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Foreword

We at **SURESH & CO.** are proud to present another edition of "*EMERGING THOUGHTS*." This publication represents our continued endeavor to share perspectives that blend awareness, curiosity, and critical thinking—values that form the foundation of our professional and intellectual journey. Each issue is a reflection of our belief that knowledge grows best when it is exchanged, explored, and built upon collectively.

In a world that evolves with every passing day, the ability to stay informed, adaptable, and reflective has become indispensable. The landscape of business, finance, and global affairs is constantly shifting, demanding from us not only awareness but also insight and discernment. Every edition of "*EMERGING THOUGHTS*" reinforces this belief—reminding us that learning is not a destination but a continuous process strengthened by thoughtful dialogue, collaboration, and shared experience. The appreciation and encouragement we have received from our readers reaffirm our commitment to creating content that is relevant, analytical, and thought-provoking.

At **SURESH & CO.**, we believe in cultivating a culture that nurtures both curiosity and discipline. Our firm continues to foster an environment that values questioning, exploration, and innovation while upholding the highest standards of professionalism and integrity. This edition captures the enthusiasm, creativity, and intellectual curiosity of our young contributors—our articled assistants and team members—whose reflections embody the spirit of inquiry and growth that defines our organization. Their perspectives not only highlight emerging trends but also offer fresh insights that encourage every reader to think beyond the obvious and explore new dimensions of understanding.

“The more I learn, the more I realize how much I don’t know.” – Albert Einstein

As we welcome a new month, let us remind ourselves that growth is found in everyday moments. Whether through small gestures of kindness, setting new intentions, or pausing to reflect, each day holds the potential to create a meaningful impact—on ourselves and on those around us. Let us approach each day with curiosity, gratitude, and purpose, embracing every opportunity with optimism and positivity.

Update for the day #2491 | The Rise of the Retail Investor: How India's Capital Market Is Being Redefined

India's capital markets are undergoing a structural shift—one that's not being led by foreign institutional investors (FIIs) or large corporates, but by millions of individual retail investors across the country.

This change isn't just a post-pandemic phenomenon—it's a generational transformation, powered by digitization, financial awareness, and access to low-cost investing tools.

A Surge Backed by Numbers The number of active demat accounts has crossed 16 crore as of 2025, up from just around 4 crore in 2020. Mutual fund Systematic Investment Plan (SIP) inflows now touch ₹20,000+ crore every month—a record high, month after month. What used to be an institutional- dominated arena is now increasingly shaped by individual participation, not just in blue-chip equities, but in IPOs, REITs, index funds, and even global ETFs.

This trend has fundamentally altered the market dynamics:

Retail investors now account for close to 25% of trades on NSE and BSE.

Equity holdings by individuals in Nifty 500 companies have seen a significant uptick.

Trading volumes from Tier 2 and Tier 3 cities have overtaken traditional metros like Mumbai and Delhi.

What's Driving This Transformation?

Several structural and behavioral shifts are converging to make this possible:

Fintech Revolution:

Platforms like Zerodha, Groww, Upstox, and Paytm Money have drastically lowered the entry barrier. With zero account opening fees, minimal brokerage, and simple interfaces, investing is now as easy as ordering food online.

Financial Content Boom:

Thousands of content creators are making personal finance accessible—explaining mutual funds, taxes, SIPs, and equity markets in multiple languages. This has fueled financial inclusion at scale.

Post-Pandemic Mindset Shift:

COVID-19 was a wake-up call. Many people started investing for the first time after witnessing

job losses and market crashes. The value of self-managed finances and wealth planning became more real than ever.

Increased Trust in Markets:

Regulatory transparency, improved disclosures, and stronger corporate governance have boosted investor confidence. SEBI's pro-investor stance has also played a big role.

Opportunities and Pitfalls

The growing participation of retail investors is undoubtedly a positive for financial deepening. It adds liquidity, democratizes wealth creation, and reduces overdependence on institutional investors. However, the trend also brings a few concerns:

Speculative behavior is rising among first-time investors who chase tips, trending stocks, or penny shares without understanding fundamentals.

Many investors have an equity-heavy portfolio with little regard for diversification, risk tolerance, or long-term strategy.

Lack of proper tax planning and compliance knowledge can also lead to issues later.

This is where financial advisors, CA professionals, and educators need to step up—not to sell products, but to guide a generation that is financially eager but still maturing in its decision-making.

The Bigger Picture

India is set to become a \$5 trillion economy in the coming years. If household savings increasingly flow into productive financial assets instead of gold or real estate, this could transform the way capital is mobilized in the country. Retail investors will become nation builders, fueling businesses, infrastructure, and innovation.

As SEBI chairman Madhabi Puri Buch aptly put it:

"When a cab driver from Lucknow is investing in an IPO, it's not irrational exuberance—it's financial empowerment."

By Nisarga S Kundapur



Update for the day # 2492 | Real Lessons from SBI's "Monetary Multiverse" – A Thought-Provoking Take on Central Banking

In a world driven by data, algorithms, and policy precision, sometimes a little imagination goes a long way in helping us reflect more deeply. The State Bank of India (SBI)'s Research team recently released a rather quirky report — a fictional exploration of an alternate world of central banking. Titled the "Monetary Multiverse," it serves up a humorous but insightful take on monetary policy, models, and human behavior.

While the report is lighthearted in tone, the underlying lessons are both relevant and real. Here's a deep dive into some of those key takeaways, and why they matter to us in the world of finance and business.

Setting the Scene: Tie Colors and Interest Rates?

It all starts with a surprise move by the Reserve Bank of India (RBI): a 50 basis point rate cut, bringing the repo rate down to 5.5%. Markets didn't anticipate such a large cut, particularly given ongoing global uncertainties — geopolitical tensions, economic slowdown risks, and trade frictions.

But what if the Governor's tie color could have hinted at the rate decision in advance?

That's right. SBI's research team imagined a monetary multiverse where policy moves are predicted not just by inflation trends or GDP forecasts, but also by the Governor's tie color and demeanor.

They built a playful statistical model called the "Tie Volatility & Tilt Index (TVTI)," which found patterns like:

Warm tones (red, orange): Signal a possible rate hike

Cool tones (sky blue, aqua): Suggest status quo

Dark ties (black, navy, silver): Indicate a definite policy move, either a hike or a cut

Flashy/mixed colours (purple, yellow): Suggest uncertainty or a mixed stance

Interestingly, during the latest rate cut, the Governor was indeed spotted wearing a black and silver tie — consistent with the model's prediction of a decisive move. While this is clearly tongue-in-cheek, it's a creative nudge to think about non-verbal signals and policy communication.

US Trump, Tweets, and the Fed: A Simulated Scenario

Taking creativity up a notch, the SBI team simulated another hypothetical scenario — What if former U.S. President Donald Trump ran the Federal Reserve?

They developed a modified version of the widely respected Taylor Rule (which central banks use to set interest rates based on inflation and output gaps), introducing a Trump-adjusted bias that reflects his known preference for low interest rates and tweet-driven policymaking.

The result? Had Trump's preferences driven monetary policy:

US interest rates would have been ~1% lower on average from 2018–2025.

In some quarters, actual Fed rates were 40% to 94% tighter than what the Trump model would have prescribed.

They even analyzed Google Trends to see if a more "media-savvy" central bank leadership would have drawn more public attention. The finding? Likely yes — up to 30% more public interest, just from personality-driven visibility, not from policy changes.

💡 So, What Can We Learn From All This?

Despite its humorous premise, the report delivers three valuable and serious takeaways:

Lesson #1: Models Have Limits — Use with Caution

Remember the 2008 Global Financial Crisis? A key contributor to the meltdown was over-reliance on risk models. Complex financial products like mortgage-backed securities (MBS) and collateralized debt obligations (CDOs) were deemed safe because models assumed that U.S. housing prices would never fall everywhere at once.

When they did, the assumptions collapsed — and so did portfolios.

— Lesson: Models are only as good as their assumptions. They should always be balanced with sound judgment, oversight, and risk-awareness. Blind faith in numbers can have devastating consequences.

. Lesson #2: Independence of Central Banks is Non-Negotiable

While the Trump-adjusted rule might suggest that a looser monetary policy would boost growth or market sentiment, political interference in monetary policy is dangerous.

Central banks like the RBI or the Federal Reserve are not meant to serve political agendas. Their primary objective is economic stability, even if that means short-term discomfort for governments — like raising interest rates to control inflation, even when it's politically unpopular.

Moreover, when central banks buy bonds under Quantitative Easing (QE) and later raise rates to combat inflation, they might report paper losses. But expecting them to avoid such decisions for fear of political backlash undermines their core role.

— Lesson: Central banks must remain autonomous and trusted, free to take difficult decisions in the interest of long-term stability.

🚩 Lesson #3: Read Between the Lines — Communication is Policy

Beyond ties and theatrics, the report makes an important point about policy language and tone. For instance, if central bank statements increasingly mention “growth” over “inflation,” it may signal a shift towards easing.

In the most recent policy announcement, the RBI Governor used the word “growth” 24 times, compared to “inflation” 18 times — subtly reinforcing the direction of policy.

As former Fed Chair Ben Bernanke once said,

“Monetary policy is 98% talk and 2% action.”

— — — Lesson: How central banks communicate is as important as what they do. Tone, language, and frequency shape market expectations and investor behavior.

By Akhilesh Mandavilli



Update for the day #2493 | Why India's MRP system may be due for a rethink

Every morning, a rickshaw puller in my neighbourhood sells packaged milk for ₹3 more than the printed MRP. We never buy from him because paying above MRP feels wrong. And it's not just us — most Indians are hardwired to stick to that number.

That's the whole point of the MRP system. It was introduced in 1990 to protect consumers from being overcharged. Before that, retailers often added arbitrary taxes at checkout, so buyers never knew the final price. MRP solved that by mandating one all-inclusive price on every pack under the Legal Metrology Act.

But the system hasn't changed much in decades, and now the government is considering an overhaul. Why? Because MRP, in its current form, has some big flaws:

No transparency in pricing

Companies decide the MRP themselves without explaining how they arrived at it. Two similar products can have huge price gaps, and buyers have no benchmark to know what's fair.

Artificial discounts

Retailers sometimes set a very high MRP and then offer big "discounts" to make customers feel like they're getting a great deal — even if the actual selling price still gives them a healthy profit.

This raises the question — is a fixed price cap the best way to protect consumers? Most countries, including the US and Europe, don't have an MRP system. Prices vary by store, and competition keeps them in check. India, however, is highly price-sensitive, so scrapping MRP altogether may not work.

For now, the ₹3 extra charged by that rickshaw puller is still technically illegal. But maybe the real problem is that the system he's breaking is outdated and needs a rethink.

By Sourabh Jain



Update for the day #2494|Story of the Boeing 787 Dreamliner

On June 12, 242 people boarded Air India Flight 171 from Ahmedabad to London. It was a Boeing 787 Dreamliner, one of the most trusted aircraft models in the world. Since its introduction in 2011, over 1,100 Dreamliners have flown safely, carrying over 875 million passengers. This particular plane, delivered in 2014, had over 41,000 flight hours.

But shortly after takeoff, the plane dropped suddenly and crashed into a residential area. Only one person survived. The cause of the crash is still under investigation.

Boeing's CEO offered support and condolences, but this incident has raised questions about the 787's history. While the Dreamliner has had a good safety record, it hasn't been without problems.

In 2013, overheating batteries caused two fires. The planes were grounded and fixed. In 2019, whistleblower John Barnett warned of dangerous metal shavings near wires and reused faulty parts. The FAA found some truth in his claims. Tragically, Barnett died by suicide in 2024, and his family blames Boeing.

Another whistleblower, Sam Salehpour, reported in 2024 that workers were forcing parts of the fuselage to fit, calling it the "Tarzan effect." He warned that such gaps could cause the plane to break apart. Boeing denied major risks, but the FAA asked them to reinspect all 787s and fix those already in service.

In another incident, a LATAM Airlines Dreamliner dropped suddenly when the pilot's seat shifted, injuring several people.

Despite all this, Dreamliners continue to fly. However, the Air India crash once again placed Boeing under intense scrutiny. If serious safety flaws are found, it could ground many planes and affect global travel.

By Rakshith Bharadwaj Y



Update for the day #2495| The rise of capitalism in the United States

The rise of capitalism in the United States is a comprehensive historical process that spans several centuries, characterized by distinct phases and significant economic transformations. This overview synthesizes key insights from scholarly sources and historical analyses, providing a detailed understanding of this evolution.

Early Foundations and Colonial Era

During the colonial period, American economic activities were primarily based on agriculture, trade, and resource extraction. The colonial economy was shaped by British mercantilist policies, but it also laid the groundwork for capitalist development through the accumulation of capital via trade, farming, and land speculation. Alexander Hamilton's push for a strong national economy, including the establishment of a national bank, was instrumental in creating early economic infrastructure.

Post-Revolution and 19th Century Growth

After gaining independence, the United States experienced rapid economic growth driven by westward expansion, technological innovations, and transportation infrastructure. The development of canals, railroads, and ports spurred a transportation revolution, enabling the movement of goods and people on an unprecedented scale. The economy transitioned from mainly agrarian to increasingly industrial, with the rise of manufacturing, banking, and finance industries.

Recurrent financial crises, such as those in 1819, 1837, and 1857, reflected the speculative nature of expanding markets and uneven economic development. The American Industrial Revolution, beginning in the mid-19th century, marked the emergence of factory-based production, large corporations like Standard Oil, and the rise of capitalists who amassed significant wealth, further cementing capitalism's role.

Civil War, Reconstruction, and the Gilded Age

The Civil War and subsequent Reconstruction period led to a divergence in regional economic structures, with the South heavily reliant on enslaved labour and plantation agriculture, while the North industrialized rapidly. The Gilded Age (late 19th century) saw monopolies, trusts, and the consolidation of industries alongside significant inequality and labour unrest. The government's policies initially favoured business expansion, exemplified by tariffs, minimal regulation, and support for railroad expansion.

