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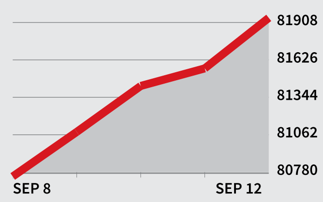

IN FOCUS

	Week's close	Week's change
Nifty 50	25114.00	+373.00
P/E Ratio (Sensex)	22.67	+0.33
US Dollar (in ₹)	88.27	-0.09
Gold Std 10 gm (in ₹)	109268.00	+3356
Silver 1 kg (in ₹)	128008.00	+4838

CORPORATE FILE.

Vedanta's demerger into five listed entities faces delays due to Jaiprakash acquisition and regulatory scrutiny **p7**

SPARK.

Micro-dramas, short vertical OTT shows rapidly gain popularity, funding & audiences across India **p8**

MONDAY SPECIALS.

CLEANTECH

CERC plans to tighten RE deviation settlement

The Central Electricity Regulatory Commission plans to halve the 'tolerance band' in the deviation settlement mechanism to 5 per cent for solar and wind-solar hybrid and to 10 per cent from 15 for wind from April 1, 2026. RE generators have to provide, a day earlier, the forecast of generation over a 15-minute window. If it deviates more than the allowed quantum, they will be penalised. **p6**

CURRENT ACCOUNT

GST waiver: Boost for life, health insurance growth

Will the recent waiver of Goods and Services Tax on individual life and health cover be a catalyst for a new phase of growth in the insurance industry and benefit commoners? This has been a hot topic for discussion among diverse stakeholders in the life and non-life sectors since the GST Council's decision to rationalise rates. **p9**

Centre may impose iron ore export duty from October 2

STERN WARNING. Govt is pushing for production to improve and prices to be halved

Abhishek Law
New Delhi

India is weighing the imposition of export duty on iron ore as early as October 2. The move comes after the government's stern warning to industry that if domestic production fails to rise and prices are not halved, then a duty will be imposed, which could extend to a blanket ban on exports, according to people familiar with developments of a high-level review meeting.

businessline reviewed the minutes of the meeting and spoke with multiple participants from ministries, industry bodies and steelmakers.

An export duty is already being considered on low-grade iron ore (with Fe content of 58 per cent or less) in a 10-20 per cent range, which has put some industry bodies in a tizzy, sources said.

Industry bodies, including FIMI and GMOEA, have appealed to Commerce Minister Piyush Goyal and the Principal Secretary to the Prime Minister against the imposition of any duty. Despite an environmental clearance (EC) capacity of over 200 million tonnes (mt) a year, actual output has been stuck at just half that, raising alarm as India seeks to boost its steel-making capacity.

OUTPUT LAG. Despite environmental clearance for 200 mt annually, output remains low, raising concern over steel expansion

ORE PRODUCTION

Iron ore production in India for FY25 was around 290 mt. About 1.65 tonnes of iron ore are needed to produce one tonne of crude steel. So for FY25, crude steel production was around 153 mt or around 253 mt of the mineral was used. Around 24 mt was exported, leaving an excess stock of around 13-15 mt.

However, exports were close to 30 mt in FY25, lower than FY24 levels.

"If iron ore production is not increased and export-related issues are not addressed, then the export duty on iron ore will be imposed as soon as October 2, 2025," the minutes of the meeting noted, attributing the remark to one of the lawmakers who chaired the session.

Other points raised by the Minister include reducing domestic iron ore prices to half the current levels and increasing steel exports to 50 mt. Apparently, steel makers have cited iron ore prices as being a reason for their offerings being less competitive than Chinese players in global markets.

India's steel exports hovered around 5 mt in FY25, making the country a net importer of the alloy. According to a meeting participant, the Minister told attendees that if conditions were not met, "there might be a ban on exports".

"The clear directions [from the Minister] were to ramp up iron ore production in the coming months," the participant added.

SPEED UP

At the meeting, the Minister urged iron ore miners, including PSUs and the States, to act fast. Odisha came under scrutiny for restrictive policies and inefficient clearances.

State-run miners such as SAIL, NMDC and OMC were told to surrender unworked leases. For instance, NMDC has been unable to raise output, it was mentioned in the meeting. "...advised NMDC to surrender the unused mines so that they can be put back into auctions for new bidders," a draft of the minutes read.

FinMin not convinced on reviving IES, weighs support to exporters

Amiti Sen
New Delhi

Despite demand from exporters struggling under the weight of US tariffs of 50 per cent, the Finance Ministry is not yet convinced about reinstating the interest equalisation scheme (IES) or providing export incentives in the form of duty credit scrips, sources said.

"The Finance Ministry is not convinced that the IES or duty credit scrips would directly result in increased exports. It is still in discussion on the matter with exporters and the Commerce Department, but it is questioning the efficacy of the schemes and is weighing alternatives to help exporters," the source told *businessline*.

Also, there is no agreement yet on increasing allocation under the export promotion mission announced in the Budget for FY26 with an annual outlay of ₹2,250 crore, the source added.

"While the export promotion mission will soon be implemented after it gets all clearances, it is unlikely to include the IES in its earlier form. The disbursement under the scheme in the past years has actually been more than the total allocation for the export promotion mission. With the FinMin not wanting to increase allocation, easing credit flow may be through other means, such as guarantees," the source pointed out.

Finance Ministry has questioned effectiveness of the interest equalisation scheme despite Commerce Department studies

Under the IES, which lapsed in December 2024, the government subsidises bank credit to exporters at pre-determined rates. Duty credit scrips, on the other hand, are transferable incentives allowing exporters to offset their customs duties on imports.

"Exporters are lobbying hard for continuation of the IES, especially for MSMEs, as it would bring down the cost of credit which, they say, is much higher than that in competing countries. Given the steep 50 per cent tariffs imposed by the US, which is 30 per cent higher than on competitors such as Vietnam and Bangladesh, exporters have also been asking for duty credit scrips of 10-15 per cent to compensate for part of the difference. But things look difficult," a Mumbai-based exporter said.

TRADE CONCERNS

The Finance Ministry continues to have questions on the efficacy of the IES, despite studies done by the Commerce Department to establish its relevance in increasing exports, the source said.

"The case for duty credit scrips is even weaker, as there is a problem of correlation and attribution because it is not easy to directly link such scrips to the duties on inputs paid by the exporter. It may be WTO non-compliant," the official explained.

The RBI is exploring other ways of easing liquidity problems being faced by exporters, including their demand for a loan repayment moratorium and a favourable exchange rate.

HISTORIC WINS

GLORIOUS KNOCKOUTS. Jaismine Lamboria (left) and Minakshi Hooda cemented their place in Indian boxing history by clinching World Championship titles in Liverpool. Jaismine defeated Paris Olympics silver medallist Julia Szeremeta (57kg) on Saturday while Minakshi out-punched Paris Olympics bronze medallist Nazym Kyzaibay (48kg) on Sunday X.COM/NARENDRAMODI

BSE seeks further tightening of SME IPO rules

Akshata Gorde
Janaki Krishnan
Mumbai

The BSE has sought further tightening of the rules and processes related to SME IPOs and has made suggestions relating to the role of merchant bankers, disclosure gaps and fund utilisation, all of which are under consideration by the Securities and Exchange Board of India, a top exchange official said.

BSE Managing Director and CEO Sundararaman Ramamurthy said the SME fundraising framework had evolved steadily since the platform's launch in 2012, but recent trends and enforcement actions underline the need for sharper guardrails. "Based on experience and recommendations, many changes have been ushered in *suo motu* by the exchange as well as by the regulator. Now, for further strengthening, certain issues are under active consideration," he told *businessline*.

> SMEs are an important complement to India's growth story. As their participation deepens, the fundraising framework must also evolve
>
> **SUNDARARAMAN RAMAMURTHY**
> Managing Director and CEO, BSE

One proposal would require issuers to disclose private arrangements with merchant bankers on issue expenses and funding to bring more transparency. The exchange has also mooted restrictions on SME investments by AIFs that are related to merchant bankers to reduce conflict of interest.

CLAMPING DOWN

A bigger change could come in the handling of IPO proceeds. At present, merchant bankers control access to escrow accounts where the funds are parked. SEBI has found multiple instances of misuse, including in cases against Synoptics Technology, Varyaa Creations and their bankers, and is currently probing nearly 20 SMEs for similar diversions, according to people familiar with the matter.

Another proposal relates to replacing the current deviation certificate with a more detailed utilisation certificate and mandating the appointment of a monitoring agency for all SME issuances to ensure better control in utilisation of proceeds. Tighter eligibility norms for merchant banker registrationa are also on the table.

Ramamurthy said that these reforms are in step with the segment's growth. Since inception, the BSE SME platform has enabled over 615 companies to raise about ₹11,300 crore, with more than ₹8,100 crore mobilised in just the last five years. "SMEs are an important complement to India's growth story. As their participation deepens, the fundraising framework must also evolve," he said.

STRICT ENFORCEMENT

So far, around 186 companies have migrated to the main board, while 55 have been suspended or delisted.

The enforcement and regulations are getting stricter to promote healthy SME growth and ensure that only good companies come in.

Ramamurthy said that SMEs, unlike large corporates, often lack experience in compliance and governance, which makes handholding by exchanges, regulators and merchant bankers essential.

The BSE, he said, has tied up with state agencies and industry bodies to educate promoters on governance and disclosure practices.

Truckers face idle week, freight rates plunge ahead of GST 2.0 rollout

TE Raja Simhan
Chennai

Joginder Singh, a truck driver ferrying cars from manufacturing plants to various parts of the country, is enjoying his extended stay on the outskirts of Chennai as many companies, including automobile manufacturers, have paused deliveries temporarily until the new GST rates come into effect on September 22.

With lakhs of trucks sitting idle over the past week, the freight rate has plummeted by 30-35 per cent due to weak demand.

SUPPLY FREEZE

However, the rates will not only rebound sharply after September 22, but there will also be a huge shortage of vehicles with demand rising for movement of goods. The current demand is only from e-commerce portals, industry sources said.

RATE DROP. With lakhs of trucks remaining idle over the past week, the freight rate has fallen by 30–35% due to lack of demand

Sachin JKS haritasH, Director of the Delhi-based Chetak Group, said the government's decision to reduce GST is good for consumers but it had halted the entire supply chain from part suppliers to last-mile delivery, due to the pause in purchasing. Almost 90 per cent of the trucks are idle, awaiting loads, as OEMs hold off till September 22. Only a few dispatches for marriages or other important functions are happening, he said.

However, post-September 22, there will be a mad rush to push the vehicles to ensure that customers take delivery during Navratri. The freight rate will increase by 30-40 per cent due to Diwali. Right now, the volume is down by nearly 30 per cent, he said.

P Sundarraj, Managing Director of the Tiruchi-based Subham Freight Carriers India Pvt Ltd, said there is a lull in the market as there is no movement in sectors like white goods and automobiles. An official with an automobile dealer said billings for new vehicles will start happening as per the new GST rates, even if someone them books today. No delivery is being planned for this week, he said.

According to Vikram Mansukhani, Chief of Operations at Blue Dart, the current slowdown in vehicle utilisation is only a temporary outcome of the GST reforms. "From September 22, as the revised rates take effect and festival sales commence across major e-commerce platforms, we anticipate a sharp rebound in demand. The twin impact will not only boost shipment volumes but also trigger heightened requirements for trucks, commercial vehicles and allied logistics resources," he said.

Gold or silver: Which gave better long-term returns?

Sourashis Banerjee
Chennai

With gold and silver prices scaling new peaks every other day, investor interest is increasing in these asset classes as evident in record inflows into exchange-traded funds. But which of them has delivered better returns over the long term?

A *businessline* analysis of gold and silver price data for the last two decades shows that both move in the same direction, with a high correlation of 0.95. But gold has delivered slightly higher returns over the long term and has also been less volatile.

Silver's average annual return for the period between 2006 and 2025 is about 15.6 per cent, which is identical to gold's performance. But the real story is in its volatility. The swings in silver prices are sharp and often extreme, with a standard deviation in annual returns of around 31 per cent.

Read more on p10

Cess withdrawal, flat 40% GST on soft drinks worry distributors

Meenakshi Verma Ambwani
Shishir Sinha
New Delhi

The transition of GST on aerated beverages from a slab rate and cess component to a consolidated 40 per cent levy could pose a challenge for FMCG distributors and traders. FMCG distributors are now getting ready to knock on the doors of the Finance Ministry.

As of date, all goods (including aerated waters) containing added sugar or other sweeteners or flavoured, caffeinated beverages, carbonated beverages of fruit drink or carbonated beverages with fruit juice attract GST at 28 per cent. At the same time, a compensation cess at 12 per cent is levied on aerated waters, lemonade and caffeinated beverages, besides others. With effect from September 22, all these beverages will attract a flat 40 per cent rate to maintain the incidence of taxation as the compensation cess has been withdrawn.

Larger players may absorb the loss but mid-tier traders could pass on costs, slightly raising consumer prices

CESS STRAIN

Dealers and distributors will not be able to utilise compensation cess paid on unsold stock on or after September 22. Manoj Mishra, Partner at Grant Thornton Bharat, said traders who had accumulated input tax credit (ITC) of compensation cess may find themselves unable to set it off against future liabilities as the new framework eliminates the compensation cess component. This creates stranded ITC, effectively converting it into a sunk cost. For smaller traders and distributors with thinner margins, this adds to working capital pressures, he added.

"Larger players may absorb it in the short term but traders and mid-tier distributors, who are often more cash-sensitive, are expected to pass on part of this burden, potentially leading to a marginal rise in consumer prices or tighter discounts at the retail level," said Mishra.

Meanwhile, Dhairyashil Patil, President, the All India Consumer Products Distributors Federation, said, "We will be raising this matter with the Finance Minister as crores of rupees in working capital will be unnecessarily blocked due to this situation, creating immense stress on distributors and the retail ecosystem."

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QUICKLY.

PLI application window for ACs, LEDs reopens

New Delhi: The government has reopened the application window for the PLI scheme for white goods (ACs and LED lights) for 30 days, according to a statement. The facility will be available from September 15 to October 14. "The application window for the PLI Scheme for White Goods is being reopened based on the appetite of the industry to invest more under the scheme," the Commerce and Industry Ministry said. PTI

Pralhad Joshi to open IEC General Meeting today

New Delhi: India will host the 89th General Meeting of the International Electrotechnical Commission in the national capital on September 15-19, bringing together over 2,000 experts from more than 100 countries to deliberate on international electrotechnical standards. Food and Consumer Affairs Minister Pralhad Joshi will inaugurate the opening ceremony. PTI

'GST 2.0, major win for citizens'

FOR THE PEOPLE. 'Historic tax cut' will inject ₹2 lakh crore into economy, says FM

Sindhu Hariharan
Chennai

The GST 2.0 reforms do not just rationalise the tax rates into two simple slabs but also simplify the entire system to address various classification problems, Union Finance Minister Nirmala Sitharaman said on Sunday.

"Ninety-nine per cent of items in the 12 per cent slab previously are now in 5 per cent," she said. To reduce tax as well as to simplify the system, "we have brought food cent or nil rate so as to avoid any classification problems that were prevalent earlier," she added.

It all began with directions of PM Narendra Modi towards rationalisation of GST and the whole process took around eight months, she explained. It was initially planned as a Diwali bonus but working together on the goal, the GST Council decided to do it by September 22 to help consumers across regions in festival season purchases, she added.


Union Minister Nirmala Sitharaman speaking in Chennai on Sunday BIJOY GHOSH

Sitharaman was speaking at the Joint Conclave of the Tamil Nadu Traders Association - 'Tax Reforms for Rising Bharat' in Chennai on Sunday.

'NOT RANDOM'

She noted that the "historic tax cut" will inject nearly ₹2 lakh crore into the economy. "It is a principled, policy-driven exercise, and not at all random or to favour particular States alone," she added.

Sithraman said companies were coming forward to assure that they will pass on the benefits to consumers. She also gave credit to all State Finance Ministers and representatives of the GST Council for working towards the common goal of citizens' welfare.

Trade and industry association representatives assured that they will work to pass on the benefits to the end consumer. Some also put forward concerns with respect to certain sectors.

SMALL, MICRO TRADE

AM Vikrama Raja, President of the Tamil Nadu Traders Association, urged Sitharaman to look into the impact on small mom-and-pop stores due to the entry of large corporate players in the sector. Linesh Sanatkumar, President of the Hindustan Chamber of Commerce, said the paper industry was taken aback by the decision to impose 18 per cent GST on paper. He noted that the decision to charge dual rates of tax in the paper used for different purposes may lead to confusion.

Durai Palaniswamy, Chairman, Southern India Mills' Association thanked Sitharaman for bringing the entire man-made fibre value chain under 5 per cent tax. He requested her to reduce GST on used scrap and pet bottles to 5 per cent to avoid duty inversion and to promote a circular economy in recycled polyester fibre manufacturing.

