

Tuesday, March 31, 2026

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Street bids adieu to FY26, its worst year since covid ▶ P1



Push to cut banks' forex bets signals new RBI thinking ▶ P1

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# NEW RENAULT DUSTER THE ICON IS BACK



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Tuesday, March 31, 2026

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Think Ahead. Think Growth.

**mint primer**

## Can the West Asia war destabilize India's internet?

BY JATIN GROVER

The war in West Asia has raised concerns about the safety of subsea cables. A large part of India's data travels through these cables. If hit, the networks can still function, but companies may need to reroute data to alternative routes. *Mint* finds out.



ISTOCKPHOTO

### 1 How exposed is India's internet to West Asia?

The industry estimates that about 60% of India's internet traffic goes through cables that land in Mumbai and pass through West Asia on their way to Europe. These routes run through highly vulnerable choke points such as the Red Sea and the Strait of Hormuz. The rest goes through Chennai and travels east, passing through Singapore and the Pacific. This means a majority of India's internet is linked to a region that is quite exposed to war. While the Red Sea has always faced cable cuts, the war and the threat by Iran to damage cable infrastructure, as per media reports, has escalated tensions.

ISTOCKPHOTO



### 2 If cables are hit, will users lose Net access?

About 17 submarine cables pass through the Red Sea, carrying the vast majority of data traffic between Europe, Asia and Africa. A complete blackout is unlikely. That's because the internet doesn't depend on a single route. It works more like a network of roads—if one is blocked, traffic can move through another. If the constriction continues over time and the internet traffic continues to grow, then at one point the choke effect will be much more visible, said Amajit Gupta, group chief executive and managing director at network infra provider Lightstorm Telecom Connectivity Pvt. Ltd.

### 3 How can damaged cables impact connectivity?

A long delay in cable repair may lead to buffering, slow transfers, and app delays. Critically, global capability centres face disrupted operations. If left unresolved, this cumulative pressure results in noticeably sluggish internet performance for both individual users and major enterprises. In this situation, traffic usually gets rerouted to other paths.

### 4 Is the war affecting firms laying cables?

The war has stalled subsea cable projects and repairs, threatening the infrastructure that carries over 95% of global data. Maintenance is difficult in peace but nearly impossible during war. *Bloomberg* reported Meta has already paused its 2Africa expansion. Indian operators like Airtel and Tata Communications are at high risk, as they rely on these corridors to connect India to the world. Any damage to these subsea links could trigger significant outages, slower internet speeds, and widespread connectivity disruptions.

### 5 How can the system's resilience improve?

India hosts 17 international subsea cables across 14 cable landing stations. Also, India needs to reduce its dependence on risky regions. This could mean building new cable routes that avoid West Asia, and developing its own repair capability. But this is expensive and the projects will take time. For Airtel the key risk is route concentration, prompting a strategic push towards alternative paths. Some upcoming undersea cable projects avoid high-risk zones, as Macquarie Equity Research pointed out on 16 March,

**QUICK EDIT**

## Too heavy handed?

Banks in India got a jolt late on Friday after the Reserve Bank of India (RBI) capped their net open positions in the forex market at \$100 million. Many have been sitting on large long-dollar positions, which they'll now be forced to unwind by RBI's deadline at a loss. Bank stocks, of course, slid on Monday. RBI's apparent aim is to increase dollar supplies in support of the rupee. But the fact that it last used this measure in 2011 testifies to the exceptional nature of its action. To be sure, RBI has been selling dollars as its first response to the rupee's slide. But a rapid drawdown of its reserves may have made it seek other options. One reason for the rupee's fall has been a surge in speculative bets in offshore markets, which drove a wedge with onshore rates, prompting banks in India to go long on the dollar to sell offshore. RBI may have wanted to snap off a self-fulfilling cycle. But on Monday, the rupee's early gains didn't last and it touched yet another new low. After all, broad macro-economic pressures are never easy to fight. Pushing banks into a tight spot with suddenly stiffened rules may not help all that much in reducing exchange-rate volatility. RBI might as well spare lenders the shock.

**QUOTE OF THE DAY**

India's economy is strong, our fiscal situation is strong, and the entire world is praising our fiscal deficit management. Our forex reserves are solid.

**NIRMALA SITHARAMAN**  
Finance minister



**INSIDE**

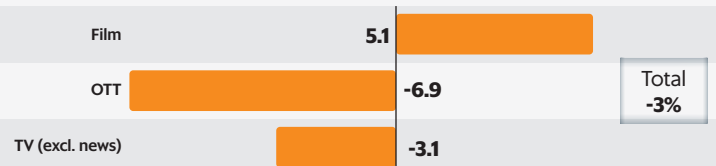
- Mark to Market | How excise cuts change oil math >P4
- Global | Trump threatens strikes on Iran energy sites if talks fail >P9
- Money | Unplanned expense in your 50s: Paying for ageing parents' care >P13
- Views | Our FIT regime is fit for purpose but not perfect >P14
- Views | Non-adversarial taxation needs more than just good intentions >P15

**mint | DATA BITES**

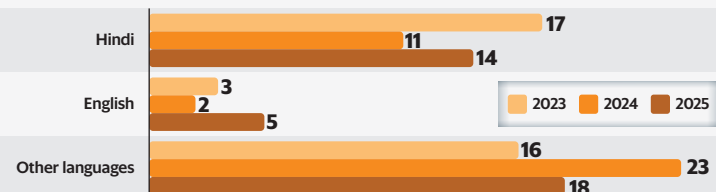
### FILMS RULE IN 2025; OTHER BROADCAST FORMATS LAG

Indian film content volumes grew 5.1% in 2025, while OTT declined 6.9%, says a new Ficci-EY report. The number of ₹100-crore grossers rose, with 14 Hindi films and five English films crossing the mark.

Year-on-year change (%) in the volume of content\* in 2025



Number of Indian films crossing gross box office collections of ₹100 crore\*\*



\*Content broadcast on TV, released in theatres, OTT platforms or micro-drama platforms.  
\*\*Based on data from IMDb and worldwide box office collections for Indian films (Socnilk).  
Data: Rupanjal Chauhan; Graphic: Manu Choudhary; Source: Ficci-EY Media & Entertainment report 2026

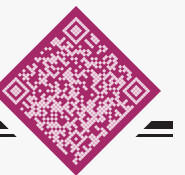
**mint | COLUMNS**



**PARMY OLSON**  
THE IRAN WAR IS SPLITTING THE AI BOOM: LABS LOOK BETTER PLACED >P15

**Shishir Priyadarshi**  
INDIA'S TRANSITION APPROACH SETS AN EXAMPLE FOR THE GLOBAL SOUTH >P14

**Siddharth Pai**  
A BATTLE IS BREWING OVER INDIA INC'S ADOPTION OF GENAI >P15



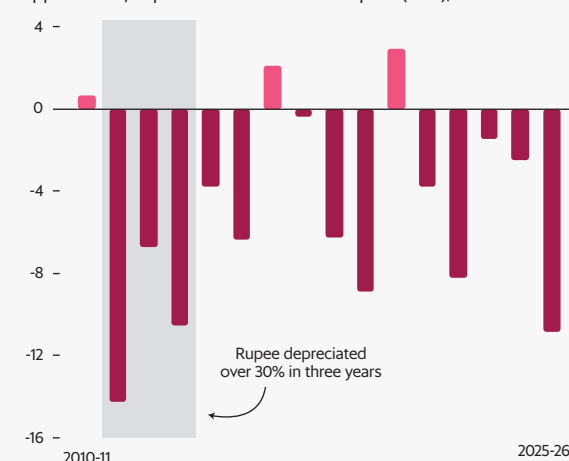
# THE RUPEE'S DECLINE: HOW WORRYING IS IT?

BY PAYAL BHATTACHARYA

Rupee has posted its worst annual decline, marginally surpassing the fall during the 2013 taper tantrum, as the Iran war added pressure on top of structural weakness. Energy shocks are expected to keep challenging the rupee.

## The rupee posted its worst annual performance in 14 years in FY26

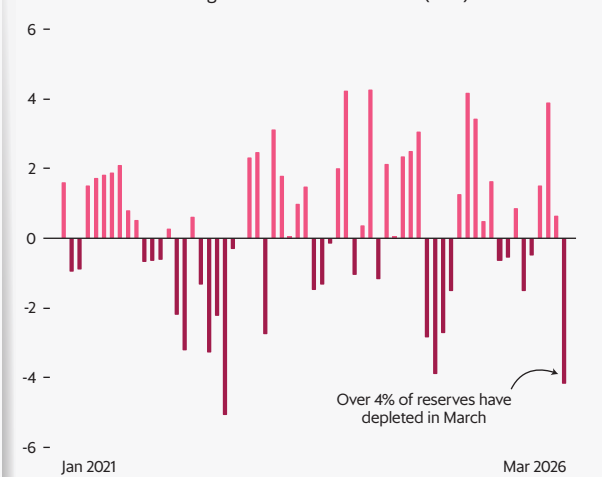
Appreciation/depreciation in the Indian rupee\* (in %), annual



\*The difference in the rupee values between the last working day of a financial year. Data for 2025-26 is for 30 March 2026. Source: Investing.com, Mint calculations

## Forex reserves fell sharply in March as the RBI stepped in to defend the rupee

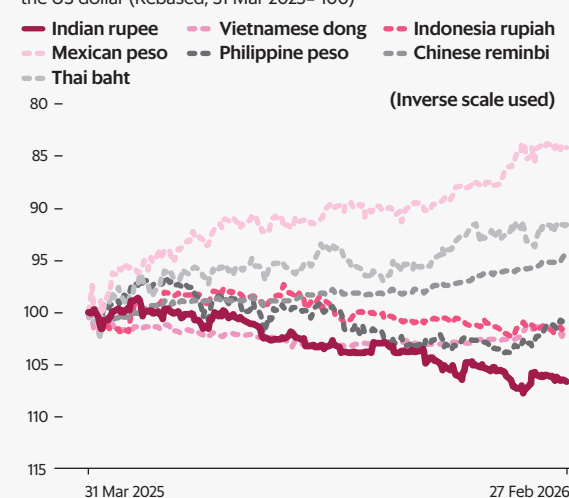
Month-on-month change in India's forex reserves (in %)



Data for March 2026 is until 20 March. Source: CMIE

## In the pre-war period, the rupee was the worst-performing EM currency...

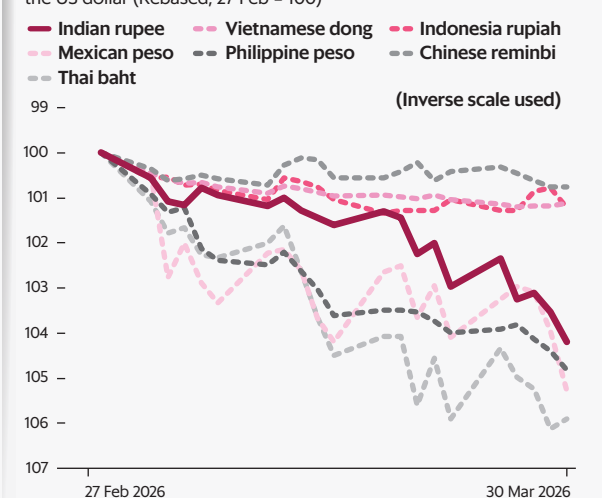
Relative movement of select emerging market currencies against the US dollar (Rebased, 31 Mar 2025= 100)



Source: Investing.com, Mint calculations

## ...but it has performed better than many EM currencies since the start of the war

Relative movement of select emerging market currencies against the US dollar (Rebased, 27 Feb = 100)



Source: Investing.com, Mint calculations

mint  
PRATEEK KUMAR/MINT

The Indian rupee has had its worst year in 14 years, slightly worse than the 2013 'taper tantrum', even as the Reserve Bank of India (RBI) put curbs on large dollar-bet positions by banks. The restrictions yielded quick results on Monday morning: the rupee opened 128 basis points higher at 93.57 per US dollar compared to an all-time low of 94.85 on Friday. But gains were erased within the day, with the rupee settling around the same level, 94.70, after briefly breaching the 95-per-dollar mark, *PTI* reported.

The RBI's curbs announced on Friday suggested the discomfort with the rupee's 94-95 level, but the move is unlikely to change the course for the rupee, especially if the war is prolonged and the oil prices remain elevated.

The rupee has declined 10.8% in FY26 since the closing levels of last fiscal year—recording the worst performance since FY12. Much of this decline came during the pre-war period, even when the dollar was weakening, and other currencies were gaining. Then, several reasons led to the rupee's weak performance: a change in the RBI's strategy from aggressive defence toward a calibrated depreciation approach, massive capital outflow due to concerns over high tariffs and valuations, and widening trade deficit and high gold imports.

The impact of the war-led disruptions—built on top of the calibrated depreciation—pushed the rupee towards a level not previously anticipated. Even then, economists believe that the RBI should not defend the rupee too much as it may provide temporary relief, but could stoke sharper depreciation later. "If this is a long-drawn-out crisis, you want to preserve your forex reserves because when we got into trouble in 2013, our reserves went down, then the taper tantrum made it worse," said Gaura Sengupta, chief economist at IDFC First Bank.

Forex reserves declined 3.4% and 0.6% in FY12 and FY13, but failed to arrest the rupee's decline. In total, the rupee declined nearly 30% between FY12 and FY14 as the taper tantrum also hit India. "RBI letting the rupee go a bit now is a good thing; it is needed as a strategy to survive a slightly elongated crisis," Sengupta added.

### DEPLETING WAR CHEST

During the pre-war period in FY26, the rupee was allowed to depreciate and find its own level, with little intervention from the RBI. This, however, changed as the Iran war exposed India to one of its worst energy crises. In the first three weeks of March, reserves have declined by about 4.2%, a sharp reversal from gains of 0.7% in February and 3.9% in January. This marks the steepest drawdown since September 2022, when reserves fell during the Russia-Ukraine war shock. As a result, the rupee's performance during the one month war period isn't the worst among its emerging market peers.

Mint's analysis of currency movement since 27 February shows that while the rupee has depreciated sharply, several peers have been hit much harder. Currencies such as the Thai baht, Philippine peso, and Mexican peso have seen sharper declines. This is in contrast to the pre-war period, when the rupee was the worst performer. To be sure, the depreciation in March is still steep—over 4%—but not unexpected in the context of the war.

The pre-war trend reflects a more structural adjustment. Overall, the depreciation in FY26 can be seen both as a correction in past overvaluation as well as the impact of the war. Radhika Piplani, chief economist at Motilal Oswal Securities, noted that the currency was held in a "very tight 80-84 range" for nearly four years, effectively delaying a necessary adjustment.

## AT A GLANCE

- The rupee hit record lows against the dollar in FY26, marking its worst performance since FY12 amid limited RBI intervention, tariff concerns and capital outflows.
- Amid Iran war-led pressures, the RBI implemented strict caps on bank dollar positions to ease volatility, although experts believe these curbs offer only temporary relief.
- India's fundamentals are stronger than the 2013 taper tantrum, but high oil prices and a wider current account deficit will still weigh, especially if the war prolongs.
- Since war-led disruptions remain primary drivers of weakness currently, economists believe the RBI should prioritize preserving its war chest over defending the currency.

### TAPER TANTRUM REDUX?

The sharp depreciation in the rupee in FY26 has brought back memories of the taper tantrum era of 2013, when the rupee had declined sharply. The 'taper tantrum' was a sudden market panic that occurred when the US Federal Reserve signalled it will reduce its massive bond-buying programs, causing investors to rapidly pull capital out of emerging markets such as India. It hit India particularly hard as it macroeconomic fundamentals were weak.

Back in 2013, the Indian economy was still recovering from the impact of the 2008-09 global financial crisis, the rupee was already weakening sharply, crude oil prices were consistently above \$100 per barrel, India's forex reserves were only around \$300 billion, and the current account deficit was 5% of GDP. India had become a part of the "fragile five" emerging markets.

However, the fundamentals are quite different now. Years of low oil prices have helped the current account balance and helped the RBI build a huge war chest.

The current account deficit stood at just 1% of GDP until December, and the forex reserves remain strong at around \$700 billion. Yet, the RBI's direction to banks to cap their net open rupee positions in the foreign exchange market at \$100 million by the end of each business day, with compliance required by 10 April, reveals discomfort over the rupee levels despite the huge war chest.

According to *Bloomberg*, the forced unwinding of the rupee bets could trigger huge losses for the banks. While uncertain times can justify forceful methods (the RBI had taken similar steps in 2011), the impact is likely to be limited. Once the unwinding is complete, the rupee's trajectory will again be dictated by the structural issues like high global oil prices, foreign outflows, and trade deficit, experts said.

"The RBI's regulation is helpful in the near term as it stabilizes the rupee, not necessarily by changing its level but by reducing volatility," said Dhiraj Nim, an economist and FX strategist at ANZ. "However, it does not alter the underlying fundamental pressures on the rupee, such as the current account deficit," he added.

Tuesday, March 31, 2026

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How AI is upending coding studies and jobs P12



Trump threatens strikes on Iran energy if talks fail P9

SENSEX 71,947.55 ↓ 1,635.66 NIFTY 22,331.4 ↓ 488.2 DOLLAR ₹94.70 ↓ ₹0.15 EURO ₹108.99 ↑ ₹0.21 OIL \$106.46 ↑ \$0.97 POUND ₹125.51 ↑ ₹0.62

## Street bids adieu to FY26, its worst year since covid

Broad sectoral weakness, weakening rupee, foreign outflows weigh on sentiment

Srushti Vaidya srushti.vaidya@livemint.com MUMBAI

The Indian markets ended fiscal year 2026 (FY26) on a forgettable note, with benchmark indices logging their worst annual performance since the covid-19 pandemic six years ago. A sharp selloff on the last trading day sealed the weak finish.

The Nifty 50 fell 5% in FY26, while the Sensex declined 7%, reflecting broad-based weakness across sectors, with the West Asia war, a weakening rupee, and sustained foreign outflows weighing on sentiment. In contrast, key Asian peers posted strong gains, with South Korea's Kospi surging 109%, Taiwan's Taiex rising 53% and Japan's Nikkei 225 advancing 45% in FY26.

According to Siddarth Bhamre, head—institutional research at Asit C Mehta Investment Intermediate, markets navigated two major shocks this fiscal—tariff concerns and a war—yet have held up relatively well, supported by strong liquidity in the first half of the year. "However, from here on, the ongoing conflict is unlikely to reverse quickly, with visible damage to the global economy. Caution has set in, triggering fund outflows

### BLUES BAZAAR

The selloff on Monday was widespread, with the Nifty Smallcap index also falling 2.5% and the Nifty Midcap index declining 2.68%.



#### FREE FALL

THE Nifty 50 fell 5% in FY26, while the Sensex declined 7%. NIFTY'S losses since the war started was 11.38% as of Monday. OTHER Asian markets also fell sharply on Monday.

SATISH KUMAR/MINT

and challenging India's macro story. Rising crude prices and supply bottlenecks could push inflation higher, while growth is expected to slow meaningfully," Bhamre said.

On Monday, the last trading day of the year (Tuesday is a market holiday), the Nifty 50 dropped 2.14% to 22,331, while the Sensex 30

fell 2.22% to 71,947—taking the Nifty 50's losses since the start of the Iran-US war to 11.38%.

The selloff was widespread, with the Nifty Smallcap index falling 2.5% and the Nifty Midcap index declining 2.68%. The BSE Marketcap fell by ₹9.73 trillion. All the sectoral indices closed in the red on Monday.

Other Asian markets also fell sharply the same day—Japan's Nikkei 225 fell 2.79%, South Korea's Kospi 2.97%, and Hang Seng index 0.87%.

Further, foreign institutional investors (FIIs) have turned sellers amid the rupee's decline, net selling equities worth ₹1.12 trillion in March, according to the National Securities Depositories Limited. In February, FIIs had net bought ₹17,147 crore.

"A stable currency is critical for foreign investors," said Christy Mathai, fund manager at Quantum Mutual Fund. "If FIIs target X% returns, a currency depreciation of 4-5% significantly reduces returns." On Monday, the rupee, which has depreciated 4.23% against the dollar since the war began, touched ₹94.8.

To curb excessive volatility in the currency, the central bank on 27 March directed all banks to limit their net open position in the onshore deliverable market below \$100 million per business day.

"The uncertainty around crude and currency makes us cautious despite long-term upside potential for India, and if the situation prolongs, FY27 earnings could be cut further," Mathai said.

Positioning pressures added to

Subhana Shaikh & Ram Sahgal MUMBAI

The defence of the rupee has entered a crucial stage, with the central bank virtually forcing commercial banks to share the burden as it guards the country's forex trove.

Banks often buy dollars cheaply in India and sell them at a premium abroad, keeping risks balanced on paper while profiting from the price difference. On Friday, the Reserve Bank of India capped banks' net open positions in the domestic market at \$100 million, essentially forcing them to unwind trades, potentially leading to losses. The new rule, which takes effect on 10 April, is a departure from the earlier system that allowed exposures up to 25% of capital after balancing offshore and onshore trades.

"If a bank has sold \$500 million offshore and bought \$500 million onshore, earlier, the position was zero. Now, they have to bring this down to \$100 million; so, \$400 million has to be unwound, and definitely, it is a loss to the bank," said VRC Reddy, head of treasury at Karur Vysya Bank.

According to market participants, while the measure may have some short-term impact, the Indian economy's funda-



RBI capped banks' net open positions at \$100 million. AP

mentals will determine the course of the rupee. While the move may support the rupee from falling further, unwinding positions by 10 April may lead to mark-to-market losses in the March quarter, a Jefferies report said on 29 March, given the overall positions of \$30-40 billion.

The RBI move has "shaken the entire market," a senior treasury official at a private sector bank said, adding the move appears to be shifting the onus to banks.

Queries emailed to the RBI remained unanswered. The RBI measure will bring some temporary relief to the rupee, but appreciation will be limited because fundamentals

TURN TO PAGE 6

TURN TO PAGE 5

### DON'T MISS



#### Airtel data centre unit raises \$1 bn from Alpha Wave, others

Bharti Airtel Ltd on Monday announced a \$1 billion investment in its data centre arm, Nxtra, alongside Alpha Wave Global, Carlyle, and Anchorage Capital. The deal will value the data centre company at \$3.1 billion, Airtel said. P6

#### Lok Sabha passes bill to amend IBC to fast-track debt resolution

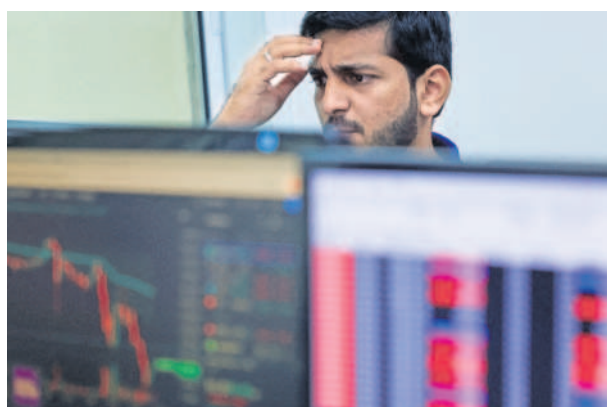
The Lok Sabha approved amendments to India's Insolvency and Bankruptcy Code, allowing fast-track debt resolution without unseating the defaulting management and offering schemes to rescue multiple companies of a group under one process. P2

#### Govt tells electronics firms to develop design capability

India wants electronics manufacturers to move beyond assembly, and has asked companies to build in-house product design capabilities and adopt global engineering standards, as the country aims to become a hub for deep-tech manufacturing. P2

#### Karnataka's EV tax u-turn raises concerns over adoption

Karnataka's move to impose a tax on electric cars, a year after waiving levies, could slow down adoption in one of India's key electric vehicle (EV) markets by eroding their price competitiveness with petrol and diesel vehicles, industry experts said. P6



The active retail client base of brokerages has already shrunk over the past year as markets stayed muted and rangebound. REUTERS

## Brokers brace for hit as war spooks retail investors

Apoorva Ajith apoorva.ajith@livemint.com MUMBAI

India's retail brokers are bracing for a sharp erosion in active clients and revenue as the escalating West Asia war threatens to further dampen market sentiment and trading activity.

The active retail client base of brokerages has already shrunk over the past year due to muted, rangebound markets and the impact of regulatory curbs on derivatives trading. The outflow of active clients is set to intensify from March as the US-Iran war increases the risk of more retail investors stepping away from the stock market.

"Broker revenues are down 20-30% across the industry year on year. Recovery will depend on net client additions—how many customers are acquired relative to those becoming inactive. If acquisition does not outpace attrition, revenue pressures will persist," said Sandeep Chordia, chief operating officer at Kotak Securities.

He added that with the markets subdued over the past year, the recent decline is likely to worsen the trend. Kotak estimates a 10-15% hit on

broker revenue if the war continues beyond April.

"Near-term active client numbers could see further pressure. If this continues, the industry risks a 'leaky bucket' dynamic, where existing clients exit faster than new ones are onboarded," Chordia said.

The slowdown in retail investor participation started even before the latest geopolitical shock. Total active clients across brokers declined about 8% to 44.81 million as of February in fiscal year 2026 (FY26) from levels in FY25, marking a reversal after years of rapid expansion driven by retail inflows, according to National Stock Exchange data. Active clients are investors who have traded at least once on the exchange in the past 12 months.

To be sure, dematerialized accounts—digital, paperless accounts required for trading in securities—have been growing in the country. The number of demat accounts rose 17% to 222 million in February from a year earlier, according to the Securities and Exchange Board of India (Sebi).

The active client base of Groww, the country's largest broker, fell 1.4% to 12.7 million

TURN TO PAGE 4

## New chair, a secy who never left: The story at Sundaram Clayton

Varun Sood & Satish John BENGALURU/MUMBAI

In a short span of 72 hours, the board of Sundaram Clayton Ltd met twice, with its chairman emeritus Venu Srinivasan taking over as chair at the second meeting, and reversing a decision made at the first meeting.

