gulf, and wealth in that city was growing. Then the family decided to expand to the UAE, and Alukkas volunteered to go.

"It was like a relay race — we were all handed the baton and we ran," he says. In 2001, the family split — brothers Jos, Paul and Francis inherited stores in various parts of Kerala, while Alukkas was handed the West Asia business.

So, how exactly did he succeed beyond imagination? Pat comes the reply, "Because I changed the system of how jewellery operations were run when I went to Dubai. Most jewellers in India sit at the cash counter. I decided to spend time strategising outside." He says he is one of the most profitable jewellery retailers because he runs tight and efficient operations, carefully selecting stores and staff, and innovating constantly — such as launching the first ever loyalty programme in jewellery.

What prompted his return to Kerala? "Family issues," he says. Though there was an understanding among the brothers that they would not tread on each other's toes, his elder brother opened two stores in Dubai. When Alukkas protested, he was told he could open in Kerala if he wanted. "He was sure I would not succeed as I was used to the 'AC environment' in the Gulf," says Alukkas. But his India stores proved successful. "I put in software and systems, and introduced many firsts, like the 916 purity gold," he says, adding that he carved out a distinct brand identity for the Joyalukkas chain.

He pauses his narration to lead us and his marketing head, Anish Varghese, out to lunch. Much to our thrill we get a ride in his Rolls Royce. We head to a new eatery, Wok Street, which is brimming with lunching families. No five-star frills, but Alukkas, the man who owns two planes (a Cessna and a Falcon) and a helicopter, looks equally at home here. Two kinds of grilled fish are ordered and there is much discussion over which biryani to order — Thalassery or Kozhikode. "Let's order Kozhikode as that town is closer to us," says Alukkas. We also have hakka noodles and gobi cashewnut Manchurian. Everything proves delicious.

We ask for his take on gold prices, which crossed the $5,000 barrier in January. "My gut feeling is it will come down to $3,000 in the next three months," says Alukkas.

Would he go for an IPO? He categorically rules out the idea, saying that listing would lead to quarterly result pressures. "I don't want any worries. A good lifestyle, peace of mind and good sleep are all I want. When the children take over, they can do it if they want," he says.

Alukkas is firm that his two sons-in-law — Antony Jos and Thomas Mathew — who were recently drafted into the business as executive directors, will have to prove their mettle. His son John Paul is the CEO of the international business.

There have been some diversifications — for instance, Jolly Silks (sarees), Joyalukkas Exchange (financial services) and Joyalukkas Realty. There is philanthropy through the Joyalukkas Charitable Foundation. "We have scholarships for children. We are investing in old-age homes; this year we have built over 500 homes for the underprivileged," he says.

We choose to skip dessert, settling for coffee instead. A banker acquaintance from Dubai who comes over for a chat is greeted warmly. We can't help thinking that Joy Alukkas wears his wealth lightly, and is also aptly named.

◉ CAPITAL RUSH

India Inc's big capex surge

INVESTMENT SPIKE. Corporates are borrowing big and the money is flowing towards the setting up of warehouses, renewable energy projects, data centres and factories, among other infrastructure

BL Mumbai Bureau


GROWTH FACTOR. Corporate lending has accelerated across medium and large industries, driven by expansion rather than maintenance spending

India's long-awaited private sector capital expenditure (capex) cycle is gathering force, signalling growing confidence in the country's long-term growth prospects, despite global uncertainties. Companies across the infrastructure, manufacturing, automobile, energy, food processing and digital sectors are unveiling investment plans worth several lakh crore rupees.

A key indicator of this trend is the sharp acceleration in corporate credit. Reserve Bank of India (RBI) data shows credit to industry grew 19.2 per cent year-on-year in June 2026, compared with just 6.3 per cent a year earlier, reflecting rising demand for funding large expansion projects across sectors.

BORROWING SHIFT

Bankers say the nature of corporate borrowing has also changed significantly. "We are seeing a healthy demand for borrowing for setting up greenfield projects. Corporate credit demand is coming from renewable energy, data centres, warehouses, and food processing, among others," said Kalyan Kumar, Managing Director and CEO, Central Bank of India, recounting how the bank had, jointly with another public sector bank, recently sanctioned a loan to a company for setting up a data centre.

Central Bank of India's own performance is marked by a stronger growth in corporate lending, alongside retail and MSME loans.

Industry-wide credit data also points to broad-based investment recovery. Lending has accelerated across medium and large industries, with infrastructure, engineering, construction, textiles, petroleum products and chemicals emerging among the fastest-growing sectors.

Market participants believe the current investment cycle differs fundamentally from the previous one because it is driven by expansion rather than maintenance spending. "The private capex has crossed public capex after a long time. The best indicator is the capex-to-depreciation ratio, which has crossed 2x from a bottom of 1x, indicating that capex is now more than about maintenance," said Manish Bhandari, Managing Director and Portfolio Manager, Vallum Capital.

This view finds an echo in an ICICI Securities report, which estimates that listed companies will spend nearly ₹12.6 lakh crore on capex in 2026, taking corporate investment close to historic highs. Significantly, it captures a broader trend: the 2023-26 investment trajectory bears striking similarities to the 2001-04 period, just before India entered a multi-year phase of accelerated growth. The research firm notes that the capex-to-depreciation ratio has risen to 1.9x, reflecting a shift towards growth-oriented investments rather than asset replacement.

Corporate India's strengthened financial position is an added support. According to the report, the ratio of cash flow from operations to capex stands at 1.5x, indicating sufficient internal resources to fund expansion while maintaining healthy balance sheets. The number of firms investing more than ₹1,000 crore annually has reached a record 168, compared with 91 at the previous peak in 2012.

The combined capex of listed companies, the Centre and states is estimated at nearly ₹32 lakh crore in FY26, creating a powerful investment multiplier.

ADANI TO THE FORE

The infrastructure and energy sectors remain central to the emerging capex cycle, with the Adani Group alone outlining cumulative investment exceeding ₹3 lakh crore across the power, airports, renewable energy, aluminium, defence, logistics and industrial manufacturing segments. For FY27, the group's listed companies have guided capex exceeding ₹1.47 lakh crore.

Among its largest planned investments is the newly announced ₹1.08 lakh crore aluminium project in Odisha, developed by Adani Enterprises in partnership with Abu Dhabi-based International Resources Holding (IRH).

The conglomerate has also broken ground on a ₹2,500-crore integrated missile manufacturing ecosystem in Madhya Pradesh, while separately unveiling a ₹2-lakh-crore investment plan over five years in its power business, including its proposed entry into the nuclear energy segment.

The expansion follows a record ₹1.53 lakh crore capital expenditure in FY26, which Chairman Gautam Adani recently said accounted for more than 30 per cent of India's private-sector capex during the year.

The group's financial position has strengthened alongside its investment programme. After spending ₹1,52,967 crore on new projects in FY26, the Adani Group has expanded its total asset base to ₹7,85,098 crore while maintaining cash and cash equivalents of ₹55,852 crore, which is about 15 per cent of total debt. Its average borrowing cost has declined to 7.8 per cent from 9 per cent two years ago, aided by multiple credit-rating upgrades.

AUTO REVS UP

Automobile manufacturers are also driving private investment, collectively committing more than ₹1 lakh crore towards expanding capacity and accelerating the transition to electric mobility. Tata Motors has outlined a nearly ₹35,000-crore passenger vehicle investment programme through FY30, while Mahindra & Mahindra plans to invest about ₹27,000 crore over the next three years to strengthen its SUV and electric vehicle portfolios.

Maruti Suzuki has committed ₹14,000 crore for capacity expansion, while Hyundai Motor India recently announced ₹7,500 crore investment in its manufacturing operations in Maharashtra.

STEEL, FMCG AND MORE

ITC has outlined a ₹20,000-crore investment pipeline spanning manufacturing and food processing. JSW Steel has announced some of the country's largest manufacturing investments as part of its strategy to double domestic steel-making capacity to 62 million tonnes by FY32. The company recently approved a ₹16,350-crore, two-phase electric arc furnace-based steel plant in Andhra Pradesh, including a first-phase investment of ₹4,500 crore.

This comes on the heels of a ₹65,000-crore greenfield steel project in Paradip, Odisha, and a proposed ₹69,000-crore joint venture with South Korea's POSCO to establish a six-million-tonne integrated steel plant in the State. Collectively, these projects represent more than ₹1.5 lakh crore of planned investment.

Significantly, JSW Steel reduced net debt by more than ₹22,600 crore to around ₹54,000 crore in FY26, supported by strong profitability and asset monetisation.

GREEN POWER

Recently, ACME Solar Holdings secured ₹3,405 crore in long-term project financing from State-owned Power Finance Corporation (PFC) for its 250 MW 'firm and despatchable renewable energy' (FDRE) project across Rajasthan and Gujarat, taking the company's total project financing raised this fiscal to ₹6,051 crore.

