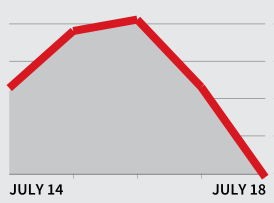
CHENNAI - MONDAY - JULY 21, 2025

₹10 • Pages 10 • Volume 32 • Number 201

www.businessline.in businessline thehindubusinessline

the hindu businessline.

SENSEX 81757.73 (-742.74)



IN FOCUS

	Week's close	Week's change
Nifty 50	24968.40	-181.45
P/E Ratio (Sensex)	23.41	-0.21
US Dollar (in ₹)	86.14	+0.34
Gold Std 10 gm (in ₹)	97850.00	+729
Silver 1 kg (in ₹)	112700.00	+2410

CURRENT ACCOUNT. **BHIM 3.0 was built** after user research to enhance experience and reliability, says Lalitha Nataraj, CEO of NPCI BHIM Services **p9**

SPARK. **Sports-tech start-ups** revive play through matchmaking, bookings, coaching & community building **p8**

BENGALURU - CHENNAI - COIMBATORE - HUBBALLI - HYDERABAD - KOCHI - KOLKATA - MADURAI - MALAPPURAM - MANGALURU - MUMBAI - NOIDA - THIRUVANANTHAPURAM - TIRUCHIRAPALLI - VIJAYAWADA - VISAKHAPATNAM

Regd. TN/ARD/14/2012-2014, RNI No. 55320/94

MONDAY SPECIALS.

CLEANTECH

Climate agenda: Left high and dry

Escalating geopolitical turmoil is reshaping global priorities. Conflicts in Ukraine, West Asia and parts of Africa have deepened, while rising tensions between major powers are fuelling a new era of strategic competition. With the US exiting the Paris Agreement and passing domestic laws that deprioritise wind and solar power and electric vehicles, it is not progressing in the direction of building a clean and sustainable future. **p6**

CORPORATE FILE

Varun Berry's good days with Britannia

At Britannia's Bengaluru office, CEO Varun Berry shares the company's shift beyond biscuits into foods like shakes, cheese and croissants. With rural growth reviving, Berry stresses on innovation, premiumisation and people-centric leadership as key drivers of Britannia's evolving strategy and success. **p7**

Private banks see sharp rise in bad loans, provisions in Q1

LENDING WOES. Agriculture NPAs, unsecured small-ticket loans drive up slippages

Piyush Shukla
Mumbai

Large and mid-sized private banks reported a sharp hike in slippages or bad loans and provisions in Q1FY26, due to stress emanating from agriculture loans and unsecured small-ticket loans.

Axis Bank's fresh slippages or bad loans jumped 71 per cent sequentially to ₹8,200 crore in Q1FY26. Upgrades and recoveries declined to ₹2,147 crore in the reporting quarter from ₹2,790 crore in Q4FY24, while write-offs were lower sequentially at ₹2,778 crore. Loan loss provisions climbed to ₹3,900 crore in Q1FY26 from ₹1,369 crore last quarter.

AGRICULTURE DRAG

The lender said its "prudent application" of technical parameters for recognising slippages and consequent upgrades affected reported asset quality parameters. It said that "technical impact" is largely restricted to cash credit and overdraft products and one-time settled accounts.

Axis Bank MD and CEO Amitabh Chaudhry said that, apart from the technical change, if one compares the current quarter with the previous quarter, there is an unusual impact stemming from agriculture NPAs.

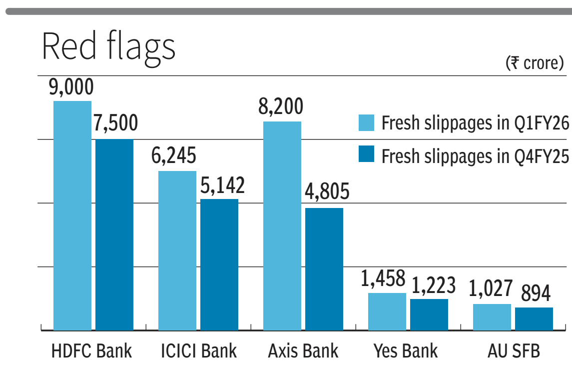
HDFC Bank's asset quality showed some deterioration, with fresh slippages increasing to ₹9,000 crore in Q1 from ₹7,500 crore last quarter.

The bank's CFO, Srinivasan Vaidyanathan, said slippages primarily originated from the agriculture sector, but did not elaborate on other loans that slipped into the non-performing assets (NPA) category.

Having made gains of ₹9,130 crore from the stake sale in HDB Financial Services's IPO, HDFC Bank said it is a prudent time to create floating provisions of ₹9,000 crore and additional contingent provisions of ₹1,700 crore in Q1. The lender, however, specified that these additional provisions are "not specific to any portfolio, nor meant for any specific anticipated risks, but act as a countercyclical buffer".

ICICI Bank, too, saw fresh slippages rising to ₹6,245 crore in Q1 from ₹5,142 crore in the last quarter. Retail and rural loans, including NPAs from the Kisan Credit Card portfolio, accounted for ₹5,193 crore of fresh slippages in Q1.

"Slippages in absolute amounts have risen in line with the higher loan book base. We are continuing to see slippages from the unsecured and microfinance segments. Management commentaries also point to a rise in slippage from the MSME and commercial vehicle segments. The slippage is normalising and likely to remain higher than we saw in the last few years," said Anil Gupta, senior V-P and Co-group head, ICRA.



Source: Banks

Banks turn circumspect on corporate credit

Banks have turned more circumspect on corporate credit, preferring to let go of existing, finely priced loans on maturity and not giving in to demands for fresh loans at softer rates from India Inc.

By doing so, they are trying to minimise the hit on their margins amid the soft interest rate cycle ushered in since February 2025 by the Reserve Bank of India's Monetary Policy Committee and ample liquidity in the banking system.

Read more on p3

Oppn to take up Pahalgam, Trump, Bihar poll roll in monsoon session

Our Bureau
New Delhi

Union Ministers JP Nadda and Kiren Rijiju, Ministers of State Arjun Ram Meghwal and L Murugan and others arriving for the all-party meeting, ahead of the monsoon session, on Sunday PTI

The government is geared up with a strong legislative business list, while the Opposition parties want to discuss contentious issues ranging from US President Donald Trump's ceasefire claims to electoral list revisions in Bihar, among others, during the monsoon session starting on Monday.

The session, which will continue till August 21, is expected to be stormy. This will be the first session following the terrorist attack in Pahalgam and the consequent launch of Operation Sindoor.

KEY BILLS

The government has listed a total of 12 Bills as part of the legislative business for the session. Apart from the eight Bills on deck, three more — The Indian Ports Bill, The Merchant Shipping Bill and The Readjustment of Representation of Scheduled Tribes in Assembly Constituencies of the State of Goa Bill — are listed for consideration and passage. The Income Tax Bill will be taken up after the Select Committee submits its report.

Ahead of the session, the government convened an all-party meeting on Sunday. Chaired by Union Minister and Leader of the House in Rajya Sabha JP Nadda, the meeting was attended by Congress leaders Tarun Gogoi and Jairam Ramesh, Supriya Sule of the NCP-Sharad Pawar, AAP's Sanjay Singh, DMK's TR Baalu and RPI (A) leader and Union Minister Ramdas Athawale, among others.

Parliamentary Affairs Minister Kiren Rijiju said that the government had sought the cooperation of the Opposition for the smooth running of the month-long session.

"There should be government-opposition co-ordination in running Parliament smoothly," he said, assuring that the government would respond appropriately in Parliament on the opposition's concerns over Trump's claims on Operation Sindoor. Rijiju also said that the government is open to discussing all issues in Parliament, in line with the rules and traditions.

OPPOSITION AGENDA

Speaking to the media after the meeting, Congress leader Gaurav Gogoi said his party and the INDIA bloc parties had demanded Prime Minister Narendra Modi's statement on Trump's claims, the "lapses" that led to the Pahalgam attack and the Special Intensive Revision (SIR) of electoral rolls in Bihar. He said it is incumbent upon PM Modi to address Parliament on the key issues raised by his party.

BJD's Sasmit Patra said the Centre couldn't escape responsibility for the "failing" law and order in the States, and Parliament should debate it. He said there was a "complete collapse" of law and order in Odisha.

Hackers steal ₹380 cr from CoinDCX in crypto heist

Vallari Sanzgiri
Mumbai

The attacker used the Solana-Ethereum bridge and moved funds in batches of 1,000-4,000 SOL

Cryptocurrency exchange CoinDCX said it had lost around $44 million (around ₹379 crore) from its treasury assets on Saturday after one of its internal operational accounts compromised due to a "sophisticated server breach".

The company said its treasury would bear the losses, and that all customer assets are safe.

ISOLATED BREACH

"All customer assets are safe and the trading activity and the INR withdrawals continue unhindered. Crypto withdrawals for those it is enabled also continue to operate. Business as usual. Working with multiple crypto forensic agencies to recover lost funds from our treasury," said Neeraj Khandelwal, Co-Founder of CoinDCX.

The affected account, used for liquidity provisioning on a partner exchange, was isolated from other customer wallets.

The attacker primarily used the Solana-Ethereum bridge and moved funds in batches of 1,000-4,000 SOL, indicating systematic and deliberate behaviour.

The bridge is a tool that allows people to transfer cryptocurrencies between the two blockchains. Such bridge tools are often vulnerable to hacking by malicious actors.

CEO Sumit Gupta added that the company is actively working with exchange partners to block and recover assets. By Sunday afternoon, Khandelwal reported 31,462 INR withdrawal requests, of which 98.09 per cent had been processed.

Gupta said users should not "panic sell" assets as that could lead to poor prices and unnecessary losses.

Aishwary Gupta, Global Head of Payments at Polygon Labs, said, "The CoinDCX incident is a sobering reminder that no platform is immune to evolving cyber threats. While it's commendable that user funds remained safe, this highlights the urgent need for industry-wide adoption of real-time monitoring, rigorous smart contract audits, and transparent incident disclosures."

In July last year, crypto exchange WazirX reported a major hacking incident that resulted in a loss of $234.9 million.

INVESTOR ANXIETY

This latest hacking incident has made crypto investors jittery, with some taking to social media asking why CoinDCX took 17 hours before announcing the hack, and whether the company had ₹400 crore profit to pay back users.

Gupta responded to some queries, "We were in the midst of a thorough investigation and were advised to publish details after having full clarity. Our team was finalising and was ready with the comms and taking security approvals — the timing of Zach's tweet [the first tweet flagging the incident] was purely coincidental."

A bureaucratic canter through polo horse duty exemption

Finance Ministry grants, then revokes import duty exemption on ponies in 24 hours

Shishir Sinha
New Delhi

Hold your horses — that phrase never rang truer than on Saturday! On Friday, the polo fraternity was likely popping champagne bottles thanks to the government granting import duty exemption on thoroughbreds used in the equestrian sport.

On Saturday, celebrations would have halted as the exemption was rudely rescinded. The notification on the file galloped in and out of policy relevance before the ink was even dry on the instructions.

HORSE PLAY

On Friday, the Revenue Department of the Finance Ministry amended a 1994 notification, adding an entry '10A' that allowed horses for polo to be imported without customs duty under specific eligibility criteria. These included imports made by the polo teams of the Army, the Navy and the Central Armed Police Forces.

Exemption was also granted to civilian polo teams that had participated in the Indian National Championship (14 goals) or similar recognised tournaments under the Indian Polo Association.

Additionally, individual players (male or female) who have been active members of the IPA for at least the past five years with a minimum handicap of -1 or ranked within the top four teams were also allowed to import without duty.

Given the fact that the import duty was 30 per cent, the polo fraternity probably did not look the gift horse in the mouth.

Especially as the July 18 notification allowed duty-free import for up to 10 horses every two years for teams and up to six horses for individuals every three years. However, it said the import must meet the licensing conditions set by the Directorate General of Foreign Trade (DGFT).

India brought in 47 horses worth over ₹5 crore in FY25, up from 22 horses worth ₹2.56 crore the previous year

ABOUT TURN

Curiously, on Saturday, July 19, the Revenue Department issued a second notification "omitting the entry 10A" with the original notification dated July 13, 1994.

Both notifications — one gifting the exemption, the other snatching it away — offered the same cryptic line: "The Central Government, on being satisfied that it is necessary in the public interest to do so..."

Sources said that the department may have backpedalled, prompted by fears of public outrage or worse, giving the Opposition a reason to charge the government with "favouring the elite" in the monsoon session of Parliament.

The data, meanwhile, show a growing appetite for imported horses. India brought in 47 horses worth over ₹5 crore in FY 2024-25, up from 22 horses worth ₹2.56 crore the previous year.

CH-CHE

QUICKLY.

JSW Paints seeks CCI nod for Akzo Nobel stake buy

New Delhi: Sajjan Jindal-led JSW Paints has sought approval from the Competition Commission of India (CCI) to acquire a majority stake in Dutch paint maker Akzo Nobel's India unit in a ₹12,915 crore deal. The development came after JSW Paints announced in June that it would buy a 74.76 per cent stake in Akzo Nobel India for ₹8,986 crore. PTI

Ankush Grover elevated as Rebel Foods global CEO

Bengaluru: Cloud-kitchen operator Rebel Foods has elevated Co-founder Ankush Grover as its new Global Chief Executive Officer, effective immediately. Outgoing CEO and Co-founder Jaydeep Barman will take over as Chairman, focusing on the company's long-term strategy. OUR BUREAU

Road sector, urban reforms will help States access SASCI funds

REPORT CARD. Of ₹1.5 lakh crore corpus for FY26, major portion is linked to certain milestones, 38% is untied

Shishir Sinha
Rohit Vaid
New Delhi

Reducing fatalities on road, efficient disposal of e-challans and other reforms through electronic enforcement of road safety, along with reforms in urban planning, will help the States to get funds under the Scheme for Special Assistance to States for Capital Expenditure (SASCI), officials told *businessline*.

The total corpus under this scheme is ₹1.50 lakh crore for FY26, of which nearly 38 per cent is untied. The remaining is tied to certain milestones.

A senior government official said that the fund is expected to be disbursed during the second half, post submission of documents related with achievement of the defined milestones.

KEY REFORMS

Over ₹2,000 crore is earmarked for scrapping of old vehicles, while ₹3,000 crore will be available for electronic enforcement of road safety.

The entire amount will be available on a 'first come, first served' basis.

One milestone is the installation of electronic enforcement devices on the identified high-risk and high-density corridors on State Highways and on the identified critical junctions in towns/cities with population of more than 5 lakh, including the 132 cities listed under the Central Motor Vehicles Act. Within three months of this completion, the States would be would be required to achieve a minimum of 50 per cent reduction in fatalities on State Highways and major districts roads. Similarly, the States will have to achieve a minimum of 90 per cent efficiency in the disposal of e-challans. Under the Urban Planning Reforms, there are two sub parts: Governance, Finance and Urban Land & Planning Reforms, and Ease of Doing Business. Reforms undertaken during January 16, 2025, and December 15, 2025, will be considered for incentives under the first part, while reforms during April 1, 2025, and December 15, 2025, will be taken up for the second part. Reforms include integrated property tax portals with unique ID and diversifying revenue sources, building municipal cadres, GIS-based utility mapping and implementation of town planning scheme/land pooling scheme, beside others.

According to the Finance Ministry, the SASCI has facilitated significant infrastructure development across India. Since FY 2020-21, the Central government has allocated ₹5.3 lakh crore. From modern stadiums to hospitals, SASCI fuels nationwide development.

Reform-based parts of the scheme for special assistance for capital investment (in ₹ cr)

Reforms	Amount
Mining Sector	5,000
Scrapping of old vehicles	2,000
Implementation of electronic enforcement of road safety	3,000
Modernisation & digitisation of rural land records	5,000
Incentivise digital public infrastructure of agriculture	6,000
Land related reforms by State governments in urban areas	5,000
Efficiency in financial management	6,000
Governance, finance and urban land & planning reforms	13,000
Ease of doing business	5,000

Source: Finance Ministry

Hindustan Zinc in talks with global players for critical mineral exploration

BID EVALUATION. Global tenders have been floated and finalisation of one or multiple entities is likely by September

Abhishek Law
New Delhi

Hindustan Zinc Ltd (HZL), a Vedanta Group company and the country's leading zinc producer, is ramping up efforts towards critical mineral exploration in key States, including Uttar Pradesh, Rajasthan and Andhra Pradesh. The company has initiated discussions with 6 - 8 global firms to carry out exploration and mapping activities across three of its critical mineral blocks, covering rare earth elements in Uttar Pradesh, potash in Rajasthan and tungsten in Andhra Pradesh.

Global tenders have been floated and finalisation of one or multiple entities is likely by September, Arun Misra, the company's MD and CEO, told *businessline*.

According to him, a decision on cost and business cases will be decided once these feasibility studies are through. A minimum of two years is being looked at before detailed findings are made available.

ASSESSING RESOURCES

Earlier, Hindustan Zinc received an LOI from the Uttar Pradesh government for a rare earth block, and from the Mines Ministry for a potash block. The company had also previously secured a block for tungsten and associated minerals in Andhra Pradesh.

These LOIs grant Hindustan Zinc a composite licence, which includes rights for both prospecting and mining. "We are open to neodymium extraction for rare earth magnet making but we will have to first determine the reserves and their commercial viability before tech tie-ups are explored," he said. "We are in talks with global entities to tap into these blocks for exploration and feasibility studies," Misra added. Bids for other critical mineral blocks in India have also been placed.

Misra said, "We have offers from Latin American and African nations. But there is no concrete proposal that has been presented before the Board. We will wait for the findings in Indian blocks first," he said.

According to Misra, derisking is being carried out with the company's upcoming fertiliser plant of around 0.5 million tonnes per annum at Chanderiya in Chittorgarh district of Rajasthan, expected to be operational soon. Allotment of the potash block would help fertilizer production. The block was allocated under tranche V of the Central government's e-auction conducted in May 2025. It covers an area of 1,841.25 hectares.

PM Narendra Modi encourages motorcyclists to visit Kutch

Asian News International
New Delhi

Prime Minister Narendra Modi on Sunday lauded the efforts of TVS Motor Company to document the beauty of Kutch in Gujarat. He also encouraged motorcyclists to visit the unique salt marsh desert.

Venu Srinivasan, Chairman Emeritus, TVS Motor Company, and Sudarshan Venu, Managing Director, met the Prime Minister in New Delhi on Saturday.

During their meeting, Srinivasan and Venu presented the Prime Minister with the *TVSM x Rann Utsav 2025* coffee table book.

The PM commended them for the effort to chronicle the beauty of Kutch and also encouraged motorcyclists to go there.

