

THE H-1B VISA DILEMMA

CAR SALES ZOOM WITH GST CUTS

Q-COMM
SPECIAL

GOLD LOANS: SHEEN INTACT

APPLE'S BIG BITE WITH iPhone 17

PRICE ₹200
OCTOBER 17, 2025

Forbes

INDIA

PAISA BY PAISA

How Zepto's founders are
catching their breath to focus
on wallet share and costs

PLUS

What's it like to be a
23-year-old founder running
the hottest unicorn

Aadit Palicha (left)
& Kaivalya Vohra,
co-founders of Zepto

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Welcome to the

Forbes^{INDIA}

Digital Edition

Blessings and Bugs

After finishing college in the United States, in 2007, Kunal Bahl joined Microsoft. That year there were, as usual, tens of thousands of applicants for the H-1B visa—the temporary (non-immigrant) category that allows employers to get foreign professionals to work for them in the US. Microsoft's application to get one for Bahl was rejected. He was told to pack his bags.

In later years, Bahl began to think of that heartbreak as a blessing. Back in India, he went on to set up Snapdeal, which, for a length of time, was locked toe-to-toe with Flipkart for dominating India's fledgling ecommerce segment.

Meanwhile, Bahl retains his “blessing” point of view in the aftermath of the recent H-1B visa fee hike by US President Donald Trump's administration. On X, the microblogging site, he said a large number of talented people will head back to India and the talent density in the country will skyrocket.

Years after Bahl's H-1B ‘blessing’, Aadit Palicha and Kaivalya Vohra first deferred admission and eventually opted out of their computer science course at Stanford University in California. As the pandemic raged, the duo went door to door in Bandra, the Mumbai suburb, delivering orders received on WhatsApp. In the beginning, theirs was a delivery service. Palicha and Vohra would pick the items from kirana stores and deliver them.

Palicha is particular to point out that his and Vohra's was “not a crazy decision” to drop out on a whim. They deferred admission to verify that there was indeed a product-market fit (PMF). By the time they decided to quit college, the PMF was already established. The decision to drop out came when there was “already a pretty good thing going” with their business. That made it a thought-out decision.

During the process to find the PMF, most orders would take 45 to 60 minutes to deliver. But some, where the customer was close to the store, were done in 10 to 15 minutes. These customers ordered more frequently, which made Palicha and Vohra believe that speed of delivery was the Holy Grail. But, to become faster, the model had to change.



This led them to create dark stores—small warehouses that are not open to the public and which only fulfil online orders from nearby consumers. And these have become central to spreading the bug of quick commerce that has infected consumers. In the years since the pandemic receded, dark stores have mushroomed. Estimates say the three leading quick commerce outfits in the country run more than a thousand dark stores each, with Blinkit having 1,500 or so.

The spread of quick commerce appears to be logical in a country where, as Naini Thaker points out in our cover package, 80 percent of household spending happens within a 3-km radius. But it is not just about the distance. There is also cheap labour, which is instrumental in keeping

costs under check. There is also the service mindset India has had, in addition to its tradition of trading established over centuries. The emergence of dense residential pockets, especially in the big cities, makes it possible to have a tremendous customer base within a small radius.

Fact is, most households were anyway accustomed to ordering grocery and other items of daily use over the phone and getting them delivered. Now, a percentage of it has shifted to apps, and payments are digital. And yes, the deliveries are far quicker.

Meanwhile, there is a personal triumph for Palicha. Initially, he says, Vohra's mother was unhappy with him. She thought he had led her son astray. But she is ok now.



Best,

Suveen

Suveen Sinha
Editor, *Forbes India*

 suveen.sinha@nw18.com

PG. **28**

WHAT COMES AFTER SPEED

With competition heating up and an IPO on the horizon, how does Zepto plan to stay ahead in the fast-moving world of quick-commerce?



Aadit Palicha (right)
and Kaivalya Vohra,
co-founders of Zepto

Q-COMM SPECIAL

36 • DASHING IN THE DARK (STORE)

Cramped dark stores are tech-enabled, micro-warehouses where the countdown begins once an order is received, and is processed within minutes

40 • A MAD RUSH

Forbes India reporter's first-hand experience of visiting and packing orders inside a dark store in Bengaluru

44 • SCAN, PACK, DELIVER

Wonder how orders on quick-commerce platforms get delivered in minutes? Here's a pictorial look at the chaos and precision inside a dark store

48 • WHY WE CHOSE TO INVEST IN ZEPTO

Few companies have managed to surpass their own projections of scale like Zepto has

IN FOCUS

52 • REBUILDING TAPE

After a protracted legal battle with US agricultural machine manufacturer AGCO, Mallika Srinivasan is leading the tractor maker with renewed vigour

56 • GOLDEN PERIOD

Demand for gold loans will continue to be strong as interest rates weaken and geopolitical tensions lead to an uncertain macroeconomic environment

THE LUXE LIFE

60 • THE REAL(TY) DEAL

The Forbes India Developers A-List event in New Delhi saw real estate magnets share insights on the sector and discuss the way forward



PG. 36

Dark stores are the backbone of quick-commerce companies



PG. 52

Mallika Srinivasan, CEO, Tractors and Farm Equipment Limited



PG. 84

Saiyaara is among many mid-budget films that have outperformed star-driven blockbusters

CROSS BORDER

66 • THE \$29 TRILLION OPPORTUNITY

PE and credit firms are setting their sights on the country's vast retirement savings—which should make the markets fairer for everyone

72 • POLICING PANOPTICON

With over 80,000 AI-powered cameras in the US, Flock Safety is a \$7.5 billion business, and CEO Garrett Langley has a noble (if Sisyphean) goal: Eliminating crime in America

78 • BIOTECH BILLIONAIRE

Akeso CEO Michelle Xia gained experience in the US before launching her own biotech company back home in China. Now its cancer-fighting drug has put her in the spotlight

FORBESLIFE

84 • SMALL WONDERS, BIG NUMBERS

Low- and mid-budget films—with rooted stories, age-appropriate casting and traditional marketing—are making it big. Why is the audience rejecting superstar-led projects?

88 • 'ALWAYS WANTED TO CREATE AN ALBUM ON GANDHI'

Three-time Grammy winner Ricky Kej on collaborating with Nobel laureate Kailash Satyarthi and the challenges of working with 200 musicians across 40 countries

92 • 'IN INDIA, TRUST IS THE KEY TO SUCCESS'

Borzo CEO Alina Kisina on the evolving last-mile delivery landscape, how supporting SMEs is at the heart of its growth strategy and why she sees AI as an opportunity

REGULARS 8/STATSPHERE • 10/LEADERBOARD • 92/FRESH LENS

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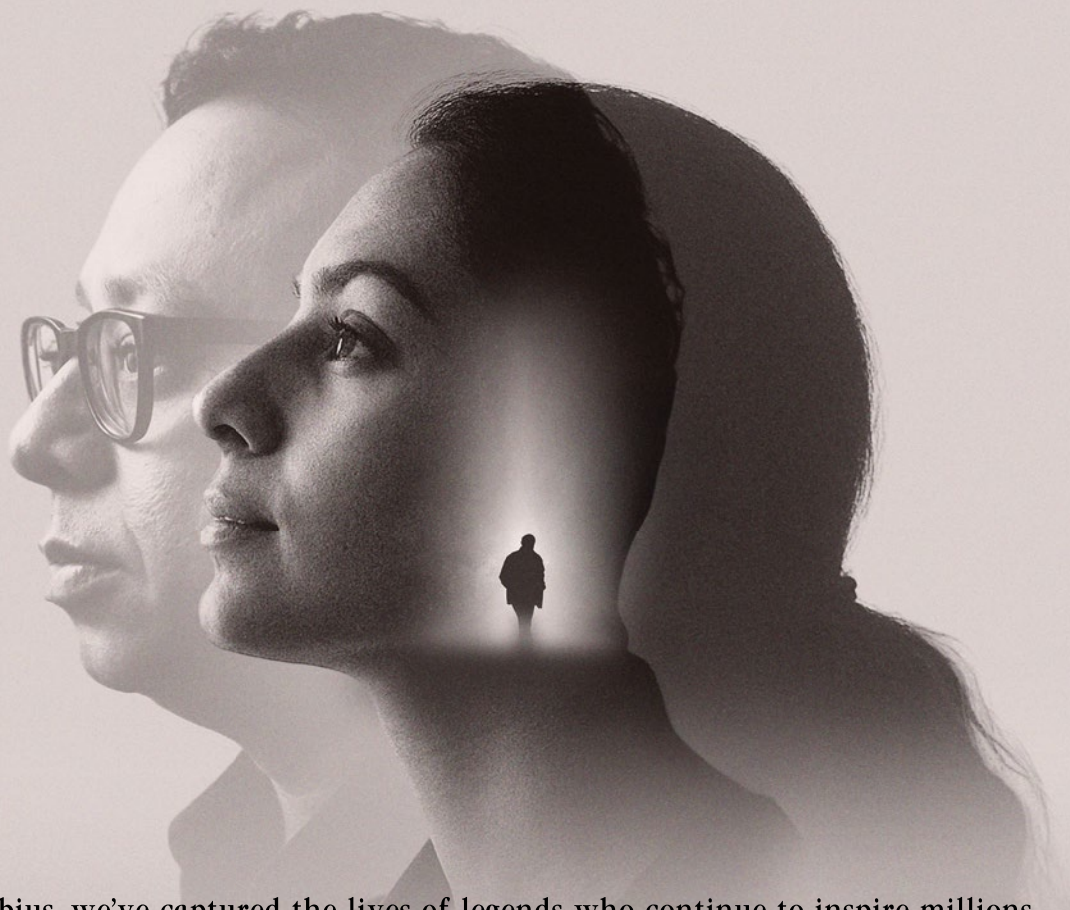
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THE H-1B HURDLE

US Big Tech employs significant numbers under the H-1B visa programme, rivalling Indian IT giants such as Cognizant and TCS

By SAMREEN WANI

The Trump administration's H-1B visa fee hike, to \$100,000 from about \$2,000 previously, will not just disrupt India's IT sector but also dent the US economy. Even before this hike in fees, non-immigrant visa issuances for Indian nationals was declining. The H-1B visa allows US companies to hire skilled foreign workers, primarily in the IT sector.

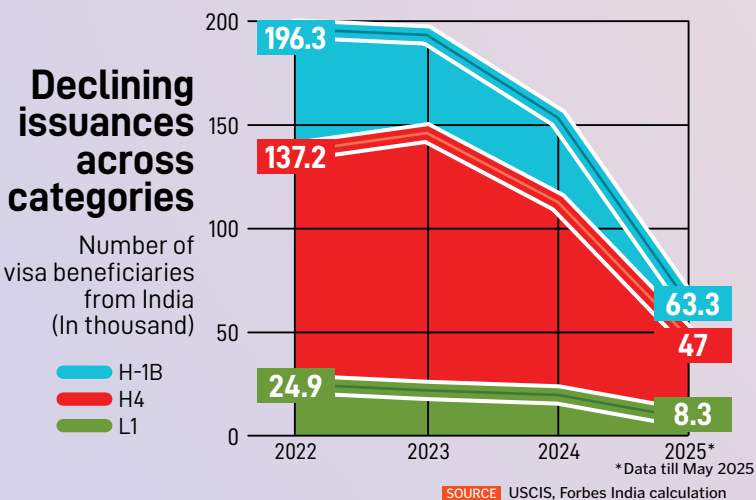
In two years, the number of H-1B visas issued to Indians, which constitute over 70 percent of total H-1B visas given, has fallen by about 22 percent. There has been a similar drop in H4 visas (given to dependents of H-1B holders) and

L1 visas, via which multinational companies transfer employees from foreign offices to US offices. Amid this decline, more visas are being given to new hires instead of continuing existing contracts.

There is also a fundamental shift in the firms benefiting from H-1Bs. Although the fee hike will impact top-tier Indian IT firms, the effect will be more pronounced on US firms. Amazon, Microsoft, and Meta lead the list of H-1B

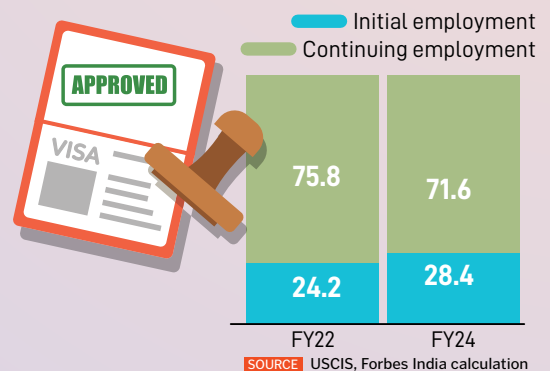
beneficiaries, rivalling Indian IT giants like Cognizant, TCS, Infosys and Wipro, which had dominated in previous years.

The White House has claimed that the visa was being misused to hire cheap foreign labour at the expense of American workers, even as some estimates suggest that H-1B holders and their spouses not just contributed \$86 billion to the US economy annually, but also paid a significant chunk of federal and payroll taxes. **F**



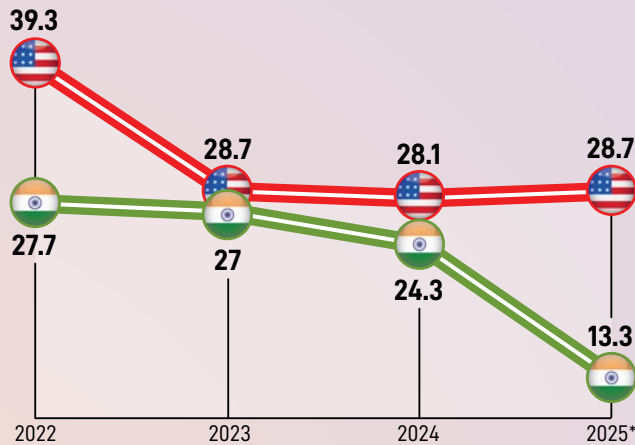
Rising share of first-timers

Share of H-1B petitions approved for Indians by type of petition (in %)



More H-1Bs for US firms than Indian

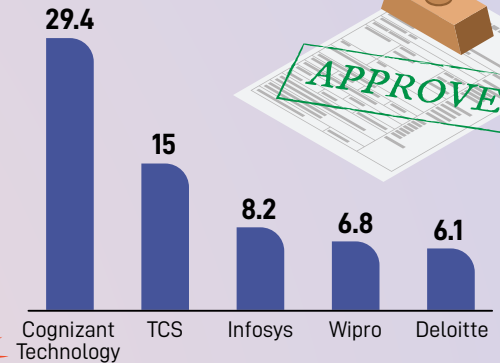
Number of H-1B beneficiaries approved (In thousand)



*Data till 30 June. Shows top 5 Indian companies (HQ in India) and American companies with the highest number of H-1B beneficiaries
SOURCE USCIS

Indian companies that benefitted most

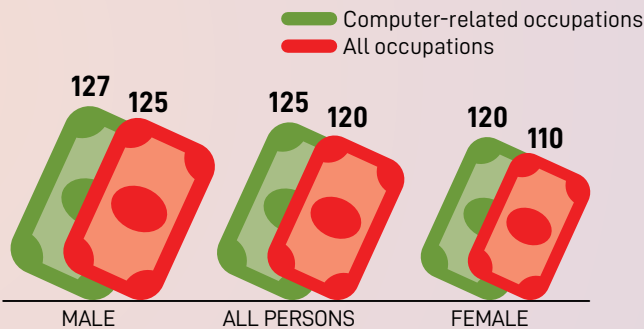
Beneficiaries approved (In thousand)



Shows data for top 5 employers. Shows data for 2017
SOURCE USCIS

Pay package

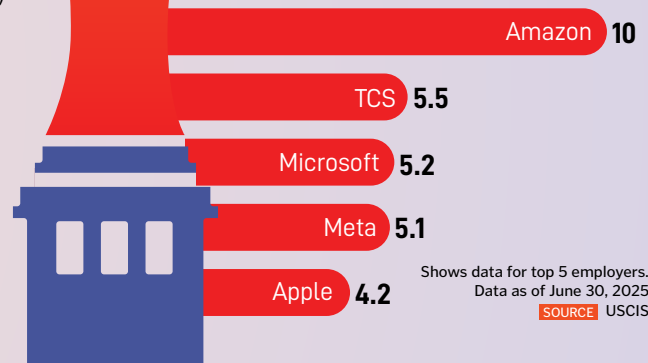
Median compensation of H-1B beneficiaries (in \$ thousand)



Data only for approved petitions for FY24 (October 2023 to September 2024)
SOURCE USCIS

US firms now among top H-1B recruiters

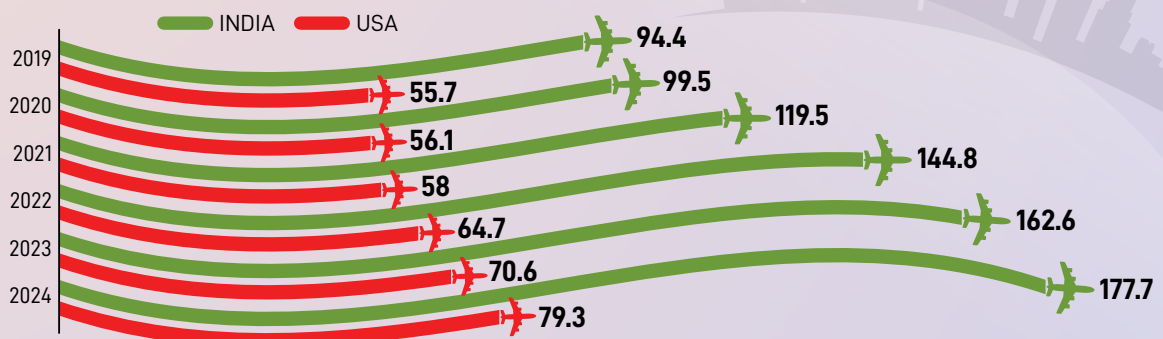
Beneficiaries approved (In thousand)



Shows data for top 5 employers.
Data as of June 30, 2025
SOURCE USCIS

Higher ICT exports from India

ICT service exports (In \$ billion)



ICT or Information and communication technology service exports include computer and communications services (telecommunications and postal and courier services) and information services (computer data and news-related service transactions)
SOURCE World Bank

MONETARY POLICY

Long Rate Pause?

Bond markets had been signalling a pause in the interest rate cycle. With economic uncertainties, RBI can now get the time to evaluate the impact of GST cuts on consumption

By SAMAR SRIVASTAVA AND SALIL PANCHAL



IN THE OCTOBER 1 MONETARY

policy announcement, the Reserve Bank of India (RBI)

held rates steady, and yields of government bonds remained steady as well. This masked the movements of the last two months, where bond yields that had been falling in line with a cut in interest rates by the RBI have moved upwards since July, prompting investors to question the divergence.

The unusual signal by the bond market may point to the conclusion that the best is probably behind us as far as the rate cycle is concerned. The 10-year government bond

yield, considered the benchmark, has risen 25 basis points since the central bank's last rate cut in June. It now stands at 6.55 percent.

While in the short term the move could reflect market nervousness over lower-than-expected tax collections, lower expectations of collections on account of a Goods and Services Tax (GST) cut and the nervousness on account of no trade deal with the US, longer term issues are also at play.

But first, a look at the here and now. With Consumer Price Index (CPI) inflation at a benign 2.07 percent in August 2025, there is room for the RBI to cut

interest rates. But a consensus that is slowly emerging is that the RBI will most likely wait and not rush.

RBI Governor Sanjay Malhotra, addressing the decision to hold rates, said, "Not just monetary policy, there are other government policies which have been announced and their impact is still unfolding. But there are also uncertainties, we see developments every day and responses to these also. That is why the MPC felt that we should pause [on rates]."

On the transmission to government bonds, Malhotra said, "There was a good transmission of 46 basis points and after that there has

H-1B, or Not To Be
The visa fee hike is unlikely to have a significant impact on Indian IT companies **P/12**

Apple's Big Bite
Why the iPhone 17 is expected to further increase Apple's sales **P/22**

A Rollercoaster Ride?
Car sales zoom with GST cuts, but EV adoptions may stutter **P/24**

been a hardening. So, the net impact thereof is around 30 basis points in government yields."

Sakshi Gupta, principal economist at HDFC Bank, says, "Where we are in the rate cycle depends on what happens to growth." Her concern is not GDP growth but the "broader understanding to growth momentum", she tells *Forbes India*.

With rates unchanged, the RBI will now be better placed in an uncertain global economic environment to use the ammunition it has to deal with evolving situations and use it more judiciously. India's GDP growth is likely to range between 6.3 percent and 6.9 percent for FY26; the RBI's own forecast is 6.5 percent. India's better-than-expected 7.8 percent growth in the June-ended quarter pushed some institutions to revise their growth forecast upwards.

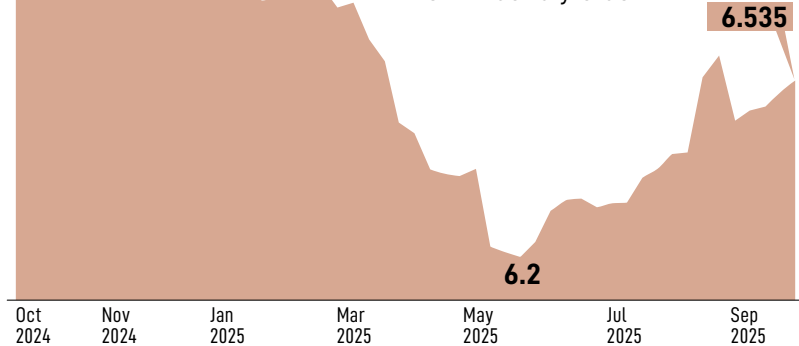
Gupta of HDFC Bank says more clarity should emerge on how long the trade tariffs by the United States against India will continue and the "durability of the consumption boost" from the new GST rates. The GST cut is also symptomatic of the fact that boosting consumption will require the government to lower taxes and revenue collections. Combined with the income tax cut, the total boost to consumption has cost the government ₹148,000 crore so far. "There is a realisation that we have given up on the 3 percent deficit target," says R Sivakumar, who heads products and strategy at Axis AMC.

In addition, state deficits have also become more structural, and so the combined shortfall in the bond market is of the order of ₹100,000 crore. Lately, there has also been a rethink of bonds that foreign investors can purchase under the fully accessible route (FAR) quota. "The number of bonds under this quota has reduced at a time when overseas investors are in any case wary of buying due to a falling

6.792

Moving North

Falling interest rates have not resulted in a fall in bond yields



rupee," says a dealer who tracks this market; he declined to be named.

Madan Sabnavis, chief economist of Bank of Baroda, argues that signals of a consumption boost from the GST rate cuts have not taken place. "It is too early to judge this; the buying has not happened," he says. Sabnavis, however, assesses that the rate cut cycle is over and the RBI does not need to be too worried about India's growth rate in the short term.

Growth rates may also be dragged down on account of the trade war that has resulted in the imposition of 50 percent tariff on India's exports. For now market watchers expect the outstanding issues to be resolved but with each passing day the rupee has been reacting negatively. It has depreciated 5 percent against the US dollar and stands at 88.78. This is unusual as the dollar itself has depreciated about 10 percent against a basket of currencies.

At some point the RBI may step in to defend the rupee and hold rates (even if the economy slows). "If there is a tussle between the currency and interest rates, it is usually the currency that wins," says Sivakumar. One positive has been the upgrade of India's credit rating

from BBB- to BBB by S&P Global.

For now, the RBI's management of liquidity is ensuring that it is conducive for the transmission of rate cuts—three in the year so far—to be faster and effective. Economists said the transmission of the rate cuts is already being seen. The RBI is estimated to have injected near ₹5 lakh crore of durable liquidity into the system, with another near ₹2 lakh crore set to come through

CRR into the system by the year end.

Sabnavis had indicated a pause in rates at the October 1 policy announcement, but there will be more clarity in future monetary policy meetings on whether a relief package is required to assist

exporters and whether more relief will be needed, through banks, to deal with assistance to farmers plagued by crop failure this year.

Activity momentum will provide that perspective to economists in Q3. "If things don't seem to be picking up in line with expectations and if we don't get favourable announcements on an India-US trade deal, then we could return to rate cuts," Gupta says. "We don't have enough answers right now." **F**

"The rate cut cycle is over and the RBI does not need to be too worried about India's growth rate in the short term."

VISA IMBROGLIO

H-1B, or not to be

The H-1B visa application fee hike can dampen hiring by US Big Tech and startups, but is unlikely to have significant impact on Indian IT companies

By PAYAL GANGULY



THE DOLLAR DREAMS OF

Indian workers have dulled with the recent hike in H-1B visa fee. A proclamation by US President Donald Trump, which came into effect at 12:01 am (EDT) on September 21, levied a one-time fee of \$100,000 on new H-1B visa applications from the previous fee of \$1,000.

The move is one of the many announcements made by the US as part of its protectionist measures. Employers who sponsor H-1B visas to hire skilled workers will need documentation of the payment prior to filing petitions on behalf of the workers. While the announcement has caused some confusion, clarifications have indicated that the fee will be applicable only on the new H-1B visa lottery cycle, which will play out in FY27.

Indian IT companies will likely see an impact of nearly 6 percent EPS in the new financial year, according to multiple brokerage reports. Industry body NASSCOM said the change will have marginal impact on Indian and India-centric companies, as they have been reducing their dependence on H-1B visas.

The greatest impact will be on hires by US-based Big Tech companies such as Amazon, Google, Microsoft, Meta and Apple, which have steadily increased their share of H-1B hires over the years for specialised fields such as engineering, research and development. Amazon Services LLC topped the list of H-1B visa approvals in the first half of 2025, with 10,044 approvals till June 30, 2025, as per data sourced from the US Citizenship and Immigration Services (USCIS).

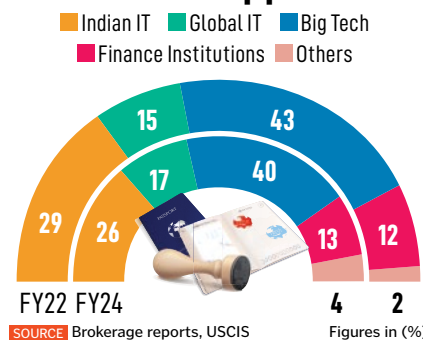
IMPACT ON INDIAN IT

Indian IT companies have reported a gradual reduction in the number of workers they deploy at client locations for compliance reasons. Workers on H-1B visas comprise between 1 percent and 5 percent of the total workforce at Indian companies, according to estimates by brokerage firm ICICI Securities.

The top Indian IT companies have reduced the number of employees in the US on H-1B visas through localised hiring. According to brokerage firm Motilal Oswal, nearly 20 percent employees of Indian IT vendors are currently based on-site, of which only about 30 percent are on H-1B visas. This translates to hardly 5 percent of active employees working on H-1B visas.