Meanwhile, Tata Power is maintaining an intense investment pace, with second-quarter capex expected to touch ₹6,500 crore, of which nearly half would be earmarked for renewable energy projects.

The company is also targeting rapid growth in rooftop solar, with Managing Director and CEO Praveer Sinha stating, "Year before last we were ₹2,300 crore, last year we did ₹4,800 crore. I think we will cross ₹30,000 crore in 2029 itself and not in 2030."

The investment revival is also visible in sections of the real estate market. According to Anarock, housing launches across the top seven cities increased 7 per cent year-on-year to around 1.06 lakh units during the April-June quarter, even though housing sales declined 6 per cent. Mumbai Metropolitan Region and Bengaluru accounted for more than half of the new supply.

NEW LENDING LANDSCAPE

Bankers say healthier corporate balance sheets are a defining feature of the current capex cycle. Unlike the previous investment boom, many large companies are entering expansion phases with lower debt levels, stronger cash flows and improved credit profiles. This has increased lenders' willingness to finance long-gestation projects in infrastructure, manufacturing, clean energy and digital infrastructure.

The sectors attracting the strongest financing demand closely mirror the government's policy priorities around production-linked incentives, energy transition and industrial development.

Analysts believe the ingredients for a sustained capex cycle are in place. Rising utilisation of manufacturing capacity, strong corporate profitability, lower leverage, healthier bank balance sheets and emerging opportunities in power, defence, energy security, data centres, green energy, electric vehicles and semiconductors are creating fresh avenues for investment.

After nearly a decade of cautious spending, India Inc appears to be entering a new growth phase. What began as a recovery in public-sector spending has evolved into a broader private-sector investment cycle.

Inputs from Ram Kumar, Suresh Iyengar, Amit Vijay Mohile and Aneesh Phadnis in Mumbai, and Avinash Nair in Ahmedabad

Is your enterprise tuned to the Gen Z way of thinking?

PEOPLE@ WORK

KAMAL KARANTH

Young turks in the billion-dollar club

Country-wise share of unicorns founded by Gen Z since 2024

Country/region	No. of unicorns	No. of unicorns with Gen Z founders	Share of unicorns with Gen Z founders (%)	Examples of unicorns with Gen Z founders
The US	240	28	11.7	Mercor, Cognition AI, Kalshi, Polymarket, Scale AI, Whop, Meter
India	19	1	5.3	Zepto
The UK	19	1	5.3	Crimson Education
China	9	1	11.1	Humanity Protocol
Singapore/EU/rest of world	51	3	5.9	Lovable (Sweden), Decart (Isreal/US)
Total	**338**	**33**	**9.80%**	

Source: Tracxn and LinkedIn

In early 2000, we were pitching with an FMCG major setting up its shared services centre in Bengaluru. The designated site head asked us about the best practice to be adopted while hiring to prevent activism or employees' strike. There was silence in the room. None of us had an answer. I think the unionism context is even more complex today, with Gen Z in the workplace! In the wake of the recent Jantar Mantar demonstrations led by Gen Z, it is imperative for enterprises to identify a set of behaviours that can be deemed as a protest.

THE UNREST WITHIN

The 1953 Marlon Brando starrer *The Wild One* was synonymous with youthful rebellion. Two famous lines in the movie were: "What are you rebelling against?" and "Whaddya got?"

Most organisations have the biggest churn at the entry level. Would you call Gen Z quitting companies as a quiet way of showing a 'thumbs down' to unfair company leaders or the enterprise itself? In fact, I remember my own act of rebellion with one of my employers when I was 22. Once, when one of our colleagues sobbingly told us that she was fired, three of us who shared the same manager confronted him, asking why he was letting her go. He said the separation conversation was a private one between the manager and the reportee, and we had no business to intrude. A week later, our HR warned us that any such lateral conversation with our colleagues could be deemed a breach of policy. I never attempted any such activism after that.

But then, times have changed, and so have the forums for employee dissatisfaction. Glassdoor, Ambition Box, Google reviews, Blind, and Reddit have become the new platforms for employees to voice their dissent against errant managers or employers.

LET'S GET LOUD

It's not just digital. Gen Z or not, employees are raising their dissent in different ways, of late. In 2018, *The New York Times* reported that 20,000 of Google's global employees and contractors walked out for 30 minutes to protest against the massive exit packages given to executives accused of sexual misconduct. In 2024, *Reuters* reported that Google had terminated 28 employees after they participated in protests against the company's cloud contract with the Israeli government. But how do you react when colleagues gang up in your face? One of HCL's internal event videos that went viral recently showed employees chanting "We want a hike" as soon as their CEO appeared on stage. It may have been in jest, but the point was well made in public.

Imagine in your next town hall, a large set of your employees sloganeering to have one of your managers removed for firing their most popular colleague or demanding work from home? Do you think things can come to that with Gen Z employees?

FAST-FORWARD

I turned to LinkedIn to see which sectors have the largest Gen Z cohort. No surprises there... it's the tech sector, which has hired one million freshers in the last five years. Today, Gen Z constitutes one-fifth of the Indian tech sector workforce. In other major sectors the share is in single digits. Meanwhile, data shows that the Gen Z segment has an attrition of about 24 per cent within the IT sector, where the average attrition is only about 12 per cent? However, this churn may be attributed to the nature of the industry, rather than Gen Z, especially when global capability centres are adding one lakh-plus new jobs each year.

GEN Z HACK

How about the entrepreneurial side of Gen Z? Should we take some learnings from the unicorns founded by Gen Z? In the last two years, of the 338 new unicorns in the world, 33 were founded by Gen Z, including Zepto in India. When Gen Z leads, will it be able to empathise better with the needs of people from the same generation?

Meanwhile, what percentage of your organisation is Gen Z, and are your policies or practices aligned with them? If the energy, popularity, and effectiveness demonstrated on the streets over the last few weeks are an indicator, then it may be prudent to have Gen Z participate in crucial organisational decision-making to prevent effort recession or episodes like the great resignation. I think enterprises and HR clearly know what Gen Z want. The struggle is to meaningfully frame them in policies and practices, and align them with the organisation's context.

Kamal Karanth is the co-founder of Xpheno, a specialist staffing company

OFFICE BUZZ

Cubicle chronicles

Workplaces have provided brilliant inspiration for sitcoms. Take the British television series *The Office*, which spawned several successful international adaptations as well, including one in India. Now here comes India's first theatre-led workplace storytelling IP, launched by Onsurity, an employee healthcare and benefits company. The inaugural edition of *Office Drama*, staged in Bengaluru in July, brought together nine original plays inspired by modern workplace experiences. The audience of over 300 comprised founders, HR leaders, CXOs, creators and mediapersons. Judged by actors Chandan Roy and Rajeev Mehta, the platform marked the coming together of India's startup ecosystem and independent theatre community. Through this initiative, Onsurity aims to build one of India's most distinctive cultural platforms exploring the future of work. The 9-5 grind sure has its fair share of daily drama, so there should be no shortage of scripts.

NEWS SNIPPETS.

Move to extend ISTS waiver

The Central Electricity Regulatory Commission (CERC) has proposed to extend the 25-year waiver of inter-State transmission charges (ISTS) for energy storage systems that are a part of renewable energy plants. This aligns the wavier with the life of the RE project, as opposed to only the battery's life.

In a draft fifth amendment to the CERC Sharing of Inter-State Transmission Charges and Losses Regulations, 2026, the commission said that where storage forms part of a single renewable energy generation plant, the waiver will be available from the plant's commercial operation date. The draft has been put up for public comments.

Another proposal is to allow RE purchased through the Green Day-ahead market (G-DAM) from energy exchanges to meet the requirement that at least 51 per cent of an energy storage system should come from wind or solar sources. However, the energy exchange should certify the RE mix.

The amendment also provides relief to renewable projects delayed due to non-readiness of transmission infrastructure, allowing them to retain applicable ISTS waivers if they meet specified conditions, including achieving commercial operation within two months of transmission readiness.

For pumped storage projects (PSPs) serving multiple buyers, the commission proposes assessing the 51 per cent renewable charging criterion contract-wise, preventing one non-compliant contract from disqualifying the entire project from ISTS waivers.

The proposal also introduces provisions relating to transmission deviation calculations.

NIRL bags solar project

IPO-bound NLC India Renewables Ltd (NIRL), a wholly owned subsidiary of NLC India Ltd, has received a letter of intent from Gujarat Urja Vikas Nigam Ltd (GUVNL) for setting up a 900 MW solar power project.

The project has been awarded through a tariff-based competitive bidding process, with the power generated to be procured by GUVNL, according to a press release from NLC India.

"This latest addition not only builds on NIRL's renewable energy portfolio, but also reinforces its commitment to becoming a 10+ GW renewable energy company by 2030," the release says.