20th Century: Industrial Expansion and Regulation

The early 20th century was marked by the rise of big business, labour movements, and progressive reforms aimed at regulating monopolies and improving working conditions. The

Great Depression of 1929 was a turning point, prompting New Deal policies that increased government intervention in the economy, including social safety nets and regulation of financial markets.

World War II further transformed the economy, fostering mass production, technological innovation, and the emergence of the United States as a global economic powerhouse. The postwar period, often called a "golden age of capitalism," was characterized by high growth, consumerism, and rising homeownership rates, supported by federal policies promoting mass consumption.

Late 20th and Early 21st Century

From the late 20th century onward, deregulation, globalization, and technological innovation shaped contemporary American capitalism. Financial markets expanded, service industries burgeoned, and economic disparities widened. The collapse of major financial institutions in 2008 marked a new crisis phase, prompting debates over regulation, inequality, and the future trajectory of capitalism in the US.

Conclusion

The evolution of capitalism in the United States is a multifaceted story of innovation, expansion, crisis, and reform. It reflects the country's ongoing struggle to balance private enterprise with government oversight, continually redefining the nature and implications of its economic system.

By Chethan N



Update for the day #2496 | Why India's automakers are squabbling over CAFE norms?

The Indian auto industry is caught in the middle of a big fight right now, and the bone of contention is something called the CAFE framework — short for Corporate Average Fuel Efficiency.

If you've heard the term before, you probably know that CAFE norms are government rules designed to push carmakers to sell more fuel-efficient cars that emit less carbon dioxide (CO₂). These rules first showed up in 2017 and apply to pretty much every passenger vehicle under 3,500 kg, whether it runs on petrol, diesel, LPG, CNG, is a hybrid or even an electric vehicle.

The idea is simple. A company can sell big, heavy fuel consuming SUVs if it wants, but it has to balance them with smaller, more fuel-efficient cars so that its average across all cars sold in a year doesn't cross the government's set limit for CO₂ emissions. It doesn't matter if one model emits more, it's the fleet average that counts.

For now, carmakers are working under what's called CAFE-II, which means their cars sold from 2022-23 must stay within fuel consumption of 4.78 litres per 100 km, or CO₂ emissions of not more than 113 grams per kilometre (g/km). If a company's average crosses this line, it risks paying heavy fines.

This setup worked fine for a while. But now, the government wants to tighten the rules even more. It's drafting the next phases: CAFE-III and CAFE-IV, which will run from 2027 to 2037. And each new phase comes with stricter targets. For CAFE-III, the aim is to bring average emissions down further to somewhere around 91–95 g/km.

And this is where India's largest carmaker, Maruti Suzuki, has a problem. Maruti built its name by selling small, fuel-sipping hatchbacks (Alto, WagonR, Swift), or what millions of Indians buy as their first family car. But under the new framework, Maruti thinks it's getting the short end of the stick.

Why's that, you ask?

You see, CAFE norms are not just about fleet averages. They also adjust the CO₂ limit based on how heavy a company's average car is. If you sell heavier cars, you're allowed a slightly higher CO₂ target. The logic is simple. Bigger cars naturally burn more fuel. So the baseline figure of 91–95 g/km is just an example for a fleet with an average weight of about 1,170 kg. If your average fleet is heavier, you get some cushion. If it's lighter, your limit drops even more.

So Maruti, with its lineup mostly made up of small, lightweight cars, has to meet an even tougher limit than companies selling more SUVs. That's the sticking point.

To get why Maruti is upset, just look at what Nomura researchers found. They plotted a graph that shows the problem clearly. On this graph, the horizontal line shows the average weight of

a company's cars, while the vertical line shows their average CO₂ emissions. There's a diagonal line in the middle. That's the pass/fail line.

Then it takes two examples. Model A represents one of the high-selling SUVs. It weighs a lot and emits about 130 g/km. But because its CO₂ limit is higher thanks to its weight, it still passes the test. Then there's Model B, a high-selling small car that emits only about 100 g/km. That's much cleaner in absolute terms. But because it's lighter, its limit is lower too. So it fails.

So the strange twist is that the small car, which is actually greener, gets penalised, while the heavier SUV slides through.

And that's what has Maruti worried. Their bread and butter small cars like the Alto and WagonR already hover around 100 g/km. So, under CAFE-III, these cars would barely meet the limit or fail unless Maruti upgrades engines, adds hybrid systems or rolls out more CNG and electric variants. All of this costs money and time.

The company argues that this weight-based rule ends up rewarding makers of bigger cars and punishing companies like them that have always made small, fuel-efficient cars affordable for the middle class.

But of course, other carmakers like Tata Motors, Mahindra & Mahindra and Hyundai don't agree with Maruti's demand to tweak the rules for small cars. They believe that introducing exceptions would increase compliance costs for bigger vehicles and would just make things too easy for Maruti, which already dominates the small car space. They want one simple, uniform rule for everyone.

In fairness, they do have a point. Many of these companies have been pouring money into better engines, cleaner diesel and hybrids for bigger vehicles. They don't want to see the system tilt unfairly toward small-car makers.

But Maruti's frustration isn't unique either. If you look at what other countries do, you see they've already made adjustments to make sure small cars aren't unfairly punished. The US, for instance, uses a footprint-based model. If a car is really small, its fuel economy target doesn't keep getting tighter and tighter. There's a limit to how much you can squeeze out. China and South Korea use a similar system and even hand out bonus credits for selling small, efficient cars. Japan's system bends the curve to protect small cars from impossible targets. And in Europe, they do the opposite of India. The lighter your cars, the easier your CO₂ targets, while bigger vehicles face tougher requirements.

Nomura researchers say India could borrow a page from these playbooks. Instead of a straight line that keeps tightening the screws on already efficient cars, India could use a piecewise or non-linear method. That means setting a limit below which small cars don't face stricter targets. Or giving carmakers extra credits for selling lightweight, fuel-efficient cars.

So maybe, it's not just about protecting Maruti, but about keeping small cars on Indian roads.

India's middle class still depends on affordable hatchbacks. If the cost of making them CAFE-compliant gets too high, companies may shift focus to heavier vehicles that can more easily meet the targets because of the extra weight allowance. That would be a strange outcome for a rule meant to reduce oil imports and pollution.

Maybe the answer is to phase in these tighter norms slowly, with rules that reward innovations like lightweighting, not make them harder to achieve. The goal should be to make the entire fleet cleaner, not force carmakers to ditch the very cars that help millions of Indians own their first family car.

By Barani Shre S S



Update for the day #2497 | How can India's pharma companies survive under Trump's uncertainty?

Just last week, Glenmark signed what could be one of the largest deals in the Indian pharma industry. This is a \$2 billion licensing deal with AbbVie for an experimental cancer drug called ISB 2001. And it's not every day that a \$2 billion deal happens in the pharma industry in India. So, why is this different?

Well, ISB 2001 is a first-in-class bispecific antibody for the treatment of relapsed multiple myeloma (a type of cancer). And this kind of cutting-edge formula belongs to a completely different league from manufacturing generic drugs, which Glenmark is currently doing.

You see, ISB 2001 is still in early clinical testing (Phase 1) but has been granted special FDA designations to help speed up development due to its potential. The drug itself is a trispecific antibody that locks T-cells onto two myeloma targets (BCMA and CD38) via CD3.

In simple words, it's a highly engineered molecule that trains the immune system to hunt down and kill cancer cells more precisely, even in patients who've stopped responding to other treatments. And that's what makes this deal so important, not just for Glenmark, but for the Indian pharma Industry as a whole.

It's driven by deep research and original IP, rather than reproducing existing drugs. And this is exactly what Indian pharma companies must do if they want to thrive globally. Let me explain. India's pharmaceutical industry is worth over \$50 billion. And over 50% of that is exports. And over a third of those exports go to the US. This makes the industry quite dependent on the US. However, here's the thing. Donald Trump has once again been quite vocal about slashing drug prices by as much as 30-80%. He wants pharmaceutical companies to bring down the cost of prescription medicines in the US.

Now, of course, this is a win for American consumers. But it adversely impacts desi drug manufacturers.

You see, Indian pharma companies primarily manufacture generic drugs. For the uninitiated, these are essentially off-patent versions of drugs whose original creators no longer hold exclusive rights.

Take paracetamol, for instance. It's a widely used pain reliever. While the branded version might be sold as Crocin, dozens of companies manufacture and sell paracetamol in different forms and packaging. Sure, the core molecule remains the same, but competition drives prices down. And that is the nature of generics.

This competition is why they already operate on razor-thin margins. Any forced price reduction would compress those margins even further. If the US government puts pressure on pharma companies to negotiate harder or accept price caps, Indian firms, which are often the last link in a long supply chain, may have to absorb the hit.

In May this year, Trump promised a Most Favoured Nation drug-pricing model that would peg what Medicare pays to the lowest price among 'rich' countries. Tariffs on Chinese active-ingredient imports were the headline grab, but it seems like the knife would cut across the board. Indian generics are unlikely to face direct duties, but lower invoice prices mean thinner margins, even before freight and regulatory costs.

And while it's not sure if the Indian pharma industry is in the tariff crosshairs just yet, the industry is clearly bracing for impact.

But even if tariffs come up, several Indian firms are ready.

For instance, Sun Pharma has over 3 manufacturing facilities in the US, Cipla has a major plant, and Aurobindo Pharma has acquired several smaller plants over the years.

The long-term solution, however, isn't just to buy up manufacturing facilities abroad. Sure, that might help soften the blow of tariffs or shipping costs. But it doesn't change the underlying problem. The real opportunity lies in moving up the value chain by investing meaningfully in research and development.

That means developing new drugs, treatments, and vaccines, especially for diseases that are underfunded or underserved. That's where the high margins are. Unlike generics, which are essentially copies of existing drugs with wafer-thin profits, novel therapies and specialty drugs offer pricing power, longer exclusivity, and far greater value per molecule.

But climbing the ladder is easier said than done. There's a complication at home too, one rooted in India's own patent law. Under the Indian Patents (Amendment) Act, 2005, Indian firms can manufacture and sell generic versions of a drug even if it's patented overseas as long as these conditions are met:

Section 3(d): Anti-evergreening clause

New forms of known substances are not patentable unless they show enhanced therapeutic efficacy.

Section 107A: Bolar exemption

Allows manufacturing and selling of a patented drug for purposes related to obtaining regulatory approvals in India or abroad.

Section 84: Compulsory licensing

After 3 years of patent grant, a compulsory license may be issued if the reasonable requirements of the public are not met, the drug is not available at a reasonably affordable price

Section 92A: Compulsory license for export

Allows compulsory licensing to manufacture and export patented drugs to countries with insufficient or no manufacturing capacity in the pharmaceutical sector.

These provisions help ensure affordable access to medicines, especially in a country where public healthcare spending remains low. But it also creates fierce domestic competition. The moment these conditions are met, multiple firms rush in and start manufacturing, which drives prices down sharply. And if we want to keep closing billion-dollar deals, we may have to rewrite the rules that got us here in the first place, but while balancing what is good for you and me, the common man.

At the end of the day, unless Indian pharma climbs the value chain by securing more Glenmark-style deals and widening its research footprint, its reliance on low-margin generics will continue to be a vulnerability. To build resilience, Indian drugmakers will need to invest more aggressively in novel drug development, specialty therapies, and complex treatments – areas where margins are higher and competition is thinner.

However, as for an immediate solution, an Indian delegation is currently in Washington negotiating the trade deal. This offers a narrow window for India to defend its exporters, but the longer-term fix lies in investing in novel therapies, not just copies of them.

Until then...

By Aastha Jain



Update for the day #2498| How SEBI plans to bring Jio and NSE to the market

SEBI's latest consultation paper could change how India's biggest companies go public — and not just in small ways. If these ideas become rules, we might finally see giants like Reliance Jio, NSE, and Flipkart actually list without freaking out the market.

The problem today

Two rules make IPOs for mega-companies painful:

1) Free-float requirement.

If your post-IPO market cap is over ₹1 lakh crore, you currently need to raise at least ₹5,000 crore and sell at least 5% of total shares to the public. That's a huge one-time supply shock (remember LIC's ₹21,000 crore IPO? Markets felt it).

2) Tight timelines.

After listing, promoters must push public shareholding to 10% in two years and 25% in five. For mega-cap firms, that's a serious dilution schedule.

Together, these make listing math brutal: big supply + short timelines + tricky market conditions = many giants sitting on the sidelines.

SEBI's rethink — the big idea

SEBI's paper proposes lowering the immediate float required for bigger companies and giving them more time to reach higher public shareholding. The headline moves:

- Smaller mandatory IPO floats for larger firms (example bands: mid-large ~8%; mega ~2.75%; super-mega ~2.5%).
- Longer timelines to reach 25% public shareholding — up to 10 years for the very largest firms.
- A regulated pre-IPO platform to bring the grey market into daylight.

In short: the bigger you are, the less you need to sell at once — which might finally make massive listings feasible in India.

Why this matters — an example

At a ₹10 lakh crore valuation, current rules could force a ₹50,000+ crore public offer. Under the new ~2.5% float idea, that drops to about ₹25,000 crore. Still big, but now doable.

That single tweak could unlock IPOs that have been parked for years.

The ripple effects

If big names start listing, expect the whole ecosystem to shift:

Banks and merchant bankers: Fee pools could explode. Even a tiny float of a mega-cap yields enormous advisory fees.

Index funds & ETFs: Passive flows will chase index inclusion — big market caps force ETFs to buy, reshuffling billions in AUM.

Brokers & registrars: Retail appetite will likely dwarf supply — oversubscriptions galore and a lot of paperwork for intermediaries.

Distributors & fintechs: Every mega-IPO is a customer-acquisition machine.

Regulators & governance: Small floats can reduce public scrutiny; governance standards and minority protections will need attention.

So yes — more listings, but also more complexity.

Global context

India's 25% minimum public holding has often felt strict compared with other markets:

Saudi Aramco (2019): Raised \$25B with ~1.6% float.

