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CEMENTING SUCCESS

# From Chennai to the world

Schwing Stetter builds on India's infrastructure boom to target global markets

**BUILDING BIG.** VG Sakthikumar, Chairman and Managing Director, Schwing Stetter India BIJOY GHOSH

**T E Raja Simhan**

From the soaring arches of the Chenab railway bridge in Kashmir to the pillars of the new Parliament house in Delhi, Schwing Stetter India's heavy machinery has played a key role in the country's unfolding modern infrastructure story. Nearly three decades after dropping roots in Chennai, the engineering giant is scaling up to establish in India a global manufacturing hub for construction equipment.

Part of Germany's Schwing Group, the company has grown alongside India's infrastructure boom. Thousands of its truck-mounted concrete mixers, batching plants and boom pumps are deployed at construction sites for highways, bridges, metro rail projects and high-rise buildings. While India remains one of its fastest-growing markets, the company also has global ambitions for it.

"India is no longer just our domestic market. It is becoming our manufacturing hub for the world," says VG Sakthikumar, Chairman and Managing Director, Schwing Stetter India.

**THE FOUNDATION**

Schwing Stetter began operations in India in 1998 from a rented facility in Manapakkam, Chennai. Three years later, it established its first manufacturing plant at Irungattukottai, near Sriperumbudur, which has since evolved into one of the country's largest manufacturing centres for construction equipment.

Expansion has continued across business cycles. In 2021, during the pandemic, the company commissioned a new manufacturing complex. Its latest ₹120-crore investment has added advanced fabrication facilities, one of India's largest automated paint shops and new machining centres. In all, Schwing Stetter has invested nearly ₹700 crore in Tamil Nadu and acquired an additional 50 acres for future expansion.

Beyond Tamil Nadu, it opened a manufacturing facility in Jamshedpur, Jharkhand. Located near Tata Motors' manufacturing base, the plant will produce truck-mounted concrete mixers with reduced logistics costs and improved delivery efficiency.

**BEYOND CONCRETE MIXERS**

Apart from concrete mixers and other construction equipment, Schwing Stetter is now diversifying into the manufacture of dry mortar plants, aggregate crushers, precast equipment, ice plants and loop belt truck-mounted conveyor systems.

Innovation has expanded its equipment's usage beyond construction. Engineers have adapted its boom technology to develop specialised fire-fighting vehicles capable of reaching the upper floors of high-rises, which are inaccessible to conventional fire engines.

The company commands around 85 per cent of India's market for truck-mounted concrete mixers and about 20 per cent for self-loading mixers. Its Chennai facilities currently manufacture around 11,000 machines annually, and capacity is expected to reach nearly 18,000 units after the Jamshedpur plant becomes operational.

There are customers who say they have grown on the back of the company's equipment. C Murali, Director of Amaze Concrete Pvt Ltd, says Schwing Stetter has improved the speed, precision and reliability of projects. "Their reliable, high-performance equipment, backed by responsive service and strong technical expertise, has improved operational efficiency and given us the confidence to undertake larger and more complex projects," he says.

Naveen Kumar, Senior Manager at SunX Concrete India Pvt Ltd, is all praise for the brand's dependable after-sales support.

**EXPORT-LED GROWTH**

Exports are expected to drive the company's next phase of growth. Export revenue has doubled over the past two years, from about ₹120 crore to ₹250 crore, and slated to double again this year to around ₹500 crore, driven by demand from Africa, South Asia and West Asia.

The company's global parent has begun shifting the production of select products from China, Europe and the US to India. Self-loading mixers manufactured near Chennai will initially cater to South American markets before expanding to Central Asia; loop belt truck-mounted conveyor systems made in India will head to the US market.

India's construction equipment industry has, meanwhile, slowed after several years of rapid growth. According to Sakthikumar, the domestic market nearly doubled from around 70,000 machines annually during the pandemic to about 1.4 lakh units by 2023, before moderating due to slower project awards and geopolitical disruptions.

Schwing Stetter, however, remains optimistic. Continued investments in highways, metro rail, freight corridors, renewable energy and urban infrastructure are expected to sustain long-term demand. The company expects its core construction equipment business to grow by nearly 24 per cent this year to around ₹3,900 crore, he says.

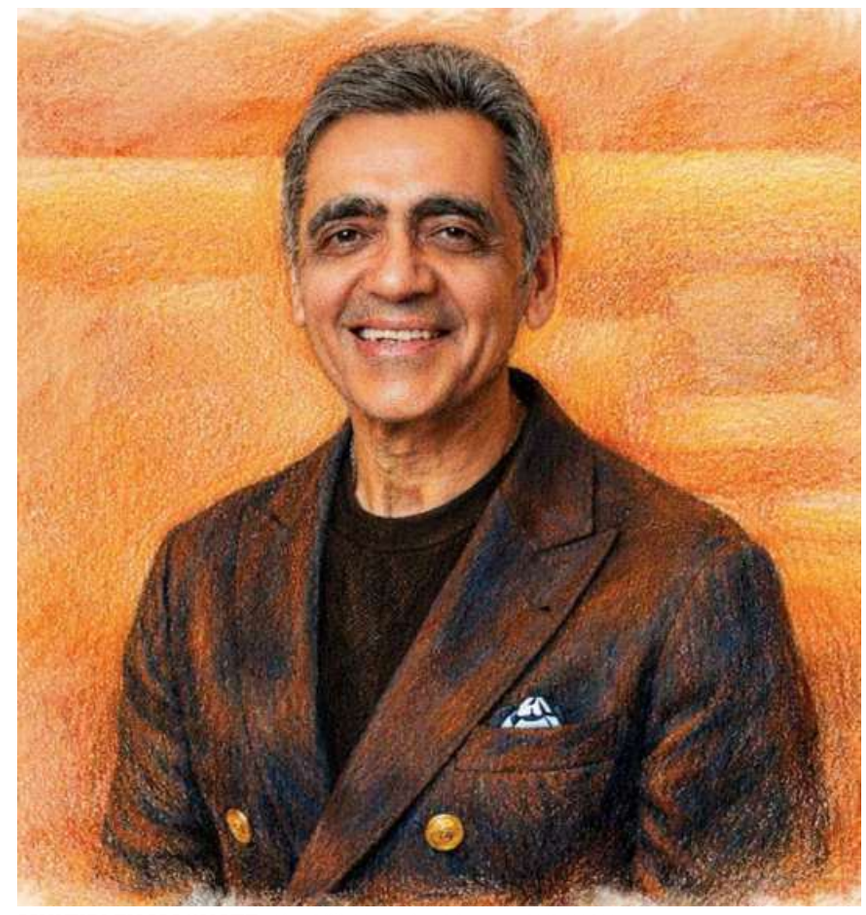
Women form nearly 30 per cent of Schwing Stetter's workforce; the company also operates an all-woman service centre for construction equipment in Chennai.

TABLE TALK

# 'Sweat the asset... and brand'

PVR Inox MD Ajay Bijli on how the multiplex chain has been constantly rewriting its script

**Meenakshi Verma Ambwani**
**Chitra Narayanan**



**MULTIPLEX MAGNATE.** Ajay Bijli, Managing Director, PVR INOX ILLUSTRATION: PARTHA PRATIM SHARMA

Think PVR INOX, think movies, right? But Ajay Bijli, managing director of the country's largest multiplex chain, unequivocally declares, "We want to be the No. 1 'out-of-home entertainment destination' for Indians." He says post Covid he had an epiphany that the company's destiny should not be entwined with new movies only. "My brother Sanjeev, my three children, Gautam Dutta, the CEO, all of us got into this mode that we need to get people inside our halls. We said let's not be a passive brand that is just sitting with doors open, waiting for people to come. We kickstarted this whole initiative of manufacturing footfalls."

Today the multiplex chain, which has 1,780 screens across 355 cinemas in 113 cities, is not only showing the latest movies but also screening sports events, re-releases of old hits, alternative programming, and even wedding-related events and small concerts. And now the plan is to offer more entertainment formats. "We're also looking at opportunities that can either be housed in the current 15 million square feet that we have under lease in our cinemas or we can take up additional space too," says Bijli, outlining how the company is looking at more adjacencies, expanding the food court business, gaming and so on.

We are meeting the urbane, 59-year-old media moghul at the high-end Director's Cut lounge at Ambience Mall in Delhi's Vasant Kunj. In rich carmine-and-gold colours and with movie artwork lining the walls, the place oozes luxury, and is only a short distance from the Basant Lok complex, where the Bijli family started its film exhibition journey with Priya Cinema, a single-screen theatre. The hall had been acquired in 1978 by Bijli's father, who had a transportation business.

Bijli, who studied at Modern School (where he met his wife, Selena) and later at Hindu College for his BCom, started out in the transportation company and then took over the management of the hall 10 years later. He renovated and modernised it and sewed up a partnership with Village Roadshow to create the PVR (Priya Village Roadshow) chain.

In a sense, he single-handedly transformed India's cinema-going experience as he set up the country's first multiplex (PVR Anupama). After PVR's merger with INOX Leisure in 2023, the multiplex empire has grown further.

The tea arrives, rather aptly accompanied by popcorn, French fries, and sandwiches. Bijli looks relaxed and happy. It has been a good financial quarter. In Q1 FY27, PVR INOX reported a net profit of ₹56.5 crore, compared with a net loss of ₹54.5 crore in Q1 FY26. Consolidated revenue from operations rose 11.91 per cent year-on-year to ₹1,622.2 crore, not only due to higher box-office collections but also food and beverage spends.

"The box office has never been so good," says Bijli, describing how the whole film fraternity is extremely encouraged. Pre-pandemic, he points out, you could count on your fingertips the movies that would cross ₹500 crore. But now he rattles off the numerous movies that have seen ₹100 crore-plus collections in the first week itself.

The strong run at the cinemas has also finally put a stop to the "OTT platforms will kill movie outings" refrain.

"All these campaigns we did — "Fresh *dekho*, *bada dekho*" — have paid off, says Bijli, adding that he had always believed that the tide would turn. "India remains the No. 1 movie market, where the quantity of movies produced and tickets sold is the highest in the world, and cinemas are still the No. 1 form of out-of-home entertainment, even more than cricket," he says.

Although it is clearly a great time to be a theatre owner, Bijli says the company's big learning post Covid was to not just sweat the asset, but also the brand. "We have always been sweating the asset by building great cinemas and making sure we monetise every part of the real estate while giving a great experience to the customer. But I thought why don't we now sweat the brand by taking a leaf from other brands all around us."

He says conversations with leaders from other industries — Titan's CK Venkataraman, Taj Hotels' Puneet Chhatwal, and various QSR brand heads — led to the realisation that you can sweat the brand and pivot to an asset-light and FOCO (franchise owned, company operated) models, in addition to the lease model. This helped the company deleverage its balance sheet, turning net cash-positive in the June quarter.

The strong financial showing has whetted the appetite for growth with plans to add 1,000 screens over the next five years. Bijli says when it comes to screens, India is still woefully under-penetrated, especially in tier 2 and 3 markets. PVR INOX will follow the capital-efficient FOCO model, featuring lower ticket pricing, in these towns. The first launch of what he calls the SMART cinema model was in Muzzafarpur, Bihar; 300 other 'growth towns', as he prefers to call them rather than 'small towns', have been identified for more launches.

"But wherever there is a need to spend capital, we will. In the South, for example, movie-going culture is very, very strong and we're ready to spend capital," asserts Bijli.

Next generation is already in the business and bringing in innovative ideas. Daughters Nayana and Niharika and son Aamer are the ones driving the expansion into newer entertainment formats and alternative programming.

"They have their own interpretation of how a cinema should be — Nayana is designing a beautiful cinema in Jaipur just now. Niharika is doing a cinema in Goa. Aamer, who has done a few cinemas already, is now doing a very big one in Gurgaon with IKEA. They have given us a space to build a Cineplex, so that's another interpretation of how cinema should be."

Bijli, who has not touched any of the sinful French fries or popcorn that we have been tucking into, says he has eliminated a lot of things from his plate. He loves Japanese food, and he did something radical by introducing sushi at the PVR's luxury screens. "People were sceptical, but it has been an absolute hit," he says. The F&B innovations are adding to the growth, contributing 31 per cent of the annual turnover of ₹6,700 crore.

Given his trim waistline, what does he do for fitness? Bijli says he earlier used to play squash and had a go at pickleball and padel, but now prefers yoga, Pilates, gym and running as the chances of injury are fewer and "I am also in control of my own time, rather than waiting for another person to play the sport with".

Outside work, Bijli is giving full rein to his passion — singing. In college, he was part of a band called Modus Operandi. "Prior to that, in school I cut an album called Photonics." Recently, he has reconnected with music and created a classic rock band called Random Order, in which he is the lead vocalist. He is chuffed about a recent gig at Delhi's Piano Man, where he and his band belted out Billy Joel classics.

"I am about to release some original songs shortly and have tied up with a music company," he says. His debut independent music EP, *On Another Note...*, created in collaboration with composer Amit Trivedi and lyricist Shellee, and distributed by Warner Music India, releases tomorrow.

To the question whether he will dabble again in movie production, he says, "They say content is king, but there are others who say if content is king, then cinema is the kingdom, and I am happy to be part of the kingdom."

OFFICE BUZZ.

## New jobs map

India's employment map is broadening beyond traditional hubs, finds a survey by talent marketplace Apna, timed with the country's 79th Independence Day celebration. The Bharat@79 report tracks shifts in employer demand, candidate participation, wages, the nature of work and the readiness of different markets for what comes next. It finds that in Q1 FY27, tier-2 postings grew 16.1 per cent YoY and tier-3 postings grew 30.6 per cent YoY, compared with 7.3 per cent YoY growth in tier-1 markets. Emerging cities led the momentum, with Guwahati up 48.4 per cent, Varanasi 41.7 per cent and Dehradun 28.5 per cent YoY. Tier-1 markets continue to account for most hiring demand, but the pace of growth points to a dispersion of opportunity and the emergence of India's next employment centres. The changing geography of employment is also reflected in the jobs being created, notes the report. Quick commerce, supply chain, manufacturing and operations are among the areas seeing strong demand, pointing to the growing importance of the physical and operational economy. Gen Z accounted for 72.9 per cent of applications in Q1 FY27. Participation was particularly strong in tier-2 markets.

SUNNY OUTLOOK

# Websol, India's oldest solar module maker, prepares for the future

**M Ramesh**

**GENERATIONAL SHIFT.** Sohan Lal Agarwal, MD of Websol, with granddaughter Sanjana Khaitan, who is the ED; (right) a solar module fabrication unit at the company's plant in Falta SEZ, near Kolkata

Octogenarian Sohan Lal Agarwal, Managing Director of solar cells and modules manufacturer Websol, looks at granddaughter Sanjana Khaitan with proud eyes. "She," he says, pointing to her, "is the future."

The 29-year-old 'future' is the Executive Director of the company — India's oldest solar module manufacturer. Websol began its innings in 1990, when the word 'solar' was heard only in the context of space and astronomy. Back then, out of a youthful desire to do "something different", Agarwal set up a 1 MW module plant to supply an Italian customer. Today, he is gradually handing over the reins to the 'future' (his son looks after other businesses).

One chat with Khaitan, and you will know that she is pretty much hands-on. And the hands are full.

Websol has charted its course for the future. Capacity expansion is visible at its plant in Falta SEZ, near Kolkata, with trucks continuously rolling in and out with material. Websol currently has two cell lines, 600 MW each. The second line is to be expanded to 750 MW, with a change in technology from mono-PERC to TOPCon, taking the total capacity to 1.35 GW by January 2027.

Coming up alongside is a 2.2 GW Line-III, which the company hopes will be production-ready in 2027. And going forward, Websol intends to invest ₹2,200 crore to make 5 GW of ingots and wafers. "No timeline has been decided yet," says Khaitan.

**NO INVESTMENTS IN AP**

In the grandfather-granddaughter combo, one sees a subtle division of labour. While the young woman manages operations, the direction is still provided by the elder.

For example, Agarwal decided that Websol would not proceed with the ₹3,538 crore investment in Naidupeta, Andhra Pradesh, as announced in January — though the company "intends to do something in AP". Why? Because of the "changed political landscape" in West Bengal, the new BJP government, keen on industrialisation, is offering much for new factories. "We are constantly called for meetings," Khaitan says. In fact, Agarwal had to postpone his appointment with this writer by a couple of hours because he had been called over by the government for yet another meeting. Agarwal says he is more comfortable in West Bengal; the company had only reluctantly planned to invest elsewhere.

The other directional shift by Agarwal is in module manufacturing (cells are made into modules). Websol has module manufacturing capacity of 550 MW but, rather than expanding it in line with cell capacity, Agarwal prefers a "partnership route". Websol had earlier been in talks with Chennai-based Swelect Energy Systems for a partnership.

The partnership approach bucks the industry trend of integrated manufacture of cells and modules. Agarwal, however, sees more merit in centralised cell manufacture and decentralised module manufacture — after all, what is the point in ferrying bulky modules across the country, he asks.

**LOOKING BACK**

Cruising down memory lane, Agarwal recalls the bad old days when banks wanted to auction off Websol to collect their dues. Agarwal had stepped aside, but when the banks could not sell Websol he asked for a year's time to repay the loans.

Luckily for him, it was 2009-10, when the solar industry was in its infancy and nurtured for growth. It helped that Chinese company Renesola took Websol's facilities on a contract to make modules for four years. Websol repaid its loans — and a new growth cycle started.

Ups and downs happen, the octogenarian philosophises, pointing out that when he started module manufacturing there was a glut in the semiconductor industry — silicon wafers floated around cheap until 2005-06, when the semicon industry began to grow.

Today, Websol appears to be on much firmer footing. In the first quarter of 2026-27, it recorded a turnover of ₹373 crore, an EBITDA margin of 34 per cent and net profit margin of 21 per cent (the high EBITDA and PAT are in line with the industry trend). With the solar industry booming and the company cruising towards its targeted 5.35 GW by 2028, the future appears to be assured.

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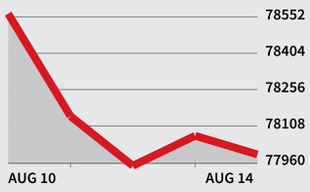


**IN FOCUS**

| | Week's close | Week's change |
|---|---|---|
| Nifty 50 | 24366.00 | -204.65 |
| P/E Ratio (Sensex) | 20.67 | -0.20 |
| US Dollar (in ₹) | 95.42 | +0.22 |
| Gold Std 10 gm (in ₹) | 151753.00 | +2731 |
| Silver 1 kg (in ₹) | 233842.00 | +2461 |

**CURRENT ACCOUNT.**
**Our gold loan** book to reach ₹20,000 cr over the next 3 years, says Umesh Revankar, Executive Vice-Chairman, Shriram Finance **p9**

**SPARK.**
**SaaS start-ups** are using AI to transform manufacturing, attracting $199 m in funding since 2019 **p8**

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## MONDAY SPECIALS.

**CLEANTECH**

**Meeting grid challenges offers big biz opportunity**

On July 13, 42.79 per cent of the electricity flowing to the Indian grid came from wind and solar — a record. Data from the Grid Controller of India Ltd shows that the share of variable renewable energy was above 35 per cent at some point during the day on all days. VRE is outpacing the infra needed to handle it. The addition of transmission lines and the use of hi-tech equipment presents a big business opportunity. **p6**

**FOR PRIVATE PLAYERS**

**IN-SPACe proposes ₹500 cr third-party insurance cover**

**New Delhi:** With India opening the sector to private players, space regulator the Indian National Space Promotion and Authorisation Centre (IN-SPACe), has proposed a framework requiring launch operators to take third-party insurance of up to ₹500 crore to cover damage caused by their space activities to people, property on the ground, or other space objects. **p3**

# Amid US sanctions, India works out Chabahar handover to Iran

**RECLAIM BID.** Negotiating also to regain control of Shahid Beheshti Terminal after sanctions end

**Amiti Sen**
New Delhi

India is finalising the modalities for handing over operations at Chabahar Port's Shahid Beheshti Terminal to the Iranian government after a US sanctions waiver for the project expired in April. At the same time, India is seeking safeguards to regain control when the sanctions end, sources said.

"India is taking the US sanctions against Iran seriously. We do not want State Bank of India or Union Bank of India to be sanctioned by the Office of Foreign Assets Control (OFAC) and kicked out of SWIFT, as it would affect millions of Indians. That is why we are handing over control of the Shahid Beheshti Terminal to the Iranians and asking them to operate it for the time being," a source tracking the development told *businessline*.

**FUTURE BET.** India wants the terminal to continue operating as it has significant stakes in its long-term future ISTOCKPHOTO/AREFBARAHUIE

### FUTURE CONTROL

When the ongoing disruptions in West Asia and Iran settle down, and the US sanctions on the Chabahar Port are lifted, India would want to get back control of the terminal, and the terms for this are being worked out, the source added.

"India wants the Shahid Beheshti Terminal to continue operating as it has significant stakes in its long-term future. It seeks to preserve its operational rights and regain control once the sanctions are lifted. The two sides are currently working out the terms under which India can resume operations at a later stage," the source said.

Chabahar is strategically important as it provides access to Afghanistan and Central Asia bypassing Pakistan. The Shahid Beheshti Terminal is also a key link in the International North-South Transport Corridor (INSTC), connecting India with Central Asia, Russia, and Europe.