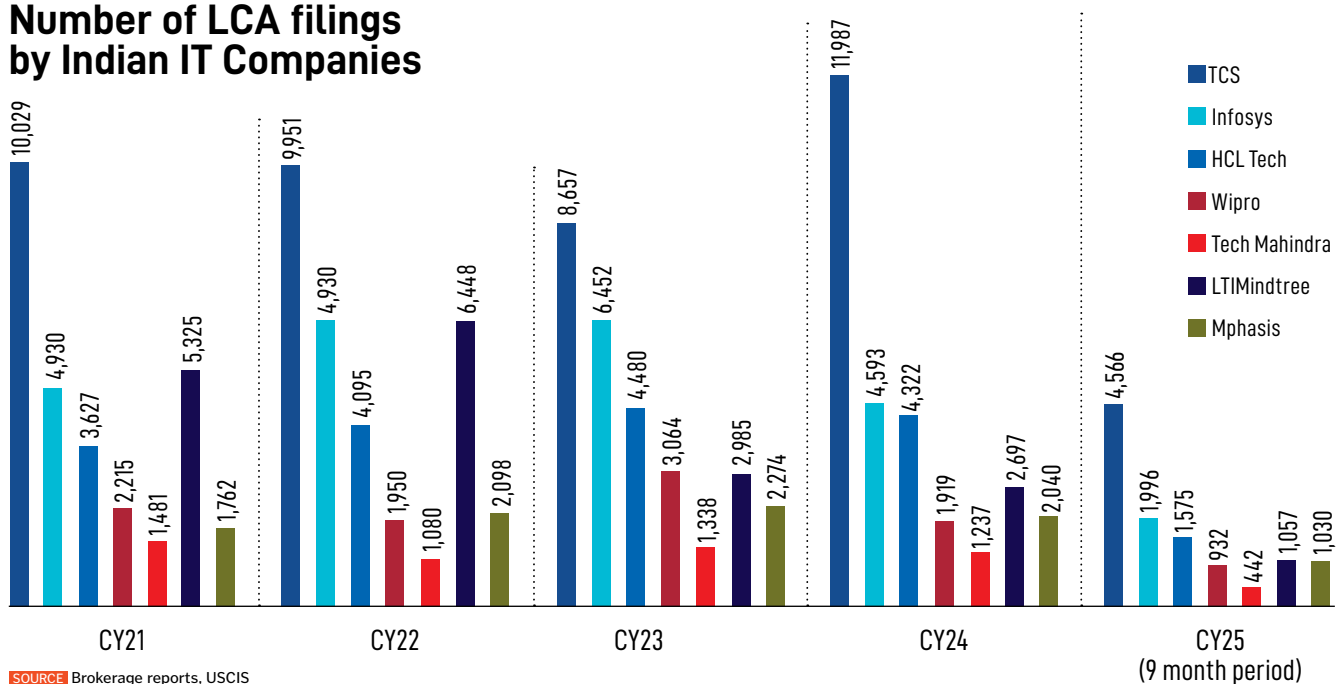
The number of new applications is expected to go down significantly in the coming years, along with career trajectories and incentives in the form of US-based roles. "With the new cost burden, companies will rethink sponsorships, reserving them only for exceptionally senior or niche roles. For most IIM alumni, the well-trodden path of joining McKinsey, Amazon, or Goldman in India and transitioning to America within three years is likely to close," says Anirban Ghatak, economist and assistant professor at IIM-Kozhikode. "Instead, Canada, the UK, Singapore, and the Middle East will absorb this diverted talent. The broader effect is a stickier talent pool in India,

Sector-wise H-1B Visa Approvals





Number of LCA filings by Indian IT Companies



with global firms leaning more on offshore teams here. For IIM grads, the American dream becomes sharply cost-filtered, turning a once-plausible career step into a rare exception”

Indians continue to be the largest segment of applicants for H-1B visas, constituting nearly 71 percent of the total approved visas in 2024; of the total approvals, nearly two-thirds were for “computer-related” work, according to the USCIS.

“The steep increase in H-1B visa fee will make sponsorship economically unviable for most, especially startups. Even large tech companies may limit expat hiring for critical or highly specialised roles and only where local hiring is not feasible,” says Pooja Ramchandani, partner at legal firm Shardul Amarchand Mangaldas. She adds that businesses and their immigration lawyers will need to think of strategies for risk management, litigation, alternative mobility planning, compliance and restructuring of workforce models. Mid-cap IT companies from India and startups are likely to slow down hiring from India as the impact on

visa application costs as percentage of revenue will work out to be significant.

THE WORKAROUND

The increase in H-1B application fees will encourage offshoring of services and drive up local hiring. Further, the provision for clearance by US Homeland Security for non-immigrant work visas for the US for critical functions could offer a workaround for highly skilled professionals.

“Bilateral partnerships in tech and health care, corporate-sponsored visa programmes, and structured talent channels can create predictable pathways for high-demand professionals,” says Avinav Jain, founder and CEO at global talent AI-recruitment platform TERN Group. “Indian IT and health care hubs, along with global capability centres [GCCs], already allow US firms to access Indian talent without relying solely on visas. Similarly, sector-specific initiatives or R&D incentives could support the mobility of skilled professionals.”

Skilled Indian professionals

can also explore opportunities in other geographies such as the UAE, Germany and the UK via strategic visas. Employees with highly specialised skill sets can consider alternative visa categories, other than the H-1B.

“Some candidates may explore alternative categories such as L-1 for intra-company transfers, O-1 for extraordinary ability, or may look to extend time under OPT or STEM OPT. The challenge is that these pathways are narrow and eligibility heavy, so they help at the margins but do not substitute for the main H-1B route for most Indian candidates,” says Mohak Nahta, founder and CEO of Atlys, which streamlines travel visa processes for individuals.

While the impact of the new fee rates will be felt over the next few years, the proclamation itself stands a chance of being challenged in US courts and leaves room for negotiations in the long term. To sum it up, the long-term impact is likely to be mild, though in the mid-term it will redirect the course of skilled immigration from India. **F**

VISA

The American Dream Dilemma

The H-1B visa fee hike is just the latest shake-up in a long series of Trump-era changes that have rattled Indian students in the US over the past few months

By PANKTI MEHTA KADAKIA



Graduates at Harvard University's 374th Commencement in May



WHEN PRATHAM JAIN

graduated in May with a master's in business and science from a reputable US university, job-hunting wasn't the main hurdle.

"In the beginning, my focus was on classes, internships and making the most of the campus life. But as graduation got closer," he says, "the visa conversation started to overshadow everything."

US President Donald Trump returned to office in January, and immediately began to tighten immigration policies. In the past

few months, the US has revoked more than 6,000 student visas (later restored by law), begun social media vetting for student applicants, and, most recently, announced big changes to the H-1B or employment visa, which most Indians graduating from US universities hope to receive eventually.

In the past week, the US has slapped on a \$100,000 one-time fee for new applicants; earlier, the H-1B visa fees ranged from \$2,000 to \$5,000, depending on company size and processing speed, according to the Immigration Law Group.

Trump has also proposed switching the current H-1B lottery system for a wage-based approach; those in the highest wage category would enter the pool four times, and those in the lowest, only once. This means that entry-level employees, largely recent graduates, have fewer chances of gaining the golden ticket.

"Every international student I know keeps one eye on their grades and the other on Washington, because even a small policy change can completely reshape your career path," Jain says. "It's almost like earning a second degree here, one in navigating



immigration paperwork, deadlines and constantly changing policies.”

In the two years that Jain has been in the US, he feels a tangible shift. “Back then, the path ahead felt clear: Complete my degree, find a job, have my employer file for an H-1B and continue to grow,” he adds. “In just the past few months, though, that sense of certainty has disappeared. Nothing feels settled anymore.”

While the H-1B changes have brought the conversation back to the fore, for students like Jain and aspiring US university candidates from India, this is only the latest in a series of events that have rattled their confidence over the past few months.

Kim Dixit, co-founder and CEO of study abroad consultancy The Red Pen, says while they have received several calls from anxious parents and students in the past few days, the cracks began to show months ago.

“April was when the first wave of panic set in, when student visas were getting revoked,” she says. “Parents were asking, ‘Will my child be safe?’ Then there was the issue of the social media declarations, but even before that, was the stopping of all visa appointments. People didn’t know if they would get their visas in time.”

And even when slots opened up,

Student Visa Struggles Under Trump Regime

March 2025

Mass visa revocations begin, including for minor infractions like traffic violations.

April

Legal challenges force the administration to restore student visa statuses, at least temporarily

May

- **OPT (Optional Practical Training)** participants face scrutiny; failure to report employment leads to deportation threats
- **Social media vetting** becomes mandatory for student visa applicants
- **Visa interviews halted** temporarily to implement new vetting protocols
- **Harvard's SEVP certification** is targeted for revocation, threatening its ability to host international students

June

- **Visa wait times** in India reach up to **18 months**, especially in western regions

September

- **\$100,000 H-1B visa fee** introduced for new applicants, sparking backlash from India and tech firms.
- **Proposal to replace lottery system** with wage-based tiers



students were finding that their visas were being rejected. “It’s not like the situation with the H-1B is causing great panic—because there was already panic,” Dixit says. “This is the last straw, though, because

earlier you had the hope that even if it was difficult to get there, you would maybe land a job. This makes it so much harder to get a job.”

It’s important to note that students already in the US on F-1 student visas,

‘This is a clear opportunity for credible institutes in India’

Debashis Sanyal, director, Great Lakes Institute of Management, Chennai



Q As study and work in the US become increasingly complicated, could Indian institutes gain an advantage?

There is a clear opportunity for credible

institutes in India. Many students who traditionally looked at the US or other destinations are now open to exploring strong options at home. India’s economy is expanding, multinational companies are deepening their presence, and the startup ecosystem is thriving. This creates a fertile environment for students to learn and build their careers here. For institutes like ours, the task is to show

that global-quality learning and industry connections are available without the uncertainties of studying abroad.

Q Are there certain fields of study that you would target students for?

Yes, management and technology-driven domains remain central, but the real focus is on areas aligned with India’s growth. Disciplines such as digital finance, analytics, supply chain and sustainability are gaining traction, and there is an increasing demand in industry today for skill-focussed students like analytics, consulting, product management etc. Students today want more than academic knowledge, they expect exposure to real-world challenges and industry projects, and that is where

Indian institutes can differentiate themselves and attract serious talent.

Q What are the advantages of studying at a credible institute in India versus in the US?

Studying in India offers both affordability and relevance. Costs are significantly lower, but, more importantly, students stay close to one of the fastest-growing economies in the world. They get direct access to industry leaders, entrepreneurial opportunities and networks that are highly relevant to their careers. At the same time, credible institutes ensure global perspectives through international tie-ups, and diverse peer groups. In many ways, students are able to balance global exposure with local advantage, something uniquely possible in India right now.

LeaderBoard

applying for H-1B status, will not be impacted by the new fee hike; it applies to new applicants outside the US seeking entry.

“That said, the uncertainty around these rules does create hesitation among employers, which indirectly impacts international students like me,” says Sarvesh Kharche, who is pursuing a master’s in data science at a US university.

Moreover, if the lottery system makes way for the wage-based system, chances of getting to an H-1B visa are significantly dim for students and recent graduates.

“Each day feels like a new struggle, marked by uncertainty and stress. Our future often seems to hang by a thread,” says Vasu Reddy, also a master’s student of data science in the US. “Being away from family, adapting to a new culture, and constantly working to prove myself in a competitive environment has been challenging. Despite the resilience I have built, I cannot help but feel nervous that all this hard work and sacrifice might be overshadowed by circumstances beyond my control.”

PLAN B

Should Indian students look for alternatives to the US? The short answer is, yes. But it depends on various factors, including the age of the aspirant.

“For students in the 10th grade, who are beginning to think about college, we remind them that there’s a good chance Trump won’t be in office by the time they get to university,” Dixit says. “We’re not asking our current applicants to jump ship yet, either. But the main messaging we’re discussing internally is to make sure that people see the rest of the world as a good option. Apply to the US but keep your options open.”

In many cases, she adds, the other option may be better than the US choice. “For a course like data



Ashoka University in Haryana had a special admissions round for students facing US visa hassles. They were eligible to apply by showing proof of admission to a US university for 2025

science, for instance, you could find something in Europe that’s as good as in the US, and where you’ll get a job immediately,” she says. “We can move focus away from the US, and not from the point of view of taking a second choice. The world is big, and this is a good opportunity to expand your search and plans.”

Reddy agrees: “At present, the US poses particular challenges—with inflation, evolving visa regulations, and an overall difficult environment for students. For those aspiring to study here, it is important to remember that pursuing your dreams does not depend solely on one country. There are multiple pathways to achieve success, and the US is only one of the many options available.”

Dixit says that while the UK remains a popular choice for Indians, many aspirants are considering the Netherlands and Germany in Europe (which have options available for English-speaking students) as well as countries like Singapore, and overseas campuses of US universities, such as NYU (New York University) offshoots in Abu Dhabi and Shanghai.

ADVANTAGE INDIA?

Meanwhile, universities in India are closely monitoring the situation, and seeing increased interest from students who originally hoped to study in the US.

In fact, in June, Haryana-based Ashoka University opened a special admissions window for those facing

visa-related challenges to the US.

Students had to submit proof of confirmed offers from universities in the US, and were eligible to apply to Ashoka University’s undergraduate programme, commencing in August.

“Applications were processed only upon receipt of the documents; others who had already applied to Ashoka for 2025 intake were not eligible for this special round,” a spokesperson tells *Forbes India* via email. While the institute didn’t share actual figures, it claimed that the announcement ‘generated significant interest among students who initially planned to study in the US, reflecting growing interest in high-quality education options within India’.

The highest interest has been in degrees related to computer science, economics and psychology, along with students opting for mathematics, physics, biology and international relations, the spokesperson says.

“Studying in India offers both affordability and relevance. Costs are significantly lower, but, more importantly, students stay close to one of the fastest-growing economies in the world,” Debashis Sanyal, director–Great Lakes Institute of Management, Chennai, tells *Forbes India*. “In many ways, students are able to balance global exposure with local advantage, something uniquely possible in India right now.” **F**

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COLUMN



By HARI MENON

The Trust Label

The e-grocery sector has delivered speed and convenience. It now needs to build loyalty and private labels are the lever to make that happen

WHEN WE STARTED BIGBASKET over a decade ago, the biggest question in consumers' minds was simple: "Can groceries really be delivered online?" The first phase of India's e-grocery journey was about reliability, proving that digital platforms could consistently deliver staples to households.

The second phase was defined by speed. The rise of quick commerce brought 30-minute and then 10-15-minute delivery windows. For a while, this thrilled consumers.

But, today, speed is no longer a differentiator, just a given. Every platform promises it, and most carry the same portfolio of national brands.

This has created a paradox. Adoption is higher than ever, but differentiation is lower than ever. If competition revolves only around discounts and delivery times, the industry risks a race to the bottom. The next decade will be defined not by speed, but by ownership of supply chains, shelves and consumer trust. This is where private labels matter.

TRUST AS THE CORE CURRENCY

Grocery is unlike any other category. A poor experience with clothing may be tolerated, but a poor experience with flour or milk breaks trust immediately. And trust, once lost, is extremely hard to rebuild. Consumers do not return to a platform out of loyalty to its app icon. They return because they know their rice, pulses or tomatoes will be of consistent quality. This predictability is difficult to guarantee when platforms rely entirely on third-party FMCG products sourced through



Globally, Whole Foods' 365 line showed how long-term private-label sourcing could benefit smaller producers while strengthening the retailer's positioning

fragmented channels.

Private labels change that equation. They allow platforms to set their own standards, control sourcing and take responsibility for quality. Over time, a shopper does not just buy rice; they buy this rice, because it delivers the same experience week after week.

Globally, Trader Joe's in the US and Aldi in Europe have shown how private labels can move from being budget alternatives to the default trusted choice. India now has the same opportunity, to make private labels synonymous with reliability and consistency. This does not mean replacing FMCG brands. The strongest platforms will deliver both the recall of national brands and the innovation of in-house labels.

SUPPLY CHAINS AS STRATEGY

For too long, supply chains were treated as invisible plumbing. But in e-grocery, they are a strategy. Private labels require deeper integration, that is direct contracts with farmers, investment in cold chains, packaging, quality labs and demand forecasting. This is not just about reducing costs. It creates resilience.

When inflation spikes or weather disrupts fresh produce, platforms that control their supply chains can absorb shocks far better than those dependent on external distributors. Globally, Costco's Kirkland Signature and Carrefour's organic range succeeded because these retailers invested early in supply chain ownership. In India, where agricultural volatility is constant, this level of control is even more critical. It is what will separate platforms that thrive from those that remain vulnerable to price shocks.

DEFENSIBILITY IN A SEA OF SAMENESS

Today, most e-grocery platforms appear similar to consumers. They deliver the same detergents, biscuits and branded staples, and switching is effortless. Private labels create

defensibility by offering products that are not interchangeable. They build unique associations that can't be compared on price elsewhere.

The challenge is perception. In India, private labels are still often seen as cheaper substitutes rather than as brands in their own right. But this is starting to change. If executed well, private labels can expand into categories where consumers seek differentiation, such as organic foods, health snacks, superfoods, regional staples. In Europe, Aldi's private labels now command loyalty across aspirational categories. In the US, Costco's Kirkland Signature often outsells FMCG incumbents. Indian platforms must take a similar long-term view, positioning private labels as aspirational, not just affordable.

SHAPING PRODUCER ECOSYSTEMS

The influence of private labels extends beyond consumers. They can reshape how producers operate. Traditional wholesale channels expose farmers and small manufacturers to uncertainty in demand, fluctuating prices and delayed payments. Direct sourcing for private labels offers stability, visibility and the potential for scale.

Globally, Whole Foods' 365 line showed how long-term private-label sourcing could benefit smaller producers while strengthening the retailer's positioning. In India, where agriculture still employs over 40 percent of the workforce, this shift could have a transformational impact. It can reduce wastage, improve farmer incomes and build more transparent food systems.

THE CHALLENGE AHEAD

The industry stands at a turning point. Speed defined the last three years;

private labels will define the next 10. But the risk lies in treating them as margin boosters or side projects. That would be short-sighted. Private labels are about much more:

- Building trust, through consistency in quality
- Exercising strategic control, by owning supply chains and standards
- Creating defensibility, with products that cannot be price-shopped elsewhere
- Driving systemic change, by giving farmers and SMEs more stable pathways to growth

The real challenge is cultural. FMCG companies have spent decades building brand equity. E-grocery players must be prepared to take a similarly long-term approach.

A CALL TO LEADERSHIP


India's e-grocery sector has proved it can deliver speed and convenience.

The question now is whether it can

build trust, resilience and defensibility. Private labels are the lever to make that happen. This journey is not about replacing FMCG brands but about complementing them. National brands bring heritage and recall, while private labels bring consistency, value and innovation. Together, they

can create an ecosystem that serves consumers better and builds stronger supply chains.

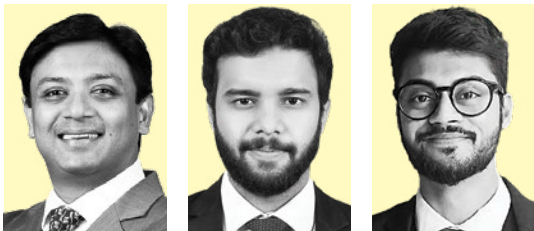
If platforms get this right, they will not just win on convenience or discounts. They will build brands that households depend on, enable farmers to thrive, and strengthen the resilience of India's food systems.

The industry's choice is clear. We can continue competing on surface-level speed or invest in the harder, slower, but ultimately more rewarding task of building private labels. The path we choose will shape the future of e-grocery in India. 

THE WRITER IS CO-FOUNDER AND CEO, BIGBASKET

In India, the shift to private labels can reduce wastage, improve farmer incomes and build transparent food systems

COLUMN



By SHANKH SENGUPTA, RIBHU GARG & ARNAV DOSHI

Decriminalising Defamation

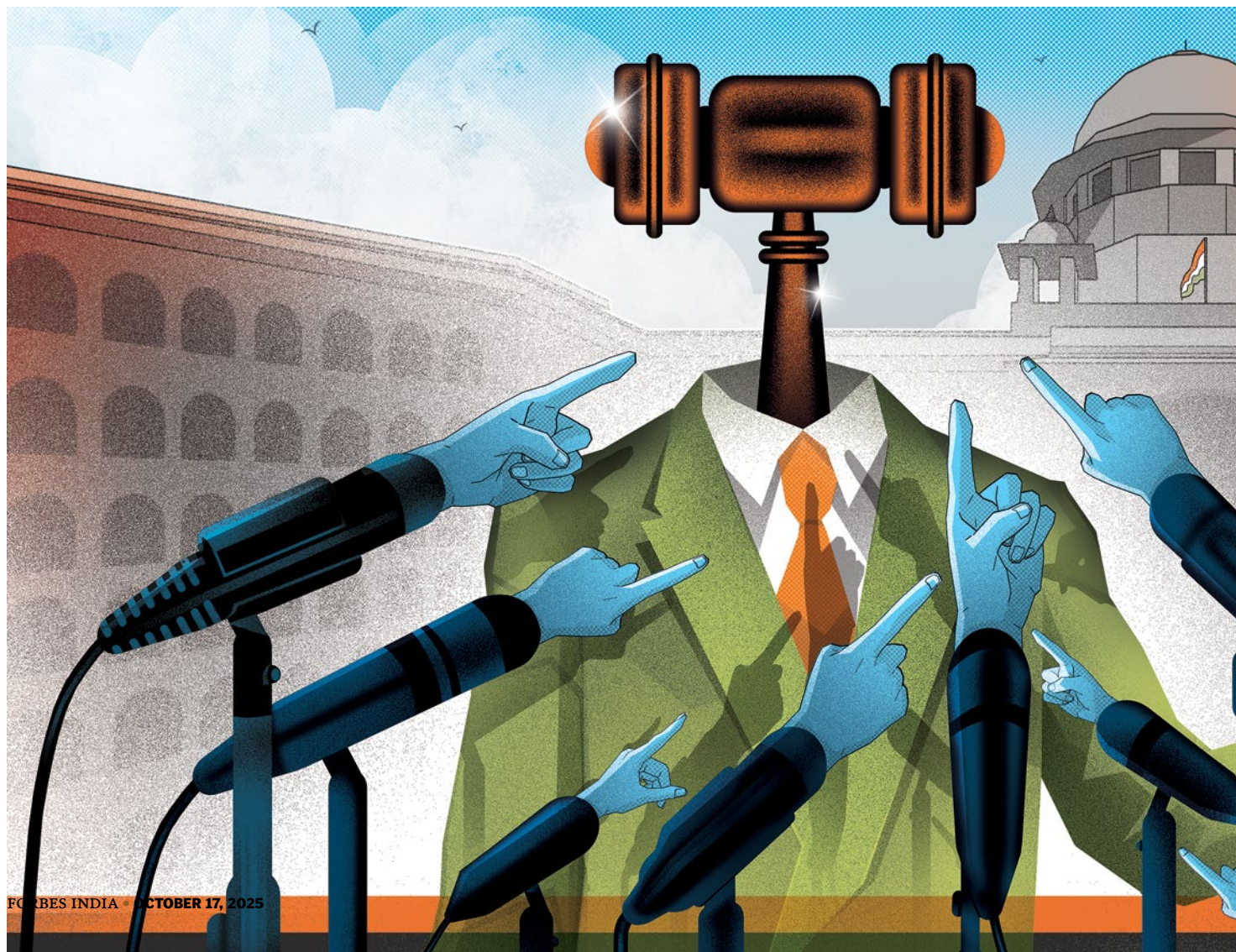
The Supreme Court's recent observation is an attempt to do away with an archaic law, and align with contemporary values and standards

THE DEFAMATION LAWS IN INDIA sit at the uneasy intersection of two critical fundamental rights: The right to reputation, protected as part of the right to life, and the right to freedom of speech and expression. The offence of defamation in criminal law was inherited by India from the English, and has been retained for reasons

which appear outdated in the present landscape. With the change in the means of social, private and public interactions, standards of socially acceptable behaviour, and individual expectations and perceptions as to one's dignity and privacy, there lies a compelling case for reforming the criminal defamation laws in India.

While defamation has been

categorised as an offence to provide a means to citizens to protect and preserve their dignity (which is treated as a part of the fundamental right to life) and to prevent indecency, a civil remedy against defamation has also been available alongside. Further, given that (i) defamation primarily and largely affects an individual and their personal interests, (ii) its



occurrence is seldom an affront to the society, and (iii) the accused does not become a reasonable threat to the society, the civil remedy becomes the appropriate (and also, effective) recourse—to both, seek damages and expunge the defamatory content. Therefore, injury from a defamatory act—to one's reputation, dignity or even other related aspects (such as professional prospects and personal relations) can be remedied effectively and satisfactorily through civil recourse.

However, we have generally seen a tendency of affected litigants to prefer the criminal recourse as it is more intimidating to the counterparty, causes greater inconvenience, negatively impacts the reputation of the accused, elicits better settlements and is also cost-effective. The criminal

recourse is strangely also preferred despite a civil recourse having greater scope for restitution and reversal of the defamation. This indicates a scope for misuse of the criminal law machinery for an offence which does not concern social order and interests of a community. The growing tendency to overuse (and even misuse) criminal defamation recourses by individuals has eclipsed the benefits of this recourse.

At this juncture, it is relevant to note that Article 19(2) of the Constitution of India provides that the state can impose reasonable restrictions on the freedom of speech and expression to, among others, address defamation. While one could argue in favour of retaining criminal defamation as it has been expressly recognised under Article 19(2) of the Constitution of India, restricting redressal of defamation to civil remedies may be considered given that criminal proceedings often are disproportionate to the defamatory act. Further, cases of aggravated defamation which affect public morality or decency can be addressed through other existing criminal laws. However, in cases where criminal recourses are initiated by (i) a sensitive (unreasonable) person for an alleged defamatory act which otherwise can be fair criticism, or (ii) an unscrupulous person for ulterior motives—immense, and often irreparable injury may be caused. This also makes a strong case for discontinuing criminal recourses for defamation.

Additionally, given the advancement of social media and increasing availability of avenues to publish and broadcast one's views, criminal defamation becomes a tool of intimidation to confine, otherwise

With the rise of social media and avenues to broadcast one's views, criminal defamation becomes a tool of intimidation to confine public discourse

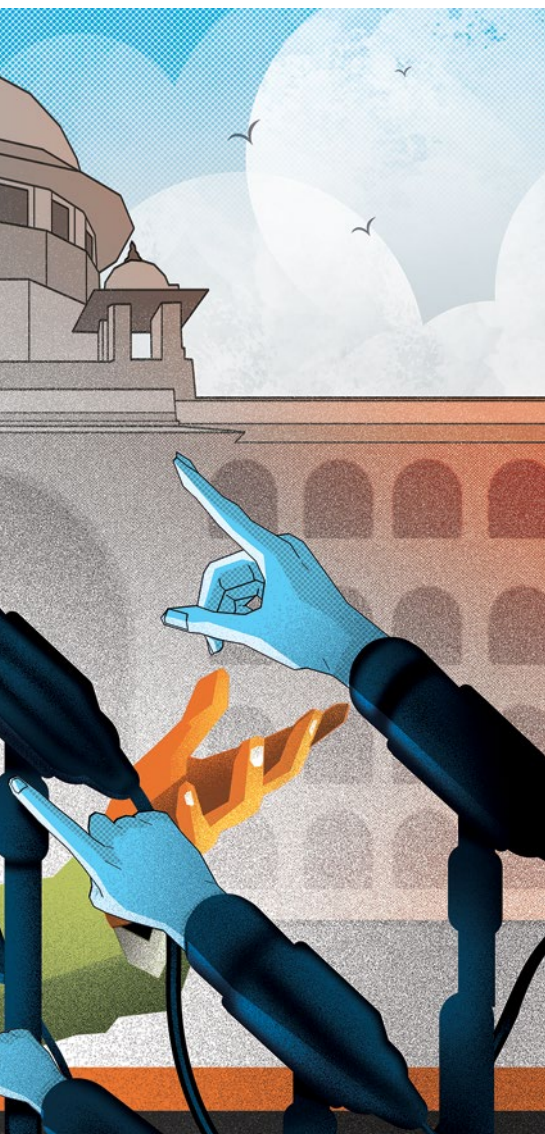
organic, public discourse. In fact, giving regard to the potential misuse of retaining defamation as a crime, political weaponisation of criminal remedies and availability of parallel civil recourses, several jurisdictions such as South Africa and the the UK have decriminalised

defamation.