◉ **COMMERCIAL CHASM**

Time to R&D a way out of solar imports

RAY OF HOPE. Solar manufacturing offers a huge scope for process improvements and the development of new-generation cells

M Ramesh

Despite three major policy supports — protection from imports in the form of customs duties; incentives for manufacturing; and demand creation for locally produced goods in the form of 'approved list of models and manufacturers' (ALMM) — India continues to be dependent on China for solar manufacture.

In 2025-26, when the ALMM-I — which mandated the use of India-made modules for government and government-supported solar plants — was operational, the import of cells for making those modules increased 37 per cent ($1.86 billion).

Since June, ALMM-II is in force, mandating locally produced cells for government and government-aided solar plants; Indian manufacturers have to go a step deeper into the value chain and import wafers to make the cells.

In addition, they have to import the machinery, almost entirely Chinese, which is the cheapest.

Come ALMM-III in June 2028, when even wafers and ingots need to be produced locally for at least half of the country's installations, Indian manufacturers would again have to approach China for the machinery and the basic raw material polysilicon.

So, is the Indian solar manufacturing industry doomed to be in the vice grip of China? Chinese suppliers have the triple advantage of scale, heavy (and often hidden) subsidies, and the ability to absorb losses (in 2024, the Chinese solar manufacturing industry recorded loss of $60 billion; in the last quarter, leading Chinese companies like JinkoSolar, Trina Solar and Longi Green reported big losses).

Clearly, it is near impossible to beat (or even meet) the Chinese on cost. However, there is a way out. India can (and should) research its way out of the Chinese bear hug.

IN THE SHADOW. Amid soaring demand, the indigenous solar manufacturing ecosystem is hampered by critical gaps

Solar manufacturing offers an incredibly large scope for R&D, both in process improvements and the development of new-generation solar cells — namely evolutionary R&D and revolutionary R&D.

Under the former, there are numerous potential areas of research. Here is an indicative list: silver paste reduction, use of copper instead of silver (called copper metallisation), ultra-thin wafers, kerfless wafer manufacturing (which cuts a couple of steps in the process), advanced texturing (to better capture light) and glass-glass modules.

Likewise, under 'revolutionary R&D', one may count perovskite cells, perovskite-silicon tandem cells, perovskite-perovskite tandem cells, and thin-film cells (other than the dominant cadmium-telluride chemistry), among others.

Even beyond perovskites, which are the Gen Z of solar, there are emerging areas like antimony chalcogenides and kesterites. These are earth-abundant materials, whose efficiencies are low today but... who knows... with research they can become a major competitor to silicon. These are the areas where India can potentially leapfrog China.

R&D SPEND

According to the R&D portal of the Ministry of New and Renewable Energy, ₹111 crore was invested towards research in renewable energy — not just solar — since 2017. That is roughly ₹10 crore a year.

However, that may not mean only that much was spent. The portal lists five key ongoing projects. The estimated cost of these projects, spread over 3-5 years, is ₹187.56 crore.

Again, more projects are possibly funded under the government's Anusandhan National Research Foundation (ANRF) scheme. The Technology Development Board, which receives support from ANRF, has approved 22 projects worth ₹4,744 crore, some of which could be solar-related. And the private sector does its own funding, although it is truly not much. Whether this level of funding is enough is a matter of perception but, clearly, solar manufacturing in India can benefit a lot from increased R&D spends.

Where can the money come from?

Back-of-the-envelope calculation shows that at 20-plus per cent customs duty on imported cells, the government could be earning around ₹7,000 crore in the current year.

Customs duties, as is known, are meant for revenue-raising; they are instruments of protection for the domestic industry.

The government could earmark, say, a third of the revenue from the duties on imported solar products to fund basic solar research — ₹1,500–2,000 crore annually.

Why should the government spend?

Fundamental research in photovoltaic materials and manufacturing processes — typically up to technology readiness level (TRL) 3 or 4 — is a classic public good. At this stage, the technologies are too immature and commercial risks too high for individual companies to invest at scale.

Once a technology has been demonstrated, however, industry is better placed to take it through pilot production, scale-up and commercialisation. Public funding, therefore, should focus on bridging the early stages of innovation, leaving the market to take over once commercial viability is in sight. The government is not subsidising the industry — it is subsidising knowledge-gathering.

There is some smart research on in India. For example, Prof. Dinesh Kabra of IIT-Bombay has developed a perovskite tandem cell whose efficiency approaches an incredible 30 per cent. Such technologies dazzle in labs, but face challenges when scaling up to commercial levels; most fall and die in the 'valley of death' — a chasm between laboratory proof-of-concept and commercial-scale manufacturing, which R&D can help bridge.

The long and the short of decarbonising Tata Steel

Steel giant invests in breakthrough processes for long-term clean transition, alongside the use of eco-friendly stop-gap substitutions

EMISSION WATCH. Tata Steel factory in IJmuiden, The Netherlands ISTOCK

M Ramesh

Tata Steel is pursuing a two-speed strategy to decarbonise its steel-making operations — investing heavily in breakthrough technologies that could transform iron making in the medium term, while simultaneously deploying more immediate measures such as the use of scrap, biochar and renewable energy to reduce emissions from its existing operations.

The company plans to invest about ₹7,000 crore in two next-generation iron-making technologies — EASyMelt and HIsarna.

EASyMelt, developed by Tata Steel, seeks to dramatically halve the use of coke in blast furnaces by employing the reducing gases from the company's own coke oven gas. The technology requires only modifications to existing blast furnaces, rather than new facilities.

HIsarna, on the other hand, was developed in Europe, with Tata Steel as a key partner. It combines cyclone smelting with a smelting reduction vessel, allowing iron ore to be directly converted into molten iron without first producing coke or sinter. The process can lead to significantly lower carbon emissions compared with conventional blast furnace iron-making.

These technologies represent Tata Steel's long-term decarbonisation pathway and will take several years to reach commercial scale. In the meantime, the company is focusing on measures that can be implemented immediately. One of these involves increasing the use of steel scrap.

The company is close to commissioning a steel plant in Ludhiana with capacity to produce 0.8 million tonnes per annum using an electric arc furnace (EAF). Unlike blast furnaces, an EAF primarily melts scrap steel, substantially lowering carbon emissions, particularly when powered by renewable electricity. Tata Steel plans to establish two more EAF plants — one each in Maharashtra and Tamil Nadu.

Although scrap-based steel making is more expensive than conventional production, it remains commercially viable, company officials said.

The more intriguing initiative, however, involves replacing a portion of the pulverised coal injected into blast furnaces with biochar produced from agricultural residues and bamboo.

Tata Steel aims to substitute 5 per cent of its pulverised coal injection with biochar over the next four to five years, eventually targeting the technical limit of around 10 per cent.

NEW BUSINESS

Biochar currently costs considerably more than the coal it replaces, making the transition expensive. Yet, Tata Steel intends to proceed.

"We are still injecting because that's the right thing to do," Rajiv Mangal, Vice-President, Health, Safety and Sustainability, Tata Steel, told *businessline*. "If there is no demand, no supply will come." The company believes its commitment could catalyse an entirely new domestic biochar industry. Tata Steel plans to work with suppliers to establish dedicated biochar manufacturing units near its steel plants, with long-term purchase commitments to give entrepreneurs the confidence to invest in production capacity.

This, in turn, could create a new market for converting agricultural waste and bamboo into industrial fuel, providing farmers and rural enterprises an additional source of income while supporting the steel industry's decarbonisation efforts.

"When I talk to industry, when I talk to chambers of commerce, I tell them that you should look at this as an opportunity," Mangal said.

Renewable energy forms the third pillar of Tata Steel's near-term strategy. The company plans to procure more green electricity, with a significant share expected from sister company Tata Power. At the same time, its integrated steel plants already generate a substantial portion of their electricity requirement from the by-product gases.

For Tata Steel, the message is clear. While breakthrough technologies such as EASyMelt and HIsarna promise to reshape steel making over the next decade, the company is unwilling to wait for them to reduce emissions. Instead, it is pursuing every practical lever available today — even when they come with a higher price tag.

DATA BANK.

Credit cards: Customer acquisition outpaces utilisation growth

CARE Ratings estimates credit card spend in July 2026 at ₹2.11-2.16 lakh crore, supported by a sustained growth in the number of cardholders, continued adoption of digital payment, and resilient consumer spending across both online and offline channels.

The credit rating agency noted that credit card spending remained resilient in June, with monthly spends broadly holding above the ₹2-lakh-crore mark (up 10 per cent year-on-year to ₹2.02 lakh crore) despite a marginal decline from ₹2.03 lakh crore in May.

The y-o-y improvement in the headline growth rate largely reflects a favourable base effect. Despite the stronger y-o-y growth from the previous month, spending remained broadly stable on an absolute basis

The industry also continued to add customers at a healthy pace, with the outstanding card base crossing 12 crore cards, according to the report by Saurabh Bhalerao, Director – BFSI Research, and Aviral Raghuwanshi, Analyst – BFSI Research, CARE Ratings.

