CHENNAI - MONDAY - JULY 6, 2026

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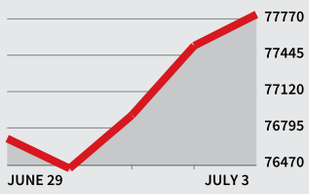

IN FOCUS

	Week's close	Week's change
Nifty 50	24270.85	+214.85
P/E Ratio (Sensex)	21.11	+0.18
US Dollar (in ₹)	95.21	+0.82
Gold Std 10 gm (in ₹)	145758.00	+6445
Silver 1 kg (in ₹)	233858.00	+17317

CURRENT ACCOUNT.
We aspire to serve 2% of Indian households over the next three years, says Baskar Babu, MD and CEO, Suryoday Small Finance Bank **p9**

SPARK.
From disaster mapping to drug discovery, start-ups are deploying quantum tech to offer solutions **p8**

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

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

QUICKLY.

CORP FILE

Technology and talent transformation at TAFE

Sixty-six-year-old Tractors and Farm Equipment Ltd may be best known as one of the largest tractor makers in the world. Steered by the mother-daughter duo of Mallika Srinivasan and Lakshmi Venu, it is fast evolving into a global agri-tech innovator. It is cultivating its future in precision farming through next-gen electrification and cutting-edge solutions. **p7**

MONSOON MAYHEM

Flight operations at Delhi, Mumbai airports hit

Flight operations at Delhi and Mumbai airports were disrupted on Sunday due to gusty winds and rain. Mumbai airport saw no takeoffs and landings between 10.15 am and 11.15 am. Thirteen flights were diverted from Mumbai to Ahmedabad, Indore, Surat, Bengaluru, and Hyderabad airports. Fifteen flights were diverted from Delhi airport between 10 am and 12 pm to Jaipur and Lucknow. OUR BUREAU

India moves to build strategic gas reserves after W. Asia crisis

FUTURE PROOF. New Delhi evaluating storage options, including salt caverns, cryogenic tanks

Rishi Ranjan Kala
New Delhi

The recent West Asia conflict has prompted the government to begin work on creating India's first strategic natural gas storage system, with public sector oil companies evaluating multiple options, including underground salt caverns and above-ground cryogenic LNG tanks.

The move marks a significant expansion of India's strategic energy security planning. While the Indian Strategic Petroleum Reserves Ltd (ISPRL) manages the country's strategic crude oil reserves, it does not have expertise in salt cavern-based natural gas storage. As a result, feasibility studies are underway to assess suitable storage technologies and geological structures.

"PSU oil companies are already working on the feasibility of storing crude oil and gas in salt caverns. As ISPRL does not have expertise in salt caverns, a feasibility study is being done by Engineers India. Besides, storing gas in cryogenic overground tanks is also being worked out," a source said.

FUEL SAFEGUARD. The push follows concerns over India's vulnerability to disruptions in LNG and LPG supplies after the West Asia conflict (file photo)

VULNERABILITY FACTOR

The push follows concerns over India's vulnerability to disruptions in LNG and LPG supplies after the West Asia conflict, with the region accounting for more than half of India's imports of both fuels.

Sources said a committee under the Petroleum Ministry, constituted after the conflict erupted, is evaluating storage options for LNG and LPG.

One of the seven Empowered Groups of Secretaries set up by the government is also examining short-, medium- and long-term measures to address potential disruptions to trade, supply chains and logistics.

"Some storage for gas has become important. The deliberations focus on what should be the storage volume keeping in view visibility over the next 4-5 years. Besides, another key issue to debate over is how much should be strategic and commercial, considering storage buffers can also help monetise arbitrage opportunities like China does with its huge crude storage," another source said.

REBUILDING INFRA

The same source added: "The West Asia conflict has likely pushed ahead the schedule for these new production facilities with focus first on rebuilding damaged infrastructure like in Qatar's Ras Laffan facility. We need to factor all these issues."

Officials are evaluating a range of storage options, including salt caverns, depleted gasfields and cryogenic tanks near LNG regasification terminals.

A recent study by the Council on Energy, Environment and Water noted that India has no dedicated strategic natural gas storage despite importing nearly half of its gas requirement, leaving key sectors exposed to supply disruptions.

Govt issues notice to Meta over child sexual abuse materials on Instagram

S Ronendra Singh
New Delhi

The government has issued a stern notice to Meta on child sexual exploitative and abuse material (CSEAM) in paid advertisements on Instagram, sources said on Sunday. The Ministry of Electronics and Information Technology (MeitY) issued the notice on Saturday evening.

"MeitY has ordered Instagram to disable all ads and content promoting and facilitating access to CSEAM... it has demanded a detailed explanation within seven days," sources said.

The decision came a day after Electronics and IT Minister Ashwini Vaishnaw directed MeitY officials to summon Meta over Instagram ads allegedly promoting CSEAM.

The latest action from the Ministry comes amid a *BBC* report that alleged Meta's recommendation algorithm had been promoting videos containing child sexual abuse material, exposing serious gaps in the safeguards.

The *BBC* investigation had also allegedly found advertisements of this nature appearing on Facebook and Instagram.

As per *BBC* reports, Instagram is alleged to have shown paid advertisements with terms like 'rape video' and 'child video', which directed users to Telegram channels, where such content was reportedly on sale.

According to sources, the government is expected to seek answers on how such advertisements were even approved, what corrective measures Meta has taken since the allegations surfaced, and what safeguards it plans to put in place to prevent similar incidents in the future.

ACCOUNTABILITY PUSH

Even as an intermediary, Meta cannot hide behind the 'third-party content' argument or defence if allegations involve paid ads promoting child sexual abuse material, the sources said. "If the allegations are found to be true, they will be held accountable for the advertisements, for which the platform receives revenue," said one of the sources.

According to NS Nappinai, Senior Supreme Court Advocate and founder of Cyber Saathi, MeitY's move seeking curbing of CSEAM dissemination through paid ads is a welcome move.

"Where control can be exercised to curb such dissemination, it ought to be done and Meta ought to take it up proactively too. MeitY needs to take its move further to curb dissemination of adult ads in content such as games which otherwise targets minors," Nappinai told *businessline*.

While MeitY will review the technical and regulatory aspects of the matter, any agency, authority, or individual may file a complaint against the advertiser or platform if they believe offences under the law have been committed, sources added.

Meanwhile, Meta in a statement said that it has a zero tolerance policy for soliciting or sharing CSEAM, including in ads.

"Our expert teams are constantly working to improve our defences, develop new technology to root out predators, block links to violating websites, and share intelligence with other companies so they can take action too," a Meta spokesperson said.

Private banks log robust growth in Q1FY27

Our Bureau
Mumbai

HDFC Bank, Kotak Mahindra Bank (KMB), YES Bank and AU Small Finance Bank have reported robust growth in deposits and advances in the first quarter (Q1FY27), per their provisional numbers.

HDFC Bank's deposits and gross advances increased by 14.7 per cent year-on-year (y-o-y) and 15.4 per cent y-o-y respectively.

The bank's period-end deposits were about ₹31,70,500 crore as of June 30, 2026, a growth of around 14.7 per cent, according to regulatory filing by the bank.

Its period-end gross advances aggregated to about ₹30,61,000 crore as of June 30, 2026, a growth of around 15.4 per cent. The share of low-cost current account, savings account (CASA) deposits declined to 32.35 per cent of total deposits as at June-end 2026 from 33.90 per cent. Simultaneously, time deposits increased to 67.65 per cent of total deposits as at June-end 2026 from 66.10 per cent. Its period-end advances under management (advances, including inter-bank participation certificates, bills rediscounted and securitisation/assignment) were approximately ₹31,27,000 crore as of June 30, 2026, a growth of around 12.4 per cent.

KOTAK MAHINDRA BANK

KMB's total deposits and net advances rose 11.7 per cent y-o-y and 15.1 per cent y-o-y respectively.

The bank's period-end deposits stood at ₹5,72,822 crore as of June 30, 2026, against ₹5,12,838 crore, according to the bank's regulatory filing. Its period-end net advances aggregated to ₹5,12,171 crore as of June 30, 2026 against ₹4,44,823 crore.

The share of low-cost CASA deposits nudged lower to 40.32 per cent of total deposits as at June-end 2026 from 40.87 per cent.

Growth snapshot

Q1FY27 y-o-y growth (%)

	Deposits	Advances
HDFC Bank	14.7	15.4
Kotak Mahindra Bank	11.7	15.1
IDBI Bank	10	22
YES Bank	14.3	18.4
AU Small Fin Bank	23.5	25.8

YES BANK

YES Bank's deposits, and loans and advances rose 14.3 per cent y-o-y and 18.4 per cent y-o-y respectively,

The bank's period-end deposits stood at ₹3,15,397 crore as of June 30, 2026 against ₹2,75,843 crore, according to the bank's regulatory filing. Its period-end loans and advances aggregated to ₹2,85,315 crore as of June 30, 2026, against ₹2,41,024 crore.

The share of low-cost CASA deposits (including certificate of deposits) nudged a tad lower to 32.7 per cent of total deposits as at June-end 2026 from 32.8 per cent.

AU SFB

AU Small Finance Bank's (SFB) total deposits and gross loans were up 23.5 per cent y-o-y and 25.8 per cent y-o-y respectively,

The AU SFB's total deposits stood at ₹1,57,730 crore as of June 30, 2026 against ₹1,27,696 crore, according to the bank's regulatory filing.

Its period-end gross advances aggregated to ₹1,40,460 crore as of June 30, 2026 against ₹1,11,614 crore in the same period last year. .

MUMBAI BATTERED

NATURE'S FURY. An uprooted tree lies across a road after heavy rain and strong winds lashed Mahim in Mumbai on Sunday. The India Meteorological Department had issued a 'red' alert for the metropolis, where several areas recorded more than 200 mm, and some a whopping 300 mm of rain in the last 24 hours. The civic administration has declared a holiday for all government, private and civic-run schools and colleges in Mumbai on Monday. **Monsoon report on p3** PTI

Indian beauty brands aim for a global glow up

I-beauty expands globally with Ayurveda, science-backed formulations

Aishwarya Kumar
Bengaluru

K-beauty has had a global glow-up, with South Korea becoming a huge cosmetics and personal-care exporter. Will I-Beauty — Indian skincare and haircare formulations — meet with similar global success? Analysts believe India will soon see a billion-dollar global beauty brand.

After a year of rapid consolidation, India's beauty founders are now building for the global stage. Homegrown players such as Asaya, Kay Beauty and Forest Essentials are expanding into the US, the UK and West Asia, betting that India's expertise in Ayurveda, science-backed formulations and products tailored for melanin-rich skin can travel beyond domestic borders.

Having built brands and gained scale in India's fiercely competitive market, start-ups are increasingly testing whether their products can resonate with consumers overseas.

GROWTH POTENTIAL. Investors believe that cracking the Indian market equips brands with a playbook that can be replicated across other emerging economies

Investors believe that cracking the Indian market equips brands with a playbook that can be replicated across other emerging economies and in developed markets.

FORMULA FOR GROWTH

"India's first billion-dollar global beauty brand could emerge within the next four-to-five years," said Sunitha Viswanathan, partner at Kae Capital.

She believes beauty and personal care are among the sectors best placed to produce a globally scaled Indian brand, particularly in colour cosmetics, where Indian companies already cater to diverse skin tones similar to consumers across Latin America and Africa.

Some founders say that the journey has already begun. Asaya, for instance, is selling in the US through Amazon and says it has found product-market fit for its underarm spray. It is also evaluating expansion across South-east Asia and other markets with melanin-rich populations.

For Nat Habit, India's advantage lies in what global incumbents cannot easily replicate.

"Centuries of formulation knowledge and ingredients like *hibiscus, ubtan, multani mitti* and *amla* are our real edge," said CEO and co-founder Swagatika Das. She believes brands should first win the trust of the Indian diaspora before expanding to mainstream consumers, arguing that the bigger challenge is changing global perceptions of India — from a manufacturing hub to a source of beauty innovation.

Army offers ₹75,000 cr, five-year order pipeline to defence industry to spur long-term growth

Dalip Singh
New Delhi

In a significant shift aimed at giving India's defence manufacturing ecosystem long-term business certainty, the Army has decided to place five-year restoration and modernisation orders worth over ₹75,000 crore for its ageing fleet of Soviet-origin tanks and armoured vehicles.

The move addresses a long-standing demand of the defence industry, including public sector undertakings and MSMEs, which have argued that sustained order visibility is essential for investing in capacity, technology upgrade and supply chains.

Industry executives maintained that companies cannot build manufacturing capabilities or expand supplier networks on short-term contracts, particularly when their primary customer is the armed forces. The five-year commitment is expected to provide the assurance for vendors to invest in production lines, skilled manpower and indigenisation, while reducing dependence on imports.

Under the programme, 790 T-72 tanks will be restored at a cost of over ₹13,000 crore

PLATFORM RENEWAL

The orders cover life-cycle enhancement of the Army's T-72 Ajeya and T-90 Bhishma tanks, infantry combat vehicles and armoured recovery vehicles. The programme is designed to bring these platforms to a "near-zero-hour and zero km state of operational readiness" by replacing worn-out mechanical, electronic and engineering systems and extending their operational life. Army sources said the upgraded platforms will retain only their basic structures while receiving new-generation equipment.

For the first time, these tanks will also be equipped with drones for intelligence, surveillance, reconnaissance and combat roles, reflecting lessons drawn from the Russia-Ukraine conflict.

The overhaul will involve replacement of components, sub-assemblies and assemblies wherever required.

MODERNISATION PUSH

Under the programme, 790 T-72 tanks will be restored over five years at a cost of over ₹13,000 crore.

Defence PSU Armoured Vehicles Nigam Ltd (AVNL), through its Vehicle Factory Jabalpur, will execute the programme with the support from an ecosystem of around 1,200 MSMEs and start-ups. AVNL completed restoration of two T-72 tanks as a pilot project earlier this year.

Another 200 T-90 tanks will undergo phased restoration over the next five years at an estimated cost of ₹56,000 crore.

The Army has also cleared the modernisation of 500 BMP infantry combat vehicles at a cost of under ₹5,000 crore. It will be undertaken by AVNL's Ordnance Factory Medak.

In addition, the Army has approved the restoration of 230 armoured recovery vehicles over five years at a cost of ₹1,400 crore.

Built by Bharat Earth Movers Ltd, these vehicles play a critical role in recovering and repairing tanks on the battlefield.

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QUICKLY.

IIFCL raises ₹1,848 cr via NCDs to fund infra

New Delhi: India Infrastructure Finance Company on Sunday said it has raised ₹1,848 crore by issuing non-convertible debentures (NCDs) to fund infra projects in the country. The issue attracted an overwhelming response from investors, attracting bids worth ₹3,048 crore, representing nearly 6 times the base issue size of ₹500 crore, India Infrastructure Finance Company Ltd (IIFCL) said in a statement. Finally, IIFCL decided to retain ₹1,848 crore with a coupon of 7.25 per cent per annum. The bonds have a maturity of 4 years, 11 months and 2 days. The successful issuance reflects the strong confidence of institutional investors in IIFCL's sound financial position, prudent governance practices and its strategic role as the government's dedicated infrastructure financing institution, it said. PTI

SBI to recruit 1,500 probationary officers

New Delhi: The country's largest lender State Bank of India is planning to recruit 1,500 probationary officers this year to drive its business growth. Of the total, 1,446 are regular vacancies, and the remaining 54 are backlog vacancies, SBI said in a recruitment notice. The last date for application is July 8, and the bank expects to complete the entire process by December. As per the eligibility criteria, an applicant should be a graduate in any discipline with a minimum age of 21 as of April 1, 2026. Besides, SBI onboards professionals through lateral recruitment from diverse backgrounds, including IT professionals and domain experts, to be appointed as specialist officers across key functions, such as data centres, information technology. PTI

CAFE-2: Bailing out non-compliant OEMs will stall green tech, say experts

UNFAIR STANCE. 'Govt is penalising OEMs reducing emissions and investing billions to comply with norms'

S Ronendra Singh
New Delhi

The Centre's decision to waive CAFE-2 penalties for major auto makers could stall green technology investments, as companies might rely on purchasing carbon credits rather than achieving emission targets, auto industry sources said.

According to sources, this decision could also prompt foreign auto makers to import or assemble more gas-guzzling vehicles into India.

"The government has already provided a five-year window for generating the carbon credits, which essentially means there will be no penalty for any company. Retrospectively, this has been done to bail out the companies from paying any penalties. So, what is the use of making such policies?" said one of the industry veterans. Industry executives pointed out a stark contrast: While some companies are actively investing in low-emission technologies like electric vehicles, CNG and hybrids, the government is bailing out original equipment manufacturers (OEMs) that have openly flouted CAFE norms.

DRAFT RULES. Last week, the Ministry of Power wrote to MDs and CEOs of 18 vehicle manufacturers inviting suggestions or objections to the said amendments

'FINING COMPLIANCE'

"So, basically you are penalising those OEMs who are reducing CO_2 emissions from their vehicles by introducing various technologies and investing billions of dollars on research and development (R&D). Penalties should not be reduced or relaxed beyond a level that there is no motivation of exercising or working towards meeting those carbon emission targets," the official added.

Last week, the Ministry of Power (MoP) wrote to MDs and CEOs of 18 vehicle manufacturers inviting suggestions or objections to the said amendments.

According to the amendments, the Centre is completely bailing out all major OEMs, including Hyundai Motor India (HMIL), Kia India, Mahindra & Mahindra (M&M), Honda Cars India, Renault India, Skoda Auto Volkswagen India and Nissan India, from paying heavy penalties collectively amounting to ₹2,700 crore for violating CAFE-2 norms.

Furthermore, the Centre has extended the compliance runway by allowing automakers to offset their emissions debits all the way through September 30, 2027, stretching beyond the previously suggested March 31, 2027 deadline via the exchange of carbon credits.

"This step by the government is fundamentally penalising those companies who have invested heavily on meeting the CAFE norms. OEMs who neither invested in technology to meet the norms nor paid the penalties, will be enjoying with all the benefits now," said another executive from the industry.

The executive said that those companies who have been penalised were all profit making OEMs, and none of them were even a loss-making company, so such a decision by centre to bail out these companies was a surprise. "The government had already drastically reduced the penalties to around ₹2,700 crore from around ₹8,800 crore earlier, so we don't know behind this logic of bailing out these profit-making companies. How do you justify this in the national interest, we don't get it," said the executive.

'GREEN BY PROXY'

According to another industry veteran, these amendments are like cross-border carbon trading or international carbon offsetting, where an individual or a company can buy carbon credits from projects located in foreign lands. It allows individuals and companies to fund climate projects like reforestation or renewable energy globally, and in return they can show the credits to the government at the end of the year.

Sugar industry renews push for dedicated E100 fuel dispensing stations

Prabhudatta Mishra
New Delhi

The Indian Sugar & Bio-Energy Manufacturers Association (ISMA) has renewed its demand for the government to allow ethanol distilleries to set up dedicated E100 fuel dispensing stations, arguing that the move is critical for scaling up flex-fuel mobility and easing the financial stress facing the ethanol industry.

In a letter to the Ministry of Petroleum and Natural Gas last month, ISMA sought permission for the "installation of dedicated E100 dispensing infrastructure" co-located with sugar biorefineries — a proposal first made in February 2023.

POLICY FRAMEWORK

In the letter, ISMA Director General Deepak Ballani said hydrous E100, widely used in Brazil for over four decades, is a low-carbon, domestically produced transport fuel that can enhance energy security while reducing dependence on fossil fuels.

