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Nothing to spin off CMF as India-headquartered company

Nothing, a consumer electronics company, will spin off CMF, its budget brand, into a standalone, India-headquartered company, its cofounder and CEO Carl Pei said in a social media post on Monday. The new entity will also be majority owned by Indian shareholders and have its own team and research and development (R&D) operations in the country. And, Nothing will retain a stake in the company and remain a partner.

OUR BUREAU

SoftBank seeks to raise over \$11 billion via junk bonds for OpenAI bet

SoftBank Group Corp is seeking the equivalent of more than \$11 billion in what would be one of the biggest junk bond deals ever, people familiar with the matter said Monday, as billionaire Masayoshi Son's conglomerate ramps up its investments in ChatGPT creator OpenAI. The firm is looking to issue \$10 billion of dollar securities across three tenors, and €1 billion (\$1.1 billion) of euro debt across two maturities, according to the people, who asked not to be identified. The money will be used in part to fund a follow-on investment in OpenAI expected to close next month, the people said. The deal may price on Thursday, they added. SoftBank's fortunes have become increasingly intertwined with its ability to monetise its holding in OpenAI after committing close to \$65 billion to the tech pioneer.

BLOOMBERG

India set for major data centre push in 5-6 years: Microsoft

AASHISH ARYAN
New Delhi, 21 September

More than 70 per cent of India's data centre infrastructure capacity will be built over the next five to six years to cater to the growing demand for local data storage, the increase in artificial intelligence (AI) inferencing needs, and to house the end-to-end capabilities of tools built on top of frontier AI reasoning and language models, Microsoft India & South Asia President Puneet Chandok said.

In an interview with *Business Standard* on the sidelines of the Microsoft AI Infrastructure Summit in the city on Monday, Chandok said upcoming data centres in India will have to set the benchmark for the world by building green data centre infrastructure with net-zero water consumption.

All players will, in fact, have to find ways to replenish and



“EVERY RUPEE SPENT ON A DATA CENTRE LEADS TO 3.5X RUPEES OF IMPACT”

Puneet Chandok
Microsoft India & South Asia President

add much more water back to the ecosystem than they consume every year, he said.

“Every rupee spent on a data centre leads to 3.5x rupees of impact,” Chandok said,

quoting a report by Boston Consulting Group (BCG).

The BCG study estimates that India's data centre build-out could generate \$140-200 billion in economic output for India through 2030.

“India has strong momentum to emerge as a global data-centre hub, with capacity expected to reach 6-8 gigawatts by 2030, supported by \$100 billion-plus in committed investment, growing domestic demand, strong connectivity, and a power advantage,” the study said.

The growth in India's data centre story is also evident in the double-digit growth Azure and Copilot have recorded in India over the last two years, Chandok said.

Apart from traditional sectors such as information technology and information technology-enabled services, there has been significant

growth in Copilot usage in financial services, transportation, travel, and manufacturing, he said.

To cater to India's growing need for expansive data centres, Microsoft has designated India South Central, its new Hyderabad data centre region, as a strategic hub for Asia and the Global South, he said. Though India produces nearly 20 per cent of all global data every year, it has only about 3 per cent of global data centre capacity.

“Microsoft's datacentre regions across India are now AI-enabled, built with AI-capable hardware, high-efficiency cooling systems, and the platform foundation required to host and run advanced AI workloads, bringing frontier AI capability closer to Indian organisations,” Chandok said earlier during the event.

IT ministry sees no reason to slow AI efforts in country

PRESS TRUST OF INDIA
New Delhi, 21 September

India sees no reason to slow down its artificial intelligence efforts, as much of the work here is focused on developing applications tailored to the needs of its people, IT Ministry sources said on Monday, drawing a distinction from the global calls for a pause on AI that are largely targeting frontier models.

The government is concerned about issues related to AI safety, the sources said, adding that the obligation to report such incidents to authorities, exists today.

To a question on whether the mechanism for incident notification would now be tightened in the wake of recent cases of AI agents

autonomously taking actions beyond their intended tasks, the sources said, “Cybersecurity threat and cyber incidents include an incident of this nature. As it is, an obligation to report exists. We will have to tighten the norms, time-frame and content of the reporting, we are already doing that.”

