

MSME drugmakers face capital stress amid prolonged West Asia disruptions

Prolonged supply-chain disruptions stemming from the West Asia war are expected to dent profitability by 3-5 per cent and increase working-capital requirements by another 12-15 per cent for Indian drugmakers, particularly micro, small and medium enterprises (MSMEs).

Authority.

Another pharma executive said Mumbai-based BASF India had recently announced price hikes of up to 20 per cent on certain excipients and APIs.

"Combined with a 20-30 per cent rise in energy costs, higher freight rates on affected routes have added further stress for export-oriented MSME pharma firms," he said.

Freight rates on some West Asia-bound container routes have surged multiple-fold over the past three months due to rerouting, elevated war-risk insurance premiums and prolonged shipping disruptions.

Beyond APIs, disruptions are also emerging in feedstocks critical to drug manufacturing, including methanol, propylene and ammonia, all of which have been affected by the West Asia conflict.

"Methanol may not be much of a problem as we have recently received 2-3 shipments from the West Asia side," a senior official with the Department of Pharmaceuticals (DoP) said, adding that Indian drugmakers require around 15,000 tonnes per month.

Crisil said sectors dependent on crude-linked inputs and global supply chains remain vulnerable to prolonged disruptions arising from the West Asia conflict.

For the pharmaceutical industry, the pressure is expected to come from higher freight and logistics costs, rising prices of petrochemical-

based raw materials and solvents, and elongated supply chains caused by shipping disruptions and elevated crude oil prices. However, the agency added that pharma exporters could partly benefit from rupee depreciation, which may support export realisations.

The larger concern, however, is continuity of supply of key inputs. Shortages of critical feedstocks could eventually translate into physical shortages of medicines.

For instance, insufficient propylene supply can halt ibuprofen production entirely, affecting pain and fever medication at scale.

"We have worked to ensure that there is sufficient supply of propylene," the official added.

The DoP has also sought support from the Ministry of Petroleum and Natural Gas and the Department of Fertilisers to secure ammonia supplies for drugmakers, which require around 12,000 tonnes every month.

"Since the Gulf and West Asia region remains a major supplier of these feedstocks, prolonged geopolitical disruptions can increase input prices, shipping costs and supply uncertainty for Indian manufacturers," Calcuttawala said.

This could eventually raise manufacturing costs for essential medicines and intensify working-capital pressure, particularly for smaller pharma exporters.

India may soon get plastic currency notes as RBI revives decade-old plan

The Reserve Bank of India (RBI) has revived the idea of printing polymer banknotes for circulation to meet the surge in demand for currency notes in the last few years.

According to multiple sources aware of the development, the issue of introducing polymer or plastic notes was discussed in the last two board meetings of the central bank, held in Patna and Mumbai.

The decision has been taken in view of perceived advantages in the cost of production and the higher shelf life of such currency notes. A pilot project involving plastic banknotes for public use is expected to be announced soon.

"There are clear advantages in the cost of production of such notes compared to the paper notes currently being used. Moreover, automated teller machines (ATMs) would be enabled to dispense polymer-based notes. We have the wherewithal to do this now," said one of the sources familiar with the board's deliberations.

The expenditure incurred on securely printing paper currency notes during 2024-25 (FY25) was Rs.6,372.8 crore as against Rs.5,101.4 crore during the previous year, mainly due to increase in indent for printing of banknotes, the RBI had said in its annual report for FY25.

Increasing the shelf life of bank notes was an equally important consideration for the decision to go polymer, as the disposal of soiled bank notes has remained high. Data shows 23.8 billion pieces of soiled banknotes were disposed in FY25, rising 12.3 per cent from 21.24 billion pieces in the previous year. Most soiled notes were of the Rs.500 denomination, followed by Rs.100 banknotes.

Currency in circulation (CIC) continued to rise at a sharp pace, increasing 11.5 per cent year-on-year to touch Rs.42.86 trillion — a record high — as on May 15. In absolute terms, CIC expanded by Rs.1.15 trillion during the first one and a half months of FY27, indicating sustained demand for cash despite continued growth in digital payments.

The sources said the high demand for lower denomination bank notes like Rs.10, Rs.20 was evident in the last few years. However, the share of such notes remained low in the overall bank notes in circulation. For example, in value terms, the Rs.10 denomination remained at 0.7 per cent in the last two years while the Rs.20 banknote was just 0.8 per cent.

While the Indian central bank made a conscious effort to popularise the use of coins, that effort has not yielded the desired results. The supply of total number of coins increased

from about 1.2 billion in FY24 to 1.5 billion in FY25, of which the Rs.5 denomination coin constituted 800 million, followed by 400 million ?20 coins.

