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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 article 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.

"The future belongs to those who believe in the beauty of their dreams." – Eleanor Roosevelt

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 #2521 | Can office lunches help fix Swiggy's finances?

Just last week, Swiggy dropped its quarterly results. And they were a bit of a mixed bag.

On the bright side, the company's operating revenue jumped by a solid 54% year-on-year (YoY) to ₹4,961 crores. But on the not so bright side, net losses widened, almost doubling to ₹1,197 crores. And that caught analysts off guard, especially since most were expecting losses to stay below ₹970 crores. But just as everyone was digesting the numbers, Swiggy quietly rolled out something new this week — DeskEats.

What's that, you ask?

Well, it's Swiggy's new food delivery model built specifically for the office crowd. The idea is pretty simple. Make it easier for working professionals to order food that's quick, convenient and easy to eat at their desks. We're talking about light munchies, team treats and one-handed snacks — all tailored to fit into a busy workday without the need for plates, cutlery or even a proper break. Just type "office" on Swiggy and you'll see what we're talking about. You'll see a specially curated menu with categories like Stress Munchies, Deadline Desserts, One-handed Grabbies and Teamwork Bites. It's a clever way to repackage food for the office desk.

Now you're probably thinking, "Doesn't Swiggy already have something like this with 'Snacc', its all-day breakfast and quick-bites service? So why launch DeskEats?"

While that's a sensible question to ask, the thing is that Snacc does deliver munchies in 10–15 minutes. But it's not necessarily built for the desk. Some of those items might require cutlery. Others might not travel well. And most importantly, they're not tailored for team orders or the kind of quick nibbling where you might be jumping between meetings. DeskEats is Swiggy's attempt to plug that gap by making food desk-friendly without requiring users to scroll endlessly.

And from a business lens, this move could actually make sense. Because offices create delivery density. By targeting high-density office zones where large groups of employees are clustered, Swiggy can club multiple orders within a tight delivery radius. This kind of delivery route efficiency reduces the cost per order. It also improves the platform's gross order value or GOV, a key metric that jumped by 45% YoY to ₹14,797 crores in Q1 FY26.

Now pair that with another number: delivery-related expenses, which rose by 25% in the same quarter to ₹1,313 crores. If DeskEats can increase order frequency from officegoers by just about 10–15%, and nudge up average order value (AOV) by even 5–7% with team combos or snacks, it could start contributing meaningful revenue at slightly better margins than regular food deliveries. DeskEats isn't just a consumer experiment. It's built on top of Swiggy's Corporate Rewards Program, a B2B (business to business) initiative that's quietly grown to over 14,000 companies and 1.5 lakh employees in just three months. It lets employers offer food-related perks like discounts and vouchers to employees on Swiggy.

So, while Swiggy's core model is B2C (business to consumer), DeskEats essentially creates a

B2B2C loop. It brings in sticky partnerships with employers, and through them, ties in a large base of daily office-goers. That means Swiggy doesn't have to spend as heavily on advertising and discounts to win over each customer. And that's a big win because advertising and promotional expenses jumped a whopping 130% YoY in the latest quarter. This kind of stickiness could also turn ordering into a habit not just during lunch hours, but spread across the workday. Think mid-morning snacks or evening bites. And that could help flatten the usual peak hour rush and improve delivery efficiency.

There's also a chance for a phenomenon that you could call "corporate lock-in". This is simply to say that once a company's employees are hooked onto easy, subsidized desk meals, and companies are used to offering them, switching to another platform becomes less likely. That lowers future marketing costs. And if ordering lunch from Swiggy becomes a routine part of the workday, especially for teams, that's repeat revenue without fresh acquisition spend. Plus, when people order at work, they're okay paying a slight premium for convenience. That could push up AOVs further. And the more transactions Swiggy can rack up without adding to its fixed costs like platform maintenance, the better its profit earning potential becomes. That translates into each order contributing more to the bottom line.

Sounds good so far, right? But then, there's a flip side too.

Food delivery in India is a tricky business. The moment one platform launches something, the others follow. Just look at what's happening with Zepto Cafe. It became a quick success with 700% YoY order growth and ₹1,000 crore in annualised net sales. But despite that it had to scale down operations, largely because of backend issues like staff shortages and operational inefficiencies and buzz about Zomato launching Blinkit Foods to compete. That's a reminder that scaling food operations in India is no easy feat, especially when supply chains are fragile and competition is cut throat.

Swiggy could face similar bottlenecks. Rivals might hop on the bandwagon. And delivery partner shortages are already a concern, thanks to the quick-commerce boom. So, if too many desks want lunch at the same time, and Swiggy doesn't have enough partners available, DeskEats could fall flat on its face. There's also the simple truth that not everyone wants to eat at their desk. For many officegoers, lunch is a welcome break — a chance to step out, unwind or socialise with colleagues. Cafes in tech parks and around offices cater to this need with better ambience, food variety and the promise of a mental break. So if DeskEats ends up trying to replace that experience, it might not see consistent demand.

That's why positioning would be the key. If Swiggy markets this right — as a convenient complement to regular breaks, for those deadline days or lazy afternoons when stepping out isn't an option, then it might just find its niche.

But there's one more thing you can't ignore.

Launching DeskEats will come with its own costs. Onboarding companies, running discounts, managing menu logistics. These things push up operational and marketing expenses in the short term. And let's not forget that a big chunk of Swiggy's losses still come from Instamart. That business continues to burn cash even as revenue grows. So DeskEats, while helpful, isn't going to

suddenly solve Swiggy's profitability puzzle.

So yeah, if anything, office lunches and convenient desk eats could be the side dish Swiggy needs for its main course of financial health. But the company's recipe for profitability, like any good meal, needs more than just one ingredient. And we'll have to wait and see if DeskEats reshapes food tech economics in India or simply leaves Swiggy hungry for profits.

By Shreya V Bhat



Update for the day #2522 | CIAN Agro's Surprising Transformation

You'd blink and miss CIAN Agro Industries & Infrastructure on the ticker a year ago. It was selling spices and edible oils, dabbled in agro-processing and filed the sort of results that didn't make your broker call you back.

Quarterly revenues were around ₹17 crores with a minuscule percentage flowing into profits at ₹10 lakh in the first quarter of 2024. But fast forward a year to the recent quarter ending June (Q1 FY26), and CIAN suddenly reported ₹511 crores in sales and ₹52 crores in profits.

That's a 30x revenue jump in a year.

So what changed?

India's fuel policy is one big factor. The government has been aggressively pushing ethanol blending — E20, which is shorthand for 20% ethanol blended in petrol. The policy helps reduce oil imports, gives sugarcane farmers a steady buyer and also supports climate goals.

For vehicle owners, though, it's a mixed bag. Cars and bikes not designed for ethanol blends can wear faster and mileage drops. People have been upset that petrol prices at the pump haven't eased either, and there is even a plea in the Supreme Court questioning whether the rollout is hurting drivers more than helping the country. But for companies in the sugar-ethanol chain, this has been nothing short of a windfall.

CIAN Agro's Managing Director and promoter is Nikhil Gadkari, son of Union Minister Nitin Gadkari, who has been one of the most vocal supporters of ethanol. Another son, Sarang Gadkari, runs Manas Agro, also in the sugar-fuel business, which is now a subsidiary of CIAN.

One theory is that CIAN benefitted directly from the ethanol push that started in April 2023. In January 2024, it also announced plans to produce ethanol from CO₂, partnering with a Chennai-based firm called Ram Charan Group. However, there have been no disclosures that actual production from CO₂ has started.

This leaves two possibilities. Either the company ramped up production and benefitted from E20, or the rally was mostly driven by hype while revenues flowed in from other sources.

On the business side, the market cap has shot up from about ₹100 crores last year to nearly ₹2,000 crores today. On a standalone basis (its traditional oil and agro business), revenue was around ₹100 crores last quarter. The remaining ₹400+ crores came from subsidiaries.

The company has acquired several entities including Sec-One Sales & Marketing (sugar, molasses, jaggery trading), Manas Agro, Avenzer Electricals, Varron Aluminium and others. Within a year, it transformed into a mini-conglomerate with ten reportable segments: agro, healthcare, infrastructure, sugar, power, fertiliser, distillery, LPG, motor spirit and liquor.

On paper this looks dazzling. But a closer look shows that a significant part of the profits has come from “other income” rather than operations.

For FY24, the consolidated net profit of ₹4.9 crores included ₹11.7 crores of other income. Without it, the company would have reported a loss of ₹6.8 crores. This other income mainly came from fair valuation gains, reduction of lease terms and accounts written back — items that are non-recurring and subjective. Around 83% of this was booked in the last quarter of FY24. In FY25, profits looked stronger at ₹41 crores, but nearly ₹12 crores again came from other income, with half of that booked in the last quarter. The rest of the profits were attributed to subsidiaries, but disclosures about their actual performance are limited.

Another issue is the mismatch in cash balances. The balance sheet shows consolidated cash and cash equivalents at ₹38 lakhs in FY24 and ₹2.03 crores in FY25. But in the cash flow statement, the same line shows negative ₹64 crores for FY24 and negative ₹58 crores for FY25. Surprisingly, auditors signed off despite this mismatch. Meanwhile, debt has been rising along with investments, and interest expenses are eating into profits. Promoter holding is 67.6%, but 44% of this is pledged. Back in 2023, promoters held 72.6% with 41% pledged. This shows falling promoter stake and increasing pledges. Institutional investors hold less than 0.2%, meaning the stock is largely in retail hands, which can make it volatile.

At a market cap of over ₹2,000 crores, CIAN Agro is being valued as if it is already a major ethanol player. By comparison, established players like Balrampur Chini or Triveni Engineering have decades of experience in sugar mills and distilleries with steady single to low double digit margins. CIAN’s profits, however, still depend significantly on other income and subsidiaries that did not even have disclosed business plans a year ago.

If margins slip to industry averages or if cash flows don’t improve, the premium valuation may not hold. The market may have priced in the perfect ethanol story — policy, politics and profits all aligned. But in small caps, perfection rarely lasts. If the next few quarters show cash flows catching up, pledges reducing and ethanol operations gaining real traction, the story could become sustainable. If not, the stock could see a sharp reversal — much like sugar itself: a sweet high followed by an inevitable dip.

By Sreenadh Chakka



Update for the day #2523 | Why does India spend less on education?

About five years ago, we lived in a completely different world. The pandemic had brought everything to a standstill. People were cooped up in their homes, unsure of what the next day would look like. It changed how we thought about the future. And it was around this time that the Indian government rolled out the National Education Policy (NEP) 2020.

The idea was to completely overhaul the old 10+2 system of education, replacing it with a more structured 5+3+3+4 format — starting from preschool to high school. For the first time, playschools or Anganwadi's were brought into the formal education system. And the structure made sense. For the first five years, called the foundational stage, children aged 3 to 8 would learn through play, stories and language, since this is when most brain development happens. Then came the preparatory phase from classes 3 to 5, where learning became more interactive and skill-based. The next three years (classes 6 to 8) introduced vocational training and even internships.

And finally, four years of high school education wrapped up the new system. This revamp rekindled hopes of transforming India's education landscape. And at the end of the government's press release, there was a line that really stood out:

The Centre and the States will work together to increase the public investment in Education sector to reach 6% of GDP at the earliest. But here we are, five years on. And government data clearly shows that education spending is still falling short of that ambitious 6% mark. For context, for over a decade, India's education spend has hovered between 4% and 4.6% of GDP. Now sure, calling this "too little" might sound a bit harsh. After all, India's current education spend is higher than countries like China (4%) and Japan (3.2%). Even UNESCO's recommended range for education spending is between 4% and 6% of GDP. So we're technically within the target.

But here's the thing. India isn't China or Japan. These countries have already crossed the basic hurdles of school enrolment and literacy. Their education systems matured long ago. They're also dealing with ageing populations, which means their school-going population is shrinking. On top of that, they spend a lot more privately on education, something that doesn't show up in public figures. India, on the other hand, has a huge youth population. Nearly 68% of our people are of working age between 15 to 64. And we're aiming big. We want to become a developed economy by 2047. But to do that, we need to invest in our future workforce today. That means investing more in education, publicly and systematically. And we don't have to look too far for inspiration either.

Our Asian Neighbours, countries like Bhutan and the Maldives, spend 5.8% and 5.2% of their GDP on education respectively. Even India's own Kothari Commission, way back in 1966, had recommended the 6% target as the bare minimum for building a strong, skilled post-independence workforce. And every education policy reform since has recommended it time and time again. So then, why haven't we reached that mark yet, you ask? Well, it's not like the expenditure on education hasn't increased. If you look at the numbers, education budgets have grown by about

4–6% on average each year since 2020.

In the Union Budget for FY26, for instance, the allocation to education stood at ₹1.28 lakh crore. That's a 6.5% jump from the previous year. But the problem is, our GDP is also growing steadily, pretty much at the same pace. So even though the government is spending more in absolute terms, as a percentage of GDP, we're stuck in the same range. Then there's the matter of priorities. The government has to juggle between defence, healthcare, infrastructure and social welfare. With limited money to go around, long-term investments like education often get pushed to the back seat.

To make things trickier, education in India isn't just the Centre's job. It's a "concurrent subject", which means both state and central governments share responsibility. And that's where things really get uneven. If you look at state-wise numbers, the per capita spending on education in India averages around ₹4,671. But this hides the massive variation between states. Goa, for instance, spends ₹17,418 per person on education, thanks to a smaller population. Maharashtra spends ₹6,245, backed by stronger revenues. But states like Bihar, Jharkhand and Uttar Pradesh, despite having the highest number of young people, aren't so lucky and spend less than the national average. And there's a deeper issue here.