In *Subramanian Swamy versus Union of India* [(2016) 7 SCC 221], the Supreme Court upheld the constitutionality of the offence of defamation, reasoning that reputation is integral to dignity and the fundamental right to life under Article 21 of the Constitution. However, the judgment has been critiqued for not adequately addressing the proportionality of criminal laws and punishments or the intended/unintended impact on free speech, especially in the current world of borderless global interaction. However, in a more recent judgment of *Imran Pratapgadhi versus State of Gujarat* [(2025) SCC OnLine SC 678], the Supreme Court observed, albeit in a different context, that the impact of spoken or written words should not be evaluated according to the sensibilities of those “who always have a sense of insecurity or of those who always perceive criticism as a threat to their power or position”. Therefore, decriminalisation of defamation (but retaining it as a civil wrong) would be a welcome measure. This move would also develop the scope of civil remedies against defamation, for instance—Indian jurisprudence on preventive actions (such as Anti-SLAPP actions) remains to be explored and evolved.

In this light, the Supreme Court's recent observation for decriminalisation of defamation can be viewed as an attempt to do away with an archaic law and align with modern and contemporary values and standards. ^(F)

SENGUPTA IS PARTNER, GARG A COUNSEL AND DOSHI AN ASSOCIATE FROM THE DISPUTE RESOLUTION PRACTICE AT TRILEGAL



GADGETS

Apple's Big Bite

The iPhone 16 was already the most-shipped device in Q2, and the iPhone 17 is expected to increase sales further

By SAMIDHA JAIN

YASH GANGWANI WAS 15 WHEN

he first got an iPhone—the iPhone 5, launched in 2012.

“I was captivated by the product. It was exceptionally user-friendly, even for a 15 year old,” says the 27-year-old businessman. Ever since, Gangwani has upgraded his iPhone every year. In addition, he also owns other Apple products like the MacBook Air, AirPods and AirPods Pro. “It is fair to say that I cannot imagine using anything other than Apple,” he adds.

The launch of the iPhone 17 series in India has once again highlighted the country's growing obsession with Apple's flagship device. From overnight queues to scuffles outside Apple stores in Mumbai and Delhi, the frenzy surrounding the latest models—especially the orange iPhone 17 Pro—represents the brand's aspirational appeal among Indian consumers. Despite a premium pricing starting at ₹82,900, there is a high demand driven by a mix of brand loyalty, financing schemes and the charm of cutting-edge technology.

Apple's aggressive retail expansion in the country and push for local manufacturing have paid off, as the company set a new record in India, with its annual sales hitting nearly \$9 billion in FY25. At its launch event on September 9, it unveiled a range of devices—the iPhone 17 series with smoother displays and smarter cameras; its thinnest phone ever, the iPhone Air; wearables like the Apple Watch



A customer with his iPhone 17 outside the Apple store at Jio World Drive mall at Bandra-Kurla Complex in Mumbai. The company unveiled a range of devices on September 9

Series 11 and Ultra 3, and the SE 3; and the AirPods Pro 3. With prices ranging from ₹25,900 to ₹1,59,900, Apple's latest offerings cater to a wide

spectrum of users, blending luxury with utility.

According to a Bloomberg report, Apple's revenue rose about 13 percent in the 12 months till March 2025, from \$8 billion a year ago, with most of it coming from iPhone

sales. Reports say that, in 2024, the company shipped a record 12 million iPhones in India, and projections for 2025 suggest sales could reach 13 to 14 million units. Research firm

Counterpoint adds that, for Apple products in India, demand is being driven not just by first-time buyers but also by upgraders. Its market share has risen from about 3 percent in Q2 2022 to 7 percent in Q2 2025. In the premium segment (> ₹30,000), Apple continues to hold the top spot as of Q2 2025.

According to Counterpoint, it is proving to be a good year for the smartphone market in India, which bounced back in the second quarter, growing 8 percent in the number of phones sold and 18 percent in overall value compared to last year. This recovery came after a slow start in Q1 and was driven by a wave of new phone launches, strong summer sales and aggressive marketing.

In India, older iPhone models typically see a price cut right after a new launch. And customers usually wait for online sales to buy them



Brands attracted buyers with bigger discounts, easy EMI options and offers, especially in the mid-range and premium segments, making smartphones more affordable and appealing. Apple, too, has benefited from the buoyant ecosystem.

To tap into the rising demand for iPhones by Indian users, the company has recently opened stores in Pune and Bengaluru, after launching its flagship stores in Mumbai and Delhi in 2023. According to Counterpoint, the iPhone 16 emerged as the most-shipped device in Q2 2025, driven by ongoing promotions, extended EMI options, and improved retail execution, helping Apple register its highest-ever Q2 shipments in India. With the iPhone 17, the sales are likely to increase.

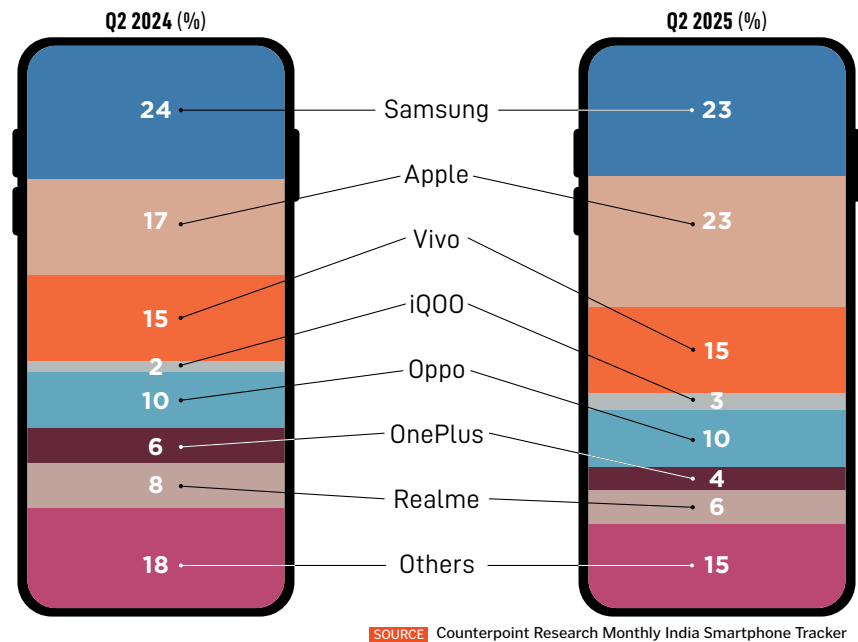
“Apple, with its aspirational brand image, is successfully riding the premiumisation trend in India. Its strategy across product portfolio, channels and manufacturing is paying off, with initial demand for the iPhone 17 series being 19 percent higher than that of the iPhone 16 series,” says Shubham Singh Parihar, research analyst, Counterpoint. “Overall, the Indian market is moving towards premiumisation, and Apple, with its strong brand equity and aspirational image, is well-positioned to continue growing.”

According to reports, Apple’s iPhone production in India has crossed the \$10 billion mark, a major milestone driven by the government’s Production-Linked Incentive (PLI) scheme. This marks a sharp rise in local manufacturing, with the company now assembling a significant percent of its global iPhones in India. Apple Inc is said to have assembled \$22 billion worth of iPhones in India in the 12 months ended March, increasing production by nearly 60 percent over the previous year, in a sign of continued diversification away from China.

The growth is powered by key partners like Foxconn, Pegatron

India's Smartphone Market

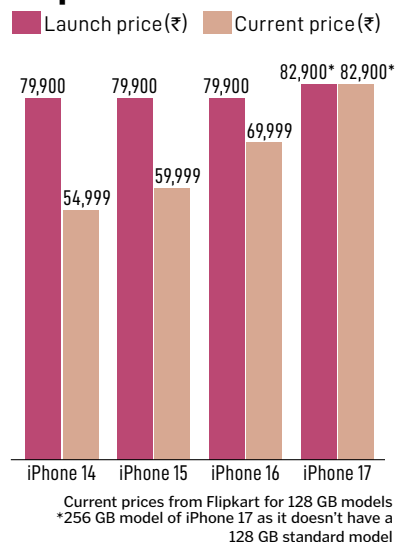
Wholesale value share by brand, Q2 2024 vs Q2 2025



and Tata Electronics, which have expanded their facilities and workforce to meet the rising demand. Apple’s investment in India is expected to grow further, with new plants and increased production capacity planned in the coming years.

In India, older iPhone models

iPhone prices as of September 23



typically see a price cut right after a new launch. For example, with the iPhone 17 series now on shelves, the older models like the iPhone 14, 15 and 16 have already dropped by ₹10,000 to ₹20,000. Discounting becomes even more prominent during festive sales events such as Flipkart’s Big Billion Days and Amazon’s Great Indian Festival, when models are sold at 20 to 25 percent below their retail price. According to Parihar, these promotions consistently drive a spike in Apple’s volumes by making iPhones more accessible entry points into the ecosystem.

In India, customers usually wait for online sales to buy older models of Apple, and usually use credit cards to avail cashback rewards. Another prevalent practice among Indians purchasing iPhone is buying them abroad, as the prices there are generally lower compared to India. For iPhone enthusiasts like Gangwani, what helps in buying a newer model is also the trade-off scheme that allows users to exchange their old iPhones for credit towards a new Apple device. ^(F)

AUTO

A Rollercoaster Ride?

Car sales zoom with GST cuts, but EV adoptions may stutter as the tax gap shrinks between them and ICE vehicles

By MANU BALACHANDRAN



A Tata Motors Mumbai showroom, ahead of the festive season. Following the GST cuts, auto dealerships saw queues after many years

INDIA'S AUTO INDUSTRY IS suddenly having a blast. After months of lacklustre sales, the world's third-largest car market is experiencing a revival, thanks to the government's decision to reduce GST. To add to that, the cuts came ahead of the festive season, which typically contributes about 40 percent of annual sales.

"The GST cut has created a genuine affordability kicker just ahead of the festive window. Passenger cars, two-wheelers, and parts moving from 28 percent to 18 percent GST translates to an effective 7-8 percent relief in on-road prices," says Harshvardhan Sharma, group head

for automotive tech and innovation at Nomura Research Institute. "Most OEMs have already passed this on through cuts of up to ₹3 lakh, layered with festive schemes. As a result, we're seeing the classic elasticity effect."

This means buyers who had deferred purchases are returning, dealer inventories are easing, and booking momentum has improved. So much so that on the day the new taxes came into effect, most auto dealerships saw queues after many years. On September 22, the day the GST rate cuts took effect, Tata Motors reported sales of approximately 10,000 passenger

vehicles, with Maruti Suzuki and Hyundai selling 30,000 units and 11,000 units, respectively. "We expect near-term double-digit volume uplift, particularly in entry and compact segments, with operating leverage offsetting any pressure from lower ASPs," adds Sharma.

Among others, the GST cut from 28 percent to 18 percent, coupled with the government's decision to withdraw a compensation cess that often ranged from 17 percent to 22 percent and instead keep a flat taxation rate of 18 percent and 40 percent (for luxury cars) has reduced car prices across the country ahead of the festive season.

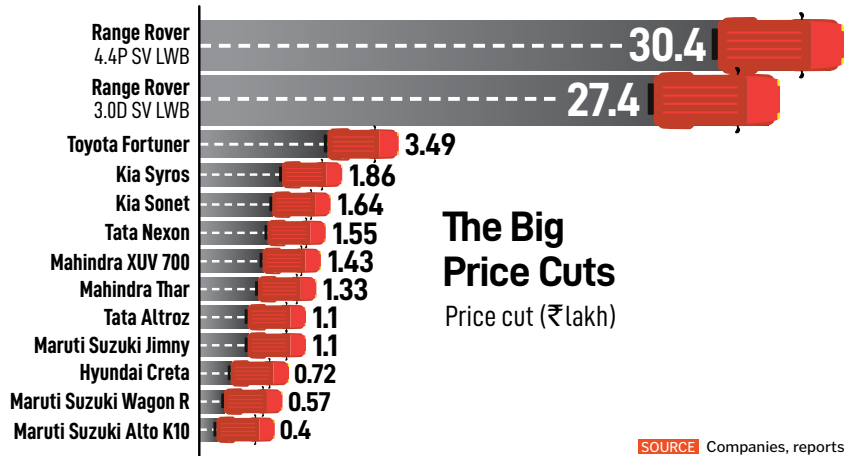


Entry-level cars, which are often seen as leading the transition from two-wheelers to four-wheelers in the world's most populous country, have seen significant price cuts. The country's largest carmaker, Maruti Suzuki India, has announced that the prices of the Alto K10, S-Presso, Swift, Dzire, and Brezza are all cheaper by up to ₹1.29 lakh. On hatchbacks, like the Alto K10 and WagonR, the drop translates to almost 20 to 24 percent of their ex-showroom prices.

Still, this may not be enough to revive the downward trend in small car sales, a growing concern for Maruti Suzuki. While the 7 to 8 percent relief directly addresses affordability, the bigger barrier of structural headwinds persist.

"We'll see a tactical rebound in sub-₹8 lakh hatchbacks and compact sedans, particularly among first-time buyers in tier 2 and 3 towns and fleet operators," Sharma adds. "The entry car segment has shrunk from over a million units a decade ago to barely 25,000 last year, while consumer preference has steadily shifted towards compact SUVs. So, this measure can stabilise and revive demand in the short run, but it won't reverse the long-term premiumisation trend. The bigger uplift will likely be in small SUVs rather than basic hatchbacks."

In the luxury segment, reductions range from as much as ₹9 lakh to ₹30 lakh in some cases. "The start to this festive season has been extremely encouraging," said Shailesh Chandra, president, Society of Indian Automobile Manufacturers (SIAM), and MD, Tata Motors Passenger Vehicles Ltd and Tata Passenger Electric Mobility Ltd, in a statement. "The recent GST reduction and special festive offers have sparked an extraordinary wave of consumer interest and enthusiasm. In just the first two days, auto dealerships nationwide are witnessing unprecedented walk-ins, a surge in enquiries, and record deliveries across



most segments."

India currently has 34 cars per 1,000 people, compared to over 860 per 1,000 people in the US. With growing purchasing power, cheaper access to capital, and a reduction in the tax regime, automakers believe the country's true potential remains untapped. "While long-term trends will still hinge on income sentiment and fuel prices, the immediate effect is likely to be a positive uptick in demand, particularly in the entry and mid-price automobile segments," ratings agency ICRA said in a statement.

With the drop in prices of internal combustion engines (ICE) and the subsequent surge in demand, the country's electric vehicle (EV) ambitions may face some challenges.

Sales of EVs have been in the slow lane since last year. In the last financial year, sales of passenger EVs reached 110,748 units, an 11 percent rise, accounting for just over 3 percent of car sales in the country.

"For EVs, the relative advantage has narrowed, but not disappeared," adds Sharma of Nomura. "With ICE vehicles down to 18 percent GST and EVs retaining 5 percent, the tax gap shrinks from 23 to 13 percentage

points. This does make small ICE cars more competitive in sticker price terms, especially against entry-level EV hatchbacks."

Still, despite that, the EV momentum remains intact, reckons Sharma. By 2030, about 40 to 45 percent of two-wheelers and 15 to 20 percent of four-wheelers (passenger vehicles) sold in India will likely be electric, according to a report by Bain & Company, while the government wants EV

penetration to hit 40 percent for buses, 30 percent for private cars, 70 percent for commercial vehicles, and 80 percent for two-wheelers.

"August saw more than 17,000 passenger EV registrations, and two-wheeler EV penetration is

at 6 to 7 percent," Sharma says. "The total cost of ownership still favours EVs because of lower energy and maintenance costs, and with broader model launches plus improving charging infrastructure, structural adoption will continue. The implication is that OEMs in the ₹10–20 lakh EV bracket will need sharper price positioning and stronger TCO messaging to sustain demand."

On the day the GST rate cuts took effect, Tata Motors reported sales of 10,000 passenger vehicles, with Maruti Suzuki and Hyundai selling 30,000 units and 11,000 units, respectively

Forbes CEO

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Harrison.ai

Aadit Palicha (right)
and Kaivalya Vohra,
co-founders of Zepto

“The sparkle in the customers' eyes when they received orders in minutes gave us far more conviction in the model than any investor or journalist could.”

AADIT PALICHA, co-founder, Zepto

WHAT COMES AFTER SPEED

With competition heating up and an IPO on the horizon, how does Zepto plan to stay ahead in the fast-moving world of quick commerce?

By NAINI THAKER

F

our years ago, two teenagers went door to door in the by-lanes of Mumbai's Bandra suburb, delivering grocery ordered through a WhatsApp group. Undaunted by the raging pandemic, Aadit Palicha and Kaivalya Vohra handed over orders to the early users of their startup, KiranaKart.

What started as a scrappy experiment would soon evolve into one of India's fastest-growing outfits and one that would play a vital role in the thawing of the so-called funding winter for India's startups. But not before it changed its model and introduced the concept

of dark stores in India—small warehouses that are not open to the public and which only fulfil online orders from nearby consumers—based on their own experience in early 2021.

At the time, Vohra and Palicha, upon receiving an order, would pick up the items from neighbourhood stores and the delivery would be in 45 to 60 minutes after receiving the order.

"It wasn't designed for speed," Vohra recalls, "but some customers who lived close to the stores were getting deliveries in 10 to 15 minutes, just by chance." These users ordered more frequently, prompting the duo to wonder if speed could be a differentiator.

To test their theory, they narrowed the delivery radius to 1 km around a store in Oshiwara and delivered the orders on rented bicycles. "We just wanted to see... If someone ordered and we showed up in 10 minutes, how would they react," recalls Vohra.

The response, he says, was

electric: "You could see the sparkle in their eyes when they received their orders in minutes." That sparked the idea for Zepto's dark stores and the 10-minute deliveries. "That was far more conviction in the model than any investor or journalist could offer," Palicha says.

In a country where 80 percent of household spending happens within a three-kilometre radius, hyperlocal, several-times-a-week grocery has reshaped how urban India shops—with quick commerce now woven into the fabric of daily life and Zepto, along with Eternal's Blinkit and Swiggy's Instamart, becoming household names.

Meanwhile India's quick commerce (q-com) market is estimated to have reached ₹64,000 crore in 2024-25 (FY25), registering a staggering compound annual growth rate of 142 percent between FY22 and FY25, according to market analytics firm CareEdge. Far from done, the segment is expected to nearly triple to ₹200,000 crore by FY28.

Scaling at Speed

Zepto's 12-month growth story

Gross Order Value (GOV)

Grew from **\$1 billion**
(₹700 to 730 crore/month)
to **\$4 billion**
(₹2,700 crore/month)

4x increase in GOV
over 12 months

SOURCES: Reports, industry experts

Order Volume

Increased from
5 lakh orders/day to
15 lakh
orders/day

Monthly Transacting Users (MTUs)

Grew from **5 million** to
16 mln

Store Expansion

Gone from
300 to over
1,000
stores

Mature stores are
operating at **6 to 7**
percent positive
Ebitda margins,
even after accounting
for backend supply
chain costs

Riding the wave, Zepto became a unicorn in 2023, has so far raised \$2 billion in inventory funding, and is expected to float an initial public offering (IPO) sometime next year. It has built a maze of dark stores and has seen its app downloaded by 110 million consumers.

Now it shifts gears to add depth by focusing on wallet share, unit economics, and sustainable growth.

Tech-led scaling up

"If in a neighbourhood, you see that X number of people have searched for something—say, a Labubu—we try to figure out how to add it," says Vohra.

The company tracks search conversion rates across cities to identify the gaps. If a product is being searched for, but not bought, it signals a problem—either it is unavailable, overpriced, or not relevant. "Anything 'low conversion' means something is wrong," he explains.

With 50,000 unique products across geographies, search has become a critical interface. But in India, search is complex. Regional language variations and colloquial terms often obscure the intent. "People call mechanical pencils 'pen pencils,' and traditional search would show pens and pencils separately," Vohra says.

Artificial intelligence is here to



help. Zepto leans on large language models (LLMs) to interpret user intent. Today, more than 60 percent of Zepto's business comes directly from search.

Instead of relying solely on subsidies like discounts, cashbacks etc, Zepto focuses on improving supply chain efficiency—from packaging and dark store operations to forecasting demand and minimising waste. A dedicated team of data scientists predicts spikes in demand, such as like estimating flower sales during festivals. This reduces stock-outs and expiry. Vohra says: "Even for fruits and vegetables, our expiry rate is only around 1 percent."

The team is working to reduce platform fees to near zero, not by

absorbing losses but by driving down the all-inclusive cost of fulfillment. "Making money from fees is easy," Vohra says. "But it comes at a cost—every extra rupee in fee means fewer orders."

This philosophy was shaped early on by investor Paul Hudson from Glade Brook. "In 2021, during the funding winter, everyone was chasing profitability at the cost of growth," Vohra recalls. "Paul told us the best companies in the US and China did not choose between growth and profitability, they did both.... The harder path is doing both, and that's the one we have chosen."

Chief technology officer Nikhil Mittal—also Zepto's first employee—says the company built

its tech stack from scratch, under resource constraints. “We were not repurposing food delivery tech; we built it custom, end-to-end, for speed and accuracy,” he says.

Zepto’s tech optimises everything from manpower productivity and routing to shrinkage and expiry. There are industrial-grade robotic automation in its mother hubs outside city limits, a first in the industry.

“Tech has helped us build efficiencies that directly impact the bottom line,” Mittal says, “and we continue to invest in it.”

Chief product officer Ankit Agarwal adds that Zepto’s supply chain complexity exceeds that of traditional ecommerce platforms. “Ours spans farm-to-table fresh produce, packaged foods, electronics, apparel, pharmacy, and even cooked items from Zepto Café—all at once,” he says. “Tech is what makes it possible.”

Path to Sustainable Scale

Around May 2024, Zepto’s monthly cash burn stood at ₹35–40 crore. It was 2–3 times lower than competitors’. But

that changed in the months that followed, as Zepto chose to scale its operations, splurging on customer acquisition and expanding its network of dark stores.

At the time, Zepto was clocking \$1 billion in annualised Gross Order Value (GOV), with roughly 500,000 orders a day, 300 dark stores, and 5 million monthly transacting users (MTUs). A year later, the numbers have multiplied.

“We have gone from \$1 billion [annualised GOV] to about \$4 billion,” says Palicha. Daily order volumes have surged to 1.5 million and MTUs have grown to 16 million by September. Zepto now operates close to 1,000 dark stores across 70 cities.

This growth came at a cost. “We

“Unlike many FMCG brands that are dependent on general and modern trade, we have built a strong presence on q-comm platforms from the very beginning.”

AKASH AGRAWALLA, co-founder, ZOFF Foods



definitely spent a few hundred million dollars on that, no doubt about it,” Palicha admits. “But we felt it was the right call, because it cemented our position in the market.” He emphasises that mature dark stores continue to run profitably, with 6–7 percent Ebitda margins. (Ebitda is short for earning before interest, tax, depreciation, and amortisation.)

So, will the quick commerce model ever stop burning cash?

Palicha believes it will. “You can expect us to keep improving Ebitda every quarter to a point where, before the end of next year, or by the second half of next year, I think we’ll be in a very good position on our bottom line,” he says.

That conviction comes from the performance of profitable stores. “The reason why people have conviction, investors putting capital behind us consistently, is because we have been able to consistently show stores running profit,” says Palicha further. But, for him, scale is just as critical as profitability. Using hypothetical numbers to make his case, he says: “If you generate ₹15 of Ebitda per order, you want to do that on 7.5 million orders per day... Then we are talking a couple thousand crores of cash flow.”

For now, though, the aggressive growth phase is catching its breath. “We feel that the market is in an equilibrium currently,” says Palicha. He acknowledges that competitive intensity was high last year, largely driven by Zepto’s own expansion. Once ranked number seven in the online grocery market, it claims to have emerged as one of the top players by a significant margin.

Now comes scale with discipline. The goal is to keep improving the Ebitda quarter-on-quarter while scaling sustainably.

Hedging of bets

While groceries remain Zepto’s bread and butter, it is steadily

expanding into adjacent categories. In electronics and appliances, for instance, it has more than 1,700 products listed on its app—from chargers and headphones to iPhones and smartwatches and everything in between. It has also launched Zepto Café, offering coffee and snacks in 10 minutes. There are also five to six private labels (its own brands) such as Relish for meat and seafood and Basics for pots and pans. Relish has generated ₹1.5 billion in sales since its launch in 2023, say reports.

“There are three reasons to do private label,” says Vohra. “One is when there is white space—no brand is fulfilling a need at a certain price point. Second, when the margins are better. And third, if the product can be cheaper for the customer.”

Fresh meat presented a clear case. But the company is selective. “In categories where those criteria are met, yes,” he says. “It only works if you are genuinely giving customers another option.”

Marketing for these brands remains minimal and focussed within the app. Despite the rise of Relish, overall revenue from private label remains modest for now, in the single-digit percentage range of overall sales.

In May, Zepto launched an advanced data insights subscription platform called Zepto Atom for consumer brands. It also launched Zepto pharmacy in August. Categories like electronics, apparel,

“Zepto is pursuing a ‘scale first and profit later’ approach. It’s an ambitious as well as risky strategy.”

MANISH GANGWAR, professor, Indian School of Business



cosmetics, and others are now clocking approximately ₹350 crore in monthly top line, and industry experts expect this to grow 1.5 times over the next year.

As the model expands, questions have emerged about the viability of delivering high-value items within minutes. The cost of delivery for products like smartphones and laptops is often three to four times higher than in q-comm than in ecommerce, and return rates tend to be elevated—raising concerns about sustainability.

Palicha offers a different view: “Actually, contrary. Our return rate for apparel is, I think, a third or a fourth of what at least ecommerce benchmarks are.” This suggests that though electronics may pose logistical challenges, certain lifestyle categories are thriving within the q-comm model.

Scaling high-ticket items like smartphones and laptops comes with complexities, but cost isn’t necessarily the barrier, says Palicha. “We have got the

opposite feedback—that our cost of doing business (CODB) is competitive,” he says. “Because in quick commerce, you’ve got 1,000 dark stores, and while the working capital overhead is higher, the cost to deliver is actually lower due to shorter distances.”

The biggest challenge lies in inventory and infrastructure management. “It is maybe P&L light, but working capital-intensive. We are solving that by aggregating inventory in clusters, putting stock in two or three dark stores instead of 10, and showing it across all.” This approach helps optimise coverage while reducing inventory load.

Though Zepto does sell smartphones—around 300 a day—Palicha admits it is not a strategic priority. For now, Zepto remains focussed on high-frequency essentials, where repeat purchases drive volume. “From a consumer perspective, I don’t think there’s a strong need for quick delivery of smartphones or high-end fashion,” Palicha says. “But if you put a phone on a shelf and you’ve got footfall, you’ll sell some phones.”



Funding Magnet

TOTAL FUNDING RAISED: **\$2 bln**



Marketing That Moves

Zepto makes close to ₹120 crore a month in advertising revenue. For most direct to consumer (D2C) brands, quick commerce platforms are one of the go-to channels, especially for discoverability.

Asparsh Sinha, managing partner at OPEN Strategy & Design, says: “Our understanding is that consumers don’t deliberate here, they recognise. In under five seconds, they act on memory, context and trust.” According to him, brands that are “well-coded and razor-sharp in terms of positioning and identity” enjoy an advantage on q-com platforms, where speed and familiarity drive conversions.

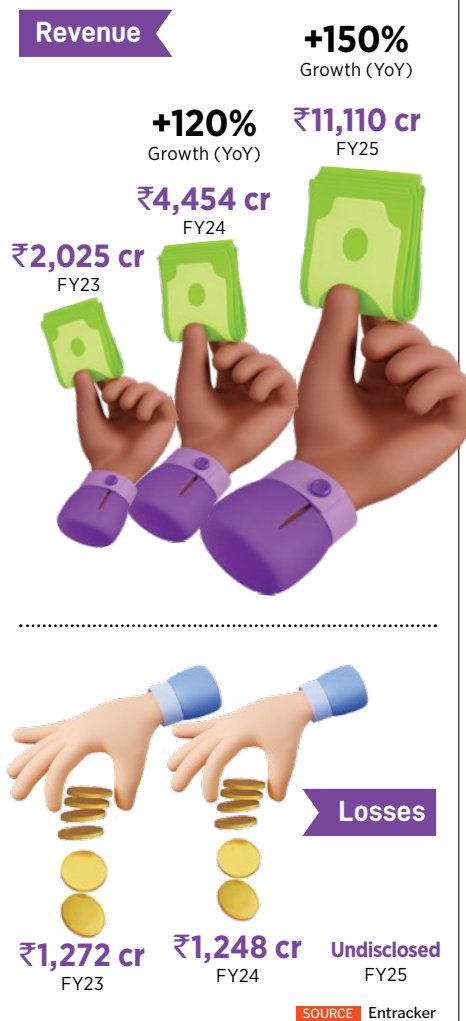
“A lot of new brands that are trying to build a brand from scratch, punt a lot on ad revenue to try to get scale,” says Palicha. “But the platform will not be able to guarantee you scale. It entirely depends on the price point, pack size and quality of the product.”

