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Contents

Foreword.....	3
Update for the day #2431 Warrior Monks of Christ: The Knights Templar.....	4
Update for the day #2432 Pepsi Falls to Fourth: What's Behind the Soda Giant's Slide? .5	
Update for the day #2433 How stock experts minted money from TV shows.....	7
Update for the day #2434 Will satellite spectrum rules shake up Indian telecom?.....	10
Update for the day #2435 ASIMO: The Little Robot That Changed the Future of Mobility.....	12
Update for the day #2436 The US wants its stock market to crash.....	13
Update for the day #2437 Humanoids: The Next Frontier in Robotics	16
Update for the day #2438 Emotional Intelligence - Skill of Future	18
Update for the day #2439 Understanding PLFS.....	20
Update for the day #2440 The Leela Hotels IPO explained	23
Update for the day #2441 RBI's risk buffer dilemma	24
Update for the day #2442 Trump's \$5 Million 'Gold Card' Visa	26
Update for the day #2443 The Stock Market Remains Undeclared.....	27
Update for the day #2444 The curious case of Indian prediction markets	30
Update for the day #2445 A real estate boom fueled by a bus network in the sky?	33
Update for the day #2446 Why equity markets bounce back...almost every time	36
Update for the day #2447 The Importance of Financial Literacy for Young Adults	39
Update for the day #2448 The Reality of Government Jobs in India	40
Update for the day #2449 Why Cartoon Network nearly shut down and how it's now trying to stage a comeback reimagined for a modern world.	41
Update for the day #2450 Is ANI a bully?.....	44
Update for the day # 2451 Adani & Birla Betting on Wires and Cables – A Sector on the Rise	46
Update for the day # 2452 The RBI Annual Report decoded	48
Update for the day # 2453 One Step Away from Immortality	51
Update for the day #2454 Trading App	52
Update for the Day #2455 A simple explainer on SEBI's new F&O rules.....	54
Update for the Day #2456 India wants more lower denomination notes?	57
Update for the Day #2457 India's Aviation Sector: On the Runway to Global Leadership	60
Update for the day #2458 Green Giants: How India's Biggest Conglomerates Are Steering Climate	61
Update for the day #2459 RBI's Strategic Rate Cut: A Boost for Borrowers, A Signal for Markets	62
Update for the day #2460 Singapore casts tax shadow on India bets, shuns shell companies.....	64

Foreword

We at SURESH & CO. are pleased to bring you the latest edition of "EMERGING THOUGHTS." This publication reflects a blend of global awareness and fresh viewpoints contributed by our committed articulated assistants—aspiring Chartered Accountants—and our valued team members.

In a world that's evolving rapidly, staying up to date with global happenings has never been more important. Whether it's regional matters or international trends, being aware of current affairs helps us stay prepared and informed. We're deeply encouraged by the warm reception our previous editions have received—it reaffirms the impact and relevance of our shared knowledge. Every achievement marks progress on our journey of continual learning, and each experience adds depth to our understanding. With your ongoing support, we aim to consistently offer insightful reflections and meaningful commentary. Together, let's continue navigating the vast landscape of knowledge.

At SURESH & CO., we nurture a culture that inspires both personal and professional development. We value the strength of shared wisdom, encouraging our team to think critically, question norms, and broaden their outlooks.

This edition highlights the fresh perspectives of our young contributors. While these insights are early reflections filled with promise, they may not yet have undergone a comprehensive expert review. We invite you to read with curiosity and explore these subjects further to shape your own well-informed views.

We thank you for joining us on this meaningful journey. May this edition of "EMERGING THOUGHTS" motivate you to play a role in the advancement of knowledge and creative thinking.

“What we know is a drop, what we don’t know is an ocean.” – Isaac Newton

As we welcome a new month, let's dedicate ourselves to making the most of each day. Whether through small gestures, setting fresh intentions, or simply pausing to reflect, every moment carries the potential to influence our lives and those around us. Let's seize these chances and approach each day with purpose and positivity.

Update for the day #2431 | Warrior Monks of Christ: The Knights Templar



In the tumultuous era of the Crusades, amidst the clash of civilizations and the fervent pursuit of the Holy Land (Jerusalem), rose a unique and formidable force: the Knights Templar. Officially known as "The Poor Fellow-Soldiers of Christ and of the Temple of Solomon", this religious and military order emerged in the early 12th century, born from the necessity of safeguarding Christian pilgrims journeying to sacred sites in Palestine and Jerusalem. Clad in their iconic white mantles adorned with a bold red cross, the Templars quickly became a symbol of unwavering faith, martial prowess, and selfless dedication.

These warrior monks were not merely soldiers; they were bound by strict religious vows of poverty, chastity, and obedience. Their lives were a fascinating paradox, a blend of monastic discipline and battlefield ferocity. They established a highly organized and disciplined military structure, their knights becoming renowned for their courage and effectiveness in combat against opposing forces. Their strategic strongholds and fortifications across the Holy Land served as vital bastions of Christian presence and provided crucial protection for the vulnerable pilgrim routes.

However, the Templars' influence extended far beyond the battlefield. Their growing wealth and organizational skills led them to pioneer an early form of international banking. In a way, they can be considered as the first multinational corporation that came into existence. Pilgrims and nobles alike entrusted their valuables to the Templars' network of commanderies across Europe and the Holy Land, receiving letters of credit that could be honoured at their destination. The Templars were also a source of funding for European kings, such as the King of France and Germany, for the conquest to the Holy Land. This financial system not only facilitated travel and trade but also amassed considerable wealth for the order, making them a powerful economic force in their time.

In the end, the Order of the Knights Templar was officially dissolved in 1312, and their vast wealth was largely confiscated, thus ending 2 centuries of an Order, that left an indelible mark on history.

By Aniket R Patil



Update for the day #2432 | Pepsi Falls to Fourth: What's Behind the Soda Giant's Slide?

For decades, Pepsi held a steady spot among the top three sodas in the U.S. But that's no longer the case. According to Beverage Digest's latest rankings, Pepsi has slipped to fourth place, edged out not just by Dr Pepper — which overtook it last year — but now also by Sprite. The current leaderboard? Coca-Cola remains firmly at #1, followed by Dr Pepper at #2, Sprite at #3, and Pepsi trailing at #4.

While Coca-Cola dominates with a 19.1% market share — more than double that of any competitor — Dr Pepper (8.3%), Sprite (8.03%), and Pepsi (7.97%) are locked in a tight race. Despite this close competition, Pepsi's gradual decline raises a key question: How did one of America's most iconic soda brands lose ground?

A Shift in Consumer Habits

First, there's the broader trend — Americans are drinking less soda overall. The number of internet users who reported consuming regular cola in the past three months dropped from 47% in 2022 to 43% in 2023. Health-conscious choices, rising prices, and evolving tastes are all contributing to this decline.

Inflation has increased operating and ingredient costs, pushing up prices at the shelf. While soda sales grew 10% in value, actual sales volume fell 1.7%. New U.S. tariffs on imported goods may worsen this further — especially for Pepsi, which relies heavily on concentrate imports from Ireland. In contrast, Coca-Cola's domestic sourcing from Atlanta offers a buffer against these cost spikes. At the same time, consumers are turning toward alternatives like kombucha, energy drinks, and “healthier” beverages, challenging the entire soda category.

The Rise of Dr Pepper and Sprite

Despite the overall dip in soda consumption, Dr Pepper and Sprite have found ways to thrive. So why is Pepsi falling behind?

One major factor: changing tastes, especially among Gen Z. Younger consumers are gravitating toward bolder, more complex flavours and unique brand experiences. Dr Pepper, with its distinctive blend of fruit, spice, and cola notes — including hints of vanilla, cherry, and cinnamon — fits the bill. Sprite has also innovated, launching limited-edition flavours like Sprite Chill, a cherry-lime soda with a cooling effect. Its success was massive — generating \$50 million in just 21 weeks in 2024 — and it's now a permanent product.

These flavour-forward approaches resonate with modern palates far more than classic colas. While Coca-Cola is large enough to withstand this shift, Pepsi hasn't had the same cushion.

Pepsi's Strategy Misfire

Much of Pepsi's decline can be traced back to a strategic pivot under former CEO Indra Nooyi. In response to growing health concerns around sugary drinks, PepsiCo invested heavily in healthier beverage and snack options — acquiring brands like Naked Juice, KeVita, and even partnering with Sabra for hummus. Simultaneously, its snacks division — home to Lay's, Doritos, and Cheetos — flourished and now contributes 60% of PepsiCo's global revenue.

But the trade-off was less focused on its core drinks business. Gatorade lost ground in the sports drink category, and Pepsi's flagship cola brand gradually lost visibility and consumer interest. Since 2010, Pepsi's carbonated drink sales — including Diet Pepsi and Pepsi Zero Sugar — have dropped by 32%, more than double Coca-Cola's 14% decline.

Meanwhile, Pepsi's advertising presence also weakened. Campaigns lacked coherence and impact, and in 2023, the company spent only half as much as Coca-Cola on marketing. That gap widened further in 2024. While 2025 has shown some early signs of recovery — particularly for Pepsi Zero Sugar and Wild Cherry Pepsi — the overall cola segment remains sluggish.

Can Pepsi Make a Comeback?

Pepsi is now trying to re-ignite its brand with a blend of nostalgia and bold moves. It has revived the iconic "Pepsi Challenge," putting Pepsi Zero Sugar head-to-head with Coca-Cola Zero Sugar — this time claiming it pairs better with food. It's also exploring unconventional tactics, including social media pushes and covert taste test swaps at restaurants.

But advertising alone won't reverse years of drift.

The company is also betting on bold innovation. It launched Starry to compete with Sprite and acquired Poppi, a buzzy prebiotic soda brand, for nearly \$2 billion — directly challenging Coca-Cola's Simply Pop. However, these moves, while promising, risk further diverting focus from its core cola products.

What Pepsi might truly need is a powerful reimagining of its classic offering. A reinvented version of Crystal Pepsi, for example — the transparent cola from the '90s — could capture both nostalgia and novelty. The original failed largely due to its lack of flavour punch. But with better formulation, it might offer a fresh hook for today's adventurous consumers.

The Takeaway

Pepsi's fall from the top three is more than just a numbers game — it's a reflection of evolving consumer behaviour, strategic missteps, and fierce competition. If Pepsi hopes to reclaim its standing, it must recommit to its roots, refresh its product appeal, and invest in marketing that truly resonates with the next generation of soda drinkers.

By Varsha G Bhatt



Update for the day #2433 | How stock experts minted money from TV shows

₹62,000 crore.

That's the cheque taxpayers had to cut just to clean up Air India's books before it could fly into Tata's hangar in 2022. The very next year, the government promised nearly ₹90,000 crore to BSNL in yet another revival bid. More recently, Vodafone Idea's Mountain of dues to the government was converted to equity. Add to that the SBI-led bailout of Yes Bank that's in the news and you begin to see a pattern.

Every one of these lifelines pulled taxpayer money away from highways, hospitals and public universities. The kind of stuff that builds nations. For instance, Air India's rescue in FY22 alone took about 0.26% of India's GDP at the time.

And yet, officials argue that some institutions are too big to fail, and that a timely intervention is better than a full-blown collapse.

So, what gives? Do these bailouts actually fix anything, or do they just delay the inevitable while taxpayer's foot the bill? Let's look at a few marquee cases.

Take *Air India*. For nearly a decade, from FY2012 to FY21, the airline racked up nearly ₹78,000 crore in losses. Interest payments alone were eating up ₹4,000 crore a year. Ballooning fuel costs, poorly timed fleet orders and a service reputation that lagged private rivals sent the airline from one red quarter to the next. So, no wonder potential buyers stayed away: acquiring Air India meant inheriting its mountain of debt and a sprawling bureaucratic culture.

And that's when the government made a decisive, if expensive, cut. In 2022, it parked nearly ₹61,000 crore of liabilities in a specially created holding company called Air India Assets Holding Ltd, and handed over a near debt-free airline to the Tatas. Add it all up, and taxpayers had shelled out over ₹90,000 crore in total for the bailout since 2012. This was steep, but the logic was clear: end the bleeding, save over 10,000 direct jobs, preserve precious airport slots and let someone who knows this business take over.

And it did change things. Two years on, early metrics hint at a turnaround. Punctuality has climbed, wide-body cabins are being refurbished and the Tatas have merged Vistara into Air India to create scale. The airline is still some distance from profitability but analysts believe operational profits could arrive as early as FY27.

So, for Air India, it's safe to say that the bailout was a partial success. Yes, the government footed the bill of over ₹90,000 crore. But at least that nightmare is over, and they were able to sell their stake to someone who manages it responsibly.

Compare that with *Yes Bank*. By 2019, the bank's headlong rush into risky corporate loans had poisoned its books. It had lent primarily to struggling companies, which led to Yes Bank's non-performing assets (NPAs) being 7 times higher than they had reported. NPAs are basically loans on which the borrower has stopped paying interest or principal for over three months. This means that the bank can no longer count on getting the money back easily.

The Reserve Bank of India (RBI) uncovered this, credit rating agencies quickly downgraded ratings, depositors panicked and the share price collapsed by over 80% in just twelve months.

So, the RBI stepped in and issued a moratorium, which capped withdrawals at ₹50,000. Bondholders were forced to absorb over ₹8,400 crore in write-offs³, and an SBI-led consortium injected ₹10,000 crore for a 49% stake. It was a forced rescue but it worked. Because four years later, the turnaround looks almost clinical. Net non-performing assets sit at 0.3%, the best since the scam in 2020. Net profit leapt 92% year-on-year in the recent quarter, the highest since the scandal broke. And Japan's Sumitomo Mitsui is in talks to purchase SBI's stake, signalling private capital is happy to take over.

Then we have the case of *Vodafone Idea (Vi)*.

Its troubles began when Jio entered the telecom sector in 2016 with rock-bottom tariffs. I still remember people waiting in line to get a free SIM. Jio's entry ate into Vodafone and Idea's shares, dwindling their average revenue per user (ARPU). And this led to Vodafone and Idea Cellular merging in 2018 to increase market share. However, this only worsened their losses. Then came a Supreme Court verdict in 2019, slapping the new entity with ₹58,000 crore in adjusted gross revenue dues. In 2025, total debt and interest crossed the ₹2.5 lakh-crore mark. Routine capex for 4G — let alone 5G — became impossible.

So why did the government bail it out, you ask?

Well, you see, there are only two other prominent players in this market — Jio and Airtel. If Vi went bankrupt, it would hollow out the competition, giving the incumbents far more power over pricing and service quality. Policymakers, therefore, scrambled to keep the company afloat because an implosion would have left the country teetering on a de facto duopoly — a condition where only two companies dominate the market share.

However, the government didn't write a cheque this time, but it did convert ₹16,000 crore of interest dues into equity, becoming a shareholder. No fresh cash changed hands, but the mover brought Vodafone Idea time to seek investors. And more recently, the government also waived ₹37,000 crore in spectrum dues to raise its stake to 49% in the company. But even after raising ₹18,000 crore from private investors last year, Vi still loses thousands of crores in cash every quarter and lags in spectrum holdings. Survival too remains doubtful at this juncture — at least for now.

So yeah, the bailout bought time but not certainty. And lastly, we have *BSNL* — the black hole of bailouts.

It has already absorbed over ₹3.2 lakh crore⁴ from taxpayers! Yup. Its latest bailout package in 2023 was for around ₹89,000 crore. This package includes amounts for 4G/5G spectrums, voluntary retirement schemes for employees and debt restructuring.



On paper, the reasoning makes sense. BSNL plays a vital role in defense communication, especially in far-flung regions. It also ensures that the telecom sector doesn't devolve into a private duopoly. BSNL too is doing its bit to bounce back. It hopes a steep price reduction will lure users back. For instance, BSNL's 365-day unlimited plan now costs ₹1,999, compared to Jio and Airtel's ₹3,599. But will this attract more people if they continue to have poor coverage and bad 4G and 5G reception? This is why the government gave more money to the company to purchase spectrum allocations. Will it work out? We're not sure, but we're hopeful that it does.

