

**“ We view the RBI's decision to maintain status quo on the repo rate as a balanced and prudent approach, particularly against the backdrop of ongoing global geopolitical tensions and their cascading impact on inflation, supply chains, and capital flows. A stable interest rate environment provides much-needed visibility to both developers and homebuyers, helping sustain demand momentum across housing segments.”**

**Shekhar Patel, CREDAI President**

**“ While global uncertainties and input cost pressures may pose short-term challenges, the sector continues to benefit from strong domestic fundamentals. This stability is helping maintain demand momentum, particularly in mid and premium housing segments, while also supporting long-term investment decisions.”**

**Niranjan Hiranandani, NAREDCO Chairman**

**“ The central bank's decision reflects a balanced and 'safety-first' approach, prioritising macroeconomic stability. The removal of due diligence requirements for onboarding onto the TReDS platform is a progressive step that will significantly enhance liquidity access and working capital efficiency for small businesses.”**

**Ajay Kumar Srivastava, MD & CEO, Indian Overseas Bank**

**“ The status quo factors in rising upside risks to inflation and provides much-needed stability to the financial system. A steady rate environment, supported by adequate liquidity, should continue to support credit growth across retail and MSME segments, while also strengthening asset-liability management for lenders.”**

**Vinod Francis, SGM & CFO, South Indian Bank**

**IN BRIEF**  
**NHAI to develop medicinal tree plantations on NHs**

NEW DELHI: State-owned NHAI on Tuesday said it has taken an initiative to develop 'Arogya Van', thematic medicinal tree plantations on vacant land parcels along National Highways. NHAI, in a statement, said the initiative aims to enrich biodiversity along the National Highways by introducing medicinal tree species that support pollinators, birds and micro-fauna, thereby strengthening ecosystem resilience. In the first phase of developing 'Arogya Van', an action plan has been formulated covering 17 land parcels, spanning over 62.8 hectares, where around 67,462 medicinal trees will be planted along different National Highway projects in Madhya Pradesh, Haryana, Delhi-NCR, Andhra Pradesh, Gujarat, Karnataka, Odisha, Tamil Nadu, Rajasthan, Maharashtra and Chhattisgarh.

**NOCIL starts new chemical plant**

NEW DELHI: NOCIL Ltd said on Wednesday it has commissioned a new manufacturing facility for Pilnox TDQ/TMQ rubber anti-degradants at Dahej, Gujarat, as part of a Rs 250 crore investment programme to expand its rubber chemicals portfolio. The plant, located within the Dahej Petroleum, Chemical and Petrochemical Investment Region (PCPIR), will produce chemicals used to improve tyre durability, performance and safety, as well as non-tyre applications. NOCIL, in a statement, said the facility's location provides access to raw materials, port connectivity and integrated infrastructure, supporting both domestic supply and export markets. "As supply chains evolve, building strong domestic capabilities is a responsibility we take seriously," MD Anand V S said.

**Hilton, Royal Orchid Hotels ink pact**

NEW DELHI: Global hospitality major Hilton on Wednesday announced the signing of a strategic agreement with Regenta Hotels Private Limited, owned by Royal Orchid Hotels Limited, for opening 125 Hampton by Hilton hotels across western and southern India by 2035. The partnership accelerates Hilton's upper mid-scale expansion in India, where rising domestic travel and growing demand from the country's expanding middle class are driving strong opportunities in the mid-market segment. The franchised hotels will primarily be developed across western and southern markets, including Goa, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh and Telangana, joining more than 3,100 Hampton by Hilton properties operating globally.

**ClayCo raises ₹34.59 crore fund**

NEW DELHI: ClayCo on Wednesday said it has raised Rs 34.59 crore with closure of series A funding. The startup will use the fund to accelerate product development, expand into new categories, and strengthen its working capital, said ClayCo in a statement. The funding round was led by Twenty-Nine Capital Partners Ventures, with participation from ICMG Global Ventures II Pte. Ltd., Singapore.

# Rupee hit by excessive speculation; steps not long-term: RBI Governor

Artificial drying up of supply seen during West Asia war, says Dy Governor Rabi Sankar

**RBI'S MEASURES**

- Rupee recorded its biggest annual fall in 14 years due to West Asia conflict
- The currency depreciated by 9.88%
- This was the sharpest drop since FY12.
- Central bank's measures boosted the rupee, including a gain of over 2% in a single day

MUMBAI

THE Reserve Bank of India on Wednesday said "excessive speculation" on the rupee prompted surprise actions on the currency front in the last fortnight, but clarified that its measures will not remain forever.

"In the last few weeks of March, we have witnessed heightened volatility in the foreign exchange market. These measures are reactions to the specific market movements. They are not signalling any structural changes. These are not measures going to remain forever," Malhotra said in a post-policy press conference.

Deputy Governor T Rabi Sankar said there was an



"artificial drying up" of supply in the market during those days, which led to the measures.

The comments from the apex bank came for the first time after it capped NOP (net open positions)-rupee positions in the onshore deliverable market at \$ 100 million and barred authorised dealers from offering non-deliverable forwards.