SHOWCASING NATURE. Prime Minister Narendra Modi being presented the TVSM x Rann Utsav 2025 coffee table book by TVS Motor Company's Chairman Emeritus Venu Srinivasan and Managing Director Sudarshan Venu in New Delhi on Saturday. The book highlights Kutch's rich heritage and mesmerising landscapes @TVSMOTORCOMPANY X

ADIA invests $200 million in Micro Life Sciences

Our Bureau
Mumbai

A wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA) has entered into definitive agreements to invest $200 million for a 3 per cent stake in medical devices firm Micro Life Sciences (Meril), valuing it at $6.6 billion, a statement said. Post this investment, two global investors ADIA and Warburg Pincus will back Micro Life Sciences.

GLOBAL INNOVATOR

Founded by the Bilakhia Group, Meril is a global innovator in medical technology, with a strong focus on clinically advanced solutions across multiple specialties — including cardiovascular, structural heart, orthopaedics, endo-surgery, in-vitro diagnostics and surgical robotics. Based in Vapi, Meril operates a vertically integrated and globally certified manufacturing and RCD facilities across a 100-acre medtech campus.

The company employs more than 13,000 people, has over 35 global subsidiaries, and serves healthcare systems in 150 countries. Sanjeev Bhatt, Senior Vice President–Strategy, Meril said: "This investment by ADIA will enable us to accelerate growth, attract world-class talent and further strengthen our RCD and clinical research efforts."

Sona Comstar, Chinese firm JNT sign pact to float $20 m auto components JV in China

Our Bureau
New Delhi

Sona BLW Precision Forgings (Sona Comstar) on Sunday said it has signed a binding term sheet with Jinnaite Machinery (JNT) to establish a $20 million joint venture (JV) in China to manufacture and supply driveline systems and components to automotive original equipment manufacturers (OEMs) in China and globally. Sona Comstar will invest $12 million, while JNT will contribute $8 million in assets and business to the JV company in the first phase.

The JV will commence operations in the second half of the current financial year, the company said, adding that this will be a significant milestone in Sona Comstar's expansion into the Chinese electric vehicle (EV) market.

JNT operates a world-class foundry utilising patented technology to manufacture complex castings and molds and has a strong customer base in the automotive, off-highway and railway sectors, including Chinese automotive OEMs, as well as those from North America, Europe and Japan.

> **JNT operates a world-class** foundry, utilising patented technology to manufacture complex castings and molds and has a strong customer base

JOINT VENTURE

The joint venture would leverage Sona Comstar's expertise in driveline system design, precision forging, and precision machining, combined with JNT's proficiency in casting and molding, the company said. This collaboration, along with JNT's established customer relationships in China, supplier connections and understanding of local regulations, positions the JV for strong growth over the medium term, it added.

"This joint venture marks a significant step in our strategy to expand into the rapidly growing Asian markets. As the largest EV market in the world and a leader in EV technologies, China offers tremendous opportunities for innovation and growth... With a robust order book already in place, we expect operations to commence later this year," Vivek Vikram Singh, Managing Director and Group CEO of Sona Comstar, said.

White goods makers hope to make up for lacklustre first half with festival season sales

Aroosa Ahmed
Mumbai

After a dull first half, consumer durables manufacturers are optimistic on sales during the festival season ahead, starting from August. They anticipate up to 40 per cent year-on-year growth.

"Despite the industry witnessing degrowth in cooling appliances like ACs due to unseasonal showers in summer, Godrej has continued to register growth across categories, including air conditioners, frost-free refrigerators and washing machines. This comes on the back of a robust portfolio, aided by a combination of brand-building efforts, network outreach and smartly crafted promotions," said Kamal Nandi, Business Head & EVP at the Appliances Business of Godrej Enterprises Group.

"Overall, the premium segments saw more traction than mass; however, in the coming months, we hope to see more gains in refrigerators and washing machines, going beyond the premium segment as well," he said.

OFFERS GALORE

Avneet Singh Marwah, CEO of Super Plastronics Pvt Ltd, exclusive brand licensee of Thomson in India said, "Across sectors in the consumer durable segment, there has been a void in purchases. However, manufacturers will make superior offers during the festival season with new customer-centric programmes and EMI schemes. We are hopeful that there will be a growth of up to 15 per cent year-on-year across the segment."

> **'The near-term demand** across consumer durables is likely to remain weak until the festival season in late August'

Nandi said, "We have an extensive product line-up with advanced technologies, powered by AI and design-led innovations."

"With a line-up of new additions to our extensive product range, along with exciting consumer offers, for Godrej, we expect over 40 per cent growth in consumption during this festive season as compared to last year," he said.

However, according to Equirus Securities, "The near-term demand across consumer durables is likely to remain weak until the festival season in late August. RACs saw sharp volume declines due to an erratic summer, and inventory remains elevated. Washing machines and cables were relative outperformers."

"Air cooler and fan demand remained weak, and inventory overhang may weigh on 2HCY25 sales," it said.

Bombay HC asks GST Council, GSTN to enable inter-State transfer of unutilised ITC in mergers, amalgamations

Shishir Sinha
New Delhi

The Bombay High Court has urged the GST Council and the GST Network (GSTN) to provide for a regular mechanism for transfer of unutilised input tax credit (ITC) from the electronic credit ledger of a transferor company to a transferee company in another State after merger or amalgamation.

"We permit the IGST (Integrated Goods & Services Tax) and CGST (Central Goods & Services Tax) amount lying in the electronic credit ledger of the transferor company to be transferred to the petitioner company by physical mode for the time being, subject to the adjustments to be made in future. However, we also request the GST Council, as well as the GST Network, to provide for a mechanism to deal with such contingencies when the ITC is sought to be transferred from one State to another or from one State to any Union Territory by updating its network to deal with such a situation," a division bench of Justices Nivedita P Mehta and Bharati H Dangare said in a recent ruling while allowing the petition filed by Mumbai-based Umicore Autocat.

UNUTILISED ITC

The petitioner challenged the action of the tax administration in restricting the transfer of the unutilised ITC on account of a merger/amalgamation. It was said that the transfer is prohibited where it involves two distinct States. However, the company claimed that nothing in the GST Act or the GST Rules imposes any such restriction. During the hearings, counsel for the tax department stated that there is no mechanism for transferring the ITC. The revenue (tax department) is justified in not permitting the transfer from the transferor company in Goa to the transferee company, which is situated in a different State, Maharashtra.

The bench observed that the company, which in the wake of the order of the tribunal, amalgamated into the petitioner-company and undertook all the liabilities of the transferee company, is entitled to take benefit of 'sub-section (3) of Section 18 of the CGST Act, 2017'. This sub-section prescribes the transfer of ITC in special situations such as merger, demerger and amalgamation.

Further, it said that as far as the CGST and IGST are concerned, which are collected and the Central government claims benefits, whereas under the IGST, the benefits shall be claimed by the Central government or the State government and upon the un-utilised ITC being utilised in the State of Maharashtra, the Central government has nothing to lose. At the same time, the SGST is to be collected by the State, and it will be consumed by the State. Permitting the SGST to be utilised in the State of Maharashtra would result in financial loss to the State of Goa, it said.

As the company stated, it is willing to relinquish its claim for unutilised SGST; the court permitted the transfer of unutilised CGST and IGST. The bench noted that although the GSTN portal does not allow such transfer, it "can be no ground to deny the benefit to the petitioner if it is so entitled in the wake of the statutory scheme," the bench said.

RIL's new energy biz to go online soon

Our Bureau
Mumbai

Reliance Industries will be fully operationalising its new energy business in the next four to six quarters, including the manufacturing, starting the generation on the clock and the green chemicals business.

"New energy is our next growth engine," said Karan Suri, Senior Vice-President, New Energy, during the company's analyst presentation.

The New Energy platform will become a self-funded platform through its profitability as well as monetisation, and "it will deliver a perpetual perennial growth for Reliance and our shareholders," he added. The company has already started making HJT solar modules, "one of the largest in the size for utility scale, one of the most efficient and we are not stopping there. We are still continuing to progress on technology, innovation, efficiency and reducing the cost," he said. It is also setting up the manufacturing for electrolysers, using the alkaline technology.

QUICKLY.

PM Modi to visit Britain, Maldives

New Delhi: Prime Minister Narendra Modi will pay a four-day visit to the UK and the Maldives from Wednesday to shore up overall bilateral ties and ink the India-UK free trade deal. Modi will first travel to the UK and then will visit Maldives to grace its Independence Day celebrations as "guest of honour", per the MEA. PTI

THDC India raises ₹600 crore via NCDs

New Delhi: State-owned THDC India raised ₹600 crore through the issuance of non-convertible debentures on private placement basis on July 18, a statement said. The issuance was at a coupon rate of 7.45 per cent with maturity of 10 years. PTI

China factor casts a shadow over India's FTA talks with Peru, Chile

KEY POINT. New Delhi wants stringent rules of origin to check Chinese trans-shipments, say sources

Amiti Sen
New Delhi

The China factor is casting a shadow over India's negotiations for free trade agreements (FTAs) with Peru and Chile, sources have said.

While India is keen to expand its footprint in Latin America through FTAs with the two countries, it needs to negotiate hard for stringent rules of origin to stop Chinese goods getting rerouted and dumped into the Indian market using the trade pacts, a source tracking the matter told *businessline*.

"India is already worried about Chinese manufacturers misusing the India-Asean FTA to re-route their goods into the Indian market. The Commerce Department is very conscious of a similar risk in case of the proposed FTAs with Peru and China,

MOVING AHEAD. India is set to hold second round of talks with Chile and eighth round of talks with Peru in August ISTOCKPHOTO

and thus wants to step carefully," the source said.

New Delhi is set to hold the second round of FTA talks with Chile and the eighth round of talks with Peru (which got stalled for some time as India recalibrated its FTA strategy) in August, and Indian officials are preparing to travel.

"Both Peru and Chile are eager to conclude the FTA with India fast. But India has to prepare well for the talks. It needs to protect its defensive interests and also guard against third country dumping, particularly from China. So, all necessary safeguards need to be incorporated," the source said.

India also wants to scrutinise the list of demands from both countries to ensure that the items for which market access is being sought is actually manufactured in Peru and Chile, and is not just a couched demand from China, the source added.

Peru and Chile are important destinations for India as it seeks to diversify its export markets with a focus on Latin America to reduce reliance on its traditional partners, including the US, the EU and China.

In FY25, India's exports to Latin America at $15.17 billion was just about 3.5 per cent of its total exports, while exports to Chile were at $1.15 billion and to Peru at $1 billion.

CHINA'S PRESENCE

China, on the other hand, has a huge presence in Latin America, which is a point of great concern for India. It signed an FTA with Chile in 2005 and one with Peru in 2009, which have been upgraded over time resulting in duty-free/low duty access for a variety of Chinese goods into these markets.

In 2024, Peru imported goods worth $14.53 billion from China, which accounted for 28 per cent of the country's total imports. China's exports include electronics and information technology equipment, steel products, vehicles and clothing, among other things. Chile's imports from China in 2024 were higher at $20.65 billion.

"India has to prepare hard to fight for a strict ROO in the two FTAs as these determine which items should qualify as goods originating in the FTA partner country, and hence get preferential access. ROOs are like firewalls. Although the world is moving towards liberal ROOs, India has to protect its interests," the official said.

Banks turn circumspect on corporate credit amid rate cuts, ample liquidity

K Ram Kumar
Mumbai

Banks have turned more circumspect on corporate credit, preferring to let go existing finely priced loans on maturity and not giving in to demands for fresh loans at softer rates from India Inc.

By doing so, they are trying to minimise the hit on their margins amid the soft interest rate cycle ushered in since February by the Reserve Bank of India's monetary Policy Committee and ample liquidity in the banking system.

FOCUS ON MSME

Lenders don't want to chase business growth at the cost of net interest margin (NIM), which is already under pressure due to the ongoing transmission of the 100 basis points repo rate cut to loans even as deposits rates are getting re-set lower with a lag.

So they are focusing their energies on growing the relatively high margin retail and MSME (micro, small and medium enterprise) portfolio.

Large banks such as ICICI Bank, HDFC Bank and Union Bank of India have seen muted corporate credit growth in Q1FY26.

HDFC Bank's corporate and other wholesale advances portfolio nudged up 1.7 per cent (18.7 per cent in the year ago quarter). The core NIM of India's largest private sector bank declined to 3.35 per cent from 3.47 per cent in the year-ago quarter.

ICICI Bank's domestic corporate loan portfolio growth in Q1FY26 moderated to 7.5 per cent (from 10.3 per cent in Q1FY25), with its NIM declining a shade to 4.34 per cent (4.36 per cent).

UBI's large corporate and others portfolio growth slowed to 2.68 per cent (7.81 per cent).

The public sector bank's NIM was lower at 2.76 per cent (3.05 per cent).

SLOWDOWN FACTORS

Sandeep Batra, Executive Director, ICICI Bank, attributed the growth slowdown in the large corporate loan book to competitive pricing as well as a bit of repayment.

"Corporates have multiple sources of funding. They have got equity market and large internal accruals... and that becomes their first priority for funding. And there are bond markets and banks. So all corporates will like to take a judicious view on where they want to get funding from. And from our perspective, it has to meet both the credit and profitability filters. So as long as that is met, we are happy to lend," said Batra.

Ramasubramanian S, Executive Director, UBI, observed that the repo rate cuts have been passed on to 46 per cent of the bank's loan book, which is linked to the external benchmark lending rate (EBLR). So, to protect the margin, the bank has to ensure that its low-cost advances are not renewed or refinanced, he said in an analyst call.

Even as the focus on retail and MSME advances continues, Ramasubramanian is hopeful that once the bank is able to reduce its cost of deposit to a large extent, it will step up corporate lending and show good growth.

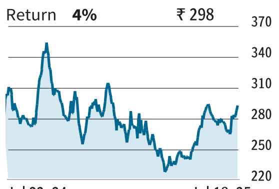
TODAY'S PICK.

Campus Activewear (₹299):BUY

Gurumurthy K
bl. research bureau

The upmove in Campus Activewear is gradually gaining momentum. The recent bounce from the low of ₹266 made earlier this month is happening from an important trendline support. Moving average crossovers on the daily chart also strengthen the bullish case. Strong support is in the ₹290-285 region. Intermediate dips are likely to be short-lived as fresh buyers can come into the market around ₹290.

Campus Activewear's share price could rise to ₹335-340 in the coming weeks. Traders can buy Campus Activewear shares now at ₹299. Accumulate on



dips at ₹292. Keep the stop-loss at ₹274. Trail the stop-loss up to ₹308 as soon as the stock goes up to ₹313. Move the stop-loss further up to ₹315 and ₹323 when the price touches ₹320 and ₹330 respectively. Exit the long positions at ₹338.

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

SEBI may ease technical glitch norms for brokers

Akshata Gorde
Mumbai

The Securities and Exchange Board of India (SEBI) is considering further relaxations in its technical glitch reporting framework for brokers, including the definition of glitches, complaints, penalties, leniency with reporting thresholds and time limits, according to sources.

The move follows continued pushback from the broking industry and further discussions with stock exchanges regarding key issues that remained unaddressed in the relaxations given earlier in March.

"We are close to finalising the changes... We are open to lowering operational burdens and ease of doing business but not at the cost of risk management or smooth functioning of systems," said a source aware of the matter.

DEFINITION TWEAKS

A key concern of the industry surrounds the definition of technical glitch. Currently, any malfunction in the broking member's systems, including the software, hardware, network, trading application or other supporting functions, which may lead to either stoppage or delays in normal operations for five minutes or more has to be reported as a technical glitch.

Brokers have requested that the threshold be raised to at least 15 minutes since five minutes are often too short to detect and verify a real problem. Further, brokers are required to initiate operations from their disaster recovery sites within 45 minutes, which again is too short a time, said an industry source.

Another industry source said currently, any complaint — even a social media comment — counts as a material complaint, mandating reportage of the glitch. Brokers have sought to exclude customer service complaints and back-end disruptions from the definition.

"A committee within the broker's ISF is working with the regulator and exchanges to review further relaxations as the current framework is still very stringent. There are some key issues which do not affect the clients or flow of trading but need to be taken out of the circular," said an industry source.

Brokers have again sought review of the materiality threshold for glitches. Currently, any glitch falling under the definition requires reporting, irrespective of the number of orders or clients affected. They have asked for a threshold of at least 10 per cent, but SEBI may not be keen on leaving out isolated instances.

The brokers' forum is also pushing for exemptions where alternative access remains available or where incidents occur on account of third-party service providers or vendor issues. An email sent to SEBI for comments did not elicit a response.

Select Committee to table its report on I-T Bill in Lok Sabha today

Shishir Sinha
New Delhi

The Select Committee on the new Income Tax Bill will lay its report in Parliament on Monday. The government aims to get the Bill passed during the monsoon session.

According to the Lok Sabha's List of Business, Chairman of the Select Committee and BJP MP Baijayant Panda and member of the Committee and NCP (Pawar) MP Supriya Sule will table the report, along with record of evidence.

According to sources, the Committee has made 285 suggestions and, at its meeting on July 16, adopted the report on the new I-T Bill, 2025. Now, it is up to the government to decide which recommendations to accept, make the necessary changes to the Bill, seek Cabinet approval and then move the revised Bill for consideration and passage.

The simplified Income Tax Bill, which is half the size of the 1961 Income Tax Act, seeks to achieve tax certainty by minimising the scope of litigation and fresh interpretation. The new Bill, introduced in the Lok Sabha,

has a word count of 2.6 lakh, lower than 5.12 lakh in the I-T Act. The number of sections is 536, against 819 effective sections in the existing law.

TAXPAYER-FRIENDLY

The number of chapters has also been halved to 23 from 47, according to the FAQs (frequently asked questions) issued by the I-T department. The Income Tax Bill, 2025, has 57 tables, compared to 18 in the existing Act. It removed 1,200 provisos and 900 explanations.

In a taxpayer-friendly move, the Bill replaces the term 'previous year' as mentioned in the Income Tax Act, 1961, with 'tax year'. Also, the concept of assessment year has been done away with.

Currently, for income earned in the previous year (say 2023-24), tax is paid in assessment year (say 2024-25). This previous year and assessment year (AY) concept has been removed and only tax year under the simplified bill has been brought in.

The panel is believed to have suggested redefining the power status of Income Tax authorities regarding discovery and the production of evidence.

It has reportedly re-arranged the definition of associated enterprises. However, it has not recommended including company secretary-cost accountant in the definition of 'accountant.'

NPA DISPUTE

The Bill also intends to resolve the long-standing dispute over the definition of non-performing assets (NPAs). The Select Committee has also called for more clarity on the proposed provision.

The government is aiming to present the Income Tax Bill, 2025, that is not a mere set of tweaks of the earlier Income-Tax Act but a comprehensive code that rewrites how income is taxed, who pays it and how the system will be governed.

The legislation spans everything from digital documentation to dispute resolution and international taxation to non-profit oversight, all tied together in a modernised architecture aimed at clarity, compliance and control.