But overall, it seems like a rescue without reform.

And all of that brings us to today's topic: Do government bailouts work?

Well, sometimes they do. Air India got a clean break and a private owner. Yes Bank got new capital and better governance. But not always, as we see with Vi and BSNL.

And one pattern is hard to miss: bailouts succeed only when accompanied by ruthless restructuring, fresh governance and an exit plan for the state.

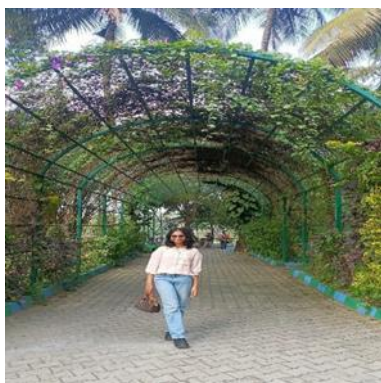
When that discipline goes missing, things unravel. BSNL proves that money without change is just an expensive denial. Vodafone Idea sits somewhere in between — a company with potential and a lot of support, but still nothing to cheer about.

It is difficult to balance this out, but a blanket ban on bailouts is no answer either. The knock-on effects run deeper. Most troubled giants owe their largest dues to public-sector banks — banks that hold our deposits. If a rescue doesn't come, the damage simply trickles down to the rest of the financial system. And eventually, it lands right back on the taxpayer's lap.

So yeah, bailouts are messy.

And maybe the only way to tilt the odds is to pair every rupee of rescue with hard, uncomfortable reform — and a countdown clock that tells us exactly when the state will get out of the way. Otherwise, the taxpayer foots the bill — again and again — with nothing to show for it.

By Anusha M



Update for the day #2434 | Will satellite spectrum rules shake up Indian telecom?

You're standing on a remote hilltop or sailing somewhere off India's coast where there's not a single telecom tower in sight. But your internet still works. You can stream, send an SOS, run a business call. All because a small dish on your roof is talking to a satellite up in space. This is the promise of satellite internet. And recently, India just took a giant leap to bring it closer to reality.

TRAI, India's telecom regulator, released a recommendation: satellite spectrum—which are basically radio waves that let satellites beam internet from space—will not be auctioned like regular telecom spectrum. Instead, it'll be allocated administratively. Satellite companies will pay a usage fee of just 4% of their adjusted gross revenue (AGR). In cities, they'll pay a bit more per user. But there's no billion-dollar bidding war or upfront price tags. Just regulatory clearance, and off they go.

Now, all of this may sound like policy mumbo-jumbo. But simply put, it's a greenlight for satellite internet companies. The likes of Elon Musk's Starlink, Bharti-backed OneWeb, Amazon's Project Kuiper or Jio's SES joint venture. They can finally roll out commercial services across India. What's more interesting is how we got here. Because until recently, this decision was at the center of a turf war. You see, India's telecom industry is built on spectrum auctions. Telcos like Jio and Airtel have spent billions buying spectrum for mobile services. But satellites operate differently. Instead of beaming signals from towers on the ground, they talk directly to rooftop terminals. No ground infrastructure needed. And since satellite spectrum is globally shared and coordinated by the International Telecommunication Union (ITU), most countries don't auction it. They just assign it.

That's what satellite companies wanted in India too. But telcos pushed back hard. If satellite firms got spectrum on the cheap and started offering broadband in urban areas, they argued, it would be a regulatory mismatch. They'd paid top dollar for 4G and 5G rights — and now someone else could enter the same market through the side door? So, they pushed for auctions.

But TRAI wasn't convinced. After months of consultations, it said that satellites and mobile towers aren't the same. Satellite capacity is limited, the spectrum is shared, and the tech isn't as flexible. Satellites can't match the existing terrestrial networks in performance, at least not yet. Instead, they fill in the gaps in places like deserts, forests, the Himalayas, where towers don't make sense. And that's what brings us full circle to today. The final TRAI plan looks like this: a 4% revenue share model, ₹3,500 per megahertz (MHz) as the minimum annual charge, a ₹500 charge per urban subscriber, no fees for rural users, and a review after five years.

And this changes things for satellite internet companies.

Starlink already has a Letter of Intent from the Department of Telecommunications. All that's left is security clearance from IN-Space, India's space activity regulator. OneWeb and Jio-SES are further ahead; they've already done successful trials in states. And now, with regulatory clarity in hand, they can move faster — build ground stations, plan capex, launch services.

But don't expect an easy ride. The bigger conflict here isn't just technical but also a geopolitical and economic one.

Starlink's parent company SpaceX has deep ties with the US military. Drug smugglers in the Indian Ocean were using them too. That's why the government now wants all satellite operators to set up control centres within India. So, it can enforce shutdowns, track traffic and localise user data.

Then there's the price problem. Starlink kits abroad cost over ₹30,000 upfront, and monthly subscriptions are around ₹8,000. Even with subsidies, that's a steep bill for rural India. TRAI has suggested subsidies for remote users, but we don't know how that'll play out yet.

And while satellite broadband may be expensive, the opportunity is massive. Millions of Indians still lack reliable internet. So, satellites might seem like a viable option in the next decade. Even if Starlink captures just 10% of that pie, it could rake in billions, most of which would leave India unless local players scale up fast.

That's why this isn't just about the internet. It's about digital power.

And that's where the peers in this space would look to compete.

Still, Starlink already controls over half the world's low-earth orbit (LEO) satellites. SpaceX is working on Starshield — a military-grade version of its network. So, the competition is tough.

India, meanwhile, wants to build its own space economy, projected to grow from 2% to 8% of global share by 2033. It wants rural broadband to reach 100% penetration. And satellites might be the only way to hit those targets fast.

Globally, satellite broadband is projected to be an over \$100 billion industry in the next 10 years. India alone could account for a significant share if things go right. But that'll only happen if the spectrum isn't stuck in regulatory purgatory.

So yeah, TRAI's recommendation is India's first move in that game. And it tries to walk a fine line — allow global players, protect domestic ones and keep national security front and centre.

For companies, what comes next — pricing, adoption, competition and policy — will decide who truly wins. Both Jio and Airtel are already knee-deep in the satcom game. The real test would be making it affordable and scalable.

But for all that to move ahead, the Department of Telecommunications (DoT) and Cabinet will have to ratify TRAI's proposal, finalise the regulations and initiate the spectrum allocation process. And only time will tell how swiftly all of this moves from policy on paper to internet from the satellite.

By Swati Sundar Kulkarni



Update for the day #2435 | ASIMO: The Little Robot That Changed the Future of Mobility

In the world of robotics, few names resonate as strongly as **ASIMO** — Honda's pioneering humanoid robot. Short for "**Advanced Step in Innovative Mobility**," ASIMO was more than just a mechanical marvel; it was a glimpse into a future where robots and humans could coexist and collaborate seamlessly.

First introduced to the public in **2000**, ASIMO stood at about **4 feet 3 inches** tall and weighed around **119 pounds**. With its iconic astronaut-like appearance and smooth, human-like movements, ASIMO immediately captured the imagination of millions. It wasn't just its looks that impressed — ASIMO was packed with groundbreaking technology that had never been seen before in a humanoid robot. Honda equipped ASIMO with advanced **sensors, actuators, and artificial intelligence**. It could walk, run, navigate obstacles, recognize faces, respond to voice commands, and even perform tasks like pushing carts, opening doors, or serving drinks. It could even climb stairs — a feat that many robots at the time could not perform reliably. This blend of **mobility, perception, and interaction** made ASIMO a landmark achievement in the field of robotics and a symbol of what the future could hold.

ASIMO's development was the result of decades of research by Honda engineers who had a simple but profound dream: to create a robot that could assist people, particularly those with mobility challenges. They envisioned ASIMO working alongside humans, helping them with everyday tasks in homes, hospitals, and offices. Honda's philosophy emphasized not just technological innovation, but **human-centric innovation** — designing robots that would enrich lives and create new possibilities. Beyond the technical prowess, ASIMO became a cultural icon.

Although Honda officially **retired ASIMO** in **2018**, its legacy lives on. The technologies and insights gained through ASIMO's development continue to influence modern robotics, from autonomous vehicles to service robots and beyond. Honda has incorporated lessons learned from ASIMO into newer projects focused on artificial intelligence, mobility assistance, and even space exploration. In many ways, ASIMO wasn't just a robot — it was a bold step toward a future where machines serve humanity with grace, intelligence, and a touch of personality. As we continue to advance in the fields of AI and robotics, ASIMO's spirit remains a beacon, reminding us that innovation is most meaningful when it is rooted in empathy, curiosity, and a desire to improve the human experience.

By Lakshya Bansal



Update for the day #2436 | The US wants its stock market to crash

When Trump ran his presidential campaign, one big promise he made was to boost the stock markets. He's always been vocal about it. But reality is painting a different picture. In the last month, US stock indices have plunged 8%, wiping out \$4 trillion in market value.

So, what's going on?

Well, there are two fascinating theories behind this unexpected dip.

The first is that this could be a well-orchestrated drama by what Trump calls "globalists".

Now, who exactly are these globalists? No one knows for sure, but Trump might be referring to foreign investors holding massive amounts of US Treasury bonds (bonds issued by the US government). Take China, for instance. The US buys more from China than the other way round, creating a trade deficit. This leaves China with excess US dollars, which it then recycles into US banks by buying Treasury bonds, essentially lending money back to America for safe returns.

But if Trump shrinks this trade deficit, China has fewer dollars to invest in US banks. Less money flowing into banks means lower profits and potentially another banking crisis. And investors sense this risk, so they're selling stocks before things get worse.

That brings us to the second, and perhaps more crucial theory for today's story: The Trump administration itself might be allowing the stock market to fall on purpose.

Sounds bizarre, right? After all, a rising stock market usually signals economic strength, something any president would want. But Trump's strategy might be different because here's the thing.

US Treasury Secretary Scott Bessent believes that under the Biden administration, economic policies favoured the top 10% of Americans or those wealthy enough to fuel spending and drive consumption. But the bottom 50% haven't gained much. So, while everything might look great on paper, in reality, half of America could still be struggling.

This imbalance paints a misleading picture, and the Trump administration wants to flip that script. And their way of doing it? Create as much economic chaos as possible.

How's that, you ask?

By shifting the US economy from a consumer-driven economy (the demand-side) to one powered by businesses and investments (the supply-side). The logic behind this is simple. American consumer spending has kept the economy afloat for decades. But this dependence has also led to high debt, dangerous economic bubbles and rising inflation.

Just look at US debt. It's currently at a staggering \$34 trillion. And \$7 trillion of that needs refinancing soon at interest rates that recently hit alarming highs of around 4.8%. It's like refinancing your home loan at peak interest rates, except now, it's trillions at stake. Not ideal, right? That's why the US keeps pushing its debt ceiling limits.

That's exactly why Trump might prefer a falling stock market now. A falling market triggers investor panic, who then pull out of risky stocks and pour money into safer US bonds. More demand for bonds pushes their prices up, which in turn brings their yields or interest rates down. And that's exactly what Trump wants.

And this seems to be working. To put things in perspective, the 10-year Treasury yield has already dropped from 4.8% in January to 4.25% today. That may be a teeny tiny shift. But when you're refinancing trillions, even half a percent saves billions of dollars.

But there's more to the plan. Trump and his economic advisors believe that a controlled slowdown will reset inflated asset prices and pave the way for a healthier recovery.

And that's where tariffs come into play.

You see, in theory, tariffs drive up inflation. After all, making imports costlier means consumers pay more. But here's the twist. Trump's unpredictable tariff policies are spooking investors so much that they're more worried about a market slowdown than inflation. So, they're dumping stocks and buying bonds, effectively giving Trump exactly the market reaction he desires. And he knows it. That's why he keeps tweaking his tariff stance almost every other day.

But tariffs are just one piece of the puzzle. Another big move is cutting government spending.

As Scott Bessent bluntly put it, and we quote: "There's going to be a natural adjustment as we move away from public spending... The market and the economy have just become hooked, and we've become addicted to this government spending, and there's going to be a detox period."

And this detox includes slashing government jobs, cutting Medicare, reducing food assistance and shrinking housing aid. All of this weakens the demand-side of the economy that we spoke of earlier, reducing consumer-driven growth.

On the flip side, Trump wants to boost the supply side with lower corporate taxes and deregulation, hoping businesses will take the lead.

And all of this begs the question – will this complex approach work?

Well, all of these moves fall under what's called the proverbial 'kitchen sinking' — frontloading maximum economic pain now to rebuild a stronger foundation for tomorrow. And Trump's team seems fully committed to it, pushing tariffs, cutting social programs and rolling out tax breaks for businesses. That explains the market's fall.

But there's a catch. A strategy like this could tip the economy into a full-blown recession.

Markets are already on edge. JPMorgan CEO Jamie Dimon warns that an 'America First' approach is fine, but 'America alone' could backfire. Canada is already threatening to cut electricity exports to the US, something that could hurt American consumers.

And recession risks are rising. Prediction market Kalshi now pegs US recession odds at 40% this year. Meanwhile, expectations for multiple rate cuts in 2025 have shot up — exactly what Trump is aiming for.

But Trump's supporters argue that this is just a strategic short-term pain for long-term gains. Lower interest rates and stronger business investment could help 'Main Street' over Wall Street.

But what about everyday Americans?

A crashing stock market can ruin their retirement savings and wealth. And timing is everything. Restructuring an economy isn't instant. It's messy, political and can take years. Businesses and consumers plan for the long term. And if this transition drags on, the pain might last longer than Trump anticipates.

For example, Pittsburgh aluminium major Alcoa's CEO William Oplinger warns that aluminium production decisions span 20 to 40 years. But if tariffs keep shifting, businesses may hesitate to invest in the US.

And it's not just the critics arguing. Even Federal Reserve Chair Jerome Powell is cautious, saying: "The costs of being cautious are very, very low. The economy's fine. It doesn't need us to do anything, really. And so, we can wait, and we should wait."

But patience isn't Trump's style. For him, immediate action and disruption are essential and that's how he's shaking the markets now.

Will this gamble pay off or backfire?

The answer in the end is that both sides (the supporters and critics) will face the same reality. It's just that not everyone sees it yet. But when the full impact kicks in, one group is bound to be upset and furious about it.

Maybe the signs will start showing in the next few days as interest rates shift. And with the upcoming US monetary policy decision, all eyes will be on what happens next.

By Lakshi Rajesh Solanki



Update for the day #2437 | Humanoids: The Next Frontier in Robotics

Humanoid robots—machines designed to resemble and mimic human movements—are gaining significant attention globally. Their human-like structure allows them to operate seamlessly in environments built for humans, eliminating the need to redesign existing infrastructures.

Creating such robots is a complex endeavor, requiring three critical components:

Artificial Intelligence (AI): This serves as the 'brain' of the robot, encompassing AI models, simulation software, and vision systems.

Hardware: The 'body' includes sensors, lithium-ion batteries, and actuators, sourced from companies like Siemens, Sony, and Foxconn.

Integration: Companies such as Tesla, BYD, ABB, and Unitech play a pivotal role in assembling these components into functional humanoid robots.

The push towards humanoid robotics is intensifying, with 2025 poised to be a landmark year for mass production. Tesla's Optimus robot, capable of unaided walking and performing tasks like folding laundry, is expected to be priced under \$20,000. Automotive giants like BMW and Hyundai are already integrating humanoids into their assembly lines.

China is making substantial investments in this sector, viewing humanoids as a means to sustain its manufacturing dominance amid demographic challenges and global trade tensions. The Chinese government has allocated billions in research and subsidies, marking this as a significant industrial revolution.

The potential applications of humanoid robots are vast, ranging from factory work to household chores. Goldman Sachs estimates the humanoid robot market could reach \$38 billion by 2035, with projections from Morgan Stanley and Citi Group suggesting even higher valuations if adoption mirrors that of electric vehicles.

Several factors are contributing to the viability of humanoid robots:

Labor Shortages: Countries like Japan, South Korea, the US, and parts of Europe are experiencing aging populations and a decline in individuals willing to undertake low-wage, high-risk jobs.