In 2012, the then government had decided to introduce one billion pieces of Rs. 10 banknotes on polymer substrate on a field trial basis in five cities. The primary objective of the introduction of plastic notes was to increase their shelf life, and not to combat counterfeiting, the United Progressive Alliance (UPA) government had noted. The project was, however shelved due to technological challenges.

Things have changed over the past decade or so, with sources emphasising that the said technology is no longer a challenge, and solutions have been arrived at in order to ensure that ATMs can identify such notes.

There are about 60 countries in the world which have introduced polymer banknotes in circulation so far. Australia was the first one to introduce polymer banknotes, starting with a ten dollar note in 1988, followed by Singapore, Indonesia, Thailand, Malaysia. Romania was the first European country to use a plastic note back in 1998, while Canada introduced similar notes in 2011. US dollar notes are made of a specialised cotton-linen blend material.

Fintech and payments industry preparing a 'safe harbour' proposal

The fintech and payments industry is preparing a working paper to propose a 'safe harbour' framework for the sector, said people familiar with the matter.

The move follows the arrest of Fino Payments Bank chief, Rishi Gupta, over alleged evasion of the goods and services tax (GST), which the bank said was linked to an investigation involving its business partners and was not related to its own GST compliance. Gupta was arrested on February 27 this year and granted bail nearly a month later, on March 26. His arrest, and a similar case involving another fintech, had spooked the industry, insiders said.

"There has to be a safe harbour for licensed entities, which have followed all the norms prescribed by the Reserve Bank of India (RBI),"

said Vishwas Patel, director, Self-Regulated PSO Association (SRPA), a self-monitoring body for the payment system operator (PSO) industry.

The Payments Council of India has engaged independent consultants to draft a framework for introducing the safe harbour provisions. The framework is likely to be submitted to the RBI soon.

"The Payments Council of India is working on a paper on how a safe harbour can be created for such licensed players from regulatory action when they have followed all laid-down processes," Patel told.

Singapore is among the jurisdictions being studied for such legal safeguards for the sector, a person familiar with the matter said.

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Reliance Industries flags 'extreme volatility' risks from West Asia crisis

Reliance Industries Ltd (RIL), the conglomerate with a footprint from oil to retail, has expressed caution about the continuing headwinds emanating from the West Asian conflict, stressing that the outlook for 2026-27 (FY27) remains "extremely vulnerable to geopolitical, macro-economic and policy risks". The firm also flagged that near-term retail consumption demand may remain sensitive to macro conditions.

In its annual report issued on Thursday, the group that contributed ?2.16 trillion to the national exchequer in FY26, said that global oil demand growth was likely to be tepid due to higher oil prices and an economic slowdown.

"Global oil demand growth is expected to be sluggish due to higher oil prices and economic slowdown in FY27 amid the (West Asia) conflict. Refinery and oil infrastructure damages which caused product supply losses are likely to take a longer period to recover, resulting in continual volatility in the market," RIL said in its communique to shareholders in the annual report.

"The FY27 outlook remains extremely vulnerable to geopolitical, macro-economic and policy risks," the group flagged.

Supply disruptions from West Asia, volatile product prices, the Indian government's directives on Special Additional Excise Duty (SAED) and duty exemption on key petrochemical products, might weigh on domestic oil and gas demand and the company's margins during the current financial year (FY27), it said.

During FY26, demand momentum remained strong through first three quarters but was sharply disrupted in March 2026 due to the Iran conflict. The global oil market was shaped by rising supplies from Organisation of Petroleum Exporting Countries and allies (commonly known as Opec+), evolving sanctions on Iran and Russia, escalating trade-tariff pressures, and the outbreak of the West Asia conflict, which together dampened demand growth and intensified price volatility, the company noted.

Meanwhile, India's petroleum demand, it said, is experiencing sustained growth as consumption rose 1.7 per cent year-on-year (YoY) to 243 million tonnes per annum (MTPA) in FY26. The growth was on the back of the government's infrastructure push for greenfield access-controlled highways, rising vehicle population, increased industrial activity, as well as passenger and freight travel on roads and airways.

RIL also underscored the critical role of natural gas in India's energy transition, with its share in the energy mix targeted to rise from around 6 per cent to 15 per cent by 2030.

"RIL's gas portfolio remains well-positioned to support this structural shift, contributing nearly 30 per cent of the country's domestic gas production. Continued development of deepwater and

coal bed methane (CBM) assets, supported by existing infrastructure and operational efficiencies, is expected to further augment supplies and cater to India's growing gas demand in FY27 and beyond," it said.