The demand comes as ethanol distilleries grapple with excess capacity. The industry has created production capacity of around 2,000 crore litres, while oil marketing companies require only about 1,100-1,200 crore litres annually to achieve the 20 per cent ethanol blending target.

With procurement slowing, some distilleries have already approached courts over lower offtake by OMCs. The government has been treading cautiously amid concerns over the E20 blending programme. On July 4, it asked automobile manufacturers to explain the benefits of E20 fuel after complaints about reduced mileage. While the industry defended the programme, it acknowledged that E20 results in some loss of fuel efficiency.

EV start-ups seek five changes to widen automotive PLI scheme

Amit Vijay Mohile
Mumbai

Having collectively invested an estimated ₹20,000-25,000 crore to build India's electric mobility ecosystem, founders of EV start-ups met Heavy Industries Minister HD Kumaraswamy on Saturday in Bengaluru to request him to widen the ₹25,938-crore Automotive Production Linked Incentive (PLI) scheme through five key changes.

The founders want the government to lower the ₹10,000-crore global revenue threshold, ease the ₹3,000-crore fixed asset requirement, reopen the application window for companies that have scaled up since the scheme was launched, recognise research and development (R&D) and intellectual property alongside manufacturing investments and account for cumulative investments in engineering and localisation while evaluating eligibility.

They argue the framework, conceived in 2021 no longer reflects an EV industry that has matured rapidly over the past five years.

(from left) Euler Motors' Saurav Kumar, River Mobility's Arvind Mani, Ather Energy's Tarun Mehta, Matter's Mohal Lalbhai, and Raptee's Dinesh Arjun, with Union Minister HD Kumaraswamy

The interaction brought together Ather Energy Co-founder and CEO Tarun Mehta, River Co-founder Aravind Mani, Euler Motors Founder and CEO Saurav Kumar, Matter Founder and CEO Mohal Lalbhai, and Raptee.HV Co-founder and CEO Dinesh Arjun.

MINISTER'S MESSAGE

Following the meeting, the Minister said the discussions covered industry perspectives on both the PM E-DRIVE Scheme and the Auto PLI Scheme.

"I assured the stakeholders of all possible support towards building a robust, innovation-driven and globally competitive EV ecosystem in the country," Kumaraswamy said

In a post following the meeting, Ather Energy Co-founder and CEO Tarun Mehta said India's "new-age deep tech companies are one of the largest investors in R&D and manufacturing" and have "played a critical role in opening up segment after segment in EVs".

He said bringing these companies within the ambit of the auto PLI scheme would accelerate manufacturing, exports and create a level playing field. Mehta and Euler Motors founder Saurav Kumar have argued that the present eligibility framework leaves qualifying incumbents with an effective 13-16 per cent cost advantage, while excluding technology-led manufacturers because of the ₹10,000-crore global revenue and ₹3,000-crore fixed asset thresholds.

Raptee.HV Co-founder Dinesh Arjun has argued that the framework should distinguish genuine deep-tech manufacturers creating proprietary technology from companies primarily assembling imported components, while Matter Founder and CEO Mohal Lalbhai has said the transition offers India an opportunity to build globally competitive mobility technology companies through deeper manufacturing and localisation.

Pharmexil team to meet Nhava Sheva Port Customs authorities tomorrow

G Naga Sridhar
Hyderabad

Pharmaceutical exporters and importers are grappling with delays and procedural bottlenecks in customs clearances at Jawaharlal Nehru Custom House (JNCH) Nhava Sheva Port, India's largest container port in Mumbai.

The Pharmaceuticals Export Promotion Council (Pharmexcil) of India plans to take up the issues with customs authorities tomorrow.The Council, an arm of the Union Ministry of Commerce, has received representations from several exporters highlighting the difficulties in customs clearance at JNCH .

RANGE OF ISSUES

To address these concerns, a high-level team of Pharmexcil will meet the Commissioner, JNCH on tomorrow. .

The Council has invited feedback on a range of issues, including delays in assessment and clearance of consignments, excessive examinations and repeated inspections, unwarranted queries, and documentation-related hurdles involving classification, valuation and shipping bills.

Exporters have also been asked to report delays in factory stuffing permissions and issuance of the let export order (LEO), as well as issues relating to amendments, duty drawback claims, IGST refunds and other export incentive schemes.

Recognising the time-sensitive nature of pharmaceutical shipments, Pharmexcil has also sought details of challenges in handling temperature-controlled consignments.

Prayagraj has highest jobless rate, Ahmedabad lowest among million-plus cities

Shishir Sinha
New Delhi

Prayagraj and Patna are among 46 cities with a population of 10 lakh or more (million-plus) that have an unemployment rate of more than 20 per cent, while Ahmedabad and Kolkata have the lowest at less than 2.5 per cent, a Statistics Ministry report showed.

According to the report, '*Labour Market Dynamics in Million-plus Cities*,' the average unemployment rate across 46 cities with population of 10 lakh or more stands at 6.8 per cent, broadly in line with the overall urban unemployment rate in India.

The report has been prepared using first-visit data collected under the PLFS (Periodic Labour Force Survey) during the January-December 2025 survey cycle covering over 19,000 households with around 60,000 persons aged 15 year or more in million-plus cities.

FEMALE VS MALE

Data showed that in Prayagraj, unemployment rate for females was over 31 per cent and around 23 per cent for males in the current weekly status approach (CWS).

In Patna, female unemployment rate was over 36 per cent, while for males it was around 18 per cent. It may be noted that the estimate of unemployed in the current weekly status gives an average picture of unemployment in a short period of seven days during the survey period.

A person was considered unemployed in a week if he/she did not work even for 1 hour but sought or was available for work.

Although the report has not mentioned reasons for high unemployment rates in various cities, it is believed that cities like Prayagraj and Patna have large number of students from various parts of the States, preparing for competitive examinations.

At the same time, a city like Ahmedabad and surrounding areas has various industries and businesses, creating large number of jobs.

Kolkata hosts a good number of IT and ITES units, thus bringing down the unemployment rate.

OVERALL PICTURE

Meanwhile, the employment patterns reveal a clear distinction between million-plus cities and urban India.

Regular wage/salary employment is markedly higher in million-plus cities (58.5 per cent) against urban India (47.6 per cent), while casual work is nearly half (6.3 per cent vs 12 per cent).

Female participation in regular employment is also stronger in million-plus cities (65.1 per cent vs. 50.9 per cent) compared with urban India.

Further, in million-plus cities, females surpassed their male counterparts in regular wage/salary jobs by a notable margin (65.1 per cent vs. 56.4 per cent).

In million-plus cities, male labour force participation (LFPR) was broadly comparable with urban India at 75.3 under CWS and female at 25.8 (tad lower than urban).

The male population not in the labour force in million-plus cities was largely characterised by those pursuing education, with 53.5 per cent reporting the desire to continue studies as their primary reason.

Health and age-related reasons followed at 38.9 per cent.

Among females outside the labour force, childcare responsibilities/personal labour market dynamics, commitments in homemaking accounted for 68.7 per cent, making these the predominant reasons for female non-participation.

A comparison of wages/earnings indicates that workers in million-plus cities enjoyed an earnings advantage over the urban India average across all employment categories.

Self-employed workers earned ₹30,858 compared to ₹23,013 in urban India, while regular wage/salaried employees received ₹28,808 against ₹26,258, and casual labour earned ₹624 per day compared to ₹550.

Unemployment rate

Cities with population of 10 lakh or more (Based on current weekly status, PLFS Survey January-December 2025)

High unemployment rate				Low unemployment rate			
City	Male	Female	Person	City	Male	Female	Person
Prayagraj	22.8	31.5	23.8	Ahmedabad	2.6	1.3	2.3
Patna	18.1	36.2	20.9	Kolkata	2.7	1.6	2.4
Dhanbad	14.5	25.2	15.8	Bengaluru	2.8	4.2	3.2
Jaipur	11.7	22	14.3	Surat	2.6	5.5	3.3
Srinagar	5.7	36.5	14.1	Vadodara	4.1	2.5	3.6
All million plus cities				Urban India			
	6.2	8.8	6.8		6.1	8.9	6.8

Source: Labour Market Dynamics in Million-plus Cities by MoSPI

Iconic Theyagaraja theatre in Chennai to make way for ₹500-crore commercial project

BBCL to redevelop property that will house retail, offices and a new multiplex

T E Raja Simhan
Chennai

One of South Chennai's most recognisable cinema landmarks, the erstwhile Theyagaraja Theatre in Tiruvanmiyur, is set for a new innings. The nearly one-acre property on Lattice Bridge Road (LB Road) will be redeveloped as a ₹500-crore mixed-use commercial project comprising retail, office space and a modern multiplex under a joint development agreement between Chennai-based BBCL, part of Vummidi Enterprises, and the Theyagaraja family.

"We have signed a joint development with the owners of Theyagaraja Theatre, a very old and reputed family. We are developing a retail, theatre and office space," BBCL Managing Director Ananth Vummidi told *businessline*.

The Theyagaraja Theatre in Tiruvanmiyur, Chennai BIJOY GHOSH

A LANDMARK

The 2-lakh sq ft project, with an estimated gross development value of around ₹500 crore, will retain a cinema, which will continue to be operated by the Theyagaraja family.

For generations of moviegoers in Adyar, Tiruvanmiyur and neighbouring localities, the theatre, which opened as a large single-screen cinema, hosted several major Tamil film releases through the 1980s and 1990s, drawing audiences. Around the 2010s, as multiplexes reshaped urban cinema exhibition, the property was renovated into a two-screen multiplex under the S2 Cinemas brand.

CHANGING TREND

Following PVR's acquisition of Sathyam Cinemas, it continued to operate as S2 Cinemas Theyagaraja while retaining its historic name.

For long-time residents, the redevelopment evokes mixed emotions. Vaitheeswaran, 60, a Tiruvanmiyur resident and a regular patron, said he was saddened when the old single-screen cinema was replaced by the multiplex, although he appreciated the improved comfort it offered.

Adani Defence breaks ground for ₹2,500 cr complex for medium- & long-range missile systems in M.P.

Avinash Nair
Ahmedabad

Adani Defence & Aerospace on Sunday broke ground for a ₹2,500-crore integrated manufacturing ecosystem for medium- and long-range missile systems at Shivpuri in Madhya Pradesh, which the company said will be South Asia's largest private-sector missile manufacturing complex.

The project, which is expected to be completed over the next three years, will create around 5,000 direct and indirect jobs while supporting more than 50 MSMEs that will form part of the specialised defence manufacturing supply chain.

"We have gathered here today for a landmark occasion — laying the foundation of South Asia's largest private-sector missile ecosystem. This facility will bring raw materials and mission-ready missiles under one roof — a historic first outside the public sector," Jeet Adani, Director at Adani Airport Holdings Ltd, said at the groundbreaking ceremony in Madhya Pradesh.

Jeet Adani

NEXT GROWTH PHASE

Jeet Adani said the group is working closely with the Defence Research and Development Organisation (DRDO) and the Indian armed forces to deepen indigenous capabilities and reduce dependence on imported weapon systems. "Shivpuri is the next giant leap in that journey as we bring a full-range, integrated missile ecosystem to manufacture medium- and long-range missile systems, replacing foreign dependency with domestic power. But we are going deeper than just assembly. We are establishing composite propellant manufacturing as well as TNT and explosive-grade material production," he said.

The Shivpuri project expands Adani Defence & Aerospace's manufacturing footprint, which currently spans facilities in Kanpur, Gwalior and Hyderabad.

Jeet Adani said the Gwalior complex has already delivered 2,000 indigenously manufactured Prahar Light Machine Guns to the Indian Armed Forces, completing the order 11 months ahead of schedule. The event was attended by Union Communications Minister Jyotiraditya Scindia, Madhya Pradesh Chief Minister Mohan Yadav, Adani Ports and SEZ MD Karan Adani and senior executives of the Adani Group.

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QUICKLY.

Centre scraps auction of 9 critical mineral blocks

New Delhi: The government has cancelled the auction of nine critical and strategic mineral blocks, citing poor investor response and lack of qualified bidders. These were put on the block in the seventh round of sale. The development comes as a setback to the government's efforts to ramp up domestic exploration and production of critical minerals that are central to the country's push for energy security, clean-tech manufacturing and cutting down dependence on imports. PTI

Jaishankar meets Qatar PM, reviews bilateral ties

Doha: External Affairs Minister S Jaishankar met Qatar's Prime Minister Mohammed bin Abdulrahman Al-Thani on Sunday and reviewed several areas of bilateral cooperation. Jaishankar is on a visit covering Qatar, Bahrain, Kuwait and Oman from July 5 to 10. The visit comes against the backdrop of the US-Iran deal to end the conflict. PTI

India hopeful of sanctions relief for Chabahar after Iran-US peace deal

WAY FORWARD. New Delhi says future of project depends on clarity; issue raised with Washington

Amiti Sen
New Delhi

India is hopeful that the initial peace agreement between Iran and the US, albeit highly fragile, could pave the way for easing of sanctions affecting its strategic investments in the Chabahar port, including either a broader rollback of restrictions or restoration of US sanctions waiver that had allowed the project to proceed, sources said.

Officials said the future of the project will depend on whether the sanctions environment becomes more conducive."In the absence of a fresh US waiver or a broader easing of restrictions on Iran, it would be difficult for activities at Chabahar to resume. However, now that an initial peace deal has been struck and activities have resumed in the Strait of Hormuz, we are hopeful that there will be a relaxation of broader economic sanctions, including on economic investments in projects like the Chabahar port," a source tracking the matter said.

India has also raised the matter with the US, underlining the strategic and economic importance of the project and seeking greater clarity on the sanctions regime, the source added.

COMPLETE HALT

After the US sanctions waiver for Chabahar expired in April this year, "project activities at the Chabahar port have come to a complete halt now. Not just the expiry of the waiver, but the ongoing conflict in the region, which began in February-end with the US and Israel attacking Iran, also made it impossible for any activities to take place," the source said.

Hope for the future of the project, however, revived when US President Donald Trump and Iranian President Masoud Pezeshkian signed a 14-point memorandum of understanding on June 17 to end active hostilities in West Asia and launch a 60-day roadmap for a permanent peace treaty. It includes the removal of all US sanctions on Iran on an agreed upon schedule.

THE PACT. In May 2024, India signed a 10-year agreement with Iran under which India Ports Global Ltd (IPGL) took over operations at the Shahid Beheshti terminal at Chabahar

India has consistently maintained that the Chabahar port is a strategic connectivity project that provides Afghanistan and Central Asia with an alternative trade route bypassing Pakistan.

New Delhi has argued that the project promotes regional economic integration and supports humanitarian access, and therefore should remain insulated from broader geopolitical tensions.

In May 2024, India signed a 10-year agreement with Iran under which India Ports Global Ltd (IPGL) took over operations at the Shahid Beheshti terminal at Chabahar. The deal involves an Indian investment of approximately $120 million, with an additional $250 million to be raised as debt, but uncertainty over US sanctions and the expiry of the waiver have prevented the planned expansion from moving forward.

PEACE NEGOTIATIONS

India is closely monitoring developments following the Iran-US understanding and the ongoing "highly volatile" peace negotiations moderated by Qatar and Pakistan, and expects greater clarity on the sanctions regime in the coming weeks.

Govt waives TDS on aircraft, ship lease rentals paid to IFSC units

Shishir Sinha
New Delhi

To further ease of doing business, the Finance Ministry has exempted lease rentals and supplemental lease rentals paid for aircraft and ship to eligible International Financial Services Centre (IFSC) leasing units from tax deduction at source (TDS).

Experts say these will help in reducing cash-flow blockage for the lessor, additional refund claims, compliance costs and reconciliation issues.

In a notification, the Central Board of Direct Taxes (CBDT) said: "The Central Government hereby specifies that no deduction of tax shall be made under Section 393(1) [Table S No 2] of the said Act (Income Tax Act 2025) on payment in the nature of lease rent or supplemental lease rent, made by a person (lessee) to a person being a unit located in International Financial Services Centre (lessor) for lease of an aircraft." This relaxation will be available for 20 years.

CONDITIONS

However, this benefit will be subject to some conditions. First, the lessor will have to give declaration in Form 1(N). Second, such statement needs to be furnished for each tax year out of 20 consecutive tax years for which the lessor opts for claiming deduction.

Based on these documents, the lessee will not deduct tax on payment made or credited to lessor. It will also be required to furnish the particulars of all the payments made to lessor on which tax has not been deducted. "Lessee shall be liable to deduct tax on payment of lease rent for any other year.," the notification said. Similar notification has been issued for leasing of ships also.

According to Rajat Mohan, Managing Partner at AMRG Global, these notifications are significant facilitative measures that complement the tax incentives introduced under the I-T Act, 2025, for units operating in the IFSC.

Earlier, even when the income of the IFSC ship leasing unit was eligible for tax benefits, lessees were still required to deduct TDS. "This resulted in unnecessary cash-flow blockage for the lessor, additional refund claims, compliance costs and reconciliation issues. The new notification eliminates this mismatch by ensuring that tax is not deducted where the recipient is already entitled to the prescribed tax deduction under the law," he said.

From a taxpayer's perspective, the benefits are substantial. Leasing entities in IFSCs will enjoy improved liquidity as funds are no longer locked up in TDS credits. Lessees will also benefit through reduced compliance, as they need not deduct tax once the prescribed declaration has been received, while only reporting such payments in their TDS statements. This simplifies tax administration for both parties without compromising the reporting framework.

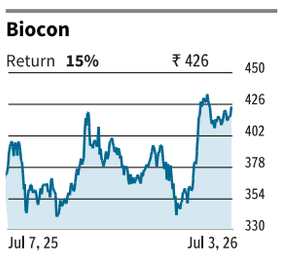
TODAY'S PICK.

Biocon (₹426.25): BUY

Akhil Nallamuthu
bl. research bureau

The stock of Biocon saw a sharp rally in May, gaining nearly 20 per cent. But in June, it was largely sideways and even posted a relatively minor loss of 2.4 per cent. Despite this correction, the stock remained above the support at ₹400, and the price action shows that it has formed a good base around ₹405. Also, there has been some bullish bias over the past couple of weeks.

We expect the stock to resume its rally soon and reach ₹480. Participants can buy Biocon stock now at ₹426 and accumulate at ₹410. Place a stop-loss at ₹395. When the price hits ₹450, alter the stop-loss to ₹425. On a rally to ₹470, move the stop-loss higher to ₹455. Exit at ₹480.



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

Gas curbs lifted as Hormuz LNG shipments resume

Our Bureau
New Delhi

The government has withdrawn the March 2026 order regulating the supply of natural gas which was issued following the conflict in West Asia, which led to the closure of the Strait of Hormuz (SoH) and impacted almost half of India's LNG consumption.

"The Centre had assessed that the ongoing conflict in the Middle East had resulted in the disruption of liquefied natural gas (LNG) shipments through the SoH and suppliers had invoked *force majeure* clause which entailed diversion of natural gas to the priority sectors," the government said in a gazette notification on Saturday (July 4, 2026).

> **According to a recent Gastech report,** India, the fourth-largest importer of LNG, depends heavily on overseas supplies

DISRUPTION IN LNG

"The ongoing conflict in West Asia that had resulted in the disruption of liquefied natural gas shipments through the SoH has been the subject of a ceasefire and negotiations are ongoing, as part of which, sea traffic through the SoH has been permitted to be resumed," the notification said.

OVERSEAS SUPPLIES

According to a recent Gastech report, India, the fourth-largest importer of LNG, depends heavily on overseas supplies.

Qatar accounts for 41.4 per cent of LNG imports.