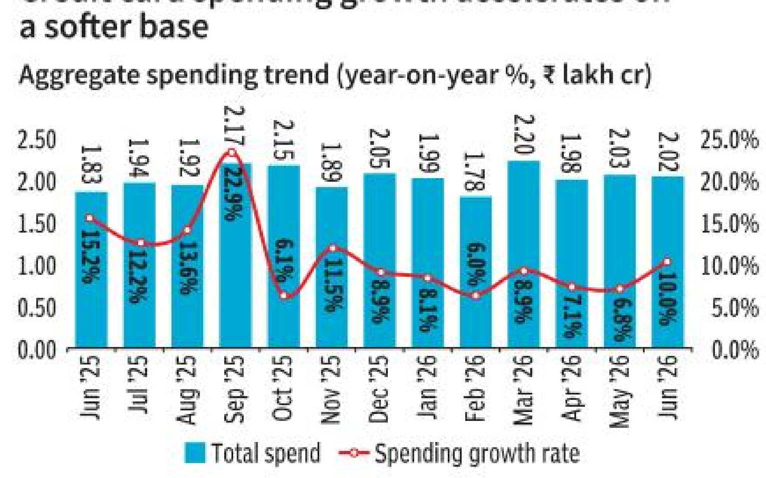
Per-card spend moderates

Per-card spending moderated to ₹16,590 in June 2026, declining 1.6 per cent month-on-month while registering a marginal y-o-y growth of 0.6 per cent.

"The outstanding card base continued to expand, diluting average utilisation. This indicates that while issuers continue to expand their card portfolios, incremental card additions are yet to translate into proportionately higher spending, indicating that customer acquisition is currently outpacing growth in card utilisation," the report said.

Credit card spending growth accelerates on a softer base

Aggregate spending trend (year-on-year %, ₹ lakh cr)



Number of credit cards outstanding increase year-on-year and month-on-month (in crore)

Source: RBI, CMIE, CareEdge

CHANGE MANAGEMENT

L&T Finance's delivery 'Lakshya'

10-YEAR ROADMAP. NBFC targets taking a diversified range of retail financial services to urban and rural customers

K Ram Kumar
Mahesh Ravidas Nayak

L&T Finance expects to complete its transformation into a diversified retail financial services company by 2031, with a strong presence across both urban and rural India.

In an interaction with *businessline*, Sudipta Roy, Managing Director and Chief Executive Officer, said the non-banking financial company's loan book is likely to grow 2.3 times to about ₹3 lakh crore. He opined that a digital banking licence would be an interesting opportunity.

Edited excerpts:

LENDING STRENGTH. Sudipta Roy, MD and CEO, L&T Finance

What is your 'Lakshya 2031' strategy and how does it build on your previous strategy?

Lakshya ('goal' in Hindi) is L&T Group's five-year strategic planning framework, with each business having its own roadmap.

L&T Finance became a part of this process in 2021. The first phase, Lakshya 2021-26, focused on transformation — moving from a wholesale-heavy NBFC to a predominantly retail-focused lender.

Lakshya 2026-31 is about delivery. Over the 10-year journey from 2021 to 2031, we expect to complete our transformation into a diversified retail financial services company. Our loan book, currently around ₹1.3 lakh crore, is targeted to grow to about ₹3 lakh crore by 2031, implying a compound annual growth rate (CAGR) of around 20 per cent.

What are the financial targets under Lakshya 2031?

We have four key targets: Achieve over 20 per cent annual loan growth; keep credit costs below 2 per cent; maintain return on assets (RoA) between 3 per cent and 3.2 per cent; and deliver return on equity (RoE) of 16-18 per cent.

How do you see L&T Finance evolving by 2031?

By 2031, we see ourselves as a highly digital, diversified retail financial services company with a strong presence across both urban and rural India. Unlike many NBFCs that are either rural- or urban-focused, we have a balanced portfolio. Today, our assets are split — roughly 61 per cent urban and 39 per cent rural.

We believe India's next major growth phase will be driven by both urban and rural markets, with rural India potentially growing faster in percentage terms. Our balanced franchise positions us well to benefit from this trend.

How will your loan portfolio evolve?

Our broad product mix will remain largely intact, but there will be changes within individual segments.

We are targeting a secured-to-unsecured loan mix of 60:40 from the current 56:44. Gold loans will be one of our fastest-growing businesses. We expect the gold loan portfolio to expand from about ₹3,000 crore today to nearly ₹40,000 crore by 2031.

Rural business finance will continue growing at around 20 per cent annually, doubling to roughly ₹60,000 crore. Personal loans are also expected to grow significantly, potentially tripling over the period.

Businesses such as tractors and two-wheelers will largely grow in line with industry growth rates. We are also scaling up newer products such as micro loan against property and rural business loans, leveraging our long-standing relationships with microfinance customers.

What role will branch expansion play in this strategy?

Branch expansion is a key growth driver, particularly for gold loans. We plan to open around 500 new branches during FY27 and expect to have around 2,000 branches by FY29.

These will increasingly become 'Sampoorna' branches, meaning they will offer at least three core products, including SME loans, personal loans and home loans or loan against property, in addition to gold loans wherever applicable. The objective is to make each branch a comprehensive retail financial services outlet.

Has the West Asia conflict affected your MSME portfolio?

Our SME business focuses on relatively small-ticket loans, typically up to ₹1 crore, unlike banks that cater to larger borrowers. While we did observe some stress in export-oriented clusters such as the Basmati belt in Uttar Pradesh, Morbi's tile industry and certain fisheries and export hubs, these were localised. We tightened our underwriting early and have not seen any material spillover into the overall portfolio.

What is your outlook on interest rates and funding costs?

Assuming there are no major geopolitical disruptions, we do not expect interest rates to rise further this financial year. Inflation appears manageable, although developments in West Asia remain a risk. We also maintained higher liquidity during the quarter, as a precautionary measure. Average liquidity increased from ₹8,000-9,000 crore in the previous quarter to around ₹13,000 crore. We prefer carrying excess liquidity rather than being caught short during periods of market stress.

How do you view the RBI's scale-based regulation framework for upper-layer NBFCs?

The RBI is justified in regulating upper-layer NBFCs almost like banks, because of their systemic importance. At our current balance sheet size of around ₹1.3 lakh crore, we are larger than several small finance banks.

We are a large microfinance lender, and any irresponsible behaviour could create systemic risks within the lending segments we operate in. The scale-based regulation framework reflects this reality. From a governance and supervisory perspective, there is virtually no difference between how an upper-layer NBFC and a bank are regulated.

Would L&T Finance like to become a bank?

At present, no. Apart from regulatory constraints on large corporate groups becoming banks, the economics have changed. Banks today face an intense battle for deposits as consumers have more investment alternatives and hold lower balances in bank deposits.

As an NBFC, we can access market borrowings without being constrained by deposit mobilisation. Being an AAA-rated entity, we enjoy competitive funding costs — in fact, our weighted average borrowing cost is even lower than that of some leading NBFC peers.

Would you consider a digital banking licence, if available?

Yes, provided two conditions are met. First, the framework must permit professionally managed conglomerates to participate. Second, it should be a truly digital banking model without the burden of an extensive branch network. Global digital banks such as Nubank, Kakao Bank and Revolut demonstrate that such a model can work. A digital banking licence would be an interesting opportunity.

You reported your highest-ever quarterly net profit, but net interest margins (NIMs) came under pressure. How do you see profitability evolving?

We don't look at NIMs in isolation. We focus on NIMs-plus-fee income, and our guidance is to maintain the combined metric in the 10-10.5 per cent range.

During the latest quarter, NIMs compressed because funding costs increased marginally and balance sheet growth led to some dilution. However, fee income improved by around 20 basis points, offsetting the decline.

As a result, NIMs plus fees remained stable at around 10.47 per cent. Going forward, we're working on increasing yields through high-yield products such as gold loans, micro loan against property, two-wheeler finance and SME lending.

Are you looking at acquisitions to accelerate growth?

Inorganic growth is not our primary strategy, but we remain open to opportunities that satisfy three conditions: easily integrable size; filling an important capability gap; and attractive valuation. That was the rationale behind our acquisition in the gold loan business.

Weak rupee: Import dependence of exports is a soft spot

Any export competitiveness accruing from a steadily depreciating rupee may be eroded by the rising cost of imports, especially raw materials and intermediate goods

RAHUL MAZUMDAR
SREJITA NANDY

The Indian economy is encountering mounting challenges amid heightening external pressures. Despite its consumption-led nature, weakening merchandise exports due to the additional US tariffs imposed since April 2025 and the ongoing West Asia conflict have further aggravated the outlook for inflation and growth.

The rupee has remained under pressure against the dollar, steadily depreciating by 9 per cent from around ₹87.5 per dollar in end-July 2025 to about ₹95.4 by end-July 2026.