On Friday, the board of the TVS Group firm had accepted the resignation of company secretary P.D. Dev Kishan, citing "personal reasons." However, the board rescinded the decision on Monday, at a hastily convened meeting scheduled with a notice sent out on Sunday night. Srinivasan, 73, also took over as Sundaram Clayton chair from retired bureaucrat R. Gopalan, raising questions about decision-making at the company, part of the South Indian business conglomerate.

According to two executives aware of the matter, Srinivasan's daughter and the company's managing director



Venu Srinivasan has taken over as chairman. BLOOMBERG

Lakshmi Venu had earlier voiced corporate governance concerns with Gopalan. Specifically, she wanted to know why company secretary Kishan was not a full-time employee of Sundaram Clayton. She also questioned why Kishan reported to Gopala Desikan, chief financial officer of TVS Holdings Group, rather than to her, the executives said on the condition of anonymity.

TVS Holdings is chaired by Venu Srinivasan and its manag-

ing director is his son Sudarshan Venu. Gopalan is a director on its board.

On Friday, the Sundaram Clayton board accepted Kishan's resignation and appointed M. Muthulakshmi as the new company secretary. On Sunday evening, Venu Srinivasan sought a board meeting of Sundaram Clayton, and on Monday, in a rare U-turn, informed the exchanges that its earlier decision on Kishan's exit had been reversed.

According to one of the two executives cited above, three of the four independent directors—P. Kaniappan, Chittranjana Dua and Sasikala Varadachari—approved the appointment of the new company secretary on Friday, but one of them changed stance on Monday. Additionally, Gopalan, who had skipped the Friday meeting, approved the continuation of Kishan as company secretary at Monday's board

TURN TO PAGE 6

## Vedanta takes battle for Jaiprakash to apex court

Krishna Yadav krishna.yadav@livemint.com NEW DELHI

Billionaire Anil Agarwal-led Vedanta Ltd has escalated its legal battle against the Adani Group's takeover of Jaiprakash Associates Ltd (JAL), moving the Supreme Court to challenge the approval of Adani Enterprises Ltd's ₹14,543 crore resolution plan after failing to secure a stay from the appellate tribunal.

According to details available on the Supreme Court website seen by Mint, Vedanta filed its plea on 25 March, a day after the National Company Law Appellate Tribunal (NCLAT) refused to stay implementation of the plan. The plea has been filed against JAL's resolution professional Bhuvan Madan, who has been named a respondent in the case.

Vedanta, the losing bidder in the insolvency process, has



Vedanta claims its higher offer was ignored. REUTERS

been contesting lenders' decision to back Adani Enterprises bid, alleging that its higher offer was ignored and that the process lacked fairness.

The petition before the top court follows failed challenges at both the National Company Law Tribunal (NCLT) and the NCLAT. On 24 March, the appellate tribunal declined to grant interim relief, allowing implementation of Adani's resolution plan to proceed while keeping it subject to the

outcome of the appeal.

The NCLAT also refused to halt the delisting of Jaiprakash Associates, noting submissions from the Committee of Creditors (CoC) that if the resolution plan is eventually set aside, all actions taken under it, including delisting, would automatically stand reversed.

While details of Vedanta's plea before the Supreme Court are not yet public, the challenge is expected to focus on the refusal to stay the plan's implementation and broader concerns around the bidding process.

Queries sent to Vedanta, the Adani Group, and resolution professional Madan remained unanswered till press time.

At the heart of the dispute is how value should be assessed under the Insolvency and Bankruptcy Code. Vedanta has argued that lenders violated the principle of maximizing value through a fair and trans-

TURN TO PAGE 6

## Iran's wealth is parked on London's billionaires' row

Jenny Strasburg feedback@livemint.com

On a leafy residential stretch of North London dubbed Billionaires' Row, Saudi royals and wealthy Russians have long come shopping for high-end real estate. The Iranians were

country's Islamic Revolutionary Guard Corps.

Iranian banker Ali Ansari acquired the Bishops Avenue plots and other nearby property in 2018 for around 90 million pounds, equivalent to around \$120 million today, according to people familiar with the deal. The transaction took place

through an offshore entity registered in the Isle of Man, the people said.

Now frozen by British sanctions, the properties have fallen into disrepair, the overgrown lots a blight on an upscale street lined with manicured gardens and iron gates. Their desolation contrasts



Sprawling mansions along the Bishops Avenue make up a chunk of London property holdings funded by Iranian money. ISTOCKPHOTO

with hives of construction activity nearby, where cranes tower over designer redevelopments.

But they are nonetheless an

illustration of how Iran has been able to move money internationally for years despite Western sanctions aimed at choking off the

regime's ability to do so.

The Middle East war has heightened scrutiny on the global financial networks alleged to fund the Iranian regime's military, domestic oppression and foreign proxies. It is a web that Western officials say stretches from the United Arab Emirates to Toronto, Hong Kong and Singapore.

London has emerged a key part of that nexus. The proliferation of offshore vehicles, combined with a laissez-faire attitude toward sources of foreign wealth, have made it an attractive place for well-to-do Iranians to park cash, real-estate experts and wealth managers say.

"You name a jurisdiction

where people have earned a lot of money through questionable means, it ends up in London property," said Steve Goodrich, who leads research and investigations at Transparency International UK, focused on rooting out corruption.

London is hardly the lone destination for Iran's dirty money.

The U.S. Treasury's financial-crimes enforcement arm said last year it identified some \$9 billion in potentially illicit Iranian money passing through foreign accounts at U.S. banks in 2024 alone, much of it oil and gas proceeds routed

TURN TO PAGE 11

**MINT SHORTS**

**India to offer 21 oil, gas blocks in OALP-XI bid round**

**New Delhi:** India is likely to offer 21 blocks for prospecting of oil and natural gas in the next bidding round under Open Acreage Licensing Policy (OALP), according to the Directorate General of Hydrocarbons (DGH). DGH on its website put out a list of the 21 blocks, made up of 12 on-land areas, four shallow water blocks, one deepsea block and four ultra-deep sea blocks, that will be offered in the 11th round of OALP (OALP-XI). **PTI**

**RBI injects ₹84,582 cr in banking system in two VRR auctions**

**Mumbai:** The Reserve Bank of India (RBI) on Monday injected ₹84,582 crore of transient liquidity into the banking system through two variable rate repo (VRR) auctions. The central bank injected ₹50,001 crore through first three-day VRR auction early in the day at cut-off rate of 5.34% and weighted average rate of 5.44%, the central bank said in a release. **PTI**

**Credit to industry rises 13.5% in Feb on higher infra, chemicals growth**

**Mumbai:** Bank credit to industry grew at faster pace of 13.5% on the fortnight ending 28 February, compared with 7.5% in the year-ago period, according to the Reserve Bank of India (RBI) data released on Monday. The buoyant growth is majorly driven by higher growth in 'infrastructure', 'all engineering', 'chemicals and chemical products', 'petroleum, coal products and nuclear fuels' and 'textiles', said the central bank. **PTI**

**'ATF supplies available for 60 days without interruption'**

**New Delhi:** There is an adequate supply of aviation turbine fuel (ATF) for the next 60 days in the country without any interruption, minister of civil aviation Kinjarapu Rammoohan Naidu informed the Rajya Sabha on Monday. He was responding to a supplementary query on the supply situation of ATF in India amid the oil crisis due to the West Asia war. **PTI**

**Rapeseed-mustard production to rise in 2025-26 rabi season: SEA**

**Jaipur:** India's rapeseed-mustard production is estimated to rise to 11.94 million tonnes in the 2025-26 rabi season, up from 11.52 million tonnes in the previous year, industry body Solvent Extractors' Association of India (SEA) said on Monday. The first production estimate is based on a study which used field surveys, crop cutting and remote sensing across major mustard-growing districts. **PTI**

**'Noida International Airport ready for commercial ops with approvals'**

**New Delhi:** Tata Projects on Monday announced that with all regulatory approvals secured, the Noida International Airport is now fully ready for commercial operations. The statement underscored the successful completion of the airport's construction phase, led by Tata Projects as the engineering, procurement and construction (EPC) contractor. Tata Projects' EPC scope included construction of the terminal building, runway, airside and landside infrastructure, roads, utilities, etc. **PTI**

# LS passes bill to amend IBC to fast-track debt resolution

The amended IBC offers schemes for rescuing multiple firms of a group under one process

Swastika Das Sharma & Gireesh Chandra Prasad

**NEW DELHI**  
The Lok Sabha on Monday approved amendments to India's Insolvency and Bankruptcy Code (IBC), allowing fast-track debt resolution without unseating the defaulting management and offering schemes for rescuing multiple companies of a group under one process and dealing with cases where companies and creditors are in different jurisdictions.

Union finance minister Nirmala Sitharaman, in her reply to a debate on the reform, said that IBC has been a key and crucial factor in improving the health of India's banking sector, which has helped banks recover ₹54,528 crore of non-performing assets (NPAs).

The Insolvency and Bankruptcy Code (Amendment) Bill, 2025, was passed in the Parliament with a voice vote. It seeks to further amend the Insolvency and Bankruptcy Code, 2016.

Piloting the bill for further amendments in the Lok Sabha, she stressed that firms have been doing well and their corporate governance practices have also improved after coming out of the insolvency resolution process. "Insolvency and Bankruptcy Code has been the main factor in improving India's banking sector," she said. With



Finance minister Nirmala Sitharaman said the proposed amendments to IBC give enabling provisions for group and cross-border insolvency processes. **BLOOMBERG**

the amended code, the government aims "to maximize value and improve governance processes".

Speaking on the bill before its passing, Sitharaman said that the proposed amendments to IBC provide enabling provisions for group and cross-border insolvency processes. The minister informed the House that the government has approved all 11 recommendations of the select committee led by MP Baijayant Panda, who reviewed an earlier version of the bill introduced last year in the Lok Sabha. In addition, the government has introduced one more amendment. The

House approved the bill with all the amendments.

Sitharaman explained that the current bill replaces an under-utilised fast-track debt resolution process with a new creditor-initiated insolvency framework featuring 'out of court settlements' and 'debtor-in-possession and creditor-in-control' models.

Speaking further on the bill, Sitharaman said more than half of the NPAs have been recovered by banks through the IBC resolution process. "As of December 2025, the Insolvency and Bankruptcy Code (IBC) has facilitated the resolution of 1,376 companies, ena-

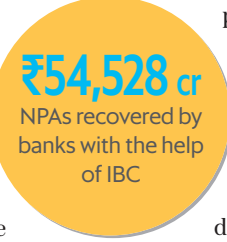
bling creditors to recover ₹4.11 trillion," she said. The IBC has led to better credit ratings for companies, Sitharaman said, adding that it was never intended to be a debt-recovery tool.

Surendra Raj Gang, partner, Deals-Debt & Special Situations, Grant Thornton Bharat, said that 'creditor-initiated insolvency resolution process' is a significant development. "This is a very unique process for India Inc. and for its success, regulations to implement such amended provisions should be drafted carefully. Debtor in control, overseen by financial creditors and NCLT's limited involvement are the key attributes of this new process, which would certainly boost the confidence of the stakeholders to resolve stress," said Gang.

"Under this scheme, the resolution process can be initiated upon approval of 51% of the financial creditors, but management of the company will continue to be vested with the existing board of directors of the company under the supervision of the resolution professional appointed by the financial creditors," Gang pointed out.

Sitharaman also said the bill offers enabling frameworks for group insolvency and cross-border insolvency schemes to promote investor confidence and also to align local practices with the global best practices. *swastika.sharma@hkdigital.in*

*For an extended version of this story, go to livemint.com.*



## Mfg lifts Feb IIP growth to 5.2%

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India's industrial production growth accelerated to 5.2% year-on-year in February, led by a robust expansion in manufacturing and supported by moderate growth in mining and electricity, according to provisional data released by the ministry of statistics and programme implementation (MoSPI) on Monday.

The latest print was higher than the 2.7% growth recorded in February 2025 and also improved from the 5.1% expansion a month ago, per revised estimates, indicating a gradual strengthening in industrial activity. The index of industrial production (IIP) stood at 159.0 in February 2026, compared with 151.1 a year ago, reflecting an overall improvement in output levels.

Manufacturing, which accounts for the largest share of 77.63% in the IIP, grew 6.0% year-on-year in February, accelerating from 5.3% in January and significantly higher than 2.8% in the year-ago month, providing the main impetus to overall growth. The expansion was relatively



February's print came in higher than 2.7% a year ago. **REUTERS**

broad-based, with 14 of 23 industry groups within manufacturing recording positive growth. Key contributors included basic metals (13.2%), motor vehicles, trailers and semi-trailers (14.9%), and machinery and equipment (10.2%), aided by higher production of steel products, auto components, commercial vehicles and industrial machinery.

"IIP growth accelerated to 5.2% in February 2026 from the upward revised 5.1% in January 2026, aided by a favourable base, while exceeding Ipra forecast (4.0%) for the month," said Aditi Nayar, chief economist at Ipra Ltd. Mining output rose 3.1%

year-on-year in February, moderating from 4.3% growth in January but improving from 1.6% growth in February 2025, indicating steady extraction activity. Electricity generation increased 2.3% during the month, slowing from 5.1% growth in January and below 3.6% in the year-ago period, pointing to some moderation in power demand.

Use-based classification data showed a mixed but largely positive trend, with capital goods output rising sharply by 12.5%, signalling improving investment activity, while infrastructure and construction goods grew 11.2%, intermediate goods expanded 7.7%, and consumer durables increased 7.3%.

In contrast, primary goods posted a modest 1.8% growth, and consumer non-durables contracted 0.6%, reflecting some weakness in mass consumption demand. Overall, infrastructure, intermediate and capital goods emerged as the key drivers of industrial growth during the month.

The February data suggest a gradual but uneven recovery in industrial activity. *For an extended version of this story, go to livemint.com.*

## Apr-Feb fiscal deficit hits 80% of FY26 target: CGA

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India's fiscal deficit for the April-February period of 2025-26 stood at ₹12.5 trillion, or 80.4% of the revised estimates (RE), according to data released by the Controller General of Accounts (CGA) on Monday.

The fiscal deficit for the year-ago period stood at ₹13.4 trillion, accounting for 85.8% of the revised estimate for 2024-25.

With a downward revision in nominal gross domestic product (GDP), the fiscal gap for 2025-26 is now expected to come in at around 4.5% of GDP, slightly higher than the revised estimate of 4.3%.

The Centre's fiscal deficit, in actual terms, for 2024-25 was ₹15.77 trillion, and for 2025-26, the target is ₹15.58 trillion.

The Centre's capital expenditure remained strong, growing 15% on-year, with utilization reaching ₹9.3 trillion, or 79.7% of the revised estimates by February.



The Centre's capital expenditure remained strong, growing 15% on-year. **MINT**

"February data shows that the fiscal deficit is under control till this month. There is enough leg room on the expenditure side. Capex seems to be on course. There is still 20% of tax revenue to be collected. Any slippage can be covered by expenditure alignment. Also, war effects can slow down expenditure leading to meeting deficit targets," said Madan Sabnavis, chief economist, Bank of Baroda.

Revenue expenditure accounted for 80.5% of revised estimates during the period, up 1% from a year ago. On the receipts front, net tax revenue rose 6% on-year and stood at 80.2% of the revised estimates. Non-tax revenue grew 18% on-year to 87% of RE, supported by healthy dividend inflows.

However, the recent ₹10 per litre cut in additional excise duty on petrol and diesel is likely to lead to an estimated revenue loss of about ₹1.3 trillion, posing some downside risk to fiscal calculations. "Gross tax collections could have undershot 2025-26 revised estimates due to direct tax collection. We expect the Centre to meet 4.4% of GDP target with savings on other expenditure items such as just-in-time cash management on transfers to state governments, etc.," said Gaura Sengupta, chief economist at IDFC First Bank.

She added that fiscal slippage risks are seen to 2026-27 from the excise duty cut and higher subsidy cost (fertilizer and liquefied petroleum gas). Fiscal slippage risks are estimated at 0.3% of GDP. *For an extended version of this story, go to livemint.com.*

# Govt asks electronics firms to build design capability, upgrade skills

Shouvik Das & Jatin Grover  
NEW DELHI

India wants electronics manufacturers to move beyond assembly, and has asked companies to build in-house product design capabilities and adopt global engineering standards, as the country aims to become a hub for deep-tech manufacturing and exports.

Union electronics and information technology minister Ashwini Vaishnaw on Monday gave companies 15 days to come up with clear product design plans and six-sigma engineering certification programmes, warning that failure

to comply could result in incentives for approved projects being withheld or cancelled altogether.

"We'll have to get into electronics, components and chip designs, which should be our primary focus. Anyone not making a move ahead will be weeded out—we will give the industry 15 days to come up with structured electronics design and six-sigma certification programmes. If any manufacturer fails, we may take them off the programme even if they are approved—or hold the incentives back," Vaishnaw said, as he approved 29 new component-making projects



IT minister Ashwini Vaishnaw gave companies 15 days to come up with six-sigma engineering certification programmes. **PTI**

worth ₹7,104 crore.

Vaishnaw's warning comes as the ministry of electronics and IT's (MeitY) ₹40,000-crore

electronics components manufacturing scheme (ECMS) to incentivize domestic manufacturing completed one year. In

its first year, MeitY approved a total of 75 electronic components projects in four tranches including Monday, which cumulatively promised net investments of ₹61,671 crore.

On 26 April last year, shortly after the ECMS was notified, Vaishnaw had said that approval of component projects would be contingent on manufacturers meeting targets suggested by the ministry for ramping up in-house design and six-sigma certification.

Six-sigma certification in engineering refers to a globally accepted level of engineering skills, seen as a universally accepted requirement for the

electronics industry in selecting vendors.

"We will have to develop our own supply chain and have coordinated buyer-seller agreements. I want the electronics industry to organize such agreements once a month in a structured way. We also need structured six-sigma engineering certification programmes, and scale them up," the minister said.

He added that for the first time, India became a net exporter in the electronics industry this fiscal.

While Vaishnaw did not share an exact figure, data published by his ministry on 2

March said electronic goods were India's second most-exported item, with the first-half of this fiscal seeing exports worth \$22.2 billion.

Meanwhile, industry stakeholders reacted positively to Vaishnaw's warning. Sunil Vachani, co-founder and executive chairman at Dixon Technologies, told *Mint* that with the component manufacturing projects, the company expects domestic value addition to increase "from 18% right now, to 40% once the projects are live and operational."

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MINT SHORTS

**Agritech startup Cropcoin raises ₹12 cr in funding round**

**New Delhi:** Agritech Startup Cropcoin Technologies (Pehle Jaisa) on Monday said it has raised ₹12 crore in a pre-series A funding round led by venture capital firm Unicorn India Ventures, with participation from Climate Angels. The funds raised will support the firm's expansion into Bihar and Jharkhand. The company intends to scale its activities from 10 districts to all 66 districts in the two states. "With an aim to build a decentralised supply chain model, the company will focus on capturing the entire 66 districts in Bihar and Jharkhand from the current 10 district presence and will further strengthen its presence in the North East over the next 3 years," the company said in a statement. **PTI**

**Microsoft unveils AI upgrades, debuts Copilot Cowork**



Microsoft on Monday unveiled new features in its Copilot research assistant that would allow users to utilize multiple AI models simultaneously within the same workflow, the latest move by the tech giant to improve its AI offering and boost adoption. In a new feature called "Critique", Copilot's Researcher agent will now be able to pull outputs from both OpenAI's GPT and Anthropic's Claude models for every response, rather than relying on a single model. While GPT generates the response, Claude will review the output for accuracy and quality before presenting it to the user, Microsoft said. The company expects to make that workflow bi-directional in the future, allowing GPT to review Claude's drafts as well. Microsoft is also launching 'model Council', a feature that will allow users to compare responses from different AI models side-by-side. **REUTERS**

**Japan's JFE invests ₹7,875 cr in JSW Kalinga, acquires 25% stake**

**New Delhi:** Sajjan Jindal-led JSW Steel on Monday said Japan's JFE Steel Corp. has invested ₹7,875 crore to acquire a 25% stake in JSW Kalinga Steel Ltd. The investment is the first tranche of JFE's planned stake in JSW Kalinga, with 22,694,524 equity shares allotted to the Japanese firm on Monday. JSW Steel said in a BSE filing. JSW Steel had earlier said JFE Steel will invest ₹15,750 crore to form a joint venture with the steel major. The joint venture (JV) will include JSW Steel's arm Bhushan Power and Steel Ltd's integrated steel plant in Odisha. **PTI**

# Startups tap trust and local nuance to unlock hinterland

Businesses learn winning customers in smaller cities and towns requires a different approach

Rwit Ghosh  
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**S**tartups chasing India's small-town consumers are finally cracking the code on how to win customers in hinterland India, one of the world's most price-conscious markets.

Their secret: double down on trust and local nuance and, then, blend it with technology to amp up business.

Wealth management platforms Centricity and Wealthy, edtech entities Supernova, Arivihan and SpeakX, consumer brand Traya, and social networking firm Frnd are some companies that have grown in hinterland India by doubling down on building trust with customers.

Startups targeting so-called tier 2+ markets is not new. Companies have been trying to prise open such markets from 2015. Some like the recently listed e-commerce platform Meesho have shown the way to build scale among buyers in smaller cities and towns.

But, it is only recently that more businesses are reporting traction in these geographies.

The big learning: business models of Big City India don't work in smaller cities and non-urban markets.

Businesses can onboard users in large cities, where audiences are more aware of choices, by using data to convince them, according to an entrepreneur reporting early success in tier 2+ India. "It's a rational argument. Small towns, however, still rely on relationships," said Aditya Agarwal, co-founder of Wealthy.

The company operates a B2B2C model, bringing on board chartered accountants, insurance advisors, and former bank employees, who then sell wealth management services to individuals. These distributors understand the language, nuance and are able to build



Companies have been trying to prise open tier 2+ markets since 2015. **ISTOCKPHOTO**

trust with customers.

Wealthy, which raised \$15 million in November, every month records some 6,000 distributors active on its platform. Agarwal said it has been adding 400-500 new distributors a month and plans to double that rate. The additions

across cities Vasai, Raipur, Jalandhar, Ludhiana, Bhagalpur, and Faridabad besides like Prayagraj and Varanasi.

Supernova started in Tamil Nadu targeting locals who wanted to learn English. When users log in to the startup's app, it switches to the language

**RURAL GAINS**

**COMPANIES** such as Wealthy, Arivihan, SpeakX, Traya and Frnd have grown in hinterland India

**MEESHO** has shown the way to build scale among buyers in smaller cities and towns

**BUSINESS** models in Big City India don't work in smaller cities and non-urban markets

**TODAY**, 55% of Wealthy's customers are from non-urban markets and account for 30% revenue

will be split across 25 cities and towns.

Today, 55% of Wealthy's customers are from non-urban markets and account for 30% revenue.

Much of the company's existing clients work in industrial towns, where demand for wealth management services is higher. Wealthy has a presence

of their choice (Marathi, Bengali, and Kannada are also on the app). It does all the teaching, language correction, and interaction in that language.

Language learning peer SpeakX has done the same. With three of five of its users in Tier 2+ markets, it revamped its user flow to be straightforward and non-

exploratory. "They're coming to the app looking for a specific thing," said founder Arpit Mittal. "Building something that is direct and exactly what they're looking for helps build trust."

Hair care brand Traya targeted its ad campaign with actor Sunil Grover, who is popular in states such as Haryana and Uttar Pradesh. Most of its marketing taps into local creators, film stars or celebrities, backing this with billboards and advertising in local newspapers.

For voice-first social networking startup Frnd, inspiration came from Facebook Groups.

"These boys would write *shayaris* (couplets) to impress the girls online. That's how conversations would start, friendly banter. It wasn't about coming online to find a girlfriend or a boyfriend, it was to interact," said Harshvardhan Chhangani, co-founder and chief product officer at Frnd. Through this insight, the company built its voice-first social network, bringing with it a strong focus on moderation to help users build trust.

Today, it has 3 million monthly active users and 250,000 daily active users.

Experts cite digital penetration and familiarity with the ubiquitous UPI, short for unified payments interface, platform as major drivers. UPI transaction volumes have compounded nearly 114% each year between fiscal 2018 and FY25.

Still, there are challenges: the biggest of which is becoming a customer habit. The alternative is suffering when discretionary spends get cramped.

"The sooner these companies can be categorised in tier 2+ consumers' mind maps as 'must haves,' they probably won't get removed from their spends," said Sunitha Viswanathan, partner at early-stage venture firm Kae Capital that has funded Traya and Supernova.

For an extended version of this story, go to [livemint.com](https://livemint.com)

## Govt plans to expand social media oversight

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NEW DELHI

**T**he Centre on Monday proposed changes to a law that could significantly expand its oversight of online platforms and even ordinary users, who post content on social media platforms like YouTube, X, Instagram and Facebook.

As per a draft amendment to Information Technology (IT) Rules, 2021 notified by the ministry of electronics and IT (Meity) on Monday, social media platforms will have to legally comply with any clarification, advisory, order or direction issued by the ministry.

Currently, any such guidelines or advisories issued by the government are non-binding. In the absence of any compliance with these advisories, the companies could risk losing their safe harbour clause, which gives them legal immunity against the content posted by users on their platforms.

"An intermediary shall comply with and give effect to any clarification, advisory, order, direction, standard operating procedure, code of practice or guideline issued by the ministry, by order in writing, in relation to the implementation, interpretation or operationalisation of the requirements prescribed," Meity said in the draft rules. Stakeholders can send their comments on the amendments proposed by 14 April.

An intermediary is defined as any platform that typically hosts varying forms of content hosted by users, and claim limited liability in law provided they take steps mandated by law to prohibit harm.

