

AI prices are falling but firms are spending more

Growing use of open-weight models is changing the economics; instead of relying entirely on a frontier model, firms can use different models for different tasks.; smaller or open-weight models can handle some workloads at a lower cost while more expensive frontier models can be used for tasks that require greater capability; cheaper tokens are encouraging widespread usage of AI

EXPLAINER

Balasubramanyam C.P.
CHENNAI

Artificial intelligence (AI) is turning sharply cheaper to run on a per-token basis but the amount firms are spending on the same is rising as they move from experiments and chatbots to more complex, multi-step applications.

At a briefing, Coforge management said over the previous seven months, the unit cost of tokens to deliver the same level of AI had fallen about 100-fold while token consumption surged about 8,000-fold.

Coforge also said open-weight models accounted for about 35% of token use on the platforms it was observing compared with about 11-12% in early 2025.

There are broadly two

types of models. Closed or proprietary models such as OpenAI's GPT, Anthropic's Claude and Google's Gemini, keep trained parameters under the developer's control and are typically accessed through a hosted service or API.

Open-weight models such as Meta's Llama make trained parameters available for organisations to download and run themselves subject to the model's licence. Open-weight need not necessarily mean fully open-source. Their training data, training process and other components may be undisclosed.

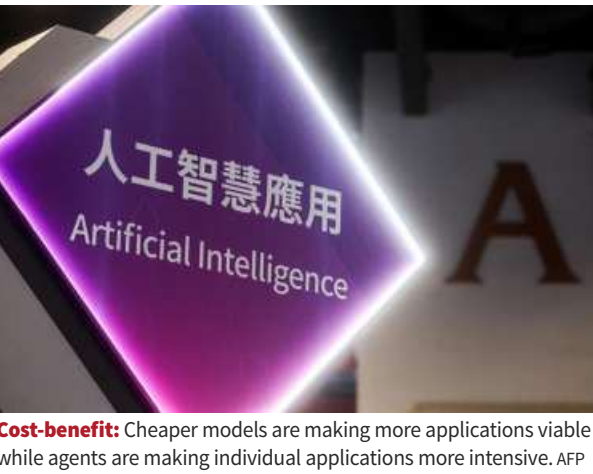
Coforge also said the right way to assess AI economics was "cost per unit task" viz. the cost incurred to finish a defined piece of work and value it creates.

Turning cheaper? Stanford's 2025 AI Index, an annual report tracking

major developments and trends in AI, found the cost of querying a model with GPT-3.5-level performance on a standard AI knowledge and reasoning benchmark fell from \$20 per million tokens in November 2022 to \$0.07 per million tokens by October 2024, a reduction of more than 280 times in about 18 months. Drawing on an analysis by Epoch AI, it found LLM inference prices had fallen between nine and 900 times per year depending on the task.

The OECD (Organization for Economic Co-operation and Development) found a similar trend and said its July analysis estimated quality-adjusted prices for text-to-text AI models fell by almost 80% between January 2024 and April 2026.

The nature of the work being given to AI is also changing . A chatbot might



Cost-benefit: Cheaper models are making more applications viable while agents are making individual applications more intensive. AFP

receive a question, process it and return an answer. An AI agent can break a task into several steps, reason, call external tools/systems, inspect the results, revise approach and continue till the task is done. Each additional step can involve more model calls/tokens.

The OECD notes AI agents consume substantially more tokens per task

and can raise model-use intensity by order of magnitude. As a result, falling prices/token do not translate into lower costs for complex AI applications.

Gartner described this as the "Inference Paradox". Its August 2026 analysis says routing a task to an agentic reasoning model can increase provider inference costs by at least

five times compared with a basic chatbot interaction, and often by much more as complexity rises. Gartner sees inference cost per agentic workflow to rise over fivefold through 2028.

Changing the equation

A 2026 working paper by researchers from the University of Michigan, Stanford University, All Hands AI, Google DeepMind, Microsoft AI and MIT found agentic coding tasks consumed about 1,000 times more tokens than the code-reasoning and code-chat tasks used for comparison. It also found runs of the same task could differ by as much as 30 times in total token consumption.