Decreasing Costs: The price of humanoid robots has dropped from over \$100,000 to approximately \$35,000, with expectations of further reductions to around \$13,000.

Economic Efficiency: In sectors with high employee turnover or repetitive tasks, humanoid robots are becoming cost-competitive with human labor.

Government Support: China's investment in humanoid robotics has surged, with procurement budgets increasing from 4.7 million yuan in 2023 to 214 million yuan in 2024—a 45-fold rise.

Despite these advancements, India has yet to fully engage in the humanoid robotics arena. The development and mass production of humanoids requires not only AI expertise but also robust hardware capabilities, logistics, capital, and intricate supply chains. India's current focus on software development and service-oriented industries may limit its immediate participation in this hardware-intensive field.

As the global landscape shifts towards increased automation and robotics, India's strategic decisions in this domain will be crucial in determining its future role in the evolving industrial ecosystem.

By Ananya Sudarshan



Update for the day #2438 | Emotional Intelligence - Skill of Future

In today's fast-paced and collaborative work culture, Emotional Intelligence (EQ) is emerging as a key differentiator—not just for leaders, but for every professional across roles and levels.

What is EQ?

EQ is the ability to understand and manage your own emotions—while also recognizing, interpreting, and responding to the emotions of others. Unlike IQ, which is fixed, EQ can be developed and strengthened over time. According to psychologist Daniel Goleman, EQ consists of five core components:

1. Self-awareness— Knowing your strengths, limitations, and emotional triggers
2. Self-regulation – Managing stress and emotional reactions effectively
3. Motivation – Staying driven by internal goals rather than external rewards
4. Empathy – Understanding others' perspectives and emotions
5. Social skills – Navigating relationships, communication, and teamwork smoothly

Why it Matters?

- * Enhances collaboration, especially in cross-functional teams
- * Reduces misunderstandings and workplace conflict
- * Builds authentic leadership rooted in trust and understanding
- * Helps manage pressure, stay calm, and make clear-headed decisions
- * Creates a more positive, inclusive, and emotionally safe work environment

In fact, studies show that 90% of top performers possess high EQ, and it often accounts for nearly 60% of job performance.

How to Build EQ?

- * Reflect before reacting—especially in emotionally charged situations
- * Listen to understand, not just to reply
- * Ask for feedback and be open to it
- * Observe body language and tone in conversations
- * Practice empathy by putting yourself in others' shoes.

In a world full of automation and AI, emotional intelligence is what sets us apart. Let's foster a workplace where emotional awareness is valued just as much as technical expertise—because soft skills often lead to strong results.

By Rishika Harlalka



Update for the day #2439 | Understanding PLFS

Imagine writing your grocery list only once a year.

You'd probably run out of tomatoes in March, forget sugar in July and end up hoarding too much rice by December. It's chaotic, unpredictable, and honestly, just not the best way to plan a kitchen. Well, that's kind of how India's old job data system worked — the one known as the Periodic Labour Force Survey or PLFS.

For the uninitiated, PLFS is the main survey that tells us how Indians are working. Whether they're employed, unemployed or actively looking for work. It was launched in 2017 and would show up five times a year: four quarterly reports with data only for urban areas, and one annual report combining both rural and urban data.

But it had some serious flaws.

For starters, it leaned heavily towards cities, leaving rural India, home to nearly 65% of the population, largely in the shadows. No rural data in quarterly reports meant that seasonal employment patterns, underemployment and migration in villages weren't captured well.

Then there was the odd timing. The annual report tracked data from July of one year to June of the next. Not only did this make India's labour data look out of sync with most global datasets, but it also made it tough to make international comparisons or update global databases on time.

And let's talk about size. The earlier survey covered about 7,000 villages and 6,000 urban blocks. That's simply not enough to get a reliable read at the district level, especially in big, diverse states. And all these limitations meant one thing. We didn't have a clear, real-time picture of how rural India was working or not working.

So, in January 2025, the government decided it was time for an upgrade. From April 2025, it rolled out a revamped PLFS.

The idea?

Start capturing monthly employment data across both cities and villages, bring rural areas into the quarterly fold and still retain the annual report for long-term trends.

And they didn't stop there. The sample size got a massive boost, jumping from around 13,000 locations to nearly 22,700. That's a leap from 1 lakh households to 2.72 lakh. In short, the data just got a lot more representative.

They also gave the survey a new structure. Earlier, in cities, selected households were visited four times a year — once every three months. So if you were surveyed in January, you'd see surveyors again in April, July and October. This setup, known as the quarterly rotational panel, ensured that 75% of the households stayed the same between two quarters, giving some sense of continuity. But rural households got just one visit a year. No revisits, no quarterly check-ins, no updates. This meant that rural job patterns stayed fuzzy and anything seasonal slipped through the cracks.

The new design fixes that.

Now, both rural and urban households are surveyed once a month for four months. Every month, 75% of the households remain the same, creating a smoother month-to-month picture. And 50% of them stay the same across quarters too.

It's like switching from an annual grocery list to checking your pantry every week for better planning. You know exactly when things are running low and where to restock.

There's more. They've also added a few thoughtful questions like how much land a household owns or leases, whether there's rental or pension income and what kind of vocational training people have had. It's richer, deeper data that helps fill in the gaps.

But why does all this matter, you ask?

Let's look at April's monthly data that was released a few days ago to understand that.

First up, we have the Labour Force Participation Rate (LFPR) or the share of people who are working or want to work. In a typical week of April 2025, that number stood at 56% for the country overall. If you zoom in, rural areas did slightly better at 58%, while urban areas lagged behind at 51%.

If you split this by gender, the gap becomes clearer. Among men, nearly three out of four were in the labour force. But for women, it was a different story. In villages, just 38% were working, with urban women faring worse.

Next comes the Worker Population Ratio (WPR) or the share of people who are actually working. It stood at 53% overall in April. That's 55% in villages and 47% in urban areas. And when you look at women specifically, the numbers drop even more. Only 37% of rural women and just 24% of urban women were working, which pulls the overall female employment rate down to 33%. Finally, there's the Unemployment Rate (UR) or the percentage of people who were jobless but actively looking for work. In April, that number was 5%. So roughly one in every twenty people looking for a job didn't find one.

But zoom into urban areas and you'll see the real problem. Urban female unemployment was at 9%, while for men it was 6%. This is where monthly PLFS data can make a real difference. Because now, instead of waiting a year to spot trouble, policymakers can respond in real time.

Take urban women's employment, for instance. The data clearly shows that they face higher joblessness and lower participation rates. With fresh insights every month, the government can quickly tweak or launch programmes aimed at them. Be it skill development, entrepreneurship support or even safer public transport options to make commuting to work easier.

They could even revisit old schemes like Mahila Shakti Kendra. For context, it was launched in 2017 to empower women and connect them to welfare services. But the scheme fizzled out because barely anyone knew it existed. A NITI Aayog study even found that only 13% of people surveyed had even heard of it.

Which means that monthly PLFS can help identify where such schemes failed and where they can be revived and how.

The same applies to schemes like STEP (Support to Training and Employment Programme for Women). With monthly data, the government could refocus efforts on urban areas and sectors where women's participation is lowest and track progress almost instantly.

It also shines a light on another pressing concern — youth unemployment. April's data shows that 14% of young people are jobless. For young urban women, that number shoots up to 24%.

That's huge. And it opens the door to targeting programmes like Skill India Mission more effectively. The government can now double down on urban youth training, market-linked courses, apprenticeships and job fairs, which of course it's already doing. Initiatives like the National Apprenticeship Promotion Scheme (NAPS) or PM Kaushal Vikas Yojana (PMKVY) can be tailored to the cities and sectors that need them the most and tracked in record time.

Even MGNREGA could benefit. While rural LFPR and WPR are higher than in urban areas, rural youth unemployment still hovers at 12%. With monthly data, the government could increase workdays during job slumps, add new types of projects or support young people in starting agri-businesses.

Basically, monthly PLFS could be a game changer if used well.

It tells us who needs work, where and when. It allows the government to move from reactive to proactive. And takes the guesswork out of policy and brings in real-time evidence.

The only limitation?

Since the entire method has been revamped, comparing these new monthly numbers with older annual reports isn't a neat apples-to-apples deal. That's something we'll have to live with, for now.

By Srikhar MR



Update for the day #2440 | The Leela Hotels IPO explained

Schloss Bangalore Ltd., the operator of The Leela Palaces, Hotels & Resorts, has launched an IPO aiming to raise ₹3,500 crore. This comprises a fresh issue of ₹2,500 crore and an offer for sale (OFS) of ₹1,000 crore by its promoter, Project Ballet Bangalore Holdings (DIFC) Pvt Ltd, an affiliate of Brookfield Asset Management. The IPO is priced between ₹413 and ₹435 per share, with a minimum lot size of 34 shares, translating to a minimum investment of ₹14,042.

Business Overview

- **Market Position:** The Leela is India's largest pure-play luxury hospitality brand, operating 13 hotels across 11 cities, totaling 3,553 rooms.
- **Owned Hotels:** Five ultra-luxury properties contribute over 90% of FY25 revenue.
- **Managed/Franchised Hotels:** Seven managed and one franchised hotel generate income through management fees and brand licensing.
- **New Ventures:** Branded residences and 'Arq', a members-only luxury club, offer additional revenue through subscriptions and royalties.

Industry Context

India's luxury hotel segment is underpenetrated, with only 29,000 luxury rooms nationwide. The market is projected to grow at a 10% CAGR, outpacing the 6% supply growth. The Leela aims to capitalize on this demand-supply gap.

Financial Highlights

- **Debt Reduction:** The company's debt has decreased by 32% to ₹25.68 billion as of March 2025.
- **Profitability:** The company turned profitable in the last fiscal year, with an 11% increase in revenue.

IPO Timeline

- **Subscription Period:** May 26 to May 28, 2025
- **Allotment Date:** May 29, 2025
- **Listing Date:** June 2, 2025

By Shivani B S



Update for the day #2441 | RBI's risk buffer dilemma

Exactly a year ago, the RBI transferred a record ₹2.1 lakh crore to the government. That money came from the RBI's regular operations — lending to banks, trading government bonds, and seigniorage (the profit from printing money). Before handing any surplus to the government, the RBI sets aside a portion in its Contingency Risk Buffer (CRB) — a safety net for future risks like bad loans, economic shocks, or valuation losses.

Only the remaining surplus is paid to the government as a dividend, which is then used for public spending — just like tax revenue. Currently, there's a bit of a tug-of-war over this dividend. The RBI is reviewing its Economic Capital Framework (ECF) — the formula it uses to decide how much to retain and how much to pass on. It wants to expand the CRB range from the current 5.5–6.5% (recommended by the Bimal Jalan Committee in 2019) to 5.5–7.5%.

A larger buffer means less money for the government — something the Finance Ministry isn't thrilled about. It's reportedly conducting its own review, likely aiming for a higher payout.

Why does this matter?

From the RBI's view, increasing the CRB means preparing for potential risks. It signals caution, especially in a financial environment where unexpected losses (like the IndusInd Bank derivatives issue) could arise. More retained funds = stronger buffers.

From a liquidity perspective, transferring more money to the government could infuse ₹6 lakh crore or more into the system. That's a lot. It may reduce the government's need to borrow, lower bond yields, and support spending. But it could also overheat the economy and stoke inflation — something the RBI would want to avoid.

Meanwhile, bond yields are falling, partly due to expectations of a generous dividend. Inflation is easing, and markets expect rate cuts ahead. That's attracting investors to bonds, pushing prices up and yields down.

Even if the RBI raises the CRB to 7.5%, the government could still receive around ₹2.5 lakh crore. If the CRB stays at current levels, it could go up to ₹3.5 lakh crore — a significant difference. For the government, that extra ₹1 lakh crore is a big deal, especially when defence spending is rising amidst global geopolitical tensions.

The government might argue that the RBI doesn't need to be overly cautious. If the actual risks are modest, why hold on to more funds than necessary? That money could be used more productively — for infrastructure, health, education, or defence.

On the flip side, a smaller dividend could force the government to borrow more. That could tighten liquidity, pressuring banks to lend aggressively to meet credit growth targets — a riskier proposition that could lead to more bad loans.

So, as both sides weigh their priorities, all eyes are on the RBI board's upcoming decision. Whether the buffer grows or stays the same will shape everything from bond yields to government borrowing to market sentiment.

By S Akash Venkataraman



Update for the day #2442 | Trump's \$5 Million 'Gold Card' Visa

In a major policy announcement that has drawn both global attention and domestic debate, U.S. President Donald Trump has proposed a new immigration pathway called the 'gold card' visa. The initiative was introduced on May 21, 2025, during the *Building the Future* event hosted by Axios in Washington, D.C.

Under this new programme, foreign nationals who invest \$5 million in the U.S. will be eligible for permanent residency — similar to what a Green Card offers — and a faster route to U.S. citizenship. The Trump administration is positioning this as an attractive option for wealthy individuals looking to settle in America, while also aiming to raise significant capital to support the national economy.

This visa is expected to replace the long-standing EB-5 Immigrant Investor Programme, which has been in place since 1990. The EB-5 allows foreign investors to apply for a Green Card if they invest between \$800,000 and \$1.05 million in a U.S. business and create at least 10 full-time jobs for American workers. Unlike the EB-5, the proposed gold card visa does not include any job creation requirement.

The shift in policy has led to considerable legal and political discussion. Critics argue that such a major change to immigration policy must go through the U.S. Congress, and cannot be done solely through an executive decision. Since immigration laws in the U.S. are backed by legislation, many believe that the gold card visa, in its current form, could face legal challenges unless it receives formal approval from lawmakers.

Senator Rand Paul, a Republican from Kentucky, expressed concern that the \$5 million price tag could exclude a large group of legitimate investors who currently qualify under the EB-5 rules. "there are a lot of people who come to this country with the EB-5 level that might not come at the \$5 million level."

It's important to note that the EB-5 programme remains in force and cannot be abolished unilaterally by the President. In 2022, President Joe Biden signed the EB-5 Reform and Integrity Act, which extended the programme through 2027 and included protections for those who invest before September 30, 2026. This means that any attempt to end or replace EB-5 would likely require new legislation passed by Congress.

By Narayan Lal V



Update for the day #2443 | The Stock Market Remains Undefeated

Barry Ritholtz, a popular columnist and fund manager, recently dropped a take titled 'The Stock Market Remains Undefeated.' And it opens with one big claim:

There have been many winners and losers over the past few months. Perhaps none have been revealed for having furious, unbridled power more than the U.S. equity markets. ... Bonds might drive the intellectual debate around policy, but it's the equity markets that politicians pay closest attention to...

And he backs this up with three iconic moments when the US equity markets threw a tantrum... and the government caved.

2008. During that October, the US Congress initially said no to the Fed's bailout plans following the Lehman Brothers implosion. The markets collapsed about 13% in a week. Within days, Congress passed the bill, and by November, the markets recovered all those losses.

2020. The pandemic shut the world. US markets plummeted over 30% in just 17 trading days. The US government injected trillions of dollars through the CARES Act (about 10% of US GDP) to support the economy. Markets rebounded about 70% from their March lows and ended 2020 in green, even gaining another 28% in 2021.

2025. Just months back, Trump slapped massive tariffs and markets tanked, while US treasury officials freaked out. And you know what turned up next. Trump pulled back and the markets recovered all losses within five weeks.

So Barry's point is clear. Equity markets don't just reflect policy, system changes, or even the economy. They also shape them.

Now, you might say, 'Sure, that's America. What about India?'

Let's take those same time frames and flip the camera.

In 2008, the Sensex crashed from 21,000 to 8,000 levels in months. Foreign institutional investors (FIIs) pulled out billions. The government scrambled with excise cuts and infrastructure pushes. The Reserve Bank of India (RBI), which had been in a tightening mood, slammed the brakes and slashed rates from 9% to 4.75% within 9 months. SEBI activated circuit breakers to protect investors from panic-driven volatility. The government also rolled out stimulus packages like tax reliefs and infra spending. And within a year, by the end of 2009, the market bounced back nearly 80%.