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Index and Low Carbon Select Index by FTSE Russell

<sup>#</sup> Ranked Top 10 Globally and 3rd in the Asia-Pacific 50 by Corporate Knights (2026).  
\* Electricity generated measured across the Cradle to Grave boundary, by Indian Register Quality Systems (IRQS).

BSE Sensex		Nifty 50		Nifty 500		Nifty Next 50		Nifty 100		BSE 150 MidCap		BSE 250 SmallCap	
CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE
71,947.55	-2.22	22,331.40	-2.14	20,528.05	-2.34	60,349.80	-2.73	22,875.50	-2.24	14,280.96	-2.51	5,646.83	-2.57
PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN
73,583.22	72,565.22	22,819.60	22,549.65	21,020.15	20,762.35	62,043.05	61,170.40	23,400.05	23,114.15	14,648.91	14,412.73	5,795.67	5,730.49
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
73,165.32	71,774.13	22,714.10	22,283.85	20,889.25	20,490.45	61,818.25	60,269.30	23,289.50	22,829.95	14,526.61	14,257.11	5,757.52	5,633.11

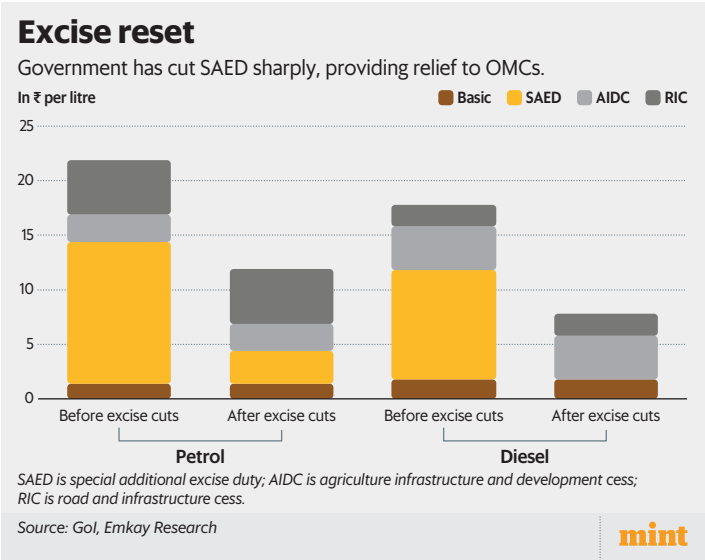
# How excise cuts change oil math

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Despite Brent crude at \$115 a barrel, shares of oil marketing companies (OMCs) Indian Oil Corp. Ltd (IOCL), Hindustan Petroleum Corp. Ltd (HPCL), and Bharat Petroleum Corp. Ltd (BPCL) held up better than the broader market during Monday's selloff. Markets see the government's ₹10-per-litre excise duty cut from Friday as exactly what the doctor ordered for a sector staring at steep under-recoveries: ₹26 per litre and ₹82 per litre for petrol and diesel, respectively.

The policy move could cost the exchequer nearly ₹14,000 crore in revenue per month. But it has shifted the breakeven crude price for OMCs refining and retail operations from about \$90 a barrel earlier to roughly \$106 a barrel now if retail prices of petrol & diesel stay unchanged, said CareEdge Ratings. That is a decent cushion, given crude's jump from about \$70 to \$115 a barrel this month.

That said, exports, which had provided respite amid indirectly capped



domestic pump prices, have become less lucrative. Export duties of ₹21.5 a litre on diesel and ₹29.5 a litre on aviation turbine fuel (ATF) have been imposed to ensure domestic fuel availability, and partially offset revenue losses to the government. Reports suggest that Reliance's SEZ (special economic zone) refinery is likely to be left out of the duty net. Its stock held up better than those of OMCs on Monday.

But all this just means the excise adjustment has only reduced OMCs' stress, not eliminated it. According to a report by JM Financial Institutional Securities, "at spot Brent of around \$111/bbl, OMCs auto-fuel integrated

gross margin is still -₹15/litre below historical level (at negative ₹2.5/litre versus historical average of positive ₹12.5/litre); this is likely to result in decrease in OMCs book value by 3.4% to 7% per month." Emkay Global Financial Services' estimates suggested OMCs' under-recoveries may have declined from ₹29-45 a litre to ₹17-28 a litre, but remain far from sustainable if crude stays elevated.

As special additional excise duties have been brought down to ₹3 a litre for petrol and nil for diesel, it leaves little room for further policy support. Agriculture infrastructure and development cess (AIDC) and road and infrastructure cess (RIC) can be reduced, but they are already low at ₹2-5 a litre.

OMCs had raised prices of bulk diesel and premium petrol earlier this month. But these constitute a small portion of their sales, with retail pump sales making up the lion's share. Retail fuel price hikes remain

an available lever, but only after state elections. The excise-cut safety valve has managed to buy the sector time, even as markets remain hopeful of a timely end to war-led crude spike.

Valuations for HPCL, BPCL and IOCL are trading near or below their recent historical averages, according to Motilal Oswal Financial Services' estimates, suggesting that much of the near-term stress may already be priced in.

The biggest structural beneficiaries of the policy shift are upstream oil companies. No windfall tax has been imposed on upstream producers, which strengthens earnings visibility for Oil and Natural Gas Corp. Ltd (ONGC) and Oil India Ltd

as higher crude prices aid realizations. While ONGC's subsidiary HPCL operates downstream, and Oil India too has downstream exposure through Numaligarh Refinery, their businesses are primarily upstream. ONGC stock was among the few patches of green on Monday.

## THE WINNERS

**NO** windfall tax levied on upstream oil firms, boosting earnings visibility for ONGC, Oil India

**HIGHER** crude prices support realizations for these upstream oil companies

# Brokers brace for hit as war spooks retail investors

FROM PAGE 1

over the 11 months ended February, a sharp contrast to the 35% growth in FY25, according to the NSE data.

Zerodha reported a steeper 13% drop to 6.87 million, while Angel One's active client base declined by 10.9% to 6.75 million.

Among traditional brokers, Kotak Securities as well as HDFC Securities both reported a 7.2% decline in active clients.

The Nifty 50 has fallen 8.23% since the onset of the conflict on 28 February, while turnover of the index's stocks has dropped 14.4% to ₹47,239.2 crore as of 27 March, reflecting weaker trading appetite.

The pullback has been sharper among investors who entered the market during the post-pandemic rally.

"Lacklustre primary market activity and loss aversion attributed to the West Asia war



The Nifty is down 8.23% since the 28 Feb start of war. MINT

markets.

The Indian rupee has also come under pressure, falling past the 94-per-dollar mark to a record low on 27 March. Since the conflict started, the currency has weakened about 3.5%, reflecting concerns over a prolonged energy supply shock and its impact on oil-importing economies such as India.

This deterioration in macro-economic conditions is weighing on the market for initial public offerings as well.

"The fall in active clients is due to current market activity and a lower number of applications for primary market listings. Earlier, retail investors used to submit multiple applications for an IPO on behalf of their family members. Now, the applications from family members have declined as most companies are listing at a discount," Relli said.

Mint reported earlier that the pace of IPOs could moderate in 2026 unless market sentiment stabilizes, as merchant bankers flagged rising uncertainty amid the escalation of the US-Israel-Iran conflict.

For an extended version of this story, go to livemint.com

# Kalpataru Projects warns of adverse war impact in Q4

Harshaj Jethmalani  
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Engineering and construction company Kalpataru Projects International Ltd is bracing for the adverse impact of the West Asia conflict on its March quarter (Q4FY26) earnings.

During a recent analyst meet, the management noted that West Asia accounts for 10-11% of its ₹63,300-crore order book. The power transmission & distribution (T&D) business is expected to see a potential revenue impact of ₹200-300 crore due to supply-related challenges. Kalpa-

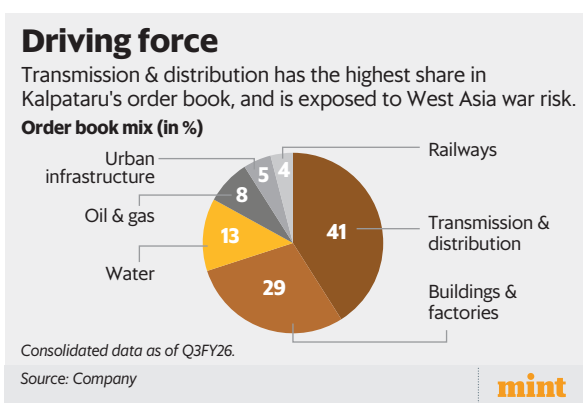
taru's quarterly revenue run rate for the past three years has been ₹4,700 crore.

Still, the company is upbeat. Recent gas shortages haven't hurt its domestic manufacturing plants, which operate at 80-85% utilization levels.

The total addressable market for domestic T&D is strong, with nearly ₹1 trillion of annual ordering expected over the next few years.

The international pipeline is also strong, with Africa too seeing a revival in funding-agency-backed projects, improving revenue visibility.

But with the closure of Brazil operations (Fastel), Kalpa-



taru is likely to recognize an impairment in the near term. For FY27, it eyes around 20% revenue growth, aided by

healthy execution and robust pipeline across T&D, buildings & factories (B&F) and international markets.

FY27 profit before tax margin is expected to grow 50-70 basis points to 6%. The water segment, facing payment delays, has seen an improvement with around ₹500 crore received so far in Q4FY26 under the Jal Jeevan Mission 2.0. Outstanding receivables of ₹1,200-1,300 crore are likely to be received by September.

In Q3FY26 Kalpataru had exited a non-core business with the sale of Vindhyaachal Expressway. It also identified Shree Shubham Logistics as non-core and is selling specific warehouses to pare debt. Promoter pledges (for realty business) have dropped sig-

nificantly, thus addressing the overhang, said a JM Financial Institutional Securities report. Despite a diversified revenue mix and order book, execution delays and slowing order inflows owing to prolonged disruptions in West Asia could be dampeners.

Motilal Oswal Financial Services said around 50% of the company's order book has price variation clauses. While it is adequately hedged against price swings in aluminium, zinc and copper, a sudden spike in steel remains a risk to its medium-to-long-term performance. The stock has fallen 10% over the past month.

Mark to Market writers do not hold positions in the companies discussed here unless otherwise informed

# FPI net outflows hit 34-year peak in FY26 Small caps rebound as blue-chips falter

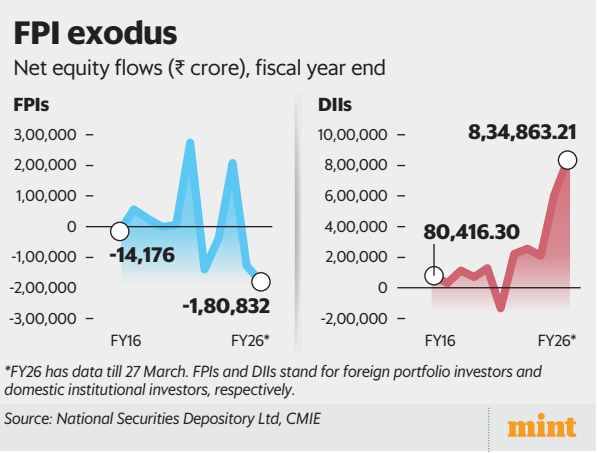
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MUMBAI

For foreign investors backing Indian equities, the financial year 2026 was one they would rather forget. It was a period dotted with global disruptions, starting with US-led tariff uncertainties and ending amid the US-Israel-Iran war. Each external shock raised risks to India Inc.'s headline earnings and triggered a sharp exodus of overseas capital throughout FY26, making market flows more volatile and returns less predictable.

Foreign portfolio investors (FPI) turned the most bearish on India in 34 years, with net outflows surging 42% year-on-year to nearly ₹1.8 trillion in FY26—the highest since 1992, when data first became available, according to Mint's analysis of National Securities Depository Ltd data. The rout intensified in March 2026 alone, which saw a sharp ₹1.18 trillion sell-off, as the West Asia war unsettled India's macroeconomic outlook and raised the risk of earnings downgrades for FY27.

After the December-quarter earnings, the Street was penciling in around 16% earnings growth for the Nifty 50. But the recent surge in crude prices amid the war and its potential spillover into slower economic growth have forced a reset, with estimates now being sharply cut. Goldman Sachs has lowered its forecast to 8%.

"Most foreign investors track headline earnings growth closely, and their allocation to India tends to follow the trajec-



tory of earnings," Dikshit Mittal, senior equity fund manager at LIC Mutual Fund AMC said. Strong earnings growth in the post-pandemic phase, particularly till FY24, had drawn FPIs into India as double-digit earnings growth and a relatively stable rupee supported attractive dollar returns, Mittal said. But with earnings

momentum slowing over the past 18 months and the rupee weakening by nearly 10.5% over the past year, foreign investors have turned cautious, pulling back capital at the first sign of risk.

Four of the five worst years for FPI flows have occurred since 2021, marking a clear break from the earlier cycle when outflows were episodic and largely confined to global crises such as FY09. Even then, the magnitude was far smaller. FY26 outflows are nearly four times FY09 levels despite India being a much larger and more

liquid market today, the analysis showed.

Markets saw record FPI inflows in FY21 and FY24, punctuated by deep outflows in the following years, suggesting capital is flowing in bursts rather than a predictable cycle.

Experts attribute much of this shift to changes in global liquidity conditions. Higher interest rates in developed markets have pushed risk-free returns in dollar terms to around 4-5%, making capital more selective and quicker to move across geographies. At the

same time, a disproportionate share of global flows is being channelled into artificial intelligence-led opportunities, limiting India's ability to attract incremental allocations despite a stable macro backdrop.

According to JM Financial Services Ltd, FPIs were earlier drawn to India by strong earnings momentum and the

China+1 supply chain narrative, but higher global yields, slower earnings growth and previously elevated valuations have since reduced the market's relative appeal.

However, after the latest sell-off, India's valuations have eased to around 19 times 12-month trailing earnings, closer to historical averages and global peers. But that alone may not be sufficient to trigger sustained inflows, warned experts. A more compelling entry point for FPIs would be in the 17-18 times price-to-earnings range, alongside a recovery in earnings growth and greater macro stability, according to JM Financial.

Even so, the current FPI sell-off appears largely event-driven, noted experts. "A lot of the fear is event-driven and cyclical," said Harsh Gupta Madhusudan, fund manager of Ionic Asset's PIPE Fund, adding that India's macroeconomic fundamentals remain intact and flows could reverse once geopolitical tensions ease.

But even if flows reverse, their behaviour is unlikely to revert, said Anil Rego, founder and fund manager at Right Horizons PMS.

According to Rego, the take-away for domestic investors is clear: FPI flows are now more tactical and volatile rather than a reliable anchor for markets. "Over the long term, returns will depend more on earnings growth than liquidity, making it important to stay invested, focus on quality and earnings visibility, and use corrections to build positions," he said.

For an extended version of this story, go to livemint.com.

Dipti Sharma  
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MUMBAI

Small- and mid-caps are drawing investors back after a bruising start to 2026, even as blue chips remain under pressure. After January's record ₹5,191.06 crore redemption, small-cap funds saw inflows of ₹3,881.06 crore in February, prompting fund houses to launch new schemes and reopen existing ones.

The opportunity is real, but so are the risks. Experts warn that low liquidity, stretched valuations, and governance weaknesses can turn potential gains into sharp losses.

"The runway is huge and positive, but the interim perils are also real," remarked Harsh Gupta Madhusudan, fund manager-PIPE, Ionic Asset.

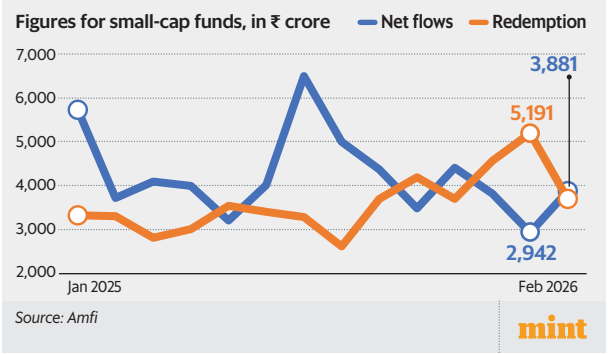
Following renewed interest, ICICI Prudential Mutual Fund reopened subscriptions to its Small Cap Fund in January, Groww Mutual Fund launched a new small-cap scheme around the same time. The Wealth Company Mutual Fund launched its Small Cap Fund on 4 March, and Abakus Mutual Fund, backed by Sunil Singhania, ran its new fund offer from 26 February to 12 March.

Despite the recent rise, inflows remain below the peak of ₹6,484.43 crore hit in July 2025, the highest since January 2024.

Early signs of a rebound are encouraging, but market participants caution that gains can be quickly reversed under stress. Madhusudan highlighted the difficulty of quickly

## Tipping point

After small-cap redemptions peaked in January, sentiment rebounded in February with a healthy pickup in inflows.



selling assets during a crisis and the psychological stress caused by "exaggerated mark to market potential losses" during market downturns.

"Given low liquidity, small balance sheets and business concentration, volatility can be sharp, making disciplined positioning and exit planning critical," added Hari Shyamsunder, vice president and senior institutional portfolio manager-India Equities, Templeton Global Investments.

As more money crowds into a limited set of stocks, both gains and losses are amplified. Sharp drawdowns can trap investors, underscoring that chasing momentum in small-caps without caution can turn high-return expectations into significant losses, experts say.

The same factors that make small-caps exciting—low visibility, high growth, and limited liquidity—also make them dan-

gerous when the cycle turns.

The risks in small- and micro-cap stocks stem from the fact that many companies don't tick key boxes, said Vinay Jaising, chief investment officer and head of equity advisory at ASK Private Wealth. Many lack a robust business model or a strong balance sheet. Higher debt levels make them vulnerable to interest rate cycles, and unstable shareholding patterns, including pledged shares, increase risk in volatile markets.

"In some cases, overhang linked to potential PE

Exits (PE owners who may want to exit, especially if their fund-life or multi-year investment cycle is ending) could also put drawdown pressure," Jaising said, but added that this scenario could be used as a long-term investment opportunity if one is constructive on the business moat of the company. Jaising said that besides fun-

damentals, margin of safety and his macro view, he also checks a stock's average daily liquidity before investing. "The transaction price impact of selling a large position in small and microcaps needs to be understood before one takes a sizable position, and hence margin of safety is key."

According to Lokesh Manik, senior analyst at Vallum Capital, over long periods, small-caps have delivered returns comparable to larger peers, though with meaningfully higher volatility. "That volatility stems less from business fragility alone and more from illiquidity and shifting economic conditions."

External headwinds could complicate recovery. Surging energy and oil prices, liquefied petroleum gas (LPG) shortages, and supply disruptions linked to the Iran-US conflict may delay earnings recovery across large, mid-, and small-caps, analysts said.

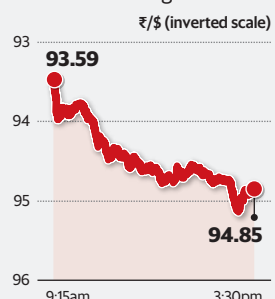
Strong selling by foreign institutional investors (FIIs) has concentrated on large caps, prompting some domestic investors to hunt for value in smaller companies. But Madhusudan cautioned that if broader selling accelerates due to higher oil prices or a prolonged war, the small-cap segment could also become vulnerable in the short term.

So far in 2026, the Nifty 50 has dropped nearly 13%, while the Nifty Smallcap 250 has declined by over 12%, reflecting both renewed investor interest and lingering volatility. In 2025, the Nifty 50 climbed 10.5%, while the Nifty Smallcap 250 slipped 6%.



**Rupee rout**

The rupee has depreciated 4.23% against the dollar since the war began.



Source: Bloomberg  
SATISH KUMAR/MINT

**Street kumars ends FY26 with worst show in six years**

FROM PAGE 1

the weakness, with monthly derivatives expiry coinciding with the last trading day of FY26.

Rajesh Palviya, head of fundamental and technical research at Axis Securities, said traders may have cut positions due to tax-adjustments ahead of the new financial year.

"The upcoming STT hike, which significantly raises derivatives trading costs, is also discouraging short-term and low-margin trades, leading to lower position rollovers," said Palviya.

Technical indicators underscored the weakness. The Relative Strength Index (RSI) remained below 40, signalling sustained bearish momentum, while the advance-decline ratio stood at just 0.2—implying nearly five stocks fell for every one that rose.

FII net sold shares worth Rs 11,163 crore on Monday, while DII net bought shares worth Rs 14,895 crore, their highest ever single-day purchase as per provisional data from BSE.

For an extended version of this story, go to [livemint.com](http://livemint.com)

**Electronics makers wait for war impact as prices rise**

Head honchos believe the next few quarters will be key for users, brands and shareholders

Shouvik Das  
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NEW DELHI

India's electronics manufacturing services (EMS) firms are in wait-and-watch mode as the West Asia war disrupts the tech component supply chain and pushes commodity prices upward. While Dixon Technologies and Syrma SGS aren't factoring pricing and supply chain disruptions into account right away, top executives believe the next few quarters will be key for users, brands and shareholders alike.

In an interview with *Mint*, Sunil Vachani, cofounder and executive chairman of Dixon, said that industry bodies are currently evaluating "at a broad industry level how long it will take for capacities of commodities and components, which are destroyed in the war, to come back up."

"The gas supply chain disruption wouldn't be affecting us, but it will likely hit air conditioner manufacturers directly," Vachani said. While rising component costs may be passed to clients and hit demand, the specific impact on consumers is currently too difficult to quantify, he added.

*Mint* could not independently determine the percentage rise in the commodities that Vachani mentioned above. Engineering plastics are a key component of the internal structures of mobile phones, laptops and more. High-impact polystyrene, meanwhile, is a key component of exterior mouldings of consumer gadgets.

Jasbir Singh Gujral of Syrma SGS said the war and rising prices, depleting electronics supplies, wouldn't affect the company's operating margin in the March quarter. Component prices are being adjusted for rising material and oil costs, he said, adding that while there are pass-through clauses, balan-



Ministry data showed that electronics accounted for \$22.2 billion in export revenue, making electronics the second-highest sector in terms of exports. MINT

cing costs between vendors and customers remains a constant tug-of-war. "At the end of the day, vendors, manufacturers and customers absorb some amount of the cost impact in such situations," he said.

Gujral added that better clarity on the matter would become apparent as

few years and has been one of the most profitable sectors for shareholders. Data published by the ministry of electronics and IT (Meity) said that India's EMS sector generated ₹13.3 trillion in revenue in FY25, up from ₹1.9 trillion in FY15 and growing at 19.5% annually.

In comparison, the benchmark

**EXPORT LOSS LOOMS**

**MAJOR** firms like Dixon and Syrma maintain stable margins via pass-through clauses

**ELECTRONICS** sector revenue hits ₹11.3 trillion in FY25, outpacing the BSE Sensex

**GOVT** officials expect a short-term war with minimal impact on local manufacturing

**POTENTIAL** \$3 billion export loss looms due to reduced West Asia demand

the war progresses. "We'll get better clarity in about three months as the war takes shape. *Prima facie*, the impact of cost increases can be potentially offset by annual turnover discounts from long-standing vendor partners."

India's electronics manufacturing industry has risen steadily over the past

30-share BSE Sensex index rose to 77,414.92 points on the last day of FY25, up from 27,957.49 points on the last day of FY15—a 10.7% annual growth. EMS therefore offered shareholders double the returns over the 10-year period cited above.

Disruptions to the sector could,

therefore, hit India's fast-growing electronics sector hard. Meity data from 2 March also showed that electronics accounted for \$22.2 billion in export revenue, making electronics the second-highest sector for India in terms of exports.

On Monday, Union IT minister Ashwini Vaishnaw also addressed the conflict, stating that there is 'no specific priority given' to any electronics component because of the current war, and 'it is a continuous, normal process (of localization) that is steadily going on'.

"Industries including semiconductors, passive components, mobile manufacturing and IT hardware have all said that so far, there is no impact (on business because of the war). It's an evolving situation, and we'll continue to interact with industry stakeholders to see if there are any stress areas arising at any specific point. We all believe that this war will be short-term and not very prolonged, which is also what the electronics industry's mindset is at the moment," Vaishnaw said at a briefing on the sidelines of a ministry event.

On 13 March, *Mint* reported that EMS firms were staring at a net revenue impact of \$2-3 billion due to reduced mobile phone exports to West Asia. However, beyond the momentary export impact, industry analysts said that EMS firms are likely to remain insulated from sweeping supply chain disruptions or price-based impacts on revenue and margin for the time being.

"While there could be some indirect impact that would eventually impact electronics firms in the long run, right away, there is no direct impact of the war on electronics manufacturers. For most of the firms, inventories run into months, and there are long-standing contracts that take into account supply chain and pricing fluctuations," said Harshit Kapadia, vice-president at brokerage Elara Capital.

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**Vipul Mathur**  
MD & CEO  
Welspun Corp Limited

For more information on Dun & Bradstreet ESG Horizons: Now and Next 2026  
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## Dr Reddy's can supply Olymviq for govt use: Delhi HC

Krishna Yadav & Jessica Jani  
NEW DELHI/BENGALURU

The Delhi High Court has allowed Dr. Reddy's Laboratories to supply remaining stock of its semaglutide drug Olymviq to government hospitals after its 30-day stock clearance window ends.

Justice Jyoti Singh formally recorded the settlement between Dr. Reddy's on Friday, under which the pharmaceutical firm will discontinue the use of the Olymviq name and transition to a new brand, Olymra. The undertaking applies not only to Dr. Reddy's but also to its directors, affiliates and associated entities, all of which will cease the manufacture, sale, supply, distribution, promotion and any commercial use of the impugned mark.