The country imported 27 million tonnes of LNG in FY25, of which 11.2 mt were sourced almost entirely from Ras Laffan.

The US EIA has said that 83 per cent of LNG shipped through the SoH in 2024 went to Asian markets, with China, India, Japan, and South Korea accounting for 59 per cent.

The action further bolsters the narrative that energy supplies are gradually picking up as vessels resume transit through the SoH.

Since June 29, the government has removed the cap on the sale of diesel and petrol and reduced the prices of commercial LPG, domestic ATF, and 5 kg LPG cylinders.

Monsoon reloads as depression threatens to drench North-West India next

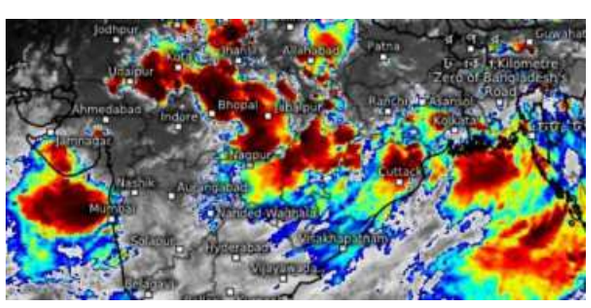
Vinson Kurian
Thiruvananthapuram

The monsoon has shifted into a higher gear with the season's first depression forming over the north-west Bay of Bengal, promising a prolonged spell of heavy to very heavy rain across Odisha, West Bengal and adjoining Chhattisgarh before spreading its influence deep into Central India, West India and North-West India.

On Sunday afternoon, the India Meteorological Department (IMD) located the depression about 50 km south-southeast of Balasore, 60 km north-east of Chandbali, and 60 km south-south-west of Digha, unchanged from morning.

Its proximity to the coast may limit further intensification, but not its rain-making power.

If anything, the opposite may happen. The system is expected to move slowly, allowing it to draw a steady stream of moisture from the Bay and continuously feed the monsoon trough. That should keep the rain engine running through the week.



DELUGE ON THE WAY. Massive parcels of thunderclouds move into Central and North-West India on Sunday afternoon signalling exceptionally heavy rainfall

The IMD expects the depression to cross the north Odisha coast between Chandbali and Digha, close to Balasore, on Monday.

FRESH WET SPELL

Weather models indicate the system may gradually weaken inland before interacting with an approaching western disturbance. The rare east-west coupling is likely to unleash another round of heavy rain over the already waterlogged parts of West Madhya Pradesh, Gujarat and the Konkan, including Mumbai, early this week.

The pounding is expected to last until Thursday, by when the monsoon is likely to complete its advance over remaining parts of Rajasthan, covering the entire country.

The rainfall deficit over the monsoon core zone of Central India has shrunk by nearly 17 percentage points in less than a week to 23 per cent below normal, while the all-India deficit has narrowed by 13 percentage points to 27 per cent below normal. The gap is expected to close further before stabilising.

Revise National List of Essential Medicines to include new critical drugs: civil society organisation

PT Jyothi Datta
Mumbai

A civil society group has sought the revision of the National List of Essential Medicines (NLEM), to include newer critical medicines.

In a letter to the Chairperson of the Standing National Committee on Medicines Dr Rajiv Bahl - the Working Group on Access to Medicines and Treatments pointed out, that the World Health Organization (WHO) had revised its Model List of Essential Medicines twice, in 2023 and 2025, after India's NLEM was notified in 2022.

The WHO's model list acts as a basis for national medicine policies and ensures that life-saving treatments are accessible to all populations, regardless of economic status, said the letter, that is also addressed to the Union Health Minister, besides the Secretaries of Health, and the Department of Pharmaceuticals, respectively.

"The WHO List of Essential Medicines, 2025 has a total of 523 medicines but the number of medicines listed in NLEM, 2022 is 384," the letter said, pointing out that the omissions included critical medicines for the treatment of non-communicable diseases such as cancer and diabetes. "For instance, 17 active cancer-treating agents and four supportive agents for cancer treatment are also missing from the NLEM. Similarly, the (WHO) list also includes nine monoclonal antibodies (mAbs) that are also missing from the NLEM, 2022. These mAbs have been proven critical for targeted therapies in many diseases, especially cancer."

The letter called for a "transparent, time-bound, and conflict of interest-free process to revise the National List of Essential Medicines (NLEM), ensuring that it reflects the latest evidence, public health priorities, and the WHO Model List of Essential Medicines."

HEALTH EQUITY

While recognising that the NLEM should be based on the public health priorities of India, "bringing many of these critical medicines under NLEM will make sure that these essential medicines are accessible to people and will also make them more affordable thereby advancing both constitutional guarantees and India's global commitments to health equity," the letter said.

In fact, the prolonged delay in revising the NLEM "has denied millions of citizens free access to newly recognised essential medicines within the public health system, while also restricting affordable access in the private sector. Such a delay carries profound constitutional and human rights implications," the letter said.

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Syama Prasad Mookerjee: A life devoted to unity and progress

NARENDRA MODI

Today, July 6, is a special day for countless people who cherish the ideals of nationalism and selfless service. We commemorate the 125th birth anniversary of Dr Syama Prasad Mookerjee, whose life remains a timeless example of courage and unwavering commitment to Maa Bharti. Few leaders in modern India embodied the seamless confluence of intellect, public service and moral conviction as profoundly as Dr Syama Prasad Mookerjee.

The young Syama Prasad was born into circumstances that could easily have assured him a protected and comfortable life. His father, Sir Ashutosh Mookerjee, was among the foremost educationists and intellectuals of his age. Yet, while destiny placed before him a path of privilege, his conscience led him towards one of sacrifice and national service. He was convinced that he could not remain a mute spectator to the turbulence of his times, be it fighting colonialism, communalism, humanitarian challenges and more. Along this journey, he endured profound personal tragedies, including the loss of an infant child and, later, his wife.

Yet, these tragedies only deepened his resolve and strengthened his unwavering commitment to serve.

If there was one ideal that defined Dr Syama Prasad Mookerjee's public life above all else, it was the indivisibility of India. He stood firm during the upheaval of Partition to ensure that West Bengal remained an integral part of India.

A few years later, that very conviction drew him to Jammu and Kashmir. Imprisonment did not deter him and isolation did not diminish him.

Syama Prasad Mookerjee
BJP.ORG

His life came to an abrupt end in detention, far from the countless people whose cause he had made his own. There are moments in history when an individual's final sacrifice transcends politics and enters the realm of national memory.

Dr Mookerjee's last journey remains one such moment. Acharya Vinoba Bhave said that Dr Mookerjee sacrificed himself for a cause in which he had faith.

Years later, the revocation of Articles 370 and 35(A) in 2019 was the most fitting tribute to his martyrdom.

Dr Mookerjee put India first and Indian values first. And he did it by building institutions and nurturing systems that defied conventional mindsets of those times. He became the youngest Vice Chancellor of the University of Calcutta.

POSITIVE CHANGES

In his unique style, he brought positive changes that were patriotic and futuristic. Addressing a conference of educators, Dr Mookerjee put it wonderfully when he said, "It is incorrect to look upon educational institutions as factories to produce potential clerks and low-paid staff. We have to turn out students who are capable of providing leadership to our self-governing institutions, such as municipal corporations, provincial and central legislatures and also of directing the affairs in various fields of life such as financial, commercial and industrial ones."

Under his leadership, Calcutta University undertook unique efforts such as improving library infrastructure, boosting research in sciences, encouraging the study of artefacts and establishing courses in agriculture, to name a few. He drew attention to areas such as sports, teacher training and student welfare.

To instil a sense of pride among students and alumni, he began a practice of marking January 24 as the foundation day of the University. He requested none other than Gurudev Tagore to compose a song for the University.

Yet another example of this spirit can be seen in the later part of his life, when he decided to form the Bharatiya Jana Sangh. At a time when the Congress Party was omnipresent, he felt that there was all the more reason for an alternative voice to speak up for India's progress while staying attached to our cultural roots. It was perhaps fitting that the party's symbol was the *diya*, the earthen lamp. A single lamp may appear modest, yet it possesses the power to dispel darkness far beyond itself. It is exactly what the Jana Sangh did both during the years it was active and beyond.

Dr Syama Prasad Mookerjee's tenure as India's first Minister for Industry and Supply reveals a statesman whose conception of development was remarkably comprehensive and humane. He viewed industry as a means of restoring dignity, opportunity and confidence to a newly independent nation.

As India advances towards the goal of a Viksit Bharat, the finest tribute we can pay him is to strive every day to build the strong, united, self-confident and compassionate India that he so deeply believed in.

The writer is the Prime Minister of India

TELANGANA POWER GENERATION CORPORATION LIMITED
VIDYUT SOUDHA :: HYDERABAD - 82.

T.No.e-01/CE/SE-III/EME-05/TPC/TGGENCO/2026-27

YTPS - Design, engineering, procurement, material selection, manufacturing, inspection at vendor/ sub vendors works before dispatch, packing, shipping, delivery at site for indigenous equipment, insurance, unloading, handling and storage at site, assembly, erection, testing, commissioning, successful performance guarantee, handing over of the Substation, Power supply distribution system, illumination and street lighting system, providing Diesel Generator sets for extending alternate power supply at various locations in YPS colony town ship including residential and non-residential complexes with all accessories, Mandatory Spares, Tools & Tackles for CHP area at Yadadri Thermal Power Station, Veerlapalem (V), Dameracherla (Mdl), Nalagonda Dist. Value of the works **Rs. 34,68,96.079/-** Scheduled Open & Closing Date: **07.07.2026 at 10:30 Hrs. & 29.07.2026 at 16:00 Hrs.**

T.No.e-09/CE/Civil/Thermal/TGGENCO/2026-27

YTPS-Construction of RCC road over the already laid WBM road from Veerlapalem road to Ash pond to facilitate movement of heavy loaded bottom ash carrying vehicles and also along the HCSD/ garlanding pipe line laid around the ash pond including construction of culvert for crossing the garlanding pipe line at Yadadri Thermal Power Station Veerlapalem (V), Dameracherla (Mdl), Nalagonda Dist. Value of the works **Rs.15,47,36,423/- Schedule Extended upto: 10.07.2026 at 17:00 Hrs.**

T.No.e-11/CE/Civil/Thermal/TGGENCO/2026-27

YTPS - Providing plantation in the area between Ash Pond and Tungapadu vagu (Part-1) on the D/S of Ash pond at Yadadri Thermal Power Station Veerlapalem (V), Dameracherla (Mdl), Nalagonda Dist. Value of the works Rs. **2,39,96,000/- Schedule Extended upto: 13.07.2026 at 17:00 Hrs.**

T.No.e-22/CE/SE/Civil/KTPS-V&VI/TGGENCO/2026-27

KTPS-V&VI-Providing Painting to the structural steel members of transfer Points (TP-S & TP-T), supporting structures of conveyors 11A/B, 10A/B & 9A/B including structural steel trestles in CHP area in at Kothagudem Thermal Power Station Stage-V & VI Paloncha, Bhadradri Kothagudem Dist. Value of the works **Rs. 44,53,792/-** Scheduled Open & Closing Date: **30.06.2026 at 20:00 Hrs. & 15.07.2026 at 15:00 Hrs.**

T.No.e-92/CE/O&M/KTPP/CHP EM/TGGENCO/2026-27

KTPP - Supply, erection, testing and commissioning of Horizontal Split Case (HSC) Pump complete SET for substitute replacement in place of existing M/s KBL make Horizontal Pump set of model: SCT 300/59 on the same existing Pump base structure for Stage-I at Kataram booster Pump house at Kakatiya Thermal Power Project, Chelpur(V), Ghanpur(M) Jayashankar Bhupalpally Dist. Value of the works **Rs.22,59,000/-** Scheduled Open & Closing Date: **30.06.2026 at 12:30 Hrs. & 27.07.2026 at 10:30 Hrs.**

T.No.e-122/CE/O&M/KTPS-V&VI/F&O,I&D-CHP/TGGENCO/2026-27

KTPS-V&VI - Procurement of Spares and consumables for BD-155 model dozers for FY 2026-27 at Kothagudem Thermal Power Station Stage-V & VI Paloncha, Bhadradri Kothagudem Dist. Value of the works **Rs. 16,14,462/-** Scheduled Open & Closing Date: **08.07.2026 at 19:00 Hrs. & 29.07.2026 at 15:30 Hrs.**

DIPR R.O. No. : 280-PP/CL-AGENCY/ADVT/2026-27

CHENNAI
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MONDAY - JULY 6 - 2026

the hindu businessline.
MONDAY - JULY 6, 2026

Right Code

Standardised ad rules for market products welcome

For long, financial firms and intermediaries dealing in market-related products have been subject to archaic, restrictive advertising rules. Many of these rules, such as the requirement of prior approval of every advertisement by the stock exchange or Securities and Exchange Board of India (SEBI), introduce unnecessary red tape into a normal commercial activity.

Other mandates, such as prohibiting the use of celebrities in product advertisements, result in a skewed playing field with other financial products, where such promotions are freely allowed. SEBI-regulated entities such as stock brokers, mutual funds, research analysts, investment advisers and online bond platforms are subject to disparate rules. In this light, SEBI's ongoing public consultation process to institute a common advertising code for all market entities is welcome. Along with harmonisation and simplification of rules, SEBI also seeks to give the advertising code statutory heft by incorporating it into the SEBI Intermediaries Regulations, 2008.

There are quite a few positive aspects to the proposed Common Advertisement Code. One, the code adopts an exhaustive definition of the term advertisement by covering digital media, apart from print, broadcast and outdoor media. This brings influencer marketing and digital promotions through reels and videos within the ambit of the Code. Two, it waives the prior regulatory approval requirement for all advertisements and seeks market players to file their ads with the regulator or exchange, post facto. This is a pragmatic move as every digital ad goes through multiple iterations. Three, permitting celebrity endorsements at the brand/entity level, but not to plug specific products or services, is a good compromise. In a situation where real estate and gold use celebrity endorsements, preventing market products from using them seems unfair. At the same time, the unsavoury history of Sahara and PACL suggests that celebrity endorsements can prompt the public to ignore risks.

On the flip side, the Code attempts a very specific definition of the term 'celebrity' (lead actors in mainstream media, national-level sportspersons, social media influencers with five lakh plus followers etc). This leads to grey areas on how advertisements incorporating lesser celebrities, especially regional influencers, will be treated. SEBI also needs to allow more than one agency to certify past performance data and provide ratings and rankings of market-related products. The requirement that all entities use only one or two approved agencies for validation, can lead to a bottleneck in approvals, apart from over-pricing of such services. Finally, exempting educational or investor awareness material from the Code seems questionable. While a mutual fund industry-level campaign promoting SIPs (systematic investment plans) in general may be just education, when a fund house promotes SIPs in a specific scheme, that should ideally fall within the ambit of the Code.

OTHER VOICES.

The Guardian

Labour's next chancellor: send for Ed Miliband

There are few things on which this column would agree with George Osborne. Voting to remain in the European Union was one. Backing Labour's Ed Miliband to be the next chancellor is another. Mr Osborne, whose austerity programme redistributed pain downwards while protecting privilege at the top, had only a week ago on his podcast, Political Currency, dismissed Mr Miliband as too difficult a sell to business and the press. He now recognises what should have been obvious: if Andy Burnham is serious about governing differently, he needs a chancellor with the authority, knowledge and political relationship with the prime minister to bend the Treasury to the project. A strong chancellor is a must for Mr Burnham. LONDON, JULY 3

讀賣新聞
THE YOMIURI SHIMBUN

BOJ's Tankan: Vigilance Required over Inflation Risks

While it is welcome news that a moderate economic recovery has been confirmed despite the adverse effects of the Middle East crisis, uncertainty over the future outlook remains strong. The government and the Bank of Japan must heighten their vigilance against the growing risk of rising prices. According to the central bank's Short-Term Economic Survey of Enterprises in Japan, known as the Tankan, for June that was released recently, the diffusion index measuring business confidence among major large manufacturers, a key indicator, rose by as much as 5 points from the previous quarter to plus 22, marking the fifth consecutive quarter of improvement. What unexpectedly boosted business sentiment was the artificial intelligence boom. TOKYO, JULY 5

AI and the fate of economists

Will AI kill off economics or economists or both? Not if economists learn to ask the right questions

GETTY IMAGES

LINE& LENGTH.

TCA SRINIVASA RAGHAVAN

The period between 1950 and 1980 saw a burgeoning of three intellectual disciplines. One was sociology, the second was political science and the third was economics.

But by the end of the 20th century sociology and political science had lost their attractions and turned into a broad river called anthropology. That river is a nebulous set of pursuits. It doesn't have many takers because of the absence of intellectual rigour underpinned by logic but there are opinions propped up by in attempts at weak empiricism.

Economics, however, managed to survive largely because of the massive increases in data collection and computing power.

These two enabled opinion and theory to be tested. People, who were actually no more than people who knew how to 'mine the data' started to rule the roost of economics.

Nothing wrong with that, you might say and quite rightly, too. But here's the problem: if all that economists do is to look for patterns in the data, why not use AI instead? It will be more accurate, fast and bias free.

I fear, therefore, that economics is about to go the way of sociology and political science. It's very likely to suffer an identity crisis from which it never recovers.

The transition started happening in the late 1970s when the politicians and aid agencies of the West started demanding more data before they'd unbelt more money. Put your data where my money is, they said.

So economics went from comprising 'intellectual puzzles' as a Nobel winning economist once described it, to a pretence that it really was a science that uses 'scientific' methods to validate theories.

DATA, DATA, DATA

This forced governments to collect more data and statistical methods to grow evermore sophisticated. The new term of certification was 'robustness' to say that the data had been put through all the washing machines and driers and was now final proof. Except of course that it wasn't because accursed humans don't behave consistently.

> **You only have to read the economics research of the last three decades to see how the obsession with data has left** economics with thousands of unprovable conditional statements drawing trivial conclusions

But, if I may invent a term, this is how 'post-modern macroeconomics' was born. Then in the last decade, along came big tech where vast amounts of micro data started gathering in mainframes, awaiting analysis.

Both processes are now reaching maturity and, with the coming of LLMs, the job will get done. Economists, as they are now, I would say would have become redundant unless they are trained to ask the right questions. This can be very hard if your knowledge of basic theory doesn't measure up.

You only have to read the economics research of the last three decades to see how the obsession with data has left economics with thousands of unprovable conditional statements drawing trivial conclusions.

Please don't get me wrong. I am not denying the importance of data. It is important for testing a theory and for detecting patterns. But the fact that it is necessary does not mean that it is sufficient. Far from it.

THE BIG CHALLENGE

This is where modern economists face the biggest challenge. What they do now is mostly the necessary data crunching which, it turns out, can be done more efficiently by machines. But unless economists ask the right questions, the exercises will not be sufficient.

And all these questions have to do, in the end, with causality: the why — and not just the what, which is what data collection and analysis mostly does.

For example, it has been obvious for many years now that group behaviour and individual preferences play a large role in determining economic outcomes and that they mostly diverge. The former forms the basis of macroeconomics and the latter of microeconomics.

So let's ask: what's the overarching question today in macroeconomics? Let's take the Keynesian identity that justifies massive income support. But how do you apply it when capital and labour are both in excess supply and government debt globally, too, is excessive?

If we leave out the well known cause of excess labour, the excess supply of capital and excess government debt need to be analysed by asking which has caused which.

Then when some theory is postulated it can be tested. Excess, by the way, can be defined as a factor earning extremely low or zero returns.

And what of microeconomics? This is relevant largely for market structure analysis which is currently a completely neglected area of research.