Other speakers included V Kamakoti, Director, IIT-Madras; AR Unnikrishnan, Chairman, CII-Tamil Nadu State Council and MD, Saint Gobain India; A Sakthivel, Vice-Chairman of Apparel Export Promotion Council; GSK Velu, Chairman, FICCI Tamil Nadu State Council; and Narendra Kumar Bharindwal, President, Insurance Brokers Association of India, among other heads of trade and industry associations.

Nainar Nagenthran, State President of the BJP, also addressed the event and urged traders to clearly display the GST cuts on key products.

Then & now: An update on last year's winners of Changemaker Awards

Vande Bharat express trains put ICF on the fast track

2024 WINNER.
Changemaker of the Year
Integral Coach Factory (ICF)

TE Raja Simhan
Chennai

Over two years after their launch, Vande Bharat Express trains are still a craze among the public, and India's first indigenous semi high-speed trains continue to captivate enthusiasts.

For the Integral Coach Factory in Chennai, a leading production centre of the trains, it has become a significant milestone and injected new energy into the system.

Vande Bharat is a fine example of Atmanirbhar Bharat, and leading from the front in its production has been the ICF.

So far, 91 Vande Bharat train sets have been delivered to various railway zones in the last two years.

ICF was *businessline's* Changemaker of the Year 2024.

U Subba Rao, General Manager, ICF, said that the making of Vande Bharat Express trains has given an incentive and push to the whole organisation.

WHOLE BRAND

"Vande Bharat is a whole brand of trains, not just the chaircar train. It's a quantum jump from the trains we had so far, as this train brings better comfort and passenger amenities; the touch and feel is better and the feeling is that you are in a better class of train," he said in *businessline* in an earlier interview.

"We are not replicating the trains of Europe nor are they equal to the high-speed trains of China, but they have put us on that path," he explained.

Capable of travelling at 160 kph (but running around 130 kph or less because of the current limitations with the tracks that are now being progressively upgraded) these trains are faster than the Shatabdi Express, which so far had the pride of place for fast rail travel in the country.

Vande Bharat sleeper, Amrit Bharat 3.0 trains are in the pipeline at ICF

The indigenous Vande Bharat train was unveiled in February 2019. Its precursor, Train 18, was designed and developed in 2018 entirely at the ICF in Perambur, Chennai.

PRODUCTION BOOST

However, the Vande Bharat Express gained momentum from late 2022 with the Indian Railways introducing the service on new routes, and the ICF ramping up production, along with other coach factories such as MCF, Raebareli, and RCF, Kapurthala, later.

These semi high-speed trains have speeded up rail travel on shorter routes such as Chennai to Bengaluru, where you can travel to either city centre in a shade under four-and-a-half hours, which beats air travel by a couple of hours, considering the reporting time and travel to and from the airport.

Vande Bharat trains have redefined the travelling experience, offering greater comfort and reduced travel times. It also gave renewed purpose to the ICF, which was founded in 1955 and has emerged as the largest rail coach manufacturer in the world.

Vande Bharat trains are not the only ones that ICF makes; it will also produce Vande Bharat Sleeper trainsets. ICF will also develop mixed Amrit Bharat 3.0 trains, offering a blend of AC and non-AC coaches for balanced comfort and affordability.

There is a plan to introduce Gati Shakti Freight EMUs, a semi-high-speed train for e-commerce and FMCG logistics, equipped with advanced container handling systems and crew amenities, said the GM.

For the current fiscal, ICF has been entrusted with a target of 4,302 coaches, including 3,127 LHB (Linke-Hofmann-Busch) coaches and 1,155 distributed power rolling stock coaches, which make up the Vande Bbarat train sets.

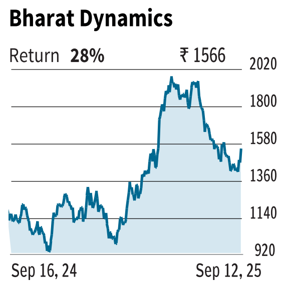
TODAY'S PICK.

Bharat Dynamics (₹1,566.80): BUY

Akhil Nallamuthu
bl. research bureau

The stock of Bharat Dynamics appreciated nearly 9 per cent last week. Consequently, it has formed a morning star candlestick pattern on the weekly chart. This hints at a bullish reversal in trend. Supporting this, the price has now moved above the 21-day moving average and has formed a good base at ₹1,420.

Going ahead, the stock can rise to the ₹1,630-1640 price region, a potential barrier. While there could be a consolidation or a minor correction on the back of this, we expect the scrip to eventually surpass ₹1,640 and rally to ₹1,780. Buy the stock at ₹1,566 and ₹1,500.



Place stop-loss at ₹1,410. When the stock touches ₹1,630, revise the stop-loss to ₹1,520. Tighten the stop-loss to ₹1,650 when the price hits ₹1,720. Book profits at ₹1,780.

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

Defence Procurement Manual 2025 revised to boost pvt sector, MSMEs

Our Bureau
New Delhi

In a major policy shift aimed at fostering self-reliance and accelerating defence modernisation, Defence Minister Rajnath Singh has approved the Defence Procurement Manual (DPM) 2025, which explicitly allows for active participation of private players, MSMEs and start-ups in the revenue procurement processes.

The revised manual, which comes after more than a decade since the last version was issued in 2009, is designed to streamline, simplify and rationalise revenue procurement across the armed forces, the MoD announced in a statement on Sunday.

With the procurement under the Revenue Head (Operations and Sustenance Segment) estimated at ₹1 lakh crore for FY26, the DPM 2025 represents a significant opportunity for the domestic industry.

KEY REFORM

"This is a landmark reform that will drive innovation, reduce dependency on imports and enhance the responsiveness of our procurement processes," the statement read. Among the key reforms in DPM 2025 are the increased role of the private sector and start-ups, supportive development framework, guaranteed orders and handholding, ease of doing business and transparency, field-level empowerment, and thrust on innovation and academia collaboration.

By breaking traditional procurement silos and encouraging private innovation, the Ministry aims to ensure the timely availability of critical equipment while reducing costs.

With the revised framework, the Ministry hopes to strengthen jointness among the services, reduce operational downtime through upfront provisioning in repair and refit, and streamline high-value government-to-government procurement.

CBIC's GST clarification on post-sale discounts likely to boost festival demand

Shishir Sinha
New Delhi

The government has brought much-needed clarity and a dose of festival cheer with a new GST circular, stating that post-sale discounts are not taxable as services.

This is a big win for companies, especially those in the fast-moving consumer goods (FMCG) space, as it settles a long-running dispute with the tax authorities. For years, the tax treatment of these secondary discounts — given by manufacturers to distributors and retailers to boost sales — was a grey area, often leading to legal battles.

According to the CBIC clarification, the relationship between a supplier and a dealer is fundamentally a single sale transaction. When a manufacturer offers a discount after the initial sale, it is considered a price adjustment for the goods, not a payment for a separate service.


SIGH OF RELIEF. The clarification is a big win for companies, especially those in FMCG, as it settles a long-running dispute with the tax authorities REUTERS

An official explained that there is no express or implied agreement that the dealer is providing a service in exchange for this discount and, therefore, it does not attract GST.

However, there is an exception. GST would apply if the dealer undertakes specific, contractually defined promotional activities, such as an advertising campaign, co-branding or special sales drives, in exchange for the discount.

In such cases, the dealer is clearly providing a distinct service to the supplier, and GST would be charged on that service.

The circular also clarified a related issue regarding input tax credit (ITC). It confirms that a business receiving a discount via a commercial or financial credit note does not need to reverse the ITC it originally claimed. This is because the discount doesn't change the original transaction value on which the tax was levied, so the full ITC remains available to the recipient.

TIMELY CLARIFICATION

Experts are hailing this circular as a very important and timely clarification. Karthik Mani, Partner at BDO India, said the ambiguity is now put to rest, which should help conclude ongoing disputes in favour of the industry.

"The brand owners can now consider giving post sale discounts to adopt competitive prices for the customers more aggressively, in addition to passing on the GST rate cut benefits, to fuel demand in the upcoming festival period," he said.

Crypto exchanges see up to 50% jump in dormant users becoming active

Vallari Sanzgiri
Mumbai

Hitherto dormant investors in cryptocurrencies are getting back to crypto trading platforms, with major exchanges reporting up to half of previously inactive users resuming activity, encouraged by the landmark stablecoin legislation GENIUS Act in the US and the all-time highs hit by Bitcoin.

Trading volumes on platforms like CoinDCX and Mudrex have been at record highs for the past four months. Mudrex noted that since July 2025, about 45-50 per cent of inactive users returned to trading and investing.

"Investor activity in India has been accelerating over the past two years. Especially Bitcoin volumes grew 49 per cent between July and August this year, while Ethereum increased by 105 per cent since July.

At the same time, Solana rose by 50 per cent," said Mudrex.

EQUITY INVESTORS

Similarly, CoinDCX also reported inactive users re-engaging with the platform since July 2025, partially owing to the breach incident that led to initial withdrawals.

However, users resumed trading as clarity set in, said the exchange. CoinDCX also noted active participation from equity investors, going from 39 per cent in October 2024 to 53 per cent in June 2025.

According to Sharat Chandra, Founder, EmpowerEdge Ventures, a Bengaluru-based firm dedicated to start-up growth for web3 and fintech start-ups, the surge in trading activity in July and August was fuelled primarily by the passing of the GENIUS Act and the massive deficit on account of the "big beautiful bill", which drove flight of capital into Bitcoin and other asset classes.

"Bitcoin hit an all-time high price of over $1,24,000 in August 2025. According to The Congressional Budget Office (CBO) the law will increase the budget deficit by $2.8 trillion by 2034. Inflationary fears on account of tariffs also aided the surge in crypto trading," said Chandra.

However, exchanges now anticipate a lull in trading during October-November in line with the sector's annual trend cycle. Seasonally, the crypto market tends to strengthen towards the end of the year, said Sumit Gupta Co-Founder of CoinDCX, adding that the exchange expected Bitcoin to reach around $1,50,000 before the year-end, driving healthy participation across the market.

Vahana Mithra: AP's auto drivers to get ₹15,000 dole

Our Bureau
Hyderabad

The Andhra Pradesh government will give auto drivers ₹15,000 for 2024-25 on October 1. Chief Minister N Chandrababu has announced the support under the 'Vahana Mitra Scheme' after auto drivers requested for aid after the roll out of free travel for women in State-run RTC buses on August 15 as it affected their livelihood.

The State government on Sunday released guidelines for applying for the dole. Applications will have to be submitted by the auto drivers in the village/ward secretariats from September 17, 2025.

BPL FAMILIES

The drivers should apply along with the AP registration certificate of their auto rickshaw, aadhaar card and valid driving licence.

The applicants should belong to below poverty line (BPL) families without any member of the family in government service with salary or pension.

The average electricity consumption for the last 12 months should not cross 300 units per month.

The applicants should apply online before September 17 and ₹15,000 will be credited to their accounts on October 1 after verification, according to the guidelines.

Groundnut output in Gujarat set to hit a record 66 lakh tonnes this year

Avinash Nair
Ahmedabad

Gujarat, which accounts for over half of India's groundnut production, is projected to achieve a record-high production of 66 lakh tonnes (lt) this year, according to the State government.

Last year, the production in the State stood at 52.20 lt. Preliminary estimates indicate that the output this year could be 26 per cent more.

15% RISE

During the ongoing kharif season, groundnut has been sown in 22 lakh hectares(lh), which is about 15 per cent more than the 19.1 lh sown during 2024-25.

This year, more than 16.64 hectares have been sown in the Saurashtra region, which is also a primary cotton-growing region. Over 40,000 hectares are in the North Gujarat region, parts of which have been flooded due to heavy rain last week.


HIKE IN SOWING. Groundnut has been sown in 22 lh, up 15% from 19.1 lh a year ago MURALI KUMAR K

"Though the government has estimated a bumper production of groundnut this year, it remains to be seen how the situation pans out with several areas of North Gujarat and Kutch, which grow a good amount of groundnut and cotton crops, getting flooded. Farmers in the Banaskantha, Patan and Kutch districts told us about crop loss during our visit to this region a couple of days ago," said Sagar Rabari, who heads Khedut Samaj, a farmers' body, and is also associated with the Aam Aadmi Party in Gujarat.

MARKET INTERVENTION

The State government had bought a record 12.22 lt of groundnut on minimum support price (MSP) from 3.67 lakh farmers in the State in 2024-25, worth ₹8,295 crore. This year, too, the government plans to make similar purchases.

On Friday, the last date for registration of farmers willing to sell their kharif crop on MSP was extended by one week to September 22. This year, looking at the bumper groundnut production, the State government is expected to buy groundnut, moong, urad and soybean on MSP.

CH-CHE

CHENNAI
businessline.
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The right call

Telecom services should be affordable

India's telecom industry has once again reached an inflection point. Over the last year, operators have increased tariffs by 10-27 per cent, a move that directly impacts millions of prepaid and postpaid subscribers. More recently, entry-level 1GB-per-day plans have been quietly phased out, nudging users towards higher-value packs.

With Jio preparing for an IPO, the market is bracing for another 10-15 per cent hike by the year's end. While this push has undoubtedly improved average revenue per user (ARPU) — Airtel, for instance, saw ARPU climb to ₹250 from ₹211 within a year — it also raises an uncomfortable question: are tariff hikes becoming the industry's crutch for profitability? It is undeniable that the telecom sector has endured a bruising decade, marked by hyper-competition, price wars, and unsustainable losses. The present duopoly, with Jio and Airtel dominating and Vodafone Idea hanging on, offers long elusive stability. Yet, operators must decide whether to simply exploit their market power through routine price increases or to seize this moment to reimagine telecom services for the next era.

The arrival of 5G technology illustrates this dilemma well. Despite billions spent on rollouts, there is still no "killer application" that makes 5G indispensable for the average user. In contrast, the 4G era saw over-the-top (OTT) platforms, including Netflix, YouTube, and Meta, create massive value on the back of telco infrastructure, while operators themselves remained little more than data pipelines. Unless telecom companies partner with India's thriving startup ecosystem or invest in building applications themselves, history may repeat itself. Importantly, operators today now have the financial flexibility to pursue innovation. First, capital expenditure demands are set to taper. With spectrum holdings plentiful and existing 4G infrastructure being refarmed for 5G, the incremental cost of network rollouts is modest. Second, surging data consumption underpins steady revenue growth: per-user daily data use has grown at a CAGR of 37 per cent, while industry revenues between FY20 and FY25 have risen at a CAGR of 13.4 per cent. Third, the absence of disruptive new entrants, with satellite broadband expected to be expensive and niche, gives telcos breathing room to think long-term.

The present situation does not really justify another round of tariff hikes. Pricing strategies that exclude large swathes of consumers will widen the digital divide, undermine social equity and the industry's long-term growth prospects. Instead, telcos must consider differentiated models. Telecom operators could adopt graded pricing wherein premium users pay more in return for bundled services, while preserving affordable basic plans for mass users. Revenue growth should come from value creation, not just tariff tweaks. Telecom operators are at a crossroads. They can either lean on annual tariff hikes, or innovate, partner, and build the services that will define the next digital era.

OTHER VOICES.

CHINADAILY

New York Declaration must translat into tangible results

China has consistently pointed out that without Middle East peace, the world will not be stable, and that the Palestinian question has always been at the heart of the Middle East turmoil. It is thus a positive development that the UN has set out an action-oriented pathway toward a peaceful settlement of the Israel-Palestine conflict and the realization of the "two-state solution", which is the only way to resolve the long-running conflict. The UN General Assembly has adopted a draft resolution endorsing the New York Declaration on the Peaceful Settlement of the Question of Palestine and the Implementation of the Two-State Solution. That the draft resolution was passed by 142 votes in favour, 10 against speaks volumes about the international community's will on how the Palestinian question should be settled. (BEIJING, SEPTEMBER 14)

The Island

Conspiracies here and overseas

These are apparently bad days for former heads of state across the world. Close on the heels of the passage of a new law, stripping former Sri Lankan Presidents of their perks and privileges, came the news of ex-Brazilian President Jair Bolsonaro being sentenced to jail for 27 years and three months for plotting a military coup. A panel of five Supreme Court judges handed down the sentence immediately after convicting Bolsonaro. A dissenting judge voted to acquit him, and the former President's lawyers have taken exception to the sentence. The main charge against Bolsonaro is that he led a conspiracy in a bid to stay in power after losing the 2022 presidential election to Luiz Inácio Lula da Silva. (COLOMBO, SEPTEMBER 14)

Quite a flutter over stablecoins

The practice of the state's monopoly over note issuance is just 175 years old. It's neither been complete nor unchallenged

LINE & LENGTH.

