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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 where change is constant and information moves faster than ever, staying aware of the events shaping our society has become essential. Whether it's local developments or global shifts, being informed allows us to think clearly, respond thoughtfully, and stay prepared for what lies ahead. The continued appreciation and engagement from our readers motivate us to push forward with even greater purpose each month. Each edition reflects our shared commitment to learning, and every insight contributes to our collective growth. With your support, we strive to deliver content that adds clarity, sparks curiosity, and encourages meaningful dialogue.

At SURESH & CO., we believe in cultivating an environment that promotes both intellectual and personal development. We value the exchange of ideas and the strength that comes from diverse viewpoints. Our culture encourages each individual to challenge assumptions, expand their understanding, and engage with knowledge in a way that inspires growth for themselves and those around them.

This edition brings forward the thoughts and perspectives of our young contributors. These articles represent fresh explorations into topics that are shaping the world today. While they offer promising viewpoints, they may still be in the early stages of research and may not reflect fully refined expert opinions. We invite you to read them with an open mind, question them, and dive deeper into the subjects that resonate with you.

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 only limit to our realization of tomorrow is our doubts of today.” – Franklin D. Roosevelt

As we enter this new month, let's embrace the opportunities it brings. Each day offers a chance to learn something new, make meaningful choices, and influence our surroundings with intention. Whether through mindful actions, renewed goals, or simple moments of reflection, let's move ahead with purpose and positivity.

Update for the Day #2551 | Why is everyone talking about the fall of Bira 91?

Not having any experience in a field and still managing to ace it takes serious grit. And one person who pulled this off was Ankur Jain, the founder of Bira 91.

After selling his healthcare startup in New York, Jain returned to India in 2007. Eight years later, in 2015, he launched Bira 91 (we'll just call it Bira from hereon). But those intervening years were far from idle. They were his training ground. He realised that the Indian beer scene was dominated by Kingfisher Strong and Haywards — both heavy, bitter lagers. So, he began exploring how to shake things up.

The problem?

He knew nothing about the alcohol business.

To fix that, he flew to Flanders, Belgium, one of the world's beer capitals, and began brewing his own. Europe had easy access to grains, yeast, and hops, and as the BBC once noted, Jain simply couldn't find a brewery in India "good enough" back then. So for Bira, the early batches were brewed in Belgium, bottled, and imported to India. And thanks to its smooth, flavourful taste and fun branding, it stood out immediately. The first few batches flew off the shelves, giving Jain the confidence to shift production to Indore.

And just like that, India's first "craft beer" was born.

Unlike the mass-produced stuff, craft beer is brewed in small batches, with room to play around with flavours and ingredients. It's more personal, experimental, and in Bira's case, exactly what the Indian beer scene was missing.

Bira became an instant hit with the urban crowd. Sales shot up from 1.5 lakh cases in its launch year to nearly 7 lakh by 2016. Investors soon joined the party. Japanese beer major Kirin Holdings and venture capital giant Peak XV Partners (formerly Sequoia Capital) poured in close to \$450 million. By 2023, Bira had hit peak sales (of about ₹840 crores) and was crowned India's favourite craft beer.

But just a few days ago, The Economic Times reported a sobering update. Bira's auditors had "cast significant doubt about the group's ability to continue as a going concern". For the uninitiated, going concern is an accounting term that basically assumes a company will keep running smoothly, without shutting shop or going bankrupt anytime soon. But in Bira's case, that assumption now looks shaky.

Because in FY24 alone, it reported a negative operating cash flow of ₹80 crores and losses worth ₹740 crore. Its short-term liabilities exceeded its short-term assets by ₹620 crore.

So what went wrong, you ask?

Well, if you've been following the news, you probably already know this. But here's some brief

context. Apparently, a simple name change threw Bira into chaos.

See, Bira is the brand name. But legally, the company was called B9 Beverages Private Limited. And as the brand became a hit, investors began lapping up its unlisted shares. Soon, the company was inching dangerously close to having over 200 shareholders — the legal limit for a private firm under the Companies Act. Cross that threshold, and you automatically become a public company.

So in 2023, B9 Beverages Private Limited had no choice but to convert into B9 Beverages Limited. (Now, don't confuse this with a stock market listing. That's a different ball game, although Bira was apparently eyeing an IPO around 2026.)

But the alcohol business in India isn't easy, and regulations make it even tougher. Here, each state treats you as a separate entity. So when Bira dropped "Private" from its name, all hell broke loose. A name change meant reapplying for every permit, licence, and label, all from scratch. The process dragged on for nearly six months, stalling sales in key markets. That hurt, especially since 40% of Bira's sales came from just two states: Delhi and Andhra Pradesh. Coincidentally, a government change and liquor policy issues in both, made matters worse.

And when consumers can't find their favourite beer for months, they simply move on. That's exactly what happened with Bira. Sales slipped from 9 million cases in FY23 to about 6–7 million in FY24, dragging revenues and profits down with them. And losses soared to ₹740 crore that year — even higher than its ₹660 crore in revenue, marking a 22% drop from the previous year. It even had to write off inventories worth ₹80 crore.

Now, we know what you're thinking. How could a company this big make such a rookie mistake without consulting legal experts? Honestly, we're scratching our heads too, because there aren't any clear answers. So it just seems as if the team did seek advice but wasn't guided well, or maybe they simply made a hasty call.

Here's the thing though. While everyone's blaming the name change for Bira's downfall, a story from The Ken suggests otherwise. It argues that the cracks began to appear much earlier — right when Bira shifted its brewing operations from Belgium to India.

Look, the ingredients used in Belgium such as the grain or even the water, were different from what was available in India. Naturally, the taste changed. Bira couldn't quite maintain the same quality it first became famous for.

Then came the second problem. Instead of building its own brewery or opting for contract manufacturing, Bira leased a third-party one. Sure, it gave the company more control. They could oversee production firsthand and use their own ingredients, but that control came at a cost. The company had to staff the facility with its own workers, and shifting the entire supply chain from Belgium to India took nearly two years. And even with big investors backing it, Bira didn't seem to spend wisely. It splurged on promotions like becoming the official sponsor for ICC cricket tournaments for five years until 2023.

But the thing is, the alcohol business isn't exactly forgiving. It doesn't let you splurge and sit back with a beer in hand. It demands hefty working capital and runs on wafer-thin margins.

And once Bira opened the door to craft beer in India, competitors swooped in fast, like eagles circling fresh prey. There's Simba, now winning global awards, Kati Patang, White Owl, White Rhino, Goa Brewing Company... the list keeps growing. And in such a crowded market, staying visible is everything. Because once you're out of sight, you're out of mind, and in this industry, that's as good as being written off. Or at least, that's what the reports seem to suggest.

Over 250 employees have reportedly petitioned Bira's board and top investors, demanding a change at the top, specifically, the removal of founder Ankur Jain from the company's management. Their letter pointed out "corporate governance failures, lack of transparency, delayed salaries and dues, vendor payment backlogs, and the company's deteriorating financial health."

So, can Bira bounce back?

Jain certainly thinks so. In a recent post, he said the company is working to fix payment delays and supply chain troubles by raising fresh capital, assuring everyone that Bira will emerge stronger. But that won't be easy. Just months ago, private equity giant BlackRock was reportedly in advanced talks to invest ₹500 crores in B9 Beverages through structured debt — money that would've helped buy out early investors like Peak XV Partners and Sofina. But after the chaos unfolded, BlackRock backed out.

Now, whether or not Bira manages to raise fresh capital, one thing is pretty obvious. It needs to seriously rethink how it plans things. Because if you've noticed through the story, most of its troubles boil down to poor planning and weak execution — from shifting its supply chain to India, to the ill-timed name change, to how it spent its money.

So maybe more than just capital, what Bira needs now is a reset. The management has to rebuild trust with employees, distributors, suppliers, and even state excise regulators. That means fixing relationships, paying dues, and bringing back a sense of stability.

It might also be time for some tough decisions such as a leadership shake-up, hiring external turnaround experts, and setting up stronger governance and internal controls. That could go a long way in restoring investor and public confidence.

Because that's likely the only way Bira can re-enter its core markets, win back customers, and maybe, just maybe, reclaim its glory days.

By Yogesh K Bagrecha



Update for the Day #2552 | AI's Growing Role in Financial Decision-Making

In recent years, Artificial Intelligence (AI) has evolved from a buzzword into a transformative force across industries — and finance stands at the forefront of this revolution. From automating routine tasks to guiding multi-billion-dollar investment strategies, AI is reshaping how financial decisions are made, improving both accuracy and efficiency.

1. From Intuition to Intelligence

Traditionally, financial decisions relied heavily on human intuition and experience. Analysts pored over spreadsheets, historical data, and market reports to form judgments. Today, AI systems can process years of data — market movements, economic indicators, consumer behaviour, even social media sentiment — in seconds.

This shift enables decision-making that's not just faster, but also data-driven and less susceptible to emotional bias.

2. Smarter Investment Strategies

AI-powered algorithms are at the heart of modern investment management. Robo-advisors, for example, use machine learning to tailor portfolios according to a client's goals and risk tolerance. Hedge funds employ predictive analytics and natural language processing (NLP) to detect subtle market signals invisible to human analysts.

As a result, investment strategies are becoming increasingly dynamic — capable of adjusting in real time to global news, interest rate shifts, or geopolitical developments.

3. Risk Management and Fraud Detection

Perhaps the most valuable contribution of AI lies in risk assessment and fraud prevention. Machine learning models can identify unusual transaction patterns, predict loan defaults, and flag potential compliance breaches far more effectively than manual reviews.

Banks and insurers now rely on AI to enhance credit scoring, assess underwriting risks, and protect customers from cyber threats — ensuring decisions are both prudent and proactive.

4. The Rise of Explainable AI

However, the rise of AI also raises an important question: can we trust a machine's judgment? Financial institutions are now focusing on Explainable AI (XAI) — systems designed to make their reasoning transparent. Regulators increasingly expect that algorithms guiding lending or investment decisions be interpretable and auditable, not just efficient.

The balance between automation and accountability will define how far AI can go in financial decision-making.

5. The Human–AI Partnership

Despite AI's growing sophistication, the human element remains indispensable. Finance is not only about numbers — it involves ethics, context, and judgment. The most effective organizations are not those that replace people with algorithms, but those that empower their teams through them.

AI augments human decision-making, providing deeper insights and freeing professionals to focus on strategy, relationships, and innovation.

Conclusion

AI's role in financial decision-making is no longer about replacing human expertise — it's about redefining it. As technology continues to learn, adapt, and explain itself better, financial leaders who harness AI responsibly will gain not just an analytical edge, but also a strategic one. The future of finance will belong to those who combine machine precision with human wisdom.

By P.B.Deekshitha



Update for the Day #2553 | The Reality of 10 min Delivery apps

In recent years, grocery and food delivery apps have transformed how people shop in India. Companies like Zepto, Blinkit, and Swiggy Instamart have become household names, mainly because of one promise — “delivery in 10 minutes.” While this sounds incredibly convenient, the reality behind these fast deliveries is not as simple as it seems. The YouTube channel Soch by Mohak Mangal explores how these apps function, the hidden psychological tactics they use, and the real costs behind this trend.

The Hidden Tricks (Dark Patterns)

To increase spending, many of these apps rely on “dark patterns” — clever design techniques that subtly manipulate user behaviour. For instance, some apps automatically add small items like sauces or cutlery to your cart, assuming you won’t notice or bother removing them. Others display countdown timers during checkout, creating a false sense of urgency that pushes users to complete purchases quickly. Messages like “Only 2 lefts!” or “Offer ending soon!” are often exaggerated or even fake, designed to make users act impulsively.

Additionally, the final bill often surprises customers. What starts as a ₹99 item might end up costing ₹150 or more after stacking delivery, packaging, platform, and surge fees. Sometimes, the apps even switch your chosen brand to a more expensive one without clear notice. All these tactics aim to rush users into decisions and subtly increase the order value — benefiting the company while leaving customers unaware of how much they’re actually spending.

Is 10-Minute Delivery Really Possible?

At first glance, delivering groceries in just 10 minutes seems like a technological marvel. However, it’s made possible not by magic, but by a network of “dark stores” — small warehouses placed strategically within one or two kilometres of residential neighbourhoods. These stores stock only a limited range of items so that orders can be picked, packed, and dispatched quickly by nearby delivery workers.

While this system looks efficient, it’s not always sustainable. BigBasket’s co-founder Hari Menon has pointed out that maintaining such speed requires a massive number of small stores, each covering a tiny delivery zone. This drastically increases operating costs, while the limited space means fewer product choices for customers. As a result, the 10-minute model may be more of a marketing gimmick than a scalable business strategy.

Pressure on Delivery Workers

The biggest burden of instant delivery often falls on the workers themselves. A viral video showed a Blinkit delivery executive asking, “Even ambulances can’t reach in 10 minutes. Why are we expected to?” That question sums up the harsh reality many riders face.

Navigating traffic, bad roads, rain, and apartment elevators — all while racing against the clock — puts immense pressure on them. This pressure not only affects their physical and mental well-being but also increases the risk of road accidents. The push for speed often ignores the human cost behind every “on-time” delivery notification.

The Real Costs Behind the Convenience

Behind the scenes, most of these quick-delivery companies are burning through investor money to sustain their operations. They offer discounts, advertise heavily, and maintain expensive infrastructure to attract and retain users. As funding pressures rise, these apps have started finding new ways to make money — such as charging hidden fees, promoting sponsored brands, and making businesses pay to appear higher in search results. While these strategies help generate revenue, they also make the experience less transparent for customers and harder for small local businesses that can’t afford such promotions. The promise of “cheap and fast” gradually turns into “costly and confusing.”