India committed $85.21 million and a $150 million credit line to Chabahar in 2016. In May 2024, IPGL signed a 10-year contract with the Iranian government's Port and Maritime Organisation to run the Shahid Beheshti Terminal, which included a $120 million equipment commitment.

A 2018 US sanctions exemption covered the project until the US revoked it on September 16, 2025 (effective September 29). After negotiations, a conditional waiver was in effect from October 29, 2025, to April 26, 2026, after which India again faces potential exposure to US sanctions.

### KEEPING AFLOAT

The greatest challenge facing the project now is how to keep it going, as there aren't many ships docking at the Terminal, the source said. "We need someone to dock at the Terminal for it to work. That is not happening. Most foreign carriers do not want to take the risk of docking there because of the sanctions. Also, because it is a cargo terminal and not an oil terminal, things are slow with the ongoing Iran-US war. But India wants to keep the project active and is in constant touch with Iran on this," the source said.

"From India, the Shipping Ministry and the Ministry of External Affairs are in dialogue with the Iranian Shipping Ministry and the Ports and Maritime Organization to ensure that the operations at the port go on smoothly and that it is protected from damage amid the ongoing firings and bombings," the source noted.

# 'GST cut and stable interest rates keep auto demand resilient'

**bl.interview**

**Amit Vijay Mohile**
**Thomas K Thomas**
Mumbai

Rajesh Jejurikar, Executive Director and CEO, Auto and Farm Sector, M&M

Mahindra & Mahindra is doubling down on both internal combustion engine (ICE) vehicles and electric vehicles (EVs), betting that a rare combination of improved affordability, stable borrowing costs and stronger industrial activity will sustain robust demand across the automotive market despite ongoing supply-side challenges.

Speaking exclusively to *businessline*, Rajesh Jejurikar, Executive Director and CEO, Auto and Farm Sector, said the demand environment remains stronger than many expected, with the industry having faced supply limitations rather than a shortage of buyers over the past several months.

"The bigger impact would come if prices and interest rates rose together, which has not happened. Demand remains robust and, over the past five or six months, we have been more constrained by supply than demand," Jejurikar said. According to him, the resilience in demand is being supported by a convergence of favourable factors. The reduction in GST has improved vehicle affordability, while interest rates have remained stable despite inflationary pressures. At the same time, stronger economic activity has boosted freight movement and vehicle utilisation, particularly in the commercial vehicle segment.

### RARE CONFLUENCE

Commodity inflation and regulatory changes had earlier pushed commercial vehicle prices up by nearly 20 per cent. However, GST-related benefits effectively reduced acquisition costs by around 8-10 per cent, helping bring effective vehicle prices closer to levels seen about two-and-a-half years ago.

"Both had to happen at the same time. I don't think the commercial vehicle segment would have revived as easily without GST," Jejurikar said, adding that rising consumption and industrial output have further improved fleet economics. In passenger vehicles, he noted that GST-led affordability gains were more visible in the sub-₹10 lakh segment, while customers in higher price brackets continued to upgrade to larger vehicles and premium variants.

The sustained demand momentum gives Mahindra confidence to pursue growth in both ICE and EV portfolios. While the company had previously indicated that EVs could account for 20-30 per cent of SUV volumes by 2027, Jejurikar said the focus is increasingly on achieving strong absolute EV volumes rather than adhering to a fixed mix. "If ICE is growing very strongly, are we going to slow down ICE simply so EVs become a certain percentage? No," he said. "We see no reason why we won't cross 1.2 lakh (units)," he added, referring to EV volumes.

At the same time, Mahindra remains firmly committed to electrification. Weighing in on the intensifying hybrid-versus-EV debate, Jejurikar said hybrids may have a role for customers with high usage patterns, but the company's long-term view remains unchanged. "Our primary approach is that EV is the destination," he said.

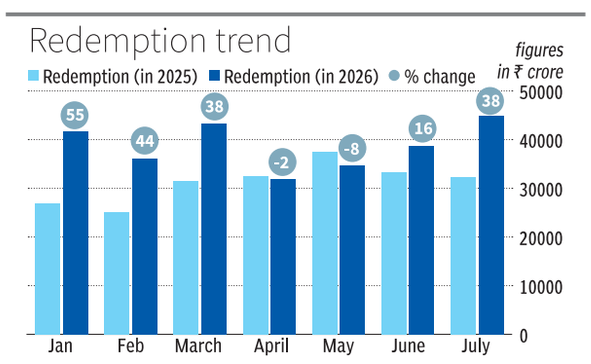
Interview on p3

# Equity MF redemptions jump nearly 40% in July despite SIP flows

**Suresh P Iyengar**
Mumbai

Robust systematic investment plan (SIP) inflows into mutual funds have masked a steady surge in redemptions from equity schemes over the past few months, suggesting that a section of informed investors is cashing in on market gains.

Equity scheme redemptions jumped over 38 per cent year-on-year to ₹44,824 crore in July compared with ₹32,381 crore in the corresponding month last year. On a month-on-month basis, redemptions were up 16 per cent, according to data released by the Association of Mutual Funds in India .




Source: AMFI

### RISKIER BETS

The trend has been building since April, coinciding with a strong market recovery. As benchmark indices rebounded, with the Nifty gaining around 6 per cent in April, investors increasingly chose to book profits. Equity redemptions have risen consistently since then, climbing 41 per cent during the current fiscal year, from ₹31,861 crore in April to ₹44,824 crore in July.

However, the rising redemptions do not necessarily signal an exit from equities. A significant portion of the withdrawn money is finding its way back into riskier segments of the market, particularly mid-cap and small-cap funds, despite concerns over stretched valuations following their sharp rally.

### GROWING APPETITE

Valuation data underscore the growing appetite for these segments. Small-cap stocks were trading at a premium of about 11 points to the Nifty 50's price-to-earnings (P/E) ratio last month. Small- and mid-cap stocks continue to trade at premium valuations, with small-cap indices trading at 32-35x earnings and mid-caps at around 30-34x, well above the Nifty's 21x valuation, reflecting strong investor appetite despite elevated multiples.

Akshat Garg, Head of Research and Product at Choice Wealth, said the rise in equity redemptions was partly due to profit-booking and the rotation of funds rather than exits. "Large-cap funds last month saw a net outflow of ₹1,322 crore, while small-cap funds recorded an inflow of ₹7,768 crore and mid-cap funds ₹6,192 crore. Investors are harvesting gains at the top of the market-cap curve and redeploying down it," he said.

Aakanksha Shukla, AVP-Wealth Management, Master Capital Services, said SIPs continue to anchor domestic equity flows, even as redemptions from equity schemes have been trending higher, pointing to selective profit-booking amid elevated valuations and volatile global cues.

"While fixed-return avenues offer a cushion against market swings, they typically trail equities over the long term. The trend underscores a broader shift toward balanced portfolios as investors weigh growth potential against near-term uncertainty," she added.

Rajkumar Rathi, Chief Investment Officer, YES Securities, said retail investors are displaying structural maturity by keeping systematic commitments active through short-term corrections and market consolidation periods with higher participation across equity, hybrid and passives. "Recent market behaviour suggests heightened risk appetite among retail investors, with growing allocations to small and mid-cap funds and even contrarian bets amid volatility," he said.

## CELEBRATION BEGINS

**WELCOMING MAHABALI.** At Thrippunithura, near Kochi, artists dressed in traditional costumes take part in the *Athachamayam* procession on Sunday, marking the official beginning of the 10-day Onam festival celebrations to welcome King Mahabali, whose spirit is believed to visit Keralam to see his subjects. Thousands braved the intermittent rains and turned up to watch the colourful procession that included caparisoned elephants and floats with *chendamelam* and *panchavadyam* performances lending a rhythmic touch. PTI

# In the Post – not just letters, but pickles and khakras

India Post-FPO partnership in Gujarat delivers it for five farmer organisations

**Prabhudatta Mishra**
New Delhi

An innovative partnership in Gujarat between India Post and local farmer-producer organisations (FPOs) has transformed rural logistics, enabling five agricultural cooperatives to sell and deliver over 40,000 packs of goods through digital storefronts in just eight months. From dal, cumin, khakra and pickles to millet cookies, the pilot project, which started in late November 2025 in Ahmedabad, has delivered it all.

The project, which started at the behest of Chief Postmaster General Ganesh Sawaleshwarkar, has now been extended to six other locations: Jamnagar, Porbandar, Bhuj, Mehsana, Bhavnagar and Gandhinagar. FPOs store their produce at post offices and sell it through the MyStore app on the ONDC network. India Post, as the logistics partner, receives alerts on its dashboard when an order is placed. Its staff then pack the items without involving the FPOs and deliver them to buyers through the India Post network.

Ganesh Sawaleshwarkar, Chief Postmaster General, Gujarat Circle, Ahmedabad PIB

Sawaleshwarkar told *businessline* that the shipment charges are the same as those for regular customers, except that a bulk discount is applicable to the farmers' produce. India Post's shipment charges are based on the weight of the item.

### SALES SURGE

Mahesh Karangia, Head of the Jamnagar-based Ranmal FPC, an FPO, said that he has already delivered over 30,000 items ever since he joined the India Post initiative in January, and the turnover in the current fiscal has reached about ₹4 crore until July as against nearly ₹7 crore in the entire 2025-26 fiscal. A total of five FPOs have so far registered with India Post under the plan, out of 426 registered in Gujarat under the Centre's 10,000 FPO scheme.

According to Sawaleshwarkar, very small space is needed to store the FPO produce as it is normally in small packs of between 100 and 1,000 grams. Sawaleshwarkar was inspired by Maninder Kaur Dwivedi, an Additional Secretary in the Agriculture Ministry, handling FPOs, to undertake the pilot and help solve the farmers' logistics challenge.

He said that initially, when the pilot was rolled out, orders were in the hundreds. But since April, orders have grown with several repeat orders too. ONDC is working to onboard more FPOs, and once the word spreads about growing orders, there will be many of them on MyStore app, he said.

Karangia of Ranmal FPC said that currently his organisation was dealing with peanuts, kabuli chana, green gram (moong), Bengal gram (desi chana), and he plans to expand his portfolio.

# Consumer appliance makers gear up for festival season with increased production

**Meenakshi Verma Ambwani**
New Delhi

Consumer appliance makers are gearing for the festival season with ramped-up production, expanded product portfolios and a strong focus on the premium segment. Players said they are expecting strong consumption momentum in the second half of the year, while retailers have begun early channel stocking.

The key demand season kicks off with Onam in Kerala and lasts until Diwali, which is in November this year. This period contributes significantly to the annual sales of the consumer durables and electronics sector.

Earlier this year, issues arising from the West Asia conflict led to production and supply chain-related challenges for the industry. This included a commercial LPG and labour shortages, which have now normalised. Players have also had to implement price hikes to mitigate the impact of higher raw material costs and rupee depreciation, especially in air-conditioners.

**UNFAZED.** Industry players said inflation remains a concern but is unlikely to hurt the premium segment

Sanjay Chitkara, Director and Co-Chief Sales and Marketing Officer, LG Electronics India, said, "We operate on a three-month production planning cycle, and we have already done festival preparation and ordering. We are also encouraging our retail partners for pre-festival buying and are seeing early channel stocking. We are well-positioned to capture festival season demand with an expanded large-screen and premium portfolio, which includes new launches across QNED and OLED line-ups and French-Door refrigerators."

### RETAIL OPTIMISM

Retailers are also betting on the growing demand for premium products. Premchand Devarakonda, CFO of Electronics Mart India Ltd, said, "Categories such as televisions, air-conditioners, refrigerators, smartphones, and washing machines are likely to see steady demand, with AI-enabled features, smart connectivity, and energy-efficient solutions emerging as important purchase considerations. We expect the upcoming festival season to bring healthy momentum to the consumer durables market, with EMIL anticipating double-digit growth during this period."

Kamal Nandi, Business Head and EVP of the Appliances Business at Godrej Enterprises Group, said, "From July, some of the supply chain and production-related issues arising from the West Asia crisis have eased, and we have increased our production across our plants. Full preparations are underway, as we expect the festival season to perform well. The festival demand is generally driven by the premium segment, which is expected to be strong."

Industry players noted that while inflationary pressures remain a key concern, they are not expected to impact the premium segment.

CHENNAI
businessline.
MONDAY - AUGUST 17 - 2026

## QUICKLY.

### Bhogapuram airport to start operations today

**Hyderabad:** Alluri Sitarama Raju International Airport at Bhogapuram, Andhra Pradesh, will commence commercial operations from Monday with all scheduled domestic and international flight services. The airport will operate under the IATA code VTZ, which will be transferred from the existing airport in Visakhapatnam from 12.01 am on August 17. The existing airport will continue to be used for defence, police, VIP movements and special flights, said officials. OUR BUREAU

### AI & Big Data: 1.08 lakh candidates trained in AP

**Hyderabad:** Andhra Pradesh is building a pool of future-ready talent with over 1.08 lakh candidates trained in Artificial Intelligence (AI) and Big Data Analytics over the last three years. As per the Centre's data, AP has the highest number of AI/BDA candidates completing or certified under FutureSkills PRIME with 1.08 lakh out of 1.53 lakh candidates completing certification. OUR BUREAU

# Centre to select first 50 airports under modified UDAN scheme

**NEW ROUTES.** States to nominate unserved airstrips; proposals to be evaluated under challenge mode

**Rohit Vaid**
New Delhi

The Centre will soon select the first batch of 50 airports for development under the modified UDAN scheme as it invites nominations from State and Union Territory governments, sources told *businessline*.

The Ministry of Civil Aviation will evaluate the proposals under a challenge mode framework before finalising the first set of 50 airports for infrastructure development.

The selection exercise forms part of the modified UDAN scheme, which envisages the development of 100 airports and aerodromes over the next eight years through the upgradation of existing unserved airstrips at an estimated capital outlay of ₹12,159 crore.

The Centre has earmarked ₹3,661 crore for the construction of 200 helipads, primarily in hilly, island, remote and aspirational regions, as it seeks to strengthen regional air connectivity across the country.

**FEE EXEMPTION.** Besides infrastructure and operational support, the modified UDAN also provides airport charge exemptions for Regional Connectivity Scheme flights

Under the revised framework, State and Union Territory governments will nominate unserved airstrips, heliports and water aerodromes within their jurisdictions for consideration under the scheme. The Airports Authority of India (AAI), acting as the implementing agency, along with the Civil Aviation Ministry, will then assess the nominated locations before selecting airports for development.

**NOMINATED SITES**

The nominated sites will be evaluated on parameters including availability of 100 per cent encumbrance-free land, existing infrastructure readiness, technical and airspace feasibility, projected passenger traffic, regional connectivity requirements and tourism potential.

Apart from physical infrastructure, the evaluation will also consider commitments by State governments to provide operational support, including concessional electricity and water supply, free security and firefighting services and a value-added tax (VAT) on Aviation Turbine Fuel (ATF) capped at a maximum of 1 per cent.

Furthermore, the scheme provides ₹2,577 crore as operational and maintenance support to facilitate the operationalisation of Regional Connectivity Scheme (RCS)-only airports during the initial years of operation.

The financial assistance will be available for the first three years and will be capped at ₹3.06 crore annually for each airport and ₹0.90 crore annually for each heliport or water aerodrome.

According to sources, the support will cover a certain percentage of expenditures related to staffing for Communication, Navigation and Surveillance/Air Traffic Management (CNS/ATM), meteorological services, among others, at up to 441 airports, heliports and water aerodromes.

**FEE EXEMPTIONS**

Besides infrastructure and operational support, the modified UDAN framework also provides airport charge exemptions for Regional Connectivity Scheme flights. These include waiver of landing, parking and passenger-related airport charges, exemption from Terminal Navigation Landing Charges and discounted Route Navigation Facility Charges, aimed at improving the commercial viability of regional air services.

# 13 airlines to start cargo services from Navi Mumbai

**Our Bureau**
Mumbai

Thirteen international airlines are set to begin freighter operations to Navi Mumbai airport giving a boost to its cargo operations.

Besides a majority of airlines switching operations from Mumbai to Navi Mumbai, a few new services too are starting services. On Sunday, Hong Kong Air Cargo operated its first flight to Navi Mumbai. The airline will operate thrice weekly flights between Hong Kong and Navi Mumbai with an Airbus A330 freighter providing around 60 tonnes capacity. On August 1, IndiGo operated Navi Mumbai airport's first freighter flight with a service to Sharjah. In a press statement the airport operator said 13 airlines have secured approvals to operate freighters from airports in Asia and Europe.

**CARGO NETWORK**

"With a significant increase in freighter activity expected by the end of August, we are rapidly expanding our international cargo network and strengthening connectivity with key markets across Asia, Europe and West Asia. This growing network will create greater opportunities for exporters, importers and businesses, while reinforcing NMIA's role as a strategic logistics and trade gateway for Maharashtra and Western India," a Navi Mumbai airport spokesperson said.

**On August 1, IndiGo operated Navi Mumbai airport's** first freighter flight with a service to Sharjah

**FREIGHTER OPS**

In a statement earlier this month Turkish Airlines said it plans to relocate its freighter operations to Navi Mumbai in August.

"The project is progressing as planned, and preparations are underway," the airline said. Turkish Airlines operates three scheduled freighter flights per week to Mumbai.

# Tiruppur exporters body to link buyers-sellers directly

The website will also allow vendors such as dyers, printers and processing units to publish their spare capacity on the platform

**T E Raja Simhan**
Chennai

The Tiruppur Exporters' Association (TEA) is set to launch a revamped website that will enable international and domestic buyers avoid middlemen and establish direct business relationships with manufacturers.

The textile town of Tiruppur in Tamil Nadu exports goods worth nearly ₹45,000 crore annually. While the companies have direct access to their clients, a number of them deal with agents.

A key feature of the new website will be a buyer login facility through which buyers can directly access and connect with Tiruppur exporters. This will enable buyers communicate directly with manufacturers and potentially shorten the time taken to identify suppliers and place orders, said Ramu Shanmugam, CEO, Clothing Connections and Chairman, IT Wing Subcommittee of the TEA. There are over 1,400 exporters who will benefit through this initiative, he told *businessline*.

The platform will also allow TEA members to apply online for Certificates of Origin (COO), along with several other digital services, reducing paperwork and making association-related processes faster and more convenient.

Another feature will enable vendors such as dyers, printers and processing units to publish their spare capacity on the platform.

**ADDITIONAL WORK**

The initiative is aimed at creating a more connected digital ecosystem for Tiruppur's textile and garment industry, bringing buyers, exporters and vendors onto a common platform.

TEA's move comes as Tiruppur's export-oriented textile industry increasingly looks to digital platforms to improve transparency, efficiency and connectivity across the value chain, he said.

Shanmugham added that the TEA plans to make its website a marketplace and provide information on a real time basis.

This will be done by bringing in all the industry stakeholders, including dyeing units, in to the system, he added.

Kumar Duraisamy, Managing Director of Tiruppur-based Eastern Global Clothing, and Joint Secretary of TEA, said that the revamped TEA website and its new functionalities are designed to make the entire ecosystem more connected, responsive and efficient.

# Textile sector margins under pressure as costs rise

**Avinash Nair**
Ahmedabad

Textile and apparel manufacturers, including Arvind Ltd, Pearl Global Industries Ltd, and Gokaldas Exports Ltd, are seeing margins under pressure and passing on costs partly on higher labour costs, rise in cotton and yarn prices and elevated petrochemical.

At Gurugram-based Pearl Global Industries, Managing Director Pallab Banerjee said worker availability had been a challenge during the first quarter of FY27 due to the harvest season, school holidays, and the West Bengal elections, resulting in significant absenteeism. At the same time, minimum wages in Haryana and Noida rose by 38 per cent and 21 per cent, respectively, creating an additional ripple through the company's cost structure.

The impact was visible in Pearl Global's India operations. Group CFO Sanjay Gandhi told investors recently that wage revision in Haryana — where the company operates four factories — had directly hit the profit and loss account and weighed on its standalone EBITDA margin.

**HIGH WAGE COSTS**

The margin fell to 6.6 per cent in Q1 FY27 from 7.3 per cent a year earlier, despite a 27.4 per cent year-on-year increase in standalone revenue. At the Bengaluru-based Gokaldas Exports, Vice-Chairman and Managing Director Sivaramakrishnan Ganapathi said minimum wages increased by about 35 per cent in Haryana and those at the company's facility near Gurugram rose 25 per cent from April 2026.

**PAY EDGE.** Karnataka saw a more modest 5 per cent wage increase. Ganapathi, however, said Gokaldas pays wages above the minimum

Karnataka saw a more modest 5 per cent wage increase. Ganapathi, however, said Gokaldas pays wages above the minimum.

Consequently, the 35 per cent increase in Haryana's minimum wage translated into an overall wage increase of 14-15 per cent for the company.

"In Q1, our India business saw a wage cost increase of ₹20 crore, and that has been absorbed in the system," Ganapathi said.

The company is responding through automation and efficiency improvements, which it sees as a continuous process to protect margins.

**COTTON PRICES**

Vice-Chairman Punit Lalbhai of Arvind Ltd said the company has seen nearly ₹100 crore inflation in input costs this year, primarily from cotton and yarn, in addition to the impact of higher petrochemical-chemical costs.

As a result, Arvind has effectively traded some margin for growth. Lalbhai said the company has started passing on price escalations.

Gokaldas Exports' Ganapathi said that fabric costs are generally factored into costing.