As per the arrangement, Dr. Reddy's can sell its existing inventory of Olymviq in the market for 30 days. Thereafter, any unsold stock can be supplied to government hospitals in the presence of a representative of Novo Nordisk. *Mint* reported on 29 March that Dr. Reddy's would get 30 days to clear its inventory after a court undertaking that it would change the brand name and withdraw its trademark applications.

In its order dated 27 March, earlier reviewed and reported by *Mint*, the court noted that the firm would withdraw pending trademark applications for Olymviq from the Trade Marks Registry, ensuring no further rights are claimed.

The court clarified that the limited window for stock clearance was granted in public



Semaglutide is a treatment for type-2 diabetes. REUTERS

interest, particularly as the drug is used by diabetic patients. It earlier declined Novo Nordisk's request for destruction or repackaging of the inventory, noting that destroying already manufactured stock would be detrimental to patient access.

The court expressed reservations about relabelling, questioning commercial viability.

Dr. Reddy's and Novo didn't immediately respond to emails from *Mint* seeking comment.

The dispute stems from a trademark infringement suit filed by Novo that alleged Olymviq was deceptively similar to its well-known trademark Ozempic, used for its semaglutide, widely used to treat type-2 diabetes and for weight loss, is marketed globally by Novo under the Ozempic, Wegovy and Rybelsus brands. The drug had gone off-patent in India on 20 March.

*Krishna.yadav@livemint.com*

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## Airtel unit Nextra raises \$1 bn from Alpha Wave, others

Bharti Airtel, Alpha Wave, Carlyle, Anchorage Capital to invest, valuing firm at \$3.1 billion

Jatin Grover  
jatin.grover@livemint.com  
NEW DELHI

Bharti Airtel Ltd on Monday announced a \$1 billion investment in its data centre arm, Nextra, alongside Alpha Wave Global, Carlyle, and Anchorage Capital, to expand its network in the country. The deal will value the data centre company at \$3.1 billion and is subject to regulatory approvals in India, Airtel said in a release.

As part of the deal, Alpha Wave Global will invest \$435 million, Carlyle \$240 million, and Anchorage Capital \$35 million.

The remaining \$290 million will be infused by parent Airtel in the data centre company.

"The investors' final shareholding will be subject to finalized post-closing adjustments. Airtel will continue to retain a controlling stake in Nextra," Airtel said.

The investment assumes significance as data centre investments have been rising in the country.

In February, Reliance Industries and Adani Enterprises announced \$210 billion into India's tech ecosystem, including data centres.

Other players making a major bet on India's data centre business include Google, Microsoft, and Amazon, which committed \$39 billion last year.

Nextra has also recently partnered with Google to build a gigawatt-scale AI data centre campus, backed by a \$15-billion investment.

Meanwhile, Airtel on Monday also paid over ₹9,000 crore towards its outstanding adjusted gross revenue (AGR) dues to the government, two people in the know said.



Investment is significant as data centre investments have been rising in India. MINT

This marks the first tranche of payments following a four-year moratorium that ended in September 2025, with instalments beginning in March 2026.

The payment from the telecom

Court rulings in October and November 2025 that allowed the government to reassess and recalculate the company's AGR dues.

Investor Alpha Wave Global has backed companies such as Anthropic

it was granted a four-year payment pause under the government's 2021 relief.

The investment announcement for Nextra came in after market hours. Queries emailed to Airtel on the AGR payment did not elicit any response till press time.

On Nextra, Gopal Vittal, executive vice chairman of Bharti Airtel, said, "With 300MW capacity today, we aim to scale to 1GW in the next few years, targeting 25% market share."

The company currently has a 12% market share, Vittal said during a post-December quarter earnings call with analysts.

India's data centre market is expected to grow at a compound annual growth rate (CAGR) of around 21% between 2024 and 2030, reaching nearly 3,400MW of IT capacity, according to a Savills India report.

To be sure, Carlyle, through its affiliate CA Cloud Investments, acquired a 24% stake in Nextra for \$235 million, or about ₹1,800 crore, in 2020.

Carlyle India Advisors partner Kapil Modi reaffirmed their partnership with Airtel, citing Nextra's strong growth and scalable platform as key to becoming a top-tier player in India's digital infrastructure market.

Macquarie Equity Research reported that India's 500 million streamers and social media users are driving a surge in demand for high-performance data centre infrastructure.

Nextra operates 14 large core data centres and 120+ edge facilities across India, offering co-location, cloud infrastructure, managed hosting, data backup, disaster recovery, and edge computing services.

On Monday, shares of Bharti Airtel closed 3% lower at ₹1,789.2 on the National Stock Exchange.



Sundaram Clayton's managing director Lakshmi Venu. MINT

## New chair at Sundaram Clayton, and a secy who never left

FROM PAGE 1

meeting. An email and text message sent to Gopalan went unanswered. Emails sent to Venu Srinivasan, Lakshmi Venu and Kishan also went unanswered.

There were two questions any stakeholder would ask, said Sharmila Gopinath, an independent corporate governance consultant. "First, what really happened over the weekend, during which period the company secretary, who had resigned citing personal reasons, was reinstated? Second, what made the chairman emeritus return to his job and role four years after leaving?"

In May 2022, when Lakshmi Venu took over as managing director, her father Venu Srinivasan had expressed confidence.

"Lakshmi's focus and dedicated efforts over the last 10 years have seen the company do a turnaround in quality, profitability, and building relationship with OEMs," he had said. "We are confident that under her leadership, Sundaram-Clayton will see its rise globally."

Srinivasan's son, Sudarshan Venu, is the chairman and managing director of TVS Motor Co. and managing director of TVS Holdings Ltd, while Lakshmi, is the managing director of Sundaram Clayton and vice-chairman of Tractors and Farm Equipment Ltd. Malika Srinivasan is chairman and managing director of TAFE.

Kishan took over as company secretary of Sundaram Clayton in August 2023 following an internal rejig. The company carved out its die-casting manufacturing business into a separate company, which took the name Sundaram Clayton, while the original parent rebranded itself as TVS Holdings Ltd.

Sundaram Clayton reported a 60% jump in revenue to ₹2,259.3 crore last year, while cutting losses from ₹121.7 crore to ₹1.6 crore in the year ended March 2025. The company continues in the red, primarily due to its US subsidiary, Sundaram Holding USA Inc., which operates the manufacturing facility in South Carolina.

Sundaram Clayton manufactures auto components for trucks, passenger cars, and two-wheelers, and counts BMW and Hyundai among its clients.

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## RBI push to cut banks' forex bets

FROM PAGE 1

remain unfavourable, treasury officials said.

"Currency appreciation may be limited to the extent of unwinding of these current leveraged positions. But once that is settled, I think the currency will again follow the fundamentals, and as long as this crisis continues, rupee will depreciate," Reddy of Karur Vysya Bank said.

Following the central bank move, the rupee gained 1.3% to touch a one-week high of 93.59 per dollar on Monday, before shedding gains to hit a new low of 95.1250. Likely RBI intervention lifted it to 94.83 at close, little changed from its previous close. The currency has now fallen 4.5% since the West Asia war started on 28 February, and over 11% through fiscal year 2026 (FY26).

Since the war began, Brent crude prices have risen over 60%, raising global energy concerns. On Monday, it traded at around \$115. The balance of payments situation may be worsening as well. India's current account deficit could widen to \$35 billion in FY26



Following the central bank move, the rupee gained 1.3%. MINT

and at least \$40 billion in FY27 if the crisis drags on, Gaura Sengupta, chief economist at IDFC First Bank, said, straining the rupee further and limiting the RBI's room to intervene aggressively.

"The RBI's ability to intervene as in FY26 is constrained by the fact that the forward book is already large. Its last known figure was \$67.7 billion net dollar short as of January. It has likely gone to around \$80 billion net

dollar short, if not more," Sengupta said. If the crisis lengthens, the RBI will need to ensure that forex reserves are protected. "That's the main point."

Foreign exchange reserves have fallen to \$709.76 billion, according to the latest data available till 13 March, from \$728.49 billion as of 27 February.

The RBI's pace of intervention has slowed in the second half of March, treasury officials

said, allowing the rupee to depreciate gradually.

"The fact that RBI is looking at other measures shows they are viewing this as a long-run-out West Asia war, and they will have to deploy multiple tools, not just depend on their reserves, because there is a limit to intervention that they can do," Sengupta said, adding that this is a start of such unconventional measures.

When banks unwind their positions, RBI will have to buy back dollars because there will be a pickup in local dollar supply.

Others warn of unintended consequences. Banks believe that losses from forced unwinding could effectively transfer gains to offshore hedge funds. On Saturday, the central bank held an emergency meeting with senior treasury bank officials to discuss the measure.

"Some representation for a review of the circular is being made by certain banks with the RBI," said a dealer at a private bank. "It is likely to lead to an anomalous situation where the rupee rises onshore and weakens on the non-deliverable forwards (NDF) market, he added.

## Vedanta takes battle for Jaiprakash to apex court

FROM PAGE 1

parent process.

It claims to have emerged as the highest bidder during the challenge process, with an offer of ₹12,505.85 crore on a net present value basis.

Despite this, lenders approved Adani's plan, which Vedanta claims was lower by about ₹3,400 crore in total value and ₹500 crore in net present value (NPV). The company has also alleged procedural unfairness, stating that it was not given reasons for rejection or an opportunity to clarify its proposal.

Vedanta had submitted an improved offer on 8 November 2025, increasing upfront cash to about ₹6,563 crore and equity infusion to ₹800 crore, which it said would have resulted in better recovery for lenders.

Lenders, however, have defended their decision, maintaining that the process complied with all IBC rules and that no bidder has a guaranteed right to win, even if it



Vedanta filed its plea with the Supreme Court on 25 March. PTI

offers the highest value.

The CoC argued that resolution plans are evaluated on multiple factors, including upfront cash recovery, feasibility, viability and execution capability, not just headline value or NPV.

Adani's plan was preferred as it offered around ₹6,000 crore upfront and a faster payment timeline of about two years, compared with Vedanta's proposal, which spread payments over up to five years.

Lenders also rejected Vedanta's revised offer, stating that it was submitted after the bidding process had closed and that accepting it would have required reopening the process for all bidders.

The NCLT, in its 17 March order, upheld the lenders' decision, reiterating that the commercial wisdom of the CoC is paramount and cannot be interfered with unless there is a clear legal violation.

Adani's resolution plan secured about 93.8% of the voting share from financial creditors, well above the required threshold. National Asset Reconstruction Co. Ltd, the largest creditor, played a key role in backing the plan.

According to the resolution plan, Adani Enterprises' bid stands at about ₹14,543 crore, and with ₹800 crore earmarked for capital expenditure and working capital, the total plan value comes to around ₹15,343 crore. Against admitted claims of about ₹60,637 crore, this translates into a recovery of roughly 24%.

## Karnataka's move to tax EVs sparks adoption concerns

Ayaan Kartik & Manas Pimpalkhane  
NEW DELHI

Karnataka's move to impose a tax on electric cars, a year after waiving levies, could slow down adoption in one of India's key electric vehicle (EV) markets by eroding their price competitiveness with petrol and diesel vehicles, industry experts said. The shift comes even as other states continue to offer tax breaks to push EV uptake.

According to a bill passed in the Karnataka assembly last week, a tax in the range of 5-10% of a vehicle's price will be imposed on all EV cars based on their price at the time of registration, which is expected to widen the price gap with less

expensive internal combustion engine (ICE) vehicles.

The move partly negates the state's own clean mobility policy released in 2025, under which road and registration taxes were waived off for all electric vehicles, except those priced above ₹25 lakh.

This comes at a time when other large EV car markets like Maharashtra, Uttar Pradesh, Tamil Nadu and Delhi are moving to waive off all state taxes on EVs to promote their adoption.

"At a time when EV adoption is crucial to cutting vehicular pollution and improving urban air quality, this decision risks undermining the state's stated ambition of promoting zero emission mobility," Sharif Qamar, associate director at The Energy and Resources

Institute (Teri), said. "The state government should continue to give incentives to zero-emission technologies till they achieve price parity, and the ecosystem achieves a comfortable level of maturity with respect to charging infrastructure."

"New technologies require sustained policy support in their early years to reach scale. However, as markets mature, a calibrated transition becomes necessary," said Amit Bhatt, India managing director at International Council on Clean Transportation. "In Karnataka's case, it is important to assess whether EV uptake has reached a critical level before introducing taxation. The key will be to ensure that any transition is gradual and does not



Karnataka saw 12% of the country's total electric car sales in 2025. BLOOMBERG

disrupt the momentum of EV adoption."

According to the details, electric cars below ₹10 lakh will attract a one-time lifetime tax of at least 5% of the price at the time of registration, while

those priced between ₹10 lakh and ₹25 lakh will be taxed at 8%. The category priced over ₹25 lakh will attract a 10% tax.

ICE vehicles will attract higher lifetime tax at the time of registration falling in the range

of 13-18% of the cost of the vehicle.

To be sure, Karnataka saw 12% of the country's total electric car sales in 2025, with more than 21,000 such cars sold in the calendar year. While national EV penetration in the passenger vehicle market was at 4% during the year, Karnataka ended the year with 6.4%.

The move from the state government comes about seven months after the Centre reduced goods and services tax on ICE cars based on engine type to 18% from 28%. This lowered the tax differential between EVs

and ICE from 23% to 13%.

Electric cars are typically ₹2-4 lakh more expensive than an equivalent ICE vehicle, but waiving off the road tax on such vehicles allowed them to compete with traditional vehicles in many states.

According to Deloitte's Global Consumer Study 2026 based on a survey of Indian consumers, about one-third of consumers surveyed flagged price premium to traditional vehicles as one of the reasons holding back EV adoption in the country. In its clean mobility policy, the Karnataka gov-

ernment had last year acknowledged that a tax waiver is needed to encourage adoption of such vehicles. "To encourage the widespread adoption of electric vehicles, Government of Karnataka exempts from payment of taxes on all categories of electric vehicles both transport and non-transport vehicles," Karnataka government's clean mobility policy said.

Karnataka's transport department did not respond to *Mint*'s emailed queries on the issue. There was also no response from Maruti Suzuki India Ltd, Tata Motors PV Ltd, Hyundai Motor India Ltd, Mahindra & Mahindra Ltd and JSW MG Motor India until press time.

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### TAX TURN

NOW electric cars below ₹10 lakh will attract a one-time lifetime tax of at least 5% of the price

THOSE between ₹10 lakh and ₹25 lakh will be taxed at 8% and cars over ₹25 lakh will attract a 10% tax



# 'India remains hospitality's biggest long-term prize'

India's outbound market largely untapped, says CEO of Dubai-based Global Hotel Alliance

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The West Asia conflict is hitting Gulf and European travel in the short term, but hotel groups are already looking to India for the long term. With millions of young passport holders and outbound trips rising year after year, the country represents a far bigger prize, according to Christopher Hartley, chief executive, Global Hotel Alliance (GHA).

The Dubai-based company runs the world's largest hotel loyalty programme for independent hotels, bringing together over 50 brands and 950 hotels across 100 countries. Hartley said that while the war may weigh on short-term bookings, India's outbound market remains largely untapped.

Travel to West Asia is still disrupted and could shift flows in the near term, he said, but the broader trajectory of demand is unlikely to change. "The question now is really if it can be resolved in April. If yes, then hotels have a chance to recover by the latter part of the year. We don't expect much business to come till May. As a result, there will be a very busy October-December period, where Dubai will be crammed," Hartley, who was in India recently, told *Mint*.

Some travel demand from India and elsewhere may temporarily move away from West Asia and Europe if disruptions persist, he added, but he does not believe it will vanish. "What the covid-19 pandemic taught us was that the travel industry has become quicker to react, and consumers quicker to return. People's perception of risk has also changed," he said.

The West Asia conflict has begun to disrupt leisure travel, though the immediate impact is showing up more



Christopher Hartley, chief executive of Global Hotel Alliance which runs the world's largest independent hotel loyalty programme.

in aviation than in tourism volumes. The International Air Transport Association (IATA) said on 2 March that the latest hostilities had brought uncertainty into traffic and fuel costs, putting pressure on a region that serves as a key global aviation hub. For now, the fall-

handling about 5% of outbound traffic. Leisure travel is also now more resilient. On GHA platform, business travellers spend about \$150-\$200 per night, well below leisure ones, who pay way more, at times up to \$1,000 a night, particularly for weekend/holiday stays.

top source of travellers in five years. The long-term question for loyalty groups such as GHA isn't what happens to one summer in the Gulf, but how to position for the next wave of outbound travellers, particularly from India.

India is one of the most compelling travel markets globally because of its headroom. "If you look at China today, which is about \$140 billion outbound spends, and India is about \$35-40 billion. You've still got this \$100 billion gap which is going to close," he said. Independent reports hint the same. A 2024 Nangia Andersen report, *Outbound Tourism in India*, pegs market growth at 11.4% CAGR till 2032 to \$44.8 billion, up from \$15.1 billion in 2022.

According to Hartley, Indian outbound demand on GHA's platform has been rising by around 20-25% a year, and he expects growth to continue as more Indians travel abroad with greater frequency and spending power. Younger travellers are entering earlier and expect loyalty plans to be simple and transparent, with rewards that are visible and instantly usable rather than tied to complex points structures.

GHA has partnered with The Leela Hotels & Resorts in India, which targets top tier travellers. But Hartley said the group can't rely on luxury alone. "We need scale in this market if we want to get access to 100-200 million middleclass consumers," he said. That means adding partners in the upper-midscale and mid-market segments to build relationships with travellers before they shift to premium and luxury stays.

India's inbound tourism, however, has issues. "Inbound has got its own problems before the war," Hartley said. "It's just lack of awareness and promotion." India has not capitalized on the global leisure travel boom as effectively as its Asian peers, he said.

For an extended version of this story, go to [livemint.com](https://livemint.com).

# Copyright clocks run out for iconic Bollywood songs

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Several iconic Hindi film songs released in the 1950s and 60s, many of which remain deeply embedded in popular culture, are now completing their statutory copyright term and entering the public domain, if they haven't already.

Under Section 27 of the Copyright Act, 1957, copyright in a sound recording lasts 60 years from the beginning of the calendar year following its first publication. Once that period ends, the recording enters public domain, meaning no licence is needed for use of the sound recording itself.

In effect, sound recordings released in the late 1950s and early 1960s have either crossed, or are now crossing, this threshold.

According to industry experts, the transition of pre-1965 sound recordings into the public domain affects stakeholders in different ways.

For users such as hotels, restaurants, event organizers and small businesses, the shift is positive. They can now use a substantial portion of golden-age music without incurring licensing fees—a position recently reinforced by the Delhi High Court. This cuts compliance costs and removes long-standing uncertainty around older catalogues.

Rights enforcement entities, however, face a natural contraction of their licensable repertoire. "The transition has significant legal and commercial implications across the ecosystem. It has a direct impact on rights holders and licensing intermediaries



Copyright in a sound recording lasts 60 years from the beginning of the calendar year following its first publication. ISTOCKPHOTO

whose business models historically depended on monetizing archival catalogues. Companies such as legacy record labels and rights aggregators who derive substantial revenue archival portfolios materially see reduction in licensing income," said Gaurav Sahay, founding partner of law firm Arthashastra Legal.

The transition operates as a significant positive in terms of costs and legal barriers for downstream users of music, Sahay added.

The copyright expiry in older songs mainly affects music labels that historically owned or administered the sound recording rights, as well as licensing agencies that collect royalties on their behalf, said Sonam Chandwani, managing partner, KS Legal & Associates.

Once the statutory term expires, the recording effectively enters the public domain and any person is legally entitled to perform, broadcast or commercially use that recording without obtaining a licence from the original rights holder.

"This development is beneficial for businesses such as

hotels, restaurants, event organizers, broadcasters and digital content creators because it removes the obligation to pay licensing fees for the use of those specific recordings. Conversely, it reduces the ability of legacy music companies to exercise exclusive control over certain parts of their catalogue. The immediate impact is therefore not on the creation of new music but on the commercial exploitation of older works that were previously monetised through licensing structures," Chandwani said.

Large music firms are generally aware of copyright durations and plan around it. They continue to acquire rights to new music, work with new artists and expand into digital content, films and artist management, rather than relying solely on older recordings.

Awareness is still limited among businesses such as hotels, restaurants that use music and they continue paying licensing fees even when the recording might already be in the public domain, said Vishal Gehrana-partner designate, Karanjawala & Co.

Also, there isn't an easy public database for a quick check on recording copyrights.

For an extended version of this story, go to [livemint.com](https://livemint.com).

## TRAVEL CONFLICTED

**THE** West Asia conflict is hitting Gulf and European travel in the short term, Hartley said

**HE** said while travel to West Asia is still bumpy, the broader trajectory of demand is unlikely to change

**HARTLEY** doesn't expect much business to come from West Asia till May

**WEST** Asia is critical for Indian travellers, accounting for 41% of all global flights from India in 2023

out is visible more in airspace disruption, rerouting and softer booking sentiment than in an actual volume drop.

The region is critical for Indian travellers, accounting for 41% of all international flights from India in 2023, according to IATA, with Dubai alone

"The world has turned on its head. Companies are less willing to pay high prices for work trips, but leisure spending is booming," Hartley added. The firm's top cohort is in the US, followed by the UK, with India ranked tenth. Hartley hopes India will become a

For an extended version of this story, go to [livemint.com](https://livemint.com).



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### Journeys

1. Pride of Karnataka (5 Nights / 6 Days)
2. Jewels of South (5 Nights / 6 Days)
3. Glimpses of Karnataka (3 Nights / 4 Days)

SN	Package Name	Originating Place	Destinations	Tour Date
1	Dakshin Bharat Yatra	Jaipur	Tirupati, Rameswaram, Madurai, Kanniyakumari, Mallikarjuna	09.04.26
2	Puri, Gangasagar with 02 Jyotirlinga & Ayodhya	Indore	Puri, Gangasagar, Baba Baidyanath, Varanasi, Ayodhya	10.04.26
3	Dakshin Bharat Yatra	Gorakhpur	Tirupati Balaji, Rameswaram, Madurai, Kanniyakumari, Mallikarjuna	11.04.26
4	Bharat Nepal Aastha Tour	Delhi	Ayodhya, Varanasi, Janakpur, Kathmandu, Manakamana, Pokhara	21.04.26
5	Dakshin Bharat Yatra	Firozpur Cantt.	Tirupati, Rameswaram, Madurai, Kanniyakumari, Mallikarjuna	24.04.26
6	Shiv Shakti Braj Yatra	Daund	Ujjain, Mathura, Haridwar, Rishikesh, Amritsar, Vaishno Devi	25.04.26
7	Jyotirlinga Yatra with Statue of Unity	Tirunelveli	Ujjain, Indore, Dwarka, Somnath, Statue of Unity, Tirunelveli	25.04.26
8	07 Jyotirlinga Yatra	Gorakhpur	Ujjain, Dwarka, Somnath, Pune, Nasik	27.04.26
9	Bharat Bhutan Mystic Mountain	Delhi	Guwahati, Cherrapunji, Shillong, Thimpu, Punakha, Paro	05.05.26
10	Puri Gangasagar Ayodhya Dham Yatra	Shri Ganganagar	Puri, Kolkata, Jasidih, Gaya, Varanasi, Ayodhya	09.05.26
11	Divya Dwarka Somnath Yatra	Tirunelveli	Dwarka, Somnath, Bhavnagar, Nishkalank Mahadev Temple, Goa	10.05.26
12	6 Jyotirlinga with Shirdi Sai Darshan	Jharsuguda	Mahakaleshwar, Omkareshwar, Dwarkadhish, Nageshwar, Somnath, Trimbakeshwar, Grishneshwar	11.05.26
13	Mata Vaishno Devi with Haridwar Rishikesh Yatra	Secunderabad	Mathura, Vrindavan, Mata Vaishno Devi, Haridwar, Rishikesh	12.05.26
14	Divya Dakshin Yatra with Mallikarjuna	Rajkot	Renigunta Jn, Rameswaram, Madurai, Kanniyakumari, Kochuveili, Udupi	12.05.26
15	Puri Gangasagar Ayodhya Dham Yatra	Pathankot	Puri, Kolkata, Jasidih, Gaya, Varanasi, Ayodhya	23.05.26
16	Divya Dakshin Yatra with Arunachalam	Secunderabad	Arunachalam, Rameswaram, Madurai, Kanniyakumari, Trichy, Thanjavur, Chidambaram	24.05.26
17	Divya Dakshin Yatra	Nagpur	Hampi, Mysore, Coimbatore, Tiruvannamalai, Vellore, Tirupati, Mallikarjuna	26.05.26
18	Puri Gangasagar with Baba Baidyanath Dham	Indore	Puri, Bhubaneswar, Kolkata, Gangasagar, Varanasi, Ayodhya	26.05.26
19	07 Jyotirlinga Yatra	Delhi	Ujjain, Dwarka, Somnath, Trimbakeshwar, Grishneshwar	28.05.26

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# Waiting for AI's UPI moment



Infrastructure is building fast, but India's AI leap will depend a lot on breakthrough, mass-scale use cases

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MUMBAI

India's artificial intelligence (AI) story is slowly playing out, but for the true unlocks to happen, there needs to be large-scale adoption of the technology, according to panellists at the *Mint* India Investment Summit 2026.

India's AI infrastructure buildout is well on its way, with firms such as Yotta Data Services, Neysa Networks, and Sify Technologies all focused on ensuring there are enough data centres to meet the rising demand from companies here.

"We as a country are waiting for some UPI moments to come to AI, where some government-to-consumer use cases adopt the scale of AI," said Sunil Gupta, co-founder, managing director and chief executive at Yotta.

Just as the Unified Payments Interface (UPI) has become a regular fixture in people's lives in India, processing billions of transactions every year, so too will AI. "One UPI moment in AI will result in multiple

AI moments later," Gupta said.

While AI has caused a global shift, Indian companies, startups and the government have realized that the country also needs to ensure there is high-performance compute capacity available to those working on the technology.