Through the new Bill, the government seeks to consolidate and simplify India's fragmented and often arcane income tax laws.

The objective is to do away with the Income Tax Act of 1961, replacing it with a codified structure that reflects the economic realities and technological possibilities of today's India.

CHENNAI
businessline.
MONDAY - JULY 21 - 2025

the hindu businessline.
MONDAY - JULY 21, 2025

Fluid situation

Liquidity surplus amidst low credit growth, a concern

The Reserve Bank of India's concerted measures to tackle the liquidity deficit (where inflows into the banking system are less than outflows) in the first quarter of this calendar year have made a big difference. System liquidity turned into surplus since April and monetary transmission has improved. But even as market rates have moved lower, credit offtake is weak, recording a growth of 9.5 per cent in June.

This is almost half the growth rate recorded last year and way below the 10-year average growth rate of 11.5 per cent. Clearly, surplus liquidity alone is not enough to drive credit offtake. Surplus liquidity in the banking system has been very high, averaging over ₹2.5 lakh crore since May 16. The RBI conducted several variable rate reverse repo auctions to suck out the excess liquidity. This situation contrasts with the liquidity deficit in the first three months of this calendar year on account of the seasonal increase in currency in circulation and RBI's forex interventions to support the rupee. The current liquidity surplus accrues from the RBI injecting almost ₹9.5 lakh crore of durable liquidity in the system since January through open market operations, longer duration variable rate repo auctions and forex swaps.

This surplus is likely to move higher due to the RBI surplus transfer to the government of ₹2.68 lakh crore and the 100 basis points cut in cash reserve ratio which is expected to inject durable liquidity of ₹2.5 lakh crore in the banking system by December 2025. Easy monetary policy is unlikely to translate into higher credit growth in the coming months. While the retail loan segment has been impacted by the macro-prudential tightening by the RBI in the last two years, industrial credit is unlikely to pick-up given the suspense around trade tariffs. The RBI cannot expect banks to lend more merely because they are holding large unutilised surplus or because the cost of funds has moved lower. Companies are likely to wait for the uncertainty to end before embarking on fresh investments.

Meanwhile, market rates point to monetary transmission taking place. The three-month CD and CP rates have fallen more than 150 basis points since the March peaks. The weighted average call money rate currently stands below the repo rate of 5.5 per cent. Treasury bills yields are 140 basis points lower compared to last year. Therefore, liquidity infusion has done its bit, even as transmission in the case of bank lending and deposit rates is likely to be slow given the large stock of outstanding loans and banks' requirement to protect margins. The question now is whether liquidity surplus will turn into a problem by way of inflation in the medium-term, given that credit growth is tepid. The impact of too much liquidity infusion on financial stability must not be overlooked. In all, the RBI needs to reassess its management of liquidity in due course. A situation of 'too much money chasing too few goods and assets' should be avoided.

LINE& LENGTH.

TCA SRINIVASA RAGHAVAN

RSS vs BJP: Guess who will win

The difference between the BJP and the RSS is that while the former has to win elections, the latter doesn't. It only needs to enjoy the fruits of power. Likewise the Gandhi family

For the last several months there has been persistent talk of the RSS and the BJP not agreeing on who the next president of the BJP should be. From this it is being inferred that there is a rift in the lute, especially after the redoubtable JP Nadda, the current and outgoing president of the BJP, said about 18 months ago that it didn't any longer need the RSS.

What the outcome of this tussle will be isn't quite the mystery that our political pundits think it is. Indeed, the answer can be found in history books.

Both old and new incidents of this kind, in India and abroad, are replete with power struggles between, as it were, coaches and captains. The captain has always emerged victorious.

True, it has taken time but in the end the old guard have had to make way. That's how this cookie crumbles.

The latest and most egregious example is, of course, in the US where Donald Trump ousted the old party bosses who saw themselves as the keepers of the traditional Republican ideology. Trump outmanoeuvred them and has won two elections without them.

Then there was Tony Blair in the UK in 1995 who saw off the old bosses of the Labour Party, the guardians of labour orthodoxy. He did that by persuading the party to vote out Clause 4 of the party's constitution that called for "common ownership" of industries, etc., that is, government ownership.

Here in India it was Indira Gandhi who wiped out the founding spirit of the Congress in 1969 by splitting the party and purging it of the old leadership. She then did what Clause 4 of the British Labour Party enjoined it to do, namely, hectic nationalisation.

NEW VOTER PREFERENCES

It's possible to give dozens more examples but the point is clear: a time comes in politics, when, just as a snake sheds its old skin, political parties also shrug off the old command and control arrangements. For the BJP and the RSS, as well as the Congress and the Gandhi family, I daresay, that time seems to have come.

This is because the tactical and strategic choices and changes have to be handled by the practising politicians of a party, not its ideological benefactors. The RSS and the Gandhi family aren't like the monarchs who stay on and on and on regardless of what politicians are up against.

The key point to grasp is that while ideology is immutable, because otherwise it would not be ideology, politics is mainly about being accommodative of social needs. People change with time as do their voting preferences. So must politics.

The difference between the BJP and the RSS is that while the former has to win elections, the latter doesn't. It only needs to enjoy the fruits of power.

A time comes in politics, when, just as a snake sheds its old skin, political parties also shrug off the old command and control arrangements

Likewise the Gandhi family.

Net-net, both have become anachronistic political liabilities. They need to be written down and off.

That's why these two political formations are at an inflection point. The political parties over which they hold sway don't actually need them anymore and, in fact, might be better off without them because they are an electoral nuisance.

BACKSEAT DRIVING — A BAD IDEA

That could be one reason why the RSS has assiduously propagated the idea that, in the 2024 general election, the BJP came down to 240 seats from 303 because RSS workers didn't campaign for it.

But, and this is important, while it's probably true that the RSS was far less supportive in 2024 than before, we don't know how many of the 63 seats the BJP lost were solely because of this. After all, if the RSS was that critical, the BJP should have not won even those 240 seats.

The truth in all likelihood is that the BJP lost around 35-40 seats because the Congress effectively spread a lie about the abolition of reservations. It was a plausible lie because the RSS has been ambivalent about reservations. That's one reason why the Congress lie was so convincing.

But it was the BJP that paid the price. The RSS was then able to successfully suggest that it had managed to show the BJP its place by not helping it. Now that's become the dominant belief amongst political pundits. Like all dominant beliefs, this one is also only 50 per cent true.

The issue right now is whether it makes political sense to let the RSS appoint the new BJP president. The answer is no. After all, its chief ministerial choices in the last two years have done a lot of damage.

When in 2005, faced with a similar choice between ideological purity and practical politics, another ideology-based party chose ideology over political good sense. It rewarded ideological hardliners ahead of political players.

By 2015 the party had become a political joke. Its name? CPM.

Railways should change track on passenger services

The behemoth can pare its losses if it rationalises its mix and pricing of AC and non-AC coaches and trains

Sudhanshu Mani

The latest fare hike by Indian Railways is baffling. While fare increases are politically sensitive, the Railways seems to have taken the bull by the horns— with a shaky grip. Estimates suggest the move may yield only ₹600-700 crore annually, less than 1 per cent of its current ₹80,000 crore passenger revenue — neither here nor there.

Contrary to popular belief, Railways' passenger business need not be a perennial loss-maker. With the world's largest captive customer base — Indians eager to travel for work, faith or fun — the demand for trains is insatiable. What is needed is a smarter calibration of services, not defeatist resignation.

The Railways' stated mandate is to focus on intercity and long-distance travel, leaving intra-city and suburban services to State and city authorities. Yet, despite the massive losses from existing suburban operations — Mumbai being the starkest example — the Railways continues to repeat past mistakes, as seen in its recent foray into the Bengaluru commuter rail project.

It's time such services were hived off to dedicated authorities with independent finances, responsible not just for capital investment but also for operations — on the lines of Metro systems across the country.

Let's examine the current model, class-wise. Passengers in AC-I, Executive CC, and even AC-II often choose rail over air or road for convenience rather than cost. Subsidising these classes is unjustified — fares should include healthy profit margins. Even greater returns can be achieved by enhancing service quality, potentially through reviving the shelved Private Train Operation project, to match the expectations of a rising middle class.

AC COACHES SLASHED

AC-III/AC Chair Car are already marginally profitable, and their numbers should be increased. Instead, the Railways flipped logic on its head when it reacted to travails of common travellers about reduced non-AC coaches; it slashed AC coach production and doubled down on manufacturing non-AC ones. These non-AC coaches, almost akin to steel boxes with minimal amenities — and likely to remain in service for the next 36 years — will stand as a stain on the vision of Viksit Bharat in 2047.

The Railways should introduce AC seater coaches with 100-plus sets with fare kept below AC-III and it would see migration of many non-AC travellers to this class, rendering it free of losses; even Vande Bharats can have such coaches. For the lowest-rung travellers like poor migrants, not mere comfort but dignity is important and the Railways must run dedicated non-AC trains on every major route — ensuring every passenger gets a seat, so no one is forced to stand or travel in toilets over long distances.

DEDICATED TRAINS. A must for catering to lowest-rung passengers

With airlines successfully leveraging dynamic pricing, the Railways must move beyond its tentative past efforts and adopt a robust, AI-driven, route- and train-specific dynamic fare model to maximise revenue without hurting occupancy.

All low-hanging fruits should be promptly addressed — extending all well-patronised trains to 24 coaches, and using data analytics to rationalise stoppages that slow trains and clog the network and reassessment of current modal mix with thousands of short-distance trains — many with average leads of less than 70 km — saturating precious line and terminal capacity. In any case, travel time is of essence and the Railways' strategic goal must be to raise average train speeds to the 80-100 kmph. Apart from that, the capacity must be expanded parallelly; more tracks, more trains and more platforms.

Massive investments have already gone into dedicated freight corridors, with more to follow — covering energy/mineral, port connectivity, and high-density routes as per Budget 2024. This is welcome, but it must be accompanied by a clear-eyed review of the Eastern and Western DFCs to assess if it has resulted in faster or more passenger services. Additionally, the Delhi-Mumbai route, with higher structural headroom, is ideal for reviving the double-decker train concept — this time with user-friendly coach design.

If these measure are implemented, the tyranny of the waitlist shall be largely eliminated and confirmed accommodation on demand can actually become a rule and not an exception.

The writer is Retd. GM, Indian Railways, Independent Consultant and Leader of Vande Bharat project

OTHER VOICES.

The Guardian

The truth about Donald Trump and conspiracy theories

Donald Trump has thrived on conspiracy theories — "birtherist" lies that Barack Obama was born outside the US; the lunacies of the Q-Anon movement; false claims that the 2020 election was stolen from him. All centred on the idea that the "deep state" was lying to, and thus cheating, ordinary people. It's hard not to feel schadenfreude now that he's at the sharp end of a theory that he at times encouraged and allies eagerly pushed: claims that the prison death of the paedophile Jeffrey Epstein might not be suicide after all, and that wealthy and well-connected associates were trying to hush up connections to the financier. Mr Trump's attorney general, Pam Bondi, promised that "truckloads" of documents would help reveal the truth and claimed that a client list was "sitting on my desk right now". (LONDON, JULY 18)

GLOBAL TIMES

Is Europe 'losing out' in trade cooperation with China?

Some in the EU have been making frequent accusations against China of using exports to offload its so-called "overcapacity", thereby flooding European and global markets. They insist that China's industrial strength stems from large-scale government subsidies which create unfair competition, and have declared their intention to launch more anti-subsidy investigations into foreign-invested companies. Some European media claim that China's engagement with Europe is solely aimed at making money off it, while some have fuelled the notion that Europe is "losing out" in cooperation with China. According to data, as of June 2025, the EU has launched more than 260 original trade remedy investigations against China. (BEIJING, JULY 18)

BELOW THE LINE

Andhra rice politics

Andhra Pradesh politics is affecting the exports of white rice, in particular. It all began at Kakinada port, which is State-owned. It has now extended to the Vizag port, with the Andhra Pradesh government reportedly seeking to crack down on the diversion of rice intended for distribution through ration shops. In Kakinada, the State government put a check-post inside the port, affecting traffic movement. In Vizag, however, the State has had to put up the check-post outside the port. Is there a political sub-text between the Centre and States here?Probably, the Centre is insisting it doesn't want State politics within its ports and to intervene in national commerce.

TN's paddy controversy

A few weeks ago, a group of farmers staged a blockade on arterial Anna Salai in Chennai, seeking payment of ₹800 crore for the paddy procured from them. But a little bird says the issue here is with the Tamil Nadu government allowing NCCF (National Cooperative Consumer's Federation) to procure paddy. NCCF, in turn, asked the Tamil Nadu paddy and rice processing cooperative to buy it.

The paddy is milled and used by the State Civil Supplies Department for distribution through ration shops. However, with the Food Corporation of India offering rice at a lower price through the Open Market Sale Scheme, the Civil Supplies Department did not need the paddy procured by the cooperative.

As a result, farmers have not been paid for the paddy procured from them. The blockade, the little bird says, was an effort to divert the attention and blame the Centre.

Tesla all the way

The debut of Tesla in India got a lot of coverage — print, electronic, social media. There was also activity of a different kind to get on to the Tesla electric bandwagon. At least two major insurance firms lost no time in announcing customised insurance schemes for Tesla owners, who were described as "discerning" customers. Financiers were not far behind with one auto finance company saying it was the first to be appointed a "preferred" financier for Elon Musk's cars in India. Not to be left behind, a legal firm jumped in and announced that it had advised the developer in renting its premises to Tesla.

Health policing checked

Oh, what a delectable disaster has engulfed India's cherished samosa and jalebi! Some *babu* thought slapping warning labels on these crispy, syrupy treasures would "nudge" us towards kale-smoothie enlightenment. Social media ignited like a Holi bonfire, with netizens howling. The government caught in this soap opera, backtracked, clarified there were no plans for cigarette-style doom labels. The samosa sizzles as always; the jalebi remains a dripping delight. Long live our deep-fried, sugar-soaked revolt against the health police's crusade.

Advantage Hyderabad

Even as Karnataka and Maharashtra are caught up with issues around language, Hyderabad seems to be a clear winner. Venture capitalist Tehseen Poonawalla's post on 'X' reflects the mood of a section of investors who look for a place where people are not bothered about what language you speak or where you hail from. Sharing a picture of a cozy coffee shop that his friend sent him, Poonawalla wondered where they could set up a similar shop, which is free from mobs that shut shops on the basis of religion or language by moral police or those with regressive hiring agendas. "We need a place where young couples can chill, the infrastructure is world-class, the vibe is inclusive, and the city is clean and global? And then boom it hit me: why not Hyderabad?" he asked.

Telangana Chief Minister A Revanth Reddy shared his post, thanking him for reposing faith in the city.

Day of YouTubers

PR agencies in Chennai organising business press meets are facing a major problem. In the past, the hall would be full with business journalists. But, today, there are not many business journalists and hardly any presence of mainstream media in press meets, putting the PRs in an embarrassing situation in front of their clients.

The halls are, however, packed with YouTubers. The clients though are unhappy due to the low number of views and lack of response to the videos. "We are now very scared of organising a press meet," says the staff in a leading PR agency.

Our Bureaus

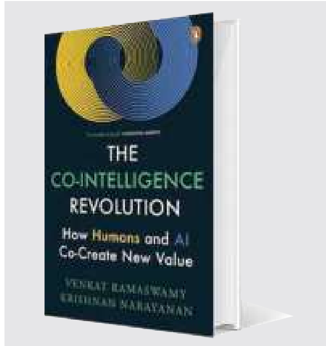
Published by Nirmala Lakshman at Kasturi Buildings, 859-860, Anna Salai, Chennai-600002 on behalf of THG PUBLISHING PVT LTD., and Printed by Ra Babu Vijay at THG PUBLISHING PVT.LTD. Plot B-6 & B-7, CMDA Industrial Complex, Maraimalai Nagar, Chengalpattu Taluk, Chengalpattu Dist., Pin: 603209. Editor: Raghuvir Srinivasan (Editor responsible for selection of news under the PRP Act). ISSN 0971 - 7528

Boosting creative energies

AI can augment and amplify human capabilities

BOOK REVIEW.

Sudhirendar Sharma



Title: The Co-Intelligence Revolution
Authors: Venkat Ramaswamy and Krishnan Narayanan
Publisher: Penguin Business
Price: ₹999

Whether or not artificial intelligence will outsmart human ingenuity has been rested in favour of co-intelligence, where both will collaborate in ways never imagined. The new technological revolution is in the future, a visionary roadmap which will re-shape our co-existence. As things stand, AI will augment human ingenuity rather than replace it.

The Co-Intelligence Revolution is an insightful guide to navigate the frontiers where human ingenuity meets AI. It envisions a future in which things are not only powerful allies but collaborate to co-create groundbreaking innovations and transformed institutions. It engages with AI as co-worker, co-teacher and coach.

It is an interesting playbook that draws from numerous real-world case studies to illustrate how co-intelligence demonstrates a paradigm shift in expanding the role and reach of traditional and emerging institutions. The book presents AI not just as a tool, but as a vital partner in the process of co-creation. With over a hundred compelling examples from different ecosystems — from L'Oréal's inclusive beauty platforms to digital expansion of public finance, citizen-services, and education — the book illustrates how co-intelligent enterprises will unlock their potential across private, public and plural sectors.

Over the last few years, L'Oreal, the 115-year-old global leader in the beauty business, has moved from its earlier focus on 'beauty for all' to 'beauty for each' now. Highly personalised beauty routines are delivered through sophisticated cutting-edge technologies.

INCREASING EFFICIENCY

There are several cases where co-creation is pitched to increase efficiency and output. Venkat Ramaswamy and Krishnan Narayanan clearly explain the evolving role of AI in breaking down complex concepts in an accessible way. In the new realm of co-intelligence, organisations have to craft co-intelligent architectures powered by platforms for sharing digitalised infrastructure. It may be an easy read for companies that wish to have AI drive the future of their business.

There are a number of cases where industries are embracing AI as a collaborative partner. Even institutions like the University of Michigan are doing trailblazing work on promoting AI literacy and providing AI access. Its AI services attract an average of 15,000 users a day, and thousands are using these services. If its ten-year vision is anything to go by, the university's aim is to develop future-proof educational models.

The Co-Intelligence Revolution is the latest phase of the industrial revolution; it is the creative synergy between human intelligence and machine intelligence, where AI augments and amplifies human capabilities. And this revolution is technologically driven by electronic neural networks fed with vast amounts of data and put to work with accelerated computing, in a form of AI factory. However, a crucial question is regarding the security and sustainability of AI systems. Unlike in the past, co-intelligence enterprises in the anthropocene must grapple with the reality that their actions may significantly influence the very systems on which they rely.