But increases in polyester and ancillary expenses such as polybags, cartons and fuel were not fully factored into some Q1 orders. Gokaldas now plans to incorporate such costs into customer pricing.

# Belrise Ind eyes expansion after ₹1,700-cr QIP, Q1 PAT rises 9%

**Amit Vijay Mohile**
Mumbai

Pune-based Belrise Industries is shifting its focus from balance-sheet deleveraging to expansion, using fresh capital to pursue acquisitions, build manufacturing capabilities and increase its content per vehicle.

The company reported an 8.9 per cent year-on-year increase in profit after tax to ₹121.7 crore in Q1 FY27 from ₹111.7 crore, in the corresponding quarter previously, while manufacturing revenue rose 20 per cent to ₹2,197.9 crore (₹1,832.3 crore). Consolidated revenue increased 12.6 per cent to ₹2,546.5 crore.

Shrikant Badve, MD, Belrise Industries

Shrikant Badve, Managing Director, Belrise Industries, saidthe ₹1,700-crore QIP fund raise in July provides the agility to invest in capacity and pursue acquisitions.

The company has announced the acquisition of Hyva India's tipper-body business, adding three manufacturing facilities in Pune, Jamshedpur and Bengaluru and strengthening its heavy-fabrication capabilities.

**BUSINESS TRANSFER**

The acquisition also provides Belrise access to a new European commercial-vehicle OEM and is expected to create potential synergies with its emerging defence and armoured-vehicle opportunities.

Belrise is setting up a facility for a leading US-based solar-tracker manufacturer. The plant will manufacture sheet-metal assemblies supporting about 2.5 GW of annual supplies and carries peak revenue potential exceeding ₹150 crore, widening the application of the company's manufacturing capabilities beyond vehicles.

# Russian crude imports hit record high in July

**Rishi Ranjan Kala**
New Delhi

Crude oil imports from Russia hit a record $6.4 billion, or ₹61,000 crore, last month, surpassing the June 2026 high of $5.14 billion.

Analysts and refiners emphasised that Moscow has transformed into New Delhi's strongest energy security hedge, particularly since the closure of the Strait of Hormuz (SoH) and growing disruptions in the Bab-el-Mandeb strait.

The Finland-based Centre for Research on Energy and Clean Air (CREA) pointed out that while Russia's oil product exports hit an all-time low, India recorded its highest level of imported Russian crude ever.

**NEW PEAK**

"India's imports of Russian crude oil reached a record high for the second consecutive month in July, rising by 2.1 per cent m-o-m and valued at €5.5 billion," it said.

"Imports rose by 58 per cent at HPCL Mittal Energy Mundra, 35 per cent at IndianOil Vadinar SMPL and 37 per cent at Mumbai, while volumes at Jamnagar were unchanged and those at Paradip fell by 22 per cent," CREA said. In July, Russian oil product export loadings fell 23 per cent to 4.7 million tonne, their lowest on record and less than half the 9.6 mt loaded in July 2025.

Tuapse, under sustained drone attack since May, loaded almost no oil products for a second consecutive month, said CREA.

Overall, India was the second-largest buyer of Russian fossil fuels in July, importing a total of €6.4 billion ($7.4 billion) of Russian hydrocarbons.

Crude oil constituted 87 per cent of India's purchases, totalling €5.5 billion. Coal (€512 million) and oil products (€341 million) constituted the rest.

**BROADLY FLAT**

Russia's crude oil export revenues were broadly flat, up 1 per cent m-o-m to €392 million per day.

However, this masks a 21 per cent fall in pipeline crude export earnings, offset by a 7 per cent rise in seaborne crude export revenues, it added.

In July, the average price of Russia's Urals-grade crude fell by 3 per cent m-o-m to $60.22 per barrel, still significantly higher than the EU and the UK price cap of $44.1 per barrel, which took effect on February 1, 2026, and has been capped at the same level under the EU's 21st sanctions package.

The price discount of Urals-grade crude oil relative to the global benchmark Brent remained flat at 26 per cent, or $21 per barrel last month, CREA said.

Despite the EU ban on oil products made from Russian crude, 18 shipments from refineries processing Russian crude were unloaded at EU ports in July — more than double the previous month's total.

Refineries in India, Turkiye, Brunei and Georgia that use Russian crude exported €633 million of oil products to sanctioning countries in July.

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# Live-events industry grew 44% to ₹13,000 crore in 2026: KPMG

**Rohan Das**
Chennai

Beyond soaring ticket prices and full venues, India's live-events industry is now also contributing significantly to tourism and local economies.

According to a recent KPMG report, the live events and entertainment market in India, which grew 44 per cent to ₹13,000 crore in 2026, is stimulating the economy indirectly.

Events include concerts, music festivals, comedy shows, plays and other occasions with a live audience.

The report suggests that, on average, every ₹1 spent in event-related expenditure results in total economic activity of ₹1.46 aided by indirect expenses across travel, hotels, restaurants, local transport, shopping and merchandise.

Outstation visitors account for nearly three-fourths of total spending while their average spending is more than five times that of local attendees, the report added.

**OVERALL SPENDING**

R0ikant Pittie, CEO and Co-founder, EaseMyTrip, said "On top of the event, travellers are spending across flights, hotels and local transportation. We are also seeing some travellers extend their stay by a day or two, adding sightseeing."

Quoting industry estimates, he suggested that in 2025, more than 5.6 lakh Indians travelled across cities specifically for concerts.

Vinod Gopal, Director at Red Chariots and Vice-President South at Events and Entertainment Management Association, said that hotel room prices can shoot up exponentially, sometimes reaching seven-digit figures.

"In China, there are entire cities that are built with the events market in mind and have multiple exhibition centres and hotels. We need something similar if we want to host large scale events," he said.

# GT Bharathi gets WTC licence, plans township

**Our Bureau**
Chennai

GT Bharathi, a real estate developer, has received the World Trade Centres Association licence to develop a WTC business in Chengalpattu district. The agreement places GTB among an elite global network of over 300 WTC businesses across nearly 100 countries and territories and makes it one of the major developers to carry the WTC name in South India, said a release.

GT Bharathi envisions the WTC development as the centrepiece of an integrated, IT-centric mixed-use township of approximately 150 acres, with a projected development value in the region of ₹7,000 crore. At full build-out, the development is envisioned to generate over one lakh jobs, positioning it as a significant engine of employment and economic activity for the region, says a release.

**SCOUTING FOR LAND**

"We are yet to decide on the location," Arun Bharathi Arunachalam, Managing Director of GT Bharathi told *businessline*. "GTB's entry into the WTCA network strengthens our presence in one of India's fastest-growing trade corridors," said Badal Saboo, Business Lead - India & Asia Pacific of the World Trade Centres Association. Landowners holding parcels of comparable size along the OMR corridor from Thiruporur onwards, and along ECR within the Chengalpattu district, are invited to connect with GTB to explore participation in this landmark development, the release said.

OBITUARY & REMEMBRANCE
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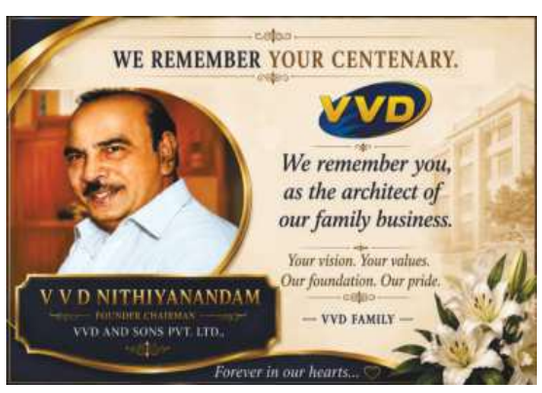


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# ‘Old Mahindra was built on icons; new one on future mobility’

**GROWTH DRIVE.** While Scorpio, Thar and Bolero still define the brand’s identity, the firm’s EV push drives the next phase of growth, says Executive Director and CEO Rajesh Jejurikar

bl.interview

**Thomas K Thomas**
**Amit Vijay Mohile**
Mumbai

From rugged roots to a future-ready mobility powerhouse, Mahindra & Mahindra is redefining itself at speed. Six years after Rajesh Jejurikar took charge of the company’s Auto and Farm Sector, Mahindra is broadening its footprint across SUVs, electric mobility, and commercial vehicles while making its core brands bigger than ever. Jejurikar, Executive Director and CEO (Auto and Farm Sector), reflects on the choices that turned the old Mahindra into the new one, explains how Scorpio, Thar, and Bolero continue to anchor the company’s evolving identity, and outlines how platforms such as NU_IQ and its EV push could shape Mahindra’s next phase of growth through FY30. *Edited excerpts:*

**You took charge of Mahindra’s Auto and Farm Sector in April 2020. Did you expect the company’s transformation to be this significant, and what drove it?**

I don’t think in 2020 we thought we would be where we are today. What we did say was that we would focus on areas where we had a right to win. We didn’t want to chase volume market share blindly because you can end up entering segments where you don’t have a right to win or where profitability isn’t right.

We focussed on products customers have an affinity for, products that wow customers and are differentiated at their price point through technology, style and design. Our objective was to grow the market and, because our average price points are higher, grow revenue market share. Becoming a strong volume player was a fallout of those actions.

**How much of GST cushion remains after recent price increases, and how differently has it played out across passenger and commercial vehicles?**

Even after the price increases, we have not gone back to pre-GST price levels. We have been a little more aggressive on pricing than peers, but for somebody buying a ₹20-30 lakh vehicle, a ₹30,000-40,000 increase, spread over the financing period, is relatively small. The bigger impact would come if prices and interest rates rose together, which has not happened. Demand remains robust and, over the past five or six months, we have been more constrained by supply than demand.

In commercial vehicles, commodity and regulatory costs had pushed prices up by nearly 20 per cent. GST offset a large part of this, reducing acquisition costs by around 8-10 per cent and supporting demand in industries such as cement through better freight movement and vehicle utilisation. I don’t think the CV segment would have revived as easily without GST.

In passenger vehicles, GST significantly improved affordability, especially in the sub-₹10-lakh segment. For higher-priced vehicles, it encouraged customers to upgrade to better brands or variants. So GST did more than stimulate consumption.

**Some of the biggest beneficiaries of the new Mahindra have been its oldest brands. How much more runway do Thar, Scorpio and Bolero have?**

When we launched Thar, it was virtually a non-existent category. We created something innovative that struck a chord. It isn’t just the product, it is the product form and the brand coming together. Scorpio has been around for about 24 years and Bolero for around 26 years. These products are still doing close to 10,000 units a month. That reflects how strong the association between the product form and the brand is.

> We don’t enter a segment simply because it gives us volume. We focused on areas where we had a right to win
>
> **RAJESH JEJURIKAR**
> Executive Director and CEO (Auto and Farm Sector)

**Does that strength make changing iconic brands riskier?**

You have to be very careful about the extent of change. Customers don’t necessarily want something dramatically different. Every change has to be considered.

Look at Scorpio-N. When it came in, Scorpio Classic wasn’t cannibalised; the franchise actually grew. We have to evolve enough, but not so much that customers disconnect from the brand. Even Scorpio-N is an evolution; it retains the elements customers associate with the Scorpio.

**How are common platforms changing the economics of Mahindra’s product expansion?**

We have significantly scaled up product-development resources over the last few years, including manpower, space and capabilities, including software. But we have also learnt, especially from the BEV world, to standardise platforms and build multiple products from them. Earlier, Thar, Scorpio or XUV programmes could have supplier discussions independently around the volumes of each programme. Today, with multiple products coming, you can discuss aggregated volumes with suppliers. That commonality gives you scale across programmes.

**Has the EV yardstick shifted from penetration to absolute volumes?**

The ratio is important because we need it from a regulatory perspective. It is also relevant from the point of view of capital. But what is more important is absolute volume. If ICE is growing very strongly, are we going to slow down ICE simply so EVs become a certain percentage? No. So rather than getting too fixated on a ratio we spoke about some time ago, we are looking at volume momentum.

The EV journey has been very good for us. It has also helped elevate perceptions of the Mahindra brand around technology, sophistication and design. We see no reason why we won’t cross 1.2 lakh EVs in absolute volume terms. The ratio will also depend on how strongly the ICE business grows.

**If absolute EV volumes matter more, doesn’t Mahindra eventually have to move down-market to get scale?**

We are not planning to go into the “mass-mass” category. The philosophy doesn’t change. We have to ask what is right for the Mahindra brand and where we can create something differentiated. We don’t enter a segment simply because it gives us volume.

**Several rivals see hybrids as a bridge to electrification. If EV is Mahindra’s destination, where do hybrids fit?**

Our primary approach is that EV is the destination. As a country and as a company, we remain committed to that because electrification addresses energy security, the environment, cost of ownership and even noise. When a segment of customers feels the need for a hybrid, we will respond.

But the economics of hybrids are similar to the earlier diesel-versus-petrol equation: customers with high running paid a higher upfront price for diesel because fuel savings allowed them to recover that premium over three or four years. Hybrids can make sense for a similar set of high-usage customers.

But if an EV is a viable option, you are operating at a fraction of the cost of an ICE vehicle.

The remaining concern is charging infrastructure, particularly for longer routes, but that is gradually building up. As that happens, we believe EV will remain the more fundamental long-term strategy. Electric will continue to be a centrepiece of what we do. That is the philosophy

# IN-SPACe proposes ₹500 cr third-party insurance cover for space activities

**Dalip Singh**
New Delhi

**SPACE SAFEGUARDS.** The third party damage insurance framework will likely be part of Indian Space Activity Bill

With India opening the space sector to private players, space regulator, the Indian National Space Promotion and Authorisation Centre (IN-SPACe), has proposed a framework requiring launch operators to take third-party insurance of up to ₹500 crore to cover damage caused by their space activities to people, property on the ground, or other space objects.

The ‘Policy Framework and Guidelines Addressing State Liability Towards Third Party Damage Arising Due to Indian Space Objects’, accessed by *businessline*, is aimed at meeting India’s international liability obligations while giving private space companies a clearer framework for managing the high risks associated with launches and space operations.

The framework covers launch vehicles and payloads, with the government also included as an insured entity. The proposed insurance cover would generally be valid for one year, including the re-entry phase of spent rocket stages, although IN-SPACe can prescribe a different period depending on the nature of the mission.

**SPACE ACTIVITY BILL**

“The third party damage insurance framework will most probably be part of the Indian Space Activity Bill. This needs to be promulgated at the earliest,” IN-SPACe Director General AK Bhatt told *businessline*.

Under the proposed framework, the operator would bear liability for claims arising during the policy period even if the claim is made within a year after the policy expires.

The move is particularly significant as international space treaties place liability on the launching state even when the activity is undertaken by a private entity. The proposed framework is intended to ensure that operators carry the financial cover needed to meet such liabilities, rather than leaving the government exposed.

The insurance requirement would also give private players greater certainty while raising capital and planning missions by defining their potential liability upfront. It is distinct from mission or own-damage insurance, which protects an operator’s investment against risks such as launch failure, failure to reach orbit and subsequent satellite malfunction.

“If a company has invested significantly in a satellite, it may insure against launch failure, which is failure to reach intended orbit, problems during early operations or subsequent in-orbit failure,” said Madhankumar Chocklingam, founder, Orbix Global.

The need for such risk-sharing was highlighted by the failure of ISRO’s PSLV-C62 mission in January, which left the EOS-N1 Earth observation satellite and 15 co-passenger payloads unable to reach their intended orbit. Industry sources said most payload owners had no third-party insurance to cushion the losses.

**COSTS PREDICTABLE**

The proposed ₹500 crore ceiling could also help make insurance costs more predictable for emerging private operators.

“The launch operator shall maintain third-party insurance for an amount as determined by IN-SPACe, subject to a maximum of ₹500 crore, for a duration nominally one year ensuring validity of the insurance during the re-entry phase of the spent rocket component stages,” the draft policy document revealed.

It also clarified that the insurance period, however, can be changed depending upon the nature of the launch such as sub-orbital launch, launch vehicle stage in-orbit being used as a stabilised platform that could have different potential third-party damage risk duration. However, the availability and pricing of space insurance remain challenging.

According to Aon’s Q1 2026 Space Insurance Market Report, premiums for risks attaching during 2025 exceeded $650 million, against about $503 million in claims. In 2023, premiums were around $550 million against claims of about $1.43 billion, highlighting the volatility of the market.

# Govt in LPG output push as Hormuz uncertainty lingers

**Bloomberg**

India has directed its state companies and private refiners to prepare for a sharp increase in cooking gas production, seeking to bolster domestic supplies. This, as the Iran war prolongs uncertainty over the Strait of Hormuz, the key waterway for about 90 per cent of the country’s liquefied petroleum gas (LPG) imports.

Refiners and crude oil explorers have been ordered to “implement all technically and economically feasible measures” to maximise LPG output beyond current minimum producible levels, according to an August 13 government notification. That includes exploring alternative uses of feedstocks, such as converting naphtha into LPG. India, which relies on imports for about two-thirds of its LPG consumption, has scrambled to secure enough cooking fuel since the US-Iran war disrupted traditional supply routes. Buyers have turned to the US and newer suppliers, including Algeria, following the closure of the vital sea route.

**BAR SET HIGH**

Domestic refiners, who produced about 36,000 tonnes of LPG a day before the war, have already lifted the daily output to as much as 54,000 tonnes to help meet demand.

The government now wants the industry to be capable of producing as much as 63,810 tonnes a day, according to the notification. It has set upper-limit production targets for individual refiners, with Reliance Industries Ltd’s domestic-market-focused unit assigned the largest target at 18,000 tonnes a day. State-run explorers ONGC and Oil India Ltd, along with the national gas pipeline utility Gail India Ltd, have also been asked to contribute about a tenth of the nationwide target.

businessline.
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## TODAY’S PICK.

### Elgi Equipments (₹609.05): BUY

**Akhil Nallamuthu**
bl. research bureau

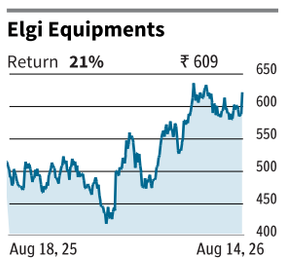
The stock Elgi Equipments has been appreciating since February after it found support at ₹420. But after hitting a high of ₹634 on May 29, the price gradually moderated.

However, the trend did not turn bearish, and the chart shows that the stock has formed a good base at ₹565. A rising trendline coincides with this level, making it a good support.

The rally on Friday indicates that the scrip is likely beginning a new leg of rally now, which can potentially lift the stock to ₹740.

So, traders can go long now at ₹609 and accumulate at ₹585. Place initial stop-loss at ₹550. When the stock rises to ₹675, revise the stop-loss to ₹645. On a rally to ₹710, raise the stop-loss to ₹680. Book profits at ₹740.

**Elgi Equipments**




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

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**EXTRACT OF THE STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2026** (Amount in Rs. lacs except EPS)

| Sl. No. | Particulars | Quarter ended | | | Year ended |
|---|---|---|---|---|---|
| | | June 30, 2026 (Unaudited) | March 31, 2026 (Unaudited) | June 30, 2025 (Unaudited) | March 31, 2026 (Audited) |
| 1 | Total Income from operations | 4.05 | 8.39 | 6.34 | 25.75 |
| 2 | Profit/(Loss) for the period (before exceptional items and tax ) | (30.19) | (8,126.21) | (877.75) | (10,752.13) |
| 3 | Profit/(Loss) for the period before tax (after exceptional items) | (30.19) | (8,126.21) | (877.75) | (10,752.13) |
| 4 | Net Profit/ Loss for the period after tax (after exceptional Items) | (30.19) | (4,071.65) | (877.75) | (6,697.57) |
| 5 | Total comprehensive income | (30.19) | (4,010.42) | (877.75) | 6,636.34 |
| 6 | Equity Share Capital (Face value of Rs.1/-each) | 20,44.40 | 20,44.40 | 20,44.40 | 20,44.40 |
| 7 | Reserve excluding revaluation reserves | - | - | - | - |
| 8 | Earning per share of Rs. 10 each | | | | |
| | (1) Basic (Rs.) | (0.01) | (1.96) | (0.43) | (3.25) |
| | (2) Diluted (Rs.) | (0.01) | (1.96) | (0.43) | (3.25) |

Notes
1 The above results have been prepared in accordance with the principles and procedures of Indian Accounting Standards notified under the Companies (Indian Accounting Standards) (Ind AS) Rules, 2015 specified under section 133 of the Companies Act, 2013.
2 The above unaudited standalone financial results for the Quarter ended June 30, 2026 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 14, 2026.The Independent Auditor's Report of the Statutory Auditors is being filed with the Stock Exchange.
3 The above is an extract of the detailed format of Standalone Financial Results for the quarter ended June 30, 2026 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulation, 2015. The full format of these Financial Results are available on the Stock Exchange website (www.bseindia.com)

For and on behalf of Vikas WSP Limited
(Company undergoing CIRP)
Sd/-
Mr. Darshan Singh Anand
Resolution Professional
IBBI Reg. No.: IBBI/IPA-002/IP-N00326/2017-18/10931

Location: Delhi
Date : 15.08.2026

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MONDAY - AUGUST 17 - 2026

the hindu businessline.
MONDAY - AUGUST 17, 2026

# Slicing it right

*5G network pathways need sensible regulation*

**The Telecom Regulatory Authority of India's attempt to put guardrails around 5G network slicing is welcome. The issue at hand here is whether slicing, or creating distinct network pathways, can distort network neutrality. In principle, it does not — and there is a global consensus here. Yet, 5G slicing deserves regulation, but not one that is self-defeating.**

Network slicing allows a single physical network to be partitioned into logically isolated slices, each optimised for different requirements — high data rates for enhanced mobile broadband, massive connectivity for devices, or ultra-low latency and high reliability for applications such as industrial automation. TRAI recognises that slicing enables service providers to align network performance with specific use cases. The problem arises when slicing is monitored by using an 80 per cent Physical Resource Block (PRB) threshold. A PRB is the basic unit through which a 4G or 5G cell allocates radio resources. Higher utilisation indicates that radio resources are being heavily used and can signal congestion. TRAI proposes to monitor cells during the Cell Busy Data Hour and introduce a benchmark under which no more than 1 per cent of cells should have daily PRB utilisation above 80 per cent. If utilisation exceeds 80 per cent on five days in a month, the operator must augment capacity; if it cannot bring utilisation below 80 per cent within a month, the cell must be removed from network slicing. The intention is that premium slices should not be created by allowing ordinary users to suffer congestion.