TCA SRINIVASA RAGHAVAN

The latest issue of the IMF's popular journal, *Finance and Development*, has an article on the growth of stablecoins (*https://tinyurl.com/3jn4zbat*). These are digital currencies linked to the legal tender of a country but they are usually privately issued. The author, a professor at the London School of Business, says "...we must brace ourselves for substantial consequences. On the negative side are dollarization and its side effects, financial stability risks, potential hollowing out of the banking system, currency competition and instability, money laundering, fiscal base erosion, privatization of seigniorage, and intense lobbying...

"On the positive side, cross-border payments may be quicker and cheaper, which matters especially for remittances. And citizens of countries with poor governance would have access to more stable and convenient means of payment and store of value than their domestic currency. Who gets payment data and US dominance when it comes to imposing sanctions will be affected as well."

She concludes that while the impact will be "profound" we can't predict what will happen because everything is becoming more unpredictable. So, as if Donald Trump's trade instability isn't enough, the world is in for "major financial stability risks, including increased volatility in exchange rates; threats to public finances in many economies; and competition across currency networks are likely."

NOT THE FIRST TIME

That said when you read the article you will think that this is the first time this is happening. The truth, however, is that this kind of challenge to the existing financial system has been a regular occurrence throughout modern history.

The idea and practice of the state's monopoly over note issuance is just about 175 years old. And even then it's neither been complete nor unchallenged.

Usually the competition was for the seigniorage, which is the difference in cost of issuing the unit of money and its face value. In other words, private issuance of money was commonplace because it was profitable.

In India, for example, the East India Company came up with its own coinage because the Company was dealing with a whole lot of diverse coins issued by local *rajas*. It lost a lot of money in exchange and arbitrage.

So it decided to unify the money and introduced a silver rupee. This was made the standard currency in Madras in 1818 and in Bombay in 1823. In 1835, via an Act, it became the standard currency throughout British India, replacing gold.

Jolly good, everyone said, but over the next three decades the price of gold and silver fluctuated so much that the situation started to resemble what the IMF essay is warning against: financial instability. The Brits began panicking.

If the American stablecoins are seen as being as liquid and trustworthy as the dollar, it's game, set and match to the US

They then took all sorts of evasive and aggressive action but a peculiar and completely unforeseen problem arose: Indians simply could not afford the high denomination coins for making small payments. So all the schemes were soon abandoned. Despite the best efforts of the British, there were all sorts of coins and notes that continued to float about. The RBI museum has many of them. There was a clear need for unity in diversity and, when Keynes came here in 1913, he ended up writing a book on the Indian currency problem.

India has always been unreceptive to economic reasoning. So it didn't get a fully used single currency until the mid-1950s when the old system was replaced by the naya paisa system, and the metric system introduced. Its rapid acceptance demonstrated the people's faith in Nehru and his government.

THE REAL QUESTION

Now to the real question: which currencies will stablecoins compete with? The answer is all currencies that are not linked to the dollar in some way, because the dollar itself is or will be linked to the stablecoins.

The extent of the competition, which in this case means substitutability, will depend on fungibility. If the American stablecoins are seen as being as liquid and trustworthy as the dollar, it's game, set and match to the US.

One might wonder about China. Well, stop wondering. China has banned all these newfangled stuff, rather as some of the maharajas in British India who had their own currency banned British India's currency.

However, there's always the offshore yuan that could get linked to a Chinese stable coin. But then the question of trust comes: after Trump goes will you still distrust America as much as you distrust China? Unlikely.

That leaves India which does not recognise stablecoins. But now many people are asking if the time has not come to allow them. There will be arguments both for and against but one question that must be asked is this: if the rest of the world is going in one direction, should India go in some other?

Are cesses serving their intended purpose?

Though huge amounts have been collected, crucial sectors such as health and education continue to be underfunded

Govind Bhattacharjee

Cess, which is an additional tax levied by the Government to raise funds for a specific purpose, has always been a bone of contention between the Centre and the States because it is not shareable with the latter, and hence outside the scope of Finance Commission transfers. So is surcharge, which is a tax on tax.

This non-shareability acts as an inbuilt incentive for the Centre to resort to cess whenever it faces funding constraints. Cesses therefore tend to proliferate — a 2018-study has identified 44 cesses levied by India since 1944. Unlike for taxes, the Constitution is rather vague on cess and makes only passing references in articles 270 and 271; cess, in fact, predates the Constitution.

Before the GST was introduced in July 2017, 26 cesses were abolished; GST then subsumed 13 of the 19 cesses then operating, while adding one more — a GST Compensation Cess (GCC) on sin and luxury goods to compensate the States for their loss of revenue.

Existing cesses include a health and education cess (HEC) levied on our income taxes, to be spent on health and education.

There are cesses on exports and some imported goods like petroleum, etc., besides on luxury and sin goods, to finance our social and physical infrastructure.

Cesses have no sunset clause — the GCC — the only cess passed on to the States — was to have expired in June 2022; now it has been extended till March 2026. Besides cess, there's a surcharge payable by taxpayers earning an annual income exceeding ₹50 lakh. Collections of both cess and surcharge go to the Consolidated Fund of India, but while surcharge is spent like the other taxes, cess is transferred to the Public Account, a part of government account that deals with provident funds, civil deposits, reserves, etc., where a specific reserve is created for each cess, for spending it only for the specified purpose.

Almost 95 per cent of the total cess collection comes from only four cesses: GCC, HEC, agriculture infrastructure and development cess and road cess.

WEAK OVERSIGHT

Public Account is inherently problematic, as oversight here is loose and so are budgetary controls, and thus it often escapes closer scrutiny. Irregularities and malfeasance rarely surface unless the CAG audits any specific public account.

A recent CAG report highlights that the total collection under cess and surcharge during FY24 was ₹4.88 lakh crore, or 14 per cent of gross tax revenues, of which ₹3.57 lakh crore was from cess alone.

The CAG cited the case of oil cess which should go to the Oil Industry Development Fund (OIDB) in Public Account. But of the total ₹2.95 lakh collected under oil cess till FY24, only ₹902 crore was transferred, and nothing after 1991-92.

EDUCATION. Funding re-routed

The idea of OIDB was apparently junked by the government. So, even though these have been collected as cess, they are being used like taxes, without the obligation of sharing with the States.

This is nothing but a gross violation of the Constitutional spirit, and an enticement for the Centre to indulge in profligacy, defeating the purpose of the cess.

EDUCATION CESS

The case with HEC similarly shows how the purpose of the cess has been hijacked by successive governments. Until FY18, there only was a 3 per cent Education Cess on the income tax payable, of which 2 per cent was earmarked for primary education for financing the centrally sponsored Samagra Shiksha Abhiyan and mid-day meal scheme, and 1 per cent for secondary education.

In the Budget for FY19, Arun Jaitley introduced an additional 1 per cent Health Cess to finance rural healthcare for BPL families, to be transferred to the reserve fund Pradhan Mantri Swasthya Suraksha Nidhi in the Public Account. The idea was to enhance outlays for this crucial sector that needed enhanced funding.

In reality, however, this cess was utilised by the government to finance its existing healthcare expenditure rather than expanding it, as the share of health in total government expenditure has actually fallen below the FY19-level when the cess was introduced.

HEALTH BUDGET

In FY18, the total allocation for health was 2.5 per cent of total expenditure, when there was no cess. The share came down to 2.3 per cent in FY19 after cess was introduced.

The share has now fallen to only 1.9 per cent (FY26 Budget). The 2018 level allocation of 2.5 per cent would have raised the health budget to almost ₹1.3 lakh crore, as against the actual allocation of just ₹98,000 crore including the cess-funded portion.

The cess, instead of augmenting health expenditure, actually ended up trimming the budgetary support, just like in education, whose share of total expenditure has come down from 3.7 per cent in FY18 to only 2.5 per cent now. Thus, effectively the cesses have substituted the existing budgetary outlays, and the chronic underfunding that has characterised our health and education policies all along continues.

The writer is a former DG of CAG if India, and currently a Professor at AJNIFM. Views are personal

BELOW THE LINE

Let the regulator do its job

The usually measured SEBI Chairman, Tuhin Kanta Pandey, turned a little testy when the weekly chatter on 'expiry' days came up yet again at Friday's post-board meeting briefing. "Stop speculating in the media every day," he told reporters, clearly fed up with the will-they-won't-they headlines, even when SEBI isn't sure yet as it is a complex issue and consultation will take some time.

The subtext was simple: let the process play out, for regulators don't have time swatting half-baked stories.

Double standards

The India head of a global firm was recently saying in an interview that the country holds a significant place for the company's global business and it values local talent.

However, just a few hours before he said it, there was a rather different scene that played out in his enterprise. The guests invited to the company facility for an event walked up to a neatly arranged buffet only to be stopped by company representatives, who said that the offerings were 'exclusively for foreign executives'.

Indians, whether company staff or guests, were asked to head to the company canteen for their meals. So much for localisation and India-first strategy!

Festival politics

The Karnataka Government's decision on writer-activist Banu Mushtaq — a Booker prize winning author — being the chief guest to inaugurate Dasara celebrations has not gone down well with a section of the populace and BJP supporters.

The government and Congress supporters point out that there have been precedents where non-Hindus like poet KS Nisar Ahmed, apart from self-declared atheists, have inaugurated the festivities.

They say it is a State-sponsored event and not a religious one. The BJP and its supporters say that Dasara is a quintessential Hindu festival and only believers can partake in it.

Hotels, travel agencies and other locals dependent on the tourist economy are hoping that the controversy will not dampen the festivities or inflow of visitors in the busiest season of the year for them.

'Gyan Bharatam'

The Ministry of Culture had launched the 'Gyan Bharatam', an initiative dedicated to preserving, digitising, and disseminating India's manuscript heritage.

To mark the occasion, it held an event in Delhi recently where Union Minister for Culture and Tourism, Gajendra Singh Shekhawat, was the Chief Guest. He said that the knowledge preserved in written form after 'Shruti' and 'Smriti' is now being revived through the 'Gyan Bharatam Mission' by the Ministry.

He emphasised that this process should not be seen merely as an academic exercise but as part of a cultural renaissance.

Though the intent is to ensure that this heritage reaches future generations, how many will be really interested, a critic questioned.

Our Bureaus

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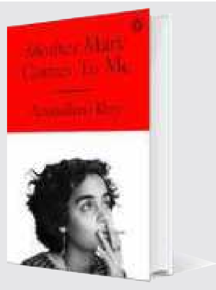
Goddess of Small Things

Insights into India's iconic dissenter, public intellectual

Poornima Joshi



Title: Mother Mary Comes To Me
Author: Arundhati Roy
Publisher: Penguin Random House

From her quiver of assorted writings, Arundhati Roy has dished out an extraordinary memoir that is poignant, profound and inspires you to think and feel in the way only good literature can. It is difficult to typecast this work, like most of Roy's other writings from very early on, in their dialectical, polemical and yet lyrical nature. What was *The Great Indian Rape Trick* in 1994? Was it a film review, an essay, a rant or a searing response to India's most infamous woman dacoit being reduced to a rape victim in Shekhar Kapoor's film *Bandit Queen*? Roy's incandescent rage at the marketing of Phoolan Devi's 'aesthetic' rape singed the reader with its intensity.

Mother Mary has the same intensity but an entirely different nuance. It is tender and sad in parts, reminiscent of the heartbreaking artlessness of *The God of Small Things*, where she sketched the raw vulnerability of the twins, Rahel and Estha. The fictional twins of Roy's first novel appear as real life siblings in *Mother Mary*, transfixed by their volatile, iconoclastic mother.

Roy brings alive Mother Mary with a quality and depth of feeling which is almost elemental. She is as bewildered by her mother's unfathomable cruelty towards her children as she admires her brilliance, irreverence and courage. For a woman who married outside the endogamic, privileged community of Syrian Christians, doors had been closed on Mary Roy when she reappeared. With her two children, she squatted on a family property before she was sought to be evacuated by her mother and G Isaac, the brother with whom Mary Roy fought and won an epic battle to change the Travancore Succession Act that ensured property rights to Christian women in Kerala. She also set up a school designed by the legendary Laurie Baker who inspired the young Roy to study architecture.

But there are more shadows than light in this inspirational story where Mary Roy's complex, larger-than-life persona towered over her stupefied children. There were bouts of volcanic anger that the children cowered at and coped with, barely. Their scars are couched in quintessential Roy*isms* that would doubtless be remembered for their vivid originality. Roy recoiling as her mother mimicked her in a rage. "I felt myself shrinking from my own skin and draining away, swirling like water down a sink until I was gone," she writes. Even before she was 16, Roy was planning her escape. It came in the form of the School of Planning and Architecture in faraway Delhi where the young Roy arrived, ready to do battle in the big city with a knife in her bag. What distinguishes the rest of Roy's story from the millions of small-town migrants who throng the city with hopes of a bright future is perhaps the complex nature of her upbringing. Being an outsider in the close-knit Syrian Christian world, her intellectual initiation in the art of being a failure by G Isaac coalesce in the creation of Roy as we know her now. But she emerged to dazzle the world with *The God of Small Things* that put her right on top of the literary stratosphere. But Roy not only turned her back on the league of the Conquerors-of-the-big-city, she actively provoked middle India with a searing critique of rising Hindu nationalism, the nuclear bomb, the big dams, the policy on Kashmir and walked with the Maoists in an essay that humanised them.

The most significant aspect of this journey is Roy's relationship with her fame and money. The lesson in how to use it came from her friend Golak, who exclaimed: "Good, Roy. 'Thang' God we're rich". And she has shared it with small publishers, language magazines, aspiring writers, activists. It's not charity, it's part of politics that defies the successful-loser binary that capitalism has so neatly created. She disburses all she has with abandon and joy, sticking by the subalterns, the 'failures', like her father, the 'nothing man'.

Mother Mary Comes to Me gives some explanation for Roy's fierce commitment to the dignity of the small human, the one who has been crushed in the Ayn Randish race for success. And we cheer on from the sidelines — give flowers to the little gods who failed, Roy of Ayemenem.

Dealing with the Chinese conundrum

The book is a reminder on the costs of misreading China and the opportunities India has squandered

BOOK REVIEW.

Uday Balakrishnan

Vappala Balachandran, one of India's most experienced intelligence professionals and China-hand, has spent a career grappling with national security challenges. He also played a key role in facilitating Rajiv Gandhi's 1988 visit to Beijing — the first by an Indian Prime Minister in over three decades — which initiated a tentative thaw in relations. These credentials lend unusual authority to his new book, *India and China - At Odds in the Asian Century: A Diplomatic and Strategic History*.

This is not a conventional chronicle of familiar episodes. Written with the candour of a practitioner, the book explains why India has repeatedly failed to engage China on equal terms. It traces bilateral relations since 1947 against the backdrop of the Cold War, the Korean conflict, Nehru's policy of non-alignment and China's communist consolidation, while doubling as a candid audit of India's own shortcomings — in education, social cohesion, science and technology.

The central puzzle remains how the optimism of "Hindi-Chini *bhai bhai*" collapsed into the 1962 border war. Balachandran's answer is stark. India, among the first to recognise Communist China, invested heavily in friendship while Beijing quietly advanced its territorial claims. The illusion of Asian solidarity blinded New Delhi to hard realities.

BORDER SWAP PROPOSED

The high point of goodwill came in 1954, when Nehru visited Beijing, acknowledged China's suzerainty over Tibet, and even lobbied for its admission to the UN Security Council. Yet when Zhou Enlai proposed a border "swap" in 1960 — China recognising India's claim in the east in return for India conceding Aksai Chin — Nehru refused. Balachandran does not press the argument, but hindsight suggests that accepting the compromise might have avoided decades of confrontation and China's durable alignment with Pakistan.

Equally striking is China's use of history. No precedent is too remote to be revived. Balachandran cites the case of the Zamorin of Calicut, who once received an "imperial patent of appointment" from a Chinese emperor — something Beijing could readily reinterpret as proof of tributary ties. India's inability to grasp how China deploys its historical memory often leaves it at a disadvantage.

Just as damaging has been India's failure to read China's psychological state. Both nations emerged from their "centuries of humiliation," but New Delhi ignored how deeply this shaped Beijing's conduct.

Mao's warmth towards Nehru in 1954 — he saw him off at his car and even quoted the classical poet Qu Yuan — offered an opening that might have settled the border issue. India let it slip.

CHINA'S CANDOUR

The most poignant missed chance, Balachandran recalls, came in 1988, when Deng Xiaoping received Rajiv Gandhi. What was expected to be a brief courtesy call stretched to an hour-and-a-half.

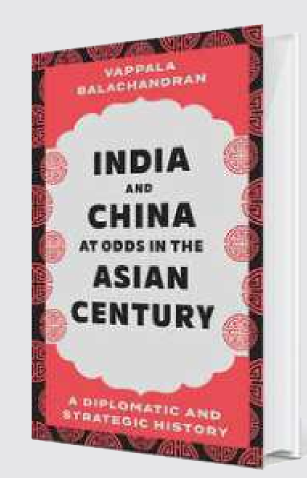
Deng admitted "both countries had made mistakes" and urged a fresh start. Such candour from China's paramount leader was rare, yet India again failed to build on it.