The return on investment in education is hard to measure in the short run. While roads and hospitals show instant results, education takes time to show returns. You can't see the impact of better primary education until a child completes their full journey — something that could take about 15 years. As one former University Grants Commission official put it, visible results from NEP 2020 will take time. And in policy circles, time is a luxury. This lag creates a vicious cycle. States spend less on education. This results in a less skilled workforce. That impacts productivity, innovation and income levels. Fewer jobs and investments flow in. Tax revenues shrink. And there's even less money to spend on education. It's a rinse and repeat cycle.

So, does that mean India will never hit the 6% mark? Not necessarily. An EY report suggests there is a way, by boosting the government's income. To put things in perspective, right now, the government's revenue receipts stand at around 21% of GDP. But if this could rise to 29%, it would open up 8% of GDP for new spending. Of that, 2.5% could go toward reducing the fiscal deficit (excess government spending over earnings). The remaining 5.5% could be used for education and healthcare.

That's our window. But again, not all states can shoulder this burden equally. So, the Centre would have to step in with equalization transfers. Basically, extra funds to help lower-capacity states catch up. That way, no child's education is compromised irrespective of which state they live in. And signs of change may be slowly beginning to show. For FY24, India's direct tax to GDP ratio hit 6.6% which was the highest in fifteen years. And that is expected to inch up to 6.7% in FY25.

With tax reforms like the new regime that limits deductions and reduces disputes, the government might gradually build more fiscal space. If that happens, and if we back it with the right policies, maybe, just maybe, we'll finally hit that 6% mark we've been chasing for decades. And when we do, we'll be following in the footsteps of countries like Germany and South Korea, which saw education not as a cost, but as a lifeline when they rebuilt their economies. They invested early and

boldly. And the end results were a skilled population and a global reputation for quality.

So yeah, maybe it's time we asked ourselves not "what haven't we done?" but "why not do more?".

By Vignesh Kumar S



Update for the day #2524 | Bond Valuation

What is Bond Valuation?

Bond valuation is the process of determining the fair price of a bond. It involves calculating the present value of its expected future cash flows — which include periodic coupon payments and the principal repayment at maturity- discounted at an appropriate rate of return.

Formula for a vanilla bond:

$$\text{Bond Price} = \sum((1+r)tC) + (1+r)nF$$

Where:

C = Coupon payment

F = Face value

r = Discount rate / required yield

t = Time period

n = Number of periods until maturity

Fun fact:

When interest rates rise, bond prices fall — and vice versa. This inverse relationship forms the basis of many investment strategies.

Let's carry this analytical mindset into our tasks today — valuing each activity, deadline, and discussion with precision and clarity.

By Chirag R



Update for the day #2525 | Why are tech companies letting go of so many employees?

Tata Consultancy Services (TCS) confirmed it could let go of up to 12,000 people this year, which is roughly 2% of its global headcount. Salary hikes were also put on hold, and lateral hiring was frozen. This felt like a tremor in a company long known for Tata's legacy and lifetime employment. And anyone holding the stock discovered it had delivered roughly zero return over the last four years.

At the same time, HCL announced that junior employees get only a token 1-4% raise in salary, while mid-level employees have yet to get any. Infosys, the once voracious campus recruiter, onboarded just 210 people last quarter. Revenues across the top Indian vendors are flat or falling in terms of USD, and every earnings call blames it to a cocktail of AI automation, tight US tech budgets, and plain old price pressure. Because Microsoft is also laying off thousands of people in its Azure cloud unit. Intel is laying off 24,000 workers and halting major capital expenditures. And AWS is also laying off hundreds of workers.

You see, code-generation tools can now write boilerplate code in minutes. AI agents can automate repetitive workflows, pull real-time updates, and even coordinate things across teams. In other words, a large chunk of what mid-level employees used to do, especially in tech and operations, can now be done faster, cheaper, and more consistently by machines.

But when it comes to the Indian IT industry, it's not just AI automation that is affecting revenues. The shock lies in the juxtaposition: while headline layoffs mount in legacy outsourcing, multinational clients are quietly expanding their Global Capability Centres (GCCs), within India. For the uninitiated, a GCC is when a large MNC sets up its own legal entity within the country, hires its own engineers, and runs the same SAP upgrade or data-science sprint that it once paid TCS or Infosys to handle.

So when a Fortune 500 firm sets up a GCC in Bengaluru or Chennai, they don't just save costs. They also avoid vendor delays, gain ownership over proprietary tools, and have strict data controls. In many ways, it's vertical integration. And given enough volume, vertical integration always saves costs. Apart from this, throw in an office badge that says "Google" or "Microsoft", instead of "TCS" or "Infosys", and you see the appeal, don't you?

This is why the GCC ecosystem grew about 40% in the financial year 2024 while service-based IT firms eked out less than 5% growth. In fact, these GCCs are expected to grow this year even more than they did in 2024.

At the same time, India is becoming more expensive. As the economy grows and wages rise, so do the costs of operating here. This wouldn't be a problem if India were the only option. But countries like Vietnam, the Philippines, and even Mexico are offering competitive talent at lower prices. So, if a global firm wants cheap services, they have plenty of options. And if they want quality and control, they have GCCs. The middle ground, where Indian IT vendors once ruled, is slowly vanishing.

That leaves traditional IT companies squeezed from two directions. Some folks go as far as to say that Indian IT companies are just glorified HR firms, moving people around from one project to another. That might sound a bit too cynical. But the truth is that most of these firms haven't built products. They've built billing engines. They charge clients by the hour, based on how many people they assign to a project. The problem? That model works only as long as human effort is essential. When machines start doing the job 24x7, billing by the hour becomes a liability.

You see, Infosys, for instance, is still planning to hire 20,000 freshers this year. And unlike its peers, it actually saw decent revenue growth in the latest quarter. That makes it a bit of an outlier in the current environment. It shows that large deals are still being signed and that traditional outsourcing is not completely dead.

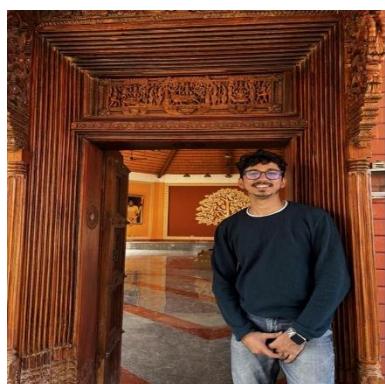
And then there's Zoho. This Chennai-based company has quietly built a suite of world-class software without relying on any external investors. It controls everything, from product development to cloud hosting. And it has managed to do it profitably. More importantly, Zoho owns its IP (intellectual property) and doesn't just offer services that can be replicated or automated. It builds tools that solve real business problems. And those tools are hard to replace.

That's the direction Indian IT firms will likely need to move toward. Because services can be copied. They don't offer margins. And they don't offer pricing power. Products, on the other hand, come with a moat. Sure, they can be copied. But if you can build something that works well and solves a pain point for clients, you can keep charging a premium for it year after year.

Of course, shifting from services to products is easier said than done. It takes a different culture, a different structure, and a whole lot of patience. You can't pivot a 100,000-person services company and the entrenched culture overnight.

Sure, IT firms might lose clients in the short term and face lower margins. And investors may not like that. But the question is not whether the transition is hard. The question is whether it is necessary. Because if Indian IT companies want to stay relevant in the coming decades, they might have to stop being service providers and start being product-led. They might have to let go of the old playbook and write a new one. One that isn't just about billing hours, but about building value

By Sughosh Joshi



Update for the day #2526 | Titan's American dream?

Titan is eyeing the Middle East, particularly the Gulf Cooperation Council (GCC) countries like the UAE, Saudi Arabia, Qatar, Oman, Kuwait and Bahrain, as a possible manufacturing base to serve the US market.

If you're wondering why, well, it's pretty straightforward. Recently, US President Donald Trump slapped a 50% tariff on goods coming from India. That's a shock for exporters and Titan isn't spared the worry either, especially since it has big dreams for America. For context, its flagship jewellery brand Tanishq already has a few stores there and plans to open more, while CaratLane, its diamond-focused brand, made its US debut just last year. So suddenly, exporting jewellery directly from India to the US looks like a pretty expensive affair.

On the flip side though, goods flowing from the UAE to the US currently attract just a 10% tariff. Which means if Titan sets up shop in the Gulf to make jewellery for the US, it can save big on costs and make its exports far more competitive.

But this also begs the question, "Americans aren't exactly known for splurging on gold jewellery, and Titan is still a relatively unknown name there. So... why chase the US market at all?"

For starters, and you've probably guessed this already, Titan isn't planning to win over all of America at once. Its first move is to focus on regions with large Indian expat communities. Think New Jersey, Texas, Chicago and the West Coast.

For these communities, Titan and Tanishq aren't just jewellery brands. Gold and diamond jewellery play a starring role in weddings, festivals and family milestones, so the emotional connection runs deep. And that loyalty is showing up in Titan's numbers.

Right now, Titan has 24 international jewellery stores. And in Q1FY26 (three months ending June 2025), revenue from its international jewellery business jumped by an impressive 48% year-on-year to ₹554 crores. And while there isn't a breakdown of exactly how much of that came from the US, Titan's latest Investor Presentation said that the surge was driven by strong double-digit growth in both the UAE and North America. What's impressive is that this momentum also helped the international jewellery business turn a positive operating profit for the very first time.

But that's not the only reason Titan has its eyes on the US.

It also wants to build itself into a global brand. And what better way to do that than to enter one of the toughest, most competitive markets in the world and make a name there? If you can crack the US, the rest of the world tends to notice.

But it's not as if it's betting on a sudden boom in American jewellery demand. The thing is that it has a bigger game plan — to evolve into a lifestyle company that sells premium products like watches and handbags. But it also knows that US consumers won't buy an Indian-made bag or

watch, even if it's premium, when they already have brands like Coach, Michael Kors and Rolex.

That's where jewellery comes in. Titan knows that NRI customers, especially Indians in the US may not rush to buy its premium bags or watches right away. But weddings, festivals and family milestones will ensure that they come for its jewellery instead of buying from a US jewellery brand which may not resonate with traditional Indian designs. And once the Tanishq name becomes familiar and trusted, it's easier to nudge customers toward its other premium offerings.

If you think about it, the NRI audience also makes for a strong starting point. They're less price-sensitive when it comes to gold jewellery, even if prices soar during the festive season. For them, it's an emotional buy, which means they might also be open to spending on something premium.

And this isn't just about sales in the US. It's also about diversifying away from India and gaining a stronger global footprint. The timing works out neatly too. Just last month, Titan bought a 67% stake in Damas Jewellery, the Middle East's leading jewellery retailer. That gives Titan not only a supply chain hub for the US but also another strong sales channel.

Put all of this together and you'll see why it's adding more stores in the US, even though it's still in the early growth phase and international revenue makes up only about 4% of its overall pie. By FY28, the goal is to double annual revenue from the international business to around ₹4,000 crores.

But even with all these big ambitions, there are a few risks you can't brush aside.

One of them is lab grown diamonds (LGDs). See, back in 2022, Titan picked up a 17.5% stake in Great Heights Inc., an LGD maker based in Connecticut. Sounds like it was hedging its bets, right?

But here's the twist. Amrit Pal Singh, Titan's business head for North America, recently said that the company had no plans to include LGDs in its North American range.

That's not just a bold call but also a contradicting one, especially when you look at the trends. LGDs have been gaining popularity lately. In fact, they now make up more than 20% of global diamond jewellery sales, compared to less than 1% in 2016. And the US market is following a similar pattern. Last year, over half of all engagement rings sold in the US had a lab-created diamond. That's a jump of 40% compared to 2019.

So, by sticking to natural diamonds, Tanishq could miss out on a chunk of the market. But then again, Titan's long term game is to position itself as a premium lifestyle brand. And in the luxury playbook, natural diamonds still carry that aura of exclusivity. LGDs, with their lower costs, have pulled down prices. But that also means natural diamonds stand out even more. So maybe, Titan's thinking isn't entirely misplaced.

The bigger worry, though, has nothing to do with jewellery. It's about people. Specifically, the flow of young Indians moving to the US. Stricter H1-B visa rules under the Trump administration's policies could make it harder for them to work in the US after finishing their studies. The idea is to prioritise American workers over hiring from abroad.

And that matters for Titan because its US play largely revolves around Indian Americans. Sure, the

existing market — made up of families who moved years ago and are now citizens or residents, is still there. But future growth depends on more Indians making the move, and that's where the uncertainty creeps in.

So yeah, Titan might have to make its mark in the US much faster, building brand recognition before the pipeline of new customers slows. At the same time, it might need to lean more on the Gulf, where Indian migration is still steady and even locals have a deep love for gold and jewellery. Because if the US growth story starts to lose steam, the path to becoming a truly global brand could be tougher than Titan expects.

By Chelsea Dsa



Update for the day #2527 | Can India become the world's BPO for semiconductors?

There has been a lot of buzz around semiconductor manufacturing lately. And it's not hard to see why. Everything from your car, washing machine, and even your blood glucose monitor function only because of it.

Right now, the race to make those chips is turning into one of the most expensive and high-stakes games in the world. But chipmaking isn't just about churning out silicon in shiny factories. It has anywhere between 400 to 1,400 processes! which can be classified into three broad categories.

Act one is design: The blueprints, where engineers decide what the chip will do, how fast it will run, which processor architecture it uses (RISC or CISC), among other factors.

Act two is manufacturing: Billion-dollar semiconductor manufacturing facilities or what's called as "fabs" carve microscopic circuits onto wafers using lithography, ion implantation, chemical processing, and millions of liters of ultra-pure water.

Act three is OSAT or Outsourced Semiconductor Assembly and Testing: This is where the backstage crew takes finished wafers, carves them into chips, wire-bonds them, tests them, and finally, packages them for shipping.

The real star of the show is, however, the second step. This is why everyone's talking about building fabs. In fact, the Indian government has doled out incentives worth \$10 billion just to get companies to invest in building fabs in the country. But here's the thing, India is not the only country to have these incentives. China and the US also have similar incentives worth over \$50 billion. And we see the appeal.