TRAI should regulate the impact of slicing on users, not simply the percentage of radio resources being consumed. But PRB utilisation measures how much of the radio resource is being used, not who is using it or how that resource is being allocated. A cell operating at 75 per cent PRB utilisation could still allocate resources in a manner that gives disproportionate advantage to a premium slice. Conversely, a cell crossing 80 per cent does not necessarily establish that ordinary subscribers have suffered a material deterioration in their quality of service. This makes the 80 per cent rule a useful congestion indicator, but a weak standalone fairness test. The better test is whether ordinary internet access actually experiences degradation because of slicing.

A technology-neutral and outcome-based approach would protect network neutrality while allowing India's 5G networks to deliver differentiated services. European regulator BEREC, UK's Ofcom and France's ARCEP have accepted differentiated services, subject to the condition that they do not undermine an open internet. The US communication regulator FCC, too, proposes monitoring slicing to ensure it is not used to circumvent protections against paid prioritisation, throttling or unreasonable discrimination. Operators should be allowed to monetise genuine spare capacity, provided they can demonstrate that premium services do not squeeze baseline users.

## OTHER VOICES.

THE WALL STREET JOURNAL. EUROPE

### A Crisis in U.S. Naval Readiness, Revealed

Democrats this week are expressing outrage over press reports of low morale and tough conditions aboard the USS Abraham Lincoln, the aircraft carrier deployed for 250 days, much of it supporting President Trump's military action in Iran. This is a new level of chutzpah from the party that won't pass a bill to finance military operations, and the causes of declining naval readiness aren't new. Democratic Sen. Richard Blumenthal wrote the Defense Department this week expressing "serious concerns" about the Lincoln. The press is publishing accounts from family members about working and living conditions on the ship. "They're pushing our service men and women to the limit," Democratic Sen. Ruben Gallego posted online, and Democratic leader Chuck Schumer called for Defense Secretary Pete Hegseth to be fired. NEW YORK, AUGUST 14

讀賣新聞
THE YOMIURI SHIMBUN

### Efforts to Maintain Peace Must Be Preserved

The National Memorial Ceremony for the War Dead was held at the Nippon Budokan hall in Tokyo on Saturday to mark the anniversary of the end of World War II. We pray for the repose of the souls of the 3.1 million people who lost their lives for their country during the war. It is important to continue making efforts to ensure that the memory of the tragedy is not forgotten, while also redoubling efforts toward peace. More than half of the bereaved family members attending the memorial ceremony since last year were born after the war. Elementary school-age children from the bereaved families played a role in distributing flowers to attendees of the ceremony to be used as offerings. It is essential to pass on the commitment to peace to younger generations. TOKYO, AUGUST 16

NAVPREET SAINI
KIRIT PARIKH

India's two energy policy objectives are net-zero by 2070 and inclusive Viksit Bharat by 2047. The recent war in Iran has brought to the fore a third objective of energy security. These require substantial expansion of power generation from clean energy sources, replacing petroleum products and natural gas with electricity and reducing coal use.

What role can nuclear power play in this transition? India's nuclear ambitions are entering a new phase. With approximately 8.8 GW of installed nuclear capacity currently supplying about 3 per cent of the nation's electricity, the government has set a target of expanding capacity to 100 GW by 2047 to replace coal-based power to reach our net-zero objective. Achieving that goal would require more than a 10-fold increase in nuclear generation capacity within two decades, demanding not only unprecedented reactor construction but also a reliable fuel supply.

A critical question emerges: will nuclear growth strengthen India's energy security, or merely replace dependence on imported fossil fuels with dependence on imported nuclear fuel?

Historically, fuel (uranium) shortages affected the operation of nuclear power plants, as they operated at half capacity. A severe uranium shortage between 2006 and 2010 reversed those gains. PLF fell below 60 per cent, reaching a low of 34-40 per cent in early 2009. However, performance has improved considerably since 2010.

The long-term average PLF now stands at around 82 per cent, reflecting better fuel availability and improved operational performance. However, how much dependence on imports does it require? Various scenarios suggest a 100 GW nuclear fleet would require between 18,000 and 20,000 tonnes of uranium annually.

**URANIUM PROFILE**

Global uranium production in 2025 was approximately 62,000 tonnes of which India imported 250 tonnes. India alone would consume nearly one-third of the current world uranium output if it reaches the 100 GW target.

However, global supply can also increase, the total mineable identified reserve is 5.9 million tonnes. If the annual production is one fiftieth of the total reserves, it will be around 1,20,000 tonnes. India will continue to be a substantial consumer of global production.

India possesses an estimated 4,42,000 tonnes of natural uranium reserves. However, most domestic deposits are relatively low-grade and costly to extract and refine, even costlier than importing. There is currently no realistic scenario under which such expansion can occur without large-scale uranium imports. The consequences of fuel shortages are already well documented. Previous uranium constraints directly reduced reactor output. Under a 100 GW programme, fuel availability would become not merely an operational concern but a threat to energy security.

Following the 2008 India-US Civil Nuclear Agreement, India secured uranium supply arrangements with multiple countries, but in recent years India's uranium import came from Kazakhstan, Uzbekistan and Canada, creating a significant concentration of dependence. If we look at the larger picture, it seems like, unlike crude oil, where India sources imports from a broad mix of suppliers including Iraq, Saudi Arabia, Russia and the UAE, uranium procurement remains concentrated. A disruption in supplies from Kazakhstan could prove considerably more difficult to replace quickly.

Kazakhstan holds approximately 14 per cent of global uranium resources and produces more than 40 per cent of global uranium output. While this gives the country substantial influence over global uranium markets. For India, this creates an additional geopolitical layer as well as shifting the dependence.

> **India needs to build a dedicated strategic uranium reserve, secure binding long-term offtake agreements,** and acquire equity stakes in overseas uranium mines

Thorium is being presented as India's route to complete nuclear fuel independence and a way to energy security because the country holds roughly 25 per cent of the world's thorium reserves. However, the thorium cycle is not yet fully self-sustaining because thorium itself is not fissile in nature. Rather, it absorbs neutrons as a blanket around the core of a reactor such as India's recently developed Fast Breeder Reactor (FBR) and is converted into U-233, a fissile fuel.

In principle, this creates a fully domestic and self-sustaining fuel cycle. India's three-stage nuclear programme is designed to harness this advantage. A significant milestone was reached in April 2026 when the 500 MW Prototype Fast Breeder Reactor (PFBR) at Kalpakkam achieved first criticality. Thorium is India's most self-reliant long-term energy option, but it is likely to be constrained by the rate at which we can build FBRs.

**ENERGY MIX**

From the perspective of diversifying India's energy mix and advancing its Net Zero ambitions, nuclear power is a logical part of the solution. Other strategies also have their own problems. Solar and wind require storage batteries or hydro power, which may be limited. Batteries will need imports of Lithium from China; biofuels require land and compete with other crops for water.

India's target of 100 GW of nuclear capacity by 2047 will require vast quantities of uranium every year, while the technology that promises genuine fuel independence — the thorium-fast breeder cycle — remains decades from commercial maturity. Until then, uranium procurement must be treated with the same strategic importance as crude oil.

That means building a dedicated strategic uranium reserve, securing binding long-term offtake agreements, and acquiring equity stakes in overseas uranium mines. Hence, India influences production decisions during supply disruptions. Uranium can be stored with some precautions against leakage. It also means ring-fencing funding for the fast-breeder and thorium programme, ensuring that the long-term energy-independence project is not sacrificed to meet short-term reactor construction targets. Every year of delay in scaling the PFBR-to-thorium pathway is another year of compounded exposure to uranium imports.

The true test of India's nuclear strategy is not how often policymakers speak about thorium, but how seriously they manage uranium security over the next 15 years. A level of dependence on a single supplier that would be unacceptable for crude oil should not be accepted for the fuel expected to help replace it. India should also have concerted R&D to develop cheaper batteries than Lithium-ion ones, as also on economic technology for cellulosic ethanol. Energy independence is not a single decision; it is a carefully sequenced transition.

Saini is Senior Research Analyst; and Parikh is Chairman, IRADe

# Why the world may need an AI stewardship treaty

Should a cabal of countries and corporations become permanent custodians of the world's most powerful intelligence?

GBS Bindra
Rahul Patwardhan

Artificial intelligence is rapidly becoming a foundational capability, one that will shape economies, militaries, scientific discovery, healthcare, education and governance. The countries that master it will enjoy enormous strategic advantages over those that merely consume it.

As governments and technology companies debate how frontier AI should be governed, one question remains curiously absent from the conversation: who gets to decide which countries are trusted with humanity's most powerful intelligence?

The question is usually framed as one of safety, but that is only one part of the story.

Should a small group of countries and corporations become the permanent custodians of the world's most powerful intelligence, while everyone else remains dependent upon them?

Every generation has witnessed transformative technologies becoming instruments of geopolitical power. Nuclear technology, advanced semiconductors, satellite systems and cryptography have all become subjects of export controls, strategic alliances and technological denial. Artificial intelligence is rapidly joining that list.

Who determines where the technological frontier should stop, and for whom? Too often, this debate proceeds from the unstated premise that today's technological powers are naturally the world's most trustworthy stewards. Why should the rest of the world simply accept that proposition?

The post-war international order has produced extraordinary scientific and economic progress. Yet it has also witnessed repeated interventions by major powers in pursuit of their own strategic interests.

Recognising this reality is not an argument against any particular country. It is an argument against concentrating unprecedented technological power in the hands of a few. This matters because AI differs fundamentally from previous strategic technologies.

AI is becoming the cognitive infrastructure upon which economies, governments and societies will increasingly depend. The same foundation models that accelerate scientific discovery can improve healthcare, education, manufacturing, agriculture and climate resilience.

Restricting access to frontier AI therefore shapes far more than national security. It determines who can innovate, who can compete, who creates economic value, and ultimately who prospers.

**IMPLICATIONS FOR INDIA**

For countries such as India, the implications are profound. India is no longer merely a consumer of global technology. It possesses world-class engineering talent, globally admired digital public infrastructure, a thriving start-up ecosystem and growing frontier research capabilities. Yet if access to the most capable AI systems remains controlled by a handful of foreign governments or corporations, India and many other capable nations risk becoming permanently dependent on technologies that will underpin every sector of their economies.

**AI.** For the benefit of all

None of this implies that frontier AI should simply become freely available to everyone. Legitimate security concerns must be addressed. The world does need robust safeguards against catastrophic misuse.

But preventing misuse is fundamentally different from preventing capability. If AI is becoming global public infrastructure rather than merely another strategic technology, then its governance cannot be modelled solely on arms-control regimes. It must also address questions of equitable access, institutional legitimacy and shared stewardship.

The appropriate precedent may therefore not be a single treaty but a hybrid framework.

One element could draw from the logic of the Chemical Weapons Convention: establishing internationally agreed prohibitions against clearly harmful applications of artificial intelligence, together with verification mechanisms and independent oversight. Another could borrow from international regimes governing domains of shared global importance such as the Law of the Sea and the Outer Space Treaty, which recognise that resources of profound significance require cooperative governance rather than exclusive control by a small number of states.

Such a framework would distinguish between restricting malicious uses of AI and denying responsible nations access to frontier capabilities. Safety, equity, accountability and international legitimacy would become complementary objectives rather than competing ones.

A genuinely multipolar AI ecosystem, involving the United States, Europe, India, China and other capable innovation centres, may ultimately prove more stable and equitable.

Perhaps what the world actually needs is an AI Stewardship Treaty: one that prohibits harmful uses of artificial intelligence while ensuring that its transformative benefits remain safely, equitably and legitimately accessible to all responsible nations.

The writers are Distinguished Fellows at the Avinyum Foundation

## LETTERS TO EDITOR

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

### Transparent lending

This refers to the Editorial 'Lending transparency' (August 15). As lending is one of the key functions of banking, the pricing of products relating to it needs to be transparent and easily understandable to the buyers. Right now the lenders' interest rate models are only partly transparent.

The borrowers must be made aware of all details about loan products and the price to enable them to make the right choice. Therefore, the RBI must enforce strict regulations to ensure fairness in interest rate policy across the industry.

**VSK Pillai**
Changanacherry (Kerala)

### Depositor safety

While the demand for issuing fresh licences to Urban Cooperative Banks (UCBs) is understandable, the RBI should also selectively consider the requests of well-performing UCBs seeking conversion into Small Finance Banks (SFBs).

At the same time, as the custodian of public trust and the regulator responsible for safeguarding depositors' interests, the RBI should ensure that any fresh licensing of UCBs is accompanied by stronger protection for depositors.

In this context, Section 21(3) of the DICGC Act should be suitably amended to provide full insurance cover for bank deposits, instead of limiting protection to the present ceiling of ₹5 lakh. This limit appears increasingly inadequate, particularly when DICGC premiums are collected on the entire insured bank deposit base. Furthermore, the regulatory framework governing UCBs should be strengthened and brought broadly at par with that applicable to Public Sector Banks (PSBs), particularly in areas concerning governance, prudential regulation, supervision, and depositor protection.

**Rajiv Magal**
Halekere Village, (Karnataka)

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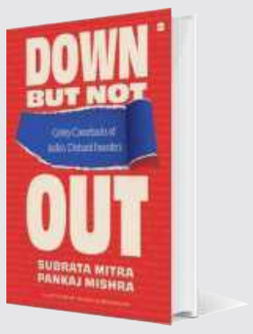
# Struggles of starting up

Inside stories of founders who stayed the course

BOOK REVIEW.

**Ramasamy Jayaprakash**




**Title:** Down But Not Out
**Authors:** Subrata Mitra and Pankaj Mishra
**Publisher:** Harper Business
**Price:** ₹1199

Starting a business is a dream everyone would have had sometime in their lives. Some act upon it and then take a step back. Self-doubt, family and societal expectations and pressure, roadblocks, setbacks creep in.

But for a few, entrepreneurship becomes their passion, purpose and calling. Perhaps even their obsession. They don't give up. They don't accept defeat at the first sign of trouble. They don't take a nasty blow on the body from a rogue bouncer and walk to the pavilion. They hold their end without giving up even after taking repeated blows. They are like Vihari, Pujara, and Ashwin in India's 2020-21 cricket series Down Under.

This book is about 10 such entrepreneurial ventures, their co-founders and their partners, who kept going even when the going was tough. Among them BlueStone, TaxiForSure, MobStac, Tejas Networks, Hyper Verge. Each story is different and teaches something unique. But these stories have many similarities as well. The unstoppable urge to build something that could outlast them; to build something that would truly make a difference; to change course and pivot when their current path seems a dead-end; are the few things that come to mind.

**INSPIRATIONAL IDEAS**

The 10 chapters on 10 different companies could be and should be separate books on their own as each story leaves you wanting for more. The chapters lack a deep dive on the companies and their founders but have enough to intrigue and inspire the reader to probe further.

Some of the quotes the entrepreneurs share and are journaled in the book can be enough motivation for someone who aspires to build on her own. For instance, Uniqode's Sharat Potharaju and Ravi Pratap Maddimsetty share a message they received from Accel's Shekhar Kirani: "No difference between you and the CEOs you admire — except they're on the other side of the climb". Their story involves how "someone else's belief at the right time helps them bridge a gap that they couldn't have crossed alone".

What's even more striking and inspirational from many of these founders is how they handled their early employees whom they had to let go when they had to downsize or pivot to something else. Some ensured they were let go with dignity and respect. Some ensured they were let go after they got a job somewhere else. The entrepreneurs' fixation was not on mere money making. They care about people, values and building trust. The goal was not to make a profitable business; but to make one that would outlast them.

The lines that I kept coming back to were: "Irrelevance is a colder threat than failure. Failure is loud, final, sometimes even clarifying. Irrelevance is slow. It lets you keep moving while closing the space around you." This would apply to almost all jobs and career paths, and not just business. So, anyone picking up this book can learn a thing or two from it and also get inspired to do better in what they do.

This book is a must-read for anyone who has already started a company and needs some inspiration to push through the initial struggles. That's the hardest part. Starting a business is relatively easier than surviving the initial onslaught of unforeseen issues.

Subrata Mitra, Founding Partner at Accel, and Pankaj Mishra, journalist and founder of FactorDaily, take a dispassionate approach to deliver these stories without any fluff or drama. The stories and the messages the authors wants to convey are straight and direct. The book is peppered with graphic illustrations with the visuals taking almost half the space in it. This makes it a lighter read perfectly suited for someone who is new to reading. It will also make a good gift for a friend or sibling with entrepreneurial dreams.

# The origins of Indian liberalism

This important book overturns the assumption that Indian liberalism was merely derivative of western ideas

BOOK REVIEW.

**TCA Srinivasa Raghavan**

Indian history, from about 1970 to about 2010, was bifocal. The established historians either talked about the glories of Mughal rule from Akbar to Aurangzeb or of the freedom struggle under the Congress. The odd historian who broke ranks was hissed off the stage.

But by about 2010 this seam had been pretty much exhausted. And newer historians were not only looking at these two major themes differently, they were also finding new pastures to graze on. Mostly they were discovering neglected source material, comprising letters and documents.

Rahul Sagar is one of them. He got his BA from Oxford and Ph.D from Harvard and has been teaching for the last two decades or so. Although his main area of expertise is political theory, and all that's associated with it, this book straddles political theory and history by sifting through the letters of Mama Parmanand to an Indian ruler. (Mama Parmanand should not be confused with Bhai Parmanand.) This densely written book is one of the best I have read this year. The Introduction runs to 120 pages.

You may well ask, "Mama who?" And that question would reveal the damage done by Left-leaning historians who ran history departments for close to 60 years. We have very little idea of persons who were beyond their 'approved' list.

**A THINKER APART**

Narayan Mahadev Parmanand was born in Konkan in 1838 and educated in Bombay University (Elphinstone College). He was a highly regarded journalist who thought deeply about political and administrative issues. His advice was sought by a host of luminaries of the period like MG Ranade, Badruddin Tayebji, Pherozshah Mehta and others.

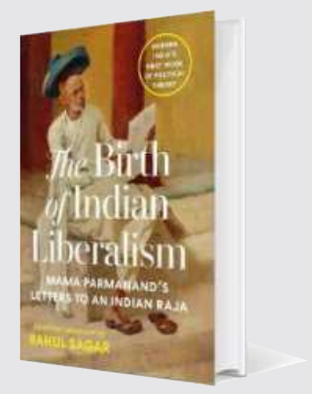
Sagar shows how Mama Parmanand took it upon himself, amongst other things, to ensure the proper governance of those parts of India that the British did not govern themselves, namely, the 'Princely States'. He makes it clear at the outset that not all of these rulers were besotted by wine, women and song. Several ruled well and were receptive to good suggestions. Their problem, more often than not, was British interference.

Sagar thus tells us about a problem that Mama Parmanand identified 150 years ago: what's the role of the representative of the central government in a province or state? He was called the Resident representative then, and Governor as he has been called since 1950.

The problem faced by the Indian rulers wasn't just of good governance; it was also of how to prevent the British from interfering. The entire effort of the British was directed towards showing the Indian rulers who the boss was. All communication with the Big Boss in Calcutta had to go through the Resident who made little effort to understand Indian customs and culture.

To solve this problem of interference, Mama Parmanand came up with an idea, of making the ruler and Resident "co-adjudicators" so that the resident too would be responsible for good governance. The idea was to make the Residents "partners rather than mere censors".

Another problem Mama Parmanand tackled was financial probity, not just of the rulers but also of their minions. The crux of the issue was that there was no dividing line between public and private finances. To make sure the subjects got something back, Parmanand suggested a strict dividing line. Rule your provinces the way the British rule British India, was his message.




**Title:** The Birth of Indian Liberalism: Mama Parmanand's Letters to an Indian Raja
**Author:** Rahul Sagar
**Publisher:** Juggernaut
**Price:** ₹900

**ABOUT THE AUTHOR**

**Rahul Sagar is** Global Network Associate Professor of Political Science at New York University Abu Dhabi. He previously taught at Princeton University and Yale-NUS College

The list of reforms suggested is long and detailed. It touched on accountability, abuse of power by petty bureaucrats, panchayati systems, free education for the masses, research into worthy topics, and women's participation, to name just a few. Mama Parmanand was a hundred years ahead of the sort of agendas that have become commonplace for the last 75 years.