No one seems to be using the huge mass of data that is now available to come up with new, or any kind of, theories to ask what the optimum size of an oligopoly should be.

There are lots of such questions that ought to be bothering economics and economists. Sadly, both the discipline and its practitioners are unaware that by their complacence they are floating even further away into intellectual irrelevance.

RBI, a stabilising force in turbulent times

The central bank's measures to inject liquidity and manage forex markets have been noteworthy

Madan Sabnavis

The Indian economy did emerge quite successfully in FY26. Yet, it was actually quite tumultuous with the US tariff issue weighing down heavily on exports and MSMEs.

While the government did its part to boost consumption by lowering taxes, banks ran into the problem of liquidity with deposits growth lagging credit, thus leading to greater access to the bulk deposit and CD market.

The rupee was volatile with depreciation of almost 10 per cent, posing a challenge for importers.

If there was order in the working of the economy, the credit should go to the RBI for calibrated timely intervention.

First, the RBI had ensured that liquidity was provided to banks at all times, which was a strong message sent across to reassure all market participants. One of the major tools used for this was open market operations (OMOs). This is where RBI buys and sells government paper. On a cumulative basis, the RBI bought paper of ₹7.10 lakh crore, which is the highest in the last five years. This was supplemented with variable repo rate (VRR) operations where short term liquidity ranging for a day to 14 days was provided.

The second major intervention by the RBI was in the forex market where it sold dollars in the spot market amounting to ₹4.43 lakh crore — its highest sale. The previous high was ₹3.39 lakh crore in FY24. This became expedient due to the fact that the market was always second guessing what the RBI was targeting. Such intervention did help. This was done dexterously while ensuring overall forex reserves remained at comfortable levels of import cover in the double digit region.

Third, the RBI also became very active in the forwards market — a strong messaging system where there is no immediate sale of dollars, but large short positions built up. Again in the last five years, the outstanding forwards position for the RBI had crossed $100 billion by March 2026 with a little over 50 per cent due after a year.

This would also include positions taken in the NDF market besides the swap purchases of dollars from banks undertaken to provide liquidity. In the last three years the RBI had taken such positions in the forwards market to control volatility in the forex market.

Fourth, with virtual real time monitoring of the liquidity situation and forex market, the interventions have also meant that the balance sheet size has expanded significantly this year. The balance sheet size at ₹92 lakh crore, increased by ₹15.7 lakh crore — again an all-time high.

RBI. Deft liquidity management PTI

RBI SURPLUS

This in turn has also helped in providing support to the fiscal balances with a surplus of ₹2.87 lakh crore being transferred to the government for FY27. This will be a major support to an economy hit by war-led disruptions.

Fifth, in parallel, an interesting development which has taken place is the considerable expansion in currency in circulation, which was also a factor in the growth of the RBI's balance sheet. The interesting aspect is despite the multi-fold increase in digital payments, there has been an increase of ₹4.43 lakh crore in currency — the highest in the last five years.

This predilection towards holding currency is ingrained in the Indian psyche. This could be due to the precautionary motive where it was considered to be the safest asset for all times.

But there could be two other reasons for this phenomenon. The alarming increase in instances of digital fraud could have made the public to resort to greater cash use.

The second can be the continued prevalence of cash for transactions in real estate as well as gold.

Hence it can be seen that the RBI had played a vital role in stabilising the economy when required by assiduously pursuing the objectives of a central banks — conduct of monetary policy, monitoring the forex position of the economy and making available currency for transactions.

The fact that this was done in a non-obtrusive manner is important.

Therefore, a large part of the credit for the performance of the economy in FY26 should be attributed to the RBI for facilitating growth forces while also dampening inflationary pressures.

The writer is Chief Economist, Bank of Baroda. Views are personal

BELOW THE LINE

Nitin Nabin, BJP President
SIDDHANT THAKUR

BJP shake-up

The Cabinet reshuffle may have been put on hold until after the Monsoon Session, but the political churn in the BJP is far from over.

The party's organisational overhaul, seen as the precursor to the ministerial exercise, is now expected to move ahead first.

Party insiders say BJP President Nitin Nabin's new team could be unveiled shortly, with a younger leadership profile, an average age below 55, and greater regional and State representation.

The shake-up is expected to extend beyond office-bearers.

An accountability-driven review is likely across key organisational bodies, including the BJP Parliamentary Board, the party's highest decision-making forum.

The board currently includes Prime Minister Narendra Modi, Home Minister Amit Shah, Rajnath Singh, JP Nadda, Sarbananda Sonowal and Nitin Nabin, among others.

The recent meeting between Amit Shah and Nitin Nabin has added to the speculation that the organisational reset will pave the way for the eventual Cabinet reshuffle once the Monsoon Session concludes.

No VIP treatment

At a media tour of a major conglomerate's data centre in Chennai recently, as the CEO stepped up to enter his details at the security registry, his subordinates insisted that it will not be necessary and requested him to just walk in.

This put off the CXO who insisted that the protocol be followed no matter who the visitor was. What followed was a thorough frisking and data entry of all the visitors including journalists, CXOs and others who were part of the facility tour.

It was good to see that the protocols within Data Centres do not care for India's famed VIP culture.

Betting on monsoon

The focus of some WhatsApp groups is on the behaviour of the south-west monsoon, which was 40 per cent deficient in June.

One industry representative said India Meteorological Department predicted 9 per cent deficiency but others said it would be better to be a little circumspect rather than trigger panic. The unanimous view is not to go short in any futures or options trade.

Green problems

At the recent Soluble Fertilizer, Organic Fertilizer, Micronutrient, and Bio Stimulants (SOMS) summit in Gandhinagar, one of the scientists said that for every solution 10 problems arise.

He was mentioning the various problems that have cropped up due to the Green Revolution.

These problems are excess use of fertilizers, soil degradation, water and air pollution and drop in crop nutrient levels. **Our Bureaus**

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Kerala's silver screen saga

Unpacking the history of Malayalam cinema

BOOK REVIEW.

Naveen Chandra

Title: Ticket to Kerala: The Story of Malayalam Cinema
Author: SR Praveen
Publisher: Rupa Publications
Price: ₹495

Last month, the Malayalam film *Mollywood Times* about a director wanting to make a horror film released. The film with the tagline, 'a hate letter to cinema', grossed over ₹18 crore at the box office in under two weeks, four times its return on investment.

At a time when the world is obsessed with Malayalam films, SR Praveen, the film critic of *The Hindu*, has penned a timely book, *Ticket to Kerala*, that chronicles in detail, how Malayalam cinema got here, providing a history and context to the filmmaking styles and grammar.

Using extensive examples of various films released over the years, Praveen highlights all aspects of the evolution of cinema in Kerala using a wide sweeping lens. From its origins with a semi-porn film, *Kinnara Thumpikal*, that spawned an industry around it to new blockbusters like *Lokah*, he explains how the storytelling evolved, how the political landscape influenced the kind of stories, the rise of the new age Malayalam actors and the role of streaming post the pandemic in taking Malayalam to markets beyond Kerala.

NON-FORMULAIC

Praveen concludes that Malayalam films have no formula. The high quality of writing has spurred a new wave of bold cinematic experiments. In fact, Malayalam cinema has exploited every subject with brilliant screenplay writing and technical excellence. He illustrates with examples how even films with very thin storylines, like *Traffic* by Rajesh Pillai, which was a drama about the transportation of a live beating heart between two cities, are doing well at the box office.

The book is peppered with interviews.

In one of them, Rajiv Ravi, the former cinematographer of Anurag Kashyap, explains how the 'actuality trip' in FTII where students were taken to outdoor trips to understand light, sound and environments, helped him work on building his scenes in his films.

It may have been the only industry that made so many films on the pandemic and used inventiveness to stay productive during the pandemic. Amongst the first streaming-only films audiences saw was *C U soon*, an experimental thriller shot completely indoors, using only mobile, laptops and CCTV screens, about a woman caught in a trafficking racket and clutching at straws to escape her plight.

With many police procedurals, taut thrillers, smart ghost and fantasy stories, the kind of box office collections Malayalam cinema is seeing is quite unprecedented.

From the 1930s when barely a film was produced every year to over 200 films being released in 2023, the industry has come a long way.

In the chapter on the making of the superhero movies *Minal Murali* and *Lokah*, he details how village settings and very local problems for the protagonists separate the Malayalam films from Hollywood superhero films.

Director Priyadarshan had first made a virtue of silliness in the very serious Malayalam cinema with some rib-tickling comedies and then adapted them into highly popular Hindi films like *Hera Pheri, Hungama, Bhool Bhullaiya, Garam Masala* and others.

The book skips the history of actress Shakeela and the porn industry she helped build. It has extensive commentary on the Me-Too movement and names all the people involved in it. He also details the Hema Committee recommendations for POSH in film production.

Perhaps the one issue with the book is that while it is flush with excessive details of films and people, it doesn't make an attempt to explain the socio-political and cultural issues of the times that led to cinema to evolve the way it did.

Grab a *Ticket to Kerala* and enjoy the ride.

The reviewer is the founder & CEO of 91 Film Studios that produces regional language feature films

Of sticky wickets and banking

From the vault to the cricket pitch, Shyam Srinivasan's book on leadership goes the whole 22 yards

BOOK REVIEW.

Vinay Kamath

A banker for most of his working life, a big chunk of it as MD of the Kochi-based Federal Bank, one would expect a book by Shyam Srinivasan to be all about his banking career, spouting acronyms like CASA, NIM, NPAs *et al.*

The book, instead, abounds in different kind of acronyms, but more of that later.

Better Never Stops is a delightful and fun read of learnings from Shyam's life bristling in anecdote and candid stories from which one can glean insights.

A lifelong love for cricket — the book's cover is a suited man carrying a bat — means the book bursts with cricket analogies, drawing examples from the game to deliver life and leadership lessons.

So much so, Shyam's book was launched in Chennai in a packed auditorium by none other than one of Indian cricket's greatest captains, Kapil Dev. As Shyam said self deprecatorily, they're here to see Kapil; if they buy and read my book that would be a bonus!

Self-deprecation, candidness, honesty is a leitmotif of this book.

If one expects Shyam's book to talk about arcane management strategies that he followed to build Federal Bank into one of India's best known private banks, it is anything but that.

As the book's title says, leadership insights from life's unscripted moments, the book dips into everyday experiences from Shyam's life, from his early days of playing cricket to learnings from a succulent *rosogollo* to lollipop moments and *moongphali* cones!

The lessons are there for the reader to infer as the author does not give it cut and dried with 10 points one can imbibe.

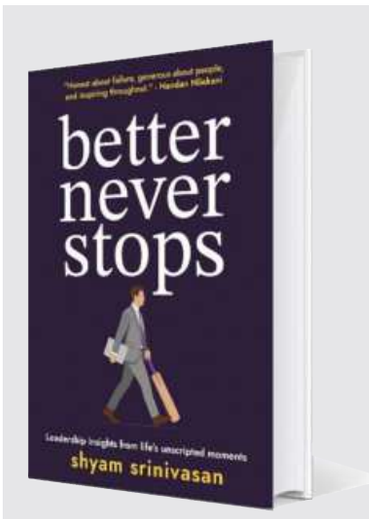
EVERYDAY EXPERIENCES

Shyam's prolific writing began at Federal where every Sunday he would dash out Yammer messages to all the staff on the week gone by, macro events impacting the bank, commending staff, exhorting them on targets. Once he retired, Shyam began his posts on Linkedin, commenting on topical events, with a big dose of sports as well. The traction that he got gave him the kernel of an idea to put his thoughts into a book.

Storytelling with a light touch is the book's strong point. Each chapter, interestingly, begins with a song name, as the track vibes well with the chapter, says the author.

One of my favourite stories in the book is the chapter titled the Mom Test. Autobiographical accounts tend to burnish the past and paint a glowing account of deeds done. But, in this chapter, Shyam speaks the unvarnished truth. In the cricket-crazy Madras of the 1970s, one unmatched high for a schoolboy is seeing one's name in the sports page of *The Hindu*. If you scored 25 runs or took three wickets, your name would appear the next morning. For a 16-year-old, as Shyam says, a certificate of immortality.

In one match, Shyam had scored 23 runs. As was common practice among schoolboys those days, Shyam talked to a team mate, who had 11 runs to his name, to 'reallocate' two runs to Shyam so that he would get his name in the paper. With this plan on board, Shyam approached the coach only to receive a fiery rebuke. It was a life lesson that cut deeper than a physical punishment. What would your mother say if they found out if it was not true, can you look her in the eye, the coach asked? Thus chastised the lesson remained seared in his memory all his life. The denouement of this is that next match Shyam scored 44 and got his name in *The Hindu* on his own steam. The lesson Shyam draws from this incident is that corporate reputations can easily be decimated on minor indiscretions. Once reputation sinks no amount of marketing spends can bring it back. As Shyam says, when one is trying to make the corporate scoring sheet look better with minor reallocations and so on, one would do well to remember the Mom test.



Title: Better Never Stops
Author: Shyam Srinivasan
Publisher: Wyzr
Price: ₹495

ABOUT THE AUTHOR

Shyam Srinivasan spent fourteen years as MD & CEO of Federal Bank, and before that held senior leadership roles at Citibank and Standard Chartered Bank

ROSOGOLLAS AND PEANUTS

Then there's the story of the humble *rossogolla*. What's a *rossogolla*, tasty as it is, doing in a book on leadership insights? It's a masterclass in structural integrity disguised as a dessert, is what Shyam says, recounting a talk by a hotelier. You squeeze out the sugar syrup from one and it's flattened. But, put it back in the syrup, it absorbs the syrup again and expands, taking in more syrup; the squeeze created capacity! Life's curveballs may hit you but it's about having a *rossogolla* nature, soft enough to get flattened but built well enough to fill back up. A sweet and powerful lesson, perhaps.

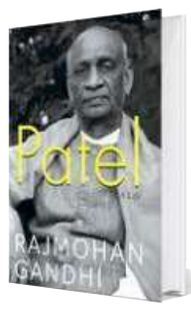
The lesson of the *moongphali* cone is evocative. Shyam stresses that one should develop the habit of learning from everywhere. The paper that wraps the peanuts can contain a valuable scrap of information, like when a Federal Bank staffer found a recruitment ad fraudulently using the bank's name. And, that piece of paper was about to be binned but turned out to be a revelation. As Shyam would exhort a new hire, saying stay hungry for the scraps as big breakthroughs come in disguise.

Shyam's passion for cricket and his penchant for acronyms pop up all over the book. Cricket for him holds life lessons aplenty so there's a good dose of cricket analogies while acronyms like PINs don't matter ZIP does, abound, which in his lexicon stands for zeal, intensity, passion.

The book recounts Shyam's lifelong observations — from banking to everyday and ordinary life — for insights with a good deal of common sense and even dipping into some psychology, aerodynamics, TEDx talks. There is no pontification from the pulpit on leadership but an emphasis that one can learn from life's everyday moments.

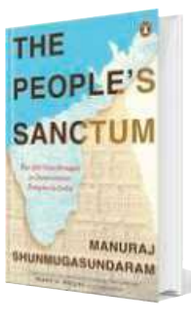
The reviewer is a senior journalist and author of bestselling book Titan, now a web series Made in India

NEW READS.



Title: Patel: A Life
Author: Rajmohan Gandhi
Publisher: Aleph Book Company
This book traces Patel's evolution from Gandhi's loyal lieutenant in campaigns to a towering national leader

Title: Down But Not Out
Authors: Subrata Mitra, Pankaj Mishra
Publisher: HarperBusiness
This is a book about endurance. It tells the stories of founders who were knocked down, written off, even broken - and still found a way to stand again



Title: The People's Sanctum
Author: Manuraj Shunmugasundaram
Publisher: Penguin Random House India
This book traces the important and impactful changes to the socio-religious fabric of the country over the last century

thehindu businessline.

TWENTY YEARS AGO TODAY.

July 6, 2006

Tatas to hike stake in Tata Steel Company

Tata Steel plans capital expenditure of Rs 70,000 crore over the next 10 years, the Chairman, Mr Ratan Tata, said at the company's AGM here today. It was Tata Steel's first shareholders' meeting since Mr L.N. Mittal's hostile bid to acquire Arcelor resulted in an agreement last month to create the 120-million tonne Arcelor-Mittal Steel combine.

Mittal coming to perk up India plans

Steel tycoon Mr Lakshmi Niwas Mittal is expected to reach Delhi on Friday to explore new business opportunities and take stock of the company's India plans. Mr Mittal is likely to meet the PM, Dr Manmohan Singh, the Petroleum Minister, Mr Murli Deora, besides the Orissa Chief Minister, Mr Navin Patnaik, sources said.

PDs allowed to invest in shares

The RBI has allowed primary dealers (PDs) in government securities to invest in equity shares, derivatives and mutual funds, and underwrite public issues. They are also permitted to undertake non-fund based activities including portfolio management services, loan syndications, M&A, issue management, debt restructuring and distribution of mutual funds and insurance products.

Short take

The hidden cost of climate miscommunication

Prabir Kumar Bandyopadhyay
Sreenivasulu Deverapalli

For decades, many of us grew up hearing that the Amazon rainforest was "the lungs of the Earth".

The narrative worked beautifully — until recently. A growing number of articles are stating that mature forests are nearly oxygen-neutral over long periods because they consume almost as much oxygen as they produce. Similar clarifications have emerged regarding the oceans.

While marine phytoplankton produce enormous quantities of oxygen, much of it is also consumed within marine ecosystems. Some scientists now remind us that the oxygen we breathe is largely a vast atmospheric reservoir accumulated over hundreds of millions of years.

The reaction is predictable: "Yesterday forests were saving our breath. Today they aren't. Why should we care about deforestation at all?, and how yesterday's forests created the reservoir and today's forests are failing."

This is not a failure of science. It is a gap in scientific communication.

The phrase "lungs of the Earth" was always a metaphor, not a scientific statement. Unfortunately, metaphors often become accepted as literal facts.

The problem arises when corrections eventually appear — what scientists consider nuance, the public may perceive as something gone wrong with nature's phenomenon or at worst a contradiction in scientific studies.

In an age of information overload, climate advocates often argue that simple, dramatic messages are necessary to mobilise action. Nuanced scientific caveats rarely fit into a headline or a slick social media campaign. Human beings respond to symbols far more readily than to data. When people repeatedly encounter simplified narratives that require later revision, they don't see "updated science". They suspect exaggeration, or worse, manipulation. Environmental activism becomes a victim of its own marketing.

The solution is not to flood citizens with dense academic jargon, but to cultivate intellectual honesty from the outset. We should stop calling forests the lungs of the Earth and start calling them what they truly are: the core of Earth's life-support system.

A life-support system such as rainforest or ocean does is far more than just supply oxygen. It stabilises, regulates, repairs, and maintains the exact conditions that make human civilisation possible and sustainable. It is a concept that is both simpler and truer.

Climate communication must mature beyond dramatic, fragile metaphors.