Venkat and Krishnan have written an insightful guide which suggests that value creation will lead to collaborative experiences co-created by companies and customers. They argue compellingly that AI must be embraced as a strategic partner rather than a mere tool, and they present several cases where it is made possible. They have painstakingly put together a roadmap for a better future — one that AI serves humanity, not the other way around.

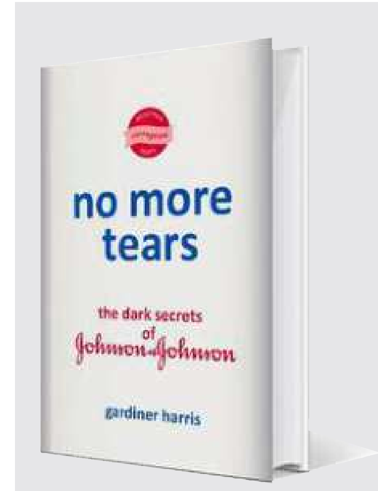
The reviewer is an independent writer, researcher and academic

A pharma giant's dangerous cover-up

The author, in this deeply researched book on Johnson & Johnson, exposes corporate greed plaguing the healthcare industry

BOOK REVIEW.

Gina Krishnan



Title: No More Tears: The Dark Secrets of Johnson & Johnson
Author: Gardiner Harris
Publisher: Penguin Random House
Price: ₹899

MEET THE AUTHOR

Gardiner Harris, a Pulitzer Prize finalist with a team of others at the 'New York Times', is now a freelance investigative journalist

Every page of this book written by investigative journalist Gardiner Harris is packed with shocking information on the functioning of Johnson & Johnson, one of the most respected pharma companies of the world that started out selling bandages and band aid. J&J's heart tugging adverts featuring a mother and child together won it great consumer trust. It was the only company which was allowed to use the red cross logo.

In his hard-hitting expose titled *No More Tears* — significantly enough a tagline used by Johnson & Johnson for its baby shampoo — Harris uncovers the dark truth behind some of the worst cover-ups that the company has been involved in since 1970. He describes in chilling detail how the company indulged in subterfuge, and covered up crucial data related to over the counter drugs like Tylenol (high level of acetaminophen linked to liver failure) and its cult product, its talcum powder (contained asbestos and was linked to ovarian cancer). He exposes the deliberate and criminal negligence of the company.

Harris indicts not just the pharmaceutical giant but also the USFDA, the watchdog of the pharma industry, for being toothless, incompetent and corrupt as it ignored or brushed aside consumer concerns while Johnson & Johnson with its senior management suppressed information and exposed millions of users to risks of cancer, heart attacks, stroke and a number of other health issues.

The prescription drugs that are discussed in the book include the biologic erythropoietin (EPO) and Procrit (licensed from Amgen), which is prescribed to grow red blood cells in patients suffering from cancer. In multiple studies done over ten years, the results were clearly worrisome as many patients who used EPO showed increased risk of cancer. Studies were suppressed by Amgen, the discoverer, and J&J, the licenser of the product, while both companies amassed billions of dollars. Despite FDA finally getting its act together, EPO is still in the market and despite sales declining, in 2021 it still earned $479 million.

BYPASSING THE FDA

The example of Risperdal, its antipsychotic, is even worse. The new drug was not better then Haldol its predecessor which went off patent. The cost was higher while efficacy was the same as Haldol, however the company, while it had received approval for use of the drug for schizophrenics, decided that the market was much too small. So it started marketing the medicine not just to those diagnosed with the disease but also those with 'symptoms'. Bypassing the FDA, working with foundations and State Medicaid by giving grants, it encouraged the prescription of Risperdal. The other vulnerable segment to be prescribed Risperdal was children who responded to the medicine by feeling sleepy, queasy or tired and did not act up — proving dubious efficacy.

It conducted studies which showed through clinical trials that a side effect was putting on weight and even worse gynecomastia — 'development of breast' in boys. Yet the company did not put out warnings and spent years burying the truth repeatedly. Several other problematic products are highlighted in the book. Duragesic — its painkiller (fentanyl patch) — had documented cases of death, while Ortho Evra — birth control patch — was known to have serious side effects (heart attacks, strokes, deep vein thrombosis and lung clots). The cases against its vaginal implant products, especially Gynemesh for prolapse vaginal repair, are horrific. In one patient, the mesh broke in the vagina and an operation had to be done to pick out shards. The FDA only banned it in 2019.

The book shows how pharma companies turned into sales and marketing machines wooing doctors with free samples, freebies, and even cash, gave away research grants, free gas at designated gas stations, shopping sprees for 'back to school', tickets to golf tournaments to Super Bowl, private dining rooms for doctors several times a week and included friends and family. They sponsored trips to tropical islands in the guise of conferences without raising eyebrows.

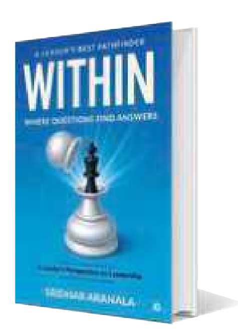
The next level of corruption happened when the pharmaceutical companies started funding research studies at universities. Oversight remained with the corporate which held the purse strings. For example, Albert Kligman of the University of Pennsylvania was able to demonstrate that Retin A, used as a powerful anti-acne treatment, could be used off-label for anti-wrinkle treatment. The research was done at the University of Pennsylvania but Kligman and J&J did not share royalties with the University for its off-label use till the University sued.

The FDA's role as a watchdog seems to be most unexplainable. Largely funded by fees from the pharma sector, it has neither the expertise, nor funds and, most important of all, no way to monitor or haul up false marketing promises. The US being the only country besides New Zealand which can advertise prescription drugs, it is a thankless job if anyone took it on. Harris reveals how from 1991 through 2015, pharmaceutical manufacturers have entered into 373 settlement agreements and paid $35.7 billion in criminal and civil fines, a fraction for the industry which is well over $600 billion in the US.

With 87 pages of bibliography and research done over five years, Gardiner Harris has put together a book that tells us one truth — that the job of a corporation is to make money and the machine is so focused on profit-making that it forgets that a good product, not smoke and mirror marketing, is what makes the company great.

The writer is a seasoned journalist who has been covering the healthcare industry

NEW READS.

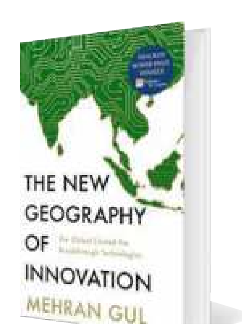


Title: Within — Where Questions Find Answers: A Leader's Best Pathfinder

Author: Sridhar Aranala

Publisher: Notion Press

The book is about the kind of leadership that shows up in daily decisions, in the way you speak, act, listen, and respond.

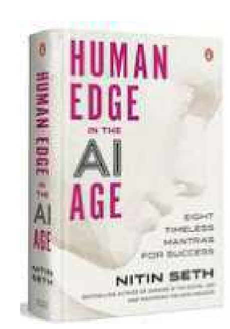


Title: The New Geography of Innovation: The global contest for breakthrough technologies

Author: Mehran Gul

Publisher: William Collins

This is a story about technology and the places where it finds its way into the world.



Title: Human Edge in the AI Age: Eight Timeless Mantras for Success

Author: Nitin Seth

Publisher: Penguin Business

At the heart of the book is a framework that unlocks the core human strengths that will define success in the AI era.

thehindubusinessline.

TWENTY YEARS AGO TODAY.

July 21, 2005

BPL Mobile in ₹4,400-cr deal with Hutchison Essar

Mr Rajeev Chandrasekhar, Chairman & CEO of BPL Mobile, along with his co-investors, have entered into an agreement with Hutchison-Essar to sell their 64 per cent stake in the flagship BPL Communications Ltd in all cash deal with an enterprise valuation of over $1 billion (₹4,400 crore). This is the biggest merger and acquisition deal in the Indian telecom space till date.

FIPB nod for $40-m plant in TN

BMW group, the German automobile major, has sought FIPB permission to set up a modern plant at Chingleput in Tamil Nadu at an investment of around $40 million. The company would be taking the wholly owned subsidiary route for setting up the plant.

NPS subscribers may get option to invest 100 pc in G-secs

The interim Pension Fund Regulatory and Development Authority (PFRDA) has suggested that subscribers to the New Pension System (NPS) be given the option of the safest-of-the-safe scheme where 100 per cent of the corpus would be invested in Government securities. This would come as the fourth option to subscribers of the NPS.

Short take

Tamil Nadu's noteworthy GST journey

SK Prakash

When the Goods and Services Tax (GST) was rolled out in July 2017, Tamil Nadu, like several other manufacturing-heavy States, had its reservations. Seven years on, the evidence is mixed but hopeful. Tamil Nadu's GST journey reflects a broader structural transition from manual to digital, informal to formal, and isolated to integrated.

In the initial years, Tamil Nadu relied heavily on GST compensation due to sluggish collections. However, with consistent economic recovery, improved compliance, and data-driven enforcement, the State's GST revenues have stabilised and grown. The State GST (SGST) revenue rose from ₹26,813 crore in 2017-18 to ₹53,478 crore (provisional) in 2023-24, more than doubling in six years.

The stipulated end of compensation in June 2022 was a litmus test. Encouragingly, Tamil Nadu did not face a sharp revenue cliff — thanks largely to better taxpayer compliance, widened tax base, and recovery in sectors like textiles, auto components, and services.

Perhaps the most dramatic transformation post-GST has been cultural. Tamil Nadu now has over 13 lakh GST-registered taxpayers, up from 6.9 lakh in 2018. Return filing rates (GSTR-3B) now hover at a healthy 90 per cent, while e-invoicing adoption has improved significantly since the threshold was lowered to ₹5 crore.

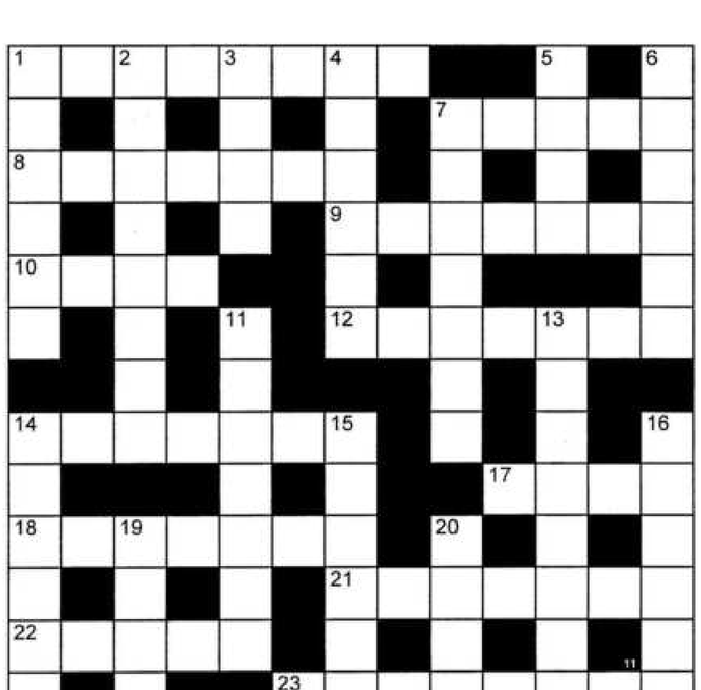
The Chennai GST Zone, one of the largest in the country, is often cited as a compliance model combining analytics, outreach, and enforcement. But gaps remain. Many MSMEs in Tier-II cities like Salem, Karur, and Madurai still struggle with the technical complexity and filing costs. Delayed input tax credit (ITC) claims, system glitches, and frequent rule changes add to their burden.

The GST regime has unevenly impacted sectors. The winners include textiles and apparel (Tirupur, Coimbatore). Integrated supply chains, faster refunds, and formalisation have strengthened this export-driven sector. In the case of auto components and electronics (Chennai–Hosur belt), GST unified production and distribution lines. In warehousing and logistics, the removal of inter-State check posts led to a 15-20 per cent reduction in transit time, transforming Tamil Nadu into a logistics hub. However, certain sectors are yet to recover fully from the shift: handicrafts and cottage industries, especially in Madurai, Kanchipuram and Thanjavur suffer from low ITC utilisation and high compliance burdens; and real estate and private education/health services face ambiguity over tax treatment for auxiliary services.

Tamil Nadu has raised State-specific issues in the GST Council. It has demanded zero-rating for traditional handicrafts, pushed for simplified rate slabs, and strengthened State enforcement mechanisms using AI and data mining.

The writer is an economist and a public finance analyst

BL TWO-WAY CROSSWORD 2743



EASY

ACROSS
1. Hobbies (8)
7. Food; livelihood, money (5)
8. Long thin pasta for soup (7)
9. Not common (7)
10. Make one better (4)
12. Derived, inferred (7)
14. Seller of playthings (7)
17. Semi-circular, polygonal recess (4)
18. Brigade member (7)
21. Takes one's leave (7)
22. Antelope in S Africa (5)
23. Feeling sudden alarm (8)

DOWN
1. S American blanket-cloak (6)
2. One hiding in craft to get passage (8)
3. Misfortunes (4)
4. Resulted from (6)
5. Fop, dandy (4)
6. Putrid (as eggs) (6)
7. Make a gross mistake (7)
11. Unearthed from grave (7)
13. NCO under sergeant (8)
14. Hard-bake (6)
15. Learned man, authority (6)
16. Separated the fibres (6)
19. Gather crop (4)
20. Rafter, pole (4)

NOT SO EASY

ACROSS
1. MEP sits: a different form needed for diversions (8)
7. Using one's loaf for the money one earns (5)
8. The fools who sold one out (7)
9. It's not common for Santa Claus, unused to taking back part (7)
10. Make one better cad, by the sound of it (4)
12. Inferred that what cow chews may be given back indeed (7)
14. Photos used around end of May where models are displayed (7)
17. Choir end as pastor's sermon eventually starts (4)
18. Fill a chap with enthusiasm, and he can go to blazes (7)
21. Leaves the street violated when reversing (7)
22. French impetuosity begins domesticating the antelope (5)
23. Frightened the South might get rattled (8)

DOWN
1. Around North Carolina hoop is formed into blanket-cover (6)
2. Two saw the difference? Yes: he's travelling illegally (8)
3. Misfortunes they in France show when about fifty (4)
4. It followed misuse in the end (6)
5. Admirer of Nash, say (4)
6. Bad eggs are misled in a way to put something on (6)
7. A gaffe from the ill-bred, unless halved (7)
11. Was dug up by former spouse with mud he slung (7)
13. Not being spiritual, he has two chevrons (8)
14. Sweetmeat one couldn't do it for! (6)
15. Wise man soundly played on words with it (6)
16. Tweed not initially woven, as included when ribbed (6)
19. Gather there's some reward in future application (4)
20. Practise fighting for a fragment of crystal (4)

SOLUTION: BL TWO-WAY CROSSWORD 2742

ACROSS 7. Precious metal 8. Gamekeeper? 12. Avocet 14. Tragic 16. Unholy 18. Dollar 19. Free on board 23. Procrastinate

DOWN 1. Grog 2. Scam 3. Pocket 4. Assent 5. Mere 6. Pass 9. Another 10. Regular 11. Scar 12. Arum 13. Ell 15. Roo 17. Yeoman 18. Debate 19. Form 20. Each 21. Aunt 22. Dote

NEWS SNIPPETS.

Global growth of renewable energy is not secular

Renewable energy capacity grew 15 per cent in 2024 over the previous year, but the growth has been skewed region-wise,

according to the recently released report of the International Renewable Energy Agency (IRENA), titled 'Renewable Energy Statistics 2025'.

While fresh RE installation capacity grew in Asia by 71 per cent in 2024, it grew only 7.2 per cent in Africa. In between lay Europe and North America respectively, at 12.3 per cent and 7.8 per cent (on a high base).

IRENA Director-General Francesco La Camera observed in a press release that the growing regional divide highlights that "not everyone is benefiting equally" from this transition.

"Countries and regions that attract substantial investment in renewables are seeing enhanced energy security, increased industrial activity and new jobs, fuelling broader socioeconomic development," he said.

The release quotes UN Climate Change Executive Secretary Simon Stiel saying that the global shift to renewables "is increasingly inevitable, but its massive human and economic benefits are not yet being shared across all countries and regions".

Although the 582 GW of renewable capacity added in 2024 represented a record annual increase, it still falls short of the pace required to reach the global tripling target of 11.2 TW by 2030, the report says.

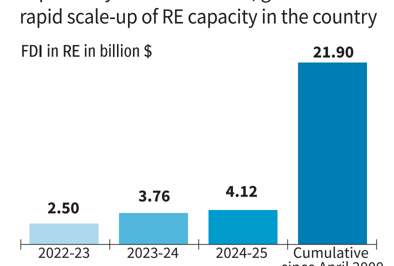
If the same annual growth rate continues, the world will only reach 10.3 TW of renewables capacity.

Achieving the target by 2030 would require renewable capacity to expand even faster at 16.6 per cent annually in less than the remaining five years.

The report also highlights the dominance of solar and wind power. Both have jointly accounted for 97.5 per cent of all net renewables additions in 2024, it says.

A burst of funding energy

Foreign direct investment in India's renewable energy sector has, for the first time, crossed the $4-billion yearly mark. Experts say this is set to rise, given the rapid scale-up of RE capacity in the country



Source: DIPP

'Less room' for negotiations

The availability and cost of accommodation are turning out to be an issue for participants of the COP30 climate negotiations, scheduled this November in the Brazilian city of Belém.

Richard Muyungi, the Tanzanian chair of the African Group of Negotiators, recently said in Bonn, where countries met for mid-year talks, that the issue of accommodation in Belém is causing "big concerns" for several delegations.

Panamanian negotiator Juan Carlos Monterrey said in a social media post in late June that COP30 might be "the most inaccessible COP in recent memory".

Prices on Booking.com for a three-star hotel in Belém can exceed $5,000 per person during the first week of COP30, from November 10 to 16, while rental apartments on Airbnb are being advertised for over $430 a night.

Brazil is said to have offered rooms onboard two cruise ships for about $220 a night.

SIMMERING GEOPOLITICS

Climate agenda: Left high and dry

WEATHERING STORMS. Wars, macroeconomic crisis and inflation are pushing climate negotiations to the shadows

Aarti Khosla

Escalating geopolitical turmoil is reshaping global priorities. Conflicts in Ukraine, West Asia and parts of Africa have deepened, while rising tensions between major powers like the US, China and Russia are fuelling a new era of strategic competition. In response, nations are ramping up defence spending at unprecedented levels, as the recently concluded NATO summit had member countries committing to increase defence funding to 5 per cent of their GDP within the next 10 years.

With extreme rains, deadly heat and compound extreme weather events, the climate impacts continue to mount across the world. The public has increasing sympathy for climate action yet the salience tends to reduce as public attention shifts away towards war, macroeconomic crisis, inflation and other such issues.