This is showing up in enterprise spending, McKinsey's May 2026 Enterprise AI FinOps survey, covering 75 respondents across five industries, found 93% reported exceeding AI bud-

gets. McKinsey also cited Menlo Ventures data showing enterprise spending on large language models roughly tripled over the 12 months to the end of 2025.

The growing use of open-weight models is changing the economics. Instead of relying entirely on a frontier model, firms can use different models for different tasks. Smaller or open-weight models can handle some workloads at lower cost while more expensive frontier models can be used for tasks that require greater capability.

Coforge said its clients were increasingly moving towards a mix of models. It also identified seven billion tokens of consumption as a "tipping point" in its experience at which clients start considering whether to consume and operate more of the AI stack themselves rather than simply subscribe to a frontier mo-

del. It said that threshold could fall as open-weight and sovereign AI develop further. OECD research, also shows competition and alternative models contributed to falling AI prices.

Measuring AI costs

For firms, a useful measure is economics of the complete task like model calls, tokens, computing resources and human oversight needed to produce a result set against the value of that result.

Gartner's research also points towards measuring token use against business value and economics of the overall workflow rather than treating token prices as proxy for AI. The result is a rapidly changing cost structure, like cheaper models are making more applications viable while agents are making individual applications more computationally intensive.

NTPC drops ₹413 cr. BESS deal as contractor fails on obligations

The Hindu Bureau
NEW DELHI

State-owned power producer NTPC Ltd. said it terminated the contract awarded to GR Infraprojects Ltd. (GRIL) for building the 400 Megawatt-hour (MWh) battery energy storage system (BESS) project at its Mouda Super Ther-

mal Power Station (Maharashtra) with immediate effect citing the latter's inability to meet contractual obligations and meet required project progress.

The project - with a contract value of ₹413.37 crore - awarded in March- was scheduled to be completed in 15 months. Explaining the cause for terminating

the contract, NTPC stated, "The project witnessed significant delay in critical activities. A contractual notice was issued to GRIL calling for immediate corrective action, but GRIL failed to undertake the required remedial measures." NTPC added it encashed about ₹91 crore from bank guarantees.

MSEDCL uses AI, ML to detect power theft

The Hindu Bureau
MUMBAI

Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) said it cracked down on power theft across the State by leveraging Artificial Intelligence (AI) 'Super Intelligence' module.

Combining state-wide

physical inspections by 190 "flying squads" with AI-driven predictive analysis, MSEDCL said it exposed 27,964 instances of power theft worth ₹66.28 crore in 3 months. Criminal cases were registered in 289 instances. MSEDCL said it adopted AI and Machine Learning (ML) to predict power theft accurately.

FinMin, bank CEOs meet

Press Trust of India
NEW DELHI

The Finance Ministry has called for a meeting of CEOs of public sector banks and regional rural banks on Monday on steps to ensure continuity of banking operations and essential customer services during the 3-day strike of the United Forum of Bank Unions from September 28.

Hormuz: EIL, Saudi, UAE mull oil infra

Press Trust of India
NEW DELHI

State-run Engineers India Ltd (EIL) is in early-stage talks with Saudi Arabia and the UAE to provide consultancy and engineering services for oil and gas infrastructure aimed at reducing the Gulf producers' dependence on the Strait of Hor-

muz, severely disrupted by the Iran conflict.

Saudi Arabia and the UAE are planning about \$1 billion spend on pipelines, storage units, oil terminals and infrastructure to provide alternative routes for moving crude and petroleum products to international markets, CMD Atul Gupta told reporters.

CWC chief flags 'malpractices' in phytosanitary tag

Balasubramanyam C.P.
CHENNAI

Central Warehousing Corporation (CWC) MD Santosh Sinha raised concerns over what he described as "malpractices" in phytosanitary certification at ports while declining to name the entities involved.