Most apposite for current time was his urgings about examination systems. The objective, he said, should be to create a "permanent aristocracy of intellect" by emphasising merit rather than birth. These people would form a barrier between the people and sovereign power.

**A BRITISH CONCEIT**

It is generally believed that Indian liberalism is actually British liberalism in brown skins. Basically, said the British, we taught these fellows English and they learnt our liberal ways. One of their prime ministers, Ramsay MacDonald, said in his 1910 book called the "*Awakening of India*" that liberalism is "the only battery of guns which India has captured from us and condescends to use against us".

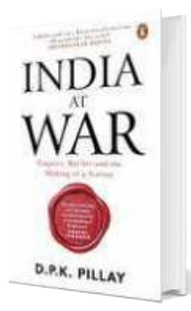
In subsequent decades it became the received wisdom that political liberalism, as opposed to social liberalism, was an imperial boon to India. You are what you are because we made you what you are. That was the burden of the British song.

Sagar makes an important intellectual distinction: the idea of liberalism in British India which is what the critics of Indian liberalism have gone on about, and the idea of liberalism in what was not-British India, which has been largely ignored. Sagar also says in one place that it's important to distinguish between the history of an idea and the justification for it. I only wish he had explained this a bit more rather than leave it as a sort of *obiter dicta*.

The letters written by Mama Parmanand, which Sagar has collected in this volume, illustrate this point admirably. Many of us have sensed this intuitively. This book gives concrete shape to that feeling.

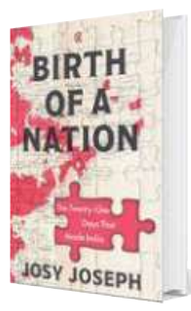
The reviewer is a senior journalist, columnist and author

## NEW READS.



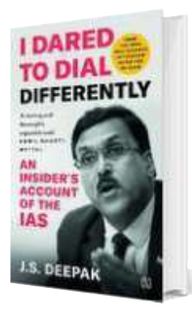

**Title:** India At War
**Author:** Col. D.P.K. Pillay
**Publisher:** Penguin RandomHouse

**This book explores** how India survived when many empires vanished into history and why its identity endured despite centuries of conflict




**Title:** Birth of a Nation: The Twenty-One Days That Made India
**Author:** Josy Joseph
**Publisher:** Westland Books

**This book follows** the work of the newly set-up States Department led by Sardar Patel, and its group of determined officials




**Title:** I Dared to Dial Differently
**Author:** J.S. Deepak
**Publisher:** Hachette India

This compulsively readable memoir reads like a masterclass in conscience, courage and governance under fire

thehindu businessline.

## TWENTY YEARS AGO TODAY.

August 17, 2006

**'Markets may see dip in FII flows in 2006-07'**

Stock markets in the country could see less foreign institutional investor (FII) interest this year. The Prime Minister's Economic Advisory Council (EAC) has projected a marked decline in portfolio flows into the country for the current fiscal, though it is expecting a substantial jump in foreign direct investment (FDI) inflows for 2006-07.

**India gets power from Bhutan's Tala project**

Power from the 170-MW first generating unit of the Rs 4,124 crore Tala project in Bhutan has started flowing into India from the beginning of the month with the remaining five units of the 1,020-MW project slated for commissioning shortly.

**Sugar mill margins may come under pressure**

Is the party for sugar over? With international prices crashing and elections to the Uttar Pradesh Assembly due early next year, there is likelihood of mill margins coming under pressure from lower realisations and higher cane prices payable to growers. Globally, sugar prices have been on a roll this year.

Short take

# A granular approach to growth and development

**Poornima Dore**

Every Independence Day invites us to look simultaneously backwards and forwards: at the distance India has travelled, and at the country we still aspire to become. Today, that aspiration has an increasingly clear destination: Viksit Bharat by 2047. But where, exactly, will Viksit Bharat be built?

It will be built in Surat and Jamshedpur, in Coimbatore and Varanasi, in the industrial belts surrounding Pune, in the small towns of eastern Uttar Pradesh, and in hundreds of districts and economic regions whose trajectories rarely make the national headlines. India is one nation. Economically, however, it contains many Indias. This is now being recognised.

In June, the Ministry of Statistics and Programme Implementation released a uniform framework for compiling District Domestic Product estimates across States and Union Territories. Its objective is to bring greater consistency, comparability and methodological standardisation to district-level economic estimates.

The geography of Indian development policy is becoming more granular. The opportunity now is to make our investment plans and development thinking equally granular.

Places often know more about themselves than our formal planning processes allow them to express.

Entrepreneurs know where supply chains break down. Workers know which skills actually command a wage. District administrations know where implementation repeatedly gets stuck. Chambers of commerce know why businesses choose one location over another. Between the national ambition and the individual citizen lies an important layer: the region. Recognising it changes the question. Not simply: Which scheme should come here?, but: What could this region become?

And what combination of enterprise, skills, infrastructure, technology, public investment and institutional coordination could help it get there?

The answer cannot be hundreds of static district plans. India needs local and regional institutions capable of continuously reading their economies, convening stakeholders, identifying opportunities, testing interventions and learning from results.

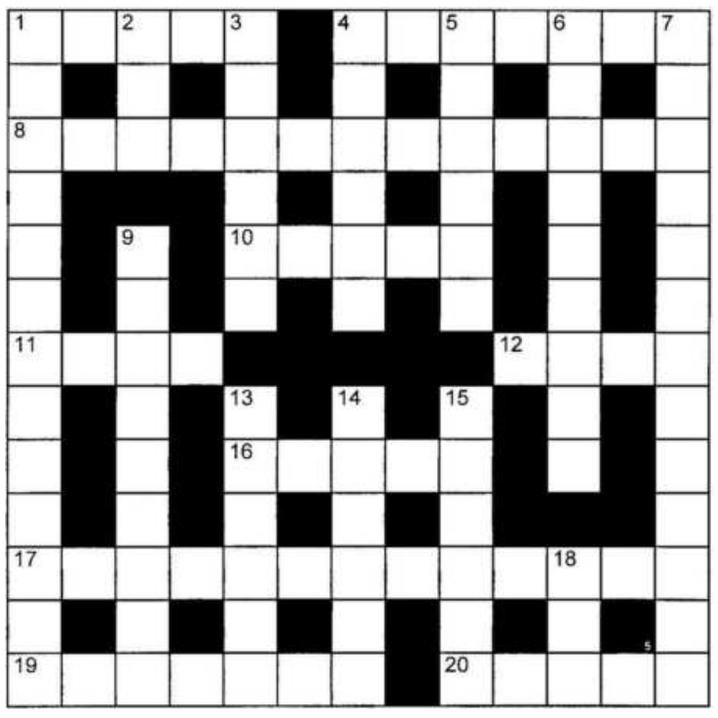
Their starting point would be evidence: increasingly rich administrative datasets, surveys, geospatial information and, eventually, comparable district economic accounts.

As India looks towards 2047, our challenge is not only to grow faster. It is to ensure that our extraordinary diversity becomes an economic strength rather than a source of persistent divergence.

That requires becoming much better at seeing India below its averages.

The writer is CEO of Dorian Scale

## BL TWO-WAY CROSSWORD 2715



### EASY

**ACROSS**
01. German pistol (5)
04. Bands of colour (7)
08. Hindering; neutralising (13)
10. Plant flowering in spikes (5)
11. Double sulphate of aluminium and potassium (4)
12. To apportion, measure (4)
16. A discussion meeting (5)
17. Given to meditation (13)
19. Blood-sucking worms (7)
20. Irritates, annoys (5)

**DOWN**
01. Listless, indolent (13)
02. Large antelope (3)
03. A sistrum (6)
04. Draw blade across (6)
05. Of not long ago (6)
06. Convicts (9)
07. Inability to see (13)
09. Plentiful supply (9)
13. Anew (6)
14. Vine fruit (6)
15. Injure, weaken (6)
18. Unwell (3)

### NOT SO EASY

**ACROSS**
01. In this form thin porridge was a weapon in enemy hands (5)
04. Press it out into chevrons (7)
08. Behaving like an antidote to the theatricality of a shopman? (13)
10. Almost pull back in making a flower (5)
11. A compound used for a chimney in Scotland (4)
12. How one may measure flesh for food, one is told (4)
16. Where Romans met the Foreign Office with some spirit (5)
17. Thoughtful way to study paper pattern when about four (13)
19. They were once applied to blood-letting (7)
20. It annoys one, being a bit puerile sometimes (5)

**DOWN**
01. Listless look of Acacia lad can make silk from (13)
02. Animal doesn't sound as if it's been used (3)
03. It may annoy one, this snake (6)
04. A spot of trouble one may narrowly get by (6)
05. It is about money abroad of late origin (6)
06. Their base is game, they being inside (9)
07. Tess's shingles might produce a condition of blindness (13)
09. One cake at a hop? That's plenty! (9)
13. As he's far out, it's starting again (6)
14. They are fabulously sour, being out of reach (6)
15. It's the devil of a tune that will spoil things (6)
18. Is so chosen, badly, to be off colour (3)

### SOLUTION: BL TWO-WAY CROSSWORD 2714

**ACROSS** 1. Piper 4. Scented 8. Numerical 9. Bus 10. Inertia 12. Dean 14. Well met 17. Soap 18. Blunder 20. Egg 21. Transport 23. Sleight 24. Dated
**DOWN** 1. Pennilessness 2. Pamper 3. Rarities 4. Sac 5. Eels 6. Tablet 7. Disintegrated 11. Ad lib 13. Repulsed 15. Bangle 16. Adroit 19. Stag 22. Apt

CHENNAI
businessline.
MONDAY - AUGUST 17 - 2026

## NEWS SNIPPETS.

### Big scheme up ahead for floating solar projects

The government is understood to be planning a major scheme to promote floating solar projects. According to a reliable source, the scheme could provide ₹1 crore per MW incentive to compensate for the higher cost of setting up floating solar projects and to bring their tariffs on par with ground-mounted solar projects.

In anticipation of the scheme, many states have held back their floating solar tenders, preferring to wait until the central government makes its announcement.

Meanwhile, in response to a question in the Lok Sabha, the government disclosed the floating solar potential (in GW) in various states: Maharashtra 16.28; Madhya Pradesh 54.89; Karnataka 13.69; Odisha 12.81; Gujarat 6.32; Uttar Pradesh 5.64.

### APTEL terms TNERC verdict as 'atrocious'

The Appellate Tribunal for Electricity (APTEL) has set aside a Tamil Nadu Electricity Regulatory Commission (TNERC) order, stating that it was "atrocious" and had been passed in a "cavalier fashion".

The case is related to a petition filed by VSR Solar Power Pvt Ltd, seeking an extension of the deadline for commissioning its 50 MW solar project, on two grounds — the government's imposition of a "safeguard duty" in 2017 on imported Chinese products; and the devastation caused by Cyclone Gaja in 2018. TNERC rejected the petition and allowed the State utility, TANGEDCO, to encash the bank guarantee.

VSR Solar appealed to APTEL against the TNERC verdict.

In its judgement, APTEL held that TNERC had failed to consider one of the developer's principal arguments — that Cyclone Gaja and the consequent heavy rains in 2018 had delayed the construction of the project and constituted a *force majeure* event.

The tribunal noted that the commission had neither discussed the issue nor returned any findings despite detailed pleadings from both sides.

"The impugned order is not only erroneous but also atrocious as it fails to dwell upon and address one of the primary grievances with which the appellant approached the commission," APTEL observed.

It further held that the commission had acted in a "cavalier fashion" by discussing the provisions of a power purchase agreement relating to other project developers instead of the agreement executed by the appellant, VSR Solar Power Pvt Ltd, and TANGEDCO.

The dispute arose after TNERC, in February 2021, rejected VSR Solar's plea for a project-specific extension of the commercial operation date for its solar project, holding that the power purchase agreement had automatically terminated due to non-commissioning within the stipulated period, and upheld TANGEDCO's right to invoke performance bank guarantees and levy liquidated damages.

Setting aside the order, APTEL remanded the matter to TNERC for fresh consideration of the impact of the cyclone and heavy rains as a *force majeure* event, along with the consequential issues relating to bank guarantee encashment and liquidated damages.

The tribunal directed TNERC to pass a fresh order within three months after hearing all parties.

TRANSMITTING BUSINESS

# Meeting grid challenges in times of high RE presents a big business opportunity

**CAUSE-EFFECT.** As the share of variable renewable energy increases in electricity supply, demand grows for grid stabilising equipment

ISTOCK

M Ramesh

On July 13, at 12:29 hours (as reported in *businessline* dated July 20, 2026), 42.79 per cent of the electricity flowing to the India grid came from wind and solar — a record. Data from the Grid Controller of India Ltd shows that the share of variable renewable energy (VRE) in total electricity has consistently stayed above 35 per cent at some point during the day on all days.

The grid is managing this much VRE in its veins. But VRE's share is only going to increase, gradually overwhelming the grid.

VRE is growing faster than the infrastructure needed to handle it.

Broadly there are two categories of measures needed to handle a high share of VRE — grid operations and market instruments (software); and addition of transmission lines and the use of more hi-tech equipment (hardware).

The hardware part presents a big business opportunity. Ask CosPower Engineering, which manufactures electrical equipment such as capacitors, damping resistors and harmonic filters, which aid grid stability. The Mumbai-based company's turnover in 2024-25 was ₹27 crore; the following year it rose to ₹107 crore, according to Oswald D'Souza, Whole-time Director and co-founder.

"India requires a grid capable of reliably transmitting, balancing, and managing this power," says N Venu, MD and CEO-India and APAC, Hitachi Energy. "Transmission capacity, system strength, storage, and advanced power electronics will all play essential roles as the share of renewable electricity grows," Venu said.

Now, with the Central Electricity Authority proposing tougher rules for solar, wind and batteries connected to the grid, the need for gizmos such as grid-forming inverters is expected to rise sharply.

The draft Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2026, published on July 31, proposes to replace the existing regulations dated 2007. The CEA has invited public comments until September 2. A major change proposed is the detailed technical requirements for solar, wind and battery energy storage systems, which are classified as inverter-based resources.

Renewable plants above 10 MW and connected at 33 kV or higher would have to adjust their power output on the grid operator's instructions, change their output by up to 10 per cent a minute, and quickly respond to changes in grid frequency.

Renewable plants will also have to provide much stronger voltage support and fault ride-through capabilities. They would have to remain connected during certain grid disturbances and provide reactive current within 30 milliseconds in certain low-voltage conditions. Such requirements could drive the demand for more sophisticated inverters, plant controllers, protection systems and other grid-support equipment.

**GRID-FORMING TECHNOLOGY**

The biggest opportunity could be for grid-forming technology. Today's conventional inverters are 'grid-following': they take the reference voltage and frequency from the grid and feed VRE to the grid at those values. In contrast, grid-forming converters establish their own internal voltage reference, and can provide near instantaneous voltage and frequency support.

"Grid-forming technology is an important part of our portfolio," said Venu. Hitachi Energy senses a big business opportunity for its product Grid-enSure, which incorporates grid-forming capabilities.

Battery energy storage systems (BESS) are potential beneficiaries too. BESS installations of 50 MW and above would be needed for black-start capability, helping restore the grid following a major blackout. This could require additional control, power electronic and auxiliary equipment beyond what is needed to merely store and discharge electricity.

The proposed regulations, therefore, represent more than a tightening of grid connection standards. By specifying the capabilities that renewable and storage projects must provide, they could create a growing market for smarter inverters, grid-forming converters, advanced plant controllers, protection and power quality equipment, and grid-support systems.

For equipment manufacturers, the significance lies in the fact that these capabilities could move from being premium features adopted by a few projects to mandatory specifications for a much larger part of India's renewable energy build-out.

**'SOFTWARE' MEASURES**

Handling the grid with high VRE also calls for 'software' measures such as forecasting and demand response — which, in turn, provide more manufacturing opportunities. Improved forecasting of solar and wind generation will become increasingly important for scheduling power, managing deviations and planning balancing resources. This will create opportunities for forecasting platforms, energy management systems and sophisticated control software.

Such software will also need sensors, weather stations, communication equipment, data acquisition systems and other devices that provide the operating data for the software.

The same hardware-software combination will be needed on the consumer side.

Time-of-day tariffs, for instance, depend on smart meters capable of recording when electricity is consumed and communicating this data to utilities.

As the electricity market becomes more dynamic, the spread of smart meters, automated controls and other connected devices could spawn an important equipment market in its own right. Alongside this will grow a market for balancing and ancillary services, storage and other flexibility services, creating revenue streams for generators, battery operators and specialised service providers.

While managing the grid with high VRE is a grid operator's nightmare, it is a box of sweets for equipment manufacturers.

GREEN SINK

# Can native forests capture carbon like fast-growing exotics?

K Bharat Kumar

For a long time now, global approaches to minimising the effect of climate change have relied heavily on fast-growing, non-native monocultures — such as acacia and eucalyptus — to absorb atmospheric carbon dioxide as quickly as possible.

A recent research by Auroville, an "experimental township" near Puducherry, challenges the assumption that biodiversity must necessarily be forgone for the sake of carbon capture. A half-century assessment shows that the restoration of indigenous tropical dry evergreen forest (TDEF) species allows for carbon sequestration equivalent to those delivered by exotic tree plantations. The use of native species also facilitates the rebuilding of the ecosystem.

In 1973, the restoration site in Auroville was characterised by barren, deeply eroded red laterite soil with gullies washed out by seasonal monsoons. To restore the terrain, a two-stage strategy was adopted.

**NEW LIFE.** Once barren, Auroville now boasts 91 native plant species ISTOCK

Initially, non-native pioneer species — specifically *Acacia auriculiformis* (northern black wattle), *Acacia mangium*, *Acacia colei*, and *Eucalyptus globulus* — were introduced. These fast-growing exotics served as nurse trees, shielding eroded land from intense wind and solar radiation, building organic soil matter, and improving microclimatic moisture retention.

Beginning in the 1990s, the restorers initiated the second phase: systematically replacing exotic pioneers with indigenous species. Today, the restored region boasts 91 native plant species across 34 families.

To compare the carbon storage capacity of the restored native forests and exotic plantations, the researchers drew up standardised plots measuring 20 m by 20 m. Within each plot, woody stems with 1.3 m diameter at 10 cm or more above ground level were tagged and categorised.

**DENSITY ADVANTAGE**

While exotic trees rapidly accumulate biomass in their first decade, native TDEF species achieve comparable long-term carbon stocks due to superior wood density. Slow-growing native hardwoods — such as ironwood and Ceylon ebony — exhibit exceptionally high wood specific gravity.

As native species can grow to heights comparable to exotic trees, their high structural wood density allows them to store immense quantities of carbon in compact volumes. Consequently, scaled estimations in tonnes of carbon per hectare show that a 50-year-old restored TDEF achieves total aboveground carbon stocks on par with fast-growing exotic monocultures.

Native species are also able to withstand stark changes in climate. For instance, they showed significantly lower mortality during severe six-month seasonal dry spells, compared to exotic species.

These findings could help formulate climate policy and inform forest restoration efforts suited to carbon capture.

While single-species exotic plant choices offer quick initial returns in carbon accounting, they lack long-term ecological stability and exhibit high mortality during severe dry spells. Native species offer carbon storage performance while showing resilience on multiple fronts.

# Why India should favour a 'community-trusteeship' economic model

As an upcoming solar plant imperils the ecologically sensitive Banni grasslands in Gujarat, the merits of top-down development models come into question yet again

Maya Rane
Bholenath Vishwakarma

Sarpanch Hussain trains the children of the semi-nomadic pastoralist Maldhari community to understand the changing landscape of the Rann of Kutch in Gujarat. Nearby is the site where the world's largest solar plant is under construction along Banni grasslands. Villagers fear it may endanger the ecology of the wetlands, and the arrival and nesting of migratory birds.

Declared a 'protected forest' in 1955, Banni is a Unesco ecological hotspot and Asia's largest tropical grassland. Spread across 2,500-3,847 sq km, Banni serves as pivotal grazing land for dairy farming, as no agriculture is possible in the salt-encrusted region along the Indo-Pak border. Despite the loss of fertile land post Partition, it is peculiar that India has no policy to protect the open lands that impact communities and the environment.

About 65 per cent of India's population lives in areas bordering protected forests, holding on to the generational wisdom that is critical to sustain balance in nature. "Study how a society uses its land, and one can come to pretty reliable conclusions about what its future will be," Dr EF Schumacher writes in his seminal book *Small Is Beautiful: A Study of Economics as if People Mattered*. He argues that unmanaged growth as a top-down policy may be more damaging than lack of development. He advocates for developmental models that are based on grassroots choices and consumption patterns.

**LAND OF MILK.** Banni is pivotal grazing land for dairy farming in a terrain unsuited to agriculture VIJAY SONEJI

A river basin in Mandvi offers such a community-trusteeship model. The Rukmavati river rejuvenation programme involves 60,000 people across 55 villages. Villagers, elected representatives and technical partners collaborated under the stewardship of the industrialist and social activist Kantisen Shroff.

A proponent of Schumacher's theories, Shroff (fondly called 'kaka' by the communities he worked with) collaborated with the locals to simplify the programme, turning each stakeholder into an active participant. Over 384 surface structures were built to hold 398 million cubic metres (MCM) of water, alongside 1,639 recharge wells to replenish aquifers to ensure water security for the community until 2041. The water budget was designed to increase water availability from -175.35 to 45.81 MCM.