For emerging FMCG brands like ZOFF Foods, quick commerce has become a cornerstone of discovery and conversion. “Unlike many FMCG brands that are still heavily dependent on general trade and modern trade, we have built a strong presence on q-comm platforms from the very beginning,” says Akash Agrawalla, co-founder, ZOFF Foods.

ZOFF reinvests 10–15 percent of its q-comm revenue into ads and visibility on these platforms—more during the festival season. Agrawalla says the return on investment is more immediate and measurable compared to traditional digital channels.

For Two Brothers Organic Farms, quick commerce plays a different role. “Quick commerce for us is largely about convenience, not discovery,” says its co-founder, Satyajit Hange. Most of its consumers first engage with the

Financial overview



brand through its D2C platform or social media and then turn to q-comm for faster deliveries.

Over the past year, Two Brothers says its q-comm business has grown nearly 10-fold.

However, for Zepto, a chunk of its advertising revenue comes from established brands such as Coca Cola, Unilever, and P&G.

Chasing Scale, Drawing Cheques

In the period marked by the so-called funding winter, Zepto stood out not just for raising capital, but also for attracting it from unexpected quarters, including Indian investors like

Motilal Oswal. What makes Zepto such a money magnet?

Palicha attributes this to consistent growth and disciplined execution: “Last year, we were able to keep growing the business 100 percent-plus year-on-year for two years straight, and we were able to keep improving Ebitda. It is as simple as that.”

He dismisses the idea that investor interest is driven by hype. “People think that we raised a billion dollars because people like my smile,” he says with a smile. “No, it is not true. Investors are simple, rational people. They want to see top-line growth. They want to see the bottom line improve. It is as simple as that.”

Zepto’s 250 percent growth in the past year has helped. “We said, ‘we’re gonna burn capital,’ but we’re not going to burn capital and give you ‘okay growth’. We are going to give you stellar growth,” Palicha says.

Unlike many consumer internet companies that rely on deep-pocketed backers, Zepto has built its funding base through independent investors. “We don’t have a large big bankroller,” Palicha says. “We are getting independent investors all the time.”

He believes funding is a tool, not a crutch. “We always need to consistently show the numbers,” he says. “And, right now, we have obviously spent a lot of capital, but over the next 12 months, we think we will be able to show numbers that are compelling enough on both top line and bottomline.”

Q-comm is in a sweet spot and Zepto exemplifies this momentum, says Ankush Chandgothia, head-family office, at Mankind Pharma, which invested in November 2024. “When we invested, Zepto was in terms of GMV doing about ₹1,200 crore per month. Within eight months of our investment,

sales grew to ₹2,700 crore GMV per month. Our entry valuation was \$4.6 billion pre-money and we were confident this investment will give decent returns,” he says.

He sees that stores are getting profitable within 18 to 20 months and capital turnaround is fast. “Zepto’s market share is growing. This capital efficiency and execution gives us the confidence that Zepto has the ability to sustain and lead in this space despite competition,” Chandgothia says.

While Zepto isn’t in need of more funding, Palicha believes in raising capital when the terms and timing are right. “Whenever you have the opportunity to raise equity cash from high-quality investors at good terms, you should always do it.”

He acknowledges the risks of overcapitalisation but thinks they are manageable. “I’d rather have a problem that I have to solve than a problem that I’m dependent on the kindness of strangers to solve. The game is to build a very large company. It doesn’t matter if I own 9 percent or 11 percent of it,” he says.

Momentum to Maturity

Recently, Zepto faced criticism over expired products in dark stores and dark patterns on its app. Palicha believes the expired product issue was “blown out of proportion”, and says the image in question was taken from a non-sellable section meant for expired, defected and rotten goods, not items intended for sale. The store was audited and reopened within days, with no major lapses found.

The dark pattern controversy, however, led to introspection. “We did things on delivery fees and pricing. We tried experiments... and a lot of the feedback was valid,” Palicha admits. “It was a mistake. It won’t happen again.”

The focus now is no longer just on acquiring new users but on



“Quick commerce for us is largely about convenience, not discovery. Our quick commerce business has grown nearly 10x in the past year.”

SATYAJIT HANGE, co-founder, Two Brothers Organic Farms

deepening engagement and unlocking wallet share.

“Now that the scale is quite meaningful, we are going to keep acquiring customers organically. But we don’t have to go crazy on that,” says Palicha.


Instead, the next phase is about getting more spends from each customer. That means expanding selection, adding new use cases, and passing back value. “Can we operate with lower fees, lower prices?” Palicha wonders. “Can we operate with less friction on the platform... and do it in a way where we lower our cost structure to a very lean cost structure to be able to afford to pass on some value to the consumer?”

Professor Manish Gangwar of the Indian School of Business contrasts the strategic philosophies of DMart and Zepto, highlighting

how DMart’s “profitable growth is owed to stringent cost control and leaving out ‘nice-to-have’ customer experiences”. In contrast, Zepto is pursuing a “scale first and profit later” approach, investing heavily in dark stores and operational convenience to deliver on its promise of instant delivery. Though this rapid scale is ambitious, Gangwar cautions that it is also risky. He emphasises that platforms must “balance user convenience with disciplined expense management for long-term viability”, and that success in quick commerce will ultimately depend on “cost discipline, optimised operations, and measured expansion—rather than offering ‘too much too soon’.

The competition is heating up—with Blinkit and Instamart spending in full throttle to capture market share.

“Right now, the only sustainable edge long term is execution,” says Palicha. “I personally believe this game is all about cost excellence.”

Zepto’s early success, he explains, was built on relentlessly reducing costs. “We are just going to nibble away at cost, paisa-by-paisa, basis point-by-basis point, and just optimise.” 

YOUNG, NOT RECKLESS

What it's like to be 23-year-old founders at Zepto

At 23, Aadit Palicha and Kaivalya Vohra are among the youngest founders in

India's startup ecosystem. Their journey to building Zepto wasn't a story of impulsive decisions or youthful bravado. It was one of calculated risk, relentless learning and a lot of convincing.

"People think we dropped out on a whim. It wasn't the case," Palicha says. "We built the business, found product-market fit in a dark store in Bandra. Only then did we drop out of college in 2020. It was a thought-out decision, not an impulsive one," he adds.

They were scheduled to enroll at Stanford in September 2020, but pushed it to 2021. By July that year, Zepto had launched. When Stanford came calling again, the decision was surprisingly easy. "It was a five-minute conversation," Vohra says. "We asked ourselves: What are we going to regret more? Even if this crashes and burns, the amount of learning we've had in the last year was insane."

"I remember my mom saying, 'Return the money, and just go to college'," Vohra laughs. "It took about 12 hours of convincing and pleading." He eventually visited Stanford two years later. "The campus is beautiful, the weather is great, but there was no regret. It certified that this would've been fun—but what I'm doing now is a thousand times more exciting."

Execution Over Ego

Palicha never felt the need for formal training or a CEO coach. "I think the



best teacher is action," he says. "We try to do our homework, know what we're doing, get into details and discuss things rationally."

Much of Zepto's growth has come through trial and error: Wrong hires, flawed decisions and mistakes that force introspection and course correction.

Nikhil Mittal, Zepto's CTO and first employee, says, "Age has never been a factor." He believes the founders' lack of experience was an advantage. "People without experience come without baggage. There was a lot of energy—I could see they wanted to build something big."

Ankit Agarwal, Zepto's CPO, agrees. "Since my first interaction with them, it's never been about


age. It's about maturity—both professional and emotional—and IQ." He adds, "A young person saying, 'I can disrupt this market' which even large ecommerce players haven't cracked successfully in India... that's bold."

What stood out most was their collaborative spirit. "There were times when Nikhil and I didn't agree with Kaivalya and Aadit. But it was never, 'I'm the founder, do this'. It was always, 'Let's discuss'. That's how you build large companies," says Agarwal.

Aayush Agarwal, co-founder of Snabbit, and formerly part of Zepto's leadership team, says: "I was the third youngest in the leadership team—Kaivalya and Aadit were younger than me. For

people like me, it was great. No one was questioning your age anymore."

He credits Zepto's culture for enabling young leaders to thrive. "The ability to challenge and drive things was something Zepto allowed," he says. "They understood they got lucky and quickly went deep into execution. At that age, to understand what execution means is rare. You can easily get swayed by everything happening around you."

Palicha is aware of the intensity that comes with building a company. "It's a lot, but it's not crazy. I've seen crazier work in life," he says. The early days, he admits, were different. "The first seven to eight months were unbelievable." 

Need eggs,
flour, milk,
butter, baking
soda...



STEP 1: Customer places an order at their home

DASHING IN THE DARK (STORE)

Cramped dark stores are tech-enabled, micro-warehouses where the countdown begins once an order is received, and is processed within minutes

By NAINI THAKER



STEP 2: Order Placement and System Integration

When a customer places an order through the app, it immediately reflects in the store's Warehouse Management System (WMS). This system is designed to manage everything from inventory to picking and packing. The order appears on the packer's handheld device, showing the order ID, items, and their respective bin locations. This ensures visibility and traceability from the very beginning.



STEP 3: Order Assignment and Visibility

The system assigns the order to a packer, who must be online and ready to accept tasks. The device displays all relevant details, including the EAN (European Article Number) for each item, which must be scanned to confirm accuracy. The system also tracks productivity using a metric called IPP (Items Per Pick), which calculates how many items a packer picks per unit of time.



STEP 4: Picking up bags and scanning their labels

Each bag is scanned and tagged to the specific order ID, creating a digital link between the physical package and the order.

STEP 5: Picking Items from Designated Zones

The dark store is divided into multiple zones based on product type and storage requirements: Dry goods, chiller, freezer, meat/milk room, and ambient temperature zones.

Packers follow a sequential picking route optimised to prevent damage (e.g., fragile items like eggs are picked last). Each item is scanned to ensure it matches the order exactly, preventing errors like picking the wrong brand or variant.



D

Dark stores are the most critical cog in the wheel for quick commerce companies to run smoothly. From the moment a customer places an order to the time it's delivered at their doorstep, every step has to function seamlessly, and very quickly within these high-efficiency, tech-enabled spaces. Unlike traditional retail outlets, dark stores are not open to walk-in customers; they exist solely to sort, pack, and dispatch online orders

with speed and precision. At their core, dark stores are designed to handle a growing number of orders by maximising operational efficiency, inventory density, and proximity to demand, which together generate higher revenue per square foot. They operate with lower overheads, higher inventory density, and greater flexibility. Located in smaller, cost-effective spaces compared to brick-and-mortar retail shops, they bring products closer to demand hotspots. This proximity is critical to fulfilling the promise of 10-minute deliveries. The model is powered by advanced warehouse management systems and AI-led inventory planning. These systems track rate of sale, optimise product placement, and ensure real-time visibility across supply chains. Every product is tagged, scanned, and tracked; fast-moving items are placed closest to dispatch zones, while slower-moving goods are kept deeper inside the store. Quick commerce relies on its ability to predict hyperlocal demand, and



STEP 6: Quality Control and Expiry Checks

During picking, packers perform quality checks to ensure items are not expired, damaged, or substandard. Perishable items like dairy and fresh produce are checked multiple times a day. If an item fails QC, it is removed from the system and either replaced or marked for return. This ensures only fresh and safe products reach the customer.



STEP 7: Packing and Bag Tagging

Once all items are packed and put inside the bags, they are placed in colour-coded pigeon holes (e.g., Red 1, Blue 3), which serve as designated pickup points for delivery riders.



tailoring inventory to specific PIN codes. A product trending in one neighbourhood may not move in another. This requires agile supply chain planning, fast replenishment cycles, and tight coordination, especially during demand spikes such as festivals or cricket matches.

Despite the consumer love for instant delivery, profitability remains a challenge. The economics of dark stores hinge on high order volumes, operational discipline, and customer retention. While some are turning profitable, others struggle due to intense competition and the scale of investment required.

As the sector matures, the focus is shifting from speed to building resilient and scalable ecosystems. Success will depend on balancing innovation with cost control, expanding into broader retail

categories, and earning long-term consumer trust. **F**

STEP 8: Delivery Rider Pickup

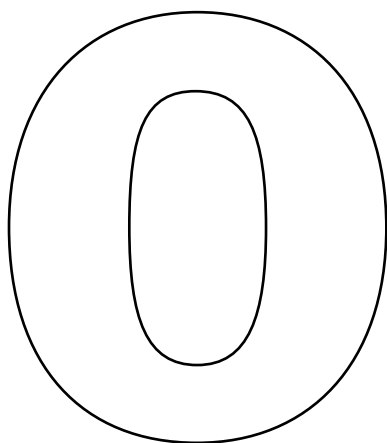
Riders arrive at the store and scan the order barcode at the pigeon hole. They do not enter the store; the pickup is contactless and efficient. The app shows them the delivery location, but no personal contact details are shared.



A MAD RUSH

Forbes India reporter's first-hand experience of visiting and packing orders inside a dark store in Bengaluru

By NAINI THAKER



On September 12, I arrived at Zepto's dark store in Bellandur, a suburb in Bengaluru, 15 minutes early, only to discover that the entire lane was a hub for quick commerce. Zepto, First Club, Swiggy, Blinkit—every major player had a presence there. It felt as if the street had been taken over by dark stores. While waiting outside, I noticed a constant stream of delivery personnel zipping in and out on Yulu e-bikes. At least 10 riders entered or exited

Zepto's store within 2 minutes.

Outside, an informal ecosystem had sprung up. A woman sold rice, dal and egg curry from a cart. There was a tea stall nearby, a snack shop and a Yulu bike centre. Before rushing into the store, delivery men placed orders with her for lunch, asking her to pack their meals. Quick UPI payments and quick meals—time is money for them.

Once inside the Zepto superstore, I was struck by the sheer organisation. Spread across 5,000 sq



Inside Zepto's dark store in Bellandur, Bengaluru, a packer assembles orders

CARBELIM: AN IIT MADRAS INCUBATED CLIMATE-TECH MAKING BUILDINGS BREATHE AND CITIES COME ALIVE

Across the world's fast-growing cities, air pollution has become an invisible crisis. Rising CO₂ emissions, fine particulates, and industrial pollutants have turned urban air into a public health hazard. While mechanical filters and tree-planting campaigns provide partial relief, neither offers the scale or speed required for a climate-positive future.

That is where Carbelim steps in. Incubated at IIT Madras Incubation Cell and accelerated by IIM Lucknow EIC, Carbelim is reimagining the very air we breathe. Its innovation is simple yet radical: harness the world's most efficient carbon capturers microalgae to transform polluted city air into breathable oxygen and valuable bioproducts.

From Nature's Blueprint to Urban Innovation

Founded by Dr. Karthika Gopi, a scientist-turned-entrepreneur with a PhD from UAE University in nature-based carbon sequestration, Carbelim fuses biotechnology, engineering, and sustainability to address one of humanity's most urgent challenges. At its core lies a bold vision: that every wall, façade, and home can become a living carbon sink.

Microalgae, often called the "lungs of the planet," naturally capture CO₂ up to 50 times faster than trees. Carbelim has advanced this process through its patent-applied BioMimetic Facade panels, achieving photosynthetic efficiency up to 400 times greater than trees. A concrete façade is no longer wasted space; it becomes a vertical ecosystem capturing CO₂, releasing oxygen, and cooling the urban microclimate.

Living Micro-Algae Systems: Air Purification You Can Measure and Monetize

Carbelim's systems are powered by IoT-enabled monitoring, optimizing algae health, nutrient balance, and oxygen release in real time. Its web and mobile platforms provide measurable data on CO₂ sequestration, TVOCs, formaldehyde, NO_x, SO₂, and fine particulates (PM2.5/PM10)—the pollutants most responsible for smog and respiratory illness.

This measurable transparency turns Carbelim's solutions into accountable climate assets, easily integrated into ESG reporting, carbon credit markets, and



A bus stop retrofitted with CBF™ panels, functioning as an urban carbon sink with the air-purifying capacity of 10 mature trees

smart city dashboards. As CTO Rahul Babu, a technology builder and innovator with hands-on global expertise emphasizes: "We wanted to build a solution where people can see, in real time, how the air around them is improving. Clean air shouldn't be invisible—it should be measurable."

From Prototype to Pilots: Campus Fund Fuels Carbelim's Next Phase

Alongside Dr. Karthika Gopi and CTO Rahul Babu, COO Gopakumar G—a strategist with international experience in scaling businesses—completes Carbelim's leadership team. Together, they bring a rare combination of scientific expertise, engineering innovation, and strategic vision, steering the company's journey from lab-scale research to an emerging global climate-tech force.

Carbelim recently secured a pre-seed round led by Campus Fund, providing critical early capital to accelerate its technology from prototypes to pilot deployments.

"Carbelim is tackling one of our most pressing global challenges—urban air pollution—with an ingenious biological solution that creates value rather than just consuming resources," said Richa Bajpai, Founder & CEO of Campus Fund. "We're backing a world-class founding team with deep domain expertise who are building technology that can literally clean the air we breathe while generating sustainable revenue streams."

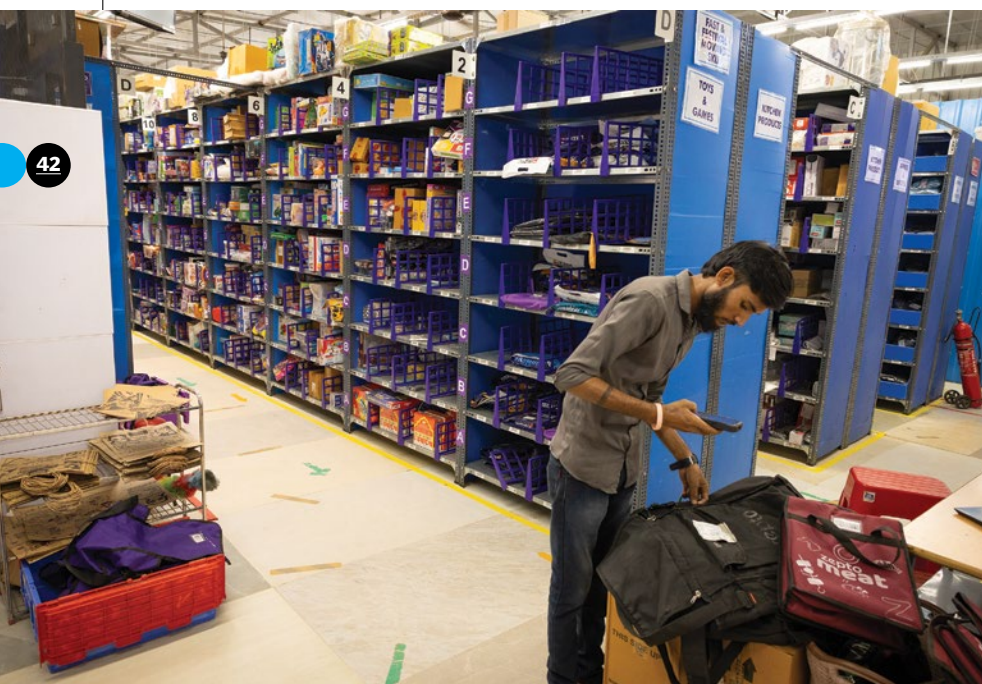
From Industry to Homes

Carbelim began as an industrial and community solution provider, deploying large-scale systems for smart cities, airports, and corporate campuses. Today, it is extending its reach into the consumer market with a plug-and-play indoor air purification unit.

Designed for homes and offices, this microalgae-based purifier goes beyond traditional filters. It not only removes pollutants but also captures CO₂ and releases fresh oxygen, bringing the benefits of living nature indoors. With this shift, Carbelim is making climate-tech personal and accessible, ensuring that everyone—not just institutions—can breathe cleaner, healthier air.



A building integrated with CBF™ panels capturing 52 kg CO₂ per m² annually while releasing 25,000 L of oxygen, alongside a PureAir Tower™ delivering the air-purifying impact of 15 trees.



(Above) Delivery men line up outside the dark store, moments before dashing in to collect orders; (below) before the packing begins, each bag is scanned to streamline fulfillment and prevent mix-ups

ft, the space was neatly divided into aisles labelled with alphanumeric codes. From apparel and toys to high-value electronics, everything had their place. Tiny items like rubber bands and oil sachets were stored in multi-compartment trays—an ingenious way to save space.

Later we entered the 4,500 sq ft

dark store dedicated to groceries and perishables. It was segmented into ambient, chiller and freezer zones, housing everything from fresh produce to dairy and frozen goods. Then came Zepto Café, where a chocolate sandwich and Vietnamese iced coffee were being prepared within minutes. In the

“Outside the dark store, a woman sold rice, dal and egg curry from a cart; there was a tea stall nearby, a snack shop and a Yulu e-bike centre.”

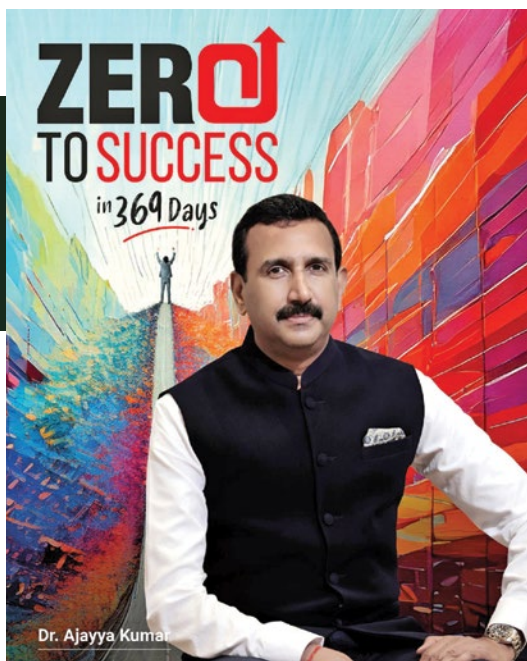
end, we visited the pharmacy, stacked with medicines, each order vetted by a doctor before dispatch.

Every time an order came in, a siren rang out and packers sprang into action. Just when I thought my dark store tour was over, I was handed a scanning device and told to pack an order. Curious to get a first-hand experience, I left my bag with the security and got to work. My first order was butter chicken from Zepto Café. I scanned the bag and placed it in the designated pigeon hole—BLU 3, colour-coded in blue. Scanning was the key at every step.

I got to deal with another order immediately after. I picked up the assigned bag (they have a wide range) and scanned it. Then I began packing the items—unsweetened cocoa powder was the first, mentioned with the aisle and section number (I needed help finding it), followed by dark chocolate (at the other end), unsalted butter and eggs. I had to run all over the dark store, looking for and packing these items.

After we placed the final order bag, I asked the packer who was running with me, “How many steps do you get in a day?” She just laughed, but I assume more than 20,000 daily.

I packed two more orders before they took the device offline to stop the flow. It was a mad rush. As a user, I left with newfound respect for quick commerce. Nothing could have offered deeper insights into this industry than this hands-on experience. It's not just speed—it's science, precision and relentless coordination. **F**



TRANSFORMING LIVES: DR. AJAYYA KUMAR'S SUCCESS369 FORMULA!

At its core lies the Success369 Theory: three questions, six principles, and nine pillars of growth. It isn't a checklist but a living cycle of reflection, alignment, and transformation. And at the heart of it all is SOUL — Self-Optimizing Uplifting Lifeguide — the platform's AI mentor. Unlike conventional AI guides that offer quick answers, SOUL listens, reflects, nudges, and celebrates growth. *"SOUL isn't just AI — it's Aware Intelligence. A mirror to the best version of yourself,"* Ajayya explains.

Yet what makes Ajayya's story compelling is that he does not limit his vision to corporate corridors or digital platforms. Through the Ajayya Bharathi Foundation, established in memory of his mother, he advances mindful parenting — guiding families to raise resilient, compassionate children who can become the torchbearers of tomorrow. Monthly sessions moderated by Dr. Kiran Bedi have brought together parents, educators, and professionals, turning personal experiences into shared wisdom. It is a reminder that success, at its deepest, is about shaping lives at home as much as in the marketplace.

His cultural ventures carry the same spirit. Through the Sarvamangala Trust, Ajayya has supported art and film as catalysts of reflection. His award-winning curations and books like the *Business Gita series* and *Lessons from 21 Films* reveal an instinct to draw leadership insights from unexpected places — ancient scriptures, popular cinema, even everyday experiences. Firefly Films, his film venture, extends this creative canvas, nurturing stories that connect heritage with modernity, vision with values.

It is this breadth that makes Ajayya's journey distinctive. As Chief Operating Officer of Emircom, a leading ICT integrator in the GCC, he has guided the company through a phase of remarkable growth and transformation. Yet his work and influence extend far beyond corporate leadership. He is an author of seven books, a TEDx speaker, an award-winning art curator, a philanthropist, and the architect of Zero to Success — a mentorship platform redefining how success is pursued across geographies.

Recognition has followed, but Ajayya treats it as validation, not destination. Named Global Asian of the Year 2021–22 by AsiaOne Magazine, *World's Best Emerging Leaders 2022* by WCRC International and most recently, *Excellence in Management, Arts, Culture & Literature from The Economic Times*, affirm that initiatives rooted in purpose resonate globally. He represents a generation of leaders who measure impact not only by revenue or reach but by relevance and resonance.

"Success isn't about titles or timelines," he says. "It's about the lives we shape — our own, and those of the next generation."

Ajayya's story carries a universal lesson. Success today is not about racing faster, but about aligning deeper. It is about clarity that anchors ambition, purpose that fuels action, and creativity that keeps leadership human.

Zero to Success is not just a book or a platform. It is Ajayya's conviction that success, when rooted in clarity and values, can ripple outward — shaping families, organizations, and future generations.

His story reminds us that success is measured not just by positions or the pace of achievement, but by the lives we shape and the impact we leave behind. In a world rushing toward the next milestone, Ajayya Kumar's philosophy offers a quieter, deeper truth: real success begins within — and grows strongest when it inspires others.

"Success without clarity is failure in disguise." For Dr. Ajayya Kumar, this isn't just a personal mantra — it's the foundation of a movement.

From one generation to the next, the definition of success keeps evolving. For the Boomers, it was often measured in financial stability and home ownership. Millennials and Gen Z, shaped by new realities, place more value on flexibility, fulfillment, and impact. And as Gen Alpha comes of age, their version of success may be anchored in creativity, sustainability, and digital fluency — preparing to thrive in a world even more complex and interconnected.

Today, success is no longer only about climbing corporate ladders or chasing quick wins. It is about clarity of purpose, nurturing families with meaning, and equipping the next generation to navigate uncertainty with confidence. This broader, more human definition of success has given rise to ideas that resonate far beyond boardrooms and bookshelves. Professionals, entrepreneurs, and even students are asking how to manage time, energy, and priorities to reach their potential without losing clarity along the way.

That belief inspired Zero to Success in 369 Days — a step-by-step guide to help people move forward with clarity, confidence, and strength. What began as a book has now evolved into a digital ecosystem — zerotosuccess.org — where timeless lessons meet modern technology. The platform delivers the book's insights in a personalized, interactive format, making them practical for different contexts — whether someone is managing a career, building a business, or striving for personal growth. By merging structured guidance with adaptable technology, it brings the timeless quest for self-mastery into a modern, accessible framework.