What Customers Are Saying

Over time, many users have begun expressing frustration. On platforms like Reddit and Twitter, people have shared experiences of delayed deliveries, inflated prices, and misleading tracking updates. Some customers have noted that offers are often unclear or expire too quickly to use. As the initial excitement fades, users are realizing that they don’t always get what was promised. Many say they’d rather wait 20–30 minutes for fairer prices and better service than contribute to an exploitative model.

Conclusion: Is It Worth It?

There’s no denying that 10-minute delivery can be helpful in emergencies — like when you suddenly run out of milk or need medicine. However, the hidden costs are significant. Delivery workers are under immense stress, customers are nudged into spending more than intended, and small shops are pushed out of the market. Even from a business standpoint, the model’s long-term sustainability remains uncertain. Convenience shouldn’t come at the expense of fairness and transparency. While speed feels exciting, it’s worth asking — is faster always better? Going forward, delivery apps should focus less on racing the clock and more on building systems that are honest, sustainable, and beneficial for everyone involved.

By Shankar B S



Update for the Day #2554 | How reliant is the Indian pharma industry on China?

India loves to call itself the pharmacy of the world. And that's not without reason. We make and export generic drugs to over 200 countries. But beneath this success story lies an uncomfortable truth. That the pharmacy depends on another supplier for its raw materials. Yup, because India does make the pills, but it doesn't make enough of the ingredients that make those pills work.

Those ingredients are called APIs, or Active Pharmaceutical Ingredients, which are the core chemicals that give a drug its therapeutic effect. And to make those APIs, you need something called Key Starting Materials (KSMs) which are the high-quality raw inputs used in the earliest stages of production. So, think of APIs as the cake and KSMs as the flour and butter that go into baking it. For many critical APIs or KSMs, our Now, this dependency wasn't built overnight. It's the result of decades of economic drift. Back in the 1980s, India produced most of its APIs domestically. But over time, environmental regulations, high energy costs, and the rise of cheaper Chinese imports made many plants simply unviable. So, by the early 2000s, it was logically more profitable to focus on formulations or the so called 'finished drugs' than making the chemistry behind them. And that's how Indian manufacturers quietly outsourced that part of the chain to China.

And honestly, for a while, no one noticed until the pandemic hit. When Chinese factories shut down, prices of common APIs like paracetamol and azithromycin spiked overnight. The supply chain froze, production slowed, and the world's pharmacy discovered it didn't control its own shelves.

Which brings up the question: what did we do, or are doing, to address this bottleneck?

Well, the government's response has been to roll out a ₹7,000 crore Production Linked Incentive (PLI) scheme to rebuild domestic API capacity. And as a part of this, it approved building three Bulk Drug Parks in Gujarat, Andhra Pradesh, and Himachal Pradesh – and pushed companies to restart manufacturing of certain compounds or fermentation-based antibiotics. Take, for instance, Aurobindo Pharma. They recently commissioned a ₹2,400 crore plant to produce Penicillin G – an antibiotic used to treat a wide range of bacterial infections.

Similarly, several companies, such as Alkem Labs and Sun Pharma, have started producing clavulanic acid, the primary ingredient in Augmentin, another antibiotic. In just the last 2 years, since the start of the PLI scheme, we've had close to ₹3,000 crore worth of investments from various companies to start producing APIs and KSMs. But was this enough to cease the dependence on China?

Well, not really.

China has been a leader in this segment for the last few decades. Which means that it has achieved economies of scale i.e. having the know-how to produce these items economically and at a large scale. But how did China get to this scale?

By treating pharmaceuticals as a strategic industry as far back as the 1990s and into the 2000s. It offered cheap land, reliable utilities, low-interest loans, and export-linked tax incentives to drug manufacturers. And gradually, thousands of small and mid-sized API producers sprouted across provinces like Jiangsu, Zhejiang, and Shandong. However, the real turning point came when China integrated environmental compliance into its supply chains. This was when many Western countries scaled back bulk drug production due to concerns about pollution, and China filled that gap by building dedicated chemical parks with centralized waste treatment. It also built an ecosystem where KSM producers, intermediate processors, and API manufacturers operated in close proximity, so logistics costs can be slashed drastically.

But China's rise wasn't just about policy. It was also about resources.

Many of the ingredients used in pharmaceutical chemistry rely on certain minerals and specialty chemicals. These elements are used in everything from catalysts in fermentation to the purification of compounds. They are essential for producing high-purity APIs on a large scale. And China holds a near-monopoly on that front. It controls roughly 60–70% of global rare earth mining and has a near-monopoly on its processing. This means that apart from having cheaper access to these materials, Chinese manufacturers also have an almost guaranteed access to processed specialty chemicals and minerals.

This kind of policy makes it very unstable to open a pharmaceutical manufacturing facility outside of China and to maintain continuous access to the raw ingredients needed to produce APIs at a competitive price.

Apart from policy and raw material, China has another advantage: labour. As per a World Bank study, if a typical Western API company has an average wage index of 100, this index is as low as 8 for a Chinese company and 10 for an Indian company. This means that if a Western company pays its workers ₹100 for a certain amount of work, a Chinese company would only pay about ₹8, and an Indian company would pay about ₹10 for the same job.

And lastly, there's just one more advantage where China really takes the home run. And that is infrastructure. Since industrial clusters in China integrate chemicals, solvents, utilities, and waste treatment... the API plants can buy cheap steam, power, and intermediates next door. All while India's units face higher input costs and patchy utilities despite progress in the new parks.

So, there you have it: Public policy, rare earth minerals, Labour, and Infrastructure.

In a nutshell, these four factors are why China has built a thriving API manufacturing industry. You could say that they mastered the chemistry, the scale, and the economics that make the drug industry stick. India, meanwhile, mastered the branding and distribution that took it to the world.

We excel at finished medicine, but at the most energy and capital-intensive stages like fermentation and key intermediates, we ceded ground decades ago. And rebuilding that lost chain takes time. It needs reliability and scale, the kind that can't be faked with pilot runs or short-term subsidies. And it needs trust. Because global buyers, especially in the US and EU, now demand stricter traceability, cleaner production, and consistent quality – all the things that can raise costs just as Chinese suppliers discount to defend their share.

Still, India has a shot worth fighting. It doesn't need to replace China entirely. But just reduce its vulnerability by delivering on low-cost utility drugs from the bulk-drug parks we spoke of above. Plus, if big formulations sign multi-year purchase deals, and if we double down on high-import-risk APIs like antibiotics and vitamins, we could build an ecosystem where chemistry becomes as much our strength as formulations once did. Moreover, we can also prioritize fermentation and high-import-risk molecules under PLI, while encouraging domestic intermediates to cut Chinese feedstock dependence. And lastly, enforce quality and build traceability to win premium buyers.

Done well, these can help de-risk the chokepoints that we face today and anchor a resilient base that lets 'the world's pharmacy' stand on more of its own raw materials. And maybe that's the real test for India's chemical and pharma future.

By Siddarth Sunil



Update for the Day #2555 | The breakthrough that might break the internet

It is believed that hackers around the world are quietly intercepting and hoarding vast volumes of encrypted data, including your biometrics and bank account details, to top-secret research by governments and labs. However, they can't open these files.

At least not today.

But within the next few years, they may have a reliable way to access them. In fact, back in 2020, Sundar Pichai predicted that within 5 to 10 years, quantum computing will break today's encryption systems. And just last week, Google's Quantum Computing division made a breakthrough in that direction. It successfully ran a new algorithm named Quantum Echoes on the Willow chip. And this achieved a verifiable 'quantum advantage'. In simple terms, it ran complex simulations 13,000 times faster than the world's best supercomputer.

Even better, the results were reproducible and more reliable, which is something previous quantum experiments struggled with. In short, Google just showed that quantum computing is inching from lab theory to real-world potential, a leap that could soon affect everything from chemistry to finance to cybersecurity.

That's where the real promise of quantum computing lies. Since quantum computers can process so many possibilities simultaneously, they're uniquely suited for complex simulations and optimisation tasks. For instance, in chemistry and materials science, they could help chemists model molecular interactions precisely to design new drugs, superconductors, or even next-generation batteries. This is something today's supercomputers struggle to do because the math becomes astronomically complex.

However, this alone doesn't mean that quantum computers don't come with downsides. The biggest one being that they can easily break modern encryption standards, and destroy the foundation of digital security. And in order to understand how, let's first see how it works today.

Encryption for emails or other digital signatures essentially works by multiplying two prime numbers.

Let's say you log in to a website such as your bank. Your data isn't sent in plain text. It's scrambled using a public key, which is a mathematical code made by multiplying two very large prime numbers, often hundreds of digits long.

And here's where the trick lies. Multiplying them is easy. But if someone tries to do the reverse, i.e., figure out which two primes were multiplied to create that massive number, it's practically impossible for classical computers. This process is called RSA encryption (and yes, it's built on that prime-factorisation concept my 5th grade maths teacher taught me).

This ensures that your data remains secure and reliable and that two people who have never met can exchange information safely. One person encrypts the message using a public key, and the other decrypts it with a private key.

To give you an idea of scale, even the most powerful supercomputer today would take billions of years to crack a 2048-bit RSA key by brute force.

That's why the system is considered secure. Your bank details, passwords, and digital certificates all depend on this principle that breaking down a huge number into its prime components takes an unimaginably long time.

Quantum computers, however, don't play by the same rules. They use something called 'superposition', which allows them to process multiple possibilities at once instead of checking each one sequentially.

To understand this, here's a famous thought experiment proposed by Erwin Schrödinger, one of the pioneers of quantum physics (you may be familiar with it if you've watched the American sitcom, *The Big Bang Theory*):

A cat is placed inside a sealed box with a small amount of radioactive material that may or may not decay, triggering a mechanism that could release poison. Until someone opens the box, the cat isn't just alive or dead; it's both alive and dead at the same time. Its actual state exists as a combination of both possibilities until it's observed.

Quantum computers apply the same idea to computing. While classical computers use bits, which can be either 0 or 1, quantum computers use 'qubits', which can be 0, 1, or any combination of both simultaneously. This means that a quantum computer can process many possible answers simultaneously, something that no classical computer can do.

And with the help of an algorithm known as Shor's algorithm, a sufficiently powerful quantum computer could factor large prime numbers exponentially faster, effectively breaking the RSA encryption in hours or days.

And that's exactly the threat experts are worried about.

It means the same technology that promises breakthroughs in medicine and materials could also render the world's online banking systems, government communications, and private data completely exposed.

That's why security agencies and corporations worldwide are now racing to prepare for what they call Q-Day (the day quantum computers become powerful enough to break existing public-key encryption).

Governments, tech companies, and research institutions are already working on solutions such as "quantum proof" systems. The US National Institute of Standards and Technology (NIST) has been running an international competition since 2016 to identify Post-Quantum Cryptography (PQC) algorithms. These are basically new encryption methods that even quantum computers can't easily crack.

In 2022, NIST announced four leading algorithms: CRYSTALS-Kyber for general encryption, and CRYSTALS-Dilithium, Falcon, and SPHINCS+ for digital signatures. These are designed using complex mathematical problems that even the most advanced quantum computers can't solve efficiently (for now).

Meanwhile, companies like Cloudflare are testing hybrid encryption systems that combine traditional encryption, like AES, with quantum-resistant algorithms to safeguard future data transfers.

In India, the government launched the National Quantum Mission in 2023 with a ₹6,000 crore investment to strengthen the country's capabilities in quantum computing, communication, and cryptography.

And that's where the strange irony lies. The same technology that could help us discover new drugs, design better batteries, and solve humanity's most endearing problems, which we once thought were impossible to solve, could also expose every secret we've ever tried to keep.

A breakthrough that might break the internet. A breakthrough that might break the internet. A breakthrough that might break the internet. A breakthrough that might break the internet. A breakthrough that might break the internet.

By Shreya V Bhat



Update for the Day #2556 | Apollo Micro Systems

A month ago, Apollo Micro Systems was a blink-and-miss stock. Unless you closely followed India's defence sector, it wouldn't have crossed your screen. But today, it's popped over 70%.

Now that alone doesn't mean much. Stocks can rise for all kinds of reasons like momentum, speculation, even a viral social media forward. Especially if they are small caps, like Apollo.

But this time, there's more to the story than just price action. Because the company's business itself is changing. So let's start there.

What exactly does Apollo Micro Systems do?

Well, it builds the invisible backbone of modern defence. It doesn't make fighter jets or tanks but the intelligence inside them. Like the control systems, the sensors, guidance modules, the embedded electronics.

That's where the company seems to have found its edge. While most players chase big hardware contracts, Apollo carved a niche in high-performance electronics. The kind that can survive extreme heat, pressure and electromagnetic interference in the middle of battle. It began as a supplier to ISRO and DRDO. But over time, it's moved up the value chain — designing its own systems, partnering with state-run giants, and expanding across land, sea, air and even underwater. Its offerings now range from circuit board design and embedded software to torpedo tracking, concept-to-product development, drone-control systems and naval tech.

And last month, things really picked up.

First, the company bagged a ₹113 crore export order for avionics systems (the electronics used in aircrafts). Now, this was not a headline-grabber on its own, but this wasn't just another average components deal. Because in the defence business, trust is everything. Governments and companies don't hand over control systems to just anyone. So when a relatively small Indian firm breaks into the global supply chain, it signals that Indian defence tech may finally be turning a corner.

Then, came the bigger twist.

Apollo Micro Systems bought IDL Explosives — a 60-year-old ammo-maker with deep roots in India's defence sector.

Think about that for a second. Apollo built its reputation as a specialist in embedded systems like circuit boards, sensors, software. With IDL under its belt, it has entered the world of ammunition and it can now pitch itself as a one stop solution. As the company puts it... "This marks a new chapter for Apollo Micro Systems as we move closer to becoming a fully integrated Tier-1 defence OEM." It's a small but noticeable shift from defence subcontractor to become a full-spectrum supplier.