Bandyopadhyay is Visiting Professor and Independent Researcher; Deverapalli is Director, National Productivity Council. Views are personal

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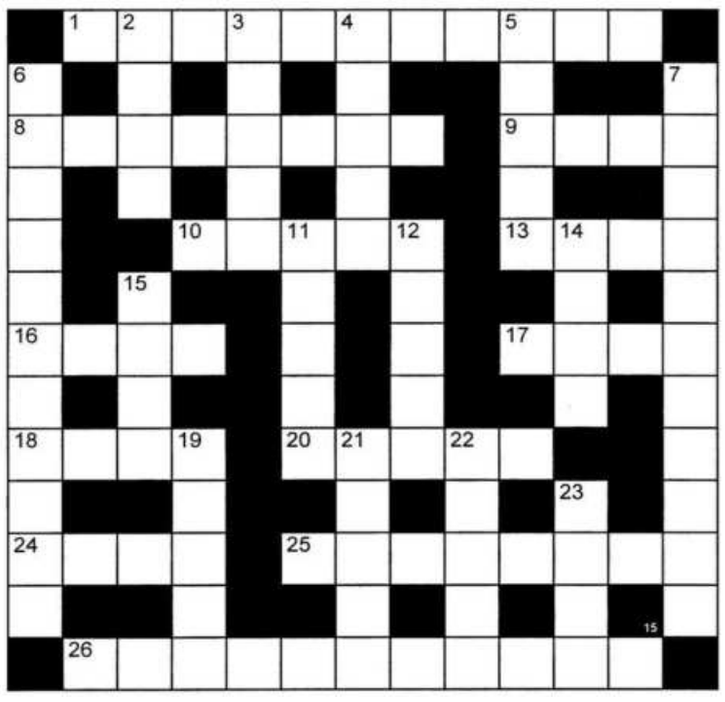


EASY

ACROSS
01. Direction (11)
08. Large shop, store (8)
09. Unvaried (4)
10. Images of gods (5)
13. Put out (4)
16. Viva voce (4)
17. Presently (4)
18. Wide expanse of uncultivated ground (4)
20. One of the classic races (5)
24. Requirement (4)
25. Word of appreciation (8)
26. They destroy others' pleasure (11)

DOWN
02. Back of neck (4)
03. Wanting a rest (5)
04. Normal (5)
05. Publication (5)
06. Gradual unfolding (11)
07. Aphoristic, full of meaning (11)
11. Mountain nymph (5)
12. Separate, divide (5)
14. Debatable (4)
15. Nutritive cereal substance (4)
19. Wireless (5)
21. Moral significance (5)
22. Stringed instrument (5)
23. Peasant in the Indian subcontinent (4)

NOT SO EASY

ACROSS
01. Such teaching isn't cut, or in a muddle (11)
08. Might take me up, or I'm turned out of store (8)
09. The seam is crooked but identical (4)
10. Is about to shatter old figures of worship (5)
13. Put it out it's the reverse of what is on the clock (4)
16. Scholar originally suffered setback in this part of the exam (4)
17. And thus shortly, etc (4)
18. One such as Othello would tie up his craft (4)
20. There's a race to get a bowler when in America (5)
24. One will lack this requirement (4)
25. Say it is what a grateful person will do (8)
26. Wet blankets damage athletic events (11)

DOWN
02. In London a person will show a bit of neck (4)
03. It is up and embarrassed at being weary (5)
04. Santa Claus uses up part of one's habitual drink (5)
05. Is to take one to court, and this is the outcome (5)
06. Gradual growth of pet men loved (11)
07. Weightily specious way may suit one after being posted (11)
11. Nymph who had nothing to study (5)
12. Cut off from a prophet when about five (5)
14. There's nothing in a word from France but a point that's debatable (4)
15. Soundly start the race for pudding stuff (4)
19. It is set to be a receiver (5)
21. Prevailing atmosphere of those who changed to it (5)
22. It needs some pluck with the job – an alternative to strumming it (5)
23. Indian peasant responsible for uprising, one is told (4)

SOLUTION: BL TWO-WAY CROSSWORD 2685

ACROSS 1. Daylight 4. Grit 8. Cow 9. Pasta 10. Vat 11. Display 12. Torch 13. Transporter 17. Cover 18. Counter 20. Own 21. Merry 22. Bag 23. Tree 24. Resident

DOWN 1. Decade 2. Yawns 3. Hasty 5. Reverse 6. Tetchy 7. Canterbury 9. Palindrome 14. Revenge 15. Accost 16. Fright 18. Curse 19. Table

CHENNAI
businessline.
MONDAY - JULY 6 - 2026

NEWS SNIPPETS.

No reply from CEA: CERC

The Central Electricity Authority (CEA) is India's top technical planning body for the power sector; the Central Electricity Regulatory Commission (CERC) is the federal electricity regulator.

Twice has the CERC asked the CEA for its view on an important matter — load-generation balancing in the context of the difficulties faced by another national body — the transmission planner — Central Transmission Utility of India Ltd (CTUIL) in granting connectivity to renewable energy developers.

Twice has the CEA stayed mum, according to the CERC.

This has been recorded by the CERC in its explanatory memorandum to the draft fourth amendment to the Connectivity and General Network Access to the inter-State Transmission System Regulations, 2026.

The commission referred the matter to the CEA on December 19, 2025, and again on February 25, 2026. "However, no input was received from the CEA."

The CERC goes on to make some regulatory changes "in such circumstances of planning uncertainty".

It also cites the Ministry of Power's 2021 rules, which state that the Central Transmission Utility "shall draw up plans for Inter-State Transmission System for upto next five years on rolling basis every year, identifying specific transmission projects... *after considering the plans made by Central Electricity Authority* (emphasis added)".

The explanatory memorandum notes that the CTUIL has a backlog of connectivity applications for about 128 GW. It may be noted that renewable energy companies are facing a huge problem in securing connectivity to evacuate the power that their plants would generate.

Battery Smart plans big

Battery Smart, the battery swapping company, believes it has a blue ocean ahead. "It is a very big market," the Gurugram-based company's co-founder and CEO, Pulkit Khurana, observed in a chat with *businessline*. Electric vehicles make up barely 4 per cent of the two-wheeler and three-wheeler market; for all commercial 2Ws and 3Ws, battery swapping makes a lot of sense, he said. Swapping a battery takes under two minutes.

In FY26, Battery Smart's EBIDTA rose by 60 per cent. While Khurana did not divulge more financial details, the company had earlier reported a revenue of ₹279 crore for FY25, up 49 per cent from the previous year. The company — which has raised about $200 million from Tiger Global, Blume Ventures and Ecosystem Integrity Fund — believes it is entering profitability, as its investment phase is nearing completion. Net profit, Khurana says, is about 18 months away.

Battery Smart is among the largest battery owners in the country, boasting nearly 3 lakh batteries with total capacity of 800 MWhr.

It is present in 75 cities with 1,600 battery swapping stations, serving one lakh customers.

Managing so many customers in diverse locations is the company's biggest challenge, but also its defence against competition. It hones its competitive edge with its proprietary software.

◉ PRICE OF ATMANIRBHARTA

Opportunity cost of India's solar self-reliance may touch ₹30,000 crore this year

POLICY SWITCH. Country bears the consequences of ending cheaper imports to strengthen domestic solar manufacturing capacity

M Ramesh

India's push for solar self-reliance could add nearly ₹30,000 crore to the cost of solar installations this year, as developers switch from cheaper Chinese cells to domestic products under the government's latest localisation rules.

The second phase of the Approved List of Models and Manufacturers (ALMM-II) came into force on June 1, requiring government and government-backed solar projects to use modules made with Indian solar cells. Except in cases where the Ministry of New and Renewable Energy has granted a month's relaxation, the new rules effectively shut the door on imported cells.

The policy marks a conscious departure from the least-cost approach that has powered India's solar expansion over the past decade. Chinese manufacturers can supply solar cells and modules at prices Indian companies cannot yet match. New Delhi has nevertheless chosen to pay a price in the hope of creating an integrated domestic manufacturing ecosystem.

But what exactly is that price?

According to Vinay Rustagi, Chief Business Officer at Premier Energies, one of India's leading solar manufacturers, a module made with Indian solar cells currently costs around 10 cents more per watt compared with imported cells. Several other manufacturers contacted by *businessline* broadly confirmed this estimate.

HIGHER CHARGE. A module made with Indian solar cells costs 10 cents more per watt compared with imported cells

The number assumes significance in the context of India's rapidly expanding solar market. Crisil Ratings expects India to install 60-65 GW of solar capacity in 2026-27, with domestic manufacturers supplying roughly half the cell requirement. "The ALMM will sharply reset India's solar cell supply mix. Domestic supply will gain share and meet around half of the 60-65 GW demand this fiscal, with imports making up the rest," said Manish Gupta, Deputy Chief Ratings Officer at Crisil Ratings.

If 30-35 GW of solar capacity is built using Indian-made cells this year, the additional cost is ₹26,000-30,000 crore. This is the price consumers, taxpayers or project developers collectively pay for nurturing a domestic manufacturing base instead of relying on cheaper imports.

And this may only be the beginning.

WIDENING GAP

As Rustagi points out, the price gap is likely to widen as India pushes further upstream into manufacturing wafers and polysilicon. The deeper the localisation requirement, the greater the cost difference with Chinese products, whose manufacturers enjoy massive economies of scale. At the same time, India's annual solar installations are expected to rise steadily. If both trends play out, the cumulative cost of import substitution over the coming decade could easily run into ₹3-4 lakh crore, though the exact figure would depend on installation volumes and how quickly Indian manufacturers close the cost gap.

Whether that is an acceptable price is ultimately a matter of perspective.

Supporters argue that India is buying strategic resilience. Developing a domestic manufacturing base creates jobs, reduces dependence on Chinese imports and strengthens supply-chain security at a time of rising geopolitical tensions. Critics counter that India's dependence on China will not disappear overnight because the country will continue importing key inputs such as polysilicon, wafers and manufacturing equipment for years to come.

CHEAPER POWER

There is another side to the debate. Cheaper Chinese modules translate directly into cheaper solar electricity, benefiting distribution companies, industries and consumers alike. China is willing to operate on wafer-thin margins — or even losses in some segments — to consolidate its global dominance in solar manufacturing. Some argue that India should take advantage of those low prices rather than asking consumers to bear the additional cost of protection.

There is no definitive answer. The economics of domestic manufacturing depend as much on strategic priorities as on financial calculations. The debate over industrial policy versus free trade is unlikely to end soon. But whatever one's position, the numbers help frame the discussion: India's determination to build a self-reliant solar manufacturing industry comes with a measurable price tag, one that is already running into tens of thousands of crores each year.

◉ PENALTY CORNER

RE sector awaits easing of generation forecast norms

M Ramesh

One of the biggest regulatory headaches for the renewable energy industry — the stringent Deviation Settlement Mechanism (DSM) rules that penalise wind and solar generators for failing to match their generation forecasts — may soon ease a bit.

The Ministry of New and Renewable Energy (MNRE) is considering allowing developers to revise their generation forecasts much closer to the time of actual electricity delivery, which the industry believes could significantly reduce penalties. MNRE Secretary Santosh Sarangi told *businessline* that the government was examining a proposal to relax the timeline for forecast revisions.

At present, renewable energy generators can revise their schedules several times during the day, but the final revision must be submitted 90 minutes before the 15-minute delivery block. The proposal is to reduce this to about 45 minutes.

The changed timeline could make a substantial difference because weather forecasts become progressively more accurate closer to the time of generation. For instance, instead of freezing the schedule for the 10–10.15 am block at 8.30 am, developers may be able to revise it until around 9.15 am, improving forecast accuracy and reducing deviations.

The issue has assumed significance as India rapidly expands renewable capacity. The country has installed about 110 GW of solar and over 55 GW of wind capacity, and targets 500 GW of non-fossil electricity capacity by 2030.

RAIN OR SHINE. Generation forecasting plays a major role in maintaining renewable-powered grid stability ISTOCK

With the growing spread of renewable energy, grid stability would increasingly depend on accurate forecasting.

COMMERCIAL IMPACT

Under the DSM framework, renewable generators must submit generation schedules in 15-minute intervals for the following day. Significant deviations attract commercial consequences.

The original framework allowed a wider deviation band. However, the Central Electricity Regulatory Commission's 2024 DSM regulations, which took effect in phases from April 2026, tighten the tolerance limit to plus- or minus-5 per cent for solar and hybrid projects and plus- or minus-10 per cent for wind projects, making compliance considerably more demanding.

Developers say the tighter norms expose them to substantial financial risk because renewable generation ultimately depends on weather conditions, which cannot be perfectly predicted.

According to industry estimates, DSM-related penalties could shave off as much as 10 per cent of project revenues in adverse conditions.

The industry has challenged the regulation before courts. While the Karnataka High Court has granted interim relief in one of the petitions, developers remain apprehensive, particularly due to the proposed retrospective application of some provisions.

Their principal demand is that any tightened norms should apply only prospectively.

Not everyone agrees that the rules are unreasonable.

Alok Kumar, former power secretary and now Director General of the All India Discoms Association, argues that renewable generators have had ample time to improve their forecasting systems.

"The industry always creates a *hulla* whenever tighter discipline is introduced," Kumar told *businessline*. Unless developers face commercial consequences, there will be little incentive to invest in sophisticated forecasting tools, he said.

GRID VS GENERATORS

Accurate forecasting is essential because unexpected swings in renewable generation force grid operators to arrange balancing power at short notice, increasing costs and complicating grid operations.

With renewable energy accounting for an ever-growing share of India's electricity mix, forecasting errors can have wider implications for grid security.

Developers acknowledge the need for grid discipline but contend that wind and solar generation can never be forecast with complete precision. They argue that a shorter gate-closure period represents a practical compromise — one that improves forecast accuracy without diluting the objective of maintaining grid stability.

For now, that appears to be the government's preferred middle path.

By allowing forecasts to be updated closer to real time, the Centre hopes to reduce unnecessary penalties while preserving the scheduling discipline that an increasingly renewable-powered grid demands.

Utah bets on nuclear to power AI-driven data centre growth

The western US State launches Operation Gigawatt to double electricity generation over the coming decade

Sindhu Hariharan

Utah plans to step up nuclear power generation to meet an anticipated surge in electricity demand from data centres, with Governor Spencer Cox saying new projects are expected to come up within four to five years.

"We're going to have nuclear here, hopefully in the next four or five years, in a big way. We've had several nuclear companies who have moved to Utah, more that are coming. And we think that's an area that is very much ripe for investments," Cox told *businessline* during an interaction.

As Big Tech companies step up investments in artificial intelligence, states across the US are competing to attract data centres while ensuring adequate power supplies.

Utah is positioning itself as a government that pursues investments both in AI infrastructure and alternative energy sources.

The western US State has launched Operation Gigawatt, an ambitious initiative to double electricity generation over the coming decade. It focuses on advanced nuclear energy, including conversion of ageing coal-fired power plants into nuclear facilities, and the development of a domestic nuclear supply chain.

The move comes as Big Tech companies are expected to spend well over $300 billion this year on AI infrastructure, much of it on data centres.

Utah already hosts about 48 data centres with a combined power capacity exceeding 920 MW, according to industry estimates. Demand is expected to rise sharply.

A proposed 40,000-acre data centre campus in Box Elder County, developed by O'Leary Digital, is drawing attention for its enormous power requirement, although the project proposes to generate its own electricity rather than relying on the public grid.

ATOMIC RECYCLING. The Utah government plans to reprocess nuclear waste from large plants into fuel for smaller reactors BLOOMBERG

The State's lawmakers are also working with the US Department of Energy to establish a Nuclear Lifecycle Innovation Campus to position Utah as a national hub for next-generation nuclear research, development and power generation.

Spencer Cox, Governor of Utah

Betting on Utah's skilled workforce and established energy ecosystem, Cox said fresh investments could accelerate the commercialisation of advanced nuclear technologies.

"We just had a new nuclear reactor go critical here in Utah... which was an incredible goal. They started a year ago," he said, adding that the State's ambitions extend beyond deploying small modular reactors (SMRs) to manufacturing reactor components as well.

State Senator Jerry Stevenson said nuclear power was emerging as the preferred option because it offers reliable electricity with lower environmental impacts when managed safely.

"We also have a site about 100 miles from Salt Lake City where we are working on safe disposal of nuclear waste from large plants and reprocessing it into fuel for smaller reactors," Stevenson said.

After decades of limited new reactor construction, the rapid growth of artificial intelligence and cloud computing has rekindled interest in nuclear power. Technology companies including Amazon, Google and Microsoft have announced investments or partnerships linked to nuclear energy, particularly SMRs, to secure long-term power supply for their expanding data centre operations.

Several US states are revisiting their nuclear policies as electricity demand, after years of remaining largely flat, begins to climb again.

GEOTHERMAL SYSTEMS

Utah is also banking on geothermal power. It is among the few states in the US with significant, utility-scale geothermal potential. The Utah Frontier Observatory for Research in Geothermal Energy (Utah FORGE), supported by the US Department of Energy, is working to commercialise enhanced geothermal systems.

Private investment is also gathering pace. Texas-based Fervo Energy is developing a geothermal project in Utah to supply 400 MW of round-the-clock, carbon-free electricity.

"It is actually scalable now. The first wells we drilled took months. Now they're taking weeks," Cox said.

The writer was in Utah on a foreign press tour at the invitation of the US State Department

Corporate trust in AI declines

PEOPLE@ WORK

KAMAL KARANTH

ISTOCK

Every time I get an opportunity to speak on artificial intelligence (AI) at a conference, I run away because I feel hollow and inadequate. Then I see some of my industry peers telling the world how they are acing it, even though the reality is different. The need to sound AI-savvy has gripped the ecosystem so much that we have made the saying "fake it till you make it" our motto. You cannot really blame people as the AI pioneers, Wall Street influencers, Silicon Valley startups, and prominent VCs have collectively caused a lot of fear-mongering.

THE SILICON VALLEY PACT

The founders of the two frontier AI giants, on which collectively $312 billion has been invested, began by forecasting that millions of jobs would be lost in the future. Maybe Anthropic and OpenAI know better about the future of what they are developing; however, between them, they have added about 4,000 employees in the last 12 months, of whom a majority are engineers. Some prominent voices in Silicon Valley, such as Vinod Khosla, have said that by 2030 there will be no such thing as IT services or BPO.

Perhaps Silicon Valley startups, VCs, large MNC honchos, and Wall Street bankers have their own financial interests to protect and promote. After all, corporate America's investments in AI over the last three years have been steadily increasing.

Picture this: In 2024, enterprises spent over $252 billion on AI; in 2025 it rose to $427 billion, and in 2026 it is estimated to reach $725 billion. Over the last three years, VCs have invested $560 billion in AI startups — that's about 75 per cent of their total investments. Obviously, they will tell the world that AI will do almost everything a human can.

However, Palantir CEO Alex Karp's recent outburst on CNBC was one of the first major voices of dissent against these frontier companies. Palantir has been a major beneficiary of the AI boom, with its market cap exploding from $20 billion two years ago to about $270 billion now.

Karp criticised major AI labs for utilising token-based pricing models that extract enterprise value without delivering measurable business results. He contended that this "tokenmaxxing" model forces businesses to overspend while relinquishing proprietary data, and advocated for the use of open-weight models to maintain in-house control. He went on to say that leading Fortune 500 CEOs have privately shared their frustration over the business model of frontier AI companies.

IT SERVICES CONUNDRUM

Every new version release from LLM companies has sent the stock prices of large global and Indian IT services companies plummeting, eroding our trust in these system integrators' business model.

Such is the power of the trillions of dollars of AI narrative that we no longer want to believe in the Indian software industry, which exported over $200 billion worth software services in 2025.

Then we heard the counter: Mark Cuban, the billionaire investor of business reality TV show *Shark Tank* fame, said the biggest financial opportunity in AI is not in building the base models but acting as an "integrator" that implements and customises AI for small and medium enterprises and the unique workflows of businesses. He highlighted that out of 33 million businesses in the US, many millions lack dedicated AI budgets or in-house experts.