SCAN, PACK,



DELIVER

Wonder how orders on quick commerce platforms get delivered in minutes? Here's a pictorial look at the chaos and precision inside a dark store

Photos by MADHU KAPPARATH. Text by NAINI THAKER



Packers at Zepto's superstore in Bellandur, Bengaluru, **retrieve items for online orders**. The aisles are numbered and subsections alphabetically marked, allowing packers to locate items easily. Each order comes with exact location data. Overhead screens track the order in real time, offering a live view of its progress—from pick-up to dispatch



Each item is scanned into the system before being put on a truck that comes from the mother hub. This process updates the store's inventory in real time, ensuring that every product is accounted for and ready for order fulfillment

Each aisle and section within the dark store is systematically labelled, with **numbered rows and alphabetically marked subsections to streamline navigation** and speed up pick-ups





A puff being prepared (left) at the Zepto Café, which is set up alongside the dark store and superstore

Once prepared, the puff is carefully packed (above) and ready to be dispatched as part of an order

A coffee-making workshop (below) at the Zepto Café. The staff is trained to prepare new variants and improve consistency in beverage orders





By ANUVRAT JAIN

WHY WE CHOSE TO INVEST IN ZEPTO

Few companies have managed to surpass their own projections of scale like Zepto has

I first met Aadit [Palicha] in early 2022, when his startup had already become Zepto. While KiranaKart was just the legal name, Zepto, the quick-commerce platform, had taken shape and started becoming synonymous with quick-commerce. Back then, it was a very young company, just seven or eight

months into operations.

My first thought was, “*Ye kaise possible hai* [how is this possible]?” I was both surprised and intrigued that this [10-minute deliveries] could happen and not in just one city, but in multiple cities.

Back then, Aadit and KV (Kaivalya Vohra) were not even 20 and I did not anticipate how Zepto and other Q-comm players (Blinkit, Swiggy Instamart) would

change India’s commerce forever. For example, in the ecommerce world, Amazon Prime was already there and had other benefits like Prime Video. But it had not caught on beyond a certain income stratum and cities.

We decided to stay in touch and closely track Zepto. I thought it was a unique company and wanted to track it closely because of the business model Aadit, KV and the team had built. Aadit has this infectious energy and passion to change how consumers shop for essentials in India. Soon we realised, the relentless energy

was not limited to Aadit, it was present across his team. Take KV for example. He is the force behind the technology and operations, driving growth from within, while Aadit spends a lot of time on growth initiatives and fundraising.

As we kept meeting the team, we learnt more about their business. By then, we had made a few more growth investments in the region. Still, it took time to build our conviction.

For us, the moment came early last year when we realised that we had to be in this company. By then, we had engaged and followed the progress of Aadit, KV and Zepto for almost two years and were in touch consistently with the company. There are few companies and founders who give projections that “we will get to X scale in such time period” and achieve more instead. Aadit and Zepto always achieved 1.5 to 2x.

“Zepto exhibited that a large number of dark stores can generate credible Ebitdas in high single digits.”



EARTHEN CONNECT: PROMOTING SUSTAINABLE LIVING WITH TRACEABILITY AND FAIR-TRADE PRACTICES

“ *Technology is the foundation of a transparent and sustainable agri-tech ecosystem. It doesn't just digitize processes; it builds trust, ensures accountability, and connects farmers to global markets. By leveraging innovation, we can create a food system that is both efficient and equitable.”*

Vaibhav Sinha

Founder & Managing Director,
Earthen Connect Inc.

Earthen Connect Inc., focused on sustainable living and ethical trade, is working to change the relationship between consumers and the food they consume. Founded in 2022 in Canada, the company combines natural farming with technology to create a farm-to-fork model that prioritises traceability and fair compensation for farmers.

Earthen Connect offers a range of natural products directly from farms, free of adulterations, including spices and cereals. Each product can be traced through a QR code, allowing customers to track its journey from farms to tables. Information about the origin, handling, shipping, and certification is also easily accessible.

Vaibhav Sinha, Founder and Managing Director of Earthen Connect, said, "We believe consumers today want more than just natural products. They want trust, visibility, and the assurance that what they buy supports both the environment and the farmers who grow it. At Earthen Connect, we are using technology and fair-trade principles to make that possible."

With a subscription-based and direct-to-consumer

model, the company makes it easier for households to access natural products while giving farmers a steady and fair return for their work. By connecting local producers with urban buyers, Earthen Connect is trying to build an ecosystem where conscious consumption and sustainable farming go together.

Natural and organic markets face challenges such as complex supply chains, lack of standardisation, inconsistent quality, certification fraud, and limited infrastructure. Earthen Connect's traceability systems address these challenges by providing detailed production information. They serve as a quality assurance measure and also highlight the environmental footprint of the farming methods used. Moreover, the systems act as an educational tool, raising awareness of organic farming practices and encouraging sustainable choices.

Its portfolio spans spices, honeys, super-foods as well as cereals. Earthen Connect's vision is to make ethical consumption a part of everyday living and emerge as a key player in the shift towards responsible food systems.



Zepto exhibited that a large number of the dark stores can generate credible Ebitdas in high single digits. The entire industry was thinking how this was even possible.

When you back such companies, you want to be part of that journey for a very long time. These founders do not want to pause or slow down after reaching a certain stage. They do not want to stop when the opportunity is as large as India's grocery market and rapidly expanding beyond it. So, our view was that we will support this company as much as possible.


Lightspeed has invested in three rounds so far and it is one of the largest investments by our Growth practice in India. That is how strong our conviction is.

The decision, first time, required us to think through how large this could be and what would

steady state economics look like. The question was never "if this will work in India", as the Indian landscape and consumer behaviour is different from the West when it comes to household grocery consumption. Let me give you an example: In the US, households typically stock food for several days. In India, cosmopolitan homes, daily cooking, and a preference for freshness make frequent replenishment essential. Also, the population density in India is very high, and labour here is relatively cheap compared to the US.

“The question was never ‘if this will work in India’, as the Indian landscape is different from the West.”

Somehow, amid all this discussion, the age of the founders never came up for us. Their being young was actually an advantage, because it gave them the hunger to challenge norms, the resilience to take bold risks, and the ability to attract top young talent. Lightspeed has a history of backing young founders. I'll give you examples: Ritesh [Agarwal] was 19 or so when we invested in OYO; we invested in Pixxel when both its founders were in college; same for Razorpay, and look at the behemoth they have created.

For the entirety of the time I have known Aadit, one thing has been consistent about him: He outworks everyone, he out-executes everyone, and he questions everything. 

JAIN IS PRINCIPAL, GROWTH INVESTING, WITH LIGHTSPEED
AS TOLD TO FORBES INDIA



(From L-R) **Mr. Mahesh Pansari**, Director at Primarc Group & **Mr. Sidharth Pansari**, Director at Primarc Group

In Kolkata's dynamic real estate landscape, few names have risen as swiftly, and with as much distinction, as Primarc. Under the leadership of Sidharth Pansari, the youngest ex-President of CREDAI Bengal, the company has transformed from a promising player into one of the city's fastest-growing and most innovative developers, setting benchmarks across residential, commercial, hospitality, and retail.

At the heart of Primarc's success is a simple but powerful philosophy: every space must be more than four walls. It must reflect design that is thoughtful, functionality that enhances life, and quality that stands the test of time. Whether it's an ultra-luxury address in the heart of the city, a bustling mall that has become a community landmark, or a state-of-the-art workspace redefining how professionals interact, Primarc has made design its central differentiator.

"Luxury today is not about excess. It's about detail," says Pansari. "From the texture of a material to the way light enters a room, every decision is deeply considered. That's how you create experiences, not just structures."

This design-first approach has driven some of Kolkata's most iconic projects. The Ramdulari has become synonymous with ultra-luxury, proving that the city can host residences rivalling the finest global addresses. The Soul and Southwinds set new benchmarks for residential community living. With Primarc Aadrika overlooking the Ganges, Primarc is curating riverfront living in Howrah, where spirituality, luxury, and community coexist.

Primarc's commercial footprint has been equally bold. With Primarc Square (a vibrant mixed-use hub), Primarc Chambers (Kolkata's smartest workspaces), and Junction Mall (Durgapur's premier shopping

DESIGN IS THE ULTIMATE DIFFERENTIATOR: THE STORY OF PRIMARC

destination), Primarc has redefined how people work, shop, and socialize. The group also acquired Bengal's leading IT/ITeS hub from DLF, now managed as RDB Primarc TechPark, expanding its portfolio into IT parks and underscoring its commitment to powering India's digital economy.

Yet the company's ambitions extend beyond Bengal. Its expansion into Bhopal marks the first chapter of a pan-India vision. With upcoming residential and commercial developments, Pansari aims to bring the brand's unique blend of design and dependability to a wider audience. "Bhopal is a city of heritage, culture, and aspiration," he says. "We see tremendous opportunity to create spaces that serve not just as buildings, but as catalysts for growth and community."

Some projects remain under wraps, but insiders suggest they will be among the most pathbreaking developments in India, poised to set new benchmarks in ultra-luxury and change the way the market defines exclusivity.

Alongside its reputation for design and innovation, what truly sets Primarc apart is the way it puts customers at the centre of every decision. Buying a home is often the biggest financial and emotional commitment in one's life, and Pansari is determined to make that journey simpler. Transparency, clarity, and care are built into every touchpoint, ensuring that the experience of choosing and owning a Primarc property feels as seamless as the finished product itself.

That dependability extends to delivery. In an industry where delays are often seen as inevitable, Primarc has built a rare reputation for reliability. Every milestone is tracked meticulously, every handover planned with discipline, so that timelines are not just met but respected as promises. "A promise is a promise," Pansari says. "Your time is valuable, and so is our word."

The same discipline applies to quality. From the choice of materials and finishes to the systems and services that support everyday life, Primarc holds itself to uncompromising standards. Every detail is scrutinised not only for immediate impact but also for long-term durability and everyday delight. The result is homes and spaces that are not just highly desirable, but enduringly valuable.

For Pansari, real estate goes beyond building and into shaping how people live, work, and interact. That vision has fuelled Primarc's growth and its reputation as a brand trusted by more than 9,000 families and businesses. As the company looks to expand its footprint and strengthen its portfolio, one thing remains constant: the pursuit of creating extraordinary spaces.

"In the end," Pansari reflects, "we don't measure success by square feet built. We measure it by trust earned, promises kept, and lives enriched."

"Luxury today is not about excess. It's about detail," says Pansari. "From the texture of a material to the way light enters a room, every decision is deeply considered. That's how you create experiences, not just structures."

Mr. Sidharth Pansari,
Director at Primarc Group



Rebuilding TAFE

After a protracted legal battle with US agricultural machine manufacturer AGCO, Mallika Srinivasan is leading the tractor maker with renewed vigour

By MANU BALACHANDRAN

It's been a fierce few months at one of the country's largest tractor makers. But, at the end of it all, if anything, the relentless Mallika Srinivasan and her tractor company, Tractors and Farm Equipment Ltd (TAFE), have only emerged stronger.

In July, after a year-long battle with American agricultural machine manufacturer AGCO, TAFE, started by Mallika's grandfather S Anantharamakrishnan, decided that all commercial agreements between the two companies were to be terminated, with the brand ownership of the legendary Massey Ferguson tractors now firmly with TAFE for the India, Nepal and Bhutan regions.

The deal also saw all legal proceedings terminated, and TAFE agreeing to participate in future share repurchase programmes that AGCO executes, while retaining the right to maintain, but not exceed, its current ownership level of 16.3 percent. TAFE is the single largest shareholder in AGCO, the third-largest farm equipment manufacturer in the world, after Deere & Company and CNH Industrial. On the other hand, AGCO holds 21 percent of TAFE, and TAFE will now also forgo its board nomination rights, vote its AGCO shares in line with management, and abstain from activism.

In many ways, the end of the long-standing rift between the Indian tractor giant and the American agri major marks a new beginning for TAFE and Srinivasan, whose husband and son, Venu Srinivasan and

Sudarshan Venu, respectively, control TVS Motors. Massey Ferguson, the brand that TAFE built and nurtured over the past six decades, contributes to 55 percent of its sales in the country. Last year, in April, AGCO announced the termination of its agreements with TAFE, including the brand licence for Massey Ferguson, leading to a legal tussle.

"In the deepest interiors of the country, the Massey Ferguson brand has an enormous following, and, for many, it's an aspirational brand," an industry veteran says on condition of anonymity. "Despite not being the largest tractor maker in the country, they command good brand equity. Now, with TAFE holding complete rights over the brand in India, they will be able to kickstart their journey with renewed vigour."

Srinivasan, who also serves as the chairman of the Indian government's selection board to pick heads of public sector units, sees enormous opportunity in how the company is now busy charting its own path without a foreign partner. "Our industry is a story of solutions for India by India. It's a self-reliance story," she tells *Forbes India*. "India is the largest tractor market in terms of tractor units. India's farm mechanisation has been a unique model because we have small farms, and the rest of the world is much larger. But the developing world is not so industrialised."

"TAFE is the second-largest tractor manufacturer in India, with a market share of 18 percent in FY24, after



Mahindra & Mahindra—the market leader—with 42 percent share,” ratings agency Crisil said in a report. “The group’s market position is backed by its strong brand and presence in the lower and medium horsepower (HP) segments (30 to 50 HP), frequent model launches, and a wide market reach through a vast network spanning more than 1,600 dealers and 2,000 sales outlets across India.”

THE BITTER TUSSLE

Much of the trouble between TAFE and AGCO began brewing after a change in leadership at AGCO in 2020. Questions raised over some investments made by AGCO, in which TAFE had become the largest investor, led to frictions between Srinivasan and AGCO, which eventually led to AGCO questioning TAFE’s right to use the Massey Ferguson brand in India.

Massey Ferguson began operations in India in the 1960s, when the Chennai-based Amalgamations Group decided to manufacture these tractors locally. TAFE was founded as a joint venture between Massey Ferguson, a part of the AGCO Group, and Amalgamations in 1960. It was not until 1974 that the two companies entered into a trademark agreement for limited tractors. This deal was

“Our industry is a story of solutions for India by India. It’s a self-reliance story.”

MALLIKA SRINIVASAN
CEO, TRACTORS AND FARM
EQUIPMENT LIMITED



The Tafe Timeline

1960

TAFE
Incorporated
as a joint
venture
with **Massey
Ferguson**



SOURCE TAFE, reports

further expanded in 1994, granting TAFE the exclusive right to use the Massey Ferguson brand name for its tractor operations in India.

Today, TAFE operates four tractor brands—Massey Ferguson, TAFE, Eicher Tractors and IMT—and exports tractors to more than 80 countries in Asia, Africa, Europe, the Americas and Russia. “TAFE had a peak market share of over 23 percent in FY16, which declined to around 17 percent in FY20, before improving to around 18 percent in FY24, reflecting highly competitive intensity. Besides, tractor sales tend to rise sharply in certain regions in different fiscal years,” says Crisil.

Since its collaboration with Massey Ferguson, TAFE has spent lavishly on design, manufacturing and quality control in the country, and in the process, built the Massey Ferguson brand, selling from just about 300 tractors annually to over 100,000 tractors.

By April 2024, AGCO terminated a key business agreement with TAFE, triggering a legal battle over the use of the Massey Ferguson brand. TAFE, which had long held a licence to manufacture and sell the brand in India, challenged the termination in court and secured interim relief from the Madras High Court. “This decision followed extensive discussions with TAFE over multiple years concerning TAFE’s continued poor operational

Tractors roll out
from the **TAFE
Sembium plant**
at **Chennai**

1961



1981

**Second tractor
manufacturing
facility set up in
Bengaluru**

performance as a supplier, brand licensee and distributor to AGCO, as well as TAFE’s continued lack of focus on AGCO customers in several key markets,” AGCO had said then.

As a result of the termination notices, TAFE subsequently commenced litigation against AGCO in India. Over the next year, various court filings and statements from the leadership revealed AGCO’s discomfort with TAFE’s growing stake, making it the US firm’s largest shareholder.

TAFE acquired the shareholding in AGCO Corporation in 2012, becoming its single largest shareholder and a strategic long-term investor. “As TAFE’s strategic influence increased, rather than address issues plaguing AGCO that have repeatedly called attention to, including flaws with AGCO’s corporate governance, wholly inadequate engagement with shareholder and financial and operational performance in key areas, AGCO sought to stifle TAFE’s ability to seek changes through contentious and ill-advised moves with respect to brand usage that has for over six decades been an uncontested area,” TAFE had said in a statement.

The friction extended beyond shareholding. TAFE had also pushed for governance reforms at AGCO, including a proposal to split the roles of chairman and chief executive officer—both held by Eric Hansotia. TAFE’s concerns were also detailed in a letter to AGCO shareholders dated September 30, 2024, in which the Indian firm criticised AGCO’s

Acquires
**Eicher's tractor
business**

2005



strategic direction, citing missed market opportunities, failed acquisitions and rising costs.

By February 2025, the Madras High Court had decided to maintain the status quo, permitting TAFE’s interim use of the Massey Ferguson brand in India until the issue of brand ownership in India was finally decided. In July, both companies came to an amicable settlement.

IN FULL SWING

With the Massey Ferguson brand firmly under its control, Srinivasan has now set big ambitions for TAFE.

“I have to build value for the future generations, and I have to make sure the company has enough avenues for growth and not get stifled for growth,” she says. “Today, the export market is growing faster than the domestic market. We’re expected to double our growth in three years. This year, we will end up doing about 2,00,000 tractors in domestic and export together.”

The absence of a joint venture and licence with AGCO also means the company is now free to offer its own technology. “Now we are free to offer whatever technology we can,” Srinivasan says. “Our cab tractors are doing very well with guidance systems, we have auto steer tractors, and we’ve got farm management systems that we are partnering with.”

India’s tractor segment has seen a



Acquires **12.5 percent stake** in **AGCO**, which owns the **Massey Ferguson** brand

2010

Becomes **India's largest tractor exporter**, crosses **\$1 billion** in revenue

2012

2024

AGCO ends its partnership citing continued poor **operational performance** as a supplier, brand licensee and distributor

2025

Settlement reached between **TAFE** and **AGCO**. Ownership of **Massey Ferguson** brand will rest with **TAFE** as the **sole and exclusive** owner for **India, Nepal** and **Bhutan**

robust performance, with wholesale volumes reporting a significant 28.2 percent year-on-year growth in August. According to ratings agency ICRA, tractor volumes are estimated to grow at a moderate pace of 4 to 7 percent in FY26. "This growth is firmly backed by above-normal monsoon, which is expected to support agricultural production," ICRA said in a report. "The early onset of monsoon has led to the country receiving rainfall at 108 percent of the long-period average until September 17. Consequently, tractor demand remained strong in August, with retail volumes rising by 30.1 percent year-on-year, driven by positive farmer sentiments and adequate rainfall."

It has also helped that the

government has reduced GST on tractors by 5 percent, giving an impetus to sales. "From the Indian manufacturing base, India is cost competitive today," Srinivasan says. "We are playing in the right segment, with the right technology, and with our own market initiatives."

This also means a focus on newer frontiers, such as rice transplanters and track harvesters. The company has a strong presence in the western region, and Srinivasan is actively seeking to expand. Besides tractors, TAFE and its subsidiaries have diverse business interests in areas such as farm machinery, diesel engines and generators, agro-industrial engines, engineering plastics, gears

and transmission components, hydraulic pumps and cylinders, vehicle franchises, and plantations.

In 2005, TAFE had also acquired Eicher's tractors, gears, transmission components and engines business through a wholly owned subsidiary, TAFE Motors and Tractors Limited. This year, Srinivasan's daughter, Lakshmi Venu, was appointed the vice chairman of the company, signalling a clear succession plan. Earlier, Srinivasan and her husband Venu, along with Lakshmi and son Sudarshan, had drawn up a succession plan that would see Sudarshan look after TVS and Lakshmi TAFE.

Between them, the family had signed a Memorandum of Understanding under which Sudarshan and entities under his control will not use specific trademarks, including 'TVS' for businesses related to aluminum and magnesium die casting and agricultural machinery. Likewise, Srinivasan and Lakshmi had agreed not to use the 'TVS' trademark in the two-wheeler and three-wheeler businesses, financial services, and real estate. Lakshmi and Mallika are to also stay out of the two-wheeler and three-wheeler vehicle sectors for a specified period.

All that means Srinivasan is now firmly in total control of TAFE, and the plan is to push through as hard as possible, growing its revenues significantly from ₹13,700 crore annually. "In the overall tractor market, consolidation is complete now," Srinivasan adds. "At the moment, I think it's a stable composition. I don't know what the future holds, but we are ready for a good, exciting journey, which can be both organic and inorganic." **F**



TAFE's machine shop at Sembium, Chennai

Golden Period

Demand for gold loans will continue to be strong as interest rates weaken and geopolitical tensions lead to an uncertain macroeconomic environment. NBFC giants and new-age firms can build a robust portfolio, say experts

By SALIL PANCHAL

In an uncertain global macroeconomic environment, the exuberance surrounding gold prices—both international and domestic—is neither puzzling nor worrisome, just distinctive. A range of factors has kept gold prices firm and, though there could be some moderation in returns in the coming months, there is little cause for concern.

Gold prices in India have risen over 51 percent year-on-year to ₹116,790 per 10 grams. International gold prices have also firmed in the

first half of 2025, up 26 percent in dollar terms. A weaker US dollar (the US dollar index is down 9.1 percent year-to-date) and an uncertain global economic outlook have raised the investment demand for gold.

The distinctive part is that the demand for gold and rise in prices of the yellow metal have resulted in booming business for several of India's banks, non-banking financial companies (NBFCs) and startups, which offer gold loans. A higher price for gold means a customer who wishes to avail of a gold loan

can pledge a smaller amount of gold jewellery and obtain a higher loan amount, depending on the current market value and quality of gold offered as collateral.

Data from the Reserve Bank of India (RBI) reflects the extent to which customers are taking loans against gold. The RBI's September bulletin shows that loan against gold jewellery has risen to ₹2.94 lakh crore (as on July 25), up 122 percent year-on-year. The central bank has been sending a clear signal to banks to lower their exposure to

Gold prices in India have risen over 51 percent year-on-year to ₹116,790 per 10 grams



unsecured lending, which includes microfinance loans. Usually a favourite of low-income borrowers, microfinance loans have seen a drop in borrowings and a rise in bad loans.

“Now more people continue to come forward to avail of these loans, not just because it is quick and easy finance. People don’t have inhibitions pledging their gold,” says George Alexander Muthoot, managing director of the Muthoot Group of companies. The NBFC Muthoot Finance (colloquially called Muthoot Red group after a family split in 1979), which offers gold loans, personal and small business loans, claims to be India’s largest gold loan NBFC, based on gold loan AUM (assets under management). Muthoot Finance gold loan AUM in Q1FY26 stood at ₹1.13 lakh crore.

The caveat here is that the AUM of a gold-focussed NBFC is dependent on the market value of gold. Higher gold price means the value of the gold pledged with the NBFC increases, allowing it to disburse larger amount of loans against the same quantity of gold, which boosts their AUM.

George Muthoot sees the latest GST (Goods & Services Tax) moves from the government as steps that have put more income in the hands of people. This would create demand for products, including gold loans, he says.

BETTER LENDING PRACTICES

But lending against gold—in the unorganised sector—as a practice has been devoid of governance and compliance. Lenders could charge upwards of 35 percent interest for loans against gold. As with several other segments of the economy, the gold loans business has been moving to the organised sector such as banks and NBFCs, which are keen to increase their footprint and cross-sell more financial products to new or existing customers.

As newer players enter the organised sector, including fintechs, microfinance firms and smaller

The Relentless Demand For Gold Loans

- Demand for **safe-haven assets**, surging **international/domestic gold prices**, expectations of more **rate cuts** in the US and **flexible repayment** options have all meant a **sustained demand** for gold over the past one year. **Pledging gold** as a **collateral** could then mean acquiring a higher loan amount, depending on the percentage of **gold market value** and **quality of gold**.



- Loans against **gold jewellery** have risen **123.8 percent year-on-year** in 2025 to worth **₹2,08,735 crore** as of March 21.

SOURCE: RBI data

NBFCs, the RBI has been keen that lenders maintain fair business practices and improve risk assessment. EY India’s partner and head, transaction diligence, Kuldeep Tikkha, says this “framework emphasises borrower-friendly reforms, stricter conduct rules and disciplined growth”.

As per the new norms, gold loans of up to ₹2.5 lakh can have a maximum LTV (loan-to-value) ratio of 85

The gold loans business has been moving to the organised sector like banks and NBFCs, which are keen to expand their footprint

percent, loans between ₹2.5lakh and ₹5 lakh would have an LTV of 80 percent and above ₹5 lakh, the LTV is at 75 percent. The LTV calculation shall take into account the total amount repayable at maturity and not the disbursed amount. Tikkha says these changes aim to prevent LTV breaches and enforce consistent adherence throughout the loan tenure, in an assessment on the EY India website.

“While small-ticket loans benefit from higher LTVs, large-ticket loans may see constrained growth, particularly under the bullet repayment model,” adds Tikkha.

The RBI guidelines also define ‘bullet repayment loans’ as loans where both principal and interest are due for payment at the maturity of the loan. “The customer can accumulate the interest and pay the amount at the end of the contract,” says Shaji Varghese, CEO of Muthoot Fincorp, colloquially called Muthoot Blue group.

Gold loans compare favourably to other financial products such as personal loans, which are based on structured EMI repayments. The customer has to pay every month on a pre-decided date.

Muthoot Fincorp, like other NBFCs, has also diversified its business beyond gold loans, though gold loans continue to be the major revenue generator. “Three years ago, 98 percent of our revenue was from gold loans. We aimed to increase non-gold revenue to 15 percent in the next three years while continuing to grow our gold loan business,” Varghese tells *Forbes India*.

Muthoot Fincorp has achieved this and expects that, in three to five years, the 15 percent non-gold portfolio will rise to 20 to 25 percent. It hopes that its flagship business of gold loans will also continue to grow. It also offers loans against property to small businesses to either acquire a shop or for a trade modernisation or for a capital investment requirement. Digital

loans is also a fast growing business.

In FY25, Muthoot Fincorp's AUM for gold loans grew by 46 percent to ₹32,055 crore. In FY25, it made disbursements worth ₹66,277 crore, generating a growth of 32 percent. Net profit also grew by 39 percent to ₹787 crore.

In the same period, Muthoot Finance reported a standalone gold loan AUM of ₹1.08 lakh crore, a 43 percent year-on-year jump. For Q1FY26, its gold loan AUM touched a record level of ₹1.13 lakh crore. The standalone profit after tax for FY25 was ₹5,201 crore, a 28 percent year-on-year rise.

Rival Manappuram Finance reported a standalone gold loan AUM of ₹24,658 crore, up 19.3 percent. Net profit before other comprehensive income was at ₹1,783.3 crore, up 7.6 percent from levels a year earlier.

Investors have cheered the performance of gold loan companies. In the case of Muthoot Finance, its market capitalisation crossed ₹1 trillion and the stock has gained near 48 percent year-on-year to ₹3,017 at the BSE. Manappuram Finance's market cap is now at ₹23,446 crore, the stock having gained 36 percent to Rs277 at the BSE.

CHANGING MODELS AND PRICES

The two organised gold loans giants in their conversations said they are bullish about the growth in gold loans in the coming quarters and even their non-gold portfolios. For new-age companies such as Indigold, the business model will now need to be tweaked.

This company founded by two ex-Paytm employees-turned-co-founders Deepak Abbot and Nitin Misra had revolutionised the gold loans business by bringing the loans to customers' homes. But, with the new RBI guidelines, after the pre-KYC onboarding and soft approval, the customer will have to visit the bank to complete the procedure, so that assaying the collateral at the time

Key Features of RBI's New Gold Loans Guidelines

- All **gold loans** must be anchored to a **borrower's repayment ability**, supported by robust **due diligence** and end-use monitoring
- **Gold loans** up to **₹2.5 lakh** can have a loan-to-value (LTV) of up to **85 percent**
- **Gold loans** above **₹5 lakh** have an LTV of **75 percent**
- **Loans** where **principal** and **interest** are repaid at the end of the term must be settled within **12 months**
- **Borrowers** must be present during **gold valuation**
- **Lenders** should release **pledged gold** or **silver** in **seven working days** of the loan closure
- **Collateral** must be benchmarked to **22 carats**, and **lower-purity gold** should be converted to its **22-carat** equivalent for valuation

SOURCE: RBI, EY India



of sanctioning the loan is done in the presence of the customer at the bank.