Kaka pioneered a conservation model for Banni grasslands on the same lines, with Maldhari chieftains confirming the success of 'community trusteeship'.

**OUTDATED POLICY**

India needs to steer away from an "exploitation-first" economic model towards an integrated 'community-trusteeship' model. Driven by an outdated forest policy that ignores native know-how, man-made degradation serves as a stark counterpoint to naive copy-paste strategies that ignore the grassroots conditions impacting unique habitats and water ecosystems across India.

Under the guise of promoting green energy, Rajasthan lost 3 million khejri trees (*Prosopis cineraria*) to solar plants — land given to solar power companies at no cost (with lucrative tax rebates), threatening the very biodiversity they claim to protect. The 50,000-hectare Nelia grasslands, near Mundra, are at risk. Shokaliya grassland in Ajmer, Rajasthan, is overrun by the invasive *Prosopis juliflora* species, following decades of mindless tree plantation drives that failed to engage with the locals. A similar acacia afforestation programme in Wai, Satara district, has disrupted the delicate flora unique to the Kaas plateau.

To protect natural ecosystems, whether waterbodies, mountains, plains, grasslands or marshes, the government should establish a statutory framework for community-based natural resource management, granting grasslands the same legal tenure and governance rights accorded under the Forest Rights Act 2006.

While the watershed management policies govern water and the FRA protects forest commons, non-forest open biomes remain legally unprotected and vulnerable to misclassification as "wastelands" for mega-infrastructure development. By formally giving community forest resource (CFR) rights to traditional pastoralist gram sabhas, native communities receive the legal title, authority, and veto power over land diversion. It is time for a shift from top-down land alienation to an institutionalised 'community-trusteeship' model that protects biodiversity through native ecological stewardship.

The State should institutionalise the 'community-trusteeship' model as a formal, legally backed policy, moving away from reliance on isolated philanthropic acts. Much like the Rukmavati river rejuvenation programme (now undertaken by Shree Vivekanand Research and Training Institute, Mandvi, and the Agrocel Foundation) provides a replicable governance template that brings people, village panchayats, and industry under a single, integrated authority, and gives local communities the much-needed veto.

Maya Rane is a communications and brand reputation consultant; Bhole Vishwakarma specialises in environmental policy

## QUICKLY.

### ONGC gets US licence to resume Venezuela ops

**New Delhi:** State-owned oil and gas explorer ONGC has secured a licence from the US Treasury's Office of Foreign Assets Control (OFAC), allowing it to resume full operations in Venezuela after years of limiting activity because of sanctions-related risks, a senior company official said. The approval could pave the way for the state-run explorer to expand production, sign new agreements, and take over operatorship of some projects from Venezuela's state oil company PDVSA, Anupam Agarwal, Director - Finance at ONGC, said at an investor call post first quarter earnings announcement. PTI

### Govt depts priming teams to fight fake online posts

**New Delhi:** Government departments are constituting Quick Response Teams (QRT) to ensure a timely response to misleading or fake contents on social media, an official said. There is a need to engage with people through social media in a constructive manner and to ensure that responses to rumours, misinformation, fake content, and misleading posts are issued in a timely manner, he added. Departments such as power, agriculture, and commerce have already constituted their quick response teams. PTI

# AI tech for quicker I-T refunds to go live by early 2028: Finance Ministry

**TURNAROUND TIME.** The average delay in processing refunds has surged to 35 days in FY26 from 24 in FY24

**Shishir Sinha**
New Delhi

The wait for an income-tax refund may soon be over as the Finance Ministry plans to go live with Project Insight 2.0 from January 27, 2028. The project is a system, powered by AI, that aims to fast-track refunds and also separate genuine filings from suspicious ones.

The implementation of this project assumes significance as the average delay in getting an I-T refund surged to 35 days in FY26 (as on January 31, 2026) from 24 days two years ago. During the same period, the number of refunds issued after 90 days of filing jumped to around 27 lakh from around 12.73 lakh.

As of January 31, 2026, more than 3.38 crore refunds were issued compared to 3.41 crore during the full financial year ended March 2024. Typically, a refund is to be issued within three months from the date of passing/receipt of the order or application, according to the Citizen Charter of the I-T Department.

**THE PROBLEM**

- Typically, a refund is to be issued within three months from the date of passing/receipt of the order or application
- The number of refunds issued after 90 days of filing has jumped to 27 lakh in FY26 from around 12.73 lakh in FY24

**WHY THE DELAY?**

When a Parliamentary panel expressed concerns over lakhs of pending refunds, the Ministry came up with two set of reasons.

First, the assessees were not providing a validated bank account; their PAN and Aadhar were not linked; there was an adjustment of the demand outstanding. These are mandatory holds for security reasons, which cannot be avoided, the Department said.

The second reason deals with risks flagged by the system. This includes the large scale claims of bogus deductions or exemptions received by the department. "Many validations were carried out, and this led to an increase in the number of cases [where refunds were issued after] 90 days..." the Department added.

Some other issues were cases that got flagged for high-risk returns, *prima facie* adjustments, etc .

**THE WAY OUT**

Many of these issues can be resolved once Project Insight 2.0 goes live, the Finance Ministry's submission to the Parliamentary panel stated. The mechanism is presently under development stage.

The Master Service Agreement of Project Insight 2.0 contains provisions that aim to deploy AI-driven risk scoring algorithms that could help in separating genuine, low-risk filings from suspicious ones. There is also a provision to implement predictive models against fraudulent refund claims and risk scoring based on compliance behaviour and historical data. There is also a provision for dynamic risk scores, capable of upgrading itself based on past data.

As on August 15, the I-T Deparment has received over 6.34 crore filings in the current Assesment Year 2026-27. Of that, a little over 6 crore filings have been verified and 4.59 crore processed, data from the e-filing portal showed.

But refunds to the tune of about ₹1.43 crore only were issued between April 1 and August 10, per data released by the I-T Department. This is just 4 per cent higher than the refunds issued during the same period a year ago.

# ARCs' redemptions of Security Receipts tops issuances in Q1

**K Ram Kumar**
Mumbai

As a rising tide lifts all boats, so also it brightens the prospects of recovery from stressed assets. This is highlighted by the robust redemption of Security Receipts (SRs) by Asset Reconstruction Companies (ARCs) in the first quarter of FY27.

The SRs redeemed by ARCs outpaced those issued in the year-ago quarter.

In the backdrop of growth holding up, amid tensions in West Asia, volatility in international financial markets, and weather-related shocks, ARCs' redemption of SRs jumped 49 per cent year-on-year to ₹11,519 crore in Q1, much higher than the 22 per cent y-o-y increase in SR issuances at ₹5,348 crore, per data compiled by the Association of ARCs in India.

It may be pertinent to note that these developments come in the wake of robust credit growth and lenders stepping up vigil on asset quality. In the June 2025 quarter, ARCs' redemption of SRs had risen 22 per cent to ₹7,723 crore, against a 19 per cent increase in SR issuances at ₹4,389 crore.

**CORPORATE RECOVERY**

ARCs acquire stressed loans from lenders (banks and non-banking finance companies) at a haircut and issue SRs against them. Most of the SRs (59 per cent) are held by banks, followed by ARCs (20 per cent), others/qualified institutional buyers (14 per cent), and institutional investors (7 per cent).

"ARCs' SR redemptions are showing improvement, as there is uptick in the broader economy. As on June 30, 2026, the absolute recovery of ARCs grew by a healthy 25 per cent, with corporate segment recovery up 23 per cent and retail segment recovery up 37 per cent," said Hari Hara Mishra, CEO of the Association of ARCs in India.

In a recent report, Crisil Ratings said healthy performance and resolution of chunkier stressed assets in key infrastructure sectors such as real estate, roads, and power will be the primary drivers for higher recoveries by ARCs in FY27. Further, slowdown in new acquisitions due to limited supply of fresh distressed assets, resulting in slower increase in cumulative SRs issued, will also aid the recovery ratio.

Mishra said: "The improvement in the recovery climate for ARCs at the macro level has wider ramifications. In successful turnaround cases, it benefits the wider economy. We are in the process of having an independent evaluation through academic research on effectiveness of ARC sector in the resolution framework of the financial system."

**ARC industry performance up to June 2026**

*Figures cumulative (₹ crore)*

| Particulars | Mar 2026 | Jun 2026 | Growth Q1FY25 | Growth Q1FY26 | Growth Q1FY27 |
|---|---|---|---|---|---|
| Dues acquired | 18,45,976 | 18,72,280 | 13,852 | 16,876 | 26,304 |
| SRs issued | 3,56,015 | 3,61,364 | 3,678 | 4,389 | 5,348 |
| SR redeemed | 2,19,461 | 2,30,980 | 6,310 | 7,723 | 11,519 |
| SR outstanding | 1,36,554 | 1,30,381 | -2,632 | -3,334 | -6,173 |

# Higher REIT, InvIT SPV surcharge plan worries industry

**Akshata Gorde**
Mumbai

The proposed tax overhaul for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) could make dividend income more predictable for investors. But a higher surcharge payable by their underlying special purpose vehicles (SPVs) could limit the immediate benefit to distributors.

The recent Taxation Bill passed by the Lok Sabha, proposes to allow REIT and InvIT SPVs to opt for the concessional corporate-tax regime without making the dividend component of distributions taxable in the hands of unitholders.

**MORE EXPENSIVE?**

The changes will reduce uncertainty around REIT and InvIT fundraising and bring in new launches, but the regime itself can become more expensive due to the rise in surcharge to 25 per cent from 10 per cent, said experts.

"The increase in surcharge is a revenue-balancing measure that sponsors must factor into distribution economics, particularly since MAT (Minimum Alternate Tax) is a final non-creditable tax from FY27, potentially driving more SPVs towards the regime," said Kunal Savani, Partner at Cyril Amarchand Mangaldas.

The higher surcharge would also mean the distributable cash flow will not be uniformly positive.

Rahul Jain, President and Head at Nuvama Wealth, said distribution per unit could decline marginally in the near term. "Over the longer term, however, better tax efficiency, possible use of accumulated MAT credits, and stronger capital flows should support growth in distributions."

**LOWER EFFECTIVE TAX**

Despite the higher surcharge, the concessional regime can still offer a lower effective tax rate in relevant cases.

The effective rate can be around 28.60 per cent, compared with about 34.94 per cent under the old framework. "While the surcharge appears high on paper, the math still strongly favours the transition. We expect a phased migration where mature SPVs with stranded MAT credits will shift immediately, directly boosting net distributable cash flows over the next few quarters," said Ankit Jain, Partner at Ved Jain and Associates.

For investors, the proposed amendment separates two decisions that were previously linked: The tax regime of the underlying SPV and the tax treatment of the dividend received by the unitholder.

# Sammaan Capital plans to disburse up to ₹92,000 crore annually by FY29-FY30

**K Ram Kumar**
Mumbai

Supported by balance-sheet strength and comfort from the Abu Dhabi-based International Holding Company (IHC), Sammaan Capital Ltd plans to accelerate its loan disbursements from ₹10,000 crore in the first half of FY27 to between ₹50,000 and ₹92,000 crore per year by FY29-FY30.

As part of its 'Clear Path to Growth' plan, the non-banking finance company, which had a loan portfolio of ₹56,239 crore as at June-end, will expand its branch network from the current 220 to 1,600 by FY29-FY30. Of those branches, around 600 will be "regular" or non-gold.

Simultaneously, Sammaan will also grow its workforce from 6,000 to 20,000 during the period.

Sammaan has charted out a roadmap to introduce new products, beginning with the launch of digital personal loans, rural home loans, and micro Loan Against Property (LAP) in the second half of the current fiscal.

**CONTROLLING STAKE.** Abu Dhabi-based IHC had acquired 41.5 per cent stake in the NBFC in March GETTY IMAGES

The company will also introduce gold loans, two- and three-wheeler financing, and retail and e-commerce lending in FY28, followed by consumer durable loans, digital and lifestyle financing, personal loans (salaried), and microfinance loans in FY29-FY30.

IHC, through its affiliate, Avenir Investment RSC Ltd, had acquired 41.5 per cent stake in Sammaan in March via a preferential allotment of equity shares and warrants. Sammaan Capital received an initial tranche of ₹5,652 crore ($600 million) towards the allotment of equity shares and warrants, with an additional ₹3,198 crore to be received within 18 months upon the conversion of the warrants.

**RATINGS UPGRADE**

Sammaan, in a recent statement, also noted that ratings agencies Crisil, Care, and ICRA had upgraded its credit ratings to AA+ (Stable) from AA; its international ratings, too, were upgraded to BB- (Stable) from B+ by S&P Global within 90 days of IHC's investment. The company said these upgrades have resulted in incremental cost of funds declining to 9 per cent from 10.5 per cent.

Sammaan expects its domestic and international ratings to be further upgraded to AAA and BB+, respectively, with incremental cost of funds dipping to 7.8 per cent by FY28, and then to 7.2 per cent by FY29-FY30. By then it also hopes to improve the international rating to BBB.

# Co-working operators eye higher revenue via 'premiumisation' than just adding spaces

**Aishwarya Kumar**
Bengaluru

India's flex-workspace operators are shifting focus from simply adding office space to extracting more value from every square foot. This, as premiumisation, managed offices, and value-added services have emerged as additional growth levers.

The strategy could allow operators to grow revenue and margins by layering more products onto their existing physical networks, rather than relying solely on footprint expansion.

Bengaluru-based IndiQube has articulated the shift most directly, saying that the opportunity is becoming "much larger than simply adding more square footage". The management has said the focus is increasingly on "what we can do with every square feet we add and every customer relationship we build". That is already showing up in its revenue mix.

**THE PLAN.** IndiQube, Awfis, WeWork India, and others are focusing on moving beyond filling more desks to building multiple revenue streams around the same workplace BIJOY GHOSH

IndiQube's value-added workspace services' (VAS) contribution to its top line has risen to 17 per cent as of Q1 FY27 from 12 per cent in the same period a year ago. The company expects the share to inch up further as its DesignQ, Indicare, and Eco offerings scale.

For other companies, extracting more value is also about premiumisation.

**RIVALS' STRATEGY**

Awfis is adding ultra-premium properties in high-demand micro-markets in Bengaluru and Mumbai, and expects them to command 30–50 per cent higher prices than its existing portfolio.

The management expects the strategy to support revenue growth and margin expansion. The company is also trying to increase the wallet share of its customers by letting them move from co-working to managed office, and eventually to design-and-build services. About 80 per cent of Awfis' external transform revenue comes from those who first entered through its flex portfolio.

WeWork India, too, is pursuing a similar layering strategy. Its annual report describes workspaces as the physical foundation, with value-added services and digital products sitting "on top of that physical network". In FY26 alone, its VAS revenue rose 36 per cent to ₹273 crore.

While footprint expansion remains central, companies are increasingly measuring the potential of each centre through pricing, service attachment, and customer wallet share.

# I-Day sale: e-comm sector sees 31% uptick in order volumes

**Press Trust of India**
New Delhi

The e-commerce sector recorded a 31 per cent year-on-year growth in order volumes during the 2026 Independence Day sale period, according to data by e-commerce enablement platform Unicommerce.

The insights, derived from order items processed between August 6 and 14, also revealed a 30 per cent jump in total sales value compared to the same period in 2025.

**FASHION DOMINANCE**

The 'fashion and accessories' segment captured the highest share of total order volumes, with 'apparel' emerging as the leading category, the report said. This was closely followed by the 'beauty, wellness, and personal-care' segment. While 'fashion' remained the largest category by volume, the 'FMCG' segment stood out as the fastest-growing category, clocking a nearly 100 per cent increase. Within FMCG, healthy food products emerged as a trending subcategory.

Unicommerce serves over 7,500 clients across India, South-East Asia, and the Middle East, and counts major brands such as FabIndia, Lenskart, Timex, and Mamaearth, as its customers.

# Visa uncertainties raise students' anxiety over higher upfront spends

**Rohan Das**
Chennai

Little did Joseph (name changed) know his initial excitement, after he was selected for a Master's degree at a top US university, would soon be followed by anxiety. The upfront costs he will have to incur and a possibility of ultimately not being able to go abroad topped the concerns.

Joseph is not an outlier. In fact, he is one among many Indian students hoping to pursue an education abroad paying significant sums in tuition and housing deposits as well as visa fees, all running into lakhs of rupees. As immigration bottlenecks and visa rejections surge across multiple study-abroad locations for Indian students, including the US, the UK, Canada, and Australia, there is an increasing uncertainty, too, regarding the loss of these one-time expenses in case of a rejection.

"When you get an admission, there are a lot of immediate payments. Since the loan has not yet been approved, we have to pay for these out of our own pocket," said Joseph. "The university I applied to has a partial refund process in case of visa rejection, but there have been other students who have had problems claiming this."

**READ POLICY FIRST**

Study-abroad platforms estimate deposit requirement, set by individual universities, to be in the $2,000-5,000 range, although the amount and refund policies may vary from college to college. As for the visa, they suggest that in countries like Australia and the US, the non-refundable fee for an education-visa application has increased multifold in the past three to four years.

**ADDING TO THE WORRY.** Among students who have landed an interview for US visa, experts estimate at least a 10 per cent rise in rejections GETTY IMAGES

Among students who have secured a US visa interview, there has been at least a 10 per cent increase in visa rejections, while around half are still waiting to secure an appointment, said Shivani Mani, Founding Member, GradRight, a study-abroad service provider.

"For a family that has already committed a substantial amount towards deposits and visa fees, that uncertainty is consequential."

Which is precisely why Sonal Kapoor advises students to understand a university's deposit and refund policy before making any payment. "We do not have a mechanism to refund deposits ourselves. If a student's visa is rejected, we support them by withdrawing their application right away," the CBO at Prodigy Finance, a company that helps students with loans, said.

Due to delay in interviews for US education visas for the Fall 2026 cycle, experts said many students have deferred their applications.

**MORE DEMAND**

The issues come at a time when increase in such costs alongside rupee depreciation has resulted in overall expenses for study abroad going up.

"The number of students going abroad has gone down in the last couple of years. But within that, the students taking loans has actually increased," said Ankit Mehra, Co-founder and CEO of Gyandhan.

Consequently, non-banking finance companies have also seen an increase in demand for education loans. According to Crisil Ratings, education loan AUM of NBFCs in India is expected to grow at 20 per cent in FY27.

Despite the overall increase, there have been fluctuations in specific destinations. US-linked loan disbursements fell 57 per cent in FY26, while its share in the overall NBFC education-loan AUM fell from 54 per cent to 43 per cent in the financial year.

The UK fared better with disbursements increasing 24 per cent and the AUM share rising from 20 per cent to 29 per cent in FY26. Germany, Ireland, and other countries have also increased their contribution as students increasingly look beyond the US.

"The market is still very dominated by NBFCs and banks. In fact, their penetration has increased recently. A few years back, the US interest rates were low. So specialised lenders could offer loans at lower rates. But after the rate hikes in the US, their rates are more or less in line with NBFCs," said Mehra.

CHENNAI
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## FUND FACTS.

### $74 million

Axonwise Private Limited received funding from NVentures (NVIDIA), Activate, Glade Brook Capital Partners, and Gaja Capital on August 5, taking the total funding to $349 million.

### $63 million

Yulu Bikes Private Limited received Series C funding from GEF Capital Partners and other undisclosed investors on August 12, taking the total funding to $167 million.

### $34 million

Mahindra Last Mile Mobility Limited received funding from Lightrock India (LGT Lightstone Aspada), International Finance Corporation, and National Investment and Infrastructure Fund on July 31, taking the total funding to $262 million.

### $32 million

Cyient Semiconductors Private Limited received funding from EAAA India Alternatives on August 3, taking the total funding to $102 million.

### $27 million

Earthre Insurance Ifsc Limited received Series A funding from Bessemer Venture Partners and Northpoint Capital on August 5, taking the total funding to $54 million.

*Source: PrivateCircle Research, a private market intelligence platform*

## RE POSTS.

Ok, so gradually starting to understand some of the reasons for the proliferation of deep tech startups in India. GOI through fund of funds and other instruments like RDI is herding private capital into deep tech through a public capital stack. And promising a demand side pull through future govt contracts. Very early days but interesting how it's evolving. How the latent talent has come forth is still surprising! Maybe geopolitical factors explain that to some extent?
**Forging India** @indiaemerges

India will be the 3rd largest AI market after the US and China.
Data center capacity: 1.5GW today to 10-12GW by 2030, half of it accelerated compute.
Next 5-10 years:
1. 1B Indians using AI
2. 2K enterprises + 15M SMEs embed AI into workflows
3. 50-75M developers on GitHub, at every level of AI fluency
4. AI revenue: $4B--> $100B+
Everything the startup ecosystem has built so far was practice. The real tournament starts now.
**Tejeshwi Sharma** @tejeshwi_sharma

AUTOMATED OUTPUT

# When SaaS ventures into the shopfloor

**DIGITISATION AND BEYOND.** Startups are using AI to help manufacturers step up product quality and distribution at lower cost

**Sanjana B**

**SMART ASSEMBLY.** (From left) Sekar Udayamurthy, co-founder and CEO, Jidoka; Aniruddha Banerjee, co-founder, SwitchOn; Ravi Bulusu, co-founder and CEO, Enmovil; Subin Mitra, co-founder and CEO, Groyyo

India's manufacturing sector is emerging as a new frontier for SaaS and AI startups. Beyond just digitising manufacturing workflows, the startups are using AI to connect fragmented systems, automate quality inspection, optimise production and inventory, and support product design and development.