This is evident in how the IndiaAI Mission has been working to acquire 18,000 high-end graphics processing units (GPUs) needed for computations of complex maths that run the algorithms for AI.

But while there is definitely excitement about AI, there are also performance indicators to keep in mind, according to Sandip Patel, managing director at IBM India & South Asia.

"It's not so much about the models now. It's whether you have the infrastructure that you can deploy and use responsibly. Whether you have the right kind of AI, which, with governance, can be trusted with its outcomes," Patel said.

He added that it was important that companies have the right data for specific use cases to deliver meaningful outcomes that push



(From left) IBM's Sandip Patel, Fractal Analytics' Ajoy Singh, JSA Advocates' Nisha Uberoi, Yotta's Sunil Gupta and Ganesh Gopalan of Gnani.ai.

businesses in the right direction. "They need to do all of this with the right kind of cost optimization and sustained RoI. That becomes very critical," Patel added.

For enterprises, making sure that their investments in AI are actually beneficial has become crucial. But where AI companies struggle, especially in the enterprise, is in

the mismatch between what they create and the value their clients actually seek.

"We've realized that enterprise AI is really hard for three reasons:

Most are designed for engineers, by engineers, not for business users. Secondly, there is an engineering challenge due to lots of disparate data spread across multiple systems," said Ajoy Singh, chief AI officer at recently listed AI company Fractal Analytics. "Thirdly, the pace of change. What was state-of-the-art six months ago becomes outdated."

But that doesn't mean that there aren't pockets where enterprises can find value. In India, several companies in the banking, financial services and insurance segment have opted to use voice-first AI in some of their systems, such as loan collection or debt reminders.

"On the voice side, enterprises have decided to take this to the next level," said voice-first AI startup Gnani.ai's co-founder and CEO Ganesh Gopalan. The company currently caters to 150 enterprise customers in India and approximately 200 worldwide.

According to Gopalan, the reason voice AI is reaching scale is that existing systems for customer interaction and engagement are

currently broken.

"Some of the property banks in India that we work with found that our AI systems are about 10% better than their existing systems. At the enterprise level, especially for larger banks, evaluation is always done. It's always going to be based on RoI," he said.

For enterprise companies such as Gnani.ai, and even for Fractal Analytics, support, both in terms of policy and GPU access, through the IndiaAI Mission has played a crucial role. Even so, the government has made it clear that while they're not going to regulate AI and risk innovation, there have to be checks and balances.

"The underlying factor for the government, even while attracting investment, is that innovation has to have human oversight," said Nisha Uberoi, partner at JSA Advocates & Solicitors.

"Companies are not yet at that stage where the machines will run themselves. And that human oversight and therefore the human responsibility and accountability need to be there," she added.

## Bolt-ons, continuation funds to power next pvt equity cycle

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India's private equity industry is seeing a rise in buyout opportunities as a growing pool of mature assets looking to professionalize operations and accelerate growth, speakers said at the *Mint India Investment Summit* held recently.

"If you think about the investments we make on the buyout side, we are betting on an attractive macro theme and a good competitive position that we can build off. There's a handful of things you need to do in a business to unlock value," said Ashish Kotecha, partner at Bain Capital.

"While it varies by companies or investments, we do run initiatives on cost, cash and pricing. Part of that is M&A being an important tool as a platform or a bolt-on acquisition to get a new customer or a market segment you don't have exposure to. This accelerates the value creation journey and M&A is a key part of that," he added.

Bolt-ons typically allow larger firms, usually backed by private equity firms, to buy smaller businesses.

For good companies, capital has increasingly become a commodity amid expanding global pools of money.

"They're asking a lot more from the capital partners regarding how they can help add value during the investment journey," said Mayank Bajpai, partner, TPG Growth and Rise.

EQT, which began buyouts in India in 2013, said more founders are open to handing over control to institutional



(L to R) Mayank Bajpai, Saurabh Chatterjee, Vikram Raghani, Hari Gopalakrishnan and Ashish Kotecha.

investors, said Hari Gopalakrishnan, the firm's partner and deputy co-head of private capital Asia and head of India and global co-head of services. "We still think we are scratching the surface. I still think buyouts are going to grow much more than in the past. Even talent is shifting towards private equity, and it will continue to grow as a source of talent for buyouts," he said.

"I think while (buyouts in the) financial services, healthcare, will continue, we will see a lot of investments in the entire AI space going forward," said Vikram Raghani, partner, JSA Advocates & Solicitors.

For private equity firms, returning capital has become as critical as deploying it.

"Pension funds and insurance companies were very risk averse, so capital protection is very important for them. As a result, the bulk of the buyout capital goes into businesses that seemed to be downside protected, giving regular

returns over time and so established businesses naturally gravitate to that at some level," Gopalakrishnan explained.

New fund structures are emerging to ease liquidity pressures. In 2024, Chrysalis Capital closed its largest continuation fund at \$700 million, anchored by HarbourVest Partners, LGT Capital Partners, and Pantheon Ventures, to remain invested in National

Stock Exchange of India. Continuation funds allow limited partners to exit while enabling firms to stay invested in high-performing assets beyond the typical fund cycle.

"I think you will see more single asset continuation vehicles in the future depending on how strong that one single asset is. There are other companies in our portfolio right now that eventually could be single assets. We will take that call as and when it happens," said Saurabh Chatterjee, managing director of Chrysalis Capital.

For an extended version of this story, go to [livemint.com](#).

**Bolt-ons typically allow larger firms to buy smaller businesses to expand operations, diversify offerings**

## 'Slow dispute resolution is costing up to 2% of GDP'

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India is losing an estimated 1.5-2% of its GDP to a slow and inefficient dispute resolution system, legal experts said at the *9th Mint India Investment Summit* in Mumbai last week. Panellists, including senior in-house legal counsels and law firm partners, said weak enforcement sits at the heart of the problem, raising the cost of doing business and deterring investment.

The inability to enforce contracts swiftly and predictably, along with delays, frequent adjournments, procedural hurdles and lack of subject-matter expertise, creates friction for companies and investors. As disputes drag on, capital remains locked up,

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The sharp rise in retail participation in India's capital markets has been propelled by higher awareness of mutual funds, digitalization enabling frictionless investing, and stable long-term returns, speakers said at the *Mint India Investment Summit 2026*.

Shravan Sreenivasula, ED & head, Investment Solutions, Aventus Wealth Management, noted that while access and awareness have helped, returns remain the core driver. "The markets have been muted in the last two years, but even now we clock about 13% or thereabouts on a 3, 5, 10

year basis, so that interests a lot of people to come into the markets," he said, adding that IPOs have also been a propellant of retail participation.

Sushant Bhansali, CEO of Ambit Asset Management, said that in the past five years, risk appears to have reduced materially. Drawdowns have been limited to 15-17%, compared with 30-40% in previous cycles. He believes this has provided comfort to investors, but said 'frictionless investing' has been the game changer.

However, he stressed that it is not only about access, but about wealth creation. Bhansali said there are long-term investors who like to buy companies after doing some research and these DIY investors



(From left) JSA's Amar Gupta, Marico's Amit Bhasin and Wockhardt's Debolina Partap.

value erodes, and the broader economy takes a hit.

"There is a study that it has cost us 1.5-2% of GDP. That's how significant the failure... the failure to be able to enforce contract swiftly, efficiently, and in a predictable manner," said Amar Gupta, joint managing partner at JSA Advocates &

Solicitors.

From an investor's perspective, the consequences are immediate. "Because we have a complex judiciary system where cases may take a lot of time... the timeliness of dispute resolution goes completely for a toss. From an investor's point of view, it

becomes more frustrating," said Amit Bhasin, chief legal officer at Marico.

Investors expect disputes to be resolved quickly, at low cost and with predictable outcomes, Bhasin said, adding that in India, prolonged litigation, rising legal costs and uncertainty in judgments often undermine those expectations, while the time value of money continues to erode.

Alternative dispute resolution (ADR), including arbitration, mediation and conciliation, has been positioned as a workaround, offering faster and less formal resolution outside traditional courts. India has strengthened the framework through the Arbitration and Conciliation Act, 1996 and the Mediation Act, 2023.

Yet, delays, court intervention and limited institutional

capacity continue to blunt its effectiveness. Gaps are particularly visible in arbitration.

"Institutional arbitration has really not taken off compared to Singapore, London or ICC," said Debolina Partap, senior vice president (legal) and group general counsel at Wockhardt, pointing to faster and more reliable global alternatives.

Partap also flagged the need for greater domain expertise in arbitral tribunals, noting that reliance on retired judges may not always suit complex commercial disputes. Poorly drafted arbitration clauses, such as single-arbitrator provisions, can lead to deadlocks and court intervention, while three-member tribunals offer more flexibility.

For an extended version of this story, go to [livemint.com](#).

## 'Frictionless investing, high returns fuel retail surge'

Ananya Grover  
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MUMBAI

The sharp rise in retail participation in India's capital markets has been propelled by higher awareness of mutual funds, digitalization enabling frictionless investing, and stable long-term returns, speakers said at the *Mint India Investment Summit 2026*.

Shravan Sreenivasula, ED & head, Investment Solutions, Aventus Wealth Management, noted that while access and awareness have helped, returns remain the core driver. "The markets have been muted in the last two years, but even now we clock about 13% or thereabouts on a 3, 5, 10

year basis, so that interests a lot of people to come into the markets," he said, adding that IPOs have also been a propellant of retail participation.

Sushant Bhansali, CEO of Ambit Asset Management, said that in the past five years, risk appears to have reduced materially. Drawdowns have been limited to 15-17%, compared with 30-40% in previous cycles. He believes this has provided comfort to investors, but said 'frictionless investing' has been the game changer.

However, he stressed that it is not only about access, but about wealth creation. Bhansali said there are long-term investors who like to buy companies after doing some research and these DIY investors

are leading this growth, supported by strong market performance over the past decade. "So it's not just access, it's also about the impact this is creating in everybody's mind

in wealth creation." Sreenivasula added that many investors are focused on long-term wealth creation. Equity assets under management of the mutual fund

industry now stand at about ₹36 trillion, reflecting growth of 60% or more over the past three to five years. He also noted that 56% of investors now hold investments for more than two years, compared with 40% a decade ago.

Beyond retail, high-net-worth investors (HNIs) are also altering allocation patterns. Since 2015-16, growing interest has emerged in VC/PE funds, with commitments now at about ₹3 trillion, Sreenivasula said. With the indexation benefit removed, bond fund index returns often fail to beat inflation, pushing investors toward credit funds and higher equity allocations.

For an extended version of this story, go to [livemint.com](#).



Shravan Sreenivasula of Aventus Wealth Management (left) and Ambit Asset Management's Sushant Bhansali.

## India's deal landscape sees long-term opportunities despite global volatility

Priyamvada C  
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MUMBAI

India is expected to sustain strong M&A momentum, including cross-border deals, as investors take a long-term view despite macro headwinds, top executives said at the *Mint India Investment Summit*.

"It's interesting how the last three quarters over 2025 have shown the ability of investors to digest any volatility, price it in if required, and proceed with M&As as they see sense in it over a 5-10-year horizon," Devarajan Nambakam, co-head of India investment banking for Goldman Sachs Group, said at the summit.

"This will probably be tested more this year, but the ability

of investors to see through these volatilities has been the biggest mindset shift."

With India being a robust growth economy, there is demand for capital to accelerate and for shareholders looking to monetize their stake among others, he added.

"From a supply perspective, it's safe to say that almost no pool of capital is unavailable in India, be it strategic capital, private equity, private credit or hybrid capital. Today, the quantum of the capital that is available is higher than we've seen. This natural matching of demand and supply has driven momentum and created resilience despite any geopolitical undercurrents," Nambakam said.

Ashish Jhaveri, managing director & head of India

investment banking, Jefferies, also alluded to the evolving M&A landscape in the country. "In the early 2000s, India was more about foreigners looking to get market access, and private equity funds had just begun coming into the country. We had the vision but lacked the ability to execute at scale. Even capital was expensive and not abundantly available," he noted.

"But a lot has changed over the years. Several new sectors like infrastructure, real estate, EMS and e-commerce have been created in the last two decades. We have seen healthcare and pharma become far deeper. So, when you look at the deal-making that has happened in the last five years, it has been very distributed and across sectors," Jhaveri said,

adding that the market depth is large and spread across multiple sectors. "There is a decent mix of private equity and corporates taking part in transactions today."



(From left) Goldman Sachs's Devarajan Nambakam, Ashish Jhaveri of Jefferies and Emirates NBD Capital India's Alok Malpani.

These comments come as global investors identified India as one of the key geographies to make money and exit, owing to the country's rich valuations. Earlier this

month, global consulting firm McKinsey noted that India has emerged as an increasingly attractive destination for limited partner (LP) allocators, and its regional weight has increased amid China's slowdown.

Alok Malpani, chief executive officer at Emirates NBD Capital India, said real M&A activity began in 2005 when India went on a shopping spree. "Post-covid, the structural behaviour has changed, and we are seeing an evolution in domestic deal making. India has seen a robust governance framework, and we are working with the who's who of the private

equity world, where governance is key. Without a governance framework, it wouldn't have been possible," he said.

Last year, Emirates NBD announced its decision to buy a controlling stake in RBL Bank for \$3 billion

a controlling stake in RBL Bank for \$3 billion, marking the largest foreign direct investment in India's banking sector to date. *Mint* reported in October that this is likely to pave the way for more global banks looking to have an India play.

Broadly, India has seen improved performance in investment activity with private equity and venture capital deals expanding 1.6-fold to \$207 billion between 2016-20

and 2021-25. Exits for the same period more than doubled to around \$120 billion, McKinsey estimated in the report.

"There are outbound M&As happening for the sake of growth, which shows that there is enough capital generation happening with businesses inside India, a sign of a very mature ecosystem," Goldman's Nambakam said. "Cross-border transactions spanning inbound or outbound deals are always transformational in nature, and businesses never do it for a two-year time period. They are always done with the ambition of becoming a global business over a long-term horizon," he said.

For an extended version of this story, go to [livemint.com](#).



# Trump threatens strikes on Iran energy sites if talks fail

Rising tensions in West Asia have pushed oil prices sharply higher

Bloomberg  
feedback@livemint.com

US President Donald Trump repeated threats to destroy Iranian energy assets if the Strait of Hormuz isn't reopened soon, raising fears of a further escalation in the war after American troops arrived in the region.

The US "is in serious discussions" with Iran to end military operations, Trump said in a social-media post on Monday. But if a deal isn't reached and Hormuz reopened, "we will conclude our lovely 'stay' in Iran by blowing up and completely obliterating all of their Electric Generating Plants, Oil Wells and Kharg Island (and possibly all desalination plants)."

Trump has regularly vacillated between saying a deal with Iran is close and warning the country he's prepared to up the military tempo. Iran has consistently said peace talks aren't progressing and has signalled it can carry on waging war for much longer.

The US leader's comments came as Israel and Iran exchanged missile strikes with the war continuing into a second month. The conflict is threatening to cause severe economic damage around the world, with the closure of the critical Hormuz waterway choking supplies of energy, fertilizer and other critical commodities.

Egyptian President Abdel-Fattah El-Sisi on Monday issued an appeal to Trump to end the conflict, saying only the US president is capable of doing so. He warned of the dangers of rising energy prices on the economies of developing nations, but also political stability.

Brent crude—on track for a record monthly increase—surged 2.5% to about \$115 a barrel in Monday trading. The US military said over the week-



US President Donald Trump.

end that about 3,500 sailors and Marines have arrived in the West Asia on an amphibious assault ship, raising fears of an escalation in the conflict rather than an imminent switch to diplomacy. The Tripoli Amphibious Ready Group is also carrying fighter aircraft.

The Israel Defense Forces said it's carrying out airstrikes on Iran a day after attacks resulted in power outages in the capital, Tehran, and nearby areas. Iran said it's striking Israel, which reported a strike on the Bazar oil refinery in Haifa, although not to production facilities.

The United Arab Emirates issued multiple alerts overnight and Saudi Arabia and Kuwait reported a number

of interceptions of drones and missiles.

Trump told reporters aboard Air Force One on Sunday that an agreement to end fighting could come soon, claiming that Iran "gave" the US most of the 15 demands it had issued, without offering specifics.

## Missile exchanges between Israel and Iran continue, raising fears of a wider regional escalation

Iran suggested that isn't the case, having publicly rejected the 15-point proposal last week.

"The demands conveyed to us have been excessive and illogical," foreign ministry spokesman Esmail Baghaei said in a press conference on Monday, according to the semi-official Tasnim news agency.

Iran has insisted on its own condi-

tions to end hostilities, issuing a five-point plan that includes demands—such as the payment of war reparations—that Trump and Israel are unlikely to accept. Tehran has also called for an end to the war on all fronts, a likely reference to Israel's parallel operation against Iran-allied Hezbollah in Lebanon.

Tehran-backed Houthi militants in Yemen entered the war over the weekend, launching missiles and drones at Israel, adding an additional front to the fighting.

More than 4,750 people have been killed so far, roughly three-quarters of them in Iran.

Fears of a prolonged military campaign in the West Asia have pushed stocks lower, with equities in Asia and emerging markets declining on Monday. Oil's advance since the start of the year is now around 90%, stoking expectations of slower growth and faster inflation worldwide.

Iran's weekend strikes on West Asian aluminium plants are threatening to send a fragile market into crisis, raising the prospect of record prices for the metal used in everything from airplanes to food packaging and solar panels.

In an interview with the Financial Times, Trump said he wants to "take the oil in Iran," which would involve occupying the country's main export hub of Kharg Island, also the location of an Iranian naval base. That would mark a major escalation of the conflict, involving US ground troops.

"Our men are waiting for American soldiers to enter on the ground," Iranian Parliament Speaker Mohammad Bagher Ghalibaf said, according to Tasnim.

Trump is also considering a military operation to seize Iran's near-bomb-grade uranium, three diplomatic officials briefed on the matter told Bloomberg News earlier this month.

# Iran rejects US peace plan as 'unrealistic' amid escalation

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ISLAMABAD

Iran described US proposals to end a month of war in the West Asia as "unrealistic, illogical and excessive" on Monday and unleashed more missiles on Israel, as oil prices rose further after Yemen's Houthis entered the conflict.

Israel's military said two drones from Yemen had also been intercepted on Monday, two days after the Iran-aligned Houthis fired missiles at Israel for the first time since the start of the US-Israeli war on Iran that has spread across the region. Lebanon's Hezbollah also fired rockets at Israel on Monday.

The Israeli military said it had carried out missile strikes targeting what it called military infrastructure in Tehran as well as infrastructure used by Iran-backed Hezbollah in Beirut, leaving black smoke hanging over the Lebanese capital.

US President Donald Trump issued another warning to Iran on Monday to open the Strait of Hormuz, a waterway used for shipping a fifth of global oil and liquefied natural gas supplies, or risk US attacks on its energy infrastructure.

Iranian foreign ministry spokesperson Esmail Baghaei said Tehran had received messages via intermediaries indicating Washington's willingness to negotiate. This followed a meeting of the foreign ministers of Pakistan, Egypt, Saudi Arabia and Turkey in Islamabad on Sunday to discuss mediation efforts.

But Baghaei, criticizing the US proposals, told a press conference on Monday: "Our posi-



The month-long war has spread across the region, killing thousands.

tion is clear. We are under military aggression. Therefore, all our efforts and strength are focused on defending ourselves."

Meanwhile, a Pakistani security official said that at this stage it appeared unlikely there would be direct US-Iran talks this week. "We are trying our best to make it happen as early as possible," the official added.

Baghaei also said Iran's parliament was reviewing a possible exit from the Nuclear Non-Proliferation Treaty, which recognises the right to develop, research, produce and use nuclear energy as long as nuclear weapons are not pursued.

Trump has cited preventing Iran obtaining nuclear weapons as one of the reasons for attacking Iran on 28 February. Tehran denies it is seeking a nuclear arsenal.

On Sunday, Trump said the US and Iran had been meeting "directly and indirectly". But he has also been sending more US troops to the region and Iran has remained defiant, maintaining its blockade of the Strait of Hormuz.

In a social media post on Monday, Trump wrote: "Great

progress has been made but, if for any reason a deal is not shortly reached, which it probably will be, and if the Hormuz Strait is not immediately 'Open for Business,' we will conclude our lovely 'stay' in Iran by blowing up and completely obliterating all of their Electric Generating Plants, Oil Wells and Kharg Island."

The month-long war has spread across the region, killing thousands, causing the biggest disruption ever to energy supplies and hitting the global economy.

Iran has fired on Arab Gulf states during the conflict and war has been reignited between Israel and Hezbollah in Lebanon, where a UN peacekeeper from Indonesia was killed when a projectile exploded at one of its positions in southern Lebanon on Sunday. Another peacekeeper was critically injured.

The Houthis' attacks on Israel raised the prospect that they could target and block a second important shipping route, the Bab el-Mandeb Strait.

The Financial Times quoted Trump as saying in an interview that the US could seize Kharg Island, from where Iran exports much of its oil, but also that a ceasefire could come quickly. Taking control of Kharg would require ground troops.

## The war has spread across the region, killing thousands and disrupting global energy and economy

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Sr. No.	Tender No.	Tender ID	Tender Amount Rs. in Crs.
1	MGVCL/TECH/KSY/2026-27	291061	27.30 Crs.
2	MGVCL/TECH/VKY2/GDC/2026-27	291133	125.69 Crs.
3	MGVCL/TECH/VKY2/BDL/2026-27	291114	26.28 Crs.

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Tender Name	Tender Fees
"Construction of 3.33 KM Elevated Viaducts and 3 Nos. Stations from GIFT City to Shahpur Circle including Civil Structural Works, Architectural Finishing Works, Structural Steel Roofing, Signages, PHE Works and E&M Works of Ahmedabad Metro Rail Project Phase -2B"	INR 50,000/-

Interested bidders are requested to visit <https://tender.nprocure.com> for eligibility criteria, applying/ downloading the tender document from 06.04.2026 onwards. Last date and time for Bid Submissions is 15:00 Hrs. on 22.05.2026.  
Any alterations in Eligibility Criteria and terms of the Tender Document, or any amendment to the Tender Document, etc, will be uploaded on <https://tender.nprocure.com> and GMRC's Website [www.gujaratmetro.com](http://www.gujaratmetro.com) without any obligation or press notification or other proclamation.  
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**ICONIC CITY SQUARE BUILDING PROJECT WORK**

Sr. no.	Name of work	Estimated Tender Cost
1.	RFP for Construction, Maintenance and Operations (CMO) of Iconic City square building Project in Bodakdev Ward, North West Zone in AMC	Rs. 552,22,41,635.00 (Without GST)

Tender Downloading : Date: 10/04/2026  
Online submission up to : Date: 25/05/2026 up to 18:00 hrs.  
Details & tenders available on : [www.tender.nprocure.com](http://www.tender.nprocure.com)  
Municipal Commissioner (AMC)

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**Auction of Government of India Dated Securities for ₹29,000 crore on April 02, 2026**

Government of India has announced the sale (re-issue) of following dated securities:

Sr. No.	Nomenclature	Notified amount Nominal (in ₹Crore)	Earmarked for Retail Investors (in ₹Crore)
1	6.68% GS 2040	17,000	850
2	7.43% GS 2026	12,000	600

The stocks will be sold through Reserve Bank of India, Mumbai Office, Fort, Mumbai - 400001, as per the terms and conditions spelt out in the General Notification F.No.4(2)-B(W&M)/2018, dated March 26, 2025 and the Specific Notification issued in this regard.  
The auction will be conducted using multiple price method on April 02, 2026 (Thursday). The result will be announced on the same day and payment by successful bidders will have to be made on April 06, 2026 (Monday).  
Retail investors can participate in the auction on a non-competitive basis as per the Scheme for non-competitive bidding facility. Individual investors can also place bids through the Retail Direct portal (<https://rbiretaildirect.org.in>).  
For further details, please see press release dated March 28, 2026 on RBI website ([www.rbi.org.in](http://www.rbi.org.in)).  
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Sr. No.	Name of Work	Amount of Work / E.M.D. in Rs.	Eligibility/Tender Cost in Rs.	Time Limit in Months	Division
1	Request for Proposal for Appointment of Project Management Consultant (PMC) for World-class Redevelopment, Landscaping & Beautification of Deekshabhoomi, Nagpur. (IInd Cal).	As per Tender Document 5,00,000/-	As per Tender Document 10,000/-	06	Project

Money :- E.M.D. is to be paid by online only. Plans & Estimates :- Available in the Technical Section, Head Office, Sadar, Nagpur. Tender Forms :- From 02.00 P.M. on Date 01.04.2026 up to 2.00 P.M. on Date 08.04.2026 on [www.mahatenders.gov.in](http://www.mahatenders.gov.in) Receipt / Submission :- From 02.00 P.M. on Date 01.04.2026 up to 2.00 P.M. on Date 08.04.2026 on [www.mahatenders.gov.in](http://www.mahatenders.gov.in). Opening :- At N.M.R.D.A. Office on Date 09.04.2026 at 2.00 P.M. or as decided by N.M.R.D.A.  
-sd- Superintending Engineer,  
Advt. No. : S.E.(NMRDA)/93/2025-26 Dated : 30.03.2026 Nagpur Metropolitan Region Development Authority

# The sudden fall of OpenAI's most hyped product since ChatGPT

Even Disney's Bob Iger signed on to the vision of allowing users to make their own videos starring Darth Vader. Then Sam Altman pulled the plug.

Berber Jin & Jessica Toonkel

When Sam Altman arrived in Los Angeles to attend Vanity Fair's Oscar afterparty earlier this month, his company was just weeks away from being able to license its Sora video-generation tools to Hollywood studios.