Geopolitical fragmentation is seriously impacting climate negotiations. With the US exiting the Paris Agreement and passing domestic laws that deprioritise wind and solar power and electric vehicles, it's not progressing in the direction of building a clean and sustainable future.

ELUSIVE RESPITE. Tourists at a drinking fountain near the Louvre Museum, as Paris wilts under a heatwave REUTERS

EUROPE'S DILEMMA

Europe was perhaps in the best position to take climate leadership; however, it now finds itself surrounded by a plethora of challenges, which make it difficult for the European Union to step up and strengthen its position in the global climate landscape, mostly owing to the rise in spending on other fronts. This includes increased defence spending due to the Russia-Ukraine war, its over-dependence for energy on other nations and retaliatory tariffs imposed by the new US dispensation.

The Israel/US-Iran tensions, with the latter once posturing to block key trade routes, is also hampering EU's energy security. Adding to the woes, fissures have appeared within the EU itself. The EU's 2040 climate target proposal, which would shape its Paris Agreement pledge (NDC), has come under threat due to alleged backdoor actions by France. That aside, the EU has shown some positive steps, proposing an amendment to the European Climate Law to target reducing the EU's net greenhouse gas (GHG) emissions by 90 per cent by 2040, relative to 1990.

The resistance from nations including France, as the champion of the Paris agreement, to approve the proposal symbolises the difficulties and compromises needed to fight climate change even in a part of the world where climate action has become part of political identity and long-term business investments.

BONN CONFERENCE

The recent Bonn Climate Conference, which was expected to lay the groundwork for COP30, ended in frustration.

On the other side, China signalled to Brazil that it will invest in the Tropical Forests Forever Facility, a multilateral financial mechanism for funding the conservation of forests around the world. China contributing to climate finance signals an important shift in the nature of negotiations on finance and demonstrates the evolving global order, especially when many developed nations remained largely unwilling to engage meaningfully on climate finance.

The discussions on operationalising Article 9.1 of the Paris Agreement, which mandates financial support from developed to developing countries, remained a contentious issue at the Bonn conference. The reality is that the issue of finance has been on the boil for several years and reached fever pitch at the UN Conference of Parties meeting in Baku in November 2025, when developed nations, under the garb of transparency, agreed with $300 billion mobilised by 2035 by all sources of finance, taking away any obligations of the rich countries to cough up funds.

India's stand has been that only public grants count as climate finance, not loans and equity. The proportion of loans in the overall public climate finance pie is upwards of three quarters — making accountability and transparency important when there is no one definition of climate finance.

Towards COP30, which will be held in Belém, there is little room for movement on the $1.3 trillion finance goal agreed in Baku.

Brazil had expected some forward movement on talks related to measuring climate adaptation, 'just transition' the "global stocktake", including its pledge to "transition away" from fossil fuels. Barring 'just transition', the recent Bonn conference saw little progress on the other two crucial points.

The Baku-to-Belém roadmap aims to mobilise $1.3 trillion in climate finance annually by 2030. However, it is hindered by the absence of binding mechanisms, a clear burden-sharing framework for developed nations and a distinction between grant-based and market-rate finance.

The initial $250 million announcement from the Loss and Damage Fund also remains woefully inadequate, highlighting wealthy nations' persistent failure to provide urgently needed finance.

THE BRICS ALTERNATIVE

As finances dry up, BRICS has been emerging as a powerful alternative, with the political weight to lead the world in climate action.

In 2024, BRICS collectively reached 4 per cent GDP growth in comparison with the worldwide growth of 3.3 per cent. The IMF points out that BRICS accounted for 40 per cent of the global economy (measured by purchasing power parity) in 2024, with projections of 41 per cent in 2025. Given these circumstances, BRICS is presented with the opportunity to foster its own interest and find a common ground for the larger development goal of the grouping, including scaling up renewable energy production and building resilient supply chains.

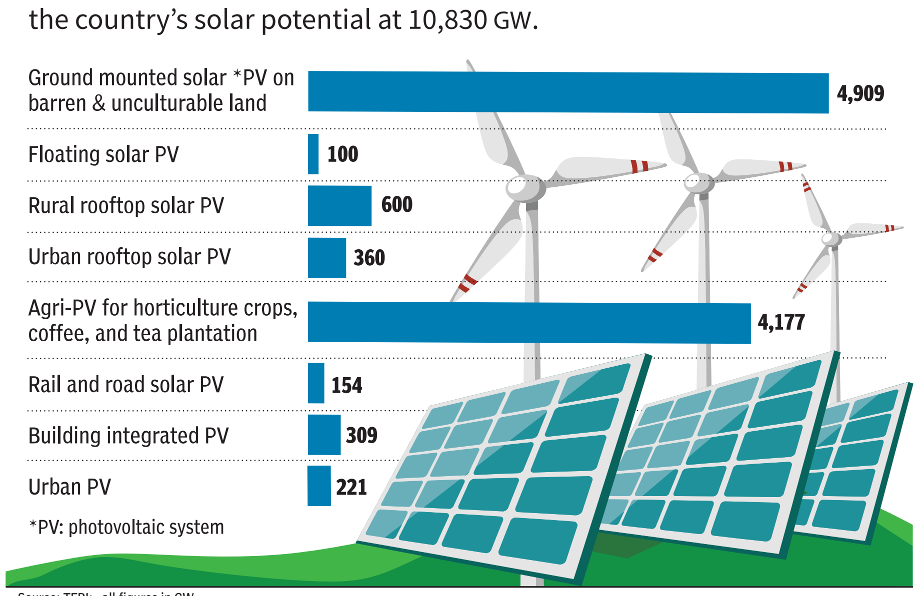
In a historic milestone, the total capacity of renewable energy in the BRICS group touched 2,289 gigawatt (GW) in 2024, surpassing fossil fuel capacity for the first time. The fossil fuel capacity also fell below 50 per cent of the total installed energy capacity in the nations-group. RE expansion in BRICS in recent years is higher than that of some of the global giants.

Climate change is presenting a significant political, financial and economic risk. The solutions to climate change are also a huge opportunity to fix our future. Political will is a large part of that game.

The writer is the Director of Climate Trends

A sunny outlook

Now that India has achieved its 2030 target of '50 per cent of electricity generation capacity using non-fossil fuels', five years ahead of the intended date, it is time to step up the ambition. TERI, the energy think-tank, recently brought out a detailed report titled 'Reassessment of solar potential in India: A macro study', which puts the country's solar potential at 10,830 GW.



Source: TERI; all figures in GW

RARE EARTH MAGNETS

Recycled, critical self-reliance

Preeti Mehra

With China's step back from providing critical minerals, including rare earth alloys, mixtures and magnets, to India and other countries, manufacturers of electric vehicles, defence products and solar panels are worried about the future of their businesses.

Chinese imports power the manufacture of products like cell phones, laptops, compressors, solar panels, EV parts, defence equipment, headphones and many other devices.

Though the Chinese move is understood to be in retaliation to the US' tariff threats and limited to a few critical substances, the fear is that any further ban on other critical minerals, such as lithium and cobalt, could potentially stall production in the companies and countries that depend on these imports.

This, in turn, has triggered efforts in India to achieve self-reliance vis-à-vis critical minerals. Apart from exploring and mining for minerals, a key resource in focus is 'urban mining', which involves reclaiming minerals from end-of-life devices.

RECYCLERS IN FOCUS

Some of the large recyclers have expressed their intent and ability to help the country plug the demand-supply gap and bolster the recently announced National Critical Mineral Mission. Several of them have announced a ramping up of capacity.

Attero Recycling, for instance, has announced an investment of ₹100 crore to scale up its rare earth element (REE) recycling capacity to 30,000 tonnes over the next 12 to 24 months. It also extracts rare earth material like germanium and selenium from solar panels, and expects to expand capacity to 20,000 tonnes per annum within two years.

Nitin Gupta, CEO and Co-founder, suggests a range of measures to bring long-term gains to the country, as also tide over the crisis in the short term. These include appealing to China to continue supplying critical minerals to some sectors, production-linked incentive for the recycling industry, and import of end-of-life rare earth products from the US and Europe to turn India into a global recycling hub.

"If we manage to recycle 90 per cent of available magnets — recovering 95 per cent of material — we could meet 75-80 per cent of India's magnet demand," Gupta says.

Migration from drought-hit villages tied to lack of coping mechanisms

Study unearths factors that cushion rural families from recurring droughts and prevent them from leaving for work elsewhere

S Yasaswini

When drought strikes a village, it is commonly assumed that families have no choice but to leave. People must move to survive. But recent research reveals a more complex reality.

A study by researchers at IIT-Madras examined whether households actually leave when faced with recurring droughts. The findings show that the decision depends less on the drought itself and more on the resources available to families: access to irrigation and alternative income sources, for instance.

These factors work together to determine not only whether families stay or leave, but also how they adapt to increasing climate pressures.

Many studies have looked at migration caused by climate extremes, especially temperature changes and rainfall patterns. However, few have focused specifically on drought — a slow-moving crisis that gradually undermines people's ability to make a living. Even fewer have examined families' coping strategies.

The IIT-Madras team, led by Associate Professor Sabuj Kumar Mandal, addressed this gap using data from the India Human Development Survey (IHDS) conducted by the National Council of Applied Economic Research.

As a panel survey, it is particularly valuable for the research by the IIT team. "It follows the same households over time," explains Gauri Sreekumar, a PhD scholar at IIT-Madras and corresponding author of the study. This allows researchers to track changes in individuals and households, and analyse trends and causal relationships.

Mandal's team tracked the same families across two time periods (2004-05 and 2011-12) and combined household information with village-level drought reports. Their research question was straightforward, and important: Who migrates when the rains fail, and who stays?

PUSHED OUT. Drought-hit migrants, failed by nature and policymaking K MURALI KUMAR

WHO MIGRATES?

The findings confirm what many expected: Households experiencing recurring droughts are more likely to report long-term migration. Sustained agricultural disruption gradually pushes families to seek work elsewhere.

But the exceptions are revealing.

For instance, drought stops having a significant impact on migration when farm households have access to irrigation. They are also cushioned from the effects of drought when they are engaged in non-farm activities. Income diversification and resource access help households absorb shocks.

The study also uncovered an important but underutilised resource: social membership. Households that participated in cooperatives, self-help groups and other community organisations were significantly less likely to migrate during droughts. "Although a significant impact could be observed, we find that participation in such organisations was quite low," says Sreekumar.

The findings suggest that migration is not just a response to drought — it's a response to the absence of alternatives. With the right resources, many households choose to stay.

What does this mean for policy?

The research suggests that migration often signals gaps in local adaptive capacity rather than representing inevitable failure. Strengthening that capacity can provide meaningful alternatives to migration. These aren't just development goals, they're also climate strategies.

The research highlights the untapped potential of social organisations. "This calls for initiatives to encourage the participation of households in various organisations and cooperatives," Sreekumar suggests.

In addition, the study highlights the importance of detailed, household-level analysis. Regional or State-level assessments may hide significant variations in vulnerability and response. By focusing on individual households, the research reveals the everyday decisions that shape climate adaptation on the ground.

LOOKING AHEAD

As extreme climate events become more frequent, the challenge for policymakers extends beyond reducing environmental damage to strengthening social and economic support systems.

This study provides evidence to support the claim that migration isn't always unavoidable. For many families, the choice to stay is possible — if the right conditions exist.

S Yasaswini is a writer based in Guwahati

◉ TABLE TALK

Leading with flavour: Varun Berry's good days with Britannia

BEYOND BISCUITS. The Britannia Industries MD and CEO on the company's transformation from a biscuit giant to a total food company

Vinay Kamath

TOWERING AMBITION. Varun Berry, MD and CEO, Britannia Industries ILLUSTRATION: VISVESWARAN V

I'm waiting for Varun Berry, MD and CEO of Britannia Industries, at his office in Whitefield, Bengaluru. There's a lip-smacking array of Britannia products on the table in front of me: Laughing Cow cheese, Winkin' Cow bourbon shakes, Nutri Choice oats and ragi cookies, Treat Croissants (the brand name went viral when an influencer mispronounced it as 'prashant'), Good Day Chunkies, *et al*. Britannia's new Harry Potter branded Pure Magic choco frames, sold only through e-comm, is on display too. I sample a bit of cheese, the frames and cookies. I run over in my mind Britannia's moves to emerge as a food company rather than a biscuits major.

In 1984, freshly graduated from Punjab Engineering College, Chandigarh-bred Berry was kicked about gaining admission to a US university with scholarship. But his dreams for a master's in the US came crashing down when his visa application was rejected. He wondered whether it was due to his Punjab origins at a time when terrorism in the State was at its peak and Operation Bluestar had just happened. He set foot, instead, in his home country's consumer goods sector after he was selected for an executive role at Unilever, where he spent the first eight years of his career.

The lanky Berry, all 6'4" of him, walks in. Trim, in jeans, sporting a belt with a huge silver buckle, Berry belies his age of early 60s. He laughs heartily when I tell him he looks cowboyish!

My first question is what one would put to any FMCG marketer today: Is rural and urban growth coming back for consumer goods? Berry says Britannia is definitely seeing rural growth reviving. "In urban areas, there's a pull into e-comm from general trade and a bit from modern trade as well. While e-comm is only about three per cent for us, it's growing exponentially. Modern trade is also growing, general trade (mom-and-pop stores) is growing to a lesser extent. Urban growth is coming back, but less than rural and slow," he explains.

But he's quick to add that worries remain. "Rentals have gone through the roof and, with price increases all round, it's putting pressure on consumers. Salaries haven't gone up in the same proportion." This year, with good rains expected, a growth revival could well be round the corner. He looks forward to that, after the stress of the past 18-24 months. "We need a break," he adds with a broad smile.

A platter of food appears — *paneer kathi* rolls, club sandwiches, cocktail samosas, tea cakes and more coffee. Biting into a sandwich, I ask Berry about Britannia's premiumisation journey. "Going quite well," he replies, before shifting focus to the company's bottom-of-the-pyramid products such as Tiger glucose, cookies, Tiger creams. The company intentionally has a mere seven per cent share in that category, primarily to have a brand representation. "Brands such as Tiger don't give us good margins. Just selling empty kilos is not going to help in the long run, right? It's not that Tiger is a small brand now; even today, with our share, its volumes are still big, but are not accretive to our margins," he explains.

The 'belly of the market' brands such as Good Day and Marie offer good margins. The premium — and new — products such as Nutri Choice and categories such as croissants and wafers are seeing high double-digit growth rates. New launches in cheeses, and Winkin' Cow shakes, large cakes for celebrations, *et al*, are doing well, he adds.

BEYOND BISCUITS

I ask about Britannia's journey of becoming a complete foods company with a bigger contribution of non-biscuits (it's 70:30 now) to its portfolio. "That journey suffered during Covid because biscuits and in-home consumption just took off; everyone was stressed, so they were looking at probably the cheapest form of food. The third reason was that most of our adjacency products are out-of-home products. But it's slowly coming back, as we've launched quite a few products in non-biscuits categories," explains Berry.

Britannia's Winkin' Cow milkshakes are doing well and contribute ₹250 crore, while croissants and wafers fetch ₹130-140 crore. A blockbuster brand for Britannia would need to be at least ₹1,000 crore in size. "We've launched a lot of categories that are growing fast. But biscuits are so big for us that to move the needle big-time will take a lot longer," says Berry. Some categories should get to that target in the next 2-3 years, he muses. "Cakes, which we launched 25-30 years ago, have still not got to ₹1,000 crore. We are giving a big impetus to cakes; along with rusks, it should be a ₹1,000 crore business for us," he elaborates.

Berry asks for a diet cola while I tuck into some cheese and a new product, JimJam pops. While Britannia dominates southern markets, there have been surprises upcountry, he says. Bihar, West Bengal and Odisha are strong markets for Britannia, where Good Day and Marie do well.

Britannia has bolstered its distribution across three million direct outlets and 6.5 million indirect outlets, though it still has more ground to cover to catch up with Parle, he concedes.

How would he describe the 12 years since he took over as MD of Britannia? "It's been great, fulfilling as a business and, more than that, from a people perspective. I guess everyone has enjoyed the ride. We've had some tough years, but people have stuck around and given their best. We also brought a complete change to the way the organisation looks and feels. We used to cater to a much older audience and we're seeing how to make our products younger in appeal to a different audience, and it's not easy because biscuits are a pretty mature category," he elaborates. "If you must stay with those consumers, you will have to create excitement, whatever category you are in," he adds.

'KEEP TRYING'

Berry says there's been a lot of R&D and marketing effort to launch in adjacent categories. "We've taken big risks. Some we've not been successful with, but most were pretty good. Our philosophy is to fail fast and keep trying... broadly the ship's been on course," he says.

Berry spent 18 exciting years at Pepsi, moving to many cities — Ahmedabad, Delhi, Chennai, then Ho Chi Minh city and onward to Manila and Dubai, and back to Delhi. His stint at Unilever, too, involved moving a lot. "I've probably moved 25 cities in my career," he says. He had a short stint with Jumbo Electronics in Dubai, after his Lever stint, but returned to India in double quick time as the city was "making him lazy".

Is he a hands-on manager or does he like to delegate? "I've admired a lot of people who delegate and deliver. Unfortunately, I've always been a hands-on, roll-up-your-sleeves kind of guy. But leadership styles also need to change with time," he rumimates. He recalls the time he was down with a fractured leg but got restless in a month and was doing market visits on crutches. "He's mad," he recalls some of his sales staff saying! Inspiration, he says, derives from people, whether it's bosses, including former boss in Unilever Muktesh Pant, or those reporting to him.

As the CEO of a food company, what is his favourite food? It isn't cheese or biscuits, but Thai food, with a lot of chillies. "We are a chilli family, all four of us. We love chillies and we have a lot of contests also. Recently, on a holiday in Iceland, I beat my wife, Anu, the 'chilli queen' of our family!" he says with a laugh. Sons, Ishan and Kush, are working in the US after studying there.

We've talked for over two hours and it's time to beat the Whitefield traffic rush. I've had a Berry good conversation and I leave after a photo with him. I look like I'm half his height. A towering personality wouldn't be a misnomer for Berry!

◉ EXIT STRATEGY

Why Dilip Piramal sold VIP Industries

After nurturing the luggage firm for decades, what made the Chairman relinquish control

PACKED BAGS. Dilip Piramal, Chairman of VIP Industries Ltd BLOOMBERG

Janaki Krishnan

"Businesses must reinvent themselves to succeed in a dynamic environment; accordingly, our highest priority is accomplishing our ongoing transformation," wrote VIP Industries Chairman Dilip Piramal in the company's FY24 annual report.

That year also saw a churn at the top, with then Managing Director Anindya Dutta leaving and Chief Financial Officer Neetu Kashiramka elevated to the top position to re-energise the company. Kashiramka pledged to revive growth in the luggage company and reclaim its former position in the industry "through a comprehensive transformational journey".