According to Tracxn data, the startups in this segment raised $198.74 million between 2019 and 2026, with funding peaking at $77.8 million across 16 rounds in 2024. So far in 2026, the sector has raised $12.6 million across eight rounds.

"Manufacturing is increasingly becoming software- and AI-driven, with technology improving productivity, quality and costs," says Abhishek Prasad, Managing Partner of venture capital firm Cornerstone Ventures.

Enmovil, for instance, operates an AI-native supply-chain platform that connects planning, logistics and execution. CADDIE, its agentic AI layer, continuously monitors these workflows, identifies risks, and recommends or triggers the next best action.

Co-founded in 2015 by former NVIDIA and Oracle executives Ravi Bulusu, Nanda Kishore and Venkat Moganty, the company has raised $6 million in Series A funding.

It works with more than 60 enterprises, including nearly 35 Fortune 100 companies, across the automotive, manufacturing, FMCG, chemicals, logistics and energy sectors.

"Manufacturers struggle because data and decisions are fragmented across ERP, WMS, TMS, spreadsheets, transporters and plant-level systems," explains Bulusu, CEO of Enmovil. This creates a gap between planning and execution on the ground, he adds.

The company's current focus is in the areas of inventory intelligence and logistics planning, including demand forecasting, inventory optimisation, capacity and production planning, despatch planning, fleet allocation and freight reconciliation.

"Customers increasingly do not want isolated solutions. They want one intelligence layer that can forecast demand, translate it into inventory and capacity decisions, plan the movement, monitor execution and reconcile the financial outcome," Bulusu says.

Enmovil follows an enterprise SaaS model, with customers subscribing to its intelligence layer and relevant modules. Pricing can be linked to sites, users, vehicles, shipments, SKUs or transaction volumes, while implementation and integration can attract separate fees.

### EYES RIGHT

In the area of quality inspection, SwitchOn, founded in 2017, uses computer vision and AI to automate checks and reduce manufacturing defects. Its product Deep Inspect is deployed directly on manufacturing lines.

"Manual inspection can be slow, error-prone and a safety hazard. We automate this process to save cost and improve quality, which is important as Indian manufacturing moves towards becoming a high-precision, high-quality segment," says Aniruddha Banerjee, co-founder, SwitchOn.

Defect rates have reduced from around 3 per cent to less than 0.05 per cent, he says, while line productivity increases by around 5 per cent due to fewer micro line stops.

The company has raised close to $14 million funding till date. Its clients include medium and large enterprises (above ₹500 crore revenue) across India, Europe, the US and Southeast Asia.

On the shopfloor, Jidoka's turnkey solutions are designed to inspect products as they move through manufacturing lines, as well as guide operators through the assembly processes.

At Britannia, the company says its system inspects around 12,000 biscuits a minute and automatically ejects defective products.

The eight-year-old startup has raised about $2.2 million across three rounds and says it has doubled its revenue each year for the past three years.

It has around 50 customers globally across the automotive, food, consumer goods and beverages segments.

"Typically we commit to, and deliver an 18-month ROI (return on investment) to our customers. In the case of food and beverages, they've got it in less than nine months," says Sekar Udayamurthy, co-founder and CEO, Jidoka.

Its business model combines hardware sold as capital expenditure, software subscriptions and implementation services. Overseas it has offices in the US, Europe and Japan, and targets achieving at least 50 per cent of its revenue from international markets over time.

### FASTER FASHION

Groyyo, launched in 2021, operates in the apparel and fashion industry by combining a technology platform with a supply chain business. Its customers include large fashion brands and the factories of small and medium enterprises across the country.

At the front-end the company runs an AI-led design studio, while at the back-end it operates a system that provides hour-by-hour and SKU-level visibility into factory operations, including cutting, stitching and packing. The company manages the supply chain end-to-end, from curating designs and finding suppliers to logistics and quality management.

"The industry is going through a disruption, which is both a challenge and an opportunity because, 10 years ago, these brands would say they already have enough partners. But now, every customer is looking for a solution that is faster, more agile, and tech-enabled. We felt the timing was ripe... as a lot of production moves away from China and Bangladesh (to India)," says Subin Mitra, co-founder and CEO, Groyyo.

The company has raised ₹90 crore in a Series B round and eyes ₹110 crore more over the following quarters. It targets a top line of ₹800-850 crore in FY27, as against around ₹500 crore in FY26, while remaining PAT-positive.

AI has sped up the company's work with fashion brands, Mitra says. It can today provide a customer a new collection or range every 10 days, compared with 30 earlier.

"The overall supply chain is a lot faster, at least by 20-25 per cent, and we bring a lot more visibility into the supply chain," Mitra says.

The end of a manufacturing era marked by spreadsheets, manual inspections, phone calls and fragmented systems appears nearer than ever, as startups build domain-specific products to automate workflows.

"Startups are more product-led, specialised, and faster to innovate. They can reimagine workflows rather than simply digitise them," Prasad of Cornerstone Ventures points out, adding that this is where domain-specific AI products can have an advantage over large IT companies.

STARTUPS: VAI-THEE-FUSS

# Is there an ideal way to invest in deep-tech firms?

**VAITHEESWARAN K**

Recently, a print media article alleged that several startups that had received funding from India's deep-tech fund were connected to members of the deciding panel. Without getting into the merits of the allegation or taking sides, it raises an important question: how should India invest in deep-tech?

In areas such as SaaS, e-commerce, consumer internet, FMCG and retail, the pool of people with business experience is large.

But it is much harder to find deep expertise in quantum computing, semiconductor design, robotics, space technology, advanced materials or frontier AI. The small pool of people who possess such knowledge have typically spent years working in, building, advising or investing in these areas.

New startups approach them for advice and mentorship, as they should. At the same time, the government needs precisely such people to help decide where scarce capital should be allocated.

Some overlap is, therefore, inevitable. The closer someone is to the cutting edge of an emerging industry, the more likely they are to know, mentor, advise or have worked with people building companies in that space. Such proximity by itself does not establish that an investment decision is improper.

More importantly, this is not merely an Indian problem. It is a global reality.

Silicon Valley has an incredibly interconnected network. Founders become board members and investors. Investors become founders or directors. Professors become entrepreneurs. Successful entrepreneurs mentor the next generation.

The good news is that India is rapidly developing a similar network. It will help move the ecosystem forward, but will inevitably also introduce the familiarity-proximity dilemma.

India could theoretically create investment committees comprising people with no connection to the startups being evaluated. But such a panel may lack the technical depth required to distinguish an innovative breakthrough from an impressive PowerPoint deck.

Consider a football analogy. If India wants to qualify for the FIFA World Cup someday, former footballers should surely be involved in identifying young talent. But many of these former players will also be coaching or mentoring clubs, whose players will eventually come up for selection.

When it comes to deep-tech investment, India must design processes that encourage knowledgeable people to participate in the allocation of scarce capital, while also remaining transparent to preserve the integrity of the decisions.

In the next column, we shall look at how India should actually invest in deep-tech startups, where the risks are enormous, gestation periods are long and conventional startup metrics may not mean much.

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

# A cool way to make compact and affordable MRI scans

Voxelgrids innovates a cheaper cooling solution for the medical equipment

**Aishwarya Kumar**

India relies heavily on imports for high-end medical equipment such as MRI and CT scanners.

That shows in the cost, with a regular MRI system priced several crores of rupees, not to mention the additional cost of installation, cooling infrastructure, and other requirements.

Rather than attempting to develop a cheaper version of MRI, Bengaluru-based Voxelgrids Innovations is rethinking some of the engineering that has made the machine expensive, heavy and unwieldy.

The standard magnetic field strength used in clinical MRI imaging is 1.5 tesla (T). Voxelgrids explored ways to deliver this field strength without depending on liquid helium to cool the equipment.

The result, says co-founder and CEO Arjun Arunachalam, is a machine that weighs about 2.3 tonnes, compared with 4-6 tonnes for conventional scanners, and costs about 40 per cent less to build and operate.

Apart from early support from Social Alpha and Tata Trusts, the company received funding from the National Biopharma Mission, under the Biotechnology Industry Research Assistance Council, in 2019. Zoho subsequently backed the company, and the Bill & Melinda Gates Foundation is among its more recent supporters.

**IMAGE RESIZE.** Voxelgrids Innovations co-founders (from left) Arjun Arunachalam, Director; Swathy Padarthi, Head of Product; and Shankar Murthy Udupa, Chief Operating Officer

### THE GE CONNECTION

After completing his PhD in the US, Arunachalam worked at GE Research in upstate New York. In hindsight, it was an apt place for him, given his future area of interest and work.

"The MRI lab there was where the first 1.5 T on the planet was built," he recalls.

Voxelgrids was launched in 2016, and the product's first proof of concept — namely images — emerged in March 2018. Then came the harder part: turning an engineering breakthrough into a regulated medical product.

"From proof of concept to a product is a long journey," Arunachalam says. This phase was marked by not just funding challenges but also a disruption due to the Covid-19 pandemic and regulatory hurdles.

The company restarted operations in August 2021 and obtained a commercial licence from the Central Drugs Standard Control Organisation (CDSCO) by 2023. The first commercial installation went live in November 2025 at the Tata Cancer Care Foundation in Chandrapur, Maharashtra, and the next will be in Bengaluru.

### EXPANDING REACH

MRI systems typically use superconducting magnets, which require cooling through liquid helium.

Voxelgrids has developed a "dry" magnet approach, eliminating the need for liquid helium. The result is a compact, lightweight machine that can be deployed in smaller spaces and can travel to remote places as a mobile service.

The company has six orders on hand and expects a lot more after commercialisation. For now, however, manufacturing remains deliberately modest. The company is scouting for a bigger manufacturing space ahead of scaling up.

# Shaping businesses from ground up

bl.interview

**Sanjana B**

Aeravti Ventures, a SEBI-registered venture capital fund, focuses on startups across the deep-tech, agri-tech, climate-tech, biosciences, enterprise-tech and supply-chain innovation segments.

Rishabh Singh, Managing Partner and co-founder of Aeravti Ventures, elaborates on the firm's maiden fund, investment strategy, sectoral outlook, portfolio performance, and plans for future investments and exits.

*Edited excerpts*:

**How much funding have you raised till date?**
We recently closed our maiden fund. It was a conscious decision to stop short of our original target of ₹100 crore. Our priority was to build a focused, high-conviction portfolio rather than optimise for fund size. We have carried forward a significant portion of the investor commitments to our second fund.

**What is the strength of your portfolio?**
We have built a portfolio of seven companies through our maiden fund, with a strong focus on quality over volume. It's encouraging to see that three of our portfolio companies — ONO, Origin and East Ocyon Bio — have already attracted follow-on investments, which we believe validates both the founders' execution and our investment approach.

> We are bullish on manufacturing, energy and waste management, and food infrastructure
>
> **RISHABH SINGH**
> Managing Partner and co-founder, Aeravti Ventures

**What is your investment thesis? Which sectors are you bullish on?**
We back founders building businesses in sectors like deep-tech, agritech, healthcare, physical infrastructure, and food infrastructure.

We prefer to lead rounds, build meaningful ownership, and work closely with founders over the long term. We focus on backing a select set of companies and supporting them with follow-on capital as they scale up.

We are also bullish on manufacturing, energy and waste management, and food infrastructure, covering areas such as agri-finance, supply chain infrastructure, warehousing, grading and market-linkage solutions.

**Do you look more at early-stage funding or growth and late-stage?**
Our focus is firmly on the early stage. We believe this is where we can partner closely with founders and help shape businesses from the ground up.

**What is the time horizon for your investments?**
We invest with a long-term mindset, and our strongest portfolio companies could remain with us for 8–10 years. That said, if the right liquidity opportunity presents itself or there are strategic reasons, we are open to exits in 4–6 years .

**What is the average cheque size you deploy?**
Our initial investments are typically in the ₹4–6 crore range, and we reserve significant capital for follow-on rounds, where cheque sizes are generally ₹10–15 crore.

**Have you had any exits? What sort of exit do you prefer?**
We haven't had an exit yet, but expect to see the first exits from our maiden fund over the next 18 months. We don't have a fixed preference for exits; we evaluate opportunities based on what creates the best long-term outcome for both the company and our investors.

## DATA BANK.

### Indian banks gear up for AI-led growth era

The global banking sector, which was languishing in the aftermath of the Covid pandemic with only over half the banks trading above their book value, has today turned around with 81 per cent of them trading above their book value, according to a report unveiled at the recently held FICCI-IBA annual banking summit.

"India's rebound is among the brightest points across the global banking space. Add to this, a steady, sustainable growth, low NPA (non-performing assets) levels and solid capitalisation buoys the sector's fundamentals," the report, 'Winning in the AI Era: The new playbook for Indian banks', said.

India's banking assets-to-GDP ratio remains below that of most major economies. The banks' advances have grown in line with the nominal GDP over the past decade. However, realising the 'Viksit Bharat' vision will require banking assets to grow materially faster by 3.5-4 percentage points (pp) over nominal GDP. Banks have started taking strides in that direction. Last year, the growth of banking assets outpaced nominal GDP by 3.5 pp. Sustaining this momentum would be critical to building a $30 trillion economy, supported by about $45 trillion in banking assets, by 2047.

The sector is also strengthening through consolidation, foreign capital flows, improved flexibility and accountability towards a 'principles-based' regulatory landscape.

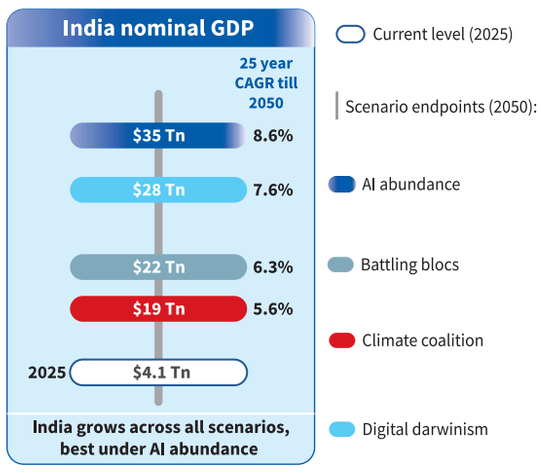
Digitisation in the previous decade has yielded benefits in terms of improvements in financial inclusion, risk management and customer ease, but has not yet met expectations on productivity gain. Cost-to-income ratios remain elevated, banks continue to expand branch networks (contrary to global trends), and technology spend has risen rapidly (despite remaining below global benchmarks).

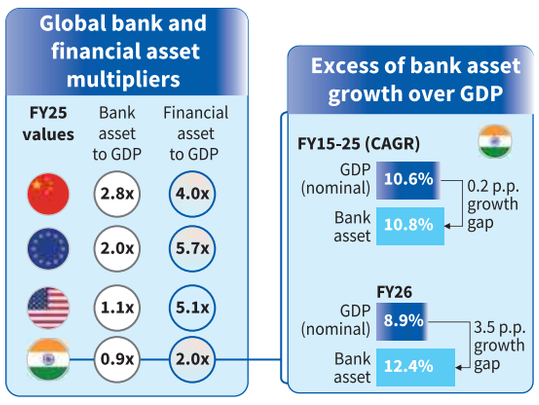
The rise of AI and GenAI has the potential to break these sticky cost structures if banks embrace technology at scale. AI can deliver significant productivity gains. Beyond the digitisation of structured processes and data processing, AI agents can now automate complex, unstructured tasks. All human roles, too, can potentially deliver at the top-quartile ranges if enabled and augmented with AI/GenAI tools.

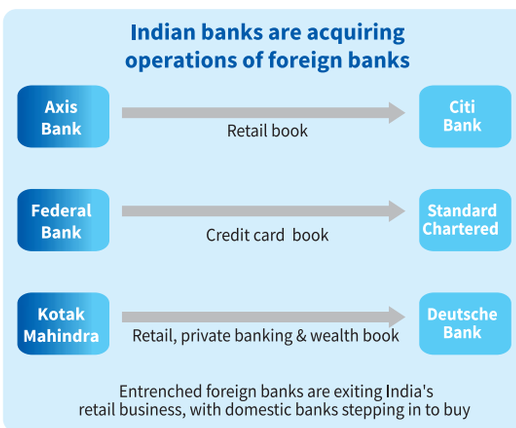
Customer experience will also undergo a fundamental transformation. Digital interfaces can become app-less, conversational, and enhanced with augmented reality. To harness AI at scale, banks will need to reimagine their operating models around three strategic imperatives: Democratising credit affordability; unlocking productivity; and building risk muscle beyond credit.

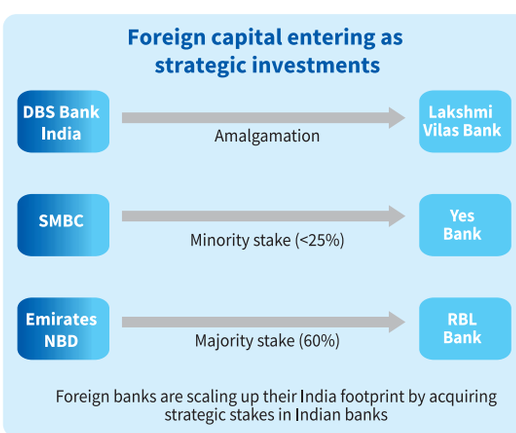
Banks must lower the structural cost of lending, redesign operating models around AI, rather than automating existing workflows, and strengthen resilience beyond traditional credit risk. Achieving this will require coordinated action by banks, regulators and the government.

The next two decades will bring both unprecedented opportunities and new risks. Every technological revolution has created a productivity super-cycle, and AI has the potential to be the largest yet. Indian banking has stepped into this transition with strong balance sheets, world-leading digital public infrastructure and growing AI momentum. With the right strategy, execution and collaboration, the banking sector can become a defining force in India's journey towards a truly Viksit Bharat.




Source: FICCI-IBA

◉ FINANCING SYNERGY

# 'We are MUFG's strong retail arm'

**TWO-WAY ROAD.** Shriram Finance chief spells out the terms of the NBFC's mutually beneficial tie-up with Japanese bank

K Ram Kumar
Mahesh Ravidas Nayak

Shriram Finance Ltd (SFL) is working on a synergistic relationship with MUFG Bank. The non-banking financial company (NBFC) will fund the clients of the corporates supported by the Japanese banking major.

This way SFL, which at last count had assets under management (AUM) of ₹3,13,798 crore, will gain business while MUFG Bank can strengthen its relationship with corporates in India, said Umesh Revankar, Executive Vice Chairman, SFL, in an interaction with *businessline*.

In April, MUFG Bank, which is Japan's premier bank, picked up 20 per cent stake in SFL for ₹39,618 crore via a preferential issue of equity shares. Revankar observed that SFL is building capabilities to lend to mid-sized corporates, with ticket sizes of ₹30–40 crore. This business will start in October.

*Edited excerpts:*

**LAST-MILE LENDING.** Umesh Revankar, Executive Vice Chairman, Shriram Finance Ltd

**Could MUFG Bank eventually encourage SFL to convert into a bank?**

I don't think that is necessary. MUFG is already a bank, particularly a wholesale bank, and what they want is a strong retail arm... which is why they invested in us. My sense is that they believe SFL is a better vehicle for retail lending than a bank because an NBFC has much greater flexibility. With MUFG investing substantial capital, resources should not be a problem.

**How long will the capital infused by MUFG Bank last without you needing to raise additional capital from the markets?**

Technically the capital should support us until around 2030. Our CRAR (capital to risk-weighted assets ratio) is currently around 34 per cent. This capital should support 18–20 per cent annual growth. We can operate comfortably down to around 20 per cent without raising additional capital.

**What synergies do you see from your partnership with MUFG Bank?**

The synergies will work both ways. MUFG is primarily a wholesale bank, lending to corporates. They have relationships with some of the largest companies, including Japanese companies such as Suzuki, Toyota, Honda and Yamaha, as well as Indian corporates such as Tata Motors.

These corporates also have significant retail distribution networks. If we finance the retail ecosystem around the products manufactured by companies that have relationships with MUFG, their relationship with those corporates becomes even stronger. So, there is both a direct and an indirect benefit.

Many foreign companies may have a strong presence in India but may not have adequate reach into the last mile, particularly in towns and villages. Financing can play a major role in enabling that reach.

**What opportunities are you seeing in company ecosystem financing?**

These companies have an entire ecosystem comprising dealers, sub-dealers, stockists and multi-product dealers. Take consumer durables such as refrigerators or air conditioners. Large Japanese brands such as Toshiba, Panasonic and Hitachi may have strong relationships with major dealers, but reaching smaller towns and smaller dealers is a bit difficult.

In India, everyone needs credit. You cannot expect dealers and stockists to pay upfront cash and maintain large inventories. This is where we can play a major role through supply-chain financing, dealer financing and inventory financing.

For example, a small dealer may stock 10 air conditioners and need two months of credit. The requirement may only be around ₹2 lakh, so the ticket size is small, but there could be thousands of such transactions. We can do this with our large distribution network of 3,225 branches.

**How will the composition of your loan book change by 2030?**

The new products should grow faster because they are starting from a smaller base. Our MSME book includes supply-chain and dealer financing, among other businesses. Today, MSMEs account for around 13 per cent of the total book. We expect this to rise to 20–22 per cent by 2030.