Speaking to reporters on the sidelines of an event, Mr. Sinha was asked about his reference to malpractices in certification.



Santosh Sinha

He said there had been "a certain result which was not to our liking" but did not elaborate on the incident or identify any port, agency or official.

Mr. Sinha raised the issue while explaining CWC's plans to expand its role beyond conventional warehousing and into integrated logistics for agricultural exports. He cited the rejection of Indian rice at Chinese ports and mango exports by Japan as examples of the challenges Indian exporters could face when consignments fail to meet norms in destination markets.

Asked how CWC could address the issue, Mr. Sinha said: "We have the technical expertise with us."

He said CWC was also upgrading its technical expertise, pointing to its experience in preserving food commodities. CWC currently stores about 50-60 lakh tonne foodgrains and, according to Mr. Sinha, less than 0.5% is lost during storage.

Phytosanitary norms

Mr. Sinha said the issue of export rejection was closely linked to phytosanitary requirements.

He said India would encounter more such challenges as exports rise under free trade agreements. "This is actually the sign of a growing economy. Because you are now going in for free trade agreements, you will start exporting, you will encounter challenges, you will have to meet them," he said.

In his address, Mr. Sinha said CWC could add a layer of phytosanitary treatment and preservation to the export supply chain to help ensure agricultural produce was not rejected at destination ports.

CWC is seeking to expand its role in agricultural logistics by bringing together storage, preservation, grading, sorting, treatment, cold storage and transportation with connectivity to ports.

CWC was targeting capital expenditure of about ₹1,000 crore this year, similar to the previous year, Mr. Sinha said.

Parallely, CWC was planning its first hyperloop freight trial at its CFS Logistics Park at JNPT, Mumbai, with a ₹23-crore order placed with IIT Madras-incubated TuTr Hyperloop.



The Kerala Minerals & Metals Ltd
(A Govt. of Kerala Undertaking) Sankaranangalam, Kollam-691583
Phone : +91-476-2651215 to 217, E-mail : md@kmmll.com

TENDER NOTICE
For more details, please visit E- Tendering Portal <https://etenders.kerala.gov.in> or www.kmmll.com

No	Tender ID	Items
1.	2026_KMML_870878_1	Supply of Valve Control Butterfly 10"

Chavara, 19.09.2026 Sd/, Managing Director for The Kerala Minerals and Metals Ltd



TELANGANA STATE CIVIL SUPPLIES CORPORATION LIMITED
(A State Govt. Undertaking)
Regd. Office :B-3-555/1/A,CS Bhavan,Somajiguda,Hyderabad-500082

GLOBAL e-AUCTION NOTIFICATION
No.Proc.P2/1413/Rabi 2025-26/Auction paddy Dt:19.09.2026
Telangana State Civil Supplies Corporation Ltd. invites bids for sale of 11.72 LMTs of Rabi 2025-26 Coarse variety paddy (Doddu rakam) stored in Rice Mills and intermediary godowns located in various districts of the Telangana State through e-auction conducted by NEML, E-tech innovative solutions, Mjunction and e-auction (Telangana). The Pre-bid meeting is on 22.09.2026 at 2.30 P.M. at Civil Supplies Bhavan, Somajiguda, Hyderabad. The date of e-auction is 28.09.2026 at 12.00 P.M.
For Further details please visit website <https://tender.telangana.gov.in>, <https://market.neml.in>, <https://www.e-krishnamandi.com> and <https://agro.mjunction.in>.
contact No: 9281423636 Sd/-
DIPR R.O.No.55-PP/CL/AGENCY/ADVT/2026-27 Dt:19.09.2026 VC & MANAGING DIRECTOR