This was corroborated by current Infosys Chairman Nandan Nilekani, who views AI as a massive "force multiplier" rather than an existential threat to the IT industry. He recently commented that AI is a catalyst that makes IT firms more relevant and predicts a $300–400 billion AI-first services opportunity by 2030. Do you want to trust the analysts and investors who have caused the leading IT services market cap to halve from its peak, or the industry doyens who are confidently holding on to their services model, knowing their customers better?

THE BOOMERANG

Of late, there has been a change in the discourse around AI. For instance, Microsoft CEO Satya Nadella, on a podcast with LinkedIn co-founder Reid Hoffman, pointed out that "saying all economic opportunity will go away for white-collar workers" while simultaneously asking the public to embrace the technology is a massive social misstep. He mentioned that the industry needs to stop making broad, threatening claims about the future of work and instead demonstrate tangible, positive benefits.

American automaker Ford recently brought back roughly 350 veteran engineers after its automated quality control systems failed to deliver expected results. Charles Poon, Ford's vice-president of vehicle hardware engineering, told reporters the firm's AI-driven checks had failed to live up to expectations.

Venture firm SignalFire's latest 'State of Talent' report shows engineers comprised 55 per cent of all new hires in 2025 across the 12 "tech majors" — Alphabet, Meta, Apple, Amazon, Microsoft, Netflix, Nvidia, Tesla, Uber, Airbnb, Block, and Stripe. This is a significant jump from 46 per cent in 2019.

It definitely isn't a good time to be an employee in the AI world.

Think of an entry-level employee at an IT firm and how secure they would feel about their job after the AI-attributed layoffs at brands like Coinbase, Block, Meta, Atlassian, Intuit, and Cloudflare, to name a few?

I was listening to a podcast where Nitesh Arora, CEO of Palo Alto, said it's like a Darwinian moment: everybody has to figure out how good they are and learn on their own. He added that 90 per cent of employees at large companies aren't AI-savvy.

EMPLOYER VS EMPLOYEE

AI has increased distrust between employees and employers. Maybe employees think the employer has to train them, and the employer believes the onus is on employees to learn for their own survival.

McKinsey's 2026 AI Trust Maturity Survey shows that Responsible AI (RAI) maturity scores are still at 2.3 out of 4. It added that organisational governance and strategy lag the rapid shift toward "agentic AI". Only one-third of enterprises have mature governance in place. According to Gallup, between 2025 and 2026, the share of Gen Z respondents who said AI made them feel angry rose by nine percentage points, while feelings of excitement and hopefulness declined.

AI's context for enterprises and employees has turned into a 'Truth or Dare' game. Your appetite for risk will allow you to explore this puzzle till some convincing case studies of transformation enlighten us. For now, we are all enamoured by the technological marvel of AI. Trust remains absent from the ecosystem!

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

FIELD VISION

Technology and talent transformation at TAFE

CULTIVATING THE FUTURE. Mother-daughter duo Mallika Srinivasan and Lakshmi Venu champion electrification and smart farm mechanisation as they sow the seeds of global growth for the tractor giant

Sindhu Hariharan

POWER PAIR. Mallika Srinivasan, Chairperson and MD, and Lakshmi Venu, Vice-Chairperson, TAFE BIJOY GHOSH

Sixty-six-year-old Tractors and Farm Equipment Limited (TAFE) may be best known as one of the largest tractor makers in the world but, steered by the dynamic mother-daughter duo Mallika Srinivasan and Lakshmi Venu, it is fast evolving into a global agri-tech innovator. The company is cultivating its future in precision farming through next-gen electrification, smart mechanisation, and cutting-edge field solutions.

Sitting down for a chat with *businessline*, Mallika Srinivasan, Chairperson and Managing Director, and Lakshmi Venu, Vice Chairperson, TAFE, express their growing confidence in the company's intellectual property and engineering capabilities. So much so that some of the products are first being sent to global customers before they enter Indian markets.

Says Srinivasan, "We are so confident today that we are no longer saying we have to launch it in India and will later take it abroad. Our electric product will be in Europe before the end of the year. We call it Born Electric because it's been designed for maximum efficiency as an electric tractor. This year, we're going into commercial production."

Venu, whose father is the automotive doyen Venu Srinivasan, took charge as Vice Chairperson in 2025. She describes TAFE's R&D approach as combining the research capabilities of Indian teams and global centres of excellence to tailor products for different geographies. "We are looking at multiple alternative fuels [in new product development], depending on the option most suitable to a geography and which makes economic sense," she says.

This vision of TAFE was front and centre at Agritechnica 2025 in Europe, where the company unveiled its next-generation electric hybrid tractor TAFE EVX75, among other innovations. Srinivasan and Venu say the company is making significant R&D and capex investments in precision agri-tech, automation, and alternative-energy platforms.

HARVESTING HORIZONS

TAFE is entering FY27 with cautious optimism, banking on the monsoons, rising mechanisation trends, and export momentum.

The past year it had posted its highest-ever sales, benefitting from a combination of favourable monsoons, GST rate cut-induced demand, and rising customer aspirations.

The company sold 2,14,951 tractors (domestic and export) in FY26, up 24 per cent year-on-year. In the domestic market, TAFE sells the Massey Ferguson and Eicher tractor brands, while it mainly exports the compact and utility series along with Eicher Prima; more export products are on the cards.

"Post GST rationalisation, we saw a lot of first-time buyers coming into the market, because it's become a bit more affordable," says Srinivasan, adding that, on the other hand, many aspirational customers are upgrading and expanding the field.

For decades, India's tractor market was defined by affordability and utility, but today's farmers are more aspirational, informed and demanding, they observe.

"The information divide is gone; today the rural customer with affordable data knows everything. I went to a customer's house in UP and he actually asked why many of our new products launch in Europe and not UP," says Venu.

EAR TO THE GROUND

TAFE says its customer-centric approach ensures its ears are tuned to the demands of the rural economy. While the Indian market remains central, exports too are being developed as a long-term growth engine. South Asia, Turkey, western and eastern Europe, Mexico, and Africa are among its key markets. Despite the macro headwinds, exports account for 6 per cent of unit sales.

"What's very encouraging for us is that for the first products that have gone out [to Europe] the customer word-of-mouth is excellent," says Venu.

The West Asia crisis has led to zooming input costs, but the rural economy has been resilient and Indian farmers have been shielded well from the shock, thanks to the way the government has managed the challenge, says Srinivasan.

TAFE's diverse manufacturing base also positions it well in terms of supply chain.

The company manufactures in Sembiam and Madurai in Tamil Nadu, Doddaballapur (Karnataka), Mandideep (Madhya Pradesh), Alwar (Rajasthan) and Parwanoo (Himachal Pradesh). Overseas, its operations in Mexico and Turkey serve its international markets.

NEXT-GEN TRANSITION

TAFE is navigating a generational transition in its own unique way. While succession is often structured as a handover, at TAFE it is a collaboration between experience and youth leadership.

"As an institution we have a very strong, solid platform for growth, thanks to our values and culture. Using these as strengths, the youth talent works with technology to meet customers' needs," says Srinivasan.

Venu describes it as "a beautiful collaboration between the wisdom of the older generation and the kind of free thinking that the younger generation brings".

"There was a particular project our CEO and I were reviewing and we applied the 'TAFE culture' lens to it to take decisions. It so happened that people at multiple levels below us applied the same lens to it. We want to preserve that cultural alignment," she says. "Within this value system, we strive to be agile," she adds.

You may think it's harder to make changes with an older, incumbent generation but that's not the case at TAFE because of how passionate people are, she says.

Jumping into a topic that both CXOs are passionate about, Srinivasan calls for more women in leadership roles across corporate India, pointing to the need for broader social changes to improve representation.

Venu sees Tamil Nadu's track record as particularly encouraging.

"We have 40 per cent of the nation's women in manufacturing in our state, so that's working well for us," she says.

Both leaders argue that India's demographic dividend would shrink if the corporate world does not figure out a way to leverage women's talent. At TAFE, they see encouraging signs, especially among younger employees who support one another and uplift women colleagues, they add.

The tone is clearly set at the very top, where the mother and daughter function like a musical duet — each playing their distinct instrument to create a harmonious whole.

OFFICE BUZZ.

Cars24 flattens out

Automotive startup Cars24 has eliminated traditional levels, grades and job titles across the organisation, replacing them with a new operating philosophy called Flatland.

The change, which dismantles corporate hierarchies, is rooted in the belief that AI has rewritten the economics of organisations. Everyone in the company now shares a single identity: Builder.

Flatland goes far beyond removing titles, says the company. It is a complete redesign of how the company makes decisions, earns authority, evolves careers and gets work done. People are no longer defined by organisational rank, but by the problems they own and the outcomes they create.

"Hierarchy was one of humanity's greatest inventions," said Vikram Chopra, Builder at Cars24. "It helped organisations scale up when information was scarce. AI changes that equation. The role of an organisation is no longer to move decisions up and down layers. It's to help exceptional people solve exceptional problems together. Flatland is our attempt to build an organisation for that reality."

An AI-first skilling library

Digital skilling firm Simplilearn has launched SkillUp, an AI-first skilling library designed to make upskilling more personalised and accessible for both individual learners and enterprises.

At the centre of the platform is ALBY, an AI mentor that recommends tailored learning goals, supports hands-on projects, and assists with interview preparation. While individual learners get select free courses, enterprise teams get an extensive catalogue of expert-led courses and live sessions. Additionally, enterprise teams get robust admin controls, reporting dashboards, and a platform that integrates easily with the organisation's existing learning stack. It includes a dedicated customer success manager.

SAFEKEEPING AI

If you are reachable, you're breachable: Zscaler chief

Hari Viswanath

CYBER-VIGILANCE. Jay Chaudhry, founder, CEO, and Chairman of Zscaler

On the sidelines of Zenith Live '26 in Vienna, sitting across from Zscaler's founder, CEO, and Chairman Jay Chaudhry, it's easy to be reminded of a scene from *Unstoppable*. In it, welder Ned Oldham, when asked how he felt while he was bringing a runaway train under control, famously shrugs off the risky, high-speed chase as just being in his 'comfort zone'.

Zscaler shares are down by over 50 per cent in the past year, caught in the SaaSpocalypse, but Chaudhry appears to be in his comfort zone. Unlike other SaaS CXOs who have gone on the defensive about their products' relevance as AI upends the software industry, Chaudhry had been on the offensive just the previous day, declaring in his conference keynote address: "Zscaler was made for this moment."

For those who have followed his work closely, this may not come as a surprise. Last year, asked by this paper what he had to tell young entrepreneurs in India, he replied: "Treat a problem as a challenge. Human beings do exceptionally well when they look at a problem as a challenge." He then added, "Don't be attracted to money. If we (he and his wife) had been attracted to money, we wouldn't have taken the risks."

The Nasdaq-listed global cybersecurity company, with $24-billion market cap, is the fifth of his ventures, after founding and selling four other successful tech startups in the past decades in the US.

Born to farmers with limited means in Himachal Pradesh, he made it to a US university in 1980 on a scholarship and providence. He had nearly abandoned his US dream as he could not afford the flight tickets, when fate connected him to JRD Tata and a loan for his travel.

SEIZING THE 'MOMENT'

To explain why Zscaler was 'made for this moment' he rewinds to its origins. Back in 2007 he was looking to do something 'big' after four successful exits. The world was more mobile — SaaS, AWS, iPhone... As applications and users abounded everywhere, he sensed the need for a paradigm shift in cybersecurity, laying the foundations for Zscaler.

Zscaler works on a 'zero-trust' principle — treat every user and application as a potential threat until verified as safe. In a world where users need to access any application, anywhere, on any device and on any network, he views the firewall-based systems as ineffective. Verification and restricted access make for a better approach, he says.

Zscaler was a pioneer in turning the zero-trust concept into a subscription cloud service that allows customers to hide their apps from hackers. "If you are reachable, you are breachable," he says.

As CEO, even he has not been accorded the 'right' to make changes to the ERP system or the company's public cloud. Limited access to applications and critical infrastructure improves security, he says. The "never trust, always verify" protocol isolates the user from the network. Even if hackers hijack a device, they are trapped in a dead end, with no way to see or infect the rest of the company.

He points out that with Mythos-like models, more vulnerabilities will be uncovered. "Software always has vulnerabilities. As part of Anthropic's Glasswing project, we have been busy fixing vulnerabilities in our software infrastructure."

Further, with agentic AIs set to outnumber employees in many enterprises down the years, zero-trust and Zscaler assume even more importance in an AI world, he says. Besides making it easier for hackers to identify vulnerabilities, agentic AI usage also heightens risks when it gets compromised and remains in the corporate network — "yesterday, users were the weakest link; today agents are the weakest link when it comes to security".

INVESTOR DISCONNECT

Given his long stint in the tech ecosystem, what is his take on the SaaSpocalypse? Chaudhry argues for differentiation: "Claude code cannot write what SAP has done for ERP systems, which are complex; whereas a simple accounting system for a mom-and-pop store can be replaced. The easiest to disrupt are analytics and reporting."

Zscaler with a presence in around 160 locations and a seamless network connectivity has strong moats, he says. Mission-critical applications need 100 per cent certainty, he argues.

His 35 per cent stake in Zscaler (directly and through trusts) gives him the leeway to act as per his conviction, unlike other SaaS founder-CEOs. Such a high level of ownership is rare in US tech companies after multiple rounds of pre-IPO funding lead to ownership dilution. Zscaler was largely bootstrapped and its performance remains robust. The company is expected to close FY26 (ending July) with revenue of $3.3 billion and 25 per cent growth versus 23 per cent a year ago, and EBIT of around $750 million with margin at 23 per cent.

Here we see a paradox — as profitability scales up, investors are panicking. Wall Street's Rule of 40 (revenue growth% + free cash flow margin% or EBITA margin% need to be above 40 for a favourable view) is widely used. Zscaler ranks quite well at around 50 for FY26. The stock trades at one year-forward EV/revenue and EV/FCF multiple of 4.9 and 20 times, respectively (based on Bloomberg consensus estimates) — its cheapest since going public in 2018.

At the time of the IPO, Zscaler was processing 30 billion transactions a day; today it is over 750 billion — a 25 times increase (47 per cent CAGR). Revenue growth has kept pace at a scorching 43 per cent CAGR. If transaction growth remains strong, as Chaudhry expects with the rise of agentic AI, Zscaler investors may have less to worry compared with other SaaS firms.

On India, Zscaler's fifth largest market, Chaudhry says some private banks here are savvier than some western banks when it comes to cyber threats, but not so the smaller businesses. He has an overall message: Given the AI threat, all organisations need to buck up.

Finally, what would it take to make India a leader in the AI race? "India should think outside the box and ask itself what it can do to get its young people ready for the world of AI." It should includeAI in curricula at various levels and "look at ways to motivate kids".

"Books on motivation, positive thinking, working hard and success stories played a big role in my success," he signs off.

The writer was in Vienna at the invitation of Zscaler

CHENNAI
businessline.
MONDAY - JULY 6 - 2026

FUND FACTS.

$900 million

Dreamplug Technologies Private Limited received Series H funding from Meta Platforms Inc on June 22, taking the total funding to $1.945 billion.

$95 million

Square Yards Technology Private Limited received funding from EAAA Alternatives and Muzinich & Co on June 23, taking the total funding to $196 million.

$29 million

Limelight Lab Grown Diamonds Limited received funding from undisclosed investors and Bhathwari Group on July 1, taking the total funding to $74 million.

$23 million

Rapidue Technologies Private Limited received funding from undisclosed investors and undisclosed buyers on June 20, taking the total funding to $23 million.

$21 million

All Home Bharat Platform Private Limited received Series B funding from Strides and Bessemer Venture Partners on June 26, taking the total funding to $47 million.

Source: PrivateCircle Research, a private market intelligence platform

RE POSTS.

A founder told me their pitch deck ended up circulating on WhatsApp and reached their competitors.
This is venture capital's dirty little secret in India.
Every deck shared should be watermarked. It's easy with @claudeai.
Every start up deserves confidentiality.
Building is hard enough. Let's not make it harder.

Tejeshwi Sharma
@tejeshwi_sharma

Startups grow a lot faster when founders stop overcomplicating the business.

Andrew Gazdecki
@agazdecki

your startup only exists because the ai labs have shown you mercy

Craig Weiss
@craigweiss

Every startup eventually rediscovers why big companies do the annoying thing they swore they'd never do.

staysaasy
@staysaasy

◉ DIVING INTO DEEP-TECH

Biz built at quantum computing speed

QUBIT SCALE. From disaster mapping to drug discovery, startups are deploying quantum technology to offer cutting-edge services

Sanjana B

Whether it's quantum computers that can accelerate drug discovery or networks designed to withstand future cyber-attacks — a new generation of Indian startups are pursuing such opportunities at the cutting edge of information technology.

Quantum technology uses quantum mechanics to process information, achieve ultra high-precision measurements, and create secure communication channels.

Investors have been keenly tracking the scent. According to market intelligence platform Tracxn, India's quantum technology sector has raised $95.9 million funding between 2019 and 2026. Investment peaked in 2025 at $66.4 million across 13 rounds. So far in 2026, the sector has raised $107,000 across two funding rounds.

On April 14 this year, Qbit Force — a company based in Amaravati, Andhra Pradesh — launched a quantum computer made in India. CEO L Venkata Subramaniam explains how quantum computers can simulate molecules and their behaviour, enabling researchers to model potential drugs ahead of extensive laboratory and animal testing, which currently takes five to 15 years. Exponentially faster that classical computers, it can accelerate the discovery of newer medicines, fertilizers, plastics, and battery material.

Similarly, it can solve mathematical problems way faster, potentially boosting AI efficiency and improving applications such as weather forecasting, fluid dynamics, and the modelling of floods, avalanches and cyclones.

Of the two quantum computers Qbit built, SRM University bought one and a startup, Qubitech, bought the other.

Secunderabad-based Qclairvoyance Quantum Labs offers quantum cybersecurity services for corporate IT infrastructure, particularly in the BFSI (banking, financial services and insurance) sector. Its education platform helps establish quantum programming labs in colleges and universities. Its third vertical is drug discovery, says Sai Shankar, founder and Director.

ACCELERATING ADVANCES. (Clockwise from top left) Sunil Gupta, CEO, QNu Labs; L Venkata Subramaniam, CEO, Qbit Force; Nagendra Nagaraja, CEO-Chairman, QpiAI; Sai Shankar, Director, Qclairvoyance Quantum Labs; and Sujoy Chakravarty, CEO, Quanfluence

Bengaluru-based startup QpiAI's 8- and 25-qubit systems, too, are directed at consumers in the research and education segments (a qubit is the basic unit of information in quantum computing). It offers a 64-qubit system for advanced modelling, which is drawing interest from pharma, chemicals, manufacturing and finance companies.

Nagendra Nagaraja, founder, CEO, and Chairman of QpiAI, says the international market offers the biggest business opportunity for his products. "In India, advanced technology has historically been an export story first; domestic demand catches up over time." Government contracts are another revenue source for the company.

Founded in 2019, it has raised about $42 million funding to date.

QNu Labs, another Bengaluru-based startup, is building a "national backbone" for secure data transfer — a 2,000 km hybrid network combining quantum key distribution (QKD) and post-quantum cryptography (PQC).

Under the government-funded National Quantum Mission (NQM), QNu Labs recently demonstrated a 1,000 km QKD network — one of the world's longest — in under two years.

Co-founder and CEO Sunil Gupta sees a rising demand for quantum-safe migration from Indian enterprises. "In developed markets, large banks and telcos are doing pilots and PoCs (proof of concept). We see the pilot projects moving to production deployments in the near future," he says.

The company has raised nearly $20 million since its inception in 2016. Its latest round — a Series A — was led by the NQM, alongside some deep-tech investors and one of the largest private banks in India.