A single fab can create thousands of direct & indirect jobs, and anchor an entire local ecosystem, attracting suppliers of chemicals, specialty gases, and precision equipment, as well as R&D labs and universities. And once a fab is up and running, it's not easy to move. The sheer scale of investment, the need for a highly trained workforce, and the complex supplier network mean that the economic benefits tend to stick around for decades.

For governments, fabs are also about geopolitical autonomy. Having domestic fabs means fewer disruptions when geopolitical tensions flare up, and less dependence on imports for critical industries like defence, telecom, and healthcare. However, at the same time, fabs are also high-tech, capital-intensive investments that can take years to build. And even after building them, the process of getting them to "full capacity" by calibrating equipment, fine-tuning yields, and ensuring you have the least defects can take another few years.

And that's assuming you already have the right engineers, technicians, and supply chain partners in place. In reality, the talent pool for semiconductor manufacturing is small and highly competitive. Countries with established ecosystems, such as Taiwan and South Korea, have spent decades developing their expertise. For newcomers like India, even with generous subsidies, catching up means overcoming steep learning curves in both technology and human capital. This is why, while fabs garner headlines, the real opportunity for India lies in the third step. Outsourced

Semiconductor Assembly and Testing, or OSAT in short.

You see, OSATs need talent and low-cost labour. And that's exactly where India already has a head start. We're not starting from scratch. Bengaluru and a few other hubs already have a base in chip design, thanks to decades of work by global semiconductor giants running captive design centers here.

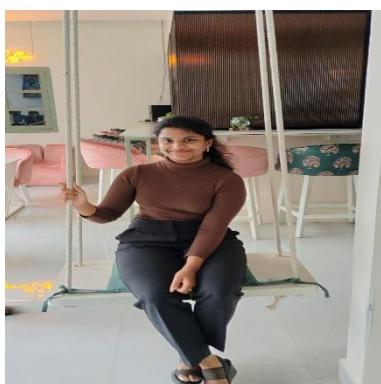
And India's immediate strengths fit OSAT for a few reasons. First, we have a large pool of electronics and software talent, strong handset and automotive supply chains, and improving logistics networks. Global semiconductor makers are also looking for more advanced packaging capacity after years of bottlenecks in the backend process. This means the demand is already there. We just have to position ourselves as a credible and scalable option.

But this doesn't mean that building OSATs first isn't without problems. The global competition is strong, and basic wire-bonding work won't cut it if India wants to be taken seriously. We'll need to move quickly into higher-value segments such as wafer-level packaging, fan-out technology, and heterogeneous integration. That in turn will require airtight IP protection, a predictable and stable policy environment, and customers who are willing to place long-term contracts.

The good news is that India already has multiple anchor projects in motion. Micron's ATMP facility, HCL-Foxconn's venture, and Tata Semiconductor facility are all in the works. On top of that, the government's 50% capex grant significantly lowers the risk for early movers. The real challenge now is execution and delivering at a scale and quality level that matches established OSAT hubs like Taiwan, Malaysia, and the United States. So, if we get the basics right, the upside is genuinely big.

So, yeah. The bottom line is India can become a global hub for chip packaging even before it produces wafers competitively. The strategy should be to use generous OSAT incentives to lock in marquee customers, build vendor ecosystems for substrates and test handlers around existing plants, and upgrade local talent through joint programs with global toolmakers. Do this right, and India becomes indispensable to the world's chipmakers. That said, we can't ignore the need to build competitive fabs, too. And that's not just for economic value, but for resilience, as well as national security.

By Sanjana S M



Update for the day #2528 | Trump's Tariff Shock vs. India's GST Reforms

India is preparing for a major economic challenge as US President Donald Trump rolls out a 50% tariff on nearly all Indian exports starting 27th August. For an economy that sent \$87 billion worth of goods to the US last year — nearly 2.5% of GDP — this tariff wall could knock 0.7% off growth, pulling down the country's expansion rate from the projected 8.5% to closer to 7.8%.

Moody's Analytics has already warned that this could weigh on India's ambitions of maintaining high growth momentum in the coming years.

In response, the government has announced a \$50 billion stimulus package designed to both cushion the immediate blow and strengthen India's long-term resilience. This includes support for semiconductor manufacturing, a ₹1 lakh crore employment programme that provides one-time incentives for newly hired youth, and the centrepiece — ambitious GST reforms. India's current GST framework is a complex maze with four different slabs of 5%, 12%, 18% and 28%, often leading to confusion, litigation and high compliance costs. The reform proposal aims to collapse this structure into just two slabs, 5% and 18%, making goods cheaper, reducing disputes, and encouraging households and businesses to spend more.

Economists believe that such a simplification could boost India's nominal GDP by around 0.6%, enough to soften part of the tariff shock. While the government may lose about ₹1 lakh crore in tax revenue annually, much of this shortfall could be offset by rising consumption and a new 40% GST on so-called "sin goods" such as tobacco, pan masala, luxury cars and online gaming. In theory, this could help balance the scales — exports may fall, but domestic demand could pick up the slack.

But there is a catch. The pain of tariffs is not evenly spread across the economy. Industries such as textiles, gems and jewellery, leather goods, marine products, chemicals and auto components are heavily dependent on the US market. For them, a 50% tariff is devastating.

Margins are already thin, and if they try to pass on higher costs, American buyers may simply turn to cheaper alternatives from Vietnam or Bangladesh. This could lead to cancelled orders, factory shutdowns, job losses, and mounting stress in small and medium enterprises that form the backbone of these industries.

That's why economists caution that GST reforms, while positive for the broader economy, cannot fully compensate for the losses suffered by export-oriented sectors. More targeted measures may be needed, such as easing input costs — like the suspension of import duties on cotton for garment makers — and aggressively finding new buyers in markets such as Europe, China and other parts of Asia. The US may be the world's largest economy, but it represents only about 10% of global trade in goods, which means there is room for India to pivot its export base if it moves swiftly.

For now, trade talks remain India's best hope for relief, but until policies shift in Washington, the focus at home will be on making the economy more resilient. GST reforms could certainly help

boost domestic demand, but for the millions employed in export-driven sectors, the road ahead still looks bumpy.

By **Nisha B T**



Update for the day #2529 | HUL spins out the cold stuff

Hindustan Unilever (HUL) plans to spin off its ice-cream business into a new listed company, Kwality Wall's India Ltd (KWIL), where shareholders will receive one KWIL share for every HUL share, and Unilever's global arm Magnum HoldCo will own about 62%. The move aligns with Unilever PLC's global strategy of hiving off its ice-cream division to simplify operations and cut costs, while giving HUL a sharper focus on its core FMCG segments.

KWIL will start debt-free with assets of over ₹900 crore, five manufacturing facilities, 19 warehouses, 1,200 employees and a network of 2.5 lakh freezer cabinets. The opportunity is significant — India's per capita ice-cream consumption has quadrupled in a decade to 1.6 litres, yet remains far below the global average. The current ₹30,000 crore market is expected to triple over the next eight years, and while Amul leads with over 40% share, Kwality Wall's early-teens share and the 37% unorganised segment offer room for growth.

Challenges remain, including lower margins compared to HUL's main businesses, seasonal demand swings, volatile input costs, and stiff competition from entrenched regional players. Still, HUL's management sees ice cream as a "high-growth" category needing substantial capital. With KWIL's focused strategy on expanding freezer infrastructure, pushing premium and dairy-based products, and leveraging quick-commerce delivery, the company aims to strengthen margins within 2–3 years. Ultimately, the success of the carve-out will depend on KWIL's ability to execute, sustain demand, and build profitability in a competitive and seasonal market.

By Vandana M Panwar



Update for the day #2530 | JLR's Cyber Breakdown Stalls UK Auto Industry

Jaguar Land Rover (JLR) — the UK's iconic luxury carmaker and a subsidiary of Tata Motors — has been grappling with one of the most disruptive cyberattacks in recent corporate history. Since 31st August, its factories in the UK, Slovakia, Brazil, and India have remained completely offline, halting production of all vehicles. Each week of shutdown is estimated to have cost the company around £50 million, making the financial impact severe.

The cyberattack targeted JLR's core IT systems, which manage everything from production lines and supplier payments to order processing and basic internal communications. The disruption coincided with a massive £800 million tech overhaul led by Tata Consultancy Services (TCS) to modernise JLR's SAP systems. While the upgrade aimed to improve efficiency and integrate global operations, the highly interconnected infrastructure made the company vulnerable: once hackers gained access, nearly all systems had to be shut down.

The consequences of the attack have been widespread:

- Suppliers and partners faced severe financial stress, with unpaid invoices, delayed deliveries, and mounting costs.
- Roughly half of JLR's supply chain reported operational disruptions, and some smaller vendors were forced to cut hours, lay off staff, or risk bankruptcy.
- The UK government stepped in with a £1.5 billion loan guarantee to stabilise JLR's supply chain and prevent cascading failures across the automotive sector.

The timing of the attack could not have been worse. UK manufacturing was already struggling with its weakest growth since the COVID-19 pandemic, and JLR alone contributes approximately £17.9 billion to the UK economy — around 0.6% of GDP. The company directly employs 33,000 people in the UK, with a supply chain supporting an additional 200,000 jobs, many in highly specialised local firms. In the West Midlands, JLR accounts for nearly 5% of the regional economy.

Adding to the challenge, reports suggest JLR had no active cyber insurance at the time of the attack. A policy arranged through Lockton had not been finalised, meaning the company had to shoulder the full financial burden on its own. For Tata Motors, which earns about 70% of its revenue from JLR, the attack threatens to weaken its overall profit engine.

Industry experts emphasize that this incident is a wake-up call: in modern manufacturing, cybersecurity is as critical as physical safety. Companies must adopt “zero-trust” systems, conduct regular risk audits, and simulate cyberattack scenarios through tabletop exercises. Rapid detection, containment, and recovery are now essential to prevent months-long production halts.

For JLR, the road ahead involves not just repairing damaged systems but rebuilding resilience across its factories, suppliers, and digital infrastructure. The incident underscores a broader lesson for global manufacturing: in today's connected world, lines of code can be as crucial to production

as bolts and engines, and a single vulnerability can bring an entire industrial ecosystem to a standstill.

By Sourabh Jain



Update for the day #2531 | OECD Global Tax Reforms

In recent years, countries have been negotiating major changes to international tax rules under the Organisation for Economic Co-operation and Development's (OECD) two-pillar framework. Pillar One is meant to give more taxing rights to countries where customers are located. It has two parts: "Amount A," which would shift a share of profits from very large companies (with over €20 billion revenue and high profit margins) to customer countries, and "Amount B," which would make it easier to calculate taxes on routine activities like marketing and distribution.

However, progress on Pillar One has slowed, with deadlines missed and many countries instead introducing their own digital services taxes.

Pillar Two, on the other hand, is advancing and has already begun implementation in several countries since 2024. It introduces a 15% global minimum tax on multinational groups with revenues above €750 million, through mechanisms like the domestic minimum tax, income inclusion rule, undertaxed profits rule, and a subject-to-tax rule in treaties. As of August 2025, 65 countries have passed or drafted legislation adopting these rules, with the European Union leading implementation. These changes are expected to generate significant additional tax revenue but also increase compliance complexity for companies.

The US has not aligned fully with the OECD framework, instead adjusting its own international tax rules while resisting foreign application of undertaxed profits rules on US multinationals. Political tensions remain, with President Trump threatening retaliatory measures against digital services taxes. Meanwhile, European countries like Germany and the Netherlands are calling for simplification of the complex rules. Overall, Pillar Two represents a historic shift in international taxation, raising global minimum standards but also reshaping tax competition and government approaches to business incentives.

By Asmi Shenoy



Update for the day #2532 | Learning from Failure

Failure is often misunderstood as the opposite of success, when in truth, it is one of its most important building blocks. Every achievement carries a history of mistakes, setbacks, and lessons. What matters is not how many times we fall, but how many times we rise and what we take away from the experience.

When things don't go as planned, failure gives us valuable feedback. It highlights what didn't work, uncovers blind spots, and pushes us to think differently. Instead of viewing it as defeat, we can see it as a teacher—one that shows us how to improve and grow stronger. Many of the greatest innovations and breakthroughs in history were born out of repeated failures that eventually shaped the right path forward.

At work, mistakes are inevitable. A project might miss deadlines, an idea may not deliver results, or a strategy may need revisiting. These situations, while uncomfortable, can spark creativity and resilience if approached with the right mindset. Asking simple questions like "What can I learn from this?" and "How can I do better next time?" turns setbacks into stepping stones.

Equally important is building a culture where failure isn't feared but respected as part of progress. When people feel safe to experiment and share ideas without judgment, they are more likely to innovate and take responsibility. Fear of failure holds us back, but learning from it moves us forward.

Failure humbles us, strengthens us, and prepares us for bigger challenges. It reminds us that success is not a straight line but a journey with twists, turns, and lessons along the way. If we embrace failure with courage and curiosity, it will never be the end of the story—it will always be the beginning of something better.

By Aditi Gadiya



Update for the day #2533 | Jio's Disruption in ITR Filing — Convenience or Data Play?

Every tax season in India, taxpayers choose between three routes:

1. Consulting their CA
2. Filing returns directly on the Income Tax Department's portal or
3. Using apps that simplify the process.

This year, Reliance Jio has entered the space with JioFinance, offering an income tax return (ITR) filing service for just ₹24, integrated with an AI-powered tax planner. The backend is supported by TaxBuddy, a tax advisory platform, ensuring direct connectivity with government APIs. Users can either self-file at ₹24 or seek expert assistance for ₹999.

Why so cheap?

₹24 barely covers transaction costs. Tax filing platforms have expenses — API integration, servers, customer support, and compliance with data laws. Clearly, the filing fee is not the business model. Instead, this is a loss leader strategy: offering a service at throwaway prices to attract users and later cross-sell more profitable products.