The position assumes significance as concerns have intensified after researchers and safety experts at leading AI companies, including OpenAI and Anthropic, recently went public with stark warnings about the potential risks from increasingly powerful frontier models, with some raising the spectre of catastrophic consequences for humanity from AI risks.

Indian founders account for \$560 bn of firm value abroad

Founders who grew up in India account for \$560 billion of founder-share-attributed company value in current and former unicorns abroad, according to the new Indian Diaspora Index from Prosus and Dealroom.

The report demonstrates the value created by founders from India who went on to build businesses across global markets.

The index finds that 70 unicorns totalling \$243 billion in value were built by all-Indian founders.

They include Jay Chaudhry (Zscaler), Arvind Jain, Arvind Nithrakashyap, Bipul Sinha and Soham Mazumdar (Rubrik), Ajeet Singh, Dheeraj Pandey and Mohit Aron (Nutanix), and Deepak Pathak and Abhinav Gupta (Skild). PEERZADA ABRAR

Zepto Café reduces footprint, scales back menu

UDISHA SRIVASTAV
New Delhi, 21 September

After rapidly expanding its food-delivery business, Zepto is scaling back Zepto Café, shutting hundreds of outlets and significantly reducing its menu as it reworks the business.

The quick-commerce (qcom) company is estimated to have cut its café footprint to around 250-350 locations from a peak of 850-900 in 2024, according to people familiar with the matter. The pullback comes even as Zepto Café had earlier scaled to 100,000 orders a day, prompting the company to position it as a significant growth business.

Zepto has also sold equipment from several of the shuttered outlets, while Zepto Café's

contribution to the qcom company's overall business has declined sharply, according to analysts.

The company's founder and Chief Executive Officer (CEO) Aadit Palicha had earlier taken to social media to highlight the business crossing several milestones. “Zepto Café has hit 100,000 orders per day. That is closing in on a \$100 million annualised GMV (gross merchandise value) run-rate with a nearly 50 per cent steady-state gross margin,” Palicha wrote on social media in February 2025.

However, in the last year, the contribution of Zepto Café to the company's overall business has declined sharply. An analyst, who spoke on the condition of anonymity, said: “At its peak, the business was estimated to have



Slowing down

- Plans to cut its café footprint to 250-350 from peak of 850-900
- Contribution to overall business declined sharply
- Faced concerns around hygiene, staff training
- Zepto marked down inventory in FY26 and FY25 because food items were losing value

contributed around 8-9 per cent to Zepto's overall revenue, but this has now fallen to around 2-3 per cent.”

Another analyst, who too requested anonymity, added: “The company had initially envisaged café becoming a much larger part of its business, with an internal target of con-

tributing around 15-16 per cent. That target, however, was never achieved despite the rapid increase in order volumes.”

In its draft red herring prospectus (DRHP), the company didn't share any metrics on the performance of Zepto Café in terms of number of orders and revenue contribution. How-

ever, it mentioned that the company had to mark down ₹8 crore of inventory in financial year 2025-26 (FY26) and ₹61.4 crore in FY25 because food items were losing value or moving slowly.

While Zepto didn't respond to the queries sent by this newspaper, a person aware of the developments at the company said that since the contribution of café to the overall business never exceeded 1 per cent, it was not mentioned in the DRHP. “...There was a realisation that the same menu did not work equally well across locations. We also faced concerns around hygiene, staff training, and adherence to food safety standards”

According to analysts quoted earlier, further rational-

isation could be on the cards. “The company may shut another set of café locations over the next six months, particularly in markets where the business has not been able to generate sufficient order density or justify the cost of operating dedicated food kitchens,” one of them said.

However, the company is still hopeful, and has no plans to wind it down, a company executive said. “Zepto Café, for us, is still in the experimental stage... We have recalculated some strategies, like changing the menu to find the best fit for different locations, and also selling some equipment to actually procure better ones,” the executive added.

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APPOINTMENTS

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(Advt No. HR 05/2026)
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