Hong Kong: Typically requires 25%, but can go down to ~10% for large issuers.

Singapore: Common to see 10–12% floats.

US: Tech giants like Facebook and Alibaba listed with ~13–15% floats while keeping control through dual-class structures.

SEBI isn't inventing anything radical — it's catching up to global practice to keep huge issuers at home.

The risks

Smaller IPO floats aren't a free lunch:

Volatility: Thin supply can spike price swings post-listing.

Governance concerns: Promoter control stays strong — minority investors may have less influence.

Crowding out: Multiple mega-IPOs could lock large retail and bank liquidity, squeezing smaller issues and secondary market activity.

That's why it's a consultation paper, not a decree. The regulator is balancing access to capital, market stability, and investor protection.

The takeaway

This consultation paper signals a shift: India wants its giants to list domestically without demanding massive immediate dilution. If implemented, we might see an IPO renaissance driven by mega-floats — changing flows, fees, and fund allocations for years.

If you've been waiting for Reliance Jio or the NSE to list, this might actually be the real glimmer of hope you've been waiting for.

By Sakshi



Update for the day # 2499 | A real estate boom fueled by a bus network in the sky?

If you live near a dusty old airstrip that hasn't seen a plane in years, there's some compelling reason not to move. That strip might soon be more valuable than a flat in a nearby metro city. Because Tier-2 and Tier-3 skies are about to get crowded. And no, not with giant jets, but with smaller regional aircrafts. The kind that seats 20–30 people, land on shorter runways, and could turn forgotten towns into buzzing economic zones. Aviation folks are calling it the next connectivity revolution; investors and speculators, meanwhile, say it could spur a real estate boom. India has 450-odd airstrips but only 157 are operational. The rest are scattered across the country like post-independence relics. And that means that over 60-70% of the country's aviation infrastructure is never utilized.

To fix this, the government even rolled out UDAN (Ude Desh Ka Aam Naagrik) in 2016. The idea was simple: revive sleepy airstrips, get private airlines to fly short regional routes, and cap ticket prices at ₹2,500 for an hour-long journey so the average Indian could afford to fly. It was bold, ambitious, and briefly effective. The government subsidized routes. Taxes on aviation fuel were slashed. Airlines started testing new circuits like Hubli to Kochi or Jamshedpur to Bhubaneswar.

Perhaps the missing spark was private ambition. And that's where both legacy players and startups are trying to capture a pie of the industry.

Sure, the idea isn't new but Goyal might just have the tech DNA, capital, and risk appetite to finally make it work. And LAT's not alone. Other regional operators are now expanding and some logistics players are quietly eyeing the same air routes.

All of which could have a few major consequences.

The moment you connect small towns with predictable, high-frequency air routes, their economics change. A 9-hour road trip becomes a 1-hour hop. And where connectivity improves, land values usually follow.

Look at Navi Mumbai. Property rates near the upcoming airport have doubled in the last five years. And that's the case with Bengaluru, Hyderabad, Greater Noida too. Now imagine this playing out across 100+ smaller towns. One day they're struggling with train delays, the next they're linked to a business hub by air. And with that link comes the real estate flywheel, from warehouses, hotels, rental demand to better municipal services, and eventually... gentrification.

This isn't just about moving people too. What people aren't talking enough about is how small aircraft might become the back-end rails for India's next big logistics evolution.

Remember how quick commerce players created dark stores in every corner of the city to enable 10-minute delivery? The same could happen with air. Most logistics heavy companies are already planning for this air hub and spoke model. Only instead of 2 km delivery zones,

we're talking 200 km cargo exchanges. Amazon India already runs its own air cargo operation with leased Boeing 737s. But that's just between metros. With smaller aircraft and compact "air depots," even Tier-3 cities could get next-day logistics.

In fact, LAT has suggested that its "air-stops" could be no bigger than a parking lot, placed closer to where people actually live and work. And that changes the math. Logistics networks with land banks (think quick commerce players, industrial parks, or even local retail chains) suddenly have an aerial distribution channel within reach. That also changes the total addressable market or TAM for these players entirely. Road and rail are no longer the only options. There's a third lane that's faster, leaner, and if done right, cost-effective. So it's not hard to imagine logistics and quick commerce firms eyeing this as a natural extension of their ground game.

But here's the first big contradiction.

Regional aircraft are notoriously tricky to operate. Fuel is one of the biggest costs (30-40%), and it's fixed across aircraft types. Whether you're flying 15 passengers or 180, the cost, on a per kilo liter basis, remains the same. That means smaller planes end up with higher per-passenger costs. And since regional operators want to keep fares affordable to serve their target audience, they have to maintain consistent high passenger load factors just to stay afloat. Unless you're flying full almost all the time, or heavily subsidized, the math's doesn't quite add up. And lastly, there's also a capability crunch.

Aviation regulators aren't known for agility. LAT's own launch is being closely watched because it may not just be a regional airline operator but also a manufacturer. And if it plans to build planes as well as fly them, timelines could stretch into years.

Just ask National Aeronautics (NAL), which spent years trying to get Saras, its indigenous 14-seater aircraft, off the ground.

Add to that the fact that building micro-airports isn't easy. Even a no-frills airstrip needs land, safety approvals, air traffic coordination, fuel stations, fire services, and security protocols. Most regional airports don't meet minimum safety norms. That's a regulatory headache nobody wants to talk about.

So, if you spot a group of surveyors pacing around your town's abandoned lands, don't be surprised. They might be measuring the future.

By Vismitha V



Update for the day #2500 | The Role of Technology in Modern Finance

The world of finance has evolved more in the last decade than in the past century, and technology has been the driving force behind this transformation. From mobile banking to artificial intelligence, the integration of technology into finance—often called FinTech—has revolutionized the way we save, invest, and transact.

Gone are the days of waiting in long bank queues. Today, a person can transfer funds, invest in stocks, or apply for a loan—all within minutes, using a smartphone. Digital payment systems like UPI, credit cards, and e-wallets have made transactions faster and more transparent, fostering a cashless economy.

For businesses, technology has improved accuracy and efficiency. Automation tools now handle bookkeeping, tax filings, and financial reporting with minimal errors. Artificial intelligence helps in detecting fraud, analyzing credit risk, and even predicting market trends. Blockchain technology, on the other hand, promises unmatched transparency and security in financial transactions.

However, with innovation comes responsibility. Cybersecurity and data privacy have become crucial concerns. Financial institutions must ensure that technology is used safely and ethically to protect consumer trust.

In conclusion, technology has not just changed finance—it has redefined it. The future of finance will belong to those who can adapt to digital transformation while maintaining integrity, innovation, and security. Embracing technology in finance isn't an option anymore; it's the only way forward.

By Mukesh Gehlot



Update for the day #2501 | The Evolution of ISRO: From Vision to Global Recognition



Origins and Foundation

The Indian Space Research Organization (ISRO) stands as a symbol of India's scientific ambition and self-reliance. Its roots trace back to 1962, when the Indian National Committee for Space Research (INCOSPAR) was formed under the Department of Atomic Energy, inspired by Dr. Vikram Sarabhai's vision to leverage space technology for national development. Dr. Sarabhai observed the burgeoning power of satellites and recognized their potential to address India's developmental needs, uniting a team of scientists, engineers, and social thinkers to pioneer India's entry into space.

Formation and Early Achievements

On August 15, 1969, ISRO was officially established, replacing INCOSPAR, with its headquarters in Bengaluru. The creation of the Department of Space in 1972 brought ISRO under direct government oversight, institutionalizing India's space endeavors. The 1970s saw ISRO joining the Soviet Interkosmos program, leading to the launch of India's first satellite, Aryabhata, in 1975 aboard a Soviet rocket—a milestone marking India's debut in the global space arena.

Pioneering Missions

The development of launch capabilities began with sounding rockets and culminated in the Satellite Launch Vehicle (SLV-3). In 1980, the SLV-3 placed the Rohini satellite into Earth orbit, making India the seventh nation to achieve this feat independently. Throughout the 1980s, ISRO focused on practical technologies with the INSAT (communication) and IRS (remote sensing) satellite series, expanding India's capacity in fields like meteorology, broadcasting, resource management, and disaster warning.

Global Impact and Modern Era

ISRO's continued innovation led to the Polar Satellite Launch Vehicle (PSLV) and Geosynchronous Satellite Launch Vehicle (GSLV), enabling major missions such as Chandrayaan (Moon), Mangalyaan (Mars Orbiter Mission), and Chandrayaan-3, which positioned India as a leader among spacefaring nations. Its cost-effective and reliable mission record has earned ISRO global recognition and commercial success, while its indigenous programs like IRNSS (navigation satellites) affirm India's strategic autonomy.

From its humble beginnings to its current stature, ISRO's journey is a testament to vision, resilience, and the pursuit of scientific excellence.

By Kavya Hebbar



Update for the day #2502 | The Importance and Process of ESG Audits in Modern Organizations

Environmental, Social, and Governance (ESG) audits have become essential for organizations that want to showcase their commitment to sustainability, ethical conduct, and responsible leadership. These audits provide a comprehensive assessment of how a company manages its environmental impact, social responsibilities, and internal governance structures. The primary purpose of an ESG audit is to look beyond traditional financial metrics and reveal both the strengths and the areas for improvement in an organization's operations, helping to build a culture of accountability and continual growth.

During an ESG audit, several core components are closely evaluated. The environmental aspect focuses on factors such as energy usage, greenhouse gas emissions, waste management, and pollution control, ensuring alignment with eco-friendly goals and regulatory requirements. Social criteria involve detailed assessments of labor practices, workplace diversity and inclusion, employee health and safety standards, community engagement, and data protection policies. The governance section examines leadership structures, board diversity, executive compensation, transparency, risk management, and ethical conduct within the organization. Audit procedures generally include reviewing documentation, analyzing sustainability data, interviewing key personnel and stakeholders, and inspecting operational sites. The findings are benchmarked against recognized ESG frameworks like the Global Reporting Initiative (GRI) or Sustainability Accounting Standards Board (SASB), resulting in a report of compliance and actionable recommendations.

The benefits of ESG audits are far-reaching. They enhance transparency and trust among stakeholders—including investors, regulators, and customers—while helping organizations identify risks and opportunities for improvement. ESG audits also support access to sustainable finance, fulfil regulatory requirements, and strengthen an organization's reputation for corporate responsibility. Ultimately, ESG audits are vital tools for businesses seeking to stay competitive, meet the evolving expectations of stakeholders, and contribute positively to environmental and social well-being while upholding strong governance practices.

In conclusion, ESG audits are rapidly becoming a cornerstone of sustainable business strategy and long-term value creation. As environmental, social, and governance issues gain prominence on the global stage, stakeholders are increasingly scrutinizing how organizations address these critical areas. Regular ESG audits not only prepare organizations to meet rising regulatory, and investor demands but also drive internal improvements, foster innovation, and secure a competitive market edge. By actively engaging in ESG auditing, companies demonstrate a proactive commitment to responsible business practices, building resilience and ensuring their continued success in a world where sustainability and ethical leadership are key determinants of growth and reputation.

By Aniket R Patil



Update for the day #2503 | Could Coca-Cola's Recipe Change Shake Up the U.S. Economy?

Could Coca-Cola's Recipe Change Shake Up the U.S. Economy?

The United States may be on the brink of a significant shift in its food and beverage landscape — and perhaps its agricultural economy — following Donald Trump's recent proposal targeting processed ingredients. As part of his new campaign promise to "Make America Healthy Again," Trump has called on companies like Coca-Cola to eliminate high fructose corn syrup (HFCS) from their products and revert to traditional cane sugar.

This stance marks a notable pivot for the former president, who has been famously associated with Diet Coke — reportedly consuming up to 12 cans daily, and even having a dedicated button in the White House to summon a can. Now, he is advocating for cleaner labels in consumer goods, urging companies to do away with ultra-processed ingredients such as artificial dyes, seed oils, and processed sweeteners like HFCS.

Health Concerns: Valid, But Misguided?

Trump's campaign draws attention to a genuine public health issue: obesity. With nearly 40% of American adults classified as obese — and 10% as severely obese — concerns about dietary health are well-founded. Sodas sweetened with HFCS have long been under scrutiny for their contribution to rising obesity and diabetes rates.

However, experts argue that the shift from HFCS to cane sugar may offer only marginal health benefits. Biochemically, both sweeteners are similar — cane sugar contains roughly 50% fructose and 50% glucose, while HFCS typically has a 55:45 ratio. It is fructose that poses the real concern, as it is metabolized in the liver, where excess quantities are converted into fat, increasing the risk of cardiovascular disease and insulin resistance.

Therefore, while switching sweeteners may sound beneficial, the impact on public health could remain negligible unless it leads to a significant reduction in overall soda consumption.

A Disruption to the Agricultural Backbone

The implications of such a shift extend far beyond health — into the heart of the American agricultural economy.

Corn is a foundational crop in the U.S., which is the world's largest producer, consumer, and exporter. Corn is used in a vast array of products, from food items and livestock feed to ethanol and sweeteners like HFCS. Its dominance stems largely from decades of government subsidies designed to stabilize the farming sector, beginning in the 1930s during the Great Depression and intensifying during World War II.

By the 1970s, U.S. farm policy had evolved to prioritize maximum corn output, regardless of market demand. This policy ensured a steady oversupply of corn, making HFCS significantly cheaper than cane sugar — which in turn prompted companies like Coca-Cola to reformulate their recipes using corn-based sweeteners. Though this formulation change received backlash in the 1980s during the "New Coke" era, HFCS remained a mainstay in the U.S. market.

In contrast, international markets such as India and Mexico still rely on cane sugar due to local availability and cost structures.

The Economic Trade-Offs

Transitioning back to cane sugar in the U.S. is not a simple proposition. The U.S. consumes approximately 12.5 million tons of sugar annually, yet domestic cane sugar production

accounts for only 4 million tons. The remainder is fulfilled through sugar beets and imports — the latter being tightly regulated under quotas and tariffs.