Then we have 2020. While Trump was debating lockdowns, India was already under one. From March to April 2020, the Sensex dropped about 20%. The response was historic. The government rolled out a ₹20 lakh crore stimulus package, which was 10% of India's GDP at the time. The RBI cut rates to record lows and postponed loan repayments. The Sensex recovered all the losses by November 2020 and went on to see more gains while closing the year.

And lastly, 2025. Not long ago, Indian markets saw a sentiment as well as tariff-driven fall. Valuations were frothy and FIIs pulled out. But this time, there was no massive stimulus or repo rate cut. Still, the system acted to save the markets. SEBI stepped in with tighter surveillance for the F&O markets. FIIs returned once Trump rolled back tariffs, and domestic institutional investors (DIIs) have bought ₹2.3 lakh crore worth of stocks in 2025 so far.

Today, the markets are up about 3% since the start of this year.

So yeah, India's seen its own version of "Mr. Market slaps, the system responds."

Now, of course, there are exceptions to this.

Take the 2018 IL&FS mess. Yes, the government acted, but much later. By then, non-banking financial companies (NBFCs) had already lost a significant chunk of their value and the recovery was slow as well as painful. Or look at 2021–22's tech IPO party. Zomato, Paytm, Nykaa. These stocks popped, then flopped. But no major systemic changes showed up.

But these instances weren't strong enough to bust the broader market trend. However, when lakhs of crores in market capitalisation are on the line, like during Covid, the government races to save the day.

Why?

Because at its core, the market isn't a machine. It's a crowd. It's a story the crowd tells — that the economy will grow, companies will earn more and the future will be better. As long as enough people believe that, the economy grows and the markets rise.

Daniel Kahneman, the Nobel-winning psychologist, didn't call the stock market a story-generation machine, but he may as well have. In *Thinking, Fast and Slow*, he explains how we spin coherent stories from limited facts. That's what markets do. They don't price what's objectively true. They price what people believe.

That's why confidence and perception matter. A mere rumour of a bailout can trigger a rally. And a solid earnings number can tank a stock if the story changes. Markets don't just react to the economy. They front-run it — pricing in what the next year might look like. In short, they're forward-looking, crowd-driven, confidence-sensitive pricing mechanisms.

So, when growth suddenly hits the brakes, markets drop like a rock. And because they're often the first signal of trouble, policymakers look there first when things go south.

Especially in India, where over ₹461 trillion worth of wealth is tied to equities through mutual funds, insurance, retirement schemes, demat accounts and startups — a falling market isn't just a financial event. It's a sentiment crisis. People stop spending, businesses stop expanding and foreign investors stop trusting your story. That's why governments scramble to patch the wound.

In that sense, the market isn't just an outcome of the economy. It shapes it. When markets rise, people take risks. They spend. They invest. They hire. That belief becomes reality.

So no, markets don't always go up. But belief? That's a hard thing to bet against.

And when you're betting against the crowd's wisdom, someone usually steps in — the RBI, the finance ministry, the system. Liquidity returns. Confidence rebuilds. And slowly, like clockwork, the market grinds higher. Not because it's magical. But because economies grow, profits expand, companies keep building and human nature leans toward hope.

Now, this doesn't mean the market is one big monolith.

There's a world of difference between what happens to the index and what happens to your portfolio. When the market crashes, large-caps bleed. But mid- and small-caps? They get hit the hardest. The Sensex fell about 60% in 2008 and 40% in 2020. But small-caps dropped even more.

And timing matters too. Say you started investing in 2005 when the Sensex was around 6,000 — and just held through all the chaos. Today, you'd be up 14x. That's a neat 14% CAGR. But what if you sold before the crash, at the top in December 2007 when Sensex sat at 20,000 levels, and bought back at the bottom of 9,000 levels in December 2008? Your 14x return would've turned into over 30x. Add one more move — sell in December 2019 at 41,000 levels, buy in March 2020 post-Covid at 26,000 levels, and that's over a 50x return!

Same market. Different timing. Different outcomes.

So yeah, buy-and-hold works. But smart rebalancing, risk management and avoiding frothy stocks? That's what better returns are about. If you only track the broader market and think you're safe, you might be in for a surprise. Because while the index eventually recovers, not every stock joins the ride.

But however, you slice it, Barry's right. As he puts it... Hell hath no fury like a market surprised. In simpler terms — when things don't go as expected, the market sentiment turns fast. Brutally fast. And if you've tracked Indian equities long enough, you've seen that storm up close.

By Sudarshan Shanbhag



Update for the day #2444 | The curious case of Indian prediction markets

In 2024, Kalshi, a New York based prediction market, dragged the US commodities regulator, the CFTC (Commodities Futures Trading Commission), to court.

The reason?

The CFTC had blocked Kalshi from letting people bet on who would control the US Congress — Democrats or Republicans.

Now, if you're wondering what prediction markets even are, think of them as online platforms where people try to guess the outcome of real-world events. It's often called opinion trading but also goes by names like binary options or poly markets. And these platforms cover pretty much everything under the sun — the winner of a cricket match, the number of runs in the first 5 overs, stock market moves, election results or even the weather. You pick a side, stake your money, and wait to see if your prediction comes true.

Let's say there's a cricket match between Team A and Team B. You believe Team A will score at least 50 runs in the first five overs. You place a 'yes' bet. Someone else, who doesn't agree, places a 'no' bet. You then choose how much you're willing to pay for that position. Maybe ₹9 and decide how many you want to buy. So if you buy 10 of them, that's ₹90 at stake.

Also, it's a peer-to-peer game, which means that for every 'yes', there has to be a 'no' from another user. The platform just connects the two sides and takes a small cut from the winnings. Now, coming back to Kalshi's case, things took an interesting turn. The CFTC actually lost the legal battle, and Kalshi won the right to allow political betting on its platform. The regulator did file an appeal soon after, hoping to reverse the outcome. But then, in a surprising move, it withdrew the appeal altogether after reaching some sort of agreement with Kalshi.

That's how it is in the US, where regulators are at least stepping in and taking a clear stance. In India, though, things are a little fuzzier. Prediction markets sit in a legal grey zone, with no official rulebook or dedicated regulator. In fact, SEBI (Securities and Exchange Board of India), which oversees the stock markets, has already washed its hands of it. Since these trades don't involve traditional securities, SEBI says it's not in their court.

So the platforms mostly regulate themselves. And you can imagine that leads to inconsistency, and often, misleading advertisements. That's why the Advertising Standards Council of India (ASCI) has now stepped in, calling for some much-needed clarity on how these platforms should be regulated. And it's not hard to see why. Nearly 5 crore Indians are using these platforms today. That's about a quarter of all demat account holders in the country. With numbers like that, it's clear that this isn't just some niche internet fad anymore. It's big. So, the real question is, how is something this popular still flying under the regulatory radar?

Well, at the heart of the issue is how to classify these platforms. Are they financial instruments, or are they just gaming apps based on skill or chance? That's the grey area. Some opinion trading platforms try to look and feel like investment platforms. They throw around words like profits, stop-loss and trading — jargon you'd usually associate with the stock market. Some even mimic complex financial instruments like Contracts for Difference (CFDs).

For context, a CFD is where a buyer pays the seller the difference between the current value of an asset and its earlier value. Basically, a bet on price movement. In a similar way, users on these platforms take a position on whether an event will happen or not. And if they're right, they win money. If not, they lose. The payout structure feels eerily similar to a CFD. All this can make it seem like you're trading in a regulated financial product. And naturally, many users assume that SEBI is keeping an eye on things.

So, if they're not financial instruments, the only other bucket they could fall into is games of skill or chance. But that opens a whole new can of worms. Under Indian law, games of chance are generally considered gambling, which is either heavily restricted or outright banned in many states. But games of skill are allowed and recognised as legitimate business activities by the courts. But then, to dodge gambling restrictions, many of these platforms simply call themselves skill-based games. But here's the catch. There's no official legal stamp on that claim. It's just self-declared and legally fragile. Sure, Indian courts have previously struck down blanket bans on online gaming, especially when the difference between skill and chance wasn't made clear. But when it comes to prediction markets specifically, there's still no clear legal precedent.

That's why, despite operating in a legal grey area, these platforms continue to thrive on VC money and crores in trading volumes — without you, the consumer, having any real recourse if something goes wrong. So, how can Indian regulators clean up this mess, you ask? Well, one place to start is by looking at how other countries are dealing with opinion trading platforms. In the US, for instance, the Securities and Exchange Commission (SEC) calls this kind of activity binary options trading. That's just a fancy way of saying you place a bet on a simple yes/no outcome. Like whether the price of something will go up or down. If your prediction is right, you win a fixed payout. If not, you get nothing. There's no buying or selling of any actual asset involved.

The European Union (EU) takes a similar view, classifying it as a financial product. But the UK sees it differently. There, the Gambling Commission treats opinion trading as just another form of betting. There are different regulatory approaches across the world too. In the UK, there are two main regulators. The Gambling Commission handles all kinds of betting, whether it's sports, politics, or even whether something is true or false. Then there's the Financial Conduct Authority (FCA), which oversees spread betting — a financial product that lets you bet on how an asset's price will move.

But in 2019, the FCA banned binary options because they felt it was too risky, prone to fraud, and basically gambling dressed up as finance. They also said these short-term bets were addictive and didn't protect consumers well.

In the US, as you might've guessed, it's the CFTC that deals with prediction markets. But platforms need to be registered to operate legally. And as for spread betting, that's outright illegal in the US. Meanwhile, in the EU, the European Securities and Markets Authority (ESMA) isn't a fan of binary options either. Back in 2018, it banned them for retail investors and even made it mandatory for platforms to slap risk warnings on other complex financial products like CFDs.

So yeah, if we're looking for an Indian equivalent of all these regulators, it's probably SEBI. Sooner or later, courts will need to step in and decide how opinion markets should be classified. And if they're labelled as financial instruments, then SEBI will have to figure out how to regulate them. If not, the ball will land in the Ministry of Electronics and Information Technology (MeitY)'s court, since it now oversees online gaming in India.

By Nayana H G



Update for the day #2445 | A real estate boom fueled by a bus network in the sky?

If you live near a dusty old airstrip that hasn't seen a plane in years, there's some compelling reason not to move. That strip might soon be more valuable than a flat in a nearby metro city. Because Tier-2 and Tier-3 skies are about to get crowded. And no, not with giant jets, but with smaller regional aircrafts. The kind that seat 20–30 people, land on shorter runways, and could turn forgotten towns into buzzing economic zones. Aviation folks are calling it the next connectivity revolution; investors and speculators, meanwhile, say it could spur a real estate boom. So let's understand this better.

India has 450-odd airstrips but only 157 are operational. The rest are scattered across the country like post-independence relics. And that means that over 60-70% of the country's aviation infrastructure is never utilised. But these strips are suddenly back in the spotlight as the government wants more people flying.

To fix this, the government even rolled out UDAN (Ude Desh Ka Aam Naagrik) in 2016. The idea was simple: revive sleepy airstrips, get private airlines to fly short regional routes, and cap ticket prices at ₹2,500 for an hour-long journey so the average Indian could afford to fly. It was bold, ambitious, and briefly effective. The government subsidised routes. Taxes on aviation fuel were slashed. Airlines started testing new circuits like Hubli to Kochi or Jamshedpur to Bhubaneswar. Still, a scheme only goes so far. 114 UDAN routes have since shut down. Airlines found it hard to fill flights and aircrafts flew half-empty. And when subsidies for carriers ended, so did many routes. The viability gap was just too big and the economics rarely worked out. Perhaps the missing spark was private ambition. And that's where both legacy players and startups are trying to capture a pie of the industry.

Take LAT Aerospace, for instance. The new venture, backed by Zomato's Deepinder Goyal, doesn't want to be an airline in the traditional sense. It wants to build a “bus network in the sky.” Walk in, fly out with small planes, small airports, short travels. A solution to the simple problem: “Why is regional air travel expensive, infrequent, and out of reach unless you live in a metro?” Sure, the idea isn't new but Goyal might just have the tech DNA, capital, and risk appetite to finally make it work. And LAT's not alone. Other regional operators are now expanding and some logistics players are quietly eyeing the same air routes. All of which could have a few major consequences. The moment you connect small towns with predictable, high-frequency air routes, their economics change. A 9-hour road trip becomes a 1-hour hop. And where connectivity improves, land values usually follow.

Look at Navi Mumbai. Property rates near the upcoming airport have doubled in the last five years. And that's the case with Bengaluru, Hyderabad, Greater Noida too. Now imagine this playing out across 100+ smaller towns. One day they're struggling with train delays, the next they're linked to a business hub by air. And with that link comes the real estate flywheel, from warehouses, hotels, rental demand to better municipal services, and eventually... gentrification. This isn't just about moving people too. What people aren't talking enough about is how small aircraft might become the back-end rails for India's next big logistics evolution.

Remember how quick commerce players created dark stores in every corner of the city to enable 10-minute delivery? The same could happen with air. Most logistics heavy companies are already planning for this air hub and spoke model. Only instead of 2 km delivery zones, we're talking 200 km cargo exchanges. Amazon India already runs its own air cargo operation with leased Boeing 737s. But that's just between metros. With smaller aircraft and compact "air depots," even Tier-3 cities could get next-day logistics.

But here's the first big contradiction.

Regional aircraft are notoriously tricky to operate. Fuel is one of the biggest costs (30-40%), and it's fixed across aircraft types. Whether you're flying 15 passengers or 180, the cost, on a per kilo litre basis, remains the same. That means smaller planes end up with higher per-passenger costs. And since regional operators want to keep fares affordable to serve their target audience, they have to maintain consistent high passenger load factors just to stay afloat. Unless you're flying full almost all the time, or heavily subsidised, the maths doesn't quite add up. Then there's the pilot shortage.

India had around 11,700 active pilots in 2024. But we need closer to 20,000. And while the country issued 5,700 CPLs (commercial pilot licenses) in the past five years, only 2,900 commanders or captains (who have full responsibility of the aircraft) were trained in the same period. Which means we now rely heavily on foreign pilots by issuing Foreign Aircrew Temporary Authorization (FATA) licenses just to bridge the gap. And small aircrafts need more skilled pilots since you're landing on shorter runways, in less-controlled airspace, with minimal backup infrastructure. And lastly, there's also a capability crunch.

Aviation regulators aren't known for agility. LAT's own launch is being closely watched because it may not just be a regional airline operator but also a manufacturer. And if it plans to build planes as well as fly them, timelines could stretch into years. Just ask National Aeronautics (NAL), which spent years trying to get Saras, its indigenous 14-seater aircraft, off the ground.

Add to that the fact that building micro-airports isn't easy. Even a no-frills airstrip needs land, safety approvals, air traffic coordination, fuel stations, fire services, and security protocols. Most regional airports don't meet minimum safety norms. That's a regulatory headache nobody wants to talk about. So yeah, while the idea of regional air travel sure sounds like a breakthrough, it'll need serious muscle across policy, capital, regulation, and execution.

Yet this feels different from previous waves of aviation optimism as there's a broader ecosystem taking shape. It's startups, investors, listed companies and even real estate developers who've started advertising proximity to "proposed airstrips" in Tier-2 towns. The moment one player proves the model, others will pile in. Just like budget airlines took over the skies after a few cracked the unit economics.

Sure, not every small town will become an aviation node, and not every airstrip revival will lead to a land price rally. But the larger narrative around this is that India is keen as well as moving from highways and metros to air access as infrastructure. And that might very well change where people build.

So, if you spot a group of surveyors pacing around your town's abandoned lands, don't be surprised. They might be measuring the future.

By Neethu R



Update for the day #2446 | Why equity markets bounce back...almost every time

Barry Ritholtz, a popular columnist and fund manager, recently dropped a take titled 'The Stock Market Remains Undefeated.' And it opens with one big claim:

There have been many winners and losers over the past few months. Perhaps none have been revealed for having furious, unbridled power more than the U.S. equity markets. ... Bonds might drive the intellectual debate around policy, but it's the equity markets that politicians pay closest attention to...