The bigger play — Data

By filing returns with JioFinance, users share detailed financial data — income, spending, investments, and property ownership. This information can be leveraged across Jio's financial ecosystem:

- Mutual funds (Jio BlackRock AMC)
- Loans and deposits (Jio Payments Bank)
- Insurance (Jio–Allianz partnership)

The AI tax planner can also nudge users toward these products. With 498 million subscribers and millions already using JioFinance, this creates a valuable funnel for long-term monetisation.

Market impact:

Competitors like ClearTax, Quicko, and Tax2Win have already lowered prices, sometimes offering free filing. But Jio's entry may trigger a “race to zero”, squeezing out smaller players without the financial strength or cross-sell pipeline to survive. This mirrors Reliance's disruption playbook in telecom and retail.

Privacy concerns:

India's new Digital Personal Data Protection (DPDP) Act, 2023 is in place but still awaiting detailed rules. Until then, issues like how long platforms can store tax forms or use data for marketing remain unclear. Consent screens may technically comply with law but still overwhelm users into agreeing. A survey shows that only 16% of Indians understand the DPDP Act, and more than half are unaware of their data rights.

Trust also plays a role. Many still rely on CAs as confidants for unbiased advice. In an app-driven model, recommendations could double as subtle product pitches.

The upside:

Cheaper, faster, and AI-assisted filing could genuinely help taxpayers, especially those with simple returns. Tools that compare regimes or map deductions may improve awareness and savings, and even expand India's taxpayer base.

Bottom line:

Jio's entry could transform ITR filing into a near-free service. But when something is priced at ₹24, the real cost is often your data. Users should enjoy the convenience while staying alert to how their financial information might be used.

Let's stay tuned to see how this space evolves further

By Manjunath A S



Update for the day #2534 | Are countries crashing lab-grown diamond prices on purpose

Lab-grown diamond (LGD) prices have crashed like crazy! That's not us saying it, but the World Gold Council, which reports that LGD prices have plummeted nearly 96% in wholesale prices for one-carat and two-carat stones since 2018.

The reason?

An immense oversupply of LGDs from India and China. And that got us thinking, "Are countries part of a conspiracy to crash LGD prices to achieve something bigger?" We know it sounds dramatic but hear us out.

Look, the natural diamond supply chain has always been controlled by a handful of powerful players. Russia's Alrosa, De Beers and Rio Tinto together account for over 60% of global diamond mining. African nations like Botswana, the Democratic Republic of Congo, Angola and South Africa also play a massive role, while Canada ranks as the third-largest producer by volume. These countries control the source.

Meanwhile, countries like India, the UAE and Belgium dominate the polishing and trading business or the downstream part of the industry. But they don't control diamond supply because they don't have large natural reserves and rely on rough diamond imports, especially from Russia, to cut, polish and export finished stones.

But the rise of lab-grown diamonds changed everything. Suddenly, you didn't need diamond mines to enter the industry. You just needed labs, where small diamond slices, called a seed, is placed inside a chamber with carbon-rich gas and exposed to heat and pressure, recreating how diamonds form underground. The result? A diamond with the same sparkle and structure as a natural one.

LGDs also came with a cleaner image. Producing a natural diamond usually means digging up land, moving nearly 250 tonnes of earth for just one carat and releasing close to 160 kilograms of greenhouse gases into the atmosphere. Mines leave behind massive pits and long-term ecological damage. But with LGDs, you skip all that environmental guilt.

And for countries like India and China, already strong in diamond polishing, this was a sparkling opportunity. They had factories, skilled labour and distribution networks in place. So scaling LGD production was easy. Also, the more they produced, the cheaper it became. For the first time, they could compete in the global luxury diamond market without owning a single extra mine.

Initially, it worked brilliantly. LGDs made diamonds feel accessible. People who once avoided diamond stores because of sky-high prices now walked in freely. New-age jewellery brands pushed LGDs, and soon traditional names joined them — Kalyan Jewellers through Candere, TBZ and Senco Gold & Diamonds all launched LGD collections.

But then came another twist. India and China produced so much that prices crashed. LGDs were

already about 30% cheaper than natural diamonds, but oversupply dragged prices even lower. And once something becomes too cheap, people start questioning its value. So buyers drifted back to natural diamonds, not for logical reasons, but emotional ones. Natural diamonds still symbolise rarity and status. They're a classic Veblen good, where demand goes up when prices stay high, because exclusivity matters.

But here's the clever part. No matter which way customers go, brands remain in a win-win situation. For instance, if a premium brand like Kalyan chooses not to sell LGDs to maintain its luxury image, it still has Candere to serve mid-market buyers who want them. Tanishq, CaratLane and Mia don't sell LGDs either, but Tata Group's Trent launched Pome to tap into that exact space. So whether people choose real diamonds or lab-grown ones, the big jewellery brands win regardless.

And that's why this whole thing feels like strategic reverse psychology. Countries like India seem to have deliberately pushed LGD production to flood the market, crash prices and slowly take a bigger share of the global natural diamond trade. Sounds far-fetched, you might think, until you see what natural diamond producers are doing. Diamond-producing governments from Angola, Botswana, the Democratic Republic of Congo, Namibia, Sierra Leone and South Africa, along with industry bodies like the Gem & Jewellery Export Promotion Council (GJEPC) (India's apex body for gems and jewellery), the Antwerp World Diamond Centre (AWDC), the Dubai Multi Commodities Centre (DMCC) and De Beers, have recently signed the Luanda Accord, an agreement pledging 1% of annual diamond sales to promote natural diamonds.

But whether there's a real conspiracy behind all this or not, it does seem to be having an effect. In India, interest in natural diamonds is slowly picking up again, partly because people are realising how much rarer they're becoming.

By Aastha Jain



Update for the day #2535 | The gold rush begins at home

Indians and gold. It's a love story that never ends. Whether it's for weddings, savings, or just as an investment hedge, we can't get enough of it. And to satisfy this appetite, India imports a thousand Tonnes of this yellow metal. Yep, 1000 Tonnes of gold every year! But when it comes to producing our own, the number is laughably small at just 1.5 tonnes.

Which begs the question - When there's such a steep demand, why haven't we mined for gold at home?

Well, we have mined in the past. And that's also part of the reason why we haven't anymore. Let us explain.

The Kolar Gold Field (KGF), once the pride of Indian mining, churned out around 800 Tonnes in the 120 years it was active before shutting down in 2001. The reason India stopped mining at KGF was because of a list of concerns. It was active for a long time, and that meant with more gold mined, the next extraction would be deeper. At one point, it was the 2nd deepest gold mine at 3,200 meters depth. And when you have to dig deeper, it costs more to extract gold. Think power costs, ventilation systems, water pumping all adding to the cost of getting the shiny metal out from underneath. And then there's the environmental hazards that mining caused, especially contaminated water, land and infrastructure. So sure, it was the biggest gold mine of the country at the time, but after a point it was no longer viable.

The closest we came to KGF was Hutt Gold Mine which gave us around 84 Tonnes of gold between 1947 to 2020. So even if you put both these mines together, they didn't move the needle. And even with the current active mines, we barely make enough to meet demand. That's why we've been a net importer of gold, buying from around 48 countries.

Now you might be wondering, sure, the existing mines have run out of gold or they don't make enough. So... why not look for more gold reserves?

Well, we have looked for them, and even know where they are. Most of the reserves sit in the southern belt of India, and Karnataka alone holds 88% of them. The remaining 12% sit in Andhra Pradesh. But for the longest time, the issue wasn't where the gold reserves were, it's how to get to them with the policies behind gold mining. You see, until recently, there hadn't been any true push for domestic gold mining. Most of the control here is with the government and companies never found it feasible to even bid for mining leases.

Because for decades, mining these reserves was tied up in policy knots. All gold mining operations needed approval from the central government. But the actual licenses were handed out by the state government. There was no transparency nor was it based on competitive bidding. And even if a miner did manage to win the auction, there's all the approvals that a private company needs: environmental clearances, wildlife approvals, forest clearances and land acquisitions. In short,

starting a mine seemed like a paperwork nightmare before a single ounce of gold could be dug up. But all of this changed with the new 2023 Mines and Minerals (Development and Amendment) Bill. It introduced exploration licenses (ELs) for private players, letting them scout for critical minerals — gold included — something the 1957 Act never allowed.

Auctions were revamped too. Under a new reverse bidding system, exploration companies bid by quoting the smallest share they want from any future mining lease premium. So say if an exploration company discovers a viable gold deposit and the subsequent mining lease auction generates ₹100 crores in premium, the exploration company receives their quoted percentage share. In other words, exploration finally comes with a direct financial incentive.

And we're already seeing the first proof of concept: The Jonna Giri gold project.

Located in the same belt as Karnataka's gold mines, Jonna Giri is part of the East Dharwar craton in the Kurnool district of Andhra Pradesh. And it's run by the Deccan Gold Mines Ltd (DGML), India's only listed gold exploration/mining company. It's also the first private gold mine, the first new discovery since Independence, and the first to be developed entirely under the 2023 exploration-license regime. That's a lot of firsts from one project.

And DGML followed through with environmental and land approvals that once kept private players out. In other words, it's saying that the new policy can actually work. Once it's fully operational, it could produce 750 kilograms of gold in its first year. Sure, it's not as large as a thousand Tonnes coming in from abroad. But it's a statement that, this time, the gold rush isn't at Kolar or Hutti, it's in the hands of private miners. And when we've been producing just 1.5 Tonnes, that extra production can boost outputs by 60%!

But it's an important precedent. Because the same policy framework could unlock other critical minerals too. Apart from gold, a total of 107 blocks of minerals were given to state governments for auction, but only 19 were actually auctioned. So, the central government took over the mining lease auctions for rhenium, tungsten, cobalt and many other minerals. Faster auctions mean production can start sooner and we can finally see real use of our minerals. And as more private explorers enter the field, new deposits could be discovered and India's dependence on costly imports could gradually reduce.

By Vismitha V



Update for the day #2536 | The Tata Capital IPO explained

This story barely needs an introduction. You probably already know Tata Capital as the financial services arm of the mighty Tata group. It kicked off in 2007 with the simple idea of offering financial services to retail customers, small businesses, and corporates. But as years passed by, the company widened its net. From consumer loans to commercial finance to wealth advisory, it slowly built itself into a brand that comfortably sat under the Tata umbrella.

Fast forward to today and Tata Capital isn't just another NBFC (Non-Banking Financial Company). It's India's third-largest diversified NBFC with assets under management or total loan book, standing tall at ₹2.33 lakh crores. And now, it's gearing up to hit the market with a huge ₹15,512 crore IPO.

The larger portion of this or ₹8,666 crores is an offer for sale. That's basically Tata Sons (which owns 88.6% of Tata Capital) and another key shareholder, International Finance Corporation, cashing out a bit of their stake. Together, they own over 90% of the company. And post-IPO, the overall promoter holding will fall from 95.6% to about 85.5%. The remaining or ₹6,846 crores is a fresh issue.

And that's money Tata Capital will actually keep to strengthen its Tier-I capital. Think of this as the company's financial cushion, made up largely of shareholders' money and retained earnings. The RBI insists that NBFCs maintain a strong buffer like this to ensure that they can absorb risks if loans go bad. And for Tata Capital, topping up this safety cushion doesn't just mean ticking a regulatory box. It also creates more room to lend in the future.

But does all of this automatically make its IPO a must-buy, you ask?

Well, to figure that out, you'll need to dig into a few key numbers. Because it's these metrics that will tell you whether 2025's most hyped IPO actually lives up to the chatter.

Let's start with the topline or the company's income. In FY25, Tata Capital clocked in about ₹28,300 crores in revenue from operations. That's no small feat. In fact, it translates into a solid 44% compound annual growth rate (CAGR) over just the past two years, which seems impressive. But, when it comes to lending businesses like this, one number investors love to track is the Net Interest Margin (NIM). In simple terms, it's the spread between what Tata Capital earns on the loans it gives out and what it has to pay on the money it borrows - be it bonds, bank loans, or deposits. For Tata Capital, this margin currently sits at 5.2%. That's not bad at all. But here's the catch. It's lower than the peer average of 7.6%. Big names like Bajaj Finance and Shriram Finance are miles ahead, with margins pushing 9.5–10%.

Still, profits look healthy. Tata Capital pulled in ₹3,655 crores in FY25, growing at about 11% CAGR since FY23.

But revenue and profits don't paint the full picture. You also need to check how efficiently the company puts money to work. That's where ratios like ROE (Return on Equity) and ROA (Return on Assets) step in. ROE tells you how much profit Tata Capital makes from every rupee of investor money. Here, it stands at 12.6%. Decent, but again, peers average closer to 16%. ROA, on the other hand, measures how effectively the company uses its loan book and investments to churn out profits. Tata Capital sits at 1.8%, while competitors average around 3.2%.

Here's the silver lining, though. If you look at asset quality, Tata Capital has been holding its ground quite well. Its Gross Stage 3 loans - basically loans that haven't been repaid for more than 90 days, have been steady between 1.5-2% over FY23 to FY25. That's stronger than the industry average of about 2.6%, which shows that it does seem to have tighter control over the quality of its loan book.

But even with these positives, there are a few risk factors you can't ignore.

Take its loan book, for example. On the surface, it looks well spread out across retail, SME, and corporate customers. And thanks to its recent merger with TMFL, Tata Motors' financing arm, it's now a serious contender in vehicle finance too. TMFL alone brings in a big chunk of the commercial vehicle loans for the combined company.

But the worrisome part is its unsecured loans or loans given without any collateral to fall back on, have consistently made up more than 20% of Tata Capital's portfolio over the past three years. That's not a small number. If too many borrowers default, it could eat into asset quality (which, to be fair, is currently better than peers) and force the company to set aside higher provisions. And that could hurt profitability down the line.