Abbot, which has a tie-up with Shivalik Bank, has expanded its network, with partnerships with HDFC Bank, ICICI Bank, Unity SFB, Bandhan Bank and RBL Bank. Indigold awaits a certificate of registration from the RBI, after which it will be able to create its lending book in the future.

Abbot did not want to talk about their new business model as they are still transitioning, post the new guidelines. Indigold has completed three fundraising

rounds, having cumulatively raised \$23.8 million from the time of its launch of operations in 2020.

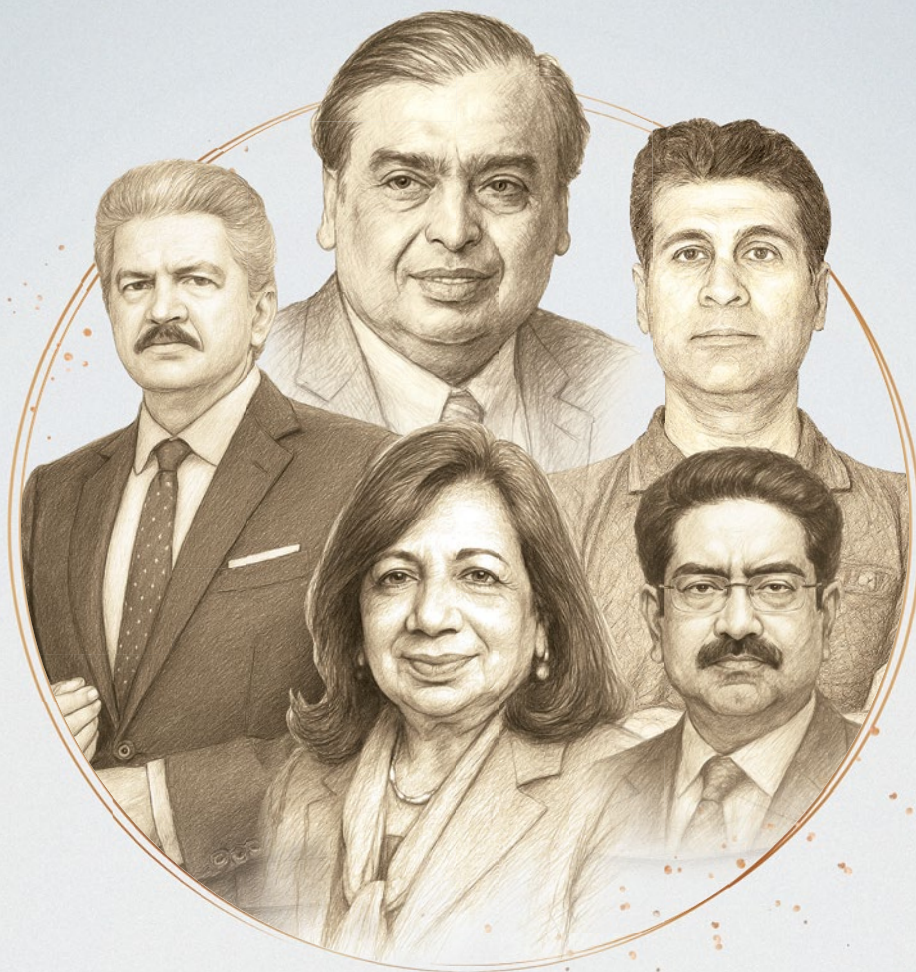
"Earlier, we were operating out of the large cities such as Hyderabad, Chennai, Delhi, Mumbai and Pune. In the last two months, we launched operations in Dehradun, Jaipur, Meerut, Rohtak, Roorkee. We're now moving more towards smaller cities," he says. Some of its investors include AWI (Alpha Wave Incubation), 3one4 Capital, Titan Capital, Leo Capital and Rainmatter Capital.

In terms of international gold prices, since US inflation data has come in as expected, it is increasing chances that the US Federal Reserve may continue with interest rate cuts in the coming months, which is keeping gold prices firm. Gold prices touched \$3,780 per ounce intraday on September 22.

"Globally, investment demand and central bank buying are pushing gold prices higher. Festival demand for gold in India might be lower, but value-wise it will be higher than last year," says Kaynat Chainwala, associate vice president, commodity research, Kotak Securities.

She argues that gold prices have "risen too much and too fast" over the past year. "There could be a period of consolidation, though it is not visible at this stage," she adds. "Return expectations need to be moderated."

That may not spell great news for local customers who may continue to scout for higher returns for the gold they pledge. But the demand for gold loans is likely to continue to be strong over the next 12 to 15 months, as interest rates weaken, and the global geopolitical tensions are enough for macroeconomic conditions to be uncertain. It is just that the tearaway returns seen last year may slacken a bit. There is still enough good news then for both traditional and new-age NBFCs and banks to build their gold loans portfolio. **F**



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The Real(ty) Deal

The Forbes India Developers A-List event in New Delhi saw real estate magnates share insights on the sector and discuss the way forward



1. The audience in rapt attention at the Forbes India Developers A-list event at the Taj Palace, Chanakypuri in New Delhi, on September 20
2. Shiv Mohan Dutt (left), founder & CEO, MeaVana (Manifold Ventures), and Samad Ali, principal associate, Kochhar & Co **3.** Ranjit Singh Grewal, CEO, Antoniades Grewal Designs, with Tina Antoniades, who is creative director



4. Eashita Sharma, daughter of Sanjay Sharma, director of projects at Runwal Group
5. (From left) Kusum Sood, co-founder, Grand Slam Fitness; Varun Kasera, group CEO, Baani Group; Ananta Kasera; and Leher Sethi, founder director, Something Creative. **6.** Musician and composer Niladri Kumar (right), tabla artiste Yashwant Vaishnav (centre) and percussionist Shikhar Naad Qureshi mesmerise the audience with a fusion performance



“All our monuments in India have been designed without the use of electricity, and they are wonderful and well ventilated.”

RAJIV MISHRA, principal, Sir JJ College of Architecture





7



8



9



10



11

7. Alakshendra Singh, head of corporate communications, Eros Group 8. Sandeep Jajodia, founder and chairman, Monnet Ispat 9. Vineet Verma, MD, WTC, and director, Brigade Hospitality 10. Saba Ali (left), director-strategy and partnerships, Strategy and Partnerships at India Sotheby's International Realty, with Samad Ali 11. Shiba-nee and Kamal Sagar, co-founders, Total Environment Building System



"Luxury is something you have aspired for, what you have achieved."

UZMA IRFAN, wholetime director, Prestige Group

"As the economy is growing in India, there are more international buyers."

ASHWIN PAI, executive director, Century Real Estate





12



12. Amish Devgan (left) of Network 18 with Ashish Sood, Minister of Home, Power Urban Development Education & Training, Government of Delhi-NCT **13.** Dikshu Kukreja, (left) managing principal, CP Kukreja Architects, with Sussanne Khan, interior designer, and founder, The Charcoal Project **14.** Prem Dewan (left), retail head, Cornelianni I Camicissima at OSL Luxury Collections, and Sam Kaur, jewellery curator and stylist **15.** The elite gathering at the event **16.** (From left) Shweta Punj of Network18, Rajiv Mishra, principal, JJ College of Architecture, Kamal Sagar, co-founder, Total Environment Building Systems, Yatin Pandya, principal architect, Footprints E.A.R.T.H, Parvez Amin, president, Jaquar



“India has always had these values [sustainability] fundamentally ingrained.”

YATIN PANDYA, principal architect, Footprints E.A.R.T.H

“Design is going beyond gimmicks and stuff that will look good in brochures.”

KAMAL SAGAR, chairman, Total Environment Building Systems



14



15



16

18. (From left): Prashant Bindal, chief sales officer, Lodha; Raghav Bajoria, chief development officer, Phoenix Mills; Arun Sancheti, director, PS Group; Vikas Khandelwal, chief compliance officer and company secretary, Embassy; MK Ravi Sai, director, projects, My Home Constructions; Rushi Ajmera, director, Ajmera Realty; Gulam Zia, senior executive director-research, advisory, infrastructure, and valuation, Knight Frank; Amish Devgun of Network 18; Shilpa Malik, regional head-Gurgaon, Sobha Ltd; Rajesh Mehra, director and promoter, Jaquar Group; Vineet Verma, managing director, WTC, and director, Brigade Hospitality; Minister Ashish Sood; Ashwin Pai, executive director, Century Real Estate Holdings; Ankur Aggarwal, region head, Delhi and Uttar Pradesh, Godrej Leadership Forum; Gautam Babbar, assistant vice president-region Head, Godrej Properties; *Forbes India* Editor Suveen Sinha; Divya Puri, senior vice president, corporate communications and brand management, DLF; Kushal Khosla, deputy general manager, corporate communications, DLF Ltd; Kamal Sagar, founder, Total Environment Building Systems; Sahil Vachani, MD and CEO, Max Estates; Sanjay Sharma, director projects, Runwal Group; Ankush Kaul, president-sales, marketing and CRM, Central Park; Amar Sarin, MD & CEO, TARC; Sameer Chadha, vice president, architecture, Oberoi Realty



19. Getamber Anand, chairman and managing director, ATS Infrastructure **20.** Gautam Babbar (left), assistant vice president, Godrej, with Ankur Aggarwal of the Godrej Leadership Forum **21.** Manu Bhaskar Gaur, CEO, Jaypee Institute Of Information Technology **22.** Anish Gawande, national spokesperson, NCP (SP). **23.** Roashmi Kapur (third from left) of Atlas Cycles



24. Actor and BJP spokesperson Mukesh Tyagi (centre) **25.** Deepak Jolly (second from left), founder and director, Consocia Advisory; Vaishalee Jolly (third from left); Anurag Chauhan (extreme right), founder, Humans for Humanity. **26.** Aamna Ali, a fashion designer whose label is named Gharara Trunk, with Kissa Zehra, founder and principal designer, The Space Tales



The \$29 Trillion Opportunity

Private equity and credit firms are setting their sights on the country's vast retirement savings—which should make the markets fairer for everyone, so long as customers have their eyes wide open

By HANK TUCKER AND SERGEI KLEBNIKOV

Jack Bogle became a legend by popularising low-cost passive index funds at the Vanguard Group, which he founded in 1975 after spending the first 23 years of his career at Wellington Management. “Don’t look for the needle in the haystack. Just buy the haystack,” he famously mused. That philosophy—be the market, don’t try to beat it—spawned generations of index fund-loving, buy-and-hold “Bogleheads” who have made Vanguard into what it is today: A \$10 trillion-in-assets mutual fund colossus serving more than 50 million individual customers.

Over the same half-century, private equity was also growing into a more than \$10 trillion-in-assets industry—in a very different way. This one was built on the promise of market-beating returns produced by managers demanding high fees: Usually a percent of assets (typically 2 percent a year) and a hefty cut of profits (typically 20 percent). Plus they insisted on a long-term commitment of assets by their institutional investors, including pension funds, college endowments and foundations.

Vanguard, which Bogle set up to be

owned by its investors, has produced a lot of prosperous retirees but zero money-manager billionaires. Private equity, with its profit share (known as carried interest), has minted dozens of them. Stephen Schwarzman, chairman, CEO and co-founder of Blackstone, the world’s largest private equity manager with more than \$1 trillion in assets under management, is worth an estimated \$50 billion.

So it was a bit jarring, culturally and historically speaking, when Vanguard and Wellington announced in April that they had formed a “strategic alliance” with Blackstone to offer products for individual investors blending private and public market assets.

Jarring but maybe not so surprising given that the heavyweights of private equity and retail distribution are now pairing off with an urgency that suggests they’re desperate to avoid missing out on the next big moneymaking opportunity: getting into Americans’ 401(k)s and IRAs, which hold \$29 trillion in assets. And the Trump administration aims to help them.

In February, Boston’s State Street Investment Management, which

Jean Hynes,
CEO, Wellington
Management
Company



created the exchange-traded-fund business back in 1993, kicked off the action by offering the first ETF with a mix of public and private debt, with the latter sourced from private equity giant Apollo Global (\$785 billion under management). Then, a couple months later, State Street announced the launch of an “Index Plus” retirement target date fund series—90 percent index funds with a 10 percent kicker of Apollo private market assets. In May, Empower, a top player in the market for small-company 401(k)s, said it’s working with Apollo, Franklin Templeton, Goldman Sachs and others to offer retirement savers collective investment trusts containing a mix of private equity, private credit and real estate. And in July, Voya Financial, another big 401(k) player, announced it was teaming up with private credit’s Blue Owl Capital on a new series of blended products.

There’s no mystery why private asset managers are keen to play. After years of beating public stock markets, private equity’s average annual return has lagged stocks by more than three points over the last three years. A slowdown of exit deals has led to a glut of aging assets in private equity funds. New funds raised by the industry have plunged 39 percent since 2021 as clients have fewer payouts to reinvest and some college endowments and pension funds are freezing or even reducing their private asset allocations.

Private asset managers have been gathering money from high-net-worth individuals for more than a decade. Until now, though, they haven’t cracked regular investors’ \$29 trillion retirement nest egg—\$12 trillion in defined contribution workplace plans like 401(k)s and \$17 trillion sitting in individual retirement accounts. That’s now changing. Crucially, President Joe Biden’s Department of Labor threw cold water on private assets in 401(k)s, but President Donald Trump is reportedly

Turn of Fortunes

While private equity has outperformed the public stock markets over the last 20 years, during the last three years it has lagged public equities, as measured by the \$1.9 trillion-in-assets Vanguard Total Stock Market Index Fund

Average Annual Return (through 3/31/2025)	Cambridge Associates US Private Equity Index	Vanguard Total Stock Market Index Fund
1 year	7.41%	7.06%
3 year	4.74%	8.01%
5 year	18.26%	18.08%
10 year	14.89%	11.74%
20 year	13.92%	10.13%

SOURCE Cambridge Associates, Vanguard Group

“The idea of making money for the funds’ shareholders is counter-opposed to the idea of making money for fund managers.”

close to signing an executive order specifically encouraging alternative assets in the accounts.

The mutual fund and retail distribution companies see a win here too. Their margins have shrunk as competition and the share of money in low-cost index funds have grown. A private-assets kicker is a new way to differentiate their offerings and charge higher fees.

Ordinary investors? They may or may not be winners. More options are almost always a good thing, but they need to be careful of higher fees and less liquidity. Plus, assessing the performance of these new hybrid private products will be difficult.

In an interview with *Forbes* in June 2017, a year and a half before his death at 89, Bogle wasn’t giving any ground. “The idea of making money for the funds’ shareholders is counter-

opposed to the idea of making money for fund managers,” he declared.

Wellington Management CEO Jean Hynes, ensconced in an office on the top floor of a 31-storey tower overlooking Boston Harbor, likes the long view: The 56-year-old has spent her entire career at the firm. She was raised in the Boston suburb of Milton as one of six children born to Irish immigrants—her father was a bricklayer—who believed, she says, in investing through their children; they spent their money sending them to Catholic school and college.

Hynes wound up at Wellesley College, where she majored in economics and interned for a local stockbroker. After graduating in 1991, she was hired by Wellington as an administrative assistant. Her detailed notes at morning investing meetings impressed the late Ed Owens, who managed the Vanguard Health Care Fund to a 16.4 percent average annual return over 28 years before retiring in 2012. Hynes became his research assistant, protégé and, eventually, a fund manager herself. “It was a match made in heaven from day one,” she says. “He’s probably one of the top 25 investors of all time, and that’s who I learned from and worked with for 20 years.”

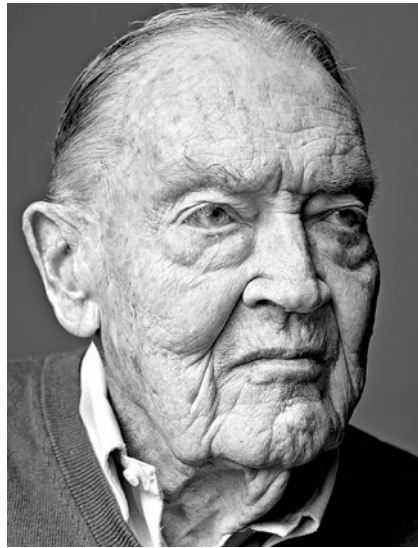
After winning the CEO job in 2021, Hynes got some advice from health care chiefs she knew. Merck's Ken Frazier (now retired) told her that of all the decisions he made daily as CEO, only four really mattered. The lesson: Get the big swings right.

Hynes sees the alliance with Blackstone as one of those big decisions. She ticks off the trends she has seen—actively managed equity, an explosion of fixed income, the dominance of index funds and, now, alternative investments. And she makes a credible case for why Main Street investors might want to get into private assets.

"If you look holistically at the economy, 20 years ago the average person who invested and bought mutual funds could invest in the whole economy. And that's not true today," she says. "You have a whole part of the economy that is only for the institutional investor, and that's all the private companies. . . . It's fair that more individuals have access to that."

While Wellington has always been an active manager, it is deeply intertwined with Vanguard's low-cost passive investing DNA. The relationship dates to Bogle's firing as Wellington's CEO in 1974 during a brutal bear market. A boardroom fight and peace treaty eventually left him in charge of a new company (Vanguard) that would administer funds, while Wellington controlled investment management and distribution. Bogle told *Forbes* in 2017 that he launched low-cost index funds and direct-to-consumer sales in part because it allowed him to do an end run around Wellington by claiming there was no money management or distribution involved.

A half-century later, Wellington is still the largest external advisor for Vanguard's actively managed funds. The Vanguard Wellington Fund, the nation's oldest balanced mutual fund (two-thirds stocks, one-third bonds) has returned an average of 8.3 percent annually since inception in 1929. It



Indexing Oracle: "It's a simple equation," Vanguard founder Jack Bogle told *Forbes* in 2017. "Gross return minus costs equals net return, which is a universal principle in investing that I put to work after a long struggle."

charges a modest 0.25 percent of assets and has \$115 billion in assets.

While Wellington has dabbled in private markets for a decade, they still amount to only \$9 billion of the \$1.2 trillion in assets it manages, less than 0.8 percent. So last year, when Hynes was ready for her big swing, Wellington approached Blackstone about teaming up.

"We've never thought that we would be good at buyouts, taking a company private and managing a company and fixing it. That's not our skill set," says Wellington managing partner Terry Burgess, who supervises the team tasked

"If you look holistically at the economy, 20 years ago the average person who bought mutual funds could invest in the whole economy. That's not true today."

with steering the alliance's funds. Its first product, the WVB All Markets Fund, is a closed-end "interval fund"—meaning it will offer quarterly redemptions to investors for liquidity and could be the centerpiece of a diversified portfolio. Public stocks (from Vanguard funds and direct Wellington investments) will be 40 percent to 60 percent of assets; bonds (through actively managed Vanguard funds) will be 15 percent to 30 percent; and private Blackstone funds will make up 25 percent to 40 percent. Wellington will determine exactly how assets are allocated.

The preliminary prospectus leaves the door open for exposure to private equity, credit, real estate and privately owned infrastructure. It doesn't specify what the management fee will be, but it will be on top of the fees in the underlying funds. If the overall fund is down in value due to a decline in the public markets, Wellington will reimburse it for Blackstone's performance fees—that way, retail investors sitting on losses from WVB wouldn't get whacked with a stiff performance fee regardless.

The WVB Fund will be marketed first to wealthy clients through financial advisors and family offices. But all eyes are on the 401(k) prize. "Do I think over time, privates will start to serve more of a role when it comes to target date funds? I do," says Vanguard president and chief investment officer Greg Davis, noting that the timing will depend on how comfortable plan sponsors (meaning employers) are with adding higher-cost products to their offerings.

It's notable that across the industry, the new private asset-tinged investments are being sold first to accounts managed by financial advisors and to target date funds, which are managed by investment pros, with allocations based on a saver's expected (i.e., target) retirement date.

Target dates are an obvious entry point for two reasons. First, they're

growing like crazy. Thanks to Congress and regulators, millions of workers are being automatically enrolled in 401(k)s, with their contributions (and employer matches) funneled into target dates by default. According to Morningstar, over the last 15 years, assets in these funds have grown at an astounding 30 percent annual compound rate and now amount to \$4 trillion. Vanguard controls 37 percent of the target date market, more than double the share of its nearest competitor, Fidelity Investments.

The second reason is that professional management of target dates blunts the criticism that average investors won't be able to judge the performance of hard-to-value private assets. "I think over time, just like there are Morningstar ratings of all sorts of public mutual funds, when you look out five, ten years from now, all these funds are going to be ranked based on performance," says Jonathan Gray, Blackstone's president and chief operating officer. "That is critically important."

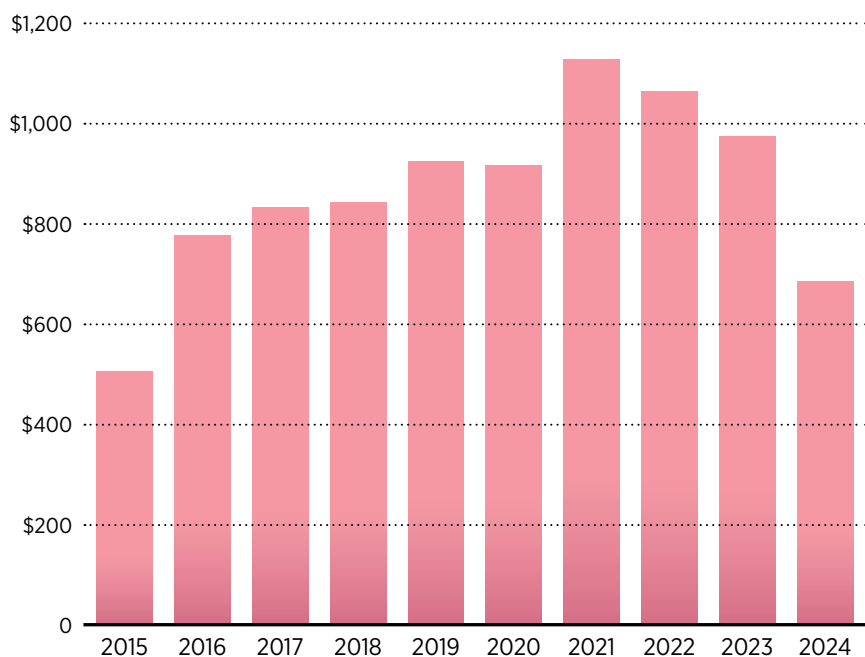
Pivate equity pioneer KKR launched in 1976 with cash from an insurance company and wealthy backers. But by 1978, it had money from Oregon's public pension plans, and others soon followed. Today, public pensions allocate an average 23 percent of assets to alternative investments, the National Association of State Retirement Administrators reports. College endowments began piling aboard after David Swensen took over Yale's endowment in 1985 and bolstered returns by diversifying into private assets. Today, endowments allocate an average 26 percent of assets to private markets, according to Cambridge Associates. Harvard has 39 percent in private equity; Princeton has 41 percent.

Now some of these traditional sources are pulling back. As

A Slowing Spigot

Global private equity fundraising plunged to a nine-year low in 2024 as a slowdown in exits meant institutions had less cash to reinvest. Some have also reduced their PE exposure

Private equity capital raised (\$bil)



SOURCE S&P Global Market Intelligence

America's richest colleges face deep federal funding cuts and a federal tax as high as 8 percent (up from 1.4 percent) on endowment income, Yale, Harvard and others are said to be selling private equity investments on the secondary market. The University of California system is cutting back on its target allocation for private investments in

“Over time, just like there are Morningstar ratings of all sorts of public mutual funds, all these funds are going to be ranked based on performance.”

its endowments and pension funds, even as it is working with State Street to make private assets available in employees' retirement savings plans.

Traditional pension plans, particularly private ones, are diminishing in relative importance as employers shift the retirement burden to workers. Back in 2000, traditional pensions—public and private combined—held roughly the same \$5 trillion as 401(k)s and IRAs. Now it's \$12 trillion and \$29 trillion, respectively, according to the Investment Company Institute.

Private asset managers have been wooing financial advisors and their wealthy clients with perpetual capital funds, which often allow up to 5 percent of investors to cash out each quarter. An early example was the Blackstone Real Estate Income Trust, launched in 2017. It now has

\$53 billion in net assets. Blackstone Private Credit Fund, launched in 2021, has \$72 billion. All told, Blackstone manages \$270 billion from individuals, and this market is growing with a boost from cloud-based platforms for investment advisors. Example: BlackRock, which manages \$12.5 trillion in assets, recently teamed up with fintechs GeoWealth and iCapital to create model portfolios holding both private and public assets.

Joan Solotar, Blackstone's head of global private wealth, says most individual investors in private markets have \$5 million or more in investable assets, but those with at least \$1 million are now being actively targeted. "It's still quite early for investors below a million dollars," she adds. Except when it comes to 401(k)s and target date funds.

This does not come without risk. In a recent report, Moody's laid out a series of worries about the push to put private assets into ordinary Americans' portfolios. A big one is that Main Street investors, used to quick access to their cash, will create liquidity risks. "These fund structures haven't really been tested extensively at periods of market stress," says Alexandra Aspioti, a Moody's senior private credit analyst. "Retail investors tend to be more sensitive to market volatility and increase redemption requests during periods of stress—this in turn can lead to further volatility." Another worry Moody's describes: All those extra dollars sloshing around will encourage private asset managers to make dumber deals, particularly in credit.

The credit risk is real and growing. Private lenders face fewer regulatory requirements than traditional banks, which is largely why they financed 77 percent of private equity buyouts last year, according to Preqin. Private loans don't trade and are valued only quarterly, with estimates that are often well off the mark. The International Monetary Fund warned last year

that private lenders' connections to private equity-backed companies could allow systemic problems to go undetected for too long.

As for retail investors and liquidity risk, there have already been scares. Blackstone had to limit redemption requests in its real estate income trust in late 2022 and most of 2023 when individuals spooked by rising interest rates raced for the exits. The market rebounded, and Blackstone is back to honouring 100 percent of repurchase requests, but there's little assurance that a similar situation won't result in a future crash.

Another concern: As exit deals from private equity funds have slowed, a fast-growing secondary market, including so-called continuation

“Retail investors tend to be more sensitive to market volatility and increase redemption requests during periods of stress—this can lead to further volatility.”

funds, has emerged, with a record \$160 billion in transaction volume in 2024. With continuation funds, asset managers in essence are using new investors' money to pay off old ones. Orlando Bravo, co-founder and managing partner of \$184 billion (assets) Thoma Bravo, has cautioned that in this financial game of musical chairs, retail investors who are late to the party might get saddled with continuation funds with underperforming, hard-to-sell assets.

Wellington's Burgess promises that individual investors in the Wellington-Vanguard-Blackstone product will have access to the same private funds as Blackstone's institutional clients—not the rejects. And he insists that the proposed fund will be able to

withstand waves of withdrawal requests. "There's 70 percent of it that's public, and that's a really big buffer to make sure you can maintain your liquidity profile," he says. "We've tested it in [severe] down markets, and it's gone to a level that's still below what we would consider to be a pain point."

Then there are the objections raised by the Biden administration: that private assets might be too expensive and complex for 401(k)s. "These products are harder to understand and harder to value—it's very different from looking at individual stocks traded on the public market or mutual funds," says Lisa Gomez, who served under Biden as the Department of Labor's assistant secretary for employee benefits security.

