

JM Financial: No looming signs of recession in India

RAJESH KURUP
Mumbai, July 13

THE INDIA GROWTH story remains intact and recession in certain parts of the world is unlikely to seep into the country; on the contrary this would be a golden decade for India, said a top official at JM Financial.

But with global inflation, rate hikes and readjusting of portfolios, there could be periods of high volatility in markets, Sonia Dasgupta, MD & CEO (investment banking) at JM Financial, told *FE* in an interaction.

"We are positive on the India growth story as we have got close to \$9 billion FDI inflows. So far, we have not seen any looming signs of recession in India and we are very confident that India will remain a great magnet for a lot of inflows. The whole impetus of large multinationals

We are positive on the India growth story as we have got close to \$9-billion FDI inflows... The whole impetus of large multinationals looking at India for manufacturing ...is going to help

SONIA DASGUPTA,
MD & CEO (INVESTMENT BANKING),
JM FINANCIAL



looking at India for manufacturing and the China Plus One policy is going to help," Dasgupta said.

Given the capability India has, the purchasing power due to its demographics, young population, talent pool, and the spends for infrastructure, education and healthcare, this would be a "golden decade" for India, she said. Going forward, sectors such as manufacturing,

financial services (insurance, mortgage), auto components, defence and pharmaceuticals will see increased investments.

On the rise in exits by private equity firms, Dasgupta said most of these took place on completion of full lifecycles of investments by PE firms, which helps in investors getting more confident about a market with depth like India. And hence the same names are keenly looking

at investing in India, she said.

The PEs are interested in sectors such as healthcare, consumer, technology, financial services and tech-enabled services.

Dasgupta said the M&A deal pipeline for FY24 looks strong. A number of initial public offering (IPO) deals that did not happen in the last financial year will spill over into this year, and the number of IPOs is also expected to rise in FY24.

The reset in the global economic scenario has definitely impacted the amounts PE funds have been able to raise recently from their limited partners, she said. This has made investors a bit cautious on valuations they are willing to pay when they invest, unlike the mood of investing that prevailed in FY22, which seemed to have been driven by the fear of missing out on opportunities, she added.