OFFICE OF THE SUPERINTENDING ENGINEER PWD CIRCLE KOTA
No. 2145 Date:- 15/9/2026

Notice Inviting Bid
(NIT No. 15/2026-27)
Bid for Construction of Various Road work in Distt. Kota is Invited from interested bidders upto to 06:00 PM of 30-09-2026 (Wednesday). Other Particulars of the bids may be visited on the procurement portal (<https://eproc.rajasthan.gov.in>, <http://sppp.rj.nic.in>) of the Rajasthan State.
The approximate value of the procurement is Rs. 2194.38Lacs
UBN No. (PWD2627WSOB12138), (PWD2627WSOB12144), (PWD2627WSOB12147), (PWD2627WSOB12151), (PWD2627WSOB12152), (PWD2627WSOB12153), (PWD2627WSOB12154), (PWD2627WSOB12155), (PWD2627WSOB12156), (PWD2627WSOB12157), (PWD2627WSOB12158), (PWD2627WSOB12159)
Superintending Engineer
P.W.D. Circle Kota
DIPRC/16091/2026



BENGALURU SOUTH CITY CORPORATION
Office of the Executive Engineer Co-ordination & Planning, 4th Floor, Jayanagara Old Shopping Complex, Jayanagara 4th block, Bengaluru-560011

No: EE(COP)/BSCC/Kppp/TN- 08/2026-27 Date:19-09-2026

INVITATION FOR SHORT TERM TENDER (IFT) (Two Cover System)
(Through GOK KPP Portal <https://kppp.karnataka.gov.in> only)
The Executive Engineer, Co-ordination & Planning, Zone-1, BSCC invites tenders on behalf of the Commissioner, BSCC Bengaluru from eligible Tenderers for the Services detailed in the table below.

Sl No.	Name of the works
1	Additional Developments works to Primary Health Center, Dhobi Ghat and Other Buildings in Padmanabhanagara Constituency. Amount put to Tender (Including GST): ₹. 1,00,00,000/- EMD Amount: ₹. 2,00,000/-
2	Additional Development and Construction of Dog Shelter at Sy.no.179 in S.Bingipura Village (400 Dogs). Amount put to Tender (Including GST): ₹. 2,00,00,000/- EMD Amount: ₹. 3,00,000/-

Calendar of Events : (1) Pre-Bid Meeting of tender is 23-09-2026 upto 4:00 pm (2) Last Date and Time for Receipt of Tenders is 30-09-2026 upto 4:00 pm. (3) Technical Bid Opening date 01-10-2026 at 5:00 pm. (4) Financial Bid Opening date 05-10-2026 at 5:00 or Technical bid completion!
Sd/- Executive Engineer
Co-ordination & Planning, BSCC



PUNJAB NATIONAL BANK, ARMB, ERNAKULAM,
1st Floor, PNB House, No.40/1461, Market Road, Ernakulam-682011,
Ph: 0484-2350477, Email: cs4459@pnb.bank.in

SALE NOTICE FOR SALE OF IMMOVABLE PROPERTIES
E-Auction Sale Notice for Sale of Immovable Assets under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with proviso to Rule 8 (6) and 9(1) of the Security Interest (Enforcement) Rules,2002. Notice is hereby given to the public in general and in particular to the Borrower(s), Mortgagor(s) and Guarantor(s) that the below described immovable property mortgaged/charged to the Secured Creditor, the constructive possession of which has been taken by the Authorized Officer of the Bank/ Secured Creditor, will be sold on "As is where is", "As is what is" and "Whatever there is" on the date as mentioned in the table here in below, for recovery of its dues due to the Bank/Secured Creditor from the respective borrower (s) and guarantor (s). The reserve price and the earnest money deposit will be as mentioned in the table below against respective properties