And this move didn't come out of nowhere. Over the past year, Apollo has been methodically expanding its reach. It signed a partnership with Munitions India Ltd. to co-develop advanced weaponry. It joined forces with Troop Comforts Ltd., a state-owned PSU, to build anti-drone and anti-aircraft systems. It collaborated with private firms on drone landing modules and underwater mines. And it's developing torpedo guidance systems and software-defined tracking technologies.

So add it all up, and you see the silhouette of a company quietly bulking up and building capability.

And it's also raising money to fuel this transformation.

Just this week, Apollo secured over ₹416 crore via a preferential allotment. LIC Mutual Fund came in. The promoter group chipped in. A board member joined too. Shares and warrants were priced at ₹114. And the company says the money is headed toward working capital, R&D, and expanding in defence, aerospace and homeland security. So it's a strong signal, not just that Apollo wants to grow, but that institutional players are now willing to bet on that growth too.

And the timing couldn't be better.

Because right now, India's defence ecosystem is undergoing a structural shift.

The government is spending more on military modernisation. The defence budget this year is up 9.5%. Import restrictions are tightening. And there are clear indigenisation targets, incentive schemes and fast-tracked procurement processes for local players.

Defence manufacturing has been dominated by big PSUs like HAL, BEL, BEML for years in India. But today, they can't do it all. The government wants private players too to fill the gaps. Especially agile ones that can co-develop cutting-edge tech with DRDO, iterate quickly and scale globally.

And Apollo seems to be slotting itself into that opportunity.

Its order book is growing. Its huge R&D investments are finally translating into products. And with the IDL deal, it can now offer end-to-end solutions. It's an advantage in government contracts where bundling systems gives you an edge.

In fact, management says its core defence business (excluding explosives arm) could grow at 45–50% CAGR over the next two years. A bold claim for sure, but when you look at the export orders, partnerships, the new platforms being developed... it doesn't seem that far-fetched.

But that's just the business side of the story. Let's also talk about the numbers to see if they back the story.

In FY25, Apollo Micro Systems achieved its highest-ever revenue of ₹562 crore, marking a substantial 51% increase from the previous year. Net profit surged by 81% to ₹56 crore, and the operational profit margin remained steady at 23%, indicating efficient cost management even amidst rapid growth.

However, beneath these numbers lie some areas that warrant attention.

Operating cash flow? Just ₹11 crore. Yes, it flipped from a negative ₹80 crore last year. But it's still tiny compared to net profit. That means a lot of earnings are stuck in working capital, particularly in receivables. And that's a common pain point for companies working with government orders.

Then there's the debt. The debt-to-equity ratio is a reasonable 0.5x. But long-term borrowings have jumped from ₹9 crore to ₹38 crore in just a year. So there's growing reliance on loans to expand and keep the wheels turning.

Another point of concern is the high percentage of pledged shareholding. As of March 2025, nearly 48% of promoter holding was pledged, up from 20% the year before. That's a serious jump. And if Apollo's stock were to fall, it could trigger margin calls. If the promoter can't meet them, it risks a forced sell-off, something no shareholder wants to see.

And lastly, the valuations. The company's stock is trading at a price-to-earnings (P/E) ratio of over 100. Plus, it's trading at 10 times its book value. This is higher than its peers and also suggests that the market has high expectations for future growth.

And that's fine, as long as performance keeps pace.

But what happens in a downcycle? When small caps lose steam? Or if defence orders dry up? Or if return on equity (ROE), which has hovered around 8% for the last three years, fails to improve?

So yeah, there are risks. Valuations are rich. Execution needs to match ambition. Defence contracts can be lumpy and unpredictable.

But every now and then, a small company catches a big policy wave and paddles with precision. And only time could tell if Apollo Micro Systems could do both over years.

By Sreenadh Chakka



Update for the Day #2557 | Why RBI is rewriting the liquidity rules

You've probably seen the IPO buzz everywhere. In fact, two of this year's biggest listings opened just last week. And we're still only in October, with more waiting in line.

That does make you wonder: where will all the money to invest come from? After all, foreign portfolio investors (FPIs) have been pulling out. They've sold nearly ₹1.6 lakh crore worth of Indian equities so far this year, already surpassing the record ₹1.2 lakh crore they offloaded during the same period in 2022. And the reasons aren't too hard to guess: rising US tariffs, the H-1B visa fee hike, and a weakening rupee. On the back of it all are valuations that have pushed Indian equities into "too expensive for now" territory.

Now, the folks at the Reserve Bank know all this. They've been watching the liquidity tighten and the capital markets slow down. And while the recent GST 2.0 revamp was designed to boost domestic spending, the markets needed something different — a little more breathing room. So, while the RBI kept the repo rate steady at 5.5%, raised its GDP growth forecast to 6.8%, and trimmed its inflation estimate down to 2.6% for FY2026 (down from 3.1%), it also slipped in a quiet but powerful move: looser rules on borrowing against securities.

Here's what changed: You can now take a loan against shares up to ₹1 crore — 5x more than before. The limit on lending against listed debt securities (like sovereign gold bonds) is gone. And the IPO financing limit has jumped from ₹10 lakh to ₹25 lakh per person.

But what does all this mean, you ask? Let's say you're an investor with a decent-sized portfolio. You can now borrow more comfortably against your holdings. If you hold listed debt securities like SGBs (Sovereign Gold Bonds) or corporate bonds, there's no upper limit at all. And if you're applying for an IPO, you can now finance a larger portion of your bid. Essentially, it's a liquidity injection without the RBI touching policy rates. But the biggest headline wasn't even about retail investors. It was what came next. For the first time ever, the RBI opened the doors for Indian banks to finance mergers and acquisitions.

That's huge. Because until now, large Indian companies relied on NBFCs (Non-Banking Financial Companies), public and private markets, or foreign banks to fund takeovers. But once this framework is operational, it means domestic banks can finally step into a \$40 billion+ mergers and acquisitions space, and that could completely reshape India's corporate deal-making landscape. Now, here's the catch. More liquidity sounds great, but it's not risk-free. Every extra rupee borrowed has to be repaid. And when leverage builds up, so does vulnerability. Think margin calls, market shocks, and losses that exceed what you invested.

If that's risky for individuals, it's even riskier for banks' lending thousands of crores to a handful of big borrowers. The last thing the system needs is another "too big to fail" scenario. That's why, back in 2016, the RBI introduced the large borrower guidelines to discourage banks from lending to big, heavily indebted borrowers with credit limits of ₹10,000 crore or more. If these borrowers still wanted extra funds, the RBI gently nudged them toward other options, like tapping the bond or stock markets, instead of leaning on banks yet again.

Look, when foreign capital flies out and domestic investors don't have enough to make up for it, trading volumes drop. The Jane Street saga taught us that. It showed just how much of our market volume was driven by foreign firms. And if retail investors don't have enough to invest in listed shares, you can imagine what that means for IPO activity. That's why the RBI is taking a calibrated approach. The old guidelines will be withdrawn by April 2026. This gives banks time to strengthen risk models, update compliance systems, and prepare for higher exposure. In other words, the central bank isn't opening the floodgates. It's just turning the tap on, slowly.

The idea is to bring confidence back. When foreign capital retreats, domestic liquidity has to step up or the market risks running dry. And with IPOs booming and corporate activity picking up, that liquidity becomes even more crucial. So, by freeing up lending rules, the RBI is effectively trying to do two things at once: keep growth running by pumping money into the system, and keep risk in check. It's a balancing act. If it works, this could deepen India's capital markets, revive M&A activity, and make credit more accessible — all without cutting rates.

The Trump-era tariff talk is back on the table, and that could hit India's export engine in the second half. GST 2.0 will certainly help by streamlining compliance, freeing up working capital, and supporting domestic demand. But it's not enough to offset the impact of tariffs. And even the RBI Governor, Sanjay Malhotra, believes as much. That's where the RBI's liquidity push matters. Think of GST as the demand-side boost and the RBI's easing as the supply-side counterpart. One fuels spending, the other fuels credit. Together, they're not trying to make India immune to global shocks — just resilient enough to keep the growth engine humming.

But this isn't a reckless easing spree. The RBI has paired the relaxation with guardrails: phased implementation timelines, draft consultations, and tighter supervisory oversight. It's letting liquidity flow, but through well-monitored channels. The goal isn't just to make money cheaper, but to make it move more efficiently across banks, corporates, and households — and to do it without shaking the foundations of financial stability. If it works as intended, these measures could deepen India's capital markets, revive corporate financing activity, and make borrowing easier for everyone — from investors to industrialists — all while keeping systemic safety front and Centre. Whether this sparks a wave of new lending or just a short-term liquidity rush depends on how banks respond.

But one thing's clear: liquidity is back on the table

By Vignesh Kumar S



Update for the Day #2558 | AI Tools Transforming Finance and Audit Work

The accounting and audit profession is currently witnessing one of the most significant paradigms shifts in decades — the integration of Artificial Intelligence (AI) into everyday professional workflows. What was once a manual, time-consuming, and judgment-driven process is now being reshaped by intelligent automation, data analytics, and natural language processing. AI is not here to replace professionals but to redefine their roles, freeing them from routine activities and enabling them to focus on interpretation, analysis, and strategic decision-making.

In the field of audit, AI-powered tools are revolutionizing how data is examined. Traditional audit techniques relied heavily on sampling — reviewing a small portion of data to draw conclusions about the whole. However, AI-driven systems can now analyse 100% of transactions within a dataset, instantly identifying anomalies, unusual patterns, and potential red flags that might otherwise go unnoticed. This not only enhances audit efficiency but also substantially improves accuracy and reliability. Tools like MindBridge AI, CaseWare IDEA, and Alteryx are already being used by global firms to perform advanced data analytics, risk scoring, and predictive assessments.

In accounting and financial analysis, tools like Microsoft Excel Copilot and Power BI have become game changers. Excel Copilot allows users to interact with spreadsheets through natural language — professionals can simply type commands like “show me the top five expense categories for this quarter” or “compare last year’s sales growth with this year”, and the tool will automatically create tables, graphs, or summaries. This drastically reduces the time spent on formula writing and report formatting. Similarly, Power BI integrates real-time financial data, enabling firms to create dynamic dashboards and trend analyses that support faster and more informed business decisions.

ChatGPT and other generative AI models are also proving to be invaluable assets. They assist professionals in drafting letters, client communications, audit notes, replies to tax notices, and even basic legal research. These tools help junior staff learn better phrasing and professional tone, while also saving senior professionals countless hours in documentation and review. For instance, AI can generate first drafts of written submissions, summarize lengthy case laws, and provide contextual insights into recent circulars or judgments — all within minutes. When used with proper oversight, this enhances both speed and quality of deliverables.

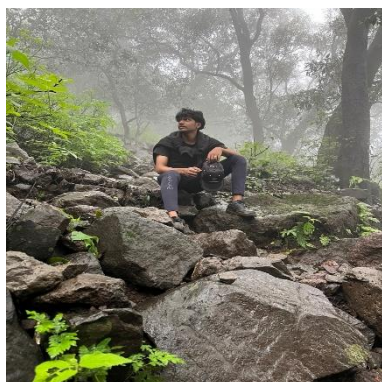
From a broader perspective, the integration of AI is changing the skillset expected from finance professionals. The focus is shifting from mechanical data entry and compliance activities toward data interpretation, insight generation, and advisory roles. Firms are increasingly emphasizing digital literacy, analytical reasoning, and critical thinking as key competencies for the next generation of professionals. Article assistants and young chartered accountants who invest time in learning AI tools, automation platforms, and data visualization techniques will have a distinct edge in the evolving landscape.

However, this transformation also comes with responsibilities. Professionals must ensure that the use of AI tools adheres to ethical standards, data confidentiality norms, and professional judgment. Overreliance on AI-generated content without verification can lead to errors or misinterpretations. Hence, while AI enhances efficiency, the final responsibility and professional skepticism continue

to rest with the human practitioner.

In conclusion, AI is not merely an optional technological enhancement — it is the future backbone of accounting and audit practice. Firms that embrace these tools early will enjoy improved accuracy, faster turnaround times, and better analytical insights, while professionals who adapt will find themselves at the forefront of a smarter, more efficient, and more strategic financial ecosystem. The message is clear: the accountant of tomorrow will not be replaced by AI, but by another accountant who knows how to use AI effectively.

By Chirag R



Update for the Day #2559 | Google's \$15 Billion AI Bet on India

Google just announced a **\$15 billion investment in India** over the next five years. And no, this isn't just another "big tech expanding in India" story — this one's massive.

The money's going into building a **1-gigawatt AI and data centre campus** in **Visakhapatnam, Andhra Pradesh**, in partnership with the Adani Group. According to **Thomas Kurian**, CEO of Google Cloud, it'll be **Google's largest AI hub outside the US**.

What's the plan?

The Visakhapatnam campus will house powerful AI infrastructure, run on renewable energy, and be connected through an expanded fibre network. Think of it as the digital brain powering everything from cloud computing to next-gen AI services — right from India.

And there's more. Google plans to eventually scale the centre to multiple gigawatts, which basically means it's not just a one-off facility — it's the start of a long-term digital base.

Why Visakhapatnam?

Andhra Pradesh's Chief Minister **N. Chandrababu Naidu** has been pitching the state as India's next tech and logistics hub. The city's proximity to ports and its improving infrastructure make it a sweet spot for data-heavy operations. Add to that Adani's experience in green energy, and you've got a setup that fits neatly with Google's carbon-neutral ambitions.

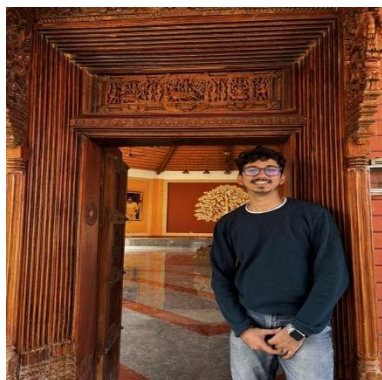
Why this matters

For India, this could be a game-changer.