After the smash success of ChatGPT, Sora was hyped as AI's next consumer-friendly frontier—a simple app that allowed users to put themselves and their friends in whatever video settings they choose, from dribbling like the Harlem Globetrotters to clashing lightsabers with Darth Vader.

Disney's Bob Iger signed on to the vision, agreeing to have his company invest \$1 billion in OpenAI and allowing the studio's Marvel, Pixar and other characters to appear in Sora videos. Just as importantly, he put Disney's valuable imprimatur behind the nascent technology amid widespread fears about protecting the industry's creative work from AI.

Then OpenAI abruptly decided to shut Sora down.

Disney executives, many of whom learned about the decision less than an hour before it was announced, were shocked. What they didn't know was that Sora had quietly turned into a liability for OpenAI in the months after its release, particularly as the startup tightened its focus ahead of a looming IPO.

OpenAI was weeks away from finishing work on a new AI model, code-named Spud, and needed to free up more computing resources to power the coding and enterprise products that would run on it. AI chips are the most precious commodity at any leading research lab, and at OpenAI, Sora was eating up far too many of them.

The product wasn't profitable, and every user who spliced themselves into a World War II newsreel or Hollywood chase scene drew down a finite resource. Sora now looks like an expensive strategic miscalculation, one that was led by key employees who were at the center of the AI talent war raging across Silicon Valley.

Altman represented the move as a difficult but necessary sacrifice toward the company's larger goals, writing in a note to employees that he was encouraged by how they were willing to make "difficult trade-offs" for the good of the company.

The decision to kill Sora marked a stunning end to a project that Altman once dreamed would turn OpenAI into the creative pioneer of the AI era and could have been a lucrative new source of revenue.

The company first previewed Sora to the world two years ago, showing dream-like landscapes conjured up by the technology that invoked the fantastical worlds of Hayao Miyazaki, or perhaps the surreal-



After the smash success of ChatGPT, Sora was hyped as AI's next consumer-friendly frontier.

REUTERS

ism of Salvador Dalí. When OpenAI launched a stand-alone Sora app for consumers last September, Altman likened it to the moment when the company first released ChatGPT.

But the app never took off in the ways its creators imagined—it was more AI slop than AI magic. Usage flatlined by the end of the year. With OpenAI's purse strings tightening ahead of its IPO, company executives began taking a more critical look at Sora—and didn't like what they saw.

The research team there was about to begin a training run for a new model meant to power video-generation in ChatGPT. Unlike language models, which learn from text, video models have to make sense of entire moving worlds, making them far more expensive to create. After running the numbers on how much it would cost, OpenAI decided to cancel it.

OpenAI expects to redirect its focus toward a new "superapp" the company is building that incorporates so-called agentic AI tools that can autonomously execute tasks for users, such as writing software, analyzing data and booking travel. Such productivity-focused products are becoming widely adopted in the workforce, and OpenAI has so far lagged behind its startup rival Anthropic in winning this market, imperiling its lead in the AI race.

Altman told staff the Sora team will now focus on longer-term bets such as robotics.

An OpenAI spokeswoman said the company is ruthlessly giving priority to its computing resources based on where it

drives the most long-term economic value. "This disciplined focus on where we apply that compute allows us to grow, innovate faster, and deliver more efficiently to enterprises and developers," she said.

#### Meta's talent raid

Sora was the brainchild of Tim Brooks and Bill Peebles, two researchers who became close friends while completing doctorate degrees at the University of California, Berkeley. The pair joined OpenAI in early 2023, and set their sights on building models that could simulate the physical world by creating high-quality video from text.

They previewed their research to the public in February 2024, naming the system they developed after the Japanese word for sky. Sora transfigured the tech world by creating seemingly realistic videos of everything from woolly mammoths trekking across a snowy field to a stylish woman walking down a Tokyo street filled with glowing neon signs. Altman asked users on X to submit text descriptions for Sora before sharing their creations.

That December, OpenAI released Sora to the broader public.

The company housed Sora under its world simulation team, led by Aditya Ramesh. The division worked separately from OpenAI's core research team, which built the language models that powered ChatGPT.

Last spring, Meta CEO Mark Zucker-

berg launched a full-scale talent raid of OpenAI, personally reaching out to dozens of the company's top researchers and luring them to join his new AI lab with giant pay packages. One of his targets was Peebles, who received an offer and briefly considered joining the company.

OpenAI managed to keep Peebles after giving him a raise, according to people familiar with the matter. Soon after, his responsibilities with Sora also expanded. Peebles oversaw training of a new video-generation model, and the creation of the Sora consumer app.

OpenAI's researchers are able to track how AI chips are allocated between different groups through an internal dashboard.

Some of them were surprised by the amount of computing resources the company gave to the Sora team, given that video-generation tools didn't make much money, nor improve the capabilities of its language models.

Sora's work was closely guarded from the rest of the company, leading some former employees to describe the project as a startup within a startup.

As the year progressed, there were growing signs that OpenAI was falling behind competitors in key parts of the AI race. Google's Gemini grew popular with consumers. And Anthropic's coding tool, Claude Code, was winning over software engineers across Silicon Valley thanks to its ability to write software programs with-

out much oversight. OpenAI scrambled to release a new version of its own coding product, Codex.

But Altman wanted OpenAI to also be the AI company that used the technology to reshape popular culture and entertainment. In early 2025, he asked former Twitter CEO Parag Agrawal to informally consult a team inside OpenAI that was working on a separate social-media project similar to X, people familiar with the matter said. Altman also was working with then-Disney CEO Iger on a deal to enable the entertainment giant's fans to bring their favorite characters to life with AI through Sora.

OpenAI previewed a version of the new Sora app to its employees in late September before releasing it to the public at the end of that month. The product garnered mixed reviews internally. Some employees felt launching a social-media app built around engagement would hurt the company's brand. Others had concerns about the safety implications of allowing users to create AI-generated videos, even with guardrails.

Sora shot up to the top of the App Store in the week after its launch, despite an invitation-only user base. Users who made it found it to be a marvel: type in anything they wanted—Homer Simpson doing Riverdance—and a 10-second video of it would appear in a few minutes. And since the app allowed people to upload their own faces, they were suddenly making short, crazy films starring themselves. Altman himself volunteered his likeness, leading to absurd, sometimes violent or disturbing short films, that he didn't seem to mind.

Since the copyright guardrails were fairly loose, videos soon appeared in the feed that pushed the boundaries of taste. A big featured player was Martin Luther King Jr., who could be instructed to share his dream of anything, from a new season of *Fortnite* to changing Sora's content-violation policy. King's estate complained about the images, leading the platform to announce that it had removed his likeness.

The worldwide user count peaked at roughly a million soon after the app's launch, but never reached that level again. In the subsequent months, it dwindled to less than 500,000, according to data from Similarweb.

Sora was losing roughly a million dollars a day, according to a person familiar with the matter.

#### Disney's AI dream

Still, OpenAI tried to find a way to make Sora work. In December, it announced a multiyear deal with Disney to license more than 200 characters from the entertainment giant's cinematic universe. As part of the deal, Disney agreed to become a major customer of OpenAI and invest \$1

billion into the startup.

In a *CNBC* interview, Iger said the deal gave Disney the opportunity to play a part in the fast growth of AI and new forms of media and entertainment. Altman said he hoped the partnership would give users a new way to be creative with AI.

For Disney, the deal represented proof that there was a business model for licensing its intellectual property for the use of AI. The day before it announced its deal with OpenAI, Disney sent a cease-and-desist letter to Google accusing the tech giant of "infringing Disney's copyrights on a massive scale."

In February, Iger said on an earnings call that short-form videos created with Sora would soon appear on the streaming service Disney+, which was preparing to launch a vertical video feed. Disney was also in talks with OpenAI to use ChatGPT across the company, according to people familiar with the matter.

In recent weeks, OpenAI began piloting an enterprise version of Sora for companies like Disney to use with safeguards.

The tool, which Disney expected to introduce as soon as this spring, would have allowed select Disney executives to use Sora for everything from designing marketing campaigns to special effects without giving OpenAI access to the work.

But OpenAI was already looking at ways to pull back from Sora. The company fell further behind Anthropic, whose recent advancements stirred fresh fears that AI could supplant traditional software and services, briefly triggering a stock-market selloff. OpenAI realized it needed to put more resources into building these so-called productivity tools, and began looking at areas to deprioritize.

After initially planning to continue selling video-generation features through ChatGPT, the company decided to cut Sora altogether.

Disney's \$1 billion investment in OpenAI never went through, and its relationship with the company is effectively dormant.

Under new CEO Josh D'Amato, Disney is in active discussions with more than a dozen partners about ways to implement other AI tools, according to a person familiar with the situation.

"As the nascent AI field advances rapidly, we respect OpenAI's decision to exit from the video-generation business and to shift its priorities elsewhere," Disney said in a statement. "We appreciate the constructive collaboration between our teams and what we learned from it."

On the X account for Sora, the team posted what felt like a digital eulogy. "To everyone who created with Sora, shared it, and built community around it: thank you."

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## THE WALL STREET JOURNAL

# Why Russia is stepping up its support for an embattled Iran

Thomas Grove  
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Russia has emerged as one of the early winners in the Iran war, as surging oil prices have given its slumping economy a boost and the Trump administration has eased restrictions on Russian oil. But over the longer term, the conflict poses a much bigger threat to its global ambitions.

In recent weeks, Russia has stepped up its support for Iran, its closest partner in the Middle East, providing satellite imagery and drone technology to help Iran target U.S. forces in the region.

## THE WALL STREET JOURNAL

Moscow is in part trying to salvage what's left of its shrinking web of partnerships that once made it the world's second-largest arms exporter behind the U.S., a backer of dictatorships from the Middle East to Latin America and lent credibility to President Vladimir Putin's view of Russia as a great power.

Russia is "learning what it means when the United States acts completely unrestrained," said Hanna Notte, director for Eurasia at the James Martin Center for Nonproliferation Studies.

In January, U.S. forces swept into Venezuela and

grabbed President Nicolás Maduro, asserting American dominance over a country that had been a reliable buyer of Russian arms and a destination for hundreds of millions of dollars in Russian investments in its oil sector. President Trump has suggested that toppling the Cuban regime, one of Russia's closest partners in the Western Hemisphere, might be next on his list.

The attack on Iran poses a threat to Moscow's long-held strategy of maintaining a partnership of friendly countries and paramilitary groups on its southern flank. Its onetime partner in Syria, former President

Bashar al-Assad, is sitting in Moscow after fleeing his country. Russia is now negotiating with the new Syrian government over the future of its military bases there.

The Iranian regime is the linchpin in a network of militias, such as Lebanon's Hezbollah, which serve as the main challenge to U.S. and Israeli dominance in the region. Those militias, already weakened by the conflicts that followed the Oct. 7, 2023, attack on Israel, provide trafficking routes for weapons and technology for Russia's military.

Iran, although battered by



Moscow is trying to salvage what is left of a shrinking web of global partnerships.

AFP

weeks of U.S. and Israeli strikes, has so far proven resilient. It has effectively shut the Strait of Hormuz, where a fifth of the world's oil once flowed, and has kept up daily missile and drone attacks on the U.S. and its allies.

Russia has been advising the Iranians based on its experience in the war in Ukraine, giving them tactical guidance on how many drones should be used in strikes and from which altitudes they should strike. *The Wall Street Journal* has reported, Russia's advice and targeting information is believed to have aided Iran in strikes on U.S. radar systems in

the region. The potential survival of the Iranian regime would give Russia a chance to maintain a foothold in the Middle East, one that is all the more important as it sees its influence fading elsewhere. It would also give Moscow a chance to show it is capable of helping its partners fend off American military might.

In addition, Moscow has sought to use its support for Iran as a bargaining chip with Washington. The Kremlin's envoy for negotiations on Ukraine told the U.S. special envoys Steve Witkoff and Jared Kushner that Russia

would stop providing targeting information for Iran if the U.S. did the same with Ukraine.

Earlier in Trump's second term, Russia appeared reluctant to confront the U.S. directly as it tried to keep the Trump administration largely on the sidelines of the war in Ukraine. But Moscow has increasingly expressed frustration as its interests have been bulldozed by Trump's foreign policies.

U.S. forces have boarded and seized several oil tankers linked to Russia, including one that an American official said

was to be escorted by a Russian submarine and other naval assets. The seizure of that tanker, now known as the *Marinera*, which had a painted Russian flag on its side as it was pursued, occurred despite the warning of the Russian Foreign Ministry to let it travel freely.

Late last year, the Russian state-owned oil company Roszarubezhneft received a 15-year extension on its Venezuelan production. But last month, Russian Foreign Minister Sergei Lavrov said his country's companies were slowly being squeezed out of Venezuela at the behest of the U.S.

"They're openly trying to get us, our companies out of Venezuela," he said in an interview with Russian state TV network RT.

On the heels of Trump's intervention in South America, the U.S. has intensified an embargo on Cuba. In a sign of Moscow's possible agitation, Kremlin spokesman Dmitry Peskov said Russia is ready to provide financial and humanitarian aid to alleviate the crisis.

A Russian-flagged, state-owned tanker, the *Anatoly Kolodkin*, has been sailing toward Cuba, prompting spec-

ulation over whether the tanker could try to break the embargo.

Farther afield, in a band of landlocked military regimes along the southern end of the Sahara—Mali, Burkina Faso and Niger—Russian mercenaries and military aid have proven unable to hold back jihadist groups that have encircled Mali's capital and expelled Burkina Faso's military from much of the countryside.

Russia has mostly stood back as military rulers in Mali and Niger quietly reactivated contact with the Trump administration, which has discussed security assistance. In 2024, Putin promised "total support" to his African allies.

In the nearly two years since, Burkina Faso and Mali have lost ground.

Trump has even trod into regions that have historically fallen under Russia's sphere of influence. Last year he invited Armenian President Nikol Pashinyan and Azeri President Ilham Aliyev to the White House, where he tried to resolve tensions between the former Soviet republics, which have fought several conflicts over

disputed territory on their shared border since the fall of the U.S.S.R.

In 2023, Azerbaijan started an offensive that took control of the Nagorno-Karabakh territory back from an ethnic Armenian government, while Russian peacekeepers didn't intervene.

The White House talks, in which Trump showed off his collection of hats to the leaders, was one of the first attempts by a U.S. president to wade into the thorny issues of the region.

"When it comes to the South Caucasus, it almost seems like Trump is deliberately tweaking the Russians," said Samuel Charap, a senior political scientist at Rand, a defense think tank.

The increasing conflict between Trump's expansive foreign policy and the Kremlin's own footholds across the globe has triggered calls inside Russia to deal with the U.S. more aggressively.

"If real patriotic reforms aren't enacted now in Russia, then the situation will become more unpredictable," said Alexander Dugin, a Russian nationalist who has advocated for a hard turn against the West that has been embraced by Putin. "One by one, our partners will simply fall."

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**NEWS NUMBERS**

**\$11.7 bn**

**THE NET** amount foreign investors have pulled out of Indian equities through 25 March, putting the month on course for the steepest monthly exodus on record.

**₹1,734 cr**

**THE SIZE** of an order KNR Constructions won from the National Highways Authority of India for an 80km stretch in Telangana under the hybrid annuity mode.

**1 mn**

**THE BOOKINGS** recorded in March by Urban Company's InstaHelp, which offers housekeeping services within 10-15 minutes of placing the order.

**10-30%**

**THE SHARE** of fines the US Treasury's new whistleblower programme will offer tipsters who expose large frauds in programmes like Medicaid and Medicare.

**₹3,075**

**THE REVISED** annual FASTag pass price for non-commercial vehicles from 1 April, up from ₹3,000 and valid at 1,150 plazas on national highways and expressways.

HOWINDIALIVES.COM

**First GIFT City IPO withdrawn**

**X**ED Executive Development, the first company from India's low-tax GIFT City to launch an initial public offering (IPO), has withdrawn the IPO after delays with customer verification and weak market sentiments due to the US-Israeli war on Iran, it said on Monday.

The global executive education platform said it hopes to tap the market at an appropriate time in the future.

The withdrawal marks a setback for efforts to build India's Gujarat International Finance Tec-City, or GIFT City, into a global capital markets hub competing with centres such as Singapore and Dubai. The roughly \$12 million IPO of XED had received subscriptions for only about 5% of the shares on offer as of 7.15pm on Monday, according to data from exchanges.

The shares were to be listed on NSE International Exchange and India International Exchange at GIFT City. **REUTERS**



Despite Monday's rebound, gold has dropped by ₹21,300, or 12.3%, since 2 March. **BLOOMBERG**

**Silver climbs 3%, gold rises 2.5%**

**P**recious metal prices rebounded in New Delhi on Monday, with silver jumping by ₹7,000 to ₹2.37 lakh per kilogram and gold advancing to ₹1.51 lakh per 10gm on the back of fresh buying by jewellers ahead of the wedding season.

According to the All India Sarafa Association, the white metal rose by 3.04% over Friday's closing level while gold of 99.9% purity climbed 2.5%.

Traders attributed the recovery to physical buying ahead of the wedding season, along with supportive global trends.

Gold recovered on Monday supported by dip-buying, while declining US Treasury bond yields improved overall sentiment in the precious metals market, Saumil Gandhi, senior analyst, commodities, HDFC Securities, said. He added that a sharp reversal in the rupee further supported domestic precious metal prices.

Despite Monday's rebound, bullion has posted steep losses this month. Gold has dropped by ₹21,300, or 12.3%, since 2 March, while silver has plunged ₹63,000, or 21%. **PTI**

**WTO suffers fresh blow as reform push hits a wall**

Talks end with Brazil blocking bid to prolong a moratorium on electronic duties

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YAOUNDE, CAMEROON

**W**orld Trade Organization (WTO) talks broke up on Monday with no agreement on a plan for reform or even on extending a moratorium on e-commerce, piling more pressure on the trade body that finds itself increasingly sidelined by economic nationalism.

The four-day ministerial talks in Cameroon's capital Yaounde ended in the early hours with Brazil blocking a bid by the US and others to prolong a moratorium on duties for electronic transmissions like digital downloads and streaming.

Expectations for progress had been low before the talks but there had been hopes the moratorium at least would be renewed.

In the end, even that proved impossible amid resistance from Brazil, and trade ministers could not agree to extend it for more than two years, which was not enough for the US, diplomats said.

US officials and business groups expressed frustration at the impasse, and the failure to reach a joint decision was described as a "major setback for global trade" by Britain's business and trade secretary Peter Kyle.

The talks were deemed a test of the WTO's relevance after a year of huge trade turmoil and more recent major disruptions due to the



US-Israeli war on Iran.

Agreeing on an e-commerce moratorium was seen as key to securing support for the WTO from the US, which under President Donald Trump has retreated from global multilateral bodies as he pursues his "America First" agenda.

WTO director-general Ngozi Okonjo-Iweala said the trade body hoped to be able to restore the moratorium and that Brazil and the US

were trying to reach agreement on it.

The WTO said progress was made on a reform roadmap before time ran out, and discussions on issues like reworking its rules to render subsidy use more transparent and make decision-making easier are expected to continue in Geneva in May.

The US and the European Union argue China in particular has taken advantage of the current rules to their detriment.

**CMPDIL shares drop more than 10% on market debut**

**S**hares of Central Mine Planning and Design Institute Ltd (CMPDIL), an arm of state-owned Coal India, on Monday ended with a discount of over 10% against the issue price of ₹172.

The stock started trading at ₹162.80, down 5.34% from the issue price on the BSE. During the day, it plunged 11.45% to ₹152.30. Shares of the firm later ended at ₹154.05, down 10.43%.

At the National Stock Exchange (NSE), the stock listed at ₹160, registering a discount of 6.97%. It finally ended at ₹154.06, a decline of 10.43%.

The company's market valuation stood at ₹10,999.17 crore.

CMPDIL's initial public offering (IPO) was fully subscribed on the closing day of bidding on Tuesday last week. The ₹1,842-crore IPO had a price band of ₹163-172 per share. The issue was entirely an offer for sale of 107.1 million shares, worth ₹1,842.12 crore at the upper end, by Coal India, with no fresh issue component. **PTI**

**Inox Air Products plans \$1 bn IPO, appoints bankers**

**I**ndustrial and medical gas maker Inox Air Products is planning to launch a \$1 billion initial public offering (IPO) in Mumbai, and has appointed Kotak, JPMorgan and Citi to manage the share sale, three sources familiar with the matter said.

The Indian company is a joint venture between American industrial gas maker Air Products and Chemicals and India's Inox Group. It plans to file its draft prospectus with the Indian securities regulator to seek approval for the IPO within a month, two of the sources said.

Inox Air Products, JPMorgan and Citi declined to comment. Kotak did not respond to a *Reuters* request for comment.

The sources declined to be named as the discussions are confidential.

*Reuters* was first to report Inox Air Products' IPO plans in India. India was the world's second largest IPO market in 2025, LSEG data shows, but sentiment towards IPOs has weakened this year amid conflict in the Middle East. **REUTERS**

**Jubilant to exit Dunkin' franchise**

**J**ubilant FoodWorks will not renew its agreement with US-based Dunkin' to develop and operate stores in the country after the pact expires on 31 December, the restaurant chain operator said on Monday.

The company said it will evaluate options for the stores, including sale and transfer of franchise rights in consultation with Dunkin'.

The coffee-and-doughnut chain has struggled to grow in India, prompting Jubilant to focus on Domino's pizza business and newer brands such as fried-chicken chain Popeyes.

The brand contributed about 0.61% of the company's revenue and a loss of roughly ₹19.1 crore in fiscal year 2025, according to an exchange filing.

The promoters of HT Media Ltd, which publishes *Mint*, and Jubilant FoodWorks are closely related. There are, however, no promoter cross-holdings. **REUTERS**



Atanu Chakraborty resigned from the bank earlier this month. **REUTERS**

**Differed with HDFC board: Ex-chair**

**H**DFC Bank's former chairman has shared more details following his shock resignation earlier this month, pointing to ethical qualms over how the bank tackled recent regulatory issues in Dubai as among the reasons he left.

HDFC Bank was restricted from adding new clients in the emirate after the local regulator flagged lapses last September. That ultimately led to the departures of about a dozen executives, including its former compliance officer and chief internal auditor, said Atanu Chakraborty, the former chairman.

But Chakraborty said in an interview on Monday that the bank's description of these issues as a "technical lapse" showed they don't "really add to the standards of ethics" and "these practices are not rooted in values." He described an "incongruence" between his value framework and the bank's approach. **REUTERS**

**JioStar ends B'desh IPL broadcast deal**

**B**illionaire Mukesh Ambani's entertainment venture JioStar has terminated its broadcast deals in Bangladesh for the Indian Premier League (IPL) cricket tournament, saying its local partner defaulted on payments, according to a document seen by *Reuters*.

Bangladesh in January banned IPL broadcasts after one of its teams, Kolkata Knight Riders, dropped Bangladesh pacer Mustafizur Rahman on Indian cricket board's instruction, just as tensions rose between the two countries following the killing of a Hindu man in Bangladesh.

Though Bangladesh is reviewing the ban and had on Saturday said any further steps will depend on the opinion of its sports ministry, the termination by JioStar means there will be no local broadcaster for the IPL season, even if the country were to change its stance. **REUTERS**

**Vale targets India as China's star fades**

**T**op iron ore miner Vale SA is aiming to boost its business in India by ramping up shipments to the country and seeking to trade its ore globally, tapping into one of the world's fastest growing steel markets.

"India could be an opportunity not just for sales, but also to source iron ore, blend it and trade it—finding better markets for their product," commercial executive vice president Rogerio Nogueira said in an interview.

India has been a bright spot in the global seaborne iron ore market in recent years, with local mills ramping up steel production. While its industry remains much smaller in scale than China's, output in the world's No. 1 steelmaker has plateaued. That contrast means India is a potential source of growth for Vale, as well as rivals BHP Group Ltd and Rio Tinto Group.

While Vale sees China's steel output declining slightly, India's capacity should more than triple to 500 million tonnes by 2050, according to Nogueira. **BLOOMBERG**

**Iran's wealth is parked on London's billionaires' row**

FROM PAGE 1

through accounts and shell companies in Asia and the Middle East. The U.S. has highlighted Iranian cash flows it says support arms purchases and bolster the ruling regime. Officials also cite outflows of personal fortunes belonging to connected Iranians, described as the spoils of classic kleptocracy.

Cryptocurrency analysts say they have tracked billions in Iran-linked outflows in recent years. In February, Treasury Secretary Scott Bessent told lawmakers the U.S. had seen Iranian leaders "wiring money out of the country like crazy."

London has stables of lawyers and accountants experienced at disguising sources of wealth and who help clients obtain visas that grease the wheels of business.

British anticrime officials and the financial-sector watchdogs estimated in 2024 that more than £100 billion in illicit money is laundered inside or through the U.K. every year. Government officials pledged to boost barriers to dirty money following Russia's 2022 invasion of Ukraine.

Ansari's real-estate portfolio in the British capital includes a North London mansion that U.K. property records show cost him £33.7 million in December 2014. His name is also attached to two luxury apartments in London's high-end Kensington

neighborhood, purchased in 2014 and 2016 for a combined £36 million.

The apartments are just steps from the Israeli Embassy and the nearby royal residence at Kensington Palace. The proximity has prompted a spate of British media reports about security in the area and the potential for Iran to have monitored consular activities from close range.

Ansari's close working relationship with senior regime officials "is a well-known secret in Iran," said Farzin Nadimi, senior fellow with the Washington Institute for Near East Policy, who has studied Iran's military and international flows of regime money.

The layers of shell companies and use of foreign conduits into luxury real estate help leaders of the Islamic Republic maintain an image back home of embracing modesty and rejecting lavish lifestyles, researchers say.

As for where the regime has chosen to move money, Nadimi said, "They probably learned from the Russian oligarchs that investing in London real estate was a good idea."