It is worth noting that the rupee was already on a weakening trajectory even before the tensions in West Asia intensified in late February. Between April 2025 and February 2026, the rupee depreciated by over 6 per cent — from ₹85.6 to ₹90.7 per dollar. This decline was primarily driven by the imposition of additional US tariffs of up to 50 per cent since August 2025, sustained foreign portfolio outflows, and a narrowing of interest rate differentials. However, even with the reduced additional tariffs of 10 per cent since February this year, India's external sector continues to navigate an uncertain global trade environment.

The outbreak of the West Asia conflict further intensified these pressures by pushing up crude oil prices and increasing the safe-haven demand for the dollar. This led to net portfolio outflows of $13.1 billion in March alone, largely from the equity segment. Cumulative portfolio outflows stood at $17.8 billion in 2025-26, as global investors become increasingly selective towards emerging market economies. With the prolonged West Asia conflict, except for a fragile peace agreement leading to a temporary reopening of the Strait of Hormuz in June, FPIs continued to record net outflows of $5.5 billion from April till July 20.

The weakening of the rupee is also evident in the 'real effective exchange rate' (REER), a trade-weighted measure of bilateral nominal exchange rates adjusted for inflation, which fell by around 9 per cent in March, 10.6 per cent in April and 11.7 per cent in May. This decline placed the rupee among the weakest-performing major global currencies consecutively for the three months, second only to the Japanese yen.

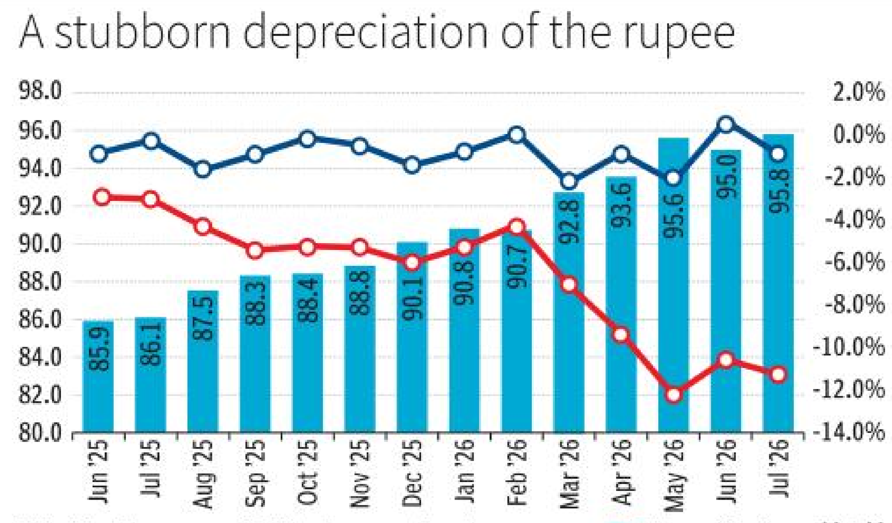
On a year-on-year basis, the rate of depreciation of the rupee in real effective terms moderated to 8.3 per cent, aided by softer crude oil prices and improved foreign capital inflows following policy measures undertaken by the Reserve Bank of India (RBI) and the government.

In contrast, several emerging market peers, including Brazil (9 per cent), Mexico (9.8 per cent) and South Africa (10.3 per cent), recorded sharp REER appreciation, while key trading partners such as China (7 per cent) and Malaysia (4.8 per cent) also saw their REER strengthening.

The decline was moderate even in economies that experienced REER depreciation, including the US (-0.2 per cent), UAE (-0.6 per cent), and the Euro area (-1.2 per cent).

While the rupee's sharper REER depreciation ideally improves export competitiveness, the gains may remain constrained by rising import costs, particularly for raw materials and intermediate goods, which could add to inflationary pressures if the trend persists.

A stubborn depreciation of the rupee



Note: Monthly average of ₹/$ has been considered

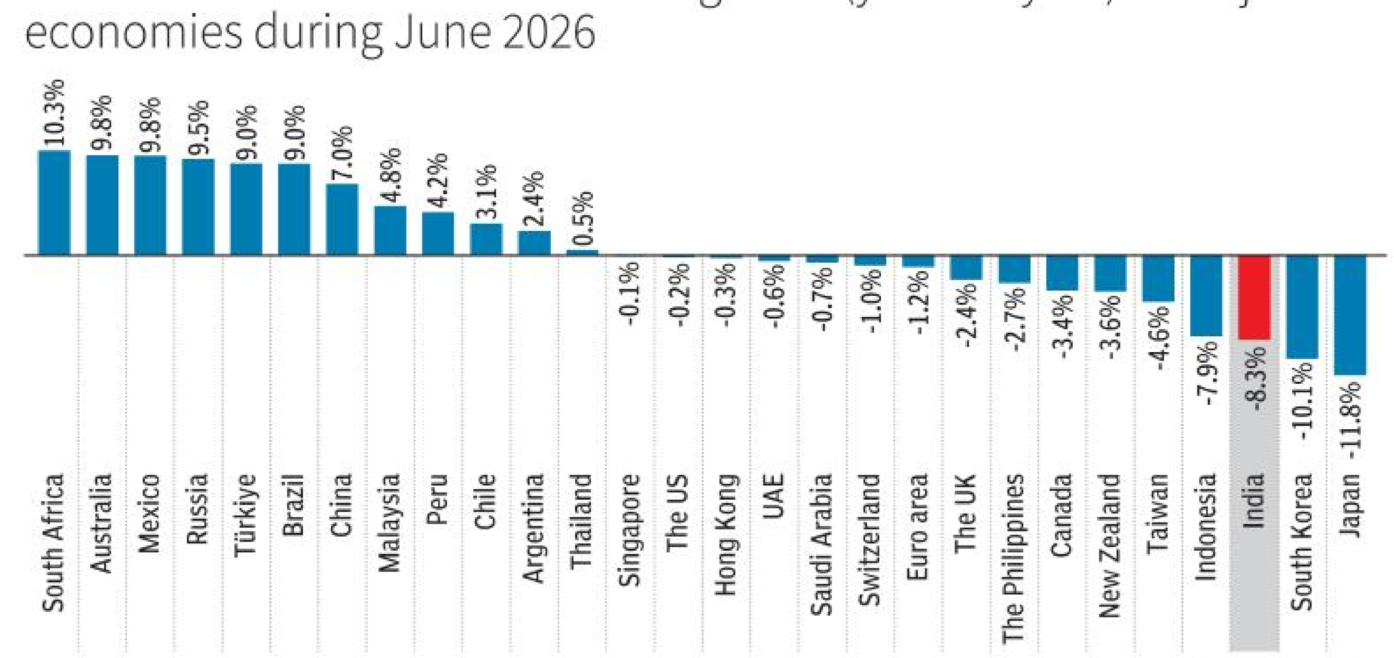
Source: RBI; independent calculation

Import dependency weighs on exports (FY26)

Major exports	Export... ($ billion)	...has key dependency on	Import ($ billion)
Petroleum products	53.8	Crude	134.7
Gems and jewellery	28.2	Gold	72
Electronics	48.0	Components	44.2
Pharmaceuticals	29.7	API (bulk drugs, intermediates)	4.5

Source: DGCI&S; independent calculation

Movement of real effective exchange rate (year-on-year) in major economies during June 2026



Source: BIS; independent calculation

IMPORT BURDEN

The rupee's sustained fall has a gripping impact on India's goods, which will have a spillover effect on inflation, thereby impacting the repo rate. In fact, this is largely because of the deep structural vulnerabilities that the country faces.

Despite emerging as a leading hub for smartphone assembly, the country continues to be critically dependent on imported electronic components — a weakness clearly reflected in the widening trade deficit in this segment. Key industries such as pharmaceuticals, chemicals, and machinery remain heavily reliant on imported intermediates and essential raw materials like API and solvents, organic chemicals, critical minerals, and so on.

A closer look at the composition of the deficit reveals the structural challenges, wherein 36 per cent of India's exports are dependent on imports; hence the sustained rupee fall has ramifications on CAD.

As the rupee weakens, the cost of imports escalates, amplifying input costs and eroding competitiveness across sectors, thereby exposing the fragile foundations of India's manufacturing growth story.

The underlying reason is the divergence between export and import growth — while exports grew marginally by 0.2 per cent in 2024–25 and 0.9 per cent in 2025–26, imports expanded much faster at 6.2 per cent and 7.7 per cent, respectively.

India's merchandise exports posted a strong 16.1 per cent year-on-year growth in the first quarter of FY27 (April-June) reaching $129.5 billion, supported by robust performance across major export categories. Petroleum product exports surged by 36.6 per cent year-on-year; electronics goods, including smartphones, recorded a growth of 22.6 per cent; and engineering goods expanded by 18.1 per cent.