- It's expected to **create thousands of high-skilled jobs**.
- It could **attract more foreign investment** into digital infrastructure.
- It strengthens India's case as a serious player in the **global AI supply chain**.

In other words, Google's move isn't just about servers and storage — it's a **vote of confidence in India's digital future**. With this, India's dream of becoming a **\$1 trillion digital economy by 2030** looks a little more real.

By Sughosh Joshi



Update for the Day #2560 | Why Ford just can't let go of India

When I look at the roads today, and hear car enthusiasts praise the brilliance of sub-four-metre SUVs, I can't help but wonder if anyone remembers who really started this revolution. Because like every big idea, it began with one pioneer. And one of the first players to bring this model to India was Ford Motors.

Their Ecosport, launched in 2013, was among the first and most successful "compact" SUVs in the country. Before that, your choices were simple: you could either buy a hatchback, a sedan, or a full-size SUV. There was no middle ground.

And that "middle ground" wasn't an accident but policy-driven. India's 2006 Budget introduced lower excise duty for cars shorter than 4 metres with small engines, while the 2013 Budget raised taxes on longer SUVs. And that change created the perfect opening for compact SUVs that EcoSport capitalised on.

That's mostly why, today, that once niche-segment has become India's hottest car category. Every major carmaker now has a compact SUV in its lineup, often its best-selling model. But ironically, Ford Motor is nowhere in sight.

So what happened, you ask?

You see, Ford entered India in 1995 and over the next two decades poured nearly \$2 billion into its local operations. It built two large manufacturing plants: one in Sanand, Gujarat, and another in Chennai, Tamil Nadu. And it even turned profitable after a few rocky years. But as the car market changed, sustaining growth became harder than simply building cars. Rising competition and shifting consumer preferences toward compact and affordable vehicles meant that even a global brand with deep pockets struggled to carve out a meaningful share.

By 2021, the numbers no longer made sense. Its market share had slipped to just 1.75%, and it had racked up more than \$2 billion in cumulative losses. The math didn't add up and so it faced a hard choice: either keep burning cash to keep the plants running or shut shop and move on. Eventually, it picked the latter, and by FY23, it completed its exit by closing its last plant and leaving behind two decades of legacy on Indian roads.

It was this when many assumed the end of Ford's story in India. Their American dream, as it turned out, stayed American. But that wasn't quite it.

Because when foreign manufacturers leave, they usually sell their assets. In Ford's case, that meant those two massive factories. So Ford did sell the Sanand plant to Tata Motors in early 2023: land, machinery, and workforce included. It was capable of producing 3 lakh cars a year but running well below capacity due to lesser demand.

And that left the Maraimalai Nagar plant in Chennai. Everyone expected Ford would sell that too, and they nearly did. The JSW Group, fresh from acquiring a stake in MG Motor India and China's SAIC, was in advanced talks to buy it. But in a surprise twist, Ford backed out.

And that's when the rumours began: maybe Ford wasn't done with India after all. Because why would a carmaker hold on to an idle factory unless there were plans brewing, no?

By mid-2024, those rumours gained weight. Reports suggested Ford was planning to revamp its Chennai plant to export engines to Asia and Africa. The company even signed a letter of intent with the Tamil Nadu government to restart the plant for exports. And it all sounded like a sensible strategy until a new variable entered the picture: Tariffs!

Now, we know what you're thinking. Wouldn't Ford actually benefit from tariffs since it's an American company? Well, yes and no.

Yes, because it's based in the US, but no, because it also means it's affected by Washington's ever evolving trade policies, which discourage outsourcing to low-cost destinations like India. So Ford's executives in Michigan are now stuck deciding whether restarting production in Tamil Nadu makes financial sense under these new trade headwinds.

And honestly, you can see why Ford is cautious. When it operated both Indian plants, it had a combined capacity of 4.4 lakh cars a year but used only about 25% of it. Despite being one of the world's biggest automakers, it captured a measly share of the Indian market and lost billions.

One big reason for this was its joint venture with Mahindra & Mahindra. It was meant to develop low-cost platforms for Indian buyers but it fell apart in 2020. And when that collapsed, Ford lost its best shot at localisation and affordability.

And this wasn't a one-off problem because American automakers have long struggled in India. For instance, I remember convincing my parents to buy a Chevrolet back in 2011, confident that the brand would stick around. But just six years later, General Motors, Chevy's parent company, also exited India in 2017. From GM to Ford, and even Harley-Davidson in the two-wheeler space, US manufacturers have all faced the same issue here: a value-obsessed audience, razor-thin margins, and a market dominated by Maruti Suzuki and Hyundai that understand the Indian psyche.

From a buyer's point of view, that kind of uncertainty hurts. A brand's shaky presence means limited service centres, pricier parts, and fewer third-party options. When they sense that instability, they naturally go vocal for local. Especially, when it's a luxury, long-term purchase worth lakhs.

Besides, many also point out that it wasn't just about price sensitivity. The tax structure itself rewarded compact cars, local supplier integration was shallow, and American brands lacked the dealer and financing networks that Indian buyers rely on.

Ford, however, did try to soften that blow. Even after its first exit, it retained over 90% of its service network and committed to long-term parts support, a move that kept owner trust alive.

Still, walking away completely isn't easy. Because India is no longer just another emerging market – it's now the third-largest automobile market globally. In the first half of FY25, it exported over 25 lakh vehicles, up 14% year-on-year.

What began as a small export hub and bridge between Western automakers and developing countries has turned India into the world's fourth-largest car manufacturer. Every global brand

here uses the same playbook: Hyundai ships from Chennai to 80+ countries, Kia exports from Andhra Pradesh, and Maruti Suzuki alone accounts for 42% of all car exports.

So for Ford, the temptation to return is understandable. If others can turn India into a profitable export base, why can't it? Even if it's just to make and ship engines, their Chennai plant could serve as a gateway to global markets.

And Tamil Nadu gives Ford an advantage few markets can match: a dense supplier ecosystem (Renault-Nissan, Hyundai, BMW, and scores of Tier-1 vendors) plus direct port access via Ennore and Kattupalli. It even used Chennai earlier to export the EcoSport to multiple countries (and at one point, even to the US) proving the model works.

But timing matters. Ford has already committed \$1 billion to an EV plant in Cologne, Germany, a bet that isn't going as planned. Last month, it announced 1,000 job cuts there due to weak demand. So, it makes sense that Ford might look again at India, where manufacturing is still competitive and export-friendly.

If it does return, it'll need to avoid past mistakes. Turning the Chennai plant into an export-only facility could help, since that model doesn't rely on domestic sales.

And success could very well depend on three things: higher plant utilisation, more localisation, and smooth supplier payments. Because those are the same metrics driving India's booming auto-component export market, which hit \$21 billion in FY24. Plus, it will need a clear backup plan too, since tariffs and trade policies can shift overnight.

So yeah, Ford's journey in India has always been about bold beginnings, abrupt exits, and the lingering question of return. Whether it revives the Tamil Nadu plant or writes it off will depend on how well it balances trade uncertainty with India's growing export potential.

In that sense, Ford's India story remains unfinished, not a failure, but a chapter waiting to be rewritten.

By Chelsea Dsa



Update for the Day #2561 | Why IndiGo's co-founder quietly flew away

India's aviation industry is often a graveyard of broken ambitions. Kingfisher went bust. Jet Airways stalled on the runway. Air India had to be rescued. And yet, amidst all the turbulence, one airline not only survived but soared. And that is IndiGo.

With over 2,200 daily flights and more than 430 aircrafts, it holds a market share of over 60%. Its parent company, InterGlobe Aviation, is valued at ₹2.2 lakh crore and clocked over ₹7,250 crore in profits in FY 24-25, while its competition bleeds cash. If there was ever a golden goose in Indian aviation, this was it.

But here's the thing. One of its co-founders, Rakesh Gangwal, recently exited the company by selling the majority of his stake. Once holding over 35% of IndiGo, Gangwal has steadily sold down since 2022. In May 2025, he offloaded a ₹6,800 crore block. And then in August, another 3.1% for around ₹7,020 crore, bringing his total shareholding down to just under 5%. So if you look at it, his exit had been a methodical unwinding.

Which begs the question: Why is Gangwal walking away?

IndiGo's success story began in 2006 with Gangwal and Rahul Bhatia at the helm. Gangwal, a former United Airlines executive with deep operational experience, handled the back end. Bhatia, who ran InterGlobe Enterprises, focused on strategy and finance. Together, they ran a tight ship: low costs, high discipline, no frills. And by the time IndiGo went public in 2015, it was already India's largest airline.

But despite their shared success, tensions began to build.

Gangwal accused Bhatia of breaching corporate governance norms. He claimed that Bhatia, through his group company InterGlobe Enterprises, exercised disproportionate control over IndiGo's affairs. He raised red flags about related party transactions, which are business dealings between IndiGo and Bhatia-linked firms that were not subject to sufficient board scrutiny, according to Gangwal.

In 2019, Gangwal raised these concerns. He also criticized the lack of independence in board appointments, suggesting that Bhatia could push through decisions without meaningful checks. This included major moves like leasing, vendor contracts, and operational tie-ups, areas where Bhatia's influence allegedly went unchallenged. According to Gangwal, this was a risk to shareholder value.

Soon, he raised these concerns with SEBI over shareholder rights, making the dispute public. And the allegations centered on financial opacity and concentrated decision-making, which he believed endangered the company's long-term health.

Unable to reconcile their differences internally, the founders eventually took their battle to the London Court of International Arbitration (LCIA) in 2019. Interestingly, the arbitration was first initiated by Bhatia's InterGlobe Enterprises, but Gangwal's group countersued for remedies of its

own. And after nearly two years of back-and-forth, the tribunal delivered its final award in September 2021, and this time, Gangwal had reason to feel vindicated.

The tribunal ordered that specific clauses in IndiGo's Articles of Association (AOA), ones that essentially gave each promoter veto power over the other's share sale, be removed. These provisions, born from their earlier shareholders' agreement, had effectively locked both founders into a stalemate, preventing either from diluting or monetizing holdings without the other's consent. The arbitrators ruled that these restrictions be scrapped, paving the way for a more open and market-aligned structure.

Following the order, IndiGo convened an Extraordinary General Meeting in December 2021, at which shareholders voted to amend the AOA and formally remove those veto clauses.

And with this change, both founders' shares became freely tradable.

It was a landmark reform, not just because it allowed Gangwal to sell his shares freely, but because it sent a strong message to investors: no single promoter could ever again hold the company hostage over ownership rights. Yet, even after this structural fix, Gangwal believed that deeper governance issues still lingered, from concentrated control to conflicts of interest. And that's when he decided to step away.

By February 2022, Gangwal had resigned from the board and announced his intention to gradually exit the company over the next five years.

Since then, his exit has unfolded in stages. Each sale is carefully timed, often through block deals, and mostly routed through the Chinkerpoo Family Trust. The latest sale in August 2025 was executed at ₹5,808 per share (about 4% lower than the market price).

But for Gangwal, it seems the decision wasn't driven by price. It was principle.

Even with IndiGo flying high, he remained unconvinced that the company's governance structures were sufficiently reformed. For him, the core issues remained unresolved:

1. Centralized control,
2. Conflicts of interest, and
3. Weak oversight.

In his view, while the arbitration settled ownership disputes, it didn't fully address the cultural and operational imbalances he had long warned about. The board was larger and more independent, yes, but true independence, he felt, was still lacking.

And when you no longer believe in the pilot, it doesn't matter how well the plane is flying.

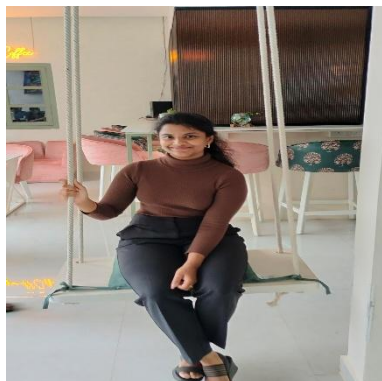
That's what makes this exit so significant. From holding 36.6% in December 2021, he now has a little less than 5% by mid-2025.

And this wasn't triggered by poor financials or weak market positioning. It stemmed from a breakdown of trust and alignment at the top. And that's a lesson that extends far beyond aviation.

Great companies aren't just built by profits or market share. They're built by partnerships. And those partnerships are held together not just by equity, but by governance, transparency, and mutual respect.

Gangwal's exit may seem quiet. But it's a reminder of how loud silence can be when it comes from the cofounder of India's most successful airline.

By Sanjana SM



Update for the Day #2562 | AI in Accounting: Will Compliance Become Fully Automated by 2030?

Full automation (zero human oversight) is unlikely because of regulatory, ethical, data-quality, and accountability constraints. Instead, expect a hybrid model where AI handles high-volume, rule-based work and humans focus on judgment, exceptions, and governance.

Why automation will accelerate (and how fast)

AI is already moving from experimental pilots into core accounting workflows. Firms and finance teams are investing heavily to replace repetitive manual tasks — data entry, reconciliations, invoice matching, basic tax calculations — with continuous, real-time automation. Industry surveys and consultancy reports show broad, sustained investment in AI across enterprises: most executives plan higher AI spending and accounting platforms are migrating from “add-ons” to embedded architecture.

Practical impact in the next five years will include:

- Continuous transaction-level compliance monitoring (not quarterly check-ups).
- Automated exceptions-routing so humans only touch outliers.
- Faster, more accurate tax and regulatory filings through rule engines and model-assisted matching.