Switching from HFCS to cane sugar would likely increase Coca-Cola's production costs by an estimated \$800–900 million annually. This could necessitate a 10–15% increase in retail prices, potentially leading to reduced consumer demand. Ironically, this price hike could achieve Trump's health goals by discouraging excessive soda consumption.

However, the ripple effects on the agriculture sector could be severe. Corn farmers may experience income losses of \$2–7 billion, and the HFCS refining industry could face job cuts ranging between 14,000 and 15,000. While sugarcane growers in states like Florida and Louisiana might benefit from increased demand, the gains may not be sufficient to offset the broader economic losses.

Further complicating matters is the reality that expanding domestic cane sugar production or rapidly lifting import restrictions is logically and politically difficult. Trump's trade policies have historically leaned towards protectionism, which could further hinder the feasibility of increasing sugar imports.

Conclusion

While the push for healthier ingredients in processed foods is commendable, the feasibility and broader economic consequences of such a shift must be carefully evaluated. A switch from HFCS to cane sugar may do little to improve public health while triggering significant disruptions in the agricultural economy.

Whether Trump's proposal is a symbolic gesture or a serious policy direction remains to be seen. For now, it serves as a reminder of the complex interdependencies between food, health, and economic policy in the U.S.

By Varsha G Bhatt



Update for the day #2504 | M&A Trends 2025: Consolidation as a Growth Catalyst

India's mergers and acquisitions (M&A) market is experiencing an unprecedented surge in 2025. With transactions totaling over \$110 billion in the first nine months, this marks the highest deal activity in three years. From large-scale corporate mergers to mid-market strategic deals, Indian companies are increasingly leveraging M&A to drive growth, efficiency, and market expansion.

1. Policy Support and Market Drivers

A major enabler of this trend has been the Reserve Bank of India's policy allowing banks to fund domestic M&A transactions. This move has improved access to financing for leveraged buyouts and strategic mergers, reducing reliance on foreign lenders and private equity. The result is a deeper, more vibrant domestic M&A ecosystem.

Other drivers include abundant liquidity, supportive government policies, and a strong focus on corporate governance and transparency, which have all contributed to a favorable environment for deal-making.

2. Sector-Wise Highlights

Infrastructure & Real Estate: Consolidation among developers and asset owners is accelerating, particularly in office and industrial spaces, supported by the growing REIT market and institutional investment.

Financial Services: NBFCs, fintechs, and small finance banks are merging to achieve regulatory compliance, economies of scale, and broader market reach.

Energy & Renewables: The shift toward renewable energy has triggered acquisitions in solar, wind, and EV infrastructure, positioning companies to capitalize on India's sustainability goals.

Technology & Telecom: Strategic mergers are helping tech and telecom companies pool resources to compete in AI, cloud computing, and 5G deployments.

3. Domestic Leadership and Strategic Focus

Unlike the previous decade, when foreign institutional investors dominated the M&A space, domestic corporates and Indian private equity funds now play a pivotal role. Major conglomerates such as Reliance, Tata, Adani, and JSW are leading consolidation across sectors like logistics, chemicals, and energy.

The focus of these deals has shifted from opportunistic acquisitions to synergy-driven mergers — combining operational strengths, technology, and market reach to create long-term value. There's also an increasing emphasis on ESG-aligned acquisitions, reflecting growing investor and regulatory expectations.

4. Global Factors and Local Resilience

While global uncertainties such as interest rate fluctuations and supply chain disruptions persist, India remains a bright spot for M&A. Stable GDP growth, a large domestic investor base, and clear regulatory frameworks have made India an attractive destination for both inbound and domestic deals.

5. Outlook for 2026 and Beyond

Experts predict that M&A activity will remain strong in 2026, particularly in sectors like renewable energy, infrastructure, financial services, and technology. Strategic consolidation, digital transformation, and ESG integration will continue to shape the next phase of India's M&A landscape.

Conclusion

The trends in 2025 reflect more than just record deal volumes; they signal India's corporate and financial maturity, a growing ability to execute complex transactions, and a focus on creating long-term value. As consolidation accelerates, Indian companies are better positioned to scale, innovate, and compete globally.

By Anusha M



Update for the day #2505|The Brigade Hotel Ventures IPO

The Story

It's Friday evening. You've wrapped up another long work week and you're finally logging off, but not just from anywhere. You work out of the iconic World Trade Center, right in the heart of India's Silicon Valley.

And this isn't just any weekend. You've landed a promotion, and that calls for a proper celebration.

As you step out of the office and glance across the lake, there it is — Orion Mall, one of the largest shopping destinations in Asia, sprawling across 9 lakh square feet.

You grab a couple of gifts from the mall — something nice for the family, and then make your way to the Sheraton Grand Hotel just next door to celebrate at dinner.

Now here's something all these properties have in common. They're all operated by the Brigade Group, one of the leading real estate and infrastructure development companies in the city. And if you've ever travelled or lived in Bengaluru, chances are you've spotted the Brigade name across towering office towers, malls or apartments with their own mini-world inside.

They've become a familiar name in the city's skyline because Brigade isn't just any real estate company. It's one of the big players and a ₹26,500 crore listed company, officially known as Brigade Enterprises.

Back in 2016, it carved out its hotel business into a separate entity — Brigade Hotel Ventures Ltd (BHVL), to manage things more efficiently and give its hospitality arm a sharper focus.

And now this arm wants to go public.

It wants to raise ₹759 crores, out of which ₹468 crores or slightly over 60% will go towards debt repayment. Most of this debt piled up while keeping their hotels up and running, covering day-to-day expenses and working capital needs.

The next chunk, about ₹107 crores, is set aside for expansion plans. This includes five new properties on the cards across South India — a luxury beach resort in Chennai, two mid-scale hotels in Bengaluru, a luxury hotel in Hyderabad and a luxury resort in Vaikom, Kerala.

Now, here's an interesting bit. For the Kerala project, they're planning to buy about 7 acres of land. But that land is already owned by the parent company, Brigade Enterprises (BEL), through its subsidiary, BHVL. In other words, the IPO money will partly be used to buy assets that are already in the promoter group's kitty.

And whatever's left will go towards other growth opportunities and general corporate purposes.

Besides, there's also something else you should know. The IPO was originally pegged at ₹900 crores. But before the public issue, 360 One Asset Management stepped in with a ₹126

crore pre-IPO investment at around ₹90 per share. And this meant that BHVL trimmed down the size of the offering.

Which brings us to the big question — what's in this IPO for you, and is it worth checking into?

To understand that, let's take a quick look at India's hotel industry. It's in the middle of a quiet boom. Between business trips, destination weddings, religious pilgrimages and family holidays, hotel rooms are filling up fast. Demand is growing at 5.6% every year. For context, a decade ago, we needed around 61,000 rooms a day. By 2025, that hit 1.2 lakh!

But the problem is that we're not adding enough rooms to keep up. And that's exactly the gap BHVL wants to help fill.

Building hotels isn't cheap though. Whether midscale or luxury, it's a capital-heavy business, especially in big cities where land and labour don't come easy. BHVL knows this well. Most of its hotels are geared towards business travelers, sitting right beside tech parks and commercial hubs. A night at the Sheraton Grand in Bengaluru, for instance, starts at ₹15,000.

That focus makes sense when you consider where the demand's coming from. Tier-1 cities like Delhi-NCR, Mumbai, Bengaluru, Chennai and Hyderabad dominate the market. And with 1,604 rooms, BHVL is already the second largest hotel operator among private players in South India.

The numbers show how far they've come. In FY23, BHVL posted ₹356 crores in revenue with a ₹3 crore loss. By FY25, revenue jumped to ₹470 crores, and profits touched ₹23 crores. Margins are still thin, but it's a clear turnaround.

Now zoom in a bit more and you'll see how their hotels are performing. In Bengaluru, their biggest market, BHVL clocked an Average Daily Rate (ADR) (or the average price it charges for a room per night) of around ₹8,300 in FY25. That's nearly 20% higher than the city's overall average. And with an impressive occupancy rate of 76%, they've comfortably outperformed the industry's 64%. Their Revenue per Available Room (RevPAR) rose to ₹5,138 in FY25. And they sold their highest number of room nights yet.

But they're not done. BHVL has five more hotel projects lined up, with the last expected by FY29. Once all are operational, total room count should rise from 1,604 to 2,560, which of course is a major capacity boost.

So, to be fair, BHVL does have a few things going for it.

But no investment story is complete without a peek into the fine print. So let's talk about the risks.

For starters, a big chunk of the IPO money — something we mentioned earlier too, is being set aside for debt repayment. On the face of it, that sounds like a smart move. Less debt means a cleaner balance sheet and a bit more breathing space.

But the problem here is that BHVL's debt to equity ratio is a staggering 7.4. That's way above the typical comfort level of around 2. That ratio basically tells you how much of a company's operations are funded through borrowing versus its own money. And while the plan

is to bring that number down to below 1 using part of the IPO funds, it also means most of the money isn't really going into growing the business.

And once that debt's out of the way, the company still has to keep a close eye on its working capital, especially with all the big-ticket expansions coming up. Managing that won't be easy, and it'll come with its own financial pressures.

Also, while they're looking to grow across cities, the business still leans heavily on one — Bengaluru. Despite having nine properties spread across Mysore, Chennai, Kochi and even GIFT City in Gujarat, more than 62% of BHVL's revenue flows in from Bengaluru alone. In fact, just three hotels — Sheraton Grand Bengaluru, Holiday Inn Chennai and Holiday Inn Bengaluru, rake in that entire chunk.

Despite that, they're now adding two more hotels in Bengaluru. That kind of concentration is risky. If anything hits demand in the city — be it a local economic slowdown or regulatory hurdles — it could directly dent BHVL's performance. It's like building a portfolio and then putting most of your money into a single stock.

Then there's the people problem. The company's attrition rate spiked to 58% in FY25, up from 48% the year before. That's steep. And it's not great for a business that runs on service quality. BHVL blames the churn on more jobs opening up across the hospitality industry. And maybe that's true. But with five new projects coming up, they'll need more hands on deck, not fewer. Holding on to talent will be critical.

But perhaps the most eyebrow-raising bit is this. Part of the IPO money is going toward buying land from the company's own promoters. Yup. The parent company, BEL, already owns this land through a subsidiary. So essentially, investor money is being used to purchase promoter-owned assets. That's the kind of related-party transaction that often triggers governance concerns. Now, to be fair, the land will be used to develop new hotels. If executed well, this could actually create value in the long run. But still, it's one of those moves that deserves a closer look.

And the company's future value is tied closely to those five upcoming hotel projects. That's where the returns could come from.

But they're not alone in the race. BHVL is up against some serious heavyweights like Indian Hotels, ITC Hotels, and EIH — all far more established players. Yet, BHVL is asking investors to pay a hefty premium. Its P/E ratio (Price to Earnings) or how much investors are willing to pay for each rupee of a company's earnings, stands at [125x](#). Compare that to Indian Hotels at 64x, ITC Hotels at 84x, or EIH at just 31x. For every rupee BHVL earns, investors are shelling out way more than they would for the competition.

So yeah, the company's doing a lot of things right. But those new hotels won't show up overnight. It'll take years before they're up and running.

And until then, that value remains locked in, waiting for the promise of future growth to turn real

By **Swati Sundar Kulkarni**



Update for the day #2506|Jane Street, SEBI, and India's Foreign Portfolio Investment Scandal

In mid-2025, Indian financial markets were shaken by allegations of market manipulation involving Jane Street, a leading US-based quantitative trading firm. The controversy revealed major lapses in SEBI's oversight of foreign portfolio investors (FPIs) and raised important questions about market integrity and investor protection in India.

How the Scandal Unfolded

Jane Street operated through Indian subsidiaries and offshore entities in Singapore and Hong Kong. The firm was accused of using high-frequency trading strategies to manipulate Indian indices, especially on expiry days, by “marking the close” and influencing settlement prices for profit. Allegedly, between January 2023 and May 2025, Jane Street unlawfully repatriated over ₹36,000 crore in net profits, with inadequate taxation or regulatory oversight. The scandal came to light not through Indian regulators but from a US lawsuit that exposed Jane Street's activities in Indian markets.

Key timeline in brief:

April 2024: US lawsuit exposes Jane Street's trading strategies in India.
November 2024: NSE reports unusual volatility to SEBI.
December 2024: SEBI begins formal review.
February 2025: NSE issues advisory to Jane Street (which is mostly ignored).
July 3, 2025: SEBI bans Jane Street and impounds ₹4,843 crore in profits.
July 21, 2025: Ban lifted after escrow deposit; trading resumes with limits.

Regulatory Gaps and SEBI's Response

SEBI ceded initial investigation to the National Stock Exchange (NSE), taking significant action only after overwhelming evidence and public outrage.

Regulatory actions were delayed, allowing most profits to be sent overseas before SEBI intervened.

SEBI did not require Jane Street's FPI entities to disclose ultimate beneficial ownership, nor did it address the use of local subsidiaries to bypass FPI restrictions.

Instead of severe penalties, Jane Street resumed trading after depositing ₹4,843 crore in escrow, facing no permanent ban or public disclosure of responsible individuals.

Exploitation of FPI Regulations

Jane Street bypassed FPI rules restricting intraday trading in the cash market by routing trades through Indian subsidiaries.

The company used overseas entities to book most derivative profits, exploiting tax differentials and disadvantaging domestic investors.

Impact on Markets and Investors

Retail Indian investors suffered losses and loss of confidence due to artificial volatility and price swings created by manipulation.

The episode highlighted vulnerabilities in India's regulatory framework, shaking both domestic and international confidence in the market's fairness.

SEBI's slow response and limited penalties led to calls for a parliamentary inquiry and

demands for regulatory reforms.

Key Entities Involved

Jane Street Group: Accused quantitative trading firm.

JSI Investments Pvt Ltd, JSI2, etc.: Indian subsidiaries allegedly used to bypass FPI rules.

SEBI: Indian market regulator criticized for its insufficient response.

NSE, BSE: Indian stock exchanges tasked with monitoring and reporting anomalies.