Just a year later, the promoter family agreed to sell a 32 per cent stake in VIP Industries to a consortium of Multiples private equity, which has launched an open offer for a further 26 per cent stake, as mandated under SEBI regulations. The deal values the company at a little over ₹5,500 crore, a discount to its current market cap of ₹6,676 crore. Post the transaction, management control will be with Multiples. Piramal will be Chairman Emeritus with an advisory role.

A household name — every second piece of luggage sold in the country was from the VIP stable — the brand has been steadily losing market share over the past several years. Its investor presentation in May showed a 38 per cent share, while rival Safari Bags has been gaining share.

businessline caught up with Piramal to understand what led to his decision to sell VIP Industries and relinquish control in a six-decade-old company that he nurtured to become India's largest luggage maker.

When did you decide that you needed a change in ownership, leading to ceding control?

The Covid lockdown started in March 2020 and, for one whole year, our business virtually closed down because we are in the travel business, and most travel had stopped. This really disintegrated our management team, as most fast-moving consumer businesses were very active and, except for hotels and transport industries, other businesses were carrying on, though some at a reduced level. We had a lot of attrition of staff due to the uncertainty over the future prospects of our company. I think our competitors handled the Covid situation better than us, and our management structure was considerably weakened. We got a new Managing Director in 2021, who was also replaced in 2023, but, somehow, our company performance was on the decline, particularly in the last two years.

For a year now, I had been feeling that it is time to have a new management that will have ownership in the company and will bring in new energy and vision, since my daughter and I were unable to bring about the change.

What were the reasons behind the declining performance?

We had problems in nearly all areas of operations. We have a very large manufacturing capacity for soft luggage in Bangladesh.

Soft luggage consists of suitcases (uprights) and smaller items like backpacks and duffels. In 2020, soft luggage suitcases comprised three-fourth of the suitcase market, leaving only 25 per cent for hard luggage. In just four years, this ratio was virtually reversed, and hard luggage became 75 per cent of the suitcase market. We were late in recognising this trend. Moreover, even after diagnosing the problem, we were absolutely unable to rectify the situation for a long time. Soft luggage and hard luggage involve two completely different manufacturing processes, virtually different industries. Our hard luggage facilities are all in India.

Our warehousing and inventory management was also in disarray, resulting in us having large stocks of slow-moving items and not enough of the items that were in demand. All of this resulted in loss of sales and excessive inventory carrying costs, which meant a drastic reduction in profit margins.

Did you try options such as joint management with the new owners?

It doesn't work that way, and that is why it was never even a proposition from my side. There cannot be joint management.

What will be your role post the change in management control?

I will become the Chairman Emeritus and will be there as an advisor whenever they want me. Of course, I will never give any unsolicited advice. It is not in my nature to do so.

I am still classified as a promoter, according to SEBI laws, but after five years, as per our contract with Multiples, I will have to bring down my ownership to less than 10 per cent, after which I cease being classified as a promoter.

◉ **VIP ENTRY**

Luggage maker VIP Industries was established in 1968. It owns 10 manufacturing facilities across India and Bangladesh. Brands include VIP, Skybags, Carlton, Aristocrat, Alfa and Caprese

Fluctuating market share of luggage majors

	2020	2021	2022	2023	2024
VIP Industries	47%	40%	41%	37%	38%
Safari	25%	24%	24%	27%	32%
Samsonite	28%	36%	35%	36%	30%

Source: VIP Industries

OFFICE BUZZ.

Crushing injuries

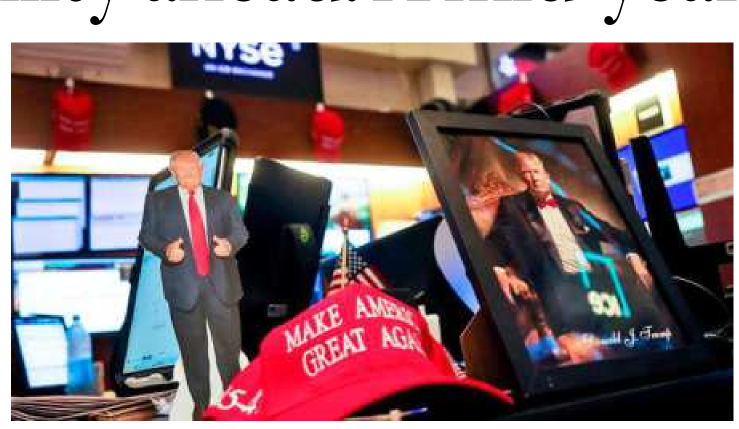
Safe in India Foundation, a Section 8 company promoted and supported by the 1991 batch of the Indian Institute of Management, Ahmedabad, has just released its annual report, covering worker injuries in the automobile supply chain. 'Crushed 2025' highlights the systemic safety and labour compliance challenges that persist in the deeper, informal parts of the auto supply chain.

At an event last week to launch the report, several workers shared their stories, and lack of training emerged as a major cause of accidents. Take Kanchan Sharma, whose left hand was injured last year while operating a power press machine. "I was not informed that the machine's key had a tendency to get stuck. During my work, the key jammed, causing the machine to descend unexpectedly and injure my hand," she said.

Economist Ajit Ranade described how the accidents negatively impact workers, their families, the factory, the sector and the national economy. Even a 1 per cent loss to GDP due to poor working conditions would mean a loss of ₹3 lakh crore. Safe in India has estimated this to be ₹12 lakh crore.

More volatility ahead: A mid-year prediction update

SHIV SHIVAKUMAR



TURMOIL, NO CAP. Donald Trump looms large over global markets BLOOMBERG

I had predicted significant changes for the year ahead, in my January 2025 opening note penned for *businessline*'s Corporate File section. How did I do on my predictions?

- I had said it would be an unpredictable year. The VIX index is at about 17-plus right now, signalling high volatility. The last six months saw more change in the global order than the previous decade. Everyone is on tenterhooks, no one knows what's coming next.
- Trade wars via tariffs will replace physical wars. 'Tariff' is one of the most searched words this year. Tariffs are going up before going down, almost every country and every category is on the tariff list. If you are not on the list, you are irrelevant. Nothing is off the table. In the tariff wars, a friend of an enemy is an enemy — for example, EU vs India and China on buying Russian oil. And a friend of a friend is not necessarily a friend. Rules and order have changed, convenience is in.
- Donald Trump, I said, would change things upside down, and he did. I predicted the US GDP growth to be around 2 per cent; now I think it will be closer to 1.4 per cent — still significant, adding $420 billion on a $30 trillion base. China will add about $900 billion to its $19 trillion GDP in 2025.

President Trump has single-handedly changed the rules on everything, from meeting leaders live in the White House Oval Office to calling out countries to fall in line. No other leader in world history has wielded such power so swiftly. He has made irrelevant institutions such as the WHO, WTO, and the UN. Global competitiveness is now a combination of economic power, military strength, soft power, innovation strength and digital readiness. Military spends, typically at $3 trillion per annum, will grow by nearly 8 per cent for the next few years. This will lead to a cut in welfare programmes and tax rise in many countries.

- I predicted interest rates would go down; they have in the US, UK, India and China, and this has led to growth in many economies.
- I predicted the dollar will get stronger. I got this wrong. The dollar weakened by 11 per cent against the six major currencies so far in 2025, thanks to the stop-start, on-off tariff wars and doubts over the independence of the US Fed.
- I predicted immigration to be a hot-button issue, and that's turning out to be so in the US, Bangladesh, India and Europe. This is an outcome of rising nationalism and loss of manufacturing jobs. Many developed economies used immigrants from developing countries for the lower value-added jobs. New formulae such as 'take one, replace one' are in discussion. Immigration uncertainty will hit student enrolment at the top global universities.
- Quick commerce was predicted to get stronger, and it has. Indians have taken to q-comm in every category. This is a headache for the traditional distribution-led industries. Expect q-comm to get stronger in the second half.
- I predicted the Sensex to be at 85,000 by the year-end. It crossed 83,000 recently, and moved to 82,000-plus. If the US trade deal happens and the EU issue over Russian oil purchase is resolved, then I still hold to 85,000. However, an unsure job environment will challenge people's participation in the stock market.
- AI is hurting jobs and will continue to do so. No one is too big or too senior to be untouched by the pink slip. A lot of technology companies and consultants are asking you to go up the value ladder at work. I don't understand this. Where will you go? More roles are getting operationally heavy and strategy-light in the tech world.
- Job security will be at a premium, I predicted. Job losses in the tech industry alone are about one lakh so far, with more on the way. Job losses are hitting all industries, all levels and most past skills. Individuals need to build their own skill base and not depend on companies to gift it to them.

So, I got eight right on the list! Expect volatility in the next five months; fasten your seat belts.

Shiv Shivakumar is Operating Partner, Advent International, and former chief of Pepsico India and Nokia India

CHENNAI
businessline.
MONDAY - JULY 21 - 2025

FUND FACTS.

$35 million

PayU Payments Private Limited received funding from Prosus (Naspers) through a rights issue on July 15, taking the total funding to $1.548 billion.

$32 million

Qpiai India Private Limited received Series A funding from Avataar Venture Partners, National Quantum Mission and other undisclosed investors on July 17, taking the total funding to $40 million.

$23 million

Credit Wise Capital Private Limited received funding from Trident Growth Partners on July 8, taking the total funding to $38 million.

$18 million

Retranz Infolabs Private Limited received Series B funding from Narotam Sekhsaria Family Office, Incofin Investment Management, Rajasthan Gum Private Limited, Shree Ram India Gums Limited, Anicut Capital and undisclosed buyers on July 7, taking the total funding to $27 million.

$12 million

Arteria Technologies Private Limited received Series B funding from Icici Venture on July 10, taking the total funding to $14 million.

Source: PrivateCircle Research, a private market intelligence platform

RE POSTS.

India's quick com wave is at the next level !!!!
Investing trend now moving from vertical quick com to premium quick com within the same vertical
Most people don't realise that quick itself is a premium offering. This is right now subsidised by venture capital.

Gagan Goyal
@Goyal4Gagan

Building a startup means getting paid in lessons before you ever get paid in dollars.

Hiten Shah
@hnshah

If your wealth depends entirely on your startup's exit, you're gambling
- 90% of startups fail or exit small
- Don't wait 7 years for freedom, create it now
- Build cash flow outside your startup: rental income, angel deals, LP plays
- Your business is a launchpad, not your legacy
You are not your startup. Your wealth shouldn't be either.

Ravi Katta
@rkatta

GAME CHANGERS

Tech-enabled tryst with active leisure

MATCH-UPS. Sports-tech start-ups offer amateur players a customised mix of digital tools, quality arenas and sparring partners

Aishwarya Kumar

TEAM SPIRIT. Pickleball chain GoRally has 5,000 registered players across its seven centres in Bengaluru

Ujwal Deole (L) and Jatin Paranjape, Co-founders of KheloMore

For Sagar Prasad, a Bengaluru-based techie, 5 pm once meant one thing: badminton. A daily ritual. A burst of energy, the company of friends, and the satisfying thwack of shuttle hitting racket. "It was the highlight of my day," he says. "The game of all seasons."

But, as happens often, life got in the way. Careers scattered friends to different cities. Office hours ate into playtime. The rackets gathered dust. "I missed the 5 pm adrenaline rush," he says. For working professionals like Prasad, nostalgic for the game they once loved and played, a new wave of sports-tech startups — KheloMore, Hudle, Playo, Machaxi, Push Sports, GameTheory and GoRally, among others — are pooling together resources.

Whether it's for finding playing partners at a similar skill level, booking courts in nearby areas, joining weekend tournaments or tracking progress through wearables, these platforms are stitching together technology, infrastructure and community to reshape how urban India plays.

Demand is rising, especially among the growing urban youth population living away from home and battling loneliness. Sports is emerging as a means to reclaim joy, routine and human connection.

According to data from market intelligence platform Tracxn, the sports-tech sector has raised over $749 million since 2019, peaking at $381 million in 2021. In 2025 alone (till date), it has seen $8.72 million funding. Nearly 86.5 per cent, or $648 million, of this funding went to the fantasy sports segment, says Neha Singh, Chairperson and Managing Director of Tracxn.

Mitesh Shah, Co-founder of Inflection Point Ventures, an investor in Machaxi, attributes this momentum to a post-pandemic reset. "Sports-tech now sits at the intersection of health-tech and consumer-tech, especially as younger audiences prefer active leisure over passive entertainment," he says. Additionally, there is a growing preference for private sports infrastructure, booking courts with their offer of improved scheduling and structured play formats.

SPORTY MATCHMAKING

Prasad has used Playo to book slots at badminton courts in his neighbourhood. He says he likes its skill-based matchmaking best of all: "The platform categorises users into basic, moderate and expert levels. It's like Tinder for sports — you customise your profile, and it connects you to players who match your game."

Pickleball chain GoRally is tapping the growing love for community sports across age groups — "from 35-year-old homemakers who've never played before to 60-year-olds seeking something new," says Co-founder Sam Sancheti.

GoRally's WhatsApp community has over 6,000 members; in its first eight months, it registered over 5,000 players at its 40 courts across seven centres in Bengaluru.

Platforms like Machaxi are integrating offerings like multi-sport coaching, casual play, AI-based performance tracking and retail. "Sports is now seen as essential for fitness," says Pratish Raj, Co-founder and CEO. "Structured coaching for kids is becoming a default. For adults, it's about performance, belonging and fun."

KheloMore, founded in 2016 by former Indian cricketer Jatin Paranjape and Ujwal Deole, operates in 92 cities, lists 2,500-plus venues and sees over 50,000 monthly bookings from its 8 lakh user base. The company provides venue booking for cricket, badminton, swimming, snooker and football, among other sports. In Bengaluru, it offers coaching for cricket, yoga, skating and tennis. "About 90 per cent of our revenue is from venue bookings and the rest from coaching," says Deole.

Push Sports runs 17 coaching centres for games ranging from cricket to pickleball, many of them through tie-ups with schools and public-private partnerships.

"We generate revenue from day one by using shared infrastructure for both school and community programmes," says Co-founder Nitin Pahuja. The platform also focuses on coach development, he says, pointing out that some of its instructors have seen their earnings rise five-fold.

Despite the strong tailwinds for sports-tech firms, monetisation remains a key challenge. As Tracxn's Singh points out, given the surfeit of free online content, start-ups struggle to find takers for their paid offerings in a price-sensitive market like India. Many users drop off after free trials or engage only passively. This comes on top of several regulatory hurdles, especially around live sports data and broadcasting rights.

FULL-STACK MODEL

Moreover, online platforms often find it challenging to replicate the impact of in-person coaching, given the high cost of producing quality coaching content. The platforms are betting on hybrid, full-stack models to stay in the game.

GoRally, for instance, plans to launch 50 tech-enabled centres in 4–5 cities by 2028. Sancheti says the company's largest revenue stream is the pay-as-you-play offering, followed by events and coaching. The company plans to launch an all-access membership, besides venturing into sports goods retail; it already holds distribution rights for global pickleball brands.

Machaxi, with 35 centres in Bengaluru, plans to open over 100 centres in tier-1/2 cities, including Hyderabad, Pune and Chennai, within two years.

Investor appetite for sports-tech is growing. "VCs are now more open to offline, full-stack businesses that drive loyalty and community," says Sancheti. "Sports is now viewed as a fitness category, bringing recurring revenue, tech-led differentiation and retention." Shah adds that sports-tech borrows the structure of edtech, the community of fitness-tech and the localisation of gig economy platforms.

"In the top 25–30 cities, families are looking for structured sports. So acquisition costs are lower and retention is strong," says Deole.

Pahuja agrees, highlighting how school integrations reduce customer acquisition costs and build long-term user journeys, whereby kids start in school programmes and progress to after-school academies and camps.

"Over 65 per cent of our users return monthly," says Raj. "They form groups, play level-specific games and track progress. It becomes a part of their lifestyle."

Aneesh Hasan, a regular on sports-tech platforms, says users like him are willing to pay for premium features, provided the value goes beyond aggregation.

STARTUPS: VAI-THEE-FUSS

What to expect when you pick a start-up over a corporate job

VAITHEESWARAN K

Recently, at a business school entrepreneurship event, a student said she was planning to drop out of the placement cycle and instead seek opportunities in a start-up. She asked me how different it is working for a start-up as compared to a traditional corporate firm. The first thing that struck me was how normal it has become for young people to join risky start-ups instead of opting for the security of a large company. Here are some key differences between working for start-ups and large firms.

Corporations have good infrastructure and facilities backed by well-manned support functions like human resources, administration and finance, which help employees focus on their direct tasks.

When I moved from a corporate life to my first start-up in 1999, I had to travel to Mumbai and realised I had to buy my tickets and book my hotel and local transport on my own as there was no admin department. Of course, such things are convenient today, thanks to travel portals and ride-hailing apps, but the point is still valid. I also had to fix appointments with senior people in an industry where I had no connections. Earlier, folks would be open to meeting me as I was a professional manager in Wipro and the brand opened doors. Now, I had to hustle, plead and network just to get people for a few minutes on the phone.

Large companies have a multi-layered organisation with direct and dotted line reporting relationships, and stakeholders across departments get involved on all important matters. This leads to delays in decision making and reduces the agility of the companies. On the other hand, early-stage start-ups recruit employees based on their bias for action. Start-ups focus on taking quick decisions, with the sole goal of moving forward. This approach increases the chances of decisions going wrong but founders learn from errors, make rapid course-corrections and move on. Delayed action in a start-up spells death.

Unlike in start-ups, where employees should be open to doing anything, corporations define narrow roles in specific functions. Each person can do only so much on their own, beyond which they need their manager's approval. I remember the first employee we hired in 1999 for our start-up. All the six co-founders were busy running around and we needed someone to manage the office. We hired an assistant who was part of my team at Wipro. On her first day, she asked me what she was supposed to do, and I replied, "Everything". After the initial confusion, she took to the new role like fish to water and, before long, established herself as someone whom all the co-founders could depend on. Most experienced professionals struggle to adapt like this when they join start-ups.

We will discuss some more differences in the next column.

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

3D engineered tissue: Cellsion Tech's bioprinted lifeline

How a Bengaluru start-up is building a liver support device for patients awaiting an organ transplant

Aishwarya Kumar

ORGANIC GROWTH. Cellsion Technologies is an incubated venture of the IISc Innovation Centre in Bengaluru

Inside the 3D bioprinting lab at IISc-Bengaluru, engineers and biologists of Cellsion Technologies are immersed in an audacious enterprise: assembling liver tissue constructs (engineered 3D structures) that recreate vascularisation, multicellularity and, according to the company's data, more than 90 per cent of the organ's functional enzymatic profile. Cellsion is building an extracorporeal liver support device (ECLD) — bioprinted tissue in disposable cassettes — that could sustain critically ill patients in the ICU while they wait for an organ transplant.