Yet, this momentum on the export front has not been sufficient to offset the broader imbalance in India's external trade. Despite a sustained depreciation of the rupee by around 6 per cent over the past two years, typically expected to support export competitiveness, India's merchandise trade deficit has continued to widen, reaching $333.6 billion in 2025–26. The trade deficit widened further to $86.9 billion in the first quarter of 2026-27 (April-June), from $68.7 billion a year earlier, as imports grew 20 per cent year-on-year, outpacing export growth.

This currency weakness is now feeding into broader macroeconomic pressures, with essential imports — including crude oil, coal, and edible oils — becoming costlier, raising concerns about inflationary pressures in the economy.

WAY AHEAD

The weakness in the rupee has emerged as a key factor in the recent uptick in inflation. India's headline retail inflation accelerated to 4.38 per cent in June, its highest level in 18 months, eroding consumer purchasing power and shaping market expectations around the RBI's future monetary policy path.

Wholesale price inflation also inched up to 9.9 per cent in June from 9.7 per cent in May, signalling a continued pass-through of rising input costs to manufactured goods.

The effects of elevated energy prices and ongoing supply chain disruptions are becoming increasingly evident in inflation indicators, adding to concerns over the persistent price pressures in the economy.

Meanwhile, the US Federal Reserve's decision on July 29 to leave interest rates unchanged has reinforced expectations that the RBI may also opt to maintain the status quo at its upcoming Monetary Policy Committee (MPC) meeting in August. However, policymakers are likely to remain cautious amid lingering inflationary pressures, global uncertainties, and a still-muted domestic growth outlook.

Against this backdrop, the rupee appears to be trading in what cricket enthusiasts would call the "nervous nineties". While crossing the 100-mark once brought jubilation on the cricket field, most memorably through Rahul Dravid's iconic innings, a similar milestone for the Indian currency would be far less welcome, signalling significant depreciation and raising broader macroeconomic concerns.

The writers are economists with India Exim Bank. Views are personal

FUND FACTS.

$40 million

Veriqus Financial Services Private Limited received funding from Norwest Venture Partners on July 20, taking the total funding to $40 million.

$40 million

Acidaes Solutions Pvt Ltd received Series C funding from ServiceNow Ventures on July 23, taking the total funding to $57 million.

$40 million

Raghu Vamsi Aerospace Private Limited received Series B funding from Norwest Venture Partners, IndusBridge Ventures, GJNX Ventures, Ashish Kacholia, and SKEGEN Fund on July 20, taking the total funding to $40 million.

$35 million

Momentum Private Limited received Series D funding from Info Edge Ventures, Sandeep Kapadia, Renu Sehgal Trust, LC Nueva Investment Partners, J&A Partners, Madhuri Madhusudan Kela, and SRK family office on July 27, taking the total funding to $72 million.

$31 million

India Gold Metaverse Private Limited received funding from Waaree family office, Ashish Kacholia, Jagdish Master family office, Ravi Sheth family office, and Anuj Sheth family office on July 27, taking the total funding to $63 million.

Source: PrivateCircle Research, a private market intelligence platform

FURRY LOGIC

From pet treats to treatment packages

PAWS MODE. Food and grooming drove the first wave of India's pet economy boom. Now preventive health and insurance are in focus

Aishwarya Kumar

For Lahari Basu, the transition from a pet owner to a pet parent happened with a ₹1.2-lakh hospital bill.

About 18 months ago, Cleo, her three-year-old Golden Retriever, developed a severe stomach ailment that required prolonged hospitalisation. The unexpected expense became a turning point. Soon after, Basu bought health insurance for both Cleo and Venus, her other retriever. Today, she pays an annual premium of about ₹1,650 for coverage up to ₹2 lakh, including hospitalisation, surgeries, OPD consultations, emergency care and vaccinations, along with discounted medicines and online veterinary consultations.

"It's better to be prepared than caught off-guard by a medical emergency," she says.

Pet owners increasingly treat their furry companions as family members, and this influences not just how much they spend on them, but also what they spend on.

The first wave of India's pet economy boom was driven by food, treats, grooming and accessories. The next is marked by preventive healthcare, diagnostics, insurance and wellness.

"Pet owners are becoming far more diligent, conscious and proactive," says Neha Singh, co-founder of private market data platform Tracxn.

ROUTINE CHECK. Pet services see rising demand for diagnostics that aren't emergency-led ISTOCK

PREVENTIVE CARE

Much like human healthcare, pet care is evolving from treating illness to preventing it.

"We're seeing it clearly in nutrition supplements, which are among our fastest-growing categories, and in diagnostic visits that aren't emergency-led. That awareness simply didn't exist five years ago," says Vineet Khanna, co-founder of Supertails, a Bengaluru-based pet-care startup running an online pet supply store and pharmacy, and offline veterinary clinics. Nearly 30 per cent of visits to the company's network of clinics is preventive in nature.

Zigly Pet Care is an omnichannel platform offering veterinary care, grooming services, and online and offline stores for pet products. It sees nearly 30 per cent of customers opting for diagnostic investigations beyond a routine consultation, while surgeries account for roughly 15 per cent of overall services.

These changes are prompting startups to build integrated pet healthcare ecosystems that combine consultations, diagnostics, pharmacies, clinics, wellness programmes and, eventually, insurance.

HOLISTIC CARE

Supertails currently operates over 12 clinics in Bengaluru and plans to add eight more by the year end. It reported revenue of ₹113.3 crore in FY25.

Vetic, a veterinary clinic chain, posted revenue of ₹66.6 crore during the year as it expands its footprint and focuses on preventive healthcare.

Pet-care companies are also experimenting with ways of monetising preventive care.

"The preference between pet insurance and subscription-based preventive care plans isn't really an either-or. Both will grow, but at different speeds and for different reasons," says Gaurav Ajmera, Founder and CEO of Vetic.

He foresees wellness subscriptions gaining more traction because they offer pet parents regular access to vaccinations, routine check-ups and other preventive care at a fixed cost. Insurance, on the other hand, will take longer to catch on with growing awareness.

Investors, too, view pet healthcare as a business model distinct from traditional pet commerce.

"Healthcare is no longer viewed as an emergency expense but a regular investment," says Dr Madhurita Gupta, Founder of Goa Angel Network and Partner at Beyond Seed, Dubai. It creates recurring customer relationships rather than one-time transactions, leading to more predictable revenue streams.

Indian pet-care startups have cumulatively raised around $340 million since 2019, according to Tracxn, with funding peaking at nearly $80 million in 2024. Diagnostics, however, account for less than one per cent of investor interest.

"Integrated healthcare platforms are generally better positioned to retain customers over longer periods than businesses focused solely on pet product commerce," says Singh.

GLOBAL PLAYBOOK

Globally, mature markets such as the US have built pet healthcare ecosystems around insurance, speciality hospitals and advanced diagnostics. India, Gupta believes, will follow a similar path.

"Global investors certainly see India as a promising long-term opportunity, but are waiting for the ecosystem to mature," she says. She expects the country's pet-care industry to leapfrog through affordable diagnostics, telemedicine, portable imaging and technology-led preventive care.

Insurance, too, is likely to evolve gradually.

"Awareness remains the biggest barrier," says Khanna. "Insurance — with excess clauses and claims — is still a learning curve." India's pet insurance market is currently estimated at $293 million and projected to approach $1 billion by 2033.

Ultimately, startups see pet healthcare becoming a lifetime relationship.

"Two things decide who owns that journey," says Khanna. "First, knowing your customer. Second, personalising care because every pet is different — its breed, age, weight, size and temperament."

STARTUPS: VAI-THEE-FUSS

Five lessons for startups from football World Cup

VAITHEESWARAN K

I landed in Seattle a day before the FIFA World Cup 2026 began. For the next 40 days, the city turned into a giant football stadium. National flags appeared everywhere, strangers speaking different languages vehemently debated offsides over free-flowing beer and communicated perfectly through groans and screams at public screenings in pubs, bars and waterfronts. Beneath the celebrations was a massive management operation startups can learn from.

Lesson #1 is to manage the complete customer journey. For a fan, the experience does not begin with kick-off. It starts while buying the ticket and includes transport, hotels, signage, security, seating, food, water, toilets and the journey home. A gripping match can still leave a negative memory if everything surrounding it is painful — a key reason I have stopped watching cricket at Indian grounds. Startups relentlessly focus on the product but sometimes ignore onboarding, billing, support, cancellation and refunds. Customers do not experience departments. They experience the full company.

MORE, MERRIER. Public screenings expand the stadium experience REUTERS

Lesson #2 is to communicate early. Large crowds can become restless and difficult when people do not know where to go. Clear signs in multiple languages, timely announcements at public transportation hubs, and volunteers carrying helpful signs prevent uncertainty from becoming chaos. Businesses frequently communicate only after something has gone wrong. By then, the customer is angry, the support team is apologising and the social media posts have driven away hundreds of new wary customers. Good communication is about providing it before someone needs to ask for it.