Passenger vehicle financing should grow faster because shortage of credit is particularly significant in deep rural areas. I expect passenger vehicle financing to grow at 20–22 per cent annually. Commercial vehicle financing should grow at 12–15 per cent annually. Two-wheeler financing could grow at around 15 per cent. These are dynamic estimates, not fixed targets.

**What is your outlook for the gold loan business?**

Gold loans should grow significantly, although they will remain a small part of the overall book. We currently have around ₹8,000 crore of gold loans and expect the book to reach about ₹20,000 crore over the next three years. That would be around 5 per cent, compared with approximately 2.5 per cent today.

**Given that non-vehicle loans are growing at a faster clip, what will be the share of vehicle loans in your AUM by 2030?**

Vehicle (commercial and passenger) financing currently accounts for around 69 per cent of the AUM. It could decline to 64–65 per cent. However, it is difficult to fall much below that because passenger vehicle financing is expected to grow strongly. These are all dynamic businesses. My expectation is that vehicle financing could decline by 4–5 percentage points.

If we are to become larger in non-vehicle lending, we have to enter large-ticket corporate lending, which we are not thinking of. We are, however, looking at financing MSMEs and mid-sized corporates, potentially with ticket sizes of ₹30–40 crore. There is a good opportunity in this segment. We are building our expertise and hiring people to develop this capability. We expect to start lending to this segment by October and build it carefully. However, over time, we expect a meaningful portfolio within the MSME business.

**How is the opportunity in electric vehicle lending?**

We started EV financing around one and a half years ago. Initially, our lending was around ₹13 crore per month. Today, it is around ₹250 crore per month, and we expect to touch ₹500 crore a month within about a year.

Our EV receivables are currently around ₹2,500 crore, and we expect them to reach approximately ₹5,000 crore by the end of 2027.

# Indian bonds hold firm as global storm rages

In the face of the West Asia conflict and energy price pressures, India's policymakers have maintained a calm demeanour

SHRIRAM RAMANATHAN
ACHALA JETHMALANI

Indian bond markets have remained relatively calm despite choppy global developments. As a reference point, 10-year benchmark yields have moved higher across most major economies over the past six months (as of August 14)*: US +60 bps, Japan +66 bps, UK +56 bps, South Korea +72 bps, Indonesia +78 bps, and Philippines +61 bps. Meanwhile, the Indian 10Y yield is weathering the storm and moved modestly higher by 8 bps.

On one side are the external forces — a protracted conflict in West Asia and the lingering worries over rainfall precipitation due to El Niño. On the other side are the offsetting forces — India's benign inflation trajectory, resilient economic growth, a steady outlook on the Centre's fiscal finances and, thanks to the RBI's forex measures, an improved external sector.

In the face of the West Asia conflict and energy price pressures, India's policymakers have maintained a calm demeanour — especially the Monetary Policy Committee (MPC) which, amid the emerging market (EM) rate hike 'peer pressure', maintained a neutral hold for three straight meetings. To compare, within a span of three months, many EMs hiked rates to contain inflationary pressures or currency movements. For India, it has been a different story.

The divergence reflects a relatively favourable inflation-growth mix. Supply-side measures and improved management of second-round effects helped contain the spillover of energy price shock into broader inflation and activity.

When we compare inflation levels across economies in the last six months, India's average inflation deviation from its target (upper bound of 6 per cent) is far smaller. Compared to peer nations that saw inflation overshoot following the West Asia conflict, India's softer inflation trajectory, especially the measure to exclude food and fuel components, has provided the MPC with the much-needed wiggle room to pause and assess, rather than pivot to hikes from pause, especially in the last three months.

**Policy rate actions by key economies in the last three months**

| Country/ region | CPI y-o-y (%) | Policy rate (%) | 3M change (bps) |
|---|---|---|---|
| **Developed markets** | | | |
| Australia | 3.8 | 4.35 | 50 |
| UK | 2.6 | 3.75 | 0 |
| US | 3.5 | 3.75 | 0 |
| New Zealand | 4.1 | 2.50 | 25 |
| Canada | 2.8 | 2.25 | 0 |
| Euro zone | 3.0 | 2.40 | 25 |
| Japan | 1.7 | 1.00 | 25 |
| **Emerging markets** | | | |
| South Korea | 2.8 | 2.75 | 25 |
| Sweden | 0.7 | 1.75 | 0 |
| Switzerland | 0.4 | -0.75 | 0 |
| Brazil | 4.6 | 14.25 | -50 |
| China (1Y prime rate)* | 1.0 | 3.00 | 0 |
| India | 4.4 | 5.25 | 0 |
| Indonesia | 2.9 | 5.75 | 100 |
| South Africa | 5.0 | 7.00 | 25 |
| Philippines | 6.2 | 4.75 | 50 |

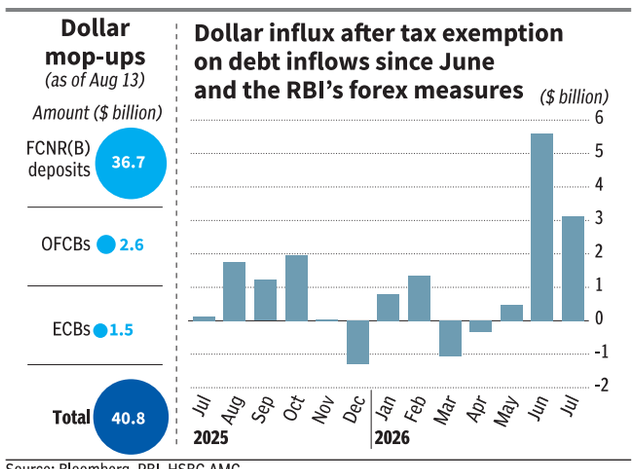
**Country-wise deviation from inflation target**

| Country | Inflation target (IT) (%) | Jan 2026 (%) | Average (since War) (%) | Deviation from IT (upper bound) (%) |
|---|---|---|---|---|
| **Developed markets** | | | | |
| Australia | 2.0 - 3.0 | 3.8 | 4.2 | 1.2 |
| Canada | 2.0 (+/-) 1.0 | 2.3 | 2.8 | -0.2 |
| Euro | 2.0 | 1.7 | 2.9 | 0.9 |
| Japan | 2.0 | 1.5 | 1.5 | -0.5 |
| UK | 2.0 | 3.0 | 2.9 | 0.9 |
| US | 2.0 | 2.8 | 3.8 | 1.8 |
| **Emerging markets** | | | | |
| Brazil | 3.0 (+/-) 1.5 | 4.4 | 4.5 | 0.0 |
| Russia | 4.0 | 6.0 | 5.7 | 1.7 |
| India | 4.0 (+/-) 2.0 | 2.7 | 3.8 | -2.2 |
| China | - | 0.2 | 1.1 | na |
| South Korea | 2.0 | 2.0 | 2.8 | 0.8 |
| South Africa | 3.0 - 6.0 | 3.5 | 4.2 | -1.9 |
| Indonesia | 3.0 (+/-) 1.0 | 3.6 | 3.1 | -0.9 |
| Philippines | 3.0 (+/-) 1.0 | 2.0 | 6.1 | 2.1 |
| Thailand | 1.0 - 3.0 | -0.7 | 2.0 | -1.0 |

**TARGETED FX MEASURES**

The RBI chose to lean more on targeted market measures than policy rate action. It stepped up targeted FX measures such as attracting dollar inflows via borrowing — namely the NRI deposit FCNR(B) scheme, external commercial borrowings and overseas foreign currency borrowings. Together, they attracted around $56.8 billion between June 8 and August 13. The bulk of the inflows was via the FCNR(B) scheme, at $52.3 billion. Given the sizeable FCNR(B) flows, the RBI decided to keep the swap facility window open only until end-August, rather than end-September as initially planned.

The dollar inflows of this order have had other collateral benefits. At an aggregate level, system deposits have ticked up, credit demand is being funded without banks resorting to market borrowings (mainly certificates of deposit or CDs), and CD issuances have dropped. At the same time, the flows have infused liquidity into the banking system, which averaged a surplus of ₹3.2 lakh crore during August 1-13, versus ₹1.3 lakh crore during the same window in July. The easy liquidity conditions have pushed overnight rates below the repo rate toward the lower end of the policy corridor (+/-25 bps from the repo rate).




Source: Bloomberg, RBI, HSBC AMC

For now, India's inflation drift relative to its target and the underlying inflation trends have been less alarming which, coupled with steady growth, supports a neutral hold on rates. All put together, the macro factors and these measures have bought the MPC something rare and crucial in a turbulent world: Time.

**CALIBRATED PIVOT**

We believe the MPC's path to policy pivot remains calibrated and data-dependent — the West Asia developments, El Niño/ monsoon risks, and the US Fed policy actions remain key swing factors.

Contrary to the expectations of three rate hikes, we are in the camp of 1-2 hikes, that too in the latter half of FY27 (December or February policy). The pull and push factors have shaped sentiments over the past few months. The most recent being the government's tax exemption for foreign debt investors alongside the RBI's efforts to streamline the investment restrictions and widen the scope of investible securities. These steps led to debt inflows to the tune of $5.6 billion in June — the highest monthly inflow since January 2020.

However, the deferment of the inclusion of India government bonds in the Bloomberg's Global Aggregate Index was announced on July 31 evening, which dented the positive sentiments around foreign debt inflows. While the gains from inflows due to index inclusion are delayed, we believe it's just a matter of time before Indian bonds are included.

Overall, on rates, we think a lot of the negatives are largely priced-in and, even as risks remain, a few countervailing forces may play out favourably, which is why our outlook on rates is less gloomy than the broad street expectations.

*(*10-year yield data as of August 14, 5.30 pm)*

Shriram Ramanathan is CIO–Fixed Income, and Achala Jethmalani is an economist at HSBC Mutual Fund

CHENNAI
businessline.
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# Infosys bets on building AI talent internally

**STRATEGIC SHIFT.** AI is augmenting the workforce; human-plus-AI work paradigm increases productivity: Chief Human Resources Officer

bl.interview

**Sanjana B**
Bengaluru

AI is rapidly changing the nature of work in the technology services industry, from the skills companies hire to how employees deliver services and build new capabilities. Shaji Mathew, Chief Human Resources Officer, Infosys, discusses how the company is preparing its workforce for the AI era, the growing emphasis on specialised talent, emerging roles, and whether AI will fundamentally alter traditional IT jobs. *Edited excerpts:*

**Infosys has been hiring around 20,000 college graduates annually. Do you see that requirement remaining steady, or is AI altering this hiring mix?**

We have been recruiting freshers because we believe there are roles for them. What has changed is our focus on deeper expertise, even at the fresher level. We have been advertising over the last year about recruiting people fresh out of college at salaries of up to ₹21 lakh per annum.

There is more focus today on specialist engineers or programmers internally. These candidates go through a higher-order level of assessment to enter the organisation. While we continue to recruit freshers, for a good percentage of them, we look for deeper expertise or knowledge compared to earlier.

**Is it more effective to develop AI talent internally through training and certification, or hire it from the market?**

We look at both. We recruit externally from the market, right from entry-level to experienced professionals. However, there may not be many AI experts because of how rapidly this technology is evolving.

Second, the demand for this talent is so high that everybody will go after that limited pool. The success of an organisation, therefore, will depend on its ability to develop talent internally.

> While we continue to recruit freshers, for a good percentage of them, we look for deeper expertise or knowledge compared to earlier
>
> **SHAJI MATHEW**
> Chief Human Resources Officer, Infosys

We have always focussed on developing talent by investing significantly in training and enablement. We have a large corporate training facility in Mysuru where we can train about 14,000 graduates. We have an even larger digital infrastructure platform called Lex, which houses a large amount of training material. We also have hands-on training programmes.

Our focus is on developing talent internally, which creates opportunities for our people. We have an elaborate enablement programme for entry-level to senior-most employees. For some of our senior people, we also collaborate with Ivy League institutions, including MIT and Harvard.

We have differentiated enablement programmes across our talent base because training is not one-size-fits-all.

Depending on their context, the services they offer, and their expertise within the organisation, the programmes are also differentiated

**What new roles is AI creating within Infosys, and do you expect some traditional IT roles to become redundant or evolve significantly?**

Some repetitive, mundane jobs may become less prominent as a lot of work is taken over by AI.

We will see a gradual transition as we move forward. New jobs or roles are being created. A lot of people talk about FDEs these days. We also have a role called frontier engineers within the organisation.

There are roles like responsible AI engineer, for instance. We will also see more roles that look into governance.

**With GCCs competing aggressively for specialised AI talent, how is Infosys differentiating itself to attract and retain talent beyond compensation?**

AI talent is in high demand right now. There are few people with many years of experience because, while AI has been around for decades, the way we understand it is quite new.

There aren't many experts or people with AI experience in the market. Whatever few will be in high demand. Recruiting people from the industry for a large organisation like ours is not a scalable model.

Infosys, as an organisation, has always been known for our ability to train and enable people, which is why we have built huge infrastructure, both from a physical and digital perspective. From an AI perspective, we have revamped our entire curriculum, right from the foundation level to the senior-most people.

We started on this AI enablement journey years ago. Our primary focus is on developing and enabling talent from within since we don't believe there is enough talent available in the market. This is what we've always done as an organisation, and will continue to do.

# Aheesa Digital a step closer to chip production

**Sindhu Hariharan**
Chennai

Chennai-headquartered semiconductor design start-up Aheesa Digital Innovation, which designs chips for broadband and networking applications, is now one step closer to becoming a one-of-its-kind India-designed chipset to power the critical segment of devices.

Aheesa on Saturday said it has achieved the "first-pass silicon" success of 'VIHAAN' — a networking System-on-Chip (SoC) purpose-built for Fibre Broadband. First pass success refers to a integrated circuit (IC) or microchip meeting its functional specifications on being booted and requiring no additional major fixes.

"With this, we have completed the validation of the chip specs and powered it on successfully. We will be doing more feature enhancements and estimate to go for production of the chip by the first quarter of of 2027," Sridharan Mani, Director and CEO, Aheesa Digital Innovation, told *businessline*.

Typically, around 14 to 30 per cent of the SoC concepts clear this stage, making it significant, he added.

Aheesa is also working on R&D around other applications for the chipset and in the long-term expects research to take it to quantum use-cases, Mani added.

Aheesa is an Indian fabless semiconductor start-up that designs chips for broadband networking and security. It was taped out on Republic Day and achieved first-pass silicon success on Independence Day this year.

**DIGITAL INFRA**

As India expands its digital infrastructure with 5G, and broadband-led services, the need for the chipset Intellectual Property (IP) to be contained within the country has become critical for national security.

Official sources told *businessline* that the government's push towards mandating Indian chips for networking equipments and routers, for self-reliance, is also set to boost semiconductor start-ups in this segment.

# AI promises to ease legacy tech burdens, but clients fear a new debt cycle

**Vallari Sanzgiri**
Mumbai

Conversations with IT industry clients indicate that enterprises are still not entirely sold on the idea of making Artifical Intelligence bets, even as the broader IT services industry has begun shifting towards AI-led deal wins.

India's IT services companies entered FY27 with a measurable reduction in clients' legacy technology debt. Firms such as Tech Mahindra have set ambitious targets of achieving a 30-35 per cent reduction in technical debt. Yet, clients, particularly from the manufacturing and BFSI sectors, told *businessline* that the industry remains cautious about inadvertently creating a new form of technical debt.

"The worry is that enterprises may potentially end up creating a new tech debt. For example, in AI-assisted coding, there is the risk of accumulating tech debt because organisations may not have complete visibility into every line of code being generated. That is a little concerning," said Vijay Balakrishnan, Chief Digital and Information Officer, Godrej Enterprises Group.

Despite modernising nearly 90 legacy applications and achieving around 60 per cent faster migration through AI-enabled software development, enterprises continue to view technical debt as an inevitable part of their technology investments.

**TECHNICAL DEBT**

"Technical debt follows a principle similar to the conservation law; it cannot be created or destroyed, only transformed from one form into another," said Balakrishnan.

On the financial services side, BFSI clients continue to raise three key concerns: The probabilistic nature of AI, which limits large-scale production deployment; the lack of regulatory clarity, which restricts mass adoption; and the governance mechanisms required to safeguard against risks associated with the technology. Additionally, the token-based cost of AI usage remains a significant concern.

"A lot of banks and NBFCs are realising that while AI can accelerate digitisation, the associated compute costs, if not managed efficiently, can become a major financial burden," said Sanjay Varma, President,

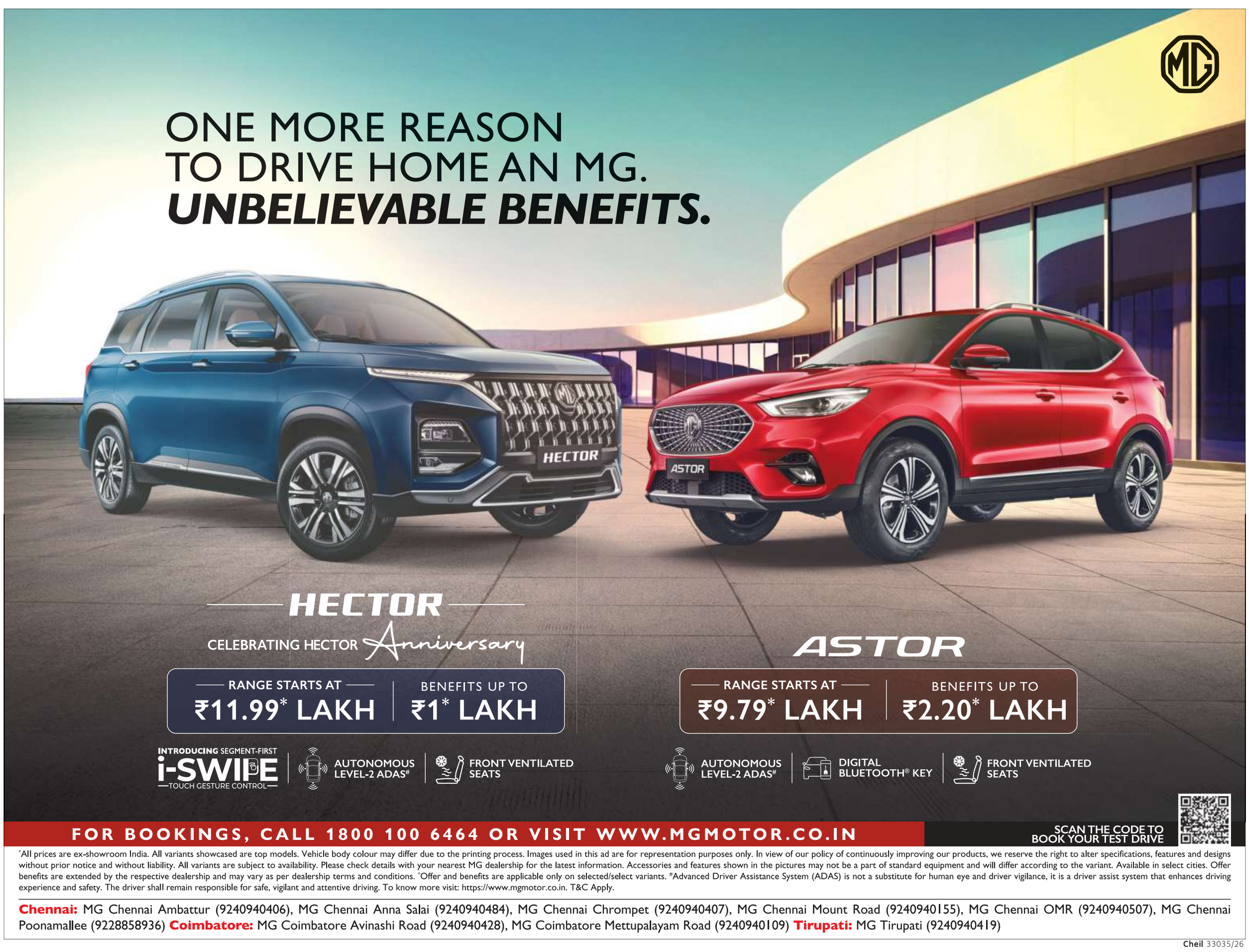
Fintech Solutions Group, Aurionpro Solutions. The company advises its BFSI clients to optimise token consumption and manage AI costs carefully.

BFSI and manufacturing rank among the top four verticals for India's large IT services companies. Amid broader macroeconomic pressures, the cautious approach adopted by these sectors is increasingly reflected in the performance outlook of IT services firms. This trend was evident in the recent earnings calls of companies such as Tata Consultancy Services (TCS) and Wipro, where management acknowledged a slowdown in discretionary technology spending.

"AI is reshaping spending priorities across organisations. From a client perspective, budgets for traditional IT services, BPO operations and support functions are increasingly coming under pressure," said Srini Pallia, CEO and Managing Director, Wipro, during the company's latest earnings call.

**THE REAL RISK**

The concern is particularly relevant for BFSI and manufacturing, where a "mostly correct" answer may not be good enough. The real risk is the dependence on an AI system without clearly understanding its limitations or how easily it can be replaced, as per Sandeep Gogia, MD, Tech and Digital, Equirus Capital.

Acknowledging the tech debt concerns, Titus M, Practice Director at Everest Group, noted that AI introduces significantly more variables into technology decision-making.

"Every decision across the technology stack now has implications. Even committing to a particular AI model can create a form of technical debt. Poor data foundations, inefficient usage practices and low token efficiency can further add to the problem," he said. According to Titus, the nature of AI-related technical debt differs fundamentally from traditional technology debt.