Balachandran is unsparing about the structural asymmetry. While India obsesses over China, Beijing reserves its true strategic rivalry for the US. India's nuclear arsenal and military build-up do not change this.

Until India becomes stronger, wealthier and more cohesive, it cannot hope to engage China as a peer.

Domestic politics makes matters worse. The late KPS Menon once observed that Parliament's fiery rhetoric before the 1962 war — "not an inch of territory to be surrendered" — left Nehru with no room to manoeuvre. The pattern endures.

Nationalist posturing and partisan attacks continue to box governments into paralysis. From Nehru's misplaced faith in Asian solidarity to today's muscular but shallow nationalism, India's China policy has too often been shaped by illusion rather than strategy.



Title: India and China – At Odds in the Asian Century: A Diplomatic and Strategic History
Author: Vappala Balachandran
Publisher: Pentagon Press LLP
Price: ₹995

MEET THE AUTHOR

Vappala Balachandran is a columnist, former special secretary for the Indian Cabinet Secretariat, and author of four books on Indian security, strategy and intelligence.

SELF-INFLICTED LIMITS

This continuity underscores the book's larger message: India has been outplayed not simply by China's craft but by its own repeated misjudgements, self-inflicted limits and failure to act with clarity.

Unless India overcomes political disunity, strategic short-sightedness and historical amnesia, it will remain on the back foot. This is not the defensive memoir of a retired diplomat or the theorising of an academic. It is the judgment of an intelligence insider accustomed to dealing in hard realities.

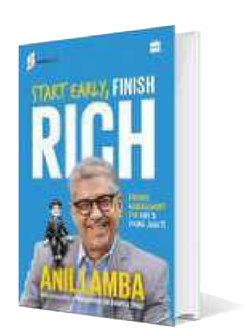
For the general reader, *India and China - At Odds in the Asian Century* is more than a diplomatic history. It is a reminder of the costs of misreading China and the opportunities India has squandered.

For policymakers, it is a challenge: to forge national consensus, invest in capabilities and approach Beijing with clear eyes rather than disappointing illusions.

Strategically grounded, and often unsparing, Balachandran's work is both history and admonition. It explains why India keeps losing the plot with China and what it must do to stop. Balachandran leaves no doubt that India's toughest adversary is not China, but its own inability to think and act coherently.

The reviewer teaches at IISc Bengaluru

NEW READS.

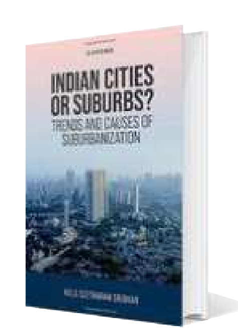


Title: Start Early, Finish Rich

Author: Anil Lamba

Publisher: HarperBusiness

This book is an attempt to equip kids and young adults with the financial knowledge needed to make intelligent investment and business decisions.

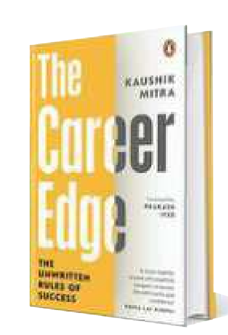


Title: Indian Cities or Suburbs?

Author: Kala Seetharam Sridhar

Publisher: Oxford University Press

This book answers research questions regarding the suburbanisation of persons, households and jobs in India's cities.



Title: The Career Edge: The Unwritten Rules of Success

Author: Kaushik Mitra

Publisher: Penguin Business

Drawing from a rich, three-decade-long global career, this book is a practical guide to building a sustainable and fulfilling professional journey.

thehindu businessline.

TWENTY YEARS AGO TODAY.

September 15, 2005

6 in fray for Mumbai airport project, 5 for Delhi
After the withdrawal of the Bharti and Piramal consortia, the Government received six bids from top-notch industrial houses interested in participating in the restructuring of the Mumbai airport and five for the Delhi airport. The Secretary, Civil Aviation, Mr Ajay Prasad, said that the five bidders for Delhi airport included GMR and Reliance.

Govt open to selling residual stake in MUL
The Government is open to selling its residual 18.28 per cent stake in Maruti Udyog Ltd (MUL) as it needs funds to meet its commitments of social reforms, the Minister for Public Enterprises, Mr Santosh Mohan Dev, said. Earlier this month, the Cabinet had approved sale of 8 per cent stake in MUL to public sector banks and financial institutions with the market price as the benchmark.

Scope of MF participation in derivatives enhanced: SEBI
The Securities and Exchange Board of India (SEBI) said it has permitted mutual funds to participate in the derivatives market at par with foreign institutional investors (FIIs). At present, mutual funds are permitted limited participation in the derivatives market mainly for hedging and rebalancing their portfolio.

Short take

Why smart cities have turned into sinking streets

Anurodh Lalit Jain

In 2015, the government launched the Smart Cities Mission (SCM) with the promise of transforming India's urban future. The vision was ambitious: harness technology, innovation, and better planning to create 100 cities that could serve as models of sustainability and efficiency. Nearly a decade later, after an investment of ₹1.5 lakh crore in SCM, Indian cities tell a different story. As heavy rains flooded Gurugram, Bengaluru, and Mumbai, commuters stranded on waterlogged expressways found little trace of the "smartness" they had been promised. What was meant to be a blueprint for the future has instead become a showcase of selective beautification and misplaced priorities. According to the World Bank, India's urban population will nearly double from 480 million in 2020 to 951 million by 2050, with megacities like Delhi, Mumbai, and Bengaluru continuing to swell. At the same time, Tier-2 cities such as Bhubaneswar, Coimbatore, Indore, and Jaipur are emerging as new centres of growth. But the pace of this transformation is creating enormous stress: unplanned construction is choking drainage systems, housing shortages are pushing people into informal settlements, and transport networks are collapsing under surging traffic.

Bearing this in mind, the Smart Cities Mission could have concentrated on creating sustainable satellite towns near these hubs. Instead, it channelled its energies into beautification of small pockets within existing cities — refurbishing flyovers, digitising streetlights, and installing command centres. However, the deeper crises of flooding, drainage, and housing remained untouched.

THE RESILIENCE GAP

When SCM was launched, its sibling scheme — the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) — was meant to quietly handle the plumbing aspect of urban life. AMRUT promised to fix the basics: tap water, sewerage, stormwater drains, green spaces.

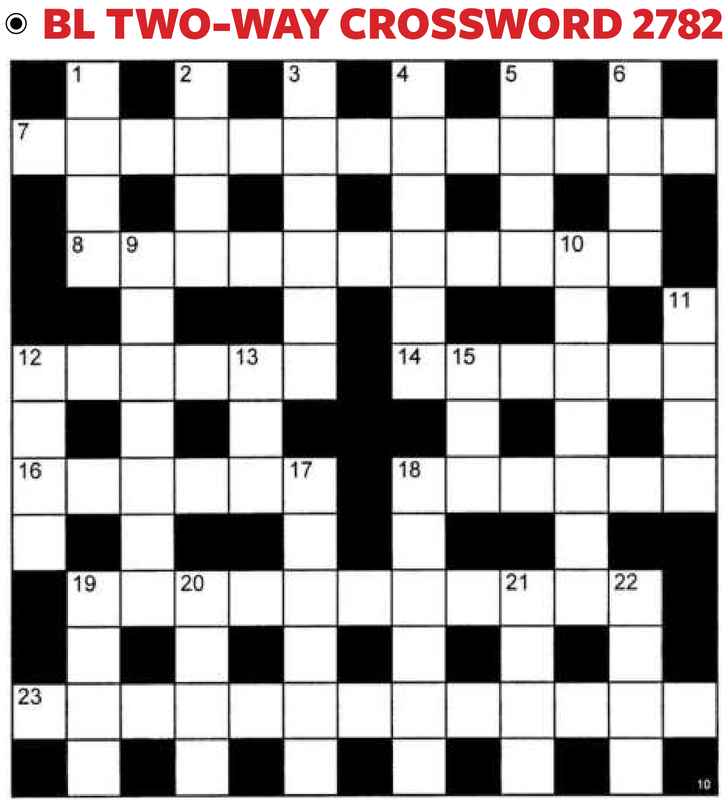
Meanwhile, the streets tell their own story. Mumbai's monsoon paralysis has become an annual ritual. Gurugram's roads double up as canals. Vijayawada, Ludhiana, and many more cities routinely turn into islands after each heavy spell of rain. The failure is not just about slow execution. It is structural. India's urban schemes are still designed in silos: one mission lays pipes, another digitises services, a third builds housing. What they rarely do is talk to each other. We ended up with one-size-fits-all blueprints crafted in the New Delhi but detached from the diverse realities of Indian cities.

Local government empowerment and long-term planning need to be at the heart of urban policy — not at the margins. Otherwise, we risk building smart cities that remain unliveable.

For detailed article visit:
https://www.thehindubusinessline.com

The writer is Vice-Chairman, All India Congress Committee (Minority Department)

BL TWO-WAY CROSSWORD 2782



EASY

ACROSS
7. Saying flattering things (13)
8. In a no longer needed way (11)
12. Lay bare (6)
14. Cheap glitter (6)
16. Having courteous manners (6)
18. Ships between corvettes and gun-vessels (6)
19. Instrument showing mph (11)
23. Abnormal, supernatural (13)

DOWN
1. Male pig (4)
2. Hurried (4)
3. Convey message (6)
4. Leave (6)
5. Let it stand (print correction) (4)
6. Supplicate (4)
9. Completely enclose (7)
10. Nimble, flexible (7)
11. Mathematical sign (4)
12. String of pearls (4)
13. Section of play (3)
15. Unwell (3)
17. Church office-bearers (6)
18. Apelike (6)
19. Certain (4)
20. Takes food (4)
21. Intrusively look for custom (4)
22. Ramble, rove about (4)

NOT SO EASY

ACROSS
7. Saying flattering things about tram, policy men are into (13)
8. In a superfluous way and truly, end the mixture (11)
12. Show it to be genuine about Venice first and last (6)
14. Decorative stuff to be silent about (6)
16. Courteous Eastern European takes it in (6)
18. Ships, or ship, going round the pool backwards (6)
19. It measures mph, having steered poem around it (11)
23. Out of the ordinary truer parental form it takes (13)

DOWN
1. He's a pig to put a snake right (4)
2. Was an agent one got away from if one hurried (4)
3. Message sent by Lang is given up (6)
4. Leave parking in difficult trade (6)
5. Let what was corrected stand most ethically revealed (4)
6. Be at worship and quietly see the light (4)
9. Entirely surround one with love arranged by pen (7)
10. Flexible smile, so readily adaptable (7)
11. A positive sign that there's more to come (4)
12. A line of work in the Engineers (4)
13. Be on stage with a bit of legislation (3)
15. Silly to remove ends if not well (3)
17. Office-bearers producing berries for wine-makers (6)
18. How apelike is man to be to take one in? (6)
19. Certain of us turn up and get reengaged (4)
20. The food one includes in one's diet (4)
21. He may sell one tickets for everything that's French (4)
22. Wander about as one left New Zealand native who turned up (4)

SOLUTION: BL TWO-WAY CROSSWORD 2781

ACROSS 1. Convertible 7. Crevice 9. Aged 11. Franc 12. Jostle 14. Beauty spots 18. Locket 20. Raise 22. Sale 23. Risking 24. In a nutshell

DOWN 2. Operate 3. Reek 4. Light 5. Scoff 6. Idler 8. Included 10. Compares 13. Eye 15. Trivial 16. Close 17. Verge 19. Colon 21. Fret

NEWS SNIPPETS.

Highlights of IEA's Global Hydrogen Review, 2025

- Global hydrogen demand increased to almost 100 million tonnes (mt) in 2024, up 2 per cent from 2023. This rise was driven by greater use in sectors like oil refining and industry. Demand from new applications accounted for less than 1 per cent of the total and was almost entirely concentrated in biofuels production. The supply of hydrogen continued to be dominated by fossil fuels, using 290 billion cubic metres (bcm) of natural gas and 90 million tonnes of coal equivalent (Mtce) in 2024. Low-emissions hydrogen production grew by 10 per cent in 2024 and is on track to reach 1 mt in 2025, but it still accounts for less than 1 per cent of global production.
- For the first time, potential low-emissions hydrogen production by 2030 based on announced projects has declined. Cancellations and delays mean that production that could be achieved based on industry announcements by 2030 stands now at 37 million tonnes per year (mtpa), compared with 49 mtpa by 2030. Potential production fell for both projects using electrolysis and those using fossil fuels with carbon capture utilisation and storage (CCUS), although electrolysis projects were responsible for more than 80 per cent of the total drop.
- Despite the recalibration of industry plans, low-emissions hydrogen production is expected to grow strongly by 2030. Low-emissions hydrogen production from projects that are operational today or have reached FID is set to reach 4.2 mtpa by 2030 — a five-fold increase compared with 2024 production.
- China is the driving force in electrolyser deployment and manufacturing today. Global installed capacity of water electrolysers reached 2 gigawatts (GW) in 2024, and more than 1 GW of capacity has been added on top of that through July of this year. China now accounts for 65 per cent of global installed capacity and capacity that has reached a final investment decision. China is also home to nearly 60 per cent of global electrolyser manufacturing capacity, with a growing offer from traditional manufacturers and new market entrants.
- The cost of making and installing an electrolyser outside of China in 2024 was \$2,000 to \$2,600 per kilowatt (kW), compared with \$600 to 1,200 per kW for electrolysers manufactured and installed in China. However, the cost of equipment is just part of the total investment needed to install an electrolyser. More than half of the total corresponds to engineering, procurement, construction and contingency costs, which depend on the project location. When transport costs and tariffs are also considered, the cost of installing a Chinese electrolyser outside China is to \$1,500 to \$2,400 per kW — narrowing the gap with non-Chinese competitors. New offtake agreements signed in 2024 reached 1.7 mtpa, compared with 2.4 mtpa in 2023. However, some preliminary agreements signed in previous years were firmed, leading to investment in production projects. Existing uses of hydrogen in the refining and chemical sectors — and the use of hydrogen-based fuels in shipping and, to a smaller extent, aviation and power generation — account for almost all firm offtake agreements announced by the private sector to date and 80 per cent of investment in committed production projects.

WHEN IT'S NATURE'S CALL

Power regulator proposes tweaks to deviation settlement mechanism

CONTENTIOUS MOVE. Industry players miffed; experts say forecasting of RE generation in India has reached saturation point

M Ramesh

Renewable energy is as much a boon as a curse. It is great to have green energy flowing through the economy, but high RE proportion is a grid operator's nightmare.

The combined capacity of wind and solar energy (188 GW) accounts for 38 per cent of the total power installed capacity (490 GW). As much as 50 per cent of renewable energy generation in July (54.5 billion kWhr) was from conventional sources (112.16 b kWhr).

RE generation rises and falls and is a lot less predictable than, say, coal — while the demand stays steady at the other end. One of the ways the authorities have tried to address this issue is by forcing RE generators to forecast what they will supply over 15-minute periods the following day and penalise them if they don't stick to it.

This 'deviation settlement mechanism' (DSM) has been a sore point between developers and grid operators, even though each understands the other's problems. The grid operator knows that predicting generation — especially in case of wind — is not easy. Conversely, the developers sympathise with the issues faced by the grid operator, who has the onerous task of maintaining grid stability. Yet, while the developers ask why they should be penalised for variations in sunshine or wind blows, the regulator's refrain is, "too bad, what can I do?"

To make matters worse, the Central Electricity Regulatory Commission (CERC) proposes to tighten the 'tolerance band' for determining deviation, from 10 per cent to 5 per cent for solar and wind-solar hybrid, and 15 per cent to 10 per cent for wind, from April 1, 2026. As expected, the developers are not happy.

ISTOCK

Generation 'band' width

Grid India Ltd. studied deviations over 41 weeks between September 16, 2024, and June 29, 2025. Data shows that staying with the no-penalty tolerance band is tough.

RE generating stations	Tolerance band	% time within band	Tolerance band	% time within band
Solar	+/-10%	74% – 84%	+/-5%	45% – 58%
Wind	+/-15%	73% – 93%	+/-10%	32% – 73%
Hybrid	+/-10%	72% – 87%	+/-5%	38% – 47%

Source: Central Electricity Regulatory Commission

TELLING DATA

Data from a Grid-India Ltd's study of deviations over 41 weeks between September 16, 2024, and June 29, 2025, show that staying with the no-penalty tolerance band is tough — as shown in the following table.

BREEZY AFFAIR?

And now, the CERC has come up with proposals that just might make things a little better for developers.