Silence on Jio IPO

Addressing shareholders in the annual report, RIL Chairman and Managing Director Mukesh Ambani said that the group was taking "deliberate steps" to strengthen its digital arm without giving any update on the imminent public listing of Jio Platforms Ltd (JPL), that was expected by July this year.

Estimated to be the largest public listing till date, the share sale may peg JPL's valuation at \$135-145 billion, various brokerages have said. Jio has global investors includes Meta Platforms, Google, Saudi Arabia's Public Investment Fund and Mubadala Investment Co, that picked up a stake back in 2020.

"We will continue to evaluate strategic pathways that can broaden stakeholder participation and support Jio's long-term growth," Ambani said, but did not provide any comment on the timeline of the IPO.

Jio Platforms is the parent company of Reliance Jio Infocomm Ltd., the country's largest wireless services operator with over 524 million customers. Jio has undertaken large-scale development of 5G and FWA stack in India.

The annual report added that the carrier, as a managed services provider, would provide its proprietary network technologies in select international markets in partnership with local operators. "This will include cloud-native RAN, 5G core, OSS/BSS platforms, UBR-based FWA, JioBharat, JioTV+ and Jio Set-top-box," the report said.

Talking about Reliance Intelligence, Ambani said the group was investing into artificial intelligence (AI) such that it should be democratised.

"We aspire to create sovereign AI capabilities that are designed in India, scaled in India, and made accessible to every Indian — individuals, enterprises, and institutions alike," he said in his address to shareholders. The annual report notes AI, cloud infrastructure and data centres, as key pillars of the group's future growth roadmap.

Retail growth

In its annual report on the retail sector, Reliance Industries said that near-term demand may remain sensitive to macro conditions while it expects the medium-term to stay positive for organised retail.

"Reliance Retail expects to continue focusing on expansion, operational efficiency, and customer-centric innovation, while strengthening its integrated ecosystem across stores and digital platforms with prudent investments and disciplined risk management," it said in its outlook.

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Extract of statement of Audited Financial Results for the Quarter and Year Ended March 31, 2026 (Rs. in Lacs)						
SR. NO.	PARTICULARS	Quarter Ended 31.03.2026	Quarter Ended 31.12.2025	Quarter Ended 31.03.2025	Year Ended 31.03.2026	Year Ended 31.03.2025
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Total Income from operations	2,180.66	2,048.27	2,407.07	8,510.39	9,151.04
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	53.62	33.67	(12.48)	129.79	297.41
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	53.62	33.67	(12.48)	129.79	297.41
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	61.03	24.30	(10.08)	122.34	213.20
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	60.57	24.30	(14.40)	121.88	208.88
6	Equity Share Capital	1,105.58	1,105.58	1,105.58	1,105.58	1,105.58
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	-	-	-	-	-
8	Earnings Per Share (of Rs.5/- each) (for continuing and discontinued operations)	0.28	0.11	(0.05)	0.55	0.96
	(a) Basic (Rs)	0.28	0.11	(0.05)	0.55	0.96

Notes:

- The above audited financial results have been reviewed by the Audit Committee and approved and taken on record by the Board of Directors at its meeting held on 29th May 2026. The Statutory Auditors have performed an audit of the financial results for the quarter and year ended 31st March 2026 and have issued an unmodified opinion on the same.
- The above audited financial results of the Company for the quarter and year ended 31st March 2026, have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 (as amended) read with the Companies (Indian Accounting Standards) Rules 2015 (as amended) and in terms of regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.
- The figures for the quarter ended 31st March 2026 and 31st March 2025 are the balancing figures between the audited figures in respect of the full financial year and year to date figures upto the third quarter of the relevant financial year, which were subjected to limited review by the Statutory Auditors
- The company has only one segment namely "manufacture and sale of polymeric compounds". As such there is no separate reportable segment as per IND-AS 108 'Operating Segments'.
- On November 21, 2025, the Government of India notified the four Labour Codes, consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules. On the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India the Company has assessed that it has no material impact on its provision for employee benefits for the quarter and year ended March 31, 2026 on account of new Labour codes. The Company continues to monitor the finalisation of Central/State Rules and Government clarifications on other aspects of the Labour Codes and would provide appropriate accounting treatment on the basis of such developments as needed.
- Previous periods/year's figures have been regrouped/ reclassified wherever considered necessary, to conform with the current period's classification.

By Order of the Board
For, Polylink Polymers (India) Limited
Sd/-
RAVIPRAKASH HARISHANKAR GOYAL
DIRECTOR
DIN : 00040570

Date : 29th May, 2026
Place : Ahmedabad