Conclusion

The Jane Street–SEBI controversy exposed significant weaknesses in India's approach to regulating foreign portfolio investments. The case demonstrated the urgent need for stricter enforcement, greater transparency, and a thorough review of how global investors interact with Indian financial markets in order to protect domestic investors and uphold the integrity of the market.

By Lakshya Bansal



Update for the day #2507|Jio wants to become an insurance company

India's reinsurance market is worth over Rs. 50,000 crore. But despite that number, it's not a very crowded place. There's General Insurance Corporation of India (GIC) Re, the government-backed behemoth that dominates the space. And then there's everyone else, branches of foreign companies like Munich Re and Swiss Re, operating under Indian licenses but with decision-making rooted abroad. The only new domestic player to enter recently is Valueattics Re, a Fairfax-Oben joint venture that just received its license. That's it. So when Jio Financial Services (JFS) and Germany's Allianz Group announced a 50:50 joint venture (JV) to launch a domestic reinsurance company, it raised eyebrows. If approved by the regulator, this would become India's second fully domestic reinsurer. Reports suggest the partners are aiming for a composite license (covering both life and general reinsurance).

Now, you probably know how insurance works. You pay a premium, and in exchange, the insurance company promises to cover certain kinds of losses, such as medical, property, vehicle, or life.

But what happens when the insurer itself wants protection from catastrophic risk?

That's where "reinsurance" comes in. Simply put, reinsurance is insurance for insurers.

When a flood, pandemic, or market-wide event strikes, liabilities can pile up fast. And reinsurance ensures that no single insurer gets wiped out paying all those claims. It also helps them manage capital more efficiently, take on more customers, and offer more competitive premiums. Think of reinsurers as the financial backbone behind the frontline insurers.

And that's precisely why Jio and Allianz stepping in is a big deal. For one, this joint venture would inject much-needed capacity into a market long dominated by a single player. GIC Re currently accounts for 51% of the Indian reinsurance market by gross written premiums (or the total premiums an insurance co. collects before any deductions), ₹25,804 crore out of a total of ₹50,553 crore in FY24. The other 49% is held by foreign reinsurance branches (FRBs) such as Swiss Re, Munich Re, and even Allianz's own FRB. However, since they're structured as branches rather than subsidiaries, most of their profits and corporate decisions sit offshore. That's not ideal for India, especially as the insurance sector expands. Reinsurance premiums in India are projected to nearly double to 99,000 crore by FY26, while the broader general insurance market is growing at a rate of nearly 10% annually.

Apart from this, there's also some interesting history behind Allianz's partnership with Jio. You see, for over two decades, Allianz was in a joint venture with Bajaj. But earlier this year, the global insurer decided to exit. Why?

Well, Allianz wanted to increase its investment in the JV. However, Bajaj wasn't ready to give up its stake. That impasse pushed Allianz to walk away, and shortly after, it found a new partner in Jio Financial Services. This was a clear signal that Allianz wants more skin in the Indian game, and that Jio is willing to give them a bigger seat at the table.

Now at this point, you're probably wondering: *how does all of this affect me?*

Well, reinsurance indirectly affects everything from the pricing of your health insurance policy to how quickly your claims get processed. When insurers can offload some of their risk to

strong, reliable reinsurers, they become more financially stable. This, in turn, makes them more comfortable issuing new policies, taking on riskier profiles, and, sometimes, even offering lower premiums. It also means they're less likely to delay or dispute claims when a crisis hits, because they have a backup plan. In fact, the IRDAI's goal of "Insurance for All by 2047" depends not just on people buying more insurance but on the entire system being strong enough to backstop those policies when needed.

And there are also the macroeconomic benefits. Reinsurers act as a cushion for the entire financial ecosystem during tail-risk events such as pandemics, natural disasters, economic meltdowns, etc. If India can build a deeper domestic pool of reinsurance capital, it will reduce dependence on global capital cycles.

This joint venture is still at the proposal stage. The IRDAI hasn't yet approved it. And even if it does, the journey from license to market share is a long one. For starters, the regulatory framework for composite reinsurers in India is still evolving. Solvency norms haven't been finalized, and capital efficiency could become a bottleneck if the rules are too strict.

Then there's the talent shortage. Reinsurance is a highly technical business.

And let's not forget the competitive response. GIC Re has decades of experience. Foreign reinsurers, such as Munich Re and Swiss Re, have deep pockets. They could easily cut pricing to defend their turf, triggering a race to the bottom that hurts everyone's margins.

It's also worth noting that Jio Financial Services is still a new player in the financial sector. While it brings the digital reach and brand power of Reliance, it has no real experience handling long-tail risk, managing claim volatility, or writing complex reinsurance treaties. That's where Allianz will have to lead. But blending Allianz's actuarial discipline with Jio's growth-first playbook won't be easy. Governance, culture, and alignment will all be tested.

Still, the idea is sound. If this joint venture gets off the ground, it could finally give India a third strong reinsurance pillar, alongside GIC Re, Valueattics, and the foreign branches.

And the implications go beyond reinsurance. Jio and Allianz have also signed a non-binding agreement to explore launching both life and general insurance businesses together. If this gets the green light, too, JFSL could become a vertically integrated insurance powerhouse, spanning primary insurance and reinsurance under one roof. And that matters because vertical integration often brings operating efficiency. The more of the insurance chain a company controls, the better it can manage costs, streamline operations, and potentially pass those savings on to policyholders. For a price-sensitive market like India, that's a big advantage.

So yeah, if all their plans also go through, the Jio–Allianz JV could become a vertically integrated challenger with pricing power and scale. That's good for insurers, good for policyholders, and good for financial resilience.

But this is one of those rare cases where the headline isn't the story. The execution is.

By Lakshi Solanki



Update for the day #2508|The NSDL IPO: Pioneer or Past Prime?

If you ask your parents how they traded shares in their youth, and you might hear tales of shady brokers, lost certificates, and a system that felt risky and chaotic. In the 1990s, this was the norm. Physical share certificates were vulnerable, scams like Harshad Mehta's were rampant, and trust in capital markets was low.

To clean things up, India embraced **dematerialization**—the conversion of physical shares into digital records. It was cheaper, safer, and efficient. By 1996, India became the first country to fully dematerialize its securities. At the heart of this shift was **NSDL (National Securities Depository Ltd.)**, backed by institutions like NSE, IDBI, and UTI. It built the digital backbone of Indian markets, enabling effortless transactions and safer record-keeping.

For a while, NSDL had no competition. But in 1999, **CDSL (Central Depository Services Ltd.)** entered the scene, forming a duopoly. While NSDL captured the big institutional players, CDSL eventually carved out a niche with retail investors—especially during the COVID retail boom, when brokers like Zerodha and Groww favored CDSL for its lower costs and tech-friendly APIs.

Today, **NSDL holds ₹464 trillion** in demat securities (vs. CDSL's ₹71 trillion), but **CDSL has more accounts**, thanks to its dominance in the retail space. NSDL acknowledges this, citing the rise of fintech brokers for its declining market share—down from 81% in FY20 to 66% now.

And now, **NSDL is heading for an IPO**. But here's the catch—this is an **Offer for Sale (OFS)**. Existing shareholders like NSE, IDBI, and SUUTI are cashing out. **NSDL won't receive any fresh capital**.

So, should you invest?

Banking (via NSDL Payments Bank – 50% of revenue): Despite being the largest contributor by revenue, it adds **just 1% to profits**. Payments banks face stiff competition and thin margins.

Database Services (NDML – 6.3% of revenue): Provides KYC, insurance repositories, and skill registries, contributing ~6–7% to profits.

So, while NSDL appears diversified, **real profitability still lies in its depository arm**. And in recent years, **CDSL has outpaced NSDL** in revenue and profit growth in that very segment. Still, NSDL remains strong.

Now, about valuations:

At ₹800 per share and an EPS of ₹17, the IPO is priced at **47x FY25 earnings**—cheaper than CDSL's **P/E of 68**. But CDSL runs a leaner, more focused depository business with higher retail traction, which partly explains the premium.

So whether you invest depends on what you're betting on:

- A rock-solid but evolving infrastructure giant?
- Or a nimbler, fast-growing challenger catching up?

Either way, India's capital market story is only getting bigger—and both players are set to ride the wave.

By Ananya Sudarshan



Update for the day #2509|Agentic AI & the Next Phase of Autonomous Intelligence

One of the biggest trends in technology in 2025 is agentic AI—AI systems that do more than just respond to prompts, but can plan, make decisions, and act with a degree of independence. These are not just chatbots; think of AI agents that manage workflows, handle complex tasks in enterprise settings, perhaps even coordinate across different systems without constant human instruction.

A related trend is the increase in application-specific semiconductors (i.e. hardware optimized for specific AI workloads) and improvements in human-machine interaction (HMI) via multimodal inputs and more natural interfaces. Also, spatial computing (blending AR, VR and MR), digital twins, etc., are coming up fast—these amplify how we experience digital/physical boundaries.

What this means: many industries (healthcare, education, manufacturing, logistics) are likely to see greater automation and efficiency, but also new challenges—ethical issues, job displacement, energy demands, privacy, and ensuring AI systems act safely and transparently.

Another major trend is in sustainability: renewable energy (especially wind and solar) has recently overtaken coal globally in electricity generation, a landmark milestone. China and India have been leading this surge in renewables. At the same time, there is growing global interest in transforming food systems: shifting diets toward more plant-based foods, reducing meat/dairy consumption, with arguments that this could prevent millions of premature deaths and also reduce greenhouse gas emissions.

Implications include: the energy sector will require more investment in grid infrastructure, storage solutions and regulatory frameworks; food producers and supply chains will be under pressure to be more sustainable; also, health outcomes could improve as diets change. But there are trade-offs: economic cost, geopolitical issues (regions dependent on coal), and the need to ensure transition is just.

By RISHIKA HARLALKA



Update for the day #2510 |The NSDL IPO is here! Is the pioneer still the best in town?

Ask your parents if they ever traded in shares in their twenties or thirties. Go ahead, just ask them.

Because chances are, you'll hear stories that sound like financial folklore. Stories of calling up a broker, who'd scream orders across a chaotic trading ring, or receiving physical share certificates in the mail that were either forged, stolen or mysteriously lost. Or in many cases, you may hear that they simply never invested because the whole thing felt too risky, too shady. In the 1990s, this wasn't unusual. Physical share certificates were a mess, brokers could vanish and scammers like Harshad Mehta thrived in the chaos.

So the government had to fix it. Some folks suggested building a giant vault in the Western Ghats to store all paper share certificates. But that would cost hundreds of crores. Then came a more radical concept: dematerialisation of securities. This could turn paper shares into digital entries. Basically, store them in a computer, not a locker. And it would cost just a sixth of the vault plan! So India ran with it. And in 1996, it became the first country to dematerialise its securities nationwide.

How?

Thank NSDL for that.

Short for National Securities Depository Ltd., it was set up in 1996 with backing from heavyweights like the NSE, IDBI Bank, and UTI. And it quietly built the invisible backbone of India's capital markets. It digitised everything, made transfers effortless and for four straight years, ruled the roost. Everyone from LIC to banks and mutual funds rushed to it. Then in 1999, BSE launched a challenger — Central Depository Services Ltd. or CDSL. And just like that, India's depository space turned into a duopoly.

But by then, NSDL had already built its moat. It had onboarded high-value institutional clients, gained more assets under custody and cemented its place in India's stock market infrastructure. And to know how it did it, you need to look at NSDL's business.

At its core, NSDL holds your stocks and bonds digitally, ensures smooth asset servicing when you buy or sell these instruments and enables companies to issue shares in dematerialised form. But over time, it evolved, and today, its business has three major parts:

Depository services: The bread-and-butter. Charging companies and brokerages to maintain their shares, transaction charges for share transfers, IPO facilitation fees, and so on.

Banking Services: Yup, NSDL also runs a payments bank through its subsidiary – NSDL Payments Bank Ltd (NPBL) which was launched in 2018.

Database Services: NSDL Database Management Ltd (NDML) runs KYC verification, insurance repositories and the National Skills Registry.

Now, here's the interesting bit. Although CDSL chipped away at NSDL's market share over the years, it's NSDL that still dominates in terms of asset value. To put things in perspective, as of March 2025, NSDL accounts held a whopping ₹464 trillion worth of securities in demat. Or six times more than CDSL's ₹71 trillion. But... CDSL has more demat accounts.

And if you're wondering why, well, you can thank COVID.

When the pandemic hit in 2020, retail investors flooded the markets. And discount brokers like

Zerodha*, Upstox, Groww became household names. And most of them picked CDSL as their default depository simply because of lower transaction fees, simpler APIs (Application Programming Interface or the bridge that helps connect brokers' systems to CDSL's) and faster account opening processes.

The result? In FY20, NSDL had 81% market share (by value of securities settled). That dropped to 69% the next year. And today it's 66%, with CDSL at 33%.

So yeah, NSDL still holds bigger assets, but CDSL has captured a huge part of the retail game. Even NSDL admits this... *"We have in the past experienced a loss of market share in the depository business due to the rapid emergence of new age fin-tech brokers".*

And now, NSDL is heading to the markets with its initial public offering (IPO).

But it's not raising any fresh money. At the upper price band of ₹800 per share, this is a ₹4,011 crore offer-for-sale (OFS), where existing shareholders like IDBI Bank, NSE, SUUTI (Specified Undertaking of the UTI) are offloading part of their stake. NSDL won't receive a rupee from it.

And that begs the question: Should you subscribe?

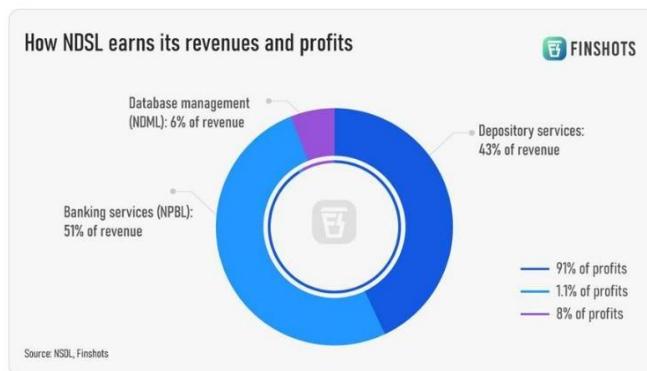
Well to understand it, let's look at how NSDL earns its money and what moves it.