In a draft notification issued on September 10, the CERC has suggested a tweak in the formula for calculating deviation. It has also proposed station-level aggregating of forecasts, instead of individual generating units.

The change in the formula involves gradual tapering-off of the 'available capacity' component of the formula. What it means is this: deviation, in concept, is the extent of deviation from the scheduled (forecast) injection of power, as a percentage of the scheduled injection of power. However, today, the denominator has an 'available capacity' component. So, the formula today is: 'scheduled generation minus actual' divided by the sum of 'x' percentage of available capacity and scheduled generation. The CERC stipulates the value of 'x' through separate orders.

Now, the idea is to reduce 'actual generation' in the denominator to zero by April 1, 2031. Basically, this addresses developers' question: 'Why are you worried about what capacity I have? You just concern yourself with how much I deviate from my own schedule'.

The other suggestion is to do with aggregating schedules at the pooling station level. The CERC's draft notification observes: "One effective strategy to manage the DSM for wind and solar (WS) sellers is the implementation of aggregation at the pooling station level through a qualified coordinating agency (QCA). By combining the schedules and actual injections of multiple RE generators, aggregation helps offset individual generation fluctuations and reduces overall deviation."

The tone and tenor of the draft notification seem to indicate that the regulator is telling the developers: "Well, I heard you and I have done my bit — now you do yours". The Commission believes that it is now up to the wind and solar generators to make sure that they predict their next-day generation properly and stick to it.

The notification states, "The Commission also believes that in the future, the intermittency of wind and solar needs to be addressed by way of improved forecasting, scheduling and operational experience. The new WS projects are now expected to demonstrate the same level of discipline and compliance as conventional generators."

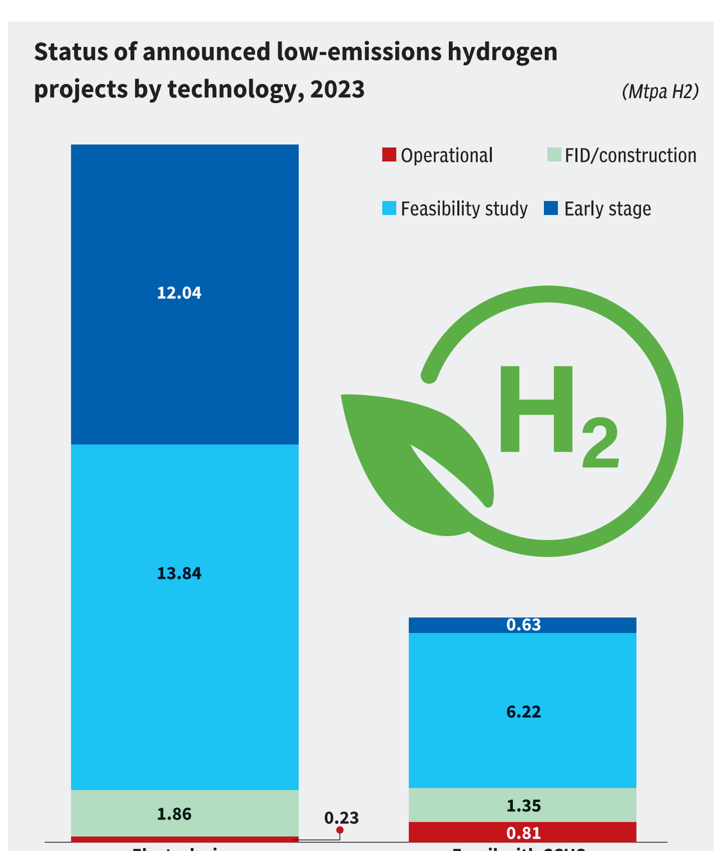
Further, regardless of the tolerance band, if wind and solar developers inject more power into the grid than they said they would, they would be paid nothing for their power during periods when the grid frequency is at or above 50.05 Hz. "This measure is necessitated as renewable capacity is being rapidly commissioned into the grid, and challenges in real-time grid operations are becoming more prominent," states the Commission.

NOT INDUSTRY FRIENDLY

The industry is none too happy with this change. After all, when the denominator diminishes the quotient goes up, so removing 'available capacity' will only increase the penalty. Moreover, the industry believes that it can do only so much in terms of forecasting. Wind industry veteran and former Director of the Centre for Wind Energy Technology (now, National Institute of Wind Energy), MP Ramesh, observed that the RE industry "is asked to predict minute-by-minute weather forecasts with zero error", when there is little need. "The Indian grid has been resilient from the days when frequency used to vary between 48.5 to 50.5 Hz and they have managed it through thick and thin," Ramesh said, adding that the fear of grid collapse is only an imagined one.

He said that forecasting of RE generation in India has reached the saturation point; no further improvements are possible unless the overarching weather forecasting improves. Even the Ministries of Power and Earth Sciences are grappling with how to improve weather forecasting — an admission that there is a need for doing better. Against this backdrop, it is too much to penalise the industry for deviations from scheduled generation.

LOW EMISSION HYDROGEN



TURNING 'REDD'

How to score 'additional' carbon credits

K Bharat Kumar

The carbon credit system allows companies to finance their ambitions to reduce or remove their greenhouse gas emissions. The integrity of these credits, especially in the voluntary carbon markets, has come under scrutiny over a key factor — additionality.

A project is 'additional' if it has helped in reducing green house gas (GHG) emissions. In the context of Reducing Emissions from Deforestation and Forest Degradation (REDD) projects, it means that if it were not for the project, the forests would have been cleared.

Researchers at the Climate Policy Initiative (CPI) and the Pontifical Catholic University of Rio de Janeiro (PUC-RIO) have proposed a method to define baselines and project deforestation on private Amazonian properties in Brazil that will help to assess 'additionality' in REDD projects better.

Brazil is a likely leader in generating carbon credits, particularly via nature-based solutions like forest conversation.

The model requires landowners to evaluate the most profitable use of their land — maintaining standing forest, engaging in a REDD project, or converting to agriculture.

The proposed method operates over a historical period (2010 to the most recent data) and uses a large sample of more than 13,000 properties across the Amazon.

Applying the proposed method to the current set of REDD projects in the Brazilian Amazon shows that 77 per cent of the carbon traded for REDD projects is indeed 'additional'.

These initiatives have helped prevent the release of an estimated 0.5 giga tonnes of carbon dioxide (CO2) equivalent. Notably, 23 per cent of carbon stocks would have remained protected even without project incentives like REDD.

Non-forested and deforested regions exhibit high rates of additionality (98.5 per cent and 93.8 per cent, respectively), largely because these areas, consolidated by agribusiness, face immense pressure to clear the remaining forest, due to lower transportation costs and better infrastructure.

Forested regions show a lower additionality of 79.4 per cent. Researchers cite the example of the municipality of Portel in Pará. Despite high carbon stocks, Portel's properties in REDD project areas have low agricultural productivity and high transportation costs, rendering agriculture economically unviable. The CPI/PUC-RIO model predicted that these areas would remain forested regardless of carbon credit revenues, exhibiting low additionality (57 per cent). Properties with greater area, higher agricultural productivity and lower transportation costs are suitable for REDD projects as they face the highest risk of deforestation.

Spotlight on rare earth elements is booster shot for recycling sector

With the focus on self-reliance in critical minerals, the Centre is incentivising urban mining. It announced a ₹5,000 crore scheme to encourage production of rare earth magnets

Preeti Mehra

The country's need to be self-reliant in critical minerals after Chinese threats to curb critical mineral imports may be a blessing in disguise for the recycling sector. The government has now given added impetus to critical minerals recycling at a time when the international market cannot be relied upon for imports in a charged and ever-fluctuating geo-political environment.

Recycling companies are viewing with optimism the latest ₹1,500 crore incentive scheme announced by the government for critical minerals recycling and the ₹5,000 crore scheme to encourage domestic production of rare earth magnets as opportunities that could be game changers for the sector as well as the country in the long run.

As the critical minerals scheme incentivises both large companies and new units, including their expansion, modernisation and diversification, many start-ups in the recycling space are readying themselves to reap benefits from it.

Lithium-ion battery recycler MiniMines' Co-founder and CEO Anupam Kumar says, "Our vision is to address a significant percentage of India's domestic lithium demand by 2028 through recycling. We already supply refined lithium, cobalt and nickel salts not only to the battery sector but also to industries such as glass, pharmaceuticals and high-temperature grease."

He explains that the incentive will provide a stronger foundation for the company to expand refining capacity and strengthen its reverse logistics partnerships with original equipment manufacturers (OEMs).

Bengaluru-based battery recycler Metastable Materials also views the scheme as a "welcome catalyst" as one-third of the scheme's outlay is directed towards smaller players.

CRITICAL STEPS. Industry players feel policy follow through and partnerships will help challenge China

Shubham Vishvakarma, Founder and Chief of Process Engineering, feels that the best outcome from the ₹1,500 crore incentive will come if it is paired with a strong enforcement of the extended producer responsibility (EPR) programme, permit facilitations and logistics support. That will help in scaling up and supporting the production of critical minerals.

While he envisages that by 2040, the recycling industry can contribute about 25 per cent of critical minerals through urban mining, large players such as Attero Recycling feel the sector's contribution towards providing the country with critical minerals could be much higher if sufficient focus is given to urban mining.

PRODUCTION SCENARIO

Attero also feels that the ₹5,000 crore rare earth magnet manufacturing scheme has the potential to kickstart production in the country. In July, it announced a ₹100 crore investment to scale up its annual rare earth element (REE) recycling capacity from 300 tonnes to 30,000 tonnes. It also has patents to recycle magnets into oxides.

Apart from the country's large players who may be looking at these opportunities, it makes sense for recycling companies to explore various options as there is a seamless synergy between recycling and manufacturing of rare earth magnets.

Kumar also sees this scheme as complementary to MiniMines' road map. "Our plan is to forward integrate into downstream operations and become suppliers of green minerals such as lithium, cobalt, nickel, neodymium and platinum group metals to critical industries, including green hydrogen and semiconductors," he says.

However, Vishvakarma feels that a lot more needs to be done in the long term. "To meaningfully challenge China, you would need more access, heavy investment in midstream refining and most importantly, decades of scale and industrial policy. Domestic manufacturing will certainly get a huge boost but only with continuous policy follow through and partnerships..."

The fact that magnets are used in the production of a whole host of goods — from electric vehicles to laptops to smart phones and every kind of electronics — is what has spurred the launch of the National Critical Mineral Mission (NCMM) this year. This was followed by the ₹5,000 crore incentive scheme for rare earth manufacturing and over a thousand critical mineral exploration projects between FY25 and FY31.

Nitin Gupta, CEO of Attero, envisages a bright future for India in recycling of critical minerals and the manufacturing of rare earth magnets. "India's requirement for rare earth magnets annually is around 6,000 tonnes and with sufficient planning, we could make India not only self-reliant but also the recycling hub of the world," he says.

◉ STILL IN THE GAME

Vedanta holds course on bumpy demerger process

DIVIDE & GROW. Vedanta's proposal to simplify its sprawling corporate structure by demerging into five listed entities is now complicated by its bid to take over an ailing Jaiprakash Associates

Suresh P Iyengar

GUNG-HO AS EVER. Anil Agarwal, Founder and Chairman of Vedanta Group BLOOMBERG

The ambitious plan of billionaire Anil Agarwal to split Vedanta into five listed entities has been facing a rocky ride even as the company is working hard to meet the revised September-end deadline.

First unveiled in 2023, the plan involves hiving off its businesses into independent, pure-play listed entities spanning aluminium, oil and gas, power and steel, with Vedanta as the holding company. Initially, the process was expected to be completed by 2024-end. It was then postponed to March, only to be revised to September.

Apart from a legal tangle in the split of business, Vedanta emerging as the winning bidder for acquisition of the bankrupt Jaiprakash Associates complicates matters. However, the ₹17,000 crore bid of the company is yet to be ratified by the lenders.

Vedanta has to pay ₹3,800 crore upfront, with the remaining spread annually over the next five years. The deal, if approved, exposes Vedanta to unrelated businesses, such as real estate, cement and infrastructure, which tend to be more cyclical, volatile and working capital intense.

"The sectors differ sharply from Vedanta's core metals and mining operations, with distinct business drivers and limited operational overlap. We are watchful of new venture execution risks too," said credit research firm CreditSights.

SHARP FOCUS

The currently listed Vedanta entity will hold over 63 per cent of Hindustan Zinc, the second largest integrated producer of zinc and the third largest producer of silver in the world, and Zinc International, which has even greater mineral resources than Hindustan Zinc.

Agarwal emphasised that Vedanta shareholders have already seen their investments multiply over 4.7 times in five years, with the company delivering an 81 per cent dividend yield, the highest among its peers.

The strategic move was intended to unlock shareholder value, attract investors seeking pure-play opportunities and foster significant growth, with each demerged entity having the potential to become a $100 billion company.

In the last three years, Vedanta has been on a deleveraging spree, having lowered net debt from $8.9 billion to $5 billion as of March-end, and aims to reduce it further to $3 billion by FY27. The parent company, Vedanta Resources, has been leading this effort through strategic financial actions such as refinancing, capital market transactions, including equity fund-raising and NCD issuances to cut high-cost debt, and strengthening operational performance to boost cash flow.

APPROVAL HURDLE

The plan has managed to receive shareholders, lenders, exchanges and capital market regulator SEBI's nod before moving the NCLT for its approval. Initially, NCLT rejected the plan, citing lack of proper disclosure of material debt to a creditor, SEPCO Electric Power Construction Corporation.

The NCLT noted that Vedanta's power unit, Talwandi Sabo Power (TSPL) excluded SEPCO from the approval process even after having debt exposure of ₹1,251 crore and claimed that it will defeat SEPCO's right as an unsecured creditor.

However, the National Company Law Appellate Tribunal subsequently granted an interim stay on the NCLT's order in May, a move that provided relief to Vedanta.

Last Friday, TSPL, a wholly-owned subsidiary by Vedanta, entered into a settlement deal with Chinese firm SEPCO Electric Power for the resolution of all long-standing disputes relating to the EPC contracts entered between the parties for setting up of a 3 x 660 MW thermal power project.

The settlement clears one of the major hurdles for Vedanta's demerger.

This apart, SEBI had issued an administrative warning to Vedanta in August for altering its scheme of arrangement after receiving a no-objection certificate from the exchanges, without seeking its explicit written consent.

Last month, the Ministry of Petroleum and Natural Gas objected to the restructuring plan on concerns around concealment of crucial information, potential inflation of revenues and undisclosed liabilities.

In response, Vedanta offered a corporate guarantee in favour of the Petroleum Ministry once the scheme became effective. This guarantee, Vedanta said, would cover potential contractual liabilities of Malco Energy, the unit that would house its oil and gas operations post-demerger.

DOWN BUT NOT OUT

Shankey Agrawal, Partner, BMR Legal, said the government's objections are unlikely to completely derail Vedanta's demerger but they can certainly slow it down.

The NCLT is unlikely to clear the plan until it is fully assured that government dues from the oil and gas business are fully protected, and this effectively means that the September deadline looks difficult, he said.

SEBI's objection stems directly from a significant change in its scheme, wherein Vedanta decided to retain its base metals business under Vedanta, reducing the number of listed companies post split to five instead of six as proposed initially, he added.

Sonam Chandwani, Managing Partner at KS Legal & Associates, said the Vedanta demerger is unlikely to be outright stalled merely on account of a government objection, since the scheme is already before regulators and courts under the Companies Act framework, but the process could face delays and heightened scrutiny.

The trigger of SEBI's warning was not on the concept of demerger but the manner in which Vedanta altered its scheme documents reportedly with clear provisions on debt allocation and ring fencing of liabilities across the demerged entities, she said.

Subsequent filings were modified in a way that either diluted these safeguards or created opacity regarding how liabilities would be apportioned, thereby raising investor protection concerns, Chandwani said.

Vedanta attracted SEBI's intervention because any change in financial covenants, disclosure standards or debt segregation will materially prejudice creditors, minority shareholders or bondholders and goes to the heart of regulatory oversight, she said.

Notwithstanding the delayed process, a focused oil and gas company will have a better opportunity to step up exploration and increase domestic output, which directly supports the Petroleum Ministry's energy security goals, said an oil and gas analyst. The government will ultimately gain from higher revenues and job creation.

◉ LAYOUT FOR INDIA

Schwing Stetter India has concrete plans in place

BUILDING BLOCKS. A behind-the-scenes player, this German-owned concrete machinery company is playing a key role in building infrastructure

Vinay Kamath

ON A ROLL. VG Sakthi Kumar, Chairman & Managing Director, Schwing Stetter India, with ready-mix concrete trucks

One can spot the ready-mix concrete (RMC) trucks trundling around town, large drums constantly churning, headed to construction sites in most major cities in the country. You can't really call them below-the-radar as they are big, bustling and noisy trucks, but the brand name on the mixers may not be evident to many. Inevitably, they will be Schwing Stetter India (SSI) mixers, which are playing a key role in the building boom in the country's towns and cities.