MISSIONARY ZEAL

The NQM is tasked with developing indigenous capabilities in quantum technology. Launched in 2023 with an outlay of ₹6,003.65 crore for the period 2023–24 to 2030–31, the mission's goals include developing intermediate-scale quantum computers with 50–1,000 physical qubits, quantum communication networks, advanced quantum sensors (used to measure physical quantities like magnetic fields, gravity, and temperature), and fostering a domestic quantum ecosystem through research, startups, talent development and industry collaboration. The applications in focus include cybersecurity, defence, healthcare, finance, telecommunications and research.

"NQM moved quantum from research to national priority, and gave buyers and investors the confidence to invest in this frontier technology," says Gupta. "Recently, NQM also released a quantum-safe migration policy and framework. What is missing now is procurement reform and a mandate from the regulators with clear adoption timelines," he adds.

The government and defence sectors make up a large chunk of his clientele. He foresees the share of the enterprise segment rising from 10 per cent to 40 per cent in the next three years.

Ajai Chowdhry, HCL co-founder and chairperson of the National Quantum Governing Board, says the NQM was designed to give startups significantly higher funding because quantum products require intensive R&D. Unlike the typical government grant of ₹50 lakh to ₹5 crore for startups, funding under the mission starts at ₹1 crore and can go up to ₹30 crore per startup.

"The moment we invested, VCs followed," Chowdhry says.

Shobhit Gupta, Principal, Avataar Ventures, says investor interest is concentrated in those parts of the quantum stack where market need is visible and technology risk is being gradually nullified. He picks quantum-safe cybersecurity and applications such as logistics and financial investments, among other areas of interest.

The firm focuses on quantum startups with demonstrated customer pilots, independently validated technology, and a clear path to scalable manufacturing and deployment, he says.

Acknowledging that India trails the US and China in quantum computing, Chowdhry says it is however "world-class" in quantum communication, with products many countries do not yet have.

NQM has approved the creation of a chip fabrication unit at Indian Institute of Science, Bengaluru, where startups can fabricate quantum chips instead of sending designs overseas. It is likely to be ready by the middle of next year.

"India needs stronger semiconductor and photonics manufacturing capabilities to accelerate product development," says Sujoy Chakravarty, CEO of Bengaluru-based Quanfluence, which is building a photonic quantum computing platform. The company expects to develop a universal quantum computer by 2029. Patient capital is another challenge, as hardware companies have longer development cycles than software startups, Chakravarty says.

◉ STARTUPS: VAI-THEE-FUSS

How India can cut dependency on global AI platforms

VAITHEESWARAN K

In the previous column we discussed how India risks being left out of AI technology ownership. However, all is not lost and the country can still take steps to ensure we don't end up merely as an AI consumer.

Indian engineers run global technology companies, startups in India attract billions in investment and our IT exports are the envy of nations that recognise us as a technology superpower, but all is not perfect. Instead of owning technology, we have become the world's digital workforce. As the world stands on the cusp of an incredible revolution, it is important to understand that AI isn't just another technology but part of a nation's strategic infrastructure, just like energy, factories, defence capabilities or telecommunication networks; hence it will be subject to sudden restrictions, as happened recently with the US announcement on Anthropic's advanced models.

Startups like Sarvam are trying to build indigenous capabilities instead of developing wrappers around overseas foundational models. But building frontier AI is not like launching an e-commerce company or a SaaS platform. It requires a broader ecosystem, and the economics are fundamentally different. Training advanced models requires enormous computing power, specialised chips, and massive datasets, and the cost can run into billions of dollars.

A meaningful AI strategy could require ten years of massive investment before we can expect outcomes at global level. Private investors may find this uncomfortable but the government cannot. Apart from world-class computing infrastructure, advanced chips, research funding and close collaboration between universities and industry, India needs patience. We cannot make the mistake of comparing every Indian effort with OpenAI or Anthropic.

The objective should be sovereignty, not supremacy. Critical capabilities must remain available to us, regardless of geopolitical developments. As India embarks on this AI journey, the risks are obvious. Large investments may fail badly. Technology may evolve faster than expected and global leaders could continue to extend their lead. But the risk of inaction is greater.

For decades, technology globalisation allowed India to access the best tools in the world. However, the future will belong to countries that own critical technologies. India has spent three decades supplying the world's tech talent, but the next three decades will be determined by whether it can own the technologies that shape the world. The question is no longer whether India can afford to invest in AI, but whether it can afford not to.

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

Fuelling Indian next-gen rocketry's liftoff

Startup picks a least crowded, and strategic corner of the space sector: solid propulsion systems

Aishwarya Kumar

The first rockets that Apurwa Masook and his friends built were anything but sophisticated. Fashioned out of PVC pipes and fuelled by a mixture of fertiliser-grade chemicals, they took shape not inside an aerospace laboratory but in the backyard of a college hostel in Odisha. None of the 15 students involved with the project had studied aerospace engineering. All they had among them was a civil engineer, a mechanical engineer, and an IT student. Yet the team kept experimenting until it built and launched a series of sounding rockets to survey the nearby Hirakud dam.

A decade on, the student project has evolved into SpaceFields, a deep-tech startup backed by IISc's Foundation for Science Innovation and Development. It focuses on one of the least crowded — and arguably the most strategic — segments of India's space and defence ecosystem: solid propulsion systems.

Co-founded by Masook, Sudarshan Samal, and Rounak Agrawal after the space sector was opened to private players in 2020, Bengaluru-based SpaceFields develops propulsion technologies for use across missiles, rockets, drones, and pyrotechnic systems. While much of India's private space ecosystem has gravitated towards launch vehicles or satellites, SpaceFields chose propulsion despite the high technological barriers involved. The reasoning was simple. Any rocket or missile needs fuel. "Propulsion is like the ink inside a pen," says Masook. "The platform may change, but without propulsion nothing moves."

DEFYING GRAVITY. SpaceFields co-founders (from left) Apurwa Masook, Sudarshan Samal, and Rounak Agrawal; (top) the test-firing of the firm's Aerospike rocket engine

DEFENCE NEEDS

The company is also addressing a less-discussed challenge. India has decades' worth of imported missiles and rockets with propellants that have reached the end of their operational life, even though many of the systems remain usable.

SpaceFields is developing indigenous capabilities to refurbish these ageing stockpiles, and help reduce dependence on foreign original equipment manufacturers at a time when geopolitical conflicts have hit global supply lines.

Its customers include defence organisations such as HAL, Bharat Electronics and the Indian Navy, alongside several space-focused startups. The company has won five iDEX challenges under the Ministry of Defence and more than a dozen R&D contracts.

To support future growth, SpaceFields recently moved into a 42,000 sq ft R&D facility in Bengaluru, which has integrated chemistry labs, prototyping capabilities and design infrastructure. The Andhra Pradesh government has allotted the startup 121 acres in the Anantapur Defence Corridor, where it plans to establish its manufacturing base.

For a company that began with borrowed tools, pocket money and tinkering in a hostel backyard, the ambition today stretches far beyond rocket launches. It is building the propulsion technologies that could power India's next generation of defence and space programmes.

Consumption is an evergreen story

bl.interview

Jyoti Banthia

Consumer-focused investment firm V3 Ventures looks to deploy ₹250-300 crore annually in early-stage startups this year, up from ₹220-240 crore last year.

Using an evergreen investment structure, rather than a traditional venture capital fund, over the past four years, the firm is currently investing across seed to Series A rounds.

Nearly 70 per cent of its annual deployments are earmarked for new investments and the rest for follow-on rounds. Arjun Vaidya, co-founder, V3 Ventures, outlines why he remains bullish on India's consumer opportunity, and the firm's investment strategy and exit roadmap.

Edited excerpts:

V3 has backed only consumer businesses. What makes you confident about this space?

It's the only sector I've worked in over the last 12 years, so it was a natural choice.

More importantly, India itself has changed dramatically. Consumers today are increasingly choosing high-quality Indian brands over imported products. Rising disposable incomes, digital commerce and access to premium products across tier-II and tier-III cities have expanded the opportunity. I believe 'consumer' is an evergreen sector.

> Digital services, gaming, the senior economy and travel are areas where we expect the next wave of consumer businesses
>
> **ARJUN VAIDYA**
> Co-founder, V3 Ventures

Categories may evolve — from traditional snacks to protein bars or sugar-free products — but consumption itself continues to grow over the long term.

How much have you deployed so far and what does the portfolio look like?

We've deployed roughly ₹600 crore across 26 companies over the last four years.

Some of our key investments include Kuku FM, SuperYou, Earthfull, CuraPod, The Hosteller, Dr. Doodly and LightFury Games.

Which consumer themes excite you the most?

Beauty and personal care continue to be in focus, but we're also increasingly investing in specialised brands rather than broad categories. Health, wellness, sports nutrition and preventive healthcare are seeing tremendous momentum as Indian consumers become more health-conscious. We also like lifestyle categories such as handbags, jewellery, luggage and pet care. Looking ahead, digital services, gaming, the senior economy and travel are areas where we expect the next wave of consumer businesses.

What is your typical cheque size?

We write cheques ranging from ₹5 crore to ₹40 crore. We are equally committed to supporting our winners through follow-on rounds and have already participated in seven to eight follow-on investments. The exact amount depends on what the business needs at that stage of growth.

What kind of exits do you target?

There is no one-size-fits-all approach. Companies like Kuku FM could eventually pursue an IPO, while others may find the best outcome through strategic acquisitions or secondary sales. Our objective is to choose the route that creates the maximum value for both founders and investors, rather than chasing a particular exit format.

DATA BANK.

Individual borrowers drive commercial credit growth

Individual borrowers are emerging as an important segment within commercial credit (loans to micro, small and medium enterprises) and accounting for a significant share of outstanding balances, says a joint report by TransUnion CIBIL and Small Industries Development Bank of India (SIDBI).

As of March 2026, the combined outstanding commercial balances across individual and enterprise borrowers stood at ₹65.8 lakh crore, with individuals accounting for 28 per cent.

This evolution underscores the need to better understand credit behaviour at the borrower level and recognise the diverse ways in which businesses access finance, said Bhavesh Jain, MD and CEO, TU CIBIL.

"The opportunity ahead is substantial. India's MSME ecosystem continues to hold immense potential, with a considerable gap between registered enterprises and credit-active entities. As of December 2025, India had 8.7 crore registered MSMEs, while only 3.6 crore had ever accessed formal credit as of March 2026.

"Bridging this gap will require collective effort from all stakeholders to make credit more accessible, relevant, and responsive to the needs of emerging businesses," Jain said in his foreword to the report, titled 'MSME Pulse'.

Commercial entities with aggregate exposure greater than ₹10 lakh witnessed double-digit growth in the three-year period ending March 2026. However, entities with aggregate credit exposure of ₹2-10 lakh — new-to-credit (NTC) entities constitute the largest share here —experienced the slowest growth at 5 per cent three-year CAGR in outstanding balances during the period.

"Commercial credit growth is increasingly being driven by individuals, making borrower-level combined assessment essential for understanding commercial exposure. There is a need to integrate bureau signal across consumer and commercial bureau.

"Limited growth in borrower segment with less than ₹10 lakh exposure indicates slower expansion of NTC entity borrowers... this requires targeted strategy for borrowers with comparatively small aggregate exposure," the report said.

Distinct borrower segments are being served by different lender types, with public sector banks enabling entry-level access to entities under ₹10 lakh exposure, non-banking financial companies scaling up the ₹10 lakh to ₹2 crore segment, and private banks dominating the ₹2 crore-plus segment.

Portfolio concentration

Sectoral credit continues to witness concentration in terms of ticket size and geography — for example, manufacturing is concentrated in textile, engineering and food processing based out of Maharashtra and Gujarat. In this regard, the report suggested that it is imperative to build early warning signals specific to cluster shocks to prevent concentration risks.

Emerging stress

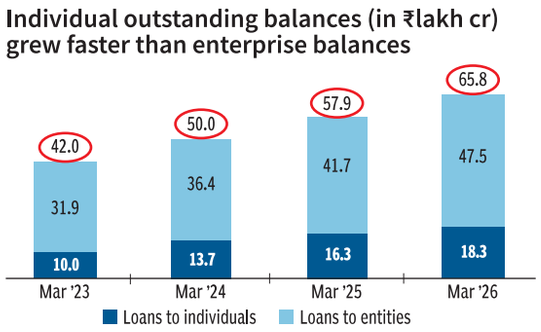
While balance-level delinquencies have remained stable, certain pockets have witnessed emerging stress in early delinquencies — accounts "ever" (those who have taken loans at least once) 90+ DPD (days past due) in 12 months since origination for unsecured business loans have shown 2.9 times higher delinquency for March 2025 origination when compared to the overall figures. Similarly, enterprise borrowers with aggregate exposure of ₹2-10 lakh witnessed 2.1 times higher delinquencies.

Untapped NTC opportunities

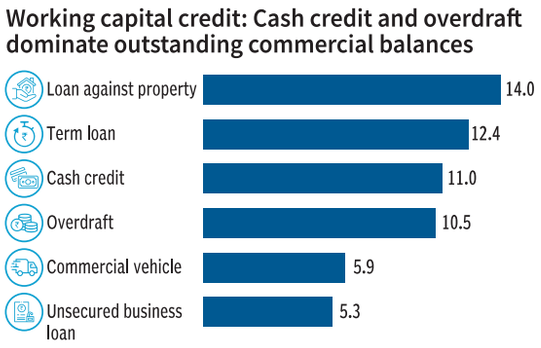
States with a low share of ever-credit enterprises in the Udyam registration portal and a low share in NTC originations present an opportunity for expanding credit access.

A majority of the originations in the ₹2-10 lakh ticket size is towards NTC, 60 per cent of which have experience in retail credit.

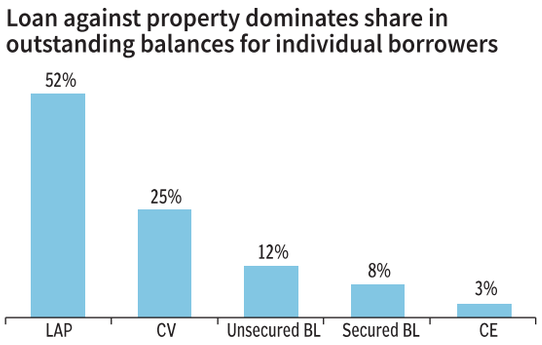
Individual outstanding balances (in ₹lakh cr) grew faster than enterprise balances



Working capital credit: Cash credit and overdraft dominate outstanding commercial balances



Loan against property dominates share in outstanding balances for individual borrowers



Source: TransUnionCIBIL

SIZING UP

'Small' only in name, not in reach

MODEL GROWTH. Why Suryoday SFB's chief insists nothing stops the lender from serving its customer base effectively

K Ram Kumar
Mahesh Ravidas Nayak

It has been close to a decade since small finance banks (SFBs) commenced operations. These niche banks, set up to further financial inclusion, have given a good account of themselves, making them eligible to transition to universal banks.

In an interaction with *businessline*, Baskar Babu R, MD and CEO, Suryoday Small Finance Bank, and Chairman, Association of SFBs of India, observed that the sector has very few operational constraints vis-a-vis universal banks.

However, he emphasised that if the central bank were to address regulatory differences such as the "small finance bank" nomenclature and restrictions on co-lending, then there is no reason why SFBs cannot continue to thrive as standalone institutions.

Edited excerpts:

DAWN OF NEW STRENGTH. Baskar Babu R, Managing Director and CEO, Suryoday Small Finance Bank

Given that SFBs were set up nearly a decade ago, is there a need for the regulatory framework to evolve further?

Fundamentally, an SFB is already meeting almost all the financial needs of its chosen customer segment. From a business perspective, there are very few operational constraints.

When the SFB guidelines were issued in November 2014, certain limits were prescribed. For instance, at least 50 per cent of the loan book must consist of loans of up to ₹25 lakh. One would expect those thresholds to be revised over time to reflect inflation and the growth of the economy.

That said, most SFBs are still comfortably meeting all the prudential norms. Even if the RBI were to revise the thresholds, it would simply be a natural progression rather than a fundamental change in the business model.

We can offer home loans, vehicle loans, business loans, and accept deposits just like any universal bank. The regulatory framework is broadly similar.

Our priority sector lending (PSL) requirement is higher but, in practice, most SFBs already have 60-70 per cent of their loan book under PSL. So, that isn't a constraint for growth. There is very little that prevents an SFB from serving its target customers effectively.

What is the biggest difference between an SFB and a universal bank?

The biggest difference is the nomenclature. When customers hear "small finance bank", they often ask whether we can finance larger loans, whether their deposits are as safe as they are with other banks, or whether we are a full-fledged commercial bank.

Over the years, each SFB has built a strong regional brand. For example, ESAF SFB is well known in Kerala, Equitas SFB and AU SFB have a strong presence in Tamil Nadu, and in the North and West, respectively.

Today, customers increasingly recognise these brands independent of the "small finance bank" label. However, the nomenclature still creates a perception challenge and often requires us to offer slightly higher deposit rates compared with larger universal banks. That, in my view, is one of the key motivations for seeking a universal banking licence.

If all SFBs were to transition into universal banks, how different would their balance sheet look?

In most cases it wouldn't look very different. The business model, customer segments and portfolio composition would remain largely unchanged. The only difference would be in scale.

Several SFBs today are already larger than some existing universal banks.

Should all SFBs transition into universal banks?

I don't think so. There is a perception that becoming a universal bank is the natural graduation path. I'm not convinced that's true. It's similar to cricket. Not every great player wants to become the captain. Many exceptional players are perfectly happy focusing on their own game. Likewise, an SFB can continue to be a successful and profitable institution without necessarily becoming a universal bank.

So, the pressure is more over perception than business necessity?

That's right. If you look at successful NBFCs (non-banking financial companies) such as Bajaj Finance, Cholamandalam or Sundaram Finance, they are not clamouring for banking licence.

They have built outstanding businesses within the NBFC framework. Their cost of funds is competitive, their operating structures are efficient, and they continue to grow successfully.

Similarly, if regulatory differences do not create a disadvantage, then there is no compelling business reason for every SFB to become a universal bank.

If some of the remaining regulatory differences — such as the "small finance bank" nomenclature and restrictions on co-lending — are addressed, then there is no reason why SFBs cannot continue to thrive as standalone institutions.

Does India need more SFBs?

India needs a healthy layer of well-governed, mid-sized banks. We shouldn't think only in terms of consolidation into a handful of very large institutions. A vibrant banking system also requires banks that are growing from ₹1,000 crore to ₹15,000 crore and eventually much larger. Because SFBs start from a relatively small base, they can often grow much faster. Personally, I believe India could comfortably support another 10 well-run small finance banks.

What are the learnings from a decade of SFB operations?

One of the biggest strengths of our sector is that we have already experienced multiple economic cycles in a relatively short period. Many of us have gone through the transition from NBFC into bank, navigated the Covid-19 pandemic and, more recently, dealt with the challenges in the microfinance sector.

Successfully managing these cycles has strengthened the fundamentals of the sector. We have demonstrated resilience, maintained depositor confidence and shown that the business model can withstand periods of stress.

Are you seeing a strong interest from new players in setting up SFBs?

At the moment, not really. For the SFB model to attract new entrants, it has to consistently demonstrate attractive returns, sustainable profitability and a clear competitive advantage over other financial structures.

At present, investors tend to favour either NBFCs or large universal banks. Small finance banks often find themselves somewhere in between.

So improving the positioning of the SFB model is important?

Rather than focusing only on the transition to universal banking, we should strengthen the standalone SFB model. Our priority is to build an excellent banking model that serves customers on both sides of the balance sheet.