At first glance, NSDL looks like a classic moaty business. It has 29 years of legacy, trillions in custody and a highly regulated duopoly. But the business has changed from what it used to be in the 90s.

In FY25, depository services made up just 43% of NSDL's revenues. The largest chunk, or 50%, came from NPBL, its banking services arm, and NDML contributed another 6.3%.

That may sound like good diversification, right? But it isn't.

Because while banking brings in 50% of revenue, it contributes only about 1% to profits. Yup, that's not a typo. Meanwhile, depository services, though just 43% of revenue, generate 91% of profits. NDML adds the remaining 6-7%. So, despite all the noise about diversification, the real driver of value is still the depository business.



Hmmm. This skew naturally begs the question: why does the payments segment earn so little in profits?

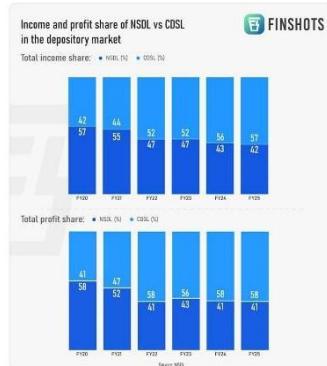
Because payments banks are low-margin, capital-intensive and face brutal fintech competition (think Airtel Payments Bank or Paytm Payments Bank). And when you look at segmental operating profit margins (OPM), it becomes clearer:

- NSDL (depository) enjoys 50% OPM
- NDML operates at 32%
- NPBL runs at just 0.5%

So if you're betting on NSDL, you're betting on this core depository engine to keep delivering. The good news is that NSDL's still strong. Standalone depository revenues have grown at 17%

CAGR over the past seven years, and profits at 20%. And profit margins have stayed steady at around 45%.

Overall, the company has zero debt and over ₹2,000 crore worth of consolidated net worth. But there's a subtle shift in the depository segment. CDSL's revenues and profits here have been outgrowing NSDL's in the past few years. It's a signal that CDSL, with its retail-heavy, transaction-rich model, is beginning to lead in pure-play depository growth.



That doesn't mean NSDL is losing sheen, though. Far from it.

Its future still looks promising as IPO volumes are rising, tier-2 and tier-3 retail investors are entering markets, and e-governance infrastructure (like DigiLocker) is expanding. All of this drives demand for demat accounts and digital recordkeeping, and NSDL is well-positioned to tap into that.

But what about valuations?

We ran some back of the envelope calculations. At the upper price band of ₹800 and an EPS (earnings per share) of around ₹17, NSDL's IPO is priced at about 47 times its FY25 earnings. That's noticeably cheaper than CDSL, which trades at a P/E of 68.

But here's the thing. CDSL's business is leaner. It focuses purely on the depository space, has ridden the retail boom like a pro and doesn't rely much on side hustles. So when you factor that in, the valuation gap between the two doesn't feel all that wide.

So, whether NSDL's IPO is worth it comes down to a few big bets.

Can it scale up NDML and ride India's formalisation wave?

Can it turn its banking arm from a cost centre into a growth lev

To sum it up, it really depends on the kind of story you want to back.

NSDL built the system, has scale, trust and deep institutional roots. But its banking business is dragging down profitability, and CDSL on the other hand, is lean, focused, riding the retail rocket and is slowly catching up in core depository income.

Also remember, none of the IPO money is going back into NSDL's business, which means you're betting on an old-but-evolving infrastructure player in India's booming capital markets. So yeah, if you believe retail and institutional participation will keep growing, there's money to be made in this duopoly

By Srikhar MR



Update for the day #2511|The BSE blip SEBI couldn't ignore

The Story

Most of us would think the Bombay Stock Exchange (BSE) is too old to get into trouble. After all, this is the same 150-year-old institution that houses the iconic Pirose Jeejeebhoy Towers, hosts the bronze bull sculpture at Dalal Street, and became the first stock exchange to get listed in India.

But a few days back, the Securities and Exchange Board of India (SEBI) slapped a ₹25 lakh penalty on BSE for something pretty damning: giving early access to sensitive company announcements to a select few, and turning a blind eye to broker malpractice.

And if that sounds vaguely familiar, it's because we've heard this song before. Back in 2015, the National Stock Exchange (NSE) was caught in a much bigger mess (the infamous co-location scam) where select high-frequency traders allegedly got access to market data before others. It became one of India's largest stock market scandals. So when SEBI discovered something similar, even if smaller in scale, they didn't want history to rhyme. Hence, the order. Let's take it from the top.

Between February 2021 and September 2022, SEBI did an inspection of BSE's systems, particularly its Listing Centre, where companies file all their market-moving announcements. Think quarterly results, bonus issues, board meeting resolutions, dividend declarations — the kind of stuff that can send stock prices moving in seconds. The Listing Centre or so-called Corporate Announcement Filing System (CAFS) is meant to be the bridge between companies and the public, a neutral upload zone where everything hits the market at once for all to see.

But here's the problem: before it reached everyone, it may have reached some.

SEBI allegedly found that BSE's Listing Compliance Monitoring (LCM) and a set of clients potentially had access to this data early. These clients were paid subscribers who accessed corporate announcements through leased lines and APIs (Application Programming Interface) — a premium data feed that may have delivered information seconds before it was made public on the BSE's website.

And this is exactly what creates a tiered information ecosystem where some pay for speed, and others lag behind. And when the system is designed this way by the exchange itself, the implications are serious. Because the exchange is meant to be neutral, it's not supposed to be a gatekeeper or toll booth for public information. Now, BSE did admit that this gap existed. But it claimed it had no material impact on investors. SEBI, however, didn't buy it. They said the lapses reflected "a lethargic approach," that corrections only came after the inspection, and that such failures, if allowed to continue, "will be a serious setback to the image and the prestige of the BSE and SEBI both."

And the disclosures weren't the only problem.

SEBI also flagged another troubling trend about how BSE handled client code modifications

by brokers. To simplify: every trade on the stock exchange is linked to a unique client code. If a broker enters the wrong one — say, mistypes a client ID — there's a provision to fix that later. But it's only meant for genuine errors. But what SEBI found was routine misuse. Brokers were shifting trades between unrelated institutional clients or error accounts without proper oversight. And BSE wasn't doing enough to review or flag these frequent modifications. That kind of blind spot opens the door to all sorts of bad behaviour from tax evasion, profit dressing, or manipulating trade records.

This comes at a time when Indian capital markets are trying to build more trust — both for global investors who are pouring money into India and for retail investors who now form over 60% of ownership in the free float market. When stock exchanges, which are supposed to be neutral infrastructure providers, start giving even a sliver of unfair access, it threatens to dent that trust and India only have two major full-service stock exchanges — NSE and BSE. NSE already dominates with over 90% share in the equities market. That makes BSE's role as a counterbalance even more important. BSE's website, on an average, experiences about 8.95 million page views and 0.26 million users daily. If even that isn't run flawlessly, it doesn't just damage credibility; it limits choice.

Looking beyond the headlines helps too. Like block and bulk deals, where large investors quietly make their moves. Like changes in promoter pledges or auditor resignations, often buried in footnotes. Or insider buying patterns. Or yes, even inconsistencies in corporate filings that might hint at deeper shifts before the market fully reacts. That's all public information and it often gives you a hint of how things might be moving at the company level.

Because if you can't compete on speed, you have to win on depth, and that's easier said than done.

And that's why SEBI's action against BSE matters.

Sure, ₹25 lakh isn't a huge penalty for a company that made ₹1,322 crores in net profit last year. But this isn't about the fine. It's about the message. That in the race to monetise data, exchanges can't forget their core duty of levelling the playing field.

By B S Shivani



Update for the day #2512|Are memes driving stocks higher?

Let's rewind to early 2021. The stock market was buzzing from the pandemic boom, people had spare cash and a lot of free time, and Reddit was slowly turning into Wall Street.

At the centre of it all was GameStop — an old-school, brick-and-mortar store chain for buying video games. The kind of place no one really shops at anymore, thanks to digital platforms.

So obviously, the business was fading. Hedge fund managers knew it. So, they started betting against it essentially borrowing it to sell at a high price, hoping to buy it back lower and pocket the difference.

But here's the thing. If the stock price rises instead of falling, the short seller is in trouble. They have to buy the stock back at a higher price, taking a loss.

So, when too many people have shorted the stock, but the stock price starts rising rapidly, they all rush to buy it back at once to avoid bigger losses. That mad scramble drives the stock up even more. And that's what you call a "short squeeze."

If that long winded explanation lost you, just remember this: A short squeeze occurs when many investors bet a stock's price will fall, but the price shoots up instead.

That's exactly what Redditors on (the subreddit where the community discusses their trades) triggered. They spotted the massive short positions by hedge fund managers, and fueled by frustration, memes, and a sense of rebellion, started buying the stock to create a short squeeze. And in doing so, GameStop's stock from \$3 to nearly \$480 in a matter of days.

Now, over four years later, that same meme market madness is back.

Only this time, the names are different—Krispy Kreme, GoPro, Kohl's, Open-door Technologies. A donut chain, a camera maker, a department store, and a money-losing real estate app. On paper, they're worlds apart. But zoom in, and you'll find a common thread: Weak fundamentals. Massive short interest. And sudden, unexplained rallies.

Take Open-door, for instance. The company hasn't seen profit in 3 years. Its stock was languishing at \$0.50. Then Eric Jackson, a hedge fund manager at EMJ Capital, tweeted that it could go as high as \$82. That's a staggering 16,300% upside potential!!!

And to be clear, the company hasn't seen a turnaround or a major change in fundamentals. But its stock price has, thanks to the above tweet that lit the spark, and traders—especially retail ones—reacted quickly, taking the price up to \$2.50. Yup. A 400% increase, driven just by attention. That's proof that capital appreciation can come from pure social momentum. Call it meme investing, the wisdom of the crowd, or retail rebellion. Either way, it's real, and it's moving stock prices.

Because Open-door wasn't alone. Krispy Kreme, GoPro, and Kohl's also saw their stocks rally over the past month. Did any of them post blockbuster earnings? Nope. But did they have short positions on them? Yes, plenty. And that's all it takes to trigger the meme crowd. Once they spot high short interest, it becomes the perfect setup for another squeeze. Even fashion retail isn't spared. American Eagle Outfitters spiked 4% in a day because actor Sydney Sweeney appeared in a brand campaign for the clothing retailer with the tagline "Sydney Sweeney has great jeans." No new product, no financial update. Just a viral endorsement. And it drove enough FOMO to move a billion-dollar company's stock.

Perhaps the rally was about sentiment. About the idea that the attention would translate into

more sales, and that would justify the stock price rise later. So the trade isn't based on value, it's based on virality.

And this isn't just a US thing. In India, meme investing has a different flavour: less Reddit, more Telegram.

Ever received a stock "tip" in a Telegram or WhatsApp group? Usually, it's for an unheard-of company with little trading volume. And it's likely a classic pump-and-dump scheme at work.

1. A few players quietly buy into a low-liquidity stock.
2. They start pushing the name in Telegram channels and WhatsApp groups, promising it will "hit upper circuit."
3. New, unsuspecting retail investors follow the tip and pile in, not knowing that they're pushing it up themselves. This further fuels their confirmation bias that taking the position was the right move.
4. Price rises quickly due to the sudden demand. Because their Telegram 'guru' had it right all along.
5. The original players exit at a profit, and the stock crashes.

And good luck tracing the operators. Most disappear with invalid phone numbers and deleted Telegram accounts. SEBI is even trying to crack it down by engaging directly with YouTube, Meta and Telegram to block unregistered finfluencers. But it's like whack-a-mole. Shut one channel down, and another pops up tomorrow.

Still, whether it's Reddit or Telegram, the playbook is the same.

Hype moves markets.

In some cases, like GameStop, it's a movement. In others, it's manipulation. But the line between the two is getting blurrier.

Memes grab attention, and attention turns into capital flows. Take GameStop. It used its meme surge to load up its balance sheet and pay off debt.

But for investors, it could more often than not be a trap. While the GameStop rally eventually unravelled, the stock tanked. Retail investors lost money and the institutions reloaded.

And that brings us to the question: Why is this meme wave making a comeback now?

Well, look around. US markets are hitting all-time highs. The Federal Reserve has paused rate hikes. Liquidity is back and risk appetite is up. The environment, in which self-directed traders, especially the online, meme-savvy ones, feel emboldened. Meme moments spread faster and gather more firepower

So, the next time you see a stock spike overnight, pause and ask yourself: Did the business improve? Or did the internet just get bored?

Because as they say, sometimes, the best way to double your money is to fold it and put it back in your pocket.

By S Akash Venkataraman



Update for the day # 2513|The Urban Company IPO explained

Urban Company (UC) has filed for a ₹1,900 crore IPO, drawing significant attention in India's tech and consumer services space. Of this, ₹1,428 crores will be an offer-for-sale by existing investors including Accel India and Bessemer, while ₹472 crores will be fresh issuance earmarked for tech infrastructure, office leases, marketing and corporate spends.

UC's business model is simple yet powerful: connecting customers with trained professionals for services ranging from cleaning, repairs and pest control to grooming, painting and wellness. For professionals, UC offers training, steady demand, and visibility; for customers, reliability and convenience. With UC taking a slice of each transaction, the model benefits all three parties.

The numbers tell a compelling story. Revenue from operations hit ₹1,144 crores in FY25, clocking a robust 34% CAGR since FY23. More importantly, user stickiness has strengthened — repeat customers rose from 76% in FY23 to 82% in FY25, a sign of the network effect at play. UC has also experimented with new verticals like InstaHelp (on-demand chores when domestic help is unavailable) and Native (water purifiers and smart locks), while expanding to overseas markets such as UAE, Singapore and Saudi Arabia.