As VG Sakthi Kumar, Chairman & Managing Director, SSI, a subsidiary of a German company (and now Chinese-owned by the construction major XCMG), explains, "If you look at the segments where our machines go: expressways, concrete roads, flyovers, retaining walls, high-speed rail, dedicated freight corridors, hydropower plants, nuclear power plants, windmills, even solar panels need concrete foundations. So, concrete touches every part of infrastructure growth." SSI machinery, he adds with pride, was present at all the major edifices built round the country, from the Chenab bridge to the Statue of Unity to the new Indian Parliament, among many others. Needless to say, all the major cement companies, which have ready-mix concrete plants, are customers of SSI.

For Sakthi Kumar, it's been some journey, starting off from a small two-room office way back in 1998, importing Schwing Stetter equipment for use in the country. From its first factory kicking off in 2001 at Sriperumbudur on the outskirts of Chennai, SSI has expanded to five factories, with a global manufacturing hub at Cheyyar in Tamil Nadu. SSI makes a range of concreting machinery from concrete batching plants, mixers, pumps, truck-mounted boom pumps, shortcrete pumps (where material is sprayed at high velocity onto a surface, useful in tunnel construction or slopes). "What started as just an outpost for the group has now become our biggest business centre in the world — in terms of capacity, manpower, turnover and profit margin. We are number one globally," says Sakthi Kumar.

BOOMING EXPORTS

In the recent past, it has exported around 1,600 units to the Philippines, Thailand, Indonesia and Vietnam, mostly mixers, pumps and batching plants. More recently, in South Africa, after trying European, Japanese, Korean and Chinese sources, customers have settled for SSI over the last year. The company has exported to around 60 countries. "Last year, our exports were around ₹140 crore; out of ₹2,400 crore total business, that's about 5 per cent. But this year, we crossed that in six months. Domestic business is also booming," he explains.

At the company's plant in Cheyyar, around 20 girls are sitting for a theory class on welding equipment. At the rear of the large room, a few girls are simulating welding. Most of the girls in this class are from West Bengal and a few from Odisha. Almost all are from polytechnics. If they crack an exam, they get to study an engineering degree at VIT, sponsored by the company.

BUILDING CAREERS

Garbita Sen, 24, who is now a quality control junior engineer from West Bengal, says she joined as a machine operator after training in drilling, plasma cutting machines and double column boring machines for around one-and-a-half years. After that, she moved to quality control to inspect machining components and cut parts. It's far away from home, she admits, but she loves the work and, importantly, has gotten used to south Indian cuisine! Garbita is studying at VIT in the second year for a mechanical engineering degree.

As Sakthi Kumar explains, the women are employed for their competence and skills in precision welding. "30 per cent of the shop floor workforce comprises women from across India. In the assembly line, the women work force is over 55 per cent vis-à-vis the male work force. They not only perform welding but are also inducted into the sub-assembly line and also in the main assembly line, among others," he says.

"While RMC's usage has been growing, estimates suggest it still only accounts for approximately 20 per cent of total concrete usage nationally. This is in stark contrast to developed countries where the market share can be as high as 70-80 per cent," explains Kumar. The usage of RMC is concentrated in major metropolitan areas, where it contributes to 30-60 per cent of the concrete usage, driven by constraints on construction space, the need to control pollution and the demand for rapid, largescale construction. In the relatively small market for RMC, SSI's concrete mixers would have 85-90 per cent share, dominating the market.

As Kumar explains, "We are the only company which provides complete concrete solutions, supplying equipment used for production of concrete (concrete batching plant), transport of concrete (truck mixers) and placement of concrete (concrete pumps)."

Sakthi Kumar says there are still technologies that are absent in construction equipment, which SSI is bringing in. "For example, while we found a solution for concrete, plastering is still being done manually. So, recently, we introduced a plastering pump. Also, our batching plant for concrete was adapted into a dry mortar plant. That plant handles stone, cement and sand mixed in the right proportions to produce plaster," he explains. SSI has also got into brick-making plants and concrete blocks. Meanwhile, its Cheyyar unit is also now a Global Capability Centre and it's exporting designs and earning revenue from the US and Europe by designing products for those markets as well.

The other big trend he points to is the making of precast floors to walls. Many construction companies are looking at precast components to complete a building quickly.

ICE PLANTS

Precast also requires temperature control, so SSI also makes ice plants to cool the concrete. Ice for concrete, one asks incredulously. As Kumar explains, "When concrete is poured in very large volumes — say 10,000 cubic metres in a single shift — temperature control becomes critical. If the ambient temperature is high, the concrete sets too quickly, leading to weak structures. To prevent this, the temperature of concrete must be reduced before pouring!"

The investment so far in the new initiatives has been around ₹350 crore, and another ₹125 crore will be the tab for expansions. Once done, SS plans an additional ₹300 crore on further initiatives.

◉ TABLE TALK

How Bharat Kaushal is leading Hitachi India through its character change

Chitra Narayanan

If Bharat Kaushal's life had gone according to script, he would have been a civil servant, probably a policeman, like his father. Instead, he became an investment banker, eventually becoming the India Chairman of Sumitomo Mitsui Banking Corporation. And then in another twist, he became the first Indian MD of Hitachi India, the regional headquarters of the Japanese multinational conglomerate, and was soon elevated to Executive Chairman, necessitating a reinvention of sorts as suddenly he had to think beyond finance and manage over 28 businesses.

BANKING ON INDIA

Most people in India associate Hitachi with the company that sells air conditioners. The reality is that it sold off its AC business, and has a big role to play in India's railway expansion and a role in several clean electricity projects, payments solutions, building systems and more.

"We are part and parcel of India's infrastructure growth story," says Kaushal. Through its social innovation business, Hitachi is also playing a key role in Digital India with solutions in education and healthcare (through a joint venture with MGRM net).

"My vision for Hitachi's economy (order book) in India is to achieve a target of $20 billion by 2031," says Kaushal. With that objective in mind, he says, India will host the board of Hitachi in December.

Hitachi entered India in 1933, bringing in table fans. "Post-independence, in the 50s, the first locomotive for the Indian Railways came from Hitachi. The turbines for what is our textbook folklore project, Bhakra Nangal, came from Hitachi," reels off Kaushal.

CAREER DETOURS

"The only ambition I had when growing up was to become a civil servant because I had not seen any other life," says Kaushal, whose dad MB Kaushal was Delhi's Police Commissioner, and later Secretary, Internal Security, Ministry of Home Affairs, playing a crucial role in the Kashmir talks. Kaushal graduated in history from St Stephens with the idea of cracking the civil services, but didn't make it.

He took the disappointment on the chin. "Sports teaches you to lose for many years before you learn to win," says Kaushal, who was a national level swimmer during his school and college days.

So he went off to do an MBA at Columbia University but ended up doing four masters, including one in economics, one in law and one in international affairs and got an assignment in the Economic Policy Unit at the World Bank in Washington. "The joke in my family is that I didn't study enough till Class 12 and so had to make up later," he grins.

We are meeting at his residence, a charming bungalow near Lodhi Gardens. Lunch is aptly enough Japanese fare ordered from Asian Haus, known for its authentic flavours, and is delectable and unfussy — a choice of exotic veg in teriyaki sauce and a Katsu curry chicken served with steamed rice, followed by a fruit platter and green tea.

Kaushal says he loves experimenting with all sorts of cuisines. "I feel food is a window to a culture," he says. "I like Japanese, Chinese, Mexican, Middle Eastern, Indian food for all occasions and continental/English only for breakfast," he says.

All set to return to India from the World Bank assignment, he found himself in Hong Kong instead, where he looked after India for the investment banking unit of SMBC. "We were advisors to Delhi Mumbai Industrial Corridor Development Corporation. And then we set up a non-banking finance company, a private equity fund for infrastructure together with the government of Japan, and also put some equity in Kotak Mahindra Bank, which was a great experience," says Kaushal.

He then became CEO of SMBC India. "We put in a billion dollars of equity and the size of the business went up 10 times in terms of what we lent. We introduced new things like green financing, untied credits where the Japanese taxpayer was somewhat subsidising credit enhancement for a cleaner environment in Asia coming out of the power projects in India," says Kaushal. "The bank was a great experience," he says, but when the opportunity came to move to industry, he took it.

Even as Kaushal was taking charge at Hitachi India, he says, the character of the company was beginning to change.

"Hitachi had already decided to merge Italian giant Ansaldo's rail business globally and, subsequently, even Thales came on board. ABB's Power Grids and Global Logic came subsequent to that. And it changed the personality of Hitachi's existence in India," says Kaushal.

THE STRATEGY

Given the wide exposure Hitachi has in mobility (railways and metros), energy, payments and digital systems in India, where does he see the biggest opportunity and demand? Is it metro rail, which is expanding enormously and seeing innovations like an underwater (Kolkata, where it did the signalling) project and driverless based signalling (Chennai) or in clean energy projects like the bi-directional Raigarh-Pugallur ultra high voltage direct current link. "It's coming from 360 degrees, from all sides now," he says.

To get double digits in India is challenging if you try to push just a supply side strategy, reflects Kaushal. "But if you link it to consumption economies, connected societies, new demand areas — then you're serving a buffet meal with the variety of services that you can offer," says Kaushal.

He also says that when planning investments, they look at stuff like who is the beneficiary (user), how much is the propensity to pay (varies from State government to State government), and what is the speed at which the J-curve will happen. "Then I should accordingly pace myself, and space the investments."

He says it's only the second time in the history of Hitachi that a global board meeting will be held in India. "It happened once before when India got elevated as regional headquarters in 2012. Now, it's happening because India is maturing into a significant contributor for Hitachi globally. The future of Hitachi is woven closely with the success of our business, not just in India for India, but also from India to the globe," he says.

CHENNAI
businessline.
MONDAY - SEPTEMBER 15 - 2025

FUND FACTS.

$150 million

Tessolve Semiconductor Private Limited received funding from TPG Capital India on September 1, 2025, taking the total funding to $208 million.

$136 million

Il Jin Electronics (India) Private Limited received funding from ChrysCapital Investment Advisors India and InCred Alternatives Investments on September 7, taking the total funding to $174 million.

$50 million

Flipspaces Technology Labs Private Limited received funding from Iron Pillar, Panthera Growth Partners, Crescent Enterprises Ventures, SMBC Asia Rising Fund, Synergy Capital Partners and Prashasta Seth on September 9, taking the total funding to $58 million.

$47 million

Cmunity Innovations Private Limited received funding from Citius, Norwest Venture Partners, Jungle Ventures, Accel India, WaterBridge Ventures, General Catalyst and Elevation Capital (SAIF Partners) on September 2, taking the total funding to $158 million.

$34 million

Grew Solar Private Limited received funding from Vijay Kedia and Rohit Kothari on September 8, taking the total funding to $34 million.

Source: PrivateCircle, a private market intelligence platform

RE POSTS.

Building a startup feels like:
Day 1: This is the next unicorn.
Day 30: Why is nobody signing up?
Day 100: Maybe I should quit.
Day 365: I can't believe it finally worked.

azmal
@heyazmal

Bootstrapping requires personal sacrifices and a lean startup approach. Hiring should only occur when an individual's output significantly exceeds expectations. Organic customer acquisition demonstrates growth while spending your own money.

Vibhanshu Sharma
@vibhanshusharma

That idea is already out there."
Good. That means:
There's demand
The problem matters
The market is proven
Winning isn't about being first. It's about being better, faster, louder.
What matters? Execution. Always.

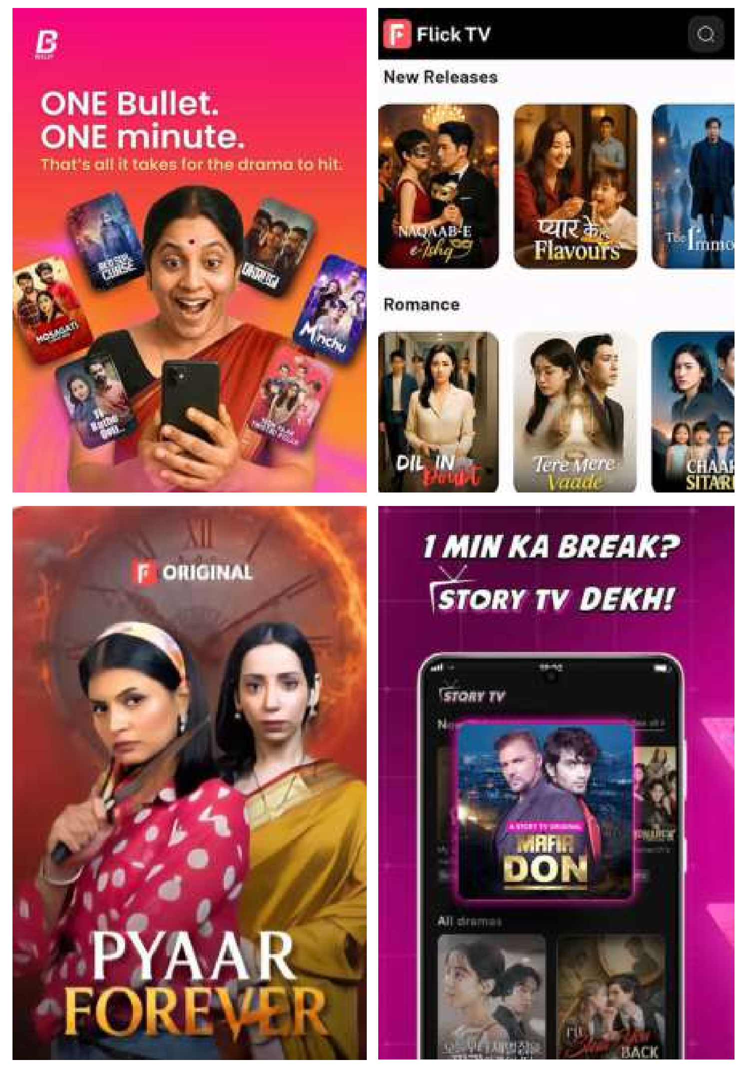
Madhura
@madhuraaa_

MICRO DRAMAS

Indian content gets a vertical makeover

FLEETING FRAMES. As the tug-of-war to grab more eyeballs continues, production houses jostle to fit into the age of the scroll

Aishwarya Kumar



ON YOUR SCREEN. The battle for eyeballs is on

Scrolling through YouTube Shorts late one evening, Bengaluru-based techie Kalyani (name changed) stumbled upon a 60-second short drama that looked nothing like the daily soaps she grew up watching, or the long OTT shows that demand hours of bingeing.

Within the first 10 seconds, the protagonist and the central conflict were laid bare, no slow build-ups, no waiting for the story to unfold. One cliffhanger later, she found herself hooked, episode after episode.

"It's quick, mindless and easy to watch, and it's vertical, so it fits into my scrolling routine," she said.

Unlike long-form shows that stretch stories across hours, these micro-dramas are designed for the age of the scroll, tightly packed, vertically shot stories that compress high emotion, conflict and drama into minutes. They don't just fight for your attention; they grip it instantly.

The format may feel new to Indian audiences, but it's already had its run in China and the US.

With India's 886 million internet users in 2024 — over half from rural areas, according to IAMAI and Kantar — it is finding fertile ground. Start-ups and media companies have begun testing the space, and the first signs of traction are showing.

One of the biggest bets so far is on Flick TV, a micro-drama OTT platform that recently raised $2.3 million in seed funding led by Stellaris Venture Partners, with participation from Gemba Capital and Titan Capital.

Cumulatively, the segment has raised $22.4 million since 2024. This includes $ 17.4 million in 2025 YTD.

For Stellaris, the logic is clear. "Short-form videos exploded with reels and shorts," said Mayank Jain, Principal at Stellaris.

"The next logical step is micro-dramas — emotionally engaging stories that combine the best of TV with the best of vertical formats."

LEANER PRODUCTION

Investors aren't the only ones bullish on the format. Platforms themselves are experimenting with new ways to scale content. Azim Lalani, Co-founder and Chief Business Officer of Bullet, explained that a three-pronged strategy of original programming, acquired titles and crowd-sourced ideas ensures a fresh, scalable pipeline of scripted content. "The shorter format not only drives creative experimentation but also makes production highly efficient," he said.

Micro-dramas differ not only in format but also in production. Unlike television shows that cost ₹30–40 lakh per episode, a micro-drama can be made for ₹10–12 lakh per title, with a turnaround time of four weeks. That speed means constant new content, often featuring fresh talent rather than established stars.

Saurabh Pandey, Founder & CEO of Story TV (Eloelo's short content platform), said the idea was born to fill a gap in entertainment for "Bharat," where TV and cinema penetration is low but mobile-first consumption is high.