Then there's the legal overhang. Tata Capital has 283 criminal cases pending against it. Most of these revolve around loan disputes, repossession of vehicles, forgery allegations, or settlement issues. Typically, its borrowers or guarantors have taken the company or its employees to court and filed FIRs, claiming foul play. And while not all of these cases may be material in nature, together they add up to a contingent liability of ₹765 crores. To put that in context, this figure is way above the materiality threshold of ₹165 crores, which is 5% of the company's average profit after tax over the past three years.

And finally, there's the valuation question. At the top end of the price band of ₹326 per share, Tata Capital would be valued at 33 times its earnings over the last twelve months and 4.2 times its book value. Compare that to its peers, which trade at a P/E (Price-to-Earnings ratio) of 27.2 and a P/B (Price-to-Book value) of 3.6, and it's clear the stock looks a bit pricey.

Add to that a market that's already seeing a flood of massive IPOs, and this one could feel like a lot to digest. The Economic Times recently highlighted how mega IPOs over ₹10,000 crores have often disappointed. Take HDB Financial's ₹12,500 crore IPO. It spiked 14% on listing day, but today it trades just 4% above its issue price. Or last year's NTPC Green Energy ₹10,000 crore offering, which still lingers below its ₹108 issue price. And with LG Electronics' IPO coming up next week, investors may feel a little overwhelmed.

So yeah, whether they'll still jump in on Tata Capital is something we'll have to wait and see. Even if they do, it may be more to do with the Tata tag rather than immediate gains, despite this being one of the year's biggest IPOs.

By Mukesh Gehlot



Update for the day #2537 | 10% of Kutch for green energy and data centers = development?

Kutch, a region many overlook, quietly powers much of India — nearly three-fourths of the country's salt comes from here.

Its unique landscape was shaped by an 1819 earthquake that cut it off from the sea, leaving behind vast plains that flood during monsoons and dry into white salt flats. For decades, its harsh climate and isolation kept industries away. But today, that same geography — 320 sunny days, strong coastal winds, and open land — has turned Kutch into India's next renewable energy frontier.

Now, the desert has become a battleground between India's two richest men. Reliance's Mukesh Ambani and Adani Group's Gautam Adani together control close to a million acres — nearly 10% of Kutch's total area.

Reliance plans to invest ₹75,000 crore to build a “fully integrated new energy ecosystem” with solar modules, battery storage, and green hydrogen production. Adani, meanwhile, is building a gigantic 30-GW solar and wind energy park in Khavda, right along the Pakistan border.

Their visions may differ — Reliance focuses on hydrogen and batteries while Adani aims to flood the grid with renewable power — but in practice, both are chasing the same land, resources, and government incentives. This makes Kutch ground zero in the race to dominate India's clean energy future.

However, beneath the promise of a green revolution lie serious risks. Analysts warn that if both companies succeed, they could control most of India's solar manufacturing chain, pushing smaller players like Waaree and Premier Energies to the margins.

Reliance still faces challenges in transporting hydrogen and securing grid connectivity, while Adani continues to battle skepticism due to his coal operations and the controversial Carmichael mine in Australia.

The environmental and social costs are equally troubling. Kutch's fragile ecosystems — from coral-rich coasts to the Banni grasslands — are being cut by power lines and fenced-off solar farms. The Great Indian Bustard, a critically endangered bird, frequently collides with high-tension wires, yet undergrounding lines remains slow. Pastoral communities like the Maldharis are losing their grazing commons, watching their land shrink into industrial zones. And in a desert region already short on water, massive solar and hydrogen projects could consume billions of litres every year.

What's more, land and defence regulations have quietly been relaxed to allow private energy parks in sensitive zones near the border. Even environmental warnings around Reliance's Jamnagar complex were overlooked in the name of progress.

Experts say Kutch can indeed power India's green future — but only with caution and

accountability. Planned transmission corridors, zone-level ecological assessments, water-saving technologies, and respect for community rights are crucial. Without them, the race for clean energy could repeat the very mistakes it aims to fix.

Kutch stands as a symbol of India's renewable ambition — but also a reminder that development means little if it destroys the land that sustains it. Because if the price of a greener tomorrow is turning a living desert into an industrial one, we must ask — is that really progress

By Kavya Hebbar



Update for the day #2538 | The Paradox of Thrift: Why Universal Saving Can Hurt an Economy

The “Paradox of Thrift” is a foundational concept in Keynesian economics, presenting the counterintuitive idea that—while saving is generally wise for individuals—if everyone in an economy simultaneously chooses to save more, the result can be economic harm rather than collective gain. This paradox was most famously articulated by John Maynard Keynes in his influential 1936 book, “The General Theory of Employment, Interest, and Money”.

The Individual versus the Collective

At the individual level, saving is prudential: by consuming less and saving more, a person is better prepared for future uncertainty and can accrue wealth. However, Keynes emphasized that what is prudent for one can be detrimental for all. The logic is rooted in the “fallacy of composition”—assuming that what is beneficial to an individual or a small group must necessarily be beneficial when performed by everyone.

Aggregate Demand: The Engine of Growth

An economy’s output is fundamentally driven by aggregate demand—the total demand for goods and services. Consumption (household spending) usually makes up more than half of aggregate demand in most modern economies. When many people decide to save more and reduce current consumption, businesses face a sudden drop in sales. To adapt, firms may cut production, reduce staff, or defer investment. As jobs are lost or hours reduced, household incomes fall, which further depresses spending. This leads to a self-reinforcing cycle: less demand yields less production, which yields even less demand.

This chain reaction is especially damaging during economic downturns. If households save in response to recession, the effect is compounded. The drop in aggregate demand amplifies the slump, causing the economy’s total income and output to shrink.

The Income-Savings Feedback Loop

A crucial insight is that, in the aggregate, all income generated in an economy is someone’s expenditure. If spending falls, so does collective income. Even though individuals intend to save more, the resulting fall in income can mean that total actual saving in the economy does not increase and may even decline. Simply put, rising thrift when practiced en masse leads to falling incomes and, ironically, can yield less overall saving.

Historical Evidence and Real-World Illustrations

- Great Depression: The Paradox of Thrift was first popularized in response to widespread attempts to save during the Depression. Consumption collapsed, production shrank, and unemployment soared—despite individuals trying to protect their finances.

- 2008 Financial Crisis: The personal savings rate increased sharply, but the result was a protracted recession and stalled economic growth. Businesses delayed expansion, leading to further drops in employment and spending.

A vivid illustration is seen when young adults move back in with parents during bad times—a rational way to save individually, but one that also depresses demand for housing, goods, and services, further damaging economic activity.

Nuances and Criticisms

The Paradox of Thrift applies most strongly in times of recession when idle capacity and unemployment are prevalent. In periods of robust growth, increased savings can be channeled into investment—funding new businesses and infrastructure, which expands future productive capacity. Critics argue that higher saving is beneficial in the long run if it leads to greater investment. However, in crises, investment opportunities are limited, and the extra savings often sit idle.

Policy Implications

Keynesians contend that government intervention is required when private savings rise en masse. By increasing government spending, authorities can offset the drop in demand and help stabilize income, employment, and overall economic growth. Policies such as stimulus packages, tax cuts for consumers, and increased public investment are common prescriptions.

Conclusion

The Paradox of Thrift exposes a crucial truth in macroeconomics: collective attempts to behave “wisely” by saving more, especially during economic downturns, can make everyone poorer in aggregate. Recognizing this paradox can inform policy, guide individual behavior, and highlight the delicate interplay between personal prudence and collective prosperity.

By Aniket R Patil



Update for the day #2539 | FMCG Giants Want Some Chips at Balaji Wafers

Balaji Wafers is something of an anomaly in India's fast-moving consumer goods (FMCG) landscape. Its journey began in 1974 at a small cinema canteen in Rajkot, where Chandubhai Virani noticed something curious — fried chips were selling faster than the sandwiches, and customers weren't thrilled with the soggy wafers the canteen offered. So he began frying his own. The new "Balaji Wafers" became an instant hit, drawing long queues — and setting the stage for a snack empire.

From that modest counter, Balaji evolved into an automated factory by 1995. Today, it clocks ₹5,550 crore in FY24 revenue and ₹578 crore in profits — putting it almost on par with Jubilant FoodWorks, a listed giant valued at over ₹43,000 crore. It's no wonder, then, that global investors and FMCG powerhouses — including Temasek, ITC, General Mills, and PepsiCo — are circling for a 10% stake that would value Balaji at ₹40,000 crore.

But how did a regional Gujarati brand end up sitting at the same table as global titans? The answer lies in how Balaji mastered every step of the wafer journey — from farm to kirana shelf — by doing some things differently, and others better than anyone else.

Cracking the Wafer Code

Snacking is a tough business. Potatoes are perishable, prices are volatile, and maintaining quality and consistency is difficult. On top of that, competition is fierce — both from local brands and FMCG giants.

For Balaji, profitability hinged on three principles:

- Keeping the ₹5 and ₹10 price points sacred,
- Adjusting grammage (weight) instead of price to ride inflation, and
- Ensuring fast stock movement through kiranas.

Balaji managed to do all three — without diluting its value promise.

From Farms to Factories

Potatoes may all look alike, but they aren't interchangeable. For wafer-making, companies need low-moisture, high-solid varieties that don't wilt or darken in the fryer. PepsiCo, for instance, developed its proprietary FC5 variety, backed by large-scale contract farming.

Balaji, lacking such R&D muscle, took a local approach. It leaned on Gujarat's potato belt and built long-term relationships with farmers — growing from just 400–600 contract growers a decade ago to over 2,000 suppliers today, 80% of them small farmers. To stabilize supply, it invested in a 10,000-tonne cold storage facility, enabling bulk procurement during harvest season and year-round consistency.

This model transformed an unpredictable crop cycle into a near-continuous production line —

ensuring stable quality, lower wastage, and resilience even when potato prices fluctuated wildly. The Price of Trust

Oil accounts for 25–30% of raw material costs, and when prices spiked in 2019, most competitors raised prices. Balaji didn't. It held its ₹5 and ₹10 price points, instead tweaking grammage. At one point, a ₹10 pack of Balaji salted chips weighed 35 grams, while Lay's offered only 23 grams. Balaji even ran cheeky ads comparing “more chips, less air.” This price–value consistency became its moat. Consumers trusted that Balaji gave them more for their rupee — a rare promise in inflationary times.

While rivals splurged 8–12% of revenue on advertising, Balaji spent just 2–4%. It relied on distribution, visibility, and word-of-mouth to drive growth.

Building a Distribution Fortress

Balaji followed a D-Mart-style playbook — dominate one geography before moving to the next. It saturated Gujarat, then expanded to Maharashtra, Rajasthan, and Madhya Pradesh. This adjacency strategy meant shorter routes, localised flavours, and strong recall. Behind the scenes was a massive network: 1,200 distributors, 1,300 dealers, and 4.5 lakh kiranas. The company also employed clever, low-cost marketing — from plastering kirana walls with Balaji logos to word-of-mouth seeding tactics that kept its name circulating.

The payoff? Near-total dominance in western India. Balaji today holds 65% market share in chips, namkeen, and bhujia across Gujarat, Maharashtra, and Rajasthan. Nationally, it's the third-largest salty snack brand, behind only PepsiCo and Haldiram's, with about 12% of India's ₹43,800-crore market.

Legal Bumps, Local Loyalty

Balaji hasn't had a smooth ride. In 2013, PepsiCo sued the company for packaging similarities with Lay's. In 2018, the Bombay High Court even restrained Balaji from selling its “Rumbles” ridged chips, citing resemblance to Lay's Maxx design.

Most regional players might've folded. Balaji didn't. It bet on brand loyalty over packaging familiarity. It quickly revamped designs, doubled down on distribution, and kept its price-value equation intact. Consumers stayed loyal. Lay's, in fact, lost share in Gujarat and Maharashtra. And when PepsiCo later sued Gujarat farmers for growing FC5 potatoes without licence — demanding ₹1 crore in damages each — Balaji's open-sourcing approach to potato procurement made it look like the farmers' ally, not the corporate aggressor.

Scaling Without Losing Soul

By the 2020s, Balaji's plants were processing about 1 lakh kg of potato wafers and 5 lakh kg of namkeen every single day. As it scaled, it continued to localize. Recipes varied regionally — what worked in Surat might not click in Kota — and the ₹5/₹10 packs stayed untouched. Family packs, meanwhile, allowed for gradual premiumization.

Balaji's portfolio now spans 65+ products across wafers, namkeen, extruded snacks, and even noodles.

But the bigger question looms: Can authenticity survive scale?

To go national, Balaji will have to standardize SKUs, increase ad spending, and build premium variants — all moves that risk diluting its local magic. Add to that the challenge of balancing investor expectations, possible IPO ambitions, and competition from giants like PepsiCo, ITC, Haldiram's, and a fleet of regional contenders.

Still, Balaji's strengths are rare — deep kirana credibility, mastery of mass pricing without margin erosion, and a regionally attuned flavor engine. Those are advantages money can't easily buy.

The Crunch Ahead

India's salty snack market is projected to double to over ₹95,000 crore by 2032, growing in double digits each year. In that context, Balaji isn't just a regional player anymore — it's a potential homegrown FMCG challenger in the making.

And perhaps that's why everyone wants a bite. Because building another Balaji from scratch would take a decade — and a lot more capital than anyone's willing to admit

By Varsha G Bhatt



Update for the day #2540 | M&A Trends 2025: Consolidation as a Growth Catalyst

India's mergers and acquisitions (M&A) market is experiencing an unprecedented surge in 2025. With transactions totaling over \$110 billion in the first nine months, this marks the highest deal activity in three years. From large-scale corporate mergers to mid-market strategic deals, Indian companies are increasingly leveraging M&A to drive growth, efficiency, and market expansion.