Why fully automated compliance by 2030 is unlikely

Four structural limits will keep humans in the loop:

1. **Regulatory & audit expectations:** Regulators and audit overseers are demanding explainability, oversight, and assurance for AI tools. Recent reviews have flagged that large firms are not yet formally tracking how AI affects audit quality — a core requirement before regulators will accept end-to-end automation without human checks. That raises the bar for documented governance, KPIs and third-party assurance.
2. **AI governance / ethics & accountability:** Accounting outcomes affect shareholder reports, taxes and legal exposures. Firms must demonstrate responsible AI, control for bias, and provide traceable audit trails. Governance frameworks (internal and external) will require humans to sign off on judgmental items, estimates and sensitive adjustments.
3. **Data quality & systems integration:** Many organisations still lack fully harmonised, clean transaction data across ERPs, banks, and subsidiaries. AI amplifies garbage-in→garbage-out risks; manual remediation, reconciliations and system fixes will remain necessary for years in many companies.
4. **Complexity & judgment:** Items that require nuanced professional judgment — valuation of complex derivatives, legal substance vs form disputes, transfer pricing controversies, fraud

investigations — demand human reasoning, legal interpretation, or multi-stakeholder negotiation that AI alone cannot responsibly execute today.

What will change by 2030

Expect a practical hybrid model where:

- **80–90% of routine compliance tasks** (data aggregation, standard tax calculations, templated disclosures, automated checks) are automated or AI-assisted.
- **Human accountants shift toward oversight, rule-setting, exception handling, and interpreting AI outputs for judgemental areas.**
- **AI assurance** becomes a mainstream service: audit firms already launching AI-specific assurance and verification offerings to certify models and outputs. That creates a new control layer between fully automated execution and final human sign-off.

Risks & operational priorities for finance leaders

- **Build explainable models & logging:** Invest in model explainability and immutable logging so every AI decision can be traced and defended.
- **Data-first approach:** Prioritise master data hygiene and system integration — automation fails fastest where data is fragmented.
- **Governance & KPI tracking:** Create KPIs that measure AI impact on audit quality and control effectiveness; regulators will ask for these.
- **Reskill workforce:** Move people from processing roles into control, analytics, and exception-resolution functions; continuous training in AI literacy is essential.

The strategic opportunity

For finance teams and firms, the shift is less about saving headcount and more about re-allocating talent to higher-value work: risk management, strategic planning, and interpreting AI-driven insights. Organisations that pair robust governance with aggressive automation will gain faster close cycles, better compliance posture, and lower operational cost — while keeping humans in the loop where it matters most.

By Lakshya Bansal



Update for the Day #2563 | What happened to all the T+0 excitement?

If you even vaguely remember, two years ago we'd written about the market regulator, SEBI's (Securities and Exchange Board of India's) big plan to shake up how stock market trades are settled, by inserting something called T+0.

For the uninitiated, when you buy or sell a stock, the trade doesn't wrap up instantly. Sure, your demat account shows the money you owe or are supposed to receive right away. But the actual funds and shares move only the next day. That's what we call a T+1 settlement, where "T" is the day you make the trade and "+1" is the following day when the transaction is completed.

T+0, on the other hand, promised to make this process lightning-fast with trades settled the same day, all wrapped up by 4:30 p.m.

SEBI had launched this neat sounding plan on a pilot basis, starting with just 25 stocks in March last year, and then gradually expanding the list by 500 stocks (in phases of 100 stocks each month) from January this year. The idea was that by May 2025, most brokers would be ready for a full T+0 rollout.

But as it turns out, switching to a same-day settlement system isn't exactly plug and play. The deadline had to be pushed to November 2025. And now, even that's off the table. Many brokers still aren't ready with the technology and systems needed for instant settlements. So SEBI has decided to indefinitely extend the deadline, saying it'll announce a new one later.

So what happened to all the excitement around T+0, and why are brokers asking for more time to switch, you ask?

Well, the real reason goes a little deeper than just the surface-level "operational difficulties" everyone talks about.

And to understand what's really going on, we need to look at a first of its kind study published in Economic & Political Weekly (EPW). The paper examined the potential impact of T+0 settlements after the first few phases were rolled out.

It tested if faster settlements really improved market efficiency and liquidity as analysts believed. The logic was that when trades settle quicker, the bid-ask spread or the tiny gap between buying and selling prices, tends to shrink. That's because market makers, the folks who constantly buy and sell stocks, face less risk of the other side not delivering cash or shares or prices changing before a trade is completed. Less risk means tighter spreads and better prices for investors.

The researchers looked at two phases: March 2024, when 25 stocks moved to T+0, and January 2025, when another 100 out of 500 additional stocks followed, and used two methods:

An event study, which looked at how stock prices and trading volumes behaved around the days T+0 was introduced, and

A DiD approach (not Dance India Dance but “difference-in-difference”), which compared how things changed for T+0 stocks versus similar ones that stayed on T+1.

And what they found was pretty interesting.

There was early excitement when T+0 went live, but it faded quickly. And there wasn’t any lasting improvement in pricing efficiency or trading activity. In short, faster settlement didn’t really make the market more liquid. At least not yet.

Okay Finshots, so why didn’t this happen?

You see, for starters, T+0 really benefits active traders, not long term investors. So if you’re someone who buys a stock and holds it for years, it doesn’t really matter whether the shares reach your demat account in one day or a few hours.

And that’s an important point because in India, most investors aren’t traders. They’re long-term participants. Yup! NSE’s MD and CEO, Ashish Kumar Chouhan, says only a small fraction actively trade or deal in derivatives. And a survey by Research & Ranking backs this up. About 3 out of every 5 investors (roughly 60%) plan to hold their investments for at least three years.

So if the majority of the market doesn’t really need faster settlement, the demand for T+0 was bound to be limited.

Then you have to look at the other side — the brokers.

For them, moving to T+0 isn’t as easy as flipping a switch. It’s an expensive upgrade.

Under T+1, if you trade today (say, on a Friday), the exchange doesn’t settle it immediately. Everyone gets a full working day (until Monday) to sort things out. Buyers move money to their broker, sellers transfer shares from their demat, and brokers reconcile everything before sending it to the exchanges.

But with T+0, money, shares, and confirmations, all have to move within a few hours, on the same day. That demands real-time coordination, better infrastructure, and stronger back-end systems, which translates into higher costs.

All that would also mean that brokers charge a small premium for T+0, which could come up to an average of about ₹10–₹20 extra per order. But when that cost is passed on to investors, two things happen.

First, if you’re a cost-conscious investor who doesn’t trade often, you might feel the faster settlement isn’t worth the extra money. You’d rather save that fee since you don’t need instant credit or delivery anyway.

Second, if a lot of investors feel that way, fewer people end up using T+0. And when participation stays low, trading volumes remain thin. That means brokers don’t get the extra liquidity they were hoping for, which makes the whole exercise less profitable.

The proof is in the pudding. According to The Hindu Businessline, nearly a year after T+0 was introduced, the NSE and BSE have seen just 83 and 56 trades respectively, worth only ₹7.1 lakh

and ₹3 lakh in total.

That's tiny.

And these low numbers raise an important question. Is it really worth the investment for brokers to upgrade their systems for T+0? After all, it's still optional, and with such low trading volumes, the returns on that added investment seem uncertain. So, brokers find themselves in a cost-benefit dilemma: spend more to enable same-day settlement, or hold off until there's enough demand to make it worthwhile.

So, it's a bit of a vicious cycle, really.

In summary, brokers aren't fully ready operationally, and many remain sceptical about whether T+0 is worth the trouble. Because of that, the benefits of same-day settlement don't quite show up. And since those benefits aren't visible, there are fewer takers. With fewer takers, it doesn't make much business sense for brokers to invest heavily in it either. Round and round it goes.

So yeah, we won't truly know how efficient T+0 can be until it's mandatorily rolled out across all stocks.

But that again is easier said than done. No market in the world has gone fully T+0 yet. Not even the most advanced ones. And there's a good reason for that.

It's practically impossible for foreign investors. Same-day settlement means all trades must be pre-funded. Money has to be in place before trading begins. For global institutional investors, that's a logistical nightmare. Time zones, currency conversions, and cross-border transfers make it nearly impossible. Compressing all that into a few hours just doesn't work. It would not only disrupt FPI (Foreign Portfolio Investor) participation but also hurt liquidity and push up transaction costs even more.

That said, T+0 isn't dead. It's probably just waiting for its moment. And knowing SEBI's track record with market reforms, it'll probably come up with some clever workaround to solve this never-ending puzzle.

By Vandana M Panwar



Update for the Day #2564 | What's up with the new EPFO rules?

There's been a lot of hubbub around the new EPFO (Employees' Provident Fund Organization) withdrawal rules. Depending on where you stand, it's either the government acting like a nanny or a long-overdue nudge toward genuine retirement discipline. But to really get what's going on, you first need to know what the EPFO, as an idea, truly is.

See, if you're part of India's formal workforce, a small line in your payslip binds you to the state. 12% of your basic salary (plus dearness allowance if you're a government employee), up to a limit of ₹15,000, is sent to the EPFO, which is a 73-year-old behemoth managing over ₹28 lakh crore on behalf of roughly 32 crore accounts. Your employer matches that contribution. And this pooled money fund earns 8.25% interest and sits there, waiting for your future self. The premise is simple. Most people don't save for old age voluntarily, so the system makes sure a part of their income is set aside automatically.

And that logic, to be fair, is sound since India's safety nets are weak. A few months of unemployment can derail a family's savings. So a mandatory savings plan makes sense in theory. But the latest proposed changes, marketed as "ease of living", sting a little.

Because for the first time, EPFO is drawing a line between what's yours and what you're allowed to touch.

You see, earlier if you wanted to partially withdraw from your EPF for reasons like marriage, education, illness, buying a home, etc. you had to make a claim under any of the 13 different withdrawal clauses. And eligibility depended on how long you worked. Different reasons had different minimum service periods, sometimes up to 7 years, which led to many claim rejections. That caused a lot of confusion and delays. Besides, you could withdraw only your own contribution and interest, and that too only 50% to 100% depending on the case. Employers' share was not allowed to be withdrawn.

But now these multiple clauses have been merged into 3 broad ones — Essential Needs, Housing, and Special Circumstances, to make paperwork easier. Employees can withdraw up to 100% of their "eligible balance", which now includes both employer and employee's contributions plus interest.

And all that sounds generous, until you read the fine print which says that at least 25% of your corpus must stay locked until retirement. You can dip into the rest after 12 months of service (instead of the earlier 5-7 year wait period). If you lose your job though, you'll have to wait 12 months (instead of the earlier 2 months) of unemployment to withdraw the remaining amount, and 36 months for your pension (EPS) share.

At first glance, that feels balanced. The Ministry of Labour argues that the earlier system was messy. The new framework, they say, simplifies things and expands access. In fact, earlier, access to the employer's portion was limited or inconsistent across clauses; now it's clearly included, which means the amount you can withdraw immediately (up to 75% of the corpus) is larger than before.

But then comes the catch.

That final 25% stays out of reach to prevent “erosion of retirement savings.” And to be fair, the logic is data-backed. Half of EPFO members retire with less than ₹20,000 in their accounts, and nearly three-fourths withdraw pension balances within 4 years of joining – which is well before the 10-year mark that qualifies them for a lifetime pension. This is at a time when India is ageing fast, and by 2050 the number of senior citizens will have more than doubled from today's levels. So the state fears that if this continues and citizens drain their savings early, future taxpayers will eventually end up footing the bill through subsidies and welfare. Which is why policymakers have built what economists call a ‘commitment device’ or a rule that protects you from your impulsive self.

But when you put yourself in an employee's shoes, it feels less like discipline and more like being deprived of the privilege to use what's yours.

Simply because this isn't a government handout but your salary, earned after taxes. Yet every decision about it... from how much you contribute, what interest you earn, when you can withdraw to even which assets your money is invested in — is made by someone else. The EPFO enforces the deduction, sets the rate, manages the portfolio, and can change the rules whenever it pleases. So who really owns your provident fund?

And the question hits harder when you see the imbalance. Government employees enjoy flexible pensions and their own General Provident Fund. Private-sector workers, meanwhile, are bound to EPFO, where even basic withdrawals can feel like pulling teeth. If you've been there, you know how the website crashes, the passbook becomes inaccessible, accounts get locked over KYC mismatches, and claims can take weeks. Sure, the new notification promises real-time settlements, a cloud-based core system, and instant claim verification — but on the ground, glitches still dominate user experience. So while the reform promises efficiency, it also quietly expands the state's discretion.

And then there's the elephant in the room: what your money does while it's locked away. You see, the EPFO isn't just a savings vault but it's one of India's largest institutional investors. As of March 2024, its total corpus stood at ₹24.7 lakh crore, of which ₹22.4 lakh crore is in government securities and ₹2.3 lakh crore in ETFs. That's long-term capital that funds infrastructure and public spending. And the longer your money stays put, the longer it serves for the government as cheap, stable financing.

That might make fiscal sense, but for workers, it blurs the line between saving and serving. Because imagine being unemployed. That's exactly when you need cash the most, yeah? And yet, the rules say you can touch only 75% of your own corpus right now, and the rest after a year.

Sure, supporters of the reform say this is about teaching prudence i.e. preventing people from treating PF like a recurring deposit for impulse purchases. Fair enough. But restrictions don't automatically create trust no? If anything, they can make workers view the PF as a tax they'll never fully get back. Many already contribute only the bare minimum and smaller firms often skirt compliance. And if formal employees start seeing the EPFO as an unresponsive custodian, the system's very legitimacy erodes.

Even the investment argument isn't ironclad. Yes, the PF pays 8.25% today, but it's tax-free only up to employee contributions of ₹2.5 lakh per year (₹5 lakh if there's no employer contribution). Beyond that, interest is taxable since FY22. And when financial literacy is improving and investment options are multiplying, it's hard to justify a system that still assumes citizens can't be trusted with their own money.

And maybe that's the real paradox of EPFO. It's not financial but philosophical. It's the tension between individual freedom and institutional control.