The first measure helped the local currency to appreciate sharply, but gains were reversed within a few hours

of trading. The second measure, stopping authorised dealers from offering NDF, helped the rupee significantly, and it appreciated over 2 per cent in a single day.

In March, the rupee saw higher depreciation pressures with the currency breaching 95 per US dollar intraday, surpassing its previous record lows amid concerns over the West Asia conflict.

The rupee posted its biggest annual decline in 14

years in FY26, depreciating by 9.88 per cent against the US dollar, marking the sharpest fall since FY12 when the currency weakened by 12.4 per cent.

The governor said the central bank observed positions being built up, leading to arbitrage positions in the non-deliverable forward (NDF) and forwards market.

"In normal times, these linkages are important for efficient price discovery, and it was our endeavour to wid-

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en and deepen this market. But, when there is excessive volatility and excessive building up of positions, which perhaps is not helping efficient price discovery, such kinds of measures are taken," Malhotra added.

Sankar said that these measures have to be seen in the context of these events (excessive volatility), which was leading to more volatility.

"More importantly, these were leading to artificial drying up of supply in the market, affecting the prices in the market. Our objective of doing this was to cool off that phase down, so that long-term commitments still remain to rupee internationalisation, to having one global market."

## RBI plans to revise norms to free up bank's board time

MUMBAI

IN a bid to promote ease of doing business, Reserve Bank Governor Sanjay Malhotra on Wednesday proposed to revise and rationalise guidelines to facilitate better utilisation of bank board's time and draft directions in this regard would be released shortly. The matters to be placed before the Boards of banks, along with their periodicity, are determined by the Boards themselves, guided by the seven broad themes prescribed by the Reserve Bank of India.

Meanwhile, the Reserve Bank has also mandated certain policies and matters to be placed before the Board for approval, review, or information. "In an endeavour to enable Boards to utilize its time effectively, and to facilitate a more focused and qualitative engagement on strategy and risk



governance, the Reserve Bank has undertaken comprehensive review and rationalisation of all such instructions. Draft directions in this regard will be issued shortly for public consultation," RBI said in its statement on Developmental and Regulatory Policies.

The announcement comes weeks after HDFC Bank Chairman Atanu Chakraborty's abrupt resignation, citing ethical concerns. "Certain happenings and practices within the bank, that I have observed over the last two years, are not in congruence with my personal values and ethics. This is the basis

of my aforementioned decision," Chakraborty had said in his resignation letter dated March 17. This is the first time that the part-time chairman of HDFC Bank left mid-way raising concerns over its functioning.

Announcing the Monetary Policy Committee meeting outcome, Reserve Bank Governor Sanjay Malhotra said, "We had recently undertaken a detailed exercise, to consolidate over 9,000 regulatory instructions into 238 Master Directions. A similar consolidation exercise has now been completed for all our supervisory instructions."

The Reserve Bank has constantly endeavored to refine and strengthen its regulatory and supervisory framework while minimising compliance costs, through periodic evaluation of instructions for their continued relevance.

## RBI to come out with new NBFC framework on Tata Sons' listing

MUMBAI

RESERVE Bank Governor Sanjay Malhotra on Wednesday announced that the monetary authority will be coming out with a new framework for non-bank lenders amid a lack of clarity over Tata Sons' listing issue. "We are coming up with a new framework for the NBFCs. Very soon, we should," Malhotra told reporters at the customary post-policy review press conference.

On a specific question on Tata Sons, Malhotra said the new framework will categorise non-banking finance companies. He, however, did not elaborate further on the matter, which has been tracked intensely because the RBI is likely to decide if Tata Sons, the holding company of the salts-to-software conglomerate, continues to be privately held or is forced to list.

As per the existing rules from the RBI, Tata Sons, a core investment company,



should have been listed by September 30 last year because it is included in a set of 15 entities in the upper layer bracket. Barring Tata Sons, all other entities have complied with the provision. Previously, Malhotra had said that an entity can continue doing business till its license is cancelled and declined any further comment, even though the timeline for mandatory listing has passed.

Getting listed will thrust a slew of compliance burdens focused towards more disclosures on Tata Sons, while some argue that complying with the asks may be difficult for the diversified corporate group, which is present across a slew of businesses at various levels of maturity.

## RBI pencils moderate increase in retail inflation



KUMUD DAS MUMBAI

RESERVE Bank of India has kept the Repo rate unchanged post three-day brainstorming monetary policy committee which concluded here today.

Briefing the media, the RBI governor Sanjay Malhotra said, "Fundamentals of Indian Economy are on stronger footing than previous episodes."

He further said that upside risks to inflation outlook due to increased energy prices, weather disruptions have increased.

On inflation, the RBI has pencilled moderate increases with Q1 at 4 per cent and 4.4 per cent for Q2. Indicating, that no sharp surge in headline CPI is priced in due to a transmission of higher energy prices. For the full year, headline CPI is projected at 4.6 per cent - figure which is comfortably in the RBI's target range, however, look modest.