Sl. No.	Name of the Branch Name of the Account Name & address of the Borrower/Guarantor	Description of the Immovable Properties Mortgaged / Owner's Name (mortgagors of property(ies)	(A) Dt. of Demand Notice u/s 13(2) of Sarfesi Act 2002 (B) outstanding Amount (C) Possession Date u/s 13(4) of Sarfesi Act 2002 (D) Nature of Possession- Symbolic/Physical/ Constructive (Amount in Lakhs)
1	PNB ARMB ERNAKULAM Mr. Subin Baby, Mr. Seeko Baby, both having address at: Parakkal House, KSRA49, Alambimoola Road, Kangarappady, Ernakulam-682021	All that part and parcel of property consisting of 1.62 ares of land with residential building there on in Sy No 798/3/19,798/13A/798/13A3,798/13A,Re Sy no 860/ 3-2 Block No 5 situated at Thrikkakara North, Kanayanur Taluk,Ernakulam District belonging to Mr.Subin Baby & Mr. Seeko Baby. Boundaries: North: Property of Haridas; South: Property of Sasi; East: Private Road; West: Property of Santhosh	A)13(2)- 13.06.2024 B)Outstanding Amount: Rs 68,17,443.72 (Rupees Sixty Eight lakhs Seventeen thousand Four Hundred Forty Three and Seventy Two paise only) as on 31-08-2026 with further interest, Cost and charges as applicable from 01.09.2026 C) Possession Notice- 10.09.2024 D) Physical possession a) Reserve Price: Rs.53,01,000/- b) EMD: Rs.5,30,100/- c) Bid Increase Amount: Rs.50,000/-
2	PNB ARMB ERNAKULAM Mrs.Jiya Mariya Thankachan, Villa No.53, Soupamika, Puzhayooram, Manakunnam, Ernakulam -682307. Mr.Arun Sebastian Thekkumuriyil Babu, Villa No.53, Soupamika, Puzhayooram, Manakunnam, Ernakulam-682307.	All that part and parcel of property consisting of 3.64 Ares of land comprised in Sy.No.88/3-2 along with partially constructed building situated at Alangad Village, Paravur Taluk, Ernakulam District belonging to Mrs.Jiya Mariya Thankachan. Boundaries: North: Canal, South: Property of Rosy & Property of Antony. Jophin, East: 3 meter wide Road and Property of Antony. West: canal.	A)13(2)- 11-11-2024 B)Outstanding Amount: Rs 1,51,45,106.05 (Rupees One Crore Fifty One lakhs Forty Five Thousand One Hundred Six and Five paise only) as on 31.08.2026 with further interest, Cost and charges as applicable from 01.09.2026 C) Possession Notice- 23-01-2025 D) Constructive possession a) Reserve Price: Rs.25,00,000/- b) EMD: Rs.2,50,000/- c) Bid Increase Amount: Rs.10,000/-
3	PNB ARMB ERNAKULAM (1) M/s Ideal Trading Company, D. No. III / 682, ABCDE, Edathala North, Aluva- 683564, (2) Mr Sajeer C.I, S/o C A Ismail, (3) Mrs Shahena T B, W/o Sajeer C I, both having address at: Cheruparambil House, Edathala North P.O., Aluva-683564. (4) Mr. Latheef P.T, S/O Abdul Khader, Puthiyaveetil House, Thottumgaham P.O., Aluva - 683105, (5) Mr. Muhammed Jasim C H, S/o Hameed C A, (6) Mr Muhammed Afsal, S/o Hameed C A, both having address at: Conathodath House, Uliyanoor P O, Aluva-683108	All that part and parcel of property consisting of 51.25 Ares (126.64 cents) of land in Old Survey No.794/1/ 13,Re Survey No.415/4 of block 10, Vengoor West Village, Kunthunadu Taluk, Ernakulam District in the name of Mr. Mohammed Jasim and Mr. Mohammed Afsal. Boundaries: North: Panchayat Road; South: Property of Elyas; East: Property of Elyas & Gravel Road; West: Panchayat Road.	A)13(2)-03-09-2019 B)Outstanding Amount: Rs 2,09,40,824.87 (Rupees Two Crore Nine lakhs Forty Thousand Eight Hundred Twenty Four and Eighty Seven Paise Only) as on 31.08.2026 Plus interest from 01.09.2026 C) Possession Notice- 18-11-2019 D) Constructive possession a) Reserve Price: Rs.47,70,000/- b) EMD: Rs.4,77,000/- c) Bid Increase Amount: Rs.1,00,000/-
4	PNB ARMB ERNAKULAM Mr. Manoj.P.G, Mrs.Vrindakumari. P.R. Both Residing at: Parayathu House, Ernamallur P.O, Kothamangalam, Ernakulam-686691	All that part and parcel of property consisting of 2.53 Ares land along with residential building in old Sy No 299/10/5 covered with sale deed No 716/2017 in Kalorkad sub registrar in the name of P.G. Manoj. Boundaries: East : Private Road; South: Property of puthenpurayal; West : Property of Pidivettikkal; North: Property of Kottarathil; East : Private Road	A)13(2)-05-05-2022 B) Outstanding Amount: Rs. 38,10,884.67 (Rupees Thirty Eight Lakhs Ten Thousand Eight hundred Eighty Four and paise Sixty Seven Only) as on 31.08.2026 Plus Interest from 01-09-2026 and charges therein C) Possession Notice- 07-10-2025 D) Physical Possession a) Reserve Price: Rs.22,96,000/- b) EMD: Rs.2,29,600/- c) Bid Increase Amount: Rs.10,000/-
5	PNB ARMB ERNAKULAM (1) Mr. Nazeer Abdul Khader, (2) Mrs. Smitha Nazeer, both residing at: 18/843, Kalathipurambukonam, Perumpadappu, Palluruthy,S.O Ernakulam-682006 (3) M/s Surmis Super Collections 18/843, Kalathipurambukonam, Perumpadappu, Palluruthy S.O Ernakulam-682006	All that part and parcel of property consisting of 1.21 Ares of land and Residential building Bearing No. 181 843 in Sy.No. 1197/1, Palluruthy Village, Kochi Municipal Corporation (Old No. 20/2858-A) Ernakulam District in the name of Mr. Nazeer Abdul Khader and Mrs.Smitha Nazeer. Boundaries: North: Road, South: Property in 1197/1, East: Property in 1197/1, West: Property in 1197/1.	A)13(2)- 05-04-2022 B)Outstanding Amount: Rs.42,75,522.59 (Rupees Forty Two Lakh Seventy Five Thousand Five hundred Twenty two and paise Fifty Nine only) as on 31.08.2026 with further interest, cost and charges as applicable from 01.09.2026 C) Possession Notice- 02-09-2022 D) Constructive Possession. a) Reserve Price: Rs.27,84,000/- b) EMD: Rs.2,78,400/- c) Bid Increase Amount: Rs.10,000/-