Lesson #3 is to empower frontline employees. At large events, a central control room cannot solve every problem. Success depends on security personnel, transport workers and volunteers making quick decisions on the ground. Similarly, the employee speaking to the customer must have enough authority to resolve a problem. "I will check with my supervisor" may be organisationally correct, but it is not reassuring.

Lesson #4 is to distribute demand. Not everyone can enter the stadium because of limited capacity and affordability. Yet, public screenings, waterfront events, fan zones, bars and restaurants allowed several thousands more to participate and be part of the football carnival. Basically, the organisers expanded the experience without expanding the stadium. Startups facing capacity constraints should ask a similar question: Can demand be redirected across time slots, channels, locations or service levels? Sometimes the answer to congestion is not more capacity but improved distribution.

Lesson #5. And finally, always have a contingency plan. During the final, at a large public screening bursting with raucous fans, an Argentine supporter sitting beside us wore a Messi jersey and spent two hours screaming advice at Argentina and abusing Spain. After Spain won, he quietly pulled a Yamal jersey from his bag, changed shirts and enthusiastically joined the celebrating Spanish fans. We were flabbergasted. This "die-hard" Argentina supporter had carried a complete post-match contingency kit.

Managers must be more loyal than him but they can learn from his preparedness. Markets change, competitors surprise you, and even the best made plans can come unstuck. So, have conviction in your strategy, but always keep a Plan B in the bag.

The writer is a serial entrepreneur and best-selling author of the book 'Failing to Succeed'; posts on X @vaitheek

Farmhand with AI-powered deweeding skill

Robot with precision spraying technology travels from Bengaluru to the US market

Jyoti Banthia

Bengaluru-based Niqo Robotics is taking its agri robotics technology beyond India — after commercialising its flagship AI-powered RoboWeeder in the US, it recently ventured into Australia.

Founded in 2015 by Jaisimha Rao, Niqo Robotics began by solving a fundamental challenge in robotics — enabling machines to understand unstructured physical environments and take precise action in real time. Agriculture emerged as one of the toughest use cases because of the variations in crop conditions, weather, lighting and terrain, says Rao.

The company uses computer vision, edge AI and robotics to identify weeds for selective application of herbicides, instead of blanket spraying an entire field. Mounted on tractors, the RoboWeeder captures plant imagery through AI-enabled cameras, processes the information onboard, and classifies crops and weeds in real time before carrying out the targeted spraying.

This reduces herbicide usage, lowers input costs, improves weed control and reduces dependence on manual labour, while protecting crop yields, Rao says.

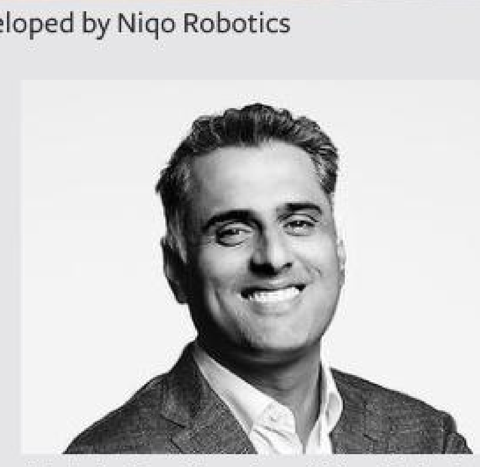
FIELD VISION. The RoboWeeder developed by Niqo Robotics

The startup next plans to take the RoboWeeder to Europe and other mechanised agricultural markets. "We are building towards profitability in the near future," Rao says.

In focus are cultivators of speciality crops, for whom labour shortage and rising operating costs have accelerated the adoption of precision agriculture technologies.

Rao describes the US as an attractive commercial market because the growers there increasingly evaluate technologies based on the measurable productivity gains and return on investment.

"The two markets (India and the US) have played complementary roles. India supported product development and real-world learning, while the US provided an adoption-ready market for successful commercialisation. These learnings are now supporting our expansion into Australia and other international markets," Rao says.



Jaisimha Rao, founder of Niqo Robotics

FULL-STACK ADVANTAGE

While hardware sales dominate the startup's revenue, its AI capabilities are embedded into the equipment rather than sold as separate software subscriptions. Depending on the geography, Niqo sells directly to growers or through agricultural equipment dealers. It is also developing multiple variants of the RoboWeeder for varied farm sizes and operating conditions.

Rao says Niqo's competitive advantage lies in its full-stack 'physical AI' platform, which combines proprietary cameras, lighting systems, machine vision, edge computing, crop-specific AI models and precision actuation into a single commercial product.

"We have accumulated several years of plant data with a high degree of variability. As more commercial units operate across more acres, they generate additional field data to enhance the system's performance," he explains.

Manufacturing specialised hardware calls for sustained investment in creating a resilient supply chain and hiring talent that understands both software and physical systems, he observes.

"Any fresh capital would primarily support taking our proven commercial product into new geographies and scaling up Niqo as a global physical AI company originating from India," he says.

IRDAI mandates approval at every key ownership threshold as sector opens up

BALANCING ACT. Revised regulations to attract more investments, safeguard policyholders

Shishir Sinha
New Delhi

The Insurance Regulatory and Development Authority of India (IRDAI) has tightened rules governing ownership changes in insurance companies, moving to a regime of continuous regulatory oversight as the sector prepares for higher investor interest and greater consolidation.

The revised Insurance Regulatory and Development Authority of India (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) (Amendment) Regulations, 2026, notified on July 30, introduces mandatory regulatory approval at every significant ownership milestone and, for the first time, lays down a comprehensive framework for amalgamations involving insurance companies and eligible holding companies.

The most significant change relates to prior approval for share transfers. While IRDAI's approval was earlier linked to an initial acquisition and subsequent vaguely defined incremental increases, the amended regulations prescribe clear ownership thresholds. Investors will now require the regulator's approval when their holding crosses 5 per cent, 10 per cent, 25 per cent, 50 per cent or 75 per cent or when they become the single largest shareholder in an insurance company.

NEW NORMS. The regulations also introduce a detailed framework governing amalgamations

"FIT AND PROPER"

The changes span seven broad areas, including registration of insurers, promoter and investor eligibility, capital structure, transfer of shares, mergers and amalgamations, corporate restructuring and "fit and proper" requirements for investors and promoters.

The stricter approval framework comes alongside a strengthened "fit and proper" regime under which investors are evaluated on their financial strength, ability to infuse future capital, regulatory track record, source of funds, beneficial ownership and governance impact.

Together, the measures are intended to ensure that as more domestic and foreign capital flows into the sector, changes in ownership remain subject to close regulatory scrutiny.

"Even transfers within a group require approval, and IRDAI can scrutinise structures designed to avoid the 5 per cent threshold through indirect holdings," said Ramkumar Subramanian, Partner (Financial Services Risk), Grant Thornton Bharat LLP.

The regulations also introduce a detailed framework governing amalgamations. A new provision allows amalgamation or transfer of non-insurance business with insurance business in specified circumstances.

The transferor must either be an insurer or a holding company owning more than 50 per cent of the insurer's paid-up equity capital, and such a holding company cannot undertake any business other than holding the insurer at the time of the application.

Significantly, the regulations prohibit the use of policyholders' funds to meet liabilities, claims or obligations arising out of an amalgamation, reinforcing the ring-fencing of policyholder interests.

According to Chaitrali Kamat, Tax Partner at EY India, the framework for amalgamations involving eligible holding companies and the simplification of share-transfer approvals are expected to improve transaction efficiency and provide greater flexibility for investors while preserving adequate safeguards.

SIMPLIFY STRUCTURES

Mayank Arora, Associate Partner – Regulatory, Nangia Global, said the amendments would help simplify corporate structures by reducing duplicate compliance requirements and holding-company-related inefficiencies, making insurers better positioned for future public listings. He added that the regulations explicitly prevent insurers from using policyholders' funds to settle holding company debt, merger expenses or legacy liabilities. Consideration in such transactions will largely be through equity swaps, with cash permitted only for fractional entitlements, thereby preserving the insurer's solvency and capital buffers.

The amendments underscore IRDAI's attempt to balance two objectives, the first, making the insurance sector more attractive for investment and restructuring, and the second, tightening governance standards and safeguarding policyholders as ownership patterns evolve.