Producers, too, are scaling rapidly. Anish N Surana, Founder of Ananta Productions, said it creates nearly 3,000 minutes of content a month, or about 30 dramas. Ananta produces content for leading micro-drama platforms in India. "We plan to scale up to 4,000-5,000 minutes, which means 40-50 shows a month."

WHO'S WATCHING?

Flick TV Co-founder and CEO Kushal Singhal said the platform's biggest audience is 18-35-year-olds, with three clear segments — housewives watching in afternoon breaks, commuters in the evening and small shopkeepers filling downtime. "Indians have also become more comfortable paying for content, thanks to UPI, which drives 96 per cent of digital payments," he added.

The sector is drawing in both traditional players and start-ups. Balaji Telefilms (Kutingg), ZEE Entertainment Enterprises (Bullet) Ltd, Eloelo (StoryTV), Kuku FM (Kuku TV), ShareChat (Quick TV), and Amazon MX Player (MX Fatafat) have all launched micro-drama platforms. Standalone players such as Flick TV and Chai Shots are also attracting funding and building originals to draw loyal users, noted Neha Singh, Co-founder of market intelligence platform Tracxn.

Even legacy broadcasters see an opportunity. In June 2025, Zee Entertainment entered into a strategic equity partnership with Bullet. "Our foray into micro-dramas is part of a strategy to be present where the eyeballs are," said Raghavendra Hunsur, Chief Content Officer, ZEE Entertainment Enterprises. With Zee's ecosystem of writers and presence across seven languages, he said, short dramas complement long-form shows while cultivating new habits among younger, mobile-first audiences.

WHAT STORIES WORK?

For men, aspirational stories about wealth and revenge themes resonate the most, according to Singhal. For women, empowerment arcs, characters breaking free in family or societal settings, and tales of love and heartbreak top the charts. "Different genders connect with different emotions, and that's what drives repeat viewing," he said.

Regionalisation is the next frontier. "Over the next 2-3 years, we'll see hyper-local Marathi, Tamil or Bhojpuri micro-dramas emerge as part of normal content evolution," Singhal predicted.

Surana adds the stories that work are universal, mistaken identities, rags-to-riches arcs and contractual marriages.

CRACKING MONETISATION

Advertising still dominates revenue, but platforms are experimenting with micro-payments, subscriptions and premium 'fast-pass' features. Generative AI is also cutting production costs, speeding up experimentation, says Tracxn's Singh.

Flick TV, for instance, has begun with pay-per-episode micro-payments but plans to nudge users toward subscriptions as its library deepens.

Story TV claims 10x month-on-month growth in monetisation between July and August, primarily through non-ad revenues.

THE HURDLES AHEAD

For all the promise, challenges remain. Capital intensity is one, rapid content churn requires constant fundraising. Retention is another, as long-term stickiness in this category remains unproven globally. "You're on a treadmill," Stellaris' Jain said. "If you don't keep producing hit dramas, users drop off."

Pandey sees massive potential. "The opportunity size could surpass Bollywood in the next three to four years. Our focus is on scaling from 5 million to 100 million users." Neha Singh of Tracxn believes the sector will see a mix of outcomes, acquisitions by big media houses for scale and independent players carving niches through agility, innovation and regional storytelling.

STARTUPS: VAI-THEE-FUSS

Out of control: Firms at the mercy of govt policies

K. VAITHEESWARAN

A start-up is just one policy decision away from shutdown. This fact was reiterated recently when on August 21, 2025, the Indian government enacted a nationwide ban on real-money gaming (RMG) by passing the Promotion and Regulation of Online Gaming Act, 2025, in Parliament.

The sudden ban killed a $25 billion industry, put 2,00,000 jobs at stake, and destroyed billions of dollars of wealth. Major players, including Dream11 and MPL, were forced to instantly suspend operations. Government tax revenues also took a hit as ₹250 crore evaporated overnight. Just to clarify, I am not necessarily against the ban. I am only pointing out the impact of political regulations on start-ups.

Entrepreneurship is very hard, especially in India. Average infrastructure, congested urban centres, complex regulatory procedures, inadequate capital, an immature ecosystem and a society unforgiving towards failures all make building ventures from the ground up quite challenging.

As a counter to these issues, founders focus on putting together a strong team that will execute well. One would assume that a good team that can execute well should almost always succeed. Right? Wrong.

Entrepreneurs build businesses knowing fully well that their venture is subject to government regulations, social pressures and political manoeuvring. The RMG ban isn't an isolated incident.

The sudden Covid lockdown in 2020 severely impacted food delivery companies like Swiggy and Zomato, while State-level policy decision swings keep hitting Ola's bike rider operations. Globally, Uber has always been subject to fast-changing regulations in cities, while the Covid travel bans almost brought Airbnb to a halt.

Of course, not all sudden policy decisions are harmful and some are strokes of great fortune. The completely unexpected demonetisation in November 2016 gave a sudden impetus to payment gateway firms like PayTM and also led to the popularity of UPI and digital payments in India.

Several countries have started implementing UPI in their nations now. The restrictions on online education were relaxed due to Covid, leading to the rise of edutech platforms like Byju's and Unacademy, while global usage of brands like Zoom, Microsoft Teams and Google Meet also surged. Stricter emission norms and pollution control restrictions have helped grow EV start-ups like Tesla.

While start-ups cannot do much to counter sudden governmental regulations, they can take some steps to be prepared. We shall review these in the next column.

The author is a serial entrepreneur and best-selling author of the book "Failing to Succeed". He tweets @vaitheek

GUVI-HCL to take vernacular skilling global

Edtech platform eyes a topline of ₹100 crore for FY26, ₹500 crore in three years

Rohan Das

ISTOCK

As a software engineer at PayPal, Arun Prakash saw firsthand a major issue plaguing the IT ecosystem in India — a widening skill gap between the industry and academia. To address this, he started a YouTube channel with a vision to provide industry-relevant skills to students from non-English speaking backgrounds.

Today, that vision has blossomed into GUVI-HCL — a vernacular edtech platform that boasts over four million users mentored across 20 Indian and international languages. The company, backed by tech major HCL since its majority acquisition in 2022, offers students and young professionals a wide range of IT courses, spanning programming, data science, app development, cybersecurity and blockchain.

HCL ECOSYSTEM

Speaking on the partnership with HCL, Prakash said, "Unlike typical VCs that expect returns within 5-7 years, HCL's support was beyond just monetary. They understood the impact we wanted to create and were willing to provide us with the patient capital needed to scale our venture," Prakash said.

The patience might have paid off as according to Prakash, Guvi HCL is now eyeing a topline of ₹100 crore for FY26; he expects the company to reach the ₹500 crore milestone within three years.

"We recently signed an agreement with the Shiv Nadar University, wherein degrees would be awarded by the university while the skillset for the same is given from the platform. Operationally, the HCL team helps us with our finances and also provides us with technical mentors who share their domain expertise," he said.

The platform also has 3,000 mentors, of which around 100 work full time with the company while the rest are industry professionals with at least 3-4 years of experience, onboarded on a need basis for specialised topics.

LOOKING AHEAD

As the edtech space evolves, GUVI-HCL is now looking to adapt and calibrate its offerings as per industry needs.

Prakash said that in the past seven years, the company has transitioned more into a B2C company where they partner with governments, institutions and organisations for skilling their talent.

He added that the company has already initiated partnerships with prominent institutions like Jain College, SRM University, Madan Mohan Malviya University and Anna University, among others. GUVI-HCL has also collaborated with firms like Google and Paypal and has also developed skilling programmes for governments in Tamil Nadu and Uttar Pradesh.

GUVI-HCL has set its sights on Vietnam in Southeast Asia and Ivory Coast in Africa, while also exploring opportunities in Costa Rica in South America. It plans to work with local companies and government bodies in these regions to drive its entry and growth, Prakash added.

Speaking about artificial intelligence, Prakash pointed out that GUVI-HCL had adopted the concept long before it became a catchphrase in the sector. Being one of the first to obtain access to AI models and incorporate them into its products, GUVI now not only uses AI in-house but also assists partner companies in developing AI capabilities, preparing India's workforce for an automation-driven future.

Momentum Capital eyes investing in one start-up every month

bl.interview

Jyoti Banthia

> We've backed 13 start-ups, and over the next 12 months, we aim to make 10-12 more investments
>
> **ANKUR SHRIVASTAVA**
> Founder, Momentum Capital

Early-stage venture capital firm Momentum Capital is deploying from its maiden $10 million Fund I. The fund has already invested in 13 start-ups and plans to add 10-12 more over the next year.

In a conversation, Ankur Shrivastava, Founder and Managing Partner of Momentum Capital, shared the firm's investment thesis, sectoral focus and approach to exits.

Edited excerpts:

What does your current portfolio look like?

Our portfolio includes companies like Confido Health, Dharaksha Ecosolutions, Vimano and KinderPass. It is showing early traction. For example, Dharaksha raised ₹25 crore and Confido Health secured $3 million.

From which fund are you deploying, and how much have you invested so far?

We are investing out of Fund I. So far, we've backed 13 start-ups and over the next 12 months, we aim to make 10-12 more investments — about one deal a month.

What's the investment thesis guiding Momentum Capital?

Our focus is on Indian-origin entrepreneurs solving hard-to-abate challenges in health and environment, with the ambition to scale globally. We've been investing in climate tech from the time it wasn't mainstream, so we bring that experience to help founders in India and the US.

Which sectors are you the most bullish on?

We are excited about under-invested areas in climate tech, beyond mobility and solar. That includes decarbonisation in manufacturing, construction, energy transition and new materials. We also look at technology-driven health solutions. Our bet is on founders tackling "hard problems" with global scalability.

At what stage do you typically invest? What's your cheque size?

We focus on pre-seed and seed stages. Our typical cheque size is between $1,25,000 and $2,50,000, or ₹1-2 crore.

How long do you usually stay invested?

Being early-stage investors, we take a patient approach. Our average holding period is six to eight years, but it depends on the company and exit opportunities. Some businesses will mature faster, others will take longer.

Have you seen any exits yet?

It's too early for this fund. But I've had exits from my prior portfolio through both secondaries and an IPO on Nasdaq. That track record helps us chart exit pathways for our current portfolio.

What's next for Momentum Capital?

With Fund I, we're laying the foundation for a long-term platform that supports founders at the earliest stage of their journey.

DATA BANK.

Low C-D ratio in East reflects unutilised economic potential

With targeted reforms, eastern India has the potential to emerge as a key driver in the country's growth journey, according to a CII-Deloitte report.

The report, 'Financing eastern India's growth engines', noted that eastern India's demographic strength (26 per cent of India's population), resource endowment, and entrepreneurial energy make it a natural contender for driving India's development goals.

However, the region has lagged in credit penetration due to low credit-deposit (C-D) ratios, high reliance on informal finance and limited sectoral bankability.

With a credit-to-GDP ratio of 33.1 per cent in FY25, (national average of 56.1 per cent) as per RBI and the Ministry of Statistics and Programme Implementation (MoSPI), figures the region reflects chronic under penetration.

C-D ratios for the eastern States remain 15-35 percentage points below the national average of 80 per cent.

Informal financing

The region's lower ratios could be attributed to a less developed industrial base, low formal credit penetration, and a high reliance on informal financing.

Low branch density, underdeveloped digital infrastructure, and under-capitalised regional rural banks (RRBs) restrict access to formal financial services, particularly credit.

In FY25, the eastern region was home to 28,884 bank offices, (about 17 per cent of the total number of bank offices in India).

RRBs' C-D ratios averaged below 45 per cent across eastern States in FY2025, compared with southern RRBs, which operate at close to 70 per cent.

Unlocking potential

For unlocking regional credit potential, CII-Deloitte suggested MSME cluster financing and supply-chain credit; agri-allied credit and insurance integration; digital origination and credit scoring; RRB recapitalisation & digital integration; and regional infrastructure corridors.

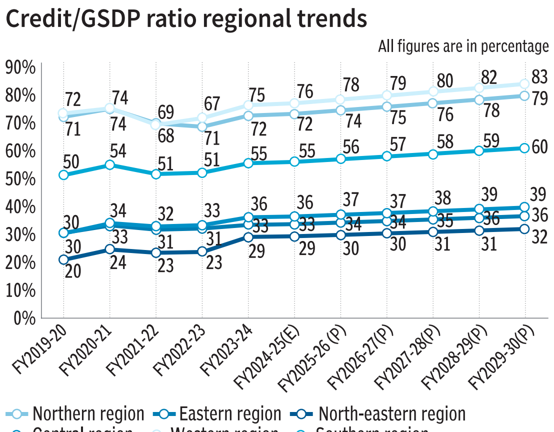
Eastern India's C-D ratios are expected to remain 10-12 percentage points below national parity by 2030 unless structural reforms accelerate.

By embedding digital rails, simplified KYC, alternative scoring and ULI integration, formal credit access can scale significantly.

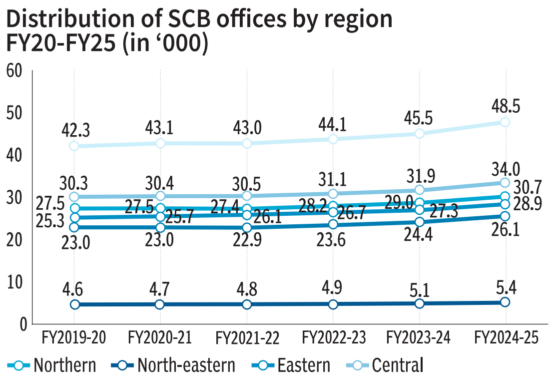
Retaining local savings through State guarantees, PSU recycling and bond frameworks is essential.

Credit/GSDP ratio regional trends

All figures are in percentage

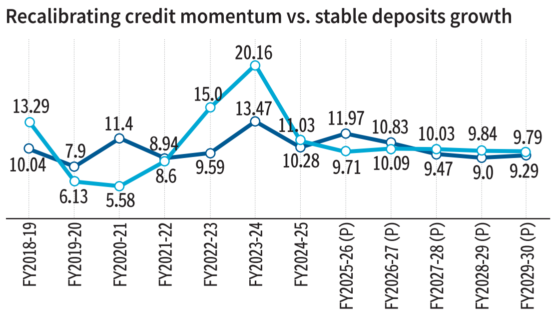


Distribution of SCB offices by region FY20-FY25 (in '000)

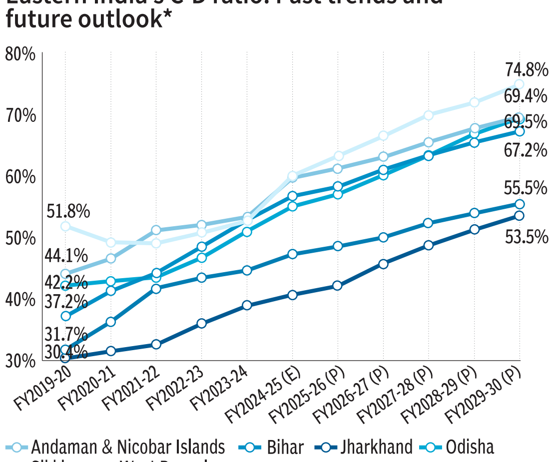


Building resilience amid shifting credit–savings dynamics

Recalibrating credit momentum vs. stable deposits growth



Eastern India's C-D ratio: Past trends and future outlook*



*Note: The RBI's eastern region covers Bihar, Jharkhand, Odisha, Sikkim, West Bengal and Andaman & Nicobar Islands. CII also includes Chhattisgarh as an Eastern State, which, though lacking RBI C-D ratio data, is considered qualitatively.

Source: RBI, Ministry of Finance, MoSPI, CMIE Industry Outlook, Deloitte estimates

SIMPLER SOLUTIONS

GST waiver on life, health cover: A catalyst for a new phase of growth

CONCERNS REMAIN. Insurers seek clarity on non-availability of ITC, and if the burden will be passed on to policyholders

G Naga Sridhar

Will the recent waiver of Goods and Services Tax (GST) on individual life and health cover be a catalyst for a new phase of growth in the insurance industry and benefit commoners?

This has been a hot topic for discussion among diverse stakeholders in the life and non-life sectors since the GST Council's decision to rationalise rates. Though it is a decade-old demand, the GST Council announced its decision during its 56th meeting during September 3-4, 2025.

Though it has been on the cards for the last two years at least, the removal of 18 per cent GST on insurance is a bold move by the government, given that it would trim its revenues.

The rate rationalisation is projected to cost the government anywhere between ₹18,443 crore and ₹48,000 crore annually.

A research report of the State Bank of India (SBI), however, has pegged revenue loss at a minimal ₹3,700 crore, given the growth and consumption boost triggered by rate rationalisation. This, the report stated, would have no impact on the fiscal deficit.

WIDENING UMBRELLA. The reform will encourage more individuals to seek coverage earlier GETTY IMAGES

PRICING

On the face of it, zero GST on buying life and health cover will automatically result in savings for a buyer.