And he backs this up with three iconic moments when the US equity markets threw a tantrum... and the government caved.

2008. During that October, the US Congress initially said no to the Fed's bailout plans following the Lehman Brothers implosion. The markets collapsed about 13% in a week. Within days, Congress passed the bill, and by November, the markets recovered all those losses.

2020. The pandemic shut the world. US markets plummeted over 30% in just 17 trading days. The US government injected trillions of dollars through the CARES Act (about 10% of US GDP) to support the economy. Markets rebounded about 70% from their March lows and ended 2020 in green, even gaining another 28% in 2021.

2025. Just months back, Trump slapped massive tariffs and markets tanked, while US treasury officials freaked out. And you know what turned up next. Trump pulled back and the markets recovered all losses within five weeks.

So, Barry's point is clear. Equity markets don't just reflect policy, system changes, or even the economy. They also shape them.

Now, you might say, 'Sure, that's America. What about India?'

Let's take those same time frames and flip the camera.

In 2008, the Sensex crashed from 21,000 to 8,000 levels in months. Foreign institutional investors (FIIs) pulled out billions. The government scrambled with excise cuts and infrastructure pushes. The Reserve Bank of India (RBI), which had been in a tightening mood, slammed the brakes and slashed rates from 9% to 4.75% within 9 months. SEBI activated circuit breakers to protect investors from panic-driven volatility. The government also rolled out stimulus packages like tax reliefs and infra spending. And within a year, by the end of 2009, the market bounced back nearly 80%.

Then we have 2020. While Trump was debating lockdowns, India was already under one. From March to April 2020, the Sensex dropped about 20%. The response was historic. The government rolled out a ₹20 lakh crore stimulus package, which was 10% of India's GDP at the time. The RBI cut rates to record lows and postponed loan repayments. The Sensex recovered all the losses by November 2020 and went on to see more gains while closing the year.

And lastly, 2025. Not long ago, Indian markets saw a sentiment as well as tariff-driven fall. Valuations were frothy and FIIs pulled out. But this time, there was no massive stimulus or repo rate cut. Still, the system acted to save the markets. SEBI stepped in with tighter surveillance for the F&O markets. FIIs returned once Trump rolled back tariffs, and domestic institutional investors (DIIs) have bought ₹2.3 lakh crore worth of stocks in 2025 so far. Today, the markets are up about 3% since the start of this year.

So yeah, India's seen its own version of "Mr. Market slaps, the system responds."

Now, of course, there are exceptions to this.

Take the 2018 IL&FS mess. Yes, the government acted, but much later. By then, non-banking financial companies (NBFCs) had already lost a significant chunk of their value and the recovery was slow as well as painful. Or look at 2021–22's tech IPO party. Zomato, Paytm, Nykaa. These stocks popped, then flopped. But no major systemic changes showed up.

But these instances weren't strong enough to bust the broader market trend. However, when lakhs of crores in market capitalisation are on the line, like during Covid, the government races to save the day.

Why?

Because at its core, the market isn't a machine. It's a crowd. It's a story the crowd tells — that the economy will grow, companies will earn more and the future will be better. As long as enough people believe that, the economy grows and the markets rise.

Daniel Kahneman, the Nobel-winning psychologist, didn't call the stock market a story-generation machine, but he may as well have. In *Thinking, Fast and Slow*, he explains how we spin coherent stories from limited facts. That's what markets do. They don't price what's objectively true. They price what people believe.

That's why confidence and perception matter. A mere rumour of a bailout can trigger a rally. And a solid earnings number can tank a stock if the story changes. Markets don't just react to the economy. They front-run it — pricing in what the next year might look like. In short, they're forward-looking, crowd-driven, confidence-sensitive pricing mechanisms.

So, when growth suddenly hits the brakes, markets drop like a rock. And because they're often the first signal of trouble, policymakers look there first when things go south.

Especially in India, where over ₹461 trillion worth of wealth is tied to equities through mutual funds, insurance, retirement schemes, demat accounts and startups — a falling market isn't just a financial event. It's a sentiment crisis. People stop spending, businesses stop expanding and foreign investors stop trusting your story. That's why governments scramble to patch the wound.

In that sense, the market isn't just an outcome of the economy. It shapes it. When markets rise, people take risks. They spend. They invest. They hire. That belief becomes reality.

So no, markets don't always go up. But belief? That's a hard thing to bet against.

And when you're betting against the crowd's wisdom, someone usually steps in — the RBI, the finance ministry, the system. Liquidity returns. Confidence rebuilds. And slowly, like clockwork, the market grinds higher. Not because it's magical. But because economies grow, profits expand, companies keep building and human nature leans toward hope.

Now, this doesn't mean the market is one big monolith.

There's a world of difference between what happens to the index and what happens to your portfolio. When the market crashes, large-caps bleed. But mid- and small-caps? They get hit the hardest. The Sensex fell about 60% in 2008 and 40% in 2020. But small-caps dropped even more.

And timing matters too. Say you started investing in 2005 when the Sensex was around 6,000 — and just held through all the chaos. Today, you'd be up 14x. That's a neat 14% CAGR. But what if you sold before the crash, at the top in December 2007 when Sensex sat at 20,000 levels, and bought back at the bottom of 9,000 levels in December 2008? Your 14x return would've turned into over 30x. Add one more move — sell in December 2019 at 41,000 levels, buy in March 2020 post-Covid at 26,000 levels, and that's over a 50x return! Same market. Different timing. Different outcomes.

So yeah, buy-and-hold works. But smart rebalancing, risk management and avoiding frothy stocks? That's what better returns are about. If you only track the broader market and think you're safe, you might be in for a surprise. Because while the index eventually recovers, not every stock joins the ride.

But however, you slice it, Barry's right.

As he puts it... Hell hath no fury like a market surprised.

In simpler terms — when things don't go as expected, the market sentiment turns fast. Brutally fast.

And if you've tracked Indian equities long enough, you've seen that storm up close.

By Yogesh K Bagrecha



Update for the day #2447 | The Importance of Financial Literacy for Young Adults

In today's fast-paced and financially complex world, **financial literacy is more essential than ever** — especially for young adults who are beginning to make their own money decisions. Understanding how to budget, save, invest, and manage debt lays the foundation for long-term financial stability and success. With rising costs of living, increasing student debt, and a rapidly evolving financial landscape, it is no longer optional for young people to remain uninformed about money matters.

Many young adults enter adulthood with limited knowledge about personal finance. Despite years of schooling, few are taught about interest rates, credit scores, taxes, or retirement planning. Without a solid foundation in financial literacy, it becomes difficult to make confident and responsible financial decisions.

Learning financial literacy early can empower young people to take control of their financial future. It helps them make informed choices about student loans, credit card use, rent, and even job offers. More importantly, it instills habits like saving regularly, tracking expenses, living within one's means, and avoiding unnecessary debt. Financial education also teaches goal-setting, delayed gratification, and the discipline required for long-term planning.

Financially literate individuals are better equipped to handle unexpected expenses, plan for major life events like buying a home or starting a family, and build wealth over time through smart investing. Additionally, understanding concepts like compound interest and asset diversification can help young adults grow their savings and achieve financial independence earlier in life.

In an era where digital transactions, online banking, and crypto assets are becoming the norm, financial literacy also includes understanding digital financial tools, managing online accounts, and staying safe from cyber fraud. It extends to recognizing the importance of cybersecurity, data protection, and identifying legitimate versus fraudulent online financial platforms.

Ultimately, financial literacy isn't just about money; it's about **freedom, confidence, and peace of mind**. It enables individuals to live within their means, pursue their passions, and avoid the stress that financial uncertainty can bring. The sooner young adults master these essential skills, the better prepared they'll be to navigate life's financial challenges and seize its opportunities. A financially literate generation is not only empowered individually but also contributes to a more resilient and economically secure society.

By Deekshitha P B



Update for the day #2448 | The Reality of Government Jobs in India

Government jobs in India have long been esteemed for their stability, prestige, and perceived job security. This allure has led to intense competition, with millions vying for limited positions. For instance, in 2023, approximately 2.6 million individuals applied for about 7,500 government positions, highlighting the immense demand.

A significant factor driving this obsession is the promise of job security and associated benefits. Government roles are traditionally viewed as stable, offering protection from layoffs and unexpected downsizing.

Indeed Additionally, societal perceptions play a role; holding a government position often elevates one's social standing and can influence personal milestones, such as marriage prospects.

However, several myths surround government employment. Contrary to popular belief, these jobs can be demanding, with workloads comparable to the private sector. Promotions are often performance-based, and the introduction of technology necessitates continuous skill development. Furthermore, the notion of absolute job security is diminishing, with many positions now being contractual.

The intense competition has led to highly educated individuals applying for low-paying government roles. For example, in Haryana, nearly 40,000 graduates and over 6,000 postgraduates applied for sweeper positions offering a modest salary. This trend underscores the employment challenges in India, where the private sector often fails to provide sufficient opportunities, making government jobs a sought-after alternative.

However, the landscape is shifting. The number of government positions is shrinking, with nearly 6 million vacancies remaining unfilled across various sectors. This reduction disproportionately affects marginalized communities, such as Scheduled Castes and Scheduled Tribes, who face discrimination in the private sector.

In conclusion, while government jobs in India offer certain advantages, it's crucial to approach them with a realistic perspective. The evolving nature of these roles, coupled with intense competition and changing employment policies, necessitates that aspirants remain adaptable and open to diverse career paths.

By Shankar B S



Update for the day #2449 | Why Cartoon Network nearly shut down and how it's now trying to stage a comeback reimagined for a modern world.

In 2022, Cartoon Network was trending but not for the reasons you'd hope. Rumours swirled that the beloved channel was shutting down for good. The buzz got loud enough for the studio to step in and clarify things...

But skip ahead two years to 2024, and something big did happen. Cartoon Network Studio and its website was folded into the larger Warner Bros. Animation studio. And everything started redirecting to Warner Bros. Discovery's shiny streaming platform: Max. The studio's iconic Burbank headquarters was shut down and dozens of staffers were let go. Yet, here we are, just a year later, with Cartoon Network again hinting at a major revival.

So, what on earth is going on here? Will our favourite childhood channel finally get saved, or is this just another false alarm? Let's take it from the top.

Cartoon Network (CN) was born decades ago on a high. In 1991, the then media mogul Ted Turner made a curious gamble. He acquired Hanna-Barbera's massive cartoon library and turned it into a 24-hour channel. Initially, the channel played classics like Scooby-Doo and The Flintstones on loop. Nostalgia was its main attraction. But by the late 90s, the studio began creating its own magic with shows like Dexter's Laboratory, Johnny Bravo, Ed, Edd n Eddy, Courage the Cowardly Dog, and of course, The Powerpuff Girls. Meanwhile, the corporate world was watching. And the first to spot this was Warner Bros. In 1996, it acquired CN as part of the merger between Turner Broadcasting and Time Warner. And eventually, Time Warner became WarnerMedia, further cementing CN within a giant corporate structure.

The rejig worked. Viewers started watching in droves and merch flew off shelves. By 2015, Powerpuff Girls had exploded into a \$2.5 billion brand, spinning off toys, movies, and video games. And CN had cracked the magic formula: original creativity + global intellectual property (IP) = long-term profitability. So, it went on applying the same strategy to other cartoons like Ben 10. It launched Adult Swim for late-night edgy content and even Cartoonito and ACME Night for younger and family audiences. Basically, it was now a network that always had something cooking. But then, trouble began brewing. In 2018 the entire cable industry was going through a restructure, and that's when telecom giant AT&T bought WarnerMedia for a massive \$85 billion. The deal came with a mountain of debt plus a lot of backlash about how it would hurt competition, consumers and give too much media power to corporate giants. And all of this eventually led AT&T to sell WarnerMedia to Discovery, Inc. in 2022, to form Warner Bros. Discovery.

Now, all these corporate shake-ups had a brutal side-effect on CN. Creativity was the first casualty. As the new CEO David Zaslav took a machete to cover costs, dozens of animated shows were shelved or deleted from streaming entirely. Staffers were laid off en masse. The network's identity was blurred and its content was scattered across streaming platforms. Financially, the picture was grim too. As per estimates, annual ad revenue for CN and Adult Swim nosedived from about \$660 million in 2014 to just \$130 million by 2024. And beyond the corporate drama, there was a larger shift happening: kids were moving on.

They weren't rushing home for 5:30 PM cartoons. Instead, they were scrolling through YouTube Shorts. In fact, about 75% of Indian parents say YouTube is their kids' primary source of animation content. So yeah, the long-form story-driven cartoons, the kind CN built its name on, struggled to retain younger eyeballs against shorter dopamine hits. And every content studio saw this coming. Netflix and Disney quietly began shifting gears. Shorter episodes, quicker pacing, more binge-ability. And as kids migrated to newer platforms, Max — CN's new digital home — began losing its younger audience. So yes. Mergers, ad revenue collapse and a fundamental shift in how kids consume content all collided to knock CN off its pedestal.

Which makes us ask: what does the future hold for CN now?

Well, the animation market itself remains vibrant. Globally, animation is a \$400 billion market today, projected to hit \$600 billion by 2030, driven by short-form content, streaming, and mobile gaming. That's the reason why Netflix and Disney are betting heavily on these trends. So, there's still room for CN to flourish once again. And that's what it is planning for.

Turns out, Warner Bros. Discovery is now positioning Cartoon Network Studios as a digital-first animation house. The comeback plan? Bet big on what's already worked in the past. The studio is planning more adult-focused content with Adult Swim. Rick and Morty, for instance, has returned with its eighth season. They're rebooting classics like The Powerpuff Girls, relaunching The Amazing World of Gumball, introducing new shows like Iyanu, and working on a fresh Looney Tunes movie. And the network is doubling down on nostalgia because those once-cartoon-loving millennials are now parents with disposable income.

Meanwhile, Warner Bros. Discovery continues licensing CN's legacy shows to streaming houses. It has stripped away content from HBO Max to save money by removing 36 titles and shifted them to Discovery+ as well as other platforms like Hulu. This brings in steady cash. And Warner Bros Discovery also took a \$9.1 billion charge for writing down the value of its traditional TV networks, including CN. Which solves two things. It allows it to decouple CN's falling ad revenues from the rest of its business, giving the channel more independence. And ironically, that might just be the freedom CN needs; the same freedom that let it flourish in the first place. Even in India, the animation industry is growing rapidly and CN is going all in. The studio already uses extensive Indian talent. Now it's going further by bringing more local IPs. In 2024, it launched CN Rewind on Prime Video as an added subscription (dubbed and tailored locally). Because the numbers are huge. India's animation and VFX industry is set to grow, OTT platforms are demanding more animated content, and India has become the global outsourcing hub for animation production.

But zoom out and you'll see this isn't just a CN story. It's about how corporate finance, technological change and evolving consumer habits are reshaping the entertainment world. Today's algorithms reward short-term virality over long-term creativity; but iconic franchises like Ben 10 or Pokémon didn't emerge from 15-second clips. They were the result of years of storytelling, world-building, creative investment and risk-taking. Maybe that's the tightrope CN is walking now. How do you keep the magic alive in a world with new screens where audiences rarely sit still for more than a few minutes.

We don't know if it can figure it out. But we do know that imagination rarely dies that easily. As the Vice President of CN Michael Ouweleen recently said... The entire history of cartoons has been marked by almost nonstop technological disruption. Animation is amazing at adapting to a different economic reality or a different consumption habit.

Let's hope that holds true this time too. We have our fingers crossed. Because just knowing that CN's still here, still fighting, feels strangely comforting. And maybe that's why fans still cheer for it.

Because deep down, we're all still waiting for our favourite childhood toons to make a comeback, isn't it?

And until they do, we'd like to say... That's all Folks!

By Siddarth Sunil



Update for the day #2450 | Is ANI a bully?

We've probably already come across Mohak Mangal's viral video by now. The one where he claims that ANI (Asian News International), one of India's leading news agencies, is basically extorting YouTubers like him, demanding lakhs of rupees to remove copyright strikes on their videos. But in case you haven't seen it, here's a quick recap. A few days ago, Mangal dropped a video explaining how his YouTube channel got slapped with a copyright strike on 20th May.

Now if you're unfamiliar with how YouTube works, a copyright strike is what happens when someone claims you've used their content — video, audio or otherwise, without permission. If you rack up three of these within 90 days, YouTube can delete your entire channel. Poof! Gone.

And that's the situation Mangal found himself in. He already had two strikes. One more, and his channel could be history. So naturally, his team reached out to ANI to understand what was going on. ANI allegedly responded by asking them to cough up ₹48 lakhs if they wanted the strikes removed. Why? Because he'd used a few seconds of ANI's video footage in his content. Mangal calls this 'extortion'. He says that even the ICC (International Cricket Council), another big copyright holder, hasn't gone that far. Sure, they've issued strikes in the past too. But usually, the video gets taken down or demonetized. That's it.

No massive demands for payment. But here, ANI's asking creators to shell out anywhere between ₹18 lakhs to ₹50 lakhs. And it's not just Mangal. Several other creators have shared similar experiences, calling this a money-making scheme disguised as copyright enforcement. So, what's really going on here? To figure out whether there's any substance to these claims, let's try something different this time. Instead of diving straight into the usual mechanics, we'll walk through a bunch of questions that have taken over the conversation lately and try to answer them as best as we can.

Can ANI really do this?

Well, the short answer is yes. But to understand why, you need to look at two things. First, how ANI's business model works and second, what India's copyright laws actually say.

Let's start with ANI. It's not just a news outlet. It's a news wire service. Think of it like Reuters (which owns a minority stake in ANI) or PTI. ANI gathers news — both articles and video footage, and sells it to other media houses. You've probably seen the same ANI-sourced news published across multiple sites, word for word, just with a different headline. But this content doesn't come cheap. A 2018 article by The Ken suggested that ANI's monthly subscription could go up to ₹6 lakhs, with an added 50% charge for digital rights.

So naturally, if someone uses ANI's video footage without paying, ANI will consider it a serious breach of their business. Legally speaking, they're within their rights. Under India's Copyright Act, ANI, as the copyright holder, gets to decide how its content is used and monetised. And there's no rule that says they have to be "reasonable" about how much they charge. If they think their content is worth ₹48 lakhs, that's their call.

What about the 'Fair Use' that Mangal mentions in his video?

Mangal argues that he used just a few seconds of footage, as part of a larger educational and informational video. Something that should fall under fair use. And to be fair, that's not a wild claim. In India, this idea is called fair dealing. It allows limited use of copyrighted content without permission for specific purposes.

Things like criticism, review, education, research and reporting. So, if a journalist, educator or creator uses a small clip to make a larger point, it might count as fair use. But here's the problem.

It's a grey area... There's no strict rulebook that defines what's fair and what's not. It's often left to the courts to decide on a case-by-case basis. And in the absence of clear laws, things get murky. Let us take the *Ashdown vs. Telegraph Group* case for example. The court came up with a three point test to figure out fair use:

1. Is the use in commercial competition with the original?
2. Has the original been made public?
3. How much has been copied?

Then there's the *NDTV vs. ICC* case, which gave us a different test, this time for sports content. It said that the reporting must focus on the results of the event, not just commentary and that the content used must be directly related to the event.

Now apply either of these to Mangal's case, and you see the dilemma. He's not exactly competing with ANI, but he is monetising his videos on YouTube. And while his use of clips may serve an educational purpose, is that enough to protect him? That's actually hard to say. And in India, without clearer laws, it really comes down to how the judge sees it.

In fact, we've already seen chaos from this ambiguity. Just last year, several YouTubers like Ravish Kumar and Dastak Live News were hit with copyright strikes from Ziiki Media, a music rights company, over public domain clips. The next thing we saw was that videos were pulled down, channels demonetized, and again, the debate boiled down to what counts as fair use.

Also, a great perspective in an article by Exchange4Media says, "Failing to consider fair use and using copyright coercively is an abuse of legal tools." So yeah, India's copyright framework might need a serious upgrade. Especially now, when digital content is booming, and the creator economy is expected to hit ₹10 lakh crores in revenue by 2030.

By Shreya V Bhat



Update for the day # 2451 | Adani & Birla Betting on Wires and Cables – A Sector on the Rise

It's not every day that you see two of India's largest business groups — Adani and Aditya Birla — eyeing the same opportunity. And yet, both are entering the Indian wires and cables market.

Now you may ask – what's exciting about wires?

Well, it turns out there's quite a bit. The Indian wires and cables market, which was worth \$8.7 billion in 2023, is expected to nearly double to \$17 billion by 2032. And that's thanks to the electrification of just about everything — homes, factories, data centres, EVs, solar farms, you name it. In fact, wires and cables make up nearly 40% of India's electrical industry.

So, let's look at each of the big entries.

Let's start with the Aditya Birla Group. Last month, it invested ₹1,800 crore to set up a new cables and wires manufacturing plant in Gujarat — all under its flagship company, UltraTech Cement. But... what's a cement company doing in the cable business?

Well, the group has been building a construction ecosystem. It has the flagship UltraTech cement company along with paints (Birla Opus) and now wires and cables. And to tie it all together it has launched Birla Pivot, a B2B e-commerce platform for building materials, which crossed ₹1,000 crore revenue in FY24.

The idea is to become a one-stop shop for all construction materials. So, if you're a builder, instead of calling ten vendors, you just call one group offering various materials. It's vertical integration 101, control more of the value chain, reduce costs, and improve margins.

Let's now also look at the Adani Group. The group has also launched a new company in the wires and cables space called Praneetha Ecocables Ltd. This is a 50:50 joint venture with its subsidiary Kutch Copper Ltd, which is currently setting up India's largest greenfield copper refinery in Gujarat.

And this is important because copper is the lifeblood of cables. By producing it inhouse, the group can get better pricing and reliable supply, and a better presence in the value chain like Birla. It already owns Ambuja Cement and ACC (two of India's biggest cement firms), and has skin in the game across power, renewables, ports, and infra – all the sectors where wires and cables are essential.

So, both Adani and Birla are not just entering wires and cables. They're integrating it into their larger infra playbooks. It's scaling with synergies. And that brings us to the question - What does this mean for existing players in this industry?

Well, key companies in this space – Polycab India, KEI Industries, Finolex Cables, Havells India – have had a dream run over the past few years with rising sales. Investors who spotted them early made a killing. But with the giants entering, the market looks spooked and stock prices have taken a hit.

And the concern isn't misplaced. After all, big groups come with deep pockets. They can price aggressively, spend on R&D, build scale, buy out smaller rivals. That's already nudging the market toward formalization. The organized sector's share has gone from 66% in FY 2018 to 68% in FY 2019 to over 74% in FY24 — and is expected to hit 80% by FY 2027.

So there's opportunity for listed players to grow if they play it smart. They can innovate or move into premium segments, or even compete with the fragmented unorganized sector. And they have the muscle to do it. They have a strong R&D team for developing tech and electrical products. They have been paying dividends, and have seen good returns on equity for years. And with the PLI scheme for white goods and telecom and networking products, local players still have tailwinds to grow. In fact, India still imports a lot of high-spec cables.

The only flip side is that as the market grows and formalizes, existing players may see margin pressure. It's because giants like Adani and Birla can afford to price aggressively. They can spend more on capex. They can even buy out struggling rivals. And for listed incumbents, that means lower pricing power... at least for a while.

Nevertheless, the bigger picture is that Adani and Birla aren't just here because wires and cables are the hot new thing. They're entering because it fits neatly into their larger infrastructure ambitions. In the coming months, we could also expect acquisition announcements by these two conglomerates. For their cement capacity expansions, both players had followed the same playbook. The Birla group has acquired various companies, the latest one being majority stake in The India Cement while Adani Cement went on to take over Ambuja Cements and ACC. And last year in October, it bought a stake in Orient Cement for ₹8,100 crores. We could see the same thing happening in wires and cables.

So yeah, the listed players will have to fight harder to protect margins. But in the long run, maybe we can see the industry becoming more efficient, better regulated, and more innovation-driven. And how Adani and Birla will be placed in this industry over the coming few years remains to be seen.

By Sreenadh Chakka



Update for the day # 2452 | The RBI Annual Report decoded

Let's begin with the accounts themselves. You probably know that this year, the RBI transferred a whopping ₹2.69 lakh crore in surplus to the government. That's a 27% jump over the previous year and its highest ever!

For starters, there were higher interest earnings. The RBI earned significantly more from foreign investments and interest on domestic securities. Think of it like getting better returns from its fixed deposits — both abroad and at home.

Then, a large chunk of the income came from the sale and smart revaluation of foreign exchange reserves. When the value of foreign bonds or currencies went up, the RBI made gains just by holding them. These are called mark-to-market gains, kind of like your investments rising in value even if you haven't sold them. And when it did sell some of these assets, it locked in profits. These gains — from both rising values and actual sales — added a lot of money to the RBI's account.

On the expense side, while printing currency cost a bit more — ₹6,372 crores vs. ₹5,101 crores last year — overall, the RBI managed its expenses well, which rose by only about 8%. But the RBI didn't just hand over all the gains to the government. It beefed up its Contingency Fund, essentially its rainy-day kitty, from ₹4.28 lakh crore to ₹5.42 lakh crore, adding nearly ₹1.13 lakh crore. This move strengthens its financial cushion and shows careful planning for tough times ahead. The Economic Capital — the RBI's capital buffer as a percentage of its balance sheet, now stands at 7.5% under its revised capital framework.

Speaking of the balance sheet...

The RBI's total assets grew by 8% to ₹76.25 lakh crore, driven mainly by a rise in foreign currency assets and increased liquidity operations. Its foreign exchange reserves stood strong, and despite global volatility, they played a key role in RBI's income stream this year. With that out of the way, let's get into some of the other interesting highlights from the annual report.

#1 How the real economy grew

India's real GDP growth for FY25 slowed to 6.5%, down from 9.2% last year. But even with the dip, India remained one of the fastest-growing major economies in the world.

Let's start with spending — the fuel for any economy. People spent more in FY25, with private consumption rising by 7.6%. Most of that push came from rural India. A good farming season meant folks in villages bought more two-wheelers, tractors and daily-use items. But city spending cooled off a bit.

The government also opened its wallet, though not as generously as before. Its spending grew by 3.8%, slower than last year's 8.1%. Exports outpaced imports too, giving the economy another leg up. Then there are investments — the building blocks for future growth. The share of investment in GDP slipped from 32.6% in FY23 to 31.4% in FY24, mostly because foreign investors pulled back. And signs show that investment growth has slowed down even further in FY25. Even domestic investment lost steam. Spending on infrastructure and machinery rose just 6.1%, down from 8.8%. The government tightening its belt on big projects didn't help either. That hit demand for cement, steel and capital goods.

Still, there was a flicker of optimism. Factories ran at higher capacity and businesses saw more demand toward the end of the year. On the savings front, things held steady. Households saved about 30% of their disposable income. Net household financial savings — that's savings minus debt, nudged up to 5%.

For the agriculture sector, FY25 was a bounce-back year, thanks to a generous monsoon. It arrived early and brought much-needed rain, helping refill reservoirs that had dipped to a five-year low. With more water, farmers planted more, and the area under foodgrains and oilseeds expanded. Foodgrain output hit record highs, along with strong harvests of fruits and vegetables. The government also hiked Minimum Support Prices (MSPs), ensuring at least 50% more than the cost of production.

Stockpiles were in good shape too. So, the government eased rice export restrictions and sold wheat in the open market to keep prices in check. But the industrial and services sectors couldn't keep pace. Industry grew by just 4.3%, down from 11% last year, dragged by cooling manufacturing. Services lost some steam in the first half, though things looked better later.

Meanwhile, the job market had some good news. The Labour Force Participation Rate (LFPR) and Worker Population Ratio (WPR) hit record highs, thanks to more women joining the workforce. Urban unemployment dipped, though rural joblessness ticked up slightly. And yes, we can't talk about the economy without mentioning inflation. Headline inflation dropped to 4.6%, from 5.4% the year before.

#2 How money moved

The RBI's base money, also called reserve money, grew by 5.8%. Think of this as the bedrock of all money in the economy. It includes currency in circulation and the money banks park with the RBI. This growth was slower than last year's 6.7%, and that's largely because of a temporary policy twist in August 2023.

Back then, the RBI asked banks to park more funds with it under something called the incremental Cash Reserve Ratio (CRR). That move had caused a spike in the previous year's numbers, so this year's growth looks slower in comparison. Now, the biggest chunk of base money is the cash you and I use or currency in circulation. It made up about 77% of the total, and it grew by 5.8% this year, up from 4.1% last year. One reason? The impact of the withdrawal of ₹2,000 notes faded. Meanwhile, banks' deposits with the RBI (to meet CRR requirements) actually shrank by 6.5%. That's because the RBI later cut the CRR by 0.5%, and overall bank deposit growth slowed down. But here's the catch. If you leave the CRR cut out of the picture, those deposits actually grew by 4.4%.

#3 How the global economy is doing

The global economy's heading into choppy waters in 2025 and 2026. Growth is expected to slow to 2.8% in 2025 and 3.0% in 2026 — down from 3.3% in 2024. A mix of slowing inflation, high government debt, ongoing wars, trade tensions and climate shocks is keeping things uncertain. And while advanced economies are expected to cool off, emerging markets might hold up a bit better.

Inflation is easing, but rising service prices and new tariffs could still stir the pot. Global trade could even shrink by 0.2% this year. Meanwhile, heavy debt and volatile financial markets are flashing warning signs. And looming risks from climate change to AI disruptions and crypto wildcards, are keeping policymakers on their toes.

#4 Some other interesting bits we observed

Why's e₹ circulation up 334%?

The digital rupee (e₹) in circulation shot up by a whopping 334% in FY25. But hold on. It's not like you and I are using it at shops or online, right?

Turns out, its mostly pilot programmes involving banks, fintechs like MobiKwik and CRED and even government bodies.

That said, the RBI is quietly adding some smart features to the retail version of e₹. You can now use it without the internet, which is great for remote areas. And it's programmable, meaning the money can be earmarked for specific uses like food, fuel or school fees. These features are being tested in schemes like Direct Benefit Transfers, subsidies and employee allowances. In Odisha, for instance, 88,000 people under the *Subhadra Yojana* is getting benefits via e₹. It's also being tested for farm subsidies, carbon credit payments and more.

Gold loans have grown quite a bit over the past few years. But that also made the RBI pause and take a closer look at how banks and NBFCs are handling them.

Lenders were leaning too heavily on third-party agents to scout for customers and value the gold. And in many cases, they were doing it rather carelessly. Sometimes the gold was being valued without the borrower even present. Background checks were patchy. There was little oversight on how the loan money was being used. And when people couldn't repay, the auction process lacked transparency. Even the loan-to-value (LTV) ratio, which tells you how

By Vignesh Kumar S



Update for the day # 2453 | One Step Away from Immortality

As the cricketing world gears up for tomorrow's epic IPL final, all eyes are on Royal Challengers Bengaluru (RCB) — a team that has given us not just world-class cricket, but unforgettable moments, unmatched loyalty, and a legacy that transcends titles.

A Franchise Built on Fire and Flair

Since the inception of the IPL, RCB has always been a team that attracted headlines — with big names, bigger crowds, and the biggest emotions. From the charisma of Rahul Dravid, the dominance of Chris Gayle, the brilliance of AB de Villiers, to the undying passion of Virat Kohli, RCB has never lacked star power or soul.

- **Most centuries in IPL?** RCB.
- **Some of the highest team totals?** RCB.
- **Most passionate fanbase?** Undoubtedly RCB.

Even without a trophy so far, RCB has won hearts year after year, turning Chinnaswamy into a fortress and red jerseys into a symbol of unshakable belief.

The 2025 Turnaround – From Struggles to Supremacy

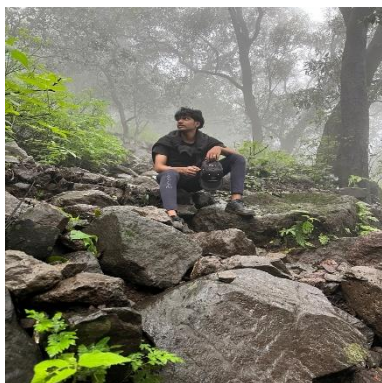
Unlike some of their past rollercoaster seasons, RCB 2025 has been a team on a mission. From the opening game, they've looked balanced, composed, and determined — a rare blend of explosive batting, disciplined bowling, and clutch performances.

- Virat Kohli has been in vintage form, anchoring innings and leading with fire.
- Phil Salt and Rajat Patidar have provided stability at the top.
- Josh Hazlewood and Bhuvaneshwar Kumar have stepped up with the ball when it mattered most.
- The youngsters have risen to the occasion, showing depth and hunger across departments.

As RCB walks into tomorrow's final, we wish them strength, focus, and the glory they deserve.

Win or lose — this journey has already made history.
But one more step, and they'll be legends forever.

By Chirag R



Update for the day #2454 | Trading App

You probably won't find it on your trading app. You can't track a chart. And yet, NSE's stock is on fire. That's because in the unlisted market, that underworld of off-market share transfers and private deals, its stock has zoomed in the past one year and doubled since 2021. The funny part? Most folks have no clue how to buy it. And yet, over 1 lakh investors already hold NSE shares. So what on earth is going on? Well, for starters, NSE's finally making serious moves toward going public. Just days ago, its MD & CEO Ashish Chauhan confirmed that they've formally asked SEBI for a No Objection Certificate (NOC), the first real step to filing for an initial public offer (IPO). But what's even juicier is the fact that the exchange is now proposing ₹1,000 crore to settle its long-running regulatory mess. And if SEBI accepts the deal, it could clear the decks for public listing.

To jog your memory, NSE was ready to hit the public markets with a ₹10,000 crore issue back in 2016. But then its co-location crisis was uncovered.

What's this co-location scam, you ask?

Well, NSE seemingly offered some brokers preferential access to data, allowing them to profiteer from buying and selling stocks on the exchange. By some estimates brokers raked in profits to the tune of 50,000 crores. So, the fallout was swift. SEBI launched investigations, slapped fines and unearthed a whole mess in 2022 — including the now-infamous episode where then-CEO Chitra Ramkrishna shared confidential info with a "Himalayan Yogi." And just like that, NSE's IPO was put on indefinite hold.

But now, NSE is trying to put that behind. It paid ₹643 crores last year to settle the co-location case, worked on its governance issues, handed out bonus shares and even declared fat dividends to keep investors pleased. In March 2025, SEBI set up an internal committee to examine its IPO readiness. And with this new ₹1,000 crore offer on the table, NSE's message is loud and clear: Let's bury the past and move forward. SEBI, for its part, appears receptive too. Chairman Tuhin Kanta Pandey recently hinted that the regulator was keen to resolve the issues and allow India's largest exchange to go public. Now, this matters because for investors tracking NSE's unlisted shares, this is the final piece of the puzzle. If SEBI nods, the public listing may finally see daylight and it turns into a "pre-IPO play" with real timelines and price anchors. And in private markets, IPOs are the payday. If an IPO is three years away, investors apply a heavy discount to the price, maybe 10–15% per year, because the exit is far and money today is worth more than money later. But if a listing is just 6–12 months away, that discount would shrink. Expected returns shoot up, which alone can push the unlisted share prices higher. Exactly what's happening now.

But it's not just about the IPO buzz.

You see, NSE's fundamentals are rock solid. It's not just a stock exchange. It's the infrastructure powering India's financial markets. Every time you buy or sell a stock, NSE earns a fee. And since it handles over 90% of all equity cash segments and about 80% of the derivatives segment trades in India, those tiny fees add up big. Fast. And that's just the base layer. Brokerages pay NSE to access its data. High-frequency traders rent co-location racks in its server rooms. Mutual funds tracking Nifty pay licensing fees. IPO aspirants pay listing fees. Clearing members pay clearing charges. So yeah, almost everything that's in the market passes through the company's business which seems to be a compounding machine with low capital intensity. There's no debt and the business doesn't need to pour billions into factories or raw materials. Most of its expenses are digital: servers, co-location racks, data infrastructure and people.

Which means, every incremental rupee of revenue flows beautifully down to the bottom line And that's why it's incredibly profitable. The numbers speak for themselves.

NSE's total income surged 17% from a year ago to ₹19,177 crores in FY25. Of this, a whopping ₹17,141 crores came from its core operations. Now layer in the margins. NSE's operating profit hit over ₹12,600 crores. That's a 74% margin. And its bottom line? ₹12,188 crore, which is a 47% jump year-on-year with a net profit margin of about 60%. Return on equity (ROE) is also a blistering 45% in FY25, up from 37% in FY24. And NSE operates at just about 8% of its current tech capacity, so there's still headroom to scale without breaking a sweat.

In short, it's the kind of business investors dream of. A business with growing profits, high margins, fat dividends and a digital-first, asset-light model. Plus, valuations also look great when compared to its peer BSE. So naturally, the grey market can't get enough. Especially when they hear whispers that the IPO might be back on the table.

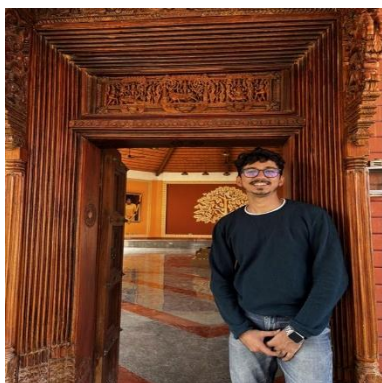
But here's the thing. Buying NSE shares is still a maze. Unlike listed stocks, you don't just click "buy". You go to wealth managers and brokers who then negotiate with a seller. Sign off on paperwork. Submit KYC. Pay via escrow. Then wait for weeks for the stocks to show up in your account. And even if you want to sell, good luck finding a buyer, especially if the IPO gets further delayed. Plus, most of the recent surge is also the result of a classic short squeeze.

You see, brokers have been betting that NSE's unlisted share price would stay flat. So they shorted the stock i.e. selling shares they didn't own, hoping to buy them back cheaper later. Some even promised future deliveries without actually owning the shares. But when the recent IPO chatter broke, the price jumped from ₹1,500 to ₹2,050 in just two days. Panic kicked in.

Because while NSE's fundamentals may justify a premium, every bull run ends with someone holding the bag. Still, one thing's clear. Most people chase companies hoping they'll become monopolies. NSE already has one. And unlike most businesses, its margins don't shrink but expand as it scales. Globally, that's the game. CME, which runs the Chicago Mercantile Exchange, made \$3.7 billion in profits last year.

So yeah, everyone's waiting now. For the SEBI nod. After which the exchange will file the IPO DRHP. And finally, the price band. And maybe that's the irony here. The company that powers India's capital markets is fast becoming the most valuable stock that retail investors still can't buy. At least... not yet.

By Sughosh Joshi



Update for the Day #2455 | A simple explainer on SEBI's new F&O rules

Every Tuesday and Thursday, India's stock markets turn into a bit of a circus. It's expiry day, when weekly options die and retail traders flood in hoping to make a quick buck. The contracts are cheaper. The expiry is near. And the chance to turn ₹10,000 into ₹100,000 is just too tempting. So, they bet on options with zero days to expiry (or what's called '0 DTE'). No overnight risk, just a few hours to glory.

And this strategy has exploded. Back in 2019, retail traders made up just 27% of the index options turnover. Today, that number has shot up over 35%. Social media groups discuss option levels like cricket scores. Some platforms let you trade with the click of a button. And the volumes are at an all-time high.

But here's the catch. These derivatives trades often have little to do with the underlying stocks. They're driven by momentum, crowd behaviour and adrenaline. And when things go wrong, they can move prices wildly, not just in derivatives, but in the actual cash market too. That's a problem for SEBI. Because when speculation grows faster than the market can handle, it can shake the very foundation of price discovery.

So last week, on May 29, the Securities and Exchange Board of India (SEBI) released a 21-page circular that could rewrite the rules to mitigate a crisis like this. And if you trade in futures and options (F&O), or even if you're just curious about how this corner of the market works, you should probably know what's changing.

First, SEBI is changing how risk is measured. Right now, if you hold 1,000 lots of Bank Nifty calls and someone else holds 1,000 lots of Bank Nifty futures, you're both seen as having the same exposure. But that's not really true. Options behave differently based on how close they are to the strike price; how volatile the market is and how much time is left to expiry. So SEBI says, let's not count lots. Let's count delta.

Now delta is just a number that tells you how much your option behaves like the actual stock or index. A future has a delta of 1 means it moves exactly like the underlying stock. But an option might have a delta of 0.5 or even 0.2 depending on how far out-of-the-money it is. So if you hold a lot of 100 long calls with a delta of 0.5, SEBI will now treat that as 50 futures worth of exposure. It's called Future Equivalent Open Interest or FutEq OI. This lets everyone from retail traders, brokers and the regulator speak the same language when it comes to measuring risk. And clearing houses must publish this for every script from now on.

Second, SEBI is fixing the issue of ban periods. In F&O, every stock has a limit on how many contracts can be held across all traders. It's called the Market-Wide Position Limit (MWPL). When traders cross 95% of that limit, the stock enters a ban period. In theory, that means no new positions can be created. But in practice, traders found loopholes like closing old positions, flipping to the other side of the trade or using complex strategies that technically reduced one exposure while adding another.

So SEBI's new rule is simple: once a stock hits the ban, your net delta must shrink by the end of the next trading day. You can't flip your exposure from long to short. You can't make it more complicated with options that cancel each other out. The delta has to be reduced, period. So say if you're long 100 futures worth of delta today, you better be at 50 tomorrow. This rule kicks in on October 1, 2025.

Also, MWPL itself is getting smarter. Instead of a blanket rule that allows up to 20% of a stock's free-float shares to be used in F&O, SEBI will now link this limit to actual delivery volumes in the cash market. The new formula? It'll be the lower of 15% of free-float shares (or shares that's actually available for public trading and not locked with promoters) or 65 times the average daily delivery value (which measures how many shares are bought and held, not just traded intraday). And there's a floor—it won't drop below 10%. This means you can't have an outsized derivatives market in a stock that hardly trades in the cash segment. This also goes live on October 1, 2025.

There's also a clampdown on index speculation. Going forward, one can't have more than ₹1,500 crore worth of net delta exposure in index options. That's the total directional exposure once all your calls, puts and hedges are adjusted for delta. And whether you're long or short, your gross exposure in either direction can't cross ₹10,000 crore. These rules begin on July 1, 2025, but there's a "glide path" which simply means that SEBI will first send warning emails if you cross limits, and only from December 6, 2025 will penalties start to apply.

Then there's the new pre-open session for futures. Just like the 9:00–9:08 am window in the cash market that helps discover opening prices of stocks, SEBI will introduce a similar session for current-month futures starting December 6, 2025. During expiry or a rollover week, even next-month futures will get this window. The goal? To reduce morning volatility and avoid wild opening ticks.

One more change—if a new non-benchmark index wants to have F&O contracts on it, it can't just be a fancy name with a few giant stocks. It must have at least 14 constituents. No single stock can have more than 20% weight. And the top three constituents combined must stay under 45%. This ensures no one's sneaking exposure through a single stock of an index. These rules will apply from November 3, 2025.

And for individual traders, SEBI is tightening position limits too. Whether you're a retail client, foreign portfolio investor (FPI) or a mutual fund, your exposure to single-stock F&O will be capped at a percentage of the recalibrated MWPL. For most retail clients, this cap will be 10%. This goes live on October 1, 2025.

Now, all of this could sound like alphabet soup. Delta. MWPL. Ban periods. Glide paths. But the bigger message is clear. SEBI is saying you can still speculate. But now you have to do it with guardrails. You have to understand the real risk of what you're holding. And your bet must float on a pool of actual liquidity.

If you're a serious trader, this might nudge you to learn about delta, risk metrics and margin impact. If you're a casual punter, this could save you from getting wrecked on expiry day. And if you're a broker, you've got a lot of coding and compliance to finish before July.

Let's take a closer look at these.

For one, retail traders will have to upskill. Until now, you could trade options without really knowing what delta meant. But with positions, bans and penalties now tied to delta-adjusted exposure, ignorance won't just be risky but expensive as well. Brokers know this too. You'll likely see trading apps roll out delta calculators, position dashboards, maybe even AI nudges that say, "Hey, your delta is breaching the limit." So risk will be visual, not just theoretical.

Second, option writers, especially those running large books, will have to rethink sizing and hedging. The gross exposure caps mean that splitting trades across strikes or expiries won't necessarily bypass the limits. And if you're running intraday strategies with high notional exposure (but tight deltas), you still risk crossing the gross cap and triggering margin calls.

Third, the days of using illiquid stocks for leverage or arbitrage games are numbered. The tighter MWPL linked to delivery volume means those 'ban list rallies'—where a stock hits the ban and then surges on low float—may not work anymore.

And for algo desks and institutional traders, real-time delta tracking now becomes non-negotiable. You can't rely on end-of-day reconciliations anymore. If your systems don't keep up by December, you'll bleed penalties, or worse, get forced out of positions overnight.

And all of this might also push some high-risk volume offshore. If you're a trader who thrives on taking large expiry-day bets with lightning-speed hedging, you might start eyeing SGX or other such instruments more actively. After all, speculation doesn't die. It migrates.

So yeah, SEBI's new rules may seem like technical plumbing changes. But they're setting the tone for the kind of derivatives market India wants. Not slower or smaller but smarter, cleaner and harder to game.

And that, depending on where you stand, could either be a killjoy or a godsend.

By Chelsea Dsa



Update for the Day #2456 | India wants more lower denomination notes?

The rumour mill on social media has been churning that ₹500 notes are on their way out. Others claim that the RBI plans to phase them out from ATMs by March next year.

But none of that's true. There's no official move to withdraw the ₹500. And yes, the RBI is still printing and circulating new ones.

So, what sparked the confusion?

Well, it all began when the Reserve Bank of India (RBI) issued a directive asking banks and ATM operators to increase the supply of ₹100 and ₹200 notes.

As the circular puts it...

By September 30, 2025: 75% of all ATMs shall dispense either ₹100 or ₹200 denomination banknotes from at least one cassette.

By March 31, 2026: 90% of all ATMs shall dispense either ₹100 or ₹200 denomination banknotes from at least one cassette.'

(Sidebar: A cassette is the tray inside an ATM that holds and dispenses a specific note denomination—like ₹500s, ₹200s or ₹100s.)

That's about it. No secret agenda, no covert demonetisation.

But even a small move like this says something bigger. Maybe it's a quiet policy tilt toward lower denomination notes. After all, that's what Finance Minister Nirmala Sitharaman recently hinted at. Which begs a few questions. Why push small notes? What happens if higher denominations fall out of favour? And most importantly, is India ready to remonetise its economy again?

Let's start with ₹500 notes itself.

Is the RBI still printing them?

Yes, absolutely. The RBI's latest annual report is clear: it has stopped printing notes of ₹2, ₹5 and ₹2,000s. But the ₹500 is still very much in the mix. As per the indent (or printing orders) placed, the ₹500 note still features in RBI's latest batches.

In fact, it's the most widely circulated note in the system, making up over 40% of all notes by volume and holding 86% of the total currency value in circulation.

So, it's not going anywhere just yet.

But, there's a bit of a pattern here. In 2016, ₹500 and ₹1,000 notes were demonetised overnight. To fill the vacuum, ₹2,000 notes were rolled out. But by 2018, it had already stopped printing them. And in 2023, the ₹2,000 note was officially pulled from the system.

A major reason behind it all was a strike against black money or counterfeiting. And now, something similar is happening with the ₹500. Not because it's being pulled back. But because it's starting to become a bit of a headache for the RBI too.

You see, while the number of overall counterfeit notes detected declined in FY25, the ₹500 bucked the trend. Because if someone wants to hoard ₹10 lakh in cash? That's just 2,000 notes. And that's perhaps why fake ₹500 notes increased from about 85,700 pieces to 1,17,700 pieces, a 37% jump over FY24.

And that's only what was detected at banks or by the RBI. It excludes counterfeit notes seized by cops, or the ones still floating out there undetected. For comparison, fake ₹200 notes—the second-most counterfeited—only rose by about 14%.

So, it gives that for those dealing in unaccounted money, the ₹500 is just perfect. Compact, discreet, hard to trace.

And if you're a policymaker, the goal is simple. Make it harder to move large sums of unaccounted money discreetly. And that means making big money physically harder to move around. You push smaller notes instead. Because ₹10 lakh in ₹100 notes? That's 10,000 pieces. Now you need a suitcase.

But this shift to lower denomination isn't an easy walk and comes at huge costs.

Let's start with printing.

A ₹100 note could cost around ₹1.77 to print. A ₹500 note costs about ₹2.30. So, if you're replacing a single ₹500 with five ₹100s, you spend over ₹8 to create the same ₹500 in value.

And it doesn't stop there. Smaller notes wear out faster since they change more hands and need to be replaced more often. So, if the RBI prints a few thousands ₹100 notes today, it'll likely need to do it again next year. And the year after that.

It's already weighing on the RBI's wallet. In FY24, the RBI spent around ₹5,101 crore on currency printing. This year, it shot up by 25% to ₹6,372 crore. Go back to FY21 and the bill was just ₹4,012 crore. That's over ₹2,300 crore jump in four years.

Then there's the ATM problem.

Most ATMs today stock ₹500 notes. If you suddenly ask them to carry more ₹100s and ₹200s, they need recalibration. Change cassettes, adjust software and train cash handlers. And that's just infrastructure. Once smaller notes dominate, ATMs run out of cash faster. Banks have to refill them more often. Cash vans do more trips. Security costs rise. It's a logistical puzzle.

Back in 2018, when the new lavender-coloured ₹100 note was introduced, recalibrating the country's 2.4 lakh ATMs was said to take nearly a year and cost around ₹100 crore.

So yes, smaller notes might fight black money. But they also punch a hole in the RBI's as well as economy's balance sheet.

There's a cost for citizens too. Economists call it the "shoe-leather cost." It's the time and effort people spend managing cash. That is walking to banks, standing in queues, withdrawing and exchanging notes. During demonetisation, a study in Delhi found that people went from 6 ATM visits a month to 16. The average person spent an extra 10.5 hours just getting cash. Multiply that by a billion, and you're talking about a national productivity hit. Even the withdrawal of the ₹2,000 note wasn't entirely painless. People rushed to exchange them, pay for COD orders, or offload them at jewellery stores charging a premium.

Now picture a similar scramble, simply because ₹500 notes become harder to find as before. No one's telling you to switch to smaller notes, but there's a nudge. ATMs might stop dispensing ₹500s as often. And suddenly, you're walking away with stacks of ₹100s and ₹200s instead.

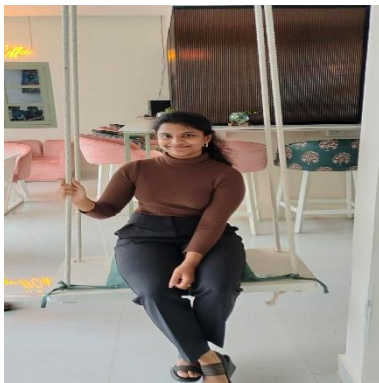
And that friction builds up. Shopkeepers will need more change. Small businesses will struggle with cash float. Delivery agents will be weighed down. The currency doesn't disappear but convenience does, while the costs keep rising.

So, what does all this add up to?

Well, the direction is clear: the government wants us to get used to smaller changes. Because it's not just about currency. It's about behaviour. If you're handed a wad of ₹100s, you're less likely to spend in bulk. You'll swipe your card. Or scan that QR code. It's a push away from cash and into the digital transaction economy, one that's more granular and traceable. And that's perfectly fine. If it's paired with better infrastructure. More ATMs, stronger connectivity, wider smartphone access, better financial literacy. Because without that, the cost of remonetisation would show up in long queues, wasted hours and lost trust.

Since 2016, they have swapped out notes, introduced new ones, pulled back others, recalibrated ATMs, reshuffled denominations. And sure, some of it has worked. UPI now handles over 18 billion transactions a month. But cash still remains the king. As of March 2024, cash made up 60% of total consumer spending. And the amount of currency in circulation? It's more than doubled between 2014 and 2024. Even ATMs and bank branches have grown by 30-35% in the same period.

By Sanjana S M



Update for the Day #2457 | India's Aviation Sector: On the Runway to Global Leadership

India is taking off literally. With our economy now ranking 4th globally, aviation is fast emerging as a critical pillar in India's growth story. Unlike maritime trade, which dominates by volume (90% of global trade), air cargo punches above its weight contributing 13% of the total global trade value while carrying just 0.3% of its volume.

India is already witnessing explosive demand in air travel. With the domestic flyer base expected to **double by 2030**, our airline fleet is projected to expand to **1,500 aircraft** in just five years. This opens up massive opportunities not just in passenger traffic but also in cargo movement, tourism, regional connectivity and—most importantly—aviation infrastructure.

However, here's the paradox: over 80% of aircraft maintenance (MRO – Maintenance, Repair, and Overhaul) is still being outsourced to countries like Dubai, Singapore, and Sri Lanka, costing Indian airlines thousands of crores and draining valuable forex reserves. This must change and fast.

The Government now aims to transform India into a **\$4 billion MRO hub** within the next five years. Policy shifts like reducing **GST on aircraft parts from 18% to 5%**, encouraging **100% FDI** in standalone MROs, and even integrating civil and defense MRO operations are on the table. But challenges remain:

- High operational costs and fragmented regulation.
- Shortage of skilled manpower and world-class hangars.
- Complex compliance landscape at both central and state levels.

The International Air Transport Association (IATA) has already cautioned India: **act now or miss the flight**.

What's clear is that if India truly wants to become an aviation superpower, this isn't the time for half-measures. We need full-throttle execution—tax reforms, regulatory clarity, private-sector participation, and robust quality control systems.

Because if we get this right, **India won't just fly aircraft, it'll power global aviation**.

By Raki Saha



Update for the day #2458 | Green Giants: How India's Biggest Conglomerates Are Steering Climate

In 2019, Hindalco's Birla Copper plant in Dahej, Gujarat, faced a massive challenge when heavy rainfall caused flooding, disrupting operations. The company carried out an assessment of the plant's vulnerability to extreme weather and identified areas of improvement to protect it from future climate risks. But the impact of the initiative went beyond plant upgrades. It cultivated a forward-thinking mindset across the organisation and embedded climate adaptation and sustainability into its DNA.

This was one of the several weather events over the past few years that have stalled factories. The impact, in fact, goes beyond operations. The Reserve Bank of India said in a report in December 2024 that climate risks have started impacting the financial system and pose systemic risks by causing direct damage to assets, leading to loan losses, business disruptions and supply chain issues.

Realising that climate events may hit growth plans, India Inc. has started integrating sustainability into strategic planning, investment evaluation, risk management, and supply & demand projections. Take Project Aalingana by Tata Group for becoming net zero by 2045 under which all businesses—from auto to technology—will align operations to achieve the goal. Or Aditya Birla Group's Sustainability 3.0, which involves digital integration of the foundation built in the two earlier versions, aligning it with a four-dimensional approach—sector of operation of the company, geography, value chain and time.

Among corporate biggies, Reliance Industries (RIL) has set one of the most ambitious targets; it wants to become net carbon zero by 2035. This means that in a decade from now, all its operations, including refineries and chemicals, will be carbon neutral. It is building a new energy ecosystem by investing Rs 75,000 crore.

India Inc. is not alone. Businesses globally are facing losses due to extreme weather events such as storms, floods and heat waves. Climate change could lead to a 16.9% loss in GDP by 2070 across the Asia Pacific region, with India projected to suffer a loss of up to 24.7% of GDP, according to a report by the Asian Development Bank released in October 2024.

“Conglomerates are present across a spectrum of industries right from iron, steel, chemicals, paper and fertiliser to new-age technology and telecommunications. They have a large share in consumption of raw materials, energy, power and water. Any disturbance in availability of resources and infrastructure affects their operations and economic stability,” says Mody.

By Bhuvana S Bharadwaj



Update for the day #2459 | RBI's Strategic Rate Cut: A Boost for Borrowers, A Signal for Markets

The RBI Surprises with 50 bps Rate Cut and CRR Reduction

On June 6, 2025, the Reserve Bank of India cut the repo rate by 50 basis points to 5.5%, double the expected 25 bps, marking the third cut this year to support growth amid moderate inflation. The RBI also announced a phased 1% cut in the Cash Reserve Ratio, releasing ₹2.5 lakh crore liquidity by December 2025 to help banks lend more at lower costs. The Monetary Policy Committee shifted its stance from “accommodative” to “neutral,” signalling that future policy moves will be data-dependent.

Key Economic Forecasts:

- **GDP Growth:** Maintained at 6.5% for FY 2025-26, with quarterly estimates ranging from 6.3% to 6.7%.
- **Inflation:** Revised down to 3.7% for the year, with a gradual rise projected toward 4.4% by Q4.
- **Monetary Stance:** Shifted from accommodative to neutral, signalling a cautious approach with the possibility of future hikes if inflation spikes.

What This Means for Borrowers:

Lower repo rates and reduced CRR will ease borrowing costs. Businesses and consumers can expect cheaper home, personal, auto, and business loans. With more liquidity, banks can expand lending and offer competitive rates, boosting consumption and investments.

Impact on Fixed Deposit (FD) Investors:

- Banks have already cut FD rates by 30 to 70 basis points since February 2025.
- Savings account rates have dropped, some as low as 2.7%.
- FD rates now mostly range between 6.5% and 7.5%, with senior citizens getting a slight premium.
- Further rate cuts are anticipated as banks adjust to the new repo rate and increased liquidity.

Monetary Policy Actions and Liquidity Management

By cutting interest rates more aggressively than anticipated, the RBI aims to stimulate credit-sensitive sectors of the economy at a time when consumer price inflation remains comfortably below the 4% target. The reduction in CRR releases additional liquidity into the banking system, ensuring cheaper funds flow swiftly to productive sectors.

Sectoral Impact

Lower borrowing costs are expected to benefit multiple sectors, including:

- Banks and Non-Banking Financial Companies (NBFCs),
- Real estate developers,
- Automobile manufacturers,
- Consumer durables producers,
- Capital goods suppliers linked to infrastructure projects.

The easier credit environment could:

- Boost mortgage demand,
- Spur vehicle purchases,
- Increase discretionary spending on household appliances,
- Support order books for capital equipment manufacturers.

While lenders may face some short-term margin pressure due to lower rates, this is likely to be offset by stronger loan growth and improved asset quality as economic activity picks up.

Inflation Outlook and Forward Guidance

With headline inflation forecasted at **3.7% for the fiscal year**, well within the target range, the RBI has room to support growth while maintaining price stability. Governor Sanjay Malhotra emphasized that the neutral stance allows for flexibility — the central bank could either ease further or pause rate changes depending on:

- Global economic developments,
- Domestic inflation trends.

If external risks recede and inflation remains subdued, additional rate cuts are possible. Conversely, if inflationary pressures increase, the RBI is prepared to hold rates steady.

The RBI's decisive rate cut, combined with a shift to a neutral stance, reflects its balanced approach to nurturing growth while safeguarding inflation targets. This strategy aims to boost demand without compromising price stability, while retaining the flexibility to respond to changing economic conditions.

Businesses can expect more affordable financing and improved credit access, while investors should consider opportunities in interest-sensitive sectors but remain cautious as the economic landscape evolves.

Ultimately, the RBI signals its commitment to supporting growth, provided inflation remains in check.

By Shreelakshmi Nair



Update for the day #2460 | Singapore casts tax shadow on India bets, shuns shell companies

Singapore is increasing scrutiny of companies' economic substance, potentially leading to tax disputes for MNCs and funds investing in India. Recent rulings by IRAS define 'Economic substances,' impacting treaty benefits. Indian tax authorities may levy higher taxes if Singaporean entities lack adequate substance, affecting stock sales, dividends, and loan interest.

Singapore is intensifying scrutiny of companies and investment entities, a move that could ignite new tax disputes. This development particularly impacts many MNCs and international funds that use the Asian financial hub as a base to invest in and acquire companies in India.

The catalyst for these potential disputes is a recent series of advance rulings by the Inland Revenue Authority of Singapore (IRAS), which define and endorse what constitutes 'economic substance'. If a Singaporean entity fails to meet the conditions emphasized by the tax administrator and thus cannot prove it has adequate 'substance,' the Indian Income Tax (I-T) department could levy higher taxes. This could involve claiming tax on certain stock sale transactions or demanding increased tax on earnings from dividends and loan interest paid by an Indian company. Dealmakers and businesses are closely monitoring this situation.

"These advance rulings are the first to evaluate economic substance factors since their inclusion in 2024 as Section 10L of Singapore's Income Tax Act for taxing gains from the sale of foreign assets. These factors could be used by Indian tax authorities to determine whether a Singapore-based entity is merely a conduit, particularly when applying the Principal Purpose Test (PPT)," explained Ashish Karundia of the CA firm Ashish Karundia & Co. (A PPT is a provision that allows denial of treaty benefits).

According to Girish Vanvari, founder of the tax and regulatory advisory firm Transaction Square, the implications are far-reaching due to the change in law prioritizing substance and economic reality over legal form. "For tax professionals and business leaders, this means a necessary recalibration of how Singapore is used in cross-border structuring - especially in relation to Indian operations. So, if you're using Singapore as a holding or IP base for India-related investments, it's time to revisit the structure. The days of relying purely on treaty protection without operational presence are over," said Vanvari.

Many foreign investors betting on India utilize Singapore to leverage the tax treaty between the two countries. A common structure involves one of their arms in a tax-friendly jurisdiction setting up a company in Singapore (say, S1), which in turn owns another company in Singapore (say, S2). In this two-layered structure, S2 serves as a vehicle to invest in India. Typically, when exiting an Indian investment, S1 might sell the shares of S2, which holds shares in an Indian company; alternatively, S2 would directly sell its interest in the Indian company.

THE PARAMETERS

The IRAS underscored that economic substance would require:

- A company to have adequate human resources with the necessary qualifications and experience.
- Have a premise in Singapore;
- Take key business decisions there; and
- Incurs expenditure.

If S1 or S2 does not fulfil these criteria, they would come under the lens of the tax authorities in either Singapore or India. How? Here are the possible situations:

Say, S1 sells shares of S2 (both local entities) and if India demands tax on the 'indirect transfer' by invoking India's domestic tax regulations, companies like S1 have till now argued that under the treaty India has no right to tax gains from indirect transfers. However, in future, the I-T department could assert that the treaty holds only if S1 has substance. But if it doesn't (as per Singapore's terms), S1 cannot avail treaty benefits and must pay tax to India. Here, I-T would challenge that S1 was formed primarily to escape tax.

If S2 directly sells shares of the Indian company, there's no capital gains tax if the shares were bought before 2017 (under a grandfathering provision introduced when the treaty was amended). However, if S2 lacks substance, I-T may demand tax on the grounds that treaty relief can be denied to a shell outfit.

Suppose S1 sells stocks it directly holds of another company in a third country. S1 can avoid tax in Singapore if it can demonstrate substance. However, if S1 fails the substance test (and is taxed by Singapore), then India would also have strong grounds to demand tax from S1 when it sells shares of S2.

Also, there's an increased risk of double taxation - with India taxing based on source and Singapore taxing based on substance.

By Rachana N



**CONTACT US - SURESH & CO.**

#43/61, Surveyors Street, Basavanagudi, Bengaluru – 560004

P – (080) 26609560

Compiled by: S Akash V & Sudarshan Shanbhag

Guided by: Udupi Vikram

D S Vivek Managing Partner vivek@sureshandco.com +91 98453 78991	Udupi Vikram Partner vikram.u@sureshandco.com +91 97387 79117
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