India performs 17,000-18,000 solid organ transplants each year, the most after the US and China, but demand far outstrips supply, according to the National Institute of Health (NIH).

While scientists worldwide explore organ regeneration, Bengaluru-based Cellsion's bioprinted ECLD is being engineered to support patients in the ICU for extended periods, potentially 2-3 months, until a donor is found, says Co-founder A Abdullah Chand.

The ink used for bioprinting liver tissue is made from human-grade extracellular matrix (ECM) materials — the biological "cement" that helps cells adhere and function in 3D.

Chand says the constructs replicate liver histology with vascular channels and multicell layers, and early data from lab testing show over 90 per cent correlation across enzymatic, genomic and proteomic markers versus native tissue.

The company has completed preclinical bench work, filed a provisional patent and is preparing for studies in large, transplant-relevant animal models. The next phase involves building from prototypes to a clinical-grade device, which will require electronics, bioreactor systems and software integration. Cellsion plans to link its platform to the Laboratory Information Management System so that clinicians can monitor cassette health, metabolic performance and alerts in real time.

Founded in 2022 by Chand and N Nusrat Kalam, Cellsion Technologies is incubated at the IISc Innovation Centre and operates a satellite lab off-campus. The start-up has received support from the Karnataka government's IT/BT Ministry, apart from IISc grants, and is in talks for a follow-on funding round. Chand says Cellsion has also initiated a collaboration with US-based biotech inSphero, a recognised player in commercial bioprinting.

REVENUE STREAM

While the 3D printing technology will be limited, the revenue will come from 3D bioprinted skin models for sensitivity and hypersensitivity testing, Chand says. These are delivered as multi-well plates seeded with bioprinted cells that function as mini-organs for drug discovery. Chand says the company currently caters to about four pharmaceutical research companies.

The company also plans to develop kidney constructs — a logical extension, given the long wait for kidney transplants in India. Two lakh renal failure cases are registered each year as against 11,000 kidney transplants, according to NIH.

While full organ bioprinting remains a distant milestone, Cellsion's bridge device promises a temporary reprieve for thousands of patients. "We're not trying to replace transplantation," Chand emphasises. "We're buying patients the most precious resource — time."

Chasing next-generation mega-trends

bl.interview

Sanjana B

Auxano Capital focuses on tech-enabled, consumer-oriented businesses with a potential for market disruption and long-term leadership.

Brijesh Damodaran, Managing Partner, says the fund looks closely at emerging mega-trends and business models that signal lasting impact and scalability.

Edited excerpts:

How much funding have you raised?

Starting in late 2016 with an investment of ₹25 lakh, through an SPV (special purpose vehicle), the fund has a commitment of over ₹200 crore across two alternative investment funds (AIFs) — Auxano Entrepreneur Trust (AET) – CAT I (Angel) AIF and Auxano Dawn Fund (ADF) – CAT II AIF.

What is the strength of your current portfolio?

We identified emerging sectors early and invested across various forms, including SPVs, category I angel AIFs, and category II AIFs. We have a diverse portfolio of over 30 start-ups across sectors, including Industry 4.0, fintech, sustainability, distribution enablement and enterprise solutions.

Notable investments in our portfolio include PrivateCircle and Milkbasket.

> We invest in next-gen technology-led, consumer-focused businesses driven by subscription revenue
>
> **BRIJESH DAMODARAN**
> Managing Partner, Auxano Capital

What is your investment thesis?

We usually invest in next-generation technology-led, consumer-focused businesses driven by subscription/secular revenue or businesses solving a need gap for next-generation consumers with key technology differentiation.

Which sectors are you bullish on?

Auxano is spoilt for choice as India is well-placed to grow across sectors and verticals. We are scouting for opportunities across fintech, sustainability, alternative energy and mobility, Industry 4.0, health-tech and wellness, and deep-tech.

Do you offer early-stage funding or growth- and late-stage?

We invest across early-stage and growth/strategic/pre-IPO stages. Early stage typically includes pre-seed, seed or Series A rounds, where companies have achieved product-market fit and seek capital to start or scale up operations and expand market presence. In the growth stage — with a market presence, stable revenue and mature operations — companies are often preparing for an IPO.

What is your average cheque size?

In early 2017, one of the first investments was a $1 million cheque, which delivered an exit and a return above the benchmark. Post that, we have two approaches. For early-stage investments, $2,00,000-3,50,000 and for growth-stage, $3,00,000-7,50,000. This can be increased through a follow-on to over $1.5 million. The idea is to participate from the early growth to the mature stage of the business.

What manner of exit do you prefer?

We have completed four exits — two full and two partial — from our prior investments from the SPV, with the remaining planning capital raised through private/public markets, providing additional exit opportunities down the line.

DATA BANK.

Credit quality of large borrowers improves steadily

The credit quality of bigger borrowers — with aggregate fund-based and non-fund-based exposure of ₹5 crore and above to any single scheduled commercial bank (SCB) — has improved steadily over the last few years. They accounted for 37.5 per cent of the total gross non-performing assets (GNPAs) and 43.9 per cent of the overall credit of SCBs in March 2025, according to the latest edition of the financial stability report (FSR), the bi-annual joint publication of financial sector regulators.

The large borrower cohort's GNPA ratio declined from 3.8 per cent in September 2023 to 1.9 per cent in March 2025.

On a quarter-on-quarter (q-o-q) basis, while the volume of special mention account-1 (SMA-1) loans increased, the volume of SMA-0 and SMA-2 loans and NPAs declined during the March 2025 quarter.

A loan where the principal or interest payment or any other amount wholly or partly overdue remains outstanding for up to 30 days is classified as SMA-0; 31-60 days — SMA-1; and 61-90 days — SMA-2.

The FSR noted that the SMA-2 ratio of large borrowers — which rose significantly in September 2024, led by public sector banks — fell sharply in March 2025.

The proportion of standard assets to total funded amount outstanding has consistently improved over the past few years, reaffirming the positive shift in asset quality.

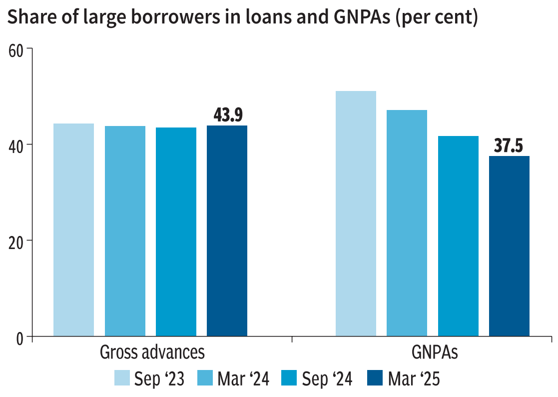
The share of the top 100 borrowers in the total advances of SCBs remained stable at 15.2 per cent in March 2025, and none were classified as NPA.

Over the past two years, the credit concentration risk index (CCRI) showed a declining trend, suggesting a structural improvement of concentration risk in the Indian banking system, according to the report.

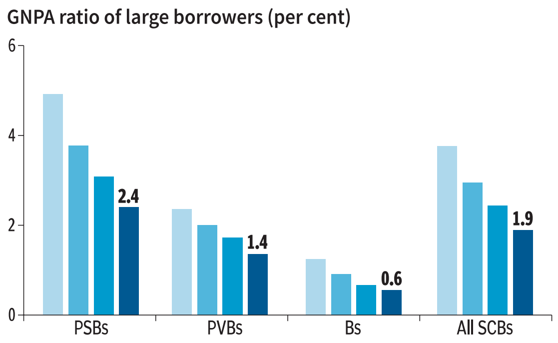
This would indicate an ongoing shift towards a more resilient financial system, wherein the tail risk of failure of a few individual large borrowers poses comparatively less systemic threat. This shift may be due to improved credit diversification through deliberate portfolio rebalancing by banks, or enhanced supervisory oversight.

Select asset quality indicators of large borrowers

Share of large borrowers in loans and GNPAs (per cent)



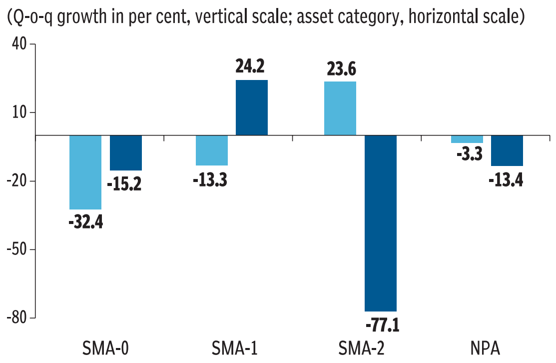
GNPA ratio of large borrowers (per cent)



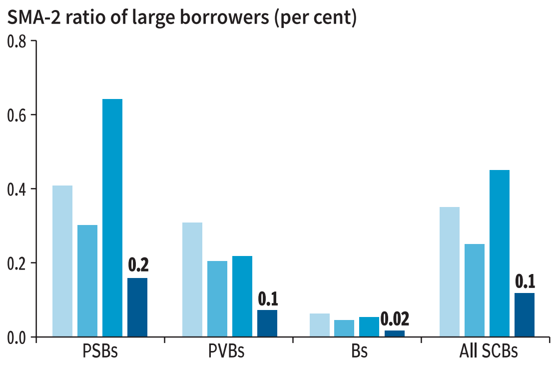
PVBs: private sector banks

Growth in SMAs and NPAs

(Q-o-q growth in per cent, vertical scale; asset category, horizontal scale)

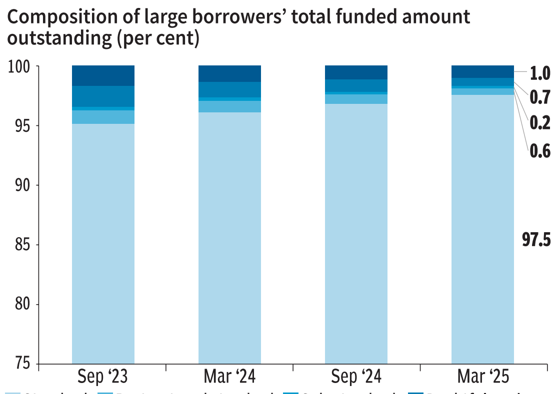


SMA-2 ratio of large borrowers (per cent)



PVBs: private sector banks

Composition of large borrowers' total funded amount outstanding (per cent)



Source: RBI

APP UPGRADE

BHIM: The third coming... in force

CATCHING UP. After years of muted growth, what's driving the surge in transactions on NPCI's updated BHIM 3.0 app

Piyush Shukla

Bharat Interface for Money (BHIM), developed by the National Payments Corporation of India (NPCI), was among the first Unified Payments Interface (UPI) facilitator apps in India, but its adoption remained muted with lower transaction volumes. In contrast, Walmart-backed PhonePe, Google Pay and Paytm, which were also launched in the early years of UPI, gained leadership position in overall transaction volumes.

After years of existence, though, the BHIM app is finally getting higher traction. In June this year, the volume of UPI transactions on the BHIM app rose to 79.58 million, sharply higher than the 25.52 million transactions seen a year ago. In fact, UPI volumes on the BHIM app remained in the range of 16-25 million between June 2018 and June 2024. So, what's driving the surge of UPI transactions on the BHIM app?

RACE TO THE TOP. Lalitha Nataraj, CEO of NPCI BHIM Services Ltd

BHIM
BHARAT INTERFACE FOR MONEY

A pioneering payment app comes into its own

Month	No. of banks live on BHIM	Volume of transactions in million	Value of transactions in ₹crore
June 2025	512	79.58	12,110
June 2024	440	25.52	8,280.36
June 2023	282	22.90	7,258.64
June 2022	253	22.5	7,515.50
June 2021	188	22.74	7,303.76
June 2020	132	17.87	6,610.45
June 2019	111	15.49	6,202.49
June 2018	92	16.34	6,261.25
June 2017	49	4.62	1,486.71

Source: NPCI

GOVERNMENT PUSH

BHIM's first app version was launched by Prime Minister Narendra Modi in December 2016, a month after he announced the demonetisation of ₹500 and ₹1,000 banknotes. The idea was to push digital payments in a country where cash remained king and to curb unaccounted banknotes.

While the app was able to attract a sizeable number of UPI users in the initial year, it could not compete against rivals like PhonePe, Paytm or Google Pay. Poor UI/UX experience and frequent technical glitches drove users away from the BHIM app to the other deep-pocket, tech-savvy players. The BHIM app was then revamped with added features and improved UI in 2019. Yet, transaction volumes greatly lagged those of the other large UPI mobile apps.

Recognising the need to enhance user experience, BHIM 3.0 app was launched earlier this year. The latest version has new user-friendly features such as cashback, discounts, spend analytics, split expenses, 'refer friends & family' option, hyper-personalisation and 'family mode'. To be sure, banks and payment apps already provide a chunk of the newly added features of the BHIM 3.0 app.

INNOVATIVE SOLUTIONS

The 'family mode' in BHIM 3.0 allows users to onboard family members, track shared expenses and assign specific payments. UPI Circle is a delegation feature, allowing a primary user to authorise a secondary user to transact from their account with approval, real-time notifications and limits.

Interestingly, BHIM is also among the top UPI platforms used for initial public offer (IPO) mandates, where a user's UPI ID can be used as a payment option when subscribing to IPOs on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Lalitha Nataraj, CEO of NPCI BHIM Services Limited (NBSL), told *businessline* that ever since the company was hived off as a new subsidiary, it has wanted to focus heavily on understanding user behaviour and preferences.

"We did some amount of user research because, till some time ago, BHIM had a big role to play in ensuring that use cases or the new innovations are nurtured, stabilised and then handed over to the ecosystem. Now, we also have a role to play in users enjoying our app without any glitches," she said.

As BHIM was among the first major UPI apps, Nataraj says it had a "huge early-user base". However, the users did not return to the app as they were not aware of newer updates or that the app was evolving gradually.

USER SURVEY

Accordingly, before launching the revamped BHIM 3.0 app, the company conducted user research and surveys across cities. "We asked users about the services that are expected from BHIM, whether they will return to the app and whether they understand BHIM as an app," she said. After taking into account public feedback, Nataraj said the BHIM 3.0 app was launched with improved user experience, day and night modes, and the 'balance check' option right at the top of the app. The app also sends prompts to users to top-up their UPI Lite account or link their RuPay credit card with their UPI IDs.

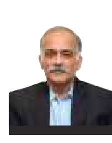
"We have a very huge early-user base. But just, for example, if you tried using the app in 2023 and faced two failed transactions, you will not come back to the app. So, to attract them back to the app, we have to provide them offers (discounts and cashback)," she said.

"We started doing this when we were sure that our app is resilient enough to ensure there are no failed transactions. We now want to grow across categories, including P2P (person-to-person), P2M (person-to-merchant), bill payments, mandates and IPO. We don't want to be skewed towards any one category that provides certain incentives but, when the incentives stop, the customer goes away," she said.

Going ahead, BHIM 3.0 could explore launching features such as loan services, insurance referrals, savings options, travel and transit and DTH/cable TV recharge options, like the other top UPI apps do, for further growth of the UPI ecosystem, experts said.

Reinsuring against a raging global tariff war

The uncertain and volatile business climate is expected to drive up reinsurance costs



RAMASWAMY NARAYANAN

ISTOCK

Even as the global reinsurance sector was reeling from the impact of the higher tariffs announced by the US on imports from 57 countries in early April, the flare-up of the Israel-Iran conflict and the devastating Air India plane crash have put additional pressures on the business. While the world's leading economy has since paused its 'reciprocal tariffs' and continues to engage in talks with trading partners, economists have been warning of rising recession risks, which could derail global demand forecasts amidst rising cost escalations.

On account of the heightened geopolitical uncertainties, global businesses are already witnessing order cancellations, piling inventory and heightened credit default risks; especially affected are those that rely on imported goods originating from conflict-ridden regions. As a result, insurance companies could see higher claim costs across lines, compelling reinsurance companies to recalibrate their underwriting and pricing strategies in response to the new insurable risks. Let us delve into the key reinsurance trends that are expected in the near term and their likely impact.

HIGHER COVERAGE

While the US asserts that its tariffs are intended to strengthen its domestic economy, many industries, including insurance, are expected to face significant inflationary pressures. The 25 per cent duty on imported automobiles and auto parts will not only drive up the prices of new cars and replacement parts, but also negatively impact automobile insurance rates, as insurers factor in the associated cost escalations. Similarly, the decision to levy a 25 per cent tariff on steel and aluminium imports will lead to higher construction costs, and larger insurance payouts across home and commercial segments.

What's more, with repair costs rising on account of inflated material cost, insurers will also have to increase the coverage limits on existing policies. Apart from the resulting higher insurance premiums, insurers will also have to account for the increasing complexities and regulatory risks in public sector projects, ultimately forcing them to review and adjust their underwriting policies across most insurance segments.

PRICING STRATEGIES

As the cost of capital goods and services spirals upwards due to the tariff war, global reinsurers will have to adjust their premium pricing models for the automotive, property and casualty reinsurance segments, among others. Additionally, the fatal Air India plane crash has compelled reinsurers to re-evaluate risks associated with wide-body aircraft models like the Boeing 787-8 Dreamliner; this would harden the aviation reinsurance market and lead to stricter terms.

From an operational perspective, tariffs on reinsurance-related services will increase the running costs for global reinsurers, especially for services and contracts involving cross-border deals. Consequently, reinsurers will have to model different loss scenarios, identify potential market dislocations and revise their premium pricing models on priority. Even in the unlikely event that the US settles for a flat 10 per cent tariff policy for all its trading partners, reinsurers will have their work cut out in the near term as they assess and factor in the impact of the disruptions on the global reinsurance market.

STAGFLATION WORRIES

Within reinsurance, property reinsurance remains the largest and fastest growing segment, followed by casualty reinsurance covering liability insurance for individuals or corporations. In terms of regional market share, North America accounts for 34 per cent of the global reinsurance business, while the Asia-Pacific region remains the fastest growing, with a 17 per cent market share currently.

While the global reinsurance market was poised to experience a compound annual growth rate of 11 per cent between 2025 and 2032, the tariff war could derail some of this momentum.

According to a *Reuters* poll, 92 per cent of the surveyed economists from 50 different economies agree that the tariffs will have a negative impact on business sentiment, with 75 per cent alluding to a lower global growth forecast for 2025. As a result, reinsurers may have to contend with shrinking economic activity in the most extreme scenario, thereby underscoring the likelihood of reduced insurance demand and increased credit risks. This is especially true for price-sensitive reinsurance segments and markets like Latin America and the Asia-Pacific region. Consequently, reinsurers will have to devise new cost-efficient solutions to tap the emerging markets and help them sustain the positive growth momentum from 2024.