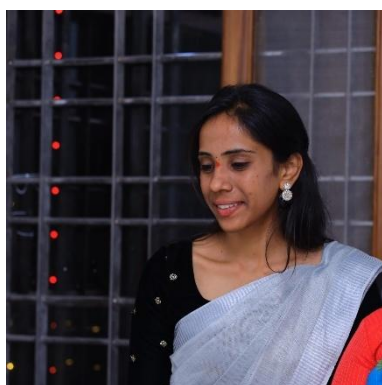
So what does this mean for you and me?

Well, if you're young, switch jobs often, or are saving for a house or education, the reduced service period and unified rules will help. But if you're in your later years of employment, relying on your PF as a genuine safety net, that 25% lock-in changes everything. It limits access without reducing risk.

And remember, this isn't law yet. These rules have been approved by the EPFO board (CBT) but are yet to be notified in the Gazette. They could still be revised, delayed, or clarified further before implementation.

Still, the signal is unmistakable. The government wants citizens to save more, access less, and think long-term whether they like it or not. The intent may be noble, and the design, arguably necessary. But the execution still treats the worker as a beneficiary, not an owner. Because if you earn it, fund it, and pay taxes on it — yet can't touch it without permission, it may be called a provident fund, but it doesn't always feel like your own, eh?

By Sneha DV



Update for the Day #2565 | Why CEOs Are Rushing Toward AI

A recent Business Standard report reveals that nearly 86% of Indian CEOs have placed emerging technologies like Artificial Intelligence (AI) at the top of their investment priorities for the next 12 months. This marks a strong shift in India's corporate mindset—where innovation and digital transformation are no longer optional but essential for staying competitive. Businesses across sectors are now actively exploring ways to embed AI into everyday operations, from decision-making to customer engagement.

The rise of AI-driven tools and automation is reshaping industries—streamlining supply chains, improving accuracy in data analysis, and reducing manual effort in high-risk functions. In sectors like finance, manufacturing, and healthcare, companies are increasingly relying on predictive analytics and intelligent automation to drive smarter, faster, and more efficient processes. This shift represents not just a technological change, but a strategic evolution in how businesses operate.

For professionals in finance and accounting, these developments carry real implications. As AI redefines processes, it also changes how risks are assessed, how audits are performed, and how financial data is interpreted. Understanding the intersection of technology and business is becoming a key differentiator for future-ready CAs. India's AI wave is more than a trend—it's the foundation of how the next generation of professionals will think, analyze, and lead.

By Asmi Shenoy



Update for the Day #2566 | Forest Essentials — When Ayurveda Learned the Language of Luxury

At the turn of the millennium, Ayurveda in India was respected, but not revered. It was something you found in old households — ancient remedies passed down generations, often packaged in plain bottles with no sense of indulgence or beauty. Ayurvedic products were associated with healing, not luxury. And in the world of skincare, luxury came from Paris, not Rishikesh.

That's when **Mira Kulkarni** decided to challenge convention. In **2000**, from her modest kitchen in Rishikesh, she began crafting handmade soaps and oils, inspired by traditional recipes but presented with elegance and sophistication. Her idea was radical for its time — “Why can't Ayurveda be luxurious?” — and her approach was deeply personal. She worked with local artisans and Ayurvedic practitioners, focusing on purity, authenticity, and sensory experience. The early products, made in small batches for family, friends, and a few spa resorts, quickly began to stand out for their delicate fragrances, rich textures, and stunning presentation.

What began as a kitchen experiment soon grew into a niche movement. By the early 2000s, Forest Essentials had created a new category in Indian beauty — **'Luxury Ayurveda.'** The brand's appeal lay in its ability to make tradition aspirational. At a time when consumers were moving away from chemical-based skincare but didn't want to compromise on indulgence, Forest Essentials filled that gap perfectly. Its stores, packaging, and communication reflected calm sophistication — blending Sanskrit-inspired names with contemporary design.

In **2008**, the brand's philosophy caught the attention of global beauty giant **Estée Lauder**, which invested in Forest Essentials. This partnership was more than just financial — it was symbolic. For the first time, an Indian Ayurvedic brand had entered the portfolio of one of the world's biggest luxury conglomerates. It validated what Mira had always believed: that Indian traditions, if presented thoughtfully, could stand proudly on the global stage. Over the years, Forest Essentials expanded across India and slowly entered international markets, opening stores in cities like London and New York, all while retaining its boutique-like charm and handcrafted ethos.

Fast forward to today, and Forest Essentials has become **synonymous with Ayurvedic luxury** — a rare Indian brand that competes with global names while staying deeply rooted in heritage. Every product is still crafted using **cold-pressed oils, locally sourced herbs, and natural fragrances**, and the brand remains committed to **zero animal testing and eco-friendly packaging**. Yet, it has evolved far beyond being just a skincare label. It now represents a philosophy — a way of life that blends wellness, beauty, and mindfulness.``

In **2025**, Forest Essentials is doubling down on its mission to make Ayurveda globally aspirational. The company is building a strong **omnichannel retail strategy**, seamlessly integrating its boutique store experience with a fast-growing online platform. Its e-commerce business has expanded across India, the UK, and the US, while flagship stores continue to provide an immersive brand experience.

The brand is also **diversifying into newer product categories** — such as wellness teas, aromatherapy blends, and Ayurvedic-inspired cosmetics — extending its philosophy into lifestyle. Collaborations with **luxury hotels, wellness resorts, and premium spas** are helping reinforce

its image as a brand that embodies holistic wellbeing, not just skincare.

Digitally, Forest Essentials has mastered the art of modern storytelling. Through influencer campaigns, visual storytelling on Instagram, and educational content on Ayurveda, the brand has managed to connect with **younger, global audiences** who are rediscovering ancient traditions through a contemporary lens. It's also leveraging technology — using **AI-driven recommendations and CRM personalization** — to offer customized skincare solutions, ensuring a blend of old-world authenticity and new-age intelligence.

Perhaps most importantly, sustainability remains central to its narrative. From sourcing herbs ethically to using recyclable packaging and supporting local women's cooperatives, Forest Essentials has managed to merge business growth with social responsibility — a balance few brands achieve authentically.

By Aditi Gadiya



Update for the Day #2567 | Trading: A Game of Probability or Gambling?

Walk into any trading room and you'll see people doing the same thing — clicking buy and sell. Yet the outcomes are worlds apart. One person is running a calculated strategy; another is rolling a digital dice. That contrast is the heart of the question: is trading probability or gambling?

The answer depends entirely on how it's done. Trading becomes a probability game when decisions are anchored in data, tested systems, risk management, and defined outcomes. A trader knows that any single trade can go wrong, but the overall strategy — across 100 or 1,000 trades — has a positive expected value. The mindset is statistical, not emotional. Position sizing is disciplined. Risk is capped. Losses are accepted as part of the process.

Gambling begins the moment trading loses structure. When entries are based on hope, tips, rumours, “revenge trading”, magical leverage, or chasing losses, it stops being a calculation and becomes a coin toss. Traders confuse luck for skill, early wins for expertise, and volatility for opportunity. And eventually, the market exposes every illusion.

Probability-based trading is boring, repetitive, almost mechanical. Gambling feels exciting, fast, and “heroic”. That's why most people drift toward the latter without realizing it. They think they are trading when, in reality, they are betting.

The recent surge in high-leverage prop scams is the perfect example. Many traders believed they were trading with an edge. In truth, they were bypassing every risk-control system that separates probability from pure speculation. No KYC, no accountability, no controls — just adrenaline dressed as opportunity.

There's a line that divides the two worlds: if you can quantify your risk and measure your edge, you're playing probability. If you cannot, you're gambling with outcomes disguised as trades. In markets, the house is not the broker — it's the math. And math is undefeated. In the long run, markets reward discipline, clarity, and process. And the only sustainable path is to treat trading as a statistical exercise, not an emotional one.

By Manjunath A S



Update for the Day #2568 | Corporate bond market evolution in India

The corporate bond market in India has undergone significant evolution over the past two decades, emerging as an increasingly important component of the country's financial system. Historically, India's financial landscape was dominated by the banking sector, with companies relying heavily on bank loans for their funding requirements. However, as the economy expanded and the need for long-term capital grew, policymakers recognized the importance of developing a deep and efficient bond market. Reforms such as the establishment of SEBI as the primary regulator, the introduction of reporting platforms, and improved disclosure norms enhanced transparency and investor confidence. The Reserve Bank of India also played a crucial role by permitting new classes of investors, such as foreign portfolio investors (FPIs) and insurance companies, to participate more actively in the corporate debt space. Over time, the market witnessed the growth of instruments like non-convertible debentures (NCDs), securitized debt, and privately placed bonds, which helped corporates diversify their funding sources. More recent reforms, including the development of the electronic bidding platform, mandatory dematerialization of securities, and the introduction of the Corporate Bond Trading Platform, have further improved liquidity and ease of access. The government's push for infrastructure financing also led to the rise of bonds such as masala bonds, green bonds, and infrastructure investment trust (InvIT) related debt. Despite these improvements, challenges remain—particularly limited retail participation, relatively shallow secondary market liquidity, and heavy reliance on high-rated issuers. However, ongoing reforms aimed at strengthening credit enhancement mechanisms, deepening the municipal bond market, and encouraging market-making activities are expected to support future growth. Overall, India's corporate bond market is steadily transforming into a more robust, diversified, and efficient ecosystem, playing a vital role in meeting the long-term financing needs of a rapidly developing economy.

By Darshan Y C



Update for the Day #2569 | The LG Electronics India IPO

You're probably thinking — “Another IPO? Haven't we had enough already?” Fair point. But this one's different. It's the biggest listing of the year after Tata Capital, and it comes from a brand that's probably sitting right in your living room.

Yes, we're talking about LG Electronics India. That familiar maroon smiley logo you've seen on your fridge, TV, or washing machine is now ready to make an entry into your investment portfolio. The Korean parent company, LG Electronics, is taking its Indian arm public with an ₹11,607 crore IPO — entirely through an offer-for-sale (OFS). Which means the company itself won't receive any funds. The parent is simply unlocking value from its decades-long Indian operations. So why list a company that doesn't need capital? Because LG India has evolved into a giant — profitable, dominant, and well-established enough to deserve its own independent valuation on Dalal Street.

India's Growing Appetite for Appliances

India's consumer electronics story has exploded over the last few years. The air conditioner market has more than doubled from ₹1.55 lakh crore in 2019 to ₹3.2 lakh crore in 2024. The home entertainment segment too has jumped 2.5 times — from ₹37,000 crore to ₹89,500 crore. Yet, appliance penetration remains surprisingly low. Only about 35% of Indian homes own a refrigerator, compared to 99% in China. Washing machines reach barely 22%, and microwaves just 4% — against 80% in the US.

That's not a problem. It's an opportunity. The next growth wave isn't in metros anymore — it's in Tier-2 and Tier-3 cities, where rising incomes are meeting rising aspirations. And LG, with its decades of trust and wide distribution, is well-positioned to capture that.

The Business Behind the Brand

LG India operates through two major divisions — Home Appliances and Air Solutions, which includes refrigerators, washing machines, and ACs; and Home Entertainment, which includes televisions and audio systems.

It has built a massive distribution network with over 35,000 retail outlets and 1,000+ service centres supported by more than 13,000 service engineers. On the manufacturing side, LG runs two large plants in Pune and Noida with the capacity to produce 14.5 million units a year. Over half of its raw materials are now sourced locally — thanks to growing partnerships with Indian vendors — boosting efficiency and “Make in India” credibility. This scale has made LG the market leader across four categories — washing machines, refrigerators, televisions, and inverter air-conditioners.

The Financial Strength

Over the last three financial years, LG India's revenue has grown steadily from ₹21,352 crores in FY23 to ₹24,366 crores in FY25, clocking a 10.7% compound annual growth rate (CAGR). Profits have followed the same strong trajectory — rising from ₹1,348 crores in FY23 to ₹1,511 crores in

FY24, and further to ₹2,203 crores in FY25. Return on Equity (ROE) improved from 27% to 45%, and Return on Capital Employed (ROCE) jumped from 39% to 47% — signaling sharp operational efficiency. The company is now exploring deeper localisation and is reportedly considering a third plant in Andhra Pradesh to expand production capacity.

IPO Valuation Snapshot

The IPO price band is set between ₹1,080 and ₹1,140 per share, implying a P/E multiple of around 33–35x and a market capitalisation of ₹77,000 crores. That's slightly below Havells' ₹93,000 crore valuation and under the industry average of 43x — positioning LG India attractively within the consumer electronics space.

With domestic peers like Voltas, Whirlpool, and Blue Star being smaller and global players like Samsung or Sony remaining unlisted in India, LG India stands out as the first true consumer-electronics giant to list on Indian exchanges.

Risks You Shouldn't Ignore

Of course, no IPO comes without its caveats. Around 75% of LG India's revenue is spent on raw materials, and nearly 46% of these are imported, mainly from China, Korea, and Singapore — making the company vulnerable to currency swings and global supply disruptions.

There's also dependency risk — LG India operates under a licensing agreement with its Korean parent, paying 2.3–2.4% in royalties on sales. If those terms ever change, it could impact margins and brand continuity. Further, there's an ongoing ₹4,717 crore tax dispute, equivalent to roughly 73% of its current net worth. An unfavourable verdict could dent future profitability. And while LG dominates urban markets, competition remains fierce, so the company's next growth phase will hinge on its success in rural and semi-urban India.

This IPO isn't about raising capital — it's about signalling strength. LG India has spent nearly three decades building a trusted brand, vast infrastructure, and strong profitability. The listing simply brings all of that into the public market spotlight — allowing investors to participate in a business that's already proven, not just promising. It's not selling a dream. It's showcasing a legacy. And maybe, just maybe, that “Lucky Goldstar” will turn out to be lucky for investors too.