London assets bearing Ansari's name were frozen when the U.K. imposed sanctions in October 2025. British officials accused Ansari of financially supporting Iran's Revolutionary Guard, the paramilitary group that protects the regime and serves as its



The Middle East war has heightened scrutiny on the global financial network. **AFP**

dominant political and economic entity. A British minister in a government statement called Ansari a "corrupt Iranian banker and businessman."

Ansari was the dominant shareholder in Iran's Ayandeh Bank, a private lender that collapsed in late 2025. The failure helped trigger massive protests that turned deadly. He hasn't been sanctioned in the U.S.

Ayandeh was run by regime cronies. The Wall Street Journal earlier reported, and sank

under a multibillion-dollar pile of bad loans. In a statement in October, Ansari blamed the bank's failure on "decisions and policies made beyond the bank's control."

Ansari, through a London lawyer, said he plans to challenge the U.K. sanctions and denied any financial relationship with the Revolutionary Guard.

The lawyer also denied reporting by Bloomberg in January describing Ansari as an established money man working for Mojtaba Khamenei—who became

Iran's new supreme leader earlier this month—helping move oil proceeds and other business profits abroad.

Khamenei is the second-eldest son of Ayatollah Ali Khamenei, the previous supreme leader, who was killed on the first day of the war in February. The newly elevated son was sanctioned by the U.S. in 2019.

Elsewhere, U.K. and overseas entities have been used to route Iran-linked cash into the European market, including into high-end hotels in Germany and Spain, corporate filings show.

A few minutes' drive from Ansari's Kensington apartments, a boutique London hotel called the Gainsborough Hotel sold for £6.5 million in 2018 to an entity controlled by Salim Ahmed Said, according to U.K. property records. The hotel, a short walk from world-renowned museums, is formed of conjoined Victorian townhouses with British and Irish flags displayed on front.

Said is an Iraqi-British national who since at least 2020 has operated a network of companies helping Iran dodge international sanctions on sales of oil, according to U.S. Treasury Department sanctions imposed in July 2025.

Robinbest Limited, a U.S.-sanctioned entity, is the Gainsborough's registered owner and directly linked to Said, according to U.S. sanc-

tions and U.K. property records. The records list a villa in Dubai's Palm Jumeirah as his address.

Said, 48 years old, holds two British passports, one that expired this month and a second expiring in 2029, and has used several aliases, according to the U.S. Treasury. He couldn't be reached for comment. Said has previously said his oil trades were legitimate.

Ansari, 57 years old, was born in Ghazvin, Iran, and holds four passports, two from Iran, one from Cyprus and the other from the tiny Caribbean nation of St. Kitts and Nevis, a former British colony, according to an October U.K. sanctions filing. It lists Dubai as a primary address.

Ansari identified himself as Iranian and provided a Tehran address on early U.K. corporate filings, in 2007. Years later on filings tied to the mansion plots on Billionaires' Row, he listed his nationality as Cypriot.

As a result of the recent sanctions, a developer who worked with both Ansari and previous owners of the North London properties has gone unpaid for work he did for the Iranian, according to people familiar with the relationship.

The plots sit vacant, with faded signs beside locked gates and security signs warning "Guard dogs in use. Trespassers will be prosecuted."

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# HOW AI IS UPENDING CODING STUDIES AND JOBS

AI is reshaping entry-level tech jobs, forcing students to adapt and learn new skills.

Shadma Shaikh  
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BENGALURU

Shivam Kushwaha, a second-year political science student at Ram Lal Anand College at the University of Delhi, has never formally learned how to code. But Kushwaha, who wants to work in public policy, has been analysing governance frameworks, structuring datasets and even building simple tools over the past year using artificial intelligence (AI) systems.

"Earlier, if you wanted to build anything in tech, you needed to know programming languages," he says. "Now I can just describe what I want in simple English and get something working."

Coding was for long the gatekeeper that determined who could build software, tech tools and apps. That barrier to entry has now been lowered by AI. The ability to generate working code, which was once the domain of trained engineers, is now more widely accessible.

Simpler tasks can be done faster and by people without any technical skills. And software companies, which often billed clients by the number of hours an engineer spent on a task, are now forced to redefine what is worth a developer's time.

This shift is being felt by young Indians across the workforce, from final-year students appearing for placements to entry-level software engineers and mid-level engineers at information technology (IT) companies.

**BUILDING IN A DAY**  
Ansh Masand, a final-year MBA tech engineering student at Narsee Monjee Institute of Management Studies, is witnessing this shift firsthand.

Masand, who also works at a Bangalore-based AI startup, says he began freelancing in his second year despite not having the skills to build full-fledged software applications at the time.

"I didn't really know how to make production-ready software," he says. "But I could ask questions, use AI and deliver something that worked."

Masand says what stood out to his clients was not how the code was written, but how quickly it was delivered.

"I was building things in a day and solv-

ing problems that existed in their current workflow" he says. "That's what people kept noticing."

In that sense, AI is not just changing how engineers work but it is also allowing them to start working much earlier than before.

Tanish Taneja, a research intern at Microsoft Research, says AI tools are not just optional but are built into the workflow, where interns are given access to GitHub Copilot and encouraged to use it for most coding tasks, particularly when working with internal data.

Instead of writing code line by line, Taneja, who is also a final-year student at IIT Hyderabad says the process now starts with defining the problem, which includes answering questions like what needs to be built, how it should work, and what constraints to consider.

"The code itself is often generated by the system, with engineers stepping in to review, guide and refine it," says Taneja.

## CHANGING LANDSCAPE

The lifecycle of developing software, as taught in engineering colleges or IT companies, is a multi-step process that begins with gathering requirements from the client, designing, developing, testing and eventually deploying it at the client's system.



"The disconnect between what's being taught and how things actually are is just growing".

**PARAS CHOPRA**  
Co-founder of Wingify and founder of Lossfunk

AI tools can now assist engineers, in some cases completely taking over human intervention. GitHub, which hosts software projects for over 100 million developers globally, sees these tools becoming foundational to software development. AI tools are now being used not just to generate code, but also to assist in processes like code review, where systems can identify bugs and suggest fixes before a human steps in to evaluate them, says Karan.

Companies such as Infosys, Microsoft, IBM and Amazon are embedding coding assistants into core workflows and pushing engineers to adopt them as part of their day-to-day work.

"AI is transforming how software is built, but more importantly it is changing how developers spend their time," says Rajiv Kumar, president and managing director, Microsoft India Development Centre.

With companies now integrating AI directly into how software is written, tested and deployed, educational institutions and their students are scrambling to adjust to a world where the very fundamentals of coding are being automated. In a sense, however, they are playing catchup with a technology where each day sees new enhancements.

Taneja says that even colleges that are relatively ahead in responding to the shift have been slow in doing so compared to the speed at which AI is changing workflows across enterprises. His own institution, IIT-Hyderabad, has introduced courses on large language models and AI agents and starts core computer science training early.

Yet much of this remains theoretical. "There's no formal push yet on learning how to use these tools for building," says Taneja, adding that this is likely true across most colleges.

## FUNDAMENTALS STILL COUNT

As students move rapidly toward AI-assisted coding, educators are grappling with what this means for how engineers should be trained.

While AI tools can reduce the need to write code line by line, foundational knowledge cannot be replaced, argues Balaraman Ravindran, head of the department of data science and artificial intelligence at IIT Madras. "The math fundamentals remain the same," he says. "Engineers still need a deep understanding of algorithms, program design, requirement specification and testing."

With AI making it easier for students to generate code, some professors now require students to disclose their AI usage, submit the prompts they used and explain how the code was generated. In some cases, written assignments are supplemented or replaced by viva-based evaluations, where students are questioned on their code to test whether they actually understand what the system has produced.

"If the user has knowledge of good code design and of the exact requirements they can use these tools to develop good code," says Ravindran. "But testing the AI developed code is still a challenge."

**mint**  
**SHORT**  
**STORY**

## WHAT

AI lowered the barrier to entry for building software. Students from non-technical backgrounds can build datasets and tools that previously required years of programming expertise.

## AND

There is a visible drop in the hiring of freshers for low-complexity, rule-based roles (like bug fixing and module writing), as these are the tasks most easily handled by AI.

## NOW

A gap has emerged between elite circles where AI tools are the default, and traditional institutions that are struggling to integrate these tools into their theoretical curricula.

That places a different kind of burden on engineers and by extension on how they are being trained. "At the end of the day, a human is still responsible for the code that is delivered."

## WORLD'S APART

The changes Ravindran talks about are neither uniform across institutions nor consistent among students across these institutions.

Adithya Kolavi, a 21-year-old graduate who runs CognitiveLabs, an AI startup, is also a research fellow at Microsoft. Kolavi, who operates within some of India's most cutting edge developer circles, says AI coding tools are "basically default," in the environments he is part of.

"Almost everyone I interact with is using some combination of Copilot, Cursor, Claude," he says. "People rarely start from a blank file anymore. They start from a prompt or partial scaffold and iterate. The gap now is not whether you use these tools, but how well you use them."

But that reality is hardly universal. Paras Chopra, co-founder of software company Wingify and founder of Lossfunk, an AI community lab, points to a very different picture just outside these circles. "The disconnect between what's

being taught and how things actually are is just growing," he says.

In one instance, Chopra recalls, neither students nor the faculty of a premier design school had been exposed to tools such as Claude Code, something that, in parts of the industry, has already become a default way of writing software.

Between Kolavi's world, where AI tools are the default and Chopra's example, where they are barely known, sit students either anxious or unaware of how the next generation of engineers are being trained and how unprepared many of them may be for what comes next.

Priyanka Jain, a final-year engineering student from Pune University, says the pace of change has made it difficult to sense which skills will remain relevant. "Whatever complaints you have about AI models today, they will solve them within months in the next update," says Jain. "If coding systems are not better today, they will be tomorrow. If peer review isn't great today, it will improve very quickly."

For students on the verge of graduating, that speed is creating an anxiety about learning the wrong things. "There's a lot of uncertainty about whether the skills we are building today will actually make us employable tomorrow," Jain says.

While colleges are not exactly anti-AI, they still remain uncomfortable with the usage of AI instead of training graduates how to make the best use of it, Jain adds. "It feels like institutions are still figuring out how to deal with AI, while the rest of the world is already learning how to work with it and get better alongside it," she says.

Across conversations *Mint* had with students, what stood out was that the ones who are ahead are experimenting on their own.

## SKILLS EVOLVING

Ashutosh Gupta, managing director for India and Asia Pacific at Coursera, an online learning company, says demand for AI-related skills has surged sharply over the past year. "Generative AI is now the most in-demand skill on Coursera," he says, adding that in India alone, the platform saw three GenAI enrolments every minute in 2025, up from one per minute the previous year, marking a 70% year on year increase.

Gupta says that the nature of learning is also changing. "Learners are moving beyond foundational concepts toward applied use cases like prompt engineering, AI-assisted coding, agentic workflows—skills they can directly use in real

world development," he says.

There seems to be a shift from execution to direction, which is also beginning to show up in how companies think about skills.

"We are seeing the roles of individual contributors evolve from being doers to being directors," said Mohak Shroff, vice president of engineering at LinkedIn. "The most important skill of this new AI era is agency." By agency, Shroff means the ability to identify problems, take ownership and push through constraints, rather than wait for clearly defined tasks.

According to LinkedIn's latest Skills on the Rise 2026 report, demand is rising not just for AI and automation skills, but also for collaboration, stakeholder management and project leadership across roles.

"These aren't new skills, but they have often been treated as secondary," said Shroff, referring to communication, judgment and prioritisation. "As AI handles more execution, being human—setting direction, making decisions, and providing context—becomes central to how work gets done."

## CHANGE IN HIRING PATTERNS

The first signs of AI's impact on the software lifecycle is visible in hiring patterns. "We are already seeing a visible drop in fresher hiring in roles with high AI exposure," says Anil Ethanur, co-founder of hiring firm Xpheno. "Low-complexity roles are the first to be exposed.

Junior and entry-level engineering positions are among those with high exposure to AI, with enterprises now beginning to assess the near-term feasibility of deploying AI in these roles, says Ethanur.

Smaller tasks that once defined entry-level roles, like writing smaller modules or fixing bugs or executing well-defined instructions are among the first to be automated. These are predictable and rule-based problems and therefore easiest for AI systems to handle.

A good coder, until recently, was someone who wrote clean and readable code. Someone who was good at logic, reasoning and could build systems that fit into existing codebases seamlessly for years together. Today, being a good software engineer is increasingly about speed, adaptability and the ability to work effectively with AI. But most of all, it also involves knowing when to rely on AI-generated code and when to intervene.



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AI tools are now being used not just to generate code, but also to assist processes like code review, where systems identify bugs and suggest fixes before a human steps in to evaluate them. AI-GENERATED IMAGE

# Unplanned expense in your 50s: Paying for ageing parents' care

Caregiving often doesn't find a place in financial planning as its timing, duration and cost are hard to anticipate

Shipra Singh  
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NEW DELHI

Delhi-based Deepak Kakkar didn't think of caregiving as a financial line item until it became one. When his septuagenarian father's health declined due to liver cirrhosis in 2024, the immediate concern was medical treatment. But within weeks, he could see his monthly household budget change completely. A full-time attendant became necessary after his father's mobility was impacted, which has added roughly ₹30,000-36,000 to his monthly budget. "After accounting for food and other costs, the total outgo is about ₹45,000 just towards the caregiver. Alongside, we are paying around ₹60,000-70,000 every month on medicines, tests and consultations," said the 40-year-old chartered accountant.

The shift caught Kakkar off guard. "I had never incorporated this expenditure into my financial planning, despite both my wife and I being finance professionals. This situation arose unexpectedly, and as I'm the sole earner, hiring full-time help became a necessity rather than a choice."

Kakkar is not alone. Most people build their financial plans around predictable milestones such as children's education, buying a house and retirement. Caregiving for ageing parents often doesn't find a place in these plans because its timing, duration and cost are hard to anticipate. Also, with more women working and nuclear families becoming the norm, it is getting tough for family members to take on full-time caregiving responsibilities on their own.

**What to expect**  
Geriatric care mainly has two recurring expenses: round-the-clock care and medical costs. The first typically starts within the family with spouses and siblings taking on the responsibility, but when care becomes continuous and demanding, especially when the family members have full-time jobs, hiring a professional becomes necessary.

The baseline cost of a full-time caregiver ranges from ₹25,000 to ₹40,000 per month in metros. In smaller cities, informal or part-time help could be cheaper around ₹15,000-18,000, but may often need supplementation with trained medical attendants during recovery, which could cost ₹20,000-25,000 even for short durations.

Medical expenses run parallel. Chronic conditions can mean ₹20,000-25,000 a month on medicines and doctor consultations alone. Add diagnostics and hospitalizations, and the expenses can shoot up.

In Bharuch (Gujarat), Amit Luharuka was spending about ₹1 lakh every month towards the care of his mother, who was diagnosed with cancer. A trained professional who looked after her day-to-day needs would cost ₹30,000 per month, while about ₹70,000 was spent towards her medicines, at-home treatments and doctor consultations. "On two occasions, she

## The cost of geriatric care

Most people save up for predictable milestones such as children's education, house and retirement, often forgetting about caregiving for ageing parents that crops up in their 40s or 50s.

### ARINDOM BAIDYA (45)

Guwahati



My mother was a severe diabetic and had developed liver cirrhosis

#### Recurring expenses

Medical: ₹25,000-30,000 per month  
Caregiver (untrained): ₹18,000-25,000 per month

My mother was under CGHS, but couldn't always avail free/discounts on OPD, tests, hospitalization due to limitations

#### Challenges

► Distance: Had to travel frequently from Delhi as my mother would fall sick in my absence  
► Career impact: Switched to freelancing to maximise time in Guwahati  
► Lack of expert assistance: Difficult to find medically trained caregivers beyond metros

### Home care (monthly cost)

**Delhi-NCR**  
Attendant (non-medical): ₹28,000-40,000

Home nurse (medical): ₹35,000-70,000+

**Mumbai**  
Attendant: ₹35,000-45,000

Home nurse: ₹40,000-80,000+

**Pune**  
Attendant: ₹25,000-35,000

Home nurse: ₹35,000-65,000+

**Bengaluru**  
Attendant: ₹22,000-35,000

Home nurse: ₹30,000-60,000+

**Kolkata**  
Attendant: ₹18,000-28,000

Home nurse: ₹25,000-55,000



Costs are obtained from multiple agencies that provide trained professionals; assistants hired informally can cost cheaper

"Caregiving can be costly, not just in expenses but also lost career opportunities. I managed, but many cannot without financial stability or flexibility."

### AMIT LUHARUKA (55)

Bharuch



My mother passed away last year after a prolonged battle with cancer

#### Recurring expenses

Caregiver: ₹30,000 per month  
Medicines, home treatment, doctors: ₹70,000 per month

Even before my mother was diagnosed with cancer, she had undergone surgeries that cost ₹4-5 lakh each time

#### Challenges

► Cost: Never anticipated caregiving to become a routine expense  
► Ongoing care needs: My brother had to temporarily take remote work to be with our mother

"Hiring a full-time attendant helped ease the process. It also offers greater comfort for elderly parents as assisted activities can feel awkward to them with family members."

### DEEPAK KAKKAR (40)

Delhi



My 74-year-old father has liver cirrhosis that has restricted his mobility

#### Recurring expenses

Caregiver: ₹45,000 per month  
Treatment: ₹60,000-70,000 per month

We had no choice but to hire a full-time caregiver, as I had to return to office

#### Challenges

► Adjustments: Full-time caretaker needs constant vigilance over conduct  
► Limitations: Govt-sponsored healthcare covers medical costs partly but takes 7-8 months to get reimbursed as there are several restrictions

"I'd advise everyone to proactively plan for such expenses, along with getting medical insurance for your parents. Save up a dedicated fund, covering yourself and your parents."

CGHS: Central Government Health Scheme, OPD: Outpatient department

was hospitalized in Mumbai for 2-3 days, which cost us about ₹50,000 each time," he said.

While Luharuka admits he had never anticipated geriatric caregiving to become a significant routine expense, he said hiring a full-time attendant helped ease the process. "It freed us to focus on her nutrition, coordinate with doctors regularly and spend quality time with her," said the finance professional, whose mother passed away in November 2025.

In many cases, the impact of caregiving is well beyond recurring expenses. Arindom Baidya, based in Delhi at the time, suddenly found himself tak-

ing on the responsibility of caring for his mother in Guwahati after his father's sudden demise. Although she was covered under the Central Government Health Scheme (CGHS), the practical challenges of managing her care, doctor visits and medications from another city meant frequent travel and prolonged stays in Guwahati, gradually affecting his job and then his income. "The nature of my work required visibility, such as attending conferences and taking up international assignments. As caregiving demands increased, I shifted to freelancing so that I could spend more time with her in Guwahati," said the microinsurance

consultant.

**How to plan ahead**  
According to Manikaran Singal, principal officer at Good Moneying Wealth Planners Pvt. Ltd, a Sebi-registered investment advisor, the way to approach this is not by trying to estimate an exact number, but by building flexibility into finances early on. "Start with recognizing the likelihood of parents' future dependence on you, whether partial or full, and whether there are adequate resources. Next, assess whether you need to get health insurance for your parents," Singal said.

While health insurance will cover hospitalization and related expenses, it won't cover home care. "Standard health insurance policies are structured around hospitalization, so they cover treatment during hospital stays

### Geriatric care mainly has two recurring expenses: round-the-clock care and medical costs

ing on the responsibility of caring for his mother in Guwahati after his father's sudden demise. Although she was covered under the Central Government Health Scheme (CGHS), the practical challenges of managing her care, doctor visits and medications from another city meant frequent travel and prolonged stays in Guwahati, gradually affecting his job and then his income. "The nature of my work required visibility, such as attending conferences and taking up international assignments. As caregiving demands increased, I shifted to freelancing so that I could spend more time with her in Guwahati," said the microinsurance



We welcome your views and comments at [mintmoney@livemint.com](mailto:mintmoney@livemint.com)

## 12% BUYBACK TAX: WHO IS AFFECTED AND WHO BENEFITS

The taxation of share buybacks in India has come full circle, reflecting the government's continuing effort to balance revenue considerations with anti-avoidance safeguards. Before 2013 buybacks were treated akin to a sale of shares, with shareholders taxed on the resulting capital gains. There was no tax incidence at the company level, making buybacks an attractive and tax-efficient route for distributing surplus cash. However, this shareholder-centric regime raised concerns for policymakers, as companies increasingly used buybacks to sidestep the then prevailing dividend distribution tax, thereby corroding the tax base.

In 2013 the rules changed and a new buyback tax was introduced, similar to the prevailing dividend distribution tax. Under that system, the company had to pay buyback tax on distributed income at effective tax rate of 23.3%. The objective of that amendment was to curb tax arbitrage between dividends and buybacks.

While intended to streamline taxation, the system posed several issues such as uniform levy of tax regardless of gains in the hands of individual shareholders and foreign shareholders could not claim foreign tax credit (resulting in double taxation) for taxes paid by the company in India.

Still, that regime worked very well for Indian promoters, who ended up paying less tax overall as they were otherwise chargeable to tax at 30% (plus surcharge and cess) on short term capital gains. As a result, companies switched to buybacks instead of dividends, taking advantage of available tax arbitrage.

Tax authorities eventually plugged this loophole, which led to yet another change in 2024. The buyback tax was scrapped, and buyback amounts started being taxed as dividends in the hands of shareholders. The law shifted the incidence of tax from the company to the shareholder by treating buyback consideration received as deemed dividend income.

### The law shifted the incidence of tax from the company to the shareholder

Policy evolution  
This change significantly increased the burden for individuals in higher tax brackets as the whole buyback proceeds was to be considered as dividend income and not net buyback income i.e. buyback proceeds less cost of acquisition. At the same time, the cost of acquisition was available as capital loss that could be set off against other capital gains, often resulting in a timing mismatch or even permanent loss of tax benefits.

Recognising these challenges, the original Finance Bill 2026 proposed a course correction. It sought to tax buyback proceeds under the head capital gains instead of treating them as dividend income taxed as income from other sources. This was a welcome move as it restored the fundamental principle of taxing only real gains—i.e. the sale consideration less the cost of acquisition—and aligned buybacks with other share transfer transactions.

However, uncertainty regarding the applicable surcharge rates led to a confusion on whether a 12% surcharge, similar to that under the erstwhile buyback tax regime would apply. The Finance Bill 2026 amendment has now clarified this by setting a flat 12% surcharge on capital gains from buybacks. This change affects individual promoters (as defined under the Companies Act 2013 or those holding more than 10% shares), altering their effective tax rate.

Since the amendment to the Finance Bill 2026 referred to Section 69 and not specifically Section 69(2), it created confusion that a flat 12% surcharge might apply to all buybacks, whether shareholders were promoters or not. However, the income tax department has clarified that the 12% surcharge applies only to promoters on capital gains from buybacks. For non-promoters, surcharge will still follow the applicable slab rates under the Finance Bill.

**Promoter impact**  
This change may affect individual promoters participating in buybacks, especially those earning up to ₹50 lakh or between ₹50 lakh and ₹1 crore. Earlier, no surcharge applied up to ₹50 lakh, and a 10% surcharge applied between ₹50 lakh and ₹1 crore. Now, a flat 12% surcharge applies to buyback gains regardless of income slab, increasing their overall tax rate.

Conversely, individual promoters whose income level exceeded ₹1 crore would previously face a 15% surcharge on buyback tax. Under the proposed amendment, their surcharge is reduced from 15% to 12%, resulting in a slightly lower effective rate of tax. For large buybacks, where gains often exceed ₹1 crore, such individual promoters will now benefit from a 3% surcharge reduction, making buybacks relatively more attractive than before.

Sandeep Jhunjhunwala is partner, and Sanjay Kumar is director, Nangia Global.

## Check how your NPS investments are faring

There are very few retirement products that help you accumulate a retirement nest egg and one such product is the National Pension System (NPS). It is a market-linked, defined-contribution product that needs you to invest regularly in the funds of your choice. The returns are based on the performance of the fund that you choose. There are eleven pension fund managers to choose from and one of the ways to do that is by tracking the returns. Here is a breakdown of the performance of different funds—equity fund, government bond fund and corporate bond fund—of the private sector NPS. This NPS table show returns for pension fund managers who have completed at least 1 year

Fund Manager	Returns (in %)			Tier-1 account								
	1 year	3 years	5 years	Equity fund			Government bond fund			Corporate debt fund		
Aditya Birla Sun Life	-0.82	13.3	11.52	1.39	6.92	6.05	5.63	7.78	6.64			
Axis Pension Fund	-3.3	12.41	-	0.64	6.29	-	5.82	7.75	-			
DSP Pension Fund	-7.27	-	-	-0.66	-	-	6.13	-	-			
HDFC Pension Fund	0.69	13.82	12.22	-0.46	6.28	5.48	6.07	8.04	6.89			
ICICI Pru. Pension Fund	-0.6	14.83	12.73	0.54	6.63	5.73	5.99	7.91	6.66			
Kotak Mahindra Pension	-0.13	14.46	12.86	-0.48	6.11	5.51	6.14	7.85	6.61			
LIC Pension Fund	-0.63	12.97	12.15	0.91	6.79	5.88	5.63	7.54	6.43			
SBI Pension Funds	-0.18	11.84	10.77	0.86	6.85	5.8	5.97	7.87	6.66			
Tata Pension Fund	1.91	15.48	-	-0.01	6.32	-	5.67	7.79	-			
UTI Pension Fund	-1.84	14.3	12.49	0.93	6.91	5.8	6.21	7.89	6.56			

NPS Equity Index			NPS Govt. Security Index			NPS Corporate Bond Index		
0.87	15.02	12.58	1.91	7.26	5.98	5.49	7.42	6.53

Benchmark index

## JDA tax rules when family shares property

Mahesh Nayak

A property in Chennai, comprising land and a house built on it, is owned by a landlord and subsequently held equally by four co-owners following a settlement.