1. Policy Support and Market Drivers

A major enabler of this trend has been the Reserve Bank of India's policy allowing banks to fund domestic M&A transactions. This move has improved access to financing for leveraged buyouts and strategic mergers, reducing reliance on foreign lenders and private equity. The result is a deeper, more vibrant domestic M&A ecosystem. Other drivers include abundant liquidity, supportive government policies, and a strong focus on corporate governance and transparency, which have all contributed to a favorable environment for deal-making.

2. Sector-Wise Highlights

- **Infrastructure & Real Estate:** Consolidation among developers and asset owners is accelerating, particularly in office and industrial spaces, supported by the growing REIT market and institutional investment.
- **Financial Services:** NBFCs, fintechs, and small finance banks are merging to achieve regulatory compliance, economies of scale, and broader market reach.
- **Energy & Renewables:** The shift toward renewable energy has triggered acquisitions in solar, wind, and EV infrastructure, positioning companies to capitalize on India's sustainability goals.
- **Technology & Telecom:** Strategic mergers are helping tech and telecom companies pool resources to compete in AI, cloud computing, and 5G deployments.

3. Domestic Leadership and Strategic Focus

Unlike the previous decade, when foreign institutional investors dominated the M&A space, domestic corporates and Indian private equity funds now play a pivotal role. Major conglomerates such as Reliance, Tata, Adani, and JSW are leading consolidation across sectors like logistics, chemicals, and energy. The focus of these deals has shifted from opportunistic acquisitions to synergy-driven mergers — combining operational strengths, technology, and market reach to create long-term value. There's also an increasing emphasis on ESG-aligned acquisitions, reflecting growing investor and regulatory expectations.

4. Global Factors and Local Resilience

While global uncertainties such as interest rate fluctuations and supply chain disruptions persist, India remains a bright spot for M&A. Stable GDP growth, a large domestic investor base, and clear regulatory frameworks have made India an attractive destination for both inbound and domestic deals.

5. Outlook for 2026 and Beyond

Experts predict that M&A activity will remain strong in 2026, particularly in sectors like renewable energy, infrastructure, financial services, and technology. Strategic consolidation, digital

transformation, and ESG integration will continue to shape the next phase of India's M&A landscape.

Conclusion

The trends in 2025 reflect more than just record deal volumes; they signal India's corporate and financial maturity, a growing ability to execute complex transactions, and a focus on creating long-term value. As consolidation accelerates, Indian companies are better positioned to scale, innovate, and compete globally.

By Anusha M



Update for the day # 2541 | Why did SMBC choose Yes Bank over Kotak Mahindra Bank?

Imagine you walk into a museum and see a masterpiece. No dust, no cracks, no sign of chaos. It's flawless. But the moment you try to touch it, a siren goes off. Because perfect things aren't meant to be altered. They're meant to be admired from a distance. That's exactly how SMBC (Sumitomo Mitsui Banking Corporation) – the Japanese banking giant – felt holding a slice of Kotak Mahindra Bank.

You see, on paper, Kotak was perfect. It had a return on equity of over 12%. A CASA ratio of around 40%. It was prized for discipline and loved by the markets, but also priced like it. SMBC held a 1.65% stake in the bank, earning the satisfaction that comes with owning a quality franchise. The catch? It was just a passive stake. No representation in the boardroom, no say in strategy, and no way to leverage its global strengths in trade finance or corporate banking beyond what Kotak already excels in. This is why SMBC walked away. In Kotak, it held prestige without power. In Yes Bank, it saw a second chance not just to invest, but to influence.

But why Yes Bank?

After all, back in 2020, the company teetered on the edge of collapse. A ballooning pile of bad loans, sudden exits at the top, and a government-imposed moratorium on withdrawals turned the once high-flying bank into a cautionary tale. But the turnaround since then has been real. Under new leadership, gross and net non-performing assets (NPAs) have dropped to around 1.6%, deposits have bounced back to ₹2.85 lakh crore, and FY25 profits jumped over 64%.

Sure, margins still trail top-tier peers, and legal baggage hasn't vanished. Nobody's calling it a finished product. But that's exactly where the opportunity is buried. Yes Bank trades at just 1.4x book, the kind of valuation gap that excites growth-hungry investors. It's the classic deep-value setup: embrace complexity, demand influence, and reap the upside if the rebuild holds.

And this is where the difference lies. In Kotak, SMBC was a polite minority. At Yes Bank, it becomes the largest shareholder, holding just under 25%, with voting rights, two board seats, and equity affiliate status. Board representation enables SMBC to push governance forward, accelerate tech and risk upgrades, and, most importantly, integrate its Japan-based relationships directly into an Indian franchise that can serve those customers end-to-end.

Think of the synergy map. SMBC sits on a deep roster of Japanese manufacturers, auto ancillaries, electronics suppliers, and trading houses expanding across India's industrial corridors. Those clients require working capital lines, supply chain finance, foreign exchange risk coverage, cash management, and letters of credit.

Then, there's a second, subtler benefit. Turnarounds are powered by credibility arbitrage. A large, methodical shareholder with skin in the game shortens the time it takes for other stakeholders, depositors, bondholders, and rating agencies to gain confidence. You can't just conjure that with press releases. You earn it with visible governance and the kind of oversight that only a board seat

buys.

“But wasn’t Kotak the safer compounding machine?” Absolutely, and it still is. But that could also be a problem for a strategic investor looking for more than passive compounding. A premium-valued bank leaves little leftover return unless you bring a new engine of growth to justify an even higher multiple.

With Yes Bank, the risk is higher, sure, but the levers are real: asset-mix upgrades, better pricing on corporate and SME books, cross-sell into a 1,200-branch network, and a digital stack that can be tightened with Japanese precision.

Of course, this isn’t a fairy tale. Yes Bank’s margin profile remains squeezed compared to top-tier peers; the retail business takes time to rebuild, and corporate pricing is competitive. The legal overhang from legacy episodes still hasn’t disappeared. And a big investor can’t just micromanage collection zones or credit committees. The execution still sits with the management.

But a partner like SMBC can tilt the odds with strong second-line risk teams, sharper treasury practices, and a pipeline of anchor clients that raise the average credit quality. After all, these are the compounding details turnarounds are made of.

So, why not split the difference and own both?

Well, that’s easier said than done. You see, SMBC wasn’t just allocating to “India financials.” It was buying a role. In Kotak, the role was that of a spectator. In Yes Bank, it’s a co-author. And the trade-off is a classic finance dilemma: influence over inertia vs controlled risk for premium comfort.

If this thesis holds, here’s how it could play out: Deposit costs continue to ease as confidence builds. The mix tilts toward better-rated corporate and SME borrowers, aided by SMBC relationships, which lifts the risk-adjusted yield.

Fee income climbs on trade finance and cash management. Credit costs remain contained if underwriting discipline is maintained. Combine these and book value compounds faster than the market anticipates. At that point, the multiple (1.4x Price-Book ratio today) has room to rerate without stretching credulity. You don’t need perfection but steady, boring progress.

And if it doesn’t? Then the downside of a turnaround is the same as its lure: volatility. Legal surprises, a credit shock, or sloppy growth could crimp the story. The difference now is that a large shareholder has the tools and the obligation to course-correct inside the room, not from the sidelines.

So, the bottom line is simple. SMBC didn’t really choose “Yes Bank over Kotak.” It chose influence over inertia. It traded a premium, passive slice of a finished franchise for a meaningful stake in an unfinished one, with governance levers, two board seats, and the ability to integrate global clients into a domestic network.

If the rebuild continues, the payoff can be outsized. If it stumbles, the costs will be visible and

shared. And that's the bet: not just parking capital in India, but planting a flag in a bank that can still change shape, and letting that change drive returns

By **Swati Sundar Kulkarni**



Update for the day # 2442 | The Rise of Domestic IPOs: A Reflection of India's Market Maturity

India's capital markets have been experiencing a remarkable surge in domestic Initial Public Offerings (IPOs) over the past few years. From traditional manufacturing companies to fintech startups and asset management firms, the appetite for public listing has never been stronger. The rise of domestic IPOs is not just a fundraising trend — it signals that Indian enterprises, regulators, and investors are maturing together, creating a robust ecosystem for sustainable growth.

1. The Numbers Tell the Story

Between 2023 and 2025, India has consistently ranked among the top three global IPO markets by volume. According to EY's Global IPO Trends Report, India raised over ₹1.2 lakh crore through IPOs in 2024 alone — a 35% increase from the previous year. The momentum has continued in 2025, with high-profile issues from companies such as Ola Electric, Awfis Space Solutions, and Canara Robeco Asset Management, drawing strong demand from both retail and institutional investors.

2. Strong Domestic Participation

A defining feature of this IPO wave is robust domestic participation. Indian retail investors, mutual funds, and domestic institutional investors (DIIs) are now driving demand that was once dominated by foreign institutional investors (FIIs).

This shift reflects greater financial literacy, confidence in domestic markets, and increasing investor trust. The growth of Systematic Investment Plans (SIPs) — which now exceed ₹21,000 crore in monthly inflows — has given mutual funds the financial strength to anchor IPOs confidently, making domestic demand a key pillar of India's listing ecosystem.

3. Regulatory Clarity and Digital Accessibility

SEBI's regulatory reforms have simplified the IPO process, improving transparency, timelines, and investor protection. Digital platforms like UPI-based bidding and online KYC processes have made participation easier for retail investors, while the T+3 listing rule (stocks now list within three days of the issue closing) has enhanced market efficiency and boosted investor confidence.

4. Why Companies Are Choosing to List Locally

Earlier, high-growth Indian startups preferred overseas listings — particularly in the US or Singapore — to access better valuations and global liquidity. However, India's domestic market now offers adequate liquidity, valuation parity, and a deep investor base, encouraging more companies to list at home.

Government initiatives like "Make in India, List in India", along with the growing maturity of domestic REITs and InvITs, have reinforced the attractiveness of local listings. Companies now see the domestic market as a viable platform for raising capital while building investor trust and market visibility.

5. A Sign of Market Maturity

The success of recent IPOs across diverse sectors — from manufacturing to technology and real

estate — signals a balanced, diversified investor base. Subscription patterns have become steadier, volatility has moderated, and post-listing performance has improved. These factors indicate that India's IPO ecosystem is evolving into one that rewards fundamental business performance rather than hype, reflecting increasing market sophistication.

6. Challenges and the Road Ahead

While enthusiasm remains high, experts caution against speculative frenzy and overvaluation. Sustainable growth of the domestic IPO market depends on maintaining strong corporate governance, accurate disclosures, and long-term investor education.

If India continues on this disciplined growth path, the NSE and BSE could soon rival global exchanges like NASDAQ and the LSE in terms of depth, diversity, and investor participation.

Conclusion

The rise of domestic IPOs is more than a financial trend; it reflects India's economic confidence, regulatory evolution, and the empowerment of domestic investors. As India's capital markets continue to broaden and deepen, the country's journey from a developing market to a global financial powerhouse appears increasingly certain.

By Lakshya Bansal



Update for the day # 2543 | The curious case of rising coconut oil prices

About a year ago, you could walk into a store and grab a litre of coconut oil for about ₹160. But today that same bottle could burn a ₹500 hole in your wallet.

And if you're from South India, or just someone who swears by coconut oil for cooking, skincare or your weekly champi (a traditional Indian head massage), this price spike probably feels outrageous.

So, what's going on and why have coconut oil prices more than tripled in just a year, you ask? Well, to understand that, you'll need to know the basics of how coconut oil is made. There are two main ways. One is the traditional route. You take mature coconuts, scoop out the white flesh, dry it into something called copra and then press it to draw out the oil. The other method is a bit more delicate. You make coconut milk by blending tender coconut with water, and then carefully separate the oil either by boiling it or chilling it down until the oil rises to the top.

But whichever route you take, one thing is essential: an ample supply of coconuts. And that's exactly where the problem begins. Because coconuts have been in short supply. For context, over the last two decades, India's coconut consumption has shot up by 25%. Today, we use around 14–15 coconuts per capita (per person per year). And it's not like everyone's just sitting around munching on coconuts. That overall demand includes everything from industrial use, hair oils, skincare products to desserts, snacks and even temple offerings.

The thing is, coconuts are now the go-to for all things "healthy and natural". The cosmetics and personal care industry has exploded in India, and coconut oil is a key ingredient. At the same time, more coconut-based products are entering the market. There's desiccated coconut, coconut flour, coconut milk and even processed coconut water. That simply means that there are fewer coconuts going into oil production.

And it's not just domestic demand. Indian coconut products have become hot exports too. Countries like the US, Europe and the Middle East are lapping up Indian desiccated coconut and coconut milk. So more of our coconuts are being diverted abroad, leaving less for regular home use.

Then comes another twist — tender coconuts. Farmers have started pivoting towards selling tender coconuts because they fetch quicker and higher profits. And that's no surprise because urban Indians, especially in cities like Bengaluru and Pune, love tender coconut water as a natural summer cooler. But the more tender coconuts that hit the market, fewer mature coconuts are left behind for copra production, the backbone of traditional coconut oil.

Sure, this year's early monsoon onset might have cooled the demand for tender coconuts. But that's not necessarily good news because the early rains shortened the summer, which is the peak harvesting season for coconuts. And if that wasn't enough, 2024 also had prolonged droughts and recurring heatwaves in key coconut-growing regions like Tamil Nadu, Kerala and Karnataka.

Put all of this together and you'll see why there's a 30–35% drop in coconut and copra availability. That's massive, especially for people in South India, for whom this is more than just a price hike. It's about habit, tradition and taste. Coconut oil is part of their everyday life. But at ₹500 a litre, it's hard to justify. So people start switching to cheaper alternatives like sunflower, palm, or soybean oil. And once they move on, it's difficult to win them back.

That's not just speculation. We've seen this story before.

A few decades ago, indigenous oils like groundnut oil were elbowed out by cheaper vegetable oils. Even today, regaining that lost market has been a struggle, no matter how superior or traditional the original oil is.

That's why the Solvent Extractors Association (SEA), the body representing the vegetable oil industry, has been pushing the government to temporarily ease its no-import policy on coconut oil and copra.