Financially, UC has staged a remarkable turnaround — from a net loss of ₹312 crores in FY23 to a reported profit of ₹240 crores in FY25. Even after adjusting for a one-off ₹211 crore deferred tax credit, profits stand at ~₹28 crores, reflecting disciplined cost control. Training costs, for example, fell from ₹12 crores in FY23 to ₹8 crores in FY25 as the company leveraged digital modules.

That said, UC's operating profit margin remains slim at ~1%, with international ventures and product experiments still in investment phase.

For now, UC's IPO represents more than just a fundraise — it signals investor appetite for India's tech-enabled service aggregators and underlines the growing formalization of the home services market.

By Narayan Lal V



Update for the day # 2514|The Importance of Financial Literacy in Today's World

In today's dynamic economy, financial literacy has become more than just a useful skill—it's a necessity. Whether we are managing personal savings, corporate budgets, or investment portfolios, understanding the fundamentals of finance empowers us to make informed decisions.

Financial literacy means knowing how money works—how to earn, spend, save, invest, and protect it. Unfortunately, many people enter the workforce without a solid grasp of basic financial concepts like budgeting, inflation, interest rates, or taxation. This gap often leads to poor money management and financial stress.

In the business world, financial awareness among employees can significantly improve decision-making. When teams understand cost structures, profit margins, and return on investment, they align their efforts with the company's financial goals. Even small decisions—like optimizing expenses or improving cash flow—can make a big difference when guided by financial insight.

Moreover, financial literacy promotes long-term stability. It encourages planning for the future, managing debt responsibly, and recognizing the importance of savings and investments. For organizations, it builds a culture of accountability and transparency.

In conclusion, financial literacy is not just about numbers—it's about empowerment. It equips individuals and companies to navigate uncertainty, seize opportunities, and achieve sustainable growth. In a world driven by financial choices, being financially literate is not optional—it's essential.

By Sudarshan Shanbhag



Update for the day # 2515|More pigs = pricey shuttlecocks? the art split & more...

Cheap meat, expensive shuttlecocks?

Shuttlecocks Prices Rise is a curious trend doing the rounds on Weibo, China's X-like platform. And if you're wondering why that's news, here's the weird bit. Apparently, shuttlecock prices have doubled over the past decade. And the reason is China's growing appetite for meat.

Wait... how does that even make sense, you ask?

Well, you see, China consumes over a quarter of the world's meat. And pork is its favorite. While that's always been the case, right now China alone is gobbling up nearly 60% of the world's pork supply. That's because a few years ago, pork became relatively cheap as people had started shifting towards alternative proteins like poultry and seafood. That price crash made pork more attractive again, and demand soared. So much so that poultry farmers began switching from raising ducks and geese to pigs instead.

Okay, but what does this have to do with badminton?

Everything actually. Because high-quality shuttlecocks are made using duck and goose feathers. Specifically, 16 feathers from at least 4 birds go into making one shuttlecock. And those feathers give the shuttle its signature smooth, arch-like flight, which is crucial for pro-level accuracy and control. So, fewer ducks and geese means fewer feathers. Which means rising costs. Which brings us back to... pricier shuttlecocks.

This has countries like France, where badminton is booming, a bit jittery. And since nearly 90% of the world's duck and goose feather supply comes from Asia, mostly China, alternatives are hard to find.

Sure, synthetic shuttlecocks exist. But many players say they just don't feel the same. There's less control, especially during smashes and less time to react.

But maybe it's time to give synthetic tech another shot. BWF's own tests show that Yonex's synthetic shuttle lasts longer, costs less and flies almost like the real thing — potentially cutting usage by 25%, compared to changing shuttlecocks every 1–2 minutes in high-level tournaments.

And hey, if someone can crack the "feel" factor, it might just be the next big startup idea. After all, artists once swore by animal hair paint brushes because synthetic ones didn't hold paint the same way or glide smoothly on canvas. But then Japanese companies came along and nailed the formula. And now, many can barely even feel the difference.

Maybe shuttlecocks are next?

By Nayana H G



Update for the day #2516| The Rise of Digital Payments in India

In recent years, India has witnessed a remarkable transformation in the way financial transactions are carried out. The rise of digital payments has changed not only how businesses operate but also how individuals manage their daily expenses. This shift has been driven by advancements in technology, government initiatives, and the growing emphasis on a cashless economy.

Digital payment systems like UPI (Unified Payments Interface), mobile wallets, internet banking, and QR code-based transactions have made payments faster, easier, and more secure. UPI, in particular, has revolutionized the payment landscape by allowing instant transfers between bank accounts with minimal charges. According to recent reports, India now records billions of UPI transactions every month, making it one of the largest real-time payment ecosystems in the world.

The government's "Digital India" initiative and demonetization in 2016 further accelerated the adoption of digital payments. Today, even small vendors, vegetable sellers, and local stores accept payments through QR codes, which highlights the widespread acceptance of digital finance.

Digital payments not only offer convenience but also help in promoting transparency and reducing tax evasion. Every digital transaction leaves an electronic trail, which helps in building a more accountable and formal economy. Moreover, fintech innovations and increased smartphone penetration have made financial services accessible to rural and remote areas, bridging the financial inclusion gap.

However, challenges such as cybersecurity threats, digital illiteracy, and network issues still exist. To overcome these, continuous efforts are needed to educate users, enhance data protection, and strengthen digital infrastructure.

In conclusion, the rise of digital payments in India marks a significant step toward modernization. It reflects a shift from a cash-driven economy to a more transparent, efficient, and inclusive financial ecosystem — paving the way for a truly digital future

By Amogh V N



Update for the day #2517|What happens when EVs flood the used market?

In July this year, electric vehicles (EV) crossed a small but significant milestone in India. For the first time ever, they accounted for over 5% of all vehicle registrations. That meant nearly 1.8 lakh new EVs took to the roads in just one month.

While two-wheelers did most of the heavy lifting, electric car sales also picked up pace. Tata's EVs keep finding buyers, Mahindra is doubling down on its BE (Born Electric) lineup, and Tesla also entered the Indian market last month.

Add to this excitement, VinFast has already set up a \$500 million plant in Tamil Nadu to manufacture and export EVs, and is talking of another \$1.5 billion investment in the country.

All of this got me thinking: *when an industry scales this fast, something predictable happens a couple of years later.*

On the face of it, this feels like the kind of momentum that governments and environmentalists have been waiting for. More EVs on the road should mean less dependence on fossil fuels and cleaner air in our cities.

But a new vehicle sold today eventually ends up in the used market, recycling plant, or the dump. As today's EVs start aging, they will have to find buyers in a resale market accustomed to dealing with EVs, rather than petrol and diesel cars.

You see, India's resale bazaar is huge. It's already worth over \$20 billion and continues to grow. And this wouldn't be that much of an issue, just 15–20 years ago, when the world was full of vehicles with internal combustion engines.

This is because its resale value was calculated in a fairly simple manner. Say, predictable factors like the brand's reputation, the reliability of the vehicle, the cost and availability of spare parts, and how well the car has been maintained.

But EVs bring a very different equation into play. They flip the script because one component dominates value. The battery alone can account for 50 to 60% of the vehicle's worth. If the rest of the car is pristine but the battery is written off, the resale value collapses. Replacing it is expensive, and in some cases, may cost so much that it is not even financially worthwhile.

However, the trouble is that battery value is tied not just to age, but to how much capacity it has lost over time. Just like your phone's battery, EV batteries also degrade with usage.

In ideal conditions, EV batteries degrade by about 1.8% a year. And in a tropical climate like India's, that degradation can be much faster. In fact, a study found that batteries lost three times more capacity per year in hot climates when they were also charged frequently using rapid chargers. That works out to a loss of about 5.4% each year.

At the other extreme, careful charging and milder weather can keep declines near 1%. India is not mild for most of the year. Put that together, and you can already see the valuation problem: *How do you price two identical three-year-old EVs if one was fast-charged outdoors in*

Chennai summers and the other charged overnight in a shaded car park in Jammu?

If that sounds like a niche inconvenience, look at the dominoes it can tip. A weak second-hand price hurts first-hand sales because buyers care about exit value, especially for big-ticket purchases.

Banks set loan-to-value ratios using expected residuals. If they cannot estimate what a three-year-old EV will fetch, they either lend less or charge more. Insurers apply the same logic to determine the car's declared value, which is then reflected in premiums and claim settlements.

Then, there is also the physical issue of end-of-life care. If resale tanks and the battery is not economical, owners will be tempted to run the pack into the ground and dispose of the car, or worse, dispose of the battery. And lithium-ion packs contain materials that need careful handling. If the promise of EVs is cleaner air and lower pollution, none of that matters if batteries end up in scrap yards.

But this is where the opportunity lies.

If we can accurately measure battery health and price it effectively, we can build an entire second-hand battery economy. If we can *accurately* measure that a battery pack has lost 20% of its driving range, someone who travels long distances frequently may avoid that purchase. But this could be perfect for someone who just travels from home to work most days. It's a predictable commute, and even if you have to run errands, you're unlikely to encounter issues due to range.

Another opportunity lies in battery replacement and refurbishment. That means modular packs, clear part numbers, and a policy stance that does not punish owners for swapping a tired pack for a certified refurbished one.

In fact, Hero is already manufacturing scooters with removable batteries, and Ather wants to launch a Battery-as-a-Service model to reduce the upfront costs.

While this can be more complicated for 4-wheelers, manufacturers could start by offering a price guarantee for replacement batteries, which would starve the grey market of unsafe tinkering. If warranties are transferable to second owners and explicitly cover a minimum State of Health over time, resale strengthens further.

There is also a policy angle here. If the government wants more people to choose electric vehicles, it cannot just focus on selling new ones. It has to make sure the resale market works too. That could mean setting clear standards for how EVs depreciate, encouraging battery replacement programs so that a used EV can get a new lease of life, and building out infrastructure for recycling batteries safely.

Apart from this, with ethanol-blended petrol becoming the mandate for ICE vehicles, older cars that are not rated for ethanol could inherently lose value. This gives EVs a chance to stand out, provided their resale prices can hold up.

The bottom line is simple. India has crossed the early adopter hump, so the second-hand market will decide whether EVs go mainstream.

If the goal is cleaner cities and lower oil imports, set the rules that let an EV hold its value, keep its battery out of the dump, and give the next owner a fair deal.

For now, the real test will come when the first wave of EVs sold over the past few years starts

entering the used market. That is when we will find out whether India's electric dream holds its charge beyond the first owner.

By Yogesh K Bagrecha



Update for the Day #2518 |The JSW Cement IPO. Can going green cement the gains?

If you ask investors to name sectors they're bullish on, you'll hear the usual suspects. Tech, EVs, infra, maybe even green energy.

Cement is not usually at the top of the list. But it probably should be because nothing quite captures India's growth story like cement. Every skyscraper, highway, bridge or metro line begins with it. It's the base layer of the industrial boom we're witnessing.

And that's why Sajjan Jindal, the man behind the JSW empire, started quietly laying the groundwork for his cement play back in 2006 with JSW Cement. Demand for housing and road construction was booming; global players were entering the space and local majors were partnering. And the timing may not have looked like a headline-grabber, but it gave JSW a headstart in building a low-cost, backward-integrated supply chain.

Come back to today and JSW Cement is headed for the public markets. It's raising ₹3,600 crores through its IPO. Of this, ₹1,600 crores will go into JSW Cement itself to fund expansion and repay debt. The remaining ₹2,000 crores is early investors like Apollo Global and SBI selling their stake through an Offer for Sale (OFS).

But before we get into the IPO, let's take a look at why cement is a capital-heavy, commodity business.

It starts with digging. You need mines to extract limestone. This raw material is then crushed and fired in massive tankers called kilns at 1,400°C to form hard stones called clinkers. Then the clinkers are cooled, blended with gypsum and ground into the fine grey powder we call cement.

Now think about that entire process and you'll know that the biggest cost drivers could be fuel (about 30%) freight (25%) and raw materials (20%).

And since cement is bulky, it's highly regional and expensive to transport. Plants are usually set up near limestone mines. And once cement is produced, it has to be sold within a 200–300 km radius to stay profitable. That's why cement companies don't just scale nationwide overnight. They do it cluster by cluster, in a hub-and-spoke model. And that's also why most players are dominant in specific zones.

Then there's pricing. If demand softens (it does as cement is also seasonal) or a new plant dumps excess supply in your region, prices tank. And without pricing power, if one company slashes rates, everyone follows. Customers don't care who made the cement, just what it costs. So slice it anyway, but if the costs shoot up, margins shrink fast. And since building a new cement plant can cost thousands of crores, returns take years to show up.

That's the kind of tough business JSW Cement is in.

It's still a young but mid-sized player, with around 21 million tonnes per annum (mtpa) of cement grinding capacity across South, East, and West India. That's nearly one-tenth the size of UltraTech (the largest Indian cement player) and about 3% of the total industry size. A tiny share, for sure. But it wants to double that to around 42 mtpa by FY27 and become a pan-India force.

How? By betting big on what it calls "green cement".

You see, cement production is one of the dirtiest businesses in the world. In India, it's responsible for 7-9% of total CO₂ emissions.

And here's something we didn't tell you earlier. Cement comes in different forms, thanks to its blending process. These are variants like PSC (Portland Slag Cement), PPC (Pozzolana), PCC (Composite) and GGBS (Ground Granulated Blast Furnace Slag). That last one — GGBS, is a big deal. It's made using steel and iron plant waste (slag) instead of limestone. And thanks to its group company JSW Steel, JSW Cement has easy access to this raw material.

In fact, it's India's largest GGBS producer with an 84% market share and green variants form about 70% of its total cement volumes.

That's a big win. Because it lowers emissions, cuts raw material costs, and positions the company for future demand from green-conscious buyers. And this tilt is what the company believes sets it apart.

