

THE BUZZ IN CAPITAL MARKETS

It is now well known that the Indian capital markets have been the best place in the world to go public for the past 3 years. Every time we think we have seen the peak of issuances and subscriptions, we are surprised by a bigger one.

It is also heartening to note the active debate on social media about the quality of some of these companies and their valuations – that’s what makes the markets – buyers and sellers – people who have opposing views on the stock leading to efficient price discovery !!

Data on IPO for last 3 years including SME offerings

Period	Indian IPOs	India Proceeds (\$ Bn)	Global Proceeds (\$ Bn)	India’s % Share of Proceeds	India’s % Share of IPO Count
FY 2022-23	181	6.67	171.4	3.9%	12.2%
FY 2023-24	304	9.63	130.5	7.4%	18.3%
FY 2024-25	347	20.7	140.0	14.8%	21.9%

Source: India Data: SEBI, Prime Database, EY India, KPMG India, Prime Data Base, IPO Platform Global Data: EY Global IPO Trends, White & Case Global IPO Reports, Statista

We want to also highlight the contrast to the last time we saw this “mania” of 2007– 08. The large market participants who determine the pricing of the public issue are behaving in a very mature way and need to be applauded for the same. There is enough on the table for a “listing pop” and the listing paves the way for eventual liquidity in a years’ time for the shareholders who were not happy with the IPO pricing. The merchant bankers are happy too, with the repeat business.

That brings a problem for us. We now need to modify our models as the signal from the IPO market for the degree of exuberance is no longer a good indicator.

On the US markets we have started seeing signs of trouble in paradise. The poster boys of the AI theme and crypto started getting wobbly as reality caught up with expectations. We have been writing about this and the increased competition from the unsurmountable moats that some of these companies claimed (apart from lack of cash flows) came into play. That is the beauty of capitalism – very high margins should invite competition.

So, while the efficient markets theory does not work for us in the financial markets, we are thrilled that it works most of the times in a capitalistic and free market economy.

Stock



One of the best opportunities in capital markets often comes from demergers. In most cases, the sum of parts is significantly higher than the whole, ably demonstrated recently by ITC's hotel business separation, Reliance's Jio Financial spin-off and the Aditya Birla Fashion demerger.

Vedanta Ltd presents a similar opportunity. The diversified natural resources major, with market-leading positions in zinc, aluminium, oil & gas and power is progressing toward a five-way demerger designed to unlock shareholder value.

Each existing shareholder will receive one share in four newly created companies for every share held, a straightforward proposition that essentially offers five businesses for the price of one. The demerger is expected to conclude by the end of the current financial year with the approval from the National Company Law Tribunal (NCLT).

What makes this particularly compelling is Vedanta's dominant market position—the country's largest player in both zinc and aluminum— yet the stock trades at just 6x EV/EBITDA, a steep discount to pure-play peers. The company has also made significant strides in deleveraging, earning credit rating upgrades from CRISIL and ICRA to AA.

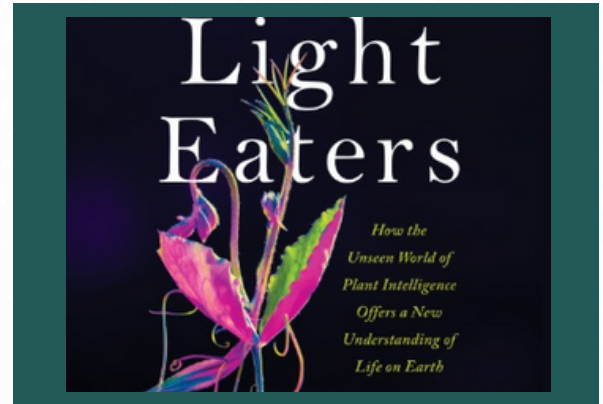
With a double-digit dividend yield over the past three years, Vedanta has consistently rewarded shareholders while positioning itself for value unlocking through the proposed restructuring.



Movie



Book



Is it time to expand our understanding of “intelligence”? Are we, the youngest species on the planet, not paying our dues to those life forms that came before us ?

This book is an exploration of the hidden intelligence of plants and how they sense, communicate and adapt to the world around them. It takes us beyond the idea of plants as passive life forms and reveals them as intelligent beings capable of communication, memory and decision-making in ways that challenge everything we thought we knew about life itself.

The book shows how plants make choices, share information and even exhibit behaviors that echo intelligence in surprising ways.

What makes it so captivating is how it blurs the line between science and philosophy, urging us to rethink our place in the natural world.



This movie is about remarkable true story of Michael Oher, a homeless teenager from a broken home in foster care, until he finds hope and family through Leigh Anne Tuohy and her family.

Simple compassion transforms into a life-changing journey. With unwavering support and fierce determination, Michael rises from struggling student to All-American football player, eventually making the NFL.

The film beautifully captures human dignity, second chances and chosen families—a heartwarming reminder that the biggest victories happen off the field. Watch it on Netflix.