Talking to Bizz Buzz, Khushali Dutt of Equirus Securities, says, "We estimate CPI for FY27 at 4.6-4.8 per cent with 1H at 4.4 per cent vs RBI's estimate of 4.2 per cent. Notably, RBI estimates core CPI at 4.4 per cent for FY27 and even lower figure excluding precious metals - indicating that underlying inflation is more comfortable than headlines would suggest."

Overall, the RBI refrained from sounding hawkish on the inflation front while emphasizing fiscal measures to tame price pressures. However, risks are on the upside with possible El Nino impact also an added variable going forward, she added.

On growth, estimates are measured with 6.9 per cent for FY27, Q1 at 6.8 per cent vs 6.9 per cent and Q2 at 6.7 per cent vs 7 per cent amidst the current Middle East crisis with risks to projections on the downside - largely in line with estimates of 6.5 per cent -6.8 per cent for FY27.

However, the governor continued to emphasize the robustness of domestic

**Overall, the RBI refrained from sounding hawkish on the inflation front while emphasizing fiscal measures to tame price pressures. However, risks are on the upside with possible El Nino impact also an added variable going forward, she added**

macros and risks stemming from external forces. On the FX front, the governor reiterated that the RBI doesn't target any specific levels but intervenes against excessive volatility.

Inflation is within target, but the trajectory is rising. Growth is moderating but not collapsing. At the press conference the governor mentioned that despite the current shock, growth is expected to be robust due to fiscal measures to keep price pressure contained and robust domestic fundamentals.

Though a two-week ceasefire has been announced, there remains continuing uncertainty on the path and duration of the conflict, and its impact on the domestic economy.

At this point, we expect the RBI to keep the policy rate unchanged. The governor's mention of "we can keep rates low in the near to medium term" at the press conference while emphasizing government measures to control price pressures, indicate that it's not in a hurry to take a policy action. However, we do believe that if the conflict resumes leading to a sustained period of high energy prices, domestic inflation from higher energy (a retail fuel price hike), second order price effects, and currency pressure, would require the RBI to raise rates. Note that the current CPI and growth projections are based on average crude at \$85/bbl.

With improved sentiment following the US-Iran ceasefire and recent RBI moves on arbitrage trades in NDF markets, INR carries an appreciation bias, and we see it moving in the 92-93 range in the near term.

## Centre's food PLI scheme attracts ₹9,207 cr, creates 3.29L jobs

RURAL DEVELOPMENT

- The scheme has a total outlay of Rs 10,900 cr in last six years
- A total of 128 firms have been approved under the scheme
- MSME sector topped list 274 units across the country
- The scheme aims to generate jobs in rural areas

NEW DELHI

THE Production-Linked Incentive (PLI) Scheme for the food processing industry has attracted investments of Rs 9,207 crore and generated around 3.29 lakh jobs so far, the government said on Tues-

day. Launched by the Ministry of Food Processing Industries, the scheme is being implemented over six years from FY 2021-22 to FY 2026-27 with a total outlay of Rs 10,900 crore.



It aims to increase value ad-

dition, expand processing capacity and generate employment, particularly in rural and off-farm sectors.

The scheme covers key segments such as ready-to-cook and ready-to-eat (RTC/RTE) foods, processed fruits and vegetables, marine prod-

ucts and mozzarella cheese. It also supports innovative and organic products from MSMEs, along with branding and marketing initiatives to strengthen the global presence of Indian food products.

A total of 128 companies have been approved under

**PLI-backed product sales record 10.58% CAGR, says government**

**The scheme covers key segments such as ready-to-cook and ready-to-eat (RTC/RTE) foods, processed fruits and vegetables, marine products and mozzarella cheese. It also supports innovative and organic products from MSMEs, along with branding and marketing initiatives to strengthen the global presence of Indian food products**

the scheme, covering 274 units across the country, with strong participation from the MSME sector. As many as 68 MSME applicants and 40 contract manufacturing units are

part of the programme. The government said the scheme has led to significant capacity creation, technology upgradation and modernisation of food processing units across multiple states.

Investment under the scheme has exceeded initial commitments, with cumulative investments reaching Rs 9,207 crore against a committed Rs 7,722 crore across 22 states.

Moreover, around 34 lakh metric tonnes per annum of processing and preservation capacity has been added.

The government also stated that sales of PLI-supported products have grown at a compound annual growth rate (CAGR) of 10.58 per cent, while exports have registered a CAGR of 7.41 per cent despite global challenges.

## No shortage of coal at thermal power plants: Govt



NEW DELHI

COAL inventories at thermal power plants remained comfortable around 55 million tonnes as of Tuesday, sufficient for 24 days of uninterrupted power generation based on the average consumption over the last seven days, a senior coal ministry official said. The stock levels indicate "absolute no deficit" on the power generation side, coal Joint Secretary Sanjeev Kumar Kassi emphasised, allaying concerns over potential shortages amid rising summer demand.