How would you do that?

During the first decade of the SFB journey, the liability and asset franchises evolved somewhat independently.

Deposits largely came from one customer segment, while loans were extended to another. There has been limited overlap.

The next phase is about deepening those relationships so that the customer both saves and borrows with us. That creates a much stronger and sustainable banking franchise.

What are your growth aspirations for the next 3-4 years?

Today, we are a bank with a balance sheet of ₹19,884 crore (as at March-end 2026). Our ambition is to become a ₹50,000-crore institution while meaningfully serving around one crore customers.

Our aspiration is to serve around 2 per cent of Indian households meaningfully over the next three years. Rather than focusing purely on the balance sheet, our primary metric is meaningful customer reach.

If we can achieve that objective while maintaining a disciplined growth of 25-35 per cent annually, the balance sheet will naturally follow.

Sustainable growth is more important than pursuing size for its own sake. Equally important is building strong market positions in our chosen geographies. Rather than trying to be everything to everyone, we'd like to become a meaningful banking franchise in the markets where we operate. I would rather build a "super-SFB" that creates real impact than simply become another universal bank.

You mentioned "meaningfully serving" customers. What does that mean in practice?

Today, we have around 40 lakh customer relationships, but meaningful engagement is lower. For us, meaningful inclusion entails much more than extending a microfinance loan.

Ideally, the customer should have an active savings account, gradually build deposits through regular savings, borrow responsibly as their financial needs evolve and increasingly use digital banking rather than depending on physical collections.

When a customer progresses from basic microfinance to becoming a full-fledged banking customer, that is true financial inclusion.

'Bad banks' are like vitamins for good banks

How asset reconstruction companies enable banks to focus on their core activities and quarantine non-performing assets

HARI HARA MISHRA

There has been a spate of news recently on the sale of loans to asset reconstruction companies (ARCs) and the settlement of loans at low prices. Here it is important to understand the market dynamics and other commercial aspects that influence the pricing of a distressed debt. Once an account turns into a non-performing asset (NPA), the value of the underlying security starts deteriorating, while the dues of the bank keep increasing on expected lines, as there is the 'time value of money'. An apple once rotten cannot fetch the same optimal value it attracted in its prime state.

The value erosion and nose-diving price can be explained using *Table 1*. Let us take 12 per cent as interest rate (time value of money) and a 20 per cent deterioration of security value each year. These are approximate numbers used for the limited purpose of explaining value erosion. Even in the case of a loan with 100 per cent security, the position turns as shown.

True, this is an oversimplified table, used only to provide a perspective on how the loss on an NPA sale increases with each passing year, all other things remaining constant. One important thing to note is that the major component of this is the notional loss of accrued interest.

The entire NPA sale process — from banks to ARCs or, for that matter, to other eligible entities like banks and thousands of non-banking financial companies (NBFCs) — is through an auction process, with an additional Swiss challenge method for larger loans. One must trust that the market is right and the equilibrium price is attained through the price discovery mechanism. There could be aberrations, which need to be dealt with as per regulations and laws.

ARCs — the entities known as 'bad banks' — acquire bad loans from the books of banks and resolve them through various permissible asset reconstruction measures, which include restructuring, asset sales, settlement, and so on. ARCs are regulated by the RBI, which covers their entire lifecycle and areas of functioning, including the settlement process, where the amount and logic is vetted by an independent advisory committee consisting of professionals.

Table 1

Timeline of a non-performing asset's value and price erosion

Year taken for realisation from date of NPA	Amount involved (in ₹)	Available security cover (value in ₹)	Possible loss (in ₹)
0	100	100	0
1	112	80	-32
2	125	64	-61
3	140	51	-89

Position of IBC as at March 2026 (cumulative), for which the latest figures are available

Category	Number of cases (Resolution plan approved/ liquidation order passed)	Claim amount (in ₹cr)	Amount realisable in resolution/ liquidation proceeds realised and realisable (in ₹cr)	Overall recovery %
Resolution	1,419	14,13,663	4,31,987	31
Liquidation	3,003	22,09,053	72,579	3
Total	4,422	36,22,716	5,04,566	14

Status of recovery by banks through legal mechanisms: FY 2025

Category	No. of cases referred	Claim amount (in ₹cr)	Amount realised (in ₹cr)	Overall recovery %
Lok Adalat	1,49,12,705	1,97,907	4,742	2
DRT	34,430	1,29,516	12,363	10
SARFAESI	2,15,709	1,03,180	32,466	31
IBC	732	1,49,045	54,528	37
Total	1,51,63,576	5,79,648	1,04,099	18

Sales to ARCs – Cumulative figures up to 2025

Book value of assets transferred to ARCs (in ₹cr)*	Purchase consideration — security receipt issued (in ₹cr)	Acquisition price to dues transferred (%)
16,19,124	3,20,887	20

*Includes large vintage SASF accounts amounting to over ₹4 lakh crore in 2025

Source: RBI, IBBI

Bad banks help banks exit bad loans and focus on lending (good banking), which in turn aids economic growth. There is a direct correlation between credit growth and GDP. The Indian landscape is dominated by consortium lending and/or multiple lending due to the concentration and exposure norms in banks and risk management. When a loan turns bad, recourse to recovery processes like SARFAESI (Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest) or Insolvency and Bankruptcy Code (IBC) requires a certain threshold of consent from creditors (60 per cent and 66 per cent, respectively) to drive the process. ARCs fit in here by aggregating debt and driving resolution. Besides, the specialised skills developed at ARCs over two decades of experience aid in value maximisation.

An analysis of other mechanisms versus ARC sales shows some interesting results.

Agreed, IBC is not strictly a recovery mechanism, and its performance need not be evaluated only on the basis of recovery, as many cases are closed even before admission and there is an appreciation in value post resolution and so on. The aggregated recovery is low, as many cases are of pre-IBC vintage and with no tangible security, from the days of the Board for Industrial and Financial Reconstruction (BIFR).

In ARC sales, since there could be part payment in security receipts (amount paid only if realised from underlying assets), the effective return for banks holding security receipts could be less. However, in a sale to ARCs there is always a minimum upfront cash payment, unlike in a legal mechanism, where payment is received only after the recovery case is disposed of.

So, ARCs have been an integral part of the financial system, helping banks focus on their core activities and quarantining NPAs. Banks had a gross non-performing asset ratio of over 11 per cent in FY2018, which dropped to 2 per cent by FY2025. The absolute level of NPAs has fallen from ₹10 lakh crore to ₹4 lakh crore during the period, with banks transferring ₹9 lakh crore total dues (NPAs inclusive of interest) to ARCs. After discounting the effect of this added unrealised accumulated interest, it can be assumed that, but for the sale to ARCs, banks today would possibly have been struggling with a staggering additional NPA volume, equivalent to the level they hold today, imposing a drag on their capital and credit creation.

The writer is CEO, Association of ARCs in India. He was part of a government-appointed key advisory group that drafted the ARC sector reforms report in 2011. Views here are personal

CHENNAI
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QUICKLY.

Akasa to operate flights under UDAN scheme

New Delhi: Akasa Air plans to operate flights under the government's regional air connectivity scheme UDAN, according to CEO Vinay Dube, who also said that aircraft are joining its fleet at a steady pace. The carrier, which is set to complete four years of commercial flying next month, has taken delivery of nine new Boeing 737 MAX aircraft so far this year. It has placed orders for 226 planes and all the remaining 186 aircraft are expected to join the fleet by the end of 2032. The airline aims to increase capacity by 30 per cent in this financial year, and the growth would be in the range of 30-40 per cent in the next 4-5 years. In an interview with *PTI*, Dube said the airline plans to be part of the UDAN scheme and would carry out a study on a sector-by-sector basis. On whether Akasa Air will be participating in the ATF Price Stabilisation Fund and the ECLGS, Dube said the airline was studying the terms and conditions of both initiatives before taking a final decision. PTI

EV companies raise ₹3,800 crore as investor interest accelerates

STRATEGIC FUNDING. Four major fundraising deals showcase investment appetite in automobile, EV ecosystem

Amit Vijay Mohile
Mumbai

India's automobile sector is attracting fresh capital amid resilient vehicle demand, with companies raising nearly ₹3,800 crore through four major fundraising deals in recent months, according to an Equirus Capital report.

The fundraising activity spans original equipment manufacturers (OEMs), electric vehicle start-ups and mobility operators, reflecting broad-based investor interest across the automotive value chain as companies invest in manufacturing capacity, fleet expansion and balance-sheet strengthening.

FOCUSED INVESTMENT. The fundraising activity spans OEMs, electric vehicle start-ups and mobility operators

FUNDRAISING ACTIVITY

Craftsman Automation led the fundraising activity, raising around ₹2,000 crore through a qualified institutional placement (QIP), with the proceeds earmarked largely for debt reduction and capacity expansion.

Ola Electric Mobility mobilised nearly ₹780 crore through a QIP to strengthen its balance sheet, expand manufacturing and support future growth initiatives.

Bengaluru-based EV manufacturer Simple Energy raised around ₹250 crore through a Series B funding round to scale production, while JBM Ecolife Mobility secured approximately ₹750 crore in strategic funding to expand its operational electric bus fleet from around 3,400 buses to nearly 5,000 buses over the next 12 months.

CAPITAL EXPENDITURE

Investment activity extended beyond fundraising. Rane (Madras) entered into an agreement to acquire Hindustan Composites' friction business for around ₹370 crore, while Sona BLW Precision Forgings approved around ₹63 crore of capital expenditure to diversify into the manufacturing of robotics components, highlighting continued investment across the broader mobility ecosystem. The report highlighted continued progress in India's transition to electric mobility.

Policy support for the transition has also continued to strengthen.

The Delhi Government notified the Delhi Electric Vehicles Policy 2026, which envisages an investment plan of around ₹15,000 crore to accelerate EV adoption through fiscal incentives and phased electrification targets.

According to Equirus, the combination of sustained fundraising, strategic acquisitions, resilient domestic demand and rising EV adoption provides a supportive backdrop for the automobile sector's medium- to long-term growth, with auto ancillary companies continuing to account for a significant share of overall deal activity.

'Telcos see 5% ARPU growth in Q1 driven by premiumisation'

Vallari Sanzgiri
Mumbai

Brokerage firms expect India's telecom companies to begin FY27 on a stable note, with the first quarter reflecting a 5 per cent year-on-year (y-o-y) increase in average revenue per user (ARPU), driven by premiumisation initiatives and subscriber growth.

On a sequential basis, brokerages estimate the ARPU to grow by 1.5 to 2 per cent, owing to ongoing subscriber upgrades, an improved subscriber mix and the presence of one additional day in the quarter. No analyst reports were readily available for Jio Infocomm, as all major brokerages are associated with the company as merchant bankers for its proposed IPO.

"The industry's wireless ARPU is likely to grow at around 12 per cent CAGR over FY26-28, driven by regular tariff hikes and multiple premiumisation strategies," said JM Financial Institutional Securities.

Bharti Airtel's premiumisation benefits, including 4G to 5G upgrades, higher postpaid subscriber additions and data monetisation are expected to increase ARPU by 4.8 per cent y-o-y to ₹262, according to ICICI Securities. Meanwhile, Vodafone Idea's ARPU could outperform with a 7.2 per cent y-o-y increase to ₹177.

REVENUE GROWTH

In terms of revenue, Airtel is expected to report 2-3 per cent quarter-on-quarter (q-o-q) growth in wireless revenue/EBITDA, driven by robust mobile broadband performance, subscriber gains of around 4 million, healthy overall wireless subscriber additions of 3.3 million and a likely 1.5 per cent improvement in ARPU to ₹261. Vodafone Idea's revenue is also expected to grow by 1.8 per cent sequentially to ₹11,500 crore.

Meanwhile, ICICI Securities has projected Bharti's India revenue to increase by 2.7 per cent q-o-q and 8.7 per cent y-o-y to ₹41,200 crore

Tata Communications' revenue is set to grow 12.3 per cent y-o-y, driven by its digital portfolio and supported by the depreciation of the Indian rupee against the US dollar. "Revenue growth, slowed capex, and rising network utilisation should help continue margin uptick; we expect wireless EBITDA margins to expand 10-50 bps q-o-q," said Axis Capital in its research note.

TARIFF HIKE

Brokerages have flagged improved visibility of a 12-15 per cent tariff hike over the next 3-6 months, as global inflationary concerns ease, coupled with the government's intent to ensure a '3+1' player market structure and the industry's requirement to improve return on capital employed amid limited avenues to monetise substantial 5G investments.

"Potential repair of the industry tariff structure to a 'pay as you use' model is also likely to aid ARPU growth in the long term. Moreover, the potential 5G monetisation and FWA rollout provides significant upside risk over the long term," said JM Financial.

FMCG firms witnessed steady consumption trends in June quarter

Meenakshi Verma Ambwani
New Delhi

Leading FMCG companies have indicated that they witnessed steady consumption trends in the domestic business while rural consumption continued to outpace urban regions.

This comes even as consumer product companies have been navigating a volatile geopolitical environment and facing inflationary pressures.

Several FMCG players said they expect to post double-digit growth for the India business for Q1FY27 even as they are closely monitoring the impact of El Nino on monsoon distribution.

In its recent quarterly update, Marico pointed out that demand trends in the June quarter remained steady, supported by resilient economic activity. The company said its India business accelerated its growth trajectory, "delivering double-digit underlying volume growth and reaching a multi-quarter high".

UPBEAT FORECAST. Several FMCG players said they expect to post double-digit growth for the India business for Q1FY27 REUTERS

ROBUST PERFORMANCE

"Consolidated revenue is expected to grow in the early twenties, driven by robust broad-based performance across our core, digital and international businesses," it added.

Dabur India noted that the India FMCG business demonstrated resilience, registering "near double-digit growth" in Q1FY27. "Despite the challenging geopolitical backdrop and hyperinflationary pressures across our key markets, consumer sentiment remained resilient, with business trajectory improving sequentially, quarter-on-quarter. For the domestic business, rural and urban markets are sustaining their growth trend, with rural continuing to outpace urban," it stated. Godrej Consumer Products Ltd (GCPL) said at a consolidated level it expects to deliver "high-teens" revenue growth for the June quarter.

"Overall, across the FMCG industry we have seen an acceleration in value growth with the demand environment remaining stable, aided by continued momentum across the broader global economy and consumer sentiment holding up despite crude-led input cost inflation," the company added. GCPL added that it began witnessing some easing of cost pressures in the closing weeks of the June quarter.

FMCG companies said they are closely monitoring the evolving inflationary conditions as well as the impact of El Nino conditions on monsoons, as it has the potential to disrupt agricultural output and rural demand.

"In the past 10 years, we haven't seen a big correlation of El Nino on FMCG slowdown, as it is much more important to monitor the spatial distribution of rains in high-population States rather than just the headline deficit in rains. Monsoon has picked up well over the past few days, but it will remain a key monitorable," said Abneesh Roy, Managing Director and Head of Research Committee, Nuvama Institutional Equities.

Dollar inflows via FCNR(B) may put further pressure on gold prices

Suresh P Iyengar
Mumbai

Gold prices have come under pressure over the past month due to weakness in global bullion markets, while expectations of substantial dollar inflows through the RBI's FCNR(B) deposit scheme have further dampened sentiment.

Domestic gold prices in the last month fell 6 per cent to ₹1,46,344 per 10 g on July 3, from ₹1,55,581 on June 4. The yellow metal is also down 14 per cent from its record high of ₹1,69,349 recorded in March, according to data from the India Bullion and Jewellers Association (IBJA).

Analysts said the correction is mainly driven by softer global gold prices and easing geopolitical concerns, with expectations of FCNR(B)-linked dollar inflows emerging as another factor that could limit gains in domestic gold prices.

SHARP DECLINE. Domestic gold prices in the last month fell 6% to ₹1,46,344 per 10 g on July 3, from ₹1,55,581 on June 4

SWAP FACILITY

The RBI recently announced a USD-INR forex swap facility for fresh FCNR(B) deposits with 3-5 year tenors until the end of September, under which the central bank absorbs the entire forex hedging cost. Following the move, banks have raised FCNR(B) deposit rates to about 6-7 per cent from 3-4 per cent earlier, making the scheme more attractive to non-resident Indians.

While the deposit mobilisation drive is still in its early stages, banks have reported strong enquiries from NRIs, and market participants expect sizeable inflows over the coming months.

NRIs have booked nearly $7 billion in FCNR(B) deposits in June alone, with overall inflows projected to reach $50 billion by October and stabilise rupee depreciation. Major banks offering these deposits include SBI, HDFC Bank, YES Bank and Axis Bank.

Shweta Rajani, Head – Mutual Funds, Anand Rathi Wealth, said higher FCNR (B) inflows would strengthen forex reserves and support the rupee.

She pointed out that when the RBI introduced a similar scheme in 2013, FCNR(B) deposits attracted about $25-30 billion, helping stabilise the currency.

"Since the announcement of the RBI measures, the rupee has appreciated from around ₹97 to ₹94.6 against the dollar, while domestic gold prices have corrected by nearly 8-9 per cent from their June peak. The rupee appreciation has contributed to the decline in local gold prices," she said.

According to Rajani, expectations of sustained dollar inflows have improved sentiment towards the rupee, which in turn could keep domestic gold prices under pressure even if international bullion prices remain stable.

She added that gold could face further headwinds if geopolitical uncertainties continue to ease and the government rolls out a revamped Gold Monetisation Scheme.

"A redesigned Gold Monetisation Scheme could mobilise idle household gold, reduce dependence on imports and lower demand for fresh gold purchases. This would ease pressure on the current account and support the rupee, creating additional downside risks for domestic gold prices," she said.

Manav Modi, Analyst, Precious Metal Research at Motilal Oswal Financial Services, said the dollar-rupee exchange rate has remained volatile in recent months due to tariff-related developments, geopolitical tensions in the Middle East, and RBI policy actions.

STRONGER RUPEE

"A stronger rupee generally weighs on domestic gold prices because international bullion is priced in dollars. However, the impact of the RBI's FCNR(B) measures is likely to play out gradually as inflows gather pace," he said.

Market expectations of sustained FCNR(B) inflows and any resultant appreciation in the rupee could act as a cap on domestic gold prices, alongside broader trends in global bullion markets, he added.

OPEC+ set to approve another oil output increase, say sources

Reuters
London

OPEC+ is set to agree another increase in output targets from August, sources with knowledge of the matter said, adding to global supply amid falling oil prices due to a gradual reopening of the Strait of Hormuz for oil exports.

The oil-producing group has agreed in principle to increase quotas by 188,000 barrels per day from August, on top of similar increases for June and July, one OPEC+ source said ahead of the group's meeting.

Sources said an increase of this amount was the most likely decision as a result of the online discussion.

OUTPUT QUOTAS

Seven core members of OPEC+, which groups OPEC and allied producers including Russia, have increased their output quotas from April through July by almost 800,000 barrels per day.

Yet the increase has remained largely on paper because of the US-Israel war on Iran, which closed the Strait of Hormuz for passage of tankers from some of the most important OPEC+ members including Saudi Arabia, Kuwait and Iraq.

OPEC+ output fell to 33.13 million bpd in May, according to OPEC data, from 42.77 million bpd in February. It began to recover in June thanks to US efforts to help the UAE and other OPEC+ nations to export more oil, but is still below pre-war levels.

PRE-WAR LEVELS

Despite persisting supply disruptions, oil prices have returned to pre-war levels, pressured by lower Chinese imports, higher exports from non-West Asia producers, and a record global strategic stock release coordinated by the International Energy Agency.

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