But private asset managers are betting that the Trump administration will dismiss such worries and are hoping it—and the Republican Congress—will provide some protection from worker lawsuits for employers who offer the new products in their 401(k)s. That could further line the pockets of the wealthiest people in finance. It also could be great for individual investors, who will no longer be locked out of the type of lucrative private investments that have made the nation's colleges and pension plans so rich for so long. With so much information soon to be available at their fingertips, retail investors might prove to be smarter than Wall Street thinks. They need to keep an eye on fees, and there is risk, for sure. But blue-chip financials like Blackstone, Vanguard and Wellington are going to be extra-careful not to saddle retirement savers with lousy private investments, thereby damaging their brands. Other outfits might be less cautious—caveat emptor—but democratising investing is well worth the attendant dangers **F**

Policing Panopticon

With over 80,000 AI-powered cameras in the US, Flock Safety is a \$7.5 billion business, and CEO Garrett Langley has a noble (if Sisyphean) goal: Eliminating crime in America

By THOMAS BREWSTER

72

PHOTO BY JAMIE TOPPAIN FOR FORBES



In a windowless room inside Atlanta's Dunwoody police department, Lieutenant Tim Fecht hits a button and an insectile DJI drone rises silently from the station rooftop. It already has its coordinates: A local mall where a 911 call has alerted the cops to a male shoplifter. From high above the complex, Fecht zooms in on a man checking his phone, then examines a group of people waiting for a train. They're all hundreds of yards away, but crystal clear on the room-dominating display inside the department's crime centre, a classroom-sized space with walls covered in monitors flashing real-time crime data—surveillance and license plate reader camera feeds, gunshot detection reports, digital maps showing the location of cop cars across the city. As more 911 calls come in, AI transcribes them on another screen. Fecht can access any of it with a few clicks.

Twenty minutes down the road from Dunwoody, in an office where Flock Safety's cameras and gunshot detectors are arrayed like museum pieces, 38-year-old CEO and co-founder Garrett Langley presides over the \$300 million (estimated 2024 sales) company responsible for it all. Since its founding in 2017, Flock, which was valued at \$7.5 billion in its most recent funding round, has quietly built a network of more than 80,000 cameras pointed at highways, thoroughfares and parking lots across the US. They record not just the license plate numbers of the cars that pass them, but their make and distinctive features—broken windows, dings, bumper stickers. Langley estimates its cameras help solve 1 million crimes a year. Soon they'll help solve even more. In August, Flock's cameras will take to the skies mounted on its own "made in America" drones. Produced at a factory the company opened earlier this year near its Atlanta offices, they'll add a new dimension to Flock's business and aim to challenge

Chinese drone giant DJI's dominance.

Langley offers a prediction: In less than 10 years, Flock's cameras, airborne and fixed, will eradicate almost all crime in the US. (He acknowledges that programmes to boost youth employment and cut recidivism will help.) It sounds like a pipe dream from another AI-can-solve-everything tech bro, but Langley, in the face of a wave of opposition from privacy advocates and Flock's archrival, the \$2.1 billion (2024 revenue) police tech giant Axon Enterprise, is a true believer. He's convinced that America can and should be a place where everyone feels safe. And once it's draped in a vast net of US-made Flock surveillance tech, it will be.

"I've talked to plenty of activists who think crime is just the cost of modern society. I disagree," Langley says. "I think we can have a crime-free city and civil liberties... We can have it all." In municipalities in which Flock is deployed, he adds, the average criminal—those between 16 and 24 committing non-violent crimes—"will most likely get caught".

Not always, though. Back at the Dunwoody Police Department, the cops are unable to identify that shoplifter. But Fecht and his boss, Major Patrick Krieg, are quick to reel off other cases in which they say Flock was pivotal in finding offenders: An ATM theft gang that knocked off pharmacies across the East Coast until Flock's cameras

"Building a product that actually changes people's lives will piss off a lot of people along the way, because what we're doing actually matters."

tracked one of their getaway vehicles; an armed man headed into a bustling bar district identified via drone by the tattoo on his neck and apprehended before he could do harm; a woman who had pulled a gun on her neighbour. When the July 4 parade, the biggest in Georgia, came to Dunwoody a few days later, Flock cameras were watching for those who might disrupt it. "It just gives us the opportunity to ensure the safety of the community during huge events like that," Krieg says.

Fresh from a family vacation in Europe, the tall and athletic Langley is cheery, almost buoyant. Growth has been explosive, with revenue up some 70 percent from the estimated \$175 million it booked in 2023. It's not yet profitable and has no imminent plan to be as it prioritises growth, backed by a \$275 million March funding round led by Andreessen Horowitz. Those numbers were more than sufficient to land Flock on *Forbes'* 2025 Cloud 100 list of the top private cloud computing companies. Langley says turning Flock into a \$100 billion business is "very within reach". Ilya Sukhar, an early investor and partner at venture capital (VC) firm Matrix who sits on Flock's board, agrees. "It's a bit cliché, but it does feel like we're just getting started," he says. "It's not hard for me to project to a place where we get to that level."

Each Flock license plate reader cam costs between \$3,000 and \$3,500, with an additional fee for FlockOS, the operating system that makes all the data Flock collects accessible via a browser or a mobile app, based on either the number of users or cameras. Dunwoody PD, for instance, pays around \$500,000 annually for its array of 105 cameras, gunshot detectors, that skittering DJI drone and the software that controls it all.

Flock's growth isn't solely fueled by its 5,000 law enforcement customers across 49 states (it hasn't yet installed its cameras in Alaska). It has 1,000 corporate customers, including

blue chips like FedEx, Lowe's and Simon Property, America's largest mall owner. Then there are housing and homeowner associations, small businesses, schools and organisations like the Jewish Federation of Greater Atlanta, which has installed 64 Flock cameras across different properties in the city, including a community centre that has reported a recent spike in antisemitic threats to Dunwoody police. All these customers can choose to grant the police access to their camera feeds, further expanding the surveillance coverage Flock can offer law enforcement. Many do.

Langley had no experience in police tech when he and fellow Georgia Tech alums Matt

Feury, 36, and Paige Todd, 40, started the company in 2017. Previously they'd worked together on an app Langley co-founded for upgrading sports or concert seats to VIP-status events, where Feury and Todd were early employees. (It was acquired by Atlanta-based conglomerate Cox Enterprises and no longer exists.) Inspired by an unsolved robbery in Langley's neighborhood, the trio started work on the first Flock prototype, an Android phone camera in a waterproof box that took pictures of cars and picked out license plates that could then be searched via an app. It was crude, but proof of concept.

When Sukhar first invested in Flock in 2018, the company was struggling to build the device the founders had

envisioned: A weatherproof, solar-powered, always-on camera that could quickly snap accurate photos and transmit them over the internet to an Amazon cloud server where they could be reviewed and compared at scale. "That took some time to figure out," he says. By 2020, Flock had it all dialed in and was quickly building out a network of cameras that would soon extend across the country. And it already had an eager customer in law enforcement; cops loved the idea of searching a countrywide network of cameras to track down a suspect vehicle.


























Not everyone shares law enforcement's enthusiasm for Flock's rapid expansion. Privacy advocates say the company is building an

The Cloud 100

In our tenth annual ranking of the world's top private cloud computing companies, which we create in collaboration with Bessemer Venture Partners and Salesforce Ventures, AI reigns supreme. OpenAI holds steady in the top spot, while rival Anthropic nips at its heels (up from No 5). Newcomer AnySphere, maker of the darling AI coding tool Cursor, stormed into the top 10 at No 8. And fintech Ramp, which made its debut on the list last year, also surged (No 6, up from No 37). The top 25 are below.

EDITED BY RICHARD NIEVA

REPORTING: VICTORIA FENG • EDITORIAL OPERATIONS: ELISABETH BRIER

1. OpenAI  CEO: SAM ALTMAN VALUATION: \$300 BLN* AI RESEARCH AND PRODUCTS	6. Ramp  CEO: ERIC GLYMAN VALUATION: \$16 BLN FINANCIAL AUTOMATION SOFTWARE	11. Grammarly  CEO: SHISHIR MEHROTRA VALUATION: \$13 BLN WRITING ASSISTANCE SOFTWARE	16. Rippling  CEO: PARKER CONRAD VALUATION: \$16.8 BLN* HR AND PAYROLL MANAGEMENT	21. Cohesity  CEO: SANJAY POONEN VALUATION: \$9 BLN AI DATA SECURITY AND MANAGEMENT
2. Anthropic  CEO: DARIO AMODEI VALUATION: \$61.5 BLN AI RESEARCH AND PRODUCTS	7. Navan  CEO: ARIEL COHEN VALUATION: \$9.2 BLN TRAVEL EXPENSE MANAGEMENT	12. Celonis  CEOS: ALEXANDER RINKE, BASTIAN NOMINACHER VALUATION: \$13 BLN ENTERPRISE PROCESS AUTOMATION	17. Tanium  CEO: DAN STREETMAN VALUATION: \$9 BLN ENDPOINT MANAGEMENT	22. Arctic Wolf  CEO: NICK SCHNEIDER VALUATION: \$4.3 BLN SECURITY OPERATIONS PLATFORM
3. Stripe  CEO: PATRICK COLLISON VALUATION: \$91.5 BLN FINANCIAL INFRASTRUCTURE	8. AnySphere  CEO: MICHAEL TRUELL VALUATION: \$9.9 BLN* AI CODING TOOLS	13. Grafana Labs  CEO: RAJ DUTT VALUATION: \$6 BLN OBSERVABILITY PLATFORM	18. Miro  CEO: ANDREY KHUSID VALUATION: \$17.5 BLN DIGITAL COLLABORATION SOFTWARE	23. Flock Safety  CEO: GARRETT LANGLEY VALUATION: \$7.5 BLN PUBLIC SAFETY TECHNOLOGY
4. Databricks  CEO: ALI GHODSI VALUATION: \$62 BLN DATA AND AI PLATFORM	9. Deel  CEO: ALEX BOUAZIZ VALUATION: \$12 BLN HR AND PAYROLL MANAGEMENT	14. Netskope  CEO: SANJAY BERI VALUATION: \$7.5 BLN* CLOUD AND AI SECURITY	19. Abnormal AI  CEO: EVAN REISER VALUATION: \$5.1 BLN EMAIL SECURITY	24. VAST Data  CEO: RENEN HALLAK VALUATION: \$9.1 BLN AI DATA INFRASTRUCTURE
5. Canva  CEO: MELANIE PERKINS VALUATION: \$32 BLN DESIGN AND PRODUCTIVITY SOFTWARE	10. Notion  CEO: IVAN ZHAO VALUATION: \$10 BLN DIGITAL COLLABORATION SOFTWARE	15. Gusto  CEO: JOSHUA REEVES VALUATION: \$9.5 BLN HR AND PAYROLL MANAGEMENT	20. Attentive  CEO: AMIT JHAWAR VALUATION: \$7 BLN TEXT AND EMAIL MARKETING	25. AlphaSense  CEO: JACK KOKKO VALUATION: \$4 BLN AI MARKET INTELLIGENCE

KEY:  UP  DOWN  UNCHANGED  NEW

*PitchBook estimate

unprecedented mass-surveillance dystopia. One activist group, DeFlock, has crowdsourced a map of license plate reader camera locations that now tops 29,000, two-thirds of which are from Flock, and runs a Discord channel where users are encouraged to challenge rollouts in their area. Creator Will Freeman, based in Boulder, Colorado, says what Flock is building is “messed up and against the principles of the Fourth Amendment” because “they’re searching all the time”. He accused Langley of wanting to “put the whole country under surveillance while he profits”. Other activists are less verbal. Cameras have been vandalised and stolen. There have been physical threats against company employees. Langley, who described those threatening the company as “terrorists”, is worried enough about being targeted that Flock’s offices, manufacturing facilities and camera installation vans are purposefully logoless.

But his most pressing concern by far is police-tech behemoth Axon. Flock had a burgeoning partnership with the publicly traded (\$59 billion market cap) Taser creator after Axon made a minority investment back in 2020. The market incumbent, founded in 1993, had promised to promote Flock license plate readers and make them work seamlessly with Axon’s tech. But in January, Axon CEO and billionaire co-founder Rick Smith killed their deal, accusing Flock of overcharging and trying to lock customers into its products. In April, Axon debuted its own stand-alone license plate reader cameras along with a shot-across-the-bow first customer: The Atlanta Police Department, a current Flock user. Axon is charging 20 percent less for its cameras, and early adopters get the first year of their software free.

Langley is returning fire. He says Axon is a monopolist abusing its market position to choke out competition. “I plan to go take them out,” he says. “We will deliver a

better product at a lower price.”

He isn’t the first to make such allegations. In 2020, the FTC challenged Axon’s acquisition of bodycam rival VieVu, claiming the merger would effectively create a monopoly. While the agency dropped the complaint three years later because of legal delays, three local governments—Baltimore, Holmdel, New Jersey, and LaSalle County, Illinois—are suing Axon, alleging much the same. Axon has denied accusations of anticompetitive behaviour; the case is ongoing. In a recent investor presentation, it said it controls less than 15 percent of the \$11 billion law enforcement market.

Flock isn’t without regulatory troubles of its own. The state of

Activist group DeFlock’s creator Will Freeman says what Flock is building is “against the Fourth Amendment” since “they’re searching all the time”

Illinois is investigating whether cops broke the law there when they gave out-of-state agencies access to their Flock feeds to hunt down breaches of immigration or abortion law. (Flock has since updated its tools to prevent out-of-state sharing in states with laws prohibiting it.) Last year, a *Forbes* investigation found Flock had regularly failed to get the correct permits and licenses to deploy its devices, appearing to break a number of local laws. Langley admits the company is “still very far from perfect” but that in cases where it has struggled to get quick permit approvals from transportation

agencies, waiting 12 months “just doesn’t make sense”. He complains that “it feels like we were penalised for saving a kid from being hit by a car and we got caught for jaywalking.”

Other jurisdictions have tried either to ban or remove Flock and its ilk. Earlier this year, the city council in Austin, Texas, chose not to renew its Flock contract; one councilor cited *Forbes’* investigation and pointed to Immigration and Customs Enforcement having accessed Flock data.

In 2023, the Camden County Commission in Missouri passed a law barring police from using license plate readers, but already deployed Flock cameras didn’t come down immediately. After Flock ignored requests by local commissioner Ike Skelton to remove a camera, he took it down himself. He was swiftly charged by local prosecutors with tampering with a public utility and obstructing government operations; if convicted, he won’t be able to run for public office again. The case is yet to be heard in court, but Skelton tells *Forbes* he believed he was operating within “the law of the land” and the ordinance banning plate readers in Camden County. He remains worried not just about his job, but also Flock’s creation of a “surveillance system that you’ll never, ever know that you’re being tracked”.

None of this is slowing Langley down. “The consequence of building a product that actually changes people’s lives is that there will be a lot of people we piss off along the way, because what we’re doing actually matters,” he says.

The company is chugging along with new products in the pipeline. It’s adding car crash detection to its gunshot flagging system, Raven, and enhancements to its license plate camera feeds. Further out, there’s Nova, Flock’s crown jewel to be, born of the company’s February 2025 acquisition of Lucidus, a Nashville, Tennessee-based startup. Flock has rebuilt the Lucidus tool,

flock safety

FLOCK SAFETY



No idle hands: Flock is investing \$10 million in small Atlanta businesses, including a Tex-Mex joint and a chain of beauty salons. “One way to help prevent crime is to make sure kids have jobs,” CEO Langley says

though the basic premise is the same: Nova promises to knit law enforcement records with all manner of public information—property and occupancy data, Social Security numbers and personal credit bureau histories—and make it all granularly searchable with AI.

Nova’s product lead, Martin Howley, recounts an anecdote about a law enforcement partner searching for a murder suspect. Using Nova to analyse drone footage, the cops were able to determine the 6-hour window in which a victim’s body was dumped in a specific location, allowing them to tighten their search of Flock cameras for cars in the area at the time. In emails obtained by *Forbes*, an Amazon Web Services law enforcement director described Lucidus’ tech as “one of the most amazing tools that I have seen for law enforcement”—and that was before Flock got its hands on it. “It’s an end run around privacy laws and the Constitution,” says ACLU

senior policy analyst Jay Stanley.

Expanding alongside Flock’s product line is its mission. The company thinks it can not only solve crimes but improve traffic management and expedite street repairs. Langley envisions a benevolent American panopticon where everyone feels safe and cities use all the data at their disposal to improve our quality of life. “We’ve got all these Flock cameras deployed from a criminal perspective,” Langley says. “Why would we not then walk down to the public works department and say, ‘stop sending people out to look for potholes. I have all that data. Let’s build a better city together?’”

He’s most excited about Flock’s drones. In an industrial park 10 miles north of Atlanta, in a 97,000-sq ft, \$10 million manufacturing facility, he shows one off. It’s unremarkable, little different from other police drones. But it’s American-made. That will matter if states follow a recent

Florida order banning Chinese-made drones from police use. Langley concedes that no company can outdo DJI—for now. But he’s going to try.

Flock’s first stab at that mission will be in customers’ hands come August. In a test drive, a drone in Riverside County, California, rises from the roof of a Flock facility on the outskirts of town. Controlled via browser, with just a keyboard and mouse, it’s like playing a video game—no surprise given that Flock employed developers from the *Overwatch* first-person shooter game series to build it. Text pops up to explain what’s on the screen: A mental health care centre, a McDonald’s. Then, with a simple scroll of the mouse, the camera zooms in on two men playing softball on a field hundreds of yards in the distance. The batter misses one, then hits a doozy. He has no idea he’s being watched from a surveillance company’s factory 2,000 miles away. **1**

Biotech Billionaire

Akeso CEO Michelle Xia gained experience in the US before launching her own biotech company back home in China. Now its cancer-fighting drug has put her in the spotlight of global pharmaceutical firms

By KERRY A DOLAN



78

COURTESY OF AKESO

The tanker American Energy is 900 feet long with a black hull; its bridge reaches the height of a ten-story building. Jutting out of the top deck are the squared-off corners of the ship's enormous liquefied natural gas storage tanks—painted a turquoise that complements the waters of the port of Peñuelas, on the southern coast of Puerto Rico. There, in June, the ship—owned by Jacksonville, Florida-based shipping company Crowley Maritime—made its first delivery to the island of 35 million gallons (130,000 cubic metres) of super-chilled (to minus 260 degrees Fahrenheit) liquid natural gas (LNG) sourced from American shale frackers. That's enough in one shipment to generate the electricity to power 80,000 homes for a year, says Tom Crowley Jr, the 58-year-old chairman and majority owner of Crowley Maritime.

Michelle Xia spent a dozen years in research and biotech in the US before relocating back to her native China for a job at American life sciences contract research company Crown Bioscience. It didn't take long for her to realise that patients in her home country needed to wait a much longer time than Americans to get the newest and best medicines. Back then, she says, it took eight to 10 years for drugs that had been approved in the US to become available in China.

"There was not much innovation in China" in drug development then, Xia recalls. China was producing copies of US drugs, but with a big

lag time. Armed with the ambition to change that and ample industry experience, she launched a biotech company in 2012 with two former Crown Bioscience colleagues and one other co-founder in the southern city of Zhongshan. She took the lead as CEO, chairwoman and president of the startup, which they named Akeso after a Greek goddess of healing.

Now, five years after taking Akeso public on the Hong Kong stock exchange, the company's standout lung cancer drug has captured outsized attention in the pharmaceutical world. In a Phase 3 trial in China last year, comparing Akeso's drug ivonescimab to Merck's Keytruda—the world's bestselling drug, with nearly \$30 billion in 2024 sales—the Akeso drug outperformed Keytruda.

The fact that a drug from a little known Chinese firm beat Merck's bestseller has led to a run up in Akeso's shares, which more than tripled in value in the past year. That has turned 58-year-old Xia into a billionaire—with a \$1.5 billion fortune, based on her and her family's 8.5 percent stake in the company, *Forbes* estimates. She is one of just nine Chinese-born women billionaires in healthcare (including two who inherited their fortunes) and one of 13 self-made women billionaires in healthcare globally.

More important to Xia is that her company has been an innovator. For its much-heralded cancer compound, Akeso combined two existing methods into one injectable drug: Stimulating the immune system to attack the cancer cells and starving the cancer by cutting off the blood supply to the tumours. "Usually that strategy [of combining two methods] is significantly ignored," says Robert Booth, a former senior scientific executive at Roche and now a board member at Summit Therapeutics, which in 2022 licensed ivonescimab from Akeso for markets including the US, Canada, Europe and

"Over the past five years, China has transitioned from being a nice to watch market to a central pillar of global biopharma innovation."

Japan. "Michelle wasn't afraid to try that. She is confident in her own scientific judgement."

Akeso's achievements are part of a recent wave of successes for Chinese biopharma companies. Nearly one-third of drug candidates licensed by large pharmaceutical firms came from Chinese companies last year, up from zero in 2019, according to California-based DealForma, a firm that tracks biotech deals. In April, a US congressional commission, the National Security Commission on Emerging Biotechnology, warned in a report that the US risks losing its edge in biotech—and that the government should put \$15 billion in funding over five years to support biotech research and manufacturing.

"Over the past five years, China

has transitioned from being a nice to watch market to a central pillar of global biopharma innovation," PwC's pharmaceutical and life science deals leader Roel van den Akker wrote in May. Some of that progress is fuelled by Chinese scientists who, like Xia, studied or worked in the US and then moved back to China.

Xia, who uses her given first name, Yu, in China, grew up in Gansu Province in the country's northwest, the daughter of two university-educated engineers. After getting a degree in biochemistry at Sun Yat-sen University in Guangzhou in 1988, she obtained a scholarship and got a doctorate in molecular biology and microbiology from Newcastle University in the UK. In 1996, she moved to the US to do cancer research in a lab at the University of Louisville, in Kentucky, where she had some friends.

Four years later, she took a job at Celera Genomics, a company best known for its founder, Craig Venter, and his work on the first draft sequence of the human genome. Summit Therapeutics' board member Booth became chief scientific officer of Celera in 2002 and organized research committee meetings that involved senior scientists, in part to train the younger staff. "Michelle was



Zhongshan-based Akeso is expanding its footprint to Shanghai, with an R&D centre in the city's Zhangjiang industrial park to be completed in 2026 (artist rendition)

probably the most junior scientist to join those meetings. She would ask the most probing questions,” he recalls.

Booth also set her to work using a complicated assay—a laboratory test employed in drug development—that had taken four very experienced scientists 10 weeks to get it to work when he was at Roche. “I expected it to take months, but in two weeks she was producing good, reproducible results,” he says. “She was a very accomplished scientist, highly productive and humble.” She later went on to work at Bayer and two other companies, and, while in America obtained US citizenship.

Xia put her results-oriented focus to work when she and her Chinese colleagues launched Akeso. At the outset, she and her partners were determined to recruit the best university graduates, so they travelled 80 kilometers to Guangzhou—home to several good universities—to interview students in a conference room at a hospital where a friend worked, she says via Zoom from China, smiling at the memory. Finding private investors was also difficult at first, but Xia’s team initially raised about \$3 million from wealthy southern Chinese entrepreneurs.

In 2015, Xia heard that pharma giant Merck was looking to license an immunotherapy drug candidate to target a protein called CTLA-4. It turned out that Akeso had one in early stage development. Xia, who had met someone from Merck’s business development team at a conference, reached out and ended up arranging a deal to license Akeso’s drug candidate to Merck for \$200 million. It was the first time a Chinese company licensed a lab-developed protein (called a monoclonal antibody) to a global big pharma firm. “That was a very good validation for us,” Xia recalls. “We won [that deal] because of our quality and our speed.”

Xia has organised Akeso to emphasise scientific advances, with nearly a third of the company’s 3,500

employees working in research and development. “We focus on science and biology and the most advanced technology,” says Xia. “I think that makes the difference.” Since it was founded 13 years ago, Akeso has secured approval for five of its drugs from China’s regulator, including its Keytruda competitor, ivonescimab. Two more drugs it developed and

licensed to other companies in China were also approved. Meanwhile, another of its drugs, to treat a rare form of head and neck cancer called nasopharyngeal cancer, was also approved by the US Food & Drug Administration in April. Revenue for the company is expected to grow 59 percent this year to nearly \$470 million, while it’s likely to post a

The World’s Richest Self-Made Women In Healthcare

There are just 13 women billionaires globally who built, or helped to build, healthcare businesses

NET WORTH, BILLIONS

Zhong Huijuan Hansoh Pharmaceutical Group (China)	\$18.1 bln
Judy Faulkner Epic Systems (United States)	\$7.8 bln
Kiran Mazumdar-Shaw Biocon (India)	\$3.6 bln
Jian Jun Imeik Technology Development (China)	\$3.4 bln
Alice Schwartz Bio-Rad Laboratories (United States)	\$1.9 bln
Lei Jufan Tibet Cheezheng Tibetan Medicine (China)	\$1.8 bln
Fan Xiulian Haisco Pharmaceutical Group (China)	\$1.6 bln
Michelle Xia Akeso (China)	\$1.5 bln
Yang Ying Xiamen Amoytop Biotech (China)	\$1.5 bln
Maky Zanganeh Summit Therapeutics (United States)	\$1.5 bln
Michele Kang Cognosante* (United States)	\$1.2 bln
Liao Qingqing Shenzhen Salubris Pharmaceuticals (Hong Kong)	\$1.2 bln
Martine Rothblatt United Therapeutics (United States)	\$1.1 bln

SOURCE: Forbes research; net worth estimates are as of July 25, 2025
*Michele Kang sold Cognosante in 2024

net loss of \$27 million, according to analysts at Hong Kong-based financial services firm CMB International.

The biggest factor putting Akeso into the spotlight of global pharma was its development of cancer drug ivonescimab. While Akeso had advanced the drug to Phase 3 trials and had presented promising research at ASCO, the big US annual oncology conference, in 2022, big pharma was hesitant to do deals with Chinese companies. Says Ken Clark, a longtime biotech lawyer at Wilson Sonsini Goodrich & Rosati and a board member of Summit Therapeutics, “All of the pharma companies passed on ivonescimab primarily because they didn’t believe the data.”

Luckily for Akeso, Summit’s co-CEOs Maky Zanganeh and Bob Duggan, both now US billionaires, had instructed their small team that same year to scour the globe for a drug in Phase 3 trials to license. One executive who was originally from China, Fong Clow, suggested looking there, and, within months, the Summit team had narrowed their focus to Akeso’s drug.

It turned out that Xia, Zanganeh and Duggan had a common tie: A drug candidate that Xia had worked on at Celera Genomics in the early 2000s was later purchased by Pharmacyclics, Zanganeh and Duggan’s previous biotech company. Under their leadership, Pharmacyclics took the drug, called Imbruvica, through to FDA approval in 2013 for treatment of chronic lymphocytic leukemia, the most common form of leukemia. It became a blockbuster, and drug giant AbbVie bought Pharmacyclics for \$21 billion in 2015.

That connection helped give Xia confidence in Zanganeh and Duggan, both of whom had unorthodox backgrounds for biopharma executives: Zanganeh started as a dentist and Duggan, a serial entrepreneur, had run a cookie company, a needlepoint-kit seller and others before investing in a robotic surgical company,

COURTESY OF AKESO




where he met Zanganeh. The two teams soon recognised they both had entrepreneurial cultures. “They found me, and I think it’s a perfect fit,” says Xia.

Akeso and Summit inked their licensing deal in December 2022, with Summit agreeing to pay \$500 million upfront plus up to \$4.5 billion in potential milestone payments. Xia joined Summit’s board the next month. “From the start, she built a company that could handle every step of drug development—from discovery to manufacturing—all under one roof. This gave Akeso speed, flexibility and control in an industry where timing is everything,” Zanganeh says via text message.

At a lung cancer conference in San Diego in September last year, Akeso announced the results of its

head-to-head Phase 3 clinical trial with Merck’s Keytruda for patients with a specific type of lung cancer. The patients on Akeso’s drug went a median 11.1 months before the cancer started spreading again, compared with 5.8 months for those taking Keytruda. Akeso’s stock jumped 16 percent on the news the next day. Friends from around China and the US reached out to congratulate Xia. (Summit is now conducting its own Phase 3 trials of the Akeso drug in order to get approval from the US FDA. In May, the company reported that it missed one of two primary targets—for overall survival—in one of the trials. Its shares plunged on the news but have since recovered, and nearly tripled in value in the past 12 months.)