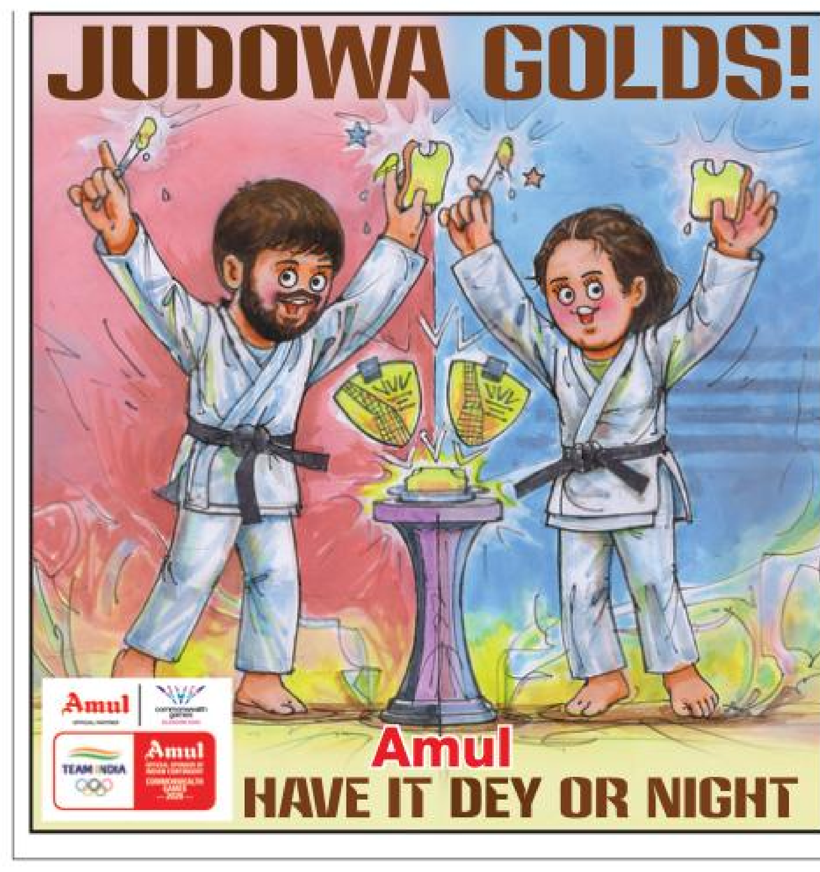
At $3 b, PE-VC investments in July soar 85% over June

Our Bureau
Chennai

Private Equity-Venture Capital (PE-VC) investments saw a sharp rebound in July 2026, rising to $3 billion across 94 deals, up 85 per cent from $1.63 billion across 95 deals in June, as per data from research firm Venture Intelligence.

On a year-on-year basis, however, investments declined 6 per cent from $3.2 billion across 114 deals in July 2025. Overall, PE-VC investments in the January-July period in 2026 stood at around $20.3 billion across 756 deals, as against $21.5 billion across 787 deals in the same period last year. In July, the value of mega deals (over $100 million) rose to $1.97 billion across eight deals, compared with $2.25 billion invested in seven such deals in the same month last year.

The largest investment in July was the $600 million renewable energy platform launched by global investment firm Brookfield. PE firm TPG, alongside co-investors GIC and ICICI Bank, acquired a 100 per cent stake in Aseem Infra Finance for $525 million, followed by Edelweiss PE securing two highways from the NHAI for $235 million.



TODAY'S PICK.

MRPL (₹169.90): BUY

Akhil Nallamuthu
bl. research bureau

The stock of MRPL (Mangalore Refinery and Petrochemicals Ltd.) formed a good base at ₹145. On the back of this, it has been appreciating since the first week of July.

A couple of weeks back, it breached a resistance at ₹170, which is the neckline of the double-bottom chart pattern, indicating a bullish trend reversal. Although the price dropped post the breakout, the overall bias is positive, and we expect the stock to see a fresh leg of rally from the current level. It can rise to ₹250 by the end of this year or early next year. So, buy now at ₹169 and accumulate if the price dips to ₹152. Place a stop-loss at ₹140. When the stock touches ₹195 and ₹225, alter the stop-loss to ₹175 and ₹210, respectively. Exit at ₹250.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

Muthoot is to gold loan what SBI is to banking, says George Alexander Muthoot

bl.interview

Mahesh Ravidas Nayak
Mumbai

George Alexander Muthoot, 71, says leadership is built over decades, not lending cycles. As banks, fintechs and NBFCs crowd into gold loans, the designate Executive Vice-Chairman explains why Muthoot's scale, trust and operational expertise continue to set it apart. , Muthoot says the real challenge in the business lies not in attracting customers, but in building processes that can withstand scale and time.
Edited excerpts:

Muthoot Finance has delivered strong growth in the first quarter. What's driving this momentum?

The biggest driver is demand. More people are increasingly comfortable using gold as a financial asset to access credit. The stigma is not there now. Earlier, pledging gold was often viewed as a last resort. That perception has changed dramatically over the years. Today, banks, NBFCs and other lenders actively offer gold loans. Customers see it as a practical and efficient financing option rather than a sign of financial distress. At the same time, availability of unsecured credit has become relatively tighter, with lenders being more cautious. This has further supported demand for gold-backed lending.

Has the correction in gold prices affected business growth?

Gold price correction is not really an issue. The peak was only for a few months and nobody lends at that rate. Today, our loan-to-value is only around 68 per cent. Those who borrowed earlier would have effectively taken only around 50 per cent at today's prices. Most borrowers do not want to maximise every rupee against their gold. People do not want to lose their gold. They see the loan as temporary financing and intend to redeem their jewellery. Only a limited set of customers come back for higher funding through revaluation.

> More people are increasingly comfortable using gold as a financial asset to access credit. The stigma is not there now.
>
> GEORGE ALEXANDER MUTHOOT
> Executive Vice-Chairman-designate

What are customers typically borrowing for?

For our customers, gold loans remain primarily a short-term financing product. Many customers use them to bridge temporary funding gaps. It could be a small business requiring working capital, a family completing the construction of a house, or expenses related to education and admissions. The product's strength lies in its speed and convenience. Customers can access funds quickly without going through lengthy approval processes.

Do you expect this growth trajectory to continue?

We definitely see good growth in this business. We are opening new branches and the AUM should keep growing. We always give conservative guidance. For many years we have maintained around 15 per cent guidance. April and May required adjustments because new regulations came and customers had to adapt to new products. But June was quite good and July is also very good. I see things doing better.

How have customers responded to the RBI's revised norms?

The regulations mainly require behavioural adjustments. Traditionally, many borrowers preferred bullet repayment structures where interest could be paid at the end of the loan tenure. Now, periodic interest servicing requirements have increased. Customers need to adapt to these structures, whether through quarterly or semi-annual payments. There is an education process involved, but we believe the market will adjust over time.

Competition in gold loans is intensifying. How do you view the influx of new players?

We have seen similar cycles before. Everybody gets attracted because it appears to be a risk-free business with reasonable yields. But this is a very process-oriented and process-intensive business. The real challenge lies in valuation, storage, audits, fraud prevention, auction management and operational controls. At scale, these become critical. Many new entrants underestimate the complexity involved. Starting is not the problem. Once scale comes, the difficulties begin. After some time, people realise the complications involved.

What gives Muthoot its edge in such a crowded market?

Leadership is built over decades. Like in banking, State Bank of India is still there, still the leader, despite new banks and small finance banks entering the market. We believe Muthoot occupies a similar position in gold loans because we helped create the market, built trust in the product and scaled it across the country. Gold loans were largely confined to Kerala and a few southern States when we started expanding nationally. We invested heavily in advertising and awareness to position it as a smart loan, not a desperate loan.

That effort helped bring gold loans into the mainstream and expand the market significantly. A similar rush of new entrants happened in 2013. I would like to see the same ambition and the same enthusiasm for gold loans after two years also.

SEBI's ban on Zee from securities market puts warrants issuance in limbo: inGovern

Vallari Sanzgiri
Mumbai

Proxy firm inGovern deemed Zee Entertainment's shareholder approval for warrants issuance to the promoter group as a "pyrrhic victory" after the market regulator banned promoters from the securities market.

Zee Entertainment Enterprises approved the issue of ₹3,143.5 crore worth of fully convertible warrants to promoter group entity Sunbright Mauritius Investments Ltd on a preferential basis. However, the Securities and Exchange Board of India (SEBI) barred Zee from accessing the securities market for two months and imposed a ₹1.48 crore fine. Further, promoters Subhash Chandra and Punit Goenka were banned from subscribing to or dealing in securities for one year over the unauthorised pledge of ZEEL's Hyderabad land to secure promoter-linked loans.

"Within a matter of less than an hour, the voting was turned hollow. It turned out to be a Pyrrhic victory for the promoters who sought to increase their shareholding without setting right the governance lapses of the company," said inGovern in its report that argued the warrant issue cannot proceed in its current form while SEBI's directions remain in force.

Arguing that the series of events underscore severe governance failures at Zee, inGovern asked minority shareholders to remain vigilant and demand greater transparency and accountability from the Board.

ZEE'S RESPONSE

Responding to the report, Zee told *businessline* that the SEBI order has no direct bearing on the fund-raising exercise and is seeking advise from legal experts on the same.

"Zee will further take all required steps to successfully complete the fund-raising exercise, which is aimed at strengthening its financial foundation, and will also continue to work towards creating value for its stakeholders. With regards to the allegations levied against Zee and its promoters, the required measures in accordance with the law will be taken, to protect the interest of all stakeholders," said a company spokesperson.