DIGITAL INNOVATIONS

Recognising the need to go beyond traditional reinsurance solutions, many reinsurers have been innovating alternative risk transfer (ART) solutions to reduce risk concentrations and bring in more flexibility. Notable among these are the catastrophe bonds, insurance-linked securities and collateralised reinsurance solutions. While the demand for such solutions was more prominent in countries with a high exposure to natural calamities, the tariff war could spur reinsurers to accelerate the pace of new ART launches across different reinsurance segments.

Moreover, with tariff-related inflation set to disrupt the North American reinsurance market, reinsurers are slated to focus more on the Asia-Pacific region to bolster business. Markets like India, Indonesia and Vietnam could see increased interest from global reinsurers, with the incumbent players expected to reap the most out of their growing insurance needs in terms of treaty and property reinsurance.

Notwithstanding the probability of further geopolitical tensions, the global reinsurance industry is expected to emerge relatively unscathed on the back of rising global demand. That said, reinsurers will have to realign their growth strategies to take advantage of all emerging opportunities, even as they double down on investments in digital tools and platforms to streamline risk assessment.

The writer is CMD, GIC Re

TRUMP AFTER-EFFECT

Bank of England scrutinises lenders for dollar risk and resilience

WATCHFUL. Bank of England oversees banks in the City of London financial hub

Reuters

The Bank of England has asked some lenders to test their resilience to potential US dollar shocks, three sources said, the latest sign of how the Trump administration's policies are eroding trust in the US as a bedrock of financial stability.

As the leading currency for global trade and capital flows, the US dollar is the lifeblood of global finance. However, President Donald Trump's break from long-standing US policy in areas such as free trade and defence has forced policymakers to consider whether the emergency provision of US dollars in times of financial stress can still be relied on.

While the US Federal Reserve has said that the central bank wants to continue to make dollars available in the global financial system, Trump's policy shifts have prompted European allies to re-examine their dependence on Washington.

Following similar demands from European supervisors, the Bank of England, which oversees banks in the City of London financial hub, has requested that some lenders assess their dollar funding plans and the degree to which they depend on the US currency, including for short-term needs, one of the people with direct knowledge said.

In one instance, a global bank based in Britain was asked in recent weeks to run stress tests internally, including scenarios where the US-dollar swap market could dry up entirely, another of the sources said. "This reflects a new paradigm where trust in international cooperation appears to be breaking," said John Cronin, analyst at SeaPoint Insights.

The BoE's supervisory arm, the Prudential Regulation Authority, made the requests individually to some of the banks, the person with knowledge of the matter added.

QUICKLY.

Dr Reddy's gets 7 US observations for AP unit

New Delhi: Dr Reddy's Laboratories has received a Form 483 with seven observations from the US health regulator for its Srikakulam-based plant in Andhra Pradesh, according to a regulatory filing. The US Food and Drug Administration (USFDA) conducted the GMP and a pre-approval inspection (PAI) at the formulations manufacturing facility from July 10-18, 2025, the Hyderabad-based drug major said in the filing. PTI

Fast-track migration to ISO 20022: IBA to banks

New Delhi: The Indian Banks' Association (IBA) has asked all banks to fast-track the implementation of the SWIFT ISO 20022 norms, failing which they may face difficulties in cross-border payments. It is essential for lenders to begin migration by August 2025 to ensure sufficient buffer time for monitoring ISO 20022 transaction volumes. PTI

Pocket FM cuts output cost using AI

New Delhi: Audio entertainment platform Pocket FM on Sunday said it has significantly reduced production costs through its proprietary artificial intelligence systems. The company has scaled its content operations significantly over the past year, producing over 50,000 AI-generated shows, a statement said. PTI

India, US gear up to launch joint space mission NISAR by July-end

FINAL COUNTDOWN. New mission will monitor Earth's surface changes globally and provide 3D images

Sindhu Hariharan
Chennai

A STEP CLOSER. The mission will lift off from ISRO's Satish Dhawan Space Centre in Sriharikota NASA

Come July end, a first-of-its-kind earth observation satellite with an advanced radar system will be launched into space to provide a three-dimensional view of Earth in great detail.

The NASA-ISRO Synthetic Aperture Radar (NISAR) mission, a joint project between the National Aeronautics and Space Administration (NASA) and Indian Space Research Organisation (ISRO) to co-develop and launch a dual-frequency synthetic aperture radar (SAR) on an Earth observation satellite, is expected to launch no later than the end of July. The mission will lift off from ISRO's Satish Dhawan Space Centre in Sriharikota.

Sources said that both the satellite and the launch vehicle are at the spaceport and final checks are underway. With the mission on its last leg, NASA is also set to host a mission update briefing on July 21.

LONG COLLABORATION

With the Indian and US space agencies collaborating as early as 2014 to launch NISAR, the mission has been in the works for over a decade. Under NISAR, NASA is providing the mission's L-band synthetic aperture radar, a high-rate communication subsystem for science data, GPS receivers, a solid-state recorder and payload data subsystem. ISRO is providing the spacecraft bus, the S-band radar, the launch vehicle and associated launch services.

NISAR can help in detecting the movement of land and ice surfaces down to the centimetre. It will observe Earth's land and ice-covered surfaces globally in a 12-day frequency during a baseline mission duration of three years. "Earth's surface is constantly changing as a result of both natural and human processes, and humanity's exposure to natural hazards is increasing. NISAR will measure these changes, from small movements to the crust up to volcanic eruption," NASA said in a note.

"NISAR's global and rapid coverage will provide unprecedented opportunities for disaster response, providing data to assist in mitigating and assessing damage, with observations before and after disasters in short time frames," it added.

Engineers from ISRO and NASA's Jet Propulsion Laboratory in California, which manages the mission, have been working together at ISRO's Satellite Integration and Test Establishment in Bengaluru since March 2023 on bringing together components and assembling the satellite. The satellite arrived from Bengaluru at the Satish Dhawan Space Centre earlier in May 2025.

OpenAI's experimental model wins praise at IMO

Sindhu Hariharan
Chennai

AI models have hitherto been great at processing large volumes of data and repetitive tasks but they seem to be mastering complex reasoning and depicting creativity in problem solving.

As the International Mathematical Olympiad (IMO) concluded on Saturday, OpenAI said that its new experimental model had secured 'gold medal level performance' at the global math problem solving challenge.

"We evaluated our models on the 2025 IMO problems under the same rules as human contestants: two 4.5 hour exam sessions, no tools or internet, reading the official problem statements and writing natural language proofs," Alexander Wei, a research scientist at OpenAI's Reasoning team, said in a post on X.

He noted that the model solved five of the six problems on the 2025 IMO.

TOP MARKS

The scores were finalised after consensus by IMO medallists who graded it, he said, adding that the model earned 35/42 points in total, enough for gold.

In IMO, problems are usually asked from four broad topics: algebra, combinatorics, number theory and geometry and are considered more challenging, demanding creative problem solving skills. There are no clear-cut, verifiable answers and as a result the AI model will have to craft "intricate, watertight arguments" like human mathematicians, Wei explained in his post.

NOT FOR RELEASE. OpenAI clarified that the IMO gold LLM is an experimental research model

Madhavan Mukund, Director and a professor of computer science at the Chennai Mathematical Institute, noted that LLMs are generally poor at logical reasoning and there have been instances in the past when LLMs struggled at solving puzzles when you slightly twisted the question.

"Getting LLMs to string together a sequence of steps logically to solve complex problems that they have not seen before is a huge technical challenge. IMO problems are among the most complicated problems one could expect to throw at such systems," Mukund said.

HUGE PROGRESS

The fact that they can do well is a huge advancement and surprise, he said, adding that it is still not clear how such models are trained and how much human intervention is involved.

OpenAI's Wei clarified that the IMO gold LLM is an experimental research model, and the company doesn't plan to release anything with this level of math capability "for several months".

DCC meeting on July 29 to draw up regulations for satellite services in India

S Ronendra Singh
New Delhi

The DCC meeting will discuss satcom-related issues and the way forward for commercial launches

The highest government decision-making body in telecommunication — the Digital Communications Commission (DCC) — is slated to meet on July 29 to discuss the satellite communication (satcom) rules and the recommendations made by the Telecom Regulatory Authority of India (TRAI).

Sources told *businessline* that the DCC, to be chaired by the Secretary, Department of Telecommunications, is expected to decide on the final pricing and distribution of spectrum to the operators who have been given licences.

Recently, Elon Musk-owned Starlink was given satellite authorisation approval from the Indian National Space Promotion and Authorisation Centre, which was the final hurdle for launching services in India.

Starlink, along with other players such as the Bharti Group-backed Eutelsat OneWeb, Reliance Jio's joint venture with SES, and Globalstar, will be competing in this latest communication technology.

WAY FORWARD

"The DCC is scheduled for July 29 to discuss all the matters on satcom-related issues and the way forward for commercial launches," a government official said.

Last week, this newspaper had reported, quoting sources, that the government was also finalising the spectrum allocation rules, and it should be out shortly. Spectrum will be allocated administratively on a first come, first served basis as decided earlier by the government.

TRAI, in May, had recommended that satcom operators be assigned spectrum administratively for five years, extendable by another two years, and also suggested a charge of 4 per cent of their adjusted gross revenue, subject to a minimum annual spectrum charge of ₹3,500 per MHz.

AGR is a specific calculation of revenue used for calculating government dues from telecom operators.

FAIR COMPETITION

However, the Cellular Operators Association of India (COAI), representing major telcos, said that TRAI's recommendations failed to ensure a level-playing field and competitive fairness between satellite and terrestrial service providers when it comes to spectrum assignment (how access to these radio frequencies is granted and managed).

COAI had said that these recommendations lacked transparency and were based on "non-justifiable assumptions" rather than solid data.

The industry body criticised the "limited consideration of stakeholder inputs" and the absence of comprehensive consultation on critical issues.

Key frequency bands recommended for satcom include Ku, Ka, Q/V for data and internet, and L, S and C for mobile links. As per the recommendations, the spectrum will be assigned for up to five years, extendable by another two years.

AI showdown: Autonomous agents face off in new era of cyber warfare

KV Kurmanath
Hyderabad

DIGITAL BATTLEFIELD. Agentic AI is a tool used by both offenders and defenders

The cyber threat landscape is rapidly transforming into a virtual battleground that reads like a page out of a sci-fi novel.

With GenAI-powered agents sprouting, the clash between the defenders and the hackers have moved on to a new orbit.

Tech giant Google and other leading cybersecurity firms are deploying intelligent agents to keep tabs on the ever-evolving threat actors.

"Our AI agent Big Sleep helped us detect and foil an imminent exploit. We believe this is a first for an AI agent — definitely not the last — giving cybersecurity defenders new tools to stop threats before they are widespread," Sundar Pichai, Chief Executive Officer of Alphabet, the parent organisation of Google, said in a post on X.

The tech major, which is among the front-runners in AI research, launched 'Big Sleep', an agentic AI solution that helps defenders in tackling advanced cyber threats.

Most notably, it detected an SQLite vulnerability (CVE-2025-6965) known only to threat actors, allowing Google to predict its imminent exploitation and cut it off beforehand.

FOILING EXPLOITATION

Google believes this marks the first time an AI agent has been used to directly foil exploitation efforts in the wild.

Ankit Sharma, Senior Director and Head – Solutions Engineering at Cyble, explained that this software, capable of planning, reasoning and acting autonomously, is now on the frontlines.

Agentic AI is a tool used by both offenders and defenders. While attackers wield it to probe networks, customise phishing at scale and exfiltrate data, defenders use it to hunt threats and prevent such attacks.

Pankit Desai, CEO and Co-founder of Sequretek, confirmed this capability. "Our AI agents understand the inbound communications to the network and if the impact to the business is low but the impact to security is high, then the agent automatically blocks the communication," he said.

Agentic AI can theoretically spot emerging vulnerabilities and even pre-emptively block or patch an unknown exploit kit under testing. However, the cybersecurity companies, for now, are focusing on spotting and blocking incoming threats, including the AI-powered ones, and not proactively chasing them down.

"Our platforms like Percept CTEM and Percept Compliance Manager offer proactive defence, but always work with explainability and control at the core. As attackers deploy their own AI, the future of security will rest on defensive AI coalitions, rapid adaptability and responsible automation," Desai said.

TRANSPARENCY PUSH

Sharma felt that the most effective approach for using agentic AI defensively blends autonomous capabilities with transparent human oversight.

"Agentic AI can handle the scale and speed of modern attacks but it needs clear, implementable and constantly updatable guardrails. Spotting and thwarting attacks before they mature isn't just a technological problem, as we have learnt over the past decades of cybersecurity evolution — it's an organisational and ethical one," he said.

Data centres shifting focus to meet demand surge for AI computing

KV Kurmanath
Hyderabad

As the hunger for AI compute shoots up among start-ups and enterprises to build solutions around generative AI and deploy them in their networks, data centre companies have begun to shift gears to meet the demand for high-end computing capabilities.

They're deploying high-density GPU infrastructure (up to 130kW/rack) with advanced liquid/immersion cooling and sustainable, modular designs.

As they are alive to the new demand, they are fanning out to tier-2 and -3 cities to locate edge computing, with a focus on cloud rebalancing and a strong focus on data sovereignty.

Liquid cooling, depending on renewable power sources and setting up edge data centres close to the users are some of the other strategies that they are working on.

According to Anarock, India's data centre capacity is at 1.4 GW at present, up from just 590 MW in 2019. This is going to grow to 2 GW by the end of 2025 with a potential to hit 2.6 GW by the end of 2027.

It said that the growth in AI-led demand was a critical driver, with AI technologies requiring vast amounts of data storage, computational power and connectivity.

ACCESS CAPABILITIES

Sharad Agarwal, Chief Executive Officer of Sify Infinit Spaces, admitted that the company had been receiving a lot of enquiries from start-ups and enterprises regarding access to AI computing capacities. "How the infrastructure should be ready to take care of these demands, and the elements of the infrastructure are all in the floor loading capacity so that the same floor could take heavier racks," he said.

Manoj Paul, Managing Director, Equinix India, said that data centres in the country were transforming rapidly to meet the newer requirements. "Operators are deploying high-density computing environments with GPU and TPU clusters and embracing liquid cooling technologies to manage rising thermal loads efficiently. With the growing need for real-time AI at the edge, edge data centres are being considered closer to end-users," he said.

> **Data centres are turning to AI-driven energy optimisation tools to improve operational efficiency**

To manage the high-power requirements, data centres are turning to renewable energy and AI-driven energy optimisation tools to improve operational efficiency. To meet the scale of AI adoption, providers are turning to modular, hyperscale-ready designs that can flex with demand.

"What once averaged 10-15 kW per rack is now escalating to 40-100 kW in AI-intensive environments, forcing operators to rethink infrastructure at every level. Traditional air cooling methods are no longer sufficient," he said.

Vipin Jain, President, Datacentre Operations, CtrlS Datacenters, said operators are now prioritising "AI-optimised campuses, with dedicated high-density zones for GPU clusters and integrating advanced technologies like liquid and immersion cooling, modular power systems and low-latency network fabrics."

DEMAND GROWING

"There's a rapid acceleration in AI cluster deployments and hyperscale AI data centre parks. Demand for sovereign AI cloud infrastructure is growing, particularly from BFSI, healthcare and government sectors," he said. "Edge data centre deployments in tier-2 and tier-3 cities are gaining momentum to support low-latency AI, 5G and IoT workloads," he said.

'Air India crash reports speculative, premature'

Press Trust of India
New Delhi

The US National Transportation Safety Board (NTSB) Chairwoman Jennifer Homendy has said the board will continue to support the investigation into the Air India plane crash, and that reports about the incident are premature and speculative.

On July 12, the Aircraft Accident Investigation Bureau released its preliminary report into the fatal crash.

"Recent media reports on the Air India 171 crash are premature and speculative. India's Aircraft Accident Investigation Bureau just released its preliminary report. Investigations of this magnitude take time," Homendy said in a statement posted on X.

The comments come days after AAIB said it is too early to draw any "definite conclusions" on what led to the crash as the probe is still on, and urged everyone to refrain from spreading premature narratives.

AAIB BACKED

Homendy also said that the NTSB fully supports AAIB's public appeal and would continue to support its ongoing investigation.

"All investigative questions should be addressed to the AAIB," she said in the post on Saturday.

DG Shipping uncovers crew certificate issuance fraud, imposes ban

Aneesh Phadnis
Mumbai

The Directorate General of Shipping (DGS) has restricted ship owners from employing Indian seafarers holding certificate of competency (CoC) issued by Central American countries, such as Honduras and Belize, after uncovering a fraud in their issuance.

The DGS' move is aimed at curbing malpractices in recruitment and preventing seafarers from getting duped or abandoned at sea. The action was initiated after a probe revealed that unapproved entities and institutes were issuing CoCs. In many instances, ratings or junior seamen obtained CoCs of the rank of captain or chief officers through fraud.

The regulatory action, however, has upset seafarer unions. The All India Seafarers Union, the Forward Seamen's Union of India and the National Union of Seafarers of India (NUSI) have complained that this action would impact the livelihoods of thousands of seamen. A DGS official denied the claim.

"Seafarers engaged as officers or engineers on any foreign-flagged ships must hold a valid CoC issued by the Government of India or a maritime administration from countries whose certificates are recognised by India through mutual agreement," DGS said in a circular. These include 11 countries such as Malaysia, the UAE, South Korea, Sweden, the UK, Iran, Singapore, Australia, New Zealand, and Canada and Ireland.

CURBING MALPRACTICE. The move is aimed at preventing seafarers from getting duped or abandoned at sea

A similar mandate has been issued for ratings (junior employees on a ship) and they must possess a certificate of proficiency issued or recognised by India or by countries with whom India has agreements. A CoC is a form of licence which officers or engineers hold to work on a ship. It is issued by the DGS in India, which also conducts written and oral examinations for various positions on a vessel.

FAKE CERTIFICATION

In its circular, the DGS said agents had been offering a package of delivering course certificates issued by unrecognised institutes without any course being conducted. The inquiry revealed that these maritime institutes did not even exist at the stated addresses.

The regulator said it had filed police complaints, confiscated fraudulently obtained certificates and informed relevant authorities in Honduras to cancel them.

Sources said seafarers with Honduras-issued certificate typically work on offshore vessels in West Asia or were engaged in plying sanctioned vessels, substandard ships or those making single voyages. Seafarers had also been duped by agents into joining ships which were abandoned or detained by authorities. "While the issue of fraudulent CoCs is serious, DGS should take a balanced view. It could ask recruitment and placement agencies to verify genuine CoCs as well as investigate if the applicant has requisite competency. Also, flag states like Honduras, Panama and Cook Islands should issue a clarification," said Captain Sanjay Prashar, CEO of VR Maritime Services, a ship management firm.

GRACE PERIOD

Meanwhile, the unions have called upon the DGS to hold back immediate action. In its letter, the NUSI said a grace period should be allowed for transition. This would enable seafarers to regularise certification without immediate disruption.