Xia has even bigger goals. Akeso already has more than a dozen drug candidates it developed in clinical trials, and she wants to push the company beyond cancer drugs to pursue treatments for neurodegenerative diseases and autoimmune diseases, particularly as China’s population ages. That means investing in new technology and new types of drugs, all with the goal of serving patients. Says Xia: “We want to join the club and become a great company.” 

“From the start, she built a company that could handle every step of drug development—from discovery to manufacturing—all under one roof.”



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Mini Budgets, Maximum Impact

Pg 84



Small Wonders, Big Numbers

Low- and mid-budget films—with rooted stories, age-appropriate casting and traditional marketing—are raking in the moolah. Why is the audience rejecting superstar-led projects?

By KUNAL PURANDARE



Saiyaara

45

570

BUDGET (₹CR)

BOX OFFICE EARNINGS
(GLOBAL) (₹CR)

Two months before its release, Yash Raj Films (YRF) honcho Aditya Chopra watched a rough cut of *Saiyaara* and predicted it would cross ₹100 crore. He was confident of that even if the opening was in low single digits. “To be honest, I thought he was being overly optimistic in this environment,” Mohit Suri, the director of *Saiyaara*, tells *Forbes India*, alluding to the lull at the box office in the last five years. But Chopra’s prediction about the romantic musical drama came true.

A YRF production starring newcomers Ahaan

Panday and Aneet Padda, *Saiyaara* created havoc at the box office since its theatrical release on July 18. Made on a budget of a little over ₹45 crore, the film earned ₹570 crore worldwide with net India collections of ₹329 crore. The first weekend brought in ₹89 crore net, including ₹28.75 crore on the opening day.

Saiyaara is one among many small- and mid-budget films in the recent times that have consistently outperformed several star-driven blockbusters. In the last couple of years, Bollywood and South Indian movies such as *Munjya*, *Laapataa*

Munjya

35 132

BUDGET (₹CR)

BOX OFFICE EARNINGS (GLOBAL) (₹CR)

Ladies, Hanu-Man, Madgaon Express, Manjummel Boys, Srikanth, Tourist Family, Lokah: Chapter 1—Chandra, Little Hearts, Mahavtar Narsimha and Su From So have fared better than some of the big-budget films riding on superstars.

For instance, *Munjya*—a horror comedy about a Maharashtrian folklore headlined by 27-year-old actor Abhay Verma—made with a budget of ₹35 crore grossed ₹132 crore globally, including ₹35 crore in the opening week.

Aditya Sarpotdar, the director of *Munjya*, believes making a film with such budgets is both a risk and a challenge. “It’s always the underdog

“If the audience feels they’ve been taken for a ride or extremely undermined in terms of their intellect, they reject the film.”

ADITYA SARPOTDAR, filmmaker

and you never know whether the film will do the numbers at the box office. A lot of credit goes to the producers for believing in these movies and releasing them in theatres instead of going directly to streaming platforms. The promotion and marketing budget to take these films to the audience is huge,” he says. What often makes these films work, he adds, is the audience’s appreciation for a film that wasn’t on their radar but pleasantly surprised them upon release.

Suri says that for *Saiyaara*, the audience response mattered to him more than the collections. At a time when filmmakers are busy making sequels, part twos of the original releases or action films with big stars, he was clear that he wanted to make a movie that people will truly love.

“With *Saiyaara*, I went back to the basics. The producer had stretched the budget way more than a newcomer film would have enjoyed, but he never made me feel that way. There was no emotional compromise on the film,” says Suri. Chopra even insisted on shooting in Manali instead of using visual effects for just one key scene, choosing authenticity over cost-cutting, even though the last shot was the only scene that needed to be filmed there.

Sneha Desai, who wrote the screenplay and dialogues for *Laapataa Ladies*, attributes the success of the 2024 film to its honesty, the connection it has with the grassroots, and the empathy and identification that people of India felt with the characters. “Despite box office diktats, I continue

Tourist Family

7 90

Lokah: Chapter 1—Chandra

35 281

to believe that a film is primarily made on paper,” she says. “The greatest currency of a film is its script. Once you have a strong script, one can only go on to build a stronger edifice on it.”

That perhaps explains why the Tamil film *Tourist Family*, made with only ₹7 crore, has earned ₹90 crore worldwide. The directorial debut of Abishan Jeevinth narrates the story of a Sri Lankan family that comes to India in search of a better future following an economic crisis in their home country. In terms of its 1,200 percent profit, it has outdone the Vicky Kaushal-starrer *Chhaava*—Bollywood’s most successful film of 2025 with global collections of ₹808 crore against a budget of ₹90 crore (around 800 percent profit). Similarly, *Mahavtar Narsimha*, an animated mythological film, earned ₹320 crore against a ₹15 crore budget.

In contrast, highly anticipated big-budget movies such as *Sikandar* starring Salman Khan, Akshay Kumar’s *Housefull 5*, *Son of Sardaar 2* with Ajay Devgn in the lead and Hrithik Roshan’s *War 2* failed to impress the box office and the audiences this year. Made on a budget of ₹150 crore to ₹400 crore, most either failed to break even or earned just a little more than the cost of making.

Sanket Kulkarni, head-business development (theatrical), Ormax Media, says the biggest differentiator between a low- or mid-budget and a

“Despite box office diktats, I believe that a film is primarily made on paper. The greatest currency of a film is its script.”

SNEHA DESAI, screenplay writer



high-budget film, most of the time, is the presence of a star. “In recent times, stardom has become a less reliable driver of first-day box office performance,” he says. Devgn’s films have opened between ₹1.7 crore and ₹19 crore in the last year or so, while Kumar’s recent releases have ranged anywhere from ₹2.5 crore to ₹22 crore. “Thus, having a star in the film is no longer a guaranteed driver of a strong first-day collection in today’s environment of shifting audience habits. This has, to an extent, levelled the playing field for films without major stars,” he explains. “For example, *Munjya* and *Chandu Champion*, released just a week apart, opened at similar levels despite the clear difference in star power. Moreover, the growing influence of franchises, along with footfall-boosting levers such as Cinema Day pricing, have enhanced the box office prospects of films with limited star value. *Saiyaara*, *Stree 2* are great instances of the same.”

Big budgets help put up a visual extravaganza or scale up things on screen, but that need not translate into earnings. According to Sarpotdar, spectacle alone does not guarantee success. “If the audience feels they’ve been taken for a ride or extremely undermined in terms of their intellect, they reject the film. Audiences have gotten smarter because they have been consuming a lot of international and regional content on streaming platforms. An important reason why people are rejecting these films is because there is nothing new that they get to see in them. It’s the same repackaging of old cinema that had worked at some point,” he says.

Desai emphasises that projects must be mounted according to the content on paper. “The reasons for the failure of big-budget films are weak scripts, stories that are compelled to shape-shift to merge with the flavour of the season, the lack of conviction and trying to make something larger than life without having roots,” she says.

Suri humbly states that he can barely figure out what works for him. So, he wouldn’t know what

BUDGET (₹CR)

BOX OFFICE EARNINGS (GLOBAL) (₹CR)

Little Hearts

2.4

38

Mahavtar Narsimha

15

320

Laapataa Ladies

5

27

makes a film a hit or a flop. However, he feels that marketing and positioning often overshadow fundamentals like story, casting and music. “Big should be the thought, not the budget,” he says, adding: “We [the industry] have started casting as a business decision rather than casting appropriate.”

For *Saiyaara*, the filmmaker reveals that he had suggested some established names for the lead roles as he was desperate to ensure that the film gets made. Chopra played the devil’s advocate. “My marketing and distribution teams will be happy, but your film will fail,” he argued. “The story is about youngsters falling in love. It is about someone who has not seen stardom, so how can you cast a star in it?” Suri was convinced. In the end, newcomers were chosen, matching the film’s theme of young love.

In the case of *Munjya* too, the story demanded someone in his early 20s to play the lead role. “We went with the demand believing that people will also understand,” says Sarpotdar. “Now when you see *Saiyaara* and its numbers, I think people value a film for trying to stay in the world and committing to the world it is presenting.”

Desai agrees. “*Laapataa Ladies* could have had the most expensive actors, but the baggage, the stardom would have taken away from the innocence that the script had,” she says, adding that Aamir Khan Productions that produced the film has deep pockets, but it decided to stay true to the script. “There was no point in having crazy computer graphics for a film like *Laapataa Ladies* or a production design which looked snazzy. The money that you spend has to be subject-friendly... it has to cater and deliver to the content you have in mind.”

According to Kulkarni, everything boils down to content as “dependence on stardom, a strong pillar for the success of a film, has diminished by a certain margin”.

Marketing and promotions also play a vital role in creating a buzz about small- and medium-budget films, especially if a star is not attached with them. “The trailer is your most important asset. It is a make-or-break for a film,” says Sarpotdar.

In the case of *Munjya*, the titular character—a

BUDGET (₹CR)

BOX OFFICE EARNINGS (GLOBAL) (₹CR)

supernatural entity—was created using computer-generated imagery. Sarpotdar describes him as the ‘hero’ of the film and says the first teaser was purely about him. “There was a lot of curiosity about *Munjya*,” he says. The team also realised that the film did not have a song. Therefore, to make it appear entertaining to the audiences, they added *Taras*, starring Sharvari, as a track.

Suri, too, went traditional with the marketing of *Saiyaara* and focussed on the trailer and music. He laments that marketing has now become a new-age product with gimmicks instead of trying to sell the film. “Films like *Conjuring* that have had no or limited marketing have also opened to huge numbers. While you need a certain amount of marketing, there is a disassociation between the two,” he explains. He believes that while some marketing is essential, films succeed on merit.

Kulkarni explains that no matter how good a film is, its lifetime box office performance depends strongly on the first day and opening weekend collections. “That’s why marketing plays a crucial role in driving respectable opening numbers, and achieving the critical mass needed to sustain a strong box office run,” he says.

On the other hand, Desai believes conviction is the real differentiator. She feels while there was a little margin for error earlier, things have changed post Covid. “The production houses have suffered huge losses. The cinema-going audiences are at an absolute low. At a time like this, investing ₹200 to 300 crore on a film is risky for the makers,” she says. “I think we’re moving back to our roots. We’re trying to find stories which are more grounded... those that can be said with less monies and where the return on investment is higher, the rate of recovery is faster.”

There’s no assured formula of making a hit film, points out Suri, adding that people should stick to their individuality. “Everyone should play to their strengths,” he says. **F**

“Big should be the thought, not the budget. Marketing has become a new-age product with gimmicks instead of trying to sell the film.”

MOHIT SURI, filmmaker



‘Always Wanted to Create an Album on Gandhi’

Three-time Grammy winner Ricky Kej on collaborating with Nobel laureate Kailash Satyarthi and the challenges of working with 200 musicians across 40 countries

By KUNAL PURANDARE

Three-time Grammy Award-winning musician and Padma Shri Ricky Kej describes his latest album, *Gandhi-Mantras of Compassion*, as a passion project. The 44-year-old has collaborated with Nobel Peace Prize-winner and activist Kailash Satyarthi for the musical and spiritual tribute to the life and philosophy of the Mahatma. The self-funded album saw him join hands with 200 musicians across more than 40 countries, including friends Tina Guo, a Chinese-American virtuoso cellist, and Masa Takumi, a Grammy Award-winning shamisen player from Japan.

The album has 11 songs and four spoken-word passages by Satyarthi. Kej says it blends melodies loved by Gandhi with original compositions inspired by his ideals. For the ‘Raghupati Raghava’ video, the musician spent two years visiting religious places across the country—from Manikarnika Ghat in Varanasi to ancient churches in Kolkata and Bengaluru as well as the Ajmer Dargah and Jama Masjid.

In an interview with *Forbes India*, Kej speaks about Satyarthi’s inputs and role, the challenges of dealing with a diverse set of musicians worldwide, why he stayed away from major labels, and why he doesn’t compose music for Hindi films. Edited excerpts:

Q You call *Gandhi-Mantras of Compassion* your most epic and ambitious project. What makes it so special?

I have always been a huge follower of Mahatma

Gandhi... he has been my hero. In fact, each of my previous three Grammy Award-winning projects had a song on Gandhi, but there was always a desire to create a whole album on him. Last year, I did a four-city tour within India with Kailash Satyarthi, who has also been my hero. He has based his entire career of activism on Gandhi, and I have been following his work for years. We talked a lot to each other during the tour and mutually decided to make an album on Gandhi. It became epic because I ended up involving over 200 musicians from 40 countries. The album kept growing and growing, because I kept meeting more and more musicians who wanted to be a part of it... or musicians who I would find online, who would speak about Gandhi in a favourable way. It became a huge project.

Q How did you choose this as the theme? And why did it take you so long to come up with an album dedicated to Gandhi?

Gandhi was not only a person who was involved in the freedom struggle of India. He also took society forward with his ideals. His footprint has been felt all over the world without a lot of people knowing that it is his footprint. Today there is so much hatred, trolling, negativity, division and even wars. With every passing year, it became more and more clear that we need to come back to Gandhi’s ideals... they are getting more and more relevant. After meeting Kailash and knowing how his life has been inspired by Gandhi... all of these things came together. It then became obvious that this album had to happen now.

Q How is this album different from your other ones?

One thing is that it was heavily reliant on collaboration. My previous albums were with just one or two collaborators. The second is that my main collaborator—Kailash Satyarthi—is not a

“With every passing year, it became more and more clear that we need to come back to Gandhi’s ideals... they are getting more and more relevant.”

musician. In fact, that came as a blessing because he would look at things completely from a conceptual perspective and give feedback. Even though he's not a musician, he's got the heart of a musician, the sensibilities of a musician. The next thing is that this album is heavily layered. If I have to get into the technicalities, each of my sessions, each song has almost 300 to 350 layers and tracks. Because there were that many musicians and instruments. The challenge was to keep it simple and listenable. People will find something new every time they listen to it.

Q You collaborated with 200 musicians across 40 countries. How much time did it take for you to compose the music?

The planning went on for about a year. The recording took six months. Some of these musicians are friends of mine, who I have known for a long time and collaborated with multiple times. Some are people who I've met at concerts during my travels... they are traditional musicians. For instance, for the first time, I recorded a Charango, a traditional instrument from South America, and I recorded with a 75-member Grammy-winning youth orchestra in New York who belong to the 12 to 20 age group. And then there are musicians who I saw online... who talk about non-violence, who talk about the ideals which are similar to what Gandhi speaks about. I reached out to them and asked whether they would like to be a part of this album.

Q What are the challenges of working with such a diverse team situated across the globe?

I would love to be in the same room with them while I am recording. And for almost 50 percent of the musicians, I travelled to their countries and recorded with them. Where I could not, I used technology—Zoom, Skype, remote recording sessions—so that it would have the same effect as me being in the same room with them and jamming off each other.

▼
Ricky Kej
at the 65th
Grammy
Awards in
February
2023 in Los
Angeles,
California

Q This is a self-funded project. Why didn't you opt for sponsors or partner with labels?

I've worked with major labels pretty much all my life... I love working with them and will continue doing that. But for this album, I wanted everybody in the world to use music that will be open source... that anybody can use (without copyright problems). For example, we are trying to get prisons all over the world to play the music and I have started sending it to them. Doing this in a non-commercial way is a challenge when a label is involved. When there is a corporate set-up, the credibility of the album gets pinned on the shoulders of that corporate house or that individual... that is the reason I funded it myself, so that I have the full freedom to do whatever I want to with it.

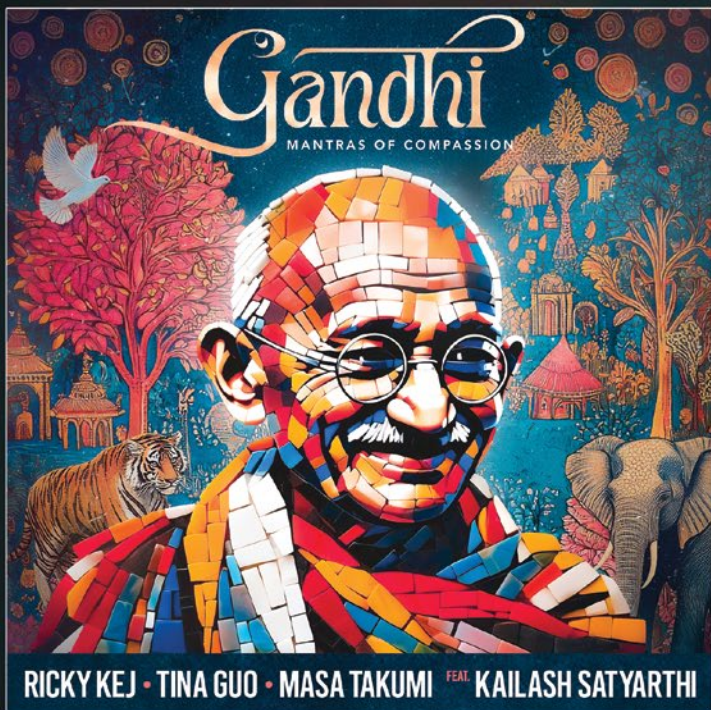
Q How much money did you end up spending on the album?

Quite a lot (laughs). It is one of those things I did not even want to calculate because I know I'll start crying immediately. In the beginning I had Excel sheets, and I was noting down everything. I gave up halfway through because I was getting anxiety opening that Excel sheet every time.

Q How did the collaboration with Kailash Satyarthi come about? What was his contribution to the album?

It was almost like a mutual decision. We spoke about what Gandhi meant for us and we decided to make the album. There are 11 songs in the album, and he helped me choose five hymns that Gandhi loved during his lifetime—'Raghupati Raghava', 'Payoji Maine', 'Abide By Me', 'The Lord's Prayer', 'Vaishanava Janato'. We went through the lyrics together. There are six original compositions... and I would send him the music I would compose. He would give me his feedback. Not only that, he has done four spoken-word passages





90

for the album. He has spoken about what Gandhi means to him from a personal capacity.

Q What are some of the principles and teachings of the Mahatma that are dear to you?

Truth and non-violence, as well as environmental consciousness. Since I have been an environmentalist all of my life, I am drawn towards the environmental messages. But the most obvious one is: Be the change that you want to see in this world. We constantly talk about changing the world, but we never talk about changing ourselves.

Q You are also a UN Goodwill Ambassador. How do you use that position to make a difference?

The only kind of music that I make is about the environment or positive social impacts. Previously, it used to be just the environment, but then I broadened my scope. When I started

▲ The self-funded album saw Ricky Kej join hands with musicians like Tina Guo and Masa Takumi

off as a musician-activist, I was an aggressive activist and completely outspoken. Later, as I grew older, and especially after living in India, travelling the length and breadth of the country and other parts of Southeast Asia and Africa, I began realising that the narratives that the West feeds us are completely wrong when it comes to climate change. So, I started getting a little more realistic, and I realised everybody's got dreams and aspirations. We cannot cut that off from people. We have to walk together.

Q We don't see you working much in the Hindi film industry.

That is a conscious decision. Of course, I've been offered a lot, more so after I won my first Grammy. But as much as I love listening to Hindi film music and watching Hindi movies, I do not see myself making it. I want to make the kind of music that I love. I had to make a strong decision early on in my career whether I want to be extremely well known for songs that do not define me, or do I be lesser known for songs that define me. I chose the second option because it's a little more honest to the kind of music that I create. **F**

"As much as I love listening to Hindi film music and watching Hindi movies, I do not see myself making it. I want to make the kind of music that I love."

‘In India, Trust is the Key to Success’

Borzo CEO Alina Kisina on the evolving last-mile delivery landscape, how supporting SMEs is at the heart of its growth strategy and why she sees AI as an opportunity, not a threat

By ANUBHUTI MATTA

PHOTO BY MEXY XAVIER



Alina Kisina began her career as an English and Spanish teacher and stumbled upon logistics almost by accident. On the day she walked into her first job interview for the role of a customer service executive at DHL in Moscow, she did not even know how to turn on a computer. Today, she leads Borzo, the on-demand logistics platform, formerly known as WeFast, as its chief executive officer (CEO), responsible for steering the company through a fiercely competitive market.

Borzo operates in five countries and 23 cities across India. It has raised \$60 million through several rounds of investment from venture capital (VC) firms, including VNV Global, Mubadala Investment Company and Flashpoint VC. The company has returned half of these funds to investors due to successful exits from regions outside India. Borzo became profitable in India in 2024 and now aims to be self-funded.

On a visit to the country, *Forbes India* caught up with Kisina at the company's Mumbai headquarters to discuss the evolution of the last-mile delivery landscape, why India is a critical market, and how supporting small and medium enterprises (SMEs) remains at the heart of its growth strategy. Edited excerpts:

Q How important is India to Borzo's global growth story?

It is extremely critical. To my surprise, we never paid attention to India until 2023. We had operations in so many countries, and we were trying to manage each one of them, while neglecting India's potential.

Today, it contributes up to 65 percent of the total gross merchandise value (GMV), and accounts for 78 percent of all deliveries. Out of roughly 375,000 active clients globally, about 90 percent are from India. Our India operating profit margin has been at 10 percent for the last three quarters. Our average quarterly GMV has been around ₹500 million in India. And we have about 40,000 monthly active riders in the country.

Q So, why the move to focus on the India market?

The opportunity is enormous. India has a large population and a highly fragmented SME ecosystem. If you compare it with other countries, there's no other place that allows so many SMEs to thrive. In India, homemakers can cook, create something, and sell it, which is incredible. When I came here, I learnt that many of my employees' wives and mothers are engaged in these small businesses. For Borzo, this represents a huge opportunity.

Q What makes the Indian logistics market different from others where Borzo operates?

First of all, the model we operate is totally the same. But what's different here is actually cultural. You have to understand the mindset of riders here; it's different from other countries.

All riders want to earn, but the way they treat their earnings and the way they approach deliveries is different.

The weather also plays a big role. In summer, taking long distances can be quite difficult—you have to pay extra, and factor that in. During the monsoon, especially in Mumbai, logistics get even more complex.

Another area we pay extra attention to is security and safety, because we have to manage fraud. Unfortunately, it happens more often here than in other countries, which adds to the complexity and challenge.

Q While the business in India is doing well, why did you decide to pull out from some other countries?

We used to be in more than 10 countries, but we've shrunk our coverage. We stopped in some countries because we decided there was no need to develop business there. Currently, we operate in Brazil, Mexico, Turkey, Indonesia and India. We entered the business of last-mile delivery seven to 10 years ago, when it wasn't as flourishing. Post Covid-19, when we started serving the SME sector, it required a lot of marketing cost. Unlike enterprise clients—such as Blinkit, Amazon, Meesho and the like—where onboarding them brings huge volumes, SMEs need constant marketing, and it has never paid off. Therefore, we decided to concentrate on markets where we have a solid local base.

Q Are you looking at any other countries and what about expansion in India?

We will not be expanding into other countries. As for India, we haven't yet hit the ceiling in our current cities. In 2022-2023, we were experimenting and didn't capture all the potential we could. Now, we're focusing on growing the cities we're in, building brand awareness and strengthening our base. India became profitable in 2024, and we want to be totally self-funded, so we're focusing on prioritising growth in existing cities.

"India contributes up to 65 percent of the total GMV, and accounts for 78 percent of all deliveries."

Q Which sector drives the largest growth for Borzo in India: SMEs, ecommerce or D2C? And which city is your biggest market?

It's mostly SMEs, with ad hoc demand. They might send documents or other items. Next comes food and grocery, and then retail. Mumbai is our biggest market. Delhi could have been on the same level, but we lost the share there. In 2022-2023, we focussed on enterprise clients and hyperlocal delivery, but our product couldn't serve both enterprise and SME segments at the same time.

Q What kind of challenges do you face in India?

Mostly brand awareness. In India, trust is the key to success—once people and companies know you, they begin to trust you. That's what we're working on, along with maintaining quality. I think because our office is in Mumbai, people may be more familiar with us, but we are focussed on improving our services in other cities as well, and that's the plan for the rest of the year.

Q There's lots of chatter about quick commerce and last-mile deliveries in India. How does Borzo plan to maintain its edge over competitors?

First and foremost, through the quality of service. It's something I personally champion within the company. Two, AI (artificial intelligence) implementation. However, the tricky balance is not losing the human touch that defines us. And third, by expanding the variety of services we offer, for instance, slot deliveries, day deliveries or different types of vehicles.

I won't deny that the competition is strong, but it's a good thing because it keeps us motivated and creates positive pressure.

Q What are your views on AI, and do you view it as a threat or an opportunity?

The first step was opening ChatGPT accounts for everyone in the company. We are developing an AI CEO. For us, AI is an opportunity. We let AI do any non-professional, repetitive task that can be automated. But I don't believe in going all-in and replacing the

Quick 5 with Alina Kisina

The biggest myth about women in leadership

"Women aren't natural leaders; on the contrary, they are born with leadership instincts."

The biggest challenge women leaders face

"The only challenge is the perception that challenges are gendered."

One thing that helps you stay grounded

"Many hobbies—singing, dancing, Tango, yoga."

The boldest decision you've taken as the CEO

"Taking the CEO position."

One quality every leader must build on

"Trust has always been the foundation—setting clear rules, being transparent and creating an environment where people feel secure."

human touch. Even companies that have implemented AI at 100 percent are realising people still want human communication and human brains.

Q How do you think India's quick commerce ecosystem is evolving compared to other global markets?

Quick commerce is not our focus area, so I won't elaborate much, although we tried to step in and quickly realised it's not our DNA. Overall, this sector is evolving rapidly, though it has yet to catch up with global benchmarks. For example, in Russia, the 10-minute delivery is possible because of the presence of dark stores every 500 m; in India, the density is still limited. Another model that will eventually be introduced may be the outlets or pick-up points, again every half a kilometre, where customers can drop off or pick up packages. Globally, this model has scaled well.

Q What's working well for last-mile deliveries in India and what needs improvement?

Although the ecosystem has grown rapidly, there are challenges to overcome. Managing and minimising fraud is a major issue. In India, high levels of internal migration mean that riders move frequently between cities and regions, making it harder to maintain verification and tracking. Along with maintaining strong verification, we are focusing on training riders on customer interactions, and since a majority of them come from villages, viewing delivery work as temporary, our challenge is to make them see it as professional work, along with taking pride in it. Even though there are just 0.01 percent cases of fraud, it has the potential to crack the whole system.

Q What are your plans for incorporating electric vehicles (EV) and broader sustainability practices?

The company has experimented in the past with EVs, but challenges around maintenance, durability of engines and supply chain management have made it difficult for overall adoption. SMEs don't have the same requirements as large enterprises, making it a less urgent need for our operations. India is a huge market and it is complicated to manage some things with greener alternatives. **F**

"Companies that implemented AI at 100 percent are realising people still want human communication and human brains."

MEHER PUDUMJEE,
Chairperson, Thermax

'Unlike Humans, Dogs don't Hold Grudges'

Photo and Text By MADHU KAPPARATH

Mehar Pudumjee wasn't a dog lover until Lara came into her life five years ago. One among seven in a litter on a street, she brought her home on her lap. That's when Pudumjee felt that 'umbilical cord'-like attachment for the pet. Though she grew up around pets, she was put off by dogs for a while because of childhood pet Bimbo. A tiny, vicious Lhasa Apso breed, Bimbo would bite or snip at Pudumjee all the time. Now there is Lara and Chloe, who was a pup when she was brought in, and Luna, the three-legged one who came home when she was five. They have survived against all odds. "Luna is one hell of a fighter when harassed. I love that about her," Pudumjee says. "She will get what she wants." The dogs are a big stress-reliever for Pudumjee after a busy day at work. "They express pure joy when they see me," she says. "Unlike humans, they don't judge... they don't hold any grudges. It is pure, unconditional love. 🐾"



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