It also claims the lowest CO₂ intensity among all players. And that's important since India's cement regulations are evolving. Sustainability won't be a choice in a few years but the default. And JSW Cement wants to build that reputation early.

But you see, green doesn't always mean profitable.

The company's FY25 results show a clear crack. It posted a loss of ₹164 crores, down from a profit of ₹131 crores in the previous year. Revenues have stayed flat since FY23 at around ₹6,000 crores and profit margins have shrunk.

If you're wondering why, well, to begin with, most of its operations are concentrated in the South and West, where it's still trying to grab market share from entrenched giants like UltraTech and Adani's Ambuja-ACC.

It doesn't have national pricing power yet (which it is trying to capture by expanding in the North). In FY25, its realisation of ₹225 per 50 kg cement bag sold was lower than the Indian-average of about ₹263 per bag. So when input costs spiked last year, especially fuel and freight, it couldn't pass them on to consumers. And cement demand in the region where it's present didn't grow as expected, so realisations dropped.

Plus, all this happened just as the company is doubling down on expansion. It's setting up plants, entering new regions, and building logistics networks. These are upfront capital expenditures, or the costs where benefits come later.

Particulars	Fiscal			(in ₹ million)
	2025	2024	2023	
Capital Expenditure	11,516.46	9,322.03	16,337.34	

Source: Company RHP

One big chunk of the IPO proceeds — ₹800 crore, will go toward building a new plant in Nagaur, Rajasthan, its first foray into North India. But that money will only be used in FY26 and FY27. So, to keep construction on schedule, JSW Cement has already borrowed ₹2,100 crores from Axis and Union Bank (at nearly 8.8% interest cost).

Which means even after IPO repayments, debt will remain elevated. And that's a concern since the company already has ₹6,122 crores in total debt. So, if demand doesn't pick up fast enough, or margins stay tight, interest burdens could pinch further.

Also, JSW Cement's Return on Equity (RoE) is barely above 2%. Lower than peers and also low compared to its interest costs.

In other words, you're paying a premium for future potential, not current performance.

So, is that a good bet?

Well, that depends on your outlook.

JSW Cement has grown volumes and capacity faster than most peers over the past decade. It has access to captive raw materials and ports. It has built credibility in ESG-focused circles. And it's entering large, high-demand markets like UP, MP, Punjab and Rajasthan, which are seeing a surge in real estate and public works.

Valuation wise, it's hard to value a cement company that has posted losses. So instead of profits, let's look at EV/EBITDA — a ratio that compares a company's enterprise value (EV) to its operating profits before interest and depreciation.

Think of Enterprise Value as the true cost to buy the whole company. It's like asking: "What would it cost to take over this business completely, liabilities and all?" It's a cleaner way to compare capital-heavy businesses like cement, because it focuses on cash operating profits before accounting complexities kick in. At the upper price band of ₹147/share, the IPO values the company at roughly 20,000 crores. That's about 23x its EBITDA — same as the industry average, but at a premium when you account for its peers' higher margins and scale.

Meanwhile, recent share acquisitions by the promoter group were done at a significantly lesser price just a few months ago.

Besides, we haven't talked about the assets yet. Another way to judge a company like this is to check how efficiently it's using the capacity it already has. Think of it like a restaurant. If your kitchen can make 100 meals a day but you're only serving 60, you're not sweating the asset enough. For JSW Cement, grinding capacity utilisation has dropped to 63% in FY25, down from 67% last year. That's also lower than the Indian cement industry average of 72%.

So what should you make of it?

This IPO is a story of ambition. Of building something big, green and durable in one of India's toughest sectors. Of going from regional player to national force. But it's also a story where a lot depends on timing, execution, indebtedness and market discipline.

If JSW Cement pulls it off, it could become a powerful, ESG-friendly compounder in India's next growth phase. If it doesn't, the weight of debt and competition could drag down returns. So if you're betting on India's infra growth and green push, it's a fair proxy worth taking a closer look at. But don't expect instant gains. This isn't a fast mover. It's a slow, cyclical compounder where execution, not hype, drives returns.

And only time will tell if the company can change that significantly.

By P B Deekshitha



Update for the Day #2519|Is the Indian IT Industry Dying?

Just a week ago, Tata Consultancy Services (TCS) confirmed that it could let go of up to 12,000 employees this year, which is approximately 2% of its global workforce. Salary hikes have been put on hold, and lateral hiring has been frozen. This marked a shift for a company long associated with the Tata legacy and a reputation for lifetime employment. For shareholders, the shock went beyond just layoffs — the stock has delivered virtually no returns over the past four years.

Simultaneously, HCL announced that junior employees would receive only a nominal salary increase of 1 to 4% while mid-level employees are yet to receive any hikes. Infosys, once known for its aggressive campus hiring, onboarded just 210 individuals in the last quarter. Revenue for top Indian IT vendors has either stagnated or declined in US dollar terms. Every earnings call points to a combination of factors — AI automation, constrained technology budgets in the US, and traditional pricing pressure.

However, this pain is not confined to Indian firms alone. Microsoft is laying off thousands in its Azure cloud division. Intel is letting go of 24,000 employees and pausing major capital expenditures. AWS too is cutting hundreds of jobs.

So why are so many tech companies downsizing?

Modern code generation tools can now produce boilerplate code in minutes. AI agents automate routine workflows, update systems in real time, and even coordinate across departments. Much of the work that mid-level tech and operations professionals previously handled can now be done faster, more affordably, and more reliably by machines.

Yet, when it comes to Indian IT firms, it's not just AI automation weighing on revenues. The real disruption lies in a contrasting trend — while traditional outsourcing firms face layoffs, multinational corporations are quietly expanding their Global Capability Centres (GCCs) within India.

For those unfamiliar, a GCC is a model where a multinational corporation sets up its own legal entity in India, directly hires local engineers, and handles its IT functions like SAP upgrades or data science projects in house, rather than outsourcing them to vendors like TCS or Infosys. This model gives these corporations multiple advantages. They save on costs, eliminate vendor delays, gain greater control over proprietary tools, and ensure tighter data security. Essentially, it's vertical integration. And with enough scale, vertical integration almost always translates into cost savings. There's also the prestige factor — an employee may prefer wearing a Google or Microsoft badge over a TCS or Infosys one.

This is why the GCC ecosystem witnessed approximately 40% growth during the financial year 2024 while traditional service based IT firms managed less than 5% growth. Projections suggest that GCCs could grow even faster this year.

At the same time, India is gradually becoming more expensive. As the Indian economy grows and wages rise, so do the costs of doing business here. This might not have been a concern if India remained the dominant player. But now, countries like Vietnam, the Philippines, and Mexico offer competitive talent at lower costs. So, if a global company wants affordability, it

has options. And if it wants quality and control, it can establish a GCC. The middle ground, where Indian IT vendors traditionally thrived, is slowly disappearing.

As a result, traditional IT firms find themselves squeezed from both sides.

Critics argue that Indian IT companies resemble glorified HR agencies, shuffling personnel from one project to another. That may sound harsh, but there is some truth to it. These companies haven't really built scalable tech products. Instead, they've perfected a model of charging clients by the hour, based on how many people are allocated to a given project. This billing model works well when human involvement is indispensable. But once machines begin performing those tasks around the clock, billing by the hour becomes outdated even counterproductive.

Still, it's too soon to declare the end of the road.

Infosys, for example, plans to hire 20,000 freshers this year. It also reported respectable revenue growth in the most recent quarter, making it somewhat of a bright spot in an otherwise gloomy industry landscape. It demonstrates that large outsourcing deals are still happening. Traditional IT services are not entirely obsolete yet.

And then, there's Zoho.

Headquartered in Chennai, Zoho has steadily built a comprehensive suite of high quality software products, all without any external funding. The company manages everything in house, from product development to cloud infrastructure, and it does so profitably. What sets Zoho apart is that it owns its intellectual property. It's not just offering services that can be automated or replicated. It's developing tools that address real, complex business needs, and those are much harder to replace.

This is the path Indian IT companies may need to take moving forward. Services are easily copied. They offer limited margins and little pricing leverage. Products, on the other hand, offer defensible moats. Yes, products can be imitated too, but if you create something effective that truly addresses a client's problem, you can continue charging a premium for it year after year.

Of course, making this shift is far from easy. It demands a different mindset, a new organizational structure, and long term commitment. You can't simply pivot a massive 100,000 employee services organization overnight. Such a transformation will likely come with short term losses, shrinking margins, and investor discomfort.

But the critical question is not about ease. It's about necessity.

If Indian IT companies want to remain relevant in the coming decades, they may need to evolve from being service vendors to product creators. They may need to abandon the old billing by the hour playbook and instead focus on building lasting value.

By Shankar B S



Update for the Day #2520 |Tesla's here. But is India still interested?

Tesla's finally here. If you pass by Bandra Kurla Complex in Mumbai, you might spot a sleek glass box and a familiar glowing "T" on the wall. Inside, the Model Y sits like an art installation, which you can book online for just ₹22,000.

This model isn't new; it launched in 2020 and has already become one of the world's best-selling EVs. In most countries, from US to Europe and China, the entry-level RWD variant is priced like a mid-range family SUV between ₹30 to ₹45 lakhs. But in India, that same price balloons to nearly ₹60 lakh, thanks to a brutal ₹21 lakh import duty. That's because India imposes 60-100% duty on imported cars. The same duty that kept Tesla out of India for years, and has now made it compete with premium brands.

You see, Musk first teased India back in 2017, during Tesla's imperial phase. The company ruled the EV world, boasted impressive margins, and didn't need to bend to anyone's policies. Countries lined up to court Tesla, and India... didn't. So Tesla walked.

Meanwhile, things changed for Tesla too. Sales in China started flattening, its US growth stalled, and in 2024, it lost the global EV crown to China's BYD. While Tesla sold about 720,000 vehicles in the first half of 2025, BYD sold over 2 million. It even makes its own batteries. Its lineup ranges from premium sedans like the Seal to hybrid cars and budget hatchbacks like the Dolphin. Cheaper, localized, and increasingly just as advanced.

And in India, BYD was the first mover. Its Atto 3 and eMax 7 are already on roads. And while geopolitical tensions have kept BYD's expansion in check, the company is building alliances with Indian companies and expanding their manufacturing reach. That tells Tesla it can't sit out any longer.

So why enter now? After all, the talks for a launch have been doing rounds for a few years. Well, Tesla's price tag isn't a surprise. The company has long grumbled about India's high import duties, and in 2021 even asked for lower rates. The government pushed back asking Tesla to "Make in India" like Mercedes and BMW already were. And the standoff dragged on for years until, in 2024, India offered a middle path: a policy that allowed any EV manufacturer (not just Tesla) to import up to 8,000 vehicles a year at a concessional 15% duty, provided they commit at least \$35,000 million in import value and a base investment of ₹4,150 crore. On paper, it was Tesla's green light. But so far, there's been no confirmation of it opting into the scheme and no sign of a factory. Just one showroom, a few sales hires, and a modest service centre tucked away six kilometers from the display floor.

And come to think of it, it's a strategic move. If things go south, it gets to say: "Look, we tried. But the market wasn't ready." And if things go well, that is, if enough buzz builds and policy softens further (especially with the ongoing US-India trade negotiations), it can jump in with a factory and claim it all started here.

And you only need to look at Tesla's history to know why this could be the reason. In China, it lobbied until it got tax breaks and a fast-tracked Gigafactory. In Germany, it faced backlash for building before environmental clearances and allegedly exploiting a loophole. In the US, it threatened to leave California, and then pocketed billions in tax breaks before moving to Texas.

Besides, Tesla has some good reasons to want India. It's one of the last major auto markets left unconquered. It's also a geopolitical hedge against overreliance on China. Plus, Indian cities are clogged with pollution, fuel prices run high, and the government wants 30% of new passenger car sales to be electric by 2030. That's a dream backdrop for any EV maker.

On the contrary, there sure are challenges as India in 2025 isn't the easiest place to sell premium EVs. In 2024, only about 51,000 luxury cars were sold in India. That's about 1% of all passenger vehicle sales. Mercedes, BMW, and Audi dominate that tiny slice, and they've spent years building trust, service networks, and local assembly lines. Tesla doesn't have that yet.

Even as India became the world's third-largest auto market by volume, it remains one of the most complex ones to crack and compete. Global giants like Ford and GM exited after pouring in billions. Because India is, above all, a value-conscious market. Most passenger cars sold in the country cost under ₹15 lakh.

Layer on EVs to that and you see that barely 5% of India's passenger vehicles sold today are electric. Most of that volume comes from domestic brands. And most buyers don't even have home garages, so charging is still patchy and largely urban.

In that sense, a ₹60 lakh Tesla is a moonshot.

And there's one more thing: Trust. For years, Indian consumers have seen Tesla flirt with India and disappear. Deposits were taken and refunded, while tweets promised launches that never arrived. In the meantime, Tata turned itself into India's EV poster child. Mahindra rebooted its SUV brand with sleek EV designs. Even BYD managed to roll cars onto Indian roads despite pushback. Tesla, by contrast, is still in show-and-tell mode.

But perhaps Tesla knows something we don't. It's planning to lay the groundwork because this whole thing might not be about short-term sales after all. If it does build a factory in India, it won't just be for Indians. It'll be a base to serve other Asian counterparts and compete aggressively with global majors. It'll tap into India's rising network of auto suppliers, many of whom already ship parts to Tesla's US and China factories. And who knows? That ₹60 lakh Model Y could eventually become a ₹40–45 lakh made-in-India electric SUV.

Until then, this is a prestige play while testing Indian waters.

For most of us, comparing a ₹12 lakh Ciaz with a ₹15 lakh electric Nexon, Tesla isn't part of the equation. It doesn't change the buying decision. But Tesla does shift something deeper. It forces domestic brands to up their game and raises expectations for design, software, battery life. It adds aspiration, even if out of reach. And that's how disruption often begins. Not by selling, but by showing.

So, will Tesla make it big in India? Only time can tell.

By Siddarth Sunil



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