Even as the GST Council's recommendations are set to take effect from September 22, 2025, the insurers are tight-lipped on the benefit for buyers of life and health cover.

"Post the GST exemption, life insurance policies shall become more affordable, which will drive higher penetration, especially among first-time buyers and underserved segments," Tarun Chugh, MD & CEO, Bajaj Allianz Life Insurance, told *businessline*.

Whether it is making life-saving drugs more accessible or lowering the cost of health insurance, the move directly tackles a long-standing challenge and will enable millions of families to take a crucial step toward financial and medical security, according to Naveen Chandra Jha, MD & CEO, SBI General Insurance.

COST ESCALATION

Industry captains, however, expressed concern over the possible escalation of operational costs for insurers in view of the non-availability of input tax credit on certain expenses in a zero-GST regime.

It has been two weeks since the Council's announcement, but the government is yet to provide clarity on the matter, said insurers.

In the case of non-availability of ITC, insurance companies may prefer to pass on some burden to the customers which can offset the gain arising from the removal of 18 per cent GST on the premium.

Despite the shortcomings, the GST reforms act as a timely catalyst to strengthen the ecosystem by addressing one of the biggest barriers to quality healthcare — affordability.

Insurers will now focus on leveraging the opportunity to design affordable, accessible and customer-centric insurance solutions, while expanding their reach across rural and semi-urban India.

By lowering the cost of entry, the GST reform will encourage more individuals to seek coverage earlier, thereby strengthening the risk pool and improving the long-term resilience of the insurance sector.

Insurance is not just a financial product but a safeguard for households against rising healthcare costs and unforeseen emergencies, and this measure will help embed it more deeply into financial planning.

"We view this as a forward-looking reform that creates a win-win scenario for both consumers and insurers, and one that will contribute meaningfully to the journey of building a healthier and more financially secure India," said Rakesh Jain, CEO, Reliance General Insurance.

Chugh noted that there could be more innovation as well, with simpler and digital-first solutions that make insurance easier to understand, buy and manage.

Collectively, these changes will help the industry scale sustainably while delivering affordable and customer-centric protection to every Indian household, he said.

ROLLOUT

There will be challenges in rolling out revised premia when the new norms come into effect. There are still many knots which are yet to be untied to take the benefits of the 18 per cent GST exemption to the policyholders as matters like input tax credit have to be resolved.

There is a need for transparency in premium pricing structures and the Insurance Regulatory and Development Authority of India (IRDAI), along with the Life and General Insurance Councils, will have to ensure smooth transition to the new regime to realise the vision of "Insurance for all by 2047".

In FY25, the life insurance industry's new business premium stood at ₹3.97 lakh crore, posting a 5.13 per cent year-on-year growth, according to the Life Insurance Council data. Health insurance premium, the largest segment in the non-life industry, grew 8.98 per cent in FY25 at ₹1.18 lakh crore.

In the current financial year, growth in both the aforementioned insurance segments is likely to get a boost from the tax reforms.

The curious case of stablecoins and their potential to unleash international payments

TRUE TO ITS NAME. They combine the trust of traditional money with the advantages of internet-native infrastructure

SRIVATSAN SRIDHAR

Stablecoins have entered mainstream conversation following the landmark passage of the GENIUS Act in the United States. For an asset class that has long lived in regulatory ambiguity, it's a watershed moment. The law sets clear standards for the issuance, reserve backing and redemption of stablecoins, potentially unlocking mainstream adoption for their most promising use case — cross-border payments.

Stablecoins have been around for over a decade. Pegged to fiat currencies like the US dollar, they combine the trust of traditional money with the advantages of internet-native infrastructure — instant settlement, 24/7 operability and global accessibility. Despite these benefits, they currently account for less than 7 per cent of the total crypto market, with a market capitalisation of around $264 billion, according to CoinGecko. That could grow substantially though, if their adoption for cross-border payments picks up steam.

SLOW ADOPTION. Stablecoins account for less than 7% of the total crypto market GETTY IMAGES

CROSS-BORDER PAYMENTS

Cross-border payments with stablecoins are a world away from the traditional correspondent banking system, run on rails like the SWIFT network that the financial system has used for decades.

Large corporations might have reconciled to the high fees, long wait times and blizzard of paperwork usually required to send money through this route, but smaller businesses and individuals are increasingly voting with their feet. That's especially true for freelancers or contractors in some Asian, African and Latin American countries, where dollar availability is low, the local currency fluctuates wildly in value and domestic banks are not deeply integrated with global correspondent banks.

There's also growing adoption of stablecoins for remittances, treasury flows and B2B settlements. Remittance providers are using stablecoins for just-in-time funding, cutting down on expensive pre-funded accounts. Large multinationals are experimenting with stablecoin-based treasury operations, while fintechs are building platforms that rely on them for real-time global transactions.

INSTITUTIONAL SUPPORT

Financial institutions are joining in. JPMorgan has launched its own stablecoin. Visa is piloting cross-border settlements using USDC, and Mastercard has a Multi-Token Network for blockchain-based payments. Regulatory clarity is also emerging in jurisdictions from the US to the UAE.

Yet the path to real-world adoption is winding. One of the most misunderstood issues is the so-called "stablecoin sandwich". While blockchain transfers are quick and low-cost, users must first convert fiat currency into stablecoins and then back into fiat on the other side. These on- and off-ramps add cost, complexity and regulatory hurdles, particularly in emerging markets.

Another misconception is that stablecoins automatically enable instant global transfers. While the blockchain leg may be fast, fiat conversion still depends on the speed of local banking systems.

NOT A REPLACEMENT

Stablecoins are unlikely to replace traditional systems entirely. In developed markets, networks like SWIFT and SEPA already serve most use cases well. But in emerging economies where access to dollars is limited or capital controls are in place, stablecoins can fill essential gaps.

Take India, for instance. The country received over $129 billion in remittances in 2024, but cross-border payments remain expensive and slow. SWIFT transfers can take up to three days, with transaction fees ranging from 3 to 7 per cent. That adds up to billions in lost value annually.

India's regulatory stance mirrors that of many emerging economies — cautious but observant. While acknowledging the potential efficiencies that stablecoins could offer, the Reserve Bank of India (RBI) has emphasised the importance of maintaining monetary sovereignty, managing capital flow risks and ensuring macroeconomic stability. Concerns have also been raised around how privately issued digital currencies might interact with existing regulatory frameworks and cross-border controls.

Instead, India has focused on regulated innovations like UPI-linked remittances and the rollout of a Central Bank Digital Currency (CBDC). These initiatives aim to modernise payments while maintaining policy oversight.

OVERCOMING CHALLENGES

Apart from regulatory hurdles, the adoption of stablecoins also faces operational regulatory hurdles. Public blockchains run 24/7, complicating real-time compliance and raising concerns about fraud, money laundering and illicit flows. Traditional banking hours further complicate customer support and dispute resolution.

Nonetheless, these challenges aren't insurmountable. One of stablecoins' most promising features is their programmability. Payments can be designed with embedded logic — for example, releasing funds only after certain milestones are met. This could enable smart escrow, milestone-based payouts and dynamic settlements in global trade.

There is also the broader question of monetary sovereignty. Widespread use of dollar-backed stablecoins in emerging markets could spur informal dollarisation, undermining local central banks. Policymakers will seek to strike a balance between innovation and financial stability.

The most important ingredient for adoption, however, remains trust. Initial forays by respected institutions like Visa, Mastercard and JPMorgan in this space underscore the growing acceptance of stablecoins as a foundational evolution in payments.

THE ROAD AHEAD

Citi Bank projects the global stablecoin market to at least double by 2030. Similar to past fintech innovations, adoption will mirror a familiar progression — consumers pave the way, followed by small and medium-sized businesses and finally, large enterprises.

The real tipping point will come when major corporations treat stablecoins as cash equivalents on their balance sheets. For that to happen, the industry must mature significantly. This includes building trusted custody solutions, streamlining on- and off-ramp networks and developing clear accounting and tax frameworks.

The GENIUS Act sets a strong precedent for other nations to develop their own stablecoin frameworks, a process already underway in regions like the EU, Hong Kong, Singapore and the UAE.

For emerging markets like India, this could involve regulated pilots, partnerships with private issuers or integration into controlled cross-border corridors. While the groundwork is set for stablecoins to become a critical parallel layer in international payments, the journey is just beginning. Broad adoption will hinge on resolving practical issues around conversion, interoperability, compliance and, most importantly, public and user trust.

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Gold or silver: Which asset rewarded investors better over the long term?

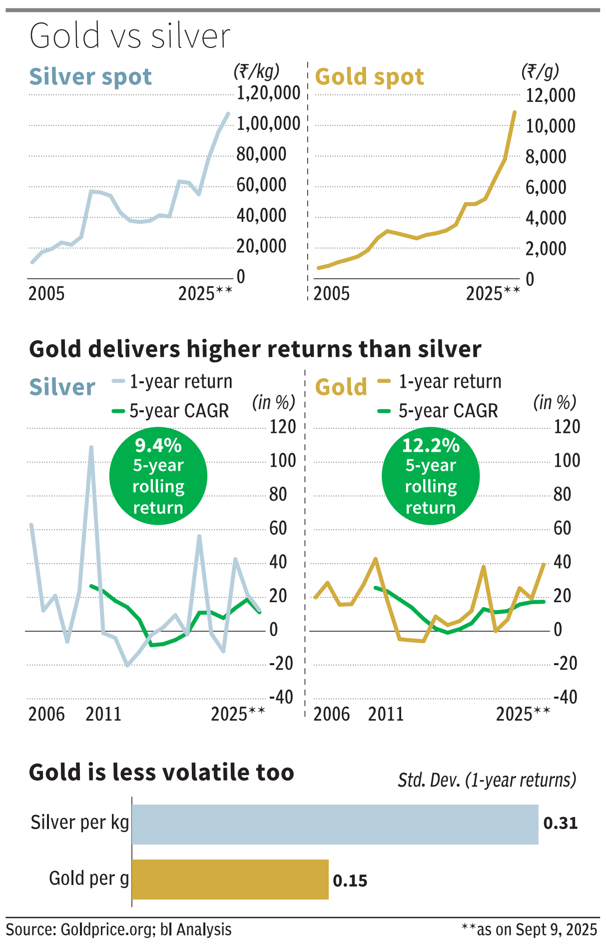
MORE RELIABLE. Gold has delivered slightly higher returns and has also been less volatile

Sourashis Banerjee
Chennai

With gold and silver prices scaling new peaks every other day, investor interest is increasing in these asset classes as evident in record inflows into exchange traded funds. But which of them has delivered better returns over the long term?

DATA FOCUS.

A *businessline* analysis of gold and silver price data for the last two decades shows that both move in the same direction, with a high correlation of 0.95. But gold has delivered slightly higher returns over the long term and has also been less volatile.



PUNISHING LOSSES

Silver's average annual return for the period between 2006 and 2025 (till September 9) is about 15.6 per cent, which is identical to gold's performance.

But the real story is in its volatility. The swings in silver prices are sharp and often extreme, with a standard deviation in annual returns of around 31 per cent.

This means silver can deliver dazzling gains, but also punishing losses. For instance, it delivered 109 per cent annual return in 2011 and 63 per cent in 2006. But it registered annual losses in 9 out of 20 years, with the highest loss of 20 per cent in 2014. Its five-year rolling return is a modest 9.4 per cent, trailing gold despite the fireworks in individual years.

For short-term traders or those willing to stomach turbulence, silver can be exciting. But for investors seeking steady wealth building, its roller-coaster pathway could feel like a gamble.

Even in the exchange-traded fund (ETF) space, silver has shown dramatic growth in assets under management (AUM). Since its debut in 2022, silver ETFs have expanded rapidly from about ₹1,500 crore in 2022 to nearly ₹25,300 crore in 2025, a staggering 156 per cent compound annual growth rate (CAGR). But this surge is partly because the base was so small, and the sustainability of such growth remains to be tested.

STEADY STRENGTH

Gold tells a different story. With an average annual return of about 15.6 per cent, it matches silver in annual growth, but does better in consistency.

Its annual volatility, around 15 per cent, is less than half of silver's. This makes gold far more reliable as a store of value.

Over rolling five-year periods, gold has also fared better, with an average CAGR of about 12.2 per cent, comfortably ahead of silver. In other words, gold hasn't just been steady, it has also compounded more efficiently.

Investor behaviour reflects this trust. Gold ETFs, which had assets of around ₹5,800 crore in 2019, have ballooned to nearly ₹72,500 crore in 2025, growing at a powerful 52 per cent CAGR.

Unlike silver, this growth is on a much larger base, underscoring gold's entrenched position in investor portfolios.

THE VERDICT

When stripped to its essence, the story is simple. Gold and silver have given investors similar average returns. But gold has done so with far less drama, compounding steadily and commanding investor confidence.

Silver, in contrast, has been volatile and speculative, rewarding the brave but punishing the unprepared.

For long-term portfolios, gold remains the anchor. Silver, while gaining popularity through ETFs, works better as a tactical play, a temporary holding for those willing to chase opportunity, but not a substitute for the steady shine of gold.

With launch of iPhone Air, e-Sim adoption likely to grow in India

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FRESH SPOTLIGHT. iPhone Air could lead to more people using e-Sims in India, with growth expected to soar by 2025

Apple's move to make its new iPhone Air e-Sim only has thrown the spotlight on e-Sim adoption among Indian smartphone users.

Even as Indian subscribers predominantly use physical sim cards, e-Sim (embedded subscriber identity module) adoption is growing and is expected to hit further highs in 2025, as per analysts and e-Sim providers.

IOT DEVICES

e-Sim is a digital sim chip built directly into devices, eliminating the need for a plastic sim card. Besides smartphones, IoT devices, smartwatches and Tablets too use e-Sims. It also resolves hassles like sim corruption and theft.

As per estimates sourced from Counterpoint Research, share of e-Sim-powered phones in total smartphones stood at 11 per cent in 2023 and grew to 13 per cent for 2024, largely driven by the premium segment of smartphones such as Apple and Samsung. This number stood at 22 per cent share in 2023 and 26 per cent in 2024.

The penetration of e-Sims is expected to further rise in 2025 as more mid-range models of Xiaomi, Oppo and others introduce e-Sim powered models, as per Counterpoint analysis.

"A better user experience and digital activation process without needing to go to the store is among the biggest advantages of e-Sims. In India, the major telecom players all already provide e-Sims and BSNL too has a roadmap for it," Varun Gupta, Senior Analyst at Counterpoint Research, said.

APPLE-SAMSUNG

"Globally, more than 50 per cent of e-Sims are on Apple iPhones with Samsung being the next biggest," he said.

He noted that international travel use is also driving more Indians to opt for e-Sims on a temporary basis.

"The off-take for e-Sims has been better for the last few years. Likely, once the market moves away from sim cards, it'll move towards e-Sims," an industry stakeholder said. Apple's iPhone17 series is the first positive trigger for people to move to e-Sims, he added.

India's telcos, on their, part have been promoting the use of e-Sims.

Airtel has been encouraging users to switch to e-Sims for a few years now. In fact, Gopal Vittal, MD and CEO, Bharti Airtel, even wrote to users about the benefits of e-Sims when it entered the market.

DIGITAL FIRST

Vi allows customers to upgrade to e-Sim directly through the My Vi app. In the latest earnings call, the telco said it had enhanced its e-Sim strategy by partnering with Airtel, enabling dual sim functionality to support resilient, future-ready enterprise deployments.

SW monsoon starts retreating 3 days ahead of normal

Prabhudatta Mishra
New Delhi

The South-West (SW) monsoon has withdrawn from parts of west Rajasthan, three days ahead of its normal schedule of September 17, said the India Meteorological Department (IMD).

The monsoon's retreat from some more parts of Rajasthan, Punjab and Gujarat is expected in the next few days. Western Rajasthan has received 75 per cent surplus rain since June 1 and in September 11-14, it was only 0.1 mm against the normal of 4.9 mm.

"Conditions are favourable for further withdrawal of the South-West monsoon from some more parts of Rajasthan and some parts of Punjab and Gujarat during the next 2-3 days," IMD said.

After fulfilment of the withdrawal criteria, IMD declared the starting date on Sunday. There is an anti-cyclonic circulation over west Rajasthan at 1.5 km above the mean sea level and there has been no rainfall over the region during the last five days, it said.

MOISTURE CONTENT

"Also, there has been reduction in atmosphere moisture content over the region up to middle troposphere. The line of withdrawal of monsoon passes through Sri Ganganagar, Nagaur, Jodhpur and Barmer," it said.

Per IMD data, the country, as a whole, received 846.3 mm rainfall so far, which is 7 per cent above the long period average of 790.1 mm.

The monsoon covered the entire country on June 29 this year, which is nine days earlier than its normal schedule and the quickest in the last five years.