By Akshay A



Update for the Day #2570 | How Economists Measure and Explain Economic Growth

Economists usually measure growth by tracking **Gross Domestic Product (GDP)** — the total value of goods and services produced over time. That's what Nobel Laureate **Joel Mokyr** did while studying economic growth before and after the **Industrial Revolution**.

When Mokyr examined data from **Sweden and Britain (1300s–1700s)**, he found almost no long-term growth — even after major innovations like the printing press. The economic graph stayed flat for centuries. But after the early 1800s, following the Industrial Revolution, growth became the new normal. Most industrialised nations began expanding steadily at around **1.5% per year**, doubling incomes within a lifetime.

Why the sudden change?

Mokyr traced it to three key shifts:

1. The link between knowing how and knowing why

Before the Industrial Revolution, innovation relied on prescriptive knowledge (knowing how things work) rather than propositional knowledge (understanding why they work). Artisans could make things but lacked scientific explanation. This changed during the **Scientific Revolution (16th–17th centuries)**, when evidence-based methods connected theory with practice — enabling systematic, deliberate innovation.

2. Combining science, skill, and capital

Inventions required not just ideas, but skilled workers and financial backing. For example, **Leonardo da Vinci** imagined flying machines but lacked the materials and technology to build them. Britain, however, had literate workers, practical engineers, and investors ready to scale up — creating the perfect conditions for industrial take off.

3. An openness to change

Earlier, elites could block new technologies that threatened their power. But by the 18th century, power had spread through Parliament, and society began valuing reason over tradition. This made it harder to resist progress, even when machines displaced workers.

Sustaining Growth: Aghion & Howitt's Model

Economists **Philippe Aghion** and **Peter Howitt** later explained how innovation keeps growth going. Their model showed two opposing forces:

- **Too little R&D:** Firms may underinvest because competitors will soon replace them. Hence, governments often support innovation.
- **Too much R&D:** Excess competition can waste resources on small improvements (“business stealing”).

The ideal is a **balance** — enough competition to spur ideas but not so much that it discourages investment. They also argued for protecting **workers, not jobs** — promoting “flexicurity”, which combines flexibility for firms with security and retraining for employees.

The New Challenge

Sustained growth isn't the same as **sustainable growth**. Innovation brings side effects like inequality, pollution, and climate risks. Mokyr believed that with smart public policy — supporting clean technology, healthcare, and fair wealth distribution — innovation itself could solve these challenges.

Because history shows: **stagnation was once normal**. Continued progress depends on staying open to ideas, encouraging innovation, and managing its downsides wisely — so that the growth curve never flattens again.

By Anjan Talanki



Update for the Day #2571 | The Glittering Tale of Gold: Why the World's Gone Golden?

Gold has been having quite a moment lately dazzling investors and making headlines across global markets. Over the past few months, prices have surged by nearly **16%**. The reasons? A mix of global uncertainty, inflationary pressures, and the eternal allure of this shining metal. Whenever currencies wobble or economies shake, people instinctively reach for gold, a tradition as old as trade itself.

The rally is being fueled by several golden ingredients: central banks around the world are stockpiling reserves, investors are seeking safety amid geopolitical tensions, and a weakening U.S. dollar has made gold more attractive globally. Add to that a limited supply since new mining can't ramp up overnight and you get the perfect recipe for a record-breaking market. It's classic economics with a sparkling twist: when everyone wants something that's hard to find, the price glitters brighter.

But how much gold is there, really? According to the **World Gold Council**, about **216,000 tonnes** have been mined so far in all of human history. That sounds massive until you picture it. All that gold would fit inside a cube just **22 metres wide**, roughly the size of a small office building! To make it even more surprising, if all the gold ever discovered were divided evenly among the global population, each person would get only about **30 grams** just enough to craft six modest gold rings.

The fun part of gold's story lies in its contradiction: it's both incredibly scarce and yet seemingly everywhere in jewellery boxes, bank vaults, Olympic medals, and even smartphone circuits. It's a relic of the past and a hedge for the future. Despite our obsession with digital assets and cryptocurrencies, gold remains the one physical store of value that still commands trust across borders, languages, and generations.

Still, not everything that glitters is guaranteed to stay golden. Prices can cool as quickly as they rise, and mining faces environmental and geopolitical hurdles. Yet, for now, the yellow metal is enjoying its time in the spotlight reminding the world that even in the age of algorithms and AI, there's something timeless about the ancient gleam of gold.

By Naveen Kumar



Update for the Day #2572 | India's Push for EV Infrastructure — Policy Changes & Industry Readiness

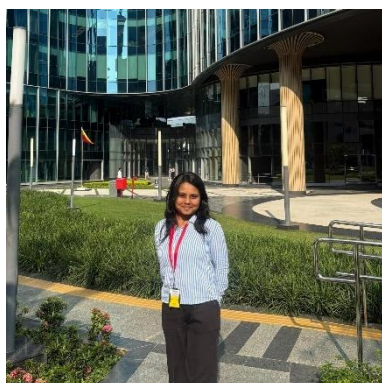
India has shifted from early pilot programmes to a rapid, centrally coordinated EV expansion. Major policy moves such as the PM E-DRIVE scheme (₹10,900 crore), the 2025 operational guidelines for public charging stations, and the continued rollout of the PLI-ACC programme signal a stronger focus on both charging infrastructure and domestic battery manufacturing. These efforts are supported by broader enablers like proposed lower GST on charging, “infrastructure status” for charging assets, and state-level mandates for charger-ready buildings.

Public charging has grown quickly—from a few thousand points in early 2022 to tens of thousands by 2024–25—but the network remains insufficient relative to the roughly two million EVs on the road. This imbalance results in high vehicle-to-charger ratios, continued range anxiety, and uneven charging access across cities and highways.

Industry momentum is nonetheless strong. Indian OEMs are expanding EV lineups, private CPOs and utilities are building urban and highway hubs, and supply-chain investments are rising under PLI incentives. However, key challenges persist: fast-charging availability remains limited, grid upgrades lag behind demand (especially for high-power bus and truck charging), and interoperable, sustainable business models for charge-point operators are still evolving.

Over the next 12–24 months, charger deployment under PM E-DRIVE, municipal PPPs, and new battery manufacturing announcements are expected to accelerate, though meaningful improvements in user experience will depend on faster grid strengthening and streamlined permitting. With policymakers focusing on grid readiness, CPOs developing multi-use hubs, and fleets scaling depot charging, the next phase hinges on execution—ensuring that India's policy momentum translates into convenient, reliable charging and commercially viable EV operations.

By Manya D



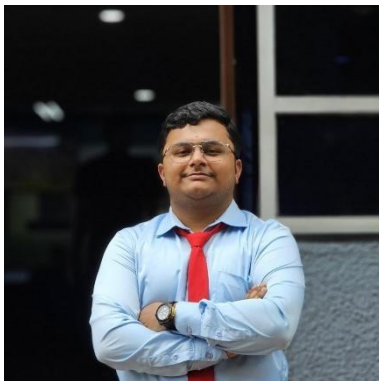
Update for the Day #2573 | Sky-High Costs, Grounded Profits: Why Indian Airlines Are Struggling to Stay Afloat

India's aviation sector, despite being one of the fastest-growing in the world, is facing a financial storm. While demand for air travel has surged in recent years, many airlines in India are struggling to stay profitable. Several factors contribute to this crisis.

1. **Rising Fuel Costs:** Aviation fuel is one of the highest expenses for airlines, and in India, fuel prices are extremely volatile. With the country relying on imports and a weak rupee against the dollar, fuel costs can quickly spiral out of control, directly impacting ticket prices and profitability.
2. **Intense Competition:** The Indian aviation market is highly competitive, with both established players and new entrants constantly vying for market share. This leads to aggressive pricing strategies, forcing airlines to slash ticket prices to stay competitive—often at the expense of profitability.
3. **Heavy Debt Burden:** Many Indian carriers are burdened by massive debt from acquiring aircraft and maintaining fleets. With high-interest rates in the country, this debt makes it difficult for airlines to reinvest in their business, improve services, or expand routes.
4. **High Operating Costs:** Airport and ground handling charges in India are among the highest globally. Combined with the country's complex regulatory environment and high taxes, these operational costs place additional pressure on airlines already struggling to balance their books.

Despite these challenges, the sector holds immense potential. With the right regulatory support, efficient business models, and better cost management, Indian airlines can navigate these rough skies. However, without significant reforms, the financial struggles are likely to persist.

By Akash R



Update for the Day #2574 | Forensic Accounting — Rising Demand in Corporate Investigations

Forensic accounting has emerged as one of the fastest-growing and most indispensable disciplines in the modern corporate landscape. What was once considered a specialized, reactive service is now a strategic necessity for organizations across industries. As businesses navigate increasingly complex regulatory environments, digital transformation, and evolving fraud risks, the demand for forensic accountants has surged dramatically. Today, companies are not only seeking forensic professionals to investigate financial irregularities but also to strengthen risk management systems, enhance governance frameworks, and safeguard stakeholder trust.

Several key factors have contributed to this rising demand, the foremost being the escalation in corporate fraud cases over the past decade. With the digitization of financial processes and the widespread adoption of online transaction systems, fraud schemes have become more sophisticated, harder to detect, and more damaging when left unchecked. Traditional audits, while essential, are often insufficient to uncover concealed patterns such as falsified documents, manipulated financial statements, shell companies, and digital trails intentionally disguised by perpetrators. This gap has intensified the need for forensic specialists who possess the ability to trace funds, analyze patterns, and identify red flags that conventional procedures may overlook.

Equally significant is the increase in regulatory scrutiny across sectors. Governments and regulatory bodies in India and globally have tightened rules around financial reporting, related-party transactions, ESG (Environmental, Social, and Governance) disclosures, and corporate ethics. Compliance requirements are more stringent than ever, and even minor lapses can result in heavy penalties, reputational damage, and legal consequences. In such an environment, forensic accounting plays a preventive role by ensuring that organizations maintain robust internal controls, accurate documentation, and transparent reporting. Boards and audit committees are increasingly insisting on periodic forensic audits to ensure that any issues are detected and addressed at an early stage.

The complexity of modern business structures has also contributed to the growing relevance of this field. As companies expand through mergers, acquisitions, joint ventures, and global supply chains, financial ecosystems become harder to track and monitor. This creates opportunities for internal fraud, unauthorized transactions, and misappropriation of assets. Forensic accountants bring clarity to such situations by reconstructing financial histories, analyzing discrepancies, examining transactional data, and ensuring that the financial story being told aligns with the economic reality of the business.

Another major factor driving demand is the rapid evolution of **digital forensics** within the financial domain. Today's forensic accountants are equipped with advanced technological tools that allow them to examine emails, system logs, metadata, ERP system trails, and digital communications to uncover evidence. The rise of artificial intelligence and data analytics has further enhanced investigative capabilities, enabling faster detection of unusual trends, suspicious entries, and potential fraud indicators. From analysing vast volumes of transactional data to identifying behavioural anomalies, forensic professionals now operate at the intersection of

finance, technology, and law.

Organizations are responding to these realities by significantly strengthening their internal risk and audit frameworks. Many companies are establishing dedicated forensic units or incorporating forensic procedures into their internal audit activities. Others are engaging external forensic specialists to conduct independent reviews, evaluate existing controls, and implement fraud prevention mechanisms. Whistle-blower policies are being formalized, anonymous reporting platforms are being adopted, and fraud risk assessments are being performed more frequently. These measures reflect a broader cultural shift where proactive risk mitigation is prioritized over reactive damage control.

Moreover, forensic accounting has gained prominence in dispute resolution and litigation environments. Whether it involves shareholder disputes, contractual disagreements, insurance claims, or insolvency matters, forensic accountants play a critical role in presenting accurate financial evidence. Their expertise in interpreting complex financial data, quantifying damages, and providing expert testimony helps ensure that legal decisions are grounded in factual financial analysis.

Looking ahead, the role of forensic accounting is expected to expand even further. As corporate misconduct grows more technologically advanced, businesses will require professionals who can navigate both financial and digital terrains with equal proficiency. Strengthening of governance norms, rising stakeholder expectations, and heightened accountability will continue to push forensic accounting to the forefront of corporate strategy.

In an era where financial credibility is a cornerstone of organizational success, forensic accounting is no longer merely about investigating wrongdoing—it's about reinforcing trust, ensuring transparency, and creating a resilient corporate ecosystem capable of withstanding emerging threats. Companies that embrace forensic practices proactively will be better equipped to protect their assets, reputation, and long-term sustainability in today's fast-evolving business landscape.

By Riyaa Manoj



Update for the Day #2575 | Global Aviation Disruption: Software Flaw Grounds Hundreds of Aircraft Worldwide

A major issue gaining global commercial attention today is the grounding of a large number of aircraft due to a newly identified software vulnerability. The flaw, linked to the aircraft's flight-control systems, has prompted aviation authorities and operators worldwide to halt operations temporarily to perform urgent software updates and, in some cases, hardware replacements. Because the aircraft model involved is one of the most widely used for commercial travel, the scale of the grounding has created immediate operational challenges for airlines and airports.

The impact extends far beyond flight schedules. With such a significant portion of global fleets affected, airlines are facing large-scale rescheduling, potential cancellations, and increased operational costs. This disruption cascades into the broader travel ecosystem — affecting cargo movements, tourism flows, business travel, airport logistics, and service providers connected to aviation. The situation also raises concerns about the resilience of highly digitalised aircraft systems, especially when natural factors like solar radiation can influence software functioning.

Beyond the technical fix, the incident has triggered deeper conversations about safety standards, regulatory oversight, and long-term fleet management strategies. Airlines may need to accelerate upgrades for older aircraft, strengthen maintenance protocols, and reassess their dependence on specific models. At a broader level, the episode highlights how interconnected modern commercial systems are and how a single technological vulnerability can create global ripple effects across industries, economies, and supply chains.