Last Date for Depositing EMD: Before 4 PM on 05.10.2026 Inspection of Property with Prior Appointment with Authorized Officer: 03.10.2026

Date and Time of E Auction: 06.10.2026 from 12.00 PM to 2.00 PM

TERMS AND CONDITIONS: (1) The sale shall be subject to the Terms & Conditions prescribed in the Security Interest (Enforcement) Rules 2002 and to the following further conditions. (2) The properties are being sold on "AS IS WHERE IS BASIS" and "AS IS WHAT IS BASIS" and "WHATEVER THERE IS BASIS". (3) The particulars of Secured Assets specified in the Schedule hereinabove have been stated to the best of the information of the Authorised Officer, but the Authorised Officer shall not be answerable for any error, misstatement or omission in this proclamation. (4) The Authorized Officer reserves the right to accept any or reject all bids, if not found acceptable or to postpone/cancel/adjourn/discontinue or vary the terms of the auction at anytime without assigning any reason whatsoever and his decision in this regard shall be final. (5) The secured asset will not be sold below the reserve price. (6) The Sale will be done by the undersigned through e-auction platform provided at the Website <https://Baanknet.com> on 06.10.2026 from 12.00 PM to 2.00 PM . (7) For detailed term and conditions of the sale, please refer <https://Baanknet.com> & www.pnb.bank.in.
Date: 19-09-2026, Place: Ernakulam (Sd/-) Authorized Officer, Punjab National Bank, ARMB, Ernakulam

READ

»SPORTSTAR

EVERY FORTNIGHT.

TO SUBSCRIBE, VISIT

www.thehindugroup.in/subscribe



A KI-KIE