The four co-owners, including the original landlord, propose to enter into a Joint Development Agreement (JDA) with a developer, under which each co-owner will get one residential unit in the redeveloped project. Notably, two co-owners already own one or more residential properties, while the other two do not own any.

Under this JDA arrangement, each owner gets a home in kind from the developer which becomes their capital gains. However, the owner also has an option to reinvest those capital gains into another property to get exemption from capital gains tax.



### ASK MINT JDA TAX RULES

In this scenario, since each co-owner retains one unit in the same project, does such allotment qualify as reinvestment, thereby resulting in nil taxable capital gains for each co-owner, irrespective of their cost of acquisition and existing property ownership?  
-Name withheld on request

The nature of exemption

would depend on the nature of the asset transferred, which in turn would depend on the agreement entered into.

If the JDA provides for transfer of the residential house by the owners to the developer and, in consideration, the owners receive a residential house (with or without any monetary consideration) each, the exemption available would be under section 82 of the Income-tax Act, 2025 (erstwhile section 54 of the 1961 Act).

In such a case, the exemption

would be available irrespective of the fact that some of the owners may already own one or two properties other than the new property. The condition that the owner should not own more than one residential property other than the new property is applicable only if exemption is claimed under section 86 (erstwhile section 54F of the 1961 Act). Section 86 applies only in case of transfer of an asset other than a residential house, and not to cases involving transfer of a residential house.

One important aspect is that to claim exemption under section 82, the new property must be constructed within three years from the date of transfer of the original property.

Mahesh Nayak, chartered accountant, CNK & Associates.

Do you have a personal finance query? Send in your queries at [mintmoney@livemint.com](mailto:mintmoney@livemint.com) and get them answered by industry experts.



## OUR VIEW



## Our FIT regime is fit for purpose but not perfect

The renewal of India's Flexible Inflation Targeting framework without any change wasn't a surprise, given today's level of uncertainty. However, three tweaks would have improved it

The Centre's decision to renew the Indian central bank's Flexible Inflation Targeting (FIT) framework for another five years till March 2031 is no surprise. Given today's climate of uncertainty, with no clarity on when the war in West Asia will end, any change at this juncture would have risked rocking the boat. Needless to say, hence this *status quo* on the overall framework, including the four issues raised by the Reserve Bank of India (RBI) in its August 2025 discussion paper. Monetary policy will continue to target headline inflation, as mandated under the FIT regime adopted in 2016, not core inflation (which strips out volatile items like food and fuel). This is a wise call, since food accounts for a significant share of India's consumption basket, although its weight was reduced by the recast retail price index that RBI must watch. Similarly, there is no change in the inflation target of 4%. The tolerance band will also be retained at 2% to 6%.

At one level, it would seem that the government has, in the words of RBI's paper, missed "an opportunity to revisit some of the basic tenets of the framework to nudge the economy towards further improved macroeconomic outcomes in the best interest of all stakeholders." But given the central bank's no-change preference and the FIT regime's satisfactory track record, it is hard to quarrel with that decision. 'If it ain't broke, don't fix it' seems to be the underlying rationale. As RBI's deputy governor in charge of monetary policy and Barry Eichengreen, professor of economics at the University of California, Berkeley, observe in their August 2024 paper reviewing India's FIT, "Radical changes such as broadening the RBI's monetary mandate, abandoning the target in favour of a

more discretionary regime, targeting core instead of headline inflation, or altering the target and tolerance band would be risky and counterproductive."

However, the regime's renewal leaves us with a nagging sense of disappointment that the government did not use the second FIT review (the first was in 2021) to make some procedural changes that would have increased transparency without risking damage to a tried-and-tested formula. For instance, RBI's suggestion (at the time of the 2021 review) to onboard external members of the monetary policy committee (MPC) in a staggered manner could have been put into play. Likewise, the risk of any contradiction between the MPC's rate decisions and RBI's liquidity management could have been resolved by formalizing the need to keep open market operations in harmony with the FIT. This is important, as there have been occasions when the MPC raised interest rates only to have RBI ease liquidity by buying bonds, negating the impact of the rate action on credit conditions. Moreover, the clause asking RBI to submit a report to the government if the FIT cap is breached for three consecutive quarters could have been modified. Under the framework as it stands, the central bank is not required to make this communication public. When the 6% ceiling was overshoot for five quarters in a row from the fourth quarter of 2021-22 to the same quarter of 2022-23, the public was kept in the dark. In keeping with the zeitgeist of our times—greater openness in matters of public policy—the latest FIT review could have amended this clause to make such a report's disclosure mandatory. Admittedly, the system is not broke; it has worked well. But a few tweaks would have gone a long way to improve it.

## THEIR VIEW

## India's transition approach sets an example for the Global South

It lays a climate-transition path that does not impinge on the growth needs of developing countries



SHISHIR PRIYADARSHI

is president, Chintan Research Foundation, and former director at the World Trade Organization.

In global climate politics, clarity is often elusive. Grand declarations outpace delivery and ambition is often divorced from reality. Against this backdrop, India's newly-approved Nationally Determined Contributions (NDCs) for 2031-2035 stand out as a picture of coherence. It redefines what credible climate leadership looks like: not as dominance, but as responsibility; not as prescription, but as an example.

**Redeign leadership by delivering on commitments:** For decades, the global climate framework has been shaped largely by developed economies. Yet, their record has been uneven, marked by ambitious pledges but inconsistent follow-through, alongside expectations that developing countries should pursue pathways that the industrialized world itself never followed. India's NDCs challenge this paradigm.

India's headline commitments—a 47% reduction in emissions intensity of GDP by 2035 (from 2005 levels), 60% installed electricity capacity from non-fossil fuel sources and the creation of a carbon sink of up to 4 billion tonnes—signal not just higher ambition, but a different approach. India anchors its commitments firmly in the principle of equity and "common but differentiated responsibilities," aligning climate action with developmental realities.

What sets India apart is not merely what it promises, but what it has already

delivered. Its earlier non-fossil-fuel power capacity target, for example, was not only met but achieved ahead of schedule. In a world where credibility is scarce, this matters enormously.

For developing countries constrained by limited access to finance and technology, India's experience offers proof that climate progress is possible without sacrificing economic growth. This transforms India's model from being just aspirational to genuinely replicable. Credibility, in this sense, becomes strategic capital—strengthening India's voice in global negotiations.

**A unified strategy for growth along with a green transition:** Another feature of India's climate approach is its refusal to treat sustainability and development as competing priorities. Instead, it integrates them structurally. The updated NDCs are aligned with the broader goal of a Viksit Bharat by 2047 and net-zero emissions by 2070. Climate policy is not an external obligation; it is embedded within national economic strategy.

For the developing world, the primary challenge is to decarbonize without derailing growth. India's approach offers a viable path where the green transition becomes a driver of development rather than a constraint on it.

**A platform for the Global South:** India's climate leadership is increasingly reflected in its ability to shape global platforms. Initiatives such as the International Solar Alliance and Coalition for Disaster Resilient Infrastructure focus on practical challenges—access to affordable clean energy and resilience against climate shocks. These are immediate priorities for countries across the Global South.

By emphasizing scalability, accessibility and cooperation, India is helping democratize climate solutions. This is amplifying voices that have often been marginalized in climate governance.

At the same time, India's emphasis on climate justice—particularly the principle of differentiated responsibilities—is shaping the normative framework of

negotiations. This balance between pragmatism and principle lifts the legitimacy and durability of its leadership.

**From policy to people—India's broader climate movement:** Perhaps the most distinct element of India's approach is its recognition that climate action cannot be driven by governments alone. Initiatives such as the Lifestyle for Environment (LiFE) movement aim to turn sustainability into a mass endeavour. In developing countries, state capacity is limited and large-scale behavioural change requires societal participation. By placing people at the centre, India is taking climate action beyond policy frameworks into everyday life.

Equally important is India's focus on adaptation. From coastal protection and disaster preparedness to climate-resilient infrastructure, its strategy reflects the lived realities of vulnerable populations. This dual emphasis on mitigation and adaptation is often missing in the global discourse.

In a particularly commendable shift, the ministry of environment, forest and climate change has embedded people-centric priorities into India's updated NDCs, reflecting a recognition that our climate ambition must be anchored in livelihoods, equity and grassroots realities. This approach ensures that the transition is just, inclusive and politically sustainable.

In conclusion, India's updated NDCs are more than a policy document—they are a strategic statement on the future of climate leadership. They demonstrate that leadership need not be confined to historical emitters. It can emerge from countries that combine ambition with credibility, growth with sustainability and national priorities with global responsibility.

As climate considerations shape trade, investment and technology flows, such leadership will define the contours of the global economy. In an era searching for direction, India is not just participating in the climate conversation, it is helping rewrite its grammar.

## GUEST VIEW

## Financial product mis-selling: It's time to close all gaps

DEEPTI GEORGE & AVIGYAN MITRA



are, respectively, founder, Yutadhi, a financial services think-and-action tank; and founder, Zenoa, a health insurance advisory firm.

The Reserve Bank of India (RBI) recently issued draft amendments to its Responsible Business Conduct Regulations. These cover the advertising, marketing and sales of financial products and services by banks, non-bank financial companies and other all-India financial institutions either by their own staff or by direct sales or marketing agents.

The most consequential element in RBI's proposals is that for the first time they define 'mis-selling' to include any sale of a product or service that is neither suitable nor appropriate for a customer profile even with customer consent. Providing incomplete, inaccurate or misleading information, compulsorily bundling products or engaging in dark patterns will also constitute mis-selling.

The fact that consumer consent alone will not be enough to defend a sale dismantles one of the industry's most cynically deployed defences against consumer complaints. RBI's prohibition on compulsory bundling is equally significant. Tying insurance policies

to loan disbursements, unit-linked insurance policies to locker access or mutual funds to savings accounts has been one of the most systematic forms of financial mis-selling in India. Provisions against dark patterns—or interfaces designed to trick or manipulate online users into action—were overdue. False urgency, drip pricing, subscription traps, pre-ticked boxes and trick wording are named explicitly.

For a country where mis-selling via bancassurance has been structurally embedded in retail distribution for decades, these provisions represent a meaningful regulatory shift. However, having studied the draft carefully, we believe it contains gaps that, if not addressed before final notification, will let the very practices it seeks to eliminate continue largely undisturbed.

One, the draft requires regulated entities to determine the suitability and appropriateness of a product for a customer based on an analysis of age, income, financial literacy, risk tolerance and other factors, but it does not specify how this suitability is to be documented, what minimum questions must be asked, what format the documentation must take or how it will be verified by regulators or ombudsmen in a dispute. We need standardized, product-specific suitability ques-

tionnaires that must be completed before sale, retained for at least seven years and produced on demand in any ombudsman or consumer forum proceeding. It should be short enough to be practical and specific enough to be meaningful. Alternatively, we need clear product-specific principles that must be upheld in the sale process and supervision that has razor-sharp clarity on whether these are being upheld or not.

Two, the draft does not specify who is to establish mis-selling, through what process, within what timeline, with what burden of proof and subject to what independent oversight within a bank. A regulation that defines mis-selling but leaves its adjudication interpretively open to the sale-maker may result in ineffective and costly 'process' theatrics. An institution's incentive will be to keep its 'mis-selling' threshold low and make its redressal process sufficiently burdensome to exasperate complainants into giving up. We have seen this pattern in banking grievance processes.

What's needed is an explicit, time-bound internal escalation process, say 21 days from complaint to outcome, with automatic escalation to the RBI Ombudsman if the internal process is not resolved within that window.

Three, post-sale feedback systems are too weak. The 30-day window set by RBI is poorly calibrated for many financial products. The surrender or cooling-off period for many insurance policies is already 15 to 30 days from policy document receipt. By the time post-sale feedback is sought and processed, the window for a cost-free exit mandated by the Insurance Regulatory and Development Authority of India (IRDAI) may have closed. The feedback mechanism needs to be operationalized within 7 to 10 days of sale; critically, customers identified as possible victims of mis-selling need to be informed of their exit options within the same communication.

However, the biggest challenge may lie in inter-regulatory jurisdictional gaps. The proposals apply to RBI-regulated entities, not

insurance agents, individual brokers, insurance marketing firms, web aggregators and direct sales teams of insurers. As agents and the like account for the bulk of life insurance policy sales, a vast majority of mis-selling complaints in this field may be happening in channels that RBI's draft can't touch. According to the IRDAI, 'unfair business practices' accounted for 22% of complaints filed against life insurers in 2024-25. Consider an agent who advises a customer not to disclose a pre-existing condition, a broker who recommends a policy based on the highest commission slab rather than the customer's needs, or a web aggregator that manipulates its rankings to favour certain products. None of these actors falls within the RBI draft's scope.

What we have are rules that address one distribution channel while leaving others largely as they are—in effect, we have regulated one lane of a six-lane highway.

Fixes are needed. The IRDAI must issue a parallel framework. Together, RBI and IRDAI must create a coordination mechanism to ensure that the same standards apply across all distribution channels of the same product. The Financial Stability and Development Council, led by the finance minister, offers an institutional mechanism for such coordination. It must be used.

## 10 YEARS AGO



## JUST A THOUGHT

FIT does not need replacement. It needs refinement.

APICA SHARMA



GUEST VIEW

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# Non-adversarial taxation needs more than just good intentions

Earnest calls for it may ring hollow unless we redesign the system judiciously. Keep tax investigation and adjudication apart



**ARBIND MODI**  
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When taxpayers complain that the income tax department is adversarial, the issue is often framed as interpersonal and behavioural. Are officers too aggressive? Are notices too intrusive? Is the department predisposed to distrust the taxpayer? These questions matter, but they misstate the problem. The real difficulty is institutional. It lies in the structure of enforcement, the design of adjudication and the failure to correct excesses quickly enough once they occur.

This distinction matters because the problem should not be overstated. India's direct tax administration has moved significantly towards automated, risk-based processing. Returns are centrally processed, refunds issued without interface and most taxpayers never encounter adversarial engagement. Less than 1% of returns are selected for scrutiny, and even these are largely handled through faceless assessment, except in limited categories such as international taxation and search cases. Yet, perceptions of adversarialism persist, concentrated in a small segment, though disproportionately visible.

The finance minister's call for a non-adversarial tax system is welcome, but requires careful interpretation. A tax administration cannot be non-adversarial in a literal sense. An income tax system rests on self-assessment backed by verification and enforcement. Where under-reporting or concealment is suspected, the administration must act firmly. The issue is not whether enforcement should be strong, but whether it is exercised with discipline, proportionality and procedural fairness, and whether excesses are corrected swiftly.

That is where the system falls short, as the problem lies in failing to redress excesses promptly and credibly. Even weak additions can impose severe burdens through uncertainty, blocked cash flows, recovery pressure and prolonged litigation. A system becomes oppressive not only when it is aggressive, but when it is slow to correct itself. Delayed correction effectively converts provisional overreach into *de facto* liability.

Risk-based enforcement is essential in any large tax system. The administration cannot examine every taxpayer with equal intensity. It must identify risks and focus scrutiny where under-reporting is more likely. But risk selection is only a starting point for inquiry, not proof of wrongdoing. A taxpayer is selected because something appears doubtful, not because guilt has been established. When suspicion hardens into assumption, tax administration risks sliding into confirmation bias, where the process shifts from objective verification to justification of a pre-formed view.

There is a clear line between firm and excessive enforcement. The administration is justified in



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investigating doubtful claims, questioning implausible explanations and contesting weak positions. Excess arises when notices are overbroad, explanations dismissed perfunctorily and ambiguities resolved mechanically in favour of revenue. This weakens trust, increases litigation, clogs appellate forums and raises business costs, thereby eroding voluntary compliance—the foundation of a self-assessment system. No system can ensure perfect first-instance assessments. Errors will occur, and some cases will involve difficult interpretative questions. What matters is whether a credible and time-bound mechanism exists to correct them. The first appellate stage should serve as a safety valve—an institutional checkpoint where unsustainable additions are resolved early before they escalate into prolonged disputes.

If this stage works effectively, administrative behaviour changes. Weak additions do not survive, taxpayers gain confidence that overreach will be corrected and disputes are filtered efficiently. But if it is slow, deferential or hesitant, even well-intentioned calls for non-adversarial administration lose credibility. The system then appears adversarial not because of intent but because of outcomes.

A structural issue reinforces this perception. The assessing officer performs a dual role—as investigator and adjudicator. The same officer gathers facts, tests explanations and then decides on them. This creates an inherent tension. Suspicion formed during investigation can influence adjudication. The issue is not necessarily personal bias, but the institutional difficulty of separating inquiry from judgement when both these func-

tions reside in the same authority. This suggests the need for institutional redesign. One option is to separate investigative and adjudicatory functions in significant cases. The assessing officer could issue a reasoned charge-sheet outlining proposed additions and their legal basis, to be adjudicated by an independent authority before enforcement. Such a model preserves strong enforcement while reducing structural unfairness. A precedent exists in the dispute resolution panel mechanism, where draft orders are reviewed before finalization. While not without limitations, it reflects a recognition that an independent corrective layer improves outcomes. Extending this logic to domestic disputes would strengthen procedural fairness and reduce avoidable litigation.

The Income Tax Act of 2025 offered an opportunity to address these long-standing structural and interpretative issues. But it appears dedicated to redrafting rather than reform. Many substantive ambiguities, procedural imbalances and recurring sources of litigation remain. This is a missed opportunity to reduce grey areas, resolve disputes and embed stronger safeguards within the system.

The lesson is straightforward. A non-adversarial tax system does not mean weak enforcement. It means disciplined enforcement, exercised with restraint and backed by credible, time-bound correction. A tax administration becomes truly non-adversarial not when it stops asking hard questions, but when it stops making taxpayers pay for its own mistakes for years. That is the real test: faster justice, delivered predictably, transparently and within clearly defined institutional timelines.

# The Iran war is splitting the AI boom: Labs look better placed

Hyperscalers and hardware players look particularly vulnerable



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AI infrastructure prospects look more fragile the longer the war goes on. BLOOMBERG

The Iran war has laid bare a paradox: Gulf money is helping underwrite America's effort to win the artificial intelligence race, and now the US has started a conflict that could destabilize those investments.

Some estimates have projected \$2 trillion in long-term pledges from Middle Eastern nations to the AI boom, money that now looks precarious. At the same time, surging energy costs threaten to make data centres far more expensive to run.

But the aftershocks of this conflict seem less likely to kill the AI boom entirely than cleave the market in two, leaving so-called hyperscalers like Alphabet, Amazon and Microsoft most exposed to the shifting financial landscape while upstart AI labs such as OpenAI and Anthropic are better insulated.

Investors have long treated the AI bonanza as a monolithic story, but in reality it has two distinct elements—a phenomenally expensive infrastructure business and a cheaper software play. Among the architects of the latter component, Anthropic has been chugging along rather well lately with annualized revenue more than doubling in the last three months to \$19 billion, while OpenAI's is around \$25 billion. Consumers, business clients across finance and life sciences and governments are all paying for subscriptions and access; unlike previous hype cycles around the metaverse and crypto, this momentum looks sustainable.

For all the worries about OpenAI's high cash-burn rate, AI labs also benefit from sticky enterprise contracts. Clients are unlikely to cancel these because of geopolitical uncertainty; instead, they're likely to maintain them in the hope of making their organizations efficient enough to ride whatever choppy economic waves may be coming their way.

AI software makers need data centres to run their businesses, but they are not directly exposed to rising energy costs in the way that owners of server farms are. To make money, OpenAI and Anthropic need to run their existing AI models to answer queries from paying customers, a process known as inference. But training new frontier models is much more energy intensive, requiring the continuous use of thousands of AI chips (graphics processing units or GPUs made by Nvidia) for weeks or months on end.

Of course, the day-to-day costs of inference add up over time, especially for a company like OpenAI, which claims 900 million weekly users. But the energy load

is much lower, more distributed and easier to manage than training the next generation of models, something that AI labs can afford to delay while they focus on urging businesses to plug existing tech into their workflows.

Hyperscalers like Amazon, Google, Microsoft, Meta and Oracle are more at risk, given how much their \$1.15 trillion build-out relies on cheap, reliable energy, especially natural gas. It's the dominant single energy source for US data centres, providing about 40% of their power, according to the International Energy Agency—a problem when the Iran war is driving up prices.

The global chip supply chain is similarly exposed. Taiwan Semiconductor Manufacturing Company (TSMC) makes nearly all the high-end chips designed by Nvidia, but Taiwan also depends on the Middle East for about a third of its fuel, and the island nation gets most of its helium from Qatar. The gas is critical in semiconductor manufacturing thanks to its unique ability to cool and protect silicon wafers during production. Helium production at Qatar Energy's Ras Laffan Industrial City was crimped by an Iranian drone attack; the broader implication could be a months-long wait for chip output to fully recover.

That leaves Nvidia perhaps the most exposed of all. The world's most valuable public company, with a market cap of more than \$4 trillion, derives most of its revenue from selling chips to hyperscalers. Anything that slows down the buildout of vast new server farms will hurt its order book.

While Alphabet and Amazon at least have recurring cloud subscriptions to act as a financial cushion, Nvidia doesn't have any such revenue stream. It just sells chips, which face the double whammy of being harder to manufacture in Taiwan in addition to a question mark over recent mega-deals with the Middle East. In November, the US government approved Nvidia's sale of 70,000 of its most advanced chips to the UAE and Saudi Arabia, a deal that now looks more uncertain. (Nvidia declined to comment.)

Energy and cash from the Gulf have helped fuel the AI boom. However strong the revenue growth is for its applications, the outlook for the underlying infrastructure looks ever more fragile the longer this war carries on. ©BLOOMBERG

MY VIEW | IT MATTERS

# A battle is brewing over India Inc's adoption of GenAI

SIDDHARTH PAI



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India's technology market has often served as a proving ground where global platforms compete both for users and influence over the digital set-ups of industries. The rise of GenAI models is setting the stage for a similar contest. Winning revenue from Indian enterprises will soon become one of their most consequential battlegrounds. The reason: India combines a vast base of digitally ambitious companies with price sensitivity, a deep developer workforce and industries eager to automate knowledge work. For model providers, success here does not simply mean selling software. It means embedding their models into the daily workflows of companies.

The early manoeuvring already reveals different strategic instincts. Google is leaning on the relationships it cultivated through its startup programmes and developer ecosystem. Many startups experimenting with AI infrastructure are familiar with Google developer tools and cloud platforms. By bundling Gemini models with Google Cloud

services, it aims to make GenAI feel like a natural extension of the tools already in use. Google Cloud and developer programmes emphasize credits, model access and engineering support designed to reduce the friction of experimentation. For startup founders with tight budgets, such bundling can matter as much as model performance.

Microsoft is pursuing a strategy that mirrors its success with enterprise software platforms. Azure OpenAI services are integrated tightly into its Azure cloud stack, allowing companies to access OpenAI models through Microsoft's enterprise infrastructure. Microsoft also benefits from long relationships with large enterprises and technology service providers in India. Many companies already rely on Azure infrastructure for part of their workloads. When these organizations experiment with AI copilots or internal automation tools, the path of least resistance is to stay within that ecosystem.

OpenAI has adopted a different tactic in India by competing aggressively on pricing. Its strategy reflects a familiar pattern, where companies adjust pricing to accelerate adoption in large but cost-sensitive economies. For developers, freelancers and small businesses experimenting with GenAI, even a modest price difference can determine

which tool becomes the everyday default. Small differences scale quickly in a country with millions of potential users.

In the past, Perplexity partnered with Airtel to offer its Perplexity Pro service free for a limited period to the telecom company's subscriber base. Technology coverage in *Mint* described the move as an attempt to seed familiarity with AI-powered search. The logic echoes earlier internet strategies in India, where companies first focused on scale before revenue.

Anthropic occupies a different position in this contest. Its approach emphasizes building specialized tools aimed at professional communities. It has promoted products such as Claude Code for developers, positioning it as a programming assistant integrated into coding workflows. It also supports Claude in Excel through integrations that allow the model to assist with spreadsheet-heavy financial analysis. In a country where financial services rely heavily on spreadsheet-driven processes,

such specialization may be a differentiator.

The structure of India's enterprise landscape adds another layer of complexity. Large IT services firms such as Infosys, TCS and Wipro function as tech intermediaries for clients. Their core business model has long relied on large teams of engineers billing clients by the hour or by project size. That model depends heavily on labour (and its scale). GenAI introduces an uncomfortable dynamic. When software development productivity rises sharply, fewer engineers may be required to deliver the same outcome.

Evidence of this shift is already emerging. A survey by EY India reported by *Reuters* suggests GenAI could increase productivity in India's IT services sector by 43 to 45% over the next five years, with particularly large gains in software development and business process outsourcing roles. This is good for clients but not for firms whose revenue scales with headcount.

If a project that once required 50 programmers can be completed by 20 with AI

assistance, billing models built around manpower weaken. Services firms understand this and are experimenting with outcome-based pricing to capture more value.

Switching costs between GenAI models are modest. Developers can move workloads between model interfaces with limited adjustments to code and orchestration frameworks discussed widely in developer communities allow experimentation across models. This lets enterprises test several systems before committing to one.

Yet, technology markets can't be fluid forever. As companies build internal applications, integrate models into operational systems and train workflows around specific tools, the cost of switching inevitably rises. A bank that embeds AI into compliance systems or a manufacturer that integrates it into supply-chain planning cannot easily replace the underlying model without disruption.

India, therefore, represents something rare in the global tech economy. It is a vast market where the rules of engagement for GenAI are still being written. Technology pioneers often treat such environments as strategic laboratories. The GenAI race may follow the same path. This contest is open and every model provider wants a foothold in the workflows of Indian industry.

**Google, OpenAI, Anthropic and Microsoft have deployed varied strategies that could reshape the entire field**

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