By Bhavna Desikan



Update for the Day #2576 | SUV Boom Fuels Hyundai's Profit Rise

Hyundai Motor India Limited (HMIL), a subsidiary of Hyundai Motor Company, has announced its financial results for the second quarter of the financial year 2024–25. Despite challenges in the domestic automobile market, the company recorded a healthy increase in profitability, underscoring its strong operational performance and product strategy. The results highlight Hyundai's resilience in maintaining margins even as the overall market faced cost pressures and uneven demand.

For the quarter ended September 2025, Hyundai Motor India reported a **net profit of ₹1,572 crore**, marking a **14.3% growth** compared to the same period last year. The company's **total revenue stood at ₹17,460.82 crore**, reflecting a **modest year-on-year growth of 1.16%**.

The limited growth in revenue indicates a relatively stable sales volume but with a shift toward higher-value products. Despite a slowdown in entry-level car sales, Hyundai managed to sustain its market position through improved performance in premium and mid-range vehicle categories.

The company's profit growth was primarily driven by a **favourable product mix** and **strong demand for SUVs** such as the **Creta, Venue, and Exter**, which command higher margins compared to smaller hatchbacks. These models have continued to perform well in both urban and semi-urban markets, supported by robust design, advanced features, and fuel efficiency.

In addition, Hyundai's focus on **cost optimization and localization of components** played a key role in strengthening its bottom line. By sourcing a larger share of parts domestically and improving manufacturing efficiency, the company was able to offset the impact of rising input costs and global supply chain disruptions.

The Indian automobile sector has been witnessing moderate growth, influenced by changing consumer preferences, inflationary pressures, and evolving regulatory norms. Demand in the small car segment has been relatively weak, while the SUV segment continues to drive the bulk of sales across the industry.

Hyundai, which holds the position of India's second-largest car manufacturer, has effectively capitalized on this trend by focusing on SUV launches and premium models. The brand's strong dealer network and consistent marketing campaigns have further strengthened its market presence.

Looking ahead, Hyundai Motor India has expressed optimism about the upcoming quarters. The ongoing **festive season** and several planned **new product launches** are expected to provide an additional boost to sales. The company also plans to expand its **electric vehicle (EV) portfolio**, with investments aimed at introducing new EV models tailored for the Indian market. Hyundai is actively working towards achieving greater sustainability by integrating **green technologies** and **reducing its carbon footprint** across operations. The company's investment in EV infrastructure, battery technology, and hybrid vehicles demonstrates its long-term commitment to sustainable mobility.

Industry analysts note that Hyundai's performance underscores its ability to maintain profitability

even in a sluggish market environment. The company's strategy of focusing on value-driven products and efficient cost control mechanisms has positioned it favourably against competitors. Experts also believe that the company's continued emphasis on innovation, exports, and customer experience will help sustain momentum in the long run.

Overall, Hyundai Motor India's Q2 results highlight the company's financial stability and adaptability in a changing market landscape. The combination of strategic product planning, operational efficiency, and growing demand for SUVs has allowed the automaker to post strong profits despite moderate revenue growth. As the automotive industry transitions toward electric mobility, Hyundai's proactive approach and investment in sustainable technologies are expected to play a crucial role in driving its future growth in India.

By Dhvani Goyal



Update for the Day #2577 | Kannada Rajyotsava 2025 - Celebrating the Spirit and History of Karnataka

Every year on November 1, the people of Karnataka come together to celebrate Kannada Rajyotsava, a day that symbolizes unity, pride, and cultural richness. This special occasion marks, when the state was originally created, it was known as the State of Mysore, and in 1973, it was renamed Karnataka to represent the entire region and its people more inclusively.

Today, as the state celebrates its 69th Kannada Rajyotsava, Karnataka is vibrant with festivities that reflect its diversity and unity. Across the state, the red and yellow flag waves proudly from homes, offices, and public buildings, symbolizing courage, energy, and prosperity. The day begins with flag-hoisting ceremonies and cultural programmes in schools, colleges, and communities. Traditional music, folk dances like Yakshagana, and performances celebrating the Kannada language and heritage fill the air with joy and colour.

An important highlight of Kannada Rajyotsava is the Rajyotsava Awards, presented by the Government of Karnataka to individuals and organizations that have made exceptional contributions to society. In 2025, seventy achievers were honoured (Each recipient receives a cash prize of ₹5 lakh, a 25-gram gold medal, a Bhuvaneshwari idol, and a citation) for their excellence in fields such as education, literature, sports, social service, and art. These awards not only recognise talent but also uphold the values of dedication and service that define the people of Karnataka.

The history of Karnataka is as inspiring as its present. The land has been home to some of India's greatest empires — from the Chalukyas and Hoysalas to the Vijayanagara Empire and the Wodeyars of Mysore. Their contributions to architecture, literature, and governance have left a deep and lasting legacy. The world-famous Hampi, now a UNESCO World Heritage Site, once stood as the glorious capital of the Vijayanagara Empire, renowned for its prosperity and artistic excellence. The Kannada language, one of the oldest in the world with a history spanning over 2000 years, has produced eight Jnanpith Award winners — the highest for any Indian language. The state anthem, “Jaya Bharata Jananiya Tanujate,” written by the poet Kuvempu, beautifully expresses the state's pride as the “daughter of Mother India.”

Karnataka is equally known for its natural beauty and innovation. From the misty coffee plantations of Coorg and the breathtaking Jog Falls, to the bustling technology hub of Bengaluru known as Indian's Silicon Valley, while Mysuru Dasara is one of the country's grandest festivals.

The Western Ghats, one of the world's eight biodiversity hotspots, run through the state, nurturing its forests and wildlife.

The magnificent Jog Falls is one of India's tallest waterfalls.

Shravanabelagola's Gommateshwara Bahubali statue is Asia's largest monolithic statue.

Karnataka produces nearly seventy percent of India's coffee and is home to the Indian Space

Research Organisation (ISRO), which continues to make the nation proud with its scientific achievements.

Beyond its history and achievements, Kannada Rajyotsava is a reminder of what binds the people of Karnataka together — their love for the Kannada language, their respect for diversity, and their commitment to progress. It is a celebration that transcends generations, connecting the past with the present and inspiring future growth rooted in cultural pride. The courage represented by the red and yellow flag, the melody of the state anthem, and the unity of its people all reflect the enduring spirit of Karnataka.

As we celebrate Kannada Rajyotsava 2025, we honour the journey of a state that has gracefully balanced heritage and modernity. It is a moment to appreciate our shared identity, cherish our language, and continue striving toward excellence and inclusiveness. Happy Kannada Rajyotsava 2025 — ಜಯ ಕರ್ನಾಟಕ!

By Vishal R Deshpande



Update for the Day #2578 | India Lifts the 2025 Women's Cricket World Cup – A Historic Triumph

It fills my heart with immense pride and joy to share that India has won the ICC Women's Cricket World Cup 2025! Our women in blue have made the nation's dream come true, etching their names in golden letters in the history of Indian cricket. With powerful performances, strategic brilliance, and unshakable confidence, they dominated the tournament and lifted the trophy with a thrilling victory against Australia in the finals. Every run scored, every wicket taken, and every cheer from the stands reflected the strength and unity of a billion hearts beating as one. This victory is not just a sporting achievement—it's an emotional moment for every Indian who has watched the rise of women's cricket over the years. The journey from being underdogs to world champions wasn't easy, but it was built on years of dedication, sacrifice, and resilience. Each player stood tall under pressure, proving that passion knows no gender. The final match was a spectacle of courage and class, as our girls fought till the last ball, showing the world what true champions are made of.

The 2025 World Cup win marks a powerful turning point for Indian cricket. It will inspire thousands of young girls across the country to pick up the bat and ball, to dream beyond limits, and to believe that they, too, can bring glory to the nation. The roar of victory has echoed across every street and home, reminding us that women's cricket is no longer in the shadows—it stands proudly at the heart of India's sporting spirit. This triumph belongs not just to the players but to every fan who believed in them through every setback and every comeback. Behind this historic moment lies years of preparation, vision, and teamwork. The guidance of coaches, the relentless practice sessions, the unwavering support from families, and the Federation's efforts to strengthen the women's game have finally borne fruit. The blend of experienced stars and fearless youngsters created a team that played not for fame, but for the flag. Their unity, focus, and belief in each other turned pressure into power, making India the new face of world cricket.

As celebrations fill the nation, the image of our women holding the trophy high will remain etched in our hearts forever. This victory is not just about cricket—it's about breaking barriers, redefining possibilities, and proving that with determination and unity, India can conquer the world. Let's salute our champions who have made us dream again, reminding us that every boundary crossed begins with belief.

By Dhanyasri Balaji



Update for the Day #2579 | Importance of Documentation to Withstand Scrutiny or Audit

In today's fast-changing regulatory environment, strong documentation has become the foundation of effective tax compliance and risk management. For high-value portfolios and HNI clients, maintaining proper records is no longer optional, it is essential to withstand scrutiny or audit by tax authorities, while also ensuring compliance, accuracy, and credibility.

Documentation plays a key role in supporting every entry made in the Income Tax Return. It validates the genuineness of transactions, and it backs up deductions, exemptions, and credits claimed under various provisions of the Income Tax Act. For example, keeping receipts, invoices, or contracts related to business expenses, capital assets, or donations helps create a clear audit trail. This reduces the risk of disallowances and penalties that often arise due to missing or informal records.

The numbers make the importance very clear. In recent tax assessments, taxpayers with well-maintained documentation faced almost 80% fewer disputes compared to those relying on incomplete records. This difference has huge financial implications, avoiding unnecessary additions, interest, or litigation costs can save lakhs or even crores, especially for HNI portfolios.

There are many practical examples of how good documentation helps.

- **TDS and Form 26AS reconciliation:** Keeping detailed records of TDS, TCS, and investment proofs ensures smooth matching with Form 26AS or AIS data, reducing the chances of mismatch notices.
- **Capital gains and investments:** For high-value real estate or equity transactions, maintaining sale deeds, bank statements, and valuation reports makes it easy to justify the capital gains reported in the return.
- **Business or professional expenses:** Proper invoices and payment records support expense claims, ensuring they hold up under scrutiny.

But documentation is not just about storing papers but it's also about organization and accessibility. In today's digital age, well-structured electronic records backed by regular reconciliations ensure real-time audit readiness. Firms that combine systematic documentation with advisory services can proactively guide clients and prevent last-minute stress during assessments or audits.

On the other hand, poor documentation remains one of the biggest weaknesses in tax compliance. Misplaced invoices, unverified contracts, or inconsistent bookkeeping can easily lead to queries or penalties under Sections 271 or 272 of the Income Tax Act. What seems like a small oversight can escalate into a costly issue, both financially and reputationally.

Therefore, investing time and effort in proper documentation is a small step that brings long-term benefits. It acts as a strategic safeguard by protecting taxpayers from unnecessary disputes while enhancing their credibility before the tax authorities.

To conclude, documentation is not just a formality; it is a reflection of professionalism and preparedness. When records are complete, accurate, and well-organized, audits become simpler, assessments become smoother, and compliance becomes stronger. For us as future professionals, understanding the value of documentation is crucial as it ensures that clients and firms can face any scrutiny with confidence and peace of mind.

By Shridhara H U



Update for the Day #2580 | Economic Trends and the Impact of Inflation on Business Operations

Inflation has been a significant concern globally, with various factors influencing the cost of goods and services. In India, recent trends have shown a steady rise in inflation rates, primarily driven by fluctuations in food and fuel prices, as well as global supply chain disruptions. As businesses, it's essential for us to understand the potential challenges and opportunities that arise from inflation.

1. **Rising Input Costs:**

One of the most direct impacts of inflation is the increase in the cost of inputs – from raw materials to wages. For companies, this means that the cost of production can escalate, squeezing profit margins. We are seeing businesses in sectors like manufacturing, retail, and logistics experiencing significant cost pressures. This could potentially lead to price hikes in products and services, which may affect consumer demand.

2. **Interest Rates and Financing:**

Inflation often leads to higher interest rates as central banks attempt to control rising prices. For firms, this means that financing costs, whether for working capital or expansion, could increase. Companies that rely heavily on debt may face a greater financial burden, making it essential to reassess capital structures and explore more efficient ways of managing cash flow.

3. **Changes in Consumer Behavior:**

Inflation also has a significant impact on consumer spending. As the cost of living rises, disposable income decreases, which can lead to reduced demand for non-essential goods and services. Businesses may need to adapt their product offerings, marketing strategies, and pricing models to cater to a more price-sensitive consumer base. Understanding these shifts in consumer behavior can help us better tailor our strategies to the evolving market landscape.

4. **Strategic Responses:**

Companies facing inflationary pressures may need to adjust their strategies. Some potential responses include:

- **Cost Optimization:** Streamlining operations to reduce inefficiencies and improve margins.
- **Price Adjustments:** Carefully analyzing cost increases and passing them on to consumers without significantly impacting demand.
- **Innovation:** Focusing on product differentiation and value-added features that justify higher prices.
- **Diversification:** Expanding into new markets or developing new revenue streams to offset any

losses from existing ones.

5. Long-Term

Outlook:

While inflation presents short-term challenges, businesses that take proactive steps to mitigate its impact will be better positioned for long-term success. By adopting flexible pricing models, increasing operational efficiencies, and staying informed about economic trends, we can navigate these turbulent times effectively.

To conclude, inflation is not just an external economic factor – it directly influences how businesses operate, make decisions, and position themselves in the marketplace. It's crucial that we continue to monitor the situation and be ready to pivot our strategies as needed.

By Krisha Surana



**CONTACT US - SURESH & CO.**

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

P – (080) 26609560

Compiled by: Lakshya Bansal & Srihar M R

Guided by: Udupi Vikram

D S Vivek

Managing Partner

vivek@sureshandco.com

+91 98453 78991

Udupi Vikram

Partner

vikram.u@sureshandco.com

+91 97387 79117

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