You see, India has long banned the import of coconuts and their products. The idea was to protect local farmers and safeguard domestic livelihoods. But now, that very policy is backfiring. High prices are driving consumers away, and without any way to cushion supply, we might lose coconut oil's spot on the kitchen shelf.

So SEA wants the government to allow imports for just about 6 to 12 months. Not to flood the market. Just enough to manage this demand-supply imbalance. And that's a possibility. Countries like the Philippines and Indonesia are coconut oil giants. In 2025, the Philippines produced about 16 lakh tonnes, while Indonesia managed 10 lakh tonnes (as compared to India's 5.7 lakh tonnes). And roughly 65–70% of that oil was exported. Their production costs are lower, and even with import duties, prices could match what we're paying now, but with a steadier supply. That might be just enough to cool off the price panic.

And while we don't know if the government will actually go ahead with the import plan, short-term imports won't fix everything. There are deeper problems that need the government's attention. Like pests. Yup, something we didn't tell you earlier is that pests like the whitefly are quietly wreaking havoc on coconut farms, especially in Karnataka and Tamil Nadu. These little things develop pesticide resistance pretty quickly, which makes them particularly tricky to deal with. But here's where the government can step in and help by making farmers aware of a simple workaround — introducing natural predator insects that protect coconut palms and the soil while keeping whiteflies in check.

Also, it's not just about mature trees. Whiteflies can infest seedlings too. If they're not checked early, they spread like wildfire once planted. That's why experts recommend monitoring right from the seedling stage by destroying infested batches, avoiding the movement of infected plants and using yellow sticky traps. These are simple yellow sheets coated with glue that attract pests because of their bright yellow colour and help catch early signs of trouble.

Another issue that the government needs to manage is adulteration. As coconut oil becomes expensive, there's a growing temptation to mix it with cheaper oils and pass it off as pure. This not

only poses health risks but also erodes consumer trust. Once people feel they've been cheated, they're more likely to ditch coconut oil altogether. And that again chips away at long-term demand. So even if prices cool off tomorrow, the damage to perception and trust might linger.

So yeah, the way forward needs a mix of quick fixes and long-term solutions. Maybe even a few awareness campaigns to help farmers and consumers make informed decisions. Because coconut oil isn't just another product. It's part of daily life for many Indian homes. And losing it, even temporarily, to a supply crunch would be unfortunate.

For now though, until prices come back to earth, your next bottle of coconut oil may just have to be used a little more sparingly.

By Lakshi Rajesh Solanki



Update for the day #2544 | Fat Bear Week & India's Isabgol Conundrum

For today's update, we'll be exploring two very different but equally fascinating stories:

1) Fat Bear Week:

Every October, the internet erupts with excitement over an unlikely contest — Alaska's Fat Bear Week. It's not a joke. It's a global phenomenon celebrating the mighty brown bears of Katmai National Park as they prepare for winter hibernation.

As temperatures drop, these bears begin their annual race to pack on the pounds, feeding heavily on sockeye salmon from the park's rivers. To celebrate this natural spectacle, rangers at Katmai turned it into an online competition where the world votes for the bear that's best prepared for the long, cold months ahead.

The tradition began in 2014 when a park ranger noticed how dramatically one bear had changed between June and September. The transformation inspired the first official Fat Bear Week in 2015. A decade later, it has become a global event — drawing millions of votes from over a hundred countries, with fans watching live bear cams to cheer on their favorite contenders.

Katmai National Park hosts more than 2,200 bears, one of the highest concentrations in the world. Here, size isn't measured by scales — no one's asking a wild bear to weigh in — but by observation. Participants vote based on each bear's overall roundness and readiness for hibernation.

This year's champion, aptly named Chunk, overcame a broken jaw to gorge on salmon and reportedly reached a weight of around 500 kilograms. His determination and transformation earned him victory by more than 30,000 votes — proving that resilience, not just girth, wins hearts.

2) India's Isabgol Conundrum:

While Alaska celebrates fat bears, India's digestive solution — isabgol — faces a problem of its own.

Roughly 22% of Indian adults suffer from constipation, and for decades, isabgol (psyllium husk) has been the go-to natural remedy. India is the world's largest producer, with Rajasthan growing most of the crop and Gujarat handling nearly all the processing. Yet, despite global demand — especially from the US, Europe, and Korea — the domestic industry is struggling under the weight of a tax tangle.

Before GST replaced VAT in 2017, isabgol was exempt from tax. Under the GST regime, only fresh seeds are exempt, while dried seeds and husk attract a 5% levy. The issue? The law doesn't clearly define what qualifies as "fresh." Since most seeds are purchased through APMC markets where certification is unclear, processors err on the side of caution and pay GST on everything.

Though these payments are refundable, the refunds often take months. As a result, processors find

their working capital locked up with tax authorities, leaving factories cash-starved. Combined with sluggish export orders and high international tariffs, the sector is now facing severe liquidity strain. Recently, isabgol processors even threatened to halt purchases from farmers, warning of a chain reaction: farmers losing buyers, processing units idling, and exports declining. For a country that dominates global psyllium production, that's no small risk.

The industry's plea is straightforward — clear the ambiguity, expedite refunds, and restore liquidity. Until then, India's most reliable digestive remedy may remain caught in its own bureaucratic constipation.

By Ananya Sudharsan



Update for the Day #2545 | The Power of Emotional Intelligence at Work

In today's fast-paced corporate world, technical skills and knowledge are no longer the only keys to success. Emotional intelligence (EI)—the ability to recognize, understand, and manage one's own emotions and those of others—has emerged as a crucial factor in effective teamwork and leadership. Employees with high EI can communicate more clearly, adapt to change easily, and handle stress without letting it affect their performance. This makes emotional intelligence an essential soft skill in any modern workplace.

Emotional intelligence influences every aspect of workplace relationships. Managers who demonstrate empathy and self-awareness are better equipped to motivate their teams, resolve conflicts, and maintain a positive environment. Similarly, emotionally intelligent employees are more likely to collaborate effectively, show respect for diverse perspectives, and respond constructively to feedback. Organizations that prioritize EI often experience higher job satisfaction, lower turnover rates, and improved overall productivity.

Developing emotional intelligence requires conscious effort and practice. Simple actions like active listening, reflecting before reacting, and showing appreciation can significantly strengthen interpersonal skills. Regular workshops, open communication channels, and supportive leadership can foster a culture where emotional intelligence thrives. In the long run, workplaces that value both intellect and empathy create more resilient teams—capable not only of achieving goals but also of growing together with understanding and respect.

By Rishika Harlalka



Update for the Day #2546 | The LG Electronics India IPO

You're probably thinking, "Another IPO? Haven't we had enough already?" Fair point. But this one's not your regular market debut. It's the biggest listing of the year after Tata Capital, and it comes from a company that's probably sitting right in your living room.

Because if you grew up in an Indian home in the 2000s, you already know LG. The maroon logo with a smiley on your fridge, or your TV, or the washing machine humming in the corner. It wasn't just another brand but a part of many Indians' daily life. And now, that same company wants to sit not just in your living room but in your portfolio.

LG Electronics, the Korean parent, is taking its Indian arm public. The offer size is ₹11,607 crores, and not a rupee of it will go to the company. It's a pure offer-for-sale (OFS) where the parent is simply cashing out a slice of its stake after nearly three decades in India.

Which begs the question – why list something that doesn't need the money? Well, because LG India has quietly grown into a heavyweight that deserves its own valuation tag. And India's electronics market is a good example of why.

Air conditioners have more than doubled in size, from ₹1.55 lakh crore in 2019 to ₹3.2 lakh crore in 2024. Home entertainment systems have expanded 2.5x in the same period, from ₹37,000 crore to ₹89,500 crore. But despite this boom, India still lags far behind other nations. Refrigerators reach only 35% of Indian homes, compared to 99% in China and 80% in the US. Washing machines? Just 22%. And microwaves? Barely 4%, versus 80% in the US and 20% in China. And come to think of it, that's more of a potential runway for growth than a problem. And that's the bet LG wants to own.

The growth potential it is looking for is the untouched markets. The metros are saturated. The next frontier is Tier-2 and Tier-3 India, where rising incomes are meeting rising aspirations, and where appliances are still status symbols. So for LG India, that's the new battleground. And with decades of trust and a massive presence, it could start with an upper hand.

Its business today is split across two pillars: home applications and air solutions, and home entertainment. The first covers washing machines, refrigerators, and air-conditioners; the second includes TVs and audio systems. Together, they've built India's largest consumer electronics distribution network with over 35,000 retail (B2C) touchpoints spanning metros and small towns alike. And it doesn't stop there. LG also runs the country's biggest after-sales service network with 1,000+ service centres and over 13,000 service engineers.

On the manufacturing side, its two plants — in Pune and Noida — can churn out 14.5 million products a year. That makes LG the largest in-house manufacturer of appliances in India. More importantly, the plants are designed for flexibility: a single assembly line can handle multiple products. And over half of LG's raw materials (about 54%) now come from Indian suppliers, thanks to local vendor tie-ups. That means faster production, lower import bills, and stronger

“Make in India” credentials.

This scale and integration have made LG a market leader across four key categories — washing machines, refrigerators, TVs, and inverter ACs.

In FY25, its home appliances and air solutions division brought in ₹18,267 crores, or 75% of total revenue. Home entertainment added the remaining 25% with ₹5,672 crores. And that took the overall revenue to ₹24,366 crores, a steady rise from ₹21,352 crores a year earlier.

Profits follow a similar pattern. LG India’s profit after tax (PAT), or the money left after paying all expenses and taxes, has risen steadily from ₹1,348 crores in FY23 to ₹1,511 crores in FY24, and ₹2,203 crores in FY25. Its return on equity (ROE), which measures how much profit a company generates for every rupee of shareholder money, improved from 27% in FY23 to 45% in FY25, while return on capital employed (ROCE) rose from 39% to 47% during the same period, showing just how efficiently LG uses its assets.

So yeah, those are strong numbers for a 28-year old business. Which also answers our first question as to why the IPO isn’t about fundraising but signalling. That LG India is now big, profitable, and mature enough to stand on its own. The parent company is trying to unlock shareholder value, and prices LG’s India operations based on its individual performance.

And it’s not an empty claim. Revenues have grown at 10.7% compounded annual growth rate (CAGR) between FY23 and FY25. The company also plans to deepen localisation further and may even set up a third plant in Andhra Pradesh. So even though the IPO proceeds won’t flow into India operations, listing visibility itself could strengthen partnerships and supplier confidence. All of which brings us to valuations of the IPO.

The IPO price band is set at ₹1,080–₹1,140, implying a price to earnings (P/E) multiple of roughly 33–35x and a market cap of ₹77,000 crores. That’s lower than the industry average of 43x and puts LG India just below Havells (₹93,000 crore) in market valuations. Sure, there are other domestic peers like Voltas, Whirlpool, Blue Star, but they are smaller and less diversified. And since global rivals like Samsung, Sony, and Haier aren’t listed here, LG’s IPO stands out as India’s first true consumer-electronics giant on Dalal Street.

But every legacy also has its cracks and you could see some for LG Electronics India too.

Nearly 75% of LG India’s revenue in FY25 went into raw material costs, and 46% of those materials are imported from China, Korea, and Singapore. That leaves it vulnerable to currency swings and supply disruptions. It’s why the company has been actively working to localise more of its supply network and reduce import dependence. Competition in urban markets also remains brutal. So the next phase of growth depends on expanding deeper into India’s hinterland, where affordability and service reliability could decide who wins.

Then there’s the dependency risk. LG India operates under a licensing agreement with the Korean parent, paying royalties of 2.3–2.4% (depending on the product) of sales for using its brand and technology. That’s fine when relations are steady. But if the parent tweaks terms or withdraws access, the Indian arm could lose the very identity that built its success. The parent company also

owns another Indian subsidiary, Hi-M Solutek, which handles maintenance for LG's air-conditioners. For now, it works exclusively with LG India — but the contract isn't binding. Any shift there could disrupt its massive service backbone.

And there's also a ₹4,717 crore tax dispute hanging over the company, which is nearly 73% of its current net worth. If the verdict doesn't go its way, it could dent future profits.

Still, despite those risks, this isn't a company selling a dream. It's selling a record. It's not asking for money to build something new; it's inviting investors to value what's already built. And only time will tell whether that 'Lucky Goldstar' turns out to be lucky for investors too.

By **Srikhar M R**



Update for the Day #2547 | How SEBI plans to bring Jio and NSE to the market

SEBI's latest consultation paper could change how India's biggest companies go public — and not just in small ways. If these ideas become rules, we might finally see giants like Reliance Jio, NSE, and Flipkart actually list without freaking out the market.

Two rules make IPOs for mega-companies painful:

1) Free-float requirement.

If your post-IPO market cap is over ₹1 lakh crore, you currently need to raise at least ₹5,000 crore and sell at least 5% of total shares to the public. That's a huge one-time supply shock (remember LIC's ₹21,000 crore IPO? Markets felt it).

2) Tight timelines.

After listing, promoters must push public shareholding to 10% in two years and 25% in five. For mega-cap firms, that's a serious dilution schedule. Together, these make listing math brutal: big supply + short timelines + tricky market conditions = many giants sitting on the sidelines.

SEBI's paper proposes lowering the immediate float required for bigger companies and giving them more time to reach higher public shareholding. The headline moves:

- Smaller mandatory IPO floats for larger firms (example bands: mid-large ~8%; mega ~2.75%; super-mega ~2.5%).
- Longer timelines to reach 25% public shareholding — up to 10 years for the very largest firms.
- A regulated pre-IPO platform to bring the grey market into daylight.

In short: the bigger you are, the less you need to sell at once — which might finally make massive listings feasible in India.

Why this matters — an example

At a ₹10 lakh crore valuation, current rules could force a ₹50,000+ crore public offer. Under the new ~2.5% float idea, that drops to about ₹25,000 crore. Still big, but now doable. That single tweak could unlock IPOs that have been parked for years.

The ripple effects

If big names start listing, expect the whole ecosystem to shift:

- Banks and merchant bankers: Fee pools could explode. Even a tiny float of a mega-cap yields enormous advisory fees.
- Index funds & ETFs: Passive flows will chase index inclusion — big market caps force ETFs to buy, reshuffling billions in AUM.
- Brokers & registrars: Retail appetite will likely dwarf supply — oversubscriptions galore and a lot

of paperwork for intermediaries.

- Distributors & fintechs: Every mega-IPO is a customer-acquisition machine.
- Regulators & governance: Small floats can reduce public scrutiny; governance standards and minority protections will need attention.

So yes — more listings, but also more complexity.

Global context

India's 25% minimum public holding has often felt strict compared with other markets:

- Saudi Aramco (2019): Raised \$25B with ~1.6% float.
- Hong Kong: Typically requires 25%, but can go down to ~10% for large issuers.
- Singapore: Common to see 10–12% floats.
- US: Tech giants like Facebook and Alibaba listed with ~13–15% floats while keeping control through dual-class structures.

The risks

Smaller IPO floats aren't a free lunch:

- Volatility: Thin supply can spike price swings post-listing.
- Governance concerns: Promoter control stays strong — minority investors may have less influence.
- Crowding out: Multiple mega-IPOs could lock large retail and bank liquidity, squeezing smaller issues and secondary market activity.

That's why it's a consultation paper, not a decree. The regulator is balancing access to capital, market stability, and investor protection.

The takeaway

This consultation paper signals a shift: India wants its giants to list domestically without demanding massive immediate dilution. If implemented, we might see an IPO renaissance driven by mega-floats — changing flows, fees, and fund allocations for years.

If you've been waiting for Reliance Jio or the NSE to list, this might actually be the real glimmer of hope you've been waiting for.

By **Shivani B S**



Update for the day #2548 | 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.

Commerce Secretary Howard Lutnick stated that a dedicated website will be launched within days to provide more information and begin accepting expressions of interest from potential applicants. Reports suggest that there is already strong interest in the programme, particularly from the Middle East.

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. "I don't think it should replace the EB-5," he said, adding that "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.

President Trump's gold card visa proposal is a bold move to attract high-value investors to the United States, but it also raises significant legal questions and policy concerns. Whether this plan will go forward as proposed — or whether it will be adjusted to work alongside existing

immigration laws — remains to be seen. For now, the proposal has sparked global interest and is sure to remain a topic of discussion in political and legal circles alike.

By **Narayan Lal V**



Update for the day #2549 | Why UK manufacturing couldn't afford a JLR on crutches

What happens when the code building your cars stalls before the engines do?

A multi-million-pound breakdown, closed factories, and a workforce with no choice but to stay indoors. This was the reality that Jaguar Land Rover (JLR) faced when a cyberattack struck in August. For almost a month, its factories lay defunct — not just in the UK, but also in Slovakia, Brazil, and India. In fact, JLR hasn't produced a single car since 31st August. But it wasn't the only company under attack.

The UK has seen a string of cyberattacks this year. Marks & Spencer's (M&S) website and app were down in April due to a ransomware attack. Shoppers couldn't make online purchases, and services were restored only recently. Another retail chain, the Co-op, also suffered a similar attack that cost it over £80 million in profits.

But while M&S and the Co-op eventually bounced back, the impact on JLR has been far greater. Every week its factories stayed shut, cost the company £50 million.

So why was JLR hit the hardest?

For that you'll have to first understand what actually happened.

It started two years ago, when JLR signed a five-year, £800 million deal with TCS to rebuild its tech infrastructure. Since JLR has been owned by Tata since 2008, handing the job to Tata's IT arm seemed natural. The plan was to modernize JLR's digital systems, including a massive upgrade to SAP software — the system that controls how car parts move around factories, how suppliers are linked, and even how luxury models are customized for top paying customers. In short, it was the backbone of JLR's global production.

But the problem was that JLR had connected "everything to everything" — from smart factories to supplier systems. So, when hackers (likely groups such as Scattered Spider, Lapsus\$, or Shiny Hunters) struck its core IT systems, production had to be halted immediately. And unlike older setups, JLR had to shut down almost everything, instead of just isolating the affected parts.

The attack blocked access to critical systems that ran production lines, orders, payments, and even basic communication. Which means that JLR couldn't build vehicles, place or pay for parts, or even process supplier invoices. For weeks, employees, suppliers, and logistics partners were left in limbo.

So, the bottom line was that the IT overhaul meant to make JLR more efficient ended up exposing its biggest weakness.

But why does a cyberattack on just one automaker matter so much to the UK, you ask?

Well, you see, JLR began life in 1922 making motorcycle sidecars in the UK. Fast forward a century, and it has grown into a multinational automaker designing, engineering, and building some of the

world's most recognizable luxury vehicles.

Today, it's not just another car company, but a pillar of the UK's auto sector and a big cog in the broader economy. To put things in perspective, in 2024 alone, JLR contributed about £17.9 billion to the UK economy. That's roughly 0.6% of the country's GDP. It directly employs around 33,000 people in the UK, with a supply chain that supports another 2 lakh jobs across hundreds of firms, many of them specialized local suppliers. In the West Midlands alone, where JLR's main plants sit, it makes up nearly 5% of the regional economy.

And it's not just about the sheer volume of cars it produces — nearly 1,000 vehicles a day at peak, but also exports, high-skilled jobs, and innovation in electric vehicles.

So, when JLR's systems went dark, the ripple effects were brutal. Almost half its suppliers reported financial pain including unpaid invoices, delayed orders, and mounting costs. For many who depended solely on JLR, the shutdown meant layoffs, reduced hours, or even the threat of bankruptcy. Banks became reluctant to offer loans to affected suppliers without personal guarantees or collateral such as their homes, pushing many into liquidity crises.

It got so bad that suppliers appealed for government help. And the UK government had to step in, touring factories and eventually guaranteeing JLR a £1.5 billion loan to keep its supply chain afloat.

What you can't ignore is that this came at a time when UK manufacturing was already reeling from its worst slump since Covid. September was their worst month, with growth falling to a 4 month low, and energy and manufacturing costs rising. And just when things looked fragile, cyberattacks froze production.

For Tata Motors too, the stakes are high. With 70% of its revenue tied to JLR, the parent company could be staring at a weak profit engine ahead.

And absorbing the hit, especially without the cushion of cyber insurance, only makes the blow harder. Yup, you read that right. A Reuters story suggests that JLR didn't have cybersecurity insurance, meaning they had to bear all the costs from the attack. They had not finalized a cyber insurance policy brokered by Lockton before the attack and therefore appear to have had no active cover for this incident.

All of this makes you wonder — how do you fix this, and more importantly, stop it from happening again?

It's going to take more than quick IT fixes. Companies like JLR need to treat cybersecurity the way they treat car safety. It's not optional. That means building a proper cyber resilience framework that covers both the digital side and the factory floor. Regular risk checks, supplier audits, and learning from past incidents — whether it's JLR's own hack or other high-profile breaches, should be the norm.

But the basics matter most. Strong access controls with multi-factor authentication, regular password updates, and systems that can spot unusual activity early can make a huge difference.

On the operational side, JLR needs a “what if everything stops?” plan. Meaning, modern factories need a zero-trust approach where they assume that networks could already be compromised and focus on quick containment and response. Tested plans for downtime, supply chain delays, or production halts are crucial.

And training employees for cyberattacks is just as important as fire drills. They could in fact, simulate attacks before they happen. Tabletop exercises and team drills that mimic real hackers expose weak spots, test defenses, and ensure teams know exactly how to respond. Because the faster a company can detect, contain, and recover, the smaller the fallout.

That way the next time a Range Rover rolls off the line, it won’t just be a triumph of engineering, it will be proof that in modern manufacturing, lines of code are as critical as bolts and engines.

By Nayana H G



Update for the day #2550 | Why will mutual funds soon cost less?

Over ten years ago, mutual funds were something we or our parents heard about over TV ads, that ended with the note, “Mutual funds are subject to market risks....” But today, they’re a part of almost every investor’s life. If you’re reading this right now, there’s a good chance that you or a friend, relative or colleague has invested in one. The industry scaled up like something never seen before, with assets under management (AUM) growing nearly from approximately ₹12 lakh crore to over ₹75 lakh crore in ten years. That means you’ve contributed to an industry that’s grown more than sixfold in just over a decade.

There are over 25 crore accounts today, which basically means that mutual funds are the go-to investment choice of everyday Indians. The industry scaled up like something never seen before, and the asset management companies (AMCs) were more than happy to take your money and invest it for you.

A big reason behind this rise was regulatory support. Back in 2012, SEBI brought in some measures to uplift the entire mutual fund industry. It wanted more investors, wider reach, and a revival of the industry after the 2008 financial crisis. To achieve that, it offered cost advantages to AMCs, allowing them to charge a slightly higher Total Expense Ratio (TER) for investments coming from beyond the top 15 cities.

Sidenote: Total Expense Ratio is the total costs tied to running and managing a mutual fund. It’s a fee that the fund house charges you for managing your money.

This incentive pushed fund houses to expand distribution deeper into the country. If enough money flowed in from smaller towns and cities, AMCs could raise their expense ratio by 30 basis points (0.3%). Distributors also benefited from the move. They were given a simpler NISM certification, making it easier to onboard and train new agents.

Over time, as AMCs and their funds grew in size, so did their overall costs.

Plus, SEBI allowed AMCs to levy a few additional charges, such as GST, brokerage and transaction fees, and exit-load fees (which is simply a fee you pay when you redeem your mutual fund investment sooner than expected). Now if you’re wondering why brokerage was kept separate from the TER, it’s because both brokerage and transaction costs are variable, and they vary based on actual trading activity of the fund, whereas the TER is supposed to give a more balanced and reliable number for true costs. This means whether or not the fund bought and sold stocks, it still needed money to pay salaries and staff costs.

Now the rules that SEBI had laid out were simple: keep the TER below a certain percentage, which varied based on the size of AUM for the fund houses.

And they did just that. If the TER limit set by SEBI was between 1% and 2.25%, fund houses usually kept their base expenses within those limits. As a result, the total cost that investors actually

paid was often higher than the stated TER. And since many of these charges were disclosed separately, it was difficult for investors to know the full cumulative cost of their investment.

What's more is when SEBI did research on the cost difference, the true costs of the funds were much higher, and some of the rules and regulations were in place since 1996 and unchanged since then. In those 29 years, the mutual fund industry grew multiple times, making some rules more or less obsolete and outdated today. For example, AMCs had to submit advertisements to SEBI 7 days before they went public, a requirement that's now handled digitally rather than through physical copies.

That's why, in a recent consultation paper released on October 28th, SEBI proposed a sweeping set of changes, starting with how expenses are charged on mutual funds.

First up is the exit load. Before 2012, the exit load was also used by AMCs to pay distributors and cover marketing or selling costs. Under the new draft, that flexibility has been removed, though SEBI has added the exit load back for the first two slabs of open-ended schemes. Think of these slabs as size buckets. The first slab is for funds managing up to ₹500 crore, and the second slab for those from ₹500 crore to just below ₹2,000 crore. These buckets decide the expense limits (TER caps) that funds have to follow.

A few years later, in 2018, SEBI trimmed the extra charge on exit-load for such schemes from 0.2% to just 0.05%. This better matched the actual exit load amounts received.

But now, SEBI wants to scrap this add-on altogether, except for those same first two slabs of open-ended active funds, where it's allowing a small 0.05% bump in their expense limit to make up for it.

Then come the brokerage costs, which have seen a massive cut. Previously, AMCs could charge 12 bps for cash market trades and 5 bps for derivatives. That's now been slashed to 2 bps and 1 bps, respectively, or an 80% reduction. Even if actual costs rise, fund houses will now have to absorb them within their overall TER.

But wait, why limit it? Isn't brokerage a basic transaction cost? Well, yes and no. The discovery came about when they saw fees on arbitrage funds. These funds make money on a simple concept. If a stock is priced slightly differently on two exchanges or between the cash and futures markets, the fund buys at the lower price and sells at the higher one — pocketing the difference and making a profit.

SEBI found that arbitrage funds had much lower brokerage costs (1.18-1.34 bps) compared to other equity schemes (5-12 bps), sometimes differing by up to 11 bps. And it believes these higher costs in equity schemes likely include services beyond simple trade execution, such as research or advisory fees. Which effectively means some investors were being double charged: once under management and advisory fees and another time under brokerage and transaction costs.

Building on that, SEBI now wants to simplify and modernise how these costs are presented. Instead of clubbing everything under a single percentage, the new draft proposes a clear

breakdown of all expenses. This includes separate disclosures for statutory charges like GST, STT, stamp duty, and CTT, so investors can finally see how much of their money goes where.

In fact, the definition of TER itself is now much clearer. It will include brokerage, exchange fees, regulatory fees, and statutory levies, and AMCs must disclose the full breakdown of these expenses to investors.

And here's something new — SEBI has formally proposed an optional performance-linked TER framework. This means AMCs can choose to vary their fees based on how well a fund performs relative to its benchmark. If it outperforms, they can charge more; if it underperforms, they'll have to charge less. It's not mandatory yet, but SEBI wants to test if this makes fund costs more merit-based and investor-friendly. Because remember, this is still a draft paper and they're open to public feedback till November 17th this year.

For investors, this overhaul could mean greater transparency and fewer hidden mutual fund costs. You'll finally know where every invested and earned rupee goes towards your AMC.

But for the AMCs, it's a mixed bag. The compliance burden may ease, but the cost-cutting rules around brokerage and TER could compress margins, unless some costs are passed onto mutual fund distributors.

And for SEBI, this is about future-proofing by updating a nearly 30-year-old rulebook to fit a mutual